

第一季度報告 **2017**
First Quarterly Report



Creative China Holdings Limited
中國創意控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8368

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of Creative China Holdings Limited (the “Company”) collectively and individually accept full responsibility, include particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他老練投資者。

由於創業板上市公司新興的性質所然，在創業板買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所創業板證券上市規則(「創業板上市規則」)之規定而提供有關中國創意控股有限公司(「本公司」)的資料。本公司各董事(「董事」)願就本報告共同及個別承擔全部責任，並於作出一切合理查詢後，確認就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且無誤導或欺詐成份；及並無遺漏任何其他事項致使本報告所載任何聲明或本報告產生誤導。

The board of Directors (the "Board") of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2017, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

本公司之董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱為「本集團」)截至二零一七年三月三十一日止三個月之未經審核簡明綜合業績連同二零一六年同期之未經審核比較數字如下：

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

未經審核簡明綜合全面收益表

For the three months ended 31 March 2017
截至二零一七年三月三十一日止三個月

| | | Three months ended 31 March | | |
|--|---------------|-----------------------------|-------------|----------|
| | | 截至三月三十一日止三個月 | | |
| | | 2017 | 2016 | |
| | | 二零一七年 | 二零一六年 | |
| | | RMB'000 | RMB'000 | |
| | | 人民幣千元 | 人民幣千元 | |
| | | (Unaudited) | (Unaudited) | |
| | | (未經審核) | (未經審核) | |
| Turnover | 營業額 | 3 | 2,841 | 9,633 |
| Direct costs | 直接成本 | | (6,063) | (7,543) |
| Gross (loss)/profit | 毛(損)/利 | | (3,222) | 2,090 |
| Other revenue | 其他收益 | | 30 | 359 |
| Other gains and losses | 其他收益及虧損 | | 1,675 | - |
| Selling and distribution costs | 銷售及分銷成本 | | (3,593) | (926) |
| Administrative expenses | 行政開支 | | (6,503) | (5,978) |
| Loss from operation | 經營虧損 | | (11,613) | (4,455) |
| Finance costs | 財務成本 | | - | (141) |
| Loss before income tax | 除所得稅前虧損 | | (11,613) | (4,596) |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 4 | 56 | (213) |
| Loss and total comprehensive loss for the period | 期內虧損及全面虧損總額 | | (11,557) | (4,809) |
| Attributable to: | 應佔： | | | |
| Owners of the Company | 本公司擁有人 | | (10,064) | (4,586) |
| Non-controlling interests | 非控股權益 | | (1,493) | (223) |
| | | | (11,557) | (4,809) |
| Loss per share: | 每股虧損 | | | |
| - Basic and diluted (RMB cents) | - 基本及攤薄(人民幣分) | 6 | (0.7349) | (0.3820) |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

未經審核簡明綜合權益變動表

For the three months ended 31 March 2017
截至二零一七年三月三十一日止三個月

| | Reserves 儲備 | | | | | Equity attributable | | Total 總計 | |
|--|---------------------------|--------------------------|--------------------------|---------------------------|--|---|---|-------------|----------|
| | Share capital 股本 | Share premium 股份溢價 | Other reserve 其他儲備 | Merger reserve 合併儲備 | (Accumulated losses)/ Retained earnings 保留盈利 | to the owners of the Company 本公司 擁有人 | Non- controlling interests 非控股權益 | | |
| | | | | | | | | | |
| | | | | | (累計虧損)/ | | | | |
| RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | | | |
| Balance at 1 January 2017 (audited) | 於二零一七年一月一日 的結餘(已審核) | 9,884 | 112,313 | 5,362 | 9,300 | (7,922) | 128,937 | 9,682 | 138,619 |
| Issue of shares under placing (note 6 (ii)) | 根據配售發行股份 (附註6(ii)) | 1,767 | 45,064 | - | - | - | 46,831 | - | 46,831 |
| Share issue expenses | 股份發行開支 | - | (1,881) | - | - | - | (1,881) | - | (1,881) |
| Acquisition of additional interests in a subsidiary | 收購一家附屬公司之 額外權益 | - | - | - | - | (746) | (746) | (4) | (750) |
| Loss and total comprehensive loss for the period | 期內虧損及全面虧損總額 | - | - | - | - | (10,064) | (10,064) | (1,493) | (11,557) |
| Balance at 31 March 2017 (unaudited) | 於二零一七年三月三十一日 的結餘(未經審核) | 11,651 | 155,496 | 5,362 | 9,300 | (18,732) | 163,077 | 8,185 | 171,262 |
| Balance at 1 January 2016 (audited) | 於二零一六年一月一日 的結餘(已審核) | 9,821 | 95,164 | 5,362 | 9,300 | 7,775 | 127,422 | 539 | 127,961 |
| Loss and total comprehensive loss for the period | 期內虧損及全面虧損總額 | - | - | - | - | (4,586) | (4,586) | (223) | (4,809) |
| Balance at 31 March 2016 (unaudited) | 於二零一六年三月三十一日 的結餘(未經審核) | 9,821 | 95,164 | 5,362 | 9,300 | 3,189 | 122,836 | 316 | 123,152 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 1 November 2013. The address of its registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its principal place of business is located at Building C9-A, Universal Creative Park, 9 Jiuxianqiao North Road, Chaoyang District, Beijing, the People's Republic of China (the "PRC").

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in the provision of program production, event organisation services, mobile live broadcasting and e-commerce services and entertainment contents on demand system services in the PRC.

2. BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance.

In addition, the financial statements include applicable disclosures required by the GEM Listing Rules.

The unaudited condensed consolidated financial results have been prepared under the historical cost basis.

