GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1132)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2007

RESULTS

The Board of Directors (the "Board") of Golden Harvest Entertainment (Holdings) Limited (the "Company") herein announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2007 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2007** **HK$'000**	2006 HK$'000
REVENUE	3	**565,700**	512,285
Cost of sales		**(257,915)**	(232,033)
Gross profit		**307,785**	280,252
Interest income		**5,445**	785
Other income and gains		**40,631**	41,051
Selling and distribution costs		**(286,238)**	(267,740)
General and administrative expenses		**(70,139)**	(52,490)
Other operating expenses, net		**(11,878)**	(10,599)
Gain on disposal of interests in an associate		**115,970**	–
Loss on disposal of interests in a jointly-controlled entity		**(5,717)**	–
Finance costs	5	**(16,619)**	(7,450)
Share of profits and losses of associates		**20,801**	24,143
PROFIT BEFORE TAX	4	**100,041**	7,952
Tax	6	**(3,478)**	(2,737)
PROFIT FOR THE YEAR		**96,563**	5,215
Attributable to:			
Equity holders of the Company		**96,717**	5,215
Minority interests		**(154)**	–
		96,563	5,215
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK73.4 cents**	HK3.9 cents
Diluted		**HK57.8 cents**	N/A

CONSOLIDATED BALANCE SHEET

		As at 30 June	
		2007	2006
	Notes	***HK$'000***	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**261,466**	246,799
Interests in associates		**169,369**	195,902
Due from jointly-controlled entities		**26,069**	42,775
Prepaid land lease payments		**723**	741
Prepaid rental		**8,704**	11,502
Club memberships		**3,590**	3,590
Rental and other deposits		**51,507**	53,130
Trademarks		**79,421**	79,421
Deferred tax assets		**1,503**	–
Pledged bank deposits		**2,049**	1,870
Total non-current assets		**604,401**	635,730
CURRENT ASSETS			
Inventories		**708**	726
Film rights		**33,090**	16,279
Accounts receivable	*8*	**13,450**	12,005
Prepayments, deposits and other receivables		**42,674**	35,441
Due from a jointly-controlled entity		**14,787**	14,400
Pledged bank balance		**2,141**	1,972
Cash and cash equivalents		**219,162**	54,369
Total current assets		**326,012**	135,192
CURRENT LIABILITIES			
Accounts payable	*9*	**46,946**	62,028
Accrued liabilities and other payables		**80,914**	83,335
Due to associates		**236**	1,113
Customer deposits		**5,622**	3,492
Convertible notes		**20,262**	–
Interest-bearing bank loans		**25,311**	37,201
Current portion of finance lease payables		**353**	328
Loans from joint venture partners		**14,787**	14,400
Provision for employee benefits		**2,079**	1,943
Tax payable		**3,788**	9,924
Total current liabilities		**200,298**	213,764

		As at 30 June	
		2007	**2006**
	Notes	*HK$'000*	*HK$'000*
NET CURRENT ASSETS/(LIABILITIES)		**125,714**	(78,572)
TOTAL ASSETS LESS CURRENT LIABILITIES		**730,115**	557,158
NON-CURRENT LIABILITIES			
Convertible notes		**100,590**	19,618
Interest-bearing bank loans		**48,686**	57,087
Non-current portion of finance lease payables		**799**	1,152
Loans from joint venture partners		**26,069**	42,775
Deposits received		**3,700**	4,284
Provision for long service payments		**4,257**	4,102
Deferred tax		**7,999**	7,274
Total non-current liabilities		**192,100**	136,292
Net assets		**538,015**	420,866
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**128,357**	133,031
Equity component of convertible notes		**880**	95
Reserves		**408,223**	287,740
		537,460	420,866
Minority interests		**555**	–
Total equity		**538,015**	420,866

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations), issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain buildings, where the Group adopted the transitional provision of paragraph 80A of HKAS 16 and which have been measured at 1995 fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except where otherwise indicated.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. The adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 *Financial Reporting in Hyperinflationary Economies*
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives

The principal changes in accounting policies are as follows:

(a) HKAS 21 The Effects of Changes in Foreign Exchange Rates

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 30 June 2007 or 30 June 2006.

