



傳遞娛樂

TRANSMIT ENTERTAINMENT

TRANSMIT ENTERTAINMENT LIMITED 傳遞娛樂有限公司

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

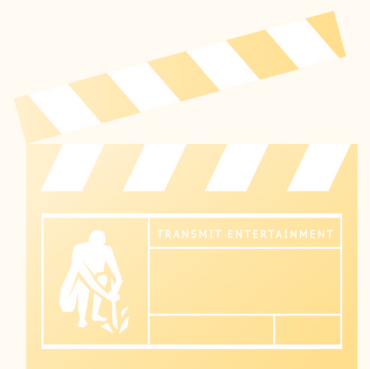
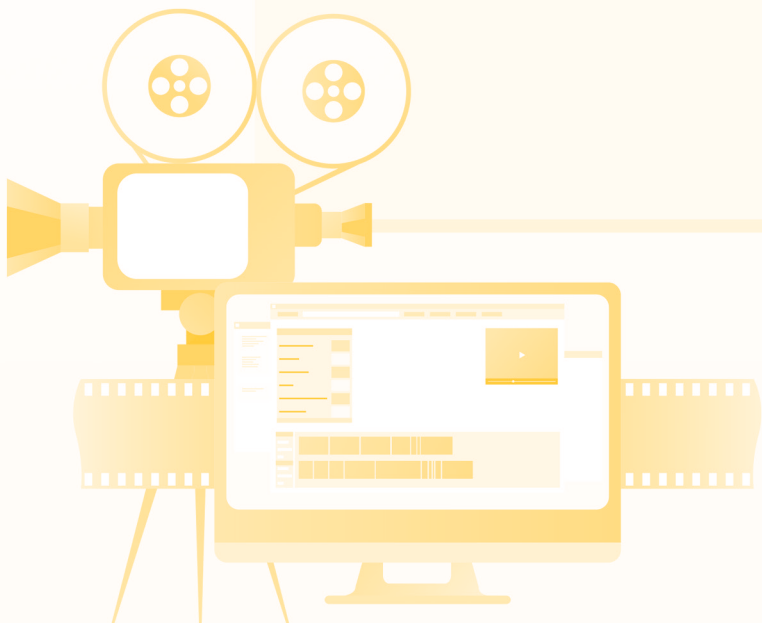
Stock Code 股份代號：1326

INTERIM REPORT 中期報告 2020/21



CONTENTS 目錄

02	Corporate Information 公司資料
04	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表
06	Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表
08	Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表
09	Condensed Consolidated Statement of Cash Flows 簡明綜合現金流量表
10	Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註
42	Management Discussion and Analysis 管理層討論及分析
55	Other Information 其他資料



CORPORATE INFORMATION

公司資料

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

CORPORATE INFORMATION

公司資料

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 31 December 2020 截至2020年12月31日止六個月

		Six months ended	
		31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Revenue	收益		
Cost of sales	銷售成本	160,779	306,633
		(67,630)	(146,065)
Gross profit	毛利	93,149	160,568
Other gains and losses	其他收益及虧損	-	(580)
Other income	其他收入	25,684	7,473
Selling and distribution expenses	銷售及發行開支	(92,924)	(91,637)
Impairment losses on trade receivables under expected credit loss model	預期信貸虧損模式項下之貿易應收款項減值虧損	-	(1,998)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	(293)	(2,507)
Impairment loss on right-of-use assets	使用權資產的減值虧損	(11,075)	(18,371)
Fair value change on contingent consideration payable	應付或然代價的公平值變動	(2,702)	(7,628)
Administrative expenses	行政開支	(48,688)	(30,472)
Net foreign exchange gains (losses)	匯兌收益(虧損)淨額	2,520	(2,732)
Finance costs	融資成本	(32,954)	(34,366)
Share of results of associates	應佔聯營公司業績	-	(855)
Loss before tax	除稅前虧損	(67,283)	(23,105)
Income tax (expense) credit	所得稅(開支)抵免	(47)	3,519
Loss for the period	期內虧損	(67,330)	(19,586)
Other comprehensive income (expense) for the period	期內其他全面收入(開支)		
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>隨後或會重新分類至損益的項目</i>		
Reclassification adjustments upon disposal of associates included in profit or loss	計入損益之聯營公司於出售後重新分類調整	-	(321)
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	(8)
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	19,021	(2,593)
		19,021	(2,922)
Total comprehensive expense for the period	期內全面開支總額	(48,309)	(22,508)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

For the six months ended 31 December 2020 截至2020年12月31日止六個月

			Six months ended	
			31 December	
			截至12月31日止六個月	
			2020	2019
		NOTE	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
			(unaudited)	(unaudited)
			(未經審核)	(未經審核)
(Loss) profit for the period attributable to:	下列人士應佔期內 (虧損)溢利：			
– Owners of the Company	– 本公司擁有人		(79,715)	(19,586)
– Non-controlling interests	– 非控股權益		12,385	–
			(67,330)	(19,586)
Total comprehensive (expense) income for the period attributable to:	下列人士應佔期內 全面(開支)收入總額：			
– Owners of the Company	– 本公司擁有人		(61,052)	(22,508)
– Non-controlling interests	– 非控股權益		12,743	–
			(48,309)	(22,508)
Loss per share	每股虧損	9		
Basic (HK cents)	基本(港仙)		(3.07)	(0.75)
Diluted (HK cents)	攤薄(港仙)		N/A 不適用	N/A 不適用

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 31 December 2020 於2020年12月31日

		NOTES 附註	31 December 2020 2020年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2020 2020年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	69,886	74,689
Right-of-use assets	使用權資產	10	601,917	668,311
Goodwill	商譽	11	480,743	448,173
Intangible assets	無形資產		95,738	102,416
Interest in a joint venture	於一間合營企業的權益		163	163
Rental deposits	租賃按金		14,077	14,878
Deferred tax assets	遞延稅項資產		289	297
			1,262,813	1,308,927
Current assets	流動資產			
Film and television series production in progress	製作中電影及電視劇	12	429,861	163,736
Inventories	存貨		4,423	1,249
Trade and other receivables	貿易及其他應收款項	13	192,485	126,281
Contract assets	合約資產		–	16,599
Rental deposits	租賃按金		13,123	13,389
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產		37,656	7,040
Restricted bank balances	受限制銀行結餘		1,187	13,098
Pledged bank deposits	已抵押銀行存款	14	21,667	21,667
Bank balances and cash	銀行結餘及現金	14	137,519	112,263
			837,921	475,322
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	15	254,856	215,806
Contract liabilities	合約負債	15	393,026	60,695
Tax payable	應付稅項		6,006	5,713
Bank and other borrowings	銀行及其他借款	16	40,238	22,000
Loans from related companies	來自關聯公司的貸款	17	–	30,303
Amount due to a controlling shareholder	應付一名控股股東款項		–	27,500
Bonds payable	應付債券		33,500	22,000
Amount due to a joint venture	應付一間合營企業款項		385	385
Contingent consideration payable	應付或然代價		220,424	145,262
Lease liabilities	租賃負債		92,105	71,962
			1,040,540	601,626
Net current liabilities	流動負債淨額		(202,619)	(126,304)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

At 31 December 2020 於2020年12月31日

			31 December 2020 2020年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2020 2020年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Total assets less current liabilities	總資產減流動負債		1,060,194	1,182,623
Non-current liabilities	非流動負債			
Deposits received	已收按金	15	383	383
Bonds payable	應付債券		18,000	29,500
Loans from related companies	來自關聯公司的貸款	17	150,039	89,721
Amount due to a controlling shareholder	應付一名控股股東款項		29,500	–
Bank and other borrowings	銀行及其他借款	16	45,000	45,000
Contingent consideration payable	應付或然代價		–	103,693
Deferred tax liabilities	遞延稅項負債		21,036	23,231
Lease liabilities	租賃負債		638,940	685,490
			902,898	977,018
Net assets	資產淨值		157,296	205,605
Capital and reserves	資本及儲備			
Share capital	股本	18	6,489	6,489
Reserves	儲備		(105,425)	(44,373)
Deficit in shareholder's equity attributable to owners of the Company	本公司擁有人應佔股東權益虧絀		(98,936)	(37,884)
Perpetual bonds	永續債		204,600	204,600
Non-controlling interests	非控股權益		51,632	38,889
Total equity	權益總額		157,296	205,605

The condensed consolidated financial statements on pages 4 to 41 were approved and authorised for issue by the Board of Directors on 26 February 2021 and are signed on its behalf by:

載於第4至第41頁之簡明綜合財務報表已獲董事會於2021年2月26日批准及授權刊發，並由以下人士代為簽署：

ZHANG LIANG, JOHNSON

張量
DIRECTOR
董事

LEE HIN KWONG, PATRICK

李憲光
DIRECTOR
董事

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 31 December 2020 截至2020年12月31日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Other reserve 其他儲備 HK\$'000 港幣千元 (Note i) (附註i)	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	Perpetual bonds 永續債 HK\$'000 港幣千元 (Note ii) (附註ii)	Non-controlling interests 非控股權益 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元	
At 1 July 2019 (audited)	於2019年7月1日(經審核)	6,489	521,046	10	1,996	(439,362)	90,179	-	(3,963)	86,216	
Loss for the period	期內虧損	-	-	-	-	(19,586)	(19,586)	-	-	(19,586)	
Reclassification adjustments upon disposal of associates included in profit or loss	計入損益之聯營公司於出售後之重新分類調整	-	-	-	(321)	-	(321)	-	-	(321)	
Share of exchange difference of a joint venture arising on translating foreign operation	應佔一間合營企業因換算海外業務產生的匯兌差額	-	-	-	(8)	-	(8)	-	-	(8)	
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	(2,593)	-	(2,593)	-	-	(2,593)	
Total comprehensive expense for the period	期內全面開支總額	-	-	-	(2,922)	(19,586)	(22,508)	-	-	(22,508)	
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	3,963	3,963	
At 31 December 2019 (unaudited)	於2019年12月31日 (未經審核)	6,489	521,046	10	(926)	(458,948)	67,671	-	-	67,671	
At 1 July 2020 (audited)	於2020年7月1日(經審核)	6,489	521,046	10	531	(565,960)	(37,884)	204,600	38,889	205,605	
Loss for the period	期內虧損	-	-	-	-	(79,715)	(79,715)	-	12,385	(67,330)	
Exchange difference arising on translating foreign operation	海外業務換算之匯兌差額	-	-	-	18,663	-	18,663	-	358	19,021	
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	-	18,663	(79,715)	(61,052)	-	12,743	(48,309)	
At 31 December 2020 (unaudited)	於2020年12月31日 (未經審核)	6,489	521,046	10	19,194	(645,675)	(98,936)	204,600	51,632	157,296	

Notes:

- (i) Other reserve represents the difference between the aggregate nominal value of the respective share capital of the companies now comprising the subsidiaries of the Company over the nominal value of the shares of the Company issued pursuant to the group reorganisation completed on 5 October 2012 to rationalise the structure of the Group in preparation for the listing of the Company's shares on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").
- (ii) On 29 June 2020, two wholly-owned subsidiaries of the Company (the "issuers") issued perpetual bonds amounting to RMB31,000,000 (equivalent to HK\$34,100,000) and RMB155,000,000 (equivalent to HK\$170,500,000), respectively to Guangzhou Puji Real Estate Agency Co. Limited ("Guangzhou Puji"), a related company in which Mr. Zhang Liang, Johnson, the Chairman and an executive director of the Company, has controlling interest, and the perpetual bonds are redeemable at the issuers' option on or after 28 June 2025. Interests are payable annually in arrears at a fixed rate of 4.5% per annum, which may be deferred at the issuers' discretion and in which event, the Company and the issuers will not declare or pay any interests or redeem, reduce, cancel or buy back or otherwise acquire any of the Company's and/or the issuers' securities of lower or equal rank.

附註:

- (i) 其他儲備指根據本集團為籌備本公司股份於香港聯合交易所有限公司(「聯交所」) GEM上市以精簡架構而於2012年10月5日完成之集團重組,現組成本公司各附屬公司的公司各自股本總面值與本公司已發行股份面值的差額。
- (ii) 於2020年6月29日,本公司兩間附屬公司(「發行人」)分別向Guangzhou Puji Real Estate Agency Co. Limited(「Guangzhou Puji」)(由本公司主席兼執行董事張量先生擁有控股權益的關聯公司)發行為數人民幣31,000,000元(相當於港幣34,100,000元)及人民幣155,000,000元(相當於港幣170,500,000元)的永續債,而發行人可選擇於2025年6月28日或之後分批贖回永續債。利息按固定年利率4.5%支付,而發行人可酌情延遲有關利息,於此情況下,本公司及發行人不會宣派或派付任何利息或贖回、削減、註銷或購回或以其他方式收購本公司及/或發行人的較低或同等級別的證券。

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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 31 December 2020 截至2020年12月31日止六個月

		Six months ended 31 December 截至12月31日止六個月	
		2020 2020年 HK\$'000 港幣千元 (unaudited) (未經審核)	2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	100,533	97,450
INVESTING ACTIVITIES	投資活動		
Withdrawal of restricted bank balances	提取受限制銀行結餘	12,210	-
Deposit for acquisition of a subsidiary	收購一間附屬公司之按金	-	(25,875)
Interest received	已收利息	311	-
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(38,000)	-
Purchase of property plant and equipment	購買物業、廠房及設備	(104)	-
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產之所得款項	9,427	-
Payment of contingent consideration payable	應付或然代價款項	(46,968)	(56,082)
Net cash inflow on disposal of subsidiaries	出售附屬公司現金流入淨額	-	5,755
Proceeds on disposal of interests in associates	出售於聯營公司的權益之所得款項	-	8,700
Dividend received from an associate	來自一間聯營公司的已收股息	-	2,800
Other investing cash flows	其他投資現金流量	-	(8)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(63,124)	(64,710)
FINANCING ACTIVITIES	融資活動		
Proceeds from loan from related companies	來自關聯公司的貸款之所得款項	20,097	22,200
Repayment of loans from related companies	償還來自關聯公司的貸款	(3,360)	-
New bank and other borrowings raised	已籌集的新增銀行及其他借款	16,800	59,407
Repayment of bank borrowing	償還銀行借款	(1,008)	(25,530)
Proceeds from issuance of bonds	發行債券所得款項	-	24,500
Interest paid	已付利息	(26,872)	(26,270)
Repayments of lease liabilities	償還租賃負債	(26,622)	(41,394)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)所得現金淨額	(20,965)	12,913
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	16,444	45,653
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	8,812	(465)
CASH AND CASH EQUIVALENTS AT 1 JULY	於7月1日之現金及現金等價物	112,263	122,035
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	於12月31日之現金及現金等價物，指銀行結餘及現金	137,519	167,223

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

1. BASIS OF PREPARATION

The condensed consolidated financial statements of Transmit Entertainment Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 December 2020 have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

As at 31 December 2020, the Group had net current liabilities of approximately HK\$202,619,000 (30 June 2020: HK\$126,304,000). The net current liabilities included contract liabilities of approximately HK\$393,026,000 (30 June 2020: HK\$60,695,000) which will be recognised as revenue upon the delivery of the film negatives and television (“TV”) series program to the customers and TV broadcast networks and shall not have any cash outflow from the Group, bank and other borrowings of HK\$40,238,000 (30 June 2020: HK\$22,000,000) which was repayable within one year, and bonds payable of HK\$33,500,000 (30 June 2020: HK\$22,000,000) which was repayable within one year with interest-bearing at a range of 6.5% to 9%.

