

universe

寰宇

UNIVERSE ENTERTAINMENT AND CULTURE
GROUP COMPANY LIMITED

寰宇娛樂文化集團有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 1046)

Annual Report

年報

2020



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Corporate Information

公司資料

Executive Directors

Mr. Lam Shiu Ming, Daneil (*Chairman*)
Mr. Lam Kit Sun

Non-executive Director

Mr. Hung Cho Sing
(resigned 31st July 2019)

Independent Non-Executive Directors

Mr. Lam Chi Keung
Mr. Choi Wing Koon
Mr. Tang Yiu Wing

Company Secretary

Mr. Lam Kit Sun

Authorised Representatives

Mr. Lam Shiu Ming, Daneil
Mr. Lam Kit Sun

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited
Bank of Communications Co., Ltd.

Auditor

Crowe (HK) CPA Limited
Certified Public Accountants

Legal Advisers

So Keung Yip & Sin
1009-1012, 10th Floor
Nan Fung Tower
173 Des Voeux Road
Central
Hong Kong

Andrew W.Y. Ng & Co.
18/F., Wing On Cheong Building
5 Wing Lok Street
Central, Hong Kong

TUNG, NG, TSE & LAM
26/F., CMA Building
64 Connaught Road
Central, Hong Kong

執行董事

林小明先生(主席)
林傑新先生

非執行董事

洪祖星先生
(於二零一九年七月三十一日辭任)

獨立非執行董事

林芝強先生
蔡永冠先生
鄧耀榮先生

公司秘書

林傑新先生

授權代表

林小明先生
林傑新先生

主要往來銀行

香港上海滙豐銀行有限公司
華僑永亨銀行有限公司
交通銀行股份有限公司

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師

法律顧問

蘇姜葉冼律師行
香港
中環
德輔道中173號
南豐大廈
10樓1009-1012室

吳惠恩律師行
香港中環
永樂街5號
永安祥大廈18樓

董吳謝林律師事務所
香港中環
干諾道中64號
廠商會大廈26樓

Corporate Information 公司資料

Share Registrar

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Audit Committee

Mr. Choi Wing Koon (*Chairman*)
Mr. Lam Chi Keung
Mr. Tang Yiu Wing

Remuneration Committee

Mr. Choi Wing Koon (*Chairman*)
Mr. Lam Shiu Ming, Daneil
Mr. Lam Chi Keung
Mr. Tang Yiu Wing

Nomination Committee

Mr. Lam Chi Keung (*Chairman*)
Mr. Lam Shiu Ming, Daneil
Mr. Choi Wing Koon
Mr. Tang Yiu Wing

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

18th Floor
Wylar Centre Phase II
192-200 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

Website

www.uih.com.hk

Stock Code

1046

股份登記處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心54樓

審計委員會

蔡永冠先生(*主席*)
林芝強先生
鄧耀榮先生

薪酬委員會

蔡永冠先生(*主席*)
林小明先生
林芝強先生
鄧耀榮先生

提名委員會

林芝強先生(*主席*)
林小明先生
蔡永冠先生
鄧耀榮先生

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
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總辦事處及主要營業地點

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新界
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股份代號

1046

Chairman's Statement

主席報告

On behalf of the board of directors (the "Director(s)") (the "Board") of Universe Entertainment and Culture Group Company Limited (the "Company"), I hereby present the 2019/2020 annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 30th June 2020 (the "Year").

The Group is principally engaged in video distribution, film distribution and exhibition, licensing and sub-licensing of film rights, money lending, leasing of investment properties, entertainment business, securities investment, trading, wholesaling and retailing of optical and watches products, and provision of type-setting, translation, printing, design, distribution of financial print products and other related services.

The Group recorded a net loss of approximately HK\$27.6 million for the Year, representing a decrease of approximately 77.3% as compared to the net loss of approximately HK\$121.6 million for the same period last year, which was mainly due to the net effect of:

- (i) the contributions from a new blockbuster called "White Storm 2 – Drug Lords" ("掃毒2天地對決") released by the Group with a remarkable box office of approximately RMB1.3 billion in the People's Republic of China (the "PRC") in second half of 2019; and
- (ii) the revenue and result of the Group was negatively affected by the sustained outbreak of coronavirus disease ("COVID-19") in the first half of 2020. In particular, the theaters of the PRC have shut down in the wake of the outbreak of COVID-19 pandemic since late January 2020, the original schedule of releasing new films of the Group has been delayed and hence affected the Group's revenues and result in 2020.

本人謹代表寰宇娛樂文化集團有限公司(「本公司」)董事(「董事」)會(「董事會」)，提呈本公司及其附屬公司(統稱「本集團」)截至二零二零年六月三十日止年度(「本年度」)之二零一九／二零二零年度全年業績。

本集團主要從事錄像發行、電影發行及放映、授出及轉授電影版權、放貸、投資物業出租、娛樂業務、證券投資、眼鏡及鐘錶產品貿易、批發及零售業務，以及提供財經印刷產品之排版、翻譯、印刷、設計、分派服務及其他相關服務。

本集團於本年度錄得淨虧損約27.6百萬港元，較去年同期淨虧損約121.6百萬港元減少約77.3%，主要由於以下各項的淨影響：

- (i) 於二零一九年下半年，從本集團在中華人民共和國(「中國」)上映名為「掃毒2天地對決」，並在中國錄得約人民幣13億元之理想票房之新賣座鉅片所取得的貢獻；及
- (ii) 於二零二零年上半年，本集團之收益及業績受到持續爆發新型冠狀病毒(「新型冠狀病毒」)之負面影響。尤其是，中國電影院自二零二零年一月底爆發新型冠狀病毒疫情後關閉，使本集團新電影之原定上映時間表延遲，因此影響本集團於二零二零年之收益及業績。

Chairman's Statement

主席報告

The year-long US-China trade war and social unrest in Hong Kong weakened the retail sector in Hong Kong and the PRC in the second half of 2019. In addition, the recent outbreak of the COVID-19 epidemic in 2020 further undermined the economies of Hong Kong and the PRC and disrupted the Group's business. The Group is cautious on the short term unfavorable outlook but is optimistic about the long term sustainability of our business. The Group will respond to forthcoming market challenges with flexibility and will adjust its our plan and strategy from time to time to cope with the changes in the market environment.

APPRECIATION

Last but not least, I would also like to take this opportunity to express my sincere thanks and gratitude to my fellow directors and our staff for their dedicated efforts and contributions to the Group in the past year. I would also like to thank all our customers and Shareholders for their trust and support.

By Order of the Board

Lam Shiu Ming, Daneil
Chairman

Hong Kong, 29th September 2020

已為時一年的中美貿易戰以及香港社會動盪於二零一九年下半年打擊香港及中國的零售業。此外，近期於二零二零年爆發新型冠狀病毒疫情進一步削弱香港及中國之經濟，並影響本集團之業務。本集團對短期展望態度審慎欠佳，惟對其業務之長期可持續性依然樂觀。本集團將靈活應對市場挑戰，並不時調整其計劃及策略，以適應市場環境變化。

致意

最後，本人謹藉此機會向董事會全人及全體員工在過去一年為本集團作出之不懈努力及貢獻致以由衷感謝。本人亦謹此感激我們所有客戶及股東之信任及支持。

承董事會命

主席
林小明

香港，二零二零年九月二十九日

Management Discussion and Analysis

管理層討論及分析

BUSINESS AND OPERATIONAL REVIEW

Overall Group results

The Group recorded a net loss of approximately HK\$27.6 million for the year ended 30th June 2020 (the “Year”), representing a decrease of approximately 77.3% as compared to the net loss of approximately HK\$121.6 million for the same period last year, which was mainly due to the net effect of:

- (i) the contributions from a new blockbuster called “White Storm 2 – Drug Lords” (“掃毒2天地對決”) released by the Group with a remarkable box office of approximately RMB1.3 billion in the People’s Republic of China (the “PRC”) in second half of 2019; and
- (ii) the revenue and result of the Group was negatively affected by the sustained outbreak of coronavirus disease (“COVID-19”) in the first half of 2020. In particular, the theaters of the PRC have shut down in the wake of the outbreak of COVID-19 pandemic since late January 2020, the original schedule of releasing new films of the Group has been delayed and hence affected the Group’s revenues and result in 2020.

Films distribution and exhibition, licensing and sub-licensing of film rights

Revenue from this business segment during the Year was approximately HK\$154.9 million, representing an increase of approximately 18.9 times as compared to approximately HK\$7.8 million in the same period last year. It accounted for approximately 68.3% (2019: approximately 12.6%) of the Group’s revenue during the Year.

The Group recorded a segmental profit of approximately HK\$17.4 million from this business segment for the Year against a segmental loss of approximately HK\$52.4 million for the same period last year.

業務及營運回顧

整體集團業績

本集團於截至二零二零年六月三十日止年度（「本年度」）錄得淨虧損約27.6百萬港元，較上年同期錄得之淨虧損約121.6百萬港元減少約77.3%，此乃主要由於以下因素之淨影響：

- (i) 於二零一九年下半年，從本集團在中華人民共和國（「中國」）上映名為「掃毒2天地對決」，並在中國錄得約人民幣13億元之理想票房之新賣座鉅片所取得的貢獻；及
- (ii) 於二零二零年上半年，本集團之收益及業績受到持續爆發新型冠狀病毒（「新型冠狀病毒」）之負面影響。尤其是，中國電影院自二零二零年一月底爆發新型冠狀病毒疫情後關閉，使本集團新電影之原定上映時間表延遲，因此影響本集團於二零二零年之收益及業績。

電影發行及放映、授出及轉授電影版權

於本年度，該業務分部產生之收益為約154.9百萬港元，較上年同期的約7.8百萬港元增加約18.9倍，佔本集團於本年度收益的約68.3%（二零一九年：約12.6%）。

於本年度，本集團從該業務分部錄得分部溢利約為17.4百萬港元，而去年同期則錄得分部虧損約52.4百萬港元。

Management Discussion and Analysis 管理層討論及分析

The significantly increase of the revenue and profit from this business segment is mainly due to the satisfactory performance of the new film during the Year. In particular, the Group released a new blockbuster called “White Storm 2 – Drug Lords” (“掃毒2天地對決”), directed by Herman Yau (邱禮濤) and starring Andy Lau (劉德華), Louis Koo (古天樂), Michael Miu (苗僑偉) and Karena Lam (林嘉欣) in July 2019 and recorded a remarkable box office of approximately RMB1.3 billion in the People’s Republic of China (which excludes Hong Kong for the purpose of this report (the “PRC”)). There was no new film released by the Group in the same period last year.

However, the revenue and result of this segment was negatively affected by the sustained outbreak of coronavirus disease (“COVID-19”) in the first half of 2020. In particular, the theaters of the PRC have shut down in the wake of the outbreak of COVID-19 pandemic since late January 2020, the original schedule of releasing new films of the Group has been delayed and hence affected the Group’s revenues and result in 2020. Taking into account the combined effect of the COVID-19 pandemic and the expected slow recovery from current market conditions, the Group recorded an increase of the impairment loss of films rights, films in progress and film related deposits of approximately HK\$16.0 million (2019: approximately HK\$232,000) during the Year.

The recoverable amount of film rights, films in progress and film related deposits as at 30th June 2020 was assessed with reference to a value-in-use calculation at the end of the reporting period, which was derived from discounting the projected cash flow using a discount rate of 11% (2019 : 14%).

Starting from mid-July 2020, the cinemas in PRC have resumed operation. The cinemas mainly showed old movies or small-scale productions in the first phase of reopening in July and August 2020. Nonetheless, a number of blockbusters has already been released from late August 2020 and the total attendance of the cinemas in PRC was increasing in the last few months. This is good sight for the gradual recovery of China’s film market from the COVID-19 pandemic in the second half of 2020.

該業務分部之收益及溢利大幅增加主要由於本年度新電影表現令人滿意。尤其是，本集團於二零一九年七月上映名為「掃毒2天地對決」之新賣座鉅片。該電影由邱禮濤執導，演員包括劉德華、古天樂、苗僑偉及林嘉欣，並在中華人民共和國(就本報告而言不包括香港)(「中國」)錄得約人民幣13億元之理想票房。去年同期本集團並無上映任何新電影。

然而，該分部之收益及業績於二零二零年上半年受到持續爆發新型冠狀病毒(「新型冠狀病毒」)之負面影響。尤其是，中國電影院自二零二零年一月底爆發新型冠狀病毒疫情後關閉，使本集團新電影之原定上映時間表延遲，因此影響本集團於二零二零年之收益及業績。經計及新型冠狀病毒疫情之綜合影響及預期當前市況復蘇緩慢，本集團於本年度錄得之電影版權、製作中電影及電影相關訂金減值虧損增加約16.0百萬港元(二零一九年：約232,000港元)。

於二零二零年六月三十日，本集團參考於報告期末之一項使用價值計算評估電影版權、製作中電影及電影相關訂金之可收回金額，乃透過使用折現率11%(二零一九年：14%)折現預測現金流量而得出。

自二零二零年七月中起，中國電影院已恢復營運。該等電影院於二零二零年七月及八月重新開業的第一階段主要放映舊電影或小規模製作。然而，多部賣座鉅片已於二零二零年八月底上映，而中國電影院之總入場人次於過去數月一直上升，有跡象顯示中國電影市場於二零二零年下半年將從新型冠狀病毒疫情中逐漸復蘇。

Management Discussion and Analysis 管理層討論及分析

Going forward, the Group continues to invest in original production of quality films in Hong Kong and China in response to the recovery of the film market. In this respect, the Group not only invested another 4 films, including a film called “Flashover” (“驚天救援”) directed by Oxide Pang (彭順) and starring Du Jiang (“杜江”), Wang Qianyuan (“王千源”) and Tong Liya (“佟麗婭”), and 6 online movies during the Year, but also expects to release a new blockbuster called “Shock Wave 2” (“拆彈專家2”) directed by Herman Yau (邱禮濤) and starring Andy Lau (劉德華), Sean Lau (劉青雲) and Ni Ni (倪妮) during the year ending 30th June 2021. In addition, the Group also plans to commence the shooting of another blockbuster called “White Storm 3” (“掃毒3”) directed by Herman Yau (邱禮濤) and starring Louis Koo (古天樂), Aaron Kwok (郭富城) and Sean Lau (劉青雲) during the year ending 30th June 2021. The Group will continue to closely monitor the challenging operating environment and review its business plan and strategy from time to time with a view to suitably adjust them taking all relevant factors into consideration.

Trade, wholesale and retail of optical and watches products

Revenue from this business segment during the Year was approximately HK\$51.0 million, representing an increase of approximately 43.3% as compared to approximately HK\$35.6 million in the same period last year. Revenue from this business segment included the revenue of approximately HK\$41.1 million (2019: approximately HK\$16.8 million) mainly from the trading, wholesaling and retailing of optical products in Hong Kong (“HK Optical Business”) and the revenue of approximately HK\$9.9 million (2019: approximately HK\$18.8 million) from the trading, wholesaling and retailing of watches and optical products in the PRC (“PRC Watches & Optical Business”). It accounted for approximately 22.5% (2019: approximately 57.8%) of the Group’s revenue during the Year. Segmental loss from this business during the Year was approximately HK\$12.1 million, representing an increase of approximately 13.1% as compared to approximately HK\$10.7 million in the same period last year.

展望方面，本集團繼續於香港及中國投資原創優質電影，以回應電影市場復甦。就此，本集團於本年度不僅投資於另外四部電影(包括彭順執導並由杜江、王千源及佟麗婭主演名為「驚天救援」之電影)及六部網上電影，亦預期將於截至二零二一年六月三十日止年度上映名為「拆彈專家2」之新賣座鉅片，該電影由邱禮濤執導，演員包括劉德華、劉青雲及倪妮。此外，截至二零二一年六月三十日止年度，本集團亦計劃開始拍攝由邱禮濤執導並由古天樂、郭富城及劉青雲飾演之另一部鉅片「掃毒3」。本集團將繼續密切注視充滿挑戰之營運環境，並不時檢討其業務計劃及策略，從而作出適當調整，當中已計入所有相關因素。

眼鏡及鐘錶產品貿易、批發及零售

於本年度，該業務分部產生之收益約為51.0百萬港元，較上年同期的約35.6百萬港元增加約43.3%。該業務分部收益包括主要來自於香港經營眼鏡產品貿易、批發及零售(「香港眼鏡業務」)之收益約41.1百萬港元(二零一九年：約16.8百萬港元)，及來自於中國從事鐘錶及眼鏡產品貿易、批發及零售(「中國鐘錶及眼鏡業務」)收益約9.9百萬港元(二零一九年：約18.8百萬港元)。其佔本集團於本年度收益之約22.5%(二零一九年：約57.8%)。年內，此業務之分部虧損約為12.1百萬港元，與上年同期約10.7百萬港元比較，增加約13.1%。

Management Discussion and Analysis

管理層討論及分析

The Optical and Watch Business of the Group has been taking over a time of unprecedented challenges during the Year. The watches and optical consumer market of Hong Kong and China was negatively affected by the on-going Sino-US trade and the social unrest in Hong Kong in second half of 2019. Thereafter, the COVID-19 epidemic outbreak and the control measures imposed by PRC and Hong Kong government from late January 2020 onwards had a significant negative impact over our operations in both Hong Kong and the PRC in the first half of 2020.

To mitigate the negative financial impact under the unprecedented challenging operational environment, we have imposed a lot of cost saving measures during the Year including negotiation with landlords for temporary rental relief and reduction of the shop's operation hours to cope with the decrease in business activities as a result of social distancing measures imposed by the government. Staff costs were reduced through no pay leave arrangements and the clearance of the annual leave of the staff. However, the savings from our cost control works could not completely offset the negative impact of COVID-19 pandemic during the Year. As a result, the segmental loss of the Group's Optical and Watch Business increased during the Year as compared to the same period in last year.

The Group will continue to adopt cost control measures, closely monitoring the market situation and timely adjusting the business strategies in view of the development of the COVID-19 pandemic.

Trading Securities

As at 30th June 2020, the Group's trading securities amounted to approximately HK\$3.3 million (2019: approximately HK\$8.7 million) which accounted for approximately 0.5% (2019: approximately 1.2%) of the Group's audited consolidated total assets as at 30th June 2020.

The Group's portfolio of trading securities comprised 3 (2019: 3) equity securities listed in Hong Kong and engaged in money lending, solar energy and healthcare industries.

於本年度，本集團的眼鏡及鐘錶業務經歷了前所未有的挑戰。香港及中國的鐘錶及眼鏡消費市場受到持續的中美貿易戰及二零一九年下半年香港社會動蕩的負面影響。其後，新型冠狀病毒疫情爆發以及中國及香港政府自二零二零年一月底起實施的控制措施對我們於二零二零年上半年在香港及中國的營運造成重大負面影響。

為減輕於此前所未有及充滿挑戰的經營環境下之負面財務影響，我們於本年度內實施多項節省成本措施，包括與業主進行磋商以暫時降低租金，並縮減商店的營業時間以應對政府實施社交距離措施導致業務活動的減少。透過無薪休假安排及結清員工年假以減少員工成本。然而，成本控制工作所節省的成本不能完全抵銷新型冠狀病毒疫情於本年度之負面影響。因此，本年度本集團眼鏡及鐘錶業務的分部虧損較上年同期有所增加。

本集團將繼續採納成本控制措施、密切監察市況並因應新型冠狀病毒疫情發展及時調整業務策略。

交易證券

於二零二零年六月三十日，本集團之交易證券約3.3百萬港元(二零一九年：約8.7百萬港元)佔本集團於二零二零年六月三十日之經審核綜合資產總值約0.5%(二零一九年：約1.2%)。

本集團之交易證券組合包括3項(二零一九年：3項)於香港上市並涉及放貸、太陽能及醫療保健行業之股本證券。

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The Group recorded a fair value loss arising from the change in fair value of trading securities of approximately HK\$5.4 million (2019: approximately HK\$5.3 million) for the Year. Such loss was mainly attributable to the poor performance of certain investments during the Year. As a result, the overall segment loss of the securities investment segment was approximately HK\$5.8 million (2019: approximately HK\$4.6 million) during the Year.

The global financial market remains extremely volatile and it is difficult to accurately assess the full economic impact of the COVID-19 epidemic at this moment. The Group will continue to review and adjust its investment portfolios and invest in equity securities listed in Hong Kong with the aim to reduce the risk and achieve a stable return to the Group under the current market circumstance.

Other financial assets

Below is a table setting out the list of the material other financial assets held by the Group as at 30th June 2020:

| Name of investee company | Notes | Place of incorporation | Number of shares held by the Group | Percentage of total issued share capital of the investee company as at 30th June 2020 | Fair value as at 30th June 2020 | Percentage to the Group's total assets as at 30th June 2020 | Percentage to the Group's net assets as at 30th June 2020 | Percentage to the Group's total other financial assets as at 30th June 2020 | Change in fair value for the Year | Return of invested capital | Dividend income for the Year |
|--|-------|------------------------|------------------------------------|---|---------------------------------|---|---|---|-----------------------------------|----------------------------|------------------------------|
| 被投資公司名稱 | 附註 | 註冊成立地點 | 本集團所持股份數目 | 佔被投資公司於二零二零年六月三十日已發行股本總數之百分比 (概約%) | 於二零二零年六月三十日之公平值 (概約千港元) | 佔本集團於二零二零年六月三十日總資產之百分比 (概約%) | 佔本集團於二零二零年六月三十日淨資產之百分比 (概約%) | 佔本集團於二零二零年六月三十日其他金融資產總額之百分比 (概約%) | 本年度公平值變動 (概約千港元) | 已投資資本回報 (概約千港元) | 本年度股息收入 (概約千港元) |
| Cassia Investment Limited Partnership II | 1 | Cayman Islands 開曼群島 | N/A 不適用 | N/A 不適用 | 1,348.8 | 0.2 | 0.4 | 13.5 | (4,319.4) | 1,530.2 | - |
| Promising Social Media Private Equity Fund | 2 | Cayman Islands 開曼群島 | 1,982,215 | 21.08 | 322.0 | less than 0.1 少於0.1 | 0.1 | 3.2 | 5.0 | - | - |
| Derivative financial instruments | 2 | N/A 不適用 | N/A 不適用 | N/A 不適用 | 8,336.8 | 1.2 | 2.3 | 83.3 | 733.0 | - | - |
| | | | | | 10,007.6 | 1.5 | 2.8 | 100.0 | (3,581.4) | 1,530.2 | - |

本集團於本年度錄得交易證券公平值變動而產生之公平值虧損約5.4百萬港元(二零一九年：約5.3百萬港元)。該虧損主要是由於本年度內若干投資表現欠佳所致。因此，於本年度證券投資分部之整體分部虧損約為5.8百萬港元(二零一九年：約4.6百萬港元)。

全球金融市場仍然極為動盪，目前很難準確評估新型冠狀病毒疫情的全部經濟影響。本集團將繼續檢討及調整其投資組合，並投資於香港上市的股本證券，以減低風險及在當前市況下為本集團取得穩定的回報。

其他金融資產

下表為於二零二零年六月三十日本集團所持之重大其他金融資產列表：

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Notes:

1. Cassia Investment Limited Partnership II (“Cassia II”) is an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of Cayman Islands offering limited partnership interests for the purpose of obtaining capital appreciation through making private equity investments mainly in the consumer sector across Greater China and South East Asia, as well as in non-Asian enterprises that have a strong exposure to Asian consumers market. Cassia II intends to target companies that it believes will benefit from the growing disposable income of the Asian middle class and can capture the behavioural consumer trends that follow such growing household wealth and structured equity transactions primarily in Greater China, Thailand, Indonesia, Vietnam and the Philippines. Up to 30th June 2020, the Group has subscribed for the limited partnership interest of Cassia II of approximately US\$7.9 million (approximately HK\$61.2 million) (2019: same).
2. Promising Social Media Private Equity Fund (the “PSM Fund”) is a close-ended investment fund incorporated in the Cayman Islands on 5th February 2014 under the laws of the Cayman Islands as an exempted company with limited liability. The PSM Fund is not a regulated mutual fund for the purposes of the Mutual Funds Law (Revised) of the Cayman Islands. The principal investment objective of the PSM Fund is to maximize capital growth through investing businesses which are engaged in or derive a significant proportion of their income from the field of social media. The PSM Fund commenced operation on 29th April 2015. Weluck Development Limited (“Weluck”), a wholly owned subsidiary of the Company first invested in the PSM Fund in April 2015 and subscribed a total of 1,982,215 class A shares of the PSM Fund (the “PSM Shares”) with a total investment cost of approximately HK\$19.5 million. The manager of the Fund (the “Fund Manager”) had been delegated authority to manage the Fund.

Since the subscription of the PSM Shares by Weluck, the fair value of the PSM Fund significantly decreased because of the under performance of the PSM Fund. As informed by the Fund Manager in December 2018, in view of the real litigation risks and regulatory risks surrounding the Fund Manager’s holding company and the fact that the underlying investment was loss making, the Fund Manager decided to divest the underlying investment held by the PSM Fund at a price significantly below the its investment cost. In addition, a fellow subsidiary of the Fund Manager (the “Purchaser” and is an independent third party of the Group) agreed to provide conditional offer (“Offer”) to buy-back the PSM Shares held by Weluck at a consideration of approximately HK\$17.8 million by reference to Weluck’s sharing of latest available audited net asset of the PSM Fund as at 31st December 2017.

附註：

1. Cassia Investment Limited Partnership II (「Cassia II」)為根據開曼群島豁免有限責任合夥事業法成立之獲豁免有限合夥事業，有關的有限合夥權益主要透過對在大中華及東南亞地區消費行業以及於亞洲消費市場擁有大量業務的非亞洲地區企業進行私募股本投資以獲得資本增值。Cassia II擬投資於其認為將從亞洲中產階層可支配收入日益增長中受益及可把握隨著上述家庭財富增長所帶來的消費趨勢之公司，以及主要位於大中華、泰國、印尼、越南及菲律賓的結構性股權交易。截至二零二零年六月三十日，本集團已認購Cassia II之有限合夥權益約7.9百萬美元(約61.2百萬港元)(二零一九年：相同)。
2. Promising Social Media Private Equity Fund (「PSM基金」)是於二零一四年二月五日根據開曼群島法律在開曼群島註冊成立的封閉式投資基金(作為獲豁免有限公司)。就開曼群島共同基金法(修訂本)而言，PSM基金並非受規管的共同基金。PSM基金的主要投資目標是透過投資從事社交媒體領域或大部分收入來自社交媒體領域的業務使資本增長最大化。PSM基金於二零一五年四月二十九日開始營運。永能發展有限公司(「永能」，本公司全資附屬公司)於二零一五年四月首次投資於PSM基金及認購PSM基金共1,982,215股A類股(「PSM股份」)，投資總成本約為19.5百萬港元。該基金之經理(「基金經理」)已獲授權管理該基金。

自永能認購PSM股份以來，PSM基金之公平值顯著下降，原因是PSM基金表現欠佳。誠如基金經理於二零一八年十二月所知會，鑒於圍繞基金經理控股公司之真實訴訟風險及監管風險以及事實上相關投資錄得虧損，基金經理決定按大幅低於投資成本價格出售PSM基金持有之相關投資。此外，基金經理之同系附屬公司(「買方」，本集團之獨立第三方)同意提出有條件要約(「要約」)以回購永能持有之PSM股份，代價約為17.8百萬港元，乃參考永能分佔於二零一七年十二月三十一日最近可得之PSM基金經審核資產淨值。

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On 1st March 2019, Weluck accepted the Offer to dispose the PSM Shares at a consideration of approximately HK\$17.8 million (the "Disposal"). The Purchaser shall settle the consideration of the Disposal to Weluck in cash by 34 monthly instalments, whereby (i) approximately HK\$1,483,000 shall be paid on or before 29th March 2019 and (ii) approximately HK\$494,000 on or before the last business day of each consecutive month from April 2019 to December 2021. Completion of the Disposal is conditional upon the Purchaser having paid the consideration of the Disposal to Weluck in full in accordance with the schedule described above. The PSM Shares will be transferred to the Purchaser on receipt of the consideration of the Disposal in full by Weluck. In the opinion of the Directors, the arrangement constitute a derivatives contract to dispose the PSM Shares at a fixed consideration in the future and should be recognized as a derivative financial instrument ("DFI"). Based on the business valuation report issued by an independent professional valuer which was not connected with the Group, the fair value of the DFI was approximately HK\$15.5 million in March 2019. The fair value of the DFI would be recognised as a gain in the consolidated statement of comprehensive income of the Group and recognized as the other financial assets on the consolidated balance sheet of the Group over the time proportionally from March 2019 to December 2021.

Taking into account (i) the fair value of the DFI of approximately HK\$15.5 million would be recognised as a gain of the Group over the time proportionally from March 2019 to December 2021; (ii) the unsatisfactory performance of the investment of the PSM Fund; and (iii) the constant cash inflow that will be brought by the Disposal, the Directors consider it is appropriate and in the interests of the Company and its shareholders as a whole to accept the Offer made by the Purchaser to effect the Disposal.

Looking forward, the financial and investment markets are continually affected by the COVID-19 epidemic. The Group will take a cautious approach in managing the investment portfolio with the aim to reduce the risk and achieve a stable return to the Group.

於二零一九年三月一日，永能接受要約，以代價約17.8百萬港元出售PSM股份（「出售事項」）。買方須分期按34個月以現金支付出售事項之代價予永能，其中(i)約1,483,000港元須於二零一九年三月二十九日或之前支付及(ii)約494,000港元須由二零一九年四月至二零二一年十二月於各月之最後營業日或之前支付。於買方根據上述時間表悉數支付出售事項之代價予永能後，出售事項才告完成。PSM股份將於永能悉數收到出售事項之代價後轉讓予買方。董事認為，有關安排構成一份衍生合約，以於日後按固定代價出售PSM股份，故應確認為衍生金融工具（「衍生金融工具」）。根據與本集團概無關連的獨立專業估值師發表的業務估值報告，衍生金融工具於二零一九年三月的公平值約為15.5百萬港元。衍生金融工具的公平值將於二零一九年三月至二零二一年十二月按時間比例於本集團綜合全面收益表中確認為收益及於本集團綜合資產負債表中確認為其他金融資產。

經考慮(i)該衍生金融工具之公平值約15.5百萬港元將由二零一九年三月至二零二一年十二月隨時間按比例悉數獲確認為本集團之收益；(ii)PSM基金之投資表現欠佳；及(iii)出售事項將帶來之持續現金流入，董事認為接納買方所作之要約以落實出售事項乃適當且符合本公司及其股東之整體利益。

展望未來，金融及投資市場持續受新型冠狀病毒疫情戰影響。本集團將審慎管理投資組合，旨在降低風險並為本集團爭取穩定回報。

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Money lending business

The Group engaged in money lending business in Hong Kong during the Year. As at 30th June 2020, the Group had loans receivable of approximately HK\$1.5 million (2019: approximately HK\$65.0 million), under the money lending business and recognized interest income (excluded inter-segment sales) of approximately HK\$7.9 million (2019: approximately HK\$7.7 million). It accounted for approximately 3.5% (2019: approximately 12.5%) of the Group's revenue during the Year. Loans receivable are interest bearing at rates ranging from 8.5% to 10% per annum (2019: 3% to 18% per annum). The segment loss of this business segment was approximately HK\$13.4 million during the Year (2019: approximately HK\$13.0 million).

The segmental loss was mainly attributable to the change in expected credit loss for loans receivable of approximately HK\$18.7 million for the Year (2019: approximately HK\$18.7 million). The change in expected credit loss allowance for loans receivable is principally due to an increase in loans receivable which have past due during the Year.

Due to the unstable financial and investment market and the highly competitive business environment, the Group will take a cautious approach to grant new loans in the coming year.

Leasing of investment properties

The rental income from leasing of investment properties remained stable during the Year. The Group recorded rental income of approximately HK\$1.1 million (2019: approximately HK\$1.1 million) during the Year from its properties at Woodland House 1-5, Woodlands Villa, 121 Tong Fuk Village, Tong Fuk, Lantau Island, New Territories, Hong Kong. It accounted for approximately 0.5% (2019: approximately 1.8%) of the Group's revenue during the Year.

The segment profit of this business segment was approximately HK\$0.9 million (2019: approximately HK\$2.9 million) during the Year. The decrease in segment profit is due to the decrease in fair value gain of investment properties by approximately HK\$2.1 million during the Year. There were no additions or disposals of the investment properties during the Year.

放貸業務

於本年度內，本集團於香港從事放貸業務。於二零二零年六月三十日，本集團之放貸業務項下應收貸款約為1.5百萬港元(二零一九年：約65.0百萬港元)及確認利息收入(分部間銷售除外)約7.9百萬港元(二零一九年：約7.7百萬港元)。其於本年度佔本集團的收益約3.5%(二零一九年：約12.5%)。應收貸款年利率介乎8.5%至10%(二零一九年：每年3%至18%)。年內，該業務分部之分部虧損約為13.4百萬港元(二零一九年：約13.0百萬港元)。

分部虧損乃主要由於年內就應收貸款之預期信貸虧損變動約18.7百萬港元(二零一九年：約18.7百萬港元)。就應收貸款之預期信貸虧損撥備變動乃主要由於年內逾期應收貸款增加所致。

由於金融及投資市場不穩以及業務環境競爭激烈，本集團來年授予新貸款時將採取審慎態度。

出租投資物業

本年度於投資物業出租之租金收入保持穩定。本集團於本年度由香港新界大嶼山塘福塘福村121號林地別墅林地屋1至5號的物業錄得租金收入約1.1百萬港元(二零一九年：約1.1百萬港元)。其佔本集團本年度的收益約0.5%(二零一九年：約1.8%)。

本年度該業務分部之分部溢利約為0.9百萬港元(二零一九年：約2.9百萬港元)。分部溢利減少是由於本年度投資物業公平值收益減少約2.1百萬港元。本年度概無買入或出售投資物業。

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Entertainment business

This segment primarily relates to artiste and model management and organisation of concerts. Revenue from this business segment during the Year was approximately HK\$2.0 million (2019: approximately HK\$5.8 million). It accounted for approximately 0.9% (2019: approximately 9.4%) of the Group's revenue during the Year. Due to the mass protests and social unrest in Hong Kong in second half of 2019 and the outbreak of COVID-19 epidemic in first half of 2020, the Group only invested in one (2019: two) concerts during the Year and therefore the turnover decreased significantly during the Year as compared to the same period last year. Segmental loss of approximately of HK\$0.9 million was recorded during the Year (2019: approximately HK\$0.6 million). The increase in loss from this segment was due to the decrease in revenue during the Year.

Financial Printing

The Group engaged in the business of financial printing services to provide the services of type-setting, translation, printing, design, distribution of financial print products and other related services to the financial sectors in Hong Kong through Formex Financial Press Limited, a wholly-owned subsidiary of the Company.

During the Year, the Group recorded turnover and segmental loss of approximately HK\$9.8 million (2019: approximately HK\$3.6 million) and approximately HK\$11.1 million (2019: approximately HK\$8.5 million) respectively in this segment. It accounts for approximately 4.3% (2019: approximately 5.9%) of the Group's revenue during the Year.

Taking into account the increase in number for the listed companies, the increase in demand of financial printing services in Hong Kong, and the rapid growth in revenue of the financial printing business during the Year, we are of the view that the future prospect of financial printing business is positive despite the Group recorded a segmental loss in financial printing business during the Year.

娛樂業務

該分部主要與藝人及模特兒管理以及組織演唱會有關。於本年度，該業務分部產生之收益為約2.0百萬港元(二零一九年：約5.8百萬港元)。其佔本集團本年度的收益約0.9%(二零一九年：約9.4%)。由於二零一九年下半年香港的大規模抗議活動及社會動盪，以及二零二零年上半年爆發新型冠狀病毒疫情，本集團於本年度僅投資於一個(二零一九年：兩個)演唱會，因此本年度的營業額較上年同期顯著下降。於本年度，錄得分部虧損約0.9百萬港元(二零一九年：約0.6百萬港元)。該分部虧損增加乃由於本年度內收益減少所致。

財經印刷

本集團從事財經印刷服務業務，透過本公司之全資附屬公司方訊財經印刷有限公司，提供財經印刷產品之排版、翻譯、印刷、設計、分派服務及其他相關服務予香港財經界。

年內，本集團於此分部錄得營業額及分部虧損分別約9.8百萬港元(二零一九年：約3.6百萬港元)及約11.1百萬港元(二零一九年：約8.5百萬港元)。其於年內佔本集團收益約4.3%(二零一九年：約5.9%)。

考慮到香港上市公司數目增加、對財經印刷服務需求上升及於本年度財經印刷業務收益的快速增長，儘管本年度本集團財經印刷業務錄得分部虧損，我們仍認為財經印刷業務的未來前景明朗。

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Discontinued operation – Securities Brokerage Business

The Company engaged in securities brokerage and margin financing business through its wholly owned subsidiary China Jianxin Financial Services Limited (“China Jianxin”). China Jianxin is a company licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities, the principal activities of which are provision of brokerage services and securities margin financing to clients (the “Securities Brokerage Business”) during the years ended 30th June 2016, 30th June 2017 and 30th June 2018. The Group ceased the Securities Brokerage Business on 30th June 2018 and the details of the cessation are set out in the Company’s announcement dated 17th May 2018.

The Group recorded the profit before tax from the discontinued Securities and Brokerage Business of approximately HK\$0.8 million (2019: loss before tax of approximately HK\$3.1 million) during the Year which is mainly attributable to the recovery of certain bad and doubtful debt during the Year.

Geographical contribution

In terms of geographical contribution, overseas markets accounted for approximately 63.2% (2019: approximately 35.4%) of the Group’s revenue during the Year.

Selling expenses

Selling expenses for the Year is approximately HK\$16.9 million (2019: approximately HK\$12.6 million). The increase in selling expenses was mainly due to the increase in revenue during the Year.

Administrative expenses

Administrative expenses for the Year increased by approximately 9.5% to approximately HK\$81.0 million as compared to approximately HK\$74.0 million in the same period last year. The increase in administrative expenses was mainly due to the net effect of (i) the payment of the directors and staff bonus of approximately HK\$20.0 million (2019: HK\$Nil) to the management of the films distribution and exhibition during the Year for the remarkable box office of approximately RMB1.3 billion in the PRC of a new blockbuster called “White Storm 2 – Drug Lords” (“掃毒2天地對決”) released in July 2019 and (ii) the decrease of administrative expense of approximately HK\$9.7 million as a result of the cost control measures imposed by the Group in response to the COVID-19 pandemic.

已終止業務 – 證券經紀業務

本集團透過其全資附屬公司中國建信金融服務有限公司(「中國建信」)從事證券經紀及孖展融資業務。中國建信為一間根據證券及期貨條例從事第1類(證券交易)及第4類(就證券提供意見)受規管活動的持牌公司，其於截至二零一六年六月三十日、二零一七年六月三十日及二零一八年六月三十日止年度的主要業務為向客戶提供經紀服務及證券孖展融資業務(「證券經紀業務」)。本集團已於二零一八年六月三十日停止證券經紀業務，停止詳情載於本公司日期為二零一八年五月十七日的公佈。

本集團於本年度錄得已終止證券及經紀業務的除稅前溢利約0.8百萬港元(二零一九年：除稅前虧損約3.1百萬港元)，乃主要由於本年度收回若干呆壞賬所致。

地區貢獻

就地區貢獻而言，海外市場佔本集團於本年度之收益約63.2%(二零一九年：約35.4%)。

銷售費用

本年度銷售費用約為16.9百萬港元(二零一九年：約12.6百萬港元)。銷售費用增加乃主要由於本集團本年度收益增加。

行政費用

本年度之行政費用由上年同期約74.0百萬港元增加約9.5%至約81.0百萬港元。行政費用增加主要是由於以下的淨影響：(i)二零一九年七月在中國上映名為「掃毒2天地對決」之新賣座鉅片，並錄得約人民幣13億元理想票房，故於本年度向電影發行及放映之管理層派付董事及員工花紅約20.0百萬港元(二零一九年：零港元)及(ii)本集團因應新型冠狀病毒疫情實施成本控制措施導致行政費用減少約9.7百萬港元。

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Update on the adjustment to the consideration of AP Group Investment Holdings Limited

On 12th October 2015, Fragrant River Entertainment Culture (Holdings) Limited (“Fragrant River”), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement (“AP Acquisition Agreement”) with two independent third party vendors, namely Very Easy Limited (“Very Easy”) and City Link Consultancy Limited (“City Link”), and their respective ultimate beneficial owners, namely Chan Sze Long (“Chan”) and Lim Wah Elsa (“Lim”), as guarantors to acquire 51% equity interest of AP Group Investment Holdings Limited (“AP Group”) at a consideration of HK\$20,400,000 (subject to downward adjustment in respect of the guaranteed profit as described in the AP Acquisition Agreement) (the “AP Acquisition”). AP Group and its subsidiaries were principally engaged in the provision of education and training programs in relation to self-improvement and self-enhancement in Hong Kong and the PRC. The AP Acquisition was completed on 14th December 2015.

On 13th June 2016, (i) Fragrant River as the vendor and the Company as the guarantor of Fragrant River; and (ii) Lucky Famous, an independent third party, entered into a disposal agreement (the “AP Disposal Agreement”), pursuant to which Fragrant River sold to Lucky Famous the 51% of the equity interest of AP Group at the consideration of HK\$20,400,000 (the “Consideration”) subject to downward adjustments as described below (the “AP Disposal”). The amount of the Consideration was the same as the consideration for the AP Acquisition. Completion of the AP Disposal took place on 1st July 2016.

Under the AP Disposal Agreement, in the event that the audited consolidated profit after tax of the AP Group attributable to owners of the AP Group for the period from 1st January 2016 to 31st December 2017 (“FY 2016 & 2017”) (which would only include income or gain generated by activities in the ordinary and usual course of business of AP Group and its subsidiaries) (the “FY 2016 & 2017 Net Profit”) is less than HK\$16,000,000, the Group should pay to Lucky Famous (or to its order) the Adjustment Amount (as defined below) in cash within 14 days after the audited consolidated financial statements of AP Group for the period of FY 2016 & 2017 (“FY 2016 & 2017 Audited Accounts”) are available.

調整愛拼集團控股有限公司代價的最新消息

於二零一五年十月十二日，香江娛樂文化(控股)有限公司(「香江」，本公司全資附屬公司)與兩名獨立第三方賣方Very Easy Limited(「Very Easy」)及City Link Consultancy Limited(「City Link」)及彼等各自的最終實益擁有人陳思朗(「陳先生」)及林樺(「林女士」)(作為擔保人)訂立買賣協議(「愛拼收購協議」)，以收購愛拼集團控股有限公司(「愛拼集團」)51%股權，代價為20,400,000港元(可就愛拼收購協議所述之保證溢利向下調整)(「愛拼收購事項」)。愛拼集團及其附屬公司主要於香港及中國從事提供有關自我完善及自我提升的教育及培訓項目。愛拼收購事項已於二零一五年十二月十四日完成。

於二零一六年六月十三日，(i)香江(作為賣方)及本公司(作為香江擔保人)；及(ii)獨立第三方Lucky Famous訂立出售協議(「愛拼出售協議」)，據此，香江向Lucky Famous出售愛拼集團51%之股權，代價為20,400,000港元(「代價」)(可按下文所述向下調整)(「愛拼出售事項」)。代價金額與愛拼收購事項之代價相同。愛拼出售事項已於二零一六年七月一日完成。

根據愛拼出售協議，倘自二零一六年一月一日起至二零一七年十二月三十一日止期間(「二零一六及二零一七財年」)，愛拼集團擁有人應佔愛拼集團經審核綜合除稅後溢利(該溢利將僅包括愛拼集團及其附屬公司於一般及日常業務過程中之活動產生的收入或收益)(「二零一六及二零一七財年淨溢利」)少於16,000,000港元，本集團應在愛拼集團刊發二零一六及二零一七財年期間的經審核綜合財務報表(「二零一六及二零一七財年經審核賬目」)後14日內向Lucky Famous(或根據其指令)以現金方式支付調整金額(定義見下文)。

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The adjustment amount under the AP Disposal Agreement (the "Adjustment Amount") will be determined in accordance with the formula set out below:

$$A = \text{HK\$}20,400,000.00 - (\text{NP}/2) \times 5 \times 51\%$$

Where:

"A" means the amount of Adjustment Amount in HK\$; and "NP" means the FY 2016 & 2017 Net Profit. Where the FY 2016 & 2017 Net Profit is a negative figure, "NP" shall be deemed to be zero.

The FY 2016 & 2017 Audited Accounts will be prepared in accordance with the Hong Kong Financial Reporting Standards and audited, at the cost of AP Group, by an accounting firm as approved by Lucky Famous, adjusted for any non-recurring items.

Such downward adjustment mechanism for the Consideration under the AP Disposal Agreement depending on the actual performance of the AP Group for the FY 2016 & 2017 is virtually of the same terms as the downward adjustment mechanism of the consideration in respect of the AP Acquisition from Very Easy and City Link under the AP Acquisition Agreement. Details of such acquisition are set out in the Company's announcement dated 12th October 2015.

In the event there is a shortfall between the FY 2016 & 2017 Net Profit and the target profit of the AP Group for FY 2016 & 2017 of HK\$16,000,000 under the AP Acquisition Agreement, an adjustment amount under such agreement (the "Contingent Consideration Receivable") is payable by Very Easy and City Link, being the vendors under the AP Acquisition, to the Group within 7 days after the FY 2016 & 2017 Audited Accounts for the purpose of the AP Acquisition Agreement are available. The obligations of Very Easy and City Link to pay such adjustment amount to the Group are guaranteed by their respective beneficial owners.

愛拼出售協議的調整金額(「調整金額」)將根據以下公式釐定：

$$A = 20,400,000.00\text{港元} - (\text{NP}/2) \times 5 \times 51\%$$

其中：

「A」指調整金額(港元)；及「NP」指二零一六及二零一七財年淨溢利。倘二零一六及二零一七財年淨溢利為負數，則「NP」將視作為零。

二零一六及二零一七財年經審核賬目將根據香港財務報告準則編製，並由Lucky Famous認可的會計師事務所審核(費用由愛拼集團承擔)，並就任何非經常項目作出調整。

愛拼出售協議項下代價之有關下調機制(取決於愛拼集團於二零一六及二零一七財年的實際表現)的條款與Very Easy及City Link根據愛拼收購協議有關愛拼收購事項之代價下調機制的條款相同。有關收購的詳情載於本公司日期為二零一五年十月十二日之公佈。

倘二零一六及二零一七財年淨溢利較愛拼集團根據愛拼收購協議二零一六及二零一七財年的目標溢利(16,000,000港元)出現短缺額，則愛拼收購事項項下之賣方Very Easy及City Link須根據該協議於就愛拼收購協議刊登二零一六及二零一七財年經審核賬目後7日內向本集團支付調整金額(「應收或然代價」)。Very Easy及City Link向本集團支付有關調整金額的責任由其各自實益擁有人擔保。

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As mentioned above, in the event there is a shortfall between the FY 2016 & 2017 Net Profit and the target profit of the AP Group for FY 2016 & 2017 of HK\$16,000,000 under the AP Disposal Agreement, an adjustment amount under such agreement (the “Contingent Consideration Payable”) is payable by the Group to Lucky Famous within 14 days after the FY 2016 & 2017 Audited Accounts for the purpose of the AP Disposal Agreement are available.

On 12th June 2018, the Group received a demand letter (the “Demand Letter”) from Lucky Famous whereby it was alleged that the AP Group recorded a net loss of HK\$189,799 based on the alleged FY 2016 & 2017 Audited Accounts dated 11th June 2018. As set out in the Demand Letter, Lucky Famous demanded Fragrant River or the Company to fully pay the amount of HK\$20,400,000 (the “Alleged Claim”), being the alleged Adjustment Amount pursuant to the terms and conditions of the AP Disposal Agreement, to Lucky Famous on or before 26th June 2018, and upon default, steps would be taken by Lucky Famous to enforce its rights under the AP Disposal Agreement without further notice.

In response to the Lucky Famous Demand Letter, Fragrant River and the Company have through the letter from their legal advisers dated 22nd June 2018 stated that they would defend the purported claim of Lucky Famous for the payment of the Adjustment Amount under the AP Disposal Agreement as alleged by it.

In light of the Lucky Famous Demand Letter and the alleged net loss of the AP Group for FY 2016 & 2017, and in order to protect the interest of the Group, but without admitting any liability to Lucky Famous under the AP Disposal Agreement, Fragrant River issued corresponding demand letters all dated 22nd June 2018 (collectively, the “Fragrant River Demand Letters”) to Very Easy, City Link, Chan and Lim, respectively demanding the payment of an amount of HK\$20,400,000 (the “Fragrant River Claim”) to Fragrant River within 7 days from the date of the Fragrant River Demand Letters pursuant to the terms and conditions of the AP Acquisition Agreement, and if default, Fragrant River would take further action to protect its interest without further notice.

按上文所述，倘二零一六及二零一七財年淨溢利較愛拼集團根據愛拼出售協議二零一六及二零一七財年的目標溢利(16,000,000港元)出現短缺額，則本集團須根據該協議於就愛拼出售協議刊發的二零一六及二零一七財年經審核賬目後14日內向Lucky Famous支付調整金額(「應付或然代價」)。

於二零一八年六月十二日，本集團接獲Lucky Famous催款函(「催款函」)，據此聲稱根據日期為二零一八年六月十一日的二零一六及二零一七財年經審核賬目，愛拼集團錄得虧損淨額189,799港元。誠如催款函所載，Lucky Famous要求香江或本公司於二零一八年六月二十六日或之前向Lucky Famous悉數支付20,400,000港元(「聲稱索償」)(即根據愛拼出售協議之條款及條件所聲稱之調整金額)，如違約，Lucky Famous將不發出進一步通知而採取措施執行其於愛拼出售協議項下之權利。

於接獲Lucky Famous催款函後，香江及本公司已透過其日期為二零一八年六月二十二日的法律顧問函表示，彼等將就Lucky Famous要求支付其所聲稱愛拼出售協議項下調整金額的申索進行抗辯。

鑒於Lucky Famous催款函及聲稱二零一六及二零一七財年愛拼集團錄得虧損淨額，以及為保障本集團利益，但在沒有承認愛拼出售協議下對Lucky Famous之任何責任的前提下，香江已分別向Very Easy、City Link、陳先生及林女士發出相應之催款函，全部日期為二零一八年六月二十二日(統稱「香江催款函」)，要求根據愛拼收購協議之條款及條件在香江催款函日期起7日內向香江支付20,400,000港元(「香江索償」)，如違約，香江將不發出進一步通知而採取進一步行動保障其利益。

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On 16th July 2018, Lucky Famous as the plaintiff commenced court action (HCA No. 1646 of 2018) at the Court of First Instance of the High Court of Hong Kong against Fragrant River as the 1st defendant and the Company as the 2nd defendant (the "Lucky Famous Action"). Lucky Famous claimed against Fragrant River and the Company for (a) the Adjustment Amount of HK\$20,400,000; (b) interests; (c) costs; and (d) further and/or other relief.

Notwithstanding the Fragrant River Demand Letters, no payment under the AP Acquisition Agreement is received from any of Very Easy, City Link, Chan or Lim up to the date of this report.

Lucky Famous applied to amend the writ and statement of claim to join Chan and Lim as defendants in the Lucky Famous Actions for certain claims against them. The Court allowed the application of Lucky Famous on 24th September 2019.

The Company is in the course of seeking legal advice in respect of the Lucky Famous Action and any possible action that may be taken against Very Easy, City Link, Chan and/or Lim in respect of the Fragrant River Claim. Up to the date of this report, the parties are still negotiating for a settlement of the matter. In any event, as the exchange of evidence has not been completed, in the opinion of legal advisor, it is not practicable to assess the likely outcome of this Action. The Company will keep the Shareholders and potential investors of the Company informed of any further significant developments as and when appropriate.

Without admitting any liability to Lucky Famous under the AP Disposal Agreement and also without prejudice to any right against Very Easy, City Link, Chan and/or Lim under the AP Acquisition Agreement, the Group has recorded the fair value of the Contingent Consideration Payable at approximately HK\$20.4 million (2019: approximately HK\$20.4 million) as at 30th June 2020 in accordance with the Hong Kong Financial Reporting Standards, which is based on the best estimation of the Directors taking into account the financial statements of AP Group in 2016 and 2017, the discount rate and other factors in estimating the fair value.

於二零一八年七月十六日，Lucky Famous(作為原告)於香港高等法院原訟法庭對香江(作為第一被告)及本公司(作為第二被告)提起訴訟(訴訟編號：二零一八年HCA 1646號)(「Lucky Famous訴訟」)。Lucky Famous向香江及本公司申索(a)調整金額20,400,000港元；(b)相關利息；(c)相關費用；及(d)進一步及／或其他賠償。

儘管已發出香江催款函，截至本報告日期，尚未收到Very Easy、City Link、陳先生或林女士中任何一方就愛拼收購協議項下作出的付款。

Lucky Famous已申請修改書面申索陳述書，以在Lucky Famous訴訟加入陳先生及林女士為Lucky Famous訴訟之被告，向彼等作出若干索償。於二零一九年九月二十四日，法庭批准Lucky Famous之申請。

本公司現正就Lucky Famous訴訟及可能就香江索償向Very Easy、City Link、陳先生及／或林女士採取的任何潛在法律行動尋求法律意見。截至本報告日期，雙方仍在磋商解決該事宜。在任何情況下，法律顧問認為，由於交換證據尚未完成，評估該訴訟之可能結果並不可行。本公司將於適當時知會本公司股東及有意投資者任何進一步重大進展。

在沒有承認愛拼出售協議下對Lucky Famous之任何責任，亦在不影響Very Easy、City Link、陳先生及／或林女士根據愛拼收購協議的任何權利的前提下，本集團根據香港財務報告準則於二零二零年六月三十日錄得應付或然代價公平值約20.4百萬港元(二零一九年：約20.4百萬港元)，此乃董事考慮愛拼集團於二零一六年及二零一七年的財務報表、貼現率及估計公平值時的其他因素後的最佳估計所作出。

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OUTLOOK

The outbreak of COVID-19 epidemic in the first half of 2020 has affected all the Group's operations. The Group's revenues and results in the first half of 2020 has accordingly been adversely affected. With the recent signs that the COVID-19 has been easing and the related control measures imposed by governments have been gradually loosening in Hong Kong and PRC, we expect that the Group's operations will gradually recover soon.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

As at 30th June 2020, the Group had cash balances and time deposits with maturity over three months at acquisition of approximately HK\$106.9 million (2019: approximately HK\$178.2 million) and approximately HK\$108.6 million, respectively (2019: HK\$Nil). As at 30th June 2020, the Group had total assets of approximately HK\$683.8 million (2019: approximately HK\$724.7 million).

The Group's gearing ratio as at 30th June 2020 was approximately 4.4% (as at 30th June 2019: approximately 0.002%), which was calculated on the basis of the Group's total debt (including borrowings, obligations under finance lease, lease liability and bank overdraft) divided by total equity of the Group.

The increase in the Group's gearing ratio as at 30th June 2020 as compared to same period last year is due to the recognition of the lease liability of approximately HK\$15.5 million (2019: HK\$Nil) as at 30th June 2020 after the Group initially applied Hong Kong Financial Reporting Standards 16 from 1st July 2019.

The Group incurred financial cost of approximately HK\$542,000, which is attributable to the interest on lease liabilities during the Year (2019: HK\$ Nil).

In light of the fact that most of the Group's transactions are denominated in Hong Kong dollars, Renminbi and United States dollars, the Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. The Group will continue to take proactive measures and monitor its exposure to the movements of these currencies closely.

展望

於二零二零年上半年爆發的新型冠狀病毒疫情對本集團所有業務造成影響。本集團於二零二零年上半年的收益及業績因此而受到不利影響。鑒於近期有跡象顯示新型冠狀病毒疫情逐漸緩和，且香港及中國政府實施的有關控制措施逐步放寬，我們預期本集團業務將逐漸恢復正常。

財務資源、流動資金及資本架構

於二零二零年六月三十日，本集團有現金結餘及於購入時到期日超過三個月之定期存款分別約106.9百萬港元(二零一九年：約178.2百萬港元)及約108.6百萬港元(二零一九年：零港元)。於二零二零年六月三十日，本集團之資產總值為約683.8百萬港元(二零一九年：約724.7百萬港元)。

本集團於二零二零年六月三十日之資產負債比率約為4.4%(二零一九年六月三十日：約0.002%)，乃根據本集團之債務總額(包括借貸、融資租賃承擔、租賃負債及銀行透支)除以總權益計算。

本集團於二零二零年六月三十日之資產負債比較去年同期增加，乃由於本集團自二零一九年七月一日起初步應用香港財務報告準則第16號後於二零二零年六月三十日確認租賃負債約15.5百萬港元(二零一九年：零港元)所致。

本集團之財務成本約為542,000港元，乃由於本年度租賃負債之利息(二零一九年：零港元)。

鑒於本集團大部分交易均以港元、人民幣及美元計值，本集團面臨各種貨幣風險所產生的外匯風險，主要是有關人民幣的風險。本集團將繼續採取積極措施，並密切監控其面臨的該等貨幣之變動所帶來的風險。

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As at 30th June 2020, the Group had Shareholders' capital of approximately HK\$9.1 million (30th June 2019: approximately HK\$9.1 million). The Shareholders' capital of the Company is constituted of 906,632,276 shares (30th June 2019: 906,632,276 shares).

The Company did not carry out any fund raising activities by issuing new shares of the Company during the Year (2019: Nil).

MATERIAL ACQUISITION AND DISPOSAL OF ASSETS

The Group did not have any material acquisition or disposal of assets during the Year.

THE PLEDGE OF GROUP'S ASSETS

As at 30th June 2020, none of the Group's assets was pledged to secure any liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 30th June 2020, the Group employed 101 staff (2019: 116). Remuneration is reviewed annually and certain staff are entitled to commission. In addition to basic salaries, staff benefits included discretionary bonus, medical insurance scheme and mandatory provident fund.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed in the annual general meeting held on 2nd December 2013, the Company conditionally approved and adopted a share option scheme in compliance with the Listing Rules (the "Share Option Scheme"). Details of the Share Option Scheme are as follows:

(1) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Company to grant share options to selected Participants (as defined below) as incentive and/or rewards for their contributions and support to the Group and any invested entity.

於二零二零年六月三十日，本集團之股東資本為約9.1百萬港元(二零一九年六月三十日：約9.1百萬港元)。本公司之股東資本由906,632,276股(二零一九年六月三十日：906,632,276股)股份組成。

本公司於本年度並無透過發行本公司新股份進行任何集資活動(二零一九年：無)。

資產的重大收購及出售

本集團於本年度並無任何資產的重大收購或出售。

集團資產抵押

於二零二零年六月三十日，概無集團資產已作抵押以獲得任何負債。

僱員及薪酬政策

於二零二零年六月三十日，本集團擁有101名(二零一九年：116名)僱員。薪酬會每年檢討，若干僱員可享有佣金。除基本薪金外，僱員福利亦包括酌情花紅、醫療保險計劃及強制性公積金。

購股權計劃

根據於二零一三年十二月二日舉行之股東週年大會上通過之一項普通決議案，本公司根據上市規則有條件批准及採納一項購股權計劃(「購股權計劃」)。購股權計劃之詳情如下：

(1) 購股權計劃之目的

購股權計劃之目的是使本公司可向經過選定之參與人(定義見下文)授出購股權，作為其對本集團及任何投資實體之貢獻及支持之獎勵及／或獎賞。

Management Discussion and Analysis

管理層討論及分析

(2) Participants of the Share Option Scheme

The Board may, at its discretion, invite any person belonging to any of the following classes of participants for their contributions and support to the Group and any invested entity (the “Participants” and individually, a “Participant”) to take up share options to subscribe for shares.

- (a) any full-time employee of the Company, any of its subsidiary or any invested entity, including (without limitation) any executive director of the Company, any of its subsidiary or invested entity;
- (b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiary or any invested entity;
- (c) any supplier of goods or services to any member of the Group or any invested entity;
- (d) any customer of the Group or any invested entity;
- (e) any person or entity that provides research, development or other technical support to the Group or any invested entity;
- (f) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any invested entity; and
- (h) any joint venture partner or counter-party to business operation or business arrangements of the Group.

(2) 購股權計劃的參與人

董事會可酌情邀請屬於以下任何參與人類別，對本集團及任何投資實體有貢獻及作出支持之任何人士（「參與人」），藉接納購股權以認購股份。

- (a) 本公司、其任何附屬公司或任何投資實體之任何全職僱員，包括（但不限於）本公司、其任何附屬公司或投資實體之任何執行董事；
- (b) 本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括獨立非執行董事）；
- (c) 本集團任何成員公司或任何投資實體之任何貨品或服務供應商；
- (d) 本集團或任何投資實體之任何客戶；
- (e) 向本集團或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；
- (f) 本集團任何成員公司或任何投資實體之任何股東或本集團任何成員公司或任何投資實體所發行之任何證券之任何持有人；
- (g) 本集團任何成員公司或任何投資實體之任何業務範圍或業務發展之任何顧問（專業或非專業）或諮詢人；及
- (h) 本集團業務運作或業務安排之任何合夥人或合作人。

Management Discussion and Analysis

管理層討論及分析

(3) Maximum number of share options available for issue under the Share Option Scheme

- (a) The maximum number of shares of the Company which may be issued upon exercise of all outstanding share option granted and yet to be exercised under the Share Option Scheme and any other schemes for the time being of the Company shall not exceed 30% of the shares in issue from time to time. Share options of the Company which are lapsed or cancelled for the time being shall not be counted for the purpose of calculating the said 30% limit; and
- (b) The maximum number of shares of the Company which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the dates of approval of the Share Option Scheme unless approval for refreshing the 10% limit from the Shareholders has been obtained.

(4) Maximum entitlement of each participant

The total number of shares of the Company issued upon exercise of the share options granted and to be granted to each grantee under the Share Option Scheme and any other schemes for the time being of the Company (including both exercised and outstanding share options) in any 12-month period up to the date of grant to each grantee must not exceed 1% of the aggregate number of shares for the time being in issue.

(5) Remaining life and exercisable period of the share options

There is no general requirement that a share option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular share option. A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period of 10 years commencing on the date of grant and expiring on the last day of the said 10 year period.

(3) 根據購股權計劃可供發行購股權之數目上限

- (a) 根據購股權計劃及本公司當時任何其他計劃授出之所有未行使購股權獲行使時可發行之本公司股份數目，最多不得超過不時已發行股份之30%。本公司當時作廢或註銷之購股權，於計算以上之30%上限時，不得計算在內；及
- (b) 除獲股東批准更新10%之上限外，根據購股權計劃已授出及將予授出之所有購股權獲行使時可予發行之本公司股份最高數目相當於批准購股權計劃當日本公司已發行股份數目之10%。

(4) 各參與人之權利上限

於截至向每位獲授人授出日期為止之任何12個月期間內，根據購股權計劃及本公司當時任何其他計劃向每位獲授人授出及將予授出之購股權(包括已行使及未行使之購股權)獲行使而已發行之本公司股份總數，不得超過當時已發行股份總數之1%。

(5) 購股權之剩餘壽命及行使期限

現時並無一般規定限制購股權必須於持有任何最短期限後方可行使，惟董事會獲授權於授出任何特定購股權時，可酌情施加任何該等最短期限限制。由授出日期起計10年至該段10年期間最後一日內任何時間，購股權可根據購股權計劃之條款行使。

Management Discussion and Analysis

管理層討論及分析

(6) Payment on acceptance of the share options offer

A sum of HK\$1 is payable by the Participant on acceptance of the share option offer.

(7) Basis of determining the subscription price

The subscription price for shares under the Share Option Scheme should be a price notified by the Board to a Participant to whom any offer of the grant of a share option is made and shall be at least the higher of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant which must be a business day; and (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant, provided that the subscription price should not be lower than the nominal value of a share.

No share options under the Share Option Scheme was issued and outstanding during the Year (2019: Nil).

(6) 接納購股權建議時之應付代價

參與人於接納購股權建議時應付1港元之代價。

(7) 釐定認購價之基準

根據購股權計劃釐定之股份認購價須為董事會向已獲任何授出購股權建議之參與人所知會之價格，惟不得低於以下各項之較高數值：(a)於授出日期(必須為營業日)股份在聯交所每日報價表所報之收市價；及(b)於緊接授出日期前五個營業日股份於聯交所每日報價表所報之平均收市價，惟認購價不得低於一股股份之面值。

於本年度並無購股權計劃項下已發行及尚未行使之購股權(二零一九年：無)。

Directors and Senior Management Profile

董事及高級管理人員簡介

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. LAM Shiu Ming, Daneil, aged 58, is the founder and chairman of the Group. He is involved in marketing, corporate strategy, business planning and development and overall management of the Group. Mr. Lam has over 30 years of experience in the film industry in Hong Kong. He was awarded the “Young Industrialist Awards of Hong Kong” by the Federation of Hong Kong Industries in 2002.

Mr. LAM Kit Sun, aged 43, is the chief financial officer and company secretary of the Group. He is responsible for the financial and investments functions of the Group. Prior to joining the Group in 2013, he has over 20 years' experience in the field of financial reporting, financial management and audit experience in the PRC and Hong Kong. He graduated from The Hong Kong University of Science and Technology with a bachelor's degree in Business Administration in Accounting. Mr. Lam is a fellow and practicing member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”), a fellow member of the Association of Chartered Certified Accountants (“ACCA”), an associate of The Hong Kong Institute of Chartered Secretaries and a non-practicing member of the Chinese Institute of Certified Public Accountants. He joined the Group in August 2013.

Non-executive Directors

Mr. HUNG Cho Sing, aged 79, has over 30 years of experience in the film distribution industry. Mr. Hung was the founder of Delon International Film Corporation and has been its general manager since June 2004. Mr. Hung was the Organizing Committee Chairman of the 11th and 12th Hong Kong Film Awards from 1991 to 1993 and from 1993 to 1995, Mr. Hung was the chairman of the board of directors of Hong Kong Film Awards Association Limited. Mr. Hung is currently the chairman of The Federation of Motion Film Producers of Hong Kong Limited and the chairman of Hong Kong Motion Picture Industry Association Limited. Mr. Hung is appointed as a vice chairman of the eighth Guangdong Film Association since November 2016 and a deputy minister of Guangdong's

董事及高級管理人員履歷詳情

執行董事

林小明先生，58歲，為本集團創辦人及主席。彼參與本集團之市場推廣、企業策略、業務計劃與發展及整體管理。林先生在香港電影行業方面擁有逾30年經驗。彼於二零零二年榮獲香港工業總會頒發「香港青年工業家獎」。

林傑新先生，43歲，為本集團之首席財務官兼公司秘書。彼負責本集團之財務及投資事宜。於二零一三年加入本集團前，彼於中國及香港擁有逾20年之財務報告、財務管理及財務審計經驗。彼畢業於香港科技大學，持有工商管理(財務會計)學士學位。林先生為香港會計師公會(「香港會計師公會」)之資深及執業會員、英國特許公認會計師公會(「英國特許公認會計師公會」)之資深會員、香港特許秘書公會之會員及中國註冊會計師協會之非執業會員。彼於二零一三年八月加入本集團。

非執行董事

洪祖星先生，79歲，擁有逾30年電影發行經驗。洪先生為狄龍國際電影公司之創辦人，自二零零四年六月起一直擔任其總經理。洪先生曾於一九九一年至一九九三年期間先後擔任第11屆及第12屆香港電影金像獎籌委會主席，並曾於一九九三年至一九九五年期間出任香港電影金像獎協會有限公司董事會主席。洪先生現為香港電影製片家協會有限公司主席及香港影業協會有限公司的主席。洪先生自二零一六年十一月起獲委任為第八屆廣東省電影家協會副主席，亦為粵港澳文化專業委員會的廣東省粵港澳合作促進會副主任委員。香港特別行政區政府為表彰洪先生

Directors and Senior Management Profile

董事及高級管理人員簡介

Association For Promotion of Cooperation between Guangdong, Hong Kong & Macao Cultural Professional Committee. In recognition of his contribution to the Hong Kong film industry, Mr. Hung was awarded the Bronze Bauhinia Star (BBS) by the Government of the Hong Kong Special Administrative Region (“HKSAR”) in 2005. From April 2007 to March 2013, Mr. Hung was appointed by the Government of HKSAR as a member of the Hong Kong Film Development Council. Mr. Hung is also a member of HKSAR Election Committee and he was appointed by the Government of HKSAR as a non-official member of the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries under the Economic Development Commission from January 2013 to January 2019. Mr. Hung was a non-executive director of Capital VC Limited (stock code: 2324), a company listed on the Main Board of the Stock Exchange, from September 2011 to January 2014; an independent non-executive director of Hengten Networks Group Limited (stock code: 136), a company listed on the Main Board of the Stock Exchange, from January 2013 to October 2015; and an independent non-executive director of Freeman Fintech Corporation Limited (stock code: 279), a company listed on the Main Board of the Stock Exchange, from January 2013 to January 2017. Currently, Mr. Hung is the executive director of EJE (Hong Kong) Holdings Limited (stock code: 8101), a company listed on GEM, an independent non-executive director of China Star Entertainment Limited (stock code: 326), a company listed on the Main Board of the Stock Exchange; an independent non-executive director of Unity Investments Holdings Limited (stock code: 913), a company listed on the Main Board of the Stock Exchange; an independent non-executive director of KOALA Financial Group Limited (stock code: 8226), a company listed on GEM, an independent non-executive director of Miko International Holdings Limited (stock code: 1247), a company listed on the Main Board of the Stock Exchange; and an independent non-executive director of Enerchina Holdings Limited (stock code: 622), a company listed on the Main Board of the Stock Exchange.

Mr. Hung was an executive Director from October 2013 to June 2017. Mr. Hung resigned as an executive Director on 2nd June 2017 and was re-appointed as the executive Director on 1st October 2017. Mr. Hung re-designated from an executive Director to a non-executive Director on 1st February 2019 and resigned as non-executive Director on 31st July 2019.

