



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)



2018

Annual Report
年報



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Corporate Information 公司資料

Executive Directors 執行董事

WU Kebo (Chairman)
伍克波 (主席)

MAO Yimin
毛義民

LI Pei Sen
李培森

WU Keyan
伍克燕

CHOW Sau Fong, Fiona
鄒秀芳

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 Officer 首席執行官

MAO Yimin
毛義民

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

24/F, Capital Centre
151 Gloucester Road
Wan Chai
Hong Kong
香港
灣仔
告士打道一五一號
資本中心二十四樓

Principal Bankers 主要往來銀行

Standard Chartered Bank (Hong Kong) Limited
渣打銀行(香港)有限公司

The Hongkong and Shanghai
Banking Corporation Limited
香港上海滙豐銀行有限公司

Auditors 核數師

KPMG
Certified Public Accountants
8th Floor
Prince's Building
10 Chater Road
Central
Hong Kong
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

Principal Share Registrar and Transfer Office 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Corporate Information 公司資料

Hong Kong Branch Share Registrar and Transfer Office 股份過戶登記處香港分處

Tricor Tengis Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong
卓佳登捷時有限公司
香港
皇后大道東一八三號
合和中心
二十二樓

Website 網址

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

Stock Code 股份代號

1132

Biographical Details of Directors

董事個人履歷

Chairman and Executive Director

Mr. Wu Kebo (“Mr. Wu”)

Aged 55

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 brother of Ms. Wu Keyan, an executive director of the Company.

Executive Director and Chief Executive Officer

Mr. Mao Yimin (“Mr. Mao”)

Aged 41

Mr. Mao is an executive director and has been appointed as the chief executive officer of the Company (“CEO”) since 1 August 2011. Mr. Mao held the office of the chief financial officer of the Company (“CFO”) during the period from 6 May 2011 to 1 January 2012 and the period from 17 June 2013 to 7 November 2016. He is also a director of certain subsidiaries of the Company. Before joining the Company, Mr. Mao was a senior manager at KPMG Advisory (China) Limited (“KPMG”) who specialised in transaction services and risk management. Mr. Mao has extensive investment advisory and industry-related experience, particularly in manufacturing, retail, media and real estate. Prior to joining KPMG, Mr. Mao served for large Australian Securities Exchange listed companies, where he had built up strong statutory reporting, financial analysis, and risk control and merger and acquisition experience. Mr. Mao graduated from the University of New South Wales in Australia with a master’s degree in commerce in 2003 and he is also a member of the Australian Society of Certified Practising Accountants.

主席兼執行董事

伍克波先生(「伍先生」)

五十五歲

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。橙天為於英屬處女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《愛情呼叫轉移》、《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，為本公司執行董事伍克燕女士之胞兄。

執行董事兼首席執行官

毛義民先生(「毛先生」)

四十一歲

毛先生為執行董事，自二零一一年八月一日獲委任為本公司首席執行官(「首席執行官」)。毛先生由二零一一年五月六日至二零一二年一月一日及二零一三年六月十七日至二零一六年十一月七日期間出任本公司的首席財務官(「首席財務官」)。彼亦為本公司若干附屬公司之董事。於加盟本公司前，毛先生於畢馬威企業諮詢(中國)有限公司(「畢馬威」)擔任高級經理，專責交易服務及風險管理。毛先生於投資顧問以及尤其在製造、零售、傳媒及房地產等行業有豐富經驗。於加入畢馬威前，毛先生曾任職於多間澳大利亞證券交易所大型上市企業，累積豐富之法定報告、財務分析、風險控制及併購經驗。毛先生於二零零三年畢業於澳洲新南威爾士大學，獲得商業碩士學位，彼亦為澳洲會計師公會會員。

Biographical Details of Directors

董事個人履歷

Executive Directors

Mr. Li Pei Sen (“Mr. Li”)

Aged 71

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.

Ms. Wu Keyan (“Ms. Wu”)

Aged 48

Ms. Wu is an executive director of the Company. She was re-designated as an executive director on 9 September 2010 and prior to that, she had been an alternate director to Mr. Wu since January 2008. She is also a director of certain subsidiaries of the Company. Ms. Wu has been a senior manager of the Administration and Human Resources Department of the Group since 1 January 2008. She has been re-designated as Assistant to Chairman with effect from 7 September 2009 and is responsible for the administrative management of the Company's head office in Hong Kong and the PRC. Ms. Wu has also served in various corporations in Japan and Hong Kong. Ms. Wu graduated with a bachelor's degree in business management from the Faculty of Commerce at Takushyoku University in Japan in 1996. Ms. Wu is the sister of Mr. Wu.

執行董事

李培森先生(「李先生」)

七十一歲

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。

伍克燕女士(「伍女士」)

四十八歲

伍女士為本公司執行董事。彼自二零零八年一月起出任伍先生之替任董事，直至二零一零年九月九日，伍女士調任執行董事。彼亦為本公司若干附屬公司之董事。於二零零八年一月一日開始，伍女士曾出任本集團行政及人力資源部門高級經理，自二零零九年九月七日起，伍女士調任為主席助理，負責本公司香港及中國總辦事處之行政管理工作。伍女士亦曾於日本及香港多家企業任職。伍女士於一九九六年獲日本拓殖大學商學部頒授經營學科學士學位。伍女士為伍先生之胞妹。

Biographical Details of Directors

董事個人履歷

Ms. Chow Sau Fong, Fiona (“Ms. Chow”)

Aged 46

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.

Independent Non-Executive Directors

Leung Man Kit Michael (“Mr. Leung”)

Aged 65

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 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.

鄒秀芳女士(「鄒女士」)

四十六歲

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。

獨立非執行董事

梁民傑先生(「梁先生」)

六十五歲

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

董事個人履歷

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 (stock code: NTES)* 網易，於納斯達克上市之公司 (股份代號：NTES)*	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
Unitas Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8020) 宏海控股集團有限公司，於聯交所GEM上市之公司(股份代號：8020)	October 2011 to November 2018 二零一一年十月至 二零一八年十一月	Executive director 執行董事
China Huiyuan Juice Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1886) 中國滙源果汁集團有限公司，於聯交所主板上市之公司(股份代號：1886)	June 2012 to January 2019 二零一二年六月至 二零一九年一月	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 present 二零一四年三月至今	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 or was also the chairman of the audit committee of these companies.

* 梁先生亦為或曾為該等公司之審核委員會主席。

Biographical Details of Directors

董事個人履歷

Ms. Wong Sze Wing (“Ms. Wong”)

Aged 40

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.

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

黃斯穎女士(「黃女士」)

四十歲

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，並於二零一二年取得中歐國際工商學院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。

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 present 二零一七年五月至今	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

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

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

* 黃女士亦為該公司之審核委員會主席。

黃女士亦為該公司之薪酬與考核委員會主席。

Biographical Details of Directors

董事個人履歷

Mr. Fung Chi Man Henry (“Mr. Fung”)

Aged 50

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 twenty 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. 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 currently a practicing solicitor of the High Courts of Hong Kong and England & Wales. 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, CAAO Disciplinary Panel and a chairman of the Appeal Tribunal Panel (Buildings) in Hong Kong.

馮志文先生 (「馮先生」)

五十歲

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。馮先生擁有超過二十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、中國委託公證人協會紀律審裁團成員和上訴審裁團(建築物)主席。

Chairman's Statement 主席報告書



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 delighted to present the annual report of the Group for the year ended 31 December 2018.

Subsequent to the disposal of the Mainland China exhibition business and the acquisition of the remaining 50% equity interest in our Singapore business in 2017, the overall performance of the Group remained steady. Despite the sluggish Hong Kong market environment due to the high rental and staff costs, our box offices topped the market share in the Singapore and the Taiwan regions, with 47% and 38% respectively.

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」)欣然向閣下呈報本集團截至二零一八年十二月三十一日止年度之年報。

於二零一七年出售中國內地影城業務及收購新加坡業務之餘下50%股權後，本集團整體表現維持平穩。儘管高昂租金及員工成本令香港市場環境疲弱，本集團票房仍佔據新加坡及台灣地區最大市場份額，分別為47%及38%。



During 2018, the Group recorded revenues of HK\$1,051.0 million, which represented a year-on-year increase of 4.4%. Profit attributable to shareholders of the Company was HK\$52.5 million as compared with HK\$2,242.1 million in last year, despite the net one-off gains of HK\$2,747.8 million recorded in 2017. The improvement of the result of recurring income businesses has demonstrated an impressive performance of our operation teams in enhancing the efficiency of our cinemas and implementing effective cost control measures.

The Group continued to maintain its leading position in Singapore and Taiwan with steady growth for the year under review. With the 4 newly opened cinemas of 32 screens, the total number of operating cinemas of the Group reached 34 cinemas with 276 screens as at 31 December 2018. We have accumulated years of extensive experience and in-depth knowledge of film exhibition and distribution in different regions. Moreover, we are dedicated to introduce a variety of services such as additional food and beverage offerings, more alternative contents, to enrich our customer experience. It is this hard-earned expertise and dedication for valued services that sets us apart from the competition and allows us to deliver quality services at highly competitive prices to achieve steady growth by riding on the strength of diversified geographic coverage.

於二零一八年，本集團錄得收益10.51億港元，按年增加4.4%。本公司股東應佔溢利為5,250萬港元，而去年則為22.421億港元，惟二零一七年錄得一次性淨收益27.478億港元。經常性收入業務之業績改善，表明我們營運團隊在提升影城效益及實施有效成本控制措施方面表現出色。

於回顧年內，本集團在新加坡及台灣繼續保持龍頭地位，穩步增長。隨著新開設4家影城共32塊銀幕，本集團於二零一八年十二月三十一日之營運影城總數達到34家影城共276塊銀幕。我們於不同地區之影城業務及發行領域積累多年豐富經驗及深入了解。此外，本集團致力提供額外餐飲選擇及更多另類放映內容等各種服務，務求豐富客戶體驗。正是此艱辛獲取之專業知識及對有價值服務之執著，令我們在競爭對手中脫穎而出，讓我們能夠以極具競爭力之價格提供優質服務，通過分散地域覆蓋實力達到穩定增長。

Chairman's Statement

主席報告書

At the same time, in order to broaden our business segments, the Group has continued seeking investment opportunities in the regional media, entertainment and technology sectors that are related to the Group's existing business that shall add value to our shareholders. Likewise, the Group has a plan to expand into the entertainment centre business and has invested in the live show performance to capitalize our goodwill and branding, to further utilize the resources, creativity and management expertise in the entertainment industry, so as to commodify our intelligent property rights.

For corporate social responsibility, the Group is committed to striking a balance between profit-making and sustainable growth. We firmly believe that a sound business environment, society and corporate governance are essential to the success of our business. We encourage our staff to engage in community services and social enterprises so as to promote the harmony in the communities where the Group operates its businesses.

Prospects

It is expected that the macro-economic environment for the film exhibition and distribution sector will remain challenging in the coming years and the momentum of integration within the industry would continue for a period of time. The Group will pay close attention to the local and regional factors and adjust our strategies and deploy its resources accordingly.

The Board remains positive towards the prospects of the exhibition business in Singapore and Taiwan. The Group has continued to strengthen its expertise to bolster its market position and focus on developing a balanced cinema portfolio. We do believe that, with our long experience in the business and our in-depth understanding of the needs and wishes of customers, we have generated the forward momentum we need to face the future with confidence.

In addition, the Group is adhering to prudent financial management practices through carefully controlling its leverage level while maintaining diverse financial resources.

Looking forward, the Group will continue to take active steps to strengthen our cinema portfolio as core income stream business. To further utilize and leverage on the resources and operating strengths, the Group will continue to maintain our prudent yet progressive approach to identifying different ways to further diversify our businesses as well as high return projects, such as to further expand into the lifestyle and entertainment business. We are confident that the Group will continue to deliver long-term value to the shareholders.

同時，為拓展業務分部，本集團不斷在與本集團現有業務相關之地區媒體、娛樂及科技領域尋覓投資機會，為股東締造價值。本集團亦計劃進軍娛樂中心業務，並投資於現場表演業務，充分善用本集團商譽及品牌，進一步運用於娛樂行業之資源、創意及管理專業知識，致力將本身的知識產權商品化。

至於企業社會責任方面，本集團致力在盈利與可持續發展之間取得平衡。我們堅信，良好之營商環境、社會及企業管治對我們業務之成功至關重要。我們鼓勵員工參與社區服務及社企工作，務求促進本集團經營業務所在社區和諧共融。

前景

預期影城業務及發行領域之宏觀經濟環境於未來數年仍將充滿挑戰，而整個行業之整合勢頭將持續一段時間。本集團將密切留意本地及地區因素，並相應調整其策略及部署其資源。

董事會對於新加坡及台灣影城業務之前景抱持樂觀態度。本集團不斷增進專業知識以提升市場地位，並專注發展達致平衡之影城組合。我們相信，憑藉我們於業務具備多年經驗及對顧客需要及渴求有深入了解，我們有信心創造出我們面對未來所需之前進動力。

此外，本集團通過審慎控制槓桿水平及維持多元財務資源，堅守慎重財務管理常規。

展望將來，本集團將繼續積極加強旗下影城組合實力，作為核心收入來源業務。為進一步利用和借助資源及經營優勢，本集團將繼續保持審慎而循序漸進之經營方式，物色進一步多元化旗下業務以及高回報項目之不同途徑，例如進軍生活時尚及娛樂業務。我們相信，本集團將持續為股東締造長期價值。

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 heartfelt gratitude to all the Directors for their supports and advices, and committed staff for their diligence and effort, which have contributed to the success of the Group and led to the sustainable development of our business.

致謝

本人謹代表董事會及管理團隊，藉此機會感謝股東、客戶及業務夥伴之支持和合作。本人謹此對全體董事之支持和建議，以及員工盡忠職守為本集團之成功及業務持續長遠發展而作出之貢獻和不懈努力表示衷心謝意。

Management

管理層討論及分析 Discussion & Analysis



SINGAPORE 新加坡

TAIWAN 台灣

HONG KONG 香港



Orange Sky Golden Harvest's Cinema Portfolio

橙天嘉禾影城組合

(as of 31 December 2018 截至二零一八年十二月三十一日)

		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	7	24	2	84
Singapore	新加坡	13	105	8.8	62
Taiwan	台灣	14	147	15.8	62
Total	總計	34	276	26.6	63

Management Discussion and Analysis

管理層討論及分析

Business Review

After almost half a century of operation and development, the Group has become a world's premier Chinese language film entertainment company primarily engaging in film exhibition, Film and TV Programme production and distribution business. Since its inception, the Group has produced and financed over 600 movies, plays an important role in distribution of Chinese language movies. To date, we own a movie library with more than 140 films for distribution.

In addition, the Group has recently expanded into the live show performance and has a plan to expand into the entertainment centre business, to capitalise our branding and goodwill and further utilise the resources, creativity and management expertise in the entertainment industry, so as to commodity our intelligent property rights.

Film Exhibition

The Group completed the acquisition of the remaining 50% interest in our Singapore business and the disposal of the Mainland China Exhibition business in 2017.

In 2018, we opened a cinema with 6 screens in Singapore, opened a cinema with 20 screens in Taiwan, opened 2 cinemas with 6 screens in Hong Kong and closed a cinema with 5 screens in Hong Kong. At 31 December 2018, we operated 34 cinemas with 276 screens in total across Hong Kong, Singapore and Taiwan. Our cinemas served over 26 million guests as compared to nearly 40 million guests in last year since we disposed of all cinemas in the Mainland China in July 2017. The major Hollywood blockbusters released in this period were *Ant-Man and the Wasp* (蟻俠2：黃蜂女現身), *Black Panther* (黑豹), *Incredibles 2* (超人特工隊2), *Avengers: Infinity War* (復仇者聯盟3：無限之戰), *Deadpool 2* (死侍2), *Jurassic World: Fallen Kingdom* (侏羅紀世界：迷失國度), *Mission: Impossible — Fallout* (職業特工隊：叛逆之謎) and *Aquaman* (水行俠). The major Korea language blockbusters were *Along With the Gods: The Two Worlds* (與神同行) and *Along With The Gods: The Last 49 Days* (與神同行：終極審判). The major Chinese language blockbusters were *Agent Mr. Chan* (棟篤特工) and *Project Gutenberg* (無雙) in Hong Kong; *Wonderful! Liang Xi Mei* (旺得福梁細妹) in Singapore; and *GATAO 2 — The New Leader Rising* (角頭2：王者再起) and *More Than Blue* (比悲傷更悲傷的故事) in Taiwan.

業務回顧

經過近半世紀經營及發展，本集團已成為世界頂級華語電影娛樂公司，主要從事經營影城、電影及電視節目製作及發行業務。自成立以來，本集團製作及投資超過600部電影，在發行華語電影上擔當重要角色。時至今日，我們電影庫有超過140部電影可供發行。

此外，本集團業務近期擴展至現場表演，並計劃進軍娛樂中心業務，充分善用本集團品牌及商譽，進一步運用於娛樂行業之資源、創意及管理專業知識，提供知識產權產品。

影城業務

本集團於二零一七年完成收購新加坡業務餘下50%權益及出售中國內地影城業務。

於二零一八年，本集團於新加坡開設一家內設6塊銀幕之影城、於台灣開設一家內設20塊銀幕之影城、於香港開設兩家內設6塊銀幕之影城，及於香港結束一家內設5塊銀幕之影城。於二零一八年十二月三十一日，本集團於香港、新加坡及台灣共營運34家影城共276塊銀幕。影城入場觀眾超過2,600萬人次，去年則為近4,000萬人次，原因為我們於二零一七年七月出售中國內地所有影城。期內上映之荷里活猛片主要有《蟻俠2：黃蜂女現身》、《黑豹》、《超人特工隊2》、《復仇者聯盟3：無限之戰》、《死侍2》、《侏羅紀世界：迷失國度》、《職業特工隊：叛逆之謎》及《水行俠》。韓語猛片主要有《與神同行》及《與神同行：終極審判》。華語猛片主要有香港上映之《棟篤特工》及《無雙》；新加坡上映之《旺得福梁細妹》；及台灣上映之《角頭2：王者再起》及《比悲傷更悲傷的故事》。

Management Discussion and Analysis

管理層討論及分析

Operating Statistics of the Group's Cinemas (For the year ended 31 December 2018)

	31 December 2018			Total
	Hong Kong	Singapore	Taiwan	
Number of cinemas*	7	13	14	34
Number of screens*	24	105	147	276
Admissions (million)	2	8.8	15.8	26.6
Net average ticket price (HK\$)	84	62	62	63

* at 31 December 2018

	31 December 2017			Total
	Hong Kong	Singapore	Taiwan	
Number of cinemas**	6	12	13	31
Number of screens**	23	99	127	249
Admissions (million)	2.3	9.0	15.8	27.1
Net average ticket price (HK\$)	84	60	61	62

** at 31 December 2017

The Group is dedicated to the provision of a diversified video and audio experience for its audiences. All screens of the Group have been established with advanced digital equipment. There were 7 IMAX® screens in total for the Group in Taiwan as at 31 December 2018. The Group has also been enhancing the experience for our audiences by equipping 3D system, 4DX™, D-Box Motion Chairs, Advanced Panorama Dolby Atmos and DTSX sound systems in our cinemas in different regions.

本集團各地影城之營運數據

(截至二零一八年十二月三十一日止年度)

	二零一八年十二月三十一日			總計
	香港	新加坡	台灣	
影城數目*	7	13	14	34
銀幕數目*	24	105	147	276
入場觀眾 (百萬人次)	2	8.8	15.8	26.6
平均淨票價 (港元)	84	62	62	63

* 於二零一八年十二月三十一日

	二零一七年十二月三十一日			總計
	香港	新加坡	台灣	
影城數目**	6	12	13	31
銀幕數目**	23	99	127	249
入場觀眾 (百萬人次)	2.3	9.0	15.8	27.1
平均淨票價 (港元)	84	60	61	62

** 於二零一七年十二月三十一日

本集團銳意為觀眾提供多元化視聽觀賞體驗。本集團所有銀幕已設有先進數碼設備。本集團於二零一八年十二月三十一日在台灣共有七塊IMAX®銀幕。本集團亦一直為觀眾提升觀影體驗，在各地影城裝設3D系統、4DX™、D-Box動感座椅、先進環迴杜比全景聲系統及DTSX音響系統。

Management Discussion and Analysis

管理層討論及分析

Hong Kong

Operating Statistics of the Group's Cinemas in Hong Kong
(For the year ended 31 December 2018)

	2018	2017
Number of cinemas*	7	6
Number of screens*	24	23
Admissions (million)	2.0	2.3
Net average ticket price (HK\$)	84	84
Gross box office receipts (HK\$ million)	167	195

* at 31 December 2018

During the year under review, the Hong Kong market as a whole recorded box office receipts of HK\$1,966.9 million, an increase of 5.5% from HK\$1,864.1 million last year. The Group's cinemas in Hong Kong recorded box office receipts of HK\$166.9 million in this period (2017: HK\$194.6 million), representing a decrease of 14.2%. The decrease was primarily attributable to the net effect of the closure of GH Tsing Yi cinema with 5 screens in January 2018 (GH Tsing Yi cinema 2017 box office: HK\$34.4 million); and the 2 new cinemas opened during mid of the year and end of the year. Net average ticket price of the Group remain stable at HK\$84.3 during the year in Hong Kong.

To enable our cinemas becoming entertainment hubs of greater scope, we showed 118 alternative contents in 2018. It was encouraging that we developed a competent team in organizing the alternative contents and a strong base of alternative content fans. It was proven by our successful alternative content shows such as the Live Broadcast "LOVELIVE! SUNSHINE!!" and the Live Broadcast "iDOLM@STER", which, respectively, reached a remarkable 75.6% and 73.0% fill rates and the two broadcasts recorded an average ticket price of HK\$330.0.

Screen advertising was also a new profit driver to our Hong Kong region as we have already contracted with 22 cinemas as at 31 December 2018, we expected steady growth in revenue and profit in coming years.

香港

本集團香港影城之營運數據
(截至二零一八年十二月三十一日止年度)

	二零一八年	二零一七年
影城數目*	7	6
銀幕數目*	24	23
入場觀眾(百萬人次)	2.0	2.3
平均淨票價(港元)	84	84
票房總收入(百萬港元)	167	195

* 於二零一八年十二月三十一日

於回顧年內，香港市場整體票房收入為19.669億港元，較去年18.641億港元上升5.5%。期內，本集團香港影城之票房收入為1.669億港元(二零一七年：1.946億港元)，減幅為14.2%。有關減少主要由於在二零一八年一月結束內設5塊銀幕之嘉禾青衣電影城業務(嘉禾青衣電影城二零一七年票房：3,440萬港元)；及於年中及年末開設兩家新影城之淨影響。年內，本集團之香港平均淨票價維持穩定於84.3港元。

為令旗下影城成為更多元之娛樂樞紐，本集團於二零一八年上演118場特別節目。我們已組建一隊具競爭力之團隊負責籌辦特別節目，並得到一群特別節目觀眾鼎力支持，成功上演包括現場直播「LOVELIVE! SUNSHINE!!」及現場直播「iDOLM@STER」在內之特別節目，該等節目分別錄得上座率高達75.6%及73.0%，而此兩項直播節目之平均票價均為330.0港元，成績令人鼓舞。

銀幕廣告亦為本集團於香港地區之新溢利來源，於二零一八年十二月三十一日，本集團已與22家影城訂約，預計於未來數年之收益及溢利達致穩定增長。

Management Discussion and Analysis

管理層討論及分析

Singapore

Operating Statistics of the Group's Cinemas in Singapore
(For the year ended 31 December 2018)

	2018	2017
Number of cinemas*	13	12
Number of screens*	105	99
Admissions (million)	8.8	9.0
Net average ticket price (S\$)	10.6	10.6
Box office receipts (S\$ million)	94	95

* at 31 December 2018

During the year, the Singapore market box office receipts dropped by 3.3% to S\$199.4 million (2017: S\$206.1 million) due to lack of record blockbusters. Golden Village cinemas reported box office receipts of S\$93.8 million (2017: S\$95.4 million), representing a slight decrease in box office receipts of 1.6% compared to last year. Nevertheless, the Group's results outperformed the overall Singapore market and we continued to be the market leader with a market share of 47.1% (46.3% in 2017). Golden Village cinemas' Gold Class provides customers a prestige theatrical experience which their automated ticketing machines and auto-gates give patrons an easy, fast and efficient cinematic experience like none of the others.

Hollywood blockbusters are always popular in Singapore and bring a stable profit contribution to the Group. Hollywood blockbusters released during the year included Ant-Man and the Wasp (蟻俠2：黃蜂女現身), Black Panther (黑豹), Incredibles 2 (超人特工隊2), Avengers: Infinity War (復仇者聯盟3：無限之戰), Deadpool 2 (死侍2), Jurassic World: Fallen Kingdom (侏羅紀世界：迷失國度), Mission: Impossible — Fallout (職業特工隊：叛逆之謎) and Aquaman (水行俠). Apart from the Hollywood blockbusters, Korea language blockbusters: Along With the Gods: The Two Worlds (與神同行) and Along With The Gods: The Last 49 Days (與神同行：終極審判) were also welcomed by Singapore market. The major Chinese language blockbuster in Singapore was Wonderful! Liang Xi Mei (旺得福梁細妹).

Since the completion of acquiring the remaining 50% equity interest of Dartina Development Limited (the "Acquisition") in October 2017, we changed the accounting of its results from equity accounting to full consolidation. For details of the Acquisition, please refer to the circular dated 19 December 2017 of the Company published on the website of The Hong Kong Exchanges and Clearing Limited.

新加坡

本集團新加坡影城之營運數據
(截至二零一八年十二月三十一日止年度)

	二零一八年	二零一七年
影城數目*	13	12
銀幕數目*	105	99
入場觀眾 (百萬人次)	8.8	9.0
平均淨票價 (新加坡元)	10.6	10.6
票房收入 (百萬新加坡元)	94	95

* 於二零一八年十二月三十一日

年內，新加坡票房收入下跌3.3%至1.994億新加坡元(二零一七年：2.061億新加坡元)，原因為缺乏破記錄猛片。嘉華院線錄得票房收入9,380萬新加坡元(二零一七年：9,540萬新加坡元)，票房收入較去年微跌1.6%。儘管如此，本集團業績仍優於新加坡整體市場，並繼續穩踞領導地位，市場佔有率為47.1%(於二零一七年為46.3%)。嘉華院線之Gold Class影城為顧客提供尊上影院體驗，自動售票機及自動閘門為顧客帶來前所未有之簡單、快捷及有效率之電影體驗。

荷里活猛片在新加坡市場一直叫座，為本集團帶來穩定溢利貢獻。年內上映之荷里活猛片包括《蟻俠2：黃蜂女現身》、《黑豹》、《超人特工隊2》、《復仇者聯盟3：無限之戰》、《死侍2》、《侏羅紀世界：迷失國度》、《職業特工隊：叛逆之謎》及《水行俠》。除荷里活猛片外，韓語猛片《與神同行》及《與神同行：終極審判》亦在新加坡市場廣受歡迎。新加坡華語猛片主要有《旺得福梁細妹》。

由於在二零一七年十月完成收購嘉年華影業有限公司餘下50%股權(「收購事項」)，我們將業績之會計處理方法由權益入賬更改為全面綜合入賬。有關收購事項之詳情，請參閱本公司於香港交易及結算所有限公司網站刊發日期為二零一七年十二月十九日之通函。

Management Discussion and Analysis

管理層討論及分析

Taiwan

Operating Statistics of the Group's Cinemas in Taiwan
(For the year ended 31 December 2018)

	2018	2017
Number of cinemas*	14	13
Number of screens*	147	127
Admissions (million)	15.8	15.8
Net average ticket price (NTD)	236	234
Box office receipts (NTD billion)	3.7	3.7

* at 31 December 2018

During the period, Taiwan's market box office receipts amounted to NTD10.8 billion, representing an increase of 2.1% from NTD10.6 billion in last year. The Group's 35.71% owned Vie Show cinema circuit ("Vie Show") recorded total box office receipts of NTD3,732.3 million (2017: NTD3,685.7 million), representing an increase of 1.3% from last year and the share of reportable segment profit from Vie Show increased from HK\$30.9 million to HK\$36.5 million compared to last year, representing a 18.0% increment. Vie Show continued to be the largest film exhibitor in Taiwan. Adhering to the Group's comprehensive entertainment hub strategy, Vie Show continues its operation in the popular "UNICORN" handmade popcorn counter in all its 14 cinemas. Vie Show also opened a Japanese Premium French Toast restaurant in Taichung Mitsui Outlet mall in December 2018, first store outside Japan which close to 10,000 customers have been served in its first month of operation.

Film & TV Programme Distribution and Production

On an aggregated basis the Group's film distribution and production business recorded revenue of HK\$53.6 million (2017: HK\$47.6 million), representing an increase of 12.6% compared to last year. The distribution revenue was mainly generated by distributing some famous releases such as *Operation Red Sea* (紅海行動), *Men On The Dragon* (逆流大叔), *Big Brother* (大師兄) and *Tracey* (翠絲) in Hong Kong. *Hindi Medium* (起跑線), an Indian Hindi-language comedy-drama film, was also distributed in Hong Kong and welcomed by the market. The Group also participated in the advertising activities of *Project Gutenberg* (無雙) in Hong Kong. The famous releases outside Hong Kong were *Back to the Good Times* (花甲大人轉男孩) and *The Devil Fish* (人面魚紅衣小女孩外傳) in Taiwan and *Along With the Gods: The Two Worlds* (與神同行), *Along With the Gods: The Last 49 Days* (與神同行：終極審判) and *Wonderful! Liang Xi Mei* (旺得福梁細妹) in Singapore. For the production sector, the Group will continue to invest independently and cooperatively with local and overseas studios to produce movies and TV programmes of high quality and carry out intellectual property redevelopment in the foreseeable future. The Group's film library with perpetual distribution rights kept on bringing steady licensing income to the Group.

台灣

本集團台灣影城之營運數據
(截至二零一八年十二月三十一日止年度)

	二零一八年	二零一七年
影城數目*	14	13
銀幕數目*	147	127
入場觀眾 (百萬人次)	15.8	15.8
平均淨票價 (新台幣)	236	234
票房收入 (十億新台幣)	3.7	3.7

* 於二零一八年十二月三十一日

期內，台灣之票房收入達108億新台幣，較去年106億新台幣增加2.1%。本集團擁有35.71%權益之威秀院線(「威秀」)錄得票房總收入37.323億新台幣(二零一七年：36.857億新台幣)，較去年增加1.3%，佔威秀影院業務之報告分部溢利由去年3,090萬港元增至3,650萬港元，升幅為18.0%。威秀一直為台灣最大影城營運商。威秀奉行本集團之全面娛樂樞紐策略，繼續於全線14家影城經營廣受歡迎之「UNICORN」手工爆米花業務。威秀亦於二零一八年十二月在台中港三井Outlet商場開設Japanese Premium French Toast餐廳，該餐廳為日本國外首間門店，於開業首月已服務近10,000名顧客。

電影及電視節目發行及製作

本集團電影發行及製作業務合計錄得收益5,360萬港元(二零一七年：4,760萬港元)，較去年增加12.6%。發行收益主要源自發行多部猛片，例如於香港發行《紅海行動》、《逆流大叔》、《大師兄》及《翠絲》。印度印地語喜劇電影《起跑線》亦在香港發行並廣受市場歡迎。本集團亦參與《無雙》在香港之宣傳活動。在香港境外發行之猛片包括於台灣上映之《花甲大人轉男孩》及《人面魚紅衣小女孩外傳》與在新加坡上映之《與神同行》、《與神同行：終極審判》及《旺得福梁細妹》。製作業務方面，本集團將於可見將來透過自資以及與本地及海外製作公司合作，繼續製作高質電影與電視節目以及授權商品重新開發。本集團擁有永久性發行權之電影片庫繼續為本集團帶來穩定版權收入貢獻。

Management Discussion and Analysis

管理層討論及分析

Financial Review

Profit and loss

In 2018, the Group's revenue increased by 4.4% to HK\$1,051.0 million, mainly reflecting the acquisition of the remaining 50% interest in our Singapore business which changed the accounting of its results from equity accounting to full consolidation upon the completion on 25 October 2017 and the disposal of the China Exhibition business in 2017. Significant revenue was derived from the China Exhibition business in 2017 which was not repeated in 2018 after the disposal, however, the Singapore business filled up the gap. The Group's gross profit increased by 8.5% to HK\$653.4 million and gross profit margin improved slightly by 2.4 percentage points to 62.2%.

Share of profits of joint ventures in 2018 amounted to HK\$35.8 million, a decrease of 51.6%. The decrease was mainly reflecting the change of our accounting of the Singapore business which contributed HK\$43.8 million in 2017, results of the Taiwan business alone was HK\$30.2 million in 2017, an increase of 18.6% in 2018.

Profit attributable to the equity holders of the Company amounted to HK\$52.5 million as compared to HK\$2,242.1 million in last year. This was mainly due to several one-off items with net gains of HK\$2,747.8 million recorded in 2017 including gains on disposals, fair value change of derivative financial instruments, loss on re-measurement of liability component of convertible bonds, etc. No such one-off gains happened in 2018.

Statement of financial position

Our financial position remained healthy. The Group's net assets decreased by HK\$661.6 million, from HK\$2,842.7 million as at 31 December 2017 to HK\$2,181.1 million as at 31 December 2018. Total assets decreased by HK\$650.6 million to HK\$4,026.2 million. These were mainly due to the payment of a special dividend of HK\$708.3 million in January 2018. Cash and cash equivalents of the Group was HK\$1,290.1 million (31 December 2017: HK\$1,961.1 million). Non-current pledged bank balances were kept at HK\$137.0 million, at the same level as last year. Outstanding borrowings amounted to HK\$1,299.3 million (31 December 2017: HK\$1,234.9 million), which comprised mainly interest-bearing bank loans. The interest-bearing bank loans were secured by pledged cash, corporate guarantees, equity shares and properties. The Group's gearing ratio (measured as total borrowings to total assets) was maintained at 32.3% (31 December 2017: 26.4%) and the Group was in a net cash position (measured as cash and bank deposits less total borrowings) of HK\$127.7 million (31 December 2017: HK\$910.6 million).

財務回顧

溢利及虧損

於二零一八年，本集團收益增加4.4%至10.51億港元，主要反映收購新加坡業務餘下50%權益（於二零一七年十月二十五日完成時其業績之會計處理方法由權益入賬更改為全面綜合入賬）及於二零一七年出售中國影城業務之影響。二零一七年之重大收益源自中國影城業務，有關收益於出售事項後在二零一八年不復見，但新加坡業務成功填補此落差。本集團毛利增加8.5%至6.534億港元，毛利率微升2.4百分點至62.2%。

於二零一八年，應佔合營企業之溢利為3,580萬港元，減幅為51.6%。減少主要反映新加坡業務之會計處理方法變動，新加坡業務於二零一七年貢獻4,380萬港元。台灣業務於二零一七年之業績為3,020萬港元，於二零一八年增長18.6%。

本公司權益持有人應佔溢利為5,250萬港元，而去年則為22,421億港元，主要由於二零一七年多個一次性項目錄得淨收益27,478億港元，該等項目包括出售事項收益、衍生金融工具公允價值變動及重新計量可換股債券負債部分之虧損等。於二零一八年不再錄得該等一次性收益。

財務狀況表

我們財務狀況維持穩健。本集團資產淨值由二零一七年十二月三十一日之28.427億港元減少6.616億港元至二零一八年十二月三十一日之21.811億港元。資產總值減少6.506億港元至40.262億港元，主要由於二零一八年一月派付特別股息7.083億港元。本集團現金及現金等值項目為12.901億港元（二零一七年十二月三十一日：19.611億港元）。非即期銀行結餘質押為1.370億港元，與去年水平相同。未償還借貸為12.993億港元（二零一七年十二月三十一日：12.349億港元），主要包括附息銀行貸款。附息銀行貸款以現金結餘質押、公司擔保、權益股份及物業作抵押。本集團之資產負債比率（按貸款總額除資產總值計算）維持於32.3%（二零一七年十二月三十一日：26.4%），而本集團持有淨現金（按現金及銀行存款減貸款總額計算）1.277億港元（二零一七年十二月三十一日：9.106億港元）。

Management Discussion and Analysis

管理層討論及分析

Outlook

While concerns over rising US interest rates and the full impact of the trade war between the world's two largest economic powers has yet to be felt, it has nonetheless started to affect market sentiment and consumer spending. The overall operating environment will become increasingly challenging. We are making preparations in advance to tackle the possible adversity. We will continue to strengthen our core competencies, while at the same time focus on reviewing our upcoming cinema expansion strategy as well as seek out further opportunities to new investment projects, especially in the entertainment and lifestyle industries.

In Taiwan, Vie Show will consistently stick with the cinema network expansion strategy. Plenty of potential sites and more cinemas are expected to be opened in the coming few years.

In Hong Kong, the Group will further invest into the film exhibition business by opening one new cinema in the 2019. Riding on the success of alternative contents in previous years, the Group will cooperate with different business partners to offer a variety of events including live broadcasting of Japanese and Korean mini-concerts and fans meeting in the cinemas. It is expected that the growth of demand for alternative shows will continue to bring considerable profit to the Group. At the same time, the Group will keep selectively invest in film and video production and distribution business as well as any high return projects.

In Singapore, the Group will continue to grow by actively pursuing suitable cinema sites that bring us additional steadily cash flow. It is expected a cinema in Funan with 7 screens will be launched in 2019. Adopting the strategy to diversify the earning stream to achieve sustainable growth, advanced settings such as 4DX™ motion seat hall and Gemini couple seat to offer an extraordinary movie experience as well as conventional halls to cater to the mass market will be provided in some of our new sites.

