



CHINA STAR ENTERTAINMENT LIMITED

中國星集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock code 股份代號: 326

Annual Report 2017年報





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公司資料 Corporate Information

董事會

執行董事

向華強先生(主席)
陳明英女士(副主席)
李玉嫦女士

獨立非執行董事

洪祖星先生
何偉志先生
鄧澤林先生

審核委員會

何偉志先生(主席)
洪祖星先生
鄧澤林先生

薪酬委員會

洪祖星先生(主席)
陳明英女士
鄧澤林先生

提名委員會

鄧澤林先生(主席)
向華強先生
洪祖星先生

法定代表

黃淑嫻女士
李玉嫦女士

公司秘書

黃淑嫻女士

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

BOARD OF DIRECTORS

Executive Director

Mr. Heung Wah Keung (*Chairman*)
Ms. Chen Ming Yin, Tiffany (*Vice Chairman*)
Ms. Li Yuk Sheung

Independent Non-Executive Director

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul
Mr. Tang Chak Lam, Gilbert

AUDIT COMMITTEE

Mr. Ho Wai Chi, Paul (*Chairman*)
Mr. Hung Cho Sing
Mr. Tang Chak Lam, Gilbert

REMUNERATION COMMITTEE

Mr. Hung Cho Sing (*Chairman*)
Ms. Chen Ming Yin, Tiffany
Mr. Tang Chak Lam, Gilbert

NOMINATION COMMITTEE

Mr. Tang Chak Lam, Gilbert (*Chairman*)
Mr. Heung Wah Keung
Mr. Hung Cho Sing

AUTHORISED REPRESENTATIVES

Ms. Wong Shuk Han, Dorothy
Ms. Li Yuk Sheung

COMPANY SECRETARY

Ms. Wong Shuk Han, Dorothy

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda



公司資料 Corporate Information

總辦事處及主要營業地點

香港
干諾道中168-200號
信德中心西翼
34樓09室

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716號舖

主要往來銀行

中國工商銀行(澳門)股份有限公司
東亞銀行有限公司

核數師

國衛會計師事務所有限公司
執業會計師

法律顧問

羅拔臣律師事務所
Appleby
高偉紳律師行
歐安利大律師暨私人公證員

股份代號

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網站

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3409 Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Macau) Limited
The Bank of East Asia, Limited

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

LEGAL ADVISERS

Robertsons
Appleby
Clifford Chance
Leonel Alberto Alves Advogado e Notario Privado

STOCK CODE

326

WEBSITE

www.chinastar.com.hk
www.irasia.com/listco/hk/chinastar

主席報告 Chairman's Statement

致各位股東：

我們謹代表董事會（「董事會」）向各位股東提呈中國星集團有限公司（「本公司」）及其附屬公司（以下統稱「本集團」）截至二零一七年十二月三十一日止的年度業績及年報。

年內，本集團審時度勢，果斷進行業務重整及重新定位，包括於二零一七年上半年出售南北行經營業務及於今年年初完成出售酒店及博彩服務經營業務，藉以將其資源重新分配到其他前景較佳的業務。

所謂審時度勢，離不開我們如何順應港澳經濟情況和國家政策作出產業佈局取舍的分析和判斷，即出售表現欠佳的南北行經營業務及因應澳門博彩業及經濟回暖，以理想價格套現未能順應發展形勢的澳門蘭桂坊酒店，其理由誠如相關通函及中期報告所述，「隨著新的度假式酒店陸續在路氹開張，澳門酒店界競爭激烈，加上澳門政府希望吸引更多鍾情於非博彩娛樂的家庭及中場旅客，配合其經濟多元化計劃，而此將有利於路氹之度假式酒店」，而非「主打娛樂場，其酒店房間之設計旨在服務及滿足娛樂場顧客要求」的蘭桂坊酒店，且「無跡象顯示該業務之表現將可於短期內大幅改善，在不久將來的表現仍要面對不少挑戰」，轉而將資金投放於預期將持續暢旺的物業開發及投資業務上。自此，本集團年內的業務可分類為已終止經營業務及餘下經營業務。鑑於博彩業回暖及樓市持續暢旺，我們認為此乃明智之舉，論述如下。

To shareholders,

On behalf of the board of directors (the "Board"), we are pleased to present the annual results and the annual report for the year ended 31st December 2017 of China Star Entertainment Limited (the "Company") and its subsidiaries (collectively as "the Group") to the shareholders.

During the year, the Group took stock of the situation to resolutely reconstruct and reposition its operations, including the disposal of the Nam Pei Hong operations in the first half of 2017 and the completion of the disposal of the hotel and gaming service operations earlier this year, so as to reallocate its resources to other businesses with a brighter prospect.

Taking stock of the situation was hinged on how we made analysis and judgments in respect of business disposition adapting to economic situations in Macau and Hong Kong as well as relevant policies promulgated by the State, which involved the disposal of the underperforming Nam Pei Hong operations and, in light of the recovery of the gaming industry and the economy of Macau, the cashing-in on Hotel Lan Kwai Fong Macau that was considered to be not in tune with the prevailing trend of development. The reasons for which were, as propounded in relevant circular and the interim report, that "following new resort hotels being opened in Cotai in recent years, there is keen competition among hotels in Macau. The Macau government wants to attract more families and mass-market visitors interested in non-gaming entertainment as part of its program of economic diversification which favors those resort hotels in Cotai", but not Hotel Lan Kwai Fong Macau, which "is a casino oriented hotel and its hotel rooms are designed to serve and satisfy demands from casino patrons", and that "there is no sign that the performance in such segment will have substantial improvement in the short term, and will encounter uphill challenges in the near future.". As a result, the Group decided to reallocate its investment in property development operations that are expected to remain robust. Henceforth, the Group's operations during the year could be classified into the discontinued operations and the remaining operations. We believe this is a sensible act in view of the recovery of the gaming industry and the continued buoyancy of the property market, which is explicated more below.



主席報告 Chairman's Statement

澳門經濟看俏，實有賴國家將港澳融入大灣區建設的政策，正如國家的「十九大」報告指出，「要支持香港、澳門融入國家發展大局，以粵港澳大灣區建設、粵港澳合作、泛珠三角區域合作等為重點，全面推進內地同香港、澳門互利合作，制定完善便利香港、澳門居民在內地發展的政策措施」，其後更制定《關於在內地（大陸）就業的港澳同胞享有住房公積金待遇有關問題的意見》，不僅利便澳門居民在內地發展，亦為澳門融入國家發展大局提出實際操作指引。就此有學者指出，澳門為高度開放微型經濟體，資源短缺，經濟適度多元政策效果未見顯著，只有背靠祖國，融入國家發展大局，優化區域合作，方能實現澳門產業適度多元及可持續發展。澳門經濟向好的另一強而有力論調來自政府：澳門行政長官崔世安在二零一七年十一月十四日發表的下個財政年度《施政報告》亦指出，儘管不明朗因素仍然存在，但仍對澳門的前景審慎樂觀，預期明年經濟將持續實現正增長，呈現穩中向好的態勢，並預料澳門經濟增長率為7%。

The promising prospect of the economy of Macau relies on the State's policies to incorporate Macau and Hong Kong in the construction of the Greater Bay Area, as indicated in the report of the 19th National Congress, with an aim to "support the integration of Hong Kong and Macau into the greater layout of the State's development pivoting on the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, the cooperation between Guangdong, Hong Kong and Macao and the cooperation among the Pan Pearl River Delta Region to promote at all front the mutually beneficial cooperation between the Mainland and Hong Kong and Macau by drawing up policies and measures perfecting and facilitating residents of Hong Kong and Macau to develop in the Mainland". In this regard, the "Opinions on issues regarding the entitlement to housing fund treatment for compatriots of Hong Kong, Macau and Taiwan working in Mainland China" was promulgated thereafter, which not only facilitates the development of Macau residents in the mainland, but also provides some practical operational guidelines for Macau's integration into the greater layout of the State's development. At this point, there are scholars proffering that Macau as a highly open micro-economic entity that lacks resources and yields insignificant results of its policies concerning apposite diversification of economy has no alternative but to integrate itself into the overall layout of the State's development and optimize regional cooperation with the backing of the Motherland to realize apposite diversification of economy and sustainable development. Another powerful argument supporting the economic upturn in Macau came from the Government as Chui Sai On the Chief Executive of Macau stated in his Policy Address released on 14th November 2017 that, irrespective of lingering uncertainties, he was cautiously optimistic about the prospect of Macau and anticipated that Macau's economy will continue its steady and continuous growth momentum with an expected growth rate of 7% for next year.

主席報告 Chairman's Statement

根據仲量聯行的《2017年度澳門物業市場回顧》，去年澳門經濟及博彩業表現復甦，多個一手住宅樓宇銷售表現理想，市場投資氣氛較樂觀。澳門統計暨普查局的數字亦顯示，去年首11個月共錄得9,789宗住宅買賣成交，按年上升9.8%。升幅主要由去年上半年的住宅成交所帶動，下半年則受颱風「天鴿」影響，成交有所縮減。住宅租賃市場方面，去年外地勞工人數輕微回升，加上博彩貴賓廳業務回暖，去年高級住宅及中小型住宅租值分別按年上升8.4%及8.1%。澳門樓市未來的另一助力為總投資逾700億港元，工期長達六年並預期將於今年第二季度通車的港珠澳大橋，而此亦為粵港澳大灣區建設的一大亮點。根據分析，港珠澳大橋將成為實現珠三角經濟一體化，珠江東西岸三大城市一小時交通圈的戰略通道，大幅提升珠江口東西岸城市的區域可達性。港珠澳三地改善交通條件後，往來時間得以縮短，意味著區內經濟互補，市場規模擴大，對位處大橋接口／落腳點的澳門物業的正面影響是不言而喻的。

According to the "Review on the Property Market of Macau in 2017" issued by Jones Lang LaSalle, Inc., Macau saw a recovery in its economy and gaming industry last year as a number of residential projects drew desirable sales performance with buoyant investment sentiments in the market. Figures from The Statistics and Census Service of Macau also recorded a total of 9,789 transactions of residential properties for the first 11 months of the year, representing a year-on-year increase of 9.8%. The rise was mainly driven by residential transactions recorded in the first half of the year, though dampened by Typhoon Hato with certain drop in the second half. As to the residential lease market, rental values of high-end residential properties and small to medium residential properties recorded year-on-year increases of 8.4% and 8.1% respectively, thanks to the slight turnaround of the number of expatriate workers and the recovery of the VIP rooms table gaming business. Another booster for the property market of Macau in the future is the Hong Kong-Zhuhai-Macao Bridge that involves a total investment of over HK\$70 billion and a construction period of six years and is expected to be open to traffic in the second quarter of 2018, which represents a real highlight in the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. According to analysis, the Hong Kong-Zhuhai-Macao Bridge will become a strategic passage for realizing the economic unification of the Pearl River Delta and the one-hour traffic circle of the three big cities across the eastern and the western shores of the Pearl River, remarkably enhancing the regional accessibility of cities within the same. Improvement in the traffic conditions of Hong Kong, Zhuhai and Macao implies a shorter travel time, an economic mutual complement effect for the region as well as an expanded market scale, and the favorable impacts of which on properties in Macau situated at the connecting/landing point of the Bridge are self-evident.



主席報告 Chairman's Statement

認準上述形勢並實行業務重組及轉型後，物業開發經營業務勢必成為本集團的主營業務，故我們將集中資源和精力加快投資及開發位於澳門及香港的物業，而澳門物業即本集團於一幅土地名為「南灣湖計劃C區7地段」(「C7物業」)之50%間接實益權益及於外港填海區6街區地段C、D及E(合併地盤)之100%間接實益權益。具體而言，C7物業於二零一七年四月六日完成收購，由於位置優越，將發展作高級住宅項目及停車場用途，其發展藍圖正編製供土地工務運輸局(「土地工務局」)審批，而合併地盤上將興建兩幢擁有寬敞住宅單位之豪華商住綜合大樓，已獲土地工務局批准，開發期獲延後至二零一九年十二月二十日，其建築工程已於二零一七年六月開始，並預計於二零一九年內竣工。此外，如有合適機遇，本集團將繼續物色並投資物業。

電影相關業務經營業務方面，年內雖無任何新電影發行，惟有一部電影已在拍攝後期並預計於二零一八年年底發行，另有網絡電視劇劇本在籌備中。本集團將繼續進行電影及電視連續劇的投資及製作，或與其他製作公司合作投資，並會審慎行事。

After identifying clearly the situation and implementing business reconstruction and repositioning, the property development operations is bound to be the Group's principal business, such that we will focus our resources and efforts in expediting the investment and development of properties in Macau and Hong Kong. Macau Properties refers to the Group's 50% indirect beneficial interest in a lot of land named Lote C7 do Plano de Urbanizacao da Baia de Praia Grande (the "Property C7") and the 100% indirect beneficial interest in Lot C, D and E in Quarteirao 6 Zona de Aterros do Porto Exterior, Macau (ZAPE) (the "Combined Site"). Specifically, the acquisition of Property C7 was completed on 6th April 2017 and, owing to its prime location, will be developed into high-end residential properties and car parks and the development blueprint of which is being prepared for review and approval by the Land, Public Works and Transport Bureau of Macau ("DSSOPT"); while the Combined Site will have a luxury residential and commercial complex of two towers with spacious apartment units erected on it. The development plan of the Combined Site has obtained approval of DSSOPT and the development period has been approved to be extended to 20th December 2019 with its construction work commenced in June 2017 and expected to complete in 2019. Nevertheless, the Group will continue to identify and invest in properties when suitable opportunities arise.

With respect to the film related business operations, despite that no new film was distributed during the year, there is one film in the later period of shooting and is expected to be distributed by the end of 2018, in addition to a script for internet television drama series being in the pipeline. The Group will continue to proceed with investment and production of films and television drama series on its own or co-financing with other production companies in a cautious manner.

主席報告 Chairman's Statement

展望二零一八年，董事會相信，在澳門與內地的經濟發展加緊融合共存的新形勢下，本集團經過去蕪存菁的轉型後，將能更靈活地結合自身優勢，抓緊機遇發展餘下經營業務，最大程度提升股東價值和回報。最後，本人謹代表董事會對各位股東的不斷支持致以萬二分的謝意，並感謝各位員工努力不懈的精神，以及合作夥伴的配合與支援。

主席
向華強

香港，二零一八年三月二十六日

Looking forward to the year of 2018, the Board believes that, after a self-refining transformation, the Group will be able to exercise greater flexibility in giving play of its own strengths and grasping opportunities for development of the remaining operations and maximization of shareholder values and returns against the backdrop of a new situation characterized by intensifying integration and co-existence between Macau and the Mainland in terms of economic development. Last but not least, on behalf of the Board, I would like to extend my immense appreciation to the shareholders for their relentless support, our staff force for their unremitting spirit, and our business partners for their cooperation and support.

Heung Wah Keung
Chairman

Hong Kong, 26th March 2018



管理層論述及分析 Management Discussion and Analysis

財務回顧

截至二零一七年十二月三十一日止年度，本集團來自持續經營業務之收益為9,272,000港元，較截至二零一六年十二月三十一日止年度之266,420,000港元下跌97%。

本年度溢利達73,336,000港元，而去年則為虧損335,611,000港元。此表現之改善主要歸因於(i)確認透過損益以公平價值列賬之金融資產之公平價值變動所產生之未變現溢利210,791,000港元顯著增加，而去年則有確認未變現虧損18,879,000港元，其主要指於二零一七年十二月三十一日本集團所持在香港上市的股本證券之市值增加；及(ii)並無去年新片上畫所產生的巨額毛損222,933,000港元。

本年度來自持續經營業務之溢利為110,031,000港元，而去年則為虧損291,928,000港元。年度來自已終止經營業務之虧損為36,695,000港元，較截至二零一六年十二月三十一日止年度之43,683,000港元減少16%。

截至二零一七年十二月三十一日止年度，本公司擁有人應佔溢利為73,312,000港元，而去年則為虧損335,609,000港元。

股息

董事會不建議派發截至二零一七年十二月三十一日止年度之末期股息(二零一六年：無)。

業務回顧

持續經營業務

本集團有兩個持續經營的須予報告分類—(1)電影相關業務經營業務；及(2)物業開發經營業務。

FINANCIAL REVIEW

For the year ended 31st December 2017, the Group recorded revenue from continuing operations of HK\$9,272,000, representing a decrease of 97% as compared to HK\$266,420,000 for the year ended 31st December 2016.

Profit for the year amounted to HK\$73,336,000 as compared to a loss of HK\$335,611,000 in the previous year. The improvement in performance is mainly attributable to (i) the substantial increase in the recognition of unrealised gain of HK\$210,791,000 arising on change in fair value of financial assets at fair value through profit or loss as compared to unrealised loss of HK\$18,879,000 recognised in the previous year which mainly represented the increase in market values of the Group's equity securities listed in Hong Kong as at 31st December 2017 and (ii) the absence of substantial gross loss incurred in the new film released in the previous year in the amount of HK\$222,933,000.

Profit for the year from continuing operations amounted to HK\$110,031,000 as compared to a loss of HK\$291,928,000 in the previous year. Loss for the year from discontinued operations amounted to HK\$36,695,000, representing a decrease of 16% as compared to HK\$43,683,000 for the year ended 31st December 2016.

Profit attributable to owners of the Company for the year ended 31st December 2017 amounted to HK\$73,312,000 as compared to a loss of HK\$335,609,000 in the previous year.

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31st December 2017 (2016: nil).

BUSINESS REVIEW

Continuing Operations

The Group has two continuing reportable segments – (1) film related business operations; and (2) property development operations.

管理層論述及分析 Management Discussion and Analysis

在本年度總收益中，9,264,000港元來自電影相關業務經營業務、8,000港元來自物業開發經營業務。

Of the total revenue for the year, HK\$9,264,000 was generated from film related business operations, HK\$8,000 was generated from property development operations.

電影相關業務經營業務

電影相關業務經營業務包括投資、製作及發行電影及電視連續劇並授出其特許權、以及提供其他電影相關服務，包括藝人管理服務。

Film Related Business Operations

Film related business operations included investment, production, distribution and licensing of films and television drama series and provision of other film related services including artist management services.

於二零一七年，電影相關業務經營業務之收益為9,264,000港元（二零一六年：266,240,000港元）而其分類溢利為3,817,000港元（二零一六年：分類虧損257,264,000港元）。截至二零一七年十二月三十一日止年度內，本集團並無發行任何新片。本集團從事電影業務至今已逾廿載。電影製作一般涉及三個階段：前期製作、製作或拍攝，以及後期製作。華語片在香港由前期製作階段至在戲院上映，一般需時超過一年，亦有歷時數載方告完成。電影的大部份收益將於電影上映後的兩年內入賬。因此，電影製作及發行的特點為收益並非按所涉時間平均入賬。一齣新電影（暫時名為「追夢男女」）剛於二零一七年十月中開鏡。這齣電影的情節圍繞愛情故事。這齣電影於二零一七年十月中開鏡並已於二零一八年二月煞科。後期製作期將需約數個月時間，預期這齣電影將於二零一八年年底或之前上映。於未來數年，待新電影的可行性研究結果令人滿意後，更多的電影製作將會隨即展開。

In year 2017, revenue from film related business operations amounted to HK\$9,264,000 (2016: HK\$266,240,000) and its segment profit amounted to HK\$3,817,000 (2016: segment loss of HK\$257,264,000). During the year ended 31st December 2017, the Group did not distribute any new film. The Group has been engaging in the film business for more than 20 years. Film production normally involves three stages including pre-production, production or shooting and post-production. From the pre-production stage to theatrical release of Chinese film in Hong Kong, it normally takes more than one year and sometimes several years to complete. The majority of revenue in film will record within the following two years after the film is released. As such, it is the characteristic of film production and distribution that revenue is not recognised evenly with time. Shooting for a new film which tentatively named “追夢男女” has started in mid-October 2017. The plot of this film is about love story. The shooting of this film commenced in mid-October 2017 and has completed in February 2018. The post production period will take around a few months and the film is expected to release before end of 2018. More films production will commence in coming years so long as the feasibility study for new films is satisfactory.

近期，中國對電視連續劇內容的需求日趨殷切，不少投資者均就是否有意開拍電視連續劇而接觸本集團。繼二零一七年初組成電視連續劇製作班底後，本集團正處於自十多年前製作的對上一套電視連續劇後的首套電視連續劇製作故事情節的初步階段。此電視連續劇將長約36集，預計將在互聯網平台上發佈。預計此首套電視連續劇將於二零一八年年末前開鏡。

Recently, there is increasing demand for television drama series contents in China and investors have approached the Group for its interest in television drama series. Following the establishment of the production line in the television drama series in the beginning of 2017, the Group is in the preliminary stage of preparing the story board for its first production in television drama series after for more than 10 years from its last production in television drama series. This television drama series will be around 36 episodes which is expected to be released in internet platform. Shooting for this first television drama series is expected to start before end of 2018.



管理層論述及分析 Management Discussion and Analysis

物業開發經營業務

物業開發經營業務包括投資及開發位於澳門及香港之物業。

於二零一七年，物業開發經營業務之收益為8,000港元(二零一六年：180,000港元)而分類溢利為3,935,000港元(二零一六年：分類虧損35,840,000港元)。分類溢利主要來自年內確認投資物業之公平價值變動溢利4,120,000港元，而截至二零一六年十二月三十一日止年度之分類虧損則因確認投資物業之公平價值變動虧損33,440,000港元所致。

本集團於二零一七年四月六日完成收購C7物業(定義見本文)。根據規劃條件圖，C7物業將發展作住宅及停車場用途，其樓宇最大許可高度為海拔34.5米及最大許可地積比率為5.58倍(不包括停車場)。我們已委聘一名建築師，且仍在按照參數編製C7物業的發展藍圖，以供澳門土地工務運輸局(「土地工務局」)審批。初步發展藍圖是興建一幢屬分層所有權之建築物，其建築樓面面積(按平方米計)為：住宅26,047及停車場5,200。

Property Development Operations

Property development operations included investment and development of properties in Macau and Hong Kong.

In year 2017, revenue from property development operations amounted to HK\$8,000 (2016: HK\$180,000) and its segment profit amounted to HK\$3,935,000 (2016: segment loss of HK\$35,840,000). The segment profit mainly contributed by the recognition of gain on fair value change of investment properties of HK\$4,120,000 during this year and the segment loss for the year ended 31st December 2016 was due to the recognition of loss on fair value change of investment properties of HK\$33,440,000.

The Group completed the acquisition of the Property C7 (as defined herein) on 6th April 2017. Under the Urbanistic Conditions Plan, the Property C7 will be developed for residential and parking purpose, with the maximum allowed height of the building of 34.5 meters above sea level and maximum utilization rate of 5.58 (parking not included). An architect has been engaged and is still in the process to compile a development plan of the Property C7 in accordance with the parameters for submission to The Land, Public Works and Transport Bureau of Macau ("DSSOPT") for approval. The very preliminary development plan is to develop a building under strata title with gross floor areas (in square meters) for residential of 26,047 and parking of 5,200.

管理層論述及分析 Management Discussion and Analysis

開發澳門之物業亦包括位於澳門外港填海區之第6B地段、第6C地段、第6D地段及第6E地段（「該等地盤」）之物業。第6B地段呈梯形，地盤面積為1,420平方米，毗鄰為澳門蘭桂坊酒店，而第6C地段、第6D地段及第6E地段均呈矩形，各地盤面積為1,292平方米，毗鄰為第6B地段，各地段分別由三條六米闊之道路分隔。為提升該等地盤之商業價值，本集團已決定於第6C地段、第6D地段及第6E地段（「合併地盤」）興建兩幢擁有寬敞住宅單位之豪華商住綜合大樓，而第6B地段將會發展為合併地盤與澳門蘭桂坊酒店之間的休閒區，其售價預期高於現有第6B地段、第6C地段、第6D地段及第6E地段個別發展之計劃。該發展計劃亦須負責符合當地規劃當局有關連接現有市區的要求，因此，該等地盤有相當部份須作公共用途。土地工務局已於二零一六年七月批准將第6C地段、第6D地段及第6E地段的合併地盤合併發展。合併地盤之總樓面面積預期為(a)28,422平方米作住宅；(b)1,927平方米作會所；(c)4,132平方米作商業用途；及(d)11,508平方米作停車場。第6C地段、第6D地段及第6E地段之土地特許權到期日為二零一九年十二月二十日，而合併地盤之開發期亦已獲延後至二零一九年十二月二十日。建築工程已於二零一七年六月開始，並預料於二零一九年竣工。基於獨立物業估值師行於二零一七年十二月三十一日為會計目的所進行之物業估值，合併地盤之市場價值約為2,288,000,000港元。

Development of properties in Macau also included properties located in Lot 6B, Lot 6C, Lot 6D and Lot 6E at Zona de Aterros do Porto Exterior (ZAPE) (the "Sites"). Lot 6B is in trapezium shape with a site area of 1,420 square meters next to Hotel Lan Kwai Fong Macau and Lot 6C, Lot 6D and Lot 6E are in rectangular shape with each site area of 1,292 square meters next to Lot 6B and adjacent of each other with three six-meter width roads dividing them separately. In order to enhance the commercial value of the Sites, the Group has decided to build a luxury residential and commercial complex of two towers with spacious apartment units in Lot 6C, Lot 6D and Lot 6E (the "Combined Site") and Lot 6B will be developed into recreational area between the Combined Site and Hotel Lan Kwai Fong Macau, which is expected to have higher selling prices than the existing development plan of the individual Lot 6B, Lot 6C, Lot 6D and Lot 6E. This development plan also respond strongly to the local planning authorities requirements for connectivity with the existing city and thus considerable portions of the area of the Sites have been dedicated to public use. DSSOPT has approved the combination of development of the Combined Site of Lot 6C, Lot 6D and Lot 6E in July 2016. The total gross floor area of the Combined Site are expected to be (a) residential – 28,422 square meters, (b) clubhouse – 1,927 square meters, (c) commercial – 4,132 square meters and (d) parking – 11,508 square meters. The expiry date of land concession of Lot 6C, Lot 6D and Lot 6E is 20th December 2019 and the development period of the Combined Site has also granted an extension until 20th December 2019. Construction works has started in June 2017 and is expected to complete in 2019. Based on a property valuation performed by an independent property valuer for accounting purpose as at 31st December 2017, the market value of the Combined Site is approximately HK\$2,288 million.

管理層論述及分析 Management Discussion and Analysis

緊隨獲得該等地盤之土地租賃權後，本集團曾與澳門政府多個部門舉行會議，徵求彼等對該等地盤擬發展為合併地盤之觀點。於二零一二年五月，本集團將合併地盤之建築設計及草圖呈交土地工務局批核。呈交後，又曾與澳門政府多個部門開會跟進擬議發展計劃。鑒於該等地盤之位置鄰近澳門理工學院及幾個旅遊景點如澳門綜藝館、大賽車博物館、葡萄酒博物館及金蓮花廣場，澳門漁人碼頭及澳門金沙酒店亦近在咫尺，故相信澳門政府於授出批准前需要較長時間研究合併地盤的發展建議對週邊地區在交通、環境及文化遺產方面的影響。此外，第6B地段、第6C地段、第6D地段及第6E地段乃歸類為二零一一年公佈的65項物業，即不作發展非土地受讓人的責任。由於澳門政府延誤批准合併地盤之發展建議，第6B地段之土地特許權已於二零一四年十二月二十五日屆滿。土地工務局已根據二零一四年三月生效之澳門新土地法，通過在二零一六年十一月二十三日之官方公報第4711期刊登第50/2016號批示開展收回土地之行政工作，理由是第6B地段於二零一四年十二月二十五日土地特許權屆滿時為未發展土地。本集團已於二零一六年十二月三十日向澳門中級法院院長提出上訴，惟截至本報告日期中級法院尚未就此事作出裁定。根據本公司取得的法律意見，本集團具有力理據向澳門政府尋求法律損害之法律賠償，而法院將須考慮並計及所有有關澳門政府造成延誤之要點。

如上文所述，第6B地段已規劃發展為合併地盤旁的休閒區。澳門政府此舉被視為對合併地盤之發展價值影響甚微，而現時未能確定第6B地段可取得澳門政府何種裁定。本集團將此刻密切注視合併地盤之發展，並認為具較高發展價值的合併地盤之發展計劃可確保收回其項目投資成本，同時將可為本集團貢獻較高的投資回報。第6B地段現用作倉儲用途。

Immediately after the acquisition of the property leasehold rights of the Sites, the Group held meetings with various departments of Macau Government to seek their views on the proposed development of the Sites as the Combined Site. In May 2012, the Group submitted the architectural design and drawings of the Combined Site to the DSSOPT for approval. Following the submission, meetings have been held with various departments of Macau Government for following up the proposed development plan. Given that the location of the Sites is adjacent to Macao Polytechnic Institute and several tourist spots, Forum de Macao, Grand Prix Museum, Wine Museum and Golden Lotus Square, and is a couple of blocks away from Macao Fisherman's Wharf and Sands Casino, it is believed that the Macau Government required longer time to study the impacts of the proposed development of the Combined Site on traffic, environment and cultural heritage in the surrounding area, before the grant of an approval. Besides, Lot 6B, Lot 6C, Lot 6D and Lot 6E are properties classified as those of 65 properties which non-development are not the responsibility of the land concessioner announced in year 2011. Owing to the delay by the Macau Government in granting the proposed development of the Combined Site, the land concession of Lot 6B has expired on 25th December 2014. DSSOPT has started the administration work to reclaim it on dispatch 50/2016 published in the Official Gazette no. 47, II, of 23rd November 2016 according to Macau new Land Law effective in March 2014 for the reason that Lot 6B is undeveloped land on the expiry of the land concession on 25th December 2014. The Group has filed an appeal to the President of the Macau Second Instance Court on 30th December 2016 and the Second Instance Court has not ruled on this matter as at the date of this report. According to the legal opinion obtained by the Company, the Group has strong legal ground to seek for a legal compensation for legal damages to the Macau Government and the Court will necessary have consider and rule taking into account all the essential points regarding the delays caused by the Macau Government.

As stated above, Lot 6B is planned to develop into recreational area besides the Combined Site. The action by the Macau Government is considered to have minimal effect on the development value of the Combined Site and it is now uncertain that what ruling will be obtained from the Macau Government on Lot 6B. The Group will closely monitor the development on the Combined Site at this moment and consider that the development of the Combined Site with higher development value can secure the recovery of its investment cost on the project and will contribute higher investment return to the Group. Lot 6B is now served for storage purpose.

管理層論述及分析 Management Discussion and Analysis

已終止經營業務

酒店及博彩服務經營業務

酒店及博彩服務經營業務包括本公司間接全資附屬公司澳門蘭桂坊酒店有限公司(「蘭桂坊」)在澳門蘭桂坊酒店錄得之酒店經營業務；本公司間接全資附屬公司經典管理服務有限公司(「經典」)在澳門蘭桂坊酒店錄得提供予娛樂場(「蘭桂坊娛樂場」)之服務；以及其他在澳門蘭桂坊酒店提供之附屬服務。澳門蘭桂坊酒店設有合共209間客房、位於地下、一樓及十八樓之娛樂場、餐廳、花店、零售店及水療中心。

蘭桂坊娛樂場由牌照持有人澳門博彩股份有限公司(「澳門博彩」)營運。經典已與澳門博彩訂立服務及場地許可協議。根據協議，經典授權澳門博彩佔用及使用澳門蘭桂坊酒店的空間以經營蘭桂坊娛樂場，而經典則負責不時在蘭桂坊娛樂場提供營銷、宣傳、推廣、客戶發展及介紹、協辦活動及經典與澳門博彩協議的其他服務。作為回報，經典將按月分佔來自澳門博彩之服務收入之固定百分比，按蘭桂坊娛樂場經營中場及貴賓廳賭桌及角子老虎機所賺取之溢利總額計算。蘭桂坊娛樂場設有合共84張賭桌(包括貴賓廳賭桌及中場賭桌)及合共65部角子老虎機。

蘭桂坊出售事項(定義見本文)於二零一七年十二月十一日舉行的股東特別大會上獲本公司股東批准，並已於二零一八年一月三日完成。因此，出售集團(定義見本文)的財務業績於綜合財務報表中已分類為已終止經營業務。出售集團之資產及負債已分類為持作出售並於本年度綜合財務狀況表中單獨呈列。

Discontinued Operations

Hotel and Gaming Service Operations

Hotel and gaming service operations included the hotel operation in Hotel Lan Kwai Fong Macau which was recorded in an indirect wholly owned subsidiary of the Company, Hotel Lan Kwai Fong (Macau) Limited ("Hotel LKF"); services provided to the casino situated in Hotel Lan Kwai Fong Macau ("Casino LKF") which was recorded in an indirect wholly owned subsidiary of the Company, Classic Management & Services Company Limited ("Classic") and other ancillary services provided in Hotel Lan Kwai Fong Macau. Hotel Lan Kwai Fong Macau presents a total of 209 guest rooms, casino situated in the ground, first and 18th floor, restaurants, flower shop, retail shop and spa centre.

Casino LKF is run by license holder Sociedade de Jogos de Macau, S.A. ("SJM"). Classic has entered into service and site license agreements with SJM. Under the agreements, Classic has granted to SJM a right to occupy and use spaces in Hotel Lan Kwai Fong Macau to operate Casino LKF and Classic is responsible for the provision of marketing, promotion, publicity, customer development and introduction, co-ordination of activities and other services as agreed between Classic and SJM from time to time in Casino LKF. In return, Classic will shared a fixed percentage of service income from SJM based on the monthly gross gaming wins of the mass market and VIP table gaming and slot machines in Casino LKF. Casino LKF operates a total of 84 gaming tables, targeting both for the VIP rooms table gaming and the mass market table gaming. It also operates a total of 65 slot machines.

The LKF Disposal (as defined herein) has been approved by the shareholders of the Company in a special general meeting held on 11th December 2017 and completed on 3rd January 2018. Accordingly, the financial results of the Disposal Group (as defined herein) have been classified as discontinued operation in the consolidated financial statements and the assets and liabilities of the Disposal Group have been classified as held for sale and are presented separately in the consolidated statement of financial position in this year.



管理層論述及分析 Management Discussion and Analysis

本集團自酒店及博彩服務經營業務分佔收益及分類虧損為640,689,000港元(二零一六年: 686,431,000港元)及36,965,000港元(二零一六年: 44,958,000港元), 分別減少7%及18%。

南北行經營業務

南北行經營業務包括由Ace Season Holdings Limited(「Ace Season」)旗下集團所持有銷售中藥及其他醫藥產品、保健產品、參茸海味產品予批發商及零售商以及中醫臨床服務之業務。該集團旗下附屬公司之一南北行參茸葯材有限公司自一九七七年起從事「參茸」及海味產品的貿易及零售業務, 「南北行」品牌享譽香港及華南地區。

南北行出售事項(定義見本文)已於二零一七年六月三十日完成。南北行出售事項完成時, 本公司即終止擁有Ace Season及其附屬公司之任何權益, 而彼等之財務業績將不再綜合列入本公司之綜合財務報表, 故分類為本年度之已終止經營業務。

於二零一七年一月一日至二零一七年六月三十日(南北行出售事項之完成日期)期間, 本集團分佔收益74,805,000港元(二零一六年: 149,613,000港元)、分類溢利869,000港元(二零一六年: 分類虧損1,255,000港元)及分佔出售虧損599,000港元。

The Group had shared revenue and segment loss of HK\$640,689,000 (2016: HK\$686,431,000) and HK\$36,965,000 (2016: HK\$44,958,000) from the hotel and gaming service operations, decrease of 7% and 18% respectively.

Nam Pei Hong Operations

Nam Pei Hong operations included sales of Chinese and other medicines pharmaceutical products, health products, ginseng and dried seafood products to wholesalers and retailers as well as Chinese clinical services which held by the group headed by Ace Season Holdings Limited ("Ace Season"). One of the group's subsidiary, Nam Pei Hong Sum Yung Drugs Company Limited has engaged in the business of trading and retail of "Sum Yung" and dried seafood products since year 1977 and the brand name of "Nam Pei Hong" is highly recognised in Hong Kong and Southern Mainland China.

The NPH Disposal (as defined herein) was completed on 30th June 2017. Upon completion of the NPH Disposal, the Company ceased to have any interests in Ace Season and its subsidiaries and their financial results were no longer be consolidated into the Company's consolidated financial statements and thus classified as discontinued operation in the year.

During the period from 1st January 2017 to 30th June 2017 (completion date of the NPH Disposal), the Group had shared revenue of HK\$74,805,000 (2016: HK\$149,613,000), segment profit of HK\$869,000 (2016: segment loss of HK\$1,255,000) and shared a loss on disposal of HK\$599,000.

管理層論述及分析 Management Discussion and Analysis

博彩推廣經營業務

根據吳卓徽先生（「吳先生」）、Best Mind International Inc.（「Best Mind」）及Ocho Sociedade Unipessoal Limitada（「Ocho」）於二零零七年八月十六日訂立之溢利收購協議（「溢利收購協議」），吳先生（作為實益擁有人）同意出售及／或分配吳先生的權利、所有權及權益與溢利從分佔博彩推廣經營業務之100%溢利來源，即Ocho產生之0.4%累計轉碼之絕對權利（「溢利來源」）自二零零七年八月十六日開始轉讓予Best Mind。Ocho為新葡京娛樂場一間貴賓廳之博彩中介公司之一。

博彩推廣經營業務即分佔溢利來源的收益。貴賓廳博彩之其一特色為大部份交易量極容易受到影響。由於Ocho未能向其優質分包中介公司或客戶提供較市場佣金更佳條件，該等優質分包中介公司或客戶被澳門其他大型及設備齊全之新酒店及賭場所吸引，Ocho因此失去競爭優勢。因此，其分類業績近年未如理想。

於二零一六年十月二十五日，溢利收購協議之訂約方同意終止溢利收購協議並收取款項10,000,000港元，而終止事項已於二零一六年十月三十日完成。因此，博彩推廣經營業務在本集團於二零一六年十二月三十一日之財務報表中被視為已終止經營業務處理。

截至二零一六年十二月三十一日止年度，本集團分佔來自博彩推廣經營業務之收益3,874,000港元及分類溢利2,410,000港元以及終止確認無形資產之溢利120,000港元。

Gaming Promotion Operations

Pursuant to a profit acquisition agreement dated 16th August 2007 (the "Profit Acquisition Agreement") among Mr. Ng Cheuk Fai ("Mr. Ng"), Best Mind International Inc. ("Best Mind") and Ocho Sociedade Unipessoal Limitada ("Ocho"), Mr. Ng, as beneficial owner, has agreed to sell and/or assign to Best Mind absolutely Mr. Ng's right, title and interest and benefits in 100% of the sharing of profit streams from the gaming promotion business which represented the rights in sharing of 0.4% of rolling turnover generated from Ocho (the "Profit Streams") commencing from 16th August 2007. Ocho is one of the gaming promoters at one of the VIP rooms at the Grand Lisboa Casino in Macau.

Gaming promotion operations represented the revenue in sharing of Profit Streams. One of the characteristic of the VIP rooms table gaming is that the majority of the business volume is highly volatile. Ocho had lost its competitive advantage as it cannot offer a better than market commission to its quality sub-junkets or customers as they were attracted by other large and well equipped new hotels and casinos in Macau. Thus, its segment results in recent years were unsatisfactory.

On 25th October 2016, the parties to the Profit Acquisition Agreement agreed to terminate the Profit Acquisition Agreement and received an amount of HK\$10,000,000 and the termination was completed on 30th October 2016. Accordingly, the gaming promotion operations were treated as discontinued operation in the financial statements of the Group as at 31st December 2016.

For the year ended 31st December 2016, the Group had shared revenue of HK\$3,874,000 and segment profit of HK\$2,410,000 and gain on derecognition of intangible assets of HK\$120,000 from the gaming promotion operations.



管理層論述及分析 Management Discussion and Analysis

地區分類

就來自持續經營業務之地區分類方面，收益768,000港元或8%（二零一六年：4,448,000港元或2%）來自香港，2,260,000港元或24%（二零一六年：252,252,000港元或95%）來自中國，1,723,000港元或19%（二零一六年：9,409,000港元或3%）來自東南亞（包括台灣），及4,521,000港元或49%（二零一六年：311,000港元或0%）來自其他地區。

行政開支

截至二零一七年十二月三十一日止年度，來自持續經營業務之行政開支為68,931,000港元（二零一六年：76,066,000港元），即減少9%。減少主要由於去年有匯兌虧損淨額15,989,000港元而本年度則有溢利。

流動資金及財務資源及資本架構

於二零一七年十二月三十一日，本集團之總資產為5,099,803,000港元，而流動資產淨值則為3,012,777,000港元，即流動比率為2.8（二零一六年：9.6）。本集團之現金及銀行結餘及定期存款為424,355,000港元（二零一六年：769,939,000港元）。於二零一七年十二月三十一日，本集團之借貸總額為844,170,000港元，其中670,353,000港元計入分類為持作出售之資產的相關負債。借貸總額包括賬面值173,817,000港元之承付票據（「承付票」）、有抵押銀行定期貸款（「定期貸款」）餘額670,000,000港元及融資租賃債務353,000港元。

未償還本金額200,000,000港元之承付票乃發行予本公司主要股東兼執行董事陳明英女士（「陳女士」），按年利率5厘計息、無抵押及到期日為由發行承付票日期起24個月固定期限。計入分類為持作出售之資產的相關負債，定期貸款由出售集團賬面值520,791,000港元之租賃土地及樓宇作抵押，按銀行所報香港最優惠年利率減1.75厘計息，並已於二零一八年一月三日蘭桂坊出售事項完成時償還。

Geographical Segments

For the geographical segments from the continuing operations, revenue of HK\$768,000 or 8% (2016: HK\$4,448,000 or 2%) was sourced from Hong Kong, HK\$2,260,000 or 24% (2016: HK\$252,252,000 or 95%) was sourced from China, HK\$1,723,000 or 19% (2016: HK\$9,409,000 or 3%) was sourced from Southeast Asia including Taiwan and HK\$4,521,000 or 49% (2016: HK\$311,000 or 0%) was sourced from other territories.

Administrative Expenses

For the year ended 31st December 2017, administrative expenses from continuing operations amounted to HK\$68,931,000 (2016: HK\$76,066,000), representing a decrease of 9%. The decrease was mainly caused by the net foreign exchange loss of HK\$15,989,000 in the previous year which is a gain in this year.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st December 2017, the Group had total assets of HK\$5,099,803,000 and a net current assets of HK\$3,012,777,000, representing a current ratio of 2.8 (2016: 9.6). The Group had cash and bank balances and time deposits of HK\$424,355,000 (2016: HK\$769,939,000). As at 31st December 2017, the Group had total borrowings of HK\$844,170,000, of which HK\$670,353,000 were included in liabilities associated with assets classified as held for sale. Total borrowings comprised the promissory note with carrying amount of HK\$173,817,000 (the "Promissory Note"), a secured bank term loan with remaining balance of HK\$670,000,000 (the "Term Loan") and obligations under finance leases of HK\$353,000.

The Promissory Note with outstanding principal amount of HK\$200,000,000 issued to Ms. Chen Ming Yin, Tiffany ("Ms. Chen"), a substantial shareholder and an executive director of the Company which carry interest at the rate of 5% per annum, unsecured and has maturity at a fixed term of 24 months from the date of issue of the Promissory Note. Included in liabilities associated with assets classified as held for sale, the Term Loan was secured by the Disposal Group's leasehold land and buildings with carrying amount of HK\$520,791,000, interest bearing at 1.75% per annum below the Hong Kong Prime rate quoted by the bank and repaid on 3rd January 2018 upon completion of the LKF Disposal.

管理層論述及分析 Management Discussion and Analysis

於二零一七年十二月三十一日，本集團之銀行信貸額為1,001,000,000港元，當中已動用1,000,000,000港元。本集團年內之資本負債比率為可接受水平，來自持續經營及已終止經營業務之總債項為844,170,000港元對本公司擁有人應佔權益3,281,574,000港元，即資本負債比率（以本集團之借貸總額除以擁有人權益為基準計算）為26%（二零一六年：25%）。

於本年報日期及二零一七年十二月三十一日，本集團於二零一七年十二月三十一日所持有的香港上市股本證券（於二零一七年十二月三十一日之一項暫停交易證券除外）之公平價值分別約為257,938,000港元及508,237,000港元。

年內，本集團並無購入或出售任何香港的上市股本證券。透過損益以公平價值列賬之金融資產之公平價值變動所產生之溢利包括224,939,000港元源於截至二零一六年十二月三十一日及二零一七年十二月三十一日止年度間香港上市的股本證券之公平價值變動。於二零一七年十二月三十一日，其中一項股本證券之公平價值為金利豐金融集團有限公司（「金利豐」），佔本集團總資產約9.5%。金利豐之主要業務為提供全面金融服務，包括證券經紀、包銷及配售、保證金及首次公開發售融資、企業財務顧問服務、期貨經紀及資產管理服務。金利豐亦在澳門提供博彩及酒店服務。本集團所持有金利豐之詳情如下：

股份名稱：金利豐金融集團有限公司
 股份代號：1031
 於二零一七年十二月三十一日
 所持股份數目：64,580,000股
 於二零一七年十二月三十一日
 由本集團所持有之公平價值：484,350,000港元
 年內確認之公平價值變動
 所產生之溢利：268,007,000港元
 本集團所持有之股權百分比：0.47%

As at 31st December 2017, the Group had banking facilities amounting to HK\$1,001,000,000 which were utilised to the extent of HK\$1,000,000,000. The Group's gearing was acceptable during the year with total debts of HK\$844,170,000 for continuing operations and discontinued operations against equity attributable to owners of the Company of HK\$3,281,574,000. This represents a gearing ratio, calculated in the basis of the Group's total borrowings over owners' equity of 26% (2016: 25%).

As at the date of this annual report and 31st December 2017, the fair value of the Group's equity securities listed in Hong Kong held as at 31st December 2017 (excluded one suspended trading security as at 31st December 2017) was approximately HK\$257,938,000 and HK\$508,237,000 respectively.

During the year, the Group did not acquired or disposed any equity securities listed in Hong Kong. The gain arising on change in fair value of financial assets at fair value through profit or loss included an amount of HK\$224,939,000 which was resulted from change in fair values of equity securities listed in Hong Kong between the year ended 31st December 2016 and 31st December 2017. As at 31st December 2017, the fair value of one of the equity securities, Kingston Financial Group Limited ("Kingston") accounted for approximately 9.5% of the total assets of the Group. Kingston is principally engaged in the provision of a wide range of financial services which includes securities brokerage, underwriting and placements, margin and initial public offering financing, corporate finance advisory services, futures brokerage and asset management services. Kingston also provides gaming and hospitality services in Macau. Detailed information of Kingston held by the Group are as follows:

Stock name: Kingston Financial Group Limited
 Stock code: 1031
 Number of shares held as at 31st December 2017: 64,580,000
 Fair value held by the Group as at 31st December 2017: HK\$484,350,000
 Gain arising on change in fair value recognised in the year: HK\$268,007,000
 Percentage of its shareholding held by the Group: 0.47%



管理層論述及分析 Management Discussion and Analysis

於二零一六年十月二十八日按每股0.53港元之價格配發及發行150,600,000股配售股份之所得款項淨額約77,767,000港元，於二零一七年十二月三十一日已按既定用途用於電影製作。

As at 31st December 2017, the net proceeds from the issue and allotment of 150,600,000 placing shares at a price of HK\$0.53 per share on 28th October 2016 of approximately HK\$77,767,000 were used for film production as intended.

截至二零一七年十二月三十一日止年度內，本集團收到本金額625,000,000港元於年內到期之應收貸款。應收貸款所有應收利息已按照其相應協議於到期日收取。年內概無授出新的應收貸款。

During the year ended 31st December 2017, the Group had received loan receivables in principal amount of HK\$625 million which matured during the year. All interest due from loan receivables were received in accordance with the terms in their corresponding agreements on due date. No new loan receivables were granted during the year.

截至二零一七年十二月三十一日止年度內，分別有75,731份購股權及4,022,129份購股權到期及失效，惟概無本公司購股權獲授出、行使或註銷。

During the year ended 31st December 2017, 75,731 share options and 4,022,129 share options were expired and lapsed respectively and no share options of the Company were granted, exercised or cancelled.

匯兌風險及對沖

本集團大部份交易、資產及負債以港元、澳門幣、美元及人民幣計值。人民幣匯率波動之風險主要來自電影投資、製作及發行所產生的收支。本集團會密切注視此波動並於必要時考慮對沖活動。其他貨幣之波動風險甚低，故認為無需任何對沖活動。

EXCHANGE RISK AND HEDGING

The majority of the Group's transactions, assets and liabilities are denominated in Hong Kong Dollar, Macau Pataca, United States Dollar and Renminbi. The exposure to fluctuation in exchange rates in Renminbi mainly arises from receipts and expenditure incurred in film investment, production and distribution. The Group has closely monitors its exposure to this fluctuation and consider appropriate hedging activities if necessary. The exposure to fluctuation in other currencies is considered to be minimal and no hedge activity is considered necessary.

承擔

於二零一七年十二月三十一日，本集團有未履行承擔約1,261,645,000港元，其中1,218,512,000港元為合併地盤及C7物業之項目成本，另43,133,000港元為電影版權、製作中電影及電影按金。

COMMITMENTS

As at 31st December 2017, outstanding commitments by the Group amounted to approximately HK\$1,261,645,000, of which HK\$1,218,512,000 as project costs for the Combined Site and Property C7, and HK\$43,133,000 for film rights, films in progress and film deposits.

或然負債

於二零一七年十二月三十一日，本集團概無重大或然負債。

CONTINGENT LIABILITIES

As at 31st December 2017, the Group had no material contingent liability.

管理層論述及分析 Management Discussion and Analysis

重大投資、重大收購及出售

收購Modern Vision (Asia) Limited及C7物業

於二零一六年十一月二十九日，本公司之全資附屬公司 Best Combo Limited (「Best Combo」) 與陳女士訂立有條件買賣協議 (「C7協議」)，據此，Best Combo 同意購入而陳女士同意出售 Modern Vision (Asia) Limited (「Modern Vision」) 全部已發行股本以及於完成時 Modern Vision 結欠陳女士之銷售貸款，購買價為 1,000,000,000 港元 (可予調整)。Modern Vision 之主要資產為其於 Over Profit International Limited (「Over Profit」) 之 50% 股本權益。Over Profit 間接擁有一幅面積 4,669 平方米，位於澳門何鴻燊博士大馬路南灣湖畔地區，名為「南灣湖計劃C區7地段」之土地 100% 實益權益，其於 Macau Land and Real Estate Registry (澳門物業登記局) 之登記編號為第 23070 號 (「C7物業」)。Best Combo 支付購入價之方式為：(i) 於簽訂 C7 協議時向陳女士支付初步定金 400,000,000 港元；及(ii) 於完成時由本公司向陳女士發行本金額 600,000,000 港元之兩年期 5 厘息承付票。

於二零一六年十一月二十九日，Best Combo 與陳女士訂立貸款協議 (「貸款協議」)，據此，(i) Best Combo 已同意向陳女士授出本金額為 500,000,000 港元 (可予調整) 之貸款，年期為貸款提取日期起計 60 個月 (「貸款」)，及(ii) 陳女士已同意向 Best Combo 授出可要求陳女士出售 Reform Base Holdings Limited 全部已發行股本之期權，而 Best Combo 可於貸款提取日期起計 60 個月內隨時按貸款本金額之價格 (可予調整) 行使期權 (「認購期權」)。貸款按年利率 5 厘計息，並每半年期末應付。Reform Base Holdings Limited 之主要資產為其於 Over Profit 之 25% 股本權益。

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Acquisition of Modern Vision (Asia) Limited and the Property C7

On 29th November 2016, Best Combo Limited ("Best Combo"), a wholly owned subsidiary of the Company and Ms. Chen entered into a conditional sale and purchase agreement (the "C7 Agreement") pursuant to which Best Combo has agreed to purchase and Ms. Chen has agreed to sell the entire issued share capital of Modern Vision (Asia) Limited (the "Modern Vision") and the sale loan due by Modern Vision to Ms. Chen upon completion at a purchase price of HK\$1,000 million (subject to adjustment). The major asset of Modern Vision is its 50% equity interests in Over Profit International Limited ("Over Profit"). Over Profit indirectly owns 100% beneficial interest in a lot of land with the area of 4,669 square meters, named Lote C7 do Plano de Urbanizacao da Baia de Praia Grande, located in the Nam Van Lakes Zone, at Avenida Doutor Stanley Ho, registered with Macau Land and Real Estate Registry under no. 23070 (the "Property C7"). The purchase price was satisfied by Best Combo by: (i) the payment of initial deposit of HK\$400 million upon signing of the C7 Agreement and (ii) the issue of a 2-year term 5% coupon promissory note in the principal sum of HK\$600 million by the Company to Ms. Chen upon completion.

On 29th November 2016, Best Combo entered into a loan agreement (the "Loan Agreement") with Ms. Chen, pursuant to which (i) Best Combo has agreed to grant a loan in the principal amount of HK\$500 million (subject to the adjustment) to Ms. Chen for a term of 60 months from the date of drawdown (the "Loan"); and (ii) Ms. Chen has agreed to grant an option to Best Combo to require Ms. Chen to sell the entire issued share capital of Reform Base Holdings Limited, which shall be exercisable by Best Combo at any time within 60 months after the date of drawdown of the Loan at a price of the principal amount of the Loan (subject to adjustment) (the "Call Option"). The Loan is interest bearing at 5% per annum and payable semi-annually in arrears. The major asset of Reform Base Holdings Limited is its 25% equity interests in Over Profit.



