



傳遞娛樂

TRANSMIT ENTERTAINMENT

TRANSMIT ENTERTAINMENT LIMITED

傳遞娛樂有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1326

ANNUAL REPORT 年報

2018/19





Transmit Entertainment Limited

(Stock code: 1326)

Transmit Entertainment Limited is a fully-integrated media and entertainment company which principally engages in diversified culture-related businesses including (i) film and TV series production and distribution; (ii) film exhibition; and (iii) other businesses (including screenwriting and film direction, internet celebrities and artiste agency, and pan-entertainment businesses along the value chain). The Group produces Chinese films, variety shows and TV series in both mainland China and Hong Kong, as well as carries out other pan-entertainment businesses. Khorgas Houhai Culture Media Company Limited (霍爾果斯厚海文化傳媒有限公司) (“Houhai Culture”) (a wholly-owned subsidiary of the Group newly acquired in August 2018) has a professional film and television production team which mainly focuses on variety shows and TV series. It specialises in content production, scriptwriting, shooting, post-production, distribution and marketing. It also owns a substantial amount of copyrights of various TV series and has been closely cooperating with tier-one broadcast networks and tier-one online streaming platforms.

Striving to expand the pan-entertainment business, the Group has entered into formal contracts with various artiste agencies and managers, including Yang Yang (楊洋), Song Qian (宋茜), Wu Chun (吳尊) along with respective agency teams to add to its talent pool and enhance its competitive edge and reputation in the film and television industry across the Greater China region in January 2019. Meanwhile, the Group has also duly entered into contracts with a renowned scriptwriter Li Xiaoming (李小明) and new popular film director Wu Qiang (吳強) to further improve the strength in content creation of the Group in June the same year to build a comprehensive film and television entertainment and culture empire.

傳遞娛樂有限公司

(股份代號：1326)

傳遞娛樂有限公司為多元化的影視文化產業集團，主要從事(i)電影及電視劇製作及發行；(ii)電影放映；及(iii)其他業務(包括編導業務，藝人和紅人經紀人業務，以及價值鏈上下游之泛娛樂業務)。本集團以內地及香港為市場製作華語電影、綜藝節目及電視劇，並開展其他泛娛樂業務。旗下於2018年8月收購的全資附屬公司霍爾果斯厚海文化傳媒有限公司(「厚海文化」)由一支以內容製造為主的影視策劃製作專業團隊組成，主攻電視娛樂節目及電視劇，可自行編劇、拍攝、後期製作、分銷及市場推廣，並擁有大量劇集的版權；與一綫電視台以及一綫視頻類網站均有緊密合作。

集團一直致力拓展泛娛樂商業版圖，並於2019年1月與多家藝人經紀公司以及經紀人簽約，匯集一眾頂尖藝人包括楊洋、宋茜、吳尊及其經紀團隊加盟集團，在拓展的藝人資源同時進一步提升集團在大中華區影視行業的競爭優勢。同年6月，集團亦與著名編劇李小明及新銳人氣導演吳強正式簽約，加強集團於內容創作的實力，打造全方位的影視娛樂文化王國。



CONTENTS 目錄

Corporate Information 公司資料	2
Chairman's Statement 主席報告	6
Management Discussion and Analysis 管理層討論及分析	8
Profile of Directors and Senior Management 董事及高級管理層簡歷	25
Report of the Directors 董事會報告	31
Corporate Governance Report 企業管治報告	55
Environmental, Social and Governance Report 環境、社會及管治報告	75
Independent Auditor's Report 獨立核數師報告	105
Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表	112
Consolidated Statement of Financial Position 綜合財務狀況表	114
Consolidated Statement of Changes in Equity 綜合權益變動表	116
Consolidated Statement of Cash Flows 綜合現金流量表	117
Notes to the Consolidated Financial Statements 綜合財務報表附註	119
Financial Summary 財務摘要	291



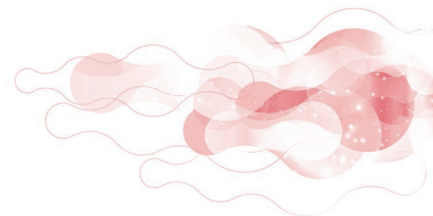
CORPORATE INFORMATION

公司資料

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

CORPORATE INFORMATION

公司資料



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





CHAIRMAN'S
STATEMENT
主席報告

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board of directors (the "Board") of Transmit Entertainment Limited ("Transmit Entertainment" or the "Company"), I am pleased to present to you the annual results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2019.

本人謹代表傳遞娛樂有限公司(「傳遞娛樂」或「本公司」)董事會(「董事會」)，欣然向閣下提呈本公司及其附屬公司(「本集團」)截至2019年6月30日止年度的全年業績。

During the year under review, despite the challenges in the global economic outlook and the increase of uncertainties, the internet services industry of the PRC still maintained its momentum of steady double-digit growth. According to the "Operation of Internet and Related Service Industries in the First Half of 2019" (2019年上半年互聯網和相關服務業運行情況) issued by the Ministry of Industry and Information Technology of the PRC, the income from completed businesses of sizable internet enterprises in the PRC in the first half of 2019 has recorded a year-on-year increase of 17.9% and amounted to RMB540.9 billion. Of which, benefitted from the development of mobile communication networks technology and the increase of research and development investments by the whole industry, the audio-video services continued to realize rapid growth in the first half of 2019, the income from information services including online music and videos, online games, news and online reading has recorded a year-on-year increase of 23% and amounted to RMB370.3 billion.

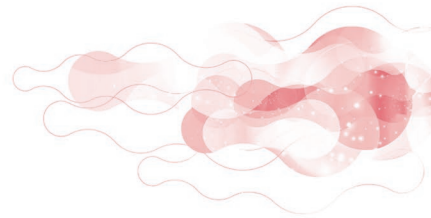
Notably, the internet communication services has achieved a large-scale tariff reduction and speed upgrade in recent years, which resulted in the penetration of internet services channels and further released the potentials of online consumption in markets of the third- and fourth-tier cities and below. According to the statistics published by China Internet Network Information Centre, the online shopping users in the PRC increased from 332 million in June 2014 to 639 million in June 2019, representing a compound annual growth rate of 13.99%. The proportion of national internet users accounted by online shopping users has increased in each year from 52.5% in June 2014 to 74.8% in June 2019. Innovative e-commerce models such as live recommendation, factory e-commerce and community retail have integrated online and offline consumption channels effectively and become new highlights in the growth of online consumption.

於回顧年度內，雖然環球經濟前景面臨挑戰，不明朗因素有所增加，中國互聯網服務行業依然保持雙位數的平穩增長勢頭。根據工信部發佈的「2019年上半年互聯網和相關服務業運行情況」，中國規模以上互聯網企業於2019年上半年完成業務收入同比增長17.9%，達到人民幣5,409億元。其中，受惠於移動通信網絡技術的發展和全行業對於研發投入的增加，音視頻服務於2019年上半年繼續實現高速增長，包括網絡音樂和視頻、網絡遊戲、新聞信息、網絡閱讀等在內的信息服務收入同比增長23%，達到人民幣3,703億元。

值得注意的是，網絡通訊服務於近年實現了大幅度的降費提速，帶動互聯網服務渠道下沉，進一步釋放三四線城市及以下市場的網絡消費潛力。根據中國互聯網信息中心發佈的數據，中國網絡購物用戶規模由2014年6月的3.32億增長至2019年6月的6.39億，複合年均增長率達到13.99%。網絡購物用戶佔全國網民比例亦逐年上升，由2014年6月的52.5%迅速增長至2019年6月的74.8%。直播帶貨、工廠電商、社區零售等創新電商模式有效融合線上線下消費渠道，成為網絡消費增長的新亮點。

CHAIRMAN'S STATEMENT

主席報告



Leveraging on the penetration of online consumption channels and the rise of new e-commerce models, Transmit Entertainment has been exploring diversified realization models proactively through the expansion of artist groups and the entry into celebrity markets, so as to broaden our revenue base. Of which, the commencement of artists and agency business helped the Group to diversify its business footprint horizontally into the booming popular idol group industry in area of the PRC's film and television culture sector, as well as enhancing the commercial value and brand influence of the Group continuously. At the same time, the cooperation with celebrities with over millions of fans will bring huge benefits in respect of fan group operation, online and offline marketing and traffic monetization, enabling the Group to develop new young brand, expand the pan-entertainment business footprint and increase our profitability. We believe the new business will generate sustainable synergy with the existing resources on film, television and variety shows, which can help the Group to closely follow the preferences and demands of users and explore more potential development opportunities in the film, television and media industry while consolidating its existing business foundation, thereby to deliver better returns to shareholders.

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

Zhang Liang, Johnson
Chairman

25 September 2019

把握網絡消費渠道下沉以及新電商模式興起的發展機遇，傳遞娛樂正積極透過拓展藝人版圖及進軍紅人營銷市場，探索多元化的變現模式，拓寬收益基礎。其中，開展藝人及經紀業務有助本集團將業務版圖橫向擴展至中國影視文化領域蓬勃發展的偶像潮流團體行業，持續提升本集團的商業價值及品牌影響力。同時，與百萬粉絲級別的紅人合作將在粉絲社群運營、線上線下交互營銷以及流量變現方面帶來巨大裨益，協助本集團打造全新的年輕品牌，拓展泛娛樂商業版圖及提升盈利能力。我們相信，新業務將與現有的影視綜藝資源產生可持續的協同效益，有助本集團緊貼用戶喜好和需求，在夯實集團現有業務的基礎上開拓影視傳媒行業的更多潛在發展機遇，從而為股東帶來更為理想的回報。

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

主席
張量

二零一九年九月二十五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in (i) film and TV series production, distribution and licensing of film rights; (ii) film exhibition; and (iii) other businesses. The Group mainly produces Chinese films, variety shows and TV series in both mainland China and Hong Kong. It also operates five Hong Kong based cinemas. During the year ended 30 June 2019, the Group further realized its strategy of business diversification and commenced pan-entertainment business, including production business, artiste and internet celebrity agency business and business derived from the upstream and downstream of such businesses.

Film and TV series production and distribution

During the year ended 30 June 2019, film and TV series production and distribution business remained as the core business of the Group with reported revenue of approximately HK\$415.2 million, representing a significant increase of approximately 900.6% as compared to the corresponding period of last year. The Group released three films during the year under review, including action blockbuster “L Storm” (L風暴) and “The Invincible Dragon” (九龍不敗) and general-scale drama film “Lucid Dreams” (八步半喜怒哀樂), while two films were released last year, namely “Love Forever” (我們遇見松花湖) and “Tomorrow Is Another Day” (黃金花), in addition to a sharing of worldwide box office receipts of “S Storm” (S風暴).

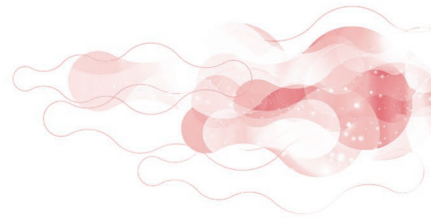
業務回顧

本集團主要從事(i)電影及電視劇製作、發行及授出電影發行權使用許可；(ii)電影放映；及(iii)其他業務。本集團以內地及香港為主要市場製作華語電影、綜藝節目及電視劇，並經營五間香港電影院。截至2019年6月30日止年度，本集團亦進一步推進實現其業務多元化策略，開展了包括製作業務、藝人及網絡紅人經紀業務以及其上下游的衍生業務在內的泛娛樂業務。

電影及電視劇製作及發行

截至2019年6月30日止年度，電影及電視劇製作及發行業務仍為本集團的核心業務，錄得收益約為港幣415.2百萬元，較去年同期大幅上升約900.6%。本集團於回顧年度內上映了三部電影，包括大型動作電影《L風暴》及《九龍不敗》以及一般規模劇情電影《八步半喜怒哀樂》，而於去年上映了兩部電影，包括《我們遇見松花湖》及《黃金花》，以及獲得《S風暴》之分攤全球票房收入。





MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In August 2018, the Group completed the acquisition of Houhai Culture. Through its collection of intellectual property works with commercial value, and in-house developed high-quality proprietary contents, Houhai Culture can independently accomplish a series of essential operational activities ranging from planning, scriptwriting, filming, post-production, distribution to marketing, and it strives to create variety shows and film and television programme that continue for multiple seasons. During the year under review, the Group consolidated its accounts for the first time, and recorded revenue mainly from the broadcasting of the variety show “Give Me Five Season II” (高能少年團第二季) and internet drama “Romance of the Youth” (少年江湖物語), and the copyright and adaptation of the manga “Hikaru no Go” (棋魂).

Furthermore, the romantic detective reality show developed and produced by the Group, namely “I Love You, Me Too” (喜歡你，我也是), was broadcasted on the online video platform iQIYI during the year under review and continued to attract widespread attention and discussion from netizens. A number of fans and numerous well-known entertainment bloggers actively participated in and followed up the discussion of the topic in variety show of “I Love You, Me Too” on Weibo. The programme achieved outstanding performance in various ranking lists, such as “Weibo Hot Searches” (微博熱搜榜), “Maoyan Variety Show Ranking” (貓眼綜藝熱度榜), “Iqiyi Variety Show Ranking” (愛奇藝綜藝榜), “Zhihu Hot Searches” (知乎熱搜) and “Douyin Hot Searches” (抖音熱搜). While highly recognized by the sponsors, the programme has also significantly increased the brand awareness of the Group.

於2018年8月，本集團完成收購厚海文化。厚海文化通過儲備具有商業價值的知識產權作品，同時自主創造優質知識產權內容，自行完成由策劃、編劇、拍攝、後期製作、分銷到市場推廣等一系列核心營運活動，著力打造持續多季的系列綜藝及影視作品。於回顧年度內，本集團首次將其賬目合併入賬，錄得主要來自綜藝節目《高能少年團第二季》及網劇《少年江湖物語》的播放收益，以及漫畫《棋魂》的版權及改編收益。

此外，本集團承制及出品的戀愛推理素人秀《喜歡你，我也是》於回顧年度內在視頻網站愛奇藝上成功播出，持續引發網友的廣泛關注和討論。眾多粉絲以及多位知名娛樂博主積極參與和跟進綜藝微博話題「喜歡你，我也是」的討論。該節目在包括微博熱搜榜、貓眼綜藝熱度榜、愛奇藝綜藝榜、知乎熱搜、抖音熱搜等的多份榜單均獲得優異表現。在得到贊助方高度認可的同時，該節目也大幅提升了本集團的品牌知名度。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Film exhibition

Film exhibition was another key revenue driver for the Group. During the year ended 30 June 2019, the Group operated five cinemas at different strategic locations across Hong Kong, including Mong Kok, Chai Wan, Causeway Bay and Tsuen Wan, providing 23 screens and over 3,000 seats. According to the statistics from Hong Kong Box Office Limited, the Hong Kong box office receipts posted an increase of approximately 6.4% in the first half of 2019 to approximately HK\$1.05 billion. Benefiting from the full operation of five cinemas, during the year under review, the revenue from the Group's film exhibition increased by approximately 8.8% to approximately HK\$243.6 million as compared to the corresponding period of last year, accounting for approximately 36.5% of total revenue of the Group. Despite the increase in revenue, this business segment still recorded a loss of approximately HK\$11.1 million due to the relatively low cinema attendance. However, the loss decreased as compared to approximately HK\$97.9 million last year due to five cinemas being put into full operation during the year under review.

Given that the Group's cinema in mainland China, located at "Vivo City" (怡豐城), Shanghai, commenced its operation in late September 2017, its profitability had not been proven and there were uncertainties as to its financial contributions and prospects. The Group completed the disposal of this business in July 2018. The net proceeds from the disposal of HK\$21.7 million will be used to further invest in other business segments as part of the resource reallocation of the Group.

Others

During the year ended 30 June 2019, the post-production, advertising, marketing and publication businesses of the Group recorded a total revenue of approximately HK\$9.4 million, representing an increase of approximately 1.0% as compared to approximately HK\$9.3 million for the corresponding period of last year. This business segment recorded a loss of approximately HK\$7.9 million during the year under review (2018: loss of approximately HK\$2.8 million). Taken into account the small scale operation of the post-production business of the Group in the recent years, the recent market trend and the change in the overall business strategy of the Group, the Group has disposed of the post-production business during the year under review.

電影放映

電影放映為本集團另一主要收益來源。截至2019年6月30日止年度，本集團在香港不同戰略位置(包括旺角、柴灣、銅鑼灣及荃灣)運營共五間影院，提供23塊熒幕及超過3,000個坐席。根據香港票房有限公司的統計，2019年上半年香港票房收入上升約6.4%至約港幣10.5億元。受惠於五間影院的全面營運，本集團的電影放映收益於回顧年度內較去年同期增加約8.8%至約港幣243.6百萬元，佔本集團總收益約36.5%。雖然業務收入增加，但由於電影院入座率較低，該業務分部錄得虧損約港幣11.1百萬元。惟於回顧年度內五家影院全面投入營運，因此虧損較去年的約港幣97.9百萬元有所減少。

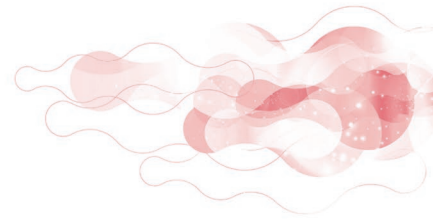
鑒於本集團位於中國內地的電影院(位於上海怡豐城)於2017年9月底展開營運，其盈利能力尚未得到證實，財務貢獻及前景並不確定。本集團於2018年7月完成出售此部分業務，出售收益淨額為港幣21.7百萬元，以將本集團資源重新分配以進一步投資於其他業務分部。

其他業務

截至2019年6月30日止年度，本集團之後期製作、廣告、市場推廣及出版業務共錄得的收益約為港幣9.4百萬元，較去年同期約港幣9.3百萬元增加約1.0%。此業務分部於回顧年度內錄得虧損約港幣7.9百萬元(2018年：虧損約港幣2.8百萬元)。考慮到近年來本集團後期製作業務的營運規模較小、近期市場趨勢及本集團整體業務策略轉變，本集團已於回顧年度內出售後期製作業務。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



In order to achieve long-term sustainable development, during the year under review, the Group has formed collaborative relationship with various artists, internet celebrities, agencies, renowned scriptwriters and popular directors to make in-depth development in the film and television industry. Meanwhile, the Group nurtures new celebrities and develops Multi Channel Network (MCN) business with vast resources on film and television in channels/internet and expands its revenue base through developing its self-developed beauty brand, and thereby promoting the development strategy of brand diversification and enhancing the Group's brand awareness in the industry.

Of which, the joining of Chinese renowned scriptwriter Li Xiaoming (李小明), famous scriptwriter Shu Huan (束煥) (representative works include *Lost in Thailand* (人再囧途之泰囧) and *Lost in Hong Kong* (港囧)), well-known scriptwriter Su Biao (蘇彪) (representative works include *Jian Bing Man* (煎餅俠) and *City of Rock* (縫紉機樂隊)) and new popular director Wu Qiang (吳強) further improves the strength in content creation of the Group. Li Xiaoming serves as the director of literature of the Group to provide guidance and support to the content creation team in terms of script planning. A series of classic works produced by Li Xiaoming was well published and loved by audience, including his early works such as "Yearnings" (渴望), "Beijinger in New York" (北京人在紐約), "Satisfied" (過把癮) and "Love Story in Shanghai" (像霧像雨又像風), and modern dramas on which he served as the producer in recent years such as "May-December Love" (大丈夫) and "The First Half Of My Life" (我的前半生). New popular director Wu Qiang is one of the most recognized directors in China by young audience and online platforms in recent years. He is a famous director in China and has been deeply involved in art and cultural creation in film and television with exquisite and diligent style. He has directed popular TV dramas such as "Well-Intended Love" (奈何boss要娶我), "The Eternal Love" (雙世寵妃) and "Diamond Lover" (克拉戀人).

Taking into account the recent market trends, the Group will not enter into further contract negotiation with agencies of Kan Qingzi (闕清子), Zhao Da (趙達), Shi Shi (施詩), Zhang Xiaoqian (張曉謙), Wang Yi (王藝), Oscar Jiang (江銘亮), Re Yina (熱依娜), Wu Yue (吳月), Chen Jiaxin (陳嘉歆), Ma Mengjia (馬夢嘉), Liang Siyu (梁思雨), Xu Kexin (許可昕), You Lixi (優麗絲), Dai Yu Dan (代雨丹) and Wang Jingyi (王晶怡), but will maintain long-term strategic and co-operative relationships.

為實現本集團的長遠可持續發展，本集團已於回顧年度內與多位藝人、網絡紅人、經紀人、知名編劇及人氣導演開展合作關係，於影視傳媒行業深入發展的同時，依託於不同廣播平台及網站與電影、電視相關的豐富資源培育新晉紅人及開展多渠道網絡(MCN)業務，通過打造自主消費品牌拓寬收益基礎，進一步推進品牌多元化的發展策略以及提升本集團在行業內的知名度。

其中，中國著名編劇李小明、知名編劇束煥(代表作有《人再囧途之泰囧》和《港囧》)、知名編劇蘇彪(代表作有《煎餅俠》和《縫紉機樂隊》)以及新銳人氣導演吳強的加入進一步加強了本集團於內容創作的實力。李小明擔任本集團文學總監，為內容創作團隊在劇本策劃方面提供強而有力的指導和支持。他的一系列經典作品深受觀眾熟知和喜愛，包括早期的編劇作品《渴望》、《北京人在紐約》、《過把癮》、《像霧像雨又像風》，以及近年在其中擔任總策劃的《大丈夫》、《我的前半生》等現代劇。新銳人氣導演吳強是中國近年最受年輕觀眾和網絡平台認可的導演之一，以細膩認真的風格深耕影視藝術文化創作，是國內著名導演，曾執導《奈何boss要娶我》、《雙世寵妃》、《克拉戀人》等熱播電視劇。

考慮到近期市場趨勢，本集團將不會進一步商討推進與闕清子、趙達、施詩、張曉謙、王藝、江銘亮、熱依娜、吳月、陳嘉歆、馬夢嘉、梁思雨、許可昕、優麗絲、代雨丹、王晶怡的經紀人公司的簽約事宜，但會保持長期的戰略合作關係。

FINANCIAL REVIEW

Revenue and gross profit

Revenue of the Group for the year under review amounted to approximately HK\$668.1 million, representing a significant increase of approximately HK\$393.5 million or 143.3% as compared to the corresponding period of last year, mainly contributed by revenue from the business segments of film and TV series production and distribution and film exhibition of approximately HK\$415.2 million and HK\$243.6 million respectively. During the year under review, the Group (i) released three films, including "L Storm" (L風暴), a large-scale action film starring Louis Koo (古天樂) and Julian Cheung (張智霖), "The Invincible Dragon" (九龍不敗), an action blockbuster starring Max Zhang (張晉) and Anderson Silva, a former Ultimate Fighting Championship ("UFC") middleweight champion, and directed by Fruit Chan (陳果), and "Lucid Dreams" (八步半喜怒哀樂), a general-scale drama film starring Kevin Cheng (鄭嘉穎), Louis Cheung (張繼聰), Dada Chan (陳靜) and Stephy Tang (鄧麗欣) and directed by Teddy Robin (泰迪羅賓), while two films had been released last year, namely "Love Forever" (我們遇見松花湖) and "Tomorrow Is Another Day" (黃金花), in addition to a sharing of worldwide box office receipts of "S Storm" (S風暴); and (ii) recorded broadcast revenue from the variety show "Give Me Five Season II" (高能少年團第二季) and internet drama "Romance of the Youth" (少年江湖物語) produced by Houhai Culture, and obtained revenue from the copyright and adaptation of the manga "Hikaru no Go" (棋魂), thus revenue from film and TV series production and distribution recorded a significant year-on-year increase of approximately 900.6%. For the film exhibition segment, the revenue for the year under review recorded an increase of approximately 8.8% as compared to the corresponding period of last year, which was due to the full operation of five cinemas in Hong Kong.

Gross profit of the Group was approximately HK\$262.3 million representing an increase of approximately HK\$123.8 million or approximately 89.5% as compared to the corresponding period of last year. Gross profit margin for the year under review was approximately 39.3%, which showed a decrease from that of approximately 50.4% for the corresponding period of last year. The decrease was mainly attributable to (i) additional revenue recorded from "S Storm" (S風暴) released in Chinese cinemas last year, while such additional revenue was absent in this year; and (ii) the newly acquired Houhai Culture operation accounted for approximately 28.5% of the Group's revenue during the year under review while its gross profit margin was lower than the existing business. Such changes in sales mix also resulted in lower overall gross profit margin of the Group.

財務回顧

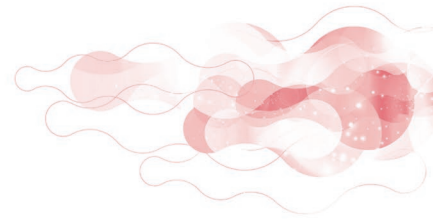
收益及毛利

本集團於回顧年度的收益約為港幣668.1百萬元，較去年同期大幅增加約港幣393.5百萬元或143.3%，主要來自電影及電視劇製作及發行，以及電影放映業務分部收益分別約為港幣415.2百萬元及港幣243.6百萬元。本集團於回顧年度內(i)上映了三部電影，包括由古天樂及張智霖主演的大型動作電影《L風暴》、由張晉及前終極格鬥冠軍賽(UFC)中量級冠軍Anderson Silva主演並由陳果執導大型動作電影《九龍不敗》以及由鄭嘉穎、張繼聰、陳靜及鄧麗欣主演並泰迪羅賓執導的一般規模劇情電影《八步半喜怒哀樂》，而於去年發行了兩部電影，包括《我們遇見松花湖》及《黃金花》，以及獲得《S風暴》之分攤全球票房收入；以及(ii)獲得由厚海文化製作之綜藝節目《高能少年團第二季》及網劇《少年江湖物語》的播放收益，以及漫畫《棋魂》的版權及改編收益，因此電影及電視劇製作及發行的收益同比大幅上升約900.6%。就電影放映分部而言，回顧年度的收益較去年同期增加約8.8%，因五間香港影院的全面投入營運所致。

本集團的毛利約港幣262.3百萬元，較去年同期增加約港幣123.8百萬元或約89.5%。回顧年度的毛利率約39.3%，去年同期毛利率約50.4%，下降的主要原因是由於(i)去年在中國院線發行的《S風暴》產生額外收入，而今年沒有這部分的額外收入；以及(ii)新收購的厚海文化業務於回顧年度內佔本集團收入約28.5%，毛利率較現有業務的為低，銷售構成變化亦致使本集團的整體毛利率降低。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



Other gains and income

Other gains and income was approximately HK\$32.4 million for the year under review, representing an increase of approximately HK\$16.1 million or approximately 98.9% as compared to the corresponding period of last year. This was mainly due to the recognition of the gain on disposal of subsidiaries of approximately HK\$21.1 million during the year ended 30 June 2019.

Selling and distribution expenses

Selling and distribution expenses slightly increased by approximately HK\$6.6 million or 3.3% from approximately HK\$200.6 million for the corresponding period of last year to approximately HK\$207.3 million for the year under review. This was mainly attributable to the increase of advertising and promotion expenses in film and TV series production and distribution. Such increase was primarily due to the growth of relevant advertising and promotion expenses resulting from the relatively larger production scale of the films released during the year under review.

Administrative expenses

Administrative expenses increased by approximately HK\$16.3 million or approximately 32.0% from approximately HK\$51.0 million for the corresponding period of last year to approximately HK\$67.3 million for the year under review, which was attributable to (i) the increase of legal and professional fee of approximately HK\$1.0 million related to certain corporate actions and transactions during the year under review; (ii) the increase of salary expense of approximately HK\$6.3 million during the year under review; and (iii) ordinary administrative expenses incurred by a newly-acquired company, Houhai Culture.

Share of results of associates

During the year under review, the Group had two associates, namely Jade Dynasty Holdings Limited ("JDH" and together with its subsidiaries, the "JDH Group") and Supreme Art Entertainment Limited ("Supreme Art").

The operation of JDH Group has recorded a loss attributable to the Group of approximately HK\$2.4 million as compared to a loss attributable to the Group of approximately HK\$0.7 million for the corresponding period of last year. JDH Group generated revenue from the businesses of comics publication and licensing of its database of comic stories and comic characters for films, TV series and theme park development as well as related products merchandising.

其他收益及收入

於回顧年度，其他收益及收入約港幣32.4百萬元，較去年同期增加約港幣16.1百萬元或約98.9%，主要由於截至2019年6月30日止年度確認出售附屬公司收益約港幣21.1百萬元所致。

銷售及發行開支

銷售及發行開支由去年同期約港幣200.6百萬元輕微增加約港幣6.6百萬元或3.3%至回顧年度的約港幣207.3百萬元，主要由於電影及電視劇製作及發行業務的廣告及推廣開支增加。該增加主要由於回顧年度內上映的電影製作規模相對較大引致相關廣告及推廣開支上升。

行政開支

行政開支由去年同期約港幣51.0百萬元增加約港幣16.3百萬元或約32.0%至回顧年度的約港幣67.3百萬元，主要由於(i)回顧年度內與若干公司行動及交易相關的法律及專業費用增加約港幣1.0百萬元；(ii)回顧年度內薪金費用增加約港幣6.3百萬元；及(iii)新收購的公司厚海文化所產生的日常行政開支。

應佔聯營公司業績

於回顧年度內，本集團的兩間聯營公司為玉皇朝集團有限公司(「玉皇朝」)連同其附屬公司，統稱「玉皇朝集團」)及凱藝娛樂發展有限公司(「凱藝」)。

玉皇朝集團的營運錄得應佔虧損約港幣2.4百萬元，而去年同期錄得應佔虧損約港幣0.7百萬元。玉皇朝集團自漫畫發行及其漫畫故事及漫畫英雄人物數據庫的使用許可業務獲得收益，以供製作電影、電視劇及發展主題樂園以及相關銷售商品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The operation of Supreme Art has recorded a profit attributable to the Group of approximately HK\$0.9 million (30 June 2018: profit attributable to the Group of approximately HK\$0.7 million). Supreme Art is engaged in the provision of artiste management and agency services which are benefiting from the Group's film production business.

Share of results of a joint venture

Bounty Productions Limited ("BPL") was set up by the Group with two independent third parties for the production and distribution of the film, "Bounty Hunters" (賞金獵人), in which the Group owned 40% interest. BPL has recorded a profit attributable to the Group of approximately HK\$0.1 million during the year under review (30 June 2018: profit attributable to the Group of approximately HK\$0.4 million).

Loss for the year under review

The Group's loss and total comprehensive expense attributable to owners of the Company for the year under review amounted to approximately HK\$35.5 million (2018: loss of approximately HK\$189.8 million) and approximately HK\$29.9 million (30 June 2018: total comprehensive expense of approximately HK\$191.1 million) respectively. The decrease in loss of the Group for the year under review was mainly due to (i) profit contributed by Houhai Culture; (ii) revenue growth generated from the production and distribution of film "L Storm" (L風暴) and "The Invincible Dragon" (九龍不敗); and (iii) impairment loss on property, plant and equipment and investment in film/drama production was recorded in 2018 while no impairment loss on such items was recorded for the year ended 30 June 2019.

Impairment loss on interests in associates

During the year ended 30 June 2019, the Group recognized an impairment loss on interests in associates in the amount of approximately HK\$6,317,000 (30 June 2018: HK\$22,295,000) and HK\$10,000,000 (30 June 2018: Nil) in respect of JDH Group and Supreme Art respectively.

凱藝營運錄得本集團應佔溢利約港幣0.9百萬元(2018年6月30日:應佔溢利約港幣0.7百萬元)。凱藝從事提供受益於本集團電影製作業務的演員管理及代理服務。

應佔一間合營企業業績

本集團與兩名獨立第三方成立賞金製作有限公司(「賞金」)以製作及發行電影「賞金獵人」(本集團於其中擁有40%權益)。於回顧年度內賞金錄得本集團應佔溢利約港幣0.1百萬元(2018年6月30日:應佔溢利約港幣0.4百萬元)。

回顧年度內虧損

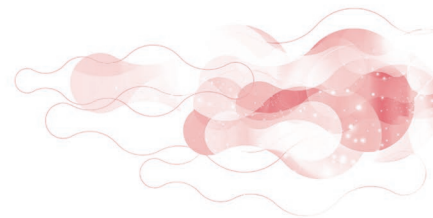
於回顧年度內,本公司擁有人應佔本集團虧損及全面開支總額分別約港幣35.5百萬元(2018年:虧損約港幣189.8百萬元)及約港幣29.9百萬元(2018年6月30日:全面開支總額約港幣191.1百萬元)。本集團於回顧年度虧損減少主要由於(i)厚海文化貢獻的溢利;(ii)電影《L風暴》及《九龍不敗》的上映帶來電影製作及發行的相關的收益增長所致;以及(iii)於2018年物業、廠房及設備以及對電影/戲劇製作作出的投資錄得減值虧損約港幣60.2百萬元,而截至2019年6月30日止年度,有關項目並無錄得減值虧損。

於聯營公司權益的減值虧損

截至2019年6月30日止年度,本集團確認有關玉皇朝集團及凱藝的於聯營公司權益的減值虧損分別約為港幣6,317,000元(2018年6月30日:港幣22,295,000元)及港幣10,000,000元(2018年6月30日:無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



1. Circumstances leading to the JDH Group impairment

The factors leading to the JDH Group impairment are as follows:

- (a) the valuation prepared by an independent valuer on the value of the cash generating units in relation to the entire equity interest of the JDH Group;
- (b) the shortfall between the actual licensing fees received under the movie and drama business segment and comic park project of JDH Group during the year ended 30 June 2019 as compared with the budget previously prepared for the year. After conducting an overall review on the movie and drama business and comic park project, the future estimated cash flows were revised downward significantly for the impairment assessment conducted for the year ended 30 June 2019;
- (c) the current market condition since mid-2019 and the future prospects and estimated cash flow and income of JDH Group for the forthcoming year; and
- (d) decrease in value in the cash generating units in relation to the equity interest of JDH Group compared with the previous financial year ended 30 June 2018.

Method, basis and key assumptions used in determining the amount of the JDH Group impairment:

The Group conducted the impairment assessment to JDH Group in accordance with HKAS 36 annually, and the amount of JDH Group impairment was determined based on a valuation prepared by an independent valuer using Discounted Cash Flow ("DCF") model, which is the same methodology adopted in the valuation of the investment in JDH Group for the previous financial year after the Acquisition.

Except for the downward revision of the future estimated cash flows of JDH Group, there was no material change in the basis, assumptions and material inputs of the valuation compared to those previously adopted in the valuation for the previous financial year ended 30 June 2018.

1. 導致玉皇朝集團減值的情況

導致玉皇朝集團減值的因素如下：

- (a) 獨立估值師就有關玉皇朝集團全部股權的現金產生單位的價值編製的估值；
- (b) 玉皇朝集團電影及戲劇業務分部以及漫畫樂園項目於截至2019年6月30日止年度所收取的實際使用許可費用與先前為該年度編製的預算之間的差額。於對電影及戲劇業務以及漫畫樂園項目進行全面檢討後，已就截至2019年6月30日止年度所進行的減值評估對未來估計現金流作出大幅下調；
- (c) 自2019年年中以來的當前市況及玉皇朝集團未來一年的前景及估計現金流及收入；及
- (d) 較截至2018年6月30日止過往財政年度，有關玉皇朝集團股權的現金產生單位的價值減少。

釐定玉皇朝集團減值金額採用的方法、基準及主要假設：

本集團每年會根據香港會計準則第36號對玉皇朝集團進行減值評估，而玉皇朝集團減值金額乃根據獨立估值師使用貼現現金流（「貼現現金流」）模型基於在收購事項後之過往財政年度對於玉皇朝集團的投資進行估值時所採納之相同方法編製的估值而釐定。

除下調玉皇朝集團的未來估計現金流外，估值的基準、假設及重大輸入數據較先前於截至2018年6月30日止上一財政年度進行估值時所採納者並無發生重大變動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Company continues to review the operation, performance and prospects of JDH Group on an ongoing basis and may consider realizing the investment in JDH Group should suitable opportunity arises as and when the condition of JDH Group justifies such realization.

Please also refer to note 17 of the consolidated financial statements in this annual report for more details of the financial figures, basis and key assumptions of the valuation.

2. Circumstances leading to the Supreme Art impairment

The factors leading to the Supreme Art impairment are as follows:

- (a) the valuation prepared by an independent valuer on the value of the cash generating units in relation to the entire equity interest of the Supreme Art;
- (b) the expiration of certain artiste management agreements, resulting in the future estimated cash flows being revised downward significantly for the impairment assessment conducted during the year ended 30 June 2019;
- (c) the current market condition since mid-2019 and the future prospects and estimated cash flow and income of Supreme Art for the forthcoming year; and
- (d) decrease in value in the cash generating units in relation to the equity interest of the Supreme Art compared with the previous financial years ended 30 June 2018.

Method, basis and key assumptions used in determining the amount of the Supreme Art impairment:

The Group conducted the impairment assessment to Supreme Art in accordance with HKAS 36 annually, and the amount of Supreme Art impairment was determined based on a valuation prepared by an independent valuer using DCF model, which is the same methodology adopted in the valuation of the investment in Supreme Art for the previous financial year after the Acquisition.

本公司會持續檢討玉皇朝集團的營運、表現及前景，並可能於出現合適機會及玉皇朝集團的狀況適合變現時考慮變現於玉皇朝集團的投資。

有關估值財務數據、基準及主要假設的更多詳情，亦請參閱本年報綜合財務報表附註17。

2. 導致凱藝減值的情況

導致凱藝減值的因素如下：

- (a) 獨立估值師就有關凱藝全部股權的現金產生單位的價值編製的估值；
- (b) 若干藝人管理協議到期，導致就截至2019年6月30日止年度所進行的減值評估對未來估計現金流作出大幅下調；
- (c) 自2019年年中以來的當前市況及凱藝未來一年的前景及估計現金流及收入；及
- (d) 較截至2018年6月30日止過往財政年度，有關凱藝股權的現金產生單位的價值減少。

釐定凱藝減值金額採用的方法、基準及主要假設：

本集團每年會根據香港會計準則第36號對凱藝進行減值評估，而凱藝減值金額乃根據獨立估值師使用貼現現金流模型基於在收購事項後之過往財政年度對於凱藝的投資進行估值時所採納之相同方法編製的估值而釐定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



Except for the downward revision of future estimated cash flows, there was no material change in the basis, assumptions and material inputs of the valuation compared to those previously adopted in the valuation for the previous financial year ended 30 June 2018.

The Company continues to review the operation, performance and prospects of Supreme Art on an ongoing basis and may consider realizing the investment in Supreme Art should suitable opportunity arises as and when the condition of Supreme Art justifies such realization.

Please also refer to note 17 of the consolidated financial statements in this annual report for more details of the financial figures, basis and key assumptions of the valuation.

除下調未來估計現金流外，估值的基準、假設及重大輸入數據較先前於截至2018年6月30日止上一財政年度進行估值時所採納者並無發生重大變動。

本公司會持續檢討凱藝的營運、表現及前景，並可能於出現合適機會及凱藝的狀況適合變現時考慮變現於凱藝的投資。

有關估值財務數據、基準及主要假設的更多詳情，亦請參閱本年報綜合財務報表附註17。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2019, the Group's bank balances and cash amounted to approximately HK\$122.0 million (30 June 2018: approximately HK\$76.3 million), which are denominated mainly in HK\$, United States Dollar ("US\$") and Renminbi ("RMB").

As at 30 June 2019, the Group's total debts, included bank and other borrowings, bonds payable and loans from related companies amounted to approximately HK\$65.2 million, approximately HK\$22.0 million and approximately HK\$226.0 million, respectively (30 June 2018: approximately HK\$8.2 million, Nil and Nil, respectively). As at 30 June 2019, the gearing ratio, representing the ratio of total debts to the total assets, was approximately 31.6% (30 June 2018: 2.0%).

On 16 May 2019, the Group and Royston Securities Limited (the "Placing Agent") entered into a placing agreement, pursuant to which the Placing Agent conditionally agreed to procure, on a best efforts basis, placees to subscribe in cash for the bonds in an aggregate principal amount of up to HK\$150,000,000 during the placing period. Details of the placing of bonds are set out in the announcement of the Group dated 16 May 2019. As at 30 June 2019, the Group's bonds payable amounted to approximately HK\$22.0 million.

流動資金、財務資源及資本結構

於2019年6月30日，本集團的銀行結餘及現金約為港幣122.0百萬元(2018年6月30日：約港幣76.3百萬元)，主要以港幣、美元(「美元」)及人民幣(「人民幣」)計值。

於2019年6月30日，本集團的債務總額，包括銀行及其他借款、應付債券及來自關聯公司貸款分別為約港幣65.2百萬元、約港幣22.0百萬元及約港幣226.0百萬元(2018年6月30日：分別為約8.2百萬元、零及零)。於2019年6月30日，負債比率(即債務總額佔資產總額的比率)約為31.6%(2018年6月30日：約2.0%)。

於2019年5月16日，本集團與銳升證券有限公司(「配售代理」)訂立配售協議，據此，配售代理有條件同意按盡最大努力基準在配售期間促使承配人以現金認購本金總額最多港幣150,000,000元之債券。有關配售債券之詳情載於本集團日期為2019年5月16日之公佈。於2019年6月30日，本集團應付債券約為港幣22.0百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 30 June 2019, the Group had total non-current assets of approximately HK\$544.9 million (30 June 2018: approximately HK\$165.2 million), net current liabilities of approximately HK\$95.8 million (30 June 2018: net current liabilities of approximately HK\$47.8 million) and net assets of approximately HK\$86.2 million (30 June 2018: approximately HK\$116.3 million). The current ratio of the Group, representing the ratio of current assets over current liabilities, was approximately 0.8 as at 30 June 2019 (30 June 2018: approximately 0.9).

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

SIGNIFICANT INVESTMENT

Save as disclosed in this report, the Group did not have any other significant investment during the year ended 30 June 2019.

MATERIAL ACQUISITION AND DISPOSAL

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

於2019年6月30日，本集團擁有非流動資產總值約港幣544.9百萬元(2018年6月30日：約港幣165.2百萬元)、流動負債淨值約港幣95.8百萬元(2018年6月30日：流動負債淨值約港幣47.8百萬元)及資產淨值約港幣86.2百萬元(2018年6月30日：約港幣116.3百萬元)。於2019年6月30日，本集團的流動比率(即流動資產與流動負債的比率)約為0.8(2018年6月30日：約0.9)。

於回顧年度內，本集團主要以上市所得款項淨額、銀行及其他借款、債券、來自一間關聯公司貸款及內部資源撥付流動資金。本集團的財務資源足以支持業務及營運。本集團亦會在出現適當業務機會且市場條件有利時考慮其他融資活動。

重大投資

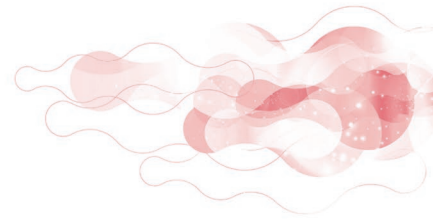
除本報告內披露者外，本集團於截至2019年6月30日止年度內並無任何其他重大投資。

重大收購及出售事項

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



On 31 July 2018, the disposal of 勝馬文化傳播(上海)有限公司 (Shengma Cultural Communication (Shanghai) Company Limited*) (“Shengma Cultural”) was completed and the control of Shengma Cultural has been passed to the purchasers. Upon completion of the disposal, Shengma Cultural has ceased to be a subsidiary of the Group. Details of the disposal are set out in the announcement of the Company dated 8 May 2018.

Save as disclosed above, the Group did not process any material acquisition or disposal during the year ended 30 June 2019.

HUMAN RESOURCES

As at 30 June 2019, the Group employed a total of 260 permanent employees (30 June 2018: 298) in the PRC and Hong Kong. The total salaries and wages, including the Directors’ remuneration and part-time workers, amounted to approximately HK\$46.2 million for the year ended 30 June 2019 (30 June 2018: approximately HK\$39.9 million).

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

於2018年7月31日，勝馬文化傳播(上海)有限公司(「勝馬文化」)之出售事項已完成及勝馬文化之控制權已轉移予買方。於出售事項完成後，勝馬文化不再為本集團之附屬公司。有關出售事項之詳情載於本公司日期為2018年5月8日之公佈。

除上文所披露者外，本集團於截至2019年6月30日止年度並無任何重大收購或出售事項。

人力資源

於2019年6月30日，本集團於內地及香港合共僱傭260名全職僱員(2018年6月30日：298名)。截至2019年6月30日止年度，薪金及工資總額(包括董事及兼職員工酬金)約為港幣46.2百萬元(2018年6月30日：約港幣39.9百萬元)。

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CHARGE ON ASSETS

As at 30 June 2019, the Group had bank deposits amounting to approximately HK\$0.7 million (30 June 2018: approximately HK\$0.7 million) that were pledged to banks for the bank guarantee provided to a subsidiary of the Group regarding its due payment under a cinema equipment rental agreement. The Group's bank borrowings are secured by trade receivables of RMB32,627,000 (equivalent to HK\$37,195,000) and guaranteed by an insurance company in the mainland China (2018: a bank deposit of HK\$10,000,000 placed to a bank). Save as mentioned above, the Group had not pledged its assets to any financial institutions.

TREASURY POLICY

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

CAPITAL COMMITMENT

There were no capital commitments for the Group as at 30 June 2018 and 2019.

CONTINGENT LIABILITIES

As at 30 June 2018 and 2019, the Group did not have any significant contingent liabilities.

資產押記

於2019年6月30日，本集團有為數約港幣0.7百萬元(2018年6月30日：約港幣0.7百萬元)之銀行存款質押予銀行以取得本集團一間附屬公司就其於影院設備租賃協議項下之到期付款提供之銀行擔保。本集團的銀行借款以貿易應收款項人民幣32,627,000元(相當於港幣37,195,000元)作抵押，並由一間中國內地保險公司提供擔保(2018年：銀行存款港幣10,000,000元質押予一間銀行)。除上述者外，本集團並無向任何金融機構質押其資產。

庫務政策

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

資本承擔

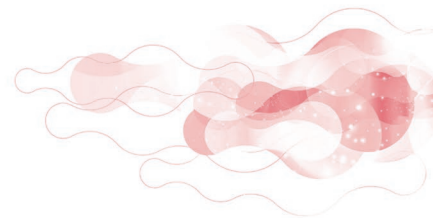
於2018年及2019年6月30日，本集團並無其他資本承擔。

或然負債

於2018年及2019年6月30日，本集團並無任何重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



USE OF PROCEEDS FROM THE LISTING

The planned use of proceeds from the Listing as disclosed in the prospectus of the Company dated 9 October 2012 (the "Prospectus") were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus, while the proceeds were applied in accordance with the actual development of the market. From 31 October 2012, being the date of the Listing, to 31 December 2018, the net proceeds from the Listing had been applied as follows:

上市所得款項用途

本公司日期為2012年10月9日之招股章程（「招股章程」）所披露的上市所得款項的擬定用途，乃根據本集團於編製招股章程時對未來市況所作的最佳估計而制定，而所得款項已根據市場的實際發展而動用。由2012年10月31日（即上市日期）起至2018年12月31日，上市所得款項淨額已作如下動用：

		Total use of proceeds as described in the Prospectus	Actual use of proceeds from the date of the Listing to 31 December 2018
		招股章程所述所得款項使用總額	由上市日期起至2018年12月31日所得款項實際使用金額
		HK\$ million	HK\$ million
		港幣百萬元	港幣百萬元
Expansion of film production business	拓展電影製作業務	58.4	58.4
Investment in equipment for post-production	投資後期製作設備	9.8	7.4
Staff recruitment	招聘員工	2.8	2.8
General working capital	一般營運資金	2.5	2.5
Total	合計	73.5	71.1

The un-utilised proceeds were deposited in the Group's bank accounts located in Hong Kong.

未動用所得款項存放於本集團的香港銀行賬戶內。

The Group intended to expand its film production business by releasing eleven films during the two financial years ended 30 June 2013 and 2014. These eleven films had been all released by the end of the financial year ended 30 June 2018.

本集團擬於截至2013年及2014年6月30日止兩個財政年度上映十一部電影，拓展其電影製作業務。該十一部電影於截至2018年6月30日止財政年度已全部上映。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As disclosed in the Prospectus, the Group intended to acquire colour grading equipment (including a set of colour grading system, a set of projector and a set of digital video systems real-time player) for altering and enhancing of colour in the Group's films and the restoration processing of film negatives, as well as to acquire restoration and film storage facilities (including a set of film scanner, a set of raw storage system with 144 terabytes and a set of digital image restoration system). Up to the financial year ended 30 June 2016, the abovementioned equipment had been acquired. Since then, the post-production business of the Group remained stable in its size and operation. Taken into account the small scale operation of the post-production business of the Group in the recent years, the recent market trend and the change in the overall business strategy of the Group to focus more on its film and TV series production and distribution, as well as the film exhibition businesses, the Group has recently disposed of the post-production business. As such, the Group will not need to further acquire the said equipment which would be mainly used for the post-production business, and therefore, to better utilise idle cash of the Group. The Group considers it is more reasonable and commercially beneficial to reallocate and change the use of the remaining balance of the proceeds of approximately HK\$2.4 million as general working capital. As at 30 June 2019, the reallocated total use of proceeds from the Listing has been applied as follows:

誠如招股章程所披露，本集團計劃購買調色配光設備(包括一套調色配光系統、一台放映機及一套數位視訊系統實時播放器)以對本集團電影的色彩進行調色及加深以及對電影菲林底片進行修復處理，並購買修復及電影存儲設施(包括一套電影菲林掃描儀、一套144太字節的原始數據存儲系統及一套數位圖像還原系統)。截至2016年6月30日止財政年度，本集團已購入上述設備。自此，本集團後期製作業務的規模及營運保持穩定。考慮到近年來本集團後期製作業務的營運規模較小、近期市場趨勢及本集團整體業務策略轉變為更加注重影視劇製作及發行和電影放映業務，本集團最近出售後期製作業務。因此，本集團將不需要進一步收購上述主要用於後期製作業務的設備，故此，為更好地利用本集團的閒置現金，本集團認為將所得款項餘額約港幣2,400,000元重新分配並變更其用途為一般營運資金更為合理及更符合商業利益。於2019年6月30日，經重新分配之上市所得款項使用總額如下：

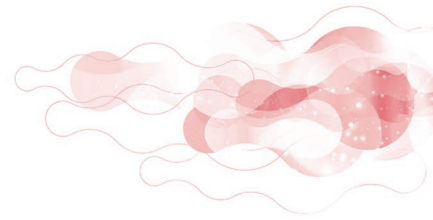
		Reallocated total use of proceeds from the Listing 經重新分配之上市所得款項使用總額 HK\$ million 港幣百萬元	Actual use of proceeds from the date of the Listing to 30 June 2019 由上市日期起至2019年6月30日所得款項實際使用金額 HK\$ million 港幣百萬元
Expansion of film production business	拓展電影製作業務	58.4	58.4
Investment in equipment for post-production	投資後期製作設備	7.4	7.4
Staff recruitment	招聘員工	2.8	2.8
General working capital	一般營運資金	4.9	2.5
Total	合計	73.5	71.1

For the avoidance of doubt, other proceeds from the Listing has been applied in accordance with the Group's plan as disclosed in the Prospectus.

為免生疑問，上市籌集的所有其他所得款項已根據招股章程披露的本集團計劃獲動用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



OUTLOOK

Looking forward, the Group is committed to realizing the development strategy of brand diversification and actively develops its self-owned brand to broaden the revenue base through the celebrity market. The Group targets the beauty market that is greatly concerned by female audience and will invite a number of popular internet celebrities in beauty field to join the Group. The Group will tap into the film and television intellectual property (IP) derived products and e-commerce industry by developing its self-owned brand, and will nurture new celebrities and develop Multi Channel Network (MCN) business with vast resources on film and television in channels/internet. By cooperating with celebrities with over millions of fans, the Group is able to maintain excellent long-term interaction with targeted fan groups in a bid to develop and promote its self-developed beauty brand and form a complete business cycle. The management of the Group believes that the impressive performance and extensive experience of the celebrities on fan group operation, online and offline marketing and traffic monetization will enable the Group to rapidly develop its self-owned consumer brand and expand the pan-entertainment business. The Group will invite more popular celebrities to join us. It is expected the new business will generate sustainable synergy with the existing resources on film, television and variety shows and thereby creating a broad space for development for the Group in the field of pan-entertainment consumption.

In respect of the film and TV series production and distribution, a number of copyright projects of the Group are currently under pre-production stage, including “Redemption on the Blade” (刀鋒上的救贖), a mystery detective drama, who is the screenwriter of “White Night Chase” (白夜追凶); “Mrs Hu Zhu” (斛珠夫人), a TV series with the copyright of Jiuzhou series, and starring Yang Mi (楊冪); an internet variety show “Be An Influencer” (我是帶貨官); “Persuader” (甲方乙方之維情師), a TV series written by Shu Huan (束煥) and to be produced by Feng Xiaogang (馮小剛), the script of which is about to complete.

