



TRANSMIT ENTERTAINMENT LIMITED

傳遞娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1326



ANNUAL REPORT 年報
2019/20



Transmit Entertainment Limited

(Stock code: 1326)

As a diverse development enterprise focusing on film, television and variety show content creation and production with the spirit of business value “Enabling”, Transmit Entertainment Limited principally engages in (i) film, TV series and variety show production and distribution; (ii) film exhibition; (iii) pan-entertainment (including artiste and celebrity agency business as well as pan-entertainment businesses along the value chain); and (iv) other businesses. The Group strives to realize the development strategy in relation to the stay-at-home economy and brand diversity. In addition, the Group endeavors to develop its self-owned full industry chain model and construct a unique soft power desirable to the Group through persistently combined resources of scriptwriting, direction and celebrity to offer quality content, nurture talented artistes and explore, cultivate and create popular film and television copyright.

Taking advantages of online platforms to cultivate new artistes and celebrities, the Group will also proactively explore and develop its self-owned retail brand targeting young consumers by continuously identifying business opportunities in relation to the stay-at-home economy on four aspects including online stream, short videos, celebrity cultivation and traffic monetization with the aim to focus on film, television and variety show as its business direction following the Group’s core. Meanwhile, the Group attaches great importance to expanding its business dimension through collaboration with partners and establishing more sophisticated upstream and downstream industry chains by enriching the industry layout with physical products, thereby seizing new opportunities arising from the pan-entertainment business.

傳遞娛樂有限公司

(股份代號：1326)

傳遞娛樂有限公司是一家以影視綜內容創製賦能商業價值的多元化發展企業，主要從事(i)電影、電視劇及綜藝節目製作及發行；(ii)電影放映；(iii)泛娛樂(包括藝人和紅人經紀業務，以及價值鏈上下游之泛娛樂業務)；及(iv)其他業務。集團致力於實現其「宅經濟」以及品牌多元化的發展策略，通過持續整合編劇、導演及藝人資源，帶來優質內容、培養優秀藝人，發掘、孵化和創制人氣影視版權以打造自有全產業鏈模式，構築獨具集團特色的軟實力。

本集團依託豐富的網台合作資源培育新晉藝人和紅人，同時積極探索和打造面向年輕消費者的自有零售品牌，從網路直播、短視頻、紅人孵化以及流量變現四個方面持續深挖「宅經濟」商機，形成了以集團為中樞，影視綜為骨幹以支撐業務發展，同時透過與合作夥伴的協作以擴充本集團的業務維度，並以實體產品豐富產業布局，形成較為完整的上下遊產業鏈，全面把握泛娛樂消費領域的全新機遇。

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CORPORATE INFORMATION

公司資料

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

CORPORATE INFORMATION

公司資料

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

理想之城

The Ideal City

愿所有理想终能绽放



爱奇艺VIP会员

青年社交观察恋



勇敢爱，去生活

喜欢你 我也是

爱奇艺 联合呈现 | 腾讯视频 独家电视播出平台 | 东方卫视 奇马工作室

城

放光芒



CHAIRMAN'S STATEMENT

主席報告

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board of directors (the "Board") of Transmit Entertainment Limited ("Transmit Entertainment" or the "Company"), I am pleased to present to you the annual results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2020.

本人謹代表傳遞娛樂有限公司(「傳遞娛樂」或「本公司」)董事會(「董事會」)，欣然向閣下提呈本公司及其附屬公司(「本集團」)截至2020年6月30日止年度的全年業績。

During the year under review, under the novel coronavirus pandemic, online shopping and home entertainment were rapidly replacing the traditional entertainment model and become a new trend for entertainment consumption. According to a report from the mobile data supplier App Annie, expenditure of global consumers spent on mobile applications during the first half of 2020 exceeded US\$50.0 billion, representing an increase of 10% as compared to the second half of 2019, and the monthly expenditure hit a record high of US\$6.8 billion in May 2020. Due to the social distancing measures and travel restriction during the outbreak of pandemic, an increasing number of consumers turned to shop online via mobile applications and watch entertainment contents such as live streaming, video clips and internet dramas, thus increasing loyalty to these platforms. In February 2020, Chinese users spent an average of 5 hours per day on their mobile phones, representing an increase of 30% as compared to 2019.

In the meantime, domestic consumption demand in the PRC revived steadily from the shadow of novel coronavirus pandemic. According to statistics from the National Bureau of Statistics, total retail sales of consumer goods in August 2020 amounted to RMB3,357.1 billion and recorded a year-on-year increase of 0.5%, representing the first positive growth for the year. Among which, mid to high-end consumption goods including cosmetics, jewellery and communication devices recorded a double-digit year-on-year growth, reflecting that the consumption sentiment gradually improved.

於回顧年度內，網絡購物和居家娛樂在新冠疫情的影響下正快速取代傳統模式，成為娛樂消費的新常態。根據移動數據供應商App Annie的報告，在2020年上半年，全球消費者在移動應用上的支出超過500億美元，較2019年下半年增長了10%，並在2020年5月創下單月支出68億美元的新紀錄。由於疫情期間的社交隔離措施和出行限制，更多消費者轉向移動設備進行網上購物，以及觀看直播、短視頻和網劇等娛樂內容，使用粘性持續提高。在2020年2月，中國用戶平均每天在手機上花費5小時，較2019年的平均水平增加了30%。

與此同時，中國國內消費需求正從新冠疫情的影響中穩步復甦。根據國家統計局的數據，2020年8月份社會消費品零售總額為人民幣33,571億元，同比增長0.5%，實現年內首次正增長。其中，中高檔消費品例如化妝品、金銀珠寶、通訊器材產品均錄得雙位數的同比增幅，反映消費氣氛逐漸改善。

CHAIRMAN'S STATEMENT

主席報告



Capturing the rapid emergence of “stay-at-home economy” and the shifting trend of entertainment consumption towards online models, Transmit Entertainment has been proactively expanding its pan-entertainment businesses such as Multiple Channel Network (MCN) on top of consolidating its existing business foundation. Such efforts included joint establishment of companies with leading film and television platform enterprises to develop celebrity agency business and launch of its self-owned retail brands targeting young consumers in order to establish diversified monetisation channels. We believe that we could provide excellent entertainment experience for consumers and enhance recognition and competitiveness of brand-name products by leveraging our content spread based on big data and word-of-mouth, our content creation teams who staying abreast of the latest entertainment trend and the advantages of popular celebrities in various consumption sectors to explore potential demands of consumers, and thereby creating more potential development opportunities in the film, television and media industry and delivering better returns to the shareholders.

To conclude, on behalf of the Board, I would like to take this opportunity to convey my most sincere gratitude to all our shareholders, partners and dedicated senior management team for their long-term care and support and to all the staff for their unremitting efforts.

Zhang Liang, Johnson
Chairman

25 September 2020

把握「宅經濟」的快速增長和娛樂消費往線上遷移的發展趨勢，傳遞娛樂在夯實現有業務的基礎上，正在積極開拓多渠道網絡(MCN)等泛娛樂業務，包括與領先影視平台企業共同成立公司以開展紅人經紀業務，以及推出面向年輕消費者的自有零售品牌，從而建立更多元化的變現渠道。我們相信，受益於大數據和口碑驅動的內容傳播，緊貼粉絲娛樂喜好的內容創作團隊以及於各消費領域分別擁有眾多粉絲的紅人資源將可深入挖掘消費者的潛在需求，在為消費者提供良好的娛樂體驗的同時協助品牌產品提升知名度和競爭力，從而開拓影視傳媒行業的更多潛在發展機遇，為股東帶來更為理想的回報。

最後，本人藉此機會謹代表董事會向所有長期以來關心和支持本集團的廣大股東、合作夥伴、熱忱工作的高級管理團隊及不懈努力的全體員工報以最誠摯的謝意。

主席
張量

2020年9月25日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in (i) film, TV series and variety show production, distribution and licensing of film rights; (ii) film exhibition; (iii) pan-entertainment; and (iv) other businesses. The Group mainly produces Chinese films, variety shows and TV series in both mainland China and Hong Kong. It also operates five Hong Kong based cinemas. As the Novel Coronavirus Disease (COVID-19) has caused uncertainties for the global business environment, more consumers are inclined to enjoy home entertainment, thereby further stimulating the needs of online stream, short videos, internet dramas and online shopping and making a positive contribution to the digital transformation of traditional film and television production industry. Therefore, the Group further implemented the development strategy in relation to the stay-at-home economy and brand diversity during the year under review. During the year under review, the Group's proportion of revenue from mainland China increased by 7.3 percentage points year-on-year and rose to approximately 64.6% from approximately 57.3% last year. Mainland China continues to be the major source of the Group's revenue and business growth.

Film, TV series and variety show production and distribution

In view of keeping abreast of the industry development dynamics and iterative updates on audience entertainment preference, the Group is particularly cautious about the selection of theme and genre of film and television as well as investment attitudes. The Group has attached greater importance to the review and consideration of possible operational risks resulting from operation cycles and inflexible capital. Hence, the Group has gradually shifted its business focus to other business models such as online variety shows and short videos which have shorter operation cycles and lower capital turnover requirements but greater flexibility. For the year ended 30 June 2020, film, TV series and variety show production and distribution business remained as the core business of the Group with reported revenue of approximately HK\$307.1 million, representing a decrease of approximately 26.0% as compared to last year, mainly due to the decrease in the revenue generated from the film production, distribution and licensing as there was no new movie released by the Group during the year under review whereas two films, namely "L Storm" (L 風暴) and "The Invincible Dragon" (九龍不敗), were released in the previous year.

業務回顧

本集團主要從事(i)電影、電視劇及綜藝節目製作、發行及授出電影發行權使用許可；(ii)電影放映；(iii)泛娛樂；及(iv)其他業務。本集團以中國內地及香港為主要市場製作華語電影、綜藝節目及電視劇，並經營五間香港電影院。眾所周知，新型冠狀病毒疾病(COVID-19)疫情為環球商業環境帶來不確定性，更多消費者轉向居家娛樂，進一步帶動了網絡直播、短視頻、網劇及網絡購物的需求，對於傳統影視製作行業的數字化轉型有積極推動作用。回顧年度內，本集團亦就此進一步推進「宅經濟」以及品牌多元化的發展策略。於回顧年度內，本集團來自中國內地的收益佔比按年上升7.3個百分點，由去年約57.3%增加至約64.6%，中國內地繼續為本集團的收入及業務增長的主要來源。

電影、電視劇及綜藝節目製作及發行

緊貼行業的發展動態和觀眾娛樂口味的迭代更新，本集團對影視題材和類別的挑選及投資態度更為謹慎，對運營週期和資金占壓等可能帶來的運營風險進行更多審視和考量，因此業務重心逐步轉向週期更短、靈活性更大、資金周轉需求更小的線上綜藝項目、短視頻等業務形態。截至2020年6月30日止年度，電影、電視劇及綜藝節目製作及發行業務仍為本集團的核心業務，錄得收益約為港幣307.1百萬元，較去年減少約26.0%，主要由於本集團於回顧年度內並無新電影上映，而於去年上映了兩部電影，包括《L風暴》及《九龍不敗》，以致來自電影製作、發行及授出發行權使用許可的收益下降。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year under review, the juvenile social romantic variety show developed and produced by the Group, namely “I Love You, Me Too” (喜歡你·我也是) Season 2, was broadcasted on the online video platform iQIYI. The show drew persistent heated discussion from viewers on multiple online social platforms such as Weibo, Quora, Douban and Douyin and achieved remarkable performance by becoming one of the hot searches on various hot rankings such as “Iqiyi Variety Champion Ranking” (愛奇藝風雲榜), “Weibo Hot Searches” (微博熱搜榜) for over 400 times. In addition, the 24-episode new urban idol drama of “Fox Romance” (狐狸的浪漫史) directed by Yanqian Li (李雁倩) started shooting in May 2020 and is expected to be broadcasted on the online video platform Mango TV in the coming year with estimated revenue.

In respect of film direction business, “Well-Dominated Love” (奈何BOSS又如何) produced by Wu Qiang (吳強) was broadcasted on the online video platform Mango TV with accumulated play of over 1 billion and attracted widespread attention on various Internet platforms, among which, Weibo and 微指數峰值 recorded over 0.8 billion and 660,000 views respectively. Maoyan popularity index also recorded continuous growth for the show. Meanwhile, the urban love drama “Miss Crow With Mr Lizard” (烏鴉小姐與蜥蜴先生) directed by Wu Qiang started shooting in May 2020 and was completed in July 2020. The show is expected to be broadcasted on Tencent Video exclusively in the coming year with estimated revenue. Furthermore, the film “My People, My Homeland” (我和我的家鄉) in collaboration with Huan Shu (束煥) as a joint director was scheduled to be released during the National Day in 2020.

於回顧年度內，本集團承制及出品的青年社交戀愛綜藝《喜歡你，我也是》第二季在視頻網站愛奇藝上成功播出，該節目在微博、知乎、豆瓣、抖音等多個網絡社交平台持續引發觀眾的熱烈討論，並迅速佔據愛奇藝風雲榜、微博熱搜榜等各大熱門排行榜，創下了400多次登上熱門搜索榜單的優異成績。此外，由李雁倩執導的24集都市新偶像劇《狐狸的浪漫史》已於2020年5月順利開機，預計將於未來一年在視頻網站芒果TV播出並錄得相應收入。

編導業務方面，吳強導演之作品《奈何BOSS又如何》在視頻網站芒果TV成功播出，累計播放量突破10億，網絡話題熱度不斷，其中微博話題閱讀量超過8億，微指數峰值超過66萬，貓眼即時熱度亦隨著節目的播放持續攀升。與此同時，由吳強執導的都市浪漫愛情劇《烏鴉小姐與蜥蜴先生》已於2020年5月開機，並於2020年7月順利殺青，預計將於未來一年在騰訊視頻獨家播出並錄得相應收入。此外，由束煥擔任聯合編劇的電影《我和我的家鄉》已經定檔於2020年國慶假期期間上映。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Film exhibition

During the year under review, the consumption sentiment of Hong Kong citizens continued to be weakened due to local social movements in Hong Kong during the second half of 2019 and the outbreak of novel coronavirus (COVID-19) during the first half of 2020. The prevention and control measures as well as social distancing measures in relation to the pandemic on public entertainment places such as cinemas implemented by the Hong Kong government caused a tremendous negative effect on our operation. The Group's segment business of film exhibition encountered unprecedented challenges. The business of cinemas under the Group was suspended on occasion during the second half of 2019 and the period from March to June 2020, resulting in a substantial decline in cinemagoers during the year under review as compared to the previous year. The revenue from the Group's film exhibition decreased by approximately 42.6% to approximately HK\$139.9 million as compared to last year, accounting for approximately 30.0% of total revenue of the Group.

Along with the epidemic development, the Group observed a gradual change in film watching and consumption behaviors from the public as well as more time spent at home to watch films and enjoy other leisure activities. The Group's management is continuously assessing the impact of the epidemic on the film exhibition segment and proactively exploring the future development prospect of this business segment. The Group's management is conservative whether the number and the frequency of film in cinemas will be fully restored after the pandemic. The Group's management will keep continuous attention on the change of situation and make timely response and adjustments in the future.

電影放映

回顧年度內，受到2019年下半年的香港本地社會運動和2020年上半年的新冠疫情的雙重打擊，香港市民的消费意欲持續低迷，香港政府對影院等公眾娛樂場所實施的疫情防控制及社交距離措施亦令運營遭受巨大負面影響。本集團的電影放映分部業務經歷了前所未有的挑戰，旗下影院於2019年下半年以及2020年3月至6月期間間歇暫停營業，令回顧年度內到訪之觀眾人數較去年大幅減少。本集團的電影放映收益於回顧年度內較去年減少約42.6%至約港幣139.9百萬元，佔本集團總收益約30.0%。

隨著疫情的發展，本集團留意到觀眾的觀影及消費習慣正在逐步轉變，花費更多時間居家觀影及娛樂。本集團管理層正持續評估疫情對電影放映分部的影響，並積極研究探討此業務板塊的未來發展前景。本集團管理層對於疫情以後觀眾會否全面恢復線下影院觀影的次數及頻率持保守的態度，將繼續密切留意有關狀況的變動，並於未來作出適時回應及調整。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Pan-entertainment and other businesses

During the year ended 30 June 2020, the Group continuously forged the collaborative relationship with several artistes, internet celebrities and artiste agency and launched its first self-owned retail brand in order to moderately enlarge the scale of film and television intellectual property (IP) derived products and e-commerce business and therefore further optimize the industry chain layout and diversify the revenue base. During the year under review, advertising, marketing and publication and pan-entertainment businesses of the Group recorded a total revenue of approximately HK\$18.5 million, representing an increase of approximately 97.5% as compared to approximately HK\$9.4 million last year. This business segment recorded loss of approximately HK\$24.4 million during the year under review (2019: loss of approximately HK\$7.9 million).

In respect of artiste and celebrity agency business, the Group completed the acquisition of 60% equity interests of 聞瀾(上海)文化傳媒有限公司 (Wenlan (Shanghai) Culture Communication Co., Ltd.*) (“Wenlan Culture”) during the year under review. In addition, the Group tapped into the booming popular idol group industry in area of the China’s film and television culture and obtained the commercial performances license* (營業性演出許可證) held by Wenlan Culture so as to greatly enhance the Group’s business value and brand influence. Wenlan Culture is a professional team focusing on the planning of culture and entertainment, the performance agent and the training for music bands businesses. CH2, which is the music girl group under Wenlan Culture, involves Ms. Yang Chaoyue* (楊超越) as the key member. Ms. Yang debuted as a member of Rocket Girls 101* (火箭少女101) of pop music girl group in mainland China after attending Tencent’s girl group talent show Produce 101* (創造101) and was named by Artiste of the Year 2018* [影響中國 (2018年度演藝人物)].

During the year under review, Guangzhou Daide Management Consultancy Company Limited, a wholly-owned subsidiary of the Group, and Beijing iQIYI Science & Technology Co., Ltd. jointly established 天津傳遞愛娛文化有限公司 (Tianjin Chuan Di Ai Yu Culture Limited*) to further develop celebrity agency business, in which, the Group had 51% equity interest. The Group’s management believes that the establishment of the joint venture will help the Group realize the integration of artiste and celebrity resources and leading film and television platform resources and traffic monetization from its self-owned brands and distributor brands by leveraging artiste and celebrity influence in various market segments as well as its production capabilities to boost the performance of conventional consumer sectors, thereby persistently expanding business scale of the Group’s Multiple Channel Network (MCN).

泛娛樂及其他業務

截至2020年6月30日止年度，本集團持續推進與多位藝人、網絡紅人及經紀人的合作關係，並首次推出自有零售品牌以逐步擴大影視版權衍生品及電商業務規模，從而進一步完善產業鏈佈局及拓寬收益基礎。於回顧年度內，本集團之廣告、市場推廣及出版以及泛娛樂業務共錄得收益約為港幣18.5百萬元，較去年約港幣9.4百萬元增加約97.5%。此業務分部於回顧年度內錄得虧損約港幣24.4百萬元(2019年：虧損約港幣7.9百萬元)。

藝人和紅人經紀人業務方面，本集團於回顧年度內完成收購聞瀾(上海)文化傳媒有限公司(「聞瀾文化」)60%之權益，以進軍內地影視文化領域蓬勃發展的偶像潮流團體行業，並取得聞瀾文化所持有的營業性演出許可證，以提升本集團的商業價值及品牌影響力。聞瀾文化是一支專注於策劃文化及娛樂活動、演出經紀人及培訓音樂樂隊業務的專業團隊，旗下音樂女團CH2以楊超越女士為主要成員。楊女士在參與名為創造101的騰訊女團選秀節目後，出道成為中國內地流行樂女子組合火箭少女101的成員，並獲選為影響中國2018年度演藝人物。

回顧年度內，本集團之全資附屬公司廣州戴德管理諮詢有限公司亦與北京愛奇藝科技有限公司共同成立天津傳遞愛娛文化有限公司，進一步發展紅人經紀業務，本集團於其中擁有51%權益。本集團管理層相信，該合資企業的成立將有助本集團實現旗下藝人及紅人資源與領先影視平台資源的強大聯合，通過藝人及紅人於各自細分市場的影響力和帶貨能力為傳統消費行業賦能，助力自有品牌及代理品牌實現流量變現，從而持續擴大本集團的多渠道網絡(MCN)業務規模。

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In the meantime, celebrities Lusi Zhao (趙露思) and Li Yi Tong (李一桐) drew massive attention due to their outstanding performance in popular TV series. For instance, the impressive performance of Lusi Zhao in “The Romance of Tiger and Rose” (傳聞中的陳芊芊) contributed to satisfactory results where she ranked fourth in both the most popular actress of More TV and Guduo Popularity Index Ranking* (骨朵熱度指數排行榜霸屏榜). On the other hand, a number of TV series in which Li Yi Tong performed were officially broadcasted including “Dt.Appledog’s Time” (親愛的摯愛的), “Dear Missy” (了不起的女孩) and “Don’t Think Twice, Love’s All Right” (愛我就別想太多) and became the center of attention once again. Among which, “Don’t Think Twice, Love’s All Right” ranked first for three consecutive weeks in terms of prime time viewership on provincial satellite channels and hit a record high in the “Popularity Rating” (熱度值) on the online video platform namely, Youku.

In respect of self-owned retail brand, the Group promoted its new self-owned tea brand “蜜切觀茶EYETEA” to young consumer groups during the year under review. Our first White Peach Oolong and Grape Oolong have been officially launched on Taobao official brand stores. Through the collaboration with celebrities with millions of subscribers on Weibo and Douyin as well as promotion in the variety show “I Love You, Me Too” Season 2, our brand gained rapid recognition and market attention.

FINANCIAL REVIEW

Revenue and gross profit

Revenue of the Group for the year under review amounted to approximately HK\$465.5 million, representing a decrease of approximately HK\$202.6 million or 30.3% as compared to last year, mainly contributed by revenue from the business segment of film, TV series and variety show production and distribution and film exhibition of approximately HK\$307.1 million and HK\$139.9 million, respectively. The revenue generated from the film production, distribution and licensing declined since there was no new movie released by the Group during the year under review whereas two films, namely “L Storm” (L風暴) and “The Invincible Dragon” (九龍不敗), were released last year. For the film exhibition segment, the revenue in film exhibition business reduced due to the drop in the cinemagoers resulting from the prevention and control measures in relation to COVID-19 and the weakened consumption sentiment.

Gross profit of the Group was approximately HK\$173.7 million, representing a decrease of approximately HK\$88.6 million or approximately 33.8% as compared to last year. Gross profit margin for the year under review was approximately 37.3%, representing a slight decrease as compared to approximately 39.3% for the previous year.

與此同時，藝人趙露思、李一桐等因出演熱播電視劇的亮麗表現而備受關注。其中，趙露思憑藉在《傳聞中的陳芊芊》中的出色表現獲得電視貓最受歡迎女藝人周榜第四位，以及骨朵熱度指數排行榜霸屏榜周榜第四位的理想成績。李一桐出演的多部電視劇正式開播，包括《親愛的摯愛的》、《了不起的女孩》及《愛我就別想太多》，再度成為大眾的關注焦點。其中，《愛我就別想太多》連續三周在黃金時段電視劇收視率穩居省級衛視第一位，並創造了視頻網站優酷熱度值記錄新高。

自有零售品牌方面，本集團於回顧年度內推出面向年輕消費群體的全新自有茶飲品牌「蜜切觀茶EYETEA」。首批白桃烏龍茶及葡萄烏龍茶兩款口味在淘寶官方品牌店正式發佈，透過微博和抖音平台與千百萬粉絲級別的紅人進行合作推廣，以及在綜藝節目《喜歡你，我也是》第二季中獲得素人嘉賓推介，迅速贏得品牌曝光度和市場關注度。

財務回顧

收益及毛利

本集團於回顧年度的收益約為港幣465.5百萬元，較去年減少約港幣202.6百萬元或30.3%，主要來自電影、電視劇及綜藝節目製作及發行，以及電影放映業務分部收益分別約為港幣307.1百萬元及港幣139.9百萬元。本集團於回顧年度內並無新電影上映，而於去年上映了兩部電影，包括《L風暴》及《九龍不敗》，因此來自電影製作、發行及授出發行權使用許可的收益下降。就電影放映分部而言，觀眾人數受疫情防控措施及疲弱的消費氣氛影響有所減少，因此電影放映業務收入有所下降。

本集團的毛利約港幣173.7百萬元，較去年減少約港幣88.6百萬元或約33.8%。回顧年度的毛利率約37.3%，較去年毛利率約39.3%輕微下降。

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Other gains and losses and other income

During the year under review, other gains and losses and other income was approximately HK\$41.8 million, representing an increase of HK\$9.4 million or approximately 28.9% as compared to last year, which was mainly due to rent concessions for cinemas offered by property owners.

Selling and distribution expenses

Selling and distribution expenses decreased by approximately HK\$25.5 million or 12.3% from approximately HK\$207.3 million for the previous year to approximately HK\$181.8 million for the year under review. This was mainly due to the recognition of depreciation of right-of-use assets of HK\$109.5 million and interest expenses of lease liabilities during the year under review as a result of the effect of the adoption of the new accounting standard Hong Kong Financial Reporting Standard 16 Leases ("HKFRS 16") whereas the interest expenses of lease liabilities of HK\$49.7 million were included in financial costs during the year under review. In the previous year, only rental expense of HK\$122.1 million was recognised in selling and distribution expenses.

Administrative expenses

Administrative expenses decreased by approximately HK\$6.3 million or approximately 9.4% from approximately HK\$67.3 million for the previous year to approximately HK\$61.0 million for the year under review.

其他收益及虧損以及其他收入

於回顧年度，其他收益及虧損以及其他收入約港幣41.8百萬元，較去年增加約港幣9.4百萬元或約28.9%，主要由於電影院獲得由業主提供的租金減免。

銷售及發行開支

銷售及發行開支由去年的約港幣207.3百萬元減少約港幣25.5百萬元或12.3%至回顧年度的約港幣181.8百萬元，主要由於採用新會計準則(香港財務報告準則第16號)造成的影響，使用權資產折舊港幣109.5百萬元及租賃負債利息開支於回顧年度內確認，而租賃負債利息開支港幣49.7百萬元於回顧年度計入財務費用。於去年，僅租金開支港幣122.1百萬元於銷售及發行開支中確認。

行政開支

行政開支由去年約港幣67.3百萬元減少約港幣6.3百萬元或約9.4%至回顧年度的約港幣61.0百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Share of results of associates

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

Loss for the year under review

The Group's loss and total comprehensive expense attributable to owners of the Company for the year under review amounted to approximately HK\$126.6 million (30 June 2019: loss of approximately HK\$35.5 million) and approximately HK\$128.1 million (30 June 2019: total comprehensive expense of approximately HK\$29.9 million) respectively.

It was mainly caused by (i) severe delay of TV series and variety show production projects conducted by the Group for the year due to the effect of mandatory work suspension as a result of COVID-19, therefore this segment revenue was recognised later than expected; (ii) film exhibition business was sluggish resulting in lower income due to the effects of relevant policies in relation to COVID-19 and the market sentiment; and (iii) the application of HKFRS 16 ("HKFRS 16"), which results in a higher total charge to the statement of profit or loss in the first few years of the lease, and such expenses will decrease during the latter part of the lease terms. There is no impact on the cumulative expenses recognised during the remaining lease terms since the adoption date of HKFRS 16. Accordingly, the effects of the application of HKFRS 16 resulted in an increase in corresponding expenses recognised during the year as the Group currently operates numerous cinemas in Hong Kong.

應佔聯營公司業績

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

回顧年度內虧損

於回顧年度內，本公司擁有人應佔本集團虧損及全面開支總額分別約港幣126.6百萬元（2019年6月30日：虧損約港幣35.5百萬元）及約港幣128.1百萬元（2019年6月30日：全面開支總額約港幣29.9百萬元）。

此乃主要由於(i)受COVID-19強制性停工影響，本集團於本年度原定電視劇及綜藝製作類項目執行出現嚴重延期，此部分收益確認晚於預期；(ii)受疫情相關政策以及市場氣氛影響，電影放映業務停滯，收入下降；及(iii)應用香港財務報告準則第16號租賃（「香港財務報告準則第16號」），以致租賃期最初數年在損益表中的支銷總額較高，而有關開支將於租賃期後期下降。自香港財務報告準則第16號的採納日期起，概無對剩餘租賃期內確認的累計開支構成影響。據此，由於本集團目前在香港經營多間電影院，故應用香港財務報告準則第16號的影響導致本年度確認的有關開支上升。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Impairment loss on right-of-use assets and property, plant and equipment (“Impairment”)

Background

As disclosed in Note 2.1, the Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 July 2019 to recognise right-of-use assets of HK\$800.4 million mainly relating to the lease agreements of five cinemas in Hong Kong which were previously classified as operating leases under HKAS 17.

The Impairment was made on right-of-use assets derived from the lease agreements of numerous cinemas in Hong Kong operated by the Group (the “Cinemas”) and property, plant and equipment in relation to the Cinemas, which was determined after considering the difference between the recoverable amount based on value in use calculations and the carrying value as at 30 June 2020. The cinemas located in Hong Kong, have been operating for years and the management assessed the income to be generated therefrom after taking into account of the factors explained in the section headed “Circumstances leading to the Impairment” below.

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

使用權資產以及物業、廠房及設備的減值虧損(「減值」)

背景

誠如附註2.1披露，本集團使用經修訂追溯方式採納香港財務報告準則第16號，並調整於2019年7月1日的期初結餘，以確認先前根據香港會計準則第17號分類為經營租賃的五間香港電影院租賃協議主要有關的使用權資產港幣800.4百萬元。

減值乃源自多個本集團經營的香港電影院(「該等電影院」)租賃協議產生的使用權資產以及有關該等電影院的物業、廠房及設備作出，乃經考慮基於使用價值計算的可收回金額與於2020年6月30日的賬面值之間的差額後釐定。位於香港的該等電影院已營運多年，而管理層於計及下文「導致減值的因素」一節所述因素後評估其將產生的收入。

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Circumstances leading to the Impairment

At the year ended 30 June 2020, the management of the Company assessed the carrying value and recoverable amount of the right-of-use assets and property, plants and equipment in relation to the Cinemas after taking into account of the following factors:

- (a) the global economic downturn since mid-2019 which leads to the expected decline of occupancy rate of the Cinemas;
- (b) the change of the movie industry atmosphere in Hong Kong and the expected slowdown in shooting of international blockbuster movie, and thus the expected decline in the box office in the forthcoming year;
- (c) the adverse impact due to the social movement since the second half of 2019, which results in less cinemagoers;
- (d) the adverse impact due to the outbreak of novel coronavirus disease (COVID-19) since the first quarter of 2020, which results in less cinemagoers;
- (e) the review and comparison of the budget of the Cinemas prepared for the Period Under Review and the actual income and profit generated from the Cinemas during the period, and found that there is a material shortfall from the projected income and operating profit; and
- (f) the need to adopt a reasonable approach in evaluating the cashflow to be generated from the cinema operation by the adoption of a discount rate of 13% with reference to the use of weighted average costs of capital when the recoverable amount was determined based on value in use calculations.

The above factors were identified close to the end of the year ended 30 June 2020 and assessed and considered during the course of the preparation of the annual financial information of the Company for the year ended 30 June 2020. The above factors were not anticipated nor taken into account when the development plan of the relevant Cinemas was implemented.

導致減值的因素

於截至2020年6月30日止年度，本公司管理層對該等電影院的使用權資產以及物業、廠房及設備的賬面值及可收回金額作出評估，當中已考慮以下因素：

- (a) 環球經濟自2019年年中起下滑，導致該等電影院預期入座率下跌；
- (b) 香港電影業環境轉變及國際大型電影拍攝進度預期減慢，以及由此引致的來年票房預期下跌；
- (c) 自2019年下半年起，由於社會運動的不利影響，電影觀眾減少；
- (d) 自2020年第一季度起，由於新型冠狀病毒病(COVID-19)爆發的不利影響，電影觀眾減少；
- (e) 審閱及比較該等電影院於回顧期的預算與該等電影院於該期間產生的實際收入及溢利後，發現實際收入及溢利遠低於預測收入及營運溢利；及
- (f) 需要採用合理方法評估影院營運將產生的現金流量，經參考加權平均資本的使用成本採用13%的貼現率，而可收回金額乃基於使用價值計算而釐定。

上述因素乃於截至2020年6月30日止年度將近結束時識別，且已於編製本公司截至2020年6月30日止年度的年度財務資料過程中予以評估及考慮。於落實有關該等電影院的發展計劃時並無預期且並無考慮上述因素。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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

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

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

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

- (a) the Group recognised the impairment loss on right-of-use assets and property, plants and equipment due to the deteriorating economic environment and intense competition in the market of cinema and film exhibition;
- (b) the economic downturn will be a mid-to-long term one and the performance of occupancy rate of the cinema and the box office will not rebound in a short period taking into account the declining economic performance of Hong Kong and the PRC and the uncertainties brought by the increase of the trade war between the United States of America and the PRC as well as the outbreak of novel coronavirus disease (COVID-19);

釐定減值金額以及可收回金額採用的方法、基準及主要假設

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

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

評估所用基準及主要假設如下：

- (a) 由於經濟環境惡化及影院及電影放映市場競爭激烈，本集團確認使用權資產以及物業、廠房及設備的減值虧損；
- (b) 考慮到香港及中國的經濟表現下滑情況、中美貿易戰加劇所帶來的不確定性及新型冠狀病毒疾病(COVID-19)爆發，經濟衰退將為中長期，且影院入座率及票房在短期內將不會有回升；

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- (c) the interest rate of the banking facilities obtained by the Group for the operation of the Cinemas will not decrease substantially in the foreseeable period and hence affecting the discount rate used when adopting the DCF approach; and
- (d) for the impairment testing, the recoverable amount was determined based on value in use calculations which was performed by management. The calculation uses cash flow projections of the Group based on financial budgets approved by the management of the Company covering a lease term period of the Cinemas and a pre-tax discount rate of 13%. The key assumption includes the future expected cash flows based on management's view of future business prospects and past performance of the Group.
- (c) 本集團就營運該等電影院而獲得的銀行融資利率於可見期間將不會大幅下降，因此會影響採納貼現現金流量法時所採用的貼現率；及
- (d) 就減值測試而言，可收回金額乃按照管理層作出的使用價值計算釐定。該計算使用本集團根據經本公司管理層批准涵蓋該等電影院租賃期的財政預算而作出的現金流量預測及除稅前貼現率13%。主要假設包括基於管理層對本集團未來業務前景及過往表現的意見所計算之未來預期現金流量。

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

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

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

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

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LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2020, the Group's bank balances and cash amounted to approximately HK\$112.3 million (30 June 2019: approximately HK\$122.0 million), which are denominated mainly in HK\$, United States Dollar ("US\$") and Renminbi ("RMB").

As at 30 June 2020, the Group's total debts, including bank and other borrowings, bonds payable, loans from related companies and a controlling shareholder amounted to approximately HK\$67.0 million, approximately HK\$51.5 million and approximately HK\$147.5 million, respectively (30 June 2019: approximately HK\$65.2 million, approximately HK\$22.0 million and approximately HK\$226.0 million, respectively). As at 30 June 2020, the gearing ratio, representing the ratio of total debts to the total assets, was approximately 14.9% (30 June 2019: approximately 31.6%).

On 16 May 2019, 16 September 2019 and 24 February 2020, the Group and Royston Securities Limited (the "Placing Agent") entered into a placing agreement, pursuant to which the Placing Agent conditionally agreed to procure, on a best efforts basis, places to subscribe in cash for the bonds in an aggregate principal amount of up to HK\$150,000,000 during the placing period. Details of the placing of bonds are set out in the announcements of the Group dated 16 May 2019, 16 September 2019 and 24 February 2020 respectively. As at 30 June 2020, the Group's bonds payable amounted to approximately HK\$51.5 million.

流動資金、財務資源及資本結構

於2020年6月30日，本集團的銀行結餘及現金約為港幣112.3百萬元（2019年6月30日：約港幣122.0百萬元），主要以港幣、美元（「美元」）及人民幣（「人民幣」）計值。

於2020年6月30日，本集團的債務總額，包括銀行及其他借款、應付債券、來自關聯公司及一名控股股東貸款分別為約港幣67.0百萬元、約港幣51.5百萬元及約港幣147.5百萬元（2019年6月30日：分別為約港幣65.2百萬元、約港幣22.0百萬元及約港幣226.0百萬元）。於2020年6月30日，負債比率（即債務總額佔資產總額的比率）約為14.9%（2019年6月30日：約31.6%）。

於2019年5月16日、2019年9月16日及2020年2月24日，本集團與銳升證券有限公司（「配售代理」）訂立配售協議，據此，配售代理有條件同意按盡最大努力基準在配售期間促使承配人以現金認購本金總額最多港幣150,000,000元之債券。有關配售債券之詳情分別載於本集團日期為2019年5月16日、2019年9月16日及2020年2月24日之公佈。於2020年6月30日，本集團應付債券約為港幣51.5百萬元。

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As at 30 June 2020, the Group had total non-current assets of approximately HK\$1,308.9 million (30 June 2019: approximately HK\$544.9 million), net current liabilities of approximately HK\$126.3 million (30 June 2019: net current liabilities of approximately HK\$95.8 million) and net assets of approximately HK\$205.6 million (30 June 2019: approximately HK\$86.2 million). The current ratio of the Group, representing the ratio of current assets over current liabilities, was approximately 0.8 as at 30 June 2020 (30 June 2019: approximately 0.8).

During the year under review, the Group mainly funded its liquidity by the net proceeds from the Listing, bank and other borrowings, bonds, loans from related companies and an amount due to a controlling shareholder, and resources generated internally. The Group's financial resources are sufficient to support its business and operations. The Group would also consider other financing activities when appropriate business opportunities arise under favourable market conditions.

MATERIAL ACQUISITIONS AND DISPOSALS

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

On the same day, Guangzhou Daide, the Sellers and the Target Company also entered into a profit guarantee agreement, pursuant to which and subject to the completion of the acquisition, the other two of the Sellers undertake to Guangzhou Daide that the total aggregated profit for the profit guarantee period from 1 September 2019 to 31 December 2022 shall be not less than RMB70,000,000. The Company will disclose whether the actual performance of the Target Company meets the guarantee in due course.

於2020年6月30日，本集團擁有非流動資產總值約港幣1,308.9百萬元(2019年6月30日：約港幣544.9百萬元)、流動負債淨值約港幣126.3百萬元(2019年6月30日：流動負債淨值約港幣95.8百萬元)及資產淨值約港幣205.6百萬元(2019年6月30日：約港幣86.2百萬元)。於2020年6月30日，本集團的流動比率(即流動資產與流動負債的比率)約為0.8(2019年6月30日：約0.8)。

於回顧年度內，本集團主要以上市所得款項淨額、銀行及其他借款、債券、來自關聯公司的貸款及應付一名控股股東款項以及內部資源撥付流動資金。本集團的財務資源足以支持業務及營運。本集團亦會在出現適當業務機會且市場條件有利時考慮其他融資活動。

重大收購及出售事項

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

同日，廣州戴德、賣方與目標公司亦訂立溢利保證協議，據此及待收購事項完成後，另外兩名賣方向廣州戴德承諾，溢利保證期間(自2019年9月1日至2022年12月31日)的合計溢利總額將不低於人民幣70,000,000元。本公司將會適時披露目標公司的實際表現是否達致有關保證。

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The Target Company is a company established in Shanghai with limited liabilities and is principally engaged in the planning of culture and entertainment, the performance agent and the training for music bands businesses. In 2016, the Target Company was the appointed manager of the music band group named, CH2 Girls Group, which includes Ms. Yang Chaoyue* (楊超越) (“Ms. Yang”) as the key member. Ms. Yang is a Chinese teen idol member and signed the artiste management contract with the Target Company. She debuted as a member of Rocket Girls 101* (火箭少女101) after attending Tencent’s girl group talent show Produce 101* (創造101) and was named by Artiste of the Year 2018* 「影響中國 (2018年度演藝人物)」. The acquisition was completed on 12 March 2020 and was accounted for using the acquisition method.

In April 2020, Guangzhou Daide and Beijing iQIYI Science & Technology Co., Ltd. jointly established 天津傳遞愛娛文化有限公司 (Tianjin Chuan Di Ai Yu Culture Limited*) to collaboratively develop celebrity agency business, in which, the Group had 51% equity interest. In addition, the Group disposed of certain subsidiaries and associates during the year under review. For details, please refer to Note 42 and Note 18 respectively.

During the year ended 30 June 2019, the Group had acquired the entire equity interest in Khorgas Houhai Culture Media Company Limited (“Houhai Culture”) and its subsidiary 北京聚海文化傳媒有限公司 (Beijing Juhai Culture Media Company Limited) (collectively known as the “Khorgas Group”) for a consideration of RMB450,000,000 payable in three instalments in 2018, 2019 and 2020, subject to the profit guarantee as stated in the profit guarantee agreement as contemplated thereunder the equity transfer agreement, pursuant to which the vendors have jointly and severally guaranteed that the consolidated audited profit of the Khorgas Group in respect of the financial years ending 31 December 2018 and 31 December 2019 will not be less than RMB40,000,000 (the “2018 Profit Guarantee”) and RMB60,000,000 (the “2019 Profit Guarantee”), respectively. The Board is pleased to announce that the net profit after tax of the Khorgas Group in respect of the financial years ended 31 December 2018 and 31 December 2019 had exceeded RMB40,000,000 and RMB60,000,000 respectively and therefore the 2018 Profit Guarantee and the 2019 Profit Guarantee had been fulfilled. The acquisition was completed on 28 August 2018 and further details were set out in the circular of the Company dated 26 July 2018.

Save as disclosed above, there were no other significant investments, material acquisition and disposal of subsidiaries, associates and joint ventures by the Group for the year ended 30 June 2020 and there was no plan authorised by the Board for material investments or additions of capital assets during the year ended 30 June 2020.

目標公司為於上海成立的有限公司，主要從事策劃文化及娛樂活動、演出經紀人及培訓音樂樂隊業務。於2016年，目標公司為音樂樂隊團體CH2女團的委任經理人，當中楊超越女士(「楊女士」)為主要成員。楊女士為中國的青少年偶像，並與目標公司簽訂藝人管理合約。參與名為創造101的騰訊女團選秀節目後，彼出道成為火箭少女101的成員，並獲選為影響中國2018年度演藝人物。收購事項已於2020年3月12日完成，並已採用收購法入賬。

於2020年4月，廣州戴德與北京愛奇藝科技有限公司共同成立天津傳遞愛娛文化有限公司，共同發展紅人經紀業務，本集團於其中擁有51%權益。此外，本集團於回顧年度內出售若干附屬公司及聯營公司。有關詳情，請分別參閱附註42及附註18。

截至2019年6月30日止年度，本集團收購霍爾果斯厚海文化傳媒有限公司(「厚海文化」)及其附屬公司北京聚海文化傳媒有限公司(統稱為「霍爾果斯集團」)的全部股權，代價為人民幣450,000,000元，於2018年、2019年及2020年分三期支付，惟須達成股權轉讓協議項下擬進行之溢利保證協議所載之溢利保證，據此，賣方共同及個別地作出擔保，霍爾果斯集團於截至2018年12月31日及2019年12月31日止財政年度的綜合經審核溢利將分別不少於人民幣40,000,000元(「2018年溢利保證」)及人民幣60,000,000元(「2019年溢利保證」)。董事會欣然宣佈，霍爾果斯集團就2018年12月31日及2019年12月31日止財政年度的除稅後淨利潤分別超過人民幣40,000,000元人民幣60,000,000元，因此2018年溢利保證及2019年溢利保證已達成。收購事項已於2018年8月28日完成，而進一步詳情載於本公司日期為2018年7月26日之通函。

除上文所披露者外，本集團截至2020年6月30日止年度並無其他重大投資、附屬公司、聯營公司及合營企業的重大收購及出售，且董事會截至2020年6月30日止年度並無授權進行重大投資或增添資本資產的計劃。

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HUMAN RESOURCES

As at 30 June 2020, the Group employed a total of 308 permanent employees (30 June 2019: 260) in the PRC and Hong Kong. The total salaries and wages, including the Directors' remuneration and part-time workers' salary, amounted to approximately HK\$50.5 million during the year ended 30 June 2020 (30 June 2019: approximately HK\$46.2 million).

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

CHARGE ON ASSETS

As at 30 June 2020, the Group had bank deposits amounting to approximately HK\$0.7 million (30 June 2019: approximately HK\$0.7 million) that were pledged to banks for the bank guarantee provided to a subsidiary of the Group regarding its due payment under a cinema equipment rental agreement. The Group's bank borrowings were secured by bank deposits of HK\$21,000,000 and guaranteed by an insurance company in the PRC (2019: trade receivables of RMB32,627,000 (equivalent to HK\$37,195,000) and guaranteed by an insurance company in the PRC).

人力資源

於2020年6月30日，本集團於中國內地及香港合共僱傭308名全職僱員（2019年6月30日：260名）。截至2020年6月30日止年度，薪金及工資總額（包括董事及兼職員工酬金）約為港幣50.5百萬元（2019年6月30日：約港幣46.2百萬元）。

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

資產押記

於2020年6月30日，本集團有為數約港幣0.7百萬元（2019年6月30日：約港幣0.7百萬元）之銀行存款質押予銀行以取得本集團一間附屬公司就其於影院設備租賃協議項下之到期付款提供之銀行擔保。本集團的銀行借款以貿易應收款項港幣21,000,000元作抵押，並由一間中國內地保險公司提供擔保（2019年：以貿易應收款項人民幣32,627,000元（相當於港幣37,195,000元）作抵押，並由一間中國內地保險公司提供擔保）。

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TREASURY POLICY

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

CAPITAL COMMITMENT

There were no other capital commitments for the Group as at 30 June 2019 and 2020.

CONTINGENT LIABILITIES

As at 30 June 2019 and 2020, the Group did not have any significant contingent liabilities.

庫務政策

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

資本承擔

於2019年及2020年6月30日，本集團並無其他資本承擔。

或然負債

於2019年及2020年6月30日，本集團並無任何重大或然負債。

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USE OF PROCEEDS FROM THE LISTING

The planned use of proceeds from the Listing as disclosed in the prospectus of the Company dated 9 October 2012 (the "Prospectus") were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus, while the proceeds were applied in accordance with the actual development of the market. At as 30 June 2020, the reallocated total use of proceeds from the Listing had been applied as follows:

上市所得款項用途

本公司日期為2012年10月9日的招股章程（「招股章程」）所披露的上市所得款項的擬定用途，乃根據本集團於編製招股章程時對未來市況所作的最佳估計而制定，而所得款項已根據市場的實際發展而動用。於2020年6月30日，經重新分配之上市所得款項使用總額如下：

		Reallocated total use of proceeds from the Listing	Actual use of proceeds from the date of the Listing to 30 June 2020
		from the Listing	the Listing to 30 June 2020
		HK\$ million	HK\$ million
		港幣百萬元	港幣百萬元
Expansion of film production business	拓展電影製作業務	58.4	58.4
Investment in equipment for post-production	投資後期製作設備	7.4	7.4
Staff recruitment	招聘員工	2.8	2.8
General working capital	一般營運資金	4.9	4.9
Total	合計	73.5	73.5

During the year ended 30 June 2020, the remaining balance of the proceeds of approximately HK\$2.4 million were utilised as general working capital as intended, including staff costs and general office expenses. All of the net proceeds raised from the Listing were utilised in accordance with the plans of the Company as disclosed in the Prospectus and the announcement of the Company dated 10 June 2019.

截至2020年6月30日止年度，所得款項餘額約港幣2.4百萬元已按原定計劃用作一般營運資金，包括員工成本及一般辦公室開支。上市籌集的全部所得款項淨額已根據招股章程及本公司日期為2019年6月10日的公佈所披露的本公司計劃動用。

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OUTLOOK

Looking forward, the Group will continue to focus on the development of film and television production business as well as artiste and celebrity agency business in mainland China. Besides, the Group strives to develop pan-entertainment business and integrate upstream and downstream industry chains by proactively exploring various realization channels from downstream industry chains in a bid to attain our tactics goals with the combination of our strengths and resources. Taking advantages of online platforms to cultivate new artistes and celebrities, the Group will also proactively explore and develop its self-owned retail brand targeting young consumers to further diversify the revenue base by continuously identifying business opportunities in relation to the stay-at-home economy on four aspects including online stream, short videos, celebrity cultivation and traffic monetization. The Group's management believes that new business model will generate sustainable synergy with the existing resources on film, television and variety show along with the escalating growth of consumption demands of domestic online entertainment and the rapid development of social e-commerce markets. The Group is committed to fulfilling young female group requirements of the life quality enhancement and the consumption needs of designer brand by leveraging market segments in relation to beauty and lifestyle where there are more female participants by way of precise marketing strategies of online content promotion, thereby creating more development opportunities in the pan-entertainment business.

In respect of film, TV series and variety show production and distribution, a number of projects of the Group are currently under preproduction stage, including "The Ideal City" (理想之城), an inspiring urban workplace TV series, "Fox Romance" (狐狸的浪漫史), a new urban idol drama, "Redemption on the Blade" (刀鋒上的救贖), a mystery detective drama, "Young at Style" (潮流出動), an online variety show and "I Love You, Me too" Season 3. Among which, the inspiring urban workplace TV series "The Ideal City" will start shooting in the second half of 2020, in which, Sun Li (孫儷) and Zhao You Ting (趙又廷) who are both well-known actors for protagonists, Liu Jin (劉進) who is the winner of Magnolia Award and Wu Zhaolong (吳兆龍) who is well-known for production will play a main character, act as a director and is responsible for scriptwriting respectively. With the good performance and network popularity of the first season and the second season, the Group is also considering to produce the third season of "I Love You, Me Too" in order to create a self-developed multi-season variety show brand. In addition, the Group will develop the production of a series of popular copyrights including "Love Destiny" (愛有天意), "Ruyi Dan" (如意蛋), "Romance in the City" (半城風月), "Peach blossom debt" (桃花債), "Holding My Koi Husband" (抱住錦鯉相公), "Locard's theory" (洛卡爾定律), "Flower Throne" (鮮花寶座) and "Marry Me Today" (今天開始成為夫妻).

展望

展望未來，本集團將繼續專注於中國內地開展影視製作業務、藝人和紅人經紀人業務，著力打造泛娛樂生態圈和打通上下游產業鏈，積極拓展產業鏈下游的多途徑變現渠道，實現優勢資源高度融合的戰略佈局。在依託豐富的網台合作資源培育新晉藝人和紅人的同時，本集團將積極探索和打造面向年輕消費者的自有零售品牌以進一步拓寬收益基礎，從網路直播、短視頻、紅人孵化以及流量變現四個方面持續深挖「宅經濟」商機。本集團管理層相信，隨著國內線上娛樂消費需求呈現爆發式增長以及社交電商市場規模快速發展，新業務形態將與現有的影視綜藝資源產生可持續的協同效益，通過與網絡內容結合的精準營銷佈局女性受眾佔比較高的美妝及生活類細分市場，滿足年輕女性群體對生活品質提升的關注和對設計師品牌的消費需求，為本集團在泛娛樂消費領域創造廣闊的發展空間。

電影、電視劇及綜藝節目製作及發行方面，本集團的多個項目目前正在籌備當中，包括都市職場勵志電視劇《理想之城》、都市新偶像劇《狐狸的浪漫史》、懸疑推理劇《刀鋒上的救贖》，網絡綜藝節目《潮流出動》以及《喜歡你，我也是》第三季。其中，都市職場勵志電視劇《理想之城》即將於2020年下半年開機拍攝，將由知名演員孫儷及趙又廷領銜主演，白玉蘭獎獲得者劉進擔任導演，以及著名策劃吳兆龍監製劇本。基於第一、第二季良好的表現和網絡熱度，本集團亦考慮開拍《喜歡你，我也是》第三季，以打造延續多個季度的自有綜藝品牌。此外，本集團將對一系列高人氣版權進行開發製作，包括《愛有天意》、《如意蛋》、《半城風月》、《桃花債》、《抱住錦鯉相公》、《洛卡爾定律》、《鮮花寶座》及《今天開始成為夫妻》等。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In respect of self-owned retail brand, following the initial launch of White Peach Oolong and Grape Oolong, the brand of “蜜切觀茶EYETEA” will continue to put various tastes of the tipsy type and the fruity type on the market in order to offer more options for consumers. Moreover, the Group will release multiple brands step by step according to the elaborated plan in relation to products for the second half of 2020 including a teen trend lifestyle brand, a high-class stylish unisex cosmetic brand and a delicate cosmetic brand with the aim to attract fashion aficionados aged between 20 and 40 by way of the personalized product designs and differentiated brand positions. The Group will continuously enhance brand recognition and business values through social media such as Taobao, Weibo, Douyin and Little Red Book and endorsement from artistes and celebrities. By leveraging its popular comprehensive copyright reserves of film, television and variety show, quality content creation teams, full industry chain resources of cash-generating well-known celebrities and low costs of celebrity cultivation, the Group’s self-owned retail brand is expected to become the influential figure for artistes and celebrities and forge the collaborative relationship between its internal film and television copyright and external brands. As a result, the Group not only frequently provides unique and quality service experience for customers but also further demonstrates to the public its efforts on the pan-entertainment sector and its strategic planning for long-term development.

Note that the Group made adjustment to its original relevant debt after the approval of substantial shareholders during the year under review including no specified repayment date and significant decrease in fixed interest level. The debt adjustment indicates that substantial shareholders are optimistic about the Group’s future development and provides strong support to the Company’s result growth in the future.

As a diverse development enterprise focusing on film, television and variety show content creation and production with the spirit of business value “Enabling”, the Group will make good use of combined resources of scriptwriting, direction and celebrity to cultivate, explore and create popular films and television copyrights by continuously offering quality content and nurturing talented artistes in order to develop its self-owned full industry chain model and construct an unique soft-power moat, thereby continuously enhancing profitability, sharpening competitive edges in the industry and generating favorable returns for the Group’s shareholders.

自有零售品牌方面，繼首批白桃烏龍茶及葡萄烏龍茶兩款口味順利發佈後，「蜜切觀茶EYETEA」品牌將乘勢推出微醺系列及果茶系列的多款口味，為消費者帶來更多選擇。此外，本集團亦計劃於2020年下半年根據產品的具體規劃陸續推出多個新品牌，包括年輕潮流生活品牌、高級時尚中性彩妝品牌以及輕奢彩妝品牌，以個性化的產品設計和差異化的品牌定位吸引20-40歲的時尚達人，通過淘寶、微博、抖音及小紅書等社交平台以藝人、紅人代言等方式持續提升品牌知名度和商業價值。依託本集團全方位覆蓋人氣影視綜版權儲備、優秀內容創作團隊和流量明星藝人的全產業鏈頭部資源以及紅人批量孵化的低成本優勢，自有零售品牌的推出有望成為藝人及紅人影響力的載體，實現本集團內部影視版權與外部品牌的跨界合作，在給消費者帶來源源不斷的新鮮感和優質服務體驗的同時，向市場進一步證明本集團在泛娛樂行業的沉澱以及長遠發展的戰略規劃。

特別值得一提的是，本集團在回顧年度內獲得主要股東確認並對原有相關債務進行調整，包括不再設定具體的還款日期以及極大降低固定利息水平。該債務調整體現了主要股東對於本集團未來發展的極大信心，也為公司未來業績增長提供了強有力支援。

作為一家以影視綜內容創製賦能商業價值的多元化發展企業，本集團將集成編劇、導演、藝人資源，通過持續輸出優質內容、培養優秀藝人，孵化、發掘和創制人氣影視版權以打造自有全產業鏈模式，構築獨具特色的軟實力護城河，從而不斷提升盈利能力及增強行業競爭優勢，為本集團股東帶來理想回報。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Zhang Liang, Johnson (“Mr. Zhang”), aged 39, was appointed as an executive Director and the chairman of the Board on 13 December 2017. Mr. Zhang is responsible for the overall corporate and business development and strategic direction of the Group, and provides leadership for the Board of Directors. He is an entrepreneur in various industries, including real estate and energy etc. Mr. Zhang has more than 9 years of experience in the energy sector. He is a controlling shareholder and an executive director of Kinetic Mines and Energy Limited (stock code: 1277), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) which principally engages in coal production and coal trading. Mr. Zhang is also a controlling shareholder and an executive director of Brainhole Technology Limited (formerly known as Top Dynamic International Holdings Limited) (stock code: 2203), a company listed on the Main Board of the Stock Exchange. Mr. Zhang has more than 11 years of experience in the real estate sector. He is a director of Seedland Construction Holdings Limited, a company incorporated in Hong Kong on 15 July 2008 with limited liability which, through its subsidiaries, principally engaged in real estate business.

Ms. Zhao Wenzhu (“Ms. Zhao”), aged 35, joined the Company as the President of the Company on 17 September 2018 and was appointed as an executive Director of the Company on 26 November 2018. She holds a Master of Filmography from the Communication University of China. Ms. Zhao has over 10 years of experience in mass communications. She is a dynamic leader with broad exposure and has spearheaded growth initiatives in her different roles in various companies in mass communication. Ms. Zhao is currently the general manager of Houhai Culture, the manager and an executive director of Tianjin Chuan Di Zhong Xing Entertainment Limited* (天津傳遞眾星娛樂有限公司) (since March 2019), an executive director of Tianjin Chuan Di Si Li Culture Media Limited* (天津傳遞四力文化傳媒有限公司) (since June 2019), a director of Tianjin Chuan Di Wei Lai Culture Media Limited* (天津傳遞未來文化傳媒有限公司) (since June 2019), and an executive director of Tianjin Chuan Di Shuo Chi Advertising Limited* (天津傳遞樂馳廣告有限公司) (since August 2019), being subsidiaries of the Group. Prior to this, she was the deputy director of Dongyang Sansang Media Co., Ltd.* (東陽三尚傳媒股份有限公司) until 2013. She was also the distribution director and vice-president of Beijing Xishiji Film and Television Culture Development Co., Ltd.* (北京希世紀影視文化發展有限公司) in 2014 and the general manager and vice-president of the department of filmography and television of Nanjing Avenue Hengzhi Culture Media Co., Ltd.* (南京大道行知文化傳媒有限公司) from 2014 to 2016. She gained abundant experience by participating in many television entertainment shows and television series before, including “Three Kingdoms” (《三國》), “Long Trip to Beautiful Rivers and Mountains” (《秀麗江山》), “The Lost Tomb” (《盜墓筆記》), “Go Fighting” (《極限挑戰》) and “Give Me Five” (《高能少年團》).

* For identification only

張量先生(「張先生」)，39歲，於2017年12月13日獲委任為執行董事及董事會主席。張先生負責本集團之整體企業及業務發展以及策略方向，並領導董事會。彼為多個行業之企業家，包括房地產及能源等。張先生於能源領域擁有逾9年經驗。彼為香港聯合交易所有限公司(「聯交所」)主板上市公司力量礦業能源有限公司(股份代號：1277)之控股股東兼執行董事。該公司主要從事煤炭生產及煤炭買賣。張先生亦是聯交所主板上市公司腦洞科技有限公司(前稱泰邦集團國際控股有限公司)(股份代號：2203)之控股股東兼執行董事。張先生亦於房地產領域擁有逾11年經驗。彼為實地建設集團有限公司之董事。該公司於2008年7月15日在香港註冊成立為有限公司，透過其附屬公司主要從事房地產業務。

趙文竹女士(「趙女士」)，35歲，於2018年9月17日加入本公司擔任本公司之總裁，並於2018年11月26日獲委任為本公司之執行董事。彼於中國傳媒大學修畢電影學碩士學位。趙女士於大眾傳播業擁有逾10年經驗。彼為有魄力之領袖，在業內有廣泛聯繫，於大眾傳播業多家公司擔任不同職務，領導公司業務發展。趙女士現任厚海文化之總經理、本集團附屬公司天津傳遞眾星娛樂有限公司之經理及執行董事(自2019年3月起)、天津傳遞四力文化傳媒有限公司之執行董事(自2019年6月起)、天津傳遞未來文化傳媒有限公司之董事(自2019年6月起)及天津傳遞樂馳廣告有限公司之執行董事(自2019年8月起)。在此之前，彼於東陽三尚傳媒股份有限公司擔任副主任至2013年。於2014年，彼亦為北京希世紀影視文化發展有限公司之發行總監及副總裁，並自2014年至2016年擔任南京大道行知文化傳媒有限公司影視部門之總經理及副總裁。彼通過參與多部電視娛樂節目及電視劇累積許多經驗，其中包括《三國》、《秀麗江山》、《盜墓筆記》、《極限挑戰》及《高能少年團》。

* 僅供識別

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Lee Hin Kwong, Patrick (“Mr. Lee”), aged 45, was appointed as an executive Director on 1 December 2017. Mr. Lee has over 17 years of experience in the financial services industry. He obtained a Bachelor of Business degree from the La Trobe University, Melbourne Victoria Australia in 1997. During the period from 1997 to 2006, he was employed by HSBC Broking Securities (Asia) Ltd with his last position as a vice president. He was also a type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) licensed representative of the HSBC group from 2003 to 2004, and a type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 3 (leveraged foreign exchange trading) licensed representative of the HSBC group from 2003 to 2006. He then worked as the personal assistant of Mr. Zhang, an existing executive Director and the chairman of the Board and the controlling shareholder of the Company, from 2006 to 2011. Since 2011, he has been employed as a financial analyst by Kinetic (Asia) Limited which is a wholly owned subsidiary of Kinetic Mines and Energy Limited (stock code: 1277), a company listed on the Main Board of the Stock Exchange, of which Mr. Zhang is an executive director and a controlling shareholder. Since 2016, he has also been a director of Seedland Construction Holdings Limited, a company indirectly wholly owned by Mr. Zhang.

李憲光先生(「李先生」)，45歲，於2017年12月1日獲委任為執行董事。於金融服務業擁有逾17年經驗。彼於1997年在澳大利亞維多利亞州墨爾本拉籌伯大學取得商學學士學位。於1997年至2006年期間，彼曾於滙豐金融證券(亞洲)有限公司任職，最後職位為副總裁。彼亦於2003年至2004年擔任滙豐集團的第4類(就證券提供意見)、第5類(就期貨合約提供意見)、第6類(就機構融資提供意見)及第9類(提供資產管理)持牌代表，以及於2003年至2006年擔任滙豐集團的第1類(證券交易)、第2類(期貨合約交易)及第3類(槓桿式外匯交易)持牌代表。彼其後於2006年至2011年擔任本公司現時的執行董事兼董事會主席及控股股東張先生的私人助理。自2011年起，彼在力量礦業能源有限公司(一間於聯交所主板上市的公司，股份代號：1277)(張先生為該公司之執行董事及控股股東)的全資附屬公司力量(亞洲)有限公司一直受聘為金融分析師。自2016年起，彼亦一直擔任實地建設集團有限公司的董事，該公司由張先生間接全資擁有。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Bo (“Mr. Wang”), aged 44, was appointed as an independent non-executive Director on 13 December 2017. Mr. Wang has over 22 years of experience in financing and insurance industry. He received from the Sun Yat-Sen University in China his Bachelor of International Accounting degree minoring in international finance in June 1998. He was the general manager of Guangdong Baolihua New Energy Stock Co., Ltd. (stock code: 000690), a company listed on the Shenzhen Stock Exchange from August 2015 to March 2018. From July 1998 to June 2015, he was employed by Guangdong Finance Investment (Holding) Corporation Limited with his last position as the deputy general manager in the financial planning department. During the course of employment with Guangdong Finance Investment (Holding) Corporation Limited, he also served as the deputy general manager of Guangdong Finance Trust Company Limited, the director of Zhong Cheng Vehicle Insurance Company Limited and Zhu Jiang Life Insurance Company Limited, and the supervisor in Guangdong Guanhao High-tech Co., Ltd. (stock code: 600433), a company listed on the Shanghai Stock Exchange.

獨立非執行董事

王波先生(「王先生」)，44歲，於2017年12月13日已獲委任為獨立非執行董事。王先生於融資及保險業擁有逾22年經驗。於1998年6月，彼獲中國中山大學頒授國際會計學士學位，副修國際金融。於2015年8月至2018年3月，彼為深圳證券交易所上市公司廣東寶麗華新能源股份有限公司(股份代號：000690)之總經理。於1998年7月至2015年6月，彼受聘於Guangdong Finance Investment (Holding) Corporation Limited，離職前職位為財務策劃部副總經理。於Guangdong Finance Investment (Holding) Corporation Limited任職期間，彼亦擔任廣東粵財信託有限公司之副總經理、Zhong Cheng Vehicle Insurance Company Limited及Zhu Jiang Life Insurance Company Limited之董事，以及上海證券交易所上市公司廣東冠豪高技術股份有限公司(股份代號：600433)之監事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Xiang Feng (“Mr. Xiang”), aged 43, was appointed as an independent non-executive Director on 13 December 2017. Mr. Xiang has over 15 years of experience in the movie industry. He received his Bachelor of Economics degree from the University of International Business and Economics in China in July 1998 and his Master of Arts in Media Production degree from the Griffith University in Australia in April 2005. He has been a general manager of Funtasy Pictures Co., Ltd. since February 2015. He has also been a supervisor of Fengzhimeng Visual Media Culture (Beijing) Company Limited from October 2013 to March 2019. Previously he has served as the chief operating officer of the Entgroup from March 2009 to September 2010. Mr. Xiang was also the executive producer of the movie “No Liar, No Cry”, the art director interpreter of the movie “the Mummy, Tomb of the Dragon Emperor”, the script planner of the movie “Cities in Love”, the bilingual production coordinator of the movie “Up in the Wind”, and the line producer of the movie “Last Flight”.

