

中國星

ANNUAL REPORT

08 年報



CHINA STAR ENTERTAINMENT LIMITED
中國星集團有限公司

(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 : 326

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公司資料 Corporate Information

董事會

向華強先生(主席)
陳明英女士(副主席)
李玉嫦女士(執行董事)
洪祖星先生(獨立非執行董事)
何偉志先生(獨立非執行董事)
梁學文先生(獨立非執行董事)

審核委員會

何偉志先生(主席)
洪祖星先生
梁學文先生

薪酬委員會

陳明英女士(主席)
洪祖星先生
梁學文先生

法定代表

向華強先生
陳明英女士

公司秘書

黃淑嫻女士

註冊辦事處

Canon's Court
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總辦事處及主要營業地點

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主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermuda Road
Pembroke, Bermuda

BOARD OF DIRECTORS

Mr. Heung Wah Keung (*Chairman*)
Ms. Chen Ming Yin, Tiffany (*Vice Chairman*)
Ms. Li Yuk Sheung (*Executive Director*)
Mr. Hung Cho Sing (*Independent Non-Executive Director*)
Mr. Ho Wai Chi, Paul (*Independent Non-Executive Director*)
Mr. Leung Hok Man (*Independent Non-Executive Director*)

AUDIT COMMITTEE

Mr. Ho Wai Chi, Paul (*Chairman*)
Mr. Hung Cho Sing
Mr. Leung Hok Man

REMUNERATION COMMITTEE

Ms. Chen Ming Yin, Tiffany (*Chairman*)
Mr. Hung Cho Sing
Mr. Leung Hok Man

AUTHORISED REPRESENTATIVES

Mr. Heung Wah Keung
Ms. Chen Ming Yin, Tiffany

COMPANY SECRETARY

Ms. Wong Shuk Han, Dorothy

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
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公司資料 Corporate Information

香港股份過戶登記分處

香港中央證券登記有限公司
香港
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主要往來銀行

中國銀行(香港)有限公司
恒生銀行有限公司
渣打銀行(香港)有限公司
誠興銀行有限公司

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師

法律顧問

羅拔臣律師事務所
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股份代號

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PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Seng Heng Bank Limited

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

LEGAL ADVISERS

Robertsons
Appleby
Clifford Chance

STOCK CODE

326

WEBSITE

www.chinastar.com.hk
www.irasia.com/listco/hk/chinastar

主席報告 Chairman's Statement

二零零八年下半年，金融海嘯侵襲全球，本港經濟大受打擊，失業率攀升，連帶影響娛樂及消費意欲，加上經濟低迷，對電影侵權行為勢必變本加厲，因此本集團在年內依然維持極為審慎的原則以製作電影。

環球性金融海嘯的沖擊，至今仍未見平息，猶幸本公司早已作出多項高瞻遠矚的部署，包括積極尋求多元化之投資機會，特別是可提供穩定收入貢獻的業務，包括進軍澳門旅遊及投資於從娛樂博彩業務取得溢利的營運，除收購澳門金域酒店，現稱澳門蘭桂芳酒店，引入擁有豐富澳門賭業經驗的策略性股東外，並進軍收入理想的博彩中介人業務，以至適時透過一連串的融資行動壯大業務，令本集團的財務基礎更形穩固，相信可以有助本集團安然度過金融海嘯的難關。

本集團作為一家地區性的娛樂事業公司，在推行業務多元化發展方面，已見成效。在二零零八年度，本集團約有九成左右的收益來自投資於從博彩及娛樂業務取得溢利的營運，收入來源因此大為擴闊及趨於穩定，並降低了電影製作及發行對整體業務所佔的比重，對本集團的經營溢利因而產生正面的貢獻。

澳門蘭桂芳酒店為本集團擁有之附屬公司。目前該酒店正停止營業，並進行翻新成為一家豪華精品酒店的工程，由於澳門蘭桂芳酒店位處澳門最繁盛的新口岸商業旅遊區，佔有地理位置上之優勢，預計工程完成後，酒店可為本集團帶來穩定之財務收益。

The latter half of 2008 had witnessed the full swing of the financial tsunami on a global scale. Hong Kong's economy was hard hit, and the surging unemployment rate also adversely affected the entertainment and consumer capabilities. In times of economic depression, piracy activities in the film industry are prone to aggravate. Thus, in this fiscal year, the Group intends to prudently maintain quality cinematic production.

At present, the drastic impact of the global financial tsunami is still in force. Fortunately, the Group has the foresight to prepare well in advance, including diversification in investment opportunities, especially in businesses that generate stable revenue contribution. Thus, investments in Macau's tourism, entertainment and gaming industries have become some of the Group's new business initiatives to increase earnings. Apart from acquiring Kingsway Hotel in Macau, renamed as Hotel Lan Kwai Fong, Macau and introducing strategic shareholders with extensive and solid experiences in gaming industries, the Group has also entered into the lucrative business of gaming promotion business, and initiated a series of financing activities timely to further strengthen the Group's financial foundation, and this hopefully would steer the Group clear of the hard times amidst the global financial tsunami.

The Group, in the capacity of regional entertainment investment, has seen the achievements of strategic diversity in business developments. In the fiscal year of 2008, about 90 percent of the Group's earnings were generated from investments in the gaming and entertainment industries and the profits accrued from their business operations. The generation of stable income has thus been sustained and expanded considerably in capacity. This has, in turn, reduced the proportion of investment in film production and distribution, and has made significant and desirable contributions to the Group with better earnings in business operations.

Hotel Lan Kwai Fong, Macau is a subsidiary owned by the Group. The Hotel is currently under renovation, to be transformed into a luxurious and exquisite featured hotel. Business is thus temporarily suspended. Since Hotel Lan Kwai Fong, Macau is situated in the most prosperous business area along the new coastline of Macau's commerce and tourism zone, this geographical advantage is expected to bring in sustainable financial benefits as soon as the Hotel's renovation project is completed.

主席報告 Chairman's Statement

而澳門最具規模的娛樂博彩公司SJM-Investmentos Limitada，較早前已承諾租賃澳門蘭桂芳酒店部份作為賭場，開設不少於50張公眾賭桌及角子老虎機中心，預計除可為本集團帶來穩定之收益外，更可與本集團投資於從博彩推廣業務取得溢利的營運產生協同效應，互惠互利。

進軍澳門娛樂博彩業務，令本集團更進一步掌握澳門博彩業的商機，加上該業務之收入，為集團帶來高於保證之溢利，表現令人鼓舞。儘管目前正值金融海嘯，而中國遊客到澳門旅遊的限制亦已大為收緊，對博彩業的短期收益有所打擊，惟本集團對中國及澳門之中期及長期增長，依然具有信心。本集團相信，中國經濟將可在金融海嘯衝擊下率先復甦，而限制遊客訪澳亦應屬短期措施，當澳門之基建發展更趨完善後，其博彩及娛樂業務將可獲得更進一步的增長。

於二零零八年五月十三日，本公司直接全資附屬公司China Star Entertainment (BVI) Limited與Glenstone Investments Limited訂立買賣協議，以總代價330,567,000港元，出售本集團兩家本港上市投資，包括豐采多媒體集團有限公司現稱中國星投資有限公司(中國星投資)及采藝多媒體控股有限公司(采藝)之全數權益，而是項交易已於二零零八年七月十一日舉行之股東特別大會上投票通過。

Furthermore, SJM-Investmentos Limitada, the biggest gaming and entertainment corporation in Macau, has already undertaken to lease part of Hotel Lan Kwai Fong, Macau for casino with no less than 50 mass market gaming tables and a slot machine entertainment centre. Apart from stable profits, the lease agreement shall bring about mutual benevolence for both corporations, and that a synergy effect is anticipated in the Group's discerning investment in the gaming promotion campaign for lucrative returns in earnings.

Business ventures into Macau's gaming and entertainment industries enable the Group to better grasp the business opportunities in Macau's gaming market. In addition, the revenue generated from the business itself outgrew the guaranteed earnings originally expected of the Group. Although the financial tsunami is in force, and more stringent measures have been adopted on the mainland Chinese tourists travelling to Macau, and have adversely affected the gaming industry in the short-run, the Group is, nevertheless, confident of the mid- and long-term economic growth in China and in Macau. The Group believes that China's economy will take the lead to revive in the global financial tsunami, and that restrictions on travelling to Macau by mainland Chinese tourists are expected to be short-term measures. Indeed, the gaming and entertainment industries will surely thrive and prosper further with the enhancements in Macau's infrastructure developments.

On 13th May, 2008, China Star Entertainment (BVI) Limited, a direct subsidiary wholly-owned by the Group, signed a purchase agreement with Glenstone Investments Limited. At a total amount of HK\$330,567,000, two of the Group's investments listed in Hong Kong were sold to Glenstone, including Riche Multi-Media Holdings Limited (now named "China Star Investment Holdings Limited") (henceforth "China Star Investment") and Brilliant Arts Multi-Media Holding Limited (henceforth "Brilliant Arts"), together with their full equity interests therein. This purchase agreement had already been passed by voting during the special shareholders meeting held on 11th July, 2008.

主席報告 Chairman's Statement

由於豐采為本集團於中國之電影發行商，隨著本集團減少電影產量，並直接向中國當地之發行商發行電影，令中國星投資之策略性功能逐漸減退，其對本集團核心業務未有產生任何協同效益。此外，鑑於采藝股價表現差強人意，本集團未能於采藝之投資取得足夠回報，因此董事相信出售兩家公司之權益，可為本集團帶來重新構建投資組合之機會，並即時取得額外之現金流，可撥付作業務營運、日後潛在之多元化投資以及本集團一般營運資金之用。

本集團於二零零八年十二月八日發表公佈，按於紀錄日期，每持有一股現有股份，獲發兩股發售股份之基準，透過公開發售，按每股發售股份0.05港元之認購價，發行1,064,486,080股發售股份，集資不少於44,400,000港元；並按根據公開發售，每接納一手發售股份，可獲發三股紅股之基準發行紅股。有關之公開發售股份反應踴躍，並於二零零九年二月十九日成為無條件，反映投資者對本公司是次集資以壯大業務，投下信心一票。

相信在完成融資後，本集團的財務基礎，將更形穩固，配合業務多元化，擴大穩定之收入來源及壯大業務後，本集團在面對金融海嘯時，將可在策略上處於更為有利的位置。

To enhance cost effectiveness, the Group has already reduced film productions and distributed films directly to the mainland China channels, thus leading to the gradual diminishment of the strategic function of China Star Investment as the Group's film distributor in China, and it has not generated the synergized outcomes on the Group's core businesses. Since the performance of Brilliant Arts has not measured well enough in stock prices, the Group has not obtained adequate profit returns from Brilliant Arts. Consequently, the directors believe that the selling of the equity interests of these two companies provides the Group with the opportunity to restructure its investment portfolio. In addition, the surplus amount of immediate cash flow acquired in this transaction shall become expenditures on routine business operations and also the essential capital for new initiatives and potentials in the subsequent diversified business investments and the Group's investments in general.

The Group made an announcement on 8th December, 2008 that, according to the open offer of 1,064,486,080 offer shares on the basis of two offer shares for every one existing Share held on the record date with the bonus issue on the basis of three bonus shares for every one offer share taken up under the open offer, at the price of HK\$0.05 per offer share, to raise the equity capital of not less than HK\$44,400,000. The open offer received very enthusiastic responses, and the open offer had become unconditional on 19th February 2009, reflecting the fact that investors had casted their vote of confidence to the Group in raising capital to further expand lucrative business initiatives.

The Group believes that further financial stability can be achieved subsequent to capital raising. Together with the strategic diversifications, the expansion of stable income and business opportunities provides the Group with the competitive edge to obtain a more privileged strategic position in face of the financial tsunami.

主席報告 Chairman's Statement

過往一年，本集團雖然面對艱辛的香港電影市道，但由於能善用財務融資安排，進一步借機改善本集團的財務健康狀況，並能掌握澳門發展旅遊博彩業的商機，令本集團的業務得以更多元化發展，加上本集團同仁上下一心，為本集團開拓穩定而長期之收入來源。展望來年，本集團亦將秉承一貫審慎經營的方針，積極掌握商機，降低商業風險，爭取可觀回報，以回饋各位股東多年來對本集團的支持。

During the past year, the Group succeeded in deploying measures to optimize revenue, despite the hardships faced by the cinematic productions in the local market, thereby facilitating and furthering visible improvements in the financial health of the Group. The Group was also able to timely seize the business opportunities in the development of Macau's gaming and tourism industries for better strategic diversification in business opportunities. Our colleagues are all loyal and dedicated to the Group, and have always been very progressive in exploring new income sources for the Group's long-term earnings. The Group shall also continue its prudent practices in business policies, to better grasp business opportunities so as to reduce the unnecessary risks in investment to a minimum. The strife to gain lucrative business profits is to reciprocate the benevolence of shareholders for their years of support to the Group.

主席
向華強

Heung Wah Keung
Chairman

管理層論述及分析 Management Discussion and Analysis

財務回顧

於建議出售事項(定義見下文)終止後,截至二零零七年十二月三十一日止年度收入表內所有相關業績已重列,以便符合現年度呈列方式。詳情載於「終止建議出售Exceptional Gain Profits Limited及Kingsway Hotel Limited」一節。

截至二零零八年十二月三十一日止年度,本集團之營業額增加191%至約227,747,000港元(二零零七年:78,351,000港元)。

本集團來自持續經營業務之經營溢利及年度溢利分別約為121,695,000港元及65,590,000港元,而去年之經營虧損及年度虧損分別為65,910,000港元及103,807,000港元。現年度業績狀況轉變主要因為分佔自收購Best Mind International Inc. (「Best Mind」)全部股權後於澳門博彩與娛樂業務投資所得溢利。

截至二零零八年十二月三十一日止年度,權益持有人應佔溢利為90,604,000港元,較去年虧損92,547,000港元改善198%。

股息

董事建議派發截至二零零八年十二月三十一日止年度之末期股息每股0.001港元(二零零七年:無)。假設本公司於二零零九年二月二十六日公佈之股本重組於二零零九年五月四日生效,則末期股息將由每股0.001港元(股本重組前)調整為每股0.02港元(股本重組後)。

FINANCIAL REVIEW

Following the termination of the Proposed Disposal (defined below), all corresponding results in the income statement for the year ended 31st December 2007 were re-presented to conform with the current year's presentation. Details are disclosed in the section "Termination of the Proposed Disposal of Exceptional Gain Profits Limited and Kingsway Hotel Limited".

For the year ended 31st December 2008, the Group's turnover increased by 191% to approximately HK\$227,747,000 (2007: HK\$78,351,000).

Profit from operations and profit for the year amounted to approximately HK\$121,695,000 and HK\$65,590,000 respectively as compared to loss from operations and loss for the year of HK\$65,910,000 and HK\$103,807,000 respectively for last year. The turnaround of the current year's result was mainly attributable to contribution from the sharing of profit streams from investments in gaming and entertainment business in Macau after the acquisition of the entire equity interest in Best Mind International Inc. ("Best Mind").

The profit attributable to equity holders of the Company for the year ended 31st December 2008 was HK\$90,604,000, representing a 198% improvement over loss of HK\$92,547,000 in the last year.

DIVIDEND

The directors recommend a final dividend of HK\$0.001 per share (2007: nil) for the year ended 31st December 2008. Assuming the capital reorganisation as announced by the Company on 26th February 2009 will become effective on 4th May 2009, the final dividend will be adjusted from HK\$0.001 per share (before capital reorganisation) to HK\$0.02 per share (after capital reorganisation).

管理層論述及分析 Management Discussion and Analysis

業務回顧

在總營業額中，203,327,000港元或89%來自博彩與娛樂業務、19,141,000港元或8%來自電影發行業務及5,279,000港元或3%來自製作服務及其他服務收入。

本年度，本集團已成功完成收購Best Mind之100%股本權益，該公司享有來自澳門新葡京娛樂場一間貴賓廳主要博彩中介公司之一Ocho Sociedade Unipessoal Limitada (「Ocho」) 的溢利。Best Mind之良好表現超出本集團之預期，本集團已自博彩與娛樂業務分佔約203,327,000港元收入，較吳卓徽先生（該收購交易之擔保人及Ocho之實益擁有人）就同期保證之溢利約151,385,000港元高出34%。

就電影發行業務而言，鑒於近年娛樂行業（尤其是華語電影）疲弱之市況，本集團於市場只推出兩套新電影。於二零零八年，電影發行分類之營業額為19,141,000港元（二零零七年：58,970,000港元），而其分類業績為虧損455,000港元（二零零七年：溢利8,336,000港元）。營業額減少主要由於去年同期錄得來自出售本集團片庫100套電影版權之部份收入。其分類虧損乃由於年內以較低價格出售若干舊版權所致。截至二零零八年十二月三十一日止年度，市場推廣及分銷費用為671,000港元，較去年同期5,791,000港元減少88%。為回應疲弱的電影行業，本集團對分配於電影發行業務之現金賺取單位重新評估其可收回款額以及電影版權於二零零八年十二月三十一日之賬面值，並分別確認減值13,646,000港元及9,760,000港元。

BUSINESS REVIEW

Of the total turnover amount, HK\$203,327,000 or 89% was generated from gaming and entertainment business, HK\$19,141,000 or 8% was generated from film distribution business, HK\$5,279,000 or 3% was generated from production services and other service income.

This year, the Group has successfully completed the acquisition of 100% equity interest in Best Mind, the profit receiving company from Ocho Sociedade Unipessoal Limitada ("Ocho"), one of the leading gaming junkets at one of the VIP gaming rooms at the Grand Lisboa Casino in Macau. The sound performance of Best Mind has exceeded our expectation as the Group had shared revenue of approximately HK\$203,327,000 from the gaming and entertainment business, a 34% higher than the guarantee profit of approximately HK\$151,385,000 for the same period as provided by Mr. Ng Cheuk Fai, the guarantor in this acquisition transaction and the beneficial owner in Ocho.

For the film distribution business, the Group had released only 2 new films in the market in response to the weak market condition of the entertainment industry in these years, especially for the Chinese language films. In year 2008, turnover for film distribution division amounted to HK\$19,141,000 (2007: HK\$58,970,000) and its segment results amounted to loss of HK\$455,000 (2007: profit of HK\$8,336,000) respectively. The decrease in turnover was mainly attributable to partial income from sale of film rights of 100 titles in our film library was recorded in the last year. The segment loss was attributable to sales of certain old titles at lower prices during the year. The marketing and distribution expenses for the year ended 31st December 2008 was HK\$671,000, representing a 88% decrease from HK\$5,791,000 for the last corresponding year. In response to the weak film market, the Group had reassessed the recoverable amount of the cash generating unit allocated to film distribution business and the carrying value of film rights at 31st December 2008 and recognised impairment of HK\$13,646,000 and HK\$9,760,000 respectively.

管理層論述及分析 Management Discussion and Analysis

就地區分類而言，香港分類之營業額錄得17,330,000港元或佔總營業額之8%，而去年則為62,366,000港元或佔總營業額之80%。分類業績金額為5,040,000港元，而去年同期則為14,029,000港元。香港分類之營業額及分類溢利減少乃主要由於去年錄得來自出售本集團片庫100套電影版權之部份收入。

澳門分類之營業額錄得203,327,000港元或佔總營業額之89%，而去年則錄得14,046,000港元或佔總營業額之18%。分類業績為203,327,000港元，去年則為9,474,000港元。本年度之收入主要指源自應佔於澳門博彩及娛樂業務之投資所產生之溢利。於二零零七年，澳門分類營業額主要指於Kingsway Hotel Limited (「KHL」) 提供之酒店服務，該公司於二零零七年六月停止營業及現正進行裝修。因此，KHL於年內並無貢獻任何收入。

於截至二零零八年十二月三十一日止年度內，行政開支(扣除租賃土地攤銷及物業、機器及設備之折舊)為77,330,000港元，較去年同期之51,585,000港元增加50%。此項增加主要由於年內錄得應收聯營公司款項之減值25,179,000港元所致。

於截至二零零八年十二月三十一日止年度，融資成本為31,522,000港元，較去年同期之12,827,000港元增加146%。融資成本大幅增加乃由於發行總本金額為384,000,000港元之無抵押可換股票據(「可換股票據」)作為收購Best Mind之部份代價所致。根據香港會計師公會頒佈之香港會計準則第39號，可換股票據之利息支出13,729,000港元乃採用類似工具之現行市場利率每年7.75%(而非實際票面息率每年5%)計算。

For the geographical segments, turnover for Hong Kong segment amounted to HK\$17,330,000 or 8% of the total turnover as compared to HK\$62,366,000 or 80% of total turnover in the last year. Segment results amounted to HK\$5,040,000 as compared to HK\$14,029,000 in the last year. The decrease in turnover and segment profit by the Hong Kong segment was mainly attributable to partial income from sale of film rights of 100 titles in our film library was recorded in the last year.

Turnover for Macau segment amounted to HK\$203,327,000 or 89% of the total turnover as compared to HK\$14,046,000 or 18% of total turnover in the last year. Segment results amounted to HK\$203,327,000 as compared to HK\$9,474,000 in the last year. This year's revenue mainly represented revenue derived from sharing of profit streams from investments in gaming and entertainment business in Macau. Turnover for Macau segment for the year 2007 mainly represented provision of hotel services by Kingsway Hotel Limited ("KHL") which ceased business in June 2007 and is now under renovation. Therefore, KHL does not contribute any revenue during the year.

For the year ended 31st December 2008, administrative expenses (net of amortisation of leasehold land and depreciation on property, plant and equipment) amounted to HK\$77,330,000, a 50% increase from HK\$51,585,000 as compared to the last corresponding year. The increase was mainly attributable to an impairment on amount due from associates of HK\$25,179,000 for the year.

Finance costs for the year ended 31st December 2008 amounted to HK\$31,522,000, an 146% increase from HK\$12,827,000 as compared to the last corresponding year. The substantial increase in finance costs was attributable to the issue of an aggregate principal amount of HK\$384,000,000 unsecured convertible notes ("Convertible Notes") as part of the consideration for the acquisition of Best Mind. In accordance with Hong Kong Accounting Standard 39 issued by the Hong Kong Institute of Certified Public Accountants, interest expenses of HK\$13,729,000 for the Convertible Notes were calculated using the prevailing market interest rate of similar instruments of 7.75% per annum, instead of the actual coupon rate of 5% per annum.

管理層論述及分析 Management Discussion and Analysis

流動資金及財務資源

於二零零八年十二月三十一日，本集團之總資產約為2,605,167,000港元，而流動資產淨值則為132,755,000港元，即流動比率為1.3（二零零七年：1.6）。本集團之現金及銀行結餘總額約為138,145,000港元（二零零七年：203,837,000港元，其中181,102,000港元分類為持作出售資產）。於二零零八年十二月三十一日，本集團之借貸總額為696,683,000港元，包括一項銀行透支174,826,000港元、一項銀行按揭貸款8,467,000港元、有抵押銀行定期貸款375,000,000港元及負債部分為138,390,000港元之未償還可換股票據。銀行按揭貸款以本集團賬面值40,880,000港元之投資物業作抵押、年息按香港最優惠利率減2.5厘計息，並須分61期每月償還。銀行透支貸款及定期貸款以本集團賬面值約991,034,000港元（二零零七年：794,813,000港元，分類為持作出售資產）之租賃土地、樓宇及在建工程作抵押，並須由首次支取貸款日期起九個月後開始分為18等份連續每季償還25,000,000港元。透支貸款乃按要求償還並由銀行每年檢討。未償還可換股票據為無抵押、每年票息率5厘及於二零一二年五月十七日到期。可換股票據附帶權利可按於二零零八年十二月三十一日之經調整換股價每股3.0港元轉換為本公司股份。於二零零八年十二月三十一日，本集團附屬公司KHL之銀行信貸總額為575,000,000港元，已支取其中549,826,000港元。本集團年內之資本負債比率仍合理，總債項696,683,000港元對股東資金1,418,711,000港元。以本集團之借貸總額除以股東資金之基準計算，資本負債比率為49%。

由於本集團大部份交易、資產與負債均以港元、澳門元及美元計值，故認為匯率波動風險甚低，並認為無需任何對沖活動。於二零零八年十二月三十一日，本集團並無或然負債。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December 2008, the Group had total assets of approximately HK\$2,605,167,000 and a net current assets of HK\$132,755,000, representing a current ratio of 1.3 (2007: 1.6). The Group had cash and bank balances of approximately HK\$138,145,000 (2007: HK\$203,837,000, of which HK\$181,102,000 classified as assets held for sale). As at 31st December 2008, the Group had total borrowings of HK\$696,683,000 comprising a bank overdraft of HK\$174,826,000, a bank mortgage loan of HK\$8,467,000, a secured bank term loan of HK\$375,000,000 and an outstanding convertible notes with liabilities component of HK\$138,390,000. The bank mortgage loan was secured by the Group's investment properties with carrying value of HK\$40,880,000, interest bearing at 2.5% below the Hong Kong Prime Lending Rate per annum and repayable by 61 monthly instalments. The bank overdraft facility and the term loan were secured by the Group's leasehold land, building and construction in progress with carrying value of approximately HK\$991,034,000 (2007: HK\$794,813,000, classified as assets held for sale). The term loan was repayable by 18 equal consecutive quarterly installments of HK\$25,000,000 each commencing from the 9th month after the date of the first loan drawdown. The overdraft facility was repayable on demand and reviewed annually by the bank. The outstanding convertible notes were unsecured, interest bearing at coupon rate of 5% per annum and will matured on 17th May 2012. The convertible notes carry the right to convert into shares of the Company at an adjusted conversion price of HK\$3.0 per share as of 31st December 2008. As at 31st December 2008, KHL, a subsidiary of the Company had banking facilities amounting to HK\$575,000,000 which were utilised to the extent of HK\$549,826,000. The Group's gearing remained reasonable during the year with total debts of HK\$696,683,000 against shareholders' funds of HK\$1,418,711,000. This represents a gearing ratio, calculated in the basis of the Group's total borrowings over shareholders' fund of 49%.

As the majority of the Group's transactions, assets and liabilities are denominated in Hong Kong Dollars, Macau Patacas and United States Dollars, the exposure to fluctuation in exchange rates was considered to be minimal and no hedging activity was considered necessary. As at 31st December 2008, the Group had no contingent liability.

管理層論述及分析 Management Discussion and Analysis

於二零零七年十二月十一日，本公司與配售代理訂立配售協議，並已有條件同意按悉數包銷基準以每股0.12港元之價格向獨立投資者配售合共1,400,000,000股新股份。根據於二零零八年一月二十四日舉行之本公司股東特別大會上授予本公司董事之一般授權，1,400,000,000股新股份已於二零零八年二月二十九日發行。所得款項淨額約為163,500,000港元已用於收購Best Mind。

於二零零八年三月十八日，本公司已按每股0.3港元之價格發行236,333,333股新股份，作為收購Best Mind完成時之部份代價。

於二零零八年五月九日，本公司完成資本重組，包括(i) 股份合併，每10股已發行及未發行股份合併為一股本公司合併股份；(ii) 資本削減，所有已發行及未發行合併股份之面值由每股0.50港元削減至每股0.05港元；及(iii) 註銷股份溢價賬，註銷本公司於二零零七年十二月三十一日之股份溢價賬全部款額1,356,449,856.32港元，並注入本公司之實繳盈餘賬，本公司實繳盈餘賬中約864,665,000港元將用作抵銷本公司於二零零六年十二月三十一日之累計虧損。

於二零零八年十二月一日，本公司與配售代理訂立配售協議，以全面包銷基準以每股0.102港元之價格向獨立投資者配售合共88,000,000股新股份。該88,000,000股新股份已於二零零八年十二月二十三日按照於二零零八年六月二十八日舉行之本公司股東週年大會上授予本公司董事之一般授權予以發行。所得款項淨額約為8,800,000港元計劃用於認購事項(定義見下文)。

On 11th December 2007, the Company entered into a placing agreement with a placing agent and had conditionally agreed to place on a fully underwritten basis an aggregate 1,400,000,000 new shares to independent investors at a price of HK\$0.12 per share. 1,400,000,000 new shares was issued on 29th February 2008 under the general mandate granted to the directors of the Company at the special general meeting of the Company held on 24th January 2008. The net proceeds of approximately HK\$163,500,000 was used for the acquisition of Best Mind.

On 18th March 2008, the Company had issued 236,333,333 new shares at a price of HK\$0.3 per share as part of the consideration upon completion for the acquisition of Best Mind.

On 9th May 2008, the Company completed a capital reorganisation comprising (i) share consolidation that every 10 issued and unissued shares be consolidated into 1 consolidated share of the Company; (ii) capital reduction that the nominal value of all issued and unissued consolidated shares be reduced from HK\$0.50 each to HK\$0.05 each; and (iii) share premium cancellation that the entire amount of HK\$1,356,449,856.32 in the share premium account of the Company as at 31st December 2007 be cancelled and credit to the contributed surplus account of the Company, a sum of approximately HK\$864,665,000 in the contributed surplus of the Company be applied to set off against the accumulated losses of the Company as at 31st December 2006.

On 1st December 2008, the Company entered into a placing agreement with a placing agent to place on a fully underwritten basis an aggregate 88,000,000 new shares to independent investors at a price of HK\$0.102 per share. 88,000,000 new shares was issued on 23rd December 2008 under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 28th June 2008. The net proceeds of approximately HK\$8,800,000 was intended to be used for the Subscription (defined below).

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於二零零八年十二月四日，本公司公佈，本公司全資附屬公司中國星製作服務有限公司與香港影城有限公司訂立一項協議備忘錄，以總代價11,200,000港元出售若干用於後期製作供於最後剪輯影片之系統／器材。是項出售構成上市規則所述本公司之須予披露交易。是項出售於二零零八年十二月三十一日尚未完成，而將予出售資產已據此分類為持作出售資產。

於二零零八年十二月八日，本公司公佈擬分五批認購每批12,000,000港元由寶利福控股有限公司（「寶利福」）發行本金額為60,000,000港元零票息可換股票據，有關可換股票據將於該批次發行日期起計第十週年到期（「認購事項」），及可按初步換股價每股寶利福股份0.05港元轉換為寶利福股份。認購事項於二零零九年一月二十三日經股東於本公司股東特別大會上批准。於二零零九年一月二十九日，寶利福要求認購60,000,000港元之可換股票據，而本公司已於同日認購60,000,000港元之可換股票據。

於同日，本公司亦公佈按於二零零九年一月二十三日每持有一股股份獲發兩股發售股份之基準以認購價每股0.05港元公開發售1,064,486,080股發售股份，並根據本公司之公開發售每接納一股發售股份獲發三股紅股之基準發行紅股。估計所得款項不少於約42,000,000港元，計劃用於認購事項。發售股份及紅股已於二零零九年二月二十六日發行。

於結算日後，本公司之法定股本於二零零九年一月二十九日由100,000,000港元（分為2,000,000,000股每股0.05港元之股份）增加至500,000,000港元（分為10,000,000,000股每股面值0.05港元之股份）。

於二零零九年二月二十六日，本公司董事會公佈，本公司擬向股東提呈批准涉及本公司股本重組之建議：(i)股份合併，每20股面值0.05港元已發行及未發行股份合併為一股面值1.00港元合併股份（「合併股份」）；(ii)股本削減，藉註銷本公司股本中每股已發行合併股份0.99港元

On 4th December 2008, the Company announced that China Star Production Services Limited, a wholly owned subsidiary of the Company entered into a Memorandum of Agreement with Hong Kong Movie City Company Limited to dispose a number of system/unit used for post production process to the final cut of films for a total consideration of HK\$11,200,000. This disposal constituted a discloseable transaction for the Company under the Listing Rules. This disposal has not yet completed as at 31st December 2008 and the assets to be disposed was classified as assets held for sale accordingly.

On 8th December 2008, the Company announced that it proposed to subscribe the zero coupon convertible notes in principal amount of HK\$60 million to be issued by Golife Concepts Holdings Limited (“Golife”) in five tranches of HK\$12 million each due on the tenth anniversary of the date of issue for such tranche (“Subscription”) and to be convertible into shares of Golife at an initial conversion price of HK\$0.05 per share of Golife. The Subscription was approved by the shareholders at a special general meeting of the Company on 23rd January 2009. On 29th January 2009, Golife demanded subscription of HK\$60 million convertible notes and the Company subscribed the HK\$60 million convertible notes at the same date.

At the same date, the Company also announced that 1,064,486,080 offer shares at a subscription price of HK\$0.05 each on the basis of two offer shares for every shares held on 23rd January 2009 with bonus issue on the basis of three bonus shares for every one offer share taken up under the open offer of the Company. The estimated net proceeds of not less than approximately HK\$42,000,000 was intended to be used for the Subscription. The offer shares and the bonus shares were issued on 26th February 2009.

Subsequent to the balance sheet date, the authorised share capital of the Company increased from HK\$100,000,000 divided into 2,000,000,000 shares of HK\$0.05 each to HK\$500,000,000 divided into 10,000,000,000 shares of HK\$0.05 each on 29th January 2009.

On 26th February 2009, the board of directors of the Company announced that the Company intended to put forward to the shareholders of the Company for their approval a proposal involving capital reorganisation of the Company comprising (i) share consolidation that every 20 issued and unissued shares

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之繳足資本，以致每股已發行合併股份之面值將由1.00港元減少至0.01港元，削減本公司已發行股本所產生之進賬額計入本公司之實繳盈餘賬；及(iii)股份拆細，每股面值1.00港元之法定但未發行合併股份拆細為100股每股面值0.01港元之新股份。

於二零零九年三月十一日，本公司與中國星投資訂立一份貸款協議，中國星投資乃本公司董事擁有實益權益之附屬公司，其股份於聯交所主板上市。中國星投資同意授予本公司最多達200,000,000港元之無抵押貸款融資（「貸款融資」）。貸款融資之詳情載於中國星投資於二零零九年三月三十日刊發之通函內。

重大收購事項

Best Mind International Inc.

於二零零八年三月十八日，本公司已完成收購Best Mind之100%已發行股本，總代價為1,054,900,000港元，其中600,000,000港元以現金支付、384,000,000港元以按初步轉換價每股0.30港元發行五厘可換股票據予以支付及餘款70,900,000港元以配發及發行236,333,333股入賬列為繳足股份予以支付。Best Mind成為本集團之附屬公司，並開始為本集團帶來現金溢利。

of HK\$0.05 each be consolidated into 1 consolidated share of HK\$1.00 each of the Company ("Consolidated Share(s)"); (ii) capital reduction that the issued share capital of the Company be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Share such that the nominal value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 and the credit arising from the reduction of issued share capital of the Company be credited to the contributed surplus account of the Company; and (iii) share subdivision that the each of the authorised but unissued Consolidated Shares of HK\$1.00 each be subdivided into 100 new shares of HK\$0.01 each.

On 11th March 2009, the Company entered into a loan agreement with China Star Investment, a company which the directors of the Company have beneficial interest and its shares are listed on the main board of the Stock Exchange. China Star Investment agreed to grant an unsecured loan facility of up to HK\$200,000,000 (the "Loan Facility") to the Company. Details of the Loan Facility were set out in the circular of China Star Investment dated 30th March 2009.

MATERIAL ACQUISITION

Best Mind International Inc.

On 18th March 2008, the Company had completed the acquisition of 100% issued share capital of Best Mind at an aggregate consideration of HK\$1,054,900,000 satisfied as to HK\$600,000,000 in cash, HK\$384,000,000 by the issue of 5% convertible notes at an initial conversion price of HK\$0.30 per share and the balance of HK\$70,900,000 by the allotment and issue of 236,333,333 shares credited as fully paid. Best Mind becomes a subsidiary of the Group and starts to contribute cash profit to the Group.

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Best Mind已與Ocho(為從事博彩推廣業務之澳門公司)訂立溢利協議,以收購Ocho及/或其客戶在Ocho於澳門新葡京娛樂場經營之其中一個VIP博彩房間所產生之累計營業額之0.4%。收購協議之擔保人及Ocho之實益擁有人吳卓徽先生已向Best Mind擔保, Best Mind於二零零七年八月十七日至二零零八年十二月三十一日期間及二零零九年一月一日至二零零九年八月十六日期間收取之溢利將分別不少於264,000,000港元及120,000,000港元。由二零零八年三月十八日至二零零八年十二月三十一日期間內,本集團已自博彩及娛樂相關業務錄得收益203,327,000港元。

Best Mind had entered into profit agreement with Ocho, a Macau company engaged in the gaming promotion business, to acquire 0.4% of the rolling turnover generated by Ocho and/or its customers at one of the VIP gaming rooms operated by Ocho at the Grand Lisboa Casino in Macau. Mr. Ng Cheuk Fai, the guarantor in the acquisition agreement and the beneficial owner in Ocho, has guaranteed to Best Mind that the profit to be received by Best Mind shall not be less than HK\$264,000,000 and HK\$120,000,000 during the period from 17th August 2007 to 31st December 2008 and the period from 1st January 2009 to 16th August 2009 respectively. During the period from 18th March 2008 to 31st December 2008, the Group had recorded revenue of HK\$203,327,000 from the gaming and entertainment related business.

重大出售事項

Classical Statue Limited (「CSL」)、中國星投資有限公司及采藝多媒體控股有限公司

於二零零八年五月十三日,本公司之全資附屬公司China Star Entertainment (BVI) Limited與本公司主要股東Glenstone Investments Limited訂立買賣協議,以出售CSL之全部已發行股本,現金代價為330,567,000港元。CSL之主要資產為58,360,612股中國星投資股份,佔協議日期中國星投資已發行股本之29.90%;109,090,908股采藝股份,佔協議日期采藝已發行股本約8.68%;及應收采藝可換股債券之本金額面值1,000,000港元。出售事項已於二零零八年八月十八日完成。

本集團於出售事項完成時確認出售虧損約14,897,000港元。

MATERIAL DISPOSALS

Classical Statue Limited (「CSL」), China Star Investment Holdings Limited and Brilliant Arts Multi-Media Holding Limited

On 13th May 2008, the Company's wholly owned subsidiary, China Star Entertainment (BVI) Limited entered into a sale and purchase agreement with Glenstone Investments Limited, a substantial shareholder of the Company to dispose the entire issued share capital of CSL for a cash consideration of HK\$330,567,000. CSL's major assets are the 58,360,612 shares of China Star Investment, representing 29.90% of the issued share capital of China Star Investment at date of agreement; 109,090,908 shares in Brilliant Arts, representing approximately 8.68% of the issued share capital of Brilliant Arts at date of agreement; and a convertible bond receivable from Brilliant Arts with principal face value of HK\$1,000,000. The disposal had completed on 18th August 2008.

The Group recognised a loss on disposal of approximately HK\$14,897,000 upon completion of the disposal.

管理層論述及分析 Management Discussion and Analysis

終止建議出售EXCEPTIONAL GAIN PROFITS LIMITED及KINGSWAY HOTEL LIMITED

於二零零七年八月一日，本公司與本集團聯營公司中國星投資之全資附屬公司Legend Rich Limited及中國星投資訂立協議，內容有關按總代價447,000,000港元出售Exceptional Gain已發行股本之100%及相關銷售貸款（「建議出售事項」）。Exceptional Gain為持有KHL 50%權益之投資控股公司。KHL主要資產為澳門金域酒店（易名為澳門蘭桂芳酒店，一間澳門三星級酒店，設有合共383間客房）。澳門金域酒店已於二零零七年六月底停止營業，現正進行裝修，成為一間豪華精品酒店。於建議出售事項完成後，KHL將不再為本集團之附屬公司。

建議出售事項已獲本公司股東於二零零七年十月二十四日舉行之本公司股東特別大會上批准，並預期於二零零八年年終之前完成。因此，截至二零零七年十二月三十一日止年度所有來自Exceptional Gain包括酒店經營業務之業績分類列作已終止經營業務，其於二零零七年十二月三十一日的所有資產及負債分類為持作出售之銷售資產及負債。

建議出售事項其後已於二零零八年十二月二十三日終止。完成出售事項乃取決於解除本公司就KHL提供之抵押而由中國星投資提供之抵押代替。有關抵押似乎不會於短期內任何時間獲有關銀行解除，故訂約方已決定不再讓其股東及投資者受建議出售事項之狀況拖延。

於建議出售事項終止後，截至二零零七年十二月三十一日止年度之所有相關業務經已重新呈列以符合現年度之呈列方式。

TERMINATION OF THE PROPOSED DISPOSAL OF EXCEPTIONAL GAIN PROFITS LIMITED AND KINGSWAY HOTEL LIMITED

On 1st August 2007, the Company entered into an agreement with Legend Rich Limited, a wholly-owned subsidiary of China Star Investment, an associate of the Group, and China Star Investment relating to the sale of 100% of the issued share capital of Exceptional Gain and the relevant sale loan for an aggregate consideration of HK\$447,000,000 ("Proposed Disposal"). Exceptional Gain is an investment holding vehicle which indirectly holds 50% interest in KHL. The principal asset of KHL is Kingsway Hotel (renamed as Hotel Lan Kwai Fong, Macau), a three star hotel with a total 383 guests rooms locate in Macau. Kingsway Hotel ceased its operation from end of June 2007 and is currently under renovation to becoming a luxury boutique hotel. Following the completion of the Proposed Disposal, KHL will cease to be a subsidiary of the Company.