展望

展望未來，本集團將致力實現品牌多元化的發展策略，積極研發打造自主品牌，通過紅人營銷市場拓寬收益基礎。其中，本集團佈局女性受眾極關注的美妝市場，將會邀請多位一線網絡美妝界紅人加盟，通過打造自主品牌進軍影視版權衍生品及電商行業，同時依託於不同廣播平台及網站與電影、電視相關的豐富資源培育新晉紅人及開展多渠道網絡(MCN)業務。透過與百萬粉絲級別的紅人合作，集團能與目標粉絲社群保持長期良好的互動，打造並推廣自主研發的消費品牌，最後形成一個完整的閉環。本集團管理層相信，簽約紅人對於粉絲社群運營、線上線下交互營銷以及流量變現方面的出色表現和豐富經驗能協助本集團快速打造自主品牌，拓展泛娛樂商業版圖。本集團將邀請更多知名紅人加盟，預期新業務將與現有的影視綜藝資源產生可持續的協同效益，為本集團在泛娛樂消費領域創造廣闊的發展空間。

電影及電視劇製作及發行方面，本集團擁有的多個版權項目目前正在籌備當中，其中包括：懸疑推理劇《刀鋒上的救贖》(由《白夜追凶》編劇指紋原著)；由楊冪主演的九州系列版權之《斛珠夫人》；網絡綜藝節目《我是帶貨官》；由束煥編劇並將由馮小剛監制的電視劇版《甲方乙方之維情師》，有關劇本已接近完成階段。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Moreover, the Group has reached agreements with some popular copyright owners, and will develop, produce and publish work series for the following copyrights, including “Locard’s theory” (洛卡爾定律), a Japanese TV series; “Love Destiny” (愛有天意), a Thai TV series; novels including “Imperial Harem” (後宮•真煩傳), “Next To The Last Girlfriend” (倒數第二個女朋友), “Romance in the City” (半城風月), “Turn Red into Green” (看朱成碧), “The Flower Throne” (鮮花寶座) and “Her Warfare” (蘇筱的戰爭) etc.

For variety shows, the romantic detective reality show developed and produced by the Group namely, “I Love You, Me Too” (喜歡你•我也是) has ended on 26 June 2019. With the good performance and network popularity of the first season, the Group is considering to produce the second season of “I Love You, Me Too” in order to create a self-developed multi-season variety show brand. In addition, the third season of “Give Me Five” (高能少年團), a proprietary variety brand will be continued to launch with two seasons broadcasted. “National Game Carnivals” (全民遊戲嘉年華), a new gaming variety show, is also under development.

The Group will continue to explore opportunities in relation to the development of the film, television and media industry leveraging its outstanding film production capabilities, especially cooperation opportunities derived from the upstream and downstream of the industry chain, with an aim to strengthen the Group’s income base. With the joining of these famous KOLs, the Group will develop its self-owned beauty brand and gradually expand the scale of the film and television intellectual property (IP) derived products and e-commerce industry, so as to diversify its operation, enhancing its profitability and generating satisfactory returns for the shareholders of the Group.

此外，本集團已與一些高人氣版權擁有人達成協議，並將對以下版權開發及製作發行系列作品，包括日本劇《洛卡爾定律》、泰國劇《愛有天意》、小說《後宮•真煩傳》、《倒數第二個女朋友》、《半城風月》、《看朱成碧》、《鮮花寶座》及《蘇筱的戰爭》等。

綜藝方面，本集團承制及出品的戀愛推理素人秀《喜歡你，我也是》已於二零一九年六月二十六日完成播出。基於第一季良好的表現和網絡熱度，本集團考慮開拍《喜歡你，我也是》第二季，以打造延續多個季度的自主綜藝品牌。此外，自主綜藝品牌《高能少年團》第三季將延續前兩季繼續推出；全新遊戲競技類綜藝《全民遊戲嘉年華》亦已在開發階段。

本集團將繼續以優秀的製片能力為基礎，積極開拓影視傳媒行業的發展機會，特別是沿著產業鏈上、下游及從旁衍生的合作機會，藉此鞏固本集團的收益基礎。隨著一眾知名網絡紅人加盟本集團，本集團將通過打造自主消費品牌並逐步擴大影視版權衍生品及電商業務規模，進一步拓展其多元化的業務版圖，提升盈利能力及為本集團股東帶來理想回報。



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Zhang Liang, Johnson (“Mr. Zhang”), aged 38, was appointed as an executive Director and the chairman of the Board on 13 December 2017. Mr. Zhang is responsible for the overall corporate and business development and strategic direction of the Group, and provides leadership for the Board of Directors. He is an entrepreneur in various industries, including real estate and energy etc. Mr. Zhang has more than 8 years of experience in the energy sector. He is a controlling shareholder and an executive director of Kinetic Mines and Energy Limited (stock code: 1277), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) which principally engages in coal production and coal trading. Mr. Zhang is also a controlling shareholder and an executive director of Brainhole Technology Limited (formerly known as Top Dynamic International Holdings Limited) (stock code: 2203), a company listed on the Main Board of the Stock Exchange. Mr. Zhang has more than 10 years of experience in the real estate sector. He is a director of Seedland Construction Holdings Limited, a company incorporated in Hong Kong on 15 July 2008 with limited liability which, through its subsidiaries, principally engaged in real estate business.

Ms. Zhao Wenzhu (“Ms. Zhao”), aged 34, joined the Company as the President of the Company on 17 September 2018 and was appointed as an executive Director of the Company on 26 November 2018. She holds a Master of Filmography from the Communication University of China. Ms. Zhao has about 10 years of experience in mass communications. She is a dynamic leader with broad exposure and has spearheaded growth initiatives in her different roles in various companies in mass communication. Ms. Zhao is currently the general manager of Houhai Culture. Prior to this, she was the deputy director of Dongyang Sansang Media Co., Ltd.* (東陽三尚傳媒股份有限公司) until 2013. She was also the distribution director and vice-president of Beijing Xishiji Film and Television Culture Development Co., Ltd.* (北京希世紀影視文化發展有限公司) in 2014 and the general manager and vice-president of the department of filmography and television of Nanjing Avenue Hengzhi Culture Media Co., Ltd.* (南京大道行知文化傳媒有限公司) from 2014 to 2016. She gained abundant experience by participating in many television entertainment shows and television series before, including “Three Kingdoms” (《三國》), “Long Trip to Beautiful Rivers and Mountains” (《秀麗江山》), “The Lost Tomb” (《盜墓筆記》), “Go Fighting” (《極限挑戰》) and “Give Me Five” (《高能少年團》).

張量先生(「張先生」)，38歲，於2017年12月13日獲委任為執行董事及董事會主席。張先生負責本集團之整體企業及業務發展以及策略方向，並領導董事會。彼為多個行業之企業家，包括房地產及能源等。張先生於能源領域擁有逾8年經驗。彼為香港聯合交易所有限公司(「聯交所」)主板上市公司力量礦業能源有限公司(股份代號：1277)之控股股東兼執行董事。該公司主要從事煤炭生產及煤炭買賣。張先生亦是聯交所主板上市公司腦洞科技有限公司(前稱泰邦集團國際控股有限公司)(股份代號：2203)之控股股東兼執行董事。張先生亦於房地產領域擁有逾10年經驗。彼為實地建設集團有限公司之董事。該公司於2008年7月15日在香港註冊成立為有限公司，透過其附屬公司主要從事房地產業務。

趙文竹女士(「趙女士」)，34歲，於2018年9月17日加入本公司擔任本公司之總裁，並於2018年11月26日獲委任為本公司之執行董事。彼於中國傳媒大學修畢電影學碩士學位。趙女士於大眾傳播業擁有約10年經驗。彼為有魄力之領袖，在業內有廣泛聯繫，於大眾傳播業多家公司擔任不同職務，領導公司業務發展。趙女士現任厚海文化之總經理。在此之前，彼於東陽三尚傳媒股份有限公司擔任副主任至2013年。於2014年，彼亦為北京希世紀影視文化發展有限公司之發行總監及副總裁，並自2014年至2016年擔任南京大道行知文化傳媒有限公司影視部門之總經理及副總裁。彼通過參與多部電視娛樂節目及電視劇累積許多經驗，其中包括《三國》、《秀麗江山》、《盜墓筆記》、《極限挑戰》及《高能少年團》。

* For identification only

* 僅供識別

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Lee Hin Kwong, Patrick, ("Mr. Lee") aged 44, was appointed as an executive Director on 1 December 2017. Mr. Lee has over 16 years of experience in the financial services industry. He obtained a Bachelor of Business degree from the La Trobe University, Melbourne Victoria Australia in 1997. During the period from 1997 to 2006, he was employed by HSBC Broking Securities (Asia) Ltd with his last position as a vice president. He was also a type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) licensed representative of the HSBC group from 2003 to 2004, and a type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 3 (leveraged foreign exchange trading) licensed representative of the HSBC group from 2003 to 2006. He then worked as the personal assistant of Mr. Zhang, an existing executive Director and the chairman of the Board and the controlling shareholder of the Company, from 2006 to 2011. Since 2011, he has been employed as a financial analyst by Kinetic (Asia) Limited which is a wholly owned subsidiary of Kinetic Mines and Energy Limited (stock code: 1277), a company listed on the Main Board of the Stock Exchange, of which Mr. Zhang is an executive director and a controlling shareholder. Since 2016, he has also been a director of Seedland Construction Holdings Limited, a company indirectly wholly owned by Mr. Zhang.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Bo ("Mr. Wang"), aged 43, was appointed as an independent non-executive Director on 13 December 2017. Mr. Wang has over 21 years of experience in financing and insurance industry. He received from the Sun Yat-Sen University in China his Bachelor of International Accounting degree minoring in international finance in June 1998. He was the general manager of Guangdong Baolihua New Energy Stock Co., Ltd. (stock code: 000690), a company listed on the Shenzhen Stock Exchange from August 2015 to March 2018. From July 1998 to June 2015, he was employed by Guangdong Finance Investment (Holding) Corporation Limited with his last position as the deputy general manager in the financial planning department. During the course of employment with Guangdong Finance Investment (Holding) Corporation Limited, he also served as the deputy general manager of Guangdong Finance Trust Company Limited, the director of Zhong Cheng Vehicle Insurance Company Limited and Zhu Jiang Life Insurance Company Limited, and the supervisor in Guangdong Guanhao High-tech Co., Ltd. (stock code: 600433), a company listed on the Shanghai Stock Exchange.

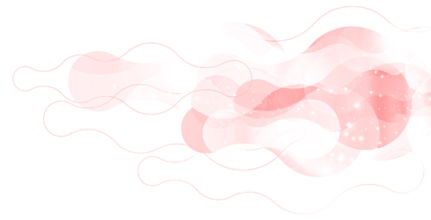
李憲光先生(「李先生」)，44歲，於2017年12月1日獲委任為執行董事。於金融服務業擁有逾16年經驗。彼於1997年在澳大利亞維多利亞州墨爾本拉籌伯大學取得商學學士學位。於1997年至2006年期間，彼曾於滙豐金融證券(亞洲)有限公司任職，最後職位為副總裁。彼亦於2003年至2004年擔任滙豐集團的第4類(就證券提供意見)、第5類(就期貨合約提供意見)、第6類(就機構融資提供意見)及第9類(提供資產管理)持牌代表，以及於2003年至2006年擔任滙豐集團的第1類(證券交易)、第2類(期貨合約交易)及第3類(槓桿式外匯交易)持牌代表。彼其後於2006年至2011年擔任本公司現時的執行董事兼董事會主席及控股股東張先生的私人助理。自2011年起，彼在力量礦業能源有限公司(一間於聯交所主板上市的公司，股份代號：1277)(張先生為該公司之執行董事及控股股東)的全資附屬公司力量(亞洲)有限公司一直受聘為金融分析師。自2016年起，彼亦一直擔任實地建設集團有限公司的董事，該公司由張先生間接全資擁有。

獨立非執行董事

王波先生(「王先生」)，43歲，於2017年12月13日已獲委任為獨立非執行董事。王先生於融資及保險業擁有逾21年經驗。於1998年6月，彼獲中國中山大學頒授國際會計學士學位，副修國際金融。於2015年8月至2018年3月，彼為深圳證券交易所上市公司廣東寶麗華新能源股份有限公司(股份代號：000690)之總經理。於1998年7月至2015年6月，彼受聘於Guangdong Finance Investment (Holding) Corporation Limited，離職前職位為財務策劃部副總經理。於Guangdong Finance Investment (Holding) Corporation Limited任職期間，彼亦擔任廣東粵財信託有限公司之副總經理、Zhong Cheng Vehicle Insurance Company Limited及Zhu Jiang Life Insurance Company Limited之董事，以及上海證券交易所上市公司廣東冠豪高技術股份有限公司(股份代號：600433)之監事。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷



Mr. Xiang Feng (“Mr. Xiang”), aged 42, was appointed as an independent non-executive Director on 13 December 2017. Mr. Xiang has over 14 years of experience in the movie industry. He received his Bachelor of Economics degree from the University of International Business and Economics in China in July 1998 and his Master of Arts in Media Production degree from the Griffith University in Australia in April 2005. He has been a general manager of Funtasy Pictures Co., Ltd. since February 2015. He has also been a supervisor of Fengzhimeng Visual Media Culture (Beijing) Company Limited from October 2013 to March 2019. Previously he has served as the chief operating officer of the Entgroup from March 2009 to September 2010. Mr. Xiang was also the executive producer of the movie “No Liar, No Cry”, the art director interpreter of the movie “the Mummy, Tomb of the Dragon Emperor”, the script planner of the movie “Cities in Love”, the bilingual production coordinator of the movie “Up in the Wind”, and the line producer of the movie “Last Flight”.

Mr. Chang Eric Jackson (“Mr. Chang”), aged 39, was appointed as an independent non-executive Director on 13 December 2017. Mr. Chang has over 16 years of experience in accounting, finance and business advisory work. He received his Bachelor of Commerce degree from the University of British Columbia in May 2002. He is a member of the Hong Kong Institute of Certified Public Accountants since September 2005 and the American Institute of Certified Public Accountants since January 2005. Mr. Chang has been an independent non-executive director of Season Pacific Holdings Ltd (stock code: 1709), a company listed on the Main Board of the Stock Exchange since May 2018. Mr. Chang is currently the chief financial officer, company secretary and an authorised representative of China Tangshang Holdings Limited (previously known as Culture Landmark Investment Limited) (stock code: 674), a company listed on the Main Board of the Stock Exchange since April 2017. He was also a non-executive director of Sino Vision Worldwide Holdings Limited (previously known as DX.com Holdings Limited) (stock code: 8086), a company listed on the GEM of the Stock Exchange, from May 2017 to July 2018. From July 2015 to April 2017, Mr. Chang served as the executive director, chief financial officer, joint company secretary and authorised representative of ZH International Holdings Limited (stock code: 185), a company listed on the Main Board of the Stock Exchange.

向峰先生(「向先生」)，42歲，於2017年12月13日獲委任為獨立非執行董事。向先生於電影業擁有逾14年經驗。於1998年7月，彼獲中國對外經濟貿易大學頒授經濟學學士學位，並於2005年4月獲澳洲格裏菲斯大學(Griffith University)頒授媒體製作文學碩士學位。自2015年2月以來，彼擔任Funtasy Pictures Co., Ltd.之總經理。自2013年10月至2019年3月，彼亦擔任Fengzhimeng Visual Media Culture (Beijing) Company Limited之監事。彼過去於2009年3月至2010年9月曾出任藝恩(Entgroup)之首席營運官。向先生亦為電影《不怕賊惦記》之執行監製、電影《神鬼傳奇3》之藝術總監翻譯、電影《戀愛中的城市》之編劇、電影《等風來》之雙語製作統籌，以及電影《絕命航班》之執行製片。

張世澤先生(「張先生」)，39歲，於2017年12月13日獲委任為獨立非執行董事。張先生在會計、財務及商業諮詢工作方面具備逾16年經驗。於2002年5月，彼獲英屬哥倫比亞大學頒授商學士學位。自2005年9月及2005年1月以來，彼為香港會計師公會及美國註冊會計師公會之會員。自2018年5月起，張先生擔任聯交所主板上市公司雲裳衣控股有限公司(股份代號：1709)之獨立非執行董事。自2017年4月起，張先生現擔任聯交所主板上市公司中國唐商控股有限公司(前稱文化地標投資有限公司)(股份代號：674)之財務總監、公司秘書及授權代表。彼自2017年5月至2018年7月亦為聯交所GEM上市公司新維國際控股有限公司(前稱DX.com控股有限公司)(股份代號：8086)之非執行董事。於2015年7月至2017年4月，張先生曾擔任聯交所主板上市公司正恒國際控股有限公司(股份代號：185)之執行董事、財務總監、聯席公司秘書及授權代表。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

SENIOR MANAGEMENT

Ms. Zhang Tingting (“Ms. Zhang”), aged 41, joined Houhai Culture on 1 July 2018. Ms. Zhang is currently the deputy general manager of Houhai Culture and the general manager of Tianjin Chuan Di Si Li Culture Media Limited* (天津傳遞四力文化傳媒有限公司), a wholly-owned subsidiary of the Group. She obtained a Bachelor’s degree in journalism from Communication University of China and did further study at Peking University of China and the University of Cambridge of the United Kingdom. Ms. Zhang has over 20 years of experience in the media and film and television industry, during which she was responsible for the production and direction as well as the arrangement and operation of channels of Anhui TV, established the branding department and was in charge of the broadcasting channel operation and the national promotion of various projects, such as Mao Ren Chao Ji Mei Li Host Show (“貓人超級魅力主持秀”) (the promotion of artists like Liu Yan, Xie Nan and Shi Yang), Domestic TV Series Ceremony and the New Four Great Classical Novels.

Mr. Ma Jin (“Mr. Ma”), aged 36, joined Houhai Culture on 1 December 2017. Mr. Ma is currently the deputy general manager of Houhai Culture and an executive Director of Tianjin Miu Si Culture Media Limited* (天津繆斯文化傳媒有限公司), a wholly-owned subsidiary of the Group. He graduated from Zhejiang University of Technology with a Bachelor degree in Law and obtained a professional certificate in production and direction from the academy of visual arts of the Shanghai Fudan University. Mr. Ma has over 7 years of experience in variety shows and the film and television industry. From 2012 to 2015, he has been the assistant of general manager of Blue Star Company under the Zhejiang Radio and TV Group as well as being responsible for and participating in the production, planning and promotion of variety show “Running Man” (《奔跑吧兄弟》) as well as movies like “Running Man” (《奔跑吧兄弟》), “Monster Hunt” (《抓妖記》). From 2015 to November 2016, he was the general manager of TV entertainment show department of the Beijing Jingxi Culture & Tourism Co., Ltd (stock code: 000802.SZ) who was responsible for the content production and artist arrangement of Dragon TV’s variety shows “Go Fighting” (《極限挑戰》) and “Girls Fighting” (《加油美少女》). He was the executive filmmaker of Zhejiang TV’s “Give Me Five” (《高能少年團》) Season I and II as well as the executive filmmaker of iQIYI love programme “I Love You, Me Too” (《喜歡你，我也是》).

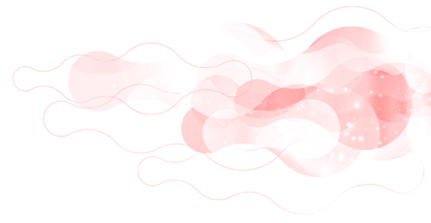
* For identification only

高級管理層

張婷婷女士(「張女士」)，41歲，於2018年7月1日加入厚海文化，現擔任厚海文化之副總經理以及本集團之全資附屬公司天津傳遞四力文化傳媒有限公司之總經理。彼於中國傳媒大學修畢新聞學學士學位，並先後於中國北京大學、英國劍橋大學進修學習。張女士於傳媒影視行業擁有超過20年經驗，曾於安徽衛視從事主持編導、頻道編排運營工作，創立品牌推廣部、主管安徽衛視劇集評估採購，並先後負責《貓人超級魅力主持秀》(柳岩、謝楠、師洋等藝人的包裝推廣工作)、《國劇盛典》、新版四大名著等多個項目的頻道播出運營和全國推廣工作。

馬進先生(「馬先生」)，36歲，於2017年12月1日加入厚海文化，現擔任厚海文化之副總經理以及本集團之全資附屬公司天津繆斯文化傳媒有限公司之執行董事。彼於浙江工業大學修畢法學專業學士學位，並持有上海復旦大學視覺藝術學院編導專業證書。馬先生於綜藝影視行業擁有7年經驗，自2012年至2015年先後擔任浙江廣電集團藍巨星公司總經理助理、浙江衛視節目中心負責及參與綜藝節目《奔跑吧兄弟》、院線電影《跑男》、《捉妖記》等項目的製作策劃宣傳工作。2015年至2016年11月於上市公司北京京西文化旅遊股份有限公司(股份代號：000802.SZ)任職綜藝事業部總經理，負責綜藝東方衛視《極限挑戰》、《加油美少女》的內容製作和藝人統籌工作。彼曾擔任浙江衛視《高能少年團》一、二季總製片人，以及愛奇藝戀愛暖綜《喜歡你我也是》總製片人。

* 僅供識別



PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Wang Jun, aged 38, joined Houhai Culture on 1 April 2017. Mr. Wang Jun is currently the deputy general manager of Houhai Culture, the vice-president of Guangzhou Daide Management Consultancy Company Limited (“Guangzhou Daide”), a wholly-owned subsidiary of the Group, the general manager of Tianjin Chuan Di Zhong Xing Entertainment Limited* (天津傳遞眾星娛樂有限公司) and the general manager of Tianjin Chuan Di Wei Lai Culture Media Limited* (天津傳遞未來文化傳媒有限公司). He graduated from the Business School of the University of Shanghai for Science and Technology with a bachelor’s degree in management. Mr. Wang Jun has 15 years of experience in the film and television industry and was the vice president of Cathay Media (Beijing) Co., Ltd. from 2014 to 2016, of which he was responsible for the production and marketing of TV dramas, namely “Gods of Honour” (《封神》) and “The Condor Heroes” (《神雕俠侶》). From 2013 to 2014, he was the marketing director of 唐人影視股份有限公司 and was responsible for the production and marketing of the TV drama namely “Bu Bu Jing Qing” (《步步驚情》) as well as the promotion of artists like Hu Ge, Liu Shishi and Gulnazha. He was the promotion director of 北京榮信達影視藝術有限公司 who was responsible for TV dramas, namely “the Dream of the Red Chamber” (《紅樓夢》), “Ma La Po Xi” (《麻辣婆媳》) and movies like “Gongfu Xia” (《功夫俠》) and “Door” (《門》) as well as the promotion of artists ranging from Chen Kun, Yang Mi, Yang Yang and Li Qin.

Mr. He Xian (“Mr. He”), aged 33, joined Houhai Culture on 26 October 2016. Mr. He is currently the producer of Houhai Culture and the general manager of Tianjin Chuan Di Kua Ke Culture Media Limited* (天津傳遞夸克文化傳媒有限公司), a wholly-owned subsidiary of the Group. He graduated from the Communication University of China with a Master’s degree in filming. Mr. He has 8 years of experience in the film and television industry, of which he was in charge of film and television program planning and distribution in Dongyang Sansang Media Co., Ltd.* (東陽三尚文化傳媒公司) and was responsible for the post-production and overseas distribution of the movie version of “New Romance of the Three Kingdoms” (《新三國》) from 2011 to 2014. He was the producer of Nanjing Avenue Hengzhi Culture Media Co., Ltd.* (南京大道行知文化傳媒有限公司) from 2014 to 2016, during which he was the executive producer of “Singing All Along” (《秀麗江山之長歌行》), the executive producer of TV drama “Naughty Grandfather and Grandson” (《淘氣爺孫》), the executive producer of web drama “The Lost Tomb” (《盜墓筆記》), the joint producer of movie “Bad Guys Always Die” (《壞蛋必須死》) and the executive producer of “Go Fighting – Royal Treasure” (《極限挑戰之皇家寶藏》). He is currently responsible for web dramas namely “Hikaru no Go” (《棋魂》), “Persuader” (《甲方乙方之勸退師》) and “Love Destiny” (《愛有天意》).

* For identification only

王俊先生，38歲，於2017年4月1日加入厚海文化。王俊先生現擔任厚海文化之副總經理、本集團之全資附屬公司廣州戴德管理諮詢有限公司(「廣州戴德」)之副總裁、天津傳遞眾星娛樂有限公司之總經理以及天津傳遞未來文化傳媒有限公司之總經理。彼於上海理工大學商學院修畢管理學士學位。王俊先生於影視行業擁有15年經驗，自2014年至2016年於華夏視聽環球傳媒有限公司任職副總裁，負責電視劇《封神》、電視劇《神雕俠侶》等項目的製作和營銷工作。自2013年至2014年於唐人影視股份有限公司任職營銷總監，負責電視劇《步步驚情》的製作和營銷工作，以及胡歌、劉詩詩、古力娜扎等藝人的宣傳工作。自2004年至2012年在北京榮信達影視藝術有限公司任職宣傳總監，負責電視劇《紅樓夢》、《麻辣婆媳》、電影《功夫俠》、《門》等項目的營銷工作，以及陳坤、楊冪、楊洋、李沁等藝人的宣傳工作。

何弦先生(「何先生」)，33歲，於2016年10月26日加入厚海文化，現擔任厚海文化之製片人以及本集團之全資附屬公司天津傳遞夸克文化傳媒有限公司之總經理。彼於中國傳媒大學修畢電影專業碩士學位。何先生於影視行業擁有8年經驗，自2011年至2014年於東陽三尚文化傳媒公司從事影視策劃及發行，負責電影版《新三國》的後期製作及海外發行工作。彼自2014年至2016年於南京大道行知文化傳媒有限公司擔任製片人，曾擔任電視劇《秀麗江山之長歌行》之監製、電視劇《淘氣爺孫》之執行製片人、網劇《盜墓筆記》之執行製片人、電影《壞蛋必須死》之聯合製片人，以及電影《極限挑戰之皇家寶藏》之監製。彼目前負責網劇《棋魂》、《甲方乙方之勸退師》以及《愛有天意》等項目的工作。

* 僅供識別

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層簡歷

Mr. Li Xiaoming (“Mr. Li”), aged 63, joined the Group on 15 June 2019 and is currently the director of literature of the Group. He graduated from Beijing Normal University with a Bachelor’s degree in Chinese language in 1982. Mr. Li is a Chinese renowned scriptwriter, from 1982 to 2010, he worked for Beijing TV Art Center as the deputy director, and served as the script producer in Xinli Media and Limon Pictures. His classic works, including his early works such as “Yearnings” (《渴望》), “Beijinger in New York” (《北京人在紐約》), “Satisfied” (《過把癮》) and “Love Story in Shanghai” (《像霧像雨又像風》), and modern dramas on which he served as the producer in recent years such as “May-December Love” (《大丈夫》) and “The First Half Of My Life” (《我的前半生》).

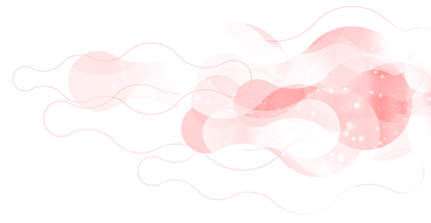
Ms. Lau Yee Wa (“Ms. Lau”) was appointed as the company secretary of the Company and the authorized representative under Rule 3.05 of the Listing Rules on 4 April 2018. Ms. Lau has over 20 years of experience in the corporate secretarial field and provides professional corporate services to Hong Kong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

李小明先生(「李先生」)，63歲，於2019年6月15日加入本集團，現擔任本集團之文學總監。彼於1982年畢業於北京師範大學，獲中文系學士學位。李先生為中國著名編劇，自1982年至2010年曾擔任北京電視藝術中心副主任，以及曾於新麗傳媒和檸萌影業擔任劇本總策劃職務。彼之經典作品包括早期的編劇作品《渴望》、《北京人在紐約》、《過把癮》、《像霧像雨又像風》，以及近年在其中擔任總策劃的《大丈夫》、《我的前半生》等現代劇。

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

REPORT OF THE DIRECTORS

董事會報告



The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the year ended 30 June 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company's subsidiaries are set out in note 47 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business for the year ended 30 June 2019, a discussion on the Group's future development in business and a description of the principal risks and uncertainties that the Group may be facing are set out in the Chairman's Statement on pages 6 to 7 and the Management Discussion and Analysis on pages 8 to 24 of this annual report. The capital risk management and financial risk management objectives and policies of the Group are set out in notes 41 and 42 to the consolidated financial statements respectively. An analysis of the Group's performance during the year under review using financial key performance indicators is set out in the Financial Summary on pages 291 to 292 of this annual report. This discussion forms part of this report.

Environmental policies and performance

The Group respects the environment and is committed to the sustainable development of the environment and the society. For details of the Group's environmental policies and performance during the year under review, please refer to the Environmental, Social and Governance Report on pages 75 to 104 of this annual report.

Compliance with laws and regulations

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

董事欣然呈報截至2019年6月30日止年度董事會報告以及本集團經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本公司附屬公司的主要業務及其他詳情載於綜合財務報表附註47。

業務回顧

本集團業務截至2019年6月30日止年度的公平回顧、有關本集團業務未來發展的討論及本集團可能面臨的主要風險及不確定性的描述載列於本年報第6至7頁的主席報告及第8至24頁的管理層討論及分析。本集團的資本風險管理及財務風險管理目標及政策分別載列於綜合財務報表附註41及42。本集團採用財務方面的關鍵績效指標進行的回顧年度內業績分析載列於本年報第291至292頁的財務摘要。該討論構成本報告的一部分。

環境政策及表現

本集團尊重環境並致力於環境及社會的可持續發展。關於回顧年度內本集團的環境政策及表現的詳情，請參閱本年報第75至104頁的環境、社會及管治報告。

遵守法律法規

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

REPORT OF THE DIRECTORS

董事會報告

So far as the Directors and senior management are aware of, for the year ended 30 June 2019, the Group has obtained the requisite approvals, permits, consents, licences and registrations for its business and operations.

To the best knowledge of the Directors, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 30 June 2019.

Key relationships with employees, customers and suppliers

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

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

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

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

RESULTS AND DIVIDENDS

The Group's loss for the year ended 30 June 2019 is set out in the consolidated statement of profit or loss and other comprehensive income on pages 112 to 113 of this annual report.

The Directors do not recommend the payment of any final dividend for the year ended 30 June 2019 (30 June 2018: Nil).

就董事會及高級管理層所知，截至2019年6月30日止年度，本集團已取得其業務及經營所需的批文、許可證、同意、牌照和註冊。

就董事於作出一切合理查詢後所知、所悉及所信，截至2019年6月30日止年度期間，本集團已在重大方面遵守對本集團業務及營運有重要影響之有關法律及法規。

與僱員、客戶及供應商的主要關係

本集團認為其成功取決於主要利益相關者(包括僱員、客戶及供應商)的支持。

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

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

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

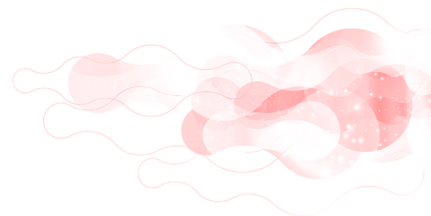
業績及股息

本集團截至2019年6月30日止年度的虧損載於本年報第112至113頁的綜合損益及其他全面收益表。

董事不建議派付截至2019年6月30日止年度的任何末期股息(2018年6月30日：無)。

REPORT OF THE DIRECTORS

董事會報告



SEGMENT INFORMATION

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

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the past five financial years as extracted from the consolidated financial statements in the annual reports 2014/15, 2015/16, 2016/17 and 2017/18 and this annual report, respectively are set out on pages 291 to 292 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

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

BANK AND OTHER BORROWINGS

Details of the borrowings during the year ended 30 June 2019 are set out in note 29 to the consolidated financial statements of the Group (30 June 2018: HK\$8,208,000).

CAPITALISATION OF INTEREST

The Group has not capitalised any interest during the year ended 30 June 2019 (30 June 2018: Nil).

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 30 June 2019 are set out in note 34 to the consolidated financial statements.

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

分部資料

本集團分部資料的詳情載於綜合財務報表附註6。

財務摘要

分別節錄自2014/15年度、2015/16年度、2016/17年度及2017/18年度年報及本年報內綜合財務報表的本集團過去五個財政年度的已公佈業績以及資產及負債摘要，載於本年報第291至292頁。

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註14。

銀行及其他借款

截至2019年6月30日止年度之借款詳情載於本集團綜合財務報表附註29(2018年6月30日：港幣8,208,000元)。

資本化利息

截至2019年6月30日止年度，本集團並無資本化任何利息(2018年6月30日：無)。

股本

本公司股本於截至2019年6月30日止年度的變動詳情載於綜合財務報表附註34。

其他與股權關聯的協議的詳情載於本報告「購股權計劃」一節。

REPORT OF THE DIRECTORS

董事會報告

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 30 June 2019 are set out in note 46 to the consolidated financial statements and in the consolidated statement of changes in equity on page 116 of this annual report, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2019, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$34,036,000 (30 June 2018: HK\$89,279,000).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 30 June 2019.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2019, income received/receivable from the top five customers in aggregate accounted for approximately 48.8% of the Group's revenue (30 June 2018: 12.6%). During the same period, income received/receivable from the single largest customer accounted for approximately 11.7% of the Group's revenue (30 June 2018: 10.1%).

The significant percentage increase in income received/receivable from the top five customers was due to the significant amounts of revenue generated from our customers of Houhai Culture during the year under review. Such revenue was mainly related to the variety show "Give Me Five Season II" (高能少年團第二季), internet drama "Romance of the Youth" (少年江湖物語), and copyright and adaptation of the manga "Hikaru no Go" (棋魂).

During the year ended 30 June 2019, the fees paid/payable to the top five suppliers in aggregate constituted approximately 18.8% (30 June 2018: 37.0%) of the Group's total fees paid/payable to the suppliers. During the same period, fees paid/payable to the largest supplier constituted approximately 3.4% (30 June 2018: 10.7%) of the Group's total fees paid/payable to the suppliers.

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

儲備

本公司及本集團儲備於截至2019年6月30日止年度的變動詳情分別載於綜合財務報表附註46及本年報第116頁的綜合權益變動表。

可供分派儲備

於2019年6月30日，按開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)計算，本公司的可供分派儲備約為港幣34,036,000元(2018年6月30日：港幣89,279,000元)。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2019年6月30日止年度內概無購買、出售或贖回本公司任何上市證券。

主要客戶及供應商

截至2019年6月30日止年度，已收／應收五大客戶的收入合共佔本集團收益約48.8%(2018年6月30日：12.6%)。同期已收／應收單一最大客戶的收入佔本集團收益約11.7%(2018年6月30日：10.1%)。

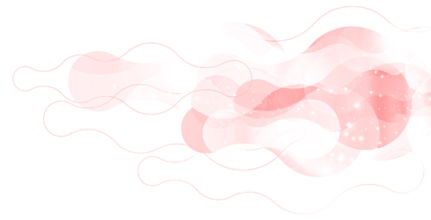
已收／應收五大客戶的收入大幅增加乃由於年內厚海文化的客戶所產生之可觀收益所致。有關收益主要與綜藝節目《高能少年團第二季》、網絡電視劇《少年江湖物語》以及漫畫《棋魂》的版權及改編有關。

截至2019年6月30日止年度，已付／應付五大供應商費用合共佔本集團已付／應付供應商費用總額約18.8%(2018年6月30日：37.0%)。同期已付／應付最大供應商費用佔本集團已付／應付供應商費用總額約3.4%(2018年6月30日：10.7%)。

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

REPORT OF THE DIRECTORS

董事會報告



EMOLUMENTS POLICY AND PENSION SCHEMES

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

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

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

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

SHARE OPTION SCHEME

The Company operates the Scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group’s operations. The Scheme was approved by the then sole shareholder of the Company on 5 October 2012. There were no outstanding share options under the Scheme as at 30 June 2018 and 2019. No share options have been granted, exercised or cancelled/lapsed under the Scheme during the years ended 30 June 2018 and 2019. Details of the Scheme are set out in note 36 to the consolidated financial statements.

酬金政策及退休金計劃

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

本集團僱員之薪酬乃經參考市場條件及僱員個人表現、資歷及經驗後釐定。

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

董事酬金及本集團五名最高薪人士之詳情載於綜合財務報表附註11。

購股權計劃

本公司設有該計劃，旨在作為對本集團營運成功有所貢獻的合資格人士的獎勵及回報。該計劃於2012年10月5日獲得當時唯一的股東批准。於2018年及2019年6月30日，該計劃項下概無尚未行使購股權。於截至2018年及2019年6月30日止年度，該計劃項下概無購股權授出、行使或註銷/失效。該計劃之詳情載於綜合財務報表附註36。

REPORT OF THE DIRECTORS

董事會報告

EQUITY-LINKED AGREEMENTS

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

DIRECTORS

The Directors during the year ended 30 June 2019 and up to the date of this report were:

Executive Directors

Mr. Zhang Liang, Johnson (*Chairman*)
Ms. Zhao Wenzhu (appointed on 26 November 2018)
Mr. Lee Hin Kwong, Patrick
Mr. Wong Pak Ming (resigned on 1 April 2019)

Independent Non-Executive Directors

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

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

Pursuant to Article 83(3) of the Company's Articles of Association, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Ms. Zhao Wenzhu who was appointed by the Board during the year ended 30 June 2019, will retire at the forthcoming annual general meeting and, being eligible, offer herself for re-election at the annual general meeting.

股票掛鈎協議

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

董事

截至2019年6月30日止年度內及截至本報告日期的董事包括：

執行董事

張量先生(主席)
趙文竹女士(於2018年11月26日獲委任)
李憲光先生
黃栢鳴先生(於2019年4月1日辭任)

獨立非執行董事

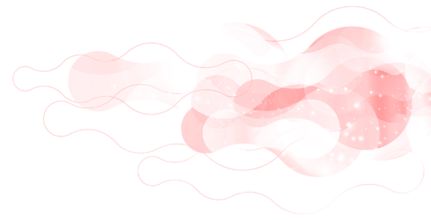
王波先生
向峰先生
張世澤先生

根據本公司組織章程細則第84(1)條，佔當時三分之一的董事(或倘人數並非三或三的倍數，則按最接近但不少於三分之一的人數計)將於每屆股東週年大會輪席告退，並合資格膺選連任。每名董事(包括按指定年期委任的董事)須至少每三年輪席告退一次。因此，李憲光先生及王波先生將於即將舉行的股東週年大會輪席告退及符合資格並願意膺選連任。

根據本公司組織章程細則第83(3)條，任何獲董事會委任或加入現有董事會的董事任期應僅至本公司下屆股東週年大會為止，屆時將符合資格進行競選連任。因此，截至2019年6月30日止年度，獲董事會委任之趙文竹女士將於即將舉行的股東週年大會告退及符合資格並願意膺選連任。

REPORT OF THE DIRECTORS

董事會報告



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are disclosed in the section headed “Profile of Directors and Senior Management” on pages 25 to 30 of this annual report.

DIRECTORS’ SERVICE AGREEMENTS

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

Mr. Wong Pak Ming (“Mr. Wong”) had entered into with the Company a service contract as an executive Director of the Company for an initial term of three years commencing from 31 October 2012 and renewable automatically and until (i) terminated by not less than three months’ notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter or (ii) not being re-elected at an annual general meeting of the Company at which he retires and offers for re-election. The aforesaid service contract had ceased upon Mr. Wong’s resignation as an executive Director of the Company on 1 April 2019.

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

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

董事及高級管理層簡歷

董事及本集團高級管理層履歷詳情於本年報第25頁至30頁「董事及高級管理層簡歷」一節披露。

董事服務協議

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

黃柏鳴先生(「黃先生」)已與本公司訂立服務合約，擔任本公司執行董事，由2012年10月31日起計初步為期三年，並自動續期及直至由(i)其中一方向對方發出不少於三個月的書面通知終止為止，而該通知將於初步期限結束時或其後任何時間屆滿，或(ii)並無在其退任並膺選連任的本公司股東週年大會上獲重選連任。上述服務合約已在黃先生於2019年4月1日辭任本公司執行董事後停止。

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

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

REPORT OF THE DIRECTORS

董事會報告

CONFIRMATION OF INDEPENDENCE

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Details of Directors' interest in transactions, arrangements or contracts of significance in relation to the Group's business are set out in the section headed "Related Party Transactions/Connected Transactions/Continuing Connected Transactions" in this annual report and note 45 to the consolidated financial statements.

Other than as disclosed above, there was no transaction, arrangement or contract of significance to which the Company or its subsidiaries, or its holding companies or any of its fellow subsidiaries was a party, and in which a Director was materially interested, whether directly or indirectly, subsisting during or at the end of the year ended 30 June 2019.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed in note 45 to the consolidated financial statements of which certain Directors engaged in film-related businesses, none of the Directors or the controlling shareholders of the Company or their respective associates as defined in the Listing Rules has any interest in any business which competes or may compete with the business of the Group during the year ended 30 June 2019.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed during the year ended 30 June 2019.

CONTRACTS OF SIGNIFICANCE

Saved as disclosed above, there is no contract of significance between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries during the year ended 30 June 2019.

獨立性確認

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

董事於重大交易、安排或合約的權益

董事於與本集團業務相關的重大交易、安排或合約權益詳情載於本年報「關聯方交易／關連交易／持續關連交易」一節及綜合財務報表附註45。

除上文所披露者外，截至2019年6月30日止年度期間或期末，本公司或其附屬公司或其控股公司或其任何同系附屬公司概無訂立董事直接或間接擁有重大權益的重大交易、安排或合約。

董事於競爭業務的權益

除綜合財務報表附註45披露若干董事從事電影相關業務外，截至2019年6月30日止年度，概無董事或本公司控股股東或彼等各自的聯繫人（定義見上市規則）於任何對本集團業務構成競爭或可能構成競爭的業務擁有任何權益。

管理合約

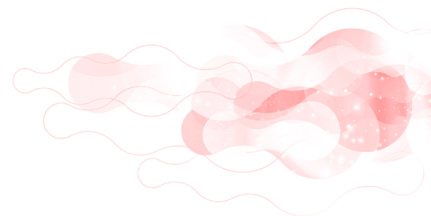
截至2019年6月30日止年度，概無訂立或存在任何有關本公司全部或絕大部分業務管理與行政之合約。

重大合約

除上文所披露者外，截至2019年6月30日止年度，本公司或其任何附屬公司與控股股東或其任何附屬公司並無訂立重大合約。

REPORT OF THE DIRECTORS

董事會報告



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

As at 30 June 2019, the interests of Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Appendix 10 to the Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於2019年6月30日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份中擁有須根據證券及期貨條例第XV部第7及8分部規定知會本公司及聯交所的權益(包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益)，及須記錄於本公司根據證券及期貨條例第352條所存置登記冊的權益，或須根據上市規則附錄十有關董事進行證券交易的規定知會本公司及聯交所的權益如下：

Position in shares and underlying shares of the Company

於本公司股份及相關股份的倉位

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

Note:

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

附註：

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

REPORT OF THE DIRECTORS

董事會報告

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

主要股東於本公司股份及相關股份的權益及淡倉

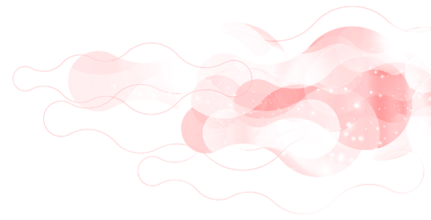
As at 30 June 2019, the interests of the persons, other than the interests disclosed above in respect of Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

於2019年6月30日，以下人士(上文所披露的董事或本公司行政總裁的權益除外)於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定知會本公司及聯交所的權益，及記錄於本公司根據證券及期貨條例第336條所存置登記冊的權益，或以其他方式知會本公司的權益：

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

REPORT OF THE DIRECTORS

董事會報告



Notes:

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

Save as disclosed above, as at 30 June 2019, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

附註：

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

除上文所披露者外，於 2019 年 6 月 30 日，本公司並不知悉任何人士 (董事或本公司行政總裁除外) 於本公司股份或相關股份中擁有須根據證券及期貨條例第 XV 部第 2 及 3 分部規定向本公司披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第 336 條所存置登記冊的權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections headed “Share Option Scheme” and “Directors’ and chief executives’ interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations” in this annual report, at no time during the year ended 30 June 2019 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISIONS

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

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

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 55 to 74 of this annual report.

購入股份或債券的權利

除本年報「購股權計劃」及「董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉」兩節所披露者外，截至2019年6月30日止年度內，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等各自的緊密聯繫人（定義見上市規則）有權認購本公司或其任何相聯法團（定義見證券及期貨條例）的證券，或可藉購入本公司或任何其他法人團體的股份或債券而獲利。

允許彌償保證條文

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

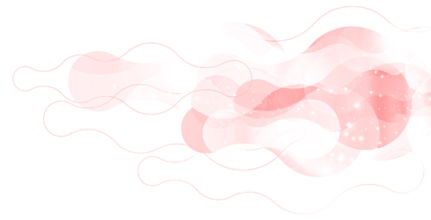
本公司已就董事及本集團高級管理層於履行其職責時可能引發的任何法律訴訟中有關董事及高級職員的責任安排適當的保險範圍。

企業管治

本公司致力維持高水平企業管治常規。有關本公司採納的企業管治常規資料載於本年報第55至74頁企業管治報告。

REPORT OF THE DIRECTORS

董事會報告



RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS

Details of related party transactions of the Group during the year ended 30 June 2019 are set out in note 45 to the consolidated financial statements. All of these related party transactions are connected transactions/continuing connected transactions fully exempted under Rule 14A.76(1) of Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Contractual Arrangements

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

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

關聯方交易／關連交易／持續關連交易

有關本集團於截至2019年6月30日止年度的關聯方交易詳情載於綜合財務報表附註45。所有該等關聯方交易為獲完全豁免遵守上市規則第14A章第14A.76(1)條規定的關連交易／持續關連交易。本公司確認，其已根據上市規則第14A章遵守披露規定。

合約安排

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

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

REPORT OF THE DIRECTORS

董事會報告

Financial contribution of the Khorgas Group to the Group

The aggregate revenues of the Khorgas Group that were attributable to the Group through the VIE Operating Agreements amounted to approximately HK\$190,670,000 for the year ended 30 June 2019. As at 30 June 2019, the net assets attributable to the Khorgas Group were approximately HK\$101,831,000.

Reasons for the Contractual Arrangements

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

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

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

霍爾果斯集團對本集團之財務貢獻

截至2019年6月30日止年度，透過VIE營運協議，本集團應佔霍爾果斯集團收益總額約為港幣190,670,000元。於2019年6月30日，霍爾果斯集團應佔資產淨值約為港幣101,831,000元。

合約安排之原因

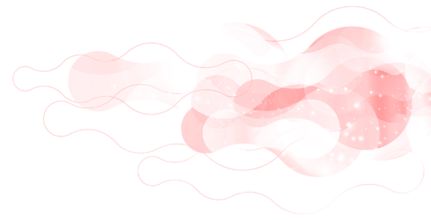
厚海文化乃根據中國法律成立之有限公司及主要從事電視綜藝節目及電視節目製作及營運(包括介紹業務)。根據商務部發佈的《外商投資產業指導目錄(2017年修訂)》(「目錄」)，厚海文化的主要業務屬於外商投資禁止類產業。鑒於上述外資所有權限制，為符合適用中國法律法規及取得霍爾果斯集團應佔全部經濟利益，本公司全資附屬公司廣州火花、廣州戴德及中國股權擁有人訂立VIE收購協議，據此，訂約方同意於完成時訂立VIE營運協議。根據VIE營運協議，廣州火花將對廣州戴德及霍爾果斯集團的財務及營運擁有實際控制權，並將享有廣州戴德及霍爾果斯集團自完成起產生的全部經濟權益及利益。根據VIE營運協議項下擬進行之安排，霍爾果斯集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

與合約安排有關的規定(相關外資所有權限制除外)

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

REPORT OF THE DIRECTORS

董事會報告



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

- the VIE Operating Agreements are narrowly tailored to achieve the business purposes of the Company and minimise the potential for conflict with relevant PRC laws and regulations;
- each of Guangzhou Huohua, Guangzhou Daide and the members of the Khorgas Group are duly established and validly existing under the PRC laws, and has obtained or completed all requisite approvals, permits, registrations or filings that are material for carrying out its business operations as required by the applicable PRC laws, regulations and rules;
- each of the VIE Operating Agreements, taken individually and collectively, constitutes legal, valid and binding obligations of the parties thereto and will be enforceable under applicable PRC laws and regulations except that (a) the China International Economic and Trade Arbitration Commission has no power to grant injunctive relief, nor will it be able to order the winding up of Guangzhou Daide or Houhai Culture pursuant to the current PRC laws; and (b) interim remedies or enforcement order granted by overseas courts such as the courts of Hong Kong and the Cayman Islands may not be recognised or enforceable in the PRC;
- the VIE Operating Agreements do not, individually or collectively, violate the mandatory provisions of the PRC Contract Law, the General Principles of the PRC Civil Law and other applicable PRC laws and regulations and are not deemed as “concealing illegal intentions with a lawful form” resulting in the invalidity of the VIE Operating Agreements;
- none of the VIE Operating Agreements violates any provisions of the existing articles of association of each of Guangzhou Huohua, Guangzhou Daide and members of the Khorgas Group; and
- the execution, effectiveness and enforceability of the VIE Operating Agreements do not require any approvals from any PRC governmental authority, except that (1) each of the Equity Pledge Agreements (as defined below) is subject to registration requirements with the relevant administration for industry and commerce; (2) the exercising of the exclusive options by Guangzhou Huohua according to the Exclusive Option Agreements (as defined below) shall be subject to the then effective PRC laws and regulations and relevant approving procedures (if applicable); and (3) if the enforcement of the VIE Operating Agreements is subject to the enforcement of the ruling by the arbitrator and/or overseas courts outside PRC, the claimant shall enforce the ruling via PRC courts with jurisdiction.

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

- VIE營運協議乃嚴限於實現本公司的業務目的，並將違反中國相關法律法規的可能性減至最低；
- 廣州火花、廣州戴德及霍爾果斯集團成員公司各自依照中國法律正式成立及有效存續，並已按照中國適用法律、法規及規則所規定獲得或完成對進行業務營運屬重大的所有必需批准、許可證、登記或備案；
- 各份VIE營運協議個別及共同構成訂約方的合法、有效及具約束力的責任，並將根據中國適用法律法規具有可強制執行性，惟以下各項除外：(a)中國國際經濟貿易仲裁委員會無權頒佈禁令救濟，亦不能根據中國現行法律頒令廣州戴德或霍爾果斯公司清盤；及(b)香港及開曼群島法院等海外法院頒佈的臨時補救措施或強制執行命令在中國未必會獲認可或強制執行；
- VIE營運協議並無個別或共同違反中國合同法、中國民法通則及其他中國適用法律法規的強制性條文，且不會被視為「以合法形式掩蓋非法目的」而導致VIE營運協議無效；
- 各份VIE營運協議概無違反廣州火花、廣州戴德及霍爾果斯集團成員公司各自現行組織章程細則的任何條文；及
- VIE營運協議的簽立、有效性及可強制執行性毋須中國任何政府機關的任何批准，惟(1)各份股權質押協議(定義見下文)須向相關工商管理部門辦理登記手續；(2)廣州火花根據獨家期權協議(定義見下文)行使獨家期權須遵守當時生效的中國法律法規及相關審批程序(如適用)；及(3)倘執行VIE營運協議須受限於執行中國以外的仲裁員及/或海外法院的裁決，則申訴方應透過擁有司法管轄權的中國法院執行裁決。

REPORT OF THE DIRECTORS

董事會報告

Summary of the major terms of the VIE Operating Agreements

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

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

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

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

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

VIE營運協議之主要條款概要

下文載列自2018年8月28日起生效的VIE營運協議之主要條款：

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

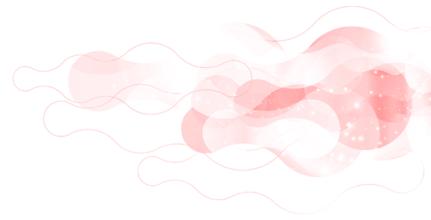
廣州戴德須於每年6月30日前向廣州火花支付服務費，金額相等於其經審核年度可分派溢利(經扣除去年任何虧損及法定公積金(如適用))的100%。服務費由訂約方釐定，以確保廣州火花享有VIE營運協議的經濟利益。

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

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

REPORT OF THE DIRECTORS

董事會報告



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

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

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

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

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

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

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

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

REPORT OF THE DIRECTORS

董事會報告

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

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

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

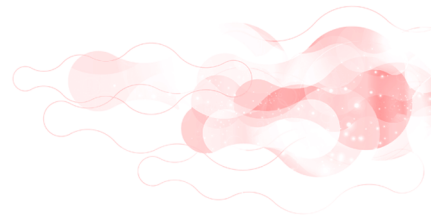
根據委託協議及授權書二，廣州戴德不可撤回地委任廣州火花或其指定人士（中國股權擁有人除外）為其實際授權代表，就與厚海文化有關的所有事宜行事，並行使彼等作為厚海文化股東所享有的所有權利，包括但不限於：(i)動議召開及出席厚海文化的股東大會；(ii)以厚海文化股東身分行使所有投票權；(iii)處理股東在厚海文化資產及盈利中享有的權利；(iv)轉讓或出售厚海文化的股份；(v)接收召開厚海文化股東大會的通告及議程、簽署股東大會會議記錄及向相關公司登記部門提交任何供存檔用途的文件；(vi)於厚海文化解散或清盤時接收其餘下資產；及(vii)行使其他適用中國法律法規及厚海文化組織章程細則（經不時修訂）項下所有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

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

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

REPORT OF THE DIRECTORS

董事會報告



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

6. The Spouse’s Undertaking

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

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

6. 配偶之承諾

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

REPORT OF THE DIRECTORS

董事會報告

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

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

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

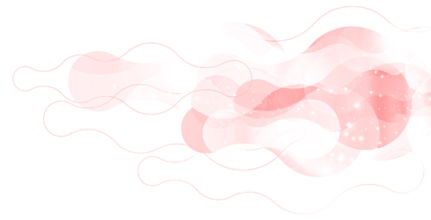
有關合約安排之風險及本公司為減低風險而採取之行動

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

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

REPORT OF THE DIRECTORS

董事會報告



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

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

本集團採用以下方法以減輕任何潛在風險。

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

REPORT OF THE DIRECTORS

董事會報告

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

Material changes to and the unwinding of the Contractual Arrangements

There has not been any material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 30 June 2019.