Mr. Chang Eric Jackson (“Mr. Chang”), aged 40, was appointed as an independent non-executive Director on 13 December 2017. Mr. Chang has over 17 years of experience in accounting, finance and business advisory work. He received his Bachelor of Commerce degree from the University of British Columbia in May 2002. He is a member of the Hong Kong Institute of Certified Public Accountants since September 2005 and the American Institute of Certified Public Accountants since January 2005. Mr. Chang has been an independent non-executive director of DL Holdings Group Limited (previously known as Season Pacific Holdings Ltd) (stock code: 1709), a company listed on the Main Board of the Stock Exchange since May 2018. From September 2019 to May 2020, Mr. Chang was the independent non-executive director of Centenary United Holdings Limited (stock code: 1959), a company listed on the Main Board of the Stock Exchange since 18 October 2019. He had been the chief financial officer, company secretary and an authorised representative under the Listing Rules and under Part 16 of the Companies Ordinance (Chapter 622 of the laws in Hong Kong) of China Tangshang Holdings Limited (previously known as Culture Landmark Investment Limited) (stock code: 674), a company listed on the Main Board of the Stock Exchange, from April 2017 to August 2019. He was also a non-executive director of Sino Vision Worldwide Holdings Limited (previously known as DX.com Holdings Limited) (stock code: 8086), a company listed on the GEM of the Stock Exchange, from May 2017 to July 2018. From July 2015 to April 2017, Mr. Chang served as the executive director, chief financial officer, joint company secretary and authorised representative of ZH International Holdings Limited (stock code: 185), a company listed on the Main Board of the Stock Exchange.

向峰先生(「向先生」)，43歲，於2017年12月13日獲委任為獨立非執行董事。向先生於電影業擁有逾15年經驗。於1998年7月，彼獲中國對外經濟貿易大學頒授經濟學學士學位，並於2005年4月獲澳洲格裏菲斯大學(Griffith University)頒授媒體製作文學碩士學位。自2015年2月以來，彼擔任Funtasy Pictures Co., Ltd.之總經理。自2013年10月至2019年3月，彼亦擔任Fengzhimeng Visual Media Culture (Beijing) Company Limited之監事。彼過去於2009年3月至2010年9月曾出任藝恩(Entgroup)之首席營運官。向先生亦為電影《不怕賊情記》之執行監製、電影《神鬼傳奇3》之藝術總監翻譯、電影《戀愛中的城市》之編劇、電影《等風來》之雙語製作統籌，以及電影《絕命航班》之執行製片。

張世澤先生(「張先生」)，40歲，於2017年12月13日獲委任為獨立非執行董事。張先生在會計、財務及商業諮詢工作方面具備逾17年經驗。於2002年5月，彼獲英屬哥倫比亞大學頒授商學士學位。自2005年9月及2005年1月以來，彼為香港會計師公會及美國註冊會計師公會之會員。自2018年5月起，張先生擔任聯交所主板上市公司德林控股集團有限公司(前稱雲裳衣控股有限公司)(股份代號：1709)之獨立非執行董事。於2019年9月至2020年5月，張先生擔任世紀聯合控股有限公司(一間自2019年10月18日起於聯交所主板上市的公司)(股份代號：1959)之獨立非執行董事。於2017年4月至2019年8月，彼擔任聯交所主板上市公司中國唐商控股有限公司(前稱文化地標投資有限公司)(股份代號：674)之財務總監、公司秘書及根據上市規則及香港法例第622章公司條例第16部的授權代表。彼自2017年5月至2018年7月亦為聯交所GEM上市公司新維國際控股有限公司(前稱DX.com控股有限公司)(股份代號：8086))之非執行董事。於2015年7月至2017年4月，張先生曾擔任聯交所主板上市公司正恒國際控股有限公司(股份代號：185)之執行董事、財務總監、聯席公司秘書及授權代表。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

SENIOR MANAGEMENT

Ms. Zhang Tingting (“Ms. Zhang”), aged 42, joined Houhai Culture on 1 July 2018. Ms. Zhang is currently the deputy general manager of Houhai Culture and the general manager of Tianjin Chuan Di Si Li Culture Media Limited* (天津傳遞四力文化傳媒有限公司), a wholly-owned subsidiary of the Group. She obtained a Bachelor’s degree in journalism from Communication University of China and did further study at Peking University of China and the University of Cambridge of the United Kingdom. Ms. Zhang has over 20 years of experience in the media and film and television industry, during which she was responsible for the production and direction as well as the arrangement and operation of channels of Anhui TV, established the branding department and was in charge of the broadcasting channel operation and the national promotion of various projects, such as Mao Ren Chao Ji Mei Li Host Show (“貓人超級魅力主持秀”) (the promotion of artists like Liu Yan, Xie Nan and Shi Yang), Domestic TV Series Ceremony and the New Four Great Classical Novels.

Mr. Ma Jin (“Mr. Ma”), aged 37, joined Houhai Culture on 1 December 2017. Mr. Ma is currently the deputy general manager of Houhai Culture, an executive Director of Tianjin Miu Si Culture Media Limited* (天津繆斯文化傳媒有限公司), a wholly-owned subsidiary of the Group and the general manager of Chuan Di Living Technology (Tianjin) Limited* (傳遞生活科技(天津)有限公司). He graduated from Zhejiang University of Technology with a Bachelor degree in Law and obtained a professional certificate in production and direction from the academy of visual arts of the Shanghai Fudan University. Mr. Ma has over 8 years of experience in variety shows and the film and television industry. From 2012 to 2015, he has been the assistant of general manager of Blue Star Company under the Zhejiang Radio and TV Group as well as being responsible for and participating in the production, planning and promotion of variety show “Running Man” (《奔跑吧兄弟》) as well as movies like “Running Man” (《跑男》), “Monster Hunt” (《捉妖記》). From 2015 to November 2016, he was the general manager of TV entertainment show department of the Beijing Jingxi Culture & Tourism Co., Ltd (stock code: 000802.SZ) who was responsible for the content production and artist arrangement of Dragon TV’s variety shows “Go Fighting” (《極限挑戰》) and “Girls Fighting” (《加油美少女》). He was the executive filmmaker of Zhejiang TV’s “Give Me Five” (《高能少年團》) Season I and II as well as the executive filmmaker of iQIYI love programme “I Love You, Me Too” (《喜歡你，我也是》).

* For identification only

高級管理層

張婷婷女士(「張女士」)，42歲，於2018年7月1日加入厚海文化，現擔任厚海文化之副總經理以及本集團之全資附屬公司天津傳遞四力文化傳媒有限公司之總經理。彼於中國傳媒大學修畢新聞學學士學位，並先後於中國北京大學、英國劍橋大學進修學習。張女士於傳媒影視行業擁有超過20年經驗，曾於安徽衛視從事主持編導、頻道編排運營工作，創立品牌推廣部、主管安徽衛視劇集評估採購，並先後負責《貓人超級魅力主持秀》(柳岩、謝楠、師洋等藝人的包裝推廣工作)、《國劇盛典》、新版四大名著等多個項目的頻道播出運營和全國推廣工作。

馬進先生(「馬先生」)，37歲，於2017年12月1日加入厚海文化，現擔任厚海文化之副總經理、本集團之全資附屬公司天津繆斯文化傳媒有限公司之執行董事以及傳遞生活科技(天津)有限公司之總經理。彼於浙江工業大學修畢法學專業學士學位，並持有上海復旦大學視覺藝術學院編導專業證書。馬先生於綜藝影視行業擁有8年經驗，自2012年至2015年先後擔任浙江廣電集團藍巨星公司總經理助理、浙江衛視節目中心負責及參與綜藝節目《奔跑吧兄弟》、院線電影《跑男》、《捉妖記》等項目的製作策劃宣傳工作。2015年至2016年11月於上市公司北京京西文化旅遊股份有限公司(股份代號：000802.SZ)任職綜藝事業部總經理，負責綜藝東方衛視《極限挑戰》、《加油美少女》的內容製作和藝人統籌工作。彼曾擔任浙江衛視《高能少年團》一、二季總製片人，以及愛奇藝戀愛暖綜《喜歡你我也是》總製片人。

* 僅供識別

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Wang Jun, aged 39, joined Houhai Culture on 1 April 2017. Mr. Wang Jun is currently the deputy general manager of Houhai Culture, the vice-president of Guangzhou Daide Management Consultancy Company Limited (“Guangzhou Daide”), a subsidiary of the Group, the general manager of Tianjin Chuan Di Zhong Xing Entertainment Limited* (天津傳遞眾星娛樂有限公司), the general manager of Tianjin Chuan Di Wei Lai Culture Media Limited* (天津傳遞未來文化傳媒有限公司), the general manager of Chuan Di Family (Shanghai) Technology Limited* (傳遞家族(上海)科技有限公司) and the general manager of Tianjin Chuan Di Ai Yu Culture Limited* (天津傳遞愛娛文化有限公司). He graduated from the Business School of the University of Shanghai for Science and Technology with a bachelor’s degree in management. Mr. Wang Jun has 16 years of experience in the film and television industry and was the vice president of Cathay Media (Beijing) Co., Ltd. from 2014 to 2016, of which he was responsible for the production and marketing of TV dramas, namely “Gods of Honour” (《封神》) and “The Condor Heroes” (《神雕俠侶》). From 2013 to 2014, he was the marketing director of 唐人影視股份有限公司 and was responsible for the production and marketing of the TV drama namely “Bu Bu Jing Qing” (《步步驚情》) as well as the promotion of artists like Hu Ge, Liu Shishi and Gulnazha. From 2004 to 2012, he was the promotion director of 北京榮信達影視藝術有限公司 who was responsible for TV dramas, namely “the Dream of the Red Chamber” (《紅樓夢》), “Ma La Po Xi” (《麻辣婆媳》) and movies like “Gongfu Xia” (《功夫俠》) and “Door” (《門》) as well as the promotion of artists ranging from Chen Kun, Yang Mi, Yang Yang and Li Qin.

王俊先生，39歲，於2017年4月1日加入厚海文化。王俊先生現擔任厚海文化之副總經理、本集團之附屬公司廣州戴德管理諮詢有限公司(「廣州戴德」)之副總裁、天津傳遞眾星娛樂有限公司之總經理、天津傳遞未來文化傳媒有限公司之總經理、傳遞家族(上海)科技有限公司之總經理以及天津傳遞愛娛文化有限公司之總經理。彼於上海理工大學商學院修畢管理學士學位。王俊先生於影視行業擁有16年經驗，自2014年至2016年於華夏視聽環球傳媒有限公司任職副總裁，負責電視劇《封神》、電視劇《神雕俠侶》等項目的製作和營銷工作。自2013年至2014年於唐人影視股份有限公司任職營銷總監，負責電視劇《步步驚情》的製作和營銷工作，以及胡歌、劉詩詩、古力娜扎等藝人的宣傳工作。自2004年至2012年在北京榮信達影視藝術有限公司任職宣傳總監，負責電視劇《紅樓夢》、《麻辣婆媳》、電影《功夫俠》、《門》等項目的營銷工作，以及陳坤、楊冪、楊洋、李沁等藝人的宣傳工作。

* For identification only

* 僅供識別

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. He Xian (“Mr. He”), aged 34, joined Houhai Culture on 26 October 2016. Mr. He is currently the producer of Houhai Culture and the general manager of Tianjin Chuan Di Kua Ke Culture Media Limited* (天津傳遞夸克文化傳媒有限公司), a wholly-owned subsidiary of the Group. He graduated from the Communication University of China with a Master’s degree in filming. Mr. He has 9 years of experience in the film and television industry, of which he was in charge of film and television program planning and distribution in Dongyang Sansang Media Co., Ltd.* (東陽三尚文化傳媒公司) and was responsible for the post-production and overseas distribution of the movie version of “New Romance of the Three Kingdoms” (《新三國》) from 2011 to 2014. He was the producer of Nanjing Avenue Hengzhi Culture Media Co., Ltd.* (南京大道行知文化傳媒有限公司) from 2014 to 2016, during which he was the executive producer of “Singing All Along” (《秀麗江山之長歌行》), the executive producer of TV drama “Naughty Grandfather and Grandson” (《淘氣爺孫》), the executive producer of web drama “The Lost Tomb” (《盜墓筆記》), the joint producer of movie “Bad Guys Always Die” (《壞蛋必須死》) and the executive producer of “Go Fighting – Royal Treasure” (《極限挑戰之皇家寶藏》). He is currently responsible for web dramas namely “Hikaru no Go” (《棋魂》), “Persuader” (《甲方乙方之勸退師》) and “Love Destiny” (《愛有天意》).

Mr. Li Xiaoming (“Mr. Li”), aged 64, joined the Group on 15 June 2019 and is currently the director of literature of the Group. He graduated from Beijing Normal University with a Bachelor’s degree in Chinese language in 1982. Mr. Li is a Chinese renowned scriptwriter, from 1982 to 2010, he worked for Beijing TV Art Center as the deputy director, and served as the script producer in Xinli Media and Limon Pictures. His classic works, including his early works such as “Yearnings” (《渴望》), “Beijinger in New York” (《北京人在紐約》), “Satisfied” (《過把癮》) and “Love Story in Shanghai” (《像霧像雨又像風》), and modern dramas on which he served as the producer in recent years such as “May-December Love” (《大丈夫》) and “The First Half Of My Life” (《我的前半生》).

Ms. Lau Yee Wa (“Ms. Lau”) was appointed as the company secretary of the Company and the authorized representative under Rule 3.05 of the Listing Rules on 4 April 2018. Ms. Lau has over 20 years of experience in the corporate secretarial field and provides professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Lau is a Chartered Secretary and an Associate of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom. She holds a Bachelor’s degree in Business Administrative Management from University of South Australia. Ms. Lau is a senior manager of the corporate services division of Tricor Services Limited.

何弦先生(「何先生」), 34歲, 於2016年10月26日加入厚海文化, 現擔任厚海文化之製片人以及本集團之全資附屬公司天津傳遞夸克文化傳媒有限公司之總經理。彼於中國傳媒大學修畢電影專業碩士學位。何先生於影視行業擁有9年經驗, 自2011年至2014年於東陽三尚文化傳媒公司從事影視策劃及發行, 負責電影版《新三國》的後期製作及海外發行人工作。彼自2014年至2016年於南京大道行知文化傳媒有限公司擔任製片人, 曾擔任電視劇《秀麗江山之長歌行》之監製、電視劇《淘氣爺孫》之執行製片人、網劇《盜墓筆記》之執行製片人、電影《壞蛋必須死》之聯合製片人, 以及電影《極限挑戰之皇家寶藏》之監製。彼目前負責網劇《棋魂》、《甲方乙方之勸退師》以及《愛有天意》等項目的工作。

李小明先生(「李先生」), 64歲, 於2019年6月15日加入本集團, 現擔任本集團之文學總監。彼於1982年畢業於北京師範大學, 獲中文系學士學位。李先生為中國著名編劇, 自1982年至2010年曾擔任北京電視藝術中心副主任, 以及曾於新麗傳媒和檸萌影業擔任劇本總策劃職務。彼之經典作品包括早期的編劇作品《渴望》、《北京人在紐約》、《過把癮》、《像霧像雨又像風》, 以及近年在其中擔任總策劃的《大丈夫》、《我的前半生》等現代劇。

劉綺華女士(「劉女士」)於2018年4月4日獲委任為本公司之公司秘書及上市規則第3.05條項下之授權代表。劉女士於公司秘書領域擁有超過20年經驗並為香港上市公司以及跨國、私營及離岸公司提供專業公司服務。劉女士為特許秘書, 以及香港特許秘書公會及英國特許秘書及行政人員公會的會員。彼持有南澳大學工商管理學士學位。劉女士為卓佳專業商務有限公司企業服務部高級經理。

REPORT OF THE DIRECTORS

董事會報告

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company's subsidiaries are set out in Note 50 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business for the year ended 30 June 2020, a discussion on the Group's future business development and a description of the principal risks and uncertainties that the Group may be facing are set out in the Chairman's Statement on pages 6 to 7 and the Management Discussion and Analysis on pages 8 to 26 of this annual report. The capital risk management and financial risk management objectives and policies of the Group are set out in Notes 44 and 45(b) to the consolidated financial statements respectively. An analysis of the Group's performance during the year under review using financial key performance indicators is set out in the Financial Summary on pages 291 to 292 of this annual report. This discussion forms part of this report.

Environmental policies and performance

The Group respects the environment and is committed to the sustainable development of the environment and the society. For details of the Group's environmental policies and performance during the year under review, please refer to the Environmental, Social and Governance Report on pages 76 to 106 of this annual report.

Compliance with laws and regulations

The Group and its business operations are subject to various laws, rules and regulations. The Company seeks to ensure adherence to such laws, rules and regulations through various measures such as internal controls, approval procedures, staff trainings and overseeing the business operations at different levels of the Group. The Board also monitors the Group's policies and practices on compliance with relevant laws, rules and regulations on a regular basis.

董事欣然呈報截至2020年6月30日止年度董事會報告以及本集團經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本公司附屬公司的主要業務及其他詳情載於綜合財務報表附註50。

業務回顧

本集團業務截至2020年6月30日止年度的公平回顧、有關本集團業務未來發展的討論及本集團可能面臨的主要風險及不確定性的描述載列於本年報第6至7頁的主席報告及第8至26頁的管理層討論及分析。本集團的資本風險管理及財務風險管理目標及政策分別載列於綜合財務報表附註44及45(b)。本集團採用財務方面的關鍵績效指標進行的回顧年度內業績分析載列於本年報第291至292頁的財務摘要。該討論構成本報告的一部分。

環境政策及表現

本集團尊重環境並致力於環境及社會的可持續發展。關於回顧年度內本集團的環境政策及表現的詳情，請參閱本年報第76至106頁的環境、社會及管治報告。

遵守法律法規

本集團及其業務營運須遵守多項法律、規則及法規。本公司致力透過實施內部監控、審批程序、員工培訓及在本集團不同層面監察業務營運等多項措施，確保恪守該等法律、規則及法規。董事會亦定期監察本集團的政策及常規，確保遵守相關的法律、規則及法規。

REPORT OF THE DIRECTORS

董事會報告

So far as the Directors and senior management are aware of, for the year ended 30 June 2020, the Group has obtained the requisite approvals, permits, consents, licences and registrations for its business and operations.

To the best knowledge of the Directors, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 30 June 2020.

Key relationships with employees, customers and suppliers

The Group believes that its success depends on the support from key stakeholders which comprise employees, customers and suppliers.

The Group recognises that employees are the valuable assets of the Group. The Group has complied with the applicable employment laws and regulations and periodically review the remuneration package of the Group's employees with reference to market conditions and conform to the performance, qualifications and experience of employees.

The key customers of the Group include the co-producers, distributors and cinemagoers. The Group is committed to providing good quality service to its customers and enhance the loyalty of the customers by increasing the interaction with customers through social media platforms particularly in film exhibition business, which provide good development to the Group's overall performance in the long run.

The Group has maintained solid and good relationships with its suppliers which ensures quality supply so as to provide high quality films and services to customers.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 30 June 2020 is set out in the consolidated statement of profit or loss and other comprehensive income on pages 115 to 116 of this annual report.

The Directors do not recommend payment of any final dividend for the year ended 30 June 2020 (30 June 2019: Nil).

就董事會及高級管理層所知，截至2020年6月30日止年度，本集團已取得其業務及經營所需的批文、許可證、同意、牌照和註冊。

就董事於作出一切合理查詢後所知、所悉及所信，截至2020年6月30日止年度期間，本集團已在重大方面遵守對本集團業務及營運有重要影響之有關法律及法規。

與僱員、客戶及供應商的主要關係

本集團認為其成功取決於主要利益相關者(包括僱員、客戶及供應商)的支持。

本集團確認，僱員為本集團的寶貴資產。本集團已遵守適用的僱傭法律法規，並參照市況及遵照僱員的績效、資格及經驗對本集團僱員的薪酬方案進行定期檢討。

本集團的主要客戶包括聯合製片人、發行商及電影觀眾。本集團致力於通過社交媒體平台增加與客戶的互動(尤其是電影放映業務)，以便向其客戶提供優質服務及提升客戶的忠誠度，從而為本集團長期的整體表現提供良好的發展。

本集團已與該等確保優質供應的供應商維持穩固及良好的關係，以便向客戶提供優質的電影及服務。

業績及股息

本集團截至2020年6月30日止年度的虧損載於本年報第115至116頁的綜合損益及其他全面收益表。

董事不建議派付截至2020年6月30日止年度的任何末期股息(2019年6月30日：無)。

REPORT OF THE DIRECTORS

董事會報告

SEGMENT INFORMATION

Details of the segment information of the Group are set out in Note 6 to the consolidated financial statements.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the past five financial years as extracted from the consolidated financial statements in the annual reports 2015/16, 2016/17, 2017/18, 2018/19 and this annual report, respectively are set out on pages 291 to 292 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in Note 14 to the consolidated financial statements.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings during the year ended 30 June 2020 are set out in Note 31 to the consolidated financial statements of the Group (30 June 2019: HK\$65,220,000).

CAPITALISATION OF INTEREST

The Group has not capitalised any interest during the year ended 30 June 2020 (30 June 2019: Nil).

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 30 June 2020 are set out in Note 37 to the consolidated financial statements.

Details of other equity-linked agreements are included in the section headed "Share Option Scheme" in this report.

分部資料

本集團分部資料的詳情載於綜合財務報表附註6。

財務摘要

分別節錄自2015/16年度、2016/17年度、2017/18年度、2018/19年度年報及本年報內綜合財務報表的本集團過去五個財政年度的已公佈業績以及資產及負債摘要，載於本年報第291至292頁。

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註14。

銀行及其他借款

截至2020年6月30日止年度銀行及其他借款詳情載於本集團綜合財務報表附註31(2019年6月30日：港幣65,220,000元)。

資本化利息

截至2020年6月30日止年度，本集團並無資本化任何利息(2019年6月30日：無)。

股本

本公司股本於截至2020年6月30日止年度的變動詳情載於綜合財務報表附註37。

其他與股權關聯的協議的詳情載於本報告「購股權計劃」一節。

REPORT OF THE DIRECTORS

董事會報告

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 30 June 2020 are set out in Note 49 to the consolidated financial statements and in the consolidated statement of changes in equity on page 119 of this annual report, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$Nil (30 June 2019: HK\$34,036,000).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 30 June 2020.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2020, income received/receivable from the top five customers in aggregate accounted for approximately 51.6% of the Group's revenue (30 June 2019: 48.8%). During the same period, income received/receivable from the single largest customer accounted for approximately 27.8% of the Group's revenue (30 June 2019: 11.7%).

During the year ended 30 June 2020, the fees paid/payable to the top five suppliers in aggregate constituted approximately 33.0% (30 June 2019: 18.8%) of the Group's total fees paid/payable to the suppliers. During the same period, fees paid/payable to the largest supplier constituted approximately 12.3% (30 June 2019: 3.4%) of the Group's total fees paid/payable to the suppliers.

None of the Directors, their respective close associates or any shareholder of the Company (who to the knowledge of the Directors owns more than 5% of the share capital of the Company) had any interest in any of the top five customers and suppliers.

儲備

本公司及本集團儲備於截至2020年6月30日止年度的變動詳情分別載於綜合財務報表附註49及本年報第119頁的綜合權益變動表。

可供分派儲備

於2020年6月30日，按開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)計算，本公司的可供分派儲備約為港幣零元(2019年6月30日：港幣34,036,000元)。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2020年6月30日止年度內概無購買、出售或贖回本公司任何上市證券。

主要客戶及供應商

截至2020年6月30日止年度，已收／應收五大客戶的收入合共佔本集團收益約51.6%(2019年6月30日：48.8%)。同期已收／應收單一最大客戶的收入佔本集團收益約27.8%(2019年6月30日：11.7%)。

截至2020年6月30日止年度，已付／應付五大供應商費用合共佔本集團已付／應付供應商費用總額約33.0%(2019年6月30日：18.8%)。同期已付／應付最大供應商費用佔本集團已付／應付供應商費用總額約12.3%(2019年6月30日：3.4%)。

概無董事、彼等各自的緊密聯繫人或本公司任何股東(就董事所知持有本公司5%以上股本)於任何五大客戶及供應商中擁有任何權益。

REPORT OF THE DIRECTORS

董事會報告

EMOLUMENTS POLICY AND PENSION SCHEMES

The emoluments of the Directors are recommended by the remuneration committee of the Company (the “Remuneration Committee”) after considering factors such as the Company’s operating results, individual performance, salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee.

The Company has adopted a share option scheme (the “Scheme”) as an incentive to Directors and eligible employees who contribute to the success of the Group’s operations. Details of the Scheme are set out in the following section headed “Share Option Scheme” in this annual report. The Group has also adopted other employee benefit schemes which include a provident fund scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

Details of the emolument of the Directors and the five highest paid individuals of the Group are set out in Note 11 to the consolidated financial statements.

SHARE OPTION SCHEME

The Company operates the Scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. The Scheme was approved by the then sole shareholder of the Company on 5 October 2012. There were no outstanding share options under the Scheme as at 30 June 2019 and 2020. No share options have been granted, exercised or cancelled/lapsed under the Scheme during the years ended 30 June 2019 and 2020. Details of the Scheme are set out in Note 40 to the consolidated financial statements.

酬金政策及退休金計劃

董事酬金乃由本公司薪酬委員會(「薪酬委員會」)經考慮各項因素(如本公司的營運業績、個人表現、可資比較公司所付薪金、董事所投入時間及其職責以及本集團內其他職位的僱用情況)後作出建議。

本集團僱員之薪酬乃經參考市場條件及僱員個人表現、資歷及經驗後釐定。

本公司已採納一項購股權計劃(「該計劃」)以獎勵對本集團營運成功作出貢獻的董事及合資格僱員。該計劃的詳情載於本年報下文「購股權計劃」一節內。本集團亦已採納其他僱員福利計劃，包括根據強制性公積金計劃條例為香港僱員設立公積金計劃，並為中國僱員參與由有關地方政府組織及規管的僱員退休計劃。

董事酬金及本集團五名最高薪人士之詳情載於綜合財務報表附註11。

購股權計劃

本公司設有該計劃，旨在作為對本集團營運成功有所貢獻的合資格人士的獎勵及回報。該計劃於2012年10月5日獲得當時唯一的股東批准。於2019年及2020年6月30日，該計劃項下概無尚未行使購股權。於截至2019年及2020年6月30日止年度，該計劃項下概無購股權授出、行使或註銷/失效。該計劃之詳情載於綜合財務報表附註40。

REPORT OF THE DIRECTORS

董事會報告

EQUITY-LINKED AGREEMENTS

During the year under review, other than the share option scheme as set out in the paragraph headed "Share Option Scheme" of this annual report, the Company did not enter into any other equity-linked agreement, nor did any other equity-linked agreement exist during the year under review.

DIRECTORS

The Directors during the year ended 30 June 2020 and up to the date of this report were:

Executive Directors

Mr. Zhang Liang, Johnson (*Chairman*)
Ms. Zhao Wenzhu
Mr. Lee Hin Kwong, Patrick

Independent Non-Executive Directors

Mr. Wang Bo
Mr. Xiang Feng
Mr. Chang Eric Jackson

Pursuant to Article 84(1) of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Xiang Feng and Mr. Chang Eric Jackson will retire by rotation at the forthcoming annual general meeting, and being eligible, will offer themselves for re-election at the annual general meeting.

股票掛鈎協議

於回顧年度內，除本年報「購股權計劃」一段所載之購股權計劃外，本公司概無訂立任何其他股票掛鈎協議或於回顧年度內存在任何其他股票掛鈎協議。

董事

截至2020年6月30日止年度內及截至本報告日期的董事包括：

執行董事

張量先生(主席)
趙文竹女士
李憲光先生

獨立非執行董事

王波先生
向峰先生
張世澤先生

根據本公司組織章程細則第84(1)條，佔當時三分之一的董事(或倘人數並非三或三的倍數，則按最接近但不少於三分之一的人數計)將於每屆股東週年大會輪席告退，並合資格膺選連任。每名董事(包括按指定年期委任的董事)須至少每三年輪席告退一次。因此，向峰先生及張世澤先生將於應屆股東週年大會輪席退任及符合資格並願意於股東週年大會上膺選連任。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are disclosed in the section headed "Profile of Directors and Senior Management" on pages 27 to 32 of this annual report.

DIRECTORS' SERVICE AGREEMENTS

Each of Mr. Zhang Liang, Johnson, Ms. Zhao Wenzhu and Mr. Lee Hin Kwong, Patrick, being the executive Directors during the year under review, had each entered into with the Company a service contract for an initial fixed term of one year, three years and three years commencing from 13 December 2017, 26 November 2018 and 1 December 2017 respectively, renewable automatically until (i) terminated by not less than respectively one month's, two months' and one month's notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter or (ii) not being re-elected at an annual general meeting of the Company at which he retires and offers for re-election.

Each of Mr. Wang Bo, Mr. Xiang Feng and Mr. Chang Eric Jackson, being all the independent non-executive Directors during the year under review, had respectively renewed a letter of appointment with the Company in 2018. Each letter of appointment is for a term of one year from the date of the letter of appointment.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract/letter of appointment with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation)).

董事及高級管理層簡歷

董事及本集團高級管理層履歷詳情於本年報第27頁至32頁「董事及高級管理層簡歷」一節披露。

董事服務協議

張量先生、趙文竹女士及李憲光先生(於回顧年度內均為執行董事)各自己與本公司訂立服務合約，由2017年12月13日、2018年11月26日及2017年12月1日起計初步固定年期分別為一年、三年及三年，並自動續期，直至(i)由其中一方對對方發出不少於分別為一個月、兩個月及一個月的書面通知終止為止，而該通知將於初步期限結束時或其後任何時間屆滿；或(ii)董事於本公司股東週年大會上退任且有意重選連任但並無重選連任。

王波先生、向峰先生及張世澤先生(於回顧年度內均為獨立非執行董事)已各自於2018年與本公司更新委任書。每份委任書自委任書日期起計為期一年。

除上文所披露者外，概無董事與本公司或其任何附屬公司訂立或擬訂立任何服務合約／委任書(不包括於一年內屆滿或本集團可於一年內不付賠償(法定賠償除外)而終止的合約)。

REPORT OF THE DIRECTORS

董事會報告

CONFIRMATION OF INDEPENDENCE

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Details of Directors' interest in transactions, arrangements or contracts of significance in relation to the Group's business are set out in the section headed "Related Party Transactions/Connected Transactions/Continuing Connected Transactions" in this annual report and Note 48 to the consolidated financial statements.

Other than as disclosed above, there was no transaction, arrangement or contract of significance to which the Company or its subsidiaries, or its holding companies or any of its fellow subsidiaries was a party, and in which a Director was materially interested, whether directly or indirectly, subsisting during or at the end of the year ended 30 June 2020.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in Note 48 to the consolidated financial statements of which certain Directors engaged in film-related businesses, none of the Directors or the controlling shareholders of the Company or their respective associates as defined in the Listing Rules has any interest in any business which competes or may compete with the business of the Group during the year ended 30 June 2020.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during the year ended 30 June 2020.

CONTRACTS OF SIGNIFICANCE

Saved as disclosed above, there is no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries during the year ended 30 June 2020.

獨立性確認

本公司已從各獨立非執行董事接獲根據上市規則第3.13條發出的年度獨立性確認書，而本公司認為獨立非執行董事為獨立人士。

董事於重大交易、安排或合約的權益

董事於與本集團業務相關的重大交易、安排或合約權益詳情載於本年報「關聯方交易／關連交易／持續關連交易」一節及綜合財務報表附註48。

除上文所披露者外，截至2020年6月30日止年度期間或期末，本公司或其附屬公司或其控股公司或其任何同系附屬公司概無訂立董事直接或間接擁有重大權益的重大交易、安排或合約。

董事於競爭業務的權益

除綜合財務報表附註48披露若干董事從事電影相關業務外，截至2020年6月30日止年度，概無董事或本公司控股股東或彼等各自的聯繫人（定義見上市規則）於任何對本集團業務構成競爭或可能構成競爭的業務擁有任何權益。

管理合約

截至2020年6月30日止年度，概無訂立或存在任何有關本公司全部或絕大部分業務管理與行政之合約。

重大合約

除上文所披露者外，截至2020年6月30日止年度，本公司或其任何附屬公司與控股股東或其任何附屬公司並無訂立重大合約。

REPORT OF THE DIRECTORS

董事會報告

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

As at 30 June 2020, the interests of Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Appendix 10 to the Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Position in shares and underlying shares of the Company

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

Note:

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

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於2020年6月30日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例「(證券及期貨條例)」第XV部)的股份及相關股份中擁有須根據證券及期貨條例第XV部第7及8分部規定知會本公司及聯交所的權益(包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益)，及須記錄於本公司根據證券及期貨條例第352條所存置登記冊的權益，或須根據上市規則附錄十有關董事進行證券交易的規定知會本公司及聯交所的權益如下：

於本公司股份及相關股份的倉位

附註：

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

REPORT OF THE DIRECTORS

董事會報告

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

As at 30 June 2020, the interests of the persons, other than the interests disclosed above in respect of Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

主要股東於本公司股份及相關股份的權益及淡倉

於2020年6月30日，以下人士(上文所披露的董事或本公司行政總裁的權益除外)於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定知會本公司及聯交所的權益，及記錄於本公司根據證券及期貨條例第336條所存置登記冊的權益，或以其他方式知會本公司的權益：

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

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Notes:

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

Save as disclosed above, as at 30 June 2020, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections headed "Share Option Scheme" and "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" in this annual report, at no time during the year ended 30 June 2020 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

附註：

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

除上文所披露者外，於2020年6月30日，本公司並不知悉任何人士(董事或本公司行政總裁除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定向本公司披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條所存置登記冊的權益或淡倉。

購入股份或債券的權利

除本年報「購股權計劃」及「董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉」兩節所披露者外，截至2020年6月30日止年度內，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等各自的緊密聯繫人(定義見上市規則)有權認購本公司或其任何相聯法團(定義見證券及期貨條例)的證券，或可藉購入本公司或任何其他法人團體的股份或債券而獲利。

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PERMITTED INDEMNITY PROVISIONS

The Company's Articles of Association provides that the Directors and officers shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses with they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty.

The Company has arranged appropriate insurance coverage on directors' and officers' liabilities in respect of any legal actions against the Directors and senior management of the Group that may be incurred in the course of performing their duties.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 56 to 75 of this annual report.

RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS

Details of related party transactions of the Group during the year ended 30 June 2020 are set out in Note 48 to the consolidated financial statements. All of these related party transactions are connected transactions/continuing connected transactions fully exempted under Rule 14A.76(1) of Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CONTRACTUAL ARRANGEMENTS

Guangzhou Daide Management Consultancy Company Limited ("Guangzhou Daide"), through its wholly-owned subsidiary, Houhai Culture as operating company and its subsidiary (the "Korgas Group"), is principally engaged in TV entertainment show and TV program production and operation (including introduction business). Guangzhou Daide is a limited liability company established under the laws of the PRC and is owned as to 99% by Mr. TANG Jimin ("Mr. Tang") (唐繼敏) and 1% by Ms. WANG Qinyang ("Ms. Wang") (王青陽), being the equity owners of Guangzhou Daide nominated by the Company (the "PRC Equity Owners").

允許彌償保證條文

本公司的組織章程細則規定，董事及高級職員須就彼等將或可能由於執行其職責時或與執行其職責有關所進行、同意或疏忽的任何行為而產生或維持的所有行動、成本、費用、損失、損害賠償及支出而自本公司的資產及溢利中獲彌償。

本公司已就董事及本集團高級管理層於履行其職責時可能引發的任何法律訴訟中有關董事及高級職員的責任安排適當的保險範圍。

企業管治

本公司致力維持高水平企業管治常規。有關本公司採納的企業管治常規資料載於本年報第56至75頁企業管治報告。

關聯方交易／關連交易／持續關連交易

有關本集團於截至2020年6月30日止年度的關聯方交易詳情載於綜合財務報表附註48。所有該等關聯方交易為獲完全豁免遵守上市規則第14A章第14A.76(1)條規定的關連交易／持續關連交易。本公司確認，其已根據上市規則第14A章遵守披露規定。

合約安排

廣州戴德管理諮詢有限公司(「廣州戴德」)通過其全資附屬公司厚海文化(為營運公司及其附屬公司(「霍爾果斯集團」))，主要從事電視綜藝節目及電視節目製作及營運(包括介紹業務)。廣州戴德乃根據中國法律成立之有限公司，由唐繼敏先生(「唐先生」)及王青陽女士(「王女士」)(為本公司指定廣州戴德之股權擁有人(「中國股權擁有人」)分別擁有99%及1%權益。

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Financial contribution of the Khorgas Group to the Group

The aggregate revenues of the Khorgas Group that were attributable to the Group through the VIE Operating Agreements amounted to approximately HK\$240,000,000 for the year ended 30 June 2020. As at 30 June 2020, the net assets attributable to the Khorgas Group were approximately HK\$159,000,000.

On 27 May 2018, Guangzhou Huohua Investment Company Limited (“Guangzhou Huohua”), Guangzhou Daide and the PRC Equity Owners entered into the VIE acquisition agreement (the “VIE Acquisition Agreement”), pursuant to which the parties shall upon completion enter into the VIE operating agreements. VIE operating agreements comprised the exclusive operation service agreement, the exclusive option agreements, the entrustment agreements and powers of attorney, the equity pledge agreements and the loan agreement (collectively are referred to as the “VIE Operating Agreements”). Under the VIE Operating Agreements, Guangzhou Huohua will have effective control over the finance and operation of Guangzhou Daide and Houhai Culture and will enjoy the entire economic interests and benefits generated by Guangzhou Daide and the Khorgas Group from completion (the “Contractual Arrangements”), for a cash consideration of RMB450,000,000 (subject to any downward adjustment as contemplated by the profit guarantee agreement).

Reasons for the Contractual Arrangements

Houhai Culture is a limited liability company established under the laws of the PRC and is principally engaged in TV entertainment show and TV program production and operation (including introduction business). Pursuant to the Catalogue of Industries for Guiding Foreign Investment (2017 revised version) (《外商投資產業指導目錄(2017年修訂)》) (the “Catalogue”) promulgated by the Ministry of Commerce, the principal business of Houhai Culture, falls within the prohibited industry for foreign investment. In light of the abovementioned foreign ownership restriction, in order to comply with applicable PRC laws and regulations and obtain the entire economic benefits attributable to the Khorgas Group, Guangzhou Huohua (a wholly-owned subsidiary of the Company), Guangzhou Daide and the PRC Equity Owners entered into the VIE Acquisition Agreement, pursuant to which the parties agreed to enter into the VIE Operating Agreements upon completion. Under the VIE Operating Agreements, Guangzhou Huohua will have effective control over the finance and operation of Guangzhou Daide and the Khorgas Group and will enjoy the entire economic interests and benefits generated by Guangzhou Daide and the Khorgas Group from completion. No other approval is required to be obtained and no other additional eligibility standards is required to be fulfilled by the Khorgas Group under the arrangements as contemplated under the VIE Operating Agreements.

霍爾果斯集團對本集團之財務貢獻

截至2020年6月30日止年度，透過VIE營運協議，本集團應佔霍爾果斯集團收益總額約為港幣240,000,000元。於2020年6月30日，霍爾果斯集團應佔資產淨值約為港幣159,000,000元。

於2018年5月27日，廣州火花投資有限公司（「廣州火花」）、廣州戴德及中國股權擁有人訂立VIE收購協議（「VIE收購協議」），據此，訂約方將於完成時訂立VIE營運協議。VIE營運協議包括獨家營運服務協議、獨家期權協議、委託協議及授權書、股權質押協議及貸款協議（統稱「VIE營運協議」）。根據VIE營運協議，廣州火花將有效控制廣州戴德及厚海文化的財務及營運，並將享有廣州戴德及霍爾果斯集團自完成起產生的全部經濟權益及利益（「合約安排」），現金代價為人民幣450,000,000元（可根據溢利保證協議下調）。

合約安排之原因

厚海文化乃根據中國法律成立之有限公司及主要從事電視綜藝節目及電視節目製作及營運（包括介紹業務）。根據商務部發佈的《外商投資產業指導目錄（2017年修訂）》（「目錄」），厚海文化的主要業務屬於外商投資禁止類產業。鑒於上述外資所有權限制，為符合適用中國法律法規及取得霍爾果斯集團應佔全部經濟利益，本公司全資附屬公司廣州火花、廣州戴德及中國股權擁有人訂立VIE收購協議，據此，訂約方同意於完成時訂立VIE營運協議。根據VIE營運協議，廣州火花將對廣州戴德及霍爾果斯集團的財務及營運擁有實際控制權，並將享有廣州戴德及霍爾果斯集團自完成起產生的全部經濟權益及利益。根據VIE營運協議項下擬進行之安排，霍爾果斯集團毋須獲得其他批准，亦毋須達成其他額外資格標準。

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Requirements related to Contractual Arrangements (other than relevant foreign ownership restrictions)

Investment activities in the PRC by foreign investors are primarily regulated by the Catalogue, which was promulgated and is amended from time to time jointly by the Ministry of Commerce of the PRC (the "MOFCOM") and the National Development and Reform Commission of the PRC. The Catalogue divides industries into four categories in terms of foreign investment, including "encourage", "restricted" and "prohibited", and all industries not listed under any of these categories are deemed to be "permitted". Pursuant to the Catalogue, the business that the Khorgas Group currently operates falls into the category of "prohibited". Therefore, as Guangzhou Huohua is a foreign-owned company, it is not allowed to hold any equity interests of Houhai Culture under the PRC laws.

The PRC legal advisers, after taking all reasonable and possible actions and steps to reach its legal conclusions, are of the following legal opinion:

- the VIE Operating Agreements are narrowly tailored to achieve the business purposes of the Company and minimise the potential for conflict with relevant PRC laws and regulations;
- each of Guangzhou Huohua, Guangzhou Daide and the members of the Khorgas Group are duly established and validly existing under the PRC laws, and has obtained or completed all requisite approvals, permits, registrations or filings that are material for carrying out its business operations as required by the applicable PRC laws, regulations and rules;
- each of the VIE Operating Agreements, taken individually and collectively, constitutes legal, valid and binding obligations of the parties thereto and will be enforceable under applicable PRC laws and regulations except that (a) the China International Economic and Trade Arbitration Commission has no power to grant injunctive relief, nor will it be able to order the winding up of Guangzhou Daide or Houhai Culture pursuant to the current PRC laws; and (b) interim remedies or enforcement order granted by overseas courts such as the courts of Hong Kong and the Cayman Islands may not be recognised or enforceable in the PRC;
- the VIE Operating Agreements do not, individually or collectively, violate the mandatory provisions of the PRC Contract Law, the General Principles of the PRC Civil Law and other applicable PRC laws and regulations and are not deemed as "concealing illegal intentions with a lawful form" resulting in the invalidity of the VIE Operating Agreements;

與合約安排有關的規定(相關外資所有權限制除外)

外國投資者於中國的投資活動主要受目錄規管，該目錄由中國商務部(「商務部」)與中國國家發展和改革委員會共同頒佈及不時修訂。目錄就外商投資將產業分為四大類，包括「鼓勵類」、「限制類」及「禁止類」，而所有未列入任何一個該等類別的產業視為「允許類」。根據目錄，霍爾果斯集團目前經營的業務屬於目錄的「禁止類」。因此，鑒於廣州火花為外商獨資公司，其根據中國法律不可持有厚海文化任何股權。

中國法律顧問經採取所有合理及可能的行動及步驟得出其法律結論後，有以下法律意見：

- VIE營運協議乃嚴限於實現本公司的業務目的，並將違反中國相關法律法規的可能性減至最低；
- 廣州火花、廣州戴德及霍爾果斯集團成員公司各自依照中國法律正式成立及有效存續，並已按照中國適用法律、法規及規則所規定獲得或完成對進行業務營運屬重大的所有必需批准、許可證、登記或備案；
- 各份VIE營運協議個別及共同構成訂約方的合法、有效及具約束力的責任，並將根據中國適用法律法規具有可強制執行性，惟以下各項除外：(a)中國國際經濟貿易仲裁委員會無權頒佈禁令救濟，亦不能根據中國現行法律頒令廣州戴德或霍爾果斯公司清盤；及(b)香港及開曼群島法院等海外法院頒佈的臨時補救措施或強制執行命令在中國未必會獲認可或強制執行；
- VIE營運協議並無個別或共同違反中國合同法、中國民法通則及其他中國適用法律法規的強制性條文，且不會被視為「以合法形式掩蓋非法目的」而導致VIE營運協議無效；

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- none of the VIE Operating Agreements violates any provisions of the existing articles of association of each of Guangzhou Huohua, Guangzhou Daide and members of the Khorgas Group; and
- the execution, effectiveness and enforceability of the VIE Operating Agreements do not require any approvals from any PRC governmental authority, except that (1) each of the Equity Pledge Agreements (as defined below) is subject to registration requirements with the relevant administration for industry and commerce; (2) the exercising of the exclusive options by Guangzhou Huohua according to the Exclusive Option Agreements (as defined below) shall be subject to the then effective PRC laws and regulations and relevant approving procedures (if applicable); and (3) if the enforcement of the VIE Operating Agreements is subject to the enforcement of the ruling by the arbitrator and/or overseas courts outside PRC, the claimant shall enforce the ruling via PRC courts with jurisdiction.
- 各份VIE營運協議概無違反廣州火花、廣州戴德及霍爾果斯集團成員公司各自現行組織章程細則的任何條文；及
- VIE營運協議的簽立、有效性及可強制執行性毋須中國任何政府機關的任何批准，惟(1)各份股權質押協議(定義見下文)須向相關工商管理部門辦理登記手續；(2)廣州火花根據獨家期權協議(定義見下文)行使獨家期權須遵守當時生效的中國法律法規及相關審批程序(如適用)；及(3)倘執行VIE營運協議須受限於執行中國以外的仲裁員及／或海外法院的裁決，則申訴方應透過擁有司法管轄權的中國法院執行裁決。

Summary of the major terms of the VIE Operating Agreements

The following sets out the principal terms of the VIE Operating Agreements, which were in place since 28 August 2018:

1. The exclusive operation service agreement was entered into between Guangzhou Huohua, Guangzhou Daide, Houhai Culture and the PRC Equity Owners pursuant to which Guangzhou Daide and Houhai Culture agreed to engage Guangzhou Huohua as its exclusive consultant and service provider. Guangzhou Huohua has the exclusive right to provide Guangzhou Daide and Houhai Culture with consulting services including but not limited to: (1) provision of advice on the operations of the movie and drama production business; (2) management and consultation related to the movie and drama production business, and training of the staff; (3) provision of advice on human resources; (4) assistance on market research; (5) selection and introductions of clients; (6) formulation of operation and sales strategies; (7) quality control of the movie and drama production business; and (8) provision of advice on financing.

Guangzhou Daide shall pay to Guangzhou Huohua a service fee which is equal to 100% of its audited annual distributable profits (after deduction of any loss of the previous year and statutory provident fund (if applicable)) before 30 June of every year. The services fee was determined by the parties to ensure that Guangzhou Huohua will enjoy the economic benefits of the VIE Operating Agreements.

VIE營運協議之主要條款概要

下文載列自2018年8月28日起生效的VIE營運協議之主要條款：

1. 廣州火花、廣州戴德、厚海文化與中國股權擁有人訂立獨家營運服務協議，據此，廣州戴德與厚海文化同意委聘廣州火花為其獨家顧問及服務提供者。廣州火花擁有向廣州戴德及厚海文化提供以下顧問服務的獨家權利，包括但不限於：(1)就營運電影及戲劇製作業務提供建議；(2)涉及電影及戲劇製作業務的相關管理及顧問以及培訓員工；(3)就人力資源提供建議；(4)協助進行市場調查；(5)挑選及介紹客戶；(6)制訂營運及銷售策略；(7)電影及戲劇製作業務的質量控制；及(8)就融資提供建議。

廣州戴德須於每年6月30日前向廣州火花支付服務費，金額相等於其經審核年度可分派溢利(經扣除去年任何虧損及法定公積金(如適用))的100%。服務費由訂約方釐定，以確保廣州火花享有VIE營運協議的經濟利益。

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2. The first exclusive option agreement was entered into between Guangzhou Huohua, Guangzhou Daide and the PRC Equity Owners (the “Exclusive Option Agreement 1”), and the second exclusive option agreement was entered into between Guangzhou Huohua, Guangzhou Daide and Houhai Culture (the “Exclusive Option Agreement 2” and together with the Exclusive Option Agreement 1, the “Exclusive Option Agreements”).

Pursuant to the Exclusive Option Agreement 1, each of the PRC Equity Owners irrevocably and unconditionally granted an exclusive option to Guangzhou Huohua which entitles Guangzhou Huohua to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in the Guangzhou Daide by itself or through its designated person(s); and Guangzhou Daide irrevocably and unconditionally granted an exclusive option to Guangzhou Huohua which entitles Guangzhou Huohua to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the assets of Guangzhou Daide by itself or through its designated person(s).

Pursuant to the Exclusive Option Agreement 2, Guangzhou Daide irrevocably and unconditionally granted an exclusive option to Guangzhou Huohua which entitles Guangzhou Huohua to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the equity interest in Houhai Culture by itself or through its designated person(s); and Houhai Culture irrevocably and unconditionally granted an exclusive option to Guangzhou Huohua which entitles Guangzhou Huohua to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Houhai Culture by itself or through its designated person(s).

The transfer price of the relevant equity interests and assets shall be the minimum purchase price permitted under PRC law, and each of the PRC Equity Owners, Guangzhou Daide and the Houhai Culture will undertake that she/he/it will return in full the consideration received in relation to such transfer of equity interests or assets to Guangzhou Huohua or its designated person(s). The exercise price was determined by the parties to ensure that WOFE will enjoy the economic benefits of the VIE Operating Agreements.

2. 廣州火花、廣州戴德與中國股權擁有人訂立第一份獨家期權協議（「獨家期權協議一」），而廣州火花、廣州戴德與厚海文化訂立第二份獨家期權協議（「獨家期權協議二」），連同獨家期權協議一，統稱「獨家期權協議」。

根據獨家期權協議一，各中國股權擁有人不可撤回及無條件向廣州火花授予獨家期權，在當時適用中國法律允許下，廣州火花有權選擇隨時自行或通過其指定人士購買廣州戴德所有或任何部分股權；及廣州戴德不可撤回及無條件向廣州火花授予獨家期權，在當時適用中國法律允許下，廣州火花有權選擇隨時自行或通過其指定人士購買廣州戴德所有或任何部分資產。

根據獨家期權協議二，廣州戴德不可撤回及無條件向廣州火花授予獨家期權，在當時適用中國法律允許下，廣州火花有權選擇隨時自行或通過其指定人士購買厚海文化所有或部分股權；及厚海文化不可撤回及無條件向廣州火花授予獨家期權，在當時適用中國法律允許下，廣州火花有權選擇隨時自行或通過其指定人士購買厚海文化所有或部分資產。

相關股權及資產的轉讓價格須為中國法律下允許的最低購買價格，而中國股權擁有人、廣州戴德及厚海文化將各自承諾彼將向廣州火花或其指定人士悉數退還就該股權或資產轉讓收訖的代價。行使價乃經訂約各方釐定，以確保外商獨資企業可享有VIE營運協議的經濟利益。

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3. The first entrustment agreement and powers of attorney was entered into between Guangzhou Huohua, Guangzhou Daide and the PRC Equity Owners (the “Entrustment Agreement and Powers of Attorney 1”), and the second entrustment agreement and powers of attorney was entered into between Guangzhou Huohua, Guangzhou Daide and Houhai Culture (the “Entrustment Agreement and Powers of Attorney 2”).

Pursuant to the Entrustment Agreement and Powers of Attorney 1, each of the PRC Equity Owners irrevocably appointed Guangzhou Huohua or its designated person(s) (other than the PRC Equity Owners) as its attorney-in-fact to act for all matters pertaining to the Guangzhou Daide and to exercise all of their rights as shareholders of the Guangzhou Daide, including but not limited to: (i) proposing to convene and attend shareholders’ meetings of the Guangzhou Daide; (ii) exercising all the voting rights as shareholders of the Guangzhou Daide; (iii) dealing with the rights as a shareholder to the assets and profits of the Guangzhou Daide; (iv) transferring or disposing of the shares of the Guangzhou Daide; (v) receiving notice of convening and proceedings of shareholders’ meetings of the Guangzhou Daide, signing minutes of shareholders’ meetings and submitting any documents to relevant company registration authorities for filing purpose; (vi) receiving the remaining assets of the Guangzhou Daide upon its dissolution or liquidation; and (vii) exercising all other shareholders’ rights under other applicable PRC laws and regulations and the articles of association (as amended from time to time) of the Guangzhou Daide.

Pursuant to the Entrustment Agreement and Powers of Attorney 2, Guangzhou Daide irrevocably appoints Guangzhou Huohua or its designated person(s) (other than the PRC Equity Owners) as its attorney-in-fact to act for all matters pertaining to Houhai Culture and to exercise all of its rights as the shareholder of Houhai Culture, including but not limited to: (i) proposing to convene and attend shareholders’ meetings of Houhai Culture; (ii) exercising all the voting rights as shareholders of Houhai Culture; (iii) dealing with the rights as a shareholder to the assets and profits of Houhai Culture; (iv) transferring or disposing of the shares of Houhai Culture; (v) receiving notice of convening and proceedings of shareholders’ meetings of the Houhai Culture, signing minutes of shareholders’ meetings and submitting any documents to relevant company registration authorities for filing purpose; (vi) receiving the remaining assets of Houhai Culture upon its dissolution or liquidation; and (vii) exercising all other shareholders’ rights under other applicable PRC laws and regulations and the articles of association (as amended from time to time) of Houhai Culture.

3. 廣州火花、廣州戴德與中國股權擁有人訂立第一份委託協議及授權書(「委託協議及授權書一」)，而廣州火花、廣州戴德與厚海文化訂立第二份委託協議及授權書(「委託協議及授權書二」)。

根據委託協議及授權書一，中國股權擁有人各自不可撤回地委任廣州火花或其指定人士(中國股權擁有人除外)為其實際授權代表，就與廣州戴德有關的所有事宜行事，及行使彼等作為廣州戴德股東享有的所有權利，包括但不限於：(i) 動議召開及出席廣州戴德的股東大會；(ii) 以廣州戴德股東身分行使所有投票權；(iii) 處理股東在廣州戴德資產及盈利中享有的權利；(iv) 轉讓或出售廣州戴德的股份；(v) 接收召開廣州戴德股東大會的通告及議程、簽署股東大會會議記錄及向相關公司登記部門提交任何供存檔用途的文件；(vi) 於廣州戴德解散或清盤時接收其餘下資產；及(vii) 行使其他適用中國法律法規及廣州戴德組織章程細則(經不時修訂)項下所有其他股東權利。

根據委託協議及授權書二，廣州戴德不可撤回地委任廣州火花或其指定人士(中國股權擁有人除外)為其實際授權代表，就與厚海文化有關的所有事宜行事，並行使彼等作為厚海文化股東所享有的所有權利，包括但不限於：(i) 動議召開及出席厚海文化的股東大會；(ii) 以厚海文化股東身分行使所有投票權；(iii) 處理股東在厚海文化資產及盈利中享有的權利；(iv) 轉讓或出售厚海文化的股份；(v) 接收召開厚海文化股東大會的通告及議程、簽署股東大會會議記錄及向相關公司登記部門提交任何供存檔用途的文件；(vi) 於厚海文化解散或清盤時接收其餘下資產；及(vii) 行使其他適用中國法律法規及厚海文化組織章程細則(經不時修訂)項下所有其他股東權利。

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4. The first equity pledge agreement was entered into between Guangzhou Huohua, Guangzhou Daide and the PRC Equity Owners (the "Equity Pledge Agreement 1"), and the second equity pledge agreement was entered into between Guangzhou Huohua, Guangzhou Daide and Houhai Culture (the "Equity Pledge Agreement 2", and together with the Equity Pledge Agreement 1, the "Equity Pledge Agreements").

Pursuant to the Equity Pledge Agreement 1, each of the PRC Equity Owners agreed to pledge all of his/her respective equity interests in Guangzhou Daide to Guangzhou Huohua to secure performance of the obligations of himself/herself and Guangzhou Daide under the VIE Operating Agreements and pursuant to the Equity Pledge Agreement 2, Guangzhou Daide agreed to pledge all of its respective equity interests in Houhai Culture to Guangzhou Huohua to secure the performance of obligations of itself and Houhai Culture under the VIE Operating Agreements. Without the prior written consent of Guangzhou Huohua, each of the PRC Equity Owners and Guangzhou Daide has undertaken not to create or allow to create any new pledge or encumbrance over their respective interests in Guangzhou Daide and Houhai Culture.

5. The loan agreement (the "Loan Agreement") was entered into between Guangzhou Huohua and Guangzhou Daide. Pursuant to the terms of the Loan Agreement, Guangzhou Huohua shall provide a non-interest bearing loan facility in the maximum principal amount of RMB450,000,000 (subject to any downward adjustment as contemplated by the profit guarantee agreement) to Guangzhou Daide for the purpose of the acquisition of the entire equity interest of Houhai Culture. The loan will be provided to Guangzhou Daide by installment corresponding to Guangzhou Daide's payment schedule under the equity transfer agreement. The loan will be financed by way of shareholder's loan to be made available to Guangzhou Huohua, with an annual interest rate of 7% and a term of three years. The loan will be for a term of 20 years from the respective drawdown date of each installment of the loan. Guangzhou Daide shall repay the loan in full if Guangzhou Huohua gives prior notice to Guangzhou Daide demanding for repayment. Save as the demand notice given by Guangzhou Huohua, Guangzhou Daide shall have no right of early repayment.

6. The Spouse's Undertaking

The spouse of Ms. Wang executed a spouse confirmation, pursuant to which he undertook and agreed to, among others, (i) acknowledge that all the equity interests held by Ms. Wang in Guangzhou Daide belongs to herself and do not form part of the matrimonial property, and any disposal of the equity interest held by Ms. Wang pursuant to the relevant VIE Operating Agreements does not require the consent of him; and (ii) any execution and amendment of any of the VIE Operating Agreements does not require the signing, confirmation and consent of him. The other PRC VIE Owner, Mr. Tang does not have a spouse.

4. 第一份股權質押協議(「股權質押協議一」)由廣州火花、廣州戴德及中國股權擁有人訂立，而第二份股權質押協議(「股權質押協議二」，與股權質押協議一統稱為「股權質押協議」)由廣州火花、廣州戴德及厚海文化訂立。

根據股權質押協議一，中國股權擁有人各自同意向廣州火花質押其各自於廣州戴德的全部股權，以擔保其本身及廣州戴德履行VIE營運協議項下責任，及根據股權質押協議二，廣州戴德同意向廣州火花質押其於厚海文化的全部股權，以擔保其本身及厚海文化履行VIE營運協議項下的責任。在未經廣州火花事先書面同意下，中國股權擁有人及廣州戴德均承諾不會就彼等各自於廣州戴德及厚海文化的權益設立任何新質押或產權負擔。

5. 貸款協議(「貸款協議」)由廣州火花及廣州戴德訂立。根據貸款協議的條款，廣州火花須就收購厚海文化全部股權，向廣州戴德提供本金額最高人民幣450,000,000元(可根據溢利保證協議下調)的免息貸款融資。該筆貸款將按股權轉讓協議項下廣州戴德付款時間表分期授予廣州戴德。該筆貸款將以向廣州火花提供之股東貸款撥付，有關貸款年利率為7%，為期三年。該筆貸款的年期為自每筆分期貸款各自提取日期起計20年。廣州戴德須於廣州火花向廣州戴德發出事先通知要求還款時悉數償還貸款。除廣州火花發出還款要求通知外，廣州戴德不得提前還款。

6. 配偶之承諾

王女士的配偶將簽立一份配偶確認書，據此，彼承諾及同意(其中包括)(i)承認王女士於廣州戴德持有的所有股權屬於王女士本人及不構成婚姻財產的一部分，且根據相關VIE營運協議出售王女士持有的股權毋須其配偶同意；及(ii)簽立及修訂任何VIE營運協議毋須其配偶簽署、確認及同意。另一名中國股權擁有人唐先生並無配偶。

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

The following are the risks associated with the Contractual Arrangements. Further details of the risks were set out in the circular of the Company dated 26 July 2018.

- There is no assurance that the VIE Operating Agreements could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the VIE Operating Agreements do not comply with applicable regulations;
- The VIE Operating Agreements may not be as effective in providing operational control as direct ownership and Guangzhou Daide or its shareholders may fail to perform its obligations under the VIE Operating Agreements;
- The Group may lose control over Houhai Culture and may not enjoy the full economic benefits of Houhai Culture if Houhai Culture declares bankruptcy or becomes subject to a dissolution or liquidation proceeding;
- The VIE Operating Agreements may be subject to scrutiny by the PRC tax authorities and additional taxes may be imposed. A finding that the Group's owe additional taxes could substantially reduce the Group's net income;
- The shareholder(s) of Guangzhou Daide may have conflicts of interest with the Group, which may materially and adversely affect the Group's business and financial conditions;
- Certain terms of the VIE Operating Agreements may not be enforceable under PRC law and enforcement of certain of the Group's rights under the VIE Operating Agreements is subject to regulatory approval;
- A substantial amount of costs and time may be involved in transferring the ownership of Guangzhou Daide and Houhai Culture to the Group under the Exclusive Option Agreements; and
- The Group does not have any insurance which covers the risks relating to the VIE Operating Agreements and the transactions contemplated thereunder.

有關合約安排之風險及本公司為減低風險而採取之行動

以下為有關合約安排之風險。有關風險的進一步資料詳載於本公司日期為2018年7月26日的通函。

- 概不保證VIE營運協議可符合中國監管規定日後變動，而中國政府可能釐定VIE營運協議並不符合適用法規；
- VIE營運協議在提供經營控制方面可能不如直接所有權般有效，且廣州戴德或其股東可能未能履行其於VIE營運協議下的責任；
- 倘厚海文化宣佈破產或面臨解散或清盤程序，則本集團可能失去對厚海文化的控制權，且可能無法享有厚海文化的所有經濟利益；
- VIE營運協議可能需要經過中國稅務機關審查並可能徵收額外稅款。倘發現本集團欠繳額外稅款，則本集團的淨收入可能會大幅降低；
- 廣州戴德的股東可能與本集團有利益衝突，可能對本集團的業務及財務狀況造成重大不利影響；
- VIE營運協議的若干條款於中國法律下可能無法強制執行，且強制執行本集團於VIE營運協議下的若干權利須獲得監管批准；
- 廣州戴德及厚海文化向本集團轉讓於獨家期權協議下的擁有權可能涉及巨額成本及時間；及
- 本集團並無就與VIE營運協議及其項下擬進行交易有關的風險投保。

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The Group adopted the following measures to mitigate against any potential risk.