管理層論述及分析 Management Discussion and Analysis

C7協議及貸款協議之詳情載於本公司日期為二零一七年三月十日之通函。C7協議及貸款協議中擬進行之交易根據香港聯合交易所有限公司證券上市規則（「上市規則」）構成本公司之非常重大收購及關連交易，已在二零一七年三月三十一日舉行之本公司股東特別大會上獲獨立股東批准。C7協議及貸款協議中擬進行之交易已於二零一七年四月六日完成。此後，Modern Vision、Over Profit及其附屬公司成為本公司之附屬公司，並綜合計入本集團截至二零一七年十二月三十一日止年度之業績。

Details of the C7 Agreement and the Loan Agreement were set out in the Company's circular dated 10th March 2017. The transactions contemplated in the C7 Agreement and the Loan Agreement constitute very substantial acquisitions and connected transactions of the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and were approved by the independent shareholders in a special general meeting of the Company held on 31st March 2017. The transactions contemplated in the C7 Agreement and the Loan Agreement were completed on 6th April 2017. After that, Modern Vision, Over Profit and its subsidiaries become subsidiaries of the Company and were consolidated into the result of the Group for the year ended 31st December 2017.

出售Ace Season及南北行經營業務

於二零一七年三月二十九日，本公司全資附屬公司China Star Entertainment (BVI) Limited（「CSBVI」）與一名獨立第三方訂立買賣協議（「南北行協議」），內容有關出售Ace Season全部已發行股本及完成時Ace Season結欠CSBVI之銷售貸款，代價為85,000,000港元（「南北行出售事項」）。Ace Season及其附屬公司主要從事銷售中藥及其他醫藥產品、保健產品、參茸海味產品予批發商及零售商以及中醫臨床服務的業務，即本集團之南北行經營業務。南北行出售事項根據上市規則構成本公司之須予披露交易，而南北行出售事項之完成須待南北行協議所載條款及條件達成後方可作實。南北行出售事項已於二零一七年六月三十日完成。南北行出售事項完成時，本公司即終止擁有Ace Season及其附屬公司及南北行經營業務之任何權益，而彼等之財務業績將不再綜合列入本公司之綜合財務報表，故分類為截至二零一七年十二月三十一日止年度之已終止經營業務。

Disposal of Ace Season and the Nam Pei Hong Operations

On 29th March 2017, China Star Entertainment (BVI) Limited, a wholly owned subsidiary of the Company ("CSBVI") entered into a sale and purchase agreement (the "NPH Agreement") with an independent third party in relation to the disposal of the entire issued share capital of Ace Season and the sale loan owed by Ace Season to CSBVI on completion at consideration of HK\$85,000,000 (the "NPH Disposal"). Ace Season and its subsidiaries are principally engaged in sales of Chinese and other medicines pharmaceutical products, health products, ginseng and dried seafood products to wholesalers and retailers as well as Chinese clinical services which represented the business segment of Nam Pei Hong operations of the Group. The NPH Disposal constituted a discloseable transaction of the Company under the Listing Rules and the completion of the NPH Disposal was subject to the satisfaction of the terms and conditions as set out in the NPH Agreement. The NPH Disposal was completed on 30th June 2017. Upon completion of the NPH Disposal, the Company ceased to have any interests in Ace Season and its subsidiaries and the Nam Pei Hong operations and their financial results were no longer be consolidated into the Company's consolidated financial statements and thus classified as discontinued operation for the year ended 31st December 2017.

管理層論述及分析 Management Discussion and Analysis

出售虹溢有限公司

於二零一七年七月十八日，本集團完成出售虹溢有限公司全部已發行股本及虹溢有限公司結欠之銷售貸款，總代價約為6,800,000港元。虹溢有限公司之主要資產為一個投資物業。

Disposal of Rainbow Profit Limited

On 18th July 2017, the Group had completed the disposal of the entire issued share capital of Rainbow Profit Limited and the sale loan due by Rainbow Profit Limited at consideration of approximately HK\$6,800,000. Rainbow Profit Limited's major asset is an investment property.

出售Charming Era Investment Limited、Exceptional Gain Profits Limited及Most Famous Enterprises Limited以及酒店及博彩服務經營業務

於二零一七年十月十日，CSBVI與陳明金先生（「買方」）訂立一項有條件買賣協議（「買賣協議」），據此，CSBVI同意出售而買方同意購入Charming Era Investment Limited、Exceptional Gain Profits Limited及Most Famous Enterprises Limited及彼等之附屬公司（「出售集團」）之全部已發行股本及於完成時未償還且結欠CSBVI之相關貸款，銷售價格為2,000,000,000港元（可按買賣協議之條款予以調整）（「蘭桂坊出售事項」）。經相關調整後，經調整銷售價格按買賣協議約為2,034,400,000港元。出售集團擁有及經營澳門蘭桂坊酒店，亦是目前用作員工宿舍的18個澳門住宅單位之業主。

Disposal of Charming Era Investment Limited, Exceptional Gain Profits Limited and Most Famous Enterprises Limited and the Hotel and Gaming Service Operations

On 10th October 2017, CSBVI and Mr. Chan Meng Kam (the "Buyer") entered into a conditional sale and purchase agreement (the "SP Agreement") pursuant to which CSBVI has agreed to sell and the Buyer has agreed to buy the entire issued share capital of each of Charming Era Investment Limited, Exceptional Gain Profits Limited and Most Famous Enterprises Limited and their subsidiaries (the "Disposal Group") and the related loans outstanding and owing to CSBVI as at completion at sale price of HK\$2,000 million (subject to adjustment in accordance with the terms of the SP Agreement) (the "LKF Disposal"). After the relevant adjustment, the adjusted sale price in accordance with the SP Agreement is approximately HK\$2,034.4 million. The Disposal Group is the owner and operator of Hotel Lan Kwai Fong Macau and is also the owner of 18 residential units in Macau, which are used as staff quarters.

根據上市規則，蘭桂坊出售事項構成本公司之非常重大出售交易，並須遵守上市規則第14章的報告、公佈及股東批准規定。買賣協議以及據此擬進行之交易已於二零一七年十二月十一日舉行的股東特別大會上獲本公司股東批准。報告日期後，蘭桂坊出售事項已於二零一八年一月三日完成。此後，出售集團將終止成為本集團之附屬公司，而彼等之財務業績亦將終止綜合列入本集團之綜合財務報表。因此，酒店及博彩服務經營業務已分類為截至二零一七年十二月三十一日止年度之已終止經營業務。出售集團應佔資產及負債已分類為持作出售資產並於本年度綜合財務狀況表中單獨呈列。

The LKF Disposal constitutes very substantial disposal transaction of the Company under the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The SP Agreement and the transactions contemplated have been approved by the shareholders of the Company in a special general meeting held on 11th December 2017. Subsequent to the reporting date, the LKF Disposal completed on 3rd January 2018. After that, the Disposal Group will cease to be subsidiaries of the Group and their financial results will cease to be consolidated into the consolidated financial statements of the Group. As such, the hotel and gaming service operations are classified as discontinued operation for the year ended 31st December 2017. The assets and liabilities attributable to the Disposal Group have been classified as held for sale and are presented separately in the consolidated statement of financial position in this year.



管理層論述及分析 Management Discussion and Analysis

除上述者外，年內概無其他重大投資、重大收購或出售。

Other than those described above, there were no other significant investments, material acquisitions or disposals during the year.

僱員及薪酬政策

於二零一七年十二月三十一日，本集團之持續經營業務僱用54名員工（二零一六年：50名員工），僱員福利開支40,789,000港元（二零一六年：37,125,000港元）。董事相信，其優秀員工乃本集團維持聲譽及改善盈利能力之單一最重要因素。員工之酬金乃根據彼等之工作表現、專業經驗及當時之行業慣例而釐定。除基本薪金、公積金、住房補貼、膳食津貼、醫療計劃及酌情花紅外，若干員工更可按個別表現評估獲授購股權。

EMPLOYEES AND REMUNERATION POLICY

As at 31st December 2017, the Group employed 54 staff (2016: 50 staff) with employee benefit expenses of HK\$40,789,000 (2016: HK\$37,125,000) from the continuing operations. The directors believe that the quality of its employees is the single most important factor in sustaining the Group's reputation and improving its profitability. The staff are remunerated based on their work performance, professional experience and prevailing industry practices. Apart from basic salaries, pension fund, housing allowances, meal allowances, medical schemes and discretionary bonuses, share options are awarded to certain staff according to the assessment of individual performance.

報告期後事項

報告日期後，本公司於二零一八年一月三日完成蘭桂坊出售事項。此後，出售集團將終止成為本集團之附屬公司，而彼等之財務業績亦將不再綜合列入本集團之綜合財務報表。根據出售集團之完成賬目及本公司所編製並經買方審閱及確認之營運資金報表，於完成日期二零一八年一月三日之實際營運資金調整約為34,400,000港元。因此，買賣協議之銷售價格乃調整至約2,034,400,000港元。

EVENT AFTER THE REPORTING DATE

Subsequent to the reporting date, the Company completed the LKF Disposal on 3rd January 2018. After that, the Disposal Group ceased to be subsidiaries of the Group and their financial results would not be consolidated into the consolidated financial statements of the Group. According to the completion accounts of the Disposal Group and the working capital statement prepared by the Company and reviewed and confirmed by the Buyer, the adjustment of the actual working capital on the completion date on 3rd January 2018 was approximately HK\$34.4 million. Accordingly, the sale price of the SP Agreement is adjusted to approximately HK\$2,034.4 million.

於二零一八年一月十八日，本公司已提前贖回發行予陳女士本金額200,000,000港元承付票之剩餘未償還金額。

On 18th January 2018, the Company had early redeemed the remaining outstanding Promissory Note with the principal amount of HK\$200,000,000 to Ms. Chen.

除上述者外，報告期末後並無發生其他重大事件。

Other than those described above, there is no other significant event took place subsequent to end of the reporting date.

管理層論述及分析 Management Discussion and Analysis

前景

蘭桂坊出售事項完成後，本集團已完成其近期業務重整及業務重新定位，現可集中資源發展餘下業務，即物業發展及投資經營業務及電影相關業務經營業務。

發展合併地盤及C7物業乃本集團未來在澳門的主要投資。合併地盤已於二零一七年六月開始施工後，本集團將集中資源於二零一九年完成合併地盤的項目。C7物業目前正在制定發展規劃，一旦完成即會提交給土地工務局批准。近年，澳門住宅物業市場呈現整體增長趨勢。鑑於澳門的土地資源稀缺，土地供應有限，本集團對澳門房地產市場抱正面態度，並相信澳門房屋需求旺盛。本集團認為，物業發展及投資為更穩定的投資，可維持未來收入穩定。就該等發展及投資，本集團預期將需於未來數年投入大量現金資源到此業務營運。此外，如有適當機遇，本集團將繼續物色並投資物業。

中國的文化及娛樂產業進入前所未有的「黃金時代」。在政策、互聯網及資金帶動下，「新巨人們」正不斷湧現，尤其是互聯網公司利用資源優勢逐步滲透娛樂業並建立起生態系統。為回應這一黃金時代，本集團將繼續促進及發展其已具規模的電影製作業務。本集團亦已於二零一七年初組成電視連續劇製作部門，並邀請富經驗員工加盟，以製作及發行電視連續劇。憑著我們在製作電影／電視連續劇及電影／電視連續劇行業已建立好的發行網絡的經驗，本集團有信心把握電影／電視連續劇行業此一黃金機遇，最大程度提升我們的價值和回報。

展望未來本集團將繼續致力於實現健康及穩定增長，提高盈利能力，實現其投資最大回報並尋求適當的商機。

PROSPECT

Following the completion of the LKF Disposal, the Group has finished its recent restructure and repositioning of business and now focuses its resources to the remaining business, the property development and investment operations and the film related business operations.

The development of the Combined Site and the Property C7 is our group's major future investment in Macau. After the construction work of the Combined Site has started in June 2017, the Group has concentrated its resources to complete the project of the Combined Site in year 2019. Property C7 is in the process of preparing the development plan and will submit to DSSOPT for approval once ready. In recent years, the residential property market of Macau shows a general growth trend. Given that land is a scarce resource in Macau and the land supply of Macau is limited, the Group is positive on the Macau property market and believes that there is strong demand for housing in Macau. The Group considers that property development and investment are more stable investment for maintaining stable future revenue. In regard to these development and investment, the Group is expected that substantial cash resources are required to invest in this business operation in the next few years. Besides, the Group will continue to source and invest in properties if proper opportunity arises.

China's culture and entertainment industry has entered into an unprecedented "golden age". Driven by policy, internet, and capital, "new giants" are emerging, in particular, internet companies have used resource advantages to gradually penetrate the entertainment industry and build an ecosystem. In respond to this golden age, the Group will continue its furtherance and development of its already well established film production business. The Group has also formed its television drama series department in the beginning of year 2017 and has invited experienced staffs to join for the production and distribution of television drama series. Given our experience in production of film/television drama series and the distribution network in the film/television drama series industry, the Group is confident in capture this golden opportunities in the film/television drama series industry and maximizing our value and return.

Looking forward, the Group will continue to strive to achieve healthy and stable growth by enhancing profitability, maximize its investment return and position to appropriate business opportunity.



董事及高級管理人員履歷 Biographical Details of Directors and Senior Management

董事

向華強先生，現年69歲，為本公司之主席兼執行董事。向先生為本公司副主席及執行董事陳明英女士之丈夫，擁有逾30年影視多媒體業務經驗。向先生所創辦之永盛娛樂製作有限公司(「永盛」)及一百年電影有限公司(「一百年」)之出品皆成為電影觀眾及世界各地片商推薦之電影。向先生亦為香港影業協會有限公司之名譽會長及理事。向先生於一九九六年獲委任為本公司之執行董事。

陳明英女士，現年61歲，為本公司之副主席及執行董事及向華強先生之妻子，擁有逾25年影視多媒體業務經驗及逾10年地產項目發展經驗。陳女士曾為永盛及一百年監製多套賣座影片。陳女士於二零零三年榮獲《The Hollywood Reporter》選為國際娛樂界其中一位最具影響力之女性。陳女士於二零零六年至二零一零年曾參與策劃及監控北京莎瑪房地產開發有限公司改造「建國國際公寓」成為酒店式公寓之改造工程及營運。於二零零七年購入澳門金域酒店並重新裝潢及設計至兩年後於二零零九年八月開幕之澳門蘭桂坊酒店，全由陳女士一手策劃及監工，令澳門蘭桂坊酒店屢獲多個國際獎項，包括二零零九年「第五屆中國酒店星光獎—中國最佳設計精品酒店獎」及二零一二年「TripAdvisor旅行者之選—中國排名前25位時尚酒店」。於推動環保概念方面，澳門蘭桂坊酒店也曾勇奪二零一零年「亞洲酒店論壇亞洲大獎-年度新領軍綠色環保酒店」及二零一零年「澳門環保酒店獎—銅獎」，成績有目共睹。陳女士現除負責副主席職能外，亦負責本集團地產項目之審批、設計及發展的推進、督導及監控工作。陳女士於一九九六年獲委任為本公司之執行董事。

DIRECTORS

Mr. HEUNG Wah Keung, aged 69, is the Chairman and executive director of the Company. He is the husband of Ms. Chen Ming Yin, Tiffany, Vice Chairman and executive director of the Company. He has over 30 years of experience in the entertainment and multimedia industries. He was the founder of Win's Entertainment Limited ("Win's") and One Hundred Years of Film Company Limited ("One Hundred Years"), which produces films recommended by audiences and distributors around the world. He is also the honorable chairman and director of Hong Kong Kowloon and New Territories Motion Picture Industry Association Limited. Mr. Heung was appointed as an executive director of the Company in 1996.

Ms. CHEN Ming Yin, Tiffany, aged 61, is the Vice Chairman and executive director of the Company and the wife of Mr. Heung Wah Keung. She has over 25 years of experience in the entertainment and multimedia industries and over 10 years of experience in property development. Ms. Chen has produced a number of blockbuster films for Win's and One Hundred Years. In 2003, she was selected as one of 2003 Women in Entertainment – International Power by The Hollywood Reporter. For the years from 2006 to 2010, Ms. Chen was involved in the planning, monitoring and management of the renovation and operation of "Beijing Jianguo Apartment" into serviced apartment by Beijing Shama Real Estate Development Co. Ltd. Ms. Chen was responsible for all planning and monitoring of the purchase of Macau Kingsway Hotel in 2007 and then renovated and designed it into two years later's Hotel Lan Kwai Fong Macau that launched in August 2009. Hotel Lan Kwai Fong Macau has been awarded with several international accolades, which included the "5th China Hotel Starlight Awards 2009 – Best Designed Boutique Hotel of China" and the "2012 TripAdvisor Travelers' Choice 2012 Winner – Trendiest". In respect of promoting the notion of environmental protection, Hotel Lan Kwai Fong Macau has won the "AHF Asia Awards 2010 – Leading Green Hotel of Asia" and the "Macao Green Hotel Award 2010 – Bronze Award". The result has been obvious and encouraging. Other than the duties and responsibilities of the Vice Chairman, Ms. Chen is also responsible for implementation, monitoring and management of the approval, planning and development of the property development projects of the Group. Ms. Chen was appointed as an executive director of the Company in 1996.

董事及高級管理人員履歷 Biographical Details of Directors and Senior Management

李玉嫦女士，現年50歲，為本公司之執行董事，擁有逾20年娛樂及多媒體業務行政之經驗。李女士負責本集團之整體營運，並對本集團系統具有透徹認知。李女士於二零零一年獲委任為本公司之執行董事。

Ms. LI Yuk Sheung, aged 50, is an executive director of the Company. She has more than 20 years experience of management in the entertainment and multimedia industries. She is responsible for the overall operations, and is familiar with the Group's system. Ms. Li was appointed as an executive director of the Company in 2001.

洪祖星先生，現年77歲，為本公司之獨立非執行董事，擁有逾30年電影發行經驗，於一九七零年創立狄龍國際電影企業公司。自一九九一年起，洪先生一直擔任香港影業協會有限公司理事長，並曾於一九九二年至一九九五年期間擔任香港電影金像獎協會之主席。彼亦獲委任為中國電影家協會顧問。洪先生為香港特別行政區1,200人選舉委員會委員，以及廣東省粵港澳合作促進會文化專業委員會副主任委員，並獲選為廣東省電影家協會第八屆副主席，任期由2016年11月至2021年11月。香港特別行政區政府為表揚洪先生對香港電影業的貢獻，於二零零五年向彼頒發銅紫荊勳章(BBS)。洪先生於二零一三年一月十七日獲香港特別行政區以個人身份委任為經濟發展委員會轄下建造業、創新科技以及文化及創意產業工作小組之成員，任期兩年，並分別於二零一五年及二零一七年兩度獲再續兩年任期。洪先生分別於二零一三年一月九日至二零一五年十月二十六日及二零一三年一月二十二日至二零一七年一月二十五日曾任均於香港聯合交易所有限公司(「聯交所」)主板上市之公司恒騰網絡集團有限公司(前稱馬斯葛集團有限公司)及民眾金融科技控股有限公司(前稱民眾金服控股有限公司)之獨立非執行董事。彼分別自二零一四年十月十日及二零一六年四月十四日起獲委任為合一投資控股有限公司及米格國際控股有限公司之獨立非執行董事，並自二零一三年十月十六日起獲委任為寰宇國際金融控股有限公司(前稱寰宇國際控股有限公司)之執行董事。所有上述公司均於聯交所主板上市。洪先生亦分別自二零一五年五月十五日及二零一六年五月二十三日起獲委任為樹熊金融集團有限公司(前稱中昱科技集團有限公司)之獨立非執行董事及壹家壹品(香港)控股有限公司(前稱家夢控股有限公司)之執行董事。洪先生亦於二零一六年五月二十三日至二零一七年十一月二十日曾任壹家壹品(香港)控股有限公司之董事會主席，兩間公司均於聯交所創業板上市。洪先生於一九九六年獲委任為本公司之非執行董事。

Mr. HUNG Cho Sing, aged 77, is an independent non-executive director of the Company. He has over 30 years of experience in the film distribution industry and founded Delon International Film Corporation in 1970. He has been the chairman of Hong Kong Kowloon and New Territories Motion Picture Industry Association Limited since 1991 and was the chairman of Hong Kong Film Awards Association from 1992 to 1995. He was also appointed as a consultant of the China Film Association. Mr. Hung is also a member of the 1,200-member-HKSAR Election Committee and a vice-chairman of the Cultural Profession Committee of the Guangdong, Hong Kong and Macau Cooperation Promotion Council (廣東省粵港澳合作促進會文化專業委員會副主任委員), and was elected the vice-chairman of Film Association of Guangdong, China for the period from November 2016 to November 2021. Mr. Hung was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government in 2005 in recognition of his contribution to the Hong Kong film industry. Mr. Hung was appointed by the HKSAR as a member of the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries under the Economic Development Commission on an ad personam basis for a term of two years on 17th January 2013, and renewal for a term of two years twice on 2015 and 2017 respectively. Mr. Hung was an independent non-executive director of Hengten Networks Group Limited (formerly known as Mascotte Holdings Limited) and Freeman FinTech Corporation Limited (formerly known as Freeman Financial Corporation Limited), all companies are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), during the period from 9th January 2013 to 26th October 2015 and 22nd January 2013 to 25th January 2017 respectively. He was appointed as an independent non-executive director of Unity Investments Holdings Limited and Miko International Holdings Limited since 10th October 2014 and 14th April 2016 respectively, and was appointed as an executive director of Universe International Financial Holdings Limited (formerly known as Universe International Holdings Limited) since 16th October 2013. All these companies are listed on the Main Board of the Stock Exchange. Mr. Hung was also appointed as an independent non-executive director of Koala Financial Group Limited (formerly known as Sunrise (China) Technology Group Limited), and an executive director of Eje (Hong Kong) Holdings Limited (formerly known as Jia Meng Holdings Limited) since 15th May 2015 and 23rd May 2016 respectively. Mr. Hung was also the chairman of the board of Eje (Hong Kong) Holdings Limited during the period from 23rd May 2016 to 20th November 2017. Both companies are listed on the GEM Board of the Stock Exchange. Mr. Hung was appointed as a non-executive director of the Company in 1996.

董事及高級管理人員履歷 Biographical Details of Directors and Senior Management

何偉志先生，現年66歲，為本公司之獨立非執行董事。何先生為執業會計師何偉志會計師行之執行合夥人，亦為英國英格蘭及威爾斯特許會計師公會之會員及香港會計師公會之資深會員。彼現為百營環球資源控股有限公司及毅興行有限公司之獨立非執行董事，兩間公司均於聯交所主板上市。何先生於一九九六年獲委任為本公司之非執行董事。

Mr. HO Wai Chi, Paul, aged 66, is an independent non-executive director of the Company. He is the managing partner of Paul W. C. Ho & Company, Certified Public Accountants (Practising), and is an associate of the Institute of Chartered Accountants in England and Wales, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants. He is currently an independent non-executive director of Bel Global Resources Holdings Limited and Ngai Hing Hong Company Limited, both companies are listed on the Main Board of the Stock Exchange. Mr. Ho was appointed as a non-executive director of the Company in 1996.

鄧澤林先生，現年67歲，為本公司之獨立非執行董事。鄧先生自一九八七年起為香港執業律師，並為鄧澤林廖國華律師行之高級合夥人。彼曾於一九九三年出任博愛醫院總理，並於一九九一年七月至一九九五年十一月期間出任滙豐銀行慈善基金社區發展計劃九龍西區諮詢委員會委員。鄧先生持有英國白金漢大學之法律學士學位及澳門東亞大學之中國法律文憑。鄧先生於二零一一年獲委任為本公司之獨立非執行董事。

Mr. TANG Chak Lam, Gilbert, aged 67, is an independent non-executive director of the Company. He is a practising solicitor in Hong Kong since 1987 and is a senior partner of Messrs. Gilbert Tang & Co.. He was a director of Pok Oi Hospital in 1993 and a member of the Kowloon West Advisory Committee of Hong Kong Bank Foundation District Community Programme between July 1991 and November 1995. Mr. Tang holds a Bachelor of Law Degree from the University of Buckingham in the United Kingdom, and a Diploma in Chinese Law from the University of East Asia in Macau. Mr. Tang was appointed as an independent non-executive director of the Company in 2011.

高級管理人員

曾善美女士，現年53歲，為本集團法律行政經理，有逾15年電視及電影業務經驗，對影視業的製作、發行、影視內容片庫管理及處理製作、發行及版權之法律事務有廣闊之知識及經驗。曾女士負責管理本集團法律行政部，電影及電視發行部，影視內容片庫管理部。曾女士同時也參與本集團影視製作及發行項目的商務協商，並負責處理影視製作合約、發行合約及版權事宜。曾女士加入本集團前曾任職香港醫院管理局法務部及電視廣播(國際)有限公司。曾女士修畢公司秘書本科後曾修讀倫敦大學法學本科，持有法學文憑及為香港律師會評效認可法律行政人員。曾女士於一九九九年加入本集團。

SENIOR MANAGEMENT

Ms. TSANG Anna, aged 53, is the Legal Administration Manager of the Group. She has over 15 years of experience in the TV & Film Industry. Ms. Tsang has extensive experience across production, distribution and library content management of the Film & TV business and expertise in legal related aspects in Film & TV production, distribution and copyright enforcement. Ms. Tsang oversees the Department of Legal Administration, Film & TV Distribution and Content Library Management of the Group. Ms. Tsang also involves negotiation on Film & TV production and distribution projects and took on responsibility of Film & TV production, distribution and copyright legal-related aspect for the Group. Prior to joining the Group, Ms. Tsang worked at the Legal Department of Hong Kong Hospital Authority and TVBI International Limited. Ms. Tsang has completed Company Secretary studies and had been studied LLB of University of London and a graduate of Diploma for Legal Studies. Ms. Tsang has achieved the qualification to use the benchmark as Legal Executive of The Law Society of Hong Kong. Ms. Tsang joined the Group in 1999.

董事及高級管理人員履歷 Biographical Details of Directors and Senior Management

韋家輝先生，現年55歲，為本集團之影視製作顧問。韋先生是著名電影及電視監製、導演及編劇，擁有逾20年監製、執導及編寫電影與電視劇之經驗，其多部作品屢獲國際電影展邀請展出及提名競賽，並曾在香港及海外奪得多個獎項。韋先生監製之電視劇「義不容情」及「大時代」當年首次播出已大受歡迎，劇集多年後再次重播觀眾仍然熾熱及廣受新生代觀眾喜愛。韋先生導演或監製的電影作品包括「孤男寡女」、「瘦身男女」、「嘩咕嚙咕新年財」、「我左眼見到鬼」、「百年好合」、「大隻佬」、「鬼馬狂想曲」、「最愛女人購物狂」、「神探」、「再生號」……等等。韋先生於二零零零年加入本集團。

黃淑嫻女士，現年52歲，為本公司之財務總監及公司秘書。黃女士於一九九零年畢業於城市理工大學並取得會計學士學位。黃女士為香港會計師公會會員及英國特許公認會計師公會資深會員。於加入本集團前，黃女士曾於一間國際會計師行任職超過十年。黃女士主要負責監督本集團之會計及財務申報呈序及內部監控系統。黃女士於二零零一年加入本集團。

楊芷昕小姐，現年52歲，為本集團的區域總監，擁有逾15年從事電視及電影業務經驗，於二零零六年開始更積極參與集團旗下的服務式住宅，酒店業務及地產項目發展，負責北京及澳門等的項目發展及管理工作。楊小姐自二零一三年起同時擔任澳門蘭桂坊酒店執行董事。楊小姐取得英國萊斯特大學的工商管理碩士學位，並擁有香港理工大學所頒授的酒店管理高級文憑證書。楊小姐於一九九七年加入本集團。

Mr. WAI Kai Fai, aged 55, is the Film and TV Consultant of the Group. Mr. Wai is a renowned Film and TV Producer, Director and Scriptwriter, he has produced, directed and script-written films and TV drama for more than 20 years. Mr. Wai's Feature Films Production has been invited by Worldwide Film Festival for screening and nomination for awards, many of Mr. Wai's Feature Film earned awards in Hong Kong and Worldwide. Mr. Wai's TV series "Look Back with Anger" and "The Greed of Man" is hugely popular on the premiere run, after many years, re-run of these TV series is also a hit and has pull in lots of new generation audience. The feature films produced and/or directed by Mr Wai include "Needing You", "Love On A Diet", "Fat Choi Spirit", "My Left Eye Sees Ghosts", "Love For All Seasons", "Running On Karma", "Fantasia", "The Shopaholics", "Mad Detective", "Written By" etc. Mr. Wai joined the Group since the year of 2000.

Ms. WONG Shuk Han, Dorothy, aged 52, is the Financial Controller and Company Secretary of the Company. She graduated from the City Polytechnic University with a bachelor degree in Accountancy in 1990. She is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Prior to her employment with the Group, she worked with an international accounting firm for over 10 years. Ms. Wong is primarily responsible for the supervision of the Group's accounting and financial reporting procedures and internal control system. She joined the Group in 2001.

Ms. YEUNG Porlin, age 52, is the Regional Director of the Company. She has over 15 years experience in TV and film industry and as of 2006 she has extend her scope of services to serviced residences, hotel operations and project development in Beijing and Macau. In 2013, Ms. Yeung was appointed as the Executive Director of Hotel Lan Kwai Fong Macau. She graduated from the University of Leicester, UK with a MBA and is an Advanced Certification holder in Hospitality Management at the Hong Kong Polytechnic University. Ms. Yeung joined the group in 1997.



董事及高級管理人員履歷 Biographical Details of Directors and Senior Management

達振洪先生，現年52歲，為澳門蘭桂坊酒店首席營運總裁。達先生在一九八九年畢業於美國康乃爾大學，曾任職於安達信會計師事務所及太古集團。達先生於一九九五年首次加入本集團，負責中國大陸的電影發行業務超過5年。於二零零九年達先生再次加入本集團，參與澳門蘭桂坊酒店的營運。並於二零一三年，達先生被任命為澳門蘭桂坊酒店首席營運總裁。

Mr. TODD Evan, aged 52, is the Chief Operating Officer of Hotel Lan Kwai Fong Macau. He graduated from Cornell University in the U.S. with a bachelor degree in 1989. Over the years, he has worked for Andersen Consulting and Swire Pacific Limited. He first joined our Group in 1995 and worked over five years in the area of film distribution in the PRC. In 2009, he rejoined our Group and began involved in the operation of Hotel Lan Kwai Fong Macau. Mr. Todd was appointed as the Chief Operating Officer of Hotel Lan Kwai Fong Macau in 2013.

邵麗瓊女士，現年57歲，為本集團網絡和電視製作總監。擁有逾30年的電視及電影創作及製作經驗。電視劇創作作品如《他來自江湖》、《創世紀》、《同事三分親》、《畢打自己人》等，口碑及收視俱佳。電影創作包括《天台的月光》、《東方三俠》、《天若有情III》等多部作品，其中《審死官》獲提名香港電影金像獎最佳編劇獎。邵女士擔任監製的作品有長篇電視劇《八時入席》、電影《愛，斷了線》等等。邵女士於二零一七年加入本集團。

Ms. SHAW Lai King, Sandy, aged 57, is the Controller (Network and TV) of the Group. She has over 30 years of experience in television and movie creation and production. Her television drama works such as “The Justice Of Life”, “At the Threshold of An Era”, “Best Selling Secrets”, “Off Pedder” and so on were well received in terms of approbation and viewership. Her movie creations included “A Roof with a view”, “The Heroic Trio”, “A Moment of Romance III” and etc., and among them, “Justice, My Foot” was once nominated for the Best Screenplay of the Hong Kong Film Awards. Ms. Shaw was also the producer of “Come Home Lover: Dinner At 8”, a long television drama series, and “Sky of Love”, a movie, and so forth. Ms. Shaw joined the Group in 2017.

企業管治報告 Corporate Governance Report

緒言

本公司董事（「董事」）會（「董事會」）及管理層致力設立良好企業管治常規及程序。本公司及其附屬公司（「本集團」）一向維持高水平之商業操守及企業管治常規，此乃本集團目標之一。本公司相信，良好企業管治所提供之架構，對有效管理、業務成功發展及建立良好企業文化屬至關重要，藉此提高股東之價值。

企業管治常規

本公司之企業管治原則著重董事會質素、穩健之內部監控，並且對全體股東具透明度及問責性。透過採用嚴密之企業管治常規，本集團相信將可改善問責性及透明度，從而增強股東及大眾之信心。截至二零一七年十二月三十一日止整個財政年度，本公司已應用並遵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」）附錄十四所載之《企業管治守則》（「守則」）之所有適用守則條文，惟一項偏離事項除外，有關詳情於本報告相關「偏離守則之事項」一節闡述。董事會自聯交所首次建議就有關企業管治常規修訂上市規則後，一直監察及檢討本集團就企業管治常規之進度以確保符合規定。本公司於年內舉行多次會議，並於適當時向本集團董事及高級管理層發出通函及其他指引說明，以確保彼等知悉有關企業管治常規之事宜。

INTRODUCTION

The board (the “Board”) of directors (“Directors”) of the Company 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 goals of the Company and its subsidiaries (the “Group”). 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.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Group believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public. Throughout the financial year ended 31st December 2017, the Company has applied the principles and complied with all the applicable code provisions laid down in the Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) save for one deviation, details of which will be explained in the section “Deviation from the Code” in this report. The Board has, since the amendments to the Listing Rules regarding corporate governance practices were first proposed by the Stock Exchange, continued to monitor and review the Group’s progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the year and where appropriate, circulars and other guidance notes were issued to directors and senior management of the Group to ensure awareness to issues regarding corporate governance practices.



企業管治報告 Corporate Governance Report

董事會

職責

董事會負責本公司之領導及監控工作，並監管本集團之業務、策略決策及表現，以及藉指引及監督本公司事務共同負責引領本公司邁向成功。實際上，董事會負責就本公司所有主要事項作出決策，包括：審批及監控所有政策事宜、制定目標、年度預算及整體策略、重大交易、委任董事及其他重大財務及經營事項。本公司之日常管理、行政及營運均由高級行政人員執行。有關職責包括實行董事會之決策、根據董事會審批之管理策略及計劃協調及指引本公司日常營運及管理。該等高級行政人員在訂立任何重大交易前須先獲得董事會批准，而董事會亦全力支持彼等執行職務。

組成

於二零一七年十二月三十一日，董事會由六名董事組成，包括三名執行董事，分別為向華強先生（主席）、陳明英女士（副主席，擔任上市規則附錄十四所述行政總裁之角色）及李玉嫦女士，以及三名獨立非執行董事，分別為洪祖星先生、何偉志先生及鄧澤林先生。

其中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。獨立非執行董事佔董事會人數超過三分之一。董事之履歷詳情載於第25頁至第29頁之「董事及高級管理人員履歷」一節內。

THE BOARD

Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and performances and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. In practice, the Board takes responsibility for decision making in all major matters of the Company including: the approval and monitoring of all policy matters, the setting of objectives, annual budgets and overall strategies, material transaction, appointment of directors and other significant financial and operational matters. The day-to-day management, administration and operation of the Company are delegated to the senior executives. These responsibilities include the implementation of decisions of the Board, the co-ordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by these senior executives and the Board has the full support of them to discharge its responsibilities.

Composition

As at 31st December 2017, the Board comprises six Directors: including three executive Directors, namely, Mr. Heung Wah Keung (Chairman), Ms. Chen Ming Yin, Tiffany (Vice Chairman, performing the role of chief executive as stated in Appendix 14 of the Listing Rules) and Ms. Li Yuk Sheung and three independent non-executive Directors, namely, Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Tang Chak Lam, Gilbert.

One of the independent non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise. The number of independent non-executive Directors is more than one-third of the Board. Biographical details of the Directors are set out in the section "Biographical Details of Directors and Senior Management" on pages 25 to 29.

企業管治報告 Corporate Governance Report

董事會認為，董事會包括三名獨立非執行董事，此可讓執行與非執行董事間取得合理之制衡。董事會認為，此制衡能為保障股東及本集團利益提供充份之核查及平衡。獨立非執行董事向本集團提供廣泛專業知識及經驗，從而可作出獨立判斷及確保已考慮全體股東之利益。彼等亦負責出席董事會會議、處理潛在利益衝突、出任審核委員會、薪酬委員會及提名委員會成員，以及監察本集團之表現及呈報。彼等之積極參與，為董事會及彼等所任職之委員會提供寶貴技能、專業知識及經驗，從而審慎檢討及監控管理程序。

董事在本身之專業範圍均為傑出人士，並展示高水平之個人及專業操守和誠信。全體董事均就本公司事務付出充足時間及心血。董事會相信，執行董事對非執行董事之比率誠屬合理，並足以發揮互相監察及制衡之作用，以保障股東及本公司之整體利益。

董事會全體須負責委任新董事及提名董事於本公司股東週年大會上接受股東重選。根據本公司之公司細則（「公司細則」），董事會可不時委任董事填補臨時空缺或出任董事會新成員。獲委任以填補臨時空缺之任何新董事須任職至其獲委任後之首次股東大會為止，並合資格於下一屆股東週年大會上膺選連任。獲董事會委任以加入現有董事會之任何新董事須任職至本公司下一屆股東週年大會為止，屆時將合資格膺選連任。

根據公司細則第99(A)條，向華強先生、陳明英女士及李玉嫦女士將於即將舉行之股東週年大會上告退，惟彼等合資格並願意膺選連任。

The presence of three independent non-executive Directors is considered by the Board to be a reasonable balance between executive and non-executive Directors. The Board is of the opinion that such balance can provide adequate checks and balances for safeguarding the interests of shareholders and of the Group. The independent non-executive Directors provide to the Group with a wide range of expertise and experience so that independent judgement can effectively be exercised as well as ensuring that the interests of all shareholders are taken into account. They are also responsible for participating in Board meetings, dealing with potential conflicts of interest, serving on audit committee, remuneration committee and nomination committee, scrutinising the Group's performance and reporting. Through their active participation, they provide their valuable skills, expertise and experience to the Board and the committees on which they serve so that the management process can be critically reviewed and controlled.

The Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. All the Directors give sufficient time and attention to the Company's affairs. The Board believes that the ratio of executive to non-executive Directors is reasonable and adequate to provide checks and balances that safeguard the interest of the shareholders and the Company as a whole.

The Board as a whole is responsible for the appointment of new director and nomination for re-election by shareholders at the annual general meeting of the Company. Under the Company's bye-laws (the "Bye-laws"), the Board may from time to time appoint a director either to fill a vacancy or as an addition to the Board. Any new director appointed to fill a casual vacancy shall hold office until the first general meeting after his appointment and shall then be eligible for re-election at the next following annual general meeting. Any new director appointed by the Board as an addition to the existing Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to bye-law 99(A) of the Bye-laws, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

企業管治報告 Corporate Governance Report

主席及副主席

主席與副主席（擔任行政總裁之角色）之職責分離，並不由同一人同時兼任，以確保董事會有明確責任分擔，達致權力及權限的平衡。

主席負責領導董事會，確保董事會有效運作，及確保向公眾傳達董事會的意見。在履行此項職責時，主席的責任包括主持董事會會議；確保董事會會議收到有關本公司事務之準確、完整、及時且清晰的資料；確保執行董事與非執行董事之間保持有建設性的關係；安排就提呈董事會考慮的問題進行討論及作出決定；確保所有董事均適當聽取董事會會議提出的事項之簡報；作為董事會與管理層之間的聯絡人；與副主席及公司秘書或其代表商議，草擬及批准每次董事會會議的議程，在適當情況下考慮其他董事提議納入議程的任何事項；以及至少每年與獨立非執行董事在執行董事不出席的情況下舉行會議。

副主席主要負責建議政策及策略方向，供董事會批准；以及實施董事會採納的策略及政策，及執行本公司之日常營運。

CHAIRMAN AND VICE CHAIRMAN

The roles of Chairman and Vice Chairman (performing the role of chief executive) are separate and not performed by the same individual to ensure that there is a clear division of responsibilities at the board level to entail a balance of power and authority.

The Chairman is responsible for leadership of the Board, for ensuring that the Board functions effectively, and for ensuring communication of the views of the Board to the public. In performing this role, the Chairman's responsibilities include chairing meetings of the Board; ensuring the board meetings receive accurate, complete, timely and clear information concerning affairs of the Company; ensuring constructive relations between executive and non-executive Directors; formulating for discussion and decision, questions which have been moved for the consideration of the Board; ensuring that all Directors are properly briefed on issues arising at board meetings; acting as liaison between the Board and management; in consultation with the Vice Chairman and the company secretary or his/her designated delegates, drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda; and at least annually hold meetings with independent non-executive Directors without the presence of the executive Directors.

The Vice Chairman is primarily responsible for recommending policy and strategic directions for Board approval; implementing the strategies and policies adopted by the Board; and conducting the day-to-day operation of the Company.

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獨立性

遵照上市規則，本公司有三名獨立非執行董事，其中至少一名獨立非執行董事具備適當財務管理專業知識。本集團已接獲各獨立非執行董事之年度獨立性確認書。根據上市規則第3.13條所載指引，本公司認為該等董事均為獨立人士。

所有載有董事姓名之公司通訊中，均已說明全體獨立非執行董事之身份。此外，除本公司主席向華強先生為副主席陳明英女士之丈夫外，董事會成員之間並無重大關係。

偏離守則之事項

截至二零一七年十二月三十一日止年度內，本公司一直遵守上市規則附錄十四之守則，惟以下偏離事項除外：

根據守則之A.4.1守則條文，非執行董事之委任應有指定任期，並須接受重新選舉。然而，全體獨立非執行董事均並無指定任期，惟須根據公司細則條文於本公司之股東週年大會上輪流退任及接受重新選舉。本公司認為已採取足夠措施，確保本公司之企業管治常規不比守則所訂者寬鬆。

每名獨立非執行董事之酬金為每年120,000港元。

INDEPENDENCE

The Company has three independent non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the Listing Rules. The Group has received from each independent non-executive Director an annual confirmation of his independence. The Company considers these Directors to be independent under the guidelines set out in Rule 3.13 of the Listing Rules.

All independent non-executive Directors are identified as such in all corporate communications containing the names of the Directors. In addition, there is no material relationship among members of the Board except that Mr. Heung Wah Keung, the Chairman, is the husband of Ms. Chen Ming Yin, Tiffany, the Vice Chairman of the Company.

DEVIATION FROM THE CODE

Throughout the year ended 31st December 2017, the Company complied with the Code in Appendix 14 of the Listing Rules, except for the following deviation:

Under the code provision A.4.1 of the Code, non-executive Directors should be appointed for a specific term and subject to re-election. However, all the independent non-executive Directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Bye-laws. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

Each of the independent non-executive Directors has remunerated at HK\$120,000 per year.

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董事會會議及股東大會

董事會定期以親身出席或透過其他電子通訊方式舉行會議，有關會議每年至少舉行四次，以釐定整體策略方向及目標及審批中期及年度業績以及其他重大事項。倘召開董事會例會，則會向全體董事發出最少14日之通知，以讓彼等藉此機會出席及提出事項於議程中討論。除例會外，高級管理層亦不時向董事提供有關本集團業務活動及發展之資料。公司秘書協助主席編製會議議程，並確保有關會議之所有適用規則及規例均獲得遵守及遵從。最終落實之議程及隨附之董事會文件其後將在舉行會議前最少三日發送予全體董事。公司秘書亦會就會議作出詳盡會議紀錄，並就會上之討論事項及議決決定保留記錄。

於回顧年度內，已舉行八次董事會會議。董事出席大會、董事會及其有關委員會之會議之詳情如下：

BOARD MEETINGS AND SHAREHOLDERS' MEETINGS

The Board regularly meets in person or through other electronic means of communication at least four times every year to determine overall strategic direction and objectives and approve interim and annual results, and other significant matters. At least 14 days' notice of regular Board meeting are given to all Directors, who are all given an opportunity to attend and include matters in the agenda for discussion. Apart from regular meetings, senior management from time to time provides Directors with information on activities and development of the businesses of the Group. The company secretary assists the Chairman in preparing the agenda for the meeting and ensures that all applicable rules and regulations in connection with the meetings are observed and complied with. The finalized agenda and accompanying board papers are then sent to all Directors at least three days prior to the meeting. The company secretary also takes detailed minutes of the meetings and keeps records of matters discussed and decision resolved at the meetings.

During the year under review, eight board meetings were held. Details of the attendance of the Directors at the general meetings, meetings of the Board and its respective committees are as follows:

董事姓名 Name of Director	出席會議次數 Number of meetings attended				
	股東週年大會 Annual General Meeting	董事會會議 Board Meeting	審核委員會會議 Audit Committee Meeting	薪酬委員會會議 Remuneration Committee Meeting	提名委員會會議 Nomination Committee Meeting
執行董事 Executive Directors					
向華強 Heung Wah Keung	1/1	8/8*	不適用 N/A	不適用 N/A	1/1
陳明英 Chen Ming Yin, Tiffany	1/1	7/7	不適用 N/A	1/1	不適用 N/A
李玉嫦 Li Yuk Sheung	1/1	7/7	不適用 N/A	不適用 N/A	不適用 N/A
獨立非執行董事 Independent Non-Executive Directors					
洪祖星 Hung Cho Sing	1/1	8/8*	2/2	1/1	1/1
何偉志 Ho Wai Chi, Paul	1/1	8/8*	2/2	不適用 N/A	不適用 N/A
鄧澤林 Tang Chak Lam, Gilbert	1/1	8/8*	2/2	1/1	1/1

* 其中一次董事會會議是由董事會主席在沒有執行董事出席之情況下與獨立非執行董事舉行。

* Included a Board meeting where the Chairman of the Board met with independent non-executive Directors, without the presence of the executive Directors.

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於董事會之定期會議中，董事商討及制定本集團之整體策略、監察財務表現及商討年度及中期業績、制定年度預算方案，以及商討及決定其他重要事宜。日常營運事務已委派本集團管理層執行。

公司秘書就各董事會會議之議事程序作詳細之會議記錄，包括記錄董事會所作出之所有決定，以及所提出之關注事宜或表達之反對意見（如有）。會議記錄之初稿須於會議結束後，於切實可行之情況下盡快發送予全體董事，以供評論及審批。任何董事均可在任何合理時間要求查閱所有會議記錄。

由於主席會確保管理層向董事會及其委員會適時提供所有相關資料，故全體董事均可在所有情況下取得相關最新資料。董事於其認為有需要或適當時均可要求提供進一步資料。

彼等亦可取得公司秘書之意見及享用其服務，包括負責向董事提供董事會文件及相關材料，確保遵循所有正確董事會程序，以及遵守一切適用法律及法規。如董事認為有需要及適當時，彼等可聘用獨立專業顧問提供服務，費用由本集團支付。

倘一名主要股東或董事存有利益衝突，有關事項將於董事會會議上進行討論，而不會以書面決議案方式處理。概無利益衝突之獨立非執行董事將會出席會議以處理該等衝突事宜。

董事委員會（包括審核委員會、薪酬委員會及提名委員會）均就所有委員會會議採納董事會會議沿用之適用常規及程序。

During regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Group, monitor financial performances and discuss the annual and interim results, set annual budgets, as well as discuss and decide on other significant matters. The execution of daily operational matters is delegated to management of the Group.

The company secretary records the proceedings of each board meeting in detail by keeping minutes, including the record of all decisions by the Board together with concerns raised and dissenting views expressed (if any). Drafts of board minutes are circulated to all directors for comment and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time on request by any Director.

All Directors have access to relevant and timely information at all times as the Chairman ensures that the management will supply the Board and its committees with all relevant information in a timely manner. They may make further enquiries if in their opinion it is necessary or appropriate to request for further information.

They also have unrestricted access to the advice and services of the company secretary, who is held responsible for providing Directors with board papers and related materials and ensuring that all proper Board procedures are followed and that all applicable laws and regulations are complied with. If considered necessary and appropriate by the Directors, they may retain the service of independent professional advisers at the Group's expense.

In case where a conflict of interest may arise involving a substantial shareholder or a director, such matter will be discussed in a physical meeting and will not be dealt with by way of written resolutions. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues.

The board committees, including the audit committee, the remuneration committee and the nomination committee, have all adopted the applicable practices and procedures used in board meetings for all committee meetings.



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本公司之股東週年大會及其他股東大會乃本公司與股東間溝通之主要平台，亦供股東參與。本公司鼓勵全體股東出席股東大會或委派代表代其出席大會並於會上投票（如彼等未能出席大會）。

The annual general meeting and other general meetings of the Company are the primary forum for communication by the Company with the shareholders and for shareholders' participation. All shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at meetings on their behalf if they are unable to attend the meetings.

董事之培訓及支援

所有董事（包括獨立非執行董事）必須不時瞭解其作為董事之共同責任，以及本集團之業務。因此，本集團於每名新委任董事獲委任後將向彼等提供全面及正式指導，並向彼等提供及安排簡介會及介紹，以確保彼等熟悉董事會之角色、彼等作為董事之法律及其他責任，以及本集團之業務及管治常規。該等計劃考慮到各個別董事之背景及專業知識而為彼等度身制定。公司秘書將繼續向所有董事提供有關上市規則及其他適用監管規定之最新發展，以確保各董事遵守該等規則及規定。

TRAINING AND SUPPORT FOR DIRECTORS

All Directors, including independent non-executive Directors, must keep abreast of their collective responsibilities as directors and of the business of the Group. As such, the Group provides a comprehensive and formal induction to each newly appointed director upon his/her appointment. Briefings and orientations are provided and organised to ensure that the new Directors are familiar with the role of the Board, their legal and other duties as a director as well as the business and governance practices of the Group. Such programmes are tailored to each individual director taking into account their background and expertise. The company secretary will continuously update all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance of the same by all Directors.

全體董事亦會參與本集團提供或安排之持續專業發展計劃，例如由合資格專業人士舉辦之外界研討會更新有關法律及規例及上市規則資料，以發展及更新有關彼等對董事會作出貢獻之知識及技能。各董事所接受之培訓記錄由本公司之公司秘書留存及更新。

All Directors also participate in continuous professional development programmes provided or procured by the Group, such as external seminars organised by qualified professionals update materials regarding laws and regulation and the Listing Rules, to develop and refresh their knowledge and skills in relation to their contribution to the Board. A record of the training received by the respective Directors are kept and updated by the company secretary of the Company.

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下表概列各董事於二零一七年就適切著重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

The participation by individual director in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2017 is recorded in the following table.

董事姓名	Name of Director	閱讀監管規定 更新資料	參與外界機構舉辦 研討會／活動
		Reading regulatory updates	Attending external seminars/ programmes
執行董事	Executive Directors		
向華強	Heung Wah Keung	✓	
陳明英	Chen Ming Yin, Tiffany	✓	
李玉嫦	Li Yuk Sheung	✓	
獨立非執行董事	Independent Non-Executive Directors		
洪祖星	Hung Cho Sing	✓	
何偉志	Ho Wai Chi, Paul	✓	✓
鄧澤林	Tang Chak Lam, Gilbert	✓	✓

各董事將於其首次獲委任及隨後每年向本集團披露其於公眾公司及組織所擔任之職位數目及性質，以及其他重大承擔。

Each Director will, upon his/her first appointment and thereafter on a yearly basis, disclose to the Group the number and nature of offices held by such Director in public companies and organizations and other significant commitments.

薪酬委員會

薪酬委員會已經成立，並以書面訂明其具體職權範圍。於二零一七年十二月三十一日，薪酬委員會由兩名獨立非執行董事（即洪祖星先生及鄧澤林先生）及一名執行董事（即陳明英女士）組成。洪祖星先生為此委員會之主席。

REMUNERATION COMMITTEE

A remuneration committee was formed with specific written terms of reference. As at 31st December 2017, the remuneration committee consists of two independent non-executive Directors, namely Mr. Hung Cho Sing and Mr. Tang Chak Lam, Gilbert, and an executive Director, namely, Ms. Chen Ming Yin, Tiffany. Mr. Hung Cho Sing is the chairman of the committee.

薪酬委員會負責制定薪酬政策及就此向董事會提出建議、釐訂執行董事及本集團高級管理層之薪酬。此委員會將就其建議及推薦建議諮詢主席，如認為有需要，亦可索取專業意見。薪酬委員會亦獲提供其他資源以履行其職責。

The remuneration committee is responsible for formulating and recommending to the Board the remuneration policy, determining the remuneration of executive Directors and members of senior management of the Group. This committee consults with the Chairman on its proposals and recommendations and has access to professional advice if deemed necessary. The remuneration committee is also provided with other resources enabling it to discharge its duties.

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薪酬委員會之具體職權範圍於本公司網站上刊載。薪酬委員會每年最少舉行一次會議。

The specific terms of reference of the remuneration committee are posted on the Company's website. The remuneration committee meets at least once a year.

於回顧年度內，薪酬委員會已舉行一次會議以釐定本集團員工之薪酬待遇。並無董事參與釐定其自身之薪酬。

During the year under review, the remuneration committee held one meeting to determine the remuneration package for the staff of the Group. No Director is involved in deciding his/her own remuneration.

截至二零一七年十二月三十一日止年度本集團高級管理人員薪酬按薪酬幅度載列如下：

The remuneration of the senior management of the Group for the year ended 31st December 2017 by band is set out below:

薪酬幅度	人數	Remuneration band	Number of individuals
零港元至1,000,000港元	2	HK\$nil to HK\$1,000,000	2
1,000,001港元至1,500,000港元	3	HK\$1,000,001 to HK\$1,500,000	3
1,500,001港元至2,000,000港元	1	HK\$1,500,001 to HK\$2,000,000	1

截至二零一七年十二月三十一日止年度執行董事酬金進一步詳情載於財務報表附註15。

Further details of the executive Directors' emoluments for the year ended 31st December 2017 are set out in note 15 to the financial statements.

提名委員會

提名委員會已成立，並以書面訂明其具體職權範圍。於二零一七年十二月三十一日，提名委員會由兩名獨立非執行董事（即鄧澤林先生及洪祖星先生）及一名執行董事（即向華強先生）組成。鄧澤林先生為提名委員會之主席。

NOMINATION COMMITTEE

A nomination committee was formed with specific written terms of reference. As at 31st December 2017, the nomination committee consists of two independent non-executive Directors, namely Mr. Tang Chak Lam, Gilbert and Mr. Hung Cho Sing, and an executive Director, namely Mr. Heung Wah Keung. Mr. Tang Chak Lam, Gilbert is the chairman of the nomination committee.