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

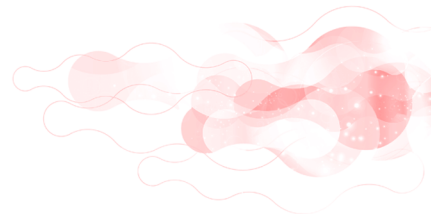
合約安排的重大變更及解除

截至2019年6月30日止年度, 並無合約安排及/或採納該等合約的情況並無任何重大變更。

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

REPORT OF THE DIRECTORS

董事會報告



SUFFICIENCY OF PUBLIC FLOAT

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

EVENT AFTER REPORTING PERIOD

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

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

On the same day, Guangzhou Daide, the Sellers and the Target Company also entered into a profit guarantee agreement, pursuant to which and subject to the completion of the acquisition, the other two of the Sellers undertake to Guangzhou Daide that the aggregated profit for the profit guarantee period shall be not less than RMB70,000,000.

Details of the acquisition are set out in the announcement of the Company dated 10 September 2019.

Up to the date of this report, the transaction has not yet completed.

充足公眾持股量

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

報告期後事項

於報告期末後，本集團已訂立以下重大交易：

1. 於報告期後，廣州戴德管理諮詢有限公司(「廣州戴德」)與一組第三方賣方(「賣方」)及聞瀾(上海)文化傳媒有限公司(「目標公司」)訂立股權轉讓協議。根據協議，廣州戴德有條件地同意收購，而陳捷(「賣方一」)與上海艾播文化傳播有限公司(「賣方三」)有條件地同意出售，股權由賣方一及賣方三共同持有(即於目標公司60%的股權)，總代價為人民幣96,000,000元，而壽璋達(「賣方二」)與上海蒼喆企業管理中心(有限合夥)(「賣方四」)同意向廣州戴德就購買於目標公司餘下40%的股權授出認購期權。

同日，廣州戴德、賣方與目標公司亦訂立溢利保證協議，據此，另外兩名賣方向廣州戴德承諾，而待收購事項完成後，溢利保證期間的合計溢利將不低於人民幣70,000,000元。

有關收購事項的詳情載於本公司日期為2019年9月10日之公佈。

截至本報告日期，該交易尚未完成。

REPORT OF THE DIRECTORS

董事會報告

2. On 16 September 2019, the Company has entered into new placing agreement with the placing agent (the "Agent") pursuant to which the Agent conditionally agreed to procure, on a best effort basis, places who are independent third parties to the Group to subscribe in cash for the bonds (the "Bonds") in an aggregate amount of up to HK\$150,000,000 with a maturity date of three years from the issue date. Based on the terms of the placing agreement, the Bonds are matured on the third anniversary of the date of the issue of the Bonds or any such other dates as mutually agreed in writing and shortened or extended by the Company and the Agent.

The Bonds will be issued in tranches and the Bonds are unsecured, unsubordinated and carried at fixed coupon rate of 6.5% per annum which are payable semi-annually from the date of issue of the Bonds.

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 30 June 2019. For details of the composition and the functions of the Audit Committee, please refer to pages 63 to 64 of the Corporate Governance Report contained in this annual report.

AUDITOR

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

PRE-EMPTIVE RIGHTS

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

On behalf of the Board
Zhang Liang, Johnson
Chairman

Hong Kong, 25 September 2019

2. 於2019年9月16日，本公司已與配售代理(「代理人」)訂立新配售協議，據此，代理人有條件地同意按竭盡所能基準採購，承配人(彼等均為本集團的獨立第三方)以現金認購債券(「債券」)，總金額最高為港幣150,000,000元，到期日為自發行日期起計三年。根據配售協議之條款，債券於發行債券日期滿三週年或由本公司與代理人雙方以書面協定及縮短或延長的任何有關其他日期到期。

債券將分批發行，而債券為無抵押、非後償並按每年6.5%固定票面年利率計息，自債券發行日期起計每半年支付一次。

審核委員會

審核委員會已審閱截至2019年6月30日止年度本集團的綜合財務報表。關於審核委員會的組成及職能的詳情，請參閱本年報第63頁至64頁的企業管治報告。

核數師

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

優先購買權

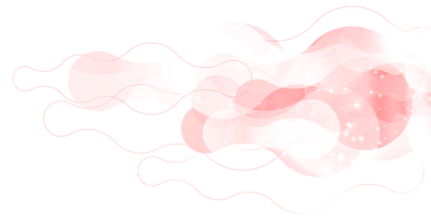
本公司之組織章程細則或開曼群島(本公司註冊成立之司法管轄權區)法例並無條文規定本公司須就發售新股按比例給予本公司現有股東優先購買權。

代表董事會
主席
張量

香港，2019年9月25日

CORPORATE GOVERNANCE REPORT

企業管治報告



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

During the year ended 30 June 2019, save as disclosed in the paragraphs headed "Chairman and the Chief Executive Officer" (CG Code Provision A.2.1) below, the Company complied with and did not deviate from the code provisions as set out in the CG Code. The Board regularly monitors and reviews the Group's progress in respect of corporate governance practices to ensure compliance.

DIRECTORS' SECURITIES TRANSACTIONS

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

Having made all reasonable enquires, all the Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the year ended 30 June 2019.

BOARD OF DIRECTORS

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

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

BOARD COMPOSITION

The Board of the Company comprises the following Directors:

Executive Directors

Mr. Zhang Liang, Johnson (*Chairman*)
Ms. Zhao Wenzhu (*President*) (appointed on 26 November 2018)
Mr. Lee Hin Kwong, Patrick
Mr. Wong Pak Ming (resigned on 1 April 2019)

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

截至2019年6月30日止年度，除下文「主席及行政總裁」(企業管治守則條文第A.2.1條)一段所披露者外，本公司已遵守且並未偏離企業管治守則所載之守則條文。董事會定期監察及檢討本集團在企業管治常規方面的進展，以確保合規。

董事證券交易

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

經作出一切合理查詢後，全體董事均已確認彼等於截至2019年6月30日止年度一直遵守本公司採納的董事進行證券交易規定的買賣準則及行為準則。

董事會

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

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

董事會組成

本公司董事會由下列董事組成：

執行董事

張量先生(主席)
趙文竹女士(總裁)(於2018年11月26日獲委任)
李憲光先生
黃栢鳴先生(於2019年4月1日辭任)

CORPORATE GOVERNANCE REPORT

企業管治報告

Independent Non-Executive Directors

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

An updated list of Directors identifying their roles and functions and whether they are independent non-executive Directors has been published on the websites of the Company and the Stock Exchange on 1 April 2019.

Biographical details of the Directors are set out in "Profile of Directors and Senior Management" on pages 25 to 30 of this annual report. The composition of the Board is well balanced. Each of the Directors has relevant expertise and extensive corporate and strategic planning experiences that can contribute to the business of the Group.

During the year ended 30 June 2019, the Company had complied with Rules 3.10(1) and (2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing more than one-third of the Board and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. All the independent non-executive Directors have met the guidelines for the assessment of their independence pursuant to Rule 3.13 of the Listing Rules. The Board has received an annual confirmation of independence from each of the independent non-executive Directors. The Company considers all the independent non-executive Directors to be independent.

Save as disclosed in the section headed "Profile of Directors and Senior Management" on pages 25 to 30 of this annual report, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board and the senior management of the Group.

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

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

獨立非執行董事

王波先生
向峰先生
張世澤先生

用作識別董事角色與職能及董事是否為獨立非執行董事的最新董事名單已於2019年4月1日於本公司及聯交所網站刊載。

董事履歷詳情載於本年報第25至30頁「董事及高級管理層簡歷」。董事會組成已經相當平衡。各董事具備能為本集團業務作出貢獻的相關專業知識與豐富企業及策略規劃經驗。

截至2019年6月30日止年度，本公司已遵守上市規則第3.10(1)及(2)以及第3.10A條，內容有關最少委任佔董事會成員三分之一以上的三名獨立非執行董事，以及最少一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識。全體獨立非執行董事亦符合上市規則第3.13條評估彼等獨立性的指引。董事會已接獲各獨立非執行董事發出的年度獨立性確認書。本公司認為全體獨立非執行董事均為獨立人士。

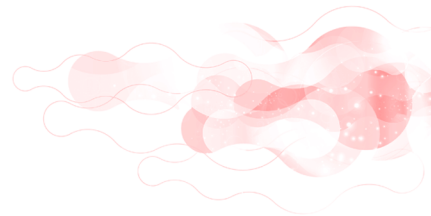
除於本年報第25頁至第30頁「董事及高級管理層簡歷」一節內之披露，董事會成員及本集團的高級管理層之間並無關係，包括財務、業務、家屬或其他重大／相關的關係。

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告



CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company has deviated from code provision A.2.1 of the CG Code during the period from 1 July 2018 to 16 September 2018. Under the code provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer (“CEO”) should be separated and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

Mr. Zhang Liang, Johnson is the Chairman of the Board and is responsible for the overall strategic planning and policy-making of the Group while the daily operation and management of the Company have been monitored by the executive Directors as well as the senior management of the Group.

On 17 September 2018, the Company appointed Ms. Zhao Wenzhu as the President of the Company, serving the function of CEO. From then on, the roles of the Chairman and CEO are separated.

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

主席及行政總裁

於2018年7月1日至2018年9月16日期間，本公司已偏離企業管治守則之守則條文第A.2.1條。根據企業管治守則之守則條文第A.2.1條，主席及行政總裁（「行政總裁」）之角色應有區分，且不應由一人同時兼任。主席與行政總裁之職責分工應清楚界定並以書面列載。

張量先生乃為董事會主席，負責本集團整體策略規劃及政策制定，而本公司日常運作及管理則由本集團執行董事以及高級管理層監督。

於2018年9月17日，本公司委任趙文竹女士為本公司總裁，擔任行政總裁之職務。此後，主席與行政總裁之角色已予區分。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

RESPONSIBILITIES AND DELEGATION OF FUNCTIONS

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

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

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

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

職責及職能授權

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

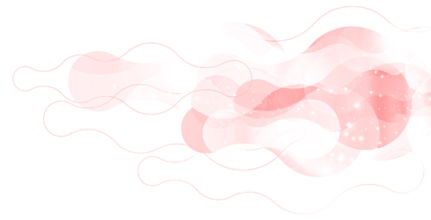
為確保符合董事會程序以及所有適用法例及規例，全體董事均可全面及時獲取所有相關資料，並得到本公司的公司秘書(「公司秘書」)及本集團的高級管理層的意見與服務。在向董事會提出合理要求後，任何董事均可於適當情況下要求獨立專業意見，費用由本公司支付。本公司日常管理、行政工作及營運由本集團的執行董事及高級管理層負責。董事會已就實行董事會決策將職責範疇授權予該等職員。董事會定期審閱已授權職能及工作。於訂立任何重大交易前，上述職員須取得董事會批准。

本公司並未成立任何企業管治委員會，由董事會負責履行企業管治職責，包括：

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

CORPORATE GOVERNANCE REPORT

企業管治報告



APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

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

Mr. Wong Pak Ming had entered into with the Company a service contract as an executive Director of the Company for an initial term of three years commencing from 31 October 2012 and renewable automatically and until (i) terminated by not less than three months' notice in writing served by either party on the other expiring at the end of the initial term or any time thereafter or (ii) not being re-elected at an annual general meeting of the Company at which he retires and offers for re-election. The aforesaid service contract had ceased upon Mr. Wong's resignation as an executive Director of the Company on 1 April 2019.

Each of Mr. Wang Bo, Mr. Xiang Feng and Mr. Chang Eric Jackson, being all the independent non-executive directors during the year, had respectively renewed the letter of appointment with the Company on 13 December 2018. Each letter of appointment is for a term of one year from the date of the letter of appointment.

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

Pursuant to Article 83(3) of the Company's Articles of Association, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Ms. Zhao Wenzhu who was appointed by the Board during the year will retire at the forthcoming annual general meeting and, being eligible, offer herself for re-election at the annual general meeting.

董事委任、重選及罷免

張量先生、趙文竹女士及李憲光先生(均為現任執行董事)各自已與本公司訂立服務合約，分別由2017年12月13日、2018年11月26日及2017年12月1日起計初步固定為期為一年、三年及三年，並自動續期，直至由(i)其中一方對對方發出分別不少於一個月、兩個月及一個月的書面通知終止為止，而該通知將於初步期限結束時或其後任何時間屆滿，或(ii)並無在其退任並膺選連任的本公司股東週年大會上獲重選連任。

黃柏鳴先生已與本公司訂立服務合約，擔任本公司執行董事，由2012年10月31日起計初步為期三年，並自動續期及直至由(i)其中一方對對方發出不少於三個月的書面通知終止為止，而該通知將於初步期限結束時或其後任何時間屆滿，或(ii)並無在其退任並膺選連任的本公司股東週年大會上獲重選連任。上述服務合約已在黃先生於2019年4月1日辭任本公司執行董事後停止。

於年內，王波先生、向峰先生及張世澤先生(均為獨立非執行董事)已各自於2018年12月13日與本公司更新委任書。每份委任書自委任書日期起計為期一年。

根據本公司組織章程細則細則第84(1)條，佔當時三分之一的董事(或倘人數並非三或三的倍數，則按最接近但不少於三分之一的人數計)將於每屆股東週年大會輪席告退，並合資格膺選連任。每名董事(包括按指定年期委任的董事)須至少每三年輪席告退一次。因此，李憲光先生及王波先生將於即將舉行的股東週年大會輪席告退及符合資格並願意膺選連任。

根據本公司組織章程細則細則第83(3)條，任何獲董事會委任或加入現有董事會的董事任期應僅至本公司下屆股東週年大會為止，屆時將符合資格進行競選連任。因此，於年內獲董事會委任的趙文竹女士將於即將舉行的股東週年大會告退，並符合資格及願意於該股東週年大會上膺選連任。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETING, GENERAL MEETING AND PROCEDURES

During the year ended 30 June 2019, the Board convened a total of five board meetings and one general meeting have been held. The following is the Directors' attendance records of meetings held by the Board:

董事會會議、股東大會及程序

截至2019年6月30日止年度，董事會合共召開五次董事會會議及一次股東大會。以下為董事出席董事會所舉行會議的出席記錄：

		Number of attendances/ number of board meetings 出席次數/ 董事會會議數目	Number of attendances/ number of general meetings 出席次數/ 股東大會數目
Executive Directors	執行董事		
Mr. Zhang Liang, Johnson	張量先生	5/5	1/1
Mr. Lee Hin Kwong, Patrick	李憲光先生	5/5	1/1
Mr. Wong Pak Ming (resigned on 1 April 2019)	黃栢鳴先生 (於2019年4月1日辭任)	1/3	0/1
Ms. Zhao Wenzhu (appointed on 26 November 2018)	趙文竹女士 (於2018年11月26日獲委任)	3/3	1/1
Independent Non-Executive Directors	獨立非執行董事		
Mr. Wang Bo	王波先生	5/5	1/1
Mr. Xiang Feng	向峰先生	5/5	1/1
Mr. Chang Eric Jackson	張世澤先生	5/5	1/1

Code provision A.6.7 of the CG Code stipulates that the independent non-executive Directors should attend general meetings and develop a balanced understanding of the views of the Shareholders. Mr. Wong Pak Ming, a then executive Director of the Company was unable to attend the annual general meeting of the Company held on 23 November 2018 as he had other business engagements.

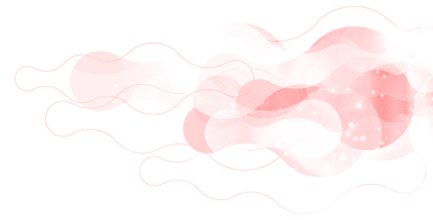
Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly.

企業管治守則之守則條文第A.6.7條規定，獨立非執行董事應出席股東大會並對股東的意見有公正的瞭解。黃栢鳴先生(本公司一名其時的執行董事)未能出席本公司於2018年11月23日舉行的股東週年大會，原因為其有其他事務。

董事會成員已獲提供完整、充足與及時資料，致使彼等妥善履行其職責。

CORPORATE GOVERNANCE REPORT

企業管治報告



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

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

CONTINUOUS PROFESSIONAL DEVELOPMENT

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

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

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

持續專業發展

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

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 30 June 2019, all Directors were provided with monthly updates on the Group's business, operations, and financial matters to facilitate the discharge of their responsibilities. During the year ended 30 June 2019, the Directors also participated in other training activities such as attending seminars and reading materials relevant to the Company's businesses or to their duties and responsibilities as directors of a listed company. A summary of the individual training record of each Director received for the year ended 30 June 2019 is as follows:

截至2019年6月30日止年度，全體董事均獲發有關本集團業務、營運及財政事宜的月報，方便彼等履行其職責。截至2019年6月30日止年度，董事亦參與其他培訓活動，如出席研討會及閱讀有關本公司業務或彼等作為上市公司董事的職務及職責的文件。各董事於截至2019年6月30日止年度接受個別培訓之記錄概要如下：

Directors 董事		Type of Training 培訓類型
Executive Directors 執行董事		
Mr. Zhang Liang, Johnson	張量先生	A, B
Ms. Zhao Wenzhu (appointed on 26 November 2018)	趙文竹女士(於2018年11月26日獲委任)	B
Mr. Lee Hin Kwong, Patrick	李憲光先生	A, B
Mr. Wong Pak Ming (resigned on 1 April 2019)	黃栢鳴先生(於2019年4月1日辭任)	A, B
Independent Non-Executive Directors 獨立非執行董事		
Mr. Wang Bo	王波先生	A, B
Mr. Xiang Feng	向峰先生	A, B
Mr. Chang Eric Jackson	張世澤先生	A, B

Note:

Types of Training

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

All Directors had provided the Company Secretary with their training records for the year ended 30 June 2019.

BOARD COMMITTEES

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

附註：

培訓類型

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

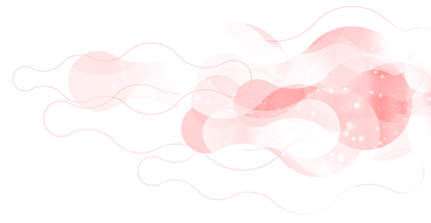
全體董事已向公司秘書提供彼等於截至2019年6月30日止年度的培訓記錄。

董事委員會

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

CORPORATE GOVERNANCE REPORT

企業管治報告



AUDIT COMMITTEE

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

The Audit Committee has three members comprising three independent non-executive Directors, currently they are Mr. Chang Eric Jackson (Chairman of the Audit Committee), Mr. Wang Bo and Mr. Xiang Feng. During the year ended 30 June 2019, the Audit Committee had reviewed the annual results and report of the Company in respect of the year ended 30 June 2018 and the interim results and report of the Company for the six months ended 31 December 2018 and re-appointment of auditor. The Audit Committee had been provided with the Group's consolidated financial statements, risk management report, internal control report and other necessary information to consider, review and access significant issues and matters arising from these works conducted. Subsequent to 30 June 2019 and up to the date of this report, all members of the Audit Committee conducted a meeting to review the effectiveness of the Group's risk management and internal control systems for the year ended 30 June 2019. The Audit Committee had considered and reviewed, with management and the external auditor of the Company, in detail of the identification and approach with respect to the key audit matters that were most significant in the audit procedures included in the "Independent Auditor's Report" on pages 105 to 111 of this annual report. The Group's final results and the annual report for the year ended 30 June 2019 had been reviewed by the Audit Committee before submission to the Board for approval. Members of the Audit Committee are of the opinion that the preparation of such final results and annual report complied with the applicable accounting standards, the Listing Rules, and that adequate disclosure have been made. The Audit Committee also recommended to the Board of Directors the re-election of Deloitte Touche Tomatsu as the external auditor of the Company in the forthcoming annual general meeting.

審核委員會

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

審核委員會由三名成員組成，現時包括三名獨立非執行董事張世澤先生（審核委員會主席）、王波先生及向峰先生。截至2019年6月30日止年度，審核委員會已審閱本公司截至2018年6月30日止年度之年度業績及報告及截至2018年12月31日止六個月之中期業績及報告及核數師之續聘。審核委員會已獲提供本集團的綜合財務報表、風險管理報告、內部監控報告及其他必要資料以考慮、審閱及評估該等所進行之工作中引起的重要問題及事宜。於2019年6月30日後及截至本報告日期，所有審核委員會成員出席會議，以檢討本集團截至2019年6月30日止年度的風險管理及內部監控制度的有效性。審核委員會已與管理層及本公司外聘核數師詳細考慮及審閱載入本年報第105至111頁「獨立核數師報告」的有關審核過程中最為重要的關鍵審核事項的識別及方式。本集團截至2019年6月30日止年度末期業績及年報於呈交董事會批准前已獲審核委員會審閱。審核委員會成員認為編製該等末期業績及年報時已遵守適用會計準則及上市規則，並已作出充分披露。審核委員會亦建議董事會於應屆股東週年大會上重選德勤·關黃陳方會計師行為本公司外聘核數師。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 30 June 2019, two meetings of the Audit Committee have been held and the attendance of each member of the Audit Committee is contained in the following table:

截至2019年6月30日止年度，審核委員會舉行兩次會議，而審核委員會各成員出席會議記錄載於下表：

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

NOMINATION COMMITTEE

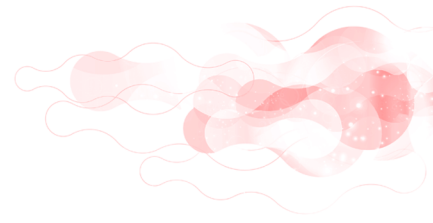
The Company established the Nomination Committee on 5 October 2012 with written terms of reference (updated on 13 December 2017) in compliance with the CG Code. The primary duties of the Nomination Committee are mainly to review of the structure, size, and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become the Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships of the Company and to assess the independence of independent non-executive Directors. In reviewing and recommending the appointment of new Directors, the Nomination Committee would seek to identify the competencies required to enable the Board to fulfill its responsibilities. The resume or document of the nominee or candidate will be given to the Nomination Committee for consideration.

提名委員會

本公司於2012年10月5日成立提名委員會，並制定符合企業管治守則的書面職權範圍(已於2017年12月13日更新)。提名委員會的主要職責為至少每年檢討董事會的架構、規模及組成(包括技能、知識及經驗以及觀點的多樣性)，並就任何為配合本公司的公司策略而計劃對董事會作出的變動提出建議；物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任本公司董事或就此向董事會提供推薦意見，以及評估獨立非執行董事的獨立性。於審閱委任新增董事及就此提供建議時，提名委員會將物色所需的合適人選，使董事會履行其職責。被提名人或候選人的履歷表或文件將送交提名委員會參考。

CORPORATE GOVERNANCE REPORT

企業管治報告



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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

The Nomination Committee has three members comprising one executive Director and two independent non-executive Directors, namely Mr. Lee Hin Kwong, Patrick, Mr. Wang Bo (Chairman of the Nomination Committee) and Mr. Xiang Feng. During the year ended 30 June 2019, two meetings of the Nomination Committee have been held to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and nominate a new Director. The attendance of each member of the Nomination Committee is contained in the following table:

提名委員會由三名成員組成，現時包括一名執行董事及兩名獨立非執行董事李憲光先生、王波先生(提名委員會主席)及向峰先生。截至2019年6月30日止年度，提名委員會舉行兩次會議，以檢討董事會架構、人數及組成，評核獨立非執行董事的獨立性及提名新董事。提名委員會各成員出席會議記錄載於下表：

		Number of attendance/ number of meetings 出席次數／會議數目
Mr. Wang Bo (<i>Chairman of the Nomination Committee</i>)	王波先生(提名委員會主席)	2/2
Mr. Lee Hin Kwong, Patrick	李憲光先生	2/2
Mr. Xiang Feng	向峰先生	2/2

REMUNERATION COMMITTEE

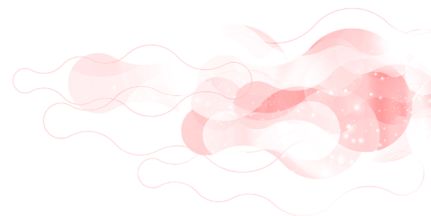
The Company established the Remuneration Committee on 5 October 2012 with written terms of reference (updated on 13 December 2017) in compliance with the CG Code. The primary duties of the Remuneration Committee are mainly to make recommendations to the Board of Directors on the Company's policy structure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

薪酬委員會

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

CORPORATE GOVERNANCE REPORT

企業管治報告



The Remuneration Committee has three members comprising one executive Director and two independent non-executive Directors, namely, Mr. Lee Hin Kwong, Patrick, Mr. Wang Bo (Chairman of the Remuneration Committee), and Mr. Xiang Feng. The remuneration of the Directors is determined with reference to their respective experience, responsibilities with the Group and general market conditions. During the year ended 30 June 2019, two meetings of the Remuneration Committee have been held to review the remuneration package of the Directors and senior management of the Group and make recommendations to the Board on the remuneration of a new Director. The attendance of each member of the Remuneration Committee is contained in the following table:

薪酬委員會由三名成員組成，現時包括一名執行董事及兩名獨立非執行董事李憲光先生、王波先生(薪酬委員會主席)及向峰先生。董事薪酬乃根據彼等各自的經驗、於本集團的職責以及整體市況釐定。截至2019年6月30日止年度，薪酬委員會舉行兩次會議，以審閱董事及本集團的高級管理層薪酬組合及對新聘董事之酬金向董事會提出建議。薪酬委員會各成員出席會議記錄載於下表：

	Number of attendance/ number of meetings 出席次數/ 會議數目
Mr. Wang Bo (<i>Chairman of the Remuneration Committee</i>) 王波先生(薪酬委員會主席)	2/2
Mr. Lee Hin Kwong, Patrick 李憲光先生	2/2
Mr. Xiang Feng 向峰先生	2/2

REMUNERATION OF SENIOR MANAGEMENT

高級管理層薪酬

The biographical details of senior management of the Group are disclosed in the section headed "Profile of Directors and Senior Management" on pages 25 to 30 of this annual report.

本集團之高級管理層履歷詳情披露於本年報第25至30頁「董事及高級管理層簡歷」一節。

The remuneration paid/payable to senior management of the Group for the year ended 30 June 2019 fell within the following bands:

截至2019年6月30日止年度已付／應付本集團高級管理層之薪酬介乎以下範圍：

	Number of individuals 人數
Less than HK\$1,000,000 低於港幣1,000,000元	6
Total 總計	6

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements for each financial year and to ensure that the consolidated financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The statement by the auditor of the Company about their responsibilities for the consolidated financial statements is set out in the "Independent Auditor's Report" on pages 105 to 111 of this annual report. The Board also ensures the timely publication of the financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

The remuneration paid/payable to the auditors of the Group for the year ended 30 June 2019 is set out as follows:

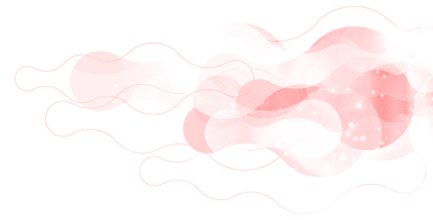
董事對綜合財務報表的責任

董事會知悉其有責任編製本集團各財政年度的綜合財務報表，並確保綜合財務報表乃根據法定規例及適用會計準則編製。本公司核數師就綜合財務報表發出的責任聲明載於本年報第105至111頁「獨立核數師報告」。董事會亦確保及時刊發財務報表。董事經作出適當查詢後確認，彼等並無知悉任何有關可能令本公司持續經營的能力存在重大疑問的事件或情況的重大不明朗因素。

核數師酬金

截至2019年6月30日止年度，已付／應付本集團核數師酬金載列如下：

		Paid/payable 已付／應付金額 HK\$'000 港幣千元
Statutory audit services	法定核數服務	1,850
Non-statutory audit services	非法定核數服務	
Tax compliance, due diligence and other consulting services	稅務合規、盡職調查 及其他諮詢服務	1,210
Total	總計	3,060



RISK MANAGEMENT AND INTERNAL CONTROL

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

Risk management and internal control systems

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

Main features of risk management and internal control systems

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

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

風險管理及內部監控

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

風險管理及內部監控系統

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

風險管理及內部監控系統的主要特點

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告

Process used to identify, evaluate and manage significant risks

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

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

The management is responsible for the design, implementation, and monitoring of the risk management and internal control systems. In view of the Group's business and scale of operations, and in order to adopt the most cost-effective method of conducting periodic reviews of the Group's internal controls, an independent consulting firm (the "Internal Control Auditor") has been engaged to work with the Board, through the Audit Committee, to execute the internal audit function. The Internal Control Auditor has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 30 June 2019 according to the scope of review determined, agreed and approved by the Audit Committee and in accordance with the requirements under code provision C.2 of the CG Code.

The Internal Control Auditor reported to the Audit Committee and the Audit Committee is satisfied that there had been no material deficiency identified in the areas of the Group's risk management and internal control systems being reviewed, where some minor areas need to be improved have been identified and reported to the Audit Committee and the Group would take further steps to improve by taken implement of the recommendations suggested by the Internal Control Auditor. Accordingly, the Board considered the risk management and internal control systems to be effective and have been implemented with adequate resources during the year ended 30 June 2019.

用以辨認、評估及管理重大風險的程序

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

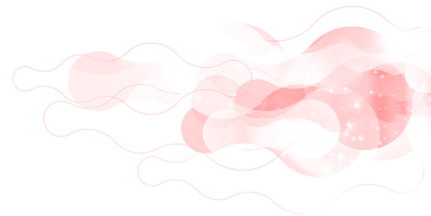
用以檢討風險管理及內部監控系統有效性及解決重大的內部監控缺失的程序

管理層負責設計、執行及監督風險管理及內部監控系統。鑒於本集團的業務及經營規模，及為就本集團內部監控進行定期審閱而採用最具成本效益的方法，本集團已委聘一間獨立顧問公司（「內控核數師」）透過審核委員會與董事會合作，以執行內部審核職能。內控核數師已根據審核委員會釐定、協定及批准的審閱範圍及按企業管治守則守則條文第C.2條的規定對本集團截至2019年6月30日止年度的風險管理及內部監控系統的有效性進行審閱。

內控核數師已向審核委員會匯報及審核委員會信納獲審閱的本集團的風險管理及內部監控系統範疇內並無辨識到重大缺陷，其中需予改進的部分細枝末節已獲辨識並呈報予審核委員會且本集團會通過實施內控核數師建議的推薦意見採取進一步改進措施。因此，董事會認為截至2019年6月30日止年度風險管理及內部監控系統屬有效且已以足夠資源實施。

CORPORATE GOVERNANCE REPORT

企業管治報告



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

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

COMPANY SECRETARY

During the year under review, Ms. Lau Yee Wa ("Ms. Lau") of Tricor Services Limited, an external service provider, was the company secretary of the Company. Her primary contact person at the Company is Ms. Chan Sze Man, who is the Chief Financial Officer of the Company. The biographical details of Ms. Lau are set out under the section headed "Profile of Directors and Senior Management" on pages 25 to 30 of this annual report. Ms. Lau confirmed that she has taken no less than 15 hours of relevant professional training during the year ended 30 June 2019 in accordance with the requirements of Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the year ended 30 June 2019, there was no change in the Company's constitutional documents.

處理及發佈內幕消息的程序及內部監控措施

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

公司秘書

於回顧年度內，卓佳專業商務有限公司(外部服務提供者)的劉綺華女士(「劉女士」)擔任本公司公司秘書。劉女士之主要公司聯絡人為本公司首席財務官陳詩敏女士。劉女士的履歷詳情載於本年報第25至30頁「董事及高級管理層簡歷」一節。截至2019年6月30日止年度，劉女士確認已根據上市規則第3.29條之規定接受不少於15小時的相關專業培訓。

憲章文件

於截至2019年6月30日止年度，本公司的憲章文件並無任何改變。

SHAREHOLDERS' RIGHTS

Communications with Shareholders

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

Procedures for Shareholders to convene an extraordinary general meeting

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

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

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

股東權利

與股東溝通

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

股東召開股東特別大會的程序

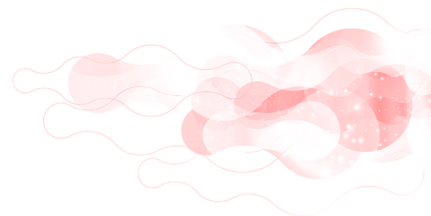
本公司股東大會為股東及董事會提供互相溝通的機會。本公司每年須於可能由董事會釐定的地點舉行股東週年大會。股東週年大會以外的任何股東大會稱為股東特別大會（「股東特別大會」）。

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

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

CORPORATE GOVERNANCE REPORT

企業管治報告



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

Shareholders' enquiries

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

股東查詢

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

DIVIDEND POLICY

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

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

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

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

股息政策

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

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

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

股息政策須於有需要時檢討，並可不時由董事會作出修訂。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



ABOUT THIS REPORT

Transmit Entertainment Limited (the “Company”), together with its subsidiaries (the “Group”), is pleased to present this Environmental, Social and Governance Report 2019 (the “Report”) to provide an overview of the Group’s management of significant issues affecting the operation, including environmental, social and governance issues. This Report is prepared by the Group with the professional assistance of APAC Compliance Consultancy and Internal Control Services Limited.

Preparation basis and scope

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

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

Reporting period

This Report demonstrates our sustainability initiatives during the reporting period from 1 July 2018 to 30 June 2019.

Contact information

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

關於本報告

傳遞娛樂有限公司(「本公司」，連同其附屬公司統稱為「本集團」)欣然提呈本2019年環境、社會及管治報告(「本報告」)，以提供有關本集團管理影響營運之重大事宜(包括環境、社會及管治事宜)之概覽。本報告乃由本集團在亞太合規顧問及內控服務有限公司之專業協助下編製。

編製基準及範圍

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

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

報告期間

本報告闡述我們於2018年7月1日至2019年6月30日報告期間的可持續發展措施。

聯絡資料

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

INTRODUCTION

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

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

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

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

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

緒言

本集團主要從事(i)電影及電視劇製作、發行及授出電影發行權使用許可；(ii)電影放映；(iii)其他，包括後期製作、廣告、市場推廣及出版業務、互聯網及泛娛樂業務以及其他收益。本集團以香港及中國內地為主要市場製作華語電影及電視劇，並經營五間香港電影院、一間中國內地電影院及一間後期製作公司。

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

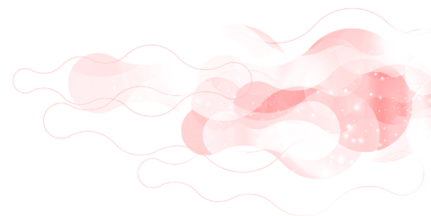
利益相關者參與及重要性評估

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

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

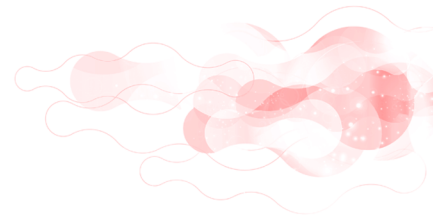
透過與利益相關者進行一般溝通，本集團了解到利益相關者的期望及關注。所獲得的反饋讓本集團能夠作出更為明智的決策，且更好地評估及管理由此產生的影響。

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



Step 1: Identification – Industry Benchmarking

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

Step 2: Prioritisation – Stakeholder Engagement

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

Step 3: Validation – Determining Material Issues

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

As a result of this process carried out in 2019, those important ESG areas to the Group were discussed in this Report.

A. ENVIRONMENTAL ASPECTS

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

步驟一：識別－行業基準

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

步驟二：排序－利益相關者的參與

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

步驟三：確認－釐定重大議題

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

由於2019年進行該程序，本報告中已討論該等對本集團至關重要的環境、社會及管治範疇。

A. 環境層面

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Accordingly, the Group establishes environmental principles and policies to ensure the effective execution in various measures. From film and TV series production to film exhibition at the cinemas, the Group is committed to making efforts towards sustainable business and reducing carbon footprint while showing good stewardship in the community that the Group serves. For instance, during film and TV series production, a production manager is assigned for each production in order to carefully manage, supervise and execute sustainability practice and performance in every aspect of the production, from reducing the use of plastic water bottles to renting vehicles with higher fuel efficiency and the use of rechargeable batteries. For film exhibition operation, vegetarian options are available for cinemagoers, as well as ensuring the cinema venue is accessible to meet the needs of customers. The Group always endeavours to operate in a manner that is economically, socially and environmentally sustainable while balancing the interests of our various stakeholders and fostering a positive impact on the society. We also regularly update ourselves with the latest development of the applicable laws and regulations on environmental protection.

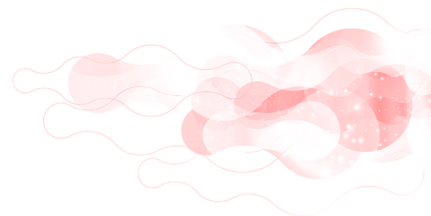
A1. EMISSIONS

The Group acknowledges its responsibility to the environment and has ethical duties to reduce emissions. Given the nature of our business, the impacts on the environment and nature resources are not significant. In spite of this, we are committed to minimizing our environmental impacts by responsibly managing our business operations, reducing our carbon footprint and using resources effectively. In the meantime, we have fully complied with all of the relevant environmental laws and regulations where we operated such as the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (2015) in the PRC, the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611), and the Road Traffic Ordinance (Cap. 374) in Hong Kong. Besides, no concluded case regarding emissions was brought against us or our employees during the year ended 30 June 2019.

因此，本集團制定環保原則及政策以確保各項措施得以有效執行。從電影及電視劇製作到電影院的電影放映，本集團承諾在努力實現業務的可持續發展及減少碳足跡的同時，在本集團服務的社區展示良好的管理。例如，在電影及電視劇製作方面，每部製作委任的製片經理在製作的各個方面，從減少使用瓶裝水到租用較高燃油效率的車輛及使用可充電電池，審慎管理、監督及執行可持續發展常規及表現。在電影放映業務方面，電影觀眾可選擇素食，以及確保電影院能夠滿足客戶需求。本集團一直努力於以經濟、社會及環境可持續的方式營運，同時兼顧各利益相關者的利益，並為社會帶來積極影響。我們亦定期了解適用於環境保護的法律及法規的最新發展。

A1. 排放物

本集團知悉其對環境的責任及對減少排放物的道德責任。鑒於本集團的業務性質，其對環境及天然資源並無重大影響。儘管如此，我們仍致力以負責任的方式管理我們的營運、減少碳足跡及高效利用資源，盡量降低我們對環境的影響。同時，我們已全面遵守我們營運所在國家及地區的所有相關環境法律及法規，例如中國的《中華人民共和國大氣污染防治法》(2015年)、香港的《汽車引擎空轉(定額罰款)條例》(第611章)及《道路交通條例》(第374章)。此外，截至2019年6月30日止年度，並無有關排放物而針對我們或我們的僱員提起的審結案件。



Air Pollutant Emissions

Air emission control is essential to mitigate environmental impacts and to protect the health of employees. As the Group is mainly involved in general office activities, the amount of air pollutant emissions is insignificant. Our air pollutant emissions are generated from the mobile sources including passenger cars. We take initiative to formulate plans in transportation management for the reduction of air pollutant emissions in our daily business operation. For example, encouraging employees and clients to conduct video conference meetings instead of transportation. The increase in air pollutant emissions in 2019 was mainly attributable to the increase in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication, as well as more frequent vehicle travelling during the year ended 30 June 2019. The details of air pollutant emissions during the reporting period were as follows:

空氣污染排放物

氣體排放控制對減低環境影響及保障僱員健康至關重要。由於本集團主要從事一般辦公室業務，故空氣污染排放量微乎其微。我們的空氣污染排放物源自流動來源（包括載客私家車）。我們主動制定交通管理計劃，以減少日常業務營運中之空氣污染排放物，例如鼓勵僱員及客戶採用視像會議代替交通安排。於2019年，空氣污染排放物增加乃主要由於截至2019年6月30日止年度，來自電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益增加以及更頻繁的汽車出行所致。於報告期內，空氣污染排放詳情如下：

Type of air pollutants 空氣污染物類別	Unit 單位	HK 香港	PRC 中國	2019 Total 2019年總計	2018 Total 2018年總計
Nitrogen oxides (NOx) 氮氧化物(NOx)	kg 公斤	7.75	0.31	8.06	N/A ¹ 不適用 ¹
Sulphur oxides (SOx) 硫氧化物(SOx)	kg 公斤	0.16	0.16	0.32	0.23
Particulate matter (PM) 懸浮粒子(PM)	kg 公斤	0.57	0.11	0.68	N/A ¹ 不適用 ¹

¹ As stated in the Environmental, Social and Governance report of the Company in 2018 ("2018 ESG report"), the Group did not record relevant data but would develop better data collection platform in 2019 for the calculation of NOx and PM emissions.

¹ 如本公司2018年環境、社會及管治報告（「2018年環境、社會及管治報告」）所述，本集團並無錄得相關數據，但將於2019年建立更完善的數據收集平台，以計算氮氧化物及顆粒物排放量。

Greenhouse Gas (“GHG”) Emissions

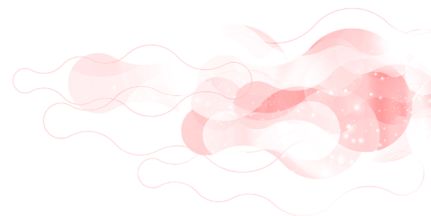
Greenhouse gas is considered as one of the major contributors to the climate change. Besides, global warming affects our daily life and poses a risk to the Group’s business. Hence, we are committed to mitigating the effects of climate change and protecting the health of our employees.

Regarding GHG emissions of the Group, scope 1 direct emissions, scope 2 and scope 3 indirect emissions mainly result from the combustion of fuels in mobile sources, purchased electricity and business air travel respectively for business operations. During the year ended 30 June 2019, the Group fully complied with all applicable environmental laws and regulations, and was not subject to any fine, penalty, investigation or prosecution for non-compliance with the relevant laws and regulations relating to emissions.

溫室氣體(「溫室氣體」)排放

溫室氣體被認為是氣候變化的其中一個主要因素。此外，全球變暖影響我們的日常生活，並對本集團的業務帶來風險。因此，我們致力緩和氣候變化的影響，並保護僱員的健康。

有關本集團的溫室氣體排放，範圍1直接排放、範圍2及範圍3間接排放主要分別由業務營運所需的移動源之燃料燃燒、已購電力及商務航空旅行所產生。截至2019年6月30日止年度，本集團已全面遵守所有適用環保法律及法規，並未因違反有關排放的相關法律及法規而遭受任何處罰、罰款、調查或訴訟。



Greenhouse Gas (“GHG”) Emissions

Giving the majority of the GHG emissions of the Group come from energy consumption, the Group tackles the GHG emission by lowering the energy consumption in our business operations. Policies and procedures as mentioned in the section “Use of Resources” to encourage energy saving have been incorporated throughout the operations in order to reduce the carbon footprint. The decrease in GHG scope 1 emission in 2019 was mainly attributable to the effective fuel saving initiatives implemented by the Group during the year. On the other hand, the increase in GHG scope 2 emission in 2019 was mainly due to the increase in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication during the year. The GHG scope 3 emission remained stable for the year. The details of GHG emissions during the reporting period were as follows:

溫室氣體(「溫室氣體」)排放

由於本集團的溫室氣體排放主要源於能源消耗，本集團減低業務營運的能源消耗以應對溫室氣體排放問題。於「資源使用」部分所述的鼓勵節能政策及措施已涵蓋於營運中以減少碳足跡。於2019年，溫室氣體範圍1排放量減少主要由於本集團於年內實行有效的節約燃料措施。此外，於2019年，溫室氣體範圍2排放量增加主要由於年內來自電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益增加所致。溫室氣體範圍3排放量年內保持平穩。於報告期內，溫室氣體排放詳情如下：

Type of GHG emissions ² 溫室氣體排放種類 ²	Unit 單位	HK 香港	PRC 中國	2019 Total 2019年總計	2018 Total 2018年總計
Scope 1 ³ 範圍1 ³	tonnes of CO ₂ e 噸二氧化碳當量	29	6	35	40
Scope 2 ⁴ 範圍2 ⁴	tonnes of CO ₂ e 噸二氧化碳當量	1,766	66	1,832	1,164
Scope 3 ⁵ 範圍3 ⁵	tonnes of CO ₂ e 噸二氧化碳當量	17	2	19	19
Total GHG emissions 溫室氣體排放總量	tonnes of CO ₂ e 噸二氧化碳當量	1,812	74	1,886	1,223
GHG emission intensity 溫室氣體排放密度	tonnes of CO ₂ e/m ² 噸二氧化碳當量／ 平方米	0.15	0.08	0.14	0.10

² The calculation of the GHG emission is based on the “Corporate Accounting and Reporting Standard” from GHG Protocol published by World Resources Institute and World Business Council for Sustainable Development.

³ Scope 1: Direct emissions from sources that are owned or controlled by the Group.

⁴ Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Group.

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

² 溫室氣體排放量基於世界資源研究院及世界企業永續發展協會發佈之溫室氣體盤查議定書中的「企業會計與報告標準」計量。

³ 範圍1：本集團所擁有或控制的資源之直接排放。

⁴ 範圍2：本集團消耗的已購電力產生之間接排放。

⁵ 範圍3：僱員差旅產生之間接排放。

Hazardous and Non-hazardous Wastes

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

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

With the aim to reduce the amount of waste generated, the Group endeavours to cultivate environmental awareness among employees. In order to reduce the paper consumption, we actively promote electronic communication instead of paper use. We also encourage our employees to consider environmental-friendly printing such as double-sided printing and copying. Moreover, we encourage employees to reuse single sided non-confidential print out. We will seek other possible measures to manage and reduce the waste generated in operations in the future. The Group will look into the development of waste management system and recycling practice in business operations in the coming future. The slight increase in the amount of non-hazardous wastes generated in 2019 was mainly attributable to the increase in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication during the year ended 30 June 2019.

有害及無害廢棄物

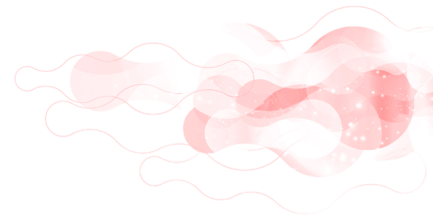
廢棄物管理被認為是環境保護的其中一個重要議題。本集團明白減少廢棄物的重要性。本集團已推出並實行廢棄物管理措施以減低產生廢棄物的數量及對環境的影響。由於我們的業務性質，辦公營運於年內並無產生或排出有害廢棄物。

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

本集團致力提升僱員的環保意識，旨在減少廢棄物產生數量。我們積極推廣電子溝通代替使用紙張，以減少消耗紙張。我們亦鼓勵僱員考慮環保印刷，如雙面印刷及影印。此外，我們鼓勵僱員重用單面非機密印刷。我們未來將會尋求其他可行方法管理及減少於營運中產生的廢棄物。本集團未來將研究廢棄物管理系統的發展及業務營運的回收常規。於2019年產生的無害廢棄物數量輕微增加乃主要由於截至2019年6月30日止年度的電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益增加。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



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

本集團於報告期內產生及回收的無害廢棄物詳情如下：

Wastes 廢棄物	Unit 單位	HK 香港	PRC 中國	2019 Total 2019年總計	2018 Total 2018年總計
Non-hazardous wastes generated 已產生的無害廢棄物	tonnes 噸	1.12	0.09	1.21	1.00
Non-hazardous wastes generated intensity 已產生的無害廢棄物密度	tonnes/employee 噸/每位僱員	0.005	0.003	0.005	N/A ⁶
Non-hazardous wastes recycled 已回收的無害廢棄物	tonnes 噸	0.11	0.01	0.12	0.30

A2. USE OF RESOURCES

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

Energy Consumption

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

A2. 資源使用

本集團認為環境保護為可持續及負責任的業務之必要因素。我們深知維護環境可持續發展的重要性，重視資源有效利用，於日常業務過程中採納多項措施。我們明白員工參與乃實現該等目標的關鍵。我們已採納能源及水資源效益倡議措施，激勵僱員參與資源節約活動。

能源消耗

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

⁶ The waste data was not available in 2018 ESG Report.

⁶ 2018年環境、社會及管治報告並不包括廢棄物資料。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

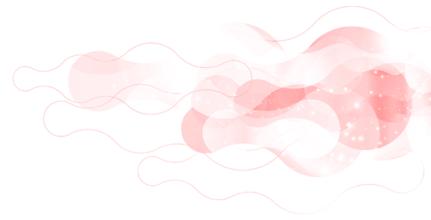
Regarding energy consumption, the use of electricity accounts for the Group's major energy consumption. In view of the scarcity of energy, the Group has advocated various energy conservation strategies to increase energy efficiency and reduce energy consumption. For example, all facilities for film exhibition operations comply with the Building Energy Efficiency Ordinance (Cap 610) implemented by the Electrical and Mechanical Services Department to ensure key building services meet the minimum energy efficiency standards of the Building Energy Code. Besides, the temperature of air-conditioners is maintained at an energy-efficient level at around 25 degrees Celsius. A standby mode is set for computers when they are not in use for a long period of time. Besides, all lighting and power supply in the area are switched off while leaving. In order to increase the environmental awareness of employees, energy saving reminder notices are posted near the switches and sockets to encourage our employees to reduce electricity usage. The increase in the total energy consumption in 2019 was mainly attributable to the increase in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication during the year. During the reporting period, the details energy consumption were as follows:

有關能源消耗方面，電力使用佔了本集團能源消耗的大部分。鑒於能源短缺，本集團已提倡各種節約能源策略以增加能源效益及減少能源消耗。例如，電影放映營運的所有設施皆遵從機電工程署所推行的《建築物能源效益條例》(第610章)，以確保關鍵建築服務符合《建築物能源效益守則》的最低能源效益標準。此外，空調的溫度維持於節約能源的水平，約攝氏二十五度。電腦長期處於無人使用狀態時被設定為待機模式。此外，離開時將該範圍的所有照明及電力供應關閉。為增加僱員的環保意識，節能提醒告示已張貼於開關及插座附近，鼓勵僱員減少使用電力。總能源消耗量於2019年的增加乃主要由於年內來自電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益增加所致。於報告期內，能源消耗詳情如下：

Type of energy 能源種類	Unit 單位	HK 香港	PRC 中國	2019 Total 2019年總計	2018 Total 2018年總計
Purchased electricity 已購電力	MWh 百萬瓦時	2,563	53	2,616	2,249
Petrol 汽油	MWh 百萬瓦時	97	19	116	89
Steam 蒸汽	MWh 百萬瓦時	–	49	49	N/A ⁷ 不適用 ⁷
Towngas 煤氣	MWh 百萬瓦時	–	4	4	–
Diesel 柴油	MWh 百萬瓦時	–	–	–	49
Total energy consumption 總能源消耗量	MWh 百萬瓦時	2,660	125	2,785	2,387
Energy consumption intensity 能源消耗密度	MWh/m ² 百萬瓦時／ 平方米	0.21	0.13	0.21	0.19

⁷ The steam data was not available in 2018 ESG Report.

⁷ 2018年環境、社會及管治報告並不包括蒸氣資料。



Water Consumption

Water is an important resource used by the Group during operation. For water consumption in Hong Kong offices, some water supplies are solely controlled and centrally managed by the property management companies of the building. Hence, it is not feasible for the Group to provide water consumption data as there is no separate meter for each individual office unit on water usage record. However, we still actively seek ways to minimise water consumption.

Although, the Group does not consume a significant amount of water during business operations, we endeavour to conserve water effectively in our operations by implementing various water-saving measures. For example, employees are encouraged to turn off the water taps when they are not in use. Besides, in case of leaking faucet or pipe, we will promptly report to relevant authority in order to reduce unnecessary water consumption. Moreover, the amount of water consumption is recorded regularly for the Group to monitor the water consumption level and better formulate water-saving measures. The increase in the amount of water consumption in 2019 was mainly attributable to the increase in revenue generated from film and TV series production and distribution, film exhibition, post-production, advertising, marketing and publication during the year. During the reporting period, the details water consumption were as follows:

Water consumption 水資源消耗	Unit 單位	HK 香港	PRC 中國	2019 Total 2019年總計	2018 Total 2018年總計
Water consumption 水資源消耗	m ³ 立方米	2,048	1,393	3,441	N/A ⁸ 不適用 ⁸
Water consumption intensity 水資源消耗密度	m ³ /m ² 立方米/ 平方米	0.16	1.47	0.26	N/A ⁸ 不適用 ⁸

Packaging Material

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

水資源消耗

水乃本集團營運的重要資源。於香港辦公室之水資源消耗方面，一部分水資源供應由樓宇的物業管理公司單獨控制及中央管理。因此，由於每個獨立辦公室單位並無個別水錶記錄用水，本集團未能提供水資源消耗數據。然而，我們仍積極尋找減少消耗用水的方法。

本集團雖然於業務營運中並無消耗大量水資源，我們於營運中努力有效地節約水源，實行各項節約用水措施。例如，鼓勵僱員在不使用水龍頭時關掉。此外，鑒於水龍頭或水管滲漏，我們將會立即向相關機構上報，以減少不必要的耗水。另外，本集團已定期記錄耗水量以監察耗水水平及更完善地制定節約用水措施。耗水量於2019年的增加乃主要由於年內來自電影及電視劇製作及發行、電影放映、後期製作、廣告、市場推廣及出版業務產生的收益增加所致。於報告期內，水資源消耗詳情如下：

包裝材料

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

⁸ As stated in the 2018 ESG report, the water consumption data was not available as water charge was included in the property management fees in 2018.