- On 19 January 2015, the MOFCOM circulated Foreign Investment Law ("FIL") of the PRC (Draft for Comment) 《中華人民共和國外國投資法(草案徵求意見稿)》 and the Explanation on the draft PRC Foreign Investment Law (《關於〈中華人民共和國外國投資法(草案徵求意見稿)的說明》) (collectively the "Draft Law"), which proposed changes to the PRC foreign investment legal regime and the treatment of the VIE structures, including contractual arrangement such as the VIE Operating Agreements. The Draft Law, if finally adopted, may have a material impact on the PRC foreign investment legal regime. As such, as advised by the PRC legal advisers, the Board will closely monitor the development of the Draft Law with the help of the Company's in house counsel in the PRC and if there is any development, they will discuss with the Company's PRC legal advisers in order to assess any possible impact arising from the change of the Draft Law or the FIL on the VIE Operating Agreements and the business operation of the Group. In case there would be material and adverse effect on the Group or the business of Houhai Culture arising from the Draft Law or the FIL, the Company will pursuant to Part XIVA of the SFO, timely announce (i) any updates or material changes to the Draft Law; (ii) in the event that the FIL has been promulgated, a clear description and analysis of the law, specific measures taken by the Company to be in compliance with the FIL with the support of a PRC legal opinion; and (iii) any material impact of the FIL on the Company's operations and financial position;
- as part of the internal control measures, major issues arising from the implementation of the VIE Operating Agreements with Guangzhou Daide, the PRC Equity Owners and Houhai Culture will be regularly reviewed, at least on an annual basis, by the Board. The Board will determine, as part of its periodic review process, whether legal advisers and/or other professionals will be engaged to assist the Group to deal with specific issues arising from the VIE Operating Agreements;
- if the payment of the service fees from Guangzhou Daide to Guangzhou Huohua is delayed, the chief financial officer must meet with the PRC Equity Owners to investigate, and should report any suspicious matters to the Board;

本集團採用以下方法以減輕任何潛在風險。

- 於2015年1月19日，商務部印發《中華人民共和國外國投資法(草案徵求意見稿)》及《關於〈中華人民共和國外國投資法(草案徵求意見稿)的說明》(統稱「草案法」)，建議修改中國海外投資法律制度及VIE結構(包括合約安排，例如VIE營運協議)的處理方法。倘草案法最終獲採納，可能對中國海外投資法律制度造成重大影響。因此，中國法律顧問表示，董事會將在本公司的駐中國內部顧問協助下密切監察草案法的進展，並於有任何進展時與本公司的中國法律顧問討論，以評估草案法或海外投資法的變動可能對VIE協議及本集團業務營運造成的影響。倘草案法或海外投資法對本集團或厚海文化的業務造成重大不利影響，本公司將根據證券及期貨條例第XIVA部適時宣佈(i)草案法的任何更新或重大變動；(ii)倘已頒佈海外投資法，有關法例的清楚描述及分析，在中國法律意見支持下本公司為遵守海外投資法而採納的特定措施；及(iii)海外投資法對本公司營運及財務狀況造成的任何重大影響；
- 作為內部監控措施的一部分，董事會將定期審閱(至少每年一次)因執行VIE營運協議以致與廣州戴德、中國股權擁有人及厚海文化之間出現的重大問題。作為定期審閱過程的一部分，董事會將決定是否委聘法律顧問及/或其他專業人士以協助本集團處理VIE營運協議衍生的特定問題；
- 倘廣州戴德延遲向廣州火花支付服務費，財務總監須與中國股權擁有人會面，以進行調查，並須向董事會匯報任何可疑事件；

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- matters relating to compliance and regulatory enquiries from government authorities (if any) will be discussed at regular meetings by the Board no less frequently than on a quarterly basis;
 - the relevant business units and operation divisions of the Group will report regularly, which will be no less frequently than on a monthly basis, to the senior management of the Company in relation to compliance and performance conditions under the VIE Operating Agreements and other related matters;
 - the chief financial officer of the Company shall conduct regular site visits to Guangzhou Daide and Houhai Culture and conduct personnel interviews quarterly and submit reports to the Board;
 - the chief financial officer of the Company shall collect monthly management accounts, bank statements and cash balances and major operational data of Guangzhou Daide and Houhai Culture for review. Upon discovery of any suspicious matters, the chief financial officer must report to the Board;
 - any material contracts entered into by Guangzhou Daide and Houhai Culture which is outside their respective ordinary course of business must be approved by the Company;
 - Guangzhou Daide and the PRC Equity Owners have undertaken that they will not carry on, own or acquire any business which is in competition with or is likely to be in competition with the business carried on by Houhai Culture without the prior written consent of Guangzhou Huohua; and
 - the Group will terminate the VIE Operating Agreements as soon as the law allows the business to be operated without them.
- 來自政府機關有關合規及監管的查詢事項(如有)將於董事會的常規會議(不少於每季一次)中討論;
 - 本集團相關業務單位及經營分部將定期(不少於每月一次)向本公司高級管理層報告有關VIE協議項下的合規及履行情況, 以及其他相關事項;
 - 本公司財務總監須定期到廣州戴德及厚海文化進行實地考察, 以及按季進行人員訪談及向董事會提交報告;
 - 本公司財務總監須收集廣州戴德及厚海文化之每月管理賬目、銀行結單及現金結餘以及主要營運數據, 以進行審閱。倘發現任何可疑事件, 財務總監須向董事會匯報;
 - 廣州戴德及厚海文化訂立任何於其各自之日常業務過程以外之重大合約, 均須經本公司批准;
 - 未經廣州火花事先書面同意, 廣州戴德及中國股權擁有人承諾彼等不會進行、擁有或收購任何與厚海文化從事的業務構成競爭或可能構成競爭的業務; 及
 - 本集團將於法律容許可在並無VIE營運協議的情況下經營業務時立即終止VIE營運協議。

REPORT OF THE DIRECTORS

董事會報告

Material changes to and the unwinding of the Contractual Arrangements

There has not been any material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 30 June 2020.

Pursuant to the relevant provisions of the VIE Operating Agreements, Guangzhou Huohua has the right to unwind the VIE Operating Agreements as soon as the relevant PRC laws allow Guangzhou Huohua to register itself as the shareholder of Houhai Culture. There has not been any unwinding of any Contractual Arrangements, nor has there been any failure to unwind any Contractual Arrangements when the restrictions that led to the adoption of the Contractual Arrangements are removed.

SUFFICIENCY OF PUBLIC FLOAT

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

EVENT AFTER REPORTING PERIOD

Subsequent to the end of the reporting period, the Group entered into the following significant transaction:

The Group entered into an extension agreement with a placing agent on 21 August 2020. Such extension agreement was supplemental to a proposed placing of bonds in the aggregate principal amount of up to HK\$150,000,000 pursuant to a placing agreement dated 24 February 2020, it was agreed that the termination date of the placing period of the bonds shall be extended from 23 August 2020 to 23 February 2021.

The outbreak of the Coronavirus Disease (the "COVID-19") in early 2020 has impacted the Group's operations. Local residents have reduced social activities including attending cinema screenings since the start of the COVID-19 outbreak. In addition, Hong Kong Special Administrative Region government implementation of the safe distancing measures including closure of all cinemas for the period of 29 March to 7 May 2020 and 15 July to 27 August 2020. Given the dynamic nature of these circumstances, the Directors will continue to assess the financial effects on the Group's financial position and operating results.

合約安排的重大變更及解除

截至2020年6月30日止年度，並無合約安排及／或採納該等合約的情況並無任何重大變更。

根據VIE營運協議的相關條文，倘中國相關法律及法規容許廣州火花將本身登記為厚海文化股東，廣州火花有權解除VIE營運協議。並無解除任何合約安排，或導致採納合約安排的限制被撤銷時，無法解除任何合約安排。

充足公眾持股量

於本年報日期，根據本公司可獲取的公開資料及就董事所知，董事確認本公司已維持上市規則規定的公眾持股量。

報告期後事項

於報告期末後，本集團已訂立以下重大交易：

本集團於2020年8月21日與配售代理訂立延期協議。該延期協議根據日期為2020年2月24日的配售協議對本金總額最高為港幣150,000,000元的建議配售債券作出補充，同意將債券配售期的終止日期由2020年8月23日延長至2021年2月23日。

於2020年初爆發的新型冠狀病毒(「COVID-19」)對本集團營運構成影響。自COVID-19爆發起，當地市民的社交活動遞減，包括到訪影院觀看放映。此外，於2020年3月29日至5月7日及2020年7月15日至8月27日，香港特別行政區政府實施安全距離措施，當中包括關閉所有電影院。鑒於有關情況的變動性質，董事將繼續評估本集團財務狀況及營運業績的財務影響。

REPORT OF THE DIRECTORS

董事會報告

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 30 June 2020. For details of the composition and the functions of the Audit Committee, please refer to pages 64 to 65 of the Corporate Governance Report contained in this annual report.

AUDITOR

Deloitte Touche Tohmatsu will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

On behalf of the Board
Zhang Liang, Johnson
Chairman

Hong Kong, 25 September 2020

審核委員會

審核委員會已審閱截至2020年6月30日止年度本集團的綜合財務報表。關於審核委員會的組成及職能的詳情，請參閱本年報第64頁至65頁的企業管治報告。

核數師

德勤•關黃陳方會計師行將於應屆股東週年大會退任，惟合資格並願意連任。本公司將於應屆股東週年大會提呈續聘彼等為本公司核數師的決議案。

優先購買權

本公司之組織章程細則或開曼群島(本公司註冊成立之司法管轄權區)法例並無條文規定本公司須就發售新股按比例給予本公司現有股東優先購買權。

代表董事會
主席
張量

香港，2020年9月25日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to achieving high standards of corporate governance and following the principles as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code").

The Board is of the view that throughout the year ended 30 June 2020, the Company has complied with and did not deviate from the code provisions as set out in the CG Code. The Board regularly monitors and reviews the Group's progress in respect of corporate governance practices to ensure compliance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Appendix 10 to the Listing Rules.

Having made specific enquires, all the Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year ended 30 June 2020.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of and promoting the success of the Company. This is achieved by setting up corporate and strategic objectives and policies, and the monitoring and evaluations of operating activities and financial performance of the Company.

All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively and acting in the interests of the Company and the Shareholders at all times.

本公司致力達致高水平企業管治常規及遵循上市規則附錄十四的企業管治守則(「企業管治守則」)所載之原則。

董事會認為，本公司已於截至2020年6月30日止年度遵守且並未偏離企業管治守則所載之守則條文。董事會定期監察及檢討本集團在企業管治常規方面的進展，以確保合規。

董事證券交易

本公司已採納一套規條不遜於上市規則附錄十所載之交易標準所規定有關董事進行證券交易之行為守則。

經作出特定查詢後，全體董事均已確認彼等於截至2020年6月30日止年度一直遵守本公司採納的董事進行證券交易規定的買賣準則及行為準則。

董事會

董事會負責領導並控制，以及推動本公司邁向成功。為達至這些目標，董事會設定企業及策略目標與政策，並監察與評估本公司的業務活動及財務表現。

全體董事根據適用法例及規則真誠履行職責，客觀地作出決策，並時刻以符合本公司及股東利益的方式行事。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMPOSITION

The Board of the Company comprises the following Directors:

Executive Directors

Mr. Zhang Liang, Johnson (*Chairman*)
Ms. Zhao Wenzhu (*President*)
Mr. Lee Hin Kwong, Patrick

Independent Non-Executive Directors

Mr. Wang Bo
Mr. Xiang Feng
Mr. Chang Eric Jackson

Biographical details of the Directors are set out in “Profile of Directors and Senior Management” on pages 28 to 32 of this annual report. The composition of the Board is well balanced. Each of the Directors has relevant expertise and extensive corporate and strategic planning experiences that can contribute to the business of the Group.

During the year ended 30 June 2020, the Company had complied with Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing more than one-third of the Board and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. All the independent non-executive Directors have met the guidelines for the assessment of their independence pursuant to Rule 3.13 of the Listing Rules. The Board has received an annual confirmation of independence from each of the independent non-executive Directors. The Company considers all the independent non-executive Directors to be independent.

Save as disclosed in the section headed “Profile of Directors and Senior Management” on pages 28 to 32 of this annual report, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board and the senior management of the Group.

董事會組成

本公司董事會由下列董事組成：

執行董事

張量先生(主席)
趙文竹女士(總裁)
李憲光先生

獨立非執行董事

王波先生
向峰先生
張世澤先生

董事履歷詳情載於本年報第28至32頁「董事及高級管理層簡歷」。董事會組成已經相當平衡。各董事具備能為本集團業務作出貢獻的相關專業知識與豐富企業及策略規劃經驗。

截至2020年6月30日止年度，本公司已遵守上市規則第3.10(1)及(2)以及第3.10A條，內容有關最少委任佔董事會成員三分之一以上的三名獨立非執行董事，以及最少一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識。全體獨立非執行董事亦已符合上市規則第3.13條評估彼等獨立性的指引。董事會已接獲各獨立非執行董事發出的年度獨立性確認書。本公司認為全體獨立非執行董事均為獨立人士。

除本年報第28頁至第32頁「董事及高級管理層簡歷」一節所披露者外，董事會成員及本集團的高級管理層之間並無關係，包括財務、業務、家屬或其他重大／相關的關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

Formal service contracts or letters of appointment have been issued to the executive Directors and the independent non-executive Directors respectively setting out the key terms and conditions of their respective appointments.

The insurance cover in respect of any legal action against the Directors and senior officers arising out of corporate activities is covered by the Directors and Officers Liability Insurance Policy of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman and President, who serving the function of Chief Executive Officer (“CEO”), are held by Mr. Zhang Liang, Johnson and Ms. Zhao Wenzhu respectively. Under the code provision A.2.1 of the CG Code, the roles of Chairman and CEO should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

The Chairman is responsible for the overall strategic planning and policy-making of the Group while the Company’s business development and daily management have been monitored by the President together with the executive Directors as well as the senior management of the Group.

The Company has no written terms on the general division of responsibilities between the Chairman and the President. The Board considers that the responsibilities of the Chairman and the President are clear and distinctive and hence written terms thereof are not necessary.

本公司已分別向執行董事及獨立非執行董事發出正式服務合約或委任書，當中載有彼等各自委任的主要條款及條件。

本公司董事及高級職員責任保單已包含對董事及高級職員提出因企業活動引致的任何法律行動的保險。

主席及行政總裁

履行行政總裁（「行政總裁」）職務之主席及總裁職位分別由張量先生及趙文竹女士擔任。根據企業管治守則之守則條文第A.2.1條，主席及行政總裁之角色應有區分，且不應由一人同時兼任。主席與行政總裁之職責分工應清楚界定並以書面列載。

主席負責本集團整體策略規劃及政策制定，而本公司業務發展及日常管理則由總裁連同本集團執行董事以及高級管理層監督。

本公司並無書面列載主席與總裁的一般職責分工範圍。董事會認為，主席與總裁各自之職責均有明確界定，故毋須明文編製彼等之職權範圍。

CORPORATE GOVERNANCE REPORT

企業管治報告

RESPONSIBILITIES AND DELEGATION OF FUNCTIONS

The Company has formalised and adopted written terms on the division of functions reserved to the Board and those delegated to the management of the Group. The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary of the Company (the "Company Secretary") and senior management of the Group, with a view to ensuring compliance with the Board procedures and all applicable laws and regulations. Any Director may request independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request being made to the Board. The day-to-day management, administration, and operations of the Company are delegated to the executive Directors and senior management of the Group. The Board has delegated a schedule of responsibilities to these officers for the implementation of the Board decisions. The Board periodically reviews the delegated functions and work tasks. Prior to entering into any significant transactions, the aforesaid officers have to obtain the Board's approval.

No corporate governance committee has been established by the Company and the Board is responsible for performing the corporate governance duties, which included:

- (1) developing and reviewing the policies and practices on corporate governance of the Group;
- (2) to review and monitor the training and continuous professional development of Directors and senior management of the Group;
- (3) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- (5) to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company.

職責及職能授權

本公司已制定並採納董事會職能分配書面職權範圍，以及授權予本集團管理層的職能。董事會保留就本公司一切重大事宜作出決策的權利，包括批准及監察所有政策事宜、整體策略及預算、風險管理及內部監控制度、重大交易(特別是可能涉及利益衝突的重大交易)、財務資料、董事委任以及其他重大財務與營運事宜。關於執行董事會決策、指導及協調本公司日常營運及管理有關的職責均轉授予管理層處理。

為確保符合董事會程序以及所有適用法例及規例，全體董事均可全面及時獲取所有相關資料，並得到本公司公司秘書(「公司秘書」)及本集團高級管理層的意見與服務。在向董事會提出合理要求後，任何董事均可於適當情況下要求獨立專業意見，費用由本公司支付。本公司日常管理、行政工作及營運由本集團的執行董事及高級管理層負責。董事會已就實行董事會決策將職責範疇授權予該等職員。董事會定期審閱已授權職能及工作。於訂立任何重大交易前，上述職員須取得董事會批准。

本公司並未成立任何企業管治委員會，由董事會負責履行企業管治職責，包括：

- (1) 制訂及檢討本集團之企業管治政策及常規；
- (2) 檢討及監察董事及本集團的高級管理層之培訓及持續專業發展；
- (3) 檢討及監察本集團就遵守法律及監管規定方面之政策及常規；
- (4) 制訂、檢討及監察適用於董事及僱員之操守守則及合規手冊(如有)；及
- (5) 檢討本公司遵守企業管治守則之情況及於本公司企業管治報告內之披露。

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Mr. Zhang Liang, Johnson, Ms. Zhao Wenzhu and Mr. Lee Hin Kwong, Patrick, being all the executive Directors during the year under review, had each entered into with the Company a service contract for an initial fixed term of one year, three years and three years commencing from 13 December 2017, 26 November 2018 and 1 December 2017 respectively renewable automatically until (i) terminated by not less than respectively one month's, two months' and one month's notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter or (ii) not being re-elected at an annual general meeting of the Company at which he retires and offers for re-election.

Each of Mr. Wang Bo, Mr. Xiang Feng and Mr. Chang Eric Jackson, being all the independent non-executive directors during the year under review, had respectively renewed the letter of appointment with the Company on 13 December 2018. Each letter of appointment is for a term of one year from the date of the letter of appointment and renewable automatically for successive terms of one year each commencing from the next day after the expiry of the then term of appointment but subject to the memorandum and the articles of association of the Company. Their appointment as independent non-executive directors of the Company shall be terminated by either party giving not less than one month's prior notice in writing.

Pursuant to Article 84(1) of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Xiang Feng and Mr. Chang Eric Jackson, being independent non-executive directors of the Company will retire by rotation at the forthcoming annual general meeting, and being eligible, will offer themselves for re-election at the annual general meeting.

董事委任、重選及罷免

張量先生、趙文竹女士及李憲光先生(於回顧年度內均為執行董事)各自己與本公司訂立服務合約，由2017年12月13日、2018年11月26日及2017年12月1日起計初步固定年期分別為一年、三年及三年，並自動續期，直至(i)由其中一方對對方發出不少於分別為一個月、兩個月及一個月的書面通知終止為止，而該通知將於初步期限結束時或其後任何時間屆滿，或(ii)董事於本公司股東週年大會上退任且有意重選連任但並無重選連任。

王波先生、向峰先生及張世澤先生(於回顧年度內均為獨立非執行董事)已各自於2018年12月13日與本公司更新委任書。每份委任書自委任書日期起計為期一年，並於當時委任條款屆滿後遞日開始每年自動重新續約，惟須受本公司組織章程大綱及細則所規則。終止彼等作為本公司獨立非執行董事的委任事宜須由其中一方對對方發出不少於一個月的事先書面通知。

根據本公司組織章程細則第84(1)條，佔當時三分之一的董事(或倘人數並非三或三的倍數，則按最接近但不少於三分之一的人數計)將於每屆股東週年大會輪席告退，並合資格膺選連任。每名董事(包括按指定年期委任的董事)須至少每三年輪席告退一次。因此，本公司獨立非執行董事向峰先生及張世澤先生將於應屆股東週年大會輪席退任及符合資格並願意於股東週年大會上膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETING, GENERAL MEETING AND PROCEDURES

During the year ended 30 June 2020, the Board convened a total of four board meetings and one general meetings have been held. The following is the Directors' attendance records of meetings held by the Board:

董事會會議、股東大會及程序

截至2020年6月30日止年度，董事會合共召開四次董事會會議及一次股東大會。以下為董事出席董事會所舉行會議的出席記錄：

		Number of attendances/ number of board meetings 出席次數／董事會會議數目	Number of attendances/ number of general meetings 出席次數／股東大會數目
Executive Directors	執行董事		
Mr. Zhang Liang, Johnson	張量先生	4/4	1/1
Mr. Lee Hin Kwong, Patrick	李憲光先生	4/4	1/1
Ms. Zhao Wenzhu	趙文竹女士	4/4	1/1
Independent Non-Executive Directors	獨立非執行董事		
Mr. Wang Bo	王波先生	4/4	1/1
Mr. Xiang Feng	向峰先生	4/4	1/1
Mr. Chang Eric Jackson	張世澤先生	4/4	1/1

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive directors without the presence of other directors of the Company during the year.

除董事會例會外，主席及獨立非執行董事亦於年內在沒有本公司其他董事出席的情況下舉行一次會議。

Independent non-executive directors have attend general meetings to gain and develop a balanced understanding of the view of shareholders of the Company.

獨立非執行董事已出席股東大會以獲得及全面瞭解本公司股東的意見。

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Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly.

Draft agenda of each Board meeting is sent to all Directors in advance. Notice of at least seven days is given for a regular Board meeting. For other Board and committees meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are dispatched to all Directors at least three days before each regular Board meeting to ensure that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

The Company Secretary is responsible to keep minutes of all Board meetings and committees meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable time after each meeting and the final versions are open for Directors' inspection. The Company's Articles of Association contains provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors with names as listed out in the section headed "Board Composition" in this annual report have been given relevant guideline materials regarding the duties and responsibilities of being a Director, the relevant laws and regulations applicable to the Directors, duty of disclosure of interest and business of the Group and such induction materials will also be provided to newly appointed Directors shortly upon their appointment as Directors. All Directors have been updated on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. Continuing briefings and professional development to Directors will be arranged whenever necessary.

董事會成員已獲提供完整、充足與及時資料，致使彼等妥善履行其職責。

每次董事會會議的議程草擬本會預先送交全體董事。董事會例會須發出最少七日通知。至於其他董事會及委員會會議，一般須發出合理通知。董事會文件連同所有適當、完整及可靠資料最少於每次董事會例會舉行前三日發送至全體董事，以確保董事有充分時間審閱相關文件及為會議作出充分準備。

公司秘書負責保存所有董事會會議及委員會會議的會議記錄。會議記錄草擬本一般於每次會議舉行後合理時間內供全體董事傳閱以讓彼等提出意見，會議記錄最終定稿乃公開讓董事查閱。本公司的組織章程細則載有條文，規定董事在批准有關董事或彼等任何聯繫人擁有重大權益的交易時於會議上放棄投票，且不得計入法定人數。

持續專業發展

名列本年報「董事會組成」一節的全體董事已獲發相關指引文件，內容有關作為董事的職務及職責、適用於董事的相關法例及規例、權益披露責任及本集團業務，該等入職文件亦將於新委任董事獲委任為董事後短期內提供予有關董事。為確保遵從良好企業管治常規及加強董事對良好企業管治常規的關注，全體董事均獲悉有關上市規則以及其他適用監管規例最新發展的最新消息。本公司將於有需要時為董事安排持續簡介及專業發展。

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During the year ended 30 June 2020, all Directors were provided with monthly updates on the Group's business, operations, and financial matters to facilitate the discharge of their responsibilities. During the year ended 30 June 2020, the Directors also participated in other training activities such as attending seminars and reading materials relevant to the Company's businesses or to their duties and responsibilities as directors of a listed company. A summary of the individual training record of each Director received for the year ended 30 June 2020 is as follows:

截至2020年6月30日止年度，全體董事均獲發有關本集團業務、營運及財政事宜的月報，方便彼等履行其職責。截至2020年6月30日止年度，董事亦參與其他培訓活動，如出席研討會及閱讀有關本公司業務或彼等作為上市公司董事的職務及職責的文件。各董事於截至2020年6月30日止年度接受個別培訓之記錄概要如下：

Directors 董事		Type of Training 培訓類型
Executive Directors 執行董事		
Mr. Zhang Liang, Johnson	張量先生	B
Ms. Zhao Wenzhu	趙文竹女士	B
Mr. Lee Hin Kwong, Patrick	李憲光先生	B
Independent non-executive Directors 獨立非執行董事		
Mr. Wang Bo	王波先生	A, B
Mr. Xiang Feng	向峰先生	B
Mr. Chang Eric Jackson	張世澤先生	A, B

Note:

附註：

Types of Training

培訓類型

- A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

- A: 參加培訓會議，包括但不限於簡報會、研討會、討論會及工作坊
- B: 閱讀相關新聞提醒、報紙、期刊、雜誌及相關刊物

All Directors had provided the Company Secretary with their training records for the year ended 30 June 2020.

全體董事已向公司秘書提供彼等於截至2020年6月30日止年度的培訓記錄。

BOARD COMMITTEES

董事委員會

The Board has established three board committees, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee, with written terms of reference which are available for viewing on the websites of the Company and the Stock Exchange to assist them in the efficient implementation of their functions. Specific responsibilities have been delegated to the above committees.

董事會已成立三個董事委員會，即審核委員會、薪酬委員會及提名委員會，其書面職權範圍可於本公司及聯交所網站瀏覽，以協助彼等有效執行其職能。董事會已將特定職責授予上述委員會。

AUDIT COMMITTEE

The Board established the Audit Committee on 5 October 2012 with written terms of reference (updated on 31 December 2018) in compliance with Rules 3.21 to 3.23 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are mainly to communicate with external auditor; to review the remuneration, terms of engagement, independence and objectivity of the external auditor; to review the accounting policy, financial position and financial reporting procedures of the Company; and to review and assess the financial reporting, risk management and internal control systems, effectiveness of the internal audit function of the Company and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company and making recommendations thereof.

The Audit Committee has three members comprising three independent non-executive Directors, currently they are Mr. Chang Eric Jackson (Chairman of the Audit Committee), Mr. Wang Bo and Mr. Xiang Feng. During the year ended 30 June 2020, the Audit Committee had reviewed the annual results and report of the Company in respect of the year ended 30 June 2019 and the interim results and report of the Company for the six months ended 31 December 2019 and re-appointment of auditor. The Audit Committee had been provided with the Group's consolidated financial statements, risk management report, internal control report and other necessary information to consider, review and access significant issues and matters arising from these works conducted. Subsequent to 30 June 2020 and up to the date of this report, all members of the Audit Committee conducted a meeting to review the effectiveness of the Group's risk management and internal control systems for the year ended 30 June 2020. The Audit Committee had considered and reviewed, with management and the external auditor of the Company, in detail of the identification and approach with respect to the key audit matters that were most significant in the audit procedures included in the "Independent Auditor's Report" on pages 107 to 114 of this annual report. The Group's final results and the annual report for the year ended 30 June 2020 had been reviewed by the Audit Committee before submission to the Board for approval. Members of the Audit Committee are of the opinion that the preparation of such final results and annual report complied with the applicable accounting standards, the Listing Rules, and that adequate disclosure have been made. The Audit Committee also recommended to the Board of Directors the re-election of Deloitte Touche Tomatsu as the external auditor of the Company in the forthcoming annual general meeting.

審核委員會

董事會於2012年10月5日成立審核委員會，並根據上市規則第3.21至第3.23條及企業管治守則制定書面職權範圍(已於2018年12月31日更新)。審核委員會的主要職責為與外聘核數師溝通、審閱外聘核數師的酬金、委聘條款、獨立性及客觀性；審閱本公司會計政策、財務狀況及財務申報程序；以及審閱及評估本公司的財務申報、風險管理及內部監控系統、內部審核功能之有效性及僱員就本公司財務匯報、內部監控或其他方面可能發生的不正當行為提出關注的安排並作出相關建議。

審核委員會由三名成員組成，現時包括三名獨立非執行董事張世澤先生(審核委員會主席)、王波先生及向峰先生。截至2020年6月30日止年度，審核委員會已審閱本公司截至2019年6月30日止年度之年度業績及報告及本公司截至2019年12月31日止六個月之中期業績及報告及核數師之續聘。審核委員會已獲提供本集團的綜合財務報表、風險管理報告、內部監控報告及其他必要資料以考慮、審閱及評估該等所進行之工作中引起的重要問題及事宜。於2020年6月30日後及截至本報告日期，所有審核委員會成員出席會議，以檢討本集團截至2020年6月30日止年度的風險管理及內部監控制度的有效性。審核委員會已與管理層及本公司外聘核數師詳細考慮及審閱載入本年報第107至114頁「獨立核數師報告」的有關審核過程中最為重要的關鍵審核事項的識別及方式。本集團截至2020年6月30日止年度末期業績及年報於呈交董事會批准前已獲審核委員會審閱。審核委員會成員認為編製該等末期業績及年報時已遵守適用會計準則及上市規則，並已作出充分披露。審核委員會亦建議董事會於應屆股東週年大會上重選德勤·關黃陳方會計師行為本公司外聘核數師。

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During the year ended 30 June 2020, two meetings of the Audit Committee have been held and the attendance of each member of the Audit Committee is contained in the following table:

截至2020年6月30日止年度，審核委員會舉行兩次會議，而審核委員會各成員出席會議記錄載於下表：

		Number of attendances/ number of meetings 出席次數/ 會議數目
Mr. Chang Eric Jackson (Chairman of Audit Committee)	張世澤先生 (審核委員會主席)	2/2
Mr. Wang Bo	王波先生	2/2
Mr. Xiang Feng	向峰先生	2/2

NOMINATION COMMITTEE

The Company established the Nomination Committee on 5 October 2012 with written terms of reference (updated on 31 December 2018) in compliance with the CG Code. The primary duties of the Nomination Committee are mainly to review of the structure, size, and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become the Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships of the Company and to assess the independence of independent non-executive Directors. In reviewing and recommending the appointment of new Directors, the Nomination Committee would seek to identify the competencies required to enable the Board to fulfill its responsibilities. The resume or document of the nominee or candidate will be given to the Nomination Committee for consideration.

提名委員會

本公司於2012年10月5日成立提名委員會，並制定符合企業管治守則的書面職權範圍(已於2018年12月31日更新)。提名委員會的主要職責為至少每年檢討董事會的架構、規模及組成(包括技能、知識及經驗以及觀點的多樣性)，並就任何為配合本公司的公司策略而計劃對董事會作出的變動提出建議；物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任本公司董事或就此向董事會提供推薦意見，以及評估獨立非執行董事的獨立性。於審閱委任新增董事及就此提供建議時，提名委員會將物色所需的合適人選，使董事會履行其職責。被提名人或候選人的履歷表或文件將送交提名委員會參考。

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The Company has adopted a board diversity policy (the “Board Diversity Policy”) in September 2013 and revised in December 2018 setting out the approach to achieve diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to skills, knowledge, industry and regional experience, cultural and educational background, gender, age and professional qualification. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee shall discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendations to the Board. The Board may adopt and/or amend from time to time (as applicable) such diversity perspectives and/or measurable objectives that are appropriate to the Company’s business and Board succession planning, as applicable.

The Company has also adopted a director nomination policy (the “Director Nomination Policy”) in December 2018 setting out the procedures and criteria to be used by the Company in relation to the selection, appointment and re-appointment of Directors to ensure that the Board maintains an appropriate mix and balance of skills, knowledge, experience, and diversity of perspectives to the requirements of the Company’s business.

The Nomination Committee shall make reference to this Director Nomination Policy and the Board Diversity Policy to nominate suitably qualified candidates to the Board for it to consider and make recommendations to shareholders for election as Directors at general meetings or appoint as Directors to fill casual vacancies or as an addition to the Board.

本公司已於2013年9月採納董事會成員多元化政策(「董事會成員多元化政策」)並於2018年12月作出修訂，當中載有實現董事會多元化的方法。甄選人選將按一系列多元化範疇為基準，包括但不限於技能、知識、行業及地區經驗、文化及教育背景、性別、年齡及專業經驗。最終決定將根據人選的長處及可為董事會帶來的貢獻而定。提名委員會須討論並於必要時就達致董事會多元化的可衡量目標達成一致，並向董事會提出建議。董事會可不時採納及／或修訂(如適用)適用於本公司業務及董事會繼任計劃的多元化角度及／或可衡量目標(如適用)。

本公司已於2018年12月採納董事提名政策(「董事提名政策」)中所載本公司就甄選董事、委任及重新委任所使用之程序及準則，以確保董事會維持對本公司業務所要求的技能、知識、經驗及多元化之合適組合以及平衡。

提名委員會應參考此董事提名政策及董事會成員多元化政策，向董事會提名合適的合資格候選人，考慮及向股東提出建議，以於股東大會中選出董事或委任填補臨時空缺的董事或新增董事會董事。

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The Nomination Committee has three members comprising three independent non-executive Directors, currently they are Mr. Wang Bo (Chairman of the Nomination Committee), Mr. Lee Hin Kwong, Patrick and Mr. Xiang Feng. During the year ended 30 June 2020, one meeting of the Nomination Committee has been held to review the structure, size and composition of the Board and assess the independence of independent non-executive Directors. The attendance of each member of the Nomination Committee is contained in the following table:

提名委員會由三名成員組成，現時包括三名獨立非執行董事王波先生(提名委員會主席)、李憲光先生及向峰先生。截至2020年6月30日止年度，提名委員會舉行一次會議，以檢討董事會架構、人數及組成，評核獨立非執行董事的獨立性。提名委員會各成員出席會議記錄載於下表：

		Number of attendance(s)/ number of meeting(s) 出席次數／會議數目
Mr. Wang Bo (Chairman of Nomination Committee)	王波先生 (提名委員會主席)	1/1
Mr. Lee Hin Kwong, Patrick	李憲光先生	1/1
Mr. Xiang Feng	向峰先生	1/1

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 5 October 2012 with written terms of reference (updated on 13 December 2017) in compliance with the CG Code. The primary duties of the Remuneration Committee are mainly to make recommendations to the Board of Directors on the Company's policy structure for the remuneration of the Directors and senior management and on the establish of a formal and transparent procedure for developing a remuneration policy, review the terms of the remuneration package of each Director and member of senior management of the Group and making recommendations to the Board regarding any adjustment thereof; and to review and evaluate the performance of individual Directors. No Director shall participate in any discussion about his or her own remuneration.

薪酬委員會

本公司於2012年10月5日成立薪酬委員會，並制定符合企業管治守則的書面職權範圍(已於2017年12月13日更新)。薪酬委員會的主要職責為就本公司有關董事及高級管理層薪酬的政策架構及設立制定薪酬政策的正式及透明程序向董事會提供建議、審閱各董事及本集團的高級管理層成員的薪酬組合條款，並就相關的任何調整向董事會提供建議，以及審閱及評估個別董事表現。董事不得參與有關其本身薪酬的任何討論。

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The Remuneration Committee has three members comprising one executive Director and two independent non-executive Directors, namely, Mr. Wang Bo (Chairman of the Remuneration Committee), Mr. Lee Hin Kwong, Patrick and Mr. Xiang Feng. The remuneration of the Directors is determined with reference to their respective experience, responsibilities with the Group and general market conditions. During the year ended 30 June 2020, one meeting of the Remuneration Committee has been held to review the remuneration package of the Directors and senior management of the Group. The attendance of each member of the Remuneration Committee is contained in the following table:

薪酬委員會由三名成員組成，現時包括一名執行董事及兩名獨立非執行董事王波先生(薪酬委員會主席)、李憲光先生及向峰先生。董事薪酬乃根據彼等各自的經驗、於本集團的職責以及整體市況釐定。截至2020年6月30日止年度，薪酬委員會舉行一次會議，以審閱董事及本集團的高級管理層薪酬組合。薪酬委員會各成員出席會議記錄載於下表：

		Number of attendance(s)/ number of meeting(s) 出席次數／會議數目
Mr. Wang Bo (Chairman of Remuneration Committee)	王波先生 (薪酬委員會主席)	1/1
Mr. Lee Hin Kwong, Patrick	李憲光先生	1/1
Mr. Xiang Feng	向峰先生	1/1

REMUNERATION OF SENIOR MANAGEMENT

高級管理層薪酬

The biographical details of senior management of the Group are disclosed in the section headed "Profile of Directors and Senior Management" on pages 28 to 32 of this annual report.

本集團之高級管理層履歷詳情披露於本年報第28至32頁「董事及高級管理層簡歷」一節。

The remuneration paid/payable to senior management of the Group for the year ended 30 June 2020 fell within the following bands:

截至2020年6月30日止年度已付／應付本集團高級管理層之薪酬介乎以下範圍：

		Number of individuals 人數
Less than HK\$1,000,000	低於港幣1,000,000元	3
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至港幣1,500,000元	2
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至港幣2,000,000元	1
Total	總計	6

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DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements for each financial year and to ensure that the consolidated financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The statement by the auditor of the Company about their responsibilities for the consolidated financial statements is set out in the "Independent Auditor's Report" on pages 107 to 114 of this annual report. The Board also ensures the timely publication of the financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

The remuneration paid/payable to the auditors of the Group for the year ended 30 June 2020 is set out as follows:

董事對綜合財務報表的責任

董事會知悉其有責任編製本集團各財政年度的綜合財務報表，並確保綜合財務報表乃根據法定規例及適用會計準則編製。本公司核數師就綜合財務報表發出的責任聲明載於本年報第107至114頁「獨立核數師報告」。董事會亦確保及時刊發財務報表。董事經作出適當查詢後確認，彼等並無知悉任何有關可能令本公司持續經營的能力存在重大疑問的事件或情況的重大不明朗因素。

核數師酬金

截至2020年6月30日止年度，已付／應付本集團核數師酬金載列如下：

		Paid/payable 已付／應付金額 HK\$'000 港幣千元
Statutory audit services	法定核數服務	2,600
Non-statutory audit services	非法定核數服務	
Interim review	中期審閱	1,180
Tax compliance and consulting services	稅務合規及諮詢服務	110
Total	總計	3,890

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has developed the Group's internal control, risk assessment and management systems and has overall responsibility for reviewing and maintaining an adequate and effective risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group. It evaluates the effectiveness of the systems at least annually to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions. The review covers all material controls, including financial, operational and compliance controls and risk management.

Risk management and internal control systems

The Group's risk management and internal control systems are designed to manage and mitigate risks, rather than eliminate risks, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Group has employed a bottom-up approach for identification, assessment, and mitigation of risk at all business unit levels and across functional areas.

Main features of risk management and internal control systems

The key elements of the Group's risk management and internal control systems include the establishment of a risk register to keep track of and document identified risks, the assessment, and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

Annually, the Group identifies and assesses the key inherent risks that affect the achievements of its objectives. A risk matrix is adopted to determine risk rating into three categories: low, medium and high, after evaluation of the risk by the likelihood and the impact of the risk event. The risk ratings reflect the level of management attention and risk treatment effort required.

風險管理及內部監控

董事會已制定本集團之內部監控、風險評估及管理制度，並對檢討及維持足夠及有效之風險管理及內部監控制度負有全面責任，以保障股東利益及本集團資產。其最少每年評估制度的有效性確保本集團在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗、培訓課程及預算是足夠的。審閱涵蓋包括財務、經營及合規控制以及風險管理等所有重大監控。

風險管理及內部監控系統

本集團的風險管理及內部監控系統旨在管理及減低風險而非完全排除風險，且僅可提供合理保證而非絕對保證不會出現重大錯誤陳述或損失。本集團已採用由下而上的方法以辨識、評估及減低所有業務單位層面及在各功能範疇的風險。

風險管理及內部監控系統的主要特點

本集團的風險管理及內部監控系統主要元素包括設立風險記錄冊以追蹤及記錄所辨識的風險、評估及評測風險、發展及繼續更新應對程序，以及持續測試內部監控程序以確保其有效性。

本集團每年辨識及評估影響其達到目標的主要固有風險。本集團已於評估風險出現的可能性及風險事項的影響後採納一個風險模型釐定風險評級為低風險、中度風險及高風險三類。風險評級反映管理層所需注意及處理風險力度水平。

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Process used to identify, evaluate and manage significant risks

During the process of risk assessment, each of the risk owners of departments is required to capture and identify the key inherent risks that affect the achievement of its objectives. Each inherent risk is evaluated according to the risk matrix. After taking into consideration the risk response, such as control measures in place to mitigate the risk, the residual risk of each inherent risk is evaluated again. The risk register with the risk responses and residual risks is presented to the Audit Committee. The Audit Committee evaluates the effectiveness of the systems and reports to the Board. The highest category of residual risks is subject to the Board's oversight.

Process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects

The management is responsible for the design, implementation, and monitoring of the risk management and internal control systems. In view of the Group's business and scale of operations, and in order to adopt the most cost-effective method of conducting periodic reviews of the Group's internal controls, an independent consulting firm (the "Internal Control Auditor") has been engaged to work with the Board, through the Audit Committee, to execute the internal audit function. The Internal Control Auditor has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 30 June 2020 according to the scope of review determined, agreed and approved by the Audit Committee and in accordance with the requirements under code provision C.2 of the CG Code.

The Internal Control Auditor reported to the Audit Committee and the Audit Committee is satisfied that there had been no material deficiency identified in the areas of the Group's risk management and internal control systems being reviewed, where some minor areas need to be improved have been identified and reported to the Audit Committee and the Group would take further steps to improve by taken implement of the recommendations suggested by the Internal Control Auditor. Accordingly, the Board considered the risk management and internal control systems to be effective and have been implemented with adequate resources during the year ended 30 June 2020.

用以辨認、評估及管理重大風險的程序

於風險評估的程序中，各面對風險的部門須捕捉及辨識影響其達到目標的主要固有風險。各固有風險乃根據風險模型進行評估。經考慮風險的應對方法後（如採取監控措施以減低風險）將再次評估各固有風險的剩餘風險。風險記錄冊連同風險應對方法及剩餘風險將會向審核委員會予以匯報。審核委員會評估系統的有效程度及向董事會匯報。剩餘風險的最高級別須受董事會監管。

用以檢討風險管理及內部監控系統有效性及解決重大的內部監控缺失的程序

管理層負責設計、執行及監督風險管理及內部監控系統。鑒於本集團的業務及經營規模，及為就本集團內部監控進行定期審閱而採用最具成本效益的方法，本集團已委聘一間獨立顧問公司（「內控核數師」）透過審核委員會與董事會合作，以執行內部審核職能。內控核數師已根據審核委員會釐定、協定及批准的審閱範圍及按企業管治守則守則條文第C.2條的規定對本集團截至2020年6月30日止年度的風險管理及內部監控系統的有效性進行審閱。

內控核數師已向審核委員會匯報，而審核委員會信納獲審閱的本集團的風險管理及內部監控系統範疇內並無辨識到重大缺陷，其中需予改進的部分細枝末節已獲辨識並呈報予審核委員會且本集團會通過實施內控核數師建議的推薦意見採取進一步改進措施。因此，董事會認為截至2020年6月30日止年度風險管理及內部監控系統屬有效且具備足夠資源實施。

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Procedures and internal controls for the handling and dissemination of inside information

The Company is aware of its obligations in disclosure of inside information under the Listing Rules and Part XIVA of the SFO. The Board has already established and implemented a policy on the procedures, guidelines and internal controls for the handling and dissemination of inside information. The policy stipulated the duty and responsibility of inside information announcement, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemption and waiver to the disclosure of inside information, and also compliance and reporting procedures. Every senior management of the Company must take all reasonable measures to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group from time to time. They must promptly bring any possible leakage or divulgence of inside information to the attention of the Company Secretary, who will notify the Board accordingly for taking the appropriate action promptly. For any material violation of this policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding recurrence.

COMPANY SECRETARY

During the year under review, Ms. Lau Yee Wa ("Ms. Lau") of Tricor Services Limited, an external service provider, was the company secretary of the Company. Her primary contact person at the Company from 1 July 2019 to 29 November 2019 was Ms. Chan Sze Man ("Ms. Chan"), who is the then Chief Financial Officer of the Company. Upon Ms. Chan's resignation as CFO of the Company, Ms. Lau's primary contact at the Company changed to Ms. Cao Mengxiao, who is the Chief Financial Officer of the Company. The biographical details of Ms. Lau are set out under the section headed "Profile of Directors and Senior Management" on pages 28 to 32 of this annual report. Ms. Lau confirmed that she has taken no less than 15 hours of relevant professional training during the year ended 30 June 2020 in accordance with the requirements of Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the year ended 30 June 2020, there was no change in the Company's constitutional documents.

處理及發佈內幕消息的程序及內部監控程序

本公司清楚其有責任根據上市規則及證券及期貨條例第XIVA部披露內幕消息。董事會已就處理及發佈內幕消息的程序、指引及內部監控制定及落實政策。該政策規定了內幕消息公佈的職責與責任、在共享非公開信息、處理謠言、無意選擇性披露、豁免披露內幕消息方面的限制，以及合規及報告程序。本公司各高級管理層必須採取一切合理措施，確保設有恰當的防範措施，以防違反不時有關本集團的披露規定。彼等必須迅速提請公司秘書注意內幕消息的任何潛在洩漏，公司秘書將通知董事會就此迅速採取適當的行動。如嚴重違反本政策，董事會將決定或指派適當人士以決定糾正問題的行動方針，並避免再次發生。

公司秘書

於回顧年度內，卓佳專業商務有限公司(外部服務提供者)的劉綺華女士(「劉女士」)擔任本公司公司秘書。自2019年7月1日至2019年11月29日，劉女士之主要公司聯絡人為本公司當時首席財務官陳詩敏女士(「陳女士」)。於陳女士辭任本公司首席財務官後，劉女士之主要公司聯絡人變更為本公司首席財務官曹夢曉女士。劉女士的履歷詳情載於本年報第28至32頁「董事及高級管理層簡歷」一節。截至2020年6月30日止年度，劉女士確認已根據上市規則第3.29條之規定接受不少於15小時的相關專業培訓。

憲章文件

於截至2020年6月30日止年度，本公司的憲章文件並無任何改變。

CORPORATE GOVERNANCE REPORT

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SHAREHOLDERS' RIGHTS

Communications with Shareholders

The Company has established a range of communication channels between itself and the Shareholders and investors. These include answering questions through the general meetings, the publication of annual and interim reports, notices, announcements and circulars and the Company's website at www.transmit-ent.com.

Procedures for Shareholders to convene an extraordinary general meeting

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Any general meeting other than an annual general meeting shall be referred to as an extraordinary general meeting ("EGM").

Subject to applicable laws and regulations, including the Listing Rules and the Company's Articles of Association as amended from time to time, Shareholders may convene an EGM to consider proposals in accordance with the following provisions:

1. One or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings can deposit a written request to convene an EGM at the principal place of business of the Company in Hong Kong (the "Hong Kong Head Office"), for the attention of the Board or the Company Secretary.
2. The written request must state the name of the Shareholders concerned, their respective shareholdings, the objects of the meeting, including details of the business(es) and resolutions proposed to be considered and approved at the meeting, signed by the Shareholders concerned.

股東權利

與股東溝通

本公司已設立多種通訊渠道，以聯繫本公司、股東及投資者，包括於股東大會上回應提問、刊發年報及中期報告、通告、公佈及通函，以及本公司網站(www.transmit-ent.com)。

股東召開股東特別大會的程序

本公司股東大會為股東及董事會提供互相溝通的機會。本公司每年須於可能由董事會釐定的地點舉行股東週年大會。股東週年大會以外的任何股東大會稱為股東特別大會(「股東特別大會」)。

受適用法例及規例(包括上市規則以及本公司經不時修訂的組織章程細則)所規限，股東可根據下列條文召開股東特別大會以考慮建議：

1. 一名或多名於遞呈要求當日持有不少於本公司附帶股東大會表決權的繳足股本十分之一的股東，可將召開股東特別大會的書面要求送交本公司香港主要營業地點(「香港總辦事處」)，收件人請註明為董事會或公司秘書。
2. 書面要求必須註明相關股東姓名、相關持股量及會議目的(包括業務及將於大會上提呈以供考慮及批准的決議案詳情)，並由相關股東簽署。

CORPORATE GOVERNANCE REPORT

企業管治報告

3. The request will be verified with the Company's Hong Kong branch share registrar and transfer office and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the Shareholders. On the contrary, if the request has been verified as not in order, the Shareholders concerned will be advised of this outcome and accordingly, an EGM will not be convened as requested.
4. If within 21 days of such deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.
5. The notice period to be given to the Shareholders in respect of the EGM varies according to the nature of the proposal. Notice of the EGM at which the passing of a special resolution is to be considered, a notice of the EGM shall be arranged to be sent to the Shareholders at least 21 clear days or 10 clear business days (whichever is longer) before such EGM. Notice of all other EGM shall be arranged to be sent to the Shareholders at least 14 clear days or 10 clear business days (whichever is longer) before such EGM.
6. There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or the Company's Articles of Association. Shareholders who wish to move a resolution may request the Company to convene an EGM following the procedures set out above in this section.
3. 本公司香港股份過戶登記分處將核實要求，於其確認要求屬恰當及妥當後，公司秘書將要求董事會根據法定要求向全體股東發出充分通知以召開股東特別大會。相反，倘要求已確認為不恰當，則有關結果將知會相關股東，而將不會應要求召開股東特別大會。
4. 倘董事會未能於有關要求遞呈後21日內召開股東大會，要求方可以同一形式召開股東大會，本公司須就要求方因董事會未能召開股東大會而產生的一切合理開支彌償要求方。
5. 就股東特別大會向股東作出的通知期因應建議性質而定。就考慮通過特別決議案的股東特別大會通知而言，股東特別大會通知須於有關股東特別大會舉行前最少21個完整日或10個完整營業日(以較長者為準)寄發予股東。所有其他股東特別大會通知須於有關股東特別大會舉行前最少14個完整日或10個完整營業日(以較長者為準)寄發予股東。
6. 根據開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)或本公司組織章程細則，概無條文允許股東於股東大會上動議新決議案。有意動議決議案的股東可遵從本節上文所述程序要求本公司召開股東特別大會。

Shareholders' enquiries

Shareholders and other stakeholders can make any enquiry in respect of the Company in writing either by email at "info@transmit-ent.com" or deposited at the Hong Kong Head Office for the attention of the Board or the Company Secretary. The appropriate management member of the Company will respond to the legitimate enquiry of the Shareholders, the Company's potential investors or analysts.

股東查詢

股東及其他利益相關者可電郵至「info@transmit-ent.com」或發信至香港總辦事處(收件人請註明為董事會或公司秘書)提出有關本公司的任何查詢。本公司相關管理層成員將回應股東、本公司有意投資者或分析員的合法查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

The dividend policy of the Company (the “Dividend Policy”) is in place setting out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company.

The Board shall take into account factors including but not limited to financial results, cash flow situations, future operations, and earnings, any restriction on payment of dividends when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- taxation consideration;
- any restrictions on the payment of dividends; and
- any other factors that the Board may consider relevant.

The Dividend Policy shall be reviewed when necessary and can be revised by the Board from time to time.

股息政策

本公司的股息政策(「股息政策」)已制定，載列本公司就宣派、派付或分發其淨利潤作為予本公司股東的股息時擬應用的原則及指引。

董事會在考慮宣派和支付股息時，應考慮包括但不限於財務業績、現金流量狀況、未來經營及盈利、任何對股息支付的限制在內的因素：

- 財務業績；
- 現金流量狀況；
- 業務情況及策略；
- 未來經營及盈利；
- 資本需求及開支計劃；
- 股東利益；
- 稅務考慮；
- 任何對股息支付的限制；及
- 任何董事會認為相關的其他因素。

股息政策須於有需要時檢討，並可不時由董事會作出修訂。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Transmit Entertainment Limited (the “Company”), together with its subsidiaries (the “Group”), is pleased to present this Environmental, Social and Governance Report 2020 (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance issues. This Report is prepared by the Group with the professional assistance of APAC Compliance Consultancy and Internal Control Services Limited.

Preparation basis and scope

This Report is prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) – “Environmental, Social and Governance Reporting Guide” and has complied with the “comply or explain” provision in the Listing Rules.

This year, the Group has extended the scope of this report so that it covers both its Hong Kong (“HK”) and the People’s Republic of China (the “PRC”) operations. This Report summarises the performance of the Group in respect of corporate environmental and social responsibility, covering its operations which are considered as material by the Group – (i) film and TV series production, distribution and licensing of film rights; (ii) film exhibition; (iii) others, including post-production, advertising, marketing and publication businesses, internet and pan entertainment businesses and other revenue in HK and PRC. With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data, implement and monitor measures. This Report shall be published both in Chinese and English on the website of Stock Exchange. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

Reporting period

This Report demonstrates our sustainability initiatives during the reporting period from 1 July 2019 to 30 June 2020.

Contact information

The Group welcomes your feedback on this Report for our sustainability initiatives. Please give your suggestions or share your views with the Group via the Group’s social media platforms or email at info@transmit-ent.com.

關於本報告

傳遞娛樂有限公司(「本公司」，連同其附屬公司統稱為「本集團」)欣然提呈本2020年環境、社會及管治報告(「本報告」)，以提供有關本集團管理影響營運之重大事宜(包括環境、社會及管治事宜)之概覽。本報告乃由本集團在亞太合規顧問及內控服務有限公司之專業協助下編製。

編製基準及範圍

本報告乃依照香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄二十七「環境、社會及管治報告指引」編製，並遵守上市規則「不遵守就解釋」條文。

本年度，本集團將本報告範圍延伸至涵蓋香港(「香港」)及中華人民共和國(「中國」)業務。本報告概述本集團於企業環境及社會責任方面的表現，涵蓋本集團認為於香港及中國屬重要的業務 – (i) 電影及電視劇製作、發行及授出電影發行權使用許可；(ii) 電影放映；(iii) 其他，包括後期製作、廣告、市場推廣及出版業務、互聯網及泛娛樂業務以及其他收益。為優化及改善本報告的披露規定，本集團已主動制定政策、記錄相關數據、實施及監測措施。本報告以中、英文版本刊發，並刊載於聯交所網站。中、英文版本如有任何歧義，概以英文版本為準。

報告期間

本報告闡述我們於2019年7月1日至2020年6月30日報告期間的可持續發展措施。

聯絡資料

本集團歡迎閣下對本報告提出可持續發展措施方面的反饋。如有任何建議或意見，敬請閣下透過本集團的社交媒體平台或電郵至info@transmit-ent.com聯絡本集團。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION

The Group is principally engaged in (i) film and TV series production, distribution and licensing of film rights; (ii) film exhibition; (iii) others, including post-production, advertising, marketing and publication businesses, internet and pan entertainment businesses and other revenue. The Group mainly produces Chinese films and TV series in both Hong Kong and mainland China. It also operates five Hong Kong based cinemas.

In order to response to growing trends on the expectation of the stakeholders on the corporate responsibility performance, the Group is committed to integrating sustainable development into business operations. We maintain our operation in a responsible and value-optimizing manner and value creation for stakeholders and community by integrating environmental and social factors into management considerations. Sustainability strategy is based on the compliance with the legal requirements applicable to us and opinions from stakeholders. Sustainability is essential for the Group's growth in order to achieve business excellence and enhance capabilities for long-term competitiveness. The Group has established and implemented various policies to manage and monitor the risks related to the environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. It allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment.

緒言

本集團主要從事(i)電影及電視劇製作、發行及授出電影發行權使用許可；(ii)電影放映；(iii)其他，包括後期製作、廣告、市場推廣及出版業務、互聯網及泛娛樂業務以及其他收益。本集團以香港及中國內地為主要市場製作華語電影及電視劇，並經營五間香港電影院。

為回應利益相關者對企業責任表現日益增長的期望，本集團致力將可持續發展融入日常營運。我們將環境及社會因素納入管理考慮，以負責任及價值最優化的方式營運，為利益相關者及社會創造價值。可持續策略乃基於遵守我們適用的法例規定及利益相關者意見。可持續發展對本集團的發展至關重要，以實現卓越業務及提升長期競爭力。本集團已制定及實施各項政策以管理及監察環境、僱傭、營運常規及社區的相關風險。不同範疇的可持續發展管理方針詳情於本報告中說明。

利益相關者參與及重要性評估

本集團深明，本集團之業務成功與否取決於(a)已投資或將投資於本集團；(b)有能力影響本集團內部事宜的結果；及(c)於本集團之業務、產品、服務及關係中擁有權益或受其影響或潛在影響的主要利益相關者的支持，並讓本集團了解風險與機遇。本集團將繼續確保與每個主要利益相關者有效溝通，並保持良好關係。

本集團不時因應其角色及職責、戰略規劃及業務計劃對利益相關者進行重要性排序。本集團與其利益相關者溝通以建立互利關係，並尋求彼等對業務建議及計劃之意見，同時促進市場、工作場所、社區及環境之可持續發展。

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The Group acknowledges the importance of intelligence gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

本集團明白自利益相關者獲取對本集團業務活動之見解、查詢及持續關注之重要性。本集團已識別對業務而言屬重要之主要利益相關者，並設立多種溝通渠道。下表提供本集團主要利益相關者以及用於接觸、聆聽及回應的各種溝通平台及方式的概要。

Stakeholders 利益相關者	Expectations 期望	Engagement channels 參與渠道
Government 政府	<ul style="list-style-type: none"> Compliance with the applicable laws and regulations 遵守適用法律及法規 Proper tax payment 正當納稅 	<ul style="list-style-type: none"> Annual reports, interim reports and announcements 年報、中期報告及公佈 Company website 公司網站
Shareholders and investors 股東及投資者	<ul style="list-style-type: none"> Low risk 低風險 Return on the investment 投資回報 Information disclosure and transparency 資訊披露及透明度 Protection of interests and fair treatment of shareholders 保護股東權益及公平待遇 	<ul style="list-style-type: none"> Annual general meetings and other shareholder meetings 股東週年大會及其他股東大會 Annual reports, interim reports and announcements 年報、中期報告及公佈 Company website 公司網站 Meetings with investors and analysts 與投資者及分析師會面
Employees 僱員	<ul style="list-style-type: none"> Safeguard the rights and interests of employees 保障僱員權利及權益 Working environment 工作環境 Career development opportunities 職業發展機會 Health and safety 健康與安全 	<ul style="list-style-type: none"> Trainings, seminars and briefing sessions 培訓、講座及簡介會 Newsletters 內部通訊 Intranet and emails 內聯網及電郵
Customers 客戶	<ul style="list-style-type: none"> Safe and high-quality products 安全及優質產品 Stable relationship 穩定關係 Information transparency 資訊透明度 Integrity 誠實正直 Business ethics 商業道德 	<ul style="list-style-type: none"> Annual reports, interim reports and announcements 年報、中期報告及公佈 Company website 公司網站 Email and customer service hotline 電郵及客戶服務熱線 Regular meetings 定期會議

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Stakeholders 利益相關者	Expectations 期望	Engagement channels 參與渠道
Suppliers and partners 供應商及合作夥伴	<ul style="list-style-type: none"> • Long-term partnership • 長期合作關係 • Honest cooperation • 真誠合作 • Fairness and openness • 公平及開放 • Information resources sharing • 資訊資源共享 • Risk reduction • 降低風險 	<ul style="list-style-type: none"> • Business meetings and phone calls • 業務會議及電話 • Regular meetings • 常規會議 • Reviews and assessments • 審閱及評估
Financial institution 金融機構	<ul style="list-style-type: none"> • Compliance with the applicable laws and regulations • 遵守適用法律及法規 • Disclosure of information • 資訊披露 	<ul style="list-style-type: none"> • Consulting • 諮詢 • Information disclosure • 資訊披露 • Annual reports, interim reports and announcements • 年報、中期報告及公佈
Media 媒體	<ul style="list-style-type: none"> • Information transparency • 資訊透明度 	<ul style="list-style-type: none"> • Company website • 公司網站 • Interviews • 採訪
Public and communities 公眾人士及社區	<ul style="list-style-type: none"> • Community involvement • 社區參與 • Social responsibilities • 社會責任 	<ul style="list-style-type: none"> • Annual reports, interim reports and announcements • 年報、中期報告及公佈

Through general communication with stakeholders, the Group understands the expectations and concerns from stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

The Group has adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and key performance indicators (KPIs) are reported in the Report according to recommendations of the ESG Reporting Guide (Appendix 27 of the Listing Rules) and the Global Reporting Initiative Guidelines. The Group has evaluated the materiality and importance in ESG aspects through the following steps:

透過與利益相關者進行一般溝通，本集團了解到利益相關者的期望及關注。所獲得的反饋讓本集團能夠作出更為明智的決策，且更好地評估及管理由此產生的影響。

本集團通過了解對本集團業務而言屬重要的關鍵環境、社會及管治事宜，於環境、社會及管治報告中採用重要性原則。根據環境、社會及管治報告指引（上市規則附錄二十七）及全球報告倡議組織指引的建議，本報告就所有關鍵環境、社會及管治事宜及關鍵績效指標作出匯報。本集團已透過以下步驟評估環境、社會及管治方面的重大性及重要性：

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Step 1: Identification – Industry Benchmarking

- Relevant ESG areas were identified through the review of relevant ESG reports of the local and international industry peers.
- The materiality of each ESG area was determined based on the importance of each ESG area to the Group through internal discussion of the management and the recommendation of ESG Reporting Guide (Appendix 27 of the Listing Rules).

Step 2: Prioritisation – Stakeholder Engagement

- The Group discussed with key stakeholders on key ESG areas identified above to ensure all the key aspects were covered.

Step 3: Validation – Determining Material Issues

- Based on the discussion with key stakeholders and internal discussion among the management, the Group's management ensured that all the key and material ESG areas, which were important to the business development, were reported and in compliance with ESG Reporting Guide.

As a result of this process carried out in 2020, those important ESG areas to the Group were discussed in this Report.

A. ENVIRONMENTAL ASPECTS

The Group is mainly involved in office operations and its business activities do not have significant impact on the environment or natural resources. In spite of this, we believe that our enterprise has responsibility in promoting and implementing the sustainable development of environment. We are committed to continuously improving our environmental sustainability by responsibly managing our operation, reducing our carbon footprint and using resources effectively.

步驟一：識別－行業基準

- 透過審查當地及國際同業的相關環境、社會及管治報告，確定相關的環境、社會及管治範疇。
- 根據各個環境、社會及管治範疇對本集團的重要性，透過管理層的內部討論及環境、社會及管治報告指引(上市規則附錄二十七)的建議，釐定各個環境、社會及管治範疇的重要性。

步驟二：排序－利益相關者的參與

- 本集團已就上述關鍵環境、社會及管治範疇與主要利益相關者進行討論，以確保涵蓋所有方面。

步驟三：確認－釐定重大議題

- 根據與主要利益相關者的討論以及管理層之間的內部討論，本集團的管理層確保所有對業務發展至關重要的關鍵及重大環境、社會及管治範疇已予報告並遵守環境、社會及管治報告指引。

由於2020年進行該程序，本報告中已討論該等對本集團至關重要的環境、社會及管治範疇。

A. 環境層面

本集團主要從事辦公室營運，其業務活動對環境或天然資源並無重大影響。儘管如此，我們認為促進及實行環境的可持續性發展是企業的責任。我們致力透過以負責任方式管理業務、減少碳足跡及善用資源，不斷改善環境層面之可持續發展。

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Accordingly, the Group establishes environmental principles and policies to ensure the effective execution in various measures. From film and TV series production to film exhibition at the cinemas, the Group is committed to making efforts towards sustainable business and reducing carbon footprint while showing good stewardship in the community that the Group serves. For instance, during film and TV series production, a production manager is assigned for each production in order to carefully manage, supervise and execute sustainability practice and performance in every aspect of the production, from reducing the use of plastic water bottles to renting vehicles with higher fuel efficiency and the use of rechargeable batteries. For film exhibition operation, vegetarian options are available for cinemagoers, as well as ensuring the cinema venue is accessible to meet the needs of customers.

The Group always endeavours to operate in a manner that is economically, socially and environmentally sustainable while balancing the interests of our various stakeholders and fostering a positive impact on the society. We also regularly update ourselves with the latest development of the applicable laws and regulations on environmental protection.

A1. EMISSIONS

The Group acknowledges its responsibility to the environment and has ethical duties to reduce emissions. Given the nature of our business, the impacts on the environment and nature resources are not significant. In spite of this, we are committed to minimizing our environmental impacts by responsibly managing our business operations, reducing our carbon footprint and using resources effectively. In the meantime, we have full complied with all of the relevant environmental laws and regulations where we operated such as the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (2015) in the PRC, the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611), and the Road Traffic Ordinance (Cap. 374) in Hong Kong. Besides, no concluded case regarding emissions was brought against us or our employees during the year ended 30 June 2020.

因此，本集團制定環保原則及政策以確保各項措施得以有效執行。從電影及電視劇製作到電影院的電影放映，本集團承諾在努力實現業務的可持續發展及減少碳足跡的同時，在本集團服務的社區展示良好的管理。例如，在電影及電視劇製作方面，每部製作委任的製片經理在製作的各個方面，從減少使用瓶裝水到租用較高燃油效率的車輛及使用可充電電池，審慎管理、監督及執行可持續發展常規及表現。在電影放映業務方面，電影觀眾可選擇素食，以及確保電影院能夠滿足客戶需求。

本集團一直努力於以經濟、社會及環境可持續的方式營運，同時兼顧各利益相關者的利益，並為社會帶來積極影響。我們亦定期了解適用於環境保護的法律及法規的最新發展。

A1. 排放物

本集團知悉其對環境的責任及對減少排放物的道德責任。鑒於本集團的業務性質，其對環境及天然資源並無重大影響。儘管如此，我們仍致力以負責任的方式管理我們的營運，減少碳足跡及高效利用資源，盡量降低我們對環境的影響。同時，我們已全面遵守我們營運所在國家及地區的所有相關環境法律及法規，例如中國的《中華人民共和國大氣污染防治法》(2015年)、香港的《汽車引擎空轉(定額罰款)條例》(第611章)及《道路交通條例》(第374章)。此外，截至2020年6月30日止年度，並無有關排放物而針對我們或我們的僱員提起的審結案件。

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Air Pollutant Emissions

Air emission control is essential to mitigate environmental impacts and to protect the health of employees. As the Group is mainly involved in general office activities, the amount of air pollutant emissions is insignificant. Our air pollutant emissions are generated from the mobile sources including passenger cars. We take initiative to formulate plans in transportation management for the reduction of air pollutant emissions in our daily business operation. For example, encouraging employees and clients to conduct video conference meetings instead of transportation. The increase in air pollutant emissions in 2020 was mainly attributable to the increase in vehicle usage for business travel during the year ended 30 June 2020. The details of air pollutant emissions during the reporting period were as follows:

Type of air pollutants 空氣污染物類別	Unit 單位	HK 香港	PRC 中國	2020 Total 2020年總計	2019 Total 2019年總計
Nitrogen oxides (NOx) 氮氧化物(NOx)	kg 公斤	12.23	0.36	12.59	8.05
Sulphur oxides (SOx) 硫氧化物(SOx)	kg 公斤	0.25	0.28	0.53	0.32
Particulate matter (PM) 懸浮粒子(PM)	kg 公斤	0.90	0.13	1.03	0.68

Greenhouse Gas (“GHG”) Emissions

Greenhouse gas is considered as one of the major contributors to the climate change. Besides, global warming affects our daily life and poses a risk to the Group’s business. Hence, we are committed to mitigating the effects of climate change and protecting the health of employees.