(b) HKAS 39 Financial Instruments: Recognition and Measurement

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*. The adoption of this amendment has had no material impact on these financial statements.

(ii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

(iii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

The adoption of HK(IFRIC)-Ints 4, 7, 8 and 9 have had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

3. REVENUE AND SEGMENT INFORMATION

(a) Business segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments.

	Film and video distribution		Film exhibition		Others		Eliminations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**59,647**	46,039	**488,794**	451,374	**17,259**	14,872	**–**	–	**565,700**	512,285
Inter-segment sales	**6,160**	1,634	**–**	–	**1,053**	278	**(7,213)**	(1,912)	**–**	–
Other revenue	**1,769**	2,324	**31,781**	31,249	**340**	998	**(341)**	(678)	**33,549**	33,893
Total	**67,576**	49,997	**520,575**	482,623	**18,652**	16,148	**(7,554)**	(2,590)	**599,249**	546,178
Segment results	**(6,902)**	(5,221)	**(19,144)**	(10,468)	**(875)**	(995)	**–**	–	**(26,921)**	(16,684)
Interest income and unallocated gains									**12,527**	7,943
Gain on disposal of interests in an associate	**–**	–	**115,970**	–	**–**	–	**–**	–	**115,970**	–
Loss on disposal of interests in a jointly-controlled entity	**–**	–	**(5,717)**	–	**–**	–	**–**	–	**(5,717)**	–
Finance costs									**(16,619)**	(7,450)
Share of profits and losses of associates	**3,809**	2,554	**16,992**	21,589	**–**	–	**–**	–	**20,801**	24,143
Profit before tax									**100,041**	7,952
Tax									**(3,478)**	(2,737)
Profit for the year									**96,563**	5,215
Segment assets	**64,723**	40,159	**426,826**	430,700	**8,736**	7,233	**–**	–	**500,285**	478,092
Interests in associates	**262**	355	**169,107**	195,547	**–**	–	**–**	–	**169,369**	195,902
Trademarks									**79,421**	79,421
Unallocated assets									**181,338**	17,507
Total assets									**930,413**	770,922
Segment liabilities	**23,982**	27,107	**145,222**	150,521	**5,327**	3,066	**–**	–	**174,531**	180,694
Unallocated liabilities									**217,867**	169,362
Total liabilities									**392,398**	350,056

	Film and video distribution		Film exhibition		Others		Eliminations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:										
Depreciation	**298**	283	**40,167**	39,153	**213**	210	**–**	–	**40,678**	39,646
Unallocated amounts									**1,093**	1,238
									41,771	40,884
Amortisation of prepaid land lease payments	**–**	–	**–**	–	**18**	18	**–**	–	**18**	18
Amortisation of film rights	**11,058**	8,577	**–**	–	**–**	–	**–**	–	**11,058**	8,577
Impairment allowances/(write-back of impairment allowances) for accounts and other receivables, net	**(99)**	(422)	**(2)**	8	**1,428**	(285)	**–**	–	**1,327**	(699)
Provision for impairment of club memberships	**–**	–	**–**	–	**–**	270	**–**	–	**–**	270
Capital expenditure	**429**	714	**64,399**	52,101	**102**	4	**–**	–	**64,930**	52,819
Unallocated amounts									**1,086**	2,426
									66,016	55,245

(b) Geographical segments

The following table presents revenue and certain assets and expenditure information for the Group's geographical segments.