⁸ 如2018年環境、社會及管治報告所述，由於水費已計入2018年的物業管理費中，故並不包括水資源消耗數據。

A3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group understands that implementing environmental protection can reduce operational risk and increase business opportunities. Regarding the business nature, we are not aware of any significant impact of our business activities on the environment and natural resources. Despite this, we endeavour to consistently improve our environmental performance by implementing aforementioned waste reduction measures and resources saving initiatives. We will continue to seek opportunities to further reduce emission and resources consumption with the aim to reduce the impacts on environment and natural resources to minimal. We will review our environmental policy from time to time and consider implementing further eco-friendly measures and practices in order to enhance environmental sustainability in future.

B. SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

B1. EMPLOYMENT

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

A3. 環境及天然資源

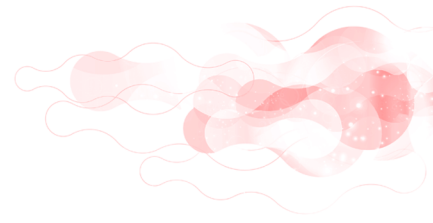
本集團明白推行環境保護能夠減少營運風險及增加業務機遇。鑒於業務性質，我們並無發現業務活動對環境及天然資源有任何重大影響。儘管如此，我們推行如上所述的減廢方法及節源措施，努力不懈改善其環境表現。我們將繼續尋找進一步減少排放及資源消耗的機會，旨在將對環境及天然資源的影響減至最低。我們將及時審視環保政策，並考慮實行更多環保措施及常規，以提高未來的環境可持續性。

B. 社會層面

僱傭及勞工常規

B1. 僱傭

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



Equal opportunity

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

Promotion and appraisal

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

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

平等機會

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

晉升及評估

本集團盡量為僱員提供內部晉升機會。晉升至更高職位級別通常取決於職位空缺狀況、個人的表現及擔任新職務的潛力。

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Employee welfare

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

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

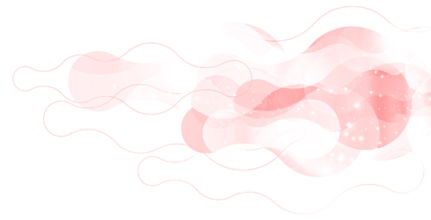
僱員福利

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

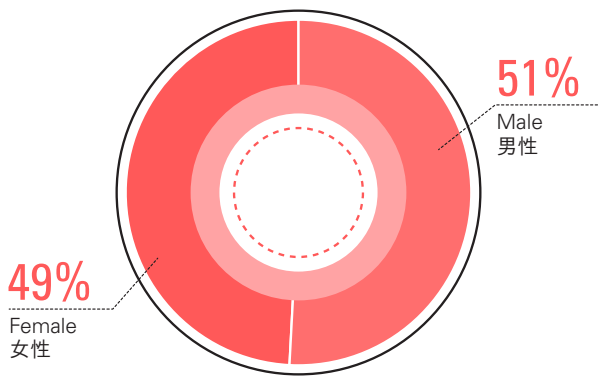


At the end of the reporting period, the total number of Hong Kong and the mainland China employees of the Group was 260 (30 June 2018: 298 in Hong Kong). Below is the employee breakdown by gender, age group, geographical region.

於報告期末，本集團於香港及中國內地的僱員總人數為260名（2018年6月30日：298名香港僱員）。按性別、年齡組別及地理區域劃分的僱員明細如下。

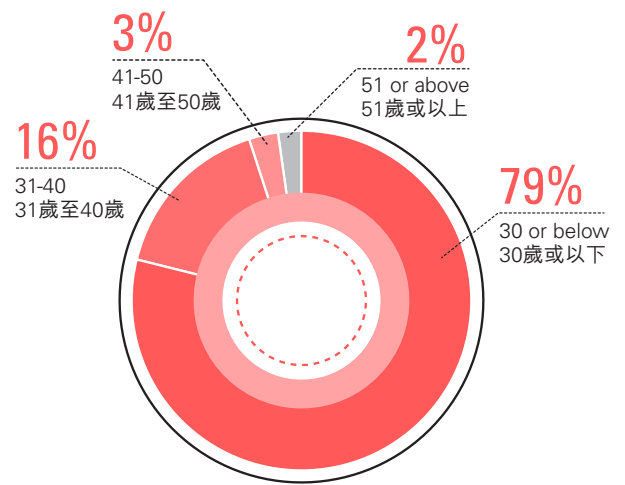
GENDER

性別



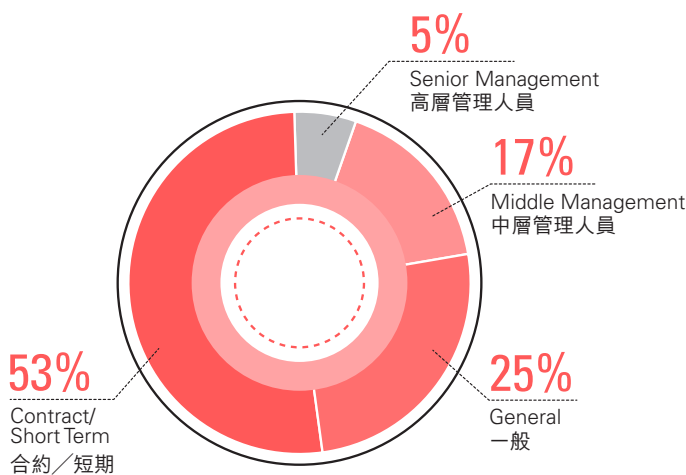
AGE GROUP

年齡組別



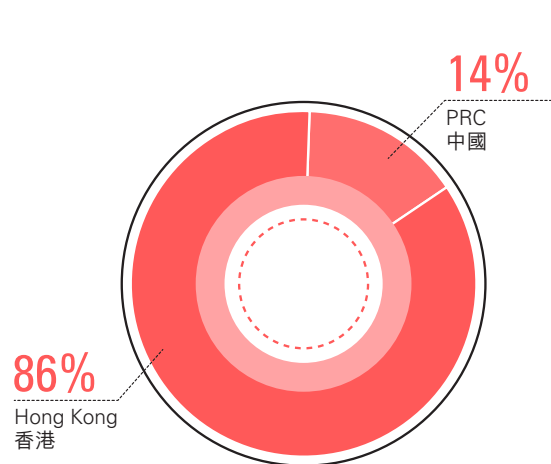
EMPLOYEE CATEGORY

僱傭類別



GEOGRAPHICAL REGION

地理區域



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

於報告期間，僱員年度流失率按性別、年齡組別及地理區域劃分如下：

Employment	僱傭	Unit 單位	Turnover rate (%) 流失率(%)
By gender	按性別劃分		
- Male	- 男性	%	70
- Female	- 女性	%	80
By age group	按年齡組別劃分		
- 30 or below	- 30歲或以下	%	81
- 31-40	- 31至40歲	%	38
- 41-50	- 41至50歲	%	57
- 51 or above	- 50歲以上	%	100
By geographical region	按地理區域劃分		
- PRC	- 中國	%	11
- HK	- 香港	%	85
Overall	總體	%	75

B2. HEALTH AND SAFETY

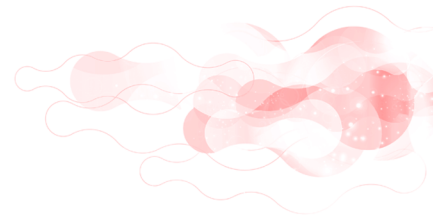
Employee health and safety is the Group's top priority. The Group takes into consideration every precaution to establish a healthy and safe working environment for its employees. We strictly abide by the relevant laws and regulations in the PRC and Hong Kong, including the Law of the PRC on work safety, the Law of the PRC on the Prevention and Control of Occupational Disease, and the Occupational Safety and Health Ordinance (Chapter 509) in Hong Kong. During the year ended 30 June 2019, there was no case of non-compliance in relation to health and safety or work-related injury within the Group.

B2. 健康與安全

僱員健康與安全乃本集團最為重視的一環。本集團全面考慮各項預防措施，為僱員建立健康與安全的工作環境。我們嚴格遵守中國及香港的相關法律及法規，包括《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及香港的《職業安全及健康條例》(第509章)。截至2019年6月30日止年度，本集團內並無任何與健康與安全或工傷有關的違規情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



The Group not only strictly implements relevant laws and regulations, but also proactively formulates internal policies and standards related to specific business departments of the Group. For example, the Group's film exhibition operation has obtained Places of Public Entertainment License issued by Food and Environmental Hygiene Department ("FEHD") to ensure its business comply with relevant laws and regulations. Besides, as stated in the staff handbook, health and safety at work are the interest and responsibility of both employees and the Group. Employees' compensation insurance is provided to cover any work-related injuries, illnesses and occupational diseases. The Group is committed to complying with all local occupational health and safety legislations that are relevant to the Group. First-aid kits are provided at all workplaces. Employees must take reasonable care for the health and safety of themselves and others, as well as participating in fire safety training or fire drills provided by the Group or property management offices. If any employee notices any unsafe conditions or gets injured at work, he/she should immediately report it to the supervisor.

During the year ended 30 June 2019, there were 3 (30 June 2018: 4) work injury cases and 239 (30 June 2018: 28.5) lost days due to minor injuries during film exhibition and production operations. There was no work-related fatality case (30 June 2018: nil) during the reporting period. Employees were given paid sick leave for their recovery. Overall, no employees had serious accident during the reporting period.

本集團不僅嚴格執行相關法律及法規，同時積極制定與本集團業務部門相關的內部政策及標準。例如，本集團的電影放映業務已取得食物環境衛生署（「食環署」）頒發的公眾娛樂場所牌照，以確保其業務遵守有關法律及法規。除此之外，如僱員手冊載述，職場健康及安全屬僱員及本集團的權益及責任。僱員的補償保險旨在為任何工傷、疾病以及職業病提供保障。本集團致力遵守與本集團有關的一切地方職業健康及安全法例。所有工作場所均配備急救箱。僱員須合理為自身及他人健康及安全著想，並參加由本集團或物業管理辦事處提供的消防安全培訓或消防演習。若任何僱員發現任何不安全情況或出現工傷，其應當立刻向其主管匯報。

截至2019年6月30日止年度，電影放映及製作業務因輕傷錄得3個（2018年6月30日：4個）工傷案件及239個（2018年6月30日：28.5個）損失工作日數。於報告期間，並無因工死亡之個案（2018年6月30日：無）。本集團已給予有關僱員帶薪病假以供彼等康復。總體而言，於報告期間，概無僱員發生嚴重意外事故。

B3. DEVELOPMENT AND TRAINING

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

B4. LABOUR STANDARDS

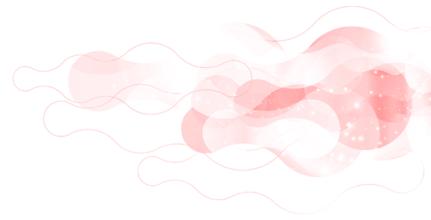
The Group respects the human rights of employees, and is strongly against the employment of child labour and forced. The Group is strictly in compliance with the relevant laws and regulations, such as the Labour Law in the PRC and the Employment Ordinance (Chapter 57) in Hong Kong. We pursue fair and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

B3. 發展及培訓

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

B4. 勞工準則

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



The HRA conducts checking on candidates and newly joined employee's identity cards, working visa, relevant certificates and references to ensure compliance with all the applicable laws and regulations relating to labour standards. The Group respects the freedom of employees. All works should be voluntarily performed and must not involve forced labour. The Group forbids abusing, corporal punishment, violence, spirit oppression, sexual harassment (including improper language, posture and body contact) as forms of penalty.

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

人力資源部對應聘人士及新聘僱員的身份證、工作簽證、相關證書及推薦函進行核實，以確保遵守一切與勞工準則有關的適用法律及法規。本集團尊重僱員的自由。所有工作均須自願進行，不得涉及強制勞工。本集團禁止辱罵、體罰、暴力、精神壓迫、性騷擾(包括不恰當的語言、姿勢及身體的接觸)作為懲罰形式。

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

OPERATING PRACTICES

營運慣例

B5. SUPPLY CHAIN MANAGEMENT

B5. 供應鏈管理

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

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

- Competitive tendering wherever possible and the impartial selection of appropriately qualified tenderers;
- Objective evaluation of tenders and selection of contractors and suppliers;

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

During the year, the Group had 126 and 5 suppliers in HK and the PRC respectively.

- 根據需求採用適當合約形式；及
- 採用有效監察制度及管理控制，以確保妥為履行合約責任，於採購程序的所有階段發現及預防行賄、欺詐或其他不當作法。

年內，本集團於香港及中國分別有126名及5名供應商。

B6. PRODUCT RESPONSIBILITY

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

Customer Relations

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

- Always put the customers first by providing them with good quality cinema facilities, high quality viewing environment and the services that meet or exceed the customers' needs under all reasonable circumstances;

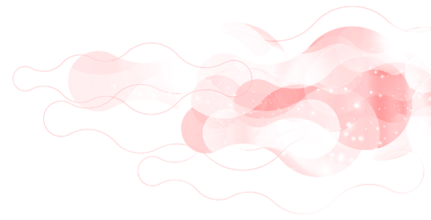
B6. 產品責任

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

客戶關係

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

- 始終以客戶為先，在所有合理情況下為客戶提供符合或超越客戶需求的良好優質影院設施、高品質觀映環境及服務；



- Provide service hotline and email enquiry channel, in which all enquiries must be responded within 3 working days;
- Provide services that reliably and safely meet responsible standards of performance, efficiency and courtesy; and
- Provide timely, accurate and sufficient information about its operations, capabilities and services, without misrepresentation, exaggeration and overstatement.

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

Food Health and Safety at Cinemas

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

- 提供服務熱線及郵件詢問渠道，規定所有詢問均須在3個工作日內作出回應；
- 提供在服務能力、效率及禮儀方面能夠可靠、安全達致盡職標準的服務；及
- 準時、準確及充分提供與其營運業務、能力及服務有關的資料，不存在錯誤聲明，誇大事實，或過度陳述。

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

影院的食品衛生及安全

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

Copyrights Management

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

Personal Data Protection

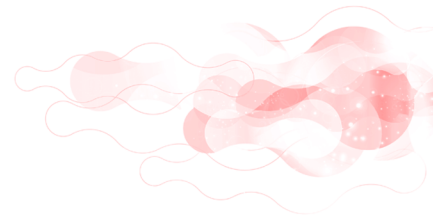
The Group is committed to complying with data protection principles and the requirements of the Personal Data (Privacy) Ordinance. Security software is installed on server for data protection. No collected personal data of employees, customers, suppliers and cinemagoers shall be shared with any third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

版權管理

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

私隱政策

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



B7. ANTI-CORRUPTION

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

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

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

B7. 反貪污

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

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

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

During the reporting period, no legal case concerned with corrupt practices was brought against the Group. Besides, the Group was not aware of any material non-compliance with the relevant laws and regulations related to anti-corruption in the PRC and Hong Kong during the year ended 30 June 2019.

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

於報告期間，概無對本集團提出涉及貪污行為的訴訟案件。除此之外，截至2019年6月30日止年度，本集團並未發現任何嚴重違反中國及香港反貪污相關法律及法規的情況。

COMMUNITY

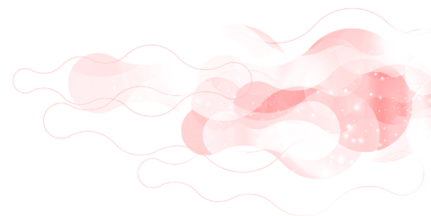
B8. COMMUNITY INVESTMENT

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

社區

B8. 社區投資

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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

環境、社會及管治報告索引

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主題範疇、層面、一般披露及關鍵績效指標		Sections 章節	Pages 頁次
A. Environmental A. 環境			
A1: Emissions A1 : 排放物			
General Disclosure 一般披露		“Emissions” 「排放物」	80
KPI A1.1 關鍵績效指標A1.1	The types of emissions and respective emissions data 排放物類別及相關排放數據	“Emissions – Air Pollutant Emissions” 「排放 – 空氣污染物排放」	81
KPI A1.2 關鍵績效指標A1.2	Greenhouse gas emissions in total and, where appropriate, intensity 溫室氣體總排放量及(倘適用)密度	“Emissions – Greenhouse Gas Emission” 「排放 – 溫室氣體排放」	82-83
KPI A1.3 關鍵績效指標A1.3	Total hazardous waste produced and, where appropriate, intensity 產生的有害廢棄物總量及(倘適用)密度	“Emissions – Hazardous and Non-hazardous Wastes” 「排放 – 有害及無害廢棄物」	84-85
KPI A1.4 關鍵績效指標A1.4	Total non-hazardous waste produced and, where appropriate, intensity 產生的無害廢棄物總量及(倘適用)密度	“Emissions – Hazardous and Non-hazardous Wastes” 「排放 – 有害及無害廢棄物」	84-85
KPI A1.5 關鍵績效指標A1.5	Description of measures to mitigate emissions and results achieved 減低排放量的措施及所獲成效說明	“Emissions – Air Pollutant Emissions”, “Emissions – Greenhouse Gas Emission” 「排放 – 空氣污染物排放」, 「排放 – 溫室氣體排放」	81,82-83
KPI A1.6 關鍵績效指標A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 有害及無害廢棄物處理方法、減少措施及所獲成效說明	“Emissions – Hazardous and Non-hazardous Wastes” 「排放 – 有害及無害廢棄物」	84-85
A2: Use of Resources A2 : 資源使用			
General Disclosure 一般披露		“Use of Resources” 「資源使用」	85
KPI A2.1 關鍵績效指標A2.1	Direct and/or indirect energy consumption by type in total and intensity 按類別劃分的直接及/或間接總能源消耗量及密度	“Use of Resources – Energy Consumption” 「資源使用 – 能源消耗」	85-86
KPI A2.2 關鍵績效指標A2.2	Water consumption in total and intensity 用水總量及密度	“Use of Resources – Water Consumption” 「資源使用 – 水資源消耗」	87
KPI A2.3 關鍵績效指標A2.3	Description of energy use efficiency initiatives and results achieved 能源使用效率措施及所獲成效說明	“Use of Resources – Energy Consumption” 「資源使用 – 能源消耗」	85-86
KPI A2.4 關鍵績效指標A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 求取適用水源是否有任何問題、節水措施及所獲成效說明	“Use of Resources – Water Consumption” 「資源使用 – 水資源消耗」	87
KPI A2.5 關鍵績效指標A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced 用作製成品的包裝物料總量及(倘適用)每生產單位佔量	Not applicable to the Group’s business. 不適用於本集團之業務。	N/A 不適用

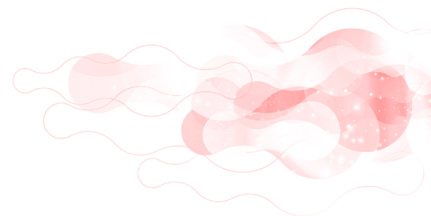
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主題範疇、層面、一般披露及關鍵績效指標	Sections 章節	Pages 頁次
A3: The Environment and Natural Resources A3 : 環境及天然資源		
General Disclosure 一般披露	“The Environment and Natural Resources” 「環境及天然資源」	88
KPI A3.1 關鍵績效指標A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them 有關活動對環境及天然資源的重大影響以及所採取的管理行動說明	“The Environment and Natural Resources” 「環境及天然資源」 88
B. Social B. 社會		
Employment and Labour Practices 僱傭及勞工常規		
B1: Employment B1 : 僱傭		
General Disclosure 一般披露	“Employment” 「僱傭」	88-92
KPI B1.1 關鍵績效指標B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類別、年齡組別及地理區域劃分的僱員總數	“Employment” 「僱傭」 88-92
KPI B1.2 關鍵績效指標B1.2	Employee turnover rate by gender, age group and geographical region 按性別、年齡組別及地理區域劃分的僱員流失率	“Employment” 「僱傭」 88-92
B2: Health and safety B2 : 健康及安全		
General Disclosure 一般披露	“Health and Safety” 「健康及安全」	92-93
KPI B2.1 關鍵績效指標B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	“Health and Safety” 「健康及安全」 92-93
KPI B2.2 關鍵績效指標B2.2	Lost days due to work injury 因工傷損失工作日數	“Health and Safety” 「健康及安全」 92-93
KPI B2.3 關鍵績效指標B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 採取的職業健康及安全措施、實施及監察方式說明	“Health and Safety” 「健康及安全」 92-93
B3: Development and Training B3 : 發展及培訓		
General Disclosure 一般披露	“Development and Training” 「發展及培訓」	94
KPI B3.1 關鍵績效指標B3.1	The percentage of employee trained by gender and employee category 按性別及僱員類別劃分的受訓僱員百分比	The Group currently does not report on this indicator. 本集團目前並無報告此項指標。 N/A 不適用
KPI B3.2 關鍵績效指標B3.2	The average training hours completed per employee by gender and employee category 按性別及僱員類別劃分的每名員工完成的平均受訓時數	The Group currently does not report on this indicator. 本集團目前並無報告此項指標。 N/A 不適用

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主題範疇、層面、一般披露及關鍵績效指標		Sections 章節	Pages 頁次
B4: Labour Standards B4 : 勞工準則			
General Disclosure 一般披露		“Labour Standards” [勞工準則]	94-95
KPI B4.1 關鍵績效指標B4.1	Description of measures to review employment practices to avoid child and forced labour 檢討僱傭常規以避免童工及強制勞工的措施說明	“Labour Standards” [勞工準則]	94-95
KPI B4.2 關鍵績效指標B4.2	Description of steps taken to eliminate such practices when discovered 在發現違規情況時消除有關情況所採取的步驟說明	“Labour Standards” [勞工準則]	94-95
Operating Practices 營運常規			
B5: Supply Chain Management B5 : 供應鏈管理			
General Disclosure 一般披露		“Supply Chain Management” [供應鏈管理]	95-96
KPI B5.1 關鍵績效指標B5.1	Number of suppliers by geographical region 按地理區域劃分的供應商數目	“Supply Chain Management” [供應鏈管理]	95-96
KPI B5.2 關鍵績效指標B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 委聘供應商的常規、實施有關常規的供應商數目、實施及監察方式說明	“Supply Chain Management” [供應鏈管理]	95-96
B6: Product Responsibility B6 : 產品責任			
General Disclosure 一般披露		“Product Responsibility” [產品責任]	96
KPI B6.1 關鍵績效指標B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons 已出售或出運產品總數中因安全及健康原因須回收的百分比	“Product Responsibility – Customer Relations” [產品責任－客戶關係]	96-97
KPI B6.2 關鍵績效指標B6.2	Number of products and service related complaints received and how they are dealt with 接獲有關產品及服務的投訴宗數及處理方式	“Product Responsibility – Food Health and Safety at Cinemas” [產品責任－影院的食品衛生及安全]	97
KPI B6.3 關鍵績效指標B6.3	Description of practices relating to observing and protecting intellectual property rights 遵守及保護知識產權相關常規說明	“Product Responsibility – Copyrights Management” [產品責任－版權管理]	98
KPI B6.4 關鍵績效指標B6.4	Description of quality assurance process and recall procedures 質量保證過程及回收程序說明	“Product Responsibility – Customer Relations” [產品責任－客戶關係]	96-97

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主題範疇、層面、一般披露及關鍵績效指標		Sections 章節	Pages 頁次
KPI B6.5 關鍵績效指標B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 消費者資料保護及私隱政策、實施及監察方式說明	“Product Responsibility – Personal Data Protection” 「產品責任－個人資料保護」	98
B7: Anti-corruption B7：反貪污			
General Disclosure 一般披露		“Anti-corruption” 「反貪污」	99-100
KPI B7.1 關鍵績效指標B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case 於報告期內向發行人或其僱員提出並已結案的貪腐案件數目及案件結果	“Anti-corruption” 「反貪污」	99-100
KPI B7.2 關鍵績效指標B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored 預防措施及舉報程序、實施及監察方式說明	“Anti-corruption” 「反貪污」	99-100
Community 社區			
B8: Community Investment B8：社區投資			
General Disclosure 一般披露		“Community Investment” 「社區投資」	100
KPI B8.1 關鍵績效指標B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)	The Group currently does not report on this indicator. 本集團目前並無報告此項指標。	N/A 不適用
KPI B8.2 關鍵績效指標B8.2	Resources contributed (e.g. money or time) to the focus area 對專注範疇所貢獻的資源(如金錢或時間)	The Group currently does not report on this indicator. 本集團目前並無報告此項指標。	N/A 不適用

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

OPINION

We have audited the consolidated financial statements of Transmit Entertainment Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 112 to 290, which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

致傳遞娛樂有限公司各股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「本行」)已審核第112至第290頁所載傳遞娛樂有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，當中包括於2019年6月30日之綜合財務狀況表，及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映 貴集團於2019年6月30日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

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

關鍵審核事項

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

Key audit matters

關鍵審核事項

Impairment loss on film and television rights and film and television series production in progress

電影及電視劇版權以及製作中電影及電視劇的減值虧損

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

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

As at 30 June 2019, the carrying amount of film and television rights and film and television series production in progress amounted to HK\$4,787,000 and HK\$134,203,000, respectively. In determining whether impairment on film and television rights and film and television series production in progress is required, the Group takes into consideration the distribution and license agreements entered into by the Group and the current market environment to project cash flows expected to be received through box office receipts and distribution and licensing income. Impairment loss is recognised in the period in which the recoverable amount is less than the carrying amount. As disclosed in notes 4 and 20 to the consolidated financial statements, an impairment loss of film and television series production in progress of HK\$4,412,000 was recognised and charged to profit or loss for the year ended 30 June 2019.

於2019年6月30日，電影及電視劇版權以及製作中電影及電視劇的賬面值分別為港幣4,787,000元及港幣134,203,000元。於釐定電影及電視劇版權以及製作中電影及電視劇是否需要作出減值時，貴集團考慮 貴集團訂立的發行及發行權使用許可協議以及目前的市場環境，以通過票房收入及發行以及發行權使用許可收入預測將收取的預期現金流量。減值虧損於可收回金額少於賬面值的期間確認。如綜合財務報表附註4及20所披露，截至2019年6月30日止年度已確認製作中電影及電視劇的港幣4,412,000元減值虧損並於損益入賬。

How our audit addressed the key audit matters

本行的審核如何處理關鍵審核事項

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

本行關於電影及電視劇版權以及製作中電影及電視劇減值虧損的程序包括：

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key audit matters

關鍵審核事項

Impairment assessment of goodwill

商譽減值評估

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

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

As disclosed in notes 4 and 15 to the consolidated financial statements, the carrying amount of goodwill was HK\$411,876,000 as at 30 June 2019, which was arose from the acquisition of subsidiaries as disclosed in note 37. In estimating the recoverable amount of the CGU to which goodwill has been allocated, the management has made a number of key assumptions in the value in use calculations. The key assumptions include growth rates, discount rates, the forecast performance in respect of budgeted sales and budgeted costs based on management's view of future business prospects. As disclosed in note 15, based on the objective evidences, no impairment loss was required for the year ended 30 June 2019. 如綜合財務報表附註4及15所披露，貴集團於2019年6月30日商譽的賬面值為港幣411,876,000元，乃於附註37所披露之收購附屬公司所得款項。於估計已分配至商譽之現金產生單位之可收回金額時，管理層在使用價值計算中作出若干主要假設。主要假設包括根據管理層對未來業務前景的看法就預算銷售及預算成本估計的增長率及預測表現。如附註15所披露，根據客觀證據，截至2019年6月30日止年度毋須計提減值虧損。

How our audit addressed the key audit matters

本行的審核如何處理關鍵審核事項

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

本行關於商譽減值評估的程序包括：

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他資料

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

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

結合本行對綜合財務報表的審核，本行的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本行在審核過程中所了解的情況存在重大不符或者似乎存在重大錯誤陳述。基於本行已執行的工作，倘若本行認為該其他資料存在重大錯誤陳述，本行需要報告該事實。在這方面，本行並無任何報告。

董事及管治人員就綜合財務報表須承擔的責任

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

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

管治人員須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表承擔的責任

本行的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括本行意見(根據本行的協定委聘條款僅向閣下整體報告)的核數師報告，而不作其他目的。本行不會就本報告的內容向任何其他人士負上或承擔責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期其單獨或匯總可能影響使用者依賴該等綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對有關風險，以及獲取充足適當的審核憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及所作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關披露不足，則本行應當修改意見。本行的結論是基於核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團停止持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯列報方式反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。本行負責 貴集團審核的方向、監督和執行。本行為審核意見承擔全部責任。

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

25 September 2019

本行亦向管治人員提交聲明，說明本行已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響本行獨立性的所有關係和其他事項以及相關的防範措施(如適用)。

從與管治人員溝通的事項中，本行確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。本行在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在本行報告中溝通某事項造成的負面後果超過產生的公眾利益，本行決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是李寶芝。

德勤•關黃陳方會計師行
執業會計師
香港

2019年9月25日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 30 June 2019 截至2019年6月30日止年度

		NOTES 附註	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Revenue	收益	5	668,130	274,640
Cost of sales	銷售成本		(405,843)	(136,196)
Gross profit	毛利		262,287	138,444
Other gains and losses	其他收益及虧損	7	21,055	8,608
Other income	其他收入	7	11,347	7,681
Selling and distribution expenses	銷售及發行開支		(207,271)	(200,624)
Administrative expenses	行政開支		(67,316)	(50,981)
Net foreign exchange (loss) gain	匯兌(虧損)收益淨額		(226)	1,859
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損		–	(40,579)
Impairment loss on interests in associates	於聯營公司權益的減值虧損	17	(16,317)	(22,295)
Impairment loss on available-for-sale investment	可供出售投資的減值虧損	21	–	(2,736)
Impairment loss on investment in film/drama production	投資電影／戲劇製作的減值虧損	22	–	(19,613)
Fair value change on contingent consideration payable	應付或然代價的公平值變動	37	(20,511)	–
Finance costs	融資成本	8	(11,630)	(262)
Share of results of associates	應佔聯營公司業績		(1,484)	74
Share of results of a joint venture	應佔一間合營企業業績		97	445
Loss before tax	除稅前虧損		(29,969)	(179,979)
Income tax expense	所得稅開支	9	(5,719)	(10,072)
Loss for the year	年內虧損	10	(35,688)	(190,051)
Other comprehensive income (expense) for the year	年內其他全面收入(開支)			
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>隨後或會重新分類至損益的項目</i>			
Reclassification adjustments upon disposal of a subsidiary included in profit or loss	計入損益之一間附屬公司於出售後重新分類調整		165	–
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額		(133)	28
Share of exchange difference of an associate arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額		305	(39)
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額		5,266	(1,373)
			5,603	(1,384)
Total comprehensive expense for the year	年內全面開支總額		(30,085)	(191,435)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 30 June 2019 截至2019年6月30日止年度

		NOTE 附註	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Loss for the year attributable to:	下列人士應佔年內虧損：			
– Owners of the Company	– 本公司擁有人		(35,504)	(189,750)
– Non-controlling interests	– 非控股權益		(184)	(301)
			(35,688)	(190,051)
Total comprehensive expense for the year attributable to:	下列人士應佔年內全面開支總額：			
– Owners of the Company	– 本公司擁有人		(29,901)	(191,134)
– Non-controlling interests	– 非控股權益		(184)	(301)
			(30,085)	(191,435)
Loss per share	每股虧損	13		
Basic (HK cents)	基本(港仙)		(1.37)	(7.31)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2019 於2019年6月30日

		NOTES 附註	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	88,281	99,005
Goodwill	商譽	15	411,876	–
Intangible assets	無形資產	16	5,600	5,600
Interests in associates	於聯營公司的權益	17	8,418	28,114
Interest in a joint venture	於一間合營企業的權益	18	169	205
Rental deposits	租賃按金	19	30,358	31,125
Deferred tax assets	遞延稅項資產	35	161	1,179
			544,863	165,228
Current assets	流動資產			
Film and television rights	電影及電視劇版權	20	4,787	1,772
Film and television series production in progress	製作中電影及電視劇	20	134,203	140,058
Available-for-sale investment	可供出售投資	21	–	1,320
Investments in film/drama production	投資電影／戲劇製作	22	–	2,920
Inventories	存貨	23	685	690
Trade and other receivables	貿易及其他應收款項	24	162,719	9,619
Rental deposits	租賃按金	19	19,163	18,712
Amounts due from related companies	應收關聯公司款項	31	–	143
Tax recoverable	可收回稅項		713	716
Pledged bank deposits	已抵押銀行存款	25	664	10,661
Bank balances and cash	銀行結餘及現金	26	122,035	76,336
			444,969	262,947
Assets classified as held for sale	分類為持有以作出售的資產	39	–	28,275
			444,969	291,222
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	27	219,555	119,469
Contract liabilities	合約負債	28	46,562	–
Receipts in advance	預收款項	28	–	154,663
Tax payable	應付稅項		5,585	4
Bank and other borrowings	銀行及其他借款	29	65,220	8,208
Loans from a related company	一間關聯公司之貸款	30	64,274	–
Amounts due to related companies	應付關聯公司款項	31	–	40,031
Amount due to a joint venture	應付一間合營企業款項	32	385	8,296
Contingent consideration payable	應付或然代價	37	139,235	–
			540,816	330,671
Liabilities associated with assets classified as held for sale	與分類為持有以作出售的資產相關的負債	39	–	8,362
			540,816	339,033
Net current liabilities	流動負債淨值		(95,847)	(47,811)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2019 於2019年6月30日

		NOTES 附註	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Total assets less current liabilities	總資產減流動負債		449,016	117,417
Non-current liabilities	非流動負債			
Deposits received	已收按金	27	950	1,116
Bonds payable	應付債券	33	22,000	–
Loans from a related company	一間關聯公司之貸款	30	161,695	–
Contingent consideration payable	應付或然代價	37	178,155	–
			362,800	1,116
Net assets	資產淨值		86,216	116,301
Capital and reserves	資本及儲備			
Share capital	股本	34	6,489	6,489
Reserves	儲備		83,690	113,591
Equity attributable to owners of the Company	本公司擁有人應佔權益		90,179	120,080
Non-controlling interests	非控股權益		(3,963)	(3,779)
Total equity	權益總額		86,216	116,301

The consolidated financial statements on pages 112 to 290 were approved and authorised for issue by the board of directors of the Company on 25 September 2019 and are signed on its behalf by:

載於第112至第290頁之綜合財務報表已獲本公司董事會於2019年9月25日批准及授權刊發，並由以下人士代為簽署：

Zhang Liang, Johnson

張量
DIRECTOR
董事

Lee Hin Kwong, Patrick

李憲光
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2019 截至2019年6月30日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non-controlling interests		Total
		Share capital 股本	Share premium 股份溢價	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Accumulated losses 累計虧損	Sub-total 小計	非控股權益	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (Note) (附註)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 July 2017	於2017年7月1日	6,489	521,046	10	(2,223)	(214,108)	311,214	(3,478)	307,736
Loss for the year	年內虧損	-	-	-	-	(189,750)	(189,750)	(301)	(190,051)
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	-	-	28	-	28	-	28
Share of exchange difference of an associate arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額	-	-	-	(39)	-	(39)	-	(39)
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	(1,373)	-	(1,373)	-	(1,373)
Total comprehensive expense for the year	年內全面開支總額	-	-	-	(1,384)	(189,750)	(191,134)	(301)	(191,435)
At 30 June 2018	於2018年6月30日	6,489	521,046	10	(3,607)	(403,858)	120,080	(3,779)	116,301
Loss for the year	年內虧損	-	-	-	-	(35,504)	(35,504)	(184)	(35,688)
Reclassification adjustments upon disposal of a subsidiary included in profit or loss (note 38(a))	計入損益之一間附屬公司出售後重新分類調整(附註38(a))	-	-	-	165	-	165	-	165
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	-	-	(133)	-	(133)	-	(133)
Share of exchange difference of an associate arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額	-	-	-	305	-	305	-	305
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	5,266	-	5,266	-	5,266
Total comprehensive income (expense) for the year	年內全面收入(開支)總額	-	-	-	5,603	(35,504)	(29,901)	(184)	(30,085)
At 30 June 2019	於2019年6月30日	6,489	521,046	10	1,996	(439,362)	90,179	(3,963)	86,216

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2019 截至2019年6月30日止年度

		NOTES 附註	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營活動			
Loss before tax	除稅前虧損		(29,969)	(179,979)
Adjustments for:	就下列各項的調整：			
Finance costs	融資成本		13,206	262
Interest income	利息收入	7	(771)	(426)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14	14,449	18,887
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損(收益)	14	2	(80)
Loss on disposal of prepayment to an artiste	出售預付藝員款項虧損	18	–	3,600
Gain on disposal of subsidiaries	出售一間附屬公司收益	38	(21,057)	(268)
Impairment loss on investment in film/drama production	投資電影／戲劇製作的減值虧損	22	–	19,613
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	14	–	40,579
Impairment loss on available-for-sale investment	可供出售投資的減值虧損	21	–	2,736
Impairment loss on interests in associates	於一間聯營公司權益的減值虧損	17	16,317	22,295
Impairment loss on film and television series production in progress	製作中電影及電視劇的減值虧損	20	4,412	15,378
Fair value change on contingent consideration payable	應付或然代價的公平值變動	37	20,511	–
Share of results of associates	應佔聯營公司業績	17	1,484	(74)
Share of results of a joint venture	應佔一間合營企業業績	18	(97)	(445)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量		18,487	(57,922)
Decrease (increase) in film and television rights and film and television series production in progress	電影版權及製作中電影減少(增加)		106,575	(30,661)
Decrease in investments in film/drama production	投資電影／戲劇製作減少		2,774	5,210
Decrease (increase) in inventories	存貨減少(增加)		5	(144)
Increase in trade and other receivables	貿易及其他應收款項增加		(94,867)	(4,344)
Decrease in prepayment to an artiste	預付演員款項減少		–	14,400
Decrease (increase) in rental deposits	租賃按金減少(增加)		316	(6,294)
Decrease (increase) in amounts from related companies	應收關聯公司款項減少(增加)		143	(143)
Increase in trade and other payables and deposits received	貿易及其他應付款項及已收按金增加		57,924	64,805
Increase in receipts in advance	預收款項增加		–	83,175
Increase in amounts due to related companies	應付關聯公司款項增加		30	5
(Decrease) increase in amount due to a joint venture	應付一間合營企業款項(減少)增加		(7,911)	6,180
Decrease in contract liabilities	合約負債減少		(132,328)	–
Cash (used in) generated from operations	經營(所用)所得現金		(48,852)	74,267
Income tax paid	已付所得稅		(103)	(11,263)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額		(48,955)	63,004

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2019 截至2019年6月30日止年度

		NOTES 附註	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
INVESTING ACTIVITIES 投資活動				
Net cash outflow on acquisition of subsidiaries	收購附屬公司之現金流出淨額	37	(149,922)	–
Purchase of property, plant and equipment	購買物業、廠房及設備		(16,552)	(101,916)
Net cash inflow on disposal of subsidiaries	出售附屬公司之現金流入淨額	38	25,565	12,014
Withdrawal of pledged bank deposits	提取已抵押銀行存款		10,000	30,589
Dividend received from an associate	已收一間聯營公司股息	17	2,200	3,080
Proceeds from disposal of financial assets at fair value through profit or loss	出售金融資產按公平值計入損益之所得款項		1,320	–
Interest received	已收利息	7	771	426
Placement of pledged bank deposits	置存已抵押銀行存款		–	(10,000)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		–	824
Deposit received from disposal of a subsidiary	出售一間附屬公司的已收按金		–	2,400
Dividend received from a joint venture	已收一間合營企業股息	18	–	727
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額		(126,618)	(61,856)
FINANCING ACTIVITIES 融資活動				
Loans from a related company	一間關聯公司之貸款		202,401	–
Proceeds from bank and other borrowings	銀行及其他借款所得款項		26,220	10,000
Proceeds from issuance of bonds	發行債券所得款項		22,000	–
Repayment of loans from a related company	償還關聯公司貸款		(17,250)	–
Repayment of bank and other borrowings	償還銀行及其他借款		(12,866)	(1,792)
Interest paid	已付利息		(1,913)	(262)
(Repayment of) advance from a related company	(償還)墊付一間關聯公司之款項		(1,000)	40,000
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額		217,592	47,946
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額		42,019	49,094
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物		79,379	31,998
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響		637	(1,713)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年末現金及現金等價物		122,035	79,379
Represented by	指			
Bank balances and cash	銀行結餘及現金		122,035	76,336
Cash and cash equivalents included in assets classified as held for sale	計入分類為持有以作出售資產的現金及現金等價物		–	3,043
			122,035	79,379

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

1A. GENERAL

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

The Company is an investment holding company and the principal activities of its subsidiaries are set out in note 47.

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

1B. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2019, the Group had net current liabilities of HK\$95,847,000 (2018: HK\$47,811,000). The net current liabilities included contract liabilities of HK\$46,562,000 (2018: receipts in advance of HK\$154,663,000) which will be recognised as revenue upon the delivery of the film negatives and television ("TV") series program to the customers and TV broadcast networks and shall not have any cash outflow to the Group, bank and other borrowings of HK\$65,220,000 which was repayable within one year (2018: HK\$8,208,000 was drawn from a banking facility of HK\$10,000,000 and were repayable on demand) and loans from a related company of HK\$64,274,000 (2018: Nil) which were unsecured, interest-bearing at 7% per annum and repayable within one year.

1A. 一般資料

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

本公司為一間投資控股公司，其附屬公司的主營業務載於附註47。

綜合財務報表乃以本公司之功能及呈列貨幣港幣（「港幣」）呈列。

1B. 綜合財務報表之編製基準

於2019年6月30日，本集團擁有流動負債淨值約港幣95,847,000元（2018年：港幣47,811,000元）。流動負債淨值包括合約負債港幣46,562,000元（2018年：預收款項港幣154,663,000元）（其將於電影菲林底片及電視（「電視」）劇交付予客戶及電視廣播網絡後確認為收益，及將不會向本集團作出任何現金流出）、銀行及其他借款港幣65,220,000元須於一年內償還（2018年：港幣8,208,000元提取自銀行融資港幣10,000,000元並須按要求償還）以及來自一間關聯公司之貸款為港幣64,274,000元（2018年：無）屬無抵押、按年利率7%計息並須於一年內償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

1B. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

In the opinion of the directors of the Company (the "Directors"), after taking into account, among other things, the financial resources available to the Group including the future cash flows to be generated from the film and TV series production and distribution and the new placing agreement dated 16 September 2019 is entered into by the Company and the placing agent for the bonds of an aggregate principal amount of up to HK\$150,000,000 with a maturity date of three years from the bond issuance date. The Directors are satisfied that the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis. Management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

1B. 綜合財務報表之編製基準(續)

本公司董事(「董事」)認為，經考慮(其中包括)本集團可用之財務資源(包括電影及電視劇製作及發行產生之未來現金流量以及本公司及配售代理訂立日期為2019年9月16日之新配售協議，本金總額最高為港幣150,000,000元，到期日為自債券發行日期起計三年。董事信納本集團將擁有充足的營運資金以滿足其自報告期末起計未來十二個月到期的財務責任及承擔。因此，董事信納按持續經營基準編製本集團之綜合財務報表屬適當。管理層並不知悉與可能使本集團之持續經營能力產生重大疑問之事件或狀況有關的任何重大不確定性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to Hong Kong Accounting Standards (“HKAS”) 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的新訂及經修訂香港財務報告準則

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

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益及相關修訂
香港(國際財務報告詮釋委員會)–詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號(修訂本)	以股份為基礎的付款交易的分類及計量
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號金融工具及香港財務報告準則第4號保險合約
香港會計準則(「香港會計準則」)第28號(修訂本)	作為香港財務報告準則2014至2016週期的年度改進之一部分
香港會計準則第40號(修訂本)	轉撥投資物業

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 July 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 July 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Film and TV series production and distribution
- Film exhibition
- Others

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 香港財務報告準則第15號客戶合約收益

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則之累計影響已於2018年7月1日首次應用當日確認。於首次應用當日之任何差異於期初累計虧損(或其他權益部分(如適用))確認，但並無重列比較資料。此外，根據香港財務報告準則第15號之過渡條文，本集團僅選擇對2018年7月1日尚未完成之合約追溯應用該準則。因此，由於比較資料乃根據香港會計準則第18號收益及相關詮釋編製，故若干比較資料可能無法比較。

本集團自客戶合約所產生的以下主要來源確認收益：

- 電影及電視劇製作及發行
- 電影放映
- 其他

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3, respectively.

Summary of effects arising from initial application of HKFRS 15

At the date of initial application, 1 July 2018, there is no difference recognised in the opening accumulated losses.

As at 1 July 2018, receipts in advance from customers amounted to HK\$154,663,000 previously included in receipts in advance were reclassified to contract liabilities. The impacts from the application of HKFRS 15 thereof are shown in the following table.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 香港財務報告準則第15號客戶合約收益(續)

有關本集團履約責任及應用香港財務報告準則第15號所導致政策的資料分別於附註5及3披露。

首次應用香港財務報告準則第15號之影響概要

於首次應用日期(2018年7月1日)，概無於期初累計虧損確認差異。

於2018年7月1日，先前計入預收款項的來自客戶的預收款項港幣154,663,000元已重新分類為合約負債。應用香港財務報告準則第15號的影響載列於下表。

			Carrying amounts previously reported at 30 June 2018 先前於2018年6月30日呈報的賬面值	Impact on adoption of HKFRS 15 採納香港財務報告準則第15號的影響	Carrying amounts under HKFRS 15 at 1 July 2018* 根據香港財務報告準則第15號於2018年7月1日的賬面值*
	Note 附註	HK\$'000 港幣千元 (audited) (經審核)	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元 (restated) (經重列)
Current liabilities					
Receipts in advance	28	154,663		(154,663)	-
Contract liabilities	28	-		154,663	154,663

* The amounts in this column are before the adjustments from the application of HKFRS 9.

* 本欄金額未計及應用香港財務報告準則第9號所作出的調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued)

The following tables summarise the impacts of applying HKFRS 15 on consolidated statement of financial position as at 30 June 2019 and its consolidated statement of cash flows for the year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 香港財務報告準則第15號客戶合約收益(續)

下表就受影響之各項目概述應用香港財務報告準則第15號對於2019年6月30日的綜合財務狀況表及其年內綜合現金流量表之影響。未有受變動影響的項目並無包括在內。

對綜合財務狀況表的影響

			As reported	Adjustments	Amounts without application of HKFRS 15
		Note	如呈報 HK\$'000 港幣千元	調整 HK\$'000 港幣千元	未應用香港財務報告準則第15號 之金額 HK\$'000 港幣千元
Current liabilities	流動負債				
Receipts in advance	預收款項	28	-	46,562	46,562
Contract liabilities	合約負債	28	46,562	(46,562)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

2.1 HKFRS 15 Revenue from Contracts with Customers (Continued) Impact on the consolidated statement of cash flows

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.1 香港財務報告準則第15號客戶合約收益(續) 對綜合現金流量表的影響

		As reported	Adjustments	Amounts without application of HKFRS 15
		如呈報	調整	未應用香港財務報告準則第15號之金額
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Operating activities	經營活動			
Decrease in receipts in advance	預收款項減少	-	(132,328)	(132,328)
Decrease in contract liabilities	合約負債減少	(132,328)	132,328	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.2 HKFRS 9 *Financial Instruments*

In the current year, the Group has applied HKFRS 9 *Financial Instruments*, and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 July 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018. The difference between carrying amounts as at 30 June 2018 and the carrying amounts as at 1 July 2018, if any, are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*. Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號金融工具

本集團於本年度應用香港財務報告準則第9號金融工具及其他香港財務報告準則之相關後續修訂。香港財務報告準則第9號為以下各項引入新規定：(1)金融資產及金融負債之分類及計量，(2)金融資產之預期信貸虧損(「預期信貸虧損」)及(3)一般對沖會計處理。

本集團根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對於2018年7月1日(首次應用日期)未終止確認之金融工具回溯應用分類及計量規定(包括預期信貸虧損模型下之減值)，而對於2018年7月1日已終止確認之工具則不應用有關規定。賬面值於2018年6月30日及2018年7月1日之差額(如有)乃於期初累計虧損及權益之其他部分確認，不重列比較資料。

因此，由於比較資料乃根據香港會計準則第39號金融工具：確認及計量編製，若干比較資料或不具可比性。應用香港財務報告準則第9號產生之會計政策乃於附註3披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.2 HKFRS 9 Financial Instruments (Continued)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 July 2018.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號金融工具(續)

首次應用香港財務報告準則第9號之影響概要

下表說明於初始應用日期2018年7月1日根據香港財務報告準則第9號及香港會計準則第39號受預期信貸虧損規限的金融資產之分類及計量(包括減值)。

	Closing balance at 30 June 2018 under HKAS 39 根據香港會計 準則第39號 於2018年6月30日 的期末結餘 HK\$'000 港幣千元 (audited) (經審核)	Reclassification under HKFRS 9 根據香港財務 報告準則 第9號重新分類 HK\$'000 港幣千元	Opening balance at 1 July 2018 under HKFRS 9 根據香港財務 報告準則第9號 於2018年7月1日 的期初結餘 HK\$'000 港幣千元 (restated) (經重列)
Current assets			
流動資產			
Available-for-sale (“AFS”) investment	1,320	(1,320)	-
Financial assets at fair value through profit or loss (“FVTPL”)	-	1,320	1,320
可供出售(「可供出售」)投資			
按公平值於損益入賬(「按公平值於損益入賬」)之金融資產			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.2 HKFRS 9 *Financial Instruments* (Continued)

Classification of AFS investment

From AFS investment to financial assets at FVTPL

At the date of initial application of HKFRS 9, the Group's debt investment of HK\$1,320,000, which was previously measured at cost less impairment, was reclassified from AFS investment to financial assets at FVTPL.

Impairment under ECL model

The Group applied the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. To measure the ECL, except for those trade receivables have been assessed individually with significant outstanding balances, the remaining balances are grouped based on shared credit risk characteristics. The Group has therefore concluded that the expected loss rates for the trade receivables are reasonable.

Loss allowances for other financial assets at amortised cost mainly comprise of other receivables, amounts due from related companies, pledged bank deposits and bank balances, are measured on 12-month ECL (“12m ECL”) basis and there had been no significant increase in credit risk since initial recognition.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號金融工具(續)

可供出售投資的分類

自可供出售投資至按公平值於損益入賬之金融資產

於初次應用香港財務報告準則第9號之日，本集團先前按成本減減值計量之債務投資港幣1,320,000元已自可供出售投資重新分類至按公平值於損益入賬之金融資產。

預期信貸虧損模式項下之減值

本集團應用香港財務報告準則第9號之簡化方法計量預期信貸虧損，就貿易應收款項使用全期預期信貸虧損。為計量預期信貸虧損，除該等已個別評估並具有大額未償還結餘之貿易應收款項外，餘額已按共同信貸風險特性進行組合。因此，本集團已得出貿易應收款項之預期虧損率乃屬合理之結論。

按攤銷成本計量之其他金融資產(主要包括其他應收款項、應收關聯公司款項、已抵押銀行存款及銀行結餘)之虧損撥備乃按12個月預期信貸虧損(「12個月預期信貸虧損」)基準計量，且自初次確認時起信貸風險並無顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.2 HKFRS 9 *Financial Instruments* (Continued)

Impairment under ECL model (Continued)

As at 1 July 2018, no additional credit loss allowance has been recognised against accumulated losses as the amounts involved are insignificant.

Except as described above, the application of HKFRS 9 has had no material impact on the amounts reported set out in these consolidated financial statements.

2.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group’s accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.2 香港財務報告準則第9號金融工具(續)

預期信貸虧損模式項下之減值(續)

於2018年7月1日，由於所涉金額微不足道，故概無就累計虧損已確認任何額外信貸虧損撥備。

除上文所述之外，應用香港財務報告準則第9號對此等綜合財務報表中的金額並無重大影響。

2.3 應用所有新訂準則對期初綜合財務狀況表之影響

由於本集團上述會計政策之變動，期初綜合財務狀況表須予以重列。下表列示就各受影響的項目確認之調整。未有受變動影響的項目並無包括在內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

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

(Continued)

2.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards (Continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效的新訂及經修訂香港財務報告準則(續)

2.3 應用所有新訂準則對期初綜合財務狀況表之影響(續)

		30 June 2018	Impact on adoption of HKFRS 15	Impact on adoption of HKFRS 9	1 July 2018
		2018年 6月30日	採納香港 財務報告 準則第15號 的影響	採納香港 財務報告 準則第9號 的影響	2018年 7月1日
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
		(audited)			(restated)
		(經審核)			(經重列)
Current assets	流動資產				
AFS investment	可供出售投資	1,320	-	(1,320)	-
Financial assets at FVTPL	按公平值於損益入賬之金融資產	-	-	1,320	1,320
Current liabilities	流動負債				
Receipts in advance	預收款項	154,663	(154,663)	-	-
Contract liabilities	合同負債	-	154,663	-	154,663

Note: For the purposes of reporting cash flows from operating activities under indirect method for the year ended 30 June 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 July 2018 as disclosed above.