Looking ahead, the Group will continue to actively seek investment opportunities in the regional media, entertainment, technology and lifestyle sectors that are related to the Group's existing business, and at the same time be prepared to seek other new businesses that shall add value to our Shareholders. The directors are confident that the Group will be able to achieve sustainable growth and deliver long term value to the shareholders, and at the same time keep diversifying the business as well.

前景

雖然市場對美國加息之憂慮以及世界兩大經濟體進行貿易戰帶來之全面影響尚未明朗，市場氣氛及消費者開支仍然開始受到影響。整體經營環境面對之挑戰將日益嚴峻。我們亦當未雨綢繆，迎接可能面對之逆境。我們將繼續加強核心競爭力，同時集中檢討即將展開之影城擴張策略，尋找機會進行新投資項目，特別是娛樂及時尚生活行業。

台灣方面，威秀將貫徹一致地堅持旗下影院網路擴張計劃。預期將於未來數年開發大量具有潛力之地點及開設更多影城。

香港方面，本集團將進一步投資影院業務，於二零一九年開設一家新影院。隨著過去數年成功籌辦特備節目，本集團將乘勢與不同業務夥伴攜手合作，在旗下影城現場直播日韓藝人小型演唱會及舉行見面會等綜藝活動。預期對特備節目之需求增長將為本集團帶來可觀溢利。同時，本集團將繼續選擇性投資電影及影碟製作及發行業務以及任何高回報項目。

新加坡方面，本集團將繼續積極物色能為我們帶來額外穩定現金流量之合適影城地點以取得增長。預期將於二零一九年在Funan推出內設7塊銀幕之影城。透過奉行分散盈利來源之策略以達致可持續發展，部分新影城將加設4DX™動感座椅影廳及雙子情侶座位等先進設施以提供非凡觀影體驗，亦將設有傳統影廳以迎合普羅大眾之喜好。

展望未來，本集團將繼續在各地與本集團現有業務相關的傳媒、娛樂、科技及時尚生活領域中積極尋找投資機會，並準備就緒，尋找將可提升股東價值之其他新業務。董事有信心本集團將可達致可持續增長，並為股東帶來長遠價值，同時繼續多元化發展業務。

Management Discussion and Analysis

管理層討論及分析

Financial Resources and Liquidity

As of 31 December 2018, the Group had cash and cash equivalents amounting to HK\$1,290.1 million (31 December 2017: HK\$1,961.1 million). The Group's total outstanding borrowings amounted to HK\$1,299.3 million (31 December 2017: HK\$1,234.9 million), which comprised mainly bank borrowings. The Group's gearing ratio, calculated on the basis of total borrowings over total assets stood at a healthy level of 32.3% (31 December 2017: 26.4%) and our cash to debt ratio at 109.8% (31 December 2017: 173.7%). As of 31 December 2018, the Group had HK\$137.0 million pledged cash balances to secure its banking facilities. In order to minimise potential risks for the Group's development and economic status, the management will keep monitoring gearing and will make relative adjustments if necessary. The Group at this moment has reasonable financial leverage. Meanwhile, the Group takes advantage of equity financing together with available bank loan facilities to fund the cinema projects, potential acquisitions of profitable business opportunities so as to implement its expansion plan. The Group believes that its current cash holding and available financial facilities will provide sufficient resources for its working capital requirements.

The Group's assets and liabilities are principally denominated in Hong Kong dollars, Renminbi and Singapore dollars, except for certain assets and liabilities associated with the investments in Taiwan. The overseas joint venture of the Group is operating in its local currencies and is subject to minimal exchange risk. The directors will continue to assess the exchange risk exposure, and will consider possible hedging measures in order to minimize the risk at reasonable cost. The Group did not have any significant contingent liabilities or off-balance sheet obligations as of 31 December 2018 (31 December 2017: Nil).

財務資源及流動資金

於二零一八年十二月三十一日，本集團之現金及現金等值項目達12.901億港元(二零一七年十二月三十一日：19.611億港元)。本集團之未償還貸款總額達12.993億港元(二零一七年十二月三十一日：12.349億港元)，主要包括銀行貸款。本集團按借貸總額除資產總值計算之資產負債比率維持於32.3%(二零一七年十二月三十一日：26.4%)之穩健水平，而現金負債比率則為109.8%(二零一七年十二月三十一日：173.7%)。於二零一八年十二月三十一日，本集團將為數1.370億港元之銀行結餘質押，作為取得銀行借貸之抵押。為降低本集團發展計劃及經濟狀況之潛在風險，管理層將繼續監察資產負債比率及於有需要時作出相應調整。目前，本集團維持合理財務槓桿比率。同時，本集團透過股本融資及任何可動用之銀行貸款融資，為影城項目、潛在有利可圖之收購商機提供資金以落實其擴展計劃。本集團相信目前持有之現金及備用財務融資將足以應付其營運資金需求。

本集團之資產與負債主要以港元、人民幣及新加坡元計值，惟若干與台灣投資有關之資產及負債除外。本集團海外合營企業以當地貨幣經營業務，所承受之外匯風險極低。董事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。於二零一八年十二月三十一日，本集團並無任何重大或然負債或資產負債表外債務(二零一七年十二月三十一日：無)。

Management Discussion and Analysis

管理層討論及分析

Employees and Remuneration Policies

As at 31 December 2018, the Group had 367 (2017: 394) permanent employees. The Group remunerates its employees mainly by reference to industry practice. The Group also operates a defined contribution retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance and as at 31 December 2018, there were no forfeited contributions 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 2018 (31 December 2017: Nil).

僱員及薪酬政策

於二零一八年十二月三十一日，本集團聘用367名(二零一七年：394名)全職僱員。本集團主要根據行業慣例釐定僱員薪酬。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，而於二零一八年十二月三十一日，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二零一八年十二月三十一日止年度之任何末期股息(二零一七年十二月三十一日：無)。

Corporate Governance Report

企業管治報告

Code on Corporate Governance Practices

The Board recognises the importance of good corporate governance to maintain the Group's competitiveness and lead to its healthy growth. The Company has taken steps not only to comply with code provisions as set out in the Corporate Governance Code (the "CG Code") under Appendix 14 to the Listing Rules but also to aim at enhancing corporate governance practices of the Group as whole.

For the year ended 31 December 2018, the Company has complied with the code provisions of CG Code, with the exception of code provisions A.4.1 and E.1.2.

Pursuant to code provision A.4.1 of the CG Code, non-executive directors of a listed issuer should be appointed for a specific term, subject to re-election. All non-executive Directors were not appointed for a specific term but are subject to the requirement of retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws, accomplishing the same purpose as being appointed for a specific term. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the code provisions of the CG Code.

According to code provision E.1.2, Mr. Wu Kebo, the Chairman of the Board, should have attended the annual general meeting of the Company held on 12 June 2018. However, Mr. Wu Kebo was unable to attend the abovementioned annual general meeting due to another business commitment. Mr. Li Pei Sen, who took the chair of the said annual general meeting, together with other members of the Board who attended the annual general meeting were of sufficient caliber and knowledge for answering questions at the annual general meeting.

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 2018.

企業管治常規守則

董事會深明良好企業管治對維持本集團競爭力及業務穩健增長之重要性。本公司已採取措施，以遵守上市規則附錄十四企業管治守則（「企業管治守則」）所載守則條文，同時亦提升本集團之整體企業管治常規。

截至二零一八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A.4.1及E.1.2條守則條文除外。

根據企業管治守則第A.4.1條守則條文，上市發行人之非執行董事須按指定任期獲委任，並須遵守重選規定。全體非執行董事並無指定任期，惟須按本公司細則之相關規定，最少每三年於本公司之股東週年大會輪值退任一次，並重選連任，此舉目的與指定委任任期相同。因此，本公司認為已採取足夠措施確保本公司企業管治常規不較企業管治守則項下守則條文所載者寬鬆。

根據第E.1.2條守則條文，董事會主席伍克波先生須出席本公司於二零一八年六月十二日舉行之股東週年大會。然而，伍克波先生因其他公務而未能出席上述股東週年大會。擔任上述股東週年大會主席之李培森先生，連同出席股東週年大會之其他董事會成員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，於截至二零一八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。

Corporate Governance Report

企業管治報告

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" 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.

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 ended 31 December 2018, Board meetings and general meetings of the Company were held and the composition of the Board and the attendance of the Directors at these meetings are as follows:

截至二零一八年十二月三十一日止年度，本公司曾舉行董事會會議及股東大會，董事會組成及董事出席該等會議之情況如下：

Members 成員		Board Meetings	General Meetings
		Attended/Eligible to Attend 曾出席／合資格 出席董事會會議	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)	5/13	0/2
Wu Keyan (Note 1)	伍克燕 (附註 1)	12/13	2/2
Mao Yimin	毛義民	12/13	2/2
Li Pei Sen	李培森	2/13	2/2
Chow Sau Fong, Fiona	鄒秀芳	12/13	2/2
<i>Independent non-executive Directors</i> 獨立非執行董事			
Leung Man Kit	梁民傑	4/13	2/2
Wong Sze Wing	黃斯穎	3/13	1/2
Fung Chi Man, Henry	馮志文	4/13	2/2

Note:

1. Ms. Wu Keyan is the sister of Mr. Wu Kebo.

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.

If a Director has a potential conflict of interest in a matter being considered in the Board meeting, the Director having such potential interest in the matter shall abstain from voting. Independent non-executive Directors with no conflict of interest were present at such meeting to deal with such conflict of interest issues.

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.

The Board has received from each independent non-executive Director a written confirmation of his/her independence and the Board considers all of them to be independent pursuant to Rule 3.13 of the Listing Rules.

附註：

1. 伍克燕女士為伍克波先生之胞妹。

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。

倘董事與董事會會議上討論之事項有潛在利益衝突，則於有關事項有潛在利益之董事須放棄投票。並無利益衝突之獨立非執行董事已出席有關會議，以處理該等利益衝突事項。

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。

董事會已接獲各獨立非執行董事有關彼等之獨立身分之書面確認，董事會認為，根據上市規則第3.13條，全體獨立非執行董事均屬獨立人士。

Corporate Governance Report

企業管治報告

The appointment of independent non-executive Directors adheres to the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules. As disclosed in the announcement of the Company dated 7 June 2016, Mr. Fung Chi Man, Henry ("Mr. Fung") is a partner of Holman Fenwick Willan ("HFV"), which is currently providing services to the Company and one of its subsidiaries relating to a debt collection case, the Company is satisfied that the appointment of Mr. Fung as an independent non-executive Director is justified due to the following reasons:

- (a) Mr. Fung has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has he been involved in the Company's day-to-day management and operations or employed by any member of the Group;
 - (b) Mr. Fung does not have any familial or contractual relationships with any directors, senior management or substantial or controlling shareholder of the Company, or any of their respective associates, nor does he hold any other position with the Company or its connected persons, or any of their respective holding company or subsidiaries;
 - (c) Mr. Fung has over 20 years of experience and knowledge of the legal industry. The Company believes that Mr. Fung is able to exercise his professional judgment and draw upon his extensive legal knowledge for the benefit of the Company and its shareholders as a whole, in particular, the independent shareholders;
 - (d) Mr. Fung is able to confirm his independence to the Exchange in respect of each of the factors set out in Rule 3.13 of the Listing Rules other than Rule 3.13(3) which considers whether an individual is independent if he is a director, partner or principal of a professional adviser which currently provides services to a listed issuer, its holding company or any of their respective subsidiaries or core connected persons; and
 - (e) HFV is currently providing services to the Company and one of its subsidiaries in relation to one particular debt collection case. The case is being handled by other solicitors of HFV, and Mr. Fung personally has not been directly or indirectly involved in handling such particular case or otherwise in the provision of any legal advice or services to the Company and any of its subsidiaries. Therefore, the Company considers that this should not affect Mr. Fung's independence. Further, whilst Mr. Fung remains a director of the Company, neither the Company nor any of its subsidiaries intends to engage HFV for any services after the appointment of Mr. Fung, except for the ongoing debt collection case. Mr. Fung will also excuse himself from any discussion of the Board involving HFV as legal adviser for a particular matter, handling dispute between HFV and the Company (if any) or reviewing the performance of HFV.
- 委任獨立非執行董事遵循上市規則第3.13條所載有關評估獨立性之指引。誠如本公司日期為二零一六年六月七日之公佈所披露，馮志文先生(「馮先生」)為夏禮文律師行(「夏禮文」)之合夥人，而夏禮文現正就一宗債務追收案件向本公司及旗下其中一間附屬公司提供服務，本公司信納馮先生獲委任為獨立非執行董事有充分理由支持，有關理由如下：
- (a) 馮先生未曾亦並無於本公司及其附屬公司擔任任何行政或管理職務或職能，亦無參與本公司日常管理及營運或受聘於本集團任何成員公司；
 - (b) 馮先生與本公司任何董事、高級管理人員或主要或控股股東或彼等各自之任何聯繫人並無任何家族或合約關係，亦無於本公司或其關連人士或彼等各自之任何控股公司或附屬公司出任任何其他職位；
 - (c) 馮先生於法律界擁有逾20年經驗及豐富知識。本公司相信，馮先生能作出專業判斷，利用其豐富法律知識為本公司及其股東(尤其是獨立股東)整體帶來利益；
 - (d) 馮先生能向聯交所就上市規則第3.13條所載每項因素確認其獨立性，惟第3.13(3)條(有關考慮倘個別人士為現正向上市發行人、其控股公司或彼等各自之任何附屬公司或核心關連人士提供服務之專業顧問之董事、合夥人或主事人，該名人士是否屬獨立)除外；及
 - (e) 夏禮文現正就一宗特定債務追收案件向本公司及旗下其中一間附屬公司提供服務。該案件乃由夏禮文之其他律師處理，且馮先生個人並無直接或間接參與處理該特定案件或向本公司及其任何附屬公司提供任何法律意見或服務。因此，本公司認為上述情況並不影響馮先生之獨立性。此外，當馮先生仍為本公司董事期間，除現有債務追收案件外，本公司或其任何附屬公司無意於委任馮先生後委聘夏禮文提供任何服務。馮先生亦將避席涉及夏禮文就特定事項擔任法律顧問、處理夏禮文與本公司之糾紛(如有)或審閱夏禮文之表現之任何董事會討論。

Corporate Governance Report

企業管治報告

To the best knowledge of the Company, except for (i) Ms. Wu who is the sister 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.

In case there is any newly appointed Director, he/she will be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the Listing Rules and other relevant legal and regulatory requirements.

All the Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. All the Directors, namely Mr. Wu, Mr. Mao, Mr. Li, Ms. Wu, Ms. Chow, Mr. Leung, Ms. Wong and Mr. Fung, were provided with reading materials on updates about taxation, duties of directors and role and function of board committees and corporate governance. All Directors have provided the Company with their respective training records pursuant to 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.

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

據本公司所深知，除 (i) 伍女士為伍先生之胞妹；(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及本年報「董事會報告」內「董事及主要行政人員於股份、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。

如有任何新委任董事，彼將獲提供所需入職培訓及資料，確保彼對本公司營運及業務以及彼根據上市規則以及其他相關法例及法規承擔之責任有充份瞭解。

本公司鼓勵全體董事參與持續專業發展，以發展及重溫彼等之知識及技能。全體董事（即伍先生、毛先生、李先生、伍女士、鄒女士、梁先生、黃女士及馮先生）均獲提供有關稅務、董事職責及董事委員會的角色及職能以及企業管治最新資訊之閱覽資料。全體董事已根據企業管治守則各自向本公司提供彼等之培訓記錄。

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 14 所載企業管治守則及企業管治報告之情況。

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。

Corporate Governance Report

企業管治報告

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, Mr. Mao, has been focusing on strategic planning and assessing merger and acquisition opportunities for the Company.

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

NON-EXECUTIVE DIRECTORS

All non-executive Directors were not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws, accomplishing the same purpose as being appointed for a specific term. At the Board meetings and Board committee meetings where constructive views and comments of the non-executive Directors are given, the non-executive Directors provide independent judgement on the issues relating to the strategy, performance, conflict of interest and management process.

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 2018, the Company Secretary confirmed that she had taken no less than 15 hours of relevant professional training.

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 2018, 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.

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。

首席執行官毛先生專責策略謀劃及評估本公司之合併與收購機會。

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。

非執行董事

全體非執行董事並無指定任期，惟須按本公司之公司細則相關規定，最少每三年於本公司股東週年大會輪值退任一次，並重選連任，此舉目的與指定任期相同。在董事會會議以及董事委員會會議上，非執行董事提供建設性意見及建議，並為有關策略、業績、利益衝突及管理過程之事宜作出獨立判斷。

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。截至二零一八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。

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。於二零一八年十二月三十一日，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。

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During the year ended 31 December 2018, two Audit Committee meetings were held and the individual attendance of the members of the Audit Committee is set out as follows:

截至二零一八年十二月三十一日止年度，本公司曾舉行兩次審核委員會會議，審核委員會個別成員之出席情況如下：

Members 成員	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)	2/2
Wong Sze Wing	黃斯穎	2/2
Fung Chi Man, Henry	馮志文	2/2

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.

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。

During the year ended 31 December 2018, 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.

截至二零一八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。

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 2018.

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，本公司已於截至二零一八年十二月三十一日止年度遵守有關規定。

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企業管治報告

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 2018 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 2018 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 (<i>Chairman</i>)	黃斯穎(主席)	1/1
Wu Kebo	伍克波	1/1
Leung Man Kit	梁民傑	1/1

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鉤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。

薪酬委員會於截至二零一八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。截至二零一八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：

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Pursuant to the CG Code provision B.1.5, the remuneration of the members of the senior management of the Group (which include the executive Directors only) by band for the year ended 31 December 2018 is set out below:

Remuneration bands (HK\$) 薪酬範圍(港元)	Number of Individuals 人數
< 1,000,000	2
1,000,001–5,000,000	2
5,000,001–10,000,000	0
> 10,000,001	1

Details of emoluments of each Director are set out in note 8 to the financial statements on pages 103 to 104 of this annual report.

根據第B.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)截至二零一八年十二月三十一日止年度之薪酬範圍載列如下：

董事各自之酬金詳情，載於本年報第167至168頁之財務報表附註8。

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.

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主要行政人員相關事宜。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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企業管治報告

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 40 and 71. 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.

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.

截至本報告日期，8名董事其中3名(佔總數約38%)為女性。董事之年齡介乎40至71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。

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。

Corporate Governance Report

企業管治報告

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 2018 to review the structure, size and composition of the Board; to consider and recommend to the Board the 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。

提名委員會於截至二零一八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)	1/1
Leung Man Kit	1/1
Wong Sze Wing	1/1

AUDITORS' REMUNERATION

For the year ended 31 December 2018, the fees paid/payable to the Group's auditors, Messrs. KPMG, are set out as follows:

核數師酬金

截至二零一八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	2,276
Non-audit services	1,077

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 68 to 72 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68至72頁之獨立核數師報告書內。

Corporate Governance Report

企業管治報告

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.

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 2018, 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 C.2 on risk management and internal control as set out in the CG Code contained in Appendix I4 to the Listing Rules.

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。

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。

董事會於截至二零一八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政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 I4 內企業管治守則項下有關風險管理及內部監控之第 C.2 條守則條文規定。

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.

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。

Corporate Governance Report

企業管治報告

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 Level 22, Hopewell Centre, 183 Queen's Road East, 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 24/F, Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong or via email address: ir@goldenharvest.com.

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 2018, 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.

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，地址為香港皇后大道東一八三號合和中心二十二樓。

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告士打道一五一號資本中心二十四樓)，或電郵至 ir@goldenharvest.com。

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

截至二零一八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。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

We recognise that shareholders, customers and other important stakeholders expect us to conduct business in a manner that positively contributes to society and the environment. Since 2012, the Group has reported annually on its environmental, social and governance (“ESG”) policies, practices and performance.

This report is prepared in accordance with the provisions of the latest ESG Reporting Guide issued by the Stock Exchange of Hong Kong (“HKEX”), with reference to the Global Reporting Initiative (“GRI”). It provides an overview of the Group’s actions and achievements for the period covering 1 January 2018 to 31 December 2018, and includes information from previous years for comparison, where relevant.

This year, we have extended the scope of this report so that it covers both our Hong Kong and Singapore operations. The report does not cover our cinema business in Taiwan, where we operate through joint ventures in which we only have a minority stake.

Unless otherwise specified, the environmental data disclosed for Hong Kong covers 7 multiplex cinemas (including 2 newly opened cinemas during the reporting period and excluding GH Tsing Yi Cinema which closed in the year), our corporate office, a staff apartment, a warehouse and Joō de Rolls café. The data for Singapore covers 13 multiplex cinemas (including 1 newly opened cinema during the reporting period) and our corporate office.

STAKEHOLDER ENGAGEMENT REVIEW AND MATERIALITY ASSESSMENT

We regularly review stakeholder feedback to understand what matters most to individuals and organisations that could influence our business success. Our key stakeholders include customers, employees, investors, suppliers and business partners, the community and regulators.

Since 2016, the Group has engaged an independent consultant to review stakeholder feedback collected or received via various channels, including customer feedback via email and social media platforms, media coverage, employee surveys, and internal control reports during the reporting period.

Based on the analysis of the stakeholder feedback, we have identified the following ten material Aspects within the HKEX ESG Reporting Guide that are disclosed in this report. These issues have been validated by the Group’s senior management.

關於本報告

我們認識到股東、客戶及其他重要權益人期望我們以對社會和環境作出正面貢獻的方式經營業務。自二零一二年以來，本集團一直每年匯報其環境、社會及管治（「環境、社會及管治」）的政策、常規及表現。

本報告乃根據香港聯合交易所有限公司（「聯交所」）所頒佈最新環境、社會及管治報告指引的條文並參考全球報告倡議組織（Global Reporting Initiative）（「全球報告倡議組織」）編製，當中提供有關本集團於二零一八年一月一日至二零一八年十二月三十一日期間的舉措和成果的概覽，並載有過往年度的相關資料以作比較。

於本年度，我們將本報告範圍延伸至涵蓋香港及新加坡業務。報告並不涵蓋我們於台灣的影城業務，於台灣我們透過僅持有少數權益的合營企業經營業務。

除非另有指明，所披露香港環境數據涵蓋7家多廳影城（包括於報告期內新開設2家影城，惟不包括於年內結束之嘉禾青衣電影城）、公司辦公室、一個員工宿舍、一個倉庫及Joō de Rolls咖啡室。新加坡數據則涵蓋13家多廳影城（包括於報告期內新開設1家影城）及公司辦公室。

權益人意見審閱及議題重要性評估

我們定期審閱權益人的回應，以了解對可能影響我們業務成功的個人和機構最重要的事情。我們的主要權益人包括客戶、僱員、投資者、供應商、商業夥伴、社區及監管機關。

自二零一六年起，本集團已委聘獨立顧問審閱於報告期內透過不同渠道收集或接獲的權益人回應，包括透過電郵及社交媒體平台收集的客戶回應、媒體報導、僱員調查及內部監控報告。

根據對權益人回應所作的分析，我們已從聯交所環境、社會及管治報告指引中識別出以下十大層面，並於本報告中披露。該等議題已獲本集團高級管理層核實。

Environmental, Social and Governance Report

環境、社會及管治報告

SUBJECT AREA 主要範疇	CATEGORY 類別	ISSUE 議題
Environment 環境		1. Emissions 排放物
		2. Use of Resources 資源使用
		3. The Environment and Natural Resources 環境及天然資源
Social 社會	Employment and Labour Standards 僱傭及勞工準則	4. Employment 僱傭
		5. Health and Safety 健康與安全
		6. Development and Training 發展及培訓
	Operating Practices 營運慣例	7. Supply Chain Management 供應鏈管理
		8. Product Responsibility 產品責任
	Community 社區	9. Anti-corruption 反貪污
		10. Community Investment 社區投資

Note: Given our business nature and locations of operation, the risk of child labour and forced labour in our business is low, and therefore we do not consider "Labour Practices" to be a material concern. The Group ensures compliance with all relevant labour laws governing minimum working age in the markets in which it operates. Forced labour is strictly prohibited.

附註：基於我們的業務性質及經營所在地，我們業務出現童工及強制勞工的風險為低，故我們並不認為「勞工常規」是重大問題。本集團確保遵守經營所在市場所有規管最低工作年齡的相關勞工法例。本集團嚴禁聘用強制勞工。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL RESPONSIBILITY

The Group is committed to minimising its impact on the environment, and tracks key performance metrics to monitor waste generation, carbon emissions, and consumption of energy and water. Using natural resources responsibly is not only the right thing to do, it often results in improved efficiency and cost savings, which have tangible business benefits. Beyond complying with relevant laws and regulations, the Group continually seeks to optimise its environmental performance through facilities and process improvements, and by encouraging our staff and customers to adopt environmentally-friendly behaviour.

環境責任

本集團致力減低其對環境造成的影響，並留意關鍵績效指標，以監察廢物產生、碳排放以及耗能耗水。以負責任態度使用天然資源不僅是正確的事，此舉亦通常有助提升效益及節省成本，帶來實際業務裨益。除遵守相關法例法規外，本集團一直尋求透過改善設施及程序，同時鼓勵員工和客戶實踐環保，藉以提高環境表現。

Key Performance Metrics (Hong Kong)

關鍵績效指標 (香港)

Use of resources 資源使用	Unit 單位	2018 二零一八年	2017 二零一七年
Electricity consumption 耗電量	kWh 千瓦時	2,715,980	2,929,181
Electricity intensity ¹ 耗電密度 ¹	kWh/m ² 千瓦時/平方米	152	183
Water consumption 耗水量	m ³ 立方米	2,042	10,905
Water consumption intensity ² 耗水密度 ²	m ³ /m ² 立方米/平方米	0.11	0.68
Emissions 排放物	Unit 單位	2018 二零一八年	2017 二零一七年
Carbon emissions³ 碳排放³			
Scope 1 — Direct ⁴ 範圍1 — 直接 ⁴	tonnes CO ₂ e 公噸二氧化碳當量	22	26
Scope 2 — Indirect ⁵ 範圍2 — 間接 ⁵	tonnes CO ₂ e 公噸二氧化碳當量	1,417	1,611
Carbon emissions intensity (Scope 1 & 2) 碳排放物密度 (範圍1及2)	tonnes CO ₂ e/m ² 公噸二氧化碳當量/平方米	0.08	0.10
Other air emissions⁶ 其他廢氣排放⁶			
NO _x 氮氧化物	g 克	19,651	21,700
SO _x 硫氧化物	g 克	126	140
PM emissions 顆粒物排放	g 克	1,772	1,952
Waste 廢物	Unit 單位	2018 二零一八年	2017 二零一七年
Used cooking oil recycled ⁷ 已回收廢食油 ⁷	litres 公升	936	2,592

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Key Performance Metrics (Singapore)

關鍵績效指標 (新加坡)

Use of resources 資源使用	Unit 單位	2018
Electricity consumption 耗電量	kWh 千瓦時	9,543,782
Electricity intensity ⁸ 耗電密度 ⁸	kWh/m ² 千瓦時/平方米	188
Water consumption 耗水量	m ³ 立方米	38,259
Water consumption intensity ² 耗水密度 ²	m ³ /m ² 立方米/平方米	0.75

Emissions 排放物	Unit 單位	2018
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Carbon emissions

碳排放

Scope 2 — Indirect⁹

範圍2 — 間接⁹

Carbon emissions intensity (Scope 2 only)

碳排放物密度 (僅限範圍2)

tonnes CO₂e

公噸二氧化碳當量

tonnes CO₂e/m²

公噸二氧化碳當量/平方米

4,001

0.08

- | | | | |
|---|---|---|---|
| 1 | Electricity intensity is the total electricity consumed in kilowatt-hours per unit of gross floor area (GFA) in square metres of our premises in Hong Kong (including 7 cinemas, our corporate office, a staff apartment, a warehouse and a café). | 1 | 耗電密度乃我們位於香港的場所(包括7家影城、公司辦公室、一間員工宿舍、一個倉庫及一間咖啡室)每平方米建築面積(「建築面積」)耗用的千瓦時總電量。 |
| 2 | Water consumption intensity is the total volume of freshwater consumed in cubic metres per unit of GFA. | 2 | 耗水密度乃每單位建築面積耗用的立方米淡水總量。 |
| 3 | Carbon emissions are generated by the use of electricity in all our operations and the use of fuel of our fleet which consists of three vehicles in Hong Kong. All our sites use centralized air conditioning. 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 in the scope of this calculation. | 3 | 碳排放乃由在所有業務營運中使用電力以及香港車隊(由三輛汽車組成)使用燃料所產生。我們所有場所均採用中央空調。本集團對空調所使用及篩選製冷劑的情況並無任何數據或營運監控,故此製冷劑的排放不包括在本計算範圍內。 |
| 4 | The calculation for vehicle emissions uses emission factors provided in HKEX's toolkit for ESG reporting. | 4 | 汽車排放乃根據聯交所有關環境、社會及管治報告的工具庫所提供的排放系數計算。 |
| 5 | The calculation of scope 2 emissions uses emission factors found in the 2017 sustainability reports of our utility providers: CLP and Hong Kong Electric. | 5 | 範圍2排放乃根據公用設施供應商中電及港燈於其二零一七年可持續發展報告中所載排放系數計算。 |
| 6 | Other air emissions are generated from the combustion of fuel by our fleet. | 6 | 其他廢氣排放物乃由車隊使用燃料所產生。 |
| 7 | The used cooking oil is generated by The Sky cinema and Joō de Rolls café. No other operations generate used cooking oil. | 7 | 廢食油乃由The Sky影院及Joō de Rolls咖啡室所產生。概無其他業務產生廢食油。 |
| 8 | Electricity intensity is the total electricity consumed in kilowatt-hours per unit of gross floor area (GFA) in square metres of our premises in Singapore (including 13 cinemas and our corporate office). | 8 | 耗電密度乃我們位於新加坡的場所(包括13家影城及公司辦公室)每平方米建築面積(「建築面積」)耗用的千瓦時總電量。 |
| 9 | Scope 2 emissions conversion factor for electricity kWh to CO ₂ e taken from the Source: Singapore Energy Statistics 2018, Energy Market Authority; refer to "2017 Average Operating Margin" in Table 7.1 Electricity Grid Emission Factor and Upstream Fugitive Methane Emission Factor (p.103). | 9 | 範圍2電力排放轉換係數由千瓦時轉換至二氧化碳當量乃源自以下資料來源:2018年新加坡能源統計,能源市場管理局;參閱表7.1電網排放因子與上游逃逸甲烷排放因子(第103頁)的「2017年平均經營利潤率」。 |

Environmental, Social and Governance Report

環境、社會及管治報告

Promoting Energy Efficiency

The Group's most significant impact on the environment is through our electricity consumption. We need electricity to power the lights, air conditioning and projection equipment in our cinemas, as well as in the daily operation of our corporate offices, warehouse and café.

Air conditioning is a major source of our electricity consumption. To achieve the best viewing quality, our cinemas must maintain an optimal indoor environment by controlling the temperature, humidity and air quality. As far as possible, the Group seeks to improve the energy efficiency of air conditioning units in our cinemas.

We preferentially select energy saving technologies, such as LED lights and laser projectors used in our Singapore operations, and promote behavioural changes in our employees by encouraging them to turn off non-essential lighting and other equipment when not in use.

Reducing Carbon and Other Air Emissions

Indirect greenhouse gas ("GHG") emissions, or Scope 2 emissions, associated with our electricity consumption constitute the Group's main source of carbon emissions. By reducing our electricity use, we can significantly reduce our GHG emissions and contribute to mitigating climate change.

In Hong Kong, the Group owns and operates a small vehicle fleet comprising two private cars, which consume petrol, and one diesel powered light goods vehicle. The combustion of fuel in these vehicle engines also generates GHG emissions, known as Scope 1 or direct emissions, as well as other air emissions such as nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter (PM), which can contribute to air pollution.

The Group is piloting innovative ways to electronically deliver movies, which not only reduced carbon emissions from transportation and product delivery, it can also reduce the need for physical storage space and the associated electricity consumption.

提升能源效益

本集團對環境的最重大影響是我們的電力消耗。我們需要電力為我們影院的燈、空調和投影設備，以及我們公司辦公室、倉庫和咖啡室的日常營運供電。

空調為耗用電力的主要源頭。為達致最佳觀影品質，我們的影院必須通過控制溫度、濕度和空氣質素保持最佳室內環境。本集團盡可能尋求提高影院空調機組的能源效益。

我們優先選擇節能技術，例如我們在新加坡運營中使用的LED燈和激光投影機，並通過鼓勵員工在不使用時關閉非必要照明和其他設備，藉以促進員工的行為變化。

減少碳排放及其他廢氣排放

與我們電力消耗相關的間接溫室氣體（「溫室氣體」）排放或範圍2排放構成本集團的主要碳排放源頭。通過減少用電量，我們可以顯著減少溫室氣體排放，並有助於舒緩氣候變化。

在香港，本集團擁有及經營一個小型車隊，包括兩輛使用汽油的私家車及一輛柴油動力輕型貨車。該等車輛引擎中的燃料燃燒時亦產生溫室氣體排放物（稱為範圍1或直接排放）及其他廢氣排放，如氮氧化物（NO_x）、硫氧化物（SO_x）和顆粒物（PM），可以造成空氣污染。

本集團正試行電子傳送電影的創新方法，不僅減少運輸和產品交付的碳排放，亦可以減少對物理存儲空間和相關電力消耗的需求。

Environmental, Social and Governance Report

環境、社會及管治報告

Responsible Use of Resources

The Group is committed to using natural resources responsibly and minimising waste. Other than electricity, other resources we use in reasonably significant quantities include water, paper and plastic. We promote reduction of waste at source, and recycling, to prevent valuable resources from ending up in landfills (Hong Kong) or being incinerated (Singapore). Over the last few years, we have implemented the following initiatives across our Hong Kong and Singapore operations to promote responsible use of resources:

Water:

- We encourage our employees and patrons to be environmentally sensitive and use less water by posting reminders in toilets and the office pantry

Paper:

- We promote two-sided printing in our two offices
- In Hong Kong, we launched an intranet system to digitalise internal communications and facilitate a paperless workflow system
- In Hong Kong, we utilise online platforms to promote new movies instead of posting paper posters
- In Singapore, we encourage e-payments through our mobile ticketing service

Plastics:

- We encouraged customers to either return the 3D glasses to us after use or bring their own 3D glasses to the cinema

There is currently limited legislation in our operating locations concerning the disposal of non-hazardous waste. Most of the waste generated in our cinemas and offices is disposed of via centralised waste collection channels managed by the mall or office building in which our facilities are located, and therefore it is difficult to track the total quantity of general waste generated by the Group. Another challenge is that some of the waste collected at our cinemas may be brought in by our customers or be packaged items, which means we do not have full control over the amount of waste generated.

In Hong Kong, where we operate Joō de Rolls café and have some food preparation at The Sky cinema, we engage a certified third-party to collect and recycle our used cooking oil. The cooking oil collected is used to produce biodiesel and biofuels, which can be used as a cleaner, greener alternative to fossil fuels for transportation and in industry.

以負責任態度使用資源

本集團致力以負責任態度使用天然資源並盡量減少浪費。除電力外，我們使用的其他資源數量相當大，包括水、紙張和塑料。我們推動在源頭減少廢物和回收利用，以防止有價值的資源進入垃圾堆填區（香港）或被焚燒（新加坡）。在過去數年，我們在香港和新加坡的業務中實施以下舉措，藉此推廣以負責任態度使用資源：

水：

- 我們透過在洗手間及辦公室茶水間張貼告示鼓勵員工及顧客關心環境，減少用水

紙張：

- 我們在兩間辦公室推廣雙面印刷
- 在香港，我們推出內聯網系統以將內部通訊電子化，並促進無紙化工作流程系統
- 在香港，我們善用網上平台而非張貼海報以宣傳新電影
- 在新加坡，我們鼓勵透過我們的手機售票服務進行電子付款

塑料：

- 我們鼓勵客戶在看畢電影後交還3D眼鏡或自行攜帶3D眼鏡觀影

目前我們的運營地點有關處理非有害廢物的立法有限。我們影院及辦公室產生的大部分廢物，均由我們設施所在的商場或辦公大樓管理的中央廢物收集渠道處理，因此難以追蹤本集團產生的一般廢物總量。另一個挑戰是在我們影院收集的部分廢物可能是由我們的客戶攜帶或是包裝物品，此意味著我們無法完全控制產生的廢物量。

在香港，我們經營Joō de Rolls咖啡室並在The Sky影院製作食品，我們聘請經認證的第三方收集和回收我們的廢食油。收集的食用油用於生產生物柴油和生物燃料，可用作運輸和工業中化石燃料的更清潔和更環保的替代品。

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The Hong Kong SAR Government plans to introduce a charge for disposal of municipal solid waste as early as 2019. The proposed charging models include charging by volume, by mandating the purchase of designated garbage bags, or charging by weight. This new legislation could translate into additional unforeseen costs from 2020, and it will be important for the Group to find ways to monitor and manage the waste generated by its operations. We continue to explore ways to increase the recycling rate of disposables consumed during customers' visits to our cinemas. In 2017, we communicated with waste contractors of different operations and cinemas to understand how general waste is handled.

In future, we will also try to keep better track of our suppliers' environmental performance and may consider incorporating environmental performance related requirements in tenders and contracts to promote sustainability in our value chain.

PEOPLE RESPONSIBILITY

Caring for Our People

As of 31 December 2018, the Group had 367 full time employees. We strive to treat our people with respect and ensure they feel valued. Happy employees also mean a better experience for our customers.