對香港電影業的貢獻，於二零零五年向彼頒發銅紫荊星章(BBS)。洪先生於二零零七年四月至二零一三年三月期間獲香港特別行政區政府委任為香港電影發展局委員。洪先生亦為香港特別行政區選舉委員會委員，並自二零一三年一月至二零一九年一月獲香港特別行政區政府委任為經濟發展委員會轄下製造業、高新科技及文化創意產業工作小組之非官方成員。洪先生自二零一一年九月至二零一四年一月為首都創投有限公司(一家於聯交所主板上市之公司，股份代號：2324)之非執行董事，自二零一三年一月至二零一五年十月為恒騰網絡集團有限公司(一家於聯交所主板上市之公司，股份代號：136)之獨立非執行董事及自二零一三年一月至二零一七年一月為民眾金融科技控股有限公司(一家於聯交所主板上市之公司，股份代號：279)之獨立非執行董事。洪先生現為壹家壹品(香港)控股有限公司(一家於GEM上市之公司，股份代號：8101)之執行董事、中國星集團有限公司(一家於聯交所主板上市之公司，股份代號：326)之獨立非執行董事、合一投資控股有限公司(一家於聯交所主板上市之公司，股份代號：913)之獨立非執行董事、樹熊金融集團有限公司(一家於GEM上市之公司，股份代號：8226)之獨立非執行董事、米格國際控股有限公司(一家於聯交所主板上市之公司，股份代號：1247)之獨立非執行董事及威華達控股有限公司(一家於聯交所主板上市之公司，股份代號：622)之獨立非執行董事。

洪先生自二零一三年十月至二零一七年六月亦為執行董事。洪先生於二零一七年六月二日辭任執行董事，並於二零一七年十月一日獲重新委任為執行董事。洪先生於二零一九年二月一日由執行董事調任為非執行董事及於二零一九年七月三十一日辭任非執行董事。

Directors and Senior Management Profile 董事及高級管理人員簡介

Independent non-executive Directors

Mr. LAM Chi Keung (“Mr. CK Lam”), aged 50, is currently the managing director of Sheng Shi Da Investment Group (“盛成達投資”), a private investment group registered in Hong Kong. Since December 2016, Mr. CK Lam has been an independent non-executive director of Nanfang Communication Holdings Limited (stock code: 1617), whose shares are listed on the Main Board of the Stock Exchange. Mr. CK Lam holds a bachelor’s degree of science in accounting awarded by Brigham Young University-Hawaii in 1996. He also obtained a master’s degree of science in e-Commerce from The Chinese University of Hong Kong in 2002. Mr. CK Lam is a fellow of the HKICPA and a member of the American Institute of Certified Public Accountants. He has over 22 years of experience in accounting and corporate finance. Mr. CK Lam joined the Group in December 2013.

Mr. CHOI Wing Koon, aged 43, is currently the financial controller and company secretary of Huanxi Media Group Limited (stock code: 1003), the shares of which are listed on Main Board of the Stock Exchange. Mr. Choi holds a bachelor’s degree of business administration in accounting awarded by the Hong Kong University of Science and Technology in 1999. Mr. Choi also obtained a master degree of business administration awarded by the University of Hong Kong in 2014. Mr. Choi is a fellow of the ACCA and a member of the HKICPA. Mr. Choi has over 15 years of experience in accounting and company secretarial field. Mr. Choi is currently the independent non-executive director of KuangChi Science Limited (stock code: 439), the shares of which are listed on Main Board of the Stock Exchange. Mr. Choi was the financial controller and company secretary of Global Token Limited (formerly known as Global Energy Resources International Group Limited) (stock code: 8192) from March 2015 to January 2018, the shares of which are listed on GEM. He joined the Group in December 2013.

獨立非執行董事

林芝強先生(「林芝強先生」)，50歲，現時為盛成達投資(一間香港註冊私人投資集團)之執行董事。自二零一六年十二月起，林芝強先生為南方通信控股有限公司(股份代號：1617，其股份於聯交所主板上市)之獨立非執行董事。林芝強先生持有百翰楊大學(夏威夷)於一九九六年頒發之會計科理學士學位。彼亦於二零零二年獲得香港中文大學電子商貿理學碩士學位。林芝強先生為香港會計師公會資深會員，並為美國會計師公會會員。彼於會計及企業融資方面擁有逾22年經驗。林芝強先生於二零一三年十二月加入本集團。

蔡永冠先生，43歲，現為歡喜傳媒集團有限公司(其股份於聯交所主板上市，股份代號：1003)之財務總監兼公司秘書。蔡先生持有香港科技大學於一九九九年頒發的工商管理(會計)學士學位。蔡先生亦於二零一四年取得香港大學頒發之工商管理碩士學位。蔡先生為英國特許公認會計師公會資深會員及香港會計師公會會員。蔡先生於會計及公司秘書工作方面擁有超過15年的經驗。蔡先生現為光啟科學有限公司(股份代號：439，其股份於聯交所主板上市)之獨立非執行董事。蔡先生於二零一五年三月至二零一八年一月期間為環球通証有限公司(前稱為環球能源資源國際集團有限公司)(其股份於GEM上市，股份代號：8192)之財務總監兼公司秘書。彼於二零一三年十二月加入本集團。

Directors and Senior Management Profile

董事及高級管理人員簡介

Mr. TANG Yiu Wing, aged 53, is a practising solicitor in Hong Kong, and the founder and a partner of Ivan Tang & Co.. He holds a bachelor's degree in Laws, a postgraduate certificate in Laws from The University of Hong Kong and a master's degree in Laws from The City University of Hong Kong. He is a member of The Law Society of Hong Kong and is admitted as a solicitor of the Supreme Court of England and Wales and a barrister and solicitor of the Supreme Court of Tasmania. Mr. Tang has been an independent non-executive director of Goldin Financial Holdings Limited (Stock code: 530), a company listed on the Main Board of the Stock Exchange, since September 2006 and an independent non-executive director of Jete Power Holdings Limited (Stock code: 8133), a company listed on GEM, since April 2015. Mr. Tang was an independent non-executive director of KSL Holdings Limited (Stock code: 8170), a company listed on GEM, from March 2017 to May 2018. He was also an independent non-executive director of Zhejiang United Investment Holdings Group Limited (Stock code: 8366), a company listed on the GEM of the Stock Exchange from 26th July 2017 to 1st June 2019. He joined the Group in October 2017.

鄧耀榮先生，53歲，為香港執業律師及為鄧耀榮律師行創辦人兼合夥人。彼持有香港大學法律學士學位及法學專業證書，以及香港城市大學法學碩士學位。彼為香港律師會會員，並獲接納為英格蘭及威爾斯最高法院律師，以及塔斯曼尼亞最高法院大律師及律師。鄧先生自二零零六年九月起擔任高銀金融(集團)有限公司(一家於聯交所主板上市之公司，股份代號：530)之獨立非執行董事及自二零一五年四月起擔任鑄能控股有限公司(一家於GEM上市之公司，股份代號：8133)之獨立非執行董事。鄧先生於二零一七年三月至二零一八年五月為KSL Holdings Limited(一家於GEM上市之公司，股份代號：8170)之獨立非執行董事。彼亦於二零一七年七月二十六日至二零一九年六月一日擔任浙江聯合投資控股集團有限公司(一家於聯交所GEM上市之公司，股份代號：8366)之獨立非執行董事。彼於二零一七年十月加入本集團。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that effective corporate governance practices are fundamental to safeguarding interests of Shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles that emphasise a quality board of Directors (the “Board”), effective risk management and internal control systems, stringent disclosure practices, transparency and accountability save as specifically disclosed below.

The Board has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). Continuous efforts are made to review and enhance the Group’s internal controls and procedures in light of changes in regulations and developments in best practices.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

The Company has, throughout the Year, complied with the code provisions contained in the CG Code except for (i) the code provision A.2.1 of the CG Code for the separation of the roles of Chairman and Chief Executive Officer (“CEO”) and (ii) code provision A2.7 of the CG Code requiring the Chairman to meet with the non-executive Directors as described below.

Code provision A.2.1 of the CG Code sets out that the roles of the Chairman and CEO should be separated and should not be performed by the same individual. The Company does not at present have any officer holding the position of CEO. Mr. Lam Shiu Ming, Daneil is the founder and Chairman of the Company and has also carried out the responsibilities of CEO. Mr. Lam possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The Board considers the present structure to be more suitable to the Group because it can promote the efficient formulation and implementation of the Group’s strategies.

企業管治常規

本公司致力實現及維持最符合本集團的需求及利益的企業管治準則，因為其堅信有效的企業管治常規乃保障股權及其他持份者的權益，並提升股東價值的基礎。因此，除下文特別披露者外，本公司已採納及應用一套可實現如下目標的企業管治守則，即專注維持高質素的董事會（「董事會」），實施高效風險管理及內部監控系統，嚴格執行披露常規、透明機制及問責制。

董事會已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之企業管治守則及企業管治報告（「企業管治守則」）所載之守則條文。本集團一直致力就條例之變更及最佳常規之發展檢討及提升其內部監控及程序。

企業管治守則及企業管治報告

本公司於本年度已遵守企業管治守則所載之守則條文，惟下文所述之(i)企業管治守則內第A.2.1條守則條文有關主席與行政總裁（「行政總裁」）角色區分及(ii)企業管治守則內第A2.7條守則條文要求主席與非執行董事舉行會議除外。

企業管治守則內第A.2.1條守則條文提及，主席及行政總裁之角色應予區分，有關職位不應由同一人擔任。本公司目前並無任何高級職員擔任行政總裁一職。林小明先生為本公司創辦人及主席，亦已履行行政總裁之職責。林小明先生具備管理董事會所需之領導才能及對本集團之業務擁有深厚認識。董事會認為目前架構更為適合本集團，因該架構可令本集團之策略更有效地制定及落實。

Corporate Governance Report

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Code provision of A.2.7 of the CG Code requires the Chairman to hold meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As Mr. Lam Shiu Ming, Daneil, the Chairman, is also an executive Director, the Company has therefore deviated from this code provision.

THE BOARD

Duties and Composition of the Board

The Board is collectively responsible for the oversight of the management of business, strategic decisions and financial performance of the Group for the best interests of the Shareholders. The Board has delegated the day-to-day management power, administration and operation of the Group to the executive Directors and the senior management of the Company. The Board regularly reviews its arrangement on delegation of responsibilities and authority to ensure that such delegations are appropriate in view of the Group's prevailing circumstances.

The following matters (including changes to any such matters) are reserved for the approval of the Board:

- (a) any matter determined by the Board to be material involving any conflict of interest for a substantial Shareholder or a Director;
- (b) any matter relating to the formulation of the Company's strategies and directions including:
 - (i) policies relating to the overall strategic direction and strategic plans of the Company;
 - (ii) policies relating to key business and financial objectives of the Company;
 - (iii) policies relating to the declaration of dividend; and
 - (iv) the entering into of contracts involving acquisitions, investments, disposal of assets or any significant capital expenditure which are deemed to be material by the Board.

企業管治守則之第A.2.7條守則條文要求，主席須至少每年在無執行董事出席之情況下與非執行董事(包括獨立非執行董事)舉行會議。由於主席林小明先生亦為執行董事，因此本公司偏離本守則條文。

董事會

董事會之職責及組成

董事會為股東之最佳利益而共同負責監察本集團之業務管理，策略性決定及財務表現。董事會已將本集團的日常管理權力、行政及營運授予本公司之執行董事及高級管理人員。董事會會定期就此權責授權安排作出檢討，以確保該授權適合本集團當時之情況。

下列事項(包括任何有關事項之變動)保留予董事會以作批准：

- (a) 任何董事會決定為重大並涉及與主要股東或董事之任何利益衝突之事項；
- (b) 任何與制定本公司策略及方向有關之事項，包括：
 - (i) 與本公司整體策略性方向及策略性計劃有關之政策；
 - (ii) 與本公司主要業務及財務目標有關之政策；
 - (iii) 與宣派股息有關之政策；及
 - (iv) 訂立董事會認為屬重大並涉及收購、投資、出售資產或任何重大資本支出的合約。

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| <p>(c) financial controls, compliance and risk management:</p> <p>(i) the approval of annual operating and capital expenditure budgets for the Company;</p> <p>(ii) the approval of the Company's consolidated financial statements and published reports;</p> <p>(iii) the establishment and review of the effectiveness of the Company's systems of internal control and risk management process; and</p> <p>(iv) the adoption of, or approval for any significant changes in, accounting policies or procedures of the Company and its subsidiaries.</p> <p>(d) changes to the Company's capital structure, including reductions of share capital, share buy-backs or issue of new securities, other than in accordance with the terms of the share option scheme(s) or other incentive schemes adopted by the Company from time to time;</p> <p>(e) major appointments and removals:</p> <p>(i) appointments to the Board, taking into account any recommendations of the nomination committee of the Company (the "Nomination Committee");</p> <p>(ii) the appointment of the Chairman;</p> <p>(iii) recommendation to the Shareholders on the appointment or removal of the external auditor after taking into consideration the recommendations of the audit committee of the Company (the "Audit Committee"); and</p> <p>(iv) the appointment or removal of the company secretary of the Company (the "Company Secretary").</p> | <p>(c) 財務控制、合規及風險管理：</p> <p>(i) 批准本公司年度之營運及資本支出預算；</p> <p>(ii) 批准本公司之綜合財務報表及公佈之報告；</p> <p>(iii) 建立及檢討本公司之內部監控系統及風險管理程序之有效性；及</p> <p>(iv) 採納或批准本公司及其附屬公司之會計政策或程序之任何重大變動。</p> <p>(d) 本公司資本架構之變動，包括股本減少、股份購回或新證券發行，惟根據購股權計劃或其他經本公司不時採納之鼓勵性計劃之條款而發行之新證券除外；</p> <p>(e) 主要委任及罷免：</p> <p>(i) 參考本公司之提名委員會(「提名委員會」)之任何建議，委任董事會成員；</p> <p>(ii) 主席之委任；</p> <p>(iii) 參考本公司之審計委員會(「審計委員會」)之建議，就外聘核數師之委任或罷免向股東作出建議；及</p> <p>(iv) 本公司之公司秘書(「公司秘書」)之委任或罷免。</p> |
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Corporate Governance Report

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- (f) delegation of authority:
- (i) changes to the terms of reference or membership of any committee of the Board;
 - (ii) changes to the authority delegated to the Chairman and the senior management; and
 - (iii) matters which exceed the authority delegated to the Chairman and the senior management.
- (g) the adoption, review and approval of changes to the Corporate Governance Practice Manual of the Company, the Code of Ethics and Securities Transactions applicable to the Directors and senior management of the Group.

The Board currently comprises a total of five Directors, with two executive Directors, and three independent non-executive Directors. The names and biographies of the Directors are set out on pages 25 to 28 of this annual report.

The independent non-executive Directors are all experienced individuals, all of them have accounting professional qualifications or a practising solicitor. Their mix of professional skills and experience is beneficial to the Board to formulate the long-term business strategies and monitor the operational and financial matters of the Group.

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

The list of the Directors has been published on the websites of the Company and the Stock Exchange respectively, and is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

The Company has arranged for appropriate liability insurance to cover the liabilities of the Directors that may arise out of the corporate activities. The insurance coverage is reviewed on an annual basis.

- (f) 授予權限：
- (i) 董事會下任何委員會之職權範圍或成員之變動；
 - (ii) 授予主席及高級管理人員權限之變動；及
 - (iii) 超出已授予主席及高級管理人員權限之事項。
- (g) 採納、審閱及批准本公司之企業管治常規手冊、適用於本集團董事及高級管理人員之道德與證券交易守則之變動。

董事會現時由合共五名董事組成，包括兩名執行董事及三名獨立非執行董事。董事之名稱及履歷載於本年報第25頁至第28頁內。

所有獨立非執行董事皆為擁有豐富經驗之人士，並均擁有會計專業資格或為執業律師。集合彼等之專業技能及經驗對董事會制定長遠業務策略及監察本集團之營運及財務事項有莫大幫助。

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性發出之年度確認書。本公司認為各獨立非執行董事確屬獨立人士。

董事名單已分別刊登在本公司及聯交所之網站上，亦會於本公司不時按照上市規則刊發之所有公司通訊中披露。

本公司已就董事因企業事務可能產生之責任作出適當責任保險安排。保險範圍會每年予以檢討。

Corporate Governance Report

企業管治報告

DIRECTORS' TRAINING/ PROFESSIONAL DEVELOPMENT

According to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contributions to the Board remains informed and relevant.

To assist Directors' continuing professional development, the Company encourages Directors to attend relevant seminars to develop and refresh their knowledge and skills. The Company will also update the Directors of any material changes in the Listing Rules and corporate governance practices from time to time.

All current Directors, namely, Mr. Lam Shiu Ming, Daneil, Mr. Lam Kit Sun, Mr. Lam Chi Keung, Mr. Choi Wing Koon and Mr. Tang Yiu Wing, had participated in continuous professional development with respect to directors' duties, relevant programmes and seminars or had perused reading materials and updated information in relation to business and industrial development.

The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. Each Director is briefed and updated from time to time to ensure that he is fully aware of his roles, functions, duties and responsibilities under the Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group.

A record of the training received by the respective Directors are kept and updated by the Company Secretary.

董事培訓／專業發展

根據企業管治守則內第A.6.5條守則條文，所有董事應參加持續專業發展，增進及更新彼等之知識及技能，以確保彼等向董事會作出知情及恰當之貢獻。

為協助董事之持續專業發展，本公司鼓勵董事出席相關座談會，以增進及更新彼等之知識及技能。本公司亦會不時向董事提供有關上市規則及企業管治常規之任何重大變動之最新資料。

全體現任董事(即林小明先生、林傑新先生、林芝強先生、蔡永冠先生及鄧耀榮先生)均曾參與有關董事職責的持續專業發展、相關講座及研討會，或閱覽有關商業及行業發展的閱讀材料及最新資料。

本公司致力於為全體董事的持續專業發展安排及資助適當的培訓。各董事均不時獲取簡報及最新資料，以確保彼充分明白彼根據上市規則及適用法律及監管要求及本集團管治政策項下的角色、職能、職責及責任。

各董事之培訓記錄由公司秘書保管及更新。

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企業管治報告

APPOINTMENTS AND RE-ELECTION OF DIRECTORS

The appointment of a new Director is made on the recommendation of the Nomination Committee or by the Shareholders in general meeting. Any Director who is appointed by the Board to fill a casual vacancy on the Board shall retire at the next annual general meeting.

Currently, all independent non-executive Directors are appointed for a specific term of three years pursuant to code provision A4.1 of the CG Code. All Directors are subject to retirement by rotation at least once every three years and shall be eligible for re-election in accordance with the provision of the Listing Rules and the Bye-law(s). At least one-third of Directors shall retire from office every year at the Company's annual general meeting.

Mr. Lam Kit Sun and Mr. Lam Chi Keung will retire by rotation at the forthcoming annual general meeting of the Company in accordance with Bye-law 87(1) and Bye-law 87(2) of the bye-laws of the Company (the "Bye-laws") and Mr. Lam Kit Sun and Mr. Lam Chi Keung being eligible, will offer themselves for re-election at such meeting.

For the biographical details of the Director who will stand for re-election and the candidates who will be proposed to be elected as Directors, please refer to the circular containing the notice of the forthcoming annual general meeting of the Company to be despatched.

董事之委任及重選

新董事乃根據提名委員會之建議或於股東大會由股東委任。凡由董事會委任以填補董事會之臨時空缺之任何董事均須於下一屆股東週年大會上退任。

現時，所有獨立非執行董事皆根據企業管治守則內第A4.1條守則條文以指定三年任期委任。根據上市規則及公司細則之條文，全體董事皆須最少每三年輪值退任一次及可符合資格重選連任。於本公司每屆股東週年大會上，最少三分之一董事須退任。

林傑新先生及林芝強先生根據本公司細則（「細則」）第87(1)及87(2)條須於即將舉行之本公司股東週年大會上輪值退任，而林傑新先生及林芝強先生符合資格並願意於該大會上膺選連任。

有關將重選連任之董事以及提名參選董事之候選人之履歷詳情，請參閱將予寄發且當中載有本公司應屆股東週年大會通告的通函。

Corporate Governance Report

企業管治報告

BOARD MEETINGS

Each year, the Board normally holds two regular board meetings at approximately half year interval. 5 board meetings were convened during the Year and the attendances of each Director at these meetings are set out as follows:

董事會會議

董事會每年一般會舉行兩次定期董事會會議，大約每半年一次。於本年度內，本公司共召開了五次董事會會議，各董事於此等會議之出席記錄載列如下：

| | Board meeting | | 董事會會議 |
|---|---------------|---------------------------|-------|
| <i>Executive Directors</i> | | <i>執行董事</i> | |
| Mr. Lam Shiu Ming, Daneil (<i>Chairman</i>) | 4/5 | 林小明先生(主席) | 4/5 |
| Mr. Lam Kit Sun | 5/5 | 林傑新先生 | 5/5 |
| <i>Non-executive Director</i> | | <i>非執行董事</i> | |
| Mr. Hung Cho Sing (resigned on 31st July 2019) | 0/0 | 洪祖星先生(於二零一九年 七月三十一日辭任) | 0/0 |
| <i>Independent non-executive Directors</i> | | <i>獨立非執行董事</i> | |
| Mr. Lam Chi Keung | 5/5 | 林芝強先生 | 5/5 |
| Mr. Choi Wing Koon | 5/5 | 蔡永冠先生 | 5/5 |
| Mr. Tang Yiu Wing | 5/5 | 鄧耀榮先生 | 5/5 |

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企業管治報告

ANNUAL AND SPECIAL GENERAL MEETINGS

The Board is responsible for maintaining an on-going dialogue with the Shareholders and in particular, communicates with them in annual general meetings or other special general meetings and encourages their participation.

1 annual general meeting and no special general meetings were convened during the Year and the attendances of each Director at these general meetings are set out as follows:

| | Annual General Meeting | | 股東週年大會 |
|---|------------------------|-----------------------|--------|
| Executive Directors | | 執行董事 | |
| Mr. Lam Shiu Ming, Daneil (<i>Chairman</i>) | 1/1 | 林小明先生(主席) | 1/1 |
| Mr. Lam Kit Sun | 1/1 | 林傑新先生 | 1/1 |
| Non-executive Director | | 非執行董事 | |
| Mr. Hung Cho Sing (resigned on 31st July 2019) | 0/0 | 洪祖星先生(於二零一九年七月三十一日辭任) | 0/0 |
| Independent non-executive Directors | | 獨立非執行董事 | |
| Mr. Lam Chi Keung | 1/1 | 林芝強先生 | 1/1 |
| Mr. Choi Wing Koon | 1/1 | 蔡永冠先生 | 1/1 |
| Mr. Tang Yiu Wing | 1/1 | 鄧耀榮先生 | 1/1 |

BOARD COMMITTEES

The Board has established the remuneration committee of the Company (the "Remuneration Committee"), the Nomination Committee and the Audit Committee.

股東週年及特別大會

董事會負責與股東保持持續對話，特別是藉股東週年大會或其他股東特別大會與股東溝通，並鼓勵股東參加。

於本年度內，本公司召開了一次股東週年大會，惟並無召開股東特別大會，各董事於此等股東大會之出席記錄載列如下：

董事會委員會

董事會已成立本公司的薪酬委員會(「薪酬委員會」)、提名委員會及審計委員會。

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REMUNERATION COMMITTEE

The Remuneration Committee with specific written terms of reference (amended on 29th February 2012) was established by the Company on 15th July 2005. The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Choi Wing Koon (as chairman), Mr. Lam Chi Keung and Mr. Tang Yiu Wing and an executive Director, namely, Mr. Lam Shiu Ming, Daneil. The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company respectively.

The principal duties of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and senior management, and on the establishment of a formal and transparent procedure for developing remuneration policy.

The model of the Remuneration Committee adopted by the Company is to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

The main principles of the Group's remuneration policies are:

- (a) no Director should be involved in deciding his or her own remuneration;
- (b) remuneration should be determined by taking into consideration factors such as salaries paid by comparable companies, time commitment, levels of responsibilities, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- (c) the management's remuneration proposals should be reviewed and approved by reference to corporate goal and objectives resolved by the Board from time to time; and
- (d) recommendations should be made by the Remuneration Committee to the Board on the remuneration packages of individual executive Directors and senior management.

薪酬委員會

本公司於二零零五年七月十五日成立具有特定成文職權範圍(於二零一二年二月二十九日已經修訂)的薪酬委員會。薪酬委員會現由三名獨立非執行董事，分別為蔡永冠先生(主席)、林芝強先生及鄧耀榮先生，以及一名執行董事林小明先生所組成。薪酬委員會之職權範圍可分別於聯交所及本公司之網址查閱。

薪酬委員會之主要職責包括就董事及高級管理人員之薪酬政策及架構及建立一套正式及透明之程序以作發展薪酬政策之用，向董事會作出建議。

本公司已採納之薪酬委員會模式為就個別執行董事及高級管理人員之薪酬待遇向董事會提供建議。

本集團薪酬政策之主要原則包括下列各項：

- (a) 董事不應參與釐定其自身之薪酬；
- (b) 薪酬應考慮如同類公司支付的薪酬、所付出時間、職責水平、本集團其他職位的僱用條件及應否按表現釐定薪酬等因素而釐定；
- (c) 管理層之薪酬建議應參照董事會不時議決的公司願景及目標進行檢討及批准；及
- (d) 個別執行董事及高級管理人員的薪酬待遇應由薪酬委員會向董事會作出建議。

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3 committee meetings were convened during the Year and the attendances of each committee member at the meeting is set out as follows:

於本年度內，本公司共召開了三次委員會會議，各委員會成員於該等會議之出席記錄載列如下：

| | Attendance | | 出席記錄 |
|--|------------|-----------|------|
| Independent non-executive Directors | | | |
| Mr. Choi Wing Koon (<i>Chairman</i>) | 3/3 | 獨立非執行董事 | |
| Mr. Lam Chi Keung | 3/3 | 蔡永冠先生(主席) | 3/3 |
| Mr. Tang Yiu Wing | 3/3 | 林芝強先生 | 3/3 |
| | | 鄧耀榮先生 | 3/3 |
| Executive Director | | | |
| Mr. Lam Shiu Ming, Daneil | 2/3 | 執行董事 | |
| | | 林小明先生 | 2/3 |

The Remuneration Committee assists the Group in the administration of a fair and transparent procedure for setting remuneration policies for all Directors and senior executives of the Group. The responsibility for reviewing and determining the remuneration package of individual Executive Directors and senior management of the Group is delegated to the Remuneration Committee.

薪酬委員會協助本集團維持一套公平及透明程序，以釐定本集團整體董事及高級行政人員的薪酬政策。薪酬委員會亦獲授權負責檢討及釐定本集團的個別執行董事及高級管理人員的薪酬待遇。

The Remuneration Committee has reviewed and discussed the remuneration of the Directors and senior management. The Remuneration Committee has also approved the remuneration and the discretionary bonuses of the executive Directors and the senior management of the Group by reference to their respective levels of responsibilities and performance, industry benchmarks, prevailing market conditions and the Group's financial performance. No Director was involved in deciding his own remuneration.

薪酬委員會已就董事及高級管理人員之薪酬作出檢討及討論。薪酬委員會亦參照本集團各執行董事及高級管理人員之責任及表現水平、行業指標及當時之市場情況以及本集團之財務表現而批准彼等之薪酬及酌情花紅。概無董事參與釐定其自身之薪酬。

NOMINATION COMMITTEE

The Nomination Committee with specific written terms of reference (amended on 30th August 2013) was established by the Company on 15th July 2005. The Nomination Committee currently comprises three independent non-executive Directors, namely Lam Chi Keung (as chairman), Mr. Choi Wing Koon and Mr. Tang Yiu Wing and an executive Director, namely, Mr. Lam Shiu Ming, Daneil. The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company respectively.

提名委員會

本公司於二零零五年七月十五日成立具有特定成文職權範圍(於二零一三年八月三十日經修訂)的提名委員會。提名委員會現由三名獨立非執行董事，分別為林芝強先生(主席)、蔡永冠先生及鄧耀榮先生，以及一名執行董事林小明先生組成。提名委員會之職權範圍可分別於聯交所及本公司之網址查閱。

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The principal duties of the Nomination Committee include reviewing the structure, size, composition and diversity (including but not limited to gender, age, culture and educational background, ethnicity, skills knowledge and length of service) of the Board at least annually and making recommendations to the Board regarding any proposed changes to complement the Company's corporate strategy as well as assessing the independence of independent non-executive Directors.

Board Diversity Policy

The Board sees increasing diversity at the Board level as an essential element in attaining its strategic objectives and achieving sustainable and balanced development of the Group. In view of the new amendments of the CG Code in respect of diversity of board members that has come into effect on 1st September 2013, the Board has formulated and adopted its diversity policy on 30th August 2013.

The nominations were made in accordance with the objective criteria (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity. During the year, the Nomination Committee conducted a review of the Board's composition. The Nomination Committee reviewed the Board structure, size and diversity annually and recommends any proposed changes to the Board to complement Company's corporate strategies.

1 committee meeting was convened during the Year and the attendances of each committee member at the meeting is set out as follows:

| | Attendance | | 出席記錄 |
|--|------------|-----------|------|
| Independent non-executive Directors | | | |
| Mr. Lam Chi Keung (<i>Chairman</i>) | 1/1 | 獨立非執行董事 | |
| Mr. Choi Wing Koon | 1/1 | 林芝強先生(主席) | 1/1 |
| Mr. Tang Yiu Wing | 1/1 | 蔡永冠先生 | 1/1 |
| | | 鄧耀榮先生 | 1/1 |
| Executive Director | | | |
| Mr. Lam Shiu Ming, Daneil | 1/1 | 執行董事 | |
| | | 林小明先生 | 1/1 |

提名委員會之主要職責包括最少每年檢討董事會之架構、人數、組成及多元性(包括但不限於性別、年齡、文化及教育背景、種族、技能知識及服務年期)，並就任何為配合本公司之企業策略而擬作出的變動向董事會提出建議；及評核獨立非執行董事之獨立性。

董事會多元化政策

董事會視董事會層面不斷多元化為達到策略目標及實現本集團可持續平衡發展的要素。鑒於有關董事會成員多元化之企業管治守則新修訂於二零一三年九月一日起生效，董事會已於二零一三年八月三十日制定並採納了其多元化政策。

提名乃按客觀標準(包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年期)，並顧及多元化裨益。於年內，提名委員會對董事會組成進行了檢討。提名委員會每年檢討董事會架構、規模及多元化程度，並建議董事會作出任何變動以配合本公司的企業策略。

於本年度內，本公司共召開了一次委員會會議，各委員會成員於該等會議之出席記錄載列如下：

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AUDIT COMMITTEE

The Company established an Audit Committee on 11th October 1999. The written terms of reference (amended on 29th February 2012), which describe the authority and duties of the Audit Committee, were prepared and adopted with reference to "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants and in accordance with the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Choi Wing Koon (as chairman), Mr. Lam Chi Keung and Mr. Tang Yiu Wing. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company respectively.

The Audit Committee meets, at least twice a year, with the external auditor to discuss any area of concern during the audit or review. The Audit Committee is mainly responsible for the appointment, reappointment and removal of the external auditor, review of the Group's financial information and oversight of the Group's financial and accounting practices, internal control and risk management. It is also responsible for reviewing the interim and final results of the Group.

The audited consolidated financial statements for the Year have been reviewed by the Audit Committee.

3 committee meetings were convened during the Year and the attendances of the each committee member at these meetings are set out as follows:

| | Attendance | 出席記錄 |
|--|------------|----------------|
| Independent non-executive Directors | | 獨立非執行董事 |
| Mr. Choi Wing Koon (<i>Chairman</i>) | 3/3 | 蔡永冠先生(主席) 3/3 |
| Mr. Lam Chi Keung | 3/3 | 林芝強先生 3/3 |
| Mr. Tang Yiu Wing | 3/3 | 鄧耀榮先生 3/3 |

審計委員會

本公司已於一九九九年十月十一日成立審計委員會。詳述審計委員會之權力及職責之成文職責範圍(於二零一二年二月二十九日修訂)乃參考香港會計師公會頒佈之「審計委員會有效運作指引」及根據企業管治守則而編製並作出採納。審計委員會現由三名獨立非執行董事，分別為蔡永冠先生(主席)、林芝強先生及鄧耀榮先生所組成。審計委員會之職責範圍可分別於聯交所及本公司之網站查閱。

審計委員會每年最少與外聘核數師會面兩次，以討論審計或審閱過程中任何需關注事宜。審計委員會主要負責委任、重新委任及罷免外聘核數師、審閱本集團之財務資料及監管本集團之財務及會計慣例、內部監控及風險管理。審計委員會亦會負責審閱本集團之中期及全年業績。

本年度之經審核綜合財務報表已由審計委員會審閱。

於本年度內，本公司共召開了三次委員會會議，各委員會成員於該等會議之出席記錄載列如下：

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The Audit Committee has reviewed the terms of engagement of the external auditor, the revised accounting standards, the interim consolidated financial statements for the six months ended 31st December 2019 and annual consolidated financial statements for the Year. Based on its review and discussions with management and the external auditor, the Audit Committee was satisfied that the annual consolidated financial statements for the Year were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Year.

The Audit Committee also reviewed the internal control systems and met with the external auditor to discuss the nature and scope of the audit and reporting obligation prior to the commencement of and after the completion of the audit. For details about the internal control review, please refer to the section headed "Risk Management and Internal Control" in this report below.

CORPORATE GOVERNANCE FUNCTION

No corporate governance committee has been established and the Board is responsible for, amongst other things, the development and review of the policies and practices on corporate governance of the Group and monitoring the compliance with legal and regulatory requirements, reviewing and monitoring the training and continuous professional development of Directors and senior management, and reviewing the corporate governance compliance with the CG Code and disclosure in the annual report.

The corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

審計委員會已審閱外聘核數師之聘用條款、經修訂之會計準則、截至二零一九年十二月三十一日止六個月之中期綜合財務報表及本年度之全年綜合財務報表。根據與管理層及外聘核數師之審閱及討論，審計委員會信納年內之全年綜合財務報表乃根據適用會計準則編製，公允呈列本集團年內財務狀況及業績。

審計委員會亦已審閱內部監控系統及於審計開始前及完成後與外聘核數師會面討論審計性質及範圍及申報責任。有關內部監控審閱之詳情，請參閱本報告下文「風險管理及內部監控」一節。

企業管治職能

本公司並無成立企業管治委員會，由董事會負責(其中包括)制定及檢討本集團之企業管治政策及常規、監察遵守法律法規和監管要求的情況、檢討及監察董事及高級管理人員的培訓和持續專業發展，以及檢討企業管治遵守企業管治守則之情況及於年度報告中之披露。

董事會已履行其企業管治職能審閱企業管治報告。

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企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment, maintenance and review of the Group's risk management and internal control systems. The Board must ensure that the Company establishes and maintains effective risk management and internal control systems to meet the objectives and safeguard the interests of the Shareholders and assets of the Company. The internal control systems are designed to manage rather than eliminate the risk of failures to achieve business objectives, and can only provide reasonable but not absolute assurance.

The Board oversees the Group's overall risk management and internal control systems on an ongoing basis through identifying and grading risk components, perceiving control impact and facilitating remediation plan. The development of our risk management and internal control systems are largely based on the framework as set down by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The risk management framework, coupled with our internal controls, ensures the risks associated with our different business units are effectively monitored, and are in line with the Group's risk appetite.

The Group adopts both the top-down and bottom-up approach to monitor the principal risks affecting the business as follows:

1. Each division is responsible for identifying and assessing principal risks within its division on a quarterly basis and establishing mitigation plans to manage the risks identified.
2. The management is responsible for overseeing the Group's risk management and internal control activities, attending quarterly meetings with each division to ensure principal risks are properly managed, and new or changing risks are identified and documented.
3. The Board reviews and approves the effectiveness and adequacy of the Group's risk management and internal control systems on a regular basis.

風險管理及內部監控

董事會負責建立、維護及審查本集團的風險管理及內部監控系統。董事會須確保本公司建立及維護有效的風險管理及內部監控系統，符合宗旨及保障股東利益及本公司資產。內部監控系統旨在管控而非消除無法實現業務目標的風險，且僅提供合理而非絕對的保證。

董事會透過識別及評定風險成份級別、觀察控制效果及推進整改計劃而持續監管本集團的整體風險管理及內部監控系統。我們的風險管理及內部監控系統的制定大體上基於美國反虛假財務報告委員會下屬的發起人委員會設定的框架。風險管理框架連同我們的內部監控，可確保與我們的各項業務單元有關的風險得到有效監控，且符合本集團的風險胃納。

本集團採納自上而下及自下而上的方法監控以下影響業務的主要風險：

1. 各部門負責每個季度識別及評估部門範圍內的主要風險並制定緩解計劃以管控所識別的風險。
2. 管理層負責監管本集團的風險管理及內部監控活動，與各部門舉行季度會議以確保主要風險得到適當管控，且新的或不斷變化的風險得到識別及記錄。
3. 董事會定期審查及批准本集團風險管理及內部監控系統的有效性及適當性。

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In respect to the absence of a separate internal audit department in the Group, the Group reviews annually on whether there is a need for such functional department. Given the possibility to engage external professional assistance, the Board opposes to divert resources to establish a separate internal audit department.

During the Year, an external consultant was engaged to conduct a review on the internal control systems, which covers certain procedures on the video distribution, film distribution and exhibition, licensing and sub-licensing of film rights, and makes recommendations for improving and strengthening the internal control systems. In addition, reviews on the Corporate Governance Practice according to Appendix 14 to the Listing Rules and accounting and financial reporting mechanism were conducted. The Board will continue to work with the external consultant to discuss and follow-up on the status of remediation of the internal control weaknesses and to monitor the risks of the Group in the coming years.

With respect to the monitoring and disclosure of inside information, the Group has adopted a policy on disclosure of inside information with the aim to ensure the insiders are abiding by the confidentiality requirement and are fulfilling the disclosure obligation of the inside information.

Taking the above into consideration, the Audit Committee reviews the effectiveness of the Group's internal controls and reports to the Board on such reviews. For the Year, the Board considered that a review of the effectiveness of the risk management and internal control systems had been conducted and considered that the risk management and internal control systems were effective and adequate.

關於本集團無單獨的內部審計部門，本集團每年檢討是否有需要設立該職能部門。鑒於委聘外部專業人士協助的可能性，董事會反對分散資源設立單獨的內部審計部門。

於本年度，本公司委聘一名外聘顧問對錄像發行、電影發行及放映、授出及轉授電影版權的若干內部監控系統程序進行審查，並作出改善及加強內部監控系統的建議。此外，對上市規則附錄十四所載的企業管治常規與會計及財務申報機制的審查已進行。董事會將持續與外聘顧問合作以討論及跟進內部監控不足的補救進度並監控本集團於未來數年的風險。

關於內幕消息之監控及披露，本集團已採納一套內幕消息披露政策，旨在確保內幕知情人遵守保密規定及履行內幕消息披露義務。

經計及上述情況，審計委員會審查本集團內部監控的有效性並將審查結果報送董事會。於本年度，董事會認為風險管理及內部監控系統的有效性已獲檢討，並認為風險管理及內部監控系統有效及充足。

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DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group and ensure that the consolidated financial statements of the Group for the Year have been prepared in accordance with Hong Kong Financial Reporting Standards and Hong Kong Accounting Standard and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The statement of the external auditor of the Company, Crowe (HK) CPA Limited, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report from pages 81 to 88 of this annual report.

AUDITOR'S REMUNERATION

The consolidated financial statements have been audited by Crowe (HK) CPA Limited who will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. For the Year, the remuneration payable to auditors is set out as follows:

| Services rendered | 所提供服務 | Fees payable 應付費用 HK\$'000 千港元 |
|-------------------------------|----------|---|
| Audit services | 審計服務 | 1,450 |
| Non-audit services | 非審計服務 | |
| • Interim results | • 中期業績 | 240 |
| • Annual results announcement | • 年度業績公佈 | 50 |
| | | 1,740 |

董事對財務報告之責任

董事明白彼等對編製本集團綜合財務報表之責任，並確保本年度本集團之綜合財務報表乃按照由香港會計師公會頒佈之香港財務報告準則、香港會計準則及詮釋以及香港公認會計原則及香港法例第622章公司條例的披露規定而編製。

本公司外聘核數師國富浩華(香港)會計師事務所有限公司，就有關本集團之綜合財務報表之其中申報責任聲明載於本年報第81頁至第88頁的獨立核數師報告書內。

核數師酬金

綜合財務報表已經由國富浩華(香港)會計師事務所有限公司審核，該核數師將於即將舉行之股東週年大會上退任，及符合資格並願意膺選連任。於本年度，應付核數師之酬金載列如下：

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COMPANY SECRETARY

Mr. Lam Kit Sun is the company secretary of the Company. His biographical details are set out under the section headed “BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT” of Directors and Senior Management Profile on page 25 of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the Year, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code for dealing in securities of the Company by the Directors. Having made specific enquiries, all the Directors confirmed that they have complied with the Model Code throughout the Year.

SHAREHOLDERS’ RIGHTS

The general meetings of the Company provide a communication channel between the Shareholders and the Board. An annual general meeting of the Company shall be held each year and at a place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting. The Board may whenever it thinks fit convene special general meetings.

The procedures for Shareholders to convene a special general meeting

Shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary at the Company’s principal place of business in Hong Kong, to require a special general meeting to be convened by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

公司秘書

林傑新先生為本公司之公司秘書。彼之履歷詳情載於本年報第25頁的董事及高級管理人員簡介的「董事及高級管理人員履歷詳情」一節內。

董事進行證券交易的標準守則

於本年度內，本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）為董事進行本公司證券交易的守則。在作出具體查詢後，所有董事確認於本年度內已遵守標準守則。

股東權利

本公司之股東大會為股東與董事會之間提供溝通途徑。本公司之股東週年大會須每年舉行一次，地點由董事會決定。股東週年大會以外之各股東大會均稱為股東特別大會。董事會可於其認為適當的任何時間召開股東特別大會。

股東召開股東特別大會之程序

股東於任何時間均有權向董事會或公司秘書以書面形式遞交請求書至本公司於香港之主要營業地點，要求董事會就處理請求書所述之任何事務召開股東特別大會，惟股東於遞交請求書當日必須持有不少於十分之一之本公司實繳股本（於本公司股東大會上具投票權者），而該大會須於請求書遞交日期後2個月內舉行。

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The procedures for sending enquiries to the Board

The enquiries must be in writing with the detail contact information of the requisitionists and deposited with the Board or the Company Secretary at the Company's principal place of business in Hong Kong.

The procedures for Shareholders to put forward proposals at Shareholders' meetings

To put forward proposals at an annual general meeting, or a special general meeting, the Shareholders should submit a written notice of those proposals with the detail contact information to the Company Secretary at the Company's principal place of business in Hong Kong. The request will be verified with the Company's share registrar in Hong Kong (the "Share Registrar") and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the proposal raised by the Shareholders concerned at an annual general meeting or a special general meeting varies according to the nature of the proposal, and the relevant notice periods are set out as follows:

- At least 14 clear days' notice (the notice period must include 10 clear Business Days (Note)) in writing if the proposal constitutes an ordinary resolution of the Company in a special general meeting.
- At least 21 clear days' notice (the notice period must include 10 clear Business Days (Note)) in writing if the proposal constitutes a special resolution of the Company in a special general meeting.
- At least 21 clear days' notice (the notice period must include 20 clear Business Days (Note)) in writing if the proposal constitutes an ordinary resolution or a special resolution of the Company in an annual general meeting.

Note: Business Day means any day on which the Stock Exchange is open for the business of dealing in securities.

向董事會作出查詢之程序

有關查詢須以書面方式連同查詢人之詳細聯絡資料送達本公司於香港之主要營業地點交予董事會或公司秘書。

股東於股東大會作出提案之程序

為於股東週年大會或股東特別大會上作出提案，股東須以書面通知形式提交該等提案，連同詳細聯絡資料，送交本公司於香港之主要營業地點交予公司秘書。本公司會向本公司於香港之股份登記處(「股份登記處」)核實該要求，於獲得股份登記處確認該要求為恰當及適當後，公司秘書將要求董事會在股東大會之議程內加入有關決議案。

就上述股東提出於股東週年大會或股東特別大會考慮之提案而向全體股東發出通告之通知期因應提案之性質而有所不同，有關通知期載列如下：

- 倘有關提案構成於股東特別大會上本公司之普通決議案，則須至少足14日之書面通知(該通知期須包括足10個營業日(註))。
- 倘有關提案構成於股東特別大會上本公司之特別決議案，則須至少足21日之書面通知(該通知期須包括足10個營業日(註))。
- 倘有關提案構成於股東週年大會上本公司之普通決議案或特別決議案，則須至少足21日之書面通知(該通知期須包括足20個營業日(註))。

註：營業日指聯交所開市進行證券買賣業務之任何日子。

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The procedures for Shareholders to propose a person for election as a Director

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

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

Note: Business Day means any day on which The Stock Exchange of Hong Kong Limited is open for the business of dealing in securities.

VOTING BY POLL

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

股東提名候選董事之程序

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

倘於該股東大會舉行日期前少於十個營業日收到該等書面通知，為了讓股東就有關提案獲足十四日通知（該通知期須包括十個營業日（註）），本公司將需考慮將該股東大會延期舉行。

註：營業日指香港聯合交易所有限公司開市進行證券買賣業務之任何日子。

以投票方式表決

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

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SHAREHOLDERS COMMUNICATION POLICY

The Company has adopted a Shareholders Communication Policy to set out the Company's procedures in providing the Shareholders and the investment community with ready, equal and timely access to balanced and understandable information about the Company, in order to enable the Shareholders to exercise their rights in an informed manner, and to allow the Shareholders and the investment community to engage actively with the Company.

Pursuant to code provision E.1.2 of the CG Code, the chairman of the Board, the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, another member of the Board, committees or an appointed representative, will attend the forthcoming annual general meeting to answer questions of the Shareholders. The Company will also invite representatives of the Auditors to attend the forthcoming annual general meeting to answer the Shareholders' questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

DIVIDEND POLICY

The Board has adopted a dividend policy on 27th September 2019 ("Dividend Policy") which shall take effect on 27th September 2019. The Dividend Policy allows the Shareholders to participate in the Company's profits by provision of dividends whilst preserving the Company's liquidity to capture future growth opportunities.

According to the Dividend Policy, the Board shall consider the following factors, among others, before proposing and declaring dividends:

- (i) the Company's operation and financial performance;
- (ii) the Company's liquidity conditions;

股東通訊政策

本公司已採納股東通訊政策以列載本公司讓股東及投資人士方便、平等和及時獲得平衡及易於理解之本公司資料之渠道，以確保股東可在知情情況下行使彼等之權利，及讓股東及投資人士與本公司加強溝通。

根據企業管治守則內第E.1.2條守則條文，董事會、審計委員會、薪酬委員會及提名委員會主席，或若彼等缺席，董事會、委員會另一名成員或指定代表將出席即將舉行之股東週年大會，回答股東提問。本公司亦將邀請核數師代表出席即將舉行之股東週年大會，回答股東有關審計工作、核數師報告之編製及內容、會計政策以及核數師獨立性等提問。

股息政策

董事會已於二零一九年九月二十七日採納股息政策（「股息政策」），其於二零一九年九月二十七日起生效。該股息政策讓股東透過股息派發參與本公司溢利，同時保存本公司流動資金以抓緊未來增長機遇。

根據該股息政策，董事會在建議及宣派股息前應考慮以下因素（其中包括）：

- (i) 本公司營運及財務表現；
- (ii) 本公司流動資金狀況；

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- (iii) the Company's capital requirements and future funding needs;
 - (iv) the Company's contractual restrictions;
 - (v) the Company's availability of reserves; and
 - (vi) the prevailing economic climate.
- (iii) 本公司資本要求及未來資金需要；
 - (iv) 本公司合約限制；
 - (v) 本公司可用的儲備；及
 - (vi) 現行經濟氣候。

The declaration of dividends by the Company is also subject to any restrictions under the Bermuda Companies Act 1981, the Listing Rules, Bye-laws and any applicable laws, rules and regulations.

本公司宣派股息亦須遵守百慕達一九八一年公司法、上市規則、細則及任何適用法律、規則及法規項下的任何限制。

The Dividend Policy will be reviewed from time to time by the Board and may adopt changes as appropriate at the relevant time. There can be no assurance that dividends will be paid in any particular amount for any given period.

董事會將不時審閱股息政策，可能於相關時間採納合適的變動。概不保證股息將就任何指定期間按任何特定金額派付。

CONSTITUTIONAL DOCUMENTS

The memorandum of association of the Company and the Bye-laws are available on the websites of the Stock Exchange and the Company respectively.

章程文件

本公司之組織章程大綱及細則可分別於聯交所及本公司之網站上查閱。

Environmental, Social & Governance Report

環境、社會及管治報告

SCOPE AND REPORTING PERIOD

As a company that aims to provide the best entertainment, services and products to customers in Hong Kong, UNIVERSE ENTERTAINMENT AND CULTURE GROUP COMPANY LIMITED and its subsidiaries (thereafter “Group” or “We”) is committed to sustain a stable corporate development growth, while protecting environment and being socially responsible and adhering to the highest standards of corporate governance. Pursuant to the newly released requirement of the Environmental, Social and Governance Reporting guide (“Environmental, Social and Governance Guide”) in Appendix 27 to the Rules Governing the Listing of Securities from The Stock Exchange of Hong Kong Limited, the Group has prepared the 2019–2020 Environmental Social and Corporate Governance (thereafter “ESG”) Report, covering the whole range of the its business operation.

The scope of this report will cover the Group’s initiatives on further developing the concept of Environmental, Social and Corporate Governance to employees and clients, putting them into practices in our daily operations and disclosing results as a year-end summary over this covered period.

The scope of this report will cover the Group’s whole range of business activities, including, video distribution, film distribution and exhibition, licensing and sub-licensing of film rights, trading, wholesaling and retailing of optical products and watches, money lending, leasing of investment properties, securities investment and financial printing business.

It is also the intention of the management to provide an overview of the Group’s direction in managing ESG related matters, driving for ESG initiatives throughout the group, and communicating our ESG performance result with our stakeholders.

The reporting period of this report shall cover the period from 1st July 2019 to 30th June 2020.

範圍及報告期間

作為一家旨在於香港為客戶提供最佳娛樂、服務及產品之公司，寰宇娛樂文化集團有限公司及其附屬公司(下稱「本集團」或「我們」)致力維持公司發展的穩定增長，同時保護環境，肩負社會責任，秉持最高標準之企業管治。按照香港聯合交易所有限公司證券上市規則附錄二十七之環境、社會及管治報告指引(「環境、社會及管治指引」)之新頒佈規定，本集團編製二零一九／二零二零年環境、社會及企業管治(下稱「環境、社會及管治」)報告，範圍涉及其業務營運的各方面。

本報告的範圍將涵蓋本集團向僱員及客戶進一步推展環境、社會及管治概念之措施，於日常營運中實踐有關概念，並以年末概要方式披露有關期間之成果。

本報告範圍將涵蓋本集團業務活動的各方面，包括錄像發行、電影發行及放映、授出及轉授電影版權、眼鏡產品及鐘錶貿易、批發及零售、放貸、投資物業出租、證券投資以及財經印刷業務。

管理層亦旨在概述本集團在管理環境、社會及管治相關事宜、於整個集團推動相應措施以及與持份者就有關環境、社會及管治表現及成果進行溝通之方針。

本報告之報告期間涵蓋二零一九年七月一日至二零二零年六月三十日止期間。

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環境、社會及管治報告

STAKEHOLDER ENGAGEMENT & MATERIALITY IDENTIFICATION

The Group endeavours to develop its business sustainably, and contribute positively to the environment and the society where its business operates. The Group understands fully that standalone effort is minimal and therefore see the engagement of its stakeholders as essential.

To extend its efforts to a broader audience, the Group had consulted both its internal and external stakeholders on its potential impact on the environment and society as a result of its business operations. The Group understands and values relationship with customers and suppliers, and thus included both parties as our consultation targets.

Furthermore, the Group conducted a materiality analysis in the form of a management interview during the drafting process. Particular sustainability related issues, which are material to the Group, were identified during the process, and the results shall be disclosed in later part of this ESG Report.

The table below presents key stakeholders of the Group as well as how the Group communicate with them through a variety of engagement channels during the year.

Internal Stakeholders

內部持份者

- The Board
- 董事會
- Management
- 管理層
- General Staff
- 普通職員

External Stakeholders

外部持份者

- Shareholders
- 股東
- Investors
- 投資者
- Customers
- 客戶
- Local Community Groups
- 當地社群

Engagement methods:

Meetings, interviews direct mail, staff performance appraisal interviews, internal publications, Annual General Meeting ("AGM"), special general meetings and announcements.

Table 1. Engaged Stakeholder list and methods

持份者參與及重要性識別

本集團致力發展可持續業務，積極貢獻其經營業務所在的環境及社會。本集團深明單單集團的力量是微不足道的，故相當重視其持份者的參與。

為向更廣泛受眾擴展工作，本集團已就其業務營運可能對環境及社會產生的影響諮詢其內部及外部持份者。本集團明白及重視與客戶及供應商的關係，故將他們列為我們的諮詢對象。

此外，本集團已於起草過程中透過會見管理層進行重要性分析。過程中識別對本集團屬重大的特定可持續性相關事宜，有關結果會於此份環境、社會及管治報告其後部分披露。

下表載列年內本集團重要持份者及本集團怎樣透過一系列參與渠道與有關持份者溝通。

參與方法：

召開會議、訪談、直接郵寄、員工表現評核會面、內部刊物、股東週年大會(「股東週年大會」)、股東特別大會及公佈。

表一、參與持份者清單及方法

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STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and performance. For any suggestion or opinion, please kindly send it to the Group through its communication channels.

ENVIRONMENTAL PERFORMANCE

Delivering the best entertainment, services and products while generating revenue for our shareholders, and recognising the importance and contributing to both the environment and local community have always been one of our guiding principles. ESG is thus considered a high priority within the Group, and is especially championed by our senior management.

As mentioned, the Group is committed to minimize the impact its operations may have imposed on the environment. In order to monitor the progress, the Group started collecting and reporting its ESG-related activities in the past reporting periods. Since the 2016-2017 ESG report, the Group took a step further and began to collect in-depth data for disclosure. Due to the Group's operations in various business sectors across multiple geographic regions, the complexity of data collection and analysis has imposed challenges to responsible departmental personnel. The Group had endeavoured to engage internal and external stakeholders to build an extensive database for ESG matters. The collected data was analysed and assessed against the Group's operational performance, to provide an accurate overview to the senior management to implement improvement measures accordingly.

In summary, the result indicated the Group's trading, wholesaling and retailing of optical and watches products ("Retail Business"), money lending, leasing of investment properties, securities investment and financial printing business do not involve in the production-related direct air, water, or land pollutions, and thus do not contribute to any material impact in these areas. The Group's video distribution, film distribution and exhibition, licensing and sub-licensing of film rights ("Film Business") activity was also operated under the Group's ESG provision, and complied to all local laws and regulations in concern.

持份者反饋意見

本集團歡迎持份者對其環境、社會及管治方法及表現提供反饋意見。如有任何建議或意見，請透過各溝通渠道發送給本集團。

環境表現

提供最佳娛樂、服務及產品，同時為股東帶來收入，認可我們的工作對環境與當地社區之重要性並對此作出貢獻一直是我們堅守的一項指導原則。因此，環境、社會及管治乃本集團之優先關注事項，並得到我們高級管理人員之特別支持。

如前所述，本集團致力降低其營運可能對環境的影響。為監察有關進展，本集團於過往報告期間開始收集及匯報其環境、社會及管治相關活動情況。自二零一六／二零一七年環境、社會及管治報告以來，本集團進一步採取行動並開始收集深入的數據以進行披露。由於本集團的營運涉及多個業務領域，遍佈不同地域，數據收集及分析的複雜程度對負責的部門人員來說具挑戰性。本集團致力鼓勵內部及外部持份者就環境、社會及管治事宜參與建立廣泛的數據庫。所收集的數據就本集團的營運表現進行分析及評估，以向高級管理人員提供準確的概覽，執行相應的改善措施。

總括而言，結果顯示本集團的眼鏡及鐘錶產品貿易、批發及零售（「零售業務」）、放貸、投資物業出租、證券投資及財經印刷業務不涉及與生產相關的直接空氣、水或土地污染，故並無對此等方面造成任何重大影響。本集團的錄像發行、電影發行及放映、授出及轉授電影版權（「電影業務」）業務亦按照本集團的環境、社會及管治規定經營，並遵從一切當地相關法律法規。

Environmental, Social & Governance Report

環境、社會及管治報告

The Group's most relevant environmental issues identified during this reporting period were the followings:

- Air emission;
- Electricity consumption;
- Non-hazardous Waste; and
- Water consumption.

The Group's internal environmental protection awareness programme had consistently reminded and encouraged employees and clients to join efforts into improving its environmental performance. Details of such processes and actions are described in the following sections.

Air Emission

The Group's primary business activities branch into Film Business, Retail Business and financial printing business. The business nature of the Group's Film Business, Retail Business and financial printing business does not involve direct or significant emission of air and greenhouse gases from industrial or combustion process. In other words, the Group concluded that there is no material impact found, through direct air emission, to the environment as a result of its business operations. *(Indirect carbon emission through electricity consumption is measured and further details shall be provided in the later section.)*

Regardless, the Group brought itself forward to examine the indirect emissions generated via its operations. The assessment indicated that electricity and fuel consumption (ie: Diesel, LPG and Petroleum) are two of the most significant contributions to such. For instance, the hire of mobile generators as a temporary power source for Film Business, as well as own vehicles for transportation are main sources for fuel consumption. The Group thus accords to the ESG guideline suggestion to report on the captioned air emissions.

本集團於本報告期間所識別最相關的環境事宜如下：

- 氣體排放；
- 用電；
- 無害廢棄物；及
- 用水。

本集團的內部環保意識計劃一直提醒並鼓勵員工及客戶齊心協力改善其環保表現。有關過程及行動的詳情載述於以下章節。

氣體排放

本集團的主要業務活動分為電影業務、零售業務及財經印刷業務。本集團經營電影業務、零售業務及財經印刷業務的業務性質不涉及工業或燃燒過程中直接或重大排放氣體及溫室氣體。換言之，本集團認為其業務營運並無透過直接氣體排放對環境造成重大影響。*(有關透過用電產生的間接碳排放會於稍後章節披露。)*

無論如何，本集團勉力審查透過其業務產生的間接排放。據評估顯示，用電及耗油(即柴油、液化石油氣及石油)是最重要的兩個源頭。舉例來說，為電影業務租用流動發電機作為臨時電源以及以自有汽車運輸均是耗油的主要源頭。因此，本集團遵照環境、社會及管治指引建議，就以上氣體排放作出匯報。

Environmental, Social & Governance Report

環境、社會及管治報告

As a summary, the Group's total air emissions can be summarized as below:

總括而言，本集團的總氣體排放概述如下：

| Emission | 排放 | For the year ended | For the year ended |
|-------------------|------|--------------------|--------------------|
| | | 30th June 2020 | 30th June 2019 |
| | | 截至二零二零年 | 截至二零一九年 |
| | | 六月三十日止年度 | 六月三十日止年度 |
| | | Unit (ton) | Unit (ton) |
| | | 單位(噸) | 單位(噸) |
| NO _x | 氮氧化物 | 0.0032 | 0.2244 |
| SO _x | 硫氧化物 | 0.0001 | 0.0004 |
| Particular Matter | 懸浮粒子 | 0.0002 | 0.0114 |

Table 2. Group Air Emission Performance

表二、本集團氣體排放表現

The Group will continue to monitor its operational activities to ensure its air emission maintains at a satisfactory level. Further information shall be disclosed should there be significant changes to the reported emission levels.

本集團將持續監察其營運活動，確保其氣體排放維持於合理水平。倘所匯報的排放水平有重大變化，將作出進一步資料的披露。

Carbon Emission

碳排放

The Group started examining its carbon emission generated from its operation activities since its 2017 ESG report. In this reporting period, the Group enhanced its data collection system, and thus improved the quality of data collected. In addition to power consumption from offices, electricity consumed from the Group's film production, vehicle fuel consumption and the emissions from air travel were also included in this year's carbon emission calculation.

本集團自其二零一七年環境、社會及管治報告以來開始審查其業務營運產生的碳排放。於本報告期間，本集團提升其數據收集系統，從而改善所收集數據的質素。除辦公室用電外，本集團電影製作用電、汽車耗油及飛行之排放亦計入本年度碳排放。

Similar to the methodology employed last year, the Group estimated its carbon emission, as a Group, based on the activities mentioned above and emission factors from reputable third-party source on the public domain (ie: electricity consumption data and the carbon intensity factor are available on the electricity bills, sustainability reports from electricity provider and public organizations, such as HKSAR Environmental Protection Department).

與去年所用的方法相似，本集團根據上述活動及從公共領域知名第三方來源獲得的排放因素(即用電數據及碳強度因子，此等數據由電力供應商及公營機構，如香港特別行政區政府環保署，發出之電費單及可持續報告所提供)估計其於集團層面上之碳排放。

As the result, the Group generated 379.32 tCO₂ (2019: 477.5 tCO₂) in this reporting period.

因此，本集團於本報告期間產生379.32噸二氧化碳(二零一九年：477.5噸二氧化碳)。

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環境、社會及管治報告

The Group will continue to put its best efforts on minimizing carbon emission, enhancing overall performance and operation efficiency through working closely with employees and external stakeholders. Further information and progress will be disclosed in the subsequent ESG report.

本集團將繼續竭力降低碳排放，與員工及外部持份者緊密合作，提升整體表現及營運效率。進一步資料及進展將於其後的環境、社會及管治報告中披露。

Waste Management

The Group's core business involves only Film Business, Retail Business and financial printing services. However, there were an insignificant amount of chemicals used during the filming process (<100kg), of which were disposed of safely and legally by licensed operators. Overall, the Group was not aware of any non-compliance with related laws or regulations in regards to such matters and will continue its strict monitoring practices.

廢棄物管理

本集團的核心業務僅涉及電影業務、零售業務及財經印刷服務。然而，於電影拍攝過程中有使用化學物，份量微不足道(少於100公斤)，有關化學物已由持牌營運商安全和合法地處置。整體來說，本集團並不知悉就有關事宜的任何違反相關法律法規的情況，並將繼續其嚴謹的監察工作。

For non-hazardous waste, the Group had been cautious about waste generation from daily activities, and have worked closely with employees and partnered with suppliers on reducing solid waste. The Group promoted the culture of recycling, and had placed recycling bins in easy-to-access locations to increase employees' awareness on recycling. Since last reporting period, the Group had promoted the paper-less working environment, and the initiative had been continued in this reporting period.

對於無害廢棄物，本集團一直審慎處理日常活動中產生之廢棄物，並與員工密切合作，夥拍供應商以減少製造固體廢棄物。本集團推崇回收利用文化，將回收箱放於便於投放的位置以提高員工對回收利用的意識。自上一報告期間，本集團提倡無紙化的工作環境，有關舉措於本報告期間持續推行。

The Group's office, retail and other business activities generated daily waste from its operation. For this reporting period, recorded waste production as follows:

本集團的辦公室、零售及其他業務活動於其營運中亦產生日常廢棄物。於本報告期間，所記錄的廢棄物製造如下：

| Waste Generation | 廢棄物製造 | For the year ended 30th June 2020 截至二零二零年 六月三十日止年度 Total Sum (tonne) 總量(噸) | For the year ended 30th June 2019 截至二零一九年 六月三十日止年度 Total Sum (tonne) 總量(噸) |
|---------------------|-------|---|---|
| | | Hazardous Waste | 有害廢棄物 |
| Non-Hazardous Waste | 無害廢棄物 | 236.2 | 380.4 |

Table 3. Group Waste Generation Amount

表三、本集團的廢棄物製造量

The Group shall continue its effort in the careful management of generated waste, and further data will be disclosed in subsequent ESG reports.

本集團繼續努力審慎管理廢棄物製造，進一步數據將於其後的環境、社會及管治報告中披露。

Environmental, Social & Governance Report

環境、社會及管治報告

Use of Resources

The Group is an environmentally friendly company, and had actively promoted the culture of "Efficient & Green" operations since the last reported period. Continued from last year, the Group had continued its efforts to encourage employees to consume resources smartly, particularly on paper and electricity.

Initiatives such as the adoption of energy conservation practices were successfully implemented in the offices in the past year. Latest environmental trends and green tips were available to employees as constant reminders for responsible use of natural resources. In addition, suitable facilities management were in place to identify building services that require upgrades for improved building efficiency and employee comfort.

A summary of the Group's consumption on natural resources during this reporting period is provided as below:

資源利用

本集團是一間支持環保的公司，自上一報告期間積極推行「節能綠化」的業務文化。本集團承接去年的工作，持續鼓勵員工智慧消耗包括紙張與電力在內之資源。

採納節能慣例等舉措於去年成功在辦公室執行。我們向員工提供最新的環保資訊及綠化貼士，持續提醒他們以負責任的形式使用天然資源。此外，我們已備置合適的設施管理，以識別需要進行提升樓宇效率及員工舒適度升級的樓宇服務。

本集團於本報告期間的天然資源耗用概要如下：

| Consumption Item | 耗用項目 | Unit | 單位 | For the year ended | For the year ended |
|-----------------------------------|---------|--------------------|-------------|--------------------|--------------------|
| | | | | 30th June 2020 | 30th June 2019 |
| | | | | 截至二零二零年 | 截至二零一九年 |
| | | | | 六月三十日 | 六月三十日 |
| | | | | 止年度 | 止年度 |
| | | | | Total | Total |
| | | | | 總計 | 總計 |
| Electricity Consumption | 用電 | kWh | 千瓦時 | 539,492 | 646,884 |
| Water Consumption | 用水 | L | 公升 | 835,000 | 931,200 |
| Diesel Consumption | 柴油耗用 | L | 公升 | - | 16,960 |
| Petroleum Consumption | 石油耗用 | L | 公升 | 6,776 | 5,450 |
| LPG Consumption | 液化石油氣耗用 | L | 公升 | - | - |
| Electricity Consumption Intensity | 用電強度 | kWh/revenue (HK\$) | 千瓦時/收益 (港元) | 0.002 | 0.011 |
| Water Consumption Intensity | 用水強度 | L/revenue (HK\$) | 公升/收益 (港元) | 0.004 | 0.015 |

Table 4. 2019–2020 Resource Consumption Summary

表四、二零一九/二零二零年資源耗用概要

Environmental, Social & Governance Report

環境、社會及管治報告

Resources Conservation

Resources consumption patterns of the Group had been disclosed in last year's ESG Report, and the Group had strived to make incremental improvements since.

The Group had continued its successful policies regarding energy and paper consumption. These practices have been detailed in last year's ESG report, highlighted as below:

- Air conditioners were set to 23-25°C;
- Idling electronic appliances were to be switched off or set to energy saving mode;
- Documents were to be printed or copied double-sided; and
- E-marketing material, such as greeting cards were to be sent via electronic means only.

The Group took pride in promoting such practices to its partners and suppliers, and would continue to carry out most of its business communication digitally instead of printing hardcopy documents to foster a paperless working environment.

SOCIAL

The business of the Group spreads across several industry sectors. In particular, the Film Business involves working with a large number of individuals across various industries. Employees include actors, productions workers, retail shop sales and even line workers. The Group understands the best way to attract or retain talents is by offering competitive compensations, and treating employees fairly and equally in regardless of culture, gender and interests, while complying to laws and regulations. As one of its guiding principles, the Group commits to growing its business sustainably and in a socially responsible manner, whilst continuing its best management practices to improve in areas as needed.

資源保護

本集團已於去年的環境、社會及管治報告中披露資源耗用情況，本集團自此一直竭力作出改善提升。

本集團奉行有關有效的能源及紙張耗用政策。該等慣例已詳述於上年的環境、社會及管治報告中，現概述如下：

- 設定空調溫度為23-25°C；
- 關掉閒置電器或將之設定為慳電模式；
- 雙面列印或影印文件；及
- 使用電子營銷材料如僅以電子方式寄發賀卡。

本集團對向其夥伴及供應商推行有關慣例感到驕傲，並繼續以數碼方式進行其大部分業務溝通，代替列印實體文件以支持無紙化的工作環境。

社會

本集團之業務跨越多個行業領域，尤其是電影業務涉及與各行各業眾多方的合作。僱員包括演員、製作工人、零售店舖銷售人員，甚至流水線工人。本集團明白，提供具有競爭力之薪酬、不論員工文化層次、性別及興趣而對員工一視同仁，並同時遵守法律法規，是吸引或留住人才之最佳方式。作為其指導原則之一，本集團致力以可持續及對社會負責之形式發展業務，持續奉行其最佳管理慣例以作出必要方面之改進。

Environmental, Social & Governance Report

環境、社會及管治報告

Employment and Labour Standard

The Group truly understands that its success depends on the seamless teamwork among employees and thus recognises its people as one of the most valuable assets in contributing toward its achievements. The Group trusted that the works of excellence must be well compensated, and therefore have always offering a market competitive remuneration and benefits scheme to its own employees.

The Group is an Equal Opportunity Employer (EOE). This means that it is committed to equal treatment of all employees without regard to race, national origin, religion, gender, age, sexual orientation, veteran status, physical or mental disability or other basis protected by law. The *Employment Policy* of the Group accords to and exceeds the requirements of the *Employment Ordinance*, *Minimum Wage Ordinance* and the *Mandatory Provident Fund Schemes Ordinance*, aiming to provide a fair compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and anti-discrimination scheme for all of our employees.

During the employment process, the Group made it clear to responsible recruitment employees that any discrimination acts against the EOE would not be tolerated. The same policy extends to its internal training and promotion practices. The human resource department would also be responsible for ensuring compliance with all regulations during the employee recruitment process, where curriculum vitae and identification cards are carefully reviewed to prevent any cases of the employment of child or forced labour, or junior members under the age of 16 years old as full-time staff. In addition, the Group protects the interests of its part-time employees, and by restricting their working hours to under 4 hours per day. Any breach of such action will be reported to the company's senior management revision and subjected to further company disciplinary action.

In the reporting period between 1st July 2019 to 30th June 2020, the Group has found no material breach of relevant laws and regulations during operation.

僱傭及勞工準則

本集團深明，我們的成功取決於員工之間的密切團隊合作。因此，我們認為人才是我們最寶貴的資產，對我們的成就作出貢獻。本集團相信，應給予工作出色的員工優渥報酬，因此一直為員工提供具有市場競爭力之薪酬及福利計劃以留住人才。

本集團是平等機會僱主(EOE)，意思是我們對員工一視同仁，不論種族、國籍、宗教、性別、年齡、性取向、兵役狀況、身體或精神殘缺或受法律保障的其他條件。本集團推行的僱傭政策奉行及超越《僱傭條例》、《最低工資條例》及《強制性公積金計劃條例》的規定，旨在為全體僱員提供公平報酬與解僱、招聘及晉升、工作時長、休息期、平等機會、多元化及反歧視計劃。

於僱傭過程中，本集團貫徹負責任的員工招聘，絕不容許違反平等機會僱主的任何歧視行為。該政策亦應用其內部培訓與晉升慣例。人力資源部亦負責確保在僱員招聘流程中遵守所有法規，仔細審閱簡歷及身份證，避免僱傭童工或強迫勞工，或僱傭未滿16週歲之任何員工作為全職員工。此外，為保障兼職僱員的權益，本集團將工作時間限定在每天四小時以內。對上述措施如有任何違反，均將上報公司高級管理層進行糾正，並須接受公司進一步之紀律處分。

於二零一九年七月一日至二零二零年六月三十日止報告期間，本集團在營運過程中並無發現嚴重違反相關法律法規的行為。

Environmental, Social & Governance Report

環境、社會及管治報告

Remuneration Committee

To ensure the remuneration scheme stays competitive, the Group had established a Remuneration Committee since 15th July 2005, and with the principle duties of making recommendations to the Board on the Group's *Remuneration Policy*, structure of the Directors and senior management, and on the establishment of a formal and transparent procedure for developing *Remuneration Policy*. In addition, the Remuneration Committee is also responsible for giving suggestions to the Board on remuneration packages of individual executive Directors and members of the senior management. In detail, the principles of the Group's remuneration policies consist of:

- (a) ensuring no Director should be involved in deciding his or her own remuneration;
- (b) ensuring remuneration should be determined by taking into consideration factors such as salaries paid by comparable companies, time commitment, levels of responsibilities, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- (c) reviewing and approving the management's remuneration proposals with reference to corporate goal and objectives resolved by the Board from time to time; and
- (d) recommending the remuneration packages of individual executive Directors and senior management to the Board.