Group

	Hong Kong		Mainland China		Taiwan		Malaysia		Elsewhere in Asia		Others		Eliminations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:																
Sales to external customers	**196,740**	177,589	**52,847**	43,538	**213,849**	215,795	**98,049**	74,831	**3,035**	1,355	**1,180**	1,089	**–**	(1,912)	**565,700**	512,285
Other segment information:																
Segment assets	**305,290**	122,192	**50,058**	44,995	**194,082**	233,615	**131,987**	94,464	**191**	249	**15**	84	**–**	–	**681,623**	495,599
Interests in associates															**169,369**	195,902
Trademarks															**79,421**	79,421
															930,413	770,922
Capital expenditure	**13,070**	8,463	**6,599**	2,919	**10,955**	14,222	**35,392**	29,641	**–**	–	**–**	–	**–**	–	**66,016**	55,245

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2007	2006
	HK$'000	*HK$'000*
Cost of inventories sold	**8,003**	6,631
Cost of services provided	**238,854**	216,825
Amortisation of film rights	**11,058**	8,577
Amortisation of prepaid land lease payments	**18**	18
Depreciation	**41,771**	40,884
Loss on disposal of items of property, plant and equipment	**1,945**	346

5. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**6,887**	6,848
Bank loans arrangement fee	**480**	47
Interest on convertible notes	**7,186**	143
Interest on loans from joint venture partners	**1,812**	–
Interest on accounts payable	**145**	319
Interest on finance leases	**109**	93
	16,619	7,450

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on country legislation, interpretations and practices in respect thereof.

	2007	2006
	HK$'000	*HK$'000*
Group:		
Hong Kong	**312**	(62)
Elsewhere	**1,237**	(1,145)
	1,549	(1,207)
Jointly-controlled entities:		
Charge for the year – elsewhere	**3,186**	2,545
Deferred – elsewhere	**(1,257)**	1,399
	1,929	3,944
Total tax charge for the year	**3,478**	2,737

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue, as adjusted to the consolidation of shares, during the year.

The comparative basic earnings per share has been adjusted to reflect the consolidation of shares during the year.

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company, adjusted to reflect the interest on the convertible notes. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share of the convertible notes outstanding in current year are based on:

	Number of shares
Shares	
Issued ordinary shares as at 1 July 2006	133,030,937
Effect of shares repurchased	(1,226,791)
Weighted average number of ordinary shares in issue during the year used in the calculation of the basic earnings per share	131,804,146
Effect of dilution – weighted average number of ordinary shares:	
Convertible notes	47,945,205
	179,749,351
Earnings	*HK$'000*
Profit for the year attributable to ordinary equity holders of the Company	96,717
Interests on convertible notes	7,186
Profit attributable to ordinary equity holders of the Company before interests on convertible notes	103,903

The convertible note outstanding in prior year had no diluting effect on the basic earnings per share.

The share options had no diluting effect on the basic earnings per share for both the current year and prior year as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's ordinary shares during both years.

8. ACCOUNTS RECEIVABLE

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 accounts receivable relate to a large number of diversified customers, the concentration of credit risk is not considered significant. Accounts receivable are non-interest-bearing. The carrying amounts of the accounts receivable approximate their fair values. An aged analysis of the accounts receivable, net of impairment allowances at 30 June, is as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current to 3 months	**12,325**	10,188
4 to 6 months	**1,125**	1,752
7 to 12 months	**–**	65
	13,450	12,005

9. ACCOUNTS PAYABLE

An aged analysis of the accounts payable at 30 June is as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Current to 3 months	**42,534**	42,027
4 to 6 months	**500**	6,163
7 to 12 months	**109**	1,226
Over 1 year	**3,803**	12,612
	46,946	62,028

DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 30 June 2007 (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

Benefiting from continued economic growth across the Asian region and our focused business strategies, income from our distribution and exhibition businesses showed a modest growth except for Taiwan where the market was soft, having been affected by local political events.

Following the success of our investments in mainland China and Taiwan, the Group took some strategic moves this year to strengthen our core businesses in the region.