To attract and retain talent in highly competitive markets, the Group offers competitive remuneration and benefits including medical insurance, contributions to retirement schemes, discounted movie tickets, and discretionary bonuses based on performance reviews that are periodically conducted with all staff.

We believe in providing equal opportunities and take a zero-tolerance approach to discrimination and workplace harassment in any form. Having employees from a diverse range of backgrounds, experience, and perspectives gives us an advantage in understanding and meeting the needs of our equally diverse customer base. Our policy is to recognise and reward employees based on individual merit and performance. We stringently comply with all applicable labour legislation in our locations of operation.

Development and Training

We provide relevant training and development opportunities to ensure our people are set up for success. All frontline staff receive comprehensive inception training in the skills and knowledge they need to do their jobs well. In-house and external training courses are also provided to relevant staff to enhance their work-related skills and knowledge.

The Group offers various options for education subsidies and examination leave, to encourage our people to pursue lifelong learning and personal development.

香港特區政府計劃在二零一九年初引進處理城市固體廢物的費用。建議的收費模式包括按體積收費、強制購買指定垃圾袋或按重量收費。該項新立法可能會轉化為自二零二零年以來的額外意外成本，而且本集團必須尋找監察和管理其業務所產生廢物的方法。我們將繼續探索如何提高客戶觀影所消耗的一次性用品的回收率。於二零一七年，我們與不同營運和影院的廢物承包商進行溝通，了解一般廢物的處理方式。

未來，我們亦會致力於更有效追蹤供應商的环境績效，並可能考慮在招標及合同中納入與環境績效相關的要求，以促進我們價值鏈的可持續性。

僱傭責任

關懷員工

截至二零一八年十二月三十一日，本集團聘用367名全職僱員。我們致力以尊重態度對待員工，確保員工感到受重視。員工工作愉快亦意味著客戶能有更佳體驗。

為在競爭激烈的市場吸引和留聘人才，本集團提供具競爭力的薪酬及福利，包括醫療保險、退休計劃供款、戲票折扣，以及根據與所有員工定期進行的表現檢討而酌情發放的花紅。

我們深信提供平等機會的重要性，對任何形式的歧視和工作場所騷擾採取零容忍態度。聘用不同背景、經驗及觀點的僱員為我們在理解及滿足多元客戶群的需求方面提供優勢。我們的政策是根據個人的績效和表現，表揚和獎勵員工。我們嚴格遵守營運地點的所有適用勞動法例。

發展及培訓

我們提供相關的培訓和發展機會，以確保我們的員工取得成功。全體前線員工均接受全面的入職培訓，了解彼等完成工作所需的技能和知識。同時向相關員工提供內部及外部培訓課程，以提高彼等與工作有關的技能和知識。

本集團提供各種教育補貼及考試假期，以鼓勵員工追求終身學習和個人發展。

Environmental, Social and Governance Report

環境、社會及管治報告

Health and Safety

The safety of our people and customers is a priority and we are guided by our commitment, "Safety Comes First". Frequent inspections ensure that fire safety provisions at our cinemas are of the highest standard, and our frontline staff are well informed of fire safety best practices through regular training. Whilst the risk of serious workplace injury for our industry is relatively low, we strive to maintain our goal of zero accidents, and continue to monitor and improve our safety practices. No major work-related injuries were reported in 2018.

At the corporate offices, we also actively promote occupational health and safety guidelines to keep staff aware of possible risks. The Group also provides free medical check-ups for some of our long-serving employees.

Employee Well-being

The nature of the entertainment industry is about providing enjoyable experiences. We believe it is important that we facilitate an enjoyable working environment and promote work-life balance for our staff. The Group organises regular recreational activities throughout the year to encourage team bonding and boost morale.

OPERATING PRACTICES & PRODUCT RESPONSIBILITY

Service Excellence

Our mission is to provide superior entertainment experiences that excite and delight our customers. Whether it is the movies we produce ourselves, or those we select to show in our cinemas, our customers expect the best movies, viewed in the highest quality, with responsible and diverse options to cater to different tastes. Our professional sourcing team actively seeks different genres, from blockbusters to cultural programmes, musicals and sporting events.

The Group continues to invest in new technologies such as TechnoMotion Chairs, D-Box, Dolby and AURO sound systems, BARCO Laser projectors and IMAX® screens to provide our audiences with a world-class viewing experience.

As we serve food and beverages in our cinemas, we take precautions to ensure food safety. In Hong Kong our relevant staff attend Hygiene Supervisor Training Courses organized by Food and Environmental Hygiene Department, and in Singapore, all staff are required by the National Environment Agency to obtain a food hygiene certificate before they can handle food.

The Group uses a "mystery shopper" programme to spot check the quality of customer service delivered at our cinemas. Based on the feedback, our operations team identifies employees with outstanding performance, who are rewarded. They also work with employees who may have underperformed to determine ways to improve. This helps to boost our customer experience and encourages all our team members to provide a distinguished cinematic experience.

健康與安全

我們員工和客戶的安全是我們的優先事項，我們的承諾是「安全第一」。經常檢查確保我們影院的消防安全規定達到最高標準，我們的前線員工通過定期培訓了解消防安全最佳實踐。儘管我們行業嚴重工傷的風險相對較低，但我們努力維持零事故的目標，並繼續監控和改善我們的安全措施。於二零一八年，我們並無接獲重大工傷報告。

我們亦於公司辦公室積極推廣職業健康與安全指引，有助員工了解潛在風險。本集團亦為部分服務年資長的僱員提供免費醫療檢查。

僱員福利

娛樂行業旨在提供愉快的體驗。我們深信，為員工提供愉快和理想的工作環境與工作生活平衡攸關重要。本集團全年定期舉辦文娛活動，以鼓勵團隊合作及鼓舞士氣。

營運慣例及產品責任

卓越服務

我們的使命是提供卓越的娛樂體驗，為客戶帶來刺激和喜悅。無論是我們製作的電影，或是我們選擇在我們影院放映的電影，我們的客戶都期望以最高品質觀看最好的電影，而我們提供負責任和多樣化的選擇，以滿足不同的口味。我們的專業採購團隊積極尋求不同的類型，從猛片到文化節目、音樂劇和體育盛事。

本集團繼續投資嶄新技術，例如TechnoMotion動感座椅、D-Box、杜比及AURO音響系統、BARCO雷射投影機及IMAX®銀幕，為觀眾打造世界級觀影體驗。

由於我們在影院供應餐飲，我們採取預防措施確保食品安全。在香港，我們的相關員工會參加由食物環境衛生署舉辦的衛生督導員訓練課程，而在新加坡，新加坡環境局要求所有員工獲得食品衛生證書方可處理食品。

本集團推行「神秘顧客」計劃，抽查我們影院提供的客戶服務質量。我們的營運團隊會根據回應物色表現優秀的僱員給予獎勵，並與表現未如理想的僱員探討改善方法，從而有助提升客戶體驗，並鼓勵全體員工提供與別不同的觀影體驗。

Environmental, Social and Governance Report

環境、社會及管治報告

Protection of Data Privacy

We implement stringent data protection mechanisms to ensure the personal information of our customers and members remains secure. Staff responsible for handling private data follow clear guidelines and are regularly reminded of personal data protection measures and regulations. The Group also delivers regular workshops to brush up the skills of customer facing staff.

To protect our audiences' privacy when processing online payments for movie tickets and via our online membership system, we have implemented strict data protection mechanisms to secure the confidentiality of our customers' data.

Anti-Corruption

Integrity and accountability are the cornerstones of our business. We are conscious of, and thus constantly monitor, risks to business ethics in our operating environments by implementing a strong internal control framework and policies. Our Audit Committee and senior management also hold tight to the principle of zero-tolerance on corruption and fraud. Their commitment is reflected in our policy on the subject, as well as within many of our operational procedures.

In 2018, no incidents of corruption have been identified or reported.

COMMUNITY INVESTMENT

The Group is committed to sharing the joy of movies with the communities in which we operate. We partner with local charities to offer free viewing events to underprivileged children, low income families, and marginalised groups. In Hong Kong, the Group organised a free movie screening event with for 110 beneficiaries and volunteers of the Hong Kong Society for the Protection of Children. The event provided free popcorn and drinks and included a game and prize giving activity.

In Singapore, through our new GV Cares initiative, we partnered with Andrew's Autism School, the Deaf and Hard of Hearing Federation (Singapore), Children's Wishing Well and others to offer free screening activities. We also accept applications from charities and other social organisations to use big screens at selected cinemas for fundraising screenings, free screenings for their beneficiaries, and educational screenings for film students. We participate in job placement initiatives by various government bodies to offer employment to underprivileged communities.

Every December, our Singapore team runs a super draw campaign for members of the GV Movie Club to accumulate transactions and win free tickets. We give members the option to donate their tickets for free film screenings to charitable organisations and in 2018, 543 tickets were donated.

In the future, we will continue to work with different community partners make contributions in our community programmes.

保障私隱

我們實施嚴謹資料保障機制，以確保客戶及會員的個人資料安全。負責處理私人資料的員工須遵循明確的指引，並定期重溫個人資料保障措施及規例。本集團亦會定期舉辦研討會，提升前線員工的技能。

為保障進行網上購票及使用網上會員系統的觀眾私隱，我們實施嚴謹資料保障機制，以確保客戶資料得以保密。

反貪污

誠信及問責乃業務的基石。我們透過推行健全的內部監控框架及政策，了解並貫徹監察營商環境的商業道德風險。審核委員會及高級管理層堅持不容忍貪污和欺詐的原則，並在有關政策及多項營運程序上反映所作承諾。

於二零一八年，概無發現或匯報任何貪污事件。

社區投資

本集團致力於與我們經營所在的社區分享電影的樂趣。我們與當地慈善機構合作，為貧困兒童、低收入家庭和邊緣化群體提供免費觀影活動。在香港，本集團為香港保護兒童會的110名受益人及志願者舉辦免費電影放映活動。活動提供免費爆米花和飲料，設有遊戲和獎品活動。

在新加坡，通過我們的新GV Cares計劃，我們與Andrew's Autism School、Deaf and Hard of Hearing Federation (Singapore)及Children's Wishing Well以及其他人士合作，提供免費放映活動。我們亦接受慈善機構和其他社會組織的申請，在選定的電影院使用大銀幕進行籌款活動、為受益人免費放映及為電影學生進行教育放映。我們參與各政府機構的就業計劃，為貧困社區提供就業機會。

每年12月，新加坡團隊為其GV Movie Club會員舉辦超級大抽獎活動，以累積交易並贏取免費戲票。會員可選擇向慈善機構捐出免費觀影活動的免費戲票，而於二零一八年會員共捐出543張戲票。

日後，我們將繼續與不同的社區合作夥伴攜手合作，貢獻社區。

Environmental, Social and Governance Report

環境、社會及管治報告

Reference to HKEX ESG Guide

聯交所環境、社會及管治報告指引索引

Subject areas & aspects 主要範疇及層面	Disclosures 披露資料	Contents reference/Description 內容索引/描述
A. Environmental A. 環境		
AI Emissions AI 排放物	General disclosure information 一般披露資料	Environmental Responsibility section 環境責任章節
	KPI A1.1 <i>The types of emissions and respective emissions data.</i> 關鍵績效指標 A1.1 排放物種類及相關排放數據。	Key Performance Metrics (Hong Kong); Key Performance Metrics (Singapore) 關鍵績效指標 (香港) 關鍵績效指標 (新加坡)
	KPI A1.2 <i>Greenhouse gas emissions in total and, where appropriate, intensity</i> 關鍵績效指標 A1.2 溫室氣體總排放量及 (如適用) 密度。	
	KPI A1.3 <i>Total hazardous waste produced and, where appropriate, intensity.</i> 關鍵績效指標 A1.3 所產生有害廢棄物總量及 (如適用) 密度。	Not a material issue for the Group. 並非本集團的重大議題。
	KPI A1.4 <i>Total non-hazardous waste produced and, where appropriate, intensity.</i> 關鍵績效指標 A1.4 所產生無害廢棄物總量及 (如適用) 密度。	Data currently not available. 目前並無可得數據。
	KPI A1.5 <i>Description of measures to mitigate emissions and results achieved.</i> 關鍵績效指標 A1.5 描述減低排放量的措施及所得成果。	Reducing Carbon and Other Air Emissions 減少碳排放及其他廢氣排放
	KPI A1.6 <i>Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.</i> 關鍵績效指標 A1.6 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Responsible Use of Resources 以負責任態度使用資源

Environmental, Social and Governance Report

環境、社會及管治報告

Subject areas & aspects 主要範疇及層面	Disclosures 披露資料	Contents reference/Description 內容索引／描述
A2 Use of Resources A2 資源使用	<p>General disclosure information 一般披露資料</p> <p>KPI A2.1 <i>Direct and/or indirect energy consumption by type in total and intensity</i> 關鍵績效指標A2.1 按類型劃分的直接及／或間接能源總耗量及密度。</p> <p>KPI A2.2 <i>Water consumption in total and intensity</i> 關鍵績效指標A2.2 總耗水量及密度。</p> <p>KPI A2.3 <i>Description of energy use efficiency initiatives and results achieved.</i> 關鍵績效指標A2.3 描述能源使用效益計劃及所得成果。</p> <p>KPI A2.4 <i>Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.</i> 關鍵績效指標A2.4 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。</p> <p>KPI A2.5 <i>Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</i> 關鍵績效指標A2.5 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位估量。</p>	<p>Environmental Responsibility section 環境責任章節</p> <p>Key Performance Metrics (Hong Kong); Key Performance Metrics (Singapore) 關鍵績效指標(香港) 關鍵績效指標(新加坡)</p> <p>Promoting Energy Efficiency 提升能源效益</p> <p>Water is not a material environmental impact of the Group. There is no indication that water efficiency is a concern. 用水並非本集團之重大環境影響，亦無指標顯示用水效益需要關注。</p> <p>Not a material issue for the Group, as we do not manufacture or produce packaging materials. 本集團並無製造或生產包裝材料，因此並非本集團的重大議題。</p>

Environmental, Social and Governance Report

環境、社會及管治報告

Subject areas & aspects 主要範疇及層面	Disclosures 披露資料	Contents reference/Description 內容索引/描述
A3 The Environment and Natural Resources A3 環境及天然資源	General disclosure information 一般披露資料	Environmental Responsibility section 環境責任章節
	KPI A3.1 <i>Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</i> 關鍵績效指標 A3.1 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。	After reviewing our environmental performance and stakeholder feedback, we confirm that our business activities do not have significant adverse impacts on the environment. Our commitments and measures to reducing our environmental footprint are detailed in the Environmental Responsibility section. 經審閱環境績效及權益人回應後，我們確認業務活動並無對環境造成重大不利影響。我們對減少環境足跡的承諾及措施的詳情載於環境責任章節。
B. Social B. 社會		
B1 Employment B1 僱傭	General disclosure information 一般披露資料	Caring for Our People 僱傭責任章節
	B2 Health and Safety B2 健康與安全	General disclosure information 一般披露資料
B3 Development and Training B3 發展及培訓	General disclosure information 一般披露資料	Development and Training 僱傭責任章節
	B4 Labour standards B4 勞工準則	General disclosure information 一般披露資料

Environmental, Social and Governance Report

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Subject areas & aspects 主要範疇及層面	Disclosures 披露資料	Contents reference/Description 內容索引／描述
Operating practices 營運慣例		
B5 Supply chain management B5 供應鏈管理	General disclosure information 一般披露資料	Responsible Use of Resources 以負責任態度使用資源
B6 Product responsibility B6 產品責任	General disclosure information 一般披露資料	Service Excellence; Protection of Data Privacy 卓越服務；保障私隱
B7 Anti-corruption B7 反貪污	General disclosure information 一般披露資料	Anti-Corruption 反貪污
Community 社區		
B8 Community investment B8 社區投資	General disclosure information 一般披露資料	Community Investment section 社區投資章節

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 2018.

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. 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 24 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 2018 and the state of affairs of the Company and the Group as at 31 December 2018 are set out in the financial statements on pages 73 to 136.

On 4 January 2018, the Directors declared a special dividend of HK\$0.253 per share.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2018.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2018 are set out in note 11 to the financial statements.

Bank Loans

Particulars of bank loans of the Group as at 31 December 2018 are set out in note 20 to the financial statements.

Share Capital

Details of the Company's share capital are set out in note 24 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.

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」)截至二零一八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。根據香港法例第622章《公司條例》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24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

本集團截至二零一八年十二月三十一日止年度之業績，以及本公司與本集團於二零一八年十二月三十一日之事務狀況載於第137至200頁之財務報表。

於二零一八年一月四日，董事宣派特別股息每股股份0.253港元。

董事並不建議派付截至二零一八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、廠房及設備於截至二零一八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。

銀行貸款

本集團於二零一八年十二月三十一日之銀行貸款詳情載於財務報表附註20。

股本

本公司股本詳情載於財務報表附註24。

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。

Report of the Directors

董事會報告書

Five-Year Summary Financial Information

五年財務資料摘要

	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)	Year ended 31 December 截至 十二月 三十一日 止年度 2017 二零一七年 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 2016 二零一六年 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 2015 二零一五年 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 2014 二零一四年 HK\$'000 千港元 (Audited) (經審核)
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Consolidated income statement

綜合收益表

Revenue	收益	1,050,972	1,006,599	1,291,819	1,277,132	1,082,791
Profit/(loss) before taxation	除稅前溢利/(虧損)	83,661	2,548,144	(68,153)	(186,179)	23,128
Income tax (expense)/credit	所得稅(開支)/抵免	(31,371)	(309,831)	2,916	4,961	(9,467)
Profit/(loss) for the year	本年度溢利/(虧損)	52,290	2,238,313	(65,237)	(181,218)	13,661
Attributable to:	以下人士應佔：					
— Equity holders of the Company	— 本公司股權持有人	52,529	2,242,136	(59,078)	(180,471)	12,731
— Non-controlling interests	— 非控股權益	(239)	(3,823)	(6,159)	(747)	930
		52,290	2,238,313	(65,237)	(181,218)	13,661

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				
		2018 二零一八年 HK\$'000 千港元 (Audited) (經審核)	2017 二零一七年 HK\$'000 千港元 (Audited) (經審核)	2016 二零一六年 HK\$'000 千港元 (Audited) (經審核)	2015 二零一五年 HK\$'000 千港元 (Audited) (經審核)	2014 二零一四年 HK\$'000 千港元 (Audited) (經審核)
Consolidated statement of financial position	綜合財務狀況表					
Property, plant and equipment	物業、廠房及設備	1,031,644	1,026,222	245,789	1,519,528	1,528,428
Interests in joint ventures	於合營企業之權益	145,933	142,937	201,122	263,290	243,271
Interests in associates	於聯營公司之權益	-	-	-	11,269	12,415
Available-for-sale investment	可供出售投資	-	-	6,048	6,372	-
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	40,058	40,509	18,821	96,652	94,928
Intangible assets	無形資產	523,079	525,625	82,414	83,014	83,014
Goodwill	商譽	656,609	658,001	57,233	75,203	73,658
Deferred tax assets	遞延稅項資產	-	-	6,160	44,001	31,782
Non-current portion of pledged bank deposits	已抵押銀行存款之非即期部分	137,000	137,000	20,000	33,570	21,880
Current assets	流動資產	1,491,863	2,146,475	2,518,278	732,294	841,528
Total assets	資產總值	4,026,186	4,676,769	3,155,865	2,865,193	2,930,904
Current liabilities	流動負債	647,190	784,169	974,334	885,250	649,365
Non-current portion of bank loans	銀行貸款之非即期部分	1,024,498	875,140	188,300	336,977	473,991
Non-current portion of convertible bonds	可換股債券之非即期部分	-	-	174,067	-	-
Non-current portion of obligations under finance lease	融資租賃債務之非即期部分	-	-	269	37,332	16,183
Other financial liabilities	其他金融負債	-	-	219,389	-	-
Deferred tax liabilities	遞延稅項負債	173,383	174,778	9,471	12,419	10,718
Total liabilities	負債總額	1,845,071	1,834,087	1,565,830	1,271,978	1,150,257
Net assets	資產淨值	2,181,115	2,842,682	1,590,035	1,593,215	1,780,647
Non-controlling interests	非控股權益	(545)	(331)	58,433	13,378	11,447

Report of the Directors

董事會報告書

Reserves

Details of movements in the reserves of the Company and of the Group during the year ended 31 December 2018 are set out in note 24 to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

As at 31 December 2018, the Company's reserves available for cash distribution and/or distribution in specie, representing retained profits, amounted to HK\$20,589,000 (2017: HK\$731,707,000). In addition, the Company's share premium account, contributed surplus and capital redemption reserve in an aggregate amount of HK\$1,059,279,000 (2017: HK\$1,059,279,000), as at 31 December 2018, may be distributed to the shareholders of the Company in certain circumstances prescribed by Section 54 of the Companies Act 1981 of Bermuda.

Directors

The Directors during the year ended 31 December 2018 and up to the date of this report were:

Chairman & Executive Director

Wu Kebo

Executive Directors

Li Pei Sen

Mao Yimin

Wu Keyan

Chow Sau Fong, Fiona

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, Ms. Chow Sau Fong, Fiona and Mr. Fung Chi Man, Henry will retire at the forthcoming annual general meeting and all of them, being eligible, offer themselves for re-election.

Biographical details of the Directors 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.

儲備

本公司及本集團於截至二零一八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24及綜合權益變動表。

可分派儲備

本公司於二零一八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20,589,000港元(二零一七年: 731,707,000港元)。此外,本公司於二零一八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(二零一七年: 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。

董事

截至二零一八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

毛義民

伍克燕

鄒秀芳

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、鄒秀芳女士及馮志文先生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。

Report of the Directors

董事會報告書

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.

Purchase, Sale and Redemption of Listed Securities

The Company has not redeemed any of its listed securities during the year ended 31 December 2018. 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.

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。

買賣及贖回上市證券

截至二零一八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。

Report of the Directors

董事會報告書

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures

As at 31 December 2018, 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:

(i) 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

董事及主要行政人員於股份、相關股份或債權證之權益及淡倉

於二零一八年十二月三十一日，本公司董事及主要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：

(i) 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／主要行政人員 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 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	271,824,429 (L)	–	271,824,429 (L)	9.71%
Li Pei Sen 李培森	Beneficial owner 實益擁有人		200,000 (L)	–	200,000 (L)	0.01%
Wu Keyan 伍克燕	Beneficial owner 實益擁有人		2,500,000 (L)	–	2,500,000 (L)	0.09%
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 2018.

* 該等百分比乃根據於二零一八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:

- By virtue of the SFO, Mr. Wu was deemed to be interested in a total of 1,723,894,068 Shares, of which (i) 439,791,463 Shares were held by Skyera International Limited (a company wholly-owned by Mr. Wu); (ii) 408,715,990 Shares were held by Mainway Enterprises Limited (a company wholly owned by Mr. Wu); (iii) 129,666,667 Shares were held by Noble Biz International Limited (a company wholly-owned by Mr. Wu); (iv) 565,719,948 Shares were held by Orange Sky Entertainment Group (International) Holding Company Limited (a company which is 80% owned by Mr. Wu); and (v) 180,000,000 Shares were held by Cyber International Limited (a company owned by an associate of Mr. Wu).

In addition, Mr. Wu was interested in 271,824,429 Shares as at 31 December 2018 which were beneficially held by him in his own name.

Abbreviation:

“L” stands for long position

(ii) Interests in shares of associated corporations

Mr. Wu was also the beneficial owner of the entire issued share capital of Golden Harvest Film Enterprises Inc., which beneficially held 114 million non-voting deferred shares of Orange Sky Golden Harvest Entertainment Company Limited, a wholly-owned subsidiary of the Company.

Save as disclosed above and save for the disclosure referred to under “Share Option Schemes” set out below and in note 24 to the financial statements on pages 122 to 127 of this annual report, as at 31 December 2018, 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 2018 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：

- 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，當中(i) 439,791,463股股份由伍先生全資擁有之公司Skyera International Limited持有；(ii) 408,715,990股股份由伍先生全資擁有之公司Mainway Enterprises Limited持有；(iii) 129,666,667股股份由伍先生全資擁有之公司Noble Biz International Limited持有；(iv) 565,719,948股股份由伍先生擁有80%股權之公司橙天娛樂集團(國際)控股有限公司持有；及(v) 180,000,000股股份由伍先生聯繫人擁有之公司Cyber International Limited持有。

另外，伍先生亦以本身名義於二零一八年十二月三十一日實益擁有271,824,429股股份權益。

縮略詞：

「L」指好倉

(ii) 相聯法團股份之權益

伍先生亦為Golden Harvest Film Enterprises Inc.全部已發行股本之實益擁有人，而該公司實益持有本公司全資附屬公司橙天嘉禾娛樂有限公司1.14億股無投票權遞延股份。

除上文披露者以及下文及本年報第186至191頁財務報表附註24有關「購股權計劃」之披露事項外，於二零一八年十二月三十一日，本公司各董事及主要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「董事及主要行政人員於股份、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二零一八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

Share Option Schemes

(i) 2009 Share Option Scheme

The Company has adopted the 2009 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 2009 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 2009 Share Option Scheme became effective on 11 November 2009 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 2009 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.

購股權計劃

(i) 二零零九年購股權計劃

本公司採納二零零九年購股權計劃，旨在使本公司可向合資格參與者授出購股權，作為彼等對本集團發展作出貢獻之鼓勵或獎賞，並讓本集團更具彈性地向合資格參與者提供獎勵、報酬、補償及／或提供福利。二零零九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。二零零九年購股權計劃自二零零九年十一月十一日起生效，計劃如非被取消或更改，將於該日期起計十年內具有效力。

每次向本公司關連人士或彼等之任何聯繫人授出購股權，須事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）批准。此外，於截至授出購股權當日止任何12個月期間（包括當日）向本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人授出購股權，如將導致已授出或將授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，合共佔建議日期已發行股份逾0.1%或總值（根據股份於授出日期之收市價計算）多於5,000,000港元，須獲本公司股東於股東大會上以按股數投票表決方式批准。

按二零零九年購股權計劃授出購股權之建議必須於董事會釐定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，惟該行使期之屆滿日期不得超過建議日期起計十年。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。

承授人可能行使購股權以認購股份之每股作價乃由董事釐定，惟不得低於以下各項之較高者：(i) 於建議授出購股權當日在聯交所每日報價表所報每股股份收市價；(ii) 於緊接建議當日前五個交易日在聯交所每日報價表所報每股股份平均收市價；及(iii) 每股股份面值。

Report of the Directors

董事會報告書

The maximum number of Shares issuable upon exercise of all share options to be granted under the 2009 Share Option Scheme and any other share option schemes of the Company (if any) must not in aggregate exceed 10% of the Shares in issue as at 11 November 2009, being the date of adoption of the 2009 Share Option Scheme. This limit was last refreshed by the shareholders of the Company in the annual general meeting of the Company held on 15 May 2012 in accordance with the provisions of the Listing Rules so that the maximum number of Shares which may be issued upon the exercise of all options to be granted under the 2009 Share Option Scheme and other share option schemes of the Company shall not exceed 268,120,424 Shares, being 10% of the Shares in issue as at the date of passing the relevant resolution on 15 May 2012. 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 2009 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 2018.

Share options granted or to be granted under the 2009 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 "Continuing Connected Transactions" below and save as detailed in note 8 to the financial statements on pages 103 to 104 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 2018.

Directors' Interests in Competing Business

As at 31 December 2018, 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 2009 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 2018.

因行使根據二零零九年購股權計劃及本公司任何其他購股權計劃(如有)將授出之所有購股權而可予發行之最高股份數目,合共不得超過於二零零九年十一月十一日(即二零零九年購股權計劃獲採納日期)之已發行股份10%。本公司股東最後於二零一二年五月十五日舉行之本公司股東週年大會上按照上市規則之條文更新該上限,以使根據二零零九年購股權計劃及本公司其他購股權計劃將授出之全部購股權獲行使而可發行之最高股份數目,不得超過268,120,424股股份,即於二零一二年五月十五日通過相關決議案當日已發行股份10%。此外,於任何12個月期間內行使向各合資格參與者授出之購股權(包括二零零九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份數目,不得超過已發行股份1%。倘於截至有關購股權授出日期止任何12個月期間內(包括當日)額外授出超過該上限之購股權(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,根據該計劃本公司並無購股權尚未行使。截至二零一八年十二月三十一日止年度,概無任何董事或本公司最高行政人員或本集團僱員或其他參與者獲授或行使任何購股權,亦無購股權被註銷或失效。

根據二零零九年購股權計劃授出或將授出之購股權並無賦予持有人享有股息或在股東大會上投票之權利。

董事於合約之權益

除下文「持續關連交易」一節所披露者及本年報第167至168頁之財務報表附註8所詳述者外,各董事概無在截至二零一八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

截至二零一八年十二月三十一日,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二零零九年購股權計劃外,本公司於本年度並無訂立且於截至二零一八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 2018, the Group's purchases from its largest supplier and its five largest suppliers accounted for approximately 19.67% and 61.58%, respectively, of the Group's total purchases.

The Group's sales to its largest customer and its five largest customers accounted for approximately 0.30% and 1.27%, 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 2018, 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

截至二零一八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19.67%及61.58%。

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0.30%及1.27%。

除上文披露者外，各董事或彼等任何緊密聯繫人或就董事所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，於二零一八年十二月三十一日，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（董事或本公司主要行政人員除外）於股份或相關股份中持有以下權益或淡倉：

Name of shareholder 股東姓名/名稱	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	1	1,723,894,068 (L)	–	1,723,894,068 (L)	61.57%
	Beneficial owner 實益擁有人	1	271,824,429 (L)	–	271,824,429 (L)	9.71%
Skyera International Limited ("Skyera")	Beneficial owner 實益擁有人	2	439,791,463 (L)	–	439,791,463 (L)	15.71%
Mainway Enterprises Limited ("Mainway")	Beneficial owner 實益擁有人	3	408,715,990 (L)	–	408,715,990 (L)	14.60%
Noble Biz International Limited ("Noble Biz")	Beneficial owner 實益擁有人	4	129,666,667 (L)	–	129,666,667 (L)	4.63%
Cyber International Limited ("Cyber")	Beneficial owner 實益擁有人	5	180,000,000 (L)	–	180,000,000 (L)	6.43%
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	6	565,719,948 (L)	–	565,719,948 (L)	20.21%

Report of the Directors

董事會報告書

* These percentages are computed based on the total number of Shares in issue (i.e. 2,799,669,050 Shares) as at 31 December 2018.

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) 439,791,463 Shares were held by Skyera; (ii) 408,715,990 Shares were held by Mainway; (iii) 129,666,667 Shares were held by Noble Biz; (iv) 565,719,948 Shares were held by OSEG; and (v) 180,000,000 Shares were held by Cyber.

In addition, Mr. Wu was interested in 249,734,429 Shares as at 31 December 2018 which were beneficially held by him in his own name.

- (2) Skyera is a company wholly owned by Mr. Wu, who is also a director of Skyera.
- (3) Mainway is a company wholly owned by Mr. Wu, who is also a director of Mainway.
- (4) Noble Biz is a company wholly owned by Mr. Wu who is also a director of Noble Biz.
- (5) Cyber is a company owned by an associate of Mr. Wu.
- (6) 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.

Abbreviation:

"L" stands for long position

Save as disclosed above, as at 31 December 2018, 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

On 29 August 2018, Jiangyin Orange Sky Golden Harvest Liuliu Enterprise Management Co., Ltd. (江陰橙天嘉禾六六企業管理有限公司) (formerly known as Jiangyin Orange Sky Golden Harvest Liuliu Property Co., Ltd (江陰橙天嘉禾六六房產有限公司) (the "Purchaser"), an indirect wholly-owned subsidiary of the Company, and the Jiangyin Orange Land Cinema Development Management Co., Ltd. (江陰橙地影院開發管理有限公司) (the "Seller") entered into a sale and purchase agreement (the "Jiangyin Sale and Purchase Agreement"), pursuant to which, the Seller conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the properties situated at Wuxing South Road, Xiagang Street, Jiangyin, China and west to Xiadong Road (中國江陰市夏港街道五星路南、夏東路西側) and comprised of (i) the Complex with two buildings with 7 and 11 floors respectively and the Underground Area with 2 floors for commercial, hotel and cinema use with total gross floor area of approximately 93,137.68 square meters and (ii) the land use rights of land with total site area of approximately 23,334 square meters (the "Target Properties") at a total consideration of RMB560 million. On the same day, Mr. Wu as the guarantor entered into the guarantee ("Guarantee") to guarantee the due performance of the Seller of its obligations under the Jiangyin Sale and Purchase Agreement.

* 該等百分比乃根據於二零一八年十二月三十一日已發行股份總數(即2,799,669,050股股份)計算。

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，當中(i) 439,791,463股股份由Skyera持有；(ii) 408,715,990股股份由Mainway持有；(iii) 129,666,667股股份由Noble Biz持有；(iv) 565,719,948股股份由橙天持有；及(v) 180,000,000股股份由Cyber持有。

另外，於二零一八年十二月三十一日，伍先生亦以本身名義實益擁有249,734,429股股份權益。

- (2) Skyera為伍先生全資擁有之公司，彼亦為Skyera董事。
- (3) Mainway為伍先生全資擁有之公司，彼亦為Mainway董事。
- (4) Noble Biz為伍先生全資擁有之公司，彼亦為Noble Biz董事。
- (5) Cyber為由伍先生聯繫人擁有之公司。
- (6) 伍先生擁有80%股權之公司橙天擁有565,719,948股股份。伍先生為橙天董事，而李培森先生則為橙天聯合董事長。

縮略詞:

「L」指好倉

除上文披露者外，於二零一八年十二月三十一日，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

於二零一八年八月二十九日，江陰橙天嘉禾六六企業管理有限公司(前稱江陰橙天嘉禾六六房產有限公司) (「買方」，本公司間接全資附屬公司)與江陰橙地影院開發管理有限公司(「賣方」)訂立買賣協議(「江陰買賣協議」)，據此，賣方有條件同意出售而買方有條件同意收購位於中國江陰市夏港街道五星路南、夏東路西側之物業，包括(i)由兩幢分別樓高7層及11層的樓宇組成的綜合大樓，地下部分共兩層，用途為商業、酒店及影院，總建築面積約93,137.68平方米及(ii)總地盤面積約23,334平方米的土地的土地使用權(「標的物業」)，總代價為人民幣560,000,000元。同日，伍先生(作為擔保人)訂立擔保(「擔保」)，就賣方妥善履行其於江陰買賣協議項下責任作出擔保。

Report of the Directors

董事會報告書

As at the date of the Jiangyin Sale and Purchase Agreement, the Seller was owned as 75% by Orange Sky Land Holdings Company Limited 橙天地控股有限公司 ("Orange Sky Land") and 25% by 北京橙地影院投資管理有限公司 (Beijing Orange Land Cinema Investment Management Company Limited, "Beijing Orange Land"). Orange Sky Land is indirect wholly-owned by Mr. Wu. Beijing Orange Land is owned as to 80% by 北京橙天影院投資管理有限公司 (Beijing Orange Sky Cinema Investment Management Company Limited, "Beijing Orange Sky"), which was in turn owned as to 99% by Mr. Wu and 1% by Ms. Wu. Mr. Wu was the Director and controlling Shareholder and interested in an aggregate of approximately 70.50% of the equity interests of the Company. Ms. Wu is the Director and the sister of Mr. Wu. Accordingly, the Seller, being the associate of Mr. Wu is a connected person of the Company and the Jiangyin Sale and Purchase Agreement, the Guarantee and the transactions contemplated thereunder are constitute connected transaction of the Company under the Listing Rules.

Pursuant to the Sale and Purchase Agreement, the Seller shall complete the Primary Registration within 7 months of the date of the signing of the Sale and Purchase Agreement (i.e. by 28 March 2019).

The Purchaser has been notified by the Seller that the Primary Registration cannot be completed by 28 March 2019 due to a change in the Primary Registration requirements as requested by the relevant registration authorities in the PRC. Due to this change of circumstance, the Board was of the view that the Purchaser should not continue to wait for the completion of the Acquisition whilst the date of completion of the Primary Registration remains uncertain. The Purchaser had therefore notified the Seller on 8 March 2019 of its intention to terminate the Sale and Purchase Agreement (the "Termination Request") by way of a written notice (the "Termination Notice").

Pursuant to the Termination Notice, the Purchaser requested the Seller to refund the Deposit, being 10% of the Consideration amounting to RMB56 million, to the Purchaser within 6 months from the date of the Termination (the "Refund Arrangement"). On the same day, the Seller acknowledged and confirmed the Termination Request and the Refund Arrangement by signing the Termination Notice. As a result, the Sale and Purchase Agreement was terminated with immediate effect on 8 March 2019 and the acquisition under the Sale and Purchase Agreement will not proceed.

Save as disclosed above, during the year ended 31 December 2018, no other connected transactions were entered into by the Company.

