



欢喜首映



# 2018 年報 Annual Report



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

(於百慕達註冊成立之有限公司)  
(Incorporated in Bermuda with limited liability)  
股份代號 Stock Code : 1003

\* For identification purposes only 僅供識別

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# 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 (resigned on 15 August 2018)

#### Independent Non-Executive Directors

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

### AUDIT COMMITTEE

Mr. Wong Tak Chuen (*Chairman*)  
Mr. Su Tuong Sing, David  
Mr. Li Xiaolong (appointed on 15 August 2018)  
Mr. Gao Zhikai (resigned on 15 August 2018)

### 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

PricewaterhouseCoopers  
Certified Public Accountants

### PRINCIPAL BANKERS

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

### 董事會

#### 執行董事

董平先生 (*主席*)  
項紹琨先生 (*行政總裁*)

#### 非執行董事

寧浩先生  
徐崢先生  
高志凱先生 (於二零一八年八月十五日辭任)

#### 獨立非執行董事

黃德銓先生  
徐傳陞先生  
李小龍先生

### 審核委員會

黃德銓先生 (*主席*)  
徐傳陞先生  
李小龍先生 (於二零一八年八月十五日獲委任)  
高志凱先生 (於二零一八年八月十五日辭任)

### 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

羅兵咸永道會計師事務所  
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

# CORPORATE INFORMATION

## 公司資料

### LEGAL ADVISERS TO THE COMPANY

*As to Hong Kong Law*  
Weil, Gotshal & Manges

*As to Bermuda Law*  
Appleby

### REGISTERED OFFICE

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

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### STOCK CODE

1003

### WEBSITE

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[www.irasia.com/listco/hk/huanximedia](http://www.irasia.com/listco/hk/huanximedia)  
[www.huanximedia.com](http://www.huanximedia.com)

### INVESTOR RELATIONS CONTACT

[info@huanxi.com](mailto:info@huanxi.com)

### 公司法律顧問

香港法律  
威嘉國際律師事務所

百慕達法律  
Appleby

### 註冊辦事處

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

### 香港總辦事處及主要營業地點

香港金鐘  
夏慤道16號  
遠東金融中心  
11樓

### 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited  
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  
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### 股份代號

1003

### 網址

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### 投資者關係聯絡

[info@huanxi.com](mailto:info@huanxi.com)

# CHAIRMAN'S STATEMENT

## 主席報告書

Dear Shareholders,

I am pleased to report that Huanxi Media Group Limited (the "Company" or "Huanxi Media", together with its subsidiaries, the "Group") made significant development and progress in the past year. During the year under review, a number of quality films the Group invested in and produced hit the screen and achieved impressive box office receipts as well as word-of-mouth recommendations.

Believing in the importance of content, the Group has been exploring opportunities to cooperate with outstanding directors. During the year, internationally renowned director Zhang Yimou joined the Group, adding another strong capability in creating film and TV contents. The Group continued to forge alliance with top-tier directors in China and, together with them, mapped out its strategy to deliver original and premium movie and TV production to the market and locked in the source of best original content for films and drama series in China, thereby fortifying its leadership in the film and TV industry in China.

Furthermore, the Group continues to be positive about the online viewing trend and has developed the online video platform "huanxi.com" (歡喜首映) focusing on delivering curated content. The purpose of the platform, which offers a selection of high quality film and TV productions, is to drive the Group's evolution to become a leading media group with the best planning and production teams, top film and TV productions and its own online video platform. The Group was delighted to see "huanxi.com" gain market recognition and user patronage during the year under review.

親愛的股東：

本人欣然報告歡喜傳媒集團有限公司(「本公司」或「歡喜傳媒」，連同其附屬公司，統稱「本集團」)於過去一年的長足發展與進步。於回顧年內，本集團投資出品的多部優秀作品陸續上映，口碑票房雙豐收。

本集團一直深信「內容為王」的原則，因此一直積極發掘與優秀導演合作的機會，年內，國際知名導演張藝謀強勢加盟本集團，進一步加強本集團在影視內容方面的實力。本集團繼續與中國一線導演結盟、共同打造原創優質影視作品的策略，鎖定中國影視劇原創頂尖內容的源頭，藉此進一步鞏固本集團在中國影視行業的領導地位。

此外，本集團繼續看好在線觀影的大趨勢，積極打造匯聚精選優質影視作品的在線視頻平台—「歡喜首映」，目標是推動本集團成為集精良策劃製作團隊、頂尖影視作品內容及擁有自營的在線視頻平台的領先傳媒集團。我們樂見「歡喜首映」於回顧年內進一步受到市場的肯定，用戶人數節節上升。

# CHAIRMAN'S STATEMENT

## 主席報告書

### INDUSTRY OVERVIEW

In late 2018, the China Film Administration published the “Opinions on Accelerating the Construction of Movie Theaters to Promote the Prosperity and Development of the Film Market”, proposing a series of measures to help the film market develop, reflective of the Central Government’s endorsement of and determination to drive growth of the Chinese film industry. And, the industry itself has maintained a positive growth momentum. According to China Film Administration data, the total box office receipts of movies released in China in 2018 exceeded RMB60 billion for the first time, with made-in-China films accounting for 62.15%, the highest ever, commanding box office receipts of RMB37.89 billion, a surge of 25.89% when compared with the last corresponding period. As film productions in China become more and more sophisticated, Chinese audience also have a greater sense of identification with and preference for them.

Moreover, the number of viewers of videos on online platforms is growing rapidly. According to a China Internet Network Information Center report, as at late June 2018, there were 802 million internet users in China and the country’s internet penetration rate was 57.7%. According to the “2018 Online Video Market Annual Report” published by BigData-Research, the online video platform market in China was valued at over RMB110.46 billion, representing a 26.6% increase year-on-year, and the proportion of pay-to-view internet drama managed continuous growth. The “2018 Analysis Report of Development of Online Original Programs” released by State Administration of Press, Publication, Radio, Film and Television also showed that 218 online drama series were released on the internet during the year, 95% of them were pay-to-view drama, up by close to 10 percentage points when compared with 2017. Driven by advanced technologies, the film, TV and cultural industry is looking at consistently increasing demands. Stimulated by the rich supply of different film and TV content and support from the ever-improving internet infrastructure, Chinese consumers are growingly receptive to the online pay-to-view mode and quality internet drama series have stronger and stronger followings.

### 行業概覽

二零一八年末，國家電影局刊發《關於加快電影院建設促進電影市場繁榮發展的意見》，提出一系列有利電影市場的積極措施，體現了中央政府對推動中國電影產業發展的重視與決心。與此同時，中國電影繼續保持向上向好的發展態勢。國家電影局發佈的數據顯示，二零一八年中國電影票房首次突破人民幣600億元，其中國產電影佔比為62.15%，為歷年之最，其票房達人民幣378.9億元，同比增長25.89%。隨著國產電影的製作愈發精良，中國觀眾對國產電影的認同感和喜愛度越來越高。

另一方面，透過網上視頻平台觀影的人數正迅速增長。中國互聯網絡信息中心報告顯示，截至二零一八年六月底，中國網民規模達8.02億人次，互聯網普及率達到57.7%；比達諮詢《2018年中國在線視頻市場年度報告》指，二零一八年中國在線視頻行業市場規模達到人民幣1,104.6億元，同比增長26.6%，其中付費網劇的佔比實現了持續增長。國家廣電總局《2018網絡原創節目發展分析報告》顯示，年內上線的網劇218部，其中95%為付費劇，比二零一七年增加接近十個百分點。在先進科技引領下，國民對影視文化產業的需求不斷增加，加上影視內容供應日趨豐富和互聯網基礎設施不斷優化升級的支持下，中國消費者日漸習慣付費線上觀影，令優質的網劇內容愈來愈受追捧。

# CHAIRMAN'S STATEMENT

## 主席報告書

### BUSINESS REVIEW

#### Several films hit the screen and achieved strong box office receipts and word-of-mouth recommendations

During the year under review, many outstanding works produced by the Group in cooperation with shareholder directors and contracted directors were released as scheduled. These films were well received by the mass audience and achieved satisfactory box office receipts as well as word-of-mouth recommendations.

*Us and Them* (後來的我們), a directorial debut of the renowned Taiwanese singer Rene Liu, which was invested by the Group and produced by Zhang Yibai, was released during the Labor Day holiday in China in 2018. It achieved impressive box office receipts of more than RMB1.36 billion.

*Dying to Survive* (我不是藥神), based on real-life happenings, was released in July 2018. The movie the Group invested in was co-produced by Ning Hao and Xu Zheng also the lead actor, and directed by the new director Wen Muye, it created a craze and became a blockbuster. The film, which drew attention to and sparked discussions on a social phenomenon, was shortlisted for seven awards at the 55th Golden Horse Awards and took home three – Best Leading Actor, Best New Director and Best Original Screenplay. With box office receipts reaching RMB3.1 billion, it was among the top three movies grossing the highest box office receipts in 2018.

*Ash Is Purest White* (江湖兒女) directed by Jia Zhangke was released in September 2018. The film was nominated for awards at the 71st Cannes Film Festival, bearing testimony to the recognition it enjoys from the international movie community.

### 業務回顧

#### 多部影片陸續上映 口碑票房雙豐收

於回顧年內，本集團與各股東導演以及簽約導演合作的多部優秀作品如期上映，不但受到廣大觀眾的青睞，並同時錄得不俗的票房收益，達到口碑票房雙收的理想成績。

其中，本集團參與投資由張一白監製、台灣著名女歌手劉若英導演之處女作《後來的我們》於二零一八年中國內地電影五一檔期上映，取得超過人民幣1,360,000,000元的亮眼票房成績。

另外，由本集團投資、徐崢及寧浩聯合監製、徐崢主演及新銳導演文牧野執導的現實題材電影《我不是藥神》於二零一八年七月上映後，迅速引起觀影熱潮，一舉成為年內猛片，並掀起了由電影引發的社會話題關注與討論。在隨後的第55屆金馬獎中，該影片入圍7個獎項，最終奪得最佳男主角、最佳新導演及最佳原著劇本三個獎項。該電影更錄得票房人民幣3,100,000,000元，高踞二零一八年中國票房榜三甲之列。

由賈樟柯執導的《江湖兒女》則於二零一八年九月上映。該影片入圍第71屆康城電影節主競賽單元，廣受國際電影界的好評。

# CHAIRMAN'S STATEMENT

## 主席報告書

### Steadily developing content production business to deliver excellent film and TV works

Looking ahead, in 2019, the Group will continue to exert its best in growing the film and TV business. *Crazy Alien* (瘋狂的外星人), the third in the "Crazy" series, just hit cinemas in China during the 2019 Chinese New Year holiday and received enthusiastic market response. The film, with the Group as exclusive investor, was directed by Ning Hao, who was a member of the "comedy trio" formed together with Huang Bo and Shen Teng, two celebrated comedians starred in the movie. Supported by such a top-notch team and with the special appearance by Xu Zheng, the film became a blockbuster comedy and the best choice for family audience during the holiday. It recorded box office receipts of more than RMB2.20 billion and the RMB700 million minimum distribution income from the movie will be booked by the Group in the first half of 2019.

*Wizards in the Royal Palace* (甜心格格之精靈來了) directed by Manfred Wong is an interesting story about four princesses running into an elf at Yuanmingyuan (the Old Summer Palace). It boasts a star-studded cast including Qin Lan who played "Fuca Rongyin" in a hot TV drama series last year and won fans and fame. The movie is in post-production and expected to be released in 2019.

*Tropical Memories* (熱帶往事), with the Group as an investor, is produced by Ning Hao and directed by the new director Wen Shipai and will be released in 2019. The film was a nominee of the Talent Project Market at the 68th Berlin International Film Festival and received the "VFF Talent Highlight Award" cash prize. It has been the only Chinese movie to win the Award since its debut in 2004.

Li Na (李娜), a biographical film the Group invested in and directed by Peter Chan, tells the story of the legendary female tennis player who won Asia's first Grand Slam women's singles, her "love-hate relationship" with tennis starting in Wuhan, taking her then to Beijing, and Paris and London, and the extraordinary efforts she put into the sport and the hardships she endured on the path to glory. The movie is expected to be released in 2019.

### 穩步推進內容製作 影視佳作目不暇給

展望二零一九年，集團在影視業務方面將繼續大展拳腳。其中，由本集團獨家投資、寧浩執導的「瘋狂」系列第三部電影—《瘋狂的外星人》剛於二零一九年中國內地電影春節檔期上映，並獲得市場熱烈回響。電影有寧浩與中國著名喜劇演員黃渤及沈騰組成國內頂級喜劇大片「鐵三角」陣容，徐崢參與客串，成為闔家團聚首選的喜劇大片，錄得票房超過人民幣2,200,000,000元。電影已獲保底發行，相關人民幣700,000,000元收入將於二零一九年上半年入帳。

而文雋執導的《甜心格格之精靈來了》講述四位格格在圓明園偶遇外星精靈引發的一系列逗趣故事。參演陣容星光熠熠，包括去年因飾演「富察皇后」一角而人氣飆升的演員秦嵐。該電影正在後期製作階段，預計在二零一九年內上映。

本集團參與投資、由寧浩監製、新晉導演溫仕培執導的電影《熱帶往事》將於二零一九年與觀眾見面。該電影入圍第68屆柏林國際電影節的天才項目市場單元，並最終獲得「VFF Talent Highlight Award」現金大獎，是該單元自二零零四年成立以來唯一獲獎的華語電影。

此外，本集團參與投資、陳可辛執導的傳記片《李娜》，講述這位曾奪下亞洲第一座網球大滿貫單打冠軍獎杯的傳奇女性，從武漢到北京、再到巴黎、倫敦一路上對網球的愛與恨，展現榮耀背後超乎常人的努力和辛酸。該電影預計在二零一九年上映。

# CHAIRMAN'S STATEMENT

## 主席報告書

Another movie deserving attention is *Lost in Russia* (囧媽), the latest production in the "Lost" series written and directed by and starring Xu Zheng, and with the Group as exclusive investor. It is scheduled for release on the first day of Chinese New Year in 2020, making it the first movie in the "Lost" series to be screened in the Chinese New Year period. As the third movie in the classic comedy series, it is highly-anticipated among the mass audience. The filming of *Miss Mom* (生不由己), which is about real life and social topics such as pregnancy of women, has begun and is expected to resonate with and spark discussions among the audience when it hit the cinema screen.

### Exclusive customised internet drama content soon to make debut at "huanxi.com"

For its online film and TV platform "huanxi.com", the Group has been actively enriching the selection of quality films and TV productions on the platform. The 12-episode drama series *Paradise Guesthouse* (天堂旅館), the first internet drama produced and co-directed by the Group's shareholder director Wong Kar Wai, is expected to go into production in 2019.

*Run For Young* (瘋犬少年的天空), an internet drama directed by Zhang Yibai and screen-written based on the fiction with the same name, is being filmed. The Group owns the exclusive rights to distribute the above internet drama productions to new media platforms around the world. Director Zhang Yibai is filming the *Run For Young* (瘋犬少年的天空) movie at the same time.

不得不提的是由本集團獨家投資出品、徐崢自編自導自演的《囧》系列最新作《囧媽》，該電影預計將於二零二零年大年初一上映。這是《囧》系列首駐春節檔，作為近年國產經典喜劇《囧》系列的第三部，相信《囧媽》將令影迷引頸以待。另外，由唐大年執導的現實題材電影《生不由己》正在拍攝階段，該電影聚焦女性生育等社會議題，相信上映後會引起觀眾的共鳴及熱烈討論。

### 獨家定制網劇資源 即將於「歡喜首映」播出

另一邊廂，本集團亦正積極為旗下在線影視平台「歡喜首映」注入更多高質素的影視作品。其中，本集團股東導演王家衛首次監製和聯合導演的12集網絡系列影視劇《天堂旅館》預計今年開機。

另外，由張一白執導，改編自同名青春小說的網劇《瘋犬少年的天空》已經開拍。本集團擁有上述這些網絡系列影視劇之全球新媒體平台的獨家發行權。張一白導演正同時拍攝同名電影。

# CHAIRMAN'S STATEMENT

## 主席報告書

### Building an online platform for premium productions to prepare for the advent of paid viewing trend

To promote and expand development of its new media online film and TV platform, the Group signed a cooperation agreement with Tianjin Maoyan Weying Cultural Media Co., Ltd ("Maoyan Weying"). Maoyan Weying has started to include a highly visible "huanxi.com" access gateway in all its internet portals, such as App and the WeChat Mini Programmes, which has served well in directing traffic to the platform, increasing the number of registered users of the platform to more than 1,000,000. Of all the registered users, more than 30% are paid users. In the future, the Group's shareholder directors and contracted directors will continue to tailor internet films and drama series exclusively for the platform. The Group itself will keep sourcing more quality local and overseas film and TV productions for "huanxi.com".

### BUSINESS STRATEGIES AND PROSPECTS

At this opportune time with favorable government policies backing the industry, the Group has been actively creating quality original contents, with the aim of developing itself into a leading all-round media and entertainment group in the Greater China region. The Group is preparing and producing a number of quality films and internet drama series and expects to continuously deliver outstanding film and TV contents to audiences in the People's Republic of China (the "PRC"). Such quality contents, the Group believes, will bring abundant returns.

People are the core resource of the film and TV industry. The Group has thus worked hard on rallying top directors in the PRC and, to date, it has seven shareholder directors, namely Ning Hao, Xu Zheng, Chan Ho Sun Peter, Wong Kar Wai, Zhang Yibai, Gu Changwei and Zhang Yimou. It has also forged close cooperation relationship with famous directors, at home and abroad, including Jia Zhangke, Manfred Wong, Wang Xiaoshuai, Li Yang and Chen Daming. Capitalising on its win-win operational model emphasising on offering original contents and the top content creation capability of all partner directors, it endeavors to establish a film and TV platform that can meet diverse market demands. In the future, the Group will continue to look for opportunities to cooperate with more top directors and assist young directors, in a bid to gradually enhance its core competitive advantages in the film and TV production sector.

### 打造在線精品平台 迎接付費觀影大潮

為進一步推廣及擴大本集團新媒體在線影視平台的發展，本集團與天津貓眼微影文化傳媒有限公司（「貓眼微影」）達成合作協議，貓眼微影並已開始在其所有互聯網入口如App及微信小程序上的顯眼位置為「歡喜首映」設置直接入口，導流效果理想，並令「歡喜首映」的註冊用戶增至超過100萬名，其中付費用戶超過三成。未來，本集團的股東導演及簽約導演將持續為「歡喜首映」獨家定制網絡大電影及系列網劇，而本集團亦將繼續為「歡喜首映」引入更多國內外高質素的影視佳作。

### 業務策略及展望

在國家電影行業政策利好的情況下，本集團積極建設原創優質內容，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。本集團正籌備及製作多部優質影片及網劇，預期持續地為中華人民共和國（「中國」）市場輸送優秀影視內容。相信此等優質內容將為集團帶來豐碩成果。

人才是影視行業的核心資源。本集團獨家鎖定中國多位頂尖導演，擁有寧浩、徐崢、陳可辛、王家衛、張一白、顧長衛與張藝謀七位股東導演，同時與不少國內外知名導演建立了緊密合作關係，包括賈樟柯、文雋、王小帥、李揚、陳大明等。本集團運用互利雙贏的經營模式，立足原創內容，憑藉各合作導演的頂尖內容生產能力打造一個能滿足市場多樣化需求的影視平台。未來，本集團將繼續物色與更多頂尖導演合作的機會，並扶持年輕導演，逐步提升歡喜傳媒在影視作品製作方面的核心競爭優勢。

# CHAIRMAN'S STATEMENT

## 主席報告書

Furthermore, the Group has also been active in building "huanxi.com" that agrees with the burgeoning online viewing trend. Unlike existing video broadcast websites, the platform carefully selects and offers various quality films and TV productions to audiences, allowing them to enjoy their preference contents at ease without spending time and effort searching for them. With premium contents to offer and importance of content being the trend, the Group believes "huanxi.com" shall be able to win more loyal users. The Group is confident that the online video platform business will become one of its future growth drivers.

### CONCLUSION

With the Chinese people spending more and more on cultural entertainment, the film and TV industry has a strong impetus to achieve sustainable growth. On the second anniversary of the enactment of the "Film Industry Promotion Law", the China Film Administration issued another notice on promoting the prosperous development of the film market, giving the growing film market yet another shot in the arm.

Looking ahead, the Group will stay true to its original aspiration, which is to create outstanding original film and TV productions. With an industry-leading content creation team and a flexible management and operational model, the Group will optimise its strategically deployed industrial chain that stretches full length from film and TV content creation, shooting and production to distribution and promotion, as well as building an online video platform that offers diverse film and TV contents, so as to further consolidate and sharpen its 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, our management team, business partners and staff for their contributions to the Group's business.

**Dong Ping**  
*Chairman*

Hong Kong, 26 March 2019

此外，本集團亦積極打造「歡喜首映」，迎合在線觀影大趨勢。有別於現有的視頻播放網站，該平台為觀眾篩選優質的影視作品，省卻觀眾四處尋找的時間，更方便輕鬆欣賞作品。「歡喜首映」以精品內容作支援，在內容為王的趨勢下，相信可收獲更多忠實用戶，我們有信心在線視頻平台業務將成為本集團未來其中一個增長動力。

### 總結

隨著國民對文化消費的需求日益增加，驅動了影視產業的持續發展。《電影產業促進法》出台兩週年，國家電影局再次下發促進電影市場繁榮發展的通知，有助推動電影市場進一步增長。

展望二零一九年，本集團將秉承初心，致力打造出色的原創影視作品，透過行業頂尖的內容生產團隊及靈活的管理運營模式，完善從影視內容創作、拍攝製作、發行到宣傳全產業鏈戰略佈局，並打造一個多元化影視內容的線上視頻平台，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對本集團業務所做出的傾力貢獻，表示由衷的致謝！

**主席**  
**董平**

香港，二零一九年三月二十六日

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### APPENDIX: FAMOUS DIRECTORS COOPERATING EXCLUSIVELY WITH THE GROUP

#### 附表：與本集團簽訂獨家合作合約之知名導演

Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Ning Hao* 寧浩*</p>	<ul style="list-style-type: none"> <li>Famous internationally for his unique directing style, all films he made so far had brought strong investment returns. His directorial debut <i>Incense</i> (香火) and another work <i>Mongolian Ping Pong</i> (綠草地) were nominated for awards in over 50 international film festivals 憑藉獨特個人風格享譽國際，全部電影均帶來豐碩投資回報，其首部執導電影《香火》和《綠草地》於五十多個國際電影節獲提名</li> <li><i>Crazy Stone</i> (瘋狂的石頭), a low budget production he directed in 2006, won at the Taiwan Golden Horse Awards for Best Original Screenplay. <i>Crazy Racer</i> (瘋狂的賽車) (2009), which he wrote and directed, was produced with only RMB10 million, yet brought in box office receipts of over RMB100 million 於二零零六年執導小本電影《瘋狂的石頭》並奪得台灣金馬獎最佳原著劇本獎。寧先生自編自導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</li> <li>He also directed the huge box office hit <i>Breakup Buddies</i> (心花路放) (2014), which grossed RMB1,169 million in box office receipts in the PRC, making it the highest-grossing domestic Chinese movie of the year 其執導電影《心花路放》(二零一四年)，以國內總票房人民幣1,169,000,000元榮登中國年度最賣座華語電影</li> <li>He is one of the co-producers of <i>Dying to Survive</i> (我不是藥神) (2018), which earned RMB3.1 billion in box office receipts. The movie was nominated for seven awards at the 55th Taiwan Golden Horse Awards and won the awards for Best Leading Actor, Best New Director and Best Original Screenplay. The movie also won Best Screenplay at the 42nd Montreal World Film Festival and Best Film at the 14th Changchun Film Festival 其參與聯合監製的《我不是藥神》(二零一八年)收獲票房人民幣3,100,000,000元，在第55屆金馬獎中入圍七個獎項，最終奪得最佳男主角、最佳新導演及最佳原著劇本三個獎項。此片亦榮獲第42屆蒙特利爾國際電影節之最佳劇本獎及第14屆中國長春電影節之最佳故事片獎</li> </ul>	<ul style="list-style-type: none"> <li>Shall direct one to two films (for public release) every three years 將為本集團每三年導演一至兩部電影作品(以作品正式公開上映為準)</li> <li>The Group shall own exclusive investment and production rights to any films and programmes developed and directed by Mr. Ning, i.e. the Group shall be the sole investor of such productions 本集團擁有任何由其構思及執導之電影及節目之排他投資權及製作權，即本集團將為有關作品之唯一投資者</li> <li>The Group shall have priority distribution rights (including cinema screenings, audio-visual products, television broadcasting, network dissemination, etc.) to the shareholder director's productions in the PRC, Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC 本集團擁有股東導演作品在中國、香港、台灣及中國澳門特別行政區之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等</li> <li>The shareholder director shall, at his best, provide the Group with the priority investment, production and distribution rights for films and TV programmes not developed or directed, or produced, screen-written by him or with him as lead actor or member of the creative team 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目向本集團提供優先投資權、製作權及發行權</li> <li><i>Crazy Alien</i> (瘋狂的外星人), with the Group as exclusive investor and directed by Mr. Ning, was released on the first day of the Chinese New Year in 2019. It bagged a third-party guaranteed minimum distribution amount of RMB2,800,000,000 and is expected to generate income of RMB700,000,000 for the Group 本集團獨家投資、寧先生執導的電影《瘋狂的外星人》已於二零一九年年初一上映，取得第三方人民幣2,800,000,000元保底發行金額，將為集團帶來人民幣700,000,000元收入</li> </ul>

\* Shareholder director and non-executive director of the Company

\* 股東導演及本公司非執行董事

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Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Xu Zheng* 徐崢*</p>	<ul style="list-style-type: none"> <li>In 2012, his directorial debut <i>Lost in Thailand</i> (人再囧途之泰囧), which he also wrote, produced and starred in, earned over USD200 million in box office receipts 二零一二年首次自編自導自演兼監製公路喜劇《人在囧途之泰囧》，票房突破美金200,000,000元</li> <li>In 2014, Mr. Xu produced and starred in the film <i>Great Hypnotist</i> (催眠大師) which became a classic in the thriller film market in the PRC 二零一四年，徐先生製作並主演驚悚懸疑電影《催眠大師》，成為華語驚悚懸疑電影市場經典</li> <li><i>Dying to Survive</i> (我不是藥神) co-produced by Mr. Xu earned RMB3.1 billion in box office receipts in 2018. The film was nominated for seven awards at the 55th Taiwan Golden Horse Awards and won the Best Leading Actor, Best New Director and Best Original Screenplay awards. The movie also won Best Screenplay at the 42nd Montreal World Film Festival and Best Film at the 14th Changchun Film Festival 二零一八年，其參與聯合監製並主演的《我不是藥神》收獲票房人民幣3,100,000,000元，在第55屆金馬獎中入圍7個獎項，最終奪得最佳男主角、最佳新導演及最佳原著劇本三個獎項。此片亦榮獲第42屆蒙特利爾國際電影節之最佳劇本獎及第14屆中國長春電影節之最佳故事片獎</li> </ul>	<ul style="list-style-type: none"> <li>Shall direct one to two films (for public release) every three years 將為本集團每三年導演一至兩部電影作品（以作品正式公開上映為準）</li> <li>The Group owns exclusive investment and production rights to any films and programmes developed and directed by Mr. Xu, i.e. the Group shall be the sole investor of such productions 本集團擁有任何由其構思及執導之電影及節目之排他投資權及製作權，即本集團將為有關作品之唯一投資者</li> <li>The Group has priority distribution rights (including cinema screenings, audio-visual products, television broadcasting, network dissemination, etc.) to the shareholder director's productions in the PRC, Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC 本集團將擁有股東導演作品在中國、香港、台灣及中國澳門特別行政區之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等</li> <li>The shareholder director shall, at his best, provide the Group with the priority investment, production and distribution rights for films and TV programmes not developed or directed, or produced, screen-written by him or with him as lead actor or member of the creative team 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目向本公司提供優先投資權、製作權及發行權</li> <li><i>Lost in Russia</i> (囧媽), the latest in the "Lost" series, is expected to hit the screen on the first day of the Chinese New Year in 2020 新一齣《囧》系列電影之《囧媽》，預計將在二零二零年大年初一與觀眾見面</li> </ul>

\* Shareholder director and non-executive director of the Company

\* 股東導演及本公司非執行董事

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Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Chan Ho Sun Peter# 陳可辛#</p>	<ul style="list-style-type: none"> <li>• He is the first and also the only director crowned the “Best Director” at the Taiwan Golden Horse Awards, the Hong Kong Film Awards and Mainland China’s Golden Rooster Awards. His films <i>Almost a Love Story</i> (甜蜜蜜) and <i>Dragon</i> (武俠) had made it among Time Magazine’s 10 Best Movies of the Year 作為首位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</li> </ul>	<ul style="list-style-type: none"> <li>• During the six-year cooperation period, the Group shall have investment right to at least two films directed or co-directed by Mr. Chan, in amount up to 60% of the total investment in each of Mr. Chan’s productions 在六年合作期內，本集團將擁有至少兩部由陳先生自導或與聯合導演的電影投資權，最高投資總額為每部陳先生作品投資總額的60%</li> <li>• The Group shall have priority over others to purchase exclusive global distribution licenses in new media with respect to Mr. Chan’s productions (“new media distribution right”)  本集團優先於他人購買陳先生作品的全球獨家新媒體發行許可之權利（「新媒體發行權」）</li> <li>• For those productions the Group invested in, the Group shall have the right to decide regarding distribution of the films to exclusive new media platforms 對本集團已投資的製作，本集團將獲授予擬定電影之獨家新媒體平台互聯網發行權</li> </ul>
<p>Wong Kar Wai# 王家衛#</p>	<ul style="list-style-type: none"> <li>• 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及金馬獎最佳導演獎</li> <li>• He also won the “Best Director” Award for <i>Happy Together</i> (春光乍洩) at the 50th Cannes Film Festival 憑藉《春光乍洩》榮獲第50屆康城電影節最佳導演獎</li> </ul>	<ul style="list-style-type: none"> <li>• During the six-year cooperation period, the Group has the right to invest exclusively in a Chinese internet drama series – 18 episodes in two seasons – co-directed and produced by Mr. Wong. There will be 12 episodes in the first season 在六年合作期內，本集團獲得其首次監製和聯合導演的兩季共18集中文網絡系列影視劇的獨家投資權，首季共12集</li> <li>• The Group has exclusive right to distribute, sub-license and broadcast the internet drama series to the global audience through new media platforms for a period of 10 years 本集團擁有發行、轉授及透過新媒體平台向全球觀眾播放此網絡系列影視劇的獨家許可權，年期達十年</li> <li>• Mr. Wong is going to produce and co-direct his first internet drama series <i>Paradise Guesthouse</i> (天堂旅館) with 12 episodes 王先生即將開始首次監製和聯合導演12集網絡系列影視劇《天堂旅館》</li> </ul>

# Shareholder director

# 股東導演

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Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Zhang Xiaoling# (also known as Zhang Yibai) 張曉陵# (又名張一白)</p>	<ul style="list-style-type: none"> <li>• Dubbed the “Godfather of Youth Films” in the PRC, his love story movies have enjoyed wide acclaims and among them, the 2016 production <i>I Belonged to You</i> (從你的全世界路過) brought in box office receipts of more than RMB800 million, a record among movies of its kind 被譽為「中國青春片教父」，其執導的多部愛情電影均於中國大獲好評，其中二零一六年電影《從你的全世界路過》更是取得超過人民幣800,000,000元票房，創下國產愛情電影的票房新紀錄</li> <li>• The box office receipts of films he directed and produced totaled more than RMB3.1 billion, putting him in the league of the most commercially successful directors and producers in the PRC today 他執導和監製的電影累積票房過人民幣3,100,000,000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</li> <li>• <i>Us and Them</i> (後來的我們) (2018) produced by Mr. Zhang and directed by Rene Liu recorded a box office receipts of more than RMB1.36 billion 張先生擔任監製，劉若英執導的青春文藝電影《後來的我們》(二零一八年)，取得票房超過人民幣1,360,000,000元</li> </ul>	<ul style="list-style-type: none"> <li>• During the six-year cooperation period, the Group has priority right over others to invest in at least two of Mr. Zhang's productions, in the amount of no less than 55% of the total investment amount of each of the productions 在六年合作期內，本集團享有優先於他人投資至少兩部張先生作品之權利，投資額不少於每部張先生作品投資總額之55%</li> <li>• The Group has priority right to purchase exclusive global distribution licenses to new media of at least two of Mr. Zhang's productions 本集團享有優先購買至少兩部張先生作品之全球獨家新媒體發行許可之權利</li> <li>• The Group has exclusive right to invest in two seasons of internet drama series directed (or co-directed) by Mr. Zhang 本集團享有對張先生執導(或聯合執導)的兩季網絡系列影視劇之獨家投資權</li> <li>• The Group has been granted exclusive global distribution rights of two seasons of the internet drama series directed (or co-directed) by Mr. Zhang to new media 本集團獲授張先生執導(或聯合執導)的兩季網絡系列影視劇之全球獨家新媒體發行權</li> <li>• The Group has participation rights to other productions of Mr. Zhang 本集團獲授張先生其他作品之投資參與權</li> <li>• The internet drama series <i>Run For Young</i> (瘋犬少年的天空) directed Mr. Zhang is expected to be released in 2019 其執導的網劇《瘋犬少年的天空》預計將於二零一九年與觀眾見面</li> </ul>

# Shareholder director

# 股東導演

# CHAIRMAN'S STATEMENT

## 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Gu Changwei# 顧長衛#	<ul style="list-style-type: none"><li>As one of the few Chinese members of the Academy of Motion Picture Arts and Sciences (AMPAS), he has long been hailed as "the master cinematographer in Asia" and subsequently became a director 顧長衛為少數華人奧斯卡委員，早有「亞洲第一攝影師」之稱，及後轉執導電影</li><li>He directed a number of iconic movies including <i>Love for Life</i> (最愛), <i>Peacock</i> (孔雀), and was the cinematographer of <i>Red Sorghum</i> (紅高粱) and <i>Farewell To My Concubine</i> (霸王別姬), winning accolades at many international film festivals 執導多部知名電影，包括《最愛》、《孔雀》及拍攝《紅高粱》及《霸王別姬》，在世界級電影頒獎禮中屢獲殊榮</li></ul>	<ul style="list-style-type: none"><li>During the six-year cooperation period, the Group has exclusive right to invest in two seasons of internet drama series directed (or co-directed) by Mr. Gu 在六年合作期內，本集團享有顧先生執導（或聯合執導）的兩季網絡系列影視劇之獨家投資權</li><li>The Group has exclusive global new media distribution rights for these internet drama series 本集團獲授顧先生網絡系列影視劇之全球獨家新媒體發行權</li><li>The Group has priority right to invest in Mr. Gu's productions. The exact amount of investment in each of Mr. Gu's productions is to be agreed between the Company and Mr. Gu 本集團提供優先投資顧先生電影作品之權利。每一部顧先生電影作品之具體投資額將由本公司與顧先生協定</li><li>The Group has the right to purchase exclusive global distribution licenses to new media for at least two of Mr. Gu's productions and has participation right to invest in his other productions 本集團享有購買至少兩部顧先生電影作品的全球獨家新媒體發行許可之權利和提供投資其他作品之參與權</li></ul>

# Shareholder director

# 股東導演

# CHAIRMAN'S STATEMENT

## 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Zhang Yimou# 張藝謀#</p>	<ul style="list-style-type: none"> <li>As an internationally famed movie director, his works included <i>Red Sorghum</i> (紅高粱), <i>Raise the Red Lantern</i> (大紅燈籠高高掛), <i>To Live</i> (活著), <i>Not One Less</i> (一個都不能少), <i>The Road Home</i> (我的父親母親), <i>Hero</i> (英雄), <i>House of Flying Daggers</i> (十面埋伏), <i>Curse of the Golden Flower</i> (滿城盡帶黃金甲), <i>The Flowers of War</i> (金陵十三釵), <i>Coming Home</i> (歸來) and <i>The Great Wall</i> (長城), etc. 國際知名導演，由其執導的電影包括《紅高粱》、《大紅燈籠高高掛》、《活著》、《一個都不能少》、《我的父親母親》、《英雄》、《十面埋伏》、《滿城盡帶黃金甲》、《金陵十三釵》、《歸來》、《長城》等</li> <li>His works received awards at international film festivals, including Golden Bear at the Berlin International Film Festival, Golden Lion at Venice International Film Festival, and also the Golden Horse Awards in Taiwan 張先生執導的電影多次獲得國際電影節大獎，包括柏林國際電影節金熊獎、威尼斯影展金獅獎和台灣金馬獎</li> <li>Mr. Zhang was the chief director of the opening ceremony of the 2008 Beijing Olympics, and was awarded an honorary doctorate degree by Boston University and Yale University in the US 張先生為二零零八年北京奧運會開幕式總導演，美國波士頓大學及耶魯大學榮譽博士</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group has exclusive right to invest in three internet drama series directed by Mr. Zhang, with topics to be agreed between the Group and Mr. Zhang 在六年合作期內，本集團將有權獨家投資張先生執導的三部網絡系列影視劇，題材將由本集團與張先生協定</li> <li>The exclusive investment right of one internet drama series directed by Mr. Zhang can be converted into priority investment right of a film directed by him (with no existing third-party contract restriction), and the investment amount within the cooperation period shall not be less than 60% of the total investment of the film 對一部張先生執導的網絡系列影視劇的獨家投資權可替換為對張先生執導之不受現有與第三方合約限制的電影之優先投資權，於合作期內之投資額不少於該電影投資總額的60%</li> <li>The Group shall own all the tangible and intangible assets of his internet drama series, as well as the rights derived from or related to them 本集團將獲授張先生網絡系列影視劇之所有有形及無形資產以及其衍生權利及相關權利</li> <li>The film <i>One Second</i> (一秒鐘), produced by the Group and directed by Mr. Zhang, is expected to hit the screen in 2019 本集團出品、張先生執導的電影《一秒鐘》預計將於二零一九年與觀眾見面</li> </ul>

# Shareholder director

# 股東導演

# CHAIRMAN'S STATEMENT

## 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Chen Daming 陳大明</p>	<ul style="list-style-type: none"> <li>Mr. Chen studied screenwriting, directing and acting in the US in the 1990s and starred in a number of Hollywood movies. Many of the films he directed won international awards 於九十年代赴美國學習編劇、導演和表演，曾參演多部荷里活電影，其執導之多部電影均獲國外殊榮</li> <li>He is currently a visiting professor at the Beijing Film Academy (北京電影學院), Vice President of the Shanghai International School of the Beijing Film Academy (北京電影學院上海國際學院) and has been appointed by Shanghai Vancouver Film School as its Art Director 他是北京電影學院客座教授及北京電影學院上海國際學院副院長，並受聘為上海溫哥華電影學院藝術總監</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group has priority right to invest in at least three of Mr. Chen's productions 在六年合作期內，本集團享有優先於他人投資至少三部陳先生作品之權利</li> <li>The Group has exclusive rights to invest in two seasons of internet drama series directed (or co-directed) by Mr. Chen 本集團獲得其執導(或聯合執導)的兩季網絡系列影視劇劇之獨家投資權</li> <li>Payments (such as development fund, film director fees and creative member fees) will be agreed separately for each of Mr. Chen's films and internet drama series productions 陳先生每部電影及網絡系列影視劇製作之付款(例如開發基金、電影導演費及主創人員費用)將分別協定</li> </ul>
<p>Jia Zhangke 賈樟柯</p>	<ul style="list-style-type: none"> <li>A distinguished international art-house director, he has received Lifetime Achievement Awards from several international film organisations 國際著名藝術電影導演，曾獲多個國際電影組織頒發「終身成就獎」</li> <li>Directed 12 feature films, all nominated for awards at the Berlin, Cannes and Venice International Film Festivals. In 2013, <i>A Touch of Sin</i> (天注定) won the award for Best Screenplay at the 66th Cannes Film Festival 共執導十二部長片，全部入圍柏林、康城及威尼斯電影節。二零一三年，《天注定》獲第66屆康城國際電影節最佳編劇獎</li> <li>In 2015, he received the Carrosse d' Or at the Cannes Film Festival 二零一五年，獲康城國際電影節導演雙周單元終身成就「金馬車獎」</li> <li>In 2018, <i>Ash is Purest White</i> (江湖兒女) was a shortlisted contender of the top honor at the 71st Cannes Film Festival 二零一八年，其導演的《江湖兒女》入圍第71屆康城電影節主競賽單元</li> </ul>	<ul style="list-style-type: none"> <li>The Group has exclusive or priority right to invest in at least three new films directed by Mr. Jia in the six-year cooperation period 在六年合作期內，本集團獲得由賈先生執導之最少三部新電影作品的獨家或優先投資權</li> <li>The Group has priority distribution right and exclusive new media right to the above new films 本集團可獲得上述新電影作品的優先發行權及新媒體獨家權</li> </ul>

# CHAIRMAN'S STATEMENT

## 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Wang Xiaoshuai 王小帥</p>	<ul style="list-style-type: none"> <li>A pioneer independent film director in the PRC and recipient of the Ordre des Arts et des Lettres from the French Minister of Culture 中國獨立導演先鋒，並曾獲得法國文化藝術騎士勳章的嘉許</li> <li>Directed 11 feature films that were nominated eight times in the top three international film festivals 共執導過十一部電影長篇，八次入圍三大國際電影節競賽單元</li> <li>In 2005, <i>Shanghai Dreams</i> (青紅) won the Jury Prize at the 58th Cannes Film Festival 二零零五年，其執導的《青紅》獲第58屆康城國際電影節評審團大獎</li> </ul>	<ul style="list-style-type: none"> <li>The Group has priority right to invest in two productions (including films and internet drama series) Mr. Wang directed or produced during the six-year cooperation period 在六年合作期內，本集團獲得由其執導或監製之兩部影視作品（包括電影、網絡系列影視劇）的優先投資權</li> <li>The Group has priority right to invest in and distribute globally his new productions 本集團將享有新作品的優先投資權和全球優先發行權</li> <li>The Group has exclusive right to distribute and re-sell his new productions to new media platforms worldwide 本集團將享有新作品在全球各新媒體平台獨家發行權及轉售權</li> </ul>

# CHAIRMAN'S STATEMENT

## 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
Manfred Wong 王文俊(又名文雋)	<ul style="list-style-type: none"><li>A veteran filmmaker in Hong Kong who has directed, produced, and acted in films and is also a screenwriter for films and TV dramas 香港資深電影人，曾擔任電影導演、監製、演員及影視編劇等崗位</li><li>Ventured into the film industry in the early 1990s and co-founded BoB &amp; Partners Company Limited (最佳拍檔有限公司) in the mid-90s, he has under his belt more than 30 films including <i>The Storm Riders</i> (風雲) and the <i>Young and Dangerous</i> (古惑仔) series 於九十年代初開展電影事業，於九十年代中期合組「最佳拍檔」電影公司，曾製作超過30部電影，包括《風雲》、《古惑仔》系列等</li><li>The film <i>Roots and Branches</i> (我的兄弟姐妹) he produced broke the box office receipt record of domestic movies in the PRC in 2001 and won awards at more than 10 film festivals 由其監製之《我的兄弟姐妹》於二零零一年打破全國國產電影票房紀錄，並奪取超過十個影展的電影獎項</li><li>Hong Kong's first producer to venture into production of internet drama series. His works included <i>Feel 100%</i> (百分百感覺) and <i>20/30 Dictionary</i> (男女字典), among others 香港首位開拓網絡劇集製作人，製作包括《百分百感覺》及《男女字典》等網絡劇集</li></ul>	<ul style="list-style-type: none"><li>The Group has priority right over others to invest in at least four of Mr. Wong's new productions 本集團享有優先於他人投資至少四部王先生作品之權利</li><li><i>Wizards in the Royal Palace</i> (甜心格格之精靈來了), a comedy directed by Mr. Wong, tells the story of four princesses encountering some sprites from outer space and will be released in 2019 其執導的電影《甜心格格之精靈來了》講述四位格格在圓明園偶遇外星精靈引發的一系列逗趣故事，將於二零一九年上映</li></ul>

# CHAIRMAN'S STATEMENT

## 主席報告書

Director 導演	Background 導演簡介	Cooperation Details 合作內容
<p>Li Yang 李楊</p>	<ul style="list-style-type: none"> <li>Li Yang is a film director in Mainland China, outstanding in making documentaries on social phenomena and movies that portray real life stories. His work <i>Blind Shaft</i> (盲井) has won more than 30 awards, including the Silver Bear for Outstanding Artistic Achievement at the 53rd Berlin International Film Festival 專長於拍攝中國社會現象及社會問題紀錄片及寫實故事電影中國大陸電影導演，憑藉《盲井》，李先生獲得了包括第53屆柏林國際電影節最佳藝術貢獻銀熊獎在內的三十餘個國際大獎</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group has exclusive right to invest in at least three films directed by Mr. Li 在六年合作期內，本集團將獲取其所執導最少三部電影作品的獨家投資權</li> <li>The Group shall have exclusive right to broadcast and re-sell to new media platforms worldwide Mr. Li's productions it invested in 本集團將享有其投資的作品在全球各新媒體平台獨家播放權及轉售權</li> </ul>
<p>Liu Xingang 劉心剛</p>	<ul style="list-style-type: none"> <li>He has years of experience in making movies and TV drama series, and was the Art Director of <i>The Sorrow of Brook Steppe</i> (悲情布魯克) and <i>Cell Phone</i> (手機) nominated respectively for the "Best Art Direction" Award at the Golden Rooster Awards in two years. He won the "Best Director" award at the public TV Double Ten (大眾電視雙十佳) for <i>I'm Looking Forward to Being Loved</i> (好想好想談戀愛) and his <i>Five Star Hotel</i> (五星級大飯店) was named "TV Drama of the Year" by Sina 擁有多年的電影及電視劇拍攝經驗，他曾擔任美術指導的《悲情布魯克》和《手機》分別榮獲兩屆中國電影金雞獎最佳美術獎提名，隨後他憑藉《好想好想談戀愛》和《五星級大飯店》分別斬獲大眾電視雙十佳最佳導演獎和新浪年度電視劇獎</li> </ul>	<ul style="list-style-type: none"> <li>During the six-year cooperation period, the Group has exclusive right to invest in at least three films directed by Mr. Liu 在六年合作期內，本集團獲取其所執導最少三部電影作品的獨家投資權</li> <li>The Group has exclusive right to broadcast on and re-sell to new media platforms worldwide Mr. Liu's productions it invested in 本集團享有其投資的作品在全球各新媒體平台獨家播放權及轉售權</li> </ul>

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### BUSINESS AND OPERATION REVIEW

Huanxi Media has strived to provide film and TV productions high in both commercial and artistic value, giving the audience excellent audio and visual experiences. In 2018, a number of films the Group invested in were released and earned both great word-of-mouth and box office receipts. The films and internet drama series in production are expected to be released one by one in the coming one to two years, which will assure steady growth of the Group's film and TV business. During the year, the world-renowned film director Zhang Yimou joined the Group as a shareholder director and promised to direct a number of film and TV productions for the Group, something to look forward to by the audience. Moreover, Huanxi Media and Maoyan Weying commenced a strategic cooperation, which is believed to enable both parties to achieve business synergy in various aspects, and help drive the rapid growth of "huanxi.com", the Group's new media online video platform. After working hard on perfecting all aspects of its operation from film and TV content creation to viewing channels for the audience in the last few years, Huanxi Media has started to reap harvests from its investment.