Regarding GHG emissions of the Group, scope 1 direct emissions, scope 2 and scope 3 indirect emissions mainly result from the combustion of fuels in mobile sources, purchased electricity and business air travel respectively for business operations. During the year ended 30 June 2020, the Group fully complied with all applicable environmental laws and regulations, and was not subject to any fine, penalty, investigation or prosecution for non-compliance with the relevant laws and regulations relating to emissions.

空氣污染排放物

氣體排放控制對減低環境影響及保障僱員健康至關重要。由於本集團主要從事一般辦公室業務，故空氣污染排放量微乎其微。我們的空氣污染排放物源自流動來源(包括載客私家車)。我們主動制定交通管理計劃，以減少日常業務營運中之空氣污染排放物，例如鼓勵僱員及客戶採用視像會議代替交通安排。於2020年，空氣污染排放量增加乃主要由於截至2020年6月30日止年度，用以差旅行途的車輛使用量增加。於報告期內，空氣污染排放詳情如下：

溫室氣體(「溫室氣體」)排放溫室氣體被認為是氣候變化的其中之一個主要因素。此外，全球變暖影響我們的日常生活，並對本集團的業務帶來風險。因此，我們致力緩和氣候變化的影響，並保護僱員的健康。

有關本集團的溫室氣體排放，範圍1直接排放、範圍2及範圍3間接排放主要分別由業務營運所需的移動源之燃料燃燒、已購電力及商務航空旅行所產生。截至2020年6月30日止年度，本集團已全面遵守所有適用環保法律及法規，並未因違反有關排放的相關法律及法規而遭受任何處罰、罰款、調查或訴訟。

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Giving the majority of the GHG emissions of the Group come from energy consumption, the Group tackles the GHG emission by lowering the energy consumption in our business operations. Policies and procedures as mentioned in the section "Use of Resources" to encourage energy saving have been incorporated throughout the operations in order to reduce the carbon footprint. The increase in GHG scope 1 emission in 2020 was mainly attributable to the increase in vehicle usage for business travel by the Group during the year ended 30 June 2020. On the other hand, the GHG scope 2 emission in 2020 dropped as the revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication decreased during the year. In addition, the increase in business travels by PRC employees during 2020 contributed to the slight increase in GHG scope 3 emission.

The details of GHG emissions during the reporting period were as follows:

由於本集團的溫室氣體排放主要源自能源消耗，本集團減低業務營運的能源消耗以應對溫室氣體排放問題。業務營運已納入於「資源使用」部分所述的鼓勵節能政策及措施，以減少碳足跡。於2020年，溫室氣體範圍1排放量增加主要由於本集團於截至2020年6月30日止年度用以差旅的車輛使用量增加。此外，由於年內來自電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益減少，2020年的溫室氣體範圍2排放量亦減少。另外，於2020年內中國僱員差旅次數增加，導致溫室氣體範圍3排放量微升。

於報告期內，溫室氣體排放詳情如下：

Type of GHG emissions ¹ 溫室氣體排放種類 ¹	Unit 單位	HK 香港	PRC 中國	2020 Total 2020年總計	2019 Total 2019年總計
Scope 1 ² 範圍1 ²	tonnes of CO ₂ e 噸二氧化碳當量	47	5	52	35
Scope 2 ³ 範圍2 ³	tonnes of CO ₂ e 噸二氧化碳當量	1,519	67	1,586	1,835 ⁴
Scope 3 ⁵ 範圍3 ⁵	tonnes of CO ₂ e 噸二氧化碳當量	16	12	28	19
Total GHG emissions 溫室氣體排放總量	tonnes of CO ₂ e 噸二氧化碳當量	1,582	84	1,666	1,889 ⁵
GHG emission intensity 溫室氣體排放密度	tonnes of CO ₂ e/m ² 噸二氧化碳當量／ 平方米	0.13	0.13	0.13	0.14

¹ The calculation of the GHG emission is based on the "Corporate Accounting and Reporting Standard" from GHG Protocol published by World Resources Institute and World Business Council for Sustainable Development.

² Scope 1: Direct emissions from sources that are owned or controlled by the Group.

³ Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group.

⁴ The data of 2019 has been restated for comparative purpose for adoption of the latest emission factors for Mainland China electricity consumption.

⁵ Scope 3: Indirect emissions from the business travel by employees.

¹ 溫室氣體排放量基於世界資源研究院及世界企業永續發展協會發佈之溫室氣體盤查議定書中的「企業會計與報告標準」計量。

² 範圍1：本集團所擁有或控制的資源之直接排放。

³ 範圍2：本集團消耗的已購電力產生之間接排放。

⁴ 由於採用中國內地的最新用電排放因子，因此2019年的數據已予重列，以供比較之用。

⁵ 範圍3：僱員差旅產生之間接排放。

Hazardous and Non-hazardous Wastes

Waste management is considered as one of the material topics in environmental protection. The Group recognises the importance of waste reduction. Waste management measures have been introduced and implemented to minimise the amount of waste generated and the impact on the environment. With our business nature, no hazardous waste was generated or discharged in our office operation during the year.

Non-hazardous waste mainly consists of paper waste which is generated from daily office operation. The Group takes initiative to reduce waste by formulating effective measures. Generally, we have engaged qualified recycling companies to collect and handle the waste in accordance to the Prevention and Control of Environmental Pollution by Solid Wastes in the PRC and the Waste Disposal Ordinance (Cap. 354) in Hong Kong. The major source of our non-hazardous waste is paper waste.

With the aim to reduce the amount of waste generated, the Group endeavours to cultivate environmental awareness among employees. In order to reduce the paper consumption, we actively promote electronic communication instead of paper use. We also encourage our employees to consider environmental-friendly printing such as double-sided printing and copying. Moreover, we encourage employees to reuse single sided non-confidential print out. We will seek other possible measures to manage and reduce the waste generated in operations in the future. The Group will look into the development of waste management system and recycling practice in business operations in the coming future. The decrease in the amount of non-hazardous wastes generated in 2020 was mainly due to the decrease in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication during the year ended 30 June 2020.

有害及無害廢棄物

廢棄物管理被認為是環境保護的其中一個重要議題。本集團明白減少廢棄物的重要性。本集團已推出並實行廢棄物管理措施以減低產生廢棄物的數量及對環境的影響。由於我們的業務性質，辦公營運於年內並無產生或排出有害廢棄物。

無害廢棄物主要包含日常辦公營運所產生之紙張廢棄物。本集團已主動制訂有效措施減少廢棄物。一般而言，我們已根據《中華人民共和國固體廢物污染環境防治法》及香港的《廢棄物處置條例》(第354章)委聘符合資格的回收公司回收及處理廢棄物。我們的無害廢棄物的主要來源為紙張廢棄物。

本集團致力提升僱員的環保意識，旨在減少廢棄物產生數量。我們積極推廣電子溝通代替使用紙張，以減少消耗紙張。我們亦鼓勵僱員考慮環保印刷，如雙面印刷及影印。此外，我們鼓勵僱員重用單面非機密印刷。我們未來將會尋求其他可行方法管理及減少於營運中產生的廢棄物。本集團未來將研究廢棄物管理系統的發展及業務營運的回收常規。於2020年產生的無害廢棄物數量減少乃主要由於截至2020年6月30日止年度的電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益減少所致。

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The details of non-hazardous waste generated and recycled by the Group during the reporting period were as follows:

本集團於報告期內產生及回收的無害廢棄物詳情如下：

Wastes 廢棄物	Unit 單位	HK 香港	PRC 中國	2020 Total 2020年總計	2019 Total 2019年總計
Non-hazardous waste generated 已產生的無害廢棄物	tonnes 噸	0.02	N/A ⁶	0.02	1.21
Non-hazardous waste generated intensity 已產生的無害廢棄物密度	tonnes/employee 噸/每位僱員	0.001	N/A ⁶	0.005	0.005
Non-hazardous waste recycled 已回收的無害廢棄物	tonnes 噸	0.02	0.01	0.03	0.12
Non-hazardous waste recycled intensity 已回收的無害廢棄物密度	tonnes/employee 噸/每位僱員	0.001	0.001	0.001	0.001

⁶ The data for waste generated has not been recorded for the year. We will develop better data collection approach in the next reporting period for the waste disclosure.

⁶ 本年度並無紀錄已產生廢棄物的數據。我們將於下一個報告年度制定更佳的數據收集方式，以披露有關廢棄物的資料。

A2. USE OF RESOURCES

The Group considers environmental protection as an essential component of a sustainable and responsible business. We have an in-depth understanding of the importance of safeguarding sustainable development of the environment and this to attach importance to efficient utilization of resources by introducing various measures in daily business operations. We understand that staff participation is the key to achieve such goals.

We have adopted energy and water efficiency initiatives to motivate our employees to participate in resource conservation activities.

Energy Consumption

With the aims of resource saving and implementation of energy saving measures, we actively promote the concept of energy saving and emission reduction into the entire process of our business development and operation and implements different energy saving measures.

A2. 資源使用

本集團認為環境保護為可持續及負責任的業務之重要部分。我們深知維護環境可持續發展的重要性，重視資源有效利用，故已於日常業務過程中採納多項措施。我們明白員工參與乃實現該等目標的關鍵。

我們已採納能源及水資源效益倡議措施，激勵僱員參與資源節約活動。

能源消耗

為節約資源及實行能源節約措施，我們積極於整個業務發展及營運過程中推廣節約能源及減少排放的概念，並實行不同的能源節約措施。

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Regarding energy consumption, the use of electricity accounts for the Group's major energy consumption. In view of the scarcity of energy, the Group has advocated various energy conservation strategies to increase energy efficiency and reduce energy consumption. For example, all facilities for film exhibition operations comply with the Building Energy Efficiency Ordinance (Cap 610) implemented by the Electrical and Mechanical Services Department to ensure key building services meet the minimum energy efficiency standards of the Building Energy Code. Besides, the temperature of air-conditioners is maintained at an energy-efficient level at around 25 degrees Celsius. A standby mode is set for computers when they are not in use for a long period of time. Besides, all lighting and power supply in the area are switched off while leaving. In order to increase the environmental awareness of employees, energy saving reminder notices are posted near the switches and sockets to encourage our employees to reduce electricity usage. The decrease in the total energy consumption in 2020 was mainly attributable to the decrease in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication during the year ended 30 June 2020. During the reporting period, the details of energy consumption were as follows:

有關能源消耗方面，電力使用佔了本集團能源消耗的大部分。鑒於能源短缺，本集團已提倡各種節約能源策略以增加能源效益及減少能源消耗。例如，電影放映營運的所有設施皆遵從機電工程署所推行的《建築物能源效益條例》(第610章)，以確保關鍵建築服務符合《建築物能源效益守則》的最低能源效益標準。此外，空調的溫度維持於節約能源的水平，約攝氏二十五度。電腦長期處於無人使用狀態時被設定為待機模式。此外，離開時將有關範圍的所有照明及電力供應關掉。為增加僱員的環保意識，節能提醒告示已張貼於開關及插座附近，鼓勵僱員減少使用電力。總能源消耗量於2020年減少，乃主要由於截至2020年6月30日止年度來自電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益減少所致。於報告期內，能源消耗詳情如下：

Type of energy 能源種類	Unit 單位	HK 香港	PRC 中國	2020 Total 2020年總計	2019 Total 2019年總計
Purchased electricity 已購電力	MWh 百萬瓦時	2,201	53	2,254	2,616
Petrol 汽油	MWh 百萬瓦時	153	21	174	116
Steam 蒸汽	MWh 百萬瓦時	–	42	42	49
Towngas 煤氣	MWh 百萬瓦時	–	4	4	4
Total energy consumption 總能源消耗量	MWh 百萬瓦時	2,354	120	2,474	2,785
Energy consumption intensity 能源消耗密度	MWh/m ² 百萬瓦時／ 平方米	0.19	0.18	0.19	0.21

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Water Consumption

Water is an important resource used by the Group during operation. For water consumption in Hong Kong offices, some water supplies are solely controlled and centrally managed by the property management companies of the building.

Hence, it is not feasible for the Group to provide water consumption data as there is no separate meter for each individual office unit on water usage record. However, we still actively seek ways to minimise water consumption.

Although, the Group does not consume a significant amount of water during business operations, we endeavour to conserve water effectively in our operations by implementing various water-saving measures. For example, employees are encouraged to turn off the water taps when they are not in use. Besides, in case of leaking faucet or pipe, we will promptly report to relevant authority in order to reduce unnecessary water consumption. Moreover, the amount of water consumption is recorded regularly for the Group to monitor the water consumption level and better formulate water-saving measures. The slight decrease in the amount of water consumption in 2020 was mainly due to the decrease in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication during the year. During the reporting period, the details of water consumption were as follows:

Water consumption 水資源消耗	Unit 單位	HK 香港	PRC 中國	2020 Total 2020年總計	2019 Total 2019年總計
Water consumption 水資源消耗	m ³ 立方米	1,737	1,433	3,170	3,441
Water consumption intensity 水資源消耗密度	m ³ /m ² 立方米/ 平方米	0.14	2.20	0.24	0.26

Packaging Material

Due to our business nature, some packaging material made with recyclable paper was used at film exhibition operation. The Group does not have manufacturing facilities and does not consume a significant amount of packaging materials.

水資源消耗

水乃本集團營運的重要資源。於香港辦公室之水資源消耗方面，一部分水資源供應由樓宇的物業管理公司主權控制及中央管理。

因此，由於每個獨立辦公室單位並無個別水錶記錄用水，本集團未能提供水資源消耗數據。然而，我們仍積極尋找減少消耗用水的方法。

本集團雖然於業務營運中並無消耗大量水資源，惟我們透過實行各項節約用水措施，於營運中努力有效地節約水源。例如，鼓勵僱員在不使用水龍頭時關掉。此外，倘出現水龍頭或水管滲漏，我們將會立即向相關機構上報，以減少不必要的耗水。另外，本集團已定期記錄耗水量以監察耗水水平及更完善地制定節約用水措施。耗水量於2020年輕微減少，乃主要由於年內來自電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益減少所致。於報告期內，水資源消耗詳情如下：

包裝材料

由於我們的業務性質，在電影放映業務中使用了若干由可回收紙張製作的包裝材料。本集團並無生產設施，亦無消耗大量包裝材料。

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group understands that implementing environmental protection can reduce operational risk and increase business opportunities. Regarding the business nature, we are not aware of any significant impact of our business activities on the environment and natural resources.

Despite this, we endeavour to consistently improve our environmental performance by implementing aforementioned waste reduction measures and resources saving initiatives.

We will continue to seek opportunities to further reduce emission and resources consumption with the aim to reduce the impacts on environment and natural resources to minimal. We will review our environmental policy from time to time and consider implementing further eco-friendly measures and practices in order to enhance environmental sustainability in future.

A3. 環境及天然資源

本集團明白推行環境保護能夠減少營運風險及增加業務機遇。鑒於業務性質，我們並無發現業務活動對環境及天然資源有任何重大影響。

儘管如此，我們推行上述的減廢方法及節源措施，努力不懈改善其環境表現。

我們將繼續尋找進一步減少排放及資源消耗的機會，旨在將對環境及天然資源的影響減至最低。我們將不時審視環保政策，並考慮實行更多環保措施及常規，以提高未來的環境可持續性。

B. SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

B1. EMPLOYMENT

The Group believes employees are valuable assets and the foundation for success and development of the Group. We strive to maintain a safe and equal working environment for its employees and promote employees' health and well-being. Policies and regulations in the Group's staff handbook have been established for the guidance and observation by the employees of the Group and will be subject to the laws of the PRC and Hong Kong as far as they may be applicable in conjunction with the policies. Staff handbook provides information and guidelines regarding employee's standard working hours, rest days, statutory holidays, termination of employment, summary dismissal, exit interview, salary payment, overtime work, various types of leaves, medical coverage, mandatory provident fund, night shift travel allowance and overtime work allowance.

B. 社會層面

僱傭及勞工常規

B1. 僱傭

本集團認為僱員是本集團的寶貴資產，亦是成功及發展之根本。我們致力為僱員維持安全及平等的工作環境，並提倡僱員健康與福祉。本集團員工手冊內的政策及規例乃就指引本集團的僱員及供彼等遵守而設立，並將受可能與有關政策同時適用的中國及香港法例所限。員工手冊載有關於僱員標準工時、休息日、法定假期、終止僱傭、即時解僱、離職面談、工資支付、加班、各類休假、醫療保障、強制性公積金、夜班差旅津貼及加班津貼的資料及指引。

Equal opportunity

The Group places a high priority on achieving equality of opportunity for all employees in relation to all personnel matters including recruitment, training, promotion, transfer, benefits and dismissal. The dignity and individuality of each employee is respected, and the privacy and confidentiality of employee records is safeguarded. Employees' performance is assessed solely according to their individual ability to meet job requirements.

Promotion and appraisal

The Group offers internal promotions to employees, whenever possible, within the Group. Promotion to a higher grade normally depends on the availability of vacancy, individual performance and potential to take up the new position.

The Group provides an open, challenging and participative environment for all employees. We aim to provide opportunities for the development of the skills of employees to the fullest extent possible, consistent with the needs of the Group. Job performance is reviewed annually, and this serves as an opportunity for the supervisor to evaluate employee's performance in an objective and open manner, to discuss concerns, strength and suggestions for further improvement. Employees' remuneration and pay scale adjustment are made reference to individual's performance and appraisal results, industrial standard and market trend.

平等機會

實現全體僱員機會平等乃本集團的首要目標，包括聘用、培訓、晉升、調任、福利及離職在內的所有個人事宜。本集團尊重每名僱員的尊嚴及個性，保障僱員資料的私隱及保密。僱員的表現僅依據其滿足工作要求的個人能力進行評估。

晉升及評估

本集團將盡可能為僱員提供內部晉升機會。晉升至更高職位級別一般取決於職位空缺狀況、個人表現及擔任新職務的潛力。

本集團為全體僱員提供一個具公開性、挑戰性及參與性的環境。我們致力提供各種機會，促進僱員發展技能以充分配合本集團的需求。工作表現將每年進行檢討，提供機會讓主管以客觀及公開方式評估僱員的表現，討論有待改善的問題、能力及建議。僱員的薪酬及薪級調整乃參照個人的表現及評估結果、行業標準及市場趨勢。

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Employee welfare

Employees can enjoy free enrolment to Cinema City's membership along with complimentary movie tickets and coupons. Movie premiere invitations are also given to employees for the Group's own film productions. The Group offers special arrangement to employees to leave work early on important traditional days which are not public holidays such as Mid-Autumn Festival, Winter solstice, Christmas Eve and Chinese New Year's Eve. The Group regularly organises internal events to strengthen the sense of belonging within the Group and boost the communication transparency among all levels of employees, through Christmas party and annual dinner, etc.

During the reporting period, the Group was in strict compliance with the relevant laws and regulations in the PRC and Hong Kong, including the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Ordinance (Chapter 57), the Mandatory Provident Fund Schemes Ordinance (Chapter 485), the Sex Discrimination Ordinance (Chapter 480) and the Race Discrimination Ordinance (Chapter 602) in HK. During the reporting period, the Group was not aware of any material non-compliance with those applicable laws and regulations.

僱員福利

僱員可享有 Cinema City 免費會籍，並享有免費電影票及優惠券。僱員亦獲邀請觀看本集團自家電影出品的電影首映。本集團為僱員作出特別安排，以便僱員於並非屬公眾假期的重要傳統節日(如中秋節、冬至、平安夜及除夕)提早放工。本集團定期舉辦如聖誕節派對及週年晚宴等內部活動，以提升全體僱員於本集團的歸屬感，加強溝通透明度。

於報告期間，本集團已嚴格遵守中國及香港的相關法律及法規，包括《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、香港的《僱傭條例》(第57章)、《強制性公積金計劃條例》(第485章)、《性別歧視條例》(第480章)及《種族歧視條例》(第602章)。於報告期間，本集團並不知悉任何嚴重違反該等適用法律及法規的情況。

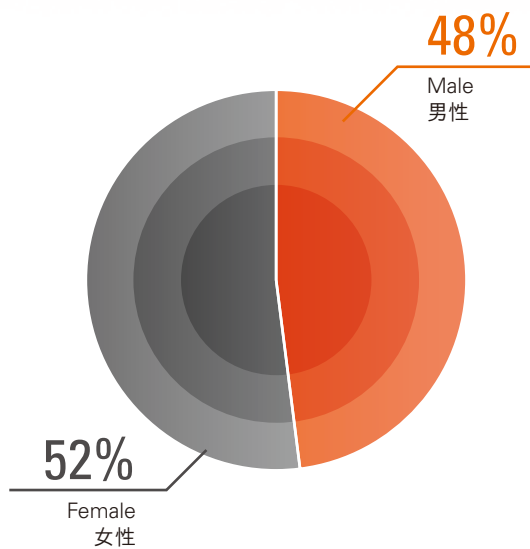
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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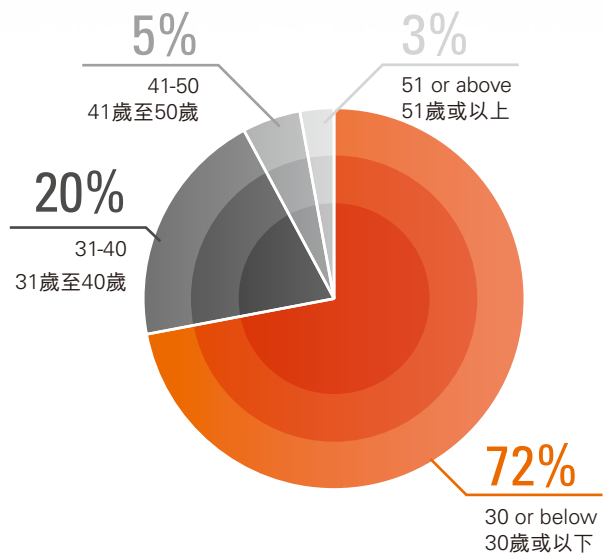
At the end of the reporting period, the total number of employees of the Group was 308 (30 June 2019: 260). Below is the employee breakdown by gender, age group, geographical region.

於報告期末，本集團的僱員總數為308名（2019年6月30日：260名）。按性別、年齡組別及地理區域劃分的僱員明細如下。

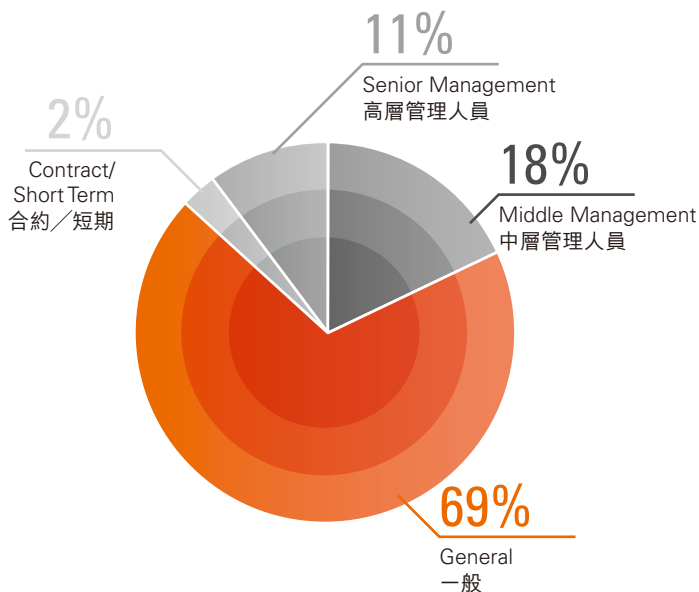
GENDER 性別



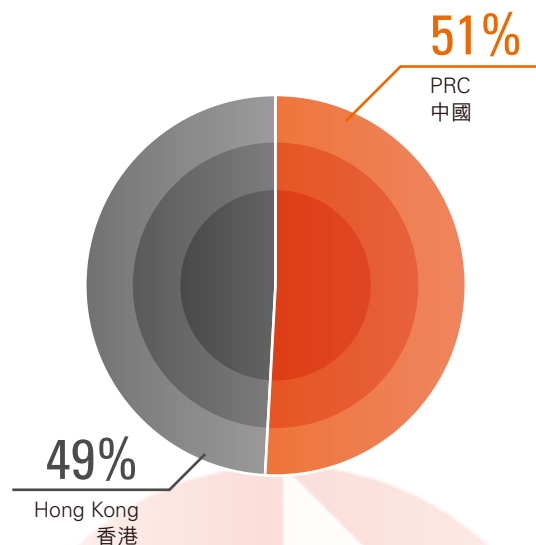
AGE GROUP 年齡組別



EMPLOYEE CATEGORY 僱傭類別



GEOGRAPHICAL REGION 地理區域



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The employee annual turnover rate by gender, age group, geographical region during the reporting period was as follows:

於報告期間，僱員年度流失率按性別、年齡組別及地理區域劃分如下：

Employment	僱傭	2020 2020年	2019 2019年
By gender	按性別劃分		
- Male	- 男性	79%	70%
- Female	- 女性	68%	80%
By age group	按年齡組別劃分		
- 30 or below	- 30歲或以下	85%	81%
- 31-40	- 31至40歲	45%	38%
- 41-50	- 41至50歲	25%	57%
- 51 or above	- 51歲或以上	47%	100%
By geographical region	按地理區域劃分		
- PRC	- 中國	48%	11%
- Hong Kong	- 香港	87%	85%
Overall	總體	74%	75%

B2. HEALTH AND SAFETY

Employee health and safety is the Group's top priority. The Group takes into consideration every precaution to establish a healthy and safe working environment for its employees. We strictly abide by the relevant laws and regulations in the PRC and Hong Kong, including the Law of the PRC on work safety, the Law of the PRC on the Prevention and Control of Occupational Disease, and the Occupational Safety and Health Ordinance (Chapter 509) in Hong Kong. During the year ended 30 June 2020, there was no case of non-compliance in relation to health and safety or work-related injury within the Group.

The Group not only strictly implements relevant laws and regulations, but also proactively formulates internal policies and standards related to specific business departments of the Group. For example, the Group's film exhibition operation has obtained Places of Public Entertainment License issued by Food and Environmental Hygiene Department ("FEHD") to ensure its business comply with relevant laws and regulations. Besides, as stated in the staff handbook, health and safety at work are the interest and responsibility of both employees and the Group.

B2. 健康與安全

僱員健康與安全乃本集團最為重視的一環。本集團全面考慮各項預防措施，為僱員建立健康與安全的工作環境。我們嚴格遵守中國及香港的相關法律及法規，包括《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及香港的《職業安全及健康條例》(第509章)。截至2020年6月30日止年度，本集團內並無任何與健康與安全或工傷有關的違規情況。

本集團不僅嚴格執行相關法律及法規，同時積極制定與本集團特定業務部門相關的內部政策及標準。例如，本集團的電影放映業務已取得食物環境衛生署(「食環署」)頒發的公眾娛樂場所牌照，以確保其業務遵守有關法律及法規。除此之外，如僱員手冊載述，職場健康及安全屬僱員及本集團的權益及責任。

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Employees' compensation insurance is provided to cover any work-related injuries, illnesses and occupational diseases. The Group is committed to complying with all local occupational health and safety legislations that are relevant to the Group. First-aid kits are provided at all workplaces. Employees must take reasonable care for the health and safety of themselves and others, as well as participating in fire safety training or fire drills provided by the Group or property management offices. If any employee notices any unsafe conditions or gets injured at work, he/she should immediately report it to the supervisor.

During the year ended 30 June 2020, there was no work injury case (30 June 2019: 3) and lost day (30 June 2019: 239) due to minor injuries during film exhibition and production operations. There was no work-related fatality case (30 June 2019: nil) during the reporting period. Employees were given paid sick leave for their recovery. Overall, no employees had serious accident during the reporting period.

僱員的補償保險旨在為任何工傷、疾病以及職業病提供保障。本集團致力遵守與本集團有關的一切地方職業健康及安全法例。所有工作場所均配備急救箱。僱員須合理為自身及他人健康及安全著想，並參加由本集團或物業管理辦事處提供的消防安全培訓或消防演習。若任何僱員發現任何不安全情況或出現工傷，其應當立刻向其主管匯報。

截至2020年6月30日止年度，電影放映及製作業務並無因輕傷錄得工傷案件(2019年6月30日：3宗)及損失工作日數(2019年6月30日：239日)。於報告期間，並無因工死亡之個案(2019年6月30日：無)。本集團已給予有關僱員帶薪病假以供彼等康復。總體而言，於報告期間，概無僱員發生嚴重意外事故。

B3. DEVELOPMENT AND TRAINING

The Group believes the knowledge and skills of its employees are vital to the sustainable development of the Group. All training activities, executed through the Human Resources & Administration Department of the Group ("HRA"), should comply with the applicable local laws and regulations and protect the Group's interest. We maintain an open dialogue with our employees by facilitating a transparent two-way communication and providing on-the-job training to ensure they are well equipped with skills, knowledge and competencies that are needed to perform their job duties. Besides, we also encourage employees to attend external courses regarding operation skills required for upgraded software and new equipment during office hours. Standard training is arranged for directors and the company secretary on an annual basis and a regular basis respectively, to strengthen their continuous professional development as well as to comply with requirements of the Listing Rules. The Group will enhance the training system in order to improve the personal development of employees in future.

B3. 發展及培訓

本集團相信其僱員的知識及技能對本集團的可持續發展至關重要。一切培訓活動由本集團的人力資源及行政管理部(「人力資源部」)執行，且遵守地方適用法律及法規以及保障本集團的利益。我們透過促進透明而雙向之溝通維持與僱員公開對話，並提供在職培訓，確保彼等具備履行其職責所需的良好技能、知識及能力。除此之外，我們亦鼓勵僱員於辦公時間參加有關軟件升級及新設備所需操作技能的外部課程。董事及公司秘書分別進行年度及定期培訓，以鞏固其持續專業發展以及符合上市規則規定。本集團將加強培訓系統，以改進僱員日後的個人發展。

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At the end of the reporting period, the percentage of employees received training and the average training hours by gender and employment category were as follows:

截至報告期末，受訓僱員百分比及平均受訓時數按性別及僱傭類別劃分如下：

Training	培訓	2020 2020年
Percentage of employees received training	受訓僱員百分比	
By gender	按性別劃分	
Male	男性	49%
Female	女性	61%
By employment category	按僱傭類別劃分	
Senior management	高層管理人員	71%
Middle management	中層管理人員	65%
General staff	一般僱員	50%
Contract or short term	合約或短期	80%
Average training hours received per employee	每位僱員平均受訓時數	
By gender	按性別劃分	
Male	男性	1.1
Female	女性	0.6
By employment category	按僱傭類別劃分	
Senior management	高層管理人員	1.8
Middle management	中層管理人員	1.5
General staff	一般僱員	0.5
Contract or short term	合約或短期	0.8

B4. LABOUR STANDARDS

The Group respects the human rights of employees, and is strongly against the employment of child labour and forced. The Group is strictly in compliance with the relevant laws and regulations, such as the Labour Law in the PRC and the Employment Ordinance (Chapter 57) in Hong Kong. We pursue fair and equitable principle, promote equal opportunity in recruiting and promotion for employees and prohibit any kind of forced labour. We are committed to supporting the effective abolition of child labour and upholding the elimination of all forms of forced labour.

B4. 勞工準則

本集團尊重僱員的人權，並強烈反對僱用童工及強制勞工。本集團嚴格遵守相關法律及法規，如《中華人民共和國勞動法》及香港的《僱傭條例》(第57章)。我們奉行公平公正的原則，在招聘及晉升過程中為僱員提倡平等機會，禁止一切形式的強制勞工。我們致力於支持有效禁止聘用童工及消除任何形式的強制勞工。

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The HRA conducts checking on candidates and newly joined employee's identity cards, working visa, relevant certificates and references to ensure compliance with all the applicable laws and regulations relating to labour standards. The Group respects the freedom of employees.

All works should be voluntarily performed and must not involve forced labour. The Group forbids abusing, corporal punishment, violence, spirit oppression, sexual harassment (including improper language, posture and body contact) as forms of penalty.

During the reporting period, the Group was not aware of any material non-compliance with the relevant laws and regulations related to recruitment of child labour or forced labour practices.

人力資源部對應聘人士及新聘僱員的身份證、工作簽證、相關證書及推薦函進行核實，以確保遵守一切與勞工準則有關的適用法律及法規。本集團尊重僱員的自由。

所有工作均須自願進行，不得涉及強制勞工。本集團禁止辱罵、體罰、暴力、精神壓迫、性騷擾（包括不恰當的語言、姿勢及身體的接觸）作為懲罰形式。

於報告期間，本集團並未發現任何嚴重違反有關招聘童工或強制勞工的相關法律及法規的情況。

OPERATING PRACTICES

B5. SUPPLY CHAIN MANAGEMENT

The Group strives to maintain long-term and good relationships with suppliers, maintain competitive advantages in the value chain, and provide stable products and services to our customers. In order to manage and mitigate the environmental and social risks in the supply chain, we have adopted a procurement policy and a stringent supplier selection procedure for assigning purchasing responsibilities and ensuring a consistent approach for selecting suppliers who will provide the best terms, conditions and products to meet our standards and requirements. We require that all material aspects of procurement of goods, raw materials, works and services be conducted to the highest ethical standards and consistent with the following principles:

- Competitive tendering wherever possible and the impartial selection of appropriately qualified tenderers;
- Objective evaluation of tenders and selection of contractors and suppliers;
- Adoption of appropriate forms of contract according to needs; and

營運慣例

B5. 供應鏈管理

本集團致力與供應商保持長期良好的關係，並維持價值鏈的競爭優勢，以及為客戶提供穩定的產品及服務。為管理及減輕供應鏈中的環境及社會風險，我們已採納採購政策及嚴格的供應商挑選程序，以分配採購責任，並確保應用一致方式甄選會提供符合我們標準及規定的最佳條款、條件及產品的供應商。我們要求採購貨物、原材料、工程及服務的所有重大方面須達致最高道德標準及符合以下準則：

- 於適用時採用競爭方式招標及公平甄選適當合資格投標商；
- 對承包商及供應商的投標進行客觀評估及甄選；
- 根據需求採用適當合約形式；及

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- Adoption of effective monitoring systems and management controls to ensure the proper fulfilment of contractual obligation, and to detect and prevent bribery, fraud or other malpractices throughout all stages of the procurement process.

During the year, the Group had 164 (30 June 2019: 126) suppliers in Hong Kong and zero (30 June 2019: 5) suppliers in the PRC.

- 採用有效監察制度及管理控制，以確保妥為履行合約責任，及於採購程序的所有階段發現及預防行賄、欺詐或其他不當行為。

年內，本集團於香港及中國分別有164名(2019年6月30日：126名)及0名(2019年6月30日：5名)供應商。

B6. PRODUCT RESPONSIBILITY

The Group regards product quality as a key competitive advantage of its business and makes every effort to improve the product quality while strengthening communications with customers. We have strictly complied with the applicable laws and regulations in the PRC and Hong Kong, including the Product Quality Law of the PRC, the Consumer Protection Law of the PRC and the Trade Descriptions Ordinance (Chapter 362) and the Personal Data (Privacy) Ordinance (Chapter 486). During the reporting period, the Group was not aware of any material non-compliance with the relevant laws and regulations related to product responsibility in the PRC and Hong Kong.

Customer Relations

The management plays a vital role in understanding and communicating with what its customers need. Thus, the Group has maintained years of business relationships with its key customers and ensured the end product fitting for the users. We recognise that customer satisfaction is of primary importance to our success. We strive to understand their requirements and concerns and to merit their business by responding effectively to their needs. Specifically, our policies include:

- Always put the customers first by providing them with good quality cinema facilities, high quality viewing environment and the services that meet or exceed the customers' needs under all reasonable circumstances;
- Provide service hotline and email enquiry channel, in which all enquiries must be responded within 3 working days;

B6. 產品責任

本集團視產品質量為其業務的主要競爭優勢，並致力提升產品質素，同時加強與客戶的溝通。我們已嚴格遵守中國及香港適用法律及法規，包括《中國產品質量法》、《中華人民共和國消費者權益保護法》及《商品說明條例》(第362章)及《個人資料(隱私)條例》(第486章)。於報告期內，本集團並無於中國及香港發現任何有關產品責任的相關法律及法規的重大違規個案。

客戶關係

管理層於理解及溝通客戶需要方面扮演重要角色。因此，本集團已與其主要客戶維持多年業務關係，並確保最終產品適合用戶。我們明白客戶滿意度乃制勝的重要因素。我們竭力了解其要求及關切問題，並透過有效回應其訴求承接其業務。尤其是，我們的政策包括：

- 始終以客戶為先，在所有合理情況下為客戶提供符合或超越客戶需求的良好優質影院設施、高品質觀映環境及服務；
- 提供服務熱線及電郵詢問渠道，規定所有詢問均須在3個工作日內作出回應；

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- Provide services that reliably and safely meet responsible standards of performance, efficiency and courtesy; and
- Provide timely, accurate and sufficient information about its operations, capabilities and services, without misrepresentation, exaggeration and overstatement.

Accessible seats are provided for people with disability and the people along with them. Subtitled screenings are provided for deaf and hearing-impaired customers. Moreover, it is the Group's standard practice to check every customer's identification cards when watching age-restricted movies. During the reporting period, there were no material products and service-related complaints received.

Food Health and Safety at Cinemas

The Group obtained the Food Factory License issued by Food and Environmental Hygiene Department ("FEHD") and strictly complies with the policies and relevant regulations set by FEHD. Officers from FEHD regularly conducts inspection on the Group's film exhibition premises to ensure food quality and hygienic environment are maintained. Employees working at concession stands are required to attend training courses provided by the FEHD and strictly follow the food preparation guidelines. During the reporting period, none of the product sold or service rendered was subject to recall due to safety and health problem.

- 提供在服務能力、效率及禮儀方面能夠可靠、安全達致盡職標準的服務；及
- 準時、準確及充分提供與其營運業務、能力及服務有關的資料，不存在錯誤聲明，誇大事實，及過度陳述。

為殘疾人士及其照顧者提供無障礙座位。為失聰及聽力受損的顧客提供字幕放映。此外，在觀看有年齡限制的影片時，本集團採納檢查每位顧客的身份證的標準做法。於報告期內，並無接獲任何與產品及服務有關的重大投訴。

影院的食品衛生及安全

本集團已取得食物環境衛生署（「食環署」）頒發的食物製造廠牌照，並嚴格遵守食環署設立的政策及相關規例。食環署人員定期檢查本集團的電影放映業務所在處所，以確保食品質量及衛生環境得以維持。在販賣部工作的僱員須參加食環署提供的培訓課程，並嚴格遵守食品備製指引。於報告期內，概無已出售的產品或已提供的服務須因安全與衛生問題而回收。

Copyrights Management

The Group has established a copyrights management policy for its distribution and production of films, in the aspects of copyright's filing procedure, define ownership of the copyrights and contract terms. Digital Cinema Package (DCP) is used for movies for protection against illegal copying and piracy as specific decryption is required. In case of any suspected copyrights infringement item coming to the Group's attention, the policy also provides guidance on reporting structures and responsible parties and departments. Moreover, the Group enforces security encryption, subject to customers' instruction, and the Group sets securities codes for internal data and privacy protection. The use of pirate software is prohibited to avoid infringement of copyrights of other parties. For film exhibition operation, the Group ensures the warning message and policy trailers are displayed to protect intellectual property rights of the films exhibited in the cinemas. Employees are required to strictly follow work procedures to patrol inside the cinemas during screening to ensure no illegal recording.

Personal Data Protection and Privacy Policy

The Group is committed to complying with data protection principles and the requirements of the Personal Data (Privacy) Ordinance. Security software is installed on server for data protection. No collected personal data of employees, customers, suppliers and cinemagoers shall be shared with any third party outside the Group without their prior consent unless permitted or requested by law. Only those employees who need these personal data need to perform a specific task with such information. For example, job application and customer services are granted access rights for personally identifiable information. Personal information is retained only for such period whenever necessary for carrying out of the purposes stated in the policy or as otherwise specified at the time of collection.

版權管理

本集團已為其發行及製作電影制定版權管理政策，所涉方面包括版權備案程序、釐定版權所有權及合約條款等。為保障免受非法複製及盜版，電影採用電影院數碼拷貝(DCP)，且須進行特別加密。若本集團注意到任何疑似侵犯版權項目，該政策亦載有與報告架構以及負責人士及部門有關的指引以供遵行。另外，本集團按照客戶指示實施安全加密，同時亦為內部數據及私隱保護設立安全密碼。本集團禁止使用盜版軟件，以避免侵犯其他方的版權。就電影放映業務而言，本集團確保在電影院內播放警告訊息及政策文段，以保護影院所放映相關影片的知識產權。在放映期間，員工須嚴格遵守工作程序在電影院內巡邏，以確保沒有非法錄影行為。

個人資料保護及私隱政策

本集團致力遵守個人資料(私隱)條例的保障資料原則及規定。我們的服務器上已安裝安全軟件以進行數據保護。未經僱員、客戶、供應商及影院觀眾的事先批准前，所蒐集的個人資料概不得與本集團以外的任何第三方共享，惟法律准許或要求者除外。僅有需要該等個人資料的僱員需要透過相關資料執行特別工作。例如，職位申請及客戶服務方有權取得個人可識別資料。個人資料僅保留至進行政策所述目的所需或蒐集時所指定的期限。

B7. ANTI-CORRUPTION

The Group is committed to upholding high standards of business ethics and integrity. The Group strictly abides by the relevant laws and regulations in the PRC and Hong Kong, including the Criminal Law of the PRC and the Prevention of Bribery Ordinance (Chapter 201) in Hong Kong. The Group forbids any form of corruption, extortion, bribery, fraud, money laundering and embezzlement.

The Group has also established an anti-fraud policy and code of conduct manual for employees to maintain the highest standards of integrity and honesty in conducting the Group's affairs. Any employee contravening the Group's rules and ethical standards is liable to disciplinary action.

The Group does not tolerate any illegal or unethical acts. Anyone violating the code of conduct will be disciplined and may be dismissed. The Group expects all employees to honestly uphold the Group's policy, the accounting procedures and other controls. Employees should report to the management at once when any suspected violations of the code of conduct and anti-fraud policy including conflicts of interest, deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, asset misappropriation, false representation, concealment of materials facts and collusion, fighting or gambling whilst on duty, serious negligence of duties, money laundering, etc. are found. This aims to minimize damage to the Group's reputation. In cases of suspected corruption or other forms of criminality, once prima facie evidence has been established, cases will be reported to Hong Kong Independent Commission Against Corruption or other appropriate regulatory authorities.

B7. 反貪污

本集團致力恪守最高的道德與誠信標準。本集團嚴格遵守中國及香港的相關法律及法規，包括《中華人民共和國刑法》及香港的《防止賄賂條例》(第201章)。本集團禁止任何形式的貪污、敲詐、受賄、欺詐、洗黑錢及盜用公款。

本集團亦已建立反欺詐政策及行為操守手冊，使僱員於執行本集團事務時保持誠信的最高標準。任何違反本集團規則及道德標準的僱員會面臨紀律處分。

本集團絕不容忍任何非法或不道德行為。違反行為操守的任何人士將接受處罰，甚至或會遭解僱。本集團預期全體僱員誠實恪守本集團的政策、會計程序及其他控制程序。一旦發現任何疑似違反行為操守及反欺詐政策的行為(包括利益衝突、欺詐、行賄、偽造、勒索、貪污、盜竊、串謀、盜用公款、不當挪用資產、虛假聲明、隱瞞重大事實及串通、工作期間打架或賭博、嚴重失職、洗黑錢等)，僱員應立即向管理層匯報。此舉旨在將損害本集團聲譽的行為降至最低。疑似貪污或其他形式犯罪的表面證據一經確立，本集團將會向香港廉政公署或其他適當監管機構舉報。

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The Group deeply believes that conducting the business within an honest, moral and ethical arena is the best business policy to achieve healthy and sustainable growth of the Group. The Group manages and directs its business with honesty including honest financial procedures, budget proposals and honest economic evaluation of its business. According to the code of conduct, those who are involved in the selection of and purchase from suppliers and contractors should avoid misuse of authority or engagement in situations which could interfere, or appear to interfere, with their ability to make free and independent decisions regarding purchase or procurement.

During the reporting period, no legal case concerned with corrupt practices was brought against the Group. Besides, the Group was not aware of any material non-compliance with the relevant laws and regulations related to anti-corruption in the PRC and Hong Kong during the year ended 30 June 2020. Furthermore, 35 people have received training for anti-corruption during the reporting period.

At the end of the reporting period, the number of employees received anti-corruption training and the training hours by employment category were as follows:

本集團深信，營商時堅持誠實，恪守社會道德及職業道德乃本集團實現健康及持續增長的最佳商業政策。本集團管理及專注其業務時將秉誠行事，包括誠實遵循財務程序、預算計劃以及對其業務作出如實商業評估。根據行為操守，甄選供應商及承包商以及向其進行採購時，應避免濫用權力，或避開可能干擾或貌似干擾自主及獨立決定購買或採購的情況。

於報告期間，概無對本集團提出涉及貪污行為的訴訟案件。除此之外，截至2020年6月30日止年度，本集團並未發現任何嚴重違反中國及香港反貪污相關法律及法規的情況。此外，於報告期間，35名人士已接受了反貪污培訓。

於報告期末，已接受反貪污培訓的僱員人數及培訓時數按僱傭類別劃分如下：

Anti-corruption Training	反貪污培訓	2020
		2020年
Number of employees received training	已接受培訓的僱員人數	
Senior management	高層管理人員	4
Middle management	中層管理人員	11
General staff	一般員工	20
Total employees	僱員總數	35
Number training hours	培訓時數	
Senior management	高層管理人員	3
Middle management	中層管理人員	3
General staff	一般員工	3

COMMUNITY

B8. COMMUNITY INVESTMENT

As a socially responsible enterprise, the Group is constantly aware of the needs of community and strives to bring a positive impact on community development. The Group encourages its employees to dedicate their time and skills to supporting local communities with the aim to create a harmonious society. The Group strives to discharge its corporate social responsibility and has been offering special movie ticket price for the elderly and students. Moreover, we may consider supporting non-governmental organisations through charity gala premiere of the Group's productions or the films exhibited in the Group's cinemas.

社區

B8. 社區投資

作為一家對社會負責任的企業，本集團不斷了解社區的需求，並致力為社區發展帶來積極影響。本集團鼓勵僱員投入時間及技能，支援當地社區，以創造和諧社會。本集團竭力履行其企業社會責任，並向長者及學生提供特惠電影票價。此外，我們將考慮透過本集團製作的電影舉行首映禮或在本集團的電影院放映影片等慈善方式支持非政府組織。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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KPI A1.3 關鍵績效指標A1.3	Total hazardous waste produced and, where appropriate, intensity 產生的有害廢棄物總量及(倘適用)密度	Not applicable to the Group’s business 不適用於本集團業務	N/A 不適用
KPI A1.4 關鍵績效指標A1.4	Total non-hazardous waste produced and, where appropriate, intensity 產生的無害廢棄物總量及(倘適用)密度	“Emissions – Hazardous and Non-hazardous Wastes” 「排放物 – 有害及無害廢棄物」	84
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KPI A2.3 關鍵績效指標A2.3	Description of energy use efficiency initiatives and results achieved 能源使用效率措施及所獲成效說明	“Use of Resources – Energy Consumption” 「資源使用 – 能源消耗」	85
KPI A2.4 關鍵績效指標A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 求取適用水源是否有任何問題、節水措施及所獲成效說明	“Use of Resources – Water Consumption” 「資源使用 – 水資源消耗」	86
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B2: Health and safety B2：健康及安全			
General Disclosure 一般披露		“Health and Safety” 「健康與安全」	91
KPI B2.1 關鍵績效指標B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	No work-related fatality was noted. 並無發現工作相關死亡事故。	N/A 不適用
KPI B2.2 關鍵績效指標B2.2	Lost days due to work injury 因工傷損失工作日數	The Group current does not report on this indicator. 本集團目前並無報告此項指標。	N/A 不適用
KPI B2.3 關鍵績效指標B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 採取的職業健康及安全措施、實施及監察方式說明	“Health and Safety” 「健康與安全」	91-92
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KPI B3.1 關鍵績效指標B3.1	The percentage of employee trained by gender and employee category 按性別及僱員類別劃分的受訓僱員百分比	“Development and Training” 「發展及培訓」	92
KPI B3.2 關鍵績效指標B3.2	The average training hours completed per employee by gender and employee category 按性別及僱員類別劃分的每名員工完成的平均受訓時數	“Development and Training” 「發展及培訓」	92

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KPI B4.2 關鍵績效指標B4.2	Description of steps taken to eliminate such practices when discovered 在發現違規情況時消除有關情況所採取的步驟說明	The Group currently does not report on this indicator. 本集團目前並無報告此項指標。	N/A 不適用
Operating Practices 營運慣例			
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KPI B5.1 關鍵績效指標B5.1	Number of suppliers by geographical region 按地理區域劃分的供應商數目	“Supply Chain Management” [供應鏈管理]	95
KPI B5.2 關鍵績效指標B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 委聘供應商的常規、實施有關常規的供應商數目、實施及監察方式說明	“Supply Chain Management” [供應鏈管理]	94-95
B6: Product Responsibility B6 : 產品責任			
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KPI B6.1 關鍵績效指標B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons 已出售或出運產品總數中因安全及健康原因須回收的百分比	“Product Responsibility – Customer Relations” [產品責任－客戶關係]	95-96
KPI B6.2 關鍵績效指標B6.2	Number of products and service related complaints received and how they are dealt with 接獲有關產品及服務的投訴宗數及處理方式	“Product Responsibility –Food Health and Safety at Cinemas” [產品責任－影院的食品衛生及安全]	96
KPI B6.3 關鍵績效指標B6.3	Description of practices relating to observing and protecting intellectual property rights 遵守及保護知識產權相關常規說明	“Product Responsibility – Copyrights Management” [產品責任－版權管理]	97
KPI B6.4 關鍵績效指標B6.4	Description of quality assurance process and recall procedures 質量保證過程及回收程序說明	The Group currently does not report on this indicator. 本集團目前並無報告此項指標。	N/A 不適用
KPI B6.5 關鍵績效指標B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 消費者資料保護及私隱政策、實施及監察方式說明	“Product Responsibility –Personal Data Protection and Privacy Policy” [產品責任－個人資料保護及私隱政策]	97

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KPI B7.1 關鍵績效指標B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case 於報告期內向發行人或其僱員提出並已結案的貪腐案件數目及案件結果	No legal case regarding corrupt practices were brought against. 概無對本集團就貪污行為提出起訴之法律案件。	N/A 不適用
KPI B7.2 關鍵績效指標B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored 預防措施及舉報程序、實施及監察方式說明	“Anti-corruption” 「反貪污」	98-99
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B8: Community Investment B8：社區投資			
General Disclosure 一般披露		“Community Investment” 「社區投資」	100
KPI B8.1 關鍵績效指標B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)	“Community Investment” 「社區投資」	100
KPI B8.2 關鍵績效指標B8.2	Resources contributed (e.g. money or time) to the focus area 對專注範疇所貢獻的資源(如金錢或時間)	The Group currently does not report on this indicator. 本集團目前並無報告此項指標。	N/A 不適用

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ASSUMPTIONS AND REFERENCES

假設及參考

Assumptions of calculating KPIs

計算關鍵績效指標之假設

1. We have assumed that the accuracy of information provided to us by the Group and relied to a considerable extent on such information in arriving at our result of calculation and consumption data is adjusted so as to be consistent with the reporting period of the report.
1. 我們已假設 貴集團向我們所提供資料的準確性，並在很大程度依賴該等資料以達致我們的計算結果，且消耗量數據以獲調整，以與報告申報期間保持一致。
2. For calculation of SO₂ emission from vehicles in the PRC, the sulfur content of petrol and diesel are assumed to be 50 ppm and 350 ppm, respectively based on 《道路機動車大氣污染物排放清單編制技術指南(試行)》。
2. 就計算於中國車輛的二氧化硫排放而言，根據《道路機動車大氣污染物排放清單編制技術指南(試行)》，汽油及柴油的硫含量分別假設為50 ppm及350 ppm。
3. For calculation of air pollution from mobile source based on kilometres travelled by vehicles in the PRC, we assume that the vehicles are under the following conditions: running at average speed of 30 km/hour, 50% relative humidity, temperature of 15 degrees Celsius, the sulfur content of petrol and diesel are 50 ppm and 350 ppm and loading percentage is 50%.
3. 就汽車於中國行駛公里計算移動源空氣污染而言，我們假設汽車處於下列狀況：按平均時速30公里行駛，相對濕度為50%，溫度為攝氏15度，汽油及柴油的硫含量為50 ppm及350 ppm，裝載百分比為50%。
4. For calculation of air pollutants, the travelling distance of the vehicles are estimated based on their average fuel consumption.
4. 就計算空氣污染物而言，汽車的行駛距離乃根據燃油的平均消耗量作估算。
5. For calculation of air pollutants, GHG emission and energy consumption, the amount of diesel used by vehicles are included in the petrol consumption as it is not feasible for the Group to separate the consumption data of diesel with that of petrol.
5. 就計算空氣污染物、溫室氣體排放及能源消耗而言，因分開柴油及汽油的消耗數據並不可行，因此，汽車柴油使用量已計算在汽油消耗內。

Key references of calculating KPIs

計算關鍵績效指標的關鍵參考

1. Appendix 27 to the Rules Governing the Listing Rules – “Environmental, Social and Governance Reporting Guide”
1. 證券上市規則附錄二十七「環境、社會及管治報告指引」
2. Appendix 2: Reporting Guidance on Environmental KPI
2. 附錄二：環境關鍵績效指標報告指引
3. Sustainability Report 2018, CLP Group
3. 二零一八年可持續發展報告，中電集團
4. Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, the Environmental Protection Department and the Electrical and Mechanical Services Department
4. 香港建築物(商業、住宅或公共用途)的溫室氣體排放及減除的核算和報告指引，環境保護署及機電工程署
5. Heat Values of Various Fuels, World Nuclear Association
5. 若干燃料之熱能值，世界核能協會
6. 《道路機動車大氣污染物排放清單編制技術指南(試行)》，中華人民共和國環境保護部
6. 《道路機動車大氣污染物排放清單編制技術指南(試行)》，中華人民共和國環境保護部
7. 《車用汽油》國家標準徵求意見稿及編制說明，國家能源局
7. 《車用汽油》國家標準徵求意見稿及編制說明，國家能源局
8. 《車用柴油》國家標準徵求意見稿及編制說明，國家能源局
8. 《車用柴油》國家標準徵求意見稿及編制說明，國家能源局
9. 《溫室氣體核算體系能源消耗引起的溫室氣體排放計算工具指南(2.1版)》，世界資源研究所
9. 《溫室氣體核算體系能源消耗引起的溫室氣體排放計算工具指南(2.1版)》，世界資源研究所
10. 《準確核算每一噸排放：企業外購電力溫室氣體排放因子解析》，世界資源研究所
10. 《準確核算每一噸排放：企業外購電力溫室氣體排放因子解析》，世界資源研究所
11. 《綜合能耗計算通則》(GB/T 2589-2008)，國家標準化委員會
11. 《綜合能耗計算通則》(GB/T 2589-2008)，國家標準化委員會

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

OPINION

We have audited the consolidated financial statements of Transmit Entertainment Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 115 to 290, which comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

致傳遞娛樂有限公司各股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「本行」)已審核第115至第290頁所載傳遞娛樂有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，當中包括於2020年6月30日之綜合財務狀況表，及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映 貴集團於2020年6月30日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

本行已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。本行於該等準則項下的責任乃於本行之報告「核數師就審核綜合財務報表承擔的責任」一節中進一步詳述。本行根據香港會計師公會頒佈之專業會計師職業道德守則(「守則」)獨立於 貴集團，本行亦已根據守則履行其他道德責任。本行相信，本行所獲得的審核憑證充足及適當地為本行的意見提供基準。

關鍵審核事項

就本行的專業判斷而言，關鍵審核事項乃指對本行審核本期綜合財務報表最為重要的事項。該等事項是在本行審核整體綜合財務報表及就此達成本行的意見時進行處理，而本行不會對此等事項單獨發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF TRANSMIT ENTERTAINMENT LIMITED (Continued)

(incorporated in the Cayman Islands with limited liability)

致傳遞娛樂有限公司各股東(續)

(於開曼群島註冊成立的有限公司)

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

本行的審核如何處理關鍵審核事項

Impairment loss on film and television series production in progress

製作中電影及電視劇的減值虧損

We identified the impairment loss on film and television series production in progress as a key audit matter due to the significance of the Group's film and television series production in progress to the consolidated financial statements and the judgment and estimation uncertainty involved in the management's impairment assessment of the film and television series production in progress.

本行識別製作中電影及電視劇的減值虧損為關鍵審核事項，是由於貴集團製作中電影及電視劇對綜合財務報表的重要性以及管理層對製作中電影及電視劇進行減值評估時所涉判斷與估計不明朗因素。

As at 30 June 2020, the carrying amount of film and television series production in progress amounted to HK\$163,736,000. In determining whether impairment on film and television series production in progress is required, the Group takes into consideration the distribution and license agreements entered into by the Group and the current market environment to project cash flows expected to be received through box office receipts and distribution and licensing income. Impairment loss is recognised in the period in which the recoverable amount is less than the carrying amount. As disclosed in notes 4 and 21 to the consolidated financial statements, no impairment loss of film and television series production in progress was recognised and charged to profit or loss for the year ended 30 June 2020.

於2020年6月30日，製作中電影及電視劇的賬面值為港幣163,736,000元。於釐定製作中電影及電視劇是否需要作出減值時，貴集團考慮貴集團訂立的發行及發行權使用許可協議以及目前的市場環境，以通過票房收入及發行以及發行權使用許可收入預測將收取的預期現金流量。減值虧損於可收回金額少於賬面值的期間確認。如綜合財務報表附註4及21所披露，截至2020年6月30日止年度，並無確認製作中電影及電視劇的減值虧損，並已於損益入賬。

Our procedures in relation to the impairment loss on film and television series production in progress included:

本行關於製作中電影及電視劇減值虧損的程序包括：

- Understanding the process of how management performs impairment assessment on the film and television series production in progress;
- 了解管理層對製作中電影及電視劇進行減值評估的程序；
- Evaluating the appropriateness of the methodology used by management in determining the recoverable amounts of the film and television series production in progress; and
- 評估管理層釐定製作中電影及電視劇可回收金額時所採用方法的合適性；及
- Evaluating the reasonableness of the assumptions used in the future cash flow projection and challenging the management's assessment on the expected revenue to be generated by the film and television series production in progress by checking the film and television budget summary to the contract amounts of the distribution and licensing agreements and the estimated film box office receipts to the historical trend of similar film and television released.
- 透過檢查發行及發行權使用許可協議的電影及電視預算總匯表與合約金額以及按已上映類似電影及電視的過往趨勢估計的電影票房收入，評估未來現金流預測所用假設的合理性及質疑管理層對製作中電影及電視劇產生的預期收益的評估。

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TO THE SHAREHOLDERS OF TRANSMIT ENTERTAINMENT LIMITED (Continued)

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KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

本行的審核如何處理關鍵審核事項

Impairment assessment of goodwill

商譽減值評估

We identified the impairment assessment of goodwill as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and significant judgement and estimate involved in determination of the recoverable amount of cash generating unit ("CGU") to which goodwill has been allocated.

本行識別商譽減值評估為關鍵審核事項，是由於其對綜合財務報表結餘整體之重要性及釐定已獲分配商譽之現金產生單位(「現金產生單位」)之可收回金額涉及重大判斷及估計。

As disclosed in notes 4 and 16 to the consolidated financial statements, the carrying amount of goodwill was HK\$448,173,000 as at 30 June 2020. In estimating the recoverable amount of the CGU to which goodwill has been allocated, the management has made a number of key assumptions in the value in use calculations. The key assumptions include revenue growth rates, discount rates, the forecast performance in respect of budgeted sales and budgeted costs based on management's view of future business prospects. As disclosed in note 16, based on the management assessment, no impairment loss was recognised for the year ended 30 June 2020.

如綜合財務報表附註4及16所披露，商譽於2020年6月30日的賬面值為港幣448,173,000元。於估計已獲分配商譽之現金產生單位之可收回金額時，管理層在使用價值計算中作出若干主要假設。主要假設包括根據管理層對未來業務前景的看法就預算銷售及預算成本估計的收益增長率、貼現率及預測表現。如附註16所披露，根據管理層評估，截至2020年6月30日止年度並無確認減值虧損。

Our procedures in relation to the impairment assessment of goodwill included:

本行關於商譽減值評估的程序包括：

- Understanding the process of how management performs impairment assessment of goodwill;
- 理解管理層如何進行商譽的減值評估；
- Challenging the key assumptions used, including specifically the operating cash flow projections and revenue growth rates based on our knowledge of the entertainment related industry as well as historical performance of the Group;
- 檢查所使用的主要假設，包括(尤其是)根據本行對娛樂相關行業的知識及貴集團過往表現而作出的經營現金流量預測及收益增長率；
- Engaging our internal valuation expert to assess the discount rates used in the impairment assessment model by benchmarking against independent data;
- 委聘內部估值專家以獨立數據為基準，評估減值評估模式所用的貼現率；
- Testing a selection of data inputs underpinning the cash flow forecast against appropriate supporting evidence, such as approved budgets, to assess the accuracy and reliability of the data input; and
- 根據適當的支持證據，例如獲批預算，檢查支持現金流量預測的各選定輸入數據，以評估數據輸入的準確性及可靠性；及
- Assessing the sensitivity analysis prepared by management on the significant assumptions to evaluate the extent of impact on the recoverable amounts of the cash generating units.
- 評估管理層就重大假設編製的敏感度分析，以評估對現金產生單位的可收回金額的影響程度。

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獨立核數師報告

TO THE SHAREHOLDERS OF TRANSMIT ENTERTAINMENT LIMITED (Continued)

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KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Key audit matters

關鍵審核事項

How our audit addressed the key audit matters

本行的審核如何處理關鍵審核事項

Impairment assessment of right-of-use assets in relation to film exhibition segment

有關電影放映分部的使用權資產減值評估

We identified the impairment assessment of right-of-use assets in relation to film exhibition segment as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and significant judgement and estimate involved in the management's impairment assessment of the right-of-use assets.

本行識別有關電影放映分部使用權資產的減值評估為關鍵審核事項，是由於其對綜合財務報表結餘整體之重要性及管理層對使用權資產減值評估所涉及的重大判斷及估計。

As disclosed in note 15 to the consolidated financial statements, the carrying amount of right-of-use assets in relation to film exhibition segment was HK\$668,311,000 as at 30 June 2020. In determining whether impairment on right-of-use assets in relation to film exhibition segment is required, the Group takes into consideration the discounted cash flow projection with several key assumptions. The key assumptions include growth rates, discount rates, the forecast performance of the budgeted sales and budgeted costs based on management's view of future business prospects and past performance of the film exhibition segment. As disclosed in note 15 to the consolidated financial statements, an impairment loss of right-of-use assets in relation to film exhibition segment of HK\$28,895,000 was recognised and charged to profit or loss for the year ended 30 June 2020.

