

年報
Annual Report
2010

Macau

hotel lan kwai fong

casino

hotel lan kwai fong macau



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
22 Victoria Street
Hamilton HM12
Bermuda

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 Fulcrum Group (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
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3409 Shun Tak Centre
West Tower
168-200 Connaught Road Central
Hong Kong

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermuda Road
Pembroke, Bermuda



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
灣仔
皇后大道東183號
合和中心
17樓1712-1716號舖

主要往來銀行

中國銀行(香港)有限公司
恒生銀行有限公司
中國工商銀行(澳門)股份有限公司
渣打銀行(香港)有限公司
東亞銀行有限公司

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
Appleby
高偉紳律師行
歐安利大律師暨私人公證員

股份代號

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網站

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Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Macau) Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

LEGAL ADVISERS

Robertsons
Appleby
Clifford Chance
Leonel Alberto Alves Advogado e Notario Privado

STOCK CODE

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WEBSITE

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

主席報告 Chairman's Statement

本集團之澳門蘭桂坊酒店，繼去年獲頒發「第五屆中國酒店星光獎 2009 —— 中國最佳設計精品酒店」大獎後，今年再度於深受業內認可的「第三屆亞洲酒店論壇亞洲大獎頒獎典禮」中，榮獲「亞洲新領軍綠色環保酒店」獎項。自二零零九年八月二日正式開幕後，澳門蘭桂坊酒店迅即成為澳門旅遊娛樂的新熱點，今年再度獲得業內獎項，反映出其優質之管理及規劃，繼續獲得專業的認同。

年內，澳門娛樂場博彩業錄得創紀錄收益，澳門博彩監察協調局公告，受惠於中國內地旅客數目增長，二零一零年澳門博彩業收入，較二零零九年增長57.8%，達到1,883.43億澳門元，其中，十二月份博彩收入較去年同期增加66.4%，更創出188.83億澳門元的單月最高紀錄，對本集團之澳門蘭桂坊酒店及蘭桂坊娛樂場業務之表現及前景，有正面的幫助。加上澳門政府於二零一零年三月宣佈，澳門賭桌總數於未來三年將受限制，本集團預期澳門博彩業之競爭將不會惡化，更將令本集團直接受惠。年內，無論澳門蘭桂坊酒店之收入，以及蘭桂坊娛樂場之業務表現，均令人鼓舞，相信未來將可繼續為本集團提供穩定之收益。

The Group's Hotel Lan Kwai Fong in Macau was named the "Leading Green Hotel of Asia" by the Asia Hotel Forum, in the 3rd AHF Awards of 2010. The Awards are some of the most prestigious hotel investment awards in the industry, and this latest achievement follows the previous year's "Best Designed Boutique Hotel Of China" award in the 5th China Hotel Starlight Awards 2009. Since launching on 2nd August 2009, Hotel Lan Kwai Fong has become a new tourism and entertainment focal point in Macau. Its recent award attested to professional industry recognition of its management and planning quality.

In the year 2010, Macau's casino gaming industry earned record revenue. The Gaming Inspection and Coordination Bureau of Macau SAR announced that, due to the growth of Mainland China visitors travelling to Macau, gross revenue from the casino gaming industry increased by 57.8% to MOP188,343,000,000 for the year 2010 as compared to the year 2009. Gross revenue in December 2010 increased by 66.4% to MOP18,883,000,000 as compared with the same period in the previous year, reaching a new record high for monthly gross revenue in Macau. This growth of gross revenue by the gaming industry will positively benefit the business performance and prospects of Hotel Lan Kwai Fong, as well as Casino Lan Kwai Fong. In March 2010, the Macau Government announced that the total number of gaming tables in Macau will be capped for the next three years. The Group does not expect competition within the gaming industry to worsen from this measure, and in fact expect it to be beneficial to the Group. The performance of both Hotel Lan Kwai Fong and Casino Lan Kwai Fong were encouraging in the year 2010. The Group believes the hotel and gaming service operations will continue to contribute stable and positive revenue in the future.



主席報告 Chairman's Statement

本公司之娛樂博彩中介人業務，一向透過Best Mind International Inc.進行，而該公司之溢利，乃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」)。該項業務須面對澳門貴賓廳博彩業持續激烈競爭，加上澳門政府於二零零九年八月十日在其憲報刊登有關行政規例之修訂本，讓財政司司長釐定澳門推廣人佣金上限，並於二零零九年十二月實施，導致Ocho未能向其優質分包中介公司或客戶，提供較市場佣金更佳條件，因而失去競爭優勢，令本集團應佔收益減少之餘，更需從此項投資確認無形資產及商譽之減值，令本集團業績受到影響。