The Remuneration Committee will also meet regularly to determine the policy for the remuneration of Directors and assess the performance of Executive Directors and certain senior management of the Group.

Emolument Policy

The Group employee's emolument is determined by the Remuneration Committee, and it will be assessed based on merit, qualifications and competence. Remuneration is reviewed annually and certain employees are entitled to commission. In addition to basic salaries, employee benefits included discretionary bonuses, medical insurance scheme and the mandatory provident fund as stipulated by law.

薪酬委員會

為確保薪酬計劃保持競爭力，本集團自二零零五年七月十五日起設立薪酬委員會，列明主要職責為就本集團的*薪酬政策*、董事及高級管理層的架構以及制定*薪酬政策*之正式且透明程序之設立向董事會提供建議。此外，薪酬委員會亦負責就個別執行董事與高級管理層之薪酬待遇向董事會提供建議。具體而言，本集團薪酬政策之主要原則如下：

- (a) 確保董事概不得參與決定自身之薪酬；
- (b) 確保薪酬之釐定經考慮可資比較公司支付的薪金、付出的時間、承擔的責任、本集團其他各處的聘用條件及與表現掛鈎薪酬是否適合等多項因素；
- (c) 參考董事會不時決議之公司目標與宗旨後審查及批准管理層之薪酬提案；及
- (d) 向董事會建議個別執行董事及高級管理層之薪酬待遇。

薪酬委員會亦會定期會面以釐定董事的薪酬政策及評估本集團執行董事及若干高級管理層的表現。

薪酬政策

本集團僱員的薪酬由薪酬委員會釐定，並將按表現優劣、資歷及才幹進行評估。薪酬乃按年審核，若干員工享有佣金。除基本薪金外，員工福利包括酌情花紅、醫療保險及法例規定的強積金。

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Retirement Benefit Scheme

The Group participates in a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees employed.

During the year ended 30th June 2020, the total contributions paid or payable to the MPF scheme by the Group amounted to approximately 1.7 million (2019: approximately HK\$1.8 million), which had been recognized as expenses and included in employee costs in the consolidated statement of comprehensive income.

Equal Opportunities, Diversity and Anti-Discrimination

The Group's *Corporate Policy* includes provisions on handling discrimination, harassment and victimisation in the workplace.

The Group acquires talents based on their merits to fit in and contribute to the company regardless of their gender and age. Together with a transparent employment process, a fair appraisal, remuneration and incentive scheme, the Group has attracted a profile of diversified workers to join their workforce.

The following charts provided an overview of its employee's gender and age distribution with a total of 101 (2019: 116) employees recorded last per June 2020 during the reporting period:

退休福利計劃

本集團為所有合資格僱員參與根據香港強制性公積金計劃條例設立的強制性公積金計劃(「強積金計劃」)。

本集團於截至二零二零年六月三十日止年度向強積金計劃已付或應付的供款總額約為1.7百萬港元(二零一九年：約1.8百萬港元)，該等金額已確認為開支並於綜合全面收益表中列為員工成本。

平等機會、多元性及反歧視

本集團的*公司政策*包括關於處理工作場所歧視、騷擾及傷害行為的規定。

本集團根據人才是否能融入及對公司作出貢獻進行招聘，而非取決於性別及年齡。加上具透明度的僱傭程序，以及公平公正的評核、薪酬及獎勵計劃，本集團成功吸引不同背景的人才加入其團隊。

下圖概述截至二零二零年六月止報告期間共101名(二零一九年：116名)僱員的性別及年齡分佈情況：

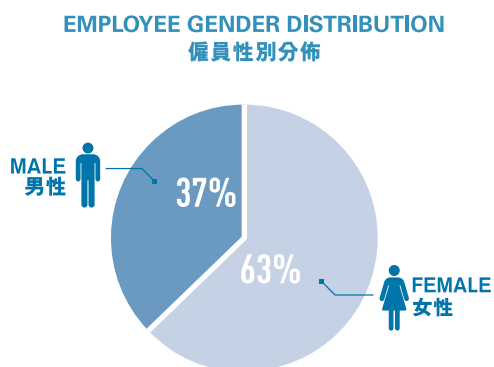


Chart 1. Group Employee Gender Distribution
圖一、本集團的僱員性別分佈

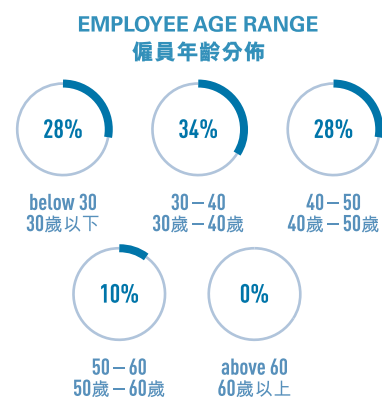


Chart 2. Group Employee Age Distribution
圖二、本集團的僱員年齡分佈

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The Group had issued a comprehensive Employee Handbook, providing the basis for human resources management about the employment policy, welfare and benefits, leave and rest days, conduct and discipline, occupational health and safety policy, personal data (privacy) policy and equal opportunity policy. All employees were handed a copy of such handbook upon employment. Any updates to the Group's employment policies would be made transparent through electronic means or other appropriate methods to staff members affected.

During the period from 1st July 2019 to 30th June 2020, there was no reported material breach of related regulations and laws.

Occupational Health and Safety

As a socially responsible company, the Group places great emphasis on workplace safety, especially for its film making activities that occasionally involves activities of high risks to workers, such as working from height, controlled explosions, stuntman performances, use of equipment and chemicals etc.

The Group's health and safety practices accords to the guideline from HKSAR Labour Department (section "Occupational Safety & Health"), where safety equipment, measures, practices are enforced per requirement. Sufficient lighting, air ventilation and spacious working areas are provided in all premises to minimise occupational health risks imposed to workers.

Furthermore, the Group safeguards its workplace from unanticipated events that would require an immediate evacuation, such as under the accident of fire, and employees are required to participate in the office building's regular fire drills. The building management also provided clear signs and instructions for emergency incidents (such as the access to fire safety route or rally points). The participation of these drills is mandatory for all employees and it were conducted during office hours.

本集團已頒佈一份全面的員工手冊，規管關於僱傭政策、福利及待遇、年假及休息日、操守及紀律、職業健康與安全政策、個人資料(私隱)政策及平等機會政策的人力資源管理基準。所有員工於受聘時均會獲提供一份員工手冊。本集團的僱傭政策如有任何更新，將透過電子方式或其他合適的途徑向受影響員工公佈。

於二零一九年七月一日至二零二零年六月三十日止期間，並無報告嚴重違反有關法律法規的事件。

職業健康與安全

作為一間對社會負責任的公司，本集團重視工作場所的安全，尤其是偶爾涉及工人從事高風險活動的電影製作業務，如高空工作、控制爆破、特技人表演、使用儀器及化學品等。

本集團的健康與安全慣例遵從香港特區政府勞工處的指引(「職業安全及健康」一節)，有關的安全設備、措施及常規會按規定執行。所有場所均設有充足照明、通風系統以及寬敞的工作區，將員工承受的職業健康風險降至最低。

此外，本集團保障其工作場所免受需要立即撤離的意外事件(如火災)，而員工必須參加辦公室大樓舉辦的定期火警演習。大廈管理亦提供清晰標誌及指示(例如消防安全逃生路線或集結點)。所有員工必須參與以上於辦公時間舉行的演習。

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For the film division, safety practices are part of the daily routine and it is applied at all times. The Group's management team makes periodic visits to ensure all safety practices were implemented, and to review potential health and safety risks, or any accidents that may occur. The Group provides appropriate safety guidelines and equipment to all workers exposed to safety risks such as Personal Protection Equipment (PPE), fire extinguishers, emergency evacuation procedures, and appropriate training to actors or actresses working on action movies etc. Special insurance is provided to relevant employees working in such conditions to ensure the best assistance would be available should any cases of injuries happen.

The Group also employs third-party contractors to perform regular check-ups for filming equipment to ensure they are in a good condition.

During the reporting period from 1st July 2019 to 30th June 2020, the Group is happy to report that there is no material non-compliance breach with relevant standards, rules and regulations, and did not involve in any accidents that has caused serious injuries to its workers.

Development and Training

The Group's business involves producing products in the entertainment and retail industry. In order to stay competitive, periodic trainings for employees are required for the Group to stay abreast with the latest market development. Great emphasis was placed on training and equipping employees with the latest market trend for career advancement.

Despite considerable training costs involve, the Group adheres to nurturing talents internally to enhance the overall capability of its workforce.

電影製作方面，安全慣例是例行工作的一部分，並全天候執行。本集團的管理團隊定期造訪以確保所有安全慣例得以執行，並審閱是否有潛在健康及安全風險或可能發生的任何意外。本集團為承受安全風險的所有員工提供合適的安全指引及設備，如個人防護設備(PPE)、滅火筒、緊急撤離程序以及為參與動作片的男女演員提供合適培訓等。我們會為在有關環境下工作的相關員工購買專項保險，確保員工若受傷能夠獲得最妥善的照料。

本集團亦聘用第三方承包商為電影設備進行定期檢查，確保有關設備狀況良好。

於二零一九年七月一日至二零二零年六月三十日的報告期間，本集團欣然匯報，並無發生嚴重違反相關準則、規則及法規的情況，亦無發生導致其員工嚴重受傷的任何意外。

發展及培訓

本集團的業務涉及製作娛樂及零售行業的產品。為了保持競爭力，本集團須進行定期僱員培訓，以了解最新的市場發展。我們非常重視培訓，以讓僱員了解最新市場趨勢，在職業生涯上不斷進步。

儘管所涉及的培訓費用龐大，本集團信奉內部培育人才以提高工作隊伍的整體能力。

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The following reports on training received by staff and its distribution by gender and employee category.

以下為員工所接受培訓及按性別及員工類別劃分的分佈。

| | | Training Ratio 培訓比率 | Total Training Hours 總培訓時數 |
|--------|----|------------------------|----------------------------------|
| Male | 男性 | 40.5% | 255 |
| Female | 女性 | 57.8% | 424 |

Table 5. Figures on employees trained by gender

表五、按性別劃分的培訓員工數據

| | | Training Ratio 培訓比率 | Total Training Hours 總培訓時數 |
|-------------------|-------|------------------------|----------------------------------|
| Senior Management | 高級管理層 | 100.0% | 60 |
| Management | 管理層 | 50.0% | 219 |
| Staff | 員工 | 50.7% | 400 |

Table 6. Figures on employee trained by category

表六、按類別劃分的培訓員工數據

Employees, Customers, Suppliers and Other Stakeholders

The nature of the Group's business requires to work with numbers of stakeholders from various sectors. As reported in last year's ESG report, the Group maintains an open engagement channel with suppliers that includes procedures to conduct regular meetings and interviews (for new suppliers).

僱員、客戶、供應商及其他持份者

本集團的業務性質需要與來自不同行業的眾多持份者合作。誠如上一份環境、社會及管治報告所報告，本集團維持與供應商之公開溝通渠道，包括(為新供應商)制定程序定期進行會議及面談。

The Group examines qualifications of its suppliers. Required business licenses, trademark registration certificates, trademark use authorizations, product testing reports, and customs duty certificates are inspected to ensure its validity. Suppliers would be assessed based on product knowledge, after-sales service, marketing strategies to ensure the Group's standards can be met.

本集團會審查其供應商的資格，所需的營業執照、商標註冊證、商標使用授權書、產品檢驗報告及海關完稅證明，均會進行檢驗確保有效，亦會根據產品知識、售後服務、營銷策略對供應商進行評估，確保能符合本集團的標準。

Supply Chain Operating Practices and Management

The Group only sources raw materials for its goods from reputable suppliers. The Group exerts its influence, as a buyer, to ensure suppliers provide products that comply to local and international regulations.

供應鏈運作常規與管理

本集團僅向知名供應商為其貨品採購原材料。本集團以買家身份發揮其影響力，確保供應商提供符合當地及國際規例的產品。

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The Group respects intellectual property rights and should report any infringement on copyrights should any of such act discovered within the scope of the Group's management capability. Its customer database is maintained in strict confidentiality to safeguard consumer data and their privacy.

Product Responsibility

The Group's business spreads across the retail and wholesale of goods and production of movies. It is therefore anticipated that the Group has a complicated product management portfolio due to its subjection to various applicable laws and regulations. Continued from last year's ESG report, details of the Group's product responsibility are summarised as below.

Retails Products – Eyewear

The following ordinances and procedures have been adhered to regarding the sales of eyewear products:

- Qualified optometrists are present in all of the Group's eyewear retail shops;
- Eye-tests are conducted by such professionals according to the *section 12(1)(a) of the Supplementary Medical Professions Ordinance (Chapter 359 of the Laws of Hong Kong)*;
- Contact lens are only recommended to customers by optometrists when a valid prescription is provided (under *section 7.4 of the Code of Practice of the Optometrists Board*);
- Only real and genuine products are offered (under the *Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong)*, where false trade descriptions, misleading or incomplete information and mis-statements in respect of goods provided in all sales activities) are strictly prohibited in all of the Group's shops;
- Products are directly purchased from the manufacturers and authorized wholesalers, where invoices and authorizing documents are provided on re-selling goods;
- Performance of "Triple" quality check-up process before products are sent to shops (performed by buyer, procurement officer and front-line sales employees);

本集團重視知識產權，倘發現屬於本集團管理層能力範圍內的侵權情況，應作出匯報。客戶個人資料庫亦會嚴格保密，以保護消費者的資料及私隱。

產品責任

本集團的業務涉足貨品零售及批發以及電影製作。因此，預計本集團因須遵守眾多適用法律法規而擁有複雜的產品管理組合。繼去年的環境、社會及管治報告，本集團的產品責任詳情概述下文。

零售產品 – 眼鏡

本集團已就銷售眼鏡產品遵守以下條例及程序：

- 本集團全線眼鏡零售店舖均駐有合資格視光師；
- 有關專業人員按照《*輔助醫療業條例*》(香港法例第359章)第12(1)(a)條進行眼科測試；
- 客人僅在提供有效處方時(根據視光師管理委員會的專業守則第7.4條)，視光師方會向他們提供隱形眼鏡；
- 本集團僅提供真品及正品(根據《*商品說明條例*》(香港法例第362章))，而本集團旗下所有店舖嚴禁涉及所有銷售活動中提供的貨品的虛假商品說明、存在誤導或不完整的資料及錯誤陳述；
- 本集團的產品直接從製造商及授權批發商採購，會就轉售貨品提供發票及授權文件；
- 在產品發送至店舖之前，會進行「三重」品質檢查程序(由買方、採購專員及前線銷售人員進行)；

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- “Table of Tolerance” quality check to be performed on the lenses upon product arrival to shop. The check is prepared by the professional association in the Hong Kong Optical Industry as a quality check up on the contact lenses, ensuring the status of the expiration of these lenses are valid before re-selling to customers; and
- Protection of customers’ data and privacy by denying unauthorised access to customers’ information.
- 於產品送抵店舖之後，我們會對鏡片進行「公差表」品質檢查。該項檢查由香港光學行業的專業協會制訂，作為對隱形眼鏡的品質檢查，確保該等鏡片在轉售予客戶之前屬有效期限；及
- 禁止未經授權取得客戶資料保障客戶個人資料及私隱。

Under the current reporting year, which is from 1st July 2019 to 30th June 2020, the Group has not received any complaints regarding its eyewear products and services.

在本報告年度，即二零一九年七月一日至二零二零年六月三十日，本集團並無接獲任何有關其眼鏡產品及服務的投訴。

Retails Products – Watches

The Group closely monitors its offered watch products, especially in relation to safety issues. A consistent update is performed safeguarding the Group with the compliance to up-to-date laws and regulations related to watch products, ensuring the accuracy of the advertised information and labels, and avoiding any misrepresentation leading to a breach of law. On the other hand, regular communication is conducted with suppliers, updating the latest trend on regulation and measures accordingly.

零售產品 – 鐘錶

本集團密切監督其提供的鐘錶產品，尤其是安全問題。我們會統一更新，保證本集團遵守與金錶產品相關的最新法律法規，確保廣告資料及標籤準確，並避免任何虛假陳述導致違反法律。另一方面，我們定期與供應商進行溝通，了解最新的監管趨勢及相應措施。

During its procurement process, the Group relies on a comprehensive *Procurement Policy* set by the senior management. Only genuine goods with relevant trademark registration certificates or trademark authorisation documents, or directly from brand owners or brand authorised distributors, will be procured for resell purposes. Testing reports are requested from suppliers, while warehouse keepers will also perform quality control checks to ensure the quality of watches are up to standard before shipping to shops for sales.

在其採購過程中，本集團依賴高級管理層制定的完善採購政策。就轉售目的僅直接從品牌擁有人或品牌授權分銷商採購具有相關商標註冊證書或商標授權文件的正品。我們要求供應商提供測試報告，而倉庫管理員亦會進行品質控制檢查，確保我們鐘錶的品質在運往店舖進行銷售前達到標準。

The Group applies the same *Data Protection and Privacy Policy* throughout the business. Customer data are stored in a Point Of Sales (POS) system, where senior grade employees, with appropriate authorisation, are able to access such database, and no data shall be released to any third party under any circumstances.

本集團在整個業務過程中採納相同的資料保護及私隱政策。客戶資料均存儲於銷售終端(POS)系統內，高級職員經適當的授權可訪問相關資料庫，而任何情況下均不得向任何第三方發佈任何資料。

There was no comment received in relation to the Group’s watches sold during this reporting period.

於本報告期間並無收到關於本集團所售鐘錶的意見。

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Anti-Corruption and Anti-Money Laundering

The Group is committed to the highest standard of corporate governance, and aims to maintain the same vision with its policies in transparency, uprightness and accountability.

It is at the heart of the Group's business to operate in an ethical, personal and professional manner. Any activity relating to corruption, commercial bribery, extortion, money-laundering and other fraudulent activities would not be tolerated. Conflict of interests will be reported, to prevent the possible occurrence of inside-dealing or any criminal regime in client transactions. Regular anti-corruption, and money laundering training and circulars are provided to employees to remain cautious on suspicious transactions.

The compliance manual of the Group has set out policies and procedures for anti-corruption and anti-money laundering. All employees are required to be read and acknowledge such compliance manual. There are procedures in place for reporting suspicious fraudulent actions to the Group's management, for the corporate management, and a procedure of two signers is required as a monitoring measure.

During the current reporting period, the Group had no litigation in relation to corruption and money laundering activities identified, involving the Group and its employees.

反貪污及反洗錢

本集團踐行最高標準的企業管治，旨在與其透明、公正及問責的政策保持相同願景。

以道德、個性化及專業的方式開展業務是本集團的核心。本集團不容忍任何與其業務營運有關的貪污、商業賄賂、勒索、洗錢活動及其他欺詐活動。本集團將報告利益衝突，並避免客戶交易中可能存在內幕交易或任何犯法機制。本集團定期向員工提供反貪污及反洗錢的培訓及通知，對可疑交易保持警覺。

本集團的合規手冊載列反貪污及反洗錢的政策及程序。所有員工均須閱讀及確認該合規手冊。我們就向本集團管理層報告可疑的欺詐行為設有程序，就公司管理而言，我們要求有兩名簽署人以互相監管。

在本報告期間，本集團及其僱員並無牽涉有關已識別貪污及洗錢活動的訴訟。

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Data Privacy Compliance

The Group is dedicated to protect the privacy and confidentiality of personal data from employees, clients, business partners, and other identifiable individuals. The Group's employees are instructed to handle confidential information with due care. Information is only collected and used in a responsible and non-discriminatory manner, and restricting the use of the information for the purposes consistent with those identified in the contracts. Generally, the laws and regulations affecting the Group includes the *Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)*, *Copyright Ordinance (Chapter 528 of the Laws of Hong Kong)*, *Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong)* and the *Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong)*. The Group will stay alert to the relevant legal issues and update its internal policies when necessary to avoid any breach of the regulatory requirements.

There were no issues occurred concerning data privacy in this reporting period.

COMMUNITY

The Group is committed to serve and give back to the local community and contribute to social services. The Group's management team plays an important role in mobilising employees to join all of these activities, which reflects management team's commitment to sustainable development. The Group believes by encouraging employees to participate in a wide range of charitable events, community awareness will be raised, and more people will be inspired to take part in serving our community. The Group will continue to support these meaningful social events in the future.

個人資料私隱合規

本集團致力保障員工、客戶、業務夥伴及其他可識別個人的私隱，並對有關個人資料保密。本集團訂明員工須謹慎處理保密資料。資料收集及使用必須以負責任及非歧視形式進行，並按照合約規定限制有關用途的資料使用。一般而言，影響本集團的法律法規包括《商標條例》(香港法例第559章)、《版權條例》(香港法例第528章)、《商品說明條例》(香港法例第362章)及《個人資料(私隱)條例》(香港法例第486章)。本集團將對相關法律事宜保持警惕，並於有必要時更新其內部政策以避免違反任何監管規定。

於本報告期間並無發生有關個人資料私隱的事宜。

社區

本集團致力於服務並回饋本地社區，推動社會服務。本集團的管理團隊在推動員工參加所有該等活動方面發揮重要作用，反映管理團隊對可持續發展的承諾。本集團相信，鼓勵員工參與廣泛的慈善活動將會提高社區意識，讓更多人受到鼓舞，從而參與服務社區。本集團將於未來繼續支持該等有意義的社會活動。

Report of the Directors

董事會報告書

The board of directors (the “Director(s)”) (the “Board”) submit their report together with the audited consolidated financial statements of Universe Entertainment and Culture Group Company Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the year ended 30th June 2020 (the “Year”).

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 10 to the consolidated financial statements.

An analysis of the Group’s performance for the year by operating segment is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of comprehensive income on pages 91 to 93.

FINAL DIVIDEND

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

BUSINESS REVIEW

A review of the Group’s business during the Year are set out in “Management Discussion and Analysis” on pages 6 to 24 of this annual report.

寰宇娛樂文化集團有限公司(「本公司」)董事(「董事」)會(「董事會」)茲提呈本公司及其附屬公司(統稱「本集團」)截至二零二零年六月三十日止年度(「本年度」)之報告及經審核綜合財務報表。

主要業務及按地域劃分之營運分析

本公司之主要業務為投資控股。其附屬公司之業務載於綜合財務報表附註10。

本集團本年度按營運分部劃分之表現分析載於綜合財務報表附註5。

業績及盈利分配

本集團本年度之業績載於第91頁至第93頁之綜合全面收益表內。

末期股息

董事不建議派發本年度末期股息(截至二零一九年六月三十日止年度：無)。

業務回顧

本集團本年度之業務回顧載於本年報第6頁至第24頁之「管理層討論及分析」中。

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董事會報告書

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company ("Shareholders") by reason of their holding of the shares of the Company.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in Note 27 to the consolidated financial statements.

DONATIONS

The Group did not make any charitable donation during the Year (2019: HK\$261,500).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 6 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties held for investment purposes are set out on page 327 of the annual report.

SHARE CAPITAL

Details of the movement in share capital of the Company are set out in Note 25 to the consolidated financial statements.

稅務寬免

本公司並不知悉本公司股東(「股東」)因其持有本公司股份而可獲得任何稅務寬免。

儲備

本集團及本公司儲備於年內之變動載於綜合財務報表附註27。

捐款

於本年度內，本集團並無作出慈善捐款(二零一九年：261,500港元)。

物業、機器及設備

本集團之物業、機器及設備之變動詳情載於綜合財務報表附註6。

主要物業

持作投資用途之主要物業詳情載於本年報之第327頁。

股本

本公司之股本變動詳情載於綜合財務報表附註25。

Report of the Directors

董事會報告書

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 30th June 2020 amounted to HK\$132,252,000 (2019: HK\$174,349,000) including contributed surplus, of HK\$597,789,000 (2019: HK\$597,789,000), which is only distributable subject to conditions as set out in Note 27(b) to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 328 of the annual report.

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

The Company has not redeemed any of its shares during the Year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Year.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed in the annual general meeting held on 2nd December 2013, the Company conditionally approved and adopted a share option scheme (the "Share Option Scheme") in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). Details of the Share Option Scheme are as follows:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Company to grant share options to selected Participants (as defined below) as incentive and/or rewards for their contributions and support to the Group and any invested entity.

可分派儲備

本公司於二零二零年六月三十日之可分派儲備為132,252,000港元(二零一九年：174,349,000港元)，包括實繳盈餘597,789,000港元(二零一九年：597,789,000港元)，而實繳盈餘只在符合綜合財務報表附註27(b)所載各項條件時方可予以分派。

五年財務摘要

本集團過去五個財政年度之業績、資產及負債之摘要載於本年報之第328頁。

購買、出售或贖回本公司之上市證券

本公司於本年度並無贖回其任何股份。本公司及其任何附屬公司於本年度概無購買或出售本公司任何上市證券。

購股權計劃

根據於二零一三年十二月二日舉行之股東週年大會上通過之一項普通決議案，本公司根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)有條件批准及採納一項購股權計劃(「購股權計劃」)。購股權計劃之詳情如下：

(a) 購股權計劃之目的

購股權計劃之目的是使本公司可向經過選定之參與人(定義見下文)授出購股權，作為其對本集團及任何投資實體之貢獻及支持之獎勵及／或獎賞。

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(b) Participants of the Share Option Scheme

The Board may, at its discretion, invite any person belonging to any of the following classes of participants for their contributions and support to the Group and any invested entity (the “Participants” and individually, a “Participant”) to take up share options to subscribe for shares.

- (i) any full-time employee of the Company, any of its subsidiary or any invested entity, including (without limitation) any executive director of the Company, any of its subsidiary or invested entity (individually, an “Employee”);
- (ii) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiary or any invested entity;
- (iii) any supplier of goods or services to any member of the Group or any invested entity;
- (iv) any customer of the Group or any invested entity;
- (v) any person or entity that provides research, development or other technical support to the Group or any invested entity;
- (vi) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity;
- (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any invested entity; and
- (viii) any joint venture partner or counter-party to business operation or business arrangements of the Group.

(b) 購股權計劃的參與人

董事會可酌情邀請屬於以下任何類別，對本集團及任何投資實體有貢獻及作出支持之參與人（「參與人」），藉接納購股權以認購股份。

- (i) 本公司、其任何附屬公司或任何投資實體之任何全職僱員，包括（但不限於）本公司、其任何附屬公司或投資實體之任何執行董事（個別稱為「僱員」）；
- (ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括獨立非執行董事）；
- (iii) 本集團任何成員公司或任何投資實體之任何貨品或服務供應商；
- (iv) 本集團或任何投資實體之任何客戶；
- (v) 向本集團或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；
- (vi) 本集團任何成員公司或任何投資實體之任何股東或本集團任何成員公司或任何投資實體所發行之任何證券之任何持有人；
- (vii) 本集團任何成員公司或任何投資實體任何業務範圍或業務發展之任何顧問（專業或非專業）或諮詢人；及
- (viii) 本集團業務運作或業務安排之任何合夥人或合作人。

Report of the Directors 董事會報告書

(c) Maximum number of share options available for issue under the Share Option Scheme

- (i) The maximum number of shares which may be issued upon exercise of all outstanding share option granted and yet to be exercised under the Share Option Scheme and any other schemes for the time being of the Company shall not exceed 30% of the shares in issue from time to time. Share options of the Company which are lapsed or cancelled for the time being shall not be counted for the purpose of calculating the said 30% limit; and
- (ii) The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Schemes is an amount equivalent to 10% of the shares of the Company in issue as at the dates of approval of the Share Option Schemes unless approval for refreshing the 10% limit from the Shareholders has been obtained.

(d) Maximum entitlement of each participant

The total number of shares issued upon exercise of the share options granted and to be granted to each grantee under the Share Option Scheme and any other schemes for the time being of the Company (including both exercised and outstanding share options) in any 12-month period up to the date of grant to each grantee must not exceed 1% of the aggregate number of shares for the time being in issue.

(e) Remaining life and exercisable period of the share options

There is no general requirement that a share option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular share option. A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period of 10 years commencing on the Date of Grant and expiring on the last day of the said 10-year period.

(c) 根據購股權計劃可供發行購股權之數目上限

- (i) 根據購股權計劃及本公司當時任何其他計劃授出之所有未行使購股權獲行使時可發行之股份數目，最多不得超過不時已發行股份之30%。本公司當時作廢或註銷之購股權，於計算以上之30%上限時，不得計算在內；及
- (ii) 除獲股東批准更新10%之上限外，根據購股權計劃已授出及將予授出之所有購股權獲行使時可予發行之股份最高數目相當於批准購股權計劃當日本公司已發行股份數目之10%。

(d) 各參與人之權利上限

於截至向每位獲授人授出日期為止之任何12個月期間內，根據購股權計劃及本公司當時任何其他計劃向每位獲授人授出及將予授出之購股權(包括已行使及未行使之購股權)獲行使而已發行之股份總數，不得超過當時已發行股份總數之1%。

(e) 購股權之剩餘壽命及行使時限

現時並無一般規定限制購股權必須於持有任何最短期限後方可行使，惟董事會獲授權於授出任何特定購股權時，可酌情施加任何該等最短期限限制。由授出日期起計10年至該段10年期間最後一日內任何時間，購股權可根據購股權計劃之條款行使。

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(f) Payment on acceptance of the share options offer

A sum of HK\$1 is payable by the Participant on acceptance of the share option offer.

(g) Basis of determining the subscription price

The subscription price for shares under the Share Option Scheme should be a price notified by the Board to a Participant to whom any offer of the grant of a share option is made and shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant, provided that the subscription price should not be lower than the nominal value of a share.

No share options under the Share Option Scheme was issued and outstanding during the Year.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors

Mr. LAM Shiu Ming, Daneil (*Chairman*)

Mr. LAM Kit Sun

Non-executive Director

Mr. HUNG Cho Sing

(resigned on 31st July 2019)

Independent non-executive Directors

Mr. LAM Chi Keung

Mr. CHOI Wing Koon

Mr. TANG Yiu Wing

(f) 接納購股權要約時之 應付代價

參與人於接納購股權要約時應付1港元之代價。

(g) 釐定認購價之基準

根據購股權計劃釐定之股份認購價須為董事會向已獲任何授出購股權要約之參與人所知會之價格，惟不得低於以下各項之較高數值：(i)於授出日期(必須為營業日)股份在聯交所每日報價表所報之收市價；及(ii)於緊接授出日期前五個營業日股份於聯交所每日報價表所報之平均收市價，惟認購價不得低於一股股份之面值。

年內概無認股權計劃下的認股權發行及未行使。

董事

於本年度內及截至本報告日期的董事如下：

執行董事

林小明先生(主席)

林傑新先生

非執行董事

洪祖星先生

(於二零一九年七月三十一日辭任)

獨立非執行董事

林芝強先生

蔡永冠先生

鄧耀榮先生

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Mr. Lam Kit Sun and Mr. Lam Chi Keung will retire by rotation at the forthcoming annual general meeting of the Company in accordance with Bye-law 87(1) and Bye-law 87(2) of the Bye-laws and Mr. Lam Kit Sun and Mr. Lam Chi Keung being eligible, will offer themselves for re-election at such meeting.

For the biographical details of the Director who will stand for re-election and the candidates who will be proposed to be elected as Directors, please refer to the circular containing the notice of the forthcoming annual general meeting of the Company to be despatched.

All independent non-executive Directors have been appointed for a specific term and subject to retirement by rotation as specified by the Bye-laws and the Listing Rules.

The Company has received from each of the above independent non-executive Directors a confirmation of his independence pursuant to Rules 3.13 of the Listing Rules and the Company is satisfied that they are independent as such.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 49 to the consolidated financial statements, no other contracts of significance in relation to the Group's business to which the Company, its holding company, its subsidiaries or its fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Year.

林傑新先生及林芝強先生根據細則第87(1)及87(2)條須於即將舉行之本公司股東週年大會上輪值退任，及林傑新先生及林芝強先生符合資格並願意於該大會上膺選連任。

有關將重選連任之董事以及提名參選董事之候選人之履歷詳情，請參閱將予寄發且當中載有本公司應屆股東週年大會通告的函。

所有獨立非執行董事之委任均有指定任期並須按照公司細則及上市規則之規定輪值退任。

根據上市規則第3.13條，本公司已向上述各獨立非執行董事收取其獨立性之確認書及本公司亦信納彼等為獨立人士。

董事服務合約

擬於即將舉行之股東週年大會上膺選連任之董事並無與本公司訂立本公司在一年內不可在不予賠償(法定賠償除外)的情況下終止之服務合約。

董事之重大合約權益

除綜合財務報表附註49所披露者外，本公司、其控股公司、其附屬公司或同系附屬公司概無參與訂立於年末或本年度任何時間仍然生效、與本集團業務有關且董事直接或間接擁有重大權益之其他重大合約。

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董事會報告書

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has an interest in a business which competes or may compete with the business of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June 2020, the interests of each of the Directors and chief executives of the Company in the shares (within the meaning of the SFO) which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interest which any such Director was taken or deemed to have under such provisions of the SFO) or; (b) entered in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO or; (c) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules are as follows:

董事於競爭性業務的權益

董事概無於對本集團業務構成競爭或可能構成競爭之業務中擁有權益。

董事及主要行政人員於股份、 相關股份及債券之權益

於二零二零年六月三十日，各董事及本公司主要行政人員於股份(定義見證券及期貨條例)中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益(包括任何該等董事根據證券及期貨條例有關條文被當作或視為擁有之權益)或；(b)須記錄於本公司按證券及期貨條例第XV部第352條規定須置存之登記冊內之權益或；(c)根據上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益如下：

| Name | Nature of interest | Number of the Company's shares held | Percentage of shareholding |
|---|--|-------------------------------------|----------------------------|
| 姓名 | 權益性質 | 所持本公司股份數目 | 持股百分比 |
| Mr. Lam Shiu Ming, Daneil 林小明先生 | Beneficial owner 實益擁有人 | 200,860,000 | 22.16% |
| | Founder and the discretionary object of a discretionary trust (Note a) 全權信託之創辦人及全權信託對象(附註a) | 33,546,853 | 3.70% |
| | Interest of a controlled corporation (Note b) 受控制法團權益(附註b) | 430,120,020 | 47.44% |
| | | 664,526,873 | 73.30% |
| Mr. Lam Kit Sun (Director) 林傑新先生(董事) | Beneficial owner 實益擁有人 | 5,920,000 | 0.65% |

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董事會報告書

Notes:

- (a) The trustee of the discretionary trust is Central Core Resources Limited which owns the entire issued share capital of the Globalcrest Enterprises Limited (“Globalcrest”) which in turn was interested in 33,546,853 shares of the Company as at 30th June 2020. Mr. Lam Shiu Ming, Daneil is the discretionary object of the discretionary trust.
- (b) Pioneer Entertainment Group Limited (“Pioneer Entertainment”), a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Lam Shiu Ming, Daneil, was interested in 430,120,020 shares of the Company as at 30th June 2020.

All the interests in the shares and underlying shares of the Company were long positions.

Save as disclosed above, as at 30th June 2020, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were deemed or taken to have under such provisions of the SFO) or; (b) entered in the register kept by the Company pursuant to Section 352 of Part XV of the SFO or; (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the Year, the Directors and chief executives of the Company (including their spouse and children under 18 years of age) had any interests in, or had been granted, or exercised, any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations required to be disclosed pursuant to the SFO.

In addition, at no time during the Year was the Company, its holding company, its subsidiaries, its associated company or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in or debentures of, the Company or its associated corporation.

附註：

- (a) 該全權信託之受託人為Central Core Resources Limited，其擁有Globalcrest Enterprises Limited(「Globalcrest」)之全部已發行股本，而Globalcrest於二零二零年六月三十日於本公司33,546,853股股份中擁有權益。林小明先生為該全權信託之全權信託對象。
- (b) Pioneer Entertainment Group Limited (「Pioneer Entertainment」)為一於英屬處女群島註冊成立之有限公司，由林小明先生全資擁有，於二零二零年六月三十日於本公司430,120,020股股份中擁有權益。

所有於本公司股份及相關股份之權益均為好倉。

除上文所披露者外，於二零二零年六月三十日，各董事或本公司主要行政人員概無於本公司及其相聯法團的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉(包括彼等根據證券及期貨條例有關條文被視為或當作擁有之權益)或；(b)須記錄於本公司按證券及期貨條例第XV部第352條置存之登記冊內之任何權益或淡倉或；(c)根據標準守則須知會本公司及聯交所之任何權益或淡倉。

除上文所披露者外，於本年度內任何時間，各董事及本公司主要行政人員(包括彼等之配偶及18歲以下之子女)並無擁有、或獲授予或行使任何可認購本公司及其相聯法團之股份(或認股權證或債券，如適用)之權利之任何權益而根據證券及期貨條例須作出披露。

此外，本公司、其控股公司、其附屬公司、其聯營公司或其同系附屬公司於本年度內任何時間並無訂立任何安排，使董事及本公司之主要行政人員(包括彼等之配偶及18歲以下之子女)可於本公司或其相聯法團之股份或相關股份或債券中擁有任何權益或淡倉。

Report of the Directors

董事會報告書

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 30th June 2020, Shareholders (other than Directors or chief executive of the Company disclosed above) who had interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company under Section 336 of Part XV of the SFO are as follows:

| Name | Capacity | Number of shares and underlying shares of the Company held | Approximate percentage of the total issued share capital of the Company 佔本公司已發行股本總額之概約百分比 |
|--|---------------------------|--|--|
| 名稱 | 身分 | 所持本公司股份及相關股份數目 | |
| Pioneer Entertainment (Note a) Pioneer Entertainment(附註a) | Beneficial owner 實益擁有人 | 430,120,020 | 47.44% |

Note:

- (a) Pioneer Entertainment, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Lam Shiu Ming, Daneil.

All the interests disclosed above represent long positions in shares.

Save as disclosed above, as at 30th June 2020, no other person has any interests or short positions in the shares, underlying shares and debentures of the Company in the register required to be kept by Company under Section 336 of Part XV of the SFO.

MANAGEMENT CONTRACTS

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

主要股東

就任何董事或本公司主要行政人員所知悉，於二零二零年六月三十日，除以上披露之董事或本公司主要行政人員外，以下股東於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部規定須向本公司披露，或記錄於本公司按證券及期貨條例第XV部第336條規定置存之登記冊之權益或淡倉如下：

| Name | Capacity | Number of shares and underlying shares of the Company held | Approximate percentage of the total issued share capital of the Company 佔本公司已發行股本總額之概約百分比 |
|--|---------------------------|--|--|
| 名稱 | 身分 | 所持本公司股份及相關股份數目 | |
| Pioneer Entertainment (Note a) Pioneer Entertainment(附註a) | Beneficial owner 實益擁有人 | 430,120,020 | 47.44% |

附註：

- (a) Pioneer Entertainment為一家於英屬處女群島註冊成立之有限公司，由林小明先生全資擁有。

上文所披露之所有權益均為股份之好倉。

除上文所披露者外，於二零二零年六月三十日，概無其他人士於本公司之股份、相關股份及債券中擁有記錄於本公司根據證券及期貨條例第XV部第336條須予置存之登記冊內之任何權益或淡倉。

管理合約

本年度內，本公司並無就本公司整體業務或任何重要業務部分之管理及行政工作簽訂或存在任何合約。

Report of the Directors

董事會報告書

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws and there are no restrictions against such rights under the laws in Bermuda.

MAJOR SUPPLIERS AND CUSTOMERS

The percentage of purchases and sales for the Year attributable to the Group's major suppliers and customers are as follows:

Purchases

| | |
|---------------------------------------|----|
| - the largest supplier | 5% |
| - five largest suppliers in aggregate | 8% |

Sales

| | |
|---------------------------------------|-----|
| - the largest customer | 10% |
| - five largest customers in aggregate | 18% |

None of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

CONTINUING CONNECTED TRANSACTION

Universe Digital Entertainment Limited ("UDE"), an indirect wholly-owned subsidiary of the Company, entered into a tenancy agreement with Universe Property Investment Limited ("UPI"), a company owned by Mr. Daneil Lam, the executive Director of the Company, for renting (1) an industrial unit on the 18th Floor of a 28-storey industrial building over a 2-storey lorry/car parking podium plus a 2-level basement (with a saleable area of approximately 13,983 square foot) and (2) 5 carparking spaces on the 2nd Floor of a 28-storey industrial building over a 2-storey lorry/car parking podium plus a 2-level basement ("Rented Properties") for warehouse, ancillary office and carparking uses from 25th February 2018 to 24th February 2021, with a monthly rental of HK\$244,000 (the "Tenancy Agreement") which were arrived at following arm's length negotiation between the Group and UPI with reference to the rental valuation performed by Ravia Global Appraisal Advisory Limited, an independent property valuer, as at 22nd January 2018 which reflected the then market rent.

優先購買權

根據細則並無優先購買權之規定及百慕達法律並無限制有關權利。

主要供應商及客戶

本年度內本集團主要供應商及客戶所佔之購貨額及銷售額百分比如下：

購貨額

| | |
|-----------|----|
| - 最大供應商 | 5% |
| - 五大供應商合計 | 8% |

銷售額

| | |
|----------|-----|
| - 最大客戶 | 10% |
| - 五大客戶合計 | 18% |

各董事、彼等之聯繫人或任何股東(就董事所知擁有本公司逾5%之股本)概無擁有上述主要供應商或客戶之權益。

持續關連交易

本公司間接全資附屬公司寰宇數碼娛樂有限公司(「寰宇數碼娛樂」)與本公司執行董事林小明先生擁有之公司寰宇物業投資有限公司(「寰宇物業投資」)就自二零一八年二月二十五日起至二零二一年二月二十四日止以月租金244,000港元租用(1)坐落於一棟2層高貨車/私家車停車場平台加2層地下室上28層高工業大廈之18樓的一個工業單位(可銷售面積約為13,983平方呎)及(2)坐落於一棟2層高貨車/私家車停車場平台加2層地下室上28層高工業大廈之2樓的5個停車位(「租賃物業」)用作倉庫、配套辦公室及停車場訂立租賃協議(「租賃協議」)。該協議由本集團與寰宇物業投資經參考獨立物業估值師瑞豐環球評估諮詢有限公司於二零一八年一月二十二日作出的租金估值(反映當時市場租金)後公平磋商達致。

Report of the Directors 董事會報告書

During the Year, UDE has paid a total of HK\$2,928,000 in rent to UPI in respect of the Rented Properties in accordance with the terms of the Tenancy Agreement.

The Group has initially applied HKFRS 16 at 1st July 2019. Under HKFRS16, the Group recognized repayment of lease liabilities, depreciation of right-of-use assets and interest expenses of approximately HK\$2,836,000, HK\$2,847,000 and HK\$92,000 respectively instead of rental expenses in respect of the Rented Properties during the Year. Further details of the changes in accounting policies are disclosed in note 2.1(i) and note 49 to the consolidated financial statements.

LISTING RULE IMPLICATIONS OF THE CONTINUING CONNECTED TRANSACTIONS

Mr. Daneil Lam is a connected person of the Company (as defined under the Listing Rules). As such, the Tenancy Agreement constituted continuing connected transactions for the Company under the Listing Rules.

Accordingly, the entering into of the Tenancy Agreement (on an annual basis) constituted continuing connected transactions for the Company under the Listing Rules. As the relevant considerations and certain applicable percentage ratios for the entering into of the Tenancy Agreement (on an annual basis) are less than HK\$3,000,000 and are less than 5% respectively, the entering into of the Tenancy Agreement (on an annual basis) falls within the de minimis rule under Rule 14A.76 of the Listing Rules and such transactions will be fully exempted from any reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Apart from the above, there are other related party transactions entered into by the Group during the Year, all of which constituted exempted connected transactions for the Company under the Listing Rules, or did not fall under the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules during the Year. Details of these transactions are disclosed in Note 49 to the consolidated financial statements.

於本年度，根據租賃協議的條款，寰宇數碼娛樂已就租賃物業向寰宇物業投資支付租金合共2,928,000港元。

本集團已於二零一九年七月一日首次應用香港財務報告準則第16號。根據香港財務報告準則第16號，本集團於本年度確認租賃負債還款、使用權資產折舊及利息開支分別約2,836,000港元、2,847,000港元及92,000港元，而非租賃物業之租金開支。有關會計政策變動之進一步詳情於綜合財務報表附註2.1(i)及附註49披露。

持續關連交易的上市規則涵義

林小明先生為本公司關連人士(定義見上市規則)。因此，租賃協議構成上市規則項下本公司持續關連交易。

因此，根據上市規則，訂立租賃協議(按年度基準)構成本公司的持續關連交易。由於相關代價及訂立租賃協議(按年度基準)的若干適用百分比率分別低於3,000,000港元及低於5%，因此訂立租賃協議(按年度基準)符合上市規則第14A.76條最低限額規定，有關交易將獲全面豁免上市規則第14A章項下任何申報、年度審閱、公佈、通函及獨立股東批准規定。

除上文所述外，本集團於本年度進行其他關連人士交易，根據上市規則，所有該等交易均構成本公司之獲豁免關連交易，或於本年度不符合上市規則第14A章下「關連交易」或「持續關連交易」之定義。該等交易之詳情於綜合財務報表附註49中披露。

Report of the Directors

董事會報告書

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Year. The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme as set out in this report, no equity-linked agreement that would or might result in the Company issuing shares, or that requiring the Company to enter into an agreement that would or might result in the Company issuing shares, was entered into by the Company during the year or subsisted at the end of the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as at 30th June 2020.

AUDITOR

The consolidated financial statements have been audited by Crowe (HK) CPA Limited who will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment.

On behalf of the Board

Lam Shiu Ming, Daneil
Chairman

Hong Kong, 29th September 2020

已獲准彌償保證條文

一項以董事利益之已獲准彌償保證條文現時正生效並於年內一直生效。本公司已就企業活動過程中其董事及高級管理層面對的法律訴訟為董事及高級職員投購責任保險。

股權掛鈎協議

除本報告所載的購股權計劃外，於年內本公司並無訂立或於年末存續會導致或可能導致本公司發行股份或規定本公司訂立將會或可能導致本公司發行股份的股權掛鈎協議。

充裕的公眾持股量

根據本公司公開所得的資料以及就董事所知，於二零二零年六月三十日，確認有佔本公司已發行股份至少25%的充裕公眾持股量。

核數師

綜合財務報表已由國富浩華(香港)會計師事務所有限公司審核，該核數師將於即將舉行之股東週年大會上退任，及其符合資格並願意膺選連任。

代表董事會

主席
林小明

香港，二零二零年九月二十九日

Independent Auditor's Report 獨立核數師報告書



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

To the shareholders of Universe Entertainment and Culture Group Company Limited

(Incorporated in Bermuda with limited liability)

致寰宇娛樂文化集團有限公司股東

(於百慕達註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Universe Entertainment and Culture Group Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 89 to 326, which comprise the consolidated balance sheet as at 30th June 2020, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the 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 30th June 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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.

意見

我們已審核列載於第89至326頁寰宇娛樂文化集團有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，此綜合財務報表包括於二零二零年六月三十日的綜合資產負債表與截至該日止年度的綜合全面收益表、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，包括重要會計政策概要。

我們認為，綜合財務報表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」）足以真實公平地反映 貴集團於二零二零年六月三十日的綜合財務狀況以及其截至該日止年度的綜合財務表現及其綜合現金流，並已按照香港公司條例的披露規定妥為編製。

意見基準

我們按照香港會計師公會頒佈的香港核數準則（「香港核數準則」）進行審核。本報告核數師就審核綜合財務報表章節承擔的責任進一步闡述我們於該等準則下承擔的責任。根據香港會計師公會發佈的專業會計師道德守則（「守則」），我們獨立於 貴集團，並已按照守則履行我們的其他道德責任。我們相信我們獲取的審核憑證乃充分、適當，為發表意見提供基礎。

Independent Auditor's Report

獨立核數師報告書

KEY AUDIT MATTERS

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

Recoverability of accounts receivable

Refer to notes 3.1(b), 4(a)(ii) and 20 to the consolidated financial statements.

關鍵審核事項

關鍵審核事項為根據我們的專業判斷，認為對當期綜合財務報表的審核最為重要的事項。該等事項在對綜合財務報表整體進行審核並形成審核意見的背景下來進行處理，我們並不單獨對該等事項提供意見。

應收賬款之可收回性

參閱綜合財務報表附註3.1(b)、4(a)(ii)及20。

| The Key Audit Matter 關鍵審核事項 | How the matter was addressed in our audit 我們的審核如何處理該事項 |
|---|---|
| <p>The Group's operations gave rise to significant accounts receivable at the end of the reporting period. Given the size of the balances and the risk that some of the accounts receivable may not be recoverable, judgement is required to evaluate whether any allowance should be made to reflect the risk. As at 30th June 2020, the Group's gross accounts receivable amounted to approximately HK\$74,171,000, against which loss allowance of approximately HK\$1,066,000 were provided.</p> <p>於報告期末，貴集團之業務產生重大應收賬款。鑒於結餘之規模及若干應收賬款可能無法收回之風險，須作出判斷以評估是否須作出任何撥備以反映該風險。於二零二零年六月三十日，貴集團之應收賬款總額約為74,171,000港元，已就此計提虧損撥備約為1,066,000港元。</p> | <p>Our audit procedures to assess the recoverability of accounts receivable included the following:</p> <p>我們評估應收賬款之可收回性之審核程序包括以下各項：</p> <ul style="list-style-type: none">obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection assessing the expected credit loss of accounts receivable and recognising the loss allowance of accounts receivable;了解及評估有關信貸控制、債務收回、評估應收賬款預期信貸虧損及確認應收賬款虧損撥備之關鍵內部控制之設計、實施及運作成效； |

Independent Auditor's Report

獨立核數師報告書

KEY AUDIT MATTERS (Continued)

關鍵審核事項(續)

Recoverability of accounts receivable (Continued)

應收賬款之可收回性(續)

| The Key Audit Matter 關鍵審核事項 | How the matter was addressed in our audit 我們的審核如何處理該事項 |
|--|--|
| <p>Loss allowance for accounts receivable is based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue accounts receivable, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.</p> <p>應收賬款之虧損撥備乃基於管理層對將產生之全期預期信貸虧損之估計，其經計及信貸虧損經驗、逾期應收賬款之賬齡、客戶之還款記錄及客戶之財務狀況以及對當前及預測整體經濟狀況之評估而估計，所有該等因素均涉及重大程度之管理層判斷。</p> | <ul style="list-style-type: none"> • comparing, on a sample basis, the categorisation of accounts receivable in the ageing report with invoices issued, contract terms and other relevant underlying documentation; • 抽樣比較賬齡報告中應收賬款之分類與已發出之發票、合約條款及其他相關文件； |

Independent Auditor's Report

獨立核數師報告書

KEY AUDIT MATTERS (Continued)

Recoverability of accounts receivable (Continued)

關鍵審核事項(續)

應收賬款之可收回性(續)

| The Key Audit Matter 關鍵審核事項 | How the matter was addressed in our audit 我們的審核如何處理該事項 |
|--|--|
| <p>We identified assessing the recoverability of accounts receivable as a key audit matter because the assessment of the recoverability of accounts receivable and recognition of loss allowance are inherently subjective and requires significant management judgement, which increases the risk of error or potential management bias.</p> <p>我們將應收賬款之可收回性評估識別為關鍵審核事項，原因是應收賬款之可收回性評估及虧損撥備之確認存在固有主觀性，需要管理層作出重大判斷，增加了錯誤或潛在管理層偏見之風險。</p> | <ul style="list-style-type: none"> • assessing the reasonableness of managements loss allowance estimates by examining the information used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there was an indication of management bias when recognising loss allowances; and • 透過檢查管理層達成該等判斷使用之資料，評估管理層估計虧損撥備之合理性，包括測試歷史違約數據之準確性、評估歷史虧損率是否根據當前經濟狀況及前瞻性資料進行適當調整及檢查於當前財政年度錄得之實際虧損，並在確認虧損撥備時評估是否存在管理偏差之跡象；及 • inspecting cash receipts, on a sample basis, from customers subsequent to the end of the reporting period relating to accounts receivable as at 30th June 2020. • 按抽樣基準，檢查於報告期末後自客戶收取與二零二零年六月三十日之應收賬款有關之現金。 |

Independent Auditor's Report

獨立核數師報告書

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

綜合財務報表及核數師報告以外的資料

董事需對其他資料負責。其他資料包括年報所載的全部資料，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審核，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在此方面，我們無任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的綜合財務報表，並對其認為使綜合財務報表的編製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監控負責。

於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，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助董事履行監督貴集團財務報告程序的責任。

Independent Auditor's Report

獨立核數師報告書

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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表 承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體成員報告。除此之外我們的報告別無其他目的。我們概不就本報告的內容，對任何其他人士負責或承擔責任。

合理保證屬高層次保證，惟不能保證按照香港審核準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

於根據香港審核準則進行審核過程中，我們運用專業判斷並保持專業懷疑態度。我們亦：

- 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該等風險，以及獲取充足和適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，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監控，以設計適當的審核程序，但目的並非對貴集團內部監控的有效性發表意見。

Independent Auditor's Report

獨立核數師報告書

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

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

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

核數師就審核綜合財務報表 承擔的責任(續)

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據所獲取的審核憑證，總結是否存在對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關披露。倘相關披露不足，則修訂我們的意見。我們的結論乃以截至核數師報告日期所獲得的審核憑證為基礎。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足、適當的審核憑證，以便對綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們為我們的審核意見承擔全部責任。

我們與審計委員會就(其中包括)審核工作的計劃範圍及時間安排以及重大審核發現(包括我們於審核期間識別出的內部監控的任何重大缺陷)進行溝通。

Independent Auditor's Report

獨立核數師報告書

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Wai Dune, Charles.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 29th September 2020

Chan Wai Dune, Charles
Practising Certificate Number P00712

核數師就審核綜合財務報表 承擔的責任(續)

我們亦向審計委員會提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及就消除威脅已採取的行動或已應用的防範措施(如適用)與彼等溝通。

自與審計委員會溝通的事項中，我們釐定對當期綜合財務報表的審核工作最為重要的事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律或法規不容許公開披露此等事項，或於極為罕見的情況下，如合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不於報告中溝通該事項。

出具本獨立核數師報告審核的項目合夥人為陳維端。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港，二零二零年九月二十九日

陳維端
執業證書編號P00712

Consolidated Balance Sheet

綜合資產負債表

As at 30th June 2020 於二零二零年六月三十日

| | | Note | As at 30th June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 | As at 30th June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (Note) (附註) |
|--|-------------------|-------|--|--|
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、機器及設備 | 6 | 17,271 | 4,649 |
| Investment properties | 投資物業 | 7 | 31,460 | 31,460 |
| Other intangible assets | 其他無形資產 | 8 | 2,239 | 2,387 |
| Film rights and films in progress | 電影版權及製作中之電影 | 9 | 221,760 | 235,304 |
| Interests in associates | 於聯營公司之權益 | 11 | - | 1,085 |
| Loan to an associate | 授予一間聯營公司之貸款 | 21(b) | - | 4,288 |
| Film related deposits | 電影相關訂金 | | 68,346 | 74,426 |
| Deposits paid | 已付訂金 | 14 | 407 | 1,596 |
| Deferred tax assets | 遞延稅項資產 | 15 | 271 | 341 |
| Other financial assets | 其他金融資產 | 16 | 10,008 | 9,574 |
| | | | 351,762 | 365,110 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 19 | 10,963 | 9,217 |
| Accounts receivable | 應收賬款 | 20 | 73,105 | 11,161 |
| Loans receivable | 應收貸款 | 21(a) | 7,216 | 61,630 |
| Amount due from an associate | 應收一間聯營公司款項 | 12 | 53 | - |
| Deposits paid, prepayments and other receivables | 已付訂金、預付款項及其他應收款項 | 14 | 21,020 | 87,501 |
| Trading securities | 交易證券 | 17 | 3,300 | 8,691 |
| Contingent consideration receivable | 應收或然代價 | 22 | - | - |
| Tax recoverable | 可收回稅項 | | - | 2,242 |
| Tax certificate | 儲稅券 | | - | 45 |
| Bank balances and cash – trust accounts | 銀行結餘及現金 – 信託賬戶 | 23 | 780 | 869 |
| Time deposits with maturity over three months at acquisition | 於購入時到期日超過三個月之定期存款 | 24 | 108,640 | - |
| Cash and cash equivalents | 現金及現金等價物 | 24 | 106,949 | 178,228 |
| Total current assets | 流動資產總值 | | 332,026 | 359,584 |
| Total assets | 總資產 | | 683,788 | 724,694 |
| EQUITY | 權益 | | | |
| Equity attributable to the owners of the Company | 本公司擁有人應佔權益 | | | |
| Share capital | 股本 | 25 | 9,066 | 9,066 |
| Share premium | 股份溢價 | 27(a) | 35,013 | 35,013 |
| Other reserves | 其他儲備 | 27(a) | 547,995 | 546,467 |
| Accumulated losses | 累計虧損 | 27(a) | (236,378) | (209,315) |
| | | | 355,696 | 381,231 |
| Non-controlling interests | 非控股權益 | | (804) | (297) |
| Total equity | 總權益 | | 354,892 | 380,934 |

Consolidated Balance Sheet

綜合資產負債表

As at 30th June 2020 於二零二零年六月三十日

| | Note 附註 | As at 30th June 2020 於 二零二零年 六月三十日 HK\$'000 千港元 | As at 30th June 2019 於 二零一九年 六月三十日 HK\$'000 千港元 (Note) (附註) |
|--|------------|--|--|
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | 28 | 5,612 | - |
| Deferred tax liabilities | 15 | 84 | 90 |
| | | 5,696 | 90 |
| Current liabilities | | | |
| Accounts payable | 29 | 19,301 | 10,821 |
| Amount due to an associate | 12 | - | 2,725 |
| Other payables and accrued charges | 30 | 158,870 | 74,610 |
| Contingent consideration payable | 31 | 20,400 | 20,400 |
| Contract liabilities | 32 | 97,397 | 193,454 |
| Deposits received | | 11,409 | 34,923 |
| Obligations under a finance lease | 28 | - | 7 |
| Lease liabilities | 28 | 9,863 | - |
| Taxation payable | | 5,960 | 6,730 |
| Total current liabilities | | 323,200 | 343,670 |
| Total liabilities | | 328,896 | 343,760 |
| Total equity and liabilities | | 683,788 | 724,694 |
| Net current assets | | 8,826 | 15,914 |
| Total assets less current liabilities | | 360,588 | 381,024 |

Note: The Group has initially applied HKFRS 16 at 1st July 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.1(i).

附註：本集團於二零一九年七月一日使用修訂追溯法初步應用香港財務報告準則第16號。根據此方法，比較資料不予重列。見附註2.1(i)。

The notes on pages 97 to 326 are an integral part of these consolidated financial statements.

載於第97頁至第326頁之附註為綜合財務報表之一部分。

The consolidated financial statements on pages 89 to 326 were approved by the Board on 29th September 2020 and were signed on its behalf:

載於第89頁至第326頁之綜合財務報表於二零二零年九月二十九日經董事會批准及由以下代表簽署：

Lam Shiu Ming, Daneil
Director

Lam Kit Sun
Director

林小明
董事

林傑新
董事

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 30th June 2020 截至二零二零年六月三十日止年度

| | Note | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 (Note) (附註) |
|--|-------|----------------------------------|--|
| CONTINUING OPERATIONS: | | | |
| Revenue | | | |
| Sales of goods – video distribution, optical products and watches products | | 52,229 | 38,090 |
| Income on film distribution and exhibition, licensing and sub-licensing of film rights | | 153,653 | 5,343 |
| Income from other businesses | | 20,885 | 18,236 |
| Total revenue | 5 | 226,767 | 61,669 |
| Cost of revenue | | | |
| Cost of inventories sold | 19 | (41,025) | (27,254) |
| Related cost on film distribution and exhibition, licensing and sub-licensing of film rights | | (71,175) | (10,185) |
| Cost for other businesses | | (11,027) | (8,850) |
| Total cost of revenue | | (123,227) | (46,289) |
| Selling expenses | | (16,943) | (12,572) |
| Administrative expenses | | (80,987) | (73,989) |
| Impairment loss of interest in an associate | 11 | – | (1,065) |
| Impairment loss of film related deposits | | (11,356) | (67) |
| Impairment loss of film rights and films in progress | 9 | (4,653) | (165) |
| Impairment loss of property, plant and equipment | 6 | (1,090) | – |
| Impairment loss of right-of-use assets | 6 | (2,069) | – |
| Impairment loss of other intangible assets | 8 | (1,165) | – |
| Change in expected credit loss | 34 | (23,175) | (26,823) |
| Amortisation of other intangible assets | 8 | (397) | (148) |
| Other income | 38 | 2,878 | 9,810 |
| Other gains/(losses) – net | 39 | 14,523 | (4,207) |
| (Losses)/gains: | | | |
| Fair value change of trading securities | | (5,391) | (5,288) |
| Fair value change of other financial assets carried at fair value through profit or loss | | (3,581) | (19,437) |
| Fair value change of contingent consideration receivable | 22 | – | (3,796) |
| Fair value change on investment properties | 7 | – | 2,100 |
| Finance income | 40 | 2,987 | 2,392 |
| Finance costs | 33(c) | (542) | – |
| Share of losses of associates | | (1,085) | (725) |
| Loss before taxation | 33 | (28,506) | (118,600) |
| Income tax credit | 41 | 141 | 123 |
| Loss for the year from continuing operations | | (28,365) | (118,477) |

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 30th June 2020 截至二零二零年六月三十日止年度

| | Note 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 (Note) (附註) |
|---|------------|----------------------------------|--|
| DISCONTINUED OPERATION: | | | |
| Profit/(loss) for the year from discontinued operation | | | |
| | 42 | 795 | (3,098) |
| Loss for the year | | (27,570) | (121,575) |
| Other comprehensive income: | | | |
| Items that may be reclassified to profit or loss: | | | |
| Currency translation differences | | 1,528 | 171 |
| Other comprehensive income for the year, net of tax | | 1,528 | 171 |
| Total comprehensive loss for the year | | (26,042) | (121,404) |
| Profit/(loss) attributable to owners of the Company: | | | |
| – from continuing operations | | (27,858) | (118,102) |
| – from discontinued operation | | 795 | (3,098) |
| Loss for the year attributable to owners of the Company | | (27,063) | (121,200) |
| Loss attributable to non-controlling interests: | | | |
| – from continuing operations | | (507) | (375) |
| – from discontinued operation | | – | – |
| Loss for the year attributable to non-controlling interests | | (507) | (375) |
| Total comprehensive loss for the year attributable to: | | | |
| Owners of the Company | | (25,535) | (121,029) |
| Non-controlling interests | | (507) | (375) |
| | | (26,042) | (121,404) |

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 30th June 2020 截至二零二零年六月三十日止年度

| | Note 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 (Note) (附註) |
|---|------------|----------------------------------|--|
| Total comprehensive income/(loss) attributable to owners of the Company arises from: | | | |
| Continuing operations | | (26,330) | (117,931) |
| Discontinued operation | | 795 | (3,098) |
| | | (25,535) | (121,029) |
| Loss per share attributable to owners of the Company for the year (expressed in HK\$): | | | |
| From continuing and discontinued operations | | | |
| - basic | 43(a) | (0.0299) | (0.134) |
| - diluted | 43(b) | (0.0299) | (0.134) |
| From continuing operations | | | |
| - basic | 43(a) | (0.0307) | (0.131) |
| - diluted | 43(b) | (0.0307) | (0.131) |

Note: The Group has initially applied HKFRS 16 at 1st July 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.1(i).

附註：本集團於二零一九年七月一日使用修訂追溯法初步應用香港財務報告準則第16號。根據此方法，比較資料不予重列。見附註2.1(i)。

The notes on pages 97 to 326 are an integral part of these consolidated financial statements.

載於第97頁至第326頁之附註為綜合財務報表之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 30th June 2020 截至二零二零年六月三十日止年度

| | | Attributable to the owners of the Company | | | | | Non-controlling interests | Total equity |
|--|---------------------------------------|---|------------------|----------------|--------------------|------------------|---------------------------|------------------|
| | | 本公司擁有人應佔 | | | | | | |
| | | Share capital | Share premium | Other reserves | Accumulated losses | Total | | |
| Note | 股本 | 股份溢價 | 其他儲備 | 累計虧損 | 總計 | 非控股權益 | 總權益 | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Balance at 1st July 2018 | 於二零一八年七月一日之結餘 | 9,066 | 928,358 | 67,565 | (88,094) | 916,895 | 78 | 916,973 |
| Impact on initial application of HKFRS 9 | 首次應用香港財務報告準則第9號的影響 | - | - | (6,629) | (21) | (6,650) | - | (6,650) |
| | | 9,066 | 928,358 | 60,936 | (88,115) | 910,245 | 78 | 910,323 |
| Comprehensive Loss | 全面虧損 | | | | | | | |
| Loss for the Year | 年內虧損 | - | - | - | (121,200) | (121,200) | (375) | (121,575) |
| Other comprehensive loss | 其他全面虧損 | | | | | | | |
| Currency translation difference | 貨幣換算差額 | - | - | 171 | - | 171 | - | 171 |
| Total comprehensive loss for the Year | 年內全面虧損總額 | - | - | 171 | (121,200) | (121,029) | (375) | (121,404) |
| Transactions with owners | 與擁有人之交易額 | | | | | | | |
| Dividend paid | 已付股息 | 44 | - | (407,985) | - | (407,985) | - | (407,985) |
| Reduction of share premium | 削減股份溢價 | - | (893,345) | 893,345 | - | - | - | - |
| Total contributions by and distribution to owners of the company, recognised directly in equity | 本公司擁有人注資及向本公司擁有人分派之總額，直接於權益中確認 | - | (893,345) | 485,360 | - | (407,985) | - | (407,985) |
| Balance at 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及二零一九年七月一日之結餘 | 9,066 | 35,013 | 546,467 | (209,315) | 381,231 | (297) | 380,934 |
| Comprehensive loss | 全面虧損 | | | | | | | |
| Loss for the Year | 年內虧損 | - | - | - | (27,063) | (27,063) | (507) | (27,570) |
| Other comprehensive income | 其他全面收入 | | | | | | | |
| Currency translation difference | 貨幣換算差額 | - | - | 1,528 | - | 1,528 | - | 1,528 |
| Total other comprehensive income | 其他全面收入總額 | - | - | 1,528 | - | 1,528 | - | 1,528 |
| Total comprehensive income/(loss) for the Year | 年內全面收入/(虧損)總額 | - | - | 1,528 | (27,063) | (25,535) | (507) | (26,042) |
| Balance at 30th June 2020 | 於二零二零年六月三十日之結餘 | 9,066 | 35,013 | 547,995 | (236,378) | 355,696 | (804) | 354,892 |

Note: The Group has initially applied HKFRS 16 at 1st July 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.1(i).

附註：本集團於二零一九年七月一日使用修訂追溯法初步應用香港財務報告準則第16號。根據此方法，比較資料不予重列。見附註2.1(i)。

The notes on pages 97 to 326 are an integral part of these consolidated financial statements.

載於第97頁至第326頁之附註為綜合財務報表之一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 30th June 2020 截至二零二零年六月三十日止年度

| | | Note | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| Cash flows from operating activities | 營運活動之現金流量 | | | |
| Net cash generated from operating activities | 營運活動產生之淨現金 | 45(a) | 89,448 | 223,247 |
| Cash flows from investing activities | 投資活動之現金流量 | | | |
| Purchase of property, plant and equipment | 購入物業、機器及設備 | 6 | (3,134) | (3,821) |
| Purchase of other intangible assets | 購入其他無形資產 | 8 | (1,414) | – |
| Decrease in film related deposits | 電影相關訂金之減少 | | 14,543 | 553 |
| Increase in film related deposits | 電影相關訂金之增加 | | (30,007) | (40,471) |
| Payments for film rights and films in progress | 電影版權及製作中之電影付款 | 9 | (30,089) | (155,495) |
| Refund of film production cost | 退還電影製作費用 | 9 | 3,864 | – |
| Proceeds from capital return from available-for-sale financial assets | 可供出售金融資產之資本回報所得款項 | | 1,530 | 38,507 |
| Proceeds from disposal of available-for-sale financial assets | 出售可供出售金融資產之所得款項 | | 5,932 | – |
| Proceeds from disposal of property, plant and equipment | 出售物業、機器及設備之所得款項 | 45(a) | – | 34 |
| Repayment from loan receivable granted to a third party | 授予一名第三方應收貸款之還款 | | 1,910 | – |
| Loan receivable granted to a third party | 授予一名第三方之應收貸款 | | (6,025) | (1,000) |
| Interest received | 已收利息 | | 2,987 | 2,392 |
| Increase in time deposits with maturity over 3 months at acquisition | 於購入時到期日超過三個月之定期存款增加 | 24 | (108,640) | – |
| Net cash used in investing activities | 投資活動所用之淨現金 | | (148,543) | (159,301) |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 30th June 2020 截至二零二零年六月三十日止年度

| | | Note 附註 | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|------------|----------------------------------|----------------------------------|
| Cash flows from financing activities | 融資活動之現金流量 | | | |
| Capital element of finance leases payments | 融資租賃付款之資本部分 | 45(b) | - | (18) |
| Capital element of lease rentals paid | 已付租賃租金之資本部分 | 45(b) | (11,642) | - |
| Interest element of lease rentals paid | 已付租賃租金之利息部分 | 45(b) | (542) | - |
| Dividend paid | 已付股息 | 44 | - | (407,985) |
| Net cash used in financing activities | 融資活動所用之淨現金 | | (12,184) | (408,003) |
| Net decrease in cash and cash equivalents | 現金及現金等價物之淨減少 | | (71,279) | (344,057) |
| Cash and cash equivalents at beginning of the year | 於年初現金及現金等價物 | | 178,228 | 522,285 |
| Cash and cash equivalents at end of the year | 於年末現金及現金等價物 | | 106,949 | 178,228 |
| Analysis of cash and cash equivalents: | 現金及現金等價物分析： | | | |
| Cash and cash equivalents | 現金及現金等價物 | 24 | 106,949 | 178,228 |

Note: The Group has initially applied HKFRS 16 at 1st July 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.1(i).

附註：本集團於二零一九年七月一日使用修訂追溯法初步應用香港財務報告準則第16號。根據此方法，比較資料不予重列。見附註2.1(i)。

The notes on pages 97 to 326 are an integral part of these consolidated financial statements.

載於第97頁至第326頁之附註為綜合財務報表之一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

Universe Entertainment and Culture Group Company Limited (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in video distribution, film distribution and exhibition, licensing and sub-licensing of film rights, money lending, leasing of investment properties, entertainment business, securities investment, trading, wholesaling and retailing of optical products and watches products, and provisions of type-setting, translation, printing, design, distribution of financial print products and other related services.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of the principal place of business of the Company is 18th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 29th September 2020.

1 一般資料

寰宇娛樂文化集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要於從事錄像發行、電影發行及放映、授出及轉授電影版權、放貸、出租投資物業、娛樂業務、證券投資、眼鏡產品及鐘錶產品貿易、批發及零售業務以及提供財經印刷產品之排版、翻譯、印刷、設計、分派及其他相關服務。

本公司乃於百慕達註冊成立之有限公司，其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司主要營業地點的地址為香港新界葵涌大連排道192至200號偉倫中心第二期18樓。

本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

除另有說明外，綜合財務報表以千港元(千港元)呈列。綜合財務報表已經董事會於二零二零年九月二十九日批准刊發。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of contingent consideration receivable, other investments in equity securities, derivative financial instruments, contingent consideration payable and investment properties, which are carried at fair value.