Firstly, to redeploy the Group's resources for better returns and follow on our strategic focus in the mainland China market, we divested one of our two cinema circuits in Malaysia during the year and recorded a significant gain of HK$116 million. The proceeds from the disposal, together with the funds raised from issuing convertible notes in 2006, have strengthened our capital base to finance our investments in mainland China.

Secondly, for non-Chinese language films, the Group has stepped up its direct film licensing business during the year. The success of *Death Note I* and *II* (Japanese films) in both Hong Kong and Taiwan, as well as the good showing of *Octopus* (American B film) in mainland China vindicates our strategic move to expand the film licensing business in Hong Kong, mainland China and Taiwan.

In order to strengthen the film distribution business, the Group enlarged its film library to approximately 140 titles by acquiring 39 Chinese language film titles during the year.

The Group is a leading cinema operator in the Asian region – currently operating 33 cinemas with 260 screens across Hong Kong, Shenzhen, Taiwan, Singapore and Malaysia.

Finance

The Group recorded a profit of HK$97 million for the year, compared to HK$5 million last year. This increase is primarily due to a gain on the disposal of a Malaysia cinema circuit during the year. Turnover and gross profit for the year have both increased by 10% to HK$566 million and HK$308 million respectively. Most of the business units in the region, including film distribution and film exhibition businesses, delivered a modestly improved operating result for the year. However, the operating result was affected by some exceptional and one-off items, including new cinema opening costs and additional tax provision in our Singapore joint venture, recognition of deemed costs on share options, accrual of legal expenses for litigation in relation to the Singapore investment and a loss on disposal of a 4.29% interests in our Taiwan cinema joint venture. The Group also incurred higher finance costs following the issue of convertible notes in 2006.

Film Distribution

Box office collections in Hong Kong remained flat at HK$966 million, of which non-Chinese language films took HK$685 million or 71% of the total box offices. Chinese language films continue to suffer from a shortage of quality films and box office receipts have further slipped by 8% to HK$281 million during the year.

As a distributor for both Chinese and non-Chinese language films, the Group held a 15% market share in terms of box office receipts.

Chinese Language Films

The Group distributed 12 Chinese language films during the year, including Jackie Chan's *Rob-B-Hood* and Andy Lau's *Protégé*, as compared to 13 titles over the same period last year. The total box office of Chinese language films distributed by the Group was HK$90 million and our market share increased from 25% last year to 32% this year.

During the year, the Group enlarged its film library to approximately 140 titles by acquiring 39 Chinese language film titles. The Chinese language film library generates steady licensing income and contributed HK$9 million royalty income this year.

Non-Chinese Language Films

The Group distributed 24 non-Chinese language films during the year with a total box office of HK$54 million, representing about 8% market share. The Group has stepped up its direct film licensing business during the year after the expiry of its distribution contract with United International Pictures. Although our market share has declined, the net contribution from distribution of non-Chinese language film to the Group has in fact increased this year. The success of *Death Note I* and *II* in both Hong Kong and Taiwan, as well as the good showing of *Octopus* in mainland China vindicates our strategic move to expand the film licensing business in Hong Kong, mainland China and Taiwan. Recently released films, including *Alone* (a Thai film) in Taiwan and *Prey* (a South African film) in mainland China have also delivered very satisfactory results.

Film Exhibition

Driven by the success of our Shenzhen's flagship cinema and the emergence of more investment opportunities in mainland China, the Group has redeployed its capital resources to the Greater China market by divesting one of its two cinema circuits in Malaysia. After completing the disposal in February 2007, the Group now operates 33 cinemas with 260 screens across the Asian region and remains a leading cinema operator in Asia.

In Hong Kong, total theatre takings of our cinemas grew by 6% and our market share increased to 13% from last year's 12% despite the closure of an under-performing cinema in March 2006. The individual performance of our cinemas has been enhanced by an extensive marketing campaign and a change in pricing strategy. The GH Hollywood cinema also launched a new digital image after completing its phase I renovation in May 2007.