附註：就根據間接方法呈報截至2019年6月30日止年度之經營業務所得現金流量而言，已根據上文所披露於2018年7月1日之期初綜合財務狀況表計算營運資金變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

New and amendments to HKFRSs and new interpretation issued but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則及新訂詮釋

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則及新訂詮釋：

香港財務報告準則第16號	租賃 ¹
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) – 詮釋第23號	所得稅處理的不確定性 ¹
香港財務報告準則第3號(修訂本)	業務的定義 ⁴
香港財務報告準則第9號(修訂本)	提早還款特性及負補償 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ²
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性之定義 ⁵
香港會計準則第19號(修訂本)	計劃修訂、削減或結算 ¹
香港會計準則第28號(修訂本)	聯營公司及合營企業之長期權益 ¹
香港財務報告準則(修訂本)	香港財務報告準則2015至2017週期的年度改進 ¹

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

New and amendments to HKFRSs and new interpretation issued but not yet effective

(Continued)

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after a date to be determined
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- 5 Effective for annual periods beginning on or after 1 January 2020

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

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. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則及新訂詮釋(續)

- 1 於2019年1月1日或以後開始的年度期間生效
- 2 於將釐定日期或以後開始的年度期間生效
- 3 於2021年1月1日或以後開始的年度期間生效
- 4 於2020年1月1日或之後開始的首個年度期間或之後開始之業務合併及資產收購的收購日期生效
- 5 於2020年1月1日或以後開始的年度期間生效

除下文所述之新訂及經修訂香港財務報告準則外，董事預計，應用所有其他新訂及經修訂香港財務報告準則及新訂詮釋將不會於可見未來對綜合財務報表產生任何重大影響。

香港財務報告準則第16號租賃

香港財務報告準則第16號為租賃安排的識別以及出租人與承租人的會計處理引入一套全面模式。香港財務報告準則第16號於生效日期起將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。此外，香港財務報告準則第16號規定售後租回交易須根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修訂的規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

New and amendments to HKFRSs and new interpretation issued but not yet effective

(Continued)

HKFRS 16 *Leases* (Continued)

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則及新訂詮釋(續)

香港財務報告準則第16號租賃(續)

除短期租賃及低值資產的租賃外，經營租賃及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式所取代。

使用權資產初步按成本計量，其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就任何重新計量的租賃負債作出調整。租賃負債初步按租賃付款(非當日支付)的現值計量。隨後，租賃負債就(其中包括)利息及租賃付款以及租賃修訂的影響作出調整。就現金流量之分類而言，本集團目前將經營租賃付款呈列為經營現金流量。於應用香港財務報告準則第16號後，本集團將有關租賃負債之租賃付款分配至將呈列為融資現金流量之本金及利息部分，提前預付租賃付款將繼續按照未來適用的形式呈列為投資或經營現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

New and amendments to HKFRSs and new interpretation issued but not yet effective

(Continued)

HKFRS 16 *Leases* (Continued)

Other than certain requirements which are also applicable to lessor, 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.

As at 30 June 2019, the Group has non-cancellable operating lease commitments of HK\$1,166,279,000 as disclosed in note 40. 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.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則及新訂詮釋(續)

香港財務報告準則第16號租賃(續)

除若干亦適用於出租人的規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定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號要求較廣泛的披露資料。

誠如附註40所披露，於2019年6月30日，本集團擁有不可撤銷的經營租賃承擔港幣1,166,279,000元。初步評估顯示該等安排將符合租賃的定義。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對應負債，惟其符合低值或短期租賃則另作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

New and amendments to HKFRSs and new interpretation issued but not yet effective

(Continued)

HKFRS 16 *Leases* (Continued)

In addition, the Group currently considers refundable rental deposits paid of HK\$49,521,000 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. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group elects the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elects the modified retrospective approach for the application of HKFRS 16 as lessee and recognises the cumulative effect of initial application to opening accumulated losses without restating comparative information.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則及新訂詮釋(續)

香港財務報告準則第16號租賃(續)

此外，本集團現時將已支付的可退還租賃按金港幣49,521,000元視為適用於香港會計準則第17號的租賃權利及責任。根據香港財務報告準則第16號租賃付款的定義，該等存款並非與相關資產使用權有關的付款，因此，該等存款的賬面值可能會調整為攤銷成本。已支付的可退還租賃按金的調整將被視為額外租賃付款，並計入使用權資產的賬面金額。已收取的可退還租賃按金的調整將被視為預付租賃付款。

應用新規定或會導致上述計量、呈列及披露的變動。本集團擬選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團(作為承租人)擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初累計虧損的累計影響，而並無重列比較資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

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

New and amendments to HKFRSs and new interpretation issued but not yet effective

(Continued)

Amendments to HKFRS 3 *Definition of a Business*

The amendments clarify the definition of a business and provide additional guidance with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. Furthermore, an optional concentration test is introduced to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The amendments will be mandatorily effective to the Group prospectively for acquisition transactions completed on or after 1 July 2020.

Amendments to HKAS 1 and HKAS 8 *Definition of Material*

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 July 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則及新訂詮釋(續)

香港財務報告準則第3號(修訂本)業務之定義

該等修訂澄清業務之定義，並為協助實體確定交易是否應以業務合併或資產收購列賬提供額外指引。此外，亦引入可選擇的集中度測試，以簡化對收購的一組活動及資產是否並非業務的評估。就2020年7月1日或之後完成的收購交易而言，該等修訂按預期基準將對本集團強制生效。

香港會計準則第1號及香港會計準則第8號(修訂本)重大性之定義

該等修訂透過在作出重大性判斷時加入額外指引及解釋，對重大性之定義進行細微改進。該等修訂亦符合所有香港財務報告準則之定義，並將於2020年7月1日開始之本集團年度期間強制生效。預期該等修訂之應用不會對本集團之財務狀況及表現產生重大影響，但可能會影響綜合財務報表的呈列及披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

3. 重大會計政策

綜合財務報表已按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定的適用披露。

於各報告期末，誠如下文載列之會計政策內闡述，除若干金融工具以公平值計量外，綜合財務報表乃按歷史成本基準編製。

歷史成本通常按交換貨品時所付代價的公平值計算。

公平值為市場參與者於計量日期在有序交易中出售一項資產可能收取或轉讓一項負債可能支付之價格，不論該價格是否直接可觀察或使用其他估值方法作出估計。估計資產或負債之公平值時，本集團考慮了市場參與者於計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量及／或披露之公平值均在此基礎上予以確定，惟香港財務報告準則第2號以股份為基礎付款範圍內之以股份為基礎付款的交易、香港會計準則第17號範圍內之租賃交易以及與公平值相似但並非公平值之計量（例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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

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

The principal accounting policies are set out below.

3. 重大會計政策(續)

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

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

主要會計政策載列如下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation

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

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

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

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. 重大會計政策(續)

綜合基準

綜合財務報表包括本公司及本公司控制之實體及其附屬公司之財務報表。倘屬以下情況，則本公司取得控制權：

- 對投資對象行使權力；
- 因參與投資對象的業務而獲得或有權獲得可變回報；及
- 有能力行使其權力影響其回報。

倘事實及情況表明以上所列控制權三個要素的一個或多個有所變動時，本集團重估其是否控制投資對象。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於本年度內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

本公司擁有人及非控股權益應佔損益及其他全面收入各項目。本公司擁有人及非控股權益應佔附屬公司之全面收入總額，即使由此引致非控股權益結餘為負數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

3. 重大會計政策 (續)

綜合基準 (續)

附屬公司的財務報表於必要時會作出調整，以使其所採用的會計政策與本集團採用者一致。

所有集團內與本集團成員公司之間的交易有關的資產及負債、權益、收入、開支及現金流量均於綜合入賬時悉數對銷。

附屬公司非控股權益與本集團權益分開呈列，有關權益指賦予其持有人權利於清盤時按比例分佔有關附屬公司資產淨值之現時擁有權權益。

本集團於現有附屬公司的所有權益變動

當本集團失去對一個附屬公司之控制權，該附屬公司之資產及負債以及非控股權益(如有)會終止確認。收益或虧損於損益內確認，並計作下列二者之差額 (i)已收代價公平值和任何保留權益公平值的總和與(ii)本公司擁有人應佔附屬公司資產(包括商譽)及負債之賬面值。就該附屬公司過往於其他綜合收益確認的所有款項均按猶如本集團已直接出售該附屬公司相關資產或負債(即重新分類至損益或轉至適用香港財務報告準則所規定/允許的另一權益類別)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

3. 重大會計政策(續)

業務合併

收購業務採用收購法入賬。業務合併所轉撥的代價按公平值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人欠付的負債及本集團為交換對被收購方的控制權而發行的權益於收購日期的公平值總額。收購相關成本通常於產生時於損益內確認。

於收購日期，所收購可識別資產及所承擔負債按公平值確認，惟下列者除外：

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債，分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方的以股份付款安排或本集團為取代被收購方的以股份付款安排所訂立的以股份付款安排有關的負債或股本工具，於收購日期根據香港財務報告準則第2號計量(見下文會計政策)；及
- 根據香港財務報告準則第5號*持作出售的非流動資產及已終止經營業務*分類為持作出售的資產(或出售組合)根據該項準則計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

Goodwill

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

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

3. 重大會計政策(續)

業務合併(續)

商譽是以所轉撥的代價、於被收購方的非控股權益金額及收購方以往持有被收購方權益的公平值(如有)的總和，減所收購可識別資產及所承擔負債於收購日期的淨額後，所超出的差額計量。若重估後所收購可識別資產與所承擔負債淨額高於轉撥的代價、於被收購方的非控股權益金額及收購方以往持有被收購方權益的公平值(如有)的總和，則差額即時於損益內確認為議價收購收益。

屬現時擁有的權益且於清盤時讓持有人有權按比例分佔有關附屬公司淨資產的非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。

商譽

因收購業務所產生之商譽按於收購業務日期(參閱上述會計政策)所確定之成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽會分配至預期可從合併之協同效益得益之本集團現金產生單位(或現金產生單位組別)，即就內部管理而言按最低級別監控商譽及不大於營運分部。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill (Continued)

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

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

3. 重大會計政策(續)

商譽(續)

獲分配商譽之現金產生單位(或現金產生單位組別)會每年進行減值測試，或於有跡象顯示該單位可能出現減值時則以更高頻率進行減值測試。就於報告期因收購產生之商譽而言，獲分配商譽之現金產生單位(或現金產生單位組別)會於該報告期末前進行減值測試。倘可收回金額少於其賬面值，則減值虧損會先用作減低任何商譽之賬面值，其後則根據該單位(或現金產生單位組別)內各項資產賬面值按比例分配至其他資產。

於出售有關現金產生單位或現金產生單位組別在內的任何現金產生單位時，須計入商譽應佔金額以釐定出售的利潤或虧損金額。當本集團出售現金產生單位(或現金產生單位組別在內的現金產生單位)內的業務時，所出售的商譽金額按所出售業務(或現金產生單位)與所保留的現金產生單位(或現金產生單位組別)部分的相對價值計量。

本集團對於因收購一間聯營公司及一間合營企業產生的商譽的政策載於下文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and a joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint venture used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. 重大會計政策(續)

於聯營公司及一間合營企業的投資

聯營公司乃指本集團對其具有重大影響力的一個實體。重大影響力指有能力參與被投資者財務及營運的政策決定，但不能控制或共同控制該等政策。

合營企業指一項共同安排，對安排擁有共同控制權之訂約方據此對合營安排資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有之控制，共同控制僅在相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

聯營公司及一間合營企業的業績及資產及負債，均以權益會計法合併入該等綜合財務報表內。用於權益會計法之聯營公司及一間合營企業財務報表乃採用與本集團在類似交易及相若情況下事項所採用的統一會計政策編製。根據權益法，於一間聯營公司或合營企業的投資均按成本值於綜合財務狀況表內首次確認及隨後予以調整，以確認本集團應佔聯營公司或合營企業損益及其他全面收益。當本集團應佔聯營公司或一間合營企業的虧損超逾其於該聯營公司或合營企業的權益(包括(實際上)組成一部分本集團應佔聯營公司或合營企業投資淨額的任何長期權益)時，則本集團不再確認其應佔的進一步虧損。當本集團已產生法律或推定責任或代表該聯營公司或合營企業支付款項，則額外虧損僅以此為限予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in associates and a joint venture (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

3. 重大會計政策(續)

於聯營公司及一間合營企業的投資(續)

於一間聯營公司或合營企業的投資自被投資者成為一間聯營公司或合營企業之日起計採用權益法入賬。於收購聯營公司或合營企業的投資時，投資成本超過本集團分佔該被投資者可識別資產及負債的公平值淨值的任何部分確認為商譽，並計入投資的賬面值。於投資被收購期間，本集團分佔可識別資產及負債的公平值淨值超過投資成本的任何部分在重新估值後即時於損益內確認。

本集團會評估是否存在客觀證據證明於一間聯營公司或合營企業的權益將會減值。於存在客觀證據時，投資的全部賬面值(包括商譽)將會根據香港會計準則第36號資產減值作為單一資產進行減值測試，方法為將其可收回金額(以使用價值與公平值減去出售成本的較高者為準)與其賬面值作比較，而已確認的任何減值虧損屬於該投資賬面值的一部分。減值虧損的任何撥回根據香港會計準則第36號確認，惟以該投資其後所增加的可收回金額為限。

倘集團實體與本集團之聯營公司或合營企業進行交易，則僅於交易所產生的溢利及虧損與本集團於聯營公司或合營企業的權益無關時，方於本集團的綜合財務報表確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

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.

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.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

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

3. 重大會計政策(續)

持作出售之非流動資產

倘非流動資產及出售組別之賬面值主要透過出售交易而非透過持續使用而收回，則其歸類為持作出售資產。僅在出售的可能性極高，且非流動資產(或出售組別)按其現況可直接出售(僅受出售有關資產(或出售組別)之一般及慣用條款規限)，方符合所述條件。管理層須致力進行出售，且預計在歸類日期起計一年內合資格確認為已完成出售。

當本集團已致力一項出售計劃並涉及失去一附屬公司之控制權，倘上述標準符合，該附屬公司之所有資產及負債均被歸類為持作出售，不論於出售後本集團是否於其前附屬公司保留非控制權益。

歸類為持作出售之非流動資產(或出售組別)按資產原先之賬面值或公平值扣除出售成本之較低者計量。

與客戶合約之收益(於根據附註2之過渡條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於達成履約責任時，即當特定的履約責任涉及貨品或服務的「控制權」轉移至客戶時(或按此)確認收益。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

(Continued)

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

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

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. 重大會計政策(續)

與客戶合約之收益(於根據附 註2之過渡條文應用香港財務 報告準則第15號後)(續)

倘符合以下其中一項條件而控制權隨時間轉移，則可參考完成相關履約責任的進度而按時間確認收益：

- 客戶於本集團履約時同時收取及享用本集團履約所提供之利益；
- 於本集團履約時，本集團之履約創建及增強客戶控制的資產；或
- 本集團之履約未能創建對本集團具有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收益會在當客戶獲得明確貨品或服務的控制權時在某一時間點確認。

合約負債指本集團因已向客戶收取代價(或已到期收取代價)而須向客戶轉讓貨品或服務的責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

(Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Revenue recognition (prior to 1 July 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Income from the distribution of own produced films is recognised when the production is completed, the film has been released and distributed to the cinema circuit and the amount can be measured reliably, which is generally when the cinema circuit confirms to the Group its share of box office receipts.

Income from the licensing of the distribution rights over films 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 delivery of the film negatives to the customers.

3. 重大會計政策(續)

與客戶合約之收益(於根據附 註2之過渡條文應用香港財務 報告準則第15號後)(續)

隨時間確認收益：計量完成履約 責任的進度

輸入法

完成履約責任的進度乃根據輸入法計量，即根據本集團為履行履約責任所作付出或投入(相對預期對履行有關履約責任的總投入)確認收益，有關方法最能反映本集團於轉移貨品或服務控制權時的履約情況。

收益確認(於2018年7月1日 前)

收益按已收或應收代價的公平值計量。收益已就估計客戶退貨、回扣及其他類似撥備作出減扣。

當收益金額能可靠計量、未來經濟利益可能流入本集團及已達成下文所述本集團各項活動的特定標準時，則確認收益。

銷售貨物的收益於交付貨物及移交所有權時確認。

自製電影發行收入於製作完成，電影已向電影院線放映及發行及金額可可靠計量(一般於電影院線向本集團確認其應佔的票房收入時能可靠計量)時確認。

電影發行權使用許可收入於本集團收取有關付款的權利已確立(通常於電影菲林底片交付予客戶後確立，惟受有關協議條款所限)時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition (prior to 1 July 2018)

(Continued)

Amounts received for the distribution rights over films before completion and delivery of production are accounted for as receipts in advance.

Income from box office takings for film exhibition is recognised upon the sale of tickets and when the film is released.

Income from advertising service is recognised upon the provision of the services. Service income is recognised when services are provided.

Income from the screen advertising is recognised when relevant advertisements and programmes are exhibited pursuant to the terms of the relevant agreements.

Income from post-production service is recognised upon the provision of the services. Services income is recognised when services are provided.

Membership income is recognised on a straight-line basis over the membership period.

Income from investments in film/drama production is recognised when the Group's entitlement to such payments has been established which, subject to the terms of the relevant agreements.

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

3. 重大會計政策(續)

收益確認(於2018年7月1日前)(續)

製作完成及交付前，就電影發行權已收的款項入賬為預收款項。

電影放映票房收入於門票銷售後及電影上映時確認。

廣告服務收入於提供服務後確認。服務收入於提供服務時確認。

銀幕廣告收入於相關廣告及計劃按照相關協議的條款展示時確認。

後期製作服務收入於提供服務後確認。服務收入於提供服務時確認。

會員收入乃按直線基準於會籍期內確認。

投資電影／戲劇製作的收入於確立本集團收取該等費用之權利時(受相關協議條款規限)確認。

利息收入參考未償還本金及適用實際利率(即於初步確認時將財務資產於預期年期之估計未來現金收入準確貼現至該資產賬面淨值之利率)以時間比例基準計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period 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.

Foreign currencies

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

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

3. 重大會計政策(續)

租賃

凡租賃條款將所有權的絕大部分風險及回報轉移至承租人的租賃，均列作融資租賃。所有其他租賃則列作經營租賃。

本集團作為承租人

經營租賃付款按直線法於租期內確認為一項開支。經營租賃項下產生的或然租金乃於產生期間確認為開支。

倘為訂立經營租賃而取得租賃獎勵，則該等獎勵確認為負債。獎勵利益總額按直線法確認為租金開支減少，除非另有一系統合理的方法更能代表使用者從租賃資產中獲取的經濟利益消耗的時間形態。

外幣

於編製各集團實體的財務報表時，以非該實體功能貨幣(外幣)進行的交易須按交易當日的適用匯率確認。於報告期末，以外幣計值的貨幣項目均按當日的適用匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目則毋須重新換算。

因結算及重新換算貨幣項目而產生的匯兌差額均於產生期間於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

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

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

3. 重大會計政策(續)

外幣(續)

為呈列綜合財務報表，本集團業務的資產及負債按各報告期末的適用匯率換算成本集團的呈列貨幣(即港幣)，而收支項目則按期內平均匯率換算。所產生匯兌差額(如有)於其他全面收益確認並於匯兌儲備項下的權益(歸於非控股權益，倘適用)累計。

因於2005年1月1日或之後收購海外業務而產生的所購入可識別資產的商譽及公平值調整已按作為該海外業務的資產及負債處理，並按於各報告期末現行的匯率換算。產生的匯兌差額於其他全面收益確認。

借款成本

收購、建造或生產合資格資產(即需要一段長時間才可作擬定用途或出售的資產)直接應佔的借款成本，加入該等資產的成本，直至資產大致上可作擬定用途或出售之時為止。

所有其他借款成本於產生期間於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Government grants

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

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

Retirement benefit costs

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

Short-term employee benefits

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

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

3. 重大會計政策(續)

政府補貼

政府補貼僅於有合理保證本集團將符合該補貼的附帶條件且將收取該補貼時，方予確認。

作為已產生開支或虧損的應收政府補貼或就給予本集團即時財務資助而未來無相關成本的政府補貼，於成為應收款項的期間於損益內確認。

退休福利成本

向國家管理退休福利計劃及強制性公積金計劃作出的付款於僱員提供服務而有權享有供款時確認。

短期僱員福利

短期僱員福利按預期將因及當僱員提供有關服務時而支付的未貼現福利金額確認。所有短期僱員福利均確認為開支，惟香港財務報告準則另有規定或允許於資產成本納入福利者則除外。

負債乃就僱員的應計福利(如工資及薪金、年假及病假)扣除任何已付金額後而確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to accumulated losses. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

3. 重大會計政策(續)

以股份為基礎的付款安排

以權益結算以股份為基礎付款的交易

授予僱員的購股權

向僱員及其他提供類似服務的人士作出的以權益結算以股份為基礎的付款乃於授出日期按權益工具的公平值計量。

以權益結算以股份為基礎的付款按授出日期釐定的公平值(並無計及所有非市場歸屬條件),乃根據本集團對最終將歸屬的權益工具的估計,於歸屬期內以直線法支銷,而權益(購股權儲備)會相應增加。於各報告期末,本集團基於對所有相關非市場歸屬條件的評估修訂預期歸屬的權益工具數目的估計。修訂原先估計的影響(如有)於損益中確認,以便累計開支反映修訂估計,並對以購股權儲備作出相應調整。

當購股權獲行使時,先前於購股權儲備中確認的款項將轉撥至保留盈利。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使,先前於購股權儲備中確認的款項將轉撥至累計虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

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

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

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

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

3. 重大會計政策(續)

稅項

所得稅開支指即期應付稅項與遞延稅項的總和。

即期應付稅項乃根據年內的應課稅溢利計算。應課稅溢利因其他年度的應課稅或可扣稅收支及毋須課稅或不可扣減項而有別於綜合損益及其他全面收益表所報「除稅前溢利」。本集團的即期稅項乃採用於報告期末已頒佈或實質上已頒佈的稅率計算。

遞延稅項按綜合財務報表內資產及負債賬面值與計算應課稅溢利時採用的相應稅基之間的暫時差額確認。所有應課稅暫時差額一般均確認為遞延稅項負債，而倘可能出現應課稅溢利可用作抵銷可扣減暫時差額，則所有可扣減暫時差額一般確認為遞延稅項資產。若因初始確認一項交易的資產與負債而產生並無影響應課稅溢利或會計溢利的暫時差額（不包括業務合併），則不會確認該等遞延稅項資產與負債。此外，倘暫時差額因初步確認商譽而產生，則不確認遞延稅項負債。

遞延稅項負債按與於附屬公司及聯營公司投資以及於合營企業權益相關的應課稅暫時差額確認，惟本集團能夠控制暫時差額撥回且在可預見將來可能不會撥回有關暫時差額除外。與該等投資及利息相關的可扣減暫時差額所產生的遞延稅項資產，僅於有足夠應課稅溢利可動用暫時差額的利益且預期暫時差額會於可預見將來撥回時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. 重大會計政策(續)

稅項(續)

於各報告期末均會檢討遞延稅項資產的賬面值，並扣減至不可能再有足夠應課稅溢利以收回全部或部分資產為止。

遞延稅項資產及負債基於報告期末已頒佈或實質上已頒佈的稅率(及稅法)按償還負債或變現資產期間的預期適用稅率計量。

遞延稅項負債及資產的計量反映本集團預期於報告期末收回或結算資產及負債賬面值的方式產生的稅務結果。

當有合法執行權利許可將現時稅項資產與現時稅項負債抵銷並涉及與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其現時稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項於損益確認，惟若與其他全面收益或直接於權益確認的項目相關者，則亦分別於其他全面收益或直接於權益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment

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

Construction in progress are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

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

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備(在建工程除外)以成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

在建工程按成本減任何已確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借款成本。有關在建工程於完工及作擬定用途時分類至物業、廠房及設備的適當類別。該等資產按與其他物業資產的相同基準於資產可作擬定用途時開始折舊。

折舊乃以直線法按估計可使用年期撇銷其資產(在建工程除外)成本減其剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討,而任何估計變動的影響按提前應用基準入賬。

物業、廠房及設備項目於出售時或預期持續使用該資產於日後將不會產生經濟利益時終止確認。因出售或報廢物業、廠房及設備項目所產生的任何收益或虧損,按有關資產的銷售所得款項與賬面值間的差額釐定,並於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Film and television rights and film and television series production in progress

Film and television rights are stated at cost less accumulated amortisation and accumulated impairment losses (if any). The Group amortises costs of film and television rights in the same ratio that current period actual revenue (numerator) bears to estimated total projected revenue (denominator). The Group begins amortisation of the capitalised costs of film and television rights when a film or television series is released and it begins to recognise revenue from that film.

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

Film and television series production in progress is stated at cost less any provision for impairment losses. Cost includes all costs associated with the production of films and television series including remuneration for the film and television series director, casts and production crew, costumes, insurance, makeup and hairdressing as well as rental of camera and lighting equipment. Film and television series production in progress is transferred to film and television rights when the film is released.

3. 重大會計政策(續)

電影及電視版權及製作中電影及電視劇

電影及電視版權按成本減累計攤銷及累計減值虧損(如有)列賬。本集團按當期實際收益(分子)較估計預測收益總額(分母)的相同比率攤銷電影及電視版權成本。電影或電視劇放映時，本集團開始電影及電視版權資本化成本的攤銷，並且本集團開始確認電影的收益。

本集團於各報告期末審閱及修訂預測收益總額及電影及電視版權製作成本總額的估計。倘修訂估計，本集團調整估計的該等變動產生期間的預測收益總額(分母)的金額以及重新計算電影及電視版權的攤銷比率。估計變動的影響提前確認。

製作中電影及電視劇按成本減任何減值虧損撥備列賬。成本包括所有與電影及電視劇製作相關的成本，包括電影及電視劇導演、演員及製作組薪酬、服裝、保險、化妝品及髮型設計以及攝影機及燈光設備租金。製作中電影及電視劇於電影上映後轉撥至電影及電視版權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Joint arrangements

Joint operations

When a group entity undertakes film production activities under joint venture arrangements (which do not involve the establishment of a corporate entity) and shares the ownership of the film rights upon completion of the production with other ventures, such film rights are classified as joint operation. The Group recognises its share of the joint operation and its share of liabilities incurred jointly with other ventures in the consolidated statement of financial position, classified according to their nature.

The Group recognises the income derived from the joint operation (in accordance with its revenue recognition policy set out above), together with its share of any expenses incurred in respect of its interest in the joint operation in its consolidated statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 重大會計政策(續)

合營安排

聯合經營

當集團實體根據合營企業安排(並不涉及成立公司實體)進行電影製作活動以及與其他合營方完成電影製作後分佔電影版權所有權時,該等電影版權分類為聯合經營。本集團確認其應佔聯合經營以及綜合財務狀況表中與其他合營方共同產生的負債(根據彼等的性質分類)。

本集團確認聯合經營產生的收入(根據上文載列的收益確認政策)以及其應佔綜合損益及其他全面收益表中聯合經營的權益所產生的任何開支。

無形資產

業務合併中收購之無形資產

業務合併中收購之無形資產與商譽分開確認及初步按其於收購日期之公平值(視為其成本)確認。

於初步確認後,業務合併中收購之具有有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損呈報,基準與單獨收購之無形資產相同。業務合併中收購之具無限可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

無形資產於出售時或預期無法通過其使用或出售獲得未來經濟收益時終止確認。終止確認無形資產所產生之收益及虧損按該資產之出售所得款項淨額與賬面值間之差額計量,並於終止確認該資產時在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

3. 重大會計政策(續)

有形及無形資產減值(不包括商譽, 參閱上述與商譽有關的會計政策)

於報告期末, 本集團檢討其有限可使用年期有形及無形資產之賬面值以決定是否有任何顯示該等資產受到減值虧損。如出現任何該等顯示, 則應估計該資產之可回收金額以釐定其減值虧損(如有)程度。無特定使用年期的無形資產及尚未可用的無形資產至少每年及每當有跡象顯示可能減值時進行減值測試。

有形及無形資產的可收回金額乃個別估計, 倘無法個別估計資產之可收回金額, 則本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及一致之分配基準, 則企業資產亦會分配至個別現金產生單位, 或分配至可按合理及一致分配基準識別之最小組別現金產生單位。

可收回金額為公平值減銷售成本與使用價值兩者中之較高值。於評估使用價值時, 乃以反映目前市場對金錢時間價值及資產(或現金產生單位)於估計未來現金流量調整前之獨有風險之稅前貼現率將估計未來現金流量貼現至現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. 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 profit or loss.

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

Inventories

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

3. 重大會計政策(續)

有形及無形資產減值(不包括商譽, 參閱上述與商譽有關的會計政策)(續)

倘估計資產(或現金產生單位)之可收回金額少於其賬面值, 資產(或現金產生單位)之賬面值下調至其可收回金額。於分配減值虧損時, 則減值虧損將首先分配以調低任何商譽之賬面值(如適用), 其後根據該單位內各資產之賬面值按比例分配至其他資產。資產的賬面值不會扣減至低於其公平值減出售成本(倘可計量)、其使用價值(倘可釐定)及零中的最高者。將另行分配至資產的減值虧損金額按比例分配至該單位的其他資產。減值虧損即時於損益確認。

倘減值虧損於其後撥回, 則該項資產(或現金產生單位)之賬面值會增加至其經修訂之估計可收回金額, 惟增加後之賬面值不得超出假設過往年度並無就該項資產(或現金產生單位)確認減值虧損時原應釐定之賬面值。減值虧損撥回即時於損益確認。

存貨

存貨按成本與可變現淨值兩者中的較低者列賬。存貨成本以先入先出法釐定。可變現淨值指存貨的估計售價減完成的全部估計成本及進行銷售的必要成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 July 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

3. 重大會計政策(續)

金融工具

當一個集團實體成為工具合約條文的訂約方時則確認金融資產及金融負債。金融資產之一切常規買賣均按交易日基準確認及終止確認。常規買賣指須根據市場規則或慣例確立之時間內交付資產之金融資產買賣。

金融資產及金融負債初始按公平值計量，惟產生自客戶合約之貿易應收款項(自2018年7月1日根據香港財務報告準則第15號初步計量)除外。收購或發行金融資產及金融負債(除透過損益以公平值列賬之金融資產或金融負債外)直接應佔的交易成本於初始確認時加入金融資產或金融負債的公平值，或從金融資產或金融負債的公平值扣除(如適用)。收購透過損益以公平值列賬之金融資產或金融負債直接應佔交易成本即時於損益中確認。

實際利率法為一種計算金融資產或金融負債的攤銷成本及於有關期間內分攤利息收入及利息開支的方法。實際利率乃於初步確認時透過按金融資產或金融負債預計年期或較短期間(如適用)將估計未來現金收入及支出(包括所支付或收取構成整體實際利率的所有費用及貼息、交易成本及其他溢價或折扣)精確貼現至賬面淨值的利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (the "FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

3. 重大會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量(於根據附註2之過渡條文應用香港財務報告準則第9號後)

符合下列條件的金融資產其後按攤銷成本計量：

- 該金融資產乃於旨在收取合約現金流量之業務模式內所持有；及
- 合約條款於指定日期產生之現金流量僅為本金及尚未償還本金之利息付款。

符合下列條件的金融資產其後按公平值計入其他全面收入(「按公平值計入其他全面收入」)計量：

- 該金融資產乃於透過同時收取合約現金流量及出售而達致目的之業務模式內持有；及
- 合約條款於指定日期產生之現金流量僅為本金及尚未償還本金之利息付款。

所有其他金融資產其後按公平值計入損益計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(i) 攤銷成本及利息收入

就其後按攤銷成本計量之金融資產以實際利率法確認利息收入。除其後出現信貸減值之金融資產(見下文)外，利息收入乃透過就金融資產總賬面值應用實際利率計算。就其後出現信貸減值之金融資產而言，利息收入乃透過自下個報告期起就金融資產攤銷成本應用實際利率確認。如信貸減值金融工具之信貸風險改善以致金融資產不再出現信貸減值，則利息收入自釐定資產不再出現信貸減值後之報告期初起就金融資產之總賬面值應用實際利率確認。

(ii) 按公平值計入損益之金融資產

不符合按攤銷成本或按公平值計入其他全面收入計量或指定為按公平值計入其他全面收入標準之金融資產按公平值計入損益計量。

按公平值計入損益之金融資產於各報告期末按公平值計量，而任何公平值收益或虧損均於損益內確認。於損益內確認的淨收益或虧損不包括就金融資產賺取的任何股息或利息並包含在「其他收益及虧損」項目中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, amounts due from related companies, pledged bank deposits, and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)

本集團就須根據香港財務報告準則第9號計提減值的金融資產(包括應收貿易賬項及其他應收賬項、應收關連公司款項、已抵押銀行存款以及銀行結餘)、應收租賃款項及融資擔保合約的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初步確認以來信貸風險的變動。

全期預期信貸虧損指於相關工具預期年期內發生的所有可能違約事件所導致的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件所導致的部分全期預期信貸虧損。評估根據本集團過往信貸虧損經驗進行，並根據債務人的特定因素、整體經濟狀況以及於報告日期對當前狀況及未來狀況預測的評估而作出調整。

本集團始終就並無重大融資成分之貿易應收款項確認全期預期信貸虧損。對於結餘重大之應收款項進行個別評估及/或使用具有適當分組之提列矩陣而進行集體評估，得出該等資產之預期信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

就所有其他工具而言，本集團計量的虧損撥備相等於12個月預期信貸虧損，除非信貸風險自初步確認後顯著增加，則本集團會確認全期預期信貸虧損。有關應否確認全期預期信貸虧損的評估乃視乎自初步確認以來發生違約的可能性或風險有否顯著增加而進行。

(i) 信貸風險顯著增加

於評估自初步確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生的違約風險與初步確認日期金融工具發生的違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量及定性資料，包括無需付出不必要的成本或努力而可得的歷史經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加、債務人的信貸違約掉期價格；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(i) Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險顯著增加(續)

- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 導致債務人償還債務能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估的結果如何，本集團認為，當合約付款逾期超過30天，則自初步確認以來信貸風險已顯著增加，除非本集團有合理且可支持的資料證明則另作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

- (i) Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

- (i) 信貸風險顯著增加(續)

儘管存在上述情況，倘債務工具於報告日期被確定為具有低信貸風險，本集團假設債務工具的信貸風險自初步確認起並無大幅增加。倘(i)其違約風險偏低，(ii)借方有強大能力於短期滿足其合約現金流量責任，及(iii)較長期的經濟及業務狀況存在不利變動，惟將未必削弱借方達成其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為偏低。當債務工具的內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險偏低。

本集團定期監控就識別信貸風險有否顯著增加所用之標準之效益，並於適當情況下修訂有關標準，以確保該標準能在金額逾期前識別信貸風險之顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，當內部產生或獲取自外部來源的資料表明債務人不太可能向債權人(包括本集團)全數還款(不考慮本集團持有的任何抵押品)時，發生違約事件。

儘管有上文所述，本集團認為，當金融資產逾期超過90天時則發生違約，除非本集團有合理且可支持的資料證明更滯後的違約標準屬更合適。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(iii) 信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一項或多項違約事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- (a) 發行人或借款人陷入嚴重財務困難；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因，向借款人授予貸款人不會另行考慮的優惠；
- (d) 借款人可能破產或進行其他財務重組；或
- (e) 金融資產的活躍市場因財務困難而消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(iv) 撇銷政策

當有資料顯示交易對手有嚴重財務困難及收回款項不切實際時，例如，當交易對手進行清算或已進行破產程序時，本集團會撇銷金融資產。經考慮法律意見(如適用)後，根據本集團收回程序，已撇銷的金融資產可能仍面臨強制執行活動。撇銷構成終止確認事件。任何其後收回均於損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約虧損(即違約時虧損大小)及違約時風險敞口的函數。違約概率及違約虧損的評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的估計反映無偏頗及概率加權數額，其乃根據加權的相應違約風險釐定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額(按於初步確認時釐定之實際利率折現)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Continued)

(v) Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(於根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損的計量及確認(續)

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質；
- 逾期狀況；及
- 債務人的性質、規模及行業。

歸類工作由管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產的總賬面值計算，除非金融資產出現信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

本集團透過調整財務工具之賬面值而於損益中確認所有財務工具之減值收益或虧損，惟於虧損撥備賬中確認相應調整之貿易應收款項除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 July 2018)

Financial assets are classified into 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.

AFS financial assets

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

Debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of AFS revaluation reserve.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之分類及其後計量 (於2018年7月1日應用香港財務報告準則第9號前)

金融資產乃分類為可供出售金融資產及貸款與應收款項。分類視乎金融資產的性質及目的而定，於初始確認時予以釐定。所有透過正規途徑購買或銷售金融資產乃按買賣日期基準確認及終止確認。正規途徑購買或銷售乃要求於市場法規或慣例所設立的時間框架內交付資產的購買或銷售金融資產事宜。

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非分類為(a)貸款及應收款項，(b)持有至到期投資或(c)按公平值於損益入賬之金融資產的非衍生工具。

本集團所持之債務證券分類為可供出售金融資產，於各呈報期末按公平值計量。由實際利率法計算與利息收入有關之可供出售債務工具的賬面值之變動於損益確認。可供出售金融資產賬面值之其他變動於其他全面收益確認，並於可供出售重估儲備中累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

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 investments in film/drama production, trade and other receivables, amounts due from related companies, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

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

Impairment of financial assets (before application of HKFRS 9 on 1 July 2018)

Financial assets 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.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款的非衍生金融資產，該等資產於活躍市場上並無報價。於初始確認後，貸款及應收款項(包括電影／戲劇製作投資、貿易及其他應收款項、應收關聯公司款項、已抵押銀行存款以及銀行結餘及現金)乃使用實際利率法按攤銷成本減任何減值計量(有關金融資產減值虧損的會計政策載列於下文)。

利息收入採用實際利率確認，惟短期應收款項(確認利息微乎其微)除外。

金融資產減值(於2018年7月1日採納香港財務報告準則第9號前)

金融資產乃於各報告期末評估減值跡象。於有客觀證據證明，金融資產的估計未來現金流量因金融資產初步確認後發生之一宗或多宗事件而受到影響時，金融資產被視為減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 July 2018) (Continued)

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

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

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

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

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於2018年7月1日採納香港財務報告準則第9號前)(續)

就所有其他金融資產而言，客觀減值證據可包括：

- 發行商或對手方遇到重大財務困難；或
- 違反合約，如逾期或拖欠支付利息或本金；或
- 借款人有可能破產或進行財務重組。

應收款項組合的客觀減值證據可包括本集團的過往收款經驗、組合內超逾平均信貸期的延遲付款次數增加，以及與應收款項逾期有關的全國或地方經濟狀況的明顯改變。

就按攤銷成本列賬的金融資產而言，已確認減值虧損金額按該資產的賬面值與其按原先實際利率貼現的估計未來現金流量的現值之間的差額計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (before application of HKFRS 9 on 1 July 2018) (Continued)

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 profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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

For financial assets measured at amortised cost, if, in a subsequent period, the amount of 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 profit or loss 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.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於2018年7月1日採納香港財務報告準則第9號前)(續)

就按成本列賬的金融資產而言，減值虧損金額乃按資產賬面值與類似金融資產按現行市場回報率折現的估計未來現金流量現值間的差額計量。該項減值虧損不會於續後期間撥回。

就所有金融資產而言，金融資產的賬面值直接按減值虧損調減，惟貿易應收款項除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目的賬面值變動於損益內確認。倘貿易應收款項被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷的款項計入損益內。

當可供出售金融資產被視為減值時，之前於其他全面收益中確認之累計盈虧，將於期內重新分類至損益。

就按攤銷成本計量的金融資產而言，倘於往後期間減值虧損金額減少，且該減少可客觀地與減值確認後發生的事件有關，則先前確認的減值虧損透過損益撥回，惟該投資於撥回減值日期的賬面值不超過在並無確認減值的情況下應有的攤銷成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

終止確認金融資產

僅於資產現金流量的合約權利屆滿時，或其將金融資產及該資產擁有權的絕大部分風險及回報轉移予另一實體時，本集團方會終止確認金融資產。倘本集團並無轉讓及保留擁有權之絕大部分風險及回報，並繼續控制已轉讓之資產，則本集團會確認其於資產的保留權益及可能需要支付的相關負債款項。倘本集團保留所轉讓金融資產擁有權的絕大部分風險及回報，本集團會繼續確認該項金融資產，並亦確認已收所得款項為有抵押借款。

於終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價的總和之間的差額於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, loans from a related company, amounts due to related companies, amount due to a joint venture, bank and other borrowings, bonds payable and deposits received) are subsequently measured at amortised cost, using the effective interest method.

Financial liability at FVTPL

Financial liability is classified as at FVTPL when the financial liability is contingent consideration of an acquirer in a business combination to which HKFRS 3 applies.

Derecognition of financial liabilities

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

3. 重大會計政策 (續)

金融工具 (續)

金融負債及權益

分類為債務或權益

集團實體發行的債務及權益工具乃根據合約安排的實質與金融負債及權益工具的定義分類為金融負債或權益。

權益工具

權益工具為證明實體資產具有剩餘權益(經扣除其所有負債)的任何合約。本公司發行的權益工具按已收所得款項(扣除直接發行成本)確認。

按攤銷成本計量的金融負債

金融負債(包括貿易及其他應付款項、來自一間關聯公司之貸款、應付關聯公司款項、應付一間合營企業款項、銀行及其他借款、應付債券及已收按金)其後使用實際利息法按攤銷成本計量。

按公平值計入損益之金融負債

倘金融負債適用香港財務報告準則第3號的業務合併中收購方的或然代價，則金融負債分類為按公平值計入損益。

終止確認金融負債

本集團金融負債於且僅於本集團的責任獲解除、取消或屆滿時終止確認。終止確認的金融負債賬面值與已付及應付代價的差額於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

4. 估計不確定因素的主要來源

於應用附註3所述的本集團會計政策時，董事須就無法直接通過其他來源獲得的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於歷史經驗及視為相關的其他因素作出。實際結果可能與該等估計存在差異。

估計及相關假設乃按持續基準進行檢討。倘會計估計的修訂僅對修訂期間產生影響，則其修訂僅在估計修訂期間確認；或如會計估計的修訂對當期及未來期間均產生影響，則相關修訂在估計修訂期間及未來期間進行確認。

下文載列報告期末有關未來之關鍵假設以及估計不確定因素之其他主要來源，其可能存在導致對下一財政年度之資產賬面值作出重大調整的重大風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment loss on film and television rights and film and television series production in progress

Management of the Company (“Management”) regularly reviews the recoverability of the Group’s film and television rights and film and television series production in progress with reference to its intended use and current market environment. Appropriate impairment for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

In determining whether impairment on film and television rights and film and television series production in progress is required, the Group takes into consideration the distribution and license agreements entered into by the Group and the current market environment to project cash flows expected to be received through box office receipts and distribution and licensing income. Impairment loss is recognised in the period in which the recoverable amount is less than the carrying amount. The carrying amounts of film and television rights and film and television series production in progress as at 30 June 2019 are HK\$4,787,000 (2018: HK\$1,772,000) and HK\$134,203,000 (2018: HK\$140,058,000), respectively. An impairment loss of HK\$4,412,000 (2018: HK\$15,378,000) has been recognised in respect of film and television series production in progress for the year ended 30 June 2019. Details are set out in note 20.

4. 估計不確定因素的主要來源 (續)

電影及電視版權以及製作中電影及電視劇的估計減值虧損

本公司管理層(「管理層」)參考其擬定用途及現時市場環境，定期檢討本集團的電影及電視版權以及製作中電影及電視劇的可收回性。估計不可收回金額的適當減值於有客觀證據證明資產出現減值時於損益確認。

於釐定電影及電視版權以及製作中電影及電視劇是否需要作出減值時，本集團考慮本集團訂立的發行及發行權使用許可協議及目前的市場環境，以通過票房收入及發行以及發行權使用許可收入預測將收取的預期現金流量。減值虧損乃於可收回金額低於賬面值期間確認。於2019年6月30日，電影及電視版權以及製作中電影及電視劇的賬面值分別為港幣4,787,000元(2018年：港幣1,772,000元)及港幣134,203,000元(2018年：港幣140,058,000元)。截至2019年6月30日止年度，製作中電影及電視劇已確認減值虧損港幣4,412,000元(2018年：港幣15,378,000元)。詳情載於附註20。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash flows, a material impairment loss may arise. As at 30 June 2019, the carrying amount of goodwill is HK\$411,876,000 (2018: Nil). No impairment has been recognised on goodwill for the year ended 30 June 2019. Details of the recoverable amount calculation are disclosed in note 15.

Estimated impairment loss in interests in associates

The Group determines the recoverable amount of its interests in associates which is the higher of value in use and fair value less costs of disposal. The value in use is based on the estimations of future expected cash flows from the associates and a suitable discount rate, which is performed by independent professional valuer. The discount rate represents rate that reflects current market assessments of time value of money. Where the actual future cash flows are less than expected or there is a downward revision of future estimated cash flows due to unfavourable changes in facts and circumstances, a material impairment loss may arise. The carrying amount of interests in associates as at 30 June 2019 is HK\$8,418,000 (2018: HK\$28,114,000). An impairment loss of HK\$16,317,000 (2018: HK\$22,295,000) has been recognised in respect of interests in associates for the year ended 30 June 2019. Details of the recoverable amount calculation for interests in associates are set out in note 17.

4. 估計不確定因素的主要來源 (續)

商譽的減值評估

釐定商譽是否減值時須估計已獲分配商譽之現金產生單位之使用價值，即使用價值或公平值減出售成本兩者中的較高者。本集團計算使用價值時須就預期源自該現金產生單位的日後現金流量及合適的貼現率作出估計，以計算現值。若實際日後現金流量低於預期，或事實及情況出現變化以致未來現金向下修訂，則可能會產生重大減值虧損。於2019年6月30日，商譽賬面值為港幣411,876,000元(2018年：無)。截至2019年6月30日止年度並無確認商譽減值虧損。可收回金額計算之詳情於附註15披露。

於聯營公司權益的估計減值虧損

本集團釐定其於聯營公司權益的可收回金額為使用價值及公平值減出售成本之間的較高者。使用價值乃獨立專業估值師基於對來自聯營公司的未來預期現金流量的估計及合適的貼現率作出。貼現率指反映貨幣時間價值的當前市場評估。如實際未來現金流量少於預期，或未來估計現金流量因事實或情況之不利變動而被下調，則或會產生重大減值虧損。於2019年6月30日，於聯營公司權益的賬面值為港幣8,418,000元(2018年：港幣28,114,000元)。截至2019年6月30日止年度，已就於聯營公司權益確認減值虧損港幣16,317,000元(2018年：港幣22,295,000元)。有關於聯營公司權益可收回金額計算的詳情載於附註17。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Amortisation of film and television rights

The Group is required to estimate the projected revenue of the film and television rights based on their economic lives in order to ascertain the amount of amortisation charges for each reporting period. The appropriateness of the amortisation estimate requires the use of judgment and assumptions with reference to the prevailing and future market conditions to estimate total projected revenue over their economic lives. Changes in these estimates and assumptions could have a material effect on the amortisation charges. The carrying amount of the film and television rights as at 30 June 2019 is HK\$4,787,000 (2018: HK\$1,772,000). Details are set out in note 20.

Estimation of useful lives and impairment of property, plant and equipment

Management determines the estimated useful lives and depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the Management's experience of the actual useful lives of property, plant and equipment of similar nature and functions in the past. Management will accelerate the depreciation charge where the economic useful lives are shorter than previously estimated due to foreseeable removal or closure of factories and office premises. Actual economic useful lives may differ from estimated economic useful lives.

4. 估計不確定因素的主要來源 (續)

電影及電視版權攤銷

本集團須估計電影及電視版權於其經濟年期的預測收益，以確定各報告期的攤銷金額。適當的攤銷估計需要使用判斷及假設，並經參考當時及未來市場狀況以估計其經濟年期內的預測收益總額。此等估計及假設的變動或會對攤銷開支造成重大影響。於2019年6月30日，電影及電視版權的賬面值為港幣4,787,000元(2018年：港幣1,772,000元)。詳情載於附註20。

物業、廠房及設備的估計可使用年期及減值

於釐定物業、廠房及設備相關的折舊費用時，管理層釐定其估計可使用年期及折舊法。該估計乃基於管理層過往對具類似性質及功能的物業、廠房及設備實際可使用年期的經驗作出。由於工廠及辦公室物業的可預見拆除或倒閉導致經濟可使用年期短於先前估計時，管理層將加速折舊開支。實際經濟可使用年期可能有別於估計經濟可使用年期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimation of useful lives and impairment of property, plant and equipment (Continued)

In addition, the Management assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable. In determining whether impairment on property, plant and equipment is required, the Group determines the recoverable amount which is the higher of value in use and fair value less costs of disposal. The Management has made a number of key assumptions in the value in use calculation. The key assumptions include discount rate and the future expected cash flows based on Management's view of future business prospects and past performance of the Group. When the recoverable amounts of property, plant and equipment differ from the original estimates, impairment loss will be made and recognised in the period in which such event takes place. The carrying amount of property, plant and equipment as at 30 June 2019 is HK\$88,281,000 (2018: HK\$99,005,000). No impairment loss has been recognised for the year ended 30 June 2019. An impairment loss of HK\$40,579,000 had been recognised in respect of property, plant and equipment for the year ended 30 June 2018. Details are set out in note 14.

4. 估計不確定因素的主要來源 (續)

物業、廠房及設備的估計可使用年期及減值(續)

此外，當有事件或情況變化顯示物業、廠房及設備項目的賬面值可能無法收回時，管理層評估減值。於釐定物業、廠房及設備是否需要作出減值時，本集團釐定可收回金額為使用價值及公平值減出售成本之間的較高者。管理層已就使用價值的計算作出一系列主要假設。主要假設包括基於管理層對未來業務前景及本集團的過往表現作出的貼現率及未來預期現金流量。當物業、廠房及設備的可收回金額有別於原先預期，則將作出減值虧損並於其產生期間確認。於2019年6月30日，物業、廠房及設備的賬面值為港幣88,281,000元(2018年：港幣99,005,000元)。截至2019年6月30日止年度並無確認減值虧損。截至2018年6月30日止年度，已就物業、廠房及設備確認減值虧損港幣40,579,000元。詳情載於附註14。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

5. REVENUE

For the year ended 30 June 2019

Disaggregation of revenue from contracts with customers

		2019 2019年 HK\$'000 港幣千元
Film and TV series production, distribution and licensing income	電影及電視劇製作、發行及發行權使用許可收入	415,156
Film exhibition income	電影放映收入	243,590
Others	其他	9,384
Total	總計	668,130
Timing of revenue recognition	確認收益時間	
At a point in time	按某個時間點	643,272
Overtime	在一段時間內	24,858
Total	總計	668,130

The contracts for sales of goods and provision of services to external customers are short-term and the contract prices are fixed and agreed with the customers.

Performance obligations for contracts with customers

- a. Film and TV series production, distribution and licensing
 - i. Income from the distribution of own produced films, variety shows and TV series program are recognised when the production is completed, the films, variety shows and TV series program have been released and distributed to the cinema circuit and TV broadcast networks and the amounts can be measured reliably, which are generally when the cinema circuit and TV broadcast networks confirms to the Group its share of box office receipts and profit entitlement.

5. 收益

截至2019年6月30日止年度

分拆來自客戶合約的收益

		2019 2019年 HK\$'000 港幣千元
Film and TV series production, distribution and licensing income	電影及電視劇製作、發行及發行權使用許可收入	415,156
Film exhibition income	電影放映收入	243,590
Others	其他	9,384
Total	總計	668,130
Timing of revenue recognition	確認收益時間	
At a point in time	按某個時間點	643,272
Overtime	在一段時間內	24,858
Total	總計	668,130

向外部客戶銷售貨品及提供服務之合約乃屬短期，合約價格乃為固定及與客戶協商。

客戶合約之履約責任

- a. 電影及電視劇製作、發行及發行權使用許可
 - i. 自製電影、綜藝節目及電視劇發行收入於製作完成，電影、綜藝節目及電視劇已向電影院線及電視廣播網絡放映及發行以及金額可靠計量（一般於電影院線及電視廣播網絡向本集團確認其應佔的票房收入及溢利份額時能可靠計量）時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

5. REVENUE (Continued)

Performance obligations for contracts with customers (Continued)

- a. Film and TV series production, distribution and licensing (Continued)
 - ii. Income from the licensing of the distribution rights over films and TV broadcast networks are recognised when the Group's entitlement to such payments has been established which, subject to the terms of the relevant agreements, is usually upon delivery of the film negatives, variety shows and TV series program to the customers and TV broadcast networks.
- b. Film exhibition
 - i. Income from box office takings for film exhibition is recognised upon the sale of tickets and when the film is released.
 - ii. Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.
- c. Others
 - i. Revenue from the sale of post-production goods is recognised when the goods are delivered and titles have passed.
 - ii. Income from advertising service is recognised upon the provision of the services. Service income is recognised when services are provided.
 - iii. Income from the screen advertising is recognised when relevant advertisements and programme are exhibited pursuant to the terms of the relevant agreements.

5. 收益(續)

客戶合約之履約責任(續)

- a. 電影及電視劇製作、發行及發行權使用許可(續)
 - ii. 電影及電視廣播網絡發行權使用許可收入於本集團收取有關付款的權利已確立(通常於電影菲林底片、綜藝節目以及電視劇交付予客戶及電視廣播網絡後確立,惟受有關協議條款所規限)時確認。
- b. 電影放映
 - i. 電影放映票房收入於門票銷售後及電影上映時確認。
 - ii. 銷售貨物的收益於交付貨物及移交所有權時確認。
- c. 其他
 - i. 後期製作貨物銷售的收益於交付貨物及移交所有權時確認。
 - ii. 廣告服務收入於提供服務後確認。服務收入於提供服務時確認。
 - iii. 銀幕廣告收入於相關廣告及節目按照相關協議的條款放映時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

5. REVENUE (Continued)

Transaction price allocated to the remaining performance obligation for contracts with customers

All performance obligations for film and TV series production, distribution and licensing, film exhibition and others are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

For the year ended 30 June 2018

An analysis of the Group's revenue for the year ended 30 June 2018 is as follows:

5. 收益(續)

就客戶合約分配至餘下履約責任的交易價格

電影及電視劇製作、發行及發行權使用許可、電影放映及其他所有履約責任的期限為一年或以下。誠如香港財務報告準則第15號所允許，分配至該等未完成合約的交易價格不予披露。

截至2018年6月30日止年度

本集團截至2018年6月30日止年度收益之分析如下：

		2018 2018年 HK\$'000 港幣千元
Film production, distribution and licensing income	電影製作、發行及發行權使用許可收入	41,492
Film exhibition income	電影放映收入	223,854
Post-production income	後期製作收入	2,932
Advertising and marketing income	廣告及市場推廣收入	6,362
		274,640

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance is based on the following four reportable and operating segments identified under HKFRS 8 *Operating Segments* for the Group’s annual financial statements for the year ended 30 June 2018.