雖然本集團需為此項投資的無形資產及商譽減值，惟透過此項投資已經收取之累計收益，遠超已確認之減值虧損，而且預期仍將對本集團現金流提供正面的貢獻；整體而言，其實已享有理想之投資回報。

有鑒於港澳經濟，特別是旅遊、零售、地產及證券市場，均受惠於中國經濟復甦，因此本公司去年開始將業務範圍擴展至澳門地產發展投資，以進一步掌握澳門經濟發展帶來的商機。

The Company's game promotion operations is operated by Best Mind International Inc., which has continued to share profit from Ocho Sociedade Unipessoal Limitada ("Ocho"), one of the leading gaming junkets at one of the VIP gaming rooms at Grand Lisboa Casino in Macau. The performance has been affected by keen competition in the VIP gaming industry segment and the new promoter commission policy of the Macau Government. On 10th August 2009, the Macau government published, in its official gazette, an amendment to an executive regulation that would enable the Financial Secretary to set a cap for promoter commission in Macau. The implementation of that amendment, from December 2009, resulted in Ocho losing its competitive advantage because it cannot offer a better-than-market commission to its quality sub-junkets or customers. This not only consequently and negatively affected the expected cash inflow from the operation, but also recognised aggregate impairment losses in respect of the intangible assets and goodwill for the Group, thus affecting its performance.

Nonetheless, and in spite of the impairment, this investment has generated accumulated revenues far in excess of the impairment losses recognised and is expected to continue to positively contribute to future cash inflow, and turning out to be an investment with satisfactory returns.

In light of the fact that both the Hong Kong and Macau economies benefited from Mainland China's economic recovery, especially in the tourism, retail, property and securities sectors, the Company began to expand business to include Macau property development and investment in order to further capture business opportunities resulting from the economic development of Macau.

主席報告 Chairman's Statement

於二零一一年一月七日，本公司與澳門旅遊娛樂股份有限公司訂立有條件協議，以550,000,000港元收購位於澳門Zona de Aterros do Porto Exterior (ZAPE)之地盤物業租賃權，包括總地盤面積為1,420平方米之「Quarteirao 6 - Lote B」(第6B地段)之未發展土地、總地盤面積為1,292平方米之「Quarteirao 6 - Lote C」(第6C地段)之未發展土地、總地盤面積為1,292平方米之「Quarteirao 6 - Lote D」(第6D地段)之未發展土地，以及總地盤面積為1,292平方米之「Quarteirao 6 - Lote E」(第6E地段)之未發展土地等。該等地盤土地均處於有利位置，連接澳門蘭桂坊酒店、澳門理工學院、澳門綜藝館及金蓮花廣場，距離澳門漁人碼頭及澳門金沙娛樂場不遠。本集團計劃將地盤發展成為辦公室單位及住宅大廈以供出售，以及將該等地盤之街道，發展成為一個設有餐廳、酒吧、夜總會及藝術展廊之地區，以增加澳門蘭桂坊酒店周邊地區之人流。相信該項目將可有助本集團於澳門之投資更為多元化，並擴闊收入基礎，對長遠盈利將有正面的貢獻。

至於在二零零九年九月三日舉行之本公司股東特別大會上，批准本集團以總代價900,000,000港元(可予調整)收購Over Profit International Limited 75%股權權益，以投資於澳門何鴻燊博士大馬路南灣湖畔地區，面積4,669平方米，名為「南灣湖計劃C區7地段」之土地(「澳門土地」)權益之交易，其買賣協議之截止日期已延至二零一一年十二月三十一日。原因在於完成協議之其中一項條件，為澳門政府刊登南灣湖計劃「C」區之總分區指引，而賣家因應總分區指引而遞交之批地新修訂之結果，已由澳門政府於《公報》刊登。於二零一零年第三季，作為此過程之一部份，澳門政府邀請澳門居民呈交其對南灣湖區之規劃概念建議書，以優化對該城市基建之整體利益。預期澳門政府將需要額外時間以考慮及仔細商議規劃概念建議書才能落實規劃，因此需延長該買賣協議之截止日期。

On 7th January 2011, the Group entered into a conditional agreement with Sociedade de Turismo e Diversões de Macau, S.A. to purchase the property leasehold right of the sites ("the Sites") located in Macau, at Zona de Aterros do Porto Exterior (ZAPE), at a consideration of HK\$550,000,000. The project includes the following properties: an undeveloped parcel of land named as "Quarteirão 6 - Lote B" ("Lot 6B") with a total site area of 1,420 square meters; an undeveloped parcel of land named as "Quarteirão 6 - Lote C" ("Lot 6C") with a total site area of 1,292 square meters; an undeveloped parcel of land named as "Quarteirão 6 - Lote D" ("Lot 6D") with a total site area of 1,292 square meters; and an undeveloped parcel of land named as "Quarteirão 6 - Lote E" ("Lot 6E") with a total site area of 1,292 square meters. The location of the Sites is superb. It is adjacent to Hotel Lan Kwai Fong, the Macao Polytechnic Institute, Forum de Macao and Golden Lotus Square and is merely a couple of blocks away from the Macau Fisherman's Wharf and Sands Casino. The Group intends to develop the Sites into office units and residential apartments for sale. The Group also intends to develop the street level of the Sites into an area consisting of restaurants, bars, nightclubs and art galleries in order to create traffic in the surrounding area of Hotel Lan Kwai Fong. The Group expects the project will further diversify our Macau investment portfolio, enlarge the income base, and make positive contribution to the long-term performance of the Group.