### INVESTMENT IN FILM AND TV PROGRAMMES RIGHTS BUSINESS

Based on the Group's revenue and film investment income breakdown by segment, revenue and film investment income reached HK\$174,346,000 (2017: HK\$ 52,772,000) for the year ended 31 December 2018, mainly due to the revenue and film investment income from box office receipts of *Us and Them* 《後來的我們》 and the blockbuster *Dying to Survive* 《我不是藥神》 in 2018. Gross profit of this segment amounted to HK\$89,111,000 (2017: gross loss of HK\$6,119,000), obviously higher than that of last year. Major cost of revenue included amortisation of intangible assets of HK\$4,758,000 (2017: HK\$2,251,000) and amortisation of film and TV programmes rights of HK\$80,477,000 (2017: HK\$56,640,000). The segmental loss amounted to HK\$244,921,000 for the period (2017: HK\$18,825,000). The increase in segmental loss was mainly due to the recognition of share-based payment expense of approximately HK\$270,000,000 (non-cash in nature) for the allotment and issuance of 150,000,000 new shares during the year in respect of the cooperation with a film director.

### 業務及營運回顧

歡喜傳媒銳意提供商業性及藝術性兼備影視作品，為觀眾帶來豐富的視聽盛宴。於二零一八年度，多部本集團參與投資的電影陸續上映，口碑、票房令人振奮，早前開拍的電影和網劇項目有望未來一、兩年陸續面世，將推動本集團的影視業務繼續穩健增長。年內，國際知名的張藝謀導演加盟成為股東導演，並承諾為本集團導演多部影視作品，令人期待。另外，歡喜傳媒與貓眼微影已展開戰略合作，相信將為雙方於多方面產生協同效應，並將有助推動本集團的新媒體在線影視平台「歡喜首映」迅速發展。上至影視內容創作，下至觀眾收看的渠道，經過過去數年深耕細作後，歡喜傳媒將正式踏入投資收成期。

### 電影及電視劇版權投資業務

基於本集團按分部劃分之收益及電影投資收入明細，截至二零一八年十二月三十一日止年度之收益及電影投資收入為港幣174,346,000元（二零一七年：港幣52,772,000元），主要乃因《後來的我們》以及中國二零一八年票房佳作—《我不是藥神》的票房收益產生收益及電影投資收入。此分部毛利為港幣89,111,000元（二零一七年：毛損港幣6,119,000元），較去年之毛利有顯著增加。主要收益之成本包括無形資產之攤銷為港幣4,758,000元（二零一七年：港幣2,251,000元）及電影及電視劇版權之攤銷為港幣80,477,000元（二零一七年：港幣56,640,000元）。期內分部虧損為港幣244,921,000元（二零一七年：港幣18,825,000元）。分部虧損的增幅主要由於年內就與電影導演合作而配發及發行的150,000,000股新股份而確認非現金性質約港幣270,000,000元之以股份為基礎付款開支。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

As for films, *Ash Is Purest White* 《江湖兒女》, a romance movie directed by Jia Zhangke, was shortlisted for the top honor at the 71st Cannes Film Festival, evidencing the recognition it enjoys in the international movie community. It also received wide acclaims after it was released in Mainland China. *Us and Them* 《後來的我們》, a directorial debut of the renowned Taiwanese singer Rene Liu, achieved impressive box office receipts of more than RMB1.36 billion after hitting the cinema screen in April 2018. Then, the film *Dying to Survive* 《我不是藥神》, with the Group as the main investor and producer, and Ning Hao and Xu Zheng as co-producers, scored 9.7 points on the Maoyan movie platform, a new record among domestic movies. It also bagged three major awards at the 55th Golden Horse Awards, namely Best Leading Actor, Best New Director and Best Original Screenplay, as well as Best Screenplay at the 42nd Montreal World Film Festival and Best Film at the 14th Changchun Film Festival, and prided itself on box office receipts of more than RMB3.1 billion with high audience acclaims, contributing satisfactory revenue to the Group.

During the year, the Group signed a distribution agreement in relation to the film *Crazy Alien* 《瘋狂的外星人》 which is directed by Ning Hao and exclusive invested by the Group with guaranteed minimum box office receipts of RMB2,800,000,000. The Group is entitled to receive a guaranteed minimum distribution income of RMB700,000,000 (equivalent to approximately HK\$796,903,000), while the guarantor has the exclusive right to distribute the film to cinemas in mainland cities, Hong Kong, Macau and Taiwan. Up to the date of this report, the Group has fully received RMB700,000,000 (equivalent to approximately HK\$796,903,000). The income will be recognised in the interim results of the Group for the six months ending 30 June 2019.

As for the internet drama business, the 12-episode *Paradise Guesthouse* 《天堂旅館》 which is the first internet drama series produced and co-directed by Wong Kar Wai is expected to go into production this year.

電影方面，由賈樟柯執導的愛情電影《江湖兒女》入圍第71屆康城電影節主競賽單元，備受國際電影界推崇，在內地放映後好評如潮。而於二零一八年四月上映，由台灣著名女歌手劉若英執導之處女作《後來的我們》取得超過人民幣13.6億元的優異票房。另外，由本集團作為主要投資人及出品人、寧浩及徐崢擔任聯合監製的《我不是藥神》，不但獲得貓眼電影平台9.7分的絕佳成績，刷新內地國產片最高分記錄，更榮獲第55屆金馬獎最佳男主角、最佳新導演及最佳原著劇本三項大獎以及第42屆蒙特利爾國際電影節之最佳劇本獎及第14屆中國長春電影節之最佳故事片獎，票房突破人民幣31億元，叫好又叫座，為本集團貢獻理想的收益。

年內，本集團獨家投資、寧浩執導的《瘋狂的外星人》簽訂人民幣2,800,000,000元之保底發行協議，保證方可獨家在中國內地及港澳台地區城市院線影院發行該電影，而本集團可收取該電影人民幣700,000,000元（相當於約港幣796,903,000元）之保證最低發行收入，截至本報告日期，本集團已收取全數人民幣700,000,000元（相當於約港幣796,903,000元），該收入將於本集團截至二零一九年六月三十日止六個月之中期業績內確認。

網劇方面，王家衛首次監製和聯合導演的12集網絡系列影視劇《天堂旅館》預計今年開機。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

As for the development of online video platform, the Group announced during the year its partnership with the leading internet and pan-entertainment platform Maoyan to develop new media business. Maoyan will be granted investment right and exclusive promotion and distribution rights of the Group's films and TV/internet drama series and it will provide the Group's online video platform "huanxi.com" an access gateway on the Maoyan website and App plus relevant internet technology support. Although "huanxi.com" is still in trial operation, it has had a steadily growing population of registered users and the number of registered users is now over a million. The Group is optimising and updating the content offerings, and its hope is that, via the partnership, it will be able to tap the tremendous user traffic of Maoyan to promote the "huanxi.com" video platform and attract more users to it, giving the Group the fuel to push ahead with operating and expanding its new media video platform.

In addition, the Group continued to explore opportunities to cooperate with famous international directors during the year. It succeeded in forging partnership with the world-renowned director Zhang Yimou, bringing him in as a shareholder director, thereby fortifying its director team. According to the relevant cooperation agreement, Huanxi Media has exclusive rights to invest in three internet drama series directed by Zhang Yimou in the coming six years. Zhang Yimou's international award-winning works enjoy high acclaims and boast box office guarantee. Therefore, the Group believes this cooperation will enhance the clout of "Huanxi Media" as a brand in films and internet drama series production.

### OTHER BUSINESSES

The Group's other businesses include property agency business and securities trading and investments business. For the year ended 31 December 2018, the Group's other businesses recorded revenue of HK\$286,000 (2017: HK\$437,000) and segmental loss of HK\$521,000 (2017: segmental profit of HK\$4,039,000). This segment shrank mainly because the management has allocated more resources to media and entertainment related businesses, which are the Group's major future growth drivers.

線上影視平台的發展方面，本集團年內宣佈牽手中國領先的互聯網及泛娛樂平台—貓眼，攜手開拓新媒體業務的發展。本集團的電影和電視劇／網劇項目將給予貓眼投資權及獨家宣發權，而貓眼的網站及App將為本集團旗下在線影視點播平台「歡喜首映」提供服務入口及互聯網技術支援。縱然「歡喜首映」暫時尚在試行階段，但其註冊用戶正穩步上揚，目前註冊用戶已超過100萬；本集團並正持續優化和更新作品內容，同時期望透過是次合作，本集團能善用貓眼龐大的用戶流量，從而加強宣傳「歡喜首映」影視平台，並為其帶來大量用戶，藉此加大力度推展本集團的新媒體影視平台的運營及拓展。

另外，本集團於年內繼續物色與國際知名導演合作的機會，並成功吸納國際享負盛名的張藝謀導演加入成為股東導演，進一步壯大本集團的導演團隊。根據相關合作協議，歡喜傳媒獲得往後六年對張藝謀執導的三部網絡系列影視劇的獨家投資權。張藝謀過往導演的電影屢獲國際大獎，口碑票房兼備，相信是次合作將能進一步提升本集團在製作電影及網絡系列影視劇的品牌效益。

### 其他業務

本集團的其他業務包括物業代理業務及證券買賣及投資業務。截至二零一八年十二月三十一日止年度，本集團的其他業務錄得收益港幣286,000元（二零一七年：港幣437,000元）及分部虧損港幣521,000元（二零一七年：分部溢利港幣4,039,000元）。此分部規模減少主要由於媒體及娛樂相關業務是本集團的未來增長動力，故管理層調撥了更多資源於該等業務上。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### FINANCIAL REVIEW

#### Review of Results

For the year ended 31 December 2018, the Group recorded revenue and film investment income of HK\$174,632,000 (2017: HK\$53,209,000), representing 2.28 times increase in revenue and film investment income compared with corresponding period of last year, the revenue and film investment income were mainly derived from the films *Us and Them* 《後來的我們》 and *Dying to Survive* 《我不是藥神》 in which the Group made investment. The gross profit was HK\$89,315,000 (2017: gross loss of HK\$5,863,000), representing a sharp increase in gross profit compared with corresponding period of last year. The loss attributable to the owners of the Company of HK\$444,693,000 (2017: HK\$95,159,000). The increase in loss was mainly due to (i) the recognition of share-based payment expense of approximately HK\$85,368,000 (non-cash in nature) for granting 130,700,000 share options during the year; and (ii) the recognition of share-based payment expense of approximately HK\$270,000,000 (non-cash in nature) for the allotment and issuance of 150,000,000 new shares during the year in respect of the cooperation with a film director.

Excluding the recognition of share-based payments of HK\$355,368,000 (2017: nil), the loss attributable to owners of the Company for the year ended 31 December 2018 amounted to approximately HK\$89,325,000 (2017: HK\$95,159,000), representing an decrease in loss of approximately 6.13% comparing with corresponding period of last year.

For the year ended 31 December 2018, loss per share of the Group amounted to HK\$0.16 (2017: HK\$0.03) and net asset value per share attributable to owners of the Company was HK\$0.23 (2017: HK\$0.29).

### LIQUIDITY AND FINANCIAL RESOURCES

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations and borrowings. As at 31 December 2018, the Group had net current assets of HK\$244,714,000 (2017: HK\$329,083,000), with cash and cash equivalents of HK\$158,528,000 (2017: HK\$39,169,000). As at 31 December 2018, the total equity of the Company amounted to HK\$658,668,000 (2017: HK\$792,167,000) with total borrowings of HK\$387,774,000 (2017: HK\$197,500,000). The Group's gearing ratio, expressed as the percentage of total borrowings over total capital, was 0.37 (2017: 0.20) as at 31 December 2018. Total capital is calculated as total equity plus total borrowings.

### 財務回顧

#### 業績回顧

截至二零一八年十二月三十一日止年度，本集團錄得收益及電影投資收入港幣174,632,000元（二零一七年：港幣53,209,000元），較去年同期之收益及電影投資收入增長2.28倍。有關收益及電影投資收入主要來自本集團參與投資的電影《後來的我們》及《我不是藥神》。毛利為港幣89,315,000元（二零一七年：毛損港幣5,863,000元），較去年同期之毛利大幅增加。本公司擁有人應佔虧損為港幣444,693,000元（二零一七年：港幣95,159,000元）。虧損增加主要由於(i)年內授出130,700,000份購股權而錄得因此而確認非現金性質約港幣85,368,000元之以股份為基礎付款開支；及(ii)年內就與電影導演合作而配發及發行的150,000,000股新股份而錄得因此而確認非現金性質約港幣270,000,000元之以股份為基礎付款開支。

撇除確認以股份為基礎之付款港幣355,368,000元（二零一七年：無），截至二零一八年十二月三十一日止年度，本公司擁有人應佔虧損約為港幣89,325,000元（二零一七年：港幣95,159,000元），虧損較去年同期減少約6.13%。

截至二零一八年十二月三十一日止年度，本集團之每股虧損為港幣0.16元（二零一七年：港幣0.03元）和本公司擁有人應佔每股資產淨值為港幣0.23元（二零一七年：港幣0.29元）。

### 流動資金及財務來源

本集團的資本支出、日常營運及投資資金主要來自其營運產生的現金及借款。於二零一八年十二月三十一日，本集團的流動資產淨值為港幣244,714,000元（二零一七年：港幣329,083,000元），現金及現金等值為港幣158,528,000元（二零一七年：港幣39,169,000元）。於二零一八年十二月三十一日，本公司權益總額為港幣658,668,000元（二零一七年：港幣792,167,000元），借貸總額為港幣387,774,000元（二零一七年：港幣197,500,000元）。於二零一八年十二月三十一日，本集團的資本與負債率（即借貸總額對資本總額的百分比）為0.37（二零一七年：0.20）。資本總額按權益總額加借貸總額計算。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### CAPITAL STRUCTURE

As at 31 December 2018, the Company had 2,918,055,408 ordinary shares (2017: 2,768,055,408) of HK\$0.01 each in issue (the "Share" or "Shares").

During the year ended 31 December 2018, the movement in the issued Shares of the Company are as follows:

- On 14 September 2018, the Company allotted and issued 150,000,000 Shares to Unique Swift Limited pursuant to the agreement and amended and restated agreement dated 24 May 2018 and 11 September 2018 respectively. These Shares represent approximately 5.14% of the issued Shares of the Company as enlarged by such issuance.

### CHARGES ON ASSETS

As at 31 December 2018, the Group's secured borrowings of HK\$220,364,000 were secured by other receivables amounting to approximately HK\$223,133,000 (2017: nil).

### FOREIGN EXCHANGE EXPOSURE

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

### RISK MANAGEMENT

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

### 資本架構

於二零一八年十二月三十一日，本公司有 2,918,055,408 股（二零一七年：2,768,055,408 股）每股面值港幣 0.01 元的已發行普通股股份（「股份」）。

截至二零一八年十二月三十一日止年度，本公司之已發行股份變動如下：

- 於二零一八年九月十四日，本公司根據日期分別為二零一八年五月二十四日及二零一八年九月十一日的協議及經修訂及重述之協議向唯臻有限公司配發及發行 150,000,000 股股份。該等股份佔經發行股份擴大之本公司已發行股份約 5.14%。

### 抵押資產

於二零一八年十二月三十一日，本集團之有抵押借款港幣 220,364,000 元由其他應收款項約港幣 223,133,000 元作抵押（二零一七年：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、美金及人民幣計值。雖然大部分製作成本和管理費以人民幣計值，但很多投資機會和與中國內地及海外地區片商的合作計劃仍需要使用外幣。本集團會繼續密切監察資本需要，並致力緩和匯率波動對整體財務狀況的影響以及降低本集團的財務風險。

### 風險管理

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論與分析

### CONTINGENT LIABILITIES

As at 31 December 2018, save as disclosed in note 31(b) "Pending Litigation" to consolidated financial statements, the Group had no significant contingent liabilities (2017: nil).

### EMPLOYEES AND REMUNERATION POLICIES

The Group firmly believes high-caliber people are the most valuable asset of a corporation. The Group thus places great attention on attracting and nurturing talent. It has kept optimising its staff structure to match its development strategy and business needs. As at 31 December 2018, the Group had 84 employees (2017: 74). It hired more employees during the year under review to support the expanding of its media and entertainment related businesses. The Group has in place well-designed remuneration management and incentive mechanisms, with employees remunerated based on their positions and work performance, along with industry trends.

### MATERIAL INVESTMENTS

Saved as the film and TV programmes rights set out in note 21 to the consolidated financial statements, the Group had no material investments during the year under review.

### FUTURE PLANS FOR MATERIAL INVESTMENTS

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

### 或然負債

於二零一八年十二月三十一日，除綜合財務報表附註31(b)「未決訴訟」所披露者外，本集團並無任何重大或然負債(二零一七年：無)。

### 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。於二零一八年十二月三十一日，本集團僱用84名僱員(二零一七年：74名)。於回顧年內，本集團僱用更多人才以發展媒體及娛樂相關業務。本集團建立了完善的薪酬管理和激勵機制，僱員的薪酬乃根據其崗位價值、工作表現及行業趨勢而釐定。

### 重大投資

除綜合財務報表附註21所載之電影及電視劇版權外，本集團於回顧年內並無重大投資。

### 重大投資之日後計劃

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

# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷

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

### EXECUTIVE DIRECTORS

#### Mr. Dong Ping (“Mr. Dong”)

Mr. Dong, aged 57, was appointed as an executive Director on 2 September 2015, redesignated as the chairman (the “Chairman”) of the board of Directors (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 of Hong Kong Limited (the “Stock Exchange”) (stock code: 1060). Mr. Dong has been the principal investor, producer and co-producer of various internationally renowned films, including *Crouching Tiger Hidden Dragon* 《臥虎藏龍》 (directed by Mr. Ang Lee (李安)), *Devils on the Doorstep* 《鬼子來了》 (directed by Mr. Jiang Wen (姜文)), *Peacock* 《孔雀》 (directed by Mr. Gu Changwei (顧長衛)), *Let the Bullets Fly* 《讓子彈飛》 (directed by Mr. Jiang Wen (姜文)), *Journey to the West: Conquering the Demons* 《西遊·降魔篇》 (directed by Mr. Stephen Chow (周星馳)), *Dearest* 《親愛的》 (directed by Mr. Chan Ho Sun Peter (陳可辛)) and *Breakup Buddies* 《心花路放》 (directed by Mr. Ning Hao). Some of these films have won numerous major awards in both domestic and overseas film 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 (now known as Huayi Tencent Entertainment Co. Ltd.), a company listed on the Main Board of the Stock Exchange (stock code: 419), and was the chairman of the board of directors from 12 May 2006 to 11 January 2008.

於本年報日期，本公司董事（「董事」）之履歷詳情載列如下：

### 執行董事

#### 董平先生（「董先生」）

董先生，57歲，於二零一五年九月二日獲委任為執行董事，並於二零一六年一月十五日獲調任為董事會（「董事會」）主席（「主席」），兼任本公司薪酬委員會及提名委員會成員。董先生亦為本公司若干附屬公司之董事。董先生於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡，曾任香港聯合交易所有限公司（「聯交所」）主板上市公司文化中國傳播集團有限公司（現稱阿里巴巴影業集團有限公司）（股份代號：1060）主席。董先生為多部國際知名電影之主要投資者、監製及聯合監製，包括《臥虎藏龍》（由李安先生執導）、《鬼子來了》（由姜文先生執導）、《孔雀》（由顧長衛先生執導）、《讓子彈飛》（由姜文先生執導）、《西遊·降魔篇》（由周星馳先生執導）、《親愛的》（由陳可辛先生執導）及《心花路放》（由寧浩先生執導）。該等電影部分於國內外電影節奪得多項重要獎項。董先生於二零零三年八月至二零零五年四月出任北京保利華億傳媒文化有限公司董事長。董先生於二零零五年五月三十一日至二零零八年一月十一日獲委任為聯交所主板上市公司華億新媒體（集團）有限公司（現稱華誼騰訊娛樂有限公司）（股份代號：419）執行董事及於二零零六年五月十二日至二零零八年一月十一日出任該公司董事會主席。

# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷

As at the date of this report, Mr. Dong was deemed to be interested in 1,451,114,354 Shares (being 461,711,082 Shares held by Newwood Investments Limited (“Newwood”), 92,342,216 Shares held by Numerous Joy Limited (“Numerous Joy”), 500,000 Shares held by Highrise Castle Limited, 16,610,000 Shares held by Mr. Dong, 2,700,000 underlying Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits Limited (“Pacific Wits”) and 438,625,528 Shares held by Tairong Holdings Limited (“Tairong”) within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

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

Mr. Xiang, aged 56, was appointed as an executive Director on 2 September 2015 and the Chief Executive Officer of the Group on 18 September 2015. Mr. Xiang is also director of a number of subsidiaries of the Group. Mr. Xiang was a partner of Weil, Gotshal & Manges LLP, an international law firm, where he has led its China practice since 2004. Previously, Mr. Xiang was a partner in the Shanghai office of Clifford Chance, an international law firm from 2002 to 2004. A specialist in mergers and acquisitions, Mr. Xiang has acted as the principal counsel in many significant transactions including representing Lenovo Group Limited in its acquisition of IBM’s global personal computer business. He holds a degree of juris doctor from Vanderbilt University School of Law, U.S.A. and a Bachelor of Arts from Beijing University of International Relations. Mr. Xiang is licensed to practice law in New York and in Hong Kong. Mr. Xiang has been consistently ranked as one of the top mergers and acquisitions lawyers by Chambers.

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

於本報告日期，董先生被視為於1,451,114,354股股份（即由Newwood Investments Limited（「Newwood」）持有之461,711,082股股份、多樂有限公司（「多樂」）持有之92,342,216股股份、Highrise Castle Limited持有之500,000股股份、董先生持有之16,610,000股股份、董先生持有之2,700,000股相關股份、泰穎有限公司（「泰穎」）持有之438,625,528股股份及泰嶸控股有限公司（「泰嶸」）持有之438,625,528股股份）中擁有香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

### 項紹琨先生（「項先生」）

項先生，56歲，於二零一五年九月二日獲委任為執行董事，並於二零一五年九月十八日獲委任為本集團行政總裁。項先生亦為本集團若干附屬公司之董事。項先生曾為國際律師事務所威嘉國際律師事務所之合夥人，自二零零四年起掌管中國業務。此前，項先生於二零零二年至二零零四年為國際律師事務所英國高偉紳律師事務所上海代表處之合夥人。作為併購專家，項先生於多項重大交易中擔任主要法律顧問，包括代表聯想集團有限公司收購IBM全球個人電腦業務。彼持有美國Vanderbilt University法律學院法律博士（Juris Doctor）學位及北京國際關係學院文學士學位。項先生為紐約及香港執業律師，長期獲Chambers評為最佳併購律師之一。

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

# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷

### NON-EXECUTIVE DIRECTORS

#### Mr. Ning Hao ("Mr. Ning")

Mr. Ning, aged 41, 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 International Film Festival, Locarno Festival and the Hong Kong International 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 Awards (台灣金馬獎) for the Best Original Screenplay. *Crazy Racer*《瘋狂的賽車》(2009), which was wrote and directed by Mr. Ning, was produced for an investment of only RMB10 million and achieved over RMB100 million at the box office. In 2013, Mr. Ning directed *No Man's Land*《無人區》, which won the Annual Tribute Movie by One Hundred Media (百家傳媒年度致敬電影) at the 14th Chinese Film Media Awards (華語電影傳媒大獎). Mr. Ning also directed the huge box office hit *Breakup Buddies*《心花路放》(2014) which grossed RMB1,169 million at the PRC box office and became the highest grossing-domestic Chinese film of the year.

As at the date of this report, Mr. Ning was deemed to be interested in 1,451,114,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 500,000 Shares held by Highrise Castle Limited, 16,610,000 Shares held by Mr. Dong, 2,700,000 underlying Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section "Directors' Interests in Securities" in the Directors' Report of this annual report for details.

### 非執行董事

#### 寧浩先生(「寧先生」)

寧先生，41歲，於二零一五年九月二日獲委任為非執行董事。寧先生於二零零三年在中國北京電影學院取得學士學位，主修攝影。寧先生為電影導演及編劇，於二零零三年至二零一四年間執導七部電影，憑藉獨特個人風格享譽國際。寧先生全部電影均帶來豐碩投資回報，其首部執導電影《香火》(二零零三年)及第二部電影《綠草地》(二零零四年)於五十多個國際電影節獲提名，包括柏林國際電影節、洛迦諾電影節及香港國際電影節。其中，《香火》先後於二零零三年及二零零四年獲得第四屆東京銀座電影節大獎及第二十八屆香港國際電影節金獎(亞洲數碼錄像)。寧先生於二零零六年執導小本電影《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》(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，寧先生被視為於1,451,114,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、Highrise Castle Limited持有之500,000股股份、董先生持有之16,610,000股股份、董先生持有之2,700,000股相關股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷

### Mr. Xu Zheng (“Mr. Xu”)

Mr. Xu, aged 46, 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 China Film Directors' Guild (中國電影導演協會) in 2014) and the huge box office hit *Breakup Buddies*《心花路放》(2014) and *Lost in Hong Kong*《港囧》(2015). In 2012, his directorial debut *Lost in Thailand*《人再囧途之泰囧》(a road trip comedy) which he also wrote, produced and starred in, earned over USD200 million and became the highest-grossing domestic Chinese film ever. In 2014, he produced and starred in *The Great Hypnotist*《催眠大師》(a suspense thriller film), which achieved groundbreaking box-office success and a great reputation in the Chinese suspense thriller film market. In 2018, Mr. Xu was awarded the best leading actor by Taiwan Golden Horse Awards (台灣金馬獎) for his performance in *Dying to Survive*《我不是藥神》.

As at the date of this report, Mr. Xu was deemed to be interested in 1,451,114,354 Shares (being 461,711,082 Shares held by Newwood, 92,342,216 Shares held by Numerous Joy, 500,000 Shares held by Highrise Castle Limited, 16,610,000 Shares held by Mr. Dong, 2,700,000 underlying Shares held by Mr. Dong, 438,625,528 Shares held by Pacific Wits and 438,625,528 Shares held by Tairong) within the meaning of Part XV of the SFO. Please refer to the section “Directors’ Interests in Securities” in the Directors’ Report of this annual report for details.

### 徐崢先生(「徐先生」)

徐先生，46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)以及票房奇蹟《心花路放》(二零一四年)及《港囧》(二零一五年)。於二零一二年，徐先生首次自編自導自演兼監製公路喜劇《人再囧途之泰囧》，票房突破美金200,000,000元，成為中國有史以來最賣座華語電影。於二零一四年，徐先生製作並主演驚悚懸疑電影《催眠大師》，不但創造票房神話，更成為華語驚悚懸疑電影市場經典。於二零一八年，徐先生憑藉於《我不是藥神》中的表現榮獲台灣金馬獎最佳男主角。

於本報告日期，徐先生被視為於1,451,114,354股股份(即由Newwood持有之461,711,082股股份、多樂持有之92,342,216股股份、Highrise Castle Limited持有之500,000股股份、董先生持有之16,610,000股股份、董先生持有之2,700,000股相關股份、泰穎持有之438,625,528股股份及泰嶸持有之438,625,528股股份)中擁有證券及期貨條例第XV部所界定之權益。有關詳情，請參閱本年報董事報告內「董事之證券權益」一節。

# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### Mr. Wong Tak Chuen (“Mr. Wong”)

Mr. Wong, aged 54, joined the Company as an independent non-executive Director on 10 April 2014. Mr. Wong is the chairman of the audit committee of the Company. Mr. Wong is a fellow member of 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 of a public company in Hong Kong. Mr. Wong is currently an independent non-executive director of (i) Eternity Investment Limited (stock code: 764, a company listed on the Main Board of the Stock Exchange) since 7 November 2011; and (ii) China Healthwise Holdings Limited (stock code: 348, a company listed on the Main Board of the Stock Exchange) since 11 October 2016. Mr. Wong was an independent non-executive director of Man Sang International Limited (stock code: 938, a company listed on the Main Board of the Stock Exchange) from 12 July 2016 to 5 November 2018.

### 獨立非執行董事

#### 黃德銓先生(「黃先生」)

黃先生，54歲，於二零一四年四月十日加入本公司，擔任獨立非執行董事。黃先生為本公司審核委員會主席。黃先生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若干高級財務相關職位。黃先生現任一家香港公眾公司的財務總監。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：764，一家在聯交所主板上市的公司)；及(ii)自二零一六年十月十一日起擔任中國智能健康控股有限公司(股份代號：348，一家在聯交所主板上市的公司)的獨立非執行董事。黃先生於二零一六年七月十二日至二零一八年十一月五日擔任民生國際有限公司(股份代號：938，一家在聯交所主板上市的公司)的獨立非執行董事。

# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷

### Mr. Su Tuong Sing, David (“Mr. Su”)

Mr. Su, aged 47, 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 founding managing partner at Matrix Partners China, focused primarily on mobile internet, software and medical technology investments. Mr. Su has been investing in China since early 2000 and his investments include Baidu (NSDQ:BIDU), Bona Film (NSDQ:BONA), Focus Media (NSDQ:FMCN), Kanghui Medical (NYSE:KH), AAC Technologies (2018.HK), Heptagon (SIX:AMS), Kingnet Games (SZ:002517), Kingfriend Biochemical (SS:603707), Didi Chuxing, Youzan Mobile, Reach Surgical.

Before Matrix, Mr. Su was a founding general partner of TDF Capital and KPCB China. Prior to joining the venture capital industry, Mr. Su worked at Lotus Development, IBM Software Group for more than seven years and was last responsible for Lotus' software and services business in Greater China region. Mr. Su graduated with a Bachelor of Applied Science in Computer Engineering from Nanyang Technological University, Singapore.

### 徐傳陞先生（「徐先生」）

徐先生，47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創始管理合夥人，主力投資範圍包括移動互聯網、軟件及醫療技術。徐先生自二零零年初起於中國進行投資，對象包括百度（納斯達克股份代號：BIDU）、博納影業（納斯達克股份代號：BONA）、分眾傳媒（納斯達克股份代號：FMCN）、康輝醫療（紐交所代碼：KH）、瑞聲科技（聯交所股份代號：2018）、Heptagon（瑞士證券交易所代碼：AMS）、愷英網絡（深交所股份代號：002517）、健友生化（上交所股份代號：603707）、滴滴出行、有贊、瑞奇外科。

加入經緯前，徐先生為華盈創投及凱鵬華盈中國基金之創辦普通合夥人。投身創投行業前，徐先生曾於Lotus Development、IBM Software Group任職逾七年，最後負責Lotus於大中華地區之軟件及服務業務。徐先生畢業於新加坡南洋理工大學，取得計算機工程應用科學學士學位。

# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷

### Mr. Li Xiaolong (“Mr. Li”)

Mr. Li, aged 53, was appointed as an independent non-executive Director on 2 September 2015. Mr. Li is a member of each of the remuneration committee, nomination committee and audit committee of the Company. Mr. Li has more than 20 years of experience in the industry of information technology and telecommunications. He is the founder and chairman of Net 263 Ltd. (Shenzhen Stock Exchange Code: 002467), a company based in Beijing which provides integrated communication services for medium-and small-sized enterprises and professionals. Since September 2004, Mr. Li was the chairman of the board of Net 263 Ltd., and since August 2006, the director of Net 263 Ltd. He was an independent director at E-Commerce China Dangdang Inc. from December 2010 to October 2016, and an independent director at Kongzhong Corp. from 2012 to May 2017. Mr. Li 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.

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

### 李小龍先生 (「李先生」)

李先生，53歲，於二零一五年九月二日獲委任為獨立非執行董事。李先生為本公司薪酬委員會、提名委員會及審核委員會成員。李先生於資訊科技及電信業積逾20年經驗。彼為二六三網絡通信股份有限公司（深圳證券交易所股份代號：002467）之創辦人及主席，該公司位於北京，為中小企及專業人士提供綜合通訊服務。自二零零四年九月起，李先生擔任二六三網絡通信股份有限公司之董事長，並自二零零六年八月起擔任二六三網絡通信股份有限公司之董事。自二零一零年十二月至二零一六年十月及自二零一二年至二零一七年五月，彼分別出任E-Commerce China Dangdang Inc. 及 Kongzhong Corp. 之獨立董事。李先生曾於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。

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

# DIRECTORS' REPORT

## 董事報告

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2018.

### PRINCIPAL ACTIVITIES

The Company is an investment holding and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses and other businesses.

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

### RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income of this annual report on page 107.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: nil).

### FINANCIAL SUMMARY

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

### SHARE CAPITAL OF THE COMPANY

Details of the ordinary shares issued by the Company in 2018 and details of movement in the share capital of the Company in 2018 are set out in note 27 to the consolidated financial statements and section headed "Company's Contracts Involving Issue of New Shares" of this Directors' Report.

董事謹此提呈董事報告以及本集團截至二零一八年十二月三十一日止年度之經審核財務報表。

### 主要業務

本公司乃一間投資控股及電影投資公司，其附屬公司主要從事媒體及娛樂相關業務及其他業務。

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

### 業績及股息

本集團截至二零一八年十二月三十一日止年度之業績載於本年報第107頁之綜合損益及其他全面收益表。

董事不建議派付截至二零一八年十二月三十一日止年度之末期股息(二零一七年：無)。

### 財務概要

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

### 公司股本

本公司於二零一八年已發行之普通股及本公司於二零一八年股本變動之詳情載於綜合財務報表附註27及本董事報告「本公司涉及新股份發行之合約」一節。

# DIRECTORS' REPORT

## 董事報告

### SHARE OPTIONS

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

On 27 April 2018, 130,700,000 options were granted under the Share Option Scheme and no share options were exercised, cancelled or lapsed during the year ended 31 December 2018. As at 31 December 2018, the Company has 130,700,000 options outstanding which represented approximately 4.48% of the total number of issued shares of the Company as at that date.

The following table discloses movements in the Company's share options during the year ended 31 December 2018:

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

### 購股權

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

於二零一八年四月二十七日，本公司根據購股權計劃授出130,700,000份購股權，且截至二零一八年十二月三十一日止年度並無購股權獲行使、註銷或失效。於二零一八年十二月三十一日，本公司有130,700,000份尚未行使之購股權，佔本公司於該日期已發行股份總數之約4.48%。

下表披露截至二零一八年十二月三十一日止年度本公司之購股權變動：

# DIRECTORS' REPORT

## 董事報告

Notes:

1. The share options are exercisable as follows:

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

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

Details of the Share Option Scheme are set out in note 32(b) to the consolidated financial statements.

Save as disclosed above, at no time during 2018 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate.

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

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

### PRE-EMPTIVE RIGHTS

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

附註：

1. 購股權可按以下各項予以行使：

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

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

有關購股權計劃的詳情載於綜合財務報表附註32(b)。

除上文披露者外，於二零一八年內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債權證而獲益。

### 購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於二零一八年內並無購買、出售或贖回本公司任何上市證券。

### 優先購買權

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

# 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 109 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 2018 are set out in note 28 to the consolidated financial statements.

As at 31 December 2018, the Company did not have distributable profit to shareholders (2017: nil).

### BUSINESS REVIEW

A review of the business performance of the Group during 2018 using financial key performance indicators and discussion on the important events affecting the Group since the end of 2018 and the Group's future business development that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis of this annual report, the discussions thereof form part of this Directors' Report.

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

### 儲備

本集團及本公司年內儲備變動之詳情分別載於本年報第109頁綜合權益變動表及綜合財務報表附註28。

### 可供分派儲備

本公司於二零一八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。

於二零一八年十二月三十一日，本公司並無可供分派予股東的溢利(二零一七年：無)。

### 業務回顧

有關使用財務關鍵表現指標對本集團於二零一八年業務表現進行之審閱以及自二零一八年終起影響本集團的重要事項及本集團未來業務發展之討論載於本年報之主席報告書及管理層討論與分析，有關討論構成本董事報告的一部分。

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

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

### 主要風險及不明朗因素

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

#### 1. 運營風險

有關本集團媒體及娛樂業務之風險因素，由於本公司將投資之電影數目有限，其成敗可能對本公司於發行年度及未來之營運業績造成重大影響。此外，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（成為本公司股東兼非執行董事）—寧浩先生（「寧先生」）及徐崢先生（「徐先生」）簽訂了獨家服務協議，截至二零二零年十二月三十一日止期間，兩位股東導演將根據服務協議條款為本集團每三年導演一至兩部電影作品，大大提升了本集團在影視內容開發及創作方面的能力。董平先生（「董先生」）、寧先生及徐先生於媒體及娛樂行業具備豐富經驗、強大專業知識及廣闊商業脈絡。董先生為本公司主要股東及董事會主席，於投資及經營華語媒體、廣告、衛星電視、電影製作及傳媒方面具備廣泛經驗、知識及脈絡，而寧先生及徐先生為中國電影界當時得令之導演及演員。有關董先生、寧先生及徐先生之履歷詳情，請參閱本年報之「董事履歷」。

# DIRECTORS' REPORT

## 董事報告

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

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

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

## 2. Financial Risks

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

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

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

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

## 2. 財務風險

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

# DIRECTORS' REPORT

## 董事報告

### PROPERTY, PLANT AND EQUIPMENT

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

### BOARD OF DIRECTORS

The Directors during 2018 and up to the date of the annual report were:

#### **Executive Directors**

Mr. Dong Ping (*Chairman*)

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

#### **Non-executive Directors**

Mr. Ning Hao

Mr. Xu Zheng

Mr. Gao Zhikai (resigned on 15 August 2018)

#### **Independent non-executive Directors**

Mr. Wong Tak Chuen

Mr. Su Tuong Sing, David

Mr. Li Xiaolong

In accordance with bye-law 99 of the Bye-laws, Mr. Dong Ping, Mr. Xiang Shaokun, Steven and Mr. Ning Hao 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.

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.