- (i) Film and TV series production and distribution;
- (ii) Film exhibition;
- (iii) Post-production; and
- (iv) Advertising and marketing.

For the current year, the executive directors of the Company considered the insignificant financial results generated from both the post-production and advertising and marketing and therefore re-grouped them into an “others” segment. As a result, there were three reporting and operating segments identified for the year ended 30 June 2019 as follows and the comparative figures for the segment information for the year ended 30 June 2018 were restated for consistent presentation:

- (i) Film and TV series production and distribution;
- (ii) Film exhibition; and
- (iii) Others

The accounting policies of the operating and reporting segments are the same as the Group’s accounting policies described in note 3. Segment profit (loss) represent the profit earned or loss incurred by each segment without allocation of certain other gains and losses, other income, certain selling and distribution expenses, certain administrative expenses, certain finance costs, fair value change on contingent consideration payable, impairment loss on interests in associates and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. 分部資料

本集團截至2018年6月30日止年度之年度財務報表中呈報予本公司執行董事(即主要營運決策者(「主要營運決策者」))以便進行資源分配及評估分部表現的資料乃以下列根據香港財務報告準則第8號經營分部已識別的四個可呈報及經營分部為依據。

- (i) 電影及電視劇製作及發行；
- (ii) 電影放映；
- (iii) 後期製作；及
- (iv) 廣告及市場推廣。

於本年度，本公司執行董事認為後期製作以及廣告及市場推廣所產生之財務業績屬不重大，故將其重新組合為「其他」分部。因此，截至2019年6月30日止年度已識別的三個可呈報及經營分部如下及截至2018年6月30日止年度的分部資料之比較數字已一致呈列予以重列：

- (i) 電影及電視劇製作及發行；
- (ii) 電影放映；及
- (iii) 其他

營運及報告分部的會計政策與附註3所述之本集團會計政策一致。分部溢利(虧損)指各分部所賺取的溢利或產生的虧損，並無分配若干其他收益及虧損、其他收入、若干銷售及發行開支、若干行政開支、若干融資成本、應付或然代價之公平值變動、於聯營公司權益的減值虧損及應佔聯營公司業績。此乃就資源分配及表現評估向主要營運決策者作出報告的方式。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

For the year ended 30 June 2019

6. 分部資料(續)

分部收益及業績

以下為按經營及可呈報分部劃分的本集團收益及業績分析。

截至2019年6月30日止年度

		Film and TV series production and distribution 電影及電視劇製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue – External customers	分部收益 – 外部客戶	415,156	243,590	9,384	668,130
Segment profit (loss)	分部溢利(虧損)	50,783	(11,101)	(8,545)	31,137
Unallocated head office and corporate expenses	未分配的總部及企業開支				(22,686)
Fair value change on contingent consideration payable	應付或然代價的公平價值變動				(20,511)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損				(2)
Finance costs	融資成本				(106)
Impairment loss on interests in associates	於聯營公司權益的減值虧損				(16,317)
Share of results of associates	應佔聯營公司業績				(1,484)
Loss before tax	除稅前虧損				(29,969)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

6. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 30 June 2018 (restated)

		Film and TV series production and distribution 電影及 電視劇製作 及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue	分部收益				
– External customers	– 外部客戶	41,492	223,854	9,294	274,640
Segment loss	分部虧損	(39,500)	(97,904)	(2,799)	(140,203)
Unallocated other income	未分配的其他收入				426
Unallocated head office and corporate expenses	未分配的總部及企業開支				(17,944)
Finance costs	融資成本				(37)
Impairment loss on interest in an associate	於一間聯營公司權益的減值虧損				(22,295)
Share of results of associates	應佔聯營公司業績				74
Loss before tax	除稅前虧損				(179,979)

As the Group's segment assets and liabilities are not regularly provided to the Group's CODM, the relevant analysis for both years is not presented.

6. 分部資料(續)

分部收益及業績(續)

截至2018年6月30日止年度(經重列)

		Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue	分部收益			
– External customers	– 外部客戶	223,854	9,294	274,640
Segment loss	分部虧損	(97,904)	(2,799)	(140,203)
Unallocated other income	未分配的其他收入			426
Unallocated head office and corporate expenses	未分配的總部及企業開支			(17,944)
Finance costs	融資成本			(37)
Impairment loss on interest in an associate	於一間聯營公司權益的減值虧損			(22,295)
Share of results of associates	應佔聯營公司業績			74
Loss before tax	除稅前虧損			(179,979)

由於本集團的分部資產及負債並非定期提供予本集團的主要營運決策者，故均無呈列兩個年度的有關分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 30 June 2019

6. 分部資料(續)

其他分部資料

截至2019年6月30日止年度

		Film and TV series production and distribution 電影及電視劇製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Amounts included in the measure of segment profit or loss:	計算分部損益時所包括的金額：					
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(384)	(12,227)	(1,826)	(12)	(14,449)
Interest income	利息收入	364	405	2	-	771
Gain on disposal of subsidiaries	出售附屬公司收益	-	21,663	-	-	21,663
Share of results of a joint venture	應佔一間合營企業業績	97	-	-	-	97
Finance costs	融資成本	(11,524)	-	-	-	(11,524)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:	定期提供予主要營運決策者但計算分部損益時並無包括的金額：					
Loss on disposal of subsidiaries	出售附屬公司的虧損	-	-	-	(606)	(606)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	-	-	(2)	(2)
Impairment loss on interests in associates	於聯營公司權益的減值虧損	-	-	-	(16,317)	(16,317)
Finance costs	融資成本	-	-	-	(20,617)	(20,617)
Share of results of associates	應佔聯營公司業績	-	-	-	(1,484)	(1,484)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

6. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 30 June 2018 (restated)

	Film and TV series production and distribution 電影及電視劇製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Amounts included in the measure of segment profit or loss:	計算分部損益時所包括的金額：				
Depreciation of property, plant and equipment	物業、廠房及設備折舊 (279)	(16,764)	(1,739)	(105)	(18,887)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損 -	(40,579)	-	-	(40,579)
Impairment loss on AFS investment	可供出售投資的減值虧損 (2,736)	-	-	-	(2,736)
Impairment loss on investment in film/drama production	投資電影/戲劇製作的減值虧損 (19,613)	-	-	-	(19,613)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益 80	-	-	-	80
Share of results of a joint venture	應佔一間合營企業業績 445	-	-	-	445
Finance costs	融資成本 (225)	-	-	-	(225)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:	定期提供予主要營運決策者但計算分部損益時並無包括的金額：				
Interest income	利息收入 -	-	-	426	426
Finance costs	融資成本 -	-	-	(37)	(37)
Impairment loss on interest in an associate	於一間聯營公司權益的減值虧損 -	-	-	(22,295)	(22,295)
Share of results of associates	應佔聯營公司業績 -	-	-	74	74

6. 分部資料(續)

其他分部資料(續)

截至2018年6月30日止年度(經重列)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

6. SEGMENT INFORMATION (Continued)

Geographical information

An analysis of the Group's revenue from external customers by geographical market based on where the film and TV series production, distribution and licensing income, film exhibition and others is derived from are as below:

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Hong Kong and Macau	香港及澳門	271,051	240,784
The People's Republic of China (the "PRC")	中華人民共和國(「中國」)	382,616	32,257
South East Asia Region	東南亞地區	9,554	163
Others	其他	4,909	1,436
		668,130	274,640

The Group's non-current assets (excluded goodwill and deferred tax assets) by geographical location of the assets are details below:

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
The PRC	中國	550	10
Hong Kong	香港	132,276	164,039
		132,826	164,049

6. 分部資料(續)

地區資料

本集團來自外部客戶的收益按取得電影及電視劇製作、發行及授出發行權使用許可收入、電影放映及其他所在地區市場劃分的分析如下：

本集團按資產所在地區劃分的非流動資產(不包括商譽及遞延稅項資產)詳列如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

6. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Customer A ¹	客戶甲 ¹	78,259	N/A 不適用
Customer B ¹	客戶乙 ¹	73,560	N/A 不適用
Customer C ¹	客戶丙 ¹	70,913	N/A 不適用
Customer D ¹	客戶丁 ¹	70,378	27,754

¹ Revenue from film and TV series production and distribution.

6. 分部資料(續)

有關主要客戶的資料

相應年度收益貢獻佔本集團總銷售額超過10%的客戶如下：

	2019	2018
	2019年	2018年
	HK\$'000	HK\$'000
	港幣千元	港幣千元
	78,259	N/A 不適用
	73,560	N/A 不適用
	70,913	N/A 不適用
	70,378	27,754

¹ 來自電影及電視劇製作及發行產生的收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

7. OTHER GAINS AND LOSSES AND OTHER INCOME

7. 其他收益及虧損及其他收入

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Other gains and losses	其他收益		
Compensation income (note)	補償收入(附註)	-	8,260
(Loss) gain on disposal of property, plant and equipment	出售物業、廠房及設備(虧損)收益	(2)	80
Gain on disposal of subsidiaries (note 38)	出售一間附屬公司收益(附註38)	21,057	268
		21,055	8,608
Other income	其他收入		
Handling service income	處理服務收入	4,231	3,635
Investment income from investments in film/drama production	投資電影/戲劇製作的投資收入	600	531
Government subsidies	政府補貼	-	83
Membership income	會員收入	1,169	1,044
Interest income	利息收入	771	426
Others	其他	4,576	1,962
		11,347	7,681

Note: During the year ended 30 June 2018, the Group received a compensation of RMB7,000,000 (equivalent to HK\$8,260,000) from the landlord of a cinema leased in the PRC due to the delay in handover of the leased cinema to the Group. The compensation income was unconditional and paid to the Group in according to the lease agreement entered into with the landlord.

附註：截至2018年6月30日止年度，本集團因一家中國租賃影院的業主延遲向本集團移交租賃影院而收到補償人民幣7,000,000元（相當於港幣8,260,000元）。根據與業主訂立的租賃協議，補償收入乃無條件支付予本集團。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

8. FINANCE COSTS

8. 融資成本

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest expenses on:	就以下各項之利息開支：		
Loans from a related company (note 30)	一間關聯公司貸款(附註30)	10,601	–
Bank borrowings	銀行借款	923	262
Bonds payable (note 33)	應付債券(附註33)	106	–
		11,630	262

9. INCOME TAX EXPENSE

9. 所得稅開支

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Hong Kong Profits Tax	香港利得稅		
– current	– 即期	19	19
– (over)underprovision in prior years	– 過往年度(超額撥備) 撥備不足	(16)	582
		3	601
PRC Enterprise Income Tax (“EIT”)	中國企業所得稅(「企業所得稅」)		
– current	– 即期	5,605	554
– under(over)provision in prior years	– 過往年度撥備不足 (超額撥備)	127	(736)
		5,732	(182)
Deferred tax (note 35)	遞延稅項(附註35)	5,735	419
		(16)	9,653
		5,719	10,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

9. INCOME TAX EXPENSE (Continued)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries are 25% from 1 January 2008 onwards.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

As stipulated in Cai Shui 2011 No. 112, enterprises newly established in Khorgas special economic areas during the period from 2011 to 2020 could enjoy EIT exemption for five years starting from its first profit-making year. The enterprises engaged in the encouraged industries as defined under the 《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》(Catalogue of Key Encouraged Developing Industries for Enterprise Income Tax Benefits in Difficult Areas of Xinjiang*). According to 《企業所得稅優惠事項備案表》(Enterprise Income Tax Benefits Record*), one of the Group's subsidiaries obtained the approval from the PRC tax bureau on 23 June 2017 for entitlement of EIT exemption from 1 January 2017 to 31 December 2020.

* For identification only

9. 所得稅開支(續)

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「該法案」)，當中引入利得稅兩級制。該法案於2018年3月28日經簽署成為法律，並於翌日在憲報刊登。根據利得稅兩級制，合資格公司首港幣2百萬元溢利的稅率為8.25%，而超過港幣2,000,000元的溢利的稅率為16.5%。不符合利得稅兩級制的集團實體之溢利將繼續按16.5%之劃一稅率徵收稅項。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於2008年1月1日起往後的稅率為25%。

其他司法權區之稅項乃按有關司法權區當時之稅率計算。

財稅2011112號規定，2011年至2020年期間於霍爾果斯特殊經濟開發區的新辦企業可自其首個產生溢利的年度起計五年期間獲豁免企業所得稅。當中亦鼓勵企業從事《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》所定義的受鼓勵行業。根據《企業所得稅優惠事項備案表》，本集團其中一間附屬公司於2017年6月23日獲得中國稅務局批准，自2017年1月1日至2020年12月31日止期間享有企業所得稅豁免優惠。

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

9. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅開支(續)

年內稅項支出與綜合損益及其他全面收益表所示的除稅前虧損可對賬如下：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss before tax	除稅前虧損	(29,969)	(179,979)
Tax credit at the domestic income tax rate of 16.5% (2018: 16.5%)	以本地所得稅稅率16.5%計算的稅項抵免(2018年：16.5%)	(4,945)	(29,697)
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(3,084)	(1,105)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	3,080	11,676
Tax effect of fair value change on contingent consideration payable	應付或然代價的公平值變動的稅務影響	3,384	-
Tax effect of deductible temporary differences not recognised	未確認的可扣減暫時差額的稅務影響	999	4,050
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	20,165	26,174
Tax effect of utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損的稅務影響	(3,672)	(65)
Tax effect of share of results of associates	應佔聯營公司業績的稅務影響	245	(12)
Tax effect of share of results of a joint venture	應佔一間合營企業業績的稅務影響	(16)	(73)
Effect of tax exemption granted to a PRC subsidiary	授予中國附屬公司之稅務優惠的影響	(12,245)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運的附屬公司的不同稅率的影響	1,697	(722)
Under(over)provision in prior years	過往年度撥備不足(超額撥備)	111	(154)
Income tax expense for the year	年內所得稅開支	5,719	10,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

10. LOSS FOR THE YEAR

10. 年內虧損

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss for the year has been arrived at after charging:	年內虧損乃經扣除以下各項後計算：		
Directors' emoluments (note 11)	董事薪酬(附註11)	5,173	6,210
Other staff costs	其他員工成本	39,080	31,675
Retirement benefit scheme contributions, excluding those of Directors	退休福利計劃供款，不包括董事供款	1,985	1,975
Total staff costs	員工成本總額	46,238	39,860
Auditors' remuneration	核數師酬金	1,850	1,564
Depreciation of property, plant and equipment	物業、廠房及設備折舊	14,449	18,887
Cost of film and television rights recognised as an expense	確認為開支的電影及電視版權成本	269,714	18,071
Impairment loss on film and television series production in progress (included in cost of sales)	製作中電影及電視劇的減值虧損(列入銷售成本)	4,412	15,378
Loss on disposal of prepayment to an artiste (included in cost of sales)	出售預付一名演員款項之虧損(列入銷售成本)	-	3,600
Minimum lease payments under operating leases in respect of:	下列經營租賃項下的最低租賃付款：		
Premises	物業	3,527	3,689
Cinemas	電影院	122,073	121,083
Contingent rents incurred for cinemas	電影院產生的或然租金	1,314	1,411
Cost of scriptwriters for film and TV series production	電影及電視劇製作編劇成本	11,500	-
Cost of services provided	提供服務成本	88,067	95,173
Cost of artiste and internet celebrity agency business	藝人及網紅經紀業務成本	14,056	-
Cost of inventories sold	出售存貨成本	5,058	3,887

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors' and the chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follows:

11. 董事、行政總裁及僱員酬金

董事及行政總裁酬金

根據適用上市規則及公司條例所披露年內董事及行政總裁的酬金如下：

		Directors' fees	Salaries and other allowances	Retirement benefit scheme contributions	Total
		董事袍金	薪金及其他津貼	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
For the year ended 30 June 2019	截至2019年6月30日止年度				
Executive Directors (note a)	執行董事(附註a)				
Mr. Zhang Liang, Johnson (note c)	張量先生(附註c)	-	-	-	-
Mr. Lee Hin Kwong, Patrick	李憲光先生	-	-	-	-
Ms. Zhao Wenzhu (note d)	趙文竹女士(附註d)	-	2,236	35	2,271
Mr. Wong Pak Ming (note e)	黃栢鳴先生(附註e)	-	2,470	-	2,470
Independent Non-executive Directors (note b)	獨立非執行董事(附註b)				
Mr. Wang Bo (note f)	王波先生(附註f)	144	-	-	144
Mr. Xiang Feng (note f)	向峰先生(附註f)	144	-	-	144
Mr. Chang Eric Jackson (note f)	張世澤先生(附註f)	144	-	-	144
		432	4,706	35	5,173

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' and the chief executive's emoluments (Continued)

11. 董事、行政總裁及僱員酬金 (續)

董事及行政總裁酬金 (續)

		Directors' fees	Salaries and other allowances	Retirement benefit scheme contributions	Total
		董事袍金	薪金及 其他津貼	退休福利 計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
For the year ended	截至2018年6月30日				
30 June 2018	止年度				
Executive Directors (note a)	執行董事(附註a)				
Mr. Zhang Liang, Johnson (note c)	張量先生(附註c)	-	-	-	-
Mr. Lee Hin Kwong, Patrick	李憲光先生	-	-	-	-
Mr. Wong Pak Ming (note e)	黃栢鳴先生(附註e)	-	4,320	-	4,320
Ms. Wong Yee Kwan, Alvina (note g)	黃漪鈞女士(附註g)	-	780	9	789
Mr. Wong Chi Woon, Edmond (note g)	黃子桓先生(附註g)	-	660	9	669
Independent Non-executive Directors (note b)	獨立非執行董事 (附註b)				
Mr. Wang Bo (note f)	王波先生(附註f)	79	-	-	79
Mr. Xiang Feng (note f)	向峰先生(附註f)	79	-	-	79
Mr. Chang Eric Jackson (note f)	張世澤先生(附註f)	79	-	-	79
Mr. Lam Kam Tong (note h)	林錦堂先生(附註h)	65	-	-	65
Mr. Lo Eric Tien-cheuk (note h)	羅天爵先生(附註h)	65	-	-	65
Mr. Tang Kai Kui, Terence (note h)	鄧啟駒先生(附註h)	65	-	-	65
		432	5,760	18	6,210

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' and the chief executive's emoluments (Continued)

Notes:

- (a) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.
- (b) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.
- (c) Mr. Zhang Liang, Johnson was appointed as executive director and the chairman of the board of directors of the Company on 13 December 2017.
- (d) Ms. Zhao Wenzhu was appointed as executive director of the Company on 26 November 2018.
- (e) Mr. Wong Pak Ming ("Mr. Wong") resigned as the chairman of the board of directors of the Company on 13 December 2018 and resigned as executive director of the Company on 1 April 2019.
- (f) Mr. Wang Bo, Mr. Xiang Feng and Mr. Chang Eric Jackson were appointed as independent non-executive directors of the Company on 13 December 2017.
- (g) Ms. Wong Yee Kwan, Alvina and Mr. Wong Chi Woon, Edmond resigned as executive directors of the Company on 13 December 2017. Ms. Wong Yee Kwan, Alvina and Mr. Wong Chi Woon, Edmond retained as the directors of a subsidiary of the Company. Their emoluments disclosed above were for their services as directors of the Company.
- (h) Mr. Lam Kam Tong, Mr. Lo Eric Tien-cheuk and Mr. Tang Kai Kui, Terence resigned as independent non-executive directors of the Company on 13 December 2017.

No emoluments of chief executive disclosed as the Group has no appointment of chief executive during the years ended 30 June 2019 and 2018.

11. 董事、行政總裁及僱員酬金 (續)

董事及行政總裁酬金 (續)

附註：

- (a) 上文所示執行董事酬金主要用作支付彼等就本公司及本集團的事務管理所提供的服務。
- (b) 上文所示獨立非執行董事酬金主要用作支付彼等擔任本公司董事所提供的服務。
- (c) 張量先生已於2017年12月13日獲委任為本公司執行董事及董事會主席。
- (d) 趙文竹女士已於2018年11月26日獲委任為本公司執行董事。
- (e) 黃栢鳴先生(「黃先生」)已於2018年12月13日辭任本公司董事會主席職務，並已於2019年4月1日辭任本公司執行董事職務。
- (f) 王波先生、向峰先生及張世澤先生已於2017年12月13日獲委任為本公司獨立非執行董事。
- (g) 黃漪鈞女士及黃子桓先生於2017年12月13日辭任本公司執行董事。黃漪鈞女士及黃子桓先生留任本公司附屬公司董事。上文所披露彼等之酬金乃用作支付彼等擔任本公司董事所提供的服務。
- (h) 林錦堂先生、羅天爵先生及鄧啟駒先生已於2017年12月13日辭任本公司獨立非執行董事職務。

由於本集團於截至2019年及2018年6月30日止年度並無委任行政總裁，故並無披露行政總裁的酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees

Of the five highest paid individuals of the Group, the number of Directors and employees were as follows:

		2019 2019年	2018 2018年
Directors	董事	2	2
Employees	僱員	3	3
		5	5

The remuneration of the Directors are set out above. The emoluments of the remaining individuals were as follows:

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Salaries and other allowances	薪金及其他津貼	6,636	3,611
Retirement benefit scheme contributions	退休福利計劃供款	54	45
		6,690	3,656

11. 董事、行政總裁及僱員酬金 (續)

僱員

本集團五名最高薪人士當中，董事及僱員的人數如下：

董事酬金於上文載列。餘下人士的酬金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees (Continued)

The emoluments were within the following band:

		2019 2019年	2018 2018年
Less than HK\$1,000,000	低於港幣1,000,000元	-	2
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至 港幣2,000,000元	2	1
HK\$3,000,001 to HK\$3,500,000	港幣3,000,001元至 港幣3,500,000元	1	-

During the year, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. No Directors waived any emoluments for the years ended 30 June 2019 and 2018.

12. DIVIDEND

No dividend was paid or proposed for the year ended 30 June 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

11. 董事、行政總裁及僱員酬金 (續)

僱員 (續)

彼等的酬金介乎下列範圍：

	2019 2019年	2018 2018年
Less than HK\$1,000,000	-	2
HK\$1,500,001 to HK\$2,000,000	2	1
HK\$3,000,001 to HK\$3,500,000	1	-

年內，本集團概無向任何董事或五名最高薪人士（包括董事及僱員）支付酬金，作為吸引彼等加入本集團或於加入本集團時的獎勵或作為離職補償。截至2019年及2018年6月30日止年度，董事概無放棄收取任何酬金。

12. 股息

本公司於截至2019年6月30日止年度並未派付或建議派付任何股息，且自報告期末以來並未建議派付任何股息（2018年：無）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

13. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss	虧損		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	計算每股基本虧損的本公司擁有人應佔年內虧損	(35,504)	(189,750)
		2019	2018
		2019年	2018年
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損的普通股加權平均股數	2,595,613,733	2,595,613,733

No diluted loss per share for both years were presented as the Company has no potential ordinary shares to be issued for both 2019 and 2018.

13. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss	虧損		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	計算每股基本虧損的本公司擁有人應佔年內虧損	(35,504)	(189,750)
		2019	2018
		2019年	2018年
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損的普通股加權平均股數	2,595,613,733	2,595,613,733

並無呈列2019年及2018年兩個年度的每股攤薄虧損，此乃由於本公司並無於兩個年度發行潛在普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold improvements	Furniture, fixtures and equipment 傢俬、裝置 及設備	Motor vehicles	Computer equipment	Construction in progress	Total
		租賃裝修 HK\$'000 港幣千元	HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	電腦設備 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	合計 HK\$'000 港幣千元
COST	成本						
At 1 July 2017	於2017年7月1日	29,433	7,573	2,296	12,611	30,715	82,628
Exchange adjustments	匯兌調整	202	198	13	1	-	414
Additions	添置	2,400	57	530	280	113,878	117,145
Disposals	出售	-	(687)	(1,077)	-	-	(1,764)
Transfer from construction in progress	自在建工程轉讓	113,622	27,744	-	3,227	(144,593)	-
Reclassified as held for sale	重新分類為持作出售	(12,090)	(11,838)	-	-	-	(23,928)
At 30 June 2018	於2018年6月30日	133,567	23,047	1,762	16,119	-	174,495
Exchange adjustments	匯兌調整	-	(1)	-	(2)	-	(3)
Additions	添置	3,990	250	495	359	-	5,094
Acquisition of subsidiaries (note 37)	收購附屬公司 (附註37)	-	20	-	53	-	73
Disposals	出售	-	(2)	-	-	-	(2)
Disposal of subsidiaries (note 38)	出售附屬公司 (附註38)	(633)	(62)	-	(6,701)	-	(7,396)
At 30 June 2019	於2019年6月30日	136,924	23,252	2,257	9,828	-	172,261
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值						
At 1 July 2017	於2017年7月1日	9,032	3,682	1,560	6,296	-	20,570
Exchange adjustments	匯兌調整	33	27	7	1	-	68
Provided for the year	年內撥備	10,340	4,037	267	4,243	-	18,887
Eliminated on disposals	於出售時撇銷	-	(98)	(922)	-	-	(1,020)
Impairment loss recognised in profit or loss	於損益內確認 減值虧損	36,878	3,080	-	621	-	40,579
Reclassified as held for sale	重新分類為持作出售	(2,015)	(1,579)	-	-	-	(3,594)
At 30 June 2018	於2018年6月30日	54,268	9,149	912	11,161	-	75,490
Exchange adjustments	匯兌調整	-	(1)	-	(1)	-	(2)
Provided for the year	年內撥備	7,026	2,719	271	4,433	-	14,449
Eliminated on disposal of subsidiaries (note 38)	於出售附屬公司時 撇銷(附註38)	(103)	(48)	-	(5,806)	-	(5,957)
At 30 June 2019	於2019年6月30日	61,191	11,819	1,183	9,787	-	83,980
CARRYING AMOUNTS	賬面值						
At 30 June 2019	於2019年6月30日	75,733	11,433	1,074	41	-	88,281
At 30 June 2018	於2018年6月30日	79,299	13,898	850	4,958	-	99,005

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

14. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the leases term
Furniture, fixtures and equipment	20%
Motor vehicles	20%
Computer equipment	20%

As at 30 June 2019, for the purposes of impairment testing, the recoverable amount of the property, plant and equipment was determined based on value in use calculations which was performed by Management. The calculation uses cash flow projections of the Group based on financial budgets approved by the Management covering a five-year period and a pre-tax discount rate of 12.97% (2018: 13.50%). The key assumption include the future expected cash flows based on Management's view of future business prospects and past performance of the Group.

No impairment loss is recognised on the Group's property, plant and equipment for the year ended 30 June 2019.

During the year ended 30 June 2018, the Group recognised an impairment loss of HK\$40,579,000 of property, plant and equipment due to unsatisfactory operating result of film exhibition operations. As a result, the difference of recoverable amount, which was the value in use, and the carrying amount was recognised as an impairment loss and charged to profit or loss in that year.

14. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)乃以直線法按以下年率折舊：

租賃裝修	租賃期內
傢俬、裝置及設備	20%
汽車	20%
電腦設備	20%

於2019年6月30日，就減值測試而言，物業、廠房及設備可收回金額乃由管理層按使用價值計算釐定。該計算乃採用基於管理層所批准涵蓋五年期之財務預算並採用稅前貼現率12.97% (2018年：13.50%)計算的本集團現金流預測。主要假設包括根據管理層對未來業務前景的意見及本集團過往表現釐定的未來預期現金流。

截至2019年6月30日止年度，概無就本集團的物業、廠房及設備確認任何減值虧損。

截至2018年6月30日止年度，本集團確認物業、廠房及設備減值虧損港幣40,579,000元，原因是電影放映業務經營業績未如理想。因此，可收回金額(即使用價值)與賬面值的差額確認為減值虧損並於該年度的損益內扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

15. GOODWILL

15. 商譽

		Goodwill 商譽 HK\$'000 港幣千元
COST	成本	
At 1 July 2017 and 30 June 2018	於2017年7月1日及2018年6月30日	181,084
Arising on acquisition of subsidiaries (note 37)	自收購附屬公司時產生(附註37)	411,876
At 30 June 2019	於2019年6月30日	592,960
IMPAIRMENT	減值	
At 1 July 2017, 30 June 2018 and 30 June 2019	於2017年7月1日、2018年6月30日及2019年6月30日	181,084
CARRYING AMOUNTS	賬面值	
At 30 June 2019	於2019年6月30日	411,876
At 30 June 2018	於2019年6月30日	-

For the purpose of impairment testing, goodwill has been allocated to individual subsidiaries, cash of which constitutes a cash generating unit ("CGU"). The carrying amounts of goodwill allocated to these CGUs are as follows:

為進行減值測試，商譽已獲分配至個別附屬公司，附屬公司各自構成一個現金產生單位(「現金產生單位」)。該等現金產生單位獲分配之商譽賬面值如下：

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Chili Advertising & Promotions Limited ("Chili") (Note a)	Chili Advertising & Promotions Limited (「Chili」)(附註a)	-	-
Khorgas Houhai Culture Media Company Limited (Note b)	霍爾果斯厚海文化傳媒有限公司(附註b)	411,876	-
		411,876	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

15. GOODWILL (Continued)

Notes:

- (a) The goodwill (before impairment loss) of HK\$181,084,000 has been allocated to the CGUs of Chili and its subsidiaries (collectively referred to as “Chili Group”) which included Chili and Chili Platinum Advertising and Magazine Publishing Limited (“Chili Platinum”) acquired by the Group in 2015.

During the year ended 30 June 2016, Management intended to terminate its publishing cooperation agreement with an independent third party and planned to cease the publication of a magazine operated by Chili Platinum under Chili Group due to its unsatisfactory operating results which was mainly due to decrease in demand for advertising market for luxury products and services in the PRC arising from the slowdown of the growth of the PRC economy and conspicuous spending. In August 2016, the Group eventually entered into a termination agreement with the independent third party regarding the publishing cooperation agreement and ceased the publication of the magazine operated by Chili Platinum. As a result, Management had taken the termination of the publishing cooperation agreement into consideration for the purpose of impairment assessment of Chili Group for the year ended 30 June 2016.

The recoverable amount of Chili Platinum had been determined based on fair value less costs of disposal calculations. The recoverable amount of Chili had been determined based on a value in use calculation. The estimated recoverable amount of Chili Group was below its carrying amount, accordingly the balance had been fully impaired as at 30 June 2016.

15. 商譽(續)

附註：

- (a) 商譽（扣除減值虧損前）港幣181,084,000元已分配至本集團於2015年收購的Chili及其附屬公司（統稱為「Chili集團」，包括Chili及智理白金雜誌廣告出版有限公司（「智理白金」）的現金產生單位。

截至2016年6月30日止年度，管理層擬終止與一名獨立第三方簽訂的出版合作協議並計劃停止出版Chili集團旗下智理白金經營的一本雜誌，這主要是由於中國奢侈品及服務廣告市場需求因中國經濟增長及奢侈消費放緩而出現下降，導致經營業績未如理想。於2016年8月，本集團最終就出版合作協議與獨立第三方訂立終止協議並停止出版智理白金經營的該本雜誌。因此，截至2016年6月30日止年度就Chili集團進行減值評估時，管理層已考慮終止出版合作協議。

智理白金的可收回金額根據公平值減出售成本計算法釐定。Chili的可收回金額乃根據使用價值計算法釐定。Chili集團的估計可收回金額低於其賬面值，因此，結餘已於2016年6月30日悉數減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

15. GOODWILL (Continued)

Notes: (Continued)

- (b) During the year ended 30 June 2019, the Group has acquired the entire equity interest in 霍爾果斯厚海文化傳媒有限公司 (Korgas Houhai Culture Media Company Limited) and its subsidiary, 北京聚海文化傳媒有限公司 (Beijing Juhai Culture Media Company Limited) (collectively known as the “Korgas Group”) and goodwill of HK\$411,876,000 was resulted from the acquisition of subsidiaries, details are set out in note 37.

The recoverable amount of Korgas Group has been determined based on a value in use calculation.

The calculation of the recoverable amount of Korgas Group uses cash flow projections based on financial budgets approved by management covering a 5-year period with an average annual revenue growth rate of 2% to 40% and discount rate of 20% per annum as at 30 June 2019. Cash flows beyond the 5-year ended are extrapolated using a steady expected inflation rate of 3% per annum. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and budgeted costs. Such estimation is based on Korgas Group’s past performance and management’s expectations for the market development. The Directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of CGU’s to exceed its recoverable amount.

15. 商譽(續)

附註：(續)

- (b) 截至2019年6月30日止年度，本集團已收購霍爾果斯厚海文化傳媒有限公司及其附屬公司北京聚海文化傳媒有限公司（統稱為「霍爾果斯集團」）的全部股權，而收購附屬公司產生之商譽為港幣411,876,000元，詳情載於附註37。

霍爾果斯集團的可收回金額根據使用價值計算釐定。

於2019年6月30日，霍爾果斯集團的可收回金額計算使用基於管理層於所批准涵蓋五年期及平均年收益增長率介乎於2%至40%之財務預算並採用貼現率每年20%計算的現金流預測。超過五年期止的現金流量乃使用穩定預期通貨膨脹率每年3%推算。其他使用價值計算之主要假設與包括預算銷售及預算成本之現金流入／流出估計有關。該項估計根據霍爾果斯集團的過往表現及管理層對市場發展之預期作出。董事相信，此等假設之任何合理可能變動將不會導致賬面值超出其可收回金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

16. INTANGIBLE ASSETS

16. 無形資產

		Brand 商標 HK\$'000 港幣千元	Publishing cooperation agreement 出版合作協議 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
COST	成本			
At 1 July 2017, 30 June 2018 and 30 June 2019	於2017年7月1日、 2018年6月30日及 2019年6月30日	5,600	31,900	37,500
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值			
At 1 July 2017, 30 June 2018 and 30 June 2019	於2017年7月1日、 2018年6月30日及 2019年6月30日	–	31,900	31,900
CARRYING AMOUNTS	賬面值			
At 30 June 2019	於2019年6月30日	5,600	–	5,600
At 30 June 2018	於2018年6月30日	5,600	–	5,600

The intangible assets are allocated to the CGU of Chili Group acquired by the Group which is presented under “Others” reporting segment (2018: under “Advertising, marketing and publication” reporting segment).

無形資產乃分配至本集團所收購的Chili集團的現金產生單位，而該現金產生單位乃於「其他」報告分部（2018年：「廣告、市場推廣及出版」報告分部項下）項下呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

16. INTANGIBLE ASSETS (Continued)

Brand

The brand name is associated to the advertising and promotion services operated by Chili and it is treated as having indefinite useful life because it is expected to contribute to net cash inflows to the Group indefinitely. Therefore, it is not amortised until its useful life is determined to be finite.

As at 30 June 2019, the recoverable amount of Chili has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by Management covering a five-year period and a discount rate of 11.95% (2018: 12.50%). Cash flows beyond the five-year period are extrapolated using a steady 2% (2018: 2%) expected inflation rate. The estimation of the budgeted sales and gross margins is based on past performance of Chili and Management's expectations for the market development. As at 30 June 2019, no impairment loss is recognised on the brand as the recoverable amount is higher than its carrying amount.

Publishing cooperation agreement

The Group had ceased publication of the magazine operated by Chili Platinum in August 2016 due to its unsatisfactory operating results. For the year ended 30 June 2016, Management had taken the termination of the publishing cooperation agreement into consideration for the purpose of impairment assessment of Chili Platinum. The recoverable amount of Chili Platinum had been determined based on fair value less costs of disposal calculations. Accordingly, the balance had been fully impaired in 2016.

16. 無形資產(續)

商標

商標名稱與Chili營運的廣告及推廣服務有關，並因預計其可無限期為本集團貢獻現金流入淨額而被視作具有無限可使用年期。因此，其不會予以攤銷，直至其可使用年期釐定為有限為止。

於2019年6月30日，Chili的可收回金額根據使用價值計算法釐定。該計算法使用基於管理層所批准涵蓋五年期之財務預算並採用貼現率11.95% (2018年：12.50%)計算的現金流預測。超過五年期的現金流量乃使用穩定預期通貨膨脹率2% (2018年：2%)推算。預計銷售額及毛利率的估算乃根據Chili的過往表現及管理層對市場發展的預期而定。於2019年6月30日，由於可收回金額高於其賬面值，故概無就商標確認任何減值虧損。

出版合作協議

由於經營業績不如預期，本集團已於2016年8月停止出版智理白金經營的一本雜誌。截至2016年6月30日止年度就智理白金進行減值評估時，管理層已考慮終止出版合作協議。智理白金的可收回金額根據公平值減出售成本的計算法釐定。因此，結餘已於2016年悉數減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES

17. 於聯營公司的權益

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cost of unlisted investments in associates	於聯營公司的未上市投資成本	74,000	74,000
Impairment loss recognised	已確認減值虧損	(58,963)	(42,646)
		15,037	31,354
Share of post-acquisition losses and other comprehensive expenses, net of dividend received	應佔收購後虧損及其他全面開支，扣除已收股息	(6,619)	(3,240)
		8,418	28,114

Interest in Jade Dynasty Holdings Limited (“JDH”)

JDH is an investment holding company incorporated in the BVI with limited liability and its subsidiaries (collectively known as “JDH Group”) are principally engaged in comic publication and own the intellectual property rights of a database of comic stories and comic heroes. Management anticipates that the Group would make use of the intellectual property rights of the associate (including but not limited to the comic stories and comic characters) that the Group considers these are suitable for reproduction as films. The Group is able to exercise significant influence over JDH because it has power to appoint 2 out of 5 directors of JDH under its Articles of Association. Therefore, JDH is accounted for as an associate of the Group.

於玉皇朝控股有限公司(「玉皇朝」)的權益

玉皇朝為一間在英屬處女群島註冊成立的投資控股有限公司，該公司及其附屬公司(統稱「玉皇朝集團」)主要從事漫畫發行，並擁有漫畫故事及漫畫英雄人物數據庫的知識產權。管理層預期，本集團將使用本集團認為適合重製為電影的聯營公司知識產權(包括但不限於漫畫故事及漫畫英雄人物)。本集團對玉皇朝有重大影響力，因為其根據其組織章程細則有權委任玉皇朝5位董事中的2位。因此，玉皇朝入賬列作本集團的聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES (Continued)

Interest in Jade Dynasty Holdings Limited (“JDH”) (Continued)

The recoverable amount of the CGU arising from JDH Group was determined based on value in use calculations which was performed by Roma Group Limited, an independent qualified professional valuer not connected with the Group, as at 30 June 2019. For impairment assessment purpose, the calculation uses cash flow projections of the associate based on the financial budgets attributable to the equity interest of the Group approved by Management covering five-year period and a post-tax discount rate of 21.28% (2018: 22.32%). Cash flows beyond the 5-year period are extrapolated using a steady 2% (2018: 2%) expected inflation rate for the CGU. The key assumption is budgeted revenue determined based on the associate's past performance and the Management's view of future business prospects.

During the year ended 30 June 2019, the Group recognised an impairment loss of HK\$6,317,000 (2018: HK\$22,295,000) of JDH Group due to the intense competition in the market of comic publication and licencing the copyrights of comic which resulted in a decrease in expected future cashflows accordingly. As a result, the difference of recoverable amount, which is the value in use, and the carrying amount (containing goodwill) is recognised as an impairment loss and charged to profit or loss.

Interest in Supreme Art Entertainment Limited (“Supreme Art”)

Supreme Art is a private entity incorporated in Hong Kong with limited liability which is engaged in provision of artiste management and agency services. Management anticipates that the artiste of Supreme Art can participate in the film production of the Group. The Group is able to exercise significant influence over Supreme Art because it has power to appoint 1 out of 3 directors of Supreme Art under its Articles of Association. Therefore, Supreme Art is accounted for as an associate of the Group.

17. 於聯營公司的權益(續)

於玉皇朝控股有限公司(「玉皇朝」)的權益(續)

玉皇朝集團產生的現金產生單位(「現金產生單位」)的可收回金額乃由羅馬集團有限公司(乃一名與本集團沒有關聯的獨立合資格專業估值師)於2019年6月30日按使用價值計算釐定。就減值評估而言，該計算乃採用基於管理層所批准涵蓋五年期之本集團股權應佔按財務預算並採用稅後貼現率21.28%(2018年：22.32%)計算的聯營公司現金流預測。超出五年期的現金流乃採用現金產生單位的2%(2018年：2%)穩定預期通貨膨脹率推算。主要假設為根據聯營公司過往表現及管理層對未來業務前景的意見釐定的預算收益。

截至2019年6月30日止年度，本集團確認玉皇朝集團減值虧損港幣6,317,000元(2018年：港幣22,295,000元)，原因是漫畫發行市場競爭激烈及漫畫版權許可導致預期未來現金流量相應減少。因此，可收回金額(即使用價值)與賬面值(包括商譽)的差額確認為減值虧損並於損益內扣除。

於凱藝娛樂發展有限公司(「凱藝」)之權益

凱藝為於香港註冊成立的私人有限公司，從事提供演員管理及代理服務。管理層預期凱藝的演員可能會參與本集團的電影製作。本集團能夠對凱藝行使重大影響力，乃由於其有權根據凱藝的組織章程細則委任凱藝三名董事中的其中一名。因此，凱藝入賬列作本集團的聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES (Continued)

Interest in Supreme Art Entertainment Limited (“Supreme Art”) (Continued)

The carrying amount of the Group’s interest in Supreme Art is also tested for impairment by comparing with the respective recoverable amount. The recoverable amount of the Group’s investment in Supreme Art has been determined based on value in use calculation which was performed by Roma Group Limited, an independent qualified professional valuer not connected with the Group, as at 30 June 2019. For impairment assessment purpose, the calculation uses cash flow projections of the associate based on the financial budgets attributable to the equity interest of the Group approved by Management covering five-year period and a post-tax discount rate of 18.35% (2018: 22.24%). Cash flows beyond the 5-year period are extrapolated using a steady 2.5% (2018: 2.6%) expected inflation rate for the CGU. Other key assumptions for the value in use calculation relate to the cash flow projections which include the artiste management fee received, the estimation of which is based on the Management’s view of future business prospects.

During the year ended 30 June 2019, the Group recognised an impairment loss of HK\$10,000,000 (2018: Nil) of Supreme Art due to expiration of certain artiste management agreements for artiste performance in the PRC which resulted in a decrease in expected future cashflows accordingly. As a result, the difference of recoverable amount, which is the value in use and the carrying amount (containing goodwill) is recognised as an impairment loss and charged to profit or loss.

17. 於聯營公司的權益(續)

於凱藝娛樂發展有限公司(「凱藝」)之權益(續)

本集團於凱藝權益的賬面值亦透過比較各自可收回金額進行減值測試。本集團於凱藝投資的可收回金額乃由羅馬集團有限公司(一名與本集團沒有關聯的獨立合資格專業估值師)於2019年6月30日根據使用價值計算釐定。就減值評估而言，乃採用基於管理層所批准涵蓋五年期之本集團股權應佔財務預算並採用稅後貼現率18.35%(2018年：22.24%)計算的聯營公司現金流預測。超出五年期的現金流乃採用現金產生單位的2.5%(2018年：2.6%)穩定預期通貨膨脹率推算。使用價值計算的其他主要假設涉及現金流預測(包括所收取的演員管理費)，而有關估計乃以管理層對未來業務前景的意見為依據。

截至2019年6月30日止年度，本集團確認凱藝減值虧損港幣10,000,000元(2018年：無)，原因是就中國藝人表演的若干藝人管理協議到期導致預期未來現金流量相應減少。因此，可收回金額(即使用價值)與賬面值(包括商譽)的差額確認為減值虧損並於損益內扣除。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES (Continued)

Interest in Supreme Art Entertainment Limited (“Supreme Art”) (Continued)

As at 30 June 2018, the recoverable amount of Supreme Art is higher than the respective carrying amount and thus no impairment loss was recognised regarding to the Group’s interest in Supreme Art.

The details of the Group’s associates at 30 June 2019 and 2018 are as follows:

Name of associate 聯營公司名稱	Place of incorporation/ registration 註冊成立/ 登記地點	Principal place of business 主要營業地點	Proportion of ownership interest held by the Group 本集團所持所有權權益的比例		Proportion of voting rights held by the Group 本集團所持投票權的比例		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
JDH	BVI	Hong Kong	40%	40%	40%	40%	Comic publication and owns the intellectual property rights of a data base of comic stories and comic heroes
玉皇朝	英屬處女群島	香港					漫畫發行，並擁有漫畫故事及漫畫英雄人物數據庫的知識產權
Supreme Art	Hong Kong	Hong Kong	40%	40%	33.33%	33.33%	Artiste management and agency services
凱藝	香港	香港					演員管理及代理服務

These associates are accounted for using the equity method in these consolidated financial statements.

The summarised financial information in respect of the Group’s associates is set out below and was prepared in accordance with HKFRSs.

17. 於聯營公司的權益(續)

於凱藝娛樂發展有限公司(「凱藝」)之權益(續)

於2018年6月30日，凱藝的可收回金額高於各自賬面值，因此並無就本集團於凱藝的權益確認減值虧損。

有關本集團聯營公司於2019年及2018年6月30日的詳情如下：

該等聯營公司乃使用權益法於該等綜合財務報表中列賬。

下文載列本集團聯營公司根據香港財務報告準則編製的財務資料概要。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES (Continued)

JDH Group

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Non-current assets	非流動資產	69,865	76,836
Current assets	流動資產	15,067	14,752
Current liabilities	流動負債	(13,307)	(14,784)
Net assets	資產淨值	71,625	76,804

17. 於聯營公司的權益(續)

玉皇朝集團

		Year ended	Year ended
		30 June 2019	30 June 2018
		截至2019年	截至2018年
		6月30日	6月30日
		止年度	止年度
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Revenue	收益	14,350	18,372
Loss for the year attributable to owners of the associate	聯營公司擁有人應佔年度虧損	(5,970)	(1,652)
Group's share of loss	本集團應佔虧損	(2,388)	(661)
Other comprehensive income (expense) for the year	年內其他全面收益(開支)	762	(97)
Group's share of other comprehensive income (expense)	本集團應佔其他全面收益(開支)	305	(39)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES (Continued)

JDH Group (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

17. 於聯營公司的權益(續)

玉皇朝集團(續)

上述財務資料概要與於綜合財務報表確認的於聯營公司權益的賬面值的對賬：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net assets of JDH Group	玉皇朝集團的資產淨值	71,625	76,804
Non-controlling interests of JDH Group	玉皇朝集團的非控股權益	(95)	(66)
		71,530	76,738
Proportion of the Group's ownership interest in JDH Group	本集團於玉皇朝集團所有權權的比例	40%	40%
The Group's share of net assets of JDH Group	本集團應佔玉皇朝集團的資產淨值	28,612	30,695
Goodwill	商譽	20,351	20,351
Impairment loss recognised (including goodwill)	已確認減值虧損(包括商譽)	(48,963)	(42,646)
Carrying amount of the Group's interest in JDH Group	本集團於玉皇朝集團權益的賬面值	—	8,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES (Continued)

17. 於聯營公司的權益(續)

Supreme Art

凱藝

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Non-current assets	非流動資產	10,735	15,295
Current assets	流動資產	16,540	11,468
Current liabilities	流動負債	(6,230)	(2,478)
Net assets	資產淨值	21,045	24,285
		Year ended	Year ended
		30 June 2019	30 June 2018
		截至2019年	截至2018年
		6月30日止年度	6月30日止年度
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Revenue	收益	15,038	9,590
Profit for the period attributable to owners of the associate	聯營公司擁有人應佔期內溢利	2,260	1,838
Group's share of profit	本集團應佔溢利	904	735
Dividend received from the associate during the year	年內自聯營公司收取之股息	2,200	3,080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

17. INTERESTS IN ASSOCIATES (Continued)

Supreme Art (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

17. 於聯營公司的權益(續)

凱藝(續)

上述財務資料概要與於綜合財務報表確認的於聯營公司權益的賬面值的對賬：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net assets of Supreme Art	凱藝的資產淨值	21,045	24,285
Proportion of the Group's ownership interest in Supreme Art	本集團於凱藝所有權權益的比例	40%	40%
Goodwill	商譽	8,418	9,714
Impairment loss recognised (including goodwill)	已確認減值虧損(包括商譽)	10,000	10,000
		(10,000)	-
Carrying amount of the Group's interest in Supreme Art	本集團於凱藝權益的賬面值	8,418	19,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

18. INTEREST IN A JOINT VENTURE

18. 於一間合營企業的權益

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Cost of unlisted investment in a joint venture	於一間合營企業的未上市投資成本	52,079	52,079
Share of post-acquisition losses and other comprehensive expense	應佔收購後虧損及其他全面開支	(51,910)	(51,874)
		169	205

Bounty Productions Limited (“BPL”), a limited company incorporated in Hong Kong, has been set up solely for the film production of “Bounty Hunters”. The Group, Harmonious Entertainment (Shanghai) Co., Ltd (“HES”) and Bounty Yooanhwesa (“BY”) held 40.00%, 25.51% and 34.49% equity interest in BPL, respectively. The board of directors of BPL, the governing body which directs the relevant activities that significantly affects the returns of BPL, consists of three directors of which the Group, HES and BY can appoint one director each to the board of directors of BPL. The relevant activities required to be approved unanimously by all these three directors. Therefore, BPL is jointly controlled by the Group, HES and BY. As the joint arrangement does not result in either parties having rights to assets and obligations to liabilities of BPL, it is accounted for as a joint venture of the Group.

賞金製作有限公司(「賞金」)為於香港註冊成立的有限公司，其成立目的僅為製作電影「賞金獵人」。本集團、Harmonious Entertainment (Shanghai) Co., Ltd(「HES」)及Bounty Yooanhwesa(「BY」)分別擁有賞金40.00%、25.51%及34.49%股權。賞金董事會(指示可重大影響賞金回報的相關活動的規管團體)由三名董事組成，其中本集團、HES及BY可各自委任一名董事加入賞金董事會。相關活動須經該等三名董事一致批准。因此，賞金由本集團、HES及BY共同控制。由於合營安排不會導致任何一方擁有賞金的資產權利及負債責任，故賞金入賬為本集團的合營企業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

18. INTEREST IN A JOINT VENTURE (Continued)

The details of the Group's joint venture at 30 June 2019 and 2018 are as follows:

Name of joint venture	Place of incorporation	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			2019	2018	2019	2018	
聯營公司名稱	註冊成立/ 登記地點	主要 營業地點	本集團所持所有 權權益的比例	本集團所持 投票權的比例	本集團所持 投票權的比例	本集團所持 投票權的比例	主要業務
			2019年	2018年	2019年	2018年	
BPL	Hong Kong	PRC	40%	40%	33.33%	33.33%	Production and distribution of the film
賞金	香港	中國					電影製作及發行出品

The joint venture is accounted for using the equity method in these consolidated financial statements.

The summarised financial information in respect of the Group's joint venture is set out below and was prepared in accordance with HKFRSs.

BPL

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current assets	流動資產	452	8,352
Current liabilities	流動負債	(30)	(7,840)
Net assets	資產淨值	422	512
The above amounts of assets include the following:	上述資產金額包括以下各項：		
Cash and cash equivalents	現金及現金等價物	7	7

18. 於一間合營企業的權益(續)

本集團的合營企業於2019年及2018年6月30日的詳情如下：

該等綜合財務報表內合營企業乃使用權益法入賬。

下文載列本集團合營企業根據香港財務報告準則編製的財務資料概要。

賞金

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

18. INTEREST IN A JOINT VENTURE (Continued)

BPL (Continued)

		Year ended 30 June 2019 截至2019年 6月30日 止年度 HK\$'000 港幣千元	Year ended 30 June 2018 截至2018年 6月30日 止年度 HK\$'000 港幣千元
Revenue	收益	-	495
Profit for the year attributable to owners of the joint venture	合營企業擁有人應佔年度溢利	243	1,113
Group's share of profit	本集團應佔溢利	97	445
Other comprehensive (expense) income for the year	年內其他全面(開支)收益	(333)	70
Group's share of other comprehensive (expense) income	本集團應佔其他全面(開支)收益	(133)	28
Dividend received from BPL during the year	年內自賞金收取的股息	-	727

The above profit for the year includes the following:

上述年內溢利包括以下各項：

		Year ended 30 June 2019 截至2019年 6月30日 止年度 HK\$'000 港幣千元	Year ended 30 June 2018 截至2018年 6月30日 止年度 HK\$'000 港幣千元
Income tax credit	所得稅抵免	-	(833)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

18. INTEREST IN A JOINT VENTURE (Continued)

BPL (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in a joint venture recognised in the consolidated financial statements:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net assets of BPL	賞金資產淨值	422	512
Proportion of the Group's ownership interest in BPL	本集團於賞金所有權權益比例	40%	40%
Carrying amount of the Group's interest in BPL	本集團於賞金權益之賬面值	169	205

18. 於一間合營企業的權益(續)

賞金(續)

上述財務資料概要與綜合財務報表內確認之於一間合營企業權益的賬面值的對賬：

19. RENTAL DEPOSITS

19. 租賃按金

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current assets (note 1)	流動資產(附註1)	19,163	18,712
Non-current assets (note 2)	非流動資產(附註2)	30,358	31,125
		49,521	49,837

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

19. RENTAL DEPOSITS (Continued)

Notes:

- (1) Cinema City (Langham Place) Limited, an indirect wholly-owned subsidiary of the Company, had entered into a lease agreement on 27 December 2013 to rent a cinema situated in Langham Place ("the Lease Premises"), a prime location in Hong Kong, and to take the cinema operation for a term of ten years commencing on 23 July 2014 and expiring on 22 July 2024 (the "Lease"). Based on the terms of the Lease, the Company is obliged to pay a deposit in a sum equivalent to the aggregate of three months' base rent for the tenth year, three months' management charges for the first year, three months' promotional levy for the first year and one quarter's government rates in respect of the Lease Premises. The operation of cinema and related operations in the cinema could provide a platform for the development of the film distribution business of the Group.
- (2) During the years ended 30 June 2019 and 2018, the indirect wholly-owned subsidiaries of the Company have entered into several lease agreements to rent the cinema premises situated in Chai Wan, Causeway Bay and Tsuen Wan for terms ranging from five to fifteen years. As the deposits are refundable at the expiry of the leases, the amounts were classified as non-current assets as at 30 June 2019 and 2018.