1. 公司資料

中國創意控股有限公司(「本公司」)乃於二零一三年十一月一日在開曼群島註冊成立的有限公司。註冊辦事處地址為 Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。其主要業務地址位於中華人民共和國(「中國」)北京朝陽區酒仙橋北路9號恒通國際創新園C9樓A座。

本公司主要活動為投資控股，而其附屬公司主要在中國從事提供節目製作、活動籌辦服務、移動直播及電商服務及娛樂內容付費點播系統服務。

2. 呈列基準

綜合財務業績已根據所有適用香港會計師公會頒佈的香港財務報告準則、香港會計準則詮釋(以下統稱為「香港財務報告準則」)及香港公司條例之披露規定而編製。

此外，財務報表亦載列創業板上市規則所規定之適用披露事項。

未經審核簡明綜合業績已按歷史成本的基準編製。

2. BASIS OF PRESENTATION (CONTINUED)

The unaudited condensed consolidated results are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies applied in the preparation of the unaudited condensed consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2016, except that the Group has adopted a number of new or revised HKFRSs, which are newly effective for the period under review. The adoption of these new or revised HKFRSs had no change in significant accounting policies and no significant effect on the financial results of the current period. Also, no prior period adjustment is required.

The Group has not applied or early adopted the new or revised HKFRSs (including their consequential amendments) which are relevant to the Group that have been issued but are not yet effective in the preparation of these unaudited condensed consolidated results. The Group is currently assessing the impact of these new or revised HKFRSs upon initial application but is not yet in a position to state whether these new or revised HKFRSs would have any significant impact on its results of operations and financial position. It is anticipated that all of the pronouncements will be adopted in the Group’s accounting policies in the accounting periods when they first become effective.

The unaudited condensed consolidated results have been reviewed by the audit committee of the Board (the “Audit Committee”).

2. 呈列基準 (續)

未經審核簡明綜合業績以本公司及其附屬公司之功能貨幣人民幣(「人民幣」)呈列，除另有指明外，所有價值均四捨五入至最接近之人民幣千元。

編製未經審核簡明綜合業績所應用之會計政策與編製本集團截至二零一六年十二月三十一日止年度之年度綜合財務報表時所採納者一致，惟本集團已採納多項於回顧期內新生效之新訂或經修訂香港財務報告準則。採納該等新訂或經修訂香港財務報告準則毋須對重要會計政策作出變更及對本期間的財務業績並無重大影響。同時，毋須對過往期間作出調整。

本集團於編製此等未經審核簡明綜合業績時並無應用或提早採納與本集團相關的已頒佈但尚未生效的新訂或經修訂香港財務報告準則(包括其後續修訂)。本集團現正評估首次採用該等新訂或經修訂香港財務報告準則之影響，惟仍未能確定該等新訂或經修訂香港財務報告準則會否對其營運業績及財務狀況構成任何重大影響。預計所有頒佈之準則將於其首次生效時之會計期間納入本集團之會計政策。

未經審核簡明綜合業績已由董事會之審核委員會(「審核委員會」)審閱。

3. TURNOVER

Turnover of the Group represents revenue generated from (i) program production and related services, (ii) event organisation and related services, (iii) mobile live broadcasting and related services and (iv) entertainment contents on demand system and related services. The amounts of each significant category of revenue recognised in turnover during the period are as follows:

3. 營業額

本集團營業額指 (i) 節目製作及相關服務、(ii) 活動籌辦及相關服務、(iii) 移動直播及相關服務及 (iv) 娛樂內容付費點播系統及相關服務產生之相關收益。於期內在營業額確認的各主要收益類別的款額如下：

| | | Three months ended 31 March | |
|---|-------------------|-----------------------------|--------------|
| | | 截至三月三十一日止三個月 | |
| | | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Program production and related services income | 節目製作及相關服務收入 | 1,127 | 4,805 |
| Event organisation and related services income | 活動籌辦及相關服務收入 | 1,292 | 4,828 |
| Mobile live broadcasting and related services income | 移動直播及相關服務收入 | 140 | — |
| Entertainment contents on demand system and related services income | 娛樂內容付費點播系統及相關服務收入 | 282 | — |
| | | 2,841 | 9,633 |

All revenue from external customers are located in the PRC. Geographical locations of customers are based on the locations at which the services are provided.

來自外部客戶的所有收益均位於中國。客戶地區位置乃按服務提供地點劃分。

4. INCOME TAX CREDIT/(EXPENSE)

4. 所得稅抵免／(開支)

| | | Three months ended 31 March | |
|----------------------------|---------|-----------------------------|--------------|
| | | 截至三月三十一日止三個月 | |
| | | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Current tax - the PRC | 即期稅項－中國 | | |
| - provision for the period | －期內撥備 | - | (269) |
| Deferred tax | 遞延稅項 | 56 | 56 |
| | | <u>56</u> | <u>(213)</u> |

PRC enterprise income tax is calculated at 25% (2016: 25%) on the estimated assessable profits during the period.

中國企業所得稅乃以期內之估計應課稅溢利按25%(二零一六年：25%)計算。

5. DIVIDEND

The Directors do not recommend the payment of any dividend for the three months ended 31 March 2017 (2016: nil).

5. 股息

董事不建議就截至二零一七年三月三十一日止三個月派發任何股息(二零一六年：無)。

6. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

6. 每股虧損

本公司普通股權持有人應佔每股基本及攤薄虧損乃根據以下數據計算：

| | | Three months ended 31 March | |
|---|----------------------|------------------------------------|--------------------|
| | | 截至三月三十一日止三個月 | |
| | | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Loss | 虧損 | | |
| Loss for the purposes of basic loss per share | 就每股基本虧損而言之虧損 | (10,064) | (4,586) |
| | | Three months ended 31 March | |
| | | 截至三月三十一日止三個月 | |
| | | 2017 | 2016 |
| | | 二零一七年 | 二零一六年 |
| | | '000 | '000 |
| | | 千股 | 千股 |
| Number of shares | 股份數目 | | |
| Issued ordinary shares of 1 January | 於一月一日的已發行普通股 | 1,223,513 | 1,200,000 |
| Less: Consideration shares which are subject to recall (note (i)) | 減：可予收回的代價股份 (附註(i)) | (16,267) | - |
| | | 1,207,246 | 1,200,000 |
| Effect of issuance of shares under placing (note (ii)) | 根據配售發行股份之影響 (附註(ii)) | 162,222 | - |
| Weighted average number of ordinary shares (note (iii)) | 普通股加權平均數 (附註(iii)) | 1,369,468 | 1,200,000 |