In the opinion of the Directors, after taking into account, among other things, the financial resources available to the Group including the future cash flows to be generated from the film and TV series production and distribution, a new loan advance granted by a related company of RMB38,000,000 (equivalent to HK\$44,840,000) subsequent to the reporting date, a new loan advance granted by a controlling shareholder of RMB10,000,000 (equivalent to HK\$11,800,000) subsequent to the reporting date and the unutilised banking facilities amounting to RMB33,000,000 (equivalent to HK\$38,940,000), the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements of the Group on a going concern basis. Management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group’s ability to continue as a going concern.

1. 編製基準

傳遞娛樂有限公司(「本公司」)及其附屬公司(統稱為「本集團」)截至2020年12月31日止六個月的簡明綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號(「香港會計準則第34號」)「中期財務報告」及聯交所證券上市規則附錄十六之適用披露規定而編製。

於2020年12月31日，本集團擁有流動負債淨值約港幣202,619,000元(2020年6月30日：港幣126,304,000元)。流動負債淨值包括合約負債約港幣393,026,000元(2020年6月30日：港幣60,695,000元)(其將於電影菲林底片及電視(「電視」)劇交付予客戶及電視廣播網絡後確認為收益，及將不會從本集團作出任何現金流出)、銀行及其他借款港幣40,238,000元(2020年6月30日：港幣22,000,000元(須於一年內償還)及應付債券港幣33,500,000元(2020年6月30日：港幣22,000,000元)(按介乎6.5%至9%利率計息須於一年內償還)。

董事經考慮(其中包括)本集團可用之財務資源(包括電影及電視劇製作及發行產生之未來現金流量)、報告日期後一間關聯公司授予的新貸款墊款人民幣38,000,000元(相當於港幣44,840,000元)、報告日期後一名控股股東授予的新貸款墊款人民幣10,000,000元(相當於港幣11,800,000)及未動用銀行融資人民幣33,000,000元(相當於港幣38,940,000元)，本集團將擁有充足的營運資金以滿足其自報告期末起計未來十二個月到期的財務責任及承擔。因此，董事信納按持續經營基準編製本集團之簡明綜合財務報表屬適當。管理層並不知悉與可能使本集團之持續經營能力產生重大疑問之事件或狀況有關的任何重大不確定性。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2020 are the same as those presented in Group’s annual financial statements for the year ended 30 June 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策

簡明綜合財務報表以歷史成本基準編製，惟若干金融工具按公平值計量（如適用）。

除應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）及應用若干與本集團有關的若干會計政策造成的會計政策變動外，截至2020年12月31日止六個月的簡明綜合財務報表所用的會計政策及計算方式與本集團截至2020年6月30日止年度的年度財務報表所呈列者相同。

應用經修訂香港財務報告準則

於本中期期間，本集團已首次應用香港會計師公會頒佈的香港財務報告準則之概念框架參考的修訂及下列香港財務報告準則的修訂，該等修訂於2020年7月1日或之後開始的年度期間強制生效，以編製本集團的簡明綜合財務報表：

香港會計準則第1號及香港會計準則第8號(修訂本)	重大性之定義
香港財務報告準則第3號(修訂本)	業務的定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號(修訂本)	利率基礎改革

除下文所述外，本期應用香港財務報告準則概念框架參考的修訂及香港財務報告準則的修訂對本集團本期間及過往期間的財務狀況及表現及／或本簡明綜合財務報表所載的披露資料並無重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 *Definition of Material*

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on these condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 30 June 2021.

2. 主要會計政策(續)

2.1 應用香港會計準則第1號及香港會計準則第8號重大性之定義(修訂本)之影響

該等修訂對重大提供一個新定義，說明「倘忽略、錯誤說明或模糊某資料，可合理地預期影響提供某一特定申報實體財務資料之通用財務報表主要用家基於該等財務報表所作之決定，該等資料即屬重大」。該等修訂亦釐清就整體財務報表而言，重大性取決於資料之性質或幅度(單獨或與其他資料結合使用)。

於本期間應用該等修訂對此等簡明綜合財務報表並無影響。應用修訂之呈報及披露之變更(如有)，將於截至2021年6月30日止年度之綜合財務報表中反映。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

3A. REVENUE FROM GOODS AND SERVICES

Disaggregation of revenue from contracts with customers

3A. 貨品及服務收益

分拆來自客戶合約的收益

		Six months ended	
		31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Film and TV series production, distribution and licensing income	電影及電視劇製作、發行及發行權使用許可收入	35,968	191,565
Film exhibition income	電影放映收入	26,585	99,995
Pan entertainment income	泛娛樂收入	98,226	11,629
Others	其他	-	3,444
Total	總計	160,779	306,633
Timing of revenue recognition	確認收益時間		
At a point in time	按某個時間點	154,786	283,991
Over time	在一段時間內	5,993	22,642
Total	總計	160,779	306,633

The contracts for sales of goods and provision of services to external customers are short-term and the contract prices are fixed and agreed with the customers.

向外部客戶銷售貨品及提供服務之合約乃屬短期，合約價格乃為固定及與客戶協商。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

3B. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance is based on the following four reportable and operating segments identified under HKFRS 8 *Operating Segments* for the Group’s condensed consolidated financial statements for the period ended 31 December 2020.

- (i) Film and TV series production and distribution;
- (ii) Film exhibition;
- (iii) Pan entertainment; and
- (iv) Others

Since 1 July 2019, the Group commenced the business in pan entertainment through the Group’s PRC subsidiaries and its segment revenue and segment result were included in “others” segment for the six months ended 31 December 2019.

The accounting policies of the operating and reportable segments are the same as the Group’s accounting policies used in the preparation of the Group’s annual financial statements for the year ended 30 June 2020 except for the changes in accounting policy as disclosed in note 2. Segment (loss) profit represent the profit earned or loss incurred by each segment without allocation of certain other income, certain selling and distribution expenses, certain administrative expenses, certain finance costs, fair value change on contingent consideration payable, share of results of a joint venture, loss on disposal of subsidiaries, gain on disposal of associates and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

3B. 分部資料

本集團截至2020年12月31日止期間之簡明綜合財務報表中呈報予本公司執行董事(即主要營運決策者(「主要營運決策者」))以便進行資源分配及評估分部表現的資料乃以下列根據香港財務報告準則第8號「經營分部」識別的四個可呈報及經營分部為依據。

- (i) 電影及電視劇製作及發行；
- (ii) 電影放映；
- (iii) 泛娛樂；及
- (iv) 其他

由2019年7月1日起，本集團透過本集團的中國附屬公司開展泛娛樂業務，而其分部收益及分部業績已計入截至2019年12月31日止六個月的「其他」分部。

除附註2所披露的會計政策變動外，經營及可呈報分部的會計政策與編製本集團截至2020年6月30日止年度之年度財務報表所用的本集團會計政策相同。分部(虧損)溢利指各分部所賺取的溢利或產生的虧損，並無分配若干其他收入、若干銷售及發行開支、若干行政開支、若干融資成本應付或然代價之公平值變動、應佔一間合營企業業績、出售附屬公司虧損、出售聯營公司收益及應佔聯營公司業績。此乃就資源分配及表現評估向主要營運決策者作出報告的方式。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

3B. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the six months ended 31 December 2020
(unaudited)

3B. 分部資料(續)

以下為本集團按營運及可呈報分部劃分之收益及業績分析：

截至2020年12月31日止
六個月(未經審核)

		Film and TV series production and distribution 電影及電視劇 製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Pan entertainment 泛娛樂 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue	分部收益					
– External customers	– 外部客戶	35,968	26,585	98,226	–	160,779
Segment (loss) profit	分部(虧損)溢利	(6,529)	(77,642)	30,182	–	(53,989)
Unallocated other income	未分配的其他收入					315
Unallocated head office and corporate expenses	未分配的總部及企業開支					(8,772)
Fair value change on contingent consideration payable	應付或然代價的公平值變動					(2,702)
Finance costs	融資成本					(2,135)
Loss before tax	除稅前虧損					(67,283)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

3B. SEGMENT INFORMATION (Continued)

3B. 分部資料(續)

For the six months ended 31 December 2019
(unaudited)

截至2019年12月31日止
六個月(未經審核)

		Film and TV series production and distribution 電影及電視劇 製作及發行 HK\$'000 港幣千元	Film exhibition 電影放映 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Segment revenue	分部收益				
– External customers	– 外部客戶	191,565	99,995	15,073	306,633
Segment profit (loss)	分部溢利(虧損)	77,165	(59,310)	(13,648)	4,207
Unallocated head office and corporate expenses	未分配的總部及企業開支				(16,641)
Fair value change on contingent consideration payable	應付或然代價的公平值變動				(7,628)
Loss on disposal of subsidiaries	出售附屬公司的虧損				(4,838)
Gain on disposal of associates	出售聯營公司的收益				4,258
Finance costs	融資成本				(1,608)
Share of results of associates	應佔聯營公司業績				(855)
Loss before tax	除稅前虧損				(23,105)

As the Group's segment assets and liabilities are not regularly provided to the Group's CODM, the relevant analysis for both periods is not presented.

由於本集團之分部資產及負債並非定期提供予本集團主要營運決策者，故並無呈列於兩個期間之相關分析。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

3B. SEGMENT INFORMATION (Continued)

Geographical information

An analysis of the Group's revenue from external customers by geographical market based on where the income from film and TV series production, distribution and licensing, film exhibition and others is derived from are as below:

		Six months ended	
		31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Hong Kong and Macau	香港及澳門	28,317	110,085
The People's Republic of China (the "PRC")	中華人民共和國(「中國」)	127,238	191,965
Others	其他	5,224	4,583
		160,779	306,633

The information about its non-current assets (excluded goodwill, intangible assets, rental deposits and deferred tax assets) by geographical locations of the assets are as below:

		31 December	30 June
		2020	2020
		2020年	2020年
		12月31日	6月30日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
The PRC	中國	4,838	6,583
Hong Kong	香港	667,128	736,580
		671,966	743,163

3B. 分部資料(續)

地區資料

本集團來自外部客戶的收益按取得電影及電視劇製作、發行及授出發行權使用許可、電影放映及其他收入所在地區市場劃分的分析如下：

		Six months ended	
		31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Hong Kong and Macau	香港及澳門	28,317	110,085
The People's Republic of China (the "PRC")	中華人民共和國(「中國」)	127,238	191,965
Others	其他	5,224	4,583
		160,779	306,633

按資產所在地區劃分的本集團非流動資產(不包括商譽、無形資產、租賃按金及遞延稅項資產)如下：

		31 December	30 June
		2020	2020
		2020年	2020年
		12月31日	6月30日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
The PRC	中國	4,838	6,583
Hong Kong	香港	667,128	736,580
		671,966	743,163

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

4. OTHER GAINS AND LOSSES AND OTHER INCOME

4. 其他收益及虧損以及其他收入

		Six months ended	
		31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Other gains and losses	其他收益及虧損		
Loss on disposal of subsidiaries	出售附屬公司虧損	–	(4,838)
Gain on disposal of associates	出售聯營公司收益	–	4,258
		–	(580)
Other income	其他收入		
Handling service income	處理服務收入	561	1,532
Membership income	會員收入	242	476
Interest income	利息收入	311	334
Rent concessions (note 10)	租金豁免(附註10)	8,966	–
Government subsidy received (note)	已收政府補貼(附註)	4,971	–
Coupon sales income from film producer	來自電影製作人的套票銷量收入	1,086	2,141
Commission income from artiste management	來自藝人管理的佣金收入	2,216	–
Others	其他	7,331	2,990
		25,684	7,473

Note: The amount represents the government subsidy for the Employment Support Scheme under the Anti-epidemic Fund received from the Hong Kong Special Administrative Region Government during the current interim period ended 31 December 2020.

附註：有關款項指於截至2020年12月31日止本中期期間，香港特別行政區政府向防疫抗疫基金下的「保就業」計劃提供的政府補貼。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

5. FINANCE COSTS

5. 融資成本

		Six months ended 31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest expenses on:	就以下各項之利息開支：		
Loans from related companies (note 17)	來自關聯公司的貸款 (附註17)	3,980	8,096
Lease liabilities	租賃負債	25,234	23,131
Bank and other borrowings	銀行及其他借款	1,630	1,571
Bonds payable	應付債券	2,110	1,568
		32,954	34,366

6. INCOME TAX EXPENSE (CREDIT)

6. 所得稅開支(抵免)

		Six months ended 31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)		
– Current period	– 即期	2,242	481
Deferred tax	遞延稅項	(2,195)	(4,000)
Income tax expense (credit)	所得稅開支(抵免)	47	(3,519)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

6. INCOME TAX EXPENSE (CREDIT) (Continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

As stipulated in Cai Shui [2011] No. 112, enterprises newly established in Khorgas special economic areas during the period from 2011 to 2020 could enjoy EIT exemption for five years starting from its first profit-making year. The enterprises engaged in the encouraged industries as defined under the 《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》 (Catalogue of Key Encouraged Developing Industries for Enterprise Income Tax Benefits in Difficult Areas of Xin Jiang*). According to 《企業所得稅優惠事項備案表》，one of the Group's subsidiaries obtained the approval from the PRC tax bureau on 23 June 2018 for entitlement of EIT exemption from 1 January 2018 to 31 December 2020. One more subsidiary of the Group obtained the approval from the PRC tax bureau on 5 January 2021 for entitlement of EIT exemption from 1 January 2020 to 31 December 2024.