於江陰買賣協議日期，賣方分別由橙天地控股有限公司（「橙天地」）及北京橙地影院投資管理有限公司（「北京橙地」）擁有75%及25%權益。橙天地由伍先生間接全資擁有。北京橙地由北京橙天影院投資管理有限公司（「北京橙天」）擁有80%權益，北京橙天分別由伍先生及伍女士擁有99%及1%權益。伍先生為董事兼控股股東，於本公司合共約70.50%股權中擁有權益。伍女士為董事及伍先生之胞妹。因此，賣方（即伍先生之聯繫人）為本公司關連人士，江陰買賣協議、擔保及其項下擬進行交易構成上市規則項下本公司關連交易。

根據買賣協議，賣方須自買賣協議簽訂日期起計七個月內（即二零一九年三月二十八日前）完成初始登記。

買方獲賣方知會，由於中國相關登記機關所要求之初始登記規定出現變動，故初始登記未能於二零一九年三月二十八日前完成。由於是次情況有變，董事會認為買方不應在初始登記完成日期尚未確定之情況下繼續等待收購事項完成。因此，買方已於二零一九年三月八日知會賣方，其擬以書面通知方式（「終止通知」）終止買賣協議（「終止要求」）。

根據終止通知，買方要求賣方須自終止日期起計六個月內向買方退還訂金，即代價之10%（人民幣56,000,000元）（「退款安排」）。同日，賣方透過簽署終止通知得悉及確認終止要求及退款安排。因此，買賣協議隨即自二零一九年三月八日起終止，而買賣協議項下之收購事項將不會進行。

除上文所披露者外，於截至二零一八年十二月三十一日止年度，本公司概無訂立其他關連交易。

Report of the Directors

董事會報告書

Continuing Connected Transactions

During the year ended 31 December 2018, 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:

Leases of Office Premises

On 31 August 2016, a lease agreement between 北京橙天影院投資管理有限公司 (Beijing Orange Sky Cinema Investment Management Company Limited, "Beijing Orange Sky") and 北京橙天嘉禾影視製作有限公司 (Orange Sky Golden Harvest (Beijing) TV & Film Production Co. Ltd), in respect of sub-leasing of office premises on the Second floor of House No. 3 situated at No. 1 Anjialou, Xiaoliangmaqiao Ave, Chaoyang District, Beijing, the PRC, with a total floor area of approximately 6.75 square metres, from 1 September 2016 to 31 August 2019.

On the same day, a lease agreement between 北京橙天影院投資管理有限公司 (Beijing Orange Sky Cinema Investment Management Company Limited), and 北京嘉禾影城管理諮詢有限公司 (Golden Harvest (Beijing) Cinema Management Consultancy Company Limited, "BJGH"), in respect of sub-leasing of office premises at the Second Floor of House No. 3 situated at No. 1 Anjialou, Xiaoliangmaqiao Ave, Chaoyang District, Beijing, the PRC, with a total floor area of approximately 993.57 square metres, from 1 September 2016 to 31 August 2019.

The annual caps announced on 23 September 2016, for each of the four financial years ending 31 December 2016, 2017, 2018 and 2019 set at RMB2,100,000 (equivalent to HK\$2,436,000), RMB2,600,000 (equivalent to HK\$3,016,000), RMB2,600,000 (equivalent to HK\$3,016,000) and RMB1,800,000 (equivalent to HK\$2,088,000) respectively.

As at the date of the lease agreements, Mr. Wu and Ms. Wu are connected persons of the Company. As the entire equity interest of Beijing Orange Sky was owned by Mr. Wu and Ms. Wu, Beijing Orange Sky was an associate of Mr. Wu and Ms. Wu and accordingly, connected persons of the Company. On 28 July 2017, the Group completed the disposal of City Entertainment Corporation Limited, which indirectly holds 92.59% interests in BJGH. Subsequent to the disposal and in 2018, the Group no longer held any interests in BJGH and such transaction ceased to be a continuing connected transaction of the Company.

持續關連交易

截至二零一八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：

租賃辦公室物業

於二零一六年八月三十一日，北京橙天影院投資管理有限公司（「北京橙天」）與北京橙天嘉禾影視製作有限公司訂立租賃協議，內容有關分租位於中國北京市朝陽區小亮馬橋路安家樓1號院3號樓二層辦公室物業，總樓面面積約為6.75平方米，由二零一六年九月一日起至二零一九年八月三十一日止。

同日，北京橙天影院投資管理有限公司與北京嘉禾影城管理諮詢有限公司訂立租賃協議，內容有關分租位於中國北京市朝陽區小亮馬橋路安家樓1號院3號樓二層辦公室物業，總樓面面積約為993.57平方米，由二零一六年九月一日起至二零一九年八月三十一日止。

於二零一六年九月二十三日宣佈，截至二零一六年、二零一七年、二零一八年及二零一九年十二月三十一日止四個財政年度各年之年度上限分別為人民幣2,100,000元（相當於2,436,000港元）、人民幣2,600,000元（相當於3,016,000港元）、人民幣2,600,000元（相當於3,016,000港元）及人民幣1,800,000元（相當於2,088,000港元）。

於租賃協議日期，伍先生及伍女士為本公司關連人士。由於伍先生及伍女士擁有北京橙天之全部股本權益，北京橙天為伍先生及伍女士之聯繫人，故屬本公司關連人士。於二零一七年七月二十八日，本集團完成出售橙天嘉禾影城有限公司，該公司間接持有北京嘉禾之92.59%權益。於出售事項後及於二零一八年，本集團不再持有北京嘉禾之任何權益，且有關於交易不再為本公司之持續關連交易。

Report of the Directors

董事會報告書

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 2018.

Save as disclosed above, details of the other connected transactions and/or continuing connected transactions for the year ended 31 December 2018 are set out in note 28 to the financial statements. These 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 2018, the Corporate Governance Report is set out on pages 25 to 39 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.

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二零一八年十二月三十一日止財政年度之相關金額上限(如適用)。

除上文披露者外，於截至二零一八年十二月三十一日止年度進行之其他關連交易及/或持續關連交易詳情，載於財務報表附註28。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

截至二零一八年十二月三十一日止年度，企業管治報告載於本年報第25至39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。

Report of the Directors 董事會報告書

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 2009 Share Option Scheme is in place and the details of which are set out above and in note 24 to the financial statements on pages 122 to 127 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 2018, the Group has made charitable and other donations in Hong Kong totalling HK\$nil.

Auditors

The financial statements for the year ended 31 December 2018 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
27 March 2019

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。本集團已設立二零零九年購股權計劃作為長期獎勵計劃，詳情載於本年報第186至191頁之財務報表附註24。

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

截至二零一八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。

核數師

截至二零一八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
二零一九年三月二十七日

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 73 to 136, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018 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137至200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二零一八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 貴集團於二零一八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(k).

請參閱綜合財務報表附註15以及附註2(k)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\$656,609,000 as at 31 December 2018 was allocated to the Group's exhibition business and distribution and production business.

貴集團於二零一八年十二月三十一日賬面值為656,609,000港元的商譽獲分配至 貴集團的影城業務以及發行及製作業務。

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

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

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.

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。

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。

Independent Auditor's Report

獨立核數師報告

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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.
- 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。
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。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, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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，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

27 March 2019

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

二零一九年三月二十七日

Consolidated Income Statement

for the year ended 31 December 2018

	Note	2018 HK\$'000	2017 HK\$'000
Revenue	3 & 4	1,050,972	1,006,599
Cost of sales		(397,581)	(404,490)
Gross profit		653,391	602,109
Other revenue	5(a)	44,134	35,915
Other net (loss)/income	5(b)	(13,555)	2,778,752
Selling and distribution costs		(457,089)	(485,058)
General and administrative expenses		(123,171)	(279,700)
Other operating expenses		(3,981)	(109,116)
Valuation gain on investment properties	11	–	8,200
Profit from operations		99,729	2,551,102
Finance costs	6(a)	(51,902)	(77,835)
Share of profits of joint ventures		35,834	73,990
Share of profits of associates		–	887
Profit before taxation	6	83,661	2,548,144
Income tax expense	7(a)	(31,371)	(309,831)
Profit for the year		52,290	2,238,313
Attributable to:			
Equity holders of the Company		52,529	2,242,136
Non-controlling interests		(239)	(3,823)
Profit for the year		52,290	2,238,313
Earnings per share (HK cent)	10		
Basic and diluted		1.88	80.45

The notes on pages 81 to 136 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2018

	2018 HK\$'000	2017 HK\$'000
Profit for the year	52,290	2,238,313
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	(5,594)	24,643
— joint ventures outside Hong Kong	53	15,049
— associates outside Hong Kong	—	254
	(5,541)	39,946
Total comprehensive income for the year	46,749	2,278,259
Total comprehensive income attributable to:		
Equity holders of the Company	46,963	2,280,503
Non-controlling interests	(214)	(2,244)
Total comprehensive income for the year	46,749	2,278,259

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

The notes on pages 81 to 136 form part of these financial statements.

Consolidated Statement of Financial Position

at 31 December 2018

	Note	2018 HK\$'000	2017 HK\$'000
Non-current assets			
Investment properties	11	50,000	50,000
Other property, plant and equipment	11	368,119	351,319
Leasehold land	11	613,525	624,903
		1,031,644	1,026,222
Interest in a joint venture	13	145,933	142,937
Other receivables, deposits and prepayments		40,058	40,509
Intangible assets	14	523,079	525,625
Goodwill	15	656,609	658,001
Pledged bank deposits	19	137,000	137,000
		2,534,323	2,530,294
Current assets			
Inventories	16	2,592	2,759
Film rights	17	34,868	30,453
Trade receivables	18(a)	41,473	50,920
Other receivables, deposits and prepayments	18(b)	122,835	53,516
Pledged bank deposits	19	—	47,701
Deposits and cash	19	1,290,095	1,961,126
		1,491,863	2,146,475
Current liabilities			
Bank loans	20	274,850	359,790
Trade payables	22(a)	121,813	114,199
Other payables and accrued charges	22(b)	163,144	200,276
Deferred revenue	22(c)	56,591	71,180
Obligations under finance leases	21	—	269
Taxation payable	23(a)	30,792	38,455
		647,190	784,169
Net current assets		844,673	1,362,306

Consolidated Statement of Financial Position

at 31 December 2018

	Note	2018 HK\$'000	2017 HK\$'000
Total assets less current liabilities		3,378,996	3,892,600
Non-current liabilities			
Bank loans	20	1,024,498	875,140
Deferred tax liabilities	23(b)	173,383	174,778
		1,197,881	1,049,918
NET ASSETS		2,181,115	2,842,682
CAPITAL AND RESERVES	24		
Share capital		279,967	279,967
Reserves		1,901,693	2,563,046
Total equity attributable to equity holders of the Company		2,181,660	2,843,013
Non-controlling interests		(545)	(331)
TOTAL EQUITY		2,181,115	2,842,682

Approved and authorised for issue by the Board of Directors on 27 March 2019.

Wu Kebo
Director

Mao Yimin
Director

The notes on pages 81 to 136 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2018

Note	Share	Share	Capital	Contributed	Reserve	Exchange	Retained	Total	Non-	Total
	capital	premium	redemption	surplus	funds	reserve	profits	HK\$'000	controlling	equity
	HK\$'000	HK\$'000	reserve	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	interests	HK\$'000
Balance at 1 January 2018	279,967	771,749	15,886	80,000	3,134	740	1,691,537	2,843,013	(331)	2,842,682
Changes in equity for 2018:										
Profit/(loss) for the year	-	-	-	-	-	-	52,529	52,529	(239)	52,290
Other comprehensive income	-	-	-	-	-	(5,566)	-	(5,566)	25	(5,541)
Total comprehensive income	-	-	-	-	-	(5,566)	52,529	46,963	(214)	46,749
Dividends declared in respect of the current year	24(a)(ii)	-	-	-	-	-	(708,316)	(708,316)	-	(708,316)
Balance at 31 December 2018	279,967	771,749	15,886	80,000	3,134	(4,826)	1,035,750	2,181,660	(545)	2,181,115

The notes on pages 81 to 136 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2018

Note	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Reserve funds HK\$'000	Exchange reserve HK\$'000	Other reserve HK\$'000	Convertible bonds equity reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
Balance at 1 January 2017	274,252	694,639	29,250	8,833	80,000	17,539	(23,077)	(3,305)	40,393	413,078	1,531,602	58,433	1,590,035
Changes in equity for 2017:													
Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	2,242,136	2,242,136	(3,823)	2,238,313
Other comprehensive income	-	-	-	-	-	-	38,367	-	-	-	38,367	1,579	39,946
Total comprehensive income	-	-	-	-	-	-	38,367	-	-	2,242,136	2,280,503	(2,244)	2,278,259
Disposal of subsidiaries	-	-	-	-	-	(15,198)	2,843	-	-	-	(12,355)	(9,740)	(22,095)
Purchase of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(337)	(337)
Transfer to retained profits on lapse of share options	24(a)(i)	-	(28,619)	-	-	-	-	-	-	28,619	-	-	-
Change in fair value of equity component of convertible bonds upon modification of terms	-	-	-	-	-	-	-	-	(5,469)	5,469	-	-	-
Partial conversion of convertible bonds	1,493	10,696	-	-	-	-	-	-	(1,746)	-	10,443	-	10,443
Re-measurement upon early redemption of convertible bonds	-	-	-	-	-	-	-	-	(12,282)	12,282	-	-	-
Transfer of reserves upon early redemption of convertible bonds	-	-	-	-	-	-	-	-	(20,896)	-	(20,896)	-	(20,896)
Transfer (from)/to reserves	-	-	-	-	-	793	-	-	-	(793)	-	-	-
Recognition of put liability	-	-	-	-	-	-	-	(39,091)	-	-	(39,091)	-	(39,091)
Transaction costs attributable to deemed disposal of a subsidiary	-	-	-	-	-	-	-	(2,115)	-	-	(2,115)	-	(2,115)
Derecognition of non-controlling interest upon disposal of subsidiaries	-	-	-	-	-	-	-	44,511	-	-	44,511	(46,443)	(1,932)
Shares issued under share option scheme	24(a)(i)	11,275	108,712	(26,060)	-	-	-	-	-	-	93,927	-	93,927
Shares repurchased	(7,053)	(42,298)	-	7,053	-	-	-	-	-	(7,053)	(49,351)	-	(49,351)
Equity-settled share-based transaction	-	-	25,429	-	-	-	-	-	-	-	25,429	-	25,429
Dividends declared in respect of the current year	24(a)(ii)	-	-	-	-	-	-	-	-	(1,002,201)	(1,002,201)	-	(1,002,201)
Release of exchange reserve upon step acquisition	-	-	-	-	-	-	(17,393)	-	-	-	(17,393)	-	(17,393)
Balance at 31 December 2017	279,967	771,749	-	15,886	80,000	3,134	740	-	-	1,691,537	2,843,013	(331)	2,842,682

The notes on pages 81 to 136 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2018

	Note	2018 HK\$'000	2017 HK\$'000
Operating activities			
Profit before taxation		83,661	2,548,144
Adjustments for:			
Interest income	5(a)	(28,321)	(19,820)
Finance costs	6(a)	51,902	77,835
Depreciation of property, plant and equipment	6(c)	75,192	28,969
Amortisation of intangible assets	6(c)	1,482	740
(Gain)/loss on disposal of property, plant and equipment	5(b)	(180)	6,167
Impairment of goodwill	6(c)	–	34,000
Impairment of film rights	6(c)	2,069	19,649
Impairment of available-for-sale equity securities	6(c)	–	6,210
Fair value loss on derivative financial instruments	5(b)	–	70,236
Write-off of trade receivables	6(c)	–	6,548
Impairment of other receivables	6(c)	–	10,897
Equity-settled share-based payment expenses	8	–	25,429
Loss on re-measurement of liability component of convertible bonds upon early redemption	5(b)	–	13,570
Loss on modification of terms of convertible bonds	5(b)	–	10,515
Gain on disposal of subsidiaries	5(b)	–	(2,201,414)
Gain on partial deemed disposal of a subsidiary	5(b)	–	(270,762)
Valuation gain on investment properties	11	–	(8,200)
Share of profits of joint ventures		(35,834)	(73,990)
Share of profits of associates		–	(887)
Gain on step acquisition	5(b)	–	(369,900)
Exchange loss/(gain), net		23,552	(27,642)
Operating profit/(loss) before changes in working capital		173,523	(113,706)
Decrease/(increase) in inventories		123	(4,174)
Increase in film rights		(7,095)	(3,475)
Decrease in trade receivables		8,094	23,358
Increase in other receivables, deposits and prepayments		(72,475)	(48,595)
Increase in trade payables		9,439	25,219
(Decrease)/increase in other payables and accrued charges		(14,309)	232,475
(Decrease)/increase in deferred revenue		(13,380)	24,888
Cash generated from operations		83,920	135,990

Consolidated Statement of Cash Flows

for the year ended 31 December 2018

	Note	2018 HK\$'000	2017 HK\$'000
Interest received		28,210	19,831
Finance costs paid		(66,068)	(15,177)
Interest element of finance lease rentals paid		(9)	(1,810)
Tax paid	23(a)	(38,548)	(12,005)
Tax refunded		-	890
Net cash generated from operating activities		7,505	127,719
Investing activities			
Payment for the purchase of property, plant and equipment		(95,635)	(43,410)
Proceeds from disposal of property, plant and Equipment		525	-
Acquisition of subsidiaries, net of cash acquired		-	(937,323)
Receipt from/(placement of) pledged deposits		47,701	(121,953)
Placement of term deposits with initial terms of over three months		-	(60,000)
Receipt from maturity of term deposits with initial terms of over three months		60,000	4,480
Net proceeds from disposal of subsidiaries	29	-	2,915,005
Advance top an associate		-	(441)
Repayment from joint ventures		991	1,010
Dividends received		32,890	65,879
Purchase of non-controlling interests		-	(337)
Net cash generated from investing activities		46,472	1,822,910
Financing activities			
Proceeds from new bank loans	19(b)	458,400	1,200,000
Repayment of bank loans	19(b)	(398,617)	(545,407)
Capital element of finance lease rentals paid	19(b)	(269)	(8,630)
Payment for shares repurchased		-	(49,351)
Proceeds from exercise of share options		-	93,927
Payment for redemption of convertible bonds		-	(235,971)
Finance cost paid on convertible bonds		-	(10,000)
Dividends paid	24(a)(ii)	(708,316)	(1,002,201)
Other borrowing costs paid	19(b)	-	(21,350)
Net cash used in financing activities		(648,802)	(578,983)
Net (decrease)/increase in cash and cash equivalents		(594,825)	1,371,646
Cash and cash equivalents at 1 January		1,901,126	503,622
Effect of foreign exchange rate changes		(16,206)	25,858
Cash and cash equivalents at 31 December	19(a)	1,290,095	1,901,126

The notes on pages 81 to 136 form part of these financial statements.

Notes to the Financial Statements

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"), its associates and its joint venture consist of worldwide film and video distribution, film exhibition in Hong Kong, Mainland China, Singapore and Taiwan, film and television programme production in Hong Kong and Mainland China and provision of advertising and consultancy services in Hong Kong, Mainland China, Singapore and Taiwan. 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 new and revised 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 and prior 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 2018 comprise the Group and the Group's interest in associates and 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:

- investment properties (see note 2(g));
- other leasehold land and buildings, where the leasehold land is classified as being held under a finance lease (see notes 2(h) and (j));

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 30.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- (i) HKFRS 9, *Financial instruments*
- (ii) HKFRS 15, *Revenue from contracts with customers*
- (iii) HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

None of these developments has had a material effect on how the Group's results and financial position for the current or prior years have been prepared or presented in this annual financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(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 notes 2(p) or (q) 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 an associate or 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(k)).

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

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 an associate or 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 associate or 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(k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses 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 associate or 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 associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and 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.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or 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 significant influence or 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.

(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(k)).

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(u)(vii).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(j)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(j).

(h) 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(k)):

buildings held for own use which are situated on leasehold land, classified as held under operating leases (see note 2(j));

machinery and equipment classified as being held under finance leases (see note 2(j)); and

other items of plant and equipment, other than construction in progress.

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

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.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other property, plant and equipment *(continued)*

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 classified as held under operating leases	Over the remaining lease term
— Buildings	2.5%–10.0%
— 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.

(i) 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(k)). 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(k)). 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.

(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(k)). 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 viewed annually.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(g)); and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(g)).

(iii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(h). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

(A) Policy applicable from 1 January 2018

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

(A) Policy applicable from 1 January 2018 *(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.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

(A) Policy applicable from 1 January 2018 *(continued)*

Basis of calculation of interest income

Interest income recognised in accordance with note 2(u)(viii) 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;
- 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.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets *(continued)*

(i) Credit losses from financial instruments *(continued)*

(B) Policy applicable prior to 1 January 2018

Prior to 1 January 2018, an "incurred loss" model was used to measure impairment losses on financial assets not classified as at FVPL (e.g. trade and other receivables). Under the "incurred loss" model, an impairment loss was recognised only when there was objective evidence of impairment. Objective evidence of impairment included:

- 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 debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence existed, an impairment loss was determined and recognised as follows:

- For trade and other receivables and other financial assets carried at amortised cost, impairment loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting was material. This assessment was made collectively where these financial assets shared similar risk characteristics, such as similar past due status, and had not been individually assessed as impaired. Future cash flows for financial assets which were assessed for impairment collectively were based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through profit or loss. A reversal of an impairment loss was only recognised to the extent that it did not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

When the recovery of a trade debtor or other financial assets carried at amortised cost was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets *(continued)*

(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;
- 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 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).

- 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(k)).

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.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) 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.

(m) 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(k)).

(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(k)). 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.

(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(k)). 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(k)).

(n) 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(k)).

(o) 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(k).

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) 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.

(q) 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(w)).

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in 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 become payable in accordance with the rules of the State Scheme.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) 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.
- (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.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying 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.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income tax *(continued)*

- (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.

(t) 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.

(u) 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.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Revenue and other income *(continued)*

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) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned;
- (viii) 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 k(i));
- (ix) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established;
- (x) Income from ticket booking is recognised upon the provision of the services;
- (xi) Income from gift voucher purchases is recognised when customers exchange them for goods/services or upon expiry;
- (xii) Income from membership fees is recognised in profit or loss in the accounting period covered by the membership terms; and
- (xiii) 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.

(v) 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, joint ventures and associates which are taken directly to the exchange reserve.

Notes to the Financial Statements

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Translation of foreign currencies *(continued)*

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 Company 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 determined.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(w) 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.

(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

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 represents income from the sale of film, video and television rights, film and TV drama distribution, theatre operation, promotion and advertising services, agency and consultancy services income, film royalty income and the proceeds from the sale of audio visual products.

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 25(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.

Each of the above reportable segments primarily derive their revenue from film exhibition, film and video distribution, film and television programme production and the provision of advertising and consultancy services. The reportable segments, Singapore and Taiwan, represent the Group's share of results of the joint ventures operating in Singapore and Taiwan, respectively. The joint venture in Singapore was reclassified to a subsidiary on 25 October 2017 following the acquisition of the remaining 50% equity interest in the joint venture by the Group. 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:

Notes to the Financial Statements

4 SEGMENT REPORTING (CONTINUED)

Segment revenue and results

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 profit is adjusted operating profit after taxation where net finance costs, exchange differences and extraordinary items are excluded. To arrive at adjusted operating profit after taxation the Group's profit is further adjusted for items not specifically attributable to individual segments, such as directors' and auditors' remuneration and head office or corporate administration costs.

In addition to receiving segment information concerning operating profit after taxation, management is provided with segment information concerning revenue.

Management evaluates performance primarily based on the operating profit including the share of results of joint ventures 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	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Segment revenue:										
Revenue										
— Exhibition	218,910	249,916	—	547,383	822,139	492,164	479,393	471,366	1,520,442	1,760,829
— Distribution and production	13,820	25,746	165	442	37,226	12,931	2,368	8,463	53,579	47,582
— Corporate	1,513	1,911	—	—	—	—	—	—	1,513	1,911
Reportable segment revenue	234,243	277,573	165	547,825	859,365	505,095	481,761	479,829	1,575,534	1,810,322
Reportable segment profit/(loss)	8,872	23,548	(31,159)	(26,754)	149,890	106,297	36,487	30,914	164,090	134,005
Reconciliation — Revenue										
Reportable segment revenue									1,575,534	1,810,322
Share of revenue from joint ventures in Singapore and Taiwan									(481,761)	(796,742)
Elimination of intra-segmental revenue									(25,559)	(939)
Others									(17,242)	(6,042)
Consolidated revenue									1,050,972	1,006,599
Reconciliation — Profit before taxation										
Reportable profit									164,090	134,005
Unallocated operating (expenses)/income, net									(111,561)	2,108,131
Non-controlling interests									(239)	(3,823)
Income tax expense									31,371	309,831
Consolidated profit before taxation									83,661	2,548,144

Notes to the Financial Statements

5 OTHER REVENUE AND OTHER NET (LOSS)/INCOME

(a) Other revenue

	2018 HK\$'000	2017 HK\$'000
Interest income from bank deposits	28,321	19,820
Rebates from the National Film Development Fund (note (i))	-	2,637
Miscellaneous income	15,813	13,458
	44,134	35,915

Note (i): In accordance with regulations in People's Republic of China ("PRC"), operators of cinemas established after 1 January 2004 with more than three screens are entitled to a rebate of 5% of gross box office takings for the first three years of operation. For the year ended 31 December 2017, the Group was entitled to rebates from the national film development fund of RMB2,334,000, equivalent to approximately HK\$2,637,000.

(b) Other net (loss)/income

	2018 HK\$'000	2017 HK\$'000
Gain/(loss) on disposal of property, plant and equipment	180	(6,167)
Gain on disposal of subsidiaries	-	2,201,414
Gain on partial deemed disposal of a subsidiary	-	270,762
Gain on step acquisition	-	369,900
Fair value loss on derivative financial instruments	-	(70,236)
Loss on modification of terms of convertible bonds	-	(10,515)
Loss on re-measurement of liability component of convertible bonds upon early redemption	-	(13,570)
Exchange (loss)/gain, net	(13,735)	50,042
Others	-	(12,878)
	(13,555)	2,778,752

Notes to the Financial Statements

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2018 HK\$'000	2017 HK\$'000
Interest on bank loans	46,258	26,807
Interest on convertible bonds	–	27,819
Interest on put options to non-controlling interests	–	13,175
Finance charges on obligations under finance leases	9	1,810
Other ancillary borrowing costs	5,635	8,224
Total finance costs on financial liabilities not at fair value through profit or loss	51,902	77,835

(b) Staff costs (excluding directors' emoluments (note 8))

	2018 HK\$'000	2017 HK\$'000
Salaries, wages and other benefits (note (i))	125,281	159,928
Contributions to defined contribution retirement plans	12,283	3,353
	137,564	163,281

(c) Other items

	2018 HK\$'000	2017 HK\$'000
Cost of inventories	38,355	33,789
Cost of services provided	353,413	364,361
Depreciation of property, plant and equipment (note 11)	75,192	28,969
Amortisation of intangible assets (note 14)	1,482	740
Amortisation of film rights (note (ii)) (note 17)	5,813	6,340
Impairment of goodwill (note 15)	–	34,000
Impairment of film rights (note 17)	2,069	19,649
Write-off of trade receivables	–	6,548
Impairment of other receivables	–	10,897
Impairment of available-for-sale equity securities	–	6,210
Auditors' remuneration	2,950	5,997
Operating lease charges in respect of land and buildings		
— minimum lease payments	108,770	157,447
— contingent rentals	15,615	11,034
Rental income less direct outgoings	(9,673)	(14,395)

Notes:

- (i) The amount includes provision for long service payments.
- (ii) The amortisation of film rights for the year is included in "Cost of sales" in the consolidated income statement.

Notes to the Financial Statements

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2018 HK\$'000	2017 HK\$'000
<i>Current income tax</i>		
Provision for Hong Kong tax	420	1,868
Provision for overseas tax	34,128	326,053
Over-provision in respect of prior years	(2,559)	(1,423)
	31,989	326,498
<i>Deferred tax (note 23(b))</i>		
Reversal of temporary differences	(618)	(16,667)
	31,371	309,831

Notes:

- (i) The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year.
- (ii) The provision for the Mainland China Corporate Income Tax of the subsidiaries established in the Mainland China is calculated at 25% (2017: 25%) of the estimated taxable profits for the year.
- (iii) The provision for Singapore Corporate Income Tax of the subsidiaries established in Singapore is calculated at 17% (2017: 17%) of the estimated taxable profits for the year.
- (iv) During the year ended 31 December 2018, the Group paid HK\$3,936,000 (2017: HK\$4,315,000) for income taxes on distributed earnings from its joint venture in Taiwan.

During the year ended 31 December 2018, the Group provided HK\$4,570,000 (2017: HK\$3,790,000) for income taxes on accumulated earnings generated by its joint venture in Taiwan which will be distributed to the Group in the foreseeable future.

Notes to the Financial Statements

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (CONTINUED)

(b) Reconciliation between tax expense and profit before taxation at applicable tax rates:

	2018 HK\$'000	2017 HK\$'000
Profit before taxation	83,661	2,548,144
Notional tax on profit before taxation, calculated at the rates applicable to profit in the jurisdictions concerned	12,924	307,023
Tax effect of non-deductible expenses	22,503	92,697
Tax effect of non-taxable income	(4,348)	(117,822)
Tax effect of unused tax losses not recognised	9,449	47,141
Tax effect of tax losses utilised	(1,124)	–
Tax effect of profits attributable to associates	–	(222)
Tax effect of profits attributable to joint ventures	(6,092)	(12,578)
Tax effect of temporary differences unrecognised, net	(16)	(4,461)
Provision for Taiwan withholding tax for the year	634	(524)
Over-provision in prior years	(2,559)	(1,423)
Actual tax expense	31,371	309,831

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	2018 Total HK\$'000
Executive directors					
WU, Kebo	–	10,318	–	18	10,336
LI, Pei Sen	–	360	–	–	360
WU, Keyan	–	656	69	18	743
MAO, Yimin	–	2,203	170	102	2,475
CHOW, Sau Fong Fiona	–	1,918	154	18	2,090
Independent non-executive directors					
LEUNG, Man Kit	340	–	–	–	340
WONG, Sze Wing	240	–	–	–	240
FUNG, Chi Man Henry	240	–	–	–	240
	820	15,455	393	156	16,824

Notes to the Financial Statements

8 DIRECTORS' EMOLUMENTS (CONTINUED)

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	Sub-total HK\$'000	Equity-settled share-based payments HK\$'000 (note)	2017 Total HK\$'000
Executive directors							
WU, Kebo	–	9,813	110,281	13	120,107	25,429	145,536
LI, Pei Sen	–	381	55	–	436	–	436
WU, Keyan	–	744	70	18	832	–	832
MAO, Yimin	–	2,533	15,577	113	18,223	–	18,223
CHOW, Sau Fong Fiona	–	2,586	6,502	18	9,106	–	9,106
Independent non-executive directors							
LEUNG, Man Kit	340	–	–	–	340	–	340
WONG, Sze Wing	240	–	–	–	240	–	240
FUNG, Chi Man Henry	220	–	–	–	220	–	220
	800	16,057	132,485	162	149,504	25,429	174,933

Note: These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for equity-settled share-based payment transactions as set out in note 2(r)(ii).

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 24(a)(i).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

Notes to the Financial Statements

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, three (2017: three) are directors whose emoluments are disclosed in note 8 to the financial statements. The aggregate of the emoluments in respect of the other two (2017: two) are as follows:

	2018 HK\$'000	2017 HK\$'000
Salaries and other emoluments	2,482	2,861
Discretionary bonuses	381	1,484
Retirement scheme contributions	30	36
	2,893	4,381

The emoluments of the two (2017: two) individuals with the highest emoluments are within the following bands:

	2018 Number of individuals	2017 Number of individuals
HK\$1,000,001–HK\$1,500,000	1	0
HK\$1,500,001–HK\$2,000,000	1	1
HK\$2,500,001–HK\$3,000,000	0	1

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the earnings attributable to equity holders of the Company of HK\$52,529,000 (2017: earnings of HK\$2,242,136,000) and the weighted average number of ordinary shares of 2,799,669,050 (2017: 2,786,995,888), in issue during the year, calculated as follows:

	2018 Number of shares	2017 Number of shares
Issued ordinary shares at 1 January	2,799,669,050	2,742,519,248
Effect of shares repurchased	–	(7,704,657)
Effect of share options exercised	–	47,724,131
Effect of conversion of convertible bonds	–	4,457,166
Weighted average number of ordinary shares as at 31 December	2,799,669,050	2,786,995,888

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of conversion of all dilutive potential ordinary shares. The Company does not have any dilutive potential ordinary shares as at 31 December 2018 (2017: Nil). Diluted earnings per share for the year ended 31 December 2018 is the same as the basic earnings per share.

Notes to the Financial Statements

II INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND

(a) Reconciliation of carrying amount

	Buildings	Leasehold improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Sub-total	Investment properties	Leasehold land	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost or valuation:										
At 1 January 2018	108,263	217,881	95,075	34,434	5,935	6,804	468,392	50,000	631,348	1,149,740
Additions	-	45,597	21,399	4,531	1,611	22,497	95,635	-	-	95,635
Disposals	-	-	(1,823)	-	(733)	(75)	(2,631)	-	-	(2,631)
Transfers	-	1,471	1,245	466	-	(3,182)	-	-	-	-
Exchange adjustments	(3,373)	(19,370)	(1,289)	(517)	(189)	(3,176)	(27,914)	-	(4,193)	(32,107)
At 31 December 2018	104,890	245,579	114,607	38,914	6,624	22,868	533,482	50,000	627,155	1,210,637
Representing:										
Cost	104,890	245,579	114,607	38,914	6,624	22,868	533,482	-	627,155	1,160,637
Valuation 2018	-	-	-	-	-	-	-	50,000	-	50,000
	104,890	245,579	114,607	38,914	6,624	22,868	533,482	50,000	627,155	1,210,637
Accumulated depreciation, amortisation and impairment losses:										
At 1 January 2018	3,551	61,442	40,533	8,744	2,803	-	117,073	-	6,445	123,518
Charge for the year	6,376	28,823	22,385	8,487	1,060	-	67,131	-	8,061	75,192
Written back on disposals	-	-	(1,722)	-	(564)	-	(2,286)	-	-	(2,286)
Exchange adjustments	(1,157)	(14,765)	(417)	(126)	(90)	-	(16,555)	-	(876)	(17,431)
At 31 December 2018	8,770	75,500	60,779	17,105	3,209	-	165,363	-	13,630	178,993
Net book value:										
At 31 December 2018	96,120	170,079	53,828	21,809	3,415	22,868	368,119	50,000	613,525	1,031,644

Notes to the Financial Statements

II INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (CONTINUED)

(a) Reconciliation of carrying amount (continued)

	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 properties HK\$'000	Leasehold land HK\$'000	Total HK\$'000
Cost or valuation:										
At 1 January 2017	7,020	93,109	48,382	12,418	2,632	2,888	166,449	41,800	127,998	336,247
Additions	-	-	-	-	3,218	2,802	6,020	-	-	6,020
Disposals	-	(8,131)	(13,796)	(2,227)	-	(41)	(24,195)	-	-	(24,195)
Transfers	-	-	226	1,402	-	(1,628)	-	-	-	-
Step acquisition from joint ventures to subsidiaries	97,943	116,419	48,800	22,081	-	2,403	287,646	-	500,090	787,736
Fair value adjustments	-	-	-	-	-	-	-	8,200	-	8,200
Exchange adjustments	3,300	16,484	11,463	760	85	380	32,472	-	3,260	35,732
At 31 December 2017	108,263	217,881	95,075	34,434	5,935	6,804	468,392	50,000	631,348	1,149,740
Representing:										
Cost	108,263	217,881	95,075	34,434	5,935	6,804	468,392	-	631,348	1,099,740
Valuation 2017	-	-	-	-	-	-	-	50,000	-	50,000
	108,263	217,881	95,075	34,434	5,935	6,804	468,392	50,000	631,348	1,149,740
Accumulated depreciation, amortisation and impairment losses:										
At 1 January 2017	585	45,019	33,275	5,842	1,488	-	86,209	-	4,249	90,458
Charge for the year	1,043	14,712	8,186	3,216	416	-	27,573	-	1,396	28,969
Written back on disposals	-	(6,580)	(8,891)	(2,039)	-	-	(17,510)	-	-	(17,510)
Exchange adjustments	1,923	8,291	7,963	1,725	899	-	20,801	-	800	21,601
At 31 December 2017	3,551	61,442	40,533	8,744	2,803	-	117,073	-	6,445	123,518
Net book value:										
At 31 December 2017	104,712	156,439	54,542	25,690	3,132	6,804	351,319	50,000	624,903	1,026,222

Notes to the Financial Statements

II INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (CONTINUED)

(b) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair values of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 31 December 2018 HK\$'000	Fair value measurements as at 31 December 2018 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurement				
Investment properties:				
— Commercial — Hong Kong	50,000	—	50,000	—

	Fair value at 31 December 2017 HK\$'000	Fair value measurements as at 31 December 2017 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurement				
Investment properties:				
— Commercial — Hong Kong	50,000	—	50,000	—

During the year ended 31 December 2018, there were no transfers between Level 1 and Level 2 or transfers into or out of Level 3 (2017: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The Group's investment properties were revalued as at 31 December 2018. The valuations were carried out by an independent firm of surveyors, Asset Appraisal Limited, who have among their staff with recent experience in the location and category of properties being valued. The Group's management has discussions with the surveyors about the valuation assumptions and valuation results when the valuations are performed at the end of the reporting period.

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of the investment properties located in Hong Kong is determined using the market comparison approach by reference to recent sales prices of comparable properties on a price per square foot basis using market data which is publicly available.

Fair value adjustments of investment properties are included in "valuation gain on investment properties" in the consolidated income statement.