The Proposed Disposal was approved by the shareholders of the Company at a special general meeting of the Company held on 24th October 2007 and was expected to complete before end of year 2008. Accordingly, all the results of the group headed by Exceptional Gain which comprised the hotel operations were classified as discontinued operations for the year ended 31st December 2007 and all its assets and liabilities as at 31st December 2007 were classified as assets and liabilities held for sale.

The Proposed Disposal was subsequently terminated on 23rd December 2008. The completion of the Proposed Disposal had hinged on the release of the security given by the Company relating to KHL to be replaced security given by China Star Investment. It did not appear that the relevant security would be released anytime soon by the relevant bank and as such the parties had determined not to keep their shareholders and investors lingering on the status of the Proposed Disposal.

Following the termination of the Proposed Disposal, all corresponding results for the year ended 31st December 2007 were re-presented to conform with the current year's presentation.

管理層論述及分析 Management Discussion and Analysis

僱員

於二零零八年十二月三十一日，本集團僱用93名員工（二零零七年：78名員工）。董事相信，其優秀員工乃本集團維持聲譽及改善盈利能力之單一最重要元素。員工之酬金乃根據彼等之工作表現、專業經驗及當時之行業慣例而釐定。除基本薪金、公積金、醫療計劃及酌情花紅外，若干員工更可按個別表現評估獲授購股權。

前景

於回顧期間內，本集團已成功將其業務多元化至博彩及娛樂業務，並擴闊本集團之收入來源及為本集團提供穩定現金收入。新業務之表現令人倍受鼓舞。儘管二零零八年年底中國大陸遊客到澳門旅遊限制收緊可能於過去數月對澳門博彩收入增長產生影響，博彩及娛樂業務表現仍然強勁，本集團對中國及澳門之中長期潛在增長仍充滿信心。本集團相信，旅遊限制乃為短期措施，且當澳門之基礎設施發展更加完善時，其博彩及娛樂業務將會獲得國際性增長。在澳門蘭桂芳酒店（前稱金域酒店）於二零零九年年中開幕後，本集團收入來源將更加穩定及穩固。

此外，本集團將繼續藉對資本投資及效益管理施行嚴厲控制及審慎措施，以便加強製作高質素之電影。

展望未來，本集團將會精簡其業務營運，此能夠令本集團以更具成本效益方式營運，如出售CSL以及將其資源集中於具有良好收入增長潛力及從長遠來看為本集團之回報帶來正面影響之投資機遇。

EMPLOYEES

As at 31st December 2008, the Group employed 93 staffs (2007: 78 staffs). The directors believe that the quality of its employees is the single most important factor in sustaining the Group's reputation and improving its profitability. The staffs are remunerated based on their work performance, professional experience and prevailing industry practices. Apart from basic salaries, pension fund, medical schemes and discretionary bonuses, options are awarded to certain staffs according to the assessment of individual performance.

PROSPECT

During the year under review, the Group has successfully diversified its business into the gaming and entertainment business and broadens the Group's revenue sources and provides stable cash income to the Group. The performance of this new business is encouraging. Despite the tightening of travel restrictions for Mainland Chinese travelers to visit Macau in late 2008 may have impact on Macau's gaming revenue growth over the last few months, the performance of the gaming and entertainment business remains strong and the Group is optimistic in the potential growth of China and Macau in the medium and long term growth. The Group believes that travel restrictions would be short term and the Macau gaming and entertainment business would growth internationally when its infrastructural development becomes more matured. The income stream of the Group will become more solid and stable following the grand opening of Hotel Lan Kwai Fong, Macau (formerly known as Kingsway Hotel) in around Mid 2009.

Besides, the Group will continue its strength in the production of high quality films with stringent control and cautious measure on capital investment and efficient management.

Looking ahead, the Group will streamline its business operations which can enables the Group to operate in a much cost effective manner, such as the disposal of CSL and concentrate its resources on investments opportunity with good potential of revenue growth and a positive impact on the Group's return in the long run.

董事及高級管理人員簡介 Profiles of Directors and Senior Management

董事簡介

向華強先生，現年60歲，為本公司之主席。向先生為本公司副主席陳明英女士之丈夫，擁有逾20年影視多媒體業務經驗。向先生所創辦之永盛娛樂製作有限公司（「永盛」）及一百年電影有限公司（「一百年」）之出品皆成為電影觀眾及世界各地片商推薦之電影。向先生亦為另一間香港主板上市公司之主席及執行董事及香港影業協會有限公司之副會長。向先生於一九九六年獲委任為本公司之執行董事。

陳明英女士，現年52歲，為本公司之副主席及向華強先生之妻子，擁有逾15年影視多媒體業務經驗。陳女士曾為永盛及一百年監製多套賣座影片。陳女士亦為另一間香港主板上市公司之執行董事。陳女士於二零零三年榮獲《The Hollywood Reporter》選為國際娛樂界其中一位最具影響力之女性。陳女士於一九九六年獲委任為本公司之執行董事。

李玉嫦女士，現年41歲，為本公司之執行董事，擁有逾10年娛樂及多媒體業務行政之經驗。李女士負責本集團之整體營運，並對本集團系統具有透徹認知。李女士於二零零一年獲委任為執行董事。

洪祖星先生，現年68歲，為本公司之獨立非執行董事，擁有逾30年電影發行經驗，於一九七零年創立狄龍國際電影企業公司。自一九九一年起，洪先生一直擔任香港影業協會有限公司會長，並曾於一九九二年至一九九五年期間擔任香港電影金像獎協會之會長。洪先生於一九九六年獲委任為非執行董事。

PROFILES OF DIRECTORS

Mr. HEUNG Wah Keung, aged 60, is the Chairman of the Company. He is the husband of Ms. Chen Ming Yin, Tiffany, Vice Chairman of the Company. He has over 20 years of experience in the entertainment and multimedia industries. He was the founder of Win's Entertainment Limited ("Win's") and One Hundred Years of Film Company Limited ("One Hundred Years"), which produces films recommended by audiences and distributors around the world. He is also a chairman and executive director of another main board listed company in Hong Kong and the vice-chairman of Hong Kong Kowloon and New Territories Motion Picture Industry Association Limited. Mr. Heung was appointed as an executive director of the Company in 1996.

Ms. CHEN Ming Yin, Tiffany, aged 52, is the Vice Chairman of the Company. She is the wife of Mr. Heung Wah Keung and has over 15 years of experience in the entertainment and multimedia industries. Ms. Chen has produced a number of blockbuster films for Win's and One Hundred Years. She is also an executive director of another main board listed company in Hong Kong. In 2003, she was selected as one of 2003 Women in Entertainment – International Power by The Hollywood Reporter. Ms. Chen was appointed as an executive director of the Company in 1996.

Ms. LI Yuk Sheung, aged 41, is an executive director of the Company. She has more than 10 years experience of management in the entertainment and multimedia industries. She is responsible for the overall operations, and is familiar with the Group's system. Ms. Li was appointed as an executive director in 2001.

Mr. HUNG Cho Sing, aged 68, is an independent non-executive director of the Company. He has over 30 years of experience in the film distribution industry and founded Delon International Film Corporation in 1970. He has been the chairman of Hong Kong Kowloon and New Territories Motion Picture Industry Association Limited since 1991 and was the chairman of Hong Kong Film Awards Association from 1992 to 1995. Mr. Hung was appointed as a non-executive director in 1996.

董事及高級管理人員簡介 Profiles of Directors and Senior Management

何偉志先生，現年58歲，為本公司之獨立非執行董事。何先生為執業會計師何偉志會計師行之獨資經營者，亦為英國英格蘭及威爾斯特許會計師公會之會員及香港會計師公會之資深會員。何先生於一九九六年獲委任為非執行董事。

Mr. HO Wai Chi, Paul, aged 58, is an independent non-executive director of the Company. He is the sole proprietor of Paul W. C. Ho & Company, Certified Public Accountants (Practising), and is an associate of the Institute of Chartered Accountants in England and Wales, United Kingdom and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Ho was appointed as a non-executive director in 1996.

梁學文先生，現年46歲，為本公司之獨立非執行董事。梁先生畢業於University of East London法律系，其後於College of Law, York 修畢法律執業課程。彼於一九九九年獲得香港高等法院執業律師資格後，即投身知識產權領域。彼目前於一間國際專利權及商標代理行任職律師。彼於知識產權方面擁有豐富執業經驗。梁先生於二零零七年獲委任為獨立非執行董事。

Mr. LEUNG Hok Man, aged 46, is an independent non-executive director of the Company. Mr Leung read law at the University of East London before completing the Legal Practice Course at the College of Law, York. After having admitted as a solicitor of the High Court of Hong Kong in 1999, he has moved into the field of intellectual property. He is currently an in-house solicitor at an international patent and trademark agency firm. He has substantial experience in intellectual property practice. Mr. Leung was appointed as an independent non-executive director in 2007.

高級管理人員簡介

吳卓徽先生，現年51歲，為本公司之總經理。吳先生熟悉澳門博彩市場，並負責提供澳門發展趨勢、動態及其他博彩公司表現之最新市場資料。吳先生於二零零八年加入本集團。

PROFILES OF SENIOR MANAGEMENT

Mr. NG Cheuk Fai, aged 51, is the general manager of the Company. Mr. Ng is well versed in the Macau gaming market and is responsible for providing updated market information as to the trend, the move as well as the performance of various market practitioners in Macau. Mr. Ng joined the Group in 2008.

李綺媚女士，現年46歲，為本集團藝員部及公關部總監，擁有逾20年演藝文化工作經驗。李女士於一九九六年加入本集團。

Ms. LI Yee Mei, aged 46, is the Talent and PR Controller of the Group, has over 20 years of experience in entertainment business and culture industry. Ms. Li joined the Group in 1996.

曾善美女士，現年44歲，為本集團法律行政部經理，擁有15年電視及電影業務經驗，對於處理製作、發行及版權之法律事務有廣濶之知識及經驗。曾女士於一九九九年加入本集團。

Ms. TSANG Anna, aged 44, is the Manager-Legal Administration Department of the Group. She has 15 years of experience in the TV and film industry and with extensive knowledge and expertise in all legal aspects relating to production, distribution and copyright enforcement. Ms. Tsang joined the Group in 1999.

董事及高級管理人員簡介 Profiles of Directors and Senior Management

韋家輝先生，現年46歲，於二零零零年加入本集團，為本集團之電影顧問。韋先生擁有逾20年製作及執導電影與電視劇集之經驗，其中多部作品在國際電影節中參展，並奪得多個獎項。韋先生製作之電視劇集「義不容情」及「大時代」均大受歡迎，在放映時曾在華人市場掀起熱潮，收看人數超過一億人。近期之電影作品「孤男寡女」、「瘦身男女」、「嚟咕嚟咕新年財」、「我左眼見到鬼」、「百年好合」、「大隻佬」、「鬼馬狂想曲」、「最愛女人購物狂」及「神探」，總票房更超過二億港元。

Mr. WAI Kai Fai, aged 46, has served as the Group's Film Consultant since 2000. He has produced and directed films and television drama series for more than 20 years, many of which earned awards and were screened at international film festivals. Mr. Wai's "Look Back with Anger" and "The Greed of Man" were hugely popular television drama series attracting over 100 million viewers when they were on air. His recent feature films "Needing You", "Love On A Diet", "Fat Choi Spirit", "My Left Eye Sees Ghosts", "Love For All Seasons", "Running On Karma", "Fantasia", "The Shopaholics" and "Mad Detective" have earned a total of over HK\$200 million dollars.

黃淑嫻女士，現年43歲，為本公司之財務總監、合資格會計師及公司秘書。黃女士於一九九零年畢業於城市理工大學並取得會計學士學位。黃女士為香港會計師公會會員。於加入本集團前，黃女士曾於一間國際會計師行任職超過十年。黃女士主要負責監督本集團之會計及財務申報呈序及內部監控系統。黃女士於二零零一年加入本集團。

Ms. WONG Shuk Han, Dorothy, aged 43, is the Financial Controller, Qualified Accountant and Company Secretary of the Company. She graduated from the City Polytechnic University with a bachelor degree in Accountancy in 1990. She is a member of the Hong Kong Institute of Certified Public Accountant. Prior to her employment with the Group, she worked with an international accounting firm for over 10 years. Ms. Wong is primarily responsible for the supervision of the Group's accounting and financial reporting procedures and internal control system. She joined the Group in 2001.

企業管治報告 Corporate Governance Report

企業管治常規

本公司董事會(「董事會」)負責確保維持高質素之企業管治,並對股東負責。於截至二零零八年十二月三十一日止年度,本公司已應用香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之《企業管治常規守則》(「守則」)之原則,並遵循守則之所有適用守則條文,惟以下偏離事項除外:

- 根據守則之A.4.1守則條文,非執行董事的委任應有指定任期,並須接受重新選舉。然而,全體獨立非執行董事均無指定任期,而須根據本公司之公司細則條文於本公司之股東週年大會上輪流退任及接受重新選舉。本公司認為已採取足夠措施,確保本公司之企業管治常規不比守則所訂者寬鬆。

董事會將定期審閱及批准本公司之企業管治常規及標準,按照不斷改進之標準評估本公司之企業管治常規,以適應日新月異的環境及需求,務求持續提升本公司之企業管治。

董事之證券交易

本公司已就本公司董事買賣證券,採納載於上市規則附錄十有關上市發行人董事進行證券交易的標準守則(「標準守則」)。在本公司作出特定查詢後,董事會所有成員已確認彼等於截至二零零八年十二月三十一日止年度內,一直遵守標準守則所載之標準要求。標準守則亦適用於本集團其他指定高級管理人員。

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the “Board”) is responsible for ensuring high standards of corporate governance are maintained and for accounting to shareholders. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) for the year ended 31st December 2008, except for the following deviation:

- Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. However, all the independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's Bye-laws. 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.

The Board will periodically review and improve the corporate governance practices and standards of the Company with a view to continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules for securities transactions by directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31st December 2008. The Model Code also applies to other specified senior management of the Group.

企業管治報告 Corporate Governance Report

董事會

董事會代表本公司股東管理本公司事務。董事會成員須盡可能提高投資回報及本公司的長期價值。

董事會由三位執行董事及三位獨立非執行董事組成。除本公司主席向華強先生為副主席陳明英女士之丈夫外，董事會成員之間並無關係。董事姓名及履歷詳情載於年報第18至20頁「董事及高級管理人員簡介」一節。此外，一位獨立非執行董事擁有適當的專業會計資格及財務管理專長。

董事會包括均衡組合，有執行董事與非執行董事（包括獨立非執行董事），能使董事會具有一定獨立性，能夠有效作出獨立判斷，以及使非執行董事有足夠能力及人數，使他們的意見具影響力。

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之書面年度確認。本公司認為所有獨立非執行董事均具獨立性。在所有公司信函中，均明確表明獨立非執行董事之身份。

儘管董事會在履行其職責中始終完全負責指引及監督本公司，但若干責任乃授予董事會的各個常務委員會，包括財務委員會、審核委員會、提名委員會及薪酬委員會，以及本公司副主席及高級管理人員。

BOARD OF DIRECTORS

The Board represents shareholders of the Company in managing the Company's affairs. Members of the Board are expected to maximize the investment return and the Company's long-term value.

The Board comprises three executive directors and three independent non-executive directors. There is no relationship between members of the Board except that Mr. Heung Wah Keung, the Chairman, is the husband of Ms. Chen Ming Yin, Tiffany, the Vice Chairman of the Company. The names, biographical details of the directors are set out in the "Profiles of Directors and Senior Management" on pages 18 to 20 to the annual report. In addition, one of the independent non-executive directors possesses appropriate professional accounting qualifications and financial management expertise.

The Board includes a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is an independent element on the Board, which can effectively exercise independent judgment, and that non-executive directors should be of sufficient caliber and number for their views to carry weight.

The Company has received from each of the independent non-executive directors an annual written confirmation of his independence pursuant to Rule 3.13 to the Listing Rules. The Company considers all of the independent non-executive directors are independent. The independent non-executive directors are explicitly identified in all corporate communications.

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various standing committees of the Board including Finance Committee, Audit Committee, Nomination Committee and Remuneration Committee, and the Vice Chairman and the senior management of the Company.

企業管治報告 Corporate Governance Report

保留予董事會之決策類別包括：

The types of decisions which are reserved to be taken by the Board include:

1. 與本公司大股東或董事之利益衝突有關之事項；
 2. 制定本公司與整體策略方向及策略計劃有關的政策、主要業務及財務目標、股息政策，或訂立涉及重大資本獲取或支出之合約；
 3. 就年度營運及資本支出預算進行財務監控、合規及風險管理；本公司之財務報表、公佈之報告、股價敏感公佈之披露及上市規則或其他規例要求的其他披露；
 4. 本公司資本架構變動，包括股本減少、股份購回或新證券發行；
 5. 董事會、副主席、本公司財務總監、公司秘書及外部核數師之重大委任或罷免；
 6. 董事會任何委員會之職權範圍或授予副主席及高級管理人員之權限之變動；
 7. 超出副主席及高級管理人員權限之事項；以及
 8. 採納、審閱及批准由本集團董事及其他指定管理人員訂立之本公司企業管治常規手冊、道德與證券交易守則，以及集團法律政策（如有）及集團制度監控及風險管理政策。
1. matters relating to conflict of interest for a substantial shareholder or a director of the Company;
 2. formulation of the Company's policies relating to the overall strategic direction and strategic plans, key business and financial objectives, dividend policy or entering into contracts involving significant capital acquisition or expenditure;
 3. financial controls, compliance and risk management for the approval of annual operating and capital expenditure budgets, the Company's financial statements, published reports, price-sensitive announcements and other disclosure required under the Listing Rules or other statutory requirements;
 4. changes to the Company's capital structure, including reductions of share capital, share buy-backs or issue of new securities;
 5. major appointments or removal to the Board, the Vice Chairman, the Company's chief financial officer, company secretary and external auditors;
 6. changes to the terms of reference or membership of any committee of the Board and the authority delegated to the Vice Chairman and the senior management;
 7. matters exceed the authorities of the Vice Chairman and the senior management; and
 8. the adoption, review and approval of changes of the Corporate Governance Practice Manual of the Company, the Code of Ethics and Securities Transactions entered into by the directors and other specified senior management of the Group, group legal policy (if any) and group system control and risk management policy.

企業管治報告 Corporate Governance Report

年內，董事會舉行八次全體會議（其中四次為定期季度會議），各董事的出席詳情如下：

During the year, eight full board meetings (of which four were regular board meetings) were held and the individual attendance of each director is set out below:

董事姓名 Name of director	出席董事會會議次數 Number of board meetings attended	出席率 Attendance rate
向華強 Heung Wah Keung	8	100%
陳明英 Chen Ming Yin, Tiffany	8	100%
李玉嫦 Li Yuk Sheung	8	100%
洪祖星 Hung Cho Sing	8	100%
何偉志 Ho Wai Chi, Paul	8	100%
梁學文 Leung Hok Man	8	100%

本公司董事負責根據有關法定要求及現行適用會計準則，編製並及時刊發真實及公平之本集團財務報表。本公司董事亦負責選擇及貫徹應用適當會計政策，並確保及時採納香港會計準則及香港財務報告準則。

The directors of the Company are responsible for the preparation of financial statements of the Group which give a true and fair view, and are prepared in accordance with the relevant statutory requirements and applicable accounting standards in force, and are published in a timely manner. The directors of the Company are also responsible for selecting and applying on a consistent basis suitable accounting policies and ensuring timely adoption of Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards.

本公司董事確認其編製本公司財務報表之責任，並欣然報告，本公司已按上市規則要求，於有關期間結束後及時公佈其年度及中期業績。

The directors of the Company acknowledge their responsibility for preparing the financial statements of the Company and report that the Company has announced its annual and interim results in a timely manner after the end of the relevant period, as laid down in the Listing Rules.

本公司核數師就其報告責任作出之聲明載於本年報第42及43頁「獨立核數師報告」內。

A statement by the auditors of the Company about their reporting responsibilities is set out in the "Independent Auditors' Report" on pages 42 and 43 to the annual report.

企業管治報告 Corporate Governance Report

主席及副主席

主席與副主席之職責分離，並不由同一人同時兼任，以確保董事會有明確責任分擔，達致權力及權限的平衡。

主席負責領導董事會，確保董事會有效運作，及確保向公眾傳達董事會的意見。在履行此項職責時，主席的責任包括主持董事會會議；確保董事會會議收到有關本公司事務之準確、完整、及時且清晰的資料；確保執行董事與非執行董事之間保持有建設性的關係；安排就提呈董事會考慮的問題進行討論及作出決定；確保所有董事均適當聽取董事會會議提出的事項之簡報；作為董事會與管理層之間的聯絡人；與副主席及公司秘書或其代表商議，草擬及批准每次董事會會議的議程，在適當情況下考慮其他董事提議納入議程的任何事項；以及至少每年與非執行董事（包括獨立非執行董事）在執行董事不出席的情況下舉行會議。

副主席主要負責建議政策及策略方向，供董事會批准；以及實施董事會採納的策略及政策，及執行本公司之日常營運。

非執行董事之任期

守則條文A.4.1條要求非執行董事的委任應有指定任期，並須接受重新選舉。本公司獨立非執行董事均無指定任期，惟須根據本公司之公司細則條文至少每三年輪流退任一次及接受重新選舉。因此，本公司認為已採取足夠措施遵照本守則條文。每位非執行董事之酬金為每年120,000港元。

CHAIRMAN AND VICE CHAIRMAN

The roles of Chairman and Vice Chairman are separate and not performed by the same individual to ensure that there is a clear division of responsibilities at the board level to entail a balance of power and authority.

The Chairman is responsible for leadership of the Board, for ensuring that the Board functions effectively, and for ensuring communication of the views of the Board to the public. In performing this role, the Chairman's responsibilities include chairing meetings of the Board; ensuring the board meetings receive accurate, complete, timely and clear information concerning affairs of the Company; ensuring constructive relations between executive and non-executive directors; formulating for discussion and decision, questions which have been moved for the consideration of the Board; ensuring that all directors are properly briefed on issues arising at board meetings; acting as liaison between the Board and management; in consultation with the Vice Chairman and the company secretary or his/her designated delegates, drawing up and approving the agenda for each board meeting taking into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda; and at least annually hold meetings with non-executive directors (including independent non-executive directors) without the presence of the executive directors.

The Vice Chairman is primarily responsible for recommending policy and strategic directions for Board approval; implementing the strategies and policies adopted by the Board; and conducting the day-to-day operation of the Company.

TERMS OF NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term and should be subject to re-election. The independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at least once every three years in accordance with the provision of the Company's Bye-laws. As such, the Company considers that sufficient measures have been taken to serve the purpose of this code provision. Each of the non-executive directors has remunerated at HK\$120,000 per year.

企業管治報告 Corporate Governance Report

薪酬委員會

薪酬委員會成員包括兩位獨立非執行董事(即洪祖星先生及梁學文先生)及一位執行董事(即陳明英女士)。陳明英女士為薪酬委員會之主席。薪酬委員會主要負責制訂本集團有關本公司各董事及本集團各高級管理人員之薪酬政策及架構,並就此向本公司董事會提供建議。薪酬委員會之職權範圍載於本公司網站。

薪酬委員會須每年至少舉行一次會議,或在負責人力資源職能之董事要求時舉行會議。

在釐定應付董事薪酬時,薪酬委員會考慮可作比較公司支付之薪金、董事之投入時間及責任、集團內其他職位之僱用條件及應否按表現釐訂薪酬等因素。

年內,薪酬委員會舉行一次會議,審閱薪酬政策及本集團員工之薪酬福利。全體委員會成員出席此次會議。

提名委員會

提名委員會成員包括一位執行董事(即向華強先生)及兩位獨立非執行董事(即洪祖星先生及梁學文先生)。向華強先生為提名委員會之主席。提名委員會將在有公眾人士要求時提供其職權範圍。

提名委員會的主要職能是在考慮獲提名人士之獨立性及質素的前提下,向董事會作出建議,以確保所有提名均公平及透明。

REMUNERATION COMMITTEE

The Remuneration Committee comprises two independent non-executive directors, namely Mr. Hung Cho Sing and Mr. Leung Hok Man, and an executive director, namely Ms. Chen Ming Yin, Tiffany. Ms. Chen Ming Yin, Tiffany is the chairman of the Remuneration Committee. The Remuneration Committee is principally responsible for formulating and making recommendation to the Board on the Group's policy and structuring for all remuneration of the directors of the Company and the senior management of the Group. The terms of reference of the Remuneration Committee are available on the website of the Company.

The Remuneration Committee shall meet at least once a year or as requested by the director responsible for human resources function.

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

During the year, the Remuneration Committee met once to review the remuneration packages of the staff of the Group. All the committee members attended the meeting.

NOMINATION COMMITTEE

The Nomination Committee comprises one executive director, namely Mr. Heung Wah Keung, and two independent non-executive directors, namely Mr. Hung Cho Sing and Mr. Leung Hok Man. Mr. Heung Wah Keung is the chairman of the Nomination Committee. The terms of reference of the Nomination Committee shall make available to the public on request.

The main function of the Nomination Committee is, having regard to the independence and quality of nominees, to make recommendations to the Board as to ensure that all nominations are fair and transparent.

企業管治報告 Corporate Governance Report

委員會主席的主要責任是與人力資源負責人及提名委員會秘書商議，草擬及批准每次提名委員會會議之議程。主席須在秘書協助下，確保所有成員及時收到足夠資料，以便在提名委員會會議上進行有效討論。主席須在人力資源負責人協助下，向所有成員簡報每次提名委員會會議提出的事項。秘書須在每次會議之後合理時間內，向所有成員分發會議記錄的草案及最終版本，以供評論及存檔，惟須遵守任何限制該等分發或進行該等報告之法律或監管限制。主席須在即將舉行的定期董事會會議上報告任何重要決定，並須向董事會提呈所討論的會議及事項之索引。提名委員會秘書須記錄提名委員會所有妥當召集的會議之記錄。在選擇過程中，提名委員會須考慮行業經驗、專業及教育背景以及投入時間等準則。

The chair, in consultation with the person responsible for human resources and the secretary of the Nomination Committee, should be primarily responsible for drawing up and approving the agenda for each Nomination Committee meeting. The chair, with the assistance of the secretary, shall ensure that all members shall receive sufficient information in a timely manner to enable effective discussion at the Nomination Committee meeting. The chair shall, with the assistance of the person responsible for human resources, brief all members on issues arising at each Nomination Committee meeting. The secretary shall circulate the draft and final versions of the minutes of meetings and reports of the Nomination Committee to all members for comments and records within a reasonable time after each meeting, subject to any legal or regulatory restrictions restricting such circulation or the making of such reports. The chair shall report in the forthcoming regular board meeting any key decisions made and shall table before the Board an index of meetings and issues discussed. The secretary of the Nomination Committee shall record minutes of all duly constituted meetings of the Nomination Committee. In the selection process, the Nomination Committee shall make reference to criteria including experience in the industry, professional and education background and commitment in respect of available time.

本公司之公司細則所載之重選程序規定，每位董事須至少每三年在股東週年大會上輪流退任一次。退任董事有資格重選連任。

The re-election procedure set in the Company's Bye-laws provides that every director shall be subject to retirement by rotation at the annual general meeting at least once every three years. A retiring director shall be eligible for re-election.

審核委員會

審核委員會成員包括三位獨立非執行董事，即洪祖星先生、何偉志先生及梁學文先生。何偉志先生為審核委員會主席。審核委員會之構成及成員符合上市規則第3.21條之要求。審核委員會之職權範圍載於本公司網站。

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, namely Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man. Mr. Ho Wai Chi, Paul is the chairman of the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 to the Listing Rules. The terms of reference of the Audit Committee are available on the website of the Company.

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審核委員會之主要職能是協助董事會監督財務報告制度、風險管理及內部監控程序以及內部及外部核數師職能。審核委員會每年根據審核質量及嚴格程度、所提供之審核服務質量、核數師事務所之質量控制程序、外部核數師與本公司之間關係以及核數師之獨立性，評核外部核數師之委任。

The main function of the Audit Committee is to assist the Board to oversee the financial reporting system, risk management and internal control procedures and the internal and external audit functions. The Audit Committee annually assesses the appointment of the external auditor, taking into account the quality and rigor of the audit, the quality of the audit service provided, the audit firm's quality control procedures, relationships between the external auditors and the Company, and the independence of the external auditors.

年內，審核委員會舉行三次會議，各成員的出席詳情如下：

During the year, three Audit Committee meetings were held and the individual attendance of each member is set out below:

成員姓名 Name of member	出席會議次數 Number of meetings attended	出席率 Attendance rate
何偉志 Ho Wai Chi, Paul	3	100%
洪祖星 Hung Cho Sing	3	100%
梁學文 Leung Hok Man	3	100%

審核委員會已與高級管理人員及本公司外部核數師審閱其各自之審核結果、本公司採納之會計原則及政策、法律及監管合規事宜、內部監控、風險管理及財務報告事項。年內，審核委員會經挑選後向董事會建議聘請一間專業公司為本公司之內部監控制度進行年度檢討。董事會同意審核委員會之推薦，並通過決議案聘請國衛顧問有限公司為本公司之內部監控制度進行年度檢討。為監管本公司財務報表之完整程度，審核委員會已在二零零八年中期報告及二零零八年年報提交予董事會前審閱該等資料。

The Audit Committee has reviewed with senior management and the Company's external auditor their respective audit findings, the accounting principles and policies adopted by the Company, legal and regularly compliance, the internal controls, risk management and financial reporting matters. During the year, the Audit Committee has selected and recommended to the Board for appointment of a professional firm to conduct an annual review on the Company's internal control system. The Board agreed with the recommendation of the Audit Committee and passed the resolution to appoint HLB Hodgson Impey Cheng Consultants Limited to conduct an annual review on the Company's internal control system. To monitor the integrity of the financial statements of the Company, the Audit Committee has reviewed the 2008 interim report and 2008 annual report before their submission to the Board.

企業管治報告 Corporate Governance Report

核數師酬金

年內，本公司聘請國衛會計師事務所僅執行與審核有關之服務。年內所產生之審核費用約610,000港元。

內部監控

董事會負責監管本集團之內部監控制度，並確保維持有效之內部監控制度。董事會須負責審批及檢討內部監控政策，管理層則負責經營風險之日常管理並推行降低風險之措施。由於內部監控制度旨在將本集團之風險控制在可接受風險範圍內（而不能完全消除失誤風險），並達致本集團之業務目標。對於管理層與財務資料及記錄之嚴重錯誤陳述、財務損失或欺詐，內部監控制度僅可提供合理而非絕對之保障。

本集團內部監控制度之主要監控程序如下：

- 劃分本集團各個營運部門之職責及職能
- 監察策略方案及成效
- 設計有效之會計及資訊系統
- 控制價格敏感之資料

董事會已確立既定程序，以確定、評估及管理本集團所面對之重大風險，包括在營商環境或監管指引變更時更新內部監控制度。

董事會每年對內部監控制度之成效進行檢討，內容涵蓋財務、營運、合規與風險管理等各主要監控範疇。本集團亦聘請國衛顧問有限公司（「顧問」）進行檢討並提出改善及加強內部監控制度之建議。

AUDITORS' REMUNERATION

During the year, the Company engaged Messrs. HLB Hodgson Impey Cheng to perform audit related services only. Audit fees of approximately HK\$610,000 was incurred for the year.

INTERNAL CONTROLS

The Board is responsible for overseeing the Group's internal control system and to ensure that a sound and effective internal control system is maintained. The Board is responsible for approving and reviewing internal control policy while the responsibility of day-to-day management of operational risks and implementation of mitigation measures lies with the management. As the internal control system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure, and to achieve the business objectives of the Group, it can only provide reasonable assurance but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

Key control procedures of the Group's internal control system are as follows:

- Segregation of duties and functions of the respective operational departments of the Group
- Monitoring the strategic plan and performance
- Designing an effective accounting and information system
- Controlling price-sensitive information

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the internal control manual when there are changes to business environment or regulatory guidelines.

The Board has conducted an annual review of the effectiveness of its internal control system covering all material controls, including financial, operational and compliance as well as risk management. Besides the Group has also engaged HLB Hodgson Impey Cheng Consultants Limited (the "Consultant") to conduct review and make recommendations for the improvement and strengthening of the internal control system.

企業管治報告 Corporate Governance Report

顧問之檢討乃參考香港會計師公會頒佈之「內部監控與風險管理－基本架構」所概述之原則進行。評估內容涵蓋財務、營運、合規及風險管理等各主要內部監控及措施。如集團管理層在內部監控方面出現任何嚴重違規或失誤，事件相關改善建議將一併向審核委員會呈報。

根據顧問之評估，審核委員會及董事會認為本集團內部監控制度各主要環節均已得到合理落實，且有改進空間。本集團須盡力推行顧問提出之建議，藉此進一步改善內部監控制度。

與股東之溝通及投資者關係

為提升透明度，本公司努力透過多種通訊渠道與股東及投資者維持持續對話。

本公司亦借助股東週年大會作為與全體股東溝通的途徑。本公司亦努力在其年報、中期報告及新聞稿中提供清晰詳盡的表現資料。本公司亦設立網站www.chinastar.com.hk或www.irasia.com/listco/hk/chinastar，並於兩個網站刊登本公司業務發展、營運、財務及其他資料之詳盡資訊。

The review by the Consultant is conducted with reference to the principles outlined in Internal Control and Risk Management – A Basic Framework issued by the Hong Kong Institute of Certified Public Accountants. The assessment covers the major internal controls and measures, including financial, operational and compliance as well as risk management. Any material non-compliance or failures in internal controls maintained by the Group's management and relevant recommendations for improvements are reported to the Audit Committee.

Based on the assessments made by the Consultant, the Audit Committee and the Board considered that the key areas of the Group's internal control system are reasonably implemented with room for improvement. The Group shall use its best endeavour to implement the recommendations made by the Consultant in order to further improve the internal control system.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

To enhance transparency, the Company endeavours to maintain an on-going dialogue with shareholders and investors through a variety of communication channels.

The annual general meeting is used as an opportunity to communicate with all shareholders. The Company is also committed to providing clear and full performance information in its annual report, interim report and press releases. The Company also maintains a website at www.chinastar.com.hk or www.irasia.com/listco/hk/chinastar, where detailed information of the Company's business developments, operations, financial and other information are posted.

董事會報告 Directors' Report

董事會欣然提呈董事會報告連同截至二零零八年十二月三十一日止年度本公司及本集團之經審核財務報表。

The directors are pleased to submit their report together with the audited financial statements of the Company and the Group for the year ended 31st December 2008.

主要業務

本公司之主要業務為投資控股，而本集團主要從事電影製作、電影及電視連續劇之發行、提供後期製作服務、投資於自博彩推廣服務收取溢利之業務及物業與酒店投資。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the Group is principally engaged in film production, distribution of film and television drama series, provision of post-production services, investing in operations which receive profit streams from the gaming promotion business and property and hotel investment.

其主要附屬公司及主要聯營公司之業務詳情，分別載於財務報表附註51及52。

The activities of its principal subsidiaries and principal associate are set out in notes 51 and 52 to the financial statements respectively.

財務報表

本集團截至二零零八年十二月三十一日止年度之溢利及本公司及本集團於該日之業務狀況載於本年報第44頁至第175頁之財務報表內。

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st December 2008 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 44 to 175 of this Annual Report.

股息

董事建議派發截至二零零八年十二月三十一日止年度之末期股息每股0.001港元(二零零七年：無)。假設本公司於二零零九年二月二十六日公佈之股本重組將於二零零九年五月四日生效，則末期股息將由每股0.001港元(股本重組前)調整為每股0.02港元(股本重組後)。

DIVIDEND

The directors recommend a final dividend of HK\$0.001 per share (2007: nil) for the year ended 31st December 2008. Assuming the capital reorganisation as announced by the Company on 26th February 2009 will become effective on 4th May 2009, the final dividend will be adjusted from HK\$0.001 per share (before capital reorganisation) to HK\$0.02 per share (after capital reorganisation).

五年財務概要

本集團截至二零零八年十二月三十一日止最近五個財政年度之業績及資產與負債之概要載於第176頁。

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years ended 31st December 2008 is set out on page 176.

董事會報告 Directors' Report

物業、機器及設備、租賃土地權益及投資物業

本集團之物業、機器及設備、租賃土地權益及投資物業於年內之變動詳情，分別載於財務報表附註17、18及19。

股本

本公司之股本於年內之變動詳情載於財務報表附註37。

儲備

本集團於年內之儲備變動詳情載於第48頁綜合股本變動報表。本公司於年內之儲備變動載於財務報表附註38。

可分派儲備

於二零零八年十二月三十一日，本公司之可分派儲備為21,986,000港元(二零零七年：無)。

主要客戶及供應商

截至二零零八年十二月三十一日止年度，本集團五大客戶共佔本集團營業額約96%。本集團最大客戶佔本集團營業額約89%。

截至二零零八年十二月三十一日止年度，本集團五大供應商應佔採購額合共佔本集團採購額約40%，而最大供應商應佔採購額佔本集團採購額約12%。

各董事、彼等之聯繫人士或任何股東(就董事所知擁有本公司已發行股本5%以上者)於本集團五大客戶或五大供應商中概無擁有任何權益。

PROPERTY, PLANT AND EQUIPMENT, INTERESTS IN LEASEHOLD LAND AND INVESTMENT PROPERTIES

Details of movements during the year in the property, plant and equipment, interests in leasehold land and investment properties of the Group are set out in notes 17, 18 and 19 to the financial statements respectively.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 37 to the financial statements.

RESERVES

Movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 48. Movements during the year in the reserves of the Company are set out in note 38 to the financial statements.

DISTRIBUTABLE RESERVES

Distribution reserves of the Company amounted to HK\$21,986,000 as at 31st December 2008 (2007: nil).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December 2008, turnover attributable to the five largest customers of the Group accounted for approximately 96% of the Group's turnover and turnover attributable to the Group's largest customer accounted for approximately 89% of the Group's turnover.

For the year ended 31st December 2008, purchases attributable to the five largest suppliers of the Group accounted for approximately 40% of the Group's purchases and purchases attributable to the Group's largest supplier accounted for approximately 12% of the Group's purchases.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owned more than 5% of the Company's issued share capital) had any interests in the Group's five largest customers or five largest suppliers.

董事會報告 Directors' Report

董事

本年度及截至本年報刊發日期在任之董事如下：

執行董事：

向華強先生
陳明英女士
李玉嫦女士

獨立非執行董事：

洪祖星先生
何偉志先生
梁學文先生

根據本公司之公司細則第99(A)條，向華強先生、陳明英女士、李玉嫦女士及梁學文先生將於即將舉行之股東週年大會上輪值告退，惟符合資格並願意膺選連任。

根據本公司之公司細則，各獨立非執行董事可留任直至須輪值告退為止。

擬於即將舉行之股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂任何不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Heung Wah Keung
Ms. Chen Ming Yin, Tiffany
Ms. Li Yuk Sheung

Independent non-executive directors:

Mr. Hung Cho Sing
Mr. Ho Wai Chi, Paul
Mr. Leung Hok Man

Under Bye-law 99(A) of the Company's Bye-laws, Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany, Ms. Li Yuk Sheung and Mr. Leung Hok Man shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The term of office for each independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

董事會報告 Directors' Report

關連人士交易

本集團曾與根據適用會計政策被視為「關連人士」進行若干交易。有關交易主要由本集團在日常業務過程中訂立，屬一般商業條款並經公平磋商始行訂立。有關詳情載於財務報告附註50。

該等交易中有兩項亦構成上市規則所述之「關連交易」(如下文所述)。

關連交易

- (a) 於二零零七年十月二十三日，本公司非全資附屬公司KHL訂立一項貸款協議向KHL主要股東 Most Famous Enterprises Limited 授予一筆最多 196,000,000 港元之貸款融資。是項交易被視為上市規則第14A章所述之關連交易。

獨立非執行董事確認，因是項交易免息、並非一般商業條款，並非在本公司日常業務過程中訂立，惟符合本公司及本公司獨立股東之整體利益。是項交易經獨立股東於二零零七年十二月三日批准，並已於同日提取 196,000,000 港元。

於二零零八年十二月三十一日，根據貸款協議授出之尚未償還貸款達 183,750,000 港元。

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting principles. These mainly relate to transactions entered into by the Group in the ordinary course of business, negotiated on normal commercial terms and on an arm's length basis. Details are set out in note 50 to the financial statements.

Two of these transactions also constitute "Connected Transactions" under the Listing Rules, as identified below.

CONNECTED TRANSACTIONS

- (a) On 23rd October 2007, KHL, a non wholly owned subsidiary of the Company, entered into a loan agreement to grant a loan facility of up to HK\$196,000,000 to Most Famous Enterprises Limited, a substantial shareholder of KHL. The transaction is regarded as a connected transaction pursuant to Chapter 14A of the Listing Rules.

The independent non-executive directors confirm that the transaction is not on normal commercial terms as it is interest free, not in the ordinary course of the Company's business but in the interests of the Company and the independent shareholders of the Company as a whole. The transaction was approved by independent shareholders on 3rd December 2007 and amount of HK\$196,000,000 was drawn on the same date.