6. 所得稅開支(抵免)(續)

香港利得稅按兩個期間的估計應課稅溢利的16.5%計算。

於2018年3月21日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「該法案」)，當中引入利得稅兩級制。該法案於2018年3月28日經簽署成為法律，並於翌日在憲報刊登。根據利得稅兩級制，合資格公司首港幣2百萬元溢利的稅率為8.25%，而超過港幣2百萬元溢利的稅率為16.5%。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度的稅率均為25%。

其他司法權區之稅項乃按有關司法權區當時之稅率計算。

財稅[2011]112號規定，2011年至2020年期間於霍爾果斯特殊經濟開發區的新辦企業可自其首個產生溢利的年度起計五年期間獲豁免企業所得稅。當中亦鼓勵企業從事《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》所定義的受鼓勵行業。根據《企業所得稅優惠事項備案表》，本集團其中一間附屬公司於2018年6月23日獲得中國稅務局批准，自2018年1月1日至2020年12月31日期間享有企業所得稅豁免優惠。本集團另一間附屬公司於2021年1月5日獲得中國稅務局批准，自2020年1月1日至2024年12月31日期間享有企業所得稅豁免優惠。

* For identification only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

7. LOSS FOR THE PERIOD

7. 期內虧損

		Six months ended	
		31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Loss for the period has been arrived at after charging:	期內虧損乃經扣除以下各項後計算：		
Directors' emoluments	董事薪酬	2,046	2,029
Other staff costs	其他員工成本	28,152	21,781
Retirement benefit scheme contributions, excluding those of the Directors	退休福利計劃供款，不包括董事供款	2,214	1,207
Total staff costs	員工成本總額	32,412	25,017
Auditors' remuneration	核數師酬金	1,385	1,385
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,701	6,340
Depreciation of right-of-use assets	使用權資產折舊	55,592	54,342
Cost of film and television rights recognised as an expense	確認為開支的電影及電視版權成本	3,914	68,210
Short-term lessees rental expenses for premises	物業短期租賃租金開支	295	-
Contingent rents incurred for cinemas	電影院產生的或然租金	41	529
Cost of scriptwriters for film and TV services production	電影及電視劇製作編劇成本	24,377	20,806
Cost of services provided	提供服務成本	9,797	36,437
Cost of artiste and internet celebrity	藝人及網紅成本	28,117	7,145
Cost of inventories sold	出售存貨成本	1,425	1,996

8. DIVIDEND

The Directors resolved not to declare any interim dividend for both periods.

8. 股息

董事議決不就兩個期間派付任何中期股息。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

9. LOSS PER SHARE

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

		Six months ended 31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Loss	虧損		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	計算每股基本虧損的本公司擁有人應佔期內虧損	(79,715)	(19,586)

		Six months ended 31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損的普通股加權平均股數	2,595,613,733	2,595,613,733

No diluted loss per share is presented as the Company has no potential ordinary shares in issue during both periods.

9. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

		Six months ended 31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Loss	虧損		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	計算每股基本虧損的本公司擁有人應佔期內虧損	(79,715)	(19,586)

		Six months ended 31 December	
		截至12月31日止六個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic loss per share	計算每股基本虧損的普通股加權平均股數	2,595,613,733	2,595,613,733

由於本公司於兩個期間內並無已發行之潛在普通股，故並無呈列每股攤薄虧損。

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

During the current interim period, the Group acquired property, plant and equipment amounting to HK\$104,000 (six months ended 31 December 2019: HK\$341,000) for the purpose of the Group's operation.

During the current interim period, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of HK\$8,966,000 were credited to profit or loss recognised as other income as disclosed in Note 4. These rent concessions occurred as a direct consequence of COVID-19 pandemic and met of all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications.

Impairment assessments

As a result of the changes in the current economic environment related to the COVID-19 pandemic, the Group is experiencing significant decrease in the film exhibition revenue due to temporary closure of the cinemas, which represented cinema's right-of-use assets and property, plant and equipment, may be impaired. During the current interim period, the Group performed impairment testing and recognised impairment loss in profit or loss of approximately HK\$11,075,000 and HK\$293,000 (year ended 30 June 2020: HK\$28,895,000 and HK\$2,189,000) for right-of-use assets and property, plant and equipment, respectively.

11. GOODWILL

For the purpose of impairment assessment, goodwill is allocated to two individual cash generating units ("CGUs"), each comprising a subsidiary, namely Khorgas Houhai Culture Media Company Limited and its subsidiary, Beijing Juhai Culture Media Company Limited (collectively known as the "Khorgas Group") and 聞瀾(上海)文化傳媒有限公司 (Wenlan (Shanghai) Culture Communication Co., Ltd.*) ("Wenlan"). An individual CGU is considered to be impaired when its recoverable amount declines below its carrying amount. The recoverable amount is the higher of value in use and fair value less costs of disposal. During the six months ended 31 December 2020, no impairment loss has been recognised in profit or loss.

* For identification only

10. 物業、廠房及設備／使用權資產變動

於本中期期間，本集團為本集團之營運而收購物業、廠房及設備之金額為港幣104,000元(截止2019年12月31日止六個月：港幣341,000元)。

於本中期期間，因出租人寬免或豁免相關租賃而導致的租賃付款變動影響為港幣8,966,000元，已計入損益及確認為其他收入，詳情於附註4所披露。該等租金寬免乃COVID-19大流行的直接結果，符合香港財務報告準則第16.46B號的所有條件，故本集團採取實際權宜的做法，不評估該等變動是否構成租賃修訂。

減值評估

由於目前經濟環境的轉變與COVID-19疫情有關，本集團之電影放映收入大幅減少，因為電影院(代表電影院的使用權資產及物業、廠房及設備)暫時關閉，可能出現減值。於本中期期間，本集團就使用權資產及物業、廠房及設備進行減值測試，並分別於損益確認減值虧損約港幣11,075,000元及港幣293,000元(截至2020年6月30日止年度：港幣28,895,000元及港幣2,189,000元)。

11. 商譽

就減值評估而言，商譽已獲分配至兩個個現金產生單位(「現金產生單位」)，各自包括一間附屬公司，即霍爾果斯厚海文化傳媒有限公司及其附屬公司北京聚海文化傳媒有限公司(統稱為「霍爾果斯集團」)及聞瀾(上海)文化傳媒有限公司(「聞瀾」)。當一個現金產生單位的可收回金額低於其帳面金額時，該現金產生單位被視為已減值。可收回金額為使用價值與公平值減出售成本中之較高者。截至2020年12月31日止六個月，並無於損益中確認減值虧損。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

11. GOODWILL (Continued)

Khorgas Group

The calculation of the recoverable amount of Khorgas Group uses cash flow projections based on financial budgets approved by management covering a 5-year period with an average annual revenue growth rate of 2% to 8% (year ended 30 June 2020: 3% to 38%) and a pre-tax discount rate of 21% (year ended 30 June 2020: 20%) per annum as at 31 December 2020. Cash flows beyond the 5-year ended are extrapolated using a steady expected inflation rate of 3% (year ended 30 June 2020: 3%) per annum. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and budgeted costs. Such estimation is based on Khorgas Group's past performance and management's expectations for the market development. The Directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of CGU to exceed its recoverable amount.

Wenlan

The calculation of the recoverable amount of Wenlan uses cash flow projections based on financial budgets approved by management covering a 5-year period with an average annual revenue growth rate of (12%) to 10% (year ended 30 June 2020: 3% to 62%) and pre-tax discount rate of 27.9% (year ended 30 June 2020: 27.6%) per annum as at 31 December 2020. Cash flows beyond the 5-year ended are extrapolated using a steady expected inflation rate of 3% (year ended 30 June 2020: 3%) per annum. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and budgeted costs. Such estimation is based on Wenlan's past performance and management's expectations for the market development. The Directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of CGU's to exceed its recoverable amount.

The carrying amount of goodwill as at 31 December 2020 allocated to Khorgas Group and Wenlan are HK\$422,621,000 and HK\$58,122,000 (year ended 30 June 2020: HK\$393,989,000 and HK\$54,184,000), respectively.

11. 商譽(續)

霍爾果斯集團

霍爾果斯集團的可收回金額計算使用基於管理層於所批准涵蓋五年期及平均年收益增長率介乎於2%至8%(截至2020年6月30日止年度:3%至38%)之財務預算並採用於2020年12月31日的稅前每年貼現率21%(截至2020年6月30日止年度:20%)計算的現金流量預測。超過五年期止的現金流量乃使用穩定預期通貨膨脹率每年3%(截至2020年6月30日止年度:3%)推算。其他使用價值計算之主要假設與包括預算銷售及預算成本之現金流入/流出估計有關。有關估計根據霍爾果斯集團的過往表現及管理層對市場發展之預期作出。董事相信,此等假設之任何合理可能變動將不會導致現金產生單位賬面值超出其可收回金額。

聞瀾

聞瀾的可收回金額計算使用基於管理層於所批准涵蓋五年期及平均年收益增長率介乎於(12%)至10%(截至2020年6月30日止年度:3%至62%)之財務預算並採用於2020年12月31日的稅前每年貼現率27.9%(截至2020年6月30日止年度:27.6%)計算的現金流量預測。超過五年期止的現金流量乃使用穩定預期通貨膨脹率每年3%(截至2020年6月30日止年度:3%)推算。其他使用價值計算之主要假設與包括預算銷售及預算成本之現金流入/流出估計有關。有關估計根據聞瀾的過往表現及管理層對市場發展之預期作出。董事相信,此等假設之任何合理可能變動將不會導致現金產生單位賬面值超出其可收回金額。

於2020年12月31日分配予霍爾果斯集團及聞瀾的商譽的賬面值分別為港幣422,621,000元及港幣58,122,000元(截至2020年6月30日止年度:港幣393,989,000元及港幣54,184,000元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

12. FILM AND TELEVISION RIGHTS AND FILM AND TELEVISION SERIES PRODUCTION IN PROGRESS

12. 電影及電視劇版權及製作中電影及電視劇

		Film and television rights 電影及電視劇版權 HK\$'000 港幣千元	Film and television series production in progress 製作中電影及電視劇 HK\$'000 港幣千元
COST	成本		
At 1 July 2019	於2019年7月1日	913,930	174,078
Additions	添置	–	190,791
Disposal of subsidiaries	出售附屬公司	(8,142)	–
Transfer	轉撥	156,237	(156,237)
Exchange adjustments	匯兌調整	–	(5,021)
		1,062,025	203,611
At 30 June 2020	於2020年6月30日	1,062,025	203,611
Additions	添置	–	250,562
Transfer	轉撥	3,914	(3,914)
Exchange adjustments	匯兌調整	–	19,477
		1,065,939	469,736
At 31 December 2020	於2020年12月31日	1,065,939	469,736
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值		
At 1 July 2019	於2019年7月1日	909,143	39,875
Charged for the period	期內支銷	161,024	–
Disposal of subsidiaries	出售附屬公司	(8,142)	–
		1,062,025	39,875
At 30 June 2020	於2020年6月30日	1,062,025	39,875
Charged for the period	期內支銷	3,914	–
		1,065,939	39,875
At 31 December 2020	於2020年12月31日	1,065,939	39,875
CARRYING AMOUNTS	賬面值		
At 31 December 2020 (unaudited)	於2020年12月31日(未經審核)	–	429,861
At 30 June 2020 (audited)	於2020年6月30日(經審核)	–	163,736

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

13. TRADE AND OTHER RECEIVABLES

The aged analysis of the Group's trade receivables, net of allowance for credit losses, based on the invoice date which approximates the respective revenue recognition dates, at the end of the reporting period is as follows:

		31 December 2020 2020年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2020 2020年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Trade receivables:	貿易應收款項：		
0-30 days	0至30日	17,250	6,121
31-60 days	31至60日	5,232	5,218
61-90 days	61至90日	715	70
91-180 days	91至180日	-	1,093
181-365 days	181至365日	28,852	66,468
		52,049	78,970
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	20,120	10,038
Prepayment to suppliers	預付供應商款項	30,887	16,629
Prepayment of interest to bondholders	預付債券持有人利息	1,119	1,128
Prepayment for artiste management agency and scriptwriters	藝人管理經紀及編劇的預付款項	30,533	4,160
Other deposits and prepayments for cinema operation	電影院業務的其他按金及預付款項	2,771	2,213
Other receivables TV series producers	電視劇製作人的其他應收款項	31,529	8,637
Other tax recoverable	其他可收回稅項	23,477	4,506
		192,485	126,281

Generally, with the exception of PRC TV series production customers and post-production customers, who are generally granted credit period ranging from 30 to 90 days, no credit period is granted to the Group's customers. Distribution and licensing fee from distributors in Hong Kong, the PRC and overseas countries are normally settled upon delivery of film negatives to them. On a case-by-case basis, one to two months of credit period may be granted to its customers with good repayment history.