提名委員會之職責包括每年最少檢討董事會架構、人數及成員一次，並就任何建議變更向董事會提出推薦建議以補足本公司之企業策略、物色合適及合資格人士出任董事會成員，並挑選個別人士提名出任董事、評估獨立非執行董事之獨立性及就委任或重新委任董事及董事繼任計劃（尤其是主席及副主席）向董事會提出推薦建議。

The duties of the nomination committee include reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for directors, in particular the chairman and the vice chairman.

提名委員會之具體職權範圍於本公司網站上刊載。提名委員會每年最少舉行一次會議。

The specific terms of reference of the nomination committee are posted on the Company's website. The nomination committee meets at least once a year.

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於回顧年度內，提名委員會已舉行一次會議以檢討董事會架構、人數及組成，並檢討董事會成員多元化政策。

During the year under review, the nomination committee held one meeting to review the structure, size and composition of the Board and to review the Board Diversity Policy.

董事會成員多元化政策

董事會於二零一三年採納董事會成員多元化政策（「該政策」），其主要條款如下：

1. 目的

該政策之目的是對董事會設置多元化之方法。

2. 範圍

該政策適用於董事會。它不適用於有關公司之員工，任何附屬公司之董事會和員工之多元化。

3. 政策聲明

本公司確認及接受董事會多元化政策之不同好處，體會到董事會層面增加多元化是保持公司競爭優勢之一個重要元素。

提名委員會將每年審查董事會的結構、大小及組成，並在適當情況下，就董事會變更提出建議，以配合公司之企業策略。關於審查和評估董事會之組成，提名委員會將考慮多方面，包括但不限於性別、年齡、文化和教育背景、專業資格、技能、知識和行業和區域之經驗。

4. 測量目標

就實現董事會多元化的可測量目標，提名委員會將討論並達成一致意見，並建議董事會啟用。本公司之目的是保持董事局多元化之適當平衡以配合公司業務成長。

Board Diversity Policy

The Board adopted a Board Diversity Policy (the "Policy") in 2013. The key terms of the Policy are set out as follows:

1. Purpose

The Policy aims to set out the approach to diversity on the Board.

2. Scope

The Policy applies to the Board. It does not apply to diversity in relation to the employees of the Company, nor the board of directors and the employees of any subsidiary of the Company.

3. Policy Statement

The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

The nomination committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy. In relation to reviewing and assessing the Board composition, the nomination committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience.

4. Measureable Objectives

The nomination committee will discuss and agree on the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth.

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5. 監察和報告

在適用的情況下，應每年在公司企業管治報告中披露這項政策的摘要及董事會執行這項政策所採用的測量目標。

6. 政策檢討

提名委員會將每年檢討這項政策，並在適當情況下，建議董事會考慮、修訂和批准。

5. *Monitoring and Reporting*

A summary of the Policy and where applicable, the measurable objectives that the Board has adopted for implementation of the Policy should be disclosed annually in the Company's Corporate Governance Report.

6. *Review of the Policy*

The nomination committee will review the Policy annually and where appropriate, recommend revisions to the Board for consideration and approval.

審核委員會

本公司已遵照上市規則成立審核委員會，並以書面訂明其職權範圍。上市規則第3.21條規定審核委員會必須由至少三名非執行董事組成，而至少一名成員須為獨立非執行董事及必須具備適當專業資格或會計或相關財務管理專業知識。審核委員會之主要職責包括以下各項：

- (a) 於財務報表及報告提交董事會前進行審閱，並考慮外聘核數師提出之任何重大或不尋常項目。
- (b) 根據核數師進行之工作、其費用及聘用條款檢討與外聘核數師之關係，並就委聘、續聘及罷免外聘核數師向董事會提出建議。
- (c) 檢討本公司之財務申報制度、內部監控系統及風險管理系統以及有關程序是否足夠及有效。

審核委員會之其他職責載於本公司網站刊載之具體成文職權範圍內。審核委員會已獲提供充足資源，讓彼等履行其職責。

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the Listing Rules. Rule 3.21 of the Listing Rules requires that the audit committee must comprise a minimum of three non-executive directors only, at least one of them should be independent non-executive directors with appropriate professional qualifications or accounting or related financial management expertise. The main duties of the audit committee include the followings:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the external auditor before submission to the Board.
- (b) To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditor.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

Other duties of the audit committee are set out in its specific terms of reference which are posted on the Company's website. The audit committee is provided with sufficient resources enabling it to discharge its duties.

企業管治報告 Corporate Governance Report

於二零一七年十二月三十一日，審核委員會有三名成員，分別為何偉志先生（審核委員會主席）、洪祖星先生及鄧澤林先生，均為獨立非執行董事。概無審核委員會成員在其終止成為合夥人或享有核數公司財務利益之日期起計一年內，為本公司之現有核數公司之前任合夥人。審核委員會已審閱本集團所採納之會計原則及慣例，並與本公司管理團隊討論內部監控及財務申報事宜。年內，審核委員會已舉行兩次會議以審閱本集團之年度報告及中期報告。

審核委員會亦已檢討財務申報及監察程序，以及就本公司之內部監控及風險管理檢討及程序及續聘外聘核數師作出匯報。現時並無任何與可能對本公司能否持續經營產生重大疑問之事件及情況有關之重大不確定因素。董事會及審核委員會就推選、委任、辭任或罷免外聘核數師並無意見分歧。

本集團的外聘核數師為國衛會計師事務所有限公司。國衛會計師事務所有限公司已向審核委員會發出函件，確認該事務所對本公司而言為獨立，並且國衛會計師事務所有限公司與本公司之間不存在任何有可能被合理認為可影響其獨立性的關係。為維持外聘核數師的獨立性，該工作只在不會影響其獨立性並經由審核委員會預先批准的情況下，本公司才會聘用外聘核數師從事非審核工作。年內，外聘核數師向本集團提供了審核和非審核服務。審核服務包括與審核本集團的綜合財務報表有關的審核服務。非審核服務包括刊發特別審核報告或中期審閱或其他監管目的之服務。

As at 31st December 2017, the audit committee has three members, namely Mr. Ho Wai Chi, Paul (chairman of the audit committee), Mr. Hung Cho Sing and Mr. Tang Chak Lam, Gilbert, all being independent non-executive Directors. No member of the audit committee is a former partner of the existing auditing firm of the Company within one year on the date of his ceasing to be a partner or had any financial interest in the auditing firm. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the management team of the Company. During the year, the audit committee held two meetings to review the Group's annual report and interim report.

The audit committee has also reviewed the financial reporting and compliance procedures, report on the company's internal control and risk management review and processes as well as the re-appointment of the external auditor. There is no material uncertainty relating to events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. There is no disagreement between the Board and the audit committee regarding the selection, appointment, resignation or dismissal of external auditor.

The Group's external auditors is HLB Hodgson Impey Cheng Limited. HLB Hodgson Impey Cheng Limited has written to the Audit Committee confirming that they are independent with respect to the Company and that there is no relationship between HLB Hodgson Impey Cheng Limited and the Company which may reasonably be thought to bear on their independence. In order to maintain the external auditors' independence, it would only be employed for non-audit work if the work does not compromise the external auditors' independence and has been pre-approved by the Audit Committee. During the year, the external auditors provided audit services and non-audit services to the Group. Audit services include services provided in connection with the audit of the Group's consolidated financial statements. Non audit services include services such as issuance of special audit reports or interim review or other regulatory purposes.

企業管治報告 Corporate Governance Report

本公司截至二零一七年十二月三十一日止年度之年報已由審核委員會審閱。本年度之財務報表已經由國衛會計師事務所有限公司審核，其任期將於即將舉行之股東週年大會上屆滿。審核委員會已向董事會建議，於本公司應屆股東週年大會上提名委任國衛會計師事務所有限公司為本公司之核數師。

截至二零一七年十二月三十一日止年度，核數師國衛會計師事務所有限公司提供之核數服務及非核數服務之已付及應付費用分別約為1,002,000港元及約為1,207,000港元。

公司秘書須備存所有審核委員會會議之完整會議記錄。為符合董事會會議及其他委員會會議之常規，審核委員會之會議記錄初稿及最終定稿須於各會議結束後，於切實可行情況下盡快發送予審核委員會之全體成員，以供評論、審批及記錄。

董事進行證券交易之行為守則

本公司已就本公司董事買賣證券，採納載於上市規則附錄十有關上市發行人董事進行證券交易的標準守則（「標準守則」）。在本公司作出特定查詢後，董事會所有成員已確認彼等於截至二零一七年十二月三十一日止年度內，一直遵守標準守則所載之標準要求。標準守則亦適用於本集團其他指定高級管理人員。

董事於本公司及其相聯法團的股份之權益載於第49頁至第61頁之「董事報告」一節內。

董事及核數師各自之責任

董事須負責編製真實而公平地反映本集團財務狀況之財務報表。核數師須負責根據審核之結果，對董事編製之財務報表出具獨立意見，並僅向本公司股東報告有關意見。

The Company's annual report for the year ended 31st December 2017 has been reviewed by the audit committee. The financial statements for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. The audit committee has recommended to the Board that HLB Hodgson Impey Cheng Limited be nominated for appointment as the auditor of the Company at the forthcoming annual general meeting.

For the year ended 31st December 2017, the fees paid and payable in respect of audit services and non-audit services provided by the auditors, HLB Hodgson Impey Cheng Limited, amounted to approximately HK\$1,002,000 and approximately HK\$1,207,000 respectively.

The company secretary keeps full minutes of all audit committee meetings. In line with practices consistent with Board meetings and other committee meetings, draft and final versions of audit committee meeting minutes are circulated to all members of the audit committee for comments, approval and record as soon as practicable after each meeting.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31st December 2017. The Model Code also applies to other specified senior management of the Group.

The directors' interests in shares of the Company and its associated corporations are set out in the section headed "Directors' Report" on pages 49 to 61.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the financial position of the Group. The auditors are responsible to form an independent opinion, based on the audit, on the financial statements prepared by the Directors and report the opinion solely to the shareholders of the Company.

企業管治報告 Corporate Governance Report

本公司核數師有關其對綜合財務報表之呈報責任載於第62頁至第69頁之獨立核數師報告內。

The Independent Auditors' Report on pages 62 to 69 set out the reporting responsibilities of the auditors of the Company for the consolidated financial statements.

公司秘書

所有董事均可以取得公司秘書的建議和享用其服務。公司秘書向董事會匯報，並負責確保董事會程序得到遵守、促進董事之間的信息流和相互溝通、以及股東與管理層之溝通。自二零零一年十二月起，黃淑嫻女士獲委任為本公司之公司秘書。於本年度，黃女士符合上市規則的培訓要求。

COMPANY SECRETARY

All Directors have access to the advice and services of the company secretary. The company secretary reports to the Board, and is responsible for ensuring that Board procedures are followed and for facilitating information flows and communications among Directors as well as with shareholders and the management. Ms. Wong Shuk Han has been appointed as the company secretary of the Company with effect from December 2001 and Ms. Wong has complied with the training requirement of the Listing Rules during the year.

企業管治職能

由於並無成立企業管治委員會，因此董事會須負責執行企業管治職能，包括制定及檢討本公司企業管治之政策及常規、為董事及高級管理層提供持續專業發展，以及確保本公司之政策及常規符合法律及監管規定等。

CORPORATE GOVERNANCE FUNCTION

No corporate governance committee has been established and the Board will therefore be responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements etc.

截至二零一七年十二月三十一日止財政年度，董事會已檢討本公司有關企業管治之政策及常規。

During the financial year ended 31st December 2017, the Board has reviewed the Company's policies and practices on corporate governance.

風險管理及內部監控

董事會確認其有責任確保本集團風險管理及內部監控系統行之有效。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's risk management and internal control systems.

風險管理程序包括風險識別、風險評估、風險管理以及風險控制及審查。

The risk management process includes risk identification, risk evaluation, risk management and risk control and review.

管理層獲委派於其責任及權力範圍內識別、分析、評估、應對、監控及傳達與任何活動、職務或程序有關風險。

The management is entrusted with duties to identify, analyze, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its scope of responsibility and authority.

企業管治報告 Corporate Governance Report

本集團已於回顧年度內就已實施的系統及程序進行評估，範圍包括財務、營運、合規監控及風險管理職能。實施系統旨在將本集團面臨的風險降至最低，並用作日常業務營運的管理工具。該系統僅提供合理而非絕對保證可避免出現錯誤陳述或損失。

本集團並無內部審核功能。董事會已檢討本公司內部監控系統之效用，目前認為根據本集團業務的規模、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。

本集團於截至二零一七年十二月三十一日止年度已聘用外聘專業顧問捷耀會計師事務所有限公司，進行獨立內部監控審閱，有關審閱於本年報日期已完成。

截至二零一七年十二月三十一日止年度，董事會認為本集團的內部監控系統屬足夠及有效，且本公司已遵守守則內有關內部監控的守則條文。

董事會權力之轉授

董事會負責就本集團業務之整體策略性發展作出決定。所有董事均有正式委任書，訂明有關委任之主要條款及條件。由於本集團業務多元化及繁多，有關策略性業務計劃之日常運作及執行之責任已交予本集團管理層。

所有委員會（即審核委員會、薪酬委員會及提名委員會）均有具體職權範圍，明確界定相關委員會之權力及責任。所有委員會須按其職權範圍之規定就其決定、發現或推薦建議向董事會報告，並於若干特定情況下，在採取任何行動前徵求董事會批准。

The Group has conducted a review of the implemented system and procedures, including areas covering financial, operational, compliance controls and risk management functions during the year under review. The systems are implemented to minimise the risk to which the Group is exposed and is used as a management tool for the day-to-day operation of business. The system can only provide reasonable but not absolute assurance against misstatement or losses.

The Group does not have an internal audit function as the Board has reviewed the effectiveness of the internal control system of the Company 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. The situation will be reviewed from time to time.

The Group had engaged Infinity Assurance Limited, external professional consultant, to conduct independent internal control review for the year ended 31st December 2017 and the review is completed as at the date of this annual report.

For the year ended 31st December 2017, the Board considered the Group's internal control system as adequate and effective and that the Company has complied with the code provisions on internal control of the Code.

DELEGATION BY THE BOARD

The Board is responsible for decisions in relation to the overall strategic development of the Group's business. All Directors have formal letters of appointment setting out key terms and conditions relative to their appointment. Due to the diversity and volume of the Group's business, responsibility in relation to the daily operations and execution of the strategic business plans are delegated to management of the Group.

All committees, namely the audit committee, the remuneration committee and the nomination committee, have specific terms of reference clearly defining the authorities and responsibilities of the respective committees. All committees are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the Board's approval before taking any actions.

企業管治報告 Corporate Governance Report

董事會每年檢討董事會轉授不同委員會之所有權力，確保該等轉授權力乃恰當，並持續對本公司整體有利。

The Board review, on a yearly basis, all delegations by the Board to different committees to ensure that such delegations are appropriate and continue to be beneficial to the Company as a whole.

董事及高級行政人員責任險

本公司已按照董事會之決定為本公司董事會成員及高級管理層投購董事及高級行政人員責任險，以提供足夠承保範圍。

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Insurance cover has been taken out for Directors' and Officers' Liability to provide adequate cover, as determined by the Board, in respect of the Board members and senior management members of the Company.

與股東之關係

本公司承諾維持高水平之透明度，並向其股東公開及適時披露有關資料。對公平披露及全面透徹報告本公司活動之承諾可在多方面得到反映。

SHAREHOLDERS RELATIONS

The Company is committed to maintaining a high level of transparency and employs a policy of open and timely disclosure of relevant information to its shareholders. The commitment to fair disclosure and comprehensive and transparent reporting of the Company's activities can be reflected in many aspects.

董事會致力維持與股東持續溝通，股東週年大會則提供一個實用之討論平台，以供董事會與股東交流意見。

In endeavouring to maintain an on-going dialogue with shareholders, the annual general meeting provides a useful forum for shareholders to exchange views with the Board.

主席亦積極參與籌備及親自舉行二零一七年股東週年大會，確保股東意見可傳達董事會。在股東週年大會上，主席就各項個別事宜提呈獨立決議案。

The Chairman was also actively involved in organizing, and personally held the annual general meeting in 2017 in order to ensure that shareholders' views were communicated to the Board. A separate resolution was proposed by the Chairman in respect of each separate issue at the annual general meeting.

股東週年大會之議事程序將不時檢討，以確保本公司遵從最佳企業管治守則。股東週年大會通函於舉行股東週年大會前不少於二十一日發送予各股東，當中載有所提呈每項決議案之詳情、投票表決之程序（包括要求及進行投票表決之程序）及其他有關資料。於本公司之二零一七年股東週年大會上，所有決議案均以投票方式表決，而本公司之香港股份過戶登記分處香港中央證券登記有限公司，乃受聘擔任監票員以確保票數妥為點算。股東之權利及於股東大會上要求就決議案進行投票表決之程序載於公司細則。

The proceedings of the annual general meeting are reviewed from time to time to ensure the Company conforms to the best practices regarding corporate governance. The annual general meeting circular, which is circulated to all shareholders at least twenty-one days prior to the holding of the annual general meeting, sets out the details in relation to each resolution proposed, voting procedures (including procedures for demanding and conducting a poll) and other relevant information. At the Company's 2017 annual general meeting, all the resolutions were put to the vote by poll and Computershare Hong Kong Investor Services Limited, the Company's Hong Kong Branch Share Registrar, was engaged as scrutineer to ensure the votes were properly counted. The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meeting are contained in the Bye-laws.



企業管治報告 Corporate Governance Report

本公司亦透過年報及中期報告與股東溝通。董事、公司秘書或其他合適之高級管理層成員亦會就股東及投資者之問題作出迅速回應。

The Company also communicates to its shareholders through its annual and interim reports. The Directors, company secretary or other appropriate members of senior management also respond promptly to inquiries from shareholders and investors.

股東權利

股東召開股東特別大會（「股東特別大會」）之程序

持有不少於本公司十分之一繳足股本且已繳付所有到期催繳股款或其他款項之股東之書面要求時，董事會須立即就此召開股東特別大會。

倘董事會並未於有關要求發出日期起計二十一日內召開股東特別大會，則提出該要求人士或彼等當中持有過半數總投票權之任何人士可自行召開股東特別大會，惟任何此等會議不得於原本要求發出日期起計三個月後舉行。

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene a Special General Meeting (the "SGM")

The Board shall, on the requisition in writing of the shareholders of not less than one-tenth of the paid-up capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene a SGM.

If within twenty-one days of such deposit the Board fails to proceed to convene the SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them, may themselves convene a SGM, but any meeting so convened shall not be held after three months from the date of the original deposit.

股東向董事會作出查詢之程序

股東可隨時將其查詢及關注以書面形式送交公司秘書，向董事會提出，公司秘書之通訊詳情如下：

香港
干諾道中168-200號
信德中心西翼34樓09室
傳真：(852) 2313 1888
電郵：mail@chinastar.com.hk

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary whose contact details are as follows:

Unit 3409, Shun Tak Centre, West Tower,
168-200 Connaught Road Central,
Hong Kong
Fax: (852) 2313 1888
Email: mail@chinastar.com.hk

股東亦可於本公司股東大會上向董事會作出查詢。

Shareholders may also make enquiries with the Board at the general meetings of the Company.

與投資者之關係

本公司致力向股東及投資者公開及適時披露企業資料。本公司透過年報及中期報告以及通告、公佈及通函向股東更新其最新業務發展及財務表現。本公司網站(www.chinastar.com.hk)為大眾及股東提供一個溝通平台。

INVESTOR RELATIONS

The Company is committed to a policy of open and timely disclosure of corporate information to shareholders and investors. The Company updates shareholders on its latest business developments and financial performance through its annual and interim reports and notices, announcements and circulars. The Company's website (www.chinastar.com.hk) provides a communication platform to the public and the shareholders.



企業管治報告 Corporate Governance Report

憲章文件

截至二零一七年十二月三十一日止年度內，本公司之憲章文件並無任何重大變動。

CONSTITUTIONAL DOCUMENTS

During the year ended 31st December, 2017, there had been no significant change in the Company's constitutional documents.

結論

本公司認為，良好企業管治對維持投資者信心及吸納資金而言誠屬重要。管理層將致力提升及改善本集團之企業管治標準。

CONCLUSION

The Company believes that good corporate governance is significant in maintaining investor confidence and attracting investment. The management will devote considerable effort to strengthen and improve the standards of the corporate governance of the Group.



董事會報告 Directors' Report

董事謹提呈董事報告及截至二零一七年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股，而本集團主要從事投資、製作及發行電影及電視連續劇、提供藝人管理服務及物業開發及投資。

其附屬公司及合資企業之業務詳情，分別載於財務報表附註53及25。

業績及分派

本集團截至二零一七年十二月三十一日止年度之業績分別載於第70頁及第71頁及第72頁之綜合收入表及綜合全面收入表內。

本集團於二零一七年十二月三十一日之財務狀況載於第73頁及第74頁之綜合財務狀況表。

董事不建議派發截至二零一七年十二月三十一日止年度之末期股息。

The directors present their report and the audited financial statements for the year ended 31st December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the Group is principally engaged in investment, production and distribution of films and television drama series, provision of artist management services and properties development and investment.

The activities of its subsidiaries and joint venture are set out in notes 53 and 25 to the financial statements respectively.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2017 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 70 and 71 and page 72 respectively.

The financial position of the Group as at 31st December 2017 is set out in the consolidated statement of financial position on pages 73 and 74.

The directors do not recommend the payment of a final dividend for the year ended 31st December 2017.

董事會報告 Directors' Report

業務回顧

本集團之業務回顧，有關其發展、經營表現及財務狀況之論述及分析以及於截至二零一七年十二月三十一日止年度後發生而涉及本集團的重要事項詳情，分別載於第4頁至第8頁、第9頁至第24頁及第250頁至第251頁的「主席報告」、「管理層論述及分析」及「五年財務概要」內。上述論述構成本報告之一部分。

與僱員、客戶及供應商之關係

本集團業務之表現及業績受多個重要因素影響，包括與僱員、客戶及供應商的關係。董事會相信，僱員乃本集團之一個最重要資產。本公司將致力確保其僱員之薪酬水平與相關行業慣例及當前市況看齊。僱員薪酬將基於其表現釐訂。僱員福利詳情載錄於本年報「管理層論述及分析」一節。

此外，董事會十分重視與本公司客戶及供應商的長期穩定關係，重視其對本集團業務持續成功和增長的作用。整體而言，本公司會通過向客戶提供優質服務及致力達到相關行業的最快回應時間和最高的客戶滿意度來加強其客戶服務。

供應鏈是我們各個經營業務的重要一環。我們的供應商必須達到保安、安全、成本、質量、交付及可靠性等選拔標準。本集團將與合資格供應商訂立供應商協議，為了確保達到我們標準及符合預算成本的服務和產品。

BUSINESS REVIEW

The Group's business review, discussion and analysis of the development, operating performance and financial position and particulars of important events affecting the Group that have occurred since the end of the year ended 31st December 2017 are set out in sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Five Year Financial Summary" on pages 4 to 8, pages 9 to 24 and pages 250 to 251 respectively. Such discussions constitute part of this report.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The performance and results of the Group's businesses are subject to various important factors, including the relationship with its employees, customers and suppliers. The Board believes that the employees are one of the Group's most important assets. The Company will strive to ensure that the remuneration level of its employees is in line with relevant industry practices and prevailing market conditions. Remunerations of employees will be determined based on their performance. Details of employees benefits are included in the section headed "Management Discussion and Analysis" in this annual report.

In addition, the Board places great emphasis on a long-term and stable relationship with the Company's customers and suppliers for the continuous success and growth of the Group's businesses. Generally, the Group strengthen its customer service by providing superior quality service to the users, and strive to achieve the fastest response times and highest customer satisfaction levels in the relevant industry.

Supply chain is a critical part of all our operations. Our suppliers must meet our selection criteria, which include security, safety, cost, quality, delivery and reliability. The Group will enter into suppliers' agreements with qualified suppliers in order to secure our services and products are being supplied to our standard within our budgeted costs.



董事會報告 Directors' Report

本集團不斷努力與客戶及供應商建立互信，注重互利，成就了彼此間的長期關係。

The Group's continuous effort to build trust and emphasise mutual benefits with its customers and suppliers has contributed to the long-term relationships with them.

主要風險及不明朗因素

本集團所面對的可能業務風險及不明朗因素、利率風險及外匯風險載於第9頁至第24頁之「管理層論述及分析」一節。本集團之財務風險管理目標及政策載於財務報表附註5。

PRINCIPAL RISKS AND UNCERTAINTIES

The possible business risks and uncertainties, interest rate risk and foreign exchange risk facing by the Group are set out in section headed "Management Discussion and Analysis" on pages 9 to 24. The financial risk management objectives and policies of the Group are set out in note 5 to the financial statements.

環境政策及表現

本集團承諾以環保方式經營各個不同業務分類。本集團亦會教育其員工有關促進「綠色」環境的意識。董事會相信以環保方式經營本公司旗下各不同業務，對履行本公司企業社會責任至關重要。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to operating its various business segments in an environmentally-friendly manner. The Group also educates its employees on their awareness in promoting a "green" environment. The Board believes that operating the Company's businesses in an environmentally-friendly manner is crucial to fulfilling the Company's corporate social responsibilities.

本集團之酒店及辦公室已廣泛採納綠色行動和措施。這些行動包括節能措施和實踐節約用水、使用可再生紙、循環再用廢紙及鼓勵建立無紙環境等。

Green initiatives and measures have been adopted in the hotel and offices of the Group. Such initiatives include energy saving measures and water saving practices, use of recycling papers, recycling of used papers and encourage paperless environment.

有關本集團環境政策及表現之詳情將於不遲於二零一八年六月三十日刊發之本集團環境、社會及管治報告中披露。

Details of the environmental policies and performance of the Group will be disclosed in our environmental, social and governance report to be published before 30th June 2018.

董事會報告 Directors' Report

遵守法律及規例

就董事會所知，於截至二零一七年十二月三十一日止年度內，本集團已遵守對本集團業務營運有重大影響的法律及規定。此外，由於本公司股份在香港聯合交易所有限公司（「聯交所」）主板上市，本公司亦須遵守聯交所上市規則（「上市規則」）及證券及期貨條例（「證券及期貨條例」）之規則及規定。

五年財務概要

本集團截至二零一七年十二月三十一日止最近五個財政年度之業績及資產與負債之概要載於第250頁至251頁。

物業、機器及設備、租賃土地權益及投資物業

本集團之物業、機器及設備、租賃土地權益及投資物業於年內之變動詳情，分別載於財務報表附註17、18及19。

物業存貨

本集團之物業存貨於年內之變動詳情載於財務報表附註27。

借貸

本集團之銀行借貸、承付票及融資租賃債務於年內之變動詳情分別載於財務報表附註39、40及41。

COMPLIANCE WITH LAWS AND REGULATIONS

To the best knowledge of the Board, during the year ended 31st December 2017, the Group has complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group. Furthermore, as the shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company is also subject to the rules and requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Securities and Futures Ordinance (the "SFO").

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years ended 31st December 2017 is set out on pages 250 to 251.

PROPERTY, PLANT AND EQUIPMENT, INTERESTS IN LEASEHOLD LAND AND INVESTMENT PROPERTIES

Details of movements during the year in the property, plant and equipment, interests in leasehold land and investment properties of the Group are set out in notes 17, 18 and 19 to the financial statements respectively.

STOCK OF PROPERTIES

Details of movements during the year in stock of properties of the Group are set out in note 27 to the financial statements.

BORROWINGS

Details of movements during the year in bank borrowings, promissory note and obligations under finance leases of the Group are set out in notes 39, 40 and 41 to the financial statements respectively.



董事會報告 Directors' Report

股本

本公司之股本於年內之變動詳情載於財務報表附註38。

於二零一七年十二月三十一日，本公司已發行股本總額由903,703,493股每股0.01港元之普通股組成。

儲備

本集團於年內之儲備變動詳情載於第75頁至第77頁綜合權益變動表。本公司於年內之儲備變動載於財務報表附註54。

可分派儲備

於二零一七年十二月三十一日，本公司之可分派儲備約為2,350,225,000港元（二零一六年：2,444,070,000港元）。

主要客戶及供應商

截至二零一七年十二月三十一日止年度，本集團五大客戶應佔收益合共佔本集團收益約83%。本集團最大客戶應佔收益佔本集團收益約48%。

截至二零一七年十二月三十一日止年度，本集團五大供應商應佔採購額合共佔本集團之總採購額少於30%。

各董事、彼等之緊密聯繫人士或任何股東（就董事所知擁有本公司已發行股本5%以上者）於本集團五大客戶或五大供應商中概無擁有任何權益。

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 38 to the financial statements.

As at 31st December 2017, the total issued share capital of the Company consisted of 903,703,493 ordinary shares of HK\$0.01 each.

RESERVES

Movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on pages 75 to 77. Movements during the year in the reserves of the Company are set out in note 54 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company amounted to approximately HK\$2,350,225,000 as at 31st December 2017 (2016: HK\$2,444,070,000).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December 2017, revenue attributable to the five largest customers of the Group accounted for approximately 83% of the Group's revenue and revenue attributable to the Group's largest customer accounted for approximately 48% of the Group's revenue.

For the year ended 31st December 2017, purchases attributable to the five largest suppliers of the Group were less than 30% of the Group's total purchases.

None of the directors, their close associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers or five largest suppliers.

董事會報告 Directors' Report

董事

本年度及截至本年報刊發日期在任之董事如下：

執行董事：

向華強先生
陳明英女士
李玉嫦女士

獨立非執行董事：

洪祖星先生
何偉志先生
鄧澤林先生

根據本公司之公司細則第99(A)條，向華強先生、陳明英女士及李玉嫦女士將於即將舉行之股東週年大會上輪值告退，惟彼等符合資格並願意膺選連任。

根據本公司之公司細則，各獨立非執行董事可留任直至須輪值告退為止。

擬於即將舉行之股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂任何不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

董事及高級管理人員履歷

本集團董事及高級管理人員履歷載於第25頁至第29頁。

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Heung Wah Keung
Ms. Chen Ming Yin, Tiffany
Ms. Li Yuk Sheung

Independent non-executive directors:

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul
Mr. Tang Chak Lam, Gilbert

Under Bye-law 99(A) of the Company's Bye-laws, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The term of office for each independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 25 to 29.



董事會報告 Directors' Report

關連人士交易

於年度內，本集團曾與根據適用會計政策被視為「關連人士」之人士進行若干交易。有關交易主要由本集團在日常業務過程中訂立，屬一般商業條款並經公平磋商始行訂立。有關詳情載於財務報表附註52。

並無交易構成本集團根據上市規則第14A章須予披露之「持續關連交易」。

該等交易並構成本集團根據上市規則第14A章須予披露之「關連交易」(如下文所述)。

關連交易

(a) 於二零一六年十一月二十九日，Best Combo與陳女士訂立C7協議，由於陳女士為本公司之關連人士(按上市規則所界定)，故根據上市規則第14A章，C7協議中之交易構成本公司之非常重大收購事項及關連交易。有關交易於二零一七年四月六日完成。

RELATED PARTY TRANSACTIONS

During the year, the Group entered into certain transactions with parties regarded as “Related Parties” under applicable accounting principles. These mainly relate to transactions entered into by the Group in the ordinary course of business, negotiated on normal commercial terms and on an arm’s length basis. Particulars are set out in note 52 to the financial statements.

No transaction constitutes “continuing connected transaction” of the Group that need to be disclosed pursuant to Chapter 14A of the Listing Rules.

The transactions also constituted “Connected Transactions” of the Group that need to be disclosed pursuant to Chapter 14A of the Listing Rules, as identified below.

CONNECTED TRANSACTIONS

(a) On 29th November 2016, Best Combo and Ms. Chen entered into the C7 Agreement. As Ms. Chen is a connected person (as defined in the Listing Rules) of the Company, the transaction in the C7 Agreement constituted a very substantial acquisition and a connected transaction for the Company under Chapter 14A of the Listing Rules. The transaction was completed on 6th April 2017.

董事會報告 Directors' Report

(b) 於二零一六年十一月二十九日，Best Combo與陳女士訂立貸款協議，由於陳女士為本公司之關連人士（按上市規則所界定），故根據上市規則第14A章，根據貸款協議擬進行之交易構成本公司之非常重大收購事項及關連交易。貸款及認購期權分別於二零一七年四月六日提取及授出。

C7協議及貸款協議中擬進行之交易已在二零一七年三月三十一日舉行之股東特別大會上獲本公司獨立股東批准。交易詳情載於本公司日期為二零一七年三月十日之通函內。

獨立非執行董事確認，C7協議及貸款協議之條款屬公平合理，且C7協議及貸款協議中擬進行之交易符合本公司及其股東之整體利益。

(b) On 29th November 2016, Best Combo entered into the Loan Agreement with Ms. Chen. As Ms. Chen is a connected person (as defined in the Listing Rules) of the Company, the transactions contemplated under the Loan Agreement constituted a very substantial acquisition and a connected transaction for the Company under Chapter 14A of the Listing Rules. The Loan and the Call Option were drawn and granted on 6th April 2017 respectively.

The transactions constituted in the C7 Agreement and the Loan Agreement were approved by the independent shareholders of the Company in a special general meeting held on 31st March 2017. Details of the transactions are set out in the Company's circular dated 10th March 2017.

The independent non-executive directors confirmed that the terms of the C7 Agreement and the Loan Agreement were fair and reasonable and the transactions constituted in the C7 Agreements and the Loan Agreement were in the interests of the Company and its shareholders as a whole.

董事於重大交易、安排及合約之權益

本公司執行董事及主要股東陳女士於本報告「關連交易」一段所述C7協議及貸款協議中構成重大合約。

除上述所披露者外，於年度終結或年內任何時間，並無任何由本公司或其任何附屬公司參與訂立與本公司董事或與本公司董事有關連之個體直接或間接擁有重大權益之重大交易、安排及合約。

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

The C7 Agreement and the Loan Agreement as set out in the paragraph "Connected Transactions" in this report constitute a contract of significance of Ms. Chen, the executive director and substantial shareholder of the Company.

Other than as disclosed above, no transaction, arrangement and contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or an entity connected with a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.



董事會報告 Directors' Report

董事之服務合約

概無董事與本公司訂立規定本公司須給予超過一年之通知期，或支付相等於超過一年酬金之報酬或其他付款之服務合約。

捐款

本集團於本年度內作出慈善捐款及其他捐款約30,000港元。

董事之股份權益

根據本公司按證券及期貨條例第352條存置之登記冊（「權益登記冊」）所載，或根據《上市發行人董事進行證券交易的標準守則》（「標準守則」）須通知本公司及聯交所之規定，於二零一七年十二月三十一日，各董事及彼等之聯繫人士所擁有本公司及其相聯法團之股份權益如下：

本公司普通股權益

董事姓名 Name of director	身份 Capacity	所持股份數目 Number of shares held	所持權益 百分比約數 Approximate percentage of interests held
向華強先生 Mr. Heung Wah Keung	受控法團之權益 Interest of controlled corporation	186,448,146*	20.63
陳明英女士 Ms. Chen Ming Yin, Tiffany	受控法團之權益 Interest of controlled corporation	186,448,146*	20.63

上述權益皆為好倉。

* 此等股份當中186,446,502股股份由向先生及陳女士分別控制50%及50%權益之公司Heung Wah Keung Family Endowment Limited持有及1,644股股份由陳女士及向先生分別實益擁有60%及40%權益之公司多實有限公司持有。

DIRECTORS' SERVICE CONTRACTS

None of the directors has a service contract with the Company which requires the Company to give a period of notice of more than one year, or to pay compensation or make other payments equivalent to more than one year's emolument.

DONATIONS

The Group made charitable donations and other donation during the year of approximately HK\$30,000.

DIRECTORS' INTERESTS IN SHARES

As at 31st December 2017, the interests of the directors and their associates in the shares of the Company and its associated corporations, as recorded in the register ("Register of Interests") 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 Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Interests in ordinary shares of the Company

所持股份數目 Number of shares held	所持權益 百分比約數 Approximate percentage of interests held
186,448,146*	20.63
186,448,146*	20.63

All interests stated above represent long positions.

* These shares are held as to 186,446,502 shares by Heung Wah Keung Family Endowment Limited (a company owned as to 50% by Mr. Heung and as to 50% by Ms. Chen) and as to 1,644 shares by Dorest Company Limited (a company beneficially owned as to 60% by Ms. Chen and as to 40% by Mr. Heung).

董事會報告 Directors' Report

除上述所披露者外，於二零一七年十二月三十一日，根據權益登記冊所記錄或根據標準守則須通知本公司及聯交所之規定，本公司董事及最高行政人員或彼等之聯繫人士並無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債券中擁有任何權益或淡倉。

Other than as set out above, as at 31st December 2017, none of the directors or chief executives of the Company or their associates 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 of Interests or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事購買股份或債券之權利

本公司或其任何附屬公司於年內任何時間並無參與任何安排，致使本公司之董事或彼等各自之緊密聯繫人士（定義見上市規則）可藉購入本公司或任何其他法人團體任何股份或債券而獲益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or their respective close associates (as defined under the Listing Rules) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

主要股東

於二零一七年十二月三十一日，根據證券及期貨條例第336條本公司須予備存之主要股東登記名冊所記錄，除上文所披露若干董事之權益外，以下股東擁有本公司已發行股本5%或以上之權益：

SUBSTANTIAL SHAREHOLDERS

As at 31st December 2017, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

名稱 Name	身份 Capacity	所持股份或相關股份數目 Number of shares or underlying shares held	所持權益百分比約數 Approximate percentage of interests held
Heung Wah Keung Family Endowment Limited	實益擁有人 Beneficial owner	186,446,502	20.63

上述權益皆為好倉。

All interests stated above represent long positions.

除上文所披露者外，於二零一七年十二月三十一日，本公司並未獲知會有任何其他人士擁有本公司已發行股本5%或以上之權益或淡倉。

Other than as disclosed above, the Company had not been notified of any other interests or short positions representing 5% or more of the Company's issued share capital as at 31st December 2017.



董事會報告 Directors' Report

退休福利計劃

本集團之退休福利計劃詳情載於財務報表附註16。

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes of the Group are set out in note 16 to the financial statements.

購買、出售及贖回本公司之上市證券

於截至二零一七年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December 2017.

薪酬政策

本集團僱員之薪酬政策由薪酬委員會根據僱員功績、履歷及資歷決定。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

本公司董事之酬金由薪酬委員會因應彼等於本公司之職責及責任而釐定。董事之酬金詳情載於財務報表附註15。

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to their duties and responsibilities in the Company. Details of the emoluments of the directors are set out in note 15 to the financial statements.

本公司採納購股權計劃作為對董事及合資格僱員之鼓勵，有關本公司之購股權計劃詳情載於財務報表附註51。

The Company has adopted share option schemes as an incentive to directors and eligible employees, details of the share option schemes of the Company are set out in note 51 to the financial statements.

股票掛鈎協議

除本公司購股權計劃外，本公司概無訂立於年內或於年結時存續之股票掛鈎協議而將會或可能導致本公司發行股份或規定本公司訂立任何協議而將會或可能導致本公司發行股份。

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year, except for the share option schemes of the Company.

董事會報告 Directors' Report

獲准許的彌償條文

於截至二零一七年十二月三十一日止年度內及直至本年報日期，本公司已承諾並購買集體責任保險，保障（其中包括）本公司及其「聯營公司」（定義見香港法例第622章公司條例）的全體董事。

管理合約

年內概無訂立或已存關乎本公司整體或任何重大部分業務的管理及行政工作之合約。

競爭權益

本公司董事或彼等各自之緊密聯繫人士概無於與本集團之業務競爭或可能競爭之業務中擁有任何權益。

優先購買權

本公司之公司細則或百慕達法例均無有關優先購買權之條文，規定本公司須按持股比例向現有股東發售新股份。

企業管治

本公司致力於維持高質素之企業管治水平。有關本公司採納之企業管治常規的資料載於第30頁至第48頁「企業管治報告」一節內。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告日止已按照上市規則規定維持指定數額的公眾持股量。

PERMITTED INDEMNITY PROVISIONS

During the year ended 31st December 2017 and up to the date of this annual report, the Company has undertaken and maintained a collective liability insurance policy covering, among others, all directors of the Company and its “associated companies” (as such term is defined under the Companies Ordinance (Chapter 622 of the laws of Hong Kong)).

MANAGEMENT CONTRACTS

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

COMPETING INTEREST

None of the directors of the Company or their respective close associates had any interest in a business which competes with or may compete with the business of the Company.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the section headed “Corporate Governance Report” on pages 30 to 48.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.



董事會報告 Directors' Report

獨立核數師

本公司財務報表已由國衛會計師事務所有限公司審核，彼於即將舉行之股東週年大會上退任，惟彼符合資格並願意膺選連任為本公司核數師。本公司將於即將舉行之股東週年大會上提呈一項決議案委任國衛會計師事務所有限公司為本公司來年之核數師。

INDEPENDENT AUDITORS

The financial statements of the Company have been audited by HLB Hodgson Impey Cheng Limited who retire and, being eligible, offer themselves for re-appointment as auditors of the Company at the forthcoming annual general meeting. A resolution for the appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

承董事會命
主席
向華強

香港，二零一八年三月二十六日

On behalf of the Board
Heung Wah Keung
Chairman

Hong Kong, 26th March 2018

獨立核數師報告 Independent Auditors' Report



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

香港
中環畢打街11號
置地廣場
告羅士打大廈31樓

31st Floor
Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

獨立核數師報告
致中國星集團有限公司全體股東

(於百慕達註冊成立之有限公司)

意見

吾等已完成審核列載於第70頁至第249頁中國星集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表，其包括於二零一七年十二月三十一日之綜合財務狀況表與截至該日止年度之綜合收入表、綜合全面收入表、綜合權益變動表及綜合現金流量表，以及財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實兼公正地顯示 貴集團於二零一七年十二月三十一日之綜合財務狀況，及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見的基礎

吾等根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。在該等準則下，吾等的責任在吾等的報告內「核數師就審核綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會的「國際職業會計師道德守則」(「守則」)，吾等獨立於 貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHINA STAR ENTERTAINMENT LIMITED

(incorporated in in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Star Entertainment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 70 to 249, which comprise the consolidated statement of financial position as at 31st December 2017, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the 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 31st December 2017, 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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.



獨立核數師報告 Independent Auditors' Report

關鍵審核事項

根據吾等之專業判斷，關鍵審核事項為吾等審核本期間的綜合財務報表中最重要的事項。吾等在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

關鍵審核事項

Key Audit Matter

物業存貨之賬面值

Carrying amounts of stock of properties

茲提述財務報表附註27。

Refer to note 27 to the financial statements.

於二零一七年十二月三十一日，位於澳門之物業存貨之賬面值約為2,107,376,000港元，對貴集團資產總值屬重大。

At 31st December 2017, the carrying amounts of stock of properties located in Macau was approximately HK\$2,107,376,000, which was significant to the Group's total assets.

於二零一七年四月六日，貴集團已完成收購Modern Vision (Asia) Limited及其附屬公司（「Modern Vision集團」）之全部股本權益，總代價為1,000,000,000港元。Modern Vision集團之主要資產包含位於澳門之物業存貨。

On 6th April 2017, the Group had completed to acquire the entire equity interest in Modern Vision (Asia) Limited and its subsidiaries ("Modern Vision Group") at total consideration of HK\$1,000,000,000. The major assets of Modern Vision Group consist of stock of properties located in Macau.

KEY AUDIT MATTERS

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

吾等之審計工作如何處理關鍵審核事項

How our audit addressed the Key Audit Matter

吾等有關管理層對物業存貨之賬面值的評估之審核程序包括但不限於：

Our audit procedures in relation to the management's assessment of the carrying amounts of stock of properties including but not limited to:

- 檢查管理層的計算與往年所用方法是否一致；
checking the consistency of management's calculations against the methodology used in the prior years;
- 評核物業面積，方法是將之與經由相關機構核實並確認之面積比較；
evaluating the properties areas by comparing them with the areas which were verified and confirmed by the relevant institution;
- 檢驗估計售價，方法是將之與鄰近物業的近期售價及近期可獲取的公開銷售資料比較；
examining the estimated sales price by comparing it with the recent sales price and recently available public sales information of neighbouring properties;
- 評估所用資料來源的公正性及恰當性；
assessing the fairness and appropriateness of the source of information used;

獨立核數師報告 Independent Auditors' Report

關鍵審核事項 (續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

吾等之審計工作如何處理關鍵審核事項 (續)

Key Audit Matter (Continued)

How our audit addressed the Key Audit Matter (Continued)

物業存貨之賬面值 (續)

Carrying amounts of stock of properties (Continued)

由於澳門特別行政區政府(「澳門政府」)造成的延誤，位於外港填海區6街區第6B地段(「第6B地段」)之物業發展未能開展，而持續存在有關土地租賃條款的訴訟，更導致澳門政府開始收回土地之行政工作。法庭司法程序的任何不利結果，均可對本文所指第6B地段之估值造成不利影響。

The development of the property located in Lot B in Quarteirão 6 ("Lot 6B") at Zona de Aterros do Porto Exterior ("ZAPE") could not commence development due to the delays caused by the government of Macau Special Administrative Region (the "Macau Government") and the Macau Government has started the administrative work to reclaim it as a consequence of ongoing litigation in respect of the terms of the land lease. Any unfavourable outcome of the court proceedings may have an adverse impact on the valuation of Lot 6B thereof.

管理層乃參照類同物業近期的售價減去銷售開支而釐定物業存貨的可變現淨值，其中涉及管理層的判斷及估計。

Management determined the net realisable values of stock of properties by reference to recent sales price of similar properties less selling expenses, which involve managements' judgement and estimation.

吾等有關管理層對物業存貨之賬面值的評估之審核程序包括但不限於：(續)

Our audit procedures in relation to the management's assessment of the carrying amounts of stock of properties including but not limited to: (Continued)

- 到物業存貨作實地考察以觀察發展進度，並評核各項目的發展進度是否與發展計劃相符；
conducting site visits to stock of properties projects to observe the development progress and evaluating whether the development progress for each project was consistent with the development plan;
- 檢視 貴集團就評估有關第6B地段之土地租賃的法庭司法程序的結果所收到外部法律意見及管理層所提及的其他文件；
inspecting the external legal opinion received by the Group and other documentation referred to by management in its assessment of the outcome of the court proceedings in relation to the litigation in respect of the land lease for the Lot 6B;
- 參考項目預算等資料而評核將招致的建築成本及銷售開支；
及
evaluating the construction costs to be incurred and selling expenses by reference to information such as project budgets; and



獨立核數師報告 Independent Auditors' Report

關鍵審核事項 (續)

KEY AUDIT MATTERS (Continued)

關鍵審核事項 (續)

吾等之審計工作如何處理關鍵審核事項 (續)

Key Audit Matter (Continued)

How our audit addressed the Key Audit Matter (Continued)

物業存貨之賬面值 (續)

Carrying amounts of stock of properties (Continued)

吾等有關管理層對物業存貨之賬面值的評估之審核程序包括但不限於：
(續)

Our audit procedures in relation to the management's assessment of the carrying amounts of stock of properties including but not limited to: (Continued)

- 評估外聘估值師之客觀性、獨立性及專業才能，並將吾等之測試結果與外聘估值師所作估值比較。
assessing the objectivity, independence and expertise of the external valuers, and compared out test results with the valuations made by the external valuers.

吾等發現物業存貨之賬面值均有可獲取的憑證作為支持。

We found the carrying amounts of stock of properties were supported by the available evidence.

獨立核數師報告 Independent Auditors' Report

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報之資料，惟不包括綜合財務報表及吾等之核數師報告（「其他資料」）。

吾等對綜合財務報表所作出意見並不涵蓋其他資料，而吾等不會對其他資料發表任何形式的鑒證結論。

就吾等審核綜合財務報表而言，吾等之責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已進行之工作認為其他資料出現重大錯誤陳述，吾等須報告有關事實。就此而言，吾等無需作出報告。

董事及審核委員會就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則的規定及香港公司條例的披露要求，編製真實而中肯地反映情況的綜合財務報表，並對其認為為使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，董事須負責評估 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。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的替代方案，否則須採用以持續經營為會計基礎。

審核委員會負責監督 貴集團的財務報告過程。

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 auditors' report thereon (the "Other Information").

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 THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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



獨立核數師報告 Independent Auditors' Report

核數師就審核綜合財務報表須承擔的責任

吾等之目標為對綜合財務報表整體而言不會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，並發出具有吾等意見的核數師報告。吾等按照百慕達一九八一年公司法第90節僅向全體股東報告，除此以外本報告不作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。合理保證屬高層次之保證，惟根據香港審計準則進行之審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟性決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審計的過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 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、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。

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

As part of an audit in accordance with HKSA's, we exercise professional judgement 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.

獨立核數師報告 Independent Auditors' Report

核數師就審核綜合財務報表須承擔的責任 (續)

- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營為會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等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。倘有關披露不足，應當發表非無保留意見。吾等結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團之個體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督和執行。吾等為審核意見承擔全部責任。

吾等與審核委員會就(其中包括)審計工作的計劃範圍、時間安排及重大審計結果溝通，包括吾等在審計過程中識別的內部監控的任何重大缺失。

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



獨立核數師報告 Independent Auditors' Report

核數師就審核綜合財務報表須承擔的責任 (續)

吾等亦向審核委員會作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與審核委員會溝通的事項中，吾等釐定對本期綜合財務報表的審計至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中描述該事項。

出具本獨立核數師報告的審計項目董事為韓冠輝。

國衛會計師事務所有限公司
執業會計師

韓冠輝
執業證書編號：P05029

香港，二零一八年三月二十六日

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 director on the audit resulting in this independent auditors' report is Hon Koon Fai, Alex.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hon Koon Fai, Alex
Practicing Certificate Number: P05029

Hong Kong, 26th March 2018

綜合收入表 Consolidated Income Statement

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	
持續經營業務	Continuing operations			
收益	Revenue	7	9,272	266,420
銷售成本	Cost of sales		(8,402)	(487,593)
毛利／(毛損)	Gross profit/(loss)		870	(221,173)
其他收益及其他收入	Other revenue and other income	8	96,385	102,933
行政開支	Administrative expenses		(68,931)	(76,066)
發行開支	Distribution expenses		(2,392)	(4,650)
透過損益以公平價值列賬之 金融資產之公平價值變動 所產生之溢利／(虧損)	Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss		210,791	(18,879)
其他經營開支	Other operating expenses		(63,014)	(43,783)
經營溢利／(虧損)	Profit/(loss) from operations		173,709	(261,618)
融資成本	Finance costs	9	(63,896)	(30,220)
應佔一間合資企業業績	Share of result of a joint venture		223	(90)
除稅前溢利／(虧損)	Profit/(loss) before tax	10	110,036	(291,928)
所得稅開支	Income tax expense	11	(5)	–
持續經營業務之 年度溢利／(虧損)	Profit/(loss) for the year from continuing operations		110,031	(291,928)
已終止經營業務	Discontinued operations	13		
已終止經營業務之年度虧損	Loss for the year from discontinued operations		(36,695)	(43,683)
年度溢利／(虧損)	Profit/(loss) for the year		73,336	(335,611)
以下人士應佔年度 溢利／(虧損)：	Profit/(loss) for the year attributable to：			
本公司擁有人	Owners of the Company		73,312	(335,609)
非控股權益	Non-controlling interests		24	(2)
			73,336	(335,611)



綜合收入表 Consolidated Income Statement

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

		附註 Notes	二零一七年 2017 港仙 HK cents	二零一六年 2016 港仙 HK cents
每股盈利／(虧損)	Earnings/(loss) per share	14		
來自持續經營及 已終止經營業務	From continuing and discontinued operations			
基本	Basic		<u>8.10</u>	<u>(42.98)</u>
攤薄	Diluted		<u>8.10</u>	<u>(42.98)</u>
來自持續經營業務	From continuing operations			
基本	Basic		<u>12.16</u>	<u>(37.38)</u>
攤薄	Diluted		<u>12.16</u>	<u>(37.38)</u>
來自已終止經營業務	From discontinued operations			
基本	Basic		<u>(4.06)</u>	<u>(5.60)</u>
攤薄	Diluted		<u>(4.06)</u>	<u>(5.60)</u>

隨附之附註構成此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.

綜合全面收入表 Consolidated Statement of Comprehensive Income

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
年度溢利／(虧損)	Profit/(loss) for the year	73,336	(335,611)
其他全面(虧損)／收入	Other comprehensive (loss)/income		
其後可能重新分類至 綜合收入表之項目：	Items that may be reclassified subsequently to consolidated income statement:		
換算海外業務產生之 匯兌差額：	<i>Exchange differences arising on translation of foreign operations:</i>		
年內產生之匯兌差額	Exchange differences arising during the year	(60)	14
年內出售海外業務有關之 重新分類調整	Reclassification adjustments relating to foreign operations disposed of during the year	58	–
年度其他全面(虧損)／收入	Other comprehensive (loss)/income for the year	(2)	14
年度全面收入／(虧損)總額	Total comprehensive income/(loss) for the year	73,334	(335,597)
以下人士應佔年度全面 收入／(虧損)總額：	Total comprehensive income/(loss) for the year attributable to:		
本公司擁有人	Owners of the Company	73,310	(335,595)
非控股權益	Non-controlling interests	24	(2)
		73,334	(335,597)

隨附之附註構成此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.