As at 31st December 2008, the outstanding loan granted according to the loan agreement amounted to HK\$183,750,000.

董事會報告 Directors' Report

關連交易 (續)

- (b) 於二零零八年五月十三日，本公司之全資附屬公司China Star Entertainment (BVI) Limited與Glenstone Investments Limited (「Glenstone」)訂立一份買賣協議，以現金代價330,567,000港元出售Classical Statue Limited之全部已發行股本 (「CSL出售事項」)。Glenstone乃本公司之主要股東，並由陳明英女士實益擁有60%之權益及由向華強先生實益擁有40%之權益 (均為本公司之執行董事及主要股東)。是項交易被視為上市規則第14A章所述之關連交易。

獨立非執行董事確認CSL出售事項乃按一般商業條款，符合本公司之利益及並非於本公司之日常業務過程中訂立。CSL出售事項由獨立股東於二零零八年七月十一日批准，並於二零零八年八月十八日完成。

董事於重大合約之權益

由於本公司執行董事及主要股東向華強先生及陳明英女士亦為CSL出售事項買方Glenstone之實益擁有人，故關連交易(b)項所述CSL出售事項構成彼等之重大合約。

除上述所披露者外，於年度終結或年內任何時間，並無任何由本公司或其任何附屬公司參與訂立與本公司董事直接或間接擁有重大權益之重大合約。

CONNECTED TRANSACTIONS (Continued)

- (b) On 13th May 2008, the Company's wholly owned subsidiary, China Star Entertainment (BVI) Limited entered into a sale and purchase agreement with Glenstone Investments Limited ("Glenstone") to dispose the entire issued share capital of Classical Statue Limited for a cash consideration of HK\$330,567,000 (the "CSL Disposal"). Glenstone is a substantial shareholder of the Company and is beneficially owned as to 60% by Ms. Chen Ming Yin, Tiffany and as to 40% by Mr. Heung Wah Keung who are both the executive directors and substantial shareholders of the Company. The transaction is regarded as a connected transaction pursuant to Chapter 14A of the Listing Rules.

The independent non-executive directors confirm that the CSL Disposal is on normal commercial terms, in the interest of the Company and not in the ordinary course of the Company's business. The CSL Disposal was approved by independent shareholders on 11th July 2008 and had completed on 18th August 2008.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

The CSL Disposal as set out in part (b) of Connected Transactions constitutes a contract of significance of Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany, the executive directors and substantial shareholders of the Company as they are the beneficial owners of Glenstone, the purchaser in the CSL Disposal.

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事會報告 Directors' Report

董事之股份及相關股份權益

根據本公司按《證券及期貨條例》(「證券及期貨條例」)第352條存置之登記冊(「權益登記冊」)所載，或根據《上市發行人董事進行證券交易的標準守則》(「標準守則」)須通知本公司及香港聯合交易所有限公司(「聯交所」)之規定，於二零零八年十二月三十一日，各董事及彼等之聯繫人士所擁有本公司及其相聯法團之股份及相關股份權益如下：

1. 本公司普通股權益

董事姓名 Name of director	身份 Capacity	所持股份數目 Number of shares held	所持權益 百分比約數 Approximate percentage of interests held
向華強先生 Mr. Heung Wah Keung (「向先生」) ("Mr. Heung")	實益擁有人／配偶之權益／ 受控法團之權益 Beneficial owner/interest of spouse/interest of controlled corporation	1,432,266,019*	29.90
陳明英女士 Ms. Chen Ming Yin, Tiffany (「陳女士」) ("Ms. Chen")	實益擁有人／配偶之權益／ 受控法團之權益 Beneficial owner/interest of spouse/interest of controlled corporation	1,432,266,019*	29.90
李玉嫦女士 Ms. Li Yuk Sheung	實益擁有人 Beneficial owner	1	0.00

上述權益皆為好倉。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31st December 2008, the interests of the directors and their associates in the shares and the underlying shares of the Company and its associated corporations, as recorded in the register ("Register of Interests") maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

1. Interests in ordinary shares of the Company

董事姓名 Name of director	身份 Capacity	所持股份數目 Number of shares held	所持權益 百分比約數 Approximate percentage of interests held
向華強先生 Mr. Heung Wah Keung (「向先生」) ("Mr. Heung")	實益擁有人／配偶之權益／ 受控法團之權益 Beneficial owner/interest of spouse/interest of controlled corporation	1,432,266,019*	29.90
陳明英女士 Ms. Chen Ming Yin, Tiffany (「陳女士」) ("Ms. Chen")	實益擁有人／配偶之權益／ 受控法團之權益 Beneficial owner/interest of spouse/interest of controlled corporation	1,432,266,019*	29.90
李玉嫦女士 Ms. Li Yuk Sheung	實益擁有人 Beneficial owner	1	0.00

All interests stated above represent long positions.

* 此等股份當中487,713,070股由向先生持有、28,544,949股由陳女士(向先生之配偶)持有、913,243,500股由陳女士全資擁有之Porterstone Limited(「Porterstone」)持有及2,764,500股由Glenstone Investments Limited全資擁有之多實有限公司(「多實」)持有。Glenstone Investments Limited由Porterstone及向先生分別控制其60%及40%權益。

* These shares are held as to 487,713,070 shares by Mr. Heung, as to 28,544,949 shares by Ms. Chen (the spouse of Mr. Heung), as to 913,243,500 shares by Porterstone Limited ("Porterstone") (a company wholly-owned by Ms. Chen) and as to 2,764,500 shares by Dorest Company Limited ("Dorest") (a company wholly-owned by Glenstone Investments Limited which is in turn controlled as to 60% by Porterstone and as to 40% by Mr. Heung).

CHINA STAR ENTERTAINMENT LIMITED
中國星集團有限公司

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董事會報告 Directors' Report

董事之股份及相關股份權益 (續)

2. 購買本公司股份之權利

於二零零八年十二月三十一日，本公司董事擁有以下所獲授可認購本公司股份之購股權權益：

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

2. Rights to acquire shares in the Company

As at 31st December 2008, the directors of the Company had interests in share options to subscribe for shares in the Company granted as follows:

		尚未行使之購股權涉及之 相關股份數目										
		Number of underlying shares comprised in the outstanding share options										
		於二零零八年一月一日	於二零零八年調整 (附註d)		於二零零八年十二月三十一日				所持權益			
		As at 01.01.2008	Adjustment during 2008		As at 31.12.2008				百分比約數			
				(Note d)								
董事姓名	行使期	每股行使價	被視為		被視為		被視為		總數	Approximate	percentage of	
			直接權益	擁有權益	直接權益	擁有權益	直接權益	擁有權益				interest held
Name of director	Exercisable period	Exercise price per share	Direct interest	Deemed interest	Direct interest	Deemed interest	Direct interest	Deemed interest	Total			
		(附註c)										
		(Note c)										
		港元										
		HK\$										
向先生	28.03.2000 – 27.03.2010	154.59	500,544	500,544	(450,490)	(450,490)	50,054	50,054	100,108			
Mr. Heung	02.06.2000 – 01.06.2010	74.92	226,629	226,629	(203,966)	(203,966)	22,663	22,663	45,326			
	16.07.2002 – 15.07.2012	15.81	120,205	120,205	(108,184)	(108,184)	12,021	12,021	24,042			
	17.07.2003 – 16.07.2013	5.20	248,068	248,068	(223,262)	(223,262)	24,806	24,806	49,612			
			1,095,446	1,095,446	(985,902)	(985,902)	109,544	109,544	219,088	0.00		
				(附註a)		(附註a)		(附註a)				
				(Note a)		(Note a)		(Note a)				
陳女士	28.03.2000 – 27.03.2010	154.59	500,544	500,544	(450,490)	(450,490)	50,054	50,054	100,108			
Ms. Chen	02.06.2000 – 01.06.2010	74.92	226,629	226,629	(203,966)	(203,966)	22,663	22,663	45,326			
	16.07.2002 – 15.07.2012	15.81	120,205	120,205	(108,184)	(108,184)	12,021	12,021	24,042			
	17.07.2003 – 16.07.2013	5.20	248,068	248,068	(223,262)	(223,262)	24,806	24,806	49,612			
			1,095,446	1,095,446	(985,902)	(985,902)	109,544	109,544	219,088	0.00		
				(附註b)		(附註b)		(附註b)				
				(Note b)		(Note b)		(Note b)				
李玉嫦女士	16.07.2002 – 15.07.2012	15.81	1,204,574	-	(1,084,117)	-	120,457	-	120,457			
Ms. Li Yuk Sheung	17.07.2003 – 16.07.2013	5.20	2,480,677	-	(2,232,609)	-	248,068	-	248,068			
			3,685,251	-	(3,316,726)	-	368,525	-	368,525	0.08		

上述權益皆為好倉。

All interests stated above represent long positions.

董事會報告 Directors' Report

董事之股份及相關股份權益 (續)

2. 購買本公司股份之權利 (續)

附註：

- a. 此等購股權由陳女士(向先生之配偶)持有，向先生因此被視為擁有此等購股權。
- b. 此等購股權由向先生持有，陳女士因此被視為擁有此等購股權。
- c. 行使期由授出有關購股權當日開始。
- d. 行使價及於年內尚未行使之購股權數目已於年內完成股份合併而予以調整。

除上述所披露外，於二零零八年十二月三十一日，根據權益登記冊所記錄或根據標準守則須通知本公司及聯交所之規定，本公司董事及最高行政人員或彼等之聯繫人士並無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)之任何股份、相關股份或債券中擁有任何權益或淡倉。

除上述所披露外，本公司或其任何附屬公司於年內任何時間並無參與任何安排，致使本公司之董事、彼等之配偶或未滿18歲之子女可藉購入本公司或任何其他法人團體任何股份或債券而獲益。

購股權計劃

本公司購股權計劃之詳情、根據購股權計劃所授出可認購本公司每股面值0.05港元之股份之購股權變動及購股權公平價值詳情，已載於財務報表附註49。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

2. Rights to acquire shares in the Company (Continued)

Notes:

- a. These share options are held by Ms. Chen, the spouse of Mr. Heung. Mr. Heung is therefore deemed to be interested in these share options.
- b. These share options are held by Mr. Heung. Ms. Chen is therefore deemed to be interested in these share options.
- c. The exercisable period commenced on the date of grant of the relevant share options.
- d. The exercise prices and numbers of options which remained outstanding during the year have been adjusted due to completion of share consolidation during the year.

Other than as set out above, as at 31st December 2008, none of the directors or chief executives of the Company or their associates had any interests or short positions in any 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 of Interests or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or the spouse or children under 18 years of age of such director, to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes, details of movements in the share options to subscribe for shares of HK\$0.05 each in the Company granted under the share option schemes and the fair value of the share options are set out in note 49 to the financial statements.

董事會報告 Directors' Report

主要股東

於二零零八年十二月三十一日，根據證券及期貨條例第336條本公司須予備存之主要股東登記名冊所記錄，除上文所披露若干董事之權益外，以下股東擁有本公司已發行股本5%或以上之權益：

SUBSTANTIAL SHAREHOLDERS

As at 31st December 2008, the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 5% or more in the issued share capital of the Company:

名稱 Name	身份 Capacity	所持股份數目	所持相關股份數目	總計 Total	所持權益百分比約數 Approximate percentage of interests held
		Number of shares held	Number of underlying shares held		
Porterstone	實益擁有人 Beneficial owner	913,243,500	–	913,243,500	
	受控法團之權益 Interest of controlled corporation	2,764,500	–	2,764,500*	
		<hr/>	<hr/>	<hr/>	<hr/>
		916,008,000	–	916,008,000	19.12
吳卓徽(「吳先生」) Ng Cheuk Fai ("Mr Ng")	受控法團之權益 Interest of controlled corporation	23,633,333	56,000,000	79,633,333*	14.96
		<hr/>	<hr/>	<hr/>	<hr/>
金利豐證券有限公司(「金利豐」) Kingston Securities Limited (“Kingston”)	實益擁有人 Beneficial owner	44	–	44	
	其他 Other	–	2,938,545,212	2,938,545,212	
		<hr/>	<hr/>	<hr/>	<hr/>
		44	2,938,545,212	2,938,545,256	61.34
李月華 Chu Yuet Wah	受控法團之權益 Interest of controlled corporation	44	2,938,545,212	2,938,545,256^	61.34
馬少芳 Ma Siu Fong	受控法團之權益 Interest of controlled corporation	44	2,938,545,212	2,938,545,256^	61.34
歐翠儀 Au Tsui Yee, Maggie	其他 Other	–	478,000,000	478,000,000	9.97

上述權益皆為好倉。

All interests stated above represent long positions.

董事會報告 Directors' Report

主要股東 (續)

附註：

- * 此等股份由Glenstone Investments Limited全資擁有之附屬公司多實持有，Glenstone Investments Limited則由Porterstone實益擁有60%權益。
- # 此等股份由吳先生全資擁有之公司Lucky State Group Limited持有。
- ^ 此等股份由金利豐持有。

除上文所披露者外，於二零零八年十二月三十一日，本公司並未獲知會有任何其他人士擁有本公司已發行股本5%或以上之權益或淡倉。

退休福利計劃

本集團之退休福利計劃詳情載於財務報表附註16。

購買、出售及贖回本公司之上市證券

於截至二零零八年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

薪酬政策

本集團僱員之薪酬政策由薪酬委員會根據僱員功績、履歷及資歷決定。

本公司董事之酬金由薪酬委員會就個別董事表現及市場比較統計數據而定。

本公司採納購股權計劃作為對董事及合資格僱員之鼓勵，有關詳情載於財務報表附註49。

優先購買權

本公司之公司細則或百慕達法例均無有關優先購買權之條文，規定本公司須按持股比例向現有股東發售新股份。

SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

- * These shares are held by Dorest, a wholly-owned subsidiary of Glenstone Investments Limited which is in turn beneficially owned as to 60% by Porterstone.
- # These shares are held by Lucky State Group Limited, a company wholly-owned by Mr Ng.
- ^ These shares are held by Kingston.

Other than as disclosed above, the Company had not been notified of any other interests or short positions representing 5% or more of the Company's issued share capital as at 31st December 2008.

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes of the Group are set out in note 16 to the financial statements.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December 2008.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 49 to the financial statements.

PRE-EMPTIVE RIGHTS

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

董事會報告 Directors' Report

企業管治

本公司致力於維持高質素之企業管治水平。有關本公司採納之企業管治常規的資料載於年報第21至30頁「企業管治報告」內。

公眾持股量

根據本公司得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告日止已按照上市規則規定維持指定數額的公眾持股量。

結算日後事項

於結算日後發生之重大事項詳情載於財務報表附註53。

核數師

本公司財務報表已由國衛會計師事務所審核，彼將於即將舉行之股東週年大會上退任，惟彼符合資格並願意膺選連任為本公司核數師。本公司將於即將舉行之股東週年大會上提呈決議案，續聘國衛會計師事務所為本公司之核數師。

承董事會命
主席
向華強

香港，二零零九年四月二十七日

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 21 to 30 to the annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained the prescribed amount of public float during the year and up to the date of this report as required under the Listing Rules.

SUBSEQUENT EVENTS

Details of the significant subsequent events are set out in note 53 to the financial statements.

AUDITORS

The financial statements of the Company have been audited by Messrs. HLB Hodgson Impey Cheng who retire and, being eligible, offer themselves for re-appointment as auditors of the Company at the forthcoming annual general meeting. A resolution for the re-appointment of Messrs. HLB Hodgson Impey Cheng as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Heung Wah Keung
Chairman

Hong Kong, 27th April 2009

獨立核數師報告 Independent Auditors' Report



Chartered Accountants
Certified Public Accountants

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

致中國星集團有限公司 全體股東

(於百慕達註冊成立之有限公司)

本核數師行已完成審核列載於第44至175頁中國星集團有限公司(「貴公司」)及其附屬公司(以下統稱「貴集團」)之綜合財務報表。此綜合財務報表包括於二零零八年十二月三十一日之綜合及公司資產負債表與截至該日止年度之綜合收入報表、綜合股本變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事就綜合財務報表承擔之責任

貴公司董事須根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製及真實與公平地呈列此等綜合財務報表。有關責任包括設計、實施及維持與編製及真實與公平地呈列綜合財務報表相關之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇及應用適當之會計政策；及按具體情況作出合理之會計估計。

核數師之責任

本行之責任是根據吾等之審核，對此等綜合財務報表提出意見，並按照百慕達公司法第90條僅向全體股東報告本行之意見，除此以外並無其他用途。本行概不就本報告之內容對任何其他人士承擔責任。

TO THE SHAREHOLDERS OF CHINA STAR ENTERTAINMENT LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Star Entertainment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 44 to 175 which comprise the consolidated and company balance sheets as at 31st December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

獨立核數師報告 Independent Auditors' Report

核數師之責任 (續)

本行乃根據香港會計師公會所頒佈之香港審計準則進行審核工作。該等準則要求本行遵守道德規範，並規劃及進行審核工作，以就該等綜合財務報表是否存在任何重大錯誤陳述作出合理確定。

審核涉及執行政序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實兼公平地呈列綜合財務報表相關之內部控制，以設計符合當時情況之適當審核程序，但並非旨在對公司之內部控制之有效性發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體呈列方式。

本核數師行相信，本核數師行已獲得充足和適當的審核憑證，以為本核數師行之審核意見提供基礎。

意見

本核數師行認為，綜合財務報表已根據香港財務報告準則真實兼公正地顯示 貴公司與 貴集團於二零零八年十二月三十一日之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例之披露規定妥為編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，二零零九年四月二十七日

AUDITORS' RESPONSIBILITY (Continued)

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 27th April 2009

CHINA STAR ENTERTAINMENT LIMITED

中國星集團有限公司

ANNUAL REPORT 2008 年報

綜合收入表 Consolidated Income Statement

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

			二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000 (經重列) (re-presented)
		附註 Notes		
營業額	Turnover	7	227,747	78,351
銷售成本	Cost of sales		(19,471)	(49,415)
毛利	Gross profit		208,276	28,936
其他收益	Other revenue	8	7,920	9,076
其他收入	Other income	9	43,987	8,885
行政開支	Administrative expenses		(80,141)	(75,451)
市場推廣及發行開支	Marketing and distribution expenses		(671)	(5,791)
以股份支付之款項開支	Share-based payment expenses		(7,463)	(17,660)
就分類為持作買賣之 金融資產之已變現及 未變現(虧損)/溢利淨額	Net realised and unrealised (loss)/gain on financial assets classified as held-for-trading		(14,877)	22,866
有關商譽之已確認 減值虧損	Impairment loss recognised in respect of goodwill	21	(13,646)	(30,141)
有關電影版權之已確認 減值虧損	Impairment loss recognised in respect of film rights	27	(9,760)	(16,850)
投資物業公平價值 (減少)/增加	(Decrease)/increase in fair value of investment properties	19	(11,930)	10,220
經營溢利/(虧損)	Profit/(loss) from operations		121,695	(65,910)
融資成本	Finance costs	10	(31,522)	(12,827)
應佔聯營公司業績	Share of results of associates	25	(3,303)	56,648
與可換股票據內含之 換股期權有關之 公平值變動	Changes in fair value in respect of conversion options embedded in convertible notes receivable		-	(50)
收購附屬公司之折讓	Discount on acquisition of subsidiaries	45	-	15,498
出售附屬公司之虧損	Loss on disposal of subsidiaries	46	(6,170)	(45,471)
被視為出售聯營公司 權益之虧損	Loss on deemed disposal of interests in associates		(17,551)	(49,744)
除稅前溢利/(虧損)	Profit/(loss) before taxation	11	63,149	(101,856)
稅項抵免/(支銷)	Taxation credit/(charge)	12	2,441	(1,951)
年度溢利/(虧損)	Profit/(loss) for the year		65,590	(103,807)
以下人士應佔： 本公司之權益持有人	Attributable to: Equity holders of the Company		90,604	(92,547)
少數股東權益	Minority interests		(25,014)	(11,260)
			65,590	(103,807)
股息 建議末期股息	Dividend Final dividend proposed	13	4,790	-
應佔每股盈利/(虧損)	Earnings/(loss) per share			
基本	Basic	14	HK\$0.22 港元	(HK\$0.66 港元)
攤薄	Diluted	14	HK\$0.22 港元	(HK\$0.66 港元)

隨附之附註構成此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.

綜合資產負債表 Consolidated Balance Sheet

於二零零八年十二月三十一日 At 31st December 2008

			二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
	附註 Notes			
非流動資產	Non-current assets			
物業、機器及設備	Property, plant and equipment	17	494,983	7,138
租賃土地權益	Interests in leasehold land	18	502,524	5,642
投資物業	Investment properties	19	49,930	51,100
商譽	Goodwill	21	24,391	29,062
無形資產	Intangible assets	22	989,205	–
可供出售之金融資產	Available-for-sale financial assets	23	16,800	39,900
應收一間聯營公司之 可換股票據	Convertible notes receivable from an associate	24	–	667
應收一間聯營公司之 可換股票據內含之 換股期權	Conversion options embedded in convertible notes receivable from an associate	24	–	222
於聯營公司權益	Interests in associates	25	–	375,148
			2,077,833	508,879
流動資產	Current assets			
存貨	Inventories	26	399	301
電影版權	Film rights	27	29,753	50,797
製作中電影	Films in progress	28	18,379	24,948
貿易應收賬款	Trade receivables	29	68,770	51,666
按金、預付款項及其他 應收款項	Deposits, prepayments and other receivables	30	61,077	36,790
投資按金	Deposits for investments	31	–	400,000
持作買賣投資	Held-for-trading investments	32	25,713	16,600
給予一名少數股東之貸款	Loan to a minority shareholder	33	183,750	–
應收聯營公司款項	Amounts due from associates	34	–	7,359
預繳稅項	Prepaid tax		632	456
現金及銀行結餘	Cash and bank balances	35	138,145	22,735
			526,618	611,652
分類為持作出售之資產	Assets classified as held for sale	36	716	1,187,072
			527,334	1,798,724
總資產	Total assets		2,605,167	2,307,603
股本及儲備	Capital and reserves			
股本	Share capital	37	26,612	140,305
儲備	Reserves		1,392,099	1,033,828
本公司權益持有人 應佔權益	Equity attributable to equity holders of the Company		1,418,711	1,174,133
少數股東權益	Minority interests		284,264	1,328
總權益	Total equity		1,702,975	1,175,461

CHINA STAR ENTERTAINMENT LIMITED

中國星集團有限公司

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綜合資產負債表 Consolidated Balance Sheet

於二零零八年十二月三十一日 At 31st December 2008

		附註 Notes	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
非流動資產	Non-current liabilities			
銀行借貸—一年後到期	Bank borrowings – due after one year	39	280,906	8,523
無抵押可換股票據	Unsecured convertible notes	40	138,390	–
遞延稅項負債	Deferred tax liabilities	41	88,317	3,466
			507,613	11,989
流動負債	Current liabilities			
銀行透支	Bank overdraft	35	174,826	–
貿易應付款項	Trade payables	42	7,083	17,621
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	43	69,271	66,018
銀行借貸—一年內到期	Bank borrowings – due within one year	39	102,561	2,418
應付少數股東款項	Amounts due to minority shareholders	44	40,502	–
應付稅項	Tax payable		336	–
			394,579	86,057
與分類為持作出售資產 有關之負債	Liabilities associated with assets classified as held for sale	36	–	1,034,096
			394,579	1,120,153
負債總額	Total liabilities		902,192	1,132,142
股權及負債總額	Total equity and liabilities		2,605,167	2,307,603
流動資產淨值	Net current assets		132,755	678,571
總資產減流動負債	Total assets less current liabilities		2,210,588	1,187,450

於二零零九年四月二十七日由董事會批准及授權刊發

Approved and authorised for issue by the Board of Directors on 27th April 2009

向華強
Heung Wah Keung
董事
Director

陳明英
Chen Ming Yin, Tiffany
董事
Director

隨附之附註構成此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.

CHINA STAR ENTERTAINMENT LIMITED

中國星集團有限公司

ANNUAL REPORT 2008 年報

資產負債表 Balance Sheet

於二零零八年十二月三十一日止年度 At 31st December 2008

		附註 Notes	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
非流動資產	Non-current assets			
於附屬公司權益	Interests in subsidiaries	20	1,582,452	597,703
流動資產	Current assets			
按金、預付款項及其他 應收款項	Deposits, prepayments and other receivables	30	826	1,808
投資按金	Deposits for investments	31	–	400,000
應收附屬公司款項	Amounts due from subsidiaries	20	87,041	241,317
應收聯營公司款項	Amounts due from associates	34	–	700
現金及銀行結餘	Cash and bank balances	35	115,579	21,054
			203,446	664,879
總資產	Total assets		1,785,898	1,262,582
股本及儲備	Capital and reserves			
股本	Share capital	37	26,612	140,305
儲備	Reserves	38	1,424,217	1,035,535
本公司權益持有人 應佔總權益	Total equity attributable to equity shareholders of the Company		1,450,829	1,175,840
非流動負債	Non-current liabilities			
應付附屬公司款項	Amounts due to subsidiaries	20	172,698	67,942
遞延稅項負債	Deferred tax liabilities		4,878	–
無抵押可換股票據	Unsecured convertible notes	40	138,390	–
			315,966	67,942
流動負債	Current liabilities			
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	43	18,997	14,998
應付附屬公司款項	Amounts due to subsidiaries	20	106	3,802
			19,103	18,800
負債總額	Total liabilities		335,069	86,742
股權及負債總額	Total equity and liabilities		1,785,898	1,262,582
流動資產淨值	Net current assets		184,343	646,079
總資產減流動負債	Total assets less current liabilities		1,766,795	1,243,782

於二零零九年四月二十七日由董事會批准及授權刊發

Approved and authorised for issue by the Board of Directors on 27th April 2009

向華強
Heung Wah Keung
董事
Director

陳明英
Chen Ming Yin, Tiffany
董事
Director

隨附之附註構成此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.

CHINA STAR ENTERTAINMENT LIMITED
中國星集團有限公司
ANNUAL REPORT 2008 年報

綜合股本變動報表 Consolidated Statement of Changes in Equity

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

本集團	The Group	股本	股份溢價	溢入盈餘	匯兌儲備	特別儲備	以股份支付之款項儲備	可換股票據儲備	重估儲備	金融資產重估儲備	股本削減儲備	保留溢利/(累計虧損)	小計	少數股東權益	總計
		Share capital	Share premium	Contributed surplus	Exchange reserve	Special reserve	Share-based payment reserve	Convertible notes reserve	Revaluation reserve	Financial assets revaluation reserve	Capital reduction reserve	Retained profit/(accumulated losses)	Sub-total	Minority Interests	Total
		千港元 HK\$'000	千港元 HK\$'000 (附註a) (note a)	千港元 HK\$'000 (附註b) (note b)	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000 (附註c) (note c)	千港元 HK\$'000 (附註d) (note d)	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000 (附註e) (note e)	千港元 HK\$'000 (附註g) (note g)	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零七年一月一日	At 1st January 2007	35,232	906,988	186,624	3,723	(6,867)	43,238	566	-	(9,800)	316,008	(780,885)	694,827	1,382	696,209
匯兌調整	Exchange alignment	-	-	-	571	-	-	-	-	-	-	-	571	(4)	567
應佔聯營公司儲備	Share of reserves of associates	-	-	-	6,246	-	7,695	1,247	-	-	-	-	15,188	-	15,188
出售附屬公司權益	Disposal of interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	320,471	320,471
可供出售之金融資產之公平價值調整	Fair value adjustment on available-for-sale financial assets	-	-	-	-	-	-	-	-	(2,800)	-	-	(2,800)	-	(2,800)
於股本中直接確認之收入/(支出)淨額	Net income/(expense) directly recognised in equity	-	-	-	6,817	-	7,695	1,247	-	(2,800)	-	-	12,959	320,467	333,426
轉撥自與分類為持作出售資產有關之負債	Transfer to liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	(309,261)	(309,261)
年度虧損淨額	Net loss for the year	-	-	-	-	-	-	-	-	-	-	(92,547)	(92,547)	(11,260)	(103,807)
年度已確認收入及開支總額	Total recognised income and expense for the year	-	-	-	6,817	-	7,695	1,247	-	(2,800)	-	(92,547)	(79,588)	(54)	(79,642)
配售股份	Placement of shares	32,335	167,953	-	-	-	-	-	-	-	-	-	200,288	-	200,288
行使購股權時發行股份	Issue of shares upon exercise of share options	3,914	30,761	-	-	-	(13,301)	-	-	-	-	-	21,374	-	21,374
發行股份開支	Share issuing expenses	-	(10,226)	-	-	-	-	-	-	-	-	-	(10,226)	-	(10,226)
贖回可換股票據	Redemption of convertible notes	-	-	-	-	-	-	(566)	-	-	-	566	-	-	-
發行可換股票據	Issue of convertible notes	-	-	-	-	-	-	54,307	-	-	-	-	54,307	-	54,307
轉換可換股票據	Conversion of convertible notes	26,636	134,409	-	-	-	-	(54,307)	-	-	-	-	106,738	-	106,738
發行來自供股之股份	Issue of shares from rights issue	42,188	126,565	-	-	-	-	-	-	-	-	-	168,753	-	168,753
以股份支付之款項開支	Share-based payment expenses	-	-	-	-	-	17,660	-	-	-	-	-	17,660	-	17,660
於二零零七年十二月三十一日及二零零八年一月一日	At 31st December 2007 and 1st January 2008	140,305	1,356,450	186,624	10,540	(6,867)	55,292	1,247	-	(12,600)	316,008	(872,866)	1,174,133	1,328	1,175,461
匯兌調整	Exchange alignment	-	-	-	(146)	-	-	-	-	-	-	-	(146)	-	(146)
應佔聯營公司儲備	Share of reserves of associates	-	-	-	10,982	-	1,079	-	-	-	-	-	12,061	-	12,061
出售附屬公司	Disposal of subsidiaries	-	-	-	(20,008)	6,867	(7,844)	-	-	9,073	-	977	(10,935)	(1,183)	(12,118)
視為出售一間聯營公司時轉撥	Released on deemed disposal of an associate	-	-	-	-	-	(930)	(1,247)	-	-	-	-	(2,177)	-	(2,177)
附屬公司清盤	Winding up of subsidiaries	-	-	-	(348)	-	-	-	-	-	-	-	(348)	(128)	(476)
可供出售之金融資產之公平價值調整	Fair value adjustment on available-for-sale financial assets	-	-	-	-	-	-	-	-	(32,235)	-	-	(32,235)	-	(32,235)
於股本中直接確認之收入/(支出)淨額	Net income/(expense) directly recognised in equity	-	-	-	(9,520)	6,867	(7,695)	(1,247)	-	(23,162)	-	977	(33,780)	(1,311)	(35,091)
年度純利	Net profit for the year	-	-	-	-	-	-	-	-	-	-	90,604	90,604	(25,014)	65,590
年度已確認收入及開支總額	Total recognised income and expense for the year	-	-	-	(9,520)	6,867	(7,695)	(1,247)	-	(23,162)	-	91,581	56,824	(26,325)	30,499
轉撥自與分類為持作出售資產有關之負債	Transfer from liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	309,261	309,261
收購一間附屬公司時發行代價股份	Issue of consideration shares upon acquisition of a subsidiary	11,817	2,363	-	-	-	-	-	-	-	-	-	14,180	-	14,180
配售股份	Placement of shares	74,400	102,576	-	-	-	-	-	-	-	-	-	176,976	-	176,976
股份發行開支	Share issuing expenses	-	(4,290)	-	-	-	-	-	-	-	-	-	(4,290)	-	(4,290)
股本重組	Capital reorganisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
資本削減	- capital reduction	(199,910)	-	199,910	-	-	-	-	-	-	-	-	-	-	-
註銷股份溢價(附註f)	- share premium cancellation (note f)	-	(1,356,450)	1,356,450	-	-	-	-	-	-	-	-	-	-	-
對銷累計虧損(附註f)	- set off against accumulated losses (note f)	-	-	(864,665)	-	-	-	-	-	-	-	864,665	-	-	-
發行可換股票據	Issue of convertible notes	-	-	-	-	-	-	71,691	-	-	-	-	71,691	-	71,691
轉撥時之重估盈餘	Surplus on revaluation upon transfer	-	-	-	-	-	-	-	6,383	-	-	-	6,383	-	6,383
贖回可換股票據	Redemption of convertible notes	-	-	-	-	-	-	(33,672)	-	-	-	(44,570)	-	(78,242)	
遞延稅項	Deferred tax	-	-	-	-	-	-	(5,354)	(1,053)	-	-	-	(6,407)	-	(6,407)
購股權失效	Share options lapsed	-	-	-	-	-	(1,394)	-	-	-	-	1,394	-	-	-
以股份支付之款項開支	Share-based payment expenses	-	-	-	-	-	7,463	-	-	-	-	-	7,463	-	7,463
於二零零八年十二月三十一日	At 31st December 2008	26,612	100,649	876,319	1,020	-	53,666	32,665	5,330	(35,762)	316,008	40,204	1,418,711	284,264	1,702,975

綜合股本變動報表 Consolidated Statement of Changes in Equity

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

附註：

Notes:

- (a) 根據一九八一年百慕達公司法(修訂本)，股份溢價可用作繳足本公司之未發行股份，作為繳足紅股發行予本公司股東。
- (a) Under the Companies Act 1981 of Bermuda (as amended), the share premium can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
- (b) 本集團之承前繳入盈餘乃指因股本削減於二零零二年九月十日生效而轉自股本賬之數額。
- (b) The contributed surplus brought forward of the Group represents the amount transferred from the capital account due to the capital reduction effective on 10th September 2002.
- (c) 以股份支付之款項儲備，相當於授出相關購股權後估計可於相關歸屬期間內換得之服務之公平價值，其總數乃以授出當日有關購股權之公平價值為計算基準。至於每段期間之數額，則是將有關購股權之公平價值在相關歸屬期間(倘有)內攤分計算，並作為職員開支及相關支出項目入賬，並相應提高以股份支付款項之儲備。
- (c) Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant options over the relevant vesting periods, the total of which is based on the fair value of the options at grant date. The amount for each period is determined by spreading the fair value of the options over the relevant vesting periods (if any) and is recognised as staff costs and related expenses with a corresponding increase in the employee share-based payment reserve.
- (d) 根據香港會計準則第32號，所發行之可換股票據乃於初次確認時分為負債部份及權益部份，方式為按公平價值確認負債部份(公平價值乃使用同等不可換股票據之市場利率釐定)，而發行所得款項與負債部份之公平價值兩者之差則歸於權益部份。負債部份其後乃按已攤銷成本列值。權益部份會確認於可換股票據儲備，直至票據被轉換(屆時將轉撥至股份溢價)或票據被贖回(屆時將直接撥至保留溢利/累計虧損)為止。
- (d) Under HKAS 32, convertible notes issued are split into their liability and equity components at initial recognition by recognising the liability component at its fair value which is determined using a market interest rate for equivalent non-convertible notes and attributing to the equity component the difference between the proceeds from issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost. The equity component is recognised in the convertible notes reserve until the notes are either converted (in which case it is transferred to share premium) or the notes are redeemed (in which case it is released directly to retained profit/accumulated losses).
- (e) 本集團之股本削減儲備指於一九九八年將本公司332,640,000股已發行股份之面值由每股面值1.00港元削減至每股面值0.05港元所產生之金額。按董事根據本公司細則第129條而通過之一項決議案，股本削減儲備可用作支付本公司遺索償之金額、負債、或然負債，以及可用作償還資本性貸款、補足股息或其他本公司溢利可運用之用途。
- (e) The capital reduction reserve of the Group represented the amount arising in relation to the reduction of the nominal value of 332,640,000 issued shares of the Company from HK\$1.00 each to HK\$0.05 each in 1998. Pursuant to a resolution passed by the directors, to Bye-law 129 of the Company's Bye-laws, the capital reduction reserve shall be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied.
- (f) 於二零零八年五月八日舉行之本公司股東特別大會，一項特別決議案獲通過，以批准將本公司股份溢價賬進賬於二零零七年十二月三十一日之全部款額約1,356,450,000港元註銷，而註銷股份溢價賬所得進賬轉撥至本公司繳入盈餘賬，本公司繳入盈餘中約864,665,000港元應用作抵銷本公司於二零零六年十二月三十一日之累計虧損，而本公司繳入盈餘賬中餘下進賬將由本公司董事會根據本公司細則及所有適用法律予以動用。
- (f) At the special general meeting of the Company held on 8th May 2008, a special resolution was passed to approve the entire amount of approximately HK\$1,356,450,000 standing to the credit of the share premium account of the Company as at 31st December 2007 be cancelled and such credit amount arising from the share premium cancellation be transferred to the contributed surplus account of the Company, a sum of approximately HK\$864,665,000 in the contributed surplus account of the Company be applied to set off against the accumulated losses of the Company as at 31st December 2006 and the remaining credit balance in the contributed surplus account of the Company will be utilised by the board of directors of the Company in accordance with the bye-laws of the Company and all applicable laws.
- (g) 建議截至二零零八年十二月三十一日之末期股息為4,790,000港元，保留溢利於建議末期股息後之結餘為35,414,000港元。
- (g) The proposed final dividend as at 31st December 2008 was HK\$4,790,000 and the balance of retained profit after the proposed final dividend was HK\$35,414,000.

綜合現金流量表 Consolidated Cash Flow Statement

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

	附註 Notes	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
經營業務所得之現金流量			
CASH FLOWS FROM OPERATING ACTIVITIES			
除稅前溢利／(虧損)	Profit/(loss) before taxation	63,149	(101,856)
就以下各項所作調整：	Adjustments for:		
利息支出	Interest expenses	31,522	12,827
利息收入	Interest income	(1,497)	(3,897)
股息收入	Dividend income	(1,251)	(79)
其他應收款項減值 虧損撥回	Reversal of impairment loss on trade receivables	(95)	-
有關應收聯營公司款項之 已確認減值虧損	Impairment loss on amount due from associates	25,179	14,975
貿易應收款項減值虧損	Impairment loss on trade receivables	23	-
其他應收款項之減值虧損	Impairment loss on other receivables	89	-
有關電影版權之已確認 減值虧損	Impairment loss recognised in respect of film rights	9,760	16,850
有關商譽之已確認 減值虧損	Impairment loss recognised in respect of goodwill	13,646	30,141
物業、機器及設備與租賃土地 之折舊及攤銷	Depreciation and amortisation of property, plant and equipment and leasehold land	2,811	23,866
投資物業之公平價值 減少／(增加)	Decrease/(increase) in fair value of investment properties	11,930	(10,220)
出售物業、機器及設備 之虧損／(溢利)	Loss/(gain) on disposal of property, plant and equipment	20	(107)
附屬公司清盤之溢利	Gain on winding up of subsidiaries	(476)	-
出售附屬公司之虧損	Loss on disposal of subsidiaries	6,170	45,471
收購一間附屬公司之折讓	Discount on acquisition of a subsidiary	-	(15,498)
被視為出售聯營公司權益 之虧損	Loss on deemed disposal of interests in associates	17,551	49,744
分類為持作買賣之金融資產之 已變現及未變現虧損／ (溢利)淨額	Net realised and unrealised loss/(gain) on financial assets classified as held-for-trading	14,877	(22,866)
贖回可換股票據之溢利	Gain on redemption of convertible notes	(39,000)	(2,315)
換股期權之公平價值變動	Change in fair value in respect of conversion options	-	50
應佔聯營公司業績	Share of results of associates	3,303	(56,648)
以股份支付之款項開支	Share-based payment expenses	7,463	17,660
營運資金變動前之經營現金流量	Operating cash flows before movements in working capital	165,174	(1,902)
存貨減少	Decrease in inventories	115	885
電影版權減少	Decrease in film rights	11,284	29,780
製作中電影減少	Decrease in films in progress	6,569	4,521
貿易應收款項增加	Increase in trade receivables	(15,660)	(39,130)
按金、預付款項及其他 應收款項增加	Increase in deposits, prepayments and other receivables	(11,547)	(3,977)
投資按金增加	Increase in deposits for investments	-	(400,000)
應收聯營公司款項增加	Increase in amounts due from associates	(17,820)	(16,429)
貿易應付賬款(減少)／增加	(Decrease)/increase in trade payables	(12,688)	569
應付一名少數股東款項之增加	Increase in amount due to a minority shareholder	-	502
已收取按金、應計項目及 其他應付款項增加	Increase in deposits received, accruals and other payables	6,303	18,647
營運產生／(所用)之現金 (已付)／已退回稅項	Cash generated from/(used in) operations Tax (paid)/refund	131,730	(406,534)
		(452)	235
經營業務產生／(所用) 之現金淨額	Net cash generated from/(used in) operating activities	131,278	(406,299)

綜合現金流量表 Consolidated Cash Flow Statement

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

	附註 Notes	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
投資業務之現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
已收利息	Interest received	1,457	3,773
股息收入	Dividend income	1,251	79
收購一間聯營公司之權益	Acquisition of interests in associates	–	(130,813)
收購一間附屬公司(現金及 現金等值項目淨值)	Acquisition of subsidiaries (net cash and cash equivalent)	45	(199,999)
給予一名少數股東之貸款	Loan to a minority shareholder	–	(196,000)
出售透過損益以公平價值 列賬之金融資產所得款項	Proceeds from disposal of financial assets at fair value through profit or loss	–	94,858
出售物業、機器及設備 所得款項	Proceeds from disposal of property, plant and equipment	–	20
少數股東償還款項	Repayment from a minority shareholder	12,250	–
出售附屬公司所得款項	Proceeds from disposal of subsidiaries	46	315,000
認購可換股票據(包括開支)	Subscription of convertible notes (including expenses)	–	(22,630)
購入透過損益以公平價值 列賬之金融資產	Purchase of financial assets at fair value through profit or loss	(24,052)	(24,032)
購入物業、機器及設備	Purchases of property, plant and equipment	(197,131)	(5,899)
償還應收可換股票據	Repayment of convertible notes receivables	–	52,000
投資業務所用現金淨額	Net cash used in investing activities	(75,664)	(582,573)
融資業務之現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
已付利息	Interest paid	(28,682)	(11,724)
發行股份所得款項	Proceeds from issue of shares	176,976	390,415
發行可換股票據所得款項	Proceeds from issue of convertible notes	–	160,075
贖回可換股票據	Redemption of convertible notes	(216,000)	(20,000)
償還銀行貸款	Repayment of bank loans	(77,474)	(2,261)
新造銀行貸款	New bank loan acquired	–	450,000
股份發行開支	Share issuing expenses	(4,290)	(10,226)
融資活動(所用)/產生之 現金流入淨額	Net cash (used in)/generated from financing activities	(149,470)	956,279
現金及現金等值項目減少 年初之現金及現金等值項目	Decrease in cash and cash equivalents Cash and cash equivalents at the beginning of the year	(93,856)	(32,593)
外幣匯率變動之影響	Effect of foreign exchange rate changes	(146)	567
年終之現金及 現金等值項目	Cash and cash equivalents at the end of the year		
現金及現金等值項目	Cash and cash equivalents	35	57,321
		(36,681)	57,321

隨附之附註為此等財務報表之一部份。

The accompanying notes form an integral part of these financial statements.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

1. 一般事項

本公司乃於百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司上市（「聯交所」）。本公司之註冊辦事處以及總辦事處及主要營業之地點分別為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda及香港干諾道中168-200號信德中心西翼34樓09室。

此等綜合財務報表以港元列值，港元亦為本公司之功能貨幣。除另有說明者外，所有價值均計算至最近之千位數（千港元）。

本集團之主要業務為電影製作、發行電影及電視連續劇、提供後期製作服務、投資於自博彩推廣業務收取溢利之業務及物業與酒店投資。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

本集團於本年度首次採納香港會計師公會（「香港會計師公會」）頒佈之下列修訂及詮釋。該等新修訂及詮釋於本集團二零零八年一月一日開始之財務年度生效。

香港會計準則第39號及
香港財務報告準則
第7號（修訂本）

金融資產之重新分類

香港（國際財務報告詮釋
委員會）— 詮釋11號

香港財務報告準則
第2號—集團及庫存
股份交易

香港（國際財務報告詮釋
委員會）— 詮釋12號

服務特許權安排

香港（國際財務報告詮釋
委員會）— 詮釋14號

香港會計準則第19號
— 界定福利資產、
之限制最低撥款
規定及兩者之
相互關係

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and head office and principal place of business of the Company are Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and Unit 3409, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong respectively.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

The principal activities of the Group are film production, distribution of film and television drama series, provision of post-production services, investing in operations which receive profit streams from the gaming promotion business and property and hotel investment.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st January 2008.