如綜合財務報表附註15所披露，有關電影放映分部的使用權資產於2020年6月30日的賬面值為港幣668,311,000元。於釐定是否需要就有關電影放映分部的使用權資產作出減值時，貴集團會考慮貼現現金流量預測及若干主要假設。主要假設包括根據管理層對未來業務前景的看法就預算銷售及預算成本估計的增長率、貼現率及預測表現及有關電影放映分部的往年表現。如綜合財務報表附註15所披露，截至2020年6月30日止年度已確認有關電影放映分部的使用權資產的減值虧損港幣28,895,000元，並已於損益入賬。

Our procedures in relation to the impairment assessment of right-of-use assets in relation to film exhibition segment included:

本行關於電影放映分部使用權資產的減值評估的程序包括：

- Understanding the process of how management performs impairment assessment of right-of-use assets in relation to film exhibition segment;
- 理解管理層如何進行有關電影放映分部的使用權資產的減值評估；
- Challenging the key assumptions used, including specifically the cash flow projections and growth rates based on our knowledge of the entertainment related industry as well as historical performance of the film exhibition segment;
- 檢查所使用的主要假設，包括(尤其是)根據本行對娛樂相關行業的知識及電影放映分部過往表現而作出的現金流量預測及增長率；
- Assessing the discount rates used in the impairment assessment model by benchmarking against independent data;
- 透過參考獨立數據評估減值評估模式所用的貼現率；
- Testing a selection of data inputs underpinning the cash flow forecast against appropriate supporting evidence, such as approved budgets, to assess the accuracy and reliability of the data input; and
- 根據適當的支持證據，例如獲批預算，檢查支持現金流量預測的各選定輸入數據，以評估輸入數據的準確性及可靠性；及
- Assessing the sensitivity analysis prepared by management on the significant assumptions to evaluate the extent of impact on the recoverable amounts of the right-of-use assets in relation to film exhibition segment.
- 評估管理層就重大假設編製的敏感度分析，以評估對有關電影放映分部的使用權資產的可收回金額的影響程度。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括載入年報內的資料，但不包括綜合財務報表及本行的核數師報告。

本行對綜合財務報表的意見並不涵蓋其他資料，本行亦不對該等其他資料發表任何形式的鑒證結論。

就本行對綜合財務報表的審核而言，本行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本行在審核過程中所了解的情況存在重大不符或者似乎存在重大錯誤陳述。基於本行已執行的工作，倘若本行認為該其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行並無任何報告。

董事及管治人員就綜合財務報表須承擔的責任

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

在編製綜合財務報表時，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，惟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則另作別論。

管治人員須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

核數師就審核綜合財務報表承擔的責任

本行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，並出具包括本行意見(根據本行的協定委聘條款僅向閣下整體報告)的核數師報告，而不作其他目的。本行不會就本報告的內容向任何其他人士負上或承擔責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審核，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，倘合理預期其單獨或匯總可能影響使用者依賴該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審核的過程中，本行運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及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，設計及執行審核程序以應對有關風險，以及獲取充足適當的審核憑證，作為本行意見的基礎。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。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及所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

- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，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。如果本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關披露不足，則本行應當修改意見。本行的結論是基於核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團停止持續經營。
- 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以中肯列報方式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，以便對綜合財務報表發表意見。本行負責集團審核的方向、監督和執行。本行為審核意見承擔全部責任。

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

本行與有關管治人員溝通(其中包括)審核的計劃範圍、時間安排、重大審核發現等，包括本行在審核中識別出內部控制的任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lee Po Chi.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

25 September 2020

本行亦向管治人員提交聲明，說明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響本行獨立性的所有關係和其他事項以及消除威脅所採取的行動或所採納的防範措施。

從與管治人員溝通的事項中，本行確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。本行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，如果合理預期在本行報告中溝通某事項造成的負面後果超過產生的公眾利益，本行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核項目合夥人是李寶芝。

德勤•關黃陳方會計師行
執業會計師
香港

2020年9月25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 30 June 2020 截至2020年6月30日止年度

		NOTES 附註	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Revenue	收益	5	465,534	668,130
Cost of sales	銷售成本		(291,830)	(405,843)
Gross profit	毛利		173,704	262,287
Other gains and losses	其他收益及虧損	7	(580)	21,055
Other income	其他收入	7	42,348	11,347
Selling and distribution expenses	銷售及發行開支		(181,793)	(207,271)
Administrative expenses	行政開支		(60,997)	(67,316)
Net foreign exchange loss	匯兌虧損淨額		(2,210)	(226)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	14	(2,189)	–
Impairment loss on interests in associates	於聯營公司權益的減值虧損	18	–	(16,317)
Impairment loss on trade receivables under expected credit loss model	預期信貸虧損模式項下之貿易應收款項減值虧損	23	(2,998)	–
Impairment loss on right-of-use assets	使用權資產的減值虧損	15	(28,895)	–
Fair value change on contingent consideration payable	應付或然代價的公平值變動	45(b)	(6,161)	(20,511)
Finance costs	融資成本	8	(57,630)	(11,630)
Share of results of associates	應佔聯營公司業績	18	(855)	(1,484)
Share of results of a joint venture	應佔一間合營企業業績	19	(6)	97
Loss before tax	除稅前虧損		(128,262)	(29,969)
Income tax credit (expense)	所得稅抵免(開支)	9	885	(5,719)
Loss for the year	年內虧損	10	(127,377)	(35,688)
Other comprehensive (expense) income for the year	年內其他全面(開支)收入			
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>隨後或會重新分類至損益的項目</i>			
Reclassification adjustments upon disposal of a subsidiary included in profit or loss	計入損益之一間附屬公司於出售後重新分類調整		–	165
Reclassification adjustments upon disposal of an associate included in profit or loss	計入損益之一間聯營公司於出售後重新分類調整		(321)	–
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額		–	(133)
Share of exchange difference of an associate arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額		–	305
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額		(1,144)	5,266
			(1,465)	5,603
Total comprehensive expense for the year	年內全面開支總額		(128,842)	(30,085)

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 30 June 2020 截至2020年6月30日止年度

		NOTE 附註	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Loss for the year attributable to:	下列人士應佔年內虧損：			
– Owners of the Company	– 本公司擁有人		(126,598)	(35,504)
– Non-controlling interests	– 非控股權益		(779)	(184)
			(127,377)	(35,688)
Total comprehensive expense for the year attributable to:	下列人士應佔年內全面開支總額：			
– Owners of the Company	– 本公司擁有人		(128,063)	(29,901)
– Non-controlling interests	– 非控股權益		(779)	(184)
			(128,842)	(30,085)
Loss per share	每股虧損	13		
Basic (HK cents)	基本(港仙)		(4.88)	(1.37)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2020 於2020年6月30日

		NOTES 附註	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	74,689	88,281
Right-of-use assets	使用權資產	15	668,311	–
Goodwill	商譽	16	448,173	411,876
Intangible assets	無形資產	17	102,416	5,600
Interests in associates	於聯營公司的權益	18	–	8,418
Interest in a joint venture	於一間合營企業的權益	19	163	169
Rental deposits	租賃按金	20	14,878	30,358
Deferred tax assets	遞延稅項資產	39	297	161
			1,308,927	544,863
Current assets	流動資產			
Film and television rights	電影及電視劇版權	21	–	4,787
Film and television series production in progress	製作中電影及電視劇	21	163,736	134,203
Inventories	存貨	22	1,249	685
Trade and other receivables	貿易及其他應收款項	23	126,281	162,719
Contract assets	合約資產	24	16,599	–
Rental deposits	租賃按金	20	13,389	19,163
Tax recoverable	可收回稅項		–	713
Financial assets at fair value through profit or loss	按公平值計入損益之 金融資產	25	7,040	–
Restricted bank balances	受限制銀行結餘	26	13,098	–
Pledged bank deposits	已抵押銀行存款	27	21,667	664
Bank balances and cash	銀行結餘及現金	28	112,263	122,035
			475,322	444,969
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	29	215,806	219,555
Contract liabilities	合約負債	30	60,695	46,562
Tax payable	應付稅項		5,713	5,585
Bank and other borrowings	銀行及其他借款	31	22,000	65,220
Loans from related companies	關聯公司之貸款	32	30,303	64,274
Amount due to a controlling shareholder	應付一名控股股東款項	33	27,500	–
Bonds payable	應付債券	34	22,000	–
Amount due to a joint venture	應付一間合營企業款項	35	385	385
Contingent consideration payable	應付或然代價	45(b)	145,262	139,235
Lease liabilities	租賃負債	36	71,962	–
			601,626	540,816
Net current liabilities	流動負債淨值		(126,304)	(95,847)
Total assets less current liabilities	總資產減流動負債		1,182,623	449,016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2020 於2020年6月30日

		NOTES 附註	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Non-current liabilities	非流動負債			
Deposits received	已收按金	29	383	950
Bonds payable	應付債券	34	29,500	22,000
Bank and other borrowings	銀行及其他借款	31	45,000	–
Loans from a related company	一間關聯公司之貸款	32	89,721	161,695
Contingent consideration payable	應付或然代價	45(b)	103,693	178,155
Deferred tax liabilities	遞延稅項負債	39	23,231	–
Lease liabilities	租賃負債	36	685,490	–
			977,018	362,800
Net assets	資產淨值		205,605	86,216
Capital and reserves	資本及儲備			
Share capital	股本	37	6,489	6,489
Reserves	儲備		(44,373)	83,690
(Deficit in shareholder's equity) equity attributable to owners of the Company	本公司擁有人應佔 (股東權益虧絀) 權益		(37,884)	90,179
Perpetual bonds	永續債	38	204,600	–
Non-controlling interests	非控股權益		38,889	(3,963)
Total equity	權益總額		205,605	86,216

The consolidated financial statements on pages 115 to 290 were approved and authorised for issue by the board of directors of the Company on 25 September 2020 and are signed on its behalf by:

載於第115至第290頁之綜合財務報表已獲本公司董事會於2020年9月25日批准及授權刊發，並由以下人士代為簽署：

Zhang Liang, Johnson
張量
DIRECTOR
董事

Lee Hin Kwong, Patrick
李憲光
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2020 截至2020年6月30日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non- controlling interests	Total
		Share capital	Share premium	Other reserve	Exchange reserve	Accumulated losses	Sub-total	Perpetual bonds	Non- controlling interests	Total
		股本	股份溢價	其他儲備	匯兌儲備	累計虧損	小計	永續債	非控股權益	總額
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		港幣千元	港幣千元	港幣千元 (附註i)	港幣千元	港幣千元	港幣千元	港幣千元 (附註ii)	港幣千元	港幣千元
At 1 July 2018	於2018年7月1日	6,489	521,046	10	(3,607)	(403,858)	120,080	-	(3,779)	116,301
Loss for the year	年內虧損	-	-	-	-	(35,504)	(35,504)	-	(184)	(35,688)
Reclassification adjustments upon disposal of a subsidiary included in profit or loss	計入損益之一間附屬公司出售後重新分類調整	-	-	-	165	-	165	-	-	165
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	-	-	(133)	-	(133)	-	-	(133)
Share of exchange difference of an associate arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額	-	-	-	305	-	305	-	-	305
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	5,266	-	5,266	-	-	5,266
Total comprehensive income (expense) for the year	年內全面收入(開支)總額	-	-	-	5,603	(35,504)	(29,901)	-	(184)	(30,085)
At 30 June 2019	於2019年6月30日	6,489	521,046	10	1,996	(439,362)	90,179	-	(3,963)	86,216
Loss for the year	年內虧損	-	-	-	-	(126,598)	(126,598)	-	(779)	(127,377)
Reclassification adjustments upon disposal of an associate included in profit or loss (note 18)	計入損益之一間聯營公司出售後重新分類調整(附註18)	-	-	-	(321)	-	(321)	-	-	(321)
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	(1,144)	-	(1,144)	-	-	(1,144)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(1,465)	(126,598)	(128,063)	-	(779)	(128,842)
Capital contribution from non-controlling interest of a subsidiary	來自一間附屬公司非控股權益的注資	-	-	-	-	-	-	-	5,390	5,390
Acquisition of a subsidiary (note 41)	收購一間附屬公司(附註41)	-	-	-	-	-	-	-	34,278	34,278
Disposal of subsidiaries (note 42)	出售附屬公司(附註42)	-	-	-	-	-	-	-	3,963	3,963
Issuance of perpetual capital securities by a subsidiary (note 38)	由一間附屬公司發行永續資本證券(附註38)	-	-	-	-	-	-	204,600	-	204,600
At 30 June 2020	於2020年6月30日	6,489	521,046	10	531	(565,960)	(37,884)	204,600	38,889	205,605

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2020 截至2020年6月30日止年度

Notes:

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

(ii) On 29 June 2020, two wholly-owned subsidiaries of the Company issued perpetual bonds (the “issuers”) amounted to RMB31,000,000 (equivalent to HK\$34,100,000) and RMB155,000,000 (equivalent to HK\$170,500,000), respectively to Guangzhou Puji Real Estate Agency Co. Limited, a related company in which Mr. Zhang Liang, Johnson, the Chairman and an executive director of the Company has controlling interest, and the perpetual bonds are redeemable at the issuers’ option on or after 28 June 2025. Interests are payable annually in arrears at a fixed rate of 4.5% per annum, which may be deferred at the issuers’ discretion and in which event, the Company and the issuers will not declare or pay any interests or redeem, cancel or buy back or otherwise acquire any of the Company’s and/or the issuers’ securities of lower or equal rank.

The Group is considered to have no contractual obligations to call its principal or to pay any interests. The perpetual bonds do not meet the definition for classification as financial liabilities. They are classified as equity instruments and future interests are treated as distribution of dividends.

附註：

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

(ii) 於2020年6月29日，本公司的兩間附屬公司(「發行人」)分別向Guangzhou Puji Real Estate Agency Co. Limited(由本公司主席兼執行董事張量先生擁有控股權益的關聯公司)發行為數人民幣31,000,000元(相當於港幣34,100,000元)及人民幣155,000,000元(相當於港幣170,500,000元)的永續債，而發行人可選擇於2025年6月28日或之後分派贖回永續債。利息按固定年利率4.5%支付，而發行人可酌情延遲有關利息，於此情況下，本公司及發行人不會宣派或派付任何利息或贖回、削減、註銷或購回或以其他方式收購本公司及/或發行人的較低或同等級別的證券。

本集團被視為無合約責任償還其本金或支付任何利息。永續債並不符合金融負債分類的定義。其獲分類為權益工具，而未來利息被視為股息分派。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2020 截至2020年6月30日止年度

		NOTES 附註	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營活動			
Loss before tax	除稅前虧損		(128,262)	(29,969)
Adjustments for:	就下列各項的調整：			
Finance costs	融資成本		57,630	11,630
Interest income	利息收入	7	(551)	(771)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	12,052	14,449
Depreciation of right-of-use assets	使用權資產折舊		109,495	-
Amortisation of intangible assets	無形資產攤銷		4,389	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	7	-	2
Loss (gain) on disposal of subsidiaries	出售附屬公司虧損(收益)	42	4,838	(21,057)
Gain on disposal of associates	出售聯營公司收益	18	(4,258)	-
Impairment loss on right-of-use assets	使用權資產的減值虧損	15	28,895	-
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	14	2,189	-
Impairment loss on trade receivables	貿易應收款項的減值虧損		2,998	-
Impairment loss on interests in associates	於聯營公司權益的減值虧損	18	-	16,317
Impairment loss on film and television series production in progress	製作中電影及電視劇的減值虧損	21	-	4,412
Fair value change on contingent consideration payable	應付或然代價的公平值變動		6,161	20,511
Share of results of associates	應佔聯營公司業績	18	855	1,484
Share of results of a joint venture	應佔一間合營企業業績	19	6	(97)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量		96,437	16,911
(Increase) decrease in film and television rights and film and television series production in progress	電影及電視版權及製作中電影及電視劇(增加)減少		(29,767)	106,575
Decrease in investments in film/drama production	投資電影/戲劇製作減少		-	2,774
(Increase) decrease in inventories	存貨(增加)減少		(564)	5
Decrease (increase) in trade and other receivables	貿易及其他應收款項減少(增加)		31,777	(94,867)
(Increase) decrease in rental deposits	租賃按金(增加)減少		(49)	316
Decrease in amounts due from related companies	應收關聯公司款項減少		-	143
(Decrease) increase in trade and other payables and deposits received	貿易及其他應付款項及已收按金(減少)增加		(10,400)	59,500
Increase in amounts due to related companies	應付關聯公司款項增加		-	30
Decrease in amount due to a joint venture	應付一間合營企業款項減少		-	(7,911)
Increase (decrease) in contract liabilities	合約負債增加(減少)		14,133	(132,328)
Increase in contract assets	合約資產增加		(16,750)	-
Net cash generated from (used in) operations	經營所得(所用)現金淨額		84,817	(48,852)
Income tax refund	已退所得稅		670	-
Income tax paid	已付所得稅		(221)	(103)
NET CASH FROM (USED) IN OPERATING ACTIVITIES	經營活動所得(所用)現金淨額		85,266	(48,955)
INVESTING ACTIVITIES	投資活動			
Net cash outflow on acquisition of subsidiaries	收購附屬公司之現金流出淨額	41	(50,211)	(149,922)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2020 截至2020年6月30日止年度

		NOTES 附註	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Repayment of contingent consideration payable	償還應付或然代價		(64,047)	–
Purchase of financial assets at fair value through profit or loss	按公平值計入損益購買金融資產		(45,954)	–
Purchase of property, plant and equipment	購買物業、廠房及設備		(11,608)	(16,552)
Disposal of property, plant and equipment	出售物業、廠房及設備		521	–
Placement of pledged bank deposits	置存已抵押銀行存款		(21,667)	–
Placement of restricted bank balance	置存受限制銀行結餘		(13,098)	–
Net cash inflow on disposal of subsidiaries	出售附屬公司之現金流入淨額	42	5,755	25,565
Net cash inflow on disposal of associates	出售聯營公司之現金流入淨額		8,700	–
Dividend received from an associate	已收一間聯營公司股息	18	2,800	2,200
Interest received	已收利息	7	551	771
Withdrawal of pledged bank deposits	提取已抵押銀行存款		664	10,000
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產所得款項		38,914	1,320
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額		(148,680)	(126,618)
FINANCING ACTIVITIES	融資活動			
Loans from related companies	關聯公司之貸款		132,611	202,401
Proceeds from bank and other borrowings	銀行及其他借款所得款項		28,200	26,220
Proceeds from issuance of bonds	發行債券所得款項		29,500	22,000
Advance from a controlling shareholder	一名控股股東墊款		27,750	–
Capital contribution by non-controlling interests	非控股權益注資		5,390	–
Repayment of loans from related companies	償還關聯公司之貸款		(25,530)	(17,250)
Repayment of lease liabilities	償還租賃負債		(63,407)	–
Interest paid for lease liabilities	租賃負債的已付利息		(49,679)	–
Repayment of bank and other borrowings	償還銀行及其他借款		(26,220)	(12,866)
Interest paid	已付利息		(4,816)	(1,913)
Repayment of a related company	償還一間關聯公司之款項		–	(1,000)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額		53,799	217,592
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加淨額		(9,615)	42,019
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物		122,035	79,379
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響		(157)	637
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	年末現金及現金等價物，指銀行結餘及現金		112,263	122,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

1A. GENERAL

Transmit Entertainment Limited (the “Company”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Stock Exchange. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is located at Flat B, 14/F, Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong. Its immediate and ultimate holding company is Nice Rich Group Limited, a company incorporated in the British Virgin Island (the “BVI”). Its ultimate controlling shareholder is Mr. Zhang Liang, Johnson, who is also the Chairman and an executive director of the Company.

The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 50.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is the Company’s functional and presentation currency.

1B. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2020, the Company and its subsidiaries (the “Group”) had net current liabilities of HK\$126,304,000 (2019: HK\$95,847,000). The net current liabilities included contract liabilities of HK\$60,695,000 (2019: HK\$46,562,000) which will be recognised as revenue upon the delivery of the film negatives and television (“TV”) series program to the customers and TV broadcast networks and shall not have any cash outflow to the Group, bank and other borrowings of HK\$22,000,000 (2019: HK\$65,220,000) which was repayable within one year, bonds payable of HK\$22,000,000 (2019: Nil) which was repayable within one year with interest-bearing at 9%, loans from related companies of HK\$30,303,000 (2019: HK\$64,274,000) which were unsecured, interest-bearing at 7% per annum and repayable within one year and an amount due to a controlling shareholder of HK\$27,500,000 (2019: Nil).

1A. 一般資料

傳遞娛樂有限公司(「本公司」)為一間於開曼群島註冊成立的公眾有限公司，其股份於聯交所上市。本公司的註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，其主要營業地點位於香港灣仔告士打道128號祥豐大廈14樓B室。其直接及最終控股公司為Nice Rich Group Limited，為一間於英屬處女群島(「英屬處女群島」)註冊成立的公司。其最終控股股東為張量先生，彼亦為本公司之主席及執行董事。

本公司為一間投資控股公司，其附屬公司的主要業務載於附註50。

綜合財務報表乃以本公司之功能及呈列貨幣港幣(「港幣」)呈列。

1B. 綜合財務報表之編製基準

於2020年6月30日，本公司及其附屬公司(「本集團」)擁有流動負債淨值約港幣126,304,000元(2019年：港幣95,847,000元)。流動負債淨值包括合約負債港幣60,695,000元(2019年：港幣46,562,000元)(其將於電影菲林底片及電視(「電視」)劇交付予客戶及電視廣播網絡後確認為收益，及將不會向本集團作出任何現金流出)、銀行及其他借款港幣22,000,000元(2019年：港幣65,220,000元(須於一年內償還)、應付債券港幣22,000,000元(2019年：無)(按9%利率計息須於一年內償還)、來自關聯公司之貸款為港幣30,303,000元(2019年：港幣64,274,000元)屬無抵押、按年利率7%計息並須於一年內償還，而應付一名控股股東款項港幣27,500,000元(2019年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

1B. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

The directors of the Company (the “Directors”) are of the opinion that, after taking into account, among other things, the financial resources available to the Group including the future cash flows to be generated from the film and TV series production and distribution, new facility granted by a related company of RMB45,000,000 (equivalent to HK\$49,500,000) and the unutilised banking facilities amounted to RMB63,000,000 (equivalent to HK\$69,300,000), the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis. Management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern.

1B. 綜合財務報表之編製基準(續)

本公司董事(「董事」)認為，經考慮(其中包括)本集團可用之財務資源(包括電影及電視劇製作及發行產生之未來現金流量)、一間關聯公司授予的新融資人民幣45,000,000元(相當於港幣49,500,000元)及未動用銀行融資人民幣63,000,000元(相當於港幣69,300,000元)，本集團將擁有充足的營運資金以滿足其自報告期末起計未來十二個月到期的財務責任及承擔。因此，董事信納按持續經營基準編製本集團之綜合財務報表屬適當。管理層並不知悉與可能使本集團之持續經營能力產生重大疑問之事件或狀況有關的任何重大不確定性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

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

New and amendments to HKFRSs that are mandatorily effective for the current year

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

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

In addition, the Group has early applied Amendments to HKFRS 16 *COVID-19-Related Rent Concessions*, which will be mandatorily effective for the annual periods beginning on or after 1 June 2020.

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的新訂及經修訂香港財務報告準則

本集團已於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂香港財務報告準則：

香港財務報告準則第16號	租賃
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理的不確定性
香港財務報告準則第9號(修訂本)	提早還款特性及負補償
香港會計準則第19號(修訂本)	計劃修訂、削減或結算
香港會計準則第28號(修訂本)	聯營公司及合營企業之長期權益
香港財務報告準則(修訂本)	香港財務報告準則2015至2017週期的年度改進

此外，本集團提早採用香港財務報告準則第16號*COVID-19相關租金寬減*，其將於2020年6月1日或以後開始的年度期間強制生效。

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則不會對本集團於本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載的披露產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

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

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 *Leases*, and the related interpretations.

Definition of a lease

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

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

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 July 2019. As at 1 July 2019, the Group recognised lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動

本集團於本年度首次採用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號租賃及相關詮釋。

租賃的定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而不會對先前並無識別為包括租賃的合約應用該準則。因此，本集團概無重新評估於初步應用日期前已存在的合約。

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

作為承租人

本集團已追溯應用香港財務報告準則第16號，而累計影響已於初步應用日期(2019年7月1日)確認。於2019年7月1日，本集團透過應用香港財務報告準則第16.C8(b)(ii)號過渡確認租賃負債及使用權資產，其金額相等於任何預付或應計租賃付款調整的相關租賃負債。於初步應用日期之任何差額已於期初累計虧損確認，而比較資料尚未重列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

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

As a lessee (Continued)

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

作為承租人(續)

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

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

As a lessee (Continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

作為承租人(續)

		At 1 July 2019 於2019年 7月1日 HK\$'000 港幣千元
Operating lease commitments disclosed as at 30 June 2019	於2019年6月30日所披露之經營租賃承擔	1,166,279
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率進行貼現的租賃負債	815,472
Less: Recognition exemption — leases with lease term ends within 12 months of the date of initial application	減：確認豁免—租賃期於初步應用日期起計12個月內結束的租賃	(863)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 July 2019	於2019年7月1日應用香港財務報告準則第16號後已確認經營租賃有關的租賃負債	814,609
Analysed as	分析為	
– Current	– 流動	80,202
– Non-current	– 非流動	734,407
		814,609

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

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

As a lessee (Continued)

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

作為承租人(續)

於2019年7月1日之使用權資產賬面值包括以下各項：

		Right-of-use assets 使用權資產 HK\$'000 港幣千元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	於應用香港財務報告準則第16號後已確認經營租賃相關的使用權資產	814,609
Adjustment on rental deposits at 1 July 2019 (note a)	於2019年7月1日的租賃按金調整(附註a)	21,303
Less: Accrued lease liabilities relating to rent-free period at 1 July 2019 (note b)	減：於2019年7月1日與免租期有關的應計租賃負債(附註b)	(35,467)
		800,445
By class:	按類別分類：	
Cinema	電影院	797,907
Leased buildings	已租賃樓宇	1,738
Equipment	設備	800
		800,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

(Continued)

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

As a lessee (Continued)

Notes

a: Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, HK\$21,303,000 in aggregate was adjusted to current and non-current refundable rental deposits paid and right-of-use assets.

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

作為承租人(續)

附註

a: 於應用香港財務報告準則第16號前，本集團視已支付可退還租賃按金為應用香港會計準則第17號之租賃項下的權利及責任。根據香港財務報告準則第16號項下租賃付款之定義，該等按金並非與相關資產使用權有關的付款，並經調整以反映過渡之貼現影響。因此，合共港幣21,303,000元獲調整至已支付流動及非流動可退還租賃按金及使用權資產。

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

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

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

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

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

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

As a lessee (Continued)

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 應用香港財務報告準則第16號租賃的影響及會計政策變動(續)

作為承租人(續)

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

		Carrying amounts previously reported at 30 June 2019	Adjustments	Carrying amounts under HKFRS 16 at 1 July 2019
		先前於2019年6月30日呈報的賬面值 HK\$'000 港幣千元	調整 HK\$'000 港幣千元	於2019年7月1日根據香港財務報告準則第16號計算的賬面值 HK\$'000 港幣千元
Non-current Assets	非流動資產			
Rental deposits	租賃按金	30,358	(15,720)	14,638
Right-of-use assets	使用權資產	–	800,445	800,445
Current Asset	流動資產			
Rental deposits	租賃按金	19,163	(5,583)	13,580
Current Liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	219,555	(35,467)	184,088
Lease liabilities	租賃負債	–	80,202	80,202
Non-current Liability	非流動負債			
Lease liabilities	租賃負債	–	734,407	734,407

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 30 June 2020, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 July 2019 as disclosed above.

The Group has early applied the amendment to HKFRS 16 in the current year. The application has no impact to the opening accumulated losses at 1 July 2019. The Group recognised changes in lease payments that resulted from COVID-19-Related Rent Concessions of HK\$15,889,000 under other income in profit or loss for the current year.

附註：就呈報截至2020年6月30日止年度按間接法計量的經營活動現金流量而言，營運資金的變動乃根據上文所披露於2019年7月1日的期初綜合財務狀況表計算。

本集團已於本年度提早應用香港財務報告準則第16號(修訂本)。有關應用並無對於2019年7月1日的年初累計虧損構成影響。本集團已於本年度確認於損益中其他收入項下COVID-19相關租金寬減港幣15,889,000元導致的租賃付款變動。

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

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current and Non-current ⁶
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ⁵
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ⁵
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴
Amendments to HKFRSs	Annual Improvement to HKFRSs 2018-2020 ⁵

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

⁵ Effective for annual periods beginning on or after 1 January 2022.

⁶ Effective for annual periods beginning on or after 1 January 2023.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號(修訂本)	業務的定義 ²
香港財務報告準則第3號(修訂本)	概念框架提述 ⁵
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第1號(修訂本)	分類負債為流動及非流動 ⁶
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性之定義 ⁴
香港會計準則第16號(修訂本)	物業、廠房及設備—擬定用途前的所得款項 ⁵
香港會計準則第37號(修訂本)	繁重合約—履行合約的成本 ⁵
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基礎改革 ⁴
香港財務報告準則(修訂本)	香港財務報告準則2018至2020年的年度改進 ⁵

¹ 於2021年1月1日或以後開始的年度期間生效。

² 就收購日期為於2020年1月1日或以後開始的首個年度期間或之後開始之業務合併及資產收購生效。

³ 於將釐定日期或以後開始的年度期間生效。

⁴ 於2020年1月1日或以後開始的年度期間生效。

⁵ 於2022年1月1日或以後開始的年度期間生效。

⁶ 於2023年1月1日或以後開始的年度期間生效。

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

New and amendments to HKFRSs issued but not yet effective (Continued)

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRSs*, will be effective for annual periods beginning on or after 1 January 2020.

Except for the amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRSs

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

除上述新訂及經修訂香港財務報告準則外，經修訂財務報告概念框架已於2018年發佈。其後續修訂提述香港財務報告準則概念框架之修訂將於2020年1月1日或之後開始的年度期間生效。

除下文所述之經修訂香港財務報告準則外，董事預計，應用所有其他新訂及經修訂香港財務報告準則將不會於可見未來對綜合財務報表產生任何重大影響。

2018年財務報告概念框架(「新框架」)及提述香港財務報告準則概念框架的修訂：

新框架：

- 重新引入管理及審慎此等術語；
- 引入著重權利的新資產定義以及範圍可能比所取代定義更廣的新負債定義，惟不會改變負債與權益工具之間的區別；
- 討論歷史成本及現值計量，並就如何為某一資產或負債選擇計量基準提供額外指引；
- 指出財務表現主要計量標準為損益，且於特殊情況下方會使用其他全面收益，且僅用於資產或負債現值產生變動的收入或開支；及
- 討論不確定因素、終止確認、會計單位、報告實體及合併財務報表。

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

Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRSs (Continued)

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

Amendments to HKFRS 3 *Definition of a Business*

The amendments:

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis;
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; and
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.

The Group will apply the amendments prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the annual reporting period beginning on or after 1 July 2020.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2018年財務報告概念框架(「新框架」)及提述香港財務報告準則概念框架的修訂：(續)

相應修訂已作出，致使有關若干香港財務報告準則之提述已更新至新框架，惟部分香港財務報告準則仍參考該框架之先前版本。該等修訂於2020年1月1日或之後開始的年度期間生效，並可提前應用。除仍參考該框架先前版本之特定準則外，本集團將於其生效日期按新框架釐定會計政策，尤其是會計準則未有處理之交易、事件或條件。

香港財務報告準則第3號(修訂本)業務的定義

修訂本：

- 增添選擇性集中度測試，該測試允許對所收購一組活動及資產是否並非一項業務進行簡化評估。選擇是否應用選擇性集中度測試乃按個別交易基準而定；
- 闡明視作為一項業務的所收購一組活動及資產，必須至少包含一項投入和一項實質性過程，兩者共同對創造產出的能力具有重大貢獻；及
- 通過專注於向客戶所提供的貨品及服務，並移除對節省成本能力的提述，收窄業務及產出的定義。

本集團將於日後就收購日期為2020年7月1日或以後開始的年度報告期間開始當日或之後進行的所有業務合併及資產收購應用修訂本。

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

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current*

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that a liability should be classified as non-current if an entity has the right, the classification should not be affected by management intentions or expectations to settle the liability within 12 months;
- clarify that if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

Based on the Group’s outstanding liabilities as at 30 June 2020, the application of the amendments will not result in reclassification of the Group’s liabilities.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第1號(修訂本)分類負債為流動或非流動

該等修訂就評估自報告日期起至少十二個月的延遲結付權利提供澄清及額外指引，以將負債分類為流動或非流動，當中包括：

- 訂明負債應於實體擁有權利時分類為非流動，該分類不受管理層在十二個月內結清負債的意圖或預期所影響；
- 澄清倘若該權利以遵守契諾為條件，即使貸款人在較後日期才測試是否符合條件，該權利在報告期末符合條件的情況下仍然存在；及
- 澄清倘若負債具有條款，可由對手方選擇透過轉讓實體本身的權益工具進行結清，僅當實體應用香港會計準則第32號*金融工具：呈列*將選擇權單獨確認為權益工具，該等條款則不影響將其分類為流動或非流動。

根據本集團於2020年6月30日的未償還負債，該等修訂的應用不會導致重新分類本集團的負債。

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

Amendments to HKAS 1 and HKAS 8 *Definition of Material*

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 July 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港會計準則第1號及香港會計準則第8號(修訂本)重大性之定義

該等修訂透過載入作出重要性判斷時的額外指引及解釋，對重要性的定義提供改進。尤其是有關修訂：

- 包含「掩蓋」重要資料的概念，其與遺漏或誤報資料有類似效果；
- 就影響使用者重要性的範圍以「可合理預期影響」取代「可影響」；及
- 包含使用詞組「主要使用者」，而非僅指「使用者」，於決定於財務報表披露何等資料時，「使用者」一詞被視為涵義過寬。

該等修訂亦與各香港財務報告準則的定義一致，並將在本集團於2020年7月1日開始的年度期間強制生效。預期應用該等修訂不會對本集團的財務狀況及表現造成重大影響，惟可能影響於綜合財務報表中的呈列及披露。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 16 (since 1 July 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. 重大會計政策

綜合財務報表已按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定的適用披露。

於各報告期末，誠如下文載列之會計政策內闡述，除若干金融工具以公平值計量外，綜合財務報表乃按歷史成本基準編製。

歷史成本通常按交換貨品及服務時所付代價的公平值計算。

公平值為市場參與者於計量日期在有序交易中出售一項資產可能收取或轉讓一項負債可能支付之價格，不論該價格是否直接可觀察或使用其他估值方法作出估計。估計資產或負債之公平值時，本集團考慮了市場參與者於計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量及／或披露之公平值均在此基礎上予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內之以股份為基礎付款的交易、香港會計準則第16號（自2019年7月1日起）或香港會計準則第17號（應用香港財務報告準則第16號前）範圍內之租賃交易及以及與公平值相似但並非公平值之計量（例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. 重大會計政策(續)

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

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

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及本公司控制之實體及其附屬公司之財務報表。倘屬以下情況，則本公司取得控制權：

- 對投資對象行使權力；
- 因參與投資對象的業務而獲得或有權獲得可變回報；及
- 有能力行使其權力影響其回報。

倘事實及情況表明以上所列控制權三個要素的一個或多個有所變動時，本集團重估其是否控制投資對象。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. 重大會計政策 (續)

綜合基準 (續)

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

本公司擁有人及非控股權益應佔損益及其他全面收入各項目。本公司擁有人及非控股權益應佔附屬公司之全面收入總額，即使由此引致非控股權益結餘為負數。

附屬公司的財務報表於必要時會作出調整，以使其所採用的會計政策與本集團採用者一致。

所有集團內與本集團成員公司之間的交易有關的資產及負債、權益、收入、開支及現金流量均於綜合入賬時悉數對銷。

附屬公司非控股權益與本集團權益分開呈列，有關權益指賦予其持有人權利於清盤時按比例分佔有關附屬公司資產淨值之現時擁有權權益。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

Business combinations

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

3. 重大會計政策(續)

本集團於現有附屬公司的所有權權益變動

當本集團失去對一間附屬公司之控制權，該附屬公司之資產及負債以及非控股權益(如有)會終止確認。收益或虧損於損益內確認，並計作下列兩者之差額(i)已收代價公平值和任何保留權益公平值的總和與(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債之賬面值。就該附屬公司過往於其他綜合收益確認的所有款項均按猶如本集團已直接出售該附屬公司相關資產或負債列賬(即重新分類至損益或轉至適用香港財務報告準則所規定/允許的另一權益類別)。

業務合併

收購業務採用收購法入賬。業務合併所轉撥的代價按公平值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人欠付的負債及本集團為交換對被收購方的控制權而發行的權益於收購日期的公平值總額。收購相關成本通常於產生時於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations (Continued)

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

3. 重大會計政策(續)

業務合併(續)

於收購日期，所收購可識別資產及所承擔負債按公平值確認，惟下列者除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債，分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方的以股份為基礎付款安排或本集團為取代被收購方的以股份為基礎付款安排所訂立的以股份為基礎付款安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號計量(見下文會計政策)；及
- 根據香港財務報告準則第5號*持作出售的非流動資產及已終止經營業務*分類為持作出售的資產(或出售組合)根據該項準則計量。

商譽是以所轉撥的代價、於被收購方的非控股權益金額及收購方以往持有被收購方權益的公平值(如有)的總和，減所收購可識別資產及所承擔負債於收購日期的淨額後，所超出的差額計量。若重估後所收購可識別資產與所承擔負債淨額高於轉撥的代價、於被收購方的非控股權益金額及收購方以往持有被收購方權益的公平值(如有)的總和，則差額即時於損益內確認為議價收購收益。

屬現時擁有的權益且於清盤時讓持有人有權按比例分佔有關附屬公司淨資產的非控股權益，初步按非控股權益應佔收購方可識別資產淨值的已確認金額比例計量。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

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

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

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

3. 重大會計政策(續)

商譽

因收購業務所產生之商譽按於收購業務日期(參閱上述會計政策)所確定之成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽會分配至預期可從合併之協同效益得益之本集團現金產生單位(或現金產生單位組別)，即就內部管理而言按最低級別監控商譽及不大於營運分部。

獲分配商譽之現金產生單位(或現金產生單位組別)會每年進行減值測試，或於有跡象顯示該單位可能出現減值時則以更高頻率進行減值測試。就於報告期因收購產生之商譽而言，獲分配商譽之現金產生單位(或現金產生單位組別)會於該報告期末前進行減值測試。倘可收回金額少於其賬面值，則減值虧損會先用作減低任何商譽之賬面值，其後則根據該單位(或現金產生單位組別)內各項資產賬面值按比例分配至其他資產。

於出售有關現金產生單位或現金產生單位組別在內的任何現金產生單位時，須計入商譽應佔金額以釐定出售的利潤或虧損金額。當本集團出售現金產生單位(或現金產生單位組別在內的現金產生單位)內的業務時，所出售的商譽金額按所出售業務(或現金產生單位)與所保留的現金產生單位(或現金產生單位組別)部分的相對價值計量。

本集團對於因收購一間聯營公司及一間合營企業產生的商譽的政策載於下文。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. 重大會計政策(續)

於聯營公司及一間合營企業的投資

聯營公司乃指本集團對其具有重大影響力的一個實體。重大影響力指有能力參與被投資者財務及營運的政策決定，但不能控制或共同控制該等政策。

合營企業指一項共同安排，對安排擁有共同控制權之訂約方據此對合營安排資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有之控制，共同控制僅在相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

聯營公司及一間合營企業的業績及資產及負債，均以權益會計法合併入該等綜合財務報表內。用於權益會計法之聯營公司及一間合營企業財務報表乃採用與本集團在類似交易及相若情況下事項所採用的統一會計政策編製。根據權益法，於一間聯營公司或合營企業的投資均按成本值於綜合財務狀況表內首次確認及隨後予以調整，以確認本集團應佔聯營公司或合營企業損益及其他全面收益。當本集團應佔一間聯營公司或合營企業的虧損超逾其於該聯營公司或合營企業的權益(包括(實際上)組成一部分本集團應佔聯營公司或合營企業投資淨額的任何長期權益)時，則本集團不再確認其應佔的進一步虧損。當本集團已產生法律或推定責任或代表該聯營公司或合營企業支付款項，則額外虧損僅以此為限予以確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates and a joint venture (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. 重大會計政策(續)

於聯營公司及一間合營企業的投資(續)

於一間聯營公司或合營企業的投資自被投資者成為一間聯營公司或合營企業之日起計採用權益法入賬。於收購聯營公司或合營企業的投資時，投資成本超過本集團分佔該被投資者可識別資產及負債的公平值淨值的任何部分確認為商譽，並計入投資的賬面值。於投資被收購期間，本集團分佔可識別資產及負債的公平值淨值超過投資成本的任何部分在重新估值後即時於損益內確認。

本集團會評估是否存在客觀證據證明於一間聯營公司或合營企業的權益將會減值。於存在客觀證據時，投資的全部賬面值(包括商譽)將會根據香港會計準則第36號作為單一資產進行減值測試，方法為將其可收回金額(以使用價值與公平值減去出售成本的較高者為準)與其賬面值作比較。已確認的任何減值虧損屬於該投資賬面值的一部分。減值虧損的任何撥回根據香港會計準則第36號確認，惟以該投資其後所增加的可收回金額為限。

倘集團實體與本集團之聯營公司或合營企業進行交易，則僅於交易所產生的溢利及虧損與本集團於聯營公司或合營企業的權益無關時，方於本集團的綜合財務報表確認。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers

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 or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

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 good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. 重大會計政策(續)

與客戶合約之收益

本集團於達成履約責任時，即當特定的履約責任涉及貨品或服務的「控制權」轉移至客戶時(或按此)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。

倘符合以下其中一項條件而控制權隨時間轉移，則可參考完成相關履約責任的進度而按時間確認收益：

- 客戶於本集團履約時同時收取及享用本集團履約所提供之利益；
- 於本集團履約時，本集團之履約創建及增強客戶控制的資產；或
- 本集團之履約未能創建對本集團具有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收益會在當客戶獲得明確貨品或服務的控制權時在某一時時間點確認。

合約資產指本集團就本集團已轉移予客戶的貨品或服務換取代價的權利，而該權利尚未成為無條件。合約資產根據香港財務報告準則第9號金融工具為進行減值評估。相反，應收款項乃指本集團收取代價的無條件權利，即經過一段時間後即須支付該代價。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)而須向客戶轉讓貨品或服務的責任。

相同合約有關的合約資產及合約負債按淨額基準入賬及呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2)

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

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

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

3. 重大會計政策(續)

隨時間確認收益：計量完成履約責任的進度

輸入法

完成履約責任的進度乃根據輸入法計量，即根據本集團為履行履約責任所作付出或投入(相對預期對履行有關履約責任的總投入)確認收益，有關方法最能反映本集團於轉移貨品或服務控制權時的履約情況。

租賃

租賃之定義(根據附註2的過渡規定應用香港財務報告準則第16號後)

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

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

分配代價至合約組成部分

就包含一項租賃組成部分及一項或以上額外租賃或非租賃組成部分之合約而言，本集團以租賃組成部分之相關獨立價格及非租賃組成部分之獨立價格總額為基準將合約代價分配至各租賃組成部分。本集團亦應用可行權宜方法不就非租賃組成部分與租賃組成部分予以區分，取而代之，其把租賃組成部分及任何相關非租賃組成部分以單一租賃組成部分入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Short-term leases

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

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

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

3. 重大會計政策(續)

租賃(續)

租賃之定義(根據附註2的過渡規定應用香港財務報告準則第16號後)(續)

短期租賃

本集團對租賃(即自開始日期起計之租賃期為12個月或以下並且不包括購買選擇權的租賃)應用短期租賃確認豁免。短期租賃資產的租賃付款在租賃期內按直線法或另一系統基準確認為開支。

使用權資產

使用權資產之成本包括：

- 租賃負債初始計量之金額；
- 於開始日期或之前作出的任何租賃付款減所收取之任何租賃獎勵；及
- 本集團產生之任何初始直接成本。

使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量予以調整。

使用權資產於其估計可使用年期及租賃期內(以較短者為準)按直線法折舊。

本集團將使用權資產於綜合財務狀況表內以獨立項目呈列。

可退還租賃按金

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

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

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

3. 重大會計政策(續)

租賃(續)

租賃之定義(根據附註2的過渡規定應用香港財務報告準則第16號後)(續)

租賃負債

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

租賃付款包括：

- 固定付款(包括實質固定付款)減去任何應收租賃獎勵；及
- 倘租賃條款反映本集團行使終止租賃權，就終止租賃所支付之罰款。

反映市場租金率變動之浮動租賃付款初始採用於開始日期的市場租金率計量。並非取決於一項指數或利率的浮動租賃付款不會計入租賃負債及使用權資產的計量，並會於觸發付款的事件或條件發生期間確認為開支。

於開始日期後，租賃負債按利息增長及租賃付款調整。

本集團重新計量租賃負債並隨時就相關使用權資產作出相應調整。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in note 2) (Continued)

COVID-19-Related Rent Concessions

For rental concessions relating to lease contracts that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether a COVID-19-Related Rent Concession for lease contracts is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 *Leases* if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The Group as a lessee (prior to 1 July 2019)

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

3. 重大會計政策 (續)

租賃 (續)

租賃之定義 (根據附註2的過渡規定應用香港財務報告準則第16號後) (續)

COVID-19相關租金寬減

因COVID-19疫情的直接影響產生的租賃合約有關的租金寬減，本集團選擇應用實際權宜方法不評估有關租賃合約的COVID-19相關租金寬減是否為租賃修訂。實際權宜方法僅適用於COVID-19的直接影響產生的租金寬減，惟須達成下列所有條件：

- 租賃付款變動導致租賃的經修訂代價與緊接變動前租賃代價大致相同或低於緊接變動前租賃代價；
- 租賃付款的任何減少僅影響原定於2021年6月30日或之前到期的付款；及
- 租賃的其他條款及條件並無重大變動。

承租人應用可行權宜方法，將租金寬減導致的租賃付款變動列賬，以同一方式將應用香港財務報告準則第16號租賃的變動入賬 (倘變動並非租賃修訂)。免除或豁免租賃付款可作為浮動租賃付款入賬。相關租賃負債進行了調整以反映該事件發生期內於損益中已確認相關調整的免除或豁免租賃金額。

本集團作為承租人 (於2019年7月1日前)

經營租賃付款按直線法於租期內確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

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

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 重大會計政策(續)

外幣

於編製各集團實體的財務報表時，以非該實體功能貨幣(外幣)進行的交易須按交易當日的適用匯率確認。於報告期末，以外幣計值的貨幣項目均按當日的適用匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

因結算及重新換算貨幣項目而產生的匯兌差額均於產生期間於損益確認。

為呈列綜合財務報表，本集團業務的資產及負債按各報告期末的適用匯率換算成本集團的呈列貨幣(即港幣)，而收支項目則按期內平均匯率換算。所產生匯兌差額(如有)於其他全面收益確認並於匯兌儲備項下的權益(歸於非控股權益，倘適用)累計。

於出售海外業務(即出售本集團於海外業務的全部權益，或出售涉及失去包括海外業務的附屬公司的控制權，或部分出售於包括海外業務的合營安排或聯營公司的權益(其保留權益成為金融資產))時，本公司擁有人應佔業務於權益中累計的所有匯兌差額重新分類至損益。

因於2005年1月1日或之後收購海外業務而產生的所購入可識別資產的商譽及公平值調整已按作為該海外業務的資產及負債處理，並按於各報告期末現行的匯率換算。產生的匯兌差額於其他全面收益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Borrowing costs

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

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

Government grants

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

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

Retirement benefit costs

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

3. 重大會計政策(續)

借款成本

收購、建造或生產合資格資產(即需要一段長時間才可作擬定用途或出售的資產)直接應佔之借款成本,加入該等資產的成本,直至資產大致上可作擬定用途或出售之時為止。

所有其他借款成本於產生期間於損益確認。

政府補貼

政府補貼僅於有合理保證本集團將符合該補貼的附帶條件且將收取該補貼時,方予確認。

作為已產生開支或虧損的應收政府補貼或就給予本集團即時財務資助而未來無相關成本的政府補貼,於成為應收款項的期間於損益內確認。

退休福利成本

向國家管理退休福利計劃及強制性公積金計劃(「強制性公積金計劃」)作出的付款於僱員提供服務而有權享有供款時確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Short-term employee benefits

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

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

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to accumulated losses. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

3. 重大會計政策(續)

短期僱員福利

短期僱員福利按預期將因及當僱員提供有關服務時而支付的未貼現福利金額確認。所有短期僱員福利均確認為開支，惟香港財務報告準則另有規定或允許於資產成本納入福利者則除外。

負債乃就僱員的應計福利(如工資及薪金、年假及病假)扣除任何已付金額後而確認。

以股份為基礎的付款安排

以權益結算以股份為基礎付款的交易

授予僱員的購股權

向僱員及其他提供類似服務的人士作出的以權益結算以股份為基礎的付款乃於授出日期按權益工具的公平值計量。

以權益結算以股份為基礎的付款按授出日期釐定的公平值(並無計及所有非市場歸屬條件)，乃根據本集團對最終將歸屬的權益工具的估計，於歸屬期內以直線法支銷，而權益(購股權儲備)會相應增加。於各報告期末，本集團基於對所有相關非市場歸屬條件的評估修訂預期歸屬的權益工具數目的估計。修訂原先估計的影響(如有)於損益中確認，以便累計開支反映修訂估計，並對以購股權儲備作出相應調整。

當購股權獲行使時，先前於購股權儲備中確認的款項將轉撥至累計虧損。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使，先前於購股權儲備中確認的款項將轉撥至累計虧損。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

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

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

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

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

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

3. 重大會計政策(續)

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項乃根據年內的應課稅溢利計算。應課稅溢利因其他年度的應課稅或可扣稅收支及毋須課稅或不可扣減項而有別於除稅前溢利。本集團的即期稅項乃採用於報告期末已頒佈或實質上已頒佈的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時差額確認。所有應課稅暫時差額一般均確認為遞延稅項負債，而倘可能出現應課稅溢利可用作抵銷可扣減暫時差額，則所有可扣減暫時差額一般確認為遞延稅項資產。若因初始確認一項交易的資產與負債而產生並無影響應課稅溢利或會計溢利的暫時差額(不包括業務合併)，則不會確認該等遞延稅項資產與負債。此外，倘暫時差額因初步確認商譽而產生，則不確認遞延稅項負債。

遞延稅項負債按與於附屬公司及聯營公司投資以及於合營企業權益相關的應課稅暫時差額確認，惟本集團能夠控制暫時差額撥回且在可預見將來可能不會撥回有關暫時差額除外。與該等投資及權益相關的扣減暫時差額所產生的遞延稅項資產，僅於有足夠應課稅溢利可動用暫時差額的利益且預期暫時差額會於可預見將來撥回時確認。

於各報告期末均會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利以收回全部或部分資產為止。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. 重大會計政策(續)

稅項(續)

遞延稅項資產及負債基於報告期末已頒佈或實質上已頒佈的稅率(及稅法)按償還負債或變現資產期間的預期適用稅率計量。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務結果。

就計量本集團確認使用權資產及相關租賃負債中租賃交易有關的遞延稅項而言，本集團首先釐定稅項減扣是否歸因於使用權資產或租賃負債。

就稅項扣減歸因於租賃負債的租賃交易而言，本集團就整個租賃交易應用香港會計準則第12號規定。有關使用權資產及租賃負債的暫時差異按淨額基準評估。使用權資產折舊超過租賃負債本金部分之租賃金額會導致可扣除暫時性淨差額。

當有合法執行權利許可將現時稅項資產與現時稅項負債抵銷並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其現時稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項於損益確認，惟若與其他全面收益或直接於權益確認的項目相關者，則亦分別於其他全面收益或直接於權益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

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

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

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

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備以成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

折舊乃以直線法按估計可使用年期撇銷其資產成本減其剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動的影響按提前應用基準入賬。

物業、廠房及設備項目於出售時或預期持續使用該資產於日後將不會產生經濟利益時終止確認。因出售或報廢物業、廠房及設備項目所產生的任何收益或虧損，按有關資產的銷售所得款項與賬面值間的差額釐定，並於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Film and television rights and film and television series production in progress

Film and television rights are stated at cost less accumulated amortisation and accumulated impairment losses (if any). The Group amortises costs of film and television rights in the same ratio that current period actual revenue (numerator) bears to estimated total projected revenue (denominator). The Group begins amortisation of the capitalised costs of film and television rights when a film or television series is released and it begins to recognise revenue from that film.

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

Film and television series production in progress is stated at cost less any provision for impairment losses. Cost includes all costs associated with the production of films and television series including remuneration for the film and television series director, casts and production crew, costumes, insurance, makeup and hairdressing as well as rental of camera and lighting equipment. Film and television series production in progress is transferred to film and television rights when the film is released.

3. 重大會計政策(續)

電影及電視版權及製作中電影及電視劇

電影及電視版權按成本減累計攤銷及累計減值虧損(如有)列賬。本集團按當期實際收益(分子)較估計預測收益總額(分母)的相同比率攤銷電影及電視版權成本。電影或電視劇放映時，本集團開始電影及電視版權資本化成本的攤銷，並且本集團開始確認電影的收益。

本集團於各報告期末審閱及修訂預測收益總額及電影及電視版權製作成本總額的估計。倘修訂估計，本集團調整估計的該等變動產生期間的預測收益總額(分母)的金額以及重新計算電影及電視版權的攤銷比率。估計變動的影響提前確認。

製作中電影及電視劇按成本減任何減值虧損撥備列賬。成本包括所有與電影及電視劇製作相關的成本，包括電影及電視劇導演、演員及製作組薪酬、服裝、保險、化妝品及髮型設計以及攝影機及燈光設備租金。製作中電影及電視劇於電影上映後轉撥至電影及電視版權。

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For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Joint arrangements

Joint operations

When a group entity undertakes film production activities under joint venture arrangements (which do not involve the establishment of a corporate entity) and shares the ownership of the film rights upon completion of the production with other ventures, such film rights are classified as joint operation. The Group recognises its share of the joint operation and its share of liabilities incurred jointly with other ventures in the consolidated statement of financial position, classified according to their nature.

The Group recognises the income derived from the joint operation (in accordance with its revenue recognition policy set out above), together with its share of any expenses incurred in respect of its interest in the joint operation in its consolidated statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, 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.

3. 重大會計政策(續)

合營安排

聯合經營

當集團實體根據合營企業安排(並不涉及成立公司實體)進行電影製作活動以及與其他合營方完成電影製作後分佔電影版權所有權時,該等電影版權分類為聯合經營。本集團確認其應佔聯合經營以及綜合財務狀況表中與其他合營方共同產生的負債(根據彼等的性質分類)。

本集團確認聯合經營產生的收入(根據上文載列的收益確認政策)以及其應佔綜合損益及其他全面收益表中聯合經營的權益所產生的任何開支。

無形資產

業務合併中收購之無形資產

業務合併中收購之無形資產與商譽分開確認及初步按其於收購日期之公平值(視為其成本)確認。

於初步確認後,業務合併中收購之具有有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損呈報,基準與單獨收購之無形資產相同。業務合併中收購之具無限可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

無形資產於出售時或預期無法通過其使用或出售獲得未來經濟收益時終止確認。終止確認無形資產所產生之收益及虧損按該資產之出售所得款項淨額與賬面值間之差額計量,並於終止確認該資產時在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on tangible, intangible assets other than goodwill and right-of-use assets (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of tangible and intangible assets and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exist, corporate assets are also allocated to individual cash generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

3. 重大會計政策(續)

有形及無形資產減值(不包括商譽及使用權資產, 參閱上述與商譽有關的會計政策)

於報告期末, 本集團檢討其有限可使用年期有形及無形資產以及使用權資產之賬面值以決定是否有任何跡象該等資產遭受減值虧損。如出現任何該等跡象, 則應估計相關資產之可回收金額以釐定其減值虧損(如有)程度。無特定使用年期的無形資產及尚未可用的無形資產至少每年及每當有跡象顯示可能減值時進行減值測試。

有形及無形資產以及使用權資產的可收回金額乃個別估計, 倘無法個別估計資產之可收回金額, 則本集團會估計該資產所屬現金產生單位之可收回金額。此外, 本集團會就企業資產可能出現減值的跡象進行評估。倘出現有關跡象, 當可識別合理及一致的分配基準時, 企業資產亦會分配至個別現金產生單位, 否則分配至可識別合理及一致分配基準的最小現金產生單位組別。

可收回金額為公平值減銷售成本與使用價值兩者中之較高值。於評估使用價值時, 乃以反映目前市場對金錢時間價值及資產(或現金產生單位)於估計未來現金流量調整前之獨有風險之稅前貼現率將估計未來現金流量貼現至現值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on tangible, intangible assets other than goodwill and right-of-use assets (see the accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重大會計政策(續)

有形及無形資產減值(不包括商譽及使用權資產, 參閱上述與商譽有關的會計政策)(續)

倘估計資產(或現金產生單位)之可收回金額少於其賬面值, 資產(或現金產生單位)之賬面值下調至其可收回金額。就未能按合理一致的基準分配至現金產生單位的企業資產或部分企業資產, 本集團會比較一組現金產生單位的賬面值(包括已分配至該組現金產生單位的企業資產或部分企業資產的賬面值)與現金產生單位組別的可收回金額。於分配減值虧損時, 則減值虧損將首先分配以調低任何商譽之賬面值(如適用), 其後根據該單位內各資產或現金產生單位組別之賬面值按比例分配至其他資產。資產的賬面值不會扣減至低於其公平值減出售成本(倘可計量)、其使用價值(倘可釐定)及零中的最高者。將另行分配至資產的減值虧損金額按比例分配至該單位的其他資產或現金產生單位組別。減值虧損即時於損益確認。

倘減值虧損於其後撥回, 則該項資產(或現金產生單位或現金產生單位組別)之賬面值會增加至其經修訂之估計可收回金額, 惟增加後之賬面值不得超出假設過往年度並無就該項資產(或現金產生單位或現金產生單位組別)確認減值虧損時原應釐定之賬面值。減值虧損撥回即時於損益確認。

存貨

存貨按成本與可變現淨值兩者中的較低者列賬。存貨成本以先入先出法釐定。可變現淨值指存貨的估計售價減完成的全部估計成本及進行銷售的必要成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

3. 重大會計政策(續)

金融工具

當一個集團實體成為工具合約條文的訂約方時則確認金融資產及金融負債。金融資產之一切常規買賣均按交易日基準確認及終止確認。常規買賣指須根據市場規則或慣例確立之時間內交付資產之金融資產買賣。

金融資產及金融負債初始按公平值計量，惟產生自客戶合約之貿易應收款項（根據香港財務報告準則第15號與客戶合約之收益初步計量）除外。收購或發行金融資產及金融負債（除透過損益以公平值列賬（「透過損益以公平值列賬」）之金融資產或金融負債外）直接應佔的交易成本於初始確認時加入金融資產或金融負債的公平值，或從金融資產或金融負債的公平值扣除（如適用）。收購透過損益以公平值列賬之金融資產或金融負債直接應佔交易成本即時於損益中確認。

實際利率法為一種計算金融資產或金融負債的攤銷成本及於有關期間內分攤利息收入及利息開支的方法。實際利率乃於初步確認時透過按金融資產或金融負債預計年期或較短期間（如適用）將估計未來現金收入及支出（包括所支付或收取構成整體實際利率的所有費用及點子、交易成本及其他溢價或折扣）精確貼現至賬面淨值的利率。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

3. 重大會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量

符合下列條件的金融資產其後按攤銷成本計量：

- 該金融資產乃於旨在收取合約現金流量之業務模式內所持有；及
- 合約條款於指定日期產生之現金流量僅為本金及尚未償還本金之利息付款。

符合下列條件的金融資產其後按公平值計入其他全面收入(「按公平值計入其他全面收入」)計量：

- 該金融資產乃於透過同時收取合約現金流量及出售而達致目的之業務模式內持有；及
- 合約條款於指定日期產生之現金流量僅為本金及尚未償還本金之利息付款。

所有其他金融資產其後按公平值計入損益計量。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(續)

(i) 攤銷成本及利息收入

就其後按攤銷成本計量之金融資產以實際利率法確認利息收入。除其後出現信貸減值之金融資產(見下文)外，利息收入乃透過就金融資產總賬面值應用實際利率計算。就其後出現信貸減值之金融資產而言，利息收入乃透過自下個報告期起就金融資產攤銷成本應用實際利率確認。如信貸減值金融工具之信貸風險改善以致金融資產不再出現信貸減值，則利息收入自釐定資產不再出現信貸減值後之報告期初起就金融資產之總賬面值應用實際利率確認。

(ii) 按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收入計量或指定為按公平值計入其他全面收入標準之金融資產按公平值計入損益計量。

按公平值計入損益之金融資產於各報告期末按公平值計量，而任何公平值收益或虧損均於損益內確認。於損益內確認的淨收益或虧損不包括就金融資產賺取的任何股息或利息並包含在「其他收益及虧損」項目中。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss (“ECL”) on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, refundable rental deposits, restricted bank balances, pledged bank deposits and bank balances) and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12 months expected credit loss (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值

本集團就須根據香港財務報告準則第9號計提減值的金融資產(包括貿易及其他應收款項、可退還租賃按金、受限制銀行結餘、已抵押銀行存款以及銀行結餘)及合約資產的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初步確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具預期年期內發生的所有可能違約事件所導致的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期於報告日期後12個月內可能發生的違約事件所導致的部分全期預期信貸虧損。評估根據本集團過往信貸虧損經驗進行，並根據債務人的特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團始終就並無重大融資成分之貿易應收款項及合約資產獲確認全期預期信貸虧損。對於結餘重大之應收款項進行個別評估及／或使用具有適當分組之撥備矩陣而進行集體評估，得出該等資產之預期信貸虧損。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

就所有其他工具而言，本集團計量的虧損撥備相等於12個月預期信貸虧損，除非信貸風險自初步確認後顯著增加，則本集團會確認全期預期信貸虧損。有關應否確認全期預期信貸虧損的評估乃視乎自初步確認以來發生違約的可能性或風險有否顯著增加而進行。

(i) 信貸風險顯著增加

於評估自初步確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生的違約風險與初步確認日期金融工具發生的違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量及定性資料，包括毋須付出不必要的成本或努力而可得的過往經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加、債務人的信貸違約掉期價格；

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

- (i) 信貸風險顯著增加(續)
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
 - 債務人經營業績的實際或預期顯著惡化；
 - 導致債務人償還債務能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估的結果如何，本集團認為，當合約付款逾期超過30天，則自初步確認以來信貸風險已顯著增加，除非本集團有合理且可支持的資料證明則另作別論。

本集團定期監控就識別信貸風險有否顯著增加所用之標準之成效，並於適當情況下修訂有關標準，以確保該標準能在金額逾期前識別信貸風險之顯著增加。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，當內部產生或獲取自外部來源的資料表明債務人不太可能向債權人(包括本集團)全數還款(不考慮本集團持有的任何抵押品)時，則發生違約事件。

儘管上文所述，本集團認為，當金融資產逾期超過90天時則發生違約，除非本集團有合理且可支持的資料證明更滯後的違約標準屬更合適。

(iii) 信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項違約事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- 發行人或借款人陷入嚴重財務困難；
- 違反合約，例如違約或逾期事件；
- 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因，向借款人授予貸款人不會另行考慮的優惠；或
- 借款人可能破產或進行其他財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status; and
- Nature, size and industry of debtors.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(iv) 撤銷政策

當有資料顯示交易對手有嚴重財務困難及收回款項不切實際時，例如，當交易對手進行清盤或已進行破產程序時，本集團會撤銷金融資產。經考慮法律意見(如適用)後，根據本集團收回程序，已撤銷的金融資產可能仍面臨強制執行活動。撤銷構成終止確認事件。任何其後收回均於損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約虧損(即違約時虧損大小)及違約時風險敞口的函數。違約概率及違約虧損的評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的估計反映無偏頗及概率加權數額，其乃根據加權的相應違約風險釐定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額(按於初步確認時釐定之實際利率貼現)。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質；
- 逾期狀況；及
- 債務人的性質、規模及行業。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

(v) 預期信貸虧損的計量及確認(續)

歸類工作由管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產的總賬面值計算，除非金融資產出現信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整金融工具之賬面值而於損益中確認所有金融工具之減值收益或虧損，惟於虧損撥備賬中確認相應調整之貿易應收款項除外。

終止確認金融資產

僅於資產現金流量的合約權利屆滿時，或其將金融資產及該資產擁有權的絕大部分風險及回報轉移予另一實體時，本集團方會終止確認金融資產。倘本集團並無轉讓及保留擁有權之絕大部分風險及回報，並繼續控制已轉讓之資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留所轉讓金融資產擁有權的絕大部分風險及回報，本集團會繼續確認該項金融資產，並亦確認已收所得款項為有抵押借款。

於終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價的總和之間的差額於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, loans from related companies, amount due to a controlling shareholder, bonds payable, amount due to a joint venture, bank and other borrowings) are subsequently measured at amortised cost, using the effective interest method.

Financial liability at FVTPL

Financial liability is classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination to which HKFRS 3 applies.

Derecognition of financial liabilities

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

3. 重大會計政策(續)

金融工具(續)

金融負債及權益

分類為債務或權益

集團實體發行的債務及權益工具乃根據合約安排的實質與金融負債及權益工具的定义分類為金融負債或權益。

權益工具

權益工具為證明實體資產具有剩餘權益(經扣除其所有負債)的任何合約。本公司發行的權益工具按已收所得款項(扣除直接發行成本)確認。

按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付款項、關聯公司之貸款、應付一名控股股東款項、應付債券、應付一間合營企業款項、銀行及其他借款)其後使用實際利息法按攤銷成本計量。

按公平值計入損益之金融負債

倘金融負債適用香港財務報告準則第3號的業務合併中收購方的或然代價，則金融負債分類為按公平值計入損益。

終止確認金融負債

本集團金融負債於且僅於本集團的責任獲解除、取消或屆滿時終止確認。終止確認的金融負債賬面值與已付及應付代價的差額於損益確認。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

4. 估計不確定因素的主要來源

於應用附註3所述的本集團會計政策時，董事須就無法直接通過其他來源獲得的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及視為相關的其他因素作出。實際結果可能與該等估計存在差異。

估計及相關假設乃按持續基準進行檢討。倘會計估計的修訂僅對修訂期間產生影響，則其修訂僅在估計修訂期間確認；或如會計估計的修訂對當期及未來期間均產生影響，則相關修訂在估計修訂期間及未來期間進行確認。

下文載列報告期末有關未來之關鍵假設以及估計不確定因素之其他主要來源，其可能存在導致對下一財政年度之資產賬面值作出重大調整的重大風險。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment loss on film and television series production in progress

Management of the Company (“Management”) regularly reviews the recoverability of the Group’s film and television series production in progress with reference to its intended use and current market environment. Appropriate impairment for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

In determining whether impairment on film and television series production in progress is required, the Group takes into consideration the distribution and license agreements entered into by the Group and the current market environment to project cash flows expected to be received through box office receipts and distribution and licensing income. Impairment loss is recognised in the period in which the recoverable amount is less than the carrying amount. The carrying amounts of film and television series production in progress as at 30 June 2020 are HK\$163,736,000 (2019: HK\$134,203,000). An impairment loss of HK\$4,412,000 (2020: nil) has been recognised in respect of film and television series production in progress for the year ended 30 June 2019. Details are set out in note 21.

