

## **“Us and Them” Refund Dispute Rekindles Concerns about Fraudulent Practices in China’s film Industry**

“Us and Them”, directed by Taiwanese singer-actress Rene Liu, kicked off China’s Labor Day holiday on 27 April and took in a whopping RMB 280 million on the opening day, rivalling the RMB 292 million single-day record set by domestic production “Wolf Warrior 2” last year. However, an unusual amount of ticket refunds were reportedly requested in thousands of cinemas nationwide just 12 hours after. The incident triggered concerns from media and industry insiders. As of 11pm on 28 April estimated on the basis of preliminary statistics, 380,000 tickets were refunded through online film ticket sales platform Maoyan, roughly equivalent to RMB 1.3 million, or 4.6% of the day’s total sales revenue. The refunds were RMB 19.9 concessionary tickets in majority.

“Us and Them” began to heat up 1.5 months prior to its opening. The coming-to-age romance accumulated more than 910,000 hits on Maoyan users’ watchlist, shattering the 9-month record of “Eternal Love”. Maoyan has been garnering great business with the recently-introduced ticket presale function. “Us and Them” raked in an incredible RMB 122 million on the first day of presale.

Cinema managers were angered by the high rate of ticket refunds, saying on WeChat and Weibo that the refunds on Maoyan caused cinemas to suffer great loss.

If Maoyan was behind this, the inflated presales would be to secure more screen time. The fraudulent act of box office tempering isn't unprecedented. In 2016, Chinese action film “Ip Man 3” was accused of similar shenanigans. The film distributor was cracked down by media regulators for fabricating presales to create a false impression of high demand. Theatres and distributors work with one another on the nod. Theatres are more than happy to give distributors screen time, even to a box office flop, for a profit in return. The massive refunds on Maoyan made possible the win-win situation of first, inflating the box office; and second, refunding these tickets in exchange for a “zero cost” screen allocation. In the end, the theatres took the fall.

Maoyan refuted the rumours in a statement stating that they were not behind this intentional act of manipulation. Details and evidence had been sent to relevant authorities for investigation.

But industry insiders have pointed out that Maoyan might be too busy taking up multiple roles in this game. It is an investor and distributor for “Us and Them”; it is also the ticket sales platform and refund agent of the film; and now it is the investigator of the alleged ticket sales fraud. Something doesn't sound right.

Chinese authorities shall consider a regulatory system on film distribution and ticket sales.