### 物業、廠房及設備

本集團之物業、廠房及設備於年內變動之詳情載於綜合財務報表附註17。

### 董事會

於二零一八年內及截至本年報日期止之董事如下：

#### **執行董事**

董平先生 (*主席*)

項紹琨先生 (*行政總裁*)

#### **非執行董事**

寧浩先生

徐崢先生

高志凱先生 (於二零一八年八月十五日辭任)

#### **獨立非執行董事**

黃德銓先生

徐傳陞先生

李小龍先生

按照公司細則第99條，董平先生、項紹琨先生及寧浩先生須於應屆股東週年大會上輪席告退。彼等均符合資格並將於應屆股東週年大會上膺選連任。

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

# DIRECTORS' REPORT

## 董事報告

### RESIGNATION OF DIRECTOR

On 15 August 2018, Mr. Gao Zhikai has resigned as a non-executive Director and ceased to be a member of the audit committee of the Company to pursue his other personal engagements. Mr. Gao has confirmed that there is no disagreement with the Board and he is not aware of any matters relating to his resignation that need to be brought to the attention of the shareholders of the Company or the Stock Exchange.

### DIRECTORS' SERVICE CONTRACTS

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

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

### PERMITTED INDEMNITY PROVISION

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

### 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.

### 董事辭任

高志凱先生因其他個人事務已於二零一八年八月十五日辭任非執行董事，並不再擔任本公司審核委員會成員。高先生已確認，彼與董事會並無意見分歧，亦不知悉任何與彼辭任有關之事宜須敦請本公司股東或聯交所垂注。

### 董事之服務合約

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

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

### 獲准許的彌償條文

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。

### 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' REPORT

## 董事報告

### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2018, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Listing Rules, or known to the Company, were as follows:

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

### 董事之證券權益

於二零一八年十二月三十一日，各董事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有本公司記錄於根據證券及期貨條例第352條備存之登記冊之權益及淡倉，或根據證券及期貨條例第XV部或上市規則之上市發行人董事進行證券交易的標準守則（「標準守則」）須另行知會本公司及聯交所或本公司已知悉之權益及淡倉如下：

#### 本公司每股面值港幣0.01元之普通股及相關股份之好倉

Name of Directors	董事姓名	Number of Ordinary Shares		Number of underlying Shares held under share options	Approximate percentage of the issued Shares
		Corporate interests	Personal interests		
		公司權益	個人權益	購股權下相關股份數目	佔已發行股份概約百分比
Mr. Dong Ping (Note 1)	董平先生(附註1)	1,431,804,354	16,610,000	2,700,000	49.73%
Mr. Ning Hao (Note 2)	寧浩先生(附註2)	1,431,804,354	16,610,000	2,700,000	49.73%
Mr. Xu Zheng (Note 3)	徐崢先生(附註3)	1,431,804,354	16,610,000	2,700,000	49.73%
Mr. Xiang Shaokun, Steven (Note 4)	項紹琨先生(附註4)	-	-	27,000,000	0.93%
Mr. Li Xiaolong (Note 5)	李小龍先生(附註5)	15,060,000	-	-	0.52%

Notes:

附註：

1. These Shares include Shares held by Newwood Investments Limited ("Newwood") as to 461,711,082 Shares, Numerous Joy Limited ("Numerous Joy") as to 92,342,216 Shares and Highrise Castle Limited as to 500,000 Shares, all of which are companies incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Dong Ping. Mr. Dong Ping also personally holds 16,610,000 Shares and 2,700,000 share options of the Company granted on 27 April 2018 pursuant to the Company's share option scheme adopted on 17 June 2014. On 14 April 2015, Mr. Dong 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.

1. 該等股份包括由Newwood Investments Limited（「Newwood」）、多樂有限公司（「多樂」）及Highrise Castle Limited（均為於英屬維爾京群島註冊成立之有限公司，由董平先生最終全資擁有）分別持有的461,711,082股股份、92,342,216股股份及500,000股股份。董平先生亦個人持有16,610,000股股份及根據於二零一四年六月十七日採納之本公司購股權計劃於二零一八年四月二十七日授出之2,700,000份本公司購股權。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、泰穎及泰嶸擁有權益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、泰穎及泰嶸擁有權益的全部股份中擁有權益。

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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.
2. 該等股份包括由泰穎（於英屬維爾京群島註冊成立之有限公司，由寧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，彼等被視作於董平先生、Newwood及泰嶸擁有權益的全部股份中擁有權益。
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.
3. 該等股份包括由泰嶸（於英屬維爾京群島註冊成立之有限公司，由徐嶢先生最終全資擁有）持有之438,625,528股股份。徐嶢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，彼等被視作於董平先生、Newwood及泰穎擁有權益的全部股份中擁有權益。
4. These underlying Shares are 27,000,000 share options of the Company granted to Mr. Xiang Shaokun, Steven on 27 April 2018 pursuant to the Company's share option scheme adopted on 17 June 2014.
4. 該等相關股份為根據於二零一四年六月十七日採納之本公司購股權計劃於二零一八年四月二十七日向項紹琨先生授出之27,000,000份本公司購股權。
5. These Shares are held by Panfaith Investments Limited, which is a company incorporated in the British Virgin Islands with limited liability and ultimately wholly owned by Mr. Li Xiaolong.
5. 該等股份由Panfaith Investments Limited（於英屬維爾京群島註冊成立之有限公司，由李小龍先生最終全資擁有）持有。

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executive of the Company or any of their associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一八年十二月三十一日，本公司董事、行政總裁或彼等各自之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，概無擁有須記錄在本公司根據證券及期貨條例第352條所備存之登記冊或根據標準守則而另行知會本公司及聯交所之任何權益或淡倉。

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 34 to the financial statements headed "Related Party Disclosures", the sections headed "Directors' Interests in Competing Business" and "Company Contract of Significance/ Connected Transaction/Continuing Connected Transaction" of the Directors' Report and elsewhere in this annual report, no Director nor any entity connected with the Directors had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party during 2018.

### 董事於交易、安排或合約之權益

除財務報表附註34「關連人士披露」、董事報告「董事於競爭業務之權益」及「公司之重大合約／關連交易／持續關連交易」各節及本年報其他部分所披露者外，於二零一八年，概無董事或任何與董事有關連之實體於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立之任何對本集團業務屬重大之交易、安排或合約中直接或間接擁有重大權益。

# DIRECTORS' REPORT

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### CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Save as disclosed in note 34 to the financial statements headed "Related Party Disclosures", the sections headed "Directors' Interests in Competing Business" and "Company Contract of Significance/ Connected Transaction/Continuing Connected Transaction" of the Directors' Report and elsewhere in this annual report, at no time during 2018 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.

### COMPANY'S CONTRACTS INVOLVING ISSUE OF NEW SHARES

#### Agreement with Unique Swift Limited

The Company entered into the cooperation agreement on 24 May 2018 with Unique Swift Limited ("Unique Swift"), a company having an exclusive investment right of certain internet drama series productions or films of Mr. Zhang Yimou ("Mr. Zhang"), and the amended and restated cooperation agreement on 11 September 2018 with Unique Swift and Mr. Zhang (collectively "Cooperation Agreement"), pursuant to which Unique Swift has conditionally agreed to procure Mr. Zhang to provide the Group with certain services, investment and other rights, relating to certain internet drama series productions or films as set forth in the Cooperation Agreement and the Company has conditionally agreed to allot and issue 150,000,000 Shares to Unique Swift (or its designated company) and to pay RMB100,000,000 to the team/organisation designated by Mr. Zhang as its operating fund for operating the projects to be cooperated during the cooperation period.

Under the terms of the Cooperation Agreement, Unique Swift will procure Mr. Zhang to provide to the Group certain services, and investment and other rights, relating to certain film and internet drama series productions as follows:

- (a) the Company will have the exclusive right to invest in three of internet drama series directed by Mr. Zhang (the "Zhang Internet Series"). The theme is to be agreed between the Company and Mr. Zhang;

### 控股股東於重大合約之權益

除財務報表附註34「關連人士披露」、董事報告「董事於競爭業務之權益」及「公司之重大合約／關連交易／持續關連交易」各節及本年報其他部分所披露者外，於二零一八年內任何時間，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。

### 本公司涉及新股份發行之合約

#### 與唯臻有限公司之協議

本公司於二零一八年五月二十四日與唯臻有限公司（「唯臻」）（一間擁有對張藝謀先生（「張先生」）若干部網絡系列影視劇製作或電影之獨家投資權之公司）訂立合作協議及於二零一八年九月十一日與唯臻及張先生訂立經修訂及重述之合作協議（統稱「合作協議」），據此，唯臻有條件同意促使張先生向本集團提供與合作協議所載之若干部網絡系列影視劇製作或電影相關之若干服務、投資及其他權利，且本公司有條件同意向唯臻（或其指定公司）配發及發行150,000,000股股份及向張先生指定團隊／機構支付人民幣100,000,000元作為其在合作期內用於運營合作項目的運營費。

根據合作協議之條款，唯臻將促使張先生向本集團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) 本公司將有權獨家投資張先生執導的三部網絡系列影視劇（「張先生網絡系列影視劇」），題材將由本公司與張先生協定；

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- (b) the exclusive right to invest in one of the Zhang Internet Series can be replaced by priority rights to invest in a film directed by Mr. Zhang ("Zhang Film"), which is not restricted by any contract with third party, during the cooperation period for no less than 60% of the total investment amount in the Zhang Film;
- (c) the Company will be granted rights of all tangible and intangible assets and their derivative rights and related rights of Zhang Internet Series under the Cooperation Agreement, except the right of authorship for Unique Swift, the team/organisation designated by Unique Swift, the production house and Mr. Zhang; and
- (d) Mr. Zhang will be appointed to the Company's Artistic Advisory Committee and will also provide consultancy services to the Company in respect of films and programmes.
- (b) 對一部張先生網絡系列影視劇之獨家投資權可替換為對一部張先生執導之不受現有與第三方合約限制的電影(「張先生電影」)之優先投資權，於合作期內之投資額不少於張先生電影投資總額之60%；
- (c) 根據合作協議，除唯臻、唯臻指定團隊／機構、製作公司及張先生之署名權之外，本公司將獲授張先生網絡系列影視劇之所有有形及無形資產以及其衍生權利及相關權利；及
- (d) 張先生將獲委任為本公司之藝術指導委員會成員，並就電影及節目向本公司提供諮詢服務。

On 14 September 2018 (the "Date of Issuance"), the Company allotted and issued 150,000,000 Shares to Unique Swift ("Issuance" and the Shares issued pursuant to the Issuance, the "New Shares") that the New Shares have been vested. The New Shares were allotted and issued under the general mandate granted to the Board at the annual general meeting of the Company held on 29 June 2018, representing approximately 4.75% of the existing issued shares of the Company as at the date of this annual report. The Issuance was recognised as share-based payment expense and charged to the Group's statement of profit or loss for the year ended 31 December 2018. Based on the closing price of the Shares on the Date of Issuance of HK\$1.80 per Share, the fair value of the issue of New Shares pursuant to the Issuance is approximately HK\$270,000,000.

The share-based payment expense is of a non-cash nature.

Please refer to the announcements of the Company dated 24 May 2018, 14 June 2018, 15 August 2018, 11 September 2018 and 14 September 2018 for details.

本公司已於二零一八年九月十四日(「發行事項日期」)向唯臻配發及發行150,000,000股股份(「發行事項」，根據發行事項發行的股份稱為「新股份」)，新股份已歸屬。新股份已根據於二零一八年六月二十九日舉行之本公司股東週年大會上授予董事會之一般授權配發及發行，佔本公司於本年報日期之現有已發行股份約4.75%。發行事項已確認為以股份為基礎付款開支，並於本集團截至二零一八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1.80元，根據發行事項發行新股份之公平值約為港幣270,000,000元。

以股份為基礎付款開支屬非現金性質。

有關詳情請參閱本公司日期為二零一八年五月二十四日、二零一八年六月十四日、二零一八年八月十五日、二零一八年九月十一日及二零一八年九月十四日之公告。

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### COMPANY CONTRACT OF SIGNIFICANCE/ CONNECTED TRANSACTION/CONTINUING CONNECTED TRANSACTION

#### A. The Service Agreements – continuing connected transactions

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

- (a) the Company shall have exclusive investment and production rights to any films and programmes developed and directed by Mr. Ning Hao and Mr. Xu Zheng (the "Shareholder Directors' Productions"), i.e. the Company shall be the sole investor to such productions;
- (b) the Company shall have priority distribution rights (including cinema screenings, audio-visual products, television broadcasting and network dissemination etc.) to the Shareholder Directors' Productions in the PRC, Hong Kong, Taiwan and Macau Special Administrative Region of the PRC;
- (c) each of the Shareholder Directors shall direct one to two films (being films that shall be publicly released) every three years in respect of which the Company shall have the exclusive investment and production rights, and the priority distribution rights set out in paragraphs (a) and (b) above. For the avoidance of doubt, the Company shall not have such rights in any Shareholder Directors' Productions in which the Company decides not to invest;
- (d) the Shareholder Directors shall use their best endeavours to provide the Company with the priority investment, production and distribution rights for films and programmes (including films, television drama series, online drama series and other television programmes) which are not developed and directed by any of the Shareholder Directors and the Shareholder Directors are either producer, screenwriter, lead actor or other creative member (the "Non-Shareholder Directors' Productions"); and

### 公司之重大合約／關連交易／持續關連交易

#### A. 服務協議－持續關連交易

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

- (a) 本公司將擁有任何由寧浩先生及徐崢先生構思及執導之電影及節目(「股東導演作品」)之排他投資權及製作權，即本公司將為有關作品之唯一投資者；
- (b) 本公司將擁有股東導演作品在中國、香港、台灣及中國澳門特別行政區之優先發行權，包括影劇院放映、音像製品、電視播映及網絡傳播等；
- (c) 各股東導演將每三年執導一至兩部電影作品(以作品正式公開上映為準)，而本公司將如上文(a)及(b)段所載擁有該等電影作品之排他投資權及製作權以及優先發行權。為免疑慮，倘本公司決定不投資於某股東導演作品，則本公司將不會就該作品擁有該等權利；
- (d) 股東導演將竭盡所能就並非由股東導演構思及執導以及股東導演身為監製、編劇、主演或其他主創人員之影視作品及節目(包括電影、電視劇、網絡自製劇及其他電視節目)(「非股東導演作品」)向本公司提供優先投資權、製作權及發行權；及

- (e) the Shareholder Directors shall actively participate in the promotional activities of other films and programmes invested or produced by the Company according to the requirements of the Company.

### Shareholder Directors' Proposal

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

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

### Service fees

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

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

- (e) 股東導演將根據本公司要求積極參與本公司投資或製作之其他影視作品及節目之宣傳活動。

### 股東導演建議

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

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

### 服務費

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

- (a) 各股東導演有權就本公司所投資之股東導演作品及非股東導演作品收取電影導演費或創作人員費，當中參考同類作品之現行市場收費，惟每年金額上限為港幣30,000,000元；及

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- (b) the Shareholder Directors shall be entitled to receive dividends in respect of any Shares held by them, if any, to be declared by the Company.

### Proposed annual caps

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

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

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

- (b) 股東導演有權收取本公司就彼等所持任何股份(如有)宣派之股息。

### 建議年度上限

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

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

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

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

For the year ended 31 December 2018, the actual fee paid by the Group under the Service Agreements to each of Mr. Ning Hao and Mr. Xu Zheng are approximately RMB4,965,000 (equivalent to approximately HK\$5,862,000) (2017: RMB16,123,000 (equivalent to approximately HK\$18,639,000)) and Nil (2017: RMB10,518,000 (equivalent to approximately HK\$12,612,000)) respectively.

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

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

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

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

截至二零一八年十二月三十一日止年度，本集團根據服務協議向寧浩先生及徐崢先生支付的實際費用分別約為人民幣4,965,000元（相當於約港幣5,862,000元）（二零一七年：人民幣16,123,000元（相當於約港幣18,639,000元））及零（二零一七年：人民幣10,518,000元（相當於約港幣12,612,000元））。

獨立非執行董事已審閱上述持續關連交易，並確認有關交易乃：

- 於本集團之日常及一般業務過程中訂立；
- 按正常或更優商業條款訂立；及
- 根據相關協議之條款進行，而條款屬公平合理，且符合本公司股東之整體利益。

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

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### B. Movie Investment Agreement – connected transaction

Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited\* (歡歡喜喜(天津)文化投資有限公司) (“Huan Huan Xi Xi”), an indirect wholly-owned subsidiary of the Company, entered into the movie investment agreement (the “Movie Investment Agreement”) with Tibet Jindouyun Film Company Limited\* (西藏筋斗雲影業有限公司) (“Tibet Jindouyun”) on 24 December 2018, pursuant to which Huan Huan Xi Xi has agreed to invest a sum of RMB12,000,000 (equivalent to approximately HK\$13,661,000) in the production of *Tropical Memories* 《熱帶往事》 (“Target Film”), subject to upward adjustment of up to RMB14,400,000 (equivalent to approximately HK\$16,393,000). In addition, Huan Huan Xi Xi agrees to pay RMB5,000,000 (equivalent to approximately HK\$5,692,000) (subject to upward adjustment of up to RMB8,000,000 (equivalent to approximately HK\$9,107,000)) for the promotion and distribution expenses of the Target Film.

Huan Huan Xi Xi shall have a right to the income which represents 10% of the profit of the Target Film (being Net Income (as defined below) of the Target Film after deduction of the major production team bonus (as explained below)), provided that such profit shall not include the income from the production and development of the film derivative product, the income of the Target Film (global income, business development and product implantation income, participating bonus) that Tibet Jindouyun has obtained before the signing of the Movie Investment Agreement.

The Net Income shall mean the total income including cinema distribution income, copyright income, overseas distribution income and other income of the Target Film after deduction of special fund contribution required by the PRC, various taxes, box office receipts shared by cinemas and cinema circuits, promotion and distribution agent fee, promotion and distribution expense of the Target Film and production cost. The major production team members (including the producers, director(s), executive producer(s), lead actor(s), etc.) shall be entitled to a bonus, being 35% of the Net Income and entitled to have preferential income distribution right.

### B. 電影投資協議－關連交易

歡歡喜喜(天津)文化投資有限公司(「歡歡喜喜」)(本公司之間接全資附屬公司)與西藏筋斗雲影業有限公司(「西藏筋斗雲」)於二零一八年十二月二十四日訂立電影投資協議(「電影投資協議」)，據此，歡歡喜喜已同意投資合共人民幣12,000,000元(相當於約港幣13,661,000元)用於製作《熱帶往事》(「目標電影」)，惟最多可上調至人民幣14,400,000元(相當於約港幣16,393,000元)。此外，歡歡喜喜同意支付人民幣5,000,000元(相當於約港幣5,692,000元)(惟最多可上調至人民幣8,000,000元(相當於約港幣9,107,000元))用於目標電影之宣傳及發行支出。

歡歡喜喜將有權獲得佔目標電影所得利潤(即目標電影之淨收入(定義見下文)扣除主創團隊分紅後(如下文說明))10%之收入，惟此利潤不包括影片衍生品生產開發收入、西藏筋斗雲於電影投資協議簽署前已取得的目標電影收入(影片全球收益、商務開發及產品植入收入、參賽獎金)。

淨收入為目標電影的全部收入(包括院線發行收入、版權收入、海外發行收入及其他收入)扣除中國國家規定的專項基金、各項稅費、影院院線分賬、宣傳及發行代理費、目標電影宣傳發行費及製片成本。主創團隊成員(包括監製、導演、製作統籌、主演等)有權獲得淨收入的35%作為獎金，並享有收入分配優先權。

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As set out in the announcement of the Company dated 24 December 2018, the Directors are of the view that the investment in the Target Film is in line with the Group's principal business and its development in the media and entertainment industry. The Directors consider that the investment would be beneficial to the Group as the investment represents a step forward in the implementation of the Group's development plan.

Tibet Jindouyun is ultimately owned as to over 50% by Mr. Ning Hao, a non-executive Director and the sole ultimate beneficial owner of Pacific Wits Limited (泰穎有限公司), a substantial shareholder of the Company, and thus Mr. Ning is a connected person of the Company. As such, Tibet Jindouyun is an associate of Mr. Ning Hao and is therefore a connected person of the Company. Accordingly, the investment in the Target Film constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement requirements but exempted from circular (including independent financial advice) and independent shareholders' approval requirement under the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Please refer to the announcement of the Company dated 24 December 2018 for details of the investment in the Target Film.

誠如本公司日期為二零一八年十二月二十四日之公告所載，董事認為投資目標電影與本集團的主要業務及其於媒體及娛樂行業之發展相符。董事認為該投資意味本集團為實現發展計劃踏出一步，且有利於本集團。

西藏筋斗雲由寧浩先生最終擁有超過50%股權，寧浩先生為非執行董事及本公司主要股東泰穎有限公司的唯一最終實益擁有人，因而寧先生為本公司之關連人士。因此，西藏筋斗雲為寧浩先生之聯繫人士，其因而為本公司之關連人士。因此，投資目標電影構成本公司於上市規則第14A章項下之一項關連交易，且須遵守上市規則項下之申報及公告規定，但獲豁免遵守通函(包括獨立財務意見)及獨立股東批准規定。本公司已按照上市規則第14A章遵守披露規定。

有關投資目標電影之詳情，請參閱本公司日期為二零一八年十二月二十四日之公告。

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### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Interests of the Directors in competing businesses to the Group as at 31 December 2018 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were set out as below:

### 董事於競爭業務之權益

於二零一八年十二月三十一日，董事於本集團之競爭業務中，須根據上市規則第8.10條披露之權益載列如下：

Directors	Companies which Directors held interests	Major nature of business	Nature of interest (including close associate's interest, if any)
董事	董事持有權益之公司	主要業務性質	權益性質(包括緊密聯繫人士之權益，如有)
Mr. Ning Hao 寧浩先生	Tianjin Dirty Monkey Films Company Limited*	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	天津壞猴子影業有限公司		
	INJO Films Co. Ltd.	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	東陽映月影視文化傳播有限公司		
	北京壞猴子文化產業發展有限公司	TV Production and Distribution 電視節目製作及發行	Ultimate Shareholder 最終股東
	霍爾果斯壞猴子影視文化傳播有限公司	TV Production and Distribution 電視節目製作及發行	Ultimate Shareholder 最終股東
	花滿山(上海)影業有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	東陽壞猴子影視文化傳播有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	壞猴子(上海)文化傳播有限公司	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
	Tibet Jindouyun Film Company Limited*	TV and Movie Production 電視節目及電影製作	Ultimate Shareholder 最終股東
西藏筋斗雲影業有限公司			
天津筋斗雲文化傳媒有限公司	Movie Production 電影製作	Ultimate Shareholder 最終股東	
上海定海神針影業有限公司	TV and Movie Production and Movie Distribution 電視節目及電影製作以及電影發行	Ultimate Shareholder 最終股東	
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 and Investments 電影製作及投資	Ultimate Shareholder 最終股東

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The Group is principally engaged in the media and entertainment related businesses and other businesses. The media and entertainment related businesses include, among others, development and/or investment in films and television drama series.

Mr. Ning Hao, together with his family, is the ultimate shareholder of the above companies (together "Mr. Ning's Companies"). Mr. Ning's companies are principally engaged in the TV and movie production and distribution in the PRC. Tibet Jindouyun Film Company Limited and the Group entered into a movie investment agreement on 24 December 2018, as detailed in the announcement of the Company dated 24 December 2018. Save as disclosed above, as at 31 December 2018, 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 and movie investments in the PRC. As at 31 December 2018, 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.

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 seven members, comprising of two executive Directors, two non-executive Directors and three independent non-executive Directors. All of the Directors are aware of their fiduciary duties as a Director of the Company which require, among other things, that they act for the benefit and in the best interests of the Company and do not allow any conflict between their duties as a Director and their personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of the Company in respect of such transactions and shall not be counted in the quorum.

本集團主要從事媒體及娛樂相關業務及其他業務。媒體及娛樂相關業務包括(其中包括)開發及/或投資電影及電視劇。

寧浩先生連同其家族為上述公司(統稱「寧先生之公司」)之最終股東。寧先生之公司均主要於中國從事電視節目及電影製作及發行。於二零一八年十二月二十四日,西藏筋斗雲影業有限公司與本集團訂立電影投資協議,詳情載於本公司日期為二零一八年十二月二十四日之公告。除上文所披露者外,於二零一八年十二月三十一日,除寧浩先生及/或其家族於寧先生之公司之權益外,彼或其緊密聯繫人士概無於任何有關電影製作的業務中擁有權益。

徐崢先生為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電影製作及電影投資。於二零一八年十二月三十一日,除徐崢先生於北京真樂道之權益外,彼或其緊密聯繫人士概無於任何有關電影製作的業務中擁有權益。

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

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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.

Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited\*, an indirectly wholly owned subsidiary of the Company, entered into a movie investment agreement dated 24 December 2018 with Tibet Jindouyun Film Company Limited\*, an associate of Mr. Ning Hao.

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

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

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

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。倘本集團與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告。

歡歡喜喜(天津)文化投資有限公司(本公司之間接全資附屬公司)與西藏筋斗雲影業有限公司(寧浩先生之聯繫人士)訂立日期為二零一八年十二月二十四日之電影投資協議。

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

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

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

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(c) assist or support any third person to undertake the activities set forth in paragraphs (a) and (b) above.

(c) 協助或支持任何第三方承接上文(a)及(b)段所列活動。

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

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) contract to produce the Shareholder Directors' Productions which the Company invests in;

(a) 就製作本公司所投資之股東導演作品訂立合約；

(b) operate the Non-Shareholder Directors' Productions;

(b) 營運非股東導演作品；

(c) operate the Shareholder Directors' Productions that the Company does not invest in;

(c) 營運並非本公司投資之股東導演作品；

(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,

(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，

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

而在各項情況下均須遵守上市規則第14A章項下任何適用於關連交易之規定。

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.

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

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### SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2018, 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.

### 主要股東權益

於二零一八年十二月三十一日，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	Capacity	Number of Ordinary Shares/ underlying Shares held 持有之普通股/ 相關股份數目	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	1,451,114,354 (Notes 1 to 3) (附註1至3)	49.73%
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)	3.16%
Highrise Castle Limited Highrise Castle Limited	Beneficial owner 實益擁有人	500,000 (Note 3) (附註3)	0.02%
Dong Ping ("Mr. Dong") 董平(「董先生」)	Beneficial Owner, Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 實益擁有人、受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,451,114,354 (Notes 1 to 3) (附註1至3)	49.73%
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	1,451,114,354 (Notes 1, 2 & 4) (附註1、2及4)	49.73%
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 受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,451,114,354 (Notes 1, 2 & 4) (附註1、2及4)	49.73%

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Name of shareholders	Capacity	Number of Ordinary Shares/ underlying Shares held	Approximate percentage of shareholding
股東名稱/姓名	身份	持有之普通股/ 相關股份數目	股權概約百分比
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	1,451,114,354 (Notes 1, 2 & 5) (附註1、2及5)	49.73%
Xu Zheng ("Mr. Xu") 徐暉(「徐先生」)	Interests of controlled corporation and a party to an agreement required to be disclosed under section 317 of the SFO 受控制法團權益及協議訂約方根據證券及期貨條例第317條須予披露的權益	1,451,114,354 (Notes 1, 2 & 5) (附註1、2及5)	49.73%
Unique Swift Limited 唯臻有限公司	Beneficial owner 實益擁有人	150,000,000 (Note 6) (附註6)	5.14%
Cheng Shiqing 程十慶	Interests of controlled corporation 受控制法團權益	150,000,000 (Note 6) (附註6)	5.14%

### Notes:

### 附註：

- 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 (collectively, 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 Shares (the "Subscription Shares") at a subscription price of HK\$0.4 per Share (the "Subscription"). Details in relation to the Subscription were 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.
- 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「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股股份(「認購股份」)，每股股份之認購價為港幣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。認購事項已於本公司二零一五年八月二十八日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被視作於董先生、泰穎及泰嶸擁有權益的全部股份中擁有權益。

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3. 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 Shares respectively upon completion of the Subscription. Highrise Castle Limited which is also wholly owned by Mr. Dong holds 500,000 Shares. Mr. Dong also holds 16,610,000 Shares and 2,700,000 share options of the Company granted on 27 April 2018 pursuant to the Company's share option scheme adopted on 17 June 2014. 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.
4. Pacific Wits is wholly owned by Mr. Ning. Pursuant to the Subscription Agreement, Pacific Wits subscribed for 438,625,528 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.
5. Tairong is wholly owned by Mr. Xu. Pursuant to the Subscription Agreement, Tairong subscribed for 438,625,528 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.
6. Unique Swift Limited, a company wholly owned by Mr. Cheng Shiqing was allotted 150,000,000 Shares on 14 September 2018 pursuant to the cooperation agreement entered into between the Company and Unique Swift Limited on 24 May 2018 and the amended and restated cooperation agreement entered into between the Company, Unique Swift Limited and Mr. Zhang Yimou on 11 September 2018.
3. 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股股份。Highrise Castle Limited亦由董先生全資擁有，持有500,000股股份。董先生亦持有16,610,000股股份及根據於二零一四年六月十七日採納之本公司購股權計劃於二零一八年四月二十七日授出之2,700,000份本公司購股權。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，董先生被視作於Newwood、泰穎及泰嶸擁有權益的全部股份中擁有權益。
4. 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，寧先生及泰穎被視作於董先生、Newwood及泰嶸擁有權益的全部股份中擁有權益。
5. 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，徐先生及泰嶸被視作於董先生、Newwood及泰穎擁有權益的全部股份中擁有權益。
6. 根據本公司與唯臻有限公司於二零一八年五月二十四日訂立的合作協議及本公司與唯臻有限公司及張藝謀先生於二零一八年九月十一日訂立的經修訂及重述之合作協議，唯臻有限公司（一間由程十慶先生全資擁有之公司）於二零一八年九月十四日獲配發150,000,000股股份。

Save as disclosed above, as at 31 December 2018, 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.

除上文所披露者外，於二零一八年十二月三十一日，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條備存之登記冊之權益或淡倉。

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### CONTRACTUAL ARRANGEMENTS

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

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

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

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

During the year ended 31 December 2018, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and there was no termination of the Contractual Arrangements nor failure to terminate when the restrictions that led to the adoptions of the Contractual Arrangements are removed.

### 合約安排

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

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

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

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

截至二零一八年十二月三十一日止年度，合約安排及／或採納合約安排之情況概無重大變動，合約安排概無終止，而當導致採納合約安排之限制解除時亦無發生未能終止合約安排的情況。

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

### 目標集團及其登記擁有人之詳情及合約安排之主要條款概述

As at 31 December 2018, particulars of the Target Group are as follows:

於二零一八年十二月三十一日，目標集團之詳情如下：

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

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

合約安排之主要條款概述如下：

#### (1) Exclusive Services Agreement

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

#### (1) 獨家業務合作協議

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

#### (2) Loan Agreement

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

#### (2) 借款協議

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

# DIRECTORS' REPORT

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### (3) Equity Interest Pledge Agreement

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

### (4) Powers of Attorney

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

### (5) Exclusive Option Contract

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

### (3) 股權質押協議

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

### (4) 授權委託書

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

### (5) 獨家購買權合同

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

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

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

- If the PRC government finds that the Contractual Arrangements that establish the structure for film and TV programmes production and investment as well as provision of internet audio-visual programmes series businesses in the PRC do not comply with applicable PRC laws and regulations, we could be subject to penalties and our business may be materially and adversely affected;
- Certain terms of our Contractual Arrangements may not be enforceable under PRC laws;

## 合約安排相關風險及風險減緩措施

本集團認為合約安排涉及以下風險：

- 倘中國政府裁定，用於設立中國電影及電視節目製作及投資以及提供互聯網音視聽系列節目業務之架構之合約安排並不符合適用中國法律及法規，本集團可能會面臨處罰，繼而可能對本集團業務造成重大不利影響；
- 根據中國法律，本集團合約安排之若干條款可能無法強制執行；

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- Our Contractual Arrangements may not be as effective in providing control over our Target as equity ownership;
- Any failure by the Target or their respective ultimate shareholders to perform their obligations under our Contractual Arrangements would potentially lead to our having to incur additional costs and expend material resources to enforce such arrangements, temporary or permanent loss of control over our provision of internet audio-visual programmes series businesses or loss of access to the revenue from these businesses;
- The ultimate owners of the Target may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition;
- If any of the Target or its subsidiaries becomes the subject of a bankruptcy or liquidation proceeding, we may lose the ability to use and enjoy certain important assets, which could materially and adversely affect our business; and
- Our exercise of the option to acquire the equity interests of the Target may be subject to certain limitations and the ownership transfer may incur substantial costs.
- 就控制目標公司而言，本集團合約安排之效果可能不及權益擁有權；
- 如目標公司或彼等各自之最終股東無法依照本集團合約安排履行彼等之責任，可能導致本集團不得不承擔額外開支及投入大量資源以執行有關安排，令本集團暫時或永久失去對提供互聯網音視聽系列節目業務之控制或無法取得有關業務之收益；
- 目標公司最終擁有人可能與本集團存有潛在利益衝突，繼而可能對本集團之業務及財務狀況造成重大不利影響；
- 如任何目標公司或其附屬公司成為破產或清盤程序之對象，可能導致本集團無法使用及享有若干重要資產，繼而可能對本集團業務造成重大不利影響；及
- 本集團在行使購股權收購目標公司之股權時，或會受到若干限制，而轉讓擁有權可能產生巨額開支。

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

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

### Revenue and assets involved in the Contractual Arrangements

Revenue and assets of the Target Group of approximately HK\$16,540,000 and HK\$136,693,000 are consolidated into the consolidated Financial Statements pursuant to the Contractual Arrangements for the year ended 31 December 2018. The above revenue and assets included transactions and balances with the Group.

### 合約安排涉及之收益及資產

截至二零一八年十二月三十一日止年度，目標集團之收益及資產約為港幣16,540,000元及港幣136,693,000元根據合約安排併入綜合財務報表。上述收益及資產包括與本集團所進行之交易及結餘。

### 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 2018.

### 管理合約

於截至二零一八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。

# DIRECTORS' REPORT

## 董事報告

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2018, the percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers combined are 57.95% and 94.41% respectively.

For the year ended 31 December 2018, the percentage of turnover of the Group attributable to the largest customer and the five largest customers combined are 47.51% and 89.66% respectively.

As at 31 December 2018, 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.

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

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

### 主要客戶及供應商

截至二零一八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57.95%及94.41%。

截至二零一八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47.51%及89.66%。

於二零一八年十二月三十一日，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。

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

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

# 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 2018.

### ENVIRONMENTAL PROTECTION

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

### REVIEW OF THE RESULTS

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the consolidated financial statements for the year ended 31 December 2018.

### CORPORATE GOVERNANCE

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

### PUBLIC FLOAT

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

### 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。於二零一八年，並無發生已對本公司產生重大影響之違反相關法律及法規之事宜。

### 環境保護

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

### 審閱業績

本公司之審核委員會已聯同管理層審閱本集團所採納之會計原則及慣例，並討論內部控制及財務報告事宜（包括截至二零一八年十二月三十一日止年度之綜合財務報表）。

### 企業管治

本公司之企業管治常規詳情載於本年報之企業管治報告內。

### 公眾持股量

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

# DIRECTORS' REPORT

## 董事報告

### DONATIONS

During the year, the Group made donations of approximately HK\$88,000 to charitable and non-profit-making organisations.

### EVENTS AFTER THE REPORTING PERIOD

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

As at the date of the Film Production Agreement, Director Agreement, Producer Agreement, Screenwriter Agreement and Actor Agreement (collectively the "Agreements"), Beijing Joy Leader is owned as to 51% by Mr. Xu Zheng and 25% by Mr. Xu Zheng's spouse. Mr. Xu Zheng is a non-executive Director of the Company and the sole ultimate beneficial owner of Tairong Holdings Limited, a substantial Shareholder which holds 438,625,528 Shares, representing approximately 15.03% of the issued share capital of the Company as at the date of the Agreements. As such, each of Mr. Xu Zheng and Beijing Joy Leader (being an associate of Mr. Xu Zheng) is a connected person of the Company under the Listing Rules.

### 捐款

年內，本集團向慈善機構及非牟利機構捐款約港幣88,000元。

### 報告期後事項

(a) 於二零一九年二月二十六日，(i)本公司之間接全資附屬公司北京歡喜首映文化有限公司(「歡喜首映」)與北京真樂道文化傳播有限公司(「北京真樂道」)訂立電影製作協議(「電影製作協議」)，據此北京真樂道有條件同意就該電影(暫定名為《囡媽》，須待於電影公映許可證中確認)(「該電影」)向歡喜首映提供電影製作服務；及(ii)本公司之間接全資附屬公司歡歡喜喜(天津)文化投資有限公司(「歡歡喜喜」)(a)與徐崢先生訂立導演聘用協議(「導演聘用協議」)，據此徐崢先生有條件同意擔任該電影之導演；(b)與徐崢先生訂立監製聘用協議(「監製聘用協議」)，據此徐崢先生有條件同意擔任該電影之監製；(c)與徐崢先生訂立編劇聘用協議(「編劇聘用協議」)，據此徐崢先生有條件同意擔任該電影之編劇；及(d)與徐崢先生訂立演員聘用協議(「演員聘用協議」)，據此徐崢先生有條件同意擔任該電影之主角。

於電影製作協議、導演聘用協議、監製聘用協議、編劇聘用協議及演員聘用協議(統稱「該等協議」)日期，徐崢先生及徐崢先生之配偶分別擁有北京真樂道51%及25%權益。徐崢先生為本公司之非執行董事，並為主要股東泰嶸控股有限公司(持有438,625,528股股份，佔本公司於該等協議日期之已發行股本約15.03%)之唯一最終實益擁有人。因此，根據上市規則，徐崢先生及北京真樂道(為徐崢先生之聯繫人士)各自均為本公司之關連人士。

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Accordingly, the transactions contemplated under the Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Agreements are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A special general meeting of the Company will be convened for the Shareholders, other than those who are required by the Listing Rules to abstain from voting on the resolution(s) relating to the transactions contemplated under the Agreements to consider, and if thought fit, to approve the Agreements and the transactions contemplated thereunder.

Please refer to the Company's announcement dated 26 February 2019 for details.

(b) On 12 March 2019, the Company entered into the subscription agreement ("Subscription Agreement") with Maoyan Entertainment, pursuant to which Maoyan Entertainment has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to Maoyan Entertainment, 236,600,000 subscription shares ("Subscription Shares") at the subscription price of HK\$1.6507 per Subscription Share (the "Subscription"). The Subscription Shares will be allotted and issued under the general mandate granted to the Board by resolutions of the Shareholders passed at the annual general meeting of the Company held on 29 June 2018 to allot, issue and deal with the shares of the Company.

The gross proceeds and net proceeds to be raised from the Subscription will be HK\$390,555,620 and approximately HK\$390,000,000 respectively. The net proceeds from the Subscription will be applied by the Company as to approximately HK\$100,000,000 for the development of its online video platform, approximately HK\$190,000,000 for the investment in, production of and purchase of film and TV contents and approximately HK\$100,000,000 for general working capital.

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

因此，該等協議項下擬進行之交易事項構成本公司於上市規則第14A章項下之關連交易。該等協議項下擬進行之交易事項須遵守上市規則第14A章項下之申報、公告及獨立股東批准規定。

本公司將召開股東特別大會，以供除上市規則規定須就該等協議項下擬進行之交易之決議案放棄表決之人士以外之股東考慮及酌情批准該等協議及其項下擬進行之交易事項。

詳情請參閱本公司日期為二零一九年二月二十六日之公告。

(b) 於二零一九年三月十二日，本公司與貓眼娛樂訂立認購協議（「認購協議」），據此，貓眼娛樂已有條件同意認購，而本公司已有條件同意向貓眼娛樂按每股認購股份港幣1.6507元之認購價配發及發行236,600,000股認購股份（「認購股份」）（「認購事項」）。認購股份將根據股東於二零一八年六月二十九日舉行之本公司股東週年大會上通過決議案授予董事會配發、發行及處理本公司股份之一般授權予以配發及發行。

認購事項所得款項總額及淨額分別為港幣390,555,620元及約港幣390,000,000元。本公司擬將認購事項所得款項淨額之約港幣100,000,000元用於發展在線視頻平台、約港幣190,000,000元用於影視內容投資、製作及購買及約港幣100,000,000元用於一般營運資金。

認購事項已於二零一九年三月十九日完成。有關認購協議之詳情，請參閱本公司日期為二零一九年三月十二日、二零一九年三月十三日及二零一九年三月十九日之公告。

# DIRECTORS' REPORT

## 董事報告

Save as disclosed above, there are no material event after reporting period as at the date of this annual report.

### AUDITOR

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

The consolidated financial statements for the year ended 31 December 2018 were audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint PricewaterhouseCoopers, Certified Public Accountants, Hong Kong as auditor of the Company.

除上文所披露者外，截至本年報日期，概無重大之報告期後事項。

### 核數師

羅兵咸永道會計師事務所(香港執業會計師)自二零一八年八月二十八日起已獲委任為本公司核數師以填補德勤•關黃陳方會計師行(執業會計師)自二零一八年八月二十七日起辭任本公司核數師後之臨時空缺。

截至二零一八年十二月三十一日止年度之綜合財務報表已由羅兵咸永道會計師事務所(香港執業會計師)審核。於本公司應屆股東週年大會上將提呈一項決議案，續聘羅兵咸永道會計師事務所(香港執業會計師)為本公司核數師。

On behalf of the Board

**Dong Ping**  
*Chairman*

代表董事會

主席  
董平

Hong Kong, 26 March 2019

香港，二零一九年三月二十六日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

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

Throughout the year ended 31 December 2018, 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 on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules") except for the following deviation:

Pursuant to Code A.6.7 of the CG Code, independent non-executive Directors and non-executive Directors should attend general meetings of the Company. Mr. Li Xiaolong (independent non-executive Director), was unable to attend the annual general meeting of the Company held on 29 June 2018 due to his other engagement.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the financial year 2018, Mr. Dong Ping acted as the chairman of the Board (the "Chairman") and Mr. Xiang Shaokun, Steven acted as the Chief Executive Officer.

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

### 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.

### 企業管治常規

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

本公司於截至二零一八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，惟下列偏離情況除外：

根據企管守則第A.6.7條，獨立非執行董事及非執行董事須出席本公司股東大會。李小龍先生（獨立非執行董事）因彼之其他事務未能出席本公司於二零一八年六月二十九日舉行之股東週年大會。

### 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。於二零一八年財政年度，董平先生擔任董事會主席（「主席」）及項紹琨先生擔任行政總裁。

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

### 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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

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

Throughout the year ended 31 December 2018, the Company complied with rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, at least one independent non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise, and a sufficient number of independent non-executive Directors representing at least one-third of the board, respectively.

### BOARD COMPOSITION

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

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.