2 重要會計政策摘要

編製綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內已貫徹應用。

2.1 編製基準

本集團的綜合財務報表乃根據所有適用香港財務報告準則（「香港財務報告準則」，為統稱詞彙，當中包括香港會計師公會（「香港會計師公會」）頒佈的所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例之披露規定而編製。此等財務報表亦符合聯交所證券上市規則（「上市規則」）的適用披露規定。

綜合財務報表已按照歷史成本法編製，並就應收或然代價、其他股本證券投資、衍生金融工具、應付或然代價及投資物業的重估（均按公平值列賬）而作出修訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Changes in accounting policy and disclosures

(i) Application of new or revised HKFRSs

The HKICPA has issued a new HKFRS, HKFRS 16, Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, Leases, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 重要會計政策摘要(續)

2.1 編製基準(續)

編製符合香港財務報告準則的綜合財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團之會計政策過程中運用其判斷。

會計政策變動及披露

(i) 應用新訂或經修訂香港財務報告準則

香港會計師公會已頒佈新訂香港財務報告準則，香港財務報告準則第16號，租賃，以及多項香港財務報告準則之修訂，該等準則及修訂於本集團當前會計期間首次生效。

除香港財務報告準則第16號，租賃外，上述變動對編製或列示本集團當前或過往期間業績及財務狀況之方式並無重大影響。本集團並未應用任何於當前會計期間尚未生效之新訂準則或詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) Application of new or revised HKFRSs (Continued)

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1st July 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1st July 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) 應用新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號，租賃

香港財務報告準則第16號取代香港會計準則第17號，*租賃*，及相關詮釋，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*、香港(準則詮釋委員會)-詮釋第15號，*經營租賃 – 優惠*及香港(準則詮釋委員會)-詮釋第27號，*評估涉及租賃法律形式交易*。其就承租人引入單一會計模型，要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或更短之租賃(「短期租賃」)及低價值資產租賃除外。出租人會計規定沿用香港會計準則第17號，基本上維持不變。

香港財務報告準則第16號亦引入額外定性及定量披露要求，旨在讓財務報表使用者評估租賃對實體財務狀況、財務表現及現金流量之影響。

本集團自二零一九年七月一日起初步應用香港財務報告準則第16號。本集團選用經修訂追溯法，故將初步應用之累計影響確認為於二零一九年七月一日期初權益結餘之調整。比較資料並無重列，且繼續根據香港會計準則第17號呈報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) Application of new or revised HKFRSs (Continued)

HKFRS 16, Leases (Continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

a. New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1st July 2019. For contracts entered into before 1st July 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) 應用新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號，租賃(續)

有關過往會計政策變動之性質及影響及所應用過渡選項之進一步詳情載列如下：

a. 租賃之新定義

租賃定義之變動主要與控制權之概念有關。香港財務報告準則第16號根據客戶是否在某一時段內控制已識別資產之使用(其可由指定使用量釐定)而對租賃作出定義。當客戶有權主導已識別資產用途以及從該用途中獲得絕大部分經濟利益時，即表示擁有控制權。

香港財務報告準則第16號內租賃之新定義僅適用於本集團於二零一九年七月一日或之後訂立或變更之合約。就於二零一九年七月一日前訂立之合約而言，本集團已採用過渡性可行權宜方法，繼續沿用之前對現有安排是否為租賃或包含租賃所作之評估結果。因此，先前根據香港會計準則第17號評估為租賃之合約繼續根據香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排之合約則繼續入賬列為未生效合約。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) Application of new or revised HKFRSs (Continued)

HKFRS 16, Leases (Continued)

b. Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 47. For an explanation of how the Group applies lessee accounting, see note 2.10(i).

At the date of transition to HKFRS 16 (i.e. 1st July 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1st July 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 2.97%.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) 應用新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號，租賃(續)

b. 承租人會計處理法及過渡影響

香港財務報告準則第16號剔除先前香港會計準則第17號要求承租人將租賃分類為經營租賃或融資租賃之規定。反之，當本集團為承租人，其須將所有租賃資本化，包括先前根據香港會計準則第17號分類為經營租賃之租賃，惟該等短期租賃及低價值資產租賃除外。就本集團而言，該等新資本化租賃主要與物業、機器及設備有關，正如附註47所披露者。有關本集團如何應用承租人會計處理法之解釋，見附註2.10(i)。

於過渡至香港財務報告準則第16號當日(即二零一九年七月一日)，本集團釐定餘下租期之長短，並就先前分類為經營租賃之租賃按於二零一九年七月一日之相關增量借款利率貼現之餘下租賃付款現值計量租賃負債。用於釐定餘下租賃付款現值之增量借款利率加權平均數為2.97%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

b. *Lessee accounting and transitional impact* (Continued)

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 30th June 2020;

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號，租賃(續)

b. *承租人會計處理法及過渡影響(續)*

為緩解過渡至香港財務報告準則第16號之影響，本集團於初步應用香港財務報告準則第16號當日應用以下確認豁免及可行權宜方法：

- (i) 本集團選擇不應應用香港財務報告準則第16號有關確認租賃負債及使用權資產至剩餘租期於香港財務報告準則第16號初步應用日期起計12個月內結束(即租期於二零二零年六月三十日或之前結束)之租賃之規定：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

b. *Lessee accounting and transitional impact* (Continued)

(ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

(iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 30th June 2019 as an alternative to performing an impairment review.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號，租賃(續)

b. *承租人會計處理法及過渡影響(續)*

(ii) 於初步應用香港財務報告準則第16號當日計量租賃負債時，本集團將單一貼現率應用於具有合理類似特徵之租賃組合(如具有在類似經濟環境中有類似剩餘租期之類似分類相關資產之租賃)；及

(iii) 於初步應用香港財務報告準則第16號當日計量使用權資產時，本集團依賴對二零一九年六月三十日之虧損合約撥備之過往評估作為進行減值檢討之替代方法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) Application of new or revised HKFRSs (Continued)

HKFRS 16, Leases (Continued)

b. Lessee accounting and transitional impact (Continued)

The following table reconciles the operating lease commitments as disclosed in note 47 as at 30th June 2019 to the opening balance for lease liabilities recognised as at 1st July 2019:

| | | HK\$'000 千港元 |
|---|----------------------------------|-----------------|
| Operating lease commitments at 30th June 2019 | 於二零一九年六月三十日之經營租賃承擔 | 22,058 |
| Less: commitments relating to leases exempt from capitalisation: | 減：與獲豁免資本化租賃有關之承擔： | |
| - short-term leases and other leases with remaining lease term ending on or before 30th June 2020 | - 短期租賃及其他剩餘租期於二零二零年六月三十日或之前屆滿之租賃 | (1,997) |
| - leases of low-value assets | - 低價值資產租賃 | (10) |
| | | 20,051 |
| Less: total future interest expenses | 減：未來利息開支總額 | (659) |
| Present value of remaining lease payments, discounted using the incremental borrowing rate at 1st July 2019 | 餘下租賃付款現值，使用於二零一九年七月一日之增量借款利率貼現 | 19,392 |
| Add: finance lease liabilities recognised as at 30th June 2019 | 加：於二零一九年六月三十日確認之融資租賃負債 | 7 |
| Total lease liabilities recognised at 1st July 2019 | 於二零一九年七月一日確認之租賃負債總額 | 19,399 |

2.1 編製基準(續)

會計政策變動及披露(續)

(i) 應用新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號，租賃(續)

b. 承租人會計處理法及過渡影響(續)

下表載列附註47所披露於二零一九年六月三十日之經營租賃承擔與於二零一九年七月一日確認之租賃負債之期初結餘之對賬：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

b. *Lessee accounting and transitional impact* (Continued)

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet at 30th June 2019.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of “obligations under finance leases”, these amounts are included within “lease liabilities”, and the depreciated carrying amount of the corresponding leased asset is identified as a right-of-use asset. There is no impact on the opening balance of equity.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則*(續)

香港財務報告準則第16號，租賃(續)

b. *承租人會計處理法及過渡影響*(續)

與先前分類為經營租賃之租賃有關之使用權資產已按相等於就餘下租賃負債確認之金額確認，並按於二零一九年六月三十日之資產負債表中確認與該租賃有關之任何預付或應計租賃付款金額作出調整。

就採納香港財務報告準則第16號對先前分類為融資租賃之租賃之影響而言，除改變結餘說明外，本集團毋須於初步應用香港財務報告準則第16號當日作出任何調整。因此，該等款項計入「租賃負債」，而非「融資租賃責任」，相應租賃資產之折舊賬面值被識別為使用權資產。對期初權益結餘並無影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

b. *Lessee accounting and transitional impact* (Continued)

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated balance sheet:

| | Carrying amount at 30th June 2019 於二零一九年 六月三十日之 賬面值 HK\$'000 千港元 | Capitalisation of operating lease contracts 經營租賃合約 撥充資本 HK\$'000 千港元 | Carrying amount at 1st July 2019 於二零一九年 七月一日之 賬面值 HK\$'000 千港元 |
|---|--|---|--|
| Line items in the consolidated balance sheet impacted by the adoption of HKFRS 16: | 受採納香港財務報告準則第16號影響之綜合資產負債表項目： | | |
| Property, plant and equipment | 4,649 | 19,392 | 24,041 |
| Total non-current assets | 365,110 | 19,392 | 384,502 |
| Obligations under a finance lease | 7 | (7) | - |
| Lease liabilities (current) | - | 9,414 | 9,414 |
| Current liabilities | 343,670 | 9,407 | 353,077 |
| Net current assets | 15,914 | (9,407) | 6,507 |
| Total assets less current liabilities | 381,024 | 9,985 | 391,009 |
| Lease liabilities (non-current) | - | 9,985 | 9,985 |
| Total non-current liabilities | 90 | 9,985 | 10,075 |

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號，租賃(續)

b. *承租人會計處理法及過渡影響(續)*

下表概述採納香港財務報告準則第16號對本集團綜合資產負債表之影響：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

c. *Impact on the financial result, segment results and cash flows of the Group*

After the initial recognition of right-of-use assets and lease liabilities as at 1st July 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in an insignificant impact on the reported profit from operations in the Group's consolidated statement of comprehensive income, as compared to the results if HKAS 17 had been applied during the year.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號，租賃(續)

c. *對本集團財務業績、分部業績及現金流量之影響*

於二零一九年七月一日初步確認使用權資產及租賃負債後，本集團(作為承租人)須確認租賃負債未償還結餘所產生之利息開支及使用權資產折舊，而非如過往政策於租期內按直線基準確認根據經營租賃所產生之租金開支。此對本集團綜合全面收益表內之呈報營運溢利造成並不重大之影響(相對年內應用香港會計準則第17號所得之業績而言)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

c. *Impact on the financial result, segment results and cash flows of the Group*
(Continued)

In the cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element (see note 45(b)). These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the cash flow statement (see note 45(c)).

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號，租賃(續)

c. *對本集團財務業績、分部業績及現金流量之影響(續)*

於現金流量表中，本集團(作為承租人)須將資本化租賃項下已付租金分為其資本部分及利息部分(見附註45(b))。該等部分分類為融資現金流出(與先前根據香港會計準則第17號將租賃分類為融資租賃之處理方法類似)，而非經營現金流出(與香港會計準則第17號項下經營租賃之情況類似)。儘管現金流量總額不受影響，但採納香港財務報告準則第16號會導致現金流量表內現金流量之呈列發生重大變化(見附註45(c))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

c. *Impact on the financial result, segment results and cash flows of the Group*
(Continued)

The following tables give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial result, segment results and cash flows for the year ended 30th June 2020, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2019/20 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019/20 with the actual 2018/19 corresponding amounts which were prepared under HKAS 17.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號，租賃(續)

c. *對本集團財務業績、分部業績及現金流量之影響(續)*

下表或可顯示採納香港財務報告準則第16號對本集團截至二零二零年六月三十日止年度之財務業績、分部業績及現金流量之估計影響，方法為對於該等綜合財務報表中根據香港財務報告準則第16號呈報之金額作出調整，以計算在香港會計準則第17號(而非香港財務報告準則第16號)於二零一九/二零年繼續適用之情況下根據該已被取代準則應確認之假設金額估計，並將二零一九/二零年有關假設金額與二零一八/一九年根據香港會計準則第17號編製之實際對應金額進行比較。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) Application of new or revised HKFRSs (Continued)

HKFRS 16, Leases (Continued)

c. Impact on the financial result, segment results and cash flows of the Group (Continued)

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) 應用新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號，租賃(續)

c. 對本集團財務業績、分部業績及現金流量之影響(續)

| | 2020 二零二零年 | | | 2019 二零一九年 | |
|--|---------------------------------|--|--|---|---|
| | Amounts reported under HKFRS 16 | Add back: HKFRS 16 depreciation and interest expense | Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note 1) | Hypothetical amounts for 2020 as if under HKAS 17 | Compared to amounts reported for 2019 under HKAS 17 |
| | (A) | (B) | (C) | (D=A+B+C) | HKAS 17 |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Financial result for the year ended 30th June 2020 impacted by the adoption of HKFRS 16: | | | | | |
| Administrative expenses | (80,987) | 11,128 | (11,624) | (81,483) | (73,989) |
| Selling expenses | (16,943) | 411 | (328) | (16,860) | (12,572) |
| Finance costs | (542) | 542 | - | - | - |
| Loss before taxation from continuing operations | (28,506) | 12,081 | (11,952) | (28,377) | (118,600) |
| Loss for the year from continuing operations | (28,365) | 12,081 | (11,952) | (28,236) | (118,477) |
| Loss for the year | (27,570) | 12,081 | (11,952) | (27,441) | (121,575) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) Application of new or revised HKFRSs (Continued)

HKFRS 16, Leases (Continued)

- c. Impact on the financial result, segment results and cash flows of the Group (Continued)

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) 應用新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號，租賃(續)

- c. 對本集團財務業績、分部業績及現金流量之影響(續)

| | 2020 二零二零年 | | | 2019 二零一九年 | |
|--|--|---|--|---|---|
| | Amounts reported under HKFRS 16 | Add back: HKFRS 16 depreciation and interest expense | Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note 1) | Hypothetical amounts for 2020 as if under HKAS 17 | Compared to amounts reported for 2019 under HKAS 17 |
| | 根據香港財務報告準則第16號所呈報之金額 (A) HK\$'000 千港元 | 加回： 香港財務報告準則第16號下折舊及利息開支 (B) HK\$'000 千港元 | 減：根據香港會計準則第17號所得出有關經營租賃之估計金額 (附註1) (C) HK\$'000 千港元 | 根據香港會計準則第17號所得出之 二零二零年 假設金額 (D=A+B+C) HK\$'000 千港元 | 與根據香港會計準則第17號所呈報之 二零一九年 金額進行比較 HK\$'000 千港元 |
| Reportable segment profit/(loss) for the year ended 30th June 2020 (note 5(a)) impacted by the adoption of HKFRS 16: | | | | | |
| | | | | | |
| - Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights | 17,355 | 3,781 | (3,813) | 17,323 | (52,387) |
| - Trading, wholesaling and retailing of optical products and watches products | (12,101) | 5,694 | (5,629) | (12,036) | (10,679) |
| - Entertainment business | (857) | 36 | (22) | (843) | (632) |
| - Financial printing | (11,134) | 2,499 | (2,418) | (11,053) | (8,503) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

- (i) *Application of new or revised HKFRSs*
(Continued)
HKFRS 16, Leases (Continued)
- c. *Impact on the financial result, segment results and cash flows of the Group*
(Continued)

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

- (i) *應用新訂或經修訂香港財務報告準則(續)*
香港財務報告準則第16號·租賃(續)
- c. *對本集團財務業績、分部業績及現金流量之影響(續)*

| | 2020 二零二零年 | 2019 二零一九年 | | |
|--|--|---|--|------------------|
| | Estimated amounts related to operating leases as reported under HKFRS 16 (notes 1 & 2) | Hypothetical amounts for 2020 as if under HKAS 17 | Compared to amounts reported under HKAS 17 | |
| | 根據香港會計準則第17號 | 根據香港會計準則第17號 | 與根據香港會計準則第17號 | |
| | 根據香港財務報告準則第16號 | 根據香港會計準則第17號 | 與根據香港會計準則第17號 | |
| | 所呈報之金額 | 所得出有關經營租賃之估計金額 (附註1及2) | 所得出之二零二零年假設金額 | 所呈報之金額進行比較 |
| | (A) | (B) | (C=A+B) | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 |
| Line items in the consolidated statement of cash flows for year ended 30th June 2020 impacted by the adoption of HKFRS 16: | 受採納香港財務報告準則第16號影響之截至二零二零年六月三十日止年度綜合現金流量表內項目： | | | |
| Cash generated from operations | 87,507 | (12,177) | 75,330 | 227,249 |
| Net cash generated from operating activities | 89,448 | (12,177) | 77,271 | 223,247 |
| Capital element of lease rentals paid | (11,642) | 11,635 | (7) | (18) |
| Interest element of lease rentals paid | (542) | 542 | - | - |
| Net cash used in financing activities | (12,184) | 12,177 | (7) | (408,003) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) *Application of new or revised HKFRSs*
(Continued)

HKFRS 16, Leases (Continued)

c. *Impact on the financial result, segment results and cash flows of the Group*
(Continued)

Note 1: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019/20 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2019/20. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2020 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2019/20. Any potential net tax effect is ignored.

Note 2: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if HKAS 17 still applied.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) *應用新訂或經修訂香港財務報告準則(續)*

香港財務報告準則第16號，租賃(續)

c. *對本集團財務業績、分部業績及現金流量之影響(續)*

附註1: 「有關經營租賃之估計金額」為在香港會計準則第17號於二零一九／二零年仍然適用之情況下，有關會分類為經營租賃之租賃於二零一九／二零年之現金流量估計金額。有關估計假設，在香港會計準則第17號於二零二零年仍然適用之情況下，租金與現金流量之間並無差額，所有於二零一九／二零年訂立之新租賃根據香港會計準則第17號會分類為經營租賃。任何潛在淨稅務影響均忽略不計。

附註2: 在此影響表中，該等現金流出由融資重新分類至營運，以計算在香港會計準則第17號仍然適用之情況下，營運活動所產生之淨現金以及融資活動所用之淨現金之假設金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(i) Application of new or revised HKFRSs (Continued)

HKFRS 16, Leases (Continued)

d. Leasehold investment property

Under HKFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation ("leasehold investment properties"). The adoption of HKFRS 16 does not have a significant impact on the Group's financial statements as the Group previously elected to apply HKAS 40, Investment properties, to account for all of its leasehold properties that were held for investment purposes as at 30th June 2019. Consequentially, these leasehold investment properties continue to be carried at fair value.

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(i) 應用新訂或經修訂香港財務報告準則(續)

香港財務報告準則第16號，租賃(續)

d. 租賃投資物業

根據香港財務報告準則第16號，倘租賃物業乃為賺取租金收入及／或為資本增值而持有，則本集團須將所有該等租賃物業以投資物業入賬(「租賃投資物業」)。由於本集團先前選擇應用香港會計準則第40號「投資物業」對其所有於二零一九年六月三十日為投資目的而持有之租賃物業進行會計處理，因此採納香港財務報告準則第16號對本集團財務報表並無重大影響。故此，該等租賃投資物業繼續按公平值列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(ii) *New Standards and amendments to standards not yet adopted*

The following new standards, amendments to standards and interpretations to existing standards have been issued but are not yet effective for the financial year beginning 1st July 2019 and have not been early adopted:

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(ii) *尚未採納之新訂準則及準則之修訂本*

下列新訂準則、準則之修訂本及現時準則之詮釋於二零一九年七月一日開始的財政年度已頒佈但尚未生效，且並無獲提早採納：

| | | Effective for annual periods beginning on or after |
|---|---|---|
| | | 於以下日期或之後開始的年度期間生效 |
| HKFRS 17 香港財務報告準則第17號 | Insurance Contracts 保險合約 | 1st January 2021 二零二一年一月一日 |
| Amendments to HKFRS 3 香港財務報告準則第3號(修訂本) | Definition of a business 業務之定義 | 1st January 2020 二零二零年一月一日 |
| Amendments to HKFRS 3 香港財務報告準則第3號(修訂本) | Reference to the Conceptual Framework 概念性框架之提述 | 1st January 2022 二零二二年一月一日 |
| Amendments to HKFRS 9, HKAS 39 & HKFRS 7 香港財務報告準則第9號、 香港會計準則第39號及 香港財務報告準則第7號(修訂本) | Interest Rate Benchmark Reform 利率基準改革 | 1st January 2020 二零二零年一月一日 |
| Amendments to HKFRS 10 & HKAS 28 香港財務報告準則第10號及 香港會計準則第28號(修訂本) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者及其聯營公司或合營公司之間之資產 出售或注資 | a date to be determined 日期待定 |
| Amendments to HKFRS 16 香港財務報告準則第16號(修訂本) | COVID-19-Related Rent Concessions 新型冠狀病毒相關之租金優惠 | 1st June 2020 二零二零年六月一日 |
| Amendments to HKAS 1 香港會計準則第1號(修訂本) | Classification of Liabilities as Current or Non-current 將負債分類為流動或非流動 | 1st January 2023 二零二三年一月一日 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policy and disclosures (Continued)

(ii) *New Standards and amendments to standards not yet adopted* (Continued)

2 重要會計政策摘要(續)

2.1 編製基準(續)

會計政策變動及披露(續)

(ii) *尚未採納之新訂準則及準則之修訂本*(續)

| | | Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效 |
|---|---|--|
| Amendments to HKAS 1 & HKAS 8 香港會計準則第1號及香港會計準則第8號(修訂本) | Definition of Material 重大性之定義 | 1st January 2020 二零二零年一月一日 |
| Amendments to HKAS 16 香港會計準則第16號(修訂本) | Property, Plant and Equipment – Proceeds before Intended use 物業、機器及設備 – 擬定用途前之所得款項 | 1st January 2022 二零二二年一月一日 |
| Amendments to HKAS 37 香港會計準則第37號(修訂本) | Onerous Contracts – Cost of Fulfilling a Contract 有價合約 – 履行合約之成本 | 1st January 2022 二零二二年一月一日 |
| Amendments to HKFRSs 香港財務報告準則(修訂本) | Annual Improvements to HKFRSs 2018-2020 香港財務報告準則二零一八年至二零二零年週期之年度改進 | 1st January 2022 二零二二年一月一日 |

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團正在評估首次應用期間該等修訂及新準則之預期影響。至目前為止，其結論為採納彼等不大可能對綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

2 重要會計政策摘要(續)

2.2 附屬公司及非控股權益

附屬公司指本集團控制的實體。當本集團自參與實體營運而取得可變回報的風險或權利，並能藉著對實體的權力而影響該等回報時，則本集團控制該實體。於評估本集團是否具有該權力時，只考慮(由本集團及其他方持有的)實質性權力。

於附屬公司的投資於控制權開始日期至控制權終止日期期間於綜合財務報表中綜合計算。集團間的結餘、交易及現金流以及集團間交易所產生的任何未變現溢利，均於編製綜合財務報表時悉數對銷。集團間交易產生的未變現虧損均按與未變現收益相同的方式對銷，惟僅限於無減值憑證時方予對銷。

非控股權益指並非本公司直接或間接應佔的附屬公司權益，且本集團並無就此與該等權益持有人增訂條款而導致本集團整體須就該等權益負有符合金融負債定義的合約責任。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries and non-controlling interests

(Continued)

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. 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. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

2 重要會計政策摘要(續)

2.2 附屬公司及非控股權益

(續)

非控股權益於綜合資產負債表的權益內與本公司擁有人應佔權益分開呈列。本集團業績的非控股權益在綜合全面收益表賬面呈列為年內損益總額及全面收益總額在非控股權益與本公司擁有人之間的分配。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。非控股權益持有人之貸款及對該等持有人所負之其他合約責任於綜合資產負債表中呈列為金融負債。

本集團於現有附屬公司的擁有權權益變動

倘本集團於附屬公司的權益變動不會導致喪失控制權，則作為股權交易入賬，即只調整在綜合權益內的控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽亦不確認盈虧。

當本集團失去附屬公司之控制權時，將被視為出售其於該附屬公司之全部權益進行會計處理，產生之盈虧則於損益確認。前度附屬公司於喪失控制權當日之任何留存權益按其公平值確認，而該款額將被列作金融資產初步確認之公平值，或(如適用)初步確認於聯營公司或合營公司之投資成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries and non-controlling interests (Continued)

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

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2.12(b)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2.3 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 *Incomes Taxes* and HKAS 19 *Employee Benefits* respectively;

2 重要會計政策摘要(續)

2.2 附屬公司及非控股權益 (續)

本集團於現有附屬公司的擁有權權益變動(續)

於本公司的資產負債表中，除非於附屬公司的投資分類為持作出售(或包括在分類為持作出售之出售組別內)，否則有關投資按成本減任何減值虧損入賬(見附註2.12(b))。

2.3 業務合併

業務收購乃採用收購法進行列賬。業務合併轉讓代價乃按公平值計算，計算方式為本集團所轉讓的資產、本集團對被收購方原所有人產生的負債及本集團於交換被收購方的控制權所發行的股權於收購日期的公平值的總和。與收購有關的費用一般於產生時在損益中確認。

於收購日期，所收購可辨認資產及所承擔負債按公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關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；

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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 of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts 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.

2 重要會計政策摘要(續)

2.3 業務合併(續)

- 涉及被收購方以股份為基礎之付款安排或為取代被收購方以股份為基礎之付款安排而訂立之本集團以股份為基礎之付款安排之負債或權益工具按香港財務報告準則第2號以股份為基礎之付款於收購日期予以計量；及
- 按香港財務報告準則第5號持作出售之非流動資產及已終止經營業務分類為持作出售之資產(或出售組別)按該準則予以計量。

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公平值(如有)的總和超出所收購可辨認資產及所承擔負債於收購日期的淨值的部分計量。倘經過重新評估後，所收購可辨認資產及所承擔負債於收購日期的淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公平值(如有)的總和，則超出部分即時於損益內確認為議價收購收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

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 may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

2 重要會計政策摘要(續)

2.3 業務合併(續)

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值的非控股權益，可初步按公平值或非控股權益應佔被收購方可辨認資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別的非控股權益乃按其公平值計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其於收購日期之公平值計量，並計入於業務合併所轉讓之代價之一部分。具備計量期間調整資格之或然代價之公平值變動乃作追溯調整，並對商譽作出相應調整。計量期間調整乃於「計量期間」(自收購日期起不可超過一年)因取得有關於收購日期已存在事實及情況之額外資料所作出的調整。

不合資格作為計量期間調整之或然代價之後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價於後續報告日期後重新以公平值計量，相應之盈虧於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (that is, the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.4 Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise 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.

The Group's investments in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

2 重要會計政策摘要(續)

2.3 業務合併(續)

倘業務合併分階段達成，本集團以往所持的被收購方股權於收購日期(即本集團取得控制權的日期)按公平值重新計量，所產生的盈虧(如有)在損益內確認。倘為出售於被收購方權益，則以往在其他全面收益中確認之於收購日期前從該等權益產生之款項會重新分類至損益(若此處理方法合適)。

倘業務合併的最初入賬於合併發生的報告期末尚未完成，則本集團將報告未完成列賬項目的臨時金額。該等臨時金額乃於計量期間(見上文)內作出調整，而新增資產或負債則獲確認以反映關於在收購日期已存在的事實及情況(倘已知)將對於該日期確認的金額造成的影響的新資料。

2.4 於聯營公司之投資

聯營公司指本集團於其擁有一般不少於20%股本投票權之長期權益，並可對其實施重大影響力的實體。重大影響力指對投資對象的財務及經營政策有參與決策的權力，但並非對該等政策形成控制或共同控制。

本集團於聯營公司之投資乃於綜合資產負債表之本集團應佔資產淨值(根據權益會計法計算，扣除任何減值虧損)列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Investments in associates (Continued)

The Group's share of the post-acquisition results and other comprehensive income of associates are included in the consolidated statement of comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

2.5 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;

2 重要會計政策摘要(續)

2.4 於聯營公司之投資(續)

本集團應佔聯營公司之收購後業績及其他全面收益乃計入綜合全面收益表。此外，倘直接於聯營公司之權益確認變動，本集團應於綜合權益變動表確認其任何應佔變動(如適用)。本集團與其聯營公司之間交易產生之未變現收益及虧損以本集團於聯營公司之投資為限對銷，惟尚未變現虧損提供已轉讓資產減值的證據則除外。收購聯營公司所產生之商譽計入本集團於聯營公司之投資部分。

2.5 合營業務權益

合營業務指擁有共同控制權的各方享有與該安排相關的資產權利及負債責任的一種合營安排。

本集團於合營業務權益確認以下各項：

- 其資產，包括其應佔任何共同持有之資產；
- 其負債，包括其應佔任何共同承擔之負債；

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Interests in joint operations (Continued)

- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the HKFRSs applicable to the particular assets, liabilities, revenue and expenses.

2.6 Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Chairman of the Company (the chief operating decision maker) for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 重要會計政策摘要(續)

2.5 合營業務權益(續)

- 其銷售應佔合營業務產量之收益；
- 其來自銷售合營業務產量之應佔收益；及
- 其開支，包括其應佔任何共同承擔之開支。

本集團於合營業務中之權益所涉的資產、負債、收益及開支乃根據適用於該特定資產、負債、收益及開支的香港財務報告準則入賬。

2.6 分部報告

經營分部及財務報表所呈報的各分部項目金額，乃就分配資源予本集團各業務及地區分部及評估其表現，定期向本公司主席(主要營運決策者)提供之財務資料確定。

就財務呈報而言，除非分部具備類似經濟特徵及於產品及服務性質、生產流程性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面類似，否則各重大經營分部不會進行合併計算。個別非重大的經營分部，如符合上述大部分標準，則可進行合併計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within 'other gains/(losses) – net'.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

2 重要會計政策摘要(續)

2.7 外幣匯兌

(a) 功能和列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元(「港元」)呈報，港元為本公司的功能及本集團的列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日或估值日(倘項目重新計量)的匯率換算為功能貨幣。結算此等交易產生的匯兌收益和虧損以及將以外幣計值的貨幣資產和負債以年末匯率換算產生的匯兌收益和虧損在綜合全面收益表內的「其他收益／(虧損) – 淨額」中確認。

按外幣歷史成本計量之非貨幣資產及負債按於交易日期之匯率換算。交易日期為本集團首次確認有關非貨幣資產或負債當日。按公平值列賬並以外幣計值之非貨幣資產及負債按於公平值計量當日之匯率換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

2 重要會計政策摘要(續)

2.7 外幣匯兌(續)

(c) 集團公司

功能貨幣有別於列賬貨幣的所有集團實體(並無來自嚴重通貨膨脹經濟體的貨幣)的業績及財務狀況均按以下方式換算為列賬貨幣：

- (a) 各資產負債表所呈列之資產與負債按該資產負債表日期的收市匯率換算；
- (b) 各全面收益表之收支按平均匯率換算，除非該平均匯率並非各交易日期當日通行匯率累計影響的合理約數，於此情況下，收支按各交易日期當日之匯率換算；及
- (c) 所有因此而產生的匯兌差額於其他全面收益確認及於匯兌儲備之權益內單獨累計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 重要會計政策摘要(續)

2.7 外幣匯兌(續)

(d) 出售海外業務及部分出售

出售海外業務(即出售本集團於海外業務的全部權益,或出售涉及失去對包括海外業務的附屬公司的控制權,或出售涉及失去對包括海外業務的聯營公司的重大影響力)後,就本公司擁有人應佔該業務的於權益內累計的所有貨幣換算差額重新分類至損益。

如屬並不引致本集團失去對包括海外業務的附屬公司的控制權的部分出售,累計貨幣換算差額的應佔比例重新歸屬予非控股權益且不會於損益內確認。就所有其他部分出售(即本集團於聯營公司或合營公司的所有權權益減少,並不引致本集團失去重大影響力或聯合控制權)而言,累計匯兌差額的應佔比例重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|-------------------------|--------------------------------------|
| Leasehold improvements | Shorter of useful life or lease term |
| Machinery and equipment | 3–5 years |
| Right-of-use assets | Over the lease term |
| Others | 5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.12(b)).

2 重要會計政策摘要(續)

2.8 物業、機器及設備

所有物業、機器及設備按歷史成本減累計折舊及任何累計減值虧損列賬。歷史成本包括購買該等項目直接應佔的開支。

後續成本只有在該項目很可能為本集團帶來與之有關的未來經濟利益，且其成本能可靠計量時，才計入資產的賬面值或確認為一項單獨資產(倘適用)。已更換零件的賬面值已被終止確認。所有其他維修及保養費用在其產生的財政期間內於綜合全面收益表內列為開支。

物業、機器及設備的折舊採用以下的估計可使用年期將其成本按直線法分攤至其剩餘價值計算：

| | |
|--------|----------------|
| 租賃物業裝修 | 可使用年期或租賃年期的較短者 |
| 機器及設備 | 3至5年 |
| 使用權資產 | 租賃年期 |
| 其他 | 5年 |

資產的剩餘價值及可使用年期在各報告期末進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額(附註2.12(b))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) – net' in the consolidated statement of comprehensive income.

2.9 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2.10) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2.28(d).

In the comparative period, when the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2.10), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2.10.

2 重要會計政策摘要(續)

2.8 物業、機器及設備(續)

出售收益及虧損按所得款項與賬面值的差額釐定，並在綜合全面收益表內的「其他收益／(虧損) – 淨額」中確認。

2.9 投資物業

投資物業指為賺取租金收入及／或資本增值而以租賃權益擁有或持有之土地及／或樓宇(見附註2.10)，當中包括就當前尚未確定未來用途持有之土地及正在興建或發展作未來投資物業用途之物業。

除非投資物業於報告期末尚在興建或發展中而其公平值於當時無法可靠計量，則投資物業按公平值列賬。投資物業公平值的變動，或報廢或出售投資物業所產生的任何收益或虧損均於損益中確認。投資物業的租金收入乃按照附註2.28(d)所述方式入賬。

於比較期間，倘本集團以經營租賃持有物業權益以賺取租金收入及／或為資本增值，有關權益按每項物業基準分類及入賬為投資物業。已分類為投資物業之任何物業權益的入賬方式與根據融資租賃(見附註2.10)持有的權益一樣，而該權益採用與根據融資租賃租用之其他投資物業相同之會計政策。租賃付款如附註2.10所述入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

(A) Policy applicable from 1st July 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

2 重要會計政策摘要(續)

2.10 租賃資產

於合約開始時，本集團評估合約是否為或包含租賃。倘合約於一段時間內轉讓已識別資產之使用控制權以換取代價，則該合約為或包含租賃。倘客戶已有權指示已識別資產之用途以及從該用途中獲得絕大部分經濟利益時，即表示控制權已轉讓。

(i) 作為承租人

(A) 自二零一九年七月一日適用之政策

當合約包含租賃部分及非租賃部分，本集團選擇不區分非租賃部分及將各租賃部分及任何關聯非租賃部分入賬列為所有租賃之單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債，惟租期為12個月或以下之短期租賃及低價值資產之租賃則除外。倘本集團就低價值資產訂立租賃，則本集團決定是否按個別租賃基準將租賃資本化。與該等未資本化租賃相關之租賃付款於租期按系統基準確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Leased assets (Continued)

(i) As a lessee (Continued)

(A) Policy applicable from 1st July 2019 (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2.8 and 2.12(b)), except for the right-of-use asset that meet the definition of investment property are carried at fair value in accordance with note 2.9.

2 重要會計政策摘要(續)

2.10 租賃資產(續)

(i) 作為承租人(續)

(A) 自二零一九年七月一日適用之政策(續)

倘租賃已資本化，租賃負債初步按租期應付租賃付款現值確認，並按租賃中所內含之利率貼現，倘該利率不易釐定，則使用相關增量借款利率。初步確認後，按攤銷成本計量租賃負債及使用實際利率法計量利息開支。計量租賃負債時，並不包括不依賴某個指數或利率之可變租賃款項，該等可變租賃款項因此計入其所產生會計期間之損益內。

於租賃資本化時確認之使用權資產初步按成本計量，其中包括租賃負債之初步金額加上於開始日期或之前作出之任何租賃付款，以及產生之任何初步直接成本。於適用情況下，使用權資產成本亦包括拆除及移除相關資產或恢復相關資產或該資產所在地之估計成本，並貼現至彼等之現值再減去任何已收租賃優惠。使用權資產其後按成本減累計折舊及減值虧損列賬(見附註2.8及2.12(b))，惟根據附註2.9符合按公平值入賬之投資物業定義之使用權資產除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Leased assets (Continued)

(i) As a lessee (Continued)

(A) Policy applicable from 1st July 2019 (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'other property, plant and equipment' and presents lease liabilities separately in the statement of financial position.

(B) Policy applicable prior to 1st July 2019

In the comparative period, as a lessee the Group classified leases as finance lease if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases, with the following exceptions:

2 重要會計政策摘要(續)

2.10 租賃資產(續)

(i) 作為承租人(續)

(A) 自二零一九年七月一日適用之政策(續)

倘指數或利率變動引致未來租賃付款變動，或本集團根據剩餘價值擔保預期應付款項之估計有變，或當重新評估本集團是否將合理確定行使購買、延期或終止選擇權而產生變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，則就使用權資產之賬面值作出相應調整，或倘使用權資產之賬面值減至零，則於損益入賬。

本集團於「其他物業、機器及設備」中呈列不符合投資物業定義之使用權資產並於財務狀況表中另行呈列租賃負債。

(B) 於二零一九年七月一日前適用之政策

於比較期間，本集團作為承租人將絕大部分風險及擁有權回報轉移至本集團之租賃分類為融資租賃。不會轉移絕大部分風險及擁有權回報之租賃乃分類為經營租賃，惟以下例外：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Leased assets (Continued)

(i) As a lessee (Continued)

(B) Policy applicable prior to 1st July 2019 (Continued)

(a) Classification of assets leased to the Group

- property held under operating leases that would otherwise meet the definition of an investment property was classified as an investment property on a property-by-property basis and, if classified as investment property, was accounted for as if held under a finance lease (see note 2.9); and
- land held for own use under an operating lease, the fair value of which could not be measured separately from the fair value of a building situated thereon at the inception of the lease, was accounted for as being held under a finance lease, unless the building was also clearly held under an operating lease. For these purposes, the inception of the lease was the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2 重要會計政策摘要(續)

2.10 租賃資產(續)

(i) 作為承租人(續)

(B) 於二零一九年七月一 日前適用之政策(續)

(a) 出租予本集團 資產之分類

- 以經營租賃持有但於其他方面均符合投資物業定義的物業，按照每項物業基準分類為投資物業。倘分類為投資物業，其入賬方式會如同以融資租賃持有一樣(見附註2.9)；及
- 以經營租賃持作自用，而無法於租賃開始時將其公平值與建於其上之樓宇的公平值分開計量的土地按以融資租賃持有入賬，除亦明確以經營租賃持有的樓宇外。就此而言，租賃的開始時間指本集團首次訂立租賃，或自前承租人接收樓宇的時間。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Leased assets (Continued)

(i) As a lessee (Continued)

(B) Policy applicable prior to 1st July 2019 (Continued)

(b) Assets acquired under finance leases

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset, as set out in note 2.8. Impairment losses were accounted for in accordance with the accounting policy as set out in note 2.12(b). Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

2 重要會計政策摘要(續)

2.10 租賃資產(續)

(i) 作為承租人(續)

(B) 於二零一九年七月一 日前適用之政策(續)

(b) 以融資租賃 獲得的資產

倘本集團以融資租賃獲得資產的使用權，則租賃資產公平值或有關資產最低租賃付款的現值(以較低者為準)金額確認為物業、機器及設備，而相應的負債則於扣除融資費用後入賬列為融資租賃承擔。誠如附註2.8所載，折舊乃於相關租賃期或(倘本集團很可能將取得該資產的擁有權)資產的可使用年期內按撇銷資產成本的比率計提。減值虧損乃根據附註2.12(b)所載的會計政策入賬。租賃付款內含的融資費用乃於租賃期內計入損益，以致各會計期間的融資費用佔承擔餘額的比率大致相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Leased assets (Continued)

(i) As a lessee (Continued)

(B) Policy applicable prior to 1st July 2019 (Continued)

(c) Operating lease charges

Where the Group had the use of assets under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

The cost of acquiring land held under an operating lease was amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2.9).

2 重要會計政策摘要(續)

2.10 租賃資產(續)

(i) 作為承租人(續)

(B) 於二零一九年七月一 日前適用之政策(續)

(c) 經營租賃費用

倘本集團以經營租賃獲得資產的使用權，則根據租賃所作出的付款將於租期涵蓋的會計期間分期等額在損益扣除，惟另有基準更能反映來自租賃資產的獲利模式則除外。所獲的租賃優惠於損益確認為所作出的租賃付款總淨額其中一部分。或然租金乃於產生的會計期間內自損益扣除。

根據經營租賃持有的收購土地成本於租期內以直線法基準攤銷，惟物業分類為投資物業(附註2.9)除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Leased assets (Continued)

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2.28(d).

2 重要會計政策摘要(續)

2.10 租賃資產(續)

(ii) 作為出租人

倘本集團為出租人，其於租賃初始階段釐定一項租賃為融資租賃或經營租賃。倘租賃轉移相關資產的所有權附帶的絕大部分風險及回報予承租人，該租賃應分類為融資租賃。倘不屬於該情況，該租賃被分類為經營租賃。

倘合約包括租賃及非租賃部分，本集團根據相對獨立的售價基準將合約代價分配予各部分。經營租賃產生的租金收入根據附註2.28(d)確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Other investments in equity securities and derivative financial instruments

(a) Other investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 3.3. These investments are subsequently accounted for as follows, depending on their classification:

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2.28(f).

2 重要會計政策摘要(續)

2.11 其他股本證券投資及衍生金融工具

(a) 其他股本證券投資

本集團之股本證券投資(於附屬公司、聯營公司及合營公司的投資除外)政策如下：

股本證券投資於本集團承諾購買／出售該投資當日確認／終止確認。有關投資初步按公平值加直接應佔交易成本列報，惟透過損益按公平值入賬之該等投資除外，其交易成本直接於損益內確認。有關本集團如何釐定金融工具之公平值，見附註3.3。該等投資其後視乎其分類按以下方式入賬：

股本證券投資均會被分類為透過損益按公平值入賬，除非該股本投資不是持作買賣，並在初始確認投資時本集團選擇透過其他全面收益按公平值入賬(不可撥回)，以致後續公平值變動在其他全面收益中確認。這種選擇是以逐項投資的基礎上進行，但只有當投資符合發行人角度下的股本定義時方可進行。若作出此選擇，在該投資被出售前，其他全面收益中累計的金額仍保留在公平值儲備(不可撥回)中。在出售時，於公平值儲備(不可撥回)中累計的金額會轉入累計虧損，且不會轉入損益。來自股本證券投資的股息，不論是否分類為透過損益按公平值入賬或透過其他全面收益按公平值入賬，均根據附註2.28(f)載列之政策在損益中確認為其他收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Other investments in equity securities and derivative financial instruments (Continued)

(b) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2.12 Credit losses and impairment of assets

(a) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, time deposits, loans receivable, accounts and other receivables and loans to associates);
- contract assets as defined in HKFRS 15 (see note 2.18);
- lease receivables; and
- loan commitments issued, which are not measured at FVPL.

Other financial assets measured at fair value, including equity securities measured at FVPL, and derivative financial assets, are not subject to the ECL assessment.

2 重要會計政策摘要(續)

2.11 其他股本證券投資及衍生金融工具(續)

(b) 衍生金融工具

衍生金融工具乃按公平值確認。於各報告期末，公平值獲重新計量。重新計量之公平值收益或虧損即時於損益內確認。

2.12 信貸虧損及資產減值

(a) 金融工具、合約資產及應收租賃之信貸虧損

本集團就下列項目之預期信貸虧損確認虧損撥備：

- 按攤銷成本計量之金融資產(包括現金及現金等價物、定期存款、應收貸款、應收及其他應收款項及授予聯營公司之貸款)；
- 香港財務報告準則第15號定義之合約資產(見附註2.18)；
- 應收租賃；及
- 已發行貸款承擔，並非透過損益按公平值計量。

按公平值計量之其他金融資產，包括透過損益按公平值計量之股本證券及衍生金融資產，毋須進行預期信貸虧損評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets (Continued)

- (a) Credit losses from financial instruments, contract assets and lease receivables
(Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

- (a) 金融工具、合約資產及
應收租賃之信貸虧損(續)

計量預期信貸虧損

預期信貸虧損為信貸虧損之概率加權估計。信貸虧損按所有預期現金不足額之現值(即按照合約應付本集團之現金流量與本集團預期收取之現金流量之差額)計量。

就未提取之貸款承擔而言，預期現金不足額按(i)在貸款承擔持有人提取貸款之情況下應付本集團之合約現金流量與(ii)在貸款被提取之情況下本集團預期收取之現金流量之差額計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

(a) Credit losses from financial instruments, contract assets and lease receivables

(Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, accounts and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;
- loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(a) 金融工具、合約資產及應收租賃之信貸虧損(續)

計量預期信貸虧損(續)

倘貼現影響重大，則預期現金不足額乃採用以下貼現率貼現：

- 定息金融資產、應收及其他應收款項及合約資產：於初始確認時釐定之實際利率或其近似值；
- 浮息金融資產：即期實際利率；
- 應收租賃款項：計量應收租賃款項所用之貼現率；
- 貸款承擔：就現金流特定風險調整之即期無風險利率。

估計預期信貸虧損時考慮之最長期間為本集團面對信貸風險之最長合約期間。

於計量預期信貸虧損時，本集團會考慮在無需付出過多成本或努力下即可獲得之合理而具理據支持的資料，包括有關過往事件、現時狀況及未來經濟狀況預測的資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets (Continued)

(a) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(a) 金融工具、合約資產及應收租賃之信貸虧損(續)

計量預期信貸虧損(續)

預期信貸虧損採用以下基準計量：

- 12個月預期信貸虧損：指預期因報告日期後12個月內可能發生之違約事件而導致之虧損；及
- 全期預期信貸虧損：指因應用預期信貸虧損模型之項目之預期年期內所有可能違約事件而導致之虧損。

應收賬款、應收租賃款項及合約資產之虧損撥備總按相當於全期預期信貸虧損之金額計量。於報告日期，該等金融資產之預期信貸虧損按本集團過往信貸虧損經驗估計，並根據債務人之特定因素及對當前及預計一般經濟狀況之評估進行調整。

至於所有其他金融工具(包括已發行貸款承擔)，本集團按相當於12個月預期信貸虧損確認虧損撥備，除非金融工具之信貸風險自初步確認以來大幅上升，在該情況下則按相當於全期預期信貸虧損之金額計量虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

(a) Credit losses from financial instruments, contract assets and lease receivables

(Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. 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.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(a) 金融工具、合約資產及應收租賃之信貸虧損(續)

信貸風險大幅上升

評估金融工具(包括貸款承擔)之信貸風險自初始確認以來有否大幅上升時，本集團會比較於報告日期及於初始確認日期評估之金融工具發生違約之風險。作出重新評估時，本集團認為，當(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動之情況下向本集團悉數支付其信貸債務；或(ii)金融資產已逾期90天時，即構成違約事件。本集團會考慮合理且具理據支持的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得之前瞻性資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

(a) Credit losses from financial instruments, contract assets and lease receivables

(Continued)

Significant increases in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(a) 金融工具、合約資產及應收租賃之信貸虧損(續)

信貸風險大幅上升(續)

具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日支付本金或利息；
- 金融工具外部或內部信貸評級(如有)之實際或預期顯著倒退；
- 債務人經營業績之實際或預期顯著倒退；及
- 科技、市場、經濟或法律環境之現時或預測變動對債務人履行其對本集團責任之能力構成重大不利影響。

就貸款承擔而言，用於評估預期信貸虧損之初始確認日期被視為本集團成為不可撤銷承擔之訂約方當日。評估信貸風險自初始確認貸款承擔以來有否大幅上升時，本集團會考慮與貸款承擔有關之貸款發生違約之風險之變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

(a) Credit losses from financial instruments, contract assets and lease receivables

(Continued)

Significant increases in credit risk (Continued)

For margin client receivables, the Group considers there has been a significant increase in credit risk when clients cannot meet margin call requirement and uses the loan-to-collateral value (“LTV”) to make its assessment. The Group considers a margin client receivable is in default when payments under the margin call requirement are 30 days past due. However, in certain cases, the Group may also consider a margin client receivable to be in default when there is a margin shortfall which indicates that the Group is unlikely to receive the outstanding contractual amounts in full, taking into account the pledged securities held by the Group. A margin client receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(a) 金融工具、合約資產及應收租賃之信貸虧損(續)

信貸風險大幅上升(續)

就應收孖展客戶賬款而言，當客戶未滿足追繳保證金要求時本集團認為信貸風險大幅增加並使用貸款與抵押品價值比率(「貸款與抵押品價值比率」)作出評估。本集團認為當追繳保證金要求項下之付款逾期30天，則應收孖展客戶賬款屬違約。然而，在若干情況下，保證金短缺即表明本集團不大可能悉數收回未償付合約金額(經考慮本集團持有之已抵押證券後)時，本集團可能亦認為應收孖展客戶賬款將違約。當無合理預期可收合約現金流量時，則撇銷應收孖展客戶賬款。

取決於金融工具之性質，對信貸風險大幅上升之評估乃按個別基準或共同基準進行。當按共同基準進行評估時，金融工具乃按共同信貸風險特徵(如逾期狀況及信貸風險評級)分組。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

- (a) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2.28(e) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

- (a) 金融工具、合約資產及應收租賃之信貸虧損(續)

信貸風險大幅上升(續)

本集團於各報告日期重新計量預期信貸虧損，以反映金融工具自初始確認以來之信貸風險變動。預期信貸虧損金額之任何變動乃於損益確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬相應調整該等工具之賬面值。

計算利息收入之基準

根據附註2.28(e)確認之利息收入基於金融資產之總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入基於金融資產之攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團會評估金融資產是否出現信貸減值。當發生一項或多項對金融資產估計未來現金流構成不利影響之事件時，金融資產即出現信貸減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

(a) Credit losses from financial instruments, contract assets and lease receivables

(Continued)

Basis of calculation of interest income

(Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(a) 金融工具、合約資產及應收租賃之信貸虧損(續)

計算利息收入之基準(續)

金融資產出現信貸減值之證據包括以下可觀察事件：

- 債務人出現重大財務困難；
- 違約行為，如拖欠或逾期事件；
- 借款人有可能進行破產或其他財務重組；
- 科技、市場、經濟或法律環境之重大變動對債務人產生不利影響；或
- 證券因發行人出現財務困難而失去活躍市場。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets (Continued)

(a) Credit losses from financial instruments, contract assets and lease receivables (Continued)

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(b) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment including right-of-use assets;
- other intangible assets;

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(a) 金融工具、合約資產及應收租賃之信貸虧損(續)

撇銷政策

倘日後實際有無可收回款項，金融資產、應收租賃款項或合約資產之賬面總值(部分或全部)將被撇銷。該情況通常指本集團確定債務人概無資產或收入源以產生足夠現金流量償還應撇銷金額。

先前已撇銷資產隨後收回將於發生期間在損益內確認為減值撥回。

(b) 其他資產減值

於各報告期末審閱內部及外間資料來源，以識別是否有跡象顯示以下資產可能出現減值，或先前確認的減值虧損不再存在或可能已減少(商譽除外)：

- 物業、機器及設備(包括使用權資產)；
- 其他無形資產；

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

(b) Impairment of other assets (Continued)

- film related deposits;
- film rights and films in progress; and
- investments in subsidiaries and associates in the Company's balance sheet.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash-inflows independently (that is, a cash generating unit).

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(b) 其他資產減值(續)

- 電影相關訂金；
- 電影版權及製作中之電影；及
- 本公司資產負債表內於附屬公司及聯營公司之投資。

倘存在任何上述跡象，則估計資產可收回金額。此外，就尚未可供使用之無形資產及有確定可使用年期之無形資產而言，無論是否存在任何減值跡象，每年均會估計其可收回金額。

- 計算可收回金額

資產的可收回金額是其公平值減出售成本與使用價值兩者中的較高者。在評估使用價值時，估計未來現金流量會按可以反映當時市場對貨幣時間價值及資產特定風險的評估的稅前貼現率，貼現至其現值。倘資產並不產生基本上獨立於其他資產的現金流入，則就能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets (Continued)

(b) Impairment of other assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(b) 其他資產減值(續)

– 確認減值虧損

當資產或其所屬現金產生單位的賬面值超過其可收回金額，則於損益中確認減值虧損。就現金產生單位確認的減值虧損會首先分配至減少該現金產生單位(或該組單位)所獲分配任何商譽的賬面值，其後按比例減少該單位(或該組單位)內其他資產的賬面值，惟資產的賬面值不可減至低於其個別公平值扣減出售成本(如能計量)或使用價值(如能釐定)。

– 撥回減值虧損

倘用作釐定可收回金額的估計出現利好的變動，有關減值虧損便會撥回。

倘過往年度並未確認減值虧損，則減值虧損撥回以釐定的資產賬面值為限。所撥回的減值虧損在確認撥回的年度計入損益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Credit losses and impairment of assets

(Continued)

(c) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2.12(a) and (b)).

2.13 Intangible assets

(a) Club membership

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually and when there is any indication that the club membership has suffered an impairment loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(b) Brand name

Brand name acquired in a business combination is recognised at fair value at the acquisition date. Brand name has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 7.5 years of the brand name.

2 重要會計政策摘要(續)

2.12 信貸虧損及資產減值(續)

(c) 中期財務報告及減值

根據上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期結束時，本集團採用於財政年度結束時應採用的相同減值測試、確認及撥回條件（見附註2.12(a)及(b)。

2.13 無形資產

(a) 會籍

具無限可使用年期的會籍乃按成本減任何減值虧損列賬。會籍於每年及當有任何跡象顯示出現減值虧損時進行減值檢討。

倘資產的賬面值較其估計可收回金額為高，則該資產之賬面值會隨即撇減至其可收回金額。

(b) 品牌名稱

業務合併所獲得的品牌名稱按收購日期的公平值確認。品牌名稱具有確定可使用年期，按成本減去累計攤銷列賬。攤銷以直線法分配至品牌名稱的預期可使用年期7.5年計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Intangible assets (Continued)

(c) Computer software

The computer software is stated at cost less accumulated amortisation, and impairment loss (see note 2.12(b)). Amortisation is charged to profit or loss on a straight-line method over the assets' estimated useful lives of 5 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2 重要會計政策摘要(續)

2.13 無形資產(續)

(c) 電腦軟件

電腦軟件按成本減累計攤銷及減值虧損列賬(見附註2.12(b))。攤銷於資產估計可使用年期5年內按直線法於損益扣除。

倘資產之賬面值高於其估計可收回金額，則其賬面值即時撇減至其可收回金額。

2.14 金融工具抵銷

倘本集團現有法定可執行權利抵銷確認金額並計劃以淨額結算或同時變現資產及清償負債，則金融資產和金融負債互相抵銷，並在綜合資產負債表內以淨額列示。本集團亦會訂立未能符合抵銷條件的安排，但仍允許相關金額在若干情況下(如破產或終止合約)予以抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2 重要會計政策摘要(續)

2.15 存貨

存貨按成本及可變現淨值兩者的較低者列賬。

成本以加權平均成本公式計算及包括所有購買成本、轉換成本及將存貨運至其現存地點及達致現狀所產生之其他成本。

可變現淨值為在日常業務過程中的估計銷售價減估計完成成本及估計銷售所需成本。

當存貨出售時，有關存貨的賬面值在相關收入獲確認期間內確認為開支。任何存貨撇減至可變現淨值的金額及所有存貨虧損於撇減或虧損產生期間內確認為開支。任何存貨撇減的任何撥回金額於撥回發生期間內於已確認為開支的存貨金額內扣減。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Film rights and films in progress

(a) Film rights

Film rights comprise fees paid and payable under agreements and direct expenses incurred during the production of films, for the reproduction and/or distribution of films in various videogram formats, film exhibition, licensing and sub-licensing of film titles.

Film rights are stated at cost less accumulated amortisation and accumulated impairment losses.

The cost of film rights is amortised over the shorter of the underlying license period and their useful lives, with reference to projected revenues.

(b) Films in progress

Films in progress are stated at cost less any provision for impairment losses. Cost includes all direct costs associated with the production of films. The balance of film production costs not yet due at the end of each reporting period are disclosed as commitments. Cost of films is transferred to film rights upon completion.

(c) Impairment

At each balance sheet date, both internal and external market information are considered to assess whether there is any indication that assets included in film rights and films in progress are impaired. If any such indication exists, the carrying amount of such assets is assessed and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the consolidated statement of comprehensive income.

2 重要會計政策摘要(續)

2.16 電影版權及製作中之電影

(a) 電影版權

電影版權指就複製及／或發行不同錄像制式電影、電影放映、授出及轉授電影版權而根據協議已付及應付之費用及電影製作產生之直接開支。

電影版權乃按成本減累計攤銷及累計減值虧損列賬。

電影版權成本乃參考預計收入，按相關版權期限及其使用年期(以較短者為準)攤銷。

(b) 製作中之電影

製作中之電影乃按成本減任何減值虧損撥備列賬。成本包括所有涉及電影製作之直接成本。於各報告期末尚未到期之電影製作成本結餘披露為承擔。電影成本於完成後轉撥至電影版權。

(c) 減值

於每個結算日，透過考慮內部及外部市場資訊，評估電影版權及製作中之電影中的資產是否存在任何減值跡象。如存在任何有關減值跡象，則評估有關資產的賬面值，及在有關情況下確認減值虧損以將資產減至其可收回金額。此等減值虧損會在綜合全面收益表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Film related deposits

Film related deposits comprise deposits paid for the acquisition of film rights and deposits paid to production houses, artists and others prior to the production of films. The balance payable under agreements for the acquisition and production of film rights is disclosed as a commitment. Provision for film related deposits is made based on future revenue generated for the Group and the carrying value of film related deposits.

2.18 Contract assets and contract liabilities

A contract asset is recognised when the group recognises revenue (see note 2.28) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.12(a) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2.19).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2.28). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2.19).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2.28).

2 重要會計政策摘要(續)

2.17 電影相關訂金

電影相關訂金包括就購買電影版權支付之訂金及於電影開拍前支付給製作公司、藝人及其他之訂金。根據協議用作購入電影版權及電影製作之應付餘款則以承擔形式披露。電影相關訂金撥備乃根據本集團產生之未來收入及電影相關訂金之賬面值而作出。

2.18 合約資產及合約負債

合約資產在本集團有權無條件獲取合約所載支付條款下的代價前確認收益(見附註2.28)時確認。合約資產按附註2.12(a)所載政策進行預期信貸虧損評估，並在收取代價的權利成為無條件時重新分類至應收款項(見附註2.19)。

合約負債在本集團確認相關收益前客戶支付代價時確認(見附註2.28)。如本集團有無條件權利在本集團確認相關收益前收取不可收回代價，則合約負債亦會獲確認。在相關情況下，相應應收款項亦會獲確認(見附註2.19)。

就與客戶的單一合約而言，將呈列合約資產淨值或合約負債淨值。就多份合約而言，不相關合約的合約資產及合約負債不按淨值基準呈列。

倘合約包括重大融資部分，合約餘額包括根據實際利息法計算的應計利息(見附註2.28)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Accounts and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2.18).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2.12(a)).

2.20 Loans receivable

Loans receivable are loans granted to customers in the ordinary course of business. If the collection of loans receivable is expected to be one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Loans receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for credit losses (see note 2.12(a)).

2.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and cash held at custodian, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2.12(a).

2 重要會計政策摘要(續)

2.19 應收賬款及其他應收款項

應收款項於本集團有無條件權利收取代價時確認。只要到期支付代價前需經過一段時間，則收取代價之權利為無條件。倘本集團有無條件權利收取代價前收益已獲確認，則有關金額乃呈列為一項合約資產(見附註2.18)。

應收款項以實際利率法按攤銷成本減信貸虧損撥備呈列(見附註2.12(a))。

2.20 應收貸款

應收貸款為於日常業務過程中授予客戶之貸款。倘應收貸款預計於一年或以內收回，則分類為流動資產，反之則呈列為非流動資產。

應收貸款初步以公平值確認，其後利用實際利率法按攤銷成本扣除信貸虧損撥備計量(見附註2.12(a))。

2.21 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行活期存款及託管商所持有現金、以及短期高流動性投資，該投資按購入計三個月內到期且可隨時兌換成已知數額之現金而並無涉及重大變值風險。現金及現金等價物根據附註2.12(a)載列之政策評估預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Accounts and other payables

Accounts and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.23 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

2.24 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2 重要會計政策摘要(續)

2.22 應付賬款及其他應付款項

應付賬款及其他應付款項初步以公平值確認，其後按攤銷成本列賬，除非貼現之影響屬輕微，則於該情況下其按成本列賬。

2.23 計息借貸

計息借貸初步按公平值減應佔交易成本確認。初步確認後，計息借貸按攤銷成本列賬，而初步確認金額與贖回價值間的任何差額(連同任何應付利息及費用)於借貸期內以實際利率法在損益內確認。

2.24 借貸成本

直接歸屬於收購、建設或生產資產(為必須經一段長時間方可達致其預定用途或出售之資產)之借貸成本，乃資本化為該資產之成本之一部分。其他借貸成本均於其產生期間支銷。

當產生資產開支、產生借貸成本及準備資產作其預定用途或正在出售所必需活動進行時，合資格資產成本一部分之借貸成本開始資本化。當準備合資格資產作其預定用途或出售所必需的絕大部分活動中止或完成時，借貸成本將暫停或停止資本化。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Income Tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 重要會計政策摘要(續)

2.25 所得稅

年度所得稅包括當期稅項和遞延稅項資產及負債的變動。當期稅項和遞延稅項資產及負債的變動均於損益確認，惟其他全面收益或直接在權益中確認的項目的相關變動則分別在其他全面收益或直接在權益中確認有關稅項金額。

當期稅項是按年度應課稅收入根據於報告期末已生效或實質上已生效的稅率計算的預期應納稅項，以及對於過往年度應納稅項的任何調整。

遞延稅項資產及負債分別由可扣稅和應課稅暫時性差額產生。暫時性差額是指資產及負債在財務申報上的賬面值與該等資產及負債的稅基間的差額。遞延稅項資產亦會由未使用稅項虧損和未使用稅款抵免產生。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Income Tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 重要會計政策摘要(續)

2.25 所得稅(續)

除若干有限之例外情況外，所有遞延稅項負債及所有遞延稅項資產均予確認(只限於很可能獲得能利用資產來作出抵扣的未來應課稅溢利)。能夠用以確認可扣減暫時性差額所引致遞延稅項資產的未來應課稅溢利，包括因撥回現有應課稅暫時性差額而引起的應課稅溢利，惟該等差額必須與同一稅務當局及同一應課稅實體有關，並且預期在預計撥回可扣減暫時性差額的同一期間撥回，或在遞延稅項資產引起的稅項虧損可以承前或結轉的期間撥回。在決定現有應課稅暫時性差額是否足以確認因尚未使用稅項虧損及稅款抵免造成的遞延稅項資產時，亦採用相同的準則，即若有關差額與同一稅務當局及同一應課稅實體有關，並預計在可以使用稅項虧損或稅款抵免的期間內撥回，則計入該等差額。

不確認為遞延稅項資產和負債之暫時性差額是產生自以下有限之例外情況：不影響會計或應稅溢利之資產或負債之初步確認(前提是其並非業務合併之一部分)，以及投資附屬公司(如屬應課稅差額，只限於本集團可以控制撥回之時間，而且在可預見之將來不大可能撥回之暫時性差額；或如屬可抵扣差額，則只限於很可能在將來撥回之差額)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Income Tax (Continued)

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2.9, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the end of the reporting period unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2 重要會計政策摘要(續)

2.25 所得稅(續)

當投資物業根據附註2.9所載會計政策按公平值列賬，除非該物業需折舊及以一商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之絕大部分經濟利益，否則確認遞延稅項的金額按該等資產於報告期末以其賬面值出售時所適用的稅率計算。在其他情況下，確認遞延稅項的金額是根據該等資產及負債的賬面值之預期變現或結算的方式，按於報告期末已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不貼現計算。

於各報告期末，本集團檢討遞延稅項資產的賬面值，並於不再可能有足夠應課稅溢利以實現動用相關稅務利益時予以扣減。任何有關扣減於可能出現足夠應課稅溢利時，則予以撥回。

分派股息產生的額外所得稅於確認支付相關股息的責任時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Income Tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 重要會計政策摘要(續)

2.25 所得稅(續)

當期稅項結餘與遞延稅項結餘及其變動會分別列示而不會相抵銷。本公司或本集團只有在有合法權利對當期稅項資產與當期稅項負債予以抵銷及符合以下附帶條件的情況下，方對當期稅項資產及當期稅項負債，以及遞延稅項資產及遞延稅項負債作出抵銷：

- 就當期稅項資產及負債而言，本公司或本集團計劃按淨額基準結算，或同時將資產變現及償還負債；或
- 就遞延稅項資產及負債而言，彼等為同一稅務當局對以下機構徵收所得稅所產生：
 - 同一應課稅實體；或
 - 不同應課稅實體，而該等實體計劃在未來每個預計有重大遞延稅項負債須要償還或有重大遞延稅項資產可以收回的期間，以淨額基準變現當期稅項資產及償還當期稅項負債或兩者同時變現及償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share-based compensation reserve within equity. The fair value is measured at grant date using the Binominal Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

2 重要會計政策摘要(續)

2.26 僱員福利

(i) 短期僱員福利及定額供款退休計劃供款

薪金、年度花紅、帶薪年假、定額供款退休計劃供款及非貨幣性質福利成本於僱員提供相關服務之年度累計。倘延期支付或清償且影響重大，則該等款項將以其現值列賬。

(ii) 以股份為基礎之付款

向僱員授出之購股權之公平值確認為僱員成本，而相應增加於權益內之股份報酬儲備入賬。公平值乃於授出日期採用二項式購股權定價模型並經計及授出購股權之條款及條件後計量。倘僱員須符合歸屬條件後方可無條件享有購股權，則購股權之估計公平值總額經計及購股權將歸屬之可能性後按歸屬期攤分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Employee benefits (Continued)

(ii) Share-based payments (Continued)

During the vesting period, the number of share options expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. When share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained earnings.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2 重要會計政策摘要(續)

2.26 僱員福利(續)

(ii) 以股份為基礎之付款(續)

於歸屬期內，本公司已審閱預期將歸屬之購股權數目。過往年度確認之累計公平值之任何相關調整將自進行該審閱之年度之損益扣除／計入，除非原僱員開支合資格確認為一項資產，並對股份報酬儲備作相應調整，則作別論。於歸屬日期，對確認為開支之金額進行調整以反映歸屬購股權之實際數目（對股份報酬儲備作相應調整），惟僅由於未達成與本公司股份市價相關之歸屬條件而沒收者除外。倘購股權獲行使，先前於股份報酬儲備確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後遭沒收或於到期日仍未獲行使，則先前於股份報酬儲備確認之金額將轉撥至保留盈利。

(iii) 離職福利

離職福利乃於本集團不再能撤銷提供該等福利時及其確認涉及支付離職福利之重組成本時（以較早者為準）確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Provisions and contingent liabilities

(i) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2.27(ii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2.27(ii).

(ii) Other provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2 重要會計政策摘要(續)

2.27 撥備及或然負債

(i) 於業務合併中所承擔之或然負債

於業務合併中所承擔之或然負債(為收購日期之現有責任)，倘其公平值能夠可靠計量，則按公平值初步確認。按公平值初步確認後，有關或然負債乃按初步確認金額減累計攤銷(如適用)與根據附註2.27(ii)釐定之金額中較高者確認。於業務合併中所承擔之或然負債倘不能可靠計量或於收購日期並非現有責任則根據附註2.27(ii)披露。

(ii) 其他撥備及或然負債

當本集團具有因過往事項而產生之法律或推定責任，而履行有關責任可能導致經濟利益外流，並可作出可靠之估計時，則會確認撥備。倘貨幣時間價值屬重大，則按預期清償責任所需開支之現值計提撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Provisions and contingent liabilities (Continued)

(ii) Other provisions and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.28 Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(a) Revenue from sale of goods

Revenue from sale of goods is recognised at a point in time when the customers take possession of and accept the products.

2 重要會計政策摘要(續)

2.27 撥備及或然負債(續)

(ii) 其他撥備及或然負債(續)

倘經濟利益外流之可能性不大，或無法就有關金額作出可靠之估計，則相關責任披露為或然負債，惟經濟利益外流之可能性極小則除外。倘可能責任僅將視乎某宗或多宗未來事件是否發生始能確定是否存在，亦會披露為或然負債，惟經濟利益外流之可能性極小則除外。

2.28 收益及其他收入

本集團將其日常業務過程中銷售貨品、提供服務或租賃項下他人使用本集團資產所產生之收入分類為收益。

本集團於產品或服務之控制權按本集團預期將有權獲取之承諾代價金額(不包括代第三方收取之金額)轉移至客戶時或承租方有權使用資產時確認收益。收益不包括增值稅或其他銷售稅且按扣除任何貿易貼現後之金額計算。

本集團收益及其他收入之確認政策之進一步詳情如下：

(a) 銷售貨品所得之收益

銷售貨品所得收益於客戶接受產品的所有權之時點予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Revenue and other income (Continued)

(b) Income from licensing and sub-licensing of film rights

Income from licensing and sub-licensing of film rights is recognised at a point in time upon the delivery of the pre-recorded audio visual products and the materials for video features including the master tapes to the customers, in accordance with the terms of the underlying contracts.

(c) Film exhibition income

Film exhibition income is recognised at a point in time when the film is shown and the right to receive payment is established.

(d) Rental income from operating lease

Operating lease and other rental income is recognised on a straight-line basis over the lease terms.

(e) Interest income

Interest income is recognised as it accrues using the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial assets. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2.12(a)).