6. LOSS PER SHARE (CONTINUED)

Notes:

- (i) Included in the shares issued on 15 November 2016 for acquisition of a subsidiary were 16,266,667 shares which are subject to lock-up and dealing restrictions and adjustments. These shares are classified as financial liabilities and deemed have not yet been issued until the date when the relevant restrictions are released.
- (ii) On 18 January 2017, the Company had completed the placing of 200,000,000 new ordinary shares of the Company (with aggregate nominal value of HK\$2,000,000) (the "Placing Share(s)") to not less than six placees at the placing price of HK\$0.265 (the "Placing Price") per Placing Share (the "2017 Placing"). The Placing Price was agreed with the placing agent in the placing agreement dated 13 December 2016 and the closing price quoted on the Stock Exchange per ordinary share of the Company as at that date was HK\$0.295. The gross proceeds from the 2017 Placing is HK\$53,000,000 and the net proceeds from the is approximately HK\$50,700,000 after deducting the placing commission and other related expenses. The net issue price was approximately HK\$0.25 per Placing Share. Each of the placees and its ultimate beneficial owners (where applicable) is an independent third party and none of the placees has become a substantial shareholder (as defined in the GEM Listing Rules) after the completion of the 2017 Placing. The Group intends to use the net proceeds from the 2017 Placing for the general working capital. The 2017 Placing was a good opportunity to raise additional funds as working capital of the Group without any interest burden and can broaden the Company's capital base and shareholders base.
- (iii) Diluted loss per share was the same as basic loss per share as there were no potential dilutive ordinary shares outstanding for the three months ended 31 March 2017 and 2016.

6. 每股虧損 (續)

附註:

- (i) 為收購附屬公司而於二零一六年十一月十五日發行之股份包括 16,266,667 股被遺禁售及買賣限制和可予收回之股份。該等股份分類為金融負債及乃視作為未發行，直至相關限制解除日期為止。
- (ii) 於二零一七年一月十八日，本公司完成了按 0.265 港元的配售價 (「配售價」) 配售 200,000,000 股總面值為 2,000,000 港元之本公司新普通股 (「配售股份」) 予不少於六名承配人 (「二零一七年配售事項」)。配售價已於日期為二零一六年十二月十三日之配售協議與配售代理協商確定，該日本公司普通股在聯交所所報之收市價為 0.295 港元。二零一七年配售事項之所得款項總額為 53,000,000 港元，經扣除配售佣金及其他相關開支後，配售事項之所得款項淨額約為 50,700,000 港元。每股配售股份的淨發行價約 0.25 港元。各承配人及其最終實益擁有人 (倘適用) 為獨立第三方，並於完成交易後，概無承配人成為主要股東 (定義見創業板上市規則)。本集團擬將二零一七年配售事項所得款項淨額用於一般營運資金。二零一七年配售事項乃籌集額外資金用作本集團營運資金之良機，而且不會產生任何利息負擔及可以擴大本公司之資本基礎及股東基礎。
- (iii) 每股攤薄虧損與每股基本虧損相同，因截至二零一七年及二零一六年三月三十一日止三個月均無發行之在外之潛在攤薄普通股。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Turnover

Turnover for the three months ended 31 March 2017 amounted to approximately RMB2.8 million, representing a significant decrease of approximately 70.5% as compared to that recorded for the three months ended 31 March 2016 of approximately RMB9.6 million. It was mainly due to the decrease in turnover from (i) program production and related services as a major customer has changed its business strategy to self-produce some recurring programs since 2017 which the Group had provided production service for such recurring programs for many years; and (ii) event organisation and related services as there were no automobile shows held during the three months ended 31 March 2017 as compared with the corresponding period in 2016.

Gross (loss)/profit and gross (loss)/profit margin

The Group had a gross loss of approximately RMB3.2 million and a gross loss margin of approximately 113.4% for the three months ended 31 March 2017 as compared to a gross profit of approximately RMB2.1 million and a gross profit margin of approximately 21.7% in the corresponding period in 2016. The main reasons of the gross loss during the period are (i) the reduction of certain program production for the three months ended 31 March 2017, which had higher gross profit margin in the corresponding period in 2016; and (ii) the increase in content production costs and network operating costs for the development of mobile live broadcasting business which was kicked-off in the second half of 2016. As the business is still in a developing stage, the corresponding turnover was relatively insignificant compared with the direct cost incurred.

財務回顧

營業額

截至二零一七年三月三十一日止三個月錄得約人民幣2.8百萬元之營業額，較截至二零一六年三月三十一日止三個月的約人民幣9.6百萬元大幅減少約70.5%。營業額減少主要由於(i)一名主要客戶自二零一七年起改變了其業務策略，將部份多年以來由本集團提供製作服務的常規節目轉為由他們自行進行製作，導致節目製作及相關服務的營業額減少；及(ii)於截至二零一七年三月三十一日止三個月期間沒有籌辦一些在二零一六年同期籌辦過的汽車展覽。

毛(損)/利及毛(損)/利率

本集團於截至二零一七年三月三十一日止三個月錄得毛損約為人民幣3.2百萬元及毛損率約113.4%，對比二零一六年同期毛利約為人民幣2.1百萬元及毛利率約21.7%。期內錄得毛損的主要原因是(i)於截至二零一七年三月三十一日止三個月，一些在二零一六年同期有較高毛利率節目的減少；及(ii)為二零一六年下半年新增的移動直播業務而增加了內容製作費用及網絡運營費用。由於此項業務尚在發展階段，其營業額相對地較其直接成本少。

FINANCIAL REVIEW (CONTINUED)

Expenses

Selling and distribution costs for the three months ended 31 March 2017 was approximately RMB3.6 million, representing an increase of approximately RMB2.7 million as compared to the corresponding period in 2016. This significant increase was mainly due to the increase in marketing expenses and cost of customer supporting services for the development of mobile live broadcasting business and entertainment contents on demand system business which were kicked-off in the second half of 2016.