13. 貿易及其他應收款項

於報告期末，本集團貿易應收款項(經扣除信貸虧損撥備)按發票日期(大致為各自之收益確認日期)的賬齡分析如下：

	31 December 2020 2020年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2020 2020年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
貿易應收款項：		
0至30日	17,250	6,121
31至60日	5,232	5,218
61至90日	715	70
91至180日	-	1,093
181至365日	28,852	66,468
	52,049	78,970
其他應收款項、按金及預付款項	20,120	10,038
預付供應商款項	30,887	16,629
預付債券持有人利息	1,119	1,128
藝人管理經紀及編劇的預付款項	30,533	4,160
電影院業務的其他按金及預付款項	2,771	2,213
電視劇製作人的其他應收款項	31,529	8,637
其他可收回稅項	23,477	4,506
	192,485	126,281

一般而言，除中國電視劇製作客戶及後期製作客戶一般獲授介乎30至90日的信貸期外，本集團並無向其客戶授出任何信貸期。應收香港、中國及海外國家發行商的發行及發行權使用許可費用通常於向彼等交付電影菲林底片時結算。本集團可按個案基準向具備良好還款記錄的客戶授出一至兩個月的信貸期。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

13. TRADE AND OTHER RECEIVABLES (Continued)

These trade receivables relate to a number of independent customers that have a good repayment history. Included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$29,442,000 (year ended 30 June 2020: HK\$15,173,000) as at 31 December 2020 which are past due as at the reporting date. Included in the past due balances, allowance of credit losses of HK\$2,998,000 (year ended 30 June 2020: HK\$2,998,000) has been provided as of 31 December 2020. The Group does not hold any collateral or credit enhancements over these balances.

14. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

At 31 December 2020, amount of HK\$667,000 (year ended 30 June 2020: HK\$667,000) has been pledged to a bank to secure the 4Dx's equipment rental fees payable to a supplier of 4Dx equipment for the Group's operation in the lease premises in accordance with the 4Dx equipment rental agreement dated 20 August 2015. The pledged bank deposit carries interest at a fixed rate of 0.2% (year ended 30 June 2020: 0.2%) per annum and it will be mature on 23 February 2021 (year ended 30 June 2020: 20 August 2020).

In addition, at 31 December 2020, the Group has pledged a bank deposit of HK\$21,000,000 (year ended 30 June 2020: HK\$21,000,000) which carries interest at a fixed rate of 2.3% per annum (year ended 30 June 2020: 0.3%) and is pledged to a bank to secure the bank borrowings granted to the Group. The pledged bank deposits will be released upon the repayment of the relevant borrowings.

Bank balances and cash of the Group carry interest at market rates ranging from 0.01% to 0.35% (year ended 30 June 2020: 0.01% to 0.29%) per annum as at 31 December 2020.

13. 貿易及其他應收款項(續)

該等貿易應收款項與多名具備良好還款記錄的獨立客戶有關。本集團貿易應收款項結餘包括於2020年12月31日賬面總值為港幣29,442,000元(截至2020年6月30日止年度：港幣15,173,000元)的應收賬款，於報告日期已逾期。截至2020年12月31日，已就計入已逾期結餘的信貸虧損港幣2,998,000元(截至2020年6月30日止年度：港幣2,998,000元)計提撥備。本集團並無就該等結餘持有任何抵押品或採取信用加強措施。

14. 已抵押銀行存款以及銀行結餘及現金

於2020年12月31日，港幣667,000元(截至2020年6月30日止年度：港幣667,000元)已抵押予銀行以為根據日期為2015年8月20日的4Dx設備租賃協議就本集團於租賃物業營運而應付予4Dx設備供應商的4Dx設備租賃費提供擔保。已抵押銀行存款按固定年利率0.2%(截至2020年6月30日止年度：0.2%)計息，並將分別於2021年2月23日到期(截至2020年6月30日止年度：2020年8月20日)。

此外，於2020年12月31日，本集團的已抵押銀行存款港幣21,000,000元(截至2020年6月30日止年度：港幣21,000,000元)按固定年利率2.3%計息(截至2020年6月30日止年度：0.3%)，且抵押予銀行以擔保授予本集團的銀行借款。已抵押銀行存款將於償還相關借款後提取。

於2020年12月31日，本集團銀行結餘及現金乃按市場年利率0.01%至0.35%計息(截至2020年6月30日止年度：0.01%至0.29%)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

15. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

15. 貿易及其他應付款項／合約負債

		31 December	30 June
		2020	2020
		2020年	2020年
		12月31日	6月30日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
Trade payables	貿易應付款項	43,045	29,846
Other payables and accruals	其他應付款項及應計費用	34,172	40,008
Investment funds from investors (note i)	來自投資者的投資基金 (附註i)	28,637	22,481
Advances from former shareholders of subsidiaries acquired (note iii)	來自被收購附屬公司前任股東的墊款(附註iii)	37,618	35,068
Consideration payable in respect of acquisition of a subsidiary	有關收購一間附屬公司的應付代價	56,965	52,800
Deposits received (note ii)	已收按金(附註ii)	1,298	929
Payable to film producers (note v)	應付電影製作人款項(附註v)	27,606	22,729
Accrued service fee for artiste management and TV series production (note vi)	有關演員管理及電視劇製作的應計服務費用(附註vi)	25,898	12,328
		255,239	216,189
Less: amount shown under non-current liabilities (note ii)	減：非流動負債項下呈列之金額 (附註ii)	(383)	(383)
Amount shown under current liabilities	流動負債項下呈列之金額	254,856	215,806
Contract liabilities (note iv)	合約負債(附註iv)	393,026	60,695

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

15. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES (Continued)

The average credit period on purchases of goods is 60 to 90 days. The aging analysis of trade payables presented is based on the invoice date at the end of the reporting period. The following is analysis of the Group's trade payables at the end of the reporting period:

		31 December 2020 2020年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2020 2020年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Within 60 days	60日內	13,708	13,353
Within 61 to 90 days	61至90日	2,409	-
Within 91 to 365 days	91至365日	21,890	16,493
Over 365 days	超過365日	5,038	-
		43,045	29,846

Notes:

- (i) The investment funds from investors represent the share of return on investments to other investors of TV series produced by the Group.
- (ii) Deposits received represent deposits received from a cinema circuit operator in Hong Kong for a film to be theatrical release in Hong Kong and licensing deposits received from the licensee which are refundable at the expiry of the licenses. As at 31 December 2020, an amount of deposits received of HK\$915,000 (year ended 30 June 2020: HK\$546,000) will expire within 1 year and therefore the amount was classified as current liabilities. The remaining amount of HK\$383,000 (year ended 30 June 2020: HK\$383,000) will expire in February 2022 (year ended 30 June 2020: February 2022) and therefore, the amount was classified as non-current liabilities.

附註：

- (i) 來自投資者的投資基金指本集團所製作的電視劇的其他投資者之投資回報份額。
- (ii) 已收按金指就將在香港影院放映的一部電影已收香港電影院線運營商按金及自獲特許權人收取的於特許權屆滿時可退還的特許權按金。於2020年12月31日，已收取港幣915,000元的按金(截至2020年6月30日止年度：港幣546,000元)將於一年內到期，因此該金額被分類為流動負債。餘下港幣383,000元(截至2020年6月30日止年度：港幣383,000元)將於2022年2月到期(截至2020年6月30日止年度：2022年2月)，因此，該金額被分類為非流動負債。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

15. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES (Continued)

Notes: (Continued)

- (iii) The advances from former shareholder of subsidiaries acquired were non-trade related, unsecured, interest-free and repayable on demand.
- (iv) Deposits are received by the Group as the instalments of contribution from the PRC co-producers for film and TV series production in progress and advances of distribution and licensing income received from distributors prior to release and delivery of film negatives and TV series program. Payment terms are negotiated in contract by contract basis. When the Group receives certain percentage of deposits as an advance payment upon signing the contract, this will give rise to contract liabilities at the start of a contract, until the revenue is recognised upon the relevant performance obligation is fulfilled.
- (v) The amounts represented the payable due to the film producers who placed their films to be released in the Group's film exhibition and the films had been completed its theatrical release as at the six months ended 31 December 2020.
- (vi) The amounts represented the accrued services fee payable to the artiste management agency, film director and scriptwriters of TV series production.

15. 貿易及其他應付款項／合約負債(續)

附註：(續)

- (iii) 來自被收購附屬公司前任股東的墊款屬非貿易性質、無抵押、免息及須按要求償還。
- (iv) 本集團已收按金指中國聯合製片商就製作中電影及電視劇作出的分期出資及於影院放映及交付電影及電視劇菲林底片前已收發行商的發行及發行權使用許可收入預收款項。付款期限根據合約於合約內磋商。當本集團於簽訂合約後收取若干百分比的訂金作為預收款項時，會於合約開始時產生合約負債，直至相關履約責任完成後確認收益為止。
- (v) 有關款項指應付電影製作人款項，電影製作人的電影將於本集團電影放映上映，而有關電影已於截至2020年12月31日止六個月完成其影院放映。
- (vi) 有關款項指應付有關演員管理經紀、電影監製及電視劇製作編劇的應計服務費用。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

16. BANK AND OTHER BORROWINGS

16. 銀行及其他借款

		31 December 2020 2020年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2020 2020年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Fixed-rate bank borrowings	定息銀行借款		
– Secured and unguaranteed (note i)	– 有抵押及未擔保(附註i)	18,998	18,700
– Unsecured and guaranteed (note ii)	– 未抵押及有擔保(附註ii)	21,240	3,300
		40,238	22,000
Unsecured other borrowing (note iii)	未抵押其他借款(附註iii)	45,000	45,000
		85,238	67,000
Analysis as:	分析為：		
– Current liabilities	– 流動負債	40,238	22,000
– Non-current liabilities	– 非流動負債	45,000	45,000
		85,238	67,000

The Group's bank borrowings are repayable within one year and denominated in RMB.

本集團銀行借款須於一年內償還及以人民幣計值。

Notes:

附註：

- (i) The amount represents a bank borrowing of RMB16,100,000 (equivalent to HK\$18,998,000) (year ended 30 June 2020: RMB17,000,000 (equivalent to HK\$18,700,000)) as at 31 December 2020. The bank borrowing was repayable on demand and secured by a bank deposit of HK\$21,000,000. The effective interest rate of the bank borrowing is fixed at 4.8% per annum. The Group was partially settled this bank borrowing of RMB900,000 (equivalent to HK\$1,008,000) during the current interim period.

- (i) 有關款項指於2020年12月31日的銀行借款人民幣16,100,000元(相當於港幣18,998,000元)(截至2020年6月30日止年度：人民幣17,000,000元(相當於港幣18,700,000元))。有關銀行借款須按要求償還，並以銀行存款港幣21,000,000元作抵押。有關銀行借款按固定實際年利率4.8%計息。本集團已於本中期間部份結付此銀行借款人民幣900,000元(相當於港幣1,008,000元)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

16. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

- (ii) The Group obtained new bank borrowings of RMB15,000,000 (equivalent to HK\$17,700,000) during the current interim period. The bank borrowings were unsecured, repayable within one year and guaranteed by a controlling shareholder subsidiaries of the Group and an insurance company. The effective interest rate of the bank borrowings is fixed at 4.9% per annum. The remaining amount represents a bank borrowing of RMB3,000,000 (equivalent to HK\$3,540,000) (year ended 30 June 2020: RMB3,000,000 (equivalent to HK\$3,300,000)) as at 31 December 2020. The bank borrowing was unsecured, repayable on demand and guaranteed by an insurance company. The effective interest rate of the bank borrowing is fixed at 4.5% per annum.
- (iii) The other borrowing is due to Pure Project Limited in which Mr. Wong Pak Ming ("Mr. Wong") (who resigned as executive director of the Company on 1 April 2019) has controlling interests during the period ended 31 December 2020 and 30 June 2020. The other borrowing of HK\$45,000,000 as at 30 June 2020 was unsecured interest-free and repayable on demand. During the current interim period, the Group obtained an extension of maturity date of the other borrowing from Pure Project Limited for more than one year and therefore, the other borrowing is unsecured, interest-free and classified as non-current liabilities.

16. 銀行及其他借款(續)

附註：(續)

- (ii) 於本中期期間，本集團獲得新銀行借款人民幣15,000,000元(相當於港幣17,700,000元)。銀行借款為無抵押，須於一年內償還，並由一名控股股東、本集團附屬公司及一間保險公司提供擔保。有關銀行借款按固定實際年利率4.9%計息。剩餘款項指於2020年12月31日的銀行借款人民幣3,000,000元(相當於港幣3,540,000元)(截至2020年6月30日止年度：人民幣3,000,000元(相當於港幣3,300,000元))。有關銀行借款為無抵押，須按要求償還，並由一間保險公司提供擔保。有關銀行借款按固定實際年利率4.5%計息。
- (iii) 其他借款為應付黃栢鳴先生(「黃先生」)(於2019年4月1日辭任本公司執行董事)於截至2020年12月31日及2020年6月30日止期間擁有控股權益的盧威有限公司的款項。於2020年6月30日的其他借款港幣45,000,000元為無抵押、免息及須按要求償還。於本中期期間，本集團自盧威有限公司取得其他借款超過一年的延長期限，故其他借款為無抵押、免息及分類為非流動負債。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

17. LOANS FROM RELATED COMPANIES

Members of the key management of the Group have controlling interests over the related companies.

17. 來自關聯公司的貸款

本集團主要管理層成員於關聯公司擁有控股權益。

		31 December 2020 2020年 12月31日 HK\$'000 港幣千元 (unaudited) (未經審核)	30 June 2020 2020年 6月30日 HK\$'000 港幣千元 (audited) (經審核)
Loans from related companies	來自關聯公司的貸款		
– Loan 1 (note i)	– 貸款1(附註i)	28,090	25,303
– Loan 2 (note ii)	– 貸款2(附註ii)	99,489	89,721
– Loan 3 (note iii)	– 貸款3(附註iii)	8,300	5,000
– Loan 4 (note iv)	– 貸款4(附註iv)	14,160	–
		150,039	120,024
Analysis as:	分析為：		
– Current liabilities	– 流動負債	–	30,303
– Non-current liabilities	– 非流動負債	150,039	89,721
		150,039	120,024

Notes:

- (i) The amount represents a loan advance from Guangzhou Puji, a related company in which Mr. Zhang has controlling interests. The amount of loan advance plus the accrued loan interest as at 31 December 2020 amounted to RMB23,805,000 (equivalent to HK\$28,090,000) (30 June 2020: RMB23,000,000 (equivalent to HK\$25,303,000)). The loan advance was unsecured, interest bearing at 7% per annum and repayable on 18 June 2021. During the current interim period, the Group signed an extension agreement with Guangzhou Puji to extend the repayment date from 18 June 2021 to 30 July 2022 and therefore the amount was classified as non-current liabilities as at 31 December 2020.