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

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

於截至二零一八年十二月三十一日止年度,就委任至少三名獨立非執行董事;至少一名獨立非執行董事具備適當的專業資格,或具備適當的會計或相關財務管理專業知識;以及獨立非執行董事人數充足,至少佔董事會席位的三分之一,本公司分別遵守上市規則第3.10(1)、第3.10(2)及第3.10A條。

### 董事會組成

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

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。

# 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 2018 are as follows:

截至二零一八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 Meeting	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
Number of meetings	會議次數	1	4	2	1	1
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Dong Ping ( <i>Chairman</i> )	董平先生(主席)	1/1	4/4	N/A 不適用	1/1	1/1
Mr. Xiang Shaokun, Steven ( <i>Chief Executive Officer</i> )	項紹琨先生 (行政總裁)	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Mr. Ning Hao	寧浩先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Xu Zheng	徐崢先生	1/1	2/4	N/A 不適用	N/A 不適用	N/A 不適用
Mr. Gao Zhikai (resigned on 15 August 2018)	高志凱先生 (於二零一八年 八月十五日辭任)	1/1	2/3	1/1	N/A 不適用	N/A 不適用
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Wong Tak Chuen	黃德銓先生	1/1	4/4	2/2	N/A 不適用	N/A 不適用
Mr. Su Tuong Sing, David	徐傳陞先生	1/1	1/4	2/2	0/1	0/1
Mr. Li Xiaolong	李小龍先生	0/1	4/4	1/1	1/1	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CHANGE IN INFORMATION OF DIRECTORS

With effect from 15 August 2018, Mr. Gao Zhikai has resigned as a non-executive director of the Company and ceased to be a member of the audit committee of the Company. Mr. Li Xiaolong, an independent non-executive director of the Company, has been appointed as a member of the audit committee of the Company on 15 August 2018.

With effect from 5 November 2018, Mr. Wong Tak Chuen has ceased to act as an independent non-executive director of Man Sang International Limited (Stock code: 938, a company listed on Main Board of Stock Exchange).

Save for above, there is no change in Directors' information for the year ended 31 December 2018, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### CORPORATE GOVERNANCE FUNCTION

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

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

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

### 董事資料變動

高志凱先生已辭任本公司非執行董事，且不再擔任本公司審核委員會成員，自二零一八年八月十五日起生效。本公司之獨立非執行董事李小龍先生已於二零一八年八月十五日獲委任為本公司審核委員會成員。

黃德銓先生不再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)之獨立非執行董事，自二零一八年十一月五日起生效。

除上述者外，截至二零一八年十二月三十一日止年度，董事資料概無任何須根據上市規則第13.51B(1)條予以披露的變動。

### 企業管治職能

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

董事會有關企業管治職能的職責為：

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD COMMITTEES

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

### AUDIT COMMITTEE

As at 1 January 2018, the audit committee was composed of three non-executive Directors, namely, Mr. Wong Tak Chuen (committee chairman and independent non-executive Director), Mr. Su Tuong Sing, David (independent non-executive Director) and Mr. Gao Zhikai (non-executive Director). On 15 August 2018, Mr. Gao Zhikai resigned as a non-executive Director and ceased to be a member of the audit committee of the Company. Mr. Li Xiaolong (independent non-executive Director) has been appointed as a member of the audit committee of the Company since 15 August 2018. During 2018, 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 revised written terms of reference are posted on the websites of the Company and the Stock Exchange on 7 January 2019.

In 2018, the audit committee had held two meetings. During one of the meetings, annual results of the Group for the year ended 31 December 2017 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 2018 that interim results of the Group for the six months ended 30 June 2018 was discussed. The audit committee also reviewed the accounting principles and practices adopted by the Group and financial reporting matters with the management team of the Company.

### 董事會委員會

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

### 審核委員會

於二零一八年一月一日，審核委員會由三名非執行董事組成，分別為黃德銓先生（委員會主席及獨立非執行董事）、徐傳陞先生（獨立非執行董事）及高志凱先生（非執行董事）。於二零一八年八月十五日，高志凱先生辭任本公司非執行董事，且不再擔任本公司審核委員會成員。李小龍先生（獨立非執行董事）已自二零一八年八月十五日起獲委任為本公司審核委員會成員。於二零一八年，審核委員會之主要角色及職能為審閱本公司之財務資料、監察本公司之財務匯報系統、風險管理及內部監控程序，並與本公司核數師維持良好關係。

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

二零一八年，審核委員會舉行兩次會議。於其中一次會議上，本公司核數師審閱本集團截至二零一七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。另一次會議亦已於二零一八年舉行，討論本集團截至二零一八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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Besides, the audit committee, with the assistance of the management and an external internal control and risk management consultant (the “Consultant”), has conducted annual review on the effectiveness of risk management and internal control systems of the Group for 2018 and considered the Group has operated an effective and adequate risk management and internal control systems (based on discussion between the audit committee and the Consultant and the findings of the Consultants’ internal control review report). Please refer to the section “Internal Control and Risk Management” in this Corporate Governance Report for the details on the review by the audit committee on the Group’s internal control and risk management for 2018.

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 2018. The audit committee reviewed the Consultant’s report on the Company’s corporate governance policies and practices, the Company’s policies and practices on compliance with legal and regulatory requirements and the Company’s compliance with the CG Code and disclosure in this Corporate Governance Report.

### NOMINATION COMMITTEE

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

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

另外，在管理層及一名外聘的內部監控及風險管理顧問（「該顧問」）的協助下，審核委員會已對本集團二零一八年風險管理及內部監控系統之效力作出年度檢討，並且委員會認為本集團已設有高效及適當之風險管理及內部監控系統（其依據是審核委員會與該顧問的討論及該顧問編製的內部監控檢討報告的調查結果）。就有關審核委員會審核本集團於二零一八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。

二零一八年，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。經修訂書面職權範圍已於二零一九年一月七日於本公司及聯交所網站上發佈。

# CORPORATE GOVERNANCE REPORT

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During 2018, the nomination committee was composed of Mr. Su Tuong Sing, David (committee chairman and independent non-executive Director), Mr. Dong Ping (executive Director and Chairman of the Board) and Mr. Li Xiaolong (independent non-executive Director). The committee member met once in the year ended 31 December 2018. The meeting was held to discuss the re-election of Directors at the annual general meeting held on 29 June 2018.

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

### Board Diversity Policy

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

### Nomination Policy

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

於二零一八年，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。截至二零一八年十二月三十一日止年度委員會成員舉行一次會議。該會議旨在商討二零一八年六月二十九日舉行的股東週年大會上關於重選董事的事宜。

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

### 董事會成員多元化政策

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

### 提名政策

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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 2018, the remuneration committee was composed of Mr. Su Tuong Sing, David (committee chairman and independent non-executive Director), Mr. Dong Ping (executive Director and Chairman of the Board) and Mr. Li Xiaolong (independent non-executive Director). The committee members met once in the year ended 31 December 2018. The meeting was held to review the emoluments of the Directors during the year ended 31 December 2017 and to review the remuneration packages of the Directors retired in the annual general meeting of the Company held on 29 June 2018.

### 薪酬委員會

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

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

於二零一八年，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。截至二零一八年十二月三十一日止年度委員會成員舉行一次會議。該會議旨在檢討於截至二零一七年十二月三十一日止年度的董事酬金及在本公司於二零一八年六月二十九日舉行的股東週年大會上退任的董事之薪酬待遇事宜。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMPANY SECRETARY

On 31 January 2018, Mr. Choi Wing Koon was appointed as the company secretary of the Company in place of Mr. Tai Kwok Hung. Mr. Choi Wing Koon has undertaken no less than the required hours of relevant professional training respectively for the year ended 31 December 2018.

### AUDITOR'S REMUNERATION

During the year ended 31 December 2018, remuneration in respect of audit and non-audit services provided by the auditor of the Company to the Group are approximately HK\$2,670,000 (2017: HK\$3,664,000) and HK\$30,000 (2017: HK\$702,000) respectively.

### 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.

### 公司秘書

於二零一八年一月三十一日，蔡永冠先生獲委任為本公司之公司秘書以取代戴國洪先生。截至二零一八年十二月三十一日止年度，蔡永冠先生已接受相關職業培訓不少於所規定的時間。

### 核數師酬金

截至二零一八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2,670,000元（二零一七年：港幣3,664,000元）及港幣30,000元（二零一七年：港幣702,000元）。

### 內部監控及風險管理

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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 2018 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.

Along with the internal control review, the Consultant has prepared annual review report on overall effectiveness of the Group's system of internal control over various aspect including financial, operational and compliance issues, in particular, the processes of (i) cash and treasury management, (ii) intellectual property and (iii) corporate governance were reviewed for the year ended 31 December 2018. 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 related business and other businesses. 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.

透過審核委員會及在該顧問的協助下，董事會已就本集團二零一八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。

就內部監控檢討，該顧問已就本集團內部監控系統之整體效力編製年度檢討報告，涵蓋財務、營運及合規問題等多個方面，特別是截至二零一八年十二月三十一日止年度亦審閱了(i)現金及財資管理，(ii)知識產權，以及(iii)企業管治的流程。就風險管理檢討，董事會亦透過審核委員會及在該顧問的協助下對影響本集團在其媒體及娛樂相關業務與其他業務方面經營的主要風險因素進行識別、評估及評定等工作。於風險評估過程中，本公司管理層已對營運、合規及策略等方面作出檢討。經識別高優先級別風險包括娛樂行業投資策略風險、媒體項目製作質素不穩等營運風險、與發行商相關的信貸風險，還有在各種審查合規、公司上市規則合規以及財務資料報告標準中涉及的風險。

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

董事會已採納舉報政策，當中載有僱員上報任何有關本公司事宜之違規行為之程序。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry, all Directors confirmed that they fully complied with the Model Code throughout 2018.

### DIRECTORS' TRAINING

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

During the year ended 31 December 2018, all existing Directors have received the following trainings:

### 證券交易守則

本公司已採納上市規則附錄十所載標準守則，其條款之嚴格程度不遜於標準守則所載者。經特定查詢後，全體董事確認於二零一八年度已充分遵守標準守則。

### 董事培訓

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

截至二零一八年十二月三十一日止年度，所有現任董事已經參與下列培訓：

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

#### Executive Directors

Mr. Dong Ping (*Chairman*)

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

#### 執行董事

董平先生(主席)

項紹琨先生(行政總裁)

✓

✓

#### Non-Executive Directors

Mr. Ning Hao

Mr. Xu Zheng

#### 非執行董事

寧浩先生

徐崢先生

✓

✓

#### Independent Non-Executive Directors

Mr. Wong Tak Chuen

Mr. Su Tuong Sing, David

Mr. Li Xiaolong

#### 獨立非執行董事

黃德銓先生

徐傳陞先生

李小龍先生

✓

✓

✓

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

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.

### DIRECTORS' SERVICE CONTRACTS

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

### INSIDE INFORMATION POLICY

Pursuant to the statutory regime for disclosure of inside information sets out in Part XIVA of the SFO with effect from 1 January 2013, the Board has adopted an inside information policy 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. Generally, no employee or Director may disclose, discuss or share with outside parties (except for communication with the Group's advisers who owe a duty of confidentiality, e.g. lawyers, and other categories of persons as allowed under the Part XIVA of the SFO) the information of price-sensitive nature about the Company that has not been released to the public. Please refer to the website of the Company [www.huanximedia.com](http://www.huanximedia.com) under the section "Corporate Governance" for the Company's inside information policy.

### 董事及高級職員之責任保險

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。

### 董事之服務合約

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

### 內幕消息政策

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

# 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Enquiries other than shareholdings may be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporation Information of this annual report for the attention of the Company Secretary.

### RIGHT TO CONVENE SPECIAL GENERAL MEETING

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

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at Canon's Court, 22 Victoria Street, Hamilton HM12, 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17M樓)查詢其股權。有關股權以外事項的查詢，可寄往本年報之公司資料所載本公司香港總辦事處及主要營業地點向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)之本公司股東可請求董事會召開股東特別大會。

請求須列明會議目的、經請求人簽署及寄往本公司註冊辦事處(地址為Canon's Court, 22 Victoria Street, Hamilton HM12, 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 HM12, Bermuda for the attention of the Company Secretary.

### RIGHT TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

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

### 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週年大會通告之本公司股東發出通知,告知任何可能於該會上正式動議及擬於會上動議之決議案;及
- (b) 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。

### 提名候選董事的權利

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

### DIVIDEND POLICY

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

### VOTING BY POLL

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

### INVESTOR RELATIONS

The Company maintains websites at [www.huanximedia.com](http://www.huanximedia.com) and [www.irasia.com/listco/hk/huanximedia](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.

The Company's constitutional documents are available on the websites of the Stock Exchange and the Company. There were no changes in the Company's constitutional documents during 2018.

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

### 股息政策

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

### 以投票方式表決

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

### 投資者關係

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

本公司之章程文件可於聯交所及本公司之網站上查閱。本公司之章程文件於二零一八年並無變動。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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

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

The content of this ESG Report is prepared in accordance with the ESG Reporting Guide set out in Appendix 27 of the Listing Rules to make relevant disclosure of sustainability performance in material aspects of the guide, covering the whole range of our business, including investment in film and TV programmes rights business and other businesses. The reporting period of this report shall cover the period from 1 January 2018 to 31 December 2018.

本環境、社會及管治報告根據上市規則附錄二十七所載之環境、社會及管治報告指引編製，對該指引主要層面的可持續發展的表現作出相關披露，內容涵蓋我們的整個業務，包括投資於電影及電視劇版權業務及其他業務。本報告的報告期間應涵蓋二零一八年一月一日至二零一八年十二月三十一日期間。

### STAKEHOLDER ENGAGEMENT

### 與持份者的溝通

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

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

Stakeholders 持份者	Requirements and expectations 要求及期望	Communications and actions 溝通及行動
Government/Regulatory Authorities 政府／監管機構	<ul style="list-style-type: none"><li>compliance with laws and regulations 遵守法律法規</li><li>support for economic development 支持經濟發展</li></ul>	<ul style="list-style-type: none"><li>compliance management 合規管理</li><li>submission of reports and payment of taxes 呈交報告及納稅</li></ul>
Shareholders 股東	<ul style="list-style-type: none"><li>financial results 財務業績</li><li>business developments 業務發展</li><li>corporate governance 企業管治</li><li>channels of communications 溝通渠道</li></ul>	<ul style="list-style-type: none"><li>reports and announcements 報告及公告</li><li>general meetings 股東大會</li><li>company website, email and hotline 公司網站、電郵及熱線電話</li></ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

Stakeholders 持份者	Requirements and expectations 要求及期望	Communications and actions 溝通及行動
Customers 客戶	<ul style="list-style-type: none"> <li>• high quality products and services 優質產品和服務</li> <li>• meeting customers' needs 滿足客戶的需求</li> <li>• feedback channels 反饋渠道</li> </ul>	<ul style="list-style-type: none"> <li>• creative and quality products 創新優質產品</li> <li>• protection of customer information and privacy 保護客戶資料及私隱</li> <li>• dedicated customer service 專屬客戶服務</li> <li>• email and hotline 電郵及熱線電話</li> </ul>
Employees 僱員	<ul style="list-style-type: none"> <li>• employees' compensation and benefits 僱員的薪酬福利</li> <li>• career development 職業發展</li> <li>• protection of occupational health 保障職業健康</li> <li>• work and life balance 平衡工作生活</li> </ul>	<ul style="list-style-type: none"> <li>• provision of good remuneration and welfare 提供良好的薪酬福利</li> <li>• regular performance reviews and feedback 定期進行表現檢討及反饋</li> <li>• employee training 僱員培訓</li> </ul>
Suppliers and Business Partners 供應商及業務夥伴	<ul style="list-style-type: none"> <li>• compliance with contracts 遵守合約</li> <li>• communication channels 溝通渠道</li> <li>• business ethics 商業道德</li> </ul>	<ul style="list-style-type: none"> <li>• performance of contracts according to law 依法履行合約</li> <li>• attending film festivals 參加電影節</li> <li>• dedicated internal control and risk management 專項內部監控及風險管理</li> </ul>
Community and Environment 社區和環境	<ul style="list-style-type: none"> <li>• support for charity 支持公益慈善事業</li> <li>• eco-friendly business practices 環境友好型業務常規</li> </ul>	<ul style="list-style-type: none"> <li>• donation 捐款</li> <li>• increasing the efficiency of the use of resources and energy 提升資源及能源使用效率</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### MATERIALITY ASSESSMENT

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

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

### ENVIRONMENTAL

#### Emissions

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

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

### 重要性評估

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

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

### 環境

#### 排放物

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

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

For air and greenhouse gas (“GHG”) emissions performance, please refer to the table below.

有關廢氣及溫室氣體排放表現，請參閱下表。

Environmental Key Performance Indicators 環境關鍵表現指標	Unit 單位	2018 二零一八年	2017 二零一七年
Nitrogen oxides (NOx) emitted from vehicles 車輛排放的氮氧化物(NOx)	g 克	<b>9,892</b>	11,452
Sulphur oxides (SOx) emitted from vehicles 車輛排放的硫氧化物(SOx)	g 克	<b>358</b>	351
Particulate matter emitted from vehicles 車輛排放的顆粒物	g 克	<b>728</b>	843
GHG emissions (Note 1) 溫室氣體排放物(附註1)			
– Scope 1 (Note 2) – 範圍1(附註2)	tonnes 噸	<b>66</b>	65
– Scope 2 (Note 3) – 範圍2(附註3)	tonnes 噸	<b>103</b>	107
– Scope 3 (Note 4) – 範圍3(附註4)	tonnes 噸	<b>59</b>	56
Total 總量	tonnes 噸	<b>228</b>	228

Notes:

附註：

- GHG emissions included emissions of carbon dioxide, methane and nitrous oxide, where methane and nitrous oxide emissions were converted to carbon dioxide emissions based on global warming potential (GWP). Therefore, the total amount of GHG emissions is the total amount of carbon dioxide emissions equivalent.
- Scope 1 calculated direct GHG emissions from combustion of fuels in mobile sources (e.g. vehicles) controlled by the Group.
- Scope 2 calculated indirect GHG emissions of electricity purchased from power companies.
- Scope 3 calculated the indirect GHG emissions of disposal of paper waste at landfill and business travel by employees.

- 溫室氣體排放包括二氧化碳、甲烷及氧化亞氮的排放量，當中甲烷及氧化亞氮的排放量根據全球變暖潛勢(global warming potential)換算為二氧化碳排放量。因此，溫室氣體排放總量為二氧化碳當量總量。
- 範圍1計算由本集團旗下控制的流動源(例如車輛)燃燒燃料直接產生的溫室氣體排放量。
- 範圍2計算從電力公司採購電力間接產生的溫室氣體排放量。
- 範圍3計算由堆填區處置廢紙及由僱員商旅間接產生的溫室氣體排放量。

For non-hazardous waste, the Group discharged 538 kg of wasted paper in 2018 (2017: 524 kg). The Group adopts double-sided printing for internal documents and reuses used paper to minimise wasted paper.

無害廢物方面，本集團於二零一八年產生538千克(二零一七年：524千克)廢紙。本集團對內部文件均採用雙面打印，並循環利用使用過的紙張，從而盡量減少廢紙。

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

本集團並無發現核心業務有產生任何有害廢物，現時亦並無制訂減排措施。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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

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

### Use of Resources

### 資源使用

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

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。

During 2018, the direct and indirect energy consumption by electricity and petrol are 111,033 kWh (2017: 115,698 kWh) and 24,343 L (2017: 23,854 L) respectively.

於二零一八年，電力與汽油的直接及間接能源耗量分別為111,033千瓦時（二零一七年：115,698千瓦時）及24,343升（二零一七年：23,854升）。

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

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

### The Environment and Natural Resources

### 環境及天然資源

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.

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

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

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### SOCIAL – EMPLOYMENT AND LABOUR PRACTICES

#### 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.

#### Promotion, compensation, and dismissal

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

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

### 社會－僱傭及勞工常規

#### 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。

#### 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、待產假、補休、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。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### Equal opportunity and anti-discrimination

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

The Group would ensure strict compliance with all relevant regulatory standards, particularly the Hong Kong Employment Ordinance and Employees' Compensation Ordinance and the relevant regulations in the PRC including Labour Law of the 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 26.

### 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.

### 平等機會及反歧視

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

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

本集團薪酬政策詳情亦載於第26頁管理層討論與分析「僱員和薪酬政策」一節內。

### 健康及安全

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

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

本集團採取每星期工作五天的安排，鼓勵僱員保持實際而合理的工作與生活平衡。

同時，我們支持承辦商及業務夥伴高度重視職業危害方面的健康及安全問題。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

There is a full compliance towards Occupational Safety and Health Ordinance and relevant regulations that protected employees from occupation hazards. The Group also complied with Labour Law of the 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 of HK\$6,890 (2017: HK\$4,800) were given to employees for participation in training courses of 37.5 hours (2017: 32.5 hours) in 2018 which aim at enhancing their job skills. The training covered the management skill and leadership improvement, company's organisation strategy and corporate culture, employee's business knowledge, orientation and other specific training.

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

### Labour standards

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

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

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

### 發展及培訓

除按企業管治報告所述為董事提供培訓資料外，我們亦強烈建議僱員在變化不定的業務環境下掌握各方面知識。二零一八年，我們為參與37.5小時（二零一七年：32.5小時）的提升工作技術培訓課程的僱員提供港幣6,890元（二零一七年：港幣4,800元）資助，培訓涵蓋管理技能及領導力的改善、公司組織策略及企業文化、僱員業務知識、導向及其他專項培訓。

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

### 勞工標準

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

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### SOCIAL – OPERATING PRACTICES

#### Supply chain management

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

#### Product responsibility

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

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

#### Anti-corruption

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

### 社會 – 營運常規

#### 供應鏈管理

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

#### 產品責任

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

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

#### 反貪污

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

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 2018, there was no legal case or dispute in respect of bribery, extortion, fraud or money laundering against our employees and the Group.

### **SOCIAL – COMMUNITY**

#### **Community investment**

The Group facilitates opportunities for employees to be a part of our communities. We encourage assistance in and participation in conventions, conferences, exhibitions and events held by business communities relevant to our business, with a particular focus on organisations promoting the development of media industries and community partnership. During the year, the Group made donations of approximately HK\$88,000 to charitable and non-profit-making organisations.

本集團一直嚴格遵守相關法律法規，包括《防止賄賂條例》以及中國的有關法規。於二零一八年，概無發生任何針對我們的僱員及本集團的賄賂、勒索、欺詐或洗錢的案件或爭議。

### **社會 – 社區**

#### **社區投資**

本集團致力讓僱員成為社區一分子。我們鼓勵僱員協助及參加與我們業務相關的商界（尤其是注重推動媒體行業及社區合作關係的組織）舉辦的大會、會議、展覽及活動。年內，本集團向慈善機構及非牟利機構捐款約港幣88,000元。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



羅兵咸永道

**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

### 意見

What we have audited

我們已審計的內容

The consolidated financial statements of Huanxi Media Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 107 to 227, which comprise:

列載於107至227頁的歡喜傳媒集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，該等財務報表包括：

- the consolidated statement of financial position as at 31 December 2018;
  - the consolidated statement of profit or loss and other comprehensive income for the year then ended;
  - the consolidated statement of changes in equity for the year then ended;
  - the consolidated statement of cash flows for the year then ended; and
  - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於二零一八年十二月三十一日的綜合財務狀況報表；
  - 截至該日止年度的綜合損益及其他全面收益表；
  - 截至該日止年度的綜合權益變動表；
  - 截至該日止年度的綜合現金流量表；及
  - 綜合財務報表附註，包括主要會計政策概要。

### Our opinion

### 我們的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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二零一八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。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### BASIS FOR OPINION

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

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

### Independence

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

### KEY AUDIT MATTERS

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

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

- Valuation and measurement of film and TV programmes rights and intangible assets
- Impairment of prepayment of film and TV programmes rights
- Going concern

### 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。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已根據守則履行其他專業道德責任。

### 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 電影及電視劇版權以及無形資產的估值及計量
- 電影及電視劇版權預付款的減值
- 持續經營

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理 關鍵審計事項
<b>Valuation and measurement of film and TV programmes rights and intangible assets</b>		<b>電影及電視劇版權以及無形資產的估值及計量</b>	
Refer to Note 4(c), Note 18 and Note 21 to the consolidated financial statements.	Our procedures in relation to the valuation and measurement of film and TV programmes rights and intangible assets included:	請參閱綜合財務報表附註4(c)、附註18及附註21。	我們有關電影及電視劇版權以及無形資產的估值及計量程序包括：
As at 31 December 2018, film and TV programmes rights and intangible assets of the Group amounted to approximately HK\$762,619,000 and HK\$16,285,000 and they collectively represented approximately 46% of the Group's total assets.	<p><i>Film and TV programmes rights completed and under production</i></p> <ul style="list-style-type: none"> <li>Assessed the reasonableness of the sources of information used by management in identifying impairment indicators, including management's assessment on current market condition, political environment and latest regulatory changes.</li> </ul>	於二零一八年十二月三十一日，貴集團之電影及電視劇版權以及無形資產約為港幣762,619,000元及港幣16,285,000元，合共佔貴集團資產總額約46%。	<p>已完成及製作中之電影及電視劇版權</p> <ul style="list-style-type: none"> <li>評估管理層用於識別減值跡象之資料來源的合理性，包括管理層對當期市況、政治環境以及最新監管變動的評估。</li> </ul>
As described in the accounting policies in Note 2.10 to the consolidated financial statements, the Group has classified (i) film and TV programmes rights completed, (ii) film and TV programmes rights under production and (iii) licensed film and TV programmes rights as intangible assets. All these rights are measured at cost less accumulated amortisation and impairment.	<ul style="list-style-type: none"> <li>Examined the relevant correspondences with joint investors and/or film production house engaged by the Group on sample basis to evaluate the progress of the production of the film and TV programmes rights and the distribution plan for the completed titles.</li> <li>Discussed with management and compared with available market information to assess the expected performance and distribution plan.</li> </ul>	誠如綜合財務報表附註2.10的會計政策所述，貴集團已將(i)已完成之電影及電視劇版權，(ii)製作中之電影及電視劇版權及(iii)獲授權之電影及電視劇版權分類為無形資產。所有該等版權均按成本減累計攤銷及減值計量。	<ul style="list-style-type: none"> <li>抽樣檢查 貴集團與有業務往來的聯合投資者及／或電影製作公司之間的相關信函，從而對電影及電視劇版權的製作進度及已完成項目的發行計劃進行評估。</li> <li>與管理層討論並比較可公開查閱的市場資訊，藉此評估預期表現及發行計劃。</li> </ul>



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理 關鍵審計事項
<b>Valuation and measurement of film and TV programmes rights and intangible assets (Continued)</b>			
<i>Film and TV programmes rights under production</i>	<i>Licensed film and TV programmes rights and intangible assets</i>	製作中之電影及電視劇版權	獲授權之電影及電視劇版權以及無形資產
<p>In addition to the factors considered in the impairment assessment performed for the film and TV programmes rights completed, for those rights that are under production, management also considered whether the Group has sufficient financial ability and internal resources to complete the production of the film and TV programmes rights and to market them effectively and whether there are any adverse changes identified on the budgeted costs. Besides, management determined the recoverable amount of film and TV programmes rights under production through fair value less cost of disposal approach. Based on management's assessment, no impairment has been identified for the film and TV programmes rights under production during the year.</p>	<ul style="list-style-type: none"> <li>We evaluated management's impairment assessment by assessing the DCF used in calculation as set out below: <ul style="list-style-type: none"> <li>Assessed the competency, capabilities and objectivity of the independent external valuer by considering its qualifications, relevant experience and relationship with the Group.</li> <li>Assessed the methodology adopted and checked the mathematical accuracy of the underlying DCF calculation.</li> <li>Assessed the reasonableness of the management key assumptions adopted and judgement exercised in its DCF, including the cash flow estimations by comparing with the approved budget.</li> </ul> </li> </ul>	<p>在就已完成之電影及電視劇版權進行減值評估時所考慮的因素外，就製作中之版權而言，管理層亦考慮 貴集團是否擁有充足的財務實力及內部資源以完成電影及電視劇版權的製作並進行有效市場推廣，以及預算成本是否出現任何不利變動。此外，管理層按公平值減出售成本的方法釐定製作中之電影及電視劇版權的可收回金額。根據管理層的評估，於年內概無發現製作中之電影及電視劇版權出現減值。</p>	<ul style="list-style-type: none"> <li>我們透過評估計算過程中使用的貼現現金流量預測，對管理層的減值評估作出評價，具體如下： <ul style="list-style-type: none"> <li>考慮獨立外部估值師的資格、相關經驗及與 貴集團的關係，藉此評估其稱職程度、能力及客觀性。</li> <li>評估所採用的方法並審核相關貼現現金流量預測計算的準確性。</li> <li>評估管理層在進行貼現現金流量預測時所採納的主要假設及所行使判斷的合理性，包括透過比較經批准的預算評估現金流量估計的合理性。</li> </ul> </li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Valuation and measurement of film and TV programmes rights and intangible assets (Continued)</b>	

#### *Licensed film and TV programmes rights and intangible assets*

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

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

– Involved our internal valuation specialists to assess the model and assumptions used in the valuation, including the discount rate and terminal growth rate.

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

### 關鍵審計事項 (續)

關鍵審計事項	我們的審計如何處理 關鍵審計事項
<b>電影及電視劇版權以及無形資產的估值及計量 (續)</b>	

#### *獲授權之電影及電視劇版權以及無形資產*

在釐定獲授權之電影及電視劇版權是否存在任何減值跡象時，管理層乃將其與 貴集團網絡播映平台涉及的無形資產（即許可證及軟件開發成本）一併考慮。 貴集團獲授權之電影及電視劇版權在其網絡播映平台（該平台被視為現金產生單位（「平台現金產生單位」））上可供認購。根據管理層的評估，由於網絡播映平台開始商業營運的時間較原定計劃延後，因此於年末時存在減值跡象。

– 委派我們的內部估值專家參與評估估值所用的模型及假設，包括貼現率及終端增長率。

我們認為，管理層就電影及電視劇版權以及無形資產的估值及計量作出的判斷及假設均有據可依。

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

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理 關鍵審計事項
<p><b>Valuation and measurement of film and TV programmes rights and intangible assets (Continued)</b></p> <p>We focused on this area due to the significance of the carrying amounts of the film and TV programmes rights and intangible assets to the consolidated financial statements and significant management judgements involved in the valuation and measurement of these assets.</p>		<p>電影及電視劇版權以及無形資產的估值及計量 (續)</p> <p>我們專注於此範疇，原因在於電影及電視劇版權以及無形資產的賬面值就綜合財務報表而言數額重大，同時該等資產的估值及計量均涉及重大管理層判斷。</p>	
<p><b>Impairment of prepayment for film and TV programmes rights</b></p> <p>Refer to Note 20 to the consolidated financial statements.</p> <p>As at 31 December 2018, the Group had prepayment for film and TV programmes rights of approximately HK\$370,222,000, which represented approximately 22% of the Group's total assets. The prepayments were made under the agreements with film directors in relation to the acquisition of future films and TV programmes rights.</p>	<p>In evaluation of the management's assessment on the identification of impairment indicators for the Group's prepayment for film and TV programmes rights, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding on and evaluated and tested the Group's key control over initiation and authorisation of cooperate agreements with film directors.</li> <li>• Inquired with the management on the status of film and TV programmes rights investment plans with film directors.</li> <li>• Inspected the correspondences between the film directors and management related to the progress of utilisation of the prepayment on sample basis.</li> </ul>	<p>電影及電視劇版權預付款的減值</p> <p>請參閱綜合財務報表附註20。</p> <p>於二零一八年十二月三十一日，貴集團的電影及電視劇版權預付款約為港幣370,222,000元，佔貴集團資產總額約22%。預付款乃根據與電影導演就收購未來電影及電視劇版權訂立的協議作出。</p>	<p>在評價管理層就貴集團的電影及電視劇版權預付款識別減值跡象作出的評估時，我們已執行以下程序：</p> <ul style="list-style-type: none"> <li>• 了解、評價及測試貴集團有關發起及授權與電影導演訂立合作協議的關鍵控制措施。</li> <li>• 向管理層查詢與電影導演訂立的電影及電視劇版權投資計劃的狀況。</li> <li>• 抽樣檢查電影導演與管理層之間有關預付款動用情況的往來信函。</li> </ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

**Key Audit Matter**

**How our audit addressed the Key Audit Matter**

#### ***Impairment of prepayment for film and TV programmes rights (Continued)***

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

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

- Interviewed certain film directors for confirming the understanding of the terms of the agreements and compared the plans of utilisation of prepayment against management's investment plans.
- Obtained confirmations from counterparties as to the balances of prepayment as at 31 December 2018.

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

### 關鍵審計事項 (續)

**關鍵審計事項**

**我們的審計如何處理關鍵審計事項**

#### **電影及電視劇版權預付款的減值 (續)**

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

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

- 與若干電影導演面談，以確認對協議條款的理解，並將預付款的動用計劃與管理層的投資計劃進行比較。
- 獲交易對手確認預付款於二零一八年十二月三十一日的結餘。

我們認為，管理層就電影及電視劇版權預付款的減值評估作出的判斷乃有據可依。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項 (續)

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵審計事項	我們的審計如何處理關鍵審計事項
<b>Going concern</b>		<b>持續經營</b>	
<p>Refer to Note 2.1(a) to the consolidated financial statements.</p> <p>During the year ended 31 December 2018, the Group had net cash used in operating activities of approximately HK\$61,880,000 and loss for the year attributable to owners of the Company of approximately HK\$444,693,000. At 31 December 2018, the Group had bank balances and cash of HK\$158,528,000, amounts due to related parties of HK\$92,467,000 and short-term borrowing of HK\$295,307,000 with maturity within 12 months from 31 December 2018. The Group also had capital commitments amounted to HK\$250,633,000 as at 31 December 2018. These conditions may impact the Group's ability to continue as a going concern.</p>	<p>In evaluation of the management's assessment in relation to the going concern basis, we have performed the following procedures:</p> <ul style="list-style-type: none"><li>• Obtained the cash flow forecast prepared by management and inquired management to understand their development plan during the forecast period.</li><li>• Evaluated the reasonableness of the assumptions used in the cash flow forecast based on their development plan and expected operational needs in an ordinary course of business.</li></ul>	<p>請參閱綜合財務報表附註2.1(a)。</p> <p>於截至二零一八年十二月三十一日止年度，貴集團經營活動所耗用之現金淨額約為港幣61,880,000元，而貴公司擁有人應佔本年度虧損約為港幣444,693,000元。於二零一八年十二月三十一日，貴集團擁有銀行結餘及現金港幣158,528,000元，應付關連人士款項港幣92,467,000元及短期借款港幣295,307,000元（於自二零一八年十二月三十一日起十二個月內到期）。貴集團於二零一八年十二月三十一日亦擁有資本承擔港幣250,633,000元。該等狀況或會影響貴集團的持續經營能力。</p>	<p>在評價管理層就持續經營基準作出的評估時，我們已執行以下程序：</p> <ul style="list-style-type: none"><li>• 取得管理層編製的現金流量預測，並向管理層作出查詢，以了解其於預測期間的發展計劃。</li><li>• 根據彼等的發展計劃及日常業務過程中的預計營運需求評價現金流量預測中所用假設的合理性。</li></ul>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

**Key Audit Matter**

**How our audit addressed the Key Audit Matter**

#### Going concern (Continued)

In preparing the going concern assessment, management has prepared a cash flow forecast for a period of not less than twelve months from 31 December 2018. In the cash flow forecast, management estimated the amount and timing of cash flows from its operations and took into account subsequent cash receipts from the share subscription and the minimum guarantee agreement as detailed in Note 2.1(a) to the consolidated financial statements. The Group concluded that it will have sufficient financial resources to meet in full its financial obligations as and when they fall due within the twelve months from 31 December 2018. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

We focused on this area due to significant management judgements and assumptions involved in preparing the cash flow forecast, including cash inflow from operations and projected capital expenditures and operating expenses during the forecast period.

- Evaluated management estimation in preparing cash flow forecasts against historical performance.
- Compared key assumptions adopted, including estimated cash flows from operation and projected capital expenditures and operating expenses, with film investment contracts, contracts of capital expenditures and approved budgets during the forecast period.
- Inspected the subsequent cash receipts under the share subscription and the minimum guarantee agreement as disclosed in Note 2.1(a) to the consolidated financial statements and checked to bank statements.

We found the judgements and assumptions made by management in relation to cash flow forecast to be supportable by the available evidence.

### 關鍵審計事項 (續)

**關鍵審計事項**

**我們的審計如何處理關鍵審計事項**

#### 持續經營 (續)

在進行持續經營評估時，管理層已就自二零一八年十二月三十一日起不少於十二個月期間編製現金流量預測。在現金流量預測中，管理層估計其業務產生現金流量的金額及時間，並考慮其後來自股份認購及保底協議的現金收入，詳情載於綜合財務報表附註2.1(a)。貴集團認為，其將擁有充足財務資源以悉數支付其自二零一八年十二月三十一日起十二個月內到期的財務責任。因此，綜合財務報表乃按持續經營基準編製。

我們專注於此範疇，原因在於編製現金流量預測（包括預測期間業務產生的現金流入以及預計資本支出及經營開支）涉及重大管理層判斷及假設。

- 根據過往業績表現評估管理層編製現金流量預測時所作的估計。
- 將所採納的主要假設（包括業務產生的預計現金流量、預計資本支出及經營開支）與預測期間的電影投資合約、資本支出合約及經批准的預算進行比較。
- 核查其後股份認購及保底協議項下的現金收入（如綜合財務報表附註2.1(a)所披露），並核對銀行對賬單。

我們認為，管理層就現金流量預測作出的判斷及假設均有據可依。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION

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

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

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

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

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

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

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

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

### 其他資料

貴公司董事需對其他資料負責。其他資料包括刊載於年報內的資料，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資料，我們亦不對該等其他資料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資料，在此過程中，考慮其他資料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，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事及審核委員會就綜合財務報表須承擔的責任

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

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

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

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

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

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們根據《百慕達1981年公司法》第90條的規定僅向閣下（作為整體）報告我們的意見，除此以外，我們的意見不可用作其他用途。我們概不就本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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### 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相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、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，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，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 the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Benson Wai Bong Wong.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 26 March 2019

### 核數師就審計綜合財務報表承擔的責任 (續)

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

出具本獨立核數師報告的審計專案合夥人是黃煒邦。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一九年三月二十六日

# 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 2018 截至二零一八年十二月三十一日止年度

		NOTE 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Revenue and film investment income	收益及電影投資收入	5	174,632	53,209
Cost of revenue	收益之成本	9	(85,317)	(59,072)
<b>Gross profit/(loss)</b>	<b>毛利/(毛損)</b>		<b>89,315</b>	(5,863)
Other income	其他收入	7	42	6,081
Other (losses)/gains	其他(虧損)/收益	8	(346)	3,088
Selling and distribution costs	銷售及分銷成本	9	(25,958)	(549)
Administrative expenses	行政開支	9	(203,521)	(97,914)
Share-based payment for cooperation with a film director	與一名電影導演合作之 以股份為基礎之付款	32	(270,000)	-
<b>Operating loss</b>	<b>經營虧損</b>		<b>(410,468)</b>	(95,157)
Finance income	財務收入	11	701	152
Finance costs	財務費用	11	(16,497)	(154)
Finance costs, net	財務費用，淨額	11	(15,796)	(2)
<b>Loss before tax</b>	<b>除稅前虧損</b>		<b>(426,264)</b>	(95,159)
Income tax expense	所得稅開支	12	(18,429)	-
<b>Loss for the year</b>	<b>本年度虧損</b>		<b>(444,693)</b>	(95,159)
Loss for the year attributable to owners of the Company	本公司擁有人應佔本年度虧損		<b>(444,693)</b>	(95,159)
<b>Other comprehensive (loss)/income</b>	<b>其他全面(虧損)/收益</b>			
<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		5,028	23,468
<i>Item that may be reclassified to profit or loss:</i>	<i>可能會重新分類至損益之項目：</i>			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		(49,202)	36,947
			<b>(44,174)</b>	60,415
<b>Total comprehensive loss for the year</b>	<b>本年度全面虧損總額</b>		<b>(488,867)</b>	(34,744)
Total comprehensive loss for the year attributable to owners of the Company	本公司擁有人應佔本年度 全面虧損總額		<b>(488,867)</b>	(34,744)
<b>Loss per share attributable to owners of the Company</b>	<b>本公司擁有人應佔每股虧損</b>			
Basic and diluted (HK dollar)	基本及攤薄(港幣)	16	<b>(0.16)</b>	(0.03)

The notes on pages 111 to 227 are integral part of these consolidated financial statements.

第111至227頁的附註為該等綜合財務報表之組成部分。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況報表

At 31 December 2018 於二零一八年十二月三十一日

		NOTE 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	3,762	5,917
Intangible assets	無形資產	18	16,285	21,017
Rental deposits	租賃按金	22	5,608	5,490
Prepayment for film and TV programmes rights	電影及電視劇版權預付款	20	370,222	407,917
Film and TV programmes rights	電影及電視劇版權	21	18,077	22,743
			<b>413,954</b>	463,084
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Film and TV programmes rights	電影及電視劇版權	21	744,542	506,362
Trade and other receivables, deposits and prepayments	應收賬款及其他應收款項、按金及預付款	22	371,305	37,912
Contract assets	合約資產	6	5,220	-
Cash and cash equivalents	現金及現金等值	23	158,528	39,169
			<b>1,279,595</b>	583,443
<b>Total assets</b>	<b>資產總額</b>		<b>1,693,549</b>	1,046,527
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	27	29,181	27,681
Reserves	儲備	28	629,487	764,486
<b>Total equity</b>	<b>權益總額</b>		<b>658,668</b>	792,167
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	24	98,025	54,084
Contract liabilities	合約負債	6	528,652	-
Amounts due to related parties	應付關連人士款項	34	92,467	120,000
Borrowings	借款	25	295,307	77,500
Tax payable	應付稅項		20,430	2,776
<b>Total liabilities</b>	<b>負債總額</b>		<b>1,034,881</b>	254,360
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>1,693,549</b>	1,046,527

The consolidated financial statements on pages 107 to 227 were approved by the Board of Directors on 26 March 2019 and were signed on its behalf:

第107頁至227頁之綜合財務報表已於二零一九年三月二十六日獲董事會批准，並由下列董事代表董事會簽署：

**Dong Ping**  
董平  
DIRECTOR  
董事

**Xiang Shaokun, Steven**  
項紹琨  
DIRECTOR  
董事

The notes on pages 111 to 227 are integral part of these consolidated financial statements.