HKAS 39 & HKFRS 7
(Amendments)

Reclassification of Financial
Assets

HK(IFRIC) – Int 11

HKFRS 2 – Group and
Treasury Share Transactions

HK(IFRIC) – Int 12

Service Concession
Arrangements

HK(IFRIC) – Int 14

HKAS 19 – The Limit on a
Defined Benefit Asset,
Minimum Funding Requirements
and their Interaction

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

應用新修訂及詮釋並無對如何編製及呈報本期間或過往會計期間本集團之業績及財務狀況產生重大影響。因此，過往期間毋須作出調整。

本集團並無提早採納下列已頒佈但未生效之新增及修訂準則、修訂或詮釋 (「新訂香港財務報告準則」)。

香港財務報告準則 (修訂本)	香港財務報告準則之改進 ¹
香港會計準則第1號 (經修訂)	財務報表之呈報 ²
香港會計準則第23號 (經修訂)	借貸成本 ²
香港會計準則第27號 (經修訂)	綜合及獨立財務報表 ³
香港會計準則第32號及1號 (修訂本)	可沽售金融工具及於清盤時產生之責任 ²
香港會計準則第39號 (修訂本)	合資格對沖項目 ³
香港財務報告準則第1號及香港會計準則第27號 (修訂本)	於附屬公司、共同控制實體或聯營公司之投資成本 ²
香港財務報告準則第2號 (修訂本)	以股份支付款項之歸屬條件及註銷 ²
香港財務報告準則第3號 (經修訂)	業務合併 ³
香港財務報告準則第8號	營運分類 ²
香港 (國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃 ⁴
香港 (國際財務報告詮釋委員會) – 詮釋第15號	建設房地產協議 ²
香港 (國際財務報告詮釋委員會) – 詮釋第16號	海外業務投資淨額對沖 ⁵
香港 (國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產 ³
香港 (國際財務報告詮釋委員會) – 詮釋第18號	來自客戶之資產轉讓 ³

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

The application of the new amendments and interpretations has no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations (the “new HKFRSs”) that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvement to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 8	Operating Segments ²
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation ⁵
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners ³
HK(IFRIC) – Int 18	Transfers of Assets from Customers ³

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

- 1 於二零零九年一月一日或其後開始之年度期間生效，惟香港財務報告準則第5號（修訂本）於二零零九年七月一日或其後開始之年度期間生效。
- 2 於二零零九年一月一日或其後開始之年度期間生效。
- 3 於二零零九年七月一日或其後開始之年度期間生效。
- 4 於二零零八年七月一日或其後開始之年度期間生效。
- 5 於二零零八年十月一日或其後開始之年度期間生效。

應用香港財務報告準則第3號（經修訂）可能影響於收購日期為二零零九年七月一日或其後開始之首個年度報告開始日期或其後之業務合併之列賬。香港會計準則第27號（經修訂）將影響母公司於附屬公司擁有權益變動之會計處理。

本集團正評估該等新訂香港財務報告準則之影響，並估計應用該等新訂香港財務報告準則對本集團及本公司之業績及財務狀況將無重大影響。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

- 1 Effective for annual periods beginning on or after 1st January 2009 except for the amendment to HKFRS 5, effective for annual period beginning on or after 1st July 2009
- 2 Effective for annual periods beginning on or after 1st January 2009
- 3 Effective for annual periods beginning on or after 1st July 2009
- 4 Effective for annual periods beginning on or after 1st July 2008
- 5 Effective for annual periods beginning on or after 1st October 2008

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The Group is in the process of making an assessment of the impact of these new HKFRSs and anticipates that the application of these new HKFRSs will have no material impact on the results and the financial position of the Group and the Company.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要

編製該等綜合財務報表所採用之主要會計政策載列如下。除另有說明者外，該等政策已於所有呈報年度貫徹應用。

該等財務報表乃根據所有適用香港財務報告準則，為香港會計師公會所頒佈之所有適用個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋之統稱）及香港公認之會計原則而編製。此外，該等財務報表包括上市規則及香港公司條例規定之適用披露。

(a) 編製基準

該等綜合財務報表已按歷史成本慣例編製，惟若干投資物業及金融工具按公平價值計量除外。

(b) 綜合基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日之財務報表。

年內所收購或出售附屬公司之業績乃自收購生效日期起或計算至出售之生效日期（如適用）於綜合收入表列賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. In addition, the financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

(a) Basis of preparation

The consolidated financial statements have been prepared under historical cost convention except for certain investment properties and financial instrument, which are carried at fair values.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(b) 綜合基準 (續)

集團內公司間之所有重大交易、結餘及集團內公司間之交易之未變現溢利乃於綜合賬目對銷。除非該交易提供證據證明所轉移資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已在需要情況下作修訂，以確保與本集團所採納之政策相一致。

於綜合附屬公司淨資產之少數股東權益，乃與本集團於其中之權益分開呈列。於該等淨資產之少數股東權益包括於原來業務合併日期該等權益之金額及自合併日期以來少數股東應佔權益之變動。適用於少數股東及超出少數股東於附屬公司之權益之虧損乃與本集團之權益對銷，惟倘少數股東具有約束力責任及能夠作出額外投資以彌補虧損則除外。

於附屬公司投資按成本減任何已識別減值虧損列入本公司之資產負債表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation (Continued)

All significant inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Investments in subsidiaries are included in the Company's balance sheet at cost, less any identified impairment loss.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(c) 業務合併

本集團採用收購會計法為其所收購業務列賬。收購成本乃按為換取被收購公司控制權而於交換日期所給予資產之總公平值、所產生或所承擔之責任及本集團發行之發行權益票據，加上業務合併之直接應佔成本計算。被收購公司之可識別資產、負債及或然負債若符合香港財務報告準則第3號業務合併之確認條件，則按收購當日之公平值確認，惟根據香港財務報告準則第5號持作出售之非流動資產及已終止業務分類為持作出售之非流動資產(出售組別)按公平值減出售成本確認及計量則除外。

收購產生之商譽乃確認為資產並按成本(即業務合併高於本集團於可識別資產、負債及或然負債之公平淨值所佔權益之部分)作初步釐定。於重新評估後，倘本集團於被收購公司之已確認可識別資產、負債及或然負債之公平淨值所佔權益高於業務合併之成本，則該高出數額即時確認損益。

被收購公司之少數股東權益初步按已確認之少數股東於資產、負債及或然負債之公平淨值之比例計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Business combinations

The acquisition of business is accounted for using the purchase method. The cost of an acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's portion of the net fair value of the assets, liabilities and contingent liabilities recognised.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(d) 於聯營公司之投資

聯營公司指投資者對其行使重大影響力之實體，且其並非為附屬公司或於合營企業之權益。

聯營公司之業績、資產及負債乃按權益會計法納入綜合財務報表內。根據權益法，於聯營公司之投資乃按成本另就本集團分佔聯營公司之資產淨值於收購後之變動調整，減任何已識別減值虧損列於綜合資產負債表。當本集團分佔聯營公司之虧損等同或超過其於該聯營公司之權益(包括任何在實質上乃組成本集團於該聯營公司投資淨額之長期權益)，本集團不再確認其分佔之進一步虧損。額外分佔虧損會提撥準備及確認為負債，惟僅以本集團已招致之法定或推定責任或代表該聯營公司支付之款項為限。

收購成本高出本集團應佔聯營公司於收購日期確認之可識別資產、負債及或然負債公平淨值之差額確認為商譽。有關商譽列入該投資賬面值內，並作為部分投資評估減值情況。

本集團分佔可識別資產、負債及或然負債公平淨值高出重估後之收購成本之差額立即確認為盈虧。

當集團個體與本集團之聯營公司進行交易，損益會互相抵銷，數額以本集團於有關聯營公司之權益為限。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investment in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(e) 商譽

收購附屬公司或聯營公司而產生之商譽指本集團所佔相關附屬公司或聯營公司之可識別資產、負債及或然負債於收購日期之收購成本高於公平價值之差額。該商譽減累計減值虧損列賬。

收購一間附屬公司而產生之已資本化商譽於資產負債表單獨列。收購一間聯營公司而產生之已資本化商譽計入相關聯營公司之投資成本。

就減值測試而言，收購產生之商譽會分配至預期可自收購之協同效益獲益之各相關現金產生單位或各組現金產生單位。獲分配商譽之現金產生單位會每年及於有跡象顯示該單位可能出現減值時進行減值測試。就於一個財務年度進行收購所產生之商譽而言，獲分配商譽之現金產生單位會於該財務年度年結前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽之任何減值虧損直接於收入表確認。就商譽確認之減值虧損不會於往後期間撥回。

於其後出售一間附屬公司或一間聯營公司時，釐定出售損益時會計入撥充資本之商譽應佔金額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Goodwill

Goodwill arising on an acquisition of a subsidiary or an associate represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary or associate at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet. Capitalised goodwill arising on an acquisition of an associate is included in the cost of the investment of the relevant associate.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary or an associate, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(f) 無形資產

於業務合併中收購之無形資產

倘於業務合併收購之無形資產符合無形資產之定義，且其公平值能可靠計量，則會識別及與商譽分開確認。該等無形資產之成本為於收購當日之公平值。

於初次確認後，具有不確定使用年期之無形資產乃每年進行減值測試並按成本減其後任何累計減值虧損列賬。

(g) 收入之確認

發行費收入在母帶交付後確認。

電影版權之銷售在原版電影交付及電影擁有權已永久轉移時確認。

錄影帶產品之銷售在貨品付運及擁有權已轉移時確認。

服務收入、管理費用收入及製作費收入於提供服務時確認。

投資所產生之股息收入於本集團有權收取有關款項時予以確認。

利息收入根據尚未收回之本金及適用利率按時間比例基準累計。

來自經營租約之租金收入於有關租賃期內按直線法確認。

酒店營運收入於提供服務時確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with indefinite useful lives are tested for impairment annually and carried at cost less any subsequent accumulated impairment losses.

(g) Revenue recognition

Distribution fee income is recognised when the master materials have been delivered.

Sales of film rights are recognised when the master films are delivered and the film title has passed perpetually.

Sales of video products are recognised when goods are delivered and title has passed.

Service income, management fee income and production fee income are recognised when the services are rendered.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Rental income under operating leases is recognised on a straight-line basis over the relevant lease term.

Hotel operating income is recognised upon provision of the services.

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截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(h) 物業、機器及設備

物業、機器及設備乃按成本減隨後之累計折舊及累計減值虧損列賬。

一項資產之成本包括其購買價及將資產達至其營運狀況及地點作擬定用途所產生之任何直接應計成本。物業、機器及設備投入運作後所產生之支出，如維修及保養，一般於產生支出期間自收入表扣除。倘若可清楚顯示有關支出將令日後使用該物業、機器及設備時帶來經濟利益，支出將撥充資本，作為該項資產之額外成本。

有關在建物業、機器及設備之所有直接及間接成本(包括在建期間之借貸成本)乃資本化為在建工程。在建工程以成本值減去任何確認減值虧損後入賬。在建工程於竣工及就緒作擬定用途時，分類為物業、機器及設備之合適類別。當該等資產開始作擬定用途時列為其他物業資產並以相同之基準折舊。

折舊乃用以撇銷物業、機器及設備項目(在建工程除外)之成本，按其估計可使用年限依直線法計算，主要年率如下：

樓宇	4.5% – 5%
租賃物業裝修	20% – 33%
傢俬及裝置	10% – 20%
機器及設備	18% – 25%
汽車	15% – 20%

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

The cost of an asset 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 the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement 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 the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

All direct and indirect costs relating to the construction of property, plant and equipment, including borrowing costs during the construction period are capitalised as construction in progress. Construction in progress is stated at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for its intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is provided to write off the cost of items of property, plant and equipment (other than construction in progress), using the straight-line method, over their estimated useful lives. The principal annual rates are as follows:

Buildings	4.5% – 5%
Leasehold improvements	20% – 33%
Furniture and fixtures	10% – 20%
Machinery and equipment	18% – 25%
Motor vehicles	15% – 20%

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截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(h) 物業、機器及設備 (續)

並無就在建工程撥備折舊。

當資產出售時，其盈虧為出售資產所得款項及資產賬面值兩者之差額，並在綜合收入表內確認。

(i) 租賃土地權益

租賃土地權益指就租賃土地預付之租金。租賃土地權益按成本減隨後之累計攤銷及任何累計減值虧損列賬。租賃土地權益之成本於租賃土地有關權益或相關公司之經營期限(以較短者為準)內按直線法攤銷。在建期間，就租賃土地權益準備之攤銷開支，乃計入在建工程之部份成本。

(j) 投資物業

投資物業為已完成並為賺取租金及/或作資本增值而持有之物業。於初步確認時，投資物業乃按成本(包括任何直接應佔開支)計量。初步確認後，投資物業以公平價值模式計量。投資物業公平價值變動所產生之收益或虧損於產生期間計入綜合收入表內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment (Continued)

No depreciation is provided on construction in progress.

The gain or loss arising from disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

(i) Interests in leasehold land

Interests in leasehold land represent prepaid lease payment for leasehold land. Interests in leasehold land are stated at cost less subsequent accumulated amortisation and any accumulated impairment losses. The costs of interests in leasehold land are amortised on a straight-line basis over the shorter of the relevant interests in leasehold land or the operation period of the relevant company. During the construction period, the amortisation charge provided for the interests in leasehold land is included as part of cost of construction in progress.

(j) Investment properties

Investment properties are completed properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in the consolidated income statement for the period in which they arise.

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截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(i) 投資物業 (續)

當該資產有關之未來經濟利益可能流入本集團及該資產之成本能可靠地計量時，隨後開支於該資產之賬面值中扣除。所有其他維修及保養成本於其產生之財政期間計入綜合收入表支銷。

倘若業主自用物業由於其用途變動而成為投資物業，則於轉讓之日該物業之賬面值與公平值間之任何差異於權益內確認為物業、機器及設備之重估。然而，倘若公平值導致先前減值虧損撥回，則撥回於綜合收入表中確認。其後於資產出售或棄用時，有關之重估儲備將直接轉撥至保留溢利／累計虧損。

投資物業於出售時或投資物業永遠不再使用或預期不會因出售該物業而產生未來經濟利益時終止確認。終止確認資產所產生之任何收益或虧損（按資產之出售所得款項與其賬面值之差額計算）於終止確認項目之年度計入綜合收入表。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investment properties (Continued)

Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if a fair value gives rise to a reversal of the previous impairment loss, the write-back is recognised in the consolidated income statement. On the subsequent sale or retirement of assets, the relevant revaluation reserve will be transferred directly to retained profit/accumulated losses.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

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3. 主要會計政策概要 (續)

(k) 稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括於其他年度應課稅或應扣除之收入及開支項目，亦不包括毋須課稅或不可扣稅之收入表項目，故與綜合收入表所報溢利不同。本集團之當期稅項負債乃按結算日規定或實質上規定之稅率計算。

遞延稅項就綜合財務報表中資產及負債之賬面值與計算應課稅溢利時所採用之相應稅基之差額確認，並按資產負債表負債法計提。遞延稅項負債通常為所有應課稅之暫時差額確認，而遞延稅項資產就在未來很可能會獲得應課稅溢利而又可扣除暫時差額確認，而遞延稅項資產就未來很可能獲得應課稅溢利而又可使用可扣除暫時差額確認。若於一項交易中，因商譽或因業務合併以外原因初次確認其他資產及負債而引致之暫時差額，如不影響應課稅溢利或影響會計溢利，則該等資產及負債不予確認。

遞延稅項資產之賬面值於每個結算日作檢討，並於沒可能會有足夠應課稅溢利恢復全部或部份資產價值時作調減。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excluded items of income or expense that are taxable or deductible in other years and its further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(k) 稅項 (續)

遞延稅項乃按預期於負債清償或資產變現之期間之適用稅率計算。遞延稅項於收入表中扣除或計入收入表，惟倘遞延稅項直接在股本中扣除或計入股本之情況（在此情況下遞延稅項亦會於股本中處理）除外。

遞延稅項資產及負債如與同一課稅機關徵收之所得稅有關時則予以對銷，而該實體計劃以淨額基準處理其現時稅項資產及負債。

(l) 借貸成本

所有借貸成本於產生期間之綜合收入報表內確認及計入融資成本內。

(m) 持作出售之非流動資產

非流動資產（及出售組別）之賬面值如透過出售交易而非透過持續使用而收回，則會分類為持作出售。此條件僅於很有可能達成出售及資產（或出售組別）可於現況下即時出售時方告符合。

分類為持作出售之非流動資產（及出售組別）乃按以往賬面值及公平值兩者中之較低者減出售成本計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to income statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

(l) Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

(m) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

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截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(n) 存貨

存貨乃按成本及可變現淨值兩者之較低者入賬。成本按先入先出法計算。

(o) 電影版權

電影版權為本集團製作或購入之電影及電視連續劇，乃按成本減累計攤銷及任何已識別減值虧損入賬。

攤銷按年內實際賺取之收入與銷售電影版權預計可得總收入之比例計入收入表。電影版權之攤銷不會超過二十年。倘出現任何減值，則未攤銷結餘於其估計可收回金額中撇減。

(p) 製作中電影

製作中電影指製作中之電影及電視連續劇，按截至入賬日期已動用成本減任何已識別之減值虧損入賬。成本將於完成後轉撥為電影版權入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

(o) Film rights

Film rights represent films and television drama series produced by the Group or acquired by the Group and are stated at cost less accumulated amortisation and any identified impairment loss.

Amortisation is charged to the income statement based on the proportion of actual income earned during the year to the total estimated income from the sale of film rights. The amortisation of film rights will not exceed twenty years. In the case where there is any impairment in value, the unamortised balance is written down to its estimated recoverable amount.

(p) Films in progress

Films in progress represents films and televisions drama series under production and is stated at cost incurred to date, less any identified impairment loss. Cost is transferred to film rights upon completion.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具

當集團實體成為工具合約條款之訂約方時，會在資產負債表上確認金融資產及金融負債。金融資產及金融負債乃初步以公平價值進行計量。直接歸屬於購置或發行金融資產及金融負債(透過損益以公平價值列賬之金融資產及金融負債除外)之交易成本於初次確認時計入或扣自各金融資產或金融負債(如適用)之公平價值。直接歸屬於購置透過損益以公平價值列賬之金融資產或金融負債之交易成本即時於綜合收入表確認。

i. 金融資產

本集團之金融資產歸類為三個類別其中一個，包括透過損益以公平價值列賬之金融資產、貸款及應收款項以及可供出售之金融資產。所有以常規方式購買或出售之金融資產，均按交易日基準進行確認及終止確認。以常規方式購買或出售金融資產要求在相關市場之規則或慣例設定之時間內交付資產。就各類金融資產採納之會計政策載於下文。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated income statement.

i. Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets that requires delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

i. 金融資產 (續)

透過損益以公平價值列賬之金融資產

透過損益以公平價值列賬之金融資產分為兩類，包括持作買賣金融資產及於初次確認時指定為透過損益以公平價值列賬之金融資產。

金融資產歸類為持作買賣倘：

- (i) 購入主要為於不久將來銷售；或
- (ii) 構成本集團合併管理的金融工具的確定組合的一部分及具有最近實際短期獲利模式；或
- (iii) 金融資產為未被指定及可有效作為對沖工具的衍生工具。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held-for-trading and those designated as at fair value through profit or loss on initial recognition.

A financial asset is classified as held-for-trading if:

- (i) it has been acquired principally for the purpose of selling in the near future; or
- (ii) it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) it is a derivative that is not designated and effective as a hedging instrument.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

i. 金融資產 (續)

透過損益以公平價值列賬之金融資產 (續)

透過損益以公平價值列賬之金融資產可為並非於短期內出售而購入之證券，但由管理層於起初所指定列入此類別。除持作買賣之金融資產外，倘金融資產屬下列情況，則可能在首次確認時指定透過損益按公平價值計量：

- (i) 有關指定能消除或大幅減少，另外可能出現計量或確認之不一致；或
- (ii) 該金融資產構成可根據本集團之書面風險管理或投資策略按公平價值管理及予以評估其表現之一組金融資產或一組金融負債或兩者，並按該基準在公司內部提供有關如何分組之資料；或
- (iii) 或其構成載有一種或以上內含衍生工具之合約，而香港會計準則第39號准許全份經合併合約（資產或負債）指定為透過損益以按公平價值列賬之金融資產。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

Financial assets at fair value through profit or loss can be those financial assets acquired principally not for the purpose of selling in the short term but designated by management as such at inception. A financial asset other than a financial asset held-for-trading may be designated as at fair value through profit or loss upon initial recognition if:

- (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- (ii) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- (iii) it forms part of a contract containing one or more embedded derivatives and HKAS 39 permits the entire combined contract (asset or liability) to be designated as fair value through profit or loss.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

i. 金融資產 (續)

透過損益以公平價值列賬之金融資產 (續)

於初次確認後之每個結算日，透過損益以公平價值列賬之金融資產以公平價值計量，公平價值變動於產生期內直接於收入表確認。以損益確認之溢利或虧損淨額包括金融資產賺取之任何股息或利息。

貸款及應收款項

貸款及應收款項 (包括貿易應收賬款、其他應收款項、給予一少數股東貸款、應收附屬公司款項、應收聯營公司款項、定期存款、現金及銀行結餘) 為款項固定或可釐定之非衍生工具金融資產，且並無在活躍市場上報價。於初次確認後之每個結算日，貸款及應收款項以運用實際利率法攤銷之成本減任何已識別減值虧損計量。當存在客觀證據表明資產已出現減值，減值虧損會在收入表確認，金額按資產之賬面值與以最初之實際利率折現後之預期未來現金流量之現值兩者之間之差額計量。在後續期間，如果資產可收回金額之增加客觀上與確認減值之後發生之事件有關連，則減值虧損會撥回，惟該撥回不應導致該資產在減值撥回日期之賬面值超過不確認減值情況下之已攤銷成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables (including trade receivables, other receivables, loan to a minority shareholder, amounts due from subsidiaries, amounts due from associates, time deposits, cash and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

i. 金融資產 (續)

可供出售之金融資產

可供出售之金融資產為指定或並無分類為上述其他類別之非衍生工具。於初次確認後之各結算日，可供出售之金融資產按公平價值計算。公平價值變動於股權確認，直至金融資產售出或釐定出現減值，屆時，先前於股權確認之累計盈虧將自股權剔除，並於綜合收入表確認。可供出售之金融資產之任何減值虧損均於綜合收入表確認。可供出售之股權投資之減值虧損將不會於往後期間撥回。就可供出售之債務投資而言，倘該投資之公平價值之增加可客觀地與確認減值後之事件有關，則減值將獲撥回。

對於在活躍市場上並無市價報價且其公平價值未能可靠計量之可供出售之股權投資，則於初次確認後之各結算日按成本減任何已識別減值虧損計量。倘有客觀證據表明資產已發生減值，則減值虧損於收入表確認。減值虧損金額按該資產之賬面值與估計未來現金流量以類似金融資產當時之市場回報率折現之現值兩者間之差額計算。有關減值虧損將不會於往後期間撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in the consolidated income statement. Any impairment losses on available-for-sale financial assets are recognised in the consolidated income statement. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that does not have a quoted market price in an active market and whose fair value cannot be reliably measured. They are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

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截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

ii. 金融負債及權益性工具

集團實體發行之金融負債及權益性工具乃根據所訂立合約安排之實質內容及金融負債與權益性工具之釋義分類。

權益性工具乃證明於扣減其所有負債後集團資產剩餘權益之任何合約。本集團之金融負債一般分類為透過損益以公平價值列賬之金融負債及其他金融負債。所採納有關金融負債及權益性工具之會計政策載於下文。

透過損益以公平價值列賬之金融負債

透過損益以公平價值列賬之金融負債分為兩類，包括持作買賣金融負債及於初次確認時指定為透過損益以公平價值列賬之金融負債。

金融負債歸類為持作買賣倘：

- (i) 主要為產生於不久將來重購之用；或
- (ii) 構成本集團合併管理的金融工具的確定組合的一部分及具有最近實際短期獲利模式；或
- (iii) 金融負債為未被指定及有效作為對沖工具的衍生工具。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition.

A financial liability is classified as held-for-trading if:

- (i) it has been incurred principally for the purpose of repurchasing in the near future; or
- (ii) it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) it is a derivative that is not designated and effective as a hedging instrument.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

ii. 金融負債及權益性工具 (續)

透過損益以公平價值列賬之金融負債 (續)

除持作買賣之金融負債外，倘金融負債屬下列情況，則可能在首次確認時指定為透過損益按公平價值計量：

- (i) 有關指定能消除或大幅減少，另外可能出現計量或確認之不一致；或
- (ii) 該金融負債構成可根據本集團之書面風險管理或投資策略按公平價值管理及予以評估其表現之一組金融資產或一組金融負債或兩者，並按該基準在公司內部提供有關如何分組之資料；或
- (iii) 或其構成載有一種或以上內含衍生工具之合約，而香港會計準則第39號金融工具：確認及計量准許全份經合併合約指定為透過損益以公平價值列賬之金融負債。

於初次確認後之每個結算日，透過損益以公平價值列賬之金融負債以公平價值計量，公平價值變動於產生期內直接於收入表確認。於損益確認之溢利或虧損淨額包括就金融負債所支付之任何利息。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Financial liabilities at fair value through profit or loss (Continued)

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- (ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- (iii) it forms part of a contract containing one of more embedded derivatives, and HKAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract to be designated as fair value through profit or loss.

At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in income statement in the period in which they arise. The net gain or loss recognised in profit or loss includes any interest paid on the financial liability.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

ii. 金融負債及權益性工具 (續)

其他金融負債

其他金融負債(包括應付賬款及應計項目、應付證券交易款項及保證金、按金及預先收取款項、銀行及其他借貸及應付聯營公司款項)隨後採用實際利率法按攤銷成本計算。

可換股票據

本公司發行之可換股票據包括金融負債部份及權益部份，乃於初次確認時獨立分類為負債部份及權益部份。於初次確認時，負債部份之公平價值按同類不可換股債務之現行市場利率釐定。發行可換股貸款票據所得款項與轉往負債部份之公平價值間之差額，即代表持有人可將票據兌換為權益之內含認購期權，列入權益內可換股票據—股本儲備。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Other financial liabilities

Other financial liabilities including creditors and accruals, securities trading and margin payable, deposits and receipts in advance, bank and other borrowings and amounts due to associates are subsequently measured at amortised cost, using the effective interest rate method.

Convertible notes

Convertible notes issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the notes into equity, is included in equity (convertible notes – equity reserve).

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

ii. 金融負債及權益性工具 (續)

可換股票據 (續)

於往後期間，可換股票據之負債部份乃採用實際利率法按攤銷成本列賬。權益部份，即可將負債部份兌換為本公司普通股之期權，將保留於可換股貸款票據儲備，直至內含期權獲行使為止（在此情況下，可換股貸款票據股本儲備之結餘將轉撥至股本及股份溢價）。倘期權於到期日未獲行使，可換股票據－股本儲備之結餘將撥回保留溢利。期權兌換或到期時不會於收入表確認盈虧。

與發行可換股票據相關之交易成本乃按總收益之劃分比例分配至負債部份及權益部份。與權益部份相關之交易成本乃直接於可換股票據－股本儲備扣除。

與負債部份相關之交易成本乃計入負債部份之賬面值，並按可換股票據之期限採用實際利率法攤銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Convertible notes (Continued)

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, representing by the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes reserve until the embedded option is exercised (in which case the balance stated in convertible notes – equity reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible loan notes – equity reserve will be released to retained profits. No gain or loss is recognised in income statement upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to convertible notes – equity reserve.

Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible notes using the effective interest method.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

ii. 金融負債及權益性工具 (續)

財務擔保合約

財務擔保合約乃規定發行人在由於某債務人未能按照某債務工具之原有或修訂條款在到期時付款而出現虧損時向持有人作出具體償付之合約。本集團發行而非指定為透過損益以公平價值列賬之金融資產之財務擔保合約，於初次確認時以其公平價值減發行財務擔保合約應計之交易成本列賬。於初次確認後，本集團以下列較高者計量財務擔保合約：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)初次確認之金額減去根據香港會計準則第18號「收益」而確認之累計攤銷(如適用)。

不符合資格作對沖會計用途之衍生金融工具被視為持作買賣金融資產或持作買賣金融負債。有關衍生金融工具之公平價值變動直接在綜合收入表確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as financial assets at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

Derivative financial instruments that do not qualify for hedge accounting derivatives are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in the consolidated income statement.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

iii. 終止確認

當自金融資產收取現金流量之權利屆滿，或金融資產被轉讓及本集團已將金融資產之所有權之絕大部份風險及回報轉讓時，則有關金融資產會被終止確認。於終止確認金融資產時，有關資產之賬面值與已收取之代價及已直接於股本確認之累計損益總和間之差額在綜合收入表中確認。

就金融負債而言，則會從本集團之資產負債表移除（即於有關合約所訂明之責任獲解除、註銷或屆滿之時）。已終止確認之金融負債之賬面值與已付或應付代價之差額於綜合收入表中確認。

(r) 現金及現金等值項目

現金及現金等值項目包括現金、銀行通知存款、原到期日不超過三個月之其他高流動性短期投資及銀行透支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

iii. Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in the consolidated income statement.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in the consolidated income statement.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(s) 外幣

此等綜合財務報表乃以港元計值，港元為本公司之功能及呈報貨幣。於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易均按交易日之適用匯率以其功能貨幣（即該實體經營所在主要經濟地區之貨幣）記賬。於每個結算日，以外幣為單位之貨幣項目均按結算日之適用匯率重新換算。以外幣計值並以公平價值記賬的非貨幣項目按釐定公平價值之日的匯率重新換算。按外幣歷史成本計量之非貨幣項目不予重新換算。

於結算貨幣項目及換算貨幣項目時產生之匯兌差額乃於彼等產生期間於損益內確認。因結算以公平價值列賬之非貨幣項目而產生之匯兌差額，將包括在該期間之綜合收入表中，惟有關直接於股本確認損益的非貨幣項目換算所產生的外匯差額，亦直接於股本確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Foreign currencies

The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in income statement in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(s) 外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按結算日之適用匯率換算為本公司之呈列貨幣（即港元），而收入及開支乃按該年度之平均匯率換算，除非匯率於該期間內出現大幅波動，則在此情況下，採用於交易日之適用匯率換算。所產生之匯兌差額（如有）乃確認作股本之獨立部分（匯兌儲備）。該等匯兌差額於出售海外業務之期間於綜合收入表內確認。

(t) 租賃

租賃條款訂明將資產擁有權之絕大部分風險及回報轉至承租人之租賃，均列為融資租賃。所有其他租賃均列為經營租賃。

(i) 本集團作為出租人

經營租賃之租金收入於有關租期以直線法在綜合收入表內確認。磋商及安排經營租賃所涉及之直接成本會計入租賃資產之賬面值，並於租期內以直線法確認為開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in the consolidated income statement in the period in which the foreign operation is disposed of.

(t) Leasing

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) The Group as lessor

Rental income from operating leases is recognised in consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(t) 租賃(續)

(ii) 本集團作為承租人

經營租賃項下之應付租金按有關租期以直線法於綜合收入表內扣除。就作為訂立經營租賃之獎勵之已收及應收利益於租賃期內按直線法基準確認為租金開支減少。

(u) 僱員福利

(i) 花紅

當有合約責任且責任金額可作可靠估算時，本集團就花紅確認負債。

(ii) 退休福利責任

本集團根據香港強制性公積金計劃條例為其受香港僱傭條例所管轄之僱員設立強制性公積金計劃(「強積金計劃」)。強積金計劃乃一項定額供款計劃，其資產由獨立信託管理基金持有。

根據強積金計劃，僱主及僱員均須按僱員有關收入之5%向計劃作出供款，惟僱主供款以每月有關收入20,000港元為上限。本集團之計劃供款於產生時支銷，並根據計劃歸屬程度歸屬。倘僱員於有權享有僱主供款之前退出計劃，沒收之供款將用作扣減本集團之應付供款。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Leasing (Continued)

(ii) The Group as lessee

Rentals payable under operating leases are charged to consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(u) Employee benefits

(i) Bonuses

The Group recognises a liability for bonuses when there is a contractual obligation and the amount can be estimated reliably.

(ii) Retirement benefit obligations

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds.

Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, with the employers' contributions subject to a cap of monthly relevant income of HK\$20,000. The Group's contributions to the scheme are expensed as incurred are vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(u) 僱員福利 (續)

(iii) 以股份支付之款項開支

參考於授出日期授出股份之公平價值而釐定僱員提供服務之公平價值，乃確認為所授出股份即時歸屬時於授出日期之開支，並於股本中作出相應增長（以股份支付之款項儲備）。

行使購股權時，早前已確認之以股份支付之款項儲備數額將轉換為股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期時仍未獲行使，早前已確認之以股份支付之款項儲備數額將轉入保留溢利。

(v) 關連人士交易

另一方被視為本集團之關連人士倘：

- (i) 該方透過一名或多名中介人士直接或間接：(a) 控制本集團，或受本集團控制，或與本集團受共同控制；(b) 於本集團擁有權益使其對本集團能施以重大影響；或(c) 於本集團擁有共同控制權；
- (ii) 該方為一間聯營公司；
- (iii) 該方為共同控制實體；
- (iv) 該方為本集團或其母公司之主要管理人員；
- (v) 該方為(i)或(iv)提及之任何個別人士之親密家庭成員；

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Employee benefits (Continued)

(iii) Share-based payment expenses

The fair value of the employee services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share-based payment reserve).

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

(v) Related party transactions

A party is considered to be related to the Group if:

- (i) the party, directly or indirectly through one or more intermediaries, (a) controls, is controlled by, or is under common control with, the Group; (b) has an interest in the Group that gives it significant influence over the Group; or (c) has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a jointly-controlled entity;
- (iv) the party is a member of the key management personnel of the Group or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

3. 主要會計政策概要 (續)

(v) 關連人士交易 (續)

(vi) 該方為(iv)或(v)提及之任何個別人士直接或間接受控制、受共同控制或受重大影響或於該實體中有重大投票權之實體；或

(vii) 該方為本集團或作為本集團連繫人士之任何實體之僱員福利而設之離職後福利計劃。

(w) 有形及無形資產之減值虧損 (商譽除外)

於每個結算日，本集團會審閱有形及無形資產之賬面值，以釐定是否有任何跡象顯示有關資產出現減值虧損。此外，尚未可使用之無形資產須每年進行減值抽查，如出現有關跡象則予以減值。倘若資產之可收回款額估計乃少於其賬面值，則該資產之賬面值削減至其可收回款額。減值虧損即時確認為開支。

倘若減值虧損日後得以撥回，則有關資產之賬面值增至其可收回款額之經修訂估計值，惟所增加賬面值不得超逾以往年度如未有確認減值虧損所應釐定之賬面值。減值虧損撥回即時確認為收入。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Related party transactions (Continued)

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

(w) Impairment losses on tangible and intangible assets other than goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In addition, intangible assets not yet available for use are tested for impairment annually, and whether there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

4. 主要會計判斷及估計不確定性之主要來源

於應用附註3所載本集團之會計政策時，管理層須就從其他來源不顯而易見之資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃以過往經驗及認為屬有關之其他因素而作出。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。倘若會計估計修訂僅影響該期間，則有關修訂會在修訂估計期間確認。倘若有關修訂影響當期及未來期間，則有關修訂會在修訂期間及未來期間確認。

應用會計政策之重要判斷

除該等涉及估計者外，以下主要判斷為董事於應用本集團之會計政策之過程中所作出，並對綜合財務報表內已確認金額構成最重大影響。

(a) 無形資產及商譽減值估計

本集團根據附註3(e)、3(f)及3(o)所載之會計政策就無形資產及商譽是否出現減值進行年度測試。產生現金單位之可收回金額按使用價值之計算而釐定。該等計算須採用管理層就日後業務營運及除稅前折現率所作之估計及假設，以及其他計算使用價值時所作之假設。

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) *Estimated impairment of intangible assets and goodwill*

The Group performs annual tests on whether there has been impairment of intangible assets and goodwill in accordance with the accounting policy stated in notes 3(e), 3(f) and 3(o). The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

4. 主要會計判斷及估計不確定性之主要來源 (續)

應用會計政策之重要判斷 (續)

(b) 貿易應收賬款

本集團定期檢討貿易應收賬款之賬齡，以確保可收回貿易應收賬款結餘，並可於協定之信貸期逾期後即時採取跟進行動。然而，收賬不時會出現延誤。當貿易應收賬款之可收回機會存疑，本集團則會根據客戶之信貸狀況、貿易應收賬款結餘之賬齡分析及撇賬紀錄，計提呆壞賬特別撥備。若干應收款項可初步確認為可收回，但其後可能無法收回而須於收入表內撇銷相關應收款項。如未能為收回機會出現變化之貿易應收賬款作出撥備，可能會對本集團之經營業績構成影響。

(c) 物業、機器及設備之可使用年限

本集團根據香港會計準則第16號之規定估計物業、機器及設備之可使用年限，從而釐定所須列賬之折舊開支。本集團於購入資產之時，根據以往經驗、資產之預期使用量、損耗程度，以及技術會否因市場需求或資產產能有變而變成過時，估計其可使用年限。本集團亦會於每年作出檢討，以判斷就可使用年限所作出之假設是否仍然合理。

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

(b) Trade receivables

The aged debt profile of trade receivables is reviewed on a regular basis to ensure that the trade receivable balances are collectible and follow up actions are promptly carried out if the agreed credit periods have been exceeded. However, from time to time, the Group may experience delays in collection. Where recoverability of trade receivable balances are called into doubts, specific provisions for bad and doubtful debts are made based on credit status of the customers, the aged analysis of the trade receivables balances and write-off history. Certain receivables may be initially identified as collectible, yet subsequently become uncollectible and result in a subsequent write-off of the related receivables to the income statement. Changes in the collectability of trade receivables for which provisions are not made could affect our results of operations.