Notes to the Financial Statements

II INVESTMENT PROPERTIES, OTHER PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (CONTINUED)

(c) The analysis of net book value of properties is as follows:

	2018		2017	
	Leasehold land HK\$'000	Buildings HK\$'000	Leasehold land HK\$'000	Buildings HK\$'000
In Hong Kong				
— long leases	121,483	56,083	122,616	56,259
Outside Hong Kong				
— long leases	492,042	90,037	532,974	67,766
	613,525	146,120	655,590	124,025
Representing:				
Land and buildings carried at fair value	—	50,000	—	50,000
Buildings carried at cost less accumulated depreciation	—	96,120	—	74,025
	—	146,120	—	124,025
Interest in leasehold land held for own use under operating leases	613,525	—	655,590	—
	613,525	146,120	655,590	124,025

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
北京橙天嘉禾影視製作有限公司 [^]	PRC	Registered capital RMB3,000,000	100%	Investment, production and distribution of motion pictures and acts as an advertising agent
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

Notes to the Financial Statements

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 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 and 114,000,000 nonvoting deferred shares [#]	100%	Investment holding
Orange Sky Golden Harvest Motion Pictures Company Limited	Hong Kong	94,000,000 shares	100%	Film production and investment holding
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
Shanghai Golden Harvest Media Management Company Limited ^{^^}	PRC	Registered capital US\$500,000	100%	Distribution of motion pictures
Dartina Development Limited	Hong Kong	31,200,082 shares	100%	Investment holding
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

Except for Golden Harvest Entertainment International Limited, all of the above subsidiaries are indirectly held by the Company.

[#] For Orange Sky Golden Harvest Entertainment Company Limited, the deferred shares carry no rights to dividends and carry the right to receive half of the surplus on a return of capital exceeding HK\$1,000,000,000,000,000. Apart from the above, all other deferred shares carry rights to dividends for any given financial year of the respective companies when the net profit available for distribution exceeds HK\$1,000,000,000. They also carry rights to receive one half of the surplus on a return of capital of the respective companies exceeding HK\$500,000,000,000. None of the deferred shares carry any rights to vote at general meetings.

[^] The equity interest of the entity is held by PRC nationals on behalf of the Group.

^{^^} Shanghai Golden Harvest Media Management Company Limited is a Sino-foreign equity joint venture enterprise under PRC Law.

Notes to the Financial Statements

13 INTEREST IN A JOINT VENTURE

	2018 HK\$'000	2017 HK\$'000
Share of net assets	145,933	142,937

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 the Company	Held by subsidiaries	
Vie Show Cinemas Co. Ltd.	Incorporated	Taiwan	80,000,000 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 unlisted corporate entity whose quoted market price is not available.

On 25 October 2017, the Group acquired the remaining 50% equity interests in its joint venture in Singapore, Dartina Development Limited, and the then joint venture and its subsidiaries have become wholly-owned subsidiaries of the Group.

Summarised financial information of Vie Show Cinemas Co. Ltd. and Dartina Development Limited, 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.# 2018 HK\$'000	2017 HK\$'000	Dartina Development Limited 2017 HK\$'000
Gross amounts of the joint venture:			
Current assets	366,371	424,926	–
Non-current assets	505,027	467,625	–
Current liabilities	(414,837)	(458,034)	–
Non-current liabilities	(47,900)	(34,245)	–
Equity	408,661	400,272	–
Included in the above assets and liabilities:			
Cash and cash equivalents	290,986	260,697	–
Current financial liabilities (excluding trade and other payables and provisions)	–	–	–
Non-current financial liabilities (excluding trade and other payables and provisions)	46,259	32,089	–
Revenue	1,329,390	1,334,845	617,939
Profit from continuing operations	100,347	84,626	87,540
Other comprehensive income	–	–	–
Total comprehensive income	100,347	84,626	87,540
Dividends from the joint ventures	92,104	101,831	59,030

Notes to the Financial Statements

13 INTEREST IN A JOINT VENTURE (CONTINUED)

	Vie Show Cinemas Co. Ltd.#		Dartina Development Limited
	2018	2017	2017
	HK\$'000	HK\$'000	HK\$'000
Included in the above profits:			
Depreciation and amortisation	67,121	82,498	54,084
Interest income	195	188	10
Interest expense	112	109	2,880
Income tax expense	24,775	18,031	22,292
Reconciled to the Group's interests in the joint ventures			
Gross amounts of the joint ventures' net assets	408,661	400,272	–
Group's effective interest	35.71%	35.71%	–
Group's share of the joint ventures' net assets	145,933	142,937	–
Goodwill	–	–	–
Carrying amount in the consolidated financial statements	145,933	142,937	–

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.

Financial information with respect to statement of financial position items of Dartina Development Limited as at 31 December 2017 and 2018 is not disclosed as the investment was reclassified from a joint venture to a subsidiary from 25 October 2017 onwards. Financial information with respect to the operating performance of Dartina Development Limited for the year ended 31 December 2017 disclosed above only comprised its operating performance from 1 January 2017 to 25 October 2017, in which period it was accounted for as a joint venture of the Group.

Notes to the Financial Statements

14 INTANGIBLE ASSETS

	Trademarks HK\$'000	Customer relationships HK\$'000	Club memberships HK\$'000	Total HK\$'000
Cost:				
At 1 January 2018	517,068	7,407	1,890	526,365
Exchange adjustments	(1,064)	–	–	(1,064)
At 31 December 2018	516,004	7,407	1,890	525,301
Accumulated amortisation:				
At 1 January 2018	–	740	–	740
Charge for the year	–	1,482	–	1,482
At 31 December 2018	–	2,222	–	2,222
Net book value:				
At 31 December 2018	516,004	5,185	1,890	523,079

	Trademarks HK\$'000	Customer relationships HK\$'000	Club memberships HK\$'000	Total HK\$'000
Cost:				
At 1 January 2017	80,524	–	1,890	82,414
Addition through acquisition of subsidiaries	436,544	7,407	–	443,951
At 31 December 2017	517,068	7,407	1,890	526,365
Accumulated amortisation:				
At 1 January 2017	–	–	–	–
Charge for the year	–	740	–	740
At 31 December 2017	–	740	–	740
Net book value:				
At 31 December 2017	517,068	6,667	1,890	525,625

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 2018, 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 Pansia 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.

Notes to the Financial Statements

15 GOODWILL

	2018 HK\$'000	2017 HK\$'000
Cost:		
At 1 January	708,426	73,658
Acquisition of subsidiaries	–	634,768
Exchange adjustments	(1,392)	–
At 31 December	707,034	708,426
Accumulated impairment losses:		
At 1 January	50,425	16,425
Impairment loss recognised	–	34,000
At 31 December	50,425	50,425
Carrying amount		
At 31 December	656,609	658,001

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash generating unit ("CGU") identified according to country of operation and business segment as follows:

	2018 HK\$'000	2017 HK\$'000
Distribution and production — Mainland China	23,233	23,233
Exhibition and distribution — Singapore	569,954	571,346
Exhibition — Hong Kong	63,422	63,422
	656,609	658,001

Notes to the Financial Statements

15 GOODWILL (CONTINUED)

Distribution and production — Mainland China

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 20% (2017: 20%), which reflects specific risks relating to the Group's Mainland China segment.

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.

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 13% (2017: 13%), which reflects specific risks relating to the Group's Singapore segment.

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.

Exhibition — Hong Kong

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 11% (2017: 11%), which reflects specific risks relating to the Group's Hong Kong segment.

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\$2,592,000 at 31 December 2018 (2017: HK\$2,759,000) which comprised largely goods for resale.

Notes to the Financial Statements

17 FILM RIGHTS

	2018 HK\$'000	2017 HK\$'000
Film rights — completed	21,459	23,968
Film production in progress, at cost	13,409	6,485
	34,868	30,453
Cost:		
At 1 January	413,033	432,244
Additions	12,593	10,609
Disposal	—	(5,862)
Expiry	—	(42,197)
Exchange adjustments	(14,631)	18,239
At 31 December	410,995	413,033
Accumulated amortisation and impairment:		
At 1 January	382,580	386,204
Amortisation	5,813	6,340
Written back on disposal	—	(5,200)
Impairment	2,069	19,649
Expiry	—	(42,197)
Exchange adjustments	(14,335)	17,784
At 31 December	376,127	382,580
Net book value:		
At 31 December	34,868	30,453

Film rights represent films, television drama series and self-produced programmes.

Film production in progress represents films under production.

In accordance with note 2(k) of the Group's accounting policies, the Group performed impairment tests at 31 December 2018 and 2017 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 \$2,069,000 (2017: \$19,649,000) for film rights was recognised for the year ended 31 December 2018.

Notes to the Financial Statements

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

(a) Trade receivables

	2018 HK\$'000	2017 HK\$'000
Trade receivables	41,590	51,037
Less: Loss allowance	(117)	(117)
	41,473	50,920

(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:

	2018 HK\$'000	2017 HK\$'000
Within 1 month	25,328	42,125
Over 1 month to 2 months	10,067	5,228
Over 2 months to 3 months	3,779	196
Over 3 months	2,299	3,371
	41,473	50,920

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 25(a) to the financial statements.

(ii) At 31 December 2018, trade receivables of the Group included nil amounts due from related companies (2017: HK\$30,000) and nil amount due from a joint venture (2017: HK\$814,000), 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.

Notes to the Financial Statements

19 DEPOSITS AND CASH

(a) Deposits and cash comprise:

	2018 HK\$'000	2017 HK\$'000
Deposits at banks	594,073	444,786
Cash at bank and in hand	833,022	1,701,041
	1,427,095	2,145,827
Less: Pledged deposits for bank loans	(137,000)	(184,701)
Deposits and cash	1,290,095	1,961,126
Less: Time deposits with original maturity of more than three months when acquired	-	(60,000)
Cash and cash equivalents in consolidated statement of cash flows	1,290,095	1,901,126

As at 31 December 2018, deposits and cash placed with banks in Mainland China amounted to HK\$208,204,000 (2017: HK\$314,692,000). 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.

(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 20)	Finance leases HK\$'000 (Note 21)	Total HK\$'000
At 1 January 2018	1,234,930	269	1,235,199
Changes from financing cash flows:			
Proceeds from new bank loans	458,400	-	458,400
Repayment of bank loans	(398,617)	-	(398,617)
Capital element of finance lease rentals paid	-	(269)	(269)
Total changes from financing cash flows	59,783	(269)	59,514
Exchange adjustments	(1,000)	-	(1,000)
Other changes:			
Interest expenses (note 6(a))	-	9	9
Interest element of finance lease rentals paid	-	(9)	(9)
Other ancillary borrowing costs	5,635	-	5,635
Total other changes	5,635	-	5,635
At 31 December 2018	1,299,348	-	1,299,348

Notes to the Financial Statements

20 BANK LOANS

(a) At 31 December 2018, the bank loans were repayable as follows:

	2018 HK\$'000	2017 HK\$'000
Within 1 year or on demand	274,850	359,790
After 1 year but within 2 years	770,350	148,587
After 2 years but within 5 years	214,542	682,665
After 5 years	39,606	43,888
	1,024,498	875,140
	1,299,348	1,234,930
Bank loans		
— Secured	1,269,348	1,204,930
— Unsecured	30,000	30,000
	1,299,348	1,234,930

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 2018, the bank loans were secured by:

- (i) an office property of a subsidiary located in Hong Kong (2017: one);
- (ii) two properties of a subsidiary located in Singapore and existing deed of assignment of insurance over the properties (2017: two);
- (iii) deposits of subsidiaries of HK\$137,000,000 (2017: HK\$184,701,000); and
- (iv) equity interests in its four subsidiaries of the Company (2017: two subsidiaries).

(c) At 31 December 2018, bank loans of HK\$1,299,348,000 (2017: HK\$1,234,930,000) were guaranteed by corporate guarantees from the Company and its subsidiaries.

(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.

The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 25(b) to the financial statements. As at 31 December 2018, none of the covenants relating to drawn down facilities had been breached.

Notes to the Financial Statements

21 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2018, the Group had obligations under finance leases repayable as follows:

	2018		2017	
	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
With 1 year	-	-	269	278
Less: Total future interest expenses		-		(9)
Present value of lease obligations		-		269

22 TRADE AND OTHER PAYABLES, ACCRUED CHARGES AND DEFERRED REVENUE

(a) Trade payables

The ageing analysis of trade payables, based on the invoice date, as of the end of the reporting period:

	2018 HK\$'000	2017 HK\$'000
Current to 3 months	106,358	100,001
Within 4 to 6 months	3,424	1,989
Within 7 to 12 months	350	1,323
Over 1 year	11,681	10,886
	121,813	114,199

At 31 December 2018, trade payables of the Group included the amounts totalling HK\$25,000 (2017: HK\$26,000) due to related companies which 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 revenue represents contract liabilities arising from billings in advance and customers' advances. All of the deferred revenue is expected to be recognised as income within one year.

Notes to the Financial Statements

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2018 HK\$'000	2017 HK\$'000
Provision for taxation for the year	34,548	327,921
Tax paid during the year		
— Capital gain tax on gain on disposal of subsidiaries	—	(311,692)
— Other income tax	(38,548)	(12,005)
Disposal of subsidiaries	—	(3,941)
Acquisition of subsidiaries	—	28,807
Tax refunded relating to prior years	—	890
Balance of tax provision relating to prior years	34,792	8,475
	30,792	38,455

(b) Deferred tax assets and liabilities recognised:

	2018 HK\$'000	2017 HK\$'000
Net deferred tax assets recognised in the consolidated statement of financial position	—	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	(173,383)	(174,778)
	(173,383)	(174,778)

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 recognised HK\$'000	Fair value adjustments arising from business combinations HK\$'000	Depreciation allowances in excess of related depreciation 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 2018	—	70,188	21,431	74,212	8,947	174,778
Exchange adjustments	—	(155)	(442)	(180)	—	(777)
(Credited)/charged to profit or loss (note 7(a))	—	(1,193)	(59)	—	634	(618)
At 31 December 2018	—	68,840	20,930	74,032	9,581	173,383
At 1 January 2017	(6,160)	—	—	—	9,471	3,311
Exchange adjustments	(2,852)	—	371	—	—	(2,481)
Credited to profit or loss (note 7(a))	(11,223)	—	(4,920)	—	(524)	(16,667)
Disposal of subsidiaries	20,235	—	—	—	—	20,235
Acquisition of subsidiaries	—	70,188	25,980	74,212	—	170,380
At 31 December 2017	—	70,188	21,431	74,212	8,947	174,778

Notes to the Financial Statements

23 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(c) Deferred tax assets not recognised

At 31 December 2018, the Group has not recognised deferred tax assets in respect of accumulated tax losses of approximately HK\$661,345,000 (2017: HK\$674,224,000) 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\$13,571,000 (2017: HK\$13,982,000) which can only be carried forward for five years under the laws of the relevant jurisdiction.

(d) Deferred tax liabilities not recognised

At 31 December 2018, temporary differences relating to the undistributed profits of subsidiaries amounted to HK\$1,562,000 (2017: HK\$1,562,000). Deferred tax liabilities of HK\$78,000 (2017: HK\$78,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

24 CAPITAL AND RESERVES

(a) Share capital

	2018		2017	
	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	2,799,669,050	279,967	2,742,519,248	274,252
Shares issued under Share option scheme	-	-	112,754,429	11,275
Shares repurchased	-	-	(70,530,000)	(7,053)
Converted from convertible bond	-	-	14,925,373	1,493
At 31 December	2,799,669,050	279,967	2,799,669,050	279,967

Notes to the Financial Statements

24 CAPITAL AND RESERVES (CONTINUED)

(a) Share capital *(continued)*

(i) Share option scheme

Equity-settled share-based transactions

The Company operates a share option scheme (the "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 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 11 November 2009 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 11 November 2009. 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.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Notes to the Financial Statements

24 CAPITAL AND RESERVES (CONTINUED)

(a) Share capital (continued)

(i) Share option scheme (continued)

Equity-settled share-based transactions (continued)

The movements of share options during the year ended 31 December 2017 held by the Directors, chief executive and other employees of the Group are set out in the following table:

Name or category of participant	Date of grant of share options	Exercise price per share	Exercise period	Number of share options outstanding as at 1 January 2017	Granted during the year ended 31 December 2017	Exercised during the year ended 31 December 2017	Lapsed during the year ended 31 December 2017	Closing price per share immediately before the date of grant of share options	Number of share options outstanding as at 31 December 2017
								(Note (b)) HK\$	
Director									
Wu Kebo	3 April 2017	0.828	3 April 2017 to 2 April 2019	–	2,743,029	(2,743,029)	–	0.810	–
	13 April 2017	0.840	13 April 2017 to 12 April 2019	–	106,991,400	(106,991,400)	–	0.830	–
Mao Yimin	14 July 2015	0.590	14 July 2015 to 13 July 2017	27,400,000	–	–	(27,400,000)	0.578	–
Wu Keyan	14 July 2015	0.590	14 July 2015 to 13 July 2017	2,000,000	–	(2,000,000)	–	0.578	–
Li Pei Sen	14 July 2015	0.590	14 July 2015 to 13 July 2017	27,200,000	–	–	(27,200,000)	0.578	–
Chow Sau Fong, Fiona	14 July 2015	0.590	14 July 2015 to 13 July 2017	27,400,000	–	–	(27,400,000)	0.578	–
Leung Man Kit	14 July 2015	0.590	14 July 2015 to 13 July 2017	170,000	–	(170,000)	–	0.578	–
Wong Sze Wing	14 July 2015	0.590	14 July 2015 to 13 July 2017	170,000	–	(170,000)	–	0.578	–
Other participants									
In aggregate	14 July 2015	0.590	14 July 2015 to 13 July 2017	55,480,000	–	(680,000)	(54,800,000)	0.578	–
				139,820,000	109,734,429	(112,754,429)	(136,800,000)		–

Notes:

- Being the weighted average closing price of the Shares immediately before the dates on which the share options were granted.
- Mr. Huang Shao-Hua George resigned as a Director with effect from 3 June 2016 and the share options he held lapsed on that date.
- Ms. Chow Sau Fong Fiona was appointed as a Director on 3 June 2016 and the share options she held was separately disclosed from other participants for the year ended 31 December 2016.

(ii) Dividends

During the year ended 31 December 2018, a special dividend of HK\$0.253 per ordinary share amounting to a total of HK\$708,316,000 was declared and paid (2017: a special dividend of HK\$0.351 per ordinary share amounting to a total of HK\$1,002,201,000), which was based on 2,799,669,050 ordinary shares in issue on the date of declaration.

The directors do not recommend the payment of final dividend for the year ended 31 December 2018 (2017: Nil).

Notes to the Financial Statements

24 CAPITAL AND RESERVES (CONTINUED)

(b) Reserves

(i) The Group

Details of the movements in reserves of the Group during the years ended 31 December 2018 and 2017 are set out in the consolidated statement of changes in equity.

(ii) The Company

Note	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2018	771,749	15,886	271,644	731,707	1,790,986
Changes in reserves for 2018:					
Loss for the year	-	-	-	(2,802)	(2,802)
Dividends declared in respect of current year	24(a)(ii)	-	-	(708,316)	(708,316)
At 31 December 2018	771,749	15,886	271,644	20,589	1,079,868

Note	Share premium HK\$'000	Share option reserve HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Convertible bonds equity reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2017	694,639	29,250	8,833	271,644	40,393	204,091	1,248,850
Changes in reserves for 2017:							
Profit for the year	-	-	-	-	-	1,490,500	1,490,500
Transfer to retained profits on lapse of share options	24(a)(i)	(28,619)	-	-	-	28,619	-
Change in fair value of equity component of convertible bonds upon modification of terms	-	-	-	-	(5,469)	5,469	-
Partial conversion of convertible bonds	10,696	-	-	-	(1,746)	-	8,950
Re-measurement upon early redemption of convertible bonds	-	-	-	-	(12,282)	12,282	-
Transfer of reserves upon early redemption of convertible bonds	-	-	-	-	(20,896)	-	(20,896)
Shares issued under share option scheme	108,712	(26,060)	-	-	-	-	82,652
Shares repurchased	(42,298)	-	7,053	-	-	(7,053)	(42,298)
Equity-settled share-based transaction	-	25,429	-	-	-	-	25,429
Dividends declared in respect of current year	24(a)(ii)	-	-	-	-	(1,002,201)	(1,002,201)
At 31 December 2017	771,749	-	15,886	271,644	-	731,707	1,790,986

Notes to the Financial Statements

24 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(r)(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, associates and joint ventures. The reserve is dealt with in accordance with the accounting policy set out in note 2(v).

(d) Distributability of reserves

At 31 December 2018, the aggregate amount of reserves available for distribution to equity holders of the Company representing the retained profits, amounted to HK\$20,589,000 (2017: HK\$731,707,000). In addition, the Company's share premium account, contributed surplus, and capital redemption reserve in an aggregate amount of HK\$1,059,279,000 (2017: HK\$1,059,279,000), as at 31 December 2018 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 obligations under finance lease over total assets.

Notes to the Financial Statements

24 CAPITAL AND RESERVES (CONTINUED)

(e) Capital management (continued)

The Group's strategy is to maintain the gearing ratio below 35%. In order to maintain or adjust the ratio, the Group may raise new equity financing or sell assets to reduce debt. The gearing ratios at 31 December 2018 and 2017 are as follows:

	2018 HK\$'000	2017 HK\$'000
Bank loans	1,299,348	1,234,930
Obligations under finance leases	–	269
	1,299,348	1,235,199
Total assets	4,026,186	4,676,769
Gearing ratio	32.3%	26.4%

25 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 PRC.

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

25 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.

For a term loan subject to repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflows based on the contractual repayment schedule and, separately, the impact to the timing of the cash outflows if the lender was to invoke its unconditional right to call the loan with immediate effect.

	As at 31 December 2018					
	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	121,813	121,813	121,813	-	-	-
Other payables and accrued charges	163,144	163,144	163,144	-	-	-
Bank loans	1,299,348	1,372,847	312,736	797,820	218,295	43,996
	1,584,305	1,657,804	597,693	797,820	218,295	43,996

	As at 31 December 2017					
	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	114,199	114,199	114,199	-	-	-
Other payables and accrued charges	200,276	200,276	200,276	-	-	-
Bank loans	1,234,930	1,320,883	396,506	175,040	704,462	44,875
Obligations under finance leases	269	278	278	-	-	-
	1,549,674	1,635,636	711,259	175,040	704,462	44,875
Adjustments to present cash flows on term loans based on lender's right to demand repayment		(6,821)	57,831	(5,655)	(14,122)	(44,875)
		1,628,815	769,090	169,385	690,340	-

Notes to the Financial Statements

25 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			
	2018		2017	
	Renminbi '000	Singapore dollars '000	Renminbi '000	Singapore dollars '000
Other receivables, deposits and prepayments	46	–	3	–
Deposits and cash	65,341	2,941	63,475	16
Other payables and accrued charges	(218)	(166)	(209)	–
Deferred revenue	(359)	–	(1,473)	–
Intercompany balance	280,211	–	253,517	–
Bank loans	–	(68,800)	–	–
Net exposure to currency risk	345,021	(66,025)	315,313	16

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit 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:

	2018		2017	
	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after taxation and in retained earnings HK\$'000	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after taxation and retained earnings HK\$'000
Renminbi	5% (5)%	16,421 (16,421)	5% (5)%	15,797 (15,797)
Singapore dollars	5% (5)%	(15,795) 15,795	5% (5)%	4 (4)

Notes to the Financial Statements

25 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Currency risk *(continued)*

(ii) Sensitivity analysis *(continued)*

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 2017.

(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.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

	2018		2017	
	Effective rate %	HK\$'000	Effective rate %	HK\$'000
Fixed rate borrowings:				
Obligations under finance leases <i>(note 21)</i>	—	—	6.6%	269
Variable rate borrowings:				
Bank loans <i>(note 20)</i>	2.38%–4.04%	1,299,348	2.25%–3.86%	1,234,930

(ii) Sensitivity analysis

At 31 December 2018, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and total equity by approximately HK\$10,850,000 (2017: HK\$10,306,000).

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 2017.

Notes to the Financial Statements

26 COMMITMENTS

(a) Capital commitments outstanding not provided for in the financial statements

As at 31 December 2018 and 2017, 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:

	2018 HK\$'000	2017 HK\$'000
Contracted for:		
Taiwan	11,763	1,477
Authorised but not contracted for:	–	–
	11,763	1,477

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 2018 and 2017:

	2018 HK\$'000	2017 HK\$'000
Contracted for:		
Hong Kong	230	1,259
Singapore	30,439	21,414
Mainland China	580,665	–
	611,334	22,673
Authorised but not contracted for:		
Hong Kong	19,765	60,741
	19,765	60,741
	631,099	83,414

Notes to the Financial Statements

26 COMMITMENTS (CONTINUED)

(b) Operating lease commitments

(i) As lessor

At 31 December 2018, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2018 HK\$'000	2017 HK\$'000
Leases on premises expiring		
— within one year	338	321
— after one year but within five years	—	321
	338	642

(ii) As lessee

At 31 December 2018, the Group's total future minimum lease payments under noncancellable operating leases are payable as follows:

	2018 HK\$'000	2017 HK\$'000
Leases on premises expiring		
— within one year	127,583	104,216
— after one year but within five years	309,451	244,044
— after five years	117,785	89,187
	554,819	437,447

The Group is the lessee in respect of a number of office premises and cinemas held under operating leases. The leases typically run from one to twenty years.

Certain non-cancellable operating leases are subject to contingent rent payments, which are charged at 0.25% to 27% (2017: 0.25% to 25%) of the monthly or annual gross box office takings in excess of the base rents as set out in the respective lease agreements. In addition, 10%–12% (2017: 10%–12%) of the theatre confectionary sales and advertising income is also charged as payments under certain leases.

27 CONTINGENT LIABILITIES

At 31 December 2018, the Company has issued guarantees to banks in respect of banking facilities granted to certain subsidiaries amounting to HK\$1,320,239,000 (2017: HK\$1,261,547,000). At 31 December 2018, banking facilities of HK\$1,310,239,000 (2017: HK\$1,251,547,000) had been utilised by the subsidiaries.

At 31 December 2018, 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.

Notes to the Financial Statements

28 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	2018 HK\$'000	2017 HK\$'000
Office rental paid	(i)	2,493	3,216
Hong Kong cinema screen advertising fee income	(ii)	—	760
Cinema circuit management service fee expense	(iii)	—	5,305

Notes:

- (i) This represents office rental expenses paid to two related companies. The rental expenses were charged on normal commercial terms.
- (ii) This represents cinema screen advertising income received from one related company for granting exclusive rights to screen advertising air-time in the Group's Hong Kong cinemas. The fees were charged on normal commercial terms.
- (iii) This represents management service fees paid to a related company, which is indirectly held by Mr. Wu Kebo, for introducing a top-class cinema circuit to PRC cinemas. The fees were charged at 1.2% of net box office receipts.

The transactions shown in notes (i) and (iii) above with related companies constitute continuing connected transactions as defined in chapter 14A of the Listing Rules are provided in the Reports of the directors. The continuing connected transactions were either properly reviewed by the independent non-executive directors or constituted de minimis transactions as defined in the Listing Rules.

29 DISPOSAL GROUP HELD FOR SALE AND DISPOSAL OF SUBSIDIARIES

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 92.59% owned by CECL and 7.41% owned by Jiaxing 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 an audit as at 28 July 2017 (the "Closing Audit"), and the parties may be entitled to further payment or compensation in respect of the renewal or entering into of new leases of certain cinema premises.

During the year ended 31 December 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 Closing Audit. The parties may also be entitled to further payment or compensation in respect of the renewal or entering into of new leases of certain cinema premises. As such, the directors assessed the fair value of the consideration for the Disposal to be RMB2.990 billion. 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.

During the year ended 31 December 2018, pursuant to the Closing Audit, Giant Harvest calculated the remaining consideration for the Disposal to be RMB252,207,249 (equivalent to US\$37,383,975). However, as True Vision did not agree with the Closing Audit and refused to give any instructions to the escrow agent for settlement of the remaining consideration to Giant Harvest, the Group commenced legal action in the Hong Kong High Court (the "Action") against True Vision and Nan Hai in September 2018 claiming a sum of US\$37,383,975, being the remaining consideration for the Disposal, and seeking other remedies, including interest and costs.

Notes to the Financial Statements

29 DISPOSAL GROUP HELD FOR SALE AND DISPOSAL OF SUBSIDIARIES

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 Said Claims have since been consolidated with the Action and will be litigated as one consolidated action in the Hong Kong High Court.

The directors of Company disagree with the Said Claims made by Nan Hai. Based on the available evidence and the advice received from the Company's legal advisor, 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. In view of the ongoing legal proceedings, the Group has not recognised the remaining consideration claimed against True Vision and Nan Hai of RMB252,207,249 referred to above.

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.

30 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 25 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 the economic useful lives of property, plant and equipment**

The Group estimates the economic useful lives of property, plant and equipment based on the periods over which the assets are expected to be available for use. The Group reviews annually their estimated useful lives, based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation charges and decrease non-current assets.

(ii) **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.

(iii) **Assessment of impairment of film rights**

The Group reviews the film rights ageing analysis at the end of each reporting period. The recoverable amount of film rights is assessed with reference to a value-in-use calculation at the end of the reporting period. The key assumptions include the discount rate, budgeted gross margin and estimated turnover based on past practices, experience and expectations in the film distribution and production industry. Changes in these estimates and assumptions would result in additional impairment provision or reversal of impairment in future years.

Notes to the Financial Statements

30 ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(iv) Assessment of impairment of goodwill

The Group has performed an impairment test for goodwill in accordance with the accounting policy stated in note 2(k)(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.

31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	2018 HK\$'000	2017 HK\$'000
Non-current assets			
Interests in subsidiaries		1,360,293	2,069,732
Current assets			
Amount due from a subsidiary		—	1,560
Prepayments		448	440
Deposits and cash		164	128
		612	2,128
Current liabilities			
Payables and accrued charges		1,070	907
		1,070	907
Net current (liabilities)/assets		(458)	1,221
NET ASSETS		1,359,835	2,070,953
CAPITAL AND RESERVES			
	24		
Share capital		279,967	279,967
Reserves		1,079,868	1,790,986
TOTAL EQUITY		1,359,835	2,070,953

32 EVENT AFTER REPORTING PERIOD

On 8 March 2019, the Group terminated the transaction in relation to the acquisition of the assets situated in the Mainland China. Pursuant to the termination notice, the Group requested the seller to refund the deposits, being 10% of the consideration amounting to RMB56 million, to the Group within 6 months from the date of termination.

Notes to the Financial Statements

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2018

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
HKFRS 16, <i>Leases</i>	1 January 2019
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i>	1 January 2019
Annual Improvements to HKFRSs 2015–2017 Cycle	1 January 2019
Amendments to HKAS 28, <i>Long-term interest in associates and joint ventures</i>	1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of HKFRS 16 which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impact upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied in the Group's interim financial report for the six months ended 30 June 2019. The Group may also change its accounting policy elections, including the transition options, until the standard is initially applied in that financial report.

HKFRS 16, *Leases*

As disclosed in note 2(j), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The group plans to elect to use the modified retrospective approach for the adoption of HKFRS 16 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019 and will not restate the comparative information. As disclosed in note 26(b), at 31 December 2018 the Group's future minimum lease payments under non-cancellable operating leases amount to HK\$554,819,000 for properties and other assets respectively, the majority of which is payable either between 1 and 5 years after the reporting date or in more than 5 years. Upon the initial adoption of HKFRS 16, the opening balances of lease liabilities and the corresponding right-of-use assets will be adjusted to HK\$1,309,841,000 respectively under modified retrospective approach where right-of-use assets equal to lease liability, after taking account the effects of discounting, as at 1 January 2019.

Other than the recognition of lease liabilities and right-of-use assets, the group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statement from 2019 onwards.

綜合收益表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 千港元	二零一七年 千港元
收益	3及4	1,050,972	1,006,599
銷售成本		(397,581)	(404,490)
毛利		653,391	602,109
其他收益	5(a)	44,134	35,915
其他(虧損)/收入淨額	5(b)	(13,555)	2,778,752
銷售及發行費用		(457,089)	(485,058)
一般及行政費用		(123,171)	(279,700)
其他營運費用		(3,981)	(109,116)
投資物業估值收益	11	-	8,200
經營業務溢利		99,729	2,551,102
財務費用	6(a)	(51,902)	(77,835)
應佔合營企業之溢利		35,834	73,990
應佔聯營公司之溢利		-	887
除稅前溢利	6	83,661	2,548,144
所得稅開支	7(a)	(31,371)	(309,831)
本年度溢利		52,290	2,238,313
以下人士應佔：			
本公司股權持有人		52,529	2,242,136
非控股權益		(239)	(3,823)
本年度溢利		52,290	2,238,313
每股盈利(港仙)	10		
基本及攤薄		1.88	80.45

第145至200頁之附註為此等財務報表之組成部分。

綜合全面收益表

截至二零一八年十二月三十一日止年度

	二零一八年 千港元	二零一七年 千港元
本年度溢利	52,290	2,238,313
本年度其他全面收益：		
其後可能重新分類至損益之項目：		
換算以下財務報表時之匯兌差額：		
— 香港境外附屬公司	(5,594)	24,643
— 香港境外合營企業	53	15,049
— 香港境外聯營公司	—	254
	(5,541)	39,946
本年度全面收益總額	46,749	2,278,259
以下人士應佔全面收益總額：		
本公司股權持有人	46,963	2,280,503
非控股權益	(214)	(2,244)
本年度全面收益總額	46,749	2,278,259

附註：上述全面收益項目並無任何稅務影響。

第145至200頁之附註為此等財務報表之組成部分。

綜合財務狀況表

於二零一八年十二月三十一日

	附註	二零一八年 千港元	二零一七年 千港元
非流動資產			
投資物業	11	50,000	50,000
其他物業、廠房及設備	11	368,119	351,319
租賃土地	11	613,525	624,903
		1,031,644	1,026,222
於合營企業之權益	13	145,933	142,937
其他應收款項、按金及預付款項		40,058	40,509
無形資產	14	523,079	525,625
商譽	15	656,609	658,001
已抵押銀行存款	19	137,000	137,000
		2,534,323	2,530,294
流動資產			
存貨	16	2,592	2,759
電影版權	17	34,868	30,453
貿易應收款項	18(a)	41,473	50,920
其他應收款項、按金及預付款項	18(b)	122,835	53,516
已抵押銀行存款	19	—	47,701
存款及現金	19	1,290,095	1,961,126
		1,491,863	2,146,475
流動負債			
銀行貸款	20	274,850	359,790
貿易應付款項	22(a)	121,813	114,199
其他應付款項及應計費用	22(b)	163,144	200,276
遞延收益	22(c)	56,591	71,180
融資租賃債務	21	—	269
應付稅項	23(a)	30,792	38,455
		647,190	784,169
流動資產淨值		844,673	1,362,306

綜合財務狀況表

於二零一八年十二月三十一日

	附註	二零一八年 千港元	二零一七年 千港元
資產總值減流動負債		3,378,996	3,892,600
非流動負債			
銀行貸款	20	1,024,498	875,140
遞延稅項負債	23(b)	173,383	174,778
		1,197,881	1,049,918
資產淨值		2,181,115	2,842,682
股本及儲備	24		
股本		279,967	279,967
儲備		1,901,693	2,563,046
本公司股權持有人應佔權益總額		2,181,660	2,843,013
非控股權益		(545)	(331)
權益總額		2,181,115	2,842,682

董事會於二零一九年三月二十七日審批及授權簽發。

伍克波
董事

毛義民
董事

第145至200頁之附註為此等財務報表之組成部分。

綜合權益變動表

截至二零一八年十二月三十一日止年度

	股本 千港元	股份溢價 千港元	股本贖回 儲備 千港元	撥入盈餘 千港元	儲備基金 千港元	匯兌儲備 千港元	保留溢利 千港元	合計 千港元	非控股權益 千港元	權益總計 千港元
於二零一八年一月一日之結餘	279,967	771,749	15,886	80,000	3,134	740	1,691,537	2,843,013	(331)	2,842,682
於二零一八年之權益變動：										
本年度溢利/(虧損)	-	-	-	-	-	-	52,529	52,529	(239)	52,290
其他全面收益	-	-	-	-	-	(5,566)	-	(5,566)	25	(5,541)
全面收益總額	-	-	-	-	-	(5,566)	52,529	46,963	(214)	46,749
就本年度宣派之股息	24(a)(ii)	-	-	-	-	-	(708,316)	(708,316)	-	(708,316)
於二零一八年十二月三十一日之結餘	279,967	771,749	15,886	80,000	3,134	(4,826)	1,035,750	2,181,660	(545)	2,181,115

第 145 至 200 頁之附註為此等財務報表之組成部分。

綜合權益變動表

截至二零一八年十二月三十一日止年度

附註	股本	股份溢價	購股權儲備	股本贖回 儲備	繳入盈餘	儲備基金	匯兌儲備	其他儲備	可換股債券		合計	非控股權益	權益總計
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	權益儲備	保留溢利	千港元	千港元	千港元
於二零一七年一月一日之結餘	274,252	694,639	29,250	8,833	80,000	17,539	(23,077)	(3,305)	40,393	413,078	1,531,602	58,433	1,590,035
於二零一七年之權益變動：													
本年度溢利/(虧損)	-	-	-	-	-	-	-	-	-	2,242,136	2,242,136	(3,823)	2,238,313
其他全面收益	-	-	-	-	-	-	38,367	-	-	-	38,367	1,579	39,946
全面收益總額	-	-	-	-	-	-	38,367	-	-	2,242,136	2,280,503	(2,244)	2,278,259
出售附屬公司	-	-	-	-	-	(15,198)	2,843	-	-	-	(12,355)	(9,740)	(22,095)
購買非控股權益	-	-	-	-	-	-	-	-	-	-	-	(337)	(337)
購股權失效時轉撥至保留溢利	24(a)(i)	-	(28,619)	-	-	-	-	-	-	28,619	-	-	-
因修訂條款而導致之可換股債券 權益部分之公允值變動	-	-	-	-	-	-	-	-	(5,469)	5,469	-	-	-
部分轉換可換股債券	1,493	10,696	-	-	-	-	-	-	(1,746)	-	10,443	-	10,443
提前贖回可換股債券時重新計量	-	-	-	-	-	-	-	-	(12,282)	12,282	-	-	-
提前贖回可換股債券時轉撥儲備	-	-	-	-	-	-	-	-	(20,896)	-	(20,896)	-	(20,896)
轉撥(自)/往儲備	-	-	-	-	-	793	-	-	-	(793)	-	-	-
確認認沽負債	-	-	-	-	-	-	-	(39,091)	-	-	(39,091)	-	(39,091)
視作出售一間附屬公司應佔交易成本	-	-	-	-	-	-	-	(2,115)	-	-	(2,115)	-	(2,115)
於出售附屬公司後終止確認非控股權益	-	-	-	-	-	-	-	44,511	-	-	44,511	(46,443)	(1,932)
根據購股權計劃已發行之股份	24(a)(i)	11,275	108,712	(26,060)	-	-	-	-	-	-	93,927	-	93,927
已贖回之股份	(7,053)	(42,298)	-	7,053	-	-	-	-	-	(7,053)	(49,351)	-	(49,351)
以股權結算之股本付款交易	-	-	25,429	-	-	-	-	-	-	-	25,429	-	25,429
就本年度宣派之股息	24(a)(ii)	-	-	-	-	-	-	-	-	(1,002,201)	(1,002,201)	-	(1,002,201)
分階段收購後解除匯兌儲備	-	-	-	-	-	-	(17,393)	-	-	-	(17,393)	-	(17,393)
於二零一七年十二月三十一日之結餘	279,967	771,749	-	15,886	80,000	3,134	740	-	-	1,691,537	2,843,013	(331)	2,842,682