第111至227頁的附註為該等綜合財務報表之組成部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

At 31 December 2018 於二零一八年十二月三十一日

		Attributable to owners of the Company		
		本公司擁有人應佔		
		Share capital	Reserves	Total
		(Note 27)	(Note 28)	
		股本	儲備	總額
		(附註27)	(附註28)	總額
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
<b>At 1 January 2017</b>	於二零一七年一月一日	27,681	799,230	826,911
Loss for the year	本年度虧損	–	(95,159)	(95,159)
Other comprehensive income	其他全面收益	–	60,415	60,415
<b>Total comprehensive loss for the year</b>	<b>本年度全面虧損總額</b>	–	(34,744)	(34,744)
<b>At 31 December 2017</b>	於二零一七年十二月三十一日	27,681	764,486	792,167
Loss for the year	本年度虧損	–	(444,693)	(444,693)
Other comprehensive loss	其他全面虧損	–	(44,174)	(44,174)
<b>Total comprehensive loss for the year</b>	<b>本年度全面虧損總額</b>	–	(488,867)	(488,867)
<b>Transactions with owners:</b>	<b>與擁有人的交易：</b>			
Issue of ordinary shares for cooperation with a film director	與一名電影導演合作而發行之普通股	1,500	268,500	270,000
Issue of share options under share option scheme	根據購股權計劃發行購股權	–	85,368	85,368
		1,500	353,868	355,368
<b>At 31 December 2018</b>	於二零一八年十二月三十一日	29,181	629,487	658,668

The notes on pages 111 to 227 are integral part of these consolidated financial statements.

第111至227頁的附註為該等綜合財務報表之組成部分。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

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

			2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
		NOTE 附註		
<b>Cash flows from operating activities</b>	<b>經營活動所產生之現金流量</b>			
Cash used in operations	經營業務所耗用現金	29	(61,880)	(465,638)
Income taxes paid	已付所得稅		-	(6,913)
<b>Net cash used in operating activities</b>	<b>經營活動所耗用之現金淨額</b>		<b>(61,880)</b>	<b>(472,551)</b>
<b>Cash flows from investing activities</b>	<b>投資活動所產生之現金流量</b>			
Inflow of cash to acquire subsidiary, net of cash acquired	收購附屬公司之現金流入， 扣除所購入之現金	33	494	-
Interest received	已收利息		701	152
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備 所得款項	29	18	5
Payment of software development costs	軟件開發成本付款		(334)	(8,515)
Purchase of property, plant and equipment	購買物業、廠房及設備		(332)	(3,040)
Proceeds from disposal of artwork	出售藝術品所得款項		-	7,000
Dividend income received	已收股息收入		-	588
<b>Net cash generated from/(used in) investing activities</b>	<b>投資活動所產生/(耗用)之 現金淨額</b>		<b>547</b>	<b>(3,810)</b>
<b>Cash flows from financing activities</b>	<b>融資活動產生之現金流量</b>			
Advances from related parties	來自關連人士之墊款		175,156	120,000
Proceeds from borrowings	借款所得款項		368,313	77,500
Repayments of advance from related parties	償還來自關連人士之墊款		(197,024)	-
Repayments of borrowings	償還借款		(156,810)	-
Interest paid	已付利息		(2,307)	-
<b>Net cash generated from financing activities</b>	<b>融資活動所產生之現金淨額</b>		<b>187,328</b>	<b>197,500</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等值之增加/(減少) 淨額</b>		<b>125,995</b>	<b>(278,861)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>年初之現金及現金等值</b>		<b>39,169</b>	<b>309,062</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>匯率變動對現金及 現金等值之影響</b>		<b>(6,636)</b>	<b>8,968</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>年終之現金及現金等值</b>		<b>158,528</b>	<b>39,169</b>

The notes on pages 111 to 227 are integral part of these consolidated financial statements.

第111至227頁的附註為該等綜合財務報表之組成部分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 1 GENERAL

Huanxi Media Group Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is Canon’s Count, 22 Victoria Street, Hamilton HM12, Bermuda and its principal place of business in Hong Kong is 11th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The Company is an investment holding and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses, and provision of property agency related services. The activities of its principal subsidiaries are set out in Note 13.

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

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 1 一般資料

歡喜傳媒集團有限公司(「本公司」)為一家於百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處為Canon’s Count, 22 Victoria Street, Hamilton HM12, Bermuda，香港主要營業地點為香港金鐘夏慤道16號遠東金融中心11樓。

本公司乃一間投資控股及電影投資公司，其附屬公司主要從事媒體及娛樂相關業務以及提供物業代理相關服務。其主要附屬公司之業務載於附註13。

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

### 2 主要會計政策概要

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation

#### (a) Going concern basis

As at 31 December 2018, the Group had cash and cash equivalents of approximately HK\$158,528,000, amounts due to related parties of approximately HK\$92,467,000 and short term borrowings of approximately HK\$295,307,000, and the Group had net cash used in operating activities for the year ended 31 December 2018 of approximately HK\$61,880,000 and loss for the year attributable to owners of the Company of approximately HK\$444,693,000. The directors of the Company have reviewed the Group's cash flows forecast which cover a period of not less than twelve months from the date of this report and are of the opinion that the Group will have sufficient working capital to meet its financial obligations that will be due in the coming twelve months from the date of this report on the basis that:

- (i) In July 2018, the Group has signed a cooperation agreement with Tianjin Maoyan Weying Cultural Media Co., Ltd. in relation to the proposed subscription of ordinary shares of the Company. On 12 March 2019, the Group has signed a shares subscription agreement with Maoyan Entertainment in relation to subscription of 7.5% enlarged ordinary share of the Company with consideration of approximately HK\$390,556,000. The proceeds from the issuance of ordinary shares have been received in March 2019; and

## 2 主要會計政策概要 (續)

### 2.1 編製基準

#### (a) 持續經營基準

於二零一八年十二月三十一日，本集團擁有現金及現金等值約港幣158,528,000元、應付關連人士款項約港幣92,467,000元及短期借款約港幣295,307,000元，且本集團於截至二零一八年十二月三十一日止年度經營活動所耗用之現金淨額約港幣61,880,000元及本公司擁有人應佔本年度虧損約港幣444,693,000元。本公司董事已審閱本集團自本報告日期起不少於12個月期間之預測現金流量，並認為在以下各項前提下，本集團將有充足營運資金以支付其將自本報告日期起未來12個月期間到期之財務責任：

- (i) 於二零一八年七月，本集團與天津貓眼微影文化傳媒有限公司簽署合作協議，內容有關建議認購本公司之普通股。於二零一九年三月十二日，本集團與貓眼娛樂簽署股份認購協議，內容有關認購7.5%本公司擴大後之普通股，代價為約港幣390,556,000元。發行普通股之所得款項已於二零一九年三月收到；及

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (a) Going concern basis (Continued)

- (ii) During the year ended 31 December 2018, the Group has signed a minimum guarantee contract with an independent third party pursuant to which the total minimum guarantee amount is RMB700,000,000. As at 31 December 2018, the Group has received RMB464,000,000 (equivalent to approximately HK\$528,233,000) and it has been accounted for as contract liabilities in the consolidated statement of financial position. The related film has been publicly released in February 2019 and the Group has recognised the contract liabilities as revenue during the year ending 31 December 2019. The remaining minimum guarantee amounted to RMB236,000,000 has been received in February 2019.

Based on the aforesaid factors, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

#### (b) Compliance with HKFRS and HKCO

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

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (a) 持續經營基準(續)

- (ii) 於截至二零一八年十二月三十一日止年度，本集團與一名獨立第三方已簽署保底合約，據此，保底總額為人民幣700,000,000元。於二零一八年十二月三十一日，本集團已收到人民幣464,000,000元（相當於約港幣528,233,000元），已收金額已於綜合財務狀況報表入賬列作合約負債。相關電影已於二零一九年二月公開上映，本集團已將該合約負債確認為於截至二零一九年十二月三十一日止年度之收益。其餘保底金額為人民幣236,000,000元，已於二零一九年二月收到。

基於上述因素，本公司董事信納本集團將有充足財務資源以悉數支付其將於可見未來到期之財務責任。因此，綜合財務報表乃按持續經營基準編製。

#### (b) 遵守香港財務報告準則及香港公司條例

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### (c) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) measured at fair value.

#### (d) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

Annual Improvement projects	Annual improvements 2014–2016 cycle (Amendments)
HKAS 40 (Amendments)	Transfers of investment property
HKFRS 2 (Amendments)	Classification and measurement of share-based payment transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts
HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HKFRS 15 (Amendments)	Clarifications to HKFRS 15
HK(IFRIC)–Int 22	Foreign currency transactions and advance consideration

The impact of these standards and new accounting policies are disclosed in Note 2.2. The other standard did not have any material impact on the Group's accounting policies and did not require retrospective adjustment.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### (c) 歷史成本常規法

綜合財務報表已根據歷史成本基準編製，惟按公平值計量之若干金融資產及負債（包括衍生工具）除外。

#### (d) 本集團採納之新訂及經修訂準則

本集團自二零一八年一月一日起的年度報告期間首次應用下列準則及修訂：

年度改進項目	二零一四年至二零一六年週期之年度改進 (修訂本)
香港會計準則第40號 (修訂本)	轉讓投資物業
香港財務報告準則第2號 (修訂本)	以股份為基礎之付款交易的分類及計量
香港財務報告準則第4號 (修訂本)	採用香港財務報告準則第4號「保險合約」時應用的香港財務報告準則第9號「金融工具」
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合同收益
香港財務報告準則第15號 (修訂本)	對香港財務報告準則第15號的澄清
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價

該等準則及新會計政策之影響於附註2.2披露。其他準則對本集團之會計政策並無任何重大影響，亦毋須作出追溯調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要(續)

### 2.1 Basis of preparation (Continued)

### 2.1 編製基準(續)

#### (e) New standards and interpretations not yet adopted

#### (e) 尚未採納之新訂準則及詮釋

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

若干新會計準則及詮釋已頒佈但並未於二零一八年十二月三十一日報告期間強制生效，且本集團並無提早採納。本集團對該等新訂準則及詮釋之影響評估載列如下。

		Effective for annual periods beginning on or after 於以下日期或之後 開始之年度期間生效
Annual Improvements Project 年度改進項目	Annual improvements 2015–2017 cycle (Amendments) 二零一五年至二零一七年週期之年度改進(修訂本)	1 January 2019 二零一九年一月一日
HKAS 19 (Amendments) 香港會計準則第19號(修訂本)	Plan amendment, curtailment or settlement 計劃修訂、縮減或結清	1 January 2019 二零一九年一月一日
HKAS 28 (Amendments) 香港會計準則第28號(修訂本)	Long-term interests in associates and joint ventures 於聯營公司及合營企業之長期權益	1 January 2019 二零一九年一月一日
HKFRS 9 (Amendments) 香港財務報告準則第9號(修訂本)	Prepayment features with negative compensation 具有負補償之提前還款特點	1 January 2019 二零一九年一月一日
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019 二零一九年一月一日
HK(IFRIC)–Int 23 香港(國際財務報告詮釋委員會) —詮釋第23號	Uncertainty over income tax treatments 所得稅處理之不確定性	1 January 2019 二零一九年一月一日
HKAS 1 and HKAS 8 (Amendments) 香港會計準則第1號及香港 會計準則第8號(修訂本)	Definition of material 重大的定義	1 January 2020 二零二零年一月一日
HKFRS 3 (Amendments) 香港財務報告準則第3號(修訂本)	Definition of business 業務的定義	1 January 2020 二零二零年一月一日
Conceptual Framework for Financial Reporting 2018 二零一八年財務報告概念框架	Revised conceptual framework for financial reporting 經修訂財務報告概念框架	1 January 2020 二零二零年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance contract 保險合約	1 January 2021 二零二一年一月一日
HKFRS 10 and HKAS 28 (Amendments) 香港財務報告準則第10號及 香港會計準則第28號(修訂本)	Sale or contribution of assets between an investor and its associate or joint venture 投資者與其聯營公司或合營企業之間的資產出售或 出資	To be announced 待公佈

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (e) New standards and interpretations not yet adopted (Continued)

##### HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### (e) 尚未採納之新訂準則及詮釋 (續)

##### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關之詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營租賃及融資租賃之差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代。

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債之任何重新計量而作出調整。租賃負債初步按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂之影響作出調整。就現金流量分類而言，本集團目前將經營租賃款項呈列為經營現金流量。於應用香港財務報告準則第16號後，本集團將有關租賃負債之租賃款項分配至本金及利息部分，並以融資現金流量呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### (e) New standards and interpretations not yet adopted (Continued)

##### HKFRS 16 "Leases" (Continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately HK\$35,577,000 as disclosed in Note 30. Management assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

#### (e) 尚未採納之新訂準則及詮釋 (續)

##### 香港財務報告準則第16號「租賃」(續)

於二零一八年十二月三十一日，本集團有不可撤銷之經營租賃承擔約港幣35,577,000元(於附註30披露)。管理層評估表明該等安排將符合租賃之定義。於應用香港財務報告準則第16號後，本集團將就全部該等租賃確認一項使用權資產及一項相應負債，除非其符合低值或短期租賃定義。

本集團將自其強制採納日期(二零一九年一月一日)起應用該項準則。本集團擬採用簡化過渡法，且不會重列首次採納之前年度的比較金額。物業租賃的使用權資產將於過渡時計量，猶如新規則已一直應用。所有其他使用權資產將按採納時的租賃負債金額計量(就任何預付或應計租賃開支進行調整)。

此外，應用新規定可能導致計量、呈列及披露會出現如上所述之變動。

概無其他尚未生效的準則預期會對實體現時或未來之報告期，以及可預見未來之交易產生重大影響。

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## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 Financial instruments (“HKFRS 9”) and HKFRS 15 Revenue from contracts with customers (“HKFRS 15”) on the Group’s consolidated financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods. The other standards did not have any material impact on the Group’s accounting policies and did not require retrospective adjustments.

#### (a) HKFRS 15 Revenue from contracts with Customers

The Group recognises revenue from the following major sources:

- Content production
- Property agency

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

## 2 主要會計政策概要 (續)

### 2.2 會計政策變動

本附註闡釋採納香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)及香港財務報告準則第15號「客戶合同收益」(「香港財務報告準則第15號」)對本集團的綜合財務報表之影響及披露自二零一八年一月一日起應用之新會計政策(倘彼等與過往期間所應用者不同)。其他準則對本集團的會計政策並無任何重大影響，亦毋須作出追溯調整。

#### (a) 香港財務報告準則第15號「客戶合同收益」

本集團確認以下主要來源的收益：

- 內容製作
- 物業代理

本集團已追溯應用香港財務報告準則第15號，而初始應用該準則的累計影響於初始應用日期二零一八年一月一日確認。初始應用日期的任何差額於期初累計虧損中確認，並無重列比較資料。

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 15 Revenue from Contracts with Customers (Continued)

##### (i) Key changes in accounting policies resulting from application of HKFRS15

HKFRS 15 introduces a 5-step approach when recognising revenue:

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 Group satisfies a performance obligation

Under HKFRS 15, the Group 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.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

## 2 主要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (a) 香港財務報告準則第15號「客戶合同收益」(續)

##### (i) 應用香港財務報告準則第15號導致會計政策的重大變動

香港財務報告準則第15號引入確認收益之五個步驟：

第1步：識別與客戶訂立之合同

第2步：識別合同中之履約責任

第3步：釐定交易價格

第4步：將交易價格分配至合同之履約責任

第5步：於本集團完成履約責任時(或就此)確認收益

根據香港財務報告準則第15號，本集團於完成履約責任(即與特定履約責任相關之貨品或服務的「控制權」轉移予客戶)時(或就此)確認收益。

履約責任指一項明確貨品及服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 15 Revenue from Contracts with Customers (Continued)

##### (i) Key changes in accounting policies resulting from application of HKFRS15 (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

## 2 主要會計政策概要 (續)

### 2.2 會計政策變動 (續)

#### (a) 香港財務報告準則第15號「客戶合同收益」(續)

##### (i) 應用香港財務報告準則第15號導致會計政策的重大變動 (續)

控制權隨時間轉移，而倘符合以下其中一項標準，則收益乃參照完成相關履約責任的進度按時間確認：

- 客戶於本集團履約時同時取得並耗用本集團履約所提供的利益；
- 本集團的履約創建及增加客戶於本集團履約時控制的資產；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團有強制執行權以收取迄今已履約的款項。

否則，收益於客戶獲得明確貨品或服務的控制權時某一時點確認。

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## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 15 Revenue from Contracts with Customers (Continued)

##### (i) Key changes in accounting policies resulting from application of HKFRS15 (Continued)

Variable consideration

For contracts that contain variable consideration from investment in film and TV programmes rights, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

## 2 主要會計政策概要(續)

### 2.2 會計政策變動(續)

#### (a) 香港財務報告準則第15號「客戶合同收益」(續)

##### (i) 應用香港財務報告準則第15號導致會計政策的重大變動(續)

可變代價

對於包含電影及電視劇版權投資可變代價的合約，本集團使用(a)預期價值法或(b)最可能的金額估計其有權收取的代價金額，具體取決於何種方法可更好地預測本集團有權收取的代價金額。

僅當與可變代價相關的不確定性於其後消除，致使有關金額計入很大可能不會導致日後出現重大收益撥回時，可變代價的估計金額方會計入交易價格。

於各報告期末，本集團更新估計交易價格(包括更新其對可變代價估計是否受限的評估)，以真實反映報告期末的情況及報告期內的情況變動。

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (a) HKFRS 15 Revenue from Contracts with Customers (Continued)

##### (ii) Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset.

Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

##### (iii) Summary of effects arising from initial application of HKFRS 15

The application of HKFRS 15 does not have significant impact on the amounts reported in the consolidated financial statements. The new accounting policies on revenue recognition are set out in Note 2.24 below.

## 2 主要會計政策概要 (續)

### 2.2 會計政策變動 (續)

#### (a) 香港財務報告準則第15號「客戶合同收益」(續)

##### (ii) 合約資產及負債的呈列

根據香港財務報告準則第15號，僅當本集團有權無條件收取代價款時，方會確認應收款項。若本集團在獲得無條件收取合約中承諾的貨品及服務之代價款之權利前確認相關收益，則該權利分類為合約資產。

同樣，倘客戶於本集團確認相關收益前支付代價款或須按合約規定支付代價款，且該金額已到期，則會確認合約負債而非應付款項。對於與同一客戶之單一合約，僅列報淨合約資產或淨合約負債。對於多份合約，無關合約的合約資產及合約負債不以淨額基準列報。

##### (iii) 初始應用香港財務報告準則第15號之影響概述

應用香港財務報告準則第15號並無對綜合財務報表內呈報金額產生重大影響。有關收益確認之新會計政策載於下文附註2.24。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (b) HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. The new accounting policies are set out in Note 2.12 below.

In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated with the exception of certain aspects of hedge accounting.

#### (i) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The adoption of HKFRS 9 did not have material impact on the classification and measurement of the Group's financial assets and liabilities.

## 2 主要會計政策概要 (續)

### 2.2 會計政策變動 (續)

#### (b) 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號取代香港會計準則第39號有關金融資產及金融負債的確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計處理之條文。

自二零一八年一月一日起採納香港財務報告準則第9號「金融工具」導致會計政策變動及於綜合財務報表所確認金額作出調整。新會計政策載於下文附註2.12。

根據香港財務報告準則第9號的過渡性條文，除若干對沖會計處理方面外，並無重列比較數字。

#### (i) 分類及計量

於二零一八年一月一日（初始應用香港財務報告準則第9號之日），本集團管理層評估應就本集團所持有之金融資產採用何種業務模式，並已將其金融工具分類至香港財務報告準則第9號項下的適當類別。採納香港財務報告準則第9號對本集團金融資產及負債的分類及計量並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (b) HKFRS 9 Financial Instruments (Continued)

##### (ii) Impairment of financial assets

The Group has three types of assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables;
- contract assets; and
- other financial assets measured at amortised costs (including cash and cash equivalents and other receivables)

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change in impairment methodology is as follows:

##### (a) Trade receivables and contract assets

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

## 2 主要會計政策概要 (續)

### 2.2 會計政策變動 (續)

#### (b) 香港財務報告準則第9號「金融工具」(續)

##### (ii) 金融資產之減值

本集團有三種資產受香港財務報告準則第9號之新訂預期信貸虧損模型規限：

- 應收賬款；
- 合約資產；及
- 其他按攤銷成本計量的金融資產（包括現金及現金等值以及其他應收款項）

本集團須就上述各類資產根據香港財務報告準則第9號修訂其減值方法。減值方法變動的影響如下：

##### (a) 應收賬款及合約資產

本集團採用香港財務報告準則第9號簡化方式計量所有應收賬款及合約資產之預期信貸虧損，其使用全期預期虧損撥備。

為計量預期信貸虧損，應收賬款及合約資產已根據共同信貸風險特點及逾期天數分組。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Changes in accounting policies (Continued)

#### (b) HKFRS 9 Financial Instruments (Continued)

##### (ii) Impairment of financial assets (Continued)

###### (a) Trade receivables and contract assets (Continued)

The Group has assessed the expected credit loss model applied to the trade receivables and contract assets as at 1 January 2018 and the change in impairment methodologies did not have any material impact on the Group's consolidated financial statements and the opening loss allowance is not restated in this respect.

The adoption of expected credit loss model under HKFRS 9 did not have material impact on allowance for impairment of trade receivables calculated under HKAS 39.

###### (b) Other financial assets measured at amortised cost

Other financial assets at amortised cost include other receivables. The Group has applied the expected credit loss model to other receivables as at 1 January 2018 and the change in impairment methodologies did not have any material impact on the Group's consolidated financial statements and the opening loss allowance is not restated in this respect.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

## 2 主要會計政策概要 (續)

### 2.2 會計政策變動 (續)

#### (b) 香港財務報告準則第9號「金融工具」(續)

##### (ii) 金融資產之減值(續)

###### (a) 應收賬款及合約資產(續)

本集團已評估應用於二零一八年一月一日之應收賬款及合約資產之預期信貸虧損模型，並評定減值方法之變動對本集團之綜合財務報表並無任何重大影響，故並無就此重列期初虧損撥備。

根據香港財務報告準則第9號採納預期信貸虧損模型對根據香港會計準則第39號計算的應收賬款減值撥備並無重大影響。

###### (b) 其他按攤銷成本計量的金融資產

其他按攤銷成本計量的金融資產包括其他應收款項。本集團已將預期信貸虧損模型應用於二零一八年一月一日之其他應收款項，而減值方法之變動對本集團之綜合財務報表並無任何重大影響，故並無就此重列期初虧損撥備。

儘管現金及現金等值亦受香港財務報告準則第9號的減值要求規限，但所識別的減值不屬重大。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.3 Principles of consolidation

#### (i) Subsidiaries

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

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

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

#### (ii) Joint arrangements

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

##### *Joint operations*

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

## 2 主要會計政策概要 (續)

### 2.3 綜合原則

#### (i) 附屬公司

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

本集團採用收購會計法將業務合併入賬(參閱附註2.4)。

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

#### (ii) 聯合安排

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

##### *合營業務*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Business combinations

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

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

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

Acquisition-related costs are expensed as incurred.

## 2 主要會計政策概要(續)

### 2.4 業務合併

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

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

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

收購相關成本於產生時支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Business combinations (Continued)

The excess of the

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

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

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

### 2.5 Separate financial statements

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

## 2 主要會計政策概要 (續)

### 2.4 業務合併 (續)

以下項目：

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

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

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

### 2.5 獨立財務報表

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.5 Separate financial statements (Continued)

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

### 2.6 Segment reporting

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

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

### 2.7 Foreign currency translation

#### (i) Functional and presentation currency

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

## 2 主要會計政策概要 (續)

### 2.5 獨立財務報表 (續)

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

### 2.6 分部報告

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

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

### 2.7 外幣換算

#### (i) 功能及呈列貨幣

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Foreign currency translation (Continued)

#### (ii) Transactions and balances

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

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

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

## 2 主要會計政策概要(續)

### 2.7 外幣換算(續)

#### (ii) 交易及結餘

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

與借款有關之匯兌收益及虧損於損益表之融資成本內呈列。所有其他匯兌收益及虧損於損益表之其他(虧損)/收益內以淨額呈列。

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.7 Foreign currency translation (Continued)

#### (iii) Group companies

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

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

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

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

## 2 主要會計政策概要(續)

### 2.7 外幣換算(續)

#### (iii) 集團旗下公司

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Property, plant and equipment

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

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

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

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

## 2 主要會計政策概要 (續)

### 2.8 物業、廠房及設備

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

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

折舊乃按估計可使用年期（或如屬租賃物業裝修及若干租賃廠房及設備，則按較短租賃年期），以直線法將其成本或重估金額（扣除殘值）計算如下：

- 租賃物業裝修 33%或租期（以較短者為準）
- 傢俱、裝置及設備 20%至33%
- 汽車 20%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.8 Property, plant and equipment (Continued)

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

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

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

### 2.9 Intangible assets

#### License

Separately acquired licences are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;

## 2 主要會計政策概要 (續)

### 2.8 物業、廠房及設備 (續)

資產的殘值及可使用年期於各個報告期末予以審閱，並在適當時作出調整。

若資產賬面值超過其估計可收回金額，則資產賬面值即時撇減至其可收回金額(附註2.11)。

出售收益或虧損乃將所得款項與賬面值進行對比而釐定，並計入損益。

### 2.9 無形資產

#### 授權

單獨收購之授權按歷史成本列示。於業務合併中收購的授權按收購日期的公平值確認。具有有限可使用年期的授權按成本減累計攤銷及減值虧損列賬。

#### 軟件

與維護電腦軟件程式相關的成本於產生時確認為開支。當符合以下條件時，設計及測試由本集團控制的可辨認及獨有軟件產品直接應佔的開發成本確認為無形資產：

- 完成該軟件以致其可供使用在技術上屬可行；
- 管理層有意完成該軟件並將其投入使用或出售；
- 有能力使用或出售該軟件；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.9 Intangible assets (Continued)

#### Software (Continued)

- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

#### Amortisation methods and periods

The Group amortises software and license with a useful life using the straight-line method over five years.

## 2 主要會計政策概要 (續)

### 2.9 無形資產 (續)

#### 軟件 (續)

- 可證實該軟件如何產生很可能出現的未來經濟利益；
- 擁有足夠的技術、財務及其他資源完成開發並使用或出售該軟件；及
- 該軟件於開發期內應佔開支能夠可靠地計量。

可資本化成為軟件部分成本的直接應佔成本包括僱員成本及有關生產費用的適當部分。

已資本化的開發成本入賬列為無形資產，並自該資產可供使用之時起攤銷。

#### 攤銷方法及期間

本集團使用直線法按5年對具有可使用年期之軟件及授權進行攤銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要 (續)

### 2.10 Film and TV programmes rights

### 2.10 電影及電視劇版權

#### Film and TV programmes rights under production

#### 製作中之電影及電視劇版權

Film and TV programmes rights under production are carried at cost, less accumulated impairment loss. Cost includes all direct costs associated with the production of films and TV programmes rights.

製作中之電影及電視劇版權按成本減累計減值虧損入賬。成本包括與製作電影及電視劇版權相關之所有直接成本。

Film and TV programmes rights under production are transferred to "Film and TV programmes rights completed" upon completion of production.

製作中之電影及電視劇版權於製作完成時轉撥至「已完成之電影及電視劇版權」。

#### Film and TV programmes rights completed

#### 已完成之電影及電視劇版權

Film and TV programmes rights are carried at cost, less accumulated amortisation and accumulated impairment losses, if any. Amortisation for these film and TV programmes rights is charged to profit or loss over the period of the first release of the films and programmes through various distribution channels, such as theatrical release, television release or internet release, and other licensing arrangement.

電影及電視劇版權按成本減累計攤銷及累計減值虧損(如有)列賬。該等電影及電視劇版權之攤銷將於有關電影及節目透過各類分銷渠道(如院線發行、電視發行或互聯網發行)及其他授權安排首映期間計入損益。

#### Film rights investments

#### 電影版權投資

Film right investments are the Group's investments in film production project which entitles the Group to share certain percentage of income to be generated from the related film based on the Group's investment portion as specified in respective film right investment agreements but the Group has no control nor joint control over the investments. Film rights investments are carried at fair value.

電影版權投資是指本集團於電影製作項目之投資，本集團有權根據相應電影版權投資協議所指明之本集團投資比例，按一定百分比享有將來電影產生之收入。但本集團對投資項目並不擁有控制權或共同控制權。電影版權投資按公平值列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.10 Film and TV programmes rights (Continued)

#### Licensed film and TV programmes rights

Licensed film and TV programmes rights represent the Group's investments in film and TV programmes right licenses. The Group acquired or licensed rights from outsiders for broadcasting of films or TV programmes series on its online video platform or sublicensing the license rights to other parties. Licensed film and TV programmes rights are carried at cost, less accumulated amortisation and accumulated impairment losses, if any.

Licensed film and TV programmes rights are amortised on a straight-line basis over their estimated useful lives of one to two years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimation being accounted for on a prospective basis.

#### Derecognition

Film and TV programmes rights are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of film and TV programmes rights, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

## 2 主要會計政策概要 (續)

### 2.10 電影及電視劇版權 (續)

#### 獲授權之電影及電視劇版權

獲授權之電影及電視劇版權是指本集團投資之電影及電視劇版權許可。本集團從外界購買或獲得許可授權以在其在線視頻平台播放電影或電視劇，或向其他人士分授許可授權。獲授權之電影及電視劇版權按成本減累計攤銷及累計減值虧損(如有)列賬。

獲授權之電影及電視劇版權於其估計可使用年期(一至兩年)內按直線法攤銷。估計可使用年期及攤銷法於各報告期末進行檢討，任何估計變動產生之影響按提前基準入賬。

#### 終止確認

電影及電視劇版權於出售或當預期使用或出售均不會產生未來經濟利益時終止確認。終止確認電影及電視劇版權產生之收益及虧損按出售所得款項淨額與資產賬面值之差額釐定，並在終止確認資產時於損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要 (續)

### 2.11 Impairment of non-financial assets

Assets that have an indefinite useful life and intangible assets that are not available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.12 Investments and other financial assets

#### (i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

### 2.11 非金融資產減值

無確定可使用年期的資產及不可使用的無形資產無需攤銷，惟須每年進行減值測試，或當發生事件或情況變動顯示資產可能發生減值時，則更頻密地進行測試。資產於發生事件或情況變動顯示賬面值可能無法收回時進行減值測試。減值虧損按資產的賬面值超出其可收回金額之差額確認。可收回金額為資產的公平值減出售成本及使用價值兩者之中的較高者。就評估減值而言，本集團按可獨立識別的現金流入（在很大程度上獨立於其他資產或資產組別（現金產生單位）之現金流入）的最低水平劃分資產類別。除商譽外，出現減值的非金融資產將於各報告期末進行檢討，以釐定減值是否可予撥回。

### 2.12 投資及其他金融資產

#### (i) 分類

自二零一八年一月一日起，本集團按以下計量類別對其金融資產進行分類：

- 隨後將按公平值計入其他全面收益或損益計量者，及
- 將按攤銷成本計量者。

分類取決於實體管理金融資產之業務模式以及現金流量之合約條款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (i) Classification (Continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## 2 主要會計政策概要 (續)

### 2.12 投資及其他金融資產 (續)

#### (i) 分類 (續)

就按公平值計量之資產而言，收益及虧損可計入損益或其他全面收益。就並非持作買賣之權益工具投資而言，則視乎本集團於初步確認時是否已不可撤銷地選擇將股權投資入賬為按公平值計入其他全面收益而定。

本集團僅當其用於管理資產之業務模式有變動時方會將債務投資重新分類。

#### (ii) 確認及終止確認

以正規途徑購買或銷售之金融資產於交易日期（即本集團承諾購買或出售該資產之日）確認。當從金融資產收取現金流量之權利已經到期或轉讓，而本集團已轉讓擁有權之絕大部分風險及回報時，即終止確認有關金融資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要 (續)

### 2.12 Investments and other financial assets (Continued)

### 2.12 投資及其他金融資產 (續)

#### (iii) Measurement

#### (iii) 計量

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

於初步確認時，本集團按公平值加（如為並非按公平值計入損益之金融資產）收購該金融資產直接應佔之交易成本計量金融資產。按公平值計入損益之金融資產之交易成本於損益中支銷。

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

確定具有嵌入式衍生工具之金融資產之現金流量是否僅為支付本金及利息時，需從金融資產之整體進行考慮。

#### *Debt instruments*

#### *債務工具*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

債務工具的後續計量取決於本集團管理資產之業務模式以及該資產的現金流量特點。本集團將其債務工具分類為三個計量類別：

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- 攤銷成本：當持有資產之目的為收取合約現金流量，且現金流量僅為支付本金及利息時，資產按攤銷成本計量。來自該等金融資產的利息收入使用實際利率法計入財務收入。因終止確認而產生的任何收益或虧損直接於損益內確認，並連同匯兌收益及虧損於其他收益／（虧損）中呈列。減值虧損於損益表中作為獨立項目呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (iii) Measurement (Continued)

##### Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

## 2 主要會計政策概要 (續)

### 2.12 投資及其他金融資產 (續)

#### (iii) 計量 (續)

##### 債務工具 (續)

- 按公平值計入其他全面收益：當持有資產之目的為收取合約現金流量及出售金融資產，且其現金流量僅為支付本金及利息時，資產按公平值計入其他全面收益計量。賬面值變動計入其他全面收益，惟減值收益或虧損、利息收入及匯兌收益及虧損於損益中確認。當終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損會由權益重新分類至損益。當終止確認金融資產時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益，並於其他收益／（虧損）中確認。來自該等金融資產的利息收入使用實際利率法計入財務收入。匯兌收益及虧損於其他收益／（虧損）中呈列，而減值開支於損益表中作為獨立項目呈列。
- 按公平值計入損益：不符合按攤銷成本或按公平值計入其他全面收益準則之資產按公平值計入損益計量。隨後按公平值計入損益計量的債務投資之收益或虧損於損益中確認，並於產生之期間於其他收益／（虧損）中以淨額呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要 (續)

### 2.12 Investments and other financial assets (Continued)

### 2.12 投資及其他金融資產 (續)

#### (iii) Measurement (Continued)

#### (iii) 計量 (續)

##### Equity instruments

##### 權益工具

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

本集團隨後按公平值計量所有股權投資。若本集團管理層已選擇將股權投資之公平值收益及虧損於其他全面收益中呈列，則終止確認投資後，概無後續重新分類公平值收益及虧損至損益。本集團收取付款之權利確立時，有關投資之股息繼續於損益中確認為其他收益。

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

按公平值計入損益之金融資產公平值變動乃於損益表中其他收益／(虧損)中確認(如適用)。按公平值計入其他全面收益計量之股權投資減值虧損(及減值虧損之撥回)不會與其他公平值變動分開呈報。

#### (iv) Impairment

#### (iv) 減值

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

自二零一八年一月一日起，本集團按前瞻性基準評估按攤銷成本及按公平值計入其他全面收益之債務工具之相關預期信貸虧損。所採用減值方法視乎信貸風險是否大幅增加而定。

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and contract assets, see Note 3.1(b) for further details.

就應收賬款及合約資產而言，本集團應用香港財務報告準則第9號允許的簡化方式，該方式要求於初步確認應收賬款及合約資產時確認預期全期虧損，詳情載於附註3.1(b)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (v) Accounting policies applied until 31 December 2017

The Group has applied HKFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 31 December 2017 the Group classifies its financial assets in the following categories:

- loans and receivables and
- available-for-sale financial assets.

The classification determined on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period. See Note 19 for details about each type of financial asset.

## 2 主要會計政策概要 (續)

### 2.12 投資及其他金融資產 (續)

#### (v) 應用至二零一七年十二月三十一日的會計政策

本集團已追溯應用香港財務報告準則第9號，但選擇未重列比較資料。因此，比較資料依舊按照本集團過往會計政策入賬。

截至二零一七年十二月三十一日，本集團將金融資產按照以下類別進行分類：

- 貸款及應收款項，及
- 可供出售之金融資產。

分類取決於取得該項投資的目的。管理層於初步確認時釐定其投資的類別，如屬分類為持有至到期的資產，則於各報告期末重新評估該指定。有關各類金融資產的詳情載於附註19。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (vi) Reclassification applied until 31 December 2017

The Group could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Group could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

## 2 主要會計政策概要 (續)

### 2.12 投資及其他金融資產 (續)

#### (vi) 應用至二零一七年十二月三十一日的重新分類

倘本集團持有非衍生交易性金融資產不再為於近期出售，則本集團可選擇將該金融資產自持作買賣類別中重新分類出來。僅當非尋常且極不可能於近期內重複出現之單一事件造成之罕見情況下，金融資產(貸款及應收款項除外)方容許自持作買賣類別中重新分類出來。此外，倘本集團有意且能夠於可預見未來或直至重新分類日期屆滿時持有有關金融資產，則本集團可選擇將符合貸款及應收款項定義之金融資產自持作買賣或可供出售類別中重新分類出來。

重新分類乃按重新分類日期之公平值作出。公平值成為新成本或攤銷成本(倘適用)，而其後不會撥回於重新分類日期前入賬之公平值損益。重新分類為貸款及應收款項及持有至到期類別之金融資產之實際利率於重新分類日期釐定，而估計現金流量進一步增加將預早對實際利率進行調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (vii) Subsequent measurement applied until 31 December 2017

The measurement at initial recognition did not change an adoption of HKFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for 'financial assets at FVPL' – in profit or loss within other gains/(loss)
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.3(i).

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as other gains and losses from investment securities.

## 2 主要會計政策概要 (續)

### 2.12 投資及其他金融資產 (續)

#### (vii) 應用至二零一七年十二月三十一日的後續計量

見上文描述，初步確認的計量並不會因採納香港財務報告準則第9號而改變。

經初步確認後，貸款及應收款項及持有至到期投資其後採用實際利率法按攤銷成本列賬。

可供出售金融資產及按公平值計入損益的金融資產後續以公平值列賬。公平值變動損益確認如下：

- 對於「按公平值計入損益的金融資產」—計入其他收益／(虧損)內的損益
- 對於可供出售金融資產的以外幣計值的貨幣性證券，其攤銷成本變動引起的外幣折算差額計入損益，賬面值的其他變動計入其他全面收益
- 對於分類為可供出售的其他貨幣性及非貨幣性證券—計入其他全面收益。

有關如何釐定金融工具公平值的詳情載於附註3.3(i)。

當分類為可供出售的證券售出時，於其他全面收益確認的累計公平值調整作為投資證券其他收益及虧損重新分類至損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要 (續)

### 2.12 Investments and other financial assets (Continued)

### 2.12 投資及其他金融資產 (續)

#### (viii) Impairment applied until 31 December 2017

#### (viii) 應用至二零一七年十二月三十一日的減值

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

本集團會於各報告期末評估一項或一組金融資產是否存在客觀減值證據。僅當有客觀證據證明於初步確認資產後發生一宗或多宗事件導致減值(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組金融資產之估計未來現金流量構成可合理估計之影響，有關金融資產方出現減值及產生減值虧損。就分類為可供出售的股權投資而言，證券公平值大幅度或長期跌至低於其成本被視為資產已減值的跡象。

#### *Assets carried at amortised cost*

#### *按攤銷成本列賬之資產*

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

就貸款及應收款項而言，虧損金額以資產賬面值與按金融資產原來實際利率貼現之估計未來現金流量(不包括未產生之日後信貸虧損)所得現值兩者間之差額計量。資產之賬面值被銷減，虧損金額則於損益內確認。倘貸款或持有至到期投資按浮動利率計息，計量任何減值虧損之貼現率則為合約下釐定的即期實際利率。在實際應用中，本集團可按工具可觀察得到之市價為公平值之基礎計量其減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.12 Investments and other financial assets (Continued)

#### (viii) Impairment applied until 31 December 2017 (Continued)

##### *Assets carried at amortised cost (Continued)*

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Impairment testing of trade receivables is described in Note 3.1(b).

##### *Assets classified as available-for-sale*

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – was removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

## 2 主要會計政策概要 (續)

### 2.12 投資及其他金融資產 (續)

#### (viii) 應用至二零一七年十二月三十一日的減值 (續)

##### *按攤銷成本列賬之資產 (續)*

倘於後續期間減值虧損金額減少，同時客觀地與減值獲確認後發生之事項相關（例如債務人信貸評級改善），則過往確認的減值虧損之撥回於損益中確認。

有關應收賬款的減值測試載於附註3.1(b)。

##### *分類為可供出售的資產*

倘可供出售金融資產存在任何有關減值的客觀證據，累計虧損（按收購成本與現時公平值的差額，減該金融資產以往於損益內確認的任何減值虧損計量）會自權益中扣除，並在損益內確認。

已於損益內確認之權益工具減值虧損於其後期間不會於損益中撥回。

倘於其後期間，分類為可供出售的債務工具的公平值增加，而有關增加可客觀地與在損益確認減值虧損後所發生的事件聯繫，則於損益中撥回減值虧損。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要(續)

### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.14 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 22 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

### 2.15 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

### 2.16 Share capital

Ordinary shares are classified as equity (Note 27).