19. 租賃按金(續)

附註：

- (1) 於2013年12月27日，本公司間接全資附屬公司電影城（朗豪坊）有限公司訂立租賃協議，租賃位於香港黃金地段朗豪坊的影院（「租賃物業」）及接手影院運作，自2014年7月23日起至2024年7月22日止為期十年（「租賃」）。根據租賃條款，本公司須就租賃物業支付按金，金額相當於租期第十年的三個月基本租金、第一年的三個月管理費、第一年的三個月推廣費以及一個季度的政府差餉之和。影院的運作及影院的相關業務可以為本集團電影發行業務的發展提供平台。
- (2) 截至2019年及2018年6月30日止年度，本公司的間接全資附屬公司已訂立數份租賃協議，以租賃位於柴灣、銅鑼灣及荃灣的電影院物業，租期介乎五至十五年。由於按金於租賃屆滿時可退還，該筆款項於2019年及2018年6月30日分類為非流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

20. FILM AND TELEVISION RIGHTS AND FILM AND TELEVISION SERIES PRODUCTION IN PROGRESS

20. 電影及電視版權以及製作中電影及電視劇

		Film and television rights 電影及電視版權 HK\$'000 港幣千元	Film and television series production in progress 製作中電影及電視劇 HK\$'000 港幣千元
COST	成本		
At 1 July 2017	於2017年7月1日	630,622	142,606
Additions	添置	–	54,732
Transfer	轉撥	10,579	(10,579)
Disposal of a subsidiary (note 38)	出售一間附屬公司(附註38)	–	(11,238)
At 30 June 2018	於2018年6月30日	641,201	175,521
Additions	添置	–	163,139
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	–	109,095
Transfer	轉撥	272,729	(272,729)
Exchange adjustments	匯兌調整	–	(948)
At 30 June 2019	於2019年6月30日	913,930	174,078
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值		
At 1 July 2017	於2017年7月1日	621,358	20,085
Charged for the year	年內支銷	18,071	–
Impairment loss recognised for the year (note)	年內確認的減值虧損(附註)	–	15,378
At 30 June 2018	於2018年6月30日	639,429	35,463
Charged for the year	年內支銷	269,714	–
Impairment loss recognised for the year (note)	年內確認的減值虧損(附註)	–	4,412
At 30 June 2019	於2019年6月30日	909,143	39,875
CARRYING AMOUNTS	賬面值		
At 30 June 2019	於2019年6月30日	4,787	134,203
At 30 June 2018	於2018年6月30日	1,772	140,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

20. FILM AND TELEVISION RIGHTS AND FILM AND TELEVISION SERIES PRODUCTION IN PROGRESS (Continued)

Note: During the year ended 30 June 2019, an impairment loss of HK\$4,412,000 (2018: HK\$15,378,000) was recognised on the production costs for films and television series production in progress. Management was in a view that the production plan for the films and television production in progress was postponed and considered that the amount may not be fully recovered. The Directors are of opinion that the carrying amount of HK\$4,412,000 (2018: HK\$15,378,000) was fully impaired.

21. AVAILABLE-FOR-SALE INVESTMENT

On 16 April 2014, the Group entered into an agreement with an independent third party, for the investment in an animation production project held by an entity incorporated in Hong Kong, with an amount of HK\$4,056,000 as capital injection which entitled to 15% profit sharing in the project upon completion. Based on the terms of the agreement, the Group was entitled to have the profit sharing from the distribution of animation rights based on the percentage of capital invested into the animation production project. The animation production was originally expected to be completed in April 2018. On 15 April 2016, the Group and the independent third party agreed in writing to extend the completion date of the animation production project to April 2019. Therefore, it was classified as current assets as at 30 June 2018. The project was completed and released during the year ended 30 June 2019.

20. 電影及電視版權以及製作中電影及電視劇(續)

附註：截至2019年6月30日止年度，就製作中電影及電視劇的製作費用確認減值虧損港幣4,412,000元(2018年：港幣15,378,000元)。管理層認為製作中電影及電視的製作計劃已延期並認為有關款項可能不會全數收回。董事認為港幣4,412,000元(2018年：港幣15,378,000元)的賬面值應悉數減值。

21. 預付演員款項

於2014年4月16日，本集團與獨立第三方訂立協議，投資一間於香港註冊成立之實體所持有的動畫製作項目，注資金額為港幣4,056,000元，佔項目完成時15%的溢利分成。根據協議條款，本集團有權按動畫製作項目的注資比例分佔動畫發行權所產生的溢利。動畫製作原預期將於2018年4月完成。於2016年4月15日，本集團與獨立第三方書面協定延長動畫製作項目的完成日期至2019年4月。因此，該項投資於2018年6月30日分類為流動資產。截至2019年6月30日止年度，該項目已完成並上映。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

21. AVAILABLE-FOR-SALE INVESTMENT

(Continued)

Before the application of HKFRS 9 on 1 July 2018, it is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is not ascertain that the Directors are of the opinion that its fair value cannot be measured reliably. As at 30 June 2018, the Group was confirmed by the counterparty to have an agreed profit sharing from this investment amounted to HK\$1,320,000 and Management considered the difference between the investment cost and the agreed profit sharing amounted to HK\$2,736,000 was not expected to be recoverable and therefore, an impairment loss of HK\$2,736,000 was recognised and charged to profit or loss during the year ended 30 June 2018. During the year ended 30 June 2019, the agreed profit sharing amount of HK\$1,320,000 has been received by the Group.

As at 30 June 2018, the above investment was classified as AFS investment at initial recognition, and reclassified to financial assets mandatorily measured at FVTPL upon the application of HKFRS 9 on 1 July 2018.

21. 預付演員款項(續)

於2018年7月1日應用香港財務報告準則第9號前，由於合理的公平值估計範圍不確定，因此本公司董事認為公平值不能可靠計量，因此該項投資於報告期末按成本減減值計量。於2018年6月30日，交易對方向本集團確認統一分佔該項投資的協定溢利分成為港幣1,320,000元，而管理層認為投資成本及協定溢利分成之差額(即港幣2,736,000元)預期不可收回，因此，截至2018年6月30日止年度，減值虧損港幣2,736,000元於損益確認並自損益扣除。截至2019年6月30日止年度，本集團收取協定溢利分成港幣1,320,000元。

於2018年6月30日，上述投資於初始確認時分類為可供出售投資，並於2018年7月1日應用香港財務報告準則第9號後獲重新分類為強制按公平值於損益入賬之金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

22. INVESTMENTS IN FILM/DRAMA PRODUCTION

22. 投資電影／戲劇製作

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Investments at amortised cost	按攤銷成本列賬之投資		
– film (note i)	– 電影(附註i)	–	–
– animations (note ii)	– 動畫(附註ii)	–	2,920
		–	2,920

The amount represented investments in an international and PRC production houses for co-financing of the production of film, TV programme and animations.

During the year ended 30 June 2019, the Group has one (2018: two) agreement with production houses, which are independent third parties, at a total contract amount of nil (2018: HK\$2,920,000). The investments are governed by the relevant agreements entered into between the Group and the production houses whereby the Group is entitled to benefits generated from the distribution of the related film/television programme/animations productions.

該款項指向一間國際製作公司及中國製作公司投資，以為電影、電視節目及動畫的製作共同出資。

截至2019年6月30日止年度，本集團與製作公司(均為獨立第三方)訂立一份(2018年：兩份)協議，合約總金額為零(2018年：港幣2,920,000元)。有關投資受本集團與製作公司所訂立的相關協議的規管，其中，本集團有權享有相關電影／電視節目／動畫製作發行所產生之利益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

22. INVESTMENTS IN FILM/DRAMA PRODUCTION (Continued)

Notes:

- (i) Based on the terms of the agreement signed in 2013 by Pegasus Motion Pictures Investment Limited ("PMPIL"), an indirect wholly-owned subsidiary of the Company, with Inversion Productions Limited ("Inversion"), an amount of US\$2,500,000 (equivalent to HK\$19,613,000) was invested and would be fully repaid to PMPIL upon the commencement of principal photography of the film tentatively scheduled to take place in August 2013 or upon the close of bank financing tentatively scheduled to take place before November 2013, whichever occurs earlier. In addition, PMPIL is entitled to a return of 20% of the investment amount upon the theatrical release of the relevant film in the United States of America tentatively scheduled to take place in 2014 and a certain percentage of the profit to be derived from the release of the film worldwide in any media and in any format. As a security, Inversion created a pledge in favor of PMPIL for another international film to be launched by Inversion, which should be exercisable in the event that the principal photography of the film did not commence by 30 November 2013 or if the production of the film was abandoned, PMPIL was entitled to exercise its right prior to 31 December 2013.

Since 2013, PMPIL and Inversion have been entering into several extension agreements to extend the date for Inversion to start principal photography of the film from August 2014 to January 2019. Due to the extension of time, the amount of the agreed fully repayment and the agreed amount of return to which PMPIL were entitled have also been increased from 20% to 48%. All the other terms and conditions of the agreements have remained unchanged and continue in full force and effect.

22. 投資電影／戲劇製作(續)

附註：

- (i) 根據本公司間接全資附屬公司天馬電影投資有限公司(「天馬電影投資」)與Inversion Productions Limited(「Inversion」)於2013年簽訂的協議條款，於電影主攝製開始(暫定2013年8月開拍)後或銀行融資截止(暫定2013年11月前)後(以較早者為準)，一筆2,500,000美元(相當於港幣19,613,000元)的已投資金額將悉數償還予天馬電影投資。此外，於該電影在美利堅合眾國電影院線上映(暫定2014年)後，天馬電影投資將享有投資金額20%的回報，以及影片在全球以任何媒體及以任何形式發行所產生的若干百分比溢利。Inversion對Inversion將推出的另一部國際電影設置以天馬電影投資為受益人的質押作為抵押品，有關權利可於該電影的主攝製並無於2013年11月30日前展開時行使，或倘該電影的製作被擱置，則天馬電影投資有權於2013年12月31日前行使其權利。

自2013年起，天馬電影投資曾多次與Inversion訂立延長協議，將Inversion電影主攝製開始日期由2014年8月延期至2019年1月。由於延期，天馬電影投資享有的協定還款總額及協定回報亦已由20%增加至48%。協議的所有其他條款及條件維持不變且依然具有十足效力及作用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

22. INVESTMENTS IN FILM/DRAMA PRODUCTION (Continued)

Notes: (Continued)

(i) (Continued)

During the year ended 30 June 2018, the film yet to start its principal photography. Subsequent to the year ended 30 June 2018, the Company has been informed that there are changes in film director and main cast and additional funding may not be able to obtain and Inversion did not return the investment cost and the agreed interest to the Group. The Directors consider it may be remote to recover the investment cost in a film production and therefore, an impairment of investment in the film production of HK\$19,613,000 was recognised and charged to profit or loss during the year ended 30 June 2018. During the year ended 30 June 2019, the Group disposed of PMPIL to an independent third party, details are set out in note 38.

(ii) During the year ended 30 June 2017, based on the terms of the agreement signed by 北京天馬聯合影視文化有限公司 (“北京天馬”), an amount of RMB2,434,000 (equivalent to HK\$2,920,000) (2018: RMB2,434,000 (equivalent to HK\$2,920,000)) was invested and will be fully repaid to 北京天馬 upon the theatrical release of the TV programme or on 30 April 2018, whichever is earlier. In addition, 北京天馬 was entitled to a minimum rate of return at 15% per annum on the principal amount and share of profit generated from the distribution of the related TV production based on the percentage of capital invested into the production of animation production.

During the year ended 30 June 2019, the whole investment cost of RMB2,434,000 (equivalent to HK\$2,920,000) and an investment income of RMB522,000 (equivalent to HK\$600,000) was received by the Group.

22. 投資電影／戲劇製作(續)

附註：(續)

(i) (續)

截至2018年6月30日止年度，電影主攝製仍未開始。於截至2018年6月30日止年度後，本公司已獲知會電影導演及主要選角出現變動且可能無法獲取額外資金和Inversion並無向本集團返還投資成本及協定利息。董事認為收回電影製作投資成本之可能性甚微，因此於截至2018年6月30日止年度確認並自損益扣除電影製作投資減值港幣19,613,000元。截至2019年6月30日止年度，本集團將天馬電影投資出售予一名獨立第三方，詳情載於附註38。

(ii) 截至2017年6月30日止年度，根據北京天馬聯合影視文化有限公司（「北京天馬」）所簽訂的協議條款，已投資一筆人民幣2,434,000元（相當於港幣2,920,000元）（2018年：人民幣2,434,000元（相當於港幣2,920,000元））的款項及該款項將於電視節目上映後或於2018年4月30日（以較早者為準）悉數償還予北京天馬。此外，北京天馬享有本金額每年最低15%的回報率，並按製作動畫的投資比例分佔發行相關電視製作產生的溢利。

截至2019年6月30日止年度，本集團已收取全部投資成本人民幣2,434,000元（相當於港幣2,920,000元）及投資收入人民幣522,000元（相當於港幣600,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

22. INVESTMENTS IN FILM/DRAMA PRODUCTION (Continued)

Since the initial investments were expected to be recovered by the Group within one year, the amount of HK\$2,920,000 was classified as current assets at 30 June 2018.

The investments in film/drama production contain embedded derivatives which were not closely related to the host contract. The debt components of the investments in film/drama production were measured at amortised cost subsequent to initial recognition. At initial recognition and 30 June 2018, the fair value of embedded derivatives was considered insignificant.

23. INVENTORIES

Raw materials and consumables
Finished goods

Total

原材料及消耗品
製成品

總計

22. 投資電影／戲劇製作(續)

由於預期本集團將於一年內收回初始投資，故港幣2,920,000元的金額於2018年6月30日分類為流動資產。

投資電影／戲劇製作包括與主合約並無密切關係的嵌入式衍生工具。投資電影／戲劇製作的債務部分乃按初步確認後的攤銷成本計量。於初步確認時及2018年6月30日，嵌入式衍生工具的公平值被認為微不足道。

23. 存貨

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Raw materials and consumables	原材料及消耗品	288	266
Finished goods	製成品	397	424
Total	總計	685	690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

24. TRADE AND OTHER RECEIVABLES

The aged analysis of the Group's trade receivables, net of allowance for credit losses, based on the invoice date which approximates the respective revenue recognition dates, at the end of the reporting period is as follows:

24. 貿易及其他應收款項

於報告期末，本集團貿易應收款項(經扣除信貸虧損撥備)按發票日期(大致為各自之收益確認日期)的賬齡分析如下：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade receivables:	貿易應收款項：		
0 – 30 days	0至30日	18,426	2,153
31 – 60 days	31至60日	133	288
61 – 90 days	61至90日	11,888	64
91 – 180 days	91至180日	9,691	274
181 – 365 days	181至365日	97,341	84
Over one year	超過一年	2,869	12
		140,348	2,875
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	5,986	4,271
Prepayment of interest to bondholders (note 33)	預付債券持有人利息(附註33)	884	–
Prepayment to artiste agency and scriptwriters	預付藝人經紀及編劇款項	12,920	–
Other deposits and prepayments for cinema operation	電影院業務的其他按金及預付款項	2,581	2,473
		162,719	9,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

24. TRADE AND OTHER RECEIVABLES (Continued)

Generally, with the exception of PRC TV series production customers and post-production customers, who are generally granted credit period ranging from 30 to 90 days, no credit period is granted to the Group's customers. Distribution and licensing fee from distributors in Hong Kong, the PRC and overseas countries are normally settled upon delivery of film negatives to them. On a case-by-case basis, one to two months of credit period may be granted to its customers with good repayment history.

As at 30 June 2019, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$110,094,000 which are past due as at the reporting date. Out of the past due balances, HK\$109,779,000 has been past due 90 days or more and is not considered as in default by considering the background of the trade receivables and historical payment arrangement of these trade receivables. The Group does not hold any collateral over these balances.

As at 30 June 2018, included in the Group's trade receivables balance were debtors with aggregate carrying amount of HK\$722,000 which are past due as at the reporting date for which the Group had not provided for credit loss. The Group does not hold any collateral or credit enhancements over these balances.

24. 貿易及其他應收款項(續)

除中國電視劇製作客戶及後期製作客戶一般獲授介乎30至90日的信貸期外，本集團一般並無向其客戶授出任何信貸期。應收香港、中國及海外國家發行商的發行及發行權使用許可費用通常於向彼等交付電影菲林底片時結算。本集團可按個案基準向具備良好還款記錄的客戶授出一至兩個月的信貸期。

於2019年6月30日，本集團貿易應收款項結餘包括賬面總值為港幣110,094,000元的應收款項，於報告日期已逾期。已逾期結餘中，港幣109,779,000元已逾期90日或以上，惟經考慮貿易應收款項之背景及該等貿易應收款項之歷史付款安排，其並不被視為違約。本集團並無就該等結餘持有任何抵押品。

於2018年6月30日，本集團貿易應收款項結餘包括賬面總值為港幣722,000元的應收賬款，於報告日期已逾期但本集團並無就此計提信貸虧損撥備。本集團並無就該等結餘持有任何抵押品或採取信用加強措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

24. TRADE AND OTHER RECEIVABLES (Continued)

Aging of trade receivables which are past due but not impaired:

		2018 2018年 HK\$'000 港幣千元
31 – 60 days	31至60日	288
61 – 90 days	61至90日	64
91 – 180 days	91至180日	274
181 – 365 days	181至365日	84
Over 365 days	超過365日	12
		722

Management believes that no impairment allowance was necessary in respect of these balances as there have not been a significant change in credit risk and the balances were still considered fully recoverable. Details of impairment are set out in note 42.

24. 貿易及其他應收款項(續)

已逾期但並未減值的貿易應收款項的賬齡分析：

管理層認為，由於信貸風險並無重大變動且結餘仍視作可悉數收回，故毋須就該等結餘計提減值撥備。減值的詳情載於附註42。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

25. PLEDGED BANK DEPOSITS

At 30 June 2019, amount of HK\$664,000 (2018: HK\$661,000) has been pledged to a bank to secure the 4Dx's equipment rental fees payable to a supplier of 4Dx equipment for the Group's operation in the Lease Premises in accordance with the 4Dx equipment rental agreement dated 20 August 2015. As at 30 June 2019, the Group has no bank deposit (2018: HK\$10,000,000) placed to a bank to secure short-term banking facilities granted to the Group in which such short-term banking facilities were no longer used by the Group as at 30 June 2019. The pledged bank deposits carry interests at a fixed rate of 0.45% (2018: 0.30% – 1.50%) per annum and it will be mature on 20 August 2019 (2018: 27 July 2018 and 17 July 2018), respectively.

The Group's pledged bank deposits that are not denominated in the functional currencies of the relevant group entities are as follows:

25. 已抵押銀行存款

於2019年6月30日，港幣664,000元（2018年：港幣661,000元）已抵押予銀行以擔保根據日期為2015年8月20日的4Dx設備租賃協議就本集團於租賃物業營運而應付予4Dx設備供應商的4Dx設備租賃費。於2019年6月30日，本集團並無銀行存款（2018年：港幣10,000,000元）已抵押予一間銀行以擔保向本集團授予短期銀行融資，而於2019年6月30日，該等短期銀行融資已不再為本集團所用。已抵押銀行存款按固定年利率0.45%（2018年：0.30%至1.50%）計息，並將分別於2019年8月20日（2018年：2018年7月27日及2018年7月17日）到期。

本集團以相關集團實體功能貨幣以外貨幣計值的已抵押銀行存款如下：

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
USD	美元	664	661

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

26. BANK BALANCES AND CASH

Bank balances and cash of the Group carry interest at market rates which are as follows:

		2019 2019年	2018 2018年
Interest rate per annum	年利率	0.01% to 0.25% 0.01%至0.25%	0.01% to 0.27% 0.01%至0.27%

The Group's bank balances and cash that are not denominated in the functional currencies of the relevant group entities are as follows:

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Australian Dollar ("AUD")	澳元(「澳元」)	207	208
Renminbi ("RMB")	人民幣(「人民幣」)	29,525	6,757
USD	美元	2,509	373
Euro ("EUR")	歐元(「歐元」)	1	1
HK\$	港幣	1,330	1,330
Singaporean Dollar ("SGD")	新加坡元(「新加坡元」)	24	24

26. 銀行結餘及現金

本集團銀行結餘及現金乃按以下市場利率計息：

本集團以相關集團實體功能貨幣以外貨幣計值的銀行結餘及現金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

27. TRADE AND OTHER PAYABLES

27. 貿易及其他應付款項

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Trade payables	貿易應付款項	48,995	30,270
Payables in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的應付款項	10,534	21,992
Other payables and accruals	其他應付款項及應計費用	72,502	64,807
Investment funds from investors (note i)	來自投資者的投資基金(附註i)	51,015	–
Advances from former shareholder of subsidiaries acquired (notes 37 and iv)	來自被收購附屬公司前股東的墊款(附註37及iv)	36,343	–
Deposits received (note ii)	已收按金(附註ii)	1,116	1,116
Deposit received from disposal of a subsidiary (note iii)	自出售一間附屬公司收取之按金(附註iii)	–	2,400
		220,505	120,585
Less: amount shown under non-current liabilities (note ii)	減：非流動負債項下呈列之金額(附註ii)	(950)	(1,116)
Amount shown under current liabilities	流動負債項下呈列之金額	219,555	119,469

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

27. TRADE AND OTHER PAYABLES (Continued)

The average credit period on purchases of goods is 60 to 90 days. The aging analysis of trade payables presented is based on the invoice date at the end of the reporting period. The following is analysis of the Group's trade payables at the end of the reporting period:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 60 days	60日內	32,607	30,202
Within 61 to 90 days	61至90日	1	7
Within 91 to 365 days	91至365日	16,387	61
		48,995	30,270

Notes:

- (i) The investment funds from investors represent the share of return on investments to other investors of TV series produced by the Group.
- (ii) Deposits received represent deposits received from a cinema circuit operator in Hong Kong for a film to be theatrical release in Hong Kong and licensing deposits received from the licensee which are refundable at the expiry of the licenses. As at 30 June 2019, an amount of deposits received of HK\$166,000 will expire in November 2019 and therefore the amount was classified as current liabilities. The remaining amount of HK\$950,000 will expire in February 2022 and therefore, the amount was classified as non-current liabilities.
- (iii) Deposit received from disposal of a subsidiary represented the amount paid by the buyers, who are two independent third parties of the Group for acquiring entire equity interests of an indirect wholly-owned subsidiary of the Company and the disposal was completed as at 30 June 2019. Details are set out in note 38.
- (iv) The advances from former shareholder of subsidiaries acquired were non-trade related, unsecured, interest-free and repayable on demand.

27. 貿易及其他應付款項(續)

採購貨品的平均信貸期為60至90日。於報告期末，貿易應付款項的賬齡分析乃基於發票日期呈列。本集團於報告期末的貿易應付款項分析如下：

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 60 days	60日內	32,607	30,202
Within 61 to 90 days	61至90日	1	7
Within 91 to 365 days	91至365日	16,387	61
		48,995	30,270

附註：

- (i) 來自投資者的投資基金指本集團所製作的電視劇的其他投資者之投資回報份額。
- (ii) 已收按金指就將在香港影院放映的一部電影已收香港電影院線運營商按金及自獲特許權人收取的於特許權屆滿時可退還的特許權按金。於2019年6月30日，已收取港幣166,000元的存款將於2019年11月到期，因此該金額被分類為流動負債。餘下港幣950,000元將於2022年2月到期，因此，該金額被分類為非流動負債。
- (iii) 自出售一間附屬公司收取之按金指就收購本公司一間間接全資附屬公司全部股權的買方（為本集團的兩名獨立第三方）支付之款項，出售事項已於2019年6月30日完成。詳情載於附註38。
- (iv) 來自被收購附屬公司前股東的墊款屬非貿易性質、無抵押、免息及須按要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

28. CONTRACT LIABILITIES/RECEIPTS IN ADVANCE

28. 合約負債／預收賬款

		30 June	1 July
		2019	2018*
		2019年	2018年
		6月30日	7月1日*
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Advances from customers	客戶墊款	46,562	154,663

* The amount in this column is after the adjustment from the application of HKFRS 15

The amount of HK\$154,663,000 as at 1 July 2018 had been recognised as the Group's revenue during the year ended 30 June 2019. The Directors considered that the entire amount of contract liabilities as at 30 June 2019 will be recognised as revenue within twelve months subsequent to 30 June 2019.

Deposits are received by the Group as the instalments of contribution from the PRC co-producers for film and TV series production in progress and advances of distribution and licensing income received from distributors prior to release and delivery of film negatives and TV series program. Payment terms are negotiated in contract by contract basis. When the Group receives certain percentage of deposits as an advance payment upon signing the contract, this will give rise to contract liabilities at the start of a contract, until the revenue is recognised upon the relevant performance obligation is fulfilled.

* 本欄金額為經應用香港財務報告準則第15號後調整所得。

於2018年7月1日的金額為港幣154,663,000元已於截至2019年6月30日止年度確認為本集團的收益。董事認為，於2019年6月30日的全部合約負債金額將於2019年6月30日其後十二個月內確認為收益。

本集團已收按金指中國聯合製片商就製作中電影及電視劇作出的分期出資及於影院放映及交付電影及電視劇菲林底片前已收發行商的發行及發行權使用許可收入預收款項。付款期限根據合約於合約內磋商。當本集團於簽訂供應框架合約並收取若干百分比的訂金作為預收款項時，會於合約開始時產生合約負債，直至相關履約責任完成後確認收益為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

29. BANK AND OTHER BORROWINGS

29. 銀行及其他借貸

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Secured bank borrowings:	已抵押銀行借款：		
Variable-rate bank borrowing	浮動利率銀行借款	22,800	8,208
Fixed-rate bank borrowing	定息銀行借款	3,420	-
		26,220	8,208
Unsecured other borrowing (Note)	未抵押其他借款(附註)	39,000	-
		65,220	8,208

The Group's bank and other borrowings are repayable as follows:

本集團銀行及其他借款需於以下期間償還：

Carrying amount repayable (based on scheduled repayment terms):

應償還賬面值(基於預定還款期)：

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Within one year or on demand	一年內或須按要求償還	65,220	2,441
Within a period of more than one year but not exceeding two years	一年以後兩年以內	-	2,515
Within a period of more than two years but not exceeding five years	兩年以後五年以內	-	3,252
		65,220	8,208
Less: Amounts due shown under current liabilities:	減：於流動負債項下列示的應付款項：		
On demand or due within one year	按要求或一年內到期	(65,220)	-
Due within one year and contain a repayment on demand clause	一年內到期但具按要求的償還條款	-	(2,441)
Due after one year but contain a repayment on demand clause	一年後到期但具按要求的償還條款	-	(5,767)
		(65,220)	(8,208)
Amounts due for settlement after 12 months	應於十二個月後償還的款項	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

29. BANK AND OTHER BORROWINGS (Continued)

Note: The other borrowing is due to Pure Project Limited in which Mr. Wong has controlling interests during the year ended 30 June 2019. Mr. Wong resigned as the executive director of the Company on 1 April 2019. Therefore, the amount was reclassified from the amount due to a related company (note 31) to bank and other borrowings as at 1 April 2019. The other borrowing is unsecured, interest-free and repayable on demand.

The ranges of effective interest rates (which are also equal to contracted interest rates) per annum on the Group's bank and other borrowings are analysed as follows:

		2019 2019年	2018 2018年
Fixed-rate bank borrowings RMB denominated borrowings	定息銀行借貸人民幣 計值借貸	7.2%	-
Variable-rate bank borrowings RMB denominated borrowings	浮息銀行借貸人民幣 計值借貸	Benchmark Borrowing Rate of the People's Bank of China + 0.91% 7.2% 中國人民 銀行基準借貸利率 + 0.91%	-
Variable-rate bank borrowings HKD denominated borrowings	浮息銀行借貸港幣 計值借貸	-	2.53% to 3.07% 2.53%至3.07%

The bank borrowings are secured by trade receivables of RMB32,627,000 (equivalent to HK\$37,195,000) and guaranteed by an insurance company in the PRC (2018: a bank deposit of HK\$10,000,000 placed to a bank).

29. 銀行借貸(續)

附註：其他借款為應付黃先生於截至2019年6月30日止年度擁有控股權益的盧威有限公司之款項。黃先生於2019年4月1日辭任本公司執行董事。因此，該款項於2019年4月1日由應付一間關聯公司款項(附註31)重新分類至銀行及其他借款。其他借款為無抵押、免息及須按要求償還。

本集團銀行及其他借款之實際年利率範圍(亦相等於已訂約利率)的分析如下：

該銀行借款乃以貿易應收款項人民幣32,627,000(相等於港幣37,195,000元)作抵押及由一間中國保險公司提供擔保(2018年：抵押予一間銀行的銀行存款港幣10,000,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

30. LOANS FROM A RELATED COMPANY

30. 來自一間關聯公司的貸款

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Loans from a related company	相關集團借貸		
- Loan 1 (note i)	- 借款1(附註i)	36,473	-
- Loan 2 (note ii)	- 借款2(附註ii)	161,695	-
- Loan 3 (note iii)	- 借款3(附註iii)	27,801	-
		225,969	-
Analysed as:	分析為：		
- Current liabilities	- 流動負債	64,274	-
- Non-current liabilities	- 非流動負債	161,695	-
		225,969	-

Notes:

- (i) Guangzhou Daide Management Consultancy Company Limited ("Guangzhou Daide"), a wholly-owned subsidiary of the Company, borrowed an aggregate loan advances of RMB31,000,000 (equivalent to HK\$35,650,000) from Guangzhou Seedland Real Estate Development Limited ("Guangzhou Seedland"), a company in which Mr. Zhang Liang, Johnson, the controlling shareholder and the executive director of the Company, has controlling interests. The loan advances are unsecured, interest-bearing at 7% per annum and repayable in January 2020. Therefore, the loan advances are classified as current liabilities.
- (ii) Guangzhou Huohua Investment Company Limited ("Guangzhou Huohua"), a wholly-owned subsidiary of the Company, borrowed an aggregate loan advances of RMB135,000,000 (equivalent to HK\$155,250,000), in January 2019 from Guangzhou Seedland. The loan advances are unsecured, interest-bearing at 7% per annum and the loans amount with interests accrued are repayable in 3 years after the loan's drawdown date. Therefore, the amounts are classified as non-current liabilities.
- (iii) Khorgas Houhai Culture Media Company Limited, a non-wholly owned subsidiary of the Company, borrowed an aggregate loan advances of RMB38,000,000 (equivalent to HK\$43,700,000) from Guangzhou Seedland. The loan advances are unsecured, interest-bearing at 7% per annum and repayable on 31 December 2019. Therefore, the loan advances are classified as current liabilities. During the year ended 30 June 2019, partial repayment of RMB15,000,000 (equivalent to HK\$17,250,000) was made to Guangzhou Seedland.

附註：

- (i) 廣州戴德管理諮詢有限公司(「廣州戴德」)(本公司一間全資附屬公司)向廣州實地房地產開發有限公司(「廣州實地」)(張量先生，本公司的控股股東及執行董事於該公司擁有控股權益)借入合共貸款墊款人民幣31,000,000元(相當於港幣35,650,000元)。貸款墊款為無抵押、按年利率7%計息以及於2020年1月償還。因此，貸款墊款被分類為流動負債。
- (ii) 於2019年1月，廣州火花投資有限公司(「廣州火花」)(本公司一間全資附屬公司)向廣州實地借入合共貸款墊款人民幣135,000,000元(相當於港幣155,250,000元)。貸款墊款為無抵押、按年利率7%計息以及應計利息的貸款金額須於貸款提取日期後3年內償還。因此，該金額被分類為非流動負債。
- (iii) 霍爾果斯厚海文化傳媒有限公司(「厚海文化」)(本公司一間非全資附屬公司)向廣州實地借入合共貸款墊款人民幣38,000,000元(相當於港幣43,700,000元)。貸款墊款為無抵押、按年利率7%計息以及於2019年12月31日償還。因此，貸款墊款被分類為流動負債。截止2019年6月30日止年度，已向廣州實地償還部分款項為人民幣15,000,000元(相當於港幣17,250,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

31. AMOUNTS DUE FROM (TO) RELATED COMPANIES

31. 應收(付)關聯公司款項

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Amounts due from related companies	應收關聯公司款項		
Mandarin Motion Pictures Production Limited ("Mandarin Motion") (note i)	東方影業製作有限公司 (「東方」)(附註i)	-	142
Ying Yau Development Limited (note ii)	盈有發展有限公司(附註ii)	-	1
		-	143
Amounts due to related companies	應付關聯公司款項		
PM Motion Pictures Limited (note iii)	天馬電影出品有限公司(附註iii)	-	7
Maya Entertainment Holdings Limited (note ii)	瑪雅娛樂集團有限公司 (附註ii)	-	24
Pure Project Limited (note iv)	盧威有限公司(附註iv)	-	40,000
		-	40,031

As at 30 June 2018, except for an amount due to Pure Project Limited of HK\$40,000,000 in which Mr. Wong had controlling interests during the year ended 30 June 2018 was non-trade nature, unsecured, interest-free and repayable on demand, the remaining balances were trade nature, unsecured, interest-free and repayable on demand.

於2018年6月30日，除黃先生於截至2018年6月30日止年度擁有控股權益的應付盧威有限公司之款項港幣40,000,000元屬非貿易性質、無抵押、免息及須按要求償還外，剩餘餘額屬貿易性質、無抵押、免息及須按要求償還。

Notes:

附註：

- (i) Ms. Wong Kit Fong, the sister of Mr. Wong (who resigned as the executive director of the Company on 1 April 2019), has controlling interest in this company.
- (ii) Mr. Zhang Liang, Johnson, the controlling shareholder and the executive director of the Company, is also the director of these companies.
- (iii) Mr. Wong who resigned as executive director of the Company on 1 April 2019 and Mr. Wong Chi Woon, Edmond and Ms. Wong Yee Kwan, Alvina who were the directors of the Company for the period from 1 July 2017 to 13 December 2017, collectively have controlling interests in this company.
- (iv) Mr. Wong has controlling interests in this company. On 1 April 2019, Mr. Wong resigned as the executive director of the Company and therefore, the amount was reclassified to bank and other borrowings as at 30 June 2019, details are set out in note 29.

- (i) 黃先生(其於2019年4月1日辭任本公司執行董事)的胞妹黃潔芳女士擁有該公司的控股權益。
- (ii) 張量先生(控股股東及本公司執行董事)亦為該等公司之董事。
- (iii) 黃先生(於2019年4月1日辭任本公司執行董事)以及黃子桓先生及黃漪鈞女士(彼等於2017年7月1日至2017年12月13日期間為董事)共同於該公司擁有控股權益。
- (iv) 黃先生於該公司擁有控股權益。於2019年4月1日，黃先生辭任本公司執行董事，因此該款項於2019年6月30日重新分類至銀行及其他借款，詳情載於附註29。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

32. AMOUNT DUE TO A JOINT VENTURE

The amount is trade-related, unsecured, interest-free and repayable on demand.

33. BONDS PAYABLE

On 16 May 2019, the Company has entered into the placing agreement with the placing agent (the "Agent") pursuant to which the Agent conditionally agreed to procure, on a best effort basis, and the placees who are independent third parties to the Group to subscribe in cash for the bonds in an aggregate amount of up to HK\$150,000,000 with a maturity date of one year from the issue date. Based on the terms of the placing agreement, the Company has the unconditional right to extend the maturity date of the Bonds for another one year from the initial maturity date. Therefore, the bonds payable is classified as non-current liabilities as at 30 June 2019.

The bonds will be issued in tranches and the bonds are unsecured, unsubordinated and carried at fixed coupon rate of 9% per annum which are payable semi-annually in advance from the date of issue of the bonds. During the year ended 30 June 2019, the Company issued in aggregate amount of HK\$22,000,000 to the placees and a prepayment of bond interests payable in advance amounted to HK\$884,000 which is included in trade and other receivables (note 24).

32. 應付一間合營企業款項

該款項乃貿易性質、無抵押、免息及須按要求即時償還。

33. 應付債券

於2019年5月16日，本公司與配售代理（「代理」）訂立一份配售協議，據此，該代理有條件同意按盡最大努力基準在配售期間促使承配人（為本集團之獨立第三方）以現金認購本金總額最多港幣150,000,000元之債券，到期日為自發行日期起計滿一年當日根據配售協議之條款，本公司有權無條件將債券的到期日再延長一年，自首次到期日起計。因此，應付債券於2019年6月30日分類為非流動負債。

債券將分批發行，無抵押、非後償責任並按每年9%固定票面年利率計息，並須於債券發行日期起計提前半年支付。於截至2019年6月30日止年度，本公司發行總額港幣22,000,000元予承配人，及預付應付債券利息港幣884,000元予承配人，其已於貿易及其他應收款項（附註24）中列明。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

34. SHARE CAPITAL

34. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Ordinary shares of HK\$0.0025 each:	每股面值港幣0.0025元的 普通股：		
Authorised:	法定：		
At 1 July 2017, 30 June 2018 and 30 June 2019	於2017年7月1日、2018年6月30日 及2019年6月30日	32,000,000,000	80,000
Issued and fully paid:	已發行及繳足：		
At 1 July 2017, 30 June 2018 and 30 June 2019	於2017年7月1日、2018年6月30日 及2019年6月30日	2,595,613,733	6,489

35. DEFERRED TAX ASSETS

35. 遞延稅項資產

The followings are the deferred tax asset (liability) recognised by the Group and movements thereon during the current and prior years:

本集團於本年度及過往年度確認的遞延稅項資產(負債)及其變動如下：

		Tax losses 稅項虧損 HK\$'000 港幣千元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 July 2017	於2017年7月1日	11,603	(771)	10,832
(Charge) credit to profit or loss (note 9)	(支銷)計入損益 (附註9)	(10,146)	493	(9,653)
At 30 June 2018	於2018年6月30日	1,457	(278)	1,179
(Charge) credit to profit or loss (note 9)	(支銷)計入損益(附註9)	(211)	227	16
Disposal of subsidiaries (note 38)	出售附屬公司(附註38)	(1,111)	77	(1,034)
At 30 June 2019	於2019年6月30日	135	26	161

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

35. DEFERRED TAX ASSETS (Continued)

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to undistributed earnings of the Group's PRC subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the end of the reporting period, the Group has unused tax losses of HK\$235,070,000 (2018: HK\$174,194,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$821,000 (2018: HK\$8,834,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$234,249,000 (2018: HK\$165,360,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$927,000, HK\$5,235,000 and HK\$47,688,000 (2018: HK\$977,000 and HK\$7,227,000 will expire in 2021 and 2022, respectively) that will expire in 2021, 2022 and 2023, respectively. Other losses may be carried forward indefinitely.

35. 遞延稅項資產(續)

根據企業所得稅法，中國附屬公司就自2008年1月1日起賺取的溢利所宣派的股息須繳納預提稅。本集團並未就歸屬於本集團中國附屬公司未分派盈利的暫時差額於綜合財務報表計提遞延稅項，原因是本集團能控制暫時差額回撥的時間以及該暫時差額於可預見未來可能不會撥回。

於報告期末，本集團有未動用稅項虧損港幣235,070,000元（2018年：港幣174,194,000元）可作抵銷未來溢利。本集團已就相關虧損港幣821,000元（2018年：港幣8,834,000元）確認遞延稅項資產。由於未來溢利流之不可預測性，本集團並未就餘下港幣234,249,000元（2018年：港幣165,360,000元）確認遞延稅項資產。未確認稅項虧損包括將分別於2021年、2022年及2023年屆滿之虧損港幣927,000元、港幣5,235,000元及港幣47,688,000元（2018年：港幣977,000元及港幣7,227,000元分別將於2021年及2022年屆滿）。其他虧損可能無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

36. SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme

The Company's share option scheme (the "Scheme"), was approved and adopted by the sole shareholder on 5 October 2012 for the primary purpose to grant options to eligible persons as incentives or rewards for their contribution to the Group.

Under the Scheme, the board of directors of the Company may, at its discretion, grant options pursuant to the Scheme to the Directors (including executive directors, non-executive directors and independent non-executive directors), employees, advisors and consultants of the Company and its subsidiaries who the board of directors of the Company considers, in its absolute discretion, have contributed or will contribute to the Group (the "Participants").

The total numbers of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The Scheme shall be valid and effective for a period of 10 years commencing on 5 October 2012. Options granted during the life of the Scheme shall continue to be exercisable in accordance with their terms of grant. The exercise price is determined by the Directors and will not be less than the highest of (i) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. Upon acceptance of the option, the Participants shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of 28 days from the date of grant.

As at 30 June 2019 and 2018, there were no share options granted under the Scheme by the Company.

36. 以股份為基礎付款的交易

購股權計劃

本公司的購股權計劃(「該計劃」)於2012年10月5日獲唯一股東批准及採納，主要目的為向合資格人士授出購股權，作為彼等對本集團作出貢獻的獎勵或回報。

根據該計劃，本公司董事會可酌情根據該計劃向其全權認為對本集團作出或將作出貢獻的董事(包括執行董事、非執行董事及獨立非執行董事)、本公司及其附屬公司的僱員、顧問及諮詢人士(「參與者」)授出購股權。

未經本公司股東事先批准，根據該計劃可能授出的購股權涉及的股份總數不得超過本公司任何時候已發行股份的10%。未經本公司股東事先批准，於任何一年內向任何人士授出及可能授出的購股權所涉及的已發行及將發行的股份數目不得超過本公司任何時候已發行股份的1%。

該計劃自2012年10月5日起計十年內有效。該計劃有效期內授出的購股權根據授出條款可繼續予以行使。行使價由董事釐定，且不會低於以下三者的最高者：(i)於授出日期(必須為交易日)聯交所發佈的每日報價表所示股份收市價；(ii)緊接授出日期前五個交易日聯交所發佈的每日報價表所示股份平均收市價；及(iii)本公司股份面值。於接納購股權後，參與者須向本公司支付港幣1.00元，作為獲授購股權的代價。購股權的接納期為授出日期起計28日。

於2019年及2018年6月30日，本公司概無根據該計劃授出購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

37. ACQUISITION OF SUBSIDIARIES

During the year, the Group has acquired the entire equity interest in 霍爾果斯厚海文化傳媒有限公司 (Khorgas Houhai Culture Media Company Limited) and its subsidiary, 北京聚海文化傳媒有限公司 (Beijing Juhai Culture Media Company Limited) (collectively known as the “Khorgas Group”) at a consideration of RMB450,000,000 (equivalent to HK\$517,500,000) minus the receivable of RMB20,456,000 (equivalent to HK\$23,525,000) taken by the former shareholders of Khorgas Group, which is payable in 3 instalments from 2018, 2019 and 2020, subject to the profit guarantee as stated in the sale and purchase agreement (the “Acquisition”). The Acquisition was completed on 28 August 2018 and details are set out in the circular issued by the Company dated 26 July 2018. The acquisition had been accounted for using the acquisition method. These subsidiaries were principally engaged in variety shows and TV program production and operation.

37. 收購附屬公司

於年內，本集團已收購霍爾果斯厚海文化傳媒有限公司及其附屬公司北京聚海文化傳媒有限公司（統稱為「霍爾果斯集團」）的全部股權，代價為人民幣450,000,000元（相當於港幣517,500,000元）減霍爾果斯集團前股東所收取的應收款項人民幣20,456,000元（相當於港幣23,525,000元），於2018年、2019年及2020年分三期支付，惟須達成買賣協議所載之溢利保證（「收購事項」）。收購事項已於2018年8月28日完成及有關詳情載於本公司日期為2018年7月26日刊發之通函。收購事項已採用收購法入賬。霍爾果斯集團主要從事綜藝節目及電視節目製作及經營。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

37. ACQUISITION OF SUBSIDIARIES (Continued)

The fair value of net identifiable assets of Khorgas Group at the date of acquisition were as follows:

37. 收購附屬公司(續)

於收購日期，霍爾果斯集團的可識別資產淨值公平值如下：

		At the date of acquisition
		於收購日期
		HK\$'000
		港幣千元
Plant and equipment	廠房及設備	73
Television series production in progress	製作中電視劇	109,095
Trade and other receivables	貿易及其他應收款項	47,144
Bank balances and cash	銀行結餘及現金	3,978
Trade and other payables	貿易及其他應付款項	(19,329)
Contract liabilities	合約負債	(24,903)
Advances from shareholders	股東墊款	(36,343)
Loan from a related company	來自一間關聯公司貸款	(32,200)
Other loans	其他貸款	(4,658)
Net assets acquired of	已收購資產淨值	42,857
Cash consideration	現金代價	153,900
Fair value of contingent consideration payable	應付或然代價之公平值	300,833
Less: net assets acquired	減：所收購資產淨值	(42,857)
Goodwill arising on acquisition (note 15)	收購事項產生的商譽(附註15)	411,876

Goodwill arose in the acquisition of Khorgas Group because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Khorgas Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

收購霍爾果斯集團所產生的商譽乃因合併之成本包括控制權溢價。此外，已付合併代價實際上包括與預期協同效應、收益增長、未來市場發展以及霍爾果斯集團之組合勞動力有關的金額。該等收益並無與商譽分開確認，原因是其不符合可識別無形資產之確認標準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

37. ACQUISITION OF SUBSIDIARIES (Continued)

37. 收購附屬公司(續)

Net cash outflow arising on acquisition:

收購產生之現金流出淨額：

		HK\$'000 港幣千元
Cash consideration	現金代價	153,900
Cash and cash equivalents acquired	所收購現金及現金等價物	(3,978)
		149,922

The fair value of trade and other receivables amounted to HK\$47,144,000, representing gross contractual amounts at the date of acquisition and contractual cash flows are expected to be fully collected.

貿易及其他應收款項之公平值為港幣47,144,000元，指於收購日期之合約總金額及預期將悉數收回的合約現金流量。

The acquiree contributed turnover of HK\$190,670,000 and profit of HK\$46,067,000 to the Group for the period between the date of acquisition and 30 June 2019.

於收購日期及2019年6月30日期間，被收購方為本集團貢獻營業額港幣190,670,000元及溢利港幣46,067,000元。

Had the acquisition been completed on 1 July 2018, total group revenue for the year would have been HK\$668,130,000, and loss for the year would have been HK\$37,408,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 July 2018, nor is it intended to be a projection of future results.

倘收購於2018年7月1日已完成，則年內集團總收益將為港幣668,130,000元，而年內虧損將為港幣37,408,000元。備考資料僅供說明，不一定為本集團實際原應達致之收益及營運業績(倘收購於2018年7月1日完成)的指標，亦不旨在作為未來業績的預測。

In determining the “pro-forma” revenue and profit of the Group had Khorgas Group been acquired at the beginning of the current year, the Directors have determined borrowing costs based on the funding levels, credit ratings and debt/equity position of the Group after the business combination.

於釐定本集團之「備考」收益及溢利(倘霍爾果斯集團於本年度開始時已獲收購)時，董事已根據本集團於業務合併後之資金水平、信貸評級及債務/股權狀況，釐定借貸成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

38. DISPOSAL OF SUBSIDIARIES

For the year ended 30 June 2019

- (a) On 8 May 2018, 上海新馬電影院發展有限公司 (Shanghai Xinma Cinema Development Company Limited) (“Shanghai Xinma”), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the “Equity Transfer Agreement”) with two independent third parties of the Group (the “Purchasers”), pursuant to which Shanghai Xinma agreed to sell and the Purchasers agreed to acquire 100% equity interest of 勝馬文化傳播(上海)有限公司 (Shengma Cultural Communication (Shanghai) Company Limited) (“Shengma Cultural”), a direct wholly-owned subsidiary of Shanghai Xinma which engaged in cinema operations and management in the PRC, at a consideration of RMB40,700,000 plus the cash at bank of Shengma Cultural at the completion date and minus (i) the total amount of liabilities of Shengma Cultural at the completion date and (ii) the contingent liabilities. Details of the disposal are set out in the announcement issued by the Company dated 8 May 2018 and disclosed as “assets classified as held for sale and liabilities associated with assets classified as held for sale” for the year ended 30 June 2018 as detailed in note 39.

On 31 July 2018, the disposal of Shengma Cultural was completed at an adjusted consideration of RMB23,495,000 (equivalent to HK\$26,784,000), after deducting the total amount of liabilities and the agreed contingent liabilities of Shengma Cultural at completion date and the control of Shengma Cultural has been passed to the Purchasers. Upon completion of the disposal, Shengma Cultural ceased to be a subsidiary of the Company.

38. 出售附屬公司

截至2019年6月30日止年度

- (a) 於2018年5月8日，上海新馬電影院發展有限公司(「上海新馬」)(本公司間接全資附屬公司)與本集團兩名獨立第三方(「買方」)訂立股權轉讓協議(「股權轉讓協議」)，據此，上海新馬同意出售及買方同意收購勝馬文化傳播(上海)有限公司(「勝馬文化」)(上海新馬之直接全資附屬公司，於中國從事電影院營運及管理)100%股權，代價為人民幣40,700,000元加勝馬文化於完成日期在銀行結存的現金，再減去(i)勝馬文化於完成日期的負債總額及(ii)或然負債。出售之詳情載於本公司日期為2018年5月8日刊發之公佈及於截至2018年6月30日止年度披露為「分類為持作出售的資產及分類為持作出售的資產相關之負債」。

於2018年7月31日，已完成出售勝馬文化，於扣除完成日期勝馬文化的負債總額及協定或然負債後，經調整代價為人民幣23,495,000元(相當於港幣26,784,000元)及勝馬文化的控制權已讓渡予買方。於出售完成後，勝馬文化不再為本公司的附屬公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

38. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

(a) (Continued)

Consideration received:

		HK\$'000 港幣千元
Cash received	已收現金	26,784

Analysis of assets and liabilities over which control was lost:

		Total 總計 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	18,947
Inventories	存貨	55
Trade and other receivables	貿易及其他應收款項	3,790
Rental deposits	租賃按金	1,230
Bank balances and cash	銀行結餘及現金	565
Trade and other payables	貿易及其他應付款項	(19,126)
Contract liabilities	合約負債	(346)
Tax payable	應付稅項	(159)
Net assets disposed of	已出售資產淨值	4,956

Gain on disposal of a subsidiary:

		HK\$'000 港幣千元
Cash received	已收現金	26,784
Reclassification of cumulative exchange reserve upon disposal to profit or loss	於出售時重新分類累計匯兌儲備至損益	(165)
Less: net assets disposed of	減：已出售資產淨值	(4,956)
Gain on disposal	出售之收益	21,663

38. 出售附屬公司(續)

截至2019年6月30日止年度(續)

(a) (續)

已收代價：

HK\$'000
港幣千元

26,784

失去控制權之資產及負債分析：

Total
總計
HK\$'000
港幣千元

18,947
55
3,790
1,230
565
(19,126)
(346)
(159)

4,956

出售一間附屬公司之收益：

HK\$'000
港幣千元

26,784
(165)
(4,956)

21,663

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

38. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

(a) (Continued)

Net cash inflow arising on disposal:

		HK\$'000 港幣千元
Cash received	已收現金	26,784
Deposit received included in trade and other payables	計入貿易及其他應付款項的已收按金	(2,400)
Cash and cash equivalents disposed of	已出售現金及現金等價物	(565)
		23,819

(b) On 1 April 2019, the Group has disposed of the entire equity interest in PMPIL, an indirect wholly-owned subsidiary of the Company, to an independent third party at a cash consideration of HK\$1,000,000. PMPIL is engaged in film investment. The disposal was completed on 1 April 2019, on which date when the control of PMPIL passed to the acquirer.

(c) On 28 May 2019, the Group has disposed of the entire equity interest in Skywork Media Limited ("Skywork"), an indirect wholly-owned subsidiary of the Company, to an independent third party at a cash consideration of HK\$1,400,000. Skywork is engaged in digital media post-production. The disposal was completed on 28 May 2019, on which date when the control of Skywork passed to the acquirer.