附註：

- (i) 有關款項指來自 Guangzhou Puji Real Estate Agency Co. Limited (一間張先生擁有控股權益的關聯公司) 的貸款墊款。於2020年12月31日，貸款墊款金額再加上應計貸款利息為人民幣23,805,000元(相當於港幣28,090,000元)(2020年6月30日：人民幣23,000,000元(相當於港幣25,303,000元))。貸款墊款為無抵押、按年利率7%計息及須於2021年6月18日償還。於本中期期間，本集團與Guangzhou Puji簽訂延長協議，以將償還日期由2021年6月18日延長至2022年7月30日，因此，於2020年12月31日，有關款項被分類為非流動負債。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

17. LOANS FROM RELATED COMPANIES

(Continued)

Notes: (Continued)

- (ii) The amount represents loan advances from Guangzhou Black Hole Investment Limited (“Black Hole”), a company in which Mr. Zhang has controlling interests. The amount of loan advances plus the accrued loan interest as at 31 December 2020 amounted to RMB84,313,000 (equivalent to HK\$99,489,000) (30 June 2020: RMB81,564,000 (equivalent to HK\$89,721,000)). The loan advances were unsecured and interest bearing at 7% per annum and repayable in July 2021 and August 2021, respectively and was subsequently agreed to revise the repayment date to 30 July 2022 and therefore the amounts were classified as non-current liabilities as at 31 December 2020.
- (iii) During the current interim period, the Group obtained a new loan advance of HK\$3,300,000 from Skynova International Limited (“Skynova”), a company in which Mr. Zhang has controlling interests. The loan advance was unsecured, non-interest bearing and repayable on 30 July 2022. At 30 June 2020, the Group borrowed the loan advance from Skynova of HK\$5,000,000 in which the loan advance was unsecured, non-interest bearing and repayable on 31 December 2020. On 1 May 2020, the Group signed an extension agreement with Skynova to extend the repayment date of the loan advance of HK\$5,000,000 from 31 December 2020 to 30 July 2022 and therefore the aggregate loan advances of HK\$8,300,000 were classified as non-current liabilities as at 31 December 2020.
- (iv) The Group obtained a new loan advance of RMB15,000,000 (equivalent to HK\$16,800,000) from Guangzhou Puji in July 2020 and settled RMB3,000,000 (equivalent to HK\$3,360,000) during the current interim period. The loan advance was unsecured and non-interest bearing. On 31 December 2020, the Group signed an extension agreement with Guangzhou Puji to extend the repayment date from June 2021 to July 2022 and therefore the loan advance was classified as non-current liabilities as at 31 December 2020.

17. 來自關聯公司的貸款(續)

附註：(續)

- (ii) 有關款項指來自 Guangzhou Black Hole Investment Limited (「Black Hole」)(一間張先生擁有控股權益的公司)的貸款墊款。於2020年12月31日，貸款墊款金額加上應計貸款利息為人民幣84,313,000元(相當於港幣99,489,000元)(2020年6月30日：人民幣81,564,000元(相當於港幣89,721,000元))。該等貸款墊款為無抵押及按年利率7%計息以及分別須於2021年7月及2021年8月償還，並於其後獲同意修訂償還日期至2022年7月30日，因此，於2020年12月31日，該等款項被分類為非流動負債。
- (iii) 於本中期期間，本集團獲得來自 Skynova International Limited (「Skynova」)(一間張先生擁有控股權益的公司)的新貸款墊款港幣3,300,000元。有關貸款墊款為無抵押、免息及須於2022年7月30日償還。於2020年6月30日，本集團向 Skynova 借入貸款墊款港幣5,000,000元，有關貸款墊款為無抵押、免息及須於2020年12月31日償還。於2020年5月1日，本集團與 Skynova 簽訂一份延長協議，以將貸款墊款港幣5,000,000元的償還日期由2020年12月31日延長至2020年7月30日，因此，於2020年12月31日，貸款墊款總額港幣8,300,000元被分類為非流動負債。
- (iv) 本集團於2020年7月獲得來自 Guangzhou Puji 的新貸款墊款人民幣15,000,000元(相當於港幣16,800,000元)，並已於本中期期間結付人民幣3,000,000元(相當於港幣3,360,000元)。有關貸款墊款為無抵押及免息。於2020年12月31日，本集團與 Guangzhou Puji 簽訂延長協議，以將貸款墊款的償還日期由2021年6月延長至2022年7月，因此，於2020年12月31日，有關貸款墊款被分類為非流動負債。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

18. SHARE CAPITAL

18. 股本

		Number of Share 股份數目	share capital 股本 HK\$'000 港幣千元
Ordinary shares of HK\$0.0025 each:	每股面值港幣0.0025元的普通股：		
Authorised:	法定：		
At 1 July 2019, 30 June 2020 (audited) and 31 December 2020 (unaudited)	於2019年7月1日、2020年6月30日 (經審核)及2020年12月31日 (未經審核)	32,000,000,000	80,000
Issued and fully paid:	已發行及繳足：		
At 1 July 2019, 30 June 2020 (audited) and 31 December 2020 (unaudited)	於2019年7月1日、2020年6月30日 (經審核)及2020年12月31日 (未經審核)	2,595,613,733	6,489

19. SHARE-BASED PAYMENT TRANSACTIONS

19. 以股份為基礎付款的交易

Share option scheme

The Company's share option scheme (the "Scheme") was approved and adopted by the sole shareholder on 5 October 2012 for the primary purpose to grant options to eligible persons as incentives or rewards for their contribution to the Group.

Under the Scheme, the Directors may, at its discretion, grant options pursuant to the Scheme to the Directors (including executive directors, non-executive directors and independent non-executive directors), employees, advisors and consultants of the Company and its subsidiaries who the Directors consider, in its absolute discretion, have contributed or will contribute to the Group (the "Participants").

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

購股權計劃

本公司的購股權計劃(「該計劃」)於2012年10月5日獲唯一股東批准及採納，主要目的為向合資格人士授出購股權，作為彼等對本集團作出貢獻的獎勵或回報。

根據該計劃，董事可酌情根據該計劃向其全權認為對本集團已作出或將作出貢獻的董事(包括執行董事、非執行董事及獨立非執行董事)、本公司及其附屬公司的僱員、顧問及諮詢人士(「參與者」)授出購股權。

未經本公司股東事先批准，根據該計劃可能授出的購股權所涉及的股份總數不得超過本公司任何時候已發行股份的10%。未經本公司股東事先批准，於任何一年內向任何人士授出及可能授出的購股權所涉及的已發行及將發行的股份數目不得超過本公司任何時候已發行股份的1%。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

19. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Share option scheme (Continued)

The Scheme shall be valid and effective for a period of 10 years commencing on 5 October 2012. Options granted during the life of the Scheme shall continue to be exercisable in accordance with their terms of grant. The exercise price is determined by the Directors and will not be less than the highest of (i) the closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares. Upon acceptance of the option, the Participants shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of 28 days from the date of grant.

For the six months ended 31 December 2020 and 2019, there was no share option granted under the Scheme by the Company. There was no share option outstanding as at 31 December 2020 and 30 June 2020.

19. 以股份為基礎付款的交易(續)

購股權計劃(續)

該計劃自2012年10月5日起計十年內有效。該計劃有效期內授出的購股權根據授出條款可繼續予以行使。行使價由董事釐定，且不會低於以下三者的最高者：(i)於授出日期(必須為交易日)聯交所發佈的每日報價表所示股份收市價；(ii)緊接授出日期前五個交易日聯交所發佈的每日報價表所示股份平均收市價；及(iii)本公司股份面值。於接納購股權時，參與者須向本公司支付港幣1.00元，作為獲授購股權的代價。購股權的接納期為授出日期起計28日。

截至2020年及2019年12月31日止六個月，本公司概無根據該計劃授出購股權。於2020年12月31日及2020年6月30日，概無尚未行使購股權。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

20. RELATED PARTY DISCLOSURES

Apart from the balances with related parties as disclosed in Note 17, during the current interim period, the Group also entered into the following significant transactions with related parties:

20. 關聯方披露

除附註17所披露之與關聯方之結餘外，於本中期期間，本集團亦與關聯方訂立以下重大交易：

Name of related party 關聯方名稱	Notes 附註	Nature of transaction 交易性質	Six months ended 31 December 截至12月31日止六個月	
			2020 2020年 HK\$'000 港幣千元 (unaudited) (未經審核)	2019 2019年 HK\$'000 港幣千元 (unaudited) (未經審核)
Mandarin Motion Pictures Production Limited ("Mandarin Motion") 東方影業製作有限公司(「東方」)	(a)	Production service and film processing fees 製作服務以及電影菲林沖印費	—	1,894
Guangzhou Seedland Real Estate Development Limited ("Guangzhou Seedland") 廣州實地房地產開發有限公司 (「廣州實地」)	(b)	Interest expenses 利息開支	—	8,096
Black Hole Black Hole	(b)	Interest expenses 利息開支	3,078	—
Guangzhou Puji Guangzhou Puji	(b)	Interest expenses 利息開支	902	—

Notes:

- (a) The production, film distribution service and film processing service income were received from Mandarin Motion in which Ms. Wong Kit Fong, the sister of Mr. Wong, has controlling interests.
- (b) The interest expenses were incurred to Guangzhou Seedland, Black Hole and Guangzhou Puji for the loan advances made to the Group in which Guangzhou Seedland, Black Hole and Guangzhou Puji is beneficially owned by Mr. Zhang, the controlling shareholder and the executive director of the Company.

附註：

- (a) 該製作、電影發行服務及電影菲林沖印服務收入乃向東方收取，而黃先生的胞妹黃潔芳女士擁有該公司的控股權益。
- (b) 該利息開支乃就廣州實地、Black Hole及Guangzhou Puji向本集團提供貸款墊款而產生，廣州實地、Black Hole及Guangzhou Puji由本公司控股股東及執行董事張先生實益擁有。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The level in the fair value hierarchy within which the financial asset and financial liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

21. 金融工具之公平值計量

金融資產及金額負債整體所應歸入的公平值層級內的等級，應基於對公平值計量具有重大意義的最低等級輸入數據。

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產／金融負債	於以下日期的公平值		公平值層級	估值方法及 關鍵輸入數據	重大不可觀察 輸入數據	不可觀察輸入數據 與公平值的關係
	31 December	30 June				
	2020	2020				
	2020年	2020年				
	12月31日	6月30日				
	HK\$'000	HK\$'000				
	港幣千元	港幣千元				
Financial assets at FVTPL	37,656	7,040	Level 2	Discounted cash flow method was used and future cash flows are estimated based on the contractual terms of wealth management products and discounted at a rate that reflects the credit risk of the counterparties.	Nil	The higher the estimated discount rate, the lower the fair value.
按公平值計入損益之 金融資產	37,656	7,040	第二級	根據財富管理產品的合約條款及反映對手方信貸風險的利率，採用貼現現金流量法及估計未來現金流量。	無	預期貼現率愈高，公平值愈低。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

21. 金融工具之公平值計量(續)

Financial assets/ financial liabilities	Fair value as at	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
金融資產／金融負債	於以下日期的公平值	公平值層級	估值方法及 關鍵輸入數據	重大不可觀察 輸入數據	不可觀察輸入數據 與公平值的關係
	31 December 2020 2020年 12月31日 HK\$'000 港幣千元	30 June 2020 2020年 6月30日 HK\$'000 港幣千元			
Contingent consideration payable	220,424	248,955	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Discount rate of 7% per annum The higher the estimated discount rate, the lower the fair value.
應付或然代價	220,424	248,955	第三級	根據概約貼現率， 採用貼現現金流 量法用作計算或 然代價所產生的 預期現金流出的 現值。	貼現年利率7% 預期貼現率愈高， 公平值愈低。

Note: A slight increase in the discount rate used in isolation would result in a slight decrease in the fair value measurement of the contingent consideration payable, and vice versa. A 5% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the contingent consideration payable by HK\$451,000 (six months ended 31 December 2019: HK\$538,000).

附註：單獨使用的貼現率的輕微增加將導致應付或然代價的公平值計量輕微減少，反之亦然。在所有其他變量保持不變的前提下，貼現率上升／下降5%，將會減少／增加應付或然代價的賬面值港幣451,000元（截至2019年12月31日止六個月：港幣538,000元）。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 31 December 2020 截至2020年12月31日止六個月

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

The following table represents the reconciliation of level 3 fair value measurements:

21. 金融工具之公平值計量(續)

下表列示公平值計量第三級的對賬：

		Contingent consideration payable
		應付或然代價
		HK\$'000
		港幣千元
At 1 July 2019 (audited)	於2019年7月1日(經審核)	317,390
Fair value change in the profit or loss	於損益中的公平值變動	7,628
Settlements	結付	(64,047)
Exchange adjustments	匯兌調整	(2,735)
At 31 December 2019 (unaudited)	於2019年12月31日(未經審核)	258,236
At 1 July 2020 (audited)	於2020年7月1日(經審核)	248,955
Fair value change in the profit or loss	於損益中的公平值變動	2,702
Settlements	結付	(46,967)
Exchange adjustments	匯兌調整	15,734
At 31 December 2020 (unaudited)	於2020年12月31日(未經審核)	220,424
		31 December 2020
		2020年12月31日
		HK\$'000
		港幣千元
		(unaudited)
		(未經審核)
		30 June 2020
		2020年6月30日
		HK\$'000
		港幣千元
		(audited)
		(經審核)
Analysis as:	分析為：	
Current liabilities	流動負債	220,424
Non-current liabilities	非流動負債	-
		220,424
		248,955

The financial liability subsequently measured at fair value on Level 3 fair value measurement represents contingent consideration payable relating to the acquisition of Khorgas Group. Fair value losses on contingent consideration payable is charged to profit or loss.