### 2.13 抵銷金融工具

當本集團目前擁有可依法強制執行的權利抵銷已確認金額且擬按淨值基準結算或同時變現資產及結算負債時，金融資產及負債將予抵銷，有關淨額則於綜合財務狀況報表內列報。

### 2.14 應收賬款及其他應收款項

應收賬款為就於日常業務過程中提供服務而應收客戶的款項。應收賬款通常於一年內到期償還，因此均劃分為流動類別。

應收賬款及其他應收款項初步按無條件代價的金額確認，惟倘其包含重大的融資部分時，則按公平值確認。本集團持有應收賬款旨在收取合約現金流量，因此隨後以實際利率法按攤銷成本予以計量。有關本集團應收賬款入賬的進一步資料請參閱附註22，有關本集團減值政策的詳情請參閱附註3.1(b)。

### 2.15 現金及現金等值

就於綜合現金流量表呈列而言，現金及現金等值包括手頭現金及金融機構通知存款。

### 2.16 股本

普通股分類為權益(附註27)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit term. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## 2 主要會計政策概要 (續)

### 2.17 應付賬款及其他應付款項

該等款項指本集團於財政年度結束前就獲提供的貨品及服務未支付的負債。有關款項為無抵押及通常在信貸期內支付。應付賬款及其他應付款項呈列為流動負債，除非付款並非於報告期後12個月內到期。應付賬款及其他應付款項初步按公平值確認，隨後以實際利率法按攤銷成本計量。

### 2.18 借款

借款初步按公平值確認，扣除產生的交易成本。借款其後按攤銷成本計量。所得款項(扣除交易成本)與贖回金額之間任何差額乃使用實際利率法於借款期間的損益內確認。

於合約中訂明的責任獲履行、取消或失效時，借款從綜合財務狀況報表中移除。已除去或轉移至另一方的金融負債賬面值與已付代價(包括任何已轉讓的非現金資產或承擔的負債)之間的差額於損益中確認為財務費用。

倘金融負債的條款經重新磋商，而實體向債權人發行權益工具，以消除全部或部分負債(債務與權益掉期)，則將於損益中確認收益或虧損，並按金融負債的賬面值與所發行權益工具公平值之間的差額計量。

除非本集團可無條件延遲償還負債至報告期後至少十二個月，否則借款分類為流動負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要(續)

### 2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

### 2.20 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 2.19 借貸成本

收購、建設或生產合資格資產直接應佔的一般及特定借貸成本在完成及準備有關資產以用於擬定用途或銷售所需的期間內予以資本化。合資格資產指需要耗費大量時間準備就緒以供擬定用途或銷售之資產。

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

其他借貸成本於其產生期間列為開支。

### 2.20 即期及遞延所得稅

本期間之所得稅開支或抵免指就本期間應課稅收入按各司法權區之適用所得稅稅率支付之稅項(就暫時差額及未動用稅項虧損應佔之遞延稅項資產及負債變動作出調整)。

#### 即期所得稅

即期所得稅開支按本公司及其附屬公司及聯營公司經營及產生應課稅收入的國家於報告期末已頒佈或實質頒佈的稅法計算。管理層就須詮釋的適用稅務法規的情況定期評估報稅表狀況，並在適當情況下根據預期須向稅務機關支付的稅款設定撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.20 Current and deferred income tax (Continued)

#### Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 2 主要會計政策概要 (續)

### 2.20 即期及遞延所得稅 (續)

#### 遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其於綜合財務報表的賬面值之間產生的暫時差額悉數計提撥備。然而，倘遞延稅項負債因初次確認商譽而產生，則不予確認；倘遞延所得稅因初次確認交易（業務合併除外）所涉資產或負債而產生，且交易時並不影響會計或應課稅損益，亦不予入賬。遞延所得稅採用於報告期末已頒佈或實質頒佈的稅率（及稅法）釐定，並預期在有關遞延所得稅資產變現或遞延所得稅負債清償時適用。

遞延稅項資產僅在未來應課稅金額將可用於動用該等暫時差額及虧損時予以確認。

倘本公司能控制撥回暫時差額的時間及該等差額可能不會於可預見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

當有可依法強制執行的權利將即期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機關相關時，則可將遞延稅項資產與負債抵銷。當實體有可依法強制執行抵銷權利且有意按淨額基準結算或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要(續)

### 2.20 Current and deferred income tax (Continued)

### 2.20 即期及遞延所得稅(續)

#### Deferred income tax (Continued)

#### 遞延所得稅(續)

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

即期及遞延稅項於損益中確認，惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

### 2.21 Employee benefits

### 2.21 僱員福利

#### (i) Short-term obligations

#### (i) 短期責任

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

僱員直至報告期末之服務獲確認工資及薪金負債(包括預期在僱員提供相關服務期間結束後12個月內悉數結算的非貨幣福利及累計病假)並按結算有關負債之預期金額計量。負債於綜合財務狀況報表內呈列為即期僱員福利責任。

#### (ii) Retirement benefit costs

#### (ii) 退休福利成本

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

就香港強制性公積金計劃(「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。

The full-time employees of the Group are covered by various government-sponsored pension plans in the People's Republic of China (the "PRC") under which the employees are entitled to a monthly pension based on certain formulas. Contributions to these plans are expensed as incurred.

本集團的全職員工參與中華人民共和國(「中國」)多項政府資助的退休金計劃，根據各項計劃，員工每月有權享有按若干公式計算的退休金。向該等計劃作出的供款於付款時支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.21 Employee benefits (Continued)

#### (iii) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### (iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## 2 主要會計政策概要 (續)

### 2.21 僱員福利 (續)

#### (iii) 溢利分享及花紅計劃

本集團根據一項公式分別就花紅及溢利分享確認一項負債及一項開支，該公式會考慮經若干調整後的本公司股東應佔溢利。當有合約責任或過往慣例引致推定責任時，本集團會確認撥備。

#### (iv) 離職福利

本集團在正常退休日期前解僱僱員或僱員自願接受離職以換取該等福利時支付離職福利。本集團於以下日期（以較早者為準）確認離職福利：(a)本集團無法收回提供該等福利之日；及(b)實體確認重組成本屬香港會計準則第37號範圍內並涉及支付離職福利之日。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。自報告期末起計逾12個月後到期應付的福利將折算至現值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要(續)

### 2.22 Share-based payments

### 2.22 以股份為基礎之付款

#### (i) Employee options

#### (i) 僱員購股權

Share-based compensation benefits are provided to employees via the Group's employee option scheme, the executive short-term incentive scheme and share appreciation. Information relating to these schemes is set out in Note 32.

本集團透過僱員購股權計劃、行政人員短期激勵計劃及股票增值向僱員提供以股份為基礎之薪酬福利。該等計劃的資料載於附註32。

The fair value of options granted under the employee option scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

僱員購股權計劃項下授出購股權的公平值確認為僱員福利開支，並相應地調增權益。將列作開支的總金額乃參照已授出購股權的公平值釐定：

- including any market performance conditions (e.g. the entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

- 包括任何市場表現情況(如實體的股份價格)；
- 不包括任何服務及非市場表現歸屬條件(如盈利能力、銷售增長目標及該實體僱員於指定期間留任)的影響；及
- 包括任何非歸屬條件(如留任僱員或持有股份一段特定期間的規定)的影響。

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

開支總額於歸屬期間(達成所有規定歸屬條件的期間)確認。於各期間末，實體會根據非市場歸屬及服務條件修改其估計預期可予歸屬的購股權的數目。修改原有估計數字(如有)的影響則於損益確認，並對權益作相應調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.22 Share-based payments (Continued)

#### (ii) Share-based payment for cooperation with film directors

Equity-settled share-based payments for cooperation with film directors are measured at the fair value of the goods or services received or the fair value of the equity instrument granted if the fair value of goods or services cannot be estimated reliably. The share-based payment is recognised as expenses in accordance with “HKFRS2 – Share-based payment” unless the goods or services qualify for recognition as assets.

### 2.23 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## 2 主要會計政策概要 (續)

### 2.22 以股份為基礎之付款 (續)

#### (ii) 與電影導演合作之以股份為基礎之付款

與電影導演合作之以權益結算並以股份為基礎之付款按已收取貨品或服務之公平值計量，或倘無法可靠地估計貨品或服務之公平值，則按所授予的權益工具的公平值計量。除非貨品或服務符合資格確認為資產，否則以股份為基礎之付款根據香港財務報告準則第2號「以股份為基礎之付款」確認為開支。

### 2.23 撥備

當本集團因過往事件須承擔現有法律或推定責任，而履行責任將很可能需要資源流出，且有關金額已作出可靠估算時，會確認法律申索、服務保證及妥善履行責任撥備。但不會就日後之經營虧損確認任何撥備。

倘出現多項類似責任，是否需要資源流出以履行責任乃經考慮整體責任類別後釐定。即使就同類責任中任何一項出現資源流出之可能性不大，仍會確認撥備。

撥備按管理層對於報告期末須履行現有責任的支出的最佳估計的現值計量。用於釐定現值的折現率為反映當時市場對金錢時間值及負債特定風險的評估的稅前利率。隨時間流逝而增加的撥備確認為利息開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要(續)

### 2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of the Group's activities.

Revenue is recognised when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time.

Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer,
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services. Specific criteria where revenue is recognised are described below.

### 2.24 收益確認

收益乃按於本集團一般業務過程中就銷售貨品或服務已收或應收代價之公平值計量。

收益於貨品或服務的控制權轉移予客戶時確認。視乎合約條款及適用於合約的法律，貨品或服務的控制權可隨時間或在某一時點轉移。

倘本集團的履約符合以下條件，則貨品或服務的控制權隨時間轉移：

- 提供之所有利益由客戶同時取得並耗用；
- 創建或增加客戶於本集團履約時控制的資產；或
- 並未產生對本集團有替代用途的資產，且本集團有強制執行權以收取迄今已履約的款項。

倘貨品或服務的控制權隨時間轉移，則收益乃參照完成相關履約責任的進度於合約期間確認。否則，收益於客戶獲得貨品或服務的控制權時某一時點確認。確認收益的具體標準如下文所述。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Revenue recognition (Continued)

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or service to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Revenue is recognised when specific criteria have been met for the Group's activity as described below:

#### (i) Content production

The Group invests in and produce entertainment content such as film and TV programmes series.

Revenue is recognised at point in time when the control of the entertainment content is transferred to the customers so that the customers can direct the use and obtain associated benefit.

## 2 主要會計政策概要 (續)

### 2.24 收益確認 (續)

當合約的任何一訂約方已履約，本集團根據實體履約責任及客戶付款之間的關係將其合約於綜合財務狀況報表呈列為合約資產或合約負債。

倘於本集團向客戶轉讓貨品或服務前，客戶支付代價或本集團擁有收取代價款的無條件權利，則本集團於作出付款或應收款項入賬時(以較早者為準)將合約呈列為合約負債。合約負債是本集團因已向客戶收取代價(或應收客戶的代價款)而向客戶轉讓貨品或服務的責任。

應收款項於本集團擁有收取代價的無條件權利時入賬。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。

收益於本集團的活動(如下文所述)符合具體標準時確認：

#### (i) 內容製作

本集團投資及製作電影及電視劇等娛樂內容。

收益於娛樂內容的控制權轉移予客戶時的某一時點確認，以便客戶主導其使用並獲取相關利益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.24 Revenue recognition (Continued)

#### (ii) Agency commission and service income

Agency commission and service income from property agency is recognised at point in time when a formal agreement among the transacted parties is established.

### 2.25 Film investment income

Film investment income are recognised in profit or loss when the right to receive payment is established.

### 2.26 Dividend income

Dividends are received from financial assets measured at FVPL and at fair value through other comprehensive income (FVOCI) (2017 – from financial assets at FVPL and available-for-sale financial assets). Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

### 2.27 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 11 below. Any other interest income is included in other income.

## 2 主要會計政策概要 (續)

### 2.24 收益確認 (續)

#### (ii) 佣金及服務收入

物業代理之佣金及服務收入於相關交易方訂立正式協議時於某一時點確認。

### 2.25 電影投資收入

電影投資收入於收取付款之權利確立時於損益中確認。

### 2.26 股息收入

股息乃就按公平值計入損益及按公平值計入其他全面收益的金融資產收取(二零一七年，就按公平值計入損益的金融資產及可供出售金融資產收取)。股息於收取付款之權利確立時在損益中確認為其他收入。這亦適用於從收購前溢利中派付的股息，惟股息明顯為收回部分投資成本者除外。於這種情況下，倘股息與按公平值計入其他全面收益計量的投資相關，則在其他全面收益中確認。然而，這可能導致需要對投資進行減值測試。

### 2.27 利息收入

利息收入呈列為持作現金管理用途的金融資產所賺取的財務收入(見下文附註11)。任何其他利息收入計入其他收入。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.27 Interest income (Continued)

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2.28 Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity owners of the Company, excluding any costs of servicing equity other than ordinary shares

by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 2 主要會計政策概要 (續)

### 2.27 利息收入 (續)

利息收入是用實際利率乘以金融資產賬面總額計算得出，惟後續發生信貸減值的金融資產除外。就信貸減值的金融資產而言，其利息收入是用實際利率乘以金融資產賬面淨額（經扣除虧損撥備）得出。

### 2.28 每股盈利

#### (i) 每股基本盈利

每股基本盈利之計算方法為：

- 歸屬於本公司權益擁有人之溢利，不包括普通股以外之任何支付權益成本除以

於財政年度內已發行普通股之加權平均數，就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份。

#### (ii) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及：

- 與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及
- 假設所有潛在攤薄普通股換股，則將為已發行之額外普通股加權平均數。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

## 2 主要會計政策概要 (續)

### 2.29 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (Note 30). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

### 2.30 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.31 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

### 2.29 租賃

所有權的絕大部分風險及回報並無轉讓至本集團(作為承租人)的租賃乃被分類為經營租賃(附註30)。根據經營租賃作出的付款(扣除自出租人收取的任何優惠)於租期內以直線法自損益內扣除。

### 2.30 股息分派

就於報告期末或之前已宣派但於報告期末時尚未分派的已宣派任何股息(已適當授權及不再由實體酌情決定)的款項作出撥備。

### 2.31 政府補助

倘合理確保將可收到補貼及本集團將遵守所有附帶條件，政府補助按公平值確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit or loss information has been included where relevant to add further context.

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

#### 3.1 Financial risk factors

##### (a) Market risk

##### (i) Foreign exchange risk

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 fluctuation of HK\$ and United States Dollars ("USD"), arising from foreign currency trade and other receivables, cash and cash equivalents, trade and other payables, amounts due to related parties and borrowings.

### 3 財務風險管理

本附註闡釋本集團面臨的財務風險以及該等風險可能對本集團未來財務表現產生的影響。本年度的損益資料已載於相關內容中，以作進一步說明。

本集團管理層透過內部風險報告(該報告按風險之程度及級別作分析)監控及管理有關本集團經營之財務風險。該等財務風險包括市場風險(包括外幣風險及利率風險)、信貸風險及流動資金風險。

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。

#### 3.1 財務風險因素

##### (a) 市場風險

##### (i) 外匯風險

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計值和結算。

本集團主要承受港幣及美金(「美金」)波動之風險，其來自以外幣計值的應收賬款及其他應收款項、現金及現金等值、應付賬款及其他應付款項、應付關連人士款項及借款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理 (續)

#### 3.1 Financial risk factors (Continued)

#### 3.1 財務風險因素 (續)

##### (a) Market risk (Continued)

##### (a) 市場風險 (續)

##### (i) Foreign exchange risk (Continued)

##### (i) 外匯風險 (續)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

本集團於報告期末以外幣計值之貨幣資產及貨幣負債之賬面值如下：

		Liabilities		Assets	
		負債		資產	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
HK\$	港幣	(46,958)	(126,727)	4,645	40,251
USD	美金	(182,340)	(77,660)	1,060	1,080

#### Sensitivity analysis

#### 敏感度分析

The following table details the Group's sensitivity to a 5% (2017: 5%) increase and decrease RMB against the above foreign currencies. 5% (2017: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. A (negative)/positive number below indicates an (increase)/decrease in loss where the above foreign currencies strengthen 5% (2017: 5%) against RMB. For a 5% (2017: 5%) weakening of the above foreign currencies against RMB, there would be an equal and opposite impact on the loss for the year.

下表詳列本集團就人民幣兌上述外幣匯率上升及下降5% (二零一七年：5%)之敏感度。5% (二零一七年：5%)乃向主要管理人員就外匯風險作內部報告時採用之敏感度比率，代表管理層就外匯匯率可能出現之合理變動而作出之評估。下表中(負數)/正數表示當上述外幣兌人民幣升值5% (二零一七年：5%)時虧損之(增加)/減少。倘上述外幣兌人民幣貶值5% (二零一七年：5%)，則會對本年度虧損構成同等幅度之相反效果。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (i) Foreign exchange risk (Continued)

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Increase in loss for the year	本年度虧損增加		
HK\$	港幣	<b>(1,587)</b>	(3,243)
USD	美金	<b>(6,798)</b>	(2,872)

##### (ii) Interest rate risk

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 but the directors considers the impact would be immaterial as they are of short maturity.

The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowing (Note 25). The directors consider that the fair value risk in relation to the fixed-rate borrowing is insignificant as the borrowing has a short maturity period.

The Group currently does not have any interest rate hedging policy in relation to fair value and cash flow interest rate risks. The directors monitor the Group's exposure on an ongoing basis and will consider hedging the interest rate risk should the need arise.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (a) 市場風險 (續)

##### (i) 外匯風險 (續)

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，但由於該等結餘乃於短期內到期，董事認為相關影響並非重大。

本集團亦承受與固定利率借款相關之公平值利率風險(附註25)。董事認為，鑒於借款的屆滿期限短暫，故與固定利率借款相關之公平值風險並不重大。

本集團目前並無任何與公平值及現金流量利率風險相關的利率對沖政策。董事持續監控本集團風險，並將於有需要時考慮對沖利率風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理 (續)

#### 3.1 Financial risk factors (Continued)

#### 3.1 財務風險因素 (續)

##### (a) Market risk (Continued)

##### (a) 市場風險 (續)

##### (ii) Interest rate risk (Continued)

##### (ii) 利率風險 (續)

Sensitivity analysis

敏感度分析

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 (2017: 50 basis points) increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

就現金流量利率風險而言，下文敏感度分析乃根據於報告期末所承受之非衍生工具利率風險而釐定。就浮息銀行存款而言，分析乃假設於報告期末尚未結清之相關資產金額於整個年度內均未結清而作出。增加或減少50個基點（二零一七年：50個基點）代表管理層所評估利率可能出現之合理變動。

If interest rates had been 50 basis points (2017: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2018 would have decreased/increased by approximately HK\$594,000 (2017: HK\$93,000).

倘利率增加／減少50個基點（二零一七年：50個基點），而所有其他變數維持不變，本集團截至二零一八年十二月三十一日止年度之虧損將減少／增加約港幣594,000元（二零一七年：港幣93,000元）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk

###### (i) Risk management

Credit risk is managed on a group basis. The credit risk of the Group mainly arises from financial assets, cash and cash equivalents, trade receivables, deposit and other receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as at 31 December 2018.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 92% (2017: 88%) of the total trade receivables was due from the Group's largest customer.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 信貸風險

###### (i) 風險管理

信貸風險按集團基準管理。本集團的信貸風險主要來自金融資產、現金及現金等值、應收賬款、按金及其他應收款項。該等結餘的賬面值乃本集團就金融資產所面臨之最高信貸風險。

就存入銀行的現金而言，信貸風險被視為較低，蓋因交易對手為信譽良好的銀行。現有交易對手以往未發生過違約。因此，銀行現金的預期信貸虧損比率評估為接近於零，故於二零一八年十二月三十一日並未計提撥備。

為將信貸風險降至最低，本集團管理層已委派一團隊負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進行動以收回逾期債務。此外，本集團於報告期末檢討各個別債項之可收回金額，以確保就無法收回之金額計提足夠減值虧損。就此，本公司董事認為本集團之信貸風險已大為降低。

由於應收本集團最大客戶之款項佔應收賬款總額的92%（二零一七年：88%），本集團存在集中信貸風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

As at 31 December 2018, trade receivables and contract assets that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records, past experience and available, reasonable and supportive forwarding-looking information.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 信貸風險 (續)

##### (ii) 金融資產減值

本集團按香港財務報告準則第9號的規定採用簡化方式就預期信貸虧損計提撥備，該準則允許就所有應收賬款使用全期預期信貸虧損撥備。為計量預期信貸虧損，應收賬款及合約資產已根據共同的信貸風險特點及逾期天數分組。本集團已進行歷史分析，並確定影響信貸風險及預期信貸虧損的主要經濟變數，亦考慮可供查閱合理且具理據支持的前瞻性資料。

於二零一八年十二月三十一日，已對個別重大的應收賬款及合約資產單獨進行減值評估。本集團根據客戶的背景及信譽、歷史償還記錄、過往經驗及可供查閱合理且具理據支持的前瞻性資料定期評估應收款項的可收回性。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

The Group classifies its trade receivables and contract assets by nature of customer accounts. These include customer from media and entertainment related business; provision of property agency related services and securities trading and investments.

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 信貸風險 (續)

##### (ii) 金融資產減值 (續)

本集團按客戶賬戶的性質對其應收賬款及合約資產進行分類。其中包括媒體及娛樂相關業務、提供物業代理相關服務以及證券買賣及投資的客戶。

		Lifetime expected credit loss rate 全期預期信貸虧損率	Gross carrying amount 賬面總額 HK\$'000 港幣千元	Lifetime expected credit loss 全期預期信貸虧損 HK\$'000 港幣千元	Net carrying amount 賬面淨額 HK\$'000 港幣千元
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>				
<b>Customers from media and entertainment related business</b>	<b>媒體及娛樂相關業務之客戶</b>				
Provision on individual basis	按個別基準計提撥備	0%	144,391	-	144,391
<b>Customers from provision of property agency related services</b>	<b>提供物業代理相關服務之客戶</b>				
Provision on collective basis	按共同基準計提撥備	73%	349	(257)	92
			<b>144,740</b>	<b>(257)</b>	<b>144,483</b>
<b>At 1 January 2018</b>	<b>於二零一八年一月一日</b>				
<b>Customers from media and entertainment related business</b>	<b>媒體及娛樂相關業務之客戶</b>				
Provision on individual basis	按個別基準計提撥備	0%	1,792	-	1,792
<b>Customers from provision of property agency related services</b>	<b>提供物業代理相關服務之客戶</b>				
Provision on collective basis	按共同基準計提撥備	90%	2,424	(2,175)	249
			<b>4,216</b>	<b>(2,175)</b>	<b>2,041</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued) 3 財務風險管理 (續)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

The closing loss allowances for trade receivables and contract assets as at 31 December 2018 reconcile to the opening loss allowances as follows:

1 January – (2017: calculated under HKAS 39; 2018: calculated under HKFRS 9)	於一月一日 – (二零一七年：根據香港會計準則第39號計算；二零一八年：根據香港財務報告準則第9號計算)
Receivables written off during the year as uncollectible	年內由於無法收回而撇銷的應收款項
Receivables recovered during the year	年內收回的應收款項
<b>At 31 December</b>	<b>於十二月三十一日</b>

Other financial assets at amortised cost

The credit quality of the other receivables has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables is assessed to be close to zero and no provision was made as at 31 December 2018.

#### 3.1 財務風險因素 (續)

##### (b) 信貸風險 (續)

##### (ii) 金融資產減值 (續)

於二零一八年十二月三十一日，應收賬款及合約資產的期末虧損撥備與期初的虧損撥備對賬如下：

2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
2,175	2,278
(1,918)	(69)
–	(34)
<b>257</b>	<b>2,175</b>

按攤銷成本計量的其他金融資產

其他應收款項的信貸質素乃經參考有關交易對手違約率及財務狀況的歷史資料後評估。董事認為，由於彼等到期之應收款項的收款記錄良好，故其他應收款項的信貸風險較低。因此，其他應收款項的預期信貸虧損比率評估為接近於零，故於二零一八年十二月三十一日並未計提撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk

As at 31 December 2018, the Group had cash and cash equivalents of approximately HK\$158,528,000, amounts due to related parties of approximately HK\$92,467,000 and short-term borrowings of approximately HK\$295,307,000. The directors of the Company have taken certain measures to mitigate the liquidity pressure as disclosed in Note 2.1(a). Management will also closely monitor the situation to ensure that appropriate alternative actions are taken.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Weighted average interest rate	On demand or less than 1 month 須應要求或少於一個月 HK\$'000 港幣千元	1-3 months 一至三個月 HK\$'000 港幣千元	3 months to 1 year 三個月至一年 HK\$'000 港幣千元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元
<b>2018</b>	<b>二零一八年</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade and other payables	應付賬款及其他應付款項	79,487	-	-	79,487	79,487
Amounts due to related parties	應付關連人士款項	-	46,930	45,537	92,467	92,467
Borrowings	借款	3.0%	18,021	277,564	295,585	295,307
			<b>97,508</b>	<b>46,930</b>	<b>323,101</b>	<b>467,261</b>
<b>2017</b>	<b>二零一七年</b>					
<b>Non-derivative financial liabilities</b>	<b>非衍生金融負債</b>					
Trade and other payables	應付賬款及其他應付款項	45,816	-	-	45,816	45,816
Amount due to a related party	應付一名關連人士款項	-	-	120,000	120,000	120,000
Borrowing	借款	3.0%	-	78,663	78,663	77,500
			<b>45,816</b>	<b>-</b>	<b>198,663</b>	<b>243,316</b>

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (c) 流動資金風險

於二零一八年十二月三十一日，本集團擁有現金及現金等值約港幣158,528,000元、應付關連人士款項約港幣92,467,000元及短期借款約港幣295,307,000元。誠如附註2.1(a)所披露，本公司董事已採取若干措施減輕流動資金壓力。管理層將密切監察有關情況，以確保採取適當替代措施。

下表將本集團的金融負債按照由綜合財務狀況報表結算日至合約到期日的剩餘期限分成相關的到期組別進行分析。由於貼現影響並不重大，於12個月內到期的結餘等於其賬面結餘。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt which includes amounts due to related parties, and borrowings in Notes 34 and 25, respectively and equity attributable to owners of the Company, comprising issued share capital and various reserves.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt or reduction in capital.

#### 3.3 Fair value estimation

##### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

As at 31 December 2018, there is no financial instrument measured at fair value.

### 3 財務風險管理 (續)

#### 3.2 資本管理

本集團管理其資本，以確保本集團之實體將能夠繼續持續經營，同時透過將債務及權益結餘優化，為股東帶來最大回報。本集團之整體策略維持與往年相同。

本集團之資本架構包括債務（包括分別載於附註34及25之應付關連人士款項及借款）及本公司擁有人應佔權益（包括已發行股本及各項儲備）。

本公司董事定期審閱資本架構。作為此審閱工作之一部分，董事考慮資本成本及各資本類別之相關風險。本集團將根據董事提出之建議，透過發行新股份及發行新債項或贖回現有債項或削減資本，平衡其整體資本架構。

#### 3.3 公平值估計

##### (i) 公平值架構級別

本節闡述釐定於財務報表中確認及按公平值計量的金融工具公平值所作出的判斷及估計。為得出有關釐定公平值所用輸入數據之可靠性指標，本集團已按會計準則規定將其金融工具分為三個等級。各等級於下表進行闡述。

於二零一八年十二月三十一日，概無按公平值計量之金融工具。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理 (續)

#### 3.3 Fair value estimation (Continued)

#### 3.3 公平值估計 (續)

##### (i) Fair value hierarchy (Continued)

##### (i) 公平值架構級別 (續)

		Level 1 第一級 HK\$'000 港幣千元	Level 2 第二級 HK\$'000 港幣千元	Level 3 第三級 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
<i>Recurring fair value measurements</i>	<i>經常性公平值計量</i>				
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>				
<b>Financial assets</b>	<b>金融資產</b>				
Film rights investments	電影版權投資	21	-	23,980	23,980

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements see (iii) below.

年內，在第一級及第二級之間並無就經常性公平值計量進行轉撥。第三級計量的轉入及轉出請參閱下文第(iii)項。

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

本集團政策旨在確認於報告期末公平值架構級別的轉入及轉出情況。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

### 3 財務風險管理 (續)

#### 3.3 Fair value estimation (Continued)

#### 3.3 公平值估計 (續)

##### (i) Fair value hierarchy (Continued)

##### (i) 公平值架構級別 (續)

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**第一級：**在活躍市場上買賣的金融工具（如公開買賣衍生工具及股本證券）的公平值乃按於報告期末的市場報價釐定。本集團所持金融資產採用的市場報價為當時買盤價。該等工具計入第一級。

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**第二級：**未在活躍市場上買賣的金融工具（例如場外衍生工具）的公平值採用估值方法釐定。該等估值方法盡量採用可觀察市場數據，並盡可能不倚賴實體特定估計。倘計算工具公平值所需的重大輸入數據均可觀察，則該工具計入第二級。

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

**第三級：**倘一項或多項重大輸入數據並非以可觀察市場數據為基礎，則該工具計入第三級。對於非上市股本證券而言便是如此。

##### (ii) Valuation techniques used to determine fair values

##### (ii) 用於釐定公平值的估值方法

Specific valuation techniques used to value financial instruments include discounted cash flow.

用於評估金融工具價值的具體估值方法包括貼現現金流量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2018 and 31 December 2017:

		Unlisted equity securities 非上市 股本證券 HK\$'000 港幣千元	Film rights investments 電影版權投資 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
<b>Opening balance</b>	於二零一七年一月一日			
<b>1 January 2017</b>	的期初結餘	208	72,254	72,462
Addition	增購	–	23,121	23,121
Derecognition	終止確認	–	(75,145)	(75,145)
Loss recognised in other losses	於其他虧損確認之虧損	(208)	–	(208)
Exchange differences	匯兌差額	–	3,750	3,750
<b>Closing balance</b>	於二零一七年十二月			
<b>31 December 2017</b>	三十一日的期末結餘	–	23,980	23,980
Addition	增購	–	<b>15,036</b>	<b>15,036</b>
Fair value gains	公平值收益	–	<b>137,973</b>	<b>137,973</b>
Derecognition	終止確認	–	<b>(176,622)</b>	<b>(176,622)</b>
Exchange differences	匯兌差額	–	<b>(367)</b>	<b>(367)</b>
<b>Closing balance</b>	於二零一八年十二月			
<b>31 December 2018</b>	三十一日的期末結餘	–	–	–

The key unobservable input is the expected cash inflow generated from the financial assets.

主要不可觀察輸入數據為金融資產產生的預期現金流入。

### 3 財務風險管理 (續)

#### 3.3 公平值估計 (續)

##### (iii) 採用重大不可觀察輸入數據進行公平值計量 (第三級)

下表載列截至二零一八年十二月三十一日及二零一七年十二月三十一日止期間第三級項目的變動：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

#### (a) Revenue and film investment income derived from content production

The directors of the Company considered whether it was appropriate to recognise the revenue from content production and film investment income of approximately HK\$174,346,000 (2017: HK\$52,772,000) in the current year, which is in line with the Group's general policy of recognising revenue and film investment income as set out in Note 2.24 and 2.25.

In making the judgement, the directors of the Company considered the detailed criteria included satisfying the performance obligation and the right to receive payment for the recognition of revenue and film investment income from content production set out in the applicable standards. In the event where the aforementioned criteria are met but the final statement of the relevant film has not yet been received, judgement is required to estimate the revenue and related costs from the film investment.

#### (b) Classification of film investment

The Group has entered into film investment agreements with counterparties on certain film and TV programmes right to produce and/or distribute films. Judgement is required to determine whether the Group has joint controls on these investments. For investments where the Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities. These investments are classified as film and TV programmes rights under production or film and TV programmes rights completed. When joint controls cannot be demonstrated, the investments are classified as film rights investments. The determination of the relevant activities under joint arrangements requires management's significant judgement.

### 4 重要估計及判斷

編製綜合財務報表須運用會計估計，顧名思義，將很少等同實際結果。管理層亦須採用本集團的會計政策進行判斷。

估計及判斷將持續按過往經驗及其他因素進行評估，包括於有關情況下被視為合理的可能對該實體產生財務影響的未來事件預測。

#### (a) 內容製作產生之收益及電影投資收入

本公司董事考慮於本年度確認來自內容製作之收益及電影投資收入約港幣174,346,000元（二零一七年：港幣52,772,000元）是否適當，此舉符合附註2.24及2.25所載有關本集團確認收益及電影投資收入之一般政策。

於作出判斷時，本公司董事已考慮適用準則所載之詳盡標準，包括就確認來自內容製作之收益及電影投資收入完成履約責任及確立收取付款之權利。倘符合上述標準但尚未收到相關電影的最終報表，則估計電影投資產生的收益及相關成本需運用判斷。

#### (b) 電影投資的分類

本集團已就若干電影及電視劇版權與交易對手訂立電影投資協議以製作及／或發行電影。釐定本集團是否對該等投資擁有共同控制權需運用判斷。對於本集團根據合約協議對該等安排擁有共同控制權的投資，所有相關活動均須獲所有協議訂約方一致同意。該等投資分類為製作中之電影及電視劇版權或已完成之電影及電視劇版權。倘無法證明擁有共同控制權，則有關投資分類為電影版權投資。管理層須就釐定聯合安排項下之相關活動作出重大判斷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 4 CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

#### (c) Measurement of film and TV programmes rights classified as intangible assets, and impairment of license and software development costs

At the end of each reporting period, the directors of the Company assessed the amortisation policy and expected useful lives of the film and TV programmes rights classified as intangible asset, license and software development costs. The determination of amortisation policy and expected useful lives requires management's significant judgement.

Other than the amortisation, the directors also assessed whether impairment indicator exists on film and TV programmes rights, license and software development costs and provide impairment up to its recoverable amount. For film and TV programmes rights, the assessment was made on a film-by-film basis. The recoverable amount of the film and TV programmes rights was determined based on the present value of the expected future cash flow generated from the film and TV programmes rights less future cost of revenue. In respect of the Group's license and software development costs, together with the licensed film and TV programmes rights available for subscription on the Group's internet broadcasting platform they are the essential elements of the Group's internet broadcasting platform. Management identified the Group's internet broadcasting platform as a cash-generating unit (the "Platform CGU"), which is the basis for impairment assessment of Group's license, software development costs and film and TV programmes rights available for subscription. The recoverable amount of the Platform CGU was determined based on the present value of the expected future cash flow generated from the Platform CGU.

### 4 重要估計及判斷(續)

#### (c) 分類為無形資產之電影及電視劇版權的計量、許可證及軟件開發成本減值

於各報告期末，本公司董事均會評估分類為無形資產之電影及電視劇版權、許可證及軟件開發成本的攤銷政策及預計可使用年期。管理層須就釐定攤銷政策及預計可使用年期作出重大判斷。

除攤銷之外，董事亦評估電影及電視劇版權、許可證及軟件開發成本是否存在減值跡象，並計提不超過其可收回金額的減值撥備。就電影及電視劇版權而言，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及電視劇版權產生之預期未來現金流量減收益未來成本之現值釐定。就本集團的許可證及軟件開發成本而言，連同本集團網絡播映平台上可供認購的獲授權之電影及電視劇版權，均為本集團網絡播映平台的重要元素。管理層將本集團的網絡播映平台認為現金產生單位（「平台現金產生單位」），並為本集團許可證、軟件開發成本及可供認購之電影及電視劇版權減值評估的基礎。平台現金產生單位之可收回金額乃根據平台現金產生單位產生之預期未來現金流量之現值釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 4 CRITICAL ESTIMATES AND JUDGEMENTS (Continued)

#### (c) Measurement of film and TV programmes rights classified as intangible assets, and impairment of license and software development costs (Continued)

In determining the recoverable amount of film and TV programmes rights, license and software development costs, the Group takes into consideration both internal and external market information, for example, the sales forecasts, the production, sales and distribution costs budget and the general economic condition of the relevant markets.

As at 31 December 2018, the carrying amount of film and TV programmes rights classified as intangible asset, license and software development costs amounted to approximately HK\$762,619,000 (2017: HK\$505,125,000), HK\$540,000 (2017: nil) and HK\$15,745,000 (2017: HK\$21,017,000), respectively. The directors of the Company determined that no impairment provision to be charged to film and TV programmes rights, license and software development costs during the year ended 31 December 2018 (2017: same). Changes in assumptions used in this assessment, including the forecasted revenue, may result in additional provision being made in the consolidated financial statements.

#### (d) Estimated impairment of prepayments for film and TV programmes rights

At the end of each reporting period, the management of the Group assesses whether the impairment of prepayments for film and TV programmes rights based on the contract terms on agreements, estimated budget of the proposed production and the progress on how the prepayment has been used.

Based on the management's assessment on the recoverability of prepayments of film and TV programmes rights, the directors of the Company determined that no impairment provision to be charged to prepayments of film and TV programmes rights during the year ended 31 December 2018 (2017: same).

### 4 重要估計及判斷(續)

#### (c) 分類為無形資產之電影及電視劇版權的計量、許可證及軟件開發成本減值(續)

釐定電影及電視劇版權、許可證及軟件開發成本之可收回金額時，本集團考慮內外部市場資料，例如銷售額預測、製作、銷售及發行成本預算、以及相關市場的整體經濟狀況。

於二零一八年十二月三十一日，分類為無形資產之電影及電視劇版權、許可證及軟件開發成本之賬面值分別為約港幣762,619,000元(二零一七年：港幣505,125,000元)、港幣540,000元(二零一七年：無)及港幣15,745,000元(二零一七年：港幣21,017,000元)。本公司董事認為，於截至二零一八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、許可證及軟件開發成本(二零一七年：相同)。變更該評估所用假設(包括預測收益)，可能導致於綜合財務報表中計提額外撥備。

#### (d) 電影及電視劇版權預付款的估計減值

於各報告期末，本集團管理層基於協議之合約條款、建議作品之估計預算及電影及電視劇版權預付款之使用情況，對相關預付款之減值進行評估。

根據管理層就電影及電視劇版權預付款可收回性之評估，本公司董事認為，於截至二零一八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(二零一七年：相同)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 5 REVENUE AND FILM INVESTMENT INCOME

An analysis of the Group's revenue for the year, net of sales related tax, is as follows:

Revenue derived from content production	內容製作產生的收益
– Sublicensing and sales of film and TV programmes rights	– 分授及出售電影及電視劇版權
– Share of box office income	– 分佔票房收入
Film rights investment income (Note)	電影版權投資收入(附註)
Property agency commission and service income in Hong Kong	於香港的物業代理佣金及服務收入

Note:

During the year ended 31 December 2018, the Group is entitled to proceeds from certain film rights investment of approximately HK\$176,622,000 based on the Group's investment portion as specified in respective film right investment agreements. The Group has recognised the net gain of approximately HK\$137,973,000 as film rights investment income.

### 6 SEGMENT INFORMATION

The CODM has been identified as the executive directors who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of loss before income tax and considers all businesses to be included in a single operating segment.

The Group's operations are currently organised into one reportable segment which is investment in film and TV programmes rights. Other segments do not meet the reportable segment threshold thus they are not separately included in the reports provided to the CODM. The results of these operations are included in the 'others' column.

### 5 收益及電影投資收入

年內，本集團的收益(扣除銷售相關稅項)分析如下：

2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
23,612	52,772
12,761	–
137,973	–
286	437
174,632	53,209

附註：

於截至二零一八年十二月三十一日止年度，本集團基於對應電影版權投資協議內指明的本集團投資比例有權收取若干電影版權投資所得款項約港幣176,622,000元。本集團已將收益淨額約港幣137,973,000元確認為電影版權投資收入。

### 6 分部資料

執行董事已被識別為主要經營決策者，負責審閱本集團的內部報告，旨在評估業績及分配資源。主要經營決策者已根據該等報告釐定經營分部。

主要經營決策者基於扣除所得稅前虧損評估業績，並審議將納入單一經營分部的所有業務。

本集團的經營業務現時歸入一個可呈報分部，即電影及電視劇版權投資。其他分部不符合可呈報分部的最低要求，故此並無在提供予主要經營決策者的報告中單獨呈列。該等業務的業績計入「其他」內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6 SEGMENT INFORMATION (Continued)

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

### 6 分部資料(續)

本集團按經營及可呈報分部而劃分之收益及業績分析如下：

	Investment in film and TV programmes rights 電影及電視劇版權投資		Others 其他		Consolidated 綜合	
	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元 (經重列)	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元 (經重列)	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元 (經重列)
<b>Segment revenue</b>	<b>分部收益</b>					
- Sublicensing and sales of film and TV programmes rights	23,612	52,772	-	-	23,612	52,772
- Share of box office income	12,761	-	-	-	12,761	-
- Property agency commission and service income in Hong Kong	-	-	286	437	286	437
Film rights investment income	137,973	-	-	-	137,973	-
	<b>174,346</b>	52,772	<b>286</b>	437	<b>174,632</b>	53,209
Timing of revenue recognition At a point in time	36,373	52,772	286	437	36,659	53,209
Segment (loss)/profit	(244,921)	(18,825)	(521)	4,039	(245,442)	(14,786)
Unallocated corporate expenses Finance costs, net					(165,026) (15,796)	(80,371) (2)
Loss before tax					(426,264)	(95,159)
Income tax expense					(18,429)	-
Loss for the year					(444,693)	(95,159)
<b>Other information (included in measure of segment (loss)/profit)</b>	<b>其他資料(計入分部(虧損)/溢利)</b>					
Share-based payment for cooperation with a film director	(270,000)	-	-	-		
Other income	32	4,661	10	1,415		
Depreciation of property, plant and equipment	(1,164)	(1,056)	(1)	(4)		
Amortisation of intangible assets	(5,027)	(2,251)	-	-		
Amortisation of film and TV programmes rights	(80,477)	(56,640)	-	-		
Loss on disposal of property, plant and equipment	(29)	-	-	-		
Gain on change in fair value of investments held for trading	-	-	-	3,747		
Impairment loss on available-for-sale financial assets	N/A 不適用	(208)	N/A 不適用	-		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6 SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment (loss)/profit represents the (loss)/profit from each segment without allocation of unallocated corporate expenses (which mainly include certain administrative expenses and exchange loss) and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

### 6 分部資料(續)

經營分部所用之會計政策與附註2所述本集團之會計政策相同。分部(虧損)/溢利指各分部的(虧損)/溢利，但並無分配未分配企業開支(主要包括若干行政開支及匯兌虧損)及財務費用。此乃為分配資源及評估表現而向主要經營決策者匯報的計量指標。

#### 分部資產及負債

按可呈報分部劃分之本集團資產及負債分析如下：

		Investment in film and TV programmes rights 電影及電視劇版權投資		Others 其他		Consolidated 綜合	
		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元 (Represented) (經重列)	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元 (Represented) (經重列)	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元 (Represented) (經重列)
ASSETS	資產						
Segment assets	分部資產	1,685,455	998,411	182	399	1,685,637	998,810
Unallocated assets	未分配資產					7,912	47,717
Total assets	資產總額					1,693,549	1,046,527
LIABILITIES	負債						
Segment liabilities	分部負債	(786,380)	(41,650)	(3,959)	(3,654)	(790,339)	(45,304)
Unallocated liabilities	未分配負債					(244,542)	(209,056)
Total liabilities	負債總額					(1,034,881)	(254,360)
Additions to non-current assets*	增購非流動資產*	28,117	219,196	-	-		

\* Other than financial assets and deferred tax

\* 不包括金融資產及遞延稅項

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6 SEGMENT INFORMATION (Continued)

#### Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain other receivables and certain cash and cash equivalents; and
- all liabilities are allocated to reportable segments other than certain other payables, amounts due to related parties, borrowings 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 of the relevant business units. Information about the Group's non-current assets (excluding financial instruments) by geographical location of the assets are detailed below:

### 6 分部資料 (續)

#### 分部資產及負債 (續)

為監察分部表現及在分部間分配資源：

- 所有資產分配至可呈報分部，惟若干物業、廠房及設備、若干其他應收款項及若干現金及現金等值除外；及
- 所有負債分配至可呈報分部，惟若干其他應付款項、應付關連人士款項、借款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)資料按相關業務單位之業務地點呈列。按資產所在地劃分之本集團非流動資產(不包括金融工具)資料詳情如下：

		Revenue		Non-current assets	
		收益		非流動資產	
		2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Hong Kong	香港	286	437	136,476	127,071
The PRC	中國	174,346	52,772	277,478	336,013
		174,632	53,209	413,954	463,084

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6 SEGMENT INFORMATION (Continued)

#### Information about major customers

For the years ended 31 December 2018 and 2017, revenue from customers of the corresponding years contributing over 10% of the total revenue and film investment income of the Group are as follows:

Customer A <sup>1</sup>	客戶 A <sup>1</sup>
Customer B <sup>1</sup>	客戶 B <sup>1</sup>
Customer C <sup>1</sup>	客戶 C <sup>1</sup>
Customer D <sup>1</sup>	客戶 D <sup>1</sup>

<sup>1</sup> The revenue was derived from investment in film and TV programmes rights in the PRC.