綜合財務狀況表 Consolidated Statement of Financial Position

於二零一七年十二月三十一日 At 31st December 2017

			二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
	附註 Notes			
非流動資產	Non-current assets			
物業、機器及設備	Property, plant and equipment	17	12,190	361,857
租賃土地權益	Interests in leasehold land	18	55,282	395,297
投資物業	Investment properties	19	81,100	82,620
可供出售金融資產	Available-for-sale financial assets	21	173	–
商譽	Goodwill	22	–	–
無形資產	Intangible assets	23	–	7,582
提供予一名董事之貸款	Loan to a director	24	293,371	–
就投資已付按金	Deposit paid for investment	32	–	400,000
於一間合資企業之權益	Interest in a joint venture	25	384	161
			442,500	1,247,517
流動資產	Current assets			
存貨	Inventories	26	–	66,006
物業存貨	Stock of properties	27	2,107,376	583,240
電影版權	Film rights	28	12,049	21,446
製作中電影	Films in progress	29	168,992	81,461
電影投資	Investment in film	30	–	11,325
貿易應收賬款	Trade receivables	31	3,099	231,777
按金、預付款項及 其他應收款項	Deposits, prepayment and other receivables	32	289,981	152,560
透過損益以公平價值 列賬之金融資產	Financial assets at fair value through profit or loss	33	725,816	286,933
應收貸款	Loan receivables	34	200,000	825,000
定期存款	Time deposits	35	155	–
現金及銀行結餘	Cash and bank balances	36	424,200	769,939
			3,931,668	3,029,687
分類為持作出售之資產	Assets classified as held for sale	37	725,635	–
			4,657,303	3,029,687
總資產	Total assets		5,099,803	4,277,204
資本及儲備	Capital and reserves			
股本	Share capital	38	9,037	9,037
儲備	Reserves		3,272,537	3,199,325
本公司擁有人應佔權益	Equity attributable to owners of the Company		3,281,574	3,208,362
非控股權益	Non-controlling interests		(114)	(435)
總權益	Total equity		3,281,460	3,207,927

綜合財務狀況表 Consolidated Statement of Financial Position

於二零一七年十二月三十一日 At 31st December 2017

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
非流動負債	Non-current liabilities		
銀行借貸	Bank borrowings	39	670,000
承付票	Promissory note	40	–
融資租賃債務	Obligations under finance leases	41	353
遞延稅項負債	Deferred tax liabilities	42	82,948
		173,817	753,301
流動負債	Current liabilities		
銀行借貸	Bank borrowings	39	133,513
融資租賃債務	Obligations under finance leases	41	231
貿易應付賬款	Trade payables	43	43,820
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	44	138,202
應付非控股權益款項	Amounts due to non-controlling interests	45	210
		503,116	210
		823,775	315,976
分類為持作出售之 資產之相關負債	Liabilities associated with assets classified as held for sale	37	–
		820,751	–
		1,644,526	315,976
負債總額	Total liabilities	1,818,343	1,069,277
權益及負債總額	Total equity and liabilities	5,099,803	4,277,204
流動資產淨值	Net current assets	3,012,777	2,713,711
總資產減流動負債	Total assets less current liabilities	3,455,277	3,961,228

綜合財務報表於二零一八年三月二十六日由董事會批准及授權刊發並由下列董事代表簽署：

向華強
Heung Wah Keung
董事
Director

陳明英
Chen Ming Yin, Tiffany
董事
Director

The consolidated financial statements were approved and authorised for issue by the board of directors on 26th March 2018 and are signed on its behalf by:

隨附之附註構成此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.

綜合權益變動表 Consolidated Statement of Changes in Equity

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

		本公司擁有人應佔 Attributable to owners of the Company												
		股本	股份溢價	繳入盈餘	匯兌儲備	法定儲備	以股份支付 之款項儲備	紅利可換 股債券儲備	資本削減 儲備	物業重估 儲備	累計虧損	總計	非控股權益	總權益
		Share capital	Share premium	Contributed surplus	Exchange reserve	Statutory reserve	Share-based payment reserve	Bonus convertible bonds reserve	Capital reduction reserve	Property revaluation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(附註a)	(附註b)	(附註c)	(附註d)	(附註e)	(附註f)	(附註g)	(附註h)				
		(note a)	(note b)	(note c)	(note d)	(note e)	(note f)	(note g)	(note h)					
於二零一六年一月一日	At 1st January 2016	7,531	1,411,925	1,925,439	733	291	88,834	1,132	316,008	48,171	(333,874)	3,466,190	(433)	3,465,757
年度虧損	Loss for the year	-	-	-	-	-	-	-	-	-	(335,609)	(335,609)	(2)	(335,611)
年度其他全面收入	Other comprehensive income for the year	-	-	-	14	-	-	-	-	-	-	14	-	14
年度全面收入/(虧損)總額	Total comprehensive income/(loss) for the year	-	-	-	14	-	-	-	-	-	(335,609)	(335,595)	(2)	(335,597)
購股權到期	Expiry of share options	-	-	-	-	-	(12,690)	-	-	-	12,690	-	-	-
配售新股	Placement of new shares	1,506	78,312	-	-	-	-	-	-	-	-	79,818	-	79,818
發行股份開支	Share issuing expenses	-	(2,051)	-	-	-	-	-	-	-	-	(2,051)	-	(2,051)
於二零一六年十二月三十一日及於二零一七年一月一日	At 31st December 2016 and at 1st January 2017	9,037	1,488,186	1,925,439	747	291	76,144	1,132	316,008	48,171	(656,793)	3,208,362	(435)	3,207,927
年度溢利	Profit for the year	-	-	-	-	-	-	-	-	-	73,312	73,312	24	73,336
年度其他全面虧損	Other comprehensive loss for the year	-	-	-	(2)	-	-	-	-	-	-	(2)	-	(2)
年度全面(虧損)/收入總額	Total comprehensive (loss)/income for the year	-	-	-	(2)	-	-	-	-	-	73,312	73,310	24	73,334
收購一間附屬公司之額外權益	Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	-	-	-	(98)	(98)	(58)	(156)
收購產生之非控股權益	Non-controlling interests arising on acquisition	-	-	-	-	-	-	-	-	-	-	-	(70)	(70)
出售附屬公司	Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	425	425
購股權失效	Lapsed of share options	-	-	-	-	-	(6,284)	-	-	-	6,284	-	-	-
購股權到期	Expiry of share options	-	-	-	-	-	(14,195)	-	-	-	14,195	-	-	-
於二零一七年十二月三十一日	At 31st December 2017	9,037	1,488,186	1,925,439	745	291	55,665	1,132	316,008	48,171	(563,100)	3,281,574	(114)	3,281,460

綜合權益變動表 Consolidated Statement of Changes in Equity

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

附註：

Notes:

(a) 根據百慕達一九八一年公司法(經修訂)，本公司之股份溢價可用作繳足本公司之未發行股份，作為繳足紅股發行予本公司股東。

(a) Under the Companies Act 1981 of Bermuda (as amended), the share premium of the Company can be used in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

(b) 本集團之承前繳入盈餘乃指因於二零零二年九月十日生效之股本削減及其後多次資本削減而轉自股本賬之款項。

(b) The contributed surplus of the Group brought forward represents the amount transferred from the capital account due to the capital reduction effective on 10th September 2002 and various capital reduction subsequently.

根據百慕達一九八一年公司法(經修訂)，繳入盈餘可供分派。然而，於以下情況，本公司不得自繳入盈餘中作出分派：(i)本公司當時或將於派付後無力償還到期而應償還之債項；或(ii)本公司資產之可變現值將因而低於其負債。

Under the Company Act 1981 of Bermuda (as amended), the contributed surplus is available for distribution. However, the Company cannot make a distribution out of the contributed surplus if: (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than its liabilities.

(c) 匯兌儲備指將本集團海外業務之淨資產由其功能貨幣換算至本集團呈列貨幣(即港元(「港元」))有關之匯兌差額，而匯兌差額乃直接於其他全面收入確認並於匯兌儲備累計。該等於匯兌儲備累計之匯兌差額於出售海外業務時重新分類至損益。

(c) Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollar ("HK\$")) are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the disposal of the foreign operations.

(d) 根據澳門商法典第377條文，本公司於澳門註冊成立之附屬公司須將年度淨溢利之最低25%轉撥至法定儲備，直至儲備等於其資本面值之50%為止。在各公司存在期間，法定儲備不可以現金股息或其他形式分派。

(d) In accordance with the article 377 of the Macau Commercial Code, the Company's subsidiaries incorporated in Macau are required to transfer a minimum of 25% of the annual net profits to a statutory reserve until that reserve equals 50% of the nominal value of their capital. The statutory reserve may not be distributed in the form of cash dividends or otherwise, during the life of the companies.

(e) 以股份支付之款項儲備，相當於授出相關購股權後估計可於相關歸屬期間內換得之服務之公平價值，其總數乃以授出當日有關購股權之公平價值為基準。至於每段期間之數額，則是將有關購股權之公平價值在相關歸屬期間(倘有)內攤分計算，並作為其他經營支出項目入賬，並相應提高以股份支付之款項儲備。

(e) Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting period (if any) and is recognised in other operating expenses with a corresponding increase in the share-based payment reserve.



綜合權益變動表 Consolidated Statement of Changes in Equity

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

附註：(續)

Notes: (Continued)

(f) 根據本公司於二零一二年十月二十五日舉行之股東特別大會上通過有關發行紅利股份(股東有權選擇收取紅利可換股債券(「紅利可換股債券」)以代替紅利股份)之普通決議案，本公司以初步換股價每股0.01港元發行可轉換為普通股之紅利可換股債券。紅利可換股債券以權益確認並於「紅利可換股債券儲備」呈列。紅利可換股債券並未上市及不可贖回，惟附帶權利可授權債券持有人轉換為股份，數量相等於債券持有人根據紅利發行可另行收取之紅利股份數目，猶如股東並未選擇收取紅利可換股債券。紅利可換股債券並無本公司任何股東大會之投票權。根據構成紅利可換股債券之適用平邊契據之條款及條件，債券持有人可在發行紅利可換股債券後隨時行使換股權。

(f) Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 25th October 2012 in relation to the bonus issue of shares (with a right for shareholders to elect to receive bonus convertible bonds ("Bonus CBs") in lieu of bonus shares), Bonus CBs can be converted into ordinary shares at initial conversion price of HK\$0.01 per share were issued by the Company. The Bonus CBs are recognised as equity and are presented in "bonus convertible bonds reserve". The Bonus CBs are unlisted and irredeemable but have conversion rights entitling the bondholders to convert into an equivalent number of shares as the number of bonus shares which the bondholders would otherwise be entitled to receive under the bonus issue had the shareholder not elected for the Bonus CBs. The Bonus CBs do not carry voting rights at any general meeting of shareholders of the Company. The bondholders can exercise the conversion rights at any time after the issue of Bonus CBs, subject to the terms and conditions of the applicable deed poll constituting the Bonus CBs.

(g) 資本削減儲備指於一九九八年將本公司332,640,000股已發行股份之面值由每股面值1.00港元削減至每股面值0.05港元所產生之金額。按董事根據本公司之公司細則第129條而通過之一項決議案，資本削減儲備可用作支付本公司遭索償之金額、負債、或然負債，以及可用作償還資本性貸款、補足股息或其他本公司溢利可運用之用途。

(g) The capital reduction reserve represents the amount arising in relation to the reduction of the nominal value of 332,640,000 issued shares of the Company from HK\$1.00 each to HK\$0.05 each in 1998. Pursuant to a resolution passed by the directors pursuant to Bye-law 129 of the Company's Bye-laws, the capital reduction reserve shall be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied.

(h) 物業重估儲備關乎由自用轉撥至投資物業之物業。於轉撥日期物業之公平價值與賬面值間之超額乃計入物業重估儲備，並將於相關物業退用或出售時轉撥入累計虧損。

(h) Property revaluation reserve relates the property transferred from owner-occupied to investment property. The excess amount between the fair value and the carrying amount of the property at the date of transfer is included in the property revaluation reserve, and will be transferred to accumulated losses upon the retirement or disposal of the relevant property.

綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
經營業務之現金流量	CASH FLOWS FROM OPERATING ACTIVITIES		
持續經營業務之除稅前溢利／(虧損)	Profit/(loss) before tax from continuing operations	110,036	(291,928)
已終止經營業務之除稅前虧損	Loss before tax from discontinued operations	(36,683)	(43,683)
就以下各項所作調整：	Adjustments for:		
融資成本	Finance costs	63,961	30,543
利息收入	Interest income	(78,616)	(99,725)
股息收入	Dividend income	(1,722)	(1,679)
電影版權攤銷	Amortisation of film rights	8,373	487,578
租賃土地權益攤銷	Amortisation of interests in leasehold land	21,649	23,158
物業、機器及設備折舊	Depreciation of property, plant and equipment	59,814	70,110
有關電影版權之已確認減值虧損	Impairment loss recognised in respect of film rights	1,024	4,877
有關無形資產之已確認減值虧損	Impairment loss recognised in respect of intangible assets	-	449
有關製作中電影之已確認減值虧損	Impairment loss recognised in respect of films in progress	-	422
有關應收一間合資企業款項之已確認減值虧損	Impairment loss recognised in respect of amount due from a joint venture	-	12
有關貿易應收賬款之已確認減值虧損	Impairment loss recognised in respect of trade receivables	-	1,143
有關已付按金、預付款項及其他應收款項之已確認減值虧損	Impairment loss recognised in respect of deposits, prepayment and other receivables	-	3,900
有關貿易應收賬款之已確認減值虧損撥回	Reversal of impairment loss recognised in respect of trade receivables	(135)	-
有關已付按金及其他應收款項之已確認減值虧損撥回	Reversal of impairment loss recognised in respect of deposits paid and other receivables	(3,152)	-
透過損益以公平價值列賬之金融資產之公平價值變動所產生之(溢利)/虧損	(Gain)/loss arising on change in fair value of financial assets at fair value through profit or loss	(210,791)	18,879
投資物業公平價值變動之(溢利)/虧損	(Gain)/loss on fair value change of investment properties	(4,120)	33,440
出售物業、機器及設備之(溢利)/虧損	(Gain)/loss on disposal of property, plant and equipment	(732)	886
出售附屬公司之溢利	Gain on disposal of subsidiaries	(551)	-
終止確認無形資產之溢利	Gain on derecognition of intangible assets	-	(120)
提早贖回承付票之虧損	Loss on early redemption of promissory note	66,110	-
應佔一間合資企業業績	Share of result of a joint venture	(223)	90
過時存貨撇減	Write-down of obsolete inventories	30	58



綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
營運資金變動前之經營現金流量	Operating cash flows before movements in working capital	(5,728)	238,410
存貨減少	Decrease in inventories	10,175	4,145
物業存貨增加	Increase in stock of properties	(136,051)	(15,267)
製作中電影增加	Increase in films in progress	(87,531)	(202,633)
電影投資減少	Decrease in investment in film	11,325	-
貿易應收賬款減少/(增加)	Decrease/(increase) in trade receivables	175,530	(113,493)
按金、預付款項及其他應收款項增加	Increase in deposits, prepayment and other receivables	(156,307)	(97,597)
應收非控股權益款項(增加)/減少	(Increase)/decrease in amounts due from non-controlling interests	(371)	329
貿易應付賬款增加	Increase in trade payables	18,839	4,172
已收取按金、應計項目及其他應付款項減少	Decrease in deposits received, accruals and other payables	(9,015)	(138,996)
應付一間合資企業款項減少	Decrease in amount due to a joint venture	-	(25)
應付非控股權益款項(減少)/增加	(Decrease)/increase in amounts due to non-controlling interests	(210)	210
營運所用現金(已付)/退還稅項	Cash used in operations Tax (paid)/refund	(179,344) (17)	(320,745) 153
經營業務所用現金淨額	Net cash used in operating activities	(179,361)	(320,592)
投資業務之現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
已收股息	Dividend received	1,722	1,679
已收利息	Interest received	58,122	107,930
提供予一名董事之貸款	Loan advanced to a director	(500,000)	-
就投資已付按金	Deposit paid for investment	-	(400,000)
與已終止經營業務有關之已收按金	Deposit received associated with the discontinued operation	200,000	-
原到期日超過三個月之定期存款增加	Increase in time deposits with original maturities more than three months	(155)	-
透過收購附屬公司而購置資產之現金流出淨額	Net cash outflow for acquisition of assets through acquisition of subsidiaries	(172)	-
出售物業、機器及設備所得款項	Proceeds from disposal of property, plant and equipment	1,089	7,535
出售博彩推廣經營業務所得款項	Proceeds from disposal of gaming promotion operations	-	10,000
出售附屬公司產生之現金流入淨額	Net cash inflow arising on disposal of subsidiaries	72,298	-
購入物業、機器及設備之款項	Payments for purchases of property, plant and equipment	(11,339)	(13,755)
償還應收貸款	Repayment of loan receivables	625,000	400,000
投資業務所得現金淨額	Net cash generated from investing activities	446,565	113,389

綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

	附註 Notes	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
融資業務之現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
已付利息	Interest paid	(37,860)	(30,681)
償還承付票	Repayment of promissory note	40 (400,000)	-
新增銀行借貸	New bank borrowings raised	-	63,439
發行新股份所得款項	Proceeds from issue of new shares	-	79,818
償還融資租賃債務	Repayment of obligations under finance leases	(231)	(235)
償還銀行借貸	Repayment of bank borrowings	(133,513)	(184,854)
發行股份開支	Share issuing expenses	-	(2,051)
融資活動所用之現金淨額	Net cash used in financing activities	(571,604)	(74,564)
現金及現金等值項目減少	Decrease in cash and cash equivalents	(304,400)	(281,767)
報告期初之現金及現金等值項目	Cash and cash equivalents at the beginning of the reporting period	769,939	1,051,692
重新分類至分類為持作出售之資產	Reclassification to assets classified as held for sale	37 (41,350)	-
外幣匯率變動之影響	Effect of foreign exchange rate changes	11	14
報告期末之現金及現金等值項目	Cash and cash equivalents at the end of the reporting period		
現金及銀行結餘	Cash and bank balances	36 424,200	769,939

隨附之附註為此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

1. 一般事項

本公司乃於百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點之地址分別為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda及香港干諾道中168-200號信德中心西翼34樓09室。

此等財務報表以港元（「港元」）列值，港元亦為本公司之功能貨幣。除另有說明者外，所有價值均計算至最近之千位數（千港元）。

本集團之主要業務為投資、製作及發行電影及電視連續劇、提供藝人管理服務以及物業開發及投資。

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and Unit 3409, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong respectively.

The financial statements are presented in Hong Kong dollar ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

The principal activities of the Group are investment, production and distribution of films and television drama series, provision of artist management services and properties development and investment.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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」）

(a) 應用於二零一七年一月一日生效之新訂及經修訂香港財務報告準則

本集團於本年度首次應用香港會計師公會（「香港會計師公會」）頒佈之下列新訂及經修訂準則、修訂本及詮釋（統稱為「新訂及經修訂香港財務報告準則」），並於本集團自二零一七年一月一日開始之財政年度生效。本集團採納之新訂及經修訂香港財務報告準則之概要載列如下：

香港會計準則第7號 (修訂本)	主動披露
香港會計準則第12號 (修訂本)	就未變現虧損確認之遞延稅項資產
香港財務報告準則 (修訂本)	香港財務報告準則二零一四年至二零一六年週期之年度改進（有關香港財務報告準則第12號於其他個體權益之披露之修訂本）

香港會計準則第7號（修訂本）主動披露

本集團已於本年度首次應用該等修訂本。該修訂本要求個體作出披露，以便財務報表的使用者可評估融資活動所引致的負債變化，包括現金及非現金變化。此外，倘金融資產的現金流量已經或其未來現金流量將計入融資活動的現金流量時，該修訂本亦要求須披露有關金融資產的變動。

具體而言，該等修訂本要求披露下列各項：
(i) 融資現金流量的變動；(ii) 取得或失去附屬公司或其他業務控制權所產生之變動；
(iii) 外幣匯率變動的影響；(iv) 公平價值的變動；及(v) 其他變動。

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

(a) Application of new and revised HKFRSs – effective on 1st January 2017

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (collectively referred to as the “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are effective for the Group’s financial year beginning from 1st January 2017. A summary of the new and revised HKFRSs applied by the Group is set out as follows:

HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle relating to amendments to HKFRS 12 <i>Disclosure of Interests in Other Entities</i>

HKAS 7 (Amendments) Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

- (a) 應用於二零一七年一月一日生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第7號（修訂本）主動披露（續）

有關該等項目期初及期末結餘間之對賬將載於財務報表附註55。根據修訂本之過渡條文，本集團並無披露去年的比較資料。除財務報表附註55之額外披露外，應用該等修訂本並無對本集團綜合財務報表造成影響。

除上述外，本年度應用該等新訂及經修訂香港財務報告準則對本集團本年度及過往年度之財務表現及財務狀況及／或此等財務報表之披露內容並無重大影響。

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

- (a) Application of new and revised HKFRSs – effective on 1st January 2017 (Continued)

HKAS 7 (Amendments) Disclosure Initiative (Continued)

A reconciliation between the opening and closing balances of these items is provided in note 55 to the financial statements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 55 to the financial statements, the application of these amendments has had no impact on the Group’s consolidated financial statements.

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港會計準則第28號 (修訂本)	於聯營公司及合資企業之長期權益 ²
香港會計準則第40號 (修訂本)	轉讓投資物業 ¹
香港財務報告準則 (修訂本)	香港財務報告準則二零一四年至二零一六年週期之年度改進(香港財務報告準則第12號(修訂本)除外) ¹
香港財務報告準則 (修訂本)	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²
香港財務報告準則 第2號(修訂本)	以股份支付交易之分類及計量 ¹
香港財務報告準則 第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約 ¹
香港財務報告準則第9號 香港財務報告準則第9號 (修訂本)	金融工具 ¹ 具有負補償之提前還款特點 ²
香港財務報告準則第10號 及香港會計準則第28號 (修訂本)	投資者及其聯營公司或合資企業間之資產出售及注入 ⁴
香港財務報告準則第15號	來自與客戶合約之收益及相關修訂本 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ³
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及墊付代價 ¹
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅處理之不確定性 ²

¹ 於二零一八年一月一日或之後開始之年度期間生效，可允許提早應用。

² 於二零一九年一月一日或之後開始之年度期間生效，可允許提早應用。

³ 於二零二一年一月一日或之後開始之年度期間生效，可允許提早應用。

⁴ 於待定日期或之後開始之年度期間生效。

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

(b) New and revised HKFRSs that have been issued but are not yet effective

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

HKAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures ²
HKAS 40 (Amendments)	Transfer of Investment Property ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle except HKFRS 12 (Amendments) ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle ²
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ¹
HKFRS 4 (Amendments)	Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 <i>Insurance Contracts</i> ¹
HKFRS 9	Financial Instruments ¹
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²

¹ Effective for annual periods beginning on or after 1st January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1st January 2019, with earlier application permitted.

³ Effective for annual periods beginning on or after 1st January 2021, with earlier application permitted.

⁴ Effective for annual periods beginning on or after a date to be determined.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號金融工具

香港財務報告準則第9號引進有關金融資產、金融負債、一般對沖會計及金融資產減值規定分類及計量之新規定。

香港財務報告準則第9號切合本集團之主要規定描述如下：

- 所有於香港財務報告準則第9號範圍內之已確認金融資產之規定，隨後按攤銷成本或公平價值計量。尤其是，按商業模式持有而目的是收取合約現金流量之債務投資，以及該僅為支付本金及尚未償還本金利息時之合約現金流量之債務投資，一般均在隨後之會計期末按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產之商業模式持有之債務工具以及金融資產合約條款令於特定日期產生之現金流僅為支付本金及尚未償還本金利息之債務工具，按透過其他全面收入按公平價值列賬（「透過其他全面收入按公平價值列賬」）之方式計量。所有其他債務投資及股本投資在隨後之會計期按公平價值計量。此外，根據香港財務報告準則第9號，個體可作出不可撤回之選擇，於其他全面收入中呈列股本投資（並非持作買賣）之其後公平價值變動，惟只有股息收入一般於損益確認。

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

(b) New and revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 Financial Instruments

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

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

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號金融工具（續）

- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定個體於各報告期間將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初次確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

基於本集團於二零一七年十二月三十一日的金融工具及風險管理政策，本公司董事預計初次應用香港財務報告準則第9號之潛在影響如下：

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

(b) **New and revised HKFRSs that have been issued but are not yet effective** (Continued)

HKFRS 9 Financial Instruments (Continued)

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

Based on the Group's financial instruments and risk management policies at 31st December 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第9號金融工具（續）

分類及計量：

- 財務報表附註21所披露按成本減減值列賬之分類為可供出售金融資產的債務證券：根據香港財務報告準則第9號，該證券合資格指定為以透過其他全面收入按公平價值列賬的方式計量，惟本集團計劃不選擇該指定，並將按公平價值計量該證券及其後公平價值溢利或虧損將於損益中確認。
- 所有其他金融資產及金融負債將繼續按與香港會計準則第39號下現行計量相同的基準進行計量。

減值

一般而言，本公司董事預計應用香港財務報告準則第9號的預期信貸虧損模式將導致本集團於應用香港財務報告準則第9號後，就本集團按攤銷成本計量之金融資產以及其他須作出減值撥備的項目之尚未產生的信貸虧損提前撥備。然而，本公司董事不預計應用香港財務報告準則第9號的預期信貸虧損模式將會對截至二零一八年一月一日之期初累計虧損有重大影響。

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

(b) New and revised HKFRSs that have been issued but are not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

Classification and measurement:

- Debt security classified as available-for-sale financial assets carried at cost less impairment as disclosed in note 21 to the financial statements: this security qualified for designation as measured at FVTOCI under HKFRS 9, however, the Group plans not to elect the option for designating this security to be measured at FVTOCI and will measure this security at fair value with subsequent fair value gains or losses to be recognised in profit or loss.
- All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

Impairment

In general, the directors of the Company also anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group. However, the directors of the Company do not anticipate that the application of the expected credit loss model of HKFRS 9 will have material impact to the opening accumulated losses at 1st January 2018.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第15號來自客戶合約之收益

香港財務報告準則第15號已頒佈，其制定個別全面模式供個體用作將自客戶合約所產生的收益入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋確認指引。

香港財務報告準則第15號的核心原則為個體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該個體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步： 識別與客戶訂立的合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至合約中的履約責任
- 第五步： 於個體完成履約責任時（或就此）確認收益

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

(b) **New and revised HKFRSs that have been issued but are not yet effective** (Continued)

HKFRS 15 Revenue from Contracts with Customers

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

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

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第15號來自客戶合約之收益（續）

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

於二零一六年，香港會計師公會頒佈對香港財務報告準則第15號之澄清，內容有關識別履約責任、考慮委託人與代理人及特許權之應用指引。

本公司董事預計未來應用香港財務報告準則第15號或會導致需作更多披露，惟本公司董事不預計應用香港財務報告準則第15號將會對於各相關報告期間確認之收益的時間性及金額有重大影響。

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

(b) **New and revised HKFRSs that have been issued but are not yet effective** (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

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

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

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。香港財務報告準則第16號將於生效時取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及租賃低值資產外，經營租賃與融資租賃的分別自承租人會計處理中撤銷並由使用權資產模式替代，及承租人須就所有租賃確認相應負債。

使用權資產初步按成本計量，而後乃按成本（若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債初步按並非於該日支付之租賃付款現值計量。其後，租賃負債會就利息及租賃付款以及（其中包括）租賃修訂的影響而作出調整。就現金流量分類而言，本集團現時將有關自用租賃土地及該等分類為投資物業之租賃土地之前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。應用香港財務報告準則第16號時，有關租賃負債之租賃付款將分配為本金及利息部分將由本集團呈列為融資現金流量。

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

(b) **New and revised HKFRSs that have been issued but are not yet effective** (Continued)

HKFRS 16 Leases

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

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

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號租賃（續）

根據香港會計準則第17號，本集團已就融資租賃安排及租賃土地（本集團為承租人）之預付租賃付款確認資產及相關融資租賃負債。應用香港財務報告準則第16號將視乎本集團於倘擁有資產時是否單獨呈列就相應有關資產的同一項目內呈列使用權資產，而可能導致該等資產之分類發生潛在變動。

與承租人會計處理相反，香港財務報告準則第16號充分推進香港會計準則第17號之出租人會計處理規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號會要求作廣泛披露。

於二零一七年十二月三十一日，本集團有不可撤銷經營租賃承擔約20,280,000港元（如財務報表附註48所披露）。初步評估顯示，該等安排將符合租賃之定義。應用香港財務報告準則第16號時，本集團將就所有該等租賃確認使用權資產及相應負債，除非有關租賃符合低價值或短期租賃。

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

(b) **New and revised HKFRSs that have been issued but are not yet effective** (Continued)

HKFRS 16 Leases (Continued)

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

At 31st December 2017, the Group has non-cancellable operating lease commitments of HK\$20,280,000 as disclosed in note 48 to the financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

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）

(b) 已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第16號租賃（續）

此外，本集團目前視已付可退回租賃按金約1,428,000港元為租賃項下的權利與義務，適用於香港會計準則第17號。按香港財務報告準則第16號項下租賃付款的定義，上述按金並非與使用相關資產權利有關的付款，因此，上述按金的賬面值可予調整至經攤銷成本，而有關調整乃被視為額外租賃付款。已付可退回租賃按金的調整會計入使用權資產的賬面值內。已收可退回租賃按金的調整應會被視為預收租賃付款。

再者，應用新規定可能導致上文所述計量、呈列及披露產生變動。

除上文披露者外，本公司董事預期應用其他新訂及經修訂香港財務報告準則不會對本集團的財務表現及財務狀況造成重大影響。

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

(b) **New and revised HKFRSs that have been issued but are not yet effective** (Continued)

HKFRS 16 Leases (Continued)

In addition, the Group currently considers refundable rental deposits paid of approximately HK\$1,428,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

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

Except disclosed above, the directors of the Company do not anticipate that the application of other new and revised HKFRSs will have a material impact on the Group's financial performance and financial positions.



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要

編製該等財務報表所採用之主要會計政策載列如下。除另有說明者外，該等政策已於所有呈報年度貫徹應用。

(a) 遵例聲明

該等財務報表乃根據所有適用香港財務報告準則（其包括香港會計師公會所頒佈之所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）及香港公認之會計原則而編製。此外，該等財務報表包括聯交所證券上市規則（「上市規則」）規定之適用披露及按照香港公司條例之披露規定。

(b) 編製基準

該等財務報表已按歷史成本基準編製，惟投資物業及若干金融工具按報告期末之公平價值計量除外，其於下文載列的會計政策內闡釋。

歷史成本一般以貨品及服務交換之代價之公平價值為基準。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rule”) on the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values 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.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(b) 編製基準 (續)

公平價值為於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付之價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債之特點，則本集團於估計資產或負債之公平價值時會考慮該等特點。此等財務報表中作計量及／或披露用途之公平價值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份支付範圍內以股份支付之交易、屬於香港會計準則第17號租賃範圍內之租賃交易，以及與公平價值有部份相若但並非公平價值之計量，譬如香港會計準則第2號存貨內之可變現淨額或香港會計準則第36號資產減值之使用價值除外。

非金融資產之公平價值乃考慮市場參與者可使用該資產之最高及最佳用途產生經濟效益之能力或將該資產出售予可使用該資產最高及最佳用途之另一市場參與者計量。

就按公平價值轉撥的金融工具及投資物業且將使用不可觀察輸入數據來計量其後期間公平價值之估值技術而言，該估值技術乃經調校至估值技術的結果等同交易價。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation (Continued)

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 financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, 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*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transferred at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(b) 編製基準 (續)

此外，就財務報告而言，公平價值計量根據公平價值計量之輸入數據可觀察程度及公平價值計量之輸入數據對其整體之重要性分類為第一級、第二級及第三級，詳情如下：

- 第一級輸入數據為個體於計量日期可取得之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(第一級內包括之報價除外)；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

(c) 綜合基準

綜合財務報表包括本公司及本公司及其附屬公司所控制之個體之財務報表。當本公司符合以下要素時，則取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象業務而承擔浮動回報之風險或享有權利；及
- 有能力使用其權力影響其回報。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation (Continued)

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

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

(c) 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.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(c) 綜合基準 (續)

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本集團會重新評估其是否對投資對象擁有控制權。

倘本集團於投資對象之投票權未能佔大多數，則當投票權足以賦予本公司實際能力以單方面指揮投資對象之相關活動時即對投資對象所有權力。本集團於評估本集團於投資對象之投票權是否足以賦予其權力時考慮所有相關事實及情況，包括：

- 相對其他投票權持有人所持投票權之數量及分散情況，本集團持有投票權之數量；
- 本集團、其他投票權持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 需要作出決定時，本集團目前能夠或不能指揮相關活動之任何額外事實及情況（包括於過往股東會議上之投票模式）。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of consolidation (Continued)

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.

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

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

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

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(c) 綜合基準 (續)

損益及其他全面收入之每個項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

有關本集團成員之間交易之所有集團內公司間之資產及負債、權益、收入、支出及現金流量於綜合時悉數對銷。

本集團於現有附屬公司的所有權權益變動

如本集團於現有附屬公司的所有權權益變動不會導致本集團失去有關附屬公司的控制權，將會列作權益交易處理。本集團之權益及非控股權益相關成分的賬面值會進行調整，以反映其於附屬公司相關權益的變動，包括根據本集團及非控股權益的比例權益於本集團與非控股權益之間重新歸屬相關儲備。

從調整非控制性權益與按公平價值計量的已付或已收代價的差額會直接在權益確認，並歸屬於本公司擁有人。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of consolidation (Continued)

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.

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.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(c) 綜合基準 (續)

本集團於現有附屬公司的所有權權益變動 (續)

當本集團失去一家附屬公司的控制權時，終止確認該附屬公司的資產與負債及非控股權益 (如有)。溢利或虧損於損益確認，並按(i)已收代價公平價值及任何保留權益的公平價值的總和與(ii)資產賬面值 (包括商譽) 及本公司擁有人應佔附屬公司負債的差額計算。有關附屬公司先前於其他全面收入確認的所有金額按本集團直接出售附屬公司相關資產或負債入賬 (即如應用香港財務報告準則所列明/允許重新分類至損益或撥入另一權益類別)。前附屬公司中的任何保留投資於失去控制權當日的公平價值，根據香港會計準則第39號被視為其後入賬時初步確認之公平價值或 (如適用) 被視為初步確認於一間聯營企業或一間合資企業投資時之成本。

(d) 業務合併

收購業務乃採用收購法入賬。業務合併中轉讓之代價乃按公平價值計量，而計算方法為本集團轉讓之資產、本集團對被收購方之前擁有人產生之負債及本集團就交換被收購方之控制權而發行之股權於收購日之公平價值總和。與收購有關之成本一般於產生時於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

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

(d) 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.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

於收購日，所收購之可識別資產及所承擔之負債按彼等之公平價值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 負債或權益性工具乃按收購日有關於本集團以股份支付款項或以股份支付款項替換予被收購方之安排乃根據香港財務報告準則第2號以股份支付計量；及
- 根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務劃分為持作出售之資產(或出售組合)乃根據該準則計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) 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 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(d) 業務合併 (續)

商譽按轉讓代價、於被收購者非控股權益金額以及購買方先前於被收購者持有股權權益 (如有) 公平價值之總和，超過已收購之可識別資產及承擔負債之淨額計量。如在重新評估後，已收購之可識別資產及承擔負債之淨值額超過其轉讓價、於被收購者的任何非控股權益金額以及購買方先前於被收購者持有權益之公平價值 (如有) 的總額，該超出之差額即時於損益確認為議價購買溢利。

非控股權益為現所有者權益及給予其持有人於清盤時，乃按被收購者可識別淨資產之已確認金額之非控股權益之股權比例，或按公平價值初步計量其按比例分佔相關附屬公司淨資產。選擇之計量基準按個別交易基準決定。

(e) 收購並不構成業務的附屬公司

當本集團收購一組資產及負債並不構成一項業務，本集團先將購買價按其各自之公平價值分配至物業存貨及金融資產，以識別及確認所收購的個別可識別資產及所承擔的負債，而餘下之購買價結餘則按於購買日期其相關的公平價值為基準，分配至其他個別可識別資產及負債。有關交易並不產生商譽或議價購買溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Business combinations (Continued)

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 or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

(e) Acquisition of subsidiaries not constituting a business

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

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3. 主要會計政策概要 (續)

(f) 商譽

收購業務而產生之商譽乃按於收購業務當日之成本減累計減值虧損(如有)列賬。

就減值測試而言，收購產生之商譽會分配至預期可自收購之協同效益獲益之本集團各現金產生單位(「現金產生單位」)(或現金產生單位組合)，即為內部管理目的監察商譽之最低水平且不大於經營分部。

獲分配商譽之現金產生單位(或現金產生單位組合)會每年或於有跡象顯示該單位可能出現減值時進行更頻繁的減值測試。就報告期內收購所產生之商譽，獲分配商譽之現金產生單位(或現金產生單位組合)會於報告期末前進行減值測試。倘可收回金額低於其賬面值，則減值虧損會先用作減低任何分配至商譽之賬面值，其後則按該單位(或現金產生單位組合)內各項資產賬面值之比例分配至其他資產。

出售相關現金產生單位時，商譽之應佔金額於釐定出售該單位(或本集團監察商譽所涉及現金產生單位組合內任何現金產生單位)之損益金額時加入計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or groups of CGUs) 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 CGU (or group of CGUs) 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 CGU (or group of CGUs) 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 CGUs).

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the CGU within group of CGUs in which the Group monitors goodwill).

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3. 主要會計政策概要 (續)

(g) 於一間合資企業之權益

合資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共同安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當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。

合資企業之資產與負債及業績以權益法計入該等財務報表。權益會計法所用合資企業之財務報表乃按與本集團處理類似情況中相類交易及事件一致的會計政策編製。根據權益法，於合資企業之權益初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該合資企業之損益及其他全面收入而作出調整。合資企業之資產淨值變動除損益及其他全面收入外不會入賬，除非該等變動導致本集團所持所有權權益有變。當本集團應佔合資企業之虧損超出本集團於該合資企業之權益時（包括實質上成為本集團於該合資企業的淨投資一部份之任何長期權益），本集團停止確認其所佔之進一步虧損。僅於本集團已產生法律或推定責任，或已代表該合資企業支付款項之情況下，方會進一步確認虧損。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Interest in a joint venture

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 joint venture are incorporated in these financial statements using the equity method of accounting. The financial statements of 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 interest in 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 joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the 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 joint venture.

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3. 主要會計政策概要 (續)

(g) 於一間合資企業之權益 (續)

應用香港會計準則第39號之規定旨在決定是否需要就本集團於合資企業之權益確認任何減值虧損。倘有需要，該項投資之全部賬面值（包括商譽）會根據香港會計準則第36號資產減值以單一資產形式進行減值測試，方法是比較其可收回金額（即使用價值與公平價值減出售成本兩者中之較高者）與其賬面值。任何已確認減值虧損構成該項權益之賬面值其中一部份，有關減值虧損之任何撥回乃根據香港會計準則第36號確認，惟以於該項權益之可收回金額其後增加之情況為限。

當一集團個體與本集團合資企業進行交易時，所產生之溢利及虧損只在該合資企業之權益與本集團無關的情況下，方會於本集團之財務報表確認。

(h) 持作出售之非流動資產

若非流動資產及出售組合之賬面值將主要透過出售之交易（而非透過持續使用）而收回，乃分類為持作出售。只有當有關資產（或出售組合）可按通用及慣用條款以其現況即時出售，且其銷售極有可能達成時方視為符合此項條件。管理層必須致力促成出售，並應預期有關出售符合資格於分類日期起計一年內確認為一項已完成之出售。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Interest in a joint venture (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's interest in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* 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 interest. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the interest subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's financial statements only to the extent of interests in the joint venture that are not related to the Group.

(h) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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3. 主要會計政策概要 (續)

(h) 持作出售之非流動資產 (續)

當本集團承諾一項涉及失去附屬公司控制權之出售計劃時，倘符合上述標準，則該附屬公司之全部資產及負債均會分類為持作出售，而不論出售後本集團會否保留前附屬公司之非控股權益。

當本集團承諾一項涉及聯營企業或合資企業的投資或部分投資的出售計劃時，倘符合上述標準，將予出售投資或部分的投資被分類為持作出售，而本集團自投資(或部分投資)分類為持作出售時就有關分類為持作出售的部分終止使用權益法。

分類為持作出售之非流動資產(及出售組合)乃按其原賬面值及公平價值減出售成本(取其中較低者)而計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Non-current assets held for sale (Continued)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

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3. 主要會計政策概要 (續)

(i) 收益之確認

收益按已收或應收代價之公平價值計量，並指就所提供商品及服務應收之金額，扣除增值稅、博彩稅、退貨、回扣及折扣。

- 藝人管理服務收入於提供服務時確認。
- 顧問服務收入於提供服務時確認。
- 來自電影及電視連續劇特許發行權之發行費收入於確立本集團享有有關款項時確認，惟須受相關協議條款規限、通常於母帶交付或分佔相關收益已獲可靠肯定時確立。
- 股息收入於確立股東收取款項之權利時確認。
- 電影投資收入於確立本集團享有有關款項時確認，惟須受相關協議條款規限。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied, net of value-added tax, gaming tax, returns, rebates and discounts.

- Artist management service income is recognised when the services are rendered.
- Consultancy service income is recognised when the services are rendered.
- Distribution fee income from the licensing of the distribution rights of films and television drama series is recognised when the Group's entitlement to such payments has been established which, subject to the terms of the relevant agreements, is usually upon the master materials have been delivered or the sharing of the relevant revenue have been reliably ascertained.
- Dividend income is recognised when the shareholder's right to received payment is established.
- Income from investment in film is recognised when the Group's entitlement to such payment has been established, which is subject to the terms of the relevant agreements.

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(i) 收益之確認 (續)

- 金融資產利息收入根據尚未收回之本金及實際利率按時間比例基準累計，該利率乃是將實質貼現估計未來現金收入透過金融資產預期有效期至該資產賬面淨值。
- 管理費用收入於提供服務時確認。
- 自博彩推廣業務收取之溢利在有權收取溢利時確認。
- 租金收入經扣除給予承租人之任何優惠，於各租賃期間按直線法確認。
- 酒店住宿、食品及飲品銷售及其他酒店配套服務之收益於提供相關服務時確認。
- 保健產品銷售之收益在所有權之風險及報酬轉移時確認，一般與產品送交客戶及所有權轉移之時間相同。
- 來自中場賭桌經營業務、貴賓廳賭桌經營業務及角子老虎機經營業務之服務收入乃就根據許可及場地協議確立佔用及使用空間之期間確認，並基於娛樂場內中場、貴賓廳賭桌及角子老虎機所賺取之每月溢利總額的若干百分比計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Revenue recognition (Continued)

- Interest income from financial asset is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
- Management fee income is recognised when the services are rendered.
- Receive profit streams from the gaming promotion business is recognised when the right to receive profit is established.
- Rental income, net of any incentives given to the lessee, is recognised over the periods of the respective leases on a straight-line basis.
- Revenue from hotel accommodation, food and beverage sales and other ancillary hotel services are recognised when the relevant services have been rendered.
- Revenue from sales of health products are recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the products are delivered to customers and title is passed.
- Service income from mass marketing, table gaming operations, VIP rooms table gaming operations and slot machines operations are recognised over the periods for which right to occupy and use spaces are established according to the license and site agreements and are based on certain percentage of monthly gross gaming wins in the mass market, VIP table gaming and slot machines in the casino.

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3. 主要會計政策概要 (續)

(i) 無形資產

個別收購之無形資產

個別收購並具有有限可使用年期之無形資產乃按成本減累計攤銷及累計減值虧損列賬。具有有限可使用年期之無形資產之攤銷按其估計可使用年期以直線法確認。估計可使用年期及攤銷方法於各報告期末予以檢討，估計如有任何變動，在日後入賬。個別收購並具有不確定可使用年期之無形資產乃按成本減任何其後累計減值虧損入賬。

於業務合併收購之無形資產

於業務合併收購之無形資產與商譽分開確認及彼等於收購日期之公平價值作為初次確認(視為彼等之成本)。

業務合併中收購並具有有限可使用年期之無形資產於初次確認後按與個別收購之無形資產相同之基準，以成本減累計攤銷及累計減值虧損列賬。於業務合併中收購並具有不確定可使用年期之無形資產乃按成本減任何其後累計減值虧損入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

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 cost 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.

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3. 主要會計政策概要 (續)

(j) 無形資產 (續)

終止確認無形資產

無形資產於出售時或預計使用或出售時並無未來經濟利益時終止確認，因終止確認無形資產而產生之溢利及虧損，乃按出售所得款項淨額與該項資產賬面值之差額計量，並於有關資產終止確認時於綜合收入表確認。

(k) 物業、機器及設備

物業、機器及設備(包括持作生產或供應商品或服務、或作行政用途之樓宇及租賃土地(分類為融資租賃))乃於綜合財務狀況表按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

一項資產之成本包括其購買價及將資產達至其營運狀況及地點作擬定用途所產生之任何直接應計成本。物業、機器及設備投入運作後所產生之支出，如維修及保養，一般於產生支出期間自綜合收入表扣除。倘若可清楚顯示有關支出將令日後使用該物業、機器及設備時帶來經濟利益，支出將撥充資本，作為該項資產之額外成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible assets (Continued)

Derecognition of intangible assets

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 the consolidated income statement when the asset is derecognised.

(k) Property, plant and equipment

Property, plant and equipment including buildings and leasehold land (classified as finance leases) held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(k) 物業、機器及設備 (續)

根據融資租約持有之資產以自有資產之相同基準按估計可使用年限折舊。然而，倘若不能合理確定將於租賃期末時獲得擁有權，則資產乃按租期及可使用年限（兩者較短者）予以折舊。

折舊乃以撇銷資產之成本減彼等之剩餘價值按其估計使用年期以直線法予以確認。估計可使用年期、剩餘價值及折舊方法於各報告期末予以檢討，估計如有任何變動，在日後入賬。

主要年率如下：

樓宇	2%–5%
租賃物業裝修	20%–33%
傢俬、裝置及設備	10%–50%
汽車	15%–20%

物業、機器及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時終止確認。因物業、機器及設備項目出售或到期而產生之任何溢利或虧損為銷售所得款項與該資產賬面值之差額，並於綜合收入表內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Property, plant and equipment (Continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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.

The principal annual rates are as follows:

Buildings	2%–5%
Leasehold improvements	20%–33%
Furnitures, fixtures and equipment	10%–50%
Motor vehicles	15%–20%

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 the consolidated income statements.

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3. 主要會計政策概要 (續)

(I) 租賃土地權益

本集團就一項包括租賃土地和樓宇成份的物業權益支付款項時，本集團會基於因擁有每個成份而附帶的絕大部份風險和回報是否已轉移到本集團的基礎上評估每個成份的分類。除非很明顯地，該兩個成份均是經營租賃，在這種情況下，整個物業乃入賬列作經營租賃。具體來說，整體代價（包括任何一次性預付款）按在初次確認時土地成份及樓宇成份租賃權益之相對公平價值，按比例分配到租賃土地及樓宇成份。

倘相關付款能可靠地分配，租賃土地權益以「租賃土地權益」在綜合財務狀況表內列賬為經營租賃，並在租期內按直線法攤銷。倘相關付款不能可靠地於租賃土地及樓宇成份間分配，整個物業一般乃假設該租賃土地屬融資租賃項下而分類。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Interests in leasehold land

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “interests in leasehold land” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

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3. 主要會計政策概要 (續)

(m) 投資物業

投資物業乃為賺取租金及／或作資本增值而持有之物業。

投資物業初步乃按成本(包括任何直接應佔支出)計量。初步確認後，投資物業以公平價值計量。本集團所有根據經營租賃為賺取租金或作資本增值而持有之物業權益分類為投資物業並按此入賬及使用公平價值模式計量。投資物業公平價值變動所產生之溢利或虧損於產生期間計入綜合收入表。

投資物業於出售時或於投資物業永久棄用且預期不會因其出售而帶來未來經濟利益時終止確認。終止確認物業所產生任何溢利或虧損(計算為出售所得款項淨額與資產賬面值之間的差額)乃計入終止確認物業所屬期間之損益。

(n) 有形及無形資產之減值(商譽除外)

於報告期末，本集團會審閱具有有限可使用年期之有形及無形資產之賬面值，以釐定是否有任何跡象顯示有關資產出現減值虧損。倘若任何有關跡象顯示有關資產出現減值，則估計相關資產之可收回金額以釐定減值虧損之程度(如有)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

(n) Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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3. 主要會計政策概要 (續)

(n) 有形及無形資產之減值 (商譽除外) (續)

倘不能分開估計資產之可收回金額，則本集團會估計其資產所屬現金產生單位之可收回金額。於可識別為合理及一貫分配基準之情況下，企業資產亦會被分配至個別現金產生單位，否則或會被分配至可識別為合理及按一貫分配基準之最小現金產生單位組合內。

具有不確定可使用年期之無形資產乃每年進行減值抽查，如出現有關跡象則予以減值。

可收回金額乃公平價值減出售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之當前市場估計及未來現金流量預期未經調整之資產(或現金產生單位)有關風險。

倘若資產(或現金產生單位)之可收回金額估計乃少於其賬面值，則該資產(或現金產生單位)之賬面值削減至其可收回金額。分配減值虧損時，減值虧損會先用作減低任何商譽(如有)之賬面值，其後則按該單位內各項資產賬面值之比例分配至其他資產。資產之賬面值不會削減至低於其公平價值減出售成本(如可計量)、其使用值(如可釐定)及零之最高者。原應分配至資產之減值虧損乃按比例分配至單位內其他資產。減值虧損即時於綜合收入表內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment of tangible and intangible assets other than goodwill (Continued)

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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 CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. 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. 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. An impairment loss is recognised immediately in the consolidated income statement.

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3. 主要會計政策概要 (續)

(n) 有形及無形資產之減值(商譽除外)(續)

倘若減值虧損日後得以撥回，則有關資產(或現金產生單位)之賬面值增至其可收回金額之經修訂估計值，惟所增加賬面值不得超過過往年度其未有確認減值虧損所應釐定資產(或現金產生單位)之賬面值。減值虧損撥回即時於綜合收入表內確認。

(o) 稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

本期稅項

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利因為其他年度應課稅或應扣除之收入及開支項目及從毋須課稅或不可扣稅之項目，故與綜合收入表所報「除稅前溢利／(虧損)」不同。本集團之即期稅項負債乃按報告期末制定或實質上制定之稅率計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment of tangible and intangible assets other than goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statement.

(o) Taxation

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

Current tax

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

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3. 主要會計政策概要 (續)

(o) 稅項 (續)

遞延稅項

遞延稅項就綜合財務報表中資產及負債之賬面值與計算應課稅溢利時所採用之相應稅基之暫時差額確認。遞延稅項負債通常為所有應課稅之暫時差額確認，而遞延稅項資產通常為所有可扣除之暫時差額就未來很可能獲得應課稅溢利而又可使用可扣除暫時差額確認。若於一項交易中，因初次確認其他資產及負債而引致之暫時差額，如不影響應課稅溢利或會計溢利，則該等遞延稅項資產及負債不予確認。此外，倘若商譽初步確認產生暫時差額，則遞延稅項負債不予確認。

遞延稅項負債乃就於附屬公司之投資及於合資企業之權益所產生之應課稅之暫時差額確認，惟倘本集團能控制暫時差額之撥回以及暫時差額有機會不會於可見將來撥回除外。可扣減暫時差額產生之遞延稅項資產（與該等投資及權益有關）僅於可能將有足夠應課稅溢利可動用暫時差額之利益，且彼等預期於可預見將來撥回之情況下予以確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Taxation (Continued)

Deferred tax

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 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 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.

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3. 主要會計政策概要 (續)

(o) 稅項 (續)

遞延稅項 (續)

遞延稅項資產之賬面值於每個報告期末作檢討，並於沒可能有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項資產及負債乃按照於報告期末已實施或大致實施之稅率及稅法，於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。

遞延稅項負債及資產之計量反映出於報告期末將依循本集團所預計以收回或清償其資產及負債賬面值之方式之稅務後果。

就以公平價值模式計量投資物業之遞延稅項計量而言，假定該等物業之賬面值可從出售中全數收回，除非假定被駁回則另作別論。當投資物業可被折舊，並按業務模式持有該等物業，其目的是隨時間耗用投資物業所包含的絕大部分經濟利益（而非透過出售），該假定被駁回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Taxation (Continued)

Deferred tax (Continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax 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 investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale.

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(o) 稅項 (續)

年度本期及遞延稅項

本期及遞延稅項於損益確認，惟當與其他全面收入或直接於權益確認之項目有關時，在此情況下，本期及遞延稅項亦會分別於其他全面收入或直接於權益確認。當業務合併初次會計處理時產生本期或遞延稅項，稅項影響計入該業務合併之會計處理內。

(p) 借貸成本

因籌備收購、建造或生產合資格資產擬作用途或出售之主要期間之借貸成本，該借貸成本直接添加至該資產成本，直至該等資產大部份已籌備作彼等之擬作用途或出售之有關時間為止。

所有其他借貸成本於產生期間之綜合收入表確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) **Taxation (Continued)**

Current and deferred tax for the year

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

(p) **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 the consolidated income statements in the period in which they are incurred.

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3. 主要會計政策概要 (續)

(q) 物業存貨

持作出售之物業存貨乃按成本及可變現淨值兩者較低者列賬。成本及可變現淨值按如下釐定：

持作出售之發展中物業

持作出售之發展中物業之成本包括，尤其已識別成本包括土地之收購成本、開發總成本、借款成本資本化、材料及供應、工資、其他直接開支及適當部份之一般行政費用。釐定可變現淨值時參考在日常業務過程中出售物業之出售所得款項，減適用之可變銷售開支及直至完成時之預期成本，或由管理層根據現行市況作出估計後釐定。

(r) 存貨

存貨乃按成本及可變現淨值兩者之較低者入賬。存貨成本按先入先出基準或加權平均法(如適用)計算。可變現淨值指存貨估計售價減完成及進行銷售之必要估計成本。

當存貨售出時，該等存貨之賬面值於確認有關收益期間內作為銷售成本予以確認。將存貨撇減至可變現淨值之金額及存貨之所有虧損於撇減或虧損發生期間內作為銷售成本或行政開支(視何者合適)予以確認。任何存貨撇減之任何撥回於撥回產生期間內於銷售成本內抵銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Stock of properties

Stock of properties, which are held for trading, are stated at the lower of cost and net realisable value. Cost and net realisable value are determined as follows:

Properties under development held for sale

The costs of properties under development held for sale comprises specifically identified costs including the acquisition cost of land, aggregate cost of development, borrowing costs capitalised, material and supplies, wages, other direct expenses and an appropriate proportion of overheads. Net realisable value is determined by reference to the sale proceeds of properties sold in ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

(r) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out or weighted average method as appropriate. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as cost of sales in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as cost of sales or administrative expenses as appropriate in the period the write-down or loss occurs as appropriate. The amount of any reversal of any write-down of inventories is offset against the cost of sales in the period in which the reversal occurs.