第 145 至 200 頁之附註為此等財務報表之組成部分。

綜合現金流量表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 千港元	二零一七年 千港元
經營業務			
除稅前溢利		83,661	2,548,144
調整下列各項：			
利息收入	5(a)	(28,321)	(19,820)
財務費用	6(a)	51,902	77,835
物業、廠房及設備折舊	6(c)	75,192	28,969
無形資產攤銷	6(c)	1,482	740
出售物業、廠房及設備之(收益)/虧損	5(b)	(180)	6,167
商譽減值	6(c)	-	34,000
電影版權減值	6(c)	2,069	19,649
可供出售股本證券減值	6(c)	-	6,210
衍生金融工具之公允值虧損	5(b)	-	70,236
撇銷貿易應收款項	6(c)	-	6,548
其他應收款項減值	6(c)	-	10,897
以股權結算之股本付款開支	8	-	25,429
提前贖回可換股債券時重新計量負債部分之虧損	5(b)	-	13,570
修訂可換股債券條款之虧損	5(b)	-	10,515
出售附屬公司之收益	5(b)	-	(2,201,414)
視作出售附屬公司部分權益之收益	5(b)	-	(270,762)
投資物業估值收益	11	-	(8,200)
應佔合營企業之溢利		(35,834)	(73,990)
應佔聯營公司之溢利		-	(887)
分階段收購之收益	5(b)	-	(369,900)
匯兌虧損/(收益)淨額		23,552	(27,642)
營運資金變動前之經營溢利/(虧損)		173,523	(113,706)
存貨減少/(增加)		123	(4,174)
電影版權增加		(7,095)	(3,475)
貿易應收款項減少		8,094	23,358
其他應收款項、按金及預付款項增加		(72,475)	(48,595)
貿易應付款項增加		9,439	25,219
其他應付款項及應計費用(減少)/增加		(14,309)	232,475
遞延收益(減少)/增加		(13,380)	24,888
經營活動所得現金		83,920	135,990

第145至200頁之附註為此等財務報表之組成部分。

綜合現金流量表

截至二零一八年十二月三十一日止年度

	附註	二零一八年 千港元	二零一七年 千港元
已收利息		28,210	19,831
已付財務費用		(66,068)	(15,177)
已付融資租賃租金之利息部分		(9)	(1,810)
已付稅項	23(a)	(38,548)	(12,005)
已退還稅項		-	890
經營業務所得現金淨額		7,505	127,719
投資活動			
支付購買物業、廠房及設備之款項		(95,635)	(43,410)
出售物業、廠房及設備之所得款項		525	-
收購附屬公司，扣除所收購現金		-	(937,323)
收取／(存入)已抵押存款		47,701	(121,953)
存入原定到期日超過三個月之定期存款		-	(60,000)
收取原定到期日超過三個月之定期存款		60,000	4,480
出售附屬公司所得款項淨額	29	-	2,915,005
墊款予一間聯營公司		-	(441)
合營企業還款		991	1,010
已收股息		32,890	65,879
購買非控股權益		-	(337)
投資活動所得現金淨額		46,472	1,822,910
融資活動			
新銀行貸款所得款項	19(b)	458,400	1,200,000
償還銀行貸款	19(b)	(398,617)	(545,407)
已付融資租賃租金之資本部分	19(b)	(269)	(8,630)
已購回股份之付款		-	(49,351)
行使購股權所得款項		-	93,927
贖回可換股債券之付款		-	(235,971)
可換股債券已付財務費用		-	(10,000)
已付股息	24(a)(ii)	(708,316)	(1,002,201)
已付其他借貸成本	19(b)	-	(21,350)
融資活動所用現金淨額		(648,802)	(578,983)
現金及現金等值項目(減少)／增加淨額		(594,825)	1,371,646
於一月一日之現金及現金等值項目		1,901,126	503,622
外匯匯率變動之影響		(16,206)	25,858
於十二月三十一日之現金及現金等值項目	19(a)	1,290,095	1,901,126

第145至200頁之附註為此等財務報表之組成部分。

財務報表附註

I 公司資料

橙天嘉禾娛樂(集團)有限公司(「本公司」)為於百慕達註冊成立之有限公司。本公司之註冊辦事處位於 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司之主要業務為投資控股。本公司、其附屬公司(統稱「本集團」)、其聯營公司及其合營企業之主要業務包括於香港、中國內地、新加坡與台灣發行全球電影及影碟，經營影城，於香港與中國內地進行電影及電視節目製作以及於香港、中國內地、新加坡與台灣提供廣告及諮詢服務。附屬公司之其他詳情及主要業務載於財務報表附註12。

2 主要會計政策

(a) 遵例聲明

該等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之所有適用《香港財務報告準則》(「香港財務報告準則」)，包括所有適用之個別《香港財務報告準則》、《香港會計準則》(「香港會計準則」)及詮釋、香港普遍採納之會計原則以及《香港公司條例》之披露規定而編製。該等財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定。本集團採納之重大會計政策於下文披露。

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可提早採納之新訂及經修訂《香港財務報告準則》。附註2(c)提供有關已於該等財務報表反映初次應用該等與本集團有關之發展所引致目前及以往會計期間之會計政策出現任何變動之資料。

(b) 財務報表之編製基準

截至二零一八年十二月三十一日止年度之綜合財務報表包括本集團以及本集團於聯營公司及一間合營企業之權益。

編製財務報表所用計量基準為歷史成本基準，惟下列按其公允值列賬之資產及負債除外，有關情況於下文所載會計政策闡述：

- 投資物業(見附註2(g))；
- 其他租賃土地及樓宇，當中租賃土地分類為根據融資租賃持有(見附註2(h)及(j))；

為編製符合《香港財務報告準則》之財務報表，管理層須作出對政策應用以及資產、負債及收支之列報金額構成影響之判斷、估計及假設。有關估計及相關假設乃根據過往經驗及於有關情況下視為合理之多項其他因素作出，其結果構成無法從其他途徑明確得到之有關資產及負債賬面值之判斷依據。實際結果可能有別於該等估計。

估計及相關假設按持續基準審閱。倘會計估計之修訂僅影響修訂估計之期間，則該等修訂於該期間內確認；或倘修訂對目前及未來期間均有影響，則於作出修訂之期間及未來期間確認。

管理層於應用《香港財務報告準則》時所作出對財務報表構成重大影響之判斷，以及估計不明朗因素之主要來源於附註30中討論。

財務報表附註

2 主要會計政策(續)

(c) 會計政策變動

香港會計師公會已頒佈多項於本集團當前會計期間首次生效之新訂《香港財務報告準則》及《香港財務報告準則》修訂本。其中，下列規定與本集團財務報表有關：

- (i) 《香港財務報告準則》第9號，金融工具
- (ii) 《香港財務報告準則》第15號，來自客戶合約收益
- (iii) 香港(國際財務報告詮釋委員會)第22號，外幣交易及墊款代價

該等規定並無對本年度財務報告內本集團於本年度或過往年度之業績及財務狀況之編製及呈列方式構成任何重大影響。

本集團並無應用於本會計期間尚未生效之任何新訂準則或詮釋。

(d) 附屬公司及非控股權益

附屬公司為本集團控制之實體。倘本集團承擔或享有參與有關實體業務所得可變回報之風險或權利，並能透過其在該實體之權力影響該等回報時，本集團對該實體具有控制權。當評估本集團是否具有該權力時，僅考慮由本集團及其他人士持有之實質權利。

於附屬公司之投資，自開始控制之日起至失去控制權當日止已包括於綜合財務報表內。集團內公司間之結餘、交易及現金流量以及集團內公司間交易所產生之任何未變現溢利，會在編製綜合財務報表時全數抵銷。集團內公司間交易所引致未變現虧損之抵銷方法與未變現收益相同，抵銷額只限於無證據顯示已出現減值之部分。

非控股權益指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該等權益持有人達成任何附加條款，致令本集團整體上對該等權益產生符合金融負債定義之合約責任。就各項業務合併而言，在計量非控股權益時，本集團可選擇按公允值計算或按非控股權益分佔附屬公司之可識別資產淨值予以計量。

非控股權益會在綜合財務狀況表之權益項目中，與本公司股東應佔權益分開呈報。本集團業績內之非控股權益會在綜合收益表及綜合全面收益表中列作本公司非控股權益與本公司股東之間之本年度損益總額及全面收益總額分配。來自非控股權益持有人之貸款及其他有關該等持有人之合約責任，根據附註2(p)或(q)(視乎負債性質而定)於綜合財務狀況表呈列為金融負債。

本集團將非失去控制權之附屬公司權益變動計作股權交易，而綜合權益內之控股及非控股權益之金額須作出調整，以反映相關權益之變動，惟不會對商譽作出調整，亦不會確認任何盈虧。

倘本集團失去附屬公司之控制權，有關交易將會當作出售有關附屬公司之全部權益入賬，而所得盈虧將於損益確認。於失去控制權當日仍然在該前附屬公司保留之任何權益將按公允值確認，而此金額將被視為金融資產於首次確認時之公允值或(倘適用)於聯營公司或合營企業之投資在首次確認時之成本(見附註2(e))。

在本公司之財務狀況表內，於附屬公司之投資乃按成本扣除減值虧損列賬(見附註2(k))。

財務報表附註

2 主要會計政策(續)

(e) 聯營公司及合營企業

聯營公司乃本集團或本公司可以對該公司管理層產生重大影響，包括參與財務及經營決策，但非控制或共同控制其管理層之實體。

合營企業為一項安排，據此，本集團或本公司與其他各方訂約協定分佔此安排之控制權，並有權擁有此安排之資產淨值。

於聯營公司或合營企業之投資按權益法計入綜合財務報表，除非其分類為持作待售(或計入分類為持作待售之出售組別)。根據權益法，投資初始按成本入賬，並按本集團應佔投資對象於收購當日可識別資產淨值之公允值超逾投資成本之部分(如有)作出調整。投資成本包括購買價、收購投資直接應佔其他成本及任何構成本集團股本投資一部分之聯營公司合營企業直接投資。此後，該投資因應本集團於收購後應佔該投資對象資產淨值之變動及與投資有關之任何減值虧損(見附註2(k))作出調整。收購當日超出成本之任何部分、本集團於年內應該投資對象收購後之稅後業績以及任何減值虧損於綜合收益表確認，而本集團應佔該投資對象其他全面收益之收購後除稅後項目乃於綜合全面收益表內確認。

當本集團應佔聯營公司或合營企業虧損超逾其於該聯營公司或合營企業之權益，本集團之權益將削減至零，且不再確認其他虧損，惟倘本集團須承擔法定或推定責任，或代該投資對象付款則除外。就此而言，本集團之權益為按照權益法計算之投資賬面值，連同實質上構成本集團於該聯營公司或合營企業投資淨額一部分之任何其他長期權益。

本集團與其聯營公司及合營企業進行交易所產生未變現溢利及虧損均予以抵銷，以本集團於投資對象之權益為限，惟可證實已轉讓資產減值之未變現虧損則不在此限，在此情況下，該未變現虧損即時於損益確認。

倘於聯營公司之投資變為於合營企業之投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。

在所有其他情況下，倘本集團不再對聯營公司有重大影響力或不再對合營企業有共同控制權，則入賬為出售於該投資對象全部權益，而所產生盈虧將於損益確認。任何在失去重大影響力或失去共同控制權當日仍保留在該前投資對象之權益按公允值確認，而此金額被視為初步確認金融資產之公允值。

(f) 商譽

商譽指：

- (i) 已轉讓代價之公允值、於收購對象任何非控股權益之金額及本集團先前所持收購對象股權公允值之總和，高出
- (ii) 於收購日期應佔收購對象可識別資產及負債之公允淨值之超額部分。

如(ii)項之金額大於(i)項，則有關差額即時於損益確認為議價購入之收益。

商譽按成本減累計減值虧損列賬。業務合併所得之商譽會被分配至各個現金產生單位或各組現金產生單位(預期會產生合併協同效益)，並須每年作減值測試(見附註2(k))。

年內出售現金產生單位時，任何應佔購入商譽之金額會於計算出售盈虧時計入其中。

財務報表附註

2 主要會計政策(續)

(g) 投資物業

投資物業指就賺取租金收入及／或為資本增值而擁有或以租賃權益(見附註2(j))持有之土地及／或樓宇，包括所持目前尚未確定未來用途之土地及在建或發展中以供日後用作投資物業之物業。

投資物業按公允值列賬，惟倘於報告期末該等物業仍然在建或處於發展階段，且當時無法可靠計量其公允值則除外。投資物業公允值變動或報廢或出售投資物業所產生盈虧於損益確認。投資物業租金收入按附註2(u)(vii)所述方法入賬。

倘本集團按經營租賃持有物業權益以賺取租金收入及／或資本增值，有關權益會按每項物業之基準分類及入賬為投資物業。任何分類為投資物業之物業權益予以入賬，猶如按融資租賃持有(見附註2(j))，而該權益亦應用與按融資租賃租用其他投資物業相同之會計政策。租賃付款按附註2(j)所述方式入賬。

(h) 其他物業、廠房及設備

下列物業、廠房及設備項目乃按成本扣除累計折舊及減值虧損入賬(見附註2(k))：

持作自用而建於租賃土地之樓宇分類為按經營租賃持有(見附註2(j))；

機器及設備分類為按融資租賃持有(見附註2(j))；及

其他廠房及設備項目(在建工程除外)。

物業、廠房及設備項目之成本包括其購買價及任何使其達至操作狀態及運送至操作地點作擬定用途所產生之直接應佔成本。物業、廠房及設備項目投入運作後產生之開支(如維修及保養成本等)，一般於其產生期間自損益扣除。倘清楚顯示有關開支令使用有關物業、廠房及設備項目預期獲得之未來經濟利益有所增加，及倘該項目之成本能可靠計量，則有關開支將予以資本化，作為該資產之額外成本或作為替代項目。

在建工程指興建中之資產，按成本減任何減值虧損列賬，且不予折舊。成本包括於動工期間之直接建造成本。在建工程於落成及可供使用時重新分類為適當類別之物業、廠房及設備。

報廢或出售物業、廠房及設備項目產生之盈虧，按該項目之出售所得款項淨額與其賬面值兩者間之差額釐定，並於報廢或出售日期在損益確認。

財務報表附註

2 主要會計政策(續)

(h) 其他物業、廠房及設備(續)

折舊乃按以下年比率以直線法撇銷物業、廠房及設備項目成本減其估計剩餘價值(如有)計算：

—	分類為按融資租賃持有之租賃土地	餘下租賃限期
—	樓宇	2.5% – 10.0%
—	租賃物業裝修	租賃限期或可使用年期(以較短者為準)
—	機器及設備	6.7% – 33.3%
—	傢具及裝置	8.3% – 20.0%
—	汽車	20.0%

若物業、廠房及設備項目任何部分之可使用年期不同，則該項目成本將合理分配至各部分，而各部分將分開折舊。資產之可使用年期及其剩餘價值(如有)將每年進行檢討。

(i) 無形資產(商譽除外)

(i) 會籍

會籍按成本扣除減值虧損於綜合財務狀況表列賬(見附註2(k))。成本包括與購入會籍直接有關之費用及開支。

出售會籍所得盈虧於損益確認。

(ii) 商標

業務合併收購之商標於收購日期按公允值確認。

商標按成本扣除減值虧損於綜合財務狀況表列賬(見附註2(k))。具有無限可使用年期之商標不作攤銷，直至其可使用年期被釐定為有限為止。有關商標之可使用年期為無限之任何結論會每年檢討，以釐定事件及情況是否繼續支持無限可使用年期之評估。

(iii) 客戶關係

業務合併收購之客戶關係於收購日期按公允值確認。

具有有限可使用年期之客戶關係按成本扣除累計攤銷及減值虧損於綜合財務狀況表列賬(見附註2(k))。攤銷乃於其估計可使用年期五年期間以直線法撇銷客戶關係成本減其估計剩餘價值(如有)計算。

攤銷期間及方法會每年檢討。

財務報表附註

2 主要會計政策(續)

(j) 租賃資產

倘本集團決定一項安排(由一項交易或一系列交易組成)以一項或多項特定資產在協定期間內之使用權換取一筆或一連串付款,則該安排屬於或包括一項租賃。該項決定乃基於該安排之實際內容評估而作出,而不論有關安排是否以租賃之法律形式作出。

(i) 出租予本集團資產之分類

本集團根據租賃持有,且所有權之絕大部分風險及回報已轉移至本集團之資產乃分類為根據融資租賃持有。所有權之絕大部分風險及回報並無轉移至本集團之租賃則分類為經營租賃,惟以下情況除外:

- 按經營租賃持有且符合投資物業定義之物業,按每項物業之基準分類為投資物業,倘分類為投資物業,則按猶如根據融資租賃持有入賬(見附註2(g));及
- 根據經營租賃持有自用且於租賃開始時公允值無法與建於其上之樓宇公允值分開計量之土地,入賬為根據融資租賃持有,除非樓宇清楚地根據經營租賃持有則另作別論。就此等目的而言,租賃開始指本集團最初訂立或自前承租人接管租賃之時間。

(ii) 經營租賃費用

倘本集團擁有根據經營租賃持有之資產使用權,則根據租賃作出之付款乃按租期涵蓋之會計期間分期均等地於損益扣除,惟倘有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。所獲之租金優惠作為已作出之淨租金總額之一部分於損益確認。或然租金於產生之會計期間在損益扣除。

根據經營租賃持有之土地之收購成本乃於租賃限期內按直線法攤銷,惟如該物業分類為投資物業則除外(見附註2(g))。

(iii) 根據融資租賃獲得之資產

倘本集團根據融資租賃獲得資產之使用權,則相當於租賃資產公允值之金額,或(倘較低)該等資產最低租金付款之現值,乃確認為物業、廠房及設備,而經扣除財務開支之相應負債乃記錄為融資租賃承擔。按撇銷資產成本或估值之比率於有關租約之年期內計提折舊,或倘本集團很有可能取得資產之擁有權,則為於資產之可使用年期內計提折舊(如附註2(h)所載)。減值虧損乃根據載於附註2(k)之會計政策入賬。租金付款中所隱含之財務費用乃於租約期間計入損益,以在各會計期間對剩餘責任產生概約固定之定期費用。或然租金在其產生之會計期間內在損益扣除。

財務報表附註

2 主要會計政策(續)

(k) 信貸虧損及資產減值

(i) 金融工具信貸虧損

(A) 自二零一八年一月一日起適用之政策

本集團就以下項目確認預期信貸虧損(「預期信貸虧損」)的虧損撥備：

- 按攤銷成本計量的金融資產(包括現金及現金等值項目以及貿易及其他應收款項)。

預期信貸虧損的計量

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損以所有預期現金流缺額的現值計量(即根據合約應付本集團的現金流量與本集團預期收到的現金流量之間的差額)。

倘貼現影響重大，則預期現金缺額將採用以下貼現率貼現：

- 定息金融資產以及貿易及其他應收款項：於初步確認時釐定的實際利率或其近似值；
- 浮息金融資產：即期實際利率。

於估計預期信貸虧損時所考慮的最長期間為本集團面臨信貸風險的最長合約期間。

於計量預期信貸虧損時，本集團會考慮在無需付出過多成本及努力下即可獲得的合理可靠資料。此項包括有關過往事件、現時狀況及未來經濟狀況預測的資料。

預期信貸虧損採用以下基準計量：

- 12個月預期信貸虧損：指報告日期後12個月內可能發生的違約事件而導致的預期虧損；及
- 整個存續期內的預期信貸虧損：指預期信貸虧損模式適用項目之預期有效期內所有可能違約事件導致的預期虧損。

貿易應收款項的虧損撥備總以等於整個存續期內的預期信貸虧損的金額計量。該等金融資產的預期信貸虧損使用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並根據債務人特有的因素及對報告日期的當前及預測的一般經濟狀況評估進行調整。

就所有其他金融工具而言，本集團確認與12個月預期信貸虧損相等之虧損撥備。倘自初步確認後金融工具之信貸風險大幅上升，虧損撥備則相等於整個存續期內的預期信貸虧損金額計量。

財務報表附註

2 主要會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

(A) 自二零一八年一月一日起適用之政策(續)

信貸風險大幅上升

評估金融工具的信貸風險自初步確認以來有否大幅上升時，本集團會比較於報告日期及於初步確認日期評估的金融工具發生違約的風險。作出重新評估時，本集團認為，倘(i) 借款人不大可能在本集團不採取變現抵押(如持有)等追討行動的情況下向本集團悉數支付其信貸債務；或(ii) 金融資產已逾期90日，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。

具體而言，評估信貸風險自初步確認以來有否大幅上升時會考慮以下資料：

- 未能按合約於到期日支付本金或利息；
- 金融工具外部或內部信貸評級的實際或預期顯著惡化(倘適用)；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

取決於金融工具的性質，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險變動。預計信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對該等金融工具之賬面值作出相應調整。

財務報表附註

2 主要會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

(A) 自二零一八年一月一日起適用之政策(續)

利息收入之計算基準

根據附註2(u)(viii)確認的利息收入按金融資產的總賬面值計算，除非該金融資產出現信貸減值，則利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否信貸減值。當一項或多項對金融資產之估計未來現金流量有不利影響之事件發生，金融資產出現信貸減值。

金融資產信貸減值的證據包括以下可觀察事件：

- 債務人出現嚴重財務困難；
- 違反合約，如欠繳或拖欠支付利息或本金；
- 借款人很有可能將告破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大變動，對債務人有不利影響；或
- 由於發行人出現財務困難，證券活躍市場消失。

撤銷政策

若日後有實際上不可回收款項，本集團則會撤銷(部分或全部)金融資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源以償還應撤銷的金額。

隨後收回先前撤銷之資產於回收期間在損益中確認為減值撥回。

財務報表附註

2 主要會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融工具信貸虧損(續)

(B) 於二零一八年一月一日前適用的政策

於二零一八年一月一日前，「已產生虧損」模式用於計量未歸類為按公允值計入損益的金融資產(例如貿易及其他應收款項)的減值虧損。根據「已產生虧損」模式，僅於存在客觀減值證據時確認減值虧損。客觀減值證據包括：

- 債務人出現嚴重財務困難；
- 違反合約，如欠繳或拖欠支付利息或本金；
- 借款人很有可能將告破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大變動，對債務人有不利影響；及
- 於股權工具投資的公允值大幅或長期下跌至低於其成本。

倘存在任何該等證據，則減值虧損按以下方式釐定及確認：

- 就按攤銷成本列賬的貿易及其他應收款項及其他金融資產而言，減值虧損按資產賬面值與估計未來現金流量現值的差額釐定，如貼現影響重大，則按金融資產的原來有效利率計算貼現。倘金融資產具類似的風險特徵，例如類似的逾期情況且並未單獨被評估為減值，則會共同進行有關的評估。共同評估減值的金融資產的未來現金流量，會根據與整個組別具類似信貸風險特徵之資產的過往虧損經驗而折算。

倘其後期間減值虧損的金額減少，且該等減幅可客觀地判定與確認減值虧損後發生的事件有關，則會在損益撥回減值虧損。減值虧損的撥回僅在不會致使資產的賬面值超過於過往年度未曾確認減值虧損下原應釐定的賬面值的情況下予以確認。

倘按攤銷成本列賬的應收賬款或其他金融資產的可收回性被認為難以預料而並非微乎其微，則有關的減值虧損以撥備賬入賬。倘本集團確認可收回性微乎其微，則視為不可收回的金額直接以該等資產的賬面總值撇銷。先前在撥備賬中計提的金額如其後被收回，其從撥備賬中撥回。撥備賬的其他變動及其後撥回已撇銷的金額均直接於損益確認。

財務報表附註

2 主要會計政策(續)

(k) 信貸虧損及資產減值(續)

(ii) 其他非流動資產之減值

本集團會在各報告期末審閱內部及外部資料，以確定下列資產有否出現減值跡象，或(商譽除外)以往確認之減值虧損是否不再存在或已經減少：

- 物業、廠房及設備；
- 分類為根據經營租賃持有之租賃土地預付權益；
- 電影版權；
- 商譽；
- 無形資產(商譽除外)；及
- 本公司財務狀況表中於附屬公司之投資。

倘存在任何有關跡象，則須估計資產之可收回金額。此外，就具有無限可使用年期之商譽、尚未可動用的無形資產及無形資產而言，無論是否存在任何減值跡象，均會每年估計可收回金額。

— 計算可收回金額

資產之可收回金額乃其公允值減銷售成本與使用價值之較高者。評估使用價值時，乃以除稅前貼現率將估計未來現金流量貼現至現值，而該貼現率反映當時市場對金錢時間價值之評估及該項資產之特定風險。倘某項資產所產生之現金流入並未能大部分獨立於其他資產，可收回金額乃按可獨立產生現金流入之最小資產組別(即現金產生單位)釐定。

— 確認減值虧損

於資產賬面值或其所屬現金產生單位高於其可收回金額時，會於損益確認減值虧損。就現金產生單位確認之減值虧損會首先減少已分配至該現金產生單位(或該組單位)之任何商譽賬面值，其後則按比例減少單位(或該組單位)內其他資產之賬面值，惟資產之賬面值不得減至低於其個別公允值減出售成本後所得數額或其使用價值(如能釐定)。

— 撥回減值虧損

就商譽以外之資產而言，倘用於釐定可收回金額之估計數額出現有利變動，減值虧損將予以撥回。商譽之減值虧損不予撥回。

減值虧損撥回不得超過以往年度並無確認減值虧損而原應釐定之資產賬面值。減值虧損撥回乃於確認撥回之年度計入損益。

(iii) 中期財務報告與減值

根據上市規則，本集團須按《香港會計準則》第34號中期財務報告編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用等同財政年末之減值測試、確認及轉回標準(見附註2(k))。

就商譽所確認於中期期間之減值虧損，均不能在較後期間撥回。即使假如該減值在與該中期期間有關之財政年末始作評估則該減值虧損不會發生、或損失之金額較小，在此情況下亦不可撥回。

財務報表附註

2 主要會計政策(續)

(l) 存貨

存貨按成本與可變現淨值兩者間之較低者入賬。

成本按先入先出法計算，並包括所有購買成本、轉換成本及使存貨達致其現有位置及狀況所產生之其他成本。

可變現淨值指日常業務過程中之估計售價減估計完成成本及作出銷售所需之估計成本。

當出售存貨時，該等存貨之賬面值於有關收益確認之期間確認為開支。任何撇減存貨至可變現淨值及存貨之所有虧損於撇減或虧損之期間確認為開支。撇減存貨之任何撥回金額，於撥回期間以減少存貨為開支金額作確認。

(m) 電影版權

(i) 電影版權

電影版權之成本乃參考相關特許期限(須每年檢討)有系統地攤銷。

電影版權指電影及電視劇，乃按成本扣除累計攤銷及減值虧損列賬(見附註2(k))。

(ii) 製作中電影製作

製作中電影製作指製作中之電影，乃按成本扣除任何減值虧損列賬(見附註2(k))。成本包括所有與製作電影有關之直接成本。當其成本高於估計日後將自該等電影產生之收益時，則作出減值虧損。當製作完成時，該成本轉撥至自製節目。

(iii) 自製節目

自製節目乃按成本(包括直接開支及直接製作間接成本之應佔部分)減累計攤銷及減值虧損列賬(見附註2(k))。自製節目之成本乃參考相關特許期限(須每年檢討)有系統地攤銷。

(iv) 電影／電視劇製作投資

電影／電視劇製作投資初步按成本列賬，隨後就投資所得收益淨額調整，並扣除任何累計減值虧損(見附註2(k))。

(n) 貿易及其他應收款項

貿易及其他應收款項於本集團具無條件權利收取代價時確認。倘僅須待時間流逝即到期支付代價，則收取代價權利為無條件。

應收款項以實際利率法按攤銷成本減信貸虧損撥備列賬(見附註2(k))。

(o) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、於銀行及其他財務機構之活期存款，以及短期高流動性投資，即可以即時轉換為已知數額現金、不涉及重大價值變動風險及於收購後三個月內到期之投資。就編製綜合現金流量表而言，現金及現金等值項目包括按要價償還及構成本集團現金管理之不可分割組成部分之銀行透支。現金及現金等值項目根據附註2(k)所載政策就預期信貸虧損評估。

財務報表附註

2 主要會計政策(續)

(p) 貿易及其他應付款項

貿易及其他應付款項初步按公允值確認，其後按攤銷成本入賬，惟倘貼現影響並不重大，則按成本入賬。

(q) 計息借貸

計息借貸初步按公允值減應佔交易成本確認。初步確認後，計息借貸以實際利率法按攤銷成本列賬。利息開支根據本集團借貸成本之會計政策確認(見附註2(w))。

(r) 僱員福利

(i) 短期僱員福利及向定額供款退休計劃作出之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及各項非貨幣福利之成本，均在僱員提供相關服務之年度內累計。如延遲支付或結算會構成重大影響，則上述數額須按現值列賬。

(ii) 股本付款

授予僱員之購股權之公允值確認為僱員成本，並相應於權益內增加資本儲備。公允值於授予日期經考慮有關購股權授予之條款及條件後，採用柏力克—舒爾斯期權定價模式釐定。倘僱員須符合歸屬條件方能無條件取得購股權，購股權之估計公允值總額將於歸屬期間攤分，並考慮到購股權將予歸屬之可能性。

於歸屬期間，預期歸屬之購股權數目將獲審閱。對於過往年度確認之累計公允值作出之任何調整，將扣除／計入審核年度之損益，除非原來之僱員開支可獲確認為資產，並於資本儲備中作出相應調整則另作別論。於歸屬日期，已確認為開支之金額將調整至反映歸屬之購股權之實際數目(並於資本儲備中作出相應調整)，因無法達到與本公司股份市價相關之歸屬條件而沒收者除外。股本金額將於資本儲備確認，直到購股權獲行使(計入就已發行股份於股本確認之金額)或購股權屆滿(直接撥至保留溢利)。

(iii) 退休福利計劃

本集團根據強制性公積金計劃條例為合資格參與定額供款退休福利計劃(「該計劃」)之僱員營辦該計劃。該計劃供款乃按僱員基本薪金之百分比計算，並於根據該計劃規則應付時在損益扣除。本集團所作之僱主供款已於向該計劃供款時完全及即時歸屬於僱員。該計劃之資產與本集團資產分開由獨立管理基金持有。

本集團於中國內地之附屬公司僱員均為政府營運之國家籌辦退休計劃(「國家退休計劃」)之成員。為國家退休計劃作出之供款乃按僱員基本薪金之百分比計算，並於根據國家退休計劃規定應付時在損益扣除。

財務報表附註

2 主要會計政策(續)

(s) 所得稅

- (i) 本年度所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動均於損益確認；惟如其與於其他全面收益確認或直接於權益確認之項目有關，則有關稅項金額須分別於其他全面收益確認或直接於權益確認。
- (ii) 即期稅項乃按年內應課稅收入根據已生效或於報告期末實質上已生效之稅率計算而預期應付之稅項，並就過往年度應付稅項作出任何調整。
- (iii) 遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債就財務呈報目的而言之賬面值與其稅基之差異。遞延稅項資產亦可以由未動用稅項虧損及未動用稅項抵免產生。

除若干有限之例外情況外，所有遞延稅項負債及遞延稅項資產(只以未來可能有應課稅溢利予以抵銷之資產為限)均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差異而產生之數額；但有關差異必須與同一稅務機關及同一應課稅公司有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生之稅項虧損向後期或向前期結轉之期間內撥回。在決定現有之應課稅暫時差異是否足以支持確認由未動用稅項虧損及抵免所產生之遞延稅項資產時，亦會採用同一準則，倘涉及同一稅務機關及同一應課稅公司，而且預期在能夠使用稅項虧損或抵免之同一期間內撥回，則予以計算在內。

遞延稅項資產及負債確認之有限例外情況包括不可扣稅商譽所產生之暫時差異，不影響會計或應課稅溢利(如屬業務合併之一部分則除外)之資產或負債之初步確認，以及於附屬公司之投資之暫時差異(如屬應課稅差異，只限於本集團可以控制撥回之時間，而且在可見將來不大可能撥回之差異；或如屬可予扣減之差異，則只限於可在將來撥回之差異)。

倘投資物業根據附註2(g)所載會計政策按其公允值列賬，已確認之遞延稅項數額會採用於報告日期按其賬面值出售該等資產適用之稅率計量，除非物業可予折舊並以目標為並非透過出售形式而消耗該物業絕大部分經濟利益之業務模式持有。在所有其他情況下，已確認之遞延稅項數額是按照資產及負債賬面值之預期實現或清償方式，以報告期末已生效或實際生效之稅率計量。遞延稅項資產及負債均毋須貼現。

遞延稅項資產之賬面值於各報告期末予以檢討，並於不可能再有足夠應課稅溢利可供動用有關稅項福利時予以削減。任何有關減少在可能有足夠應課稅溢利可供抵免時撥回。

因派發股息而產生之額外所得稅於確認支付相關股息責任時確認。

財務報表附註

2 主要會計政策(續)

(s) 所得稅(續)

(iv) 即期稅項結餘及遞延稅項結餘及其變動額會分開列示，並且不予抵銷。倘本公司或本集團有法定行使權以即期稅項資產抵銷即期稅項負債，並且在符合以下附帶條件之情況下，即期稅項資產與遞延稅項資產始會分別與即期稅項負債及遞延稅項負債抵銷：

- 倘為即期稅項資產及負債，本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘為遞延稅項資產及負債，而此等資產及負債屬同一稅務機關並與以下其中一項徵收之所得稅有關：
 - 同一應課稅公司；或
 - 不同應課稅公司，此等公司計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

(t) 撥備及或然負債

倘本集團須就已發生之事件承擔法律或推定義務，而會導致經濟利益外流及在可以作出可靠之估計時，則確認撥備。倘金錢之時間價值重大，則按履行義務預計所需支出之現值計提撥備。

倘經濟利益外流之可能性較低，或無法可靠估計有關數額，則會將該義務披露為或然負債，但經濟利益外流之可能性極低則除外。倘可能存在義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，則會披露為或然負債，除非經濟利益外流之可能性極低。

(u) 收益及其他收入

本集團將銷售貨品及提供服務所產生收入分類為收益。

收益於產品或服務控制權轉至客戶時，按本集團預期可得獲承諾代價之款額確認，不包括代第三方收取之款額。收益不包括增值稅及其他銷售稅，並扣除任何行業折扣。

倘合約包含融資成分而向客戶提供超過12個月的重大融資利益，則收益按應收款額現值計量，以另行與客戶進行的融資交易原應反映的貼現率貼現，利息收入以實際利率法另行累計。倘合約包括為本集團提供重大融資利益之融資成分，根據該合約確認的收益包括實際利率法項下合約負債相關利息開支。本集團應用《香港財務報告準則》第15號第63段之應用權宜辦法，倘融資期為12個月或以下，不就重大融資成分之影響調整代價。

財務報表附註

2 主要會計政策(續)

(u) 收益及其他收入(續)

本集團收益及其他收入確認政策如下：

- (i) 票房收入於電影已向購票人提供服務時確認；
- (ii) 電影發行及銀幕廣告收入於提供有關服務時確認；
- (iii) 宣傳、廣告、廣告製作、代理費以及顧問服務收入於提供有關服務時確認；
- (iv) 電影／電視劇製作之投資收入於電影或電視節目發行時確認；
- (v) 源自向電視台轉授播映權以及授出製造、分銷及銷售影帶、鐳射影碟、影音光碟及數碼影音光碟之權利之電影版權費收入於本集團確立收取付款之權力時確認為累計版權費；
- (vi) 小賣部及視聽產品銷售收入於小食及視聽產品給予客戶時確認；
- (vii) 經營租賃之應收租金收入在租期所涵蓋期間內，以等額在損益確認；惟倘有其他基準能更清楚地反映使用租賃資產所產生之收益模式則除外。租賃優惠措施均在損益確認為應收租賃淨付款總額之組成部分。在會計期間所獲得之或然租金確認為收入；
- (viii) 利息收入於應計時按實際利率法計算確認。就並無出現信貸減值之按攤銷成本計量金融資產而言，實際利率適用於該資產之賬面總值。就出現信貸減值之金融資產而言，實際利率適用於該資產之攤銷成本(即賬面總值扣減虧損撥備)(見附註k(i))；
- (ix) 非上市投資之股息收入於股東收取款項之權利確立時確認；
- (x) 預訂戲票收入於提供服務時確認；
- (xi) 禮券之收入於客戶將禮券兌換貨品／服務或於期限屆滿時確認；
- (xii) 會費收入於會籍年期所涵蓋會計期間在損益確認；及
- (xiii) 倘可合理確定能夠收取政府補貼，而本集團將符合政府補貼所附帶條件，則政府補貼初步於綜合財務狀況表中確認。補償本集團所產生開支之補貼於產生開支之同一期間有系統地於損益確認為收入。補償本集團資產成本之補貼在相關資產賬面值中扣除，其後於該項資產之可使用年期以減少折舊開支方式於損益實際確認。