Administrative expenses for the three months ended 31 March 2017 amounted to approximately RMB6.5 million (three months ended 31 March 2016: approximately RMB6.0 million), which maintained at similar level of the corresponding period in last year.

Income tax credit/(expense)

The Group had an income tax credit for the three months ended 31 March 2017 of approximately RMB56,000 as compared to an income tax expense of approximately RMB0.2 million in the corresponding period in 2016. The income tax credit for the three months ended 31 March 2017 was due to the deferred tax. As compared to the corresponding period in 2016, there are no provision of PRC enterprise income tax for the three months ended 31 March 2017 as no subsidiaries of the Company located in the PRC have recorded taxable profit during the period. PRC enterprise income tax for the group companies is calculated at 25% on taxable income of relevant period in accordance with the relevant PRC laws and regulations.

財務回顧 (續)

開支

截至二零一七年三月三十一日止三個月，銷售及分銷成本約為人民幣3.6百萬元，較二零一六年同期增加約人民幣2.7百萬元，該大幅增加的原因主要由於為發展於二零一六年下半年新增的移動直播業務及娛樂內容付費點播系統業務而增加的市場營銷費用及客戶支援服務的成本。

截至二零一七年三月三十一日止三個月的行政開支約人民幣6.5百萬元(截至二零一六年三月三十一日止三個月：人民幣6.0百萬元)，與去年同期相若。

所得稅抵免/(開支)

本集團於截至二零一七年三月三十一日止三個月錄得所得稅抵免約為人民幣56,000元及對比二零一六年同期所得稅開支約為人民幣0.2百萬元。截至二零一七年三月三十一日止三個月的所得稅抵免乃來自遞延稅項。與二零一六年同期比較，因為並沒有本公司位於中國的附屬公司錄得應課稅溢利，因此截至二零一七年三月三十一日止三個月並無任何中國企業所得稅的撥備。集團內公司的中國企業所得稅乃根據相關中國法律及法規按有關期間之應課稅溢利的25%計算。

FINANCIAL REVIEW (CONTINUED)

Loss for the period

Loss for the three months ended 31 March 2017 was approximately RMB11.6 million (three months ended 31 March 2016: RMB4.8 million). The significant increase in net loss after tax was mainly attributable to (i) decrease in turnover; and (ii) increase in content production costs, network operating costs, marketing expenses and cost of customer supporting services for the development of mobile live broadcasting business and entertainment contents on demand system business as mentioned above.

BUSINESS REVIEW

The Group is principally engaged in the businesses of program production, event organisation, mobile live broadcasting and entertainment contents on demand system in the PRC. The turnover from program production and event organisation for the three months ended 31 March 2017 decreased by approximately 76.5% and approximately 73.2% respectively as compared to corresponding period in 2016. It is mainly due to the change in business strategy of a major customer of the Group and there were no automobile shows held during the period as mentioned in the section headed "Financial Review" above.

The Group has begun the mobile live broadcasting business and entertainment contents on demand system business from the second half of 2016 and attempts to become one of the major participants in these two developing markets. During the three months ended 31 March 2017, the number of users in "Great Star", the mobile live broadcasting platform of the Group, has been improving and "Fengtingxun Entertainment Contents On Demand System", which is operated by the Group, is continuously installed at various locations including karaoke boxes, mini-cinemas, hotels and internet cafes. In order to stimulate the development of mobile live broadcasting business and entertainment contents on demand system business, the Group has incurred higher content production costs, network operating costs, marketing expenses and cost of customer supporting services during the three months ended 31 March 2017.

財務回顧(續)

期內虧損

截至二零一七年三月三十一日止三個月的期內虧損約人民幣11.6百萬元(截至二零一六年三月三十一日止三個月：人民幣4.8百萬元)。除稅後淨虧損大幅增加的原因如以上所述，主要由於(i)營業額減少；及(ii)因發展移動直播業務及娛樂內容付費點播系統業務而增加的內容製作費用、網絡運營費用、市場營銷費用及客戶支援服務的成本。

業務回顧

本集團主要在中國從事節目製作、活動籌辦、移動直播及娛樂內容付費點播系統業務。截至二零一七年三月三十一日止三個月的節目製作及活動籌辦的營業額較二零一六年同期分別減少了約76.5%及減少了約73.2%，如「財務回顧」一節中所述，此乃主要因為一名主要客戶改變了其業務策略及於期內沒有籌辦一些在二零一六年同期籌辦過的汽車展覽所致。

此外，本集團自二零一六年下半年展開了移動直播及娛樂內容付費點播系統的業務，務求於此兩個發展中的市場中成為主要的參與者。於截至二零一七年三月三十一日止三個月，本集團的移動直播平台「全聚星」的用戶數量正在逐漸的增加，而經營的「風霆迅娛樂內容點播系統」亦繼續在KTV包廂、迷你影院、酒店及網吧等各種場所陸續上綫。為刺激移動直播及娛樂內容付費點播系統業務的發展，於截至二零一七年三月三十一日止三個月，本集團產生了較高的內容製作費用、網絡運營費用、市場營銷費用及客戶支援服務的成本。

Given the decrease in turnover from program production and event organisation businesses exceeded the turnover generated from the mobile live broadcasting business and entertainment contents on demand system business (though small as it was still in a developing stage during the three months ended 31 March 2017), and the increase in cost and expenses to develop the mobile live broadcasting business and entertainment contents on demand system business, the Group had recorded a gross loss during the three months ended 31 March 2017. In view of the same reasons, the Group's net loss before income tax for the three months ended 31 March 2017 had recorded an increase of approximately 152.7% as compared to the corresponding period in 2016.

PROSPECTS

Despite the turnover for our program production and event organisation businesses has decreased for the three months ended 31 March 2017 as compared to the corresponding period in last year, the Group will continue to seek for potential customers under the competitive market environment with an objective to generate income from such business segment, and also seek different cooperation models with our customers to achieve win-win situations.