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(s) 電影版權

電影版權指本集團所製作或本集團所外購之電影及電視連續劇。電影版權按成本減累計攤銷及累計減值虧損列賬。本集團於電影上映時開始攤銷電影版權之資本化成本並開始確認該電影之收益。

本集團會於各報告期末檢討及修訂電影版權預測收益總額及製作成本總額估計。倘估計獲修訂，則本集團會從估計出現變動期間起調整預測收入總額，並重新計算電影版權攤銷比率。估計變動的影響按未來基準確認。

攤銷開支按年內實際賺取之收入與銷售電影版權預計可得總收入之比例於綜合收入表內扣除。電影版權之攤銷將不多於二十年。倘有任何價值上的減值，其賬面值乃撇減至其可收回金額。

於每個報告期末，本集團會審閱內部及外部市場資料，以評估是否有任何跡象顯示電影版權已減值。倘任何有關跡象存在，則會估計資產之可收回金額，並會於需要時將減值虧損確認入賬，將資產減值至其估計可收回金額。該等減值虧損乃於綜合收入表內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Film rights

Film rights represent films and television drama series produced by the Group or acquired by the Group. Film rights are stated at cost less accumulated amortisation and accumulated impairment losses. The Group begins amortisation of the capitalised costs of film rights when a film 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 rights at the end of each reporting period. If estimates are revised, the Group adjusts the amount of total projected revenue from the period when such changes in estimates take place and re-calculated the ratio for amortisation of film rights. The effect from changes in estimates is recognised on a prospective basis.

Amortisation expense is charged to the consolidated income statement based on the proportion of actual income earned during the year to the total estimated income from the sale of film rights. The amortisation of film rights will not exceed twenty years. In the case where there is any impairment in value, the carrying amount is written down to its estimated recoverable amount.

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(t) 製作中電影

製作中電影指製作中之電影及電視連續劇，按截至入賬日期已動用成本減任何已識別減值虧損入賬。成本包括有關制作電影之所有成本，包括電影導演、演員及製作組薪酬、服裝、保險、化妝及髮型設計以及攝影機及燈光設備租金。製作中電影於電影上映時轉撥至電影版權。

於每個報告期末，本集團會審閱內部及外部市場資料，以評估是否有任何跡象顯示製作中電影已減值。倘任何有關跡象存在，則會估計資產之可收回金額，並會於需要時將減值虧損確認入賬，將資產減值至其可收回金額。該等減值虧損乃於綜合收入表內確認。

(u) 金融工具

金融資產及金融負債乃於集團個體成為工具合約條款之訂約方時確認。

金融資產及金融負債乃初步以公平價值進行計量。直接歸屬於購置或發行金融資產及金融負債(透過損益以公平價值列賬之金融資產除外)之交易成本於初次確認時計入或扣自各金融資產及金融負債(如適用)之公平價值。直接歸屬於購置透過損益以公平價值列賬之金融資產之交易成本即時於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Films in progress

Films in progress represents films and televisions drama series under production and is stated at cost at the date incurred, less any identified impairment losses. Cost includes all costs associated with the production of films including remuneration for the film director, casts and production crew, costumes, insurance, makeup and hairdressing as well as rental of camera and lighting equipment. Films in progress is transferred to film rights when the film is released.

At the end of each reporting period, both internal and external market information are considered to assess whether there is any indication that films in progress are impaired. If any such indication exists, the carrying amount of such assets is assessed and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the consolidated income statement.

(u) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(u) 金融工具 (續)

金融資產

金融資產分類為以下指定類別：透過損益以公平價值列賬（「透過損益以公平價值列賬」）之金融資產、可供出售（「可供出售」）金融資產及貸款及應收款項。分類以金融資產之性質及用途為準，並於初步確認時釐定。所有以常規方式購買或出售之金融資產，均按交易日基準進行確認及終止確認。以常規購買或出售方式購買或出售金融資產要求在相關市場之規則或慣例設定之時間內交付資產。

實際利息法

實際利息法為於有關期間計算債務工具之攤銷成本及分配利息收入之方法。實際利率乃是將實質折現透過債務工具之預期年期或較短期間（如適用）預計未來現金收款（包括構成實際利率不可或缺部份之一切已付或已收費及利率差價、交易成本及其他溢價或折現）至初次確認時之賬面淨值之利率。

利息收入乃按債務工具實際利息基準確認，惟分類為透過損益以公平價值列賬之金融資產除外，其利息收入計入其他收益及其他收入。

透過損益以公平價值列賬之金融資產

金融資產於以下情況分類為透過損益以公平價值列賬：(i) 持作買賣；或(ii) 指定為透過損益以公平價值列賬時。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL"), available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in other revenue and other income.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FVTPL.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(u) 金融工具 (續)

金融資產 (續)

透過損益以公平價值列賬之金融資產 (續)

金融資產於下列情況下分類為持作買賣：

- 購入主要為於近期銷售；
- 於初次確認時構成本集團合併管理的確定金融工具組合的一部份及具有最近實際短期獲利模式；或
- 金融資產為未被指定及可有效作為對沖工具的衍生工具。

除持作買賣之金融資產外，倘金融資產屬下列情況，則可能在初次確認時指定透過損益以公平價值列賬：

- 有關指定能消除或大幅減少，另外可能出現計量或確認之不一致；
- 該金融資產構成可根據本集團之書面風險管理或投資策略按公平價值管理及予以評估其表現之一組金融資產或一組金融負債或兩者，並按該基準在公司內部提供有關如何分組之資料；或
- 其構成載有一種或以上內含衍生工具之合約，而香港會計準則第39號准許整個合併合約(資產或負債)指定為透過損益以公平價值列賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

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3. 主要會計政策概要 (續)

(u) 金融工具 (續)

金融資產 (續)

透過損益以公平價值列賬之金融資產 (續)

透過損益以公平價值列賬之金融資產均以公平價值列賬，連同重新計量所產生之任何溢利或虧損，於損益確認。於綜合收入表確認之溢利或虧損淨額不包括任何股息或金融資產賺取之利息，並計入其他收益分項。釐定公平價值之方式載於財務報表附註5。

可供出售金融資產

可供出售金融資產乃指定為可供出售或並未分類為貸款及應收款項或透過損益以公平價值列賬之金融資產之非衍生工具。

可供出售債務證券於活躍市場沒有市場報價且其公平價值不能可靠地計量，則於各報告期末按成本扣除任何已識別減值虧損計量。

貸款及應收款項

貸款及應收款項為款項固定或可釐定之非衍生工具金融資產，且並無在活躍市場上報價。初次確認後，貸款及應收款項(包括就投資已付按金、電影投資、貿易應收賬款、已付按金、其他應收款項、應收貸款、定期存款及現金及銀行結餘)以運用實際利息法攤銷之成本減任何減值計量。

利息收入乃採用實際利率確認，惟利息確認不重大之短期應收款項除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in the consolidated income statements excludes any dividend or interest earned on the financial assets and is included in the other revenue line item. Fair value is determined in the manner described in note 5 to the financial statement.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as loans and receivables or financial assets at FVTPL.

AFS debt security that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including deposit paid for investment, investment in film, trade receivables, deposits paid, other receivables, loan receivables, time deposits and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

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

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(u) 金融工具 (續)

金融資產 (續)

金融資產減值

金融資產(透過損益以公平價值列賬除外)於各報告期末就減值指標進行評估。倘有客觀證據顯示因於初步確認金融資產後發生之一項或多項事件而引致有關金融資產之估計未來現金流量受到影響，則金融資產被視為出現減值。

就所有其他金融資產而言，減值之客觀證據可包括：

- 發行人或對方出現嚴重財政困難；或
- 違約，如逾期支付或拖欠利息或本金；或
- 借款人有可能破產或進行財務重組；或
- 因出現財政困難導致該金融資產失去活躍市場。

應收款項組合出現減值之客觀證據可包括本集團過往收款經驗、組合中款項平均信貸期60至90天過後仍未還款之次數增加、可影響應收款項拖欠情況之國家或地方經濟狀況出現明顯變動。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60-90 days, observable changes in national or local economic conditions that correlate with default on receivables.

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(u) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就以攤銷成本列賬之金融資產而言，確認之減值虧損金額為資產賬面值與估計未來現金流量之現值（按金融資產之原實際利率折現）間之差額。

按成本列賬之金融資產之減值虧損金額按資產之賬面值與就換取類似金融資產以現行市場利率折現估計未來現金流量現值間之差額計算。有關減值虧損不會於往後期間撥回。

就所有金融資產而言，減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項除外，其賬面值會透過撥備賬調減。撥備賬內之賬面值變動於綜合收入表中確認。當貿易應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回過往撇銷之金額乃計入綜合收入表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(u) 金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本計量之金融資產而言，倘減值虧損金額於隨後期間有所減少，而有關減少在客觀上與確認減值後發生之事件有關，則過往已確認之減值虧損將透過綜合收入表予以撥回，惟該投資於減值被撥回當日之賬面值不得超過未確認減值時之攤銷成本。

就可供出售債務證券而言，如投資之公平價值增加可客觀地視為與確認減值虧損後發生的事件有關，則減值虧損其後透過損益撥回。

金融負債及權益性工具

分類為金融負債或權益

集團個體發行之金融負債及權益性工具乃根據所訂立合約安排之實質內容及金融負債與權益性工具之釋義分類為金融負債或權益。

權益性工具

權益性工具乃證明於扣減其所有負債後某個體資產剩餘權益之任何合約。本公司發行之權益性工具乃按所得款項減直接發行成本淨額予以確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

In respect of AFS debt security, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Classification as financial liabilities or equity

Financial liabilities 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.

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(u) 金融工具 (續)

金融負債及權益性工具 (續)

實際利息法

實際利息法為於有關期間計算金融負債之攤銷成本及分配利息開支之方法。實際利率乃是將實質折現透過債務工具之預期年期或較短期間 (如適用) 預計未來現金付款 (包括構成實際利率不可或缺部份之一切已付或已收費用及利率差價、交易成本及其他溢價或折現) 至初次確認時之賬面淨值之利率。

利息開支乃按實際利率基準確認。

其他金融負債

其他金融負債 (包括銀行借貸、承付票、融資租賃債務、貿易應付賬款、已收按金、應計項目及其他應付款項 (不包括預收款項) 及應付非控股權益款項) 隨後採用實際利息法按攤銷成本計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Other financial liabilities

Other financial liabilities (including bank borrowings, promissory note, obligations under finance leases, trade payables, deposits received, accruals and other payables (excluding receipt in advance) and amounts due to non-controlling interests) are subsequently measured at amortised cost, using the effective interest method.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(u) 金融工具 (續)

終止確認

本集團僅於自資產獲取現金流之合約權利到期時，或本集團將金融資產及資產所有權之絕大部份風險及回報轉讓予另一個體時終止確認金融資產。倘本集團並未轉讓或保留所有權之絕大部份風險及回報，而是繼續控制已轉讓資產，則本集團會繼續確認於資產之保留權益，並確認可能須支付之相關負債。倘本集團保留已轉讓金融資產所有權之絕大部份風險及回報，則本集團繼續確認該金融資產，亦會就已收取之所得款項確認擔保借貸。

終止確認金融資產時，資產賬面值與已收及應收代價以及累計溢利或虧損（已於其他全面收入及累計權益確認）總和間之差額，於綜合收入表確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. 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, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated income statement.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(u) 金融工具 (續)

終止確認 (續)

除全面終止確認外，於終止確認金融資產時，本集團將金融資產之過往賬面值在其仍確認之部份及不再確認之部份之間，按照該兩者於轉讓日期之相關公平價值作出分配。不再確認部份獲分配之賬面值與該部份已收代價及其已於其他全面收入確認獲分配之任何累計溢利或虧損之總和間的差額，乃於綜合收入表內確認。已於其他全面收入確認之累計溢利或虧損乃按繼續確認部份及不再確認部份之相關公平價值在該兩者間作出分配。

本集團只有在責任獲免除、取消或終止時，方會終止確認金融負債。獲終止確認之金融負債之賬面值與已付及應付代價間差額會於綜合收入表確認。

抵銷金融工具

對於金融資產及金融負債，若有法律上可強制執行的權利將兩方面的確認金額相互抵銷，又有明確意向按抵銷後淨額結算又或同時變現資產及結清負債，則金融資產及負債的金額可相互扣減抵銷，並在綜合財務狀況表呈報所得淨額。這項可在法律上強制執行的權利不得取決於未來的事件，且必須是日常業務過程中及在公司或交易對方違責、無力償債或破產時均可強制執行。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Financial instruments (Continued)

Derecognition (Continued)

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the consolidated income statement. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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 the consolidated income statement.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(v) 現金及現金等值項目

現金及現金等值項目包括手頭及銀行現金、銀行及其他金融機構之定期存款、能迅速地轉換為一定現金數額之高流動性短期投資，並須承受非重大價值變動風險。

(w) 外幣

於編製各個別集團個體之財務報表時，以該個體功能貨幣以外之貨幣(外幣)進行之交易均按於交易日之現行匯率予以確認。於報告期末，以外幣計值之貨幣項目均按該日之適用匯率重新換算。按公平價值列賬並以外幣計值之非貨幣項目乃按其公平價值釐定當日之適用匯率重新換算。按外幣歷史成本計量之非貨幣項目不予重新換算。

因貨幣項目結算及貨幣項目之匯兌差額乃於差額產生期間內於綜合收入表確認，惟應收或應付一項海外業務之貨幣項目匯兌差額，既無計劃結算，發生結算之可能性亦不大(其為海外業務投資淨額之一部份)並初步於其他全面收入確認及於出售或部分出售本集團權益時由權益重新分類至損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(w) Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in the consolidated income statement in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(w) 外幣 (續)

就呈列綜合財務報表而言，本集團業務之資產及負債乃按各個報告期末之適用匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目乃按該期間之平均匯率換算。所產生之匯兌差額（如有）乃於其他全面收入確認及於權益內之「匯兌儲備」項下（歸屬於非控股權益，如適用）累計。

出售境外業務（即出售本集團於境外業務的全部權益，或出售涉及失去對含境外業務的附屬公司之控制權）時，有關本公司擁有人應佔該業務於權益累計的匯兌差額乃重新分類至損益。

(x) 租賃

租賃條款訂明將資產擁有權之絕大部份風險及回報轉至承租人之租賃，均列為融資租賃。所有其他租賃均列為經營租賃。

本集團作為出租人

經營租賃租金收入乃按有關租約之年期以直線法於綜合收入表確認。就經營租賃進行磋商及安排時產生之首次直接成本，乃加入租約資產之賬面值。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Foreign currencies (Continued)

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. HK\$) 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 the 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), 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.

(x) Leasing

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

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statements on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(x) 租賃 (續)

本集團作為承租人

按融資租賃所持有之資產於租賃開始時按彼等之公平價值或(如較低)最低租賃付款之現值確認為本集團之資產。向出租人履行之有關責任於綜合財務狀況表內列入「融資租賃債務」項下。

租賃付款為分攤融資成本及減少租賃債務之間，以至負債餘額按固定利率計息。融資成本於綜合收入表中即時確認，除非彼等直接由合資格資產應佔，於此情況下，彼等乃根據本集團有關借貸成本之一般政策予以資本化。

經營租約之付款(包括收購根據經營租約持有的土地之成本)乃按租約年期以直線法確認為開支。除非另有系統性基準，更能代表其租賃資產的經濟利益被消耗之時間模式。或然租金於發生當期列作開支。

倘訂立經營租賃時收到租金優惠，該等優惠於負債確認。所有租金優惠以直線法確認為遞減租金開支，除非另有系統性基準，更能代表其租賃資產的經濟利益被消耗之時間模式。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Leasing (Continued)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position under the heading of "obligations under finance leases".

Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognised immediately in the consolidated income statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(y) 僱員福利

年假

僱員之年假權益在假期歸於僱員時確認。就員工年內提供服務而產生之年假估計負債已作出撥備。員工之產假及病假權益在休假前不會予以確認。

花紅

當有合約責任且責任金額可作可靠估算時，本集團就花紅確認負債。

退休福利責任

向強制性公積金計劃（「強積金計劃」）、退休金計劃及國家管理退休福利計劃供款乃於僱員已提供服務並可享有供款時確認為開支。

本集團根據香港強制性公積金計劃條例為其受香港僱傭條例所管轄之僱員設立強積金計劃。強積金計劃乃一項定額供款計劃，其資產由獨立信託管理基金持有。

根據強積金計劃，僱主及僱員均須按僱員有關收入之5%向計劃作出供款，惟僱主供款以每月有關收入30,000港元為上限。本集團之計劃供款於產生時支銷，並根據計劃之歸屬程度歸屬。倘僱員於有權享有僱主供款之前退出計劃，沒收之供款將用作扣減本集團之應付供款。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Employee benefits

Annual leave

Employee entitlement to annual leave is recognised when it accrues to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees during the year. Employee entitlements to maternity leave and sick leave are not recognised until the time of leave.

Bonuses

The Group recognises a liability for bonuses when there is a contractual obligation and the amount can be estimated reliably.

Retirement benefit obligations

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

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employers' contributions subject to a cap of monthly relevant income of HK\$30,000. The Group's contributions to the scheme are expensed as incurred are vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(y) 僱員福利 (續)

退休福利責任 (續)

本集團之附屬公司為澳門之合資格僱員設立定額供款計劃。定額供款計劃由獨立管理公司設立及管理。本集團與僱員平均分擔每月向計劃之供款。

本集團之附屬公司於中華人民共和國(「中國」)所聘請僱員為中國政府所營辦並為國家管理之退休福利計劃成員。該等附屬公司須按僱員薪金之指定百分比向退休福利計劃支付供款，藉此為福利撥資。本集團就中國政府營辦之退休福利計劃所負唯一責任乃向該等計劃作出所須供款。

社會保障基金

本集團之全職僱員已參與政府強制性定額供款計劃，據此，澳門政府將釐定及支付定額退休福利。供款一般由僱員及僱主共同作出，僱員及僱主須每月向澳門政府管理之社會保障基金供款支付定額款項。本集團為整個供款提供資金，除每月供款外，並無其他承擔。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Employee benefits (Continued)

Retirement benefit obligations (Continued)

The Group's subsidiaries operate a defined contribution scheme for eligible employees in Macau. The defined contribution scheme is established and managed by an independent management company. Both the Group and the employees make equal share of monthly contributions to the scheme.

The employees employed by the Group's subsidiaries in the People's Republic of China (the "PRC") are members of state-managed retirement benefit schemes operated by the government of the PRC. The subsidiaries are required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is to make the specified contributions under the schemes.

Social security fund

Full-time employees of the Group are covered by a government-mandated defined contribution plan pursuant to which a fixed amount of retirement benefit would be determined and paid by the Macau government. Contributions are generally made by both employees and employers by paying a fixed amount on a monthly basis to the Social Security Fund Contribution managed by the Macau government. The Group funds the entire contribution and has no further commitments beyond its monthly contributions.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(y) 僱員福利 (續)

以股份支付之款項開支

向僱員或提供類似服務之其他人士按權益結算以股份支付之款項按權益性工具授出日期之公平價值計量。

按權益結算以股份支付款項於授出當日不計所有非市場歸屬條件而釐定之公平價值乃按本集團對最終歸屬之權益工具之估計按直線法於歸屬期支銷，而權益(以股份支付款項之儲備項下)則會相應增加。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而修訂其預期歸屬之權益性工具估計數目。修訂原估計之影響(如有)於綜合收入表確認，以使累計開支反映經修訂之估計，並於購股權儲備作相應調整。就於授出之日即時歸屬之購股權而言，所授出購股權之公平價值即時於綜合收入表列支。

行使購股權時，早前已確認之以股份支付之款項儲備數額將轉換為股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期時仍未獲行使，早前已確認之以股份支付之款額將轉入累計虧損。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Employee benefits (Continued)

Share-based payment expenses

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 under the heading of share-based payment 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 the consolidated income statements such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to the consolidated income statement.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. 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-based payment reserve will be transferred to accumulated losses.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(z) 授予顧問以股份支付之款項開支

與僱員以外人士進行之按權益結算以股份支付的交易乃按所收受貨品或所接受服務之公平價值計量，惟如該公平價值無法予以可靠地計量除外，此情況下則按所授出權益性工具之公平價值於個體取得貨品或交易對方提供服務之日計量。所收受貨品或所接受服務之公平價值乃確認為開支，除非有關貨品或服務合資格確認為一項資產。

(aa) 撥備

倘本集團因過往事件而須承擔現有法定或推定責任，且本集團很可能須履行該責任，並能可靠地估計所須承擔之金額，則須確認撥備。

確認為撥備之金額(包括服務特許經營安排為在移交授予人之前維持或恢復基建而指明的合約責任所產生者)乃按對於報告期末履行現時責任所需代價作出之最佳估計計量，並計及有關責任之風險及不確定因素。當撥備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(如貨幣時間價值之影響重大)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Share-based payment expenses granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

(aa) Provisions

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

The amount recognised as a provision, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(aa) 撥備 (續)

當結算撥備所需之部份或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收款項金額可作可靠計量，則將應收款項確認為資產。

(ab) 分類報告

於財務報表內所列出之經營分類及各分類項目之金額，乃按照定期提供予本集團最高級行政管理層以對本集團不同業務及地理位置作出資源分配及表現評估之財務資料而識別。

就財務報告而言，個別重大之經營分類不會合併計算，除非該等分類有類似之經濟特徵及類似之產品及服務性質、生產工序性質、客戶類別、分銷產品或提供服務所採用之方法、以及規管環境性質。倘若非個別重大之經營分類分佔該等標準中的大部份，則該等非個別重大之經營分類可合併計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(aa) Provisions (Continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ab) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(ac) 或然負債及或然資產

或然負債乃因過往事件而可能產生之責任，而其存在與否僅由本集團所不能完全控制之一件或多件未確定未來事件之發生或不發生所確定。或然負債亦可以是因過往事件而產生之現有責任，而由於不大可能導致經濟資源流失，又或者責任金額不能可靠地計量而未予以確認。倘流失可能性發生變動，以致有可能流失時，則確認為撥備。

或然資產乃因過往事件而可能產生之資產，其存在與否僅為本集團所不能完全控制之一件或多件未確定未來事件之發生或不發生所確定。若流入被實質確定時，將確認為資產。

(ad) 關連人士交易

另一方被視為本集團之關連人士倘：

- (a) 倘若某位人士屬以下情況，則該人士或該人士之家族之親密成員乃與本集團有關連：
 - (i) 對本集團擁有控制權或共同控制權；
 - (ii) 對本集團擁有重大影響力；或
 - (iii) 為本集團或本集團之母公司之主要管理人員之成員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. When inflow is virtually certain, an asset is recognised.

(ad) Related party transactions

A party is considered to be related to the Group if:

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(ad) 關連人士交易 (續)

(b) 倘若以下任何條件適用，則某個體乃與本集團有關連：

- (i) 該個體與本集團均為相同集團之成員（其意味著各母公司、附屬公司及同系附屬公司與其他者有關連）；
- (ii) 某一個體為其他個體之聯營公司或合資企業（或其他個體之集團之成員之聯營公司或合資企業為其成員）；
- (iii) 兩個體均為相同第三方之合資企業；
- (iv) 某個體為第三方個體之合資企業，而其他個體為該第三方個體之聯營公司；
- (v) 該個體為本集團或與本集團有關連之個體之僱員福利而設立之離職後福利計劃；
- (vi) 該個體為被(a)所識別之某位人士所控制或共同控制；
- (vii) (a)(i)所識別之某位人士對該個體擁有重大影響力或為該個體（或該個體之母公司）之主要管理人員之成員；或
- (viii) 該個體或其所屬集團任何成員公司向本集團或本集團母公司提供主要管理人員服務。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ad) Related party transactions (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

3. 主要會計政策概要 (續)

(ad) 關連人士交易 (續)

當關連人士之間存在資源、服務或承擔轉移時，交易被視為關連人士交易，而不理會否按價收酬。

某位人士之親密家族成員為與該個體進行交易時預期可能影響該人士或受該人士影響之該等家族成員。

(ae) 已終止經營業務

已終止經營業務乃本集團業務之組成部分，其營運及現金流量可與本集團其他業務清楚區分，且代表一項按業務或地區劃分之獨立主要業務，或作為出售一項按業務或地區劃分之獨立主要業務之單一統籌計劃一部分，或為一間純粹為轉售而收購之附屬公司。

倘經營業務被出售或符合列為持作出售項目之標準（如較早），則分類為已終止經營業務。倘經營業務被撤出時，有關經營業務亦會分類為已終止經營業務。

倘若經營業務分類為終止經營，則會於綜合收入表按單一數額呈列，當中包含：

- 已終止經營業務之除稅後溢利或虧損；及
- 就構成已終止經營業務之資產或出售組合，計量公平價值減出售成本或於出售時確認之除稅後盈虧。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ad) Related party transactions (Continued)

A related party transaction is a transfer of resources, services or obligations between the Group and a related party, regardless of whether a price is charged.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(ae) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of consolidated income statement, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

4. 主要會計判斷及估計不確定性之主要來源

於應用財務報表附註3所載本集團之會計政策時，本公司董事須就從其他來源不顯而易見之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃以過往經驗及認為屬有關之其他因素而作出。實際結果可能有別於該等估計。

估計及相關假設按持續基準審閱。倘若會計估計修訂僅影響該期間，則有關修訂會在修訂估計期間確認。倘若有關修訂影響當期及未來期間，則有關修訂會在修訂期間及未來期間確認。

應用會計政策之主要判斷

除涉及估計者外，本公司董事於應用本集團會計政策之過程中已作出及已對於財務報表內確認之款項有最重大影響之主要判斷如下：

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an 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.

Critical judgements in applying accounting policies

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

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

4. 主要會計判斷及估計不確定性之主要來源 (續)

應用會計政策之主要判斷 (續)

投資物業之遞延稅項

就計量產生自使用公平價值模式計量之投資物業之遞延稅項而言，本公司董事已審閱本集團之投資物業組合，並得出結論為本集團之投資物業並非以隨時間消耗其絕大部分經濟利益為主之業務模式持有。因此，於釐定本集團有關投資物業之遞延稅項時，本公司董事已釐定，使用公平價值模式計量之投資物業之賬面值乃完全透過出售予以收回之假設不予推翻。由於本集團出售投資物業時之公平價值變動毋須繳納任何所得稅，故本集團並無確認投資物業公平價值變動之任何遞延稅項。

采星娛樂有限公司 (「采星」) 分類為合資企業

采星為一間有限責任公司，其法律形式表現為合資安排各方及該公司本身間之分割。此外，並無合約安排或任何其他因素及情況訂明合資安排各方有權享有資產及對合資安排之負債承擔責任。因此，采星分類為本集團之合資企業。

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

Critical judgements in applying accounting policies (Continued)

Deferred tax on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment properties portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred tax on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Classification of Sparkle Star Entertainment Limited ("Sparkle Star") as a joint venture

Sparkle Star is a limited liability company whose legal form confers separation between the parties to the joint arrangements and the company itself. Furthermore, there are no contractual arrangements or any other facts and circumstances that specify that the parties to the joint arrangements have rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, Sparkle Star is classified as a joint venture of the Group.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

4. 主要會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源

以下為於報告期末可能有重大風險會導致下一個財政年度內資產及負債之賬面值須作重大調整之與未來有關之主要假設及估計不確定性之其他主要來源。

貿易應收賬款

本集團定期檢討貿易應收賬款之賬齡，以確保可收回貿易應收賬款結餘，並可於協定之信貸期逾期後迅速採取跟進行動。然而，本集團收賬不時會出現延誤。當貿易應收賬款結餘之可收回機會存疑，本集團則會根據客戶之信貸狀況、貿易應收賬款結餘之賬齡分析及撇賬紀錄，作呆壞賬特別撥備。若干應收款項可初步確認為可收回，但其後可能無法收回而須於綜合收入表內撇銷相關應收款項。如未能為可收回機會出現變化之貿易應收賬款作出撥備，可能會對本集團之經營業績構成影響。

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

Key sources of estimation uncertainty

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

Trade receivables

The aging debt profile of trade receivables is reviewed on a regular basis to ensure that the trade receivable balances are collectible and follow up actions are promptly carried out if the agreed credit periods have been exceeded. However, from time to time, the Group may experience delays in collection. Where recoverability of trade receivable balances are called into doubts, specific provisions for bad and doubtful debts are made based on credit status of the customers, the aging analysis of the trade receivables balances and write-off history. Certain receivables may be initially identified as collectible, yet subsequently become uncollectible and result in a subsequent write-off of the related receivables to the consolidated income statement. Changes in the collectability of trade receivables for which provisions are not made could affect our results of operations.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

4. 主要會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

固定資產之經濟可使用年期評估

固定資產須於其經濟可使用年期內折舊或攤銷。本集團基於以過往經驗作出判斷去評估可使用年期，考慮因素如技術進度、市場需求轉變、預期用法及實物損耗。本集團會定期檢討可使用年期是否繼續適用。由於資產壽命較長，賬面值會因應估算之變動而改變。

製作中電影減值

本公司董事於各報告期末檢討製作中電影，並確定於生產中不再適用之滯銷製作中電影。本公司董事主要根據最近可比市價及現時市況估計此等製作中電影之可變現淨值。此外，本集團於各報告期末逐項檢討每部電影，並就不再進行之任何製作中電影作出撥備。

電影版權減值

於各報告期末參考內部及外界市場資料(例如根據各部影片的預期受歡迎程度作出的銷售預期、為完成銷售將予評核的預期制作、銷售及發行成本以及相關市場的一般經濟狀況)對電影版權進行減值評估。於該評估中所採用假設(包括預期收益)之變動，可能導致於財務報表內作出額外撥備。

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

Key sources of estimation uncertainty (Continued)

Assessment of economic useful lives of fixed assets

Fixed assets are depreciated or amortised over their economic useful lives. The assessment of estimated useful lives is a matter of judgement based on the experience of the Group, taking into account factors such as technological progress, changes in market demand, expected usage and physical wear and tear. Useful lives are periodically reviewed for continued appropriateness. Due to long lives of assets, changes to the estimates used can result in variations in their carrying amounts.

Impairment of films in progress

The directors of the Company review films in progress at the end of each reporting period, and identify the slow-moving films in progress that is no longer suitable for use in production. The directors of the Company estimate the net realisable value for such films in progress primarily based on the latest available market prices and current market conditions. In addition, the Group carries out review on each film at the end of each reporting period and makes allowance for any films in progress which no longer proceeds.

Impairment of film rights

Impairment assessments on film rights are performed at the end of each reporting period with reference to both internal and external market information, for example, sales forecast based on expected popularity of the respective titles, the expected production, sales and distribution costs to be reviewed to conclude the sales, and the general economic condition of the relevant markets. Changes in assumptions used in this assessment, including the forecasted revenue, may result in additional provision being made in the financial statements.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

4. 主要會計判斷及估計不確定性之主要來源 (續)

估計不確定性之主要來源 (續)

所得稅

本集團須於多個司法權區繳納所得稅。於釐定稅項撥備時須作出重大判斷。於日常業務過程中，多項交易及計算均難以確定最終稅項。本集團按會否繳納額外稅項之估計，確認稅項負債。倘該等事宜之最終稅務結果與最初記錄之金額不同，有關差額將影響釐定年度之所得稅及遞延稅項撥備。

分類為物業存貨之發展中物業之估計可變現淨值

於釐定是否應就本集團發展中物業作出撥備時，本集團考慮當前市場環境及估計市值（即估計售價減估計銷售開支成本）減直至物業落成之估計成本。倘估計市值低於賬面值，則作出撥備。倘因市況產生變動及／或預算發展成本內重大變量而使發展中物業實際可變現淨值低於預期，則可能會產生減值虧損之重大撥備。

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

Key sources of estimation uncertainty (Continued)

Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Estimated net realisable value on properties under development classified as stock of properties

In determining whether allowances should be made for the Group's properties under development, the Group considers the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses) less estimated costs to completion of the properties. An allowance is made if the estimated market value is less than the carrying amount. If the actual net realisable value on properties under development is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, may result in material provision for impairment loss.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具

(a) 金融工具類別：

金融資產

可供出售金融資產
透過損益以公平價值列賬之
金融資產
貸款及應收款項（包括現金及
銀行結餘）

金融負債

攤銷成本

(b) 金融風險管理目標及政策

本集團來自持續經營業務之主要金融工具包括可供出售金融資產、透過損益以公平價值列賬之金融資產、提供予一名董事之貸款、就投資已付按金、電影投資、貿易應收賬款、已付按金、其他應收款項、應收貸款、定期存款、現金及銀行結餘、銀行借貸、承付票、融資租賃債務、貿易應付賬款、已收按金、應計項目及其他應付款項（不包括預收款項）及應付非控股權益款項。本集團金融工具之詳情於相關財務報表附註披露。

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Financial assets		
AFS financial assets	173	–
Financial assets at FVTPL		
Financial assets	725,816	286,933
Loans and receivables (including cash and bank balances)	1,206,274	2,367,779
Financial liabilities		
Amortised cost	997,592	986,321

(b) Financial risk management objectives and policies

The Group's major financial instruments from continuing operations include AFS financial assets, financial assets at FVTPL, loan to a director, deposit paid for investment, investment in film, trade receivables, deposits paid, other receivables, loan receivables, time deposits, cash and bank balances, bank borrowings, promissory note, obligations under finance leases, trade payables, deposits received, accruals and other payables (excluding receipt in advance) and amounts due to non-controlling interests. Details of the financial instruments for the Group are disclosed in respective notes to the financial statements.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

與該等金融工具有關的風險包括市場風險 (外匯風險、股本價格風險及利率風險)、信貸風險及流動資金風險。如何緩和該等風險之政策載列如下。管理層管理及監控該等風險，以確保及時有效地採用適當措施。

本集團有關金融工具之風險類別或管理及計量該等風險之方式並無變動。

市場風險

(i) 外匯風險

本集團在香港、澳門、荷蘭及中國經營業務，且大部份交易乃以港元、美元 (「美元」)、澳門幣 (「澳門幣」)、歐元 (「歐元」) 及人民幣 (「人民幣」) 計值。外匯風險來自未來商業交易、已確認資產及負債以本集團功能貨幣以外之其他貨幣計值而產生。

只要港元仍然與美元及澳門幣掛鈎，本集團便毋須承擔重大外匯風險。因此美元及澳門幣不在下文分析之列。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

The risks associated with these financial instruments include market risk (foreign exchange risk, equity price risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong, Macau, Netherlands and PRC and majority of transactions are denominated in HK\$, US dollar ("US\$"), Macau Pataca ("MOP"), Euro ("EUR") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group.

The Group is not exposed to material foreign exchange risk exposure in respect of HK\$ against US\$ and MOP as long as these currencies are pegged. Therefore US\$ and MOP are excluded from the analysis below.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(i) 外匯風險 (續)

以歐元及人民幣計值之交易及貨幣資產極少，故本集團認為並無有關歐元及人民幣之重大外匯風險承擔。因此歐元及人民幣不在下文分析之列。

本集團現時並無任何外匯流動資產及負債之外匯貨幣對沖工具。管理層將密切監察其外幣風險，並於必要時考慮對沖重大外幣風險。

(ii) 股本價格風險

本集團因分類為持作買賣投資透過損益以公平價值列賬之金融資產之股本投資而面臨股本價格風險，於各報告期末均會按公平價值計量。管理層以設立不同風險水平之投資組合控制有關風險。本集團之股本價格風險主要集中於股本證券，其業務涵蓋在澳洲及中國收購、勘探及開發鐵礦；提供證券經紀、包銷及配售、保證金及首次公開發售融資、企業財務顧問服務、期貨經紀及資產管理服務並在澳門提供博彩及酒店服務；提供航空及物流服務以及提供線上金融市場資訊。此外，本集團將監察股本價格風險並於必要時將考慮對沖風險。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign exchange risk (Continued)

The transactions and monetary assets denominated in EUR and RMB is minimal, the Group considers there has no material foreign exchange risk exposure in respect of EUR and RMB. Therefore EUR and RMB are excluded from the analysis below.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The management will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(ii) Equity price risk

The Group is exposed to equity price risk through its equity investments classified as held for trading investments in financial assets at FVTPL which are measured at fair value at the end of each reporting period. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities operating in acquisition, exploration and development of iron ore in Australia and the PRC, provision of securities brokerage, underwriting and placements, margin and initial public offering financing, corporate finance advisory services, futures brokerage and asset management services and provision of gaming and hospitality services in Macau, provision of aviation and logistics services and provision of online financial market information. In addition, the Group will monitor the equity price risk and will consider hedging the risk exposure should the need arise.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(ii) 股本價格風險 (續)

敏感度分析

以下敏感度分析乃根據報告期末所承受之股本價格風險而釐定。

倘股本價格上升／下降5%，則本集團截至二零一七年十二月三十一日止年度之稅前溢利將增加／減少約25,412,000港元（二零一六年：稅前虧損減少／增加約14,347,000港元）。此乃主要由於在聯交所買賣透過損益以公平價值列賬之金融資產之公平價值變動。

(iii) 利率風險

於二零一七年十二月三十一日，本集團並無重大浮息計息借貸。因此，本公司概無重大利率風險承擔。

於二零一六年十二月三十一日，本集團承受之利率風險乃主要由於浮息借貸（有關銀行借貸詳情見財務報表附註39）。本集團之收入及經營現金流量很大程度上不受市場利率變動所影響。本集團目前並無利率對沖政策。儘管如此，管理層監控利率風險及於需要時將考慮對沖重大利率風險。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Equity price risk (Continued)

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 5% higher/lower, the Group's pre-tax profit for the year ended 31st December 2017 would increase/decrease by approximately HK\$25,412,000 (2016: pre-tax loss decrease/increase by approximately HK\$14,347,000). This is mainly due to the changes in fair value of financial assets at FVTPL that trades in the Stock Exchange.

(iii) Interest rate risk

At 31st December 2017, the Group has no material variable rate interest-bearing borrowings. Therefore, the Company is not exposed to significant interest rate risk exposure.

At 31st December 2016, the Group was exposed to interest rate risk related primarily to variable rate borrowings (note 39 to the financial statements for the details of bank borrowings). The Group's income and operating cash flows were substantially independent of changes in market interest rates. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

市場風險 (續)

(iii) 利率風險 (續)

敏感度分析

下文之敏感度分析根據於各報告期末就非衍生工具之利率風險釐定。分析乃假設於報告期末尚未行使之金融工具為全年尚未行使而編製。於二零一六年十二月三十一日，當向主要管理人員內部匯報利率風險時，乃使用增加或減少50個基點，並指管理層對利率可能合理變動之評估。

倘利率高於／低於50個基點，而所有其他變數維持不變，則本集團於截至二零一六年十二月三十一日止年度之稅前虧損應會減少／增加約4,018,000港元，主要由於本集團所面對浮息借貸之利率風險所致。

信貸風險

本集團之信貸風險主要由於貿易應收賬款、提供予一名董事之貸款、應收貸款、定期存款及現金及銀行結餘。於二零一七年十二月三十一日，因交易對方未能履行責任而可為本集團帶來財務虧損為本集團最大信貸風險，乃來自綜合財務狀況表所列各項已確認金融資產之賬面值。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. At 31st December 2016, 50 basis points increase or decrease are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax loss for the year ended 31st December 2016 would decrease/increase by approximately HK\$4,018,000. This is mainly attributable to the Group's exposure to interest rates on its variable rate of borrowings.

Credit risk

The Group's credit risk is primarily attributable to trade receivables, loan to a director, loan receivables, time deposits and cash and bank balances. At 31st December 2017, 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 arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險 (續)

於二零一七年十二月三十一日，由於本集團99% (二零一六年：97%) 之貿易應收賬款乃應收2名客戶 (二零一六年：3名客戶)，因此本集團存在若干集中信貸風險。本公司管理層認為，由於本集團僅與信用記錄妥當及聲譽良好之客戶進行貿易，故信貸風險有限。管理層會持續監察債務人之財務背景及聲譽。

為將信貸風險降至最低，管理層已委派一個團隊負責釐定信貸限額、信貸批准及其他監管程序，以確保採取行動追收逾期貸款。此外，本集團於報告期末檢討各個別銷貨客戶及應收貸款之可收回金額，以確保就不可收回金額作出適當減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

於二零一七年十二月三十一日，本集團曾墊付一筆貸款予一名董事。本公司董事視此信貸風險有限，原因是本集團僅會提供貸款予具備合適信貸記錄及良好信譽之董事。本公司董事有持續監察該借貸之財務背景及信譽。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

At 31st December 2017, the Group has certain concentration of credit risk as 99% (2016: 97%) of the trade receivables of the Group were due from 2 customers (2016: 3 customers). Management of the Company considered the credit risk is limited since the Group only trade with customers with an appropriate credit history and good reputation. The management monitored the financial background and creditability of those debtors on an ongoing basis.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debtor and loan receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

At 31st December 2017, the Group had advanced a loan to a director. The directors of the Company considered the credit risk is limited since the Group only provides loan to director who has an appropriate credit history and good reputation. The directors of the Company monitored the financial background and creditability of borrow on an ongoing basis.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

信貸風險 (續)

本集團將其定期存款及銀行結餘存放於獲認可及信譽良好之銀行。該等銀行破產或無力償債或會導致本集團就所持定期存款及銀行結餘之權利被延遲或受到限制。本公司董事會持續監察此等銀行之信貸評級，並認為本集團於二零一七年十二月三十一日及二零一六年十二月三十一日所承受之信貸風險甚微。

本集團並無其他重大信貸之集中風險。本集團會持續監控其所面臨之信貸風險。

流動資金風險

本集團通過維持充足現金及現金等值項目、監管預測及實際現金流量以及配合金融資產及金融負債之到期時間表，藉此管理流動資金。

管理層持續監管流動資金風險。載有銀行借貸到期日及與之有關之流動資金需求之報告已定期向管理層提供以供審閱。必要時，管理層將增加銀行借貸或對其進行融資。

下表列示本集團之非衍生財務負債之剩餘合約期限詳情。該等表格乃基於本集團須作出支付之最早日期根據金融負債之未貼現現金流制定。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group deposited time deposits and bank balances with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to time deposits and bank balances held to be delayed or limited. The directors of the Company monitor the credit rating of these banks on an ongoing basis, and consider that the Group's exposure to credit risk at 31st December 2017 and 31st December 2016 were minimal.

The Group does not have any other significant concentrations of credit risk. The exposures to these credit risks are monitored on an ongoing basis.

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash and cash equivalents, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The liquidity risk is under continuous monitoring by the management. Reports with maturity dates of bank borrowings and thus the liquidity requirement are provided to management for review periodically. Management will raise or refinance bank borrowings whenever necessary.

The following table shows details of the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

非衍生財務負債之到期日乃以協定還款日期為基準編製。表內款項乃根據合約未貼現付款披露如下：

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The maturity dates for non-derivative financial liabilities are prepared based on the agreed repayment dates. The amounts disclosed in the table are based on the contractual undiscounted payments, are as follows:

實際利率	按要求			未貼現	賬面值總計
	或於一年內	二至五年內	五年以上	現金流量總計	
Effective interest rate	On demand or within 1 year	Within 2-5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
	千港元	千港元	千港元	千港元	千港元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

於二零一七年十二月三十一日 At 31st December 2017

非衍生金融負債	Non-derivative financial liabilities	Effective interest rate	On demand or within 1 year	Within 2-5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount
			千港元	千港元	千港元	千港元	千港元
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
承付票	Promissory note	17.49%	-	212,500	-	212,500	173,817
貿易應付賬款	Trade payables	-	26,589	-	-	26,589	26,589
已收取按金、應計項目及其他應付款項	Deposits received, accruals and other payables	-	294,070	-	-	294,070	294,070
應付非控股權益款項	Amounts due to non-controlling interests	-	503,116	-	-	503,116	503,116
總計	Total		823,775	212,500	-	1,036,275	997,592



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(b) 金融風險管理目標及政策 (續)

流動資金風險 (續)

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	實際利率 Effective interest rate	按要求			未貼現	
		或於一年內 On demand or within 1 year 千港元 HK\$'000	二至五年內 Within 2-5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	現金流量總計 Total undiscounted cash flows 千港元 HK\$'000	賬面值總計 Total carrying amount 千港元 HK\$'000
於二零一六年十二月三十一日		At 31st December 2016				
非衍生金融負債		Non-derivative financial liabilities				
銀行借貸	2.65%–3.50%	138,082	372,600	320,850	831,532	803,513
融資租賃債務	5.00%–7.52%	244	373	–	617	584
貿易應付賬款	–	43,820	–	–	43,820	43,820
已收取按金、應計項目及 其他應付款項	–	138,194	–	–	138,194	138,194
應付非控股權益款項	–	210	–	–	210	210
總計		320,550	372,973	320,850	1,014,373	986,321

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(c) 金融工具之公平價值

金融資產及金融負債之公平價值乃按下列各項釐定：

- 具有標準條款及條件及於活躍流動市場買賣的金融資產及金融負債，乃分別參考所報市場買盤及賣盤價格釐定公平價值；
- 衍生工具之公平價值乃以報價計算。倘未取得有關價格，則非期權衍生工具以工具年期之適用收益曲線進行折現現金流分析，而期權衍生工具則以期權定價模式進行折現現金流分析；及
- 其他金融資產及金融負債(不包括上文所述者)之公平價值乃根據普遍採納定價模式(基於折現現金流分析)釐定。

除下表所詳述者外，本公司董事認為，金融資產及金融負債於財務報表內確認之賬面值與其公平價值相若：

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid prices and ask prices respectively;
- the fair values of derivative instruments are calculated using quoted prices. When such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives; and
- the fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values:

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(c) 金融工具之公平價值 (續)

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

		於二零一七年 十二月三十一日 At 31st December 2017		於二零一六年 十二月三十一日 At 31st December 2016	
		賬面值 Carrying amount 千港元 HK\$'000	公平價值 Fair value 千港元 HK\$'000	賬面值 Carrying amount 千港元 HK\$'000	公平價值 Fair value 千港元 HK\$'000
提供予一名董事之貸款	Loan to a director	293,371	294,636	-	-
承付票	Promissory note	173,817	184,059	-	-

提供予一名董事之貸款及承付票的公平價值歸類為第三級公平價值層級，乃基於經貼現現金流分析按一般接受之定價模型釐定，其最顯著輸入數據為貼現率可反映持有人就投資於類似金融工具所要求的回報。

下表呈列本集團之金融工具於報告期末按經常性基準計量之公平價值，有關公平價值歸類為三級公平價值層級(定義見香港財務報告準則第13號公平價值計量)。公平價值計量所歸入之層級及參考估值技術所使用之輸入數據之可觀察性及重要性而釐定，情況如下：

- 第一等級估值：公平價值僅採用第一等級輸入數據計量，即於計量日相同資產或負債於活躍市場之未經調整報價；
- 第二等級估值：公平價值採用第二等級輸入數據(即未符合第一等級之可觀察輸入數據)計量及不使用顯著不可觀察輸入數據。不可觀察輸入數據為不可獲得市場數據之輸入數據；及
- 第三等級估值：公平價值使用顯著不可觀察輸入數據計量。

The fair values of loan to a director and promissory note are classified as level 3 category in fair value hierarchy which have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the return required by the holder for investing in similar financial instrument.

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are input for which market data are not available; and
- Level 3 valuations: fair value measured using significant unobservable inputs.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(c) 金融工具之公平價值 (續)

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

		第一等級 Level 1 千港元 HK\$'000	第二等級 Level 2 千港元 HK\$'000	第三等級 Level 3 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一七年十二月三十一日 按經常性基準之公平價值	At 31st December 2017 Fair value on a recurring basis				
透過損益以公平價值列賬之 金融資產	Financial assets at FVTPL				
– 在香港上市之股本證券	– Equity securities listed in Hong Kong	508,237	–	3,635	511,872
– 提供予一名董事之 貸款內所含之認購期權	– Call option embedded in loan to a director	–	–	213,944	213,944
		508,237	–	217,579	725,816
		第一等級 Level 1 千港元 HK\$'000	第二等級 Level 2 千港元 HK\$'000	第三等級 Level 3 千港元 HK\$'000	總計 Total 千港元 HK\$'000

於二零一六年十二月三十一日 按經常性基準之公平價值	At 31st December 2016 Fair value on a recurring basis				
透過損益以公平價值列賬之 金融資產	Financial assets at FVTPL				
– 在香港上市之股本證券	– Equity securities listed in Hong Kong	286,933	–	–	286,933

本集團之政策為確認於導致轉撥之事件或情況變動出現之日結束時的公平價值等級間轉撥。

於二零一七年十一月二十七日，本集團其中一項分類為透過損益以公平價值列賬之金融資產的香港上市股本證券被暫停買賣，故無法提供活躍市場上的未經調整報價。本集團遂參考博浩企業顧問有限公司所進行的估值計量該停牌證券之公平價值，其中公平價值的計量使用顯著不可觀察輸入數據，因此該停牌證券之公平價值由第一等級被重新分類至第三等級估值。

於截至二零一七年十二月三十一日止年度，並無由第一等級轉至第二等級及由第二等級轉至第三等級。

於截至二零一六年十二月三十一日止年度，並無在第一等級與第二等級之間進行轉撥、或轉入或轉出第三等級。

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the end of the date of the events or change in circumstances that caused the transfer.

On 27th November 2017, one of the Group's equity securities listed in Hong Kong classified as financial assets at FVTPL was suspended trading, therefore, no unadjusted quoted price in an active market is available. The Group measured fair value of suspended trading security by reference to the valuation carried out by Graval Consulting Limited in which fair value was measured by using significant unobservable inputs, thus, the fair value of suspended trading security was reclassified from level 1 to level 3 valuations.

During the year ended 31st December 2017, there were no transfers between level 1 to level 2 and level 2 to level 3.

During the year ended 31st December 2016, there were no transfers between level 1 and level 2, or transfers into or out of level 3.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(c) 金融工具之公平價值 (續)

下表呈列截至二零一七年十二月三十一日止年度被分類為第三等級類別之透過損益以公平價值列賬之金融資產之變動：

		千港元 HK\$'000
於二零一七年一月一日	At 1st January 2017	-
提供予一名董事之貸款所產生之認購期權	Call option arising on advance from loan to a director	228,092
轉撥自第一等級	Transfer from level 1	34,500
透過損益以公平價值列賬之金融資產之公平價值變動產生之虧損	Loss arising on change in fair value of financial assets at FVTPL	(45,013)
於二零一七年十二月三十一日	At 31st December 2017	217,579

有關第三等級公平價值計量之資料

Information about level 3 fair value measurements

	估值技巧 Valuation techniques	顯著不可觀察輸入數據 Significant unobservable input	顯著不可觀察輸入數據與公平價值之關係 Relation of significant unobservable inputs to fair value
提供予一名董事之貸款內所含之認購期權 Call option embedded in loan to a director	二項式期權定價模式 Binomial option pricing model	相關資產價值 Underlying assets value	相關資產價值與認購期權之公平價值計量存在正值關係 The underlying assets value is positively correlated to the fair value measurement of the call option
		預期波幅 Expected volatility	預期波幅與認購期權之公平價值計量存在正值關係 The expected volatility is positively correlated to the fair value measurement of the call option
停牌香港上市證券 Suspended trading security listed in Hong Kong	市場法 Market approach	持股回報基準負21.65% Holding return basis of negative 21.65%	持股回報基準與停牌香港上市證券之公平價值計量存在正值關係 The holding return basis is positively correlated to the fair value measurement of the suspended trading security listed in Hong Kong
		市盈率基準51.47% Price-to-earning basis of 51.47%	市盈率基準與停牌香港上市證券之公平價值計量存在正值關係 The price-to-earning basis is positively correlated to the fair value measurement of the suspended trading security listed in Hong Kong
		貼現率負84.61% Discount rate of negative 84.61%	貼現率與停牌香港上市證券之公平價值計量存在負值關係 The discount rate is negatively correlated to the fair value measurement of the suspended trading security listed in Hong Kong

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(c) 金融工具之公平價值 (續)

有關第三等級公平價值計量之資料 (續)

於估計資產之公平價值時，管理層與博浩企業顧問有限公司密切合作，以建立適當估值技術及該模式之輸入數據。管理層於各報告期末向本公司董事報告調研結果，以解釋資產公平價值波動之原因。

有關釐定提供予一名董事之貸款內所含之認購期權及停牌香港上市證券之公平價值所採用的估值技術及輸入數據之資料乃於上文披露。

就認購期權成份之估值採用二項式期權定價模式。於二零一七年十二月三十一日(即認購日期)該模式之輸入數據如下：

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

Information about level 3 fair value measurements (Continued)

In estimating the fair value of an asset, the management work closely with Graval Consulting Limited to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the directors of the Company at the end of each reporting period to explain the cause of fluctuations in fair value of the asset.

Information about the valuation techniques and inputs used in determining the fair value of the call option embedded in loan to a director and the suspended trading security listed in Hong Kong are disclosed above.

Binomial option pricing model is used for valuation for the call option component. The inputs into the model at 31st December 2017, being the subscription date are as follows:

		於二零一七年 十二月三十一日 At 31st December 2017	於二零一六年 十二月三十一日 At 31st December 2016
相關資產價值(千港元)	Underlying assets value (HK\$'000)	384,000	N/A不適用
行使價(千港元)	Exercise price (HK\$'000)	500,000	N/A不適用
預期波幅(%)	Expected volatility (%)	38.59	N/A不適用
股息收益(港元)	Dividend yield (HK\$)	N/A不適用	N/A不適用
期權有效期(年)	Option life (years)	4.27	N/A不適用
無風險利率(%)	Risk free rate (%)	1.58	N/A不適用

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(d) 資本管理

本集團管理其資本，以確保本集團之個體將可持續經營，並透過優化債務及權益結餘為持份者帶來最大回報。於過往年度，本集團之整體策略維持不變。

本集團之資本結構包括債務淨額（其包括銀行借貸、承付票、融資租賃債務及應付非控股權益款項）及本公司擁有人應佔權益，其包括股本及儲備。

本集團並無面臨任何外來施加的資本要求。

資產負債比率

本公司董事按年度基準審閱資本結構。作為此審閱之一部份，本公司董事考慮資本成本及與各等級資本相關之風險。本集團將根據本公司董事之推薦建議透過支付股息、發行新股份或購回現有股份以及發行新債務或贖回現有債務而平衡其整體資本結構。

5. FINANCIAL INSTRUMENTS (Continued)

(d) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts (which includes bank borrowings, promissory note, obligations under finance leases and amounts due to non-controlling interests) and equity attributable to owners of the Company (comprising share capital and reserves).