(v) 外幣換算

年內進行之外幣交易以交易日之適用匯率換算。於報告期末以外幣結算之貨幣資產及負債，以及海外附屬公司、合營企業及聯營公司之財務報表按該日之匯率換算。交易日為匯兌盈虧於損益確認，惟因換算海外附屬公司、合營企業及聯營公司之財務報表而產生之匯兌盈虧則直接計入匯兌儲備。

財務報表附註

2 主要會計政策(續)

(v) 外幣換算(續)

按過往成本以外幣為單位之非貨幣資產及負債，按交易日之外匯匯率換算。交易日為本公司初步確認該非貨幣資產或負債之日期。以外幣計值並按公允值列賬之非貨幣資產及負債按釐定其公允值當日適用之外匯匯率換算。

於出售海外業務時，與海外業務有關並於權益確認之累計匯兌差額於計算出售之溢利或虧損時計入。

(w) 借貸成本

直接涉及購入、建造或生產需經一段長時期準備方可作擬定用途或出售之資產之借貸成本，會資本化作為有關資產之部分成本。其他借貸成本於產生之期間列作開支處理。

借貸成本乃於資產之開支產生、借貸成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為合格資產之部分成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫時中止或停止資本化借貸成本。

(x) 關連人士

(a) 倘出現下列情況，則該名人士或其近親為與本集團有關連：

- (i) 對本集團有控制權或共同控制權；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或本集團母公司之主要管理層成員。

(b) 倘出現下列情況則有關公司為與本集團有關連：

- (i) 該公司及本集團屬同一集團(即各母公司、附屬公司及同系附屬公司為互相關連)。
- (ii) 一間公司為另一間公司之聯繫人或合營企業(或該另一間公司所屬集團之成員公司之聯繫人或合營企業)。
- (iii) 兩間公司皆為同一第三方之合營企業。
- (iv) 一間公司為第三方公司之合營企業而另一間公司為該第三方公司之聯繫人。
- (v) 該公司為就本集團或與本集團有關連之公司之僱員而設之退休福利計劃。
- (vi) 該公司受(a)所指人士控制或共同控制。
- (vii) 於(a)(i)所指人士對該公司具有重大影響力或為該公司(或該公司之母公司)之主要管理層成員。
- (viii) 該公司或其所屬集團旗下任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

某人之近親指預期對該人士與該公司進行之交易具有影響力或受其影響之家族成員。

財務報表附註

2 主要會計政策(續)

(y) 分部報告

經營分部及財務報表所呈報之各分部項目金額，乃根據就分配資源予本集團各項業務及地區分部及評估其表現而定期提供予本集團最高行政管理人員之財務資料而確定。

就財務報告而言，個別重要經營分部不會綜合呈報，除非有關分部具有類似經濟特徵以及在產品及服務性質、經營程序性質、客戶類型或類別、分銷產品或提供服務所採用方式及監管環境性質方面類似則另作別論。倘獨立而言並非屬重要之經營分部共同擁有上述大部分特徵，則可綜合呈報。

3 收益

收益指出售電影、影碟及電視版權、電影及電視劇發行、影城經營所得收入、宣傳及廣告服務、代理及顧問服務收入、電影版權收入以及出售影音產品之所得款項。

本集團客戶基礎分散，概無客戶所涉及交易佔本集團收益超過10%。因客戶而產生之信貸風險集中詳情載於財務報表附註25(a)。

4 分部報告

本集團按地區管理業務。與向本集團最高行政管理人員用作資源分配及表現評估之資料所用之內部匯報方式一致，本集團已呈列下列報告分部。概無將經營分部合併以構成下列報告分部：

- 香港
- 中國內地
- 新加坡
- 台灣

就位於香港、中國內地、新加坡及台灣之公司而言，本集團來自外部客戶之收益載列於下表。

上述各報告分部之收益主要源自經營影城、電影及影碟發行、電影及電視節目製作以及提供廣告及顧問服務。新加坡及台灣之報告分部分別代表本集團應佔在新加坡及台灣經營之合營企業之業績。在本集團收購新加坡合營企業之餘下50%股權後，該合營企業已於二零一七年十月二十五日重新分類為附屬公司。為評估分部表現及分配分部資源，本集團最高行政管理人員按下列基準監察各報告分部應佔收益及業績：

財務報表附註

4 分部報告(續)

分部收益及業績

收益按本地公司之外部客戶所在地分配至報告分部。開支參考該等分部之銷售額及該等地理位置產生之開支或該等分部應佔資產折舊及攤銷所產生之開支分配至報告分部。

報告分部溢利乃按經調整除稅後經營溢利計算，但不包括財務費用、匯兌差額及非經常性項目。為計算得出經調整除稅後經營溢利，本集團之溢利就並非指定屬於個別分部之項目(如董事及核數師酬金以及總辦事處或企業行政成本)作出進一步調整。

除收到有關除稅後經營溢利之分部資料外，有關收益之分部資料也會向管理層提供。

管理層主要基於經營溢利評估表現，包括應佔各分部之合營企業業績。分部之間定價一般按公平原則釐定。

本集團按地區市場劃分之收益及業績分部資料呈列如下：

	香港		中國內地		新加坡		台灣		綜合	
	二零一八年 千港元	二零一七年 千港元	二零一八年 千港元	二零一七年 千港元	二零一八年 千港元	二零一七年 千港元	二零一八年 千港元	二零一七年 千港元	二零一八年 千港元	二零一七年 千港元
分部收益：										
收益										
— 經營影城	218,910	249,916	-	547,383	822,139	492,164	479,393	471,366	1,520,442	1,760,829
— 發行及製作	13,820	25,746	165	442	37,226	12,931	2,368	8,463	53,579	47,582
— 集團企業	1,513	1,911	-	-	-	-	-	-	1,513	1,911
報告分部收益	234,243	277,573	165	547,825	859,365	505,095	481,761	479,829	1,575,534	1,810,322
報告分部溢利/(虧損)	8,872	23,548	(31,159)	(26,754)	149,890	106,297	36,487	30,914	164,090	134,005
收益調節表										
報告分部收益									1,575,534	1,810,322
應佔新加坡及台灣合營企業之收益									(481,761)	(796,742)
分部間收益抵銷									(25,559)	(939)
其他									(17,242)	(6,042)
綜合收益									1,050,972	1,006,599
除稅前溢利調節表										
報告溢利									164,090	134,005
未分配經營(開支)/收入淨額									(111,561)	2,108,131
非控股權益									(239)	(3,823)
所得稅開支									31,371	309,831
除稅前綜合溢利									83,661	2,548,144

財務報表附註

5 其他收益及其他(虧損)/收入淨額

(a) 其他收益

	二零一八年 千港元	二零一七年 千港元
銀行存款之利息收入	28,321	19,820
國家電影發展基金回扣(附註(i))	-	2,637
雜項收入	15,813	13,458
	44,134	35,915

附註(i)：根據中華人民共和國(「中國」)法規，於二零零四年一月一日後成立並擁有三個以上銀幕之影城營運商有權於營運首三年獲得總票房收入5%之回扣。截至二零一七年十二月三十一日止年度，本集團有權自國家電影發展基金獲取回扣人民幣2,334,000元(相當於約2,637,000港元)。

(b) 其他(虧損)/收入淨額

	二零一八年 千港元	二零一七年 千港元
出售物業、廠房及設備之收益/(虧損)	180	(6,167)
出售附屬公司之收益	-	2,201,414
視作出售一間附屬公司部分權益之收益	-	270,762
分階段收購之收益	-	369,900
衍生金融工具之公允值虧損	-	(70,236)
修訂可換股債券條款之虧損	-	(10,515)
提前贖回時重新計量可換股債券負債部分之虧損	-	(13,570)
匯兌(虧損)/收益淨額	(13,735)	50,042
其他	-	(12,878)
	(13,555)	2,778,752

財務報表附註

6 除稅前溢利

除稅前溢利已扣除／(計入)下列項目：

(a) 財務費用

	二零一八年 千港元	二零一七年 千港元
銀行貸款利息	46,258	26,807
可換股債券利息	—	27,819
非控股權益認沽期權利息	—	13,175
融資租賃債務之財務費用	9	1,810
其他附屬借貸成本	5,635	8,224
並非按公允值計入損益之金融負債之財務費用總額	51,902	77,835

(b) 員工成本(不包括董事酬金(附註8))

	二零一八年 千港元	二零一七年 千港元
工資、薪金及其他福利(附註(i))	125,281	159,928
定額供款退休計劃供款	12,283	3,353
	137,564	163,281

(c) 其他項目

	二零一八年 千港元	二零一七年 千港元
存貨成本	38,355	33,789
服務提供成本	353,413	364,361
物業、廠房及設備折舊(附註11)	75,192	28,969
無形資產攤銷(附註14)	1,482	740
電影版權攤銷(附註(ii))(附註17)	5,813	6,340
商譽減值(附註15)	—	34,000
電影版權減值(附註17)	2,069	19,649
撇銷貿易應收款項	—	6,548
其他應收款項減值	—	10,897
可供出售股本證券減值	—	6,210
核數師酬金	2,950	5,997
有關土地及樓宇之經營租賃費用		
— 最低租賃付款	108,770	157,447
— 或然租金	15,615	11,034
租金收入減直接支出	(9,673)	(14,395)

附註：

- (i) 該金額包括長期服務金撥備。
- (ii) 年內電影版權攤銷計入綜合收益表之「銷售成本」內。

財務報表附註

7 綜合收益表之所得稅

(a) 綜合收益表之稅項指：

	二零一八年 千港元	二零一七年 千港元
即期所得稅		
香港稅項撥備	420	1,868
海外稅項撥備	34,128	326,053
過往年度超額撥備	(2,559)	(1,423)
	31,989	326,498
遞延稅項(附註23(b))		
暫時差異之撥回	(618)	(16,667)
	31,371	309,831

附註：

- (i) 於二零一八年之香港利得稅撥備按本年度估計應課稅溢利之16.5%(二零一七年：16.5%)計算。
- (ii) 於中國內地成立之附屬公司之中國內地企業所得稅撥備按本年度估計應課稅溢利之25%(二零一七年：25%)計算。
- (iii) 於新加坡成立之附屬公司之新加坡企業所得稅撥備按本年度估計應課稅溢利之17%(二零一七年：17%)計算。
- (iv) 截至二零一八年十二月三十一日止年度，本集團就來自台灣合營企業之獲分派盈利支付所得稅3,936,000港元(二零一七年：4,315,000港元)。

截至二零一八年十二月三十一日止年度，本集團就來自台灣合營企業之累計盈利(將於可見之未來分派予本集團)的所得稅作出撥備4,570,000港元(二零一七年：3,790,000港元)。

財務報表附註

7 綜合收益表之所得稅(續)

(b) 稅項開支及按適用稅率計算之除稅前溢利對賬：

	二零一八年 千港元	二零一七年 千港元
除稅前溢利	83,661	2,548,144
按有關司法權區適用於溢利之稅率計算除稅前溢利之名義稅項	12,924	307,023
不可扣稅開支之稅務影響	22,503	92,697
毋須課稅收入之稅務影響	(4,348)	(117,822)
尚未確認之未動用稅項虧損之稅務影響	9,449	47,141
已動用稅項虧損之稅務影響	(1,124)	-
聯營公司應佔溢利之稅務影響	-	(222)
合營企業應佔溢利之稅務影響	(6,092)	(12,578)
未確認之暫時差異之稅務影響淨額	(16)	(4,461)
本年度台灣預扣稅撥備	634	(524)
過往年度超額撥備	(2,559)	(1,423)
實際稅項開支	31,371	309,831

8 董事酬金

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事酬金如下：

	薪金、津貼及 董事袍金				二零一八年 總計 千港元
	董事袍金 千港元	實物利益 千港元	酌情花紅 千港元	退休計劃 供款 千港元	
執行董事					
伍克波	-	10,318	-	18	10,336
李培森	-	360	-	-	360
伍克燕	-	656	69	18	743
毛義民	-	2,203	170	102	2,475
鄒秀芳	-	1,918	154	18	2,090
獨立非執行董事					
梁民傑	340	-	-	-	340
黃斯穎	240	-	-	-	240
馮志文	240	-	-	-	240
	820	15,455	393	156	16,824

財務報表附註

8 董事酬金(續)

	董事袍金 千港元	薪金、 津貼及 實物利益 千港元	酌情花紅 千港元	退休 計劃供款 千港元	小計 千港元	以股權 結算之 股本付款 千港元 (附註)	二零一七年 總計 千港元
執行董事							
伍克波	–	9,813	110,281	13	120,107	25,429	145,536
李培森	–	381	55	–	436	–	436
伍克燕	–	744	70	18	832	–	832
毛義民	–	2,533	15,577	113	18,223	–	18,223
鄒秀芳	–	2,586	6,502	18	9,106	–	9,106
獨立非執行董事							
梁民傑	340	–	–	–	340	–	340
黃斯穎	240	–	–	–	240	–	240
馮志文	220	–	–	–	220	–	220
	800	16,057	132,485	162	149,504	25,429	174,933

附註：有關款項指根據本公司購股權計劃向董事授出之購股權之估計價值。此等購股權價值乃根據附註2(r)(ii)所載本集團有關以股權結算之股本付款交易之會計政策計量。

該等實物利益(包括所授出購股權之主要條款及數目)之詳情載於董事會報告「購股權計劃」一段及附註24(a)(i)。

於本年度，並無使董事放棄或同意放棄收取任何酬金之安排。

財務報表附註

9 最高薪酬人士

五名最高薪酬人士中，三名(二零一七年：三名)為董事，彼等之酬金於財務報表附註8披露。其餘兩名(二零一七年：兩名)之酬金總額如下：

	二零一八年 千港元	二零一七年 千港元
薪金及其他薪酬	2,482	2,861
酌情花紅	381	1,484
退休計劃供款	30	36
	2,893	4,381

兩名(二零一七年：兩名)最高薪酬人士之酬金介乎以下範圍內：

	二零一八年 人數	二零一七年 人數
1,000,001 港元－1,500,000 港元	1	0
1,500,001 港元－2,000,000 港元	1	1
2,500,001 港元－3,000,000 港元	0	1

10 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司股權持有人應佔盈利52,529,000港元(二零一七年：盈利2,242,136,000港元)及年內已發行普通股之加權平均數2,799,669,050股(二零一七年：2,786,995,888股)計算如下：

	二零一八年 股份數目	二零一七年 股份數目
於一月一日之已發行普通股	2,799,669,050	2,742,519,248
購回股份之影響	—	(7,704,657)
行使購股權之影響	—	47,724,131
轉換可換股債券之影響	—	4,457,166
於十二月三十一日之普通股加權平均數	2,799,669,050	2,786,995,888

(b) 每股攤薄盈利

每股攤薄盈利乃假設在所有具攤薄效應之潛在普通股被行使或兌換後，透過調整已發行普通股之加權平均數計算。本公司於二零一八年十二月三十一日並無任何攤薄潛在普通股(二零一七年：無)。截至二零一八年十二月三十一日止年度之每股攤薄盈利與每股基本盈利相同。

財務報表附註

II 投資物業、其他物業、廠房及設備以及租賃土地

(a) 賬面值之對賬

	租賃						小計	投資物業	租賃土地	總額
	樓宇	物業裝修	機器及設備	傢具及裝置	汽車	在建工程				
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
成本或估值：										
於二零一八年一月一日	108,263	217,881	95,075	34,434	5,935	6,804	468,392	50,000	631,348	1,149,740
添置	-	45,597	21,399	4,531	1,611	22,497	95,635	-	-	95,635
出售	-	-	(1,823)	-	(733)	(75)	(2,631)	-	-	(2,631)
轉撥	-	1,471	1,245	466	-	(3,182)	-	-	-	-
匯兌調整	(3,373)	(19,370)	(1,289)	(517)	(189)	(3,176)	(27,914)	-	(4,193)	(32,107)
於二零一八年十二月三十一日	104,890	245,579	114,607	38,914	6,624	22,868	533,482	50,000	627,155	1,210,637
代表：										
成本	104,890	245,579	114,607	38,914	6,624	22,868	533,482	-	627,155	1,160,637
二零一八年估值	-	-	-	-	-	-	-	50,000	-	50,000
	104,890	245,579	114,607	38,914	6,624	22,868	533,482	50,000	627,155	1,210,637
累計折舊、攤銷及減值虧損：										
於二零一八年一月一日	3,551	61,442	40,533	8,744	2,803	-	117,073	-	6,445	123,518
本年度折舊	6,376	28,823	22,385	8,487	1,060	-	67,131	-	8,061	75,192
出售時撥回	-	-	(1,722)	-	(564)	-	(2,286)	-	-	(2,286)
匯兌調整	(1,157)	(14,765)	(417)	(126)	(90)	-	(16,555)	-	(876)	(17,431)
於二零一八年十二月三十一日	8,770	75,500	60,779	17,105	3,209	-	165,363	-	13,630	178,993
賬面淨值：										
於二零一八年十二月三十一日	96,120	170,079	53,828	21,809	3,415	22,868	368,119	50,000	613,525	1,031,644

財務報表附註

II 投資物業、其他物業、廠房及設備以及租賃土地(續)

(a) 賬面值之對賬(續)

	租賃						小計	投資物業	租賃土地	總額
	樓宇	物業裝修	機器及設備	傢具及裝置	汽車	在建工程				
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
成本或估值：										
於二零一七年一月一日	7,020	93,109	48,382	12,418	2,632	2,888	166,449	41,800	127,998	336,247
添置	-	-	-	-	3,218	2,802	6,020	-	-	6,020
出售	-	(8,131)	(13,796)	(2,227)	-	(41)	(24,195)	-	-	(24,195)
轉撥	-	-	226	1,402	-	(1,628)	-	-	-	-
由合營企業到附屬公司之分階段										
收購	97,943	116,419	48,800	22,081	-	2,403	287,646	-	500,090	787,736
公允值調整	-	-	-	-	-	-	-	8,200	-	8,200
匯兌調整	3,300	16,484	11,463	760	85	380	32,472	-	3,260	35,732
於二零一七年十二月三十一日	108,263	217,881	95,075	34,434	5,935	6,804	468,392	50,000	631,348	1,149,740
代表：										
成本	108,263	217,881	95,075	34,434	5,935	6,804	468,392	-	631,348	1,099,740
二零一七年估值	-	-	-	-	-	-	-	50,000	-	50,000
	108,263	217,881	95,075	34,434	5,935	6,804	468,392	50,000	631,348	1,149,740
累計折舊、攤銷及減值虧損：										
於二零一七年一月一日	585	45,019	33,275	5,842	1,488	-	86,209	-	4,249	90,458
本年度折舊	1,043	14,712	8,186	3,216	416	-	27,573	-	1,396	28,969
出售時撥回	-	(6,580)	(8,891)	(2,039)	-	-	(17,510)	-	-	(17,510)
匯兌調整	1,923	8,291	7,963	1,725	899	-	20,801	-	800	21,601
於二零一七年十二月三十一日	3,551	61,442	40,533	8,744	2,803	-	117,073	-	6,445	123,518
賬面淨值：										
於二零一七年十二月三十一日	104,712	156,439	54,542	25,690	3,132	6,804	351,319	50,000	624,903	1,026,222

財務報表附註

II 投資物業、其他物業、廠房及設備以及租賃土地(續)

(b) 物業公允值計量

(i) 公允值層級

下表呈列於報告期末按經常性基準計量之本集團物業公允值，該等公允值於《香港財務報告準則》第13號公允值計量界定之公允值三級架構中進行分類。公允值計量所歸類之層級經參考估值技術所用輸入數據之可觀察性及重要性釐定如下：

- 第一級估值：僅以第一級輸入數據計量之公允值，即以類似資產或負債於計量日期在活躍市場中之未調整報價計量。
- 第二級估值：以第二級輸入數據(即不符合第一級之可觀察輸入數據)計量，且不使用重大而不可觀察之輸入數據之公允值。不可觀察輸入數據為無法獲得相關市場數據之輸入數據。
- 第三級估值：使用重大而不可觀察之輸入數據計量之公允值。

	於二零一八年 十二月三十一日	下列類別於二零一八年 十二月三十一日之公允值計量		
	之公允值 千港元	第一級 千港元	第二級 千港元	第三級 千港元
經常性公允值計量				
投資物業：				
— 商業 — 香港	50,000	—	50,000	—

	於二零一七年 十二月三十一日	下列類別於二零一七年 十二月三十一日之公允值計量		
	之公允值 千港元	第一級 千港元	第二級 千港元	第三級 千港元
經常性公允值計量				
投資物業：				
— 商業 — 香港	50,000	—	50,000	—

經常性公允值計量

投資物業：

— 商業 — 香港	50,000	—	50,000	—
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截至二零一八年十二月三十一日止年度，第一級與第二級之間並無轉撥，亦無轉入或轉出第三級(二零一七年：無)之情況。本集團政策為於其生產之報告期末確認公允值層級之間之轉撥。

本集團投資物業已於二零一八年十二月三十一日重估。估值乃由獨立測量師行中誠達資產評估顧問有限公司進行，其員工對上述所評估物業所在地點及類別有近期估值經驗。於報告期末進行估值時，本集團管理層與測量師討論估值假設及估值結果。

(ii) 第二級公允值計量所用估值技術及輸入數據

香港投資物業之公允值乃採用市場比較法，並經參考可資比較物業近期按每平方呎價格基準計算之售價及採用公開所得市場數據釐定。

投資物業公允值調整計入綜合收益表之「投資物業估值收益」內。

財務報表附註

II 投資物業、其他物業、廠房及設備以及租賃土地(續)

(c) 物業賬面淨值分析如下：

	二零一八年		二零一七年	
	租賃土地 千港元	樓宇 千港元	租賃土地 千港元	樓宇 千港元
香港				
— 長期租賃	121,483	56,083	122,616	56,259
香港境外				
— 長期租賃	492,042	90,037	532,974	67,766
	613,525	146,120	655,590	124,025
代表：				
按公允值列賬之土地及樓宇	—	50,000	—	50,000
按成本減累計折舊列賬之樓宇	—	96,120	—	74,025
	—	146,120	—	124,025
根據經營租賃持作自用之租賃土地權益	613,525	—	655,590	—
	613,525	146,120	655,590	124,025

12 於附屬公司之權益

下表僅載列影響本集團業績、資產或負債之主要附屬公司詳情。除另有所指外，所持股份類別為普通股。

所有該等附屬公司均為附註2(d)所界定之受控制附屬公司，並已於本集團之財務報表綜合入賬。

主要附屬公司之詳情如下：

公司名稱	註冊成立／ 成立及經營地點	已發行及繳足 股本詳情	本集團 實際權益	主要業務
北京橙天嘉禾影視製作有限公司 [^]	中國	註冊資本人民幣 3,000,000元	100%	投資、製作及發行電影 以及擔任廣告代理
嘉樂影片發行有限公司	香港	49,990,000股股份及 10,000股無投票權 遞延股份 [#]	100%	電影發行
Golden Harvest Cinemas Holding Limited	英屬處女群島	1股面值1美元之股份	100%	投資控股
Golden Harvest Entertainment International Limited	英屬處女群島	1,000股每股面值1美元 之股份	100%	投資控股

財務報表附註

12 於附屬公司之權益(續)

公司名稱	註冊成立／ 成立及經營地點	已發行及繳足 股本詳情	本集團 實際權益	主要業務
Golden Harvest Films Distribution Holding Limited	英屬處女群島	1 股面值 1 美元之股份	100%	投資控股
嘉禾(商標)有限公司	英屬處女群島	1 股面值 1 美元之股份	100%	持有商標
Golden Harvest Treasury Limited	英屬處女群島	1 股面值 1 美元之股份	100%	為本集團旗下公司 提供資金
Golden Screen Limited	香港	8,750,000 股股份	100%	投資控股
天輝太平洋有限公司	香港	2 股股份	100%	投資控股
名影城有限公司	香港	7,000,000 股股份	100%	經營影城
橙天嘉禾娛樂有限公司	香港	100 股股份及 114,000,000 股 無投票權遞延股份 [#]	100%	投資控股
橙天嘉禾電影製作有限公司	香港	94,000,000 股股份	100%	電影製作及投資控股
泛亞影業有限公司	香港	23,000 股股份	100%	電影及相關之影音產品 發行以及擔任廣告代理
泛亞影院廣告有限公司	香港	10,000 股股份	100%	廣告代理
上海嘉禾影視娛樂管理諮詢有限公司 ^{^^}	中國	註冊資本 500,000 美元	100%	電影發行
嘉年華影業有限公司	香港	31,200,082 股股份	100%	投資控股
Golden Village Multiplex Pte Limited	新加坡	8,000,000 股每股 面值 1 新加坡元之股份	100%	經營影城
Golden Village Pictures Pte Limited	新加坡	8,000,000 股每股 面值 1 新加坡元之股份	100%	電影發行

除 Golden Harvest Entertainment International Limited 外，上述附屬公司全部由本公司間接持有。

[#] 橙天嘉禾娛樂有限公司之遞延股份無權享有股息，惟在退回超過 1,000,000,000,000 港元之資本後有權收取一半盈餘。除上述者外，全部其他遞延股份均附有權利，於有關公司之可供分派純利超過 1,000,000,000 港元時有權收取任何有關財政年度之股息，並於退回有關公司超過 500,000,000,000 港元之資本後有權收取一半盈餘。遞延股份概不附帶在股東大會表決之權利。

[^] 該公司之股本權益由中國國民代表本集團持有。

^{^^} 上海嘉禾影視娛樂管理諮詢有限公司為中國法例下之中外合營企業。

財務報表附註

13 於合營企業之權益

	二零一八年 千港元	二零一七年 千港元
應佔資產淨值	145,933	142,937

下表載列本集團合營企業之詳細資料：

共同控制實體名稱	業務結構形式	註冊成立及 經營地點	已發行及 繳足股本詳情	擁有權益比例			主要業務
				本集團之 實際權益	由本公司 持有	由附屬公司 持有	
威秀影城股份有限公司	註冊成立	台灣	80,000,000股 每股面值新 台幣10元之股份	35.71%	–	35.71%	經營影城及 投資控股

本集團參與之所有合營企業均為並無市場報價之非上市公司實體，乃採用權益法於綜合財務報表入賬。

於二零一七年十月二十五日，本集團收購其新加坡合營企業嘉年華影業有限公司之餘下50%股權，故當時之合營企業及其附屬公司成為本集團之全資附屬公司。

下表披露威秀影城股份有限公司及嘉年華影業有限公司之財務資料概要，該等資料就會計政策差異作出調整及與綜合財務報表之賬面值對賬：

	威秀影城股份有限公司*		嘉年華影業 有限公司
	二零一八年 千港元	二零一七年 千港元	二零一七年 千港元
合營企業合計金額：			
流動資產	366,371	424,926	–
非流動資產	505,027	467,625	–
流動負債	(414,837)	(458,034)	–
非流動負債	(47,900)	(34,245)	–
權益	408,661	400,272	–
計入上述資產及負債：			
現金及現金等值項目	290,986	260,697	–
流動金融負債(不包括貿易及其他應付款項以及撥備)	–	–	–
非流動金融負債(不包括貿易及其他應付款項以及撥備)	46,259	32,089	–
收益	1,329,390	1,334,845	617,939
持續經營業務之溢利	100,347	84,626	87,540
其他全面收益	–	–	–
全面收益總額	100,347	84,626	87,540
自合營企業收取之股息	92,104	101,831	59,030

財務報表附註

13 於合營企業之權益(續)

	威秀影城股份有限公司 [#]		嘉年華影業有限公司
	二零一八年 千港元	二零一七年 千港元	二零一七年 千港元
計入上述溢利：			
折舊及攤銷	67,121	82,498	54,084
利息收入	195	188	10
利息開支	112	109	2,880
所得稅開支	24,775	18,031	22,292
與本集團於合營企業之權益對賬			
合營企業資產淨值合計金額	408,661	400,272	—
本集團實際權益	35.71%	35.71%	—
本集團應佔合營企業資產淨值	145,933	142,937	—
商譽	—	—	—
於綜合財務報表之賬面值	145,933	142,937	—

[#] 此合營企業並非由畢馬威會計師事務所審核。

威秀影城股份有限公司(「威秀」)股東之間存在糾紛，涉及指稱違反股東協議之重要條款。有關股東之間已於二零一四年向台灣台北地方法院提出訴訟。有關訴訟仍在進行中，股東糾紛之結果仍存在不明朗因素。股東糾紛及相關訴訟對威秀之營運並無任何影響。

有關嘉年華影業有限公司於二零一七年及二零一八年十二月三十一日之財務狀況表項目之財務資料並無予以披露，蓋因該投資自二零一七年十月二十五日起由合營企業重新分類至附屬公司。上文所披露有關嘉年華影業有限公司於截至二零一七年十二月三十一日止年度之營運表現之財務資料僅包括其於二零一七年一月一日至二零一七年十月二十五日止期間之營運表現，於該期間其入賬列作本集團之合營企業。

財務報表附註

14 無形資產

	商標 千港元	客戶關係 千港元	會籍 千港元	合計 千港元
成本：				
於二零一八年一月一日	517,068	7,407	1,890	526,365
匯兌調整	(1,064)	-	-	(1,064)
於二零一八年十二月三十一日	516,004	7,407	1,890	525,301
累計攤銷：				
於二零一八年一月一日	-	740	-	740
本年度費用	-	1,482	-	1,482
於二零一八年十二月三十一日	-	2,222	-	2,222
賬面淨值：				
於二零一八年十二月三十一日	516,004	5,185	1,890	523,079

	商標 千港元	客戶關係 千港元	會籍 千港元	合計 千港元
成本：				
於二零一七年一月一日	80,524	-	1,890	82,414
透過收購附屬公司添置	436,544	7,407	-	443,951
於二零一七年十二月三十一日	517,068	7,407	1,890	526,365
累計攤銷：				
於二零一七年一月一日	-	-	-	-
本年度費用	-	740	-	740
於二零一七年十二月三十一日	-	740	-	740
賬面淨值：				
於二零一七年十二月三十一日	517,068	6,667	1,890	525,625

附註：

- (i) 商標為獲准許於香港永久使用「嘉禾」及「The Sky」以及於新加坡永久使用「Golden Village」品牌，並可以標誌、符號、名稱、標記、設計或以上任何組合之形式使用。

董事基於下列理由，認為本集團之商標具有無限可使用年期：

- (a) 本集團一直使用該等商標，並將繼續長期使用；及
- (b) 本集團已產生及有意繼續投放大量廣告及宣傳費用，以維持及提高商標市值，而該等廣告及宣傳費用均於產生時自損益中扣除。

於二零一八年十二月三十一日，董事在獨立專業估值師之協助下對商標之可收回金額進行評估。基於彼等之審閱，商標之可收回金額超逾其賬面值，故並無確認任何減值。

- (ii) 客戶關係為本集團於二零一七年五月三十一日收購泛亞影院廣告有限公司（「泛亞影院」）後確認的由泛亞影院擁有的非合約客戶關係。泛亞影院多年來不斷自多名客戶錄得收益。儘管泛亞影院與該等客戶並無訂有長期合約，但該等客戶通常於需要泛亞影院提供之服務時與泛亞影院進行業務合作，且有關需求為該等客戶的經常性需求，可從過去五年之交易記錄觀察得出。

財務報表附註

15 商譽

	二零一八年 千港元	二零一七年 千港元
成本：		
於一月一日	708,426	73,658
收購附屬公司	—	634,768
匯兌調整	(1,392)	—
於十二月三十一日	707,034	708,426
累計減值虧損：		
於一月一日	50,425	16,425
已確認減值虧損	—	34,000
於十二月三十一日	50,425	50,425
賬面值		
於十二月三十一日	656,609	658,001

包含商譽之現金產生單位減值測試

商譽按如下經營國家及業務分部分配至本集團各已識別現金產生單位(「現金產生單位」)：

	二零一八年 千港元	二零一七年 千港元
發行及製作 — 中國內地	23,233	23,233
經營影城及發行 — 新加坡	569,954	571,346
經營影城 — 香港	63,422	63,422
	656,609	658,001

財務報表附註

15 商譽(續)

發行及製作 — 中國內地

現金產生單位之可收回金額按使用價值計算。有關計算採用根據管理層所批准涵蓋五個年度之財政預算所作現金流量預測及反映本集團中國內地分部特定風險之稅前貼現率20%(二零一七年：20%)計算。

管理層相信，可收回金額所依據之主要假設出現任何合理可能變動將不會導致賬面值超出其可收回金額。

經營影城及發行 — 新加坡

現金產生單位之可收回金額按使用價值計算。有關計算採用根據管理層所批准涵蓋五個年度之財政預算所作現金流量預測及反映本集團新加坡分部特定風險之稅前貼現率13%(二零一七年：13%)計算。

管理層相信，可收回金額所依據之主要假設出現任何合理可能變動將不會導致賬面值超出其可收回金額。

經營影城 — 香港

現金產生單位之可收回金額按使用價值計算。有關計算採用根據管理層所批准涵蓋五個年度之財政預算所作現金流量預測及反映本集團香港分部特定風險之稅前貼現率11%(二零一七年：11%)計算。

管理層相信，可收回金額所依據之主要假設出現任何合理可能變動將不會導致賬面值超出其可收回金額。

16 存貨

於二零一八年十二月三十一日之存貨按成本列賬為2,592,000港元(二零一七年：2,759,000港元)，主要包括轉售貨品。

財務報表附註

17 電影版權

	二零一八年 千港元	二零一七年 千港元
電影版權 — 已完成 在製電影，按成本	21,459 13,409	23,968 6,485
	34,868	30,453
成本：		
於一月一日	413,033	432,244
添置	12,593	10,609
出售	—	(5,862)
屆滿	—	(42,197)
匯兌調整	(14,631)	18,239
於十二月三十一日	410,995	413,033
累計攤銷及減值：		
於一月一日	382,580	386,204
攤銷	5,813	6,340
出售時撥回	—	(5,200)
減值	2,069	19,649
屆滿	—	(42,197)
匯兌調整	(14,335)	17,784
於十二月三十一日	376,127	382,580
賬面淨值：		
於十二月三十一日	34,868	30,453

電影版權指電影、電視劇集以及自製節目。

在製電影指製作中的電影。

根據本集團會計政策附註2(k)，本集團於二零一八年及二零一七年十二月三十一日進行減值測試，比較應佔電影版權／自製節目之賬面值與其可收回金額。

董事按估計未來貼現現金流量現值，評估電影版權之可收回金額。截至二零一八年十二月三十一日止年度，就電影版權確認減值2,069,000港元(二零一七年：19,649,000港元)。

財務報表附註

18 應收款項、按金及預付款項

(a) 貿易應收款項

	二零一八年 千港元	二零一七年 千港元
貿易應收款項	41,590	51,037
減：虧損撥備	(117)	(117)
	41,473	50,920

(i) 賬齡分析

於報告期末，以發票日期為基準及已扣除呆賬撥備之貿易應收款項(計入貿易及其他應收款項)之賬齡分析如下：

	二零一八年 千港元	二零一七年 千港元
一個月內	25,328	42,125
一個月以上至兩個月	10,067	5,228
兩個月以上至三個月	3,779	196
三個月以上	2,299	3,371
	41,473	50,920

本集團一般授出介乎一至三個月之信貸期。每名客戶設有信貸限額，而管理層會定期審閱逾期結餘。

鑑於上述各項，加上本集團貿易應收款項涉及大批不同客戶，信貸風險並非高度集中。貿易應收款項為不計利息。其賬面值與公允值相若。本集團信貸政策之進一步詳情載於財務報表附註25(a)。

(ii) 於二零一八年十二月三十一日，本集團之貿易應收款項包括應收關連公司款項零港元(二零一七年：30,000港元)及應收一間合營企業款項零港元(二零一七年：814,000港元)。有關款項乃無抵押、免息及可於一年內收回。

(b) 所有其他應收款項、按金及預付款項(包括應收關連公司及合營企業款項)預期可於一年內收回。

財務報表附註

19 存款及現金

(a) 存款及現金包括：

	二零一八年 千港元	二零一七年 千港元
銀行存款	594,073	444,786
銀行及庫存現金	833,022	1,701,041
	1,427,095	2,145,827
減：就銀行貸款抵押之存款	(137,000)	(184,701)
存款及現金	1,290,095	1,961,126
減：於收購時原定到期日超過三個月之定期存款	—	(60,000)
於綜合現金流量表之現金及現金等值項目	1,290,095	1,901,126

於二零一八年十二月三十一日，存放於中國內地銀行之存款及現金為208,204,000港元（二零一七年：314,692,000港元）。將資金匯出中國內地須受中國內地政府頒佈之相關外匯管制規則及規例所規限。

(b) 融資活動產生之負債對賬

下表詳述本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債為其現金流量曾或其日後現金流量將於本集團綜合現金流量表分類為融資活動所得現金流量之負債。