由於節目製作及活動籌辦業務的營業額的減少較移動直播業務及娛樂內容付費點播系統業務所帶來的營業額(因為截至二零一七年三月三十一日止三個月仍是在發展的階段,其營業額會較低)為高,以及為發展移動直播業務及娛樂內容付費點播系統業務而增加的成本和費用,本集團於截至二零一七年三月三十一日止三個月錄得了毛損。基於相同原因,本集團於截至二零一七年三月三十一日止三個月的除所得稅前淨虧損亦較二零一六年同期增加了約152.7%。

前景

儘管截至二零一七年三月三十一日止三個月在節目製作及活動籌辦業務方面的營業額比較去年同期下跌,本集團會繼續在競爭激烈的市場內尋找新的客戶,為求令這些業務分部可以帶來收入。同時,本集團亦會與客戶尋求不同的合作方式,以達致雙贏的局面。

Mobile live broadcasting business and entertainment contents on demand system business are focal points of the business development of the Group. Given the audience of entertainment market in the PRC has been shifting from traditional television broadcasting to internet in recent years, in order to adapt to the changing market environment and maintaining the competitiveness of the Group in the industry, the Group developed mobile live broadcasting business and entertainment contents on demand system business which are internet base. However, as mobile live broadcasting business is an internet base business and currently in a developing stage, such business will require to evolve quickly and, in turn, require continue deployment of resources to develop new contents to attract users. Hence, the Group anticipates to face a challenging outlook in the near future. Notwithstanding the aforesaid situation, the Group will continue to improve the broadcasting contents in “Great Star”, the mobile live broadcasting platform of the Group and develop a diversified entertainment contents and e-commerce live broadcasting platform to attract more users to “Great Star”. In addition, because the post-cinema market and pan-entertainment market in the PRC are still in the developing stage, the Group will continue to seek more authorisation of high quality entertainment contents for “Fengtingxun Entertainment Contents On Demand System” and expects to utilise the plenty of entertainment contents to attract more entertainment locations to become our cooperative partners in order to make “Fengtingxun Entertainment Contents On Demand System” to lead the new form of consumption in the pan-entertainment market in the PRC.

移動直播及娛樂內容付費點播系統業務是本集團業務發展的重點。中國的娛樂市場的觀眾近年逐漸由傳統的廣播電視轉移到互聯網，有見及此，本集團去年展開與互聯網市場相關的移動直播及娛樂內容付費點播系統業務，以迎合此趨勢及保持本集團在娛樂行業的競爭力。然而，因為移動直播業務是互聯網相關的業務及現時仍處於發展的階段，其發展需要迅速的演變。所以，這業務需要持續的使用大量資源以建立新的內容去吸引用戶。因此，本集團預期未來會面對一個極具挑戰性的前景。雖然如此情況，本集團仍會繼續完善移動直播平台「全聚星」的直播內容，建立一個多元化的娛樂內容及電商直播平台，為「全聚星」吸引更多忠實用戶。另外，由於中國的後影院市場及泛娛樂市場現時仍未發展成熟，因此本集團會繼續為「風霆迅娛樂內容點播系統」引入更多高質素的娛樂內容的授權，期望利用豐富的內容資源吸引不同的娛樂消費場所成為我們的合作伙伴，令「風霆迅娛樂內容點播系統」可以在引領中國泛娛樂市場的新消費潮流。

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

權益披露及其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債券中的權益及淡倉

As at 31 March 2017, the interest and short position of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rules 5.46 of the GEM Listing Rules were as follows:

於二零一七年三月三十一日，本公司董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

(i) Long positions in ordinary shares of the Company

(i) 於本公司普通股的好倉

| Name of Director/ Chief Executive 董事/主要行政人員名稱 | Capacity and nature of interest 權益性質 | Number of shares 股份數目 | Percentage of the Company's issued share capital 股權概約百分比 |
|--|---|-----------------------------|--|
| Goldbless International Limited ("Goldbless") 金美國際有限公司(「金美」) | Beneficial owner (note 1) 實益擁有人(附註1) | 227,500,000 | 15.98% |
| Mr. Wang Yong 汪勇先生 | Interest of controlled corporation (note 1) 於受控法團權益(附註1) | 227,500,000 | 15.98% |
| Alpha Master Global Limited ("Alpha Master") | Beneficial owner (note 2) 實益擁有人(附註2) | 50,388,000 | 3.54% |
| Mr. Li Lin (resigned on 6 April 2017) 黎霖先生(於二零一七年四月六日辭任) | Interest of controlled corporation (note 2) 於受控法團權益(附註2) | 50,388,000 | 3.54% |
| Top Select Ventures Limited ("Top Select") 領擇創投有限公司(「領擇創投」) | Beneficial owner (note 3) 實益擁有人(附註3) | 3,673,118 | 0.26% |

| Name of Director/ Chief Executive 董事／主要行政人員名稱 | Capacity and nature of interest 權益性質 | Number of shares 股份數目 | Percentage of the Company's issued share capital 股權概約百分比 |
|---|---|-----------------------------|--|
| Mr. Yao Qinrong 姚欽榮先生 | Interest of controlled corporation (note 3) 於受控法團權益(附註3) | 3,673,118 | 0.26% |
| Jumbo Success Global Limited ("Jumbo Success") 巨成環球有限公司(「巨成環球」) | Beneficial owner (note 4) 實益擁有人(附註4) | 3,673,118 | 0.26% |
| Mr. Zhao Jian 趙健先生 | Interest of controlled corporation (note 4) 於受控法團權益(附註4) | 3,673,118 | 0.26% |

Notes:

- The entire issued share capital of Goldbless is owned by Mr. Wang Yong. Under the SFO, Mr. Wang Yong is deemed to be interested in all the shares registered in the name of Goldbless.
- The entire issued share capital of Alpha Master is owned by Mr. Li Lin. Under the SFO, Mr. Li Lin is deemed to be interested in all the shares registered in the name of Alpha Master.
- The entire issued share capital of Top Select Ventures Limited is owned by Mr. Yao Qinrong, the director of a subsidiary of the Company. Under the SFO, Mr. Yao Qinrong is deemed to be interested in all the shares registered in the name of Top Select.
- The entire issued share capital of Jumbo Success Global Limited is owned by Mr. Zhao Jian, the director of a subsidiary of the Company. Under the SFO, Mr. Zhao Jian is deemed to be interested in all the shares registered in the name of Jumbo Success.