In mainland China, driven by strong consumer spending and the opening of new cinemas, the current year's box office in Shenzhen City surged by 32% from last year. Revenue of the Group's flagship cinema located at MIXC Mall, City Crossing in Shenzhen also increased by 20%, but our market share has decreased to 35% due to the opening of new cinemas by our competitors. Nevertheless, our flagship cinema remains consistently ranked in the top two positions nation-wide in terms of box office takings.

In late 2006, the Group soft-launched our digital screen advertising business in our flagship Shenzhen cinema and this was further extended to other cinemas in Shenzhen in 2007. The business recorded a decent profit in this initial stage of investment.

In Taiwan, the total market box office for the year declined by 6% as market sentiment was weakened by political uncertainties. Revenue at our jointly-controlled investment Vie Show Cinemas Co. Ltd. ("Vie Show") however fell by only 4% partly as a result of higher average ticket price. Vie Show contributed a net profit of HK$18 million to the Group this year, up HK$3 million from last year, due to recognition of a deferred tax asset of approximately HK$4 million (our share). In June 2007, for strategic reasons, the Group disposed a 4.29% interest out of our 40% interest in Vie Show, but it remains a jointly-controlled entity of the Group after the disposal.

In Singapore, market box office rose 8% to S$131 million. The Group's associate Golden Village Multiplex Pte Ltd ("GVM") opened a flagship 15-screens megaplex GV VivoCity at HarbourFront in October 2006 and improved its market share from 44% last year to a record high of 47% this year. Total revenue of GVM increased by 14% to S$84 million but the net contribution to the Group dropped by HK$8 million to HK$10 million mainly due to an additional tax provision for certain disputed expenses, and opening costs of VivoCity.

The Group has commenced proceedings in Hong Kong to wind up Dartina Development Limited, the holding company of the Singapore joint-venture with Village Roadshow ("VR"). The petition arose from a dispute between the Group and its Australian partner, VR, regarding different views on the performance of management of GVM. The legal proceedings are still continuing.

In Malaysia, the market box office increased by approximately 23% from last year due to the opening of a number of new cinemas. In February 2007, the Group divested its entire interests in Golden Screen Cinemas Sdn. Bhd. ("GSC"), one of its two cinema circuits in Malaysia, and recorded a significant gain of HK$116 million. The remaining circuit TGV Cinemas Sdn. Bhd. ("TGV") opened 2 cinemas with 14 screens during the year and the contribution from this circuit has improved by HK$2 million to HK$9 million.

Prospects

Over the past few years, the Group has made consistent efforts in identifying and strengthening its exhibition and distribution network in the territories which show higher market potential and better returns. Our strong cinema network has enabled the Group to step up its non-Chinese language films distribution business in the region. We will continue to reinforce this business by acquiring and distributing more popular films in the region.

Given the continued opening of the film distribution and exhibition markets in mainland China and the increase in investment opportunities there, we believe that this is an opportune time for the Group to redeploy its resources to strengthen its presence in mainland China. The Group plans to open more cinemas in Shenzhen and in other principal cities such as Beijing, Shanghai, Hangzhou, Suzhou and Wuxi in the years ahead. Apart from cinema operations, the Group has also started a digital screen advertising business in Shenzhen and plans to expand this to other cities in mainland China in the near future.

Financial Resources and Liquidity

As at 30 June 2007, the Group's cash balance was HK$221 million. During the year, the Group issued 4% convertible notes to three substantial shareholders of the Company and an independent third party raising net proceeds of HK$99 million, and the net proceeds of HK$195 million from the disposal of GSC was received in February 2007. These proceeds will be applied for investments in new businesses, expansion of existing businesses and general working capital. In the financial year, the Group fully repaid one of the bank borrowings of HK$8 million and another short-term bank loan of HK$15 million which was obtained during the year. One of the Group's jointly-controlled entities in Malaysia, TGV, increased its bank borrowing by HK$34 million (the Group's 50% share was HK$17 million) to finance the development of new cinema sites. Our gearing ratio, calculated on the basis of external borrowings (including the convertible notes) over total assets, was 21% (2006: 15%) as of 30 June 2007. As at the balance sheet date, the aggregate amount of the Group's bank borrowings and the convertible notes was HK$196 million. The Group had no contingent liabilities as of 30 June 2007 (2006: HK$18 million) as the guarantee in respect of a banking facility granted to an associate was released during the year.