(c) Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

4. 主要會計判斷及估計不確定性之主要來源 (續)

應用會計政策之重要判斷 (續)

(d) 投資物業

誠如附註19所述，投資物業乃根據獨立專業估值師進行的估值按公平價值列賬。在釐定公平價值時，估值師使用有關若干估計的估值方法。於倚賴該估值報告時，管理層已自行判斷並信納該估值方法乃反映當時之市場狀況。倘由於市況之變動而假設出現變動時，投資物業之公平價值將於未來出現變動。

(e) 製作中電影減值

本集團管理層於各結算日檢討賬齡分析，並確定於生產中不再適用之滯銷製作中電影。管理層主要根據最近可比市價及當時市況估計此等製作中電影之可變現淨值。此外，本集團於各結算日逐項檢討各電影並就不再生產之任何製作中電影作出撥備。

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies (Continued)

(d) Investment properties

As described in note 19, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised their judgment and are satisfied that the method of valuation is reflective of the current market conditions. Should there are changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

(e) Impairment of films in progress

The management of the Group reviews an aging analysis at each balance sheet date, and identifies the slow-moving films in progress that is no longer suitable for use in production. The management estimates the net realisable value for such films in progress based primarily on the latest available market prices and current market conditions. In addition, the Group carries out review on each film at each balance sheet date and makes allowance for any films in progress that productions no longer proceed.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具

(a) 金融工具分類：

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
金融資產	Financial assets		
持作買賣投資	Held-for-trading investments	25,713	16,822
貸款及應收款項(包括 現金及銀行結餘)	Loans and receivables (including cash and bank balances)	391,612	85,734
可供出售之金融資產	Available-for-sale financial assets	16,800	40,567
金融負債	Financial liabilities		
攤銷成本	Amortised cost	813,539	94,580

(b) 金融風險管理項目及政策

本集團之主要金融工具包括股本投資、借貸、貿易及其他應收款項、貿易應付款項、現金及現金等值項目。該等金融工具之詳情載於各自附註內。與該等金融工具相關之風險，以及減輕該等風險之政策載列如下。管理層對該等風險進行管理及監察，確保以及時有效之方式實行適當措施。

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity investments, borrowings, trade and other receivables, trade payables, cash and cash equivalents. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具 (續)

(b) 金融風險管理項目及政策 (續)

市場風險

(i) 外匯風險

本集團主要在香港及澳門經營業務，且大部份交易乃以港元（「港元」）及澳門幣（「澳門幣」）計值。本集團面臨就港元兌澳門幣匯率變動產生之外匯風險。本集團現時並無任何外匯流動資產及負債之外匯貨幣對沖工具。本集團將密切監管其外幣風險，並於必要時考慮對沖重大外幣風險。

於報告日期，本集團以外幣計值之貨幣資產及負債之賬面值如下：

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

(i) Foreign exchange risk

The Group operates mainly in both Hong Kong and Macau and majority of transactions are dominated in Hong Kong dollars (“HK\$”) and Macau Pataca (“MOP”). The Group is exposed to foreign exchange risk in respect of exchange fluctuation of HK\$ against MOP. The Group currently does not have a foreign currency hedging policy in respect of foreign current assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at reporting date are as follows:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
資產	Assets		
澳門幣	MOP	222,501	391,337
負債	Liabilities		
澳門幣	MOP	221,458	193,947

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具 (續)

(b) 金融風險管理項目及政策 (續)

市場風險 (續)

(i) 外匯風險 (續)

外幣風險管理之敏感度分析

下表詳列本集團就港元兌澳門幣升值及貶值5%之敏感度。於向內部主要管理人員報告外幣風險時所採用之敏感度比率為5%，其為管理層評估可能合理出現之匯率變動。敏感度分析包括尚未處理之外幣計值貨幣項目，並會對彼等於期末之換算在匯率上作出5%之調整。敏感度分析亦包括外部債項及本集團內海外業務所獲之貸款，而有關貸款須為以借出方或借入方以外貨幣計值。下文中之正數顯示倘相關貨幣兌港元升值5%時溢利之增加數額。倘相關貨幣兌港元貶值5%，溢利將會出現相反方向之等額變動，而下列之結餘將為負數。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign exchange risk (Continued)

Sensitivity analysis on foreign currency risk

The following table details the Group's sensitivity to a 5% increase and decrease in the HK\$ against the MOP. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items, and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit where the relevant currencies strengthen 5% against the HK\$. For a 5% weakening of the relevant currencies against the HK\$, there would be an equal and opposite impact on the profit and the balances below would be negative.

	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
資產		
澳門幣之影響		
溢利或虧損	54	10,165

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具 (續)

(b) 金融風險管理項目及政策 (續)

市場風險 (續)

(ii) 價格風險

本集團之股本投資包括可供出售投資及透過損益以公平價值列賬之金融資產，於各結算日均會按公平價值計量令本集團面臨價格風險。本集團之價格風險主要集中於在聯交所報價之冷藏及其相關物流服務、製造業及於中華人民共和國與香港之交通運輸業務經營之股本證券。管理層以設立不同風險水平之投資組合控制有關風險。此外，本集團將監管價格風險，並於必要時將考慮對沖風險。

敏感度分析

以下敏感度分析乃根據本報告日期所承受之價格風險而釐定。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Price risk

The Group's equity investments classified as available-for-sale investments and financial assets at fair value through profit or loss which are measured at fair value at each balance sheet date and expose the Group to equity price risk. The Group's equity price risk is mainly concentrated on equity securities operating in provision for cold storage and related logistic services, manufacturing industry and public transportation business in the People's Republic of China and Hong Kong, which are quoted in the Stock Exchange. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. In addition, the Group will monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具 (續)

(b) 金融風險管理項目及政策 (續)

市場風險 (續)

(ii) 價格風險 (續)

敏感度分析 (續)

倘股價上升/下降5%，則：

- 本集團截至二零零八年十二月三十一日止年度之除稅前溢利將增加/減少約1,286,000港元(二零零七年：增加/減少830,000港元)。此乃主要由於透過損益以公平值列賬之金融資產之公平價值變動；及
- 本集團之金融資產重估儲備將增加/減少840,000港元(二零零七年：增加/減少1,995,000港元)，此乃由於可供出售投資之金融資產之公平價值變動。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Price risk (Continued)

Sensitivity analysis (Continued)

If equity prices had been 5% higher/lower, the Group's:

- profit before taxation for the year ended 31st December 2008 would increase/decrease by HK\$1,286,000 (2007: increase/decrease by HK\$830,000). This is mainly due to the changes in fair value of financial assets at fair value through profit and loss; and
- financial assets revaluation reserve would increase/decrease by HK\$840,000 (2007: increase/decrease by HK\$1,995,000) as a result of the changes in fair value of financial assets at available-for-sale investments.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具(續)

(b) 金融風險管理項目及政策(續)

市場風險(續)

(iii) 現金流量及公平價值利率風險

本集團承受之利率風險主要由於其定期存款及借貸所致。本集團承受之公平價值利率風險乃由於銀行借貸(該等借貸詳情見附註39)利率多樣化。本集團之收入及經營現金流量很大程度上不受市場利率變動所影響。本集團目前並無利率對沖政策。儘管如此，管理層監控利率風險及於需要時將考慮對沖重大利率風險。

於二零零八年十二月三十一日及二零零七年十二月三十一日，有關之借貸以50為基準之利率之可能合理變動對於本集團年度業績及年結算日之股本並無重大影響。

信貸風險

於二零零八年十二月三十一日，因交易對方未能履行責任而可為本集團帶來財務虧損之本集團最大信貸風險，乃來自綜合資產負債表所列各項已確認金融資產之賬面值。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its time deposits and borrowings. Bank borrowings at variable rates expose the Group to fair value interest rate risk (see note 39 for details of these borrowings). The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

As at 31st December 2008 and 31st December 2007, a reasonably possible change of 50 basis-points interest rates on borrowings would have no material impact on the Group's results for the year and equity as at the year end.

Credit risk

As at 31st December 2008, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具 (續)

(b) 金融風險管理項目及政策 (續)

信貸風險 (續)

為將信貸風險降至最低，本集團之管理層負責釐定信貸批准及其他監管程序，以確保採取行動追收逾期貸款。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團之信貸風險主要由貿易或其他應收款項產生。本集團並無重大信貸之集中風險。本集團會持續監控其所面臨之信貸風險。

流動資金風險

本集團通過維持充足銀行存款及現金、監管預測及實際現金流量以及配合金融資產及負債之到期時間表，藉此管理流動資金。

管理層持續監管流動資金風險。載有銀行借貸到期日及與之有關之流動資金需求之報告已定期向管理層提供以供審閱。必要時，管理層將增加銀行借貸或對其進行融資。

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's credit risk is primarily attributable to trade or other receivables. The Group has no significant concentrations of credit risk. The exposures to these credit risks are monitored on an ongoing basis.

Liquidity risk

The Group manages liquidity risk by maintaining adequate bank deposits and cash, monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk is under continuous monitoring by management. Reports with maturity dates of bank borrowings and thus the liquidity requirement are provided to management for review periodically. Management will raise or refinance bank borrowings whenever necessary.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具(續)

(b) 金融風險管理項目及政策(續)

流動資金風險(續)

下表顯示本集團將結算之金融負債，此乃按照相關到期組別，根據由結算日至合約到期日之剩餘期間進行分析。表內披露之金額根據合約性無折扣付款計算，如下：

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The table below analyses the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted payments, was as follows:

		於二零零八年十二月三十一日 At 31st December 2008				
		加權平均 實際利率 Weighted average effective interest rate			無折讓 現金流量 總計 Total cash flows	賬面值 總計 Total carrying amount
		一年內 Within 1 year 千港元 HK\$' 000	二至五年 Within 2-5 years 千港元 HK\$' 000	五年以上 Over 5 years 千港元 HK\$' 000	千港元 HK\$' 000	千港元 HK\$' 000
非衍生金融負債	Non-derivative financial liabilities					
銀行透支	Bank overdraft	-	174,826	-	174,826	174,826
銀行借貸	Bank borrowings					
- 流動	- current	-	102,561	-	102,561	102,561
- 非流動	- non-current	-	-	280,882	24	280,906
貿易應付款項	Trade payables	-	7,083	-	7,083	7,083
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	-	69,271	-	69,271	69,271
應付少數股東款項	Amounts due to minority shareholders	-	40,502	-	40,502	40,502
無抵押可換股票據	Unsecured convertible notes	7.75%	-	168,000	168,000	138,390
總計	Total		394,243	280,882	168,024	843,149
					843,149	813,539

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具(續)

(b) 金融風險管理項目及政策(續)

流動資金風險(續)

5. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

於二零零七年十二月三十一日

At 31st December 2007

	加權平均 實際利率 Weighted average effective interest rate	一年內 Within 1 year 千港元 HK\$'000	二至五年 Within 2-5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	無折讓 現金流量 總計	賬面值 總計
					Total undiscounted cash flows 千港元 HK\$'000	Total carrying amount 千港元 HK\$'000
非衍生金融負債	Non-derivative financial liabilities					
銀行借貸	Bank borrowings					
– 流動	– current	– 2,418	–	–	2,418	2,418
– 非流動	– non-current	–	8,209	314	8,523	8,523
貿易應付款項	Trade payables	17,621	–	–	17,621	17,621
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	66,018	–	–	66,018	66,018
總額	Total	86,057	8,209	314	94,580	94,580

(c) 金融工具之公平價值

金融資產及金融負債之公平價值按以下方式釐定：

- 具備標準條款及條件並於活躍流通市場買賣之金融資產及金融負債(包括衍生工具)之公平價值乃分別參考市場買入及賣出價計算；及
- 其他金融資產及金融負債(包括衍生工具)之公平價值乃根據公認定價模式，並按折現現金流量分析，採用作為輸入之可觀察現時市場之價格或利率計算。就以購股權為基準之衍生工具而言，公平價值乃採用購權定價模式估計。

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transaction as input. For an option-based derivative, the fair value is estimated using option pricing model.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具(續)

(c) 金融工具之公平價值(續)

除下表之詳情外，董事會認為，於綜合財務報表記錄之金融資產及金融負債之賬面值與其公平價值相若。

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair value.

	二零零八年 2008		二零零七年 2007	
	賬面值 Carrying amount 千港元 HK\$' 000	公平價值 Fair value 千港元 HK\$' 000	賬面值 Carrying amount 千港元 HK\$' 000	公平價值 Fair value 千港元 HK\$' 000
金融資產 Financial assets				
應收一間聯營公司之 可換股票據款項				
Convertible notes receivable from an associate	—	—	667	691
金融負債 Financial liabilities				
無抵押可換股票據				
Unsecured convertible notes	138,390	77,775	—	—

(d) 資本管理

本集團管理其資本，以確保本集團之實體將可持續經營，並透過優化債務及權益結餘為股東帶來最大回報。於過往年度，本集團之整體策略維持不變。

本集團之資本結構包括債務，其包括銀行借款及可換股票據、現金及現金等值項目及本公司權益持有人應佔權益，其包括已發行股本、儲備及保留盈利。

(d) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts which include bank borrowings and convertible notes, cash and cash equivalents, and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained profits.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

5. 金融工具(續)

(d) 資本管理(續)

本集團董事按年度基準審閱資本結構。作為此審閱之一部份，本集團董事考慮資本成本及除發行股份以外之其他資金來源，包括關連人士所提供之借貸。本集團將根據本集團董事之推薦建議透過籌集或償還借貸而平衡其整體資本結構。

本集團旨在維持資產負債比率不超過50%。於二零零八年十二月三十一日及二零零七年十二月三十一日之資產負債比率如下：

5. FINANCIAL INSTRUMENTS (Continued)

(d) Capital management (Continued)

The directors of the Company review the capital structure on an annual basis. As a part of this review, the directors of the Company consider the cost of capital and other sources of funds other than issuance of shares, including borrowings from related parties. Based on the recommendation of the directors of the Company, the Group will balance its overall capital structure through raising or repayment of borrowings.

The Group aimed at maintaining a gearing ratio of not more than 50%. The gearing ratios as at 31st December 2008 and 31st December 2007 are as follows:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
總債務(i)	Total debt (i)	696,683	10,941
減：現金及銀行結餘	Less: Cash and bank balances	(138,145)	(22,735)
債務淨額	Net debt	558,538	(11,794)
股本(ii)	Equity (ii)	1,418,711	1,174,133
債務淨額對股本比率	Net debt to equity ratio	39%	–
總債務對股本比率	Total debt to equity ratio	49%	0.9%

附註：

(i) 債務包括銀行透支、銀行借貸及無抵押可換股票據(有關詳情分別載於附註35、39及40)。

(ii) 股本包括本集團之所有資本及儲備。

Notes:

(i) Debt comprises bank overdraft, bank borrowings and unsecured convertible notes as detailed in notes 35, 39 and 40 respectively.

(ii) Equity includes all capital and reserves of the Group.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料

根據本集團之內部財務報告及經營業務，主要分類報告乃按業務分類，而次要分類報告乃按地區分類。業務分類或地區分類間並無買賣交易。

業務分類

該等分類之各主要產品及服務如下：

電影發行	—	製作及發行電影及電視連續劇
酒店服務	—	於澳門提供酒店服務
博彩及娛樂	—	投資自博彩推廣業務收取溢利之業務

6. SEGMENT INFORMATION

In accordance with the internal financial reporting and operating activities of the Group, the primary segment reporting is by business segments and the secondary segment reporting is by geographical segments. There are no sales or trading transaction between the business segments or geographical segments.

Business segments

The principal products and services of each of these divisions are as follows:

Film distribution	—	Production and distribution of motion pictures and television drama series
Hotel services	—	Provision of hotel services in Macau
Gaming and entertainment	—	Investing in operations which receive profit streams from the gaming promotion business

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

有關該等業務之分類資料呈報如下。

6. SEGMENT INFORMATION (Continued)

Segment information about these businesses is presented as below.

二零零八年

2008

		電影發行 Film distribution 千港元 HK\$'000	酒店服務 Hotel services 千港元 HK\$'000	博彩及娛樂 Gaming and entertainment 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
綜合收入表	CONSOLIDATED INCOME STATEMENT					
營業額	Turnover	19,141	-	203,327	5,279	227,747
分類業績	Segment results	(455)	-	203,327	4,733	207,605
有關商譽之已確認減值虧損	Impairment loss recognised in respect of goodwill	(13,646)	-	-	-	(13,646)
有關電影版權之已確認減值虧損	Impairment loss recognised in respect of film rights	(9,760)	-	-	-	(9,760)
投資物業公平價值減少	Decrease in fair value of investment properties					(11,930)
分類為持作買賣之金融資產之已變現及未變現虧損淨額	Net realised and unrealised loss on financial assets classified as held-for-trading					(14,877)
應佔聯營公司虧損	Share of loss of associates					(3,303)
出售附屬公司之虧損	Loss on disposal of subsidiaries					(6,170)
被視為出售聯營公司權益之虧損	Loss on deemed disposal of interests in associates					(17,551)
未分類公司收入	Unallocated corporate income					51,907
未分類公司開支	Unallocated corporate expenses					(119,126)
除稅前溢利	Profit before taxation					63,149
稅項抵免	Taxation credit					2,441
年度溢利	Profit for the year					65,590

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

業務分類 (續)

二零零八年

6. SEGMENT INFORMATION (Continued)

Business segments (Continued)

2008

		電影發行 Film distribution 千港元 HK\$' 000	酒店服務 Hotel services 千港元 HK\$' 000	博彩及娛樂 Gaming and entertainment 千港元 HK\$' 000	其他 Others 千港元 HK\$' 000	綜合 Consolidated 千港元 HK\$' 000
綜合資產負債表	CONSOLIDATED BALANCE SHEET					
資產	Assets					
分類資產	Segment assets	<u>369,633</u>	<u>1,214,264</u>	<u>1,018,529</u>	<u>2,741</u>	<u>2,605,167</u>
於聯營公司權益	Interests in associates					<u>-</u>
綜合總資產	Consolidated total assets					<u>2,605,167</u>
負債	Liabilities					
分類負債	Segment liabilities	<u>218,441</u>	<u>677,347</u>	<u>5</u>	<u>6,399</u>	<u>902,192</u>
其他資料	OTHER INFORMATION					
		電影發行 Film distribution 千港元 HK\$' 000	酒店服務 Hotel services 千港元 HK\$' 000	博彩及娛樂 Gaming and entertainment 千港元 HK\$' 000	其他 Others 千港元 HK\$' 000	綜合 Consolidated 千港元 HK\$' 000
電影版權攤銷	Amortisation of film rights	<u>18,593</u>	-	-	-	<u>18,593</u>
租賃土地權益攤銷	Amortisation of interests in leasehold land	<u>129</u>	<u>90</u>	-	-	<u>219</u>
物業、機器及設備之折舊	Depreciation of property, plant and equipment	<u>2,139</u>	<u>453</u>	-	-	<u>2,592</u>
有關電影版權確認之減值虧損	Impairment loss recognised in respect of film rights	<u>9,760</u>	-	-	-	<u>9,760</u>
有關商譽之已確認減值虧損	Impairment loss recognised in respect of goodwill	<u>13,646</u>	-	-	-	<u>13,646</u>

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

業務分類 (續)

二零零七年

6. SEGMENT INFORMATION (Continued)

Business segments (Continued)

2007

		電影發行 Film distribution 千港元 HK\$'000	酒店服務 Hotel services 千港元 HK\$'000	博彩及娛樂 Gaming and entertainment 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
綜合收入表	CONSOLIDATED INCOME STATEMENT					
營業額	Turnover	58,970	14,046	—	5,335	78,351
分類業績	Segment results	8,336	9,474	—	5,335	23,145
有關商譽之已確認之 減值虧損	Impairment loss recognised in respect of goodwill	(30,141)	—	—	—	(30,141)
有關電影版權之已確認 減值虧損	Impairment loss recognised in respect of film rights	(16,850)	—	—	—	(16,850)
投資物業公平價值增加	Increase in fair value of investment properties					10,220
分類為持作買賣之 財務資產之已變現及 未變現溢利淨值	Net realised and unrealised gain on financial assets classified as held-for-trading					22,866
應佔聯營公司溢利	Share of profit of associates					56,648
收購附屬公司之折讓	Discount on acquisition of subsidiaries					15,498
出售附屬公司之虧損	Loss on disposal of subsidiaries					(45,471)
被視為出售聯營公司 權益之虧損	Loss on deemed disposal of interests in associates					(49,744)
未分類公司收入	Unallocated corporate income					17,961
未分類公司開支	Unallocated corporate expenses					(105,988)
除稅前虧損	Loss before taxation					(101,856)
稅項支出	Taxation charge					(1,951)
年度虧損	Loss for the year					(103,807)

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

業務分類 (續)

二零零七年

6. SEGMENT INFORMATION (Continued)

Business segments (Continued)

2007

		電影發行 Film distribution 千港元 HK\$'000	酒店服務 Hotel services 千港元 HK\$'000	博彩及娛樂 Gaming and entertainment 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
綜合資產負債表	CONSOLIDATED BALANCE SHEET					
資產	Assets					
分類資產	Segment assets	742,326	1,187,072	—	3,057	1,932,455
於聯營公司權益	Interests in associates					375,148
綜合總資產	Consolidated total assets					2,307,603
負債	Liabilities					
分類負債	Segment liabilities	81,977	1,034,096	—	16,069	1,132,142
其他資料	OTHER INFORMATION					
		電影發行 Film distribution 千港元 HK\$'000	酒店服務 Hotel services 千港元 HK\$'000	博彩及娛樂 Gaming and entertainment 千港元 HK\$'000	其他 Others 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
電影版權攤銷	Amortisation of film rights	43,747	—	—	—	43,747
租賃土地權益攤銷	Amortisation of interests in leasehold land	165	15,259	—	—	15,424
物業、機器及設備之折舊	Depreciation of property, plant and equipment	2,891	5,551	—	—	8,442
有關電影版權之已確認減值虧損	Impairment loss recognised in respect of film rights	16,850	—	—	—	16,850
有關商譽之已確認減值虧損	Impairment loss recognised in respect of goodwill	30,141	—	—	—	30,141

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

地區分類

下表按市場位置分析本集團之銷售：

二零零八年

	香港	澳門	全球(香港及 澳門除外)	綜合
	Hong Kong	Macau	Worldwide other than Hong Kong and Macau	Consolidated
	千港元	千港元	千港元	千港元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
綜合收入表	CONSOLIDATED INCOME STATEMENT			
營業額	17,330	203,327	7,090	227,747
銷售成本	(12,022)	-	(7,449)	(19,471)
市場推廣及發行開支	(268)	-	(403)	(671)
分類業績	<u>5,040</u>	<u>203,327</u>	<u>(762)</u>	<u>207,605</u>
分類為持作買賣之 金融資產之已變現及 未變現虧損淨額	(14,877)	-	-	(14,877)
投資物業公平值減少	(11,930)	-	-	(11,930)
有關商譽之已確認 減值虧損				(13,646)
有關電影版權之已確認 減值虧損				(9,760)
應佔聯營公司虧損				(3,303)
出售附屬公司之虧損				(6,170)
被視為出售聯營公司 權益之虧損				(17,551)
未分類公司收入				51,907
未分類公司開支				(119,126)
除稅前溢利				<u>63,149</u>
稅項抵免				<u>2,441</u>
年度溢利				<u>65,590</u>

6. SEGMENT INFORMATION (Continued)

Geographical segments

The following table provides an analysis of the Group's sales by location of markets:

2008

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

地區分類 (續)

二零零八年

6. SEGMENT INFORMATION (Continued)

Geographical segments (Continued)

2008

		香港	澳門	全球(香港及 澳門除外)	綜合
		Hong Kong	Macau	Worldwide other than Hong Kong and Macau	Consolidated
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
綜合資產負債表	CONSOLIDATED BALANCE SHEET				
資產	Assets				
分類資產	Segment Assets	370,115	2,232,751	2,301	2,605,167
於聯營公司之權益	Interests in associates				-
綜合資產總值	Consolidated total assets				2,605,167
負債	Liabilities				
分類負債	Segment liabilities	224,749	677,352	91	902,192
		香港	澳門	全球(香港及 澳門除外)	綜合
		Hong Kong	Macau	Worldwide other than Hong Kong and Macau	Consolidated
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
其他資料	OTHER INFORMATION				
租賃土地權益	Amortisation of interests in leasehold land	129	90	-	219
物業、機器及設備 之折舊	Depreciation of property, plant and equipment	2,139	453	-	2,592

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

地區分類 (續)

二零零七年

6. SEGMENT INFORMATION (Continued)

Geographical segments (Continued)

2007

		香港	澳門	全球(香港及 澳門除外)	綜合
		Hong Kong	Macau	Worldwide other than Hong Kong and Macau	Consolidated
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
綜合收入表	CONSOLIDATED INCOME STATEMENT				
營業額	Turnover	62,366	14,046	1,939	78,351
銷售成本	Cost of sales	(42,731)	(4,572)	(2,112)	(49,415)
市場推廣及發行開支	Marketing and distribution expenses	(5,606)	-	(185)	(5,791)
分類業績	Segment results	14,029	9,474	(358)	23,145
分類為持作買賣之 金融資產之已變現及 未變現溢利淨額	Net realised and unrealised gain on financial assets classified as held-for-trading	22,866	-	-	22,866
投資物業公平值增加	Increase in fair value of investment properties	10,220	-	-	10,220
有關商譽之已確認 減值虧損	Impairment loss recognised in respect of goodwill				(30,141)
有關電影版權之 已確認減值虧損	Impairment loss recognised in respect of film rights				(16,850)
應佔聯營公司溢利	Share of profit of associates				56,648
收購附屬公司之折讓	Discount on acquisition of subsidiaries				15,498
出售附屬公司之虧損	Loss on disposal of subsidiaries				(45,471)
被視為出售聯營 公司權益之虧損	Loss on deemed disposal of interests in associates				(49,744)
未分類公司收入	Unallocated corporate income				17,961
未分類公司開支	Unallocated corporate expenses				(105,988)
除稅前虧損	Loss before taxation				(101,856)
稅項支出	Taxation charge				(1,951)
年度虧損	Loss for the year				(103,807)

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

6. 分類資料 (續)

地區分類 (續)

6. SEGMENT INFORMATION (Continued)

Geographical segments (Continued)

		香港	澳門	全球(香港及 澳門除外)	綜合
		Hong Kong	Macau	Worldwide other than Hong Kong and Macau	Consolidated
		千港元	千港元	千港元	千港元
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
綜合資產負債表	CONSOLIDATED BALANCE SHEET				
資產	Assets				
分類資產	Segment Assets	743,416	1,187,072	1,967	1,932,455
於聯營公司之權益	Interests in associates				375,148
綜合資產總值	Consolidated total assets				2,307,603
負債	Liabilities				
分類負債	Segment liabilities	95,877	1,034,096	2,169	1,132,142
		香港	澳門	全球(香港及 澳門除外)	綜合
		Hong Kong	Macau	Worldwide other than Hong Kong and Macau	Consolidated
		千港元	千港元	千港元	千港元
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
其他資料	OTHER INFORMATION				
於租賃土地權益之 攤銷	Amortisation of interest in leasehold land	165	15,259	-	15,424
物業、機器及設備 之折舊	Depreciation of property, plant and equipment	2,891	5,551	-	8,442

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

7. 營業額

7. TURNOVER

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
發行費收入	Distribution fee income	19,140	10,285
銷售電影版權	Sales of film rights	–	48,672
銷售錄影帶產品	Sales of video products	1	13
服務收入	Service income	365	300
製作費收入	Production fee income	4,914	5,035
自博彩推廣業務收取溢利	Receive profit streams from the gaming promotion business	203,327	–
酒店業務收入	Hotel service income	–	14,046
		227,747	78,351

8. 其他收益

8. OTHER REVENUE

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
銀行利息收入	Bank interest income	1,456	3,587
應收可換股票據利息收入	Interest income receivable from convertible notes	40	228
租金收入	Rental income	312	240
應收聯營公司管理費收入	Management fee income from associates	4,860	4,860
其他利息收入	Other interest income	1	82
股息收入	Dividend income	1,251	79
		7,920	9,076

9. 其他收入

9. OTHER INCOME

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
貿易應收賬款減值虧損 之撥回	Reversal of impairment loss on trade receivables	95	–
贖回可換股票據之溢利	Gain on redemption of convertible notes	39,000	2,315
出售物業、機器及設備 之溢利	Gain on disposal of property, plant and equipment	–	107
其他	Other	4,892	6,463
		43,987	8,885

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

10. 融資成本

10. FINANCE COSTS

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
須於五年內全數償還 可換股票據之推算利息	Imputed interest on convertible notes wholly repayable within five years	13,729	1,501
須於五年內全數償還 之銀行借貸利息	Interest on bank borrowing wholly repayable within five years	17,746	11,228
不須於五年內全數 償還之銀行借貸利息	Interest on bank borrowing not wholly repayable within five years	47	91
須於五年內全數償還 之其他貸款利息	Interest on other loan wholly repayable within five years	—	7
		31,522	12,827

11. 除稅前溢利／(虧損)

除稅前溢利／(虧損)已扣除下列各項：

11. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
電影版權(包括銷售成本) 攤銷	Amortisation of film rights (included in cost of sales)	18,593	43,747
核數師酬金	Auditors' remuneration	610	633
存貨成本(包括銷售成本)	Cost of inventories (included in cost of sales)	1	6
物業、機器及設備折舊	Depreciation of property, plant and equipment	2,592	8,442
租賃土地權益攤銷	Amortisation of interests in leasehold land	219	15,424
外匯虧損淨額	Net foreign exchange losses	279	1,109
應收一間聯營公司 可換股票據內含之 換股期權之公平價值變動	Change in fair value in respect of conversion options embedded in convertible notes receivable from an associate	—	50
有關租賃物業之經營 租約租金	Operating lease rental in respect of rented premises	2,447	3,644
僱員福利開支(附註15)	Employee benefit expenses (note 15)	32,774	36,985
有關應收聯營公司款項之 已確認減值虧損	Impairment loss recognised in respect of amount due from associates	25,179	14,975

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

12. 稅項抵免／(支銷)

12. TAXATION CREDIT/(CHARGE)

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
稅項抵免／(支銷) 如下：	The taxation credit/(charge) is as follow:		
其他司法權區之本期稅項：	Current tax in other jurisdictions:		
本年度撥備	Provision for the year	(3)	(15)
過往年度撥備不足	Under provision in prior years	—	(358)
		(3)	(373)
遞延稅項：	Deferred tax:		
本年度	Current year	2,444	(1,578)
		2,441	(1,951)

由於本公司及其附屬公司均無任何源自香港之應課稅溢利或該等應課稅溢利已全數計入承前估計稅項虧損，故並無就此兩年度之香港利得稅作出撥備。

香港利得稅乃以本年度估計應課稅溢利按16.5% (二零零七年：17.5%) 計算。由二零零八／二零零九年課稅年度開始，香港利得稅稅率由17.5% 減為16.5%。

其他司法權區之稅項按有關司法權區之通行稅率計算。

No provision for Hong Kong Profits Tax has been made for both years as the Company and its subsidiaries have no assessable profits arising in Hong Kong or taxable profits were wholly absorbed by estimated tax losses brought forward.

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) on the estimated assessable profits for the year. With effect from the year of assessment 2008/2009, the Hong Kong Profits Tax has been reduced from 17.5% to 16.5%.

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

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

12. 稅項抵免／(支銷) (續)

年內，可與綜合收入表內除稅前溢利／(虧損)對賬之稅項如下：

12. TAXATION CREDIT/(CHARGE) (Continued)

The taxation for the year can be reconciled to the profit/(loss) before taxation per the consolidated income statement as follows:

		二零零八年 2008		二零零七年 2007	
		千港元 HK\$'000	百分比 %	千港元 HK\$'000	百分比 %
除稅前溢利／(虧損)	Profit/(loss) before taxation	63,149		(101,856)	
按本地所得稅稅率 計算之稅項	Taxation at domestic income tax rate	(10,420)	(16.5)	17,825	17.5
分佔聯營公司業績之 稅務影響	Tax effect of share of results of associates	(545)	(0.9)	2,896	2.8
不可扣稅支出之稅務影響	Tax effect of expenses not deductible for tax purpose	(23,677)	(37.5)	(28,914)	(28.3)
不應課稅收入之稅務影響	Tax effect of income not taxable for tax purpose	19,681	31.2	9,772	9.6
未確認之估計稅項虧損 稅務影響	Tax effect of estimated tax losses not recognised	(12,062)	(19.1)	(15,145)	(14.9)
過往未確認之可使用 估計稅項虧損之 稅務影響	Tax effect of utilisation of estimated tax losses previously not recognised	29,466	46.7	17,254	16.9
在其他司法權區經營之 附屬公司之不同稅率 之影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	(2)	-	(5,639)	(5.5)
年內稅項抵免／(支銷)	Tax credit/(charge) for the year	2,441	3.9	(1,951)	(1.9)

13. 股息

13. DIVIDEND

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
建議末期股息	Final dividend proposed	4,790	-

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

13. 股息 (續)

董事建議派發截至二零零八年十二月三十一日止年度之末期股息每股0.001港元(二零零七年: 無)。假設本公司於二零零九年二月二十六日公佈之股本重組於二零零九年五月四日生效, 則末期股息將由每股0.001港元(股本重組前)調整為每股0.02港元(股本重組後)。

於結算日後建議之末期股息未有確認為於結算日之負債。

13. DIVIDEND (Continued)

The directors recommend a final dividend of HK\$0.001 per share (2007: nil) for the year ended 31st December 2008. Assuming the capital reorganisation as announced by the Company on 26th February 2009 will become effective on 4th May 2009, the final dividend will be adjusted from HK\$0.001 per share (before capital reorganisation) to HK\$0.02 per share (after capital reorganisation).

The dividend proposed after the balance sheet date have not been recognised as a liability at the balance sheet date.

14. 每股盈利/(虧損)

本公司權益持有人應佔每股基本及攤薄盈利/(虧損)乃按以下數據計算:

14. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to equity holders of the Company is based on the following data:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
計算每股基本及攤薄盈利/ (虧損)之本公司權益持有人 應佔盈利/(虧損)	Earnings/(loss) attributable to equity holders of the Company for the purpose of basic and diluted earnings/(loss) per share	90,604	(92,547)
股份數目	Number of shares	二零零八年 2008	二零零七年 2007 (經重列) (restated)
計算每股攤薄盈利/ (虧損)之加權平均 普通股數目	Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	418,861,793	139,159,327

由於本公司股份合併於二零零八年五月九日生效, 計算每股基本及攤薄盈利/(虧損)所採納截至二零零八年十二月三十一日止年度及截至二零零七年十二月三十一日止年度之加權平均普通股股數已分別經調整及重列。由於本公司未獲行使可換股票據之轉換會增加每股盈利及減少每股虧損, 有轉換產生反攤薄效應, 故計算每股攤薄盈利/(虧損)時未有計入有關之轉換。

The weighted average number of ordinary shares for the year ended 31st December 2008 and 31st December 2007 for the purpose of basis and diluted earnings/(loss) per share has been adjusted and restated respectively resulting from share consolidation which effective on 9th May 2008. The computation of diluted earnings/(loss) per share did not assume the conversion of the outstanding convertible notes of the Company since their conversion would result in an increase in earnings per share and a decrease in loss per share respectively and thus anti-dilutive.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

15. 僱員福利開支

15. EMPLOYEE BENEFIT EXPENSES

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
董事酬金	Directors' remuneration	5,203	5,414
董事袍金	Directors' fee	360	360
薪金及花紅	Salaries and bonuses	19,077	13,134
以股份支付之款項開支	Share-based payment expenses	7,463	17,660
強制性公積金	Mandatory provident fund	400	372
僱員福利開支	Staff welfare expenses	271	45
		32,774	36,985

(a) 董事酬金

本公司董事會目前由三名獨立非執行董事及三名執行董事組成。

年內應付本公司董事酬金總額為5,599,000港元(二零零七年: 5,810,000港元)。各董事截至二零零八年十二月三十一日及二零零七年十二月三十一日止年度之酬金如下:

(a) Directors' emoluments

The Company's board of directors is currently composed of three independent non-executive directors and three executive directors.

The aggregate amount of emoluments payable to the directors of the Company during the year was HK\$5,599,000 (2007: HK\$5,810,000). The remuneration of every director for the year ended 31st December 2008 and 31st December 2007 is as below:

董事姓名 Name of director	袍金 Fee	薪金及花紅 Salaries and bonuses		強制性公積金 Mandatory provident fund		以股份支付之僱員款項 Employee share-based payment		總額 Total		
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	
		向華強先生 Mr. Heung Wah Keung	-	-	2,400	2,500	12	12	-	-
陳明英女士 Ms. Chen Ming Yin, Tiffany	-	-	2,160	2,280	12	12	-	-	2,172	2,292
李玉嫻女士 Ms. Li Yuk Sheung	-	-	643	634	12	12	-	-	655	646
洪祖星先生 Mr. Hung Cho Sing	120	120	-	-	-	-	-	-	120	120
何偉志先生 Mr. Ho Wai Chi, Paul	120	120	-	-	-	-	-	-	120	120
馮浩森先生(於二零零七年 三月一日辭任) Mr. Fung Ho Sum (resigned on 1st March 2007)	-	20	-	-	-	-	-	-	-	20
梁學文先生(於二零零七年 三月一日獲委任) Mr. Leung Hok Man (appointed on 1st March 2007)	120	100	-	-	-	-	-	-	120	100
	360	360	5,203	5,414	36	36	-	-	5,599	5,810

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截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

15. 僱員福利開支(續)

(a) 董事酬金(續)

本公司董事之酬金範圍如下：

		董事人數 Number of directors	
		二零零八年 2008	二零零七年 2007
零至1,000,000港元	Nil to HK\$1,000,000	4	5
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	2	2
		6	7

年內，本集團概無向本公司董事支付酬金作為加入本集團或加盟時之獎勵或失去職位之補償。年內亦無本公司董事放棄任何酬金。

(b) 五名最高薪酬人士

本集團於年內五名最高薪酬之人士包括兩名(二零零七年：兩名)本公司董事，其薪酬達4,584,000港元(二零零七年：4,804,000港元)，並已於上文附註(a)列示。於本年度應付其餘三名人士(二零零七年：三名)之酬金如下：

15. EMPLOYEE BENEFIT EXPENSES

(Continued)

(a) Directors' emoluments (Continued)

The emoluments of the directors of the Company fell within the following bands:

		董事人數 Number of directors	
		二零零八年 2008	二零零七年 2007
零至1,000,000港元	Nil to HK\$1,000,000	4	5
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	2	2
		6	7

During the year, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company has waived any emoluments during the year.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2007: two) directors of the Company whose emoluments are reflected in note (a) above and amounted to HK\$4,584,000 (2007: HK\$4,804,000). The emoluments payable to the remaining three individuals (2007: three) during the year were as follow:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
薪金及其他津貼	Salaries and other allowances	2,220	1,328
退休福利計劃供款	Retirement benefits scheme contributions	32	24
以股份支付之款項開支	Share-based payment expenses	1,891	5,349
		4,143	6,701

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15. 僱員福利開支(續)

(b) 五名最高薪酬人士(續)

其餘三名(二零零七年:三名)最高薪酬僱員每位之酬金總額範圍如下:

15. EMPLOYEE BENEFIT EXPENSES
(Continued)

(b) Five highest paid individuals (Continued)

The aggregated emoluments of each of these remaining three (2007: three) highest paid individuals fell within the following bands:

	人數 Number of individuals	
	二零零八年 2008	二零零七年 2007
1,000,001港元至1,500,000港元 HK\$1,000,001 to HK\$1,500,000	2	—
2,000,001港元至2,500,000港元 HK\$2,000,001 to HK\$2,500,000	1	3
	<u>3</u>	<u>3</u>

16. 退休福利計劃

(a) 本集團根據強制性公積金計劃條例之規則及規例為其所有香港僱員設立強制性公積金計劃(「強積金計劃」),並於二零零零年十二月一日終止定額供款退休金計劃(「舊計劃」)。本集團所有香港僱員均須參加強積金計劃。本集團已選擇最低法定供款規定,即合資格僱員每月有關收入之5%供款,但每月收入上限為法定之20,000港元。供款於產生時在綜合收入表扣除。僱員於合資格服務期限完成前辭任本集團,則被沒收僱主之自願供款之有關部份(即自舊計劃轉撥之資產)將歸屬本集團。強積金計劃之資產與本集團之資產分開持有,並由一項獨立管理基金持有。

年內,退休福利計劃供款減已沒收供款為零港元(二零零七年:5,000港元)後之淨額約為400,000港元(二零零七年:372,000港元)。

(b) 在澳門經營之業務所聘請僱員為澳門特區政府所營辦並由政府管理之退休福利計劃成員。澳門業務須每月向退休福利計劃支付一項定額供款,藉此為福利撥資。本集團就澳門特區政府營辦之退休福利計劃所負唯一責任乃向該等計劃作出所須供款。

16. RETIREMENT BENEFITS SCHEMES

(a) The Group operates Mandatory Provident Fund Scheme ("MPF Scheme") under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong and terminated the defined contribution pension scheme ("Old Scheme") on 1st December 2000. All the employees of the Group in Hong Kong are required to join the MPF Scheme. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible employees' monthly relevant income but limited to the mandatory cap of HK\$20,000. The contributions are charged to the consolidated income statements as incurred. In respect of those employees who leave the Group prior to completion of qualifying service period, the relevant portion of the employer's voluntary contributions forfeited (represents the assets transferred from the Old Scheme) will be reverted to the Group. The assets of the MPF Scheme are held separately from those of the Group in an independently administrative fund.