根據第三級公平值計量其後按公平值計量的金融負債指收購霍爾果斯集團有關的應付或然代價。應付或然代價的公平值虧損於損益中扣除。

22. EVENTS AFTER THE REPORTING PERIOD

- (a) As set out in the Company's announcement dated 18 January 2021, Cinema City Group Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("Agreement") with Mandarin Film and Culture Development Limited (the "Purchaser"), a company beneficially owned by Mr. Wong Pak Ming who is a director of certain subsidiaries of the Company and he is considered as a connected person of the Company, for the sale of the entire equity interest in Cinema City (WL) Limited holding Cinema City (Hong Kong) Limited, Cinema City (Chai Wan) Limited, Cinema City (TW) Limited and Screen Media & Promotion Limited, to the Purchaser at a consideration of HK\$108.2 million ("Disposal Transaction"). Upon the completion of the Disposal Transaction, Cinema City (WL) Limited will enter into the management agreement with the Company in relation to the provision of management services by Cinema City (WL) Limited to the Company in respect of the management of the cinema located at Langham Place operated by a subsidiary of the Company for the period of 1 February 2021 to 31 January 2024, at a monthly service fee of HK\$50,000. The management agreement will constitute an exempt continuing connected transaction for the Company. As at the date of this interim report, the Disposal Transaction has not been completed. Further details of the Disposed Transaction are set out in the circular of the Company dated 25 February 2021.
- (b) Subsequent to the end of the reporting period, the Group obtained new loan facility agreements with a related company and the controlling shareholder amounting to RMB38 million and RMB10 million, respectively and the full amounts were withdrawn by the Group in February 2021.

22. 報告期後事項

- (a) 誠如本公司日期為2021年1月18日的公告所載，電影城集團有限公司(本公司全資附屬公司)與 Mandarin Film and Culture Development Limited (該公司由本公司若干附屬公司的董事黃栢鳴先生實益擁有，彼被視為本公司之關連人士)(「買方」)訂立買賣協議(「買賣協議」)，據此向買方出售電影城(永利)有限公司(其持有電影城(香港)有限公司、電影城(柴灣)有限公司、電影城(台灣)有限公司及影娛媒體宣傳有限公司)的全部股權，代價為港幣108.2百萬元(「出售交易」)。於出售交易完成後，電影城(永利)有限公司將與本公司訂立管理協議，電影城(永利)有限公司據此於2021年2月1日至2024年1月31日期間向本公司提供管理服務，管理工作涉及由本公司一間附屬公司所營運，位於朗豪坊的電影院，每月服務費用為港幣50,000元。管理協議將構成本公司的獲豁免持續關連交易。出售交易於本中期報告日期尚未完成。有關出售交易的更多資料載於本公司日期為2021年2月25日的通函。
- (b) 報告期末後，本集團自一間關聯公司及控股股東獲得新貸款融資協議，金額分別為人民幣38百萬元及人民幣10百萬元，而本集團已於2021年2月悉數提取金額。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in (i) film, TV series and variety show production, distribution and licensing of film rights; (ii) film exhibition; (iii) pan-entertainment; and (iv) other businesses. The Group mainly produces Chinese films, variety shows and TV series in both mainland China and Hong Kong. It also operates five Hong Kong based cinemas. During the six months ended 31 December 2020 (the "Period under Review"), the Group further advanced the "Stay-at-Home Economy" and its brand diversification strategy. The Group's proportion of revenue from Mainland China increased by 16.5 percentage points year-on-year to approximately 79.1% from approximately 62.6% in the same period in 2019, as Mainland China continued to be a major source of revenue and business growth for the Group.

Film, TV series and variety show production and distribution

Following the development of the industry and the entertainment tastes of young viewers, the Group has continued to focus on the development and production of outstanding variety contents, while actively exploring innovative business models such as web series, online movies and short videos. During the Period under Review, film, TV series and variety show production and distribution business remained as the core business of the Group with reported revenue of approximately HK\$36.0 million, representing a decrease of approximately 81.2% as compared to the corresponding period in 2019, mainly due to the fact that no new movie was released during the Period under Review, and certain TV series and variety shows were still in production, the revenue of which was not yet recognized in the interim period.

The 24-episode new urban idol drama "The Trick of Life and Love", directed by Li Yanqian, is expected to be broadcast on the video site Mango TV in the coming year and will generate corresponding revenue. In addition, the urban romantic drama "Miss Crow and Mr. Lizard", directed by Wu Qiang, was successfully completed in July 2020 and is expected to be aired exclusively on Tencent Video in the coming year and will generate corresponding revenue; the urban romantic drama "程序員那麼可愛", adapted from a popular comic strip, has been completed in November 2020 and will be broadcast on Tencent Video; the costume sweet-pet web drama "許純純的茶花運" has been launched in December 2020 and will be broadcast exclusively on iQIYI.

業務回顧

本集團主要從事(i)電影、電視劇及綜藝節目製作、發行及授出電影發行權使用許可；(ii)電影放映；(iii)泛娛樂；及(iv)其他業務。本集團以中國內地及香港為主要市場製作華語電影、綜藝節目及電視劇，並經營五間香港電影院。於截至2020年12月31日止六個月（「回顧期」）內，本集團進一步推進「宅經濟」以及品牌多元化的發展策略。本集團來自中國內地的收益佔比按年上升16.5個百分點，由2019年同期約62.6%增加至約79.1%，中國內地繼續為本集團的收入及業務增長的主要來源。

電影、電視劇及綜藝節目製作及發行

緊貼行業的發展動態和年輕觀眾的娛樂口味，本集團持續專注於優秀影視綜藝內容的開發製作，同時積極探討具有創新模式的網劇、網絡電影、短視頻等業務形態。於回顧期內，電影、電視劇及綜藝節目製作及發行業務仍為本集團的核心業務，錄得收益約為港幣36.0百萬元，較2019年同期減少約81.2%，主要由於本集團於回顧期內並無新電影上映，而若干電視劇及綜藝製作類項目仍在製作當中，收益在中期期間暫未確認。

由李雁倩執導的24集都市新偶像劇《機智的戀愛生活》預計將於未來一年在視頻網站芒果TV播出並錄得相應收入。此外，吳強執導作品都市浪漫愛情劇《烏鴉小姐與蜥蜴先生》已於2020年7月順利殺青，預計將於未來一年在騰訊視頻獨家播出並錄得相應收入；改編自人氣漫畫的都市浪漫愛情劇《程序員那麼可愛》已於2020年11月殺青，將於騰訊視頻播出；古裝甜寵網劇《許純純的茶花運》已於2020年12月開機，將於愛奇藝獨家播出。

Film exhibition

During the Period under Review, market sentiment continued to be weak in the second half of 2020 due to the impact of the novel coronavirus pandemic, and the Hong Kong government's control and social distancing measures for public entertainment venues such as cinemas also had a significant negative impact on our operations, resulting in a significant decline in revenue from the film exhibition business. The Group's film exhibition segment experienced unprecedented challenges as its cinemas were intermittently closed during the Period under Review, resulting in a significant decrease in attendance compared to the corresponding period in 2019. The Group's film exhibition revenue decreased by approximately 73.4% to approximately HK\$26.6 million for the Period under Review as compared to the corresponding period in 2019, accounting for approximately 16.5% of the Group's total revenue.

Pan-entertainment and other businesses

During the Period under Review, the Group continued to improve its industry chain and broaden its revenue base to capture the "Stay-at-Home Economy" business opportunities. With booming fan base across all platforms, the Group's influence and live commerce ability in vertical market segments continued to grow. Combined with the resources advantage of celebrity marketing, the Group launched two light luxury beauty brands, LION BEAUTY and FADESOU, during the Period under Review, focusing on creating beauty boutiques for young female consumers through precise marketing.

For artiste and internet celebrity agency business, a number of TV series that Yang Chaoyue, our artiste, starred in, including "The Promise of Chang'an", "Midsummer is Full of Love" and "Dance of the Phoenix", were officially released, and the heavyweight TV series "The Ideal City" in which she played a role will be broadcast soon. Meanwhile, Li Yitong, our artiste, has been on the top search list for the hit TV series "Dear Missy", and "Dt. Appledog's Time" and "Court Lady", in which she played a role, are expected to be broadcast in 2021.

Benefiting from the continued growth in business scale, the Group's pan-entertainment and other businesses recorded a total revenue of approximately HK\$98.2 million for the Period under Review, representing a significant increase of approximately 551.7% as compared to approximately HK\$15.1 million in the corresponding period in 2019. This business segment recorded a profit of approximately HK\$30.2 million for the Period under Review (six months ended 31 December 2019: loss of approximately HK\$13.6 million).

電影放映

於回顧期內，受到新冠疫情影响，市場氣氛於2020年下半年持續疲弱，香港政府對影院等公眾娛樂場所實施的疫情防控及社交距離措施亦令運營遭受巨大負面影響，以致電影放映業務收入大幅下降。本集團的電影放映分部業務經歷了前所未有的挑戰，旗下影院於回顧期內間歇暫停營業，令到訪之觀眾人數較2019年同期大幅減少。本集團的電影放映收益於回顧期內較2019年同期減少約73.4%至約港幣26.6百萬元，佔本集團總收益約16.5%。

泛娛樂及其他業務

於回顧期內，本集團持續完善產業鏈佈局及拓寬收益基礎，把握「宅經濟」商機。旗下紅人全平台粉絲數量不斷增加，於垂直細分市場的影響力和帶貨能力不斷提升。結合紅人營銷的資源優勢，本集團於回顧期內推出了LION BEAUTY和FADESOU兩個輕奢美妆品牌，通過精準營銷著力打造面向年輕女性消費群體的美妝精品。

藝人和紅人經紀人業務方面，藝人楊超越參與出演的多部電視劇正式開播，包括《長安諾》、《仲夏滿天心》及《且聽鳳鳴》，其參演的重量級電視劇《理想之城》也即將播出。與此同時，藝人李一桐因熱播電視劇《了不起的女孩》而多次登上熱門搜索榜單，其出演的《我的時代，你的時代》及《大唐兒女行》預計將於2021年播出。

得益於業務規模持續增長，本集團之泛娛樂及其他業務於回顧期內共錄得收益約為港幣98.2百萬元，較2019年同期約港幣15.1百萬元大幅增加約551.7%。此業務分部於回顧期內錄得溢利約港幣30.2百萬元（截至2019年12月31日止六個月：虧損約港幣13.6百萬元）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Revenue and gross profit

Revenue of the Group for the Period under Review amounted to approximately HK\$160.8 million, representing a decrease of approximately HK\$145.9 million or 47.6% as compared to the corresponding period of 2019, mainly contributed by revenue from the business segments of pan-entertainment and film and TV series production and distribution of approximately HK\$98.2 million and HK\$36.0 million, respectively.

For the film and TV series production and distribution segment, the Group recorded revenue mainly from script writing and directing during the Period under Review. The Group recorded revenue from sales of certain movie and television copyrights during the corresponding period in 2019, while there was no such revenue recorded during the Period under Review. For the film exhibition segment, due to the impact of the novel coronavirus pandemic, market sentiment is still weak in the second half of 2020, resulting in a significant decrease in the revenue from film exhibition business. For the pan-entertainment and the other segments, the Group recorded a total revenue of approximately HK\$98.2 million from artiste management services and sale of merchandise under self-owned retail brands during the Period under Review, representing a significant increase of approximately 551.7% as compared to the corresponding period in 2019.

Gross profit of the Group was approximately HK\$93.1 million, representing a decrease of approximately HK\$67.4 million or approximately 42.0% as compared to the corresponding period in 2019. Gross profit margin for the Period under Review was approximately 57.9%, representing an increase of 5.5 percentage points as compared to approximately 52.4% for the corresponding period in 2019.

Other gains and losses and other income

During the Period under Review, other gains and losses and other income was approximately HK\$25.7 million, representing an increase of HK\$18.8 million or approximately 272.6% as compared to the corresponding period in 2019, which was mainly due to the rent concessions from landlords and government subsidies from the Hong Kong Government received by theaters.

財務回顧

收益及毛利

本集團於回顧期的收益約為港幣160.8百萬元，較2019年同期減少約港幣145.9百萬元或47.6%，主要來自泛娛樂以及電影及電視劇製作及發行業務分部收益分別約為港幣98.2百萬元及港幣36.0百萬元。

電影及電視劇製作及發行分部方面，本集團於回顧期內錄得的收益主要來自編劇及導演。本集團於2019年同期錄得若干影視版權出售收益，而於回顧期內沒有錄得這部分收益。就電影放映分部而言，受到新冠疫情的影響，市場氣氛於2020年下半年持續疲弱，以致電影放映業務收入大幅下降。泛娛樂及其他分部方面，本集團於回顧期內錄得藝人管理服務及銷售自有零售品牌商品總收益約港幣98.2百萬元，較2019年同期大幅增長約551.7%。

本集團的毛利約港幣93.1百萬元，較2019年同期減少約港幣67.4百萬元或約42.0%。回顧期的毛利率約57.9%，較2019年同期的約52.4%上升5.5個百分點。

其他收益及虧損以及其他收入

於回顧期內，其他收益及虧損以及其他收入為約港幣25.7百萬元，較2019年同期增加約港幣18.8百萬元或約272.6%，主要由於電影院獲得由業主提供的租金減免及由香港政府提供的政府補貼。



Selling and distribution expenses

Selling and distribution expenses increased slightly by approximately HK\$1.3 million or 1.4% from approximately HK\$91.6 million for the corresponding period in 2019 to approximately HK\$92.9 million for the Period under Review.

Administrative expenses

Administrative expenses increased by approximately HK\$18.2 million or approximately 59.8% from approximately HK\$30.5 million for the corresponding period in 2019 to approximately HK\$48.7 million for the Period under Review, which was attributable to the ordinary administrative expenses incurred by the expanding pan-entertainment business, in particular, Wenlan, a non wholly-owned subsidiary acquired in March 2020.