The Group's assets and liabilities are principally denominated in Hong Kong dollars except for certain assets and liabilities associated with the investments in mainland China, Taiwan, Singapore and Malaysia. Management has assessed the exchange risk exposures in these territories from time to time. Since the exchange rates of these currencies have been either relatively stable or favorable to the Group for the past two years, no hedging of foreign currencies was carried out during the year. The directors will continue to assess the exchange risk exposures, and will consider possible hedging measures in order to minimise the risk at reasonable cost.

Employees and Remuneration Policies

As at 30 June 2007, the Group had 264 (2006: 226) permanent employees. The Group remunerates its employees largely based on industry practice. In addition to salaries, commissions and discretionary bonuses, share options are granted to certain employees based on individual merit. The Group also operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance and as at the balance sheet, there was no forfeited contribution arising from employees leaving the retirement benefit scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased certain of its shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The directors consider that the share repurchases are beneficial to shareholders of the Company who retain their investments in the Company. Details of the share repurchases are set out below:

Month/Year	**Number of shares repurchased**	**Highest price per share** *HK$*	**Lowest price per share** *HK$*	**Aggregated consideration (excluding transaction costs)** *HK$'000*
Before share consolidation*				
December 2006	3,322,000	0.191	0.170	600
January 2007	8,842,000	0.232	0.210	1,996
February 2007	2,500,000	0.260	0.250	644
March 2007	7,858,000	0.325	0.300	2,435
April 2007	11,242,000	0.360	0.325	3,860
May 2007	236,000	0.345	0.345	81
	34,000,000			
After share consolidation*				
May 2007	848,400	3.50	3.20	2,874
June 2007	426,000	3.60	3.40	1,488
	1,274,400			
				13,978

* *Pursuant to an ordinary resolution passed on 9 May 2007, the issued and unissued ordinary shares of HK$0.1 each in the capital of the Company were consolidated on the basis of every ten shares into one share of HK$1.00 each.*

The shares repurchased during the year were subsequently cancelled by the Company. Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

REVIEW OF FINAL RESULTS

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 30 June 2007.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the year ended 30 June 2007, the Company has taken steps not only to comply with the Code on Corporate Governance Practices ("CCGP") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange but also with the aim at enhancing the corporate governance practices of the Group as a whole.

In the opinion of the directors, the Company had complied with the code provisions of CCGP throughout the year ended 30 June 2007 except that all the non-executive directors of the Company were not appointed for a specific term as required by code provision A.4.1 of the CCGP but they 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. Detailed information of the Company's corporate governance practices as set out in the Corporate Governance Report will be included in the Company's annual report to be despatched to the shareholders in due course.

List of all Directors of the Company as of the date of this announcement:

Executive Directors:
Mr. Raymond Chow Ting Hsing
Mr. Phoon Chiong Kit
Mr. David Chan Sik Hong
Mrs. Roberta Chin Chow Chung Hang
Mr. Lau Pak Keung (also alternate to Mr. Phoon Chiong Kit)

Non-executive Director:
Mr. Eric Norman Kronfeld

Independent non-executive Directors:
Mr. Paul Ma Kah Woh
Mr. Frank Lin
Mr. George Huang Shao-Hua
Prince Chatrichalerm Yukol

On behalf of the Board
Raymond Chow Ting Hsing
Chairman

Hong Kong, 17 October 2007