附註:

- 金美的全部已發行股本由汪勇先生擁有。根據證券及期貨條例，汪勇先生被視為於以金美名義登記的所有股份中擁有權益。
- Alpha Master的全部已發行股本由黎霖先生擁有。根據證券及期貨條例，黎霖先生被視為於以Alpha Master名義登記的所有股份中擁有權益。
- 領擇創投的全部已發行股本由本公司的其中一家附屬公司的董事姚欽榮先生擁有。根據證券及期貨條例，姚欽榮先生被視為於以領擇創投名義登記的所有股份中擁有權益。
- 巨成環球的全部已發行股本由本公司的其中一家附屬公司的董事趙健先生擁有。根據證券及期貨條例，趙健先生被視為於以巨成環球名義登記的所有股份中擁有權益。

(ii) Long positions in ordinary shares of US\$1.00 each in Youth Success Holdings Limited (“Youth Success”)

(ii) 於 Youth Success Holdings Limited (「Youth Success」)每股面值1美元普通股的好倉

| Name of Director 董事名稱 | Number of shares 股份數目 | Percentage of shareholding 股權概約百分比 |
|--|--------------------------|---------------------------------------|
| Mr. Philip Jian Yang (note 1) 楊劍先生(附註1) | 1273 | 12.73% |
| Mr. Yang Shiyuan (note 2) 楊世遠先生(附註2) | 148 | 1.48% |
| Mr. Sun Rui (note 3) (resigned on 6 April 2017) 孫銳先生(附註3)(於二零一七年四月六日辭任) | 117 | 1.17% |

Notes:

1. Mr. Philip Jian Yang holds the shares of Youth Success through Ever Ring Holdings Limited which is wholly-owned by him.
2. Mr. Yang Shiyuan holds the shares through State Trade Global Limited which is wholly-owned by him.
3. Mr. Sun Rui holds the shares of Youth Success through Shitian Limited which is wholly-owned by him.

附註:

1. 楊劍先生透過其全資擁有的恆永控股有限公司持有 Youth Success 的股份。
2. 楊世遠先生透過其全資擁有的 State Trade Global Limited 持有 Youth Success 的股份。
3. 孫銳先生透過其全資擁有的世天有限公司持有 Youth Success 的股份。

Save as disclosed above, as at 31 March 2017, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

除上文所披露者外，於二零一七年三月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條存置的本公司登記冊，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益或淡倉。

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

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

As at 31 March 2017, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

於二零一七年三月三十一日，根據證券及期貨條例第336條須存置的登記冊所記錄，下列人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有權益或淡倉：

(i) Long positions in ordinary shares of the Company

(i) 於本公司普通股的好倉

| Name of Shareholder 股東名稱 | Capacity and nature of interest 權益性質 | Number of shares 股份數目 | Percentage of the Company's issued share capital 股權概約百分比 |
|---|--|--------------------------|---|
| Youth Success | Beneficial owner (note 1) 實益擁有人(附註1) | 711,868,000 | 50.00% |
| Guang Rui Investments Limited ("Guang Rui") 光瑞投資有限公司(「光瑞」) | Beneficial owner; interest in controlled corporation (note 1) 實益擁有人；於受控法團權益(附註1) | 724,840,000 | 50.92% |
| Mr. Yang Shaoqian ("Mr. Yang") 楊紹謙先生(「楊先生」) | Interest in controlled corporation (note 1); interest of spouse (note 2) 於受控法團權益(附註1)；配偶權益(附註2) | 724,840,000 | 50.92% |
| Ms. Mu Sufang ("Ms. Mu") 牟素芳(「牟女士」) | Interest in controlled corporation (note 1); interest of spouse (note 2) 於受控法團權益(附註1)；配偶權益(附註2) | 724,840,000 | 50.92% |
| Wonder Solutions International Group Limited ("Wonder Solutions") | Beneficial owner (note 3) 實益擁有人(附註3) | 155,000,000 | 10.89% |
| Mr. Chow Hai Yen 周海源先生 | Interest in controlled corporation (note 3) 於受控法團權益(附註3) | 155,000,000 | 10.89% |

Notes:

1. Youth Success and Guang Rui owns 406,890,000 shares and 12,972,000 shares respectively, representing 28.58% and 0.91% of the issued share capital of the Company. The issued share capital of Youth Success is legally and beneficially owned as to 82.37% by Guang Rui. Under the SFO, Guang Rui is deemed to be interested in all the Shares registered in the name of Youth Success. The entire issued share capital of Guang Rui is legally and beneficially owned as to 60% by Mr. Yang and 40% by Ms. Mu. By virtue of the shareholders voting agreement entered into by Mr. Yang, Ms. Mu, Youth Success, Mr. Li Lin, Alpha Master, Ms. Yang Qi, Qiao Tian Limited ("Qiao Tian"), Mr. Wang Yong and Goldbless, Youth Success is deemed to be interested in the Shares held by Alpha Master, Qiao Tian and Goldbless in aggregate by virtue of the SFO.
2. Ms. Mu is the spouse of Mr. Yang, therefore she is deemed to be interested in all the Shares in which Mr. Yang is deemed to be interested, and vice versa.
3. Wonder Solutions owns 155,000,000 Shares, representing 10.89% of the issued share capital of the Company. The entire issued share capital of Wonder Solutions is legally and beneficially owned by Mr. Chow Hai Yen.

Save as disclosed above, as at 31 March 2017, no other interests or short positions in the shares or underlying shares of the Company were recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2017.