Loss for the period under review

The Group's loss and total comprehensive expense attributable to owners of the Company for the Period under Review amounted to approximately HK\$79.7 million (six months ended 31 December 2019: loss of approximately HK\$19.6 million) and approximately HK\$61.1 million (31 December 2019: total comprehensive expense of approximately HK\$22.5 million) respectively.

It was mainly caused by (i) the continuous weakened market sentiment during the second half of 2020 due to the novel coronavirus pandemic, and mandatory closure of cinemas and social distancing measures implemented by the Hong Kong Government, resulting in a significant decrease in the revenue from the film exhibition business; and (ii) revenue recorded from sales of certain movie and television copyrights during the corresponding period in 2019, while there was no such revenue recorded during the Period under Review. The decrease was offset by results generated from the pan-entertainment segment, including increasing revenue from artiste management services and sale of merchandise under self-owned retail brands.

銷售及發行開支

銷售及發行開支由2019年同期的約港幣91.6百萬元輕微增加約港幣1.3百萬元或1.4%至回顧期的約港幣92.9百萬元。

行政開支

行政開支由2019年同期的約港幣30.5百萬元增加約港幣18.2百萬元或約59.8%至回顧期的約港幣48.7百萬元，主要由於拓展泛娛樂業務，尤其是於2020年3月收購的非全資附屬公司聞瀾產生的日常行政開支。

回顧期內虧損

於回顧期內，本公司擁有人應佔本集團虧損及全面開支總額分別約港幣79.7百萬元（截至2019年12月31日止六個月：虧損約港幣19.6百萬元）及約港幣61.1百萬元（2019年12月31日：全面開支總額約港幣22.5百萬元）。

此乃主要由於(i)受到新冠疫情的影響，市場氣氛於2020年下半年持續疲弱，及香港政府強制關閉電影院及採取社交距離措施，以致電影放映業務收入大幅下降；及(ii)2019年同期錄得若干影視版權出售收益，而於回顧期內沒有錄得這部分收益。該減少被泛娛樂分部所得業績抵銷，包括正在增加的藝人管理服务及銷售自有零售品牌商品收益。

IMPAIRMENT LOSS ON RIGHT-OF-USE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (“IMPAIRMENT”)

Background

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

The Impairment was made on right-of-use assets derived from the lease agreements of numerous cinemas in Hong Kong operated by the Group (the “Cinemas”) and property, plant and equipment in relation to the Cinemas, which was determined after considering the difference between the recoverable amount based on value in use calculations and the carrying value as at 31 December 2020. The cinemas located in Hong Kong have been operating for years and the management assessed the income to be generated therefrom after taking into account of the factors explained in the section headed “Circumstances leading to the Impairment” below.

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

使用權資產以及物業、廠房及設備的減值虧損(「減值」)

背景

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

減值乃源自多個本集團經營的香港電影院(「該等電影院」)租賃協議產生的使用權資產以及有關該等電影院的物業、廠房及設備作出，乃經考慮基於使用價值計算的可收回金額與於2020年12月31日的賬面值之間的差額後釐定。位於香港的該等電影院已營運多年，而管理層於計及下文「導致減值的因素」一節所述因素後評估其將產生的收入。

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

Circumstances leading to the Impairment

At the end of the six months ended 31 December 2020, the management of the Company assessed the carrying value and recoverable amount of the right-of-use assets and property, plants and equipment in relation to the Cinemas after taking into account of the following factors:

- (a) the global economic downturn since mid-2019 which leads to the expected decline of occupancy rate of the Cinemas;
- (b) the change of the movie industry atmosphere in Hong Kong and the expected slowdown in shooting of international blockbuster movie, and thus the expected decline in the box office in the forthcoming year;
- (c) the decrease in movie viewers since the first quarter of 2020 due to the adverse impact of the novel coronavirus disease (COVID-19) outbreak;
- (d) the review and comparison of the budget of the Cinemas prepared for the Period under Review and the actual income and profit generated from the Cinemas during the period, and found that there is a material shortfall from the projected income and operating profit; and
- (e) the need to adopt a reasonable approach in evaluating the cashflow to be generated from the cinema operation by the adoption of a discount rate of 13.5% with reference to the use of weighted average costs of capital when the recoverable amount was determined based on value in use calculations.

The above factors were identified close to the end of the Period under Review and assessed and considered during the course of the preparation of the interim financial information of the Company for the six months period ended 31 December 2020. The above factors were not anticipated nor taken into account when the development plan of the relevant Cinemas was implemented.

導致減值的因素

於截至2020年12月31日止六個月結束時，本公司管理層對該等電影院的使用權資產以及物業、廠房及設備的賬面值及可收回金額作出評估，當中已考慮以下因素：

- (a) 環球經濟自2019年年中起下滑，導致該等電影院預期入座率下跌；
- (b) 香港電影業環境轉變及國際大型電影拍攝進度預期減慢，以及由此引致的來年票房預期下跌；
- (c) 自2020年第一季度起，由於新型冠狀病毒病(COVID-19)爆發的不利影響，電影觀眾減少；
- (d) 審閱及比較該等電影院於回顧期的預算與該等電影院於該期間產生的實際收入及溢利後，發現實際收入及溢利遠低於預測收入及營運溢利；及
- (e) 需要採用合理方法評估影院營運將產生的現金流量，經參考加權平均資本的使用成本採用13.5%的貼現率，而可收回金額乃基於使用價值計算而釐定。

上述因素乃於回顧期將近結束時識別，且已於編製本公司截至2020年12月31日止六個月期間的中期財務資料過程中予以評估及考慮。於落實有關該等電影院的發展計劃時並無預期且並無考慮上述因素。

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

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

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

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

- (a) the Group recognized the impairment loss on right-of-use assets and property, plants and equipment due to the deteriorating economic environment and intense competition in the market of cinema and film exhibition;
- (b) the economic downturn will be a mid-to-long term one and the performance of occupancy rate of the cinema and the box office will not rebound in a short period taking into account the declining economic performance of Hong Kong and the PRC and the uncertainties brought by the increase of the trade war between the United States of America and the PRC as well as the outbreak of novel coronavirus disease (COVID-19);
- (c) the interest rate of the banking facilities obtained by the Group for the operation of the Cinemas will not decrease substantially in the foreseeable period and hence affecting the discount rate used when adopting the DCF approach; and

釐定減值金額以及可收回金額採用的方法、基準及主要假設

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

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

評估所用基準及主要假設如下：

- (a) 由於經濟環境惡化及影院及電影放映市場競爭激烈，本集團確認使用權資產以及物業、廠房及設備的減值虧損；
- (b) 考慮到香港及中國的經濟表現下滑情況、中美貿易戰加劇所帶來的不確定性及新型冠狀病毒疾病(COVID-19)爆發，經濟衰退將為中長期，且影院入座率及票房在短期內將不會有回升；
- (c) 本集團就營運該等電影院而獲得的銀行融資利率於可見期間將不會大幅下降，因此會影響採納貼現現金流量法時所採用的貼現率；及

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(d) for the impairment testing, the recoverable amount was determined based on value in use calculations which was performed by management. The calculation uses cash flow projections of the Group based on financial budgets approved by the management of the Company covering a lease term period of the Cinemas and a pre-tax discount rate of 13.5%. The key assumptions include the future expected cash flows based on management's view of future business prospects and past performance of the Group.

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

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2020, the Group's bank balances and cash amounted to approximately HK\$137.5 million (30 June 2020: approximately HK\$112.3 million), which are denominated mainly in Hong Kong Dollar ("HK\$"), United States Dollar ("US\$") and Renminbi ("RMB").

As at 31 December 2020, the Group's total debts included bank and other borrowings, bonds payable, loans from related companies and a controlling shareholder, which amounted to approximately HK\$85.2 million, approximately HK\$51.5 million and approximately HK\$179.5 million, respectively (30 June 2020: approximately HK\$67.0 million, approximately HK\$51.5 million and approximately HK\$147.5 million, respectively). As at 31 December 2020, the Group's gearing ratio, representing the ratio of total debts to total assets, was approximately 15.1% (30 June 2020: approximately 14.9%).

On 16 May 2019, 16 September 2019 and 24 February 2020, the Group and Royston Securities Limited (the "Placing Agent") entered into placing agreements, pursuant to which the Placing Agent conditionally agreed to procure, on a best efforts basis, places to subscribe in cash for the bonds in an aggregate principal amount of up to HK\$150,000,000 during the placing period. Details of the placing of bonds are set out in the announcements of the Group dated 16 May 2019, 16 September 2019, 24 February 2020, and 21 August 2020 respectively. As at 31 December 2020, the Group's bonds payable amounted to approximately HK\$51.5 million.

(d) 就減值測試而言，可收回金額乃按照管理層作出的使用價值計算釐定。該計算使用本集團根據經本公司管理層批准涵蓋該等電影院租賃期的財政預算而作出的現金流量預測及除稅前貼現率13.5%。主要假設包括基於管理層對本集團未來業務前景及過往表現的意見所計算之未來預期現金流量。

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

流動資金、財務資源及資本結構

於2020年12月31日，本集團的銀行結餘及現金約為港幣137.5百萬元（2020年6月30日：約港幣112.3百萬元），主要以港幣（「港幣」）、美元（「美元」）及人民幣（「人民幣」）計值。

於2020年12月31日，本集團的債務總額，包括銀行及其他借款、應付債券、來自關聯公司及一名控股股東貸款的貸款分別為約港幣85.2百萬元、約港幣51.5百萬元及約港幣179.5百萬元（2020年6月30日：分別為約港幣67.0百萬元、約港幣51.5百萬元及約港幣147.5百萬元）。於2020年12月31日，本集團負債比率（即債務總額佔資產總額的比率）約為15.1%（2020年6月30日：約14.9%）。

於2019年5月16日、2019年9月16日及2020年2月24日，本集團與銳升證券有限公司（「配售代理」）訂立配售協議，據此，配售代理有條件同意按盡最大努力基準在配售期間促使承配人以現金認購本金總額最多港幣150,000,000元之債券。有關配售債券之詳情分別載於本集團日期為2019年5月16日、2019年9月16日、2020年2月24日及2020年8月21日之公告。於2020年12月31日，本集團應付債券約為港幣51.5百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2020, the Group had total non-current assets of approximately HK\$1,262.8 million (30 June 2020: approximately HK\$1,308.9 million), net current liabilities of approximately HK\$202.6 million (30 June 2020: net current liabilities of approximately HK\$126.3 million) and net assets of approximately HK\$157.3 million (30 June 2020: approximately HK\$205.6 million). The current ratio of the Group, representing the ratio of current assets over current liabilities, was approximately 0.8 as at 31 December 2020 (30 June 2020: approximately 0.8).

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

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period under Review, the Group did not hold any significant investments nor have any material acquisition or disposal of subsidiaries and associates.

EVENTS AFTER THE REPORTING PERIOD

(a) As set out in the Company's announcement dated 18 January 2021, Cinema City Group Limited, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, a company beneficially owned by Mr. Wong who is a director of certain subsidiaries of the Company and he is considered as a connected person of the Company, for the sale of the entire equity interest in Cinema City (WL) Limited holding Cinema City (Hong Kong) Limited, Cinema City (Chai Wan) Limited, Cinema City (TW) Limited and Screen Media & Promotion Limited, to the Purchaser at a consideration of HK\$108.2 million. Upon the completion of the Disposal Transaction, Cinema City (WL) Limited will enter into the management agreement with the Company in relation to the provision of management services by Cinema City (WL) Limited to the Company in respect of the management of the cinema located at Langham Place operated by a subsidiary of the Company for the period of 1 February 2021 to 31 January 2024, at a monthly service fee of HK\$50,000. The management agreement will constitute an exempt continuing connected transaction for the Company. As at the date of this interim report, the Disposal Transaction has not been completed. Further details of the Disposal transaction are set out in the circular of the Company dated 25 February 2021.

於2020年12月31日，本集團擁有非流動資產總值約港幣1,262.8百萬元(2020年6月30日：約港幣1,308.9百萬元)、流動負債淨值約港幣202.6百萬元(2020年6月30日：流動負債淨值約港幣126.3百萬元)及資產淨值約港幣157.3百萬元(2020年6月30日：約港幣205.6百萬元)。於2020年12月31日，本集團的流動比率(即流動資產與流動負債的比率)約為0.8(2020年6月30日：約0.8)。

於回顧期內，本集團主要以銀行借款、來自關聯公司及一名控股股東的貸款及內部資源撥付流動資金。本集團的財務資源足以支持其業務及營運。本集團亦會在出現適當業務機會且市場條件有利時考慮其他融資活動。

重大收購及出售事項

回顧期內，本集團並無持有任何重大投資項目，亦無任何重大收購或出售附屬公司及聯營公司。

報告期後事項

(a) 誠如本公司日期為2021年1月18日的公告所載，電影城集團有限公司(本公司全資附屬公司)與買方(該公司由本公司若干附屬公司的董事黃先生實益擁有，彼被視為本公司之關連人士)訂立該協議，據此向買方出售電影城(永利)有限公司(其持有電影城(香港)有限公司、電影城(柴灣)有限公司、電影城(台灣)有限公司及影娛媒體宣傳有限公司)的全部股權，代價為港幣108.2百萬元。於出售交易完成後，電影城(永利)有限公司將與本公司訂立管理協議，電影城(永利)有限公司據此於2021年2月1日至2024年1月31日期間向本公司提供管理服務，管理工作涉及由本公司一間附屬公司所營運，位於朗豪坊的電影院，每月服務費用為港幣50,000元。管理協議將構成本公司的獲豁免持續關連交易。出售交易於本中期報告日期尚未完成。有關出售交易的更多資料載於本公司日期為2021年2月25日的通函。

(b) Subsequent to the end of the reporting period, the Group obtained new loan facility agreements with a related company and the controlling shareholder amounting to RMB38 million and RMB10 million, respectively and the full amounts were withdrawn by the Group in February 2021.

HUMAN RESOURCES

As at 31 December 2020, the Group employed a total of 278 permanent employees (30 June 2020: 308) in the PRC and Hong Kong. The total salaries and wages, including the Directors' remuneration and part-time workers' salary, amounted to approximately HK\$32.4 million for the Period under Review (31 December 2019: approximately HK\$25.0 million).

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

CHARGE ON ASSETS

As at 31 December 2020, the Group had bank deposits amounting to approximately HK\$0.7 million (30 June 2020: approximately HK\$0.7 million) that were pledged to banks for the bank guarantee provided to a subsidiary of the Group regarding its due payment under a cinema equipment rental agreement. The Group's bank borrowings of RMB16,100,000 (equivalent to HK\$18,998,000) were secured by the pledged bank deposits of HK\$21,000,000, and bank borrowings of RMB3,000,000 (equivalent to HK\$3,540,000) was guaranteed by an insurance company in Mainland China.

(b) 報告期末後，本集團自一間關聯公司及控股股東獲得新貸款融資協議，金額分別為人民幣38百萬元及人民幣10百萬元，而本集團已於2021年2月悉數提取金額。


人力資源

於2020年12月31日，本集團於內地及香港合共僱用278全職僱員（2020年6月30日：308名）。在回顧期內，薪金及工資總額（包括董事及兼職員工酬金）約為港幣32.4百萬元（2019年12月31日：約港幣25.0百萬元）。

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

資產押記

於2020年12月31日，本集團有為數約港幣0.7百萬元（2020年6月30日：約港幣0.7百萬元）之銀行存款質押予銀行以取得本集團一間附屬公司就其於影院設備租賃協議項下之到期付款提供之銀行擔保。本集團的銀行借款人民幣16,100,000元（相當於港幣18,998,000元）以已抵押銀行存款港幣21,000,000元作抵押及銀行借款人民幣3,000,000元（相當於港幣3,540,000元）由一間中國內地保險公司提供擔保。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



TREASURY POLICY

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

CAPITAL COMMITMENT

There were no material capital commitments for the Group as at 31 December 2019 and 2020.

CONTINGENT LIABILITIES

As at 31 December 2019 and 2020, the Group did not have any significant contingent liabilities.

庫務政策

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

資本承擔

於2019年及2020年12月31日，本集團並無重大資本承擔。

或然負債

於2019年及2020年12月31日，本集團並無任何重大或然負債。

USE OF PROCEEDS FROM THE LISTING

The planned use of proceeds from the Listing as disclosed in the prospectus of the Company dated 9 October 2012 (the "Prospectus") were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus, while the proceeds were applied in accordance with the actual development of the market. At as 31 December 2020, the reallocated total use of proceeds from the Listing had been applied as follows:

上市所得款項用途

本公司日期為2012年10月9日的招股章程（「招股章程」）所披露的上市所得款項的擬定用途，乃根據本集團於編製招股章程時對未來市況所作的最佳估計而制定，而所得款項已根據市場的實際發展而動用。於2020年12月31日，經重新分配之上市所得款項使用總額如下：

		Reallocated total use of proceeds from the Listing	Actual use of proceeds from the date of the Listing to 31 December 2020
		經重新分配之 上市所得款項 使用總額	由上市日期起至 2020年12月31日 所得款項實際 使用金額
		HK\$ million	HK\$ million
		港幣百萬元	港幣百萬元
Expansion of film production business	拓展電影製作業務	58.4	58.4
Investment in equipment for post-production	投資後期製作設備	7.4	7.4
Staff recruitment	招聘員工	2.8	2.8
General working capital	一般營運資金	4.9	4.9
Total	合計	73.5	73.5

As at 31 December 2021, the remaining balance of the proceeds of approximately HK\$2.4 million were utilised as general working capital as intended, including staff costs and general office expenses. All of the net proceeds raised from the Listing were utilised in accordance with the plans of the Company as disclosed in the Prospectus and the announcement of the Company dated 10 June 2019.

截至2021年12月31日止，所得款項餘額約港幣2.4百萬元已按原定計劃用作一般營運資金，包括員工成本及一般辦公室開支。上市籌集的全部所得款項淨額已根據招股章程及本公司日期為2019年6月10日的公告所披露的本公司計劃動用。



OUTLOOK

Looking forward, the Group will continue to focus on the development of film and television production business as well as artiste and celebrity agency business in mainland China. Besides, the Group strives to develop pan-entertainment business and integrate upstream and downstream industry chains by proactively exploring various realization channels from downstream industry chains in a bid to attain our tactics goals with the combination of our strengths and resources. Taking advantages of online platforms to cultivate new artistes and celebrities, the Group will also proactively explore and develop its self-owned retail brand targeting young consumers to further diversify the revenue base by continuously identifying business opportunities in relation to the stay-at-home economy on four aspects including online stream, short videos, celebrity cultivation and traffic monetization.

A number of projects of the Group are currently in production, including “The Ideal City” (理想之城), an inspiring urban workplace TV series, “The Trick of Life and Love” (機智的戀愛生活), a new urban idol drama, “The Adventures of Detective” (萌賊探案), a detective reality show and “I Love You, Me too” Season 3. Among which, the inspiring urban workplace TV series “The Ideal City”, in which Sun Li (孫儷) and Zhao You Ting (趙又廷) starred as protagonists, has completed the shooting in December 2020, and is expected to be exclusively broadcast on the video site iQIYI in the coming year and to generate corresponding revenue. With the good performance and network popularity of the first season and the second season, the Group is also considering to produce the third season of “I Love You, Me Too” in order to create a self-developed multi-season variety show brand. In addition, the Group will develop the production of a series of popular copyrights including “Love Destiny” (愛有天意), “Ruyi Dan” (如意蛋), “Romance in the City” (半城風月), “Peach blossom debt” (桃花債), “Holding My Koi Husband” (抱住錦鯉相公) and “Locard’s theory” (洛卡爾定律).

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

展望

展望未來，本集團將繼續專注於中國內地開展影視製作業務、藝人和紅人經紀人業務，著力打造泛娛樂生態圈和打通上下游產業鏈，積極拓展產業鏈下游的多途徑變現渠道，實現優勢資源高度融合的戰略佈局。在依託豐富的網台合作資源培育新晉藝人和紅人的同時，本集團將積極探索和打造面向年輕消費者的自有零售品牌以進一步拓寬收益基礎，從網絡直播、短視頻、紅人孵化以及流量變現四個方面持續深挖「宅經濟」商機。

本集團的多個項目目前正在製作當中，包括都市職場勵志電視劇《理想之城》、都市新偶像劇《機智的戀愛生活》、重量級推理探案真人秀《萌賊探案》以及《喜歡你，我也是》第三季。其中，由知名演員孫儷及趙又廷領銜主演的都市職場勵志電視劇《理想之城》已於2020年12月順利殺青，預計將於未來一年在視頻網站愛奇藝獨家播出並錄得相應收入。基於第一、第二季良好的表現和網絡熱度，本集團亦考慮開拍《喜歡你，我也是》第三季，以打造延續多個季度的自有綜藝品牌。此外，本集團將對一系列高人氣版權進行開發製作，包括《愛有天意》、《如意蛋》、《半城風月》、《桃花債》、《抱住錦鯉相公》、《洛卡爾定律》等。

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

OTHER INFORMATION 其他資料



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

As at 31 December 2020, the interests of Directors and chief executive of the Company in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinances (Cap. 571, Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉

於2020年12月31日，董事及本公司行政總裁於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份及相關股份中擁有須根據證券及期貨條例第XV部第7及8分部規定知會本公司及聯交所的權益（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益），及須記錄於本公司根據證券及期貨條例第352條所存置登記冊的權益，或須根據聯交所證券上市規則（「上市規則」）附錄十有關董事進行證券交易的規定知會本公司及聯交所的權益如下：

Position in shares and underlying shares of the Company

於本公司股份及相關股份的倉位

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

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

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

OTHER INFORMATION

其他資料

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

As at 31 December 2020, the interests of the persons, other than the interests disclosed above in respect of Directors or chief executive of the Company, in the shares and underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

主要股東於本公司股份及相關股份的權益及淡倉

於2020年12月31日，以下人士(上文所披露的董事或本公司行政總裁的權益除外)於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定知會本公司及聯交所的權益，及記錄於本公司根據證券及期貨條例第336條所存置登記冊的權益，或以其他方式知會本公司的權益：

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

OTHER INFORMATION

其他資料

Name of shareholder 股東名稱／姓名	Nature of interest 權益性質	Number of Shares or underlying Shares 股份或相關股份數目	Position 倉位	Approximate percentage of interest 概約權益百分比
China Orient Asset Management (International) Holding Limited ("China Orient Int'l") ⁽²⁾ 中國東方資產管理(國際)控股有限公司(「中國東方國際」) ⁽²⁾	Interest in a controlled corporation 於受控法團權益	1,836,391,914	Long 好倉	70.75%
Charming Treasure Investments Ltd. ("Charming Treasure") ⁽²⁾ Charming Treasure Investments Ltd. (「Charming Treasure」) ⁽²⁾	Person having a security interest in shares 於股份擁有證券權益之人士	1,836,391,914	Long 好倉	70.75%

Notes:

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

附註：

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

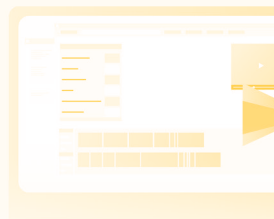
Save as disclosed above, as at 31 December 2020, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於2020年12月31日，本公司並不知悉任何人士(董事或本公司行政總裁除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部規定向本公司披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條所存置登記冊的權益或淡倉。



OTHER INFORMATION

其他資料



SHARE OPTION SCHEME

The Company operates the Scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Scheme was approved by the then sole shareholder of the Company on 5 October 2012. There were no outstanding share options under the Scheme as at 30 June 2020 and 31 December 2019. No share options have been granted, exercised or cancelled/lapsed under the Scheme during the six months ended 31 December 2019 and 2020.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 December 2020.

INTERIM DIVIDEND

The Board resolved not to declare the payment of any interim dividend for the six months ended 31 December 2020 (2019: nil).

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections headed "Share Option Scheme" and "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" in this report, at no time during the six months ended 31 December 2020 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective close associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

購股權計劃

本公司設有該計劃，旨在作為對本集團營運成功有所貢獻的合資格人士的獎勵及回報。該計劃於2012年10月5日獲得當時唯一的股東批准。於2020年6月30日及2019年12月31日，該計劃項下概無尚未行使購股權。於截至2019年及2020年12月31日止六個月，該計劃項下概無購股權授出、行使或註銷/失效。

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至2020年12月31日止六個月內概無購買、出售或贖回本公司任何上市證券。

中期股息

董事會議決不派付截至2020年12月31日止六個月的任何中期股息(2019年：無)。

購入股份或債券的權利

除本報告「購股權計劃」及「董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券的權益及淡倉」兩節所披露者外，截至2020年12月31日止六個月內，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使董事或本公司行政總裁或彼等各自的緊密聯繫人(定義見上市規則)有權認購本公司或其任何相聯法團(定義見證券及期貨條例)的證券，或可藉購入本公司或任何其他法人團體的股份或債券而獲利。

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS


The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Appendix 10 of the Listing Rules. Having made specific enquires, all the Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the six months ended 31 December 2020.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. During the six months ended 31 December 2020, it complied with and did not deviate from the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements and to meet the rising expectations of the Company’s shareholders and investors.

遵守上市發行人董事進行證券交易規定的買賣準則



本公司已採納一套規條不遜於上市規則附錄十所載的交易標準所規定有關董事進行證券交易的行為守則。經作出特定查詢後，全體董事均已確認彼等於截至2020年12月31日止六個月一直遵守本公司採納的有關董事進行證券交易規定的買賣準則及行為守則。

企業管治常規守則

本公司致力維持高水平企業管治常規。於截至2020年12月31日止六個月內，本公司遵守及並無偏離上市規則附錄十四所載之企業管治守則(「企業管治守則」)之守則條文。

本公司將繼續檢討其企業管治常規，以提升其企業管治水平，以符合日益嚴謹之監管要求，並滿足本公司股東及投資者不斷提高的期望。

OTHER INFORMATION

其他資料

AUDIT COMMITTEE

The Audit Committee has three members comprising three Independent Non-executive Directors, Mr. Chang Eric Jackson (Chairman of the Audit Committee), Mr. Wang Bo and Mr. Xiang Feng, with written terms of reference in compliance with the Rules 3.21 to 3.23 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are mainly to communicate with the external auditor; to review the remuneration, terms of engagement, independency and objectivity of the external auditor; to review the accounting policy, financial position and financial reporting procedures of the Company; and to review and assess the financial reporting, risk management and internal control systems of the Company and making recommendations thereof. The interim results of the Group for the six months ended 31 December 2020 have not been audited but have been reviewed by the Audit Committee.

By order of the Board
Transmit Entertainment Limited
Zhang Liang, Johnson
Chairman

Hong Kong, 26 February 2021

As at the date of this report, the Board comprises (i) three executive Directors, namely Mr. ZHANG Liang, Johnson (Chairman), Ms. ZHAO Wenzhu and Mr. LEE Hin Kwong, Patrick; and (ii) three independent non-executive Directors, namely Mr. WANG Bo, Mr. XIANG Feng and Mr. CHANG Eric Jackson.

審核委員會

審核委員會由三名成員組成，包括三名獨立非執行董事張世澤先生(審核委員會主席)、王波先生及向峰先生，其書面職權範圍符合上市規則第3.21至第3.23條以及企業管治守則。審核委員會的主要職責為與外聘核數師溝通；審閱外聘核數師的酬金、委聘條款、獨立性及客觀性；審閱本公司會計政策、財務狀況及財務申報程序；以及審閱及評估本公司財務申報、風險管理及內部監控系統並作出相關建議。本集團截至2020年12月31日止六個月的中期業績未經審核，但已由審核委員會審閱。

承董事會命
傳遞娛樂有限公司
主席
張量

香港，2021年2月26日

於本報告日期，董事會成員包括(i)三名執行董事，即張量先生(主席)、趙文竹女士及李憲光先生；以及(ii)三名獨立非執行董事，即王波先生、向峰先生及張世澤先生。



傳達娛樂

TRANSMIT ENTERTAINMENT