2 重要會計政策摘要(續)

2.28 收益及其他收入(續)

(b) 授出及轉授電影版權之收入

授出及轉授電影版權之收入於根據有關合約之條款向客戶交付預錄影音產品及母帶等錄像正片使用之素材後於某一時點確認。

(c) 電影放映之收入

電影放映之收入於電影放映及收取款項之權利獲確定時於某一時點確認。

(d) 經營租賃之租金收入

經營租賃及其他租金收入乃按租賃期以直線法確認。

(e) 利息收入

利息收入於其累計時按實際利率法確認，使用之利率為於金融資產預計年期內將估計未來收取現金準確貼現至該金融資產總賬面值之利率。就並無信貸減值之按攤銷成本計量之金融資產而言，實際利率應用於資產之賬面總值。就信貸減值金融資產而言，實際利率應用於資產之攤銷成本(即扣除虧損撥備之賬面總值)(見附註2.12(a))。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Revenue and other income (Continued)

(f) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(g) Financial printing and translation services

Revenue from provision of financial printing and translation services is recognised overtime by measuring the progress towards complete satisfaction of the relevant performance obligation, which is determined based on the Group's inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

2.29 Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

2 重要會計政策摘要(續)

2.28 收益及其他收入(續)

(f) 股息收入

非上市投資之股息收入乃於股東收取相關款項之權利確立時確認。上市投資之股息收入乃於投資之股價除息時確認。

(g) 財經印刷及翻譯服務

提供財經印刷及翻譯服務之收益乃隨時間確認，方法是計量完全完成相關履約責任之進度，其釐定之基準為本集團就完成履約責任之投入相對於完成履約責任之預計總投入。

2.29 持作出售之非流動資產及已終止經營業務

(i) 持作出售之非流動資產

倘非流動資產(或出售組別)之賬面值極可能是通過銷售交易而非通過持續使用收回且該資產(或出售組別)可以現狀立即出售時，則會分類為持作出售。出售組別為於單項交易中共同出售的一組資產，以及與該等資產直接相關並於交易中轉讓的負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Non-current assets held for sale and discontinued operations (Continued)

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

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

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2 重要會計政策摘要(續)

2.29 持作出售之非流動資產及已終止經營業務(續)

(i) 持作出售之非流動資產(續)

當本集團致力於涉及失去一間附屬公司控制權之出售計劃時，不論本集團是否將於出售後保留該附屬公司之非控股權益，該附屬公司的所有資產及負債於符合上述有關分類為持作出售之條件時分類為持作出售。

緊接分類為持作出售之前，非流動資產(及出售組別中所有的個別資產及負債)之計量均已根據被分類前所採用之會計政策更新。此後，初步分類為持作出售後及直至出售前，非流動資產(以下列示的若干資產除外)或出售組別按其賬面值及公平值減銷售成本中的較低者確認。就本集團和本公司的財務資料而言，該計量政策的主要例外情況為遞延稅項資產、因僱員福利產生之資產、金融資產(不包括於附屬公司、聯營公司及合營公司的投資)和投資物業。該等資產即使持作出售，亦會繼續依照附註2中所述之政策計量。

初次分類為持作出售及其後持作出售之重新計量而產生之減值虧損均於損益確認。一旦一項非流動資產被分類為持作出售或包含在分類為持作出售之出售組別中，該項非流動資產將不再計提折舊或攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Non-current assets held for sale and discontinued operations (Continued)

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of comprehensive income, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

2 重要會計政策摘要(續)

2.29 持作出售之非流動資產及已終止經營業務(續)

(ii) 已終止經營業務

已終止經營業務為本集團業務之組成部分，其經營業務及現金流量可與本集團餘下者清楚區分，其為獨立的主要業務部或經營地區，或出售獨立的主要業務部或經營地區之單一整體計劃之一部分，或專為準備轉售而收購之附屬公司。

當出售或經營業務符合有關分類為持作出售之標準(如較早)時會分類為已終止經營業務(見上文(ii))。其亦於經營業務棄置時發生。

當經營業務分類為已終止，則會於全面收益表內按單一數額呈列，其包括：

- 已終止經營業務之除稅後溢利或虧損；及
- 計量構成已終止經營業務之資產或出售組別之公平值減銷售成本時或出售時所確認之除稅後收益或虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2 重要會計政策摘要(續)

2.30 關連人士

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司之主要管理層成員。
- (b) 倘符合下列任何條件，則該實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體的聯營公司或合營公司(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營公司)。
 - (iii) 兩間實體均為同一第三方的合營公司。
 - (iv) 一間實體為第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 重要會計政策摘要(續)

2.30 關連人士(續)

- (b) 倘符合下列任何條件，則該實體與本集團有關連：(續)
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 實體或集團任何成員公司(其為一部分)向本集團或本集團之母公司提供主要管理人員服務。

某人士之近親是指與該實體交易時預期可影響該人士或受該人士影響之家庭成員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The policies for managing these risks are summarised below.

(a) Market risk

(i) Currency risk

(i) Exposure to currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, that is, a currency other than the functional currency of the operations to which the transactions relate. The currency giving rise to this risk is primarily Renminbi ("RMB") (2019: RMB).

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date.

3 財務風險管理及金融工具之公平值

3.1 財務風險因素

本集團因其業務面臨多種財務風險：市場風險(包括貨幣風險、利率風險及股價風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃著重於金融市場的不可預測性，致力最大程度減低對本集團財務表現的潛在不利影響。管理此等風險之政策概述如下。

(a) 市場風險

(i) 貨幣風險

(i) 所承受之貨幣風險

本集團所承受之貨幣風險主要來源於買賣而產生以外幣(即與交易有關的業務的功能貨幣以外之貨幣)計值的應收款項、應付款項及現金結餘。導致該風險的幣種主要為人民幣(「人民幣」)(二零一九年：人民幣)。

下表詳列本集團於報告期末因確認以相關實體功能貨幣以外之貨幣計值之資產或負債而產生之貨幣風險。基於呈報目的，風險額以年結日的即期匯率換算為港元列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

(i) Exposure to currency risk (Continued)

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 貨幣風險(續)

(i) 所承受之貨幣風險(續)

Exposure to foreign currencies (expressed in Hong Kong dollars) 所承受之外匯風險 (以港元列示)

| | | 2020 二零二零年 Renminbi 人民幣 '000 千元 | 2019 二零一九年 Renminbi 人民幣 '000 千元 |
|---|---------------------------|--|--|
| Cash and cash equivalents | 現金及現金等價物 | 1,232 | 381 |
| Accounts receivable | 應收賬款 | 56,476 | 1,905 |
| Financial assets included in "deposits paid, prepayments and other receivables" | 計入「已付訂金、預付款項及其他應收款項」之金融資產 | 5,202 | 27,110 |
| Accounts payable | 應付賬款 | (11) | - |
| Other payables and accrued charges | 其他應付款項及應計支出 | (37,300) | (28,228) |
| | | 25,599 | 1,168 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

| | | 2020 二零二零年 | | 2019 二零一九年 | |
|-----|-----|--|--|---|--|
| | | (Increase)/ decrease in loss after tax and Increase/ (decrease) in foreign exchange rates | (increase)/ decrease in accumulated losses 除稅後虧損 (增加)/減少 及累計虧損 (增加)/減少 HK\$'000 千港元 | Increase/ (decrease) in foreign exchange rates | (increase)/ decrease in accumulated losses 除稅後虧損 (增加)/減少 及累計虧損 (增加)/減少 HK\$'000 千港元 |
| RMB | 人民幣 | 5% (5%) | 1,280 (1,280) | 5% (5%) | 58 (58) |

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 貨幣風險(續)

(ii) 敏感度分析

下表載列於報告期末本集團面臨重大風險的外匯匯率於該日出現變動(假設所有其他風險參數保持不變)對本集團除稅後虧損(及累計虧損)產生的即時變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' loss/profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2019.

(ii) Interest rate risk

The Group's interest rate risk arises primarily from fair value interest rate risk in relation to fixed rate loans receivable (see note 21) from money lending business. The management considered that the risk is insignificant as the amounts are carried at amortised cost and not remeasured in the financial statements in response to changes in interest rates. Therefore, no sensitivity analysis for the years ended 30th June 2020 and 2019 was disclosed.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 貨幣風險(續)

(ii) 敏感度分析(續)

上表所列示的分析結果代表對各集團實體按相應功能貨幣計算並按報告期末的匯率換算為港元以供呈列之用的除稅後虧損／溢利及股權之即時影響總額。

敏感度分析已假設外匯匯率變動已用於重新計量本集團於報告期末所持有使本集團面臨外匯風險的金融工具。該分析乃採用與二零一九年相同之基準進行。

(ii) 利率風險

本集團之利率風險主要產生自與放貸業務之應收定息貸款(見附註21)相關之公平值利率風險。管理層認為風險不大，原因是有關款項以攤銷成本列賬及並非因應利率變動於財務報表中重新計量。因此，並無披露截至二零二零年及二零一九年六月三十日止年度之敏感度分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Equity price risk

The Group is exposed to equity price risk arising from changes in the prices of listed securities, unlisted investment funds and unlisted limited partnership. The sensitivity analysis has been determined based on the exposure to equity price risk.

The Group's trading securities are listed on the Stock Exchange of Hong Kong Limited. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Hang Seng Index and Index of the Growth Enterprise Market on the Stock Exchange of Hong Kong Limited and other industry indicators, as well as the Group's liquidity needs.

For the unlisted investment funds and unlisted limited partnership classified as other financial assets measured at fair value through profit or loss, the board of directors manages the exposure to equity price risk by maintaining a portfolio of investments funds with different risk and return profiles.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 股價風險

本集團面臨因上市證券、非上市投資基金及非上市有限合夥企業而產生的股價變動風險。有關敏感度分析已根據所面臨的股價風險釐定。

本集團之交易證券乃於香港聯合交易所有限公司上市。買入或賣出交易證券之決定乃基於對個別證券較恒生指數及香港聯合交易所有限公司GEM指數及其他行業指標之表現的每日監測，以及本集團之流動資金需要而作出。

就分類作透過損益按公平值入賬的其他金融資產之非上市投資基金及非上市有限合夥企業而言，董事會透過持有具不同風險及回報的投資基金組合管理股價風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Equity price risk (Continued)

At 30th June 2020, it is estimated that an increase/decrease of 10% (2019: 10%) in the fair value of the Group's trading securities with all other variables held constant would have decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$276,000 (2019: decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$726,000).

At 30th June 2020, it is estimated that an increase/decrease of 10% (2019: 10%) in the fair value of unlisted investment funds and unlisted limited partnership classified as other financial assets measured at fair value through profit or loss with all other variables held constant would have decreased/increased in the Group's loss after tax (and decreased/increased accumulated losses) by HK\$167,000 (2019: decreased/increased the Group's loss after tax (and decreased/increased accumulated losses) by HK\$720,000).

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 股價風險(續)

於二零二零年六月三十日，在所有其他變量保持不變之情況下，預計本集團透過損益按公平值入賬之交易證券增加／減少10%（二零一九年：10%），本集團之除稅後虧損將減少／增加（及累計虧損減少／增加）276,000港元（二零一九年：本集團之除稅後虧損減少／增加（及累計虧損減少／增加）726,000港元）。

於二零二零年六月三十日，估計倘分類為透過損益按公平值入賬的其他金融資產之非上市投資基金及非上市有限合伙企業公平值增加／減少10%（二零一九年：10%），而所有其他變量保持不變，則本集團之除稅後虧損將減少／增加（及累計虧損減少／增加）167,000港元（二零一九年：本集團之除稅後虧損減少／增加（及累計虧損減少／增加）720,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from default. The Group's credit risk is primarily attributable to accounts receivable, loans receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit rating assigned by rating agency, for which the Group considers to have low credit risk.

Accounts receivable from businesses other than securities brokerage and margin financing businesses

In respect of accounts receivable arising from trading, wholesaling and retailing of optical products and watches products, and provisions of financial printing services, in order to minimize the credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an on-going basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Receivables due from customers are due within the settlement period commonly adopted by the relevant market convention, which is usually within 0-90 days from the trade date. Normally, the Group does not obtain collateral from its customers.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險

信貸風險指對手方不履行其合約責任給本集團帶來財務虧損之風險。本集團已採納僅與信貸記錄良好之對手方交易之政策，以減低違約產生財務虧損的風險。本集團之信貸風險主要應歸於應收賬款、應收貸款及其他應收款項。本集團來自現金及現金等價物之風險敞口有限，原因是對手方乃獲評級機構給予高信貸評級之銀行及金融機構，而本集團認為彼等擁有低信貸風險。

來自證券經紀及孖展融資業務以外業務之應收賬款

就眼鏡產品及鐘錶產品貿易、批發及零售業務以及提供財經印刷服務產生之應收賬款而言，為將信貸風險減至最低，管理層已制定信貸政策，並會持續監察該等信貸風險。本集團會定期就每名主要客戶之財務水平及狀況進行信貸評估。該等評估著眼於客戶過往之到期付款記錄及目前之付款能力，並計及客戶之個別資料及與客戶經營所在經濟環境有關之資料。應收客戶賬款乃於相關市場慣例普遍採用之結算期內到期，一般為交易日後0至90天內。本集團通常不會向客戶收取抵押品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from businesses other than securities brokerage and margin financing businesses (Continued)

In respect of accounts receivable arising from video distribution, film distribution and exhibition, licensing and sub-licensing of film rights business, in order to minimise the credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an on-going basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Sales of videogram products are with credit terms of 7-60 days from the trade date. Sales from film exhibition, licensing and sub-licensing of film rights are on open account terms. Sales to retail customers are made in cash or via major credit cards. Normally, the Group does not obtain collateral from its customers.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務以外業務之應收賬款(續)

就錄像發行、電影發行及放映、授出及轉授電影版權業務產生之應收賬款而言，為將信貸風險減至最低，管理層已制定信貸政策，並會持續監察該等信貸風險。本集團會定期就每名主要客戶之財務水平及狀況進行信貸評估。該等評估著眼於客戶過往之到期付款記錄及目前之付款能力，並計及客戶之個別資料及與客戶經營所在經濟環境有關之資料。錄像產品銷售之信貸期為於交易日後7至60天。電影放映、授出及轉授電影版權之銷售均以記賬形式進行。向零售客戶銷售均以現金形式或透過主要信用卡進行。本集團通常不會向客戶收取抵押品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from businesses other than securities brokerage and margin financing businesses (Continued)

In respect of businesses mentioned above, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor and customer. The default risk of the industry in which debtors or customers operate also has an influence on credit risk but to a lesser extent. The Group had no concentration of credit risk in respect of accounts receivable from these businesses with exposure spread over a number of counterparties.

The Group measures loss allowances for accounts receivable from these businesses at an amount equal to lifetime ECLs. For accounts receivable arising from trading, wholesaling and retailing of optical products and watches products, and provisions of financial printing services, these receivables are normally settled within 6 months. The Group has assessed that the expected credit loss for these receivables as at 30th June 2020 and 30th June 2019 based on historical settlement records and looking-forward information (including the economic environment) and impairment loss allowance was recognised on these accounts receivable.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務以外業務之應收賬款(續)

就上述業務而言，本集團之信貸風險主要受各債務人及客戶之個別特點影響。債務人或客戶經營之行業之違約風險亦對信貸風險帶來影響（惟程度較低）。本集團並無就來自該等業務之應收賬款面臨信貸風險集中，風險分散於多名對手方。

本集團按相等於全期預期信貸虧損之金額計量來自該等業務之應收賬款之虧損撥備。就眼鏡產品及鐘錶產品之貿易、批發及零售以及提供財經印刷服務所產生之應收賬款而言，該等應收賬款一般於六個月內結算。本集團已評估該等應收賬款之預期信貸虧損於二零二零年六月三十日及二零一九年六月三十日並不重大，此乃基於過往結算記錄及前瞻性資料（包括經濟環境），及就該等應收賬款確認減值虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from businesses other than securities brokerage and margin financing businesses (Continued)

The following table provides information about the Group's exposure to credit risk for accounts receivable arising from businesses other than securities brokerage and margin financing businesses as at 30th June 2020.

At 30th June 2020

| | | Expected loss rate 預期虧損率 % | Gross carrying amount 總賬面值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 | Net carrying amount 賬面淨值 HK\$'000 千港元 |
|--|-------------------------------|-------------------------------------|--|--|---|
| Trading, wholesaling and retailing of optical products, watches and jewellery | 眼鏡產品、鐘錶及珠寶產品貿易、批發及零售業務 | | | | |
| Current (not past due) | 即期(未逾期) | - | 556 | - | 556 |
| 31-90 days past due | 逾期31至90日 | - | 147 | - | 147 |
| 91-365 days past due | 逾期91至365日 | - | 95 | - | 95 |
| | | | 798 | - | 798 |
| Provision of financial printing services | 提供財經印刷服務 | | | | |
| Current (not past due) | 即期(未逾期) | 4.10 - 100.00 | 5,061 | (221) | 4,840 |
| 1-30 days past due | 逾期1至30日 | 4.40 - 100.00 | 265 | (81) | 184 |
| 31-90 days past due | 逾期31至90日 | 4.40 - 100.00 | 346 | (76) | 270 |
| 91-365 days past due | 逾期91至365日 | 4.60 - 100.00 | 608 | (557) | 51 |
| Over 365 days past due | 逾期365日以上 | 100.00 | 21 | (21) | - |
| | | | 6,301 | (956) | 5,345 |

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務以外業務之應收賬款(續)

下表提供於二零二零年六月三十日有關本集團來自證券經紀及孖展融資業務之外之業務應收賬款之信貸風險敞口之資料。

於二零二零年六月三十日

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from businesses other than securities brokerage and margin financing businesses (Continued)

At 30th June 2020 (Continued)

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務以外業務之應收賬款(續)

於二零二零年六月三十日(續)

| | | Expected loss rate 預期虧損率 % | Gross carrying amount 總賬面值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 | Net carrying amount 賬面淨值 HK\$'000 千港元 |
|---|---------------------------------|-------------------------------------|--|--|---|
| Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights | 錄像發行、電影發行及放映、授出及轉授電影版權業務 | | | | |
| Current (not past due) | 即期(未逾期) | 0.10 - 1.50 | 1,519 | (2) | 1,517 |
| 1-30 days past due | 逾期1至30日 | 1.50 | 64 | (1) | 63 |
| 31-90 days past due | 逾期31至90日 | 0.15 - 1.50 | 8,715 | (2) | 8,713 |
| 91-365 days past due | 逾期91至365日 | 0.15 - 1.50 | 54,115 | (82) | 54,033 |
| Over 365 days past due | 逾期365日以上 | 0.25 - 1.50 | 141 | - | 141 |
| | | | 64,554 | (87) | 64,467 |
| Entertainment business | 娛樂業務 | | | | |
| Current (not past due) | 即期(未逾期) | 26.88 | 14 | (4) | 10 |
| 1-30 days past due | 逾期1至30日 | 26.88 | 12 | (4) | 8 |
| 31-90 days past due | 逾期31至90日 | 0.15 - 26.88 | 1,498 | (6) | 1,492 |
| 91-365 days past due | 逾期91至365日 | 26.88 | 11 | (4) | 7 |
| Over 365 days past due | 逾期365日以上 | 0.25 - 26.88 | 967 | (5) | 962 |
| | | | 2,502 | (23) | 2,479 |
| Total | 共計 | | 74,155 | (1,066) | 73,089 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from businesses other than securities brokerage and margin financing businesses (Continued)

The following table provides information about the Group's exposure to credit risk for accounts receivable arising from businesses other than securities brokerage and margin financing businesses as at 30th June 2019.

At 30th June 2019

| | | Expected loss rate 預期虧損率 % | Gross carrying amount 總賬面值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 | Net carrying amount 賬面淨值 HK\$'000 千港元 |
|--|-------------------------------|-------------------------------------|--|--|---|
| Trading, wholesaling and retailing of optical products, watches and jewellery | 眼鏡產品、鐘錶及珠寶產品貿易、批發及零售業務 | | | | |
| Current (not past due) | 即期(未逾期) | - | 1,502 | - | 1,502 |
| 31-90 days past due | 逾期31至90日 | - | 362 | - | 362 |
| 91-365 days past due | 逾期91至365日 | 9.00 | 167 | (15) | 152 |
| Over 365 days past due | 逾期365日以上 | 100.00 | 5,157 | (5,157) | - |
| | | | 7,188 | (5,172) | 2,016 |
| Provision of financial printing services | 提供財經印刷服務 | | | | |
| Current (not past due) | 即期(未逾期) | - | 2,739 | - | 2,739 |
| 1-30 days past due | 逾期1至30日 | - | 67 | - | 67 |
| 31-90 days past due | 逾期31至90日 | - | 61 | - | 61 |
| | | | 2,867 | - | 2,867 |

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務以外業務之應收賬款(續)

下表提供於二零一九年六月三十日有關本集團來自證券經紀及孖展融資業務之外之業務應收賬款之信貸風險敞口之資料。

於二零一九年六月三十日

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from businesses other than securities brokerage and margin financing businesses (Continued)

At 30th June 2019 (Continued)

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務以外業務之應收賬款(續)

於二零一九年六月三十日(續)

| | | Expected loss rate 預期虧損率 % | Gross carrying amount 總賬面值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 | Net carrying amount 賬面淨值 HK\$'000 千港元 |
|---|---------------------------------|-------------------------------------|--|--|---|
| Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights | 錄像發行、電影發行及放映、授出及轉授電影版權業務 | | | | |
| Current (not past due) | 即期(未逾期) | - | 3,327 | - | 3,327 |
| 1-30 days past due | 逾期1至30日 | - | 472 | - | 472 |
| 31-90 days past due | 逾期31至90日 | - | 128 | - | 128 |
| 91-365 days past due | 逾期91至365日 | - | 17 | - | 17 |
| Over 365 days past due | 逾期365日以上 | - | 1,180 | - | 1,180 |
| | | | 5,124 | - | 5,124 |
| Entertainment business | 娛樂業務 | | | | |
| Current (not past due) | 即期(未逾期) | - | 92 | - | 92 |
| 1-30 days past due | 逾期1至30日 | - | 33 | - | 33 |
| 31-90 days past due | 逾期31至90日 | - | 14 | - | 14 |
| 91-365 days past due | 逾期91至365日 | - | 499 | - | 499 |
| Over 365 days past due | 逾期365日以上 | - | 496 | - | 496 |
| | | | 1,134 | - | 1,134 |
| Total | 共計 | | 16,313 | (5,172) | 11,141 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from businesses other than securities brokerage and margin financing businesses (Continued)

Movements in the allowance for doubtful debts in respect of accounts receivable from businesses other than securities brokerage and margin financing business

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------------------|----------------------------------|----------------------------------|
| Balance at 30th June 2018 under HKAS 39 | 於二零一八年六月三十日香港會計準則第39號項下之結餘 | - | 5,515 |
| Impact on initial application of HKFRS 9 | 初始應用香港財務報告準則第9號之影響 | - | 788 |
| Balance at 1st July | 於七月一日之結餘 | 5,172 | 6,303 |
| Amounts written off | 已撇銷金額 | (5,172) | (351) |
| Current year change in expected credit loss | 預期信貸虧損本年度變動 | 1,066 | (780) |
| Balance at 30th June | 於六月三十日之結餘 | 1,066 | 5,172 |

The following significant change in the gross carrying amounts of the above accounts receivable contributed to the decrease in loss allowance during the year ended 30th June 2020:

- a write-off of accounts receivable with a gross carrying amount of approximately HK\$5,172,000 (2019: HK\$351,000) resulted in a decrease in loss allowance of approximately HK\$5,172,000 (2019: HK\$351,000).

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務以外業務之應收賬款(續)

來自證券經紀及孖展融資業務以外業務之應收賬款之呆賬撥備之變動

以上應收賬款總賬面值之下述重大變動致使截至二零二零年六月三十日止年度之虧損撥備減少：

- 撇銷總賬面值約5,172,000港元(二零一九年：351,000港元)之應收賬款導致虧損撥備減少約5,172,000港元(二零一九年：351,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from securities brokerage and margin financing businesses

In order to manage the credit risk in the accounts receivable due from clients arising from securities brokerage and margin financing business, individual credit evaluation are performed on all clients including cash and margin clients. Accounts receivable from cash clients related to a wide range of customers who generally settle the accounts receivable within two days after trade date and are secured by the portfolio of securities of the cash clients. Credit risk arising from the accounts receivable due from cash clients is therefore considered minimal. For margin clients, the Group normally obtains liquid securities as collateral based on the customers' margin requirements. The margin requirement is closely monitored on a daily basis by the designated team. In addition, the Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the credit risk is significantly reduced. Market conditions and adequacy of securities collateral and margin deposits of each margin account are monitored by management on a daily basis. Margin calls and forced liquidation are made where necessary.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務之應收賬款

為管理應收證券經紀及孖展融資業務客戶賬款之信貸風險，所有客戶(包括現金及孖展客戶)均須接受個別信貸評估。應收現金客戶之賬款與多名一般於交易日後兩天內支付應收賬款的客戶有關，並以其證券組合抵押，故應收現金客戶賬款產生之信貸風險甚微。就孖展客戶而言，本集團一般會根據客戶之保證金要求獲取流動證券作為抵押品。專責團隊每日對保證金要求進行密切監控。此外，本集團會於各報告期末檢討各項個別應收款項之可收回金額，以確保就不可收回金額作出充足的減值虧損。就此而言，本公司董事認為信貸風險已大幅下降。管理層會每日監察市況以及各孖展賬戶之證券抵押品及孖展保證金是否足夠。如有需要，會追繳保證金及強行斬倉。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from securities brokerage and margin financing businesses (Continued)

The credit quality and the maximum exposure to credit risk of accounts receivable from margin clients is mainly based on LTV unless other information is available without undue cost or effort.

In respect of accounts receivable from brokers, credit risks are considered to be low as the Group normally enters into transactions with brokers which are registered with regulatory bodies and enjoy sound reputation in the industry.

At the end of the reporting period, the Group has no significant concentration risk. (2019: 72% and 99% of the total amounts receivable due from clients arising from securities brokerage and margin financing business was due from the largest counterparty and the five largest counterparties respectively.)

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務之應收賬款(續)

應收孖展客戶賬款之信貸質素及最大信貸風險敞口主要以貸款與抵押品價值比率為基準，除非無需過多成本或努力即可取得其他資料。

就應收經紀賬款而言，由於本集團一般與已向監管機構註冊並於業內享有良好聲譽之經紀進行交易，故信貸風險甚低。

於報告期末，本集團並無重大集中風險。(二零一九年：因證券經紀及孖展融資業務產生應收客戶賬款總額的72%及99%分別來自最大對手方及五大對手方。)

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from securities brokerage and margin financing businesses (Continued)

An analysis of changes in ECLs for accounts receivable from margin clients is as follows:

| | | For the year ended 30th June 2020 截至二零二零年六月三十日止年度 | | | |
|--|--------------------------|--|--------------------|--------------------|-----------------|
| | | (Stage 1) (第一級) | (Stage 2) (第二級) | (Stage 3) (第三級) | Total 總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Balance at 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及二零一九年七月一日之結餘 | - | - | 1,500 | 1,500 |
| Accounts receivables repaid during the year | 年內償付之應收賬款 | - | - | (1,500) | (1,500) |
| Balance as at 30th June 2020 | 於二零二零年六月三十日之結餘 | - | - | - | - |
| Arising from | 產生自 | | | | |
| - Margin clients | - 孖展客戶 | - | - | - | - |
| ECLs rate | 預期信貸虧損率 | | | | |
| - Margin clients | - 孖展客戶 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務之應收賬款(續)

來自孖展客戶之應收賬款之預期信貸虧損變動分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Accounts receivable from securities brokerage and margin financing businesses (Continued)

An analysis of changes in ECLs for accounts receivable from margin clients is as follows:

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

來自證券經紀及孖展融資業務之應收賬款(續)

來自孖展客戶之應收賬款之預期信貸虧損變動分析如下：

| | | For the year ended 30th June 2019 截至二零一九年六月三十日止年度 | | | |
|--|---------------------------|--|--------------------|--------------------|-----------------|
| | | (Stage 1) (第一級) | (Stage 2) (第二級) | (Stage 3) (第三級) | Total 總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Balance at 30th June 2018 under HKAS 39 | 香港會計準則第39號下於二零一八年六月三十日之結餘 | - | - | 18,000 | 18,000 |
| Impact on initial adoption of HKFRS 9 | 初步採用香港財務報告準則第9號之影響 | - | - | - | - |
| Balance at 1st July 2018 | 於二零一八年七月一日之結餘 | - | - | 18,000 | 18,000 |
| Accounts receivables repaid during the year | 年內償付之應收賬款 | - | - | (3,500) | (3,500) |
| Write-offs | 撇銷 | - | - | (13,000) | (13,000) |
| Balance as at 30th June 2019 | 於二零一九年六月三十日之結餘 | - | - | 1,500 | 1,500 |
| Arising from | 產生自 | | | | |
| - Margin clients | - 孖展客戶 | - | - | 1,500 | 1,500 |
| ECLs rate | 預期信貸虧損率 | | | | |
| - Margin clients | - 孖展客戶 | N/A 不適用 | N/A 不適用 | 100% | 100% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Loans receivable

In respect of loans receivable (including loan to an associate) from customers and third parties, the objective of the Group's measures to manage credit risk is to control the potential exposure to recoverability problem. The Group manages and analyses the credit risk for each of its new and existing customers before payment terms and conditions are concluded by assessing the credit qualities of the customers and the third parties, taking into account its financial position, past settlement experience, collateral held and other factors. Loans receivable balances are monitored on an ongoing basis, management reviews the loans receivable at each reporting date to ensure that adequate impairment allowance is made. In this regard, management considers that the Group's credit risk is significantly reduced. Interest income are usually billed on a quarterly basis.

At the end of the reporting period, the Group had concentration of credit risk as for 100% (2019: 100%) of the loans receivable are due from the Group's six (2019: nine) debtors.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

應收貸款

就應收客戶及第三方之貸款(包括授予一間聯營公司之貸款)而言,本集團管理信貸風險的措施之目標為控制可能面對的可收回性問題。於訂結付款條款及條件前,本集團透過評估客戶及第三方之信貸質素(考慮其財務狀況、過往支付經驗、持有之抵押品及其他因素)管理及分析其各新客戶及現有客戶之信貸風險。應收貸款結餘按持續經營基準監控,管理層於各報告日期對應收貸款之可收回金額進行審閱,確保對不可收回金額作出充足減值虧損。就此而言,管理層認為本集團之信貸風險已顯著降低。利息收入一般按季度結算。

於報告期末,因本集團100%(二零一九年:100%)應收貸款均來自本集團六名債務人(二零一九年:九名),本集團面臨信貸風險集中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Loans receivable (Continued)

An analysis of changes in the gross amount of loans receivable (including loan to an associate) is as follows:

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

應收貸款(續)

應收貸款(包括授予一間聯營公司之貸款)總額的變動分析如下：

| | | For the year ended 30th June 2020 截至二零二零年六月三十日止年度 | | | | |
|--|------------------------------------|--|---|---|--|-----------------|
| | | 12-month expected credit loss | Lifetime expected credit loss - not credit impaired | Lifetime expected credit loss - credit impaired | Purchased or originated credit- impaired ("POCI") 購入或 源生信貸 減值 (「購入或 源生信貸 減值」) | Total |
| | | 12個月預期 信貸虧損 (Stage 1) (第一級) | 全期預期 信貸虧損 - 非信貸減值 (Stage 2) (第二級) | 全期預期 信貸虧損 - 信貸減值 (Stage 3) (第三級) | | 總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Balance at 30th June 2019 | 於二零一九年六月三十日之 結餘 | 5,910 | 30,998 | 33,444 | 1,760 | 72,112 |
| New loans originated | 源生之新貸款 | 6,225 | - | - | 690 | 6,915 |
| Loans repaid during the year (other than write-offs) | 年內已償還貸款 (撇銷除外) | (4,660) | (7,199) | (31,392) | - | (43,251) |
| Transfer to lifetime expected credit loss - credit impaired (Stage 3) | 轉撥至全期預期 信貸虧損 - 信貸減值 (第三級) | - | (23,799) | 23,799 | - | - |
| Total transfer between stages | 各層級之間的轉撥總額 | - | (23,799) | 23,799 | - | - |
| Write-offs | 撇銷 | - | - | (23,799) | - | (23,799) |
| Balance at 30th June 2020 | 於二零二零年六月三十日之 結餘 | 7,475 | - | 2,052 | 2,450 | 11,977 |
| Representing: | 代表： | | | | | |
| Loans receivable | 應收貸款 | 7,475 | - | - | - | 7,475 |
| Loan to an associate | 授予一間聯營公司之貸款 | - | - | 2,052 | 2,450 | 4,502 |
| | | 7,475 | - | 2,052 | 2,450 | 11,977 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Loans receivable (Continued)

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

應收貸款(續)

| | | For the year ended 30th June 2019 截至二零一九年六月三十日止年度 | | | | |
|--|-------------------------------------|--|---|---|--|-----------------|
| | | 12-month expected credit loss | Lifetime expected credit loss - not credit impaired | Lifetime expected credit loss - credit impaired | Purchased or originated credit- impaired ("POCI") 購入或 源生信貸 減值 (「購入或 源生信貸 減值」) | Total |
| | | 12個月預期 信貸虧損 (Stage 1) (第一級) | 全期預期 信貸虧損 - 非信貸減值 (Stage 2) (第二級) | 全期預期 信貸虧損 - 信貸減值 (Stage 3) (第三級) | | 總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Balance at 1st July 2018 | 於二零一八年七月一日之 結餘 | 60,545 | - | 4,340 | - | 64,885 |
| New loans originated | 源生之新貸款 | 41,000 | - | - | 1,760 | 42,760 |
| Loans repaid during the year (other than write-offs) | 年內已償還貸款 (撇銷除外) | (17,400) | - | (896) | - | (18,296) |
| Transfer to lifetime expected credit loss - not credit impaired (Stage 2) | 轉撥至全期預期 信貸虧損 - 非信貸減值 (第二級) | (30,998) | 30,998 | - | - | - |
| Transfer to lifetime expected credit loss - credit impaired (Stage 3) | 轉撥至全期預期 信貸虧損 - 信貸減值 (第三級) | (47,200) | - | 47,200 | - | - |
| Total transfer between stages | 各層級之間的轉撥總額 | (78,198) | 30,998 | 47,200 | - | - |
| Write-offs | 撇銷 | - | - | (17,200) | - | (17,200) |
| Exchange difference | 匯兌差額 | (37) | - | - | - | (37) |
| Balance at 30th June 2019 | 於二零一九年六月三十日之 結餘 | 5,910 | 30,998 | 33,444 | 1,760 | 72,112 |
| Representing: | 代表： | | | | | |
| Loan receivable | 應收貸款 | 5,910 | 30,998 | 30,000 | - | 66,908 |
| Loan to an associate | 授予一間聯營公司之貸款 | - | - | 3,444 | 1,760 | 5,204 |
| | | 5,910 | 30,998 | 33,444 | 1,760 | 72,112 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Loans receivable (Continued)

An analysis of changes in the corresponding ECL allowances is as follows:

| | | For the year ended 30th June 2020 截至二零二零年六月三十日止年度 | | | | |
|--|---------------------------|--|------------------------|------------------------|---------------------------|-----------------------|
| | | Stage 1 | Stage 2 | Stage 3 | POCI 購入或 源生信貸 減值 | Total |
| | | 第一級 HK\$'000 千港元 | 第二級 HK\$'000 千港元 | 第三級 HK\$'000 千港元 | HK\$'000 千港元 | 總額 HK\$'000 千港元 |
| Balance at 30th June 2019 | 於二零一九年六月三十日之結餘 | 163 | 5,115 | 788 | 128 | 6,194 |
| New loans originated | 源生之新貸款 | 171 | - | - | 16 | 187 |
| Loans repaid during the year (other than write-offs) | 年內已償還貸款(撇銷除外) | (112) | (1,188) | (32) | - | (1,332) |
| Transfer to lifetime expected credit loss - credit impaired (Stage 3) | 轉撥至全期預期信貸虧損 - 信貸減值(第三級) | - | (3,927) | 3,927 | - | - |
| Total transfer between stages | 各層級之間的轉撥總額 | - | (3,927) | 3,927 | - | - |
| Net remeasurement of expected credit loss arising from the transfer between stages during the year | 年內各級之間轉撥所產生之預期信貸虧損之重新計量淨額 | - | - | 19,873 | - | 19,873 |
| Movement due to change in credit risk | 信貸風險變動導致之調撥 | 37 | - | 1,295 | 2,306 | 3,638 |
| Write-offs | 撇銷 | - | - | (23,799) | - | (23,799) |
| Balance at 30th June 2020 | 於二零二零年六月三十日之結餘 | 259 | - | 2,052 | 2,450 | 4,761 |
| Arising from: | 產生自： | | | | | |
| Loans receivable | 應收貸款 | 259 | - | - | - | 259 |
| Loan to an associate | 授予一間聯營公司之貸款 | - | - | 2,052 | 2,450 | 4,502 |
| | | 259 | - | 2,052 | 2,450 | 4,761 |

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

應收貸款(續)

對應預期信貸虧損撥備的變動分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Loans receivable (Continued)

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

應收貸款(續)

| | | For the year ended 30th June 2019 截至二零一九年六月三十日止年度 | | | | |
|---|-------------------------------------|--|------------------------|------------------------|---------------------------|-----------------------|
| | | Stage 1 | Stage 2 | Stage 3 | POCI 購入或 源生信貸 減值 | Total |
| | | 第一級 HK\$'000 千港元 | 第二級 HK\$'000 千港元 | 第三級 HK\$'000 千港元 | HK\$'000 千港元 | 總額 HK\$'000 千港元 |
| Balance at 30th June 2018 | 於二零一八年六月三十日 之結餘 | - | - | - | - | - |
| Impact of adopting HKFRS 9 | 採納香港財務報告準則 第9號之影響 | 3,763 | - | 101 | - | 3,864 |
| Balance at 1st July 2018 | 於二零一八年七月一日 之結餘 | 3,763 | - | 101 | - | 3,864 |
| New loans originated | 源生之新貸款 | 57 | - | - | 13 | 70 |
| Loans repaid during the year (other than write-offs) | 年內已償還貸款 (撇銷除外) | (604) | - | (20) | - | (624) |
| Transfer to lifetime expected credit loss - not credit impaired (Stage 2) | 轉撥至全期預期 信貸虧損 - 非信貸減值 (第二級) | (2,432) | 2,432 | - | - | - |
| Transfer to lifetime expected credit loss - credit impaired (Stage 3) | 轉撥至全期預期 信貸虧損 - 信貸減值 (第三級) | (633) | - | 633 | - | - |
| Total transfer between stages | 各層級之間的轉撥總額 | (3,065) | 2,432 | 633 | - | - |
| Net remeasurement of expected credit loss arising from the transfer between stages during the year | 年內各級之間轉撥所產 生之預期信貸虧損之 重新計量淨額 | - | 2,683 | 16,567 | - | 19,250 |
| Movement due to change in credit risk | 信貸風險變動導致 之調撥 | 12 | - | 707 | 115 | 834 |
| Write-offs | 撇銷 | - | - | (17,200) | - | (17,200) |
| Balance at 30th June 2019 | 於二零一九年六月三十日 之結餘 | 163 | 5,115 | 788 | 128 | 6,194 |
| Arising from: | 產生自： | | | | | |
| Loans receivable | 應收貸款 | 163 | 5,115 | - | - | 5,278 |
| Loan to an associate | 授予一間聯營公司之貸款 | - | - | 788 | 128 | 916 |
| | | 163 | 5,115 | 788 | 128 | 6,194 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Other receivables

For other receivables, includes other receivables and amounts due from joint operation partners, credit checks are part of the normal operating process and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amounts of other receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

At the end of the reporting period, the Group has certain concentrations of credit risk of 32% (2019: 28%) of the total other receivables was due from the Group's largest debtor and 58% (2019: 78%) of the total other receivables due from the Group's five largest debtors of the total other receivables respectively.

The Group measures loss allowance for other receivables using lifetime ECLs for each debtor individually with significant balances. As at 30th June 2020, based on historical settlement record and risk of default for each debtor and forward-looking information (including the economic environment), write-back of loss allowance of HK\$257,000 was recognized during the year 30th June 2020 (2019: charge for loss allowance of HK\$8,073,000).

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

其他應收款項

就其他應收款項(包括其他應收款項及應收合營業務夥伴款項)而言，信貸檢查為正常經營程序之一部分，亦有嚴格監察程序處理過期應收款。此外，本集團於各報告期末檢查其他應收款項之可收回款額，以確保就無法收回款額作出足夠減值虧損。

於報告期末，本集團擁有若干信貸集中風險，其中其他應收款項總額的32%(二零一九年：28%)為應收本集團最大債務人的款項，而其他應收款項總額的58%(二零一九年：78%)為分別應收本集團五大債務人的款項。

本集團利用全期預期信貸虧損對具有重大結餘的每名債務人的其他應收款項個別地計量虧損撥備。於二零二零年六月三十日，根據每名債務人的過往結算記錄及違約風險以及前瞻性資料(包括經濟環境)，已於截至二零二零年六月三十日止年度確認轉回虧損撥備257,000港元(二零一九年：計提虧損撥備8,073,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the parent company's board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團旗下之個別營運實體負責自行管理其現金，包括進行短期現金盈餘投資及籌措貸款以應付預期現金需求，惟須待母公司董事會批准方可作實。本集團的政策為定期監控其現時及預期流動資金需求及其借貸契約的合規情況，確保其維持充裕現金儲備及從主要金融機構取得充裕的承諾融資額，以應付其長短期流動資金需求。

下列表格載列本集團之非衍生金融負債於報告期末之剩餘合約到期情況，基準為合約未貼現現金流量(包括按合約利率，或如屬浮息，則按報告期末當時利率計算之利息付款)及本集團須予支付之最早日期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at 30th June 2020

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

於二零二零年六月三十日

| | | Within 1 year or on demand 一年內 或按要求 HK\$'000 千港元 | More than 1 year but less than 2 years 一年以上 兩年以內 HK\$'000 千港元 | More than 2 years but less than 5 years 兩年以上 五年以內 HK\$'000 千港元 | Total contractual undiscounted cash flows 合約未貼現 現金流量總額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|--|-----------------------------|---|--|---|--|--|
| Accounts payable | 應付賬款 | 19,301 | - | - | 19,301 | 19,301 |
| Financial liabilities included in "other payables and accrued charges" and "deposits received" | 計入「其他應付款項及應計支出」及「已收訂金」之金融負債 | 160,950 | - | - | 160,950 | 160,950 |
| Contingent consideration payable | 應付或然代價 | 20,400 | - | - | 20,400 | 20,400 |
| Lease liabilities (Note 28) | 租賃負債(附註28) | 10,057 | 4,940 | 891 | 15,888 | 15,475 |
| | | 210,708 | 4,940 | 891 | 216,539 | 216,126 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1st July 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Lease liabilities include amounts recognised at the date of transition to HKFRS 16 in respect of leases previously classified as operating leases under HKAS 17 and amounts relating to new leases entered into during the year. Under this approach, the comparative information is not restated. See note 2.1(i).

附註：本集團已初步按經修訂追溯法應用香港財務報告準則第16號，並調整於二零一九年七月一日之期初結餘，以確認有關租賃之租賃負債，該等租賃先前在香港會計準則第17號下獲分類為經營租賃。租賃負債包括就先前在香港會計準則第17號下獲分類為經營租賃之租賃於過渡至香港財務報告準則第16號當日確認之金額及有關年內所訂立新租賃之金額。根據此方法，比較資料不予重列。見附註2.1(i)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As at 30th June 2019

3 財務風險管理及金融工具之公平值(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

於二零一九年六月三十日

| | | Within 1 year or on demand 一年內 或按要求 HK\$'000 千港元 | More than 1 year but less than 2 years 一年以上 兩年以內 HK\$'000 千港元 | More than 2 years but less than 5 years 兩年以上 五年以內 HK\$'000 千港元 | Total contractual undiscounted cash flows 合約未貼現 現金流量總額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|---|---|---|--|---|--|--|
| Accounts payable | 應付賬款 | 10,821 | - | - | 10,821 | 10,821 |
| Financial liabilities included in "other payables and accrued charges" and "deposits received" | 計入[其他應付款項 及應計支出] 及[已收訂金] 之金融負債 | 105,313 | - | - | 105,313 | 105,313 |
| Obligations under finance lease | 融資租賃承擔 | 7 | - | - | 7 | 7 |
| Amount due to an associate | 應付一間聯營公司款項 | 2,725 | - | - | 2,725 | 2,725 |
| Contingent consideration payable | 應付或然代價 | 20,400 | - | - | 20,400 | 20,400 |
| | | 139,266 | - | - | 139,266 | 139,266 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In addition, a subsidiary of the Group licensed by the Securities and Futures Commission ("SFC") is obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules ("FRR") at all times.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. For the subsidiary licensed by the SFC, the Group ensures this licensed subsidiary maintains a liquid capital level adequate to support the level of activities with sufficient buffer to accommodate increases in liquidity requirements arising from potential increases in the level of business activities. During the year ended 30th June 2018, the licensed subsidiary ceased its business. This licensed subsidiary complied with the liquid capital requirements under FRR at all times during the years ended 30th June 2020 and 2019.

3 財務風險管理及金融工具之公平值(續)

3.2 資本管理

本集團的資本管理旨在保障本集團持續營運的能力以為股東提供回報和為其他權益持有人提供利益，並維持最佳的資本結構以減低資本成本。此外，證券及期貨事務監察委員會（「證監會」）特許的本集團附屬公司須一直遵守證券及期貨（財政資源）規則（「財政資源規則」）項下的監管流動性資本要求。

為維持或調整資本結構，本集團或會調整支付予股東的股息金額、向股東發還資本、發行新股份或出售資產。就證監會特許的附屬公司而言，本集團確保該持牌附屬公司保持資金靈活週轉，足以支持業務經營，以及在業務可能轉趨頻繁而引致對流動資金之需求上升時亦能應付自如。截至二零一八年六月三十日止年度，特許的附屬公司已終止其業務。此特許的附屬公司在截至二零二零年及二零一九年六月三十日止年度任何時候均遵照財政資源規則的流動性資本要求。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.2 Capital management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (include borrowings and lease liabilities) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet, plus net debt, where applicable.

The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group recognises right-of-use assets and corresponding lease liabilities for almost all leases previously accounted for as operating leases from 1st July 2019. This caused a significant increase in the Group's total debt when comparing to its position as at 30th June 2019.

3 財務風險管理及金融工具之公平值(續)

3.2 資本管理(續)

和其他同業一樣，本集團以資產負債比率作為監控資本的基準。該比率按淨負債除以總資本計算。淨負債按總借貸(包括借貸及租賃負債)減去現金及現金等價物計算。總資本按綜合資產負債表所載之「權益」加上淨負債(倘合適)計算。

本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團自二零一九年七月一日起就先前入賬為經營租賃之絕大部分租賃確認使用權資產及相應租賃負債。這導致本集團債務總額較二零一九年六月三十日大幅增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.2 Capital management (Continued)

The Group's adjusted net debt-to-capital ratio at the end of the current and previous reporting periods and at the date of transition to HKFRS 16 was as follows:

| | Note | 30th June 2020 二零二零年 六月三十日 HK\$'000 千港元 | 1st July 2019 二零一九年 七月一日 (Note) (附註) HK\$'000 千港元 | 30th June 2019 二零一九年 六月三十日 (Note) (附註) HK\$'000 千港元 |
|---|------|--|--|--|
| Current liabilities: | | | | |
| Lease liabilities | 28 | 9,863 | 9,414 | 7 |
| | | 9,863 | 9,414 | 7 |
| Non-current liabilities: | | | | |
| Lease liabilities | 28 | 5,612 | 9,985 | - |
| Total debt | | 15,475 | 19,399 | 7 |
| Less: Cash and cash equivalent | 24 | (106,949) | (178,228) | (178,228) |
| Adjusted net debt | | (91,474) | (158,829) | (178,221) |
| Total equity | | 354,892 | 380,934 | 380,934 |
| Adjusted capital | | 354,892 | 380,934 | 380,934 |
| Adjusted net debt-to-capital ratio | | N/A 不適用 | N/A 不適用 | N/A 不適用 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1st July 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17.

Under this approach, the comparative information as at 30th June 2019 is not restated. See note 2.1(i).

3 財務風險管理及金融工具之公平值(續)

3.2 資本管理(續)

本集團於當期及過往報告期末，以及過渡至香港財務報告準則第16號當日之經調整淨債務資本比率如下：

附註：本集團已使用修訂追溯法首次應用香港財務報告準則第16號，並調整二零一九年七月一日之期初結餘以確認先前根據香港會計準則第17號分類為經營租賃之租賃有關之租賃負債。

在此方法下，於二零一九年六月三十日之比較資料不予重列。見附註2.1(i)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement

- (i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team headed by the finance manager performing valuations for the financial instruments. The team reports directly to the directors of the Company and the audit committee. Valuation reports with analysis of changes in fair value measurement are prepared by the team at each annual reporting date, and is reviewed and approved by the directors of the Company. Discussion of the valuation process and results with the directors and the audit committee is held once a year, to coincide with the reporting date.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量

- (i) 按公平值計量之金融資產及負債

公平值等級

下表呈列本集團金融工具之公平值，該等金融工具於報告期末按經常性基準計量，並分類為香港財務報告準則第13號「公平值計量」所界定之三級公平值等級。將公平值計量分類之等級乃經參考如下估值方法所用輸入數據之可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據(即於計量日同類資產或負債於活躍市場之未經調整報價)計量之公平值
- 第二級估值：使用第二級輸入數據(即未能達到第一級之可觀察輸入數據)且並未使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據為無市場數據之輸入數據
- 第三級估值：使用重大不可觀察輸入數據計量之公平值

本集團擁有一支由財務經理領導之團隊，負責對金融工具進行估值。該團隊直接向本公司董事及審計委員會報告。載有公平值計量變動分析之估值報告乃由團隊於各年度報告日期編製，並由本公司董事審閱及批准。團隊就估值程序及結果每年與董事及審計委員會進行一次討論，以與報告日期保持一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

| | | Fair value measurements as at 30th June 2020 categorised into 於二零二零年六月三十日之公平值計量分類為 | | | | Fair value measurements as at 30th June 2019 categorised into 於二零一九年六月三十日之公平值計量分類為 | | | |
|--|-------------------|--|------------------------|------------------------|--|--|------------------------|------------------------|--|
| | | Level 1 | Level 2 | Level 3 | Fair value at 30th June 2020 於 二零二零年 六月三十日 之公平值 HK\$'000 千港元 | Level 1 | Level 2 | Level 3 | Fair value at 30th June 2019 於 二零一九年 六月三十日 之公平值 HK\$'000 千港元 |
| | | 第一級 HK\$'000 千港元 | 第二級 HK\$'000 千港元 | 第三級 HK\$'000 千港元 | | 第一級 HK\$'000 千港元 | 第二級 HK\$'000 千港元 | 第三級 HK\$'000 千港元 | |
| Recurring fair value measurements | 經常性公平值計量 | | | | | | | | |
| Assets: | 資產： | | | | | | | | |
| Other financial assets | 其他金融資產 | | | | | | | | |
| - Unlisted investment funds (Note a) | - 非上市投資基金 (附註a) | - | - | 322 | 322 | - | - | 317 | 317 |
| - Derivative financial instruments (Note a) | - 衍生金融工具 (附註a) | - | - | 8,336 | 8,336 | - | - | 2,058 | 2,058 |
| - Unlisted limited partnership (Note a) | - 非上市有限合伙企業 (附註a) | - | - | 1,350 | 1,350 | - | - | 7,199 | 7,199 |
| Trading securities (Note d) | 交易證券 (附註d) | - | - | 3,300 | 3,300 | - | - | 8,691 | 8,691 |
| Contingent consideration receivable (Note b) | 應收或然代價 (附註b) | - | - | - | - | - | - | - | - |
| | | - | - | 13,308 | 13,308 | - | - | 18,265 | 18,265 |
| Liabilities: | 負債： | | | | | | | | |
| Contingent consideration payable (Note c) | 應付或然代價 (附註c) | - | - | (20,400) | (20,400) | - | - | (20,400) | (20,400) |
| | | - | - | (20,400) | (20,400) | - | - | (20,400) | (20,400) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

During the year ended 30th June 2020, there were no transfer between Level 1, Level 2 or transfer into or out of Level 3. (2019: the Group reclassified two listed equity security, amounted to HK\$1,791,000, from Level 1 to Level 3 due to suspension of trading. The listed equity security suspended trading as at 30th June 2019 and was still suspended from trading up to the date of approval of these consolidated financial statements. The transfer between Level 1 and Level 3 of the fair value hierarchy is deemed to have occurred at the end of the reporting period. Apart from the above, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the years ended 30th June 2019.)

Notes:

- (a) For unlisted investment funds and limited partnership classified under Level 3 of the fair value measurement hierarchy, the fair values are determined based on the net asset values of those investment funds and limited partnership determined with reference to third party valuation of underlying investment portfolio and adjustments of related expenses. When the net asset values of the unlisted investment funds and limited partnership increases/decreases by 10% (2019: 10%), the fair value will increase/decrease by HK\$167,000 (2019: HK\$752,000). The higher the net assets values, the higher the fair value.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)
公平值等級(續)

於截至二零二零年六月三十日止年度，第一級、第二級之間並無轉撥，亦無轉撥入第三級或自第三級轉撥出。(二零一九年：本集團由於兩項上市股本證券1,791,000港元暫停買賣而將之由第一級重新分類至第三級。於二零一九年六月三十日該上市股本證券暫停買賣，而截至該等綜合財務報表獲批准當日仍繼續暫停買賣。公平值等級第一級與第三級間之轉撥被視為於報告期末已發生。除上述者外，於截至二零一九年六月三十日止年度，第一級與第二級之間並無轉撥，亦無轉撥入第三級或自第三級轉撥出。)

附註：

- (a) 就分類於公平值計量等級第三級項下之非上市投資基金及有限合夥企業而言，公平值乃根據該等投資基金及有限合夥企業之資產淨值，參考相關投資組合之第三方估值釐定，並就相關開支作出調整。當非上市投資基金及有限合夥企業的資產淨值增加／減少10% (二零一九年：10%)，公平值將增加／減少167,000港元 (二零一九年：752,000港元)。資產淨值越高，則公平值越高。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (a) (Continued)

During the year ended 30th June 2019, the Group entered into certain arrangement to dispose one of the unlisted investment funds at a fixed consideration in December 2021. In the opinion of the directors of the Company, the arrangement constituted a derivative contract which should be recognised as a derivative financial instrument ("DFI") (note 16(i)). The DFI is net of deferred day one gain, which arise from the difference between its fair value at initial recognition and its transaction price of HK\$Nil. The deferred day one gain is amortised over the period from March 2019 to December 2021. The valuation techniques and key inputs used for the DFI in Level 3 fair value measurement at the end of the reporting period are as follows:

| | Valuation techniques | Significant unobservable input | Range |
|----------------------------------|--|---|-------------------------------------|
| | 估值方法 | 重大不可觀察輸入數據 | 範圍 |
| | | | HK\$ 港元 |
| Derivative financial instruments | Marking-to-market approach and discounted cash flow approach | Fair value of equity interest in unlisted investment fund | HK\$322,000 (2019: HK\$317,000) |
| 衍生金融工具 | 市價計值法及貼現現金流量法 | 於非上市投資基金之股權公平值 | 322,000港元 (二零一九年：317,000港元) |
| | | Credit value adjustment factor | 7.06%-11.89% (2019: 4.85%-13.3%) |
| | | 信貸價值調整因素 | 7.06%-11.89% (二零一九年：4.85%-13.3%) |

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (a) (續)

截至二零一九年六月三十日止年度，本集團訂立若干安排以於二零二一年十二月按固定代價出售其中一項非上市投資基金。本公司董事認為，該項安排構成一項衍生合約，應予確認為衍生金融工具（「衍生金融工具」）（見附註16(i)）。衍生金融工具乃經扣除遞延首日收益，乃由於其於初步確認時的公平值與其交易價格間的差額為零港元而產生。遞延首日收益於二零一九年三月至二零二一年十二月期間內攤銷。於報告期末，以第三級公平值計量之衍生金融工具所使用之估值方法及主要輸入數據如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (a) (Continued)

As at 30th June 2020, it was estimated that a 5% increase or decrease in the fair value of the unlisted investment fund while holding all other variables constant would not significantly affect the value of the DFI. As a result, no sensitivity analysis for the year ended 30th June 2020 was disclosed for the impact of changes in the fair value of the unlisted investment fund.

As at 30th June 2020, a 5% increase or decrease in the credit value adjustment factor while holding all other variables constant would decrease or increase the carrying amount of the DFI by approximately HK\$442,000 (2019: HK\$724,000) or HK\$442,000 (2019: HK\$715,000), respectively.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (a) (續)

於二零二零年六月三十日，倘所有其他變數維持不變，非上市投資基金公平值之5%增加或減少估計將不會對衍生金融工具之價值有重大影響。因此，截至二零二零年六月三十日止年度概無就非上市投資基金公平值變動之影響披露敏感度分析。

於二零二零年六月三十日，倘所有其他變數維持不變，信貸價值調整因素之5%增加或減少將分別減少或增加衍生金融工具之賬面值約442,000港元(二零一九年：724,000港元)或442,000港元(二零一九年：715,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (a) (Continued)

The following table represents the changes in other financial assets included in Level 3 fair value measurements:

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (a) (續)

下表為計入第三級公平值計量之其他金融資產之變動：

| | | Unlisted investment funds | Derivative financial instruments | | | Unlisted limited partnership | Total |
|--|-----------------------|---------------------------|----------------------------------|----------|----------|------------------------------|----------|
| | | 非上市投資基金 | 衍生金融工具 | | | 非上市有限合夥企業 | |
| | | | Deferred day | | | | |
| | | | Gross | one gain | Net | | |
| | | | 遞延 | 首日收益 | 淨額 | | |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| As at 1st July 2018 | 於二零一八年七月一日 | 1,049 | - | - | - | 64,833 | 65,882 |
| Addition | 添置 | - | 15,500 | (15,500) | - | - | - |
| Gain/(losses) included in profit or loss | 計入損益之收益/(虧損) | (732) | 422 | - | 422 | (19,127) | (19,437) |
| Amortisation of deferred day one gain | 遞延首日收益之攤銷 | - | - | 1,636 | 1,636 | - | 1,636 |
| Return of capital | 資本回報 | - | - | - | - | (38,507) | (38,507) |
| As at 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及二零一九年七月一日 | 317 | 15,922 | (13,864) | 2,058 | 7,199 | 9,574 |
| Gains/(loss) included in profit or loss | 計入損益之收益/(虧損) | 5 | 733 | - | 733 | (4,319) | (3,581) |
| Amortisation of deferred day one gain | 遞延首日收益之攤銷 | - | - | 5,545 | 5,545 | - | 5,545 |
| Return of capital | 資本回報 | - | - | - | - | (1,530) | (1,530) |
| As at 30th June 2020 | 於二零二零年六月三十日 | 322 | 16,655 | (8,319) | 8,336 | 1,350 | 10,008 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (b) The valuation techniques and key inputs used for contingent consideration receivable in Level 3 fair value measurement at the end of the reporting period are as follows:

| | Valuation techniques | Significant unobservable input | Range |
|-------------------------------------|-------------------------------|---|--|
| | 估值方法 | 重大不可觀察輸入數據 | 範圍 HK\$ 港元 |
| Contingent consideration receivable | Discounted cash flow approach | Expected net loss (2019: same) | Expected loss of HK\$1,875,845 (2019: same) |
| 應收或然代價 | 貼現現金流量法 | 預期淨虧損(二零一九年：相同) Discount rate 貼現率 | 預期虧損1,875,845港元 (二零一九年：相同) 100% (2019: same) 100%(二零一九年：相同) |

The fair value of the contingent consideration receivable represented the profit guarantee in relation to the adjustments to the consideration from the acquisition of AP Group Investment Holdings Limited ("AP Group") as detailed in note 22.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (b) 於報告期末，以第三級公平值計量之應收或然代價所使用之估值方法及主要輸入數據如下：

應收或然代價的公平值指與對收購愛拼集團控股有限公司(「愛拼集團」)的代價調整有關的溢利保證，於附註22詳述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (b) (Continued)

As at 30th June 2020 and 2019, the contingent consideration receivable is determined by reference to the financial statements of AP Group and its subsidiaries for the years ended 31st December 2016 and 2017, in which the consolidated results showed a net loss position. As at 30th June 2020 and 2019, it was estimated that a 5% increase or decrease in the expected net loss of AP Group while holding all other variables constant would not significantly affect the value of contingent consideration receivable.

As at 30th June 2020 and 2019, it was estimated that a 5% increase or decrease in the discount rate used while holding all other variables constant would not significantly affect the value of contingent consideration receivable.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (b) (續)

於二零二零年及二零一九年六月三十日，應收或然代價乃根據愛拼集團及其附屬公司截至二零一六年及二零一七年十二月三十一日止年度財務報表(其中綜合業績處於淨虧損狀況)釐定。於二零二零年及二零一九年六月三十日，假設所有其他變量維持不變，估計愛拼集團預期淨虧損上升或下降5%將不會嚴重影響應收或然代價的價值。

於二零二零年及二零一九年六月三十日，倘所有其他變量維持不變，所使用之貼現率增加或減少5%估計將不會對應收或然代價之價值有重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (b) (Continued)

The movement during the year in the balance of these Level 3 fair value measurements are as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Contingent consideration receivable: | 應收或然代價： | | |
| At the beginning of the year | 於年初 | - | 3,796 |
| Total loss included in profit or loss | 計入損益之虧損總額 | - | (3,796) |
| At the end of the year | 於年末 | - | - |
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| Total loss included in profit or loss for assets held at the end of the reporting period | 就於報告期末持有之資產計入損益之虧損總額 | - | (3,796) |

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (b) (續)

該等第三級公平值計量之結餘於年內變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (c) The valuation techniques and key inputs used for contingent consideration payable in Level 3 fair value measurement at the end of the reporting period are as follows:

| | Valuation techniques | Significant unobservable input | Range |
|----------------------------------|-------------------------------|---------------------------------------|---|
| | 估值方法 | 重大不可觀察輸入數據 | 範圍 HK\$ 港元 |
| Contingent consideration payable | Discounted cash flow approach | Expected net loss (2019: same) | Expected loss of HK\$1,875,845 (2019: same) |
| 應付或然代價 | 貼現現金流量法 | 預期淨虧損(二零一九年：相同) | 預期虧損1,875,845港元(二零一九年：相同) |

The fair value of the contingent consideration payable represented the profit guarantee in relation to the adjustments to the consideration from the disposal of AP Group as detailed in note 31.

應付或然代價的公平值指與對出售愛拼集團的代價調整有關的溢利保證，於附註31詳述。

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (c) 於報告期末，應付或然代價第三級公平值計量所使用之估值方法及主要輸入數據如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (c) (Continued)

As at 30th June 2020, the contingent consideration payable is determined by reference to the financial statements of AP Group and its subsidiaries for the years ended 31st December 2016 and 2017, in which the consolidated results showed a net loss position. As at 30th June 2020 and 30th June 2019, it was estimated that a 5% increase or decrease in the expected net loss of AP Group while holding all other variables constant would not significantly affect the value of contingent consideration payable. The amount would become payable once the actual results of AP Group is finalised and no discount factor is applied to the amount. As a result, no sensitivity analysis for the years ended 30th June 2020 and 30th June 2019 were disclosed for the impact of changes in expected net loss and discount rate.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (c) (續)

於二零二零年六月三十日，應付或然代價乃根據愛拼集團及其附屬公司截至二零一六年及二零一七年十二月三十一日止年度財務報表(其中綜合業績處於淨虧損狀況)釐定。於二零二零年六月三十日及二零一九年六月三十日，假設所有其他變量維持不變，估計愛拼集團預期淨虧損上升或下降5%將不會嚴重影響應付或然代價的價值。一旦落實愛拼集團實際業績，該金額將須支付，且該金額不予貼現。因此，並無就預期淨虧損變動及貼現率之影響披露截至二零二零年六月三十日及二零一九年六月三十日止年度之敏感度分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (c) (Continued)

The movement during the year in the balance of these Level 3 fair value measurements are as follows:

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (c) (續)

該等第三級公平值計量之結餘於年內變動如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|---------|----------------------------------|----------------------------------|
| Contingent consideration payable: | 應付或然代價： | | |
| At the beginning of the year and at the end of the year | 於年初及年末 | (20,400) | (20,400) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (d) The financial assets at fair value through profit or loss classified under Level 3 of the fair value measurement hierarchy represent investment in a listed equity security suspended from trading.

The fair value of those equity instruments is mainly valued based on Guideline Publicly Traded Company (the "GPTC") method whereas the key inputs to the valuation models include the market multiples, share prices of similar companies that are traded in a public market and discount for lack of marketability. The discount for lack of marketability used are unobservable input. As at 30th June 2020, if any of the significant unobservable input above was 5% higher/lower while all the other variables were held constant, the changes in fair value of the listed equity security would not be significant to the Group.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (d) 分類於公平值計量等級第三級項下透過損益按公平值入賬之金融資產指於一項上市股本證券(已暫停買賣)之投資。

該等權益工具之公平值主要按指引公開交易公司(「指引公開交易公司」)法進行估值，在該方法下，估值模型之主要輸入數據包括在公開市場進行交易之同類公司之市場倍數、股價及對缺乏市場性所作之折讓。所用之對缺乏市場性所作之折讓為不可觀察輸入數據。於二零二零年六月三十日，倘上述任何重大不可觀察輸入數據提高/降低5%而所有其他變量維持不變，則上市股本證券之公平值變動對本集團而言並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

3.3 Fair value measurement (Continued)

- (i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Notes: (Continued)

- (d) (Continued)

The movement during the year in the balance of these Level 3 fair value measurements are as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Listed equity security suspended from trading | 上市股本證券 (已暫停買賣) | | |
| At the beginning of the year | 於年初 | 8,691 | 9,465 |
| Transfer from Level 1 | 轉撥自第一級 | - | 1,791 |
| Total loss included in profit or loss | 計入損益之虧損 總額 | (5,391) | (2,565) |
| At the end of the year | 於年末 | 3,300 | 8,691 |

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|-----------------------------|----------------------------------|----------------------------------|
| Total loss included in profit or loss for assets held at the end of the reporting period | 就於報告期末 持有資產計入 損益之虧損總額 | (5,391) | (2,565) |

- (ii) Financial assets and liabilities at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30th June 2020 and 2019.

3 財務風險管理及金融工具之公平值(續)

3.3 公平值計量(續)

- (i) 按公平值計量之金融資產及負債(續)

公平值等級(續)

附註：(續)

- (d) (續)

該第三級公平值計量結餘於年內之變動如下：

- (ii) 並非以公平值列值之金融資產及負債

本集團按成本或攤銷成本入賬之金融工具之賬面值與其於二零二零年及二零一九年六月三十日之公平值差別不大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of film rights, films in progress and film related deposits

The Group assesses annually whether there is any indication for impairment on the film rights, films in progress and film related deposits for video distribution, film distribution and exhibition, licensing and sub-licensing of film rights segment and further assesses if they have suffered any impairment, in accordance with the accounting policy stated in note 2.

4 關鍵會計估算及判斷

估算、假設及判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下被認為屬合理的未來事件預測。

(a) 關鍵會計估算及假設

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。具有重大風險導致下個財政年度的資產和負債的賬面值作出重大調整的估算和假設討論如下。

(i) 電影版權、製作中之電影及電影相關訂金之減值

根據附註2所載之會計政策，本集團就錄像發行、電影發行及放映、授出及轉授電影版權分部每年評估電影版權、製作中之電影及電影相關訂金是否出現任何減值跡象，倘出現任何減值則進行進一步評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(i) Impairment of film rights, films in progress and film related deposits (Continued)

As at 30th June 2020, the Group assessed that there were impairment indication for certain films included in films rights, film in progress and film related deposit with gross carrying amount of approximately HK\$950,000, HK\$16,954,000 and HK\$25,157,000 respectively because of the change of comparable market information and expected performance. As at 30th June 2020, these film rights, film in progress and film related deposit have been reduced to their recoverable amount of approximately HK\$46,000, HK\$13,205,000 and HK\$13,801,000 respectively. The recoverable amount was determined on a title-by-title basis, and is assessed with reference to a value-in-use calculation at the end of the reporting period, which was derived from discounting the projected cash flow forecast using a discount rate of 11% (2019: 14%). Key assumptions for the value-in-use calculations related to the estimation of cash inflow include the budget film exhibition income, budget licensing and sub-licensing income revenue and discount rate. Such estimation is based on the historical box office of the same director and main cast members, the market comparable data of films with the same theme, and management's expectations of the market development. The discount rate used is before tax and reflected current market assessment of the time value of money and the risks specific to the film production business.

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(i) 電影版權、製作中之電影及電影相關訂金之減值(續)

於二零二零年六月三十日，本集團評估賬面總值分別約為950,000港元、16,954,000港元及25,157,000港元之若干電影(包括於電影版權、製作中電影及電影相關訂金內)存在減值跡象，原因為可資比較市場資料及預期表現之變動。於二零二零年六月三十日，該等電影版權、製作中電影及電影相關訂金已分別減至其可收回金額約46,000港元、13,205,000港元及13,801,000港元。可收回金額乃按每部電影基準釐定，並參考於報告期末之使用價值計算進行評估，而使用價值乃使用11%(二零一九年：14%)之貼現率貼現預測現金流量計算得出。有關現金流入估計之使用價值計算主要假設包括預算電影放映收入、預算授出及轉授收入收益及貼現率。有關估計乃基於相同導演及主要演員之過往票房、相同主題電影之市場可資比較數據及管理層對市場發展之預期。所用貼現率為稅前貼現率，反映當前市場對貨幣時間價值及電影製作業務特定風險之評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(i) Impairment of film rights, films in progress and film related deposits (Continued)

Taking into account the impairment assessment performed by the management, an impairment loss of film rights of approximately HK\$904,000 (2019: HK\$165,000), an impairment loss of film related deposits of approximately HK\$11,356,000 (2019: HK\$67,000), and an impairment loss of films in progress of approximately HK\$3,749,000 (2019: HK\$Nil) were recognised respectively in the consolidated statement of comprehensive income for the year ended 30th June 2020 to reduce the carrying amounts of certain film rights, films in progress and film related deposits to their recoverable amounts. The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of film rights, film in progress and film related deposits to exceed its recoverable amount as at 30th June 2020.

As at 30th June 2020, the aggregate carrying amount of film rights, films in progress and film related deposits amounted to approximately HK\$290,106,000 (2019: HK\$309,730,000).

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(i) 電影版權、製作中之電影及電影相關訂金之減值(續)

經計及管理層進行之減值評估，電影版權減值虧損約904,000港元(二零一九年：165,000港元)、電影相關訂金減值虧損約11,356,000港元(二零一九年：67,000港元)及製作中電影減值虧損約3,749,000港元(二零一九年：零港元)已分別於截至二零二零年六月三十日止年度之綜合全面收益表中確認，以將若干電影版權、製作中電影及電影相關訂金之賬面值減至其可收回金額。董事及管理層已考慮及評估其他主要假設之合理可能變動，且並無發現任何可能導致電影版權、製作中電影及電影相關訂金之賬面值超出其於二零二零年六月三十日之可收回金額的情況。

於二零二零年六月三十日，電影版權、製作中電影及電影相關訂金之賬面總值約為290,106,000港元(二零一九年：309,730,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(ii) Provision for impairment of accounts receivable

Accounts receivable are reviewed by management at the end of each reporting period to determine the expected credit losses. The management bases the estimates on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessments of both current and forecast general economic conditions. Credit risk assessments focus on the customers' past history of making payments when due and current ability and willingness to pay, taking into account the financial position of the customers and the macroeconomic environment in which the customers operate. If the financial conditions of the customers and/or the macroeconomic environment of the Group were to deteriorate, resulting in an impairment of their ability to repay, additional impairment provision may be required. If the financial conditions of these customers were to deteriorate, additional provision for impairment may be required. As at 30th June 2020, the carrying amount of accounts receivable amounted to approximately HK\$73,105,000 (2019: HK\$11,161,000).