4. 估計不確定因素的主要來源 (續)

製作中電影及電視劇的估計減值虧損

本公司管理層(「管理層」)參考其擬定用途及現時市場環境，定期檢討本集團的製作中電影及電視劇的可收回性。估計不可收回金額的適當減值於有客觀證據證明資產出現減值時於損益確認。

於釐定製作中電影及電視劇是否需要作出減值時，本集團考慮本集團訂立的發行及發行權使用許可協議及目前的市場環境，以通過票房收入及發行以及發行權使用許可收入預測將收取的預期現金流量。減值虧損乃於可收回金額低於賬面值期間確認。於2020年6月30日，製作中電影及電視劇的賬面值為港幣163,736,000元(2019年：港幣134,203,000元)。截至2019年6月30日止年度，製作中電影及電視劇已確認減值虧損港幣4,412,000元(2020年：無)。詳情載於附註21。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amounts of the cash-generating units to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the revenue growth rates, future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. As at 30 June 2020, the carrying amount of goodwill is HK\$448,173,000 (2019: HK\$411,876,000). No impairment has been recognised on goodwill for the year ended 30 June 2020 (2019: Nil). Details of the recoverable amount calculation are disclosed in note 16.

Estimation of useful lives and impairment of property, plant and equipment

Management determines the estimated useful lives and depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the Management's experience of the actual useful lives of property, plant and equipment of similar nature and functions in the past. Management will accelerate the depreciation charge where the economic useful lives are shorter than previously estimated due to foreseeable removal or closure of factories and office premises. Actual economic useful lives may differ from estimated economic useful lives.

In addition, the Management assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable. In determining whether impairment on property, plant and equipment is required, the Group determines the recoverable amount which is the higher of value in use and fair value less costs of disposal. The Management has made a number of key assumptions in the value in use calculation. The key assumptions include discount rate and the future expected cash flows based on Management's view of future business prospects and past performance of the Group. When the recoverable amounts of property, plant and equipment differ from the original estimates, impairment loss will be made and recognised in the period in which such event takes place. The carrying amount of property, plant and equipment as at 30 June 2020 is HK\$74,689,000 (2019: HK\$88,281,000). An impairment loss of HK\$2,189,000 (2019: Nil) has been recognised for the year ended 30 June 2020. Details are set out in note 14.

4. 估計不確定因素的主要來源 (續)

商譽的減值評估

釐定商譽是否減值時須估計已獲分配商譽之現金產生單位之可收回金額，即使用價值或公平值減出售成本兩者中的較高者。本集團計算使用價值時須就預期源自該現金產生單位的收益增長率、日後現金流量及合適的貼現率作出估計，以計算現值。若實際日後現金流量低於預期，或事實及情況出現變化以致未來現金向下修訂，則可能會產生重大減值虧損。於2020年6月30日，商譽賬面值為港幣448,173,000元(2019年：港幣411,876,000元)。截至2020年6月30日止年度並無確認商譽減值(2019年：無)。可收回金額計算之詳情於附註16披露。

物業、廠房及設備的估計可使用年期及減值

於釐定物業、廠房及設備相關的折舊費用時，管理層釐定其估計可使用年期及折舊法。該估計乃基於管理層過往對具類似性質及功能的物業、廠房及設備實際可使用年期的經驗作出。由於工廠及辦公室物業的可預見拆除或倒閉導致經濟可使用年期短於先前估計時，管理層將加速折舊開支。實際經濟可使用年期可能有別於估計經濟可使用年期。

此外，當有事件或情況變化顯示物業、廠房及設備項目的賬面值可能無法收回時，管理層評估減值。於釐定物業、廠房及設備是否需要作出減值時，本集團釐定可收回金額為使用價值及公平值減出售成本之間的較高者。管理層已就使用價值的計算作出一系列主要假設。主要假設包括基於管理層對未來業務前景及本集團的過往表現作出的貼現率及未來預期現金流量。當物業、廠房及設備的可收回金額有別於原先預期，則將作出減值虧損並於其產生期間確認。於2020年6月30日，物業、廠房及設備的賬面值為港幣74,689,000元(2019年：港幣88,281,000元)。截至2020年6月30日止年度確認減值虧損港幣2,189,000元(2019年：無)。詳情載於附註14。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets are assessed for ECL individually or on a collective basis. The provision of ECL is sensitive to changes in estimate. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Note 45b. The carrying amount of trade receivable as at 30 June 2020 is HK\$78,970,000 (2019: HK\$140,348,000), net of an allowance for expected credit loss of HK\$2,998,000 (2019: Nil) and the carrying amount of contract assets as at 30 June 2020 is HK\$16,599,000 (2019: Nil). Details are set out in notes 23 and 24.

Impairment assessment of intangible assets

Determining whether intangible assets, which represent the six-year agency contract associated with an artiste as at 30 June 2020, are impaired require an estimation of the value in use of calculation. The value in use calculation requires the Group to estimate the cash flows projection expected to arise from the relevant group entity and a suitable discount rate in order to calculate the present value. The estimation of the budgeted sales and budgeted costs is based on past performance of the relevant group entity and management's expectations for the market development as well as the existing performance contracts entered or to be entered by the artiste. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. As at 30 June 2020, the carrying amount of intangible assets is HK\$102,416,000 (2019: brand of HK\$5,600,000). No impairment has been recognised on intangible assets for the year ended 30 June 2020. Details of the recoverable amount calculation are disclosed in note 17.

4. 估計不確定因素的主要來源 (續)

貿易應收款項及合約資產預期信貸虧損撥備

貿易應收款項及合約資產個別或按集體基準評估預期信貸虧損。預期信貸虧損撥備對估計變動較為敏感。有關預期信貸虧損以及本集團貿易應收款項及合約資產的資料於附註45b披露。於2020年6月30日貿易應收款項的賬面值為港幣78,970,000元(2019年：港幣140,348,000元)，經扣除預期信貸虧損港幣2,998,000元(2019年：無)，而於2020年6月30日的合約資產的賬面值為港幣16,599,000元(2019年：無)。詳情載於附註23及24。

無形資產的減值評估

釐定無形資產(即於2020年6月30日與一名藝人有關的六年代理合約)是否出現減值時須估計計算使用價值。本集團計算使用價值時須就預期源自相關集團實體產生的現金流量預測及合適貼現率作出估計，以計算現值。預計銷售額及預算成本估算乃根據相關集團實體的過往表現及管理層對市場發展的預期以及已經或將會與藝人訂立的現行履約合約而定。倘實際未來現金流量少於預期或事實及情況變更導致未來現金流量出現下行情況，則可能出現重大減值虧損。於2020年6月30日，無形資產的賬面值為港幣102,416,000元(2019年：商標港幣5,600,000元)。截至2020年6月30日止年度，概無確認無形資產。可收回金額計算詳情於附註17披露。

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5. REVENUE

For the year ended 30 June 2020

Disaggregation of revenue from contracts with customers

5. 收益

截至2020年6月30日止年度

分拆來自客戶合約的收益

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Film and TV series production, distribution and licensing income	電影及電視劇製作、發行及發行權使用許可收入	307,144	415,156
Film exhibition income	電影放映收入	139,861	243,590
Pan entertainment income	泛娛樂收入	18,509	-
Others	其他	20	9,384
Total	總計	465,534	668,130
Timing of revenue recognition	確認收益時間		
At a point in time	按某個時間點	415,417	643,272
Overtime	在一段時間內	50,117	24,858
Total	總計	465,534	668,130

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

向外部客戶銷售貨品及提供服務之合約乃屬短期，合約價格乃為固定及與客戶協商。

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5. REVENUE (Continued)

For the year ended 30 June 2020 (Continued)

Disaggregation of revenue from contracts with customers (Continued)

a. *Film and TV series production, distribution and licensing*

- i. Income from the distribution of own produced films, variety shows and TV series program is recognised when the production is completed, the films, variety shows and TV series program have been released and distributed to the cinema circuit and TV broadcast networks and the amounts can be measured reliably, which are generally when the cinema circuit and TV broadcast networks confirms to the Group its share of box office receipts and profit entitlement.
- ii. Income from the licensing of the distribution rights over films and TV broadcast networks are recognised when the Group's entitlement to such payments has been established which, subject to the terms of the relevant agreements, is usually upon delivery of the film negatives, variety shows and TV series program to the customers and TV broadcast networks.

b. *Film exhibition*

- i. Income from box office takings for film exhibition is recognised upon the sale of tickets and when the film is released.
- ii. Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

c. *Pan entertainment*

Income from pan entertainment services is recognised when the services are delivered to the customers. Revenue is recognised at a point of time when the services are delivered.

5. 收益(續)

截至2020年6月30日止年度(續)

分拆來自客戶合約的收益(續)

a. 電影及電視劇製作、發行及發行權使用許可

- i. 自製電影、綜藝節目及電視劇發行收入於製作完成，電影、綜藝節目及電視劇已向電影院線及電視廣播網絡放映及發行以及金額可靠計量(一般於電影院線及電視廣播網絡向本集團確認其應佔的票房收入及溢利份額時能可靠計量)時確認。
- ii. 電影及電視廣播網絡發行權使用許可收入於本集團收取有關付款的權利已確立(通常於電影菲林底片、綜藝節目以及電視劇交付予客戶及電視廣播網絡後確立，惟受有關協議條款所規限)時確認。

b. 電影放映

- i. 電影放映票房收入於門票銷售後及電影上映時確認。
- ii. 銷售貨物的收益於交付貨物及移交所有權時確認。

c. 泛娛樂

泛娛樂服務收入於向客戶交付服務時確認。收益於交付服務的某一時間點確認。

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5. REVENUE (Continued)

For the year ended 30 June 2020 (Continued)

Disaggregation of revenue from contracts with customers (Continued)

d. Others

- i. Revenue from the sale of post-production goods is recognised when the goods are delivered and titles have passed.
- ii. Income from advertising service is recognised upon the provision of the services. Service income is recognised when services are provided.
- iii. Income from the screen advertising is recognised when relevant advertisements and programme are exhibited pursuant to the terms of the relevant agreements.

Transaction price allocated to the remaining performance obligation for contracts with customers

All performance obligations for film and TV series production, distribution and licensing, film exhibition and others are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. 收益(續)

截至2020年6月30日止年度(續)

分拆來自客戶合約的收益(續)

d. 其他

- i. 後期製作貨物銷售的收益於交付貨物及移交所有權時確認。
- ii. 廣告服務收入於提供服務後確認。服務收入於提供服務時確認。
- iii. 銀幕廣告收入於相關廣告及節目按照相關協議的條款放映時確認。

就客戶合約分配至餘下履約責任的交易價格

電影及電視劇製作、發行及發行權使用許可、電影放映及其他所有履約責任的期限為一年或以下。誠如香港財務報告準則第15號所允許，分配至該等未完成合約的交易價格不予披露。

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6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance is based on the following four reportable and operating segments identified under HKFRS 8 *Operating Segments* for the Group’s annual financial statements for the year ended 30 June 2020.

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

During the year ended 30 June 2020, the Group commenced the business in Pan entertainment through the Group’s PRC subsidiaries.

The accounting policies of the operating and reporting segments are the same as the Group’s accounting policies described in note 3. Segment profit (loss) represent the profit earned or loss incurred by each segment without allocation of certain other gains and losses, other income, certain selling and distribution expenses, certain administrative expenses, certain finance costs, fair value change on contingent consideration payable, gain on disposal of associates, loss on disposal of subsidiaries, share of results of a joint venture and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. 分部資料

本集團截至2020年6月30日止年度之年度財務報表中呈報予本公司執行董事(即主要營運決策者(「主要營運決策者」))以便進行資源分配及評估分部表現的資料乃以下列根據香港財務報告準則第8號經營分部已識別的四個可呈報及經營分部為依據。

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

截至2020年6月30日止年度，本集團透過本集團的中國附屬公司開展泛娛樂業務。

營運及報告分部的會計政策與附註3所述之本集團會計政策一致。分部溢利(虧損)指各分部所賺取的溢利或產生的虧損，並無分配若干其他收益及虧損、其他收入、若干銷售及發行開支、若干行政開支、若干融資成本、應付或然代價之公平值變動、出售聯營公司收益、出售附屬公司虧損、應佔一間合營企業業績及應佔聯營公司業績。此乃就資源分配及表現評估向主要營運決策者作出報告的方式。

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6. SEGMENT INFORMATION (Continued)

Segment revenue and results

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

For the year ended 30 June 2020

		Film and TV series production and distribution 電影及電視劇製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Pan entertainment 泛娛樂 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue – External customers	分部收益 – 外部客戶	307,144	139,861	18,509	20	465,534
Segment profit (loss)	分部溢利(虧損)	61,149	(126,633)	(23,082)	(1,286)	(89,852)
Unallocated head office and corporate expenses	未分配的總部及企業開支					(27,251)
Fair value change on contingent consideration payable	應付或然代價的公平值變動					(6,161)
Finance costs	融資成本					(3,557)
Gain on disposal of associates	出售聯營公司收益					4,258
Loss on disposal of subsidiaries	出售附屬公司虧損					(4,838)
Share of results of associates	應佔聯營公司業績					(855)
Share of results of a joint venture	應佔一間合營企業業績					(6)
Loss before tax	除稅前虧損					(128,262)

6. 分部資料(續)

分部收益及業績

以下為按經營及可呈報分部劃分的本集團收益及業績分析。

截至2020年6月30日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 30 June 2020 截至2020年6月30日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 30 June 2019

		Film and TV series production and distribution 電影及 電視劇製作 及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue – External customers	分部收益 – 外部客戶	415,156	243,590	9,384	668,130
Segment profit (loss)	分部溢利(虧損)	50,686	(32,764)	(7,939)	9,983
Unallocated head office and corporate expenses	未分配的總部及 企業開支				(22,686)
Fair value change on contingent consideration payable	應付或然代價的 公平值變動				(20,511)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損				(2)
Gain on disposal of subsidiaries	出售附屬公司 收益				21,057
Finance costs	融資成本				(106)
Impairment loss on interests in associates	於聯營公司權益的 減值虧損				(16,317)
Share of results of associates	應佔聯營公司業績				(1,484)
Share of results of a joint venture	應佔一間合營企業 業績				97
Loss before tax	除稅前虧損				(29,969)

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

由於本集團的分部資產及負債並非定期提供予本集團的主要營運決策者，故均無呈列兩個年度的有關分析。

6. 分部資料(續)

分部收益及業績(續)

截至2019年6月30日止年度

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6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 30 June 2020

		Film and TV series production and distribution 電影及電視劇 製作及發行	Film exhibition 電影放映	Pan entertainment 泛娛樂	Others 其他	Unallocated 未分配	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Amortisation of intangible assets	無形資產攤銷	-	-	(4,389)	-	-	(4,389)
Depreciation of right-of-use assets	使用權資產折舊	(2,378)	(106,725)	(228)	-	-	(109,331)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(283)	(11,717)	(39)	(1)	-	(12,040)
Interest income	利息收入	197	287	67	-	-	551
Finance costs	融資成本	(4,130)	(49,493)	(450)	-	-	(54,073)
Impairment loss of right-of-use assets	使用權資產減值虧損	-	(28,895)	-	-	-	(28,895)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	(2,189)	-	-	-	(2,189)
Impairment loss on trade receivables	貿易應收款項減值虧損	(2,998)	-	-	-	-	(2,998)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:	定期提供予主要營運決策者但計算分部損益時並無包括的金額：						
Depreciation of right-of-use assets	使用權資產折舊	-	-	-	-	(164)	(164)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	-	-	-	-	(12)	(12)
Finance costs	融資成本	-	-	-	-	(3,557)	(3,557)
Share of results of associates	應佔聯營公司業績	-	-	-	-	(855)	(855)
Loss on disposal of subsidiaries	出售附屬公司虧損	-	-	-	-	(4,838)	(4,838)
Share of results of a joint venture	應佔一間合營企業業績	-	-	-	-	(6)	(6)
Gain on disposal of associates	出售聯營公司收益	-	-	-	-	4,258	4,258

6. 分部資料(續)

其他分部資料

截至2020年6月30日止年度

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6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 30 June 2019

6. 分部資料(續)

其他分部資料(續)

截至2019年6月30日止年度

		Film and TV series production and distribution 電影及電視劇 製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Amounts included in the measure of segment profit or loss:	計算分部損益時所包括的金額：					
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(384)	(12,227)	(1,826)	-	(14,437)
Interest income	利息收入	364	405	2	-	771
Finance costs	融資成本	(11,524)	-	-	-	(11,524)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:	定期提供予主要營運決策者但計算分部損益時並無包括的金額：					
Depreciation of property, plant and equipment	物業、廠房及設備折舊	-	-	-	(12)	(12)
Gain on disposal of subsidiaries	出售附屬公司收益	-	-	-	21,057	21,057
Loss on disposal of property, plant and equipments	出售物業、廠房及設備虧損	-	-	-	(2)	(2)
Impairment loss on interests in associates	於聯營公司權益的減值虧損	-	-	-	(16,317)	(16,317)
Finance costs	融資成本	-	-	-	(106)	(106)
Share of results of associates	應佔聯營公司業績	-	-	-	(1,484)	(1,484)
Share of results of joint venture	應佔一間合營企業業績	-	-	-	97	97

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6. SEGMENT INFORMATION (Continued)

Geographical information

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

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong and Macau	香港及澳門地區	152,836	271,051
The People's Republic of China (the "PRC")	中華人民共和國(「中國」)	300,873	382,616
South East Asia Region	東南亞地區	-	9,554
Others	其他	11,825	4,909
		465,534	668,130

The Group's non-current assets (excluded goodwill, intangible assets, rental deposits and deferred tax assets) by geographical location of the assets are details below:

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
The PRC	中國	6,583	550
Hong Kong	香港地區	736,580	96,318
		743,163	96,868

6. 分部資料(續)

地區資料

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

本集團按資產所在地區劃分的非流動資產(不包括商譽、無形資產、租賃按金及遞延稅項資產)詳列如下：

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6. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Customer A ¹	客戶甲 ¹	— ²	78,259
Customer B ¹	客戶乙 ¹	85,724	73,560
Customer C ¹	客戶丙 ¹	N/A 不適用 ³	70,913
Customer D ¹	客戶丁 ¹	N/A 不適用 ³	70,378
Customer E ¹	客戶戊 ¹	129,351	—

- ¹ Revenue from film and TV series production and distribution.
- ² No revenue is recognised in profit or loss for the corresponding year.
- ³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. 分部資料(續)

有關主要客戶的資料

相應年度收益貢獻佔本集團總銷售額超過10%的客戶如下：

	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
	— ²	78,259
	85,724	73,560
	N/A 不適用 ³	70,913
	N/A 不適用 ³	70,378
	129,351	—

- ¹ 來自電影及電視劇製作及發行產生的收益。
- ² 概無於相應年度在損益中確認收益。
- ³ 相應收益對本集團收入總額貢獻低於10%。

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7. OTHER GAINS AND LOSSES AND OTHER INCOME

7. 其他收益及虧損及其他收入

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Other gains and losses	其他收益及虧損		
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	–	(2)
(Loss) gain on disposal of subsidiaries (note 42)	出售附屬公司(虧損)收益(附註42)	(4,838)	21,057
Gain on disposal of associates (note 18)	出售聯營公司收益(附註18)	4,258	–
		(580)	21,055
Other income	其他收入		
Handling service income	處理服務收入	1,936	4,231
Investment income from investments in film/drama production	投資電影/戲劇製作的投資收入	–	600
Membership income	會員收入	864	1,169
Interest income	利息收入	551	771
Rent concessions	租金豁免	15,889	–
Government subsidy received	已收政府補貼	3,556	–
Coupon sales income from film producer	來自電影製作人的套票銷量收入	3,515	666
Cinema promotion income	電影院推廣收入	4,153	966
Commission income from artiste management	來自藝人管理的佣金收入	8,001	–
Others	其他	3,883	2,944
		42,348	11,347

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8. FINANCE COSTS

8. 融資成本

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest expenses on:	就以下各項之利息開支：		
Loans from related companies	來自關聯公司之貸款	3,379	10,601
Lease liabilities	租賃負債	49,679	–
Bank and other borrowings	銀行及其他借款	1,030	923
Bonds payable	應付債券	3,542	106
		57,630	11,630

9. INCOME TAX (CREDIT) EXPENSE

9. 所得稅(抵免)開支

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong Profits Tax	香港利得稅		
– current	– 即期	–	19
– overprovision in prior years	– 過往年度超額撥備	–	(16)
		–	3
PRC Enterprise Income Tax (“EIT”)	中國企業所得稅(「企業所得稅」)		
– current	– 即期	349	5,605
– underprovision in prior years	– 過往年度撥備不足	–	127
		349	5,732
Deferred tax (note 39)	遞延稅項(附註39)	349	5,735
		(1,234)	(16)
		(885)	5,719

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9. INCOME TAX (CREDIT) EXPENSE (Continued)

Pursuant to the rules and regulations of Cayman Islands, the Company is not subject to any income tax in Cayman Islands for both years. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

* For identification only

9. 所得稅(抵免)開支(續)

根據開曼群島規則及法則，本公司於兩年間毋須繳納任何開曼群島所得稅。於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「該法案」)，當中引入利得稅兩級制。該法案於2018年3月28日經簽署成為法律，並於翌日在憲報刊登。根據利得稅兩級制，合資格集團實體首港幣2,000,000元溢利的稅率為8.25%，而超過港幣2,000,000元的溢利的稅率為16.5%。不符合利得稅兩級制的集團實體之溢利將繼續按16.5%之劃一稅率徵收稅項。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩年間的稅率為25%。

其他司法權區之稅項乃按有關司法權區當時之稅率計算。

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

* 僅供識別

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9. INCOME TAX EXPENSE (Continued)

The tax (credit) charge 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:

9. 所得稅開支(續)

年內稅項(抵免)支出與綜合損益及其他全面收益表所示的除稅前虧損可對賬如下：

		2020	2019
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss before tax	除稅前虧損	(128,262)	(29,969)
Tax credit at the domestic income tax rate of 16.5% (2019: 16.5%)	以本地所得稅稅率16.5%計算的稅項抵免(2019年：16.5%)	(21,163)	(4,945)
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(1,426)	(3,084)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	7,821	3,080
Tax effect of fair value change on contingent consideration payable	應付或然代價的公平值變動的稅務影響	1,017	3,384
Tax effect of deductible temporary differences not recognised	未確認的可扣減暫時差額的稅務影響	(359)	999
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	31,523	20,165
Tax effect of utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損的稅務影響	(930)	(3,672)
Tax effect of share of results of associates	應佔聯營公司業績的稅務影響	141	245
Tax effect of share of results of a joint venture	應佔一間合營企業業績的稅務影響	1	(16)
Effect of tax exemption granted to a PRC subsidiary	授予中國附屬公司之稅務優惠的影響	(20,169)	(12,245)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運的附屬公司的不同稅率的影響	2,659	1,697
Underprovision in prior years	過往年度撥備不足	-	111
Income tax (credit) expense for the year	年內所得稅(抵免)開支	(885)	5,719

* For identification only

* 僅供識別

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10. LOSS FOR THE YEAR

10. 年內虧損

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss for the year had been arrived at after charging:	年內虧損乃經扣除下列各項達致：		
Directors' emoluments (note 11)	董事薪酬(附註11)	4,049	5,173
Other staff costs	其他員工成本	43,463	39,080
Retirement benefit scheme contributions, excluding those of the Directors	退休福利計劃供款，不包括董事供款	2,948	1,985
Total staff costs	員工成本總額	50,460	46,238
Auditors' remuneration	核數師酬金	2,600	1,850
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,052	14,449
Depreciation of right-of-use assets	使用權資產折舊	109,495	-
Amortisation of intangible assets	無形資產攤銷	4,389	-
Cost of film and television rights recognised as an expense	確認為開支的電影及電視版權成本	161,024	269,714
Impairment loss on film and television series production in progress (included in cost of sales)	製作中電影及電視劇的減值虧損(列入銷售成本)	-	4,412
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	2,189	-
Minimum lease payments under operating leases in respect of:	下列經營租賃項下的最低租賃付款：		
Premises	物業	-	3,527
Cinemas	電影院	-	122,073
Short-term leases rental expenses for premises	物業短期租賃租金開支	1,412	-
Contingent rents incurred for cinemas	電影院產生的或然租金	585	1,314
Cost of scriptwriters for film and TV series production	電影及電視劇製作編劇成本	20,315	11,500
Cost of services provided for film and TV series production	電影及電視劇製作所提供的服務成本	24,052	-
Cost of services provided for film exhibition	電影放映所提供的服務成本	46,944	88,067
Cost of artiste and internet celebrity agency business	藝人及網紅經紀業務成本	33,483	14,056
Cost of inventories sold	出售存貨成本	2,574	5,058

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and the chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

11. 董事、行政總裁及僱員酬金

董事及行政總裁酬金

根據適用上市規則及公司條例所披露年內董事及行政總裁的酬金如下：

		Directors' fees	Salaries and other allowances	Retirement benefit scheme contributions	Total
		董事袍金	薪金及其他津貼	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
For the year ended 30 June 2020	截至2020年6月30日止年度				
Executive Directors (note a)	執行董事(附註a)				
Mr. Zhang Liang, Johnson	張量先生	-	-	-	-
Mr. Lee Hin Kwong, Patrick	李憲光先生	-	-	-	-
Ms. Zhao Wenzhu (note c)	趙文竹女士(附註c)	-	3,564	53	3,617
Independent Non-executive Directors (note b)	獨立非執行董事(附註b)				
Mr. Wang Bo	王波先生	144	-	-	144
Mr. Xiang Feng	向峰先生	144	-	-	144
Mr. Chang Eric Jackson	張世澤先生	144	-	-	144
		432	3,564	53	4,049

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11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' and the chief executive's emoluments (Continued)

11. 董事、行政總裁及僱員酬金 (續)

董事及行政總裁酬金 (續)

	Directors' fees	Salaries and other allowances	Retirement benefit scheme contributions	Total
	董事袍金	薪金及其他津貼	退休福利計劃供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元
For the year ended 30 June 2019	截至2019年6月30日止年度			
Executive Directors (note a)	執行董事 (附註a)			
Mr. Zhang Liang, Johnson	-	-	-	-
Mr. Lee Hin Kwong, Patrick	-	-	-	-
Ms. Zhao Wenzhu (note c)	-	2,236	35	2,271
Mr. Wong Pak Ming ("Mr. Wong") (note d)	-	2,470	-	2,470
Independent Non-executive Directors (note b)	獨立非執行董事 (附註b)			
Mr. Wang Bo	144	-	-	144
Mr. Xiang Feng	144	-	-	144
Mr. Chang Eric Jackson	144	-	-	144
	432	4,706	35	5,173

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For the year ended 30 June 2020 截至2020年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' and the chief executive's emoluments (Continued)

Notes:

- (a) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.
- (b) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.
- (c) Ms. Zhao Wenzhu was appointed as executive director of the Company on 26 November 2018.
- (d) Mr. Wong resigned as the chairman of the board of directors of the Company on 13 December 2018 and resigned as executive director of the Company on 1 April 2019.

No emoluments of chief executive disclosed as the Group has no appointment of chief executive during the years ended 30 June 2020 and 2019.

11. 董事、行政總裁及僱員酬金 (續)

董事及行政總裁酬金 (續)

附註：

- (a) 上文所示執行董事酬金主要用作支付彼等就本公司及本集團的事務管理所提供的服務。
- (b) 上文所示獨立非執行董事酬金主要用作支付彼等擔任本公司董事所提供的服務。
- (c) 趙文竹女士已於2018年11月26日獲委任為本公司執行董事。
- (d) 黃先生已於2018年12月13日辭任本公司董事會主席職務，並已於2019年4月1日辭任本公司執行董事職務。

由於本集團於截至2020年及2019年6月30日止年度並無委任行政總裁，故並無披露行政總裁的酬金。

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For the year ended 30 June 2020 截至2020年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees

Of the five highest paid individuals of the Group, the number of Directors and employees was as follows:

		2020 2020年	2019 2019年
Directors	董事	1	2
Employees	僱員	4	3
		5	5

The remuneration of the Directors is set out above. The emoluments of the remaining individuals were as follows:

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Salaries and other allowances	薪金及其他津貼	7,854	6,636
Retirement benefit scheme contributions	退休福利計劃供款	60	54
		7,914	6,690

11. 董事、行政總裁及僱員酬金 (續)

僱員

本集團五名最高薪人士當中，董事及僱員的人數如下：

董事酬金於上文載列。餘下人士的酬金如下：

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For the year ended 30 June 2020 截至2020年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees (Continued)

The emoluments were within the following band:

		2020 2020年	2019 2019年
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至 港幣2,000,000元	3	2
HK\$2,500,001 to HK\$3,000,000	港幣2,500,001元至 港幣3,000,000元	1	–
HK\$3,000,001 to HK\$3,500,000	港幣3,000,001元至 港幣3,500,000元	–	1

During the year, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. No Directors waived any emoluments for the years ended 30 June 2020 and 2019.

12. DIVIDEND

No dividend was paid or proposed for the year ended 30 June 2020, nor has any dividend been proposed since the end of the reporting period (2019: Nil).

11. 董事、行政總裁及僱員酬金 (續)

僱員(續)

彼等的酬金介乎下列範圍：

	2020 2020年	2019 2019年
	3	2
	1	–
	–	1

年內，本集團概無向任何董事或五名最高薪人士(包括董事及僱員)支付酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵或作為離職補償。截至2020年及2019年6月30日止年度，董事概無放棄收取任何酬金。

12. 股息

本公司於截至2020年6月30日止年度並未派付或建議派付任何股息，且自報告期末以來並未建議派付任何股息(2019年：無)。

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13. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss	虧損		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	計算每股基本虧損的本公司擁有人應佔年內虧損	(126,598)	(35,504)

		2020	2019
		2020年	2019年
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損的普通股加權平均股數	2,595,613,733	2,595,613,733

No diluted loss per share for both years were presented as the Company has no potential ordinary shares to be issued for both 2020 and 2019.

13. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss	虧損		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	計算每股基本虧損的本公司擁有人應佔年內虧損	(126,598)	(35,504)

		2020	2019
		2020年	2019年
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損的普通股加權平均股數	2,595,613,733	2,595,613,733

並無呈列2020年及2019年兩個年度的每股攤薄虧損，此乃由於本公司並無於兩個年度發行潛在普通股。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Computer equipment	Total
		租賃裝修 HK\$'000 港幣千元	傢俬、裝置 及設備 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	電腦設備 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
COST	成本					
At 1 July 2018	於2018年7月1日	133,567	23,047	1,762	16,119	174,495
Exchange adjustments	匯兌調整	-	(1)	-	(2)	(3)
Additions	添置	3,990	250	495	359	5,094
Acquisition of subsidiaries	收購附屬公司	-	20	-	53	73
Disposals	出售	-	(2)	-	-	(2)
Disposal of subsidiaries (note 42)	出售附屬公司(附註42)	(633)	(62)	-	(6,701)	(7,396)
At 30 June 2019	於2019年6月30日	136,924	23,252	2,257	9,828	172,261
Exchange adjustments	匯兌調整	-	(1)	(17)	(4)	(22)
Additions	添置	-	248	650	176	1,074
Acquisition of a subsidiary (note 41)	收購一間附屬公司(附註41)	-	125	-	-	125
Disposals	出售	-	-	(1,761)	(75)	(1,836)
Disposal of subsidiaries (note 42)	出售附屬公司(附註42)	(626)	(139)	-	(1,406)	(2,171)
At 30 June 2020	於2020年6月30日	136,298	23,485	1,129	8,519	169,431
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值					
At 1 July 2018	於2018年7月1日	54,268	9,149	912	11,161	75,490
Exchange adjustments	匯兌調整	-	(1)	-	(1)	(2)
Provided for the year	年內撥備	7,026	2,719	271	4,433	14,449
Eliminated on disposal of subsidiaries (note 42)	於出售附屬公司時撇銷 (附註42)	(103)	(48)	-	(5,806)	(5,957)
At 30 June 2019	於2019年6月30日	61,191	11,819	1,183	9,787	83,980
Exchange adjustments	匯兌調整	-	-	(2)	(1)	(3)
Provided for the year	年內撥備	7,067	4,756	205	24	12,052
Eliminated on disposals	於出售時撇銷	-	-	(1,295)	(20)	(1,315)
Eliminated on disposal of subsidiaries (note 42)	於出售附屬公司時撇銷 (附註42)	(626)	(139)	-	(1,396)	(2,161)
Impairment loss recognised for the year	年內確認的減值虧損	2,059	110	-	20	2,189
At 30 June 2020	於2020年6月30日	69,691	16,546	91	8,414	94,742
CARRYING AMOUNTS	賬面值					
At 30 June 2020	於2020年6月30日	66,607	6,939	1,038	105	74,689
At 30 June 2019	於2019年6月30日	75,733	11,433	1,074	41	88,281

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14. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the leases term
Furniture, fixtures and equipment	20%
Motor vehicles	20%
Computer equipment	20%

Due to the unsatisfactory operating results of film exhibition operations under COVID-19 outbreak period, as at 30 June 2020, for the purpose of impairment assessment, the recoverable amount of the property, plant and equipment and right-of-use assets was determined based on value in use calculation of the film exhibition segment which was performed by Management. The calculation uses cash flow projections of the film exhibition segment based on financial budgets approved by the Management covering a five to twelve years period with an average revenue growth rate of 5% to 45% (2019: 5% to 40%) and a pre-tax discount rate of 13.00% (2019: 12.97%) per annum as at 30 June 2020. Cash flows beyond the five to twelve years are extrapolated using a steady expected inflation rate of 3% (2019: 3%) per annum. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows of film exhibition segment which include budgeted sales and budgeted costs. Such estimation is based on the film exhibition's past performance and management's expectations for the market development. The Directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of the film exhibition segment to exceed its recoverable amount.

The difference of recoverable amount, which was determined based on the value in use calculation, to carrying amount of the film exhibition segment was recognised as impairment losses which were allocated to property, plant and equipment and right-of-use assets and charged to profit or loss in the current year. During the year ended 30 June 2020, the Group recognised impairment losses of HK\$2,189,000 (2019: Nil) and HK\$28,895,000 (2019: Nil) of property, plant and equipment and right-of-use assets in relation to film exhibition segment, respectively, due to unsatisfactory operating results of film exhibition operations under COVID-19 outbreak period.

14. 物業、廠房及設備(續)

上述物業、廠房及設備項目乃以直線法按以下年率折舊：

租賃裝修	租賃期內
傢俬、裝置及設備	20%
汽車	20%
電腦設備	20%

由於COVID-19爆發期間電影放映業務的經營業績未如理想，於2020年6月30日，就減值評估而言，物業、廠房及設備以及使用權資產的可收回金額乃由管理層按電影放映分部的使用價值計算釐定。於2020年6月30日，該計算乃採用基於管理層所批准涵蓋五至十二年期之財務預算平均收益增長率為5%至45%（2019年：5%至40%）並採用稅前貼現年利率13.00%（2019年：12.97%）計算的電影放映分部現金流預測。五至十二年的現金流量乃使用穩定預期通貨膨脹率每年3%（2019年：3%）推算。其他使用價值計算之主要假設與包括預算銷售及預算成本之電影放映分部現金流入／流出估計有關。該項估計根據電影放映的過往表現及管理層對市場發展之預期作出。董事相信，此等假設之任何合理可能變動將不會導致電影放映分部的賬面值超出其可收回金額。

可收回金額（即基於使用價值計算而釐定）與電影放映分部的賬面值的差額確認為分配至物業、廠房及設備以及使用權資產的減值虧損並於本年度的損益內扣除。截至2020年6月30日止年度，本集團分別就電影放映分部的物業、廠房及設備以及使用權資產確認港幣2,189,000元（2019年：無）及港幣28,895,000元（2019年：無）的減值虧損，原因是COVID-19爆發期間電影放映業務的經營業績未如理想。

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15. RIGHT-OF-USE ASSETS

15. 使用權資產

		Cinema	Leased	Others	Total
		電影院	已租賃樓宇	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
COST	成本				
At 1 July 2019	於2019年7月1日	797,907	1,738	800	800,445
Additions	添置	–	5,199	–	5,199
Acquisition of a subsidiary (note 41)	收購一間附屬公司 (附註41)	–	1,059	–	1,059
Exchange adjustments	匯兌調整	–	(1)	(1)	(2)
At 30 June 2020	於2020年6月30日	797,907	7,995	799	806,701
ACCUMULATED DEPRECIATION	累計攤銷				
At 1 July 2019	於2019年7月1日	–	–	–	–
Provided for the year	年內撥備	106,725	2,266	504	109,495
Impairment loss recognised in profit or loss	於損益中確認的減值虧損	28,895	–	–	28,895
At 30 June 2020	於2020年6月30日	135,620	2,266	504	138,390
CARRYING AMOUNTS	賬面值				
At 30 June 2020	於2020年6月30日	662,287	5,729	295	668,311
At 1 July 2019	於2019年7月1日	797,907	1,738	800	800,445

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15. RIGHT-OF-USE ASSETS (Continued)

For the years ended 30 June 2020 and 2019, the Group leases cinema, leased buildings and equipment for its operations. Lease contracts are entered into for fixed terms of two to fifteen years, but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period of which the contract is enforceable.

The Group regularly entered into short-term leases for certain of its office premises in the PRC. As at 30 June 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term leases rental expense disclosed in note 10.

The Group has extension options in a number of leases for cinema. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors.

The Group assessed at lease commencement date/date of initial application whether it is reasonably certain to exercise the extension options. There are no extension options which the Group is not reasonably certain to exercise. As at 30 June 2020, lease liabilities with the exercise of extension options of HK\$393,546,000 are recognised.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 30 June 2020, there is no such triggering event.

An impairment loss of HK\$28,895,000 (2019: Nil) has been recognised on right-of-use assets during the year ended 30 June 2020. Details of impairment assessment are set out in note 14.

15. 使用權資產(續)

截至2020年及2019年6月30日止年度，本集團為其業務經營租賃電影院、租賃樓宇及設備。租賃合約按固定期限二至十五年訂立，惟如下文所述可擁有延續選擇權。租賃條款按個別基準磋商並包含眾多不同條款及條件。於釐定租期及評估不可撤回期間的時間長短時，本集團應用合約之定義並釐定合約可強制執行期間。

本集團定期訂立中國若干辦公室物業的短期租賃。於2020年6月30日，短期租賃組合與附註10披露的短期租賃租金開支的短期租賃組合相似。

本集團就多個電影院租賃擁有延續選擇權。該等延續選擇權用作提高本集團資產管理的營運靈活性。大部分持有之延續選擇權僅可由本集團行使，而非相關出租人。

本集團於租賃開始日期／初始應用當日評估會否合理肯定會行使延續選擇權。概無本集團不能合理肯定行使的延續選擇權。於2020年6月30日，已確認附有延續選擇權的租賃負債港幣393,546,000元。

此外，在發生重大事件或承租人控制範圍內之情況發生重大變化時，本集團重新評估是否合理確定行使延續選擇權。截至2020年6月30日止年度，概無發生此類觸發事件。

截至2020年6月30日止年度，就使用權資產確認減值虧損港幣28,895,000元(2019年：無)。減值評估詳情載於附註14。

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For the year ended 30 June 2020 截至2020年6月30日止年度

15. RIGHT-OF-USE ASSETS (Continued)

Variable lease payments

Leases of cinema are either with only fixed lease payments or contain variable lease payment that are based on 12% to 38% of certain revenue in cinema and minimum annual lease payment that are fixed over the lease term. The payment terms are common in Hong Kong where the cinema operates. The amounts of fixed and variable lease payments paid/payable to relevant lessor for the year ended 30 June 2020 are as follows.

		Number of cinema 電影院數目	Fixed payments 固定付款 HK\$'000 港幣千元	Variable payments 浮動付款 HK\$'000 港幣千元	Total payments 付款總額 HK\$'000 港幣千元
Cinema with variable lease payments	附有浮動租賃付款的 電影院	1	61,935	585	62,520

The overall financial effect of using variable payment terms is that higher rental costs are incurred by the cinema with higher sales. Variable rent expenses are expected to continue to represent a similar proportion of cinema sales in future years.

Restrictions or covenants on leases

In addition, lease liabilities of HK\$757,452,000 are recognised with related right-of-use assets of HK\$668,311,000 as at 30 June 2020. The lease agreements may not be used as security for borrowing purposes.

Details of lease maturity analysis of lease liabilities are set out in note 36.

15. 使用權資產(續)

浮動租賃付款

電影院租賃僅有固定租賃付款或包含浮動租賃付款，兩者乃基於電影院若干收益12%至38%而定，而最低年度租賃付款則按租期釐定。該償還條款於影院運作地方香港乃為普遍。截至2020年6月30日止年度，已付／應付予相關出租人的固定及浮動租賃付款金額如下。

使用浮動付款條款的整體財務影響為，電影院銷售額愈高租金成本愈高。未來數年，預期浮動租金開支佔電影院銷售的比例繼續維持類似比重。

租賃限制或契諾

此外，於2020年6月30日，租賃負債港幣757,452,000元與相關使用權資產港幣668,311,000元一併確認。租賃協議不得用作獲取借款的抵押。

租賃負債的租賃到期分析詳情載於附註36。

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16. GOODWILL AND IMPAIRMENT ASSESSMENT

16. 商譽及減值評估

		Goodwill
		商譽
		HK\$'000
		港幣千元
COST	成本	
At 1 July 2018	於2018年7月1日	181,084
Arising on acquisition of subsidiaries (note 41)	收購附屬公司時產生(附註41)	411,876
At 30 June 2019	於2019年6月30日	592,960
Exchange adjustments	匯兌調整	(17,887)
Arising on acquisition of a subsidiary (note 41)	收購一間附屬公司時產生(附註41)	54,184
Disposal of subsidiaries (note 42)	出售附屬公司(附註42)	(181,084)
At 30 June 2020	於2020年6月30日	448,173
IMPAIRMENT	減值	
At 1 July 2018 and 30 June 2019	於2018年7月1日及2019年6月30日	181,084
Disposal of subsidiaries (note 42)	出售附屬公司(附註42)	(181,084)
At 30 June 2020	於2020年6月30日	-
CARRYING AMOUNTS	賬面值	
At 30 June 2020	於2020年6月30日	448,173
At 30 June 2019	於2019年6月30日	411,876

For the purpose of impairment testing, goodwill has been allocated to individual subsidiaries, each of which constitutes a cash generating unit ("CGU"). The carrying amounts of goodwill allocated to these CGUs are as follows:

就減值測試而言，商譽已獲分配至個別附屬公司，附屬公司各自構成一個現金產生單位(「現金產生單位」)。該等現金產生單位獲分配之商譽賬面值如下：

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Khorgas Houhai Culture Media Company Limited (note a)	霍爾果斯厚海文化傳媒有限公司(附註a)	393,989	411,876
聞瀾(上海)文化傳媒有限公司("Wenlan") (note b)	聞瀾(上海)文化傳媒有限公司(「聞瀾」)(附註b)	54,184	-
Chili Advertising & Promotions Limited ("Chili") (note c)	Chili Advertising & Promotions Limited(「Chili」)(附註c)	-	-
		448,173	411,876

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For the year ended 30 June 2020 截至2020年6月30日止年度

16. GOODWILL AND IMPAIRMENT ASSESSMENT (Continued)

Notes:

- (a) During the year ended 30 June 2019, the Group had acquired the entire equity interest in 霍爾果斯厚海文化傳媒有限公司 (Khorgas Houhai Culture Media Company Limited) and its subsidiary, 北京聚海文化傳媒有限公司 (Beijing Juhai Culture Media Company Limited) (collectively known as the “Khorgas Group”) and goodwill of HK\$411,876,000 was resulted from the acquisition of subsidiaries.

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

The calculation of the recoverable amount of Khorgas Group uses cash flow projections based on financial budgets approved by management covering a 5-year period with an average annual revenue growth rate of 3% to 38% (2019: 2% to 40%) and pre-tax discount rate of 20% (2019: 20%) per annum as at 30 June 2020. Cash flows beyond the 5-year ended are extrapolated using a steady expected inflation rate of 3% (2019: 3%) per annum. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and budgeted costs. Such estimation is based on Khorgas Group’s past performance and management’s expectations for the market development. The Directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of CGU’s to exceed its recoverable amount.

During the year ended 30 June 2020, the management determined that there is no impairment on the CGU of Khorgas Group containing goodwill (2019: Nil)

16. 商譽及減值評估(續)

附註：

- (a) 截至2019年6月30日止年度，本集團已收購霍爾果斯厚海文化傳媒有限公司及其附屬公司北京聚海文化傳媒有限公司(統稱為「霍爾果斯集團」)的全部股權，而收購附屬公司產生之商譽為港幣411,876,000元。

霍爾果斯集團的可收回金額根據使用價值計算釐定。

於2020年6月30日，霍爾果斯集團的可收回金額計算使用基於管理層於所批准涵蓋五年期及平均年收益增長率介乎於3%至38%(2019年：2%至40%)之財務預算並採用稅前貼現年利率20%(2019年：20%)計算的現金流預測。超過五年期止的現金流量乃使用穩定預期通貨膨脹率每年3%(2019年：3%)推算。其他使用價值計算之主要假設與包括預算銷售及預算成本之現金流入／流出估計有關。該項估計根據霍爾果斯集團的過往表現及管理層對市場發展之預期作出。董事相信，此等假設之任何合理可能變動將不會導致現金產生單位賬面值超出其可收回金額。

截至2020年6月30日止年度，管理層確定，包含商譽的霍爾果斯集團之現金產生單位並無出現減值(2019年：無)。

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16. GOODWILL AND IMPAIRMENT ASSESSMENT (Continued)

Notes: (Continued)

- (b) During the year ended 30 June 2020, the Group has acquired 60% of equity interest in 聞瀾(上海)文化傳媒有限公司 (“Wenlan”) and goodwill of HK\$54,184,000 was resulted from the acquisition. Details are set out in note 41.

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

The calculation of the recoverable amount of Wenlan uses cash flow projections based on financial budgets approved by management covering a 5-year period with an average annual revenue growth rate of 3% to 62% and pre-tax discount rate of 27.6% per annum as at 30 June 2020. Cash flows beyond the 5-year ended are extrapolated using a steady expected inflation rate of 3% per annum. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and budgeted costs. Such estimation is based on Wenlan's past performance and management's expectations for the market development. The directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of CGU's to exceed its recoverable amount.

During the year ended 30 June 2020, the management determined that there is no impairment on the CGU of Wenlan containing goodwill.

- (c) On 30 November 2019, the Group entered into an agreement to dispose of the entire equity interest in Chili Advertising and Promotions Limited and its subsidiaries (collectively referred to as “Chili Group”), indirectly wholly-owned subsidiaries of the Company, to an independent third party of the Group, at a cash consideration of HK\$7,000,000. Chili Group engaged in advertising and marketing business. The disposal was completed on 10 December 2019, on which date when the control of Chili Group passed to the acquirer. Details are set out in note 42.

16. 商譽及減值評估(續)

附註：(續)

- (b) 截至2020年6月30日止年度，本集團收購聞瀾(上海)文化傳媒有限公司(「聞瀾」)60%的股權，而收購事項產生商譽港幣54,184,000元。詳情載於附註41。

聞瀾的可收回金額根據使用價值計算法釐定。

於2020年6月30日，聞瀾的可收回金額的計算使用基於管理層於所批准涵蓋五年期及平均每年收益增長率介乎於3%至62%之財務預算並採用稅前貼現年利率27.6%計算的現金流預測。超過五年期的現金流量乃使用穩定預期通貨膨脹率3%推算。其他使用價值計算的主要假設與包括預算銷售及預算成本之現金流入/流出估計有關。該項估計根據聞瀾的過往表現及管理層對市場發展之預期作出。董事相信，此等假設之任何合理可能變動將不會導致現金產生單位賬面值超出其可收回金額。

截至2020年6月30日止年度，管理層確定，包含商譽的聞瀾之現金產生單位並無出現減值。

- (c) 於2019年11月30日，本集團訂立協議，以向一名本集團獨立第三方出售於本公司間接全資附屬公司Chili Advertising and Promotions Limited及其附屬公司(「統稱為「Chili集團」)的全部股權，現金代價為港幣7,000,000元。Chili集團從事推廣及營銷業務。出售事項於2019年12月10日(即Chili集團之控制權轉移至收購方的日期)完成。詳情載於附註42。

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17. INTANGIBLE ASSETS

17. 無形資產

		Agency contract	Brand	Publishing cooperation agreement	Total
		代理合約	商標	出版合作協議	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
COST	成本				
At 1 July 2018 and 30 June 2019	於2018年7月1日及 2019年6月30日	-	5,600	31,900	37,500
Acquisition of a subsidiary (note 41)	收購一間附屬公司(附註41)	106,805	-	-	106,805
Disposal of subsidiaries (note 42)	出售附屬公司(附註42)	-	(5,600)	(31,900)	(37,500)
At 30 June 2020	於2020年6月30日	106,805	-	-	106,805
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值				
At 1 July 2018 and 30 June 2019	於2018年7月1日及 2019年6月30日	-	-	31,900	31,900
Provided for the year	年內撥備	4,389	-	-	4,389
Eliminated on disposal of subsidiaries (note 42)	於出售附屬公司時撇銷 (附註42)	-	-	(31,900)	(31,900)
At 30 June 2020	於2020年6月30日	4,389	-	-	4,389
CARRYING AMOUNTS	賬面值				
At 30 June 2020	於2020年6月30日	102,416	-	-	102,416
At 30 June 2019	於2019年6月30日	-	5,600	-	5,600

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17. INTANGIBLE ASSETS (Continued)

Agency contract

The agency contract is a six-year agency contract associated with Ms. Yang Chaoyue (“Ms. Yang”) who is a famous artiste in the PRC which is held by Wenlan, an non-wholly owned subsidiary acquired by the Group on 12 March 2020. It is identified as an intangible asset to the Group at the date of acquisition of Wenlan and it is amortised over 6 years.

As at 30 June 2020, the recoverable amount of Wenlan has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by Management covering a six-year period and a pre-tax discount rate of 27.6%. The estimation of the budgeted sales and gross margin is based on past performance of Wenlan and Management's expectations for the market development as well as the existing performance contracts entered or to be entered by Ms. Yang.

Brand

The brand name is associated to the advertising and promotion services operated by Chili and it is treated as having indefinite useful life because it is expected to contribute to net cash inflows to the Group indefinitely. Therefore, it is not amortised until its useful life is determined to be finite.

17. 無形資產(續)

代理合約

代理合約為與楊超越女士(「楊女士」)有關的六年代理合約，楊女士為著名中國女演員，而該代理合約由本集團於2020年3月12日收購的一間非全資附屬公司聞瀾持有。於收購聞瀾當日，其被確認為本集團的無形資產，且其攤銷為期六年。

於2020年6月30日，聞瀾的可收回金額根據使用價值計算釐定。該計算法使用基於管理層所批准涵蓋六年期之財務預算並採用稅前貼現率27.6%計算的現金流預測。預計銷售額及毛利率的估算乃根據聞瀾的過往表現及管理層對市場發展的預期以及已經或將會與楊女士訂立的現行履約合約而定。

商標

商標名稱與Chili營運的廣告及推廣服務有關，並因預計其可無限期為本集團貢獻現金流入淨額而被視作具有無限可使用年期。因此，其不會予以攤銷，直至其可使用年期釐定為有限為止。

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17. INTANGIBLE ASSETS (Continued)

Brand (Continued)

As at 30 June 2019, the recoverable amount of Chili had been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by Management covering a five-year period and a pre-tax discount rate of 11.95%. Cash flows beyond the five-year period were extrapolated using a steady 2% expected inflation rate. The estimation of the budgeted sales and gross margins was based on past performance of Chili and Management's expectations for the market development. As at 30 June 2019, no impairment loss was recognised on the brand as the recoverable amount was higher than its carrying amount. During the year ended 30 June 2020, the Group disposed of its equity interests in Chili Group and accordingly, the brand was disposed of during the year ended 30 June 2020.

Publishing cooperation agreement

The Group had ceased publication of the magazine operated by Chili Group in August 2016 due to its unsatisfactory operating results. For the year ended 30 June 2016, Management had taken the termination of the publishing cooperation agreement into consideration for the purpose of impairment assessment of Chili Platinum. The recoverable amount of Chili Platinum had been determined based on fair value less costs of disposal calculations. Accordingly, the balance had been fully impaired in 2016.

During the year ended 30 June 2020, the Group disposed of its entire equity interests in Chili Group to an independent third party, details are set out in note 42. Accordingly, the publishing cooperation agreement was disposed of during the year ended 30 June 2020.

17. 無形資產(續)

商標(續)

於2019年6月30日，Chili的可收回金額根據使用價值計算法釐定。該計算法使用基於管理層所批准涵蓋五年期之財務預算並採用除稅前貼現率11.95%計算的現金流預測。超過五年期的現金流量乃使用穩定預期通貨膨脹率2%推算。預計銷售額及毛利率的估算乃根據Chili的過往表現及管理層對市場發展的預期而定。於2019年6月30日，由於可收回金額高於其賬面值，故概無就商標確認任何減值虧損。截至2020年6月30日止年度，本集團出售其於Chili Group的股權，故商標已於截至2020年6月30日止年度出售。

出版合作協議

由於經營業績不如預期，本集團已於2016年8月停止出版Chili集團經營的一本雜誌。截至2016年6月30日止年度就智理白金進行減值評估時，管理層已考慮終止出版合作協議。智理白金的可收回金額根據公平值減出售成本的計算法釐定。因此，結餘已於2016年悉數減值。

截至2020年6月30日止年度，本集團向一名獨立第三方出售其於Chili集團的全部股權，詳情載於附註42。因此，出版合作協議已於截至2020年6月30日止年度出售。

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18. INTERESTS IN ASSOCIATES

18. 於聯營公司的權益

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Cost of unlisted investments in associates	於聯營公司的未上市投資成本	–	74,000
Impairment loss recognised	已確認減值虧損	–	(58,963)
		–	15,037
Share of post-acquisition losses and other comprehensive expenses, net of dividend received	應佔收購後虧損及其他全面開支，扣除已收股息	–	(6,619)
		–	8,418

Interest in Jade Dynasty Holdings Limited (“JDH”)

JDH is an investment holding company incorporated in the BVI with limited liability and its subsidiaries (collectively known as “JDH Group”) are principally engaged in comic publication and own the intellectual property rights of a database of comic stories and comic heroes. Management anticipates that the Group would make use of the intellectual property rights of the associate (including but not limited to the comic stories and comic characters) that the Group considers these are suitable for reproduction as films. The Group is able to exercise significant influence over JDH because it has power to appoint 2 out of 5 directors of JDH under its Articles of Association. Therefore, JDH is accounted for as an associate of the Group.

The recoverable amount of the CGU arising from JDH Group was determined based on value in use calculations which was performed by Roma Group Limited, an independent qualified professional valuer not connected with the Group, as at 30 June 2019. For impairment assessment purpose, the calculation uses cash flow projections of the associate based on the financial budgets attributable to the equity interest of the Group approved by Management covering five-year period and a pre-tax discount rate of 21.55%. Cash flows beyond the 5-year period are extrapolated using a steady 2% expected inflation rate for the CGU. The key assumption is budgeted revenue determined based on the associate’s past performance and the Management’s view of future business prospects.

於玉皇朝控股有限公司(「玉皇朝」)的權益

玉皇朝為一間在英屬處女群島註冊成立的投資控股有限公司，該公司及其附屬公司(統稱「玉皇朝集團」)主要從事漫畫發行，並擁有漫畫故事及漫畫英雄人物數據庫的知識產權。管理層預期，本集團將使用本集團認為適合重製為電影的聯營公司知識產權(包括但不限於漫畫故事及漫畫英雄人物)。本集團對玉皇朝有重大影響力，因為其根據其組織章程細則有權委任玉皇朝5位董事中的2位。因此，玉皇朝入賬列作本集團的聯營公司。

玉皇朝集團產生的現金產生單位的可收回金額乃由羅馬集團有限公司(乃一名與本集團沒有關聯的獨立合資格專業估值師)於2019年6月30日按使用價值計算釐定。就減值評估而言，該計算乃採用基於管理層所批准涵蓋五年期之本集團股權應佔按財務預算並採用稅前貼現率21.55%計算的聯營公司現金流預測。超出五年期的現金流乃採用現金產生單位的穩定預期通貨膨脹率2%推算。主要假設為根據聯營公司過往表現及管理層對未來業務前景的意見釐定的預算收益。

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For the year ended 30 June 2020 截至2020年6月30日止年度

18. INTERESTS IN ASSOCIATES (Continued)

Interest in Jade Dynasty Holdings Limited (“JDH”) (Continued)

During the year ended 30 June 2019, the Group recognised an impairment loss of HK\$6,317,000 of JDH Group due to the intense competition in the market of comic publication and licencing the copyrights of comic which resulted in a decrease in expected future cashflows accordingly. As a result, the difference of recoverable amount, which was the value in use, and the carrying amount (containing goodwill) was recognised as an impairment loss and charged to profit or loss in that year.

On 30 November 2019, the Group disposed of its equity interest in JDH to an independent third party for a cash consideration of HK\$200,000. Before the disposal, the Group owned 40% interest in JDH and the investment was previously accounted for as an investment in an associate using the equity method of accounting. This transaction has resulted in the Group recognising a gain of disposal of HK\$521,000 in profit or loss for the year ended 30 June 2020.

18. 於聯營公司的權益(續)

於玉皇朝控股有限公司(「玉皇朝」)的權益(續)

截至2019年6月30日止年度，本集團確認玉皇朝集團減值虧損港幣6,317,000元，原因是漫畫發行市場競爭激烈及漫畫版權許可導致預期未來現金流量相應減少。因此，可收回金額(即使用價值)與賬面值(包括商譽)的差額確認為減值虧損並於該年度的損益內扣除。

於2019年11月30日，本集團向一名獨立第三方出售其於玉皇朝的股權，現金代價為港幣200,000元。於出售事項前，本集團擁有玉皇朝40%權益，而該投資先前使用權益會計法入賬為於一間聯營公司的投資。該交易導致本集團截至2020年6月30日止年度於損益中確認出售事項收益港幣521,000元。

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

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

18. INTERESTS IN ASSOCIATES (Continued)

Interest in Supreme Art Entertainment Limited (“Supreme Art”)

Supreme Art is a private entity incorporated in Hong Kong with limited liability which is engaged in provision of artiste management and agency services. Management anticipates that the artiste of Supreme Art can participate in the film production of the Group. The Group is able to exercise significant influence over Supreme Art because it has power to appoint 1 out of 3 directors of Supreme Art under its Articles of Association. Therefore, Supreme Art is accounted for as an associate of the Group.

The carrying amount of the Group’s interest in Supreme Art is also tested for impairment by comparing with the respective recoverable amount. The recoverable amount of the Group’s investment in Supreme Art has been determined based on value in use calculation which was performed by Roma Group Limited, an independent qualified professional valuer not connected with the Group, as at 30 June 2019. For impairment assessment purpose, the calculation uses cash flow projections of the associate based on the financial budgets attributable to the equity interest of the Group approved by Management covering five-year period and a pre-tax discount rate of 18.43%. Cash flows beyond the 5-year period are extrapolated using a steady 2.5% expected inflation rate for the CGU. Other key assumptions for the value in use calculation relate to the cash flow projections which include the artiste management fee received, the estimation of which is based on the Management’s view of future business prospects.

During the year ended 30 June 2019, the Group recognised an impairment loss of HK\$10,000,000 of Supreme Art due to expiration of certain artiste management agreements for artiste performance in the PRC which resulted in a decrease in expected future cashflows accordingly. As a result, the difference of recoverable amount, which was the value in use and the carrying amount (containing goodwill) was recognised as an impairment loss and charged to profit or loss in that year.

18. 於聯營公司的權益(續)

於凱藝娛樂發展有限公司(「凱藝」)之權益

凱藝為於香港註冊成立的私人有限公司，從事提供演員管理及代理服務。管理層預期凱藝的演員可能會參與本集團的電影製作。本集團能夠對凱藝行使重大影響力，乃由於其有權根據凱藝的組織章程細則委任凱藝三名董事中的其中一名。因此，凱藝入賬列作本集團的聯營公司。

本集團於凱藝權益的賬面值亦透過比較各自可收回金額進行減值測試。本集團於凱藝投資的可收回金額乃由羅馬集團有限公司(一名與本集團沒有關聯的獨立合資格專業估值師)於2019年6月30日根據使用價值計算釐定。就減值評估而言，計算乃採用基於管理層所批准涵蓋五年期之本集團股權應佔財務預算並採用稅前貼現率18.43%計算的聯營公司現金流預測。超出五年期的現金流乃採用現金產生單位的穩定預期通貨膨脹率2.5%推算。使用價值計算的其他主要假設涉及現金流預測(包括所收取的演員管理費)，而有關估計乃以管理層對未來業務前景的意見為依據。

截至2019年6月30日止年度，本集團確認凱藝減值虧損港幣10,000,000元，原因是就中國藝人表演的若干藝人管理協議到期導致預期未來現金流量相應減少。因此，可收回金額(即使用價值)與賬面值(包括商譽)的差額確認為減值虧損並於該年度的損益內扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

18. INTERESTS IN ASSOCIATES (Continued)

Interest in Supreme Art Entertainment Limited (“Supreme Art”) (Continued)

On 30 November 2019, the Group disposed of its equity interest in Supreme Art to an independent third party for a cash consideration of HK\$8,500,000. Before the disposal, the Group owned 40% interest in Supreme Art and the investment was previously accounted for as an investment in an associate using the equity method of accounting. This transaction has resulted in the Group recognising a gain of disposal of HK\$3,737,000 in profit or loss for the year ended 30 June 2020.

18. 於聯營公司的權益(續)

於凱藝娛樂發展有限公司(「凱藝」)之權益(續)

於2019年11月30日，本集團向一名獨立第三方出售其於凱藝的股權，現金代價為港幣8,500,000元。於出售事項前，本集團擁有凱藝40%權益，而該投資先前使用權益會計法入賬為於一間聯營公司的投資。截至2020年6月30日止年度，該交易導致本集團於損益中確認出售事項收益港幣3,737,000元。

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

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For the year ended 30 June 2020 截至2020年6月30日止年度

18. INTERESTS IN ASSOCIATES (Continued)

The details of the Group's associates at 30 June 2020 and 2019 are as follows:

Name of associate 聯營公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Principal place of business 主要營業地點	Proportion of ownership interest held by the Group 本集團所持所有權權益的比例		Proportion of voting rights held by the Group 本集團所持投票權的比例		Principal activities 主要業務
			2020	2019	2020	2019	
			2020年	2019年	2020年	2019年	
JDH	BVI	Hong Kong	-	40%	-	40%	Comic publication and owns the intellectual property rights of a data base of comic stories and comic heroes
玉皇朝	英屬處女群島	香港	-	40%	-	40%	漫畫發行，並擁有漫畫故事及漫畫英雄人物數據庫的知識產權
Supreme Art	Hong Kong	Hong Kong	-	40%	-	33.33%	Artiste management and agency services
凱藝	香港	香港	-	40%	-	33.33%	演員管理及代理服務

These associates are accounted for using the equity method in these consolidated financial statements.

The summarised financial information in respect of the Group's associates is set out below and was prepared in accordance with HKFRSs.

18. 於聯營公司的權益(續)

有關本集團聯營公司於2020年及2019年6月30日的詳情如下：

該等聯營公司乃使用權益法於該等綜合財務報表中列賬。

下文載列本集團聯營公司根據香港財務報告準則編製的財務資料概要。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

18. INTERESTS IN ASSOCIATES (Continued)

JDH Group

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Non-current assets	非流動資產	-	69,865
Current assets	流動資產	-	15,067
Current liabilities	流動負債	-	(13,307)
Net assets	資產淨值	-	71,625

18. 於聯營公司的權益(續)

玉皇朝集團

		From	Year ended
		1 July 2019 to	30 June 2019
		30 November	截至2019年
		2019	7月1日至
		2019年	2019年
		7月1日至	6月30日
		2019年	止年度
		11月30日期間	HK\$'000
		HK\$'000	港幣千元
		港幣千元	港幣千元
Revenue	收益	6,811	14,350
Loss for the year attributable to owners of the associate	聯營公司擁有人應佔年度虧損	(1,864)	(5,970)
Group's share of loss (note)	本集團應佔虧損(附註)	-	(2,388)
Other comprehensive income for the year	年內其他全面收入	-	762
Group's share of other comprehensive income	本集團應佔其他全面收入	-	305

Note: As the Group has been fully impaired its interest in JDH as at 30 June 2019, there was no share of loss of JDH by the Group from 1 July 2019 to the date of disposal of JDH in November 2019.