The Group is not subject to any external imposed capital requirements.

Gearing ratio

The directors of the Company review the capital structure on annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through payment of dividends, issue of new shares or repurchase of existing shares as well as issue of new debts or redemption of existing debts.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

5. 金融工具 (續)

(d) 資本管理 (續)

資產負債比率 (續)

本集團旨在維持資產負債比率不超過50%。於報告期末之資產負債比率如下：

5. FINANCIAL INSTRUMENTS (Continued)

(d) Capital management (Continued)

Gearing ratio (Continued)

The Group aimed at maintaining a gearing ratio of not more than 50%. The gearing ratio at the end of the reporting period was as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
總債務 (附註)	Total debts (note)	844,170	804,097
減：定期存款以及現金 及銀行結餘	Less: Time deposits and cash and bank balances	(424,355)	(769,939)
債務淨額	Net debt	419,815	34,158
本公司擁有人應佔權益	Equity attributable to owners of the Company	3,281,574	3,208,362
淨債務對權益比率	Net debt to equity ratio	13%	1%
總債務對權益比率	Total debt to equity ratio	26%	25%

附註：總債務包括銀行借貸、承付票及融資租賃債務 (詳情分別見財務報表附註39、40及41)。

Note: Total debts comprises bank borrowings, promissory note and obligations under finance leases as detailed in notes 39, 40 and 41 to the financial statements respectively.

6. 分類資料

本集團根據本公司董事 (即主要營運決策者 [主要營運決策者]) 審閱之報告釐定其經營分類，以於分類間作資源分配及監督分類表現並用於策略決定。

本集團有五個須予報告分類—酒店及博彩服務經營業務、電影相關業務經營業務、物業開發經營業務、南北行經營業務及博彩推廣經營業務。該等分類乃根據有關本集團經營業務之資料 (管理層用以作出決策) 劃分。

6. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the directors of the Company, being the chief operating decision maker (the "CODM"), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has five reportable segments – hotel and gaming service operations, film related business operations, property development operations, Nam Pei Hong operations and gaming promotion operations. The segmentations are based on the information about the operations of the Group that management uses to make decisions.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

6. 分類資料 (續)

本集團須予報告分類乃經營不同業務活動之策略業務單位。由於各項業務有不同市場及需要不同的市場推廣策略，故彼等被獨立管理。

本集團持續經營業務及已終止經營業務各須予報告分類之詳情概括如下：

持續經營業務

電影相關業務經營 — 投資、製作、發行電影及電視連續劇並授出其特許權、以及提供其他電影相關服務包括藝人管理服務

物業開發經營業務 — 投資及開發位於香港及澳門的物業

已終止經營業務

酒店及博彩服務經營業務 — 於澳門蘭桂坊酒店提供酒店服務、食品及飲品經營業務服務、提供場地佔用權及博彩經營業務之市場推廣服務

南北行經營業務 — 銷售中藥及其他醫藥產品、保健產品、參茸海味產品予批發商及零售商以及中醫臨床服務

博彩推廣經營業務 — 投資於自博彩推廣業務收取溢利之經營業務

以下所報告分類資料不包括已終止經營業務之任何金額，其於財務報表附註13作更詳細披露。

6. SEGMENT INFORMATION (Continued)

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Particulars of the Group's reportable segments for continuing and discontinued operations are summarised as follows:

Continuing operations

Film related business operations — Investment, production, distribution and licensing of films and television drama series and provision of other film related services including artist management services

Property development operations — Investment and development of properties located in Hong Kong and Macau

Discontinued operations

Hotel and gaming service operations — Provision of hotel services, food and beverage operation services, provision of right to occupy site and marketing services for gaming operation in Hotel Lan Kwai Fong Macau

Nam Pei Hong operations — Sales of Chinese and other medicines pharmaceutical products, health products, ginseng and dried seafood products to wholesalers and retailer as well as Chinese clinical services

Gaming promotion operations — Investing in operations which receive profit streams from the gaming promotion business

The segment information reported below does not include any amounts for the discontinued operations, which are disclosed more detail in note 13 to the financial statements.

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

6. 分類資料 (續)

持續經營業務

有關該等經營業務之分類資料呈列如下：

(a) 本集團按經營分類劃分之收益及業績分析

	分類收益 Segment revenue		分類業績 Segment results	
	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
電影相關業務經營業務	9,264	266,240	3,817	(257,264)
物業開發經營業務	8	180	3,935	(35,840)
	9,272	266,420	7,752	(293,104)
分類業績與除稅前 溢利/(虧損)之對賬				
未分配企業收入			75,147	100,868
透過損益以公平價值列賬 之金融資產之公平價值 變動所產生之 溢利/(虧損)			210,791	(18,879)
應佔一間合資企業業績			223	(90)
未分配企業開支			(183,877)	(80,723)
除稅前溢利/(虧損)			110,036	(291,928)

上文所呈報之分類收益指來自外間客戶之收益。兩個年度內均無分類間銷售。

分類業績指各分類在未分配至「未分配企業開支」項下之總部行政開支、部份融資成本及部份其他經營開支；「未分配企業收入」項下部份其他收益及其他收入、透過損益以公平價值列賬之金融資產之公平價值變動所產生之溢利/(虧損)以及應佔一間合資企業業績前所賺取之溢利/(所蒙受之虧損)。此乃為向主要營運決策者呈報作資源分配及評估績效之計量方法。

6. SEGMENT INFORMATION (Continued)

Continuing operations

Segment information about these operations is presented as below:

(a) An analysis of the Group's revenue and results by operating segments

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for both years.

Segment results represent the profit earned/(loss suffered) by each segment without allocation of central administrative expenses, partial finance costs, and partial other operating expenses under the heading of "unallocated corporate expenses", partial other revenue and other income under the heading of "unallocated corporate income", gain/(loss) arising on change in fair value of financial assets at FVTPL and share of result of a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

6. 分類資料 (續)

持續經營業務 (續)

(b) 本集團按經營分類劃分之財務狀況分析

6. SEGMENT INFORMATION (Continued)

Continuing operations (Continued)

(b) An analysis of the Group's financial position by operating segments

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
資產	ASSETS		
分類資產	Segment assets		
– 電影相關業務經營業務	– Film related business operations	296,211	355,941
– 物業開發經營業務	– Property development operations	2,216,602	672,984
分類資產總額	Total segment assets	2,512,813	1,028,925
有關已終止經營業務之 資產	Assets relating to discontinued operations	725,635	1,045,835
未分配資產	Unallocated assets	1,861,355	2,202,444
		5,099,803	4,277,204
		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
負債	LIABILITIES		
分類負債	Segment liabilities		
– 電影相關業務經營業務	– Film related business operations	76,967	74,315
– 物業開發經營業務	– Property development operations	528,303	3,174
分類負債總額	Total segment liabilities	605,270	77,489
有關已終止經營業務之 負債	Liabilities relating to discontinued operations	820,751	103,406
未分配負債	Unallocated liabilities	392,322	888,382
		1,818,343	1,069,277

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6. 分類資料 (續)

持續經營業務 (續)

(b) 本集團按經營分類劃分之財務狀況分析 (續)

就於分類間作資源分配及評估績效而言：

- 所有資產乃分配予須予報告分類，惟可供出售金融資產、提供予一名董事之貸款、於一間合資企業權益、部份按金、預付款項及其他應收款項、透過損益以公平價值列賬之金融資產、應收貸款、部份現金及銀行結餘、作總部行政用途之部份物業、機器及設備及租賃土地權益除外；及
- 所有負債乃分配予須予報告分類，惟部份銀行借貸、承付票、部份已收按金、應計項目及其他應付款項、遞延稅項負債及部分應付非控股權益款項除外。

6. SEGMENT INFORMATION (Continued)

Continuing operations (Continued)

(b) An analysis of the Group's financial position by operating segments (Continued)

For the purposes of resource allocation and performance assessment between segments:

- all assets are allocated to reportable segments, other than AFS financial assets, loan to a director, interest in a joint venture, partial deposits, prepayment and other receivables, financial assets at FVTPL, loan receivables, partial cash and bank balances, partial property, plant and equipment and interests in leasehold land for central administrative purposes; and
- all liabilities are allocated to reportable segments, other than partial bank borrowings, promissory note, partial deposits received, accruals and other payables, deferred tax liabilities and partial amounts due to non-controlling interests.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

6. 分類資料 (續)

持續經營業務 (續)

(c) 其他分類資料

6. SEGMENT INFORMATION (Continued)

Continuing operations (Continued)

(c) Other segment information

	電影相關業務經營業務		物業開發經營業務		未分配		綜合	
	Film related business operations		Property development operations		Unallocated		Consolidated	
	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
計入計量分類業績或 分類資產之款項：	Amounts included in the measure of segment results or segment assets:							
電影版權攤銷		487,578	-	-	-	-	8,373	487,578
租賃土地權益攤銷	-	-	-	-	1,873	1,873	1,873	1,873
物業、機器及設備折舊	146	-	112	250	2,839	2,818	3,097	3,068
有關應收一間合資企業款項之 已確認減值虧損	-	-	-	-	-	12	-	12
有關按金、預付款項及 其他應收款項之已確認減值虧損	-	3,900	-	-	-	-	-	3,900
有關電影版權之已確認減值虧損	1,024	4,877	-	-	-	-	1,024	4,877
有關製作中電影之已確認減值虧損	-	422	-	-	-	-	-	422
有關貿易應收賬款之已確認減值虧損	-	1,132	-	-	-	-	-	1,132
有關貿易應收賬款之已確認減值 虧損撥回	135	-	-	-	-	-	135	-
有關已付按金及其他應收款項之 已確認減值虧損撥回	3,152	-	-	-	-	-	3,152	-
出售物業、機器及設備之 (溢利)/虧損	-	-	-	1,794	(225)	(33)	(225)	1,761
投資物業公平價值變動之 (溢利)/虧損	-	-	(4,120)	33,440	-	-	(4,120)	33,440
添置物業、機器及設備	960	-	163	-	2,021	1,129	3,144	1,129
定期向主要營運決策者提供 但不計入計量分類業績或 分類資產之款項：	Amounts regularly provided to the CODM but not included in the measure of segment results or segment assets:							
於一間合資企業之權益	-	-	-	-	384	161	384	161
利息收入	47	1,139	10	6	72,187	98,097	72,244	99,242
融資成本	-	-	-	-	63,896	30,220	63,896	30,220
應佔一間合資企業之溢利/(虧損)	-	-	-	-	223	(90)	223	(90)

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

6. 分類資料 (續)

持續經營業務 (續)

(d) 有關主要客戶之資料

於相應年度貢獻本集團總銷售額10%以上之客戶之收益如下：

6. SEGMENT INFORMATION (Continued)

Continuing operations (Continued)

(d) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
電影相關業務經營業務	Film related business operations		
客戶甲 (附註(i))	Customer A (note (i))	N/A 不適用	185,931
客戶乙 (附註(ii))	Customer B (note (ii))	4,446	N/A 不適用
客戶丙 (附註(ii))	Customer C (note (ii))	1,664	N/A 不適用

於兩個年度，概無其他客戶貢獻本集團收益10%或以上。

附註：

- (i) 來自客戶甲之收益並無貢獻本集團截至二零一七年十二月三十一日止年度之收益10%或以上。
- (ii) 來自客戶乙及客戶丙之收益並無貢獻本集團截至二零一六年十二月三十一日止年度之收益10%或以上。

No other customers contributed 10% or more to the Group's revenue for both years.

Notes:

- (i) Revenue derived from Customer A did not contribute over 10% of revenue of the Group during the year ended 31st December 2017.
- (ii) Revenue derived from Customer B and Customer C did not contribute over 10% of revenue of the Group during the year ended 31st December 2016.



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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

6. 分類資料 (續)

持續經營業務 (續)

(e) 地區資料

下表載列有關(i)外界客戶之收益及(ii)非流動資產(金融工具除外)之所在地區之資料。客戶所在地區乃基於提供服務或交付貨品之所在地區。非流動資產之所在地區乃基於該等資產之具體位置。

6. SEGMENT INFORMATION (Continued)

Continuing operations (Continued)

(e) Geographical information

The following table sets out information about geographical location of (i) revenue from external customers and (ii) non-current assets (excluded financial instruments). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current assets is based on the physical location of the assets.

		來自外界客戶之收益		非流動資產	
		Revenue from external customers		Non-current assets (excluded financial instruments)	
		二零一七年	二零一六年	二零一七年	二零一六年
		2017	2016	2017	2016
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
香港	Hong Kong	768	4,448	148,809	161,877
澳門	Macau	—	—	141	685,640
中國	The PRC	2,260	252,252	6	—
東南亞(包括台灣)	Southeast Asia (including Taiwan)	1,723	9,409	—	—
其他	Others	4,521	311	—	—
		9,272	266,420	148,956	847,517

7. 收益

7. REVENUE

		二零一七年	二零一六年
		2017	2016
		千港元	千港元
		HK\$'000	HK\$'000
持續經營業務	Continuing operations		
發行費收入	Distribution fee income	6,559	264,334
藝人管理服務收入	Artist management service income	2,392	1,906
電影投資之收入	Income from investment in film	313	—
租金收入總額	Gross rental income	8	180
		9,272	266,420

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

8. 其他收益及其他收入

8. OTHER REVENUE AND OTHER INCOME

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持續經營業務	Continuing operations		
顧問服務收入	Consultancy service income	959	972
股息收入	Dividend income	1,722	1,679
出售物業、機器及 設備之溢利	Gain on disposal of property, plant and equipment	225	–
出售一間附屬公司之溢利	Gain on disposal of a subsidiary	1,150	–
利息收入	Interest income	72,244	99,242
管理費收入	Management fee income	340	734
匯兌溢利淨額	Net foreign exchange gain	16,237	–
有關貿易應收賬款之 已確認減值虧損撥回	Reversal of impairment loss recognised in respect of trade receivables	135	–
有關已付按金及 其他應收款項之 已確認減值虧損撥回	Reversal of impairment loss recognised in respect of deposits paid and other receivables	3,152	–
雜項收入	Sundry income	221	306
		96,385	102,933

9. 融資成本

9. FINANCE COSTS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持續經營業務	Continuing operations		
銀行借貸之利息	Interests on bank borrowings	25,933	30,220
承付票之利息	Interest on promissory note	37,963	–
		63,896	30,220



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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

10. 除稅前溢利／(虧損)

除稅前溢利／(虧損)已扣除／(計入)下列各項：

10. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging/(crediting):

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持續經營業務		
租賃土地權益攤銷	1,873	1,873
電影版權攤銷 (計入銷售成本)	8,373	487,578
核數師酬金及其他服務：		
– 審計服務	1,002	1,012
– 非審計服務	1,207	557
	2,209	1,569
物業、機器及設備折舊	3,097	3,068
僱員福利開支(附註15)	40,789	37,125
有關應收一間合資企業款項之 已確認減值虧損 (計入其他經營開支)	–	12
有關按金、預付款項及其他 應收款項之已確認減值虧損 (計入其他經營開支)	–	3,900
有關電影版權之已確認減值 虧損(計入其他經營開支)	1,024	4,877
有關製作中電影之已確認減值 虧損(計入其他經營開支)	–	422
有關貿易應收賬款之已確認減值 虧損(計入其他經營開支)	–	1,132
出售物業、機器及設備之 (溢利)／虧損	(225)	1,761
提早贖回承付票之虧損 (計入其他經營開支)	66,110	–
投資物業公平價值變動之 (溢利)／虧損 (計入其他經營開支)	(4,120)	33,440
透過損益以公平價值列賬之 金融資產之公平價值變動 所產生之(溢利)／虧損	(210,791)	18,879
匯兌(溢利)／虧損淨額	(16,237)	15,989
有關物業之經營租賃租金	4,823	3,360
過時存貨撇減	–	14
投資物業之租金收入總額	(8)	(180)
減：年內投資物業所產生之 直接經營開支	127	167
	119	(13)

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11. 所得稅開支

所得稅開支如下：

11. INCOME TAX EXPENSE

The income tax expense is as follow:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持續經營業務		
即期稅項：		
中國企業所得稅	5	-

香港利得稅於兩個年度按估計應課稅溢利之16.5%計算。中國附屬公司於兩個年度按25%繳納中國企業所得稅。澳門附屬公司於兩個年度按估計應課稅溢利之最高累進稅率12%繳納澳門所得補充稅。荷蘭附屬公司按上限200,000歐元的應課稅收入之20%繳納企業稅，高於此則按稅率25%繳稅。

由於本集團均無任何源自香港之應課稅溢利或該等應課稅溢利已全數計入承前估計稅項虧損，故並無就此兩個年度之香港利得稅作出撥備。

由於本集團並無於澳門及荷蘭產生應課稅溢利，故並無就該兩個年度之澳門所得補充稅及荷蘭企業稅作出撥備。

由於本集團於截至二零一六年十二月三十一日止年度並無於中國產生應課稅溢利，因此並無作出中國企業所得稅撥備。

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. The PRC subsidiaries are subject to the PRC Enterprise Income Tax at 25% for both years. Macau subsidiaries are subject to Macau Complementary Tax at the maximum progressive rate of 12% on the estimated assessable profit for both years. Netherland subsidiary is subject to the corporate tax at 20% of the taxable income up to and including EUR200,000, above which the rate is 25%.

No provision for Hong Kong Profits Tax has been made for both years as the Group has no assessable profits arising in Hong Kong or taxable profits were wholly absorbed by estimated tax losses brought forward.

No provision for Macau Complementary Tax and Netherland corporate tax has been made for both years as the Group has no assessable profit arising in Macau and Netherland.

No provision for the PRC Enterprise Income Tax has been made for the year ended 31st December 2016 as the Group has no assessable profits arising in the PRC.



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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

11. 所得稅開支 (續)

年內可與綜合收入表內除稅前溢利／(虧損)對賬之所得稅開支如下：

11. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the profit/(loss) before tax per the consolidated income statement as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持續經營業務	Continuing operations		
除稅前溢利／(虧損)	Profit/(loss) before tax	110,036	(291,928)
按當地所得稅稅率計稅之稅項	Tax at domestic income tax rate	19,104	(47,343)
稅務影響：	Tax effect of:		
應佔一間合資企業業績	Share of result of a joint venture	(37)	15
不應課稅收入	Income not taxable for tax purpose	(60,846)	(11,672)
不可扣稅支出	Expenses not deductible for tax purpose	29,665	18,191
未確認之估計稅項虧損	Estimated tax losses not recognised	12,161	41,362
動用過往未確認之稅項虧損	Utilisation of tax losses previously not recognised	(52)	(553)
年內所得稅開支	Income tax expense for the year	(5)	-

12. 股息

年內並無派付或建議派付末期股息，於報告期末後，董事會亦無建議派付任何股息(二零一六年：無)。

12. DIVIDEND

No final dividend was paid or proposed during the year, nor any dividend has been proposed by the board of directors subsequent to the end of the reporting period (2016: nil).

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

13. 已終止經營業務

於二零一七年三月二十九日，本集團訂立有條件買賣協議以出售經營南北行經營業務之本公司全資附屬公司Ace Season Holdings Limited（「Ace Season」）及其附屬公司之全部股本權益以及Ace Season結欠之銷售貸款，總代價為85,000,000港元。出售南北行經營業務符合本集團專注於本集團其他業務之長期政策。是項出售已於二零一七年六月三十日完成，而南北行經營業務之控制權已於該日終止。所出售資產與負債以及出售虧損之計算詳情於財務報表附註47披露。

於二零一七年十月十日，本集團訂立有條件買賣協議，據此，本集團同意出售而買方同意購入本公司全資附屬公司Charming Era Investment Limited、Exceptional Gain Profits Limited及Most Famous Enterprises Limited以及彼等各自之附屬公司（統稱「出售集團」）之全部股本權益及出售集團所結欠銷售貸款，總代價為2,000,000,000港元（可視乎實際營運資金予以調整）（「蘭桂坊出售事項」）。出售集團在澳門從事酒店及博彩服務經營業務。蘭桂坊出售事項已於二零一八年一月三日完成，而酒店及博彩服務經營業務之財務業績已分類為已終止經營業務。出售集團應佔資產與負債已分類為持作出售資產並於綜合財務狀況表中單獨呈列。

13. DISCONTINUED OPERATIONS

On 29th March 2017, the Group entered into a conditional sale and purchase agreement to dispose the entire equity interest in Ace Season Holdings Limited (“Ace Season”), a wholly-owned subsidiary of the Company, and its subsidiaries which carried out the Nam Pei Hong operations, and a sale loan due by Ace Season at total consideration of HK\$85,000,000. The disposal of Nam Pei Hong operations was consistent with the Group’s long-term policy to focus its activities on the Group’s other business. The disposal was completed on 30th June 2017, on which date the control of Nam Pei Hong operations ceased. Details of the assets and liabilities disposed of and the calculation of the loss on disposal, are disclosed in note 47 to the financial statements.

On 10th October 2017, the Group entered into a conditional sale and purchase agreement, in which the Group agreed to sell and the purchaser agreed to buy the entire equity interest in Charming Era Investment Limited, Exceptional Gain Profits Limited and Most Famous Enterprises Limited, wholly-owned subsidiaries of the Company, and their respective subsidiaries (collectively referred to as the “Disposal Group”), and sale loans due by the Disposal Group at total consideration of HK\$2,000,000,000 (subject to adjustment of actual working capital) (the “LKF Disposal”). The Disposal Group is engaged in hotel and gaming service operations in Macau. The LKF Disposal has been completed on 3rd January 2018 and the financial results for the hotel and gaming service operations have been classified as discontinued operation. The assets and liabilities attributable to the Disposal Group have been classified as assets held for sale and are presented separately in the consolidated statement of financial position.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

13. 已終止經營業務 (續)

於二零一六年十月二十五日，本集團訂立一項終止協議，據此本集團同意終止分佔來自博彩推廣業務溢利之權利（即分佔澳門一間娛樂場貴賓廳產生之0.4%累計轉碼之權利），並收取款項10,000,000港元。終止博彩推廣經營業務符合本集團專注於本集團其他業務之長期政策。終止事項已於二零一六年十月三十日完成，而分佔溢利之權利已於當日終止，與博彩推廣經營業務有關之無形資產亦不復存在。

綜合收入表之比較數字及相關附註乃假設年內終止的酒店及博彩服務經營業務及南北行經營業務的營運於比較期間之期初已經終止而重新呈列。

本年度來自已終止經營業務之虧損分析如下：

13. DISCONTINUED OPERATIONS (Continued)

On 25th October 2016, the Group entered into a termination agreement pursuant to which the Group agreed to terminate the rights in sharing of profit streams from the gaming promotion business represented the rights in sharing of 0.4% of rolling turnover generated from a casino VIP room located in Macau and received an amount of HK\$10,000,000. The termination of gaming promotion operation was consistent with the Group's long-term policy to focus its activities on the Group's other business. The termination was completed on 30th October 2016, on which date the rights in sharing of profit streams ceased and the intangible assets associated with this gaming promotion operation no longer existed.

The comparative figure for the consolidated income statement and related notes have been re-presented as if the operations of hotel and gaming service operations and Nam Pei Hong operations discontinued during the year had been discontinued at the beginning of the comparative period.

Loss for the year from the discontinued operations are analysed as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
年度來自酒店及博彩服務 經營業務之虧損	Loss for the year from hotel and gaming service operations	(36,965)	(44,958)
年度來自南北行經營業務之 溢利／(虧損)	Profit/(loss) for the year from Nam Pei Hong operations	869	(1,255)
出售南北行經營業務之虧損	Loss on disposal of Nam Pei Hong operations	(599)	-
年度來自博彩推廣經營 業務之溢利	Profit for the year from gaming promotion operations	-	2,410
終止確認無形資產之溢利	Gain on derecognition of intangible assets	-	120
年度來自已終止經營業務 之虧損	Loss for the year from discontinued operations	(36,695)	(43,683)

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

13. 已終止經營業務 (續)

年度已終止經營業務之業績(已計入綜合收入表)
如下：

13. DISCONTINUED OPERATIONS
(Continued)

The result of the discontinued operations for the year, which have been included in the consolidated income statement, were as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
收益	Revenue	715,494	839,918
銷售成本	Cost of sales	(403,056)	(498,949)
毛利	Gross profit	312,438	340,969
其他收益及其他收入	Other revenue and other income	17,393	20,796
行政開支	Administrative expenses	(308,445)	(319,307)
市場推廣、銷售及發行開支	Marketing, selling and distribution expenses	(57,405)	(85,478)
其他經營開支	Other operating expenses	–	(460)
經營虧損	Loss from operations	(36,019)	(43,480)
融資成本	Finance costs	(65)	(323)
除稅前虧損	Loss before tax	(36,084)	(43,803)
所得稅開支	Income tax expense	(12)	–
		(36,096)	(43,803)
出售南北行經營業務之虧損	Loss on disposal of Nam Pei Hong operations	(599)	–
終止確認無形資產之溢利	Gain on derecognition of intangible assets	–	120
年度來自已終止經營業務之虧損	Loss for the year from discontinued operations	(36,695)	(43,683)
以下人士應佔年度來自已終止經營業務之(虧損)/溢利	(Loss)/profit for the year from discontinued operations attributable to:		
本公司擁有人	Owners of the Company	(36,701)	(43,681)
非控股權益	Non-controlling interests	6	(2)
		(36,695)	(43,683)

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

13. 已終止經營業務 (續)

本年度來自已終止經營業務之虧損乃經扣除／(計入)：

13. DISCONTINUED OPERATIONS (Continued)

Loss for the year from discontinued operations has been arrived at after charging/(crediting):

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
已終止經營業務	Discontinued operations		
租賃土地權益攤銷	Amortisation of interests in leasehold land	19,776	21,285
核數師酬金及其他服務：	Auditors' remuneration and other services:		
– 審計服務	– audit services	292	527
– 非審計服務	– non-audit services	–	–
		292	527
已售存貨成本(計入銷售成本)	Cost of inventories sold (included in cost of sales)	65,397	106,495
物業、機器及設備折舊	Depreciation of property, plant and equipment	56,717	67,042
僱員福利開支	Employee benefit expenses	140,596	149,152
有關無形資產之已確認減值虧損(計入其他經營開支)	Impairment loss recognised in respect of intangible assets (included in other operating expenses)	–	449
有關貿易應收賬款之已確認減值虧損(計入其他經營開支)	Impairment loss recognised in respect of trade receivables (included in other operating expenses)	–	11
出售物業、機器及設備之溢利	Gain on disposal of property, plant and equipment	(507)	(875)
匯兌(溢利)／虧損淨額	Net foreign exchange (gain)/loss	(1,132)	747
有關物業之經營租賃租金	Operating lease rental in respect of premises	10,191	18,302
過時存貨撇減	Write-down of obsolete inventories	30	44

本年度已終止經營業務之現金流量如下：

Cash flows of the discontinued operations for the year were as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
經營業務之現金(流出)／流入淨額	Net cash (outflow)/inflow from operating activities	(320,158)	151,894
投資業務之現金流入／(流出)淨額	Net cash inflow/(outflow) from investing activities	392,972	(4,466)
融資業務之現金流出淨額	Net cash outflow from financing activities	(159,880)	(152,327)
現金流出淨額	Net cash outflow	(87,066)	(4,899)

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

14. 每股盈利／（虧損）

來自持續經營及已終止經營業務

本公司擁有人應佔持續經營及已終止經營業務之每股基本及攤薄盈利／（虧損）乃按以下數據計算：

14. EARNINGS/(LOSS) PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted earnings/(loss) per share from continuing and discontinued operations attributable to owners of the Company is based on the following data:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
盈利／（虧損）		
用於計算每股基本及攤薄		
盈利／（虧損）之盈利／（虧損）		
（本公司擁有人應佔本年度		
溢利／（虧損））	73,312	(335,609)
	二零一七年 2017 千股 '000	二零一六年 2016 千股 '000
股份數目		
用於計算每股基本及攤薄		
盈利／（虧損）之加權		
平均普通股數目	904,764	780,910

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

14. 每股盈利／（虧損）（續）

根據紅利可換股債券之平邊契據，紅利可換股債券賦予其持有人與本公司股東所附帶之相同經濟利益。因此，將可從總額約265,000港元（二零一六年：265,000港元）之尚未行使紅利可換股債券轉換的1,060,317股（二零一六年：1,060,317股）每股面值0.01港元之繳足普通股計入用於計算每股基本盈利／（虧損）之加權平均普通股數目。

由於本公司尚未行使之購股權對每股基本盈利／（虧損）計算具有反攤薄影響，故計算兩個年度每股攤薄盈利／（虧損）時並不假設行使上述潛在攤薄股份。

來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄盈利／（虧損）乃按以下數據計算：

14. EARNINGS/(LOSS) PER SHARE (Continued)

Pursuant to the deed poll of the Bonus CBs, the Bonus CBs conferred the holders with the same economic interests attached to the shareholders of the Company. Accordingly, 1,060,317 (2016: 1,060,317) fully paid ordinary shares of HK\$0.01 each which shall be convertible from an aggregated amount of approximately HK\$265,000 (2016: HK\$265,000) outstanding Bonus CBs are included in the weighted average number of ordinary shares for calculating the basic earnings/(loss) per share.

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic earnings/(loss) per share calculation, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted earnings/(loss) per share for both years.

From continuing operations

The calculation of basic and diluted earnings/(loss) per share from continuing operations attributable to owners of the Company is based on the following data:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
盈利／（虧損）		
用於計算每股基本及攤薄		
盈利／（虧損）之盈利／（虧損）		
（本公司擁有人應佔本年度		
持續經營業務之溢利／（虧損））		
Earnings/(loss)		
Earnings/(loss) for the purpose of		
basic and diluted earnings/(loss)		
per share (profit/(loss) for the year		
from continuing operations attributable		
to owners of the Company)	110,013	(291,928)

此處所採用之加權平均普通股數目與上文所詳述分別用以計算持續經營及已終止經營業務之每股基本及攤薄盈利／（虧損）所採用者相同。

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted earnings/(loss) per share from continuing and discontinued operations respectively.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

14. 每股盈利／(虧損) (續)

來自已終止經營業務

本公司擁有人應佔已終止經營業務之每股基本及攤薄虧損乃按以下數據計算：

14. EARNINGS/(LOSS) PER SHARE (Continued)

From discontinued operations

The calculation of basic and diluted loss per share from discontinued operations attributable to owners of the Company is based on the following data:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
虧損		
用於計算每股基本及攤薄虧損之虧損(本公司擁有人應佔本年度已終止經營業務之虧損)	(36,701)	(43,681)

此處所採用之加權平均普通股數目與上文所詳述分別用以計算持續經營及已終止經營業務之每股基本及攤薄盈利／(虧損)所採用者相同。

The weighted average number of ordinary shares used herein are same as those detailed above for the purpose of basic and diluted earnings/(loss) per share from continuing and discontinued operations respectively.

15. 僱員福利開支

15. EMPLOYEE BENEFIT EXPENSES

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持續經營業務		
董事薪酬		
– 董事袍金	360	360
– 薪金及其他津貼	10,891	10,850
– 退休福利計劃供款	36	36
	11,287	11,246
薪金及其他津貼	28,621	25,117
退休福利計劃供款(不包括董事之退休福利計劃供款)	735	639
僱員福利開支	146	123
	40,789	37,125

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

15. 僱員福利開支(續)

(a) 董事酬金

本公司董事會目前由三名(二零一六年：三名)獨立非執行董事及三名(二零一六年：三名)執行董事及組成。

持續經營業務

董事姓名	Name of director	袍金		薪金及其他津貼		退休福利計劃供款		總額	
		Fees		Salaries and other allowances		Retirement benefits scheme contributions		Total	
		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
執行董事		Executive directors							
向華強先生	Mr. Heung Wah Keung	-	-	4,940	4,940	-	-	4,940	4,940
陳明英女士(「陳女士」)	Ms. Chen Ming Yin, Tiffany ("Ms. Chen")	-	-	4,680	4,680	18	18	4,698	4,698
李玉嫦女士	Ms. Li Yuk Sheung	-	-	1,271	1,230	18	18	1,289	1,248
獨立非執行董事		Independent non-executive directors							
洪祖星先生	Mr. Hung Cho Sing	120	120	-	-	-	-	120	120
何偉志先生	Mr. Ho Wai Chi, Paul	120	120	-	-	-	-	120	120
鄧澤林先生	Mr. Tang Chak Lam, Gilbert	120	120	-	-	-	-	120	120
		360	360	10,891	10,850	36	36	11,287	11,246

已終止經營業務

董事姓名	Name of director	袍金		薪金及其他津貼		退休福利計劃供款		總額	
		Fees		Salaries and other allowances		Retirement benefits scheme contributions		Total	
		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
執行董事		Executive directors							
向華強先生	Mr. Heung Wah Keung	-	-	960	960	-	-	960	960
陳女士	Ms. Chen	-	-	960	960	-	-	960	960
李玉嫦女士	Ms. Li Yuk Sheung	-	-	-	-	-	-	-	-
獨立非執行董事		Independent non-executive directors							
洪祖星先生	Mr. Hung Cho Sing	-	-	-	-	-	-	-	-
何偉志先生	Mr. Ho Wai Chi, Paul	-	-	-	-	-	-	-	-
鄧澤林先生	Mr. Tang Chak Lam, Gilbert	-	-	-	-	-	-	-	-
		-	-	1,920	1,920	-	-	1,920	1,920

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

15. 僱員福利開支(續)

(a) 董事酬金(續)

截至二零一七年及二零一六年十二月三十一日止年度內，本集團概無向本公司董事支付酬金作為加入本集團或加盟時之獎勵或失去職位之補償。於上列兩個年度均無董事放棄或同意放棄任何酬金。

除財務報表附註52之重大關連人士交易所披露者外，於年末或年內任何時間，本公司或本公司任何附屬公司概無參與訂立有關本集團業務而董事直接或間接擁有重大權益之其他交易、安排及合約。

(b) 五名最高薪酬人士

本集團本年度五名最高薪酬之人士包括兩名(二零一六年：兩名)董事，其酬金已於上文(a)列示並為11,558,000港元(二零一六年：11,558,000港元)，包括來自持續經營業務及已終止經營業務之酬金。年內應付其餘三名(二零一六年：三名)之人士(屬持續經營業務之僱員)之酬金如下：

持續經營業務

薪金及其他津貼
退休福利計劃供款

Salaries and other allowances
Retirement benefits scheme
contributions

8,344

54

8,398

二零一六年
2016
千港元
HK\$'000

8,190

54

8,244

15. EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Directors' emoluments (Continued)

During the year ended 31st December 2017 and 2016, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company waived or agreed to waive any emoluments in both years.

Except for those disclosed in material related party transactions in note 52 to the financial statements, no other transactions, arrangements and contracts in relation to the Group's business to which the Company or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2016: two) directors whose emoluments are reflected in (a) above and amounted to HK\$11,558,000 (2016: HK\$11,558,000), including those from continuing operations and discontinued operations. The emoluments payable to the remaining three (2016: three) individuals during the year which are employees of the continuing operations were as follows:

Continuing operations

二零一七年
2017
千港元
HK\$'000

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

15. 僱員福利開支(續)

(b) 五名最高薪酬人士(續)

三名(二零一六年:三名)最高薪酬人士包括一名(二零一六年:無)於「董事及高級管理人員履歷」一節披露之高級管理人員。

其餘三名(二零一六年:三名)最高薪酬人士每位之酬金總額範圍介乎以下組別:

15. EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals (Continued)

The three (2016: three) individuals include one (2016: none) senior management as disclosed in the section “Biographical Details of Directors and Senior Management”.

The aggregated emoluments of each of the remaining three (2016: three) highest paid individuals fell within the following bands:

		人數 Number of individuals	
		二零一七年 2017	二零一六年 2016
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	1	1
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	1	1
4,000,001港元至4,500,000港元	HK\$4,000,001 to HK\$4,500,000	1	1
		3	3

16. 退休福利計劃

- (a) 本集團根據強制性公積金計劃條例之規則及規例為其所有在香港聘用之僱員設立強積金計劃。本集團所有香港僱員均須參加強積金計劃。本集團已選擇最低法定供款規定，即合資格僱員每月有關收入之5%供款，但每月收入上限為法定之30,000港元。供款於產生時在綜合收入表扣除。強積金計劃之資產與本集團之資產分開持有，並由一項獨立管理基金持有。

16. RETIREMENT BENEFITS SCHEMES

- (a) The Group operates the MPF Scheme under rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All employees of the Group in Hong Kong are required to join the MPF Scheme. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible employees' monthly relevant income but limited to the mandatory cap of HK\$30,000. The contributions are charged to the consolidated income statements as incurred. The assets of the MPF Scheme are held separately from those of the Group in an independently administrative fund.

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

16. 退休福利計劃 (續)

- (b) 本集團之附屬公司為在澳門雇用之合資格僱員設立定額供款計劃。定額供款計劃乃由獨立管理公司設立及管理。本集團及僱員向該計劃作出等額月供款。供款於產生時於綜合收入表內列支。
- (c) 本集團之附屬公司於中國所聘請僱員為中國政府所營辦並為國家管理之退休福利計劃成員。該等附屬公司須按薪酬開支之若干百分比向退休福利計劃供款。本集團就中國政府營辦之退休福利計劃所負唯一責任乃向該等計劃作出所需供款。供款乃於產生時於綜合收入表內列支。

16. RETIREMENT BENEFITS SCHEMES (Continued)

- (b) The Group's subsidiaries operate a defined contribution scheme for eligible employees in Macau. The defined contribution scheme is established and managed by an independent management company. Both the Group and the employees make equal share of monthly contributions to the scheme. The contributions are charged to the consolidated income statement as incurred.
- (c) The employees of the Group's subsidiary in the PRC are members of state-managed retirement benefit schemes operated by the government of the PRC. The subsidiary is required to contribute a specific percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the government of the PRC is made the specified contributions under the schemes. The contributions are charged to the consolidated income statement as incurred.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

17. 物業、機器及設備

17. PROPERTY, PLANT AND EQUIPMENT

		樓宇	租賃物業 裝修	傢俬、 裝置及設備	汽車	總額
		Buildings	Leasehold improvements	Furniture fixtures and equipment	Motor vehicles	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
成本	Cost					
於二零一六年一月一日	At 1st January 2016	306,572	315,231	339,337	15,864	977,004
添置	Additions	-	3,247	7,297	3,211	13,755
出售	Disposals	(8,702)	(1,250)	(12,307)	(1,294)	(23,553)
於二零一六年十二月三十一日 及於二零一七年一月一日	At 31st December 2016 and at 1st January 2017	297,870	317,228	334,327	17,781	967,206
添置	Additions	-	1,368	8,466	1,505	11,339
出售	Disposals	-	(56)	(5,096)	(2,244)	(7,396)
出售附屬公司(附註47)	Disposal of subsidiaries (note 47)	-	(3,693)	(2,486)	-	(6,179)
重新分類至分類為持作出售之 資產(附註37)	Reclassified to assets classified as held for sale (note 37)	(285,590)	(308,374)	(326,357)	(3,977)	(924,298)
於二零一七年十二月三十一日	At 31st December 2017	12,280	6,473	8,854	13,065	40,672
累計折舊	Accumulated depreciation					
於二零一六年一月一日	At 1st January 2016	73,020	252,962	215,738	8,651	550,371
年內折舊	Charge for the year	11,608	37,602	18,094	2,806	70,110
出售時對銷	Eliminated on disposals	(522)	(1,116)	(12,200)	(1,294)	(15,132)
於二零一六年十二月三十一日 及於二零一七年一月一日	At 31st December 2016 and at 1st January 2017	84,106	289,448	221,632	10,163	605,349
年內折舊	Charge for the year	5,897	27,334	23,877	2,706	59,814
出售時對銷	Eliminated on disposals	-	(56)	(5,076)	(1,907)	(7,039)
出售附屬公司時對銷(附註47)	Eliminated upon disposal of subsidiaries (note 47)	-	(3,090)	(1,380)	-	(4,470)
重新分類至分類為持作出售之 資產(附註37)	Reclassified to assets classified as held for sale (note 37)	(83,165)	(308,013)	(231,361)	(2,633)	(625,172)
於二零一七年十二月三十一日	At 31st December 2017	6,838	5,623	7,692	8,329	28,482
賬面值	Carrying amounts					
於二零一七年十二月三十一日	At 31st December 2017	5,442	850	1,162	4,736	12,190
於二零一六年十二月三十一日	At 31st December 2016	213,764	27,780	112,695	7,618	361,857

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

17. 物業、機器及設備 (續)

於二零一七年十二月三十一日，賬面值約202,425,000港元(二零一六年：207,896,000港元)之樓宇已抵押作已終止經營業務所獲一般銀行信貸額之擔保，其於二零一七年十二月三十一日已重新分類至分類為持作出售之資產。

於二零一七年十二月三十一日，傢俬、裝置及設備賬面值包括根據融資租約持有之資產約353,000港元(二零一六年：584,000港元)，其於二零一七年十二月三十一日已重新分類至分類為持作出售之資產。

上文所示樓宇賬面值包括：

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31st December 2017, buildings with carrying amounts of approximately HK\$202,425,000 (2016: HK\$207,896,000) have been pledged to secure general banking facilities granted to the discontinued operations which was reclassified to assets classified as held for sale at 31st December 2017.

At 31st December 2017, the carrying amount of furniture, fixtures and equipment includes an amount of approximately HK\$353,000 (2016: HK\$584,000) in respect of assets held under finance leases which was reclassified to assets classified as held for sale at 31st December 2017.

The carrying amounts of buildings shown above comprise:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
位於香港之樓宇：	Buildings located in Hong Kong:		
– 中期租約	– Medium-term lease	5,442	5,868
位於澳門之樓宇：	Buildings located in Macau:		
– 中期租約	– Medium-term lease	–	207,896
		5,442	213,764

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

18. 租賃土地權益

18. INTERESTS IN LEASEHOLD LAND

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
成本	Cost		
於一月一日	At 1st January	590,385	590,385
重新分類至分類為持作出售之資產(附註37)	Reclassified to assets classified as held for sale (note 37)	(520,725)	—
於十二月三十一日	At 31st December	69,660	590,385
累計攤銷	Accumulated amortisation		
於一月一日	At 1st January	195,088	171,930
本年度所計提攤銷	Amortisation provided for the year	21,649	23,158
重新分類至分類為持作出售之資產(附註37)	Reclassified to assets classified as held for sale (note 37)	(202,359)	—
於十二月三十一日	At 31st December	14,378	195,088
賬面值	Carrying amounts		
於十二月三十一日	At 31st December	55,282	395,297

上文所示租賃土地權益之賬面值包括：

The carrying amounts of interests in leasehold land shown above comprise:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
根據中期租約持有之位於香港的租賃土地	Leasehold land located in Hong Kong, held on medium-term lease	55,282	57,155
根據中期租約持有之位於澳門的租賃土地	Leasehold land located in Macau, held on medium-term lease	—	338,142
		55,282	395,297

於二零一七年十二月三十一日，賬面值約318,366,000港元(二零一六年：338,142,000港元)之租賃土地權益已抵押作已終止經營業務所獲一般銀行信貸額之擔保，其於二零一七年十二月三十一日已重新分類至分類為持作出售之資產。

At 31st December 2017, interests in leasehold land with carrying amounts of approximately HK\$318,366,000 (2016: HK\$338,142,000) have been pledged to secure general banking facilities granted to the discontinued operations which was reclassified to assets classified as held for sale at 31st December 2017.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

19. 投資物業

19. INVESTMENT PROPERTIES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
於一月一日	At 1st January	82,620	116,060
出售附屬公司(附註47)	Disposal of subsidiaries (note 47)	(5,640)	-
公平價值變動產生之溢利/(虧損)	Gain/(loss) arising on change in fair value	4,120	(33,440)
於十二月三十一日	At 31st December	81,100	82,620

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
計入綜合收入表之投資物業公平價值變動之未變現溢利/(虧損)(計入其他經營開支)	Unrealised gain/(loss) on fair value change of investment properties included in the consolidated income statement (included in other operating expenses)	4,120	(33,440)

計入綜合收入表之投資物業公平價值變動之未變現溢利/(虧損)(計入其他經營開支)

Unrealised gain/(loss) on fair value change of investment properties included in the consolidated income statement (included in other operating expenses)

本集團根據經營租約持有以賺取租金或資本增值用途之物業權益乃採用公平價值模式計量，並分類及入賬為投資物業。

The Group's properties interests held under operating leases to earn rentals or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

上文所示投資物業之賬面值包括：

The carrying amounts of investment properties shown above comprises:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
根據長期租約持有之位於香港的投資物業	Investment properties located in Hong Kong held on long-term lease	81,100	82,620

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

20. 投資物業之公平價值計量

(a) 公平價值層級

下表呈列本集團投資物業於報告期末按經常性基準計量並歸類為三個等級公平價值層級(定義見香港財務報告準則第13號公平價值計量)的公平價值。公平價值計量分類之等級及參考估值技術所採用輸入數據之可觀察程度及重要性而釐定如下：

- 第一等級估值：公平價值僅採用第一等級輸入數據計量，即於計量日相同資產或負債於活躍市場之未經調整報價；
- 第二等級估值：公平價值採用第二等級輸入數據(即未符合第一等級之可觀察輸入數據)計量及不使用顯著不可觀察輸入數據。不可觀察輸入數據為不可獲得市場數據之輸入數據；及
- 第三等級估值：公平價值使用顯著不可觀察輸入數據計量。

20. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES

(a) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3 valuations: fair value measured using significant unobservable inputs.

第一等級 Level 1 千港元 HK\$' 000	第二等級 Level 2 千港元 HK\$' 000	第三等級 Level 3 千港元 HK\$' 000	總計 Total 千港元 HK\$' 000
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於二零一七年
十二月三十一日

At 31st December 2017

按經常性基準之公平價值
位於香港之投資物業

Fair value on a recurring basis
Investment properties located
in Hong Kong

-	81,100	-	81,100
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財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

20. 投資物業之公平價值計量 (續) 20. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES (Continued)

(a) 公平價值層級 (續)

於二零一六年
十二月三十一日

按經常性基準之公平價值
位於香港之投資物業

本集團之政策為確認於導致轉撥之事件或情況變動出現之日的公平價值層級間轉撥。截至二零一七年十二月三十一日及二零一六年十二月三十一日止年度，並無在第一等級與第二等級間進行轉撥，或轉入或轉出第三等級。

本集團之投資物業於報告期末均由獨立測量師行捷評資產顧問有限公司(其員工具備香港測量師學會會員之資格，對被估值物業所在位置及所屬類別具有近期相關之估值經驗)進行。於各報告期末，本公司管理層已就於執行估值時所採用估值假設及估值結果與測量師進行討論。

估計物業之公平價值時，物業之最高及最佳用途為其目前用途。

(b) 第二等級公平價值計量所採用之估值技巧及輸入數據

投資物業之公平價值乃採用市場比較法釐定，利用公開可得市場數據參考可比較物業近期銷售價按每平方英尺售價之基準計算。

(a) Fair value hierarchy (Continued)

第一等級 Level 1 千港元 HK\$'000	第二等級 Level 2 千港元 HK\$'000	第三等級 Level 3 千港元 HK\$'000	總計 Total 千港元 HK\$'000
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-	82,620	-	82,620
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The Group's policy is to reorganise transfers between levels of fair value hierarchy as at the end of the date of the events or change in circumstances that caused the transfer. During the year ended 31st December 2017 and 31st December 2016, there were no transfers between level 1 and level 2, or transfers into or out of level 3.

The Group's investment properties were revalued at the end of each reporting period by an independent firm of surveyors, JP Assets Consultancy Limited, who have among their staff member of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The management of the Company have discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at the end of each reporting period.

In estimating the fair value of the properties, the highest and best use of the properties are their current use.

(b) Valuation techniques and inputs used in level 2 fair value measurements

The fair value of investment properties are determined using the market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

21. 可供出售金融資產

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
非上市債務證券	Unlisted debt security		
會所債券	Club debenture	173	–
<p>該非上市債務證券乃按於報告期末之成本減減值計量，因為合理公平價值估計範圍頗大，故本公司董事認為其公平價值不能可靠地計量。</p> <p>於二零一七年十二月三十一日，本公司董事引用相關市場上可比較銷售憑證並認為投資成本仍視為可收回，故截至二零一七年十二月三十一日止年度內概無作出減值虧損。</p>	<p>The unlisted debt security measured at cost less impairment at the end of reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.</p> <p>At 31st December 2017, the directors of the Company had referenced to comparable sales evidence as available in the relevant market and considered that the cost of investment are still considered to be recoverable, thus no impairment loss was made during the year ended 31st December 2017.</p>		

22. 商譽

22. GOODWILL

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
成本	Cost		
於一月一日	At 1st January	109,614	118,589
重新分類至分類為持作出售之資產(附註37)	Reclassified to assets classified as held for sale (note 37)	(911)	–
年內終止確認	Derecognised during the year	–	(8,975)
於十二月三十一日	At 31st December	108,703	109,614
累計減值虧損	Accumulated impairment losses		
於一月一日	At 1st January	109,614	118,589
重新分類至分類為持作出售之資產(附註37)	Reclassified to assets classified as held for sale (note 37)	(911)	–
年內終止確認	Derecognised during the year	–	(8,975)
於十二月三十一日	At 31st December	108,703	109,614
賬面值	Carrying amounts		
於十二月三十一日	At 31st December	–	–

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

22. 商譽 (續)

產生自酒店及博彩服務經營業務之商譽乃於二零一七年十二月三十一日重新分類至分類為持作出售之資產。

產生自博彩推廣經營業務之商譽於二零一六年十月三十日終止分佔澳門一間娛樂場貴賓廳產生之0.4%累計轉碼之權利時終止確認。

商譽減值測試

於確認減值虧損前，分配至現金產生單位組合之商譽賬面值如下：

22. GOODWILL (Continued)

Goodwill generated from hotel and gaming service operations has reclassified to assets classified as held for sale at 31st December 2017.

Goodwill generated from gaming promotion operations were derecognised on termination of the rights in sharing of 0.4% of rolling turnover generated from a casino VIP room located in Macau on 30th October 2016.

Impairment testing of goodwill

Before recognition of impairment losses, the carrying amounts of goodwill were allocated to groups of CGUs as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
電影相關業務經營業務	Film related business operations	108,703	108,703
酒店及博彩服務經營業務	Hotel and gaming service operations	—	911
		108,703	109,614



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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

23. 無形資產

23. INTANGIBLE ASSETS

		分佔溢利 之權利 Rights in sharing of profit streams 千港元 HK\$'000	商標 Trademark 千港元 HK\$'000	獨家分銷權 Exclusive distribution right 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本	Cost				
於二零一六年一月一日	At 1st January 2016	989,205	12,483	2,021	1,003,709
年內終止確認	Derecognised during the year	(989,205)	—	—	(989,205)
於二零一六年十二月三十一日及 於二零一七年一月一日	At 31st December 2016 and at 1st January 2017	—	12,483	2,021	14,504
出售附屬公司(附註47)	Disposal of subsidiaries (note 47)	—	(12,483)	(2,021)	(14,504)
於二零一七年十二月三十一日	At 31st December 2017	—	—	—	—
累計攤銷及減值虧損	Accumulated amortisation and impairment losses				
於二零一六年一月一日	At 1st January 2016	978,876	4,901	2,021	985,798
年內終止確認	Derecognised during the year	(979,325)	—	—	(979,325)
已確認之減值虧損	Impairment loss recognised	449	—	—	449
於二零一六年十二月三十一日及 於二零一七年一月一日	At 31st December 2016 and at 1st January 2017	—	4,901	2,021	6,922
出售附屬公司時 對銷(附註47)	Eliminated upon disposal of subsidiaries (note 47)	—	(4,901)	(2,021)	(6,922)
於二零一七年十二月三十一日	At 31st December 2017	—	—	—	—
賬面值	Carrying amounts				
於二零一七年十二月三十一日	At 31st December 2017	—	—	—	—
於二零一六年十二月三十一日	At 31st December 2016	—	7,582	—	7,582

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

23. 無形資產 (續)

在計算攤銷時使用下列可使用年期：

分佔溢利之權利	不確定
商標	不確定
獨家分銷權	3.5年

於二零一七年六月三十日，本集團已出售經營本集團南北行經營業務之Ace Season的全部股本權益。

於二零一六年十月三十日，本集團終止本集團博彩推廣經營業務分佔溢利之權利，並收取款項10,000,000港元。終止確認無形資產之溢利金額約120,000港元已確認並計入截至二零一六年十二月三十一日止年度來自已終止經營業務之年度虧損。

不確定可使用年期之無形資產之減值測試

就減值測試而言，商標及分佔溢利之權利於收購時分配至預期可自有關無形資產獲益之現金產生單位。

本公司董事認為，不確定可使用年期之無形資產具有不確定可使用年期，原因為其預期無限期限貢獻現金流入淨額。不確定可使用年期之無形資產將不會予以攤銷，直至其可使用年期被釐定為有限。然而，其將於每年及於有跡象顯示其可能出現減值時進行減值測試。

23. INTANGIBLE ASSETS (Continued)

The following useful lives are used in the calculation of amortisation:

Rights in sharing of profit streams	Indefinite
Trademark	Indefinite
Exclusive distribution right	3.5 years

On 30th June 2017, the Group had disposed the entire equity interest in Ace Season, which carried out the Group's Nam Pei Hong operations.