	銀行貸款及 其他借貸 千港元 (附註20)	融資租賃 千港元 (附註21)	合計 千港元
於二零一八年一月一日	1,234,930	269	1,235,199
融資現金流量之變動：			
新銀行貸款所得款項	458,400	—	458,400
償還銀行貸款	(398,617)	—	(398,617)
已付融資租賃租金之資本部分	—	(269)	(269)
融資現金流量之變動總額	59,783	(269)	59,514
匯兌調整	(1,000)	—	(1,000)
其他變動：			
利息開支(附註6(a))	—	9	9
已付融資租賃租金之利息部分	—	(9)	(9)
其他附屬借貸成本	5,635	—	5,635
其他變動總額	5,635	—	5,635
於二零一八年十二月三十一日	1,299,348	—	1,299,348

財務報表附註

20 銀行貸款

(a) 於二零一八年十二月三十一日，銀行貸款須於以下期限償還：

	二零一八年 千港元	二零一七年 千港元
一年內或按要求	274,850	359,790
一年後但兩年內	770,350	148,587
兩年後但五年內	214,542	682,665
五年後	39,606	43,888
	1,024,498	875,140
	1,299,348	1,234,930
銀行貸款		
— 已抵押	1,269,348	1,204,930
— 無抵押	30,000	30,000
	1,299,348	1,234,930

所有非即期計息借貸按攤銷成本列賬。所有銀行貸款以浮動利率計息，而浮動利率與市場利率相若。

(b) 於二零一八年十二月三十一日，銀行貸款按以下方式抵押：

- (i) 一間附屬公司位於香港之一項辦公室物業(二零一七年：一項)；
- (ii) 一間附屬公司位於新加坡之兩項物業及有關該等物業之現有保險轉讓契據(二零一七年：兩項)；
- (iii) 附屬公司之存款137,000,000港元(二零一七年：184,701,000港元)；及
- (iv) 於本公司四間附屬公司之股權(二零一七年：兩間附屬公司)。

(c) 於二零一八年十二月三十一日，銀行貸款1,299,348,000港元(二零一七年：1,234,930,000港元)以本公司及其附屬公司提供之公司擔保作擔保。

(d) 本集團須達成有關本集團若干綜合財務表現比率之契約，方可獲取若干銀行融資，此狀況常見於金融機構之借貸安排。倘本集團違反該等契約，所借取之融資將須按要求償還。

本集團定期監察遵守該等契約之情況。本集團流動資金風險管理之進一步詳情載於財務報表附註25(b)。於二零一八年十二月三十一日，概無違反與所借取之融資相關之該等契約。

財務報表附註

21 融資租賃債務

於二零一八年十二月三十一日，本集團有以下須予償還之融資租賃債務：

	二零一八年		二零一七年	
	最低租賃 付款現值 千港元	最低租賃 付款總額 千港元	最低租賃 付款現值 千港元	最低租賃 付款總額 千港元
一年內	-	-	269	278
減：日後利息開支總額		-		(9)
租賃債務現值		-		269

22 貿易及其他應付款項、應計費用及遞延收益

(a) 貿易應付款項

於報告期末之貿易應付款項按發票日期之賬齡分析：

	二零一八年 千港元	二零一七年 千港元
即期至三個月	106,358	100,001
四至六個月	3,424	1,989
七至十二個月	350	1,323
一年以上	11,681	10,886
	121,813	114,199

於二零一八年十二月三十一日，本集團之貿易應付款項包括應付關連公司款項合共25,000港元(二零一七年：26,000港元)。有關款項乃無抵押、免息及須應要求償還。

- (b) 所有其他應付款項及應計費用(包括應付關連公司款項)預期將於一年內清償或須按的要求償還。
- (c) 遞延收益指預收賬款及客戶墊款所產生的合約負債。所有遞延收益預期將於一年內確認為收入。

財務報表附註

23 綜合財務狀況表之所得稅

(a) 綜合財務狀況表所列即期稅項指：

	二零一八年 千港元	二零一七年 千港元
本年度稅項撥備	34,548	327,921
本年度已付稅項		
— 出售附屬公司收益之資本增值稅	—	(311,692)
— 其他所得稅	(38,548)	(12,005)
出售附屬公司	—	(3,941)
收購附屬公司	—	28,807
過往年度退稅	—	890
過往年度稅項撥備結餘	34,792	8,475
	30,792	38,455

(b) 已確認遞延稅項資產及負債：

	二零一八年 千港元	二零一七年 千港元
於綜合財務狀況表確認之遞延稅項資產淨值	—	—
於綜合財務狀況表確認之遞延稅項負債淨額	(173,383)	(174,778)
	(173,383)	(174,778)

本年度於綜合財務狀況表確認之遞延稅項負債／(資產)部分及其變動如下：

	已確認 稅項虧損 千港元	業務合併 產生之 公允值調整 千港元	多於有關 折舊之 折舊免稅額 千港元	業務合併 收購之 無形資產 千港元	未匯出盈利 之預扣稅 千港元	總額 千港元
遞延稅項來自：						
於二零一八年一月一日	—	70,188	21,431	74,212	8,947	174,778
匯兌調整	—	(155)	(442)	(180)	—	(777)
(計入)／扣自損益(附註7(a))	—	(1,193)	(59)	—	634	(618)
於二零一八年十二月三十一日	—	68,840	20,930	74,032	9,581	173,383
於二零一七年一月一日	(6,160)	—	—	—	9,471	3,311
匯兌調整	(2,852)	—	371	—	—	(2,481)
計入損益(附註7(a))	(11,223)	—	(4,920)	—	(524)	(16,667)
出售附屬公司	20,235	—	—	—	—	20,235
收購附屬公司	—	70,188	25,980	74,212	—	170,380
於二零一七年十二月三十一日	—	70,188	21,431	74,212	8,947	174,778

財務報表附註

23 綜合財務狀況表之所得稅(續)

(c) 未確認遞延稅項資產

於二零一八年十二月三十一日，本集團尚未就約661,345,000港元(二零一七年：674,224,000港元)之累計稅項虧損確認遞延稅項資產，此乃由於相關稅務司法權區及實體不大可能有用以抵銷虧損之未來應課稅溢利。稅項虧損於現行稅務法例下並未到期，惟根據相關司法權區法律僅可供結轉五年之結餘13,571,000港元(二零一七年：13,982,000港元)除外。

(d) 未確認遞延稅項負債

於二零一八年十二月三十一日，有關附屬公司未分派溢利之暫時差異為1,562,000港元(二零一七年：1,562,000港元)。尚未就分派該等保留溢利須予支付之稅項確認遞延稅項負債78,000港元(二零一七年：78,000港元)，此乃由於本公司控制該等附屬公司之股息政策，並認為該等溢利可能不會於可見將來分派。

24 股本及儲備

(a) 股本

	二零一八年		二零一七年	
	股份數目	金額 千港元	股份數目	金額 千港元
法定：				
每股面值0.10港元之普通股	6,000,000,000	600,000	6,000,000,000	600,000
已發行及繳足之普通股：				
於一月一日	2,799,669,050	279,967	2,742,519,248	274,252
根據購股權計劃發行股份	-	-	112,754,429	11,275
股份購回	-	-	(70,530,000)	(7,053)
自可換股債券轉換	-	-	14,925,373	1,493
於十二月三十一日	2,799,669,050	279,967	2,799,669,050	279,967

財務報表附註

24 股本及儲備(續)

(a) 股本(續)

(i) 購股權計劃

以股權結算之股本交易

本公司採納一項購股權計劃(「該計劃」)，旨在讓本公司向為本集團之發展作出貢獻之合資格參與者授出購股權作為激勵或獎勵，及為本集團提供更為靈活的方式給予合資格參與者獎勵、報酬、補償及／或提供福利。該計劃之合資格參與者包括本公司董事(包括獨立非執行董事)、本集團其他僱員及本公司股東。該計劃於二零零九年十一月十一日生效，並於該日起計十年內有效。

向本公司董事、主要行政人員或主要股東或彼等之任何聯繫人授出購股權均須事先獲得獨立非執行董事(不包括任何身為購股權承授人之獨立非執行董事)批准。

授出購股權之建議必須於建議日期(包括該日)起計30日內由承授人接納，並須支付象徵式代價1港元。各份購股權涉及之歸屬期、行使期及股份數目由董事釐定。行使期不得超逾本公司董事於授出購股權時決定之授出購股權當日或之後之日期起計十年，並將於本公司董事於授出購股權時可能決定之日期屆滿。除本公司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。

購股權之行使價乃由董事釐定，惟不得低於(i)本公司股份於建議授出購股權當日在聯交所之收市價；(ii)本公司股份於緊接建議授出購股權當日前五個交易日在聯交所之平均收市價；及(iii)本公司股份面值(以較高者為準)。

因行使根據該計劃及本公司任何其他購股權計劃(如有)已授出及將授出之所有購股權而可予發行之本公司最高股數，相當於本公司於二零零九年十一月十一日之已發行股份10%。本公司股東可按照上市規則之條文在股東大會上重新釐定該上限。根據該計劃於任何12個月期間內向個別合資格參與者授出之購股權可予發行之最高股數，不得超過本公司任何時間之已發行股份1%。額外授出超逾該上限之購股權須在股東大會上獲得股東批准。

購股權並無賦予持有人獲派股息或在股東大會投票之權利。

財務報表附註

24 股本及儲備(續)

(a) 股本(續)

(i) 購股權計劃(續)

以股權結算之股本交易(續)

本集團董事、主要行政人員及其他僱員所持購股權於截至二零一七年十二月三十一日止年度之變動載於下表：

參與者姓名或類別	購股權授出日期	每股 行使價	行使期	於二零一七年				緊接購股權 授出日期前 每股收市價 (附註(b)) 港元	於二零一七年 十二月三十一日 尚未行使之 購股權數目
				一月一日 尚未行使之 購股權數目	截至二零一七年 十二月三十一日 止年度授出	截至二零一七年 十二月三十一日 止年度行使	截至二零一七年 十二月三十一日 止年度失效		
董事									
伍克波	二零一七年四月三日	0.828	二零一七年四月三日至 二零一九年四月二日	-	2,743,029	(2,743,029)	-	0.810	-
	二零一七年四月十三日	0.840	二零一七年四月十三日至 二零一九年四月十二日	-	106,991,400	(106,991,400)	-	0.830	-
毛義民	二零一五年七月十四日	0.590	二零一五年七月十四日至 二零一七年七月十三日	27,400,000	-	-	(27,400,000)	0.578	-
伍克燕	二零一五年七月十四日	0.590	二零一五年七月十四日至 二零一七年七月十三日	2,000,000	-	(2,000,000)	-	0.578	-
李培森	二零一五年七月十四日	0.590	二零一五年七月十四日至 二零一七年七月十三日	27,200,000	-	-	(27,200,000)	0.578	-
鄧秀芳	二零一五年七月十四日	0.590	二零一五年七月十四日至 二零一七年七月十三日	27,400,000	-	-	(27,400,000)	0.578	-
梁氏傑	二零一五年七月十四日	0.590	二零一五年七月十四日至 二零一七年七月十三日	170,000	-	(170,000)	-	0.578	-
黃斯穎	二零一五年七月十四日	0.590	二零一五年七月十四日至 二零一七年七月十三日	170,000	-	(170,000)	-	0.578	-
其他參與者									
總計	二零一五年七月十四日	0.590	二零一五年七月十四日至 二零一七年七月十三日	55,480,000	-	(680,000)	(54,800,000)	0.578	-
				139,820,000	109,734,429	(112,754,429)	(136,800,000)		-

附註：

- 即股份於緊接授出購股權當日之前之加權平均收市價。
- 黃少華先生自二零一六年六月三日起辭任董事，彼所持購股權於當日失效。
- 鄧秀芳女士於二零一六年六月三日獲委任為董事，彼所持購股權於截至二零一六年十二月三十一日止年度與其他參與者分開披露。

(ii) 股息

截至二零一八年十二月三十一日止年度，宣派及支付特別股息每股普通股0.253港元(二零一七年：特別股息每股普通股0.351港元)，合共708,316,000港元(二零一七年：1,002,201,000港元)，有關金額乃根據宣派當日2,799,669,050股已發行普通股得出。

董事並不建議派付截至二零一八年十二月三十一日止年度之任何末期股息(二零一七年：無)。

財務報表附註

24 股本及儲備(續)

(b) 儲備

(i) 本集團

本集團於截至二零一八年及二零一七年十二月三十一日止年度之儲備變動詳情載於綜合權益變動表。

(ii) 本公司

附註	股份溢價 千港元	股本贖回儲備 千港元	繳入盈餘 千港元	保留溢利 千港元	總計 千港元
於二零一八年一月一日	771,749	15,886	271,644	731,707	1,790,986
二零一八年儲備變動：					
本年度虧損	-	-	-	(2,802)	(2,802)
本年度已宣派之股息	24(a)(ii)	-	-	(708,316)	(708,316)
於二零一八年十二月三十一日	771,749	15,886	271,644	20,589	1,079,868

附註	股份溢價 千港元	購股權儲備 千港元	股本贖回儲備 千港元	繳入盈餘 千港元	可換股債券 權益儲備 千港元	保留溢利 千港元	總計 千港元
於二零一七年一月一日	694,639	29,250	8,833	271,644	40,393	204,091	1,248,850
二零一七年儲備變動：							
本年度溢利	-	-	-	-	-	1,490,500	1,490,500
購股權失效時轉撥至保留溢利	24(a)(i)	(28,619)	-	-	-	28,619	-
修訂條款後可換股債券權益部分之 公允值變動	-	-	-	-	(5,469)	5,469	-
部分轉換可換股債券	10,696	-	-	-	(1,746)	-	8,950
提早贖回可換股債券後重新計量	-	-	-	-	(12,282)	12,282	-
提早贖回可換股債券後轉撥儲備	-	-	-	-	(20,896)	-	(20,896)
根據購股權計劃發行股份	108,712	(26,060)	-	-	-	-	82,652
股份購回	(42,298)	-	7,053	-	-	(7,053)	(42,298)
以股權結算之股本付款交易	-	25,429	-	-	-	-	25,429
本年度已宣派之股息	24(a)(ii)	-	-	-	-	(1,002,201)	(1,002,201)
於二零一七年十二月三十一日	771,749	-	15,886	271,644	-	731,707	1,790,986

財務報表附註

24 股本及儲備(續)

(c) 儲備性質及目的

(i) 股份溢價及股本贖回儲備

應用股份溢價賬受百慕達一九八一年《公司法》第40及54條規限。

(ii) 購股權儲備

購股權儲備指本公司已授予本公司僱員而尚未行使購股權數目之公允值，並已根據附註2(r)(ii)所載就股本付款所採納會計政策確認。

(iii) 股本贖回儲備

股本贖回儲備指本公司已購回及註銷之股本面值。

(iv) 繳入盈餘

繳入盈餘指(i)本公司就收購附屬公司已發行股本所發行股份之面值與所收購附屬公司於收購當日合計資產淨值兩者間之差額；及(ii)根據本公司於二零零七年五月之資本重組行動，自股份溢價賬轉撥抵銷累計虧損後之淨額80,000,000港元。根據百慕達一九八一年《公司法》(經修訂)，本公司之繳入盈餘可分派予本公司股東。

(v) 儲備基金

根據中國有關規例，於當地成立之公司須將其除稅後溢利之若干百分比轉撥往儲備基金直至有關結餘達至其註冊資本之50%。於有關中國法例所載若干限制下，儲備基金可用作抵銷虧損或資本化為繳足資本。

(vi) 匯兌儲備

匯兌儲備包括換算海外附屬公司、聯營公司及合營企業之財務報表而產生之所有匯兌差額。該儲備乃按附註2(v)所載會計政策處理。

(d) 可供分派儲備

於二零一八年十二月三十一日，可供分派予本公司股權持有人之儲備(指保留溢利)合共為20,589,000港元(二零一七年：731,707,000港元)。此外，本公司於二零一八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(二零一七年：1,059,279,000港元)，可根據百慕達一九八一年《公司法》第54條於若干情況下向股東分派。

(e) 資本管理

本集團管理資本之首要目標乃保障本集團能繼續按持續經營基準經營，從而透過因應風險水平為產品及服務定價以及按合理成本獲得融資，繼續為股東創造回報及為其他權益人帶來利益。

本集團積極及定期對資產負債比率架構進行檢討及管理，以期在可能伴隨較高借貸水平帶來之較高股東回報與良好資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資產負債比率架構作出調整。

本集團監測之資產負債比率架構乃按外部借貸基準計算，包括銀行貸款及融資租賃債務等外部借貸與資產總值之比值。

財務報表附註

24 股本及儲備(續)

(e) 資本管理(續)

本集團之策略為維持資產負債比率低於35%。為維持或調整該比率，本集團可能籌集新股本融資或出售資產減輕負債。於二零一八年及二零一七年十二月三十一日之資產負債比率如下：

	二零一八年 千港元	二零一七年 千港元
銀行貸款	1,299,348	1,234,930
融資租賃債務	-	269
	1,299,348	1,235,199
資產總值	4,026,186	4,676,769
資產負債比率	32.3%	26.4%

25 金融風險管理及金融工具之公允值

本集團之日常業務涉及信貸、流動資金、貨幣及利率風險。此等風險受限於本集團下述財務管理政策及慣例。

(a) 信貸風險

信貸風險指訂約方拖欠合約債務致令本集團產生財務損失之風險。本集團之信貸風險主要因貿易及其他應收款項、已抵押銀行存款以及存款及現金而產生。

就已抵押銀行存款以及存款及現金而言，本集團僅存放存款於香港、新加坡及中國之主要金融機構。

就貿易及其他應收款項而言，本集團已制定信貸監控政策，確立信貸額、信貸審批及其他收回債務之監控程序，以盡可能減低信貸風險。此外，管理層會定期審閱每筆應收款項之可收回金額，確保就不可收回金額作出足夠虧損撥備。本集團透過設立該等政策，得以令壞賬維持於最低水平。

本集團按相等於整個存續期內的預期信貸虧損之款額計量貿易應收款項虧損撥備。由於本集團過往信貸虧損情況並未顯示不同客戶組別存在重大不同虧損模式，根據過往作出之虧損撥備並無進一步按本集團不同客戶基礎劃分。預期信貸虧損撥備並不重大。

財務報表附註

25 金融風險管理及金融工具之公允值(續)

(b) 流動資金風險

本集團之政策為定期監控即期及預期流動資金之需求，以確保維持足夠之現金儲備及自主要金融機構獲取充足承諾資金，藉以應付短期及長期之流動資金需求。

下表詳列於報告期末本集團非衍生金融負債之剩餘合約期限，該等期限乃根據已訂約未貼現現金流量(包括按合約利率計算或(倘為浮息)按報告期末之即期利率計算之利息付款)以及本集團可能被要求付款之最早日期計算。由於已收按金並無固定償還條款，故賬面值並未計入該表內。

就須按銀行可全權酌情行使之要求條款償還之定期貸款而言，相關分析列示基於已訂約還款計劃計算之現金流出，並分開列示倘貸款人行使其即時催還貸款之無條件權利對現金流出時間產生之影響。

	於二零一八年十二月三十一日					
	合約未貼現		一年內或 按要求	一年以上 但兩年以下	兩年以上 但五年以下	五年以上
	賬面值	現金流量總額				
千港元	千港元	千港元	千港元	千港元	千港元	
貿易應付款項	121,813	121,813	121,813	-	-	-
其他應付款項及應計費用	163,144	163,144	163,144	-	-	-
銀行貸款	1,299,348	1,372,847	312,736	797,820	218,295	43,996
	1,584,305	1,657,804	597,693	797,820	218,295	43,996

	於二零一七年十二月三十一日					
	合約未貼現		一年內或 按要求	一年以上 但兩年以下	兩年以上 但五年以下	五年以上
	賬面值	現金流量總額				
千港元	千港元	千港元	千港元	千港元	千港元	
貿易應付款項	114,199	114,199	114,199	-	-	-
其他應付款項及應計費用	200,276	200,276	200,276	-	-	-
銀行貸款	1,234,930	1,320,883	396,506	175,040	704,462	44,875
融資租賃債務	269	278	278	-	-	-
	1,549,674	1,635,636	711,259	175,040	704,462	44,875

基於貸款人隨時要求還款之 權利調整當前定期貸款之 現金流量		(6,821)	57,831	(5,655)	(14,122)	(44,875)
		1,628,815	769,090	169,385	690,340	-

財務報表附註

25 金融風險管理及金融工具之公允值(續)

(c) 貨幣風險

本集團擁有以相關實體功能貨幣以外貨幣計值之外幣貨幣資產及負債。結算或兌換此等外幣貨幣項目之匯率與交易當日之匯率有別而產生之匯兌差異乃在損益中確認。

本集團有進行以相關實體功能貨幣以外貨幣計值之交易。因此，本集團須承受因相關功能貨幣兌其他外幣之匯率可能會出現變動，致使對本集團因該部分以相關功能貨幣以外之貨幣計值之資產或負債價值有不利影響而產生之風險。由於港元與美元掛鈎，本集團並不預期港元／美元之匯率有任何重大變動。產生外幣風險之貨幣主要為人民幣及新加坡元。本集團管理層繼續監察本集團所承受之該等外幣風險，以確保其處於可控制水平。

(i) 所承受之貨幣風險

下表詳列於報告期末本集團所承受來自以相關實體功能貨幣以外之貨幣列值之已確認資產或負債之貨幣風險。就呈列目的而言，風險金額以原有貨幣呈列。

	所承受之外幣風險			
	二零一八年		二零一七年	
	人民幣 千元	新加坡元 千元	人民幣 千元	新加坡元 千元
其他應收款項、按金及預付款項	46	-	3	-
存款及現金	65,341	2,941	63,475	16
其他應付款項及應計費用	(218)	(166)	(209)	-
遞延收益	(359)	-	(1,473)	-
公司間結餘	280,211	-	253,517	-
銀行貸款	-	(68,800)	-	-
貨幣風險淨額	345,021	(66,025)	315,313	16

(ii) 敏感度分析

下表顯示假設所有其他風險變數維持不變，於報告期末因外匯匯率出現變動導致本集團除稅後溢利及保留盈利出現之即時變動情況，而本集團須就此承擔重大風險。權益之其他部分不會因外匯匯率變動而受到影響：

	二零一八年		二零一七年	
	外匯匯率 上升／(下降)	除稅後溢利 及保留盈利 增加／(減少) 千港元	外匯匯率 上升／(下降)	除稅後溢利 及保留盈利 增加／(減少) 千港元
	人民幣	5% (5)%	16,421 (16,421)	5% (5)%
新加坡元	5% (5)%	(15,795) 15,795	5% (5)%	4 (4)

財務報表附註

25 金融風險管理及金融工具之公允值(續)

(c) 貨幣風險(續)

(ii) 敏感度分析(續)

上表所呈列分析結果合併呈列對各集團實體以其各自功能貨幣計量之除稅後溢利及權益之即時影響，並以原有貨幣呈列。

敏感度分析假設外匯匯率變動已應用於重新計量該等於報告期末由本集團持有並使本集團承受外幣風險之金融工具，包括本集團內公司間之應付款項及應收款項，有關款項乃以貸款方或借款方之功能貨幣以外貨幣計值。分析不包括導致海外業務財務報表換算成本集團呈報貨幣之差額。有關分析按與二零一七年相同之基準進行。

(d) 利率風險

利率風險為金融工具未來現金流量公允值因市場利率變動而波動之風險。本集團之利率風險主要來自本集團之短期及長期貸款。浮息借貸令本集團承受現金流量利率風險，而以固定利率計息之借貸令本集團承受公允值利率風險。

為管理利率風險，本集團根據既定政策及透過定期檢討，以減低本集團整體資金成本為重點，從而決定適合目前業務組合之浮息／定息資金來源策略。

(i) 利率概況

下表詳列於報告期末本集團借貸之利率概況：

	二零一八年		二零一七年	
	實際利率	千港元	實際利率	千港元
	%		%	
定息借貸：				
融資租賃債務(附註21)	-	-	6.6%	269
浮息借貸：				
銀行貸款(附註20)	2.38%–4.04%	1,299,348	2.25%–3.86%	1,234,930

(ii) 敏感度分析

於二零一八年十二月三十一日，估計利率普遍上升／下跌1%(所有其他變數維持不變)，將導致本集團除稅後溢利及權益總額減少／增加約10,850,000港元(二零一七年：10,306,000港元)。

上述之敏感度分析乃經假設於報告期末利率出現變動而釐定，且已應用於當日存在之利率風險。上升／下跌1%乃管理層對下年度報告期末前期間內利率之合理可能變動作出之評估。有關分析按與二零一七年相同之基準進行。

財務報表附註

26 承擔

(a) 並無於財務報表作出撥備之未支付資本承擔

於二零一八年及二零一七年十二月三十一日，本集團就有關收購物業、廠房及設備應佔合營企業自身之資本承擔如下：

	二零一八年 千港元	二零一七年 千港元
已訂約：		
台灣	11,763	1,477
已批核但未訂約：	-	-
	11,763	1,477

除上述本集團應佔合營企業自身之資本承擔外，於二零一八年及二零一七年十二月三十一日，本集團有關收購物業、廠房及設備之資本承擔如下：

	二零一八年 千港元	二零一七年 千港元
已訂約：		
香港	230	1,259
新加坡	30,439	21,414
中國內地	580,665	-
	611,334	22,673
已批核但未訂約：		
香港	19,765	60,741
	19,765	60,741
	631,099	83,414

財務報表附註

26 承擔(續)

(b) 經營租賃承擔

(i) 作為出租人

於二零一八年十二月三十一日，本集團根據不可撤銷之經營租賃應收取之未來最低租金總額如下：

	二零一八年 千港元	二零一七年 千港元
於以下期限屆滿之物業租賃		
— 一年內	338	321
— 一年後但五年內	-	321
	338	642

(ii) 作為承租人

於二零一八年十二月三十一日，本集團根據不可撤銷之經營租賃須支付之未來最低租金總額如下：

	二零一八年 千港元	二零一七年 千港元
於以下期限屆滿之物業租賃		
— 一年內	127,583	104,216
— 一年後但五年內	309,451	244,044
— 五年後	117,785	89,187
	554,819	437,447

本集團為根據經營租賃租用多項辦公樓宇及影城之承租人。該等租賃基本年期為一至二十年。

若干不可撤銷之經營租賃涉及或然租金付款，此等租金乃各租賃協議所載之基本租金以外按每月或每年之票房總收入之0.25%至27%(二零一七年：0.25%至25%)計算。此外，若干租賃亦就影城小賣部銷售額及廣告收入之10%至12%(二零一七年：10%至12%)收取租金。

27 或然負債

於二零一八年十二月三十一日，本公司就若干附屬公司取得之銀行融資而向銀行作出擔保，金額為1,320,239,000港元(二零一七年：1,261,547,000港元)。於二零一八年十二月三十一日，附屬公司已動用金額為1,310,239,000港元(二零一七年：1,251,547,000港元)之銀行融資。

於二零一八年十二月三十一日，董事認為本公司不會因此等擔保被索償。本公司並無就銀行擔保確認任何遞延收入，原因為該等銀行擔保之公允值無法可靠地計量，故並無計入交易價格。

本集團若干附屬公司涉及在其各自日常業務過程中產生之訴訟。經審閱未了結之申索並計及所獲取之法律意見後，董事認為即使有關索償得直，亦不會對本集團之財務狀況構成重大不利影響。

財務報表附註

28 重大關連人士交易

除該等財務報表其他部分所披露交易及結餘外，本集團已訂立下列重大關連人士交易。

	附註	二零一八年 千港元	二零一七年 千港元
已付辦公室租金	(i)	2,493	3,216
香港影城銀幕廣告費收入	(ii)	-	760
院線管理服務費開支	(iii)	-	5,305

附註：

- (i) 指向兩間關連公司支付辦公室之租金開支。租金開支乃按一般商業條款收取。
- (ii) 指向一間關連公司授出本集團於香港影城之獨家銀幕廣告時間收取之影城銀幕廣告收入。費用乃按一般商業條款收取。
- (iii) 指向一間由伍克波先生間接持有之關連公司為中國影城推出一流院線支付之管理服務費。費用乃按票房收入淨額1.2%收取。

上文附註(i)及(iii)所示與關連公司所進行交易構成上市規則第14A章所界定之持續關連交易，並載於董事會報告書內。該等持續關連交易已由獨立非執行董事正式審閱，或構成上市規則所界定之最低豁免水平交易。

29 持作待售之出售組別及出售附屬公司

於二零一七年一月二十五日，本公司之間接全資附屬公司鉅滿有限公司（「鉅滿」）與美視角有限公司（「美視角」）訂立買賣協議（「買賣協議」），據此，鉅滿有條件同意出售而美視角有條件同意購買橙天嘉禾影城有限公司（「橙天嘉禾影城」）全部股權，代價為人民幣32.86億元（「出售事項」）。在中國內地經營本集團影城業務之橙天嘉禾影城（中國）有限公司由橙天嘉禾影城及嘉興信業創贏肆號投資合夥企業分別擁有92.59%及7.41%權益。出售事項已於二零一七年七月二十八日完成。

初步代價為人民幣32.86億元，其後調整至人民幣32.90億元。根據買賣協議，代價可根據二零一七年七月二十八日之審計（「交割審計」）作出進一步調整，而訂約方可就重續或新訂立若干影城物業之租約獲進一步付款或補償。

截至二零一七年十二月三十一日止年度，本集團就出售事項收取人民幣2,990,257,000元（相當於3,455,908,000港元）。剩餘代價人民幣300,000,000元以託管方式持有，能否收回取決於交割審計。訂約方亦可就重續或新訂立若干影城物業之租約獲進一步付款或補償。因此，董事評估出售事項代價之公允值為人民幣29.90億元。所收訖最終代價與董事評估之代價公允值之任何差額將導致出售附屬公司收益調整以及將於代價最終確定後於損益確認該調整。

截至二零一八年十二月三十一日止年度，根據交割審計，鉅滿計算出售事項剩餘代價為人民幣252,207,249元（相當於37,383,975美元）。然而，由於美視角不認同交割審計，並拒絕就向鉅滿支付剩餘代價對託管代理發出任何指示，本集團遂於二零一八年九月入稟香港高等法院對美視角及南海展開法律訴訟（「訴訟」），合共申索37,383,975美元，即出售事項剩餘代價，並索求其他補償，包括利息及法律費用。

財務報表附註

29 持作待售之出售組別及出售附屬公司(續)

其後，南海對本公司及鉅滿作出多項指控，並就鉅滿違反買賣協議所產生損失作出反申索。二零一八年十月及十一月，南海對本公司及鉅滿發出傳訊令狀，分別申索人民幣380,000,000元及人民幣82,146,000元以及其他補償，包括利息及法律費用(「上述申索」)。上述申索自此與訴訟合併處理，將合併為單一訴訟於香港高等法院審理。

本公司董事不同意南海所作出上述申索，根據已有證據及自本公司法律顧問獲得之意見，本公司董事已評估本集團就上述申索產生債務的機會極微。因此並未就上述申索作出撥備。鑒於法律訴訟持續進行，本集團並無確認上述向美視角及南海提出申索之剩餘代價人民幣252,207,249元。

有關法律訴訟進一步詳情，載於本公司日期為二零一八年九月四日、二零一八年九月十日、二零一八年十一月二日及二零一八年十一月九日之公佈。

30 會計判斷及估計

附註25載有關於金融風險管理之假設及該等風險因素之資料。估計不明朗因素之其他主要來源如下：

估計不明朗因素之主要來源

(i) 評估物業、廠房及設備之經濟使用年期

本集團根據物業、廠房及設備預期可供使用之期間估計資產之經濟使用年期。本集團每年均會根據不同因素，包括資產使用情況、內部技術評估、科技發展、環境轉變及基於相關行業基準資料所定資產之預期用途檢討其估計可使用年期。倘上述因素出現任何變化而使有關估計有所改變，則可能對未來經營業績產生重大影響。縮短物業、廠房及設備之估計可使用年期將會增加折舊開支及減少非流動資產。

(ii) 評估其他物業、廠房及設備之減值

本集團於各報告期末審閱內部與外部之資料來源，以辨識有否跡象顯示資產可能出現減值或先前確認之減值虧損已不再存在或可能減少。本集團於有任何上述跡象出現時估計資產之可收回金額。資產之可收回金額或其所屬之現金產生單位乃其淨售價與使用價值兩者中之較高者。於評估使用價值時，預計日後現金流量按扣稅前貼現率貼現至其現值，以反映目前市場對現金時間價值及資產特定風險之評估。編製預測未來現金流量涉及未來收益及經營成本之估計，而有關估計乃以本集團所得資料支持之合理假設作基準。此等估計之變動可導致未來數年出現額外減值撥備或減值撥回。

(iii) 評估電影版權之減值

本集團於各報告期末審閱電影版權之賬齡分析。電影版權之可收回金額乃於報告期末參考使用價值計算法作出評估。主要假設包括根據電影發行及製作之過往慣例、經驗及預期而得出之貼現率、預算毛利及估計營業額。該等估計及假設之變動會導致未來年度之額外減值撥備或減值撥回。

財務報表附註

30 會計判斷及估計(續)

估計不明朗因素之主要來源(續)

(iv) 評估商譽之減值

本集團根據附註2(k)(ii)所載會計政策進行商譽減值測試。就減值測試而言，所收購商譽已分配至個別現金產生單位。該等現金產生單位乃按照預測營運表現及現金流量評估減值。資產或現金產生單位之可收回金額以使用價值計算法釐定。現金流量預測乃以可反映現行及未來市況之合理假設為基準編製，並作適當貼現。

31 公司層面之財務狀況表

	附註	二零一八年 千港元	二零一七年 千港元
非流動資產			
於附屬公司之權益		1,360,293	2,069,732
流動資產			
應收一間附屬公司款項		—	1,560
預付款項		448	440
存款及現金		164	128
		612	2,128
流動負債			
應付款項及應計費用		1,070	907
		1,070	907
流動(負債)/資產淨值		(458)	1,221
資產淨值		1,359,835	2,070,953
股本及儲備	24		
股本		279,967	279,967
儲備		1,079,868	1,790,986
權益總額		1,359,835	2,070,953

32 報告期後事項

於二零一九年三月八日，本集團終止收購位於中國內地之資產。根據終止通知，本集團已要求賣方須自終止日期起計六個月內退還訂金人民幣56,000,000元，即代價10%。

財務報表附註

33 截至二零一八年十二月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之可能影響

截至該等財務報表刊發日期，香港會計師公會已頒佈下列於截至二零一八年十二月三十一日止年度尚未生效之多項修訂、新訂準則及詮釋，而該等財務報表並未採納該等修訂、新訂準則及詮釋，包括以下可能與本集團相關之項目。

	於下列日期或之後開始之會計期間生效
《香港財務報告準則》第16號，租賃	二零一九年一月一日
香港(國際財務報告詮釋委員會)第23號， <i>所得稅處理之不確定因素</i>	二零一九年一月一日
《香港財務報告準則》二零一五年至二零一七年週期之年度改進	二零一九年一月一日
《香港會計準則》第28號之修訂， <i>聯營公司及合營企業之長期權益</i>	二零一九年一月一日

本集團正在評估該等修訂、新訂準則及詮釋對初始應用期間之預計影響。本集團迄今為止已識別《香港財務報告準則》第16號若干方面可能對綜合財務報表產生重大影響。預期影響之進一步詳情討論如下。儘管《香港財務報告準則》第16號之評估已大致上完成，但由於迄今已完成之評估乃基於本集團目前可獲得之資料，因此對首次採納該準則之實際影響可能有所不同，待該準則初步應用於本集團截至二零一九年六月三十日止六個月之中期財務報告之前，亦可能會釐清進一步之影響。本集團亦可能會改變對會計政策之選擇，包括過渡方案，直至該準則首次應用於財務報告內。

《香港財務報告準則》第16號，租賃

誠如附註2(j)所披露，本集團現時將租賃分類為融資租賃及經營租賃，並且根據租賃之分類對租賃安排進行不同之會計處理。本集團分別作為出租人及承租人訂立不同租賃。

預期《香港財務報告準則》第16號不會對出租人租賃權利與義務之會計處理造成重大影響。然而，一經採納《香港財務報告準則》第16號，承租人將不再區分融資租賃及經營租賃。取而代之，除非使用若干權宜實行方法，否則承租人將按與現有融資租賃會計處理方法類似之方式對所有租賃進行會計處理，即於租賃開始日期，承租人將按未來最低租賃付款之現值確認及計量租賃負債，及將確認相應之「使用權」資產。初步確認該資產及負債後，承租人將確認租賃負債未付餘額應計之利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租賃所產生之租金開支。作為權宜實行方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產之租賃，於該等情況下，租賃開支將繼續於租期內按系統基準確認。

《香港財務報告準則》第16號將主要影響本集團作為物業、廠房及設備租賃(現時劃分為經營租賃)承租人之會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，並影響租賃期間於損益表確認開支之時間。

《香港財務報告準則》第16號於二零一九年一月一日或之後開始之年度期間生效。本集團計劃就採用《香港財務報告準則》第16號選用經修訂追溯方式，並按二零一九年一月一日之期初權益結餘調整確認初次應用之累計影響，惟不會重列比較資料。誠如附註26(b)所披露，於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃就物業及其他資產之未來最低租金為554,819,000港元，其中大部分於報告日期後一至五年或五年以上支付。初次應用《香港財務報告準則》第16號後，租賃負債及相應使用權資產之期初結餘將根據經修訂追溯方式調整至1,309,841,000港元，計及折算影響，於二零一九年一月一日，使用權資產等於租賃負債。

除確認租賃負債及使用權資產外，本集團預期將於首次採納《香港財務報告準則》第16號時作出之過渡調整並不重大。然而，上述預期會計政策變動可能對本集團二零一九年以後財務報表造成重大影響。

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

(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)