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(ii) 應收賬款之減值撥備

管理層於各報告期末審閱應收賬款，以釐定預期信貸虧損。管理層之估計以過往信貸虧損經驗為基礎，並就債務人特定因素及對當前及預期整體經濟狀況之評估作出調整。信貸風險評估集中於客戶於到期時之過往付款記錄以及目前之能力及支付意願，並考慮客戶財務狀況及客戶經營業務所處宏觀經濟環境。倘客戶財務狀況及／或本集團宏觀經濟環境惡化，導致彼等還款能力減值，則可能須作出額外減值撥備。於二零二零年六月三十日，應收賬款之賬面值約為73,105,000港元(二零一九年：11,161,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(iii) Estimated valuation of investment properties

In determining the fair value, the valuer has based on property valuation techniques which involve, inter alia, certain estimates including comparable sales in the relevant market, appropriate discount rates and expected future market rents. In relying on the valuation report, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market condition. As at 30th June 2020, the carrying amount of investment properties amounted to approximately HK\$31,460,000 (2019: HK\$31,460,000).

(iv) Estimation of fair value of financial assets measured at fair value through profit or loss

The fair value of financial assets measured at fair value through profit or loss that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these estimates and assumptions could have a material effect on the fair value of the financial assets measured at fair value through profit or loss.

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(iii) 投資物業之估計估值

於釐定公平值時，估值師乃基於物業估值方法，當中涉及(其中包括)若干估計，包括於相關市場之可資比較銷售、合適的貼現率及預期未來市場租金。在依賴估值報告時，管理層已運用其判斷並信納有關估值方法能反映現時市況。於二零二零年六月三十日，投資物業之賬面值約為31,460,000港元(二零一九年：31,460,000港元)。

(iv) 透過損益按公平值入賬之金融資產的公平值估計

沒有在活躍市場買賣的透過損益按公平值入賬之金融資產的公平值利用估值方法釐定。本集團運用其判斷選取多種方法，並主要根據各報告期末當時的市況作出假設。該等估計及假設的變動可能會對透過損益按公平值入賬之金融資產的公平值產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(iv) Estimation of fair value financial assets measured at fair value through profit or loss (Continued)

As at 30th June 2020, the carrying amount of other financial assets amounted to approximately HK\$10,008,000 (2019: HK\$9,574,000).

(v) Recognition of deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised, and is measured at the tax rates that are expected to apply when the related deferred income tax assets are realised. In determining the deferred tax assets to be recognised, management is required to estimate the future applicable tax rate for each entity within the Group at each tax jurisdiction and the profitability of each entity, so as to estimate the future utilisation of tax losses. Any difference between these estimates and the actual outcome will impact the Group's results in the period in which the actual outcome is determined. As at 30th June 2020, the carrying amount of deferred tax assets amounted to approximately HK\$271,000 (2019: HK\$341,000).

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(iv) 透過損益按公平值入賬之金融資產的公平值估計(續)

於二零二零年六月三十日，其他金融資產之賬面值約為10,008,000港元(二零一九年：可供出售金融資產9,574,000港元)。

(v) 確認遞延稅項資產

遞延稅項資產於有可能出現未來應課稅溢利用作抵銷可扣減暫時性差額及稅項虧損時方予以確認，且按變現相關遞延所得稅資產時預計應用之稅率計量。釐定將予確認之遞延稅項資產時，管理層須為本集團內每實體位於各稅務權區之估計日後適用之稅率及各實體之盈利能力，以估計稅項虧損之日後使用。該等估計與實際結果之間的任何差額將影響本集團於釐定實際結果期間內之業績。於二零二零年六月三十日，遞延稅項資產之賬面值約為271,000港元(二零一九年：341,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(vi) Impairment of loans receivable and other receivables

The impairment loss for using the expected credit loss model is subjected to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. The expected credit losses for loans receivable and other receivables are derived from estimates whereby management takes into consideration historical data, the historical loss experience and other adjustment factors. Historical loss experience is adjusted on the basis of the relevant observable data that reflect current economic conditions and the judgment based on management's historical experience. Management reviews the selection of those parameters and the application of the assumptions regularly to reduce any difference between loss estimates and actual loss. As at 30th June 2020, the carrying amount of loans receivable, loan to an associate, amount due from an associate and financial assets included in deposits paid, prepayments and other receivables amounted to approximately HK\$7,216,000 (2019: HK\$61,630,000), HK\$Nil (2019: HK\$4,288,000), HK\$53,000 (2019: HK\$Nil), and HK\$19,549,000 respectively (2019: HK\$81,143,000).

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(vi) 應收貸款及其他應收款項之減值

應收貸款及其他應收款項之減值虧損乃使用預期信貸虧損模式，受限於若干關鍵參數及假設，包括識別虧損階段、估計違約概率、違約損失率、違約風險及貼現率、前瞻性資料調整及其他調整因素。應收貸款及其他應收款項之預期信貸虧損來源於管理層經計及過往數據、過往損失經驗及其他調整因素後之估計。過往虧損經驗根據反映現時經濟狀況之相關可觀察數據及憑藉管理層過往經驗作出之判斷而調整。管理層會定期檢討參數之選取及假設之應用，以減低虧損估計與實際虧損間之任何差額。於二零二零年六月三十日，應收貸款、授予一間聯營公司之貸款、應收一間聯營公司款項以及計入已付訂金、預付款項及其他應收款項之金融資產之賬面值分別約為7,216,000港元(二零一九年：61,630,000港元)、零港元(二零一九年：4,288,000港元)、53,000港元(二零一九年：零港元)及19,549,000港元(二零一九年：81,143,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(vii) Useful lives of other intangible assets

The Group amortises its other intangible assets with a finite useful life on a straight-line basis over their estimated useful lives. The estimated useful lives reflect management's estimate of the period that the Group intends to derive future economic benefits from the use of the other intangible assets. At 30th June 2020, the carrying amount of other intangible assets amounted to approximately HK\$2,239,000 (2019: HK\$2,387,000).

(viii) Net realisable value of inventories

The Group's management reviews the inventory ageing analysis periodically, and makes allowance on an annual basis for obsolete and slow-moving inventory items identified that are no longer marketable. The Group carries out an inventory review on a product-by-product basis at the end of each reporting period and makes allowance for obsolete and slow-moving items through management's estimation of the net realisable value for such obsolete and slow-moving items based primarily on the latest invoice prices and current market conditions. At 30th June 2020, the carrying amount of inventories amounted to approximately HK\$10,963,000 (2019: HK\$9,217,000).

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(vii) 其他無形資產之可使用年期

本集團根據具有有限可使用年期之其他無形資產之估計可使用年期以直線法攤銷該等無形資產。估計可使用年期反映管理層對本集團計劃透過使用其他無形資產產生未來經濟利益期間之估計。於二零二零年六月三十日，其他無形資產之賬面值約為2,239,000港元(二零一九年：2,387,000港元)。

(viii) 存貨可變現淨值

本集團之管理層定期審閱存貨之賬齡分析，並會每年為確認為不再適合出售的陳舊及滯銷存貨項目作出撥備。於各報告期末，本集團會檢閱各項產品之存貨，並會透過管理層主要根據最新發票價及現行市場情況對該等陳舊及滯銷項目所作之可變現淨值估計，為陳舊及滯銷項目作出撥備。於二零二零年六月三十日，存貨之賬面值約為10,963,000港元(二零一九年：9,217,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (Continued)

(ix) Fair value of contingent consideration receivable and payable

The fair value of contingent consideration receivable and payable was determined by using valuation techniques. The Group's management uses its judgement to select a variety of methods and make assumptions, including the discount rates and estimation of future performance. Changes in assumptions used could materially affect the fair value of the balances and, as a result, affect the Group's financial condition and results of operation. At 30th June 2020, the carrying amount of contingent consideration receivable and contingent consideration payable amounted to HK\$Nil (2019: HK\$Nil) and HK\$20,400,000 (2019: HK\$20,400,000) respectively.

(x) Impairment of interests in associates

Determining whether interests in associates are impaired requires an estimation of the recoverable amount of the associates and joint ventures. Recoverable amount is the greater of fair value less costs of disposal and value in use. Management evaluates the recovery of the investments based on such estimates and is confident that the allowance for impairment, where necessary, is adequate. During the year ended 30th June 2020, impairment losses of HK\$Nil (2019: HK\$1,065,000) were recognised in respect of interests in associates. As at 30th June 2020, the carrying amount of the interests in associates amounted to HK\$Nil (2019: HK\$1,085,000).

4 關鍵會計估算及判斷(續)

(a) 關鍵會計估算及假設(續)

(ix) 應收及應付或然代價之公平值

應收及應付或然代價之公平值乃使用估值方法釐定。本集團之管理層利用其判斷選擇多種方法及作出假設，其中包括貼現率及未來表現估計。所採用假設之變動可能會對該等結餘之公平值造成重大影響，因而影響本集團之財務狀況及經營業績。於二零二零年六月三十日，應收或然代價及應付或然代價之賬面值分別為零港元(二零一九年：零港元)及20,400,000港元(二零一九年：20,400,000港元)。

(x) 於聯營公司權益之減值

釐定於聯營公司之權益是否出現減值需對聯營公司及合營公司之可收回金額作出估計。可收回金額為公平值減出售成本與使用價值之間的較高者。管理層已根據有關估計評估投資之可收回程度，並相信減值撥備(倘需要)屬充足。於截至二零二零年六月三十日止年度，就於聯營公司之權益確認減值虧損零港元(二零一九年：1,065,000港元)。於二零二零年六月三十日，於聯營公司權益的賬面值為零港元(二零一九年：1,085,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Critical accounting judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Classification of joint arrangements

The Group has entered into joint arrangements to produce and distribute television series, films and webisodes. The Group has participating interests ranging from 5% to 90% (2019: from 5% to 90%) in these joint arrangements. The Group has joint control over these arrangements as, under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities. The Group's joint arrangements involve the joint control by the venturers of the assets contributed to the joint arrangement and dedicated to the purposes of each joint arrangement for the benefits of the venturers. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred. These joint arrangements do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves. Therefore, these arrangements are classified as joint operations of the Group and the Group recognises in relation to its interest in a joint operation in accordance with the accounting policy stated in note 2.5. The determination of the relevant activities under joint operations requires management's significant judgement.

4 關鍵會計估算及判斷(續)

(b) 應用本集團會計政策之關鍵會計判斷

於應用本集團之會計政策過程中，管理層已作出下列會計判斷：

合營安排的分類

本集團已訂立合營安排以製作及發行電視連續劇、電影及網劇。本集團於該等合營安排擁有介乎5%至90%(二零一九年：5%至90%)之參與權益。由於根據合同協議，所有相關活動必須取得協議各方一致同意，故此本集團對該等安排有共同控制權。本集團之合營安排涉及合營方對為該合營安排貢獻及專用於各合營安排之資產的共同控制，以為合營方獲取利益。各合營方可分佔該等資產所產生之成果，並須按協定份額承擔所產生之開支。該等合營安排並不涉及成立公司、合夥企業或其他實體，或從合營方自身分割出來之財務組織。因此，該等安排分類為本集團之合營業務及本集團根據附註2.5所列之會計政策確認其於合營業務之權益。釐定合營業務下之相關活動需要管理層作出重大判斷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Chairman of the Company, being the Group's chief operating decision maker ("CODM") for the purposes of resources allocation and performance assessment.

During the year ended 30th June 2018, the Group ceased its business in securities brokerage and margin financing which are classified as discontinued operations for the year ended 30th June 2019 and 2020.

The Group has presented the following reportable segments.

Continuing operations

- Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights
- Trading, wholesaling and retailing of optical products and watches products
- Leasing of investment properties
- Securities investments
- Money lending
- Entertainment business
- Financial printing services

Discontinued operation

- Securities brokerage and margin financing (ceased during the year ended 30th June 2018)

5 分部資料

本集團按部門劃分管理其業務，而部門按業務(產品及服務)設立。以與就資源分配及表現評估向本公司主席(為本集團主要營運決策者(「主要營運決策者」))內部呈報資料方式一致之方式。

於二零一八年六月三十日止年度，本集團終止於截至二零一九年及二零二零年六月三十日止年度分類為已終止經營業務的證券經紀及孖展融資業務。

本集團已呈列以下可呈報分部。

持續經營業務

- 錄像發行、電影發行及放映、授出及轉授電影版權
- 眼鏡產品及鐘錶產品貿易、批發及零售
- 出租投資物業
- 證券投資
- 放貸
- 娛樂業務
- 財經印刷服務

已終止經營業務

- 證券經紀及孖展融資(於二零一八年六月三十日止年度終止)

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of profit/(loss) before tax from continuing operations. The profit/(loss) before tax from continuing operations is measured consistently with the Group's loss before tax from continuing operations except fair value change of contingent consideration receivable, impairment loss of interest in an associate, fair value change of other financial assets, amortisation of deferred day one gain in respect of derivative instruments, finance income, unallocated finance costs, share of loss of associates, and unallocated corporate expenses.

Segment assets exclude unallocated other intangible assets, interests in associates, other financial assets, unallocated loan receivable, unallocated time deposits with maturity over 3 months at acquisition, unallocated cash and cash equivalents, deferred tax assets, loan to an associate, amount due from an associate, contingent consideration receivable, tax recoverable and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities, contingent consideration payable and other unallocated corporate liabilities as these liabilities are managed on a group basis.

5 分部資料(續)

(a) 分部收益、業績、資產及負債

管理層在作出資源分配及表現評估之決策時會獨立監察本集團經營分部之業績。分部表現會按照呈報分部溢利／(虧損)評估，而呈報分部溢利／(虧損)乃持續經營業務除稅前溢利／(虧損)的計量方式。持續經營業務除稅前溢利／(虧損)之計量方式與本集團持續經營業務除稅前虧損一致，惟有關計量不包括應收或然代價之公平值變動、於一間聯營公司之權益減值虧損、其他金融資產之公平值變動、就衍生工具之遞延首日收益之攤銷、財務收入、未分配財務成本、分佔聯營公司虧損及未分配企業開支。

分部資產不包括未分配其他無形資產、於聯營公司之權益、其他金融資產、未分配應收貸款、於購入時到期日超過三個月之未分配定期存款、未分配現金及現金等價物、遞延稅項資產、向一間聯營公司貸款、應收一間聯營公司款項、應收或然代價、可回收稅項及其他未分配企業資產，乃因該等資產由集團統一管理。

分部負債不包括應繳稅項、遞延稅項負債、應付或然代價及其他未分配企業負債，乃因該等負債由集團統一管理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the years ended 30th June 2020 and 2019 is set out below:

5 分部資料(續)

(a) 分部收益、業績、資產及負債(續)

截至二零二零年及二零一九年六月三十日止年度，提供予本集團主要營運決策者用作資源分配和分部表現評估之本集團可呈報分部資料如下：

| | | 2020 二零二零年 | | | | | | | | | | | | | |
|--|-------------------------|--|---|--|--------------------------------|---------------------|--------------------------------|----------------------------|-----------------------------------|---|--|--|-------------|--|--|
| | | Continuing operations 持續經營業務 | | | | | | | Discontinued operation 已終止經營業務 | | | | | | |
| | | Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights 錄像發行、電影發行及放映、授出及轉授電影版權 | Trading, wholesaling, and retailing of optical products and watches 眼鏡產品及鐘錶產品之貿易、批發及零售 | Leasing of investment properties 出租物業 | Securities investments 證券投資 | Money lending 放貸 | Entertainment business 娛樂業務 | Financial printing 財經印刷 | Elimination 抵銷 | Total for continuing operations 持續經營業務總額 | Securities brokerage and margin financing 證券經紀及孖展融資 | Total for discontinued operations 已終止經營業務總計 | Total 總計 | | |
| | | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | HKS'000 千港元 | | | |
| Segment revenue | 分部收益 | | | | | | | | | | | | | | |
| Disaggregate by timing of revenue recognition | 按收益確認時間分拆 | | | | | | | | | | | | | | |
| - Point in time | - 某一時點 | 154,864 | 51,018 | - | - | - | 2,042 | - | - | 207,924 | 33 | 207,957 | | | |
| - Over time | - 隨時間 | - | - | - | - | - | - | 9,814 | - | 9,814 | - | 9,814 | | | |
| - Revenue out of scope of HKFRS 15 | - 香港財務報告準則第15號範圍以外收益 | - | - | 1,140 | - | 7,889 | - | - | - | 9,029 | - | 9,029 | | | |
| External revenue | 外部收益 | 154,864 | 51,018 | 1,140 | - | 7,889 | 2,042 | 9,814 | - | 226,767 | 33 | 226,800 | | | |
| Inter-segment sales | 分部間銷售 | - | - | - | - | - | - | 371 | (371) | - | - | - | | | |
| | | 154,864 | 51,018 | 1,140 | - | 7,889 | 2,042 | 10,185 | (371) | 226,767 | 33 | 226,800 | | | |
| Segment results | 分部業績 | 17,355 | (12,101) | 928 | (5,754) | (13,370) | (857) | (11,134) | (371) | (25,304) | 795 | 795 | | | |
| Fair value change of other financial assets carried at fair value through profit or loss | 透過損益按公平值入賬之其他金融資產之公平值變動 | | | | | | | | | (3,581) | - | (3,581) | | | |
| Amortisation of deferred day one gain in respect of derivative financial instruments | 就衍生金融工具之遞延首日收益之攤銷 | | | | | | | | | 5,545 | - | 5,545 | | | |
| Finance income | 財務收入 | | | | | | | | | 2,987 | - | 2,987 | | | |
| Finance cost | 財務成本 | | | | | | | | | (3) | - | (3) | | | |
| Share of losses of associates | 分佔聯營公司虧損 | | | | | | | | | (1,085) | - | (1,085) | | | |
| Unallocated corporate expenses | 未分配企業開支 | | | | | | | | | (7,065) | - | (7,065) | | | |
| Loss before tax | 除稅前虧損 | | | | | | | | | (28,506) | 795 | (27,711) | | | |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

5 分部資料(續)

(a) 分部收益、業績、資產及負債(續)

| | | 2020 二零二零年 | | | | | | | | | |
|--|----------------------|---|--|---|---|--|---|---|--|---|--------------------------------|
| | | Continuing operations 持續經營業務 | | | | | | | | Discontinued operation 已終止經營業務 | |
| | | Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights 錄像發行、電影發行及放映、授出及轉授電影版權 HK\$'000 千港元 | Trading, wholesaling, and retailing of optical products and watches 眼鏡產品及鐘錶產品 之貿易、批發及零售 HK\$'000 千港元 | Leasing of investment properties 出租投資物業 HK\$'000 千港元 | Securities investments 證券投資 HK\$'000 千港元 | Money lending 放款 HK\$'000 千港元 | Entertainment business 娛樂業務 HK\$'000 千港元 | Financial printing 財經印刷 HK\$'000 千港元 | Total for continuing operations 持續經營業務總額 HK\$'000 千港元 | Securities brokerage and margin financing 證券經紀及孖展融資 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Assets | 資產 | | | | | | | | | | |
| Segment assets | 分部資產 | 371,841 | 27,636 | 31,502 | 3,300 | 1,348 | 4,250 | 6,537 | 446,414 | 4,950 | 451,364 |
| Other financial assets | 其他金融資產 | | | | | | | | 10,008 | - | 10,008 |
| Deferred tax assets | 遞延稅項資產 | | | | | | | | 271 | - | 271 |
| Amount due from an associate | 應收一間聯營公司款項 | | | | | | | | 53 | - | 53 |
| Unallocated other intangible assets | 未分配其他無形資產 | | | | | | | | | | |
| Unallocated loans receivable | 未分配應收貸款 | | | | | | | | 1,858 | - | 1,858 |
| Unallocated time deposits with maturity over 3 months at acquisition | 於購入時到期日超過三個月之未分配定期存款 | | | | | | | | 5,868 | - | 5,868 |
| Unallocated cash and cash equivalents | 未分配現金及現金等價物 | | | | | | | | 108,640 | - | 108,640 |
| Unallocated corporate assets | 未分配企業資產 | | | | | | | | 102,976 | - | 102,976 |
| Total consolidated assets | 綜合資產總值 | | | | | | | | 2,750 | - | 2,750 |
| | | | | | | | | | 678,838 | 4,950 | 683,788 |
| Liabilities | 負債 | | | | | | | | | | |
| Segment liabilities | 分部負債 | 253,615 | 20,659 | 251 | 8,512 | 400 | 2,208 | 6,543 | 282,188 | 802 | 282,990 |
| Taxation payable | 應繳稅項 | | | | | | | | 5,960 | - | 5,960 |
| Deferred tax liabilities | 遞延稅項負債 | | | | | | | | 84 | - | 84 |
| Contingent consideration payable | 應付或然代價 | | | | | | | | 20,400 | - | 20,400 |
| Unallocated corporate liabilities | 未分配企業負債 | | | | | | | | 9,462 | - | 9,462 |
| Total consolidated liabilities | 綜合負債總額 | | | | | | | | 328,094 | 802 | 328,896 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

5 分部資料(續)

(a) 分部收益、業績、資產及負債(續)

| | | 2020 二零二零年 | | | | | | | | | |
|--|-----------------|--|---|----------------------------------|------------------------|---------------|------------------------|--------------------|---------------------------------|---|---------|
| | | Continuing operations | | | | | | | Discontinued operation | | |
| | | 持續經營業務 | | | | | | | 已終止經營業務 | | |
| | | Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights | Trading, wholesaling, and retailing of optical products and watches | Leasing of investment properties | Securities investments | Money lending | Entertainment business | Financial printing | Total for continuing operations | Securities brokerage and margin financing | Total |
| | | 錄像發行、電影發行及放映、授出及轉授電影版權 | 之貿易、批發及零售 | 出租投資物業 | 證券投資 | 放貸 | 娛樂業務 | 財經印刷 | 持續經營業務總額 | 證券經紀及孖展融資 | 總計 |
| | | HKS'000 | HKS'000 | HKS'000 | HKS'000 | HKS'000 | HKS'000 | HKS'000 | HKS'000 | HKS'000 | HKS'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Other information | 其他資料 | | | | | | | | | | |
| Additions of property, plant and equipment | 添置物業、機器及設備 | 78 | 1,573 | 26 | - | - | 2 | 1,399 | 3,078 | - | 3,078 |
| Additions of right-of-use assets | 添置使用權資產 | 225 | 6,113 | - | - | - | - | 1,352 | 7,690 | - | 7,690 |
| Additions of unallocated property, plant and equipment | 添置未分配物業、機器及設備 | - | - | - | - | - | - | - | 56 | - | 56 |
| Additions of unallocated right-of-use assets | 添置未分配使用權資產 | - | - | - | - | - | - | - | 541 | - | 541 |
| Total additions of property, plant and equipment | 添置物業、機器及設備總額 | | | | | | | | 11,365 | - | 11,365 |
| Additions of intangible assets | 添置無形資產 | - | - | - | - | - | - | 1,414 | 1,414 | - | 1,414 |
| Additions of film rights and films in progress | 添置電影版權及製作中之電影 | 30,089 | - | - | - | - | - | - | 30,089 | - | 30,089 |
| Additions of film related deposits | 電影相關訂金增加 | 30,007 | - | - | - | - | - | - | 30,007 | - | 30,007 |
| Depreciation | 折舊 | 104 | 2,566 | 11 | - | - | 1 | 310 | 2,992 | - | 2,992 |
| Unallocated depreciation | 未分配折舊 | - | - | - | - | - | - | - | 35 | - | 35 |
| Amortisation of film rights | 電影版權之攤銷 | 44,149 | - | - | - | - | - | - | 44,149 | - | 44,149 |
| Depreciation of right-of-use assets | 使用權資產之折舊 | 3,628 | 5,395 | - | - | - | 35 | 2,413 | 11,471 | - | 11,471 |
| Unallocated depreciation of right-of-use assets | 未分配使用權資產之折舊 | - | - | - | - | - | - | - | 68 | - | 68 |
| Amortisation of other intangible assets | 其他無形資產之攤銷 | - | 148 | - | - | - | - | 249 | 397 | - | 397 |
| Total depreciation and amortisation | 折舊及攤銷總額 | | | | | | | | 59,112 | - | 59,112 |
| Impairment loss of property, plant and equipment | 物業、機器及設備減值虧損 | - | - | - | - | - | - | 1,090 | 1,090 | - | 1,090 |
| Impairment loss of other intangible assets | 其他無形資產減值虧損 | - | - | - | - | - | - | 1,165 | 1,165 | - | 1,165 |
| Impairment loss of right-of-use assets | 使用權資產減值虧損 | - | - | - | - | - | - | 2,069 | 2,069 | - | 2,069 |
| Impairment loss of film rights and films in progress | 電影版權及製作中之電影減值虧損 | 4,653 | - | - | - | - | - | - | 4,653 | - | 4,653 |
| Impairment loss of film related deposits | 電影相關訂金減值虧損 | 11,356 | - | - | - | - | - | - | 11,356 | - | 11,356 |
| Change in ECLs | 以下各項之預期信貸虧損變動： | | | | | | | | | | |
| - Accounts receivable | - 應收賬款 | 87 | - | - | - | - | 23 | 956 | 1,066 | (1,500) | (434) |
| - Loans receivable | - 應收貸款 | 127 | - | - | - | 18,653 | - | - | 18,780 | - | 18,780 |
| - Other receivables | - 其他應收款項 | (647) | - | - | - | 386 | 4 | - | (257) | - | (257) |
| Unallocated change in ECLs | 未分配之預期信貸虧損變動 | - | - | - | - | - | - | - | 3,586 | - | 3,586 |
| Total change in ECLs | 預期信貸虧損變動總額 | | | | | | | | 23,175 | (1,500) | 21,675 |
| Fair value change of trading securities | 交易證券公平值變動 | - | - | - | 5,391 | - | - | - | 5,391 | - | 5,391 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

5 分部資料(續)

(a) 分部收益、業績、資產及負債(續)

| | | 2019 二零一九年 | | | | | | | | | | | |
|--|-------------------------|--|--|----------------------------------|------------------------|---------------|------------------------|--------------------|-------------|-----------------------------------|---|-----------------------------------|-----------|
| | | Continuing operations 持續經營業務 | | | | | | | | Discontinued operation 已終止經營業務 | | | |
| | | Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights | Trading, wholesaling, and retailing of optical products and watches products | Leasing of investment properties | Securities investments | Money lending | Entertainment business | Financial printing | Elimination | Total for continuing operations | Securities brokerage and margin financing | Total for discontinued operations | Total |
| | | 錄像發行、電影發行及放映、投出及轉授電影版權 | 眼鏡產品及鐘錶產品之貿易、批發及零售 | 出租 | 證券投資 | 放貸 | 娛樂業務 | 財經印刷 | 抵銷 | 持續經營業務總額 | 證券經紀及孖展融資 | 已終止經營業務總計 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Segment revenue | 分部收益 | | | | | | | | | | | | |
| Disaggregate by timing of revenue recognition | 按收益確認時間分拆 | | | | | | | | | | | | |
| - Point in time | - 某一時點 | 7,782 | 35,651 | - | - | - | 5,793 | - | - | 49,226 | 196 | 196 | 49,422 |
| - Over time | - 隨時間 | - | - | - | - | - | - | 3,649 | - | 3,649 | - | - | 3,649 |
| - Revenue out of scope of HKFRS 15 | - 香港財務報告準則第15號範圍以外收益 | - | - | 1,107 | - | 7,687 | - | - | - | 8,794 | - | - | 8,794 |
| External revenue | 外部收益 | 7,782 | 35,651 | 1,107 | - | 7,687 | 5,793 | 3,649 | - | 61,669 | 196 | 196 | 61,865 |
| Inter-segment sales | 分部間銷售 | - | - | - | - | - | - | 625 | (625) | - | - | - | - |
| | | 7,782 | 35,651 | 1,107 | - | 7,687 | 5,793 | 4,274 | (625) | 61,669 | 196 | 196 | 61,865 |
| Segment results | 分部業績 | (52,387) | (10,679) | 2,904 | (4,597) | (12,981) | (632) | (8,503) | - | (86,875) | (3,118) | (3,118) | (89,993) |
| Fair value change of contingent consideration receivable | 應收或然代價之公平值變動 | | | | | | | | | (3,796) | - | - | (3,796) |
| Impairment loss of interest in an associate | 於一間聯營公司之權益之減值虧損 | | | | | | | | | (1,065) | - | - | (1,065) |
| Fair value change of other financial assets carried at fair value through profit or loss | 透過損益按公平值入賬之其他金融資產之公平值變動 | | | | | | | | | (19,437) | - | - | (19,437) |
| Amortisation of deferred day one gain in respect of derivative financial instruments | 就衍生金融工具之遞延首日收益之攤銷 | | | | | | | | | 1,636 | - | - | 1,636 |
| Finance income | 財務收入 | | | | | | | | | 2,392 | - | - | 2,392 |
| Share of losses of associates | 分佔聯營公司虧損 | | | | | | | | | (725) | - | - | (725) |
| Unallocated corporate expenses | 未分配企業開支 | | | | | | | | | (10,730) | - | - | (10,730) |
| Loss before tax | 除稅前虧損 | | | | | | | | | (118,600) | (3,118) | (3,118) | (121,718) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

5 分部資料(續)

(a) 分部收益、業績、資產及負債(續)

| | | 2019 二零一九年 | | | | | | | Discontinued operation 已終止經營業務 | | |
|---------------------------------------|--|---|--|--------------------------------|---------------------|--------------------------------|----------------------------|---|--|-----------------|---------|
| | | Continuing operations 持續經營業務 | | | | | | | | | |
| | Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights 錄像發行、電影發行及放映、授出及轉授電影版權 | Trading, wholesaling, and retailing of optical products and watches 眼鏡產品及鐘錶產品之貿易、批發及零售 | Leasing of investment properties 出租投資物業 | Securities investments 證券投資 | Money lending 放貸 | Entertainment business 娛樂業務 | Financial printing 財經印刷 | Total for continuing operations 持續經營業務總額 | Securities brokerage and margin financing 證券經紀及孖展融資 | Total | |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | |
| Assets | 資產 | | | | | | | | | | |
| Segment assets | 分部資產 | 365,615 | 23,412 | 31,488 | 8,691 | 59,922 | 5,497 | 4,846 | 519,471 | 13,736 | 533,207 |
| Interests in associates | 於聯營公司之權益 | | | | | | | | 1,085 | - | 1,085 |
| Other financial assets | 其他金融資產 | | | | | | | | 9,574 | - | 9,574 |
| Deferred tax assets | 遞延稅項資產 | | | | | | | | 341 | - | 341 |
| Loan to an associate | 授予一間聯營公司之貸款 | | | | | | | | 4,288 | - | 4,288 |
| Tax recoverable | 可收回稅項 | | | | | | | | - | 2,242 | 2,242 |
| Tax certificate | 儲稅券 | | | | | | | | 45 | - | 45 |
| Unallocated other intangible assets | 未分配其他無形資產 | | | | | | | | 1,858 | - | 1,858 |
| Unallocated loan receivables | 未分配應收貸款 | | | | | | | | 1,881 | - | 1,881 |
| Unallocated cash and cash equivalents | 未分配現金及現金等價物 | | | | | | | | 169,055 | - | 169,055 |
| Unallocated corporate assets | 未分配企業資產 | | | | | | | | 1,118 | - | 1,118 |
| Total consolidated assets | 綜合資產總值 | | | | | | | | 708,716 | 15,978 | 724,694 |
| Liabilities | 負債 | | | | | | | | | | |
| Segment liabilities | 分部負債 | 287,519 | 6,679 | 229 | - | - | 7,238 | 2,184 | 303,849 | 818 | 304,667 |
| Taxation payable | 應繳稅項 | | | | | | | | 6,730 | - | 6,730 |
| Deferred tax liabilities | 遞延稅項負債 | | | | | | | | 90 | - | 90 |
| Contingent consideration payable | 應付或然代價 | | | | | | | | 20,400 | - | 20,400 |
| Unallocated corporate liabilities | 未分配企業負債 | | | | | | | | 11,873 | - | 11,873 |
| Total consolidated liabilities | 綜合負債總額 | | | | | | | | 342,942 | 818 | 343,760 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

5 分部資料(續)

(a) 分部收益、業績、資產及負債(續)

| | | 2019 二零一九年 | | | | | | | Discontinued operation 已終止經營業務 | | | |
|--|----------------|--|---|--|--------------------------------|---------------------|--------------------------------|----------------------------|---|--|-----------------|--|
| | | Continuing operations 持續經營業務 | | | | | | | | | | |
| | | Video distribution, film distribution and exhibition, licensing and sub-licensing of film rights 錄像發行、電影發行及放映、授出及轉授電影版權 | Trading, wholesaling, and retailing of optical products and watches 眼鏡產品及鐘錶產品之貿易、批發及零售 | Leasing of investment properties 出租投資物業 | Securities investments 證券投資 | Money lending 放貸 | Entertainment business 娛樂業務 | Financial printing 財經印刷 | Total for continuing operations 持續經營業務總額 | Securities brokerage and margin financing 證券經紀及孖展融資 | Total 總計 | |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | |
| Other information | 其他資料 | | | | | | | | | | | |
| Additions of property, plant and equipment | 添置物業、機器及設備 | 9 | 3,636 | 7 | - | - | 1 | 144 | 3,797 | - | 3,797 | |
| Additions of unallocated property, plant and equipment | 添置未分配物業、機器及設備 | | | | | | | | 24 | - | 24 | |
| Total additions of property, plant and equipment | 添置物業、機器及設備總額 | | | | | | | | 3,821 | - | 3,821 | |
| Additions of films in progress | 增購製作中之電影 | 155,496 | - | - | - | - | - | - | 155,496 | - | 155,496 | |
| Additions of film related deposits | 電影相關訂金增加 | 40,471 | - | - | - | - | - | - | 40,471 | - | 40,471 | |
| Depreciation | 折舊 | 331 | 1,470 | 3 | - | - | 8 | 647 | 2,459 | 51 | 2,510 | |
| Unallocated depreciation | 未分配折舊 | | | | | | | | 385 | - | 385 | |
| Amortisation of film rights | 電影版權之攤銷 | 1,747 | - | - | - | - | - | - | 1,747 | - | 1,747 | |
| Amortisation of brand name | 品牌名稱之攤銷 | - | 148 | - | - | - | - | - | 148 | - | 148 | |
| Total depreciation and amortisation | 折舊及攤銷總額 | | | | | | | | 4,739 | 51 | 4,790 | |
| Write-off of property, plants and equipment | 撇銷物業、機器及設備 | - | 4 | - | - | - | - | 1,607 | 1,611 | - | 1,611 | |
| Impairment loss of film rights | 電影版權減值虧損 | 165 | - | - | - | - | - | - | 165 | - | 165 | |
| Impairment loss of film related deposits | 電影相關訂金減值虧損 | 67 | - | - | - | - | - | - | 67 | - | 67 | |
| Change in ECLs | 以下各項之預期信貸虧損變動： | | | | | | | | | | | |
| - Account receivable | - 應收賬款 | (716) | (137) | - | - | - | (11) | 84 | (780) | (3,500) | (4,280) | |
| - Loans receivable | - 應收貸款 | - | - | - | - | 18,710 | - | - | 18,710 | - | 18,710 | |
| - Other receivables | - 其他應收款項 | 7,620 | 130 | - | - | 430 | (185) | - | 7,995 | - | 7,995 | |
| Unallocated change in ECLs | 未分配之預期信貸虧損變動 | | | | | | | | 898 | - | 898 | |
| Total change in ECLs | 預期信貸虧損變動總額 | | | | | | | | 26,823 | (3,500) | 23,323 | |
| Increase in fair value of investment property | 投資物業公平值增加 | - | - | (2,100) | - | - | - | - | (2,100) | - | (2,100) | |
| Fair value change of trading securities | 交易證券公平值變動 | - | - | - | 5,288 | - | - | - | 5,288 | - | 5,288 | |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(b) Geographical information

The Company is domiciled in Hong Kong. The Group's operations are mainly located in Hong Kong and the PRC.

The revenue information below is based on the location of the operations.

5 分部資料(續)

(b) 地域資料

本公司位於香港。本集團之業務主要位於香港及中國。

以下收益資料乃以經營所在地為基準。

| | | 2020 二零二零年 | |
|--|---------------------|----------------|---|
| | | Revenue | Non-current assets (other than financial instruments and deferred tax assets) |
| | | 收益 | 非流動資產 (不包括金融工具及遞延稅項資產) |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| CONTINUING OPERATIONS | 持續經營業務 | | |
| Hong Kong (place of domicile) | 香港(所在地) | 83,456 | 314,385 |
| Macau | 澳門 | 230 | - |
| PRC and other Asian countries (other than Hong Kong and Macau) | 中國及其他亞洲國家 (香港及澳門除外) | 142,365 | 26,691 |
| Others | 其他 | 716 | - |
| | | 226,767 | 341,076 |
| DISCONTINUED OPERATION | 已終止經營業務 | | |
| Hong Kong (place of domicile) | 香港(所在地) | 33 | - |
| Total | 總計 | 226,800 | 341,076 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(b) Geographical information (Continued)

5 分部資料(續)

(b) 地域資料(續)

| | | 2019 二零一九年 | |
|---|------------------------|---------------|--|
| | | Revenue | Non-current assets (other than financial instruments and deferred tax assets) |
| | | 收益 | 非流動資產 (不包括金融 工具及遞延 稅項資產) |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| CONTINUING OPERATIONS | 持續經營業務 | | |
| Hong Kong (place of domicile) | 香港(所在地) | 39,702 | 315,547 |
| Macau | 澳門 | 154 | - |
| PRC and other Asian countries (other than Hong Kong and Macau) | 中國及其他亞洲國家 (香港及澳門除外) | 21,766 | 33,764 |
| Others | 其他 | 47 | - |
| | | 61,669 | 349,311 |
| DISCONTINUED OPERATION | 已終止經營業務 | | |
| Hong Kong (place of domicile) | 香港(所在地) | 196 | - |
| Total | 總計 | 61,865 | 349,311 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

(c) Information about major customers

For the year ended 30th June 2020, one of the customers from video distribution, film distribution and exhibition, licensing and sub-licensing of film rights segment contributed 10% or more of the Group's revenue amounting to approximately HK\$23,460,000 (2019: there is no single customer contributed 10% or more of the Group's revenue.)

(d) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for video distribution, film distribution and exhibition, licensing and sub-licensing of film rights, entertainment business, trading, wholesaling and retailing of optical products and watch products and provision of financial printing services, such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the sales contracts as their performance has an original expected duration of one year or less.

5 分部資料(續)

(c) 有關主要客戶之資料

於截至二零二零年六月三十日止年度，錄像發行、電影發行及放映、授出及轉授電影版權分部其中一名客戶貢獻本集團之收益達10%或以上，即約23,460,000港元。(二零一九年：概無單一客戶貢獻本集團之收益達10%或以上。)

(d) 產生自與報告日期現存客戶所訂合約之收益，預期於未來確認

本集團已將香港財務報告準則第15號第121段之實際權宜方法用於其就錄像發行、電影發行及放映、授出及轉授電影版權、娛樂業務、眼鏡產品及鐘錶產品之貿易、批發及零售以及提供財經印刷服務之銷售合約，因此，本集團概不披露有關本集團(在其履行銷售合約餘下履約責任時)將有權獲取收益之資料，因履行該等責任有一年或以下之原預期期限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT

6 物業、機器及設備

| | | Other properties, plant and equipment leased for own use carried at cost 按成本入賬 租賃以作自用的 其他物業、 機器及設備 HK\$'000 千港元 | Leasehold improvements 租賃物業裝修 HK\$'000 千港元 | Machinery and equipment 機器及設備 HK\$'000 千港元 | Furniture and fixtures 傢俬及裝置 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Office equipment 辦公室設備 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|---|-------------------------|--|--|---|---|--|---|--------------------------------|
| Costs | 成本 | | | | | | | |
| At 1st July 2018 | 於二零一八年七月一日 | - | 10,285 | 25,746 | 2,726 | 3,739 | 10,267 | 52,763 |
| Additions | 添置 | - | 1,962 | - | 295 | - | 1,564 | 3,821 |
| Disposals | 出售 | - | (845) | (21) | (308) | - | (674) | (1,848) |
| Write-off | 撇銷 | - | (1,281) | - | (341) | - | (796) | (2,418) |
| Exchange realignment | 匯兌調整 | - | (377) | - | (58) | (5) | (30) | (470) |
| At 30th June 2019 | 於二零一九年六月三十日 | - | 9,744 | 25,725 | 2,314 | 3,734 | 10,331 | 51,848 |
| Impact on initial application of HKFRS 16 (Note) | 首次應用香港財務報告準則第16號之影響(附註) | 19,392 | - | - | - | - | - | 19,392 |
| At 1st July 2019 | 於二零一九年七月一日 | 19,392 | 9,744 | 25,725 | 2,314 | 3,734 | 10,331 | 71,240 |
| Additions | 添置 | 8,231 | 2,331 | 1 | 313 | - | 489 | 11,365 |
| Disposals | 出售 | - | - | - | (28) | - | (153) | (181) |
| Write-off | 撇銷 | - | (248) | - | (473) | - | - | (721) |
| Exchange realignment | 匯兌調整 | (125) | (98) | - | (40) | (5) | (27) | (295) |
| Lease modification | 租賃修改 | (339) | - | - | - | - | - | (339) |
| At 30th June 2020 | 於二零二零年六月三十日 | 27,159 | 11,729 | 25,726 | 2,086 | 3,729 | 10,640 | 81,069 |
| Accumulated depreciation and impairment loss | 累計折舊及減值虧損 | | | | | | | |
| At 1st July 2018 | 於二零一八年七月一日 | - | 8,314 | 25,719 | 2,137 | 1,853 | 9,035 | 47,058 |
| Depreciation charge (Note 33) | 折舊費用(附註33) | - | 1,382 | 15 | 204 | 813 | 481 | 2,895 |
| Disposals | 出售 | - | (750) | (21) | (287) | - | (436) | (1,494) |
| Write-off | 撇銷 | - | (559) | - | (76) | - | (172) | (807) |
| Exchange realignment | 匯兌調整 | - | (363) | - | (55) | (5) | (30) | (453) |
| At 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及二零一九年七月一日 | - | 8,024 | 25,713 | 1,923 | 2,661 | 8,878 | 47,199 |
| Depreciation charge (Note 33) | 折舊費用(附註33) | 11,539 | 1,635 | 11 | 163 | 714 | 504 | 14,566 |
| Disposals | 出售 | - | - | - | (28) | - | (153) | (181) |
| Write-off | 撇銷 | - | (248) | - | (473) | - | - | (721) |
| Exchange realignment | 匯兌調整 | (8) | (88) | - | (30) | (72) | (26) | (224) |
| Impairment (Note 33) | 減值(附註33) | 2,069 | 743 | - | 39 | - | 308 | 3,159 |
| At 30th June 2020 | 於二零二零年六月三十日 | 13,600 | 10,066 | 25,724 | 1,594 | 3,303 | 9,511 | 63,798 |
| Net carrying amount | 賬面淨值 | | | | | | | |
| At 30th June 2020 | 於二零二零年六月三十日 | 13,559 | 1,663 | 2 | 492 | 426 | 1,129 | 17,271 |
| At 30th June 2019 | 於二零一九年六月三十日 | - | 1,720 | 12 | 391 | 1,073 | 1,453 | 4,649 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1st July 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. See note 2.1(i).

附註：本集團已使用修訂追溯法首次應用香港財務報告準則第16號，並調整二零一九年七月一日之期初結餘以確認先前根據香港會計準則第17號分類為經營租賃之租賃有關之使用權資產。見附註2.1(i)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT

(Continued)

As at 30th June 2020, the carrying amount of machinery and equipment held by the Group under finance leases is approximately HK\$Nil (2019: HK\$9,000).

Depreciation of approximately HK\$411,000 (2019: HK\$10,000) has been charged to "cost of revenue" and approximately 14,155,000 (2019: HK\$2,885,000) has been charged to "administrative expenses" in the consolidated statement of comprehensive income.

In accordance with the Group's accounting policy, property, plant and equipment (note 2.8) and right-of-use assets (note 2.10(ii)) are stated at cost less accumulated depreciation and impairment loss. During the year, property, plant and equipment and right-of-use assets for financial printing business were fully impaired as the value-in-use of those assets are estimated by the management of the Group to be HK\$Nil because of the past poor financial performance of the business segment and it is foreseen that those assets will not be able to be used to generate positive future cash inflow.

The impairment loss of property, plant and equipment and right-of-use assets of approximately HK\$1,090,000 (2019: HK\$Nil) and HK\$2,069,000 (2019: HK\$Nil) were recognised in the consolidated statement of comprehensive income respectively.

(a) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

| | As at 30th June 2020 | As at 1st July 2019 |
|---|--------------------------------------|---------------------------|
| | 於二零二零年 六月三十日 | 於二零一九年 七月一日 |
| | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 |
| Other properties leased for own used, carried at depreciated cost | 按經折舊成本入賬租賃以作自用的其他物業 13,441 | 19,392 |
| Motor vehicle leased for own used, carried at depreciation cost | 按經折舊成本入賬租賃以作自用的汽車 118 | - |
| | 13,559 | 19,392 |

6 物業、機器及設備(續)

於二零二零年六月三十日，本集團根據融資租賃持有之機器及設備之賬面值約為零港元(二零一九年：9,000港元)。

折舊約411,000港元(二零一九年：10,000港元)已於綜合全面收益表之「收益成本」中扣除，而約14,155,000港元(二零一九年：2,885,000港元)已於綜合全面收益表之「行政費用」中扣除。

根據本集團之會計政策，物業、機器及設備(附註2.8)及使用權資產(附註2.10(ii))按成本減累計折舊及減值虧損列賬。於本年度，財經印刷業務之物業、機器及設備以及使用權資產悉數減值，原因為本集團管理層估計該等資產之使用價值為零港元，乃因該業務分部過往財務表現欠佳及預期該等資產將無法用於產生正未來現金流入。

物業、機器及設備以及使用權資產之減值虧損分別約1,090,000港元(二零一九年：零港元)及2,069,000港元(二零一九年：零港元)已於綜合全面收益表內確認。

(a) 使用權資產

按相關資產類別劃分之使用權資產賬面淨值分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT

(Continued)

(a) Right-of-use assets (Continued)

The analysis of expenses items in relation to leases recognised in profit or loss is as follows:

6 物業、機器及設備(續)

(a) 使用權資產(續)

於損益確認的租賃相關開支項目分析如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 (Note) (附註) |
|---|--|----------------------------------|--|
| Depreciation charge of right-of-use assets by class of underlying asset: (Note 33) | 按相關資產類別劃分的 使用權資產費用折舊： (附註33) | | |
| Other properties leased for own use | 租賃以作自用的 其他物業 | 11,432 | - |
| Motor vehicle leased for own use | 租賃以作自用的汽車 | 107 | - |
| | | 11,539 | - |
| Impairment loss of right-of-use assets (Note 33) | 使用權資產減值虧損 (附註33) | 2,069 | - |
| Interest on lease liabilities (Note 33) | 租賃負債利息(附註33) | 542 | - |
| Expense relating to short-term leases and other leases with remaining lease term ending on or before 30th June 2020 (Note 33) | 短期租賃及餘下租期於 二零二零年六月三十日 或之前終止的其他租賃 相關開支(附註33) | 2,887 | - |
| Expense relating to leases of low-value assets (Note 33) | 租賃低價值資產相關開支 (附註33) | 64 | - |
| Total minimum lease payments for leases previously classified as operating leases under HKAS 17 | 根據香港會計準則第17號 先前分類為經營租賃的 租賃之最低租賃付款 總額 | - | 12,780 |
| Variable lease payments not included in the measurement of lease liabilities | 並無計入租賃負債計量之 可變租賃付款 | 633 | 912 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT

(Continued)

(a) Right-of-use assets (Continued)

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1st July 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1st July 2019, the Group as a lease is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 2.1(i).

During the year, additions to right-of-use assets were approximately HK\$8,231,000. This amount primarily related to the capitalised lease payments payable under a new tenancy agreement.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 45(c) and 28 respectively.

(b) Other properties leased for own use

The Group has obtained the right to use other properties as its office, warehouse and retail stores through tenancy agreements. The leases typically run for an initial period of 2 to 3 years. The lease of retail stores contain variable lease payment terms that are based on sales generated from the retail stores and minimum annual lease payment terms that are fixed. These payment terms are common in retail stores in Hong Kong and the PRC where the Group operates. Other than the retail stores, other leases do not include variable lease payments.

(c) Other leases

The Group leases a motor vehicle under leases expiring in one year. The leases include an option to renew the lease when all terms are renegotiated and include an option to purchase the motor vehicle at the end of the lease term at a price deemed to be a bargain purchase option. The lease does not include variable lease payments.

6 物業、機器及設備(續)

(a) 使用權資產(續)

附註：本集團已使用修訂追溯法首次應用香港財務報告準則第16號，並調整二零一九年七月一日之期初結餘以確認先前根據香港會計準則第17號分類為經營租賃之租賃有關的使用權資產。於二零一九年七月一日首次確認使用權資產後，本集團(作為承租人)須使用權資產折舊，而非採取先前以直線法於租期內確認根據經營租賃所產生租金開支的政策。根據該方法，並無重列比較資料。見附註2.1(i)。

於年內，添置使用權資產約8,231,000港元。該金額與新訂租賃協議項下資本化租賃應付款項相關。

有關租賃現金流出總額及租賃負債到期狀況分析之詳情分別載於附註45(c)及28。

(b) 租賃以作自用的其他物業

本集團透過租賃協議取得使用其他物業權利，作為辦公室、倉庫及零售店。該等租賃一般初步為期兩至三年。零售店租賃包含以零售店銷售額為基礎計算之可變租金條款及固定之最低年租條款。該等付款條款在本集團經營所在的香港及中國的零售店中很常見。除零售店外，其他租賃並不包括可變租賃付款。

(c) 其他資產

本集團按將於一年內到期之租賃租用一輛汽車。該等租賃包括一項當所有條款已獲再次磋商時重續租賃之選擇權，以及包括一項於租賃期末以被視為議價收購之價格收購汽車之選擇權。有關租賃並不包括可變租賃付款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES

7 投資物業

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------|-------------|----------------------------------|----------------------------------|
| At fair value | 按公平值 | | |
| At the beginning of the year | 於年初 | 31,460 | 29,360 |
| Fair value change | 公平值變動 | - | 2,100 |
| At the end of the year | 於年末 | 31,460 | 31,460 |

Fair Value Measurement of Investment Properties

(a) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs

投資物業之公平值計量

(a) 公平值等級

下表呈列於報告期末按經常性基準計量，並按香港財務報告準則第13號「公平值計量」中所定義的三等級公平值等級分類的本集團投資物業公平值。每項公平值計量的等級參考估值方法中所使用輸入數據的可觀察性和重要性釐定如下：

第1級估值：僅使用第1級輸入數據計量的公平值，即於計量日期活躍市場中相同資產或負債的未經調整報價

第2級估值：使用第2級輸入數據計量的公平值，即不符合第1級的可觀察輸入數據，及不使用重大不可觀察的輸入數據。不可觀察輸入數據指無法從市場數據獲得的輸入數據

第3級估值：以重大不可觀察的輸入數據計量的公平值

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (Continued)

Fair Value Measurement of Investment Properties
(Continued)

(a) Fair value hierarchy (Continued)

7 投資物業(續)

投資物業之公平值計量(續)

(a) 公平值等級(續)

| | | Fair value measurements at 30th June 2020 categorised into 於二零二零年六月三十日公平值計量歸類為 | | | |
|----------------------------------|-----------|--|---|---|---|
| | | Fair value at 30th June 2020 於二零二零年 六月三十日 之公平值 HK\$'000 千港元 | Level 1 HK\$'000 第1級 HK\$'000 千港元 | Level 2 HK\$'000 第2級 HK\$'000 千港元 | Level 3 HK\$'000 第3級 HK\$'000 千港元 |
| Recurring fair value measurement | 經常性公平值計量 | | | | |
| Investment properties: | 投資物業： | | | | |
| - Residential - Hong Kong | - 住宅 - 香港 | 31,460 | - | - | 31,460 |

| | | Fair value measurements at 30th June 2019 categorised into 於二零一九年六月三十日公平值計量歸類為 | | | |
|----------------------------------|-----------|--|---|---|---|
| | | Fair value at 30th June 2019 於二零一九年 六月三十日 之公平值 HK\$'000 千港元 | Level 1 HK\$'000 第1級 HK\$'000 千港元 | Level 2 HK\$'000 第2級 HK\$'000 千港元 | Level 3 HK\$'000 第3級 HK\$'000 千港元 |
| Recurring fair value measurement | 經常性公平值計量 | | | | |
| Investment properties: | 投資物業： | | | | |
| - Residential - Hong Kong | - 住宅 - 香港 | 31,460 | - | - | 31,460 |

During the year ended 30th June 2020, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3 (2019: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零二零年六月三十日止年度，在第1級與第2級之間概無轉移，第3級亦無轉入或轉出(二零一九年：無)。本集團的政策旨在於報告期末確認是期內發生的公平值等級中各等級之間的轉移。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (Continued)

Fair Value Measurement of Investment Properties

(Continued)

(a) Fair value hierarchy (Continued)

All investment properties of the Group were revalued as at 30th June 2020. The valuations were carried out by an independent firm of surveyors, Ravia Global Appraisal Advisory Limited, who have amongst their staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued. The management of the Group has discussions with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

(b) Information about Level 3 fair value measurements

| | Valuation techniques | Unobservable inputs | Range of unobservable inputs |
|---|----------------------------|-----------------------------------|--------------------------------|
| | 估值方法 | 不可觀察之輸入數據 | 不可觀察輸入數據之範圍 |
| Investment properties in Hong Kong | 於香港之投資物業 | | |
| – Residential properties | Direct comparison approach | Discount on quality of properties | 10%–15% (2019: 14%–16%) |
| – 住宅物業 | 直接比較法 | 就物業質素作折讓 | 10%–15% (二零一九年： 14%–16%) |

The fair value of investment properties located in Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or discount specific to the quality of the Group's properties compared to recent sales of comparable transactions. Higher discount for lower quality properties will result in a lower fair value measurement.

7 投資物業(續)

投資物業之公平值計量(續)

(a) 公平值等級(續)

本集團所有投資物業均於二零二零年六月三十日進行重估。估值乃由獨立測量師行－瑞豐環球評估諮詢有限公司進行，該公司部分員工為香港測量師學會會員，對所估物業的所在地和所屬類別具有近期估值經驗。於每次年度報告當日進行估值時，本集團管理層已與測量師討論估值假設及估值結果。

(b) 有關第3級公平值計量之資料

位於香港之投資物業之公平值乃使用直接比較法釐定，其經參考可供比較物業按每平方呎價格基準計算之近期售價，且已就本集團物業質量之特定溢價或折讓(與近期銷售交易比較所得)作出調整。較低質素物業之較高折讓會導致較低之公平值計量數值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (Continued)

Fair Value Measurement of Investment Properties (Continued)

(b) Information about Level 3 fair value measurements (Continued)

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

7 投資物業(續)

投資物業之公平值計量(續)

(b) 有關第3級公平值計量之資料 (續)

年內第3級公平值計量結餘的變動如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------------------------|------------------|--|----------------------------------|
| Investment properties | 投資物業 | | |
| - Residential - Hong Kong | - 住宅 - 香港 | | |
| At the beginning of the year | 於年初 | 31,460 | 29,360 |
| Fair value change | 公平值變動 | - | 2,100 |
| At the end of the year | 於年末 | 31,460 | 31,460 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 OTHER INTANGIBLE ASSETS

8 其他無形資產

| | | Computer software 電腦軟件 HK\$'000 千港元 | Brand name 品牌名稱 HK\$'000 千港元 | Club membership 會籍 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|---|-------------------------------|---|---------------------------------------|---|--------------------------------|
| Cost | 成本 | | | | |
| At 1st July 2018 and 30th June 2019 | 於二零一八年七月一日 及二零一九年六月 三十日 | - | 1,108 | 1,858 | 2,966 |
| Addition | 添置 | 1,414 | - | - | 1,414 |
| At 30th June 2020 | 於二零二零年六月三十日 | 1,414 | 1,108 | 1,858 | 4,380 |
| Accumulated amortisation and impairment losses | 累計攤銷及減值虧損 | | | | |
| At 1st July 2018 | 於二零一八年七月一日 | - | 431 | - | 431 |
| Amortisation for the year (Note 33) | 年內攤銷(附註33) | - | 148 | - | 148 |
| At 30th June 2019 | 於二零一九年六月三十日 | - | 579 | - | 579 |
| Amortisation for the year (Note 33) | 年內攤銷(附註33) | 249 | 148 | - | 397 |
| Impairment (Note 33) | 減值(附註33) | 1,165 | - | - | 1,165 |
| At 30th June 2020 | 於二零二零年六月三十日 | 1,414 | 727 | - | 2,141 |
| Carrying amount | 賬面值 | | | | |
| At 30th June 2020 | 於二零二零年六月三十日 | - | 381 | 1,858 | 2,239 |
| At 30th June 2019 | 於二零一九年六月三十日 | - | 529 | 1,858 | 2,387 |

In accordance with the Group's accounting policy (note 2.13(f)), computer software is stated at cost less accumulated amortisation and impairment loss. During the year, computer software for financial printing business was fully impaired as the value-in-use of the computer software is estimated by the management of the Group to be HK\$Nil because of the past poor financial performance of the business segment and it is foreseen that the computer software will not be able to be used to generate positive future cash inflow.

The impairment loss of the other intangible assets of approximately HK\$1,165,000 (2019: HK\$Nil) was recognised in the consolidated statement of comprehensive income.

根據本集團之會計政策(附註2.13(f))，電腦軟件按成本減累計攤銷及減值虧損列賬。於本年度，財經印刷業務之電腦軟件悉數減值，原因為本集團管理層估計電腦軟件之使用價值為零港元，乃因該業務分部過往財務表現欠佳及預期電腦軟件將無法用於產生正未來現金流入。

其他無形資產之減值虧損約1,165,000港元(二零一九年：零港元)已於綜合全面收益表內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 FILM RIGHTS AND FILMS IN PROGRESS

9 電影版權及製作中之電影

| | | Film rights 電影版權 HK\$'000 千港元 | Films in progress 製作中 之電影 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|--|---------------------------|---|---|--------------------------------|
| Cost | 成本 | | | |
| At 1st July 2018 | 於二零一八年七月一日 | 76,470 | 79,652 | 156,122 |
| Additions | 添置 | - | 155,495 | 155,495 |
| Transfers from films in progress | 轉撥自製作中電影 | 41,100 | (41,100) | - |
| Transfers from film related deposits | 轉撥自電影相關訂金 | 968 | 150 | 1,118 |
| Write-off of expired film rights | 到期電影版權之撇銷 | (16,292) | - | (16,292) |
| At 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及 二零一九年七月一日 | 102,246 | 194,197 | 296,443 |
| Additions | 添置 | 124 | 29,965 | 30,089 |
| Refund of film production cost (Note (i)) | 退還電影製作費用 (附註(i)) | (3,864) | - | (3,864) |
| Transfer from film related deposits | 轉撥自電影相關訂金 | 8,955 | 78 | 9,033 |
| Write-off of expired film rights | 到期電影版權之撇銷 | (5,707) | - | (5,707) |
| At 30th June 2020 | 於二零二零年六月三十日 | 101,754 | 224,240 | 325,994 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | | | |
| At 1st July 2018 | 於二零一八年七月一日 | 75,519 | - | 75,519 |
| Amortisation for the year (Note 33) | 年內攤銷(附註33) | 1,747 | - | 1,747 |
| Impairment (Note 33) | 減值(附註33) | 165 | - | 165 |
| Write-off of expired film rights | 到期電影版權之撇銷 | (16,292) | - | (16,292) |
| At 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及 二零一九年七月一日 | 61,139 | - | 61,139 |
| Amortisation for the year (Note 33) | 年內攤銷(附註33) | 44,149 | - | 44,149 |
| Impairment (Note 33) | 減值(附註33) | 904 | 3,749 | 4,653 |
| Write-off of expired film rights | 到期電影版權之撇銷 | (5,707) | - | (5,707) |
| At 30th June 2020 | 於二零二零年六月三十日 | 100,485 | 3,749 | 104,234 |
| Carrying amount | 賬面值 | | | |
| At 30th June 2020 | 於二零二零年六月三十日 | 1,269 | 220,491 | 221,760 |
| At 30th June 2019 | 於二零一九年六月三十日 | 41,107 | 194,197 | 235,304 |

Note (i) During the year, the Group received a refund of film production cost from a film production house amounting approximately HK\$3,864,000 on a film that recognised as film rights last year.

附註(i) 於年內，本集團自一間電影製作公司收到一筆電影製作費用退款約3,864,000港元，該電影乃於去年確認為電影版權。

Amortisation of approximately HK\$44,149,000 (2019: HK\$1,747,000) is included in the cost of revenue in the consolidated statement of comprehensive income.

攤銷金額約44,149,000港元(二零一九年：1,747,000港元)計入綜合全面收益表之收益成本內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 FILM RIGHTS AND FILMS IN PROGRESS

(Continued)

Impairment test for film rights and films in progress

The Group observes whether the film rights and films in progress for video distribution, film distribution and exhibition, licensing and sub-licensing of film rights segment are subject to any impairment indication, in accordance with the accounting policies set out in note 2.16 of these consolidated financial statements.

During the year ended 30th June 2020, management assessed whether there was an impairment indicator in relation to the film rights and films in progress for video distribution, film distribution and exhibition, licensing and sub-licensing of film rights segment by reviewing the cast or scale of each films, current market condition, the trade history, current financial position and popularity of film outline stories. Management has further performed an assessment on the recoverable amount of the film rights and film in progress based on each film sales forecast. As at 30th June 2020, the Group assessed that there were impairment indication for certain films included in films rights and film in progress with gross carrying amount of approximately HK\$950,000 and HK\$16,954,000 respectively because of the change of comparable market information and expected performance. As at 30th June 2020, these film rights and film in progress have been reduced to its recoverable amount of approximately HK\$46,000 and HK\$13,205,000 respectively. The recoverable amount was determined on a title-by-title basis, and is assessed with reference to a value-in-use calculation at the end of the reporting period, which was derived from discounting the projected cash flow forecast using a discount rate of 11% (2019: 14%). Key assumptions for the value-in-use calculations related to the estimation of cash inflow include the budget film exhibition income, budget licensing and sub-licensing income revenue and discount rate. Such estimation is based on the historical box office of the same director and main cast members, the market comparable data of films with the same theme, and management's expectations of the market development. The discount rate used is before tax and reflected current market assessment of the time value of money and the risks specific to the film production business.

9 電影版權及製作中之電影(續)

電影版權及製作中之電影 減值測試

本集團根據綜合財務報表附註2.16所載會計政策檢討錄像發行、電影發行及放映、授出及轉授電影版權分部之電影版權及製作中之電影是否出現任何減值跡象。

於截至二零二零年六月三十日止年度，管理層透過審查每部電影的演員陣容或規模、當前市況、交易記錄、當前財務狀況及電影故事梗概的受歡迎程度，評估錄像發行、電影發行及放映、授出及轉授電影版權分部之電影版權及製作中之電影是否出現減值跡象。管理層根據每部電影的銷售預測進一步對電影版權及製作中之電影的可收回金額進行評估。於二零二零年六月三十日，本集團評估賬面總值分別約為950,000港元及16,954,000港元之若干電影(包括於電影版權、製作中電影及電影相關訂金內)存在減值跡象，原因為可比市場資料及預期表現之變動。於二零二零年六月三十日，該等電影版權及製作中電影已分別減至其可收回金額約46,000港元及13,205,000港元。可收回金額乃按每部電影基準釐定，並參考於報告期末之使用價值計算進行評估，而使用價值乃使用11%(二零一九年：14%)之貼現率貼現預測現金流量計算得出。有關現金流入估計之使用價值計算主要假設包括預算電影放映收入、預算授出及轉授收入收益及貼現率。有關估計乃基於相同導演及主要演員之過往票房、相同主題電影之市場可比數據及管理層對市場發展之預期。所用貼現率為稅前貼現率，反映當前市場對貨幣時間價值及電影製作業務特定風險之評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 FILM RIGHTS AND FILMS IN PROGRESS

(Continued)

Impairment test for film rights and films in progress

(Continued)

Taking into account the impairment assessment performed by the management, an impairment loss of film rights of approximately HK\$904,000 (2019: HK\$165,000) and an impairment loss of films in progress of approximately HK\$3,749,000 (2019: HK\$Nil) were recognised respectively in the consolidated statement of comprehensive income for the year ended 30th June 2020 to reduce the carrying amounts of certain film rights and films in progress to their recoverable amounts. The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amounts of film rights and film in progress to exceed their recoverable amounts as at 30th June 2020.

9 電影版權及製作中之電影(續)

電影版權及製作中之電影 減值測試(續)

經計及管理層進行之減值評估，電影版權減值虧損約904,000港元(二零一九年：165,000港元)及製作中電影減值虧損約3,749,000港元(二零一九年：零港元)已分別於截至二零二零年六月三十日止年度之綜合全面收益表中確認，以將若干電影版權及製作中電影之賬面值減至其可收回金額。董事及管理層已考慮及評估其他主要假設之合理可能變動，且並無發現任何可能導致電影版權及製作中電影之賬面值超出其於二零二零年六月三十日之可收回金額的情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries as at 30th June 2020.