In a special general meeting of the Company held on 3rd September 2009, the Group was approved to purchase 75% equity interest in Over Profit International Limited, at an aggregate consideration of HK\$900,000,000 (subject to adjustment) and to invest in a lot of land with area of 4,669 square meters, named Lote C7 do Plano de Urbanização da Baía da Praia Grande, located in the Nam van Lakes Zone, at Avenida Doutor Stanley Ho (the "Macau Land"). The longstop date of the agreement had extended to 31st December 2011 because one of the conditions to completion is the publication by the Macau Government of a master zoning guideline for the "C" area of Nam Van Lakes Zone and the results of a new amendment to the land grant to be submitted by the vendor having been, in light of the master zoning guideline, gazetted by the Macau Government. In the third quarter of 2010, the Macau Government invited Macau citizens as part of this process to submit their conceptual planning proposals for the Nam Van area with a view to optimizing the benefits to the city's infrastructures as a whole. The longstop date of the agreement had extended as it is anticipated that the Macau Government will need further time for its consideration and deliberations of the conceptual planning proposals to finalize the plan.



主席報告 Chairman's Statement

數年前，由於面對電影市道不振，本公司管理層毅然作出高瞻遠矚的部署，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，並掌握澳門市場急速發展所帶來的商機，令本集團成功轉型，成為以澳門為主要市場的地區性娛樂事業公司，集酒店、消閒、娛樂事業及物業發展於一體。目前，本集團接近全部收益來自澳門，因此澳門經濟發展將對本集團未來表現影響重大。

展望將來，本集團認為，由於澳門之基建發展更趨成熟，就短期至中期而言，澳門之前景將會穩定增長。我們預期酒店及博彩服務經營業務，以及博彩推廣經營業務之表現將可穩定發展。而於今年一月所收購地盤之物業租賃權，其商業、住宅及零售發展，除可為本集團帶來直接收益外，亦可與現時本集團之酒店及娛樂博彩業務產生協同效應，為集團未來長遠的業務收益，打下良好基礎。

本地電影市道雖然不振，惟中國電影市場之發展，亦為行業提供新機遇，因此本公司亦會繼續運用已建立多年之完善網絡及豐富經驗，以嚴格控制風險之態度進行電影製作及發行業務。於二零一零年十二月八日，本集團與香港聯交所創業版上市公司嘉匯投資控股有限公司（股份代號：8172）宣佈，成立合營公司從事製作及發行電影業務，此舉將可有助本集團減少電影製作及發行業務限制之營運資金，並分散所涉及之業務風險，長遠而言對本集團有利。

In view of the softness of the film market, the Group had strategically pre-positioned itself several years ago to actively pursue diversified investment opportunities which could provide stable revenue contribution. By capturing business opportunities resulting from the economic growth of Macau, the Group had already successfully achieved its business positioning as a regional corporation focusing on the Macau market, with an investment portfolio consisting of hotel, leisure, entertainment and property development businesses. Because nearly all of the Group's revenues come from Macau, Macau's economy will have significant impact on the future performance of the Group.

Looking ahead, the Group considers Macau's prospects in the near to medium term are stable and growth as its infrastructural development become more mature. The Group expects the performance of the hotel and gaming service operations and gaming promotion operations can have stable growth. The commercial, residential and retail development of the property leasehold right of the Sites purchased by the Group in January 2011 will not only directly contribute revenue to the Group, but also provide synergy with existing hotel and gaming service operations, laying a solid foundation for the long-term business income of the Group.

Despite Hong Kong's film market remaining unfavourable, the development of Mainland China's film market has created new opportunities. Thus, the Group will continue to utilise its well-established network and solid experience in the market to produce and distribute films with tight risk control. On 8th December 2010, the Group entered into a joint venture agreement with KH Investment Holdings Limited (Stock Code: 8172), a company listed on the Growth Enterprise Market Board of The Stock Exchanges of Hong Kong Limited, to form a joint venture company engaged in the production and distribution of films. The formation of this joint venture company will benefit the Group over the long-term as it will reduce the working capital tied up in the film production and distribution business and dilute the business risks.