During the year, the retirement benefits schemes contributions net of forfeited contributions of HK\$nil (2007: HK\$5,000) amounted to approximately HK\$400,000 (2007: HK\$372,000).

(b) The employees employed by the operations in Macau are members of the government-managed retirement benefits schemes operated by the Macau government. The Macau operations are required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the Macau government is to make the required contributions under the schemes.

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17. 物業、機器及設備

本集團

17. PROPERTY, PLANT AND EQUIPMENT

The Group

		在建工程	樓宇	租賃物業裝修	傢俬及裝置	機器及設備	汽車	總額
		Construction in progress	Buildings	Leasehold improvements	Furniture and fixtures	Machinery and equipment	Motor vehicles	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
成本	Cost							
於二零零七年一月一日	At 1st January 2007	-	7,316	1,246	10,705	37,391	3,842	60,500
添置	Additions	-	-	5	34	230	130	399
出售	Disposals	-	-	-	(3)	(20)	(498)	(521)
於二零零七年十二月三十一日及 於二零零八年一月一日	At 31st December 2007 and 1st January 2008	-	7,316	1,251	10,736	37,601	3,474	60,378
添置	Additions	214,450	-	-	324	378	-	215,152
轉撥時重估虧絀	Deficit on revaluation upon transfer	-	(1,179)	-	-	-	-	(1,179)
轉撥至投資物業	Transfer to investment properties	-	(1,943)	-	-	-	-	(1,943)
轉撥自/ (至) 持作出售之 非流動資產	Transfer from/(to) non-current assets held for sale	274,196	3,049	-	514	(34,489)	195	243,465
出售	Disposals	-	-	-	(256)	(638)	-	(894)
出售附屬公司	Disposals of subsidiaries	-	-	-	-	(2)	-	(2)
於二零零八年十二月三十一日	At 31st December 2008	488,646	7,243	1,251	11,318	2,850	3,669	514,977
累積折舊	Accumulated depreciation							
於二零零七年一月一日	At 1st January 2007	-	3,470	126	9,606	35,642	2,026	50,870
年內折舊 (附註)	Charge for the year (note)	-	365	474	721	754	577	2,891
出售時對銷	Eliminated on disposals	-	-	-	(3)	(20)	(498)	(521)
於二零零七年十二月三十一日及 於二零零八年一月一日	At 31st December 2007 and 1st January 2008	-	3,835	600	10,324	36,376	2,105	53,240
年內折舊	Charge for the year	-	418	417	485	752	520	2,592
轉撥至投資物業	Transfer to investment properties	-	(1,191)	-	-	-	-	(1,191)
轉撥至持作出售之非流動資產	Transfer to non-current assets held for sale	-	-	-	-	(33,773)	-	(33,773)
出售時對銷	Eliminated on disposals	-	-	-	(237)	(637)	-	(874)
於二零零八年十二月三十一日	At 31st December 2008	-	3,062	1,017	10,572	2,718	2,625	19,994
賬面淨值	Net book value							
於二零零八年十二月三十一日	At 31st December 2008	488,646	4,181	234	746	132	1,044	494,983
於二零零七年十二月三十一日	At 31st December 2007	-	3,481	651	412	1,225	1,369	7,138

附註：截至二零零七年十二月三十一日止年度，分類於已終止經營業務項下之KHL折舊開支5,551,000港元已自年內折舊剔除。詳情載於財務報表附註36(b)。

note: For the year ended 31st December 2007, depreciation charge amounted to HK\$5,551,000 of KHL, which classified under discontinued operations were excluded from the charge for the year. Details are set out in note 36(b) to the financial statements.

於二零零八年十二月三十一日，在建工程及樓宇分別約488,646,000港元及2,931,000港元已抵押作本集團所獲銀行貸款之擔保。

At 31st December 2008, construction in progress and buildings of approximately HK\$488,646,000 and HK\$2,931,000 respectively have been pledged to secure banking facilities granted to the Group.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

18. 租賃土地權益

18. INTERESTS IN LEASEHOLD LAND

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
成本	Cost		
於一月一日	At 1st January	7,294	7,294
轉撥時之重估盈餘	Surplus on revaluation upon transfer	7,562	–
轉撥至投資物業	Transfer to investments properties	(10,690)	–
轉撥自持作出售之非流動資產	Transfer from non-current assets held for sale	517,568	–
		<u>521,734</u>	<u>7,294</u>
於十二月三十一日	At 31st December	521,734	7,294
累積攤銷	Accumulated amortisation		
於一月一日	At 1st January	1,652	1,487
年內攤銷(附註)	Charge for the year (note)	18,240	165
轉撥至投資物業	Transfer to investment properties	(682)	–
		<u>19,210</u>	<u>1,652</u>
於十二月三十一日	At 31st December	19,210	1,652
賬面淨值	Net book value		
於十二月三十一日	At 31st December	<u>502,524</u>	<u>5,642</u>

附註：截至二零零七年十二月三十一日止年度，分類於已終止經營業務項下之KHL攤銷開支15,259,000港元已自年內攤銷剔除。詳情載於財務報表附註36(b)。

note: For the year ended 31st December 2007, amortisation charge amounted to HK\$15,259,000 of KHL, which classified under discontinued operations were excluded from the charge for the year. Details are set out in note 36(b) to the financial statements.

本集團於租賃土地之權益指預付經營租約款項，其賬面淨值分析如下：

The Group's interests in leasehold land represent prepaid operating lease payments and their net book values are analysed as follows:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
根據以下租約持有之香港土地：	Land in Hong Kong, held on:		
中期租約	Medium-term leases	3,067	5,642
根據以下租約持有之澳門土地：	Land in Macau, held on:		
中期租約	Medium-term leases	499,457	–
		<u>502,524</u>	<u>5,642</u>

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

18. 租賃土地權益 (續)

租賃土地權益約499,457,000港元(二零零七年：無)已抵押作為本集團所獲銀行貸款之擔保。

預付租賃款項之攤銷開支18,021,000港元(二零零七年：無)已於本年度資本化為物業、機器及設備項下之在建工程。預付租賃款項之攤銷開支219,000港元(二零零七年：無)已於本年度在綜合收入表中扣除。

18. INTERESTS IN LEASEHOLD LAND (Continued)

Interests in leasehold land of approximately HK\$499,457,000 (2007: nil) have been pledged to secure banking facilities granted to the Group.

Amortisation expense on prepaid lease payments of HK\$18,021,000 (2007: nil) has been capitalised to construction in progress under property, plant and equipment for the year. Amortisation expense on prepaid lease payments of HK\$219,000 (2007: nil) has been charged to the consolidated income statement for the year.

19. 投資物業

19. INVESTMENT PROPERTIES

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於一月一日	At 1st January	51,100	40,880
轉撥自：	Transfer from		
— 物業、機器及設備	— Property, plant and equipment	752	—
— 租賃土地權益	— Interests in leasehold land	10,008	—
公平價值之(減少)/增加	(Decrease)/increase in fair value	(11,930)	10,220
		<u>49,930</u>	<u>51,100</u>
於十二月三十一日	At 31st December		

投資物業乃由獨立專業估值師行中證評估有限公司(並非本集團之關連人士)以物業於二零零八年十二月三十一日之公開市值進行估值，該估值師行擁有合適資格及近期評估相關地區類似物業之經驗。投資物業之估值報告由中證評估董事(香港測量師學會會員)簽署。該估值乃遵守香港測量師學會所頒布之物業估值準則(二零零五年第一版)，並按市值基準進行重估。

投資物業之總公平值約40,880,000港元(二零零七年：51,100,000港元)已抵押作為本集團所獲銀行貸款之擔保。最低租金已於租約開始時全額支付。

Investment properties were valued at their open market values at 31st December 2008 by Grant Sherman Appraisal Limited, independent qualified professional valuers not connected with the Group who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation report on the investment properties is signed by a director of Grant Sherman, who is a member of the Hong Kong Institute of Surveyors. The valuation, which conforms to the Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors, was based on the market value basis.

The aggregate fair value of investment properties of approximately HK\$40,880,000 (2007: HK\$51,100,000) have been pledged to secure banking facilities granted to the Group. The minimum lease payments have been paid in full at the inception of the lease.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

19. 投資物業 (續)

本集團投資物業按其賬面值分析如下：

19. INVESTMENT PROPERTIES (Continued)

The Group's investment properties at their carrying amounts are analysed as follows:

	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
根據以下租約持有之香港投資物業： Investment properties in Hong Kong, held under:		
中期租約 Medium-term leases	49,930	51,100

20. 於附屬公司權益

20. INTERESTS IN SUBSIDIARIES

		本公司 The Company	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
非上市股份，按成本值	Unlisted shares, at cost	1,028,888	30,708
已確認之減值虧損	Impairment loss recognised	(30,299)	(30,299)
		998,589	409
應收附屬公司款項	Amounts due from subsidiaries	1,570,086	1,603,524
已確認之減值虧損	Impairment loss recognised	(986,223)	(1,006,230)
		583,863	597,294
		1,582,452	597,703

應收附屬公司款項乃無抵押、免息且無固定還款期。本公司董事認為，本公司不會於結算日起計十二個月內要求還款，故此應收附屬公司款項列作非即期款項。

Amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors of the Company, the Company will not demand for repayment within twelve months from the balance sheet date and amounts due from subsidiaries are therefore shown as non-current.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

20. 於附屬公司權益 (續)

其他應收／應付附屬公司款項分類為流動資產／負債。本公司董事認為，於二零零八年十二月三十一日，應收／應付附屬公司款項之賬面值與其各自之公平價值相若。

於本公司之附屬公司之權益之賬面值乃削減至其可收回金額，此乃參考預計由各附屬公司產生之未來現金流量預測而釐定。

本公司於二零零八年十二月三十一日之主要附屬公司詳情載於附註51。

21. 商譽

已分配予本集團產生現金單位(「產生現金單位」)之商譽乃根據業務確認如下：

20. INTERESTS IN SUBSIDIARIES

(Continued)

Other amounts due from/to subsidiaries of the Company are classified under current assets/liabilities accordingly. In the opinion of the directors of the Company, the carrying amounts of amounts due from/to subsidiaries as at 31st December 2008 approximate to their fair values.

The carrying amounts of interests in subsidiaries is reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.

Details of the Company's principal subsidiaries as at 31st December 2008 are set out in note 51.

21. GOODWILL

Goodwill is allocated to the Group's cash generating units ("CGU") identified according to business as follow:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
成本	Cost		
於一月一日	At 1st January	108,703	108,703
添置	Additions	8,975	—
		<hr/>	<hr/>
於十二月三十一日	At 31st December	117,678	108,703
		<hr/>	<hr/>
累計減值	Accumulated impairment		
於一月一日	At 1st January	79,641	49,500
已確認之減值虧損	Impairment loss recognised	13,646	30,141
		<hr/>	<hr/>
於十二月三十一日	At 31st December	93,287	79,641
		<hr/>	<hr/>
賬面值	Carrying amounts		
於十二月三十一日	At 31st December	24,391	29,062
		<hr/>	<hr/>

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

21. 商譽 (續)

商譽減值測試

就減值測試而言，商譽被分配至下列產生現金單位。於二零零八年十二月三十一日，商譽之賬面值(扣除累計減值虧損)分配如下：

21. GOODWILL (Continued)

Impairment testing of goodwill

For the purpose of impairment testing, goodwill has been allocated to the following cash generating units. The carrying amount of goodwill (net of accumulated impairment losses) as at 31st December 2008 is allocated as follow:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
電影製作	Film production	15,416	29,062
博彩及娛樂	Gaming and entertainment	8,975	—
		24,391	29,062

於本年度，本公司董事已參考獨立合資格專業估值師行中證評估有限公司進行之估值重估電影製作及博彩及娛樂之產生現金單位之可收回金額，並識別與電影製作之產生現金單位有關之商譽減值虧損約13,646,000港元，及識別與博彩及娛樂業務之產生現金單位有關之商譽並無減值。

During the year, the directors of the Company reassessed the recoverable amount of the CGU of film production and gaming and entertainment businesses with reference to the valuation performed by Grant Sherman Appraisal Limited, independent qualified professional valuers and determined that an impairment loss of approximately HK\$13,646,000 on goodwill associated with the CGU of film production was identified and no impairment on goodwill associated with the CGU of gaming and entertainment businesses was identified.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

21. 商譽 (續)**商譽減值測試 (續)**

電影製作及博彩及娛樂之現金產生單位之可收回金額乃根據有關現金產生單位五年預計零增長率並經參考使用價值之計算而評估。五年期後現金流量乃按零增長推算(二零零七年：零)。此增長率並無超逾電影製作及博彩及娛樂之產生現金單位所營運之市場之長期平均增長率。使用價值模式之每年折讓率分別為18.20%及17.24%，並採用按照本公司董事所批准涵蓋五年期之財務預測計算之預測現金流量(「現金產生單位預測」)。就產生現金單位預測所涵蓋之期間進行現金流量預計涉及多項假設及估計，主要假設包括本集團管理層根據過往經驗及對市場發展之預測而釐定之毛利率、增長率及折現率。毛利率為預算毛利率。增長率為用以推算五年預算期後之現金流量之比率，與產生現金單位預測所用者一致。折現率為除稅之前，並反映業界有關之特定風險。

21. GOODWILL (Continued)**Impairment testing of goodwill (Continued)**

The recoverable amount of the CGU of film production business and gaming and entertainment business were assessed by reference to value-in-use calculation based on a five year projection of the relevant cash-generating unit with a zero growth rate (2007: zero). Cash flows beyond the five year period have been extrapolated using zero growth rate. This growth rate does not exceed the long term average growth rate for the market in which the CGU of film production business and gaming and entertainment business operate. A discount rate of 18.20% and 17.24% per annum for film production business and gaming and entertainment business was applied in the value-in-use model which uses cash flow projections based on financial forecasts approved by the directors of the Company (the "CGU Forecast") covering a five-year period. There are a number of assumptions and estimates involved for the preparation of the cash flow projections for the period covered by the CGU Forecast. Key assumptions included gross margin, growth and discount rate which are determined by the management of the Group based on past experience and its expectation for market development. Gross margin are budgeted gross margin. Growth rate represents the rate used to extrapolate cash flows beyond the five-year budgeted period and are consistent with the CGU Forecast. The discount rates used are pre-tax and reflect specific risks relating to the industry.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

22. 無形資產

22. INTANGIBLE ASSETS

本集團	The Group	分佔溢利之權利 Rights in sharing of profit streams 千港元 HK\$'000
成本	Cost	
於二零零七年一月一日、 二零零七年十二月三十一日 及二零零八年一月一日	At 1st January 2007, 31st December 2007 and 1st January 2008	—
收購一間附屬公司	Acquisition of a subsidiary	989,205
於二零零八年十二月三十一日	At 31st December 2008	989,205
累計減值	Accumulated impairment	
於二零零七年一月一日、 二零零七年十二月三十一日 及二零零八年一月一日	At 1st January 2007, 31st December 2007 and 1st January 2008	—
已確認之減值虧損	Impairment loss recognised	—
於二零零八年十二月三十一日	At 31st December 2008	—
賬面淨值	Carrying amounts	
於二零零八年十二月三十一日	At 31st December 2008	989,205
於二零零七年十二月三十一日	At 31st December 2007	—

無形資產指無限期分享來自澳門娛樂場其中一個貴賓廳博彩業務產生之溢利之權利。有關無形資產乃以成本值減累計減值計值。

The intangible assets represent the right in sharing of profit streams, from junket business at the one of the casino's VIP rooms in Macau for an indefinite period of time. Such intangible assets are carried at cost less accumulated impairment.

於二零零八年十二月三十一日，本公司董事已參考獨立合資格專業估值師中證評估有限公司採用折讓現金流法對分佔溢利之權利之價值發出之估值報告，評估無形資產之可收回款額，識別並無減值。

As at 31st December 2008, the directors of the Company have assessed the recoverable amount of intangible assets by reference to the valuation report issued by Grant Sherman Appraisal Limited, independent qualified professional valuers which valued the right in sharing of profit streams using the discounted cash flow method, no impairment was identified.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

23. 可供出售之金融資產

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於香港上市權益證券， 按公平價值	Equity securities, listed in Hong Kong, at fair value	16,800	39,900

於香港上市權益證券之公平價值乃參考相關股市所報之市場買入價釐定。

The fair value of equity securities listed in Hong Kong have been determined by reference to the quoted market bid prices available on the relevant stock market.

根據上市規則第129(1)條之規定及披露規定，披露如下：

Disclosures pursuant to the requirement of section 129(1) and the disclosure requirement of the Listing Rules are as follows:

實體名稱	註冊 成立國家	主要 營業地點	所持 股份類別	本集團所持已發行 股本面值比例 Proportion of nominal value of issued capital held by the Group	所持有 投票權比例 Proportion of voting power held	主要業務 Principal activities
Name of entity	Country of incorporation	Principal place of operation	Class of share held			
大同集團有限公司 Daido Group Limited	百慕達 Bermuda	香港 Hong Kong	普通股 Ordinary	16.79%	16.79%	提供冷藏及物流 服務、生產與 銷售冰塊及進行 物業及酒店投資 Cold storage and logistic services, manufacturing and trading of ice and property and hotel investment

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

24. 應收一間聯營公司之可換股票據／應收一間聯營公司之可換股票據內含之換股期權

24. CONVERTIBLE NOTES RECEIVABLE FROM AN ASSOCIATE/CONVERSION OPTIONS EMBEDDED IN CONVERTIBLE NOTES RECEIVABLE FROM AN ASSOCIATE

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
應收一間聯營公司之可換股票據	Convertible notes receivable from an associate	—	667
應收一間聯營公司之可換股票據內含之換股期權	Conversion options embedded in convertible notes receivable from an associate	—	222
		—	889
		—	889
			應收一間聯營公司 之可換股票據 內含之換股期權
			Conversion options embedded in convertible notes receivable from an associate
		千港元 HK\$'000	千港元 HK\$'000
於二零零七年一月一日	At 1st January 2007	—	—
認購可換股票據	Subscription of convertible notes	15,693	6,807
推算利息收入	Imputed interest income	124	—
轉換可換股票據	Conversion of convertible notes	(15,150)	(6,535)
應收可換股票據內含之換股期權之公平價值變動	Changes in fair value in respect of conversion options embedded in convertible notes receivable	—	(50)
於二零零七年十二月三十一日 及二零零八年一月一日	At 31st December 2007 and 1st January 2008	667	222
推算利息收入	Imputed interest income	40	—
出售	Disposal	(707)	(222)
於二零零八年十二月三十一日	At 31st December 2008	—	—

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

24. 應收一間聯營公司之可換股票據／應收一間聯營公司之可換股票據內含之換股期權 (續)

於截至二零零七年十二月三十一日止年度，本公司之全資附屬公司Classical Statue Limited (「CSL」) 訂立協議，以22,500,000港元之價格向采藝多媒體控股有限公司 (「采藝」) 認購本金額25,000,000港元之可換股票據 (「采藝可換股票據」)。采藝之股份於港交所創業板上市。采藝可換股票據為零票息及將於二零一二年五月二十四日到期。初步換股價為每股0.33港元 (可予調整)。除非先前轉換或作廢，否則采藝將於二零一二年五月二十四日，按贖回金額相等於尚未償還之采藝可換股票據本金額之100%贖回采藝可換股票據。

於二零零七年六月十五日，本公司行使其換股權，而本金額24,000,000港元之采藝可換股票據已轉換為72,727,272股采藝股份。

於二零零八年八月十八日，本集團已出售CSL全部權益及尚未行使采藝可換股票據。

24. CONVERTIBLE NOTES RECEIVABLE FROM AN ASSOCIATE/CONVERSION OPTIONS EMBEDDED IN CONVERTIBLE NOTES RECEIVABLE FROM AN ASSOCIATE (Continued)

During the year ended 31st December 2007, Classical Statue Limited ("CSL"), a wholly owned subsidiary of the Company, entered into an agreement to subscribe convertible notes ("Brilliant Arts CN") with an principal amount of HK\$25,000,000 from Brilliant Arts Multi Media Holding Limited ("Brilliant Arts") at a price of HK\$22,500,000. Brilliant Arts has its shares listed on the Growth Enterprise Market of the Stock Exchange. The Brilliant Arts CN carries zero coupon and will mature on 24th May 2012. The initial conversion price is HK\$0.33 per share (subject to adjustment). Unless previously converted or lapsed, Brilliant Arts will redeem the Brilliant Arts CN on 24th May 2012 at the redemption amount which is 100% of the principal amount of outstanding Brilliant Arts CN.

On 15th June 2007, the Company exercised its conversion rights and principal amount of HK\$24,000,000 Brilliant Arts CN were converted into 72,727,272 shares of Brilliant Arts.

On 18th August 2008, the Group disposed the entire interest in CSL and the outstanding Brilliant Arts CN.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

25. 於聯營公司權益

25. INTERESTS IN ASSOCIATES

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
應佔聯營公司資產淨值(附註a)	Share of net assets of associates (Note a)	–	329,678
商譽(附註b)	Goodwill (Note b)	–	45,470
		–	375,148
上市股份之公平值	Fair value of listed shares	–	150,353

(a) 應佔聯營公司資產淨值

(a) Share of net assets of associates

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於一月一日	At 1st January	329,678	143,346
本集團應佔(虧損)/溢利	(Loss)/profit attributable to the Group	(3,303)	16,548
收購折讓	Discount on acquisition	–	40,100
應佔聯營公司業績	Share of results of associates	(3,303)	56,648
被視作出售(附註c)	Deemed disposal (Note c)	(16,123)	(19,849)
初次收購采藝29.17%股本權益	Initial acquisition of 29.17% equity interest in Brilliant Arts	–	3,616
進一步投資於聯營公司	Further investment in associates	–	130,729
應佔聯營公司儲備變動	Share of changes in reserves of associates	12,061	15,188
出售一間聯營公司(附註d)	Disposal of an associate (Note d)	(322,313)	–
		(326,375)	129,684
於十二月三十一日	At 31st December	–	329,678

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

25. 於聯營公司權益 (續)

(b) 商譽

25. INTERESTS IN ASSOCIATES (Continued)

(b) Goodwill

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於一月一日	At 1st January	45,470	54,767
被視作出售 (附註c)	Deemed disposal (Note c)	(18,176)	(29,895)
初次收購采藝29.17%股本 權益	Initial acquisition of 29.17% equity interest in Brilliant Arts	—	20,514
進一步投資於聯營公司	Further investments in associates	—	84
出售一間聯營公司 (附註d)	Disposal of an associate (Note d)	(27,294)	—
於十二月三十一日	At 31st December	—	45,470

減值測試

於截至二零零七年十二月三十一日，采藝及中國星投資有限公司（「中國星投資」）之可收回商譽乃採用使用價值法進行評估。就減值測試而言，采藝及中國星投資在現用價值模式所應用貼現率分別為10%及16.14%，此乃以本公司董事所批准涵蓋五年期間之財政預測所計算之現金流量預測。往後五年期間之現金流量預測則以采藝及中國星投資分別為零及穩定7%增長率計算。編製財政預測所涵蓋期間之現金流量預測乃涉及多項假設及估計。主要假設包括毛利率、增長率及折讓率，均由本集團管理層根據過往經驗及對市場發展之預測而釐定。毛利率乃預算毛利率。增長率即往後五年預算期間用作推算現金流量之比率，並與財政預測一致。折讓率乃除稅前及反映市場相關之特定風險。

Impairment test

For the year ended 31st December 2007, the recoverable amount of the goodwill of Brilliant Arts and China Star Investment Holdings Limited ("China Star Investment") were assessed by reference to value-in-use calculation. For the purpose of impairment testing, a discount rate of 10% and 16.14% for Brilliant Arts and China Star Investment per annum was applied respectively in the value-in-use models which use cash flow projections based on financial forecasts approved by the directors of the Company covering a five-year period. Cash flows beyond the five-year period have been extrapolated using zero and a steady 7% growth rate for Brilliant Arts and China Star Investment respectively. There are a number of assumptions and estimates involved for the preparation of the cash flow projections for the period covered by the financial forecasts. Key assumptions include gross margin, growth rate and discount rate which are determined by the management of the Group based on past experience and its expectation for market development. Gross margin are budgeted gross margin. Growth rate represents the rate used to extrapolate cash flows beyond the five-year budgeted period and are consistent with the financial forecast. The discount rates used are pre-tax and reflect specific risks relating to the industry.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

25. 於聯營公司權益 (續)

(c) 於采藝之權益

於二零零八年一月二十八日，采藝向一獨立第三方發行180,000,000股股份，采藝已發行股本由423,853,908股增至603,853,908股。因此，本集團於采藝之權益由25.74%攤薄至18.07%。有關攤薄權益令采藝不再為本集團聯營公司。

(d) 出售中國星投資

於截至二零零七年十二月三十一日止年度，中國星投資透過公開發售發行約1,303,426,000股中國星投資之新股份（經考慮十股合併為1股中國星投資新股份之影響）。因此，本集團於中國星投資之權益遭攤薄。此外，本集團以總代價約33,181,000港元在公開市場進一步收購中國星投資之股份。本集團亦在中國星投資之公開發售（基準為於記錄日期每持有兩股現有股份獲發一股發售股份）認購其配額及額外認購合約92,177,000港元。上述各項合共減少本集團於中國星投資之權益由34.4%減至二零零七年十二月三十一日為29.9%。

於二零零八年五月十三日，本公司之全資附屬公司China Star Entertainment (BVI) Limited與本公司之主要股東Glenstone Investments Limited訂立一份買賣協議，以現金代價330,567,000港元出售Classical Statue Limited（「CSL」）之全部已發行股本。CSL之主要資產乃中國星投資之58,360,612股股份，佔中國星投資於協議日期已發行股本之29.90%。該出售事項已於二零零八年八月十八日完成。

25. INTERESTS IN ASSOCIATES (Continued)

(c) Interest in Brilliant Arts

As at 28th January 2008, Brilliant Arts had issued 180,000,000 shares to an independent third party which increased the issued share capital of Brilliant Arts from 423,853,908 shares to 603,853,908 shares. As a result, the Group's interest in Brilliant Arts was diluted from 25.74% to 18.07%. Such dilution of interest resulted Brilliant Arts ceased to be an associate of the Group.

(d) Interest in China Star Investment

During the year ended 31st December 2007, China Star Investment issued approximately 1,303,426,000 new shares of China Star Investment (after considering the effect of consolidation of 10 shares into 1 new share of China Star Investment) through open offer, placing and exercise of options. As a result, the Group's interest in China Star Investment was diluted. Moreover, the Group acquired further equity interest in China Star Investment in the open market at a total consideration of approximately HK\$33,181,000. The Group has also subscribed its entitlement and applied for excess subscription for an aggregate amount of HK\$92,177,000 in the open offer of China Star Investment on the basis of one offer share for every two existing shares held on the record date. The aggregate effect of the above decreased the Group interest in China Star Investment from 34.4% to 29.9% as at 31st December 2007.

On 13th May 2008, the Company's wholly owned subsidiary, China Star Entertainment (BVI) Limited entered into a sale and purchase agreement with Glenstone Investments Limited, a substantial shareholder of the Company to dispose the entire issued share capital of Classical Statue Limited ("CSL") for a cash consideration of HK\$330,567,000. CSL's major assets are the 58,360,612 shares of China Star Investment, representing 29.90% of the issued share capital of China Star Investment at date of agreement. The disposal had completed on 18th August 2008.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

25. 於聯營公司權益 (續)

主要聯營公司於二零零八年十二月三十一日之詳情載於附註52。

以下詳情摘錄自本集團主要聯營公司經審核綜合財務報表：

25. INTERESTS IN ASSOCIATES (Continued)

Details of the principal associates at 31st December 2008 are set out in note 52.

The following details have been extracted from the audited consolidated financial statements of the Group's significant associates:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
營業額	Turnover	2,000	61,552
除稅前(虧損)/溢利	(Loss)/profit before taxation	(20,281)	29,677
本集團應佔除稅後(虧損)/溢利	(Loss)/profit after taxation attributable to the Group	(3,303)	16,548
非流動資產	Non-current assets	–	933,816
流動資產	Current assets	–	700,329
非流動負債	Non-current liabilities	–	(366,949)
流動負債	Current liabilities	–	(181,981)
資產淨值	Net assets	–	1,085,215
本集團應佔資產淨值	Net assets attributable to the Group	–	329,678

26. 存貨

26. INVENTORIES

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
製成品	Finished goods	399	301

以上金額包括約195,000港元(二零零七年：197,000港元)以可變現淨值計賬之製成品。

Included above are finished goods of HK\$195,000 (2007: HK\$197,000) which are carried at net realisable values.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

27. 電影版權

本集團

27. FILM RIGHTS

The Group

		千港元 HK\$'000
成本	Cost	
於二零零七年一月一日	At 1st January 2007	637,858
添置	Additions	13,967
出售	Disposals	(348,249)
		<hr/>
於二零零七年十二月三十一日及 二零零八年一月一日	At 31st December 2007 and 1st January 2008	303,576
添置	Additions	7,309
經已到期	Expired	(88)
		<hr/>
於二零零八年十二月三十一日	At 31st December 2008	310,797
		<hr/>
攤銷及減值	Amortisation and impairment	
於二零零七年一月一日	At 1st January 2007	540,431
本年度攤銷	Amortised for the year	43,747
已確認之減值虧損	Impairment loss recognised	16,850
出售時對銷	Eliminated on disposals	(348,249)
		<hr/>
於二零零七年十二月三十一日及 二零零八年一月一日	At 31st December 2007 and 1st January 2008	252,779
本年度攤銷	Amortised for the year	18,593
已確認之減值虧損	Impairment loss recognised	9,760
經已到期	Expired	(88)
		<hr/>
於二零零八年十二月三十一日	At 31st December 2008	281,044
		<hr/>
賬面值	Carrying amounts	
於二零零八年十二月三十一日	At 31st December 2008	29,753
		<hr/>
於二零零七年十二月三十一日	At 31st December 2007	50,797
		<hr/>

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

27. 電影版權 (續)

於回顧年度，本公司董事已參考獨立合資格專業估值師行中證評估有限公司進行之估值，重新評估電影版權之可收回金額，並釐定所識別與電影版權有關商譽之減值虧損約為9,760,000港元（二零零七年：16,850,000港元）。

電影版權之可收回金額乃經參考使用價值之計算而評估。使用價值模式乃應用年折現率18.20%，使用根據本公司董事核准涵蓋期為五年之財務預測（「電影預測」）之現金流量預計。五年期後現金流量乃按零增長推算。此增長率並無超逾電影版權所營運之市場之長期平均增長率。就電影預測涵蓋之期間進行現金流量預計涉及多項假設及估計，主要假設包括本集團管理層根據過往經驗及其對市場發展之預測而釐定之毛利率、增長率及折現率。增長率為用以推算五年預算期後之現金流量之比率，與電影預測所用者一致。折現率為除稅之前，並反映業界有關之特定風險。

27. FILM RIGHTS (Continued)

During the year under review, the directors of the Company reassessed the recoverable amount of film rights with reference to the valuation performed by Grant Sherman Appraisal Limited, independent professional valuers and determined that impairment loss of approximately HK\$9,760,000 (2007: HK\$16,850,000) on the film rights was identified.

The recoverable amount of film rights was assessed by reference to value-in-use calculation. A discount rate of 18.20% per annum was applied in the value-in-use model which uses cash flow projections based on financial forecasts approved by the directors of the Company (the "Film Forecast") covering a five-year period. Cash flows beyond the five-year period have been extrapolated using zero growth rate. This growth rate does not exceed the long term average growth rate for the market in which film rights operates. There are a number of assumptions and estimates involved for the preparation of the cash flow projections for the period covered by the Film Forecast. Key assumptions include gross margin, growth rate and discount rate which are determined by the management of the Group based on past experience and its expectation for market development. Growth rate represents the rate used to extrapolate cash flows beyond the five-year budgeted period and are consistent with the Film Forecast. The discount rates used are pre-tax and reflect specific risks relating to the industry.

28. 製作中電影

製作中電影

製作中電影以成本減任何可識別減值虧損計量。

28. FILMS IN PROGRESS

本集團
The Group

二零零八年
2008
千港元
HK\$'000

二零零七年
2007
千港元
HK\$'000

Films in progress

18,379

24,948

Films in progress were measured at cost less any identifiable impairment loss.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

29. 貿易應收賬款

給予客戶之賒賬期為30至90日不等。貿易應收賬款之賬齡分析如下：

29. TRADE RECEIVABLES

The credit period granted to customers ranges from 30 to 90 days. The aged analysis of the trade receivables is as follow:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
采藝多媒體控股有限公司 及其附屬公司	Brilliant Art Multi-Media Holding Limited and its subsidiaries		
0至30日	0 to 30 days	—	12
		—	12
其他	Others		
0至30日	0 to 30 days	22,721	885
31至60日	31 to 60 days	339	2,784
61至90日	61 to 90 days	136	224
91至180日	91 to 180 days	73	151
超過180日	Over 180 days	46,862	51,644
		70,131	55,688
減：貿易應收賬款之減值虧損	Less: Impairment loss on trade receivables	(1,361)	(4,034)
		68,770	51,654
總計	Total	68,770	51,666
已到期但未減值之貿易應收賬款之賬齡分析如下：	Aging of trade receivables which are past due but not impaired:		
61至90日	61 – 90 days	136	224
超過90日	Over 90 days	45,574	47,761
總計	Total	45,710	47,985

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

29. 貿易應收賬款(續)

貿易應收賬款減值虧損變動：

29. TRADE RECEIVABLES (Continued)

Movement of impairment loss on trade receivables:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於一月一日	At 1st January	4,034	4,036
已確認之減值虧損	Impairment loss recognised	23	—
撇銷	Written off	(2,601)	(2)
減值虧損撥回	Reversal of impairment loss	(95)	—
		<u>1,361</u>	<u>4,034</u>
於十二月三十一日	At 31st December		

本集團貿易應收賬款結餘包括賬面值總額約為45,710,000港元(二零零七年:47,985,000港元)之債務,該債務已於報告日到期,惟本集團並無就此作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。

在釐定貿易應收賬款之可收回程度時,本公司董事會考慮貿易應收賬款之信貸質素自初步授出日期直至申報日之任何變動。因此,本公司董事認為須對貿易應收賬款作減值撥備至其可收回價值,並相信毋須就超出減值撥備之差額進一步作出信貸撥備。

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$45,710,000 (2007: HK\$47,985,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the directors of the Company consider any change in the credit quality of the trade receivables from the date credit were initially granted up to the reporting date. Accordingly, the directors of the Company considered provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the provision for impairment.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

30. 按金、預付款項及其他應收款項 30. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		本集團 The Group		本公司 The Company	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
按金	Deposits	59,644	32,237	6	1,426
預付款項	Prepayments	486	579	215	382
其他應收款項	Other receivables	947	3,974	605	–
		61,077	36,790	826	1,808

按金、預付款項及其他應收款項之賬面值與其公平價值相若。

The carrying amounts of deposits, prepayments and other receivables approximate to their fair values.

已到期但未減值之其他應收款項之賬齡分析如下：

Aging of other receivables which are past due but not impaired:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
超過90日	Over 90 days	947	780

管理層相信，由於該等結餘仍被視為可全數收回，故毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

Management believes that no provision for impairment is necessary in respect of these balances as the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

31. 投資按金

於二零零七年八月十六日及二零零七年十月十日，本公司就收購Best Mind International Inc. (「Best Mind」) 合共100%股本權益訂立買賣協議，總代價為1,054,900,000港元 (「收購事項」)。按金400,000,000港元已於二零零七年十二月三十一日向賣方支付。收購Best Mind之詳情載於本公司於二零零七年十二月六日及七日刊發之通函。

於二零零八年三月十八日，本公司完成收購事項，而所支付之400,000,000港元按金已用作收購事項之代價。有關詳情載於財務報表附註45。

31. DEPOSITS FOR INVESTMENTS

On 16th August 2007 and 10th October 2007, the Company entered into sale and purchase agreements in respect of acquisition (the "Acquisition") of an aggregate 100% equity interest of Best Mind International Inc. ("Best Mind") with total considerations of HK\$1,054,900,000. Total deposit of HK\$400,000,000 was paid to the vendor as at 31st December 2007. Details of the Acquisition of Best Mind were set out in the Company's circulars dated 6th and 7th December 2007.

On 18th March 2008, the Acquisition was completed and the deposit paid of HK\$400,000,000 has been used as consideration for the Acquisition. Details were set out in note 45 to the financial statements.

32. 持作買賣投資

32. HELD-FOR-TRADING INVESTMENTS

本集團
The Group

二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
----------------------------------	----------------------------------

上市投資：

— 於香港上市之權益證券，
按公平價值

Listed investments:

— Equity securities listed in Hong Kong,
at fair value

25,713

16,600

於結算日，所有透過損益以公平價值列賬之金融資產均以公平價值列賬。該等上市投資之公平價值乃參考相關股市所報之市價買入價而釐定。

At the balance sheet date, all financial assets at fair value through profit or loss are stated at fair value. Fair value of those listed investments have been determined by reference to the quoted market bid prices available on the relevant stock exchanges.

33. 給予一少數股東之貸款

給予本集團一少數股東之貸款為無抵押、免息及須於提取日期後不超過三年之期限內歸還。

33. LOAN TO A MINORITY SHAREHOLDER

The loan to a minority shareholder of the Group is unsecured, interest-free and repayable for a term not exceeding 3 years from the drawdown date.

34. 應收聯營公司款項—本集團及本公司

應收本集團及本公司聯營公司款項為無抵押、免息及須於要求時歸還。

34. AMOUNTS DUE FROM ASSOCIATES – THE GROUP AND THE COMPANY

The amounts due from associates of the Group and the Company are unsecured, interest-free and repayable on demand.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

35. 現金及現金等值項目

35. CASH AND CASH EQUIVALENTS

		本集團 The Group		本公司 The Company	
		二零零八年 2008 千港元 HK\$' 000	二零零七年 2007 千港元 HK\$' 000	二零零八年 2008 千港元 HK\$' 000	二零零七年 2007 千港元 HK\$' 000
手頭及銀行現金	Cash on hand and at bank	19,025	2,049	3,559	368
定期存款	Time deposits	119,120	20,686	112,020	20,686
現金及銀行結餘	Cash and bank balances	138,145	22,735	115,579	21,054

存放於銀行之現金可依據每日銀行存款利率按浮動利率收取利息。短期定期存款之時段由一日至三個月不等，視乎本集團即時現金需要而定，並會按各自之短期定期存款利率收取利息。現金及銀行結餘之賬面值與其公平價值相若。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The carrying amounts of the cash and bank balances approximate to their fair values.