10 主要附屬公司

以下為於二零二零年六月三十日之主要附屬公司名單。

| Name | Place of incorporation/ establishment and kind of legal entity | Particulars of issued share capital | Principal activities and place of operation | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by other group entities (%) 由集團 其他成員 持有的 普通股 比例(%) | Proportion of ordinary shares held by non- controlling interests (%) 由非控股 權益持有的 普通股 比例(%) |
|---|--|---|---|--|--|--|
| 名稱 | 註冊成立/成立地點 及法律實體類別 | 已發行股本詳情 | 主要業務及營業地點 | 直接由 母公司持有 的普通股 比例(%) | 其他成員 持有的 普通股 比例(%) | 由非控股 權益持有的 普通股 比例(%) |
| Universe Films (Holdings) Limited* | The British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司 | Ordinary US\$100 普通股股本100美元 | Investment holding in Hong Kong 投資控股，香港 | 100% | - | - |
| Universe Films Distribution Company Limited | Hong Kong, limited liability company | Ordinary HK\$2 | Sub-licensing of film rights and television series, film exhibition and leasing of investment properties in Hong Kong 轉授電影版權及電視劇、電影放映以及出租投資物業，香港 | - | 100% | - |
| 寰宇影片發行有限公司 | 香港，有限責任公司 | 普通股股本2港元 | | | | |
| Unique Model Limited* | Hong Kong, limited liability company 香港，有限責任公司 | Ordinary HK\$100 普通股股本100港元 | Model agency in Hong Kong 模特兒代理，香港 | - | 100% | - |
| Universe Digital Entertainment Limited | Hong Kong, limited liability company | Ordinary HK\$10,000 5% deferred HK\$10,000 | Distribution of films in various videogram formats in Hong Kong 以不同錄像制式發行電影，香港 | - | 100% | - |
| 寰宇數碼娛樂有限公司 | 香港，有限責任公司 | 普通股股本10,000港元 5%遞延股股本 10,000港元 | | | | |
| Universe Management Services Limited | Hong Kong, limited liability company | Ordinary HK\$10,000 5% deferred HK\$10,000 | Provision of management services for the Group in Hong Kong 向本集團提供管理服務， 香港 | - | 100% | - |
| 寰宇企業管理有限公司 | 香港，有限責任公司 | 普通股股本10,000港元 5%遞延股股本 10,000港元 | | | | |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 PRINCIPAL SUBSIDIARIES (Continued)

10 主要附屬公司(續)

| Name | Place of incorporation/ establishment and kind of legal entity | Particulars of issued share capital | Principal activities and place of operation | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by other group entities (%) | Proportion of ordinary shares held by non- controlling interests (%) |
|---|--|--|--|--|--|---|
| 名稱 | 註冊成立/成立地點 及法律實體類別 | 已發行股本詳情 | 主要業務及營業地點 | 直接由 母公司持有 的普通股 比例(%) | 由集團 其他成員 持有的 普通股 比例(%) | 由非控股 權益持有的 普通股 比例(%) |
| Universe Entertainment Limited | The British Virgin Islands, limited liability company | Ordinary US\$2 | Investment in films production and licensing of film rights in Hong Kong | - | 100% | - |
| 寰宇娛樂有限公司 | 英屬處女群島, 有限責任公司 | 普通股股本2美元 | 投資電影製作及授出電影版權, 香港 | | | |
| Universe (China) Development Limited | Hong Kong, limited liability company | Ordinary HK\$2 | Investment holding in Hong Kong and investment in television series production in the People's Republic of China ("PRC") | - | 100% | - |
| 寰宇(中國)拓展有限公司 | 香港, 有限責任公司 | 普通股股本2港元 | 投資控股, 香港, 及投資製作電視連續劇, 中華人民共和國(「中國」) | | | |
| Globalink Advertising Limited* | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$2 普通股股本2港元 | Advertising agent for the Group in Hong Kong 本集團之廣告代理, 香港 | - | 100% | - |
| Universe International Technology Limited 寰宇國際科技有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$2 普通股股本2港元 | Purchasing agent for the Group in Hong Kong 本集團之採購代理, 香港 | - | 100% | - |
| Universe Artiste Management Limited 寰宇藝人管理有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$10 普通股股本10港元 | Management of contracted artistes in Hong Kong 管理合約藝人, 香港 | - | 100% | - |
| Films Station Production Limited* | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$2 普通股股本2港元 | Films production in Hong Kong 電影製作, 香港 | - | 100% | - |

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綜合財務報表附註

10 PRINCIPAL SUBSIDIARIES (Continued)

10 主要附屬公司(續)

| Name | Place of incorporation/ establishment and kind of legal entity | Particulars of issued share capital | Principal activities and place of operation | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by other group entities (%) | Proportion of ordinary shares held by non- controlling interests (%) |
|---|---|--|---|--|--|---|
| 名稱 | 註冊成立/成立地點 及法律實體類別 | 已發行股本詳情 | 主要業務及營業地點 | 直接由 母公司持有 的普通股 比例(%) | 由集團 其他成員 持有的 普通股 比例(%) | 由非控股 權益持有的 普通股 比例(%) |
| Universe Music Limited | Hong Kong, limited liability company | Ordinary HK\$2 | Licensing and sub-licensing of music programme and investment in concert in Hong Kong | - | 100% | - |
| 寰宇音樂有限公司 | 香港, 有限責任公司 | 普通股股本2港元 | 授出及轉授音樂節目版權以及投資演唱會, 香港 | | | |
| Universe Films Acquisition Limited* | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$2 普通股股本2港元 | Sub-licensing of film rights in Hong Kong 轉授電影版權, 香港 | - | 100% | - |
| Wide Avenue Holdings Limited* | The British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | Ordinary US\$1 普通股股本1美元 | Investment holdings in the British Virgin Islands 投資控股, 英屬處女群島 | 100% | - | - |
| Universe Martix Films Investment Limited 寰宇縱橫電影投資有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$1 普通股股本1港元 | Investment in films production 投資電影製作 | - | 100% | - |
| 寰宇縱橫世紀電影發行(北京)有限公司* | PRC, limited liability company 中國, 有限責任公司 | RMB1,000,000 人民幣1,000,000元 | Distribution of films in the PRC 發行電影, 中國 | - | 100% | - |
| 寰宇創意廣告(北京)有限公司* | PRC, limited liability company 中國, 有限責任公司 | RMB3,000,000 人民幣3,000,000元 | Advertising agent for the Group in PRC 本集團之廣告代理, 中國 | - | 100% | - |
| Fragrant River Entertainment Culture (Holdings) Limited 香江娛樂文化(控股)有限公司 | The British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | Ordinary US\$100 普通股股本100美元 | Investment holding in the British Virgin Islands 投資控股, 英屬處女群島 | 100% | - | - |

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綜合財務報表附註

10 PRINCIPAL SUBSIDIARIES (Continued)

10 主要附屬公司(續)

| Name | Place of incorporation/ establishment and kind of legal entity | Particulars of issued share capital | Principal activities and place of operation | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by other group entities (%) | Proportion of ordinary shares held by non- controlling interests (%) |
|---|--|--|---|--|--|---|
| 名稱 | 註冊成立/成立地點 及法律實體類別 | 已發行股本詳情 | 主要業務及營業地點 | 直接由 母公司持有 的普通股 比例(%) | 由集團 其他成員 持有的 普通股 比例(%) | 由非控股 權益持有的 普通股 比例(%) |
| Weluck Development Limited | The British Virgin Islands, limited liability company | Ordinary US\$1 | Securities investments | - | 100% | - |
| 永能發展有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本1美元 | 證券投資 | | | |
| Fragrant River Finance Group Limited | The British Virgin Islands, limited liability company | Ordinary US\$100 | Investment holding in Hong Kong | - | 100% | - |
| 香江財務集團有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本100美元 | 投資控股，香港 | | | |
| Fragrant River Asia Investment Limited | The British Virgin Islands, limited liability company | Ordinary US\$100 | Investment holding in Hong Kong | - | 100% | - |
| 香江亞洲投資有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本100美元 | 投資控股，香港 | | | |
| Urban King Holdings Limited | The British Virgin Islands, limited liability company | Ordinary US\$100 | Investment holding in Hong Kong | - | 100% | - |
| 城御控股有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本100美元 | 投資控股，香港 | | | |
| Precise Reach Group Limited | The British Virgin Islands, limited liability company | Ordinary US\$100 | Investment holding in Hong Kong | - | 100% | - |
| 精達集團有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本100美元 | 投資控股，香港 | | | |

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綜合財務報表附註

10 PRINCIPAL SUBSIDIARIES (Continued)

10 主要附屬公司(續)

| Name | Place of incorporation/ establishment and kind of legal entity | Particulars of issued share capital | Principal activities and place of operation | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by other group entities (%) | Proportion of ordinary shares held by non- controlling interests (%) |
|---|--|--|---|--|--|---|
| 名稱 | 註冊成立/成立地點 及法律實體類別 | 已發行股本詳情 | 主要業務及營業地點 | 直接由 母公司持有 的普通股 比例(%) | 由集團 其他成員 持有的 普通股 比例(%) | 由非控股 權益持有的 普通股 比例(%) |
| Great Harbour Enterprises Limited | The British Virgin Islands, limited liability company | Ordinary US\$100 | Investment holding in Hong Kong | - | 100% | - |
| 宏港企業有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本100美元 | 投資控股，香港 | | | |
| Gold Summit International Limited | The British Virgin Islands, limited liability company | Ordinary US\$100 | Investment holding in Hong Kong | - | 100% | - |
| 冠峰國際有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本100美元 | 投資控股，香港 | | | |
| Rising Fame International Limited | The British Virgin Islands, limited liability company | Ordinary US\$100 | Investment holding in Hong Kong | - | 100% | - |
| 昇名國際有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本100美元 | 投資控股，香港 | | | |
| Galaxy View Group Limited | The British Virgin Islands, limited liability company | Ordinary US\$1 | Investment holding in Hong Kong, British Virgin Islands and the PRC | - | 100% | - |
| 景宇集團有限公司 | 英屬處女群島， 有限責任公司 | 普通股股本1美元 | 投資控股，香港、 英屬處女群島及中國 | | | |
| Universe International Holdings Limited | Hong Kong, limited liability company | Ordinary HK\$100 | Investment holding in Hong Kong | - | 100% | - |
| 寰宇國際控股有限公司 | 香港，有限責任公司 | 普通股股本100港元 | 投資控股，香港 | | | |
| China Jianxin Credit Services Limited | Hong Kong, limited liability company | Ordinary HK\$100 | Money lending in Hong Kong | - | 100% | - |
| 中國建信信貸有限公司 | 香港，有限責任公司 | 普通股股本100港元 | 放貸，香港 | | | |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 PRINCIPAL SUBSIDIARIES (Continued)

10 主要附屬公司(續)

| Name | Place of incorporation/ establishment and kind of legal entity | Particulars of issued share capital | Principal activities and place of operation | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by other group entities (%) | Proportion of ordinary shares held by non- controlling interests (%) |
|--|--|--|---|--|--|---|
| 名稱 | 註冊成立/成立地點 及法律實體類別 | 已發行股本詳情 | 主要業務及營業地點 | 直接由 母公司持有 的普通股 比例(%) | 由集團 其他成員 持有的 普通股 比例(%) | 由非控股 權益持有的 普通股 比例(%) |
| Formex Financial Press Limited 方訊財經印刷有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$100 普通股股本100港元 | Financial printing services in Hong Kong 財經印刷服務, 香港 | - | 100% | - |
| Fragrant River Entertainment Investment Limited 香江娛樂投資有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$100 普通股股本100港元 | Investment holding in Hong Kong 投資控股, 香港 | - | 100% | - |
| Rising Fame Investment Limited 昇名投資有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$3,000,000 普通股股本 3,000,000港元 | Securities investments 證券投資 | - | 100% | - |
| Fine Ocean Limited 海越有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$5,000,001 普通股股本 5,000,001港元 | Optical shops 眼鏡店 | - | 90% | 10% |
| Winston Asia Limited* | The British Virgin Islands, limited liability company 英屬處女群島, 有限責任公司 | Ordinary US\$3,319 普通股股本3,319美元 | Investment holding in Hong Kong and the PRC 投資控股, 香港及中國 | - | 100% | - |
| Universe Watch and Jewellery Group Co Ltd 寰宇鐘錶珠寶集團有限公司 | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$73,944,225 普通股股本 73,944,225港元 | Investment holding in Hong Kong and the PRC 投資控股, 香港及中國 | - | 100% | - |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 PRINCIPAL SUBSIDIARIES (Continued)

10 主要附屬公司(續)

| Name | Place of incorporation/ establishment and kind of legal entity | Particulars of issued share capital | Principal activities and place of operation | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by other group entities (%) | Proportion of ordinary shares held by non- controlling interests (%) |
|---|--|---|---|--|--|---|
| 名稱 | 註冊成立/成立地點 及法律實體類別 | 已發行股本詳情 | 主要業務及營業地點 | 直接由 母公司持有 的普通股 比例(%) | 由集團 其他成員 持有的 普通股 比例(%) | 由非控股 權益持有的 普通股 比例(%) |
| 深圳市利昌鐘錶有限公司* | PRC, limited liability company 中國, 有限責任公司 | Ordinary RMB27,500,000 普通股股本 人民幣27,500,000元 | Wholesale and retail of watches and optical products in the PRC 批發和零售鐘錶及 眼鏡產品, 中國 | - | 100% | - |
| 當盛貿易(深圳)有限公司* | PRC, limited liability company 中國, 有限責任公司 | Ordinary HK\$9,000,000 普通股股本 9,000,000港元 | Wholesale and retail of watches in the PRC 批發和零售鐘錶, 中國 | - | 100% | - |
| Garona (HK) Limited* | Hong Kong, limited liability company 香港, 有限責任公司 | Ordinary HK\$300,000 普通股股本300,000港元 | Wholesale and retail of watches in Hong Kong 批發和零售鐘錶, 香港 | - | 100% | - |
| China Jianxin Financial Services Limited | Hong Kong, limited liability company | Ordinary HK\$34,900,000 | Securities brokerage and margin financing (The business was discontinued during the year ended 30th June 2018) | - | 100% | - |
| 中國建信金融服務有限公司 | 香港, 有限責任公司 | 普通股股本 34,900,000港元 | 證券經紀及孖展融資 (該業務於截至 二零一八年六月三十日 止年度終止) | | | |

* No registered Chinese name for the companies

* 該等公司並無登記中文名稱

No registered English name for the companies

該等公司並無登記英文名稱

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INTERESTS IN ASSOCIATES

11 於聯營公司之權益

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|--------------------------|--|----------------------------------|
| Cost of investments in associates, unlisted | 投資聯營公司之成本，非上市 | 42,314 | 42,314 |
| Share of post-acquisition profits | 應佔收購後溢利 | 1,197 | 2,282 |
| Less: Disposal (Note (i)) | 減：出售事項(附註(i)) | (35,530) | - |
| Less: Accumulated impairment loss | 減：累計減值虧損 | (38,758) | (38,758) |
| Less: Dividend received | 減：已收股息 | (4,753) | (4,753) |
| Derecognised accumulated impairment loss due to disposal (Note (ii)) | 因應出售事項終止確認累計減值虧損(附註(ii)) | 35,530 | - |
| | | - | 1,085 |

Details of each of the Group's associates at the end of the reporting period are as follows:

於報告期末本集團各聯營公司之詳情如下：

| Name of entity 實體名稱 | Place of incorporation 註冊成立地點 | Principal place of business 主要營業地點 | Proportion of registered capital held by the Group 本集團持有之註冊資本比例 | | Principal activity 主要業務 | Note 附註 |
|--|----------------------------------|---------------------------------------|--|---------------|---|------------|
| | | | 2020 二零二零年 | 2019 二零一九年 | | |
| Glory International Entertainment Limited ("Glory International") | British Virgin Islands ("BVI") | Hong Kong | - | 49% | Advertising, promotion, provision of public relations services, holding and sponsoring stage performance, concerts, film production and other cultural events | (i) |
| 彩耀國際娛樂有限公司(「彩耀國際」) | 英屬處女群島(「英屬處女群島」) | 香港 | | | 廣告製作、推廣、提供公關服務、組織及主辦舞台演出、演唱會、電影製作及其他文化活動 | |
| Hong Kong Optical Company Limited ("HK Optical") 香港茂昌眼鏡有限公司(「茂昌眼鏡」) | Hong Kong 香港 | Hong Kong 香港 | 34.5% | 34.5% | Trading, wholesaling and retailing of optical products 貿易、批發及零售眼鏡產品 | (ii) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INTERESTS IN ASSOCIATES (Continued)

Notes:

- (i) Glory International operates in Hong Kong and is engaged in the provision of advertising, promotion, provision of public relations services, holding and sponsoring stage performance, concerts, film production and other cultural events.

During the year ended 30th June 2019, in view of the financial performance of Glory International, the Group performed an impairment assessment on its investment in Glory International whereby the recoverable amount of HK\$1,085,000 of Glory International was determined based on fair value less cost to sale by reference to sharing of net asset value of Glory International. Following the impairment assessment, an amount of approximately HK\$1,065,000 was recognised as impairment loss in consolidated statement of comprehensive income during the year ended 30th June 2019.

Glory International has been loss-making in recent years. As at 31st December 2019, Glory International recorded net liabilities of approximately HK\$1,957,000. The Group engaged an independent professional valuer to assess the fair value of the Glory International by the Adjusted Net Assets Value method. Based on the business valuation report issued by an independent professional valuer which was not connected with the Group, the fair value of a 49% equity interest in the Glory International as at 31st December 2019 is nil.

On 4th March 2020, the shareholders of Glory International offered a share repurchase proposal, pursuant to the proposal, four shareholders had agreed to purchase the 49% equity interests of Glory International held by the Group in full at a consideration of HK\$4.

On 5th March 2020, the disposal of the 49% equity interest of Glory International was approved through a resolution in writing of all directors of the Group.

Upon the completion of the disposal on 9th March 2020, the corresponding interest in the associate of HK\$35,530,000 and the accumulated impairment of HK\$35,530,000 were derecognised.

- (ii) The investment in HK Optical was fully impaired as at 30th June 2020 and 2019 and the Group discontinued recognising its share of accumulated losses during the years ended 30th June 2020 and 2019 as the Group's share of losses of HK Optical exceeded its interest in the associate.

11 於聯營公司之權益(續)

附註：

- (i) 彩耀國際於香港經營業務，從事提供廣告製作、推廣、公關服務、組織及主辦舞台演出、演唱會、電影製作及其他文化活動業務。

於截至二零一九年六月三十日止年度，鑒於彩耀國際之財務表現，本集團對於彩耀國際之投資進行減值評估，彩耀國際之可收回金額1,085,000港元乃根據公平值減銷損失經參考分佔彩耀國際資產淨值而釐定。於減值評估後，於截至二零一九年六月三十日止年度之綜合全面收益表內確認減值虧損約為1,065,000港元。

彩耀國際近年一直錄得虧損。於二零一九年十二月三十一日，彩耀國際錄得淨負債約1,957,000港元。本集團已委聘獨立專業估值師按經調整資產淨值法評估彩耀國際之公平值。根據與本集團並無關連之獨立專業估值師所發出之業務估值報告，彩耀國際49%股權於二零一九年十二月三十一日之公平值為零。

於二零二零年三月四日，彩耀國際股東提出股份購回建議，根據該建議，四名股東已同意悉數收購本集團持有之彩耀國際49%股權，代價為4港元。

於二零二零年三月五日，本集團全體董事透過書面決議案批准出售彩耀國際49%股權。

於二零二零年三月九日完成該出售事項後，已終止確認於聯營公司之相應權益35,530,000港元及累計減值35,530,000港元。

- (ii) 於茂昌眼鏡之投資於二零二零年及二零一九年六月三十日已悉數作出減值，且本集團於截至二零二零年及二零一九年六月三十日止年度終止確認其分佔之累計虧損，原因是本集團分佔茂昌眼鏡之虧損超出其於該聯營公司之權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associates

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

Glory International

| | | 2019 二零一九年 HK\$'000 千港元 |
|--|-------------|----------------------------------|
| Gross amounts of the associate's | 聯營公司總額 | |
| Non-current assets | 非流動資產 | 3,512 |
| Current assets | 流動資產 | 8,018 |
| Non-current liabilities | 非流動負債 | - |
| Current liabilities | 流動負債 | (9,316) |
| Dividend received from the associate during the year | 年內已收聯營公司的股息 | - |
| Revenue | 收益 | 3,756 |
| Loss for the year | 年內虧損 | (1,480) |
| Other comprehensive income for the year | 年內其他全面收益 | - |
| Total comprehensive loss for the year | 年內全面虧損總額 | (1,480) |

11 於聯營公司之權益(續)

主要聯營公司之財務資料概要

就會計政策上的任何差異作出調整，並已就綜合財務報表中的賬面值進行調節的主要聯營公司財務資料概要披露如下：

彩耀國際

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

Glory International (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

11 於聯營公司之權益(續)

主要聯營公司之財務資料概要(續)

彩耀國際(續)

上文概述之財務資料與於綜合財務報表確認的於聯營公司權益之賬面值的對賬：

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------|----------------------------------|
| Net assets of Glory International | 彩耀國際之淨資產 | 2,214 |
| Proportion of the Group's ownership interest in Glory International | 本集團於彩耀國際之擁有權權益比例 | 49% |
| | | 1,085 |
| Goodwill | 商譽 | 35,531 |
| | | 36,616 |
| Impairment loss | 減值虧損 | (35,531) |
| Carrying amount of the Group's interest in Glory International | 本集團於彩耀國際之權益之賬面值 | 1,085 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that is not individually material

HK Optical

11 於聯營公司之權益(續)

個別非重大聯營公司之匯總資料

茂昌眼鏡

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| The unrecognised share of (loss)/profit of associates | 聯營公司未確認之應佔(虧損)/溢利 | (1,561) | 563 |
| The cumulative unrecognised share of loss of associates | 聯營公司累計未確認之應佔虧損 | (1,838) | (277) |
| Aggregate carrying amount of the Group's interests in these associates | 本集團於該等聯營公司之權益之賬面值總額 | - | - |

All of the associates are accounted for using the equity method in these consolidated financial statements.

於綜合財務報表內，所有聯營公司均以權益法列賬。

12 AMOUNT DUE FROM/TO AN ASSOCIATE

The amount due from/to an associate is unsecured, interest-free and repayable on demand. The balance is denominated in Hong Kong dollars and approximates its fair value.

12 應收／應付一間聯營公司之款項

應收／應付一間聯營公司之款項屬無抵押、不計息及須按要求償還。該結餘乃以港元計值及與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 30th June 2020

Financial assets

13 按類別劃分之金融工具

於報告期末，各類金融工具的賬面值如下：

於二零二零年六月三十日

金融資產

| | | Financial assets measured at fair value through profit or loss 透過損益按公平值入賬之金融資產 HK\$'000 千港元 | Financial assets at amortised cost 按攤銷成本列賬之金融資產 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|---|---------------------------|--|---|--------------------------------|
| Other financial assets | 其他金融資產 | 10,008 | - | 10,008 |
| Trading securities | 交易證券 | 3,300 | - | 3,300 |
| Accounts receivable | 應收賬款 | - | 73,105 | 73,105 |
| Financial assets included in "deposits paid, prepayments and other receivables" | 計入「已付訂金、預付款項及其他應收款項」之金融資產 | - | 19,549 | 19,549 |
| Loans receivable | 應收貸款 | - | 7,216 | 7,216 |
| Amount due from an associate | 應收一間聯營公司之款項 | - | 53 | 53 |
| Bank balances and cash – trust accounts | 銀行結餘及現金 – 信託賬戶 | - | 780 | 780 |
| Time deposits with maturity over three months at acquisition | 於購入時到期日超過三個月之定期存款 | - | 108,640 | 108,640 |
| Cash and cash equivalents | 現金及現金等價物 | - | 106,949 | 106,949 |
| | | 13,308 | 316,292 | 329,600 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

As at 30th June 2020 (Continued)

Financial Liabilities

13 按類別劃分之金融工具(續)

於二零二零年六月三十日(續)

金融負債

| | | Financial liabilities at fair value through profit or loss – Contingent consideration 透過損益按公平值入賬之金融負債 – 或然代價 HK\$'000 千港元 | Financial liabilities at amortised cost 以攤銷成本列賬之金融負債 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|--|-----------------------------|--|--|--------------------------------|
| Accounts payable | 應付賬款 | – | 19,301 | 19,301 |
| Financial liabilities included in “other payables and accrued charges” and “deposits received” | 計入「其他應付款項及應計支出」及「已收訂金」之金融負債 | – | 160,950 | 160,950 |
| Lease liabilities | 租賃負債 | – | 15,475 | 15,475 |
| Contingent consideration payable | 應付或然代價 | 20,400 | – | 20,400 |
| | | 20,400 | 195,726 | 216,126 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

As at 30th June 2019

Financial assets

13 按類別劃分之金融工具(續)

於二零一九年六月三十日

金融資產

| | | Financial assets measured at fair value through profit or loss 透過損益 按公平值入賬 之金融資產 HK\$'000 千港元 | Financial assets at amortised cost 按攤銷成本 列賬之 金融資產 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|---|-----------------------------------|---|--|------------------------------------|
| Other financial assets | 其他金融資產 | 9,574 | - | 9,574 |
| Trading securities | 交易證券 | 8,691 | - | 8,691 |
| Accounts receivable | 應收賬款 | - | 11,161 | 11,161 |
| Financial assets included in "deposits paid, prepayments and other receivables" | 計入「已付訂金、預付 款項及其他應收款項」 之金融資產 | - | 81,143 | 81,143 |
| Loans receivable | 應收貸款 | - | 61,630 | 61,630 |
| Loan to an associate | 授予一間聯營公司之 貸款 | - | 4,288 | 4,288 |
| Bank balances and cash - trust accounts | 銀行結餘及現金 - 信託賬戶 | - | 869 | 869 |
| Cash and cash equivalents | 現金及現金等價物 | - | 178,228 | 178,228 |
| | | 18,265 | 337,319 | 355,584 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

As at 30th June 2019 (Continued)

Financial Liabilities

13 按類別劃分之金融工具(續)

於二零一九年六月三十日(續)

金融負債

| | | Financial liabilities at fair value through profit or loss – Contingent consideration 透過損益按公平值入賬之金融負債 – 或然代價 HK\$'000 千港元 | Financial liabilities at amortised cost 以攤銷成本列賬之金融負債 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|--|-----------------------------|--|--|--------------------------------|
| Accounts payable | 應付賬款 | - | 10,821 | 10,821 |
| Amount due to an associate | 應付一間聯營公司款項 | - | 2,725 | 2,725 |
| Financial liabilities included in “other payables and accrued charges” and “deposits received” | 計入「其他應付款項及應計支出」及「已收訂金」之金融負債 | - | 105,313 | 105,313 |
| Obligations under finance lease | 融資租賃承擔 | - | 7 | 7 |
| Contingent consideration payable | 應付或然代價 | 20,400 | - | 20,400 |
| | | 20,400 | 118,866 | 139,266 |

Notes to the Consolidated Financial Statements 綜合財務報表附註

14 DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

14 已付訂金、預付款項及其他應收款項

| | | As at 30th June 2020 於二零二零年 六月三十日 HK\$'000 千港元 | As at 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元 |
|---|---------------|--|--|
| Non-current portion | 非即期部分 | | |
| Rental deposit | 租金訂金 | 407 | 1,596 |
| At 30th June | 於六月三十日 | 407 | 1,596 |
| Current portion | 即期部分 | | |
| Prepayments | 預付款項 | 1,878 | 7,954 |
| Interest receivable | 應收利息 | 1,004 | 429 |
| Amounts due from joint operation partners | 應收合營業務夥伴款項 | 1,564 | 28,941 |
| Rental deposits and other deposits | 租金訂金及其他訂金 | 4,507 | 11,929 |
| Other receivables | 其他應收款項 | 12,162 | 39,123 |
| Less: loss allowance | 減：虧損撥備 | (95) | (875) |
| At 30th June | 於六月三十日 | 21,020 | 87,501 |

The amount of the Group's deposits paid expected to be recovered or recognised as expense after more than one year is approximately HK\$407,000 (2019: HK\$1,596,000). All of the other deposits paid, prepayments and other receivables are expected to be recovered or recognised as expense within one year.

本集團預期將於一年後收回或確認為開支的已付訂金的金額約為407,000港元(二零一九年：1,596,000港元)。所有其他已付訂金、預付款項及其他應收款項均預期於一年內收回或確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 DEFERRED TAX ASSETS AND LIABILITIES

- (a) The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

| | | Tax losses | Total |
|--|---------------------------|-------------------|--------------|
| | | 稅項虧損 | 總額 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| At 1st July 2018 | 於二零一八年七月一日 | 274 | 274 |
| Credit to profit or loss | 於損益中計入 | 67 | 67 |
| At 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及 二零一九年七月一日 | 341 | 341 |
| Charge to profit or loss | 於損益中扣除 | (70) | (70) |
| At 30th June 2020 | 於二零二零年六月三十日 | 271 | 271 |

Deferred tax liabilities

| | | Accelerated tax depreciation | Total |
|--|---------------------------|---|--------------|
| | | 加速稅項折舊 | 總額 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| At 1st July 2018 | 於二零一八年七月一日 | (440) | (440) |
| Credit to profit or loss | 於損益中計入 | 350 | 350 |
| At 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及 二零一九年七月一日 | (90) | (90) |
| Credit to profit or loss | 於損益中計入 | 6 | 6 |
| At 30th June 2020 | 於二零二零年六月三十日 | (84) | (84) |

15 遞延稅項資產及負債

- (a) 於本年度內，遞延稅項資產及負債之變動如下：

遞延稅項資產

遞延稅項負債

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 DEFERRED TAX ASSETS AND LIABILITIES

(Continued)

- (a) The movements in deferred tax assets and liabilities during the year are as follows:

(Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated balance sheet. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------------------|----------------------------------|----------------------------------|
| Net deferred tax assets recognised in the consolidated balance sheet | 於綜合資產負債表內 確認的遞延稅項資產 淨額 | 271 | 341 |
| Net deferred tax liabilities recognised in the consolidated balance sheet | 於綜合資產負債表內 確認的遞延稅項負債 淨額 | (84) | (90) |
| | | 187 | 251 |

- (b) Deferred tax assets in respect of the unused tax losses carried forward are to be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

The Group has not recognised deferred tax assets in respect of tax losses of approximately HK\$360,440,000 (2019: HK\$312,014,000) as at 30th June 2020 due to the unpredictability of future profit streams. Included in the above tax losses, approximately HK\$32,902,000 (2019: HK\$25,017,000) can only be carried forward for a maximum period of five years. Other losses can be carried forward indefinitely.

15 遞延稅項資產及負債(續)

- (a) 於本年度內，遞延稅項資產及負債之變動如下：(續)

就呈報目的而言，若干遞延稅項資產及負債已於綜合資產負債表內抵銷。下表為就財務報告目的而言的本集團遞延稅項結餘分析：

- (b) 有關結轉未動用稅項虧損之遞延稅項資產僅會於未來有應課稅溢利將用於抵銷未動用稅項虧損之情況下，方被確認。

由於未來溢利流不可預測，本集團並未就二零二零年六月三十日之稅項虧損約360,440,000港元(二零一九年：312,014,000港元)確認遞延稅項資產。上述稅務虧損中約32,902,000港元(二零一九年：25,017,000港元)僅能夠結轉最多五年之期間。其他虧損能夠無限期結轉。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 OTHER NON-CURRENT FINANCIAL ASSETS

16 其他非流動金融資產

| | | As at 30th June 2020 | As at 30th June 2019 |
|---|------------------------|-------------------------------------|----------------------------|
| | | 於二零二零年 六月三十日 | 於二零一九年 六月三十日 |
| | Note 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Financial assets measured at fair value through profit or loss | 透過損益按公平值入賬之金融資產 | | |
| Unlisted investment funds | 非上市投資基金 | 322 | 317 |
| Unlisted limited partnership | 非上市有限合夥企業 | 1,350 | 7,199 |
| Derivative financial instruments | 衍生金融工具 (i) | 8,336 | 2,058 |
| | | 10,008 | 9,574 |

Notes:

- (i) As at 30th June 2020 and 30th June 2019, unlisted investment funds included the equity securities issued by a private equity fund (the "Fund") with a carrying amount of HK\$322,000 and HK\$317,000 respectively. The Fund was incorporated in the Cayman Islands with limited liability in February 2014 and principally engaged in investing in social media businesses since 2015. The Group subscribed for the shares of the Fund (the "Fund Shares") since the year ended 30th June 2015 with an aggregate consideration of HK\$19,493,000. The manager of the Fund (the "Fund Manager") had been delegated authority to manage the Fund.

Since the subscription of the Fund Shares by the Group, the fair value of the Fund significantly decreased because of the under performance of the Fund investment. As informed by the Fund Manager in December 2018, in view of the real litigation risks and regulatory risks surrounding the Fund Manager's holding company and the fact that the underlying investment was loss making, the Fund Manager decided to divest the underlying investment held by the Fund at a price significantly below the its investment cost. In addition, a fellow subsidiary of the Fund Manager (the "Purchaser") also agreed to provide a conditional offer (the "Offer") to buy-back the Fund Shares held by the Group at a consideration of approximately HK\$17.8 million by reference to the Group's share of net assets of the Fund as at 31st December 2017.

附註：

- (i) 於二零二零年六月三十日及二零一九年六月三十日，非上市投資基金（包括一項私募股本基金（「基金」）發行之股本證券）之賬面值分別為322,000港元及317,000港元。基金乃於二零一四年二月在開曼群島註冊成立之有限公司，自二零一五年起主要從事投資於社交媒體業務。本集團自截至二零一五年六月三十日止年度起認購基金之股份（「基金股份」），累積代價為19,493,000港元。基金之經理（「基金經理」）已獲授權管理基金。

自本集團認購基金股份以來，基金之公平值顯著下降，原因是基金投資表現欠佳。誠如基金經理於二零一八年十二月所知會，鑒於圍繞基金經理控股公司之真實訴訟風險及監管風險以及事實上相關投資錄得虧損，基金經理決定按大幅低於投資成本價格出售基金持有之相關投資。此外，基金經理之同系附屬公司（「買方」）亦同意提出有條件要約（「要約」）以回購本集團持有之基金股份，代價約17.8百萬港元參考本集團分佔於二零一七年十二月三十一日之基金資產淨值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 OTHER NON-CURRENT FINANCIAL ASSETS

(Continued)

Notes: (Continued)

(i) (Continued)

On 1st March 2019, the Group accepted the Offer to dispose of the Fund Shares at a consideration of approximately HK\$17.8 million (the "Disposal"). The Purchaser was to settle the consideration of the Disposal to the Group in cash by 34 monthly instalments, whereby (i) approximately HK\$1,483,000 was to be paid on or before 29th March 2019 and (ii) approximately HK\$494,000 on or before the last business day of each consecutive month from April 2019 to December 2021. Completion of the Disposal is conditional upon the Purchaser having paid the consideration of the Disposal to the Group in full in accordance with the schedule described above, and the Fund Shares will be transferred to the Purchaser on receipt of the consideration of the Disposal in full by the Group. In the opinion of the directors of the Company, the arrangement constitute a derivatives contract to dispose of the Fund Shares at a fixed consideration in the future and should be recognised as a derivative financial instrument ("DFI"). Based on the business valuation report issued by an independent professional valuer not connected with the Group, the fair value of the derivative contract was approximately HK\$15.5 million at the date of initial recognition and the carrying amount of DFI is net of the deferred day one gain arising from the difference between its fair value at initial recognition and its transaction price of HK\$Nil. The deferred day one gain is amortised over the period from March 2019 to December 2021.

(ii) During the year ended 30th June 2020, the net gain in fair value of the unlisted investment fund of approximately HK\$5,000 and net loss in the fair value of the unlisted limited partnership of approximately HK\$4,319,000 were recognised in the consolidated statement of comprehensive income.

(iii) During the year ended 30th June 2019, the net loss in fair value of the unlisted investment fund of approximately HK\$732,000 and net loss in the fair value of the unlisted limited partnership of approximately HK\$19,127,000 were recognised in the consolidated statement of comprehensive income.

16 其他非流動金融資產(續)

附註：(續)

(i) (續)

於二零一九年三月一日，本集團接受要約，以代價約17.8百萬港元出售基金股份（「出售事項」）。買方須分期按34個月以現金支付出售事項之代價予本集團，其中(i)約1,483,000港元須於二零一九年三月二十九日或之前支付及(ii)約494,000港元須由二零一九年四月至二零二一年十二月於各月之最後營業日或之前支付。於買方根據上述時間表悉數支付出售事項之代價予本集團後，出售事項才告完成，而基金股份將於本集團悉數收到出售事項之代價後轉讓予買方。本公司董事認為，有關安排構成一份衍生合約，以於日後按固定代價出售基金股份，故應確認為衍生金融工具（「衍生金融工具」）。根據與本集團概無關連的獨立專業估值師發表的業務估值報告，衍生工具合約於初步確認日期的公平值約為15.5百萬港元，而衍生金融工具的賬面值乃經扣除遞延首日收益，乃由於其於初步確認時的公平值與其交易價格間的差額為零港元而產生。遞延首日收益於二零一九年三月至二零二一年十二月期間內攤銷。

(ii) 截至二零二零年六月三十日止年度，非上市投資基金之公平值收益淨額約5,000港元及非上市有限合夥企業之公平值虧損淨額約4,319,000港元於綜合全面收益表內獲確認。

(iii) 截至二零一九年六月三十日止年度，非上市投資基金的公平值虧損淨額約732,000港元及非上市有限合夥企業的公平值虧損淨額約19,127,000港元於綜合全面收益表內獲確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 TRADING SECURITIES

17 交易證券

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Listed equity securities – held for trading | 上市股本證券 – 持作買賣 | 3,300 | 8,691 |
| Market value of listed securities | 上市證券之市值 | 3,300 | 8,691 |

Trading Securities are presented within 'operating activities' as part of changes in working capital in the consolidated statement of cash flows (Note 45).

As at 30th June 2020, the trading securities of HK\$3,300,000 (2019: approximately HK\$8,691,000) represents listed equity securities suspended from trading. The fair value of those securities is determined based on valuation techniques and input as stated in note 3.3(i)(d).

作為營運資金變動的一部分，交易證券列入綜合現金流量表內之「經營活動」(附註45)。

於二零二零年六月三十日，交易證券3,300,000港元(二零一九年：約8,691,000港元)指已暫停買賣之上市股本證券。該等證券之公平值乃根據附註3.3(i)(d)所述之估值方法及輸入數據釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 INTERESTS IN JOINT OPERATIONS

The Group has entered into certain joint operation arrangements to produce and distribute two television series (2019: four), sixteen films (2019: nineteen) and five webisodes (2019: one) respectively. The Group has participating interests ranging from 5% to 90% (2019: from 5% to 90%) in these joint operations. As at 30th June 2020, the aggregate amounts of assets and liabilities recognised in the consolidated financial statements relating to the Group's interests in these joint operation arrangements are as follows:

18 合營業務權益

本集團已訂立若干合營業務安排，以分別製作及發行兩部電視連續劇(二零一九年：四部)、十六部電影(二零一九年：十九部)以及五部網絡劇(二零一九年：一部)。本集團於該等合營業務中擁有介乎5%至90%(二零一九年：5%至90%)之參與權益。於二零二零年六月三十日，有關本集團於此等合營業務安排之權益中，已於綜合財務報表中確認之資產及負債總額如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Assets | 資產 | | |
| Film rights and films in progress | 電影版權及製作中之電影 | 15,605 | 58,502 |
| Film related deposits | 電影相關訂金 | 29,020 | 36,429 |
| Accounts receivable and other receivables | 應收賬款及其他應收款項 | 58,787 | 9,369 |
| | | 103,412 | 104,300 |
| Liabilities | 負債 | | |
| Accounts payable and other payables | 應付賬款及其他應付款項 | 9,895 | 6,565 |
| Deposits received | 已收訂金 | 995 | 28,309 |
| Contract liabilities | 合約負債 | 825 | 72,231 |
| | | 11,715 | 107,105 |
| | | | |
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
| Revenue | 收益 | 143,566 | 11,206 |
| Expenses | 費用 | (79,404) | (21,714) |
| Profit/(loss) after income tax | 除所得稅後溢利/(虧損) | 64,162 | (10,508) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 INVENTORIES

19 存貨

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|----------------|-----|----------------------------------|----------------------------------|
| Raw materials | 原料 | 160 | 186 |
| Finished goods | 製成品 | 10,803 | 9,031 |
| | | 10,963 | 9,217 |

The analysis of the amount of inventories recognised as an expense and included in consolidated statement of comprehensive income is as follows:

確認為開支及計入綜合全面收益表內之存貨款項之分析如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Carrying amount of inventories sold | 已售存貨之賬面值 | 41,010 | 24,634 |
| Write down of inventories | 存貨撇減 | 421 | 2,679 |
| Reversal of write-down of inventories (Note i) | 存貨撇減撥回(附註i) | (406) | (59) |
| | | 41,025 | 27,254 |

Note i: The amount resulted from the utilisation of obsolete inventories that were written down in prior years.

附註i：有關金額來自動用已於過往年度撇減的陳舊存貨。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 ACCOUNTS RECEIVABLE

20 應收賬款

| | | As at 30th June 2020 二零二零年 六月三十日 HK\$'000 千港元 | As at 30th June 2019 二零一九年 六月三十日 HK\$'000 千港元 |
|---|---------------------|---|---|
| Accounts receivable arising from securities brokerage and margin financing business: | 證券經紀及孖展融資業務產生之應收賬款： | | |
| - Brokers and cash clients (Note a) | - 經紀及現金客戶(附註a) | 16 | 20 |
| - Margin clients | - 孖展客戶 | - | 1,500 |
| Less: Impairment loss | 減：減值虧損 | - | (1,500) |
| Net (Note b) | 淨額(附註b) | - | - |
| | | 16 | 20 |
| Accounts receivable arising from other businesses: | 其他業務產生之應收賬款： | | |
| Accounts receivable - others | 應收賬款 - 其他 | 74,155 | 16,313 |
| Less: Impairment loss (Note 3.1(b)) | 減：減值虧損(附註3.1(b)) | (1,066) | (5,172) |
| Net (Note c) | 淨額(附註c) | 73,089 | 11,141 |
| Accounts receivable - net | 應收賬款 - 淨額 | 73,105 | 11,161 |

The carrying amounts of accounts receivable approximate their fair values.

應收賬款之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 ACCOUNTS RECEIVABLE (Continued)

Notes:

- (a) Accounts receivable arising from brokers and cash clients

The ageing analysis of the accounts receivable from brokers and cash clients which are past due but not impaired as of the end of the reporting period is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------|----------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 並未逾期亦未減值 | - | - |
| Less than 1 month past due | 逾期少於1個月 | - | - |
| More than 1 month past due | 逾期超過1個月 | 16 | 20 |
| | | 16 | 20 |

The normal settlement terms of accounts receivable from brokers and cash clients, which arise from the securities brokerage and margin financing business, are within two days after trade date.

Accounts receivable from cash clients relate to a wide range of customers. These receivables are secured by their portfolio of securities. As at 30th June 2020, the total market value of their portfolios of securities was approximately HK\$3,000 (2019: HK\$4,000). Included in the Group's accounts receivable are cash clients with a total carrying amount of approximately HK\$16,000 (2019: HK\$20,000) which are past due at the end of the reporting period but for which the Group has not provided for impairment as there has not been a significant change in credit quality. The Group believes that the amounts are still considered recoverable. No accounts receivable due from past due cash clients which are not fully secured by the listed securities of the respective cash clients, are considered impaired as at 30th June 2020 and 30th June 2019. Accounts receivable due from cash clients bear interest at commercial rates when they become past due.

20 應收賬款(續)

附註：

- (a) 經紀及現金客戶產生之應收賬款

截至報告期末，已逾期但未減值之應收經紀及現金客戶賬款之賬齡分析如下：

證券經紀及孖展融資業務產生之應收經紀及現金客戶賬款正常結算期為交易日後兩天內。

應收現金客戶賬款與多名客戶有關。該等應收賬款以彼等證券組合抵押。於二零二零年六月三十日，彼等證券組合總市值約為3,000港元(二零一九年：4,000港元)。現金客戶計入本集團應收賬款，其賬面總值約為16,000港元(二零一九年：20,000港元)，於報告期末已逾期，惟就此本集團並無作出減值撥備，原因為信貸質素並無出現重大變動。本集團相信該等金額仍被視為可收回。並無應收已逾期現金客戶賬款而並未由有關現金客戶上市證券全額擔保於二零二零年六月三十日及二零一九年六月三十日被視為減值。應收現金客戶賬款於逾期時按商業利率計息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 ACCOUNTS RECEIVABLE (Continued)

Notes: (Continued)

(b) Accounts receivable arising from margin clients

Accounts receivable from margin clients, which arise from the securities brokerage and margin financing business, are repayable on demand subsequent to the settlement date.

Margin clients are required to pledge securities as collateral to the Group in order to obtain credit facilities for securities trading. The amount of credit facilities granted to them is determined by the discounted value of securities accepted by the Group. Additional funds or collaterals are required if the outstanding amount exceeds the discounted value of securities deposited. The listed securities of the margin clients can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. As at 30th June 2020 and 30th June 2019, no collateral was pledged for accounts receivable from margin clients. Account receivable due from margin client bear interest at commercial rate.

Accounts receivable due from margin clients of HK\$Nil (2019: approximately HK\$1,500,000) which are not fully secured by the listed securities of the respective margin clients are considered impaired as at 30th June 2020. Impairment loss of approximately HK\$1,500,000 (2019: HK\$3,500,000) and HK\$Nil (2019: HK\$13,000,000) was recovered and written off respectively during the year ended 30th June 2020.

No ageing analysis of the accounts receivable from margin clients is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of the business in margin financing.

20 應收賬款(續)

附註：(續)

(b) 孖展客戶產生之應收賬款

來自證券經紀及孖展融資業務的應收孖展客戶賬款於結算日後按要求償還。

孖展客戶須向本集團質押證券抵押品，方可獲得證券交易之信貸融資。彼等獲授之信貸融資額度乃按本集團接受之證券貼現價值釐定。倘尚未償還金額超逾存放之證券之貼現價值，則需要額外資金或抵押品。孖展客戶的上市證券可由本集團酌情出售，以清償彼等各自證券交易施加的任何追加保證金要求。於二零二零年六月三十日及二零一九年六月三十日，並無就應收孖展客戶賬款質押抵押品。應收孖展客戶賬款按商業利率計息。

應收孖展客戶賬款零港元(二零一九年：約1,500,000港元)並未由有關孖展客戶上市證券全額擔保，於二零二零年六月三十日被視為減值。截至二零二零年六月三十日止年度，減值虧損約1,500,000港元(二零一九年：3,500,000港元)及零港元(二零一九年：13,000,000港元)分別已收回及撇銷。

由於本公司董事認為，鑒於孖展融資之業務性質，賬齡分析並無帶來額外價值，故並無就應收孖展客戶賬款披露任何賬齡分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 ACCOUNTS RECEIVABLE (Continued)

Notes: (Continued)

(c) Accounts receivable arising from other businesses

The following is an ageing analysis of accounts receivable arising from other businesses, presented based on the invoice dates or date of revenue recognition:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------|----------|----------------------------------|----------------------------------|
| 1 to 90 days | 1至90日 | 17,576 | 8,693 |
| 91 days to 180 days | 91日至180日 | 297 | 262 |
| Over 180 days | 180日以上 | 55,216 | 2,186 |
| | | 73,089 | 11,141 |

Sales of videogram products are with credit terms of 7 days to 60 days. Sales from film exhibition, licensing and sub-licensing of film rights are on open account terms. Sales from trading and wholesaling of optical products and watches products, and provisions of financial printing services are with credit terms of 0-90 days. Sales to retail customers are made in cash or via major credit cards. The Group has policies in place to ensure that sales of products on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

Further details on the Group's credit policy and credit risk arising from accounts receivable arising from other business are set out in note 3.1(b).

Included in accounts receivable is a receivable for video distribution, film distribution and exhibition, licensing and sub-licensing of film rights, with a carrying amount of approximately RMB49,365,000 (equivalent to approximately HK\$54,079,000) as at 30th June 2020. Arbitration is undergoing between the Group and the customers for this accounts receivable. The director of the Company obtained legal opinion on the Group's right to recover the amount and assessed that there is no recoverability problem for this accounts receivable and there are no material adverse effect on the business operation and financial position of the Group as at 30th June 2020.

20 應收賬款(續)

附註：(續)

(c) 其他業務產生之應收賬款

以下為按發票日期或收益確認日期呈列之其他業務產生之應收賬款之賬齡分析：

銷售錄像產品之信貸期為7日至60日不等。電影放映、授出及轉授電影版權之銷售均以記賬形式進行。眼鏡產品及鐘錶產品貿易及批發之銷售以及提供財經印刷服務之信貸期為0至90日不等。向零售客戶銷售均以現金形式或透過主要信用卡進行。本集團已制定政策確保基於信貸期之產品銷售乃向具有良好信用記錄的客戶作出，本集團對其客戶進行定期信貸評估。

有關本集團的信貸政策及因其他業務產生的應收賬款相關的信貸風險的進一步詳情載於附註3.1(b)。

應收賬款包括於二零二零年六月三十日賬面值約為人民幣49,365,000元(相當於約54,079,000港元)之錄像發行、電影發行及放映、授出及轉授電影版權之應收賬款。本集團正就該筆應收賬款與有關客戶進行仲裁。本公司董事已就本集團收回有關金額之權利取得法律意見，經評估該筆應收賬款並無可收回性問題，且對本集團於二零二零年六月三十日之業務營運及財務狀況並無重大不利影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 LOANS RECEIVABLE

(a) Loans receivable from third parties

| | | As at 30th June 2020 | As at 30th June 2019 |
|---|---------------------|-------------------------------------|----------------------------|
| | | 於二零二零年 六月三十日 | 於二零一九年 六月三十日 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Loans to third parties | 授予第三方之貸款 | 7,475 | 66,908 |
| Less: loss allowance | 減：虧損撥備 | (259) | (5,278) |
| | | 7,216 | 61,630 |
| The maturity profile of the loans receivable, based on the maturity date is as follows: | 根據到期日呈列之應收貸款到期情況如下： | | |
| – Non-current | – 非即期 | – | – |
| – Current | – 即期 | 7,216 | 61,630 |
| | | 7,216 | 61,630 |

The credit quality analysis of the loans receivable is as follows:

應收貸款的信貨質素分析如下：

| | | As at 30th June 2020 | As at 30th June 2019 |
|----------------------------|----------|-------------------------------------|----------------------------|
| | | 於二零二零年 六月三十日 | 於二零一九年 六月三十日 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Unsecured loans | 無抵押貸款 | | |
| Not past due | 並未逾期 | 5,832 | 23,710 |
| Less than 30 days past due | 逾期30日以下 | – | 5,198 |
| 31–60 days past due | 逾期31至60日 | – | 8,000 |
| Secured loans | 有抵押貸款 | | |
| Less than 30 days past due | 逾期30日以下 | 1,643 | – |
| 60–91 days past due | 逾期60至91日 | – | 30,000 |
| | | 7,475 | 66,908 |
| Less: loss allowance | 減：減值撥備 | (259) | (5,278) |
| | | 7,216 | 61,630 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 LOANS RECEIVABLE (Continued)

(a) Loans receivable from third parties (Continued)

Except for unsecured loans receivable from third parties of (i) HK\$4,382,000 which is denominated in Renminbi, interest bearing and repayable with fixed terms agreed (ii) HK\$Nil (2019: HK\$910,000) which is denominated in Renminbi, interest-free and repayable with fixed terms agreed and (iii) HK\$Nil (2019: 1,000,000) which is denominated in Hong Kong dollars, interest bearing and repayable with fixed terms agreed, all remaining loans receivable are due from third party customers, which arose from the money lending business in Hong Kong, and are denominated in Hong Kong dollars, interest bearing and repayable with fixed terms agreed with the customers.

As at 30th June 2020, the secured loan receivables of HK\$1,643,000 which is denominated in Renminbi, interest bearing and repayable with fixed terms agreed is secured by 20% investment share of unreleased film. (As at 30th June 2019, the secured loan receivable of HK\$30,000,000 is secured by second mortgage on a property located in Hong Kong.)

(b) Loan to an associate

21 應收貸款(續)

(a) 應收第三方貸款(續)

除應收第三方無抵押貸款(i)4,382,000港元以人民幣計值、計息及按協定的固定年期償還；(ii)零港元(二零一九年：910,000港元)以人民幣計值、免息及按與第三方協定的固定年期償還；及(iii)零港元(二零一九年：1,000,000港元)以港元計值、計息及按協定的固定年期償還外，所有餘下之應收第三方客戶貸款由香港的放貸業務所產生，乃以港元計值、計息及按與客戶協定的固定年期償還。

於二零二零年六月三十日，以人民幣計值、計息及按協定的固定年期償還之應收有抵押貸款1,643,000港元以未上映電影之20%投資份額抵押。(於二零一九年六月三十日，有抵押應收貸款30,000,000港元以一間位於香港物業的第二押記抵押。)

(b) 授予一間聯營公司之貸款

| | | | As at 30th June 2020 | As at 30th June 2019 |
|------------------------------------|---------------------|------------|-------------------------------------|----------------------------|
| | | | 於二零二零年 六月三十日 | 於二零一九年 六月三十日 |
| | | Note 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Loan to an associate, unsecured | 授予一間聯營公司 之貸款，無抵押 | (i) | 4,502 | 5,204 |
| Less: Impairment Loss | 減：減值虧損 | | (4,502) | (916) |
| | | | - | 4,288 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 LOANS RECEIVABLE (Continued)

(b) Loan to an associate (Continued)

The maturity profile of the loan to an associate, based on maturity date is as follows:

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| - Non-current (Note (i)) - 非即期(附註(i)) | - | 4,288 |

(i) The unsecured loan to HK Optical is unsecured, interest-free and have no fixed term of repayment.

The maximum exposure to credit risk at each balance sheet date is the carrying amount of the loans receivable.

All the loans receivable from third parties are entered with contractual maturity within 1 to 2 years. The Group seeks to maintain tight control over its loans receivable in order to minimise credit risk by reviewing the borrowers' or guarantors' financial positions.

Loans receivable from third parties are bearing interest at rates ranging from 8.5% to 12% per annum (2019: 3% to 18% per annum).

Interest income of approximately HK\$7,889,000 (2019: HK\$7,687,000) has been recognised in 'revenue' in the consolidated statement of comprehensive income.

21 應收貸款(續)

(b) 授予一間聯營公司之貸款(續)

以下為根據到期日授予一間聯營公司之貸款之到期狀況：

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| - Non-current (Note (i)) - 非即期(附註(i)) | - | 4,288 |

(i) 授予茂昌眼鏡之無抵押貸款為無抵押、不計息及無固定還款期。

於各資產負債表日期最大的信貸風險為應收貸款之賬面值。

所有應收第三方貸款所訂合約到期日介乎1至2年內。本集團致力透過審閱借款人或擔保人的財務狀況，維持對應收貸款的嚴格控制，務求將信貸風險減至最低。

來自第三方應收貸款按介乎8.5%至12%之年利率計息(二零一九年：每年3%至18%)。

利息收入約7,889,000港元(二零一九年：7,687,000港元)已於綜合全面收益表之「收益」內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 CONTINGENT CONSIDERATION RECEIVABLE

The fair value of the contingent consideration receivable represented the profit guarantee in relation to the adjustments to the consideration from the acquisition of AP Group during the year ended 30th June 2016 as detailed in note (i) below. Contingent consideration receivable is measured at fair value at the end of the reporting period. The movement of the fair value of contingent consideration receivable is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--------------------------|--------------|----------------------------------|----------------------------------|
| At fair value: | 按公平值： | | |
| At beginning of the year | 於年初 | - | 3,796 |
| Fair value change | 公平值變動 | - | (3,796) |
| At end of the year | 於年末 | - | - |

Note:

(i) Adjustment to the consideration

Pursuant to the sale and purchase agreement entered into in relation to the acquisition of AP Group, in the event that the audited consolidated profit after tax of AP Group for the period from 1st January 2016 to 31st December 2017 is less than HK\$16,000,000, the vendors shall, and the guarantors shall procure the vendors to, pay to the Group the adjustment amount (the "Adjustment Amount") in accordance with the formula set out below:

$$A = \text{HK\$}20,400,000 - (\text{NP}/2) \times 5 \times 51\%$$

Where:

"A" means the amount of Adjustment Amount in HK\$; and

"NP" means the net profit for the period from 1st January 2016 to 31st December 2017. Where the NP is a negative figure, NP shall be deemed to be zero.

22 應收或然代價

應收或然代價之公平值指與於截至二零一六年六月三十日止年度收購愛拼集團之代價之調整有關之溢利擔保(詳載於下文附註(i))。應收或然代價於報告期末按公平值計量。應收或然代價公平值之變動如下：

附註：

(i) 代價之調整

根據就收購愛拼集團訂立之買賣協議，倘愛拼集團自二零一六年一月一日起至二零一七年十二月三十一日止期間之經審核綜合除稅後溢利少於16,000,000港元，則賣方應及擔保人應促使賣方根據下述公式向本集團支付調整金額(「調整金額」)：

$$A = 20,400,000\text{港元} - (\text{NP}/2) \times 5 \times 51\%$$

其中：

「A」指以港元計值之調整金額之數值；及

「NP」指自二零一六年一月一日起至二零一七年十二月三十一日止期間之溢利淨額。倘溢利淨額為負值，則溢利淨額應被視作零。

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綜合財務報表附註

22 CONTINGENT CONSIDERATION RECEIVABLE (Continued)

The fair value of the contingent consideration receivable as at 30th June 2020 is determined based on the valuation performed by the director of the Company (2019: same). Details of fair value measurement are set out in note 3.3.

22 應收或然代價(續)

應收或然代價於二零二零年六月三十日之公平值以本公司董事(二零一九年:相同)進行的估值為準。公平值計量詳情載於附註3.3。

23 BANK BALANCES AND CASH – TRUST ACCOUNTS

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business. These clients' monies are maintained in one or more trust accounts. The Group has recognised the corresponding amount in accounts payable to the respective customers in current liabilities section as the Group is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations. The trust accounts bank balances are restricted and governed by the Securities and Futures (Client Money) Rules under the Hong Kong Securities and Futures Ordinance.

23 銀行結餘及現金 – 信託賬戶

本集團於持牌銀行開設獨立信託賬戶，以存放其日常業務過程中產生的客戶款項。該等客戶的款項存放於一個或以上信託賬戶。由於本集團須對客戶款項遭受損失或被挪用而承擔責任，故會按各相關客戶確認相應的應付賬款。本集團不得使用客戶款項清償其自身債務。信託賬戶的銀行結餘受香港證券及期貨條例項下證券及期貨(客戶款項)規則所限及受其規管。

24 CASH AND CASH EQUIVALENTS AND TIME DEPOSITS WITH MATURITY OVER THREE MONTHS AT ACQUISITION

24 現金及現金等價物以及於購入時到期日超過三個月之定期存款

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Cash at bank | 銀行存款 | 106,817 | 178,054 |
| Cash in hand | 手頭現金 | 132 | 174 |
| Time deposits | 定期存款 | 108,640 | – |
| Total cash and bank balances | 現金及銀行結餘總額 | 215,589 | 178,228 |
| Less: Time deposits with maturity over three months at acquisition | 減：於購入時到期日超過三個月之定期存款 | (108,640) | – |
| Cash and cash equivalents and consolidated statement of cash flows | 現金及現金等價物以及綜合現金流量表 | 106,949 | 178,228 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 CASH AND CASH EQUIVALENTS AND TIME DEPOSITS WITH MATURITY OVER THREE MONTHS AT ACQUISITION (Continued)

Included in the cash and bank balances at 30th June 2020 was a total sum being the equivalent of approximately HK\$55,725,000 (2019: HK\$48,649,000) which was maintained in mainland China and is subject to foreign exchange control regulations.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods depending on the cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

24 現金及現金等價物以及於購入時到期日超過三個月之定期存款(續)

二零二零年六月三十日之現金及銀行結餘指總額相當於約55,725,000港元(二零一九年：48,649,000港元)的款項，存置於中國大陸，受外匯管制條例所限。

存放於銀行之現金按每日銀行存款利率計算之浮動利率計息。根據本集團對現金之需求，敘做期限不等之定期存款，並賺取按不同定期存款利率計算之利息。銀行結餘存放於近期無拖欠紀錄及信譽良好之銀行。

25 SHARE CAPITAL

25 股本

| | | 2020 二零二零年 | | 2019 二零一九年 | |
|-------------------------------------|------------------|---|---|---|---|
| | | Number of shares 股份數目 '000 千股 | Nominal value 面值 HK\$'000 千港元 | Number of shares 股份數目 '000 千股 | Nominal value 面值 HK\$'000 千港元 |
| Authorised: | 法定： | | | | |
| Ordinary shares of HK\$0.01 each | 每股0.01港元之 普通股 | 10,000,000 | 100,000 | 10,000,000 | 100,000 |
| Issued and fully paid: | 已發行及繳足： | | | | |
| Ordinary shares of HK\$0.01 each | 每股0.01港元之 普通股 | 906,632 | 9,066 | 906,632 | 9,066 |

There are no movements in the issued share capital of the Company during the years ended 30th June 2020 and 2019.

本公司於截至二零二零年及二零一九年六月三十日止年度之已發行股本概無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE OPTIONS

The Company operates a share option scheme adopted on 2nd December 2013 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the share option schemes include the Company's directors, including non-executive directors, other employees of the Group or any invested entity, suppliers of goods or services to the Group or any invested entity, customers of the Group or any invested entity, shareholders of the Group or any invested entity, holders of securities of the Group or any invested entity and persons or entities providing research, development or other technological support to the Group or any invested entity. According to the provision of the Share Option Scheme, share options granted during the term of the Share Option Scheme and remaining unexercised immediately prior to the end thereof shall continue to be exercisable in accordance with their terms of grant notwithstanding the expiry of the Share Option Scheme. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from the date of adoption of the Share Option Scheme. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled in gross shares.

The maximum number of shares which may be issued upon exercise of all options granted and to be granted under the Share Option Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of approval of the Share Option Scheme unless approval for refreshing the 10% limit from the Company's shareholders has been obtained. The maximum number of shares issued and to be issued upon exercise of the share options granted to each eligible participant in the Share Option Scheme (including exercised, cancelled and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

26 購股權

本公司營運於二零一三年十二月二日採納的購股權計劃(「購股權計劃」)，以向對本集團業務佳績作出貢獻的合資格參與者提供獎勵及報酬。購股權計劃之合資格參與者包括本公司董事(包括非執行董事)、本集團或任何被投資實體之其他僱員、本集團或任何被投資實體之商品或服務供應商、本集團或任何被投資實體之客戶、本集團或任何被投資實體之股東、本集團或任何被投資實體之證券持有人及向本集團或任何被投資實體提供研究、開發或其他技術支援之任何人士或實體。根據購股權計劃之條文，即使購股權計劃屆滿，於購股權計劃期間授出且於緊接有關期間結束前餘下尚未獲行使的購股權根據其授出條款仍可繼續獲行使。除非另行註銷或修改，購股權計劃將自購股權計劃採納日期起10年有效。每份購股權賦予持有人權利認購本公司之一股普通股並以總股份結算。

除獲本公司股東批准更新10%之上限外，根據購股權計劃已授出及將予授出之所有購股權獲行使時可予發行之股份最高數目相當於批准購股權計劃當日本公司已發行股份數目之10%。於任何12個月期間內，授予各購股權計劃合資格參與者之購股權(包括已行使、已註銷及尚未行使之購股權)獲行使而已發行及將予發行之股份最高數目，不得超過本公司已發行股份之1%。凡進一步授出超出此限額之購股權須經由各股東於股東大會上批准。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 SHARE OPTIONS (Continued)

Under the Share Option Scheme, a share option granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates are subject to approval in advance by the independent non-executive directors. In addition, any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, which would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5,000,000 is subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options under the Share Option Scheme may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors, save that such period shall not be more than 10 years from the dates of adoption of the Share Option Scheme subject to the provisions for early termination set out in the Share Option Scheme. Unless otherwise determined by the directors at their sole discretion, there is no requirement of a minimum period for which an option must be held before it can be exercised.

The exercise price of share options granted under the Share Option Scheme is determined by the directors, but shall not be less than the highest of (i) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There are no share options outstanding during the years ended 30th June 2020 and 2019.

26 購股權(續)

根據購股權計劃，向本公司董事、主要行政人員或主要股東或彼等之任何聯繫人授予購股權須事先取得獨立非執行董事批准。此外，倘向本公司主要股東或獨立非執行董事或彼等之任何聯繫人授出購股權致使任何人士於截至授出日期(包括該日)止12個月期間因悉數行使已獲授及將獲授之購股權(包括已行使、已註銷及尚未行使之購股權)而已發行及將發行之股份超過本公司已發行股份之0.1%，且總價值(根據各授出日期本公司股份之收市價計算)超過5,000,000港元，則須取得股東於股東大會上事先批准。

根據購股權計劃提呈授出之購股權須於提呈授出日期後28日內接納，承授人合共須支付1港元之象徵式代價。已授出購股權之行使期限乃由董事釐定，惟有關期限不得超逾採納購股權計劃日期起計10年，且須受購股權計劃所載之提前終止條文所限制。除非董事以其他方式按其絕對酌情權決定，否則並無有關於購股權可予行使前須持有該購股權最短期限之規定。

根據購股權計劃授出之購股權之行使價由董事釐定，惟不得低於以下三者之最高者：(i)本公司股份於提呈授出購股權日期在香港聯合交易所有限公司(「聯交所」)所報之收市價；(ii)本公司股份於緊接提呈授出日期前五個交易日在聯交所所報之平均收市價；及(iii)本公司股份於提呈授出日期之面值。

購股權並不賦予持有人權利收取股息或於股東大會上投票。

於截至二零二零年及二零一九年六月三十日止年度，概無尚未行使之購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 SHARE PREMIUM, OTHER RESERVES AND ACCUMULATED LOSSES

(a) Group

27 股份溢價、其他儲備及累計虧損

(a) 本集團

| | | Other reserves 其他儲備 | | | | | | | | |
|--|---------------------------|------------------------|---|---------------------------|--|------------------------|-----------------------------|-----------------|-----------------------|-----------------|
| | | Share Premium | Reserves arising on consolidation | Reorganisation reserve | Available- for-sale investment reserve (recycling) 可供出售 投資儲備 | Translation reserve | Contributed surplus | Sub-total | Accumulated losses | Total |
| | | (Note i) (附註i) | 綜合賬目 所得儲備 | (Note ii) (附註ii) | (可撥回) (Note v) (附註v) | (Note iii) (附註iii) | 實繳盈餘 (Note iv) (附註iv) | 小計 | 累計虧損 | 總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1st July 2018 | 於二零一八年七月一日 | 928,358 | 871 | 60,577 | 6,629 | (512) | - | 67,565 | (88,094) | 907,829 |
| Impact on initial application of HKFRS 9 | 首次應用香港財務報告準則第9號之影響 | - | - | - | (6,629) | - | - | (6,629) | (21) | (6,650) |
| At 1st July 2018 | 於二零一八年七月一日 | 928,358 | 871 | 60,577 | - | (512) | - | 60,936 | (88,115) | 901,179 |
| Reduction of shares premium | 削減股份溢價 | (893,345) | - | - | - | - | 893,345 | 893,345 | - | - |
| Dividend paid | 已付股息 | - | - | - | - | - | (407,985) | (407,985) | - | (407,985) |
| Currency translation difference | 貨幣換算差額 | - | - | - | - | 171 | - | 171 | - | 171 |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | (121,200) | (121,200) |
| At 30th June 2019 and 1st July 2019 | 於二零一九年六月三十日及 二零一九年七月一日 | 35,013 | 871 | 60,577 | - | (341) | 485,360 | 546,467 | (209,315) | 372,165 |
| Currency translation difference | 貨幣換算差額 | - | - | - | - | 1,528 | - | 1,528 | - | 1,528 |
| Loss for the year | 年內虧損 | - | - | - | - | - | - | - | (27,063) | (27,063) |
| At 30th June 2020 | 於二零二零年六月三十日 | 35,013 | 871 | 60,577 | - | 1,187 | 485,360 | 547,995 | (236,378) | 346,630 |

Note: The Group has initially applied HKFRS 16 at 1st July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated and there is no net effect on the opening balance of the Group's equity as at 1st July 2019. See note 2.1(i).

附註：本集團已於二零一九年七月一日使用修訂追溯法首次應用香港財務報告準則第16號。在此方法下，比較資料不予重列及對本集團於二零一九年七月一日之權益期初結餘概無淨影響。見附註2.1(i)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 SHARE PREMIUM, OTHER RESERVES AND ACCUMULATED LOSSES (Continued)

(b) Company

| | | Other reserves 其他儲備 | | | | | Total |
|-------------------------------|-------------|---------------------------|-----------------------------|-----------------------------|-----------------|-----------------------|-----------------|
| | | Share Premium | Contributed Surplus | Reorganisation reserve | Sub-total | Accumulated losses | Total |
| | | 股份溢價 (Note i) (附註i) | 實繳盈餘 (Note iv) (附註iv) | 重組儲備 (Note ii) (附註ii) | 小計 | 累計虧損 | 總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1st July 2018 | 於二零一八年七月一日 | 928,358 | 51,852 | 60,577 | 112,429 | (264,454) | 776,333 |
| Reduction of share premium | 削減股份溢價 | (893,345) | 893,345 | - | 893,345 | - | - |
| Special interim dividend paid | 已付特別中期股息 | - | (407,985) | - | (407,985) | - | (407,985) |
| Loss for the year | 年內虧損 | - | - | - | - | (158,986) | (158,986) |
| At 30th June 2019 | 於二零一九年六月三十日 | 35,013 | 537,212 | 60,577 | 597,789 | (423,440) | 209,362 |
| Loss for the year | 年內虧損 | - | - | - | - | (42,097) | (42,097) |
| At 30th June 2020 | 於二零二零年六月三十日 | 35,013 | 537,212 | 60,577 | 597,789 | (465,537) | 167,265 |

(c) Nature and purposes of the reserves

(i) Share premium

The application of the share premium account is governed by section 40 of the Bermuda Companies Act 1981. The share premium account of the Company is distributable to the owners of the Company in the form of fully paid bonus shares.

27 股份溢價、其他儲備及累計虧損(續)

(b) 本公司

(c) 儲備之性質及用途

(i) 股份溢價

股份溢價賬之運用乃受百慕達一九八一年公司法第40條所規管。本公司之股份溢價賬可以繳足紅股方式派付予本公司擁有人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 SHARE PREMIUM, OTHER RESERVES AND ACCUMULATED LOSSES (Continued)

(c) Nature and purposes of the reserves (Continued)

(ii) Reorganisation reserve

The reorganisation reserve of the Group represents the reduction in share capital of the Company pursuant to 2015 Capital Reorganisation and 2016 Capital Reorganisation.

(iii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2.7.

(iv) Contributed surplus

The Group

The contributed surplus of the Group represents (i) the amount transferred from the share premium of HK\$893,345,000 as approved by the shareholders at the special general meeting on 17th September 2018, less (ii) the distribution of special dividends of HK\$407,985,000 during the year ended 30th June 2019.

27 股份溢價、其他儲備及累計虧損(續)

(c) 儲備之性質及用途(續)

(ii) 重組儲備

本集團之重估儲備指根據二零一五年股本重組及二零一六年股本重組削減本公司之股本。

(iii) 匯兌儲備

匯兌儲備包括所有換算海外業務財務報表產生之匯兌差額。該儲備根據附註2.7所載會計政策處理。

(iv) 實繳盈餘

本集團

本集團之實繳盈餘即(i)股東於二零一八年九月十七日之股東特別大會上批准轉撥自股份溢價893,345,000港元之金額，減(ii)截至二零一九年六月三十日止年度之特別股息分派407,985,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 SHARE PREMIUM, OTHER RESERVES AND ACCUMULATED LOSSES (Continued)

(c) Nature and purposes of the reserves (Continued)

(iv) Contributed surplus (Continued)

The Company

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued shares of Universe Films (Holdings) Limited and the value of net assets of the underlying subsidiaries acquired on 28th June 1999. Under the Bermuda Companies Act 1981, the contributed surplus shall not be distributed to the shareholders if there are reasonable grounds for believing that:

- (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

At Group level, the above contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

(v) Available-for-sale investment reserve (recycling)

Prior to 1st July 2018, the available-for-sale investment reserve (recycling) comprises the cumulative net change in fair value of available-for-sale financial assets held at the end of the reporting period in accordance with HKAS 39. This amount has been reclassified to accumulated losses upon initial adoption of HKFRS 9 at 1st July 2018.

27 股份溢價、其他儲備及累計虧損(續)

(c) 儲備之性質及用途(續)

(iv) 實繳盈餘(續)

本公司

本公司實繳盈餘乃本公司為換取Universe Films (Holdings) Limited之已發行股份而發行本公司股份之面值與於一九九九年六月二十八日所收購有關附屬公司之資產淨值之差額。根據百慕達一九八一年公司法，假若有合理理由相信會出現下列情況，則實繳盈餘不得分派予股東：

- (i) 本公司當時或於派付後無力償還到期之負債；或
- (ii) 本公司之資產可變現價值會因此而低於負債與其已發行股本及股份溢價賬之總值。

於本集團而言，上述實繳盈餘重新列入有關附屬公司之儲備部分。

(v) 可供出售投資儲備(可撥回)

於二零一八年七月一日前，可供出售投資儲備(可撥回)包括根據香港會計準則第39號於報告期末持有之可供出售金融資產公平值的累計淨變動。於二零一八年七月一日初始採納香港財務報告準則第9號後，此金額已重新分類至累計虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

| | | 30th June 2020 二零二零年六月三十日 | | 1st July 2019 (Note) 二零一九年七月一日(附註) | | 30th June 2019 (Note) 二零一九年六月三十日(附註) | |
|---|----------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
| | | Present | | Present | | Present | |
| | | value of the minimum lease payments | Total minimum lease payments | value of the minimum lease payments | Total minimum lease payments | value of the minimum lease payments | Total minimum lease payments |
| | | 最低租賃 付款之現值 | 最低租賃 付款總額 | 最低租賃 付款之現值 | 最低租賃 付款總額 | 最低租賃 付款之現值 | 最低租賃 付款總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Within 1 year | 一年內 | 9,863 | 10,057 | 9,414 | 9,688 | 7 | 7 |
| After 1 year but within 2 years | 一年後及兩年內 | 4,751 | 4,940 | 6,761 | 6,973 | - | - |
| After 2 years but within 5 years | 兩年後及五年內 | 861 | 891 | 3,224 | 3,397 | - | - |
| | | 5,612 | 5,831 | 9,985 | 10,370 | - | - |
| | | 15,475 | 15,888 | 19,399 | 20,058 | 7 | 7 |
| Less: total future interest expenses | 減：未來利息開支 總額 | | (413) | | (659) | | - |
| Present value of lease liabilities | 租賃負債之現值 | | 15,475 | | 19,399 | | 7 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1st July 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as finance leases.

Comparative information as at 30th June 2019 has not been restated and relates solely to leases previously classified as finance leases. Further details on the impact of the transition to HKFRS 16 are set out in note 2.1(i).

28 租賃負債

下表顯示於當前及過往報告期末以及過渡至香港財務報告準則第16號當日本集團租賃負債之剩餘合約到期情況：

附註：本集團已使用修訂追溯法首次應用香港財務報告準則第16號，並調整二零一九年七月一日之期初結餘以確認先前根據香港會計準則第17號分類為經營租賃之租賃有關之租賃負債。該等負債已經過匯總，承前結餘與先前分類為融資租賃之租賃有關。

於二零一九年六月三十日之比較資料並無重列，且僅與先前分類為融資租賃之租賃有關。過渡至香港財務報告準則第16號之影響之進一步詳情載於附註2.1(i)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 ACCOUNTS PAYABLE

29 應付賬款

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Accounts payable arising from securities brokerage and margin financing business: | 證券經紀及孖展融資業務產生之應付賬款： | | |
| - cash clients | - 現金客戶 | 31 | 113 |
| - margin clients | - 孖展客戶 | 506 | 516 |
| | | 537 | 629 |
| Accounts payable arising from other businesses | 其他業務產生之應付賬款 | 18,764 | 10,192 |
| | | 19,301 | 10,821 |

The settlement terms of accounts payable to cash clients arising from the securities brokerage and margin financing business are within two days after the trade date. Accounts payable to cash clients are repayable on demand subsequent to settlement date. Accounts payable to margin clients are repayable on demand. No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts and other payables amounting to approximately HK\$780,000 as at 30th June 2020 (2019: HK\$869,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the ordinary course of conducting the regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

證券經紀及孖展融資業務產生之應付現金客戶賬款結算期為交易日後兩天。應付現金客戶賬款於結算日後按要求償還。應付孖展客戶賬款按要求償還。由於本公司董事認為，鑒於本業務之性質，其賬齡分析並無帶來額外價值，因此並無披露賬齡分析。

就在正常進行受規管業務過程中為客戶收取及持有之信託及獨立銀行結餘而言，於二零二零年六月三十日之應付及其他應付款項約780,000港元(二零一九年：869,000港元)應付予客戶。然而，本集團並無以所存放之訂金抵銷該等應付款項之現時可強制執行權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 ACCOUNTS PAYABLE (Continued)

As at 30th June 2020 and 2019, the ageing analysis of the accounts payable arising from other businesses based on invoice date is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---------------------|----------|----------------------------------|----------------------------------|
| 1 to 90 days | 1至90日 | 16,562 | 8,080 |
| 91 days to 180 days | 91日至180日 | 211 | 48 |
| Over 180 days | 180日以上 | 1,991 | 2,064 |
| | | 18,764 | 10,192 |

All of the accounts payable arising from other business are expected to be settled or recognised as income within one year or are repayable on demand.