On 30th October 2016, the Group terminated the rights in sharing of profit streams which carried out the Group's gaming promotion operations and received the amount of HK\$10,000,000. A gain on derecognition of intangible asset with the amount of approximately HK\$120,000 was recognised and included in loss for the year from the discontinued operations for the year ended 31st December 2016.

Impairment testing of intangible assets with indefinite useful lives

For the purpose of impairment testing, the trademark and rights in sharing of profit streams are allocated at acquisition to the CGU that are expected to benefit from such intangible asset.

The intangible assets with indefinite useful lives are considered by the directors of the Company as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The intangible assets with indefinite useful lives will not be amortised until its useful life are determined to be finite. Instead they will be tested for impairment annually and whenever there are indications that they may be impaired.

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23. 無形資產 (續)

不確定可使用年期之無形資產之減值測試 (續)

於二零一六年十二月三十一日，本公司董事已參考獨立合資格專業估值師行捷評資產顧問有限公司採用貼現現金流量法進行之估值，評估商標之現金產生單位之可收回金額，並釐定商標無須減值。南北行經營業務之商標現金產生單位之可收回金額已根據使用價值計算釐定，該計算法使用經管理層批准之五年期財政預算為基準之現金流預測，以及每年20%之折現率計算，五年以上之現金流乃使用3%增長率推斷。該增長率乃根據相關產業增長預測，且並無超出相關產業平均長期增長率。使用價值計算法之主要假設與現金流入／流出估計有關，包括毛利率、增長及折現率，該估計乃依據過往表現及管理層就市場發展之預期。

本公司董事相信可收回金額所依據任何假設的任何合理可能變動，應不會導致商標之賬面值超出可收回金額。

有關無形資產分佔溢利之權利指無限期分佔澳門一間娛樂場貴賓廳產生之0.4%累計轉碼之權利。

23. INTANGIBLE ASSETS (Continued)

Impairment testing of intangible assets with indefinite useful lives (Continued)

At 31st December 2016, the directors of the Company assessed the recoverable amount of the trademark with reference to the valuation performed by JP Assets Consultancy Limited, a firm of independent qualified professional valuers, which valued the trademark by using the discounted cash flow method and determined that no impairment loss should be recognised against the trademark. The recoverable amount of the CGU of the trademark from Nam Pei Hong operations was determined based on value in use calculation, which used cash flow projections based on financial budgets approved by management covering a five-year period and discount rate of 20% per annum and cash flows beyond the five-year period were extrapolated using a 3% growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry. Key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which included gross margin, growth and discount rate, such estimation was based on past experience and management's expectations for the market development.

The directors of the Company believe that any reasonably possible change in any of these assumptions on which the recoverable amount is based would not cause the carrying amount of the trademark exceeds the recoverable amount.

The intangible assets associated with the rights in sharing of profit streams from the gaming promotion business represented the rights in sharing of 0.4% of rolling turnover generated from a casino VIP room located in Macau for an indefinite period of time.

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23. 無形資產 (續)

不確定可使用年期之無形資產之減值測試 (續)

分佔溢利之權利的相關中介人牌照由澳門政府每年延續。本公司董事認為本集團會繼續延續中介人牌照並有能力做到。因此，本公司董事認為分佔溢利之權利的相關中介人牌照具有不確定可使用年期，因為其預期可無限期貢獻淨現金流入。

於二零一六年六月三十日，本公司董事已參考獨立合資格專業估值師捷評資產顧問有限公司所進行之估值(其採用貼現現金流量方法評估根據各中介人代表協議分佔溢利之權利)評估分佔溢利權利之可收回金額，並釐定有關無形資產減值約449,000港元。分佔來自博彩推廣經營業務溢利之權利之現金產生單位之可收回金額乃根據使用價值計算法釐定，該計算法使用管理層批准之五年期財政預算為基準之現金流預測，以及每年19%之折現率計算，五年以上之現金流乃使用零增長率推斷為基準。該增長率乃根據相關產業增長預測，且並無超出相關產業平均長期增長率。使用價值計算法之主要假設與現金流入／流出估計有關，包括毛利率、增長及折現率，該估計乃依據過往經驗及管理層就市場發展之預期。因此，截至二零一六年十二月三十一日止年度內分佔溢利之權利之相關無形資產減值449,000港元。

23. INTANGIBLE ASSETS (Continued)

Impairment testing of intangible assets with indefinite useful lives (Continued)

The junket licences associated with the rights in sharing of the profit streams was renewable annually by the Macau government. The directors of the Company are of the opinion that the Group would renew the junket licences continuously and had the ability to do so. Therefore, the directors of the Company considered that the junket licences associated will the rights in sharing of the profit streams had an indefinite useful life because it was expected to contribute to net cash inflow indefinitely.

At 30th June 2016, the directors of the Company assessed the recoverable amount of rights in sharing of profits streams with reference to the valuation performed by JP Assets Consultancy Limited, a firm of independent qualified professional valuers, which valued the rights in sharing of profit streams pursuant to the respective junket representative agreement using the discounted cash flow method and determined that intangible asset associated with it was impaired by approximately HK\$449,000. The recoverable amount of the CGU of the rights in sharing of profit streams from gaming promotion operation was determined based on value in use calculation, which used cash flow projections based on financial budgets approved by management covering a five-year period and discount rate of 19% per annum and cash flows beyond the five-year period were extrapolated using a zero growth rate. This growth rate was based on the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry. Key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which included gross margin, growth and discount rate, such estimation was based on past experience and management's expectations for the market development. Accordingly, the intangible assets associated with rights in sharing of profit streams was impaired by HK\$449,000 during the year ended 31st December 2016.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

24. 提供予一名董事之貸款

24. LOAN TO A DIRECTOR

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
於一月一日	At 1st January	-	-
初次確認時墊付之貸款部份	Loan portion advanced at initial recognition	271,908	-
推算利息收入	Imputed interest income	39,955	-
已收及應收利息	Interest received and receivables	(18,492)	-
		<u>293,371</u>	<u>-</u>
於十二月三十一日	At 31st December	<u>293,371</u>	<u>-</u>

於二零一六年十一月二十九日，本公司之全資附屬公司Best Combo Limited（「Best Combo」，作為貸款人）與陳女士（作為借款人）訂立貸款協議（「貸款協議」），據此，Best Combo已同意向陳女士授出一筆本金額為500,000,000港元（視乎貸款金額作出調整）之定期貸款（「貸款」）。貸款按年利率5厘計息，須於貸款之提取日期起計60個月屆滿之日償還，及以陳女士全資擁有之於英屬處女群島（「英屬處女群島」）註冊成立之公司Reform Base Holdings Limited（「Reform Base」）全部已發行股本作為擔保。

陳女士可於提取日期後清償貸款（連應計利息）而免罰款，惟須向Best Combo發出不少於十個營業日的事先書面通知。

截至二零一七年十二月三十一日止年度內，本集團最高欠款為500,000,000港元。

根據貸款協議，陳女士已同意向Best Combo授出認購期權（「認購期權」），允許Best Combo由貸款提取日起計60個月屆滿之行使期內要求陳女士以500,000,000港元（視乎貸款金額作出調整）出售Reform Base全部已發行股本。

於二零一七年四月六日，即貸款提取日，經參考獨立專業估值師行博浩企業顧問有限公司進行之估值而得出的公平價值，本公司董事確認貸款部份及認購期權部份之金額分別約為271,908,000港元及228,092,000港元。提供予一名董事之貸款首次確認之實際利率為20.76%。

On 29th November 2016, Best Combo Limited (“Best Combo”), a wholly-owned subsidiary of the Company, as a lender, and Ms. Chen, as a borrower, entered into a loan agreement (the “Loan Agreement”) pursuant to which Best Combo has agreed to grant to Ms. Chen a fixed term loan (the “Loan”) in the principal amount of HK\$500,000,000 (subject to the loan amount adjustment). The Loan is interest bearing at 5% per annum, repayable on the date falling 60 months from the drawdown date of the Loan and secured by way of a share charge over the entire issued share capital of Reform Base Holdings Limited (“Reform Base”), a company incorporated in the British Virgin Islands (the “BVI”) and wholly owned by Ms. Chen.

Ms. Chen may prepay the Loan (together with accrued interest) in full after the date of drawdown without penalty provided not less than ten business days’ prior written notice has been given to Best Combo.

During the year ended 31st December 2017, the maximum amount outstanding to the Group is HK\$500,000,000.

Pursuant to the Loan Agreement, Ms. Chen has agreed to grant the call option (the “Call Option”) to Best Combo which allows Best Combo to require Ms. Chen to sell the entire issued share capital of Reform Base at HK\$500,000,000 (subject to the loan amount adjustment) during the exercise period falling on the expiry of 60 months from the drawdown date of the Loan.

On 6th April 2017, the drawdown date of the Loan, the directors of the Company has recognised the amounts of approximately HK\$271,908,000 and HK\$228,092,000 for the loan portion and the call option portion respectively by reference to the fair value arrived on the basis of valuation carried out by Graval Consulting Limited, a firm of independent qualified professional valuers. The effective interest rate of loan to a director on initial recognition is 20.76%.

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25. 於一間合資企業之權益

25. INTEREST IN A JOINT VENTURE

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
於一間合資企業之投資成本 於香港，非上市	Cost of investment in a joint venture, unlisted in Hong Kong	-	-
應佔一間合資企業收購後 溢利及其他全面 收入，扣除已收股息	Share of post-acquisition profit and other comprehensive income in a joint venture, net of dividend received	384	161
		384	161

本集團之合資企業為非上市企業個體，故無法獲得其市場報價。

The Group's joint venture is unlisted corporate entities which quoted market prices are not available.

本集團合資企業於報告期末之詳情載列如下：

Details of the Group's joint venture at the end of the reporting period are set out below:

合資企業名稱 Name of joint venture	營業架構 Form of business structure	成立地點 Place of incorporation	所持股份類別 Class of shares held	本集團所持有 所有權權益及投票權之比例 Proportion of ownership interest and voting power held by the Group		主要業務 Principal activities
				二零一七年 2017 %	二零一六年 2016 %	
采星娛樂有限公司 Sparkle Star Entertainment Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	50	50	提供藝人管理服務及 製作電視連續劇 Provision of artist management services and production of television drama series

該合資企業乃採用權益法於此等財務報表內入賬。

The joint venture is accounted for using the equity method in these financial statements.

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25. 於一間合資企業之權益 (續)

個別非重大之合資企業之總合資料

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
本集團應佔年度溢利／(虧損)及 全面收入／(虧損)總額	The Group's share of profit/(loss) and total comprehensive income/(loss) for the year	223	(90)
本集團於一間合資企業權益之 賬面值	Carrying amount of the Group's interest in a joint venture	384	161

26. 存貨

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
食材及貯備	Food materials and supplies	-	7,002
製成品	Finished goods	-	59,004
		-	66,006

預期存貨於一年內可收回。

截至二零一六年十二月三十一日止年度內，若干存貨屬過時且不能產生未來經濟利益，故於綜合收入表確認過時存貨撇減約58,000港元。

25. INTEREST IN A JOINT VENTURE (Continued)

Aggregate information of a joint venture that is not individually material

26. INVENTORIES

Inventories are expected to be recovered within one year.

During the year ended 31st December 2016, certain inventories were obsolete that could not generate future economic benefits and a write-down of obsolete inventories of approximately HK\$58,000 was recognised in the consolidated income statement.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

27. 物業存貨

27. STOCK OF PROPERTIES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
持作出售之發展中物業	Properties under development held for sales		
於一月一日	At 1st January	583,240	567,973
添置	Additions	136,051	15,267
透過收購附屬公司 購置資產(附註46)	Acquisition of assets through acquisition of subsidiaries (note 46)	1,388,085	–
於十二月三十一日	At 31st December	2,107,376	583,240

物業存貨位於澳門並根據中期租約持有。

The stock of properties is located in Macau and held under medium-term leases.

持作出售之發展中物業預期於超過一年後收回。

Properties under development held for sales are expected to be recovered after more than one year.

於二零一三年九月，澳門特別行政區政府（「澳門政府」）頒布新土地法（「新土地法」），並於二零一四年三月生效。新土地法規定，澳門政府將有權收回於規定到期日前任何未完成之物業發展及／或未能達到土地特許權所列條件的土地而無須向物業擁有人作任何賠償。由於澳門政府延誤批出位於外港填海區6街區第6B地段（「第6B地段」）之物業的發展所需批文及許可，導致第6B地段不能開始發展而澳門政府更開始收回土地之行政工作。第6B地段為一個持作發展項目中的四個地段之一，並擬發展為一個休閒地區。本集團已於二零一六年十二月三十日向澳門中級法院院長提出上訴，惟中級法院至今尚未就此事作出裁定。

In September 2013, the government of Macau Special Administrative Region (the "Macau Government") promulgated the Macau New Land Law (the "MNLL") which came into effect in March 2014. The MNLL provides that the Macau Government will have the right to resume the land of any property development that is not completed and/or where the conditions as stated in the land concession for which have not been fulfilled by the stipulated expiry date without any compensation to the property owner. Owing to the delays caused by the Macau Government in granting the requisite approvals and permits for the development of the property located in Lot B in Quarteirão 6 at Zona de Aterros do Porto Exterior (ZAPE) ("Lot 6B"), Lot 6B could not commence development and the Macau Government has started the administrative work to reclaim it. Lot 6B is one of the four lots of land in a project held under development and is intended to be developed as recreational area. The Group has filed an appeal to the president of the Macau Second Instance Court on 30th December 2016 and the Second Instance Court has not ruled on this matter yet.

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

27. 物業存貨 (續)

基於本集團所獲法律意見，本集團在各方面有足夠理據向澳門法院申請索償。本集團法律代表已開展若干法律行動並正排期進行。根據法律專家的意見，法院將考慮就澳門政府造成此延誤的要點及本集團申索賠償的權利作出判斷。

鑒於上訴結果未定，本公司董事已考慮所有可獲取的證據，包括法律專家意見及相信本集團具有有力法律理據取得有利判決及尋求法律賠償。因此，彼等認為於二零一七年十二月三十一日及於二零一六年十二月三十一日無需就物業存貨確認減值虧損。

27. STOCK OF PROPERTIES (Continued)

Based on a legal opinion obtained by the Group, the Group has sufficient grounds to apply to the courts of the Macau for remedies in all aspects. A few legal actions have been initiated by the legal representatives of the Group and are now in progress. Based on the opinion of the legal expert, the court will consider and judge on the essential points regarding the delays caused by the Macau Government and the right of the Group to claim for compensation of loss.

As the outcome of the appeal is still uncertain, the directors of the Company have taken into account all available evidence, including the opinion of legal experts and believe that the Group has strong legal grounds to obtain a favourable judgement and seek for legal compensation. No impairment loss should be recognised in respect of stock of properties was considered necessary at 31st December 2017 and at 31st December 2016.

28. 電影版權

28. FILM RIGHTS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
成本	Cost		
於一月一日	At 1st January	758,178	266,383
轉自製作中電影	Transfer from films in progress	-	501,356
到期	Expired	-	(9,561)
		758,178	758,178
		758,178	758,178
累計攤銷及減值虧損	Accumulated amortisation and impairment losses		
於一月一日	At 1st January	736,732	253,838
本年度所計提攤銷	Amortisation provided for the year	8,373	487,578
到期	Expired	-	(9,561)
已確認之減值虧損	Impairment loss recognised	1,024	4,877
		746,129	736,732
		746,129	736,732
賬面值	Carrying amount		
於十二月三十一日	At 31st December	12,049	21,446
		12,049	21,446

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28. 電影版權 (續)

電影版權之減值測試

就減值測試而言，電影版權已分配至電影相關經營業務之現金產生單位。

於二零一七年十二月三十一日，董事已參考獨立合資格專業估值師行捷評資產顧問有限公司進行之估值，評估電影版權之現金產生單位之可收回金額，並釐定電影版權減值約1,024,000港元（二零一六年：4,877,000港元）。

電影版權之現金產生單位之可收回金額乃根據使用價值計算法釐定，該計算法使用經管理層批准之五年期財政預算為基準之現金流預測，以及每年17%（二零一六年：每年18%）之折現率計算，五年以上之現金流於兩個年度乃使用零增長率推算。該增長率並無超出相關產業平均長期增長率。使用價值計算法之主要假設與現金流入／流出估計有關，包括預算銷售額及毛利率、增長率及折現率，該估計為依據過往經驗及管理層就市場發展之預期。

年內確認之減值虧損僅與本集團之電影相關業務經營業務有關。由於該現金產生單位已削減至其可收回金額約12,049,000港元（二零一六年：21,446,000港元），故計算可收回金額所採用之假設之任何不利變動將引致進一步減值虧損。

28. FILM RIGHTS (Continued)

Impairment testing of film rights

For the purpose of impairment testing, film rights have been allocated to the CGU of film related business operations.

At 31st December 2017, the directors of the Company assessed the recoverable amount of the CGU of film rights with reference to the valuation performed by JP Assets Consultancy Limited, a firm of independent qualified professional valuers, and determined that film rights was impaired by approximately HK\$1,024,000 (2016: HK\$4,877,000).

The recoverable amount of the CGU of film rights has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five-year period and discount rate of 17% per annum (2016: 18% per annum) and cash flows beyond the five-year period are extrapolated using zero growth rate for both years. This growth rate does not exceed the average long-term growth rate for the relevant industry. Key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, growth rate and discount rate, such estimation is based on past experience and management's expectations of the market development.

The impairment loss recognised during the year solely relates to the Group's film related business operations. As the CGU has been reduced to its recoverable amount of approximately HK\$12,049,000 (2016: HK\$21,446,000), any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment losses.



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29. 製作中電影

29. FILMS IN PROGRESS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
於一月一日	At 1st January	81,461	380,606
添置	Additions	87,531	202,633
轉撥至電影版權	Transfer to film rights	–	(501,356)
已確認之減值虧損	Impairment loss recognised	–	(422)
於十二月三十一日	At 31st December	168,992	81,461

製作中電影以成本減累計減值虧損(如有)計量。

The films in progress were measured at cost less accumulated impairment losses, if any.

本集團於各報告期末透過比較製作中電影之應佔賬面值其可收回金額而進行減值測試。

The Group performed impairment tests at the end of each reporting period by comparing the attributable carrying amounts of the films in progress with the recoverable amounts.

鑒於電影製作之階段性，本集團定期檢討各電影製作之進度。截至二零一六年十二月三十一日止年度內，鑒於當時市況，本公司董事決定暫停若干處於不同製作階段之電影的製作，並釐定及於綜合收入表內確認減值約422,000港元。

In light of the stage of film production, the Group regularly reviewed the progress of film production of each film. During the year ended 31st December 2016, the directors of the Company decided to suspend the production of certain films in different stage of production due to the prevail market circumstances, and determined that amount of approximately HK\$422,000 was impaired and recognised in the consolidated income statement.

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30. 電影投資

30. INVESTMENT IN FILM

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
按攤銷成本計量之電影製作投資	-	11,325

上述金額代表於電影製作之投資，乃與其他製作公司共同融資。

The amount represents investment in production of film which is co-financing with other production companies.

投資受本集團與製作公司訂立的相關協議規管，據此本集團得享相關電影製作發行所得利益。

The investment is governed by the relevant agreement entered into between the Group and the production company whereby the Group is entitled to benefits generated from the distribution of the related film production.

截至二零一七年十二月三十一日止年度內，本集團收到金額約11,325,000港元之投資成本及金額約313,000港元之投資收入。

During the year ended 31st December 2017, an investment cost with the amount of approximately HK\$11,325,000 and an investment income with the amount of approximately HK\$313,000 was received by the Group.

由於初始投資預期可於一年內收回，故金額乃歸類為流動資產。

Since the initial investment is expected to be recovered within one year the amount is classified as current assets.

31. 貿易應收賬款

31. TRADE RECEIVABLES

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
貿易應收賬款	4,435	233,214
減：呆賬撥備	(1,336)	(1,437)
	3,099	231,777

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31. 貿易應收賬款 (續)

以下為根據發票日期(與各自收益確認日期相若)呈列之貿易應收賬款減呆賬撥備之賬齡分析:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
0至30日	0 to 30 days	2,758	181,366
31至60日	31 to 60 days	–	3,978
61至90日	61 to 90 days	–	538
超過90日	Over 90 days	341	45,895
		3,099	231,777

給予客戶之平均賒賬期為30至90日不等。

於二零一七年十二月三十一日，貿易應收賬款金額約3,068,000港元(二零一六年：224,903,000港元)乃由本集團之兩名(二零一六年：三名)最大客戶結欠。

年內呆賬撥備之變動如下：

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
於一月一日	At 1st January	1,437	305
已確認之減值虧損	Impairment loss recognised	–	1,143
減值撥回	Reversal of impairment	(135)	–
出售附屬公司(附註47)	Disposal of subsidiaries (note 47)	(11)	–
外幣匯兌虧損/(溢利)	Foreign exchange translation loss/(gain)	45	(11)
於十二月三十一日	At 31st December	1,336	1,437

31. TRADE RECEIVABLES (Continued)

The following is an aging analysis of trade receivables, presented based on the invoice dates, which approximates the respective revenue recognition dates and net of allowance for doubtful debts:

The average credit period granted to customers ranges from 30 to 90 days.

At 31st December 2017, trade receivables with the amounts of approximately HK\$3,068,000 (2016: HK\$224,903,000) is due from the Group's top two (2016: three) customers.

The movement in the allowance for doubtful debts during the year is as follows:

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31. 貿易應收賬款 (續)

於二零一六年十二月三十一日，呆賬撥備中計入個別減值之貿易應收賬款結餘約1,143,000港元，其於報告期末已逾期未付。確認呆賬撥備乃因信貸質素有重大變動且有關金額被視為不可收回。

上文所披露之貿易應收賬款包括於報告期末已過期之金額(見下文賬齡分析)，惟本集團並無就此確認呆賬撥備，乃由於其信貸質素並無重大變動，而該等金額仍被視為可收回。本集團並無就該等結餘持有任何抵押品。

以下為已過期但未減值之貿易應收賬款之賬齡分析：

31. TRADE RECEIVABLES (Continued)

At 31st December 2016, included in the allowance for doubtful debts are individually impaired trade receivables with a balance of approximately HK\$1,143,000 which are past due at the end of the reporting period. The allowance for doubtful debts recognised because there has been a significant change in credit quality and the amounts are considered irrecoverable.

Trade receivables disclosed above include amounts (see below for aging analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

The following is an aging analysis of trade receivables which are past due but not impaired:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
超過90日	341	45,895

在釐定貿易應收賬款之可收回性時，本公司董事考慮貿易應收賬款之信貸質素自初步授出日期直至報告期末之任何變動。

In determining the recoverability of a trade receivable, the directors of the Company consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

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32. 按金、預付款項及其他應收款項 32. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
已付按金	Deposits paid	6,183	11,867
就投資已付之按金	Deposit paid for investment	–	400,000
預付款項	Prepayment	4,532	22,822
其他應收款項	Other receivables	279,266	117,871
		289,981	552,560
減：分類為即期部分之按金、 預付款項及其他應收款項	Less: Deposits, prepayment and other receivables classified as current portion	(289,981)	(152,560)
分類為非即期部分之已付按金	Deposit paid classified as non-current portion	–	400,000

截至二零一六年十二月三十一日止年度內，由於信貸質素變動且本公司董事認為不可收回，故本集團之按金、預付款項及其他應收款項有減值約3,900,000港元。

於二零一六年十二月三十一日，就投資已付之按金400,000,000港元指本集團根據日期為二零一六年十一月二十九日之有條件買賣協議收購Modern Vision (Asia) Limited (「Modern Vision」)，及其附屬公司(「Modern Vision集團」)全部股權而支付之現金按金。收購事項已於二零一七年四月六日完成。

During the year ended 31st December 2016, the Group's deposits, prepayment and other receivables are impaired with amounts of approximately HK\$3,900,000 due to change in credit quality and the directors of the Company considered irrecoverable.

At 31st December 2016, deposit paid for investment with amount of HK\$400,000,000 represented cash deposit paid by the Group in respect of acquisition of the entire equity interest of Modern Vision (Asia) Limited ("Modern Vision") and its subsidiaries ("Modern Vision Group") pursuant to a conditional sale and purchase agreement dated 29th November 2016. The acquisition was completed on 6th April 2017.

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33. 透過損益以公平價值列賬之金融資產 33. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
分類為持作買賣投資之上市證券：	Listed securities classified as held for trading investments:		
– 於香港上市之股本證券	– Equity securities listed in Hong Kong	511,872	286,933
衍生金融工具：	Derivative financial instruments:		
– 提供予一名董事之貸款內所含之認購期權	– Call Option embedded in loan to a director	213,944	–
		725,816	286,933

於報告期末，所有透過損益以公平價值列賬之金融資產均以公平價值列賬。分類為持作買賣投資之上市證券（停牌香港上市證券除外）之公平價值乃參考所報之市場收市價而釐定。

於二零一七年十二月三十一日，停牌香港上市證券之公平價值約3,635,000港元乃經參考獨立合資格專業估值師行博浩企業顧問有限公司進行之估值而得出。該停牌香港上市證券之公平價值乃採用市場法按於二零一七年十二月三十一日之貼現率負84.61%進行估值。使用該貼現率旨在反映持有被暫停買賣而復牌機會渺茫的股份之市場參與者所察覺有關企業管治、股份不流通性及財政壓力等風險承擔。

於二零一七年十二月三十一日，認購期權之公平價值約213,944,000港元乃經參考獨立合資格專業估值師行博浩企業顧問有限公司進行之估值而得出。認購期權之公平價值乃採用二項式期權定價模式以二零一七年十二月三十一日之貼現率21.26%進行估值。貼現率為投資者投資於目標投資，而不投資於風險及其他投資特點相若之另類投資所須放棄之預期回報率（或收益）。

At the end of the reporting period, all financial assets at FVTPL are stated at fair value. Fair values of listed securities classified as held for trading investments (other than suspended trading security listed in Hong Kong) are determined with reference to quoted market closing price.

At 31st December 2017, the fair value of suspended trading security listed in Hong Kong with the amount of approximately HK\$3,635,000 was reference to the valuation carried out by Graval Consulting Limited, a firm of independent qualified professional valuers. The fair value of suspended trading security listed in Hong Kong was valued by using the market approach with a discount rate of negative 84.61% at 31st December 2017. The discount rate is used to reflect the risk of exposure to corporate governance, illiquidity and financial distress etc perceived by market participants who hold the suspended shares with remote likelihood of trade resumption.

At 31st December 2017, the fair value of the Call Option with the amount of approximately HK\$213,944,000 was arrived by reference to valuation carried out by Graval Consulting Limited, a firm of independent qualified professional valuers. The fair value of the Call Option was valued by using the binomial option pricing model with discount rate of 21.26% at 31st December 2017. A discount rate is the expected rate of return (or yield) that an investor would have to give up by investing in the subject investment instead of other available alternative investments that are comparable in terms of risk and other investment characteristics.



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33. 透過損益以公平價值列賬之金融資產 (續)

於批准該等財務報表日期，本集團之香港上市股本證券（不計於二零一七年十二月三十一日之停牌證券）之公平價值約為257,938,000港元（二零一六年：236,094,000港元）。

33. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The fair value of the Group's equity securities listed in Hong Kong (excluding suspended trading security at 31st December 2017) at the date of approval of these financial statements were approximately HK\$257,938,000 (2016: HK\$236,094,000).

34. 應收貸款

34. LOAN RECEIVABLES

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
應收定息貸款	200,000	825,000

應收定息貸款

Fixed-rate loan receivables

200,000

825,000

應收貸款乃按年利率3厘（二零一六年：年利率3厘至12厘）計息，並須於首次提取日期後滿24個月當日償還。應收貸款包含有須於要求時償還之條款，故被分類為流動資產。

Loan receivables are interest bearing of 3% per annum (2016: 3% to 12% per annum) and repayable on the date falling 24 months from the first drawdown date. Loan receivables contain a clause of repayable on demand and thus classified as current assets.

於二零一六年十二月三十一日，應收貸款金額150,000,000港元）乃以各有關借款人之唯一實益擁有人及董事之個人擔保作抵押。

At 31st December 2016, loan receivables with amounts HK\$150,000,000 are secured by the personal guarantees of the sole beneficial owner and the director of respective borrowers.

35. 定期存款

35. TIME DEPOSITS

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
於銀行之定期存款	155	-

於銀行之定期存款

Time deposits held at bank

155

-

定期存款以年利率0.225厘計息，並於92日內到期。

The time deposits are interest bearing at 0.225% per annum and mature within 92 days.

定期存款約136,000港元乃已抵押作為就發展位於澳門的物業存貨給予澳門政府之擔保。

Time deposits with amount of approximately HK\$136,000 are pledged for guaranteed to Macau Government for development of stock of properties located in Macau.

於銀行之定期存款乃以澳門元列值。

Time deposits held at bank is denominated in MOP.

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36. 現金及銀行結餘

銀行結餘按浮動利率計息，並存放於近期無不良記錄之有信譽銀行。短期定期存款之時段由一星期至三個月不等，視乎本集團即時現金需要而定，並會按各自之短期定期存款介乎年利率0.13厘至1.3厘（二零一六年：年利率0.06厘至2.80厘）賺取利息。

就綜合現金流量表而言，現金及銀行結餘包括手頭現金、銀行現金及短期定期存款。於二零一七年十二月三十一日及二零一六年十二月三十一日在綜合現金流量表上列示之現金及銀行結餘可與相關項目對賬如下：

36. CASH AND BANK BALANCES

Bank balances carry interest at floating rates and placed with creditworthy banks with no recent history of default. Short-term time deposits are made for varying periods of between one week to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates ranged from 0.13% to 1.3% per annum (2016: 0.06% to 2.80% per annum).

For the purpose of the consolidated statement of cash flows, cash and bank balances include cash on hand and cash at banks and short-term time deposits. Cash and bank balances at 31st December 2017 and 31st December 2016 as shown in the consolidated statement of cash flows can be reconciled to the related items as follows:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
手頭現金及銀行現金	Cash on hand and cash at banks	43,755	426,509
短期定期存款	Short-term time deposits	380,445	343,430
		424,200	769,939

於二零一七年十二月三十一日，本集團之現金及銀行結餘中，美元、澳門幣、歐元及人民幣分別計值約為574,000港元（二零一六年：1,860,000港元）、825,000港元（二零一六年：24,905,000港元）、752,000港元（二零一六年：374,000港元）及34,218,000港元（二零一六年：15,128,000港元）。

人民幣在中國並非可自由兌換之貨幣，且匯出中國之資金受中國政府實行的外匯管制規範。本集團以人民幣列值之現金及銀行結餘位於香港及澳門，其不受外匯管制。

At 31st December 2017, the Group's cash and bank balances denominated in US\$, MOP, EUR and RMB are approximately HK\$574,000 (2016: HK\$1,860,000), HK\$825,000 (2016: HK\$24,905,000), HK\$752,000 (2016: HK\$374,000) and HK\$34,218,000 (2016: HK\$15,128,000) respectively.

RMB is not a freely convertible currency in the PRC and the remittance of funds out of the PRC is subject to the foreign exchange control promulgated imposed by the government of the PRC. The Group's cash and bank balances denominated in RMB which located in Hong Kong and Macau are not subject to the foreign exchange control.



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

37. 分類為持作出售之資產

蘭桂坊出售事項中，出售集團在澳門從事酒店及博彩服務經營業務。二零一八年一月三日完成出售出售集團後，出售集團應佔資產與負債已分類為持作出售並於綜合財務狀況表中單獨呈列。

出售集團之資產與負債分類為持作出售的主要類別如下：

37. ASSETS CLASSIFIED AS HELD FOR SALE

In the LKF Disposal, the Disposal Group are engaged in hotel and gaming service operations in Macau. The assets and liabilities attributable to the Disposal Group, which the disposal of the Disposal Group has been completed on 3rd January 2018, have been classified as held for sale and are presented separately in the consolidated statement of financial position.

The major classes of assets and liabilities of the Disposal Group classified as held for sale are as follows:

二零一七年
2017
千港元
HK\$'000

<p>出售集團之資產於二零一七年 十二月三十一日分類為持作出售</p> <p>物業、機器及設備(附註17)</p> <p>租賃土地權益(附註18)</p> <p>存貨</p> <p>貿易應收賬款</p> <p>按金、預付款項及其他應收款項</p> <p>現金及銀行結餘</p>	<p>Assets of the Disposal Group classified as held for sale at 31st December 2017</p> <p>Property, plant and equipment (note 17)</p> <p>Interests in leasehold land (note 18)</p> <p>Inventories</p> <p>Trade receivables</p> <p>Deposits, prepayment and other receivables</p> <p>Cash and bank balances</p>	<p>299,126</p> <p>318,366</p> <p>3,616</p> <p>49,487</p> <p>13,690</p> <p>41,350</p> <hr/> <p>725,635</p>
<p>出售集團之負債於二零一七年 十二月三十一日分類為持作出售</p> <p>貿易應付賬款</p> <p>已收取按金、應計項目及其他應付款項</p> <p>銀行借貸(附註39)</p> <p>融資租賃債務(附註41)</p> <p>遞延稅項負債(附註42)</p>	<p>Liabilities of the Disposal Group classified as held for sale at 31st December 2017</p> <p>Trade payables</p> <p>Deposits received, accruals and other payables</p> <p>Bank borrowings (note 39)</p> <p>Obligations under finance leases (note 41)</p> <p>Deferred tax liabilities (note 42)</p>	<p>34,233</p> <p>35,277</p> <p>670,000</p> <p>353</p> <p>80,888</p> <hr/> <p>820,751</p>
<p>於二零一七年十二月三十一日 出售集團之負債淨額</p>	<p>Net liabilities of the Disposal Group at 31st December 2017</p>	<hr/> <p>(95,116)</p>

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

38. 股本

38. SHARE CAPITAL

		股份數目 Number of shares		金額 Amount	
		二零一七年 2017 千股 '000	二零一六年 2016 千股 '000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
每股面值0.01港元 之普通股	Ordinary shares of HK\$0.01 each				
法定股本：	Authorised:				
於一月一日及 十二月三十一日	At 1st January and 31st December	<u>50,000,000</u>	50,000,000	<u>500,000</u>	500,000
已發行及繳足股本：	Issued and fully paid:				
於一月一日	At 1st January	<u>903,704</u>	753,104	<u>9,037</u>	7,531
配售新股(附註)	Placement of new shares (note)	<u>-</u>	150,600	<u>-</u>	1,506
於十二月三十一日	At 31st December	<u>903,704</u>	903,704	<u>9,037</u>	9,037

附註：於二零一六年十月二十八日，本公司按每股股份0.53港元之價格配發及發行合共150,600,000股每股面值0.01港元之新股份。所得款項淨額約77,767,000港元擬用於電影製作。

Note: On 28th October 2016, the Company allotted and issued an aggregate 150,600,000 new shares of HK\$0.01 each at a price of HK\$0.53 per share. The net proceeds of approximately HK\$77,767,000 were intended to be used for film production.



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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

39. 銀行借貸

39. BANK BORROWINGS

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
銀行借貸：	Bank borrowings:		
– 有抵押	– Secured	–	790,000
– 無抵押	– Unsecured	–	13,513
			<u>803,513</u>
應償還賬面值：	Carrying amounts repayable:		
一年內	Within one year	–	133,513
超過一年，但不超過兩年	More than one year, but not exceeding two years	–	120,000
超過兩年，但不超過五年	More than two years, but not more than five years	–	360,000
超過五年	Over five years	–	190,000
			<u>803,513</u>
減：流動負債項下所示之款項	Less: Amounts shown under current liabilities	–	<u>(133,513)</u>
非流動負債項下所示之款項	Amounts shown under non-current liabilities	–	<u>670,000</u>

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

39. 銀行借貸 (續)

於二零一七年十二月三十一日，本集團之有抵押銀行借貸餘額為670,000,000港元（二零一六年：790,000,000港元），乃以本集團賬面值分別約202,425,000港元（二零一六年：207,896,000港元）及318,366,000港元（二零一六年：338,142,000港元）之樓宇及租賃土地權益，以及澳門蘭桂坊酒店有限公司及經典管理服務有限公司（「經典管理」）之定額資本作抵押。該有抵押銀行借貸亦獲本公司及經典管理提供擔保。有抵押銀行借貸按年利率3.5厘（香港最優惠利率5.25厘減息差1.75厘）計息，並須於餘下連續20個季度按等額30,000,000港元分期償還及最後一期於有抵押銀行借貸到期日償還餘額70,000,000港元。該有抵押銀行借貸670,000,000港元於二零一七年十二月三十一日已重新分類至分類為持作出售之資產的相關負債。

於二零一六年十二月三十一日，本集團有無抵押進口貿易貸款約13,513,000港元。無抵押進口貿易貸款由NPH Holdings Limited一名前股東個人擔保，按一個月香港銀行同業拆息加年利率2厘計息，須按要求償還。進口貿易貸款已於截至二零一七年十二月三十一日止年度內清償。

所有計息銀行借貸均以港元列值。

39. BANK BORROWINGS (Continued)

At 31st December 2017, the Group had secured bank borrowing with remaining balance of HK\$670,000,000 (2016: HK\$790,000,000) which is secured by the Group's buildings and interests in leasehold land with carrying amounts of approximately HK\$202,425,000 (2016: HK\$207,896,000) and HK\$318,366,000 (2016: HK\$338,142,000) respectively, quota capital of Hotel Lan Kwai Fong (Macau) Limited and Classic Management & Services Company Limited ("Classic Management"). The secured bank borrowing is also guaranteed by the Company and Classic Management. The secured bank borrowing is interest bearing at 3.5% per annum (Hong Kong Prime Rate 5.25% less margin 1.75%) and repayable by remaining of 20 equal consecutive quarterly instalments of HK\$30,000,000 per quarter and a final repayment of HK\$70,000,000 at the maturity date of the secured bank borrowing. The secured bank borrowing of HK\$670,000,000 was reclassified to liabilities associated with assets classified as held for sale at 31st December 2017.

At 31st December 2016, the Group had unsecured import trade loans of approximately HK\$13,513,000. The unsecured import trade loans are personally guaranteed by an ex-shareholder of NPH Holdings Limited, interest bearing at 2% per annum over one month Hong Kong Inter-bank Offer Rate and repayable on demand. The import trade loans had been fully repaid during the year ended 31st December 2017.

All interest-bearing bank borrowings are denominated in HK\$.

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

40. 承付票

40. PROMISSORY NOTE

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
於一月一日	At 1st January	-	-
發行承付票 (附註(i))	Issue of promissory note (note (i))	483,913	-
承付票之推算利息	Imputed interest on promissory note	37,963	-
已付及應付利息	Interest paid and payable	(14,169)	-
償還承付票 (附註(ii))	Repayment of promissory note (note (ii))	(400,000)	-
提早贖回承付票之虧損 (附註(ii))	Loss on early redemption on promissory note (note (ii))	66,110	-
		173,817	-
於十二月三十一日	At 31st December	173,817	-

附註：

Notes:

(i) 於二零一七年四月六日，本公司收購Modern Vision全部股本權益及Modern Vision結欠之銷售貸款，總代價為1,000,000,000港元，其中600,000,000港元由本公司以向陳女士發行承付票方式結算。承付票為無抵押按年利率5厘計息，並以一年為365日為計息基礎及每半年付息一次，並由承付票發行日期起計24個月到期。本公司可向陳女士發出不少於十個營業日之事先書面通知，表示其有意償還承付票未償還本金額之任何部分。提早償還與主合約有密切關連。承付票於發行日期之公平價值約483,913,000港元乃參考獨立專業估值師博浩企業顧問有限公司進行之估值而得出。承付票於發行日期之實際利率為17.49%。

(i) On 6th April 2017, the Company acquired the entire equity interest in Modern Vision and the sale loan due by Modern Vision with total consideration of HK\$1,000,000,000, in which HK\$600,000,000 was settled by issue of promissory note to Ms. Chen by the Company. The promissory note was unsecured, interest bearing at 5% per annum calculated on the basis of 365-day year and payable semi-annually in arrears and mature 24 months from the date of issuance of the promissory note. The Company can give a notice to Ms. Chen not less than ten business days' prior notice in writing of its intention to repay any part of the outstanding principal amount of the promissory note. The early repayment option is closely related to the host contract. The fair value of promissory note with the amount of approximately HK\$483,913,000 at the issue date have been arrived by reference to the valuation carried out by Graval Consulting Limited, a firm of independent qualified professional valuers. The effective interest rate of the promissory note at the issue date is 17.49%.

(ii) 截至二零一七年十二月三十一日止年度內，本公司已向陳女士部分贖回承付票本金額400,000,000港元。提早贖回承付票之虧損金額約66,110,000港元已於本公司綜合收入表確認。

(ii) During the year ended 31st December 2017, the Company has partially redeemed promissory note with principal amount of HK\$400,000,000 to Ms. Chen. Loss on early redemption on promissory note with the amount of approximately HK\$66,110,000 was recognised in the consolidated income statement by the Company.

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截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

41. 融資租賃債務

本集團根據融資租賃租用其若干設備。於兩個年度，平均租期均為五年。所有融資租賃債務之相關利息於各自之合約日期釐定，介乎年利率5.00厘至7.52厘之間（二零一六年：5.00厘至7.52厘）。所有租賃均須定期償還，而並無訂立或然租金付款之安排。

41. OBLIGATIONS UNDER FINANCE LEASES

The Group leased certain of its equipment under finance leases. The average lease term is 5 years for both years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 5.00% to 7.52% (2016: 5.00% to 7.52%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

		最低租金		最低租金之現值	
		Minimum lease payments		Present value of minimum lease payments	
		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
按融資租賃應付之款項：	Amounts payable under finance leases:				
一年內	Within one year	-	266	-	231
第二至第五年內	In the second to fifth year	-	407	-	353
		-	673	-	584
減：未來財務費用	Less: Future finance charges	-	(89)	-	-
租賃債務之現值	Present value of lease obligations	-	584	-	584
減：須於12個月內結算之款項 (流動負債項下所示)	Less: Amounts due for settlement within 12 months (show under current liabilities)			-	(231)
於12個月後結算之款項 (非流動負債項下所示)	Amounts due for settlement after 12 months (show under non-current liabilities)			-	353

於二零一七年十二月三十一日，本集團之融資租賃債務以出租人賬面值約353,000港元（二零一六年：584,000港元）之租賃資產押記作抵押。

At 31st December 2017, the Group's obligations under finance leases are secured by the lessor's charge over the leased assets with the carrying amounts of approximately HK\$353,000 (2016: HK\$584,000).



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

41. 融資租賃債務 (續)

融資租賃債務353,000港元(二零一六年: 584,000港元)於二零一七年十二月三十一日已重新分類至分類為持作出售之資產的相關負債。

所有融資租賃債務以港元列值。

42. 遞延稅項負債

以下為本集團確認之主要遞延稅項結餘及其變動:

41. OBLIGATIONS UNDER FINANCE LEASES (Continued)

Obligations under finance leases of HK\$353,000 (2016: HK\$584,000) was reclassified to liabilities associated with assets classified as held for sale at 31st December 2017.

All obligations under finance leases are denominated in HK\$.

42. DEFERRED TAX LIABILITIES

The following is the major deferred tax balances recognised by the Group and movements thereon:

		收購附屬公司之 公平價值調整 Fair value adjustment on acquisition of subsidiaries 千港元 HK\$'000
於二零一六年一月一日、 於二零一六年十二月三十一日及 於二零一七年一月一日	At 1st January 2016, at 31st December 2016 and at 1st January 2017	82,948
出售附屬公司(附註47)	Disposal of subsidiaries (note 47)	(2,060)
重新分類至分類為持作出售之 資產的相關負債(附註37)	Reclassified to liabilities associated with assets classified as held for sale (note 37)	(80,888)
於二零一七年十二月三十一日	At 31st December 2017	—

至於本集團之投資物業，由於並無投資物業乃按業務模式持有而其目的是隨時間耗用投資物業所包含的絕大部分經濟利益(而並非透過出售)，本集團並未就投資物業公平價值變動確認任何遞延稅項，因本集團無須就出售其投資物業繳納任何所得稅。

於報告期末，本集團有約555,719,000港元(二零一六年: 814,421,000港元)可供抵銷日後溢利之未動用估計稅務虧損。由於未能預計日後之溢利流向，故並無確認遞延稅項資產，而未確認之稅項虧損可無限期結轉。

With regard to the Group's investment properties, as none of the investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, the Group has not recognised any deferred tax on change in fair value of the investment properties as the Group is not subject to any income tax on disposal of its investment properties.

At the end of the reporting period, the Group had unused estimated tax losses of approximately HK\$555,719,000 (2016: HK\$814,421,000) available for offset against future profits. No deferred tax asset has been recognised in respect of tax losses due to the unpredictability of future profit streams and unrecognised tax losses could be carried forward indefinitely.

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43. 貿易應付賬款

以下為貿易應付賬款按發票日期之賬齡分析：

43. TRADE PAYABLES

The following is an aging analysis of trade payables, based on the invoice dates:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
0至30日	0 to 30 days	23,328	19,659
31至60日	31 to 60 days	211	6,611
61至90日	61 to 90 days	—	92
超過90日	Over 90 days	3,050	17,458
		26,589	43,820

供應商給予之平均賒賬期為30至90日不等。

The average credit period granted by suppliers ranges from 30 to 90 days.



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44. 已收取按金、應計項目及其他應付款項 44. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
已收取按金 (附註i)	Deposits received (note i)	82,693	81,187
與已終止經營業務有關之 已收取按金 (附註ii)	Deposits received associated with the discontinued operation (note ii)	200,000	–
應計項目	Accruals	9,344	51,039
預收款項	Receipt in advance	–	8
其他應付款項	Other payables	2,033	5,968
		294,070	138,202

附註：

- (i) 已收取按金主要指電影上畫及交付母帶前收自發行商之按金。
- (ii) 於二零一七年十二月三十一日，與已終止經營業務有關之已收取按金指有關蘭桂坊出售事項而已收取之按金。

Notes:

- (i) Deposits received mainly represented deposits received from distributors prior to the theatrical release and delivery of master materials of film.
- (ii) At 31st December 2017, deposit received associated with the discontinued operation represented the deposit received in relation to the LKF Disposal.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

45. 應付非控股權益款項

應付非控股權益之款項為無抵押、免息及須於要求時償還。

45. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

The amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

46. 透過收購附屬公司購置資產

(a) 收購Modern Vision

於二零一六年十一月二十九日，Best Combo（作為買方）與陳女士（作為賣方）就有關收購Modern Vision全部股本權益及Modern Vision結欠之銷售貸款訂立一項有條件買賣協議，總代價為1,000,000,000港元（視乎購買價作出調整），其中400,000,000港元（作為按金）以現金付訖及600,000,000港元以發行承付票結付。Modern Vision為一間投資控股公司，而Modern Vision集團的主要業務為物業投資及發展，其主要資產由位於澳門的物業存貨組成。該收購事項於二零一七年四月六日完成。收購事項不構成業務合併並已採用收購法入賬。

收購Modern Vision旨在擴大本集團於澳門的物業投資業務。

46. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Modern Vision

On 29th November 2016, Best Combo as purchaser and Ms. Chen as vendor, entered into a conditional sale and purchase agreement in relating to the acquisition of entire equity interest in Modern Vision and a sale loan due by Modern Vision at total consideration of HK\$1,000,000,000 (subject to purchase price adjustment), in which HK\$400,000,000 as a deposit was settled by cash and HK\$600,000,000 was settled by issue of a promissory note. Modern Vision is an investment holding company and the principal activities of Modern Vision Group is property investment and development and its major asset consist of stock of properties located in Macau. The acquisition was completed on 6th April 2017. The acquisition, being not constituted as business combination, has been accounted for using the acquisition method.

Modern Vision was acquired for expanding the Group's property investment business in Macau.

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46. 透過收購附屬公司購置資產 (續) 46. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

(a) 收購Modern Vision (續)

所轉讓之代價：

	面值	代價之 公平價值
	Face value	Fair value
	千港元	of the
	HK\$'000	consideration
		千港元
		HK\$'000
就投資已付現金按金 (附註32)	Cash deposit paid for investment (note 32)	400,000
發行承付票 (附註40)	Issue of promissory note (note 40)	600,000
總代價	Total consideration	1,000,000
		883,913

該收購事項已按作收購資產與負債入賬計算。該收購事項之影響概述如下：

(a) Acquisition of Modern Vision (Continued)

Consideration transferred:

	千港元	
	HK\$'000	
物業存貨 (附註27)	Stock of properties (note 27)	1,388,085
應計項目	Accruals	(1,126)
應付非控股權益之款項	Amounts due to non-controlling interests	(503,116)
資產淨值	Net assets	883,843
非控股權益	Non-controlling interests	70
所收購之資產淨值	Net assets acquired of	883,913

The acquisition has been accounted for as an acquisition of assets and liabilities. The effect of the acquisition is summarised as follows:

	千港元	
	HK\$'000	
收購Modern Vision所產生之現金流出淨額：		
現金流出淨額	Net cash outflow	400,000

收購Modern Vision所產生之現金流出淨額：

Net cash outflow arising on acquisition of Modern Vision:

	千港元	
	HK\$'000	
現金流出淨額	Net cash outflow	400,000

根據貸款轉讓契據，本集團於收購事項完成時收購了約499,909,000港元之銷售貸款。

According to the deed of assignment of loan, the sale loan amounted to approximately HK\$499,909,000 was acquired by the Group upon completion of the acquisition.

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46. 透過收購附屬公司購置資產 (續)

(b) 收購豐采錄影有限公司 (「豐采錄影」)

於二零一七年二月十七日，本集團完成收購豐采錄影之全部股本權益及豐采錄影結欠之銷售貸款，總代價為173,000港元。豐采錄影之主要業務為發行電影及電視連續劇。收購事項不構成業務合併並已採用收購法入賬。

所轉讓之代價：

現金代價

該收購事項已按收購資產與負債入賬計算。該收購事項之影響概述如下：

可供出售金融資產
現金及銀行結餘
應計項目

所收購之資產淨值

收購豐采錄影所產生之現金流出淨額：

已付現金代價
減：所收購之現金及現金等值項目

現金流出淨額

根據貸款轉讓契據，本集團於收購事項完成時收購了約39,851,000港元之銷售貸款。

46. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

(b) Acquisition of Riche Video Limited (“Riche Video”)

On 17th February 2017, the Group completed the acquisition of the entire equity interest in Riche Video and a sale loan due by Riche Video at total consideration of HK\$173,000. The principal activity of Riche Video is distribution of films and television drama series. The acquisition, being not constituted as business combination, has been accounted for using the acquisition method.

Consideration transferred:

千港元
HK\$'000

Cash consideration

173

The acquisition has been accounted for as an acquisition of assets and liabilities. The effect of the acquisition is summarised as follows:

千港元
HK\$'000

AFS financial assets
Cash and bank balances
Accruals

173
1
(1)

Net assets acquired of

173

Net cash outflow arising on acquisition of Riche Video:

千港元
HK\$'000

Cash consideration paid
Less: Cash and cash equivalents acquired of

173
(1)

Net cash outflow

172

According to the deed of assignment of loan, the sale loan amounted to approximately HK\$39,851,000 was acquired by the Group upon completion of the acquisition.

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47. 出售附屬公司

(a) 出售Ace Season

於二零一七年三月二十九日，本集團訂立一項有條件買賣協議以出售於Ace Season（其主要從事南北行經營業務）之全部股本權益及Ace Season結欠之銷售貸款，總代價為85,000,000港元。該出售事項於二零一七年六月三十日完成。

所轉讓之代價：

	千港元 HK\$'000
現金代價	85,000

失去控制權之資產與負債分析：

	千港元 HK\$'000
物業、機器及設備(附註17)	1,709
無形資產(附註23)	7,582
存貨	52,185
貿易應收賬款	3,841
按金、預付款項及其他應收款項	7,213
應收非控股權益款項	371
現金及現金等值項目	19,502
貿易應付賬款	(1,837)
應計項目及其他應付款項	(3,274)
應付直屬控股公司款項	(92,724)
遞延稅項負債(附註42)	(2,060)
所出售之負債淨額	(7,492)

出售Ace Season之虧損：

	千港元 HK\$'000
已收現金代價	85,000
所出售之負債淨額	7,492
轉讓予買方之應付直屬控股公司款項	(92,724)
非控股權益	(425)
出售附屬公司時匯兌儲備撥回	58
出售Ace Season之虧損	(599)

47. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Ace Season

On 29th March 2017, the Group entered into a conditional sale and purchase agreement to dispose the entire equity interest in Ace Season, which principally engaged in the Nam Pei Hong operations, and a sale loan due by Ace Season at total consideration of HK\$85,000,000. The disposal was completed on 30th June 2017.

Consideration transferred:

	千港元 HK\$'000
Cash consideration	85,000

Analysis of assets and liabilities over which control was lost:

	千港元 HK\$'000
Property, plant and equipment (note 17)	1,709
Intangible assets (note 23)	7,582
Inventories	52,185
Trade receivables	3,841
Deposits, prepayment and other receivables	7,213
Amount due from non-controlling interests	371
Cash and cash equivalents	19,502
Trade payables	(1,837)
Accruals and other payables	(3,274)
Amount due to immediate holding company	(92,724)
Deferred tax liabilities (note 42)	(2,060)
Net liabilities disposed of	(7,492)

Loss on disposal of Ace Season:

	千港元 HK\$'000
Cash consideration received	85,000
Net liabilities disposed of	7,492
Amount due to immediate holding company assigned to the purchaser	(92,724)
Non-controlling interests	(425)
Release of exchange reserve upon disposal of subsidiaries	58
Loss on disposal of Ace Season	(599)

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47. 出售附屬公司 (續)

(a) 出售Ace Season (續)

出售Ace Season所產生之現金流入淨額：

	千港元 HK\$'000
已收現金代價	85,000
減：所出售之現金及現金等值項目	<u>(19,502)</u>
現金流入淨額	<u>65,498</u>

(b) 出售虹溢有限公司 (「虹溢」)

於二零一七年五月九日，本集團訂立有條件買賣協議以出售本公司全資附屬公司虹溢全部股本權益及虹溢結欠之銷售貸款，總代價為6,800,000港元。虹溢於香港從事物業投資經營業務。出售事項已於二零一七年七月十八日完成。

所轉讓之代價：

	千港元 HK\$'000
現金代價	<u>6,800</u>

47. DISPOSAL OF SUBSIDIARIES

(Continued)

(a) Disposal of Ace Season (Continued)

Net cash inflow arising on disposal of Ace Season:

	千港元 HK\$'000
Cash consideration received	85,000
Less: cash and cash equivalents disposed of	<u>(19,502)</u>
Net cash inflow	<u>65,498</u>

(b) Disposal of Rainbow Profit Limited (“Rainbow Profit”)

On 9th May 2017, the Group entered into a conditional sale and purchase agreement to dispose the entire equity interest in Rainbow Profit, a wholly-owned subsidiary of the Company, and a sale loan due by Rainbow Profit at total consideration of HK\$6,800,000. Rainbow Profit is engaged in property investment operations in Hong Kong. The disposal was completed on 18th July 2017.