就現金流量表而言，現金及現金等值項目包括銀行及現金（扣除未償還銀行透支）。於現金流量表上列示於二零零八年十二月三十一日及於二零零七年十二月三十一日之現金及現金等值項目可與於綜合資產負債表之相關項目對賬如下：

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at 31st December 2008 and 31st December 2007 as shown in the cash flow statement can be reconciled to the related items in the consolidated balance sheet as follows:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$' 000	二零零七年 2007 千港元 HK\$' 000
現金及銀行結餘	Cash and bank balances	138,145	22,735
銀行透支	Bank overdraft	(174,826)	—
		(36,681)	22,735
計入持作出售非流動資產之 現金及現金等值項目 (附註36)	Cash and cash equivalents included in Non-current assets held for sale (Note 36)		
現金及銀行結餘	Cash and bank balances	—	181,102
銀行透支	Bank overdraft	—	(146,516)
		—	34,586
		(36,681)	57,321

銀行透支乃按市場利率（介乎4.25厘至5.75厘）計息。

Bank overdraft carried interest at market rates which range from 4.25% to 5.75% per annum.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

36. 持作出售非流動資產

- (a) 於二零零八年十二月三日，本集團訂立一項協議以總代價11,200,000港元出售其若干物業、機器及設備。因此，於二零零八年十二月三十一日，該等物業、機器及設備之賬面值乃分類為持作出售資產。
- (b) 於二零零七年八月一日，本公司與中國星投資及Legend Rich Limited（中國星投資之全資附屬公司）訂立一份協議，據此，本公司同意出售及／或促使出售Exceptional Gain Profits Limited（「Exceptional Gain」）全部已發行股本，以及於協議日期由Exceptional Gain結欠本公司之銷售貸款約409,222,000港元，總代價為447,000,000港元（「建議出售事項」）。Exceptional Gain乃投資控股公司，其持有Kingsway Hotel Limited（「KHL」）（本集團經營酒店業務之附屬公司）之50%權益。建議出售事項經本公司股東在本公司於二零零七年十月二十四日舉行之股東特別大會上批准，並預期於二零零八年五月完成。因此，以Exceptional Gain為首之集團（包括該酒店業務）之所有業績乃分類為已終止經營業務，而其於二零零七年十二月三十一日之所有資產及負債乃分類為持有作出售資產及負債。

於二零零八年十二月二十三日，本公司與中國星投資及Legend Rich Limited訂立終止協議以終止建議出售事項，並即時生效。截至二零零七年十二月三十一日止年度，已終止經營業務之業績於綜合收入表乃重列為持續經營業務。

36. NON-CURRENT ASSETS HELD FOR SALE

- (a) On 3rd December 2008, the Group entered into an agreement to dispose certain of its property, plant and equipment at a total consideration of HK\$11,200,000. Accordingly, the carrying value of these property, plant and equipment was classified as assets held for sale as at 31st December 2008.
- (b) On 1st August 2007, the Company entered into an agreement with China Star Investment and Legend Rich Limited, a wholly owned subsidiary of China Star Investment, whereby the Company has agreed to sell and/or procure the sale of 100% of the issued share capital of Exceptional Gain Profits Limited ("Exceptional Gain") and a sale loan owned by Exceptional Gain to the Company amounted to approximately HK\$409,222,000 as at the date of the agreement for an aggregate consideration of HK\$447,000,000 (the "Proposed Disposal"). Exceptional Gain is the investment holding company which holds 50% interest in Kingsway Hotel Limited ("KHL"), a subsidiary of the Group which operates the hotel operations. The Proposed Disposal was approved by the shareholders of the Company at a special general meeting of the Company held on 24th October 2007 and was expected to complete in May 2008. Accordingly, all the results of the group headed by Exceptional Gain which comprised the hotel operations were classified as discontinued operations and all its assets and liabilities as at 31st December 2007 were classified as assets and liabilities held for sale.

On 23rd December 2008, the Company entered into a termination agreement with China Star Investment and Legend Rich Limited to terminate the Proposed Disposal with immediate effect. The results of the discontinued operations for the year ended 31st December 2007 were re-presented as continuing operations in the consolidated income statement.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

36. 持作出售非流動資產 (續)

- (c) 分類為持作出售之資產及負債於結算日之主要類別如下：

36. NON-CURRENT ASSETS HELD FOR SALE (Continued)

- (c) The major classes of assets and liabilities classified as held for sale at the balance sheet date are as follows:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
物業、機器及設備	Property, plant and equipment	716	3,758
租賃土地權益	Interests in leasehold land	—	517,568
在建工程	Construction in progress	—	274,196
存貨	Inventories	—	213
貿易應收賬款	Trade receivables	—	1,462
按金、預付款項及其他 應收款項	Deposits, prepayment and other receivables	—	12,773
給予一少數股東之貸款	Loan to a minority shareholder	—	196,000
現金及現金等值項目	Cash and cash equivalents	—	181,102
分類為持作出售之資產	Assets classified as held for sale	716	1,187,072
銀行透支	Bank overdraft	—	146,516
貿易應付賬款	Trade payables	—	2,150
應計項目及其他應付款項	Accruals and other payables	—	4,170
應付少數股東款項	Amounts due to minority shareholders	—	40,502
應付稅項	Tax payables	—	609
遞延稅項	Deferred taxation	—	80,888
銀行借貸	Bank borrowings	—	450,000
少數股東權益	Minority interests	—	309,261
與分類為持作出售資產 有關之負債	Liabilities associated with assets classified as held for sale	—	1,034,096
分類為持作出售之資產淨值	Net assets classified as held for sale	716	152,976

於二零零七年十二月三十一日，賬面值約794,813,000港元之物業、廠房及設備、租賃土地權益與在建工程)已抵押作本集團所獲銀行貸款之擔保。

At 31st December 2007, property, plant and equipment, interests in leasehold land and construction in progress with carrying value of approximately HK\$794,813,000 were pledged to secure banking facilities granted to the Group.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

37. 股本

37. SHARE CAPITAL

		股份數目		金額	
		Number of shares		Amount	
		二零零八年	二零零七年	二零零八年	二零零七年
		2008	2007	2008	2007
		千股	千股	千港元	千港元
		'000	'000	HK\$'000	HK\$'000
每股面值0.05港元之 普通股	Ordinary shares of HK\$0.05 each				
法定股本：	Authorised:	20,000,000	20,000,000	1,000,000	1,000,000
股份合併(附註b)	Share consolidation (Note b)	(18,000,000)	-	-	-
股本削減(附註b)	Capital reduction (Note b)	-	-	(900,000)	-
		2,000,000	20,000,000	100,000	1,000,000
已發行及繳足股本：	Issued and fully paid:				
於一月一日	At 1st January	2,806,097	704,646	140,305	35,232
股份合併(附註b)	Share consolidation (Note b)	(3,998,187)	-	-	-
股本削減(附註b)	Capital reduction (Note b)	-	-	(199,910)	-
就收購一間附屬 公司發行之代價 股份(附註c)	Consideration shares for acquisition of a subsidiary (Note c)	236,333	-	11,817	-
配售股份 (附註a, d, f及g)	Placement of shares (Notes a, d, f & g)	1,488,000	646,695	74,400	32,335
供股(附註e)	Rights issue (Note e)	-	843,769	-	42,188
行使購股權(附註i)	Exercise of share options (Note i)	-	78,285	-	3,914
兌換可換股票據 (附註h)	Conversion of convertible notes (Note h)	-	532,702	-	26,636
於十二月三十一日	At 31st December	532,243	2,806,097	26,612	140,305

附註：

Notes:

(a) 於二零零八年十二月二十三日，本公司以配售方式按每股0.102港元向獨立投資者配發及發行合共88,000,000股本公司股份。所得款項淨額約64,600,000港元將用於認購由寶利福控股有限公司(「寶利福」)發行本金額為60,000,000港元之零票息可換股票據。

(a) On 23rd December 2008, the Company allotted and issued an aggregate of 88,000,000 shares by way of placing to independent investors at a price of HK\$0.102 per share. The net proceeds of approximately HK\$64,600,000 will be used for subscription of the zero coupon convertible notes in principal of HK\$60,000,000 issued by Golife Concepts Holdings Limited ("Golife").

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

37. 股本 (續)

附註：(續)

- (b) 於本公司二零零八年五月八日舉行之股東特別大會上，通過了一項特別決議案以批准本公司之股本作以下變動(「股本重組」)：
- (i) 股份合併：本公司股本中現有每十股每股面值0.05港元之已發行及未發行股份合併為一股面值0.50港元股份(「合併股份」)；
- (ii) 股本削減：本公司之已發行股本通過取消本公司股本中每股已發行合併股份繳足股本0.45港元而削減，從而所有已發行合併股份之每股賬面值將自0.50港元減少至0.05港元；及
- (iii) 本公司法定股本中所有合併股份之賬面值自每股0.50港元減至每股0.05港元，導致法定股本自1,000,000,000港元(分為2,000,000,000股合併股份)減少至100,000,000港元(分為2,000,000,000股每股面值0.05港元之股份)。股本重組已於二零零八年五月九日生效。
- (c) 於二零零八年三月十八日，本集團以總代價1,054,900,000港元收購Best Mind之全部股權，其中600,000,000港元以現金支付，384,000,000港元以發行可換股票據方式支付，及70,900,000港元以配發及發行236,333,333股入賬列為繳足股份方式支付。
- (d) 於二零零八年一月二十四日，本公司以配售方式按每股0.12港元之價格向獨立投資者配發及發行1,400,000,000股本公司股份。所得款項淨額約163,500,000港元乃用於收購事項。

37. SHARE CAPITAL (Continued)

Notes: (Continued)

- (b) At the special general meeting of the Company held on 8th May 2008, a special resolution was passed to approve the following changes to the capital of the Company (the "Capital Reorganisation"):
- (i) Share consolidation: every ten existing shares of HK\$0.05 each in the issued and unissued share capital of the Company be consolidated into one share of HK\$0.50 each (the "Consolidated Share");
- (ii) Capital reduction: the issued share capital of the Company be reduced by cancelling the paid-up capital to the extent of HK\$0.45 on each issued Consolidated Share in the share capital of the Company such that the nominal value of all issued Consolidated Shares will be reduced from HK\$0.50 to HK\$0.05 each; and
- (iii) the nominal value of all the Consolidated Shares in the authorised share capital of the Company be reduced from HK\$0.50 each to HK\$0.05 each, resulting in the reduction of the authorised share capital from HK\$1,000,000,000 divided into 2,000,000,000 Consolidated Shares to HK\$100,000,000 divided into 2,000,000,000 share of HK\$0.05 each, the Capital Reorganisation was effected on 9th May 2008.
- (c) On 18th March 2008, the Group acquired entire equity interest in Best Mind at a total consideration of HK\$1,054,900,000 which were satisfied by HK\$600,000,000 in cash, HK\$384,000,000 by the issue of the Convertible Notes and HK\$70,900,000 by the allotment and issue 236,333,333 shares credited as fully paid.
- (d) On 24th January 2008, the Company allotted and issued 1,400,000,000 shares of the Company by way of placing to independent investors at a price of HK\$0.12 per share. The net proceeds of approximately HK\$163,500,000 were used for the Acquisition.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

37. 股本 (續)

附註：(續)

- (e) 於二零零七年十月十七日，本公司以供股方式發行843,769,024股每股0.05港元之新股份，基準為於二零零七年十月十五日每持有兩股股份獲配發一股供股股份，認購價為每股0.20港元。所得款項淨額約164,800,000港元乃用於收購事項。
- (f) 於二零零七年六月二十五日及二零零七年九月二十八日，本公司以配售方式分別按每股0.40港元及0.21港元之價格向獨立投資者配發及發行總計165,905,000股股份及274,790,000股股份。所得款項淨額分別約64,600,000港元及56,200,000港元乃分別作本集團之一般營運資金及收購事項之用。
- (g) 於二零零七年四月十七日及二零零七年五月三十日，本公司以配售方式按每股0.37港元之價格向獨立投資者分別配發及發行124,900,000股股份及81,100,000股股份。所得款項淨額合共約74,000,000港元乃用作本集團之一般營運資金。
- (h) 於二零零七年五月十八日，本公司以初始轉換價每股0.32港元發行本金額168,500,000港元之零息可換股票據。此等可換股票據已於截至二零零七年十二月三十一日止年度獲悉數兌換為普通股。
- (i) 截至二零零七年十二月三十一日止年度，若干購股權持有人行使彼等之購股權，以按行使價每股0.242港元認購合共32,985,000股股份、按行使價每股0.42港元認購合共5,900,000股股份及按行使價每股0.277港元認購合共12,600,000股股份。行使購股權之所得款項淨額約為21,374,000港元。

37. SHARE CAPITAL (Continued)

Notes: (Continued)

- (e) On 17th October 2007, the Company issued 843,769,024 new shares of HK\$0.05 each by way of a rights issue on the basis of one rights share for every two shares held on 15th October 2007 at a subscription price of HK\$0.20 per share. The net proceeds of approximately HK\$164,800,000 were used for the Acquisition.
- (f) On 25th June 2007 and 28th September 2007, the Company allotted and issued an aggregate of 165,905,000 shares and 274,790,000 shares by way of placing to independent investors at a price of HK\$0.40 per share and HK\$0.21 per share respectively. The net proceeds of approximately HK\$64,600,000 and HK\$56,200,000 respectively were used for general working capital of the Group and for the Acquisition respectively.
- (g) On 17th April 2007 and 30th May 2007, the Company allotted and issued 124,900,000 shares and 81,100,000 shares respectively by way of placing to independent investors at a price of HK\$0.37 per share. The aggregate net proceeds of approximately HK\$74,000,000 were used for general working capital of the Group.
- (h) On 18th May 2007, the Company issued zero coupon convertible notes in the principle amount of HK\$168,500,000 at an initial conversion price of HK\$0.32 per share. These convertible notes were fully converted into ordinary shares during the year ended 31st December 2007.
- (i) For the year ended 31st December 2007, certain option holders exercised their option rights to subscribe for an aggregate of 32,985,000 shares at an exercise price of HK\$0.242 per share, an aggregated of 26,800,000 shares at an exercise price of HK\$0.277 per share, an aggregate of 5,900,000 shares at an exercise price of HK\$0.42 per share and an aggregate of 12,600,000 shares at an exercise price of HK\$0.277 per share respectively. The net proceeds from the exercise of option rights amounted to approximately HK\$21,374,000.

CHINA STAR ENTERTAINMENT LIMITED
中國星集團有限公司
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38. 儲備

38. RESERVES

		股份溢價	繳入盈餘	以股份支付 款項之儲備	可換股 票據儲備	股本 削減儲備	保留溢利/ (累計虧損)	總額
		Share premium	Contributed surplus	Share-based payment reserve	Convertible notes reserve	Capital reduction reserve	Retained profit/ (Accumulated losses)	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(附註a)	(附註b)	(附註d)	(附註c)	(附註e)		
		(Note a)	(Note b)	(Note d)	(Note c)	(Note e)		
本公司	The Company							
於二零零七年一月一日	At 1st January 2007	906,988	207,548	43,238	566	316,008	(864,665)	609,683
年度虧損	Loss for the year	-	-	-	-	-	(27,969)	(27,969)
以股份支付之款項開支	Share-based payment expenses	-	-	17,660	-	-	-	17,660
配售股份	Placement of shares	167,953	-	-	-	-	-	167,953
股份發行開支	Share issuing expenses	(10,226)	-	-	-	-	-	(10,226)
發行可換股票據	Issue of convertible notes	-	-	-	54,307	-	-	54,307
贖回可換股票據	Redemption of convertible notes	-	-	-	(566)	-	566	-
兌換可換股票據	Conversion of convertible notes	134,409	-	-	(54,307)	-	-	80,102
就供股發行股份	Issue of shares upon rights issue	126,565	-	-	-	-	-	126,565
就行使購股權發行股份	Issue of shares upon exercise of share options	30,761	-	(13,301)	-	-	-	17,460
於二零零七年十二月三十一日及 二零零八年一月一日	At 31st December 2007 and at 1st January 2008	1,356,450	207,548	47,597	-	316,008	(892,068)	1,035,535
年度純利	Net profit for the year	-	-	-	-	-	92,565	92,565
就收購一間附屬公司發行 代價股份	Consideration shares for acquisition of a subsidiary	2,363	-	-	-	-	-	2,363
配售股份	Placement of shares	102,576	-	-	-	-	-	102,576
股份發行開支	Share issuing expenses	(4,290)	-	-	-	-	-	(4,290)
發行可換股票據	Issue of convertible notes	-	-	-	71,691	-	-	71,691
贖回可換股票據	Redemption of convertible notes	-	-	-	(33,672)	-	(44,570)	(78,242)
遞延稅項	Deferred tax	-	-	-	(5,354)	-	-	(5,354)
購股權失效	Share options lapse	-	-	(1,394)	-	-	1,394	-
以股份支付之款項開支	Share-based payment expenses	-	-	7,463	-	-	-	7,463
股本重組	Capital reorganisation							
- 股本削減	- capital reduction	-	199,910	-	-	-	-	199,910
- 註銷股份溢價賬	- share premium cancellation	(1,356,450)	1,356,450	-	-	-	-	-
- 抵銷累計虧損	- set off against accumulated losses	-	(864,665)	-	-	-	864,665	-
於二零零八年十二月三十一日	At 31st December 2008	100,649	899,243	53,666	32,665	316,008	21,986	1,424,217

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38. 儲備 (續)

附註：

- (a) 根據一九八一年百慕達公司法(修訂本)，本公司之股份溢價可用作繳足本公司之未發行股份，作為繳足紅股發行予本公司股東。
- (b) 本公司之承前繳入盈餘乃指因股本削減於二零零二年九月十日生效而轉自股本賬之數額。本公司所收購附屬公司之相關有形資產淨值與本公司於一九九二年本集團重組時已發行股本面值之差額，以及因二零零二年九月十日資本削減生效而轉自資本賬之差額。

根據一九八一年百慕達公司法(修訂本)，公司之繳入盈餘賬可供分派。然而，本公司不得在下列情況下於繳入盈餘中宣派或派發股息或作出分派：

- (i) 本公司現時或將於派息後無力償還到期而應償還之債項；或
- (ii) 本公司資產之可變現價值因派息而少於其負債加已發行股本及股份溢價賬之總和。
- (c) 以股份支付之款項儲備，相當於授出相關購股權後估計可於相關歸屬期間內換得之服務之公平價值，其總數乃以授出當日有關購股權之公平價值為基準。每段期間之數額則是將有關購股權之公平價值在相關歸屬期間(倘有)內攤分計算，並作為員工成本及相關支出項目入賬，並相應提高以股份支付之款項儲備。

38. RESERVES (Continued)

Notes:

- (a) Under the Companies Act 1981 of Bermuda (as amended), the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.
- (b) The contributed surplus of the Company brought forward represents the amounts transferred from the capital account due to the capital reduction effective on 10th September 2002. The difference between the underlying net tangible assets of the subsidiaries which were acquired by the Company and the nominal amount of the share capital issued by the Company at the time of the Group reorganisation in 1992 and the amount transferred from the capital account due to the capital reduction effective on 10th September 2002.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.
- (c) Share-based payment reserve represent the fair value of services estimated to be received in exchange for the grant of the relevant options over the relevant vesting periods, the total of which is based on the fair value of the options at grant date. The amount for each period is determined by spreading the fair value of the options over the relevant vesting periods (if any) and is recognised as staff costs and related expenses with a corresponding increase in the share-based payment reserve.

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38. 儲備 (續)

附註：(續)

(d) 根據香港會計準則第32號，所發行之可換股票據乃於初次確認時分為負債部份及權益部份，方式為按公平價值確認負債部份（公平價值乃使用同等不可換股票據之市場利率釐定），而發行所得款項與負債部份之公平價值兩者之差額則歸於權益部份。負債部份其後乃按已攤銷成本列值。權益部份會確認於可換股票據儲備，直至票據被轉換（屆時將轉撥至股份溢價）或票據被贖回（屆時將直接撥至保留溢利／累計虧損）為止。

(e) 本公司之股本削減儲備指於一九九八年將本公司332,640,000股已發行股份之面值由每股1.00港元削減至每股0.05港元所產生之金額。按董事根據本公司細則第129條而通過之一項決議案，股本削減儲備可用作支付本公司遺索償之金額或負債或或然負債，或可用作償還資本性貸款、補足股息或其他本公司溢利可運用之用途。

38. RESERVES (Continued)

Notes: (Continued)

(d) Under HKAS 32, convertible notes issued are split into their liability and equity components at initial recognition by recognising the liability component at its fair value which is determined using a market interest rate for equivalent non-convertible notes and attributing to the equity component the difference between the proceeds from issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost. The equity component is recognised in the convertible loan notes reserve until the notes are either converted (in which case it is transferred to share premium) or the notes are redeemed (in which case it is released directly to retained profit/accumulated losses).

(e) The capital reduction reserve of the Company represents the amount arising in relation to the reduction of the nominal value of 332,640,000 issued shares of the Company from HK\$1.00 each to HK\$0.05 each in 1998. Pursuant to a resolution passed by the directors pursuant to Bye-law 129 of the Company's Bye-laws, the capital reduction reserve shall be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

39. 銀行借貸

39. BANK BORROWINGS

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
有抵押銀行貸款	Secured bank loans	383,467	10,941
上述借貸之到期日如下：	The maturity of the above borrowings is as follow:		
一年內	Within one year	102,561	2,418
一至兩年	Between one and two years	102,631	2,528
兩至五年	Between two and five years	178,251	5,681
五年以上	Over five years	24	314
		383,467	10,941
減：一年內到期列入流動負債之款項	Less: Amount due within one year shown under current liabilities	(102,561)	(2,418)
一年後到期之款項	Amount due after one year	280,906	8,523

有抵押銀行貸款包括按揭貸款(按商業利率計息)及定期貸款(按銀行最優惠貸款利率減2.5%之年利率計息)。按揭貸款以本集團賬面值約為40,880,000港元(二零零七年:51,100,000港元)之投資物業、租賃土地及在建工程作擔保。按揭貸款須於十年內分期攤還。定期貸款乃分別由本集團賬面值約499,457,000港元(二零零七年:無)、2,931,000港元(二零零七年:無)及488,646,000港元(二零零七年:無)之租賃土地、樓宇及在建工程作抵押。定期貸款須按18個連續季度等額分期償還25,000,000港元,首期還款將於首次貸款提取日期後第九個月開始。所有計息貸款均以港元定值。

本公司董事認為,本集團借貸之賬面值與其公平價值相若。

Secured bank loans comprise a mortgage loan which bears interest at commercial rates and a term loan which bears interest at 2.5% per annum below the bank's best lending rate. The mortgage loan is secured by the Group's investment property with carrying value of approximately HK\$40,880,000 (2007: HK\$51,100,000). The mortgage loan is repayable in installments over a period of ten years. The term loan is secured by the Group's leasehold land, buildings and construction in progress with carrying value of approximately HK\$499,457,000 (2007: nil), HK\$2,931,000 (2007: nil) and HK\$488,646,000 (2007: nil) respectively. The term loan is repayable by 18 equal consecutive quarterly installments of HK\$25,000,000 each commencing from the 9th month after the date of the first loan drawdown. All interest-bearing borrowings are denominated in Hong Kong dollar.

The directors of the Company consider that the carrying amounts of the Group's borrowings approximate to their fair values.

財務報表附註 Notes to the Financial Statements

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40. 無抵押可換股票據

於二零零八年三月十八日，本公司向Lucky State Group Limited (「票據持有人」) 發行本金額384,000,000港元之無抵押可換股票據 (「可換股票據」)，作為收購事項之部份代價。可換股票據年利率為5厘，並將於二零一八年三月十七日到期。由收取票據持有人之擔保人及實益擁有人吳卓徽先生之擔保溢利之日起或由從票據持有人收取擔保溢利之短缺數額之日起至二零一八年三月十七日，票據持有人可按初始轉換價每股0.30港元 (可予調整) 將可換股票據全部或部份 (1,000,000港元之倍數) 兌換為本公司之股份。

可換股票據由負債及權益兩種成份組成。負債成份之公平價值計入長期借貸，乃經參考等額不可轉換票據之市場利率採用現金流量折現法計算。餘下結餘指權益轉換成份，以可換股票據儲備名義計入股東權益。

40. UNSECURED CONVERTIBLE NOTES

On 18th March 2008, the Company issued unsecured convertible notes in the principal amount of HK\$384,000,000 (the "Convertible Notes") to Lucky State Group Limited (the "Noteholder") as part of consideration for the Acquisition. The Convertible Notes are interest bearing at 5% per annum and will be matured on 17th March 2018. The Noteholder may convert the whole or part (in multiple of HK\$1,000,000) of the Convertible Notes into shares of the Company at an initial conversion price of HK\$0.30 per share (subject to adjustment) from the date either the guarantee profit from Mr. Ng Cheuk Fai, the guarantor and beneficial owner of the Noteholder, is achieved or the shortfall is received from the Noteholder to 17th March 2018.

The Convertible Notes contain two components, liability and equity elements. The fair value of the liability component, included in long-term borrowings, was calculated using discounted cash flow method with reference to a market interest rate for an equivalent non-convertible note. The remaining balance represented the equity conversion component, is included in shareholders' equity named as convertible notes reserve.

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40. 無抵押可換股票據 (續)

40. UNSECURED CONVERTIBLE NOTES

(Continued)

本集團及本公司

The Group and the Company

可換股票據
之負債部份Liability component
of the convertible
notes

千港元

HK\$'000

於二零零七年一月一日	At 1st January 2007	19,867
發行可換股票據	Issue of convertible notes	105,768
轉換為普通股	Converted into ordinary shares	(106,738)
推算利息開支	Imputed interest expenses	1,501
已付利息	Interest paid	(398)
贖回	Redemption	(20,000)
於二零零七年十二月三十一日 及二零零八年一月一日	At 31st December 2007 and 1st January 2008	-
發行所得款項	Proceeds of issue	384,000
權益成份	Equity component	(71,691)
於發行日期之負債成份	Liability component at the date of issue	312,309
利息支出	Interest charged	13,729
贖回	Redemption	(176,759)
已付利息	Interest paid	(10,889)
於二零零八年十二月三十一日	At 31st December 2008	138,390

可換股票據負債成份之實際利率約為7.75%。

The effective interest rate on the liability component of the convertible notes is approximately 7.75%.

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41. 遞延稅項

本集團

以下為本集團確認之主要遞延稅項負債及資產及有關變動：

		收購附屬公司 之公平值調整 Fair value adjustment on acquisition of subsidiaries 千港元 HK\$'000	無抵押 可換股票據 Unsecured convertible notes 千港元 HK\$'000	投資物業之 公平價值變動 Fair value changes of investment property 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零七年一月一日	At 1st January 2007	-	-	1,888	1,888
自綜合收入表扣除	Charge to the consolidated income statement	-	-	1,578	1,578
於二零零七年十二月三十一日 及二零零八年一月一日	At 31st December 2007 and 1st January 2008	-	-	3,466	3,466
收購附屬公司	Acquisition of subsidiaries	80,888	-	-	80,888
發行可換股票據	Issue of convertible notes	-	11,829	-	11,829
贖回無抵押可換股票據	Redemption of unsecured convertible notes	-	(6,475)	-	(6,475)
轉撥時之重估盈餘	Surplus on revaluation upon transfer	-	-	1,053	1,053
自綜合收入表扣除	Charge to the consolidated income statement	-	(476)	(1,968)	(2,444)
於二零零八年十二月三十一日	At 31st December 2008	80,888	4,878	2,551	88,317

於二零零八年十二月三十一日，本集團擁有約408,266,000港元（二零零七年：417,320,000港元）之未動用估計稅務虧損可供抵銷日後溢利。由於未能預計日後之溢利，故並無確認遞延稅項資產。

本公司

由於未能預計日後之溢利，故並無就估計稅項虧損約86,734,000港元（二零零七年：81,870,000港元）確認遞延稅項資產。

41. DEFERRED TAX LIABILITIES

The Group

The followings are the major deferred tax liabilities and assets recognised by the Group and movements thereon:

		收購附屬公司 之公平值調整 Fair value adjustment on acquisition of subsidiaries 千港元 HK\$'000	無抵押 可換股票據 Unsecured convertible notes 千港元 HK\$'000	投資物業之 公平價值變動 Fair value changes of investment property 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零七年一月一日	At 1st January 2007	-	-	1,888	1,888
自綜合收入表扣除	Charge to the consolidated income statement	-	-	1,578	1,578
於二零零七年十二月三十一日 及二零零八年一月一日	At 31st December 2007 and 1st January 2008	-	-	3,466	3,466
收購附屬公司	Acquisition of subsidiaries	80,888	-	-	80,888
發行可換股票據	Issue of convertible notes	-	11,829	-	11,829
贖回無抵押可換股票據	Redemption of unsecured convertible notes	-	(6,475)	-	(6,475)
轉撥時之重估盈餘	Surplus on revaluation upon transfer	-	-	1,053	1,053
自綜合收入表扣除	Charge to the consolidated income statement	-	(476)	(1,968)	(2,444)
於二零零八年十二月三十一日	At 31st December 2008	80,888	4,878	2,551	88,317

At 31st December 2008, the Group had unused estimated tax losses of approximately HK\$408,266,000 (2007: HK\$417,320,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

The Company

No deferred tax assets has been recognised in respect of estimated tax losses of approximately HK\$86,734,000 (2007: HK\$81,870,000) due to the unpredictability of future profit streams.

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42. 貿易應付賬款

貿易應付賬款之賬齡分析如下：

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
0至30日	0 to 30 days	650	2,980
31至60日	31 to 60 days	48	1,174
61至90日	61 to 90 days	17	5
91至180日	91 to 180 days	632	167
超過180日	Over 180 days	5,736	13,295
		7,083	17,621

42. TRADE PAYABLES

The aged analysis of the trade creditors is as follows:

43. 已收取按金、應計項目及其他應付款項

已收取按金	Deposits received	53,731	55,123	10,000	10,000
應計項目	Accruals	14,245	3,635	8,123	2,387
其他應付款項	Other payables	1,295	7,260	874	2,611
		69,271	66,018	18,997	14,998

43. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

		本集團 The Group		本公司 The Company	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
已收取按金	Deposits received	53,731	55,123	10,000	10,000
應計項目	Accruals	14,245	3,635	8,123	2,387
其他應付款項	Other payables	1,295	7,260	874	2,611
		69,271	66,018	18,997	14,998

44. 應付少數股東之款項

應付本集團少數股東之款項乃無抵押、免息及須按要求償還。

44. AMOUNTS DUE TO MINORITY SHAREHOLDERS

Amounts due to minority shareholders of the Group are unsecured, interest-free and repayable on demand.

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45. 收購附屬公司

於截至二零零八年十二月三十一日止年度

於二零零八年三月十八日，本集團以總代價1,054,900,000港元收購Best Mind之全部股權，其中600,000,000港元以現金支付、384,000,000港元以發行可換股票據之方式支付及70,900,000港元以配發及發行236,333,333股入賬列為繳足之股份之方式支付。

Best Mind已與Ocho Sociedade Unipessoal Limitada (「Ocho」，為從事博彩推廣業務之澳門公司)訂立溢利協議，以分享Ocho及／或其客戶在Ocho於澳門新葡京娛樂場經營之其中一個VIP博彩房間所產生之累計營業額之0.4%。

所收購淨資產及商譽詳情如下：

45. ACQUISITION OF SUBSIDIARIES

For the year ended 31st December 2008

On 18th March 2008, the Group acquired entire equity interest in Best Mind at a total consideration of HK\$1,054,900,000, which were satisfied by HK\$600,000,000 in cash, HK\$384,000,000 by the issue of the Convertible Notes and HK\$70,900,000 by the allotment and issue 236,333,333 shares credited as fully paid.

Best Mind entered into a profit agreement with Ocho Sociedade Unipessoal Limitada ("Ocho"), a Macau company engaged in the gaming promotion business, to share 0.4% of the rolling turnover generated by Ocho and/or its customers at one of the VIP gaming rooms operated by Ocho at the Grand Lisboa Casino in Macau.

Details of net assets acquired and goodwill are as follows:

	收購前之賬面值 Carrying amount before the Acquisition 千港元 HK\$'000	公平價值調整 Fair value adjustment 千港元 HK\$'000	公平價值 Fair value 千港元 HK\$'000
所收購淨資產：	Net assets acquired:		
無形資產(附註a)	Intangible assets (note a)	-	989,205
銀行及手頭現金	Cash at bank and in hand	1	1
貿易應收賬款	Trade receivables	5	5
其他應付款項	Other payables	(6)	(6)
		-	989,205
商譽	Goodwill		8,975
總代價(按公平值)	Total consideration at fair value		998,180
以下列方式支付總代價 (按公平值)：	Total consideration at fair value satisfied by:		
已付現金代價	Cash consideration paid		600,000
按公平值發行股份 (附註b)	Issue of shares at fair value (note b)		14,180
發行可換股票據	Issue of the Convertible Notes		384,000
			998,180
收購所產生之現金 流出量淨額：	Net cash outflow arising from the Acquisition:		
已付現金代價	Cash consideration paid		200,000
已收購之銀行及 手頭現金	Cash at bank and in hand acquired		(1)
			199,999

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

45. 收購附屬公司(續)

於截至二零零八年十二月三十一日止年度(續)

附註：

(a) 無形資產指於一不確定時間段分享澳門娛樂場其中一間VIP房間之中介人業務之溢利流量之權利。無形資產之公平值約989,205,000港元乃參考獨立合資格專業估值師中證評估有限公司採用貼現現金流量法進行之估值後達致。

(b) 作為收購代價之一部分，本公司發行236,333,333股每股面值0.05港元之普通股。本公司普通股之公平值(採用收購日期可獲得之已發佈價格每股0.06港元予以釐定)約為14,180,000港元。

於截至二零零八年十二月三十一日止年度，Best Mind自收購事項完成以來為本集團貢獻溢利約203,316,000港元。

於截至二零零七年十二月三十一日止年度

於二零零七年三月三十日，本集團以代價約231,777,000港元收購KHL之38.5%股權(「首項收購事項」)。於二零零七年五月三十日，本集團透過以代價約490,000,000港元收購Triumph Up Investment Limited及其附屬公司與Great Chain Limited及其附屬公司進一步收購KHL之61.5%權益(「第二項收購事項」)。

45. ACQUISITION OF SUBSIDIARIES

(Continued)

For the year ended 31st December 2008 (Continued)

Notes:

(a) The intangible assets represented the rights in sharing of profit streams from junket business at one of the casino's VIP room in Macau for an indefinite period of time. The fair value of the intangible assets of approximately HK\$989,205,000 has been arrived with reference to the valuation performed by Grant Sherman Appraisal Limited, independent qualified professional valuers, by using discounted cash flow method.

(b) As part of the consideration for the Acquisition, 236,333,333 ordinary shares of the Company with par value of HK\$0.05 each were issued. The fair value of the ordinary shares of the Company, determined by using the published price of HK\$0.06 per share available at the date of the Acquisition, amounted to approximately HK\$14,180,000.

During the year ended 31st December 2008, Best Mind contributed profit of approximately HK\$203,316,000 to the Group since the completion of the Acquisition.

For the year ended 31st December 2007

On 30th March, 2007, the Group acquired 38.5% equity interest in KHL ("Initial Acquisition") at a consideration of approximately HK\$231,777,000. On 30th May 2007, the Group further acquired 61.5% interest in KHL through acquisition of the entire interest in Triumph Up Investment Limited and its subsidiaries and Great Chain Limited and its subsidiaries ("Second Acquisition"), at a consideration of approximately HK\$490,000,000.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

45. 收購附屬公司(續)

於截至二零零七年十二月三十一日止年度(續)

於首項及第二項收購事項完成後，本集團擁有KHL全部權益。首項及第二項收購事項所收購淨資產如下：

45. ACQUISITION OF SUBSIDIARIES

(Continued)

For the year ended 31st December 2007 (Continued)

Following the completion of the Initial and Second Acquisition, the Group had 100% interest in KHL. The net assets acquired in the Initial and Second Acquisition were as follows:

		收購前之賬面值 Carrying amount before the acquisition 千港元 HK\$'000	公平價值調整 Fair value adjustment 千港元 HK\$'000	公平價值 Fair value 千港元 HK\$'000
所收購之淨資產：	Net assets acquired:			
物業、機器及設備	Property, plant and equipment	48,881	221,865	270,746
租賃土地權益	Interest in leasehold land	87,796	452,203	539,999
存貨	Inventories	1,035	–	1,035
貿易應收賬款	Trade receivables	5,982	–	5,982
按金、預付款項及其他 應收款項	Deposits, prepayments and other receivables	425	–	425
銀行及手頭現金	Cash at bank and in hand	12,848	–	12,848
應付直接控股公司款項	Amounts due to immediate holding companies	(81,004)	–	(81,004)
貿易應付賬款	Trade payables	(892)	–	(892)
已收取按金、應計項目 及其他應付款項	Deposits received, accruals and other payables	(11,980)	–	(11,980)
遞延稅項	Deferred tax	–	(80,888)	(80,888)
所收購資產淨值	Net assets acquired	<u>63,091</u>	<u>593,180</u>	656,271
收購折讓	Discount on acquisition			<u>(15,498)</u>
				<u>640,773</u>
總代價以下列方式支付：	Total consideration satisfied by:			
現金	Cash			721,777
股東貸款	Shareholder loan			<u>(81,004)</u>
				<u>640,773</u>
收購所產生現金流出 淨額：	Net cash outflow arising on acquisition:			
已付現金代價	Cash consideration paid			721,777
所收購銀行結餘及現金	Bank balances and cash acquired			<u>(12,848)</u>
				708,929
已付按金	Deposit paid			<u>(40,000)</u>
				<u>668,929</u>

首項及第二項收購事項詳情載於本公司於二零零六年九月二十八日及二零零七年三月十日刊發之通函內。

Details of the Initial Acquisition and Second Acquisition were set out in the Company's circulars dated 10th March 2007 and 28th September 2006.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

46. 出售附屬公司

於截至二零零八年十二月三十一日止年度

於二零零八年八月十八日，本集團以代價約330,567,000港元出售本公司之間接全資附屬公司CSL。

於二零零八年十月二十七日，本集團以代價約50,000港元出售本公司之間接全資附屬公司中國星廣告有限公司（「中國星廣告」）。

所出售資產淨值詳情如下：

46. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2008

On 18th August 2008, the Group disposed CSL, an indirect wholly owned subsidiary of the Company, at a consideration of approximately HK\$330,567,000.

On 27th October 2008, the Group disposed China Star Advertising Company Limited ("CSAL"), an indirect wholly owned subsidiary of the Company, at a consideration of approximately HK\$50,000.

Details of the net assets disposed of are as follows:

		CSL 千港元 HK\$'000	中國星廣告 CSAL 千港元 HK\$'000	總計 Total 千港元 HK\$'000
所出售資產淨值：	Net assets disposed of:			
聯營公司之權益	Interest in associates	349,607	–	349,607
物業、機器及設備	Property, plant and equipment	–	2	2
可供出售之金融資產	Available-for-sale financial assets	5,498	–	5,498
應收一間聯營公司之 可換股票據	Convertible notes receivable from an associate	707	–	707
應收一間聯營公司之 可換股票據內含之 換股期權	Conversion option embedded in convertible notes receivable from an associate	222	–	222
按金、預付款項及其他 應收款項	Deposits, prepayments and other receivables	12	26	38
現金及銀行結餘	Cash and bank balances	57	–	57
應付本集團之款項	Amount due to the Group	–	(36,713)	(36,713)
應計項目及其他應付款項	Accruals and other payables	(5)	(7,221)	(7,226)
		356,098	(43,906)	312,192
轉讓予買方應付本集團 之款項	Amount due to the Group assigned to the Purchaser	–	18,624	18,624
出售時撇銷應付本集團 之款項	Amount due to the Group written off on disposal	–	18,089	18,089
少數股東權益	Minority interest	–	(1,183)	(1,183)
轉撥匯兌儲備	Release of exchange reserve	(19,707)	(301)	(20,008)
轉撥金融資產重估儲備	Release of financial assets revaluation reserve	9,073	–	9,073
		345,464	(8,677)	336,787
出售附屬公司之收益／(虧損)	Gain/(loss) on disposal of subsidiaries	(14,897)	8,727	(6,170)
		330,567	50	330,617
以下列方式支付：	Satisfied by:			
現金代價	Cash consideration	330,567	50	330,617
出售之現金流出淨額：	Net cash outflow from disposals:			
已收現金代價	Cash consideration received	330,567	50	330,617
售出之銀行結餘及現金	Bank balance and cash disposed of	(57)	–	(57)
		330,510	50	330,560

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

46. 出售附屬公司(續)

於截至二零零八年十二月三十一日止年度(續)

於截至二零零八年十二月三十一日止年度，CSL及中國星廣告並無為本集團貢獻任何營業額，分別為本集團年度溢利帶來虧損約20,840,000港元及1,566,000港元。

截至二零零七年十二月三十一日止年度

於二零零七年六月二十二日，本集團以代價約315,000,000港元出售附屬公司KHL 50%之權益及有關銷售貸款，從而引致出售虧損約45,471,000港元。因此，本集團於KHL之持股量由100%下降至50%。

於出售日期KHL之資產淨額如下：

46. DISPOSAL OF SUBSIDIARIES

(Continued)

For the year ended 31 December 2008 (Continued)

During the year ended 31st December 2008, CSL and CSAL did not contribute any to the Group's turnover and contributed a loss of approximately HK\$20,840,000 and HK\$1,566,000 to the Group's profit for the year respectively.

For the year ended 31st December 2007

On 22nd June 2007, the Group had disposed of 50% interest in a subsidiary, KHL and the relevant sale loan at a consideration of approximately HK\$315,000,000, resulting in a loss on disposal of approximately HK\$45,471,000. Accordingly, the Group's shareholding in KHL has decreased from 100% to 50%.

The net assets of KHL at the date of disposal were as follows:

		二零零七年 2007 千港元 HK\$'000
出售前本集團應佔資產淨值	The Group's share of net assets before disposal	645,468
由本集團產生之開支	Expenses incurred by the Group	(4,526)
應佔所出售資產淨值	Share of net assets disposed	(320,471)
出售後本集團所擁有之應佔資產淨值	Share of net assets owned by the Group after disposal	320,471
應佔所出售資產淨值	Share of net assets disposed	320,471
出售附屬公司權益之虧損	Loss on disposal of interest in a subsidiary	(45,471)
		275,000
總代價以下列方式支付：	Total consideration satisfied by:	
所收取現金代價	Cash consideration received	315,000
所出售股東貸款	Shareholder's loan disposed	(40,000)
		275,000
出售產生之現金流入淨額：	Net cash inflow arising on disposal:	
現金代價	Cash consideration	315,000

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

47. 租賃承擔

於二零零八年十二月三十一日，本集團根據於下列期限屆滿之租賃物業不可撤回經營租約之日後最低租金承擔如下：

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
一年內	Within one year	2,250	1,566
第二至第五年內(包括首尾兩年)	In the second to fifth year inclusive	2,151	1,016
		4,401	2,582

經營租約款項指本集團辦公室物業應付之租金。租約主要就平均兩年租期磋商，而平均兩年之租金固定不變。

47. LEASE COMMITMENTS

At 31st December 2008, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

Operating lease payments represented rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed for an average of two years.