附註:

1. Youth Success及光瑞分別擁有406,890,000股及12,972,000股股份，佔本公司已發行股本28.58%及0.91%。Youth Success的已發行股本由光瑞合法及實益擁有82.37%。根據證券及期貨條例，光瑞被視為於以Youth Success名義登記的所有股份中擁有權益。光瑞的全部已發行股本由楊先生及牟女士分別合法及實益擁有60%及40%。根據楊先生、牟女士、Youth Success、黎霖先生、Alpha Master、楊琪女士、翹天有限公司(「翹天」)、汪勇先生及金美訂立的股東投票協議，Youth Success依據證券及期貨條例被視為於Alpha Master、翹天及金美合共持有的股份中擁有權益。
2. 牟女士為楊先生的配偶，因此，彼被視為於楊先生被視為擁有權益的所有股份中擁有權益，反之亦然。
3. Wonder Solutions擁有155,000,000股股份，佔本公司已發行股本10.89%。Wonder Solutions全部已發行股本由周海源先生合法及實益擁有。

除上文所披露者外，於二零一七年三月三十一日，概無於本公司股份或相關股份的其他權益或淡倉記錄在本公司根據證券及期貨條例第336條須存置的登記冊內。

購買、出售或贖回本公司上市證券

截至二零一七年三月三十一日止三個月，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

SHARE OPTION SCHEME

The Company has adopted the share option scheme on 3 November 2015 (the “Share Option Scheme”) and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of its adoption and enables the Company to grant share options to the eligible persons (including any executive director, non-executive director and independent non-executive director, advisor and consultant of the Group) (the “Eligible Person(s)”) as incentives or rewards for their contributions to the Group. No share option was granted, exercised, expired or lapsed since its adoption by the Company and there is no outstanding share option under the Share Option Scheme.

The total number of shares of the Company which may be issued upon the exercise of all share options to be granted under the Share Option Scheme and any other share option schemes adopted by the Group from time to time (the “Other Schemes”) must not, in aggregate, exceed 10% of the shares of the Company in issue of as at 18 November 2015 (the “Listing Date”), the date which the Company listed on the GEM of the Stock Exchange (the “Scheme Mandate Limit”) provided that the share options lapsed in accordance with the terms of the Shares Option Scheme or Other Schemes will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 1,200,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 120,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date and 8.43% of the shares of the Company in issue as at the date of this report.

購股權計劃

本公司已於二零一五年十一月三日採納購股權計劃(「購股權計劃」)，除另有註銷或修訂外，該計劃將於其獲採納日期起計的10年維持有效。購股權計劃使本公司可向合資格人士(包括本集團任何執行董事、非執行董事、獨立非執行董事及顧問)(「合資格人士」)授出購股權，作為彼等對本集團所作貢獻的獎勵或回報。自本公司採納購股權計劃以來，購股權計劃項下概無購股權獲授出、行使、屆滿或失效，且亦無未行使購股權。

因根據購股權計劃及本集團不時採納的任何其他購股權計劃(「其他計劃」)將予授出的所有購股權獲行使而可發行的本公司股份總數合共不得超過二零一五年十一月十八日(「上市日期」)(本公司於聯交所創業板上市之日期)上市日期已發行本公司股份的10%(「計劃授權上限」)，惟根據購股權計劃或其他計劃的條款失效的購股權將不會計入計劃授權上限。按上市日期已發行1,200,000,000股股份為基準計算，計劃授權上限將相等於120,000,000股股份，相當於上市日期已發行股份的10%及本報告日期本公司已發行股份的8.43%。

The total number of shares of the Company issued and to be issued upon exercise of the share options granted to each Eligible Person under the Share Option Scheme and Other Schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the shares of the Company in issue from time to time, and provided that if approved by shareholders of the Company in general meeting with such Eligible Person and his associates abstaining from voting, the Company may make a further grant of share options to such Eligible Person (the "Further Grant") notwithstanding that the Further Grant would result in the shares of the Company issued and to be issued upon exercise of all share options granted and to be granted under the Share Option Scheme and Other Schemes to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares of the Company in issue from time to time.

Upon acceptance of the share option, the Eligible Person under the Share Option Scheme shall pay HK\$1.00 to the Company by way of consideration for the grant. The share option will be offered for acceptance for a period of 28 days from the date on which the share option is granted.

The subscription price for the shares of the Company subject to the Share Options Scheme will be a price determined by the Board and notified to each Eligible Person and shall be the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the share options, which must be a trading day of the Stock Exchange; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days of the Stock Exchange immediately preceding the date of grant of the share options; and (iii) the nominal value of a share of the Company.

在任何十二個月期間，根據購股權計劃及其他計劃授予合資格人士的購股權（包括已行使及尚未行使購股權）獲行使後，已發行及將予發行的本公司股份總數不得超過不時已發行本公司股份的1%，惟倘本公司股東在股東大會（有關合資格人士及其聯繫人須放棄投票）批准後，本公司可向有關合資格人士授出額外購股權（「額外授出」），儘管額外授出購股權會導致在截至及包括額外授出當日12個月期間，根據購股權計劃及其他計劃已授予及將授予有關合資格人士的所有購股權（包括已行使、註銷及尚未行使購股權）獲行使後，已發行及將予發行本公司股份總數相當於不時已發行本公司股份的1%以上。

於接納購股權後，購股權計劃下合資格人士須支付1.00港元予本公司，作為獲授購股權的代價。購股權的接納期為授出購股權當日起計28日期間。

受購股權規限的本公司股份認購價將由董事會釐定，並知會各合資格人士，價格須為下列各項的最高者：(i) 於授出購股權日期（必須為聯交所交易日）聯交所每日報價表所載的本公司股份收市價；(ii) 於緊接授出購股權當日前五個聯交所交易日聯交所每日報價表所載的本公司股份平均收市價；及(iii) 本公司股份面值。

An share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to each Eligible Person provided that the period within which the share option must be exercised shall not be more than 10 years from the date of the grant of share option.