29 應付賬款(續)

於二零二零年及二零一九年六月三十日，按發票日期呈列其他業務產生之應付賬款之賬齡分析如下：

所有因其他業務產生的應付賬款預計於一年內償付或確認為收入或須按要求償還。

30 OTHER PAYABLES AND ACCRUED CHARGES 30 其他應付款項及應計支出

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-----------------------------------|---------------|----------------------------------|----------------------------------|
| Amounts due to joint operators | 應付合營公司夥伴款項 | 76,375 | 43,579 |
| Accruals for employee benefits | 僱員利益的應計費用 | 4,481 | 3,862 |
| Other accruals and other payables | 其他應計費用及其他應付款項 | 78,014 | 27,169 |
| | | 158,870 | 74,610 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 CONTINGENT CONSIDERATION PAYABLE

The fair value of the contingent consideration payable represented the profit guarantee in relation to the adjustments to the consideration from the disposal of AP Group during the year ended 30th June 2017 as detailed in note (i) below. Contingent consideration payable is measured at fair value at the end of the reporting period. The movement of the fair value of contingent consideration payable is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------------|--------------|----------------------------------|----------------------------------|
| At fair value | 按公平值： | | |
| At beginning and at end of the year | 於年初及年末 | 20,400 | 20,400 |

Note:

- (i) Adjustment to the consideration

Pursuant to the sale and purchase agreement entered into in relation to the disposal of AP Group, in the event that the audited consolidated profit after tax of AP Group for the period from 1st January 2016 to 31st December 2017 is less than HK\$16,000,000, Fragrant River Entertainment Culture (Holdings) Limited ("FRECH"), a subsidiary of the Group shall, and the Company as the guarantor shall procure FRECH to, pay to the purchaser the adjustment amount (the "Adjustment Amount") in accordance with the formula set out below:

$$A = \text{HK\$}20,400,000 - (\text{NP}/2) \times 5 \times 51\%$$

Where:

"A" means the amount of Adjustment Amount in HK\$; and

"NP" means the net profit for the period from 1st January 2016 to 31st December 2017. Where the NP is a negative figure, NP shall be deemed to be zero.

The fair values of contingent consideration payable as at 30th June 2020 and 2019 are based on the valuation performed by the directors of the Company. Details of fair value measurement are set out in note 3.3.

31 應付或然代價

應付或然代價之公平值指與於截至二零一七年六月三十日止年度出售愛拼集團之代價之調整有關之溢利擔保(於下文附註(i)詳述)。應付或然代價於報告期末按公平值計量。應付或然代價公平值之變動如下：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|-------------------------------------|--------------|----------------------------------|----------------------------------|
| At fair value | 按公平值： | | |
| At beginning and at end of the year | 於年初及年末 | 20,400 | 20,400 |

附註：

- (i) 代價之調整

根據就出售愛拼集團訂立之買賣協議，倘愛拼集團自二零一六年一月一日起至二零一七年十二月三十一日止期間之經審核除稅後綜合溢利少於16,000,000港元，則本集團附屬公司香江娛樂文化(控股)有限公司(「香江娛樂文化」)應及本公司作為擔保人應促使香江娛樂文化向買方支付根據下述公式計算之調整金額(「調整金額」)：

$$A = 20,400,000 \text{ 港元} - (\text{NP}/2) \times 5 \times 51\%$$

其中：

「A」指以港元計值之調整金額之數值；及

「NP」指自二零一六年一月一日起至二零一七年十二月三十一日止期間之溢利淨額。倘溢利淨額為負值，則溢利淨額應被視作零。

應付或然代價於二零二零年及二零一九年六月三十日之公平值以本公司董事進行的估值為準。公平值計量詳情載於附註3.3。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 CONTRACT LIABILITIES

32 合約負債

| | | As at 30th June 2020 於二零二零年 六月三十日 HK\$'000 千港元 | As at 30th June 2019 於二零一九年 六月三十日 HK\$'000 千港元 |
|---|------------------|--|--|
| Contract liabilities | 合約負債 | | |
| Deposits received for licensing of film right from customers | 就來自客戶授權電影版權已收的訂金 | 96,561 | 192,607 |
| Receipts in advance of artist entertainment work from customers | 就藝人娛樂工作收取來自客戶墊款 | 297 | 297 |
| Receipts in advance of wholesale customers | 收取批發客戶墊款 | - | 177 |
| Deposits received for walk-in customers for optical products | 已收未經預約眼鏡產品客戶的訂金 | 539 | 373 |
| | | 97,397 | 193,454 |

Notes:

(i) Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

a Licensing of film rights

The Group received a deposit from customer before the delivery of the pre-recorded audio visual products and the materials for video features. It was recognised as contract liabilities until the Group performs under the contract.

b Artist management services

The Group received a deposit from customer in respect of the artist entertainment job. It was recognised as contract liabilities until the Group completes its artist management service, which is when the artist completed the entertainment job.

附註：

(i) 影響合約負債確認金額之一般付款條款如下：

a 授出電影版權

本集團於交付預錄影音產品及錄像正片使用之素材前收取客戶訂金。此乃確認為合約負債，直至本集團根據合約履約為止。

b 藝人管理服務

本集團就藝人娛樂工作收取客戶訂金。此乃確認為合約負債，直至本集團完成藝人管理服務(即藝人完成娛樂工作)為止。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 CONTRACT LIABILITIES (Continued)

Note: (Continued)

(i) (Continued)

c Wholesale of watches

The Group received deposits from its wholesale customer for the purchase of watches. It was recognised as contract liability until it is utilised. The amount was utilised when the sales is completed, which is when watches are delivered.

d Sale of optical products

The Group received deposits from its walk-in customer for purchase of optical products. It was recognised as contract liability until it is utilised. The amount is utilised when the customer picks up the optical products and pays the remaining balance for the sale transaction.

32 合約負債(續)

附註：(續)

(i) (續)

c 鐘錶批發

本集團就購買鐘錶向批發客戶收取訂金。其於被動用時確認為合約負債。當銷售完成(即當鐘錶獲交付)時，則有關金額被動用。

d 眼鏡產品銷售

本集團就購買眼鏡產品向未經預約客戶收取訂金。其於被動用時確認為合約負債。當客戶取得眼鏡及就銷售交易支付餘款時，則有關金額被動用。

Movement in contract liabilities

合約負債變動

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| At the beginning of the year | 於年初 | 193,454 | 5,988 |
| Reclassified to other payables upon contract modification and termination | 於合約修改及終止後重新分類至其他應付款項 | (25,256) | - |
| Decrease in contract liabilities as a result of being recognised as revenue during the year | 年內確認為收益導致之合約負債減少 | (74,743) | (2,189) |
| Increase in contract liabilities as a result of billing in advance | 預收款項導致之合約負債增加 | 3,942 | 189,655 |
| At the end of the year | 於年末 | 97,397 | 193,454 |

As at 30th June 2020, approximately HK\$97,397,000 of deposits received are expected to be recognised as income within one year (2019: HK\$193,454,000).

於二零二零年六月三十日，預計於一年內確認為收入之已收訂金金額約為97,397,000港元(二零一九年：193,454,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the following:

33 除稅前虧損

除稅前虧損乃經扣除／(計入)下列各項後得出：

| | | 2020 二零二零年 | | | 2019 二零一九年 (Note) (附註) | | |
|--|---|---|---|--------------------------------|---|---|--------------------------------|
| | | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| (a) Staff costs: | (a) 員工成本： | | | | | | |
| Salaries, allowances, and other benefits (including directors' emoluments (Note 36)) | 薪金、津貼及其他福利(包括董事酬金(附註36)) | 61,275 | - | 61,275 | 38,677 | 1,612 | 40,289 |
| Contributions to defined contribution retirement plans | 定額供款退休計劃供款 | 1,654 | - | 1,654 | 1,715 | 46 | 1,761 |
| | | 62,929 | - | 62,929 | 40,392 | 1,658 | 42,050 |
| (b) Other items: | (b) 其他項目： | | | | | | |
| Auditors' remuneration | 核數師酬金 | 1,425 | 25 | 1,450 | 1,615 | 138 | 1,753 |
| - audit services | - 核數服務 | 290 | - | 290 | 490 | - | 490 |
| - other services | - 其他服務 | 1,715 | 25 | 1,740 | 2,105 | 138 | 2,243 |
| Amortisation | 攤銷 | | | | | | |
| - film rights (Note 9) | - 電影版權(附註9) | 44,149 | - | 44,149 | 1,747 | - | 1,747 |
| - other intangible assets (Note 8) | - 其他無形資產(附註8) | 397 | - | 397 | 148 | - | 148 |
| Impairment loss of film rights and films in progress (Note 9) | 電影版權及製作中電影之減值虧損(附註9) | 4,653 | - | 4,653 | 165 | - | 165 |
| Impairment loss of film related deposits | 電影相關訂金之減值虧損 | 11,356 | - | 11,356 | 67 | - | 67 |
| Impairment loss of (Note 6) | 減值虧損(附註6) | | | | | | |
| - property, plant and equipment | - 物業、機器及設備 | 1,090 | - | 1,090 | - | - | - |
| - right-of-use assets | - 使用權資產 | 2,069 | - | 2,069 | - | - | - |
| Impairment loss of other intangible assets (Note 8) | 其他無形資產之減值虧損(附註8) | 1,165 | - | 1,165 | - | - | - |
| Depreciation charge (Note 6) | 折舊開支(附註6) | | | | | | |
| - property, plant and equipment | - 物業、機器及設備 | 3,027 | - | 3,027 | 2,844 | 51 | 2,895 |
| - right-of-use assets | - 使用權資產 | 11,539 | - | 11,539 | - | - | - |
| Net foreign exchange losses | 外匯虧損淨額 | 100 | 27 | 127 | 4,215 | 22 | 4,237 |
| Total minimum lease payments for leases previously classified as operating leases under HKAS 17 (Note 6) | 就先前根據香港會計準則第17號分類為經營租賃之租賃之最低租賃付款總額(附註6) | - | - | - | 11,548 | 1,232 | 12,780 |
| Variable lease payments not included in the measurement of lease liabilities (Note 6) | 並無計入租賃負債計量之可變租賃付款(附註6) | 633 | - | 633 | 912 | - | 912 |
| Expense relating to short-term leases and other leases with remaining lease term ending on or before 30th June 2020 (Note 6) | 與短期租賃及剩餘租賃年期於二零二零年六月三十日或之前結束之其他租賃相關之開支(附註6) | 2,887 | - | 2,887 | - | - | - |
| Expense relating to leases of low value assets (Note 6) | 與低價值資產租賃相關之開支(附註6) | 64 | - | 64 | - | - | - |
| Cost of inventories (Note 19) | 存貨成本(附註19) | 41,025 | - | 41,025 | 27,254 | - | 27,254 |
| Gross rental income from investment properties less direct outgoings of HK\$178,311 (2019: HK\$184,013) | 投資物業租金收入總額減直接開支178,311港元(二零一九年：184,013港元) | 962 | - | 962 | 923 | - | 923 |
| Written off of property, plant and equipment (Note 6) | 撇銷物業、機器及設備(附註6) | - | - | - | 1,611 | - | 1,611 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 LOSS BEFORE TAXATION (Continued)

33 除稅前虧損(續)

| | | | 2020 二零二零年 | | | 2019 二零一九年 (Note) (附註) | | |
|-----|--|-----|--|--|--------------------------------|--|--|--------------------------------|
| | | (c) | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| (c) | Finance costs | (c) | 財務成本 | | | | | |
| | Interest on lease liabilities | | 542 | - | 542 | - | - | - |
| | Total interest expense on financial liabilities not at fair value through profit or loss | | 542 | - | 542 | - | - | - |
| | | | 並非透過損益按公平值入賬之金融負債之利息開支總額 | | | | | |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2.1(i).

附註: 本集團已使用修訂追溯法首次應用香港財務報告準則第16號。在此方法下, 比較資料不予重列。見附註2.1(i)。

34 CHANGE IN EXPECTED CREDIT LOSS/ IMPAIRMENT LOSS

34 預期信貸虧損/減值虧損之變動

During the year, the following gains/(losses) in relation to impaired financial assets were recognised in the consolidated statement of comprehensive income.

年內, 以下有關已減值金融資產之收益/(虧損)於綜合全面收益表確認。

| | | | 2020 二零二零年 | | | 2019 二零一九年 | | |
|--|--|-----|--|--|--------------------------------|--|--|--------------------------------|
| | | (c) | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| | Net (change for)/write-back of expected credit losses allowances | | | | | | | |
| | - Accounts receivable | | (1,066) | 1,500 | 434 | 780 | 3,500 | 4,280 |
| | - Loans receivable | | (18,780) | - | (18,780) | (18,715) | - | (18,715) |
| | - Loan to an associate | | (3,586) | - | (3,586) | (815) | - | (815) |
| | - Other receivables | | 257 | - | 257 | (8,073) | - | (8,073) |
| | | | (23,175) | 1,500 | (21,675) | (26,823) | 3,500 | (23,323) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plan

The Group operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

35 僱員退休福利

定額供款退休計劃

本集團根據香港強制性公積金計劃條例為在香港僱傭條例保障下受聘的僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理的定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入的5%向計劃供款，最高每月相關收入為30,000港元。計劃供款即時歸屬。

本集團於中國的附屬公司僱員均參與由中國政府設立的國家管理退休福利計劃。該等附屬公司須按薪金的規定百分比向該退休福利計劃供款以支付福利。本集團對該退休福利計劃的唯一責任為作出規定的供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

For the year ended 30th June 2020

36 董事酬金

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第二部分披露的董事酬金如下：

截至二零二零年六月三十日止年度

| Name of Directors 董事姓名 | Fees 袍金 HK\$'000 千港元 | Salary, allowances, and benefits in kind 薪金·津貼 及實物利益 HK\$'000 千港元 | Retirement scheme contributions 退休 計劃供款 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|--|-------------------------------|--|--|--------------------------------|
| | | | | |
| <i>Chairman and executive director</i> Mr. Lam Shiu Ming, Daneil | | | | |
| 主席兼 執行董事 林小明先生 | - | 15,850 | 18 | 15,868 |
| <i>Executive director</i> Mr. Lam Kit Sun | | | | |
| 執行董事 林傑新先生 | - | 1,460 | 18 | 1,478 |
| <i>Non-executive director</i> Mr. Hung Cho Sing (Note (ii)) | | | | |
| 非執行董事 洪祖星先生(附註(ii)) | - | 10 | - | 10 |
| <i>Independent non-executive directors</i> Mr. Lam Chi Keung Mr. Choi Wing Koon Mr. Tang Yiu Wing | | | | |
| 獨立非執行 董事 林芝強先生 蔡永冠先生 鄧耀榮先生 | 130 130 130 | - - - | - - - | 130 130 130 |
| | 390 | 17,320 | 36 | 17,746 |

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綜合財務報表附註

36 DIRECTORS' EMOLUMENTS (Continued)

For the year ended 30th June 2019

36 董事酬金(續)

截至二零一九年六月三十日止年度

| Name of Directors | Fees | Salary, allowances, and benefits in kind | Retirement scheme contributions | Total |
|--|-----------------|--|---------------------------------|-----------------|
| 董事姓名 | 袍金 | 薪金、津貼及實物利益 | 退休計劃供款 | 總額 |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| <i>Chairman and executive director</i> | | | | |
| Mr. Lam Shiu Ming, Daneil | - | 5,450 | 18 | 5,468 |
| <i>Executive directors</i> | | | | |
| Mr. Hung Cho Sing (Note (i)) | - | 210 | - | 210 |
| Mr. Lam Kit Sun | - | 1,455 | 18 | 1,473 |
| <i>Non-executive director</i> | | | | |
| Mr. Hung Cho Sing (Note (i)) | - | 50 | - | 50 |
| <i>Independent non-executive directors</i> | | | | |
| Mr. Lam Chi Keung | 130 | - | - | 130 |
| Mr. Choi Wing Koon | 130 | - | - | 130 |
| Mr. Tang Yiu Wing | 130 | - | - | 130 |
| Mr. Chong Ki Ming (Note (ii)) | 73 | - | - | 73 |
| Mr. Wong Cheuk Wai, Jason (Note (iii)) | 73 | - | - | 73 |
| | 536 | 7,165 | 36 | 7,737 |

Notes:

- (i) Mr. Hung Cho Sing was redesignated as a non-executive director of the Company on 1st February 2019 resigned as a non-executive director of the Company on 31st July 2019.
- (ii) Mr. Chong Ki Ming retired as an independent non-executive director of the Company on 21st December 2018.
- (iii) Mr. Wong Cheuk Wai, Jason retired as an independent non-executive director on 21st December 2018.

During the year, no director of the Company has waived any emoluments and no emoluments were paid or payable by the Group to any of the directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

附註：

- (i) 洪祖星先生於二零一九年二月一日調任為本公司非執行董事，並於二零一九年七月三十一日辭任本公司非執行董事。
- (ii) 莊岐鳴先生於二零一八年十二月二十一日退任本公司獨立非執行董事。
- (iii) 王爵偉先生於二零一八年十二月二十一日退任獨立非執行董事。

本公司董事年內概無放棄任何酬金，而本集團亦無向任何董事支付或應付任何酬金，作為彼等加入本集團或加入本集團時的獎勵或離職補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included two Directors (2019: two) whose emoluments are reflected in the analysis presented in note 36 above. The emoluments payable to the remaining three (2019: three) individuals during the year are as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------------|---------|--|----------------------------------|
| Salaries and other emoluments | 薪金及其他酬金 | 15,603 | 5,201 |
| Contributions to retirement scheme | 退休計劃供款 | 54 | 54 |
| | | 15,657 | 5,255 |

The emoluments fell within the following bands:

The emoluments of the three (2019: three) individuals with the highest emoluments are within the following bands:

| | | 2020 二零二零年 Number of Individuals 人數 | 2019 二零一九年 Number of Individuals 人數 |
|----------------------------------|-------------------------------|--|---|
| HK\$500,001 to HK\$1,000,000 | 500,001港元至 1,000,000港元 | 1 | 1 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001港元至 1,500,000港元 | 1 | 1 |
| HK\$3,000,001 to HK\$3,500,000 | 3,000,001港元至 3,500,000港元 | - | 1 |
| HK\$13,000,000 to HK\$13,500,000 | 13,000,000港元至 13,500,000港元 | 1 | - |
| | | 3 | 3 |

37 最高薪人士

於年內本集團五名最高薪人士包括兩名(二零一九年:兩名)董事,彼等之酬金詳情已於上文附註36呈列之分析內披露。其餘三名(二零一九年:三名)人士於年內之應付酬金如下:

此等薪酬在下列範圍內:

三名(二零一九年:三名)最高薪人士之薪酬在下列範圍內:

Notes to the Consolidated Financial Statements

綜合財務報表附註

38 OTHER INCOME

38 其他收入

| | | 2020 二零二零年 | | | 2019 二零一九年 | | |
|--|------------------------------|---|---|--------------------------------|---|---|--------------------------------|
| | | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Sponsorship income | 贊助收入 | - | - | - | 5,649 | - | 5,649 |
| Rental income | 租金收入 | 424 | - | 424 | 270 | - | 270 |
| Screening income | 試映會收入 | 59 | - | 59 | 56 | - | 56 |
| Promotion cost markup | 宣傳成本漲價 | - | - | - | 21 | - | 21 |
| Dividend income from financial assets at fair value through profit or loss | 透過損益按公平值入賬 之金融資產之股息 收入 | - | - | - | 1,007 | - | 1,007 |
| Government subsidy | 政府補貼 | 1,509 | - | 1,509 | - | - | - |
| Others | 其他 | 886 | 4 | 890 | 2,807 | 16 | 2,823 |
| | | 2,878 | 4 | 2,882 | 9,810 | 16 | 9,826 |

39 OTHER GAINS/(LOSSES) – NET

39 其他收益／(虧損) – 淨額

| | | 2020 二零二零年 | | | 2019 二零一九年 | | |
|--|----------------------|---|---|--------------------------------|---|---|--------------------------------|
| | | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Handling charge for termination of film investment agreement | 終止電影投資協議手續費 | 1,148 | - | 1,148 | - | - | - |
| Loss on disposal of property, plant and equipment | 出售物業、機器及設備 之虧損 | - | - | - | (250) | (70) | (320) |
| Waiver of other payables | 豁免其他應付款項 | 3,432 | - | 3,432 | - | - | - |
| Written back on provision for advance to artiste | 撥回藝人墊款撥備 | 60 | - | 60 | - | - | - |
| Net foreign exchange loss | 匯兌虧損淨額 | (100) | (27) | (127) | (4,215) | (22) | (4,237) |
| Written off of property, plant and equipment | 撇銷物業、機器及設備 | - | - | - | (1,611) | - | (1,611) |
| Sales rebate | 銷售回扣 | 3,977 | - | 3,977 | - | - | - |
| Amortisation of deferred day one gain in respect of derivative financial instruments | 就衍生金融工具之 遞延首日收益攤銷 | 5,545 | - | 5,545 | 1,636 | - | 1,636 |
| Others | 其他 | 461 | - | 461 | 233 | - | 233 |
| | | 14,523 | (27) | 14,496 | (4,207) | (92) | (4,299) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

40 FINANCE INCOME

40 融資收入

| | | 2020 二零二零年 | | | 2019 二零一九年 | | |
|---|--------------------------------|---|---|--------------------------------|---|---|--------------------------------|
| | | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Continuing operations 持續 經營業務 HK\$'000 千港元 | Discontinued operation 已終止 經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Bank interest income | 銀行利息收入 | 2,133 | - | 2,133 | 2,392 | - | 2,392 |
| Other interest income | 其他利息收入 | 854 | - | 854 | - | - | - |
| Finance income included in consolidated statement of comprehensive income | 計入綜合全面收益表內 之財務收入 | 2,987 | - | 2,987 | 2,392 | - | 2,392 |
| Loan interest income (included in total revenue in consolidated statement of comprehensive income) | 貸款利息收入(計入 綜合全面收益表內之 總收益) | 7,889 | - | 7,889 | 7,687 | - | 7,687 |
| Total interest income | 利息收入總額 | 10,876 | - | 10,876 | 10,079 | - | 10,079 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

41 TAXATION

(a) Income tax in the consolidated statement of comprehensive income

41 稅項

(a) 綜合全面收益表內之所得稅

| | | 2020 二零二零年 | | | 2019 二零一九年 | | |
|---|----------------|--|--|--------------------------------|--|--|--------------------------------|
| | | Continuing operations 持續經營業務 HK\$'000 千港元 | Discontinued operation 已終止經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | Continuing operations 持續經營業務 HK\$'000 千港元 | Discontinued operation 已終止經營業務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| Current tax | 即期稅項 | | | | | | |
| Hong Kong Profits Tax | 香港利得稅 | | | | | | |
| (Over)/under provision in prior year | 上年度(超額撥備)/撥備不足 | (205) | - | (205) | 294 | (20) | 274 |
| Deferred tax | 遞延稅項 | | | | | | |
| Origination and reversal of temporary differences | 暫時性差額的產生及撥回 | 64 | - | 64 | (417) | - | (417) |
| Income tax credit | 所得稅回撥 | (141) | - | (141) | (123) | (20) | (143) |

The provision of Hong Kong Profits Tax is calculated at 16.5% (2019: 16.5%) of the estimated assessable profits for the year.

No provision for PRC Enterprise Income Tax (the "EIT") has been made in the consolidated financial statements for the years ended 30th June 2020 and 2019 as the Group has no assessable profits under EIT for both years.

No provision for profits tax in Bermuda and the British Virgin Islands has been made as the Group has no income or profit assessable for tax in these jurisdictions for the years ended 30th June 2020 and 2019, respectively.

香港利得稅撥備乃按年內估計應課稅溢利的16.5%(二零一九年: 16.5%)計算。

並無就中國企業所得稅(「企業所得稅」)於截至二零二零年及二零一九年六月三十日止年度綜合財務報表作出撥備, 原因為本集團於該兩個年度並無於企業所得稅項下之應課稅溢利。

並無就百慕達及英屬處女群島利得稅作出撥備, 原因為本集團於截至二零二零年及二零一九年六月三十日止年度並無於該等司法權區產生應課稅收入或溢利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

41 TAXATION (Continued)

41 稅項(續)

(b) Reconciliation between tax credit and accounting profit/(loss) at the applicable tax rates:

(b) 稅項回撥與按適用稅率計算之會計溢利/(虧損)之對賬：

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|----------------------------------|
| Profit/(loss) before income tax | 除所得稅前溢利/(虧損) | | |
| – from continuing operations | – 來自持續經營業務 | (28,506) | (118,600) |
| – from discontinued operation (Note 42) | – 來自已終止經營業務 (附註42) | 795 | (3,118) |
| | | (27,711) | (121,718) |
| Tax calculated at domestic tax rates applicable to profits or losses in the respective countries | 在各有關國家的溢利或虧損按適用的當地稅率計算的稅項 | (4,535) | (20,931) |
| (Over)/under-provision in respect of prior years | 過往年度(超額撥備)/撥備不足 | (205) | 274 |
| Income not subject to tax | 無須課稅之收入 | (3,736) | (2,155) |
| Expenses not deductible for tax purpose | 不可扣稅之費用 | 2,510 | 8,203 |
| Tax effect of deductible temporary difference not recognised | 未確認可扣稅暫時性差額之稅務影響 | 843 | 1,101 |
| Utilisation of previously unrecognised tax losses | 動用先前未確認之稅項虧損 | (4,101) | (52) |
| Tax losses not recognised | 未確認之稅項虧損 | 11,220 | 13,213 |
| Tax reduction | 稅項扣減 | (11) | – |
| Tax reduction from double taxation relief | 雙重徵稅寬減之稅項扣減 | (2,126) | – |
| Others | 其他 | – | 204 |
| Income tax credit | 所得稅回撥 | (141) | (143) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

42 DISCONTINUED OPERATION

During the year ended 30th June 2018, the Group ceased its business in securities brokerage and margin financing. The analysis of the results of discontinued operation is as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Revenue | 收益 | 33 | 196 |
| Cost of revenue | 收益成本 | - | - |
| Gross profit | 毛利 | 33 | 196 |
| Other income | 其他收入 | 4 | 16 |
| Other net losses | 其他虧損淨額 | (27) | (92) |
| Administrative expenses | 行政開支 | (715) | (6,738) |
| Change in expected credit loss | 預期信貸虧損變動 | 1,500 | 3,500 |
| Profit/(loss) before taxation from discontinued operation | 來自己終止經營業務之 除稅前溢利/(虧損) | 795 | (3,118) |
| Income tax credit | 所得稅回撥 | - | 20 |
| Profit/(loss) for the year from discontinued operation | 來自己終止經營業務之 年度溢利/(虧損) | 795 | (3,098) |
| Attributable to: Owners of the Company | 以下人士應佔： 本公司擁有人 | 795 | (3,098) |
| | | 795 | (3,098) |

Net cash flows from discontinued operations are as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------------|----------------------------------|----------------------------------|
| Net cash inflows/(outflows) from operating activities | 經營業務所得/(所運用) 之現金淨額 | 11,153 | (52,460) |
| Net cash outflows from investing activities | 投資業務所運用之 現金淨額 | - | - |
| Net cash outflows from financing activities | 融資活動所運用之 現金淨額 | - | - |
| Total net cash inflows/(outflows) | 淨現金流入/(流出)總額 | 11,153 | (52,460) |

42 已終止經營業務

截至二零一八年六月三十日止年度，本集團終止其證券經紀及孖展融資業務。已終止經營業務之業績分析如下：

已終止經營業務之現金淨流量如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

43 LOSS PER SHARE

(a) Basic

Basic profit/(loss) per ordinary share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, calculated as follows:

| | | 2020 二零二零年 | 2019 二零一九年 |
|--|----------------------|--------------------|---------------|
| Profit/(loss) attributable to owners of the Company (HK\$'000) | 本公司擁有人應佔溢利／(虧損)(千港元) | | |
| – from continuing operations | – 來自持續經營業務 | (27,858) | (118,102) |
| – from discontinued operation | – 來自已終止經營業務 | 795 | (3,098) |
| – from continuing and discontinued operations | – 來自持續及已終止經營業務 | (27,063) | (121,200) |
| Weighted average number of ordinary shares in issue | 已發行普通股之加權平均數 | 906,632,276 | 906,632,276 |
| Basic profit/(loss) per ordinary share (HK\$) | 每股普通股基本溢利／(虧損)(港元) | | |
| – from continuing and discontinued operations | – 來自持續及已終止經營業務 | (0.0299) | (0.134) |
| – from continuing operations | – 來自持續經營業務 | (0.0307) | (0.131) |
| – from discontinued operation | – 來自已終止經營業務 | 0.0008 | (0.003) |

Weighted average number of ordinary shares (Basic)

普通股加權平均數(基本)

| | | 2020 二零二零年 | 2019 二零一九年 |
|--|-------------------|--------------------|---------------|
| Issued ordinary shares at 1st July and 30th June | 於七月一日及六月三十日已發行普通股 | 906,632,276 | 906,632,276 |

43 每股虧損

(a) 基本

每股普通股基本溢利／(虧損)乃按本公司擁有人應佔溢利／(虧損)除以年內已發行普通股之加權平均數以下列方式計算：

Notes to the Consolidated Financial Statements

綜合財務報表附註

43 LOSS PER SHARE (Continued)

(b) Diluted

The diluted profit/(loss) per share is the same as the basic loss per share for the year ended 30th June 2020 (2019: same) as there is no potential dilutive share issued during the year.

43 每股虧損(續)

(b) 攤薄

截至二零二零年六月三十日止年度，每股攤薄溢利／(虧損)與每股基本虧損相同(二零一九年：相同)，乃因年內並無已發行潛在攤薄股份。

44 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable during the year

44 股息

(a) 年內應付本公司權益股東應佔股息

| | 2020 二零二零年 | 2019 二零一九年 | 2020 二零二零年 | 2019 二零一九年 |
|--|--|-------------------------------|----------------------|---------------|
| | HK\$ per ordinary share | HK\$ per ordinary share | HK\$'000 | HK\$'000 |
| | 每股普通股 港元 | 每股普通股 港元 | 千港元 | 千港元 |
| First Special Dividend declared and paid (Note (ii)) | - | 0.30 | - | 271,990 |
| Second Special Dividend declared and paid (Note (iii)) | - | 0.15 | - | 135,995 |
| | - | 0.45 | - | 407,985 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

44 DIVIDENDS (Continued)

- (a) Dividends payable to equity shareholders of the Company attributable during the year

(Continued)

Notes:

- (i) On 17th September 2018, it was proposed by the Board and approved by the shareholders at the special general meeting that: (i) the amount standing to the credit of the share premium account of the Company be reduced by HK\$893,345,000; (ii) the credit arising from the share premium reduction be transferred to the contributed surplus account of the Company; and (iii) the Board be authorised to make a distribution of a special dividend of HK\$0.3 per share up to HK\$271,989,682.80 ("First Special Dividend") of the amount standing to the credit of the contributed surplus account of the Company, pro rata to the shareholders of the Company ("the Distribution").

The Distribution became unconditional on 4th October 2018 and was made on 22nd October 2018.

- (ii) On 15th April 2019, it was further proposed by the Board and approved by the shareholders at the special general meeting that a special dividend of HK\$0.15 per share ("Second Special Dividend") be paid out of the contributed surplus account of the Company. The dividend was paid on 10th May 2019.

- (b) The Board did not recommend the payment of a final dividend for the year ended 30th June 2020 (2019: Nil).

44 股息(續)

- (a) 年內應付本公司權益股東應佔股息(續)

附註：

- (i) 於二零一八年九月十七日，董事會建議且股東於股東特別大會上批准：(i)將本公司股份溢價賬中進賬額削減893,345,000港元；(ii)將股份溢價賬產生之進賬額轉撥至本公司之實繳盈餘；及(iii)授權董事會將本公司實繳盈餘賬中進賬額達271,989,682.80港元按比例向本公司股東分派每股0.3港元之特別股息(「首次特別股息」)(「分派」)。

分派於二零一八年十月四日成為無條件，並已於二零一八年十月二十二日作出。

- (ii) 於二零一九年四月十五日，董事會進一步建議且股東於股東特別大會上批准於本公司實繳盈餘賬中派付每股0.15港元之特別股息(「第二次特別股息」)。該股息於二零一九年五月十日派付。

- (b) 董事會不建議派發截至二零二零年六月三十日止年度之末期股息(二零一九年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

45 OTHER CASH FLOW INFORMATION

45 其他現金流量資料

(a) Reconciliation of loss before tax to cash generated from operations:

(a) 除稅前虧損與營運產生之現金之對賬：

| | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 (Note) (附註) |
|---|----------------------------------|--|
| (Loss)/profit before tax for the year | | |
| From continuing operations | (28,506) | (118,600) |
| From discontinued operation (Note 42) | 795 | (3,118) |
| Adjustments for: | | |
| - Depreciation of property, plant and equipment (Note 6) | 14,566 | 2,895 |
| - Amortisation of film rights (Note 9) | 44,149 | 1,747 |
| - Amortisation of other intangible assets (Note 8) | 397 | 148 |
| - Amortisation of deferred day one gain in respect of derivative financial instruments | (5,545) | (1,636) |
| - Fair value change on contingent consideration receivable (Note 22) | - | 3,796 |
| - Fair value change of other financial assets | 3,581 | 19,437 |
| - Fair value change on investment properties (Note 7) | - | (2,100) |
| - Impairment losses of property, plant and equipment (including right-of-use assets) (Note 6) | 3,159 | - |
| - Impairment losses of interests in associates (Note 11) | - | 1,065 |
| - Impairment losses of film rights and films in progress (Note 9) | 4,653 | 165 |
| - Impairment losses of film related deposits | 11,356 | 67 |
| - Change in expected credit loss (Note 34) | 21,675 | 23,323 |
| - Write-down of inventories (Note 19) | 421 | 2,679 |
| - Impairment loss of other intangible assets (Note 8) | 1,165 | - |
| - Write off of property, plant and equipment (Note 39) | - | 1,611 |
| - Reversal of write-down of inventories (Note 19) | (406) | (59) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

45 OTHER CASH FLOW INFORMATION (Continued) 45 其他現金流量資料(續)

(a) (Continued)

(a) (續)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 (Note) (附註) |
|---|-------------------------|----------------------------------|--|
| - Net loss on disposal of property, plant and equipment (Note 39) | - 出售物業、機器及設備之虧損淨額(附註39) | - | 320 |
| - Finance income (Note 40) | - 財務收入(附註40) | (2,987) | (2,392) |
| - Finance costs (Note 33(c)) | - 財務成本(附註33(c)) | 542 | - |
| - Waiver of other payables (Note 39) | - 豁免其他應付款項(附註39) | (3,432) | - |
| - Share of losses of associates | - 應佔聯營公司虧損 | 1,085 | 725 |
| - Net foreign exchange loss | - 外匯虧損淨額 | 1,844 | 225 |
| - Written back on provision for advance to artists (Note 39) | - 撥回藝人墊款撥備(附註39) | (60) | - |
| Changes in working capital: | 營運資金變動： | | |
| - Inventories | - 存貨 | (1,761) | (3,809) |
| - Accounts receivable | - 應收賬款 | (61,510) | 23,266 |
| - Amount due to/from an associate | - 應付／應收一間聯營公司款項 | (2,778) | 2,814 |
| - Loans receivable | - 應收貸款 | 39,749 | (25,100) |
| - Loan to an associate | - 授予一間聯營公司之貸款 | 702 | 1,636 |
| - Deposits paid, prepayments and other receivables | - 已付訂金、預付款項及其他應收款項 | 67,865 | 72,817 |
| - Accounts payable | - 應付賬款 | 8,480 | 2,303 |
| - Other payables and accrued charges | - 其他應付款項及應計支出 | 87,533 | (37,778) |
| - Deposits received | - 已收訂金 | (29,446) | 26,383 |
| - Contract liabilities | - 合約負債 | (95,259) | 187,466 |
| - Financial assets at fair value through profit or loss | - 透過損益按公平值入賬之金融資產 | 5,391 | 40,665 |
| - Bank balances and cash - trust accounts | - 銀行結餘及現金 - 信託賬戶 | 89 | 6,288 |
| Cash generated from operations | 營運產生之現金 | 87,507 | 227,249 |
| Tax refund | 退回稅項 | 2,242 | - |
| Tax paid | 已繳稅項 | (346) | (3,957) |
| Refund/(purchase) of tax certificate | 退回／(購入)儲稅券 | 45 | (45) |
| Net cash generated from operating activities | 營運活動產生之淨現金 | 89,448 | 223,247 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

45 OTHER CASH FLOW INFORMATION (Continued)

45 其他現金流量資料(續)

(a) (Continued)

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1st July 2019 to recognise right-of-use assets and lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Previously, cash payments under operating leases made by the Group as a lessee of HK\$13,692,000 were classified as operating activities in the consolidated cash flow statement. Under HKFRS 16, except for short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of lease liabilities, all other rentals paid on leases are now split into capital element and interest element (see note 45(b)) and classified as financing cash outflows. Under the modified retrospective approach, the comparative information is not restated. See note 2.1(i).

(a) (續)

附註：本集團已使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年七月一日之期初結餘以確認先前根據香港會計準則第17號分類為經營租賃之租賃相關的使用權資產及租賃負債。在過往，本集團作為承租人支付之經營租賃項下現金付款13,692,000港元於綜合現金流量表分類為營運活動。根據香港財務報告準則第16號，除短期租賃付款、低價值資產租賃付款及可變租賃付款不納入租賃負債計量外，所有其他就租賃支付之租金現在劃分為資本部分及利息部分(見附註45(b))，並分類為融資現金流出。根據經修訂追溯法，比較資料不予重列。見附註2.1(i)。

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------------|----------------------------------|----------------------------------|
| a. Disposal of property, plant and equipment | a. 出售物業、機器及設備 | | |
| Carrying amount (Note 6) | 賬面值(附註6) | - | 354 |
| Net loss on disposal of property, plant and equipment (Note 39) | 出售物業、機器及設備之虧損淨額(附註39) | - | (320) |
| Proceeds from disposal of property, plant and equipment | 出售物業、機器及設備之所得款項 | - | 34 |
| b. Lease liabilities | b. 租賃負債 | | |
| At the end of the year | 於年末 | 15,475 | 7 |
| Add: Exchange difference | 加：匯兌差額 | 179 | |
| Modification of lease contract | 租賃合約修改 | 334 | |
| Less: Increase in lease liabilities from entering into new leases during the year | 減：年內訂立新租賃之租賃負債增加 | (8,231) | |
| Less: At 30th June | 減：於六月三十日 | (7) | (25) |
| Impact on initial application of HKFRS 16 | 首次應用香港財務報告準則第16號之影響 | (19,392) | - |
| | | (19,399) | (25) |
| Capital element of finance lease payments | 融資租賃付款之資本部分 | - | (18) |
| Capital element of lease rentals paid | 已付租金之資本部分 | (11,642) | - |

Notes to the Consolidated Financial Statements

綜合財務報表附註

45 OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities arising from financing activities:

45 其他現金流量資料(續)

(b) 融資活動產生之負債之對賬：

| | | Lease liabilities 租賃負債 | Obligation under finance lease 融資租賃承擔 | Total 總計 |
|---|---------------------|------------------------------|--|-------------|
| At 1st July 2018 | 於二零一八年七月一日 | - | 25 | 25 |
| Changes from financing cash flows: | 融資現金流量變動： | | | |
| Capital element of finance leases payment | 融資租賃付款之資本部分 | - | (18) | (18) |
| Total changes from financing cash flows | 融資現金流量之變動總額 | - | (18) | (18) |
| At 30th June 2019 | 於二零一九年六月三十日 | | 7 | 7 |
| Impact on initial application of HKFRS 16 | 首次應用香港財務報告準則第16號之影響 | 19,399 | (7) | 19,392 |
| At 1st July 2019 | 於二零一九年七月一日 | 19,399 | - | 19,399 |
| Capital element of lease rentals paid | 已付租賃租金之資本部分 | (11,642) | - | (11,642) |
| Interest element of lease rentals paid | 已付租賃租金之利息部分 | (542) | - | (542) |
| Total changes from financing cash flows | 融資現金流量之變動總額 | (12,184) | - | (12,184) |
| Other changes: | 其他變動： | | | |
| Increase in lease liabilities from entering into new leases during the year | 年內訂立新租賃之租賃負債增加 | 8,231 | - | 8,231 |
| Decrease in lease modification | 租賃修改減少 | (334) | - | (334) |
| Interest expenses | 利息開支 | 542 | - | 542 |
| Exchange difference | 匯兌差額 | (179) | - | (179) |
| Total other changes | 其他變動總額 | 8,260 | - | 8,260 |
| At 30th June 2020 | 於二零二零年六月三十日 | 15,475 | - | 15,475 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

45 OTHER CASH FLOW INFORMATION (Continued)

45 其他現金流量資料(續)

(c) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

| | | 2020 二零二零年 | 2019 二零一九年 (Note) (附註) |
|-----------------------------|----------|-----------------|---------------------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Within operating cash flows | 於營運現金流量內 | 3,584 | 13,692 |
| Within financing cash flows | 於融資現金流量內 | 12,184 | 18 |
| | | 15,768 | 13,710 |

Note: As explained in the note to note 45(b), the adoption of HKFRS 16 introduces a change in classification of cash flows of certain rentals paid on leases. The comparative amounts have not been restated.

These amounts relate to the following:

| | | 2020 二零二零年 | 2019 二零一九年 |
|--------------------|------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Lease rentals paid | 已付租金 | 15,768 | 13,710 |

(c) 租賃現金流出總額

計入現金流量表之租賃金額包括以下各項：

附註：誠如附註45(b)之附註所解釋，採納香港財務報告準則第16號為就租賃支付之若干租金之現金流量分類引入一項變更。有關比較金額不予重列。

該等金額與以下各項有關：

Notes to the Consolidated Financial Statements

綜合財務報表附註

46 PENDING LITIGATIONS

- (a) A court action was commenced in the Court of First Instance of the Hong Kong Special Administrative Region on 17th April 2002 by The Star Overseas Limited ("Star"), an independent third party, against Universe Entertainment Limited ("UEL"), an indirect wholly-owned subsidiary of the Company.

By the above action, Star alleges that a sum of US\$935,872 (equivalent to HK\$7,299,799) was payable by UEL to Star as its share of the revenue of the movie entitled "Shaolin Soccer" (the "Movie").

Pursuant to an Order (the "Order") made by the High Court on 21st February 2003, UEL was ordered and had paid to Star a sum of HK\$5,495,700, being part of the license fee of the Movie received by UEL from Miramax Films (being the licensee of the Movie) and which was also part of the sum claimed by Star. Pursuant to the Order, UEL is also liable to pay Star interest in the sum of HK\$350,905 and some of the costs of the application leading to the making of the Order, all of which have been settled. As the Order has not disposed of all the claims of US\$935,872 (equivalent to HK\$7,299,799) by Star, UEL is entitled to continue to defend the claim by Star for recovering the remaining balance in the sum of approximately HK\$1,804,099 (HK\$7,299,799 less HK\$5,495,700).

On 30th April 2002, UEL claimed against Star for the latter's wrongful exploitation of certain rights in the Movie co-owned by both parties. UEL claimed to recover all losses and damages suffered by UEL as a result of the wrongful exploitation.

46 未決訴訟

- (a) 於二零零二年四月十七日，獨立第三方星輝海外有限公司(「星輝」)對本公司一間間接全資附屬公司寰宇娛樂有限公司(「寰宇娛樂」)於香港特別行政區原訟法庭提起一項訴訟。

根據上述訴訟，星輝指稱寰宇娛樂應向其支付935,872美元(相當於7,299,799港元)，作為分享一部名為「少林足球」之電影(「該電影」)之收益。

根據高等法院於二零零三年二月二十一日頒發之指令(「該指令」)，寰宇娛樂遭頒令及已向星輝支付5,495,700港元，即寰宇娛樂就該電影而從Miramax Films(即該電影之版權持有人)收取之部分版權費及星輝索償之部分金額。根據該指令，寰宇娛樂亦須向星輝支付金額350,905港元之利息及申請作出該指令的部分費用，有關費用均已支付。由於該指令並無完全解決星輝為數935,872美元(相當於7,299,799港元)之所有索償，故寰宇娛樂有權繼續對星輝的申索進行抗辯，以收回餘額約1,804,099港元(即7,299,799港元減5,495,700港元)。

於二零零二年四月三十日，寰宇娛樂向星輝提出索償，指後者不當地使用屬於雙方共同擁有之該電影中之若干權利。寰宇娛樂追討因該不當使用權利而令其蒙受之一切損失及損害。

Notes to the Consolidated Financial Statements

綜合財務報表附註

46 PENDING LITIGATIONS (Continued)

(a) (Continued)

On 9th September 2002, Universe Laser & Video Co. Limited (“ULV”), an indirect wholly-owned subsidiary of the Company, claimed against Star for the latter’s infringement of the licensed rights in the Movie held by ULV. ULV claimed to recover all losses and damages suffered by ULV as a result of the said infringement.

In the opinion of legal counsel, it is premature to predict the outcome of the claim against UEL. The Board is of the opinion that the outcome of the said claim made against UEL will have no material financial impact to the Group for the year ended 30th June 2020.

- (b) On 1st September 2008, Koninklijke Philips Electronics N.V. (“KPE”) claimed against among other persons, the Company, ULV and Mr. Lam Shiu Ming, Daneil (one of the Directors), being three of the defendants named therein, in respect of damages arising from alleged infringement of the patents regarding Video Compact Disc owned by KPE.

In the opinion of legal counsel, it is premature to predict the outcome of the said claim made against the Company, ULV and Mr. Lam Shiu Ming, Daneil. The Board is of the opinion that the outflow of economic benefits cannot be reliably estimated and accordingly no provision for any liability that may result has been made in the consolidated financial statements for the year ended 30th June 2020.

46 未決訴訟(續)

(a) (續)

於二零零二年九月九日，本公司之一間間接全資附屬公司寰宇鐳射錄影有限公司(「寰宇鐳射」)因指星輝侵犯寰宇鐳射就該電影所持的特許權利而向其提出索償。寰宇鐳射追討因上述侵權行為而令其蒙受之一切損失及損害。

根據法律顧問之意見，現階段預測對寰宇娛樂的上述索償結果尚屬為時過早。董事會認為對寰宇娛樂的上述索償之結果不會於截至二零零二年六月三十日止年度對本集團構成重大財務影響。

- (b) 於二零零八年九月一日，Koninklijke Philips Electronics N.V.(「KPE」)向(其中包括)本公司、寰宇鐳射及林小明先生(其中一名董事)(傳訊令狀上之其中三名被告)提出有關因聲稱侵犯KPE所持有關影音光碟的專利權而產生之損失之索償。

根據法律顧問之意見，現階段預測對本公司、寰宇鐳射及林小明先生的上述索償結果尚屬為時過早。董事會認為有關的經濟利益流出未能可靠地估計，故並無在截至二零零二年六月三十日止年度綜合財務報表內就可能產生的任何負債作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

46 PENDING LITIGATIONS (Continued)

- (c) On 8th January 2010, KPE claimed against among other persons, the Company, ULV and Mr. Lam Shiu Ming, Daneil (one of the directors of the Company), being three of the defendants named therein, in respect of damages arising from the alleged infringement of the patents regarding Digital Video Disc owned by KPE.

On 6th June 2012, the action was discontinued against the Company and Mr. Lam Shiu Ming, Daneil. The claim made against ULV has been agreed with KPE and settled by ULV and appropriate legal costs provision was recognised accordingly in the consolidated financial statements for the year ended 30th June 2012.

No additional provision has been made in the consolidated financial statements for the year ended 30th June 2020. Based on the consultation with legal counsel, no further material outflow of economic benefits will be incurred for ULV.

- (d) Universe Artiste Management Limited (“UAM”), an indirect wholly-owned subsidiary of the Company, commenced Court of First Instance Action against Kwong Ling and Oriental Prosperous Int’l Entertainments Limited (collectively the “Defendants”) on 30th June 2014 claiming inter alia for a declaration that UAM is entitled to extend/renew the term of the Artist Management Contract of the Defendants with UAM (the “Artist Management Contract”) for 5 years as from 3rd May 2014 to 2nd May 2019.

46 未決訴訟(續)

- (c) 於二零一零年一月八日，KPE向(其中包括)本公司、寰宇鐳射及林小明先生(本公司其中一名董事)(傳訊令狀上之其中三名被告)提出有關因聲稱侵犯KPE所持有關數碼影音光碟的專利權而產生之損失之索償。

於二零一二年六月六日，對本公司及林小明先生之訴訟已作終止。對寰宇鐳射之索償已與KPE達成協議及已由寰宇鐳射結清，並已於截至二零一二年六月三十日止年度之綜合財務報表內相應地確認適當的法律費用撥備。

概無於截至二零二零年六月三十日止年度之綜合財務報表內作出其他撥備。根據法律顧問的諮詢意見，寰宇鐳射並無面臨進一步的重大經濟利益流出。

- (d) 於二零一四年六月三十日，本公司之一間間接全資附屬公司寰宇藝人管理有限公司(「寰宇藝人管理」)於原訟法庭就江玲及東旺國際娛樂有限公司(統稱「被告」)展開一項訴訟，提出(其中包括)寰宇藝人管理有權延長／重續被告與寰宇藝人管理訂立的藝人管理合約(「藝人管理合約」)的合約期限，年期自二零一四年五月三日起至二零一九年五月二日止，共五年。

Notes to the Consolidated Financial Statements

綜合財務報表附註

46 PENDING LITIGATIONS (Continued)

(d) (Continued)

The Defendants filed their defence and counterclaimed on 29th September 2014. By such counterclaim, the Defendants claiming against UAM inter alia for a declaration that the Artist Management Contract was void and unenforceable, the Artist Management Contract to be rescinded, damages for breach of the Artist Management Contract and for breach of fiduciary duties, a declaration that UAM is liable to account to the Defendants and an order for payment of all sums found to be due by UAM to the Defendants. The parties have finalized their pleadings and completed discovery and exchange of witness statements. As well as other matters for setting down this action for trial. Pursuant to the application of the parties, the trial of this action has been fixed by the court to take place on 27th September 2021 with 10 days reserved.

Given the complexities of the factual and legal issues to be resolved, in the opinion of legal counsel, it is premature to assess the likely outcome of this Action.

The Board considers that the amounts of counterclaim by the Defendants against UAM is insignificant to the Group as a whole.

46 未決訴訟(續)

(d) (續)

被告於二零一四年九月二十九日作出抗辯及提起反申索。根據有關反申索，被告就寰宇藝人管理提出(其中包括)藝人管理合約屬無效及不可強制執行，應廢除藝人管理合約，就違反藝人管理合約及受信責任的損失提出索償，主張寰宇藝人管理應對被告負責，並應判令寰宇藝人管理支付應付被告的所有款項。控辯雙方已於本年度完成其申辯，披露及交換證人陳述書程序以及有關裁定本訴訟審訊之其他事項。根據雙方之申請，法院已確定該訴訟之審訊將於二零二一年九月二十七日進行(預留10天)。

鑒於待決之事實及法律問題之複雜性，法律顧問認為，評估該訴訟的可能結果為時尚早。

董事會認為，被告就寰宇藝人管理提出反申索的數額對本集團整體而言屬微不足道。

Notes to the Consolidated Financial Statements

綜合財務報表附註

46 PENDING LITIGATIONS (Continued)

- (e) On 16th July 2018, Lucky Famous Limited (“Lucky Famous”) commenced Court of First Instance Action claimed against Fragrant River Entertainment Culture (Holdings) Limited (“Fragrant River”), a wholly-owned subsidiary of the Company, and the Company (“Lucky Famous Action”) for inter alia the sum of HK\$20.4 million as the adjustment to the consideration (the “Adjustment Amount”) alleged to be payable under an agreement dated 13th June 2016 (the “Disposal Agreement”) pursuant to which Lucky Famous purchased from Fragrant River 51% of the issued share capital of AP Group Investment Holdings Limited. Lucky Famous applied to amend the writ and statement of claim to join Chan Sze Long and Lim Wah Elsa as defendants in the Lucky Famous Actions for certain claims against them. The Court allowed the application of Lucky Famous on 24th September 2019.

Up to the date of this report, the parties are still negotiating for a settlement of the matter. In any event, as the exchange of evidence has not been completed, in the opinion of legal advisor, it is not practicable to assess the likely outcome of this Action. Without admitting any liability to Lucky Famous under the Disposal Agreement, the Adjustment Amount of HK\$20.4 million was recognised as at contingent consideration payable in the consolidated financial statements for the year ended 30th June 2020.

46 未決訴訟(續)

- (e) 於二零一八年七月十六日，Lucky Famous Limited(「Lucky Famous」)於原訟法庭對香江娛樂文化(控股)有限公司(「香江」，本公司全資附屬公司)及本公司提起訴訟(「Lucky Famous訴訟」)，要求(其中包括)支付其所聲稱根據日期為二零一六年六月十三日之協議(「出售協議」，據此，Lucky Famous向香江購買愛拼集團控股有限公司51%已發行股本)項下代價之調整金額20.4百萬港元(「調整金額」)。Lucky Famous已申請修改書面申索陳述書，以在Lucky Famous訴訟加入陳思朗及林樺為被告，向彼等作出若干索償。法庭於二零一九年九月二十四日批准Lucky Famous之申請。

截至本報告日期，雙方仍在磋商解決該事宜。在任何情況下，法律顧問認為，由於交換證據尚未完成，評估該訴訟之可能結果並不可行。在沒有承認出售協議下對Lucky Famous之任何責任的前提下，調整金額20.4百萬港元已於截至二零二零年六月三十日止年度綜合財務報表中確認為應付或然代價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

46 PENDING LITIGATIONS (Continued)

- (f) On 11th March 2020, China Jianxin Credit Services Limited (“China Jianxin”), a wholly owned subsidiary of the Company commenced the Court of First Instance Action of the High Court of Hong Kong against China Wah Yan Healthcare Limited (“China Wah Yan”) for among other things, (a) the outstanding balance of HK\$16,175,304.11, being the outstanding principal and the interest accrued up to 11th March 2020 thereon under a loan agreement entered into between China Jianxin and China Wah Yan on 30th April 2019; (b) interest on the said outstanding principal of HK\$15,800,000.00 at the rate of 8.5% per annum from 12th March 2020 until full payment; (c) costs of the Action; and (d) further and other reliefs (the “Original Action”).

China Wah Yan filed their defence and counterclaim on 15th September 2020. According to such defence and counterclaim, China Wah Yan and Sky Clear Bright Group Limited (“Sky Bright”), the wholly owned subsidiary of the China Wah Yan counterclaim against China Jianxin, Precise Reach Group Limited, a wholly owned subsidiary of the Company, and Mr. Lam Shiu Ming, Daneil, the director and chairman of the Company for the damages to be assessed, interest, costs and further or other reliefs in relation to the alleged misrepresentation and the alleged set-off by China Wah Yan and Sky Bright in extinction or in diminution of the claim of the Original Action.

Up to the date of this report, as the exchange of evidence has not been completed, in the opinion of legal advisor, it is not practicable to assess the likely outcome of this Action.

Save as disclosed above, as at 30th June 2020, no litigation or claim of material importance is known to the Directors to be pending against either the Company or any of its subsidiaries.

46 未決訴訟(續)

- (f) 於二零二零年三月十一日，本公司之全資附屬公司中國建信信貸有限公司(「中國建信」)於香港高等法院原訟法庭對中國華仁醫療有限公司(「中國華仁」)提起訴訟，追討(其中包括)(a)根據中國建信與中國華仁於二零一九年四月三十日訂立之貸款協議之未償還結餘16,175,304.11港元(即未償還本金及截至二零二零年三月十一日之應計利息)；(b)自二零二零年三月十二日起直至悉數付款期間，上述未償還本金15,800,000.00港元按年利率8.5%計算的利息；(c)訴訟費；及(d)進一步及其他賠償(「原訴訟」)。

中國華仁於二零二零年九月十五日提出抗辯及反申索。根據該抗辯及反申索，中國華仁及中國華仁之全資附屬公司Sky Clear Bright Group Limited(「Sky Bright」)對中國建信、精達集團有限公司(本公司之全資附屬公司)及林小明先生(本公司董事兼主席)提出反申索，就聲稱失實陳述追討將予評估之損失、利息、成本及進一步或其他賠償及中國華仁及Sky Bright作出之聲稱抵銷或削減原訴訟之索償。

截至本報告日期，法律顧問認為，由於交換證據尚未完成，評估該訴訟之可能結果並不可行。

除上文所披露者外，於二零二零年六月三十日，就董事所知，本公司或任何附屬公司並無面臨任何重大未決訴訟或索償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

47 COMMITMENTS

(a) Operating leases commitments

As at 30th June 2019, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|------------|----------------------------------|
| Land and buildings | 土地及樓宇 | |
| Not later than one year | 不超過一年 | 11,390 |
| Later than one year and not later than five years | 超過一年及不超過五年 | 10,668 |
| | | 22,058 |

Certain department store counters and retail stores include payment obligations with rental varied with gross revenue. The additional rental payable (contingent rents) is determined generally by applying pre-determined percentages to future revenue less minimum lease payment of the respective leases.

The Group is the lessee in respect of a number of properties which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1st July 2019 to recognise lease liabilities relating to these leases (see note 2.1(ii)). From 1st July 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in note 2.10, and the details regarding the Group's future lease payments are disclosed in note 28.

47 承擔

(a) 經營租賃承擔

於二零一九年六月三十日，本集團根據不可撤銷之經營租賃而將於未來支付之最低租賃付款總額如下：

若干百貨公司專櫃及零售店訂有因應不同的總收入而繳交不同租金的付款責任。應付額外租金（或然租金）一般以未來收入的預定百分比減各租賃的最低租金付款釐定。

本集團為根據先前按香港會計準則第17號分類為經營租賃之多項物業之承租人。本集團已使用修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團已調整於二零一九年七月一日之期初結餘，以確認與該等租賃有關之租賃負債（見附註2.1(ii)）。自二零一九年七月一日起，未來租賃付款根據附註2.10所載政策於財務狀況表確認為租賃負債，有關本集團未來租賃付款之詳情於附註28披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

47 COMMITMENTS (Continued)

(b) Other commitments

As at 30th June 2020, the Group had commitments contracted but not provided for in these consolidated financial statements as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Purchase of film rights and production of films (Note i) | 購買電影版權及電影製作(附註i) | 74,112 | 152,806 |
| Licence agreement | 版權協議 | - | 977 |

Note i: Included in the commitment for the purchase of film rights and production of films, an amount of approximately HK\$6,001,000 is related to the joint operation arrangements of film production as at 30th June 2020 (2019: approximately HK\$79,522,000).

47 承擔(續)

(b) 其他承擔

於二零二零年六月三十日，本集團已訂約但未於綜合財務報表撥備之承擔如下：

附註i：於二零二零年六月三十日計入購買電影版權及電影製作承擔的金額約6,001,000港元(二零一九年：約79,522,000港元)與製作電影之合營安排有關。

48 FUTURE OPERATING LEASE ARRANGEMENTS

As at 30th June 2020, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Not later than one year | 不超過一年 | 675 | 1,433 |
| Later than one year and not later than five years | 超過一年及不超過五年 | - | 732 |
| | | 675 | 2,165 |

48 未來經營租賃安排

於二零二零年六月三十日，本集團根據不可撤銷之經營租賃而將於未來收取之最低租賃款項總額如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

49 RELATED PARTY TRANSACTIONS

(a) Tenancy Agreements

The following transactions related to the tenancy agreement with Universe Property Investment Limited which is wholly-owned by a director of the Company (Note a)

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|------|--------------------------------|----------------------------------|----------------------------------|
| i) | Rental expenses | - | 2,928 |
| ii) | Repayment of lease liabilities | 2,836 | - |
| iii) | Interest on lease liabilities | 92 | - |
| i) | 租金開支 | - | 2,928 |
| ii) | 償還租賃負債 | 2,836 | - |
| iii) | 租賃負債利息 | 92 | - |

Note a: Universe Digital Entertainment Limited (“UDE”), an indirect wholly-owned subsidiary of the Company, entered into a tenancy agreement with Universe Property Investment Limited (“UPI”), a company owned by Mr. Lam Shiu Ming, Daneil, the executive director of the Company, for renting (1) an industrial unit and (2) 5 carparking spaces in an industrial building for warehouse, ancillary office and carparking uses in Kwai Chung from 25th February 2018 to 24th February 2021, at a monthly rental of HK\$244,000 (the “Tenancy Agreement”) which were arrived at following arm’s length negotiation between the Group and UPI with reference to the rental valuation performed by Ravia Global Appraisal Advisory Limited, an independent property valuer, as at 22nd January 2018 which reflected the then market rent. The Group has initially applied HKFRS 16 at 1st July 2019. Under HKFRS16, the Group recognized depreciation of right-of-use assets and interest expenses of HK\$2,847,000 and HK\$92,000 respectively instead of rental expenses during the year. Further details of the changes in accounting policies are disclosed in notes 2.1(i).

49 關連人士之交易

(a) 租賃協議

以下交易與本公司一名董事全資擁有之寰宇物業投資有限公司之租賃協議有關(附註a)

附註a：本公司間接全資附屬公司寰宇數碼娛樂有限公司(「寰宇數碼娛樂」)與本公司執行董事林小明先生擁有之公司寰宇物業投資有限公司(「寰宇物業投資」)就自二零一八年二月二十五日起至二零二一年二月二十四日止以月租金244,000港元租用(1)一個工業單位及(2)坐落於葵涌一棟用作倉庫、配套辦公室及停車場的工業大廈之5個停車位訂立租賃協議，該協議由本集團與寰宇物業投資經參考獨立物業估值師瑞豐環球評估諮詢有限公司於二零一八年一月二十二日作出的租金估值(反映當時市場租金)後公平磋商釐定。本集團已於二零一九年七月一日首次應用香港財務報告準則第16號。根據香港財務報告準則第16號，本集團於年內確認使用權資產折舊及利息開支分別2,847,000港元及92,000港元，而非租金開支。有關會計政策變動之進一步詳情於附註2.1(i)披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

49 RELATED PARTY TRANSACTIONS (Continued)

(a) Tenancy Agreements (Continued)

As at 30th June 2019, the Group had total future minimum lease payments to UPI under non- cancellable operating lease falling due as follows:

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|------------|----------------------------------|
| Not later than one year | 不超過一年 | 2,928 |
| Later than one year and not later than five years | 超過一年但不超過五年 | 1,952 |
| | | 4,880 |

The Group is the lessee in respect of a number of properties which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1st July 2019 to recognise lease liabilities relating to these leases (see note 2.1(i)). From 1st July 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated balance sheet in accordance with the policies set out in note 2.10, and the details regarding the Group's future lease payments are disclosed in note 28.

49 關連人士之交易 (續)

(a) 租賃協議 (續)

於二零一九年六月三十日，本集團根據不可撤銷經營租賃應付寰宇物業投資之未來最低租賃付款總額之到期情況如下：

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|------------|----------------------------------|
| Not later than one year | 不超過一年 | 2,928 |
| Later than one year and not later than five years | 超過一年但不超過五年 | 1,952 |
| | | 4,880 |

本集團為根據先前按香港會計準則第17號分類為經營租賃之多項物業之承租人。本集團已使用修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團已調整於二零一九年七月一日之期初結餘，以確認與該等租賃有關之租賃負債(見附註2.1(i))。自二零一九年七月一日起，未來租賃付款根據附註2.10所載政策於綜合資產負債表確認為租賃負債，有關本集團未來租賃付款之詳情於附註28披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

49 RELATED PARTY TRANSACTIONS (Continued)

(b) Details of key management compensation

Key management personnel are those management members with responsibility for planning, directing and controlling the activities of the Group.

| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Salaries and other short-term employee benefits | 薪金及其他短期僱員福利 | 17,710 | 7,701 |
| Post-employment benefits | 僱員退休福利 | 36 | 36 |
| | | 17,746 | 7,737 |

(c) Transactions with an associate

During the year ended 30th June 2020, the Group purchased optical products from HK Optical for approximately HK\$9,086,000 (2019: HK\$16,825,000), sold optical products to HK Optical for approximately HK\$5,578,000 (2019: HK\$Nil), and paid licence and management fee to HK Optical for approximately HK\$698,000 (2019: HK\$905,000). The Group also received rental income from HK Optical of approximately HK\$371,000 (2019: HK\$270,000) and income for recharge expenses of motor vehicle from HK Optical of approximately HK\$52,000 (2019: HK\$Nil).

Save as disclosed above and elsewhere in these consolidated financial statements, no other material related party transactions have been entered into by the Group. The transactions were carried out after negotiations between the Group and the related parties in the ordinary course of business.

49 關連人士之交易(續)

(b) 主要管理層報酬之詳情

主要管理人員為負責計劃、指示及控制本集團活動之管理層。

(c) 與一間聯營公司之交易

截至二零二零年六月三十日止年度，本集團從茂昌眼鏡採購約9,086,000港元(二零一九年：16,825,000港元)眼鏡產品、出售約5,578,000港元(二零一九年：零港元)眼鏡產品予茂昌眼鏡，及向茂昌眼鏡支付許可及管理費約698,000港元(二零一九年：905,000港元)。本集團亦從茂昌眼鏡收取租金收入約371,000港元(二零一九年：270,000港元)及汽車充電費用收入約52,000港元(二零一九年：零港元)。

除上文及於綜合財務報表其他部分所披露者外，本集團並無訂立其他重大關連人士交易。該等交易乃於日常業務過程中經本集團及關連人士商議後進行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

50 COMPANY – LEVEL BALANCE SHEET

50 公司層面資產負債表

| | | Notes | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 |
|---|-----------------|-------|----------------------------------|----------------------------------|
| | | 附註 | | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Investments in subsidiaries | 附屬公司投資 | | 72,096 | 72,096 |
| Property, plant and equipment | 物業、機器及設備 | | – | – |
| | | | 72,096 | 72,096 |
| Current assets | | | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | | 113,088 | 402,524 |
| Deposits paid | 已付訂金 | | 243 | 560 |
| Cash and cash equivalents | 現金及現金等價物 | | 15,061 | 3,030 |
| | | | 128,392 | 406,114 |
| Total assets | 總資產 | | 200,488 | 478,210 |
| EQUITY | | | | |
| Equity attributable to the owners of the Company | | | | |
| Share capital | 股本 | 25 | 9,066 | 9,066 |
| Share premium | 股份溢價 | 27(b) | 35,013 | 35,013 |
| Other reserves | 其他儲備 | 27(b) | 597,789 | 597,789 |
| Accumulated losses | 累計虧損 | 27(b) | (465,537) | (423,440) |
| Total equity | 總權益 | | 176,331 | 218,428 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Amounts due to subsidiaries | 應付附屬公司款項 | | 21,891 | 257,284 |
| Accrued charges | 應計支出 | | 2,266 | 2,498 |
| | | | 24,157 | 259,782 |
| Total liabilities | 總負債 | | 24,157 | 259,782 |
| Total equity and liabilities | 總權益及負債 | | 200,488 | 478,210 |
| Net current assets | 流動資產淨值 | | 104,235 | 146,332 |
| Total assets less current liabilities | 總資產減流動負債 | | 176,331 | 218,428 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

50 COMPANY – LEVEL BALANCE SHEET

(Continued)

Approved and authorised for issue by the board of directors on 29th September 2020.

Lam Shiu Ming, Daneil
Director

Lam Kit Sun
Director

51 COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1st July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2.1(i).

52 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 30th June 2020, the directors consider the immediate holding company and ultimate controlling party of the Group to be Pioneer Entertainment Group Limited and Mr. Lam Shiu Ming, Daneil respectively. Pioneer Entertainment Group Limited, which is incorporated in BVI, does not produce financial statements available for public use.

50 公司層面資產負債表(續)

已於二零二零年九月二十九日獲董事會批准及授權刊發。

林小明
董事

林傑新
董事

51 比較數字

本集團已於二零一九年七月一日使用修訂追溯法首次應用香港財務報告準則第16號。在此方法下，比較資料不予重列。會計政策變動之進一步詳情於附註2.1(i)披露。

51 直接及最終控股公司

於二零二零年六月三十日，董事認為本集團的直接控股公司及最終控股方分別為Pioneer Entertainment Group Limited及林小明先生。Pioneer Entertainment Group Limited於英屬處女群島註冊成立，並無出具可供公眾人士使用的財務報表。

Principal Properties Held for Investment Purposes 持作投資用途之主要物業

HONG KONG

香港

| Location 地點 | Lot number 地段 | Type 種類 | Lease term 租賃年期 |
|---|---|-----------------------|--------------------|
| Woodland House 1-5, Woodlands Villa, 121 Tong Fuk Village, Tong Fuk, Lantau Island, New Territories, Hong Kong 香港新界大嶼山 塘福塘福村121號 林地別墅林地屋1至5號 | Lot numbers 1510 remaining part, 1511, 1516, 1518, 1519, 1522 and 1523 in Demarcation District 328 丈量約第328約地段 第1510號部分，1511號， 1516號，1518號，1519號， 1522號及1523號 | Residential 住宅 | 2047 二零四七年 |

Five Year Financial Summary

五年財務摘要

RESULTS

業績

| | | Year ended 30th June 截至六月三十日止年度 | | | | |
|--|-------------------------|------------------------------------|----------------------------------|----------------------------------|--|--|
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 (restated) (重列) | 2016 二零一六年 HK\$'000 千港元 (restated) (重列) |
| Revenue from continuing operations | 來自持續經營業務之收益 | 226,767 | 61,669 | 86,673 | 195,717 | 134,961 |
| Loss before income tax from continuing operations | 來自持續經營業務之除所得稅前虧損 | (28,506) | (118,600) | (79,700) | (121,332) | (169,547) |
| Income tax credit/(expense) from continuing operations | 來自持續經營業務之所得稅抵免/(開支) | 141 | 123 | 3,586 | (6,154) | 28,959 |
| Loss attributable to the equity holders of the Company (including discontinued operations) | 本公司權益持有人應佔虧損(包括已終止經營業務) | (27,063) | (121,200) | (135,284) | (114,328) | (140,790) |
| Special dividend | 特別股息 | - | 407,985 | - | - | - |
| Proposed final dividend | 擬派末期股息 | - | - | - | - | - |

ASSETS AND LIABILITIES

資產及負債

| | | As at 30th June 於六月三十日 | | | | |
|-------------------|-----|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2020 二零二零年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
| Total assets | 總資產 | 683,788 | 724,694 | 1,081,443 | 1,456,934 | 1,150,731 |
| Total liabilities | 總負債 | (328,896) | (343,760) | (164,470) | (443,407) | (398,810) |



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|寰宇|