Consideration transferred:

	千港元 HK\$'000
Cash consideration	<u>6,800</u>



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47. 出售附屬公司 (續)

(b) 出售虹溢有限公司 (「虹溢」) (續)

失去控制權之資產與負債分析：

	千港元 HK\$'000
投資物業 (附註19)	5,640
按金及預付款項	10
應付直接控股公司款項	<u>(7,086)</u>
所出售之負債淨額	Net liabilities disposed of <u>(1,436)</u>

出售虹溢之溢利：

Gain on disposal of Rainbow Profit:

	千港元 HK\$'000
已收現金代價	6,800
轉讓予買方之應付直接控股公司款項	Amount due to immediate holding company assigned to the purchaser <u>(7,086)</u>
所出售之負債淨額	Net liabilities disposed of <u>1,436</u>
出售虹溢之溢利	Gain on disposal of Rainbow Profit <u>1,150</u>

出售虹溢所產生之現金流入淨額：

Net cash inflow arising on disposal of Rainbow Profit:

	千港元 HK\$'000
現金流入淨額	Net cash inflow <u>6,800</u>

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48. 租賃承擔

本集團作為承租人

於報告期末，本集團根據於下列期限屆滿之不可撤回經營租約就有關租賃物業之未來最低租金承擔如下：

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
一年內	Within one year	4,786	15,003
第二至第五年(包括首尾兩年)	In the second to fifth year inclusive	15,494	10,656
		20,280	25,659

經營租約款項指本集團就其物業應付之租金。租約主要磋商之租期平均為五年(二零一六年：一至五年)。本集團並無於租期屆滿時購買租賃物業之選擇權。

於二零一六年十二月三十一日，若干物業的經營租賃租金根據相關租賃協議所載條款及條件按固定租金及按該等物業的銷售額計算的或然租金兩者中較高者計算。由於無法可靠確定該等物業的未來銷售額，上表並無包括有關或然租金，及僅包括最低租金承擔。

48. LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

Operating lease payments represented rentals payable by the Group for its premises. Leases are mainly negotiated for an average term of 5 years (2016: 1 to 5 years). The Group does not have an option to purchase the leased premises at the expiry of the lease period.

At 31st December 2016, the operating lease rentals for certain premises were based on the higher of a fixed rental and a contingent rent depending on the sales in these premises pursuant to the terms and conditions set out in the respective rental agreements. As the future sales in these premises could not be reliably determined, the relevant contingent rent had not been included above and only the minimum lease payments had been included in the above commitments.

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48. 租賃承擔 (續)

本集團作為出租人

年內所賺取之物業租金收入為8,000港元(二零一六年: 180,000港元)。本集團之投資物業均持作出租用途。於二零一六年十二月三十一日,按持續基準,預期物業產生租金收益0.22%。

於報告期末,本集團已與租客訂約,未來最低租金付款如下:

48. LEASE COMMITMENTS (Continued)

The Group as lessor

Property rental income earned during the year was HK\$8,000 (2016: HK\$180,000). All of the Group's investment properties are held for rental purposes. At 31st December 2016, the property expected to generate rental yields of 0.22% on an ongoing basis.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
一年內	Within one year	8

49. 資產抵押

具有下列賬面值之資產已抵押作為本集團銀行借貸之擔保(財務報表附註39),並於二零一七年十二月三十一日已重新分類至分類為持作出售資產:

49. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure bank borrowings (note 39 to the financial statements) of the Group which was reclassified to assets classified as held for sale at 31st December 2017:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
樓宇	Buildings	207,896
租賃土地權益	Interest in leasehold land	338,142
		546,038

此外,本集團之融資租賃債務(財務報表附註41)乃以出租人對租賃資產之業權作抵押,該等資產之賬面值為353,000港元(二零一六年: 584,000港元),並於二零一七年十二月三十一日已重新分類至分類為持作出售資產。

In addition, the Group's obligations under finance leases (note 41 to the financial statements) are secured by the lessors' title to the leased assets, which have carrying amounts of HK\$353,000 (2016: HK\$584,000) which was reclassified to assets classified as held for sale at 31st December 2017.

本集團約136,000港元之定期存款(財務報表附註35)乃已抵押作為就發展位於澳門的物業存貨給予澳門政府之擔保。

The Group's time deposits (note 35 to the financial statements) with the amount of approximately HK\$136,000 are pledged for guaranteed to Macau Government for development of stock of properties located in Macau.

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50. 承擔

本集團於報告期末之未履行承擔如下：

50. COMMITMENTS

The Group had the following outstanding commitments at the end of the reporting period:

	二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
已授權及已訂約，但尚未撥備：		
<p>Authorised and contracted, but not provided for:</p> <p>– 位於澳門之物業存貨之開發經費</p> <p>– 電影版權、製作中電影及電影按金</p> <p>– 物業、機器及設備之購置及裝修開支</p>	<p>– Development expenditure for stock of properties in Macau</p> <p>– Film rights, films in progress and film deposits</p> <p>– Purchases and renovation expenses for property, plant and equipment</p>	<p>38,690</p> <p>6,118</p> <p>698</p>
	1,218,512	
	43,133	
	–	
	1,261,645	45,506

51. 以股份支付之交易

根據於二零一二年六月二十八日舉行之本公司股東特別大會上通過之一項決議案，本公司採納了一項新購股權計劃（「新購股權計劃」）。

由於本公司先前之購股權計劃（「舊購股權計劃」）已於二零一二年五月二十六日屆滿，因此再無購股權可根據舊購股權計劃而授出。惟所有於上述屆滿前按舊購股權計劃已授出而尚未行使之購股權則仍然有效，並可根據舊購股權計劃之條款予以行使。

51. SHARE-BASED PAYMENT TRANSACTIONS

Pursuant to a resolution passed at a special general meeting of the Company held on 28th June 2012, a new share option scheme (the "New Option Scheme") was adopted by the Company.

The previous share option scheme of the Company (the "Old Option Scheme") was expired on 26th May 2012, no further options can be granted under the Old Option Scheme thereafter. However, all outstanding share option granted under the Old Option Scheme prior to the said expiry shall remain valid and exercisable in accordance with the provisions of the Old Option Scheme.

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51. 以股份支付之交易 (續)

新購股權計劃之主要條款概述如下：

- (i) 計劃旨在令本公司能夠向經挑選合資格參與者授出購股權，以作為彼等向本集團或本集團持有股本權益之任何被投資個體（「被投資個體」）作出之貢獻或可能貢獻之獎勵或報酬。
- (ii) 合資格參與者包括本集團或任何被投資個體之全職或兼職僱員（包括本公司或任何附屬公司或任何被投資個體之任何董事，無論執行或非執行及無論獨立與否）；本集團所發行任何證券之任何持有人；及本集團或任何被投資個體之任何業務或合資企業夥伴、承包商、代理或代表、顧問、諮詢人、供應商、生產商或授權人、客戶、持牌人（包括任何分持牌人）或分銷商、業主或租戶（包括任何分租戶）或董事會全權酌情認為已或可能對本集團或任何被投資個體作出貢獻之任何人士。
- (iii) 根據新購股權計劃可能授出之購股權連同根據本公司當時任何其他購股權計劃可能授出之購股權所涉及之股份數目上限不得超過於批准新購股權計劃當日本公司已發行股本之10%，而該上限可由股東在股東大會上更新。因行使根據新購股權計劃及任何其他購股權計劃（包括舊購股權計劃）已授出而尚未行使之購股權時可能發行之股份數目上限不得超過不時已發行股份之30%。

51. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The major terms of the New Option Scheme are summarised as follows:

- (i) The purpose is to enable the Company to grant options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group or any invested entity in which the Group held an equity interest (the "Invested Entity").
- (ii) The eligible participants include full time or part time employees of the Group or any Invested Entity (including any directors, whether executive or non-executive and whether independent or not, of the Company or any subsidiary or any Invested Entity); any holder of any securities issued by the Group; and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group or any Invested Entity or any person who, in the sole discretion of the board of directors, has contributed or may contribute to the Group or any Invested Entity.
- (iii) The maximum number of shares in respect of which share options may be granted under the New Option Scheme together with options which may be granted under any other share option scheme for the time being of the Company must not exceed 10% of the issued share capital of the Company as at the date of approval of the New Option Scheme and such limit might be refreshed by the shareholders in general meeting. The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Option Scheme and any other share option scheme (including the Old Option Scheme) must not exceed 30% of the shares in issue from time to time.

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51. 以股份支付之交易 (續)

- (iv) 除非獲得股東批准，於任何十二個月內授予每名合資格參與者之購股權（包括已行使、已註銷及尚未行使購股權）獲行使時已發行及將發行之股份總數不得超過不時已發行股份之1%。
- (v) 於截至有關授出日期（包括該日）止之十二個月內於本公司每名主要股東（定義見上市規則）或其任何各自聯繫人士或獨立非執行董事或其任何聯繫人士獲授之購股權（包括已行使、已註銷及尚未行使購股權）獲行使時已發行及將予發行之股份總數：(a)合共不得超過本公司已發行股份之0.1%；及(b)根據每次授出日期本公司股份之收市價計算，總價值不得超過5,000,000港元，除非獲得股東批准。
- (vi) 行使期由董事會於授出購股權時決定，但於任何情況下，不得超過自授出日期起十年。
- (vii) 除董事會決定及於授出有關購股權之要約中訂明外，並無規定購股權於可獲行使前必須持有任何最短限期。

51. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

- (iv) The total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including exercised, cancelled and outstanding share options) in any 12-month period must not exceed 1% of the shares in issue from time to time unless the same is approved by the shareholders.
- (v) The total number of shares issued and to be issued upon exercise of the share options granted to each substantial shareholder (as defined in the Listing Rules) of the Company or any of its respective associates or an independent non-executive director or any of his associates (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such grant: (a) representing in aggregate over 0.1 per cent. of the shares in issue; and (b) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK\$5,000,000, unless the same is approved by the shareholders.
- (vi) The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 10 years from the date of offer for grant.
- (vii) Save as determined by the board of directors provided in the offer of the grant of the relevant share options, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

51. 以股份支付之交易 (續)

- (viii) 承授人須於授出日期起30日內接納購股權(如接納)，並須向本公司支付1港元之不可退還款項。
- (ix) 購股權之行使價必須為以下各項之最高者：
 - a. 於要約日期本公司一股股份在聯交所之收市價；
 - b. 緊接要約日期前五個營業日(具上市規則所述之涵義)本公司一股股份之平均收市價；及
 - c. 於要約日期本公司一股股份之面值。
- (x) 新購股權計劃於採納日期起10年內有效。

於報告期末，根據新購股權計劃及舊購股權計劃已授出及尚未行使之購股權獲行使後可能發行之股份數目為53,916,714股(二零一六年：58,014,574股)，相當於本公司於該日之已發行股份之5.97%(二零一六年：6.42%)。

51. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

- (viii) The acceptance of a share option, if accepted, must be made within 30 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.
- (ix) The exercise price of a share option must be the highest of:
 - a. the closing price of a share of the Company on the Stock Exchange on the date of offer;
 - b. the average closing price of a share of the Company from the 5 business days (has the meaning stated in the Listing Rules) immediately preceding the date of offer; and
 - c. the nominal value of a share of the Company on the date of offer.
- (x) The New Option Scheme is effective for 10 years from the date of adoption.

At the end of the reporting period, the number of shares in respect of which may be issued upon exercise of share options granted and remain outstanding under the New Option Scheme and the Old Option Scheme was 53,916,714 (2016: 58,014,574), representing 5.97% (2016: 6.42%) of the shares of the Company in issue at that date.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

51. 以股份支付之交易 (續)

下表披露本公司主要股東、本公司董事、本集團僱員及其他參與者所持本公司購股權之詳情及其變動：

51. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

The following table discloses details of the Company's share options held by the Company's substantial shareholders, directors of the Company, employees of the Group and other participants and movements in such holdings:

參與者類別	計劃名稱	行使期限 [#]	每股行使價	購股權數目						
				於二零一六年一月一日尚未行使	於二零一六年一月一日及於二零一七年一月一日尚未行使	於二零一六年十二月三十一日及於二零一七年一月一日尚未行使	於二零一七年內到期	於二零一七年內失效	於二零一七年十二月三十一日尚未行使	
Category of participants	Name of scheme	Exercisable period [#]	Exercise price per share 港元 HK\$	Outstanding at 01.01.2016	Expired during 2016	Outstanding at 31.12.2016 and at 01.01.2017	Expired during 2017	Lapsed during 2017	Outstanding at 31.12.2017	
本集團僱員 Employees of the Group	舊購股權計劃 Old Option Scheme	21.11.2006-20.11.2016	511.925	8,116	(8,116)	-	-	-	-	
		25.05.2007-24.05.2017	776.575	20,329	-	20,329	(20,329)	-	-	
		27.06.2007-26.06.2017	772.675	13,359	-	13,359	(13,359)	-	-	
		23.10.2007-22.10.2017	367.050	46,675	-	46,675	(24,546)	(22,129)	-	
		21.08.2008-20.08.2018	47.350	174,585	-	174,585	-	-	174,585	
	新購股權計劃 New Option Scheme	14.01.2013-13.01.2016	4.175	4,878,788	(4,878,788)	-	-	-	-	
		04.05.2015-03.05.2018	3.150	41,000,000	-	41,000,000	-	(4,000,000)	37,000,000	
					46,141,852	(4,886,904)	41,254,948	(58,234)	(4,022,129)	37,174,585
其他參與者 Other participants	舊購股權計劃 Old Option Scheme	21.11.2006-20.11.2016	511.925	3,246	(3,246)	-	-	-	-	
		25.05.2007-24.05.2017	776.575	8,002	-	8,002	(8,002)	-	-	
		23.10.2007-22.10.2017	367.050	9,495	-	9,495	(9,495)	-	-	
		21.08.2008-20.08.2018	47.350	22,129	-	22,129	-	-	22,129	
	新購股權計劃 New Option Scheme	14.01.2013-13.01.2016	4.175	3,044,363	(3,044,363)	-	-	-	-	
		04.05.2015-03.05.2018	3.150	16,720,000	-	16,720,000	-	-	16,720,000	
					19,807,235	(3,047,609)	16,759,626	(17,497)	-	16,742,129
					65,949,087	(7,934,513)	58,014,574	(75,731)	(4,022,129)	53,916,714
加權平均行使價(港元) Weighted average exercise price (HK\$)				4.291	4.902	4.207	591.806	5.152	3.311	

[#] 行使期自相關購股權授出日期開始。

[#] The exercisable period commenced on the date of grant of the relevant share options.

[△] 於截至二零一七年十二月三十一日止年度並無購股權獲授出、行使或註銷。於截至二零一六年十二月三十一日止年度並無購股權獲授出、行使、失效或註銷。

[△] No share option was granted, exercised or cancelled for the year ended 31st December 2017. No share option was granted, exercised, lapsed or cancelled for the year ended 31st December 2016.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

52. 重大關連人士交易

除財務報表另有所披露者外，本集團與關連人士訂立下列重大交易：

- (a) 於二零一七年四月六日，Best Combo 已完成向陳女士收購Modern Vision全部已發行股本以及Modern Vision結欠之銷售貸款約499,909,000港元（「收購事項」），總代價為1,000,000,000港元（視乎購買價作出調整）。代價之支付方式為：(i)於簽訂買賣協議時向陳女士支付按金400,000,000港元；及(ii)於收購事項完成時由本公司向陳女士發行本金額600,000,000港元之承付票。承付票按年利率5厘計息及將由承付票發行日期起計24個月後到期。根據上市規則第14A章，收購事項亦被視為一項關連交易。

52. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the financial statements, the Group entered into the following material transactions with related parties:

- (a) On 6th April 2017, Best Combo had completed the acquisition of the entire issued share capital of Modern Vision from Ms. Chen, and a sale loan due by Modern Vision with the amount of approximately HK\$499,909,000 (the "Acquisition") at an aggregate consideration of HK\$1,000,000,000 (subject to purchase price adjustment). The consideration was satisfied by (i) the payment of HK\$400,000,000 as a deposit to Ms. Chen upon the signing of the sale and purchase agreement; and (ii) the issue of the promissory note with a principal amount of HK\$600,000,000 by the Company to Ms. Chen upon completion of the Acquisition. The promissory note is interest bearing at 5% per annum and will be matured after 24 months from the date of issuance of the promissory note. The Acquisition was also considered as a connected transaction pursuant Chapter 14A of the Listing Rules.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

52. 重大關連人士交易 (續)

- (b) 於二零一七年四月六日，Best Combo向陳女士授出本金額500,000,000港元之貸款。該貸款按年利率5厘計息，須於貸款提取日期起計60個月屆滿之日償還，並以陳女士全資擁有於英屬處女群島註冊成立之公司Reform Base全部已發行股本以股份抵押方式作為擔保。根據貸款協議，陳女士已同意向Best Combo授出可要求陳女士按500,000,000港元（視乎貸款金額作出調整）出售Reform Base全部已發行股本之認購期權。根據上市規則第14A章，該貸款亦被視為一項關連交易。

- (c) 於年內，本集團與其關連人士訂立下列交易：

52. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (b) On 6th April 2017, Best Combo had granted the Loan in the principal amount of HK\$500,000,000 to Ms. Chen. The Loan is interest bearing at 5% per annum, repayable on the date falling 60 months from the drawdown date of the Loan and secured by way of a share charge over the entire issued share capital of Reform Base, a company incorporated in BVI and wholly owned by Ms. Chen. Pursuant to the Loan Agreement, Ms. Chen has agreed to grant the Call Option to Best Combo which allows Best Combo require Ms. Chen to sell the entire issued share capital of Reform Base at HK\$500,000,000 (subject to the loan amount adjustment). The Loan was also considered as a connected transaction pursuant Chapter 14A of the Listing Rules.

- (c) During the year, the Group entered into the following transactions with its related parties:

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
交易性質	Nature of transactions		
已收來自本公司主要股東及董事家族成員之收入：	Income received from family member of the substantial shareholders and the directors of the Company:		
租金收入	Rental income	8	180
已收取來自一間合資企業之收入：	Income received from a joint venture:		
管理費收入	Management fee income	340	734
已收及應收來自本公司主要股東及董事之收入：	Income received and receivable from substantial shareholder and the director of the Company:		
貸款利息收入	Loan interest income	39,955	—
已付及應付本公司主要股東及董事之開支：	Expense paid and payable to substantial shareholder and the director of the Company:		
承付票之利息	Interest on promissory note	37,963	—

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

52. 重大關連人士交易 (續)

- (d) 於報告期末，與關連人士之交易結餘詳情分別載於財務報表附註24及45。
- (e) 如財務報表附註15所披露，主要管理人員之酬償(包括已付本公司董事及若干最高薪酬僱員之款項)如下：

持續經營業務

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
薪金及其他津貼	Salaries and other allowances	14,242	14,155
退休福利計劃供款	Retirement benefits scheme contributions	108	108
		14,350	14,263

已終止經營業務

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
薪金及其他津貼	Salaries and other allowances	3,407	5,111
退休福利計劃供款	Retirement benefits scheme contributions	12	35
		3,419	5,146

本公司董事及主要管理人員之薪酬乃由薪酬委員會經考慮個人表現及市場趨勢而釐定。

52. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (d) Details of the balances with related parties at the end of the reporting period are set out in notes 24 and 45 to the financial statements respectively.
- (e) Compensation for key management personnel, including amount paid to the directors of the Company and certain of the highest paid employees, as disclosed in note 15 to the financial statements, is as follow:

Continuing operations

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Salaries and other allowances		14,242	14,155
Retirement benefits scheme contributions		108	108
		14,350	14,263

Discontinued operations

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
Salaries and other allowances		3,407	5,111
Retirement benefits scheme contributions		12	35
		3,419	5,146

The remuneration of the directors of the Company and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

53. 附屬公司詳情

本公司附屬公司詳情載列如下：

53. PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Company are listed as follows:

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017 %	二零一六年 2016 %		
Ace Season Holdings Limited	英屬處女群島 BVI	普通股 Ordinary	-	100	1,000美元 US\$1,000	投資控股 Investment holding
爵雅有限公司 Art Lord Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	藝術品投資及租賃 Art Piece investment and rental
Asiatop Data Limited	香港 Hong Kong	普通股 Ordinary	100	100	10港元 HK\$10	提供代理人服務 Provision of nominee services
Best Combo Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
好樂有限公司 Best Joyful Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	投資控股 Investment holding
Best Mind International Inc. (附註b)(note b)	英屬處女群島 BVI	普通股 Ordinary	100	100	100美元 US\$100	投資 Investment
Bestjump Holdings Limited	英屬處女群島 BVI	普通股 Ordinary	-	100	1美元 US\$1	投資控股 Investment holding
Big Century Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	持有物業作出租用途 Holding of property for rental purpose
Business First Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	持有有線播映權 Holding of cable right

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53. 附屬公司詳情 (續)

53. PARTICULARS OF SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017 %	二零一六年 2016 %		
Charm Faith Holdings Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	100美元 US\$100	投資控股 Investment holding
Charming Era Investment Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
中國星藝人管理有限公司 China Star Artist Management Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	藝人管理 Artist management
中國星創新發展有限公司(附註b) China Star Creative Development Limited (note b)	澳門 Macau	定額資本 Quota capital	100	100	100,000澳門幣 MOP100,000	不動產發展及投資 Immovable property development and investment
China Star Entertainment (BVI) Limited ("CSBVI")	英屬處女群島 BVI	普通股 Ordinary	100	100	200美元 US\$200	投資控股 Investment holding
中國星娛樂控股有限公司 China Star Entertainment Holding Company Limited	香港 Hong Kong	普通股/ 無投票權遞延股 Ordinary/ Non-voting deferred	100	100	2港元之普通股及 1,000,000港元之 無投票權遞延股 (附註d) HK\$2 for ordinary shares and HK\$1,000,000 for non-voting deferred shares (note d)	投資控股 Investment holding
中國星香港發行有限公司 China Star HK Distribution Limited	香港 Hong Kong	普通股 Ordinary	100	100	100,000港元 HK\$100,000	電影及電視連續劇發行 Distribution of films and television drama series
中國星香港娛樂有限公司 China Star HK Entertainment Company Limited	香港 Hong Kong	普通股 Ordinary	100	100	1,000,000港元 HK\$1,000,000	錄像版權發行及投資控股 Distribution of video rights and Investment holding

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53. 附屬公司詳情 (續)

53. PARTICULARS OF SUBSIDIARIES
(Continued)

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017 %	二零一六年 2016 %		
中國星多媒體有限公司 China Star i-Content Limited	香港 Hong Kong	普通股 Ordinary	100	100	2港元 HK\$2	提供電影製作總監、導演及 製片人服務 Provision of film production controller, director and producer services
China Star International Distribution Limited (附註 a) (note a)	英屬處女群島 BVI	普通股 Ordinary	100	100	8,001美元 US\$8,001	電影及電視連續劇發行 Distribution of films and television drama series
China Star International Movie Limited (附註 b) (note b)	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	電影製作 Film production
中國星鐳射影碟有限公司 China Star Laser Disc Company Limited	香港 Hong Kong	普通股 Ordinary	100	100	1,500,000港元 HK\$1,500,000	提供管理服務及投資控股 Provision of management services and investment holding
中國星管理有限公司(附註 b) China Star Management Company Limited (note b)	澳門 Macau	定額資本 Quota capital	100	100	100,000澳門幣 MOP100,000	物業項目管理及建築項目管理 Property project management and construction project management
中國星管理有限公司 China Star Management Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	投資控股 Investment holding
中國星電影有限公司 China Star Movie Limited	香港 Hong Kong	普通股 Ordinary	100	100	2港元 HK\$2	電影製作及發行 Film production and distribution



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53. 附屬公司詳情 (續)

53. PARTICULARS OF SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017 %	二零一六年 2016 %		
中國星電影(澳門)有限公司(附註b) China Star Movie (Macau) Limited (note b)	澳門 Macau	定額資本 Quota Capital	100	100	25,000澳門幣 MOP25,000	電影製作及發行 Film production and distribution
中國星影畫有限公司 China Star Pictures Limited	香港 Hong Kong	普通股 Ordinary	100	100	2港元 HK\$2	持有電影版權 Holding of film rights
中國星音樂出版有限公司 China Star Publishing Limited	香港 Hong Kong	普通股 Ordinary	100	100	2港元 HK\$2	持有及授予歌曲版權 Holding and licensing of song rights
China Star Trademark Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	持有商標及版權 Holding of trademark and copyrights
China Star Worldwide Distribution B.V. (附註a)(note a)	荷蘭 Netherlands	普通股 Ordinary	100	100	18,151歐元 EUR18,151	電影及電視連續劇發行 Distribution of films and television drama series
Classic Champion Holdings Limited (附註b)(note b)	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
經典管理服務有限公司(附註b) Classic Management & Services Company Limited (note b)	澳門 Macau	定額資本 Quota Capital	100	100	100,000澳門幣 MOP100,000	提供娛樂場管理服務 Provision of casino management service
Crown Gem Investments Limited	英屬處女群島 BVI	普通股 Ordinary	50	-	1港元 HK\$1	投資控股 Investment holding
Empowered Century Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

53. 附屬公司詳情 (續)

53. PARTICULARS OF SUBSIDIARIES
(Continued)

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017	二零一六年 2016		
			%	%		
Exceptional Gain Profits Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
First-Up Investments Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	藝人管理及提供代理人服務 Artist management and provision of agency services
錦蔘元(韓國)有限公司 Geumsamwon (Korea) Company Limited	香港 Hong Kong	普通股 Ordinary	-	100	1港元 HK\$1	貿易 Trading
高采國際有限公司 Gold Choice International Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	電影製作 Film production
超威控股有限公司(附註(b)) Hercules-Holding Company Limited (note (b))	澳門 Macau	定額資本 Quota capital	50	-	25,000澳門幣 MOP25,000	投資控股 Investment holding
欄星娛樂有限公司(前稱威星投資有限公司) Hero Star Entertainment Limited (formerly known as Well Star Investment Limited)	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	電視連續劇製作及發行 (二零一六年: 持有物業) Television drama series production and distribution (2016: Property holding)
High Productive Trading Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
澳門蘭桂坊酒店有限公司(附註b) Hotel Lan Kwai Fong (Macau) Limited (note b)	澳門 Macau	定額資本 Quota capital	100	100	500,000澳門幣 MOP500,000	於澳門提供酒店服務及 投資控股 Provision of hotel services in Macau and Investment holding
Intrinsic Value Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

53. 附屬公司詳情 (續)

53. PARTICULARS OF SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017 %	二零一六年 2016 %		
悅爵有限公司(附註b) Merit Noble Company Limited (note b)	澳門 Macau	定額資本 Quota capital	100	100	30,000澳門幣 MOP30,000	提供餐飲服務 Provision of catering services
Modern Vision (Asia) Limited	英屬處女群島 BVI	普通股 Ordinary	100	-	1美元 US\$1	投資控股 Investment holding
Most Famous Enterprises Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	2美元 US\$2	投資控股 Investment holding
鴻貿企業有限公司(附註c) Most Trade Enterprises Limited (note c)	香港 Hong Kong	普通股 Ordinary	-	70	20,000港元 HK\$20,000	參茸海味產品貿易 Trading of ginseng and dried seafood products
南北行參茸藥材有限公司 Nam Pei Hong Sum Yung Drugs Company Limited	香港 Hong Kong	普通股 Ordinary	-	100	1,200,000港元 HK\$1,200,000	參茸海味貿易及零售 Ginseng & dried seafood trading and retail
安樂(香港)有限公司 Newrich (H.K.) Limited	香港 Hong Kong	普通股 Ordinary	100	100	2港元 HK\$2	持有物業 Property holding
百爵有限公司 Noble Million Limited	香港 Hong Kong	普通股 Ordinary	100	100	100港元 HK\$100	投資控股 Investment holding
NPH Holdings Limited	英屬處女群島 BVI	普通股 Ordinary	-	100	50,000美元 US\$50,000	投資控股 Investment holding
南北行中醫藥有限公司 N P H Sino-Meditech Limited	香港 Hong Kong	普通股 Ordinary	-	100	2港元 HK\$2	投資控股 Investment holding
一百年電影有限公司 One Hundred Years of Film Company Limited	香港 Hong Kong	普通股 Ordinary	100	100	3,000,000港元 HK\$3,000,000	電影製作 Film production
Over Profit International Limited ("Over Profit")	英屬處女群島 BVI	普通股 Ordinary	50	-	100美元 US\$100	投資控股 Investment holding

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

53. 附屬公司詳情 (續)

53. PARTICULARS OF SUBSIDIARIES
(Continued)

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017	二零一六年 2016		
			%	%		
保玉龍有限公司 Poo Yuk Loong Limited	香港 Hong Kong	普通股 Ordinary	-	100	350,000港元 HK\$350,000	提供行政服務 Provision of administration service
保玉龍食品(深圳)有限公司(附註c及e) Poo Yuk Loong Food (Shenzhen) Company Limited (notes c and e)	中國 The PRC	註冊資本 Registered Capital	-	100	3,000,000人民幣 RMB3,000,000	參茸海味貿易及零售 Ginseng & dried seafood food trading and retail
虹溢有限公司 Rainbow Profit Limited	香港 Hong Kong	普通股 Ordinary	-	100	1港元 HK\$1	持有物業 Property holding
豐采錄影有限公司 Riche Video Limited	香港 Hong Kong	普通股/ 無投票權遞延股 Ordinary/Non- voting deferred	100	-	1,001,000港元 為普通股 及2,000,000港元 為無投票權遞延 股份(附註d) HK\$1,001,000 for ordinary shares and HK\$2,000,000 for non-voting deferred shares (note d)	電影發行 Film distribution
思維娛樂有限公司 S & W Entertainment Limited	香港 Hong Kong	普通股 Ordinary	100	100	2港元 HK\$2	製作電影及電視連續劇 Production of motion pictures and television drama series
Smart Value Developments Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
澳豪建築置業投資有限公司(附註b) Splendid Construction and Investment Company Limited (note b)	澳門 Macau	定額資本 Quoted Capital	50	-	100,000澳門幣 MOP100,000	不動產發展及投資 Immovable property development and investment
成彩投資有限公司 Star Choice Investments Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	投資控股 Investment holding

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

53. 附屬公司詳情 (續)

53. PARTICULARS OF SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊/成立/營業之 國家/地點 Country/place of incorporation/ formation/operation	所持股份 類別 Class of shares held	本公司 所持所有權 權益及投票權比例 Proportion of ownership interest and voting power held by the Company		已發行及繳足 股本/註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
			二零一七年 2017 %	二零一六年 2016 %		
Summer Sound Investments Limited	英屬處女群島 BVI	普通股 Ordinary	50	-	100美元 US\$100	投資控股 Investment holding
強勝控股有限公司(附註b) Stronghold-Holding Company Limited (note b)	澳門 Macau	定額資本 Quota capital	50	-	25,000澳門幣 MOP25,000	投資控股 Investment holding
樂星國際有限公司 Star Joy International Limited	香港 Hong Kong	普通股 Ordinary	100	100	1港元 HK\$1	投資控股 Investment holding
Superb Glory Investments Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
Triumph Top Limited	英屬處女群島 BVI	普通股 Ordinary	100	100	1美元 US\$1	投資控股 Investment holding
Turbo International Company Limited ("Turbo International")	英屬處女群島 BVI	普通股 Ordinary	100	60	50,000美元 US\$50,000	持有電視連續劇版權 Holding TV drama series licensing right
星傳動文化產業(北京)有限公司 (附註c及e)(notes c and e)	中國 The PRC	註冊資本 Registered capital	100	-	10,000,000人民幣 RMB10,000,000	發行中國電影、企業策劃、 租賃影視器材及道具及戲劇 創作 Distribution of PRC film, corporate planning, props and equipment rental and dramatic creation

附註：

- (a) 在全球經營業務。
(b) 在澳門經營業務。
(c) 在中國經營業務。
(d) 無投票權遞延股份實際並無權利分享該公司股息、接收該公司股東大會之通告、出席該等大會或在會上投票之權利、在清盤時亦不可享有任何分派。
(e) 全外資企業。

Notes:

- (a) Operating internationally.
(b) Operating in Macau.
(c) Operating in the PRC.
(d) The non-voting deferred shares practically carry no rights to dividends nor receive notice of nor to attend or vote at any general meeting of the Company nor to participate in any distribution on winding up.
(e) Wholly foreign owned enterprises.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

53. 附屬公司詳情 (續)

Best Combo、Best Mind International Inc.、CSBVI、China Star Worldwide Distribution B.V.、Classic Champion Holdings Limited及Turbo International均由本公司直接持有，而所有其他附屬公司均由本公司間接持有。

除另有指明者外，附屬公司之主要營業地點為香港。

所有附屬公司於年結日或年中任何時間概無未贖回之債務證券。

本公司董事認為，本集團之非控股權益對本集團而言不重大，因此，並無於兩個年度之該等財務報表內獨立呈列。此外，並無該等非全資附屬公司之獨立財務資料須予以呈列。

53. PARTICULARS OF SUBSIDIARIES (Continued)

Best Combo, Best Mind International Inc., CSBVI, China Star Worldwide Distribution B.V., Classic Champion Holdings Limited and Turbo International are directly held by the Company. All other subsidiaries are indirectly held by the Company.

Except otherwise stated, the principal place of operation of the subsidiaries is in Hong Kong.

None of the subsidiaries had debt securities outstanding at the end of the year or at any time during the year.

The directors of the Company consider that the Group's non-controlling interests were insignificant to the Group and thus are not separately presented in these financial statements for both years. In addition, no separate financial information of these non-wholly owned subsidiaries is required to be presented.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

54. 本公司財務狀況表及儲備變動

54. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVE OF THE COMPANY

(a) 本公司財務狀況表

(a) Statement of financial position of the Company

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000
非流動資產	Non-current asset		
於附屬公司權益	Interests in subsidiaries	<u>1,142,386</u>	<u>1,823,177</u>
流動資產	Current assets		
應收附屬公司款項	Amounts due from subsidiaries	<u>2,078,864</u>	<u>1,206,063</u>
按金、預付款項及 其他應收款項	Deposits, prepayment and other receivables	<u>270</u>	<u>687</u>
現金及銀行結餘	Cash and bank balances	<u>76,546</u>	<u>328,647</u>
		<u>2,155,680</u>	<u>1,535,397</u>
總資產	Total assets	<u>3,298,066</u>	<u>3,358,574</u>
資本及儲備	Capital and reserves		
股本	Share capital	<u>9,037</u>	<u>9,037</u>
儲備	Reserves	<u>2,407,022</u>	<u>2,521,346</u>
總權益	Total equity	<u>2,416,059</u>	<u>2,530,383</u>
非流動負債	Non-current liabilities		
承付票	Promissory note	<u>173,817</u>	<u>–</u>
應付附屬公司款項	Amounts due to subsidiaries	<u>691,247</u>	<u>809,502</u>
		<u>865,064</u>	<u>809,502</u>
流動負債	Current liabilities		
應付附屬公司款項	Amounts due to subsidiaries	<u>–</u>	<u>5,306</u>
已收取按金、應計項目 其他應付款項	Deposits received, accruals and other payables	<u>16,943</u>	<u>13,383</u>
		<u>16,943</u>	<u>18,689</u>
負債總額	Total liabilities	<u>882,007</u>	<u>828,191</u>
權益及負債總額	Total equity and liabilities	<u>3,298,066</u>	<u>3,358,574</u>
流動資產淨值	Net current assets	<u>2,138,737</u>	<u>1,516,708</u>
總資產減流動負債	Total assets less current liabilities	<u>3,281,123</u>	<u>3,339,885</u>

由以下董事代表董事會簽署：

Signed on behalf of the board of directors by:

向華強
Heung Wah Keung
董事
Director

陳明英
Chen Ming Yin, Tiffany
董事
Director

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

54. 本公司財務狀況表及儲備變動
(續)

54. STATEMENT OF FINANCIAL POSITION
AND MOVEMENT OF RESERVE OF THE
COMPANY (Continued)

(b) 本公司儲備變動

(b) Movement of reserve of the Company

		股份溢價	繳入盈餘	以股份支付 之款項儲備	紅利可換股 債券儲備	資本削減儲備	累計虧損	總計
		Share premium	Contributed surplus	Share-based payment reserve	Bonus convertible bonds reserve	Capital reduction reserve	Accumulated losses	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
		(附註a)	(附註b)	(附註c)	(附註d)	(附註e)		
		(note a)	(note b)	(note c)	(note d)	(note e)		
於二零一六年一月一日	At 1st January 2016	1,411,925	1,946,363	88,834	1,132	316,008	(1,011,632)	2,752,630
年度虧損及全面虧損總額	Loss and total comprehensive loss for the year	-	-	-	-	-	(307,545)	(307,545)
購股權到期	Expiry of share options	-	-	(12,690)	-	-	12,690	-
配售新股	Placement of new shares	78,312	-	-	-	-	-	78,312
發行股份開支	Share issuing expenses	(2,051)	-	-	-	-	-	(2,051)
於二零一六年十二月三十一日 及於二零一七年一月一日	At 31st December 2016 and at 1st January 2017	1,488,186	1,946,363	76,144	1,132	316,008	(1,306,487)	2,521,346
年度虧損及全面虧損總額	Loss and total comprehensive loss for the year	-	-	-	-	-	(114,324)	(114,324)
購股權失效	Lapsed of share options	-	-	(6,284)	-	-	6,284	-
購股權到期	Expiry of share options	-	-	(14,195)	-	-	14,195	-
於二零一七年十二月三十一日	At 31st December 2017	<u>1,488,186</u>	<u>1,946,363</u>	<u>55,665</u>	<u>1,132</u>	<u>316,008</u>	<u>(1,400,332)</u>	<u>2,407,022</u>



財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

54. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動(續)

附註：

- (a) 根據百慕達一九八一年公司法(經修訂)，本公司之股份溢價可用作繳足本公司之未發行股份，作為繳足紅股發行予本公司股東。
- (b) 本公司之承前繳入盈餘乃指因於二零零二年九月十日生效之股本削減及其後多次資本削減而轉自股本賬之結餘款項。

根據百慕達一九八一年公司法(經修訂)，一間公司之繳入盈餘賬可供分派。然而，於以下情況，本公司不得自繳入盈餘中宣佈或支付股息或作出分派：

- (i) 本公司當時或將於派付後無力償還到期而應償還之債項；或
- (ii) 本公司資產之可變現值將因而低於其負債及其已發行股本以及股份溢價賬之總和。
- (c) 以股份支付之款項儲備，相當於授出相關購股權後估計可於相關歸屬期間內換得之服務之公平價值，其總數乃以授出當日有關購股權之公平價值為基準。至於每段期間之數額，則是將有關購股權之公平價值在相關歸屬期間(倘有)內攤分計算，並作為員工成本及相關開支入賬，以及相應提高以股份支付之款項儲備。

54. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVE OF THE COMPANY (Continued)

(b) Movement of reserve of the Company (Continued)

Notes:

- (a) Under the Companies Act 1981 of Bermuda (as amended), the share premium of the Company can be used in paying up unissued shares of the Company to be issued to shareholders of the company as fully paid bonus shares.
- (b) The contributed surplus of the Company brought forward represents the balance transferred from the capital account due to the capital reduction effective on 10th September 2002 and various capital reduction subsequently.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.
- (c) Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting periods (if any) and is recognised as staff costs and related expenses with a corresponding increase in the share-based payment reserve.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

54. 本公司財務狀況表及儲備變動 (續)

(b) 本公司儲備變動(續)

附註：(續)

(d) 根據本公司於二零一二年十月二十五日舉行之股東特別大會上通過有關發行紅利股份(股東有權選擇收取紅利可換股債券以代替紅利股份)之普通決議案，本公司以初步換股價每股0.01港元發行可轉換為普通股之紅利可換股債券。紅利可換股債券以權益確認並於「紅利可換股債券儲備」呈列。紅利可換股債券並未上市及不可贖回，惟附帶權利可授權債券持有人轉換為股份，數量相等於債券持有人根據紅利發行可另行收取之紅利股份數目，猶如股東並未選擇收取紅利可換股債券。紅利可換股債券並無本公司任何股東大會之投票權。根據構成紅利可換股債券之適用平邊契據之條款及條件，債券持有人可在發行紅利可換股債券後隨時行使換股權。

(e) 本公司之資本削減儲備指於一九九八年將本公司332,640,000股已發行股份之面值由每股面值1.00港元削減至每股面值0.05港元所產生之金額。按董事根據本公司之公司細則第129條而通過之一項決議案，資本削減儲備可用作支付本公司遭索償之金額、負債、或然負債，以及可用作償還資本性貸款、補足股息或其他本公司溢利可運用之用途。

54. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVE OF THE COMPANY (Continued)

(b) Movement of reserve of the Company (Continued)

Notes: (Continued)

(d) Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 25th October 2012 in relation to the bonus issue of shares (with a right for shareholders to elect to receive Bonus CBs in lieu of bonus shares), Bonus CBs convertible into ordinary shares at initial conversion price of HK\$0.01 per share were issued by the Company. The Bonus CBs are recognised as equity and are presented in "bonus convertible bonds reserve". The Bonus CBs are unlisted and irredeemable but have conversion rights entitling the bondholders to convert into an equivalent number of shares as the number of bonus shares which the bondholders would otherwise be entitled to receive under the bonus issue had the shareholder not elected for the Bonus CBs. The Bonus CBs do not carry voting rights at any general meeting of shareholders of the Company. The bondholders can exercise the conversion rights at any time after the issue of Bonus CBs, subject to the terms and conditions of the applicable deed poll constituting the Bonus CBs.

(e) The capital reduction reserve of the Company represents the amount arising in relation to the reduction of the nominal value of 332,640,000 issued shares of the Company from HK\$1.00 each to HK\$0.05 each in 1998. Pursuant to a resolution passed by the directors pursuant to Bye-law 129 of the Company's Bye-laws, the capital reduction reserve shall be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

55. 融資活動所產生負債之對賬

下表詳列由融資活動所產生之本集團負債(包括分類為持作出售之資產之相關負債)的變動(包括現金及非現金變動)。融資活動所產生負債指所涉及現金流量已經或有關未來現金流量將會於本集團之綜合現金流量表中分類為融資活動之現金流量。

55. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities (including liabilities associated with assets classified as held for sale), 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.

		銀行借貸	融資租賃債務	承付票	應付利息	總計
		Obligations under				
		Bank borrowings	finance leases	Promissory note	Interest payables	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零一七年一月一日	At 1st January 2017	803,513	584	-	909	805,006
融資之現金流量	Financing cash flows	(133,513)	(231)	(400,000)	(37,860)	(571,604)
非現金變動	Non-cash changes					
發行承付票(附註40)	Issue of promissory note (note 40)	-	-	483,913	-	483,913
提早贖回承付票之虧損	Loss on early redemption on promissory note	-	-	66,110	-	66,110
已確認之利息開支	Interest expenses recognised	-	-	23,794	40,167	63,961
於二零一七年十二月三十一日	At 31st December 2017	670,000	353	173,817	3,216	847,386

56. 與非控股權益之交易

收購Turbo International之40%股本權益

於二零一七年五月二十三日，本集團進一步收購Turbo International之40%股本權益，總代價為156,000港元。因該收購事項，本集團於Turbo International之股權由60%增加至100%。本集團確認非控股權益減少約58,000港元及本公司擁有人應佔權益減少約98,000港元。

56. TRANSACTION WITH NON-CONTROLLING INTERESTS

Acquisition of 40% equity interests in Turbo International

On 23rd May 2017, the Group further acquired 40% equity interest in Turbo International at total consideration of HK\$156,000. As a result of the acquisition, the Group's shareholding in Turbo International increased from 60% to 100%. The Group recognised a decrease in non-controlling interests of approximately HK\$58,000 and a decrease in equity attributable to owners of the Company of approximately HK\$98,000.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

57. 主要非現金交易

本集團訂立下列主要非現金投資及融資活動，該等活動並無反映於綜合現金流量表：

- (a) 於二零一七年四月六日，Best Combo 已收購Modern Vision的全部股本權益，總代價為1,000,000,000港元（視乎購買價作出調整），其中400,000,000港元及600,000,000港元已分別以二零一六年已付現金按金及於完成時向陳女士發行承付票之方式支付。
- (b) 於二零一七年五月二十三日，本集團進一步收購Turbo International之40%股本權益，總代價為156,000港元，代價乃以往年全面減值的其他應收款項結付。

58. 報告期後事項

- (a) 於二零一八年一月三日，本公司已完成出售出售集團全部股本權益及出售集團所結欠銷售貸款，總代價為2,000,000,000港元（可視乎實際營運資金予以調整）。

依照蘭桂坊出售事項之完成條件，出售集團所結欠未償還銀行借貸應於完成日期前或當日償還。本公司所收取代價已用於償還於二零一八年一月三日之未償還銀行借貸。

根據買賣協議，如實際營運資金（「實際營運資金」）顯示出售集團之資產淨值金額相等於或高於500,000港元，則買方須向CSBVI支付此資產淨值金額；或如實際營運資金顯示出售集團之負債淨值金額相等於或高於500,000港元，則CSBVI須向買方支付此負債淨值金額。

57. MAJOR NON-CASH TRANSACTION

The Group entered into the followings major non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

- (a) On 6th April 2017, Best Combo had acquired the entire equity interest in Modern Vision with an aggregate consideration of HK\$1,000,000,000 (subject to purchase price adjustment), in which amount of HK\$400,000,000 and HK\$600,000,000 was settled by cash deposit paid in 2016 and the issue of the promissory note to Ms. Chen upon completion respectively.
- (b) On 23rd May 2017, the Group further acquired 40% equity interest in Turbo International at total consideration of HK\$156,000 in which the consideration was settled by other receivables which was fully impaired in previous years.

58. EVENTS AFTER THE REPORTING PERIOD

- (a) On 3rd January 2018, the Company had completed to dispose the entire equity interest in the Disposal Group and sale loans due by the Disposal Group at the total consideration of HK\$2,000,000,000 (subject to adjustment of actual working capital).

As per the condition of completion of the LKF Disposal, the outstanding bank borrowings owing by the Disposal Group should be repaid prior to or as at the date of completion. The consideration received by the Company had been used to repay the outstanding bank borrowings as at 3rd January 2018.

Under the sale and purchase agreement, if the actual working capital (the "Actual Working Capital") represents a net assets amount of the Disposal Group equal to or more than HK\$500,000, the buyer shall pay to CSBVI such net assets amount; or if the Actual Working Capital represents a net liabilities amount of the Disposal Group equal to or more than HK\$500,000, CSBVI shall pay such net liabilities amount to the buyer.

財務報表附註 Notes to the Financial Statements

截至二零一七年十二月三十一日止年度 For the year ended 31st December 2017

58. 報告期後事項 (續)

(a) (續)

實際營運資金指(A)出售集團的流動資產總值減去(B)出售集團於完成時結欠任何銀行、貸款機構或其他第三方之任何性質的所有借貸、應計項目及實際負債和債務，但(就(B)而言)不包括(1)應計未付的員工花紅或佣金、應計未付假期、退休福利計劃的供款，根據相關司法管轄權區之規則及規例就出售集團任何成員公司僱員而計算的長期服務金或遣散費，(2)結欠CSBVI之銷售貸款，(3)出售集團成員公司之間於完成時仍結欠的任何負債，及(4)遞延稅項資產或負債。

於二零一八年一月三日，出售集團的實際營運資金確認為資產淨值金額約34,400,000港元，即意味買方須向CSBVI支付此金額。詳情載於本公司日期為二零一八年三月十五日之公佈。

(b) 於二零一八年一月十八日，本公司已提早贖回發行予陳女士惟仍未贖回的剩餘本金額200,000,000港元之承付票。

59. 比較數字

若干比較數字已予重新分類，以符合有關財務報表附註13所載已終止經營業務的披露要求。

60. 批准財務報表

本財務報表於二零一八年三月二十六日獲董事會批准及授權刊發。

58. EVENTS AFTER THE REPORTING PERIOD (Continued)

(a) (Continued)

The Actual Working Capital means (A) the total current assets of the Disposal Group minus (B) all borrowings, accruals and actual liabilities and indebtedness owed by the Disposal Group to any bank, lending institution or other third party of any nature at completion, but (for the purpose of (B)) excluding (1) accrued unpaid staff bonuses or commissions, accrued unpaid leaves, contribution to retirement benefit schemes, long service or severance payments calculated under rules and regulations of relevant governing jurisdictions for employees of any member of the Disposal Group, (2) the sale loans due to CSBVI, (3) any liabilities owing among the members of the Disposal Group at completion, and (4) deferred tax assets or liabilities.

On 3rd January 2018, the Actual Working Capital of the Disposal Group was recognised a net asset amount of approximately HK\$34.4 million, which means the buyer shall pay such amount to CSBVI. Details are set out in the Company's announcement dated 15th March 2018.

(b) On 18th January 2018, the Company had early redeemed the remaining outstanding promissory note with the principal amount of HK\$200,000,000 to Ms. Chen.

59. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the disclosure requirements in respect of the discontinued operations set out in note 13 to the financial statements.

60. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26th March 2018.

五年財務概要 Five Year Financial Summary

本集團過往五個財政年度之已刊發業績及資產與負債概要(摘錄自已刊發經審核財務報表)載列於下文。

A summary of the published results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

業績

Results

		截至十二月三十一日止年度 For the year ended 31st December				
		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000 (經重列) (restated)	二零一五年 2015 千港元 HK\$'000 (經重列) (restated)	二零一四年 2014 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000
收益	Revenue	9,272	266,420	1,039,758	1,283,597	1,404,629
除稅前溢利/(虧損)	Profit/(loss) before tax	110,036	(291,928)	104,768	209,851	90,784
所得稅(開支)/抵免	Income tax (expense)/credit	(5)	–	149	160	555
來自持續經營業務之 年度溢利/(虧損)	Profit/(loss) for the year from continuing operations	110,031	(291,928)	104,917	210,011	91,339
來自已終止經營業務之 年度(虧損)/溢利	(Loss)/profit for the year from discontinued operations	(36,695)	(43,683)	2,947	–	–
年度溢利/(虧損)	Profit/(loss) for the year	73,336	(335,611)	107,864	210,011	91,339
以下人士應佔年度 溢利/(虧損)：	Profit/(loss) for the year attributable to:					
本公司擁有人	Owners of the Company	73,312	(335,609)	107,871	209,665	93,817
非控股權益	Non-controlling interests	24	(2)	(7)	346	(2,478)
		73,336	(335,611)	107,864	210,011	91,339



五年財務概要 Five Year Financial Summary

資產及負債

Assets and liabilities

於十二月三十一日

At 31st December

		二零一七年 2017 千港元 HK\$'000	二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000	二零一四年 2014 千港元 HK\$'000	二零一三年 2013 千港元 HK\$'000
資產總值	Total assets	5,099,803	4,277,204	4,791,461	3,458,795	2,619,573
負債總額	Total liabilities	(1,818,343)	(1,069,277)	(1,325,704)	(537,138)	(987,087)
資產淨值	Net assets	3,281,460	3,207,927	3,465,757	2,921,657	1,632,486
本公司擁有人應佔權益	Equity attributable to owners of the Company	3,281,574	3,208,362	3,466,190	2,922,083	1,634,714
非控股權益	Non-controlling interests	(114)	(435)	(433)	(426)	(2,228)
總權益	Total equity	3,281,460	3,207,927	3,465,757	2,921,657	1,632,486

本集團主要物業 The Group's Major Properties

本集團於二零一七年十二月三十一日之主要物業詳情載列於下文：

Particulars of major properties of the Group at 31st December 2017 are set out below:

1. 發展中物業

1. PROPERTIES UNDER DEVELOPMENT

地點	地段號	完工階段	估計 竣工年份	概約 地盤面積 (平方英尺)	估計 總樓面面積 (平方英尺)	用途	本集團 實益持有%
Location	Lot number	Stage of completion	Estimated completion date	Approx. site area (square feet)	Estimated gross floor area (square feet)	Usage	Effective % held by the Group
澳門外港填海區	6街區地段B、C、D及E	施工階段	二零一九年	57,000	495,000	公寓、住宅、商業及 停車場	100%
Zona de Aterros do Porto Exterior, Macau (ZAPE)	Lot B, C, D and E in Quarteirão 6	Construction stage	2019			Apartment, residential, commercial, and Carparking	
澳門何鴻燊博士大馬路 南灣湖畔地區	南灣湖計劃C區7地段	開發階段	二零二三年	50,000	336,000	住宅及停車場	50%
Nam Van Lakes Zone, Avenida Doutor Stanley Ho, Macau	Lot 7, da Zone C do Plano de Urbanização da Zone da Baía da Praia Grande	Development stage	2023			Residential and Carparking	

2. 投資物業

2. INVESTMENT PROPERTIES

地點	類型	租期類別
Location	Type	Category of lease term
香港 仔沙街20、22及24號 金德樓 閣樓及一樓	商業	長期
Cockloft and First Floor, Kam Tak Building, 20, 22 and 24 Mercer Street, Hong Kong	Commercial	Long-term



CHINA STAR ENTERTAINMENT LIMITED
中國星集團有限公司