<sup>2</sup> The corresponding customer did not contribute over 10% of the total revenue and film investment income of the Group for the year ended 31 December 2018.

### 6 分部資料(續)

#### 主要客戶資料

截至二零一八年及二零一七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及電影投資收入的貢獻逾10%之收益如下：

	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Customer A <sup>1</sup>	82,977	-
Customer B <sup>1</sup>	47,780	-
Customer C <sup>1</sup>	N/A 不適用 <sup>2</sup>	46,243
Customer D <sup>1</sup>	-	5,759

<sup>1</sup> 收益來自中國電影及電視劇版權投資。

<sup>2</sup> 對應客戶於截至二零一八年十二月三十一日止年度對本集團總收益及電影投資收入的貢獻未超出10%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 6 SEGMENT INFORMATION (Continued)

#### Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Current contract assets relating to content production	與內容製作有關的流動合約資產	5,220	-
Loss allowance	虧損撥備	-	-
Total contract assets	合約資產總額	5,220	-
Current contract liabilities relating to content production	與內容製作有關的流動合約負債	528,652	-

#### Significant changes in contract assets and liabilities

Contract assets represented unbilled revenue arisen from the sub-licensing of film and TV programmes rights in accordance with the payment term of the underlying contracts.

Contract liabilities mainly represented the receipt of RMB464,000,000 (equivalent to approximately HK\$528,233,000) in respect of a guaranteed minimum distribution income total RMB700,000,000 from distribution of a film during the year ended 31 December 2018. This contract liability has been recognised as revenue subsequent to year end. The amount disclosed above does not include variable consideration which is constrained.

### 6 分部資料(續)

#### 與客戶合約有關的資產及負債

本集團已確認以下與客戶合約有關的資產及負債：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Current contract assets relating to content production	與內容製作有關的流動合約資產	5,220	-
Loss allowance	虧損撥備	-	-
Total contract assets	合約資產總額	5,220	-
Current contract liabilities relating to content production	與內容製作有關的流動合約負債	528,652	-

#### 合約資產及負債的重大變動

合約資產指根據相關合約之支付條款由分授電影及電視劇版權產生的未開單收益。

合約負債主要指於截至二零一八年十二月三十一日止年度就發行一部電影之保證最低發行收入合共人民幣700,000,000元收取之人民幣464,000,000元(相當於約港幣528,233,000元)。該合約負債已於年度結束後確認為收益。上文披露之金額並不包括受限的可變代價。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 7 OTHER INCOME

### 7 其他收入

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Sundry income	雜項收入	42	2,858
Dividend income	股息收入	-	588
Government grant (Note)	政府補助(附註)	-	2,635
		<b>42</b>	<b>6,081</b>

Note: During the year ended 31 December 2018, no government grant was received. (2017: Government grant of RMB2,279,000 (equivalent to approximately HK\$2,635,000) was received from the PRC government. There was no condition attached to such government grant.)

附註：於截至二零一八年十二月三十一日止年度，概無獲任何政府補助(二零一七年：中國政府授出政府補助人民幣2,279,000元(相當於約港幣2,635,000元)。該等政府補助無附帶任何條件)。

### 8 OTHER (LOSSES)/GAINS

### 8 其他(虧損)/收益

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Exchange loss, net	匯兌虧損，淨額	(505)	(2,475)
Gain from bargain purchase (Note 33)	來自議價購買之收益(附註33)	188	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(29)	(10)
Gain on change in fair value of investments held for trading	持作買賣投資之公平值變動之收益	-	3,747
Gain on disposal of art work	出售藝術品之收益	-	2,000
Impairment loss on available-for-sale financial assets	可供出售金融資產之減值虧損	-	(208)
Reversal of impairment loss on trade receivables	撥回應收賬款之減值虧損	-	34
		<b>(346)</b>	<b>3,088</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 9 EXPENSES BY NATURE

### 9 按性質劃分之開支

			2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
		Note 附註		
Employee benefit expenses (excluding directors' remuneration and share-based compensation)	僱員福利開支(不包括董事薪酬及以股份為基礎之薪酬)	10	<b>38,045</b>	33,411
Share-based compensation	以股份為基礎之薪酬			
– Directors	– 董事	14	<b>28,129</b>	–
– Employees	– 僱員	10	<b>57,239</b>	–
Directors' remuneration (excluding share-based compensation)	董事薪酬(不包括以股份為基礎之薪酬)	14	<b>21,056</b>	19,033
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17	<b>2,361</b>	2,237
Legal and professional expenses	法律及專業費用		<b>12,692</b>	4,637
Travelling and entertainment expenses	差旅及應酬開支		<b>10,476</b>	8,878
Advertising and marketing expenses	廣告及營銷開支		<b>25,245</b>	549
Amortisation of intangible assets	無形資產之攤銷	18	<b>5,027</b>	2,251
Amortisation of film and TV programmes rights	電影及電視劇版權之攤銷	21	<b>80,477</b>	56,640
Commission expense on property agency	物業代理佣金之開支		<b>82</b>	181
Operating lease payments in respect of office premises and photocopying machines	辦公室物業及複印機經營租賃付款		<b>15,481</b>	14,953
Auditors' remuneration	核數師酬金			
– Audit services	– 審核服務		<b>2,670</b>	3,664
– Non-audit services	– 非審核服務		<b>30</b>	702
Other expenses	其他開支		<b>15,786</b>	10,399
Total cost of revenue, selling and distribution costs and administrative expenses	收益之成本、銷售及分銷成本以及行政開支總額		<b>314,796</b>	157,535

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 10 EMPLOYEE BENEFIT EXPENSE (EXCLUDING DIRECTORS' REMUNERATION)

### 10 僱員福利開支(不包括董事薪酬)

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Wages and salaries	工資及薪金	32,724	29,479
Pension costs	退休金成本		
– defined contribution plans	– 特定供款計劃	4,677	3,597
Share-based compensation	以股份為基礎之薪酬	57,239	–
Other employment benefits	其他在職福利	644	335
Total employee benefit expense	僱員福利開支總額	95,284	33,411

#### (a) Pensions – defined contribution plans

Contributions totalling approximately HK\$38,000 (2017: HK\$51,000) were payable at the year-end.

#### (a) 退休金 – 特定供款計劃

年末應付供款總額約為港幣38,000元(二零一七年：港幣51,000元)。

#### (b) Five highest paid individuals

The five highest paid employees of the Group during the year included two (2017: two) directors of the Company, details of whose emoluments are included in Note 14 below. Details of the remuneration for the year of the remaining three employees (2017: three) with highest paid are as follows:

#### (b) 五名最高酬金人士

年內，本集團五名最高酬金僱員包括兩名(二零一七年：兩名)本公司董事，其酬金詳情載於下文附註14。年內其餘三名(二零一七年：三名)最高酬金僱員之薪金詳情如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	4,697	6,181
Performance related bonus	按表現發放之花紅	391	515
Share-based compensation	以股份為基礎之薪酬	31,612	–
Retirement benefits	退休福利	36	27
		36,736	6,723

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 10 EMPLOYEE BENEFIT EXPENSE (EXCLUDING DIRECTORS' REMUNERATION) (Continued)

#### (b) Five highest paid individuals (Continued)

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands are as follows:

HK\$1,500,001 to HK\$2,000,000	港幣 1,500,001 元至港幣 2,000,000 元
HK\$2,000,001 to HK\$2,500,000	港幣 2,000,001 元至港幣 2,500,000 元
HK\$2,500,001 to HK\$3,000,000	港幣 2,500,001 元至港幣 3,000,000 元
HK\$8,000,001 to HK\$8,500,000	港幣 8,000,001 元至港幣 8,500,000 元
HK\$9,000,001 to HK\$9,500,000	港幣 9,000,001 元至港幣 9,500,000 元
HK\$18,500,001 to HK\$19,000,000	港幣 18,500,001 元至港幣 19,000,000 元

### 10 僱員福利開支(不包括董事薪酬)(續)

#### (b) 五名最高酬金人士(續)

薪酬介乎以下範圍的最高酬金僱員(非本公司董事)人數如下:

		Number of employees 僱員人數	
		2018 二零一八年	2017 二零一七年
		–	1
		–	1
		–	1
		1	–
		1	–
		1	–
		3	3

### 11 FINANCE INCOME AND COSTS

### 11 財務收入及費用

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Finance income</b>	<b>財務收入</b>		
Bank interest income	銀行利息收入	701	152
<b>Finance costs</b>	<b>財務費用</b>		
Interest on borrowings	借款利息	(6,612)	(154)
Net exchange losses on foreign currency borrowings	外幣借款匯兌虧損淨額	(9,885)	–
		(16,497)	(154)
Finance costs, net	財務費用·淨額	(15,796)	(2)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 12 INCOME TAX EXPENSE

Under the Law of the PRC on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the relevant group entities incurred tax losses. No overseas profits tax has been calculated for subsidiaries of the Group that are incorporated in the BVI or Bermuda as they are exempted from tax (2017: same).

Income tax expense charged to the profit or loss represents:

### 12 所得稅開支

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

兩個年度之香港利得稅均按估計應課稅溢利以稅率16.5%計算。由於相關集團實體產生稅項虧損，故並無於綜合財務報表內就香港利得稅作出撥備。由於獲稅務豁免，故概無就於英屬維爾京群島或百慕達註冊成立之本集團附屬公司計算海外利得稅(二零一七年：相同)。

計入損益的所得稅開支乃指：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Current tax	本期稅項	18,429	-

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:

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：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Loss before tax	除稅前虧損	(426,264)	(95,159)
Tax calculated at domestic tax rates applicable to loss in the respective countries	按適用於各國虧損之國內稅率計算之稅項	(66,470)	(13,104)
Expenses not deductible for tax purpose	不可用作扣稅之開支	65,822	14,759
Income not taxable	毋須課稅之收入	(187)	(3,896)
Utilisation of tax loss previously not recognised	動用先前未確認之稅項虧損	(1,279)	-
Tax loss not recognised	未確認之稅項虧損	20,549	2,639
Others	其他	(6)	(398)
Income tax expense	所得稅開支	18,429	-

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## 綜合財務報表附註

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

### 13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY 13 本公司主要附屬公司詳情

Name of entities 實體名稱	Place of incorporation/ operation and kind of legal entities 註冊／經營地點及 法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Effective economic interest held by the Group 本集團所持實際 經濟權益	
				2018 二零一八年	2017 二零一七年
Beijing Huan Sheng Xiao Yu Culture Media Company Limited <sup>(1) &amp; (4)</sup> 北京歡聲笑語文化傳媒有限公司 <sup>(1) 及 (4)</sup>	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes right investments 電影及電視劇版權投資	RMB80,201,750 registered capital 人民幣80,201,750元 註冊資本	100%	100%
Huan Huan Xi Xi (Tianjin) Culture Investment Company Limited <sup>(2) &amp; (4)</sup> 歡歡喜喜(天津)文化投資有限公司 <sup>(2) 及 (4)</sup>	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes right investments 電影及電視劇版權投資	RMB100,000,000 registered capital 人民幣100,000,000元 註冊資本	100%	100%
Taizhou Huanxi Culture Investment Company Limited <sup>(1) &amp; (4)</sup> 台州歡喜文化投資有限公司 <sup>(1) 及 (4)</sup>	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes right investments 電影及電視劇版權投資	USD29,899,965 registered capital 美金29,899,965元 註冊資本	100%	100%
Guangdong Sinofocus Media Limited <sup>(1) &amp; (4)</sup> 廣東中觀傳媒有限公司 <sup>(1) 及 (4)</sup>	The PRC, limited liability company 中國，有限責任公司	Film and TV programmes right investments 電影及電視劇版權投資	RMB50,000,000 registered capital 人民幣50,000,000元 註冊資本	100%	100%
Gain Flow Developments Limited 順盈發展有限公司	BVI/Hong Kong, limited company 英屬維爾京群島／香港，有限公司	Online platform development 網絡平台發展	USD1 ordinary share 美金1元普通股	100%	100%
Power Thought Investments Limited 力思投資有限公司	BVI/Hong Kong, limited company 英屬維爾京群島／香港，有限公司	Film and TV programmes right investments 電影及電視劇版權投資	USD1 ordinary share 美金1元普通股	100%	100%
HX Investment (HK) Limited 歡喜投資(香港)有限公司	Hong Kong, limited company 香港，有限公司	Film and TV programmes right investments 電影及電視劇版權投資	HK\$1 ordinary share 港幣1元普通股	100%	100%

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## 綜合財務報表附註

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

### 13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued) 13 本公司主要附屬公司詳情 (續)

Name of entities 實體名稱	Place of incorporation/ operation and kind of legal entities 註冊/經營地點及 法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Effective economic interest held by the Group 本集團所持實際 經濟權益	
				2018 二零一八年	2017 二零一七年
Wiz Limited 慧師有限公司	Hong Kong, limited company 香港, 有限公司	Provision of management services to the Group and securities trading and investments 向本集團提供管理服務 以及證券買賣及投資	HK\$1 ordinary share 港幣1元普通股	100%	100%
Graceful View Holdings Limited	BVI/Hong Kong, limited company 英屬維爾京群島/香港, 有限公司	Investment holding 投資控股	USD1 ordinary share 美金1元普通股	100%	100%
Sinofocus Media (Holdings) Limited 中觀傳媒(控股)有限公司	BVI/Hong Kong, limited company 英屬維爾京群島/香港, 有限公司	Investment holding and management 投資控股及管理	USD1 ordinary share 美金1元普通股	100%	100%
Huanxi Entertainment (HK) Limited 歡喜娛樂(香港)有限公司	Hong Kong, limited company 香港, 有限公司	Investment holding 投資控股	HK\$10,000 ordinary shares 港幣10,000元普通股	100%	100%
Huanxi Media Investment Limited 歡喜影視投資有限公司	Hong Kong, limited company 香港, 有限公司	Investment holding 投資控股	HK\$1 ordinary share 港幣1元普通股	100%	100%
Joyful Sky Holdings Limited 喜天控股有限公司	BVI/Hong Kong, limited company 英屬維爾京群島/香港, 有限公司	Investment holding 投資控股	USD1 ordinary share 美金1元普通股	100%	100%
Mansford Holdings Limited	BVI/Hong Kong, limited company 英屬維爾京群島/香港, 有限公司	Investment holding 投資控股	USD1 ordinary share 美金1元普通股	100%	100%

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### 13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued) 13 本公司主要附屬公司詳情 (續)

Name of entities 實體名稱	Place of incorporation/ operation and kind of legal entities 註冊/經營地點及 法律實體類別	Principal activities 主要業務	Particulars of issued share capital 已發行股本詳情	Effective economic interest held by the Group 本集團所持實際 經濟權益	
				2018 二零一八年	2017 二零一七年
Kingbox Investments Limited	BVI/Hong Kong, limited company 英屬維爾京群島/香港, 有限公司	Investment holding 投資控股	USD48,137 ordinary shares 美金48,137元普通股	100%	100%
Century 21 (HK) Group Limited 世紀21(香港)集團有限公司	Hong Kong, limited company 香港, 有限公司	Investment holding 投資控股	HK\$1 ordinary share 港幣1元普通股	100%	100%
Century 21 Property Agency Limited 世紀21物業有限公司	Hong Kong, limited company 香港, 有限公司	Provision of property agency and related services in Hong Kong 在香港提供物業代理及 有關服務	HK\$2 ordinary shares 港幣2元普通股	100%	100%
Century 21 Surveyors Limited 世紀21測量行有限公司	Hong Kong, limited company 香港, 有限公司	Provision of property project consulting and related services 提供物業項目諮詢及 有關服務	HK\$100 ordinary shares 港幣100元普通股	100%	100%
Beijing Huanxi Shou Ying Culture Company Limited (formerly known as "Beijing Hua Hua Duo Duo Culture Company Limited") <sup>(3) &amp; (4)</sup> 北京歡喜首映文化有限公司(前稱 [北京花花朵朵文化有限公司]) <sup>(3) &amp; (4)</sup>	The PRC, limited liability company 中國, 有限責任公司	Film and TV programmes production and investment 電影及電視節目製作 及投資	RMB10,000,000 registered capital 人民幣10,000,000元 註冊資本	100% <sup>(5)</sup>	N/A 不適用
Beijing Hangaohua Network Technology Company Limited <sup>(4)</sup> 北京漢高華網絡科技有限公司 <sup>(4)</sup>	The PRC, other limited liability company 中國, 其他有限責任公司	Provision of internet audio-visual programmes services 提供互聯網音視聽節目 服務	RMB10,000,000 registered capital 人民幣10,000,000元 註冊資本	100% <sup>(5)</sup>	N/A 不適用

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## 綜合財務報表附註

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

### 13 PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

- (1) These subsidiaries are registered as wholly-owned enterprises of Taiwan, Hong Kong or Macao corporate body under the PRC Law.
- (2) This subsidiary is registered as a wholly-owned enterprise of foreign-invested corporate body under the PRC Law.
- (3) This subsidiary is registered as an enterprise invested/controlled by natural persons under the PRC Law.
- (4) The English name for PRC entities are for identification purpose only.
- (5) These subsidiaries are controlled by the Group by virtue of the contractual agreements effective from 19 January 2018. Beijing Huan Sheng Xiao Yu Culture Media Company Limited (“Beijing Subsidiary”) is a wholly-owned enterprise of Taiwan, Hong Kong or Macao corporate body in PRC. The Group operates an internet broadcasting platform in PRC through contractual arrangements with its affiliated PRC entities, Beijing Huanxi Shou Ying Culture Company Limited and Beijing Hangaohua Network Technology Company Limited (collectively the “Target Group”). Beijing Subsidiary has entered into a series of contractual arrangements with the Target Group and their respective shareholders. These contractual arrangements enable the Group to (1) have power to direct the activities that most significantly affect the economic performance of the Target Group; (2) receive substantially all of the economic benefits from the Target Group in consideration for the services provided by Beijing Subsidiary; and (3) have an exclusive option to purchase all or part of the equity interests in the Target Group at the minimum price permitted under PRC laws, when and to the extent permitted by PRC law, and request any existing shareholders of the Target Group to transfer all or part of the equity interest in the Target Group to any entity designated by the Group at any time in its discretion. The Group believes that its ability to exercise effective control give it the rights to receive substantially all of the economic benefits from the Target Group in consideration for the services provided by Beijing Subsidiary. Accordingly, as the primary beneficiary of the Target Group and in accordance with the HKFRSs, the Group consolidates their assets, liabilities, results of operations and cash flows in the consolidated financial statements.

The above table lists the subsidiaries of the Company as at 31 December 2018 and 2017 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.

### 13 本公司主要附屬公司詳情(續)

- (1) 該等附屬公司根據中國法例註冊為台港澳法人獨資企業。
- (2) 該附屬公司根據中國法例註冊為外商投資企業法人獨資企業。
- (3) 該附屬公司根據中國法例註冊為自然人投資／控股企業。
- (4) 中國實體之英文名稱僅供參考。
- (5) 該等附屬公司由本集團憑藉自二零一八年一月十九日起生效的合約協議控制。北京歡聲笑語文化傳媒有限公司(「北京附屬公司」)為一間位於中國的台港澳法人獨資企業。本集團透過與其附屬中國實體北京歡喜首映文化有限公司及北京漢高華網絡科技有限公司(「目標集團」)的合約安排於中國運營一個網絡播映平台。北京附屬公司已與目標集團，以及彼等各自股東訂立一系列合約安排。該等合約安排令本集團得以(1)有權力控制對目標集團之經濟表現產生最重大影響的活動；(2)向目標集團收取絕大部分經濟收益，作為北京附屬公司提供服務之代價；及(3)享有獨家購買權，可在中國法律允許之時間與範圍內，按中國法律允許之最低價格購買目標集團之全部或部分股權，並要求目標集團任何現任股東向本集團隨時酌情指定之任何實體轉讓目標集團之全部或部分股權。本集團認為，能夠行使實際控制權令其有權向目標集團收取絕大部分經濟收益，作為北京附屬公司提供服務的代價。因此，作為目標集團的主要受益人，及根據香港財務報告準則，本集團將彼等之資產、負債、營運業績及現金流量在綜合財務報表中綜合計算。

上表所列本公司於二零一八年及二零一七年十二月三十一日之附屬公司，均為董事認為對本集團之業績或資產具有主要影響的公司。若繼續羅列其他附屬公司詳情，董事認為會導致篇幅過於冗長。概無本公司的附屬公司於兩個年度結束時發行任何債務證券。

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## 綜合財務報表附註

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

### 14 BENEFITS AND INTEREST OF DIRECTORS

### 14 董事之福利及權益

#### (a) Directors emoluments

The remuneration of the directors of the Company paid and payable by the Group are set out below:

For the year ended 31 December 2018

#### (a) 董事酬金

本集團已付及應付本公司董事的薪酬如下：

截至二零一八年十二月三十一日止年度

		Fees	Salaries and other benefits	Performance related bonus	Retirement benefits scheme contributions	Share-based compensation	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	以股份為基礎之薪酬	薪金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Executive Directors</b>	<b>執行董事</b>						
Mr. Dong Ping ("Mr. Dong")	董平先生(「董先生」)	260	1,505	3,000	-	2,557	7,322
Mr. Xiang Shaokun, Steven ("Mr. Xiang") (Note ii)	項紹琨先生(「項先生」)(附註ii)	-	11,924	3,000	18	25,572	40,514
Sub-total	小計	260	13,429	6,000	18	28,129	47,836
<b>Non-Executive Directors</b>	<b>非執行董事</b>						
Mr. Ning Hao ("Mr. Ning")	寧浩先生(「寧先生」)	240	-	-	-	-	240
Mr. Gao Zhikai ("Mr. Gao") (Note iii)	高志凱先生(「高先生」)(附註iii)	149	-	-	-	-	149
Mr. Xu Zheng ("Mr. Xu")	徐崢先生(「徐先生」)	240	-	-	-	-	240
Sub-total	小計	629	-	-	-	-	629
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>						
Mr. Li Xiaolong	李小龙先生	240	-	-	-	-	240
Mr. Su Tuong Sing, David	徐傳陞先生	240	-	-	-	-	240
Mr. Wong Tak Chuen	黃德銓先生	240	-	-	-	-	240
Sub-total	小計	720	-	-	-	-	720
Total	總計	1,609	13,429	6,000	18	28,129	49,185

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 14 BENEFITS AND INTEREST OF DIRECTORS (Continued)

#### (a) Directors emoluments (Continued)

For the year ended 31 December 2017

		Fees	Salaries and other benefits	Performance related bonus	Retirement benefits scheme 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
<b>Executive Directors</b>	<b>執行董事</b>					
Mr. Dong	董先生	262	1,464	2,430	–	4,156
Mr. Xiang (Note ii)	項先生(附註ii)	–	10,989	2,430	18	13,437
Sub-total	小計	262	12,453	4,860	18	17,593
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Mr. Ning	寧先生	240	–	–	–	240
Mr. Gao	高先生	240	–	–	–	240
Mr. Xu	徐先生	240	–	–	–	240
Sub-total	小計	720	–	–	–	720
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Mr. Li Xiaolong	李小龍先生	240	–	–	–	240
Mr. Su Tuong Sing, David	徐傳陞先生	240	–	–	–	240
Mr. Wong Tak Chuen	黃德銓先生	240	–	–	–	240
Sub-total	小計	720	–	–	–	720
Total	總計	1,702	12,453	4,860	18	19,033

### 14 董事之福利及權益 (續)

#### (a) 董事酬金 (續)

截至二零一七年十二月三十一日止年度

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 14 BENEFITS AND INTEREST OF DIRECTORS (Continued)

#### (a) Directors emoluments (Continued)

Notes:

- (i) The performance related bonus is determined by reference to individual performance of the directors and approved by the remuneration committee of the Company (the "Remuneration Committee").
- (ii) Mr. Xiang is the chief executive officer of the Company and his emoluments disclosed above included these services rendered by him as the chief executive officer.
- (iii) Mr. Gao has resigned as the director of the Company with effective from 15 August 2018.

For years ended 31 December 2018 and 2017, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments for both years ended 31 December 2018 and 2017.

#### (b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2017: nil).

#### (c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2017: nil).

#### (d) Consideration provided to third parties for making available directors' services.

During the year, the Group did not pay consideration to any third parties for making available directors' services (2017: nil).

### 14 董事之福利及權益 (續)

#### (a) 董事酬金 (續)

附註：

- (i) 按表現發放之花紅乃根據董事個人表現釐定，且經本公司薪酬委員會（「薪酬委員會」）批准。
- (ii) 項先生為本公司行政總裁，上文所披露之酬金已包括其擔任行政總裁所提供服務而獲支付之酬金。
- (iii) 高先生已辭任本公司董事，自二零一八年八月十五日起生效。

於截至二零一八年及二零一七年十二月三十一日止年度，本集團概無向任何董事支付任何酬金以作為加入本集團或加入本集團後之獎勵或作為離職補償。於截至二零一八年及二零一七年十二月三十一日止兩個年度，概無董事放棄任何酬金。

#### (b) 董事的退休福利

年內，概無董事收取或將會收取任何退休福利（二零一七年：無）。

#### (c) 董事的離職福利

年內，概無董事收取或將會收取任何離職福利（二零一七年：無）。

#### (d) 就獲提供董事服務向第三方提供的代價

年內，本集團並未就獲提供的董事服務而向任何第三方支付代價（二零一七年：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 14 BENEFITS AND INTEREST OF DIRECTORS

*(Continued)*

#### (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year, there is no loans, quasi-loans and other dealing arrangements in favour of directors, or controlled bodies corporate by and connected entities with such directors (2017: nil).

#### (f) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in Note 34, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly; subsisted at the end of the year or at any time during the year (2017: same).

### 15 DIVIDENDS

Neither dividends were paid, declared or proposed for the years ended 31 December 2018 and 2017, nor has any dividend been proposed since the end of both reporting periods.

### 14 董事之福利及權益 (續)

#### (e) 有關以董事、董事控制的法團及其關連實體為受益人的貸款、類似貸款及其他交易的資料

年內，概無以董事、董事控制的法團及其關連實體為受益人而訂立任何貸款、類似貸款及其他交易安排(二零一七年：無)。

#### (f) 董事於交易、安排或合約的重大權益

除附註34所披露者外，於年末或年內任何時間，並無任何與本集團參與及本公司的董事於其中有重大權益(無論直接或間接)的本集團業務相關的任何重大交易、安排及合約(二零一七年：相同)。

### 15 股息

於截至二零一八年及二零一七年十二月三十一日止年度，並無派付、宣派或建議派付任何股息，而自該兩段報告期結束後，亦無建議派付任何股息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 16 LOSS PER SHARE

#### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

### 16 每股虧損

#### (a) 基本

每股基本虧損乃按本公司擁有人應佔虧損(不包括普通股以外之任何支付權益成本)除以財政年度內已發行普通股之加權平均數計算。

		2018 二零一八年	2017 二零一七年
Loss attributable to owners of the Company (in HK\$'000)	本公司擁有人應佔虧損(港幣千元)	<b>(444,693)</b>	(95,159)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (in thousands)	用以計算每股基本及攤薄虧損之普通股加權平均數(千股)	<b>2,812,850</b>	2,768,055
Basic loss per share (HK\$)	每股基本虧損(港幣元)	<b>(0.16)</b>	(0.03)

#### (b) Diluted

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares outstanding during the year (2017: same).

#### (b) 攤薄

每股攤薄虧損與每股基本虧損相同，乃由於本年內概無具有潛在攤薄效應之已發行普通股(二零一七年：相同)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 17 PROPERTY, PLANT AND EQUIPMENT

### 17 物業、廠房及設備

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Total
		租賃物業裝修 HK\$'000 港幣千元	傢俱、裝置 及設備 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
<b>At 1 January 2017</b>	於二零一七年一月一日				
Cost	成本	3,780	1,518	1,399	6,697
Accumulated depreciation	累計折舊	(1,002)	(429)	(324)	(1,755)
Net book amount	賬面淨值	2,778	1,089	1,075	4,942
<b>Year ended 31 December 2017</b>	截至二零一七年十二月 三十一日止年度				
Opening net book amount	期初賬面淨值	2,778	1,089	1,075	4,942
Additions	增購	56	449	2,535	3,040
Disposals	出售	-	(15)	-	(15)
Depreciation charge (Note 9)	折舊費用(附註9)	(1,103)	(347)	(787)	(2,237)
Exchange differences	匯兌差額	135	52	-	187
Closing net book amount	期末賬面淨值	1,866	1,228	2,823	5,917
<b>At 31 December 2017</b>	於二零一七年十二月 三十一日				
Cost	成本	4,026	2,024	3,934	9,984
Accumulated depreciation	累計折舊	(2,160)	(796)	(1,111)	(4,067)
Net book amount	賬面淨值	1,866	1,228	2,823	5,917
<b>Year ended 31 December 2018</b>	截至二零一八年十二月 三十一日止年度				
Opening net book amount	期初賬面淨值	1,866	1,228	2,823	5,917
Additions	增購	-	332	-	332
Disposals	出售	-	(47)	-	(47)
Depreciation charge (Note 9)	折舊費用(附註9)	(1,140)	(434)	(787)	(2,361)
Exchange differences	匯兌差額	(42)	(37)	-	(79)
Closing net book amount	期末賬面淨值	684	1,042	2,036	3,762
<b>At 31 December 2018</b>	於二零一八年十二月 三十一日				
Cost	成本	3,900	1,980	3,934	9,814
Accumulated depreciation	累計折舊	(3,216)	(938)	(1,898)	(6,052)
Net book amount	賬面淨值	684	1,042	2,036	3,762

Depreciation are included in administrative expenses of approximately HK\$2,361,000 (2017: HK\$2,237,000).

折舊計入行政開支約港幣2,361,000元(二零一七年:港幣2,237,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 18 INTANGIBLE ASSETS

### 18 無形資產

		License 許可證 HK\$'000 港幣千元	Software development costs 軟件開發成本 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
<b>At 1 January 2017</b>	於二零一七年一月一日			
Cost	成本	-	-	-
Accumulated amortisation	累計攤銷	-	-	-
Net book amount	賬面淨值	-	-	-
<b>Year ended 31 December 2017</b>	截至二零一七年 十二月三十一日止年度			
Opening net book amount	期初賬面淨值	-	-	-
Additions	增購	-	22,515	22,515
Amortisation charge (Note 9)	攤銷費用(附註9)	-	(2,251)	(2,251)
Exchange differences	匯兌差額	-	753	753
Closing net book amount	期末賬面淨值	-	21,017	21,017
<b>At 31 December 2017</b>	於二零一七年 十二月三十一日			
Cost	成本	-	23,352	23,352
Accumulated amortisation	累計攤銷	-	(2,335)	(2,335)
Net book amount	賬面淨值	-	21,017	21,017
<b>Year ended 31 December 2018</b>	截至二零一八年 十二月三十一日止年度			
Opening net book amount	期初賬面淨值	-	21,017	21,017
Additions	增購	-	334	334
Acquisition of subsidiary (Note 33)	收購附屬公司(附註33)	842	-	842
Amortisation charge (Note 9)	攤銷費用(附註9)	(269)	(4,758)	(5,027)
Exchange differences	匯兌差額	(33)	(848)	(881)
Closing net book amount	期末賬面淨值	540	15,745	16,285
<b>At 31 December 2018</b>	於二零一八年 十二月三十一日			
Cost	成本	799	22,494	23,293
Accumulated amortisation	累計攤銷	(259)	(6,749)	(7,008)
Net book amount	賬面淨值	540	15,745	16,285

The license and software development costs are related to the Group's internet broadcasting platform. Amortisation expenses are included in cost of revenue of approximately HK\$4,758,000 (2017: HK\$2,251,000) and administrative expenses of approximately HK\$269,000 (2017: nil).

許可證及軟件開發成本與本集團之網絡播映平台有關。攤銷開支計入收益之成本約港幣4,758,000元(二零一七年:港幣2,251,000元)及行政開支約港幣269,000元(二零一七年:無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 19 FINANCIAL INSTRUMENTS BY CATEGORY

### 19 按類別劃分的金融工具

The Group holds the following financial instruments:

本集團持有下列金融工具：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Financial assets</b>	<b>金融資產</b>		
Financial assets at amortised cost:	按攤銷成本計量的金融資產：		
Trade receivables	應收賬款	139,263	2,041
Other financial assets at amortised cost	其他按攤銷成本計量的金融資產	234,972	-
Other loans and receivables	其他貸款及應收款項	-	39,200
Cash and cash equivalents	現金及現金等值	158,528	39,169
FVPL:	按公平值計入損益：		
Film rights investments	電影版權投資	-	23,980
		<b>532,763</b>	104,390
		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Financial liabilities</b>	<b>金融負債</b>		
Liabilities at amortised cost	按攤銷成本計量的負債		
Trade and other payables	應付賬款及其他應付款項	(79,487)	(45,816)
Amounts due to related parties	應付關連人士款項	(92,467)	(120,000)
Other borrowings	其他借款	(295,307)	(77,500)
		<b>(467,261)</b>	(243,316)

The Group's exposure to various risks associated with the financial instruments is disclosed in Note 3.1. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

本集團就金融工具承受的各類風險於附註3.1披露。報告期末的最大信貸風險敞口為上述各類金融資產的賬面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 20 PREPAYMENT FOR FILM AND TV PROGRAMMES RIGHTS

### 20 電影及電視劇版權預付款

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Prepayment for film and TV programmes rights	電影及電視劇版權預付款	<b>358,248</b>	395,305
Prepayment for film director's fee (Note 34(b))	電影導演費預付款(附註34(b))	<b>11,974</b>	12,612
		<b>370,222</b>	407,917

The prepayment for film and TV programmes rights represented the prepayment made by the Group to respective parties in relation to the film and TV programmes rights. The prepayment will form part of the contribution by the Group for the investment in the proposed film and TV programmes rights. The related terms will be further agreed between the respective parties upon the signing of the agreements.

電影及電視劇版權預付款指本集團就電影及電視劇版權向各方作出之預付款。該預付款將構成本集團對建議電影及電視劇版權投資之部分出資。相關條款將由各方於協議簽署後進一步商定。

### 21 FILM AND TV PROGRAMMES RIGHTS

### 21 電影及電視劇版權

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Film and TV programmes rights completed	已完成之電影及電視劇版權	<b>10,246</b>	10,779
Film and TV programmes rights under production (Note a)	製作中之電影及電視劇版權(附註a)	<b>734,296</b>	471,603
Film rights investments (Note b)	電影版權投資(附註b)	-	23,980
Licensed film and TV programmes rights (Note c)	獲授權之電影及電視劇版權(附註c)	<b>18,077</b>	22,743
		<b>762,619</b>	529,105
Less: Current portion	減：即期部分	<b>(744,542)</b>	(506,362)
		<b>18,077</b>	22,743

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 21 FILM AND TV PROGRAMMES RIGHTS (Continued)

### 21 電影及電視劇版權 (續)

		Film and TV programmes rights completed	Film and TV programmes rights under production	Film rights investments	Licensed film and TV programmes rights	Total
		已完成之 電影及 電視劇版權	製作中之 電影及 電視劇版權	電影版權投資	獲授權之 電影及 電視劇版權	總計
		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
<b>As at 1 January 2017</b>	於二零一七年一月一日	–	134,457	72,254	46,687	253,398
Additions	增購	–	325,258	23,121	30,013	378,392
Transfer	轉撥	10,393	(10,393)	–	–	–
Amortisation	攤銷	–	–	–	(56,640)	(56,640)
Derecognition (Note d)	終止確認(附註d)	–	–	(75,145)	–	(75,145)
Exchange differences	匯兌差額	386	22,281	3,750	2,683	29,100
<b>As at 31 December 2017</b>	於二零一七年 十二月三十一日	10,779	471,603	23,980	22,743	529,105
Additions	增購	–	346,155	15,036	27,554	388,745
Fair value gains	公平值收益	–	–	137,973	–	137,973
Transfer	轉撥	49,527	(49,527)	–	–	–
Amortisation	攤銷	(48,970)	–	–	(31,507)	(80,477)
Derecognition (Note e)	終止確認(附註e)	–	–	(176,622)	–	(176,622)
Exchange differences	匯兌差額	(1,090)	(33,935)	(367)	(713)	(36,105)
<b>As at 31 December 2018</b>	於二零一八年 十二月三十一日	10,246	734,296	–	18,077	762,619

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 21 FILM AND TV PROGRAMMES RIGHTS

(Continued)

Notes:

- (a) As at 31 December 2018, included in the film and TV programmes rights under production was a film right with incurred production cost of approximately HK\$428,074,000 (2017: HK\$373,540,000) in respect of the production of a film (“瘋狂的外星人”) in the PRC. On 30 December 2016, the Group entered into an agreement with a company established in the PRC, 霍爾果斯甲壹影視文化傳播有限公司 (“Jiayi Movie”), as the production house of the aforementioned film at a budgeted cost of RMB400,000,000, including the service fee to Jiayi Movie which is chargeable based on 5% of the total production cost of the film and film director fee to Mr. Ning, the non-executive director of the Company, of RMB30,000,000. In the opinion of the directors of the Company, Jiayi Movie is an independent third party and Mr. Ning does not have any interests in the contracts or transactions in connection with the production of such a film other than his role as a film director. An amount of approximately HK\$5,862,000 (2017: HK\$18,639,000) was paid to Mr. Ning as the aforementioned film director’s fee and was recognised as film and TV programmes rights under production during the year ended 31 December 2018 (Note 34(a)).
- (b) The balance represented the Group’s investments in film productions which entitled the Group to predetermined percentage of income to be generated from the films based on the Group’s investment portion as specified in respective film right investment agreements.
- (c) The balance represented the Group’s investments in film and TV programmes right licenses. The Group acquired license rights from independent third parties for broadcasting licensed films or TV programmes series on its internet broadcasting platform (Note 18) or sublicensing the license rights to other independent third parties.
- (d) During the year ended 31 December 2017, the Group disposed certain film rights investments, of approximately HK\$75,145,000 to a PRC entity (“北京郁郁葱葱文化有限公司”), which is an independent third party, and there was no gain or loss arising from this transaction.
- (e) During the year ended 31 December 2018, the Group is entitled to proceeds from certain film rights investments of approximately HK\$176,622,000 based on the Group’s investment portion as specified in respective film right investment agreements. The Group has recognised the net gain of approximately HK\$137,973,000 as film rights investment income.
- (f) The Group has entered into certain joint operation arrangements to produce and distribute four films (2017: five). The Group has participating interests ranging from 50% to 57% in these joint operations. As at 31 December 2018, the aggregate amounts of intangible assets recognised in the consolidated statement of financial position relating to the Group’s interests in these joint operation arrangements are approximately HK\$50,803,000 (2017: HK\$82,778,000).

### 21 電影及電視劇版權(續)

附註：

- (a) 於二零一八年十二月三十一日，與在中國製作之電影「瘋狂的外星人」相關的電影版權製作成本約港幣428,074,000元(二零一七年：港幣373,540,000元)計入製作中之電影及電視劇版權。於二零一六年十二月三十日，本集團與一間於中國成立的公司霍爾果斯甲壹影視文化傳播有限公司(「甲壹電影」)訂立協議作為上述電影之製作公司，成本預算為人民幣400,000,000元，包括向甲壹電影支付之服務費(按電影總製作成本之5%計算)及向本公司之非執行董事寧先生支付之電影導演費人民幣30,000,000元。本公司董事認為，甲壹電影為獨立第三方，而寧先生除作為電影導演外，於製作該電影相關之合約或交易中並無任何利益。已向寧先生支付約港幣5,862,000元(二零一七年：港幣18,639,000元)作為上文所述之電影導演費，該筆金額於截至二零一八年十二月三十一日止年度確認為製作中之電影及電視劇版權(附註34(a))。
- (b) 該結餘指本集團於電影製作之投資，根據相應電影版權投資協議所指明之本集團投資比例，本集團有權按預先釐定之百分比享有電影將來產生之收入。
- (c) 該結餘指本集團於電影及電視劇版權許可的投資。本集團從獨立第三方處購買許可授權以在其網絡播映平台(附註18)播放獲授權之電影或電視劇，或向其他獨立第三方分授許可授權。
- (d) 本集團於截至二零一七年十二月三十一日止年度以約港幣75,145,000元向一間中國實體(「北京郁郁葱葱文化有限公司」，為獨立第三方)出售若干電影版權投資，是次交易並無產生任何損益。
- (e) 於截至二零一八年十二月三十一日止年度，本集團基於對應電影版權投資協議內指明的本集團投資比例有權收取若干電影版權投資所得款項約港幣176,622,000元。本集團已將收益淨額約港幣137,973,000元確認為電影版權投資收入。
- (f) 本集團已訂立若干合營業務安排以製作及發行四部電影(二零一七年：五部)。本集團於該等合營業務中之參與權益介乎50%至57%。於二零一八年十二月三十一日，就本集團於該等合營業務安排之權益在綜合財務狀況表內確認之無形資產的總金額約為港幣50,803,000元(二零一七年：港幣82,778,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 22 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

### 22 應收賬款及其他應收款項、按金及預付款

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Trade receivables	應收賬款		
– Sublicensing and sales of film and TV programmes rights	– 分授及出售電影及電視劇版權	2,946	1,792
– Film rights investment	– 電影版權投資	136,225	–
– Property agency commission and service income in Hong Kong	– 於香港的物業代理佣金及服務收入	349	2,424
		<b>139,520</b>	4,216
Loss allowance (see Note 3.1(b))	虧損撥備(見附註3.1(b))	<b>(257)</b>	(2,175)
		<b>139,263</b>	2,041
Deposits	按金	6,219	5,975
Prepayments	預付款	1,575	1,727
Other receivables	其他應收款項	229,856	33,659
		<b>237,650</b>	41,361
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	<b>(232,042)</b>	(35,871)
Non-current portion	非即期部分	<b>5,608</b>	5,490

Trade receivables from sublicensing of film and TV programmes rights are usually received within 180 days from the date of delivery of the master copy or materials. Trade receivables from film and TV programmes 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. For property agency segment in Hong Kong, the Group allows an average credit period of 60 to 90 days to property developers upon completion date of relevant agreements whilst the individual customers are obliged to settle the amounts upon completion of the relevant agreements and generally no credit terms are granted.