附註：由於本集團已於2019年6月30日就其於玉皇朝的權益進行悉數減值，因此，自2019年7月1日至2019年11月出售玉皇朝當日期間，本集團並無分佔玉皇朝虧損。

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For the year ended 30 June 2020 截至2020年6月30日止年度

18. INTERESTS IN ASSOCIATES (Continued)

JDH Group (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

18. 於聯營公司的權益(續)

玉皇朝集團(續)

上述財務資料概要與於綜合財務報表確認的於聯營公司權益的賬面值的對賬：

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Net assets of JDH Group	玉皇朝集團的資產淨值	-	71,625
Non-controlling interests of JDH Group	玉皇朝集團的非控股權益	-	(95)
		-	71,530
Proportion of the Group's ownership interest in JDH Group	本集團於玉皇朝集團所有權權益的比例	-	40%
The Group's share of net assets of JDH Group	本集團應佔玉皇朝集團的資產淨值	-	28,612
Goodwill	商譽	-	20,351
Impairment loss recognised (including goodwill)	已確認減值虧損(包括商譽)	-	(48,963)
Carrying amount of the Group's interest in JDH Group	本集團於玉皇朝集團權益的賬面值	-	-

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18. INTERESTS IN ASSOCIATES (Continued)

Supreme Art

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Non-current assets	非流動資產	–	10,735
Current assets	流動資產	–	16,540
Current liabilities	流動負債	–	(6,230)
Net assets	資產淨值	–	21,045

18. 於聯營公司的權益(續)

凱藝

		From	
		1 July 2019	
		to	
		30 November	Year ended
		2019	30 June 2019
		2019年7月1日	截至2019年
		至2019年	6月30日止年度
		11月30日	HK\$'000
		港幣千元	港幣千元
Revenue	收益	12,447	15,038
(Loss) profit for the period attributable to owners of the associate	聯營公司擁有人應佔期內(虧損)溢利	(2,138)	2,260
Group's share of (loss) profit	本集團應佔(虧損)溢利	(855)	904
Dividend received from the associate during the year	年內自聯營公司收取之股息	2,800	2,200

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18. INTERESTS IN ASSOCIATES (Continued)

Supreme Art (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

18. 於聯營公司的權益(續)

凱藝(續)

上述財務資料概要與於綜合財務報表確認的於聯營公司權益的賬面值的對賬：

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Net assets of Supreme Art	凱藝的資產淨值	-	21,045
Proportion of the Group's ownership interest in Supreme Art	本集團於凱藝所有權權益的比例	-	40%
Goodwill	商譽	-	8,418
Impairment loss recognised (including goodwill)	已確認減值虧損(包括商譽)	-	10,000
		-	(10,000)
Carrying amount of the Group's interest in Supreme Art	本集團於凱藝權益的賬面值	-	8,418

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19. INTEREST IN A JOINT VENTURE

19. 於一間合營企業的權益

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cost of unlisted investment in a joint venture	於一間合營企業的未上市投資成本	52,079	52,079
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	(51,916)	(51,910)
		163	169

Bounty Productions Limited (“BPL”), a limited company incorporated in Hong Kong, has been set up solely for the film production of “Bounty Hunters”. The Group, Harmonious Entertainment (Shanghai) Co., Ltd (“HES”) and Bounty Yooanhwesa (“BY”) held 40.00%, 25.51% and 34.49% equity interest in BPL, respectively. The board of directors of BPL, the governing body which directs the relevant activities that significantly affects the returns of BPL, consists of three directors of which the Group, HES and BY can appoint one director each to the board of directors of BPL. The relevant activities required to be approved unanimously by all these three directors. Therefore, BPL is jointly controlled by the Group, HES and BY. As the joint arrangement does not result in either parties having rights to assets and obligations to liabilities of BPL, it is accounted for as a joint venture of the Group.

The details of the Group’s joint venture at 30 June 2020 and 2019 are as follows:

賞金製作有限公司(「賞金」)為於香港註冊成立的有限公司，其成立目的僅為製作電影「賞金獵人」。本集團、Harmonious Entertainment (Shanghai) Co., Ltd(「HES」)及Bounty Yooanhwesa(「BY」)分別擁有賞金40.00%、25.51%及34.49%股權。賞金董事會(指示可重大影響賞金回報的相關活動的規管團體)由三名董事組成，其中本集團、HES及BY可各自委任一名董事加入賞金董事會。相關活動須經該等三名董事一致批准。因此，賞金由本集團、HES及BY共同控制。由於合營安排不會導致任何一方擁有賞金的資產權利及負債責任，故賞金入賬為本集團的合營企業。

本集團的合營企業於2020年及2019年6月30日的詳情如下：

Name of joint venture	Place of incorporation	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities		
			2020	2019	2020	2019			
合營企業名稱	註冊成立地點	營業地點	本集團所持所有權權益的比例	2020年	2019年	本集團所持投票權的比例	2020年	2019年	主要業務
BPL	Hong Kong	PRC	40%	40%	33.33%	33.33%	Production and distribution of the film		電影製作及發行出品
賞金	香港	中國							電影製作及發行出品

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

19. INTEREST IN A JOINT VENTURE (Continued)

The joint venture is accounted for using the equity method in these consolidated financial statements.

The summarised financial information in respect of the Group's joint venture is set out below and was prepared in accordance with HKFRSs.

BPL

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current assets	流動資產	450	452
Current liabilities	流動負債	(42)	(30)
Net assets	資產淨值	408	422
The above amounts of assets include the following:	上述資產金額包括以下各項：		
Cash and cash equivalents	現金及現金等價物	7	7
		Year ended	Year ended
		30 June 2020	30 June 2019
		截至2020年	截至2019年
		6月30日	6月30日
		止年度	止年度
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Revenue	收益	-	-
(Loss) profit for the year attributable to owners of the joint venture	合營企業擁有人應佔年度(虧損)溢利	(14)	243
Group's share of (loss) profit	本集團應佔(虧損)溢利	(6)	97
Other comprehensive expense for the year	年內其他全面開支	-	(333)
Group's share of other comprehensive expense	本集團應佔其他全面開支	-	(133)
Dividend received from BPL during the year	年內自賞金收取的股息	-	-

19. 於一間合營企業的權益(續)

該等綜合財務報表內合營企業乃使用權益法入賬。

下文載列本集團合營企業根據香港財務報告準則編製的財務資料概要。

賞金

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For the year ended 30 June 2020 截至2020年6月30日止年度

19. INTEREST IN A JOINT VENTURE (Continued)

BPL (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net assets of BPL	賞金資產淨值	408	422
Proportion of the Group's ownership interest in BPL	本集團於賞金所有權權益比例	40%	40%
Carrying amount of the Group's interest in BPL	本集團於賞金權益之賬面值	163	169

19. 於一間合營企業的權益(續)

賞金(續)

上述財務資料概要與綜合財務報表內確認之於一間合營企業權益的賬面值的對賬：

2020
2020年
HK\$'000
港幣千元

2019
2019年
HK\$'000
港幣千元

Net assets of BPL

賞金資產淨值

408

422

Proportion of the Group's ownership interest in BPL

本集團於賞金所有權
權益比例

40%

40%

Carrying amount of the Group's interest in BPL

本集團於賞金權益之
賬面值

163

169

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20. RENTAL DEPOSITS

20. 租賃按金

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current assets (note 1)	流動資產(附註1)	13,389	19,163
Non-current assets (note 2)	非流動資產(附註2)	14,878	30,358
		28,267	49,521

Notes:

附註：

- (1) Cinema City (Langham Place) Limited, an indirect wholly-owned subsidiary of the Company, had entered into a lease agreement on 27 December 2013 to rent a cinema situated in Langham Place ("the Lease Premises"), a prime location in Hong Kong, and to take the cinema operation for a term of ten years commencing on 23 July 2014 and expiring on 22 July 2024 (the "Lease"). Based on the terms of the Lease, the Company is obliged to pay a deposit in a sum equivalent to the aggregate of three months' base rent for the tenth year, three months' management charges for the first year, three months' promotional levy for the first year and one quarter's government rates in respect of the Lease Premises. The operation of cinema and related operations in the cinema could provide a platform for the development of the film distribution business of the Group. As the deposits are refundable with one month notice period, the amounts were classified as current assets as at 30 June 2020 and 2019.
- (2) During the year ended 30 June 2019, the indirect wholly-owned subsidiaries of the Company have entered into several lease agreements to rent the cinema premises situated in Chai Wan, Causeway Bay and Tsuen Wan for terms ranging from five to fifteen years. As the deposits are refundable at the expiry of the leases, the amounts were classified as non-current assets as at 30 June 2020 and 2019.

- (1) 於2013年12月27日，本公司間接全資附屬公司電影城(朗豪坊)有限公司訂立租賃協議，租賃位於香港黃金地段朗豪坊的影院(「租賃物業」)及接手影院運作，自2014年7月23日起至2024年7月22日止為期十年(「租賃」)。根據租賃條款，本公司須就租賃物業支付按金，金額相當於租期第十年的三個月基本租金、第一年的三個月管理費、第一年的三個月推廣費以及一個季度的政府差餉之和。影院的運作及影院的相關業務可以為本集團電影發行業務的發展提供平台。由於按金可於一個月通知期退還，該筆款項於2020年及2019年6月30日分類為流動資產。
- (2) 截至2019年6月30日止年度，本公司的間接全資附屬公司已訂立數份租賃協議，以租賃位於柴灣、銅鑼灣及荃灣的電影院物業，租期介乎五至十五年。由於按金於租賃屆滿時可退還，該筆款項於2020年及2019年6月30日分類為非流動資產。

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

21. 電影及電視版權以及製作中電影及電視劇

		Film and television rights 電影及電視版權 HK\$'000 港幣千元	Film and television series production in progress 製作中電影及電視劇 HK\$'000 港幣千元
COST	成本		
At 1 July 2018	於2018年7月1日	641,201	175,521
Additions	添置	–	163,139
Acquisition of subsidiaries (note 41)	收購附屬公司(附註41)	–	109,095
Transfer	轉撥	272,729	(272,729)
Exchange adjustments	匯兌調整	–	(948)
		913,930	174,078
At 30 June 2019	於2019年6月30日		
Additions	添置	–	190,791
Disposal of subsidiaries	出售附屬公司	(8,142)	–
Transfer	轉撥	156,237	(156,237)
Exchange adjustments	匯兌調整	–	(5,021)
		1,062,025	203,611
At 30 June 2020	於2020年6月30日		
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值		
At 1 July 2018	於2018年7月1日	639,429	35,463
Charged for the year	年內支銷	269,714	–
Impairment loss recognised for the year (note)	年內確認的減值虧損(附註)	–	4,412
		909,143	39,875
At 30 June 2019	於2019年6月30日		
Charged for the year	年內支銷	161,024	–
Disposal of subsidiaries	出售附屬公司	(8,142)	–
		1,062,025	39,875
At 30 June 2020	於2020年6月30日		
CARRYING AMOUNTS	賬面值		
At 30 June 2020	於2020年6月30日	–	163,736
At 30 June 2019	於2019年6月30日	4,787	134,203

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

Note: During the year ended 30 June 2020, no impairment loss (2019: HK\$4,412,000) was recognised on the production costs for film and TV production in progress. In prior year, management was in a view that the production plan for the films and television production in progress was postponed and considered that the amount may not be fully recovered as at 30 June 2019.

21. 電影及電視版權以及製作中電影及電視劇(續)

附註：截至2020年6月30日止年度，概無就製作中電影及電視劇的製作費用確認任何減值虧損(2019年：港幣4,412,000元)。管理層去年認為，於2019年6月30日，製作中電影及電視的製作計劃已延期並認為有關款項可能不會全數收回。

22. INVENTORIES

22. 存貨

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Raw materials and consumables	原材料及消耗品	850	288
Finished goods	製成品	399	397
Total	總計	1,249	685

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23. TRADE AND OTHER RECEIVABLES

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

23. 貿易及其他應收款項

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

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade receivables	貿易應收款項	81,968	140,348
Less: Allowance for expected credit losses	減：預期信貸虧損撥備	(2,998)	-
		78,970	140,348
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	10,038	5,986
Prepayment of interest to bondholders (note 34)	預付債券持有人利息(附註34)	1,128	884
Prepayment for artiste management agency and scriptwriters	藝人管理經紀及編劇的預付款項	4,160	12,920
Prepayments to suppliers	預付供應商款項	16,629	-
Other deposits and prepayments for cinema operation	電影院業務的其他按金及預付款項	2,213	2,581
Other receivable TV series producers	電視劇製作人的其他應收款項	8,637	-
Other tax recoverable	其他可收回稅項	4,506	-
		126,281	162,719

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23. TRADE AND OTHER RECEIVABLES (Continued)

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

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Trade receivables:	貿易應收款項：		
0 - 30 days	0至30日	6,121	18,426
31 - 60 days	31至60日	5,218	133
61 - 90 days	61至90日	70	11,888
91 - 180 days	91至180日	1,093	9,691
181 - 365 days	181至365日	66,468	97,341
Over one year	超過一年	-	2,869
		78,970	140,348

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

As at 1 July 2018, trade receivables arising from contract with customers amounted to HK\$2,875,000.

As at 30 June 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$15,173,000 (2019: HK\$110,094,000) which are past due as at the reporting date. Out of the past due balances, HK\$14,080,000 (2019: HK\$109,779,000) has been past due 90 days or more and is not considered as in default by considering the background of the trade receivables and historical payment arrangement of these trade receivables. The Group does not hold any collateral over these balances.

Details of expected credit losses assessment of trade and other receivables are set out in note 45(b).

23. 貿易及其他應收款項(續)

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

除中國電視劇製作客戶及後期製作客戶一般獲授介乎30至90日的信貸期外，本集團一般並無向其客戶授出任何信貸期。應收香港、中國及海外國家發行商的發行及發行權使用許可費用通常於向彼等交付電影菲林底片時結算。本集團可按個案基準向具備良好還款記錄的客戶授出一至兩個月的信貸期。

於2018年7月1日，客戶合約產生的貿易應收款項為港幣2,875,000元。

於2020年6月30日，本集團貿易應收款項結餘包括賬面總值為港幣15,173,000元(2019年：港幣110,094,000元)的應收款項，於報告日期已逾期。已逾期結餘中，港幣14,080,000元(2019年：港幣109,779,000元)已逾期90日或以上，惟經考慮貿易應收款項之背景及該等貿易應收款項之過往付款安排，其並不被視為違約。本集團並無就該等結餘持有任何抵押品。

貿易及其他應收款項的預期信貸虧損評估詳情載於附註45(b)。

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24. CONTRACT ASSETS

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
TV series production	電視劇製作	16,599	–

As at 1 July 2018, the Group has no contract assets.

The contract assets relate to the Group's right to consideration for TV series production in progress being completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional, i.e. when the distributor of TV production signed the receipt of TV program and launched the TV program on its broadcasting platform.

The amounts are classified as current assets as they are expected to transfer to trade receivables within twelve months after the reporting date.

Details of impairment are set out in note 45(b).

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Financial assets at FVTPL – wealth management products	按公平值計入損益之金融資產 – 財富管理產品	7,040	–

Wealth management products are purchased from a bank with expected rate of return ranging from 2.9% to 3.4% per annum and had maturity date within one year and classified as financial assets measured at FVTPL. The principal and returns of these wealth management products are not guaranteed.

24. 合約資產

於2018年7月1日，本集團並無合約資產。

合約資產與本集團收取即將殺青而尚未收款的製作中電視劇代價的權利有關，因為該等權利乃取決於本集團的未來履約。倘該等權利成為無條件（即電視製作發行商簽收電視節目及於其播放平台推出電視劇時），合約資產則轉移至貿易應收款項。

預期該等金額將於報告日期後12個月內轉撥至貿易應收款項，故該等金額分類為流動資產。

減值詳情載於附註45(b)。

25. 按公平值計入損益之金融資產

向一間銀行購買財富管理產品，預期回報年利率為2.9%至3.4%，到期日為一年內，並分類為按公平值計入損益之金融資產。該等財富管理產品的本金及回報並非保證。

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26. RESTRICTED BANK BALANCES

As at 30 June 2020, the Group has bank balances of HK\$13,098,000 (2019: Nil) placed to banks which are restricted in usage for a TV production in progress and artistes management projects in the PRC. The amounts will be released upon the completion of the TV production and artiste management projects.

Details of impairment are set out in note 45(b).

27. PLEDGED BANK DEPOSITS

At 30 June 2020, an amount of HK\$667,000 (2019: HK\$664,000) has been pledged to a bank to secure the 4Dx's equipment rental fees payable to a supplier of 4Dx equipment for the Group's operation in the Lease Premises in accordance with the 4Dx equipment rental agreement dated 20 August 2015. The pledged bank deposits carry interests at a fixed rate of 0.2% (2019: 0.45%) per annum and it will be mature on 20 August 2020 (2019: 20 August 2019), respectively.

In addition, at 30 June 2020, the Group has new pledged bank deposit of HK\$21,000,000 (2019: Nil) which is carries at fixed interest rate of 0.3% per annum (2019: Nil) and is pledged to a bank to secure the bank borrowings granted to the Group. The pledged bank deposits will be released upon the repayment of the relevant borrowings.

The Group's pledged bank deposits that are not denominated in the functional currencies of the relevant group entities are as follows:

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
USD	美元	667	664

Details of impairment are set out in note 45(b).

26. 受限制銀行結餘

於2020年6月30日，本集團的銀行結餘港幣13,098,000元(2019年：無)存放於銀行，其僅用作製作中的電影劇及中國藝人管理項目。有關金額將於電影製作及藝人管理項目完成後，才可提取。

減值詳情載於附註45(b)。

27. 已抵押銀行存款

於2020年6月30日，港幣667,000元(2019年：港幣664,000元)已抵押予銀行以擔保根據日期為2015年8月20日的4Dx設備租賃協議就本集團於租賃物業營運而應付予4Dx設備供應商的4Dx設備租賃費。已抵押銀行存款按固定年利率0.2%(2019年：0.45%)計息，並將於2020年8月20日(2019年：2019年8月20日)到期。

此外，於2020年6月30日，本集團的新已抵押銀行存款港幣21,000,000元(2019年：無)按固定年利率0.3%計息(2019年：無)，且抵押予銀行以擔保授予本集團的銀行借款。已抵押銀行存款將於償還相關借款後提取。

本集團以相關集團實體功能貨幣以外貨幣計值的已抵押銀行存款如下：

	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
USD	667	664

減值詳情載於附註45(b)。

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28. BANK BALANCES AND CASH

Bank balances and cash of the Group carry interest at market rates which are as follows:

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Interest rate per annum	年利率	0.01% to 0.29% 0.01%至0.29%	0.01% to 0.25% 0.01%至0.25%

The Group's bank balances and cash that are not denominated in the functional currencies of the relevant group entities are as follows:

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Australian Dollar ("AUD")	澳元(「澳元」)	11	207
RMB	人民幣	3,773	29,525
USD	美元	793	2,509
Euro ("EUR")	歐元(「歐元」)	-	1
HK\$	港幣	1,329	1,330
Singaporean Dollar ("SGD")	新加坡元(「新加坡元」)	-	24

28. 銀行結餘及現金

本集團銀行結餘及現金乃按以下市場利率計息：

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Interest rate per annum	年利率	0.01% to 0.29% 0.01%至0.29%	0.01% to 0.25% 0.01%至0.25%

本集團以相關集團實體功能貨幣以外貨幣計值的銀行結餘及現金如下：

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Australian Dollar ("AUD")	澳元(「澳元」)	11	207
RMB	人民幣	3,773	29,525
USD	美元	793	2,509
Euro ("EUR")	歐元(「歐元」)	-	1
HK\$	港幣	1,329	1,330
Singaporean Dollar ("SGD")	新加坡元(「新加坡元」)	-	24

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29. TRADE AND OTHER PAYABLES

29. 貿易及其他應付款項

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade payables	貿易應付款項	29,846	48,995
Payables in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的應付款項	–	10,534
Other payables and accruals	其他應付款項及應計費用	40,008	69,391
Investment funds from investors (note i)	來自投資者的投資基金(附註i)	22,481	51,015
Advances from former shareholder of subsidiaries acquired (note iii)	來自被收購附屬公司前股東的墊款(附註iii)	35,068	36,343
Consideration payable in respect of acquisition of a subsidiary (notes 41 and iv)	有關收購一間附屬公司的應付代價(附註41及iv)	52,800	–
Deposits received (note ii)	已收按金(附註ii)	929	1,116
Payable to film producers (note v)	應付電影製作人款項(附註v)	22,729	3,111
Accrued services fee for artiste management and TV series production (note vi)	有關演員管理及電視劇製作的應計服務費用(附註vi)	12,328	–
		216,189	220,505
Less: amount shown under non-current liabilities (note ii)	減：非流動負債項下呈列之金額(附註ii)	(383)	(950)
Amount shown under current liabilities	流動負債項下呈列之金額	215,806	219,555

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29. TRADE AND OTHER PAYABLES (Continued)

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

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 60 days	60日內	13,353	32,607
Within 61 to 90 days	61至90日	-	1
Within 91 to 365 days	91至365日	16,493	16,387
		29,846	48,995

Notes:

- (i) The investment funds from investors represent the share of return on investment to other investors of TV series produced by the Group.
- (ii) Deposits received represent deposits received from a cinema circuit operator in Hong Kong for a film to be theatrical release in Hong Kong and licensing deposits received from the licensee which are refundable at the expiry of the licenses. As at 30 June 2020, an amount of deposits received of HK\$546,000 (2019: HK\$166,000) will expire in November 2020 (2019: November 2019) and therefore the amount was classified as current liabilities. The amount of HK\$383,000 (2019: HK\$950,000), was to be expired in February 2022, and therefore was classified as non-current liabilities.
- (iii) The advances from former shareholder of subsidiaries acquired are non-trade related, unsecured, interest-free and repayable on demand.
- (iv) The consideration payable in respect of acquisition of a subsidiary represented the acquisition of 60% equity interest in Wenlan in March 2020. Details are set out in Note 41. As the amount will be settled within one year at the end of reporting period, therefore, it is classified as current liabilities.
- (v) The amounts represented the payable due to the film producers who placed their films to be released in the Group's film exhibition and the films had been completed its theatrical release during the year ended 30 June 2020.
- (vi) The amounts represented the accrued services fee payable to the artiste management agency, film director and scriptwriters of TV series production.

29. 貿易及其他應付款項(續)

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

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 60 days	60日內	13,353	32,607
Within 61 to 90 days	61至90日	-	1
Within 91 to 365 days	91至365日	16,493	16,387
		29,846	48,995

附註：

- (i) 來自投資者的投資基金指本集團所製作的電視劇的其他投資者之投資回報份額。
- (ii) 已收按金指就將在香港影院放映的一部電影已收香港電影院線運營商按金及自獲特許權人收取的於特許權屆滿時可退還的特許權港幣按金。於2020年6月30日，已收取港幣546,000元(2019年：港幣166,000元)的按金將於2020年11月(2019年：2019年11月)到期，因此該金額被分類為流動負債。該金額港幣383,000元(2019年：港幣950,000元)於2022年2月到期，因此分類為非流動負債。
- (iii) 來自被收購附屬公司前股東的墊款屬非貿易性質、無抵押、免息及須按要求償還。
- (iv) 有關收購一間附屬公司的應付代價指於2020年3月收購聞瀾的60%股權。詳情載於附註41。由於有關款項將於報告期末一年內結算，故分類為流動負債。
- (v) 有關款項指應付電影製作人款項，電影製作人的電影將於本集團電影放映上映，而有關電影已於截至2020年6月30日止年度完成其影院放映。
- (vi) 有關款項指應付有關演員管理經紀、電影監製及電視劇製作編劇的應計服務費用。

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30. CONTRACT LIABILITIES

30. 合約負債

		30 June 2020 2020年 6月30日 HK\$'000 港幣千元	1 July 2019 2019年 7月1日 HK\$'000 港幣千元
Advances from customers	客戶墊款	60,695	46,562

As at 1 July 2018, contract liabilities amounted to HK\$154,663,000.

The amount of HK\$46,562,000 as at 1 July 2019 had been recognised as the Group's revenue during the year ended 30 June 2020. The Directors considered that the entire amount of contract liabilities as at 30 June 2020 will be recognised as revenue within twelve months subsequent to 30 June 2020.

Deposits are received by the Group as the instalments of contribution from the PRC co-producers for film and TV series production in progress and advances of distribution and licensing income received from distributors prior to release and delivery of film negatives and TV series program. Payment terms are negotiated in contract by contract basis. When the Group receives certain percentage of deposits as an advance payment upon signing the contract, this will give rise to contract liabilities at the start of a contract, until the revenue is recognised upon the relevant performance obligation is fulfilled.

於2018年7月1日，合約負債為港幣154,663,000元。

於2019年7月1日的金額為港幣46,562,000元已於截至2020年6月30日止年度確認為本集團的收益。董事認為，於2020年6月30日的全部合約負債金額將於2020年6月30日其後十二個月內確認為收益。

本集團已收按金指中國聯合製片商就製作中電影及電視劇作出的分期出資及於影院放映及交付電影及電視劇菲林底片前已收發行商的發行及發行權使用許可收入預收款項。付款期限根據合約於合約內磋商。當本集團於簽訂合約並收取若干百分比的訂金作為預收款項時，會於合約開始時產生合約負債，直至相關履約責任完成後確認收益為止。

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31. BANK AND OTHER BORROWINGS

31. 銀行及其他借款

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Secured bank borrowings:	已抵押銀行借款：		
Variable-rate bank borrowing (note 1)	浮動利率銀行借款(附註1)	–	22,800
Fixed-rate bank borrowings (note 1)	定息銀行借款(附註1)	22,000	3,420
		22,000	26,220
Unsecured other borrowing (note 2)	未抵押其他借款(附註2)	45,000	39,000
		67,000	65,220

The Group's bank and other borrowings are repayable as follows:

本集團銀行及其他借款需於以下期間償還：

Carrying amount repayable (based on scheduled repayment terms):

應償還賬面值(基於預定還款期)：

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year or on demand	一年內或須按要求償還	22,000	65,220
More than one year, but not exceeding two years	一年以後兩年以內	45,000	–
		67,000	65,220
Less: Amounts due shown under current liabilities:	減：於流動負債項下列示的應付款項：		
On demand or due within one year	按要求或一年內到期	(3,300)	(65,220)
Due within one year and contain a repayment on demand clause	一年內到期但具按要求償還條款	(18,700)	–
Amounts due after one year	一年後到期的款項	45,000	–

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31. BANK AND OTHER BORROWINGS (Continued)

Notes:

- (1) During the year ended 30 June 2020, the Group obtained new bank borrowings amounting to approximately HK\$22,000,000 (2019: HK\$26,220,000) and repaid bank borrowings of HK\$26,220,000 (2019: HK\$12,866,000). The Group's bank borrowings are repayable within one year and denominated in RMB.
- (2) The other borrowing is due to Pure Project Limited in which Mr. Wong has controlling interests during the years ended 30 June 2020 and 2019. Mr. Wong resigned as the executive director of the Company on 1 April 2019 and therefore, the advance was classified as other borrowing since 1 April 2019. The other borrowing of HK\$39,000,000 as at 30 June 2019 was unsecured interest-free and repayable on demand. During the year ended 30 June 2020, the Group borrowed an additional advance of HK\$6,000,000 from Mr. Wong. As at 30 June 2020, the Group obtained an extension of maturity date of the other borrowing from Pure Project Limited for more than one year and therefore, the other borrowing is unsecured, interest-free and classified as non-current liabilities.

The ranges of effective interest rates (which are also equal to contracted interest rates) per annum on the Group's bank borrowings are analysed as follows:

		2020 2020年	2019 2019年
Fixed-rate bank borrowings RMB denominated borrowings	定息銀行借款人民幣 計值借款	4.5% and 4.8% 4.5%及4.8%	7.2% 7.2%
Variable-rate bank borrowings RMB denominated borrowings	浮息銀行借款人民幣 計值借款	N/A 不適用	Benchmark Borrowing Rate of the People's Bank of China + 0.91% 中國人民 銀行基準借款利率 + 0.91%

The bank borrowings are secured by bank deposits of HK\$21,000,000 and guaranteed by an insurance company in the PRC (2019: secured by trade receivables of RMB32,627,000 (equivalent to HK\$37,195,000) and guaranteed by an insurance company in the PRC).

31. 銀行及其他借款(續)

附註：

- (1) 截至2020年6月30日止年度，本集團取得新銀行借款約港幣22,000,000元（2019年：26,220,000元），並償還銀行借款港幣26,220,000元（2019年：港幣12,866,000元）。本集團的銀行借款須於一年內償還，並按人民幣計值。
- (2) 其他借款為應付黃先生於截至2020年及2019年6月30日止年度擁有控股權益的盧威有限公司之款項。黃先生於2019年4月1日辭任本公司執行董事，故墊款自2019年4月1日分類為其他借款。於2019年6月30日的其他借款港幣39,000,000元為無抵押、免息及須按要償還。截至2020年6月30日止年度，本集團向黃先生借入額外墊款港幣6,000,000元。於2020年6月30日，本集團自盧威有限公司取得其他借款起過一年的延長期限，故其他借款為無抵押、免息及分類非流動負債。

本集團銀行借款之實際年利率範圍（亦相等於已訂約利率）的分析如下：

銀行借款乃以銀行存款港幣21,000,000元作抵押及由一間中國保險公司提供擔保（2019年：以貿易應收款項人民幣32,627,000元（相當於港幣37,195,000元）作抵押及由一間中國保險公司提供擔保）。

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32. LOANS FROM RELATED COMPANIES

32. 來自關聯公司的貸款

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loans from related companies	關聯公司貸款		
- Loan 1 (note i)	- 貸款1(附註i)	-	36,473
- Loan 2 (note ii)	- 貸款2(附註ii)	-	161,695
- Loan 3 (note iii)	- 貸款3(附註iii)	25,303	27,801
- Loan 4 (note iv)	- 貸款4(附註iv)	89,721	-
- Loan 5 (note v)	- 貸款5(附註v)	5,000	-
		120,024	225,969
Analysed as:	分析為:		
- Current liabilities	- 流動負債	30,303	64,274
- Non-current liabilities	- 非流動負債	89,721	161,695
		120,024	225,969

Notes:

- (i) On 11 January 2019, Guangzhou Daide Management Consultancy Company Limited ("Guangzhou Daide"), a wholly-owned subsidiary of the Company, borrowed an aggregate loan advances of RMB31,000,000 (equivalent to HK\$34,100,000) from Guangzhou Seedland Real Estate Development Limited ("Guangzhou Seedland"), a company in which Mr. Zhang, the controlling shareholder and the executive director of the Company, has controlling interests. The loan advances are unsecured, interest-bearing at 7% per annum and repayable in January 2021. On 1 July 2019, Guangzhou Daide and Guangzhou Seedland signed a supplemental loan agreement to change the interest rate from 7% per annum to zero with all other terms remain constant.

On 25 June 2020, Guangzhou Daide and Guangzhou Seedland entered in a loan assignment agreement with Guangzhou Puji Real Estate Agency Co. Limited ("Guangzhou Puji"), a related company in which Mr. Zhang has controlling interests, that Guangzhou Seedland agreed to assign the outstanding loan principal payable of RMB31,000,000 (equivalent to HK\$34,100,000) by Guangzhou Daide to Guangzhou Puji.

附註:

- (i) 於2019年1月11日，廣州戴德管理諮詢有限公司（「廣州戴德」（本公司一間全資附屬公司））向廣州實地房地產開發有限公司（「廣州實地」（本公司的控股股東及執行董事張先生於該公司擁有控股權益））借入合共貸款墊款人民幣31,000,000元（相當於港幣34,100,000元）。貸款墊款為無抵押、按年利率7%計息以及須於2021年1月償還。於2019年7月1日，廣州戴德與廣州實地簽署補充貸款協議，以將年利率7%變更為0%，所有其他條款維持不變。

於2020年6月25日，廣州戴德及廣州實地與Guangzhou Puji Real Estate Agency Co. Limited（「Guangzhou Puji」（一間張先生擁有控股權益的關聯公司））訂立一份貸款轉讓協議，據此，廣州實地同意轉讓廣州戴德的未償還貸款本金人民幣31,000,000元（相當於港幣34,100,000元）予Guangzhou Puji。

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32. LOANS FROM RELATED COMPANIES

(Continued)

Notes: (Continued)

(i) (Continued)

On 29 June 2020, the shareholders of Guangzhou Daide approved to issue a perpetual bond amounted to RMB31,000,000 (equivalent to HK\$34,100,000) to Guangzhou Puji for the outstanding loan balance owed to Guangzhou Puji, in which the perpetual bond is unsecured, interest-bearing at 4.5% per annum and Guangzhou Daide has the right to defer its repayment of interests payable to Guangzhou Puji. Therefore, the perpetual bond issued by Guangzhou Daide is classified as an equity instrument issued by the Group.

(ii) Guangzhou Huohua Investment Company Limited ("Guangzhou Huohua"), a wholly owned subsidiary of the Company, borrowed loan advances of RMB135,000,000 (equivalent to HK\$148,500,000) and RMB20,000,000 (equivalent to HK\$22,000,000), in January 2019 and September 2019 respectively, from Guangzhou Seedland. The loan advances are unsecured, interest-bearing at 7% per annum and the loans amount with interests accrued are repayable in 3 years after the loan's drawdown date. On 1 July 2019, Guangzhou Huohua and Guangzhou Seedland signed a supplemental loan agreement to change the interest rate from 7% per annum to zero with all other terms remain constant.

On 25 June 2020, Guangzhou Huohua and Guangzhou Seedland entered in a loan assignment agreement with Guangzhou Puji that Guangzhou Seedland agreed to assign the outstanding loan principal by Guangzhou Huohua to Guangzhou Puji.

On 29 June 2020, the shareholders of Guangzhou Houhua approved to issue a perpetual bond amounted to RMB155,000,000 (equivalent to HK\$170,500,000) to Guangzhou Puji for the outstanding loan balance owed to Guangzhou Puji, in which the perpetual bond is unsecured, interest-bearing at 4.5% per annum and Guangzhou Houhua has the right to defer its repayment of interests payable to Guangzhou Puji. Therefore, the perpetual bond issued by Guangzhou Houhua is classified as an equity instrument issued by the Group.

32. 來自關聯公司的貸款(續)

附註：(續)

(i) (續)

於2020年6月29日，廣州戴德股東同意就欠付 Guangzhou Puji 的未償還貸款結餘向 Guangzhou Puji 發行永續債人民幣31,000,000元(相當於港幣34,100,000元)，當中永續債為無抵押、按年利率4.5%計息，而廣州戴德有權延遲償還應付 Guangzhou Puji 的利息。因此，廣州戴德發行的永續債被分類為本集團發行的權益工具。

(ii) 於2019年1月及2019年9月，廣州火花投資有限公司(「廣州火花」)(本公司一間全資附屬公司)向廣州實地分別借入貸款墊款人民幣135,000,000元(相當於港幣148,500,000元)及人民幣20,000,000元(相當於港幣22,000,000元)。貸款墊款為無抵押、按年利率7%計息而貸款金額及應計利息須於貸款提取日期後3年內償還。於2019年7月1日，廣州火花與廣州實地簽署補充貸款協議，以將年利率7%變更為0%，所有其他條款維持不變。

於2020年6月25日，廣州火花及廣州實地與 Guangzhou Puji 訂立一份貸款轉讓協議，據此，廣州實地同意轉讓廣州戴德的未償還貸款本金予 Guangzhou Puji。

於2020年6月29日，廣州火花股東同意就欠付 Guangzhou Puji 的未償還貸款結餘向 Guangzhou Puji 發行永續債人民幣155,000,000元(相當於港幣170,500,000元)，當中永續債為無抵押、按年利率4.5%計息，而廣州火花有權延遲償還應付 Guangzhou Puji 的利息。因此，廣州火花發行的永續債被分類為本集團發行的權益工具。

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32. LOANS FROM RELATED COMPANIES

(Continued)

Notes: (Continued)

- (iii) During the year ended 30 June 2019, Khorgas Houhai Culture Media Company Limited (“Khorgas Houhai”), a wholly owned subsidiary of the Company, borrowed an aggregate loan advances of RMB38,000,000 (equivalent to HK\$43,700,000) from Guangzhou Seedland. The loan advances are unsecured, interest-bearing at 7% per annum and repayable on 31 December 2019. The Group made a partial repayment of RMB15,000,000 (equivalent to HK\$17,250,000) with interest payable to Guangzhou Seedland during the year ended 30 June 2019. Remaining principal amount of RMB23,000,000 (equivalent to HK\$25,300,000) with interest payable was settled in the current year.

During the year ended 30 June 2020, Khorgas Houhai, borrowed a new loan advance of RMB23,000,000 (equivalent to HK\$25,303,000) from Guangzhou Puji. The loan advance is unsecured, interest-bearing at 7% per annum and repayable within one year. Therefore the loan is classified as current liabilities as at 30 June 2020.

- (iv) The balance represents a loan advance of RMB43,520,000 (equivalent to HK\$47,872,000) and a loan advance of RMB35,000,000 (equivalent to HK\$38,500,000) plus accrued interests of RMB3,044,000 (equivalent to HK\$3,349,000) as at 30 June 2020 from Guangzhou Black Hole Investment Limited (“Black Hole”), a company in which Mr. Zhang has controlling interests. The loan advance is unsecured, interest bearing at 7% per annum and repayable in July 2021 and August 2021, respectively. Therefore, the amount is classified as non-current liabilities at 30 June 2020.
- (v) During the year 30 June 2020, the Group borrowed a loan advance of HK\$5,000,000 from Skynova International Limited, a company in which Mr. Zhang has controlling interests. The loan advance is unsecured, interest-free and repayable on 31 December 2020. Therefore, the amount is classified as current liabilities at 30 June 2020.

33. AMOUNT DUE TO A CONTROLLING SHAREHOLDER

The amount is due to Mr. Zhang, the controlling shareholder of the Company, in which the amount is unsecured, interest-free and has no fixed repayment terms.

32. 來自關聯公司的貸款(續)

附註：(續)

- (iii) 截至2019年6月30日止年度，霍爾果斯厚海文化傳媒有限公司(「霍爾果斯厚海」)(本公司一間全資附屬公司)向廣州實地借入合共貸款墊款人民幣38,000,000元(相當於港幣43,700,000元)。貸款墊款為無抵押、按年利率7%計息以及須於2019年12月31日償還。本集團已於截至2019年6月30日止年度向廣州實地繳付部分還款人民幣15,000,000元(相當於港幣17,250,000元)連同應付利息。餘下本金人民幣23,000,000元(相當於港幣25,300,000元)連同應付利息已於本年度結付。

截至2020年6月30日止年度，霍爾果斯厚海向Guangzhou Puji借入新貸款墊款人民幣23,000,000元(相當於港幣25,303,000元)。貸款墊款為無抵押、按7%年利率計息及須於一年內償還。因此，於2020年6月30日，貸款被分類為流動負債。

- (iv) 結餘指 Guangzhou Black Hole Investment Limited (「Black Hole」)(一間張先生擁有控股權益的公司)於2020年6月30日的貸款墊款人民幣43,520,000元(相當於港幣47,872,000元)及貸款墊款人民幣35,000,000元(相當於港幣38,500,000元)另加應計利息人民幣3,044,000元(相當於港幣3,349,000元)。貸款墊款為無抵押、按年利率7%計息以及分別須於2021年7月及2021年8月償還。因此，於2020年6月30日，有關金額被分類為非流動負債。
- (v) 截至2020年6月30日止年度，本集團向Skynova International Limited(一間張先生擁有控股權益的公司)借入貸款墊款港幣5,000,000元。貸款墊款為無抵押、免息及須於2020年12月31日償還。因此，於2020年6月30日，有關金額被分類為流動負債。

33. 應付一名控股股東款項

應付本公司控股股東張先生的款項屬無抵押、免息及無固定還款期。

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34. BONDS PAYABLE

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Bonds payable	應付債券		
Bond 1	債券1	33,500	22,000
Bond 2	債券2	14,500	–
Bond 3	債券3	3,500	–
		51,500	22,000
Analysed as:	分析為：		
Current	流動	22,000	–
Non-current	非流動	29,500	22,000
		51,500	22,000

Bond 1

On 16 May 2019, the Company has entered into the placing agreement with the placing agent pursuant to which the placing agent conditionally agreed to procure, on a best effort basis, and the placees who are independent third parties to the Group to subscribe in cash for the bonds ("Bond 1") in an aggregate amount of up to HK\$150,000,000 with a maturity date of one year from the issue date.

Bond 1 will be issued in tranches and Bond 1 are unsecured, unsubordinated and carried at fixed coupon rate of 9% per annum which are payable semi-annually in advance from the date of issue of Bond 1. During the year ended 30 June 2020, the Company issued in aggregate amount of HK\$33,500,000 (2019: HK\$22,000,000) to the places of Bond 1 and a prepayment of bond interests payable in advance amounted to HK\$1,039,000 (2019: HK\$884,000) which is included in trade and other receivables (note 23).

Based on the terms of the placing agreement, the Company has the unconditional right to extend the maturity date of Bond 1 for another one year from the initial maturity date. Therefore, Bond 1 of HK\$11,500,000 is classified as non-current liabilities (2019: HK\$22,000,000) while the remaining HK\$22,000,000 (2019: Nil) is due on May 2021 and therefore classified as current liabilities as at 30 June 2020.

34. 應付債券

債券1

於2019年5月16日，本公司已與配售代理訂立配售協議，據此，配售代理有條件同意按竭盡所能基準促使承配人（彼等均為本集團的獨立第三方）以現金認購債券（「債券1」），總金額最高為港幣150,000,000元，到期日為自發行日期起計一年。

債券1將分批發行，而債券1為無抵押、非後償並按每年9%固定票面年利率計息，並須於債券1發行日期起計提前半年支付。於截至2020年6月30日止年度，本公司發行總額港幣33,500,000元（2019年：港幣22,000,000元）予債券1承配人，而應付債券利息的預付款項港幣1,039,000元（2019年：港幣884,000元）計入貿易及其他應收款項（附註23）。

根據配售協議之條款，本公司有權無條件將債券1的到期日自首次到期日起計延長一年。因此，債券1港幣11,500,000元被分類為非流動負債（2019年：港幣22,000,000元），而餘下港幣22,000,000元（2019年：無）於2021年5月到期，故於2020年6月30日分類為流動負債。

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34. BONDS PAYABLE (Continued)

Bond 2

On 16 September 2019, the Company has entered into new placing agreement with the placing agent pursuant to which the placing agent conditionally agreed to procure, on a best effort basis, and the placees who are independent third parties to the Group to subscribe in cash for the bonds ("Bond 2") in an aggregate amount of up to HK\$150,000,000 with a maturity date of three years from the issue date. Based on the terms of the placing agreement, Bond 2 are matured on the third anniversary of the date of the issue of Bond 2 or any such other dates as mutually agreed in writing and shortened or extended by the Company and the placing agent.

Bond 2 will be issued in tranches and Bond 2 are unsecured, unsubordinated and carried at fixed coupon rate of 6.5% per annum which are payable semi-annually in arrears from the date of issue of Bond 2. During the year ended 30 June 2020, the Company issued an aggregate amount of HK\$14,500,000 (2019: Nil) to the placees of Bond 2 and an accrual of bond interests payable in arrears amounted to HK\$233,000 (2019: Nil) which is included in trade and other payables (note 29).

Bond 3

On 24 February 2020, the Company has entered into a new placing agreement with the placing agent pursuant to which the placing agent conditionally agreed to procure, on a best effort basis, and the placees who are independent third parties to the Group to subscribe in cash for the bonds ("Bond 3") in an aggregate amount of up to HK\$150,000,000 with a maturity date of three years from the issue date. Based on the terms of the placing agreement, Bond 3 are matured on the third anniversary of the date of the issue of Bond 3 or any such other dates as mutually agreed in writing and shortened or extended by the Company and the placing agent.

Bond 3 will be issued in tranches and Bond 3 are unsecured, unsubordinated and carried at fixed coupon rate of 6.5% per annum which are payable semi-annually in advance from the date of issue of Bond 3. During the year ended 30 June 2020, the Company issued an aggregate amount of HK\$3,500,000 (2019: Nil) to the placees of Bond 3 and a prepayment of bond interests payable in advance amounted to HK\$89,000 (2019: Nil) which is included in trade and other receivables (note 23).

34. 應付債券(續)

債券2

於2019年9月16日，本公司已與配售代理訂立新配售協議，據此，配售代理有條件地同意按竭盡所能基準促使承配人（彼等均為本集團的獨立第三方）以現金認購債券（「債券2」），總金額最高為港幣150,000,000元，到期日為自發行日期起計三年。根據配售協議之條款，債券2於發行債券2日期滿三週年當日或由本公司與代理配售雙方以書面協定及縮短或延長的任何有關其他日期到期。

債券2將分批發行，而債券2為無抵押、非後償並按每年6.5%固定票面年利率計息，自債券2發行日期起計每半年支付一次。於截至2020年6月30日止年度，本公司發行總額港幣14,500,000元（2019年：無）予債券2承配人，而應付應計債券利息港幣233,000元（2019年：無）計入貿易及其他應付款項（附註29）。

債券3

於2020年2月24日，本公司已與配售代理訂立新配售協議，據此，配售代理有條件地同意按竭盡所能基準促使承配人（彼等均為本集團的獨立第三方）以現金認購債券（「債券3」），總金額最高為港幣150,000,000元，到期日為自發行日期起計三年。根據配售協議之條款，債券3於發行債券3日期滿三週年當日或由本公司與代理配售雙方以書面協定及縮短或延長的任何有關其他日期到期。

債券3將分批發行，而債券3為無抵押、非後償並按每年6.5%固定票面年利率計息，自債券3發行日期起計提前半年支付。於截至2020年6月30日止年度，本公司發行總額港幣3,500,000元（2019年：無）予債券3承配人，而應付債券利息的預付款項港幣89,000元（2019年：無）計入貿易及其他應收款項（附註23）。

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35. AMOUNT DUE TO A JOINT VENTURE

The amount is trade-related, unsecured, interest-free and repayable on demand.

36. LEASE LIABILITIES

Information about leases for which the Group is a lessee is presented below.

35. 應付一間合營企業款項

該款項乃貿易性質、無抵押、免息及須按要求償還。

36. 租賃負債

有關本集團作為承租人的租賃資料呈列如下。

		30 June 2020 2020年 6月30日 HK\$'000 港幣千元
Lease liabilities payable:	應付租賃負債：	
Within one year	一年內	71,962
Within a period of more than one year but not exceeding two years	一年以後兩年以內	99,935
Within a period of more than two years but not exceeding five years	兩年以後五年以內	353,191
Within a period of more than five years	五年以後	232,364
		757,452
Less: Amount due for settlement within 12 months shown under current liabilities	減：流動負債項下呈列之應於十二個月內償還的款項	(71,962)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債項下呈列之應於十二個月後償還的款項	685,490

The weighted average incremental borrowing rate applied is 7% per annum. All lease obligations are denominated in the functional currencies of the relevant group entities.

所應用之加權平均增量借款利率每年為7%。所有租賃責任以相關集團實體的功能貨幣計值。

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37. SHARE CAPITAL

37. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Ordinary shares of HK\$0.0025 each:	每股面值港幣0.0025元的普通股：		
Authorised:	法定：		
At 1 July 2018, 30 June 2019 and 30 June 2020	於2018年7月1日、2019年6月30日 及2020年6月30日	32,000,000,000	80,000
Issued and fully paid:	已發行及繳足：		
At 1 July 2018, 30 June 2019 and 30 June 2020	於2018年7月1日、2019年6月30日 及2020年6月30日	2,595,613,733	6,489

38. PERPETUAL BONDS

38. 永續債

On 29 June 2020, two wholly-owned subsidiaries of the Company issued perpetual bonds (the "issuers") amounted to RMB31,000,000 (equivalent to HK\$34,100,000) and RMB155,000,000 (equivalent to HK\$170,500,000), respectively to Guangzhou Puji, a related company in which Mr. Zhang, the controlling shareholder and the executive director of the Company has controlling interest, and the perpetual bonds are redeemable at the issuers' option on or after 28 June 2025. Interests are payable annually in arrears at a fixed rate of 4.5% per annum, which may be deferred at the issuers' discretion and in which event, the Company and the issuers will not declare or pay any interests or redeem, reduce, cancel or buy back or otherwise acquire any of the Company's and/or the issuer's securities of lower or equal rank.

The Group is considered to have no contractual obligations to call its principal or to pay any interests. The perpetual bonds do not meet the definition for classification as a financial liabilities. They are classified as equity instruments and future interests are treated as dividends distribution.

於2020年6月29日，本公司的兩間全資附屬公司（「發行人」）向Guangzhou Puji（本公司控股股東及執行董事張先生擁有控股權益的關聯公司）發行為數人民幣31,000,000元（相當於港幣34,100,000元）及人民幣155,000,000元（相當於港幣170,500,000元）的永續債，而發行人可選擇於2025年6月28日或之後分派贖回永續債。利息按固定年利率4.5%支付，而發行人可酌情延遲有關利息，於此情況下，本公司及發行人不會宣派或派付任何利息或贖回、削減、註銷或購回或以其他方式收購本公司及／或發行人的較低或同等級別的證券。

本集團被視為無合約責任償還其本金或支付任何利息。永續債並不符合金融負債分類的定義。其被分類為權益工具，而未來利息被視為股息分派。

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39. DEFERRED TAX ASSETS (LIABILITIES)

The followings are the deferred tax assets (liabilities) recognised by the Group and movements thereon during the current and prior years:

39. 遞延稅項資產(負債)

本集團於本年度及過往年度確認的遞延稅項資產(負債)及其變動如下：

		Tax losses	Accelerated tax depreciation	Intangible assets arising on acquisition	Total
		稅項虧損	加速稅項折舊	收購事項產生的無形資產	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 July 2018	於2018年7月1日	1,457	(278)	-	1,179
(Charge) credit to profit or loss (note 9)	(支銷)計入損益(附註9)	(211)	227	-	16
Disposal of subsidiaries (note 42)	出售附屬公司(附註42)	(1,111)	77	-	(1,034)
At 30 June 2019	於2019年6月30日	135	26	-	161
Credit to profit or loss (note 9)	計入損益(附註9)	69	67	1,098	1,234
Acquisition of subsidiaries (note 41)	收購附屬公司(附註41)	2,414	-	(26,701)	(24,287)
Exchange adjustments	匯兌調整	-	-	(42)	(42)
At 30 June 2020	於2020年6月30日	2,618	93	(25,645)	(22,934)

For the purpose of presentation in the consolidated statement of financial position, and the following is the analysis of the deferred tax balances for financial reporting purposes:

就綜合財務報表的呈列而言，有關財務報告的遞延稅項結餘的分析如下：

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Deferred tax assets	遞延稅項資產	297	161
Deferred tax liabilities	遞延稅項負債	(23,231)	-
		(22,934)	161

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39. DEFERRED TAX ASSETS (LIABILITIES)

(Continued)

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to undistributed earnings of the Group's PRC subsidiaries as 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.

At the end of the reporting period, the Group has unused tax losses of HK\$402,563,000 (2019: HK\$235,070,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$9,544,000 (2019: HK\$821,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax loss of HK\$393,019,000 (2019: HK\$234,249,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$5,235,000, HK\$47,688,000 and HK\$52,667,000 (2019: HK\$927,000, HK\$5,235,000 and HK\$47,688,000 will expire in 2020, 2021 and 2022, respectively) that will expire in 2021, 2022 and 2023, respectively. Other losses may be carried forward indefinitely.

39. 遞延稅項資產(負債)(續)

根據企業所得稅法，中國附屬公司就自2008年1月1日起賺取的溢利所宣派的股息須繳納預提稅。本集團並未就歸屬於本集團中國附屬公司未分派盈利的暫時差額於綜合財務報表計提遞延稅項，原因是本集團能控制暫時差額回撥的時間以及該暫時差額於可預見未來可能不會撥回。

於報告期末，本集團有未動用稅項虧損港幣402,563,000元(2019年：港幣235,070,000元)可作抵銷未來溢利。本集團已就相關虧損港幣9,544,000元(2019年：港幣821,000元)確認遞延稅項資產。由於未來溢利流之不可預測性，本集團並未就餘下稅項虧損港幣393,019,000元(2019年：港幣234,249,000元)確認遞延稅項資產。未確認稅項虧損包括將分別於2021年、2022年及2023年屆滿之虧損港幣5,235,000元、港幣47,688,000元及港幣52,667,000元(2019年：港幣927,000元、港幣5,235,000元及港幣47,688,000元分別將於2020年、2021年及2022年屆滿)。其他虧損可能無限期結轉。

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40. SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme

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

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

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

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

As at 30 June 2020 and 2019, there were no share options granted under the Scheme by the Company.

40. 以股份為基礎付款的交易

購股權計劃

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

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

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

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

於2020年及2019年6月30日，本公司概無根據該計劃授出購股權。

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41. ACQUISITION OF SUBSIDIARIES

On 10 September 2019, Guangzhou Daide entered into an equity transfer agreement with a group of third party sellers (the "Sellers") and Wenlan. Under the agreement, Guangzhou Daide conditionally agreed to acquire, and Chen Jie (the "Seller One") and 上海艾播文化傳播有限公司 (Shanghai Aibo Culture Communication Co., Ltd.*) (the "Seller Three") conditionally agreed to sell, the equity interest collectively hold by Seller One and Seller Three, representing 60% equity interest in Wenlan, at an aggregate consideration of RMB96,000,000 (equivalent to HK\$105,600,000) and 壽瑋達 (the "Seller Two") and 上海薈喆企業管理中心 (有限合夥) (Shanghai Huizhe Enterprise Management Center Co., Ltd.*) (the "Seller Four") agreed to grant the call option to Guangzhou Daide for purchasing the remaining 40% equity interest in Wenlan (the "Acquisition").

On the same day, Guangzhou Daide, the Sellers and Wenlan also entered into a profit guarantee agreement, pursuant to which and subject to the completion of the acquisition, the Seller Two and the Seller Four undertake to Guangzhou Daide that the aggregated profit for the profit guarantee period from 1 September 2019 to 31 December 2022 shall be not less than RMB70,000,000. If the profit guarantee is met, Guangzhou Daide can exercise its sole and discretionary right for the call option to acquire the 40% equity interest in Wenlan at the consideration set out in the equity transfer agreement. The Acquisition was completed on 12 March 2020. The Acquisition had been accounted for using the acquisition method. Wenlan was principally engaged in the planning of culture and entertainment and the performance agent and the training for music bands businesses.

41. 收購附屬公司

於2019年9月10日，廣州戴德與一組第三方賣方（「賣方」）及聞瀾訂立股權轉讓協議。根據協議，廣州戴德有條件同意收購而陳捷（「賣方一」）與上海艾播文化傳播有限公司（「賣方三」）有條件同意出售由賣方一及賣方三共同持有的股權（即於聞瀾60%的股權），總代價為人民幣96,000,000元（相當於港幣105,600,000元），而壽瑋達（「賣方二」）與上海薈喆企業管理中心（有限合夥）（「賣方四」）同意就購買聞瀾餘下40%的股權向廣州戴德授出認購期權（「收購事項」）。

同日，廣州戴德、賣方與聞瀾亦訂立溢利保證協議，據此及待收購事項完成後，賣方二及賣方四向廣州戴德承諾，溢利保證期間（2019年9月1日至2022年12月31日）的合計溢利總額將不低於人民幣70,000,000元。倘溢利保證達成，廣州戴德可就認購期權行使全權酌情，以按股權轉讓協議所載代價收購聞瀾40%股權。收購事項於2020年3月12日完成。收購事項已採用收購法入賬。聞瀾主要從事策劃文化及娛樂活動及演出經紀人以及培訓音樂樂隊業務。

		30 June 2020 2020年 6月30日 HK\$'000 港幣千元
Consideration transferred	轉撥的代價	
Cash	現金	52,800
Consideration payable (note 29)	應付代價(附註29)	52,800
Total	總計	105,600

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41. ACQUISITION OF SUBSIDIARIES (Continued)

The fair values of net identifiable assets of Wenlan at the date of acquisition (determined on a provisional basis) were as follows:

		At the date of acquisition
		於收購日期
		HK\$'000
		港幣千元
Plant and equipment (note 14)	廠房及設備(附註14)	125
Right-of-use assets (note 15)	使用權資產(附註15)	1,059
Intangible assets (note 17)	無形資產(附註17)	106,805
Deferred tax assets (note 39)	遞延稅項資產(附註39)	2,414
Trade and other receivables	貿易及其他應收款項	1,287
Tax recoverable	可收回稅項	54
Bank balances and cash	銀行結餘及現金	2,589
Other payables	其他應付款項	(887)
Lease liabilities	租賃負債	(1,051)
Deferred tax liabilities (note 39)	遞延稅項負債(附註39)	(26,701)
Net assets acquired	所收購資產淨值	85,694

Non-controlling interests

The non-controlling interest in Wenlan at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Wenlan and amounted to HK\$34,278,000.

Goodwill arising on acquisition (determined on a provisional basis)

		At the date of acquisition
		於收購日期
		HK\$'000
		港幣千元
Consideration transferred	轉撥的代價	105,600
Plus: non-controlling interests	加：非控股權益	34,278
Less: net assets acquired	減：所收購資產淨值	(85,694)
Goodwill arising on acquisition (note 16)	收購事項產生的商譽(附註16)	54,184

41. 收購附屬公司(續)

於收購日期，聞瀾的可識別資產淨值公平值(按暫定基準釐定)如下：

		At the date of acquisition
		於收購日期
		HK\$'000
		港幣千元
Plant and equipment (note 14)	廠房及設備(附註14)	125
Right-of-use assets (note 15)	使用權資產(附註15)	1,059
Intangible assets (note 17)	無形資產(附註17)	106,805
Deferred tax assets (note 39)	遞延稅項資產(附註39)	2,414
Trade and other receivables	貿易及其他應收款項	1,287
Tax recoverable	可收回稅項	54
Bank balances and cash	銀行結餘及現金	2,589
Other payables	其他應付款項	(887)
Lease liabilities	租賃負債	(1,051)
Deferred tax liabilities (note 39)	遞延稅項負債(附註39)	(26,701)
Net assets acquired	所收購資產淨值	85,694

非控股權益

於收購日期在聞瀾的非控股權益乃按比例分佔聞瀾已確認資產淨值金額計量，為數港幣34,278,000元。

收購事項產生的商譽(按暫定基準釐定)

		At the date of acquisition
		於收購日期
		HK\$'000
		港幣千元
Consideration transferred	轉撥的代價	105,600
Plus: non-controlling interests	加：非控股權益	34,278
Less: net assets acquired	減：所收購資產淨值	(85,694)
Goodwill arising on acquisition (note 16)	收購事項產生的商譽(附註16)	54,184

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41. ACQUISITION OF SUBSIDIARIES (Continued)

Non-controlling interests (Continued)

Goodwill arising on acquisition (determined on a provisional basis) (Continued)

Goodwill arose in the acquisition of Wenlan because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Wenlan. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Besides, the fair value of the call option is not significant and included in goodwill arising an acquisition.

None of the goodwill arising on this acquisition was expected to be deductible for tax purpose.

Net cash outflow arising on acquisition:

		HK\$'000 港幣千元
Cash consideration	現金代價	(52,800)
Cash and cash equivalents acquired	所收購現金及現金等價物	2,589
		(50,211)

The fair value of trade and other receivables amounted to HK\$1,287,000, representing gross contractual amounts at the date of acquisition and contractual cash flows are expected to be fully collected.

The fair value of the assets and liabilities acquired and goodwill have been determined on a provisional basis, awaiting the completion of the identification of separate intangible assets and valuation of the identifiable assets and liabilities.

The acquiree contributed revenue of HK\$1,088,000 and profit of HK\$96,000 to the Group for the period between the date of acquisition and 30 June 2020.

Had the acquisition been completed on 1 July 2019, total group revenue for the year would have been HK\$487,025,000, and loss for the year would have been HK\$125,646,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 July 2019, nor is it intended to be a projection of future results.

In determining the "pro-forma" revenue and profit of the Group had Wenlan been acquired at the beginning of the current year, the Directors have determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

41. 收購附屬公司(續)

非控股權益(續)

收購事項產生的商譽(按暫定基準釐定)(續)

收購聞瀾所產生的商譽乃因合併之成本包括控制權溢價。此外，已付合併代價實際上包括與預期協同效應、收益增長、未來市場發展以及聞瀾之組合勞動力有關的金額。該等收益並無與商譽分開確認，原因是其不符合可識別無形資產之確認標準。此外，認購期權的公平值並不重大，並計入收購事項產生的商譽。

收購事項產生的商譽預期不會因稅項而減扣。

收購產生之現金流出淨額：

	HK\$'000 港幣千元
	(52,800)
	2,589
	(50,211)

貿易及其他應收款項之公平值為港幣1,287,000元，指於收購日期之合約總金額及預期將悉數收回的合約現金流量。

所收購資產及負債以及商譽的公平值已按臨時基準釐定，待獨立無形資產識別以及可識別資產及負債估值完成後方可作實。

於收購日期及2020年6月30日期間，被收購方為本集團貢獻收益港幣1,088,000元及溢利港幣96,000元。

倘收購於2019年7月1日完成，則年內集團總收益將為港幣487,025,000元，而年內虧損將為港幣125,646,000元。備考資料僅供說明，不一定為本集團實際原應達致之收益及營運業績(倘收購於2019年7月1日完成)的指標，亦不旨在作為未來業績的預測。

於釐定本集團之「備考」收益及溢利(倘聞瀾於本年度開始時已獲收購)時，董事已根據本集團於業務合併後之資金水平、信貸評級及債務/股權狀況，釐定借貸成本。

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For the year ended 30 June 2020 截至2020年6月30日止年度

41. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019

During the year ended 30 June 2019, the Group had acquired the entire equity interest in 霍爾果斯厚海文化傳媒有限公司 (Khorgas Houhai Culture Media Company Limited) and its subsidiary, 北京聚海文化傳媒有限公司 (Beijing Juhai Culture Media Company Limited) (collectively known as the "Khorgas Group") at a consideration of RMB450,000,000 (equivalent to HK\$517,500,000) minus the receivable of RMB20,456,000 (equivalent to HK\$23,525,000) taken by the former shareholders of Khorgas Group, which is payable in 3 instalments from 2018, 2019 and 2020, subject to the profit guarantee as stated in the sale and purchase agreement (the "Acquisition"). The Acquisition was completed on 28 August 2018 and details are set out in the circular issued by the Company dated 26 July 2018. The acquisition had been accounted for using the acquisition method. These subsidiaries were principally engaged in variety shows and TV program production and operation.

The fair value of net identifiable assets of Khorgas Group at the date of acquisition were as follows:

41. 收購附屬公司(續)

截至2019年6月30日止年度

截至2019年6月30日止年度，本集團收購霍爾果斯厚海文化傳媒有限公司及其附屬公司北京聚海文化傳媒有限公司(統稱為「霍爾果斯集團」)的全部股權，代價為人民幣450,000,000元(相當於港幣517,500,000元)減去霍爾果斯集團前任股東已提取的應收款項人民幣20,456,000元(相當於港幣23,525,000元)，其須於2018年、2019年及2020年分三期支付，惟須達成買賣協議(「收購事項」)所載的溢利保證。收購事項已於2018年8月28日完成，而詳情載於本公司刊發日期為2018年7月26日的通函。收購事項已採用收購法入賬。該等附屬公司主要從事綜藝及電視節目製作及營運。

霍爾果斯集團於收購日期的可識別資產淨值公平值如下：

		At the date of acquisition 於收購日期 HK\$'000 港幣千元
Plant and equipment	廠房及設備	73
Television series production in progress	製作中電視劇	109,095
Trade and other receivables	貿易及其他應收款項	47,144
Bank balances and cash	銀行結餘及現金	3,978
Trade and other payables	貿易及其他應付款項	(19,329)
Contract liabilities	合約負債	(24,903)
Advances from shareholders	來自股東的墊款	(36,343)
Loan from a related company	關聯公司之貸款	(32,200)
Other loans	其他貸款	(4,658)
Net assets acquired	所收購資產淨值	42,857
Cash consideration	現金代價	153,900
Fair value of contingent consideration payable	應付或然代價的公平值	300,833
Less: net assets acquired	減：所收購資產淨值	(42,857)
Goodwill arising on acquisition (note 16)	收購事項產生的商譽(附註16)	411,876

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

41. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

Goodwill arose in the acquisition of Khorgas Group because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Khorgas Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Net cash outflow arising on acquisition:

		HK\$'000 港幣千元
Cash consideration	現金代價	153,900
Cash and cash equivalents acquired	所收購現金及現金等價物	(3,978)
		149,922

The fair value of trade and other receivables amounted to HK\$47,144,000, representing gross contractual amounts at the date of acquisition and contractual cash flows are expected to be fully collected.

The acquiree contributed revenue of HK\$190,670,000 and profit of HK\$46,067,000 to the Group for the period between the date of acquisition and 30 June 2019.

Had the acquisition been completed on 1 July 2018, total group revenue for the year would have been HK\$668,130,000, and loss for the year would have been HK\$37,408,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 July 2018, nor is it intended to be a projection of future results.