48. 資本承擔

本集團於結算日有關收購若干實體股權權益之未履行承擔如下：

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
已授權及已訂約，但尚未撥備	Authorised and contracted, but not provided for	163,680	654,900

48. CAPITAL COMMITMENTS

The Group had the following outstanding commitments in respect of acquisitions of equity interests in certain entities at the balance sheet date:

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易

根據於二零零二年五月二十七日舉行之本公司股東週年大會上通過之一項決議案，終止了本公司於一九九六年十月二十三日採納之購股權計劃（「舊購股權計劃」），並採納了一項新購股權計劃（「新購股權計劃」）。

舊購股權計劃

舊購股權計劃之主要條款概述如下：

- (i) 作為對參與者之獎勵。
- (ii) 參與者包括本集團任何成員公司之任何僱員或董事。
- (iii) 授出之購股權所涉及之股份上限數目不得超逾本公司不時之已發行股本10%。
- (iv) 每名參與者可獲授之購股權所涉及之股份上限，加上根據任何向同一參與者授出之購股權而已發行及可發行之股份總數，不得超逾不時之股份上限之25%。

49. EQUITY SETTLED SHARE-BASED TRANSACTION

Pursuant to a resolution passed at the annual general meeting of the Company held on 27th May 2002, the share option scheme adopted by the Company on 23rd October 1996 (the "Old Option Scheme") was terminated and a new share option scheme (the "New Option Scheme") was adopted.

The Old Option Scheme

The major terms of the Old Option Scheme are summarised as follows:

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included any employee or director of any members of the Group.
- (iii) The maximum number of shares in respect of which share options might be granted must not exceed 10% of the issued share capital of the Company from time to time.
- (iv) The maximum number of shares in respect of which share options might be granted to a participant, when aggregate with shares issued and issuable under any share option granted to the same participant, must not exceed 25% of the maximum shares from time to time.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

舊購股權計劃 (續)

- (v) 任何購股權可於該購股權視為授出當日後隨時全部或部分行使。
- (vi) 購股權之行使期不得超逾接納日期起計十年。
- (vii) 承授人須於授出日期起計30日內接納購股權(如接納)，並向本公司支付1港元不可退回款項。
- (viii) 購股權之行使價須為下列之較高者：
 - a. 不低於緊接在授出購股權日期前五個交易日本公司每股股份之平均收市價80%之價格；及
 - b. 本公司每股股份之面值。

由於舊購股權計劃已於二零零二年五月二十七日終止，因此再無購股權可根據舊購股權計劃而授出。惟所有於上述終止前按舊購股權計劃已授出而尚未行使之購股權則仍然有效，並可根據舊購股權計劃之條款予以行使。

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The Old Option Scheme (Continued)

- (v) Any share option may be exercised in whole or in part at any time after the date on which the share option is deemed to be granted.
- (vi) The exercisable period of a share option must not exceed a period of 10 years commencing on the date of acceptance.
- (vii) The acceptance of a share option, if accepted, must be made within 30 days from the date of the offer of the grant with a non-refundable payment of HK\$1 from the grantee to the Company.
- (viii) The exercise price of a share option must be the higher of:
 - a. a price not less than 80% of the average closing price of a share of the Company for the 5 trading days immediately preceding the grant; and
 - b. the nominal value of a share of the Company.

As the Old Option Scheme was terminated on 27th May 2002, no further share options can be granted under the Old Option Scheme thereafter. However, all outstanding share options granted under the Old Option Scheme prior to the said termination shall remain valid and exercisable in accordance with the provisions of the Old Option Scheme.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

新購股權計劃

新購股權計劃之主要條款概述如下：

- (i) 旨在作為參與者對本集團所作出或可能作出之貢獻之獎勵及報酬。
- (ii) 參與者包括：
 - (1) (a) 在本公司或本公司直接或間接持有任何股本權益之任何實體(統稱「持有權益團體」)之任何成員公司、本公司任何主要股東或由本公司主要股東控制之任何公司任職之任何執行或非執行董事或候任董事(包括任何獨立非執行董事)、全職或兼職僱員或候任僱員；
 - (b) 在持有權益團體任何成員公司或本公司任何主要股東或由本公司主要股東控制之任何公司任職之任何臨時調派之人士；
 - (c) 持有權益團體任何成員公司或本公司任何主要股東或由本公司主要股東控制之任何公司所發行任何證券之任何持有人；

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The New Option Scheme

The major terms of the New Option Scheme are summarised as follows:

- (i) The purpose is to provide incentives and rewards to the participants for their contribution or potential contribution to the Group.
- (ii) The participants include:
 - (1) (a) any directors or proposed director (whether executive or non-executive including any independent non-executive director), employee or proposed employee (whether full time or part time) of any member of the Company and any entity in which the Company, directly or indirectly, holds any equity interests (collectively the "Interested Group") or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;
 - (b) any individual for the time being seconded to work for any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;
 - (c) any holder of any securities issued by any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

新購股權計劃 (續)

(ii) 參與者包括：(續)

(1) (d) 持有權益團體任何成員公司或本公司任何主要股東或由本公司主要股東控制之任何公司之業務或合營夥伴、承辦商、代理商或代表；

(e) 向持有權益團體任何成員公司或本公司任何主要股東或由本公司主要股東控制之任何公司提供服務之任何研究人員、技術員、諮詢人、顧問、藝員、演員，以及任何研究公司、技術支援公司、諮詢公司、顧問公司、製作公司、廣告公司、發行公司及專業服務公司；

(f) 向持有權益團體任何成員公司或本公司任何主要股東或由本公司主要股東控制之任何公司提供電影、電視節目、影視節目、貨品或服務之任何供應商、監製、導演或特許權授出人；

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The New Option Scheme (Continued)

(ii) The participants include: (Continued)

(1) (d) any business or joint venture partner, contractor, agent or representative of any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

(e) any research assistant, technician, adviser, consultant, artist, actor, actress or, and any research company, technical support company, advisory company, consultancy company, production company, advertising company, distribution company and professional services company to any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

(f) any supplier, producer, director or licensor of films, television programmes, video features, goods or services to any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

新購股權計劃 (續)

(ii) 參與者包括：(續)

(1) (g) 由持有權益團體任何成員公司或本公司任何主要股東或由本公司主要股東控制之任何公司提供電影、電視節目、影視節目、貨品或服務之任何客戶、特許權承授人(包括特許權轉授人)或分銷商；

(h) 持有權益團體任何成員公司或本公司任何主要股東或由本公司主要股東控制之任何公司之任何業主或租戶(包括任何分租租戶)；及

(2) 由一名或多名上述任何類別參與者所控制之任何公司。

(iii) 根據新購股權計劃可授出之購股權所涉及之股份上限數目不得超逾本公司批准新購股權計劃日期之已發行股本10%，惟該上限可由股東於股東大會上更新。因行使所有根據新購股權計劃及任何其他購股權計劃已授出而尚未行使之購股權而發行之股份上限數目，不得超逾不時已發行股份之30%。於本年報刊發日期，根據新購股權計劃(經更新)而可供發行之購股權總數為514,304份，佔本公司於本年報刊發日期已發行股本約0.01%。

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The New Option Scheme (Continued)

(ii) The participants include: (Continued)

(1) (g) any customer, licensee (including any sub-licensee) or distributor of films television programmes, video features, goods or services of any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

(h) any landlord or tenant (including any sub-tenant) of any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company; and

(2) any company controlled by one or more persons belonging to any of the above classes of participants.

(iii) The maximum number of shares in respect of which share options may be granted under the New Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the New Option Scheme and such limit might be refreshed by the shareholders in general meeting. The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time. The total number of share options available for issue under the New Option Scheme (after refreshment) at the date of this annual report was 514,304, which represented approximately 0.01% of the issued share capital of the Company at the date of this annual report.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

新購股權計劃 (續)

- (iv) 除非獲得股東批准，否則每名參與者於十二個月內獲授之購股權（包括已行使，已註銷及尚未行使之購股權）予以行使時所發行及將發行之股份總數，不得超過不時已發行股份之1%。
- (v) 行使期由董事會於授出購股權時決定，惟無論如何不得超過授出日期起計十年。
- (vi) 除董事會另有決定及於授出相關購股權時另有規定外，並無規定購股權於行使前須持有之最短限期。
- (vii) 承授人須於授出日期起計30日內接納購股權（如接納），並向本公司支付1港元不可退回款項。
- (viii) 購股權之行使價須為下列之最高者：
 - a. 授出日期當日本公司每股股份之收市價；
 - b. 緊接授出日期前五個交易日本公司每股股份之平均收市價；及
 - c. 本公司每股股份之面值。
- (ix) 新購股權計劃自採納日期起至二零一二年五月二十六日止十年內有效。

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The New Option Scheme (Continued)

- (iv) The total number of shares issued and to be issued upon exercise of the share options granted to each participant (including exercised, cancelled and outstanding share options) in 12 month period must not exceed 1% of the shares in issue from time to time unless the same is approved by the shareholders.
- (v) The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 10 years from the date of offer for grant.
- (vi) Save as determined by the board of directors provided in the offer of the grant of the relevant share options, there is no general requirement that a share option must be held for any minimum period before it can be exercised.
- (vii) The acceptance of a share option, if accepted, must be made within 30 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.
- (viii) The exercise price of a share option must be the highest of:
 - a. the closing price of a share of the Company on the date of grant;
 - b. the average closing price of a share of the Company for the 5 trading days immediately preceding the date of grant; and
 - c. the nominal value of a share of the Company.
- (ix) The New Option Scheme is effective for 10 years from the date of adoption until 26th May 2012.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

下表披露本公司主要股東、董事、本集團僱員及其他參與者所持本公司購股權之詳情及該等所持權益之變動：

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The following table discloses details of the Company's share options held by the Company's substantial shareholders, directors, the Group's employees and other participants and movements in such holdings:

參與者類別	計劃名稱	授出日期	行使期限	購股權數目												
				每股行 使價	於二零零七年 一月一日 尚未行使	於二零零七年 十二月三十一日 尚未行使	於二零零七年 一月一日 尚未行使	於二零零七年 十二月三十一日 尚未行使	於二零零七年 一月一日 尚未行使	於二零零七年 十二月三十一日 尚未行使	於二零零七年 一月一日 尚未行使	於二零零七年 十二月三十一日 尚未行使	於二零零七年 一月一日 尚未行使	於二零零七年 十二月三十一日 尚未行使		
Category of Participants	Name of scheme	Date of grant	Exercisable period	Exercise price per share HK\$ 港元	Outstanding as at 01.01.2007	Granted during 2007	Exercised during 2007	Transfer between category	Adjustment during 2007	as at 31.12.2007 and 01.01.2008	Lapsed during 2008	Adjustment during 2008*	Granted during 2008 (Note i) (附註i)	Transfer between category	Outstanding as at 31.12.2008	
本公司主要股東 及董事** Substantial shareholders and directors of the Company**	舊購股權計劃 Old Option Scheme	28.03.2000	28.03.2000 – 27.03.2010	154.590*	922,123	-	-	-	78,965	1,001,088	-	(900,980)	-	-	100,108	
		02.06.2000	02.06.2000 – 01.06.2010	74.920*	417,506	-	-	-	35,752	453,258	-	(407,932)	-	-	45,326	
	新購股權計劃 New Option Scheme	16.07.2002	16.07.2002 – 15.07.2012	15.810*	221,446	-	-	-	18,964	240,410	-	(216,368)	-	-	24,042	
		17.07.2003	17.07.2003 – 16.07.2013	5.200*	457,000	-	-	-	39,136	496,136	-	(446,524)	-	-	49,612	
					2,018,075	-	-	-	172,817	2,190,892	-	(1,971,804)	-	-	219,088	
本公司董事*** Director of the Company***	新購股權計劃 New Option Scheme	16.07.2002	16.07.2002 – 15.07.2012	15.810*	1,109,557	-	-	-	95,017	1,204,574	-	(1,084,117)	-	-	120,457	
		17.07.2003	17.07.2003 – 16.07.2013	5.200*	2,285,000	-	-	-	195,677	2,480,677	-	(2,232,809)	-	-	248,068	
						3,394,557	-	-	-	290,694	3,685,251	-	(3,316,726)	-	368,525	
本集團僱員 Employees of the Group	舊購股權計劃 Old Option Scheme	05.01.1999	05.01.1999 – 04.01.2009	46.160*	44	-	-	-	3	47	-	(43)	-	-	4	
		28.03.2000	28.03.2000 – 27.03.2010	154.590*	240,099	-	-	-	20,562	260,661	-	(234,594)	-	-	26,067	
		02.06.2000	02.06.2000 – 01.06.2010	74.920*	417,506	-	-	-	35,754	453,262	-	(407,936)	-	-	45,326	
	新購股權計劃 New Option Scheme	16.07.2002	16.07.2002 – 15.07.2012	15.810*	2,219,114	-	-	-	190,035	2,409,149	-	(2,168,234)	-	-	240,915	
		17.07.2003	17.07.2003 – 16.07.2013	5.200*	2,285,000	-	-	-	195,677	2,480,677	-	(2,232,809)	-	-	248,068	
		13.12.2004	13.12.2004 – 12.12.2014	4.790*	6,000,000	-	-	-	513,812	6,513,812	-	(5,862,430)	-	-	325,691	
		04.02.2005	04.02.2005 – 03.02.2015	4.960*	28,110,000	-	-	(4,200,000)	2,047,542	25,967,542	(4,559,668)	(19,258,086)	-	-	(153,075)	1,966,713
		30.12.2005	30.12.2005 – 29.12.2015	2.230*	18,005,000	-	(11,390,000)	-	566,477	7,181,477	-	(6,463,329)	-	-	718,148	
		21.11.2006	21.11.2006 – 20.11.2016	2.550*	40,000,000	-	(22,000,000)	(6,000,000)	1,027,624	13,027,624	-	(11,724,862)	-	-	1,302,762	
		25.05.2007	25.05.2007 – 24.05.2017	3.670*	-	27,585,000	(5,900,000)	-	1,857,003	23,542,003	-	(21,187,803)	-	-	(574,844)	1,779,356
		27.06.2007	27.06.2007 – 26.06.2017	3.650*	-	14,440,000	-	-	1,236,575	15,676,575	-	(14,108,918)	-	-	(556,388)	1,011,269
		23.10.2007	23.10.2007 – 22.10.2017	1.830*	-	66,170,000	-	-	-	66,170,000	-	(59,553,000)	-	-	(1,374,000)	5,243,000
		21.08.2008	21.08.2008 – 20.08.2018	0.236	-	-	-	-	-	-	-	-	21,395,000	-	-	21,395,000
					97,276,765	108,195,000	(39,290,000)	(10,200,000)	7,691,064	163,672,829	(4,559,668)	(143,201,844)	21,395,000	(2,983,998)	34,322,319	
其他參與者 Other participants	新購股權計劃 New Option Scheme	16.07.2002	16.07.2002 – 15.07.2012	15.810*	4,438,228	-	-	-	380,068	4,818,296	-	(4,336,468)	-	-	481,828	
		17.07.2003	17.07.2003 – 16.07.2013	5.200*	7,055,000	-	-	-	604,156	7,659,156	-	(6,839,240)	-	-	765,916	
		13.12.2004	13.12.2004 – 12.12.2014	4.790*	11,820,000	-	-	-	1,012,210	12,832,210	-	(11,549,990)	-	-	325,691	
		04.02.2005	04.02.2005 – 03.02.2015	4.960*	10,205,000	-	-	4,200,000	1,233,576	15,638,576	-	(14,074,719)	-	-	153,075	
		30.12.2005	30.12.2005 – 29.12.2015	2.230*	33,995,000	-	(21,595,000)	-	1,061,679	13,461,679	-	(12,115,692)	-	-	1,346,167	
		21.11.2006	21.11.2006 – 20.11.2016	2.550*	20,400,000	-	(17,400,000)	6,000,000	770,718	9,770,718	-	(8,793,646)	-	-	977,072	
		25.05.2007	25.05.2007 – 24.05.2017	3.670*	-	30,675,000	-	-	2,626,864	33,301,864	-	(29,971,678)	-	-	574,844	
		27.06.2007	27.06.2007 – 26.06.2017	3.650*	-	10,250,000	-	-	877,762	11,127,762	-	(10,014,986)	-	-	556,388	
		23.10.2007	23.10.2007 – 22.10.2017	1.830*	-	46,530,000	-	-	-	46,530,000	-	(41,877,000)	-	-	1,374,000	
		21.08.2008	21.08.2008 – 20.08.2018	0.236	-	-	-	-	-	-	-	-	22,515,000	-	-	22,515,000
							87,913,228	87,455,000	(38,995,000)	10,200,000	8,567,233	155,140,461	(4,559,668)	(139,626,419)	22,515,000	2,983,998
					190,602,625	195,650,000	(78,285,000)	-	16,721,808	324,689,433	(4,559,668)	(288,116,793)	43,910,000	-	75,922,972	

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截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

* 年內尚未行使之購股權之行使價及數目因年內完成股份合併而作調整。

** 代表本公司之主要股東及董事向華強先生及陳明英女士所持之購股權。

*** 代表本公司董事李玉嫦女士所持之購股權。

附註：

(i) 本公司股份緊接二零零八年授出購股權日期前之收市價為每股0.230港元。

(ii) 二零零八年內並無購股權獲行使(二零零七年：78,285,000股)及註銷(二零零七年：無)。

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

* The exercise prices and numbers of options which remained outstanding during the year have been adjusted due to completion of share consolidation during the year.

** Represented the share options held by Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany, the substantial shareholders and directors of the Company.

*** Represented the share options held by Ms. Li Yuk Sheung, a director of the Company.

Notes:

(i) The closing price of the Company's shares immediately before the date of grant of share options in 2008 was HK\$0.230 per share.

(ii) No share option was exercised (2007: 78,285,000 shares) or cancelled (2007: nil) during the year 2008.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

49. 以股權結算以股份支付之交易 (續)

以股份支付之款項開支

於採納香港財務報告準則第2號以股份支付之款項之後，於二零零二年十一月七日之後僱員提供服務而授予購股權之公平價值，確認為開支。於歸屬期內列作開支之總金額乃參考所授購股權之公平價值釐定。

購股權之估計公平價值按二項式期權定價模式計算。該模式所採用之變量如下：

49. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

Share-based payment expenses

Following to the adoption of HKFRS2, Share-based Payment, the fair value of the employee services received in exchange for the grant of the options after 7th November 2002 is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

The estimated fair value of the options is measured based on Binomial Option Pricing Model. The variables input into the model are as follows:

		本集團 The Group	
		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
於計量日期之加權平均股價(港元)	Weighted average share price at measurement date (HK\$)	0.275	0.28
加權平均行使價(港元)	Weighted average exercise price (HK\$)	0.236	0.280
預期波幅(以加權平均波幅列示)	Expected volatility (expressed as weighted average volatility)	70.03%	55.77%
購股權年期(以加權平均年期列示)	No. of years for option life (expressed as weighted average life)	5	10
預期股息	Expected dividends	—	—
無風險利率	Risk-free interest rate	3.019%	4.38%
於計量日期之加權平均公平價值(港元)	Weighted average fair value at measurement date (HK\$)	0.169966	0.09

預期波幅乃以過往波幅(按購股權之平均加權剩餘年期計算)為基準。預期股息則以過往股息為基準。所採用之主觀假設之變動或會對公平價值之估計產生重大影響。

購股權乃根據服務條件而授出。服務條件並無計入所收取之服務於授出日期之公平價值計量。所授出之購股權與市場條件並無關連。

The expected volatility is based on historical volatility (calculated based on the weighted average remaining life of the share options). Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share options granted.

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50. 重大關連人士交易

- (a) 於二零零八年五月十三日，本公司之全資附屬公司China Star Entertainment (BVI) Limited與Glenstone Investments Limited (「Glenstone」) 訂立一份買賣協議，以現金代價330,567,000港元出售CSL之全部已發行股本 (「CSL出售事項」)。CSL之主要資產乃中國星投資之58,360,612股股份，佔於協議日期中國星投資已發行股本之29.90%；109,090,908股采藝股份，約佔於協議日期采藝已發行股本之8.68%；以及應收采藝之本金額為1,000,000港元之可換股債券。Glenstone乃本公司之主要股東，並由陳明英女士實益擁有60%之權益及由向華強先生實益擁有40%之權益 (均為本公司之執行董事及主要股東)。CSL出售事項被視為上市規則第14A章所述之關連交易。

獨立非執行董事確認，CSL出售事項乃按一般商業條款，符合本公司之利益及並非於本公司之日常業務過程中訂立。CSL出售事項由獨立股東於二零零八年七月十一日批准，並已於二零零八年八月十八日完成。

50. MATERIAL RELATED PARTY TRANSACTIONS

- (a) On 13th May 2008, the Company's wholly owned subsidiary, China Star Entertainment (BVI) Limited entered into a sale and purchase agreement with Glenstone Investments Limited ("Glenstone") to dispose the entire issued share capital of CSL for a cash consideration of HK\$330,567,000 (the "CSL Disposal"). CSL's major assets are the 58,360,612 shares of China Star Investment, representing 29.90% of the issued share capital of China Star Investment at date of agreement; 109,090,908 shares in Brilliant Arts, representing approximately 8.68% of the issued share capital of Brilliant Arts at date of agreement; and a convertible bond receivable from Brilliant Arts with principal face value of HK\$1,000,000. Glenstone is a substantial shareholder of the Company and is beneficially owned as to 60% by Ms. Chen Ming Yin, Tiffany and as to 40% by Mr. Heung Wah Keung who are both the executive directors and substantial shareholders of the Company. The CSL Disposal is regarded as a connected transaction pursuant to Chapter 14A of the Listing Rules.

The independent non-executive directors confirm that the CSL Disposal is on normal commercial terms, in the interest of the Company and not in the ordinary course of the Company's business. The CSL Disposal was approved by independent shareholders on 11th July 2008 and had completed on 18th August 2008.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

50. 重大關連人士交易 (續)

(b) 年內本集團與采藝集團進行下列交易：

50. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) During the year, the Group entered into the following transactions with Brilliant Arts Group:

交易性質	Nature of transactions	附註 Notes	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
應收可換股	Interest income receivable			
票據利息收入	from convertible notes	(i)	41	124
製作服務費收入	Production service income	(ii)	-	58
已付或應付電影	Film production expense			
製作費	paid or payable	(ii)	-	1,733
電影分銷收入	Film distribution income		-	21

附註：

(i) 采藝發行之可換股票據乃由本公司之全資附屬公司CSL持有。有效利率佔可換股票據負債部份約9.75%。

(ii) 金額按各方協定之價格釐定。

(iii) 采藝集團自二零零八年一月二十八日起不再為本公司之聯營公司。

Notes:

(i) The convertible notes issued from Brilliant Arts is held by CSL, a wholly owed subsidiary of the Company. The effective interest rate on the liability component of the convertible note is approximately 9.75%.

(ii) The amounts were determined at prices agreed between the parties.

(iii) Brilliant Arts Group ceased to be associates of the Company with effect from 28th January 2008.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

50. 重大關連人士交易 (續)

- (c) 年內本集團與Together Again Limited (「TAL」) 連同其附屬公司 (「TAL集團」) 進行下列交易：

交易性質	Nature of transactions	附註 Notes	二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
來自TAL集團之 管理費收入	Management fee income from the TAL Group	(i) & (ii)	4,860	4,860
已支付及應支付TAL 集團之藝人宣傳費	Artists promotion charges paid and payable to the TAL Group	(i) & (ii)	—	1,720

附註：

- (i) 金額按各方協定之價格釐定。
(ii) 陳明英女士亦為TAL之一般董事。

Notes:

- (i) The amounts were determined at prices agreed between the parties.
(ii) Ms. Chen Ming Yin, Tiffany is a common director of TAL.

- (d) 於二零零七年十月二十三日，本公司非全資附屬公司KHL訂立一項貸款協議向KHL主要股東Most Famous Enterprises Limited授予一筆最多196,000,000港元之貸款融資。是項交易被視作上市規則第14A章所述之關連交易。貸款融資無抵押、免息及由提取日起計不超過三年。

本公司獨立非執行董事確認，由於是項交易免息、並非在本公司日常業務過程中訂立，貸款融資並非一般商業條款，惟符合本公司及本公司獨立股東之整體利益。是項交易乃由獨立股東於二零零七年十二月三日批准，並於二零零七年十二月三日提取款項196,000,000港元。

- (d) On 23rd October 2007, KHL, a non wholly owned subsidiary of the Company, entered into a loan agreement to grant a loan facility of up to HK\$196,000,000 to Most Famous Enterprises Limited, a substantial shareholder of KHL. The transaction is regarded as a connected transaction pursuant to Chapter 14A of the Listing Rules. The loan facility is unsecured, interest free and for a term not exceeding three years commencing from the drawdown date.

The independent non-executive directors of the Company confirmed that the transaction is not on normal commercial terms as it is interest free, not in the ordinary course of the Company's business but in the interests of the Company and the independent shareholders of the Company as a whole. The transaction was approved by the independent shareholders on 3rd December 2007 and amount of HK\$196,000,000 was drawn on 3rd December 2007.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

50. 重大關連人士交易 (續)

於二零零八年十二月三十一日，根據貸款協議獲授予尚未償還貸款額為183,750,000港元。

- (e) 截至二零零八年十二月三十一日及二零零七年十二月三十一日止年度，向華強先生和陳明英女士向一間銀行提供個人擔保，以擔保本集團獲得之銀行貸款。本集團沒有就其支付費用。
- (f) 於結算日與關連人士之結餘載於綜合資產負債表。
- (g) 主要管理人員

如附註15所披露，主要管理人員酬金(包括支付予本公司董事及若干最高薪僱員之款項)如下：

50. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

As at 31st December 2008, the outstanding loan granted according to the loan agreement amounted to HK\$183,750,000.

- (e) For the year ended 31st December 2008 and 31st December 2007, Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany provided personal guarantees to a bank to secure banking facilities granted to the Group. No fee was paid to them by the Group.
- (f) Details of the balances with related parties at the balance sheet date are set out in the consolidated balance sheet.
- (g) Key management personnel

Compensation for key management personnel, including amount paid to the Company's directors and certain of the highest paid employees, as disclosed in note 15, is as follow:

		二零零八年 2008 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000
薪金及其他短期福利	Salaries and other short-term benefits	7,473	6,742
退休金計劃供款	Pension scheme contributions	68	60
以股份支付之款項	Share-based payment	2,267	5,229
		9,808	12,031

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

51. 主要附屬公司詳情

下表載列董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為，呈列其他附屬公司之資料會使篇幅過於冗長。

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

附屬公司名稱	業務架構形式	註冊/成立國家/地點	所持 股份類別	本公司所持已 發行股本/註冊 資本面值比例	已發行及 繳足股本/ 註冊資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares held	Proportion of nominal value of issued capital/registered capital held by the Company 百分比 %	Issued and fully paid share capital/ registered capital	Principal activities
Best Combo Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股面值1美元 之股份 1 share of US\$1	投資控股 Investment holding
Best Mind International Inc. (附註b) (Note b)	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	100股面值 1美元之股份 100 share of US\$1	投資於自博彩推廣業務 收取溢利之業務 Investing in operations which receive profit streams from the gaming promotion business
Business First Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股面值1美元 之股份 1 share of US\$	持有有線播映權 Holding of cable right
China Star Entertainment (BVI) Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	200股每股面值 1美元之股份 200 shares of US\$1 each	投資控股 Investment holding
中國星娛樂控股 有限公司 China Star Entertainment Holding Company	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股每股面值 1港元之普通股 及1,000,000股 每股面值1港元 之無投票權遞延股 (附註b) 2 ordinary shares of HK\$1 each and 1,000,000 deferred non-voting shares of HK\$1 each (Note b)	投資控股 Investment holding

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

51. 主要附屬公司詳情 (續)

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱	業務架構形式	註冊/成立國家/地點	所持 股份類別	本公司所持已 發行股本/註冊 資本面值比例	已發行及 繳足股本/ 註冊資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares held	Proportion of nominal value of issued capital/registered capital held by the Company 百分比 %	Issued and fully paid share capital/ registered capital	Principal activities
中國星香港發行有限公司 China Star HK Distribution Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	100,000股 每股面值1港元 普通股 100,000 ordinary shares of HK\$1 each	電影及電視連續劇 發行 Distribution of motion pictures and television drama series
中國星香港娛樂有限公司 China Star HK Entertainment Company Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	1,000,000股 每股面值1港元 普通股 1,000,000 ordinary shares of HK\$1 each	錄像版權發行及 投資控股 Distribution of video rights and investment holding
China Star International Distribution Limited (附註a) (Note a)	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	8,001股 每股面值1美元 之股份 8,001 shares of US\$1 each	電影及電視連續劇 發行 Distribution of motion pictures and television drama series
中國星鐳射影碟有限公司 China Star Laser Disc Company Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	15,000股 每股面值 100港元普通股 15,000 ordinary shares of HK\$100 each	提供管理服務及 投資控股 Provision of management services and investment holding

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

51. 主要附屬公司詳情 (續)

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱	業務架構形式	註冊/成立國家/地點	所持 股份類別	本公司所持已 發行股本/註冊 資本面值比例	已發行及 繳足股本/ 註冊資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares held	Proportion of nominal value of issued capital/registered capital held by the Company 百分比 %	Issued and fully paid share capital/ registered capital	Principal activities
中國星影畫有限公司 China Star Pictures Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值1港元 普通股 2 ordinary shares of HK\$1 each	持有電影版權 Holding of film rights
中國星製作服務有限公司 China Star Production Services Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值1港元 普通股 2 ordinary shares of HK\$1 each	提供後期製作服務 Provision of post- production services
中國星商標有限公司 China Star Trademark Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股面值1美元 之股份 1 share of US\$1	持有商標及版權 Holding of trademark and copyrights
China Star Worldwide Distribution B.V. (附註a) (Note a)	註冊成立 Incorporated	荷蘭 Netherlands	普通股 Ordinary	100	400股每股 面值100荷蘭盾 之普通股 400 ordinary shares of Dutch Guilders 100 each	電影及電視連續劇 發行 Distribution of motion pictures and television drama series

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

51. 主要附屬公司詳情 (續)

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱	業務架構形式	註冊/成立國家/地點	所持股份類別	本公司所持已發行股本/註冊資本面值比例 Proportion of nominal value of issued capital/registered capital held by the Company 百分比 %	已發行及繳足股本/註冊資本 Issued and fully paid share capital/registered capital	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/formation	Class of shares held			Principal activities
Exceptional Gain Profits Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股面值 1美元之股份 1 share of US\$1	投資控股 Investment holding
Kingsway Hotel Limited (附註b&d) (note b&d)	註冊成立 Incorporated	澳門 Macau	普通股 Ordinary	50	250,000股 面值1澳門幣 之股份 250,000 ordinary shares of MOP 1 each	於澳門提供酒店服務 及物業投資 Provision of hotel services in Macau and property investment
安樂(香港)有限公司 Newrich (H.K.) Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股每股 面值1港元 之普通股 2 ordinary shares of HK\$1 each	持有物業 Property holding
一百年電影有限公司 One Hundred Years of Film Company Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	3,000,000股 每股面值1港元 之普通股 3,000,000 ordinary shares of HK\$1 each	電影製作 Film production
思維娛樂有限公司 S & W Entertainment Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股每股面值 1港元之普通股 2 ordinary shares of HK\$1 each	製作電影及 電視連續劇 Production of motion pictures and television drama series

附註：

- (a) 在全球經營業務。
- (b) 在澳門經營業務。
- (c) 無投票權遞延股份實際並無權利分享該公司股息、接收該公司股東大會之通告、出席該等大會或在會上投票之權利、在清盤時亦不可享有任何分派。
- (d) 於KHL持有49%投票權之一位KHL股東已同意依循本公司之投票及管理層決定。因此，KHL被視為本公司之附屬公司。

Notes:

- (a) Operating internationally.
- (b) Operating in Macau.
- (c) The non-voting deferred shares practically carry no rights to dividends nor receive notice of nor to attend or vote at any general meeting of the company nor to participate in any distribution on winding up.
- (d) One of the shareholder of KHL holding 49% voting power in KHL has agreed to follow the voting and management decision of the Company. Therefore, KHL is considered as a subsidiary of the Company.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

51. 主要附屬公司詳情 (續)

Best Combo Limited、Best Mind International Inc.、China Star Entertainment (BVI) Limited 及 China Star Worldwide Distribution B.V. 由本公司直接擁有，而所有其他附屬公司均由本公司間接擁有。

除另有指明者外，附屬公司之主要營業地點為香港。

所有附屬公司於年結日或年中任何時間概無未贖回之債務證券。

51. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Best Combo Limited, Best Mind International Inc., China Star Entertainment (BVI) Limited and China Star Worldwide Distribution B.V. are directly held by the Company. All other subsidiaries are indirectly held by the Company.

Except otherwise stated, the principal place of operation of the subsidiaries is Hong Kong.

None of the subsidiaries had debt securities outstanding at the end of the year or at any time during the year.

52. 主要聯營公司詳情

下表載列董事認為主要影響本集團業績及資產之本集團聯營公司。

52. PARTICULARS OF PRINCIPAL ASSOCIATE

The following table lists the associate of the Group which, in the opinion of the directors, principally affected the results and assets of the Group.

聯營公司名稱	業務架構形式	註冊/ 成立國家/地點	所持股份類別	本公司所持 已發行股本/ 註冊資本 面值比例	已發行及 繳足股本/ 註冊資本	主要業務
Name of associate	Form of business structure	Country/place of incorporation/ formation	Class of shares held	Proportion of nominal value of issued capital/registered capital held by the Group 百分比 %	Issued and fully paid share capital/ registered capital	Principal activities
Together Again Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	49.00	48,080股 每股面值1美元 之股份 48,080 shares of US\$1 each	投資控股及提供藝人 管理服務 Investment holding and provision of artists management services

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

53. 結算日後事項

(a) 於二零零八年十二月八日，本公司董事宣佈下列建議公开发售及認購可換股票據：

(i) 根據公开发售，按每股發售股份0.05港元之認購價公开发售不少於888,486,080股發售股份及不多於1,064,486,080股發售股份，基準為於記錄日期每持有一股本公司普通股獲配發2股發售股份，連同紅股（基準為每認購一股發售股份獲發3股紅股）（「公开发售」）；

(ii) 認購寶利福控股有限公司（一間於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司創業板上市）發行之本金額為60,000,000港元（分為五部份，每部份12,000,000港元）之可換股票據（「寶利福可換股票據」）；及

(iii) 將本公司之法定股本由100,000,000港元（分為2,000,000,000股每股面值0.05港元之股份）增加至500,000,000港元（分為10,000,000,000股每股面值0.05港元之股份）。

公开发售及認購寶利福可換股票據之詳情載於本公司於二零零八年十二月三十日刊發之通函。公开发售已於二零零九年三月二日完成，而寶利福可換股票據已於二零零九年一月二十九日予以認購。

53. SUBSEQUENT EVENTS

(a) On 8th December 2008, the directors of the Company announced the following proposed open offer and subscription of convertible notes:

(i) open offer of not less than 888,486,080 offer shares and not more than 1,064,486,080 offer shares at the subscription price of HK\$0.05 each per offer share on the basis of 2 offer shares for every 1 ordinary share of the Company held on the record date, with bonus shares on the basis of 3 bonus shares for every 1 offer share taken up under the open offer (the "Open Offer");

(ii) subscription of convertible notes (the "GC Convertible Notes") issued by Golife Concept Holdings Limited, a company incorporated in Cayman Island with limited liability whose shares are listed on the Growth Enterprises Market of the Stock Exchange of Hong Kong Limited, in the principal amount of HK\$60,000,000 in five tranches of HK\$12,000,000 each; and

(iii) increase the authorised share capital of the Company from HK\$100,000,000 divided into 2,000,000,000 shares of HK\$0.05 each to HK\$500,000,000 divided into 10,000,000,000 shares of HK\$0.05 each.

Details of the open offer and subscription of the GC Convertible Notes were set out in the Company's circular dated 30th December 2008. The Open Offer has been completed on 2nd March 2009 and the GC Convertible Notes has been subscribed on 29th January 2009 respectively.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

53. 結算日後事項 (續)

(b) 於二零零九年二月二十六日，本公司董事宣佈本公司資本之下列變動(「股本重組」)：

(i) 股份合併：每20股已發行及未發行股份合併為一股股份(「合併股份」)；

(ii) 股本重組：(i)藉註銷本公司股本中每股已發行合併股份0.99港元之繳足資本，以致所有已發行合併股份之面值將由1.00港元減少至0.01港元，削減本公司已發行股本；及(ii)削減本公司已發行股本所產生之進賬額計入本公司之繳入盈餘賬；及

(iii) 股份拆細：每股面值1.00港元之法定但未發行合併股份拆細為100股每股面值0.01港元之新股份。

股本重組詳情載於本公司於二零零九年三月二十日刊發之通函。

53. SUBSEQUENT EVENTS (Continued)

(b) On 26th February 2009, the directors of the Company announced the following changes to the capital of the Company (the "Capital Reorganisation"):

(i) Share consolidation: every 20 issued and unissued shares be consolidated into one share (the "Consolidated Share");

(ii) Capital reduction: (i) the issued share capital of the Company be reduced by cancelling the paid-up capital to the extent of HK\$0.99 on each issued Consolidated Share in the share capital of the Company such that the nominal value of all issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01 each; and (ii) the credit arising from the reduction of issued share capital of the Company be credited to the contributed surplus account of the Company; and

(iii) Share subdivision: each of the authorised but unissued Consolidated Shares of HK\$1.00 each be subdivided into 100 new shares of HK\$0.01 each

Details of the Capital Reorganisation were set out in the Company's circular dated 20th March 2009.

財務報表附註 Notes to the Financial Statements

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

53. 結算日後事項 (續)

- (c) 於二零零九年三月十一日，本公司與中國星投資，(本公司董事擁有實益權益之公司，其股份於聯交所主板上市)訂立貸款協議，據此，中國星投資同意向本公司授出最多為200,000,000港元之無抵押貸款融資(「貸款融資」)。貸款融資之詳情載於中國星投資於二零零九年三月三十日刊發之通函。

53. SUBSEQUENT EVENTS (Continued)

- (c) On 11th March 2009, the Company entered into a loan agreement with China Star Investment, a company which the directors of the Company have beneficial interest and its shares are listed on the main board of the Stock Exchange, in which China Star Investment agreed to grant an unsecured loan facility of up to HK\$200,000,000 (the "Loan Facility") to the Company. Details of the Loan Facility were set out in the circular of China Star Investment dated 30th March 2009.

54. 批准財務報表

本財務報表於二零零九年四月二十七日獲董事會批准及授權刊發。

54. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 27th April 2009.

CHINA STAR ENTERTAINMENT LIMITED

中國星集團有限公司

ANNUAL REPORT 2008 年報

五年財務概要 Financial Summary

截至二零零八年十二月三十一日止年度 For the year ended 31st December 2008

截至十二月三十一日止年度

For the year ended 31st December

		二零零八年 2008 千港元 HK\$' 000	二零零七年 2007 千港元 HK\$' 000	二零零六年 2006 千港元 HK\$' 000	二零零五年 2005 千港元 HK\$' 000	二零零四年 2004 千港元 HK\$' 000
業績	Results					
營業額	Turnover	227,747	78,351	152,777	92,234	165,307
除稅前溢利／(虧損)	Profit/(loss) before taxation	63,149	(101,856)	38,769	(20,889)	(303,152)
稅項抵免／(支銷)	Taxation credit/(charge)	2,441	(1,951)	(1,918)	(124)	(268)
年度溢利／(虧損)	Profit/(loss) for the year	65,590	(103,807)	36,851	(21,013)	(303,420)
以下人士應佔：	Attributable to:					
本公司之權益 持有人	Equity holders of the Company	90,604	(92,547)	36,880	(20,961)	(303,219)
少數股東權益	Minority interests	(25,014)	(11,260)	(29)	(52)	(201)
		65,590	(103,807)	36,851	(21,013)	(303,420)
股息	Dividends	4,790	—	—	—	—

於十二月三十一日

As at 31st December

		二零零八年 2008 千港元 HK\$' 000	二零零七年 2007 千港元 HK\$' 000	二零零六年 2006 千港元 HK\$' 000	二零零五年 2005 千港元 HK\$' 000	二零零四年 2004 千港元 HK\$' 000
資產及負債	Assets and liabilities					
資產總值	Total assets	2,605,167	2,307,603	789,037	743,396	667,880
負債總額及 少數股東權益	Total liabilities and minority interests	(1,186,456)	(1,133,470)	(94,210)	(145,840)	(155,241)
股東資金	Shareholders' funds	1,418,711	1,174,133	694,827	597,556	512,639



CHINA STAR ENTERTAINMENT LIMITED
中國星集團有限公司