分授電影及電視劇版權之應收賬款通常自交付底本或材料之日起180日內收取。電影及電視劇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60日內收取。香港物業代理分部方面，本集團於相關協議完成日期後給予物業發展商之信貸期平均為60至90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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 22 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

At 31 December, the ageing analysis of the trade receivables, net of loss allowance, presented based on invoice date were as follows:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
0-30 days	0至30日	139,170	112
61-90 days	61至90日	-	1,792
91-180 days	91至180日	93	11
Over 180 days	180日以上	-	126
		<b>139,263</b>	<b>2,041</b>

### 22 應收賬款及其他應收款項、按金及預付款(續)

於十二月三十一日，應收賬款(扣除虧損撥備)按發票日期呈列之賬齡分析如下：

#### (i) Other receivable pledged as security

The Group has pledged receivables amounting to approximately HK\$223,133,000 (2017: nil) to several third parties to obtain borrowings amounting to approximately HK\$220,364,000 (2017: nil) and has retained late payment and credit risk. Thus, the Group considers the held to collect business model to remain appropriate for these receivables and continues measuring them at amortised cost.

#### (ii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

#### (i) 質押為擔保的其他應收款項

本集團已向多名第三方質押應收款項約港幣223,133,000元(二零一七年：無)以取得借款約港幣220,364,000元(二零一七年：無)，並保留逾期付款及信貸風險。因此，本集團認為持有至收集的業務模式對該等應收款項而言仍屬適當，並繼續按攤銷成本對其進行計量。

#### (ii) 應收賬款及其他應收款項之公平值

由於即期應收款項的短期性質使然，其賬面值被視為與其公平值相同。

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## 綜合財務報表附註

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

### 23 CASH AND CASH EQUIVALENTS

### 23 現金及現金等值

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Cash at banks	銀行現金	158,483	39,151
Cash on hand	持有的現金	45	18
		<b>158,528</b>	39,169
HK\$	港幣	321	24,988
USD	美金	1,060	1,086
RMB	人民幣	157,147	13,087
Other currency	其他貨幣	-	8
Cash and cash equivalents	現金及現金等值	<b>158,528</b>	39,169

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 0.30% (2017: 0.01% to 0.30%) per annum and have original maturity of three months or less.

銀行結餘及現金包括本集團所持現金及按介乎0.01%至0.30%（二零一七年：0.01%至0.30%）之年利率計息且原到期日為三個月或以內之短期銀行存款。

As at 31 December 2018, the Group has cash and bank balances amounting to approximately HK\$158,189,000 (2017: HK\$14,162,000) which are held in PRC. These cash and bank balances are subject to the rule and regulations of foreign exchange control promulgated by the PRC government.

於二零一八年十二月三十一日，本集團擁有於中國持有的現金及銀行結餘約港幣158,189,000元（二零一七年：港幣14,162,000元）。該等現金及銀行結餘受中國政府頒布的外匯管制法規法例規管。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 24 TRADE AND OTHER PAYABLES

### 24 應付賬款及其他應付款項

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Trade payables	應付賬款	64,377	13,679
Other payables	其他應付款項	15,208	29,997
Accruals	應計費用	18,440	10,408
		<b>98,025</b>	54,084

The carrying amounts of trade and other payables were approximated to their fair values.

應付賬款及其他應付款項的賬面值與其公平值相若。

At 31 December, the ageing analysis of the trade payables based on invoice date were follows:

於十二月三十一日，應付賬款基於發票日期的賬齡分析如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
0 – 30 days	0至30日	28,111	60
91 – 180 days	91至180日	17,685	5
181 – 365 days	181至365日	5,630	2,823
Over 365 days	365日以上	12,951	10,791
		<b>64,377</b>	13,679

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## 綜合財務報表附註

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

### 25 BORROWINGS

### 25 借款

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Other borrowings</b>	<b>其他借款</b>		
Secured	有抵押	<b>220,364</b>	-
Unsecured	無抵押	<b>74,943</b>	77,500
Total borrowings	借款總額	<b>295,307</b>	77,500

All borrowings are repayable within one year.

所有借款均須於一年內償還。

The secured borrowings are secured by other receivables amounting to approximately HK\$223,133,000 (2017: nil).

有抵押借款由其他應收款項約港幣223,133,000元(二零一七年：無)作抵押。

For the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

借款的公平值與其賬面值並無重大差異，此乃由於該等借款的應付利息接近現行市場利率或借款屬短期性質。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 26 DEFERRED TAX

At the end of the reporting period, the Group has unused tax losses of HK\$323,228,000 (2017: HK\$228,618,000) available for offset against future profits of which the amount of approximately HK\$252,690,000 (2017: HK\$188,702,000) may be carried forward indefinitely and the amount of HK\$70,538,000 (2017: HK\$39,916,000) will be expire in five years from the year of assessment. No deferred tax asset has been recognised in respect of these tax losses as they have arisen in subsidiaries that have been loss-making for some time and the management does not consider probable that taxable profits will be available against which the tax losses can be utilised.

Deferred income tax liabilities of approximately HK\$6,241,000 (2017: HK\$2,848,000) have not been provided for the withholding tax that would be payable on the unremitted earnings of subsidiaries of approximately HK\$62,410,000 (2017: HK\$28,482,000) in the PRC. The unremitted earnings are used for reinvestment. The income tax liability is not recognised, because the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 26 遞延稅項

於報告期末，本集團可供抵銷將來溢利之未使用稅項虧損為港幣323,228,000元（二零一七年：港幣228,618,000元），其中為數約港幣252,690,000元（二零一七年：港幣188,702,000元）可無限期結轉及為數港幣70,538,000元（二零一七年：港幣39,916,000元）將自評稅年度起計五年內屆滿。由於該等稅項虧損產生自己虧損一段時間的附屬公司，且管理層認為日後應不可能產生應課稅溢利可抵銷稅項虧損，故並無就該等稅項虧損確認遞延稅項資產。

遞延所得稅負債約港幣6,241,000元（二零一七年：港幣2,848,000元）並無就附屬公司的未匯出盈利約港幣62,410,000元（二零一七年：港幣28,482,000元）於中國應付之預扣稅計提撥備。未匯出盈利乃用於再投資。所得稅負債未予確認，蓋因本集團能夠控制撥回臨時差額之時間且臨時差額於可見未來有可能不會撥回。

### 27 SHARE CAPITAL

### 27 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
<b>Authorised:</b>	<b>法定：</b>		
Ordinary shares	普通股		
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018, at HK\$0.01 each	於二零一七年一月一日、 二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日， 每股面值港幣0.01元	<b>50,000,000,000</b>	<b>500,000</b>
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、二零一七年 十二月三十一日及二零一八年 一月一日	2,768,055,408	27,681
Issue of ordinary shares for cooperation with a film director (Note 32(a))	與一名電影導演合作而發行之普通股 (附註32(a))	150,000,000	1,500
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>2,918,055,408</b>	<b>29,181</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 28 RESERVES

### 28 儲備

		Attributable to owners of the Company 本公司擁有人應佔				
		Share premium	Share-based payment reserve	Translation reserve	Accumulated losses (Note)	Total
		股份溢價 HK\$'000 港幣千元	以股份為基礎付款之儲備 HK\$'000 港幣千元	匯兌儲備 HK\$'000 港幣千元	累計虧損 (附註) HK\$'000 港幣千元	總額 HK\$'000 港幣千元
<b>At 1 January 2017</b>	於二零一七年一月一日	1,974,993	-	(3,039)	(1,172,724)	799,230
Loss for the year	本年度虧損	-	-	-	(95,159)	(95,159)
Other comprehensive income	其他全面收益	-	-	60,415	-	60,415
<b>Total comprehensive loss for the year</b>	<b>本年度全面虧損總額</b>	-	-	60,415	(95,159)	(34,744)
<b>At 31 December 2017</b>	於二零一七年十二月三十一日	1,974,993	-	57,376	(1,267,883)	764,486
Loss for the year	本年度虧損	-	-	-	(444,693)	(444,693)
Other comprehensive loss	其他全面虧損	-	-	(44,174)	-	(44,174)
<b>Total comprehensive loss for the year</b>	<b>本年度全面虧損總額</b>	-	-	(44,174)	(444,693)	(488,867)
<b>Transactions with owners:</b>	<b>與擁有人進行之交易：</b>					
Issue of ordinary shares for cooperation with a film director	與一名電影導演合作而發行之普通股	268,500	-	-	-	268,500
Issue of share options under share option scheme	根據購股權計劃發行購股權	-	85,368	-	-	85,368
		268,500	85,368	-	-	353,868
<b>At 31 December 2018</b>	於二零一八年十二月三十一日	2,243,493	85,368	13,202	(1,712,576)	629,487

Note:

The capital reserve arising from the group reorganisation represents the difference between the nominal value of the share capital issued by the Company in exchange for the aggregate nominal values of the share capital of the subsidiaries amounted to approximately HK\$2,099,000 (2017: HK\$2,099,000) is included in the accumulated losses.

The contributed surplus represents the aggregate amounts of capital reduction and share premium cancellation attributable to the capital restructuring and the capital reorganisation of the Company during prior years amounted to approximately HK\$149,220,000 (2017: HK\$149,220,000) is included in accumulated losses.

附註：

集團重組產生之資本儲備乃指本公司為交換附屬公司股本所發行之股本之面值與有關附屬公司股本總面值之差額約港幣2,099,000元(二零一七年：港幣2,099,000元)，計入累計虧損。

實繳盈餘指本公司於過往年度因股本重整及股本重組產生之資本削減及股份溢價註銷的總金額約港幣149,220,000元(二零一七年：港幣149,220,000元)，計入累計虧損。

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## 綜合財務報表附註

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

### 29 CASH USED IN OPERATING ACTIVITIES

### 29 經營活動所耗用之現金

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Loss before tax</b>	<b>除稅前虧損</b>	<b>(426,264)</b>	(95,159)
Adjustments for:	就下列各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>2,361</b>	2,237
Amortisation of film and TV programmes rights	電影及電視劇版權之攤銷	<b>80,477</b>	56,640
Amortisation of intangible assets	無形資產之攤銷	<b>5,027</b>	2,251
Share-based payment for cooperation with a film director	與一名電影導演合作之以股份為基礎之付款	<b>270,000</b>	-
Non-cash employee benefits expense – share-based compensation	非現金僱員福利開支 – 以股份為基礎之薪酬	<b>85,368</b>	-
Finance costs, net	財務費用，淨額	<b>15,796</b>	2
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	<b>29</b>	10
Gain from bargain purchase	來自議價購買之收益	<b>(188)</b>	-
Reversal of impairment loss on trade receivables	撥回應收賬款之減值虧損	-	(34)
Dividend income	股息收入	-	(588)
Impairment loss on available-for-sale investment	可供出售投資之減值虧損	-	208
Gain on disposal of art work	出售藝術品之收益	-	(2,000)
Gain on change in fair value of investments held for trading	持作買賣投資之公平值變動之收益	-	(3,747)
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	<b>32,606</b>	(40,180)
Changes in working capital:	營運資金變動：		
Trade and other receivables	應收賬款及其他應收款項	<b>(346,915)</b>	134,127
Contract assets	合約資產	<b>(5,414)</b>	-
Film and TV programmes rights	電影及電視劇版權	<b>(332,386)</b>	(280,172)
Prepayments of film and TV programmes rights	電影及電視劇版權預付款	-	(204,068)
Investments held for trading	持作買賣投資	-	56,515
Trade and other payables	應付賬款及其他應付款項	<b>41,994</b>	(131,860)
Contract liabilities	合約負債	<b>548,235</b>	-
Cash used in operating activities	經營活動所耗用之現金	<b>(61,880)</b>	(465,638)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 29 CASH USED IN OPERATING ACTIVITIES (Continued)

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

### 29 經營活動所耗用之現金 (續)

於綜合現金流量表內，出售物業、廠房及設備所得款項包括：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Cost disposed	出售成本	327	27
Accumulated depreciation	累計折舊	(280)	(12)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(29)	(10)
		<b>18</b>	<b>5</b>

#### (a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

#### (a) 來自融資活動之負債對賬

下表詳列本集團因融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債指現金流量或未來現金流量均於本集團綜合現金流量表中分類為融資活動之現金流量之負債。

		Interest payable included in other payables 計入其他 應付款項之 應付利息 HK\$'000 港幣千元	Borrowings 借款 HK\$'000 港幣千元 (Note 25) (附註 25)	Amounts due to related parties 應付關連人士 款項 HK\$'000 港幣千元 (Note 34) (附註 34)	Total 總計 HK\$'000 港幣千元
At 1 January 2018	於二零一八年一月一日	160	77,500	120,000	197,660
Financing cash flows	融資現金流量	(2,307)	211,503	(21,868)	187,328
Interest expenses	利息開支	6,612	-	-	6,612
Exchange differences	匯兌差額	(164)	6,304	(5,665)	475
At 31 December 2018	於二零一八年 十二月三十一日	<b>4,301</b>	<b>295,307</b>	<b>92,467</b>	<b>392,075</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 29 CASH USED IN OPERATING ACTIVITIES (Continued)

#### (a) Reconciliation of liabilities arising from financing activities (Continued)

	Interest payable included in other payables 計入其他應付款項之應付利息	Borrowing 借款	Amount due to a related party 應付一名關連人士款項	Total 總計
	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note 25) (附註25)	HK\$'000 港幣千元 (Note 34) (附註34)	HK\$'000 港幣千元
At 1 January 2017 於二零一七年一月一日	-	-	-	-
Financing cash flows 融資現金流量	-	77,500	120,000	197,500
Interest expenses 利息開支	154	-	-	154
Exchange differences 匯兌差額	6	-	-	6
At 31 December 2017 於二零一七年十二月三十一日	160	77,500	120,000	197,660

#### (b) Material non-cash transactions

During the year ended 31 December 2018, the Group has transferred prepayments for film and TV programmes rights amounted to approximately HK\$17,710,000 (2017: HK\$40,417,000) to film and TV programmes rights.

During the year ended 31 December 2017, the Group has transferred other receivables amounted to approximately HK\$12,000,000 to intangible asset.

### 29 經營活動所耗用之現金 (續)

#### (a) 來自融資活動之負債對賬 (續)

#### (b) 重大非現金交易

於截至二零一八年十二月三十一日止年度，本集團已轉撥電影及電視劇版權預付款約港幣17,710,000元(二零一七年：港幣40,417,000元)至電影及電視劇版權。

於截至二零一七年十二月三十一日止年度，本集團已轉撥其他應收款項約港幣12,000,000元至無形資產。

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## 綜合財務報表附註

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

### 30 OPERATING LEASES

#### The Group as lessee

The Group made minimum lease payments paid under operating leases in respect of office premises and certain furniture, fixtures and equipment of approximately HK\$15,481,000 (2017: HK\$14,953,000).

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:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Within one year	一年內	15,334	16,203
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	20,243	3,954
		<b>35,577</b>	20,157

Leases are negotiated and rentals are fixed for lease terms of one to five years (2017: one to five years).

### 30 經營租賃

#### 本集團為承租人

本集團就辦公室物業及若干傢俱、裝置及設備根據經營租賃支付之最低租約付款為約港幣15,481,000元(二零一七年:港幣14,953,000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:

租期均按一至五年(二零一七年:一至五年)進行磋商且租金於租期內固定不變。

### 31 COMMITMENTS

#### (a) Commitments

Commitments in respect of the acquisition and production of film and TV programmes rights contracted for but not provided in the consolidated financial statements

就購買及製作電影及電視劇版權所作之承擔(已訂約而未於綜合財務報表撥備)

### 31 承擔

#### (a) 承擔

	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
	<b>250,633</b>	229,207

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## 綜合財務報表附註

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

### 31 COMMITMENTS (Continued)

#### (b) Pending litigation

- (i) A court action was commenced in the Chengdu Intermediate People's Court on 29 April 2018 by Chengdu Watson Media Co., Ltd. (the "Chengdu Plaintiff"), an independent third party, against Beijing Huanxi Shou Ying Culture Company Limited ("Shou Ying"), an indirect wholly-owned company through contractual arrangements, and other 17 investors of the film *Us and Them* ("後來的我們") (the "18 Defendants").

By the above action, the Chengdu Plaintiff alleged that the 18 Defendants through unfair competition adversely affect the box office receipts of the Chengdu Plaintiff's film during the release period of the film *Us and Them* ("後來的我們"). The Chengdu Plaintiff mainly requested the 18 Defendants to compensate a total sum of RMB10,000,000 and bear the relevant legal fee and reasonable expenses arising from their legal rights protection. One of the 18 Defendants is applying for transferring the case to Chaoyang District People's Court of Beijing for trial.

In the opinion of legal counsel, it is premature to predict the outcome of the said claim against Shou Ying. The Company considers that the amounts of claim by the Chengdu Plaintiff against Shou Ying is insignificant to the Group as a whole.

### 31 承擔 (續)

#### (b) 未決訴訟

- (i) 於二零一八年四月二十九日，獨立第三方成都華璨文化傳播有限公司(「成都原告」)於成都市中級人民法院對本公司一間透過合約安排間接全資擁有的公司北京歡喜首映文化有限公司(「歡喜首映」)以及電影《後來的我們》的其他十七名投資方(「十八名被告」)提出一項訴訟。

根據上述訴訟，成都原告指十八名被告在電影《後來的我們》放映期間，以不正當競爭影響了成都原告的影片票房收益。成都原告主要要求十八名被告賠償合共人民幣10,000,000元並承擔有關訴訟費及因合法維權產生的合理支出。十八名被告當中，一名被告正申請將案件移交北京朝陽區人民法院進行審理。

根據法律顧問的意見，現階段預測對歡喜首映的上述索償結果尚屬為時過早。本公司認為，成都原告針對歡喜首映提出申索的數額對本集團整體而言並無重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 31 COMMITMENTS (Continued)

#### (b) Pending litigation (Continued)

- (ii) A court action was commenced in the Wuhan Intermediate People's Court on 29 November 2018 by Wuhan Guangya Culture and Art Development Co., Ltd. and Huang Gansheng (the "Wuhan Plaintiffs"), independent third parties, against 17 related companies/persons of the film *Us and Them* ("後來的我們"), including Shou Ying (the "17 Defendants").

By the above lawsuit, the Wuhan Plaintiffs alleged that the 17 Defendants infringe on the right of adaptation and filming of their production and damage the interests of market through filming *Us and Them* ("後來的我們"). The Wuhan Plaintiffs mainly requested the 17 Defendants to stop the reproduction, distribution and dissemination of the film, compensate a total sum of RMB70,000,000 and bear the case acceptance fee and other legal fees.

In the opinion of legal counsel, it is premature to predict the outcome of the said claim against Shou Ying. The Company considers that the amounts of claim by the Wuhan Plaintiffs against Shou Ying is insignificant to the Group as a whole.

### 31 承擔(續)

#### (b) 未決訴訟(續)

- (ii) 於二零一八年十一月二十九日，獨立第三方武漢光亞文化藝術發展有限公司及黃乾生(「武漢原告」)於武漢市中級人民法院對電影《後來的我們》的十七名相關公司／人士，其中包括歡喜首映(「十七名被告」)提出一項訴訟。

根據上述訴訟，武漢原告指十七名被告攝製影片《後來的我們》的行為侵害其劇本作品的改編權及攝製權，損害其市場利益。武漢原告主要要求十七名被告停止影片的複製、發行及傳播、賠償合共人民幣70,000,000元並承擔案件受理費及其他訴訟費。

根據法律顧問的意見，現階段預測對歡喜首映的上述索償結果尚屬為時過早。本公司認為，武漢原告針對歡喜首映提出申索的數額對本集團整體而言並無重大影響。

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## 綜合財務報表附註

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

### 32 SHARE-BASED PAYMENTS

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Note	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
	附註		
Share-based payment for cooperation with a film director (Note a)		270,000	-
Options issued under share option scheme (Note b)			
- Directors	14	28,129	-
- Employees	10	57,239	-
		<b>355,368</b>	-

### 32 以股份為基礎之付款

於年內確認之以股份為基礎之付款交易產生的總支出如下：

#### (a) Share-based payment for cooperation with a film director

During the year ended 31 December 2018, the Group entered into an agreement ("Agreement") with Unique Swift Limited ("Unique Swift") and Mr. Zhang Yimou ("Mr. Zhang"), whereby the Company issued 150,000,000 ordinary shares to Unique Swift and pursuant to which Unique Swift has conditionally agreed to procure Mr. Zhang to provide the Company (or its designated group member) with certain investment rights for the film and TV programmes to be produced by Mr. Zhang or partially directed by Mr. Zhang within a period of 6 years. The shares granted vest immediately on grant date. On this date, the market value of the shares issued is recognised in the profit or loss as a share-based payment.

#### (a) 與一名電影導演合作之以股份為基礎之付款

截至二零一八年十二月三十一日止年度，本集團與唯臻有限公司（「唯臻」）及張藝謀先生（「張先生」）訂立協議（「協議」），據此，本公司向唯臻發行150,000,000股普通股，而唯臻已有條件地同意促使張先生在6年期間內向本公司（或其指定的集團成員公司）提供由張先生製作或部分由張先生執導的電影及電視劇的若干投資權。所授予之股份於授出日期即時歸屬。於該日期，已發行股份之市值在損益中確認為以股份為基礎之付款。

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## 綜合財務報表附註

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

### 32 SHARE-BASED PAYMENTS (Continued)

#### (b) Share option scheme

Pursuant to the resolution passed at the annual general meeting held on 17 June 2014, the Company's shareholders approved the adoption of a share option scheme (the "Scheme"). The Scheme became valid and effective for a period of 10 years commencing on 17 June 2014. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who have made or may make contribution to the Group. The eligible participants of the Scheme include the Company's or its subsidiaries' directors, employees, and any business consultants, agents, financial or legal advisers and any other persons whom the board of directors of the Company (the "Board") may determine, at its sole discretion, will contribute or have contributed to the Group.

The share options may be exercised in accordance with the terms of the Scheme at any time within the period commencing from the date of grant of the share options and expiring on the date determined by the Company's directors, but in any event such exercise period shall not be more than 10 years from the date of grant of the share options. The amount payable on the acceptance of a share option is HK\$1 (or such other nominal sum in any currency as the board of directors of the Company may determine).

The exercise price of the share options shall be determined by the board of directors of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

### 32 以股份為基礎之付款 (續)

#### (b) 購股權計劃

根據於二零一四年六月十七日舉行之股東週年大會上通過之決議案，本公司股東批准採納一項購股權計劃（「該計劃」）。該計劃自二零一四年六月十七日起有效及生效，為期十年。本公司設立該計劃，以激勵並獎勵已經或可能會對本集團作出貢獻之合資格參與者。該計劃之合資格參與者包括本公司或其附屬公司之董事、僱員，以及任何業務顧問、代理人、財務或法律顧問及本公司董事會（「董事會」）可全權酌情認為對本集團將作出貢獻或已作出貢獻之任何其他人士。

購股權可自授出購股權之日起至本公司董事釐定之日止期間內隨時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以任何貨幣計值之其他象征性金額）。

購股權之行使價由本公司董事會釐定，惟不得低於以下之較高者：(i) 本公司股份於授出日期（必須為營業日）在聯交所日報表所載之收市價；(ii) 本公司股份於緊接授出日期前五個營業日在聯交所日報表所載之平均收市價；及(iii) 本公司股份之面值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 32 SHARE-BASED PAYMENTS (Continued)

#### (b) Share option scheme (Continued)

The maximum number of shares in the Company in respect of which the share options may be granted under the Scheme and any other share option schemes of the Company is not permitted to exceed 10% of the issued share capital of the Company as at the date of approval of the Scheme by the Company's shareholders (the "Scheme Mandate Limit"), or, if such 10% limit is refreshed, as at the date of approval of the renewal of the Scheme Mandate Limit by the Company's shareholders. Notwithstanding the foregoings, the maximum number of the Company's shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the Company's shares in issue from time to time.

The total number of shares of the Company already issued and to be issued upon exercise of all the share options granted to each participant in any 12-month period up to and including the date such new grant is not permitted to exceed 1% of the total number of the Company's shares in issue as at the date of such grant. Any further grant of share options in excess of this 1% limit shall be subject to the approval of the Company's shareholders in general meeting.

Each grant of share options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates in excess of 0.1% of the Company's shares in issue and with an aggregate value in excess of HK\$5,000,000 in any 12-month period up to and including the date of such grant must be approved in advance by the Company's shareholders.

### 32 以股份為基礎之付款 (續)

#### (b) 購股權計劃 (續)

根據該計劃及本公司任何其他購股權計劃可能授出之購股權涉及之本公司股份最高數目不得超過本公司股東於批准該計劃當日本公司已發行股本的10% (「計劃授權限額」)，或倘該10%限額經已更新，則不得超過本公司股東於批准更新計劃授權限額當日本公司已發行股本的10%。儘管有上述規定，根據該計劃及本公司任何其他購股權計劃已授出但尚未行使之所有購股權獲行使時可予發行之本公司股份最高數目不得超過本公司不時已發行股份的30%。

於截至及包括有關新授出日期止任何12個月期間，向每名參與者授出的所有購股權獲行使時所發行及將予發行之本公司股份總數不得超過於該授出日期本公司已發行股份總數的1%。任何進一步授出超過該1%限額之購股權，須獲本公司股東於股東大會上批准。

倘於截至及包括有關授出日期止任何12個月期間，向本公司一名主要股東或一名獨立非執行董事或彼等各自之任何聯繫人士授出之購股權超過本公司已發行股份的0.1%及其價值總額超過港幣5,000,000元，必須獲得本公司股東事先批准。

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## 綜合財務報表附註

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

### 32 SHARE-BASED PAYMENTS (Continued)

### 32 以股份為基礎之付款 (續)

#### (b) Share option scheme (Continued)

#### (b) 購股權計劃 (續)

		Average exercise price per share option 每份購股權之平均行使價	Number of options 購股權數目
As at 1 January 2018	於二零一八年一月一日	N/A 不適用	–
Granted during the year	年內授出	HK\$2.08 港幣2.08元	130,700,000
As at 31 December 2018	於二零一八年十二月三十一日	HK\$2.08 港幣2.08元	130,700,000
Vested and exercisable at 31 December 2018	於二零一八年十二月三十一日 已歸屬及可行使	HK\$2.08 港幣2.08元	100,700,000

No options expired during the periods covered by the above tables.

上表所涵蓋的期間內並無購股權到期。

Share options outstanding at the end of the year have the following expiry date and exercise prices:

年末尚未行使的購股權之到期日及行使價如下：

Grant Date 授出日期	Expiry date 到期日	Exercise price 行使價	Share options 2018 二零一八年 之購股權	Share options 2017 二零一七年 之購股權
27 April 2018 二零一八年四月二十七日	17 June 2024 二零二四年 六月十七日	HK\$2.08 港幣2.08元	130,700,000	–
Weighted average remaining contractual life of options outstanding at the end of the year 年末尚未行使購股權之加權平均餘下合約年期			5.47 years 5.47年	N/A 不適用

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## 綜合財務報表附註

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

### 32 SHARE-BASED PAYMENTS (Continued)

#### (b) Share option scheme (Continued)

##### (i) Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 31 December 2018 was HK\$0.72 per option. The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model with Binomial Tree Method which includes a Binomial Tree model that takes into account the stock price, the exercise price, the time to maturity, the risk-free rate, the dividend yield and volatilities of comparable companies, the sub-optimal factor, and the forfeiture rate.

The model inputs for options granted during the year ended 31 December 2018 included:

- (a) options are granted for consideration of HK\$1 and vested period of three years from the employment date of the respective employees. Vested options are exercisable before expiry date
- (b) exercise price: HK\$2.08
- (c) grant date: 27 April 2018
- (d) expiry date: 17 June 2024

### 32 以股份為基礎之付款 (續)

#### (b) 購股權計劃 (續)

##### (i) 已授出購股權的公平值

於截至二零一八年十二月三十一日止年度已授出購股權於授出日期的經評估公平值為每份購股權港幣0.72元。授出日期的公平值乃使用經調整的柏力克-舒爾斯期權定價模型二項式期權定價法(包含二項式期權定價模型)單獨釐定，並計及股票價格、行使價、到期時間、無風險利率、可資比較公司的股息收益率及波幅、次優因子及沒收率。

於截至二零一八年十二月三十一日止年度已授出購股權的模型輸入數據包括：

- (a) 購股權以代價港幣1元授出，歸屬期自各僱員之僱傭日期起計為期3年。已歸屬的購股權可在到期日之前行使
- (b) 行使價：港幣2.08元
- (c) 授出日期：二零一八年四月二十七日
- (d) 到期日：二零二四年六月十七日

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 32 SHARE-BASED PAYMENTS (Continued)

#### (b) Share option scheme (Continued)

##### (i) Fair value of options granted (Continued)

- (e) time to maturity from the date of grant: 6.15 years
- (f) share price at grant date: HK\$2.08
- (g) risk-free interest rate: 1.91%
- (h) expected dividend yield: 0%
- (i) expected price volatility of the company's shares: 48.38%
- (j) forfeiture rate: 0 to 16.35%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

### 32 以股份為基礎之付款 (續)

#### (b) 購股權計劃 (續)

##### (i) 已授出購股權的公平值 (續)

- (e) 由授出日期開始計到期時間：6.15年
- (f) 授出日期的股價：港幣2.08元
- (g) 無風險利率：1.91%
- (h) 預期股息收益率：0%
- (i) 公司股票預期價格波幅：48.38%
- (j) 沒收率：0至16.35%

預期價格波幅乃以歷史波幅（基於購股權的餘下年期）為基礎，並根據公開可獲得資料就未來波幅之任何預期變動作出調整後得出。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 33 BUSINESS COMBINATION

#### (a) Summary of acquisition

In January 2018, the Group's wholly-owned subsidiary, Beijing Huan Sheng Xiao Yu Culture Media Company Limited\* entered into certain contractual arrangements (the "Contractual Arrangements") with Beijing Huanxi Shou Ying Culture Company Limited\* (formerly known as "Beijing Hua Hua Duo Duo Culture Company Limited"\*) and its subsidiary, Beijing Hangaohua Network Technology Company Limited\* (together the "VIE entities"), and their respective equity holders ("Equity holders") who are independent third party individuals in the PRC. Through the acquisition, the Group has obtained the license required for operating internet broadcasting platform in the PRC. By virtue of the contractual arrangements, the Group has obtained control over and derived economic benefits from the VIE entities with effect from 19 January 2018 (refer to Note 13).

The assets and liabilities recognised as a result of the acquisition are as follows:

### 33 業務合併

#### (a) 收購事項概要

於二零一八年一月，本集團全資附屬公司北京歡聲笑語文化傳媒有限公司與北京歡喜首映文化有限公司（前稱「北京花花朵朵文化有限公司」）及其附屬公司北京漢高華網絡科技有限公司（統稱為「可變利益實體」）以及彼等各自之股權持有人（「股權持有人」，為中國之獨立第三方人士）訂立若干合約安排（「合約安排」）。透過是項收購，本集團已取得於中國經營網絡播映平台所需的許可。憑藉合約安排，本集團自二零一八年一月十九日起已取得對可變利益實體之控制權及其產生之經濟利益（請參閱附註13）。

因收購事項確認的資產及負債如下：

		19 January 2018 二零一八年 一月十九日 HK\$'000 港幣千元
Cash and cash equivalents	現金及現金等值	494
Other receivables	其他應收款項	119
Amount due from the Group	應收本集團款項	313
Intangible assets	無形資產	842
Trade and other payables	應付賬款及其他應付款項	(1,580)
Net identifiable assets acquired	已收購之可識別資產淨值	188
Less: Consideration	減：代價	—
Gain from bargain purchase	來自議價購買之收益	188

There were no acquisitions in the year ended 31 December 2017.

於截至二零一七年十二月三十一日止年度並無收購事項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 33 BUSINESS COMBINATION (Continued)

#### (b) Purchase consideration – cash inflow

Inflow of cash to acquire subsidiary, net of cash acquired	收購附屬公司之現金流入 (扣除已收購之現金)
Cash consideration	現金代價
Less: Balances acquired	減：已收購之結餘
Net inflow of cash – investing activities	現金流入淨額－投資活動

#### Acquisition-related costs

Acquisition-related costs of approximately HK\$118,000 are included in administrative expenses in profit or loss.

\* The English name is for identification purpose only

### 33 業務合併(續)

#### (b) 購買代價－現金流入

收購附屬公司之現金流入 (扣除已收購之現金)	
現金代價	-
減：已收購之結餘	494
現金流入淨額－投資活動	494

#### 收購相關成本

收購相關成本約港幣118,000元於損益內計入行政開支。

\* 英文名稱僅供識別

2018  
二零一八年  
HK\$'000  
港幣千元

### 34 RELATED PARTY DISCLOSURES

The ultimate controlling parties of the Group are Mr. Dong, Mr. Ning and Mr. Xu. The directors of the Group are of the view that the following individuals and companies were related parties that had transactions or balances with the Group as at and during the year:

#### Name of related party 關連人士名稱／姓名

Mr. Dong  
董先生  
Mr. Ning  
寧先生  
Mr. Xu  
徐先生  
Beijing Dirty Monkey Cultural Development Company Limited\*  
北京壞猴子文化產業發展有限公司  
Khorgas Dirty Monkey Media Culture Company Limited\*  
霍爾果斯壞猴子影視文化傳播有限公司  
Tibet Jindouyun Film Company Limited\*  
西藏筋斗雲影業有限公司

### 34 關連人士披露

本集團之最終控股方為董先生、寧先生及徐先生。本集團董事認為下列個人及公司屬截至及於本年度內與本集團有過交易或結餘之關連人士：

#### Relationship with the Group 與本集團關係

Executive Director  
執行董事  
Non-Executive Director  
非執行董事  
Non-Executive Director  
非執行董事  
Controlled by Mr. Ning  
由寧先生控制  
Controlled by Mr. Ning  
由寧先生控制  
Controlled by Mr. Ning  
由寧先生控制

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 34 RELATED PARTY DISCLOSURES (Continued)

### 34 關連人士披露 (續)

#### (a) Related party transactions

During the year, the Group entered into the following transactions with related parties:

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Film director's fee to Mr. Ning (Note 21(a))	向寧先生支付之電影導演費 (附註21(a))	5,862	18,639
Prepayment of film director's fee to Mr. Xu	向徐先生預付之電影導演費	-	12,612

These transactions constitute continuing connected transactions for the purpose of Chapter 14A of the Listing Rules.

On 24 December 2018, the Group has entered into a film investment agreement with Tibet Jindouyun Film Company Limited\*. The Group will invest RMB12 million, being 10% of the estimated total production cost of the film.

#### (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：

	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Film director's fee to Mr. Ning (Note 21(a))	5,862	18,639
Prepayment of film director's fee to Mr. Xu	-	12,612

上述交易均構成上市規則第14A章的持續關連交易。

於二零一八年十二月二十四日，本集團與西藏筋斗雲影業有限公司訂立電影投資協議。本集團將投資人民幣12,000,000元，佔該影片估計總製作成本的10%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 34 RELATED PARTY DISCLOSURES (Continued)

### 34 關連人士披露 (續)

#### (b) Related party balances

#### (b) 與關連人士之結餘

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Amounts due to a shareholder – Mr. Dong (note i)	應付一名股東款項 – 董先生(附註i)	1,393	120,000
Amounts due to related companies – Beijing Dirty Monkey Cultural Development Company Limited* (note ii)	應付關連公司款項 – 北京壞猴子文化產業發展有限 公司(附註ii)	45,537	–
– Khorgas Dirty Monkey Media Culture Company Limited* (note ii)	– 霍爾果斯壞猴子影視文化傳播 有限公司(附註ii)	45,537	–
		<b>92,467</b>	120,000
		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Prepayment for film and TV programmes rights – Mr. Xu (Note iii)	電影及電視劇版權預付款 – 徐先生(附註iii)	11,974	12,612

Note i: The balance is denominated in HK\$, non-trade in nature, unsecured, interest-free and repayable on demand.

附註i: 結餘以港幣計值, 為非買賣性質、無抵押、免息及須應要求償還。

Note ii: The balance is denominated in RMB, non-trade in nature, unsecured, interest-free and repayable within one year.

附註ii: 結餘以人民幣計值, 為非買賣性質、無抵押、免息及須於一年內償還。

Note iii: The balance represented the payment made to Mr. Xu in relation to the development of the proposed film.

附註iii: 該結餘指就開發建議電影向徐先生作出的付款。

The carrying amount of amount due to a shareholder and amounts due to related companies approximate their fair values.

應付一名股東款項及應付關連公司款項的賬面值與其公平值相若。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 34 RELATED PARTY DISCLOSURES (Continued)

### 34 關連人士披露 (續)

#### (c) Key management personnel compensation

#### (c) 主要管理人員薪酬

The remuneration of directors who were considered as key management personnel of the Group during the year is as follows:

年內被視為本集團主要管理人員之董事酬金如下：

		2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Short-term benefits	短期福利	21,038	19,015
Pension costs – defined contribution plans	退休金成本 – 特定供款計劃	18	18
Share-based compensation	以股份為基礎之薪酬	28,129	–
		<b>49,185</b>	19,033

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

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。

\* The English name is for identification purpose only

\* 英文名稱僅供識別

### 35 EVENTS AFTER THE REPORTING PERIOD

### 35 報告期後事項

On 12 March 2019, the Group has signed a shares subscription agreement with Maoyan Entertainment in relation to subscription of 7.5% enlarged ordinary share of the Company with consideration of approximately HK\$390,556,000. The proceeds from the issuance of ordinary shares have been received in March 2019.

於二零一九年三月十二日，本集團與貓眼娛樂簽署股份認購協議，內容有關認購7.5%本公司擴大後之普通股，代價為約港幣390,556,000元。發行普通股之所得款項已於二零一九年三月收到。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 36 CHANGE IN PRESENTATION OF COMPARATIVES

Certain comparative figures of the consolidated financial statements were reclassified to conform with the current year's presentation.

### 36 變更呈列比較數字

綜合財務報表內若干比較數字均已予重新分類以符合本年度之呈列方式。

### 37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

### 37 本公司之財務狀況報表

		Note 附註	2018 二零一八年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益		<b>231,079</b>	243,381
<b>Current assets</b>	<b>流動資產</b>			
Other receivables	其他應收款項		<b>143</b>	552
Amounts due from subsidiaries	應收附屬公司款項		<b>262,695</b>	246,237
Cash and cash equivalents	現金及現金等值		<b>41</b>	17,040
			<b>262,879</b>	263,829
<b>Total assets</b>	<b>資產總額</b>		<b>493,958</b>	507,210
<b>Equity</b>	<b>權益</b>			
Share capital	股本		<b>29,181</b>	27,681
Reserves	儲備	(a)	<b>228,020</b>	271,828
<b>Total equity</b>	<b>權益總額</b>		<b>257,201</b>	299,509
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables	其他應付款項		<b>15,000</b>	10,201
Amount due to a related party	應付一名關連人士款項		<b>1,393</b>	120,000
Borrowings	借款		<b>220,364</b>	77,500
<b>Total liabilities</b>	<b>負債總額</b>		<b>236,757</b>	207,701
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>493,958</b>	507,210

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

### 37 本公司之財務狀況報表(續)

Notes:

附註：

(a) Reserves

(a) 儲備

		Share premium	Share-based compensation reserve 以股份為基礎之薪酬儲備	Translation reserve	Accumulated losses	Total
		股份溢價 HK\$'000 港幣千元	HK\$'000 港幣千元	匯兌儲備 HK\$'000 港幣千元	累計虧損 HK\$'000 港幣千元 (Note b) (附註b)	總額 HK\$'000 港幣千元
At 1 January 2017	於二零一七年一月一日	1,974,993	-	22,921	(1,707,217)	290,697
Total comprehensive loss for the year	本年度全面虧損總額	-	-	23,468	(42,337)	(18,869)
At 31 December 2017	於二零一七年十二月三十一日	1,974,993	-	46,389	(1,749,554)	271,828
Issue of ordinary shares for cooperation with a film director	與一名電影導演合作而發行之普通股	268,500	-	-	-	268,500
Issue of share options under share option scheme	根據購股權計劃發行購股權	-	85,368	-	-	85,368
Total comprehensive loss for the year	本年度全面虧損總額	-	-	5,028	(402,704)	(397,676)
At 31 December 2018	於二零一八年十二月三十一日	2,243,493	85,368	51,417	(2,152,258)	228,020

(b) The contributed surplus of approximately HK\$199,168,000 (2017: HK\$199,168,000) is included in the accumulated losses. It represented reduction in issued share capital and share premium cancellation pursuant to a capital restructuring in 2004 and capital reorganisation in 2010, 2011 and 2012. Under the Company Law of Bermuda, the contributed surplus of the Company is available for distribution. However, the Company shall not declare or pay a dividend, or make a distribution out of contributed surplus if:

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

(b) 實繳盈餘約港幣199,168,000元(二零一七年：港幣199,168,000元)計入累計虧損。實繳盈餘乃指根據二零零四年股本重整與二零一零年、二零一一年及二零一二年股本重組時所削減之已發行股本及註銷之股份溢價。根據百慕達公司法，本公司之實繳盈餘可予分派。然而如有下列情況，本公司不得以實繳盈餘派或派付股息或作出分派：

- (i) 其現時不能或於派付後將無力償還到期負債；或
- (ii) 其資產之可變現價值將因而低於其負債及其已發行股本與股份溢價賬項之總和。

# FINANCIAL SUMMARY

## 財務概要

A summary of the results, assets and liabilities of the Group for the last five financial years is as follows:

本集團過往五個財政年度之業績、資產及負債概述如下：

		For the year ended 31 December 截至十二月三十一日止年度				
		2014 二零一四年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
<b>RESULTS</b>	<b>業績</b>					
Revenue and film investment income	收益及電影投資收入	203,803	266,913	16,112	53,209	<b>174,632</b>
Loss before tax	除稅前虧損	(12,796)	(84,166)	(1,253,745)	(95,159)	<b>(426,264)</b>
Income tax expense	所得稅開支	(348)	(8,630)	-	-	<b>(18,429)</b>
Loss for the year	本年度虧損	(13,144)	(92,796)	(1,253,745)	(95,159)	<b>(444,693)</b>
Loss for the year attributable to: Owners of the Company	本年度虧損歸屬於： 本公司擁有人	(13,144)	(92,796)	(1,253,745)	(95,159)	<b>(444,693)</b>
		(13,144)	(92,796)	(1,253,745)	(95,159)	<b>(444,693)</b>
		At 31 December 於十二月三十一日				
		2014 二零一四年 HK\$'000 港幣千元	2015 二零一五年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>					
Total assets	資產總額	472,981	1,055,285	1,011,555	1,046,527	<b>1,693,549</b>
Total liabilities	負債總額	(136,871)	(65,169)	(184,644)	(254,360)	<b>(1,034,881)</b>
Total equity	權益總額	336,110	990,116	826,911	792,167	<b>658,668</b>
Attributable to: Owners of the Company	歸屬於： 本公司擁有人	336,110	990,116	826,911	792,167	<b>658,668</b>
		336,110	990,116	826,911	792,167	<b>658,668</b>



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欢喜传媒集团有限公司  
HUANXI MEDIA GROUP LIMITED

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

股份代號 Stock Code : 1003