In determining the "pro-forma" revenue and profit of the Group had Khorgas Group been acquired at the beginning of the current year, the Directors have determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

41. 收購附屬公司(續)

截至2019年6月30日止年度(續)

收購霍爾果斯集團所產生的商譽乃因合併之成本包括控制權溢價。此外，已付合併代價實際上包括與預期協同效應、收益增長、未來市場發展以及霍爾果斯集團之組合勞動力有關的金額。該等收益並無與商譽分開確認，原因是其不符合可識別無形資產之確認標準。

收購產生之現金流出淨額：

	HK\$'000 港幣千元
	153,900
	(3,978)
	149,922

貿易及其他應收款項之公平值為港幣47,144,000元，指於收購日期之合約總金額及預期將悉數收回的合約現金流量。

於收購日期及2019年6月30日期間，被收購方為本集團貢獻收益港幣190,670,000元及溢利港幣46,067,000元。

倘收購於2018年7月1日完成，則年內集團總收益將為港幣668,130,000元，而年內虧損將為港幣37,408,000元。備考資料僅供說明，不一定為本集團實際原應達致之收益及營運業績(倘收購於2018年7月1日完成)的指標，亦不旨在作為未來業績的預測。

於釐定本集團之「備考」收益及溢利(倘霍爾果斯集團於本年度開始時已獲收購)時，董事已根據本集團於業務合併後之資金水平、信貸評級及債務/股權狀況，釐定借貸成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

42. DISPOSAL OF SUBSIDIARIES

For the year ended 30 June 2020

(a) Disposal of Chili Group

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

(b) Disposal of Star Pictures Entertainment (Hong Kong) Limited ("Star Pictures")

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

Consideration received:

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

42. 出售附屬公司

截至2020年6月30日止年度

(a) 出售Chili集團

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

(b) 出售星映娛樂(香港)有限公司(「星映娛樂」)

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

已收代價：

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For the year ended 30 June 2020 截至2020年6月30日止年度

42. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2020 (Continued)

(b) Disposal of Star Pictures Entertainment (Hong Kong) Limited ("Star Pictures")

(Continued)

Analysis of assets and liabilities over which control was lost:

		Chili Group Chili集團 HK\$'000 港幣千元	Star Pictures 星映娛樂 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Plant and equipment (note 14)	廠房及設備(附註14)	10	–	10
Intangible assets (note 17)	無形資產(附註17)	5,600	–	5,600
Trade and other receivables	貿易及其他應收款項	486	2,039	2,525
Tax recoverable	可收回稅項	97	–	97
Bank balances and cash	銀行結餘及現金	1,295	50	1,345
Trade and other payables	貿易及其他應付款項	(659)	(943)	(1,602)
Net assets disposed of	已出售之資產淨值	6,829	1,146	7,975

Loss on disposal:

出售之虧損：

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

Net cash inflow on disposal:

出售之現金流入淨額：

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

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42. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019

- (a) On 8 May 2018, 上海新馬電影院發展有限公司 (Shanghai Xinma Cinema Development Company Limited) ("Shanghai Xinma"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the "Equity Transfer Agreement") with two independent third parties of the Group (the "Purchasers"), pursuant to which Shanghai Xinma agreed to sell and the Purchasers agreed to acquire 100% equity interest of 勝馬文化傳播(上海)有限公司 (Shengma Cultural Communication (Shanghai) Company Limited) ("Shengma Cultural"), a direct wholly-owned subsidiary of Shanghai Xinma which was engaged in cinema operations and management in the PRC, at a consideration of RMB40,700,000 plus the cash at bank of Shengma Cultural at the completion date and minus (i) the total amount of liabilities of Shengma Cultural at the completion date and (ii) the contingent liabilities. Details of the disposal are set out in the circular issued by the Company dated 9 May 2018.

On 31 July 2018, the disposal of Shengma Cultural was completed at an adjusted consideration of RMB23,495,000 (equivalent to HK\$26,784,000), after deducting the total amount of liabilities and agreed contingent liabilities, of Shengma Cultural at the Completion date and the control of Shengma Cultural has been passed to the Purchasers. Upon completion of the disposal, Shengma Cultural ceased to be a subsidiary of the Company.

Consideration received:

	HK\$'000 港幣千元
Cash received 已收現金	26,784

42. 出售附屬公司(續)

截至2019年6月30日止年度

- (a) 於2018年5月8日，上海新馬電影院發展有限公司(「上海新馬」，本公司的間接全資附屬公司)與本集團的兩名獨立第三方(「買方」)訂立股權轉讓協議(「股權轉讓協議」)，據此，上海新馬同意出售及買方同意收購勝馬文化傳播有限公司(「勝馬文化」，上海新馬的直接全資附屬公司，於中國從事影院運作及管理業務)的全部股權，代價為人民幣40,700,000元加上勝馬文化於完成日期在銀行結存的現金的總和，再減去(i)勝馬文化於完成日期的負債總額及(ii)或然負債。出售事項詳情載於本公司刊發日期為2018年5月9日之通函。

於2018年7月31日，勝馬文化之出售事項已完成，扣除勝馬文化於完成日期的負債總額及協定或然負債後，調整代價為人民幣23,495,000元(相當於港幣26,784,000元)及勝馬文化之控制權已轉移予買方。於出售事項完成後，勝馬文化不再為本公司之附屬公司。

已收代價：

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

42. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

(a) (Continued)

Analysis of assets and liabilities over which control was lost:

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

Gain on disposal of a subsidiary:

出售一間附屬公司之收益：

		HK\$'000 港幣千元
Cash received	已收現金	26,784
Reclassification of cumulative exchange reserve upon disposal to profit or loss	於出售時重新分類累計匯兌儲備至損益	(165)
Less: net assets disposed of	減：已出售之資產淨值	(4,956)
Gain on disposal	出售之收益	21,663

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For the year ended 30 June 2020 截至2020年6月30日止年度

42. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

(a) (Continued)

Net cash inflow arising on disposal:

		HK\$'000 港幣千元
Cash received	已收現金	26,784
Deposit received included in trade and other payables	計入貿易及其他應付款項的已收按金	(2,400)
Cash and cash equivalents disposed of	出售現金及現金等價物	(565)
		23,819

(b) On 1 April 2019, the Group has disposed of the entire equity interest in PMPIL, an indirect wholly-owned subsidiary of the Company, to an independent third party at a cash consideration of HK\$1,000,000. PMPIL is engaged in film investment. The disposal was completed on 1 April 2019, on which date when the control of PMPIL was passed to the acquirer.

(c) On 28 May 2019, the Group has disposed of the entire equity interest in Skywork Media Limited ("Skywork"), an indirect wholly-owned subsidiary of the Company, to an independent third party at a cash consideration of HK\$1,400,000. Skywork is engaged in digital media post-production. The disposal was completed on 28 May 2019, on which date when the control of Skywork was passed to the acquirer.

42. 出售附屬公司(續)

截至2019年6月30日止年度(續)

(a) (續)

出售之現金流入淨額：

	HK\$'000 港幣千元
於2019年4月1日，本集團已向一名獨立第三方出售天馬電影投資(本公司間接全資附屬公司)之全部股權，現金代價為港幣1,000,000元。天馬電影投資從事電影投資。出售於2019年4月1日完成，且天馬電影投資的控制權亦於該日轉至收購人。	
於2019年5月28日，本集團已向一名獨立第三方出售天耀媒體有限公司(「天耀媒體」)(本公司間接全資附屬公司)之全部股權，現金代價為港幣1,400,000元。天耀媒體從事電子媒體後期製作。出售於2019年5月28日完成，且天耀媒體的控制權亦於該日轉至收購人。	

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For the year ended 30 June 2020 截至2020年6月30日止年度

42. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

The net assets of PMPIL and Skywork at the date of disposal were as follows:

Consideration received:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400

Analysis of assets and liabilities over which control was lost:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	–	1,439	1,439
Deferred tax asset	遞延稅項資產	–	1,034	1,034
Trade and other receivables	貿易及其他應收款項	–	775	775
Bank balances and cash	銀行結餘及現金	–	654	654
Trade and other payables	貿易及其他應付款項	(3)	(352)	(355)
Contract liabilities	合約負債	–	(459)	(459)
Amount due to a director	應付一名董事款項	–	(82)	(82)
Net (liabilities) assets disposed of	已出售(負債)資產淨值	(3)	3,009	3,006

42. 出售附屬公司(續)

截至2019年6月30日止年度(續)

天馬電影投資及天耀媒體於出售日期的資產淨值如下：

已收代價：

	PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	1,000	1,400	2,400

失去控制權之資產及負債分析：

	PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Property, plant and equipment	–	1,439	1,439
Deferred tax asset	–	1,034	1,034
Trade and other receivables	–	775	775
Bank balances and cash	–	654	654
Trade and other payables	(3)	(352)	(355)
Contract liabilities	–	(459)	(459)
Amount due to a director	–	(82)	(82)
Net (liabilities) assets disposed of	(3)	3,009	3,006

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For the year ended 30 June 2020 截至2020年6月30日止年度

42. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

Gain (loss) on disposal of subsidiaries:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400
Less: net liabilities (assets) disposed of	減：已出售負債(資產) 淨值	3	(3,009)	(3,006)
Gain (loss) on disposal	出售之收益(虧損)	1,003	(1,609)	(606)

Net cash inflow arising on disposal:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400
Less: bank balances disposed of	減：已出售銀行結餘	–	(654)	(654)
		1,000	746	1,746

43. OPERATING LEASE COMMITMENTS

The Group as lessee

As at 30 June 2019, the Group leased certain of its office premises and cinemas under operating lease arrangements.

42. 出售附屬公司(續)

截至2019年6月30日止年度(續)

出售附屬公司之收益(虧損)：

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400
Less: net liabilities (assets) disposed of	減：已出售負債(資產) 淨值	3	(3,009)	(3,006)
Gain (loss) on disposal	出售之收益(虧損)	1,003	(1,609)	(606)

出售產生之現金流入淨額：

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400
Less: bank balances disposed of	減：已出售銀行結餘	–	(654)	(654)
		1,000	746	1,746

43. 經營租賃承擔

本集團作為承租人

於2019年6月30日，本集團根據經營租賃安排租賃其若干辦公室物業及電影院。

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43. OPERATING LEASE COMMITMENTS (Continued)

The Group as lessee (Continued)

At the end of 30 June 2019, the Group had committed for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2019 2019年 HK\$'000 港幣千元
Within one year	1年內	131,235
In the second to fifth year inclusive	第2年至第5年(包括首尾兩年)	473,695
Over five years	5年以上	561,349
		1,166,279

Operating lease payments represent rentals payable for the Group's office premises and cinemas. Leases are negotiated for terms ranging from one to fifteen years.

Certain non-cancellable operating leases included in the above are subject to contingent rent payments, which are charged at progressive rates from 12% to 38% of the excess of the annual gross box-office takings of the related cinema premises over certain level of box-office income as determined in the respective lease agreements.

44. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the 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 cash and cash equivalents, bank and other borrowings, loans from related companies, amount due to a controlling shareholder, amount due to a joint venture, bonds payable and equity attributable to owners of the Company, comprising share capital and reserves.

Management reviews the capital structure on a regular basis. As part of this review, Management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of Management, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

43. 經營租賃承擔(續)

本集團作為承租人(續)

於2019年6月30日結束時，本集團於不可撤銷經營租賃承擔項下的日後最低租賃付款的到期情況如下：

	2019 2019年 HK\$'000 港幣千元
Within one year	131,235
In the second to fifth year inclusive	473,695
Over five years	561,349
	1,166,279

經營租賃付款指就本集團辦公室物業及電影院應付的租金。租賃經磋商為期介乎一至十五年。

上文所述的若干不可撤銷經營租賃須支付或然租金，有關租金乃按各租賃協議釐定的相關電影院場所每年總票房收入減若干票房收入水平的超額部分的12%至38%的累進比率收取。

44. 資本風險管理

本集團管理資本旨在確保本集團實體可持續經營，並透過維持債務與股權的最佳平衡而為股東提供最大回報。本集團的整體策略與上年度相比維持不變。

本集團的資本結構包括現金及現金等價物、銀行及其他借款、關聯公司貸款、應付一名控股股東款項、應付一間合營企業款項、應付債券及本公司擁有人應佔的權益(包括股本及儲備)。

管理層定期檢討資本結構。作為檢討的一部分，管理層考慮資本成本及與各資本類別相關的風險。根據管理層的建議，本集團將透過支付股息、發行新股以及發行新債務或贖回現有債務平衡其整體資本結構。

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For the year ended 30 June 2020 截至2020年6月30日止年度

45. FINANCIAL INSTRUMENTS

45a. Categories of financial instruments

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列賬的金融資產	269,455	267,394
Financial assets mandatorily measured at FVTPL	強制按公平值計入損益計量的金融資產	7,040	-
Financial liabilities	金融負債		
Amortised cost	攤銷成本	457,084	473,024
Contingent consideration payable	應付或然代價	248,955	317,390

45. 金融工具

45a. 金融工具的種類

45b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, refundable rental deposits, financial assets at FVTPL, restricted bank balances, pledged bank deposits, bank balances and cash, trade and other payables, loans from related companies, amount due to a controlling shareholder, amount due to a joint venture, bank and other borrowings, contingent consideration payable, bonds payable and deposits received. Details of these financial instruments are disclosed in the respective notes. The risks associated with the Group's financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

45b. 金融風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、可退還租賃按金、按公平值計入損益之金融資產、受限制銀行結餘、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、來自關聯公司的貸款、應付一名控股股東款項、應付一間合營企業款項、銀行及其他借款、應付或然代價、應付債券及已收按金。該等金融工具的詳情於相關附註披露。有關本集團金融工具的風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。如何減輕該等風險的政策載於下文。管理層管理及監察該等風險，確保及時且有效地採取適當措施。

市場風險

貨幣風險

貨幣風險為金融工具的公平值或未來現金流量因外匯匯率變動而波動所產生的風險。

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For the year ended 30 June 2020 截至2020年6月30日止年度

45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The functional currency of all group companies is HK\$ except for those subsidiaries operates in the PRC of which their functional currency is RMB. At the end of each reporting period, the carrying amount of the monetary assets of the group companies (excluding intra-group balances), which are denominated in foreign currencies, are as follows:

		2020 2020年 Assets 資產 HK\$'000 港幣千元	2019 2019年 Assets 資產 HK\$'000 港幣千元
AUD	澳元	11	207
RMB	人民幣	3,773	29,525
USD	美元	1,460	3,173
EUR	歐元	—	1
HK\$	港幣	1,329	1,330
SGD	新加坡元	—	24

The Group is mainly exposed to the foreign currency risk of RMB and USD against HK\$. Since HK\$ is pegged to USD, the Group does not expect any significant movement in USD/HK\$ exchange rate and this is excluded from the sensitivity analysis below. No sensitivity analysis for HK\$, AUD, EUR and SGD are presented as Management considered the exposure is insignificant. Management will monitor foreign exchange exposure to mitigate the foreign currency risk.

At the end of each reporting period, certain group companies, of which their functional currency is HK\$, had amounts due from the PRC subsidiaries which are denominated in RMB. These intra-group balances are HK\$11,000 (2019: HK\$37,718,000) as at 30 June 2020.

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

集團所有成員公司的功能貨幣均為港幣，惟該等於中國營運的附屬公司除外，彼等功能貨幣為人民幣。於各報告期末，集團成員公司以外幣計值的貨幣資產賬面值(集團內結餘除外)如下：

	2020 2020年 Assets 資產 HK\$'000 港幣千元	2019 2019年 Assets 資產 HK\$'000 港幣千元
AUD	11	207
RMB	3,773	29,525
USD	1,460	3,173
EUR	—	1
HK\$	1,329	1,330
SGD	—	24

本集團主要承受人民幣及美元兌港幣的外幣風險。由於港幣與美元掛鈎，本集團預期美元／港幣匯率不會出現大幅波動，故未納入下文敏感度分析。由於管理層認為風險很小，故並無呈列港幣、澳元、歐元及新加坡元的敏感度分析。管理層將監控外匯風險以減輕外幣風險。

於各報告期末，功能貨幣為港幣的若干集團成員公司的應收中國附屬公司款項以人民幣計值。於2020年6月30日，該等集團內部結餘約為港幣11,000元(2019年：港幣37,718,000元)。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The following table details the Group's sensitivity to a 5% increase and decrease in HK\$ against RMB. 5% is the sensitivity rate used which represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items including the above intra-group balances and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where HK\$ weaken 5% against RMB. For a 5% strengthening of HK\$ against RMB, there would be an equal and opposite impact on the loss.

		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss for the year (note)	年內虧損(附註)	158	2,807

Note: This is mainly attributable to the exposure outstanding on bank balances and intra-group balances at the end of the respective reporting period.

Management considered the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposure at the end of each reporting period does not reflect the exposure during the year.

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

下表詳列本集團對港幣兌人民幣升值及貶值5%的敏感度。管理層對以外匯匯率合理可能變動進行評估時採用的敏感度比率為5%。敏感度分析僅包括以外幣計值的尚未支付的貨幣項目(包括上述集團內部結餘)及於報告期末以外匯匯率5%的變動進行換算調整。下文所示正數即表示港幣兌人民幣貶值5%時稅後虧損減少。至於港幣兌人民幣升值5%，其對虧損產生相等及相反影響。

附註：此主要與於各報告期末的銀行結餘及集團內部結餘所面對風險有關。

由於各報告期末的風險並不反映年內的風險，故管理層認為敏感度分析並不代表固有的外匯風險。

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For the year ended 30 June 2020 截至2020年6月30日止年度

45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to fair value interest rate risk in relation to fixed rate restricted bank balances, pledged bank deposits, bank and other borrowings, loans from related companies amount due to controlling shareholder, bonds payable and lease liabilities (see notes 26, 27, 31, 32, 33, 34 and 36 for details of these balances, respectively).

In addition, the Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank and other borrowings.

If interest rate had been 50 basis points (2019: 50 basis points) higher/lower for variable-rate bank balances and bank and other borrowings, and all other variables were held constant, the impact to the Group's loss for the year would be decrease/increase is as follows:

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Loss for the year	年內虧損	467	412

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

市場風險(續)

利率風險

利率風險為金融工具的公平值或未來現金流量將因市場利率變動而出現波動的風險。

本集團面對有關固定利率受限制銀行結餘、已抵押銀行存款、銀行及其他借款、來自關聯公司的貸款、應付一名控股股東款項、應付債券及租賃負債的公平值利率風險(該等結餘的詳情分別參閱附註26、27、31、32、33、34及36)。

此外，本集團亦面臨有關浮動利率銀行結餘以及銀行及其他借款的現金流利率風險。

倘浮動利率銀行結餘以及銀行及其他借款的利率上升/下降50個基點(2019年: 50個基點)，並且所有其他變量保持不變，則對本集團本年度虧損的影響將減少/增加如下：

	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
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管理層認為，敏感度分析不能代表固有利率風險，因為年終風險無法反映年內風險。

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45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

At 30 June 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the Group has a credit control policy in place under which credit evaluations of customers are performed on all customers requiring credit. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group measures the loss allowance on trade receivables and contract assets at an amount equal to lifetime ECL.

The Group performs impairment assessment under ECL model on trade balances individually. Impairment of HK\$2,998,000 (2019: Nil) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

信貸風險及減值評估

於2020年6月30日，倘對手方未能履行責任，本集團面對財務虧損的最大信貸風險來自於綜合財務狀況表所列各項已確認金融資產的賬面值。

本集團根據預期信貸虧損模式就金融資產進行減值評估。有關本集團信貸風險管理、最高信貸風險承受及有關減值評估(如適用)的資料概述如下：

客戶合約所產生之貿易應收款項

為盡可能降低信貸風險，本集團制定信貸控制政策，本集團會據此對所有需要信貸之客戶進行客戶信貸評估。本集團實行其他監控程序，以確保採取跟進行動收回逾期債項。此外，本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式個別對貿易結餘或根據撥備矩陣進行減值評估。就此而言，董事認為本集團之信貸風險大幅減少。

本集團按相等於全期預期信貸虧損金額計量貿易應收款項及合約資產之虧損撥備。

本集團根據預期信貸虧損模式就貿易結餘單獨進行減值評估。年內確認減值港幣2,998,000元(2019年：無)。量化披露詳情載於下文本附註。

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45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

Other receivables and rental deposits

The credit quality of other receivables has been assessed with reference to historical information about the financial position of the counterparties. The Directors closely monitor the credit quality of other receivables and consider those amounts, which are neither past due nor impaired, are of a good credit quality in view of the good historical repayment record of such parties. In addition, the Group performs impairment assessment under ECL model under HKFRS 9 on these balances individually.

For the purpose of impairment assessment of other receivables and refundable rental deposits, the loss allowance is measured at an amount equals to 12m ECL. In determining the expected credit losses for these assets, the Directors have taken into account the financial position of the counterparties, the industries they operate, as well as their latest available operating results, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Restricted bank balances, pledged bank deposits and bank balances

Credit risk on pledged bank deposits, restricted bank balances and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies in the PRC and Hong Kong.

The Group assessed 12m ECL for pledged bank deposits, restricted bank balances and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the ECL on pledged bank deposits, restricted bank balances and bank balances is considered to be insignificant.

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

其他應收款項及租賃按金

其他應收款項的信貸質素乃參考有關對手方財務狀況的過往資料作出評估。董事密切監察其他應收款項的信貸質素，且鑒於有關訂約方的過往還款記錄良好，董事認為並無逾期或減值的該等款項的信貸質素良好。此外，本集團根據香港財務報告準則第9號按預期信貸虧損模式就該等結餘單獨進行減值評估。

就其他應收款項及可退還租賃按金的減值評估而言，虧損撥備按相等於12個月預期信貸虧損的金額計量。於釐定該等資產的預期信貸虧損時，董事已計及對手方的財務狀況、彼等營運的行業以及彼等最新取得的營運業績，以估計彼等相關虧損評估時間範圍內的該等金融資產各違約機率以及於各情況違約後的虧損。

受限制銀行結餘、已抵押銀行存款及銀行結餘

已抵押銀行存款、受限制銀行結餘及銀行結餘的信貸風險有限，原因為訂約方為獲得中國及香港國際信用評級機構授予高信用評級且信譽良好的銀行。

本集團經參考外部信用評級機構發佈相關信貸評級等級有關違約機率及違約虧損的資料評估已抵押銀行存款、受限制銀行結餘及銀行結餘的12個月預期信貸虧損。根據平均虧損率，已抵押銀行存款、受限制銀行結餘及銀行結餘的12個月預期信貸虧損被視為不重大。

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45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Trade receivables/ contract assets 貿易應收款項／合約資產	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default 對手方的違約風險較低	Lifetime ECL – not credit-impaired 全期預期信貸虧損－ 並未發生信貸減值	12m ECL 12個月預期信貸 虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部資料或外部資源，信貸風險自初始確認起大幅增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損－ 並未發生信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損－ 並未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損－ 已發生信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損－ 已發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人出現重大財務困難，且本公司並無實際可能收回款項	Amount is written off 撇銷款項	Amount is written off 撇銷款項

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團的內部信貸風險評級包括以下類別：

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45. FINANCIAL INSTRUMENTS (Continued)

45. 金融工具(續)

45b. Financial risk management objectives and policies (Continued)

45b. 金融風險管理目標及政策(續)

Credit risk and impairment assessment

信貸風險及減值評估(續)

(Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

下表載列本集團金融資產根據預期信貸虧損評估的信貸風險詳情：

		External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
		外部信貸評級	內部信貸評級	12個月或全期預期信貸虧損	總賬面值	
	Notes 附註				2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Financial assets at amortised cost 按攤銷成本計量的金融資產						
Trade receivables 貿易應收款項	23	N/A 不適用	Low risk (note a) 低風險(附註a)	Lifetime ECL 全期預期信貸虧損	81,968	140,348
Other receivables 其他應收款項	23	N/A 不適用	Low risk (note b) 低風險(附註b)	12m ECL 12個月預期 信貸虧損	15,190	4,347
Rental deposits 租賃按金	20	N/A 不適用	Low risk (note b) 低風險(附註b)	12m ECL 12個月預期 信貸虧損	28,267	-
Restricted bank balances 受限制銀行結餘	26	AA AA	N/A (note c) 不適用(附註c)	12m ECL 12個月預期 信貸虧損	13,098	-
Pledged bank deposits 已抵押銀行存款	27	AA AA	N/A (note c) 不適用(附註c)	12m ECL 12個月預期 信貸虧損	21,667	664
Bank balances 銀行結餘	28	AA+ AA+	N/A (note c) 不適用(附註c)	12m ECL 12個月預期 信貸虧損	112,263	122,035
Other items 其他項目						
Contract assets 合約資產	24	N/A 不適用	Low risk (note a) 低風險(附註a)	Lifetime ECL 全期預期信 貸虧損	16,599	-

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For the year ended 30 June 2020 截至2020年6月30日止年度

45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

Notes:

- a. For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances in which ECL is assessed individually, the Group determines the ECL on these items by using a provision matrix, grouped by internal credit rating.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers.

As at 30 June 2020, allowance for expected credit loss of HK\$2,998,000 (2019: Nil) was made on not credit-impaired debtors.

- b. For the purposes of the internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

As at 30 June 2020, the balances of other receivables and rental deposits are not past due and the internal credit rating is considered as low risk.

- c. The Group did not provide any 12m ECL on restricted bank balances, pledged bank deposits and bank balances as the amount is insignificant.

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

附註：

- a. 就貿易應收款項及合約資產而言，本集團已採用香港財務報告準則第9號的簡法方法計量全期預期信貸虧損的虧損撥備。除預期信貸虧損單獨評估的巨額未償還結餘的應收款項外，本集團使用撥備矩陣(按內部信貸評級分組)釐定該等項目的預期信貸虧損。

作為本集團的信貸風險管理的一部分，本集團對其客戶採用內部信貸評級。

於2020年6月30日，預期信貸虧損之撥備港幣2,998,000元(2019年：無)就並無出現信貸減值的應收款項作出。

- b. 就內部信貸風險管理而言，本集團使用過往逾期資料評估信貸風險會否於初始確認後大幅增加。

於2020年6月30日，其他應收款項的結餘及租賃按金並無逾期，而內部信貸評級被視為低風險。

- c. 由於金額並不重大，本集團並無就受限制銀行結餘、已抵押銀行存款及銀行結餘提供任何12個月預期信貸虧損。

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		Lifetime ECL (not credit-impaired) 全期預期信貸虧損 (並無出現信貸減值) HK\$'000 港幣千元
At 1 July 2018 and 30 June 2019	於2018年7月1日及2019年6月30日	–
New financial assets originated	新增源生的金融資產	
– impairment losses recognised	– 已確認減值虧損	2,998
At 30 June 2020	於2020年6月30日	2,998

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and other sources of funding and considers the risk is minimal.

The following tables provide details of the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. Specifically, bank borrowing with a repayment on demand clause is included in the earliest time band regardless of the probability of the bank choosing to exercise their rights. The tables include both interest and principal cash flows.

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

下表顯示根據簡化方式就貿易應收款項確認的全期預期信貸虧損的變動情況。

流動資金風險

於管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及現金等價物水平，以為本集團的運營提供資金並減輕現金流量波動的影響。管理層監控銀行借款的使用狀況及資金的其他來源，並認為風險極小。

下表詳列本集團非衍生金融負債按協定償還期限的餘下合約到期情況。該等表格根據本集團可被要求支付金融負債的最早日期當日的未貼現現金流量編製。尤其是，附帶按要求償還條款的銀行借款計入最早時間段內，而不論銀行選擇行使其權利的可能性多寡。該等表格載有利息及主要現金流量。

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45. FINANCIAL INSTRUMENTS (Continued)

45. 金融工具(續)

45b. Financial risk management objectives and policies (Continued)

45b. 金融風險管理目標及政策(續)

Liquidity risk (Continued)

流動資金風險(續)

		Weighted average interest rate	On demand or less than 3 months 按要求或 少於3個月	3 months to 1 year 3個月至1年	1-2 years 1年至2年	2-5 years 2年至5年	Over 5 years 超過5年	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount 賬面值
		加權平均利率 %	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 30 June 2020	於2020年6月30日								
Trade and other payables	貿易及其他應付款項	-	174,181	16,494	-	-	-	190,675	190,675
Amount due to a controlling shareholder	應付一名控股股東款項	-	27,500	-	-	-	-	27,500	27,500
Amount due to a joint venture	應收一間合營企業款項	-	385	-	-	-	-	385	385
Bank and other borrowings	銀行及其他借款	4.68	18,700	4,255	45,000	-	-	67,955	67,000
Loans from related companies	關聯公司之貸款	7.00	30,833	-	96,538	-	-	127,371	120,024
Bonds payable	應付債券	9.00	-	23,865	33,410	-	-	57,275	51,500
Contingent consideration payable	應付或然代價	7.00	147,668	-	112,860	-	-	260,528	248,955
Subtotal	小計		399,267	44,614	287,808	-	-	731,689	706,039
Lease liabilities	租賃負債	7.00	38,317	121,033	185,693	410,449	343,033	1,098,525	757,452
			437,584	165,647	473,501	410,449	343,033	1,830,214	1,463,491
At 30 June 2019	於2019年6月30日								
Trade and other payables	貿易及其他應收款項	-	158,334	-	-	-	-	158,334	158,334
Amount due to a joint venture	應收一間合營企業款項	-	385	-	-	-	-	385	385
Bank and other borrowings	銀行及其他借款	5.40	39,000	27,188	-	-	-	66,188	65,220
Loans from related companies	關聯公司之貸款	7.00	-	79,692	177,242	-	-	256,934	225,969
Bonds payable	應付債券	9.00	-	-	22,770	-	-	22,770	22,000
Contingent consideration payable	應付或然代價	7.00	144,371	-	191,750	-	-	336,121	317,390
Deposits received	已收按金	-	-	166	950	-	-	1,116	1,116
			343,090	107,046	392,712	-	-	841,848	790,414

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For the year ended 30 June 2020 截至2020年6月30日止年度

45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank borrowing with a repayment on demand clause is included in the “on demand or less than 3 months” time band in the above maturity analysis. As at 30 June 2020, the aggregate undiscounted principal amounts of the bank borrowing with a repayment on demand clause amounted to HK\$18,924,000 (2019: Nil). Taking into account the Group’s financial position, the Directors do not believe that it is probable that the bank will exercise their discretionary rights to demand immediate repayment. The Directors believe that such bank borrowing will be repaid within 1 year after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreement, details of which are set out in the table below:

	On demand or 0 – 90 days 按要求或 0至90日 HK\$'000 港幣千元	91 – 365 days 91至365日 HK\$'000 港幣千元	Over 1 year 一年以上 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
At 30 June 2020	-	18,924	-	18,924	18,700
於2020年6月30日	-	18,924	-	18,924	18,700

45. 金融工具 (續)

45b. 金融風險管理目標及政策 (續)

流動資金風險 (續)

附帶按要求償還條款的銀行借款計入上述到期日分析的「按要求或少於三個月」時間段內。於2020年6月30日，附有按要求償還條款之銀行借款的未貼現本金總額為港幣18,924,000元（2019年：無）。經考慮本集團的財務狀況、董事認為銀行將行使其酌情權要求即時還款的可能性不大。董事認為，該等銀行借款將根據貸款協議所載的預定還款日期於報告期末後一年內償還，有關詳情載於下表：

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45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques and inputs used) as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets/ financial liabilities	Fair values at	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產/金融負債	於下列日期的公平值	公平值層級	估值技術及主要輸入數據	主要不可觀察 輸入數據	與公平值不可觀察 輸入數據的關係
	2020 2019 2020年 2019年 HK\$'000 HK\$'000 港幣千元 港幣千元				
Financial assets at FVTPL (2019: nil (note 25))	7,040	- Level 2	Discounted cash flow method was used and future cash flows are estimated based on the contractual terms of wealth management products and discounted at a rate that reflects the credit risk of the counterparties.	Nil	The higher the estimated discount rate, the lower the fair value.
按公平值計入損益之 金融資產(2019年： 無(附註25))		第二級	根據財富管理產品的合約條款及反映對手方信貸風險的利率，採用貼現現金流量法及估計未來現金流量。	無	預期貼現率愈高， 公平值愈低。
Contingent consideration payable	248,955	317,390 Level 3	Discounted cash flow method was used to capture the present value of the expected cash outflows arising from the contingent consideration, based on an appropriate discount rate.	Discount rate of 7% per annum	The higher the estimated discount rate, the lower the fair value.
應付或然代價		第三級	根據概約貼現率，採用貼現現金流量法用作計算或然代價所產生的預期現金流出的現值。	貼現年利率7%	預期貼現率愈高， 公平值愈低。

Note: A slight increase in the discount rate used in isolation would result in a slight decrease in the fair value measurement of the contingent consideration payable, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the contingent consideration payable by HK\$538,000 (2019: HK\$921,000).

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

以經常性基準按公平值計量的本集團金融資產及金融負債的公平值(續)

下表闡述有關釐定該等金融資產公平值之方法(尤其是所用之估值技術及輸入數據)之資料以及按公平值計量輸入數據之可觀察程度所劃分之公平值級別水平(第一至三級)之資料。

Significant unobservable inputs
主要不可觀察
輸入數據

Relationship of unobservable inputs to fair value
與公平值不可觀察
輸入數據的關係

The higher the estimated discount rate, the lower the fair value.

預期貼現率愈高，
公平值愈低。

The higher the estimated discount rate, the lower the fair value.

預期貼現率愈高，
公平值愈低。

附註：單獨使用的貼現率的輕微增加將導致應付或然代價的公平值計量輕微減少，反之亦然。在所有其他變量保持不變的前提下，貼現率上升/下降5%，將會增加及減少應付或然代價的賬面值港幣538,000元(2019年：港幣921,000元)。

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45. FINANCIAL INSTRUMENTS (Continued)

45b. Financial risk management objectives and policies (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The following table represents the reconciliation of level 3 fair value measurements:

		Contingent consideration payable 應付或然代價 HK\$'000 港幣千元
At 1 July 2018	於2018年7月1日	–
Acquisition of subsidiaries	收購附屬公司	454,733
Fair value change in the profit or loss	於損益中的公平值變動	20,511
Settlements	結付	(153,900)
Exchange adjustments	匯兌調整	(3,954)
At 30 June 2019	於2019年6月30日	317,390
Fair value change in the profit or loss	於損益中的公平值變動	6,161
Settlements	結付	(64,047)
Exchange adjustments	匯兌調整	(10,549)
At 30 June 2020	於2020年6月30日	248,955
Analysis as:	分析為：	
Current liabilities	流動負債	145,262
Non-current liabilities	非流動負債	103,693
		248,955

The financial liability subsequently measured at fair value on Level 3 fair value measurement represents contingent consideration payable relating to the acquisition of Khorgas Group. Fair value losses on contingent consideration payable is charged to profit or loss.

以經常性基準按公平值計量的本集團金融資產及金融負債的公平值

下表列示公平值計量第三級的對賬：

根據第三級公平值計量其後按公平值計量的金融負債指收購霍爾果斯集團有關的應付或然代價。應付或然代價的公平值虧損於損益中扣除。

45. 金融工具(續)

45b. 金融風險管理目標及政策(續)

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46. RETIREMENT BENEFIT PLANS

(i) Plans for Hong Kong employees

The Group operates a MPF Scheme for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The contribution to the MPF Scheme is calculated based on the rules set out in the MPF Ordinance which is 5% on the basic salary of the relevant employee subject to a specific ceiling of HK\$1,500.

(ii) Plans for PRC employees

The employees employed in the PRC are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiary is required to contribute a certain percentage of its payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

The total cost of HK\$3,001,000 (2019: HK\$2,020,000) charged to profit or loss represents contributions paid or payable to the above schemes by the Group for the year ended 30 June 2020.

46. 退休福利計劃

(i) 有關香港僱員的計劃

本集團根據為其所有位於香港的合資格僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃的資產與本集團資產分開持有，資金由受託人控制。根據強積金計劃的規則，僱主及其僱員均須按規則指定的比例向計劃供款。本集團對強積金計劃的唯一責任乃根據強積金計劃作出所需供款。並無沒收的供款可供扣減未來年度應付供款。

對強積金計劃的供款乃根據強積金條例載列的規則計算，其為相關僱員基本薪金的5%，惟須受港幣1,500元特定上限的限制。

(ii) 有關中國僱員的計劃

在中國聘用的僱員乃由中國政府運作的國家管理退休福利計劃的成員。中國附屬公司須按僱員工資的若干百分比向退休福利計劃作出供款，以提供福利資金。本集團就退休福利計劃的唯一責任乃根據計劃作出所需供款。

計入損益的總成本港幣3,001,000元(2019年：港幣2,020,000元)指本集團於截至2020年6月30日止年度向上述計劃支付或應付的供款。

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47. 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.

47. 融資活動引起的負債之對賬

下表詳列融資活動產生的本集團負債變動，包括現金及非現金變動。融資活動產生的負債是於本集團綜合現金流量表中已經分類為融資活動現金流量的現金流量或將分類為融資活動現金流量的未來現金流量。

		Prepayment of bond interest included in trade and other receivables 計入貿易及 其他應收 款項的債券 利息的 預付款項	Bonds payable 應付債券	Loans from related companies 來自 關聯公司 的貸款	Amount due to a related company 應付一間 關聯公司 款項	Amount due to a controlling shareholder 應付一名 控股股東 款項	Bank and other borrowings 銀行及 其他借款	Lease liabilities 租賃負債	Total 總計
		HK\$'000 港幣千元 (Note 23) (附註23)	HK\$'000 港幣千元 (Note 34) (附註34)	HK\$'000 港幣千元 (Note 32) (附註32)	HK\$'000 港幣千元 (Note 33) (附註33)	HK\$'000 港幣千元 (Note 33) (附註33)	HK\$'000 港幣千元 (Note 31) (附註31)	HK\$'000 港幣千元 (Note 36) (附註36)	HK\$'000 港幣千元
At 1 July 2018	於2018年7月1日	-	-	-	40,000	-	8,208	-	48,208
Financing cash flows	融資現金流量	-	22,000	185,151	(1,000)	-	13,354	-	219,505
Acquisition of subsidiaries	收購附屬公司	-	-	32,200	-	-	4,658	-	36,858
Reclassification	重新分類	-	-	-	(39,000)	-	39,000	-	-
Interests accrued	應計利息	106	-	10,601	-	-	923	-	11,630
Interests paid	已付利息	(990)	-	-	-	-	(923)	-	(1,913)
Exchange adjustments	匯兌調整	-	-	(1,983)	-	-	-	-	(1,983)
At 30 June 2019	於2019年6月30日	(884)	22,000	225,969	-	-	65,220	-	312,305
Adjustment upon application of HKFRS 16 (note 2)	應用香港財務報告準則 第16號之調整(附註2)	-	-	-	-	-	-	814,609	814,609
At 1 July 2019	於2019年7月1日	(884)	22,000	225,969	-	-	65,220	814,609	1,126,914
Financing cash flows	融資現金流量	(3,786)	29,500	107,081	-	27,750	950	(113,086)	48,409
Interests accrued	應計利息	3,542	-	3,379	-	-	1,030	49,679	57,630
Exchange adjustments	匯兌調整	-	-	(11,805)	-	(250)	(200)	-	(12,255)
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	1,051	1,051
New leases entered	已訂立的新租賃	-	-	-	-	-	-	5,199	5,199
Settlements by issue of perpetual bonds	透過發行永續債結算	-	-	(204,600)	-	-	-	-	(204,600)
At 30 June 2020	於2020年6月30日	(1,128)	51,500	120,024	-	27,500	67,000	757,452	1,022,348

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48. RELATED PARTY DISCLOSURES

(I) Transactions

During the year, the Group entered into the following significant transactions with related parties:

Name of related party 關聯方名稱	Notes 附註	Nature of transaction 交易性質	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
P M Motion Pictures Limited 天馬電影出品有限公司	(a)	Service income 服務收入	-	288
Pure Project Limited 盧威有限公司	(b)	Rental expense 租金開支	-	708
Mandarin Motion Pictures Production Limited ("Mandarin Motion") 東方影業製作有限公司(「東方」)	(c)	Production, film distribution service and film processing service income 製作及電影發行服務以及電影菲林沖印服務收入	-	2,963
		Sales of motor vehicle 銷售汽車	466	-
Guangzhou Seedland 廣州實地	(d)	Interest expenses 利息開支	-	10,601
Black Hole Black Hole	(d)	Interest expenses 利息開支	3,379	-

48. 關聯方披露

(I) 交易

年內，本集團與關聯方訂立以下重大交易：

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48. RELATED PARTY DISCLOSURES (Continued)

(I) Transactions (Continued)

Notes:

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

48. 關聯方披露(續)

(I) 交易(續)

附註：

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

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48. RELATED PARTY DISCLOSURES (Continued)

(II) Balances

Details of the loans from related companies, amount due to a controlling shareholder and amount due to a joint venture are set out in the consolidated statement of financial position and in notes 32, 33 and 35, respectively.

(III) Non-cash transaction

During the year ended 30 June 2020, two wholly-owned subsidiaries of the Company issued perpetual bonds amounted to an aggregate amount of RMB186,000,000 (equivalent to HK\$204,600,000) to Guangzhou Puji, a related company in which Mr. Zhang, the controlling shareholder of the Company has beneficial interests in which the perpetual bonds are redeemable at the issuers' option on or after 28 June 2025 and the interests are payable annually in arrears at a fixed rate of 4.5% per annum, which may be deferred at the issuers' discretion. The issue of perpetual bonds are solely for the settlement of the outstanding loans from Guangzhou Puji and therefore it is considered as a non-cash transaction for the year ended 30 June 2020.

(IV) Compensation of key management personnel

The remuneration of Directors and other key management personnel of the Group during the year was as follows:

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
Salaries and other allowances	薪金及其他津貼	12,190	12,974
Retirement benefit scheme contributions	退休福利計劃供款	369	315
		12,559	13,289

The remuneration of Directors and key executives is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

48. 關聯方披露(續)

(II) 結餘

來自關聯公司的貸款、應付一名控股股東款項及應付一間合營企業款項的詳情分別載於綜合財務狀況表和附註32、33及35。

(III) 非現金交易

截至2020年6月30日止年度，本公司的兩間全資附屬公司向Guangzhou Puji(由本公司控股股東張先生擁有實益權益的關聯公司)發行為數人民幣186,000,000元(相當於港幣204,600,000元)的永續債，當中發行人可選擇於2025年6月28日或之後分派贖回永續債，而利息按固定年利率4.5%支付，而發行人可酌情延遲有關利息。發行永續債僅為結付Guangzhou Puji未償還貸款，因此其已於截至2020年6月30日止年度被視作為一項非現金交易。

(IV) 主要管理人員薪酬

年內，董事及本集團其他主要管理人員的薪酬載列如下：

	2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
董事及主要行政人員的薪酬由本公司薪酬委員會考慮個人表現及市場趨勢後釐定。		

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49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

49. 本公司財務狀況表

		2020 2020年 HK\$'000 港幣千元	2019 2019年 HK\$'000 港幣千元
	Note 附註		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	66,113	97,197
Plant and equipment	廠房及設備	40	53
Right-of-use assets	使用權資產	818	–
		66,971	97,250
Current assets	流動資產		
Other receivables and prepayments	其他應收款項及預付款項	2,597	1,181
Amounts due from subsidiaries	應收附屬公司款項	24,416	100,885
Amount due from a related company	應收一間關聯公司款項	–	1
Bank balances	銀行結餘	7,315	17,278
		34,328	119,345
Current liabilities	流動負債		
Accruals	應計費用	3,875	3,568
Amounts due to subsidiaries	應付附屬公司款項	65,669	150,502
Loan from a related party	一間關聯公司之貸款	5,000	–
Bonds payable	應付債券	22,000	–
Lease liability	租賃負債	474	–
		97,018	154,070
Net current liabilities	流動負債淨值	(62,690)	(34,725)
Non-current liabilities	非流動負債		
Bonds payable	應付債券	29,500	22,000
Lease liability	租賃負債	335	–
		29,835	22,000
Net (liabilities) assets	(負債)資產淨值	(25,554)	40,525
Capital and reserves	資本及儲備		
Share capital	股本	6,489	6,489
Reserves (Note)	儲備(附註)	(32,043)	34,036
(Deficit in shareholders' equity)	(股東權益虧絀)		
Total equity	權益總額	(25,554)	40,525

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49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

The amount(s) due from (to) subsidiaries and a related company are unsecured, interest-free and repayable on demand.

Note:

49. 本公司財務狀況表(續)

應收(付)附屬公司及一間關聯公司款項乃無抵押、免息及按要求償還。

附註：

		Share premium 股份溢價 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元 (Note) (附註)	Accumulated losses 累計虧損 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 July 2018	於2018年7月1日	521,046	47,196	(478,963)	89,279
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(55,243)	(55,243)
At 30 June 2019	於2019年6月30日	521,046	47,196	(534,206)	34,036
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(66,079)	(66,079)
At 30 June 2020	於2020年6月30日	521,046	47,196	(600,285)	(32,043)

Note: Special reserve represented the capital contribution from Honour Grace Limited which is based on the total equity of Green Riches Holdings Limited ("Green Riches") at the date of Reorganisation.

附註：特別儲備指榮恩有限公司根據翠裕控股有限公司(「翠裕」)於重組日期的權益總額進行注資。

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50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

a. The Company had the following subsidiaries as at 30 June 2020 and 2019:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
Green Riches (Note i) 翠裕(附註i)	BVI 英屬處女群島	US\$1 1美元	100%	100%	100%	100%	Investment holding 投資控股
Pegasus Motion Pictures Production Limited 天馬電影製作有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Film production 電影製作
Pegasus Motion Pictures (Hong Kong) Limited 天馬電影出品(香港) 有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Film distribution 電影發行
Pegasus Motion Pictures Distribution Limited 天馬電影發行有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	100%	100%	Film distribution and production 電影發行及製作
北京天馬(Note ii) 北京天馬(附註ii)	PRC 中國	HK\$1,500,000 港幣1,500,000元	100%	100%	100%	100%	Service provider of the Group for facilitating the establishment and expansion of the Group's business in the PRC 方便成立及擴展本集團 於中國業務的本集團 服務供應商

50. 本公司附屬公司詳情

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：

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50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
Star Pictures (Note iv)	Hong Kong	HK\$10,000	N/A	100%	N/A	100%	Representing the Group in entering into actors' and production crew's contracts and film distribution
星映娛樂(附註iv)	香港	港幣10,000元	不適用		不適用		代表本集團訂立演員及製作組合約及電影發行出品
Cinema City Group Limited	Hong Kong	HK\$1	100%	100%	100%	100%	Cinema operations and management
電影城集團有限公司	香港	港幣1元					影院運作及管理
Cinema City (Langham Place) Limited	Hong Kong	HK\$3,000,000	100%	100%	100%	100%	Cinema operations
電影城(朗豪坊)有限公司	香港	港幣3,000,000元					影院運作
Cinema City (Chai Wan) Limited	Hong Kong	HK\$1	100%	100%	100%	100%	Cinema operations
電影城(柴灣)有限公司	香港	港幣1元					影院運作

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For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
Cinema City (Hong Kong) Limited 電影城(香港)有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Cinema operations 影院運作
Cinema City (TW) Limited 電影城(臺灣)有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Cinema operations 影院運作
Screen Media & Promotion Limited 影娛媒體宣傳有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Film distribution, advertising and promotion 電影發行出品、廣告及推廣
Chili (Note iv) Chili(附註iv)	Hong Kong 香港	HK\$10,000 港幣10,000元	N/A 不適用	100%	N/A 不適用	100%	Provision of advertising and marketing services 提供廣告及市場推廣服務
Powerful Target Investment Group Limited (Note iv) 中威投資集團有限公司(附註iv)	BVI 英屬處女群島	US\$1 1美元	N/A 不適用	100%	N/A 不適用	100%	Investment holding 投資控股

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
Favourable On Global Investment Limited ("Favourable On") (Note iv)	BVI	US\$100	N/A	70%	N/A	70%	Investment holding
嘉安環球投資有限公司 (「嘉安」)(附註iv)	英屬處女群島	100美元	不適用		不適用		投資控股
Chili Platinum (Note iv)	Hong Kong	HK\$1	N/A	70%	N/A	70%	Provision of printed and digital media publication business
智理白金(附註iv)	香港	港幣1元	不適用		不適用		提供印刷及數碼媒體出版業務
Hope Sound Limited ("Hope Sound") (Note i)	BVI	US\$100	100%	100%	100%	100%	Investment holding
合聲有限公司(「合聲」)(附註i)	英屬處女群島	100美元					投資控股
Hong Kong Transmit Entertainment Limited	Hong Kong	HK\$100	100%	100%	100%	100%	Investment holding
香港傳遞娛樂有限公司	香港	港幣100元					投資控股
上海翠裕電影院管理有限公司	PRC	RMB10,000,000	100%	100%	100%	100%	Cinema management and operation in the PRC
上海翠裕電影院管理有限公司	中國	人民幣 10,000,000元					於中國經營及管理影院

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For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
上海家喜文化傳播有限公司 上海家喜文化傳播有限公司	PRC 中國	RMB5,000,000 人民幣 5,000,000元	100%	100%	100%	100%	Film distribution in the PRC 於中國發行電影
Shanghai Xinma 上海新馬	PRC 中國	HK\$7,500,000 港幣7,500,000元	100%	100%	100%	100%	Cinema operation in the PRC 於中國經營影院
Guangzhou Huohua Investment Company Limited (Note ii) 廣州火花投資有限公司 (附註ii)	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Investment holding 投資控股
Guangzhou Daide Management Consultancy Company Limited ("Guangzhou Daide") 廣州戴德管理諮詢有限公司 (「廣州戴德」)	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Investment holding 投資控股
Beijing Transmit Entertainment Limited 北京傳遞娛樂有限公司	Hong Kong 香港	HK\$100 港幣100元	100%	100%	100%	100%	Investment holding 投資控股

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For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
Transmit Creation Limited 傳遞創作有限公司	Hong Kong 香港	HK\$100 港幣100元	100%	100%	100%	100%	Investment holding 投資控股
Transmit Talent Limited 傳遞顧問有限公司	Hong Kong 香港	HK\$100 港幣100元	100%	100%	100%	100%	Investment holding 投資控股
Khorgas Houhai Culture Media Company Limited 霍爾果斯厚海文化傳媒 有限公司	PRC 中國	RMB12,500,000 人民幣 12,500,000元	100%	100%	100%	100%	Television series production 電視劇製作
Beijing Juhai Culture Media Company Limited 北京聚海文化傳媒有限公司	PRC 中國	RMB3,000,000 人民幣 3,000,000元	100%	100%	100%	100%	Television series production 電視劇製作
湖洲厚海文化傳播有限公司 湖洲厚海文化傳媒有限公司	PRC 中國	RMB5,000,000 人民幣 5,000,000元	100%	100%	100%	100%	Television series production 電視劇製作
天津傳遞誇克文化有限公司 天津傳遞誇克文化有限公司	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Screenwriter management 編劇管理

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
天津傳遞眾星娛樂有限公司 天津傳遞眾星娛樂有限公司	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Artiste management 演員管理
天津傳遞四力文化傳播 有限公司 天津傳遞四力文化傳媒 有限公司	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Director management 導演管理
天津傳遞未來文化傳播 有限公司(Note iii) 天津傳遞未來文化傳媒 有限公司(附註iii)	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Internet celebrity 網紅
天津傳遞繆斯文化傳播 有限公司 天津傳遞繆斯文化傳媒 有限公司	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Internet celebrity 網紅
天津傳遞濼馳廣告有限公司 (Note iii) 天津傳遞濼馳廣告有限公司 (附註iii)	PRC 中國	Note (v) 附註(v)	100%	-	100%	-	Advertising 廣告
天津傳遞愛娛文化有限公司 ("天津愛娛")(Note iii) 天津傳遞愛娛文化有限公司 ("天津愛娛")(附註iii)	PRC 中國	RMB10,000,000 人民幣 10,000,000元	51%	-	51%	-	Internet celebrity 網紅

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For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2020 2020年	2019 2019年	2020 2020年	2019 2019年	
傳遞生活科技(天津)有限公司 (Note iii)	PRC	Note (v)	100%	-	100%	-	E-commerce business
傳遞生活科技(天津)有限公司 (附註iii)	中國	附註(v)					電商業務
傳遞家族(上海)科技有限公司 (Note iii)	PRC	Note (v)	100%	-	100%	-	E-commerce business
傳遞家族(上海)科技有限公司 (附註iii)	中國	附註(v)					電商業務
Wenlan (Note vi) 聞瀾(附註vi)	PRC 中國	RMB11,666,667 人民幣 11,666,667元	60%	-	60%	-	Artiste management 藝人管理
合肥聚海文化傳媒有限公司 (Note iii)	PRC	Note (v)	100%	-	100%	-	Film distribution and production
合肥聚海文化傳媒有限公司 (附註iii)	中國	附註(v)					電影發行及製作
霍爾果斯聚海文化傳媒 有限公司(Note iii)	PRC	RMB5,000,000	100%	-	100%	-	Film distribution and production
霍爾果斯聚海文化傳媒 有限公司(附註iii)	中國	人民幣 5,000,000元					電影發行及製作

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綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2020 and 2019: (Continued)

Notes:

- (i) Except Green Riches and Hope Sound, all other subsidiaries are indirectly owned by the Company.
- (ii) The subsidiary is a wholly-foreign owned enterprise established in the PRC.
- (iii) These subsidiaries were newly established/incorporated during the year ended 30 June 2020.
- (iv) These subsidiaries were disposed of during the year ended 30 June 2020. Details are set out in note 42.
- (v) The registered capital of the subsidiaries was not yet injected as at 30 June 2020.
- (vi) The subsidiary was newly acquired during the year ended 30 June 2020. Details are set out in note 41.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

50. 本公司附屬公司詳情(續)

a. 於2020年及2019年6月30日，本公司擁有下列附屬公司：(續)

附註：

- (i) 除翠裕及合聲外，所有其他附屬公司均由本公司間接擁有。
- (ii) 該附屬公司為於中國成立的外商獨資企業。
- (iii) 該等附屬公司於截至2020年6月30日止年度內新成立／註冊成立。
- (iv) 該附屬公司乃於截至2020年6月30日止年度出售。詳情載於附註42。
- (v) 該等附屬公司的註冊資本於2020年6月30日尚未注入。
- (vi) 該附屬公司已於截至2020年6月30日止年度獲新收購。詳情載於附註41。

於年末或年內任何時間，各附屬公司概無任何未償還債務證券。

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For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of the non-wholly owned subsidiaries of the Company that has material non-controlling interests:

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有的所有權權益及投票權比例		Profit/(loss) allocated to non-controlling interests 分配至非控股權益的溢利/(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2020 2020年	2019 2019年	2020 HK\$'000 港幣千元	2019 HK\$'000 港幣千元	2020 HK\$'000 港幣千元	2019 HK\$'000 港幣千元
Wenlan 聞瀾	PRC 中國	40%	-	38	-	34,316	-
天津愛娛 天津愛娛	PRC 中國	49%	-	(817)	-	4,573	-
Favourable On and its subsidiaries 嘉安及其附屬公司	BVI 英屬處女群島	-	30%	-	(184)	-	(3,963)
				(779)	(184)	38,889	(3,963)

50. 本公司附屬公司詳情(續)

b. 擁有重大非控股權益的非全資附屬公司的詳情

下表載列擁有重大非控股權益的本公司非全資附屬公司的詳情：

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For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Summarised financial information in respect of the Group's subsidiary that has a material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Wenlan

		2020 2020年 HK\$'000 港幣千元
Current assets	流動資產	5,268
Current liabilities	流動負債	(2,856)
Non-current assets	非流動資產	110,152
Non-current liabilities	非流動負債	(26,774)
Shareholder's equity attributable to owners of the Company	本公司擁有人應佔股東權益	51,474
Non-controlling interests	非控股權益	34,316

50. 本公司附屬公司詳情(續)

b. 擁有重大非控股權益的非全資附屬公司的詳情(續)

有關擁有重大非控股權益的本集團附屬公司的財務資料概要載列如下。以下財務資料概要所列金額乃未經集團內部對銷。

聞瀾

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For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Wenlan (Continued)

50. 本公司附屬公司詳情(續)

b. 擁有重大非控股權益的非全資附屬公司的詳情(續)

聞瀾(續)

		From 12 March 2020 to 30 June 2020 2020年 3月12日至 2020年 6月30日期間 HK\$'000 港幣千元
Revenue	收益	1,076
Expenses	開支	(980)
Profit for the period and total comprehensive income for the period	期內溢利及期內全面收入總額	96
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔溢利及全面收入總額	58
Profit and total comprehensive income attributable to non-controlling interests	非控股權益應佔溢利及全面收入總額	38
Profit and total comprehensive income for the period	期內溢利及全面收入總額	96
Net cash inflow from operating activities	經營活動現金流入淨額	714
Net cash outflow from investing activities	投資活動之現金流出淨額	(1,540)
Net cash outflow from financing activities	融資活動之現金流出淨額	(220)
Net cash outflow	現金流出淨額	(1,046)

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50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

天津愛娛

50. 本公司附屬公司詳情(續)

b. 擁有重大非控股權益的非全資附屬公司的詳情(續)

天津愛娛

		2020 2020年 HK\$'000 港幣千元
Current assets	流動資產	10,685
Current liabilities	流動負債	(1,825)
Non-current assets	非流動資產	1,587
Non-current liabilities	非流動負債	(1,115)
Shareholder's equity attributable to owners of the Company	本公司擁有人應佔股東權益	4,759
Non-controlling interests	非控股權益	4,573

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50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

天津愛娛 (Continued)

50. 本公司附屬公司詳情(續)

b. 擁有重大非控股權益的非全資附屬公司的詳情(續)

天津愛娛(續)

		From 13 April 2020 to 30 June 2020 2020年 4月13日至 2020年 6月30日期間 HK\$'000 港幣千元
Revenue	收益	1,479
Expenses	開支	(3,146)
Loss for the year and total comprehensive expense for the year	年內虧損及年內全面開支總額	(1,667)
Loss and total comprehensive expense attributable to owners of the Company	本公司擁有人應佔虧損及全面開支總額	(850)
Loss and total comprehensive expense attributable to non-controlling interests	非控股權益應佔虧損及全面開支總額	(817)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(1,667)
Net cash outflow from operating activities	經營活動之現金流出淨額	(1,876)
Net cash inflow from investing activities	投資活動現金流入淨額	10,855
Net cash outflow from financing activities	融資活動之現金流出淨額	(372)
Net cash inflow	現金流入淨額	8,607

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

50. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Favourable On and its subsidiaries

50. 本公司附屬公司詳情(續)

b. 擁有重大非控股權益的非全資附屬公司的詳情(續)

嘉安及其附屬公司

		2019 2019年 HK\$'000 港幣千元
Current assets	流動資產	204
Current liabilities	流動負債	(13,416)
Non-current assets	非流動資產	-
Deficit attributable to owners of the Company	本公司擁有人應佔虧絀	(9,249)
Non-controlling interests	非控股權益	(3,963)
		Year ended 30 June 2019 2019年 6月30日止年度 HK\$'000 港幣千元
Revenue	收益	-
Expenses	開支	(618)
Loss for the year and total comprehensive expense for the year	年內虧損及年內全面開支總額	(618)
Loss and total comprehensive expense attributable to owners of the Company	本公司擁有人應佔虧損及全面開支總額	(434)
Loss and total comprehensive expense attributable to non-controlling interests	非控股權益應佔虧損及全面開支總額	(184)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(618)
Net cash inflow from operating activities	經營活動現金流入淨額	108
Net cash inflow	現金流入淨額	108

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2020 截至2020年6月30日止年度

51. EVENT AFTER THE REPORTING PERIOD

The outbreak of the Coronavirus Disease (the “COVID-19”) in early 2020 has impacted the Group's operations. Local residents have reduced social activities including attending cinema screenings since the start of the COVID-19 outbreak. In addition, Hong Kong Special Administrative Region government implementation of the safe distancing measures include closure of all cinemas for the period of 29 March to 7 May 2020, and 15 July to 27 August 2020. Given the dynamic nature of these circumstances, the Directors will continue to assess the financial effects on the Group's financial position and operating results.

51. 報告期後事件

於2020年初爆發的新型冠狀病毒(「COVID-19」)對本集團營運構成影響。自COVID-19爆發起，當地市民的社交活動遞減，包括到訪影院觀看放映。此外，於2020年3月29日至5月7日及2020年7月15日至8月27日，香港特別行政區政府實施安全距離措施，當中包括關閉所有電影院。鑒於有關情況的變動性質，董事將繼續評估本集團財務狀況及營運業績的財務影響。

FINANCIAL SUMMARY

財務摘要

FINANCIAL RESULTS

財務業績

		For the year ended 30 June				
		截至6月30日止年度				
		2016	2017	2018	2019	2020
		2016年	2017年	2018年	2019年	2020年
		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
Revenue	收益	446,381	225,631	274,640	668,130	465,534
Cost of sales	銷售成本	(259,552)	(109,370)	(136,196)	(405,843)	(291,830)
Gross profit	毛利	186,829	116,261	138,444	262,287	173,704
Other gains and losses	其他收益及虧損	-	5,353	8,608	21,055	(580)
Other income	其他收入	4,738	6,593	7,681	11,347	42,348
Selling and distribution expenses	銷售及發行開支	(102,820)	(110,539)	(200,624)	(207,271)	(181,793)
Administrative expenses	行政開支	(87,674)	(43,943)	(50,981)	(67,316)	(60,997)
Net foreign exchange (loss) gain	匯兌(虧損)收益淨額	(6,779)	(5,016)	1,859	(226)	(2,210)
Impairment loss on goodwill	商譽減值虧損	(43,084)	-	-	-	-
Impairment loss on intangible asset	無形資產減值虧損	(20,514)	-	-	-	-
Impairment loss on other receivable	其他應收賬款減值虧損	(2,011)	-	-	-	-
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	-	-	(40,579)	-	(2,189)
Impairment loss on interests in associates	於聯營公司權益的減值虧損	-	(20,351)	(22,295)	(16,317)	-
Impairment loss on trade receivables under expected credit loss model	預期信貸虧損模式項下之貿易應收款項減值虧損	-	-	-	-	(2,998)
Impairment loss on right-of-use assets	使用權資產減值虧損	-	-	-	-	(28,895)
Impairment loss on available-for-sale investment	可供出售投資的減值虧損	-	-	(2,736)	-	-
Impairment loss on investment in film/drama production	投資電影/戲劇製作的減值虧損	-	-	(19,613)	-	-
Fair value change on contingent consideration payable	應付或然代價的公平值變動	-	-	-	(20,511)	(6,161)
Finance costs	融資成本	(170)	(9)	(262)	(11,630)	(57,630)
Share of results of associates	應佔聯營公司業績	(234)	(1,757)	74	(1,484)	(855)
Share of results of a joint venture	應佔一間合營企業業績	(2,090)	13,494	445	97	(6)
Loss before tax	除稅前虧損	(73,809)	(39,914)	(179,979)	(29,969)	(128,262)
Income tax (expense) credit	所得稅(開支)抵免	(10,343)	(966)	(10,072)	(5,719)	885

FINANCIAL SUMMARY

財務摘要

		For the year ended 30 June 截至6月30日止年度				2020
		2016	2017	2018	2019	2020
		2016年	2017年	2018年	2019年	2020年
		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
Loss for the year	年內虧損	(84,152)	(40,880)	(190,051)	(35,688)	(127,377)
Other comprehensive income (expense) for the year	年內其他全面收入(開支)					
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>隨後或會重新分類至損益的項目</i>					
Reclassification adjustments upon disposal of a subsidiary included in profit or loss	計入損益之一間附屬公司於出售後重新分類調整	-	-	-	165	-
Reclassification adjustments upon disposal of an associate included in profit or loss	計入損益之一間聯營公司於出售後重新分類調整	-	-	-	-	(321)
Share of exchange difference of associates arising on translating foreign operation	應佔聯營公司因換算海外業務產生的匯兌差額	29	48	(39)	305	-
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	(2,485)	(2,413)	28	(133)	-
Exchange difference on translating foreign operation	海外業務換算之匯兌差額	1,503	1,116	(1,373)	5,266	(1,144)
Total comprehensive expense for the year	年內全面開支總額	(85,105)	(42,129)	(191,435)	(30,085)	(128,842)
Loss for the year attributable to:	下列人士應佔年內虧損：					
Owners of the Company	本公司擁有人	(72,591)	(39,984)	(189,750)	(35,504)	(126,598)
Non-controlling interests	非控股權益	(11,561)	(896)	(301)	(184)	(779)
		(84,152)	(40,880)	(190,051)	(35,688)	(127,377)
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	458,804	452,882	456,450	989,832	1,784,249
Total liabilities	負債總額	(126,494)	(145,146)	(340,149)	(903,616)	(1,578,644)
		332,310	307,736	116,301	86,216	205,605
Equity attributable to owners of the Company	本公司擁有人應佔權益	334,027	311,214	120,080	90,179	(37,884)
Perpetual bonds	永續債	-	-	-	-	204,600
Non-controlling interests	非控股權益	(1,717)	(3,478)	(3,779)	(3,963)	38,889
		332,310	307,736	116,301	86,216	205,605



TRANSMIT ENTERTAINMENT