COMPETING INTERESTS

During the three months ended 31 March 2017, none of the Directors, the controlling shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) as at 31 March 2017 had any interest in any business which competes or is likely to compete, directly or indirectly, with the business of the Group or any other conflicts of interest with the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Altus Capital Limited, as at the date of this report, save for the compliance adviser agreement dated 4 November 2015 entered into between the Company and Altus Capital Limited, neither Altus Capital Limited, its directors, employees or close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value.

The Board has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules.

在董事會決定及通知各合資格人士的期間內，可隨時根據購股權計劃的條款行使購股權，惟行使購股權的期間不得超出自授出購股權日期起計10年。

競爭權益

截至二零一七年三月三十一日止三個月，董事、本公司控股股東及彼等各自之緊密聯繫人(定義見創業板上市規則)於二零一七年三月三十一日概無在任何與本集團業務直接或間接競爭或可能競爭的業務中擁有權益或與本集團有任何其他利益衝突。

合規顧問之權益

誠如本公司的合規顧問浩德資本有限公司所告知，於本報告日期，除本公司與浩德資本有限公司訂立日期為二零一五年十一月四日的合規顧問協議外，浩德資本有限公司、其董事、僱員或緊密聯繫人並無有關本集團的任何權益須根據創業板上市規則第6A.32條知會本公司。

企業管治常規

本公司董事會及管理層致力訂立良好的企業管治常規及程序。保持高標準的商業道德和企業管治常規一直是本集團的目標之一。本公司相信，良好的企業管治能為有效管理、成功達致業務增長及健康企業文化訂立框架，從而提升股東價值。

董事會已採納創業板上市規則附錄15所載企業管治守則(「企業管治守則」)。

The Board is pleased to report compliance with the code provisions of the CG Code for the three months ended 31 March 2017, except the following deviations (Code Provisions A.2.1, A.4.1 and C.2.5):

Chairman and Chief Executive Officer

Mr. Philip Jian Yang is the Chairman of the Board and the Chief Executive Officer of the Company and is responsible for the overall operations, management, business development and strategy planning of the Group.

The Chairman also takes the lead to ensure that the Board works effectively and acts in the best interest of the Company by encouraging the directors to make active contribution in Board's affairs and promoting a culture of openness and debate.

The Board is of the view that although Mr. Yang is both Chairman and the Chief Executive Officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting operation of the Company.

Non-executive directors

The non-executive directors of the Company were not appointed for a specific term but their respective terms of office are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The rotation clause sets up a mechanism to ensure that all Directors shall retire at least once every three years and be eligible for re-election.

Internal Audit Function

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. This situation will be reviewed from time to time.

董事會欣然匯報，除以下偏離（企業管治守則之守則條文第A.2.1條、第A.4.1條及第C.2.5段）外，截至二零一七年三月三十一日止三個月期間一直符合企業管治守則的守則條文。

主席及行政總裁

楊劍先生為本公司董事會主席兼行政總裁，負責本集團整體營運、管理、業務發展及策略規劃。

主席亦領導董事會，鼓勵所有董事積極參與董事會事務，倡導公開及積極討論的文化，以確保其有效運作，維護本公司最佳利益。

董事會認為，雖然楊先生為主席兼行政總裁，但通過由具備豐富經驗的人士組成的董事會的運作及由董事會不時開會討論影響本公司營運的事宜，已確保權責平衡。

非執行董事

非執行董事並無委任特定任期，惟彼等須根據細則於股東週年大會上輪席退任及重選。有關輪值退任之條文已設立確保所有董事須每三年至少輪值退任一次及合資格膺選連任之機制。

內部審核功能

本集團並無內部審核功能及認為根據目前本集團業務之規模、性質及複雜性，毋須即時於本集團內設立內部審核功能。該情況將不時進行檢討。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the directors (the "Required Standard of Dealings"). The Company has confirmed, having made specific enquiry of the directors, all the directors have complied with the Required Standard of Dealings throughout the three months ended 31 March 2017.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial control, internal control and risk management systems of the Group, and provide advice and comments on the Group's financial reporting matters to the Board. The Audit Committee comprises three independent non-executive directors, namely Mr. Law Kin Ho, Mr. Li Fei and Mr. Tan Song Kwang.

The unaudited condensed consolidated results of the Company for the three months ended 31 March 2017 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that such unaudited condensed consolidated results comply with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosure have been made.

By order of the Board

Creative China Holdings Limited
Philip Jian Yang

Chairman and Executive Director

Hong Kong, 9 May 2017

As at the date of this report, the Board of Directors of the Company comprises Mr. Philip Jian Yang, Mr. Yang Shiyuan and Ms. Yang Jianping as executive directors, Mr. Ge Xuyu and Mr. Wang Yong as non-executive directors; and Mr. Li Fei, Mr. Law Kin Ho and Mr. Tan Song Kwang as independent non-executive directors.

董事進行證券交易

本公司已採納創業板上市規則第5.48至5.67條作為董事買賣本公司證券之行為守則（「交易必守標準」）。本公司於向董事作出特定查詢後確認，所有董事均於截至二零一七年三月三十一日止三個月期間遵守交易必守標準。

審核委員會

本公司已成立審核委員會，其書面職權範圍符合創業板上市規則第5.28至5.33條。審核委員會的主要職責為檢討及監督本集團的財務監控、內部監控及風險管理制度，並就本集團的財務申報事宜向董事會提供建議及意見。審核委員會由三名獨立非執行董事組成，即羅健豪先生、李飛先生及陳松光先生。

審核委員會已審閱本公司截至二零一七年三月三十一日止三個月的未經審核簡明綜合業績。審核委員會認為，有關未經審核簡明綜合業績符合適用會計準則、創業板上市規則及法定要求，並已作出足夠披露。

承董事會命

中國創意控股有限公司

主席兼執行董事

楊劍

香港，二零一七年五月九日

於本報告日期，執行董事為楊劍先生、楊世遠先生及楊建平女士，非執行董事為葛旭宇先生及汪勇先生，獨立非執行董事為李飛先生、羅健豪先生及陳松光先生。

The logo consists of three concentric circles in blue, red, and yellow, arranged in a circular pattern.

中國創意
Creative China