38. 出售附屬公司(續)

截至2019年6月30日止年度(續)

(a) (續)

出售產生之現金流入淨額：

(b) 於2019年4月1日，本集團已向一名獨立第三方出售天馬電影投資(本公司間接全資附屬公司)之全部股權，現金代價為港幣1,000,000元。天馬電影投資從事電影投資。出售於2019年4月1日完成，且天馬電影投資的控制權亦於該日轉至收購人。

(c) 於2019年5月28日，本集團已向一名獨立第三方出售天耀媒體有限公司(「天耀媒體」)(本公司間接全資附屬公司)之全部股權，現金代價為港幣1,400,000元。天耀媒體從事電子媒體後期製作。出售於2019年5月28日完成，且天耀媒體的控制權亦於該日轉至收購人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

38. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

The net assets of PMPIL and Skywork at the date of disposal were as follows:

Consideration received:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400

Analysis of assets and liabilities over which control was lost:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	-	1,439	1,439
Deferred tax asset	遞延稅項資產	-	1,034	1,034
Trade and other receivables	貿易及其他應收款項	-	775	775
Bank balances and cash	銀行結餘及現金	-	654	654
Trade and other payables	貿易及其他應付款項	(3)	(352)	(355)
Contract liabilities	合約負債	-	(459)	(459)
Amount due to a director	應付董事款項	-	(82)	(82)
Net (liabilities) assets disposed of	已出售(負債)資產淨值	(3)	3,009	3,006

Gain (loss) on disposal of subsidiaries:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400
Less: net liabilities (assets) disposed of	減：已出售負債(資產)淨值	3	(3,009)	(3,006)
Gain (loss) on disposal	出售之收益(虧損)	1,003	(1,609)	(606)

38. 出售附屬公司(續)

截至2019年6月30日止年度(續)

天馬電影投資及天耀媒體於出售日期的資產淨值如下：

已收代價：

	PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	1,000	1,400	2,400

失去控制權之資產及負債分析：

	PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Property, plant and equipment	-	1,439	1,439
Deferred tax asset	-	1,034	1,034
Trade and other receivables	-	775	775
Bank balances and cash	-	654	654
Trade and other payables	(3)	(352)	(355)
Contract liabilities	-	(459)	(459)
Amount due to a director	-	(82)	(82)
Net (liabilities) assets disposed of	(3)	3,009	3,006

出售附屬公司之收益(虧損)：

	PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	1,000	1,400	2,400
Less: net liabilities (assets) disposed of	3	(3,009)	(3,006)
Gain (loss) on disposal	1,003	(1,609)	(606)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

38. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2019 (Continued)

Net cash inflow arising on disposal:

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400
Less: bank balances disposed of	減：已出售銀行結餘	-	(654)	(654)
		1,000	746	1,746

For the year ended 30 June 2018

On 31 March 2018, the Group had disposed of the entire equity interest in Star Pictures Entertainment Limited ("Star Pictures"), an indirect wholly-owned subsidiary of the Company, to an independent third party at a cash consideration of HK\$12,044,000. Star Pictures was engaged in representing the Group in entering into actors' and film directors' contracts and film distribution. The disposal was completed on 31 March 2018, on which date when the control of Star Pictures passed to the acquirer. The net assets of Star Pictures at the date of disposal were as follows:

Consideration received:

		HK\$'000 港幣千元
Cash received	已收現金	12,044

38. 出售附屬公司(續)

截至2019年6月30日止年度(續)

出售產生之現金流入淨額：

		PMPIL 天馬電影投資 HK\$'000 港幣千元	Skywork 天耀媒體 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cash received	已收現金	1,000	1,400	2,400
Less: bank balances disposed of	減：已出售銀行結餘	-	(654)	(654)
		1,000	746	1,746

截至2018年6月30日止年度

於2018年3月31日，本集團已向一名獨立第三方出售星映娛樂有限公司(「星映娛樂」)(本公司間接全資附屬公司)之全部股權，現金代價為港幣12,044,000元。星映娛樂代表本集團參與訂立演員及電影導演合約及電影發行。出售於2018年3月31日完成，且星映娛樂的控制權亦於該日轉至收購人。星映娛樂於出售日期之資產淨值如下：

已收代價：

		HK\$'000 港幣千元
Cash received	已收現金	12,044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

38. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 30 June 2018 (Continued)

Analysis of assets and liabilities over which control was lost:

		HK\$'000 港幣千元
Film production in progress	製作中電影	11,238
Prepayment	預付款項	517
Bank balances	銀行結餘	30
Receipts in advance	預收款項	(9)
Net assets disposed of	已出售資產淨值	11,776

Gain on disposal of a subsidiary:

出售一間附屬公司之收益：

		HK\$'000 港幣千元
Cash received	已收現金	12,044
Less: net assets disposed of	減：已出售資產淨值	(11,776)
Gain on disposal	出售之收益	268

Net cash inflow arising on disposal:

出售產生之現金流入淨額：

		HK\$'000 港幣千元
Cash received	已收現金	12,044
Less: bank balances disposal of	減：已出售銀行結餘	(30)
		12,014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

39. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 8 May 2018, Shanghai Xinma, entered into the “Equity Transfer Agreement” with Purchasers, pursuant to which Shanghai Xinma agreed to sell and the Purchasers agreed to acquire 100% equity interest of Shengma Cultural, at a consideration of RMB40,700,000 (equivalent to HK\$48,840,000) plus the cash at bank of Shengma Cultural at the completion date and minus (i) the total amount of liabilities of Shengma Cultural at the completion date and (ii) the contingent liabilities.

On 31 July 2018, the disposal of Shengma Cultural was completed and the details of disposal are disclosed in note 38(a).

The major classes of assets and liabilities classified as held for sale as at 30 June 2018 are as follows:

39. 分類為持作出售的資產及分類為持作出售的資產相關之負債

於2018年5月8日，上海新馬與買方訂立股權轉讓協議（「股權轉讓協議」），據此，上海新馬同意出售及買方同意收購勝馬文化100%股權，代價為人民幣40,700,000元加勝馬文化於完成日期在銀行結存的現金，再減去(i)勝馬文化於完成日期的負債總額，及(ii)或然負債。

於2018年7月31日，已完成出售勝馬文化，出售事項詳情於附註38(a)列載。

於2018年6月30日列為持作出售的資產及負債之主要分類如下：

		HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	20,334
Inventories	存貨	33
Trade and other receivables	貿易及其他應收款項	3,566
Rental deposits	租賃按金	1,299
Bank balances and cash	銀行結餘及現金	3,043
Total assets classified as held for sale	分類為持作出售的總資產	28,275
Trade and other payables	貿易及其他應付款項	(6,771)
Receipts in advance	預收款項	(373)
Tax payable	應付稅項	(1,218)
Total liabilities associated with assets classified as held for sale	分類為持作出售的資產相關之總負債	(8,362)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

40. OPERATING LEASE COMMITMENTS

The Group as lessee

As at 30 June 2019, the Group leased certain of its office premises and cinemas under operating lease arrangements.

At the end of the reporting period, the Group had committed for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within one year	1年內	131,235	129,621
In the second to fifth year inclusive	第2年至第5年(包括首尾兩年)	473,695	560,859
Over five years	5年以上	561,349	635,032
		1,166,279	1,325,512

Operating lease payments represent rentals payable for the Group's office premises and cinemas. Leases are negotiated for terms ranging from one to fifteen years (2018: one to fifteen years).

Certain non-cancellable operating leases included in the above are subject to contingent rent payments, which are charged at progressive rates from 10% to 38% (2018: 10% to 38%) of the excess of the annual gross box-office takings of the related cinema premises over certain level of box-office income as determined in the respective lease agreements.

40. 經營租賃承擔

本集團作為承租人

於2019年6月30日，本集團根據經營租賃安排租賃其若干辦公室物業及電影院。

於報告期末，本集團於不可撤銷經營租賃承擔項下的日後最低租賃付款的到期情況如下：

	2019	2018
	2019年	2018年
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Within one year	131,235	129,621
In the second to fifth year inclusive	473,695	560,859
Over five years	561,349	635,032
	1,166,279	1,325,512

經營租賃付款指就本集團辦公室物業及電影院應付的租金。租賃經磋商為期介乎一至十五年(2018年：一至十五年)。

上文所述的若干不可撤銷經營租賃須支付或然租金，有關租金乃按各租賃協議釐定的相關電影院場所每年總票房收入減若干票房收入水平的超額部分的10%至38%(2018年：10%至39%)的累進比率收取。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents, bank and other borrowings, loans from a related company, bonds payable and equity attributable to owners of the Company, comprising share capital and reserves.

Management reviews the capital structure on a regular basis. As part of this review, Management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of Management, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

41. 資本風險管理

本集團管理資本旨在確保本集團實體可持續經營，並透過維持債務與股權的最佳平衡而為股東提供最大回報。本集團的整體策略與上年度相比維持不變。

本集團的資本結構包括現金及現金等價物、銀行及其他借貸及本公司擁有人應佔的權益(包括股本及儲備)。

管理層定期檢討資本結構。作為檢討的一部分，管理層考慮資本成本及與各資本類別相關的風險。根據管理層的建議，本集團將透過支付股息、發行新股以及發行新債務或贖回現有債務平衡其整體資本結構。

42. FINANCIAL INSTRUMENTS

42a. Categories of financial instruments

42. 金融工具

42a. 金融工具的种类

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本列賬的金融資產	267,394	–
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	–	95,561
AFS investment	可供出售投資	–	1,320
Financial liabilities	金融負債		
Amortised cost	攤銷成本	473,024	132,550
Contingent consideration payable	應付或然代價	317,390	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies

The Group's major financial instruments include AFS investment, investments in film/drama production, trade and other receivables, amounts due from related companies, pledged bank deposits, bank balances and cash, trade and other payables, loans from a related company, amounts due to related companies, amount due to a joint venture, bank and other borrowings, contingent consideration payable, bonds payable and deposits received. Details of these financial instruments are disclosed in the respective notes. The risks associated with the Group's financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

* For identification only

42. 金融工具(續)

42b. 金融風險管理目標及政策

本集團的主要金融工具包括可供出售投資、投資電影／戲劇製作、貿易及其他應收款項、應收關聯公司款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項、來自一間關聯公司的貸款、應付關聯公司款項、應付一間合營企業款項、銀行及其他借款、應付或然代價、應付債券及已收按金。該等金融工具的詳情於相關附註披露。有關本集團金融工具的風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。如何減輕該等風險的政策載於下文。管理層管理及監察該等風險，確保及時且有效地採取適當措施。

市場風險

貨幣風險

貨幣風險為金融工具的公平值或未來現金流量因外匯匯率變動而波動所產生的風險。

* 僅供識別

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The functional currency of all group companies is HK\$ except for those subsidiaries operates in the PRC of which their functional currency is RMB. At the end of each reporting period, the carrying amount of the monetary assets and liabilities of the group companies, (excluding intra-group balance) which are denominated in foreign currencies, are as follows:

		2019 2019年		2018 2018年	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
AUD	澳元	207	—	208	—
RMB	人民幣	29,525	—	6,757	—
USD	美元	3,173	—	1,034	—
EUR	歐元	1	—	1	—
HK\$	港幣	1,330	—	1,330	—
SGD	新加坡元	24	—	24	—

The Group is mainly exposed to the foreign currency risk of RMB and USD against HK\$. Since HK\$ is pegged to USD, the Group does not expect any significant movement in USD/HK\$ exchange rate and this is excluded from the sensitivity analysis below. No sensitivity analysis for HK\$, AUD, EUR and SGD are presented as Management considered the exposure is insignificant. Management will monitor foreign exchange exposure to mitigate the foreign currency risk.

At the end of each reporting period, certain group companies, of which their functional currency is HK\$, had amounts due from the PRC subsidiaries which are denominated in RMB. These intra-group balances are HK\$37,718,000 (2018: HK\$68,058,000) as at 30 June 2019.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

集團所有成員公司的功能貨幣均為港幣，惟該等於中國營運的附屬公司除外，彼等功能貨幣為人民幣。於各報告期末，集團成員公司以外幣計值的貨幣資產及負債賬面值(集團內結餘除外)如下：

本集團主要承受人民幣及美元兌港幣的外幣風險。由於港幣與美元掛鈎，本集團預期美元／港幣匯率不會出現大幅波動，故未納入下文敏感度分析。由於管理層認為風險很小，故並無呈列港幣、澳元、歐元及新加坡元的敏感度分析。管理層將監控外匯風險以減輕外幣風險。

於各報告期末，功能貨幣為港幣的若干集團成員公司的應收中國附屬公司款項以人民幣計值。於2019年6月30日，該等集團內部結餘約為港幣37,718,000元(2018年：港幣68,058,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

The following table details the Group's sensitivity to a 5% increase and decrease in HK\$ against RMB. 5% is the sensitivity rate used which represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items including the above intra-group balances and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where HK\$ weaken 5% against RMB. For a 5% strengthening of HK\$ against RMB, there would be an equal and opposite impact on the loss.

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Profit or loss (note)	溢利或虧損(附註)	2,807	3,124

Note: This is mainly attributable to the exposure outstanding on bank balances, investments in film/drama production and intra-group balances at the end of the respective reporting period.

Management considered the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposure at the end of each reporting period does not reflect the exposure during the year.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

下表詳列本集團對港幣兌人民幣升值及貶值5%的敏感度。管理層對以外匯匯率合理可能變動進行評估時採用的敏感度比率為5%。敏感度分析僅包括以外幣計值的尚未支付的貨幣項目(包括上述集團內部結餘)及於報告期末以外匯匯率5%的變動進行換算調整。下文所示正數即表示港幣兌人民幣貶值5%時稅後虧損減少。至於港幣兌人民幣升值5%，其對虧損產生相等及相反影響。

附註：此主要與於各報告期末的銀行結餘、投資電影／戲劇製作及集團內部結餘所面對風險有關。

由於各報告期末的風險並不反映年內的風險，故管理層認為敏感度分析並不代表固有的外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to fair value interest rate risk in relation to fixed rate pledged bank deposits, bank and other borrowings, loans from a related company and bonds payable (see notes 25, 29, 30 and 33 for details of these balances, respectively) (2018: investments in film/drama production and fixed rate pledged bank deposits).

In addition, the Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and bank and other borrowings.

If interest rate had been 50 basis points (2018: 50 basis points) higher/lower for variable-rate bank balances and bank and other borrowings, and all other variables were held constant, the impact to the Group's loss for the year would be decrease/increase is as follows:

		2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Loss for the year	年內虧損	412	283

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

市場風險(續)

利率風險

利率風險為金融工具的公平值或未來現金流量將因市場利率變動而出現波動的風險。

本集團面對有關固定利率已抵押銀行存款、銀行及其他借款、來自一間關聯公司的貸款及應付債券的公平值利率風險(該等結餘的詳情分別參閱附註25、29、30及33)(2018年：電影／戲劇製作投資及固定利率已抵押銀行存款)。

此外，本集團亦面臨有關浮動利率銀行結餘以及銀行及其他借款的現金流利率風險。

倘浮動利率銀行結餘以及銀行及其他借款的利率上升／下降50個基點(2018年：50個基點)，並且所有其他變量保持不變，則對本集團本年度虧損的影響將減少／增加如下：

	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
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管理層認為，敏感度分析不能代表固有利率風險，因為年終風險無法反映年內風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

At 30 June 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the Group has a credit control policy in place under which credit evaluations of customers are performed on all customers requiring credit. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred loss model) on trade balances individually or based on provision matrix. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group measures the loss allowance on trade receivables at an amount equal to lifetime ECL.

The Directors considered that the credit risk of amounts due from these customers is insignificant after considering their historical settlement record, credit quality and financial positions.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

信貸風險及減值評估

於2019年6月30日，倘對手方未能履行責任，本集團面對財務虧損的最大信貸風險來自於綜合財務狀況表所列各項已確認金融資產的賬面值。

客戶合約所產生之貿易應收款項

為盡可能降低信貸風險，本集團制定信貸控制政策，本集團會據此對所有需要信貸之客戶進行客戶信貸評估。本集團實行其他監控程序，以確保採取跟進行動收回逾期債項。此外，本集團於應用香港財務報告準則第9號後根據預期信貸虧損模式(2018年：已產生虧損模式)個別對貿易結餘或根據撥備矩陣進行減值評估。就此而言，董事認為本集團之信貸風險大幅減少。

本集團按相等於存續期間預期信貸虧損金額計量應收貿易款項之虧損撥備。

於考慮該等客戶的過往結算記錄、信貸質素及財務狀況後，董事認為，應付該等客戶款項的信貸風險並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

Other receivables

The credit quality of other receivables has been assessed with reference to historical information about the financial position of the counterparties. The Directors closely monitor the credit quality of other receivables and consider those amounts, which are neither past due nor impaired, are of a good credit quality in view of the good historical repayment record of such parties. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred loss model) on these balances individually.

For the purpose of impairment assessment of other receivables, the loss allowance is measured at an amount equals to 12m ECL. In determining the expected credit losses for these assets, the Directors have taken into account the financial position of the counterparties, the industries they operate, as well as their latest available operating results, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

其他應收款項

其他應收款項的信貸質素乃參考有關對手方財務狀況的過往資料作出評估。董事密切監察其他應收款項的信貸質素，且鑒於有關訂約方的過往還款記錄良好，董事認為並無逾期或減值的該等款項的信貸質素良好。

就其他應收款項的減值評估而言，虧損撥備按相等於12個月預期信貸虧損的金額計量。於釐定該等資產的預期信貸虧損時，董事已計及對手方的財務狀況、彼等營運的行業以及彼等最新取得的營運業績，以估計彼等相關虧損評估時間範圍內的該等金融資產各違約機率以及於各情況違約後的虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

Pledged bank deposits and bank balances

Credit risk on pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit rating agencies in the PRC and Hong Kong.

The Group assessed 12m ECL for bank balances and pledged bank deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the ECL on bank balances and pledged bank deposits is considered to be insignificant.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

已抵押銀行存款及銀行結餘

已抵押銀行存款及銀行結餘的信貸風險有限，原因為訂約方為獲得中國及香港國際信用評級機構授予高信用評級且信譽良好的銀行。

本集團經參考外部信用評級機構發佈相關信貸評級等級有關違約機率及違約虧損的資料評估銀行結餘以及已抵押銀行存款的12個月預期信貸虧損。根據平均虧損率，銀行結餘以及已抵押銀行存款的12個月預期信貸虧損被視為不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Trade receivables 貿易應收款項	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default 對手方的違約風險較低	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並未發生信貸減值	12m ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 根據內部資料或外部資源，信貸風險自初始確認起大幅增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並未發生信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 已發生信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 已發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人出現重大財務困難，且本公司並無實際可能收回款項	Amount is written off 撇銷款項	Amount is written off 撇銷款項

42. 金融工具 (續)

42b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團的內部信貸風險評級包括以下類別：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

42. 金融工具 (續)

42b. 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表載列本集團金融資產根據預期信貸虧損評估的信貸風險詳情：

2019		External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount
2019年		外部 信貸評級	內部 信貸評級	12個月或 全期預期 信貸虧損	總賬面值 HK\$'000 港幣千元
Financial assets at amortised cost					
按攤銷成本計量的金融資產					
Trade receivables	24	N/A	Low risk (note a)	Lifetime ECL	140,348
貿易應收款項	24	不適用	低風險 (附註a)	全期預期 信貸虧損	
Other receivables	24	N/A	Low risk (note b)	12m ECL	4,347
其他應收款項	24	不適用	低風險 (附註b)	12個月 預期信貸虧損	
Pledged bank deposits	25	AA	N/A	12m ECL	664
已抵押銀行存款	25	AA	不適用	12個月 預期信貸虧損	
Bank balances	26	AA+	N/A	12m ECL	122,035
銀行結餘	26	AA+	不適用	12個月 預期信貸虧損	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

(Continued)

Notes:

- a. For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances in which ECL is assessed individually, the Group determines the ECL on these items by using a provision matrix, grouped by internal credit rating.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers.

During the year, the Group did not provide any impairment allowance on debtors which are not credit-impaired as the amount is insignificant.

- b. For the purposes of the internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

As at 30 June 2019, the balances of other receivables are not past due and the internal credit rating is considered as low risk.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of bank borrowings and other sources of funding and considers the risk is minimal.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

信貸風險及減值評估(續)

附註：

- a. 就貿易應收款項而言，本集團已採用香港財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損撥備。除預期信貸虧損單獨評估之具有重大未償還結餘的債務人外，本集團使用撥備矩陣(按內部信貸評級分組)釐定該等項目的預期信貸虧損。

作為本集團的信貸風險管理的一部分，本集團對其客戶採用內部信貸評級。

年內，由於款項並不重大，故本集團並無向未出現信貸減值的債務人提供任何減值撥備。

- b. 就內部信貸風險管理而言，本集團使用過往逾期資料評估信貸風險會否於初始確認後大幅增加。

於2019年6月30日，其他應收款項的結餘並無逾期，而內部信貸評級被視為低風險。

流動資金風險

於管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及現金等價物水平，以為本集團的運營提供資金並減輕現金流量波動的影響。管理層監控銀行借款的使用狀況及資金的其他來源，並認為風險極小。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following tables provide details of the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. Specifically, bank and other borrowings with a repayment on demand clause is included in the earliest time band regardless of the probability of the bank choosing to exercise their rights. The tables include both interest and principal cash flows.

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

流動資金風險(續)

下表詳列本集團非衍生金融負債按協定償還期限的餘下合約到期情況。該等表格根據本集團可被要求支付金融負債的最早日期當日的未貼現現金流量編製。尤其是，附帶按要求償還條款的銀行及其他借款計入最早時間段內，而不論銀行選擇行使其權利的可能性多寡。該等表格載有利息及主要現金流量。

		Weighted average interest rate	On demand or 0 – 90 days 按要求或 0至90日	91 – 365 days 91至365日	Over 1 year 一年以上	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount 賬面值
		%	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 30 June 2019	於2019年6月30日						
Trade and other payables	貿易及其他應付款項	-	158,334	-	-	158,334	158,334
Amount due to a joint venture	應付一間合營企業款項	-	385	-	-	385	385
Bank and other borrowings	銀行及其他借款	5.4	39,061	27,188	-	66,249	65,220
Loans from a related company	來自一間關聯公司的貸款	7.0	-	79,692	177,242	256,934	225,969
Bonds payable	應付債券	9.0	-	22,770	-	22,770	22,000
Contingent consideration payable	應付或然代價	7.0	144,371	-	191,750	336,121	317,390
Deposits received	已收按金	-	-	166	950	1,116	1,116
			342,151	129,816	369,942	841,909	790,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average interest rate	On demand or 0 – 90 days 按要求或 0至90日	91 – 365 days 91至365日	Over 1 year 一年以上	Total undiscounted cash flows 未貼現現金 流量總額	Carrying amount 賬面值
	%	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 30 June 2018						
Trade and other payables	-	74,831	68	-	74,899	74,899
Amounts due to related companies	-	40,031	-	-	40,031	40,031
Amount due to a joint venture	-	8,296	-	-	8,296	8,296
Bank borrowing	2.8	8,208	-	-	8,208	8,208
Deposits received	-	-	-	1,116	1,116	1,116
		131,366	68	1,116	132,550	132,550

42. 金融工具(續)

42b. 金融風險管理目標及政策(續)

流動資金風險(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank borrowing with a repayment on demand clause is included in the “on demand or 0 – 90 days” time band in the above maturity analysis. As at 30 June 2018, the aggregate undiscounted principal amounts of the bank borrowing with a repayment on demand clause amounted to HK\$8,624,000 (2019: Nil). Taking into account the Group’s financial position, the Directors do not believe that it is probable that the bank will exercise their discretionary rights to demand immediate repayment. The Directors believe that such bank borrowing will be repaid three years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreement, details of which are set out in the table below:

	On demand or 0 – 90 days 按要求或 0至90日 HK\$'000 港幣千元	91 – 365 days 91至365日 HK\$'000 港幣千元	Over 1 year 一年以上 HK\$'000 港幣千元	Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元
At 30 June 2018	663	1,990	5,971	8,624	8,208

42. 金融工具 (續)

42b. 金融風險管理目標及政策 (續)

流動資金風險 (續)

附帶按要求償還條款的銀行借款計入上述到期日分析的「按要求或0至90日」時間段內。於2018年6月30日，附有按要求償還條款之銀行借款的未貼現本金總額為港幣8,624,000元（2019年：無）。經考慮本集團的財務狀況、董事認為銀行將行使其酌情權要求即時還款的可能性不大。董事認為，該等銀行借款將根據貸款協議所載的預定還款日期於報告期末後三年內償還，有關詳情載於下表：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

42. FINANCIAL INSTRUMENTS (Continued)

42. 金融工具(續)

42c. Fair value measurements of financial instruments

42c. 金融工具的公平值計量

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The level in the fair value hierarchy within which the financial asset and financial liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

以經常性基準按公平值計量的本集團金融資產及金融負債的公平值

金融資產及金融負債內公平值層級的等級乃基於對公平值計量整體而言屬重大的最低等級輸入數據而分類。

Financial assets/ financial liabilities	Fair value as at	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產/金融負債	於下列日期的公平值	公平值層級	估值技術及主要輸入數據	主要不可觀察輸入數據	與公平值不可觀察輸入數據的關係
	2019 2018年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元			
Financial assets at FVTPL (2018: AFS investments (note 21))	-	1,320 Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of future expected cash flows to be derived from the underlying assets.	Nil	The higher the estimated discount rate, the lower the fair value.
按公平值計入損益之金融資產(2018年:可供出售投資(附註21))		第三級	收入法—在此方法下,貼現現金流量法用作計算自相關資產所產生的未來預期現金流量的現值。	無	預期貼現率愈高,公平值愈低。
Contingent consideration payable (note 37)	317,390	- Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Discount rate of 7%	The higher the estimated discount rate, the lower the fair value.
應付或然代價(附註37)		第三級	根據概約折現率,採用折現現金流量法用作計算或然代價所產生的本集團預期未來經濟利益流出的現值。	貼現率7%	預期貼現率愈高,公平值愈低。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

43. RETIREMENT BENEFIT PLANS

(i) Plans for Hong Kong employees

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The contribution to the MPF Scheme is calculated based on the rules set out in the MPF Ordinance which is 5% on the basic salary of the relevant employee subject to a specific ceiling of HK\$1,500.

(ii) Plans for PRC employees

The employees employed in the PRC are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiary is required to contribute a certain percentage of its payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

The total cost of HK\$2,020,000 (2018: HK\$1,993,000) charged to profit or loss represents contributions paid or payable to the above schemes by the Group for the year ended 30 June 2019.

43. 退休福利計劃

(i) 有關香港僱員的計劃

本集團根據強制性公積金計劃條例為其所有位於香港的合資格僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃的資產與本集團資產分開持有，資金由受託人控制。根據強積金計劃的條例，僱主及其僱員均須按條例指定的比例向計劃供款。本集團對強積金計劃的唯一責任乃根據強積金計劃作出所需供款。並無失效的供款可供扣減未來年度應付供款。

對強積金計劃的供款乃根據強積金條例載列的規則計算，其為相關僱員基本薪金的5%，惟須受港幣1,500元特定上限的限制。

(ii) 有關中國僱員的計劃

在中國聘用的僱員乃由中國政府運作的國家管理退休福利計劃的成員。中國附屬公司須按僱員工資的若干百分比向退休福利計劃作出供款，以提供福利資金。本集團就退休福利計劃的唯一責任乃根據計劃作出所需供款。

計入損益的總成本港幣2,020,000元（2018年：港幣1,993,000元）指本集團於截至2019年6月30日止年度向上述計劃支付或應付的供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

44. 融資活動引起的負債之對賬

下表詳列融資活動產生的本集團負債變動，包括現金及非現金變動。融資活動產生的負債是於本集團綜合現金流量表中已經分類為融資活動現金流量的現金流量或將分類為融資活動現金流量的未來現金流量。

		Prepayment of bond interest included in trade and other receivables	Bonds payable	Loans from a related company	Amount due to a related company	Bank and other borrowings	Total
		計入貿易及 其他應收款 項的債券息 的預付款項	應付債券	來自一間 關聯公司 的貸款	應付一間 關聯公司 款項	銀行及 其他借款	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 July 2017	於2017年7月1日	-	-	-	-	-	-
Financing cash flows	融資現金流量	-	-	-	40,000	8,208	48,208
Interests accrued	應計利息	-	-	-	-	262	262
Interests paid	已付利息	-	-	-	-	(262)	(262)
At 30 June 2018	於2018年6月30日	-	-	-	40,000	8,208	48,208
Financing cash flows	融資現金流量	-	22,000	185,151	(1,000)	13,354	219,505
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	-	-	32,200	-	4,658	36,858
Reclassification	重新分類	-	-	-	(39,000)	39,000	-
Interests accrued	應計利息	106	-	10,601	-	923	11,630
Interests paid	已付利息	(990)	-	-	-	(923)	(1,913)
Exchange adjustment	匯兌調整	-	-	(1,983)	-	-	(1,983)
At 30 June 2019	於2019年6月30日	(884)	22,000	225,969	-	65,220	312,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

45. RELATED PARTY DISCLOSURES

(I) Transactions

During the year, the Group entered into the following significant transactions with related parties:

Name of related party 關聯方名稱	Notes 附註	Nature of transaction 交易性質	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
PM Motion Pictures Limited 天馬電影出品有限公司	(a)	Service income 服務收入	288	49
Pure Project Limited 盧威有限公司	(b)	Rental expense 租金開支	708	1,416
Mandarin Motion 東方	(c)	Production service income 製作服務收入	731	800
		Film distribution services fee 電影發行服務費用	765	–
		Film processing services fee 電影菲林沖印服務費用	1,467	211
Guangzhou Seedland 廣州實地	(d)	Interest expenses 利息開支	10,601	–

Notes:

- (a) The service income was received from PM Motion Pictures Limited for the Group's provision of film distribution services. Mr. Wong (who resigned as executive director of the Company on 1 April 2019) and Mr. Wong Chi Woon, Edmond and Ms. Wong Yee Kwan, Alvina (the former executive directors of the Company), collectively have controlling interests in this company.
- (b) The rental expense was paid to Pure Project Limited for the office premise leased by the Group. Mr. Wong (who resigned as executive director of the Company on 1 April 2019) has controlling interests in Pure Project Limited.

45. 關聯方披露

(I) 交易

年內，本集團與關聯方訂立以下重大交易：

附註：

- (a) 該服務收入乃就本集團提供電影發行服務而向天馬電影出品有限公司收取。黃先生(彼於2019年4月1日辭任本公司執行董事)以及黃子桓先生及黃漪鈞女士(本公司前執行董事)共同於該公司擁有控股權益。
- (b) 該租金開支乃就本集團租賃的辦公室物業而支付予盧威有限公司。黃先生(彼於2019年4月1日辭任本公司執行董事)於盧威有限公司擁有控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

45. RELATED PARTY DISCLOSURES (Continued)

(I) Transactions (Continued)

Notes: (Continued)

- (c) The production, film distribution service and film processing service income were received from Mandarin Motion in which Ms. Wong Kit Fong, the sister of Mr. Wong (who resigned as executive director of the Company on 1 April 2019), has controlling interests.
- (d) The interest expenses were paid to Guangzhou Seedland for the loan advances made to the Group in which Guangzhou Seedland is beneficially owned by Mr. Zhang Liang, Johnson, the controlling shareholder and the executive director of the Company.

(II) Balances

Details of the loans from a related company, amounts due from (to) related companies and amount due to a joint venture are set out in the consolidated statement of financial position and in notes 30, 31 and 32, respectively.

(III) Compensation of key management personnel

The remuneration of Directors and other key management personnel of the Group during the year was as follows:

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Salaries and other allowances	薪金及其他津貼	12,974	9,990
Retirement benefit scheme contributions	退休福利計劃供款	315	133
		13,289	10,123

The remuneration of Directors and key executives is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

45. 關聯方披露(續)

(I) 交易(續)

附註：(續)

- (c) 該製作及電影發行服務以及電影菲林沖印服務收入乃向東方收取，黃先生(彼於2019年4月1日辭任本公司執行董事)的胞妹黃潔芳女士擁有該公司的控股權益。
- (d) 該利息開支乃就本集團自廣州實地取得貸款墊款而向其支付，廣州實地由本公司控股股東及執行董事張量先生實益擁有。

(II) 結餘

來自一間關聯公司的貸款應收(付)關聯公司款項及應付一間合營企業款項的詳情分別載於綜合財務狀況表和附註30、31及32。

(III) 主要管理人員薪酬

年內，董事及本集團其他主要管理人員的薪酬載列如下：

董事及主要行政人員的薪酬由本公司薪酬委員會考慮個人表現及市場趨勢後釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

46. 本公司財務狀況表

		Notes 附註	2019 2019年 HK\$'000 港幣千元	2018 2018年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資		97,197	97,197
Plant and equipment	廠房及設備		53	28
			97,250	97,225
Current assets	流動資產			
Other receivables and prepayments	其他應收款項及預付款項		1,181	544
Amounts due from subsidiaries	應收附屬公司款項		100,885	118,329
Amount due from a related company	應收一間關聯公司款項		1	1
Bank balances	銀行結餘		17,278	23,735
			119,345	142,609
Current liabilities	流動負債			
Accruals	應計費用		3,568	5,576
Amounts due to subsidiaries	應付附屬公司款項		150,502	138,466
Amount due to a related company	應付一間關聯公司款項		-	24
			154,070	144,066
Net current liabilities	流動負債淨值		(34,725)	(1,457)
Non-current liability	非流動負債			
Bonds payable	應付債券	33	22,000	-
Net assets	資產淨值		40,525	95,768
Capital and reserves	資本及儲備			
Share capital	股本	34	6,489	6,489
Share premium and reserves (Note)	股份溢價及儲備(附註)		34,036	89,279
Total equity	權益總額		40,525	95,768

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

The amount(s) due from (to) subsidiaries and a related company are unsecured, interest-free and repayable on demand.

Note:

46. 本公司財務狀況表(續)

應收(付)附屬公司款項及一間關聯公司乃無抵押、免息及按要求償還。

附註：

		Share premium	Special reserve	Accumulated losses	Total
		股份溢價	特別儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 July 2017	於2017年7月1日	521,046	47,196	(276,612)	291,630
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(202,351)	(202,351)
At 30 June 2018	於2018年6月30日	521,046	47,196	(478,963)	89,279
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	-	-	(55,243)	(55,243)
At 30 June 2019	於2019年6月30日	521,046	47,196	(534,206)	34,036

Special reserve represented the capital contribution from Honour Grace Limited which is based on the total equity of Green Riches Holdings Limited ("Green Riches") at the date of Reorganisation.

特別儲備指榮恩有限公司根據翠裕控股有限公司(「翠裕」)於重組日期的權益總額進行注資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

a. The Company had the following subsidiaries as at 30 June 2019 and 2018:

47. 本公司附屬公司詳情

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
Green Riches (Note i) 翠裕(附註i)	BVI 英屬處女群島	US\$1 1美元	100%	100%	100%	100%	Investment holding 投資控股
Pegasus Motion Pictures Production Limited 天馬電影製作有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Film production 電影製作
Pegasus Motion Pictures (Hong Kong) Limited 天馬電影出品(香港) 有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Film distribution 電影發行
Pegasus Motion Pictures Distribution Limited 天馬電影發行有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	100%	100%	Film distribution and production 電影發行及製作
北京天馬 (Note ii) 北京天馬(附註ii)	PRC 中國	HK\$1,500,000 港幣1,500,000元	100%	100%	100%	100%	Service provider of the Group for facilitating the establishment and expansion of the Group's business in the PRC 方便成立及擴展本集團 於中國業務的本集團 服務供應商

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

47. 本公司附屬公司詳情(續)

a. The Company had the following subsidiaries as at 30 June 2019 and 2018: (Continued)

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
Star Pictures Entertainment (Hong Kong) Limited 星映娛樂(香港)有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	100%	100%	100%	100%	Representing the Group in entering into actors' and production crew's contracts and film distribution 代表本集團訂立演員及製作組合約及
PMPIL (Note iv) 天馬電影投資(附註iv)	Hong Kong 香港	HK\$1 港幣1元	N/A 不適用	100%	N/A 不適用	100%	Film investment 電影投資
Cinema City Group Limited 電影城集團有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Cinema operations and management 影院運作及管理
Cinema City (Langham Place) Limited 電影城(朗豪坊)有限公司	Hong Kong 香港	HK\$3,000,000 港幣3,000,000元	100%	100%	100%	100%	Cinema operations 影院運作
Cinema City (Chai Wan) Limited 電影城(柴灣)有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Cinema operations 影院運作
Cinema City (Hong Kong) Limited 電影城(香港)有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Cinema operations 影院運作

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

47. 本公司附屬公司詳情(續)

a. The Company had the following subsidiaries as at 30 June 2019 and 2018: (Continued)

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
Cinema City (TW) Limited 電影城(荃灣)有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Cinema operations 影院運作
Screen Media & Promotion Limited 影娛媒體宣傳有限公司	Hong Kong 香港	HK\$1 港幣1元	100%	100%	100%	100%	Film distribution, advertising and promotion 電影發行出品、廣告及推廣
Skywork (Note iv) 天耀(附註iv)	Hong Kong 香港	HK\$100 港幣100元	N/A 不適用	100%	N/A 不適用	100%	Post-production 後期製作
Chili	Hong Kong 香港	HK\$10,000 港幣10,000元	100%	100%	100%	100%	Provision of advertising and marketing services 提供廣告及市場推廣服務
Powerful Target Investment Group Limited 中威投資集團有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	100%	100%	Investment holding 投資控股
Favourable On Global Investment Limited ("Favourable On") 嘉安環球投資有限公司 (「嘉安」)	BVI 英屬處女群島	US\$100 100美元	70%	70%	70%	70%	Investment holding 投資控股
Chili Platinum 智理白金	Hong Kong 香港	HK\$1 港幣1元	70%	70%	70%	70%	Provision of printed and digital media publication business 提供印刷及數碼媒體出版業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

47. 本公司附屬公司詳情(續)

a. The Company had the following subsidiaries as at 30 June 2019 and 2018: (Continued)

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company		Proportion of voting power held by the Company		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
Hope Sound Limited ("Hope Sound") (Note i) 合聲有限公司(「合聲」) (附註i)	BVI 英屬處女群島	US\$100 100美元	100%	100%	100%	100%	Investment holding 投資控股
Hong Kong Transmit Entertainment Limited 香港傳遞娛樂有限公司	Hong Kong 香港	HK\$100 港幣100元	100%	100%	100%	100%	Investment holding 投資控股
上海翠裕電影院管理 有限公司 上海翠裕電影院管理 有限公司	PRC 中國	RMB10,000,000 人民幣 10,000,000元	100%	100%	100%	100%	Cinema management and operation in the PRC 於中國經營及管理影院
上海家喜文化傳播有限公司 上海家喜文化傳播有限公司	PRC 中國	RMB5,000,000 人民幣 5,000,000元	100%	100%	100%	100%	Film distribution in the PRC 於中國發行電影
Shengma Cultural (Note iv) 勝馬文化(附註iv)	PRC 中國	RMB4,000,000 人民幣 4,000,000元	N/A 不適用	100%	N/A 不適用	100%	Cinema operation in the PRC 於中國經營影院
Shanghai Xinma 上海新馬	PRC 中國	HK\$7,500,000 港幣7,500,000元	100%	100%	100%	100%	Cinema operation in the PRC 於中國經營影院

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

47. 本公司附屬公司詳情(續)

a. The Company had the following subsidiaries as at 30 June 2019 and 2018: (Continued)

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
Guangzhou Huohua Investment Company Limited (Note ii) 廣州火花投資有限公司 (附註ii)	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Investment holding 投資控股
Guangzhou Daide Management Consultancy Company Limited ("Guangzhou Daide") 廣州戴德管理諮詢有限公司 (「廣州戴德」)	PRC 中國	Note (v) 附註(v)	100%	100%	100%	100%	Investment holding 投資控股
Beijing Transmit Entertainment Limited (Note iii) 北京傳遞娛樂有限公司 (附註iii)	Hong Kong 香港	HK\$100 港幣100元	100%	N/A 不適用	100%	N/A 不適用	Investment holding 投資控股
Transmit Creation Limited (Note iii) 傳遞創作有限公司(附註iii)	Hong Kong 香港	HK\$100 港幣100元	100%	N/A 不適用	100%	N/A 不適用	Investment holding 投資控股
Transmit Talent Limited (Note iii) 傳遞顧問有限公司(附註iii)	Hong Kong 香港	HK\$100 港幣100元	100%	N/A 不適用	100%	N/A 不適用	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

47. 本公司附屬公司詳情(續)

a. The Company had the following subsidiaries as at 30 June 2019 and 2018: (Continued)

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
Khorgas Houhai Culture Media Company Limited (Note 37)	PRC	RMB12,500,000	100%	N/A	100%	N/A	Television series production
霍爾果斯厚海文化傳媒有限公司(附註37)	中國	人民幣 12,500,000元		不適用		不適用	電視劇製作
Beijing Juhai Culture Media Company Limited (Note 37)	PRC	RMB3,000,000	100%	N/A	100%	N/A	Television series production
北京聚海文化傳媒有限公司(附註37)	中國	人民幣 3,000,000元		不適用		不適用	電視劇製作
湖洲厚海文化傳媒有限公司 (Note 37)	PRC	RMB5,000,000	100%	N/A	100%	N/A	Television series production
湖洲厚海文化傳媒有限公司 (附註37)	中國	人民幣 5,000,000元		不適用		不適用	電視劇製作
天津傳遞誇克文化傳媒有限公司(Note iii)	PRC	Note (v)	100%	N/A	100%	N/A	Screenwriter management
天津傳遞誇克文化傳媒有限公司(附註iii)	中國	附註(v)		不適用		不適用	編劇管理
天津傳遞眾星娛樂有限公司 (Note iii)	PRC	Note (v)	100%	N/A	100%	N/A	Artiste management
天津傳遞眾星娛樂有限公司 (附註iii)	中國	附註(v)		不適用		不適用	演員管理

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2019 and 2018: (Continued)

47. 本公司附屬公司詳情(續)

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立/經營地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股股本/ 註冊資本	Attributable equity interest held by the Company 本公司持有的 應佔股權		Proportion of voting power held by the Company 本公司持有 投票權的比例		Principal activities 主要業務
			2019 2019年	2018 2018年	2019 2019年	2018 2018年	
天津傳遞四力文化傳媒有限公司 (Note iii)	PRC	Note (v)	100%	N/A	100%	N/A	Director management
天津傳遞四力文化傳媒(附註iii)	中國	附註(v)		不適用		不適用	導演管理
天津傳遞未來文化傳媒有限公司 (Note iii)	PRC	Note (v)	100%	N/A	100%	N/A	Internet celebrity
天津傳遞未來文化傳媒(附註iii)	中國	附註(v)		不適用		不適用	互聯網名人
天津傳遞繆斯文化傳媒有限公司 (Note iii)	PRC	Note (v)	100%	N/A	100%	N/A	E-commerce business
天津傳遞繆斯文化傳媒(附註iii)	中國	附註(v)		不適用		不適用	電子商務業務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

a. The Company had the following subsidiaries as at 30 June 2019 and 2018: (Continued)

Notes:

- (i) Except Green Riches and Hope Sound, all other subsidiaries are indirectly owned by the Company.
- (ii) The subsidiary is a wholly-foreign owned enterprise established in the PRC.
- (iii) These subsidiaries were newly established/incorporated during the year ended 30 June 2019.
- (iv) These subsidiaries were disposed during the year ended 30 June 2019. Details are set out in note 38.
- (v) The registered capital of the subsidiaries was not yet injected as at 30 June 2019.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

47. 本公司附屬公司詳情(續)

a. 於2019年及2018年6月30日，本公司擁有下列附屬公司：(續)

附註：

- (i) 除翠裕及合聲外，所有其他附屬公司均由本公司間接擁有。
- (ii) 該附屬公司為於中國成立的外商獨資企業。
- (iii) 該等附屬公司於截至2019年6月30日止年度內新成立／註冊成立。
- (iv) 該附屬公司乃於截至2019年6月30日止年度出售。詳情載於附註38。
- (v) 該等附屬公司的註冊資本於2019年6月30日尚未注入。

於年末或年內任何時間，各附屬公司概無任何未償還債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

47. 本公司附屬公司詳情(續)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests

b. 擁有重大非控股權益的非全資附屬公司的詳情

The table below shows details of the non-wholly owned subsidiaries of the Company that has material non-controlling interests:

下表載列擁有重大非控股權益的本公司非全資附屬公司的詳情：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要經營地點	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益持有的所有權益及投票權比例		Loss allocated to non-controlling interests 分配至非控股權益的虧損		Accumulated non-controlling interests 累計非控股權益	
		2019	2018	2019	2018	2019	2018
		2019年	2018年	2019年	2018年	2019年	2018年
Favourable On and its subsidiaries 嘉安及其附屬公司	BVI 英屬處女群島	30%	30%	184	301	(3,963)	(3,779)
Individually immaterial subsidiary with non-controlling interests 擁有非控股權益的個別非重大附屬公司				-	-	-	-
				184	301	(3,963)	(3,779)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Summarised financial information in respect of the Group's subsidiary that has a material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Favourable On and its subsidiaries

47. 本公司附屬公司詳情(續)

b. 擁有重大非控股權益的非全資附屬公司的詳情(續)

有關擁有重大非控股權益的本集團附屬公司的財務資料概要載列如下。以下財務資料概要所列金額乃未經集團內部對銷。

嘉安及其附屬公司

		2019	2018
		2019年	2018年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current assets	流動資產	204	217
Current liabilities	流動負債	(13,416)	(13,299)
Non-current assets	非流動資產	-	488
Deficit attributable to owners of the Company	本公司擁有人應佔虧絀	(9,249)	(8,815)
Non-controlling interests	非控股權益	(3,963)	(3,779)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

47. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

47. 本公司附屬公司詳情(續)

b. Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

b. 擁有重大非控股權益的非全資附屬公司的詳情(續)

Favourable On and its subsidiaries (Continued)

嘉安及其附屬公司(續)

		Year ended 30.6.2019 2019年 6月30日 止年度 HK\$'000 港幣千元	Year ended 30.6.2018 2018年 6月30日 止年度 HK\$'000 港幣千元
Revenue	收益	-	-
Expenses	開支	(618)	(1,001)
Loss for the year and total comprehensive expense for the year	年內虧損及全面開支總額	(618)	(1,001)
Loss and total comprehensive expense attributable to owners of the Company	本公司擁有人應佔虧損及全面開支總額	(434)	(700)
Loss and total comprehensive expense attributable to non-controlling interests	非控股權益應佔虧損及全面開支總額	(184)	(301)
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(618)	(1,001)
Net cash inflow (outflow) from operating activities	經營活動現金流入(流出)淨額	108	(1)
Net cash inflow (outflow)	現金流入(流出)淨額	108	(1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 30 June 2019 截至2019年6月30日止年度

48. EVENT AFTER THE REPORTING PERIOD

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

1. After the reporting period, Guangzhou Daide entered into an entered into equity transfer agreement (“Equity Transfer Agreement”) with a group of third party sellers (“Sellers”) and a company (“Target Company”). Under the agreement, Guangzhou Daide conditionally agreed to acquire, and Seller One and Seller Three conditionally agreed to sell, the Sale Interests representing 60% equity interest in the Target Company, at an aggregate consideration of RMB96,000,000 and Seller Two and Seller Four agreed to grant the Call Option to Guangzhou Daide for purchasing the remaining 40% equity interest in the Target Company.

On the same day, Guangzhou Daide, the Sellers and the Target Company also entered into a profit guarantee agreement, pursuant to which subject to the Completion, Seller Two and Seller Four undertake to Guangzhou Daide that the aggregated profit of the Target Company for the profit guarantee period shall be no less than RMB70,000,000.

Up to the date of this report, the transaction has not yet completed.

2. On 16 September 2019, the Company has entered into new placing agreement with the placing agent (the “Agent”) pursuant to which the Agent conditionally agreed to procure, on a best effort basis, and the placees who are independent third parties to the Group to subscribe in cash for the bonds (the “Bonds”) in an aggregate amount of up to HK\$150,000,000 with a maturity date of three years from the issue date. Based on the terms of the placing agreement, the Bonds are matured on the third anniversary of the date of the issue of the Bonds or any such other dates as mutually agreed in writing and shortened or extended by the Company and the Agent.

The Bonds will be issued in tranches and the Bonds are unsecured, unsubordinated and carried at fixed coupon rate of 6.5% per annum which are payable semi-annually in advance from the date of issue of the Bonds.

48. 報告期後事件

於報告期末後，本集團訂立以下重大交易：

1. 於報告期後，廣州戴德與第三方賣家（「賣家」）及一間公司（「目標公司」）的組合訂立股權轉讓協議（「股權轉讓協議」）。根據該協議，廣州戴德有條件同意收購而一號賣方及三號賣方有條件同意出售佔目標公司60%股權的待售權益，代價合共為人民幣96,000,000元，而二號賣方及四號賣方同意向廣州戴德授予認購期權，用作購買目標公司餘下40%股權。

同日，廣州戴德與賣方及目標公司亦訂立溢利保證協議，據此，二號賣方及四號賣方向廣州戴德承諾，溢利保證期間目標公司的溢利總額將不少於人民幣70,000,000元，方告完成。

直至本報告日期，該交易尚未完成。

2. 於2019年9月16日，本公司已與配售代理（「代理人」）訂立新配售協議，據此，代理人有條件地同意按竭盡所能基準採購，而承配人（彼等均為本集團的獨立第三方）以現金認購債券（「債券」），總金額最高為港幣150,000,000元，到期日為自發行日期起計三年。根據配售協議之條款，債券於發行債券日期滿三週年或由本公司與代理人雙方以書面協定及縮短或延長的任何有關其他日期到期。

債券將分批發行，而債券為無抵押、非後償並按每年6.5%固定票面年利率計息，自債券發行日期起計每半年支付一次。

FINANCIAL SUMMARY

財務摘要

FINANCIAL RESULTS

財務業績

		For the year ended 30 June 截至6月30日止年度				2019
		2015	2016	2017	2018	2019
		2015年	2016年	2017年	2018年	2019年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Revenue	收益	155,240	446,381	225,631	274,640	668,130
Cost of sales	銷售成本	(108,419)	(259,552)	(109,370)	(136,196)	(405,843)
Gross profit	毛利	46,821	186,829	116,261	138,444	262,287
Other gains and losses	其他收益及虧損	-	-	5,353	8,608	21,055
Other income	其他收入	2,869	4,738	6,593	7,681	11,347
Selling and distribution expenses	銷售及發行開支	(84,456)	(102,820)	(110,539)	(200,624)	(207,271)
Administrative expenses	行政開支	(33,369)	(87,674)	(43,943)	(50,981)	(67,316)
Net foreign exchange (loss) gain	匯兌(虧損)收益淨額	(110)	(6,779)	(5,016)	1,859	(226)
Impairment loss on goodwill	商譽減值虧損	(138,000)	(43,084)	-	-	-
Impairment loss on intangible asset	無形資產減值虧損	-	(20,514)	-	-	-
Impairment loss on other receivable	其他應收賬款減值虧損	-	(2,011)	-	-	-
Impairment loss on prepayment for investment in TV series production	投資電視劇製作預付款項的減值虧損	(15,750)	-	-	-	-
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	-	-	-	(40,579)	-
Impairment loss on interests in associates	於聯營公司權益的減值虧損	-	-	(20,351)	(22,295)	(16,317)
Impairment loss on available-for-sale investment	可供出售投資的減值虧損	-	-	-	(2,736)	-
Impairment loss on investment in film/drama production	投資電影/戲劇製作的減值虧損	-	-	-	(19,613)	-
Fair value change on contingent consideration payable	應代或然代價的公平值變動	-	-	-	-	(20,511)
Finance costs	融資成本	(78)	(170)	(9)	(262)	(11,630)
Share of results of associates	應佔聯營公司業績	(4,548)	(234)	(1,757)	74	(1,484)
Share of results of a joint venture	應佔一間合營企業業績	-	(2,090)	13,494	445	97
Loss before tax	除稅前虧損	(226,621)	(73,809)	(39,914)	(179,979)	(29,969)
Income tax credit (expense)	所得稅抵免(開支)	9,637	(10,343)	(966)	(10,072)	(5,719)

FINANCIAL SUMMARY

財務摘要

		For the year ended 30 June 截至6月30日止年度				2019
		2015	2016	2017	2018	2019
		2015年	2016年	2017年	2018年	2019年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Loss for the year	年內虧損	(216,984)	(84,152)	(40,880)	(190,051)	(35,688)
Other comprehensive income (expense) for the year	年內其他全面收入(開支)					
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>隨後或會重新分類至損益的項目</i>					
Reclassification adjustments upon disposal of a subsidiary included in profit or loss	計入損益之一間附屬公司於出售後重新分類調整	-	-	-	-	165
Share of exchange difference of associates arising on translating foreign operation	應佔一間聯營公司因換算海外業務產生的匯兌差額	2	29	48	(39)	305
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	(2,485)	(2,413)	28	(133)
Exchange difference on translating foreign operation	海外業務換算之匯兌差額	-	1,503	1,116	(1,373)	5,266
Total comprehensive expense for the year	年內全面開支總額	(216,982)	(85,105)	(42,129)	(191,435)	(30,085)
Loss for the year attributable to:	下列人士應佔年內虧損：					
Owners of the Company	本公司擁有人	(215,258)	(72,591)	(39,984)	(189,750)	(35,504)
Non-controlling interests	非控股權益	(1,726)	(11,561)	(896)	(301)	(184)
		(216,984)	(84,152)	(40,880)	(190,051)	(35,688)
ASSETS AND LIABILITIES	資產及負債					
Total assets	資產總值	584,734	458,804	452,882	456,450	989,832
Total liabilities	負債總額	(216,892)	(126,494)	(145,146)	(340,149)	(903,616)
		367,842	332,310	307,736	116,301	86,216
Equity attributable to owners of the Company	本公司擁有人應佔權益	357,190	334,027	311,214	120,080	90,179
Non-controlling interests	非控股權益	10,652	(1,717)	(3,478)	(3,779)	(3,963)
		367,842	332,310	307,736	116,301	86,216



傳達娛樂

TRANSMIT ENTERTAINMENT