

Orange Sky
ENTERTAINMENT GROUP



嘉禾



Golden Harvest

Orange Sky Golden Harvest Entertainment (Holdings) Limited 橙天嘉禾娛樂(集團)有限公司

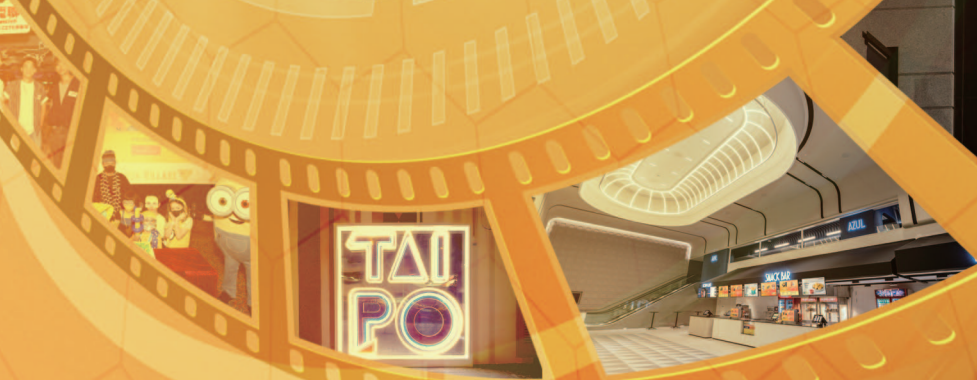
(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 1132)




VIESHOW
CINEMAS



2022

ANNUAL REPORT 年報

Love Life, Live Life

熱愛生活.享受生活

Vision 橙天嘉禾的願景

To become Asia's best-in-class integrator of the movie entertainment industry

成為亞洲最具實力的電影產業整合者

Mission 橙天嘉禾的使命

To inspire and enrich life by bringing our customers to the world beyond imagination through excellent movie experience, while seeking maximisation of shareholders' value

在增大股東利益的同時，提供精彩絕倫的電影，讓觀眾遨遊於超乎想像的空間，釋放視野限制，啟發靈感、昇華生活。

Value 橙天嘉禾的價值

Responsible 責任

for the maximisation of shareholders' value and the betterment of society with the highest principles

對股東投資 實現價值最大 對社會大眾 抱有責任承擔

Effective 高效

execution of business strategy with consistency

對執行能力 時刻保持高效

Compliant 合規

to rules and internal regulations with diligence

對法規內控 嚴格遵守執行

Strategy 橙天嘉禾的策略方針

In line with the waterfall of revenue split, we adopt a strategy of bottom up approach in our priority of development according to the following order:

按照行業分帳的流程，集團按以下的順序優先發展有利於股東價值的環節：

1. Enlarge and strengthen our theatrical exhibition network, i.e. the distribution channel
擴大及加強集團的影院經營網絡，也就是擴展分銷渠道
2. Integrate with our distribution business to enhance synergy
加強整合集團的電影發行業務以獲取更大的協同效應
3. Participate with minimal risks production which in turn benefits our distribution and exhibition business
以最低的風險投資電影製作使集團的放映和發行業務更能受惠

Committed 承諾

to the development of film industry with passion

對電影事業 滿載熱誠理想

Innovative 創新

offerings to our customers with continual improvement

對每個製作 注入無窮創意

Honest 誠實

to our business partners with transparency, integrity and faith

對每宗交易 謹守公平公開

United 團結

team work to build success with persistence

為達致成功 堅守團隊精神

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

執行董事

WU Kebo (Chairman)
伍克波 (主席)

LI Pei Sen
李培森

CHOW Sau Fong, Fiona
鄒秀芳

GO Misaki

PENG Bolun
彭博倫

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

LEUNG Man Kit
梁民傑

WONG Sze Wing
黃斯穎

FUNG Chi Man, Henry
馮志文

CHIEF EXECUTIVE OFFICERS

首席執行官

YEUNG Ho Nam
(resigned with effect from 9 April 2023)
楊浩嵐
(自二零二三年四月九日起辭任)

CHOW Sau Fong, Fiona
(appointed with effect from 11 April 2023)
鄒秀芳
(自二零二三年四月十一日起獲委任)

MAO Yimin
(appointed with effect from 11 April 2023)
毛義民
(自二零二三年四月十一日起獲委任)

COMPANY SECRETARY

公司秘書

CHEUNG Hei Ming
張希銘

REGISTERED OFFICE

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

主要營業地址

Unit 2101, YF Life Tower,
33 Lockhart Road,
Wan Chai,
Hong Kong
香港
灣仔
駱克道33號
萬通保險大廈2101室

PRINCIPAL BANKERS

主要往來銀行

DBS Bank Ltd.
United Overseas Bank Limited
Hang Seng Bank Limited
CTBC Bank Co., Ltd.
Standard Chartered Bank (Hong Kong) Limited
星展銀行有限公司
大華銀行有限公司
恒生銀行有限公司
中國信託商業銀行股份有限公司
渣打銀行(香港)有限公司

AUDITORS

核數師

KPMG
Public Interest Entity Auditor
registered in accordance with the
Financial Reporting Council Ordinance
8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong
畢馬威會計師事務所
根據《財務匯報局條例》註冊的
公眾利益實體核數師
香港
中環
遮打道十號
太子大廈
八樓

Corporate Information 公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE 股份過戶登記處香港分處

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
卓佳登捷時有限公司
香港
夏慤道16號
遠東金融中心17樓

WEBSITE 網址

<http://www.osgh.com.hk>

STOCK CODE 股份代號

1132

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. Wu Kebo (“Mr. Wu”)

Aged 59

Mr. Wu is the chairman, executive director and a member of the remuneration committee and the chairman of the nomination committee of the Company, and a director of certain subsidiaries of the Company. He is also currently a director of Orange Sky Entertainment Group (International) Holding Company Limited (“OSEG”) and its subsidiaries. OSEG, a company incorporated in the British Virgin Islands with limited liability and being a substantial shareholder of the Company, was founded by Mr. Wu in 2004 and is principally engaged in music and musical production, artist management and advertising business in the People’s Republic of China (the “PRC”). With regard to film, Mr. Wu acted respectively as executive producer of the two Chinese films *Red Cliff* and *The Warlords*, as well as producer of other Chinese titles including *Call for Love, I am Liu Yuejin* and *Dangerous Games*. In addition, Mr. Wu has been involved in high technology and telecommunications businesses since the 1990s. Mr. Wu graduated with a bachelor’s degree in business administration from the SOKA University Japan in 1992. Mr. Wu joined the Company in October 2007 and is the cousin of Ms. Go Misaki, an executive director of the Company.

EXECUTIVE DIRECTORS

Mr. Li Pei Sen (“Mr. Li”)

Aged 75

Mr. Li joined the Company as a non-executive director in March 2009 and was re-designated as an executive director of the Company in April 2010. He is also the associate chairman of OSEG. Mr. Li was an associate director of China TV Production Centre in 1994 and the general manager of China Central Television in 1996. In 1997, Mr. Li joined China International Television Corporation (“TVC”) as president and was involved in its corporate structuring. During his presidency at TVC, Mr. Li was also in charge of television production, as well as the domestic and global licensing business of Chinese television programmes. Prior to joining OSEG as the associate chairman, Mr. Li served as the director of China TV Production Centre in 2000. Mr. Li has over 15 years of working experience in film and television series production and acted as the producer of more than a thousand episodes of television series, including a number of popular and high audience rating titles such as *All men are brothers: blood of the leopard*, *Tai ping Heavenly Kingdom*, *Vernacular stories from the end of Western Zhou Dynasty to the Qin Dynasty* and *The story of Hongkong and cartoon series Journey to the West*. In addition, Mr. Li is also a committee member of the China Federation of Literary and Art Circles, a council member of China TV Workers’ Association, the vice-president of China TV, Film Productions Committee, a member of the censorship expert committee of State Administration of Radio, Film and Television, and a consultant to TVC.

主席兼執行董事

伍克波先生(「伍先生」)

五十九歲

伍先生為本公司主席、執行董事兼薪酬委員會成員及提名委員會主席，並為本公司若干附屬公司之董事。彼亦為橙天娛樂集團(國際)控股有限公司(「橙天」)及其附屬公司之現任董事。橙天為於英屬維爾京群島註冊成立之有限公司，為本公司主要股東，由伍先生於二零零四年創立，主要於中華人民共和國(「中國」)從事音樂及音樂劇製作、藝人經理及廣告業務。有關電影方面，伍先生分別擔任兩齣華語電影《赤壁》及《投名狀》之執行監製，以及擔任其他多齣華語電影之監製，包括《愛情來電轉接》、《我叫劉躍進》及《棒子老虎雞》。另外，伍先生自九十年代開始從事高科技及電訊業務。伍先生於一九九二年畢業於日本創價大學，取得工商管理學士學位。伍先生於二零零七年十月加盟本公司，為本公司執行董事Go Misaki女士之堂兄。

執行董事

李培森先生(「李先生」)

七十五歲

李先生於二零零九年三月加盟本公司出任非執行董事，後於二零一零年四月調任本公司執行董事，亦為橙天聯合董事長。李先生曾於一九九四年擔任中國電視劇製作中心副主任，後於一九九六年擔任中央電視台總經理。李先生於一九九七年加入中國國際電視總公司(「中國國際電視總公司」)出任總裁，並參與其企業改制。在彼擔任中國國際電視總公司總裁期間，李先生亦負責電視製作及中國電視節目在國內外之特許授權業務。於加盟橙天出任聯合董事長之前，李先生曾於二零零零年擔任中國電視劇製作中心主任。李先生在電影及電視連續劇製作方面具備逾十五年工作經驗，曾負責監製過千集電視連續劇當中包括《水滸傳》、《太平天國》、《東周列國》、《香港的故事》及動畫片《西遊記》等多部收視叫好且廣受觀眾喜愛之電視劇作品。此外，李先生亦為中國文聯委員、中國電視藝術家協會理事、中國電視製片委員會副會長、國家廣播電影電視總局電影審查委員會審委及中國國際電視總公司顧問。

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

Ms. Chow Sau Fong, Fiona (“Ms. Chow”)

Aged 50

Ms. Chow is an executive director and has been appointed as chief operating officer (“COO”) of the Group since 24 April 2015 and is responsible for managing the exhibition businesses of the Group in all territories. She has also been assigned as the special assistant to Chairman of the Company since 1 October 2010 and appointed as director of certain subsidiaries of the Company. Formerly, Ms. Chow was appointed as Executive Director when she first joined the Group on 30 October 2007. She had also held the position of chief financial officer of the Company between 1 January 2008 and 31 December 2008. On 22 September 2009, Ms. Chow had been appointed as COO of the Company and she resigned thereafter as Executive Director and COO of the Company with effect from 23 August 2010 for personal reasons. On the same day, she was re-designated as the managing director of the China operation of the Company, which has focused on the development of theatrical exhibition business in China and subsequently she resigned from the position with effect from 30 September 2010.

Ms. Chow holds an M.B.A in Finance and Entrepreneurial Management from the Wharton Business School at the University of Pennsylvania, and a B.A. (Honors) in Business Administration from the Chinese University of Hong Kong.

Ms. Go Misaki (“Ms. Go”)

Aged 47

Ms. Go (former name: Wu Kexuan) has been appointed as an executive director of the Company with effective from 9 September 2019 and is also currently a director of certain subsidiaries of the Company. She has served as general manager of Chikou Company Limited, a company primarily engaging in telecommunications service for the last two decades, since 2003. With almost 20 years of extensive working experience in telecommunications service and entertainment industry, Ms. Go provides professional consultation and service across the world and participates in managing and executing network equipments projects, screen & position advertising, alternative content, cinema-based merchandise and other diversified entertainment. Ms. Go is the cousin of Mr. Wu Kebo, being our current executive director.

Ms. Go graduated from Guangzhou Jinan University in 1996 with a diploma of Foreign Trade and Economics and obtained a diploma of General Art & Science from Mohawk College in Canada in 1999 and a diploma of International Economy & Business from Nakano School of Business in Japan in 2003.

鄒秀芳女士 (「鄒女士」)

五十歲

鄒女士為執行董事，自二零一五年四月二十四日起獲委任為本集團首席運營官 (「首席運營官」)，負責管理本集團於所有地區之影院業務。彼自二零一零年十月一日起擔任本公司主席之特別助理，及獲委任為本公司若干附屬公司之董事。在此之前，鄒女士於二零零七年十月三十日首次加入本集團時獲委任為執行董事。彼亦曾於二零零八年一月一日至二零零八年十二月三十一日期間出任本公司首席財務官。於二零零九年九月二十二日，鄒女士獲委任為本公司之首席運營官，後因個人理由而於二零一零年八月二十三日起辭任本公司執行董事及首席運營官之職務，並於同日獲調任為本公司中國業務之董事總經理，專注發展中國影院業務，其後已於二零一零年九月三十日起辭任該職務。

鄒女士獲美國賓夕法尼亞州大學之沃頓商學院頒授財務及企業管理工商管理碩士學位，並獲香港中文大學頒授工商管理榮譽學士學位。

Go Misaki 女士 (「Go 女士」)

四十七歲

Go 女士 (前稱：伍克璇) 自二零一九年九月九日起獲委任為本公司執行董事，現時亦為本公司若干附屬公司之董事。彼自二零零三年起擔任 Chikou Company Limited (於過去二十年主要從事電訊服務之公司) 之總經理。憑藉於電訊服務及娛樂行業近二十年之豐富經驗，Go 女士於世界各地提供專業顧問及服務，並參與管理及實施網路設備專案、銀幕及陣地廣告、特備節目、影院商品及其他多樣化娛樂。Go 女士為現任執行董事伍克波先生之堂妹。

Go 女士於一九九六年畢業於廣州暨南大學，獲得對外貿易及經濟文憑，於一九九九年於加拿大莫哈克學院 (Mohawk College) 取得美術及科學文憑以及於二零零三年自日本中野商業學校 (Nakano School of Business) 取得國際經濟及商業文憑。

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

Mr. Peng Bolun (“Mr. Peng”)

Aged 32

Mr. Peng has been appointed as an executive director of the Company and the finance director of the China operation of the Group effective from 9 September 2019. Before joining the Group, he respectively served as a director from July 2017 to September 2019 and assistant to chairman from March 2018 to September 2019 of Orange Sky Entertainment Group (International) Holding Company Limited (“OSEG”). Prior to joining OSEG, Mr. Peng held several positions at Ernst & Young (China) Advisory Limited from 2015 to 2016 and Northeast Securities from 2016 to 2017, where he specialized in derivative valuation, transaction services and investment banking. Mr. Peng obtained a master’s degree in Financial Engineering from Cornell University in 2014. He is a CFA charterholder and a certified FRM.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Man Kit (“Mr. Leung”)

Aged 69

Mr. Leung has been an independent non-executive director, and the chairman of the audit committee and a member of the remuneration committee of the Company since February 2008 and a member of the nomination committee of the Company since 26 March 2012. Mr. Leung was a Responsible Officer in Grand Moore Capital Limited from September 2019 to November 2021. Mr. Leung obtained a bachelor’s degree in social science from the University of Hong Kong in 1977 and has over 30 years of experience in project finance and corporate finance. He has held senior positions with Peregrine Capital (China) Limited, SG Securities (HK) Limited (previously known as Crosby Securities (Hong Kong) Limited), Swiss Bank Corporation, Hong Kong Branch. Mr. Leung was also a director of Emerging Markets Partnership (Hong Kong) Limited which was the principal adviser to the AIG Infrastructure Fund L.P.

彭博倫先生(「彭先生」)

三十二歲

彭先生自二零一九年九月九日起獲委任本公司執行董事及本集團中國業務之財務總監。加入本集團前，彼分別擔任橙天娛樂集團(國際)控股有限公司(「橙天」)董事(二零一七年七月至二零一九年九月)及主席助理(二零一八年三月至二零一九年九月)。加入橙天前，彭先生先後於二零一五年至二零一六年及二零一六年至二零一七年分別於安永(中國)企業諮詢有限公司及東北證券擔任多個職位，專門於衍生估值、交易服務及投資銀行。彭先生於二零一四年自康奈爾大學(Cornell University)取得金融工程碩士學位。彼持有特許金融分析師資格並為認可金融風險管理師。

獨立非執行董事

梁民傑先生(「梁先生」)

六十九歲

梁先生自二零零八年二月起出任本公司獨立非執行董事、審核委員會主席及薪酬委員會成員，並自二零一二年三月二十六日起出任本公司提名委員會成員。梁先生於二零一九年九月至二零二一年十一月期間擔任中毅資本有限公司的牌照負責人員。於一九七七年取得香港大學社會科學學士學位，在項目融資及企業融資方面具備逾三十年經驗。彼曾任百富勤融資(中國)有限公司、法國興業證券(香港)有限公司(前稱香港高誠證券有限公司)及瑞士銀行公司香港分公司之高層成員。梁先生亦曾任Emerging Markets Partnership (Hong Kong) Limited董事，該公司曾為美國友邦集團亞洲基礎設施基金總顧問。

Biographical Details of Directors & Chief Executive Officer

董事及首席執行官個人履歷

As at the date of this annual report, Mr. Leung holds or held directorships in the following listed companies in the past three years:

於本年報日期，梁先生現擔任或於過去三年曾擔任下列上市公司的董事職務：

Name of the listed company 上市公司名稱	Term 任期	Position 職務
Netease.com Inc., a company listed on NASDAQ and the Main Board of the Stock Exchange (stock code: NASDAQ: NTES; HKEX: 9999)# 網易，於納斯達克及聯交所主板上市之公司 (股份代號：納斯達克：NTES；聯交所：9999)#	July 2002 to present 二零零二年七月至今	Independent non-executive director 獨立非執行董事
China Ting Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3398) 華鼎集團控股有限公司，於聯交所主板上市之公司(股份代號：3398)	November 2005 to present 二零零五年十一月至今	Independent non-executive director 獨立非執行董事
China Electronics Optics Valley Union Holding Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 798) 中電光谷聯合控股有限公司，於聯交所主板上市之公司 (股份代號：798)	March 2014 to May 2020 二零一四年三月至 二零二零年五月	Independent non-executive director 獨立非執行董事
Luye Pharma Group Ltd., a company listed on the Main Board of the Stock Exchange (stock code: 2186)* 綠葉製藥集團有限公司，於聯交所主板上市之公司 (股份代號：2186)*	June 2014 to present 二零一四年六月至今	Independent non-executive director 獨立非執行董事

Mr. Leung is the chairperson of the audit committee, compensation committee and nominating committee.

梁先生為該公司之審計委員會、薪酬委員會及提名委員會主席。

* Mr. Leung is also the chairman of the audit committee of these companies.

* 梁先生亦為該等公司之審核委員會主席。

Ms. Wong Sze Wing (“Ms. Wong”)

Aged 44

Ms. Wong was appointed as an independent non-executive director and a member of the remuneration committee and the audit committee of the Company with effect from 26 April 2010. She has been appointed as the chairman of the remuneration committee of the Company and a member of the nomination committee since 26 March 2012. Ms. Wong has over ten years of accounting experience in the profession. She has been the chief financial officer since July 2010 and was joint company secretary between February 2009 and March 2017 of Yingde Gases Group Company Limited which was previously listed on the main board of The Stock Exchange of Hong Kong Limited and a constituent stock of Hang Seng Composite Index. Ms. Wong was previously employed as the group chief financial officer of OSEG. She was also previously employed as the financial controller of Avex China Company Limited, a PRC joint venture company established by OSEG and Avex Group Holdings Inc., which is listed on the Tokyo Stock Exchange. Ms. Wong ceased to be the group chief financial officer of OSEG and financial controller of Avex China Company Limited in January 2008. She was also previously employed as a manager at PricewaterhouseCoopers. Ms. Wong obtained a bachelor's degree in business administration from the University of Hong Kong in 2001. She also obtained an EMBA from the China Europe International Business School in 2012. Ms. Wong became a chartered member of the Hong Kong Institute of Certified Public Accountants in 2003.

黃斯穎女士(「黃女士」)

四十四歲

黃女士於二零一零年四月二十六日獲委任為本公司獨立非執行董事兼薪酬委員會及審核委員會成員。彼自二零一二年三月二十六日起獲委任為本公司薪酬委員會主席及提名委員會成員。黃女士具備超過十年專業會計經驗。彼自二零一零年七月起擔任盈德氣體集團有限公司的首席財務官及於二零零九年二月至二零一七年三月期間擔任聯席公司秘書，該公司先前於香港聯合交易所有限公司主板上市，並為恒生綜合指數成分股。黃女士曾擔任橙天之集團首席財務官，先前曾於艾迴音樂影像製作(中國)有限公司擔任財務總監，該公司乃由橙天與Avex Group Holdings Inc.成立的中國合營企業公司。Avex Group Holdings Inc.為於東京證券交易所上市的公司。黃女士於二零零八年一月退任橙天之集團首席財務官及艾迴音樂影像製作(中國)有限公司之財務總監。黃女士過往曾受聘於羅兵咸永道會計師事務所出任經理。黃女士於二零零一年取得香港大學工商管理學士學位，並於二零一二年獲中歐國際工商學院取得行政人員工商管理碩士學位。黃女士於二零零三年成為香港會計師公會會員。

Biographical Details of Directors & Chief Executive Officer

董事及首席執行官個人履歷

As at the date of this annual report, Ms. Wong holds or held directorships in the following listed companies in the past three years:

於本年報日期，黃女士現擔任或於過去三年曾擔任下列上市公司的董事職務：

Name of the listed company 上市公司名稱	Term 任期	Position 職務
Rici Healthcare Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1526)* 瑞慈醫療服務控股有限公司，於聯交所主板上市之公司(股份代號：1526)*	June 2016 to present 二零一六年六月至今	Independent non-executive director 獨立非執行董事
Wangsu Science & Technology Co.,Ltd., a company listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300017)# 網宿科技股份有限公司，於深圳證券交易所創業板上市之公司(股份代號：300017)#	April 2017 to present 二零一七年四月至今	Independent director 獨立董事
ZHEJIANG DAHUA TECHNOLOGY CO., LTD., a company listed on the SME Board of the Shenzhen Stock Exchange (stock code: 002236) 浙江大華技術股份有限公司，於深圳證券交易所中小企業板上市之公司(股份代號：002236)	May 2017 to August 2020 二零一七年五月至二零二零年八月	Independent director 獨立董事
GANFENG LITHIUM CO., LTD., a company listed on the Main Board of the Stock Exchange (stock code: 1772), and the SME Board of the Shenzhen Stock Exchange (stock code: 002460) 江西贛鋒鋰業股份有限公司，於聯交所主板上市之公司(股份代號：1772)，及於深圳證券交易所中小企業板上市之公司(股份代號：002460)	July 2018 to present 二零一八年七月至今	Independent non-executive director 獨立非執行董事
Xinjiang La Chapelle Fashion Co., Ltd. a company listed on the Main Board of the Stock Exchange (stock code: 6116) 新疆拉夏貝爾服飾股份有限公司，於聯交所主板上市之公司(股份代號：6116)	January 2021 to June 2021 二零二一年一月至二零二一年六月	Independent non-executive director 獨立非執行董事
Giant Biogene Holding Co. Ltd, a company listed on the Main Board of the Stock Exchange (stock code: 2367) 巨子生物控股有限公司(股份代號：2367)	Nov 2022 to present 二零二二年十一月至今	Independent non-executive director 獨立非執行董事

* Ms. Wong is also the chairlady of the audit committee of the company.

* 黃女士亦為該公司之審核委員會主席。

Ms. Wong is also the chairlady of the remuneration and evaluation committee of the company.

黃女士亦為該公司之薪酬與考核委員會主席。

Biographical Details of Directors & Chief Executive Officer 董事及首席執行官個人履歷

Mr. Fung Chi Man Henry (“Mr. Fung”)

Aged 54

Mr. Fung has been an independent non-executive director and the member of the audit committee of the Company since 3 June 2016. Mr. Fung has over thirty years of experience in the legal profession. He is a partner of Holman Fenwick Willan (“HFV”) since 1999 and the chief representative of the Shanghai Office of Holman Fenwick Willan LLP from 2006 until 2021. Mr. Fung obtained a degree of Bachelor of Laws and a Postgraduate Certificate in Laws from the University of Hong Kong. He also has a PRC law degree from the China University of Political Science and Law. Mr. Fung is a practicing solicitor of the High Courts of Hong Kong and England & Wales a greater Bay Area Lawyer and a Legal Practitioner of the British Virgin Islands. Mr. Fung is also a notary public and a China-appointed attesting officer in Hong Kong. Besides, Mr. Fung is also a civil celebrant of marriages, an HKIAC arbitrator, a member of the Solicitors Disciplinary Tribunal, HKICPA Disciplinary Panel and CAAO Disciplinary Panel.

CHIEF EXECUTIVE OFFICER

Mr. Yeung Ho Nam (“Mr. Yeung”)

Aged 37

Mr. Yeung joined the Group on 1 June 2020 and was appointed as the Chief Executive Officer and co-Chief Financial Officer on the same day. Since 4 August 2020, Mr. Yeung has been re-designated an enlarged role from co-Chief Financial Officer to Chief Financial Officer and continues to be the Chief Executive Officer. He has rich professional experience in Greater China corporate finance focusing on cross-border structured finance, mergers and acquisitions, and corporate treasury advisory. Prior to joining the Company, Mr. Yeung served as an executive director in the Corporate Finance function in Standard Chartered Bank (Hong Kong) Limited from 2014, responsible for leveraged and structured debt origination for Greater China corporates. Mr. Yeung started his career in the Global Banking Department of the Hongkong and Shanghai Banking Corporation, serving in client coverage from 2007 to 2014 focusing on loan structuring, capital market origination, and cash management advisory for Hong Kong and China corporates. Mr. Yeung has long established track record and is well-recognized in the financing and debt advisory aspects for technology, entertainment and media industry in the region involving in multiple transactions. Mr. Yeung holds a Bachelor of Arts with General Honors in Economics from the University of Chicago in Illinois, United States.

馮志文先生 (「馮先生」)

五十四歲

馮先生自二零一六年六月三日起出任本公司獨立非執行董事及審核委員會成員。馮先生擁有超過三十年之專業法律服務經驗。彼自一九九九年為夏禮文律師行(「夏禮文」)之合夥人及於二零零六年直至二零二一年期間為夏禮文律師事務所上海辦事處之首席代表。馮先生於香港大學取得法學學士學位和法學專業證書，並於中國政法大學取得中國法律學位。馮先生現為香港、英格蘭和威爾士高等法院粵港澳大灣區及英屬維爾京群島執業律師。彼於香港亦是公證人及中國委託公證人。此外，馮先生於香港也是婚姻監禮人、香港國際仲裁中心仲裁員、律師紀律審裁組成員、香港會計師公會紀律小組成員和中國委託公證人協會紀律審裁團成員。

首席執行官

楊浩嵐先生 (「楊先生」)

三十七歲

楊先生二零二零年六月一日加入本集團，並於同日獲委任為首席執行官及聯席首席財務官。於二零二零年八月四日起，楊先生由聯席首席財務官調任為首席財務官，並繼續擔任首席執行官。彼在大中華區企業融資方面擁有豐富的專業經驗，專注於跨境結構性融資、併購及企業財務諮詢。在加入本公司前，楊先生自二零一四年起擔任渣打銀行(香港)有限公司企業融資部執行董事，負責為大中華區企業提供槓桿及結構性貸款。楊先生的職業生涯始於香港上海滙豐銀行環球銀行部，二零零七年至二零一四年期間，楊先生負責為中國及香港企業提供融資，資本市場，及資金管理諮詢等服務。楊先生曾參與多個科技、娛樂和媒體行業的交易，其資歷獲得充份認可。楊先生持有美國伊利諾州芝加哥大學經濟學榮譽文學士學位。

Chairman's 主席報告書 Statement



Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Orange Sky Golden Harvest Entertainment (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group"), I am pleased to present the Annual Report of the Group for the year ended 31 December 2022.

致股東：

本人謹代表橙天嘉禾娛樂(集團)有限公司(「本公司」)及其附屬公司(統稱「本集團」)董事(「董事」)會(「董事會」)，欣然提呈本集團截至二零二二年十二月三十一日止年度之年報。



BUSINESS REVIEW

The Group's 2022 results continued to show strong recovery with the full year revenue up by 35% YoY to HK\$696 million (2021: HK\$515 million). Along with the release of strong Hollywood blockbuster titles during the year, both admissions and average ticket prices across Hong Kong, Singapore, and Taiwan continued to report healthy growth.

As the Group remained focus on cost savings initiatives and providing improved film exhibition and dining offerings, the Group succeeded in uplifting gross profit margin to 65% above the pre-COVID levels. The Group registered the first set of positive pre-HKFRS 16 operating EBITDA since the occurrence of COVID in 2020, implying that our operations have already turned around.

業務回顧

本集團二零二二年業績繼續呈現強勁復甦，全年收入按年增長35%至6.96億港元(二零二一年：5.15億港元)。隨著荷里活猛片年內上映，香港、新加坡及台灣之入場人數及平均票價持續穩健增長。

本集團仍專注推行節省成本措施及改善電影放映及餐飲組合，故此本集團成功將毛利率提升至COVID前65%以上。自二零二零年爆發COVID以來，本集團首次錄得正數香港財務報告準則第16號前經營EBITDA，反映本集團業務營運已回復強勢。

Chairman's Statement

主席報告書

During the year, the Group has completed disposal of its Hong Kong office property for HK\$225 million and generated a one-off profit of HK\$56 million. The Group has employed all proceeds to partially pay down its bank loans and managed funding costs within reasonable range despite the rising interest environment since the second half of 2022.

Backed by the strong recovery of the Group's operations, the Group's loss attributable to equity holders have reduced by 85% during the year to HK\$46 million (2021: HK\$314 million).

PROSPECTS

The Group's 2022 results have proven that cinemas remained a vital form of entertainment worldwide. As Hollywood blockbusters are coming back stronger in 2023, we are confident that our Group will deliver another strong set of results in the coming year.

The Group remains committed to expand its market shares in its existing operating geographies and plans to open 4 new cinemas in 2023 and 2024 across Singapore and Taiwan. The Group believes that cinemas offer unique immersive experience to customers, and will therefore gradually expand the use of cinemas into integrated lifestyle entertainment hubs featuring merchandises, upscale food and beverages, and live events, so as to further enhance consumer experiences and be able to extract additional profit along the value chain.

The Group's first 360 theatre in Suzhou is expected to open in 2023. The Group's 360 theatres all feature an advanced rotating auditorium surrounded by projection panels capable of opening up to 180 degrees and panoramic stages, coupled with local Chinese stories recreated in live performance format will provide audiences with a stunning theatrical experience.

年內，本集團已完成出售香港辦公室物業，總代價為2.25億港元，產生一次性溢利5,600萬港元。本集團已將所得款項悉數用於償還部分銀行貸款及管理資金成本，即使自二零二二年下半年起處於加息環境，仍能將成本控制於合理範圍。

受本集團業務強勁復甦支持，本集團股權持有人應佔虧損年內減少85%至4,600萬港元（二零二一年：3.14億港元）。

前景

本集團二零二二年業績足以證明，電影院繼續成為全球娛樂之重要形式。隨著荷里活猛片於二零二三年強勢回歸，我們相信，本集團將於來年再次交出亮麗業績。

本集團仍致力擴大於現有經營地區的市場份額，並計劃於二零二三年及二零二四年在新加坡及台灣開設4家新影城。本集團相信電影院為客戶帶來獨特之沉浸式體驗，因此逐步將電影院用途拓展為以商品、高級餐飲及現場活動為特色之綜合生活與娛樂樞紐，以提升客戶體驗及沿價值鏈賺取額外溢利。

本集團在蘇州之首家360劇院預期於二零二三年開幕。本集團旗下之360環迴舞台劇院均設有最闊能伸展至180度之投影屏幕環繞之先進旋轉觀眾席及全景式舞台，再加上以現場表演形式重新塑造之中國本土故事，將為觀眾提供令人驚嘆之非凡戲劇體驗。

Chairman's Statement

主席報告書

ACKNOWLEDGEMENT

On behalf of the board and our management team, I would like to take this opportunity to express my appreciation to the shareholders, customers and business partners for their supports and cooperation. I hereby express my sincere gratitude to all our Directors for their support and advice, and committed staff for their hard work and efforts, which have contributed to the success of the Group and led to the sustainable development of our business.

鳴謝

本人謹代表董事會及管理層團隊，藉此機會感謝各位股東、客戶及業務夥伴之支持及合作。本人謹此衷心感謝全體董事之支持及建議，以及盡忠職守之員工所付出之辛勞及努力，彼等為本集團的成功及業務之可持續發展作出貢獻。

Management Discussion & Analysis

管理層討論及分析





ORANGE SKY GOLDEN HARVEST'S Cinema Portfolio

橙天嘉禾影城組合

(as of 31 December 2022 截至二零二二年十二月三十一日)

		Number of cinemas 影城數目	Number of screens 銀幕數目	Admissions (million) 入場觀眾 (百萬人次)	Net average ticket price (HK\$) 平均淨票價 (港元)
Hong Kong	香港	10	37	1.7	72
Singapore	新加坡	14	112	4.7	68
Taiwan	台灣	17	182	9.2	69
Total	總計	41	331	15.6	69

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW

Founded in 1970, Orange Sky Golden Harvest Group has been a world-class Chinese language film and entertainment company primarily engaged in film exhibition, film and TV programme production, and film distribution businesses.

The Group has played a vital role in the development of the Chinese language film industry. Since its inception, the Group has produced and financed over 600 movies and is currently the cinema chain that operates across Hong Kong, Singapore and Taiwan. To date, the Group owns a movie library of over 140 movies.

During the year, the Group's cinema operations in Hong Kong and Taiwan were closed for 15 weeks and 8 weeks respectively by government lockdown orders. Nevertheless, the Group still delivered a positive pre-HKFRS 16 operating EBITDA in 2022. This is the first time that the Group has recorded a positive operating EBITDA since the occurrence of COVID, implying that the Group's operations have turned around and gradually recovering from the pandemic.

The Group remains optimistic that cinemas will remain a vital form of entertainment post COVID and committed to expand its market share in its existing operating geographies. The Group expects to open 4 cinemas in Singapore and Taiwan over the course of 2023 and 2024 to further expand its cost benefits from economies of scale and increased market shares. In the meantime, the Group will expand cinemas from single use of movie viewing to become an integrated entertainment hub featuring other lifestyle offerings such as live music, esports, merchandises, and upscale dining.

In the PRC, the Group's new venture into the country's blooming live entertainment industry is close to fruition with the first 360 theatre featuring our self-developed IP expected to stage in Suzhou in 2023.

業務回顧

橙天嘉禾集團始創於一九七零年，為一家世界級之華語電影及娛樂公司，主要從事電影放映、電影及電視節目製作以及電影發行業務。

本集團在華語電影行業發展上一直擔當重要角色。自成立以來，本集團已製作及融資逾600部電影，目前為唯一一家經營業務遍及香港、新加坡及台灣之連鎖院線。時至今日，本集團旗下之電影片庫蘊藏超過140部電影。

本集團在香港及台灣之電影院業務在年內分別因政府封鎖令而關閉15週及8週。儘管如此，本集團於二零二二年之香港財務報告準則第16號前經營EBITDA仍達到正數。自COVID以來，本集團首次錄得正數經營EBITDA，此顯示本集團之表現已扭轉及逐漸從疫情中復甦。

本集團保持樂觀，相信在COVID後電影院仍將是重要之娛樂方式，仍然致力擴大其現有經營地域之市場份額。本集團預期於二零二三年至二零二四年在新加坡及台灣開設4家電影院，進一步擴大從規模經濟中獲得之成本效益及增加市場份額。同時，本集團將把電影院從單一之觀影用途擴展到提供其他時尚生活方式之綜合娛樂中心，例如現場音樂、電子競技、收藏品及高級餐飲。

在中國，本集團進軍國內蓬勃發展之現場娛樂行業之新業務已接近開花結果，首間突顯自主研發IP之360電影院預計將於二零二三年在蘇州問世。

Management Discussion & Analysis

管理層討論及分析

Film Exhibition

The Group's film exhibition business remained the key revenue driver accounted for 96% of the Group's total segment revenue for the year ended 31 December 2022.

As of 31 December 2022, the Group maintained its network of 41 cinemas and 331 screens across Hong Kong, Singapore, and Taiwan. During the year, the Group's Singapore Golden Village Cinemas and Taiwan Vie Show Cinemas remained as the undisputed market leader locally with 49% and 45% share in the local box office.

Film exhibition segment revenue has improved by 28% to HK\$1,037.1 million during 2022. The increase was primarily due to 21% increase in total admissions from 12.9 million in 2021 to 15.7 million in 2022 resulted from relaxation in social distancing measures in Hong Kong and Singapore. In addition, the 1% increase in net average ticket price across the three regions from HK\$68.1 to HK\$69.0 has partially made up for the loss of admissions from the temporary closures and led to the improved segment revenue.

The major Hollywood blockbusters released during the year ended 31 December 2022 were *Avatar: The Way of Water* (阿凡達：水之道), *Top Gun: Maverick* (壯志凌雲：獨行俠), *Doctor Strange In The Multiverse of Madness* (奇異博士2：失控多元宇宙) and *Jurassic World: Dominion* (侏羅紀世界：統治霸權). The major Chinese language blockbusters for the year were *Warriors of Future* (明日戰記) and *Table For Six* (飯戲攻心) from Hong Kong, *Ah Girls Go Army* (女兵外傳) from Singapore, *My Best Friend's Breakfast* (我吃了那男孩一整年的早餐) and *Incantation* (咒) from Taiwan.

Operating Statistics of the Group's Cinemas

(For the year ended 31 December 2022)

		Hong Kong 香港	Singapore 新加坡	Taiwan 台灣
Number of cinemas*	影城數目*	10	14	17
Number of screens*	銀幕數目*	37	112	182
Admissions (million)	入場觀眾 (百萬人次)	1.7	4.7	9.2
Net average ticket price (HK\$)	淨平均票價 (港元)	72	68	69

* at 31 December 2022

Hong Kong

Operating Statistics of the Group's Cinemas in Hong Kong

(For the year ended 31 December 2022)

		2022 二零二二年	2021 二零二一年
Number of cinemas*	影城數目*	10	10
Number of screens*	銀幕數目*	37	37
Admissions (million)	入場觀眾 (百萬人次)	1.7	1.6
Net average ticket price (HK\$)	淨平均票價 (港元)	72	69
Box office receipts (HK\$ million)	票房收入 (百萬港元)	124	112

* at 31 December 2022

電影放映

本集團之電影放映業務仍是主要收入來源，於截至二零二二年十二月三十一日止年度佔本集團總收益之96%。

於二零二二年十二月三十一日，本集團在香港、新加坡及台灣維持其41家電影院及331塊銀幕之營運網絡。年內，本集團在新加坡之嘉華影城及在台灣之威秀影城之市場領導地位無容置疑，佔當地票房之49%及45%。

於二零二二年全年之電影放映分部收益改進28%至10.371億港元。有關增長主要由於總入場人數從二零二一年之1,290萬增加21%至二零二二年之1,570萬，乃受惠於香港及新加坡社交距離措施放寬。此外，三個地區平均淨票價由68.1港元增加1%至69.0港元，部分彌補了因暫時關閉電影院而造成之入場人數損失及導致分部收益改善。

於截至二零二二年十二月三十一日止年度上映之荷里活猛片主要計有《阿凡達：水之道》、《壯志凌雲：獨行俠》、《奇異博士2：失控多元宇宙》及《侏羅紀世界：統治霸權》。於年內上映之華語猛片主要計有香港之《明日戰記》及《飯戲攻心》、新加坡之《女兵外傳》及台灣之《我吃了那男孩一整年的早餐》及《咒》。

本集團影城之營運數據

(截至二零二二年十二月三十一日止年度)

香港

本集團香港影城之營運數據

(截至二零二二年十二月三十一日止年度)

Management Discussion & Analysis

管理層討論及分析

Our Hong Kong operations branded under Golden Harvest Cinemas operated 10 cinemas and 37 screens as of the year ended 31 December 2022.

All Hong Kong cinemas were put under mandatory closure from 7 January 2022 to 20 April 2022 for a total of 15 weeks (2021: 7 weeks). Despite the longer period of closure, Hong Kong cinemas have witnessed strong recovery in 2022 after the re-opening along with the release of good Hollywood titles such as *Avatar: The Way of Water* (阿凡達：水之道), *Top Gun: Maverick* (壮志凌雲：獨行俠), *Doctor Strange In The Multiverse of Madness* (奇異博士2：失控多元宇宙) and *Jurassic World: Dominion* (侏羅紀世界：統治霸權). Successful local titles released during the year such as *Warriors of Future* (明日戰記) and *Table For Six* (飯戲攻心) have further boosted cinemas admissions. As such, total admissions increased by 7% from 1.6 million in 2021 to 1.7 million in 2022. The strong film titles released in the year has resulted in 4% increase in average ticket price from HK\$69 to HK\$72, and together with the higher total admissions, box office receipts have increased by 11% from HK\$111.7 million in 2021 to HK\$123.5 million in 2022.

Relaxation of food and beverage restrictions inside cinema halls since 19 May 2022 together with the higher total admissions have resulted in over 5 times increase in concession sales to HK\$13.0 million. Accordingly, Hong Kong operations segmental loss has reduced by 65% from HK\$34.6 million in 2021 to HK\$12.0 million in 2022.

Singapore

Operating Statistics of the Group's Cinemas in Singapore
(For the year ended 31 December 2022)

Number of cinemas*	影城數目*	14	14
Number of screens*	銀幕數目*	112	112
Admissions (million)	入場觀眾 (百萬人次)	4.7	3.7
Net average ticket price (S\$)	淨平均票價 (新加坡元)	12.0	11.2
Net box office receipts (S\$ million)	淨票房收入 (百萬新加坡元)	56	41

* at 31 December 2022

Singapore has been the main revenue contributor to the Group, attributing to 52% and 50% of the Group's total segment revenue in 2022 and 2021 respectively. The Group's Singapore operations branded under Golden Village Cinemas ("Golden Village") remained as the local market leader. As of 31 December 2022, Golden Village operated a network of 14 cinemas and 112 screens, attributing to 41% of the total installed screens in the country, but represented 48% of the country's total box office during the year. The high market share by box office has shown that Golden Village is the cinema of choice in Singapore and the absolute market leader locally.

於截至二零二二年十二月三十一日止年度，我們在香港以嘉禾院線為品牌經營10家影城合共37塊銀幕。

所有香港電影院於二零二二年一月七日至二零二二年四月二十日強制關閉合共15週(二零二一年：7週)。儘管關閉時間較長，但由於香港電影院重開後《阿凡達：水之道》、《壮志凌雲：獨行俠》、《奇異博士2：失控多元宇宙》及《侏羅紀世界：統治霸權》等荷里活猛片上映，故此在二零二二年見證強勁復甦。年內上映《明日戰記》及《飯戲攻心》等本地賣座影片進一步提高影城入場人次。因此，總入場人次從二零二一年之160萬增加7%至二零二二年170萬。年內猛片上映導致平均票價從69港元增加4%至72港元，加上總入場人次增加，票房收入由二零二一年之1.117億港元增加11%至二零二二年之1.235億港元。

電影院內之飲食限制自二零二二年五月十九日起放寬，加上總入場人次增加，令餐飲銷售增逾5倍至1,300萬港元。因此，香港業務分部虧損由二零二一年之3,460萬港元減少65%至二零二二年1,200萬港元。

新加坡

本集團新加坡影城之營運數據

(截至二零二二年十二月三十一日止年度)

	2022 二零二二年	2021 二零二一年
Number of cinemas*	14	14
Number of screens*	112	112
Admissions (million)	4.7	3.7
Net average ticket price (S\$)	12.0	11.2
Net box office receipts (S\$ million)	56	41

* 截至二零二二年十二月三十一日

新加坡一直是本集團之主要收入來源，分別佔本集團二零二二年及二零二一年總分部收益之52%及50%。本集團在新加坡之嘉華影城(「嘉華」)品牌業務仍然是當地市場之領導者。於二零二二年十二月三十一日，嘉華運營之網絡涵蓋14家電影院及112塊銀幕，佔全國已安裝銀幕總數之41%，但佔全國全年總票房收入之48%。按票房計市場佔有率較高，顯示嘉華乃新加坡影迷之選，於當地市場遙遙領先。

Management Discussion & Analysis

管理層討論及分析

For the year ended 31 December 2022, Golden Village reported net box office receipts of S\$56.2 million (2021: S\$41.0 million), representing a 37% increase compared with 2021. The improvement arose primarily because Singapore cinemas were allowed to open without any seat capacity restriction during the year which resulted in 28% higher admissions amounting 4.7 million (2021: 3.7 million). Golden Village concessions income had also increased by 59% from S\$15.6 million in 2021 to S\$24.8 million in 2022 given all food and beverage restrictions had been removed and that Singaporeans had gradually adopted to living with COVID. There had also been a material improvement in net average ticket price by 7% to S\$12.0 in 2022 from S\$11.2 in 2021.

Going forward, Golden Village will continue to expand its Gold Class premium cinema and dining offerings to respond to the higher demand for space and privacy post COVID. Golden Village is committed to source quality independent movies for exclusive screening, increase alternative content, live streaming, and other special movies screening frequencies to further improve cinemas competitiveness. In addition, Golden Village will introduce more exclusive merchandises for sale inside cinemas to maximise income.

We remain confident in Golden Village business prospects, and will continue to expand organically in Singapore going forward. Golden Village will open a new 8 halls cinema in Bugis+, a prime location in Singapore in the first half of 2023 and continue to look for other new expansion opportunities in the country.

Taiwan

Operating Statistics of the Group's Cinemas in Taiwan
(For the year ended 31 December 2022)

		2022 二零二二年	2021 二零二一年
Number of cinemas*	影城數目*	17	16
Number of screens*	銀幕數目*	182	173
Admissions (million)	入場觀眾 (百萬人次)	9.2	7.7
Net average ticket price (NTD)	淨平均票價 (新台幣)	266	248
Net box office receipts (NTD billion)	淨票房收入 (百萬新台幣)	2.5	1.9

* at 31 December 2022

The Group's 35.71% owned Vie Show Cinemas is the largest cinema chain in Taiwan operating a total of 17 cinemas, comprising of 182 screens as of 31 December 2022. Vie Show remained as the market leader with 45% share of Taiwan total box office during 2022.

Vie Show's 2022 net box office amounted to NTD2.5 billion, representing an increase of 29.1% from NTD1.9 billion recorded last year. The improvement is mainly due to (1) relaxation of social distancing measures in 2022 compared to last year whereby all cinemas in Taiwan were forced to close for around 8 weeks from 19 May 2021 to 12 July 2021; and (2) release of good Hollywood titles such as *Avatar: The Way of Water* (阿凡達：水之道), *Top Gun: Maverick* (壯志凌雲：獨行俠), *Doctor Strange In The Multiverse of Madness* (奇異博士2：失控多元宇宙) and *Jurassic World: Dominion* (侏羅紀世界：統治霸權) during the year.

截至二零二二年十二月三十一日止年度，嘉華之淨票房收入為5,620萬新加坡元(二零二一年：4,100萬新加坡元)，與二零二一年相比，淨票房收入增加37%。此項收入有所改善，主要因為新加坡電影院在年內獲准許在並無座位容量限制之情況下開放，導致入場人數增加28%至470萬(二零二一年：370萬)。由於所有餐飲限制已撤銷，而新加坡人逐步朝向與COVID共存，嘉華之餐飲收入亦從二零二一年之1,560萬新加坡元增加59%至二零二二年之2,480萬新加坡元。平均淨票價從二零二一年之11.2新加坡元大幅提高7%至二零二二年之12.0新加坡元。

展望未來，嘉華將持續擴展其Gold Class高級影院及餐飲供應，以應對後COVID對空間及私隱之更高要求。嘉華致力搜羅優質獨立電影供獨家放映、增加替代內容、現場網上串流直播及特別電影放映頻率以進一步提升影城之競爭力。此外，嘉華將引入更多獨家商品於影城內銷售，將收入最大化。

我們對嘉華之業務前景仍然充滿信心，並在未來將繼續擴大在新加坡之有機增長。嘉華將於二零二三年上半年在新加坡黃金地段Bugis+開設具有8個影廳之新電影院，並繼續於當地尋找其他新之擴展機會。

台灣

本集團台灣影城之營運數據
(截至二零二二年十二月三十一日止年度)

* 截至二零二二年十二月三十一日

於二零二二年十二月三十一日，本集團擁有35.71%權益之威秀影城為台灣最大連鎖影城，經營合共17家影城，包括182塊銀幕。威秀仍是市場領導，於二零二二年佔台灣總票房45%。

威秀於二零二二年之淨票房收入達到25億新台幣，較去年錄得之19億新台幣增加29.1%。有關改善乃主要由於(1)二零二二年放寬社交距離措施，而於去年同期，台灣所有電影院自二零二一年五月十九日至二零二一年七月十二日強制關閉約8週；及(2)《阿凡達：水之道》、《壯志凌雲：獨行俠》、《奇異博士2：失控多元宇宙》及《侏羅紀世界：統治霸權》等荷里活猛片年內上映。

Management Discussion & Analysis

管理層討論及分析

Vie Show understands the importance of securing quality contents. With the aim to fully leverage on the market leadership in cinema operations locally, Vie Show has incorporated a film production and film distribution associate Bole Film Co., Ltd (伯樂影業股份有限公司) with the Taiwan Ministry of Culture and other leading cinema chains in Taiwan in 2020. This entity has started to invest in film productions and has released *The Post-Truth World* (罪後真相) during 2022. It is expected that there will be 4 local films to be released in 2023.

The Group is confident that as Taiwan COVID-19 situation alleviates and blockbuster movies are gradually released, Vie Show's performance will quickly return to normal. Vie Show will open 3 new cinemas with 47 screens in Taipei and Kaoshiong over 2023 to 2024, which will further increase Vie Show market shares locally in Taiwan. The Group remains committed in Vie Show and will continue to develop Vie Show into a leading comprehensive entertainment operator in Taiwan.

Film & TV Programme Distribution and Production

The Group's film library carried perpetual distribution rights for over 140 self-owned titles, which contributed steady licensing income to the Group.

Riding on the Group's leading position and long tradition in film distribution and production, the Group is one of the largest independent film distributors in Hong Kong, Singapore, and Taiwan. On an aggregated basis the Group's film distribution and production business recorded revenue of HK\$36.4 million in 2022 (2021: HK\$45.0 million). Key titles distributed by the Group included *Silent Parade* (神探伽俐略沉默的遊行) in Hong Kong. The famous releases outside Hong Kong were *DEMIGOD: The Legend Begins* (素還真) in Taiwan and *Emergency Declaration* (緊急迫降) in Singapore.

The Group continued to remain prudent in investment decisions in film productions but keen to work with external studios for redevelopment of the Group's classical Chinese film library into online moves and other film derivative arts. The Group remained active in seeking opportunities to work with local and overseas studios to produce movies and TV programmes of high quality.

威秀深知提供優質內容之重要性。為充分利用當地影院營運之市場領導地位，威秀已與台灣文化部及台灣其他領先連鎖影院合作，於二零二零年將一家電影製作及電影發行副手伯樂影業股份有限公司納入旗下。該單位已開始投資於電影製作，《罪後真相》已於二零二二年上映，預期4部當地電影將於二零二三年上映。

本集團有信心，一旦台灣COVID-19形勢緩解及賣座電影陸續上映後，威秀表現將迅速重回正軌。威秀將於二零二三年至二零二四年在台北及高雄開設3家新影院合共47塊銀幕，將進一步增加威秀於台灣當地之市場佔有率。本集團將繼續致力經營威秀，並將繼續推動威秀發展成為台灣領先之綜合娛樂營運商。

電影及電視節目發行及製作

本集團之電影片庫共擁有逾140部自製電影之永久發行權，為本集團帶來穩定版權收入。

憑藉本集團在電影發行及製作範疇之領先地位及悠久歷史，本集團成為香港、新加坡及台灣其中一個最大之獨立電影發行商。於二零二二年，本集團電影發行及製作業務合計錄得收益3,640萬港元(二零二一年：4,500萬港元)。本集團發行之主要影片包括於香港發行之《神探伽俐略沉默的遊行》。香港以外地區之知名影片計有台灣發行之《素還真》及新加坡發行之《緊急迫降》。

本集團繼續保持審慎之電影製作投資決策，但仍積極與外界製片廠合作，將本集團現有之華語經典電影知識產權重新開發為線上電影及電影衍生藝術作品。本集團仍積極尋求機會與本地及海外製片廠合作製作優質之電影及電視節目。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW

Profit and Loss

The Group's consolidated revenue increased by 35% to HK\$696.0 million (2021: HK\$514.9 million) along with 21% higher total admission coupled with 1% increase in net average ticket price recorded in the year.

As the Group's cinemas were no longer subject to food and beverage restrictions inside cinema halls, coupled with the increase in admissions, the higher margin concessions income has increased by 66% from HK\$92.5 million in 2021 to HK\$153.9 million in 2022. Accordingly, the Group's overall gross profit margin raised from 62% to 65%. Along with the rise in revenue and higher margin, gross profit for the year amounted to HK\$449.1 million, compared with HK\$321.6 million in 2021, representing a 40% increase over the year.

Other revenue of HK\$35.8 million represents primarily subsidies and rental support from governments and landlords received during the year. Given COVID situation alleviated in Singapore and Hong Kong during 2022, the various support obtained has reduced significantly from HK\$31.0 million in 2021 to HK\$20.7 million in 2022. Interest income during the year reduced to HK\$3.1 million from HK\$5.2 million in last year since the Group has employed its cash on hand to pay down its bank loans amidst rising interest rate since the second half of 2022.

During the year, the Group has completed the disposal of its Hong Kong office at 24/F, Capital Center, 151 Gloucester Road, Wanchai, Hong Kong for total consideration of HK\$225 million, generating a non-recurring gain of HK\$56.0 million during the year. All proceeds have been used for partial loan prepayment.

The Group's finance costs consisted of interest expense on bank loans and interest on lease liabilities. Interest expense on bank loans amounted to HK\$20.5 million, compared with HK\$18.7 million in 2021, the higher interest expense arose from the rising interest rate since the second half of 2022 and partially mitigated by the reduced loan outstanding balance.

The Group's joint venture in Taiwan recorded a net loss during the year, in which the Group's share of loss amounted to HK\$22.8 million (2021: HK\$50.7 million). The reduced net loss recorded in 2022 resulted from the significant improvement in admissions arising from the relaxation of social distancing measures and strong Hollywood movie lineup during the year.

With the Group's continued effort, the Group's pre-HKFRS 16 operating EBITDA for the year ended 31 December 2022 amounted to HK\$10.9 million, representing the Group's operations have recovered from COVID.

Depreciation expense for the year amounted to HK\$155.9 million (2021: HK\$165.4 million), lower than 2021 given the Group has made impairment on part of the cinema assets in the prior years.

As a result, loss attributable to equity holders reduced by 85% to HK\$46.1 million in 2022 from HK\$314.2 million in 2021, representing a significant improvement compared with last year.

財務回顧

損益

本集團之綜合收益增加35%至6.960億港元(二零二一年：5.149億港元)，年內總入場人次增加21%，平均淨票價增加1%。

由於本集團旗下電影院不再受限於影廳內之餐飲限制，加上入場人次增加，故利潤率較高之餐飲收入已由二零二一年9,250萬港元增加66%至二零二二年1,539億港元。因此，本集團整體毛利率由62%上升至65%。隨著收益及利潤率增加，年內毛利為4.491億港元，而二零二一年則為3.216億港元，較去年增加40%。

其他收益3,580萬港元主要指年內政府及業主之補貼及租金支持。鑑於二零二二年內新加坡及香港之COVID疫情有所緩和，獲得之多種支持已從二零二一年之3,100萬港元大幅減少至二零二二年之2,070萬港元。本集團已動用手上現金以在二零二二年下半年起加息下償還部分銀行貸款，年內利息收入自去年520萬港元減少至310萬港元。

年內，本集團已完成出售位於香港灣仔告士打道151號資本中心24樓之香港辦公室，總代價為2.25億港元，年內產生非經常性收益5,600萬港元。所得款項已悉數用於預付部分貸款。

本集團之財務成本包括銀行貸款利息支出及租賃負債利息。銀行貸款利息支出為2,050萬港元，二零二一年則為1,870萬港元，二零二二年下半年加息導致之較高利息開支部分被剩餘貸款結餘減少所緩解。

本集團於台灣之合營公司於年內錄得淨虧損，其中本集團應佔虧損為2,280萬港元(二零二一年：5,070萬港元)。於二零二二年錄得之較低淨虧損，由於年內社交距離政策放寬及荷里活猛片上映導致入場人數大幅提高所致。

憑藉本集團之持續努力，本集團截至二零二二年十二月三十一日止年度之香港財務報告準則第16號前經營EBITDA為1,090萬港元，此顯示本集團之業務已逐漸從COVID疫情中恢復。

年內折舊開支為1,559億港元(二零二一年：1,654億港元)，低於二零二一年，乃由於本集團已於過往年度就部分影院資產計提減值。

因此，股權持有人應佔虧損由二零二一年之3.142億港元減少85%至二零二二年之4,610萬港元，較去年大幅改善。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL RESOURCES AND LIQUIDITY

The Group's financial position remained healthy with net assets of HK\$1,517.5 million as of 31 December 2022.

On 29th April 2022, the Group has successfully completed disposal of its Hong Kong office property for total consideration of HK\$225 million, all net proceeds have been used to prepay the Group's outstanding bank loan.

The Group has entered into a new HK\$570 million 3-Year Loan Facility on 26 September 2022 to early refinance the existing loan facility. The Group's new bank loan will continue to be secured by pledged cash, corporate guarantees, equity shares and properties. The new Facility has extended the Group's loan maturity profile, ensuring the Group has sufficient liquidity and minimal refinancing risk.

As of 31 December 2022, the Group has total cash and bank balances amounted to HK\$291.5 million (2021: HK\$745.4 million), within which pledged bank balances amounted to HK\$7.9 million (2021: HK\$50 million). The reduction in cash on hand arose from the Group's voluntary prepayment of bank borrowings by HK\$553.5 million during the year to reduce interest expenses. From a net debt angle, (total bank borrowing less total cash and bank balances), the Group's net debt has reduced from HK\$316.8 million as of 31 December 2021 to HK\$217.1 million as of 31 December 2022.

The Group's gearing ratio, calculated on the basis of bank borrowings over total assets stood at a healthy level of 14.4% (31 December 2021: 24.4%). Net gearing ratio calculated on the basis of net borrowings over total assets stood at a healthy level of 6.1% (31 December 2021: 7.3%) and our cash to bank borrowings ratio at 57.3% (31 December 2021: 70.2%). The Group at this moment has a conservative financial leverage and an extended debt maturity profile. Management viewed the Group's financial position as healthy given the strong liquidity position and believed that its available liquidity is sufficient to support ongoing new cinema projects.

The Group's assets and liabilities are principally denominated in United States dollars, Hong Kong dollars, Renminbi and Singapore dollars, except for certain assets and liabilities associated with the investments in Taiwan. The Group's bank borrowings are denominated in Hong Kong dollars and Singapore dollars in line with the Group's main operating currencies. Each of the Group's overseas operations were operating in their local currencies and are subject to minimal exchange risk. The Group will continue to assess the exchange risk exposure, and will consider possible hedging measures in order to minimise the risk at reasonable cost. The Group did not have any significant contingent liabilities or off-balance sheet obligations as of 31 December 2022 (31 December 2021: Nil).

財務資源及流動資金

本集團之財務狀況仍然穩健，於二零二二年十二月三十一日之淨資產達15.175億港元。

於二零二二年四月二十九日，本集團已成功出售香港辦公室物業，總代價為2.25億港元，所得款項淨額悉數用於預付本集團之未償還銀行貸款。

本集團已於二零二二年九月二十六日訂立新之5.70億港元三年期貸款融資，以提早為現有貸款融資進行再融資。本集團之新造銀行貸款將繼續由已抵押現金、公司擔保、權益股份及物業作抵押。新融資延長本集團之貸款到期日，確保本集團有充足流動資金及最低再融資風險。

截至二零二二年十二月三十一日，本集團之現金及銀行結餘總額為2.915億港元(二零二一年：7.454億港元)，其中已抵押銀行結餘為790萬港元(二零二一年：5,000萬港元)。手上現金減少乃由於本集團年內自願預付銀行借款5.535億港元以減少利息開支。就債務淨額而言，(總銀行借款減總現金及銀行結餘)，本集團債務淨額從二零二一年十二月三十一日之3.168億港元減少至二零二二年十二月三十一日之2.171億港元。

本集團之資產負債比率(按銀行貸款除以總資產計算)維持於14.4%(二零二一年十二月三十一日：24.4%)之穩健水平。淨資產負債比率(按借款淨額除以總資產計算)維持在6.1%(二零二一年十二月三十一日：7.3%)之穩健水平，而現金對銀行貸款比率為57.3%(二零二一年十二月三十一日：70.2%)。目前，本集團維持保守之財務槓桿比率及經延長之債務到期日。鑒於流動資金狀況穩健，管理層認為本集團財務狀況穩健，亦相信可用流動資金足以支持現正進行之新影城項目。

本集團之資產及負債主要以美元、港元、人民幣及新加坡元計值，惟若干資產及負債與台灣投資有關則除外。本集團之銀行貸款以港元及新加坡元計值，與本集團之主要營運貨幣一致。本集團各海外業務均以當地貨幣經營，所承受之外匯風險較低。本集團將持續評估外匯風險，並會考慮採取可行對沖措施，盡量以合理成本降低風險。於二零二二年十二月三十一日，本集團並無任何重大或然負債或資產負債表外債務(二零二一年十二月三十一日：無)。

Management Discussion & Analysis

管理層討論及分析

OUTLOOK

COVID-19 has been an unprecedented challenge to the worldwide economy since 2020, and particularly the film and cinema industry has been one of the worst hit segments. Despite the significant pressure, the Group is pleased to confirm that our operations have returned to positive operating EBITDA and confirmed that the Group has turned around from COVID. As shown in the strong recovery in 2022, the Group is confident that cinemas will remain a vital form of entertainment worldwide going forward.

The Group is confident that cinemas is a unique form of immersive experience and that development of cinemas into integrated lifestyle hubs featuring blockbuster movies, pop culture merchandise, food and beverage, and live events to further improve the immersive experience will further enhance cinemas competitiveness in the future.

In Hong Kong, the Group looks to further expand our cinema network when suitable opportunities arise. The Group will gradually increase frequency of live Japanese and Korean mini-concerts live broadcasting to maximise average ticket price. At the same time, the Group will continue to look for investment opportunities in quality film distribution projects in the territory.

The Group will open a new 8 screens cinema in Singapore in the first half of 2023 and will continue to look for other expansion opportunities. The Group will gradually convert its existing cinemas into integrated lifestyle hubs and introduce creative product offerings such as toys merchandise to its customers.

In Taiwan, Vie Show will continue to expand its cinema network and expect to open 3 new cinemas in 2023 and 2024. Vie Show remains interested to further increase its market leadership by opening cinemas across Taiwan. Supplemented by diversification into film productions and distributions, as well as shopping mall operations, and food and beverage businesses, Vie Show performance is expected to rebound rapidly in the near future.

In the PRC, the Group's first 360 theatre that marries advanced stage technology from Europe, local Chinese stories recreated by renowned talents is scheduled to open in Suzhou in 2023.

Looking ahead, the Group will continue to actively seek investment opportunities in the regional media, entertainment, technology and lifestyle sectors that are related and/or creating synergies to the Group's existing businesses to add values to shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group employed 374 (2021: 338) permanent employees. The Group remunerates its employees mainly by reference to industry practice. In addition to salaries, commissions and discretionary bonuses, share options will be granted to employees based on individual performance and contribution to the Group. The Group also operates a defined contribution retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance and, as at 31 December 2022, there was no forfeited contribution arising from employees leaving the retirement benefit scheme.

FINAL DIVIDEND

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2022 (31 December 2021: Nil).

前景

自二零二零年以來，COVID-19對全球經濟構成前所未有的挑戰，尤其是電影及電影院行業為最受打擊之行業之一。儘管面臨沉重壓力，本集團欣然確認，業務已回復正數經營EBITDA，亦確認本集團已克服COVID。誠如二零二二年錄得之強勁復甦所顯示，本集團有信心電影院將繼續成為全球娛樂之重要形式。

本集團有信心電影院是獨特之沉浸式體驗形式，將電影院發展為以賣座電影、潮流文化商品、餐飲及現場活動為特色之綜合生活中心，可進一步優化沉浸式體驗，未來進一步提升電影院競爭力。

在香港，本集團將於合適機會出現時進一步擴展我們之電影院網絡。本集團將逐步增加日本及韓國小型演唱會直播頻率，以盡量提高平均票價。同時，本集團將繼續於區內物色優質電影發行項目之投資機會。

本集團將於二零二三年上半年在新加坡開設設有8塊銀幕之新影城，並將繼續尋求其他擴充機會。本集團將逐步將其現有影城轉型為綜合生活時尚樞紐，並向其客戶推出玩具商品等創意產品。

在台灣，威秀將繼續擴展其電影院網絡，並預期於二零二三年至二零二四年開設3間新影院。威秀仍有興趣透過在台灣開設電影院進一步提升其市場領導地位。憑藉多元化發展至電影製作及發行以及購物商場營運及餐飲業務，威秀表現預期將於不久將來迅速反彈。

在中國，本集團首家360劇院將歐洲先進之舞台技術與知名人才糅合，把中國民間故事重新演繹，計劃將於二零二三年在蘇州開幕。

展望未來，本集團將繼續在各地尋找與本集團現有業務相關及／或可締造協同效應之地區性傳媒、娛樂、科技及時尚生活領域中之投資機會，以為股東增值。

僱員及薪酬政策

於二零二二年十二月三十一日，本集團聘用374名(二零二一年：338名)全職僱員。本集團主要根據行業慣例釐定僱員薪酬。除薪金、佣金及酌情花紅外，購股權將根據個人表現及對本集團的貢獻授予僱員。本集團亦根據強制性公積金計劃條例設立定額供款退休福利計劃，而於二零二二年十二月三十一日，並無因僱員脫離退休福利計劃而產生任何沒收供款。

末期股息

董事並不建議派付截至二零二二年十二月三十一日止年度之任何末期股息(二零二一年十二月三十一日：無)。

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2022.

The Company wishes to highlight the importance of the Board in ensuring effective leadership and control of the Company, transparency and accountability of all aspects of operations and that its business is conducted in accordance with applicable laws and regulations.

The Company also recognises the importance of good corporate governance to the Group's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Group's needs.

CORPORATE CULTURE

As a leading integrator of the movie entertainment industry in Asia, the Group instils a culture that respects and promotes innovation, sustainability, good corporate governance and compliance with relevant laws and regulations. The Board sets the tone and shapes the corporate culture of the Company, which is underpinned by the Group's vision of sustainable growth, and the core values of acting effectively, lawfully, ethically and responsibly across all levels of the Group. The Board plays a leading role in defining the purpose, values and strategic direction of the Group and in fostering a culture that is forward looking, change embracing and competitiveness focused. The desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders. Board oversight of culture encompasses a range of measures and tools over time, including workforce engagement, employee retention and training, stringent financial reporting, effective and accessible whistleblowing framework, legal and regulatory compliance (including compliance with the employee's code of conduct and corporate governance policies of the Group), as well as staff safety, wellbeing and support. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, value and strategy of the Group are aligned.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles (the "Principles") and code provisions (the "Code Provisions") in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules.

For the year ended 31 December 2022, the Company has complied with the code provisions of CG Code, with the exception of code provisions C.1.6 and F.2.2.

The code provision C.1.6 of the Corporate Governance Code stipulates that independent non-executive directors and non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Ms. Wong Sze Wing, independent non-executive Director, was unable to attend the annual general meeting of the Company held on 28 June 2022 (the "AGM") due to the implementation of the travel restriction and quarantine requirements among overseas and Hong Kong resulted from the outbreak of COVID-19.

董事會欣然提呈截至二零二二年十二月三十一日止年度的企業管治報告。

本公司謹此表明，董事會確保本公司有效領導及監控，在各方面營運的透明度及問責性的重要性，以及根據適用法律及法規進行其業務。

本公司亦明瞭良好企業管治對本集團穩健發展的重要性，已努力確立及制定符合本集團需要的企業管治常規。

企業文化

作為一家為具領導地位的亞洲電影產業整合者，本集團致力培養一個尊重和促進創新、可持續性、良好企業管治及法律及法規的合規性的文化。董事會為本公司之企業文化定下基調並加以塑造，而該文化之基礎為本集團可持續發展的願景，以及本集團於各層面以高效、合法、合乎道德及負責任之方式行事之核心價值觀。董事會在確定本集團之宗旨、價值觀及策略方針以及培養具前瞻性、接納改變及專注於競爭力之文化方面發揮主導作用。本集團所期望之文化在其經營實務、工作場所政策和常規以及與利益相關人士之關係中得到發展及一致反映。董事會對企業文化之監督涵蓋一系列長期措施及方法，包括員工參與、僱員挽留及培訓、嚴謹財務匯報、有效及易於使用之舉報框架、法律及規管合規（包括遵守員工守則及本集團的企業管治政策），以及員工安全、福祉與支援。考慮到各種背景下之企業文化，董事會認為該文化與本集團之宗旨、價值觀及策略一致。

企業管治常規守則

本公司的企業管治常規乃以上市規則附錄14所載企業管治守則（「企業管治守則」）當中原則（「原則」）及守則條文（「守則條文」）為基礎。

截至二零二二年十二月三十一日止年度，本公司一直遵守企業管治守則之守則條文規定，惟第C.1.6及F.2.2條守則條文除外。

企業管治守則第C.1.6條守則條文訂明，獨立非執行董事及非執行董事應出席股東大會，以對股東的意見有全面、公正的了解。受COVID-19疫情爆發影響，海外及香港均實施旅行限制及檢疫規定，因此獨立非執行董事黃斯穎女士無法出席本公司於二零二二年六月二十八日舉行之股東週年大會（「股東週年大會」）。

Corporate Governance Report

企業管治報告

Code provision F.2.2 requires the chairman of the Board to attend the AGM. Mr. Wu Kebo, the Chairman of the Board, was unable to attend the AGM due to other business commitment. Ms. Chow Sau Fong, Fiona, who took the chair of the AGM, together with other members of the Board who attended the AGM were of sufficient calibre and knowledge for answering questions at the AGM.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"). The Company has made specific enquiries with all the Directors and all of them have confirmed that they had complied with the requirements set out in the Model Code and the Company's Code for the year ended 31 December 2022. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises five executive Directors (including the Chairman of the Board) and three independent non-executive Directors, whose biographical details are set out in the "Biographical Details of Directors and Chief Executive Officer" on pages 4 to 9 of this annual report.

The Board is collectively responsible for overseeing the management of the business and affairs of the Group. The Board meets regularly throughout the year to discuss the overall strategies as well as operation and financial performances of the Group. Matters relating to (i) the formulation of the Group's overall strategy and directions; (ii) any material conflict of interest of substantial shareholders of the Company or Directors; (iii) approval of the Group's annual results, annual budgets, interim results and other significant operational and financial transactions; (iv) changes to the Company's capital structure; and (v) major appointments to the Board are reserved for decisions by the Board. The Board has delegated the day-to-day management, administration and operation of the Group and implementation and execution of Board policies and strategies to the executive Directors and management of the Company.

All Directors have given sufficient time and effort to the affairs of the Group and they have full and timely access to all relevant information regarding the Group's affairs and have unrestricted access to the advice and services of the company secretary. The Directors may seek independent professional advice at the Company's expenses in carrying out their duties and responsibilities.

Appropriate and sufficient insurance coverage has been effected by the Company in respect of Directors' liabilities arising from any legal action that may be taken against the Directors in relation to corporate activities.

企業管治守則第F.2.2條守則條文規定，董事會主席須出席股東週年大會。董事會主席伍克波先生因其他公務而未能出席股東週年大會。擔任股東週年大會主席之鄒秀芳女士以及出席股東週年大會之其他董事會成員均具備足夠能力及知識於股東週年大會解答提問。

董事進行證券交易

本公司已採納條款不較上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）寬鬆之守則。本公司已向全體董事作出具體查詢，彼等均確認，於截至二零二二年十二月三十一日止年度一直遵守標準守則及本公司守則所載規定。可能管有本集團內幕消息的相關僱員亦須遵守不較標準守則所訂寬鬆的書面指引。

董事會

於本年報日期，董事會由五名執行董事（包括董事會主席）及三名獨立非執行董事組成。彼等之履歷詳情載於本年報第4至9頁「董事及首席執行官個人履歷」內。

董事會共同負責監督本集團業務及事務之管理工作。董事會於年內定期會面，以討論整體策略以及本集團之營運與財務表現。有關(i)制定本集團整體策略及方向；(ii)本公司主要股東或董事之任何重大利益衝突；(iii)批准本集團年度業績、年度預算、中期業績及其他重大營運與財務交易；(iv)更改本公司之股本結構；及(v)就董事會作出重大委任之事項均由董事會決定。董事會已授權本公司執行董事及管理層負責本集團之日常管理、行政及營運，並實施及執行董事會政策及策略。

全體董事已付出足夠時間及精力處理本集團事務，彼等擁有及時取得有關本集團事務之所有相關資料之一切權力，能夠獲得公司秘書之建議及服務而不受任何限制。董事在履行職務及職責時可尋求獨立專業意見，費用由本公司承擔。

本公司已就董事進行公司活動而可能面對任何法律訴訟產生之責任投購合適及充足之保險。

Corporate Governance Report

企業管治報告

During the year, four regular Board meetings were held at approximately quarterly intervals for, among others, reviewing and approving the financial and operating performance and considering, reviewing and/or approving the overall strategies and policies of the Company. The attendance of individual Directors at the four regular quarterly Board meetings (not including other ad hoc Board meetings held from time to time and any other meeting(s) of members of the Board in compliance with the CG Code) and general meeting during the year ended 31 December 2022 is set out below:

年內約每季度曾舉行共四次常規董事會會議，以(其中包括)審閱及批准本公司整體策略及政策，以及考慮、審閱及/或批准本公司整體策略及政策。各董事於截至二零二二年十二月三十一日止年度出席四個常規季度董事會會議(不包括其他不時舉行的不定期董事會會議及根據企業管治守則的董事會成員的任何其他會議)及股東大會的出席記錄載列如下：

Members 成員		Regular Board Meetings Attended/ Eligible to Attend ^{△*} 曾出席/合資格出席 常規董事會會議 ^{△*}	General Meetings Attended/ Eligible to Attend 曾出席/合資格 出席股東大會
<i>Executive Directors</i> 執行董事			
Wu Kebo (Chairman)	伍克波(主席)	4/4	0/1
Li Pei Sen	李培森	4/4	0/1
Chow Sau Fong, Fiona	鄒秀芳	4/4	1/1
Go Misaki	Go Misaki	4/4	0/1
Peng Bolun	彭博倫	4/4	0/1
<i>Independent Non-executive Directors</i> 獨立非執行董事			
Leung Man Kit	梁民傑	4/4	1/1
Wong Sze Wing	黃斯穎	4/4	0/1
Fung Chi Man, Henry	馮志文	4/4	1/1

[△] Directors may attend meetings in person, by telephone or through other means of video conference in accordance with the Bye-laws of the Company ("Bye-laws").

[△] 根據本公司的公司細則(「公司細則」)，董事可親身、透過電話或其他視像會議方式出席會議。

* Pursuant to the Bye-laws, not all Directors were required to attend the rest of the Board meetings which mainly dealt with the consideration and approval of ordinary business transactions.

* 根據公司細則，並非全體董事均須出席主要處理考慮及批准日常業務交易的其餘董事會議。

During the year, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors.

年內，主席亦與獨立非執行董事舉行了一次沒有其他董事出席的會議。

Practices and Conduct of Board Meetings

At least 14 days' prior notice to the date of regular Board meetings was given to all Directors and an agenda together with Board papers and materials were sent to all Directors no less than three days before the date of the Board meeting. All Directors were given opportunity to include in the agenda any other matters that they would like to discuss in the meeting. The Board committee also adopted and followed the foregoing procedures for the Board committee meetings. All Directors and Board committee members were urged to attend the Board meeting and the Board committee meeting in person. If any Director or Board committee member was unable to attend any such meeting in person, participation through electronic means had been arranged and made available to such Director and Board committee member.

董事會會議常規及程序

定期董事會會議於董事會會議日期前給予全體董事最少14日事前通知，並於董事會會議日期前最少三日向全體董事派發議程連同會議文件及資料。全體董事均可於議程內加入其有意於會議上討論之任何其他事項。董事委員會亦採用及沿用上述董事委員會會議之程序。全體董事及董事委員會成員須親身出席董事會及董事委員會會議，任何董事或董事委員會成員若未能親身出席任何該等會議，該等董事及董事委員會成員可透過已安排之電子方式參與會議。

According to current Board practice, any material transaction or matter which involves conflicting interests of a substantial shareholder or a Director, are dealt with by a duly convened physical Board meeting, at which independent non-executive Directors having no material interest in the transaction should be present. Any Directors or any of their close associates having material interests in the transaction or matter shall abstain from voting and not to be counted in the quorum at meetings for approving such transactions.

根據現行董事會常規，任何涉及主要股東或董事利益衝突的重大交易或事宜，須經由正式召開的實質董事會會議(於交易無重大利益關係的獨立非執行董事應出席會議)處理。任何於交易或事宜擁有重大權益的董事或彼等之緊密聯繫人須在批准該等交易的會議放棄表決及不獲計入法定人數內。

Corporate Governance Report

企業管治報告

The company secretary or the staff of the company secretarial department of the Company prepared and kept detailed minutes of each Board meeting and Board committee meeting and, within a reasonable time after each meeting, the draft minutes were circulated to all Directors for comment and the final and approved version of the minutes was sent to all Directors for their records. The Board committee had also adopted and followed the same practices and procedures as used in the Board meetings.

To the best knowledge of the Company, except for (i) Ms. Go who is the cousin of Mr. Wu; (ii) Mr. Li who is the associate chairman of Orange Sky Entertainment Group (International) Holding Company Limited (a company which is owned as to 80% by Mr. Wu); and the interests as set out in the paragraphs headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares or Debentures" and "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" in the "Report of the Directors" in this annual report, there is no other financial, business, family or other material/relevant relationship among members of the Board.

Training for Directors

Newly appointed Directors and Company Secretaries receive induction on the occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities under applicable laws, rules and regulations and the Group's various governance and internal control policies. The Company also, at its expense, arranges and provides suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged in-house trainings for Directors in the form of provision of training materials, with emphasis on directors' duties and responsibilities. During the year, all Directors had complied with the requirements set out in the code provision C.1.4 of the CG Code.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- (e) to review the Company's compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

本公司之公司秘書或公司秘書部員工負責編製及保存每次董事會會議及董事委員會會議之詳細會議記錄，並於每次會議後之合理時間內向全體董事傳閱會議記錄初稿，以供董事提供意見，而全體董事均獲發會議記錄最終獲批准之版本作記錄。董事委員會亦已採用及沿用董事會會議採用之相同常規及程序。

據本公司所深知，除 (i) Go 女士為伍先生之堂妹；(ii) 李先生為伍先生擁有 80% 股權之公司橙天娛樂集團（國際）控股有限公司之聯合董事長；以及本年報「董事會報告」內「董事及最高行政人員於股份、相關股份或債權證之權益及淡倉」及「主要股東及其他人士於股份及相關股份之權益及淡倉」各段所列載權益外，董事會成員間並無任何其他財務、業務、家族或其他重大／關連關係。

董事培訓

新委任董事及公司秘書於獲委任時獲得就職介紹，確保彼恰當了解本公司業務及運作，及全面了解其於適用法律、規定及法規以及本集團各類管治及內部監控政策下的職責。此外，本公司亦自費就上市公司董事的角色、功能及職責的重要性安排及舉辦合適的培訓。

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等的知識及技能。本公司已透過提供培訓資料為董事安排內部培訓，並適切着重上市公司董事的角色、職能及責任。年內，所有董事都遵守了企業管治守則第 C.1.4 條守則規定的要求。

企業管治職能

董事會負責履行之企業管治職責包括：

- (a) 制定及檢討本公司之企業管治政策及常規；
- (b) 檢討及監察董事及高級管理人員之培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
- (d) 制定、檢討及監察僱員及董事之操守守則及合規手冊（如有）；及
- (e) 檢討本公司遵守上市規則附錄十四所載企業管治守則及企業管治報告之情況。

Corporate Governance Report

企業管治報告

During the year, the Board reviewed the effectiveness of the internal controls and risk management systems of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board, Mr. Wu, is responsible for providing leadership of the Board and ensuring all Directors are properly briefed on issues arising at the Board meeting. In addition, he is charged with the duty to ensure that the Directors receive in a timely manner adequate, complete and reliable information in relation to the Group's affairs. The Chairman also encourages the Directors to actively participate in and to make a full contribution to the Board so that the Board functions effectively and acts in the best interest of the Company.

The CEO focuses on implementing objectives, policies and strategies approved and delegated by the Board. The CEO is in charge of the Group's corporate strategy, mergers and acquisitions, and business operations and development for the Board's approval.

There is no financial, business, family or other material/relevant relationship between the Chairman and the CEO of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors possess a wide range of business and financial expertise, experiences and, through participation in board meetings, offer independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conducts. Through taking the lead where potential conflicts of interests arise, serving on the Board committees, examining the Company's performance in achieving corporate goals and objectives and monitoring performance reporting, the independent non-executive Directors has become an integral part of the healthy growth of the Company.

During the year ended 31 December 2022, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board and with at least one of the independent non-executive Directors possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company confirms that it has received written annual confirmation from each independent non-executive Director concerning his/her independence pursuant to Rule 3.13 of the Listing Rules and all independent non-executive Directors are considered independent having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules.

COMPANY SECRETARY

Ms. Cheung Hei Ming has been appointed as the company secretary ("Company Secretary") of the Company with effect from 15 August 2017. The Company Secretary needs to support the Board by ensuring a good information flow within the Board and that Board's policy and procedures are followed. The Company Secretary should report to the Chairman of Board or the CEO on all related matters. For the year ended 31 December 2022, the Company Secretary confirmed that she had taken no less than 15 hours of relevant professional training.

年內，董事會已檢討本公司內部監控及風險管理制度之成效。

主席及首席執行官

董事會主席伍先生負責領導董事會，並確保全體董事已適當知悉於董事會會議提出之事宜。此外，彼負責確保董事及時收到有關本集團事務之充分、完整及可靠資料。主席亦鼓勵董事積極參與董事會，為董事會全力作出貢獻，以使董事會有效運作，並能按本公司最佳利益行事。

首席執行官主要負責執行經董事會批准及授權的目標、政策及策略。彼負責本集團之企業策略、併購以及業務營運及發展，以供董事會批准。

本公司主席與首席執行官之間並無任何財務、業務、家族或其他重大／關連關係。

獨立非執行董事

獨立非執行董事擁有廣泛的商業及財務專業知識與經驗，並透過參與董事會會議，在涉及策略、政策、公司表現、問責性、資源、主要委任及操守準則等事宜上，提供獨立的意見。獨立非執行董事透過在出現潛在利益衝突時發揮牽頭引導作用、出任各董事會委員會成員、審查本公司的表現是否達到企業目標和目的並監察匯報公司表現的事宜，已成為本公司穩健增長的重要力量。

截至二零二二年十二月三十一日止年度，董事會一直遵守上市規則第3.10(1)、3.10(2)及3.10A條有關委任最少三名獨立非執行董事，須佔董事會成員人數至少三分之一而其中最少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識的規定。

本公司確認已接獲各獨立非執行董事根據上市規則第3.13條規定所作出有關其獨立身分的年度確認書，根據上市規則第3.13條所載獨立性標準，所有獨立非執行董事為獨立。

公司秘書

張希銘女士於二零一七年八月十五日獲委任為本公司之公司秘書（「公司秘書」）。公司秘書須確保董事會成員之間資訊交流良好以及董事會政策及程序得到遵循以支援董事會。公司秘書應向董事會主席或首席執行官匯報所有相關事宜。截至二零二二年十二月三十一日止年度，公司秘書確認彼已接受不少於15小時之相關專業培訓。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing specific aspects of the Company's affairs. Each Board committee was established with defined written terms of reference setting out its authorities and duties and requiring the Board Committees to report back to the Board on their decisions or recommendations (unless otherwise restricted by applicable legal or regulatory requirements). To provide transparency, the terms of reference of the Board committees are made available on the Company's and the Stock Exchange's websites and hard copies of the same are available to the shareholders upon request.

AUDIT COMMITTEE

The Board established an audit committee of the Company (the "Audit Committee") on 9 October 1998 and formulated its written terms of reference in accordance with the requirements of the Listing Rules, which have been uploaded on the websites of the Stock Exchange and the Company. As at 31 December 2022, the Audit Committee's members comprised three independent non-executive Directors, being Mr. Leung (who also acts as the Chairman of the Audit Committee), Mr. Fung and Ms. Wong.

During the year ended 31 December 2022, three Audit Committee meetings were held and the individual attendance of the members of the Audit Committee is set out as follows:

Members 成員	Meetings Attended/Eligible to Attend 曾出席／合資格 出席會議
Leung Man Kit (Chairman)	梁民傑(主席) 3/3
Wong Sze Wing	黃斯穎 3/3
Fung Chi Man, Henry	馮志文 3/3

The principal duties of the Audit Committee include monitoring the integrity of the financial statements of the Company, reviewing the effectiveness of the Company's financial control, risk management and internal control systems (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget) and risk management as delegated by the Board, and making recommendations to the Board on the appointment and engagement of the external auditors for audit and non-audit services. The Audit Committee is provided with sufficient resources enabling it to discharge its duties.

During the year ended 31 December 2022, the Audit Committee reviewed the accounting principles and policies adopted by the Group and discussed and reviewed financial reporting matters including the interim and audited financial statements. In addition, the Audit Committee also reviewed the engagement of the external auditors and the adequacy and effectiveness of the Company's internal control and risk management systems and made recommendations to the Board. There was no disagreement between the Board and the Audit Committee on the selection, appointment or resignation of the external auditors.

董事會委員會

董事會下設三個委員會：審核委員會、提名委員會及薪酬委員會，以掌管本公司特定事務。各董事會委員會均設有明確書面職權範圍，載列其要求董事委員會向董事會報告其決定或意見的權限及職責（適用法律或監管規定限制者除外）。為提供透明度董事委員會的職權範圍於本公司及聯交所網站刊載，其複印件亦可供股東索閱。

審核委員會

董事會於一九九八年十月九日成立本公司之審核委員會（「審核委員會」），並根據上市規則書面訂明其職權範圍，職權範圍已於聯交所及本公司網站登載。於二零二二年十二月三十一日，審核委員會成員包括三名獨立非執行董事，即擔任審核委員會主席之梁先生、馮先生及黃女士。

截至二零二二年十二月三十一日止年度，本公司曾舉行三次審核委員會會議，審核委員會個別成員之出席情況如下：

審核委員會之主要職務包括監督本公司財務報表是否完整全面、按董事會授權檢討本公司之財務監控、風險管理及內部監控制度（包括資源充足性、本公司會計及財務申報職能員工之資歷及經驗以及其培訓計劃及預算）及風險管理成效，並就委任及委聘外聘核數師進行審核及非審核服務向董事會作出推薦意見。審核委員會獲提供充足資源以履行其職務。

截至二零二二年十二月三十一日止年度，審核委員會已審閱本集團採納之會計原則及政策，並討論及審閱財務申報事宜，包括中期及經審核財務報表。此外，審核委員會亦審閱外聘核數師之委聘、本公司內部監控及風險管理制度是否足夠及有效，並向董事會作出推薦意見。董事會與審核委員會就甄選、委任或罷免外聘核數師並無意見分歧。

Corporate Governance Report

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During the year, the Board has also, with the recommendation of the Audit Committee, established anti-corruption and whistleblowing policies and systems, which are conducive to setting a healthy corporate culture and good corporate governance practices.

Pursuant to Rule 3.21 of the Listing Rules, the audit committee of an issuer must comprise a minimum of three members, comprising non-executive directors only, and at least one of them is an independent non-executive Director with appropriate qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. Our Directors confirm that we had complied with such requirements during the year ended 31 December 2022.

REMUNERATION COMMITTEE

The Board established a remuneration committee of the Company (the "Remuneration Committee") on 8 October 2004 and has formulated its written terms of reference in accordance with the CG Code, which have been uploaded on the websites of the Stock Exchange and the Company. The Remuneration Committee currently comprises one executive Director, being Mr. Wu, and two independent non-executive Directors, being Mr. Leung and Ms. Wong (who also acts as the Chairman of the Remuneration Committee). The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration packages of all the Directors and senior management of the Company according to its terms of reference, including benefits in kind, pension rights and compensation payments, including any compensation payable for the loss or termination of their office or appointment. The remuneration of the Directors and senior management of the Company is determined by reference to factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, employment conditions elsewhere in the Group and desirability of performance based remuneration.

The Remuneration Committee is required to consult the Chairman of the Board regarding the remuneration of the executive Directors, and members of the Remuneration Committee have access to professional advice on remuneration of executive Directors, if considered necessary.

The Remuneration Committee held one meeting during the year ended 31 December 2022 to review and make recommendations to the Board on the remuneration package of individual executive Directors. The Remuneration Committee also reviewed and approved the terms of service contracts of the executive Directors. The composition of the Remuneration Committee during the year ended 31 December 2022 and the attendance of the members of the Remuneration Committee to the meetings of the Remuneration Committee are as follows:

Members 成員		Meetings Attended/Eligible to Attend 曾出席/合資格 出席會議
Wong Sze Wing (Chairman)	黃斯穎(主席)	1/1
Wu Kebo	伍克波	1/1
Leung Man Kit	梁民傑	1/1

年內，在審核委員會的建議下，董事會亦已設立反貪污及舉報政策與制度，此有利於建立健全之企業文化及良好之企業管治常規。

根據上市規則第3.21條，發行人之審核委員會須包括最少三名成員並僅由非執行董事組成，而當中最少一名為具上市規則第3.10(2)條規定之合適資格或會計或相關財務管理專長之獨立非執行董事。董事確認，本公司已於截至二零二二年十二月三十一日止年度遵守有關規定。

薪酬委員會

董事會已於二零零四年十月八日成立本公司之薪酬委員會(「薪酬委員會」)，並根據企業管治守則書面訂明其職權範圍，職權範圍已於聯交所及本公司網站登載。薪酬委員會成員現時包括一名執行董事伍先生以及兩名獨立非執行董事梁先生及擔任薪酬委員會主席之黃女士。薪酬委員會之主要職責包括根據其職權範圍，就本公司全體董事及高級管理人員之薪酬待遇政策及架構向董事會作出推薦意見，其中包括實物利益、退休金權利及賠償費用(包括就喪失或終止職務或委任而應付之任何賠償)。本公司董事及高級管理人員之薪酬乃參照可供比較公司支付之薪金、董事及高級管理人員投入之時間及職責、本集團各地區之僱傭條件及與表現掛鈎薪酬是否適用等因素而釐定。

薪酬委員會須就執行董事之薪酬徵詢董事會主席之意見，如有需要，薪酬委員會成員可就執行董事之薪酬徵求專業意見。

薪酬委員會於截至二零二二年十二月三十一日止年度曾舉行一次會議，以檢討個別執行董事之薪酬待遇，並就此向董事會作出推薦意見。薪酬委員會亦已檢討及批准執行董事之服務合約條款。截至二零二二年十二月三十一日止年度薪酬委員會之組成及薪酬委員會成員出席薪酬委員會會議之情況如下：

Corporate Governance Report

企業管治報告

Pursuant to the CG Code provision E.1.5, the remuneration of the members of the senior management of the Group (which include the executive Directors and chief executive officers only) by band for the year ended 31 December 2022 is set out below:

Remuneration bands (HK\$) 薪酬範圍 (港元)	Number of Individuals 人數
< 1,000,000	3
1,000,001–5,000,000	2
5,000,001–10,000,000	1

During the year ended 31 December 2022, the Company distributed approximately HK\$2,813,000 to Mr. Wu Kebo, HK\$558,000 to Ms. Chow Sau Fong, Fiona and HK\$600,000 to Mr. Yeung Ho Nam as discretionary bonuses respectively regarding to the completion of Property disposal which disposal details are set out in the "Investment Property" on pages 74 to 75 of this annual report.

Details of emoluments of each Director and chief executive officer are set out in note 8 to the financial statements on page 127 of this annual report.

NOMINATION COMMITTEE

The Board established a nomination committee of the Company (the "Nomination Committee") on 26 March 2012 and has formulated its written terms of reference in accordance with the CG code, which have been uploaded on the websites of the Stock Exchange and the Company. The Nomination Committee currently comprises one executive Director, being Mr. Wu (who also acts as the Chairman of the Nomination Committee) and two independent non-executive Directors, being Ms. Wong and Mr. Leung. The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying individuals qualified to become Board members, assessing the independence of independent non-executive Directors and selecting or making recommendations to the Board on the selection, appointment or re-appointment of individuals nominated for directorships, in particular the Chairman of the Board and the chief executive. The Nomination Committee, in making such selection and recommendation, will take into account factors such as professional qualifications, experience, academic background, etc.

The members of the Nomination Committee have access to independent professional advice on the nomination of executive Directors, if considered necessary.

Board Diversity Policy

The Board adopted a board diversity policy ("Board Diversity Policy") on 28 August 2013 to enhance the quality of its performance. The Nomination Committee is responsible for reviewing and assessing the diversity at the Board level for and on behalf of the Board in term of (including but not limited to) gender, age, cultural and educational background, professional experience, skills and such other qualities as may be considered important by the Nomination Committee from time to time. In identifying suitable candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and also the benefits of diversity on the Board. In reviewing the Board composition, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and diversity on the Board. The Nomination Committee will review the Board Diversity Policy in a timely manner to ensure that the Board Diversity Policy is effective.

根據第E.1.5條企業管治守則條文，本集團高級管理人員(只包括執行董事和首席執行官)截至二零二二年十二月三十一日止年度之薪酬範圍載列如下：

截至二零二二年十二月三十一日止年度，本公司向伍克波先生、鄒秀芳女士及楊浩嵐先生分別發放約2,813,000港元、558,000港元及600,000港元的酌情花紅，作為完成出售該物業的獎勵。出售的詳情載於本年報第74至75頁的該「投資物業」內。

董事和首席執行官各自之酬金詳情，載於本年報第188頁之財務報表附註8。

提名委員會

董事會於二零一二年三月二十六日成立本公司之提名委員會(「提名委員會」)，並根據企業管治守則書面訂明其職權範圍，職權範圍已於聯交所及本公司網站登載。提名委員會現時成員包括一名擔任提名委員會主席之執行董事伍先生以及兩名獨立非執行董事黃女士及梁先生。提名委員會之主要職責包括檢討董事會架構、規模及組成；物色合資格作為董事會成員之人選；評估獨立非執行董事之獨立身分並就董事人選作出甄選或另就甄選、委任或重新委任獲提名人士擔任董事職務向董事會作出推薦建議，特別是董事會主席及最高行政人員相關事宜。提名委員會將考慮專業資格、經驗、學歷等因素作出該等甄選及推薦建議。

如有需要，提名委員會成員可就執行董事之提名徵詢獨立專業意見。

董事會多元化政策

董事會於二零一三年八月二十八日採納一套董事會多元化政策(「董事會多元化政策」)，藉以提升表現質素。提名委員會負責代表董事會檢討及評估董事會之多元化格局，包括(但不限於)性別、年齡、文化及教育背景、專業經驗、技能及提名委員會不時認為重要之其他素質方面。在物色合適候選人加入董事會時，提名委員會按客觀標準考慮候選人之優點及是否有利於董事會多元化。在檢討董事會之組成時，委員會全方位考慮多元化因素，包括(但不限於)上述因素，以維持董事會在技能、經驗及多元化各方面維持合適範圍及均衡發展。提名委員會將在適當時候檢討董事會多元化政策，以確保董事會多元化政策行之有效。

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As at the date of this report, it is noted that 3 out of 8 Directors, representing approximately 38%, are female. The Directors' ages are widely spread between 32 and 75. Regarding the educational and professional background, the Board members have accounting, finance, telecommunication and general business knowledge. It is therefore believed that the Board has achieved diversity in terms of gender, age, educational and professional background.

The Group is committed to achieving gender diversity to eliminate any form of gender discrimination, including but not limited to recruitment, remuneration, training and promotion, and keeps reviewing gender equality within the Group regularly and taking corrective actions to improve gender balance. As at the year ended 31 December 2022, the number of employees of the Group (including both full time and part time employees for Hong Kong and Singapore regions) consisted of 395 male or 46.04% and 463 female or 53.96% (31 December 2021: 291 male or 49.41% and 298 female or 50.59%). The Group strives to achieve gender diversity in order to enjoy the benefits of accessing a wider talent pool and boosting creativity and innovation. For details, please refer to the section headed "Environmental, Social and Governance Report" in this annual report.

Nomination Policy

The Board has adopted a nomination policy (the "Nomination Policy") which sets out the selection criteria and nomination procedures to identify, select and recommend candidates for Directors.

Selection Criteria

When evaluating and selecting candidates for directorships, the members of the Nomination Committee or the Board shall consider the following criteria:

- (a) Character and integrity;
- (b) Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategies;
- (c) The Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
- (d) Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
- (e) In case of independent non-executive Directors, whether the candidates would be considered independent in accordance with the Listing Rules;
- (f) In case of re-election, the overall contribution and service to the Company of the Director to be reelected and the level of participation and performance on the Board and the other criteria set out in this section; and
- (g) Such other perspectives appropriate to the Company's business.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

於本報告日期，8名董事其中3名（佔總數約38%）為女性。董事之年齡介乎32至75歲。教育及專業背景方面，董事會成員具備會計、財務、電訊及一般商業知識。因此，董事會相信，董事會在性別、年齡、教育及專業背景方面已達致多元化格局。

本集團致力實現性別多元化，以消除任何形式的性別歧視，包括但不限於招聘、薪酬、培訓及晉升，並定期檢討本集團內的性別平等，並採取糾正措施以改善性別平衡。截至二零二二年十二月三十一日止年度，本集團員工人數（包括香港和新加坡地區的全職和兼職員工）分別為395名男性或46.04%，463名女性或53.96%（二零二一年十二月三十一日：291名男性或49.41%，298名女性或50.59%）。本集團致力實現性別多元化，以享受更廣泛的人才庫和促進創造力和創新的好處，詳情請參閱本年報「環境、社會及管治報告」一節。

提名政策

董事會已採納提名政策（「提名政策」），當中載列挑選準則及提名程序，以物色、挑選及建議董事候選人。

挑選準則

於評核及挑選董事候選人時，提名委員會成員及董事會須考慮以下準則：

- (a) 品格及誠信；
- (b) 包括與本公司業務及企業策略相關之專業資格、技術、知識及經驗在內之資歷；
- (c) 董事會多元化政策及提名委員會為達致董事會多元化而採納之任何可計量目標；
- (d) 投入充足時間履行董事會成員及其他董事職務及重大承擔之意願；
- (e) 對於獨立非執行董事，候選人是否根據上市規則被視為具獨立身分；
- (f) 對於重選連任，將獲重選之董事對本公司所作整體貢獻及服務、在董事會內之參與程度及表現，以及本節所載其他準則；及
- (g) 適用於本公司業務之其他觀點。

此等因素僅供參考，並非詳盡及決定性。提名委員會可酌情提名其認為合適之任何人士。

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Nomination Procedures

- (a) The Nomination Committee and/or the Board identifies potential candidates including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agencies and/or advisors. The Nomination Committee then develops a short list of candidates and agrees on proposed candidate(s);
- (b) Proposed candidate(s) will be asked to submit the necessary personal information, biographical details, together with their written consent to be appointed as a director. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary;
- (c) The Nomination Committee shall, upon receipt of the proposal on appointment of new director and the personal information (or relevant details) of the proposed candidate(s), evaluate such candidate(s) based on the criteria as set out above to determine whether such candidate(s) is qualified for directorship;
- (d) For any person that is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship;
- (e) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);
- (f) The secretary of the Nomination Committee shall convene a meeting of the Nomination Committee. For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for re-election or election at a general meeting, the Nomination Committee shall make nominations or recommendations for the Board's consideration and the Board shall make recommendations to shareholders in respect of the proposed re-election or election of Director(s) at the general meeting;
- (g) In order to provide information of the candidates nominated by the Board to stand for election or re-election at a general meeting, a circular will be sent to shareholders. The circular will set out the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations including the Listing Rules, of the proposed candidates; and
- (h) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election or re-election at any general meeting.

提名程序

- (a) 提名委員會及／或董事會負責物色潛在候選人，方法包括但不限於內部晉升、調任、管理層其他成員及外部招聘機構及／或顧問之轉介。提名委員會其後制定候選人名單及就建議候選人達成共識；
- (b) 建議候選人會被要求提交所需個人資料、履歷詳情連同董事任命之同意書。提名委員會可要求候選人提供被視為必要之額外資料及文件；
- (c) 提名委員會須於接獲委任新董事建議及建議候選人個人資料(或相關詳情)後，按照上述準則評核有關候選人，以釐定有關候選人是否符合資格履行董事職務；
- (d) 對於在本公司股東大會獲股東提名參選董事之任何人士，提名委員會須按照上述準則評核有關候選人，以釐定有關候選人是否符合資格履行董事職務；
- (e) 倘過程中出現一名或以上屬意候選人，提名委員會須根據本公司需要及對各候選人之背景調查(如適用)按優先次序訂立排名；
- (f) 提名委員會秘書須召開提名委員會會議。為填補臨時空缺，提名委員會須提出建議供董事會考慮及審批。就提名候選人於股東大會重選連任或參選而言，提名委員會須作出提名或建議供董事會考慮，而董事會須就建議董事於股東大會重選連任或參選向股東提出建議；
- (g) 為提供獲董事會提名在股東大會參選或重選連任之候選人之資料，將向股東寄發一份通函。通函將載列建議候選人姓名、簡歷(包括資格及相關經驗)、獨立性、建議薪酬及上市規則等適用法律、規則及規例所規定之任何其他資料；及
- (h) 對於與候選人在任何股東大會參選或重選連任之建議有關之一切事宜，董事會擁有最終決定權。

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Monitor and Review

The Nomination Committee will monitor the implementation of the Nomination Policy and report to the Board when necessary. Also, the Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee held one meeting during the year ended 31 December 2022 to review the structure, size and composition of the Board; to consider and recommend to the Board the appointment and re-election of the Directors; and to review the annual confirmation of independence submitted by the independent non-executive Directors.

監督及檢討

提名委員會將負責監督提名政策之落實情況，並於有需要時向董事會匯報。另外，提名委員會將檢討提名政策（如適當），以確保提名政策行之有效，並會討論任何可能需要之修訂，同時向董事會建議任何有關修訂，供其考慮及審批。

提名委員會於截至二零二二年十二月三十一日止年度曾舉行一次會議，以檢討董事會之架構、規模及組成；考慮委任及重選董事及就此向董事會作出推薦建議；及審閱獨立非執行董事按年提交之獨立身分確認書。

Members 成員		Meetings Attended/Eligible to Attend 曾出席／合資格 出席會議
Wu Kebo (Chairman)	伍克波(主席)	1/1
Leung Man Kit	梁民傑	1/1
Wong Sze Wing	黃斯穎	1/1

AUDITORS' REMUNERATION

For the year ended 31 December 2022, the fees paid/payable to the Group's auditors, Messrs. KPMG, are set out as follows:

核數師酬金

截至二零二二年十二月三十一日止年度，已付／應付本集團核數師畢馬威會計師事務所之費用載列如下：

Services Rendered 所提供服務		Fee Paid/Payable 已付／應付費用 HK\$'000 千港元
Audit and audit-related services	審核及審核相關服務	2,666
Non-audit services	非審核服務	932

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities to prepare the financial statements for each financial year with support from the finance department of the Company and to ensure that the relevant accounting policies are observed and the accounting standards issued by the Hong Kong Institute of Certified Public Accountants are complied with in the preparation of such financial statements and to report the financial affairs of the Company in a true and fair manner.

The statement by the auditors of the Company regarding their responsibilities for the audit of the financial statements of the Group is set out in the Independent Auditors' Report on pages 92 to 98 of this annual report.

對財務報表之責任

董事瞭解彼等之責任為於本公司財務部門支援下，編製每個財政年度之財務報表，確保遵照有關會計政策及香港會計師公會頒佈之會計準則編製有關財務報表，並真實公平呈報本公司之財務狀況。

本公司核數師就其對本集團財務報表之審核責任發出之聲明，載於本年報第92至98頁之獨立核數師報告書內。

GOING CONCERN

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

持續經營基準

董事確認，據彼等經作出一切合理查詢後所深知、全悉及確信，彼等並不知悉有任何可能對本公司持續經營能力構成重大疑問之任何重大不明朗事項或情況。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibilities for maintaining a sound and effective risk management and internal control systems with the aim at (i) safeguarding the Group's assets against unauthorised use or disposition; (ii) maintaining proper accounting records; and (iii) ensuring compliance with relevant legislation and regulations. The risk management and internal control systems of the Group comprises a well-established organisation structure and comprehensive policies and standards. Such systems are designed to manage, rather than eliminate, the risk associated in failing to achieve certain business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group established an internal audit department at the end of the year 2012 to assess its risk management and internal control systems, formulate an impartial opinion on the systems, and report its findings to the Audit Committee, the Chairman of the Board and the senior management concerned on a regular basis as well as following up on all reports to ensure that all issues have been satisfactorily resolved.

Review of the Group's risk management and internal control systems covers all material controls, including financial, operational and compliance controls and risk management functions of different systems. The Group's risk management procedures include the following elements:

- Identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- Develop necessary measures to manage those risks; and
- Monitor and review the effectiveness of such measures.

The Board, through the Audit Committee, confirmed that they had conducted reviews of the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2022, where some findings have been identified and reported to the Board. The Board considers the risk management and internal control systems of the Group effective and adequate throughout the year.

Regarding the disclosure of inside information, the Board had implemented procedures and internal controls for handling and dissemination of inside information so that potential inside information can be promptly identified and escalated up for deciding whether an announcement should be made in order to ensure compliance with the continuous obligations under the Listing Rules and the statutory obligation to disclose information under the SFO.

No material internal control deficiency that may affect the shareholders of the Company has come to the attention of the Audit Committee or the Board. The Directors are of the opinion that the Company has complied with code provisions under D.2 on risk management and internal control as set out in the CG Code contained in Appendix I4 to the Listing Rules.

風險管理及內部監控

董事會深明其維持穩健兼有效之風險管理及內部監控制度之責任，旨在 (i) 保障本集團資產不會在未經授權下遭使用或處置；(ii) 妥善保存會計記錄；及 (iii) 確保遵從有關法例及規例。本集團風險管理及內部監控制度包括完善之組織架構及周全政策與準則，有關制度乃為管理而非消除有關未能達致若干業務目標之風險而設，僅可合理而非絕對保證避免出現重大錯誤陳述或損失之情況。

本集團於二零一二年末成立內部審核部門，以定期評估其風險管理及內部監控制度，就制度制定公正意見以及向審核委員會、董事會主席及有關高級管理人員匯報結果，並跟進所有報告以確保所有事宜獲妥善解決。

檢討本集團風險管理及內部監控制度涵蓋所有重大監控方面，包括財務、營運及合規監控以及不同制度之風險管理職能。本集團風險管理程序包括以下元素：

- 識別本集團營商環境之重大風險，並評估該等風險對本集團業務之影響；
- 制定所需措施以管理該等風險；及
- 監察及檢討有關措施之成效。

董事會於截至二零二二年十二月三十一日止年度已透過審核委員會確定彼等已檢討本集團風險管理及內部監控制度之成效，而當中發現已向董事會匯報。董事會認為本集團風險管理及內部監控制度於本年度一直為有效及充分。

就披露內幕消息而言，董事會已就處理及發佈內幕消息實行程序及內部監控措施，以便就決定應否作出公佈從速識別及升級處理潛在內幕消息，確保遵守上市規則項下之持續責任並根據證券及期貨條例之法定責任披露資料。

審核委員會或董事會概不知悉內部監控有任何可能影響本公司股東之重大不足之處。董事認為，本公司一直遵守上市規則附錄十四內企業管治守則項下有關風險管理及內部監控之第D.2條守則條文規定。

Corporate Governance Report

企業管治報告

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

The Group has established (i) policy and measures that promote and support anti-corruption laws and regulations; and (ii) whistleblowing policy and measures for employees, suppliers and business partners to raise concerns, in confidence and anonymity, with the Board about possible improprieties in any matter related to the Group.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). Under the Dividend Policy, the Company may consider providing Shareholders with interim or annual dividends, and declaring special dividends from time to time. The Company intends to propose/declare dividends after taking into consideration of, inter alia, the following factors:

- a. the Group's actual and expected financial performance;
- b. retained earnings and distributable reserves of the Company and each of the members of the Group;
- c. the level of the Group's debts to equity ratio and the relevant financial covenants;
- d. any restrictions on payment of dividends that may be imposed by the Group's lenders;
- e. the Group's expected cash flow requirements and future expansion plans;
- f. economic conditions of the Group, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Group; and
- g. any other factors that the Board deems appropriate.

The recommendation of the payment of dividend is subject to the absolute discretion of the Board, and any declaration of annual dividend for the year will be subject to the approval of the Shareholders.

The payment of dividend is also subject to compliance with applicable laws and regulations including the law of Bermuda and the Company's Bye-laws. The Board will review the Dividend Policy as appropriate from time to time.

反貪污政策及舉報政策

本集團已制訂 (i) 有關提倡及支持反貪污法例及規例的政策及措施；及 (ii) 為僱員、供應商及業務夥伴而設的舉報政策及措施，讓彼等可以保密及匿名方式，向董事會提出有關本集團任何事務可能存在不當行為的疑慮。

股息政策

本公司已採納股息政策（「股息政策」）。根據股息政策，本公司可考慮向股東提供中期或年度股息，並不時宣派特別股息。本公司擬於考慮（其中包括）以下因素後建議派發／宣派股息：

- a. 本集團之實際及預期財務表現；
- b. 本公司及本集團各成員公司之保留溢利及可分派儲備；
- c. 本集團之債務權益比率及相關財務契據；
- d. 本集團之貸款方就派付股息可能施加之任何限制；
- e. 本集團之預期現金流需求及未來擴張計劃；
- f. 本集團之經濟狀況、本集團業務之商業週期以及可能影響本集團業務或財務表現及狀況之其他內部及外部因素；及
- g. 董事會視為適當之任何其他因素。

建議派付股息視乎董事會之絕對酌情權而定，而宣派任何年度之年度股息須待股東批准後方可作實。

派付股息亦須受遵守適用法律及法規，包括百慕達法例及本公司之公司細則。董事會將不時於適當時間審閱股息政策。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Shareholders holding not less than one-tenth of the paid-up capital of the Company can deposit a written request (stating the objects of the meeting and signed by the shareholders concerned) to convene an extraordinary general meeting ("EGM") for the transaction of any business specified in the written request at the principal place of business of the Company for the attention of the Board or the Company Secretary. If the Directors do not within 21 days from the date of the deposit of the request (after being verified to be valid) proceed to convene an EGM, the shareholders concerned, or any of them representing more than one-half of the total voting rights of all of them, may by themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three months from the date of the deposit of the request.

Shareholders, representing not less than one-twentieth of the total voting rights of the Company or not less than 100 shareholders as at the date of deposit of the requisition, can by written requisition request the Company to (a) give to the shareholders of the Company notice of any resolution which may properly be moved and is intended to be removed at the next annual general meeting of the Company; and (b) circulate to the shareholders a statement of not more than 1,000 words with respect to the matters referred to in any proposed resolution or the business to be dealt with at any general meeting. If the requisition requires a notice of a resolution, it must be deposited at the principal place of business of the Company not less than 6 weeks before the date of the annual general meeting. In the case of any other requisition, the written requisition must be deposited at the principal place of business of the Company not less than 1 week before the date of the general meeting.

If a shareholder of the Company, who is duly qualified to attend and vote at the general meetings of the Company, intends to propose a person other than a Director for election as a Director at any general meeting, the shareholder concerned shall lodge with the principal place of business of the Company for the attention of the Company Secretary (i) a written notice of his/her intention to propose that person for election as a Director at the general meeting; and (ii) a notice in writing by that person of his/her willingness to be elected together with the necessary information within the period commencing no earlier than seven days after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such general meeting.

Detailed procedures for shareholders of the Company to propose a person for election as a Director are available on the Company's website.

The shareholders of the Company should send their questions about their shareholdings to the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The shareholders of the Company may send their other enquiries to the Board by addressing them to the Company Secretary or Company's Corporate Communication Department at the principal place of business of the Company situated at Unit 2101, YF Life Tower, 33 Lockhart Road, Wan Chai, Hong Kong or via email address: ir@goldenharvest.com.

股東權利

持有本公司繳足股本不少於十分之一之股東，可向本公司主要營業地點遞交召開股東特別大會（「股東特別大會」）以處理當中指明之任何業務交易之書面請求（當中指明會議目的，並由有關股東簽署），抬頭註明董事會或公司秘書收。倘若董事在該請求（經核證為有效後）呈交日期起計21日內，未有安排召開股東特別大會，有關股東或佔全體有關股東一半以上總表決權之任何股東，可自行召開股東特別大會，但如此召開之股東特別大會不得在呈交請求日期起計三個月屆滿後舉行。

於提交要求當日持有不少於本公司總表決權二十分之一或人數不少於100名之股東，可以書面形式要求本公司(a)向本公司股東發出任何可能於本公司下屆股東週年大會正式提呈及計劃取消之決議案之通知；及(b)向股東傳閱不多於1,000字之陳述，說明任何已提呈之決議案或將於任何股東大會商討之事宜。如股東要求發出決議案通告，該通告必須於股東週年大會舉行日期不少於6星期前，提交至本公司主要營業地點。如屬任何其他要求，則有關書面要求必須於股東大會舉行日期不少於1星期前，提交至本公司主要營業地點。

如符合資格出席本公司股東大會並於會上表決之本公司股東擬於任何股東大會推選董事以外之人士為董事，有關股東須將以下文件呈交本公司主要營業地點，抬頭註明公司秘書收：(i)擬於股東大會推選有關人士為董事之書面意向通知；及(ii)該名人士表明有意接受推選之書面通知，連同所需資料，呈交文件之期限應不早於寄發股東大會通告後七日開始，並不得遲於該股東大會舉行日期前七日結束。

有關本公司股東建議推選人士出任董事之詳細程序，載於本公司網站。

本公司股東如對本身所持股權有任何疑問，應向本公司之股份過戶登記處香港分處卓佳登捷時有限公司查詢，地址為香港夏慤道16號遠東金融中心17樓。

本公司股東可將彼等之其他查詢寄交董事會，並註明收件人為公司秘書或本公司企業傳訊部（本公司主要營業地址為香港灣仔駱克道33號萬通保險大廈2101室），或電郵至 ir@goldenharvest.com。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a policy of disclosing clear and relevant information to the shareholders of the Company in a timely manner. The general meetings of the Company provide a forum for communication between shareholders of the Company and the Directors. The Directors and the external auditor will attend the annual general meetings. The Directors will answer questions raised by the shareholders on the performance of the Group.

Review of the general meeting proceedings is carried out by the Board from time to time so as to ensure that the Company has followed the best corporate governance practices. Notice of the general meeting together with the circular setting out details of each of the proposed resolutions (including procedures for demanding a poll where required under the CG Code), voting procedures and other relevant information are delivered to all the shareholders of the Company with sufficient notice as required under the Listing Rules and the Bye-laws of the Company before the date appointed for the general meeting. At the commencement of the general meeting, procedures for demanding (where required) and conducting a poll are explained by the chairman of the meeting to the shareholders of the Company and the votes cast are properly counted and recorded by the scrutineer appointed by the Company. Poll results of the general meeting are posted on the websites of the Company and the Stock Exchange on the day of the general meeting.

The Company's website (<http://www.osgh.com.hk>) also contains an "Investor Relations" section which enables the Company's shareholders to have timely access to the Company's press release, financial reports, announcements and circulars.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2022, there has been no change in the Company's memorandum of association and the Bye-laws. The Company's memorandum of association and the Bye-laws are available on the Company's website (<http://www.osgh.com.hk>) and the Stock Exchange's website.

The Board proposed to seek the approval of the shareholders of the Company for (i) certain amendments to the existing bye-laws of the Company (the "Existing Bye-laws") and (ii) the adoption of an amended and restated bye-laws of the Company (the "New Bye-laws") consolidating the proposed amendments to be made in order to (i) complying with the core shareholder protection standards as set out in Appendix 3 of the Listing Rules; and (ii) making some other housekeeping amendments. The proposed amendments to the Existing Bye-laws and the proposed adoption of the New Bye-laws are subject to the approval of the Shareholders by way of a special resolution at the forthcoming annual general meeting (the "AGM") of the Company scheduled to be held on 28 June 2023, and will become effective upon the approval by the Shareholders at the AGM. A circular containing, among others, details of the proposed amendments to the Existing Bye-laws and the adoption of New Bye-laws and a notice of AGM will be despatched to the Shareholders in due course.

與股東溝通

本公司已採納一套可及時向本公司股東清晰披露有關資料之政策。本公司之股東大會為本公司股東與董事提供溝通平台。董事及外聘核數師將出席股東週年大會。董事將於會上解答股東有關本集團業績之提問。

股東大會之議程由董事會不時檢討，以確保本公司奉行最佳之企業管治常規。股東大會通告連同載有各項提呈之決議案(包括根據企業管治守則規定要求進行投票表決之程序)、投票程序及其他相關資料詳情之通函，於股東大會指定舉行日期前，按上市規則及本公司之公司細則規定之充足通知期限，派送至本公司全體股東。於股東大會開始時，大會主席會向本公司股東解釋就於有需要時要求及進行投票表決之程序，而所有票數均會由本公司委任之監票員適當點算及記錄在案。股東大會之投票結果於股東大會同日在本公司網站及聯交所網站公佈。

本公司網站(<http://www.osgh.com.hk>)亦載有「投資者關係」一節，以便本公司股東能適時存取本公司之新聞稿、財務報告、公佈及通函。

規章文件

截至二零二二年十二月三十一日止年度，本公司組織章程大綱及公司細則並無任何變動。本公司組織章程大綱及公司細則現載於本公司網站(<http://www.osgh.com.hk>)及聯交所網站。

董事會欲尋求本公司股東批准(i) 本公司現有公司細則(「現有公司細則」)之若干修訂，並且(ii) 採納一套綜合該等建議修訂之經修訂及經重列之本公司之公司細則(「新公司細則」)，目的為(i) 符合上市規則附錄三所載核心的股東保障水平；及(ii) 作出若干其他內務修訂。建議修訂現有公司細則以及建議採納新公司細則須待股東於二零二三年六月二十八日舉行之本公司應屆股東週年大會(「股東週年大會」)上以特別決議案之方式批准後，方可作實，並將在股東於股東週年大會上批准後生效。一份載有(其中包括)有關現有公司細則之建議修訂詳情及採納新公司細則之通函連同股東週年大會通告將於適當時候寄發予股東。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

Founded in 1970, Orange Sky Golden Harvest Entertainment (Holdings) Limited (the “Group”, “OSGH”, “we” or “our”) has been a world-leading film and entertainment company, primarily engaged in film exhibition, production and distribution, as well as TV program production. Our business in Hong Kong, Singapore, Taiwan and Mainland China comprises 41 multiplexes together with 331 screens, making us the world’s largest Chinese language film entertainment group.

As a responsible film and entertainment company, we are committed to creating long-term value for our stakeholders and guiding our industry towards sustainability. By incorporating Environmental, Social, and Governance (“ESG”) factors holistically into our planning, implementing effective measures, and reviewing business operations, we aim to continuously improve our ESG performance for bringing positive impacts to the environment and society.

In recognition of the interest of our internal and external stakeholders in our ESG performance, we are delighted to publish our Environmental, Social, and Governance Report (the “Report”), which presents our management approaches and key performance indicators (“KPIs”) for material ESG topics, thereby addressing stakeholder expectations. The Report is prepared in Chinese and English, and is available on the websites of the Hong Kong Exchanges and Clearing Limited (the “HKEx”) (www.hkexnews.hk) and the Company (www.osgh.com.hk).

Reporting Boundary

The Report follows the “Consistency” principle by covering theatrical exhibition and film distribution and production operations in Hong Kong and Singapore, which aligns the previous report. Operations in Taiwan and Japan are not covered since they are owned through joint ventures, for which data are not accessible. As China’s operations are in the preparation phase, its relevant data and information will be included once they are operating fully. The Report covers the period from 1 January 2022 to 31 December 2022 (the “Reporting Period” or “FY2022”).

Disclosure of environmental and social data of operations in Hong Kong include 10 multiplex cinemas, a corporate office and a warehouse; whereas operations in Singapore include 14 multiplex cinemas and a corporate office. The list of multiplex cinemas is as following:

有關本報告

橙天嘉禾娛樂(集團)有限公司(「本集團」、「橙天嘉禾」、「我們」或「我們的」)成立於一九七零年，是一家以電影放映、製作及發行，以及電視節目製作為主的世界領先的影視娛樂公司。我們在香港、新加坡、台灣及中國內地均設有業務，共有41家多廳影城，合共331個銀幕，使我們成為全球首屈一指的華語電影娛樂公司。

作為一家負責任的電影及娛樂公司，我們致力為持份者創造長遠價值，並引領行業邁向可持續發展。透過將環境、社會及管治(「ESG」)因素全面納入我們的規劃、實施有效措施及檢討業務營運，我們旨在持續改善我們的ESG表現，為環境及社會帶來正面影響。

為確認我們的內部和外部持份者於我們的環境、社會及管治表現的關注，我們很高興發佈環境、社會及管治報告(「本報告」)，當中呈列我們就重大ESG議題的管理方針及關鍵績效指標(「關鍵績效指標」)，以回應持份者的期望。本報告以中、英文編寫，並已登載於香港交易及結算所有限公司(「香港交易所」)網站(www.hkexnews.hk)及本公司網站(www.osgh.com.hk)。

報告範圍

本報告遵循「貫徹一致」原則，涵蓋香港及新加坡的影院放映及電影發行和製作營運，與上一份報告一致。並無涵蓋台灣和日本的業務，因為其是通過合營企業所擁有，無法獲得數據。由於中國的業務正處於準備階段，其相關數據及資料將在全面運作後包括在內。本報告涵蓋二零二二年一月一日至二零二二年十二月三十一日(「報告期」或「二零二二財年」)。

香港業務的環境及社會數據的披露包括10家多廳影城、一個公司辦公室及一個倉庫；而在新加坡的業務包括14家多廳影院及一個公司辦公室。多廳影城名單如下：

Environmental, Social and Governance Report

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Multiplex Cinemas 多廳影城

in Hong Kong 香港		in Singapore 新加坡		
Grand Ocean 海運戲院(超巨幕)	GH Kai Tak 嘉禾啟德	GV Bishan	GV Katong	GV Yishan
GH Whampoa 嘉禾黃埔	GH V Walk 嘉禾V Walk	GV City Square	GV Plaza Singapura	GV Paya Lebar
the sky	GH Galaxy 嘉禾銀河廣場	GV Jurong Point	GV Suntec	GV Bedok
GH Fanling 嘉禾粉嶺	GH MegaBox 嘉禾MegaBox	GV Grand	GV Tampines	GV Funan
StagE	GH TaiPo 嘉禾大埔	GV Vivocity	GV Tiong Bahru	

Reporting Standards and Principles

In compliance with the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix 27 to the of the Main Board Listing Rules of the HKEx, the Report is prepared in accordance with the mandatory disclosure requirements and "comply or explain" provisions, as well as the four reporting principles, namely Materiality, Quantitative, Balance and Consistency.

報告準則及原則

本報告遵循香港交易所主板上市規則附錄二十七《環境、社會及管治報告指引》(「ESG指引」)，按照強制披露規定及「不遵守就解釋」條文，以及重要性、量化、平衡及一致性共四項報告原則編製。

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Materiality 重要性

The information disclosed in the Report is based on its relevance to our business and the materiality to our stakeholders as determined by stakeholder engagement. For more information, please refer to the "Materiality Assessment" section.

本報告所披露資料乃基於其與我們業務的相關性及持份者參與所釐定對持份者的重要性。進一步詳情請參閱「重要性評估」一節。

Quantitative 量化

When possible, information is disclosed quantitatively, supplemented with narrative, explanation on the methodologies and/or assumption, interpretation, and comparative analysis.

在可能的情況下，資料會以量化方式披露，並以敘述性、解釋方法及／或假設、詮釋及比較分析加以補充。

Balance 平衡

The information in the Report is disclosed in an objective manner, with explanations of both positive and negative impacts, allowing readers to make reasonable assessment on the Group's overall performance.

本報告以客觀的方式披露資料，說明正面及負面影響，讓讀者對本集團的整體表現作出合理評估。

Consistency 一致性

The Report presents information using consistent methods, unless otherwise specified, allowing readers to compare changes in ESG performance over time.

除另有指明外，本報告以一致的方法呈現資料，使讀者能夠比較ESG績效的變化。

Confirmation and Approval

An internal data collection and review process had been established to ensure that all data and information presented in this Report is as accurate and reliable as possible. The Report had been confirmed and approved by the Board of Directors (the "Board") on 29 March 2023.

確認及批准

我們已建立內部數據收集及審閱程序，以確保本報告呈列的所有數據及資料盡可能準確可靠。本報告已獲董事會（「董事會」）於二零二三年三月二十九日確認及批准。

Contact and Feedback

We value stakeholder feedback and welcome any comments or advice from our readers on the Report and the Group's ESG performance. Please feel free to contact us at esg@goldenharvest.com.

聯絡及反饋

我們重視持份者的反饋，並歡迎讀者就本報告及本集團的環境、社會及管治表現提出任何意見或建議。請隨時電郵至 esg@goldenharvest.com 與我們聯絡。

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環境、社會及管治報告

OUR APPROACH TO SUSTAINABILITY

Being a responsible entertainment provider, the Group endeavours to operate in an environment-friendly, people-oriented manner to create sustained values for its stakeholders. We strive to enhance our business's resilience towards underlying risks and unfold future opportunities, by taking account of ESG factors in our business planning and risk management.

Governance

Robust corporate governance serves as the foundation for driving healthy growth and ESG performance of the Group. Being the highest decision-making and management authority, the Board undertakes the ultimate accountability for overseeing the Group's major ESG matters, including ESG strategies, goals and targets, policies, initiatives, performances and risks. With the assistance of Senior Management and operational departments, the Board reviews ESG matters on a regular basis, facilitating them to seek room to improve governance structure, ESG goals and targets relevant to the Group's business.

The Group's overall flow chart on ESG management:



To keep up with the fast-changing environment and ensure effective internal control processes to cope with underlying risks, the Group will continually review and refine its ESG strategies, goals and targets, policies and initiatives, progressively improving our ESG performances and disclosures.

我們的可持續發展方針

作為負責任的娛樂供應商，本集團致力以環保、以人為本的方式營運，為其持份者創造持續價值。我們在業務規劃及風險管理中考慮ESG因素，提高我們業務對相關風險的抵禦能力，並發掘未來機遇。

管治

穩健的企業管治是推動本集團健康發展及ESG表現的基礎。作為最高決策及管理機關，董事會最終負責監督本集團的重大ESG事宜，包括ESG策略、目標及指標、政策、舉措、表現及風險。在高級管理層及營運部門的協助下，董事會定期檢討ESG事宜，協助彼等尋求改善與本集團業務相關的管治架構、環境、社會及管治目標及指標的空間。

本集團ESG管理的整體流程圖：

為緊貼瞬息萬變的環境及確保有效的內部監控程序以應對相關風險，本集團將持續檢討及完善其ESG策略、目標及指標、政策及措施，並逐步改善我們的ESG表現及披露。

Environmental, Social and Governance Report

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Risk and Compliance Management

The Board acknowledges its responsibilities for maintaining a sound and effective risk management and internal control systems. The Audit Committee and the internal audit department review the effectiveness of the Company's internal control and risk management systems and make recommendations to the Board on a regular basis. The Board had conducted reviews of the effectiveness of the risk management and internal control systems of the Group and considered the systems were effective and adequate throughout the Reporting Period. For more information, please refer to the "Corporate Governance Report".

Considering the industry characteristics, the Group identifies the following industrial ESG risks which have a material impact on its business operation and responds by implementing corresponding measures to mitigate the associated impacts:

風險及合規管理

董事會確認其有責任維持健全有效的風險管理及內部監控系統。審核委員會及內部審核部門定期檢討本公司內部監控及風險管理系統的有效性，並向董事會提出建議。董事會已對本集團風險管理及內部監控系統的有效性進行檢討，並認為該等系統於整個報告期間屬有效及充足。有關更多資料，請參閱「企業管治報告」。

考慮到行業特性，本集團識別以下對其業務營運有重大影響的行業ESG風險，並透過實施相應措施減輕相關影響：

ESG-related Risks 相關ESG風險	Impacts 影響	Responses 回應
Employees' health and safety 員工健康與安全	With the severe outbreak of COVID-19, authorities of different countries implemented various measures to cut the transmission chain in the communities, which had seriously affected the industry's normal operation and development. During the pandemic outbreak, our employees needed to work under the threat of being infected. Being a part of service industries, the close contact with the public had further increased the threat to the employees' health and safety. 隨著COVID-19疫情的嚴重爆發，各國政府紛紛採取各種措施，以切斷社區的傳播鏈，嚴重影響了行業的正常運營和發展。在疫情爆發期間，我們的員工需要在染疫的威脅下工作。作為服務行業的一部分，與公眾的緊密聯繫進一步增加了對員工健康與安全的威脅。	Please refer to "Friendly Working Environment" chapter. 請參閱「友善工作環境」章節。
Customer's health and safety 客戶健康與安全	With the severe outbreak of COVID-19, it was important for the Group to build a safe environment for customers when they enjoy our services. The implementation of epidemic prevention measures may affect the Group's business performance. 隨著COVID-19的嚴重爆發，為客戶提供安全的服務環境對本集團至關重要。防疫措施的實施可能影響本集團的業務表現。	Please refer to "Ethical and Reliable Services" chapter. 請參閱「道德及可靠的服務」章節。

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The Group understands that any violations of laws and regulations may result in penalties, litigation and other consequences, which may pose adverse impacts on its business reputation, competitiveness and reputation. With the assistance of the Audit Committee, the Board ensures the Group operates in compliance with good standard of corporate governance and laws and regulations relevant to its business.

本集團明白，任何違反法律及法規的行為均可能導致處罰、訴訟及其他後果，從而可能對其業務聲譽、競爭力及聲譽造成不利影響。在審核委員會的協助下，董事會確保本集團的營運符合良好的企業管治標準及與其業務有關的法律及法規。

Aspects 層面	Laws and regulations that may pose a significant impact on the Group 可能對本集團產生重大影響的法律及法規	Compliance 合規經營
Emissions 排放物	Not aware of any environmental laws and regulations that may pose a significant impact on the Group's operations 並不知悉任何可能對本集團營運造成重大影響的環境法律及法規	No violations of relevant laws and regulations 並無違反相關法律法規
Employment and Labour Standards 僱傭及勞工準則	<ul style="list-style-type: none"> • Employment Ordinance (Cap. 57) • Employment Act • 《僱傭條例》(第 57 章) • 《僱傭法》 	No violations of relevant laws and regulations 並無違反相關法律法規
Health and safety 健康與安全	<ul style="list-style-type: none"> • Occupational Safety and Health Ordinance (Cap. 509) • Places of Public Entertainment Regulations (Cap. 172) • 《職業安全及健康條例》(第 509 章) • 《公眾娛樂場所規例》(第 172 章) 	No violations of relevant laws and regulations 並無違反相關法律法規
Product responsibility 產品責任	<ul style="list-style-type: none"> • Trade Marks Ordinance (Cap. 559) • Copyright Ordinance (Cap. 528) • Prevention of Copyright Piracy Ordinance (Cap. 544) • Personal Data (Privacy) Ordinance (Cap. 486) • Film Censorship Ordinance (Cap. 392) • 《商標條例》(第 559 章) • 《版權條例》(第 528 章) • 《防止盜用版權條例》(第 544 章) • 《個人資料(私隱)條例》(第 486 章) • 《電影檢查條例》(第 392 章) 	No violations of relevant laws and regulations 並無違反相關法律法規
Anti-corruption 反貪污	<ul style="list-style-type: none"> • Prevention of Bribery Ordinance (Cap. 201) • 《防止賄賂條例》(第 201 章) 	No violations of relevant laws and regulations, and no corruption lawsuits against the Group or its employees 並無違反相關法律及規例，亦沒有對本集團或其僱員提出的貪污訴訟案件

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STAKEHOLDER ENGAGEMENT

We believe that identifying and meeting stakeholders' needs and expectations guides us on the effective implementation of the Group's ESG goals and practices. Hence, the Group strives to engage with our internal and external stakeholders whose opinions are of paramount importance for future business development and solicit their feedback. We maintain regular communication with our stakeholders via multiple channels, including the followings:

持份者參與

我們相信，識別和滿足持份者的需求和期望，能有效地實現本集團的ESG目標和實踐。因此，本集團致力與內部及外部持份者溝通，彼等的意見對未來業務發展至關重要，並徵求彼等的反饋。我們通過多種渠道與持份者保持定期溝通，包括以下各項：

Stakeholders 持份者	Communication channels 溝通渠道
External Stakeholders 外部持份者	
Investors and shareholders 投資者及股東	<ul style="list-style-type: none"> • Company website • 公司網站 • Company announcements • 公司公告 • Annual general meeting • 股東周年大會 • Annual and interim reports • 年報及中期報告
Customers 客戶	<ul style="list-style-type: none"> • Company website • 公司網站 • Customer direct communication • 客戶直接溝通 • Customer feedback and complaints • 客戶反饋及投訴
Suppliers and business partners 供應商及業務夥伴	<ul style="list-style-type: none"> • Selection assessment • 甄選評估 • Procurement process • 採購過程 • Performance assessment • 績效考核 • Regular communication with business partners (e.g., emails, meetings, on-site visits, etc.) • 與業務夥伴定期溝通(例如電郵、會議、實地考察等)
Government authorities and regulators 政府機關及監管機構	<ul style="list-style-type: none"> • Documented information submission • 提交文件資料 • Compliance inspections and checks • 合規檢驗及檢查 • Forums, conferences and workshops • 論壇、會議及工作坊

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Stakeholders 持份者	Communication channels 溝通渠道
Non-governmental organisations 非政府組織	<ul style="list-style-type: none"> • Emails 電郵 • Phones 電話 • Charity donations 公益捐贈
Communities 社區	<ul style="list-style-type: none"> • Company website 公司網站 • Community activities 社區活動
Media 媒體	<ul style="list-style-type: none"> • Company website 公司網站 • Company announcements 公司公告
Internal Stakeholders 內部持份者	
Employees 員工	<ul style="list-style-type: none"> • Training and orientation 培訓及入職培訓 • Emails and opinion box 電郵及意見箱 • Regular meetings 定期會議 • Employee performance evaluation 員工績效評估 • Employee activities 員工活動

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MATERIALITY ASSESSMENT

Assessment procedures

Following the "Materiality" principle, the Group had conducted a materiality assessment to identify material ESG topics for report disclosures, by appointing a third-party consultant. The process of identifying material issues is as follows:

1. Issue identification

A total of 19 ESG topics relevant to our industry and market potential were identified based on HKEx's ESG Guide. These issues fall into four main subject areas: Environmental Protection, Employment and Labour Practices, Operating Practices, and Community.

2. Issue prioritisation

Internal and external stakeholders were invited to respond to a questionnaire, rating the importance of 19 issues to the Group's business and themselves individually.

3. Materiality analysis

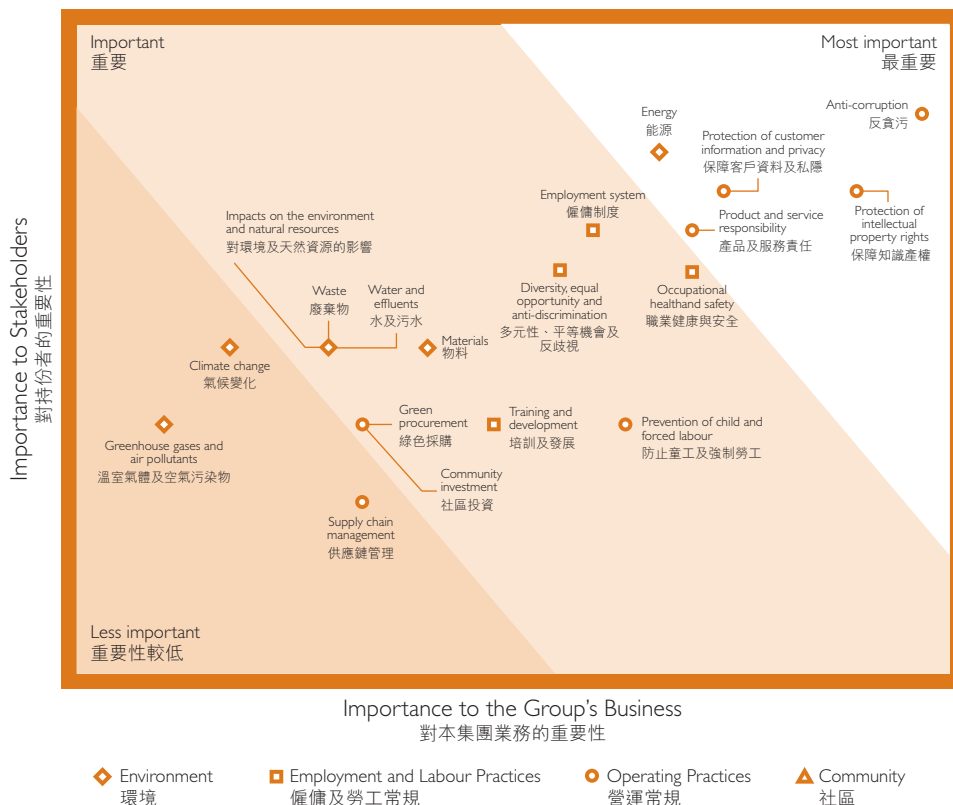
Following the assessment of issues based on their importance, 7 material ESG issues were identified.

4. Validation

The results of materiality assessment had been reviewed and confirmed by the Board and Senior Management.

Material topics

The materiality matrix is as followed:



重要性評估

評估程序

根據「重要性」原則，本集團已通過委任第三方顧問進行重要性評估，以識別報告披露的重大ESG議題。重要性議題識別過程如下：

1. 議題識別

根據ESG指引合共識別出19項與我們行業及市場潛力相關的ESG相關事宜。該等議題分為四個主要範疇，即環境保護、僱傭及勞工常規、營運常規及社區。

2. 議題排序

邀請內部及外部持份者對問卷進行回應，就19項議題對本集團業務及自身的重要性進行評分。

3. 重要性分析

根據重要性對議題進行評估後，已識別7項重大ESG議題。

4. 驗證

重要性評估結果已由董事會及高級管理層審閱及確認。

重要議題

重要性矩陣如下：

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Most important Issues

(Arranged in descending order of importance)

最重要議題（按重要性遞降次序排列）

Anti-corruption
反貪污
Protection of intellectual property rights
保障知識產權
Protection of customer information and privacy
保障客戶資料及私隱
Energy
能源
Product and service responsibility
產品及服務責任

The Group's responses in relevant sections

本集團於相關章節的回應

Anti-corruption
反貪污
Service quality and customer satisfaction
服務質量及客戶滿意度
Service quality and customer satisfaction
服務質量及客戶滿意度
Resource Management
資源管理
Service quality and customer satisfaction
服務質量及客戶滿意度

ETHICAL AND RELIABLE SERVICES

Supply Chain Management

The Group aspires to maintain stable collaborative relationships with socially and environmentally responsible suppliers. A series of policies and measures were formulated and implemented to manage and strengthen the quality of services and products provided by our suppliers, and to ensure our entertainment services are provided in a sustainable and ethical manner.

We procure all products and services in an open, fair, and competitive manner. Any form of differential treatment or discrimination against suppliers is prohibited in the procurement process. The Group closely monitors its employees to avoid any conflicts of interest, whether those conflicts of interest are actual or apparent. To prevent any corruption, bribery, or other misconduct, our suppliers must disclose all relevant interests or relationships they have with us.

Prior to procurement, background research is conducted on suppliers to identify and eliminate potential environmental and social risks. We encourage employees to follow the procurement guidelines to consider and explore environmentally friendly options to minimise environmental impacts. A list of responsible suppliers will be circulated among departments and reviewed regularly. In the coming future, we are committed to continually reviewing our supply chain management policies, measures and data to minimise and manage the environmental and social risks along our supply chain.

We had 16 and 9 key suppliers in Hong Kong and Singapore respectively during the Reporting Period. Legal consultants, food and beverage suppliers, etc., were not disclosed since they contributed minimally to the Group's competitive advantages.

道德及可靠的服務

供應鏈管理

本集團致力與對社會及環境負責的供應商維持穩定的合作關係。我們已制訂及實施一系列政策及措施，以管理及加強供應商所提供服務及產品的質量，並確保我們以可持續及合乎道德的方式提供娛樂服務。

我們以公開、公平及具競爭力方式採購所有產品及服務。採購過程中禁止任何形式的差別待遇或歧視供應商。本集團密切監察其僱員以避免任何利益衝突，不論該等利益衝突是否實際或明顯。為防止任何貪污、賄賂或其他不當行為，我們的供應商必須披露彼等與我們的所有相關利益或關係。

於採購前，我們會對供應商進行背景調查，以識別及消除潛在的環境及社會風險。我們鼓勵僱員遵守採購指引，考慮及探索環保選擇，以盡量減少對環境的影響。負責任的供應商名單將在各部門間傳閱並定期檢討。在不久的將來，我們致力於持續檢討我們的供應鏈管理政策、措施及數據，以盡量減少及管理我們供應鏈中的環境及社會風險。

於報告期間，我們於香港及新加坡分別有16名及9名主要供應商。由於法律顧問、餐飲供應商等對本集團的競爭優勢貢獻甚微，故並無披露有關資料。

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Service Quality and Customer Satisfaction

Customers' health and safety

To protect customers' health and safety during the pandemic, the Group complies fully with Hong Kong's Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F), as well as follows social distancing rules and guidelines of the regional government. We also developed the following measures and inspection guidelines to designated operating sites for frontline workers to maintain social distancing, customer confidence, cleanliness, and safety of cinemas.

- Limit the number of seats that can be sold and occupied in each house;
- All customers are required to check their body temperature and use hand sanitiser upon admission to the cinema;
- Forbid eating and drinking inside a house;
- Disinfect front counter desks frequently to avoid spreading of viruses; and
- Close down some cinemas temporarily following government regulations.

Customers' experience and communication

The feedback and opinions of our customers are invaluable to us in improving our quality of service and ensuring customer satisfaction. Customers are encouraged to communicate with us directly via the Group's website and our frontline staff to provide feedback.

To cater varied preferences and expectations of our many customers, our professional sourcing team has actively explored a variety of genres, including blockbusters, cultural programs, musicals, sporting events, etc. By investing in advancing technologies, we continue to meet our customers' evolving expectations and to provide them with exclusive experiences, such as D-Box seats, Dolby and AURO sound systems, BARCO Laser projectors and IMAX® screens.

We also ensure that all promotional materials, including advertising and labelling, adhere to the relevant laws and regulations, to avoid releasing misleading information to our customers.

The Group attaches great importance to understanding customers' expectations and improving our operations based on their complaints. In response to customer complaints, we implement an internal process that is reviewed on a regular basis by Senior Management, to ensure effective and timely responses can be given. During the Reporting Period, the Group received 6 complaints, which have been handled according to internal procedures.

服務質量及客戶滿意度

客戶健康與安全

為保障客戶於疫情期間的健康與安全，本集團全面遵守香港《預防及控制疾病（規定及指示）（業務及處所）規例》（第599F章），並遵守地區政府的社交距離規則及指引。我們亦為前線員工制定以下措施及檢查指引，以保持社交距離、客戶信心、清潔及影院安全。

- 限制每個影廳可出售及佔用的座位數目；
- 所有客戶進入電影院時均須檢查體溫及使用消毒搓手液；
- 禁止在室內飲食；
- 經常消毒前台櫃檯，避免病毒傳播；及
- 根據政府規定暫時關閉部分電影院。

客戶體驗及溝通

客戶的反饋及意見對我們提升服務質素及確保客戶滿意度至關重要。我們鼓勵客戶透過本集團網站直接與我們溝通，並鼓勵前線員工提供反饋。

為迎合我們眾多客戶的不同喜好及期望，我們的專業採購團隊已積極探索各種類型，包括猛片、文化節目、音樂劇、體育賽事等。通過投資先進技術，我們繼續滿足客戶不斷變化的期望，並為客戶提供獨家體驗，例如D-Box座椅、杜比及AURO音響系統、BARCO激光投影機及IMAX®銀幕。

我們亦確保所有推廣材料（包括廣告及標籤）均遵守相關法律及法規，以避免向客戶發佈誤導資料。

本集團非常重視了解客戶的期望，並根據客戶的投訴改善我們的營運。為回應客戶投訴，我們實施由高級管理層定期檢討的內部程序，以確保作出有效及時的回應。於報告期間，本集團接獲6宗投訴，已按照內部程序處理。

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Protection of data privacy and intellectual property rights

Protecting clients' privacy is at the core of the Group's ethical practices. To safeguard the security of our customers' and members' personal information, we implement stringent data protection measures and provided our staff with regular training on handling personal data, particularly online payment processing and online membership registration, to keep their awareness of data privacy protection up to date.

Protecting intellectual property rights is integral to supporting our quality production and that of our partners. To protect the intellectual property rights of the Group and its business partners, the Group strictly adheres to the relevant laws and regulations and the trademark registration, contractual provisions and confidentiality procedures. To prevent pirated recordings, the Group reminds all customers in cinemas about the legal liabilities of pirated recordings at the beginning of every screening. If a suspect case is found, employees should report it and follow up spontaneously to ensure no recording will be released.

As we move forward, we will continue to review and refine our policies and measures related to service and product responsibility to enhance customer satisfaction.

Anti-corruption

Business integrity and accountability are highly valued at the Group, and we do not tolerate any form of corruption, including bribery, fraud, extortion or other related misconduct. Our Senior Management and Audit Committee identify and monitor the risks to our business through a comprehensive internal control framework, policies and operational procedures. Employees are advised to report suspected breaches of anti-corruption standard or misconduct to the Senior Management or the relevant departments by phone or email anonymously. All suspected cases will be investigated confidentially, and appropriate actions will be taken, including dismissing related employees and reporting to the judicial institutes.

Due to the pandemic, anti-corruption training was not available. Since anti-corruption is a major concern among our stakeholders, we will explore alternative anti-corruption training options for the Board and employees to ensure they are aware of all applicable laws, regulations and internal guidelines related to their duties. To improve its capabilities in preventing corruption and maintain business integrity, the Group will continue to review and enhance its policies and measures related to anti-corruption and whistleblowing in the future.

保障資料私隱及知識產權

保障客戶私隱是本集團道德實踐的核心。為保障客戶及會員個人資料的安全，我們實施嚴格的數據保護措施，並為員工提供有關處理個人資料的定期培訓，尤其是網上支付處理及網上會員登記，以保持彼等對資料私隱保護的意識。

保護知識產權是支持我們及業務夥伴高質量生產不可或缺的一環。為保障本集團及其業務夥伴的知識產權，本集團嚴格遵守相關法律及法規以及商標註冊、合約條文及保密程序。為防止盜錄，本集團已於每次電影開始放映時提醒影院內所有觀眾有關盜錄行為的法律責任。如發現懷疑個案，員工應主動報告及跟進，確保不會出現任何盜錄情況。

展望未來，我們將繼續檢討及完善有關服務及產品責任的政策及措施，以提升客戶滿意度。

反貪污

本集團高度重視商業誠信及問責，我們絕不姑息任何形式的貪污，包括賄賂、欺詐、勒索或其他相關不當行為。我們的高級管理層及審核委員會透過全面的內部監控框架、政策及營運程序識別及監察我們業務的風險。我們建議僱員以電話或電郵向高級管理層或相關部門匿名舉報涉嫌違反反貪污標準或不當行為。所有可疑案件將進行保密調查，並將採取適當行動，包括解僱相關僱員及向司法機構報告。

由於疫情關係，我們無法提供反貪污培訓。由於反貪污為持份者的主要關注事項，我們將為董事會及僱員探索其他反貪污培訓選擇，以確保彼等知悉與其職責有關的所有適用法律、法規及內部指引。為提升本集團防止貪污及維持商業誠信的能力，本集團日後將繼續檢討及加強其有關反貪污及舉報的政策及措施。

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FRIENDLY WORKING ENVIRONMENT

Employees are vital for the Group's achievement of business growth and sustainability. To attract and retain talent, we strive to create a quality working environment that demonstrates business ethics, diversity and safety, by providing employee development, improving employment conditions, and maintaining workplace standards.

During the Reporting Period, there were a total of 858 employees. For the employees figures, please refer to Appendix II: Social Performance Data.

Health, Safety and Wellness

The Group places a high priority on the health, safety and wellness of our staff and visitors during our operations. To avoid and minimise occupational risks and hazards, occupational health and safety has also been integrated into operational guidelines to help identify workplace hazards, raise employee awareness about related risks and guide improvement or corrective actions. Since fire is one of highest risks in cinemas, we have adopted the following safety management practices to protect our employees, visitors, and customers.

- Inspect fire extinguishing equipment regularly;
- Prepare emergency preparedness plans and design reporting channels and evacuation routes;
- Provide regular training and drills to prepare staff in case of an emergency; and
- Conduct inspections of the workplace and premises regularly to ensure safety measures are effective.

We value employees' well-being and happiness as a basis to sustain our service excellence. To promote employees' satisfaction and sense of belonging, the Group has promoted work-life balance corporate culture by creating an inclusive and harmonious working environment.

During the Reporting Period, no workplace fatalities were recorded. However, there were 17 work-related injuries contributing to 24 related lost days of work, resulting in an injury rate of 1.98%. The injuries were mainly related to cuts, slips and falls, and sprains.

友善工作環境

員工為成就本集團業務增長及可持續發展的寶貴資產。為吸引及留聘人才，我們致力透過為所有僱員提供僱員發展、改善僱傭條件及維持工作場所標準，建立一個展示商業道德、多元化及安全的優質工作環境。

於報告期間，本集團共有858名僱員。有關僱員數據，請參閱附錄二：社會績效數據。

健康、安全及福祉

本集團於營運過程中高度重視員工及訪客的健康、安全及福祉。為避免及盡量減少職業風險及危害，職業健康與安全亦已納入營運指引，以幫助識別工作場所危害、提高僱員對相關風險的意識及指導改進或糾正措施。由於火災是影院的最高風險之一，我們已採取以下安全管理措施以保護我們的僱員、訪客及客戶。

- 定期檢查滅火設備
- 制定應急準備計劃以及設計有效的報告渠道及疏散路線
- 提供定期培訓及演習，使員工為緊急狀況作好準備；及
- 定期對工作場所及場所進行檢查，以確保安全措施得到有效執行。

本集團視僱員的福祉及幸福為維持卓越服務的基礎。為提升員工滿意度及歸屬感，本集團提倡工作與生活平衡的企業文化，構建包容和諧的工作環境。

於報告期間，我們並無錄得因工死亡個案。然而，共有17宗工傷，導致損失24個相關工作日，工傷率為1.98%。受傷主要有關割傷、滑倒、跌倒及扭傷。

Environmental, Social and Governance Report

環境、社會及管治報告

Employment Practices and Labour Standards

The Group strives to develop a workplace culture of fairness, diversity and respect. We have established comprehensive employment system, policies and procedures, such as Employee Handbook, to ensure compliance with relevant laws and regulations.

Recruitment and dismissal

We recruit talent in a fair and transparent manner by considering their education qualifications, abilities, attitude, knowledge, experience and performance. Employees may end their labour contracts voluntarily and leave their positions freely with proper notice according to the procedures specified in the Employee Handbook.

Promotion and remuneration

To attract and retain passionate talent, their performance will be reviewed and evaluated regularly through a standard mechanism for discretionary bonuses and promotion opportunities. We also offer unbiased and competitive remuneration packages, fringe benefits, such as medical insurance, and retirement contributions. The working hours are stipulated in employment contract.

Diversity, equal opportunity and anti-discrimination

To build mutual trust and motivate our employees, the Group prohibits any violation of regulations related to diversity, equal opportunity and anti-discrimination. All employees will receive equal opportunities for recruitment, transfer, promotion, performance appraisal, training, and benefits and compensation, regardless of sex, sexual orientation, age, colour, nationality, disability, religion, pregnancy, political inclination, union membership, or socioeconomic status. Any forms of discrimination or harassment are strictly forbidden.

Labour standards

Any form of forced labour, including slavery, debt-induced labour, and coercion in the workplace, are strictly prohibited under the Group's zero-tolerance policy. To ensure all qualified candidates have reached the statutory requirement age and are in possession of valid identification documents, the Human Resources Department will carefully examine their identification documents during recruitment and upon employment. Any suspected cases of child or forced labour will be reported to Human Resources Department. Forced labour will be dismissed from their position to secure their personal safety. Relevant staff may be detained and dismissed depending on the situation.

招聘慣例及勞工準則

本集團致力建立公平、多元化及尊重的工作場所文化。我們已建立全面的僱傭制度、政策及程序，如僱員手冊，以確保遵守相關法律及法規。

招聘及解僱

我們以公平透明的方式招聘人才，考慮其學歷、能力、態度、知識、經驗及表現。員工可根據員工手冊中規定的程序，在作出適當通知的情況下自願終止勞動合同並自由離職。

晉升及薪酬

為吸引及挽留有熱誠的人才，我們會定期檢討及評估彼等的表現，並設立酌情花紅及晉升機會的標準機制。我們亦提供公正及具競爭力的薪酬待遇、額外福利(如醫療保險)及退休供款。工作時間於勞動合同中訂明。

多元化、平等機會及反歧視

為建立互信及激勵僱員，本集團禁止任何違反有關多元化、平等機會及反歧視的法規。所有僱員在招聘、調職、晉升、績效考核、培訓、福利及薪酬方面均享有平等機會，而不會考慮彼等的性別、性取向、年齡、膚色、國籍、殘疾、宗教、懷孕、政治傾向、工會成員或社會經濟狀況。嚴禁任何形式的歧視或騷擾。

勞工準則

我們的零容忍政策嚴格禁止任何形式的強制勞工，包括在工作場所的奴役、債務誘導的勞工及脅迫。為確保所有合資格候選人已達到法定要求年齡並擁有有效的身份證明文件，人力資源部將在招聘及僱傭期間仔細審查其身份證明文件。任何懷疑童工或強制勞工的情況，將直接向人力資源部門報告，並在保障人身安全的同時，解僱強制勞工。視乎情況，相關員工可能被拘留及解僱。

Environmental, Social and Governance Report

環境、社會及管治報告

Development and Training

Recognising the importance of continuous talent development, the Group is committed to unleashing the potential of its employees through professional training and staff development. We provide a variety of internal and external training for our employees based on evaluations of their needs and the latest market trends, including professional skills, industry-wide practices and regulations, occupational health and safety, management skills, and customer service skills. To encourage continuous education, we also provide our employees with education subsidies and examination leave.

Induction training and orientation regarding operational procedures and customer service skills are provided to all frontline staff. To ensure food safety and quality, all staff serving in the food and beverage related positions must attend food handling and food hygiene courses, which are organised by the Integrated Vocational Education Centre in Hong Kong and the National Environment Agency in Singapore, before formal on-boarding.

The Group will continue to evaluate and update its policies related to occupational health and safety, employment practices and development and training, as well as the content of its training materials to meet the needs and expectations of its employees.

發展及培訓

本集團深明持續人才發展的重要性，致力透過專業培訓及員工發展，發揮僱員的潛能。我們根據對僱員需求及最新市場趨勢的評估為僱員提供及各種內部及外部培訓，包括專業技能、行業常規及規例、職業健康與安全、管理技能及客戶服務技能。為鼓勵持續進修，我們亦為員工提供教育津貼及考試假期。

所有前線員工已獲提供有關營運程序及客戶服務技巧的入職培訓及介紹。為保證食品安全及質素，所有從事餐飲相關職位的員工均須參加由香港綜合職業教育中心及新加坡國家環境局於正式入職前舉辦的有關食品處理及食品衛生的課程。

本集團將繼續評估及更新其有關職業健康與安全、僱傭常規及發展與培訓的政策，以及其培訓材料的內容，以滿足其僱員的需求及期望。

Environmental, Social and Governance Report

環境、社會及管治報告

RESPONSIBLE EARTH STEWARDSHIP

Adhering to sustainability principles and incorporating environmental considerations, we aim to minimise the impacts of our business on the environment and natural resources, thereby fulfilling our corporate responsibility as a steward of the earth. We hope to further reduce emissions and optimise resource utilisation through adopting Green Policies and measures and fostering behavioural changes of employees and customers. Operational guidelines are formulated and distributed to all staff to raise their environmental awareness over daily operation of businesses.

負責任的地球管理

我們秉承可持續發展原則，並結合環境因素，旨在盡量減少業務對環境及天然資源的影響，從而履行我們作為地球管家的企業責任。我們希望透過採納綠色政策及措施以及促進僱員及客戶改變行為，進一步減少排放及優化資源使用。本集團已制定營運指引並派發予所有員工，以提高彼等對日常業務營運的環保意識。

Reduce emissions

減排

Greenhouse gas and air emissions

溫室氣體及空氣污染物排放

- Conduct regular inspections and maintenance of company-owned vehicles
- 對公司自有車輛進行定期檢查和保養
- Select and use energy efficient vehicles;
- 選擇及使用節能車輛；
- Encourage employees to use public transportation or company vehicles for travel if needed;
- 鼓勵僱員在有需要時使用公共交通工具或公司車輛出行；
- Avoid unnecessary journeys by planning the shortest route possible; and
- 盡量規劃最短路線，避免不必要的旅程；及
- Introduce electronic delivery of movies to reduce reliance on vehicle transportation.
- 引入電子交付電影，減少對車輛運輸的依賴。

Waste

廢棄物

- Adopt the 3Rs (Reduce, Reuse and Recycle) principles in operations to reduce waste generation; and
- 在營運中採用3R（減少使用、物盡其用及循環再造）原則，以減少廢物產生；及
- Practise recycling at workplace and in cinemas, such as encouraging customers to bring their own pair of 3D glasses or reuse the new pair.
- 在工作場所及電影院實行回收，例如鼓勵客戶自備3D眼鏡或重用新眼鏡。

Environmental, Social and Governance Report

環境、社會及管治報告

Optimise resource utilisation

優化資源使用

Energy 能源

To avoid unnecessary consumption of energy, the Group has implemented the following measures to enhance and maintain energy efficiency and electrical appliance performance:

為避免不必要的能源消耗，本集團已實施以下措施以提升及維持能源效益及電器性能：

- Keep all air-conditioners at an optimal temperature, humidity and air quality through frequent inspections;
- 通過頻繁檢查，將所有空調保持在最佳溫度、濕度及空氣質素；
- Use energy-efficient equipment, including LED light tubes and laser projectors;
- 使用節能設備，包括LED光管及激光投影機；
- Swift off unneeded lighting and electrical appliances at the office; and
- 迅速關閉辦公室不必要的照明及電器；及
- Organise regular training workshops for staff to raise awareness of energy-saving tips.
- 定期為員工舉辦培訓工作坊，以提高員工的節能意識。

Water 水資源

To prevent water leakage and enhance water efficiency, the Group has adopted the following measures:

為防止漏水及提升用水效率，本集團已採取以下措施：

- Inspect faucets regularly to check for dripping and leakage;
- 定期檢查水龍頭有否滴漏；
- Maintain and repair when any defects are found; and
- 於發現任何缺陷時進行保養及維修；及
- Put on water-saving labels and posters in toilets and office pantries to encourage employees and patrons to use less water.
- 在洗手間及辦公室茶水間張貼節水標籤及海報，鼓勵僱員及顧客減少用水。

Paper 紙張

The Group has been actively engaged in paper-less information and service delivery:

本集團一直積極提供無紙資訊及服務：

- Encourage employees to distribute internal information via e-platforms;
- 鼓勵僱員透過電子平台發佈內部信息；
- Adopt double-sided printing and use recycled paper for documentation;
- 文件採用雙面打印及使用再生紙；
- Use online advertising platforms for external communication instead of paper posters to reach a wider audience; and
- 使用網上廣告平台進行外部溝通，而非使用紙張海報接觸更廣泛的受眾；及
- Launch a mobile application that provides customers with a paper-less alternative to e-payments and mobile ticketing.
- 推出流動應用程式，為客戶提供電子支付及流動票務的無紙化選擇。

Plastic 塑料

In the light of the irreversible impacts of plastic pollution to both the land and ocean, the Group has phased down the use of plastic in our single-use products:

鑑於塑料污染對土地及海洋造成不可逆轉的影響，本集團已逐步減少一次性產品中的塑料使用：

- Adopt biodegradable cutleries as alternatives to replace plastic for our food and beverage
- 採用可生物降解餐具作為替代食品及飲料塑料
- Provide straws only upon request at our cinemas
- 在影院，僅於要求時提供吸管
- Provide wooden utensils customers instead of the plastic
- 提供木製餐具取代塑膠
- Encourage customers to bring their own pair of glasses, or receive a new pair then reuse it, to reduce disposal of 3D glasses which are made with plastic
- 鼓勵客戶自備眼鏡，或接受再用新眼鏡，以減少棄置以塑膠製作的3D眼鏡

Environmental, Social and Governance Report

環境、社會及管治報告

The Group regularly records, measures and monitors the performances in various environmental aspects to identify room to optimise resource consumption and enhance operational efficiency. This also serves as the foundation for setting reduction targets in the future. We believe that after the pandemic, we will be able to devote more efforts in setting policies and targets regarding different environmental aspects, and more disclosures will be provided once available in the future.

Emission Control

Greenhouse gas emissions

During the Reporting Period, the total greenhouse gas (“GHG”) emissions was approximately 5,227.10 tonnes of carbon dioxide equivalent (“tCO₂e”) and the intensity was 0.073 tCO₂e/m², which increased 14.53% and 15.51% respectively comparing to FY2021. These emissions were primarily from the consumption of electricity for daily operations, as well as the FM200 fire extinguishers.

本集團定期記錄、計量及監察各環境層面的表現，以識別優化資源消耗及提升營運效率的空間。這亦可作為未來制定減排目標的基礎。我們相信，疫情過後，我們將能夠投入更多精力制定有關不同環境範疇的政策及目標，並將於未來提供更多披露。

排放控制

溫室氣體排放

於報告期間，溫室氣體（「溫室氣體」）排放總量約為5,227.10噸二氧化碳當量（「噸二氧化碳當量」），密度為0.073噸二氧化碳當量／平方米。與二零二一財年相比，總排放量及密度分別增加14.53%及15.51%。該等排放主要由於日常營運消耗電力以及FM200滅火器所致。

	Unit 單位	FY2022 二零二二財年		FY2021 二零二一財年	
		Hong Kong 香港	Singapore 新加坡	Total 總計	Total 總計
Direct GHG emissions — Scope 1¹ 直接溫室氣體排放 — 範圍1 ¹	tCO ₂ e 噸二氧化碳當量	32.83	0	32.83 ²	0.195
Indirect GHG emissions — Scope 2³ 間接溫室氣體排放 — 範圍2 ³	tCO ₂ e 噸二氧化碳當量	1,303.41	3,890.86	5,194.27	4,564
Total GHG emissions 溫室氣體排放總量	tCO ₂ e 噸二氧化碳當量	1,336.24	3,890.86	5,227.10	4,564
Intensity⁴ 密度 ⁴	tCO ₂ e/m ² 噸二氧化碳當量／平方米	0.069	0.074	0.073	0.063

¹ Scope 1: Direct GHG emissions covers only the fugitive emissions from FM200 fire extinguisher. None of the vehicles had operated during the Reporting Year. The Group does not have data for, nor operational control over, the consumption and selection of refrigerants used in air conditioning, and therefore emissions from refrigerants are not included.

² Due to the advancement of data collection system, the total direct GHG emissions — Scope 1 had a significant increase, which were contributed by FM200 fire extinguishers.

³ Scope 2: Energy indirect GHG emissions are from the consumption of purchased electricity. The calculation is based on the published emission factors of sustainability reports of our utility providers — CLP (2021) and Hong Kong Electric (2021) in Hong Kong and the electricity grid emission factors in 2021 of Energy Market Authority in Singapore.

⁴ Intensity values are calculated by dividing emissions by the gross floor area (“GFA”) in square metres of premises in Hong Kong and Singapore. In FY2022, the total GFA in Hong Kong is 19,253.0 m² and 52,576.3 m² in Singapore.

¹ 範圍1：直接溫室氣體排放僅涵蓋FM200滅火器的逸散排放。於報告年度概無駕駛任何汽車。本集團並無有關空調製冷劑的消耗及選擇的數據，亦無操作控制，因此不包括製冷劑的排放。

² 由於改進數據收集系統，直接溫室氣體排放 — 範圍1總量大幅增加，乃由於FM200滅火器所致。

³ 範圍2：能源間接溫室氣體排放是由使用購買的電力所引致。根據本地公用事業供應商 — 中電（二零二一年）及港燈（二零二一年）公佈的可持續發展報告的排放系數及新加坡能源市場管理局的二零二一年電網排放系數計算。

⁴ 密度值以排放量除香港及新加坡物業之總樓面面積（「總樓面面積」）（以平方米為單位）計算。於二零二二財年，香港及新加坡之總樓面面積分別為19,253.0平方米及52,576.3平方米。

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環境、社會及管治報告

Air emissions

Air emissions are mainly contributed burning of diesel and unleaded petrol from vehicles for operations in Hong Kong. During the Reporting Period, no air emissions have been recorded due to no use of vehicles owned by the Group.

空氣污染物排放

空氣污染物排放主要來自於香港營運的車輛燃燒柴油及無鉛汽油。於報告期間，由於並無使用本集團擁有的車輛，故並無錄得空氣污染物排放。

	Unit 單位	Hong Kong 香港	FY2022 二零二二財年 Singapore 新加坡	Total 總計	FY2021 二零二一財年 Total 總計
Nitrogen oxides 氮氧化物	g 克	0	0	0	0
Sulphur oxides 硫氧化物	g 克	0	0	0	0
Particulate matter 顆粒物	g 克	0	0	0	0

Waste Management

General waste

Considering that the municipal solid waste charging scheme would result in additional costs to the Group's operations, the Group has made significant efforts to manage its waste and maximise recycling rates. Since property management companies are responsible for daily waste collection, there were no waste collection records for individual tenants; hence, we cannot quantify the amount of non-hazardous waste we produced during the Reporting Period. However, we will continue to approach our waste contractors to discuss alternative handling of waste and to review the amount of waste generated by the Group.

廢棄物管理

一般廢棄物

考慮到都市固體廢棄物收費計劃將為本集團的營運帶來額外成本，本集團已作出巨大努力管理其廢棄物及盡量提高回收率。由於物業管理公司負責日常廢棄物收集，故並無個別租戶的廢棄物收集記錄；因此，我們無法量化我們於報告期間產生的無害廢棄物數量。然而，我們將繼續與廢物承辦商接洽，討論廢物的替代處理方法，並檢討本集團產生的廢物量。

Environmental, Social and Governance Report

環境、社會及管治報告

Hazardous waste

To further circulate resources and convert waste into valuable resources, we have appointed a qualified waste collector to collect and recycle used cooking oil from the sky cinema in Hong Kong, while no other operations generate used cooking oil in Hong Kong. The used cooking oil is collected, filtered, and sent to foreign biodiesel firms for processing and reproduction into biofuels.

In FY2022, recycling amount has dropped in comparison to FY2021, due to the fifth wave of COVID19 in Hong Kong as well as the social distancing rules under the Prevention and Control of Disease Regulation.

有害廢棄物

為進一步循環再用資源及將廢物轉化為有價值的資源，我們已委任合資格廢物收集商收集及回收香港 the sky 電影院的已使用食用油，而香港並無其他業務產生已使用的食用油。已使用的食用油其經收集、過濾後將出口至外國生物燃料公司以進行生物提煉及重新製作為生物燃料。

於二零二二財年，回收量較二零二一財年有所減少，乃由於香港的第五波 COVID19 疫情及在《預防及控制疾病規例》下的社交距離規例所致。

	Unit 單位	FY2022			FY2021
		Hong Kong 香港	Singapore 新加坡	Total ⁵ 總計 ⁵	Total ⁶ 總計 ⁶
Used cooking oil recycled 所回收已使用食用油	tonne 噸	0.169	N/A	N/A	0.258
Intensity⁷ 密度 ⁷	tonne/m ² 噸/平方米	0.0000088	N/A	N/A	0.0000129

⁵ As the collection point has been changed, it cannot compare the amount of waste generation directly with those of last year.

⁶ Covers only used cooking oil from relevant operations in Hong Kong.

⁷ Intensity values are calculated by dividing amount of waste by the gross floor area ("GFA") in square metres of premises in Hong Kong and Singapore. In FY2022, the total GFA in Hong Kong is 19,253.0 m².

⁵ 由於收集點改變，故此無法與去年產生的廢棄物數量直接比較。

⁶ 僅涵蓋香港相關業務的已使用食用油。

⁷ 密度值以香港及新加坡物業之廢棄物數量除總樓面面積（「總樓面面積」）（以平方米為單位）計算。於二零二二財年，香港之總樓面面積為19,253.0平方米。

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Resource Management

The Group has implemented multilateral and sustainable initiatives to promote responsible resource consumption in its operations. To raise awareness of environmental issues, customers and employees are encouraged to use environmentally friendly services and products that drive the Group's operations and services in a more sustainable direction.

資源管理

本集團已實施多邊及可持續措施，以促進其營運中的負責任資源消耗。為提高環保的意識，本集團鼓勵客戶及僱員使用環保服務及產品，以更可持續的方向推動本集團的營運及服務。

Energy consumption

能源消耗量

	Unit 單位	Hong Kong 香港	FY2022 二零二二財年 Singapore 新加坡	Total 總計	FY2021 二零二一財年 Total 總計
Direct energy use⁸ 直接能源使用 ⁸					
Unleaded petrol 無鉛汽油	kWh 千瓦時	0	0	0	0
Diesel 柴油	kWh 千瓦時	0	0	0	0
Indirect energy use 間接能源使用					
Electricity 電力	kWh 千瓦時	238,596	9,590,490	9,829,086	11,233,041
Total energy consumption 總能源消耗	kWh 千瓦時	238,596	9,590,490	9,829,086	11,233,041
Intensity 密度	kWh/m ² 千瓦時/平方米	12.39 ⁹	182.41	136.84	154.75

Total energy consumption and intensity recorded during the Reporting Period was 9,829,086 kWh and 136.84 kWh/m² respectively, which total electricity consumption was 12.50% higher than that in FY2021, mainly due to gradual resumption of business in Singapore and Hong Kong, as well as 3 more cinemas in Hong Kong opened during the Reporting Period.

於報告期間錄得的總能源消耗及密度分別為9,829,086千瓦時及136.84千瓦時/平方米，總電力消耗較二零二一財年高12.50%，主要由於新加坡及香港業務逐漸恢復及報告期間於香港增設3間影院所致。

Water consumption

耗水量

	Unit 單位	Hong Kong 香港	FY2022 二零二二財年 Singapore 新加坡	Total 總計	FY2021 二零二一財年 Total 總計
Total water consumption 總耗水量	m ³ 立方米	1,311	19,253	20,564	20,989
Intensity 密度	m ³ /m ² 立方米/平方米	0.07	0.37	0.29	0.29

During the Reporting Period, we consumed 20,564 m³ of water with an intensity of 0.29 m³/m², which was reduced by 2.02% and remained unchanged respectively comparing to FY2021. There was no issue in sourcing water that was fit for purpose.

於報告期間，我們的耗水量為20,564立方米，密度為0.29立方米/平方米。較二零二一財年分別減少2.02%及維持不變。在求取適用水源上並無任何問題。

⁸ No vehicles were used in FY2022.

⁸ 於二零二二財年並無使用汽車。

⁹ The decreased intensity of Hong Kong was due to the increasing GFA in FY2022.

⁹ 香港密度減少乃由於二零二二財年總樓面面積增加所致。

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In the Report, water consumption data of Hong Kong covers office and 8 cinemas (GH Whampoa, the sky, GH Fanling, StagE, GH V Walk, GH Galaxy, GH MegaBox and GH TaiPo) whereas that in operations of Singapore are fully covered except GV Katong. Since most operating sites in Hong Kong are located in leased premises with the supply and discharge of water controlled by property management, there is an absent of sub-metering or record for individual occupants.

Paper use

Due to the temporary closure of cinemas, food packaging materials used in cinemas during the Reporting Period were regarded trivial. The Group may consider relevant disclosures when we resume our operations.

Climate Change

The Group acknowledges the environmental, legal and market changes caused by climate change; hence, we actively explore ways in strengthening our response capabilities to climate-related risks. Although the Group's business is not highly prone to changing climate due to its nature, we understand climate-related risks may still hinder employees' safety and the stability of our operations. We have identified the following climate-related risks and our respective responses as followed:

Climate-related risks

氣候相關風險

Under extreme weather conditions (such as rainstorm and typhoon), employees are not able to commute to work

在極端天氣狀況(如暴雨及颱風)下，僱員無法外出上班

Facilities at operating sites can be damaged during extreme weather conditions

在極端天氣狀況下，營運地點的設施可能受損

We will continue to regularly review the climate-related risks that are relevant and material to the Group's business, and refine our policies and management approaches against climate change, thereby enhancing our climate resiliency.

COMMUNITY INVESTMENT

Our vision is to bring joy and entertainment to those who are less privileged in the society, especially underprivileged children, low-income families, elderly, and students from film schools. To demonstrate social inclusion and meet the needs of our community, the Group considers their interests alongside running its business and has been collaborating with various charitable organisations by offering charity movie screenings, fundraising, charity sales, etc.

Looking ahead, the Group hopes to continue utilising its capabilities and allocating resources to give back to society and bring warmth to the community to create shared values for the community.

在本報告中，香港的耗水量數據涵蓋辦公室及8間影院(嘉禾黃埔、the sky、嘉禾粉嶺、StagE、嘉禾V Walk、嘉禾銀河廣場、嘉禾MegaBox及嘉禾大埔)，而新加坡業務的耗水量數據則全面涵蓋(GV Katong除外)。由於香港大部分營運地點位於租賃物業，供水及排水由物業管理公司控制，故個別租戶並無分計量或記錄。

用紙

由於影院暫時關閉，於報告期間影院內所使用之食物包裝物料被視為微不足道。本集團或會考慮待恢復營運時作出相關披露。

氣候變化

本集團明白氣候變化導致的環境、法律及市場變化；因此，我們積極探索加強應對氣候相關風險能力的方法。儘管本集團的業務因其性質而不易受到不斷變化的氣候的影響，但我們明白氣候相關風險仍可能妨礙員工的安全及我們營運的穩定性。我們已識別以下氣候相關風險及我們的應對措施：

Our responses

我們的回應

Design contingency plans for each operation site for extreme weather events to safeguard safety of all employees

為各營運地點設計極端天氣事件應急方案，保障所有僱員的安全

Carry out precautionary measures at operating sites before Tropical Cyclone Warning Signals are in force to prevent facilities damage and eliminate safety risks to staff

於熱帶氣旋警告信號生效前在營運地點採取預防措施，以防止設施損壞及消除員工的安全風險

我們將繼續定期檢討與本集團業務相關及重大的氣候相關風險，並完善應對氣候變化的政策及管理方法，從而提升我們的氣候適應能力。

社區投資

我們的願景是為社會上弱勢社群，尤其是貧困兒童、低收入家庭、長者及電影學校學生帶來享受及娛樂。為展示社會共融及滿足社區需要，本集團在經營業務的同時亦考慮他們的興趣，並一直與不同的慈善機構合作，提供慈善電影放映、籌款、慈善義賣等。

展望未來，本集團希望繼續運用自身能力及分配資源回饋社會，為社區帶來溫暖，為社區創造共享價值。

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APPENDIX

Appendix I: Environmental Performance Data

附件

附錄一：環境績效數據

	Unit 單位	Hong Kong & Singapore 香港及新加坡	
		2022 二零二二年	2021 二零二一年
Air emissions¹⁰			
空氣污染物排放¹⁰			
Nitrogen oxides 氮氧化物	g 克	0	0
Sulphur oxides 硫氧化物	g 克	0	0
Particulate matter 顆粒物	g 克	0	0
Greenhouse gas emissions			
溫室氣體排放			
Direct GHG emissions — Scope 1 直接溫室氣體排放 — 範圍1	tCO ₂ e 噸二氧化碳當量	32.83	0.195
Indirect GHG emissions — Scope 2 間接溫室氣體排放 — 範圍2	tCO ₂ e 噸二氧化碳當量	5,194.27	4,564
Total GHG emissions 溫室氣體排放總量	tCO ₂ e 噸二氧化碳當量	5,227.10	4,564
Intensity 密度	tCO ₂ e/m ² 噸二氧化碳當量/平方米	0.073	0.063
Hazardous waste¹¹			
有害廢棄物¹¹			
Used cooking oil recycled 所回收已使用食用油	tonne 噸	0.169	0.258
Intensity 密度	tonne/m ² 噸/平方米	0.0000088	0.000013
Non-hazardous waste¹²			
無害廢棄物¹²			
Total non-hazardous waste 無害廢棄物總量	tonne 噸	—	—
Intensity 密度	tonne/m ² 噸/平方米	—	—

¹⁰ No vehicles were used in FY2022 and FY2021, hence, there were no air emissions generated during those years.

¹¹ Covers only used cooking oil from relevant operations in Hong Kong.

¹² Since property management companies are responsible for daily waste collection, there were no waste collection records for individual tenants; hence, we cannot quantify the amount of non-hazardous waste we produced during the Reporting Period.

¹⁰ 二零二二財年及二零二一財年並無使用汽車，故此於該等年度並無空氣污染物排放。

¹¹ 僅涵蓋香港相關業務的已使用食用油。

¹² 由於物業管理公司負責日常廢物收集，並無個別租戶的廢物收集記錄，因此，我們無法量化我們於報告期間製造的無害廢棄物數量。

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	Unit 單位	Hong Kong & Singapore 香港及新加坡	
		2022 二零二二年	2021 二零二一年
Energy consumption			
能源消耗量			
<i>Direct energy use¹³</i>			
<i>直接能源使用¹³</i>			
Unleaded petrol	kWh	0	0
無鉛汽油	千瓦時		
Diesel	kWh	0	0
柴油	千瓦時		
<i>Indirect energy use</i>			
<i>間接能源使用</i>			
Electricity	kWh	9,829,086	11,233,041
電力	千瓦時		
Total energy consumption	kWh	9,829,086	11,233,041
總能源消耗	千瓦時		
Intensity	kWh/m ²	136.84	154.75
密度	千瓦時/平方米		
Water consumption			
耗水量			
Total water consumption	m ³	20,564	20,989
總耗水量	立方米		
Intensity	m ³ /m ²	0.29	0.29
密度	立方米/平方米		

¹³ No vehicles were used in FY2022 and FY2021, hence, there were no air emissions generated during those years.

¹³ 二零二二財年及二零二一財年並無使用汽車，故此於該等年度並無空氣污染物排放。

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Appendix II: Social Performance Data

附錄二：社會績效數據

		FY2022 二零二二財年		FY2021 二零二一財年	
Number of employees 僱員人數					
By Gender 按性別	Male 男	395	46.04%	291	49.41%
	Female 女	463	53.96%	298	50.59%
By Employment Type 按僱傭類別	Full-time 全職	286	33.33%	242	41.09%
	Part-time 兼職	572	66.67%	347	58.91%
By Age Group 按年齡組別	29 years old or under 29歲或以下	539	62.82%	334	56.71%
	30–39 years old 30–39歲	175	20.40%	126	21.39%
	40–49 years old 40–49歲	69	8.04%	71	12.05%
	50 years old or above 50歲或以上	75	8.74%	58	9.85%
By Employee Rank 按職級	Senior Management 高級管理層	15	1.75%	10	1.70%
	Middle Management 中級管理層	38	4.43%	119	20.20%
	General Employee 一般僱員	805	93.82%	460	78.10%
By Geographical Region 按地區	Hong Kong 香港	231	26.92%	218	37.01%
	Singapore 新加坡	627	73.08%	371	62.99%
	Total 合計	858		589	

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		FY2022 二零二二財年		FY2021 二零二一財年	
Employee turnover⁵ 僱員流失 ⁵					
Gender 按性別	Male 男	352	89.11%	272	93.47%
	Female 女	351	75.81%	306	102.68%
By Employment Type 按僱傭類別	Full-time 全職	134	46.85%	112	46.28%
	Part-time 兼職	569	99.48%	466	134.29%
By Age Group 按年齡組別	29 years old or under 29歲或以下	597	110.76%	463	138.62%
	30–39 years old 30–39歲	49	28.00%	70	55.56%
	40–49 years old 40–49歲	36	52.17%	24	33.80%
	50 years old or above 50歲或以上	21	28.00%	21	36.21%
By Employee Rank 按職級	Senior Management 高級管理層	0	0.00%	2	20.00%
	Middle Management 中級管理層	16	42.11%	58	48.74%
	General Employee 一般僱員	687	85.34%	518	112.61%
By Geographical Region 按地區	Hong Kong 香港	172	74.46%	208	95.41%
	Singapore 新加坡	531	84.69%	370	99.73%
	Total 合計	703	81.93%	578	98.13%

⁵ Employee turnover rate = number of employees resigned/total workforce × 100.

⁵ 員工流失率 = 離職僱員人數 / 僱員總數 × 100。

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		FY2022 二零二二財年		FY2021 二零二一財年	
New hire rate⁶ 新入職率 ⁶					
Gender 按性別	Male 男	393	99.49%	N/A 不適用	N/A 不適用
	Female 女	389	84.02%	N/A 不適用	N/A 不適用
By Employment Type 按僱傭類別	Full-time 全職	149	52.10%	N/A 不適用	N/A 不適用
	Part-time 兼職	633	110.66%	N/A 不適用	N/A 不適用
Age group 按年齡組別	29 years old or under 29歲或以下	668	123.93%	N/A 不適用	N/A 不適用
	30–39 years old 30–39歲	64	36.57%	N/A 不適用	N/A 不適用
	40–49 years old 40–49歲	25	36.23%	N/A 不適用	N/A 不適用
	50 years old or above 50歲或以上	25	33.33%	N/A 不適用	N/A 不適用
By Employee Rank 按職級	Senior Management 高級管理層	2	13.33%	N/A 不適用	N/A 不適用
	Middle Management 中級管理層	12	31.58%	N/A 不適用	N/A 不適用
	General Employee 一般僱員	768	95.40%	N/A 不適用	N/A 不適用
By Geographical Region 按地區	Hong Kong 香港	115	49.78%	N/A 不適用	N/A 不適用
	Singapore 新加坡	667	106.38%	N/A 不適用	N/A 不適用
	Total 合計	782	91.14%	N/A 不適用	N/A 不適用
Percentage of employees trained⁷ 受訓僱員百分比 ⁷					
Gender 按性別	Male 男	557	141.01%	335	115.12%
	Female 女	578	124.84%	302	101.34%
By Employee Rank 按職級	Senior Management 高級管理層	9	60.00%	9	129.13%
	Middle Management 中級管理層	43	113.16%	34	28.57%
	General Employee 一般僱員	1,083	134.53%	594	90.00%
	Total 合計	1,135	132.28%	637	100.00%

⁶ New hire rate = number of new employees/total workforce × 100.

⁷ Percentage of employees trained = number of employees trained (including employees resigned) of the category/total workforce of the category × 100.

⁶ 新入職率 = 新入職僱員人數 / 僱員總數 × 100。

⁷ 受訓僱員百分比 = 該類別受訓僱員人數 (包括離職僱員) / 該類別僱員總數 × 100。

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		FY2022 二零二二財年	FY2021 二零二一財年
Average training hours⁸ 平均培訓時數 ⁸			
Gender 按性別	Male 男	147.77	93.81
	Female 女	135.69	90.20
By Employee Rank 按職級	Senior Management 高級管理層	23.53	9.50
	Middle Management 中級管理層	76.36	50.50
	General Employee 一般僱員	146.51	104.51
	Total 合計	141.25	91.99
Health and safety 健康與安全			
Number of work-related fatalities ⁹ 因工死亡的人數 ⁹		0	0
Number of employees injured at work 工傷人數		17	12
Injury rate 工傷率		1.98%	2%
Lost days due to work injury 因工傷損失工作日數		24	31

⁸ Average training hours = total hours of training received by employees (including employees resigned) of the category/total workforce of the category.

⁹ There were no work-related fatalities occurred in each of the past three years including the reporting year.

⁸ 平均培訓時數=該類別僱員(包括離職僱員)總受訓時數/該類別僱員總數。

⁹ 於過去三年(包括報告年度)各年,概無發生因工死亡事故。

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Appendix III: HKEx ESG Reporting Guide Index

附錄三：香港交易所環境、社會及管治報告指引

Aspects 層面	Description 描述	Page/Remark 頁數／註釋
A1 Emissions 排放物		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	44, 54–58
A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	57, 61
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity. 直接(範圍1)及能源間接(範圍2)溫室氣體排放量及密度	56, 61
A1.3	Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度	58, 61
A1.4	Total non-hazardous waste produced and intensity. 所產生無害廢棄物總量及密度	57, 61
A1.5	Description of emission target(s) set and steps taken to achieve them. 描述所訂立的排放量目標及為達到這些目標所採取的步驟。	54–56
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. 描述處理有害及無害廢棄物的方法，及描述所訂立的減廢目標及為達到這些目標所採取的步驟。	54–58

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Aspects 層面	Description 描述	Page/Remark 頁數／註釋
A2 Use of Resources 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源（包括能源、水及其他原材料）的政策。	54–56, 59–60
A2.1	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。	59, 62
A2.2	Water consumption in total and intensity. 總耗水量及密度。	59, 62
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them. 描述所訂立的能源使用效益目標及為達到這些目標所採取的步驟。	55–56
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. 描述求取適用水源上可有任何問題，以及所訂立的用水效益目標及為達到這些目標所採取的步驟。	55–56, 59
A2.5	Total packaging material used for finished products and per unit produced. 製成品所用包裝材料的總量及每生產單位估量。	The topic is immaterial to the Group as our businesses do not involve any use of packaging materials for finished products. 由於我們的業務並無涉及使用製成品的包裝物料，故此議題對本集團而言並不重大。

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Aspects 層面	Description 描述	Page/Remark 頁數／註釋
A3 The Environment and Natural Resources 環境及天然資源		
General Disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	54-60
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	54-60
A4 Climate Change 氣候變化		
General Disclosure 一般披露	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. 識別及應對已經及可能會對發行人產生影響的重大氣候相關事宜的政策。	56, 60
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. 描述已經及可能會對發行人產生影響的重大氣候相關事宜，及應對行動。	60
B1 Employment 僱傭		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	44, 52
B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	51, 63
B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	64

Environmental, Social and Governance Report

環境、社會及管治報告

Aspects 層面	Description 描述	Page/Remark 頁數/註釋
B2 Health and Safety 健康與安全		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	44, 51
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. 過去三年（包括匯報年度）每年因工亡故的人數及比率。	51, 66
B2.2	Lost days due to work injury. 因工傷損失工作日數。	51, 66
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	51
B3 Development and Training 發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	52-53
B3.1	The percentage of employees trained by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。	65
B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	66

Environmental, Social and Governance Report

環境、社會及管治報告

Aspects 層面	Description 描述	Page/Remark 頁數／註釋
B4 Labour Standards 勞工準則		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	44, 52
B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	52
B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	52
B5 Supply Chain Management 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	48
B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	48
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及相關執行及監察方法。	48
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. 描述有關識別供應鏈每個環節的環境及社會風險的慣例，以及相關執行及監察方法。	48
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 描述在揀選供應商時促使多用環保產品及服務的慣例，以及相關執行及監察方法。	48

Environmental, Social and Governance Report

環境、社會及管治報告

Aspects 層面	Description 描述	Page/Remark 頁數/註釋
B6 Product Responsibility 產品責任		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	44, 49–50
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	This is not material to the Group due to the nature of the Group's business. 由於本集團的業務性質，故此對本集團並不重大。
B6.2	Number of products and service-related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	49
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	50
B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	This is not material to the Group due to the nature of the Group's business. 由於本集團的業務性質，故此對本集團並不重大。
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	50

Environmental, Social and Governance Report

環境、社會及管治報告

Aspects 層面	Description 描述	Page/Remark 頁數／註釋
B7 Anti-corruption 反貪污		
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	44, 50
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	44
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	50
B7.3	Description of anti-corruption training provided to directors and staff. 描述向董事及員工提供的反貪污培訓。	50
B8 Community Investment 社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	42, 60
B8.1	Focus areas of contribution. 專注貢獻範疇。	60
B8.2	Resources contributed to the focus area. 在專注範疇所動用資源。	60

Report of the Directors

董事會報告書

The Directors have pleasure in presenting the report of the Directors and the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company which is a leading integrated film entertainment company in the markets where the principal activities of the Group consist of worldwide film and video distribution, film exhibition and the provision of advertising and consultancy services in Hong Kong, Taiwan and Singapore and film and television programmes production in Hong Kong and Mainland China. In addition, the Group has recently expanded into the arenas of live entertainment and theatre operations and entertainment centre business. Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Cap. 622), including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 14 to 23 of this Annual Report. This discussion forms part of this Directors' Report.

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 December 2022 and the state of affairs of the Company and the Group as at 31 December 2022 are set out in the financial statements on pages 99 to 159.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2022.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2022 are set out in note 11 to the financial statements.

INVESTMENT PROPERTY

On 14 January 2013, Orange Sky Golden Harvest Entertainment Company Limited, an indirect wholly-owned subsidiary of the Company, announced to acquire all that 24th Floor, together with car parking spaces nos. 421, 422 & 423 on 4th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong (the "Property"). AXA Centre is subsequently renamed as the Capital Centre.

On 4 September 2019, there was an intra-group property transfer in respect of the Property happened between Orange Sky Golden Harvest Entertainment Company Limited (the "Transferor") and Golden Properties (Pacific) Limited (the "Transferee"), which both the Transferor and Transferee are indirect wholly-owned subsidiaries of the Company. During the year, the Property was owned by the Company via the wholly-owned subsidiaries.

董事欣然提呈董事會報告書以及本公司及其附屬公司(統稱「本集團」)截至二零二二年十二月三十一日止年度之經審核綜合財務報表。

主要業務及業務回顧

本公司為投資控股公司，且為市場中領先的綜合電影娛樂公司。本集團主要業務包括在香港、台灣及新加坡發行全球電影及影碟、經營影城、提供廣告及諮詢服務，以及於香港及中國內地製作電影及電視節目。此外，本集團業務近期已擴展至現場娛樂及劇院業務以及娛樂中心業務之範疇。根據《公司條例》(第622章)附表五之規定，此等業務之進一步討論及分析(包括本集團所面對主要風險及不明朗因素之討論，以及本集團業務之可能未來發展)可參閱本年報第14至23頁所載管理層討論及分析。該討論為本董事會報告書之組成部分。

業績及股息

本集團截至二零二二年十二月三十一日止年度之業績，以及本公司與本集團於二零二二年十二月三十一日之事務狀況載於第160至220頁之財務報表。

董事並不建議派付截至二零二二年十二月三十一日止年度之任何末期股息。

物業、廠房及設備

本集團物業、廠房及設備於截至二零二二年十二月三十一日止年度之變動詳情載於財務報表附註11。

投資物業

於二零一三年一月十四日，本公司之間接全資附屬公司橙天嘉禾娛樂有限公司宣佈收購香港灣仔告士打道151號國衛中心24樓全層連同4樓第421、422及423號車位(「該物業」)。國衛中心隨後更名為資本中心。

於二零一九年九月四日，橙天嘉禾娛樂有限公司(「轉讓人」)與Golden Properties (Pacific) Limited(「受讓人」)作出有關該物業之集團內部物業轉讓，轉讓方和受讓人均為本公司間接全資附屬公司。年內，該物業由本公司通過全資附屬公司持有。

Report of the Directors

董事會報告書

On 7 December 2021, there was a disposal in respect of the Property happened between Golden Properties (Pacific) Limited and Power Sage Enterprises Limited (the "Purchaser"). The Purchaser is an independent third party and the completion had taken place on 29 April 2022.

Details of the Property are set out in note 11 to the financial statements on pages 129 to 132 of this annual report.

BANK LOANS

Particulars of bank loans of the Group as at 31 December 2022 are set out in note 21 to the financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 25 to the financial statements.

PRE-EMPTIVE RIGHTS

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

FIVE-YEAR SUMMARY FINANCIAL INFORMATION

於二零二一年十二月七日，Golden Properties (Pacific) Limited與Power Sage Enterprises Limited (「買方」)之間就該物業進行出售。買方為獨立第三方，有關交易已於二零二二年四月二十九日完成。

該物業的詳情載於本年報第190至193頁財務報表的附註11。

銀行貸款

本集團於二零二二年十二月三十一日之銀行貸款詳情載於財務報表附註21。

股本

本公司股本詳情載於財務報表附註25。

優先購買權

本公司之公司細則或百慕達公司法例並無關於優先購買權之規定，致使本公司須按比例向現有股東發售新股。

五年財務資料摘要

	Year ended 31 December 截至 十二月三十一日 止年度 2022 二零二二年 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月三十一日 止年度 2021 二零二一年 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月三十一日 止年度 2020 二零二零年 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月三十一日 止年度 2019 二零一九年 HK\$'000 千港元 (Audited) (經審核)	Year ended 31 December 截至 十二月三十一日 止年度 2018 二零一八年 HK\$'000 千港元 (Audited) (經審核)
Consolidated income statement	綜合收益表				
Revenue	695,997	514,901	322,646	1,060,842	1,050,972
Profit/(loss) before taxation	(46,685)	(331,358)	(298,441)	(4,062)	83,661
Income tax (expenses)/credit	537	16,447	10,267	(31,054)	(31,371)
Profit/(loss) for the year	(46,148)	(314,911)	(288,174)	(35,116)	52,290
Attributable to:	以下人士應佔：				
— Equity holders of the Company	(46,146)	(314,153)	(288,171)	(35,092)	52,529
— Non-controlling interests	(2)	(758)	(3)	(24)	(239)
	(46,148)	(314,911)	(288,174)	(35,116)	52,290

Report of the Directors

董事會報告書

FIVE-YEAR SUMMARY FINANCIAL INFORMATION

五年財務資料摘要

		As at 31 December 於十二月三十一日				
		2022	2021	2020	2019	2018
		二零二二年	二零二一年	二零二零年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
		(經審核)	(經審核)	(經審核)	(經審核)	(經審核)
Consolidated statement of financial position	綜合財務狀況表					
Right-of-use assets	使用權資產	1,457,853	1,691,267	1,244,322	1,481,273	-
Property, plant and equipment and investment property	物業、廠房及設備和投資物業	392,187	369,873	341,797	404,529	1,031,644
Interests in joint ventures	於合營企業之權益	46,564	56,691	103,540	133,243	145,933
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	35,967	44,413	37,363	46,704	40,058
Intangible assets	無形資產	523,214	521,675	530,756	525,397	523,079
Goodwill	商譽	576,917	573,933	633,118	661,582	656,609
Deferred tax assets	遞延稅項資產	-	-	-	4,824	-
Non-current portion of pledged bank deposits	已抵押銀行存款之非即期部分	-	50,000	50,000	137,000	137,000
Current assets	流動資產	499,206	1,053,152	1,213,376	1,327,603	1,491,863
Total assets	資產總值	3,531,908	4,361,004	4,154,272	4,722,155	4,026,186
Current liabilities	流動負債	904,649	1,477,597	482,172	792,887	647,190
Non-current portion of bank loans	銀行貸款之非即期部分	-	-	1,057,943	805,907	1,024,498
Non-current portion of lease liabilities	租賃負債之非即期部分	433,766	613,121	568,563	790,497	-
Non-current portion of deferred revenue	遞延收益之非即期部分	535,323	583,120	-	-	-
Deferred tax liabilities	遞延稅項負債	140,678	142,683	162,859	176,931	173,383
Total liabilities	負債總額	2,014,416	2,816,521	2,271,537	2,566,222	1,845,071
Net assets	資產淨值	1,517,492	1,544,483	1,882,735	2,155,933	2,181,115
Non-controlling interests	非控股權益	(1,266)	(1,377)	(597)	(559)	(545)

RESERVES

Details of movements in the reserves of the Company and of the Group during the year ended 31 December 2022 are set out in note 25 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2022, the Company's reserves available for cash distribution and/or distribution in specie, representing retained profits, amounted to HK\$10,878,000 (2021: HK\$13,380,000). In addition, the Company's share premium account, contributed surplus and capital redemption reserve in an aggregate amount of HK\$1,059,279,000 (2021: HK\$1,059,279,000), as at 31 December 2022, may be distributed to the shareholders of the Company in certain circumstances prescribed by Section 54 of the Companies Act 1981 of Bermuda.

儲備

本公司及本集團於截至二零二二年十二月三十一日止年度之儲備變動詳情分別載於財務報表附註25及綜合權益變動表。

可分派儲備

本公司於二零二二年十二月三十一日之可供現金分派及/或實物分派之儲備(指保留溢利)為10,878,000港元(二零二一年:13,380,000港元)。此外,本公司於二零二二年十二月三十一日之股份溢價賬、繳入盈餘及股本贖回儲備合共為1,059,279,000港元(二零二一年:1,059,279,000港元),根據百慕達一九八一年《公司法》第54條可於若干情況下向本公司股東分派。

Report of the Directors

董事會報告書

DIRECTORS

The Directors during the year ended 31 December 2022 and up to the date of this report were:

Chairman & Executive Director

Wu Kebo

Executive Directors

Li Pei Sen
Chow Sau Fong, Fiona
Go Misaki
Peng Bolun

Independent Non-executive Directors

Leung Man Kit
Wong Sze Wing
Fung Chi Man, Henry

Pursuant to the Bye-laws of the Company, at each AGM one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

In accordance with clauses 87(1) and (2) of the Company's Bye-Laws, Mr. Li Pei Sen, Mr. Leung Man Kit and Ms. Wong Sze Wing will retire at the forthcoming annual general meeting and all of them, being eligible, offer themselves for re-election.

Biographical details of the Directors and the Chief Executive Officer of the Group are set out on pages 4 to 9 of this annual report.

No Director proposed for re-election at the forthcoming annual general meeting of the Company has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Save as disclosed in the section headed "Biographical Details of Directors and Chief Executive Officer" in this annual report, there was no change to any of the information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) of rule 13.51(2) of the Listing Rules for the year ended 31 December 2022.

MANAGEMENT CONTRACT

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

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the financial year. The Company has taken out and maintained appropriate and sufficient insurance cover in respect of potential legal actions against its Directors and officers.

董事

截至二零二二年十二月三十一日止年度及截至本報告日期在任董事為：

主席兼執行董事

伍克波

執行董事

李培森
鄒秀芳
Go Misaki
彭博倫

獨立非執行董事

梁民傑
黃斯穎
馮志文

根據本公司的公司細則，於每屆股東週年大會上，當時三分之一的董事（或若其人數並非三(3)之倍數，則為最接近但不少於三分之一）須輪值退任，惟每名董事須至少每三年退任一次。

根據本公司的公司細則第87(1)及(2)條，李培森先生、梁民傑先生及黃斯穎女士將於應屆股東週年大會上退任，彼等全部均符合資格並願意重選連任。

本集團董事及首席執行官的履歷詳情載於本年報第4至9頁。

擬於本公司應屆股東週年大會上重選連任之董事與本公司並無訂立不可由本公司於一年內毋須支付法定賠償以外賠償予以終止之服務合約。

有關董事資料之變動

除本年報「董事及首席執行官個人履歷」一節所披露者外，截至二零二二年十二月三十一日止年度，就根據上市規則第13.51(2)條第(a)至(e)及(g)段有關任何董事須予披露之任何資料概無變動。

管理合約

概無於年內訂立或存續有關本公司全部或任何大部分業務之管理及行政之合約。

獲准許彌償條文

惠及董事之獲准許彌償條文現時及於整個財政年度一直生效。本公司已就其董事及要員可能會面對的法律訴訟投購合適及充足的保險。

Report of the Directors

董事會報告書

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its listed securities during the year ended 31 December 2022. Neither the Company nor any of its subsidiaries has repurchase or sold any of the Company's listed securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 31 December 2022, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Interests in shares of HK\$0.10 each in the issued share capital of the Company (the "Shares"), underlying Shares and debentures of the Company

買賣及贖回上市證券

截至二零二二年十二月三十一日止年度，本公司並無贖回其任何上市證券。年內，本公司或其任何附屬公司概無於香港聯合交易所有限公司（「聯交所」）購回或出售本公司任何上市證券。

董事及最高行政人員於股份、相關股份或債權證之權益及淡倉

於二零二二年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中，擁有本公司須根據證券及期貨條例第XV部第352條存置之登記冊所記錄，或根據上市規則所載標準守則須知會本公司及聯交所之權益及淡倉如下：

於本公司已發行股本中每股面值0.10港元股份（「股份」）、本公司之相關股份及債權證之權益

Name of Director/ Chief Executive 董事／最高行政人員 姓名	Capacity 身分	Note 附註	Number of Shares 股份數目	Number of underlying Shares 相關股份數目	Total number of Shares and underlying Shares 股份及 相關股份總數	* Approximate percentage of Shares and underlying Shares in the issued share capital of the Company * 股份及相關 股份於本公司 已發行股本中 所佔概約百分比
Wu Kebo 伍克波	Interest of controlled corporations 受控法團權益	I	1,723,894,068 (L)	-	1,723,894,068 (L)	61.57%
	Beneficial owner 實益擁有人	I	274,684,429 (L)	-	274,684,429 (L)	9.81%
Li Pei Sen 李培森	Beneficial owner 實益擁有人		200,000 (L)	-	200,000 (L)	0.01%
Leung Man Kit 梁民傑	Beneficial owner 實益擁有人		370,000 (L)	-	370,000 (L)	0.01%
Wong Sze Wing 黃斯穎	Beneficial owner 實益擁有人		170,000 (L)	-	170,000 (L)	0.01%

* These percentages are computed based on the total number of Shares in issue (i.e. 2,799,669,050 Shares) as at 31 December 2022.

* 該等百分比乃根據於二零二二年十二月三十一日已發行股份總數（即2,799,669,050股股份）而計算。

Report of the Directors

董事會報告書

Note:

- I. By virtue of the SFO, Mr. Wu was deemed to be interested in a total of 1,723,894,068 Shares, of which (i) 565,719,948 Shares were held by OSEG (a company which is 80% owned by Mr. Wu) (ii) 1,158,174,120 Shares were held by Mainway. In addition, Mr. Wu was interested in 274,684,429 Shares which were beneficially held by him in his own name.

Abbreviation:

"L" stands for long position

Save as disclosed above and save for the disclosure referred to under "Share Option Schemes" set out below and in note 25 to the financial statements on pages 148 to 151 of this annual report, as at 31 December 2022, none of the Directors and chief executive of the Company had any interests or short positions in Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

RETIREMENT BENEFIT SCHEMES

Details of retirement benefit schemes of the Group are set out in Note 2 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above and "Share Option Schemes" below, at no time during the year ended 31 December 2022 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

附註：

- (I) 根據證券及期貨條例，伍先生被視為擁有共1,723,894,068股股份權益，其中(i) 565,719,948股股份由伍先生擁有80%股權的公司橙天持有；及(ii) 1,158,174,120股股份由Mainway持有。此外，伍先生亦以本身名義實益擁有274,684,429股股份權益。

縮略詞：

「L」指好倉

除上文披露者以及下文及本年報第209至212頁財務報表附註25有關「購股權計劃」之披露事項外，於二零二二年十二月三十一日，本公司各董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中並無擁有任何本公司須根據證券及期貨條例第XV部第352條存置之登記冊所記錄，或根據標準守則須知會本公司及聯交所之權益或淡倉。

退休福利計劃

本集團退休福利計劃之詳情載於綜合財務報表附註2。

董事購買股份或債權證之權利

除上文「董事及最高行政人員於股份、相關股份或債權證之權益及淡倉」以及下文「購股權計劃」各節披露者外，本公司或其任何附屬公司於截至二零二二年十二月三十一日止年度任何時間概無訂立任何安排，致使董事、彼等各自之配偶或未滿十八歲子女可藉收購本公司或任何其他法人團體之股份或債權證而獲益。

Report of the Directors

董事會報告書

2020 SHARE OPTION SCHEME

The Company has adopted the 2020 Share Option Scheme for the purpose of enabling the Company to grant options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants. Eligible participants of the 2020 Share Option Scheme include the Directors and other employees of the Group, consultants or advisers, distributors, contractors, suppliers, service providers, agents, customers and business partners of the Group. The 2020 Share Option Scheme became effective on 19 June 2020 and, unless otherwise cancelled or amended, will remain in force for a period of 10 years from that date.

Each grant of the share options to a connected person of the Company, or any of their associates, must be approved by all of the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the option). In addition, any grant of the share options to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates which would result in the Shares issued or to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person representing in aggregate over 0.1% of the Shares in issue on the date of the offer and with an aggregate value (based on the closing price of the Shares at the date of each grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of the grant, shall be subject to approval of the shareholders of the Company in general meeting with voting to be taken by way of a poll.

The offer in relation to a grant of share options under the 2020 Share Option Scheme shall remain open for acceptance by the eligible participant concerned for such period as determined by the Board, which period shall not be more than 30 days from the day of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the Directors, the expiry date of such period not to exceed 10 years from the date of the offer. Save as determined by the Directors and provided in the offer of the grant of the relevant share option, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

The price per Share at which a grantee may subscribe for Shares on the exercise of a share option is determinable by the Directors, provided always that it shall be at least the higher of (i) the closing price per Share as stated in the daily quotation sheet of the Stock Exchange on the date of offer of grant of the share option; (ii) the average closing price per Share as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of a Share.

二零二零年購股權計劃

本公司採納二零二零年購股權計劃，旨在使本公司可向合資格參與者授予購股權，作為彼等對本集團發展作出貢獻之激勵或獎賞，並讓本集團更具彈性地向合資格參與者提供獎賞、報酬、補償及／或提供福利。二零二零年購股權計劃之合資格參與者包括董事及本集團其他僱員、顧問或諮詢者、分銷商、承包商、供應商、服務供應商、代理、客戶及商業夥伴。二零二零年購股權計劃自二零二零年六月十九日起生效，計劃如非被取消或更改，將於該日期起計十年內具有十足效力。

每次向本公司關連人士或任何彼等之聯繫人授出購股權，須先獲全體獨立非執行董事（身為購股權承授人之獨立非執行董事除外）之批准。此外，於截至授出購股權當日正任何12個月期間（包括該日）向本公司主要股東或獨立非執行董事、或任何彼等各自之聯繫人授出之任何購股權，如將導致已授出或將授出予該等人士之所有購股權（包括已行使、註銷及未行使之購股權）行使後已發行或將發行之股份，多於授出購股權日期已發行股份0.1%或總值（根據授出當日本公司股份之收市價計算）多於5,000,000港元，須先獲本公司股東於股東大會上按投票表決方式批准。

按二零二零年購股權計劃授出購股權之建議必須於董事會釐訂之期間供合資格參與者接納。有關期間不得超過建議日期起計30日，而承授人並須支付象徵式代價1港元。所授出購股權之行使期乃由董事釐定，惟該行使期之結束日不得超過由授出購股權當日起計十年。除董事另行決定及授出有關購股權之建議另有規定外，並無一般規定限制購股權必須於持有若干最短期限後方可行使。

承授人於行使購股權以認購股份之每股作價乃由董事釐定，惟不得低於(i)於建議授出購股權當日在聯交所每日報價表所示之每股收市價；(ii)於緊接建議當日前五個交易日在聯交所每日報價表所示之每股平均收市價；及(iii)每股股份面值。

Report of the Directors

董事會報告書

The maximum number of Shares, a total of 279,966,905 Shares, will be issuable upon exercise of all share options that may be granted under the 2020 Share Option Scheme, representing 10% of the issued share capital of the Company as at 19 June 2020, being the date of adoption of the 2020 Share Option Scheme. In addition, the maximum number of Shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options under the 2020 Share Option Scheme) in any 12-month period shall not exceed 1% of the Shares in issue. Any further grant of share options in excess of such limit (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant of such share option shall be separately approved by the shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

At the end of the reporting period, the Company had no share option outstanding under the Scheme. No share option was granted to or exercised by any Directors or chief executives of the Company or employees of the Group or other participants nor cancelled or lapsed during the year ended 31 December 2022.

Share options granted or to be granted under the 2020 Share Option Scheme do not confer rights on the holders to dividends or to vote at the shareholders' meetings.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the disclosure under the headings "Connected Transactions" and "Continuing Connected Transactions" below of this annual report, none of the Directors had any material interests, either directly or indirectly, in any contract of significance to which the Company or any of its subsidiaries was a party during or at the end of the year ended 31 December 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2022, none of the Directors had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules.

EQUITY-LINKED AGREEMENTS

Other than the 2020 Share Option Scheme as disclosed in this annual report, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year or subsisted at the end of the year ended 31 December 2022.

因行使根據二零二零年購股權計劃將授出之所有購股權而可予發行之最高股數合共為於二零二零年六月十九日(即採納二零二零年購股權計劃日期)之本公司已發行股本10%，即279,966,905股股份。此外，於任何12個月期間內向個別合資格參與者授出之購股權(包括二零二零年購股權計劃項下已行使及未行使購股權)而已發行及將予發行之最高股數，不得超過已發行股份1%。倘於截至該等購股權授出日止任何12個月期間(包括該日)內額外授出超逾該上限之購股權(包括已行使、註銷及未行使之購股權)，則須個別在股東大會上獲得本公司股東批准，而該等參與者及其聯繫人須放棄投票。

於報告期末，本公司在該計劃下並無尚未行使的購股權。截至二零二二年十二月三十一日止年度，概無購股權向本公司任何董事或最高行政人員或本集團僱員或其他參與者授出或獲行使，亦無購股權註銷或失效。

根據二零二零年購股權計劃授出或將授出之購股權並無賦予持有人獲派股息或在股東大會上投票之權利。

董事於合約之權益

除本年報下文「關連交易」和「持續關連交易」所披露者外，各董事概無在截至二零二二年十二月三十一日止年度內或結算日於本公司或其任何附屬公司訂立之任何重大合約中直接或間接擁有任何重大權益。

董事於競爭業務的權益

截至二零二二年十二月三十一日，根據上市規則，概無董事在與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有權益。

股票掛鈎協議

除於本年報內披露之二零二零年購股權計劃外，本公司於本年度並無訂立且於截至二零二二年十二月三十一日止年度並無任何股票掛鈎協議，將會或可能會導致本公司發行股份，或要求本公司訂立任何將會或可能會導致本公司發行股份之協議。

Report of the Directors

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2022, the Group's purchases from its largest supplier and its five largest suppliers accounted for approximately 22.28% and 58.95%, respectively, of the Group's total purchases.

The Group's sales to its largest customer and its five largest customers accounted for approximately 0.93% and 3.75%, respectively, of the Group's total sales during the same period.

None of the Directors, or any of their close associates, or any of the shareholders of the Company (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and/or suppliers.

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

So far as is known to the Directors, as at 31 December 2022, the following persons, other than a Director or chief executive of the Company, had the following interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

主要客戶及供應商

截至二零二二年十二月三十一日止年度，本集團向其最大供應商及五大供應商採購之購貨額分別佔本集團總購貨額約22.28%及58.95%。

同期，本集團向其最大客戶及五大客戶售出之銷售額則分別佔本集團總銷售額約0.93%及3.75%。

各董事或彼等任何緊密聯繫人或就董事所深知擁有本公司已發行股本5%以上之本公司股東並無於本集團五大客戶及／或供應商中擁有任何權益。

主要股東及其他人士於股份及相關股份之權益及淡倉

就董事所知，於二零二二年十二月三十一日，按本公司根據證券及期貨條例第XV部第336條須存置之登記冊所記錄，下列人士（董事或本公司最高行政人員除外）於股份或相關股份中持有以下權益或淡倉：

Name of substantial shareholder 主要股東姓名	Capacity 身份	Note 附註	Number of Shares 股份數目	Number of underlying Shares 相關股份數目	Total number of Shares and underlying Shares 股份及相關股份總數	*Approximate percentage of Shareholding in the Company *於本公司股權中所佔概約百分比
Wu Kebo 伍克波	Interest of controlled corporations 受控法團權益	1	1,723,894,068 (L)	–	1,723,894,068 (L)	61.57%
	Beneficial owner 實益擁有人	1	274,684,429 (L)	–	274,684,429 (L)	9.81%
Orange Sky Entertainment Group (International) Holding Company Limited ("OSEG") 橙天娛樂集團(國際)控股有限公司(「橙天」)	Beneficial owner 實益擁有人	2	565,719,948 (L)	–	565,719,948 (L)	20.21%
Mainway Enterprises Limited ("Mainway")	Beneficial owner 實益擁有人	3	1,158,174,120 (L)	–	1,158,174,120 (L)	41.37%

* These percentages are computed based on the total number of Shares in issue of the Company (i.e. 2,799,669,050 Shares) as at 31 December 2022.

* 該等百分比乃根據本公司於二零二二年十二月三十一日已發行股份總數(即2,799,669,050股份)計算。

Report of the Directors

董事會報告書

Notes:

- (1) By virtue of the SFO, Mr. Wu was deemed to have interest in a total of 1,723,894,068 Shares, of which (i) 565,719,948 Shares were held by OSEG (a company which is 80% owned by Mr. Wu); and (ii) 1,158,174,120 Shares were held by Mainway. In addition, Mr. Wu was interested in 274,684,429 Shares which were beneficially held by him in his own name.
- (2) OSEG (a company 80% owned by Mr. Wu) was interested in 565,719,948 Shares. Mr. Wu is a director of OSEG and Mr. Li Pei Sen is the associate Chairman of OSEG.
- (3) Mainway is a company wholly owned by Mr. Wu, who is also a director of Mainway.

Abbreviation:

"L" stands for long position

Save as disclosed above, as at 31 December 2022, no other person had an interest or a short position in Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO.

CONNECTED TRANSACTION

Cinema and Hotel Lease Agreements

On 28 June 2019, OSGH Liuliu Enterprise, an indirect wholly-owned subsidiary of the Company, (the "Tenant") entered into the a cinema lease agreement (the "Cinema Lease Agreement") and a hotel lease agreement (the "Hotel Lease Agreement") with Jiangyin Orange Land (the "Landlord"), a company established in the PRC with limited liability, in respect of leasing of cinema premises situated at floor 5, 6 and 7 of the building units 597 and 599 at Wuxing Road, Xiangang Street, Jiangyin, PRC (中國江陰市夏港街道五星路), with a total gross floor area of approximately 17,124.49 square meters (the "Cinema Premises") and hotel premises situated at Orange Sky Land Square One, Jiangyin, PRC (中國江陰市橙天地廣場1號), with a total gross floor area of approximately 14,188.57 square meters (the "Hotel Premises") for cinema and hotel operation respectively. The terms in relation to lease term and rent of the Cinema Lease Agreement and the Hotel Lease Agreement are summarized as follows:

Cinema Lease Agreement

影院租賃協議

Lease Term
租期

A term of 15 years, commencing from the date following the date of the actual delivery of the said premises by the Landlord to the Tenant (the "Lease Term").
業主向租戶實際交付上述物業日期翌日起計為期15年(「租期」)。

附註：

- (1) 根據證券及期貨條例，伍先生被視為擁有合共1,723,894,068股股份權益，其中(i) 565,719,948股股份由伍先生擁有80%股權的公司橙天持有；及(ii) 1,158,174,120股股份由Mainway持有。此外，伍先生亦以本身名義實益擁有274,684,429股股份權益。
- (2) 伍先生擁有80%股權之橙天擁有565,719,948股股份權益。伍先生為橙天董事，而李培森先生則為橙天聯合主席。
- (3) Mainway為伍先生全資擁有之公司，彼亦為Mainway董事。

縮略詞：

「L」指好倉

除上文披露者外，於二零二二年十二月三十一日，按本公司根據證券及期貨條例第XV部第336條須存置之登記冊所記錄，概無其他人士於股份或相關股份中擁有任何權益或淡倉。

關連交易

影院及酒店租賃協議

於二零一九年六月二十八日，江陰橙天企業(本公司間接全資附屬公司，「租戶」)與江陰橙地(一間於中國成立的有限公司，「業主」)分別訂立影院租賃協議(「影院租賃協議」)及酒店租賃協議(「酒店租賃協議」)，內容分別有關租賃位於中國江陰市夏港街道五星路之597及599號大樓5、6及7樓，總建築面積約為17,124.49平方米的影院物業(「影院物業」)及位於中國江陰市橙天地廣場1號，總建築面積約為14,188.57平方米的酒店物業(「酒店物業」)，以供影院及酒店營運。有關影院租賃協議及酒店租賃協議租期及租金的條款概述如下：

Hotel Lease Agreement

酒店租賃協議

Report of the Directors

董事會報告書

Cinema Lease Agreement 影院租賃協議

Rent
租金

The amount payable by the Tenant to the Landlord for a particular rental year during the Lease Term is equivalent to (1) the yearly Fixed Cinema Lease Amount (as defined below), (2) the yearly Fixed Cinema Lease Amount and the Variable Cinema Lease Amount (as defined below) or (3) the yearly Fixed Cinema Lease Amount and the De Minimis Amount (as defined below) (as the case may be) (collectively, the "Cinema Rent").

租戶就租期內特定租賃年度應付業主的金額相當於(1)年度固定影院租賃款項(定義見下文)，(2)年度固定影院租賃款項及可變影院租賃款項(定義見下文)或(3)年度固定影院租賃款項及最低款項(定義見下文)(視情況而定)(統稱「影院租金」)。

Hotel Lease Agreement 酒店租賃協議

Hotel Rent (the "Hotel Rent")

A rate at RMB1.4 per square meter per day (the "Initial Hotel Rent Rate") for the first three years from the date following the delivery of the Hotel Premises (the "Hotel Lease Initial Period"). During the Hotel Lease Initial Period, the yearly Hotel Rent (1) for the first rental year during the Lease Term shall amount to approximately RMB4,833,572.85 (inclusive of tax) taking into consideration of the rent exemption period (being the period of four months from the date following the delivery of the Hotel Premises) and (2) for the second and third rental year during the Hotel Lease Term shall amount to approximately RMB7,250,359.27 per year. The Initial Hotel Rent Rate will be increased by 8% every three years from the end of the Hotel Lease Initial Period during the Hotel Lease Term (the "Subsequent Hotel Rent Rate").

酒店租金(「酒店租金」)

酒店物業交付翌日起計首三年(「酒店租賃初期」)之費率為每日每平方米人民幣1.4元(「初步酒店租金費率」)。於酒店租賃初期，年度酒店租金(1)就租期首個租賃年度約為人民幣4,833,572.85元(包括稅項)，已計及免租期(即自酒店物業交付日期翌日起計四個月期間)；及(2)就酒店租期內第二及第三個租賃年度約為每年人民幣7,250,359.27元。初步酒店租金費率將於酒店租期內酒店租賃初期結束後每三年增加8%(「其後酒店租金費率」)。

Report of the Directors

董事會報告書

Cinema Lease Agreement 影院租賃協議

Hotel Lease Agreement 酒店租賃協議

- (a) Fixed Cinema Lease Amount (the "Fixed Cinema Lease Amount")
- (a) 固定影院租賃款項(「固定影院租賃款項」)

A rate at RMB1.35 per square meter per day (the "Initial Cinema Rent Rate") for the first three years from the date following the delivery of the Cinema Premises (the "Cinema Lease Initial Period"). During the Cinema Lease Initial Period, the yearly Fixed Cinema Lease Amount (1) for the first rental year during the Cinema Lease Term shall amount to approximately RMB5,625,394.97 (inclusive of tax) taking into consideration of the Cinema Rent Exemption Period and (2) for the second and third rental year during the Lease Term amount to approximately RMB8,438,092.45 (inclusive of tax) per year.

自影院物業交付翌日起計首三年(「影院租賃初期」)之費率為每日每平方米人民幣1.35元(「初步影院租金費率」)。於影院租賃初期，年度固定影院租賃款項(1)於影院租期首個租賃年度將約為人民幣5,625,394.97元(包括稅項)，已計及影院免租期及(2)於租期第二及第三個租賃年度約為每年人民幣8,438,092.45元(包括稅項)。

The Initial Cinema Rent Rate will be increased by 8% every three years from the end of the Cinema Lease Initial Period during the Cinema Lease Term (the "Subsequent Cinema Rent Rate").

於影院租期內，初步影院租金費率將自影院租賃初期結束後每三年增加8%(「其後影院租金費率」)。

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董事會報告書

Cinema Lease Agreement 影院租賃協議

Hotel Lease Agreement 酒店租賃協議

- (b) Variable Lease Amount (the “Variable Lease Amount”)
- (b) 可變租賃款項(「可變租賃款項」)

In the event that the yearly cinema commission amount (as the case may be, the amount which is equivalent to: (i) 14% of the annual Net Box Office I for each rental year during the first to the fifth rental year of the Lease Term; (ii) 15% of the annual Net Box Office I for each rental year during the sixth to the tenth rental year of the Lease Term; or (iii) 16% of the annual Net Box Office I for each rental year during the eleventh to the fifteenth rental year of the Lease Term) (the “Cinema Commission Amount”) exceeds the yearly Fixed Cinema Lease Amount for a particular rental year during the Lease Term, an amount equivalent to the difference between the yearly Cinema Commission Amount and the yearly Fixed Cinema Lease Amount shall be payable by the Tenant to the Landlord.

倘於租期內特定租賃年度的年度影院佣金(視情況而定,有關金額相當於:(i)於租期內首年至第五年各租賃年度之年度票房淨額14%;(ii)於租期內第六至第十年各租賃年度之年度票房淨額15%;或(iii)於租期內第十一至第十五各租賃年度之年度票房淨額16%)(「影院佣金」)超過年度固定影院租賃款項,則租戶須向業主支付相當於年度影院佣金與年度固定影院租賃款項兩者間差額的款項。

Report of the Directors

董事會報告書

Cinema Lease Agreement

影院租賃協議

(c) De Minimis Amount (the “De Minimis Amount”)

(c) 最低款項(「最低款項」)

De Minimis Amount is the maximum amount which would render the entering into of the Cinema Lease Agreement with the payment of the Variable Cinema Lease Amount for a particular rental year during the Lease Term by the Tenant to the Landlord being constituted as a fully exempt continuing connected transaction under Rule 14A.76 of the Listing Rules.

最低款項為根據上市規則第14A.76條，導致訂立影院租賃協議中於租期內特定年度租戶向業主支付可變影院租賃款項構成獲全面豁免持續關連交易涉及之有關最高金額。

Notwithstanding the above, in the event that (1) the yearly Cinema Commission Amount exceeds the yearly Fixed Cinema Lease Amount and (2) the yearly Variable Cinema Lease Amount exceeds the De Minimis Amount for a particular rental year during the Cinema Lease Term, the Tenant shall pay an amount equivalent to (1) the yearly Fixed Cinema Lease Amount and (2) the De Minimis Amount to the Landlord for the relevant rental year. As such, in the event that the Variable Lease Amount exceeds the De Minimis Amount for a particular rental year, the Variable Lease Amount payable by the Tenant for that particular rental year will be no more than the De Minimis Amount. The amount equivalent to the difference between the Variable Lease Amount and the De Minimis Amount will not be payable by the Tenant to the Landlord, unless the Company re-complies with the requirements under the Listing Rules.

儘管如此，於影院租期內特定租賃年度，倘(1)年度影院佣金超逾年度固定影院租賃款項及(2)年度可變影院租賃款項超逾最低款項，租戶須於相關租賃年度向業主支付相當於(1)年度固定影院租賃款項及(2)最低款項的金額。因此，倘於特定租賃年度的可變租賃款項超過最低款項，則租戶於該特定租賃年度應付的可變租賃款項將不超過最低款項。除非本公司重新遵守上市規則的規定，否則租戶將不會向業主支付相當於可變租賃款項與最低款項兩者間差額的款項。

Note:

1. The box office minus the value-added tax and the Special State Film Undertaking Development Fund (國家電影專項資金), amounting to 5% of the box office, which may be subject to changes of the relevant regulations of the respective departments in the PRC.

Hotel Lease Agreement

酒店租賃協議

附註：

1. 不包括增值稅及不包括國家電影專項資金之票房，即票房之5%，可按中國有關部門之有關規例予以變動。

Report of the Directors

董事會報告書

As at the date of the Cinema Lease Agreement and the Hotel Lease Agreement, the Landlord was owned as 75% by Orange Sky Land and 25% by Beijing Orange Land. Orange Sky Land was indirect wholly-owned by Mr. Wu Kebo. Beijing Orange Land was wholly-owned by Beijing Orange Sky, which was in turn held as to 99% by Zeng Qingxin (who held the shareholding interests in Beijing Orange Sky in accordance to the instructions of Mr. Wu Kebo). Mr. Wu Kebo was the Director and controlling shareholder of the Company. Accordingly, the Landlord, being the associate of Mr. Wu Kebo was a connected person of the Company.

Pursuant to HKFRS 16, the entering into of the Cinema Lease Agreement and the Hotel Lease Agreement as a lessee will require the Group to recognise the Cinema Premises and the Hotel Premises as the right-of-use assets in relation to the Fixed Cinema Lease Amount and the Hotel Rent, thus the entering into of the Lease Agreements with the Fixed Cinema Lease Amount and the Hotel Rent and the transactions contemplated thereunder will be regarded as deemed acquisition of assets and connected transactions by the Group. The Fixed Cinema Lease Amount under the Cinema Lease Agreement, the Hotel Rent under the Hotel Lease Agreement and the transactions contemplated thereunder constituted connected transactions for the Company under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2022, the Group has entered into and engaged in the following transactions and arrangements with connected persons (as defined in the Listing Rules) of the Company:

Cinema Lease Agreement

Reference is made to the paragraph headed "Connected Transactions — Cinema and Hotel Lease Agreements" above.

As disclosed above, in the event that the yearly Cinema Commission Amount exceeds the yearly Fixed Cinema Lease Amount for a particular rental year during the Lease Term, an amount equivalent to the difference between the yearly Cinema Commission Amount and the yearly Fixed Cinema Lease Amount shall be payable by the Tenant to the Landlord (i.e. the Variable Lease Amount). In addition, pursuant to the Cinema Lease Agreement, the property management service fee payable is initially at a rate of RMB0.5 per square meter per day for the property management services at the Cinema Premises (the "Initial Management Fee") provided by the Landlord for the first three rental years (the "Initial Management Fee Period"), which amounts to (1) approximately RMB2,083,479.62 (inclusive of water and air conditioning bills and tax) for the first rental year during the Lease Term and (2) approximately RMB3,125,219.43 (inclusive of water and air conditioning bills and tax) per year for the second and third rental year during the Lease Term. The Initial Management Fee will be increased by 8% every three years from the end of Initial Management Fee Period.

於影院租賃協議及酒店租賃協議日期，業主分別由橙天地及北京橙地擁有75%及25%權益。橙天地由伍克波先生間接全資擁有。北京橙地由北京橙天全資擁有。北京橙天則由曾慶新(根據伍克波先生之指示持有北京橙天之股權)持有99%股權。伍克波先生為本公司董事兼控股股東。因此，業主(即伍克波先生之聯繫人)為本公司關連人士。

根據香港財務報告準則第16號，作為承租人訂立影院租賃協議及酒店租賃協議要求本集團須就固定影院租賃款項及酒店租金將影院物業及酒店物業確認為使用權資產，因此訂立有關固定影院租賃款項及酒店租金的租賃協議以及其項下擬進行交易將被視為本集團視作收購資產及關連交易。根據上市規則第14A章，影院租賃協議項下固定影院租賃款項、酒店租賃協議項下酒店租金及其項下擬進行交易構成本公司的關連交易。

持續關連交易

截至二零二二年十二月三十一日止年度，本集團曾與本公司關連人士(定義見上市規則)訂立以下交易及安排：

影城租賃協議

茲提述上文「關連交易—影院及酒店租賃協議」一段。

誠如上文所披露，倘於租期內特定租賃年度的年度影院佣金超過年度固定影院租賃款項，則租戶須向業主支付相當於年度影院佣金與年度固定影院租賃款項兩者間差額的款項(即可變租賃款項)。此外，根據影院租賃協議，應付物業管理服務費初步按業主於首三個租賃年度(「初步管理費期間」)在影院物業提供物業管理服務之費率每日每平方米人民幣0.5元計算(「初步管理費」)，即(1)於租期首個租賃年度將約人民幣2,083,479.62元(包括水費、空調費用及稅項)及(2)於租期第二及第三個租賃年度每年約人民幣3,125,219.43元(包括水費、空調費用及稅項)。初步管理費將自初步管理費期間結束後每三年增加8%。

Report of the Directors

董事會報告書

As at the date of the Cinema Lease Agreement, the Landlord was owned as 75% by Orange Sky Land and 25% by Beijing Orange Land. Orange Sky Land was indirect wholly-owned by Mr. Wu Kebo. Beijing Orange Land was wholly owned by Beijing Orange Sky, which was in turn held as to 99% by Zeng Qingxin (who held the shareholding interests in Beijing Orange Sky in accordance to the instructions of Mr. Wu Kebo). Mr. Wu Kebo was the Director and controlling shareholder of the Company. Accordingly, the Landlord, being the associate of Mr. Wu Kebo was a connected person of the Company. Pursuant to HKFRS 16, the entering into of the Cinema Lease Agreement as a lessee will require the Group to recognize the Variable Cinema Lease Amount linked to sales to be recognized as expenses incurred by the Group over the term of the Cinema Lease Agreement, thus the entering into of the Cinema Lease Agreement with the Variable Cinema Lease Amount and the transactions contemplated thereunder will be regarded as a continuing connected transaction under Rule 14A.31 of the Listing Rules. In addition, the provision of property management services at the Cinema Premises by the cinema property manager appointed by the Landlord under the Cinema Lease Agreements also constitutes continuing connected transactions under Rule 14A.31 of the Listing Rules.

The aggregate amount paid by the Group to the Landlord for the year ended 31 December 2022 amounted to HK\$nil, which was within the annual cap of RMB6,006,815.05 (equivalent to HK\$6,545,626.36).

Confirmation from Directors

The Directors, including the non-executive Directors, have reviewed the continuing connected transactions and confirmed that the transactions were entered into in the ordinary and usual course of the business of the Group, on normal commercial terms or on terms no less favourable to the Group than terms to or from independent third parties, and in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have advised that nothing has come to their attention that caused them to believe the continuing connected transactions:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services;
- (c) have not been entered into, in all material respects, in accordance with the terms of the relevant agreement governing the transactions; and
- (d) the relevant cap amounts disclosed in the relevant announcements of the Company, where applicable, have been exceeded during the financial year ended 31 December 2022.

於影院租賃協議日期，業主分別由橙天地及北京橙地擁有75%及25%權益。橙天地由伍克波先生間接全資擁有。北京橙地由北京橙天全資擁有。北京橙天則由曾慶新（根據伍克波先生之指示持有北京橙天之股權）持有99%股權。伍克波先生為本公司董事兼控股股東。因此，業主（即伍克波先生之聯繫人）為本公司關連人士。根據香港財務報告準則第16號，作為承租人訂立影院租賃協議將要求本集團將與銷售掛鈎之可變影院租賃款項確認為本集團於影院租賃協議年內產生之開支，故訂立涉及可變影院租賃款項之影院租賃協議及其項下擬進行交易將根據上市規則第14A.31條被視為持續關連交易。此外，根據上市規則第14A.31條，業主根據影院租賃協議委任之影院物業經理在影院物業提供物業管理服務亦構成持續關連交易。

截至二零二二年十二月三十一日止年度，本集團向業主支付的總金額為零港元，於年度上限人民幣6,006,815.05元（相當於6,545,626.36港元）的範圍內。

董事確認

董事（包括非執行董事）已審閱持續關連交易，並確認該等交易乃於本集團日常及一般業務過程中，按一般商業條款或不遜於獨立第三方獲提供或向本集團提供之條款，並根據規管該等交易之有關協議進行，且條款均屬公平合理，符合本公司股東整體利益。

據本公司核數師告知，其並無注意到任何事宜致使其相信持續關連交易：

- (a) 未有獲董事會批准；
- (b) 涉及提供商品或服務之交易於各重大方面並未按照本集團定價政策進行；
- (c) 於各重大方面並未根據規管該等交易之相關協議條款訂立；及
- (d) 超出本公司相關公佈所披露截至二零二二年十二月三十一日止財政年度之相關金額上限（如適用）。

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The other connected transactions and/or continuing connected transactions constituted de minimis transactions as defined in the Listing Rules and were exempt from the reporting, announcement, independent shareholders' approval, and in the case of continuing connected transactions, the annual review requirements. The independent non-executive Directors have also reviewed and confirmed that these other connected transactions and/or continuing connected transactions have been entered into in the ordinary and usual course of the business of the Group, on normal commercial terms or on terms no less favourable to the Group than terms to or from independent third parties, and in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

CORPORATE GOVERNANCE

For the year ended 31 December 2022, the Corporate Governance Report is set out on pages 24 to 38 of the annual report.

INDEPENDENCE CONFIRMATION

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

ENVIRONMENTAL PROTECTION

Details of the Company's environmental policy and community involvement are set out in the Environmental, Social and Governance Report Section in this annual report.

EMOLUMENT POLICY

Remuneration of the employees of the Group is made/determined by reference to the market, individual performance and their respective contribution to the Group. As a long-term incentive, the 2020 Share Option Scheme is in place and the details of which are set out above and in note 25 to the financial statements on pages 148 to 151 of this annual report.

Directors' emoluments are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonus and share option, are determined by the Board with reference to Directors' duties, abilities, reputation and performance.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of the Company's issued share capital as of the date of this report.

DONATIONS

During the year ended 31 December 2022, the Group has made charitable and other donations in Hong Kong totalling HK\$nil.

該等其他關連交易及／或持續關連交易構成上市規則所界定低額交易，獲豁免遵守申報、公告、獨立股東批准及(就持續關連交易而言)年度審閱之規定。獨立非執行董事亦已審閱並確認該等其他關連交易及／或持續關連交易乃於本集團日常及一般業務過程中，按一般商業條款或不遜於獨立第三方獲提供或向本集團提供之條款，並根據規管該等交易之有關協議進行，且條款均屬公平合理，符合本公司股東整體利益。

企業管治

截至二零二二年十二月三十一日止年度，企業管治報告載於本年報第24至38頁。

獨立性之確認

本公司已接獲各獨立非執行董事按照上市規則第3.13條發出其每年之獨立性確認書，並認為全體獨立非執行董事均具獨立性。

環境保護

本公司環境政策及社區參與詳情載於本年報環境、社會及管治報告一節。

薪酬政策

本集團僱員之薪酬乃經參照市場、個人表現及彼等各自對本集團之貢獻釐定。本集團已設立二零二零年購股權計劃作為長期獎勵計劃，詳情載於本年報第209至212頁之財務報表附註25。

董事酬金須由本公司薪酬委員會建議及獲董事會批准。其他薪酬(包括酌情花紅及購股權)經由董事會參考各董事之職務、能力、聲望及表現而釐定。

足夠公眾持股量

於本報告日期，按照本公司可公開獲取之資料及據董事所知，本公司已發行股本維持足夠公眾持股量。

捐獻

截至二零二二年十二月三十一日止年度，本集團於香港作出之慈善及其他捐款合共為零港元。

Report of the Directors

董事會報告書

AUDITORS

The financial statements for the year ended 31 December 2022 have been audited by Messrs. KPMG (“KPMG”) who will retire and being eligible, will offer themselves for reappointment at the forthcoming annual general meeting of the Company. A resolution will be submitted at the forthcoming annual general meeting to re-appoint KPMG as auditors of the Company.

ON BEHALF OF THE BOARD

Wu Kebo

Chairman

Hong Kong
29 March 2023

核數師

截至二零二二年十二月三十一日止年度之財務報表已經由畢馬威會計師事務所(「畢馬威」)審核，而畢馬威將會退任，惟符合資格並將願意於本公司應屆股東週年大會上獲續聘。於應屆股東週年大會上將提呈決議案以續聘畢馬威為本公司核數師。

代表董事會

主席

伍克波

香港

二零二三年三月二十九日

Independent Auditor's Report

獨立核數師報告



to the shareholders of
Orange Sky Golden Harvest Entertainment (Holdings) Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Orange Sky Golden Harvest Entertainment (Holdings) Limited ("the Company") and its subsidiaries ("the Group") set out on pages 99 to 159, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

致橙天嘉禾娛樂(集團)有限公司
(於百慕達註冊成立之有限公司)
股東

意見

本核數師(以下簡稱「我們」)已審計列載於第160至220頁的橙天嘉禾娛樂(集團)有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,該等綜合財務報表包括於二零二二年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》真實而中肯地反映 貴集團於二零二二年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

意見之基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「《守則》」)以及與我們對百慕達綜合財務報表的審計相關的任何道德要求,我們獨立於 貴集團,並已履行這些道德要求以及《守則》中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷,認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

Assessing potential impairment of goodwill

對商譽潛在減值的評估

Refer to note 15 to the consolidated financial statements and the accounting policies on note 2(j).

請參閱綜合財務報表附註15以及附註2(j)所載的會計政策。

The Key Audit Matter

關鍵審計事項

The carrying value of the Group's goodwill which amounted to HK\$576,917,000 as at 31 December 2022 was allocated to the Group's exhibition and distribution business.

貴集團於二零二二年十二月三十一日賬面值為576,917,000港元的商譽獲分配至 貴集團的影城及發行業務。

Management performs an annual impairment assessment of goodwill by assessing its value in use by preparing a discounted cash flow forecast and comparing the net present value of the cash flow forecast with carrying value of the cash generating unit ("CGU") to which the goodwill has been allocated to determine if any impairment is required.

管理層每年對商譽進行減值評估，方法為通過編製貼現現金流量預測及將現金流量預測的淨現值與獲分配商譽的現金產生單位（「現金產生單位」）的賬面值進行比較來評估商譽的使用價值，從而釐定是否需要作出任何減值。

Management is required to exercise significant judgement in estimating the future revenue and future gross margins to be generated from movies to be distributed or produced by the Group. The movie market is dynamic and the reception of the market to the Group's movies is inherently uncertain.

管理層於估計 貴集團將予發行或製作的電影產生的未來收益及未來毛利率時須行使重大判斷。電影市場表現活躍，而市場對 貴集團電影的接受程度存在固有的不確定性。

We identified assessing potential impairment of goodwill as a key audit matter because determining the level of impairment, if any, involves a significant degree of management judgement in forecasting future cash flows and estimating the recoverable amount of the CGU both of which are inherently uncertain and may be subject to management bias.

我們將評估商譽的潛在減值列為關鍵審計事項，原因為釐定減值程度（如有）涉及管理層於預測未來現金流量和估計現金產生單位的可收回金額時作出高度判斷，而上述兩者均存在固有的不確定性及可能受管理層的偏見左右。

How the matter was addressed in our audit

我們的審計如何處理該事項

Our audit procedures to assess the potential impairment of goodwill included the following:

我們就評估商譽潛在減值的審計程序包括以下各項：

- evaluating management's identification of the CGU, the amount of goodwill and other assets allocated to the CGU and the methodology adopted in the impairment assessment with reference to the requirement of the prevailing accounting standards;
參考現行會計準則的規定，評價管理層對現金產生單位的識別方式、分配至現金產生單位的商譽及其他資產金額以及評估減值時採用的方法；
- comparing the most significant inputs used in the discounted cash flow forecast, including future revenue and future gross margins, with the historical performance of the CGU and assessing these inputs with reference to industry forecasts and statistics;
將貼現現金流量預測中使用的最重大輸入數據（包括未來收益及未來毛利率）與現金產生單位的過往表現進行比較，並參考行業預測及統計數據評估該等輸入數據；
- evaluating the discount rate used in the cash flow forecast by benchmarking against other similar companies in the same industry;
參照同業其他同類公司評價現金流量預測中使用的貼現率；
- performing sensitivity analysis of the discount rate and future revenue and considering the resulting impact on management's conclusion in respect of the impairment assessment and whether there were any indicators of management bias; and
對貼現率及未來收益進行敏感度分析，並考慮對管理層有關減值評估的結論產生的影響及是否存在管理層偏見的跡象；及
- considering the disclosures in the consolidated financial statements in respect of the impairment assessment of goodwill, including the key assumptions and sensitivities, with reference to the requirements of the prevailing accounting standards.
參考現行會計準則的規定，考慮綜合財務報表有關商譽減值評估的披露，包括主要假設及敏感度。

Independent Auditor's Report

獨立核數師報告

Impairment assessment of other property, plant and equipment and right-of-use assets relating to film exhibition operations

對有關電影放映業務營運的其他物業、廠房及設備以及使用權資產的減值評估

Refer to note 11 to the consolidated financial statements and the accounting policies on note 2(j).

請參閱綜合財務報表附註11以及附註2(j)所載的會計政策。

The Key Audit Matter

關鍵審計事項

As at 31 December 2022, the Group held other property, plant and equipment and right-of-use assets relating to film exhibition operations ("Cinema Related Assets") which were stated at cost less accumulated depreciation and impairment losses at amounts of HK\$192,757,000 and HK\$890,301,000 respectively.

於二零二二年十二月三十一日，貴集團持有有關電影放映業務營運的其他物業、廠房及設備以及使用權資產（「影城相關資產」），乃按成本減累計折舊及減值虧損列賬，金額分別為192,757,000港元及890,301,000港元。

At the financial reporting date, the Group reviewed the film exhibition operations to determine whether there were any indicators of impairment. When indicators of impairment are identified, management assesses the recoverable amounts of the Cinema Related Assets. An impairment loss is recognised as an expense in the consolidated income statement if the carrying amounts of the Cinema Related Assets exceed their recoverable amounts. The recoverable amounts of the Cinema Related Assets are the greater of the fair value less costs of disposal and value in use.

於財務報告日期，貴集團已審閱影城業務營運，以釐定是否出現任何減值跡象。當確定有跡象顯示出現減值時，管理層評估影城相關資產的可收回金額。倘影城相關資產的賬面值超過其可收回金額時，減值虧損於綜合收益表確認為開支。影城相關資產的可收回金額高於公允值減出售成本及使用價值。

The calculation of the recoverable amounts of the Cinema Related Assets is performed by the Group's management. In assessing the value in use, the projected cash flows associated with the Cinema Related Assets are discounted using risk-adjusted discount rates. The preparation of discounted cash flow forecasts can be highly subjective and requires the exercise of significant management judgement and estimation, in particular in determining forecast box office takings, forecast confectionary sales, forecast screen advertising, growth rates and discount rates applied.

影城相關資產的可收回金額由貴集團管理層計算。於評估使用價值時，影城相關資產相關預計現金流使用經風險調整的貼現率進行貼現。貼現現金流量預測的編製相當主觀，需要管理層作出重大判斷及估計，特別是釐定的票房收入預測、小賣部銷售額預測、銀幕廣告費預測、增長率及所應用的貼現率。

How the matter was addressed in our audit

我們的審計如下處理該事項

Our audit procedures to assess the impairment of other property, plant and equipment and right-of-use assets relating to the Group's Cinema Related Assets included the following:

我們就評估有關貴集團影城相關資產的其他物業、廠房及設備和使用權資產的減值的審計程序包括以下各項：

- evaluating management's process and procedures for the identification of indicators of potential impairment of the Cinema Related Assets as at 31 December 2022;
評估管理層對確認於二零二二年十二月三十一日影城相關資產潛在減值跡象之過程及程序；
- evaluating the methodology used by management in the preparation of the impairment assessment models with reference to the requirements of the prevailing accounting standards;
評估管理層就參考現行會計準則規定編製之減值評估模式所用方式；
- with the assistance of our internal valuation specialists, comparing the key estimates and assumptions adopted in the value in use calculations of the Cinema Related Assets prepared by the Group's management, including forecast box office takings, forecast confectionary sales, forecast screen advertising, growth rates and discount rates applied, with available market data;
在我們的內部估值專家的協助下，將由貴集團管理層所編製影城相關資產使用價值計算所採用的關鍵估計及假設（包括票房收入預測、小賣部銷售額預測、銀幕廣告費預測、增長率及所應用的貼現率）與現有市場數據作比較；

Independent Auditor's Report

獨立核數師報告

Impairment assessment of other property, plant and equipment and right-of-use assets relating to film exhibition operations

對有關電影放映業務營運的其他物業、廠房及設備以及使用權資產的減值評估

Refer to note 11 to the consolidated financial statements and the accounting policies on note 2(j).

請參閱綜合財務報表附註11以及附註2(j)所載的會計政策。

The Key Audit Matter

關鍵審計事項

We identified assessing impairment of Cinema Related Assets as a key audit matter because of the significant management judgement and estimation required in making assumptions and estimations which are inherently uncertain and could be subject to management bias.

我們將評估影城相關資產的減值列為關鍵審計事項，原因是作出假設及估計時需要管理層作出重大判斷及估計，上述兩者均存在固有不確定性及可能受管理層的偏見左右。

How the matter was addressed in our audit

我們的審計如下處理該事項

- comparing the key assumptions and most significant inputs used in the prior year's discounted cash flow forecast, including box office takings, confectionary sales, screen advertising and growth rates, with the actual outcomes in the current year and enquiring management in respect of the reasons for any significant variations identified; and
通過對比本年度的實際結果，評估上一年度的貼現現金流量預測所採用的主要假設及最重要的輸入值（包括票房收入、小賣部銷售額、銀幕廣告費及增長率）是否準確，並就所發現的任何重大差額諮詢管理層；及
- performing sensitivity analyses to determine the extent of change in those estimates that, either individually or collectively, would be required for the Cinema Related Assets to be materially misstated and considering the likelihood of such a movement in those key estimates arising and whether there was any evidence of management bias.
進行敏感度分析以確定在影城相關資產出現重大錯誤陳述的情況下，有關估計所需的變動程度（不論個別或共同）並考慮該等關鍵估計出現變動的可能性，以及是否有證據顯示受管理層的偏見左右。

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

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

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

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

Independent Auditor's Report

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

董事就綜合財務報表承擔的責任

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

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照百慕達一九八一年《公司法》第90條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關錯誤陳述可被視作重大。

Independent Auditor's Report

獨立核數師報告

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 作為根據《香港審計準則》進行審計的一環，我們於整個審計過程中運用專業判斷，保持專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
 - 就貴集團內各實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

Independent Auditor's Report

獨立核數師報告

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Ka Nang.

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動及相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是李家能。

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 March 2023

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

二零二三年三月二十九日

Consolidated Income Statement

for the year ended 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	3 & 4	695,997	514,901
Cost of sales		(246,927)	(193,302)
Gross profit		449,070	321,599
Other revenue	5(a)	35,784	43,522
Other net income	5(b)	12,327	2,538
Selling and distribution costs		(407,001)	(367,824)
General and administrative expenses		(69,708)	(79,776)
Other operating expenses		(1,852)	(139,676)
Profit/(loss) from operations		18,620	(219,617)
Finance costs	6(a)	(42,520)	(61,057)
Share of loss of a joint venture		(22,785)	(50,684)
Loss before taxation	6	(46,685)	(331,358)
Income tax credit	7(a)	537	16,447
Loss for the year		(46,148)	(314,911)
Attributable to:			
Equity holders of the Company		(46,146)	(314,153)
Non-controlling interests		(2)	(758)
Loss for the year		(46,148)	(314,911)
Loss per share (HK cent)	10		
Basic and diluted		(1.65)	(11.22)

The notes on pages 106 to 159 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2022

	2022 HK\$'000	2021 HK\$'000
Loss for the year	(46,148)	(314,911)
Other comprehensive income for the year:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of:		
— subsidiaries outside Hong Kong	25,034	(27,176)
— a joint venture outside Hong Kong	(5,877)	3,835
	19,157	(23,341)
Total comprehensive income for the year	(26,991)	(338,252)
Total comprehensive income attributable to:		
Equity holders of the Company	(27,102)	(337,472)
Non-controlling interests	111	(780)
Total comprehensive income for the year	(26,991)	(338,252)

Note: There is no tax effect relating to the above components of comprehensive income.

The notes on pages 106 to 159 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Other property, plant and equipment	11	392,187	369,873
Right-of-use assets	11	1,457,853	1,691,267
		1,850,040	2,061,140
Interest in a joint venture	13	46,564	56,691
Intangible assets	14	523,214	521,675
Goodwill	15	576,917	573,933
Other receivables, deposits and prepayments		35,967	44,413
Pledged bank deposits	19	–	50,000
		3,032,702	3,307,852
Current assets			
Inventories	16	4,136	2,877
Film rights	17	95,939	75,498
Trade receivables	18(a)	18,624	14,698
Other receivables, deposits and prepayments	18(b)	89,042	103,858
Pledged bank deposits	19	7,912	–
Deposits and cash	19	283,553	695,369
Non-current asset held for sale	20	–	160,852
		499,206	1,053,152
Current liabilities			
Bank loans	21	508,589	1,062,128
Trade payables	22(a)	73,745	83,812
Other payables and accrued charges	22(b)	143,555	153,214
Deferred income	22(c)	72,160	64,053
Lease liabilities	23	104,440	113,468
Taxation payable	24(a)	2,160	922
		904,649	1,477,597
Net current liabilities		(405,443)	(424,445)
Total assets less current liabilities		2,627,259	2,883,407

Consolidated Statement of Financial Position

at 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Non-current liabilities			
Lease liabilities	23	433,766	613,121
Deferred income	22(c)	535,323	583,120
Deferred tax liabilities	24(b)	140,678	142,683
		1,109,767	1,338,924
NET ASSETS			
		1,517,492	1,544,483
CAPITAL AND RESERVES			
	25		
Share capital		279,967	279,967
Reserves		1,238,791	1,265,893
Total equity attributable to equity holders of the Company			
		1,518,758	1,545,860
Non-controlling interests			
		(1,266)	(1,377)
TOTAL EQUITY			
		1,517,492	1,544,483

Approved and authorised for issue by the Board of Directors on 29 March 2023

Wu Kebo
Director

Chow Sau Fong, Fiona
Director

The notes on pages 106 to 159 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Reserve funds HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2022	279,967	771,749	15,886	80,000	3,134	(3,210)	398,334	1,545,860	(1,377)	1,544,483
Changes in equity for 2022:										
Loss for the year	-	-	-	-	-	-	(46,146)	(46,146)	(2)	(46,148)
Other comprehensive income	-	-	-	-	-	19,044	-	19,044	113	19,157
Total comprehensive income	-	-	-	-	-	19,044	(46,146)	(27,102)	111	(26,991)
Balance at 31 December 2022	279,967	771,749	15,886	80,000	3,134	15,834	352,188	1,518,758	(1,266)	1,517,492

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Reserve funds HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2021	279,967	771,749	15,886	80,000	3,134	20,109	712,487	1,883,332	(597)	1,882,735
Changes in equity for 2021:										
Loss for the year	-	-	-	-	-	-	(314,153)	(314,153)	(758)	(314,911)
Other comprehensive income	-	-	-	-	-	(23,319)	-	(23,319)	(22)	(23,341)
Total comprehensive income	-	-	-	-	-	(23,319)	(314,153)	(337,472)	(780)	(338,252)
Balance at 31 December 2021	279,967	771,749	15,886	80,000	3,134	(3,210)	398,334	1,545,860	(1,377)	1,544,483

The notes on pages 106 to 159 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Operating activities			
Loss before taxation		(46,685)	(331,358)
Adjustments for:			
Interest income	5(a)	(3,090)	(5,241)
Finance costs	6(a)	42,520	61,057
Depreciation of owned property, plant and equipment	6(c)	42,158	48,437
Depreciation of right-of-use assets	6(c)	113,692	116,928
Amortisation of intangible assets	6(c)	741	1,481
Loss/(gain) on disposal of property, plant and equipment	5(b)	137	(203)
Gain on disposal of non-current assets held for sales	5(b)	(56,013)	–
Impairment losses on non-financial assets:			
— Cinema related assets	6(c)	–	85,567
— Goodwill	6(c)	–	49,239
— Film rights	6(c)	1,111	3,468
Gain on lease modification	5(a)	(3,078)	–
COVID-19-related rent concessions received	5(a)	(10,647)	(14,288)
Share of loss of a joint venture		22,785	50,684
Exchange loss/(gain), net		44,703	(13,602)
Operating profit before changes in working capital		148,334	52,169
(Increase)/decrease in inventories		(1,230)	611
Increase in film rights		(27,199)	(31,315)
Increase in trade receivables		(3,933)	(1,368)
Decrease in other receivables, deposits and prepayments		17,563	38,426
(Decrease)/increase in trade payables		(9,827)	30,641
(Decrease)/increase in other payables and accrued charges		(5,967)	5,442
Increase in deferred income		10,748	15,995
Cash generated from operations		128,489	110,601
Interest received		3,174	5,242
Finance costs paid		(24,809)	(20,352)
Tax paid	24(a)	(969)	(9,410)
Net cash generated from operating activities		105,885	86,081

Consolidated Statement of Cash Flows

for the year ended 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Investing activities			
Payment for the purchase of property, plant and equipment		(77,279)	(124,973)
Proceeds from disposal of property, plant and equipment		1	312
Net proceeds from disposal of non-current asset held for sale		216,865	–
Receipt from pledged deposits		42,088	17,850
Addition investment in a joint venture		(18,535)	–
Advanced to/(repayment from) a joint venture		917	(884)
Net cash generated from/(used in) investing activities		164,057	(107,695)
Financing activities			
Proceeds from new bank loans	19(b)	513,600	–
Repayment of bank loans	19(b)	(1,061,528)	(155,476)
Capital element of lease rentals paid	19(b)	(104,037)	(87,144)
Interest element of lease rentals paid	19(b)	(23,294)	(25,439)
Net cash used in financing activities		(675,259)	(268,059)
Net decrease in cash and cash equivalents		(405,317)	(289,673)
Cash and cash equivalents at 1 January		695,369	985,546
Effect of foreign exchange rate changes		(6,499)	(504)
Cash and cash equivalents at 31 December	19(a)	283,553	695,369

The notes on pages 106 to 159 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2022

I CORPORATE INFORMATION

Orange Sky Golden Harvest Entertainment (Holdings) Limited ("the Company") is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries (together "the Group") and its joint venture consist of worldwide film and video distribution, and film exhibition in Hong Kong, Singapore and Taiwan, film and television programme production in Hong Kong and Mainland China, provision of advertising and consultancy services in Hong Kong, Mainland China, Singapore and Taiwan and a club house business in Mainland China. The other particulars and principal activities of the subsidiaries are set out in note 12 to the financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

- other leasehold land and buildings, including interests in leasehold land and buildings where the Group is the registered owner of the property interest (see note 2(g)).

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(w)).

As at 31 December 2022, the Group breached one of the financial covenants under the Group's banking facilities. Accordingly, certain bank loans were classified as current liabilities as at 31 December 2022 as the bank loans became repayable on demand.

Nonetheless, the financial statements have been prepared on a going concern basis notwithstanding the Group's current liabilities exceeding its current assets by HK\$405,443,000 as at 31 December 2022, as subsequent to the reporting period, the Group has obtained a waiver with immediate effect on these financial covenants from the banks. If the Group did not breach the abovementioned financial covenant, the Group would have had net current assets of HK\$20,537,000 as at 31 December 2022. The directors believe that the Group is well placed to manage its financing and other business risks satisfactorily and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements *(continued)*

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 31.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRS is discussed below:

Amendments to HKAS 16, Property, plant and equipment: Proceeds before intended use

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use.

Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(o) or (p) depending on the nature of the liability.

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

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in a joint venture (see note 2(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(j)).

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Joint venture

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal Group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(j)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment loss for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset. In the Company's statement of financial position, investments in a joint venture is stated at cost less impairment losses (see note 2(j)).

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree, over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(j)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Other property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(j)):

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest;
- machinery and equipment; and
- other items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment, other than construction in progress.

Construction in progress represents an asset under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value, if any, using the straight-line method, at the following rates per annum:

— Leasehold land	Over the unexpired term of lease
— The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and the building's estimated useful lives.	
— Leasehold improvements	Over the shorter of the lease term or its useful life
— Machinery and equipment	6.7%–33.3%
— Furniture and fixtures	8.3%–20.0%
— Motor vehicles	20.0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(h) Intangible assets (other than goodwill)

(i) Club memberships

Club memberships are stated in the consolidated statement of financial position at cost less impairment losses (see note 2(j)). Cost includes fees and expenses directly related to the acquisition of the club memberships.

Any gain or loss arising from disposal of club memberships is recognised in profit or loss.

(ii) Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks are stated in the consolidated statement of financial position at cost less impairment losses (see note 2(j)). Trademarks with indefinite useful lives are not amortised until their useful lives are determined to be finite. Any conclusion that the useful life of trademarks is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangible assets (other than goodwill) (continued)

(iii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date.

Customer relationships with finite useful lives are stated in the consolidated statement of financial position at cost less accumulated amortisation and impairment losses (see note 2(j)). Amortisation is calculated to write off the cost of customer relationships less their estimated residual value, if any, using the straight-line method, over their estimated useful lives of 5 years.

Both the period and method of amortisation are reviewed annually.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(g) and 2(j)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the statement of consolidated financial position, the Group presents right-of-use assets and lease liabilities as separate line items.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following item:

- financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(t)(vii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

Basis of calculation of interest income (continued)

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than property carried at revalued amounts);
- pre-paid interests in leasehold land classified as being held under operating leases;
- film rights;
- goodwill;
- intangible assets (other than goodwill); and
- investments in subsidiaries and a joint venture in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(j)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is determined using a first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Film rights

(i) Film rights

The cost of film rights is amortised at a systematic basis with reference to the underlying license periods which are subject to annual review.

Film rights represent films and television drama series and are stated at cost less accumulated amortisation and impairment losses (see note 2(j)).

(ii) Film production in progress

Film production in progress represents films under production and is stated at cost less any impairment losses (see note 2(j)). Costs include all direct costs associated with the production of films. Impairment losses are made for costs which are in excess of the expected future revenue to be generated by these films. Costs are transferred to self-produced programmes upon completion.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Film rights *(continued)*

(iii) Self-produced programmes

Self-produced programmes are stated at cost, comprising direct expenditure and an attributable portion of direct production overheads, less accumulated amortisation and impairment losses (see note 2(j)). The cost of self-produced programmes is amortised at a systematic basis with reference to the underlying license periods, which are subject to annual review.

(iv) Investments in film/drama production

Investments in film/drama production are stated initially at cost and adjusted thereafter for the net income derived from the investments less any accumulated impairment losses (see note 2(j)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(j)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(j).

(o) Trade and other payables and deferred income

(i) Trade and other payables

Trade and other payables are initially recognised at fair value, which are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(ii) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(t)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(m)). In this annual report, the Group discloses contract liability as deferred income.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Group's accounting policy for borrowing costs (see note 2(v)).

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits *(continued)*

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the share issued) or the option expires (when it is released directly to retained profits).

(iii) Retirement benefit schemes

The Group operates a defined contribution retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the Scheme. Contributions to the Scheme are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the Scheme. The Group's employer contributions are fully and immediately vested with the employees when contributed to the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund.

The employees of the Group's subsidiaries which operate in the Mainland China are members of the state-sponsored retirement scheme (the "State Scheme") operated by the government. Contributions to the State Scheme are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they became payable in accordance with the rules of the State Scheme.

(r) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Income tax (continued)

- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities and all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

- (iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:
- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
 - in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) Income from box office takings is recognised when the services have been rendered to the buyers;
- (ii) Income from film distribution and screen advertising is recognised at the time when the services are provided;
- (iii) Income from promotion, advertising, advertising production and agency and consultancy services is recognised upon the provision of the services;
- (iv) Income from investments in film/drama production is recognised when the films or television programmes are released for distribution;
- (v) Income from film royalties arising from the assignment of screening rights to television stations and the granting of rights to manufacture, distribute and sell video cassettes, laser discs, video compact discs and digital video discs is recognised as accrued royalties when the Group's right to receive payment is established;
- (vi) Income from confectionery sales and audio visual sales is recognised at the point of sales when the confectionery and audio visual products are given to the customers;
- (vii) Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(j)(i));

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue and other income *(continued)*

- (viii) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established;
- (ix) Income from ticket booking is recognised upon the provision of the services;
- (x) Income from gift voucher purchases is recognised when customers exchange them for goods/services or upon expiry;
- (xi) Income from membership fees is recognised in profit or loss in the accounting period covered by the membership terms;
- (xii) Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense; and
- (xiii) Food and beverage sales income is recognised when the related service is provided to the members and/or their guests.

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and the financial statements of overseas subsidiaries and joint venture are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except for those arising from the translation of the financial statements of overseas subsidiaries and joint ventures which are taken directly to the exchange reserve.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Non-current assets held for sale

A non-current asset is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets, are recognised at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, the non-current asset is not depreciated or amortised.

(x) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Financial Statements

for the year ended 31 December 2022

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of operating processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 REVENUE

Revenue, which are from contracts with customers within the scope of HKFRS 15, represents income from the sale of film, video and television rights, film and TV drama distribution, theatre operations, promotion and advertising services, agency and consultancy services, film royalty, the sale of audio visual products, membership fees and food and beverage sales.

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue. Details of concentrations of credit risk arising from customers are set out in note 26(a) to the financial statements.

4 SEGMENT REPORTING

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the reportable segments, which are as follows:

- Hong Kong
- Mainland China
- Singapore
- Taiwan

The results of the Group's revenue from external customers for entities located in Hong Kong, Mainland China, Singapore and Taiwan are set out in the table below.

The reportable segment of Taiwan, represent the Group's share of results of the joint venture operating in Taiwan.

Segment revenue and results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the revenue and results attributable to each reportable segment on the following bases:

Revenue is allocated to the reportable segments based on the local entities' location of external customers. Expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those geographical locations or which otherwise arise from the depreciation and amortisation of assets attributable to those segments.

The measure used for reporting segment result is adjusted operating result after taxation where net finance costs, exchange differences and extraordinary items are excluded, and the effect of HKFRS 16, *Leases* is adjusted as if the rentals had been recognised under HKAS 17, *Leases*. To arrive at adjusted operating result after taxation, the Group's result is further adjusted for items not specifically attributable to individual segments, such as directors' and auditors' remuneration and head office or corporate administration costs.

Notes to the Financial Statements

for the year ended 31 December 2022

4 SEGMENT REPORTING (CONTINUED)

Segment revenue and results (continued)

In addition to receiving segment information concerning operating result after taxation, management is provided with segment information concerning revenue.

Management evaluates performance primarily based on the operating result including the share of result of a joint venture of each segment. Intra-segment pricing is generally determined on an arm's length basis.

Segment information regarding the Group's revenue and results by geographical market is presented below:

	Hong Kong		Mainland China		Singapore		Taiwan		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue										
Revenue										
— Exhibition	171,946	132,397	—	—	539,300	398,708	325,892	277,664	1,037,138	808,769
— Distribution and production	12,949	6,199	191	3,171	21,375	31,680	1,836	3,933	36,351	44,983
— Club house	—	—	—	1,485	—	—	—	—	—	1,485
— Corporate	2,017	1,600	35	—	—	—	—	—	2,052	1,600
Reportable segment revenue	186,912	140,196	226	4,656	560,675	430,388	327,728	281,597	1,075,541	856,837
Reportable segment profit/(loss)	(12,155)	(34,561)	(6,150)	(18,217)	31,221	(10,160)	(13,152)	(39,543)	(236)	(102,481)
Reconciliation — Revenue										
Reportable segment revenue									1,075,541	856,837
Share of revenue from a joint venture in Taiwan									(327,728)	(281,597)
Elimination of intra-segmental revenue									(16,247)	(19,823)
Others									(35,569)	(40,516)
Consolidated revenue									695,997	514,901
Reconciliation — loss before taxation										
Reportable loss									(236)	(102,481)
Unallocated operating expenses, net									(45,910)	(211,672)
Non-controlling interests									(2)	(758)
Income tax credit									(537)	(16,447)
Consolidated loss before taxation									(46,685)	(331,358)

Notes to the Financial Statements

for the year ended 31 December 2022

5 OTHER REVENUE AND OTHER NET INCOME

(a) Other revenue

	2022 HK\$'000	2021 HK\$'000
Interest income from bank deposits	3,090	5,241
Co-promotion income	3,751	2,685
COVID-19-related rent concessions	10,647	14,288
Government subsidies (note (i))	10,053	16,757
Miscellaneous income	5,165	4,551
Gain on lease modification	3,078	–
	35,784	43,522

Note:

- (i) In 2022 and 2021, the Group received funding support in Hong Kong and Singapore from the respective local governments, which intended to provide financial support to protect its local business and people from disruptions caused by the Coronavirus Disease ("COVID-19").

(b) Other net income

	2022 HK\$'000	2021 HK\$'000
(Loss)/gain on disposal of property, plant and equipment	(137)	203
Gain on disposal of non-current asset held for sale (note 20)	56,013	–
Exchange (loss)/gain, net	(43,549)	2,335
	12,327	2,538

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2022 HK\$'000	2021 HK\$'000
(a) Finance costs		
Interest on bank loans	20,511	18,721
Interest on lease liabilities (note 11(b))	23,294	25,439
Other ancillary borrowing costs	4,849	18,383
Total finance costs on financial liabilities not at fair value through profit or loss	48,654	62,543
Less: finance costs capitalised into construction in progress (note (i))	(6,134)	(1,486)
	42,520	61,057

Notes to the Financial Statements

for the year ended 31 December 2022

6 LOSS BEFORE TAXATION (CONTINUED)

	2022 HK\$'000	2021 HK\$'000
(b) Staff costs (excluding directors' and chief executive officer's emoluments (note 8))		
Salaries, wages and other benefits (note (ii))	98,849	82,029
Contributions to defined contribution retirement plans	9,167	7,191
	108,016	89,220

	2022 HK\$'000	2021 HK\$'000
(c) Other items		
Cost of inventories	33,571	22,224
Cost of services provided	212,351	170,412
Depreciation charge (note 11)		
— owned property, plant and equipment	42,158	48,437
— right-of-use-assets	113,692	116,928
Impairment losses on non-financial assets		
— cinema-related assets (note 11)	—	85,567
— goodwill (note 15)	—	49,239
— film rights (note 17)	1,111	3,468
Variable lease payments not included in the measurement of lease liabilities (note 11(b))	6,610	3,531
Amortisation of intangible assets (note 14)	741	1,481
Amortisation of film rights (note (iii)) (note 17)	1,005	666
Auditors' remuneration	3,300	3,198

Notes:

- (i) The finance costs have been capitalised at rates ranging from 1.81% to 6.13% (2021: 1.75% to 1.83%) per annum for the year ended 31 December 2022.
- (ii) The amount includes provision for long service payments.
- (iii) The amortisation of film rights for the year is included in "Cost of sales" in the consolidated income statement.

Notes to the Financial Statements

for the year ended 31 December 2022

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2022 HK\$'000	2021 HK\$'000
<i>Current income tax</i>		
Provision for Hong Kong tax	160	–
Provision for overseas tax	2,107	824
(Over)/under provision in respect of prior years	(86)	350
	2,181	1,174
<i>Deferred tax (note 24(b))</i>		
Reversal of temporary differences	(2,718)	(17,621)
	(537)	(16,447)

Notes:

- (i) The provision for Hong Kong Profits Tax for 2022 is calculated at 16.5% of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements for 2021 as the Group sustained a loss for calculation of Hong Kong Profits Tax.
- (ii) No provision for the PRC Corporate Income Tax has been made in the consolidated financial statements as the Group sustained a loss for calculation of PRC Corporate Income Tax for both years.
- (iii) The provision for Singapore Corporate Income Tax of the subsidiaries incorporated in Singapore is calculated at 17% (2021: 17%) of the estimated taxable profits for the year.

(b) Reconciliation between tax credit and loss before taxation at applicable tax rates:

	2022 HK\$'000	2021 HK\$'000
Loss before taxation	(46,685)	(331,358)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the jurisdictions concerned	(8,599)	(55,941)
Tax effect of non-deductible expenses	19,682	16,602
Tax effect of non-taxable income	(19,044)	(9,070)
Tax effect of unused tax losses not recognised	4,542	18,547
Tax effect of loss attributable to a joint venture	4,557	10,137
Tax effect of temporary differences unrecognised, net	295	8,200
Effect of Taiwan withholding tax for the year	(1,884)	(5,272)
(Over)/under provision in prior years	(86)	350
Actual tax credit	(537)	(16,447)

Notes to the Financial Statements

for the year ended 31 December 2022

8 DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' and chief executive officer's emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Double paid and discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	2022 Total HK\$'000
Executive directors and chief executive officer					
WU, Kebo	7,364	1,035	2,813	138	11,350
LI, Pei Sen	378	-	-	-	378
CHOW, Sau Fong Fiona	1,235	894	729	18	2,876
Go, Misaki	288	192	-	15	495
Peng, Bolun	252	287	-	114	653
Yeung, Ho Nam	-	2,338	785	18	3,141
Independent non-executive directors					
LEUNG, Man Kit	340	-	-	-	340
WONG, Sze Wing	240	-	-	-	240
FUNG, Chi Man Henry	230	-	-	-	230
	10,327	4,746	4,327	303	19,703

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 25(a)(i).

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Double paid and discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	2021 Total HK\$'000
Executive directors and chief executive officer					
WU, Kebo	7,382	1,028	-	129	8,539
LI, Pei Sen	378	1	-	-	379
CHOW, Sau Fong Fiona	1,235	923	170	18	2,346
Go, Misaki	288	192	-	-	480
Peng, Bolun	240	299	51	119	709
Yeung, Ho Nam	-	2,344	183	18	2,545
Independent non-executive directors					
LEUNG, Man Kit	340	-	-	-	340
WONG, Sze Wing	240	-	-	-	240
FUNG, Chi Man Henry	240	-	-	-	240
	10,343	4,787	404	284	15,818

Notes to the Financial Statements

for the year ended 31 December 2022

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, three (2021: three) are directors and chief executive officer whose emoluments are disclosed in note 8 to the financial statements. The aggregate of the emoluments in respect of the other two (2021: two) are as follows:

	2022 HK\$'000	2021 HK\$'000
Salaries and other emoluments	3,430	3,548
Discretionary bonuses	—	—
Retirement scheme contributions	159	163
	3,589	3,711

The emoluments of the two (2021: two) individuals with the highest emoluments are within the following bands:

	2022 Number of individuals	2021 Number of individuals
HK\$1,000,001 — HK\$1,500,000	1	0
HK\$1,500,001 — HK\$2,000,000	0	1
HK\$2,000,001 — HK\$2,500,000	1	1

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of HK\$46,146,000 (2021: HK\$314,153,000) and the weighted average number of ordinary shares of 2,799,669,050 (2021: 2,799,669,050), in issue during the year, calculated as follows:

	2022 Number of shares	2021 Number of shares
Issued ordinary shares and weighted average number of ordinary shares at 31 December	2,799,669,050	2,799,669,050

(b) Diluted loss per share

The Company does not have any dilutive potential ordinary shares as at 31 December 2022 and 2021. Diluted loss per share for the years ended 31 December 2022 and 2021 is the same as the basic loss per share.

Notes to the Financial Statements

for the year ended 31 December 2022

II OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Reconciliation of carrying amount

	Ownership interests in land held for own use carried at cost HK\$'000	Other properties leased for own use carried at cost HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Machinery and equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Sub-total HK\$'000	Investment property HK\$'000	Total HK\$'000
At 1 January 2021	660,374	894,821	109,887	278,978	114,656	40,455	4,677	47,026	2,150,874	14,000	2,164,874
Additions	-	782,936	-	30,809	9,734	3,796	-	80,636	907,911	-	907,911
Disposals	-	-	-	(8,372)	(5,287)	(1,642)	(246)	(25)	(15,572)	-	(15,572)
Reclassify	-	-	-	459	641	446	-	(1,546)	-	-	-
Transfer	13,220	-	780	-	-	-	-	-	14,000	(14,000)	-
Modification of right-of-use assets	-	(11,824)	-	-	-	-	-	-	(11,824)	-	(11,824)
Derecognition of right-of-use assets	-	(30,386)	-	-	-	-	-	-	(30,386)	-	(30,386)
Transfer to non-current asset held for sale (note 20)	(160,570)	-	(8,948)	(4,423)	-	-	-	-	(173,941)	-	(173,941)
Exchange adjustments	(9,904)	(4,606)	(2,750)	(4,918)	(3,466)	(946)	14	1,145	(25,431)	-	(25,431)
At 31 December 2021	503,120	1,630,941	98,969	292,533	116,278	42,109	4,445	127,236	2,815,631	-	2,815,631
At 1 January 2022	503,120	1,630,941	98,969	292,533	116,278	42,109	4,445	127,236	2,815,631	-	2,815,631
Additions	-	7,771	-	1,308	4,083	109	812	70,966	85,049	-	85,049
Disposals	-	-	-	(68)	(2,696)	(43)	-	-	(2,807)	-	(2,807)
Modification of right-of-use assets	-	(78,734)	-	-	-	-	-	-	(78,734)	-	(78,734)
Exchange adjustments	2,971	(48,583)	825	1,430	842	276	(360)	(11,766)	(54,365)	-	(54,365)
At 31 December 2022	506,091	1,511,395	99,794	295,203	118,507	42,451	4,897	186,436	2,764,774	-	2,764,774
Accumulated depreciation, amortisation and impairment losses:											
At 1 January 2021	30,981	279,892	25,761	135,177	76,790	27,229	2,925	-	578,755	-	578,755
Charge for the year	7,942	108,986	7,186	23,938	11,902	4,747	664	-	165,365	-	165,365
Impairment	-	63,876	-	17,922	2,973	796	-	-	85,567	-	85,567
Modification of right-of-use assets	-	(5,490)	-	-	-	-	-	-	(5,490)	-	(5,490)
Derecognition of right-of-use assets	-	(30,386)	-	-	-	-	-	-	(30,386)	-	(30,386)
Written back on disposals	-	-	-	(6,973)	(5,136)	(1,637)	(246)	-	(13,992)	-	(13,992)
Transfer to non-current asset held for sale (note 20)	(9,817)	-	(1,448)	(1,824)	-	-	-	-	(13,089)	-	(13,089)
Exchange adjustments	(1,045)	(2,145)	(1,980)	(3,310)	(3,084)	(717)	42	-	(12,239)	-	(12,239)
At 31 December 2021	28,061	414,733	29,519	164,930	83,445	30,418	3,385	-	754,491	-	754,491
At 1 January 2022	28,061	414,733	29,519	164,930	83,445	30,418	3,385	-	754,491	-	754,491
Charge for the year	6,773	106,919	6,002	21,392	10,152	3,969	643	-	155,850	-	155,850
Written back on disposals	-	-	-	-	(1,869)	(43)	-	-	(1,912)	-	(1,912)
Exchange adjustments	485	2,662	750	1,448	920	286	(246)	-	6,305	-	6,305
At 31 December 2022	35,319	524,314	36,271	187,770	92,648	34,630	3,782	-	914,734	-	914,734
Net book value:											
At 31 December 2022	470,772	987,081	63,523	107,433	25,859	7,821	1,115	186,436	1,850,040	-	1,850,040
At 31 December 2021	475,059	1,216,208	69,450	127,603	32,833	11,691	1,060	127,236	2,061,140	-	2,061,140

Notes to the Financial Statements

for the year ended 31 December 2022

II OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(a) Reconciliation of carrying amount (continued)

Impairment loss

Exhibition — Hong Kong

Due to exceptional disruptions to the Group's film exhibition operations as a result of COVID-19, management conducted an impairment review on the recoverable amount of the other property, plant and equipment and right-of-use assets relating to film exhibition operations ("Cinema Related Assets") based on value-in-use calculations of the film exhibition segment in Hong Kong. The calculation uses cash flow projections of the Cinema Related Assets covering the remaining lease terms with a pre-tax discount rate of 18% (2021: 14%). The impairment losses of HK\$85,567,000 was recognised in "Other operating expenses" during the year ended 31 December 2021 and no impairment/reversal of impairment is considered necessary for the year ended 31 December 2022.

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	2022 HK\$'000	2021 HK\$'000
Ownership interests in leasehold land held for own use, carried at depreciated cost	(i)		
Outside Hong Kong — long leases		470,772	475,059
Other properties leased for own use, carried at depreciated cost	(ii)	987,081	1,216,208
		1,457,853	1,691,267

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2022 HK\$'000	2021 HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in leasehold land held for own use	6,773	7,942
Other properties leased for own use	106,919	108,986
	113,692	116,928
Interest on lease liabilities (note 6(a))	23,294	25,439
Expense relating to short-term leases	368	365
Variable lease payments not included in the measurement of lease liabilities (note 6(c))	6,610	3,531
COVID-19-related rent concessions received (note 5(a))	10,647	14,288

During the year ended 31 December 2022, additions to right-of-use assets were HK\$7,771,000 (2021: HK\$782,936,000) which is primarily related to the capitalised lease payments payable under new tenancy agreements.

Notes to the Financial Statements

for the year ended 31 December 2022

II OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(b) Right-of-use assets (continued)

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 19(c) and 23, respectively.

The Group early adopted the Amendment to HKFRS 16, *Leases, Covid-19-related rent concessions beyond 30 June 2021* in the financial statements for the year ended 31 December 2021, and applies the practical expedient to all eligible rent concessions received by the Group. Further details are disclosed in (ii) below.

(i) Ownership interests in leasehold land held for own use

The Group holds interests in several leasehold land for its business. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Properties leased for own use

The Group has obtained the right to use properties as its office premises, cinemas and stages through tenancy agreements. The leases typically run for an initial period of 1 to 20 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities. The potential exposure to these future lease payments is summarised below:

	2022		
	Right-of-use assets HK\$'000	Lease liabilities recognised (discounted) HK\$'000	Potential future lease payments under extension options not included in lease liabilities (undiscounted) HK\$'000
Cinemas — Hong Kong	137,663	201,920	—
Office — Hong Kong	4,053	5,255	—
Stage — Mainland China	563,499	—	—
Office — Singapore	3,424	3,983	—
Cinemas — Singapore	278,442	327,048	—
	987,081	538,206	—

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II OTHER PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (CONTINUED)

(b) Right-of-use assets (continued)

(ii) Properties leased for own use (continued)

	2021		Potential future lease payments under extension options not included in lease liabilities (undiscounted) HK\$'000
	Right-of-use assets HK\$'000	Lease liabilities recognised (discounted) HK\$'000	
Cinemas — Hong Kong	168,743	243,884	–
Stage — Mainland China	613,811	–	–
Office — Singapore	5,866	6,477	–
Cinemas — Singapore	427,788	476,228	–
	1,216,208	726,589	–

The Group leased a number of cinemas which contain variable lease payment terms that are based on sales generated from the cinemas and minimum annual lease payment terms that are fixed. These payment terms are common in cinemas in countries where the Group operates. During the year ended 31 December 2022, the Group received rent concessions in the form of a discount on fixed payments during the period of severe social distancing and travel restriction measures introduced to contain the spread of COVID-19. The amount of fixed and variable lease payments for the year is summarised below:

	2022			
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19 rent concessions HK\$'000	Total payments HK\$'000
Cinemas — Hong Kong	49,442	3,762	(8,744)	44,460
Cinemas — Singapore	88,068	2,848	(1,903)	89,013

	2021			
	Fixed payments HK\$'000	Variable payments HK\$'000	COVID-19 rent concessions HK\$'000	Total payments HK\$'000
Cinemas — Hong Kong	42,614	846	(3,409)	40,051
Club House — Mainland China	18	–	–	18
Cinemas — Singapore	84,239	2,685	(10,879)	76,045

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12 INTERESTS IN SUBSIDIARIES

The following list contains only the particulars of principal subsidiaries which affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

All of these are controlled subsidiaries as defined under note 2(d) and have been consolidated into the Group's financial statements.

Details of the principal subsidiaries are as follows:

Name of company	Place of incorporation/ establishment and operation	Particulars of issued and paid up capital	Group's effective interest	Principal activities
Gala Film Distribution Limited	Hong Kong	49,990,000 shares and 10,000 non-voting deferred shares	100%	Distribution of motion pictures
Golden Harvest Cinemas Holding Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Golden Harvest Entertainment International Limited	British Virgin Islands	1,000 shares of US\$1 each	100%	Investment holding
Golden Harvest Films Distribution Holding Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
Golden Harvest (Marks) Limited	British Virgin Islands	1 share of US\$1	100%	Holding of trademarks
Golden Harvest Treasury Limited	British Virgin Islands	1 share of US\$1	100%	Provision of finance to group companies
Golden Screen Limited	Hong Kong	8,750,000 shares	100%	Investment holding
Golden Sky Pacific Limited	Hong Kong	2 shares	100%	Investment holding
M Cinemas Company Limited	Hong Kong	7,000,000 shares	100%	Theatre operation
Orange Sky Golden Harvest Entertainment Company Limited	Hong Kong	100 shares	100%	Investment holding and provision of management services to group companies
Panasia Films Limited	Hong Kong	23,000 shares	100%	Distribution of motion pictures and its related audio visual products and acts as an advertising agent
Panasia Cinema Advertising Limited	Hong Kong	10,000 shares	100%	Advertising agent
Splendid Ventures Limited	Hong Kong	2 shares	100%	Theatre operation
Dartina Development Limited	Hong Kong	31,200,082 shares	100%	Investment holding

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12 INTERESTS IN SUBSIDIARIES (CONTINUED)

Name of company	Place of incorporation/ establishment and operation	Particulars of issued and paid up capital	Group's effective interest	Principal activities
Golden Village Multiplex Pte Limited	Singapore	8,000,000 shares of S\$1 each	100%	Theatre operation
Golden Village Pictures Pte Limited	Singapore	8,000,000 shares of S\$1 each	100%	Distribution of motion pictures
OSGH 360 Holdings Limited	British Virgin Islands	1 share of US\$1	100%	Investment holding
北京橙天三六零劇場管理有限公司	PRC	Registered capital RMB500,000,000	100%	Investment holding
蘇州橙天叁六零劇場有限公司	PRC	Registered capital RMB30,000,000	100%	Investment holding
西安橙天嘉禾劇場管理有限公司	PRC	Registered capital RMB1,000,000	100%	Investment holding

Except for Golden Harvest Entertainment International Limited, all of the above subsidiaries are indirectly held by the Company.

13 INTEREST IN A JOINT VENTURE

	2022 HK\$'000	2021 HK\$'000
Share of net assets	46,564	56,691

The following list contains the particulars of the Group's joint venture:

Name of jointly controlled entity	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by Company	Held by subsidiaries	
Vie Show Cinemas Co. Ltd. #	Incorporated	Taiwan	100,000,000 shares of NTD10 each	35.71%	–	35.71%	Theatre operation and investment holding

The joint venture in which the Group participates, which is accounted for using the equity method in the consolidated financial statements, is an unlisted corporate entity whose quoted market price is not available.

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13 INTEREST IN A JOINT VENTURE (CONTINUED)

Summarised financial information of Vie Show Cinemas Co. Ltd. adjusted for any differences in accounting policies, and a reconciliation to the carrying amounts in the consolidated financial statements, are disclosed below:

	Vie Show Cinemas Co. Ltd.#	
	2022	2021
	HK\$'000	HK\$'000
Gross amounts of the joint venture:		
Current assets	427,166	559,504
Non-current assets	3,617,374	3,447,203
Current liabilities	(733,853)	(904,534)
Non-current liabilities	(3,180,291)	(2,943,416)
Equity	130,396	158,757
Included in the above assets and liabilities:		
Cash and cash equivalents	367,675	502,823
Non-current financial liabilities (excluding trade and other payables and provisions)	37,484	42,696
Included in the above loss:		
Revenue	862,198	755,315
Loss from continuing operations	(63,806)	(141,929)
Total comprehensive income	(63,806)	(141,929)
Reconciled to the Group's interests in the joint venture		
Gross amounts of the joint venture's net assets	130,396	158,757
Group's effective interest	35.71%	35.71%
Group's share of the joint venture's net assets	46,564	56,691
Carrying amount in the consolidated financial statements	46,564	56,691

The joint venture is not audited by KPMG.

There has been a dispute among the shareholders of Vie Show Cinemas Co. Ltd ("Vie Show") involving allegations of breaches of the material terms of the shareholders' agreement and lawsuits were filed between the shareholders with the Taipei District Court of Taiwan in 2014. The lawsuits are ongoing and there remains uncertainty about the outcome of the shareholders' dispute. The shareholders' dispute and the related lawsuits do not affect the operations of Vie Show.

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14 INTANGIBLE ASSETS

	Trademarks HK\$'000	Customer relationships HK\$'000	Club memberships HK\$'000	Total HK\$'000
Cost:				
At 1 January 2022	519,044	7,407	1,890	528,341
Exchange adjustments	2,280	–	–	2,280
At 31 December 2022	521,324	7,407	1,890	530,621
Accumulated amortisation:				
At 1 January 2022	–	6,666	–	6,666
Charge for the year	–	741	–	741
At 31 December 2022	–	7,407	–	7,407
Net book value:				
At 31 December 2022	521,324	–	1,890	523,214

	Trademarks HK\$'000	Customer relationships HK\$'000	Club memberships HK\$'000	Total HK\$'000
Cost:				
At 1 January 2021	526,644	7,407	1,890	535,941
Exchange adjustments	(7,600)	–	–	(7,600)
At 31 December 2021	519,044	7,407	1,890	528,341
Accumulated amortisation:				
At 1 January 2021	–	5,185	–	5,185
Charge for the year	–	1,481	–	1,481
At 31 December 2021	–	6,666	–	6,666
Net book value:				
At 31 December 2021	519,044	741	1,890	521,675

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14 INTANGIBLE ASSETS (CONTINUED)

Notes:

- (i) Trademarks represent perpetual licenses for the use of the brand names “Golden Harvest” and “The Sky” in Hong Kong, and “Golden Village” in Singapore which take the form of sign, symbol, name, logo, design or any combination thereof.

The directors are of the opinion that the Group's trademarks have indefinite useful lives due to the following reasons:

- (a) the trademarks have been in use and will continue to be used for the long term; and
- (b) the Group has incurred and intends to continue to incur significant advertising and promotion expenses, which are charged to profit or loss when incurred, to maintain and increase the market value of its trademarks.

At 31 December 2022, the directors carried out an assessment of the recoverable amounts of trademarks with the assistance of independent professional valuers. Based on their review, the recoverable amounts of trademarks exceeded their carrying amounts and therefore no impairment was recognised.

- (ii) Customer relationships represent non-contractual customer relationships owned by Panasia Cinema Advertising Limited (“PCAL”) recognised by the Group upon the acquisition of PCAL on 31 May 2017.

PCAL generated revenue from several customers repeatedly across years. While there is no long term contract between PCAL and those customers, it is customary for those customers to do business with PCAL whenever they require services that PCAL provides and such needs are recurring for those customers and observed from the trading history for the past five years.

15 GOODWILL

	2022 HK\$'000	2021 HK\$'000
Cost:		
At 1 January	711,013	720,959
Exchange adjustments	2,984	(9,946)
At 31 December	713,997	711,013
Accumulated impairment losses:		
At 1 January	137,080	87,841
Impairment losses	—	49,239
At 31 December	137,080	137,080
Carrying amount		
At 31 December	576,917	573,933

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for the year ended 31 December 2022

15 GOODWILL (CONTINUED)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash generating units ("CGU") identified according to country of operation and business segment as follows:

	2022 HK\$'000	2021 HK\$'000
Exhibition and distribution — Singapore	576,917	573,933

Exhibition and distribution — Singapore

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period of five years and a pre-tax discount rate of 16% (2021: 15%), which reflects specific risks relating to the Group's Singapore segment. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 2% (2021: 2%), which do not exceed the long-term average growth rates for the business in which the CGU operates.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

16 INVENTORIES

Inventories are carried at cost of HK\$4,136,000 at 31 December 2022 (2021: HK\$2,877,000) which comprised largely food and beverages.

17 FILM RIGHTS

	2022 HK\$'000	2021 HK\$'000
Film rights — completed	16,860	18,192
Film production in progress, at cost	79,079	57,306
	95,939	75,498
Cost:		
At 1 January	393,547	373,576
Additions	28,195	32,236
Expiries	(8,476)	(15,851)
Exchange adjustments	(21,656)	3,586
At 31 December	391,610	393,547

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17 FILM RIGHTS (CONTINUED)

	2022 HK\$'000	2021 HK\$'000
Accumulated amortisation and impairment:		
At 1 January	318,049	326,859
Amortisation	1,005	666
Impairment	1,111	3,468
Expiries	(8,476)	(15,851)
Exchange adjustments	(16,018)	2,907
At 31 December	295,671	318,049
Net book value:		
At 31 December	95,939	75,498

Film rights represent films, television drama series and self-produced programmes.

Film production in progress represents contents under production.

In accordance with note 2(j) of the Group's accounting policies, the Group performed impairment tests at 31 December 2022 and 2021 by comparing the attributable carrying amounts of the film rights/self-produced programmes with the recoverable amounts.

The directors assessed the recoverable amounts of the film rights based on the present value of estimated discounted future cash flows. Impairment of HK\$1,111,000 (2021: HK\$3,468,000) for film rights was recognised for the year ended 31 December 2022.

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

(a) Trade receivables

	2022 HK\$'000	2021 HK\$'000
Trade receivables	18,741	14,815
Less: Loss allowance	(117)	(117)
	18,624	14,698

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18 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(a) Trade receivables (continued)

(i) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	2022 HK\$'000	2021 HK\$'000
Within 1 month	14,737	11,019
Over 1 month but within 2 months	1,640	1,282
Over 2 months but within 3 months	733	488
Over 3 months	1,514	1,909
	18,624	14,698

The Group usually grants credit periods ranging from one to three months. Each customer has a credit limit and overdue balances are regularly reviewed by management.

In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, the concentration of credit risk is not considered significant. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate their fair values. Further details of the Group's credit policy are set out in note 26(a) to the financial statements.

(ii) At 31 December 2022, trade receivables of the Group included amount of HK\$Nil (2021: HK\$141,000) due from a joint venture, which are unsecured, interest-free and recoverable within one year.

(b) All of the other receivables, deposits and prepayments (including amounts due from related companies and joint venture) are expected to be recoverable within one year.

19 DEPOSITS AND CASH

(a) Deposits and cash comprise:

	2022 HK\$'000	2021 HK\$'000
Deposits at banks	79,861	252,782
Cash at bank and in hand	211,604	492,587
	291,465	745,369
Less: Pledged deposits	(7,912)	(50,000)
Cash and cash equivalents in consolidated statement of cash flows	283,553	695,369

As at 31 December 2022, deposits and cash placed with banks in Mainland China amounted to HK\$30,629,000 (2021: HK\$91,029,000). Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control promulgated by the government of Mainland China.

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19 DEPOSITS AND CASH (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

	Bank loans and other borrowings HK\$'000 (Note 21)	Lease liabilities HK\$'000 (Note 23)	Total HK\$'000
At 1 January 2022	1,062,128	726,589	1,788,717
Changes from financing cash flows:			
Proceeds from new bank loans	513,600	–	513,600
Repayment of bank loans	(1,061,528)	–	(1,061,528)
Capital element of lease rentals paid	–	(104,037)	(104,037)
Interest element of lease rentals paid	–	(23,294)	(23,294)
Total changes from financing cash flows	(547,928)	(127,331)	(675,259)
Exchange adjustments	(730)	(680)	(1,410)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	7,771	7,771
COVID-19-related rent concessions received (note 11(b))	–	(10,647)	(10,647)
Interest expenses (note 6(a))	–	23,294	23,294
Lease modifications	–	(80,790)	(80,790)
Other ancillary borrowing costs	(4,881)	–	(4,881)
Total other changes	(4,881)	(60,372)	(65,253)
At 31 December 2022	508,589	538,206	1,046,795

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19 DEPOSITS AND CASH (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities (continued)

	Bank loans and other borrowings HK\$'000 (Note 21)	Lease liabilities HK\$'000 (Note 23)	Total HK\$'000
At 1 January 2021	1,206,119	668,891	1,875,010
Changes from financing cash flows:			
Repayment of bank loans	(155,476)	–	(155,476)
Capital element of lease rentals paid	–	(87,144)	(87,144)
Interest element of lease rentals paid	–	(25,439)	(25,439)
Total changes from financing cash flows	(155,476)	(112,583)	(268,059)
Exchange adjustments	(3,751)	(7,400)	(11,151)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	173,620	173,620
COVID-19-related rent concessions received (note 11(b))	–	(14,288)	(14,288)
Interest expenses (note 6(a))	–	25,439	25,439
Lease modifications	–	(7,090)	(7,090)
Other ancillary borrowing costs	15,236	–	15,236
Total other changes	15,236	177,681	192,917
At 31 December 2021	1,062,128	726,589	1,788,717

(c) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2022 HK\$'000	2021 HK\$'000
Within operating cash flows	6,978	3,896
Within financing cash flows	127,331	112,583
	134,309	116,479

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19 DEPOSITS AND CASH (CONTINUED)

(c) Total cash outflow for leases (continued)

These amounts relate to the following:

	2022 HK\$'000	2021 HK\$'000
Lease rentals paid	134,309	116,479

20 NON-CURRENT ASSET HELD FOR SALE

On 7 December 2021, the Group entered into the sale and purchase agreement with an independent third party to dispose of its Hong Kong office property (the "Property") for total consideration of HK\$225,000,000, with completion scheduled on or before 29 April 2022. Accordingly, the Property was reclassified as a non-current asset held for sale as at 31 December 2021. The transaction was completed on 29 April 2022 and a gain on disposal of HK\$56,013,000 was recognised during the year ended 31 December 2022.

21 BANK LOANS

- (a) During the year, the Group has refinanced its existing banking facility for a term loan of HK\$513,600,000 with certain existing bank lenders. At 31 December 2022, the bank loans were secured and repayable as follows:

	2022 HK\$'000	2021 HK\$'000
Within 1 year or on demand	508,589	1,062,128

All of the non-current interest-bearing borrowings are carried at amortised cost. All bank loans bear interest at floating interest rates which approximate market rates of interest.

- (b) At 31 December 2022 the bank loans were secured by:

- (i) two properties of a subsidiary located in Singapore;
- (ii) deposits of subsidiaries of HK\$7,912,000; and
- (iii) equity interests in its twelve subsidiaries of the Company.

At 31 December 2021 the bank loans were secured by:

- (i) an office property of a subsidiary located in Hong Kong;
- (ii) two properties of a subsidiary located in Singapore;
- (iii) deposits of subsidiaries of HK\$50,000,000; and
- (iv) equity interests in its eleven subsidiaries of the Company.

- (c) At 31 December 2022, bank loans of HK\$508,589,000 (2021: HK\$1,062,128,000) were guaranteed by corporate guarantees from the Company and its subsidiaries.

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21 BANK LOANS (CONTINUED)

- (d) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain ratios of the Group's financial performance on consolidation basis, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand, upon demanded by majority lenders.

The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 26(b) to the financial statements. As at 31 December 2022, the Group has breached one of the financial covenants under the Group's banking facilities. Accordingly, certain bank loans have been classified as current liabilities as at 31 December 2022, as the bank loans became repayable on demand.

Nonetheless, the financial statements have been prepared on a going concern basis notwithstanding the Group's current liabilities exceeding its current assets by HK\$405,443,000 as at 31 December 2022, as subsequent to the reporting period, the Group has obtained a waiver with immediate effect on these financial covenants from the banks.

22 TRADE AND OTHER PAYABLES, ACCRUED CHARGES AND DEFERRED INCOME

(a) Trade payables

The ageing analysis of trade payables, based on the invoice date, as of the end of the reporting period:

	2022 HK\$'000	2021 HK\$'000
Within 3 months	54,828	72,429
4 to 6 months	4,915	287
7 to 12 months	2,139	307
Over 1 year	11,863	10,789
	73,745	83,812

All trade payables of the Group were unsecured, interest-free and repayable on demand.

- (b) All of the other payables and accrued charges (including amounts due to related companies) are expected to be settled within one year or are repayable on demand.
- (c) Deferred income represents contract liabilities arising from billings in advance and customers' advances and deferred government grant. The amount of deferred income expected to be recognised as income after more than one year from the end of the reporting period is HK\$535,323,000 (2021: HK\$583,120,000). All of the other deferred income is expected to be recognised as income within one year.

	2022 HK\$'000	2021 HK\$'000
Contract liabilities (note i)	43,984	33,362
Deferred government grant (note ii)	563,499	613,811
	607,483	647,173
Current portion	72,160	64,053
Non-current portion	535,323	583,120
	607,483	647,173

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22 TRADE AND OTHER PAYABLES, ACCRUED CHARGES AND DEFERRED INCOME (CONTINUED)

(c) (continued)

Note (i):

Movements in contract liabilities

	2022 HK\$'000	2021 HK\$'000
Balance at 1 January	33,362	48,416
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(12,146)	(41,109)
Increase in contract liabilities as a result of receiving billings in advance and customers' advances during the year	22,894	26,703
Exchange adjustments	(126)	(648)
Balance at 31 December	43,984	33,362

Note (ii):

The Group received a government grant of RMB503,123,000 (equivalent to HK\$563,499,000; 2021: HK\$613,811,000) in 2021 in the form of a lease over a piece of land in Suzhou for a lease period of 20 years, to support the development of the theatrical arts in Suzhou, the PRC.

The government grant will be recognised as revenue in the consolidated income statement on a systematic basis in the same periods as the depreciation expenses of the respective right-of-use asset are incurred.

Movement in deferred government grant

	2022 HK\$'000	2021 HK\$'000
At 1 January	613,811	–
Additions during the year	–	613,811
Exchange adjustments	(50,312)	–
At 31 December	563,499	613,811
Current portion	28,176	30,691
Non-current portion	535,323	583,120
	563,499	613,811

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23 LEASE LIABILITIES

As at the end of the year, the lease liabilities were repayable as follows:

	2022 HK\$'000	2021 HK\$'000
Within 1 year	104,440	113,468
After 1 year but within 2 years	98,156	115,842
After 2 years but within 5 years	213,741	298,638
After 5 years	121,869	198,641
	433,766	613,121
	538,206	726,589

24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2022 HK\$'000	2021 HK\$'000
Provision for taxation for the year	2,267	824
Tax paid during the year	(969)	(9,410)
Balance of tax provision relating to prior years	862	9,508
	2,160	922

(b) Deferred tax liabilities recognised:

	2022 HK\$'000	2021 HK\$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	140,678	142,683

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24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax liabilities recognised: (continued)

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax losses HK\$'000	Fair value adjustments arising from business combinations HK\$'000	Depreciation allowances in excess of related depreciation HK\$'000	Depreciation charge of right-of-use asset HK\$'000	Intangible assets acquired in business combinations HK\$'000	Withholding tax on unremitted earnings HK\$'000	Total HK\$'000
Deferred tax arising from:							
At 1 January 2022	(8,251)	65,768	13,101	(4,923)	74,548	2,440	142,683
Exchange adjustments	78	317	(15)	(55)	388	-	713
Charged/(credited) to profit or loss (note 7(a))	5,714	(1,166)	(3,892)	(1,490)	-	(1,884)	(2,718)
At 31 December 2022	(2,459)	64,919	9,194	(6,468)	74,936	556	140,678
At 1 January 2021	(4,655)	68,113	19,057	(3,208)	75,840	7,712	162,859
Exchange adjustments	92	(1,156)	(304)	105	(1,292)	-	(2,555)
Credited to profit or loss (note 7(a))	(3,688)	(1,189)	(5,652)	(1,820)	-	(5,272)	(17,621)
At 31 December 2021	(8,251)	65,768	13,101	(4,923)	74,548	2,440	142,683

(c) Deferred tax assets not recognised

At 31 December 2022, the Group has not recognised deferred tax assets in respect of accumulated tax losses of approximately HK\$1,067,166,000 (2021: HK\$978,091,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation except for the balances of HK\$26,202,150 (2021: HK\$42,392,000) which can only be carried forward for five years under the laws of the relevant jurisdiction.

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25 CAPITAL AND RESERVES

(a) Share capital

	2022		2021	
	No. of shares	Amount HK\$'000	No. of shares	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	6,000,000,000	600,000	6,000,000,000	600,000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	2,799,669,050	279,967	2,799,669,050	279,967

(i) Share option scheme

Equity-settled share-based transactions

The old share option scheme (the "Old Scheme") was initially valid and effective from 11 November 2009 and has expired on 10 November 2019. Pursuant to an ordinary resolution of the Company passed on 19 June 2020, the Company adopted a new share option scheme (the "New Scheme"). The purpose of the New Scheme was to enable the Company to grant options to eligible participants as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the eligible participants. Eligible participants of the New Share Option Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group and shareholders of the Company. The Scheme became effective on 19 June 2020 and will remain in force for 10 years from that date.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option).

The offer of a grant of share options must be accepted within 30 days inclusive of, and from the day of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The vesting period, the exercise period and the number of shares subject to each option are determinable by the directors. The exercise period may not exceed 10 years commencing on such date on or after the date of grant as the directors of the Company may determine in granting the share options and ending on such date as the directors of the Company may determine in granting the share options. Save as determined by the directors of the Company and provided in the offer of the grant of the relevant share option, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

The exercise price of the share options is determinable by the directors, provided always that it shall be at least the higher of (i) the closing price of the Company's shares on the Stock Exchange on the date of offer of grant of the share options; (ii) the average Stock Exchange's closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

The maximum number of shares of the Company issuable upon exercise of all share options granted and to be granted under the Scheme and any other share option schemes of the Company (if any) is an amount equivalent to 10% of the shares of the Company in issue as at 19 June 2020. This limit can be refreshed by the shareholders of the Company in a general meeting in accordance with the provisions of the Listing Rules. The maximum number of shares issuable under share options granted to each eligible participant under the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders' approval in a general meeting.

Notes to the Financial Statements

for the year ended 31 December 2022

25 CAPITAL AND RESERVES (CONTINUED)

(a) Share capital (continued)

(i) Share option scheme (continued)

Equity-settled share-based transactions (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There were no share options issued to the Directors, chief executive and other employees of the Group during the year ended 31 December 2022. At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

(ii) Dividends

The directors do not recommend the payment of final dividend for the year ended 31 December 2022 (2021: Nil).

(b) Reserves

(i) The Group

Details of the movements in reserves of the Group during the years ended 31 December 2022 and 2021 are set out in the consolidated statement of changes in equity.

(ii) The Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2022	771,749	15,886	271,644	13,380	1,072,659
Changes in reserves for 2022:					
Loss for the year	-	-	-	(2,502)	(2,502)
At 31 December 2022	771,749	15,886	271,644	10,878	1,070,157

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2021	771,749	15,886	271,644	15,418	1,074,697
Changes in reserves for 2021:					
Loss for the year	-	-	-	(2,038)	(2,038)
At 31 December 2021	771,749	15,886	271,644	13,380	1,072,659

Notes to the Financial Statements

for the year ended 31 December 2022

25 CAPITAL AND RESERVES (CONTINUED)

(c) Nature and purpose of reserves

(i) Share premium and capital redemption reserve

The application of the share premium account is governed by Sections 40 and 54 of the Companies Act 1981 of Bermuda.

(ii) Share option reserve

The share option reserve represents the fair value of the number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

(iii) Capital redemption reserve

The capital redemption reserve represents the nominal value of the share capital of the Company repurchased and cancelled.

(iv) Contributed surplus

The contributed surplus represents (i) the difference between the nominal value of the Company's shares in issue, in exchange for the issued share capital of the subsidiaries, and the aggregate net asset value of the subsidiaries acquired at the date of acquisition; and (ii) the net transfer of HK\$80,000,000 after setting off the accumulated losses from the share premium account pursuant to the Company's capital reorganisation in May 2007. Under the Bermuda Companies Act 1981 (as amended), the contributed surplus of the Company is distributable to shareholders of the Company.

(v) Reserve funds

In accordance with the relevant regulations in the PRC, the companies established therein are required to transfer a certain percentage of their profits after tax to the reserve funds until the balance reaches 50% of the registered capital. Subject to certain restrictions set out in the relevant PRC regulations, the reserve funds may be used either to offset losses, or for capitalisation by way of paid-up capital.

(vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and joint ventures. The reserve is dealt with in accordance with the accounting policy set out in note 2(u).

(d) Distributability of reserves

At 31 December 2022, the aggregate amount of reserves available for distribution to equity holders of the Company representing the retained profits, amounted to HK\$10,878,000 (2021: HK\$13,380,000). In addition, the Company's share premium account, contributed surplus, and capital redemption reserve in an aggregate amount of HK\$1,059,279,000 (2021: HK\$1,059,279,000), as at 31 December 2022 may be distributed to shareholders in certain circumstance as prescribed by Section 54 of the Companies Act 1981 of Bermuda.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its gearing structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the gearing structure in light of changes in economic conditions.

The Group monitors its gearing structure calculated on the basis of external borrowings, which includes bank loans and lease liabilities.

Notes to the Financial Statements

for the year ended 31 December 2022

25 CAPITAL AND RESERVES (CONTINUED)

(e) Capital management (continued)

The Group's adjusted net debt-to-capital ratio at 31 December 2022 and 2021 was as follows:

	Note	2022 HK\$'000	2021 HK\$'000
Current liabilities:			
Bank loans		508,589	1,062,128
Lease liabilities		104,440	113,468
		613,029	1,175,596
Non-current liabilities:			
Lease liabilities		433,766	613,121
Total debt		1,046,795	1,788,717
Less: Cash and cash equivalents	19	(283,553)	(695,369)
Pledged bank deposits	19	(7,912)	(50,000)
Adjusted net debt		755,330	1,043,348
Total equity		1,517,492	1,544,483
Adjusted net debt-to-capital ratio		50%	68%

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, currency and interest rate risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, pledged deposits and deposits and cash.

In respect of pledged bank deposits and deposits and cash, the Group only places deposits with major financial institutions in Hong Kong, Singapore and the Mainland China.

In respect of trade and other receivables, the Group has established credit control policies of which credit limits, credit approvals and other monitoring procedures for debts recovery are in place to minimise the credit risk. In addition, management reviews the recoverable amount of each individual receivable regularly to ensure that adequate loss allowances are made for irrecoverable amounts. With such policies in place, the Group has been able to maintain its bad debts at minimal level.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The allowance for expected credit losses is insignificant.

Notes to the Financial Statements

for the year ended 31 December 2022

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay. As deposits received do not have fixed repayment terms, their carrying amounts have not been included in the table.

	As at 31 December 2022					
	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000
Trade payables	73,745	73,745	73,745	-	-	-
Other payables and accrued charges	143,555	143,555	143,555	-	-	-
Lease liabilities	538,206	597,389	121,546	111,689	235,877	128,277
Bank loans (i)	508,589	577,353	577,353	-	-	-
	1,264,095	1,392,042	916,199	111,689	235,877	128,277

	As at 31 December 2021					
	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000
Trade payables	83,812	83,812	83,812	-	-	-
Other payables and accrued charges	153,214	153,214	153,214	-	-	-
Lease liabilities	726,589	817,755	137,173	135,501	333,949	211,132
Bank loans	1,062,128	1,067,911	1,067,911	-	-	-
	2,025,743	2,122,692	1,442,110	135,501	333,949	211,132

Note:

- (i) Further details regarding maturity term of the bank loans are set out in note 2(b).

Notes to the Financial Statements

for the year ended 31 December 2022

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk

The Group has foreign currency monetary assets and liabilities that are denominated in a currency other than the functional currency of the entity to which they relate. Exchange differences arising on settling or translating these foreign currency monetary items at rates different from those at dates of transactions giving rise to these monetary items are recognised in profit or loss.

The Group enters into transactions denominated in currencies other than the functional currency of the entity to which they relate. Consequently, the Group is exposed to risks that the exchange rate of the relevant functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the relevant functional currency. As the Hong Kong dollar is pegged to the United States dollar, the Group does not expect any significant movements in the HKD/USD exchange rate. The currencies giving rise to foreign currency risk are primarily Renminbi and Singapore dollars. Management of the Group continuously monitors the Group's exposure to such foreign currency risks to ensure they are at manageable levels.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amount of exposure are shown in original currencies.

	Exposure to foreign currencies			
	2022		2021	
	Renminbi '000	Singapore dollars '000	Renminbi '000	Singapore dollars '000
Other receivables, deposits and prepayments	3	–	5	–
Deposits and cash	123,918	15,820	125,467	3,751
Other payables and accrued charges	(217)	–	(217)	–
Intercompany balance	269,677	(6,334)	267,724	167
Bank loans	–	–	–	(34,600)
Net exposure to currency risk	393,381	9,486	392,979	(30,682)

Notes to the Financial Statements

for the year ended 31 December 2022

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after taxation and retained earnings that would have arisen if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. Other components of equity would not be affected by changes in the foreign exchange rates:

	2022		2021	
	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in loss after taxation and increase/ (decrease) in retained earnings HK\$'000	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in loss after taxation and increase/ (decrease) in retained earnings HK\$'000
Renminbi	5% (5)%	18,394 (18,394)	5% (5)%	20,016 (20,016)
Singapore dollars	5% (5)%	2,283 (2,283)	5% (5)%	(7,391) 7,391

Results of the analysis in the above table present an aggregation of the instantaneous effects on each of the Group entities' profit after taxation and equity measured in the respective functional currencies and shown in original currencies.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis has been performed on the same basis as for 2021.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily to the Group's short and long-term loans. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group manages its interest rate risk exposures in accordance with defined policies through regular review with a focus on reducing the Group's overall cost of funding as well as having regard to the floating/fixed rate mix appropriate to its current business portfolio.

Notes to the Financial Statements

for the year ended 31 December 2022

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Interest rate risk (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

	2022		2021	
	Effective rate %	HK\$'000	Effective rate %	HK\$'000
Fixed rate borrowings:				
Lease liabilities	2.38%–4.50%	538,206	2.38%–5.64%	726,589
Variable rate borrowings:				
Bank loans (note 21)	3.16%–6.13%	508,589	1.13%–1.83%	1,062,128

(ii) Sensitivity analysis

At 31 December 2022, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after taxation and decreased/increased the Group's total equity by approximately HK\$4,241,000 (2021: HK\$8,869,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk in existence at that date. The 1% increase/decrease represents management's assessment of a reasonable possible change in interest rates over the period until the next annual end of the reporting period. The analysis has been performed on the same basis as for 2021.

27 COMMITMENTS

Capital commitments outstanding not provided for in the financial statements

As at 31 December 2022 and 2021, the Group's share of the joint venture's own capital commitments in respect of the acquisition of property, plant and equipment are as follows:

	2022 HK\$'000	2021 HK\$'000
Contracted for:		
Taiwan	5,379	5,092

In addition to the Group's share of the joint venture's own capital commitments above, the Group had the following capital commitments in respect of the acquisition of property, plant and equipment as at 31 December 2022 and 2021:

	2022 HK\$'000	2021 HK\$'000
Contracted for:		
Mainland China	237,027	347,653
Singapore	25,076	–
	262,103	347,653

Notes to the Financial Statements

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28 CONTINGENT LIABILITIES

At 31 December 2022, the Company has issued guarantees to banks in respect of banking facilities granted to certain subsidiaries amounting to HK\$624,000,000 (2021: HK\$1,695,442,000). At 31 December 2022, banking facilities of HK\$516,000,000 (2021: HK\$1,064,642,000) had been utilised by the subsidiaries.

At 31 December 2022, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The Company has not recognised any deferred income in respect of bank guarantees as their fair values cannot be reliably measured and no transaction price was incurred.

Certain subsidiaries of the Group are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the directors are of the opinion that even if the claims are found to be valid, there will be no material adverse effect on the financial position of the Group.

29 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

	Note	2022 HK\$'000	2021 HK\$'000
Cinema screen advertising services income	(i)	3,000	—
Lease prepayment	(ii)	2,747	—

Notes:

- (i) This represents cinema screen advertising income received from a related company.
- (ii) This represents the prepayment of rental payments and management fees for the lease with a related company. The rental payments were charged on normal commercial terms.

30 DISPOSAL OF SUBSIDIARIES — REMAINING CONSIDERATION AND CONTINGENT LIABILITIES

On 25 January 2017, Giant Harvest Limited ("Giant Harvest"), an indirect wholly owned subsidiary of the Company, entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with True Vision Limited ("True Vision"), pursuant to which Giant Harvest conditionally agreed to sell and True Vision conditionally agreed to purchase, the entire equity interest of City Entertainment Corporation Limited ("CECL") at a consideration of RMB3.286 billion (the "Disposal"). Orange Sky Golden Harvest Cinema (China) Company Limited, the entity operating the Group's film exhibition business in Mainland China, was owned as to 92.59% by CECL and 7.41% by Jiaying Credit Prosperity Investment Enterprise (Limited Partnership). The Disposal was completed on 28 July 2017.

The initial consideration of RMB3.286 billion was subsequently adjusted to RMB3.290 billion. Pursuant to the Sale and Purchase Agreement, the consideration is subject to further adjustments based on the difference between the net debt value of the disposal group as at 31 December 2016 and that derived from the completion accounts (the "Net Debt Adjustment"). In 2018, the completion accounts were circulated among the Group and Nan Hai Corporation Limited ("Nan Hai", the holding company and guarantor of True Vision). However, the Net Debt Adjustment is yet to be agreed between the two parties up to the date of approval of these financial statements.

Other than the Net Debt Adjustment, the consideration is subject to a refund of an amount up to RMB380 million to Nan Hai, depending on the results of lease renewal or negotiation of new leases of certain cinema premises as detailed in the Sale and Purchase Agreement. The amount of refund is determined with reference to the terms and outcome of the lease renewal and the economic value of the renewed leases, subject to agreement with Nan Hai. The amount of refund, if any, is yet to be agreed between the two parties up to the date of approval of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2022

30 DISPOSAL OF SUBSIDIARIES — REMAINING CONSIDERATION AND CONTINGENT LIABILITIES (CONTINUED)

In 2017, the Group received an amount of RMB2,990,257,000 (equivalent to HK\$3,455,908,000) in connection with the Disposal. The remaining consideration of RMB300,000,000 is held in escrow and the recoverability of which is dependent on the Net Debt Adjustment and the refund, if any, determined based on the results of lease renewal or negotiation of new leases of certain cinema premises, which are subject to further negotiations and agreement between the Group and Nan Hai. The directors assessed that the fair value of the consideration for the Disposal, based on the then latest available information, to be RMB2.990 billion, being the cash consideration received by the Group, which was used to determine the profit on the Disposal. Any difference between the final consideration received and the fair value of the consideration as assessed by the directors will result in adjustment to the gain on disposal of subsidiaries and will be recognised in profit or loss upon finalisation of the consideration.

Pursuant to the completion accounts of the disposal group, Giant Harvest calculated the remaining consideration for the Disposal to be RMB252,207,000 (equivalent to US\$37,384,000). As True Vision did not execute the joint written instructions to the escrow agent for settlement of the remaining consideration to the Group while Nan Hai, the guarantor of True Vision, failed to perform such payment obligation, the Group commenced legal proceedings against True Vision and Nan Hai in September 2018 claiming a sum of US\$37,384,000, being the remaining consideration for the Disposal, and seeking other remedies, including interest and costs.

Subsequently, Nan Hai made various allegations against the Company and Giant Harvest and counter-claimed for the loss arising from the breach of Sale and Purchase Agreement by Giant Harvest. In October and November 2018, Nan Hai issued writs of summons against the Company and Giant Harvest claiming amounts of RMB380,000,000 and RMB82,146,000 respectively and other remedies, including interest and costs (the "Said Claims").

The directors of the Company disagree with the Said Claims made by Nan Hai. Further details of the legal proceedings are set out in the Company's announcements dated 4 September 2018, 10 September 2018, 2 November 2018 and 9 November 2018.

Based on the available evidence and the advice received from the Company's legal advisor as at 31 December 2022, the directors of the Company have assessed the likelihood of the Group incurring a liability as a result of the Said Claims as remote. No provision has therefore been made in respect of the Said Claims as at 31 December 2022. In view of the ongoing legal proceedings, the Group has not recognised the remaining consideration claimed against True Vision and Nan Hai of RMB252,207,000 referred to above.

31 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 26 contains information about the assumptions and their risk factors relating to financial risk management. Other key sources of estimation uncertainty are as follows:

Key sources of estimation uncertainty

(i) **Assessment of impairment of other property, plant and equipment**

The Group reviews internal and external sources of information at the end of each reporting period to identify indications that assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The Group estimates the asset's recoverable amount when any such indication exists. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the assets. The preparation of projected future cash flows involves the estimation of future revenue and operating costs which are based on reasonable assumptions supported by information available to the Group. Changes in these estimates would result in additional impairment provisions or reversal of impairment in future years

Notes to the Financial Statements

for the year ended 31 December 2022

31 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(ii) Assessment of impairment of goodwill

The Group has performed an impairment test for goodwill in accordance with the accounting policy stated in note 2(j)(ii). For the purposes of impairment testing, goodwill acquired has been allocated to individual cash-generating units which are reviewed for impairment based on forecast operating performance and cash flows. The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations. Cash flow projections are prepared on the basis of reasonable assumptions reflective of prevailing and future market conditions, and are discounted appropriately.

32 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Interests in subsidiaries		1,351,196	1,354,654
Current assets			
Prepayments		302	302
Deposits and cash		161	164
		463	466
Current liabilities			
Payables and accrued charges		1,535	2,494
		1,535	2,494
Net current liabilities			
		(1,072)	(2,028)
NET ASSETS			
		1,350,124	1,352,626
CAPITAL AND RESERVES			
	25(b)(ii)		
Share capital		279,967	279,967
Reserves		1,070,157	1,072,659
TOTAL EQUITY			
		1,350,124	1,352,626

Notes to the Financial Statements

for the year ended 31 December 2022

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2022

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 17, <i>Insurance contracts</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements</i> and HKFRS Practice Statement 2, <i>Making materiality judgements: Disclosure of accounting policies</i>	1 January 2023
Amendments to HKAS 8, <i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>	1 January 2023
Amendments to HKAS 12, <i>Income taxes: Deferred tax related to assets and liabilities arising from a single transaction</i>	1 January 2023

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

Orange Sky
ENTERTAINMENT GROUP



Golden Harvest

**Orange Sky Golden Harvest
Entertainment (Holdings) Limited**
橙天嘉禾娛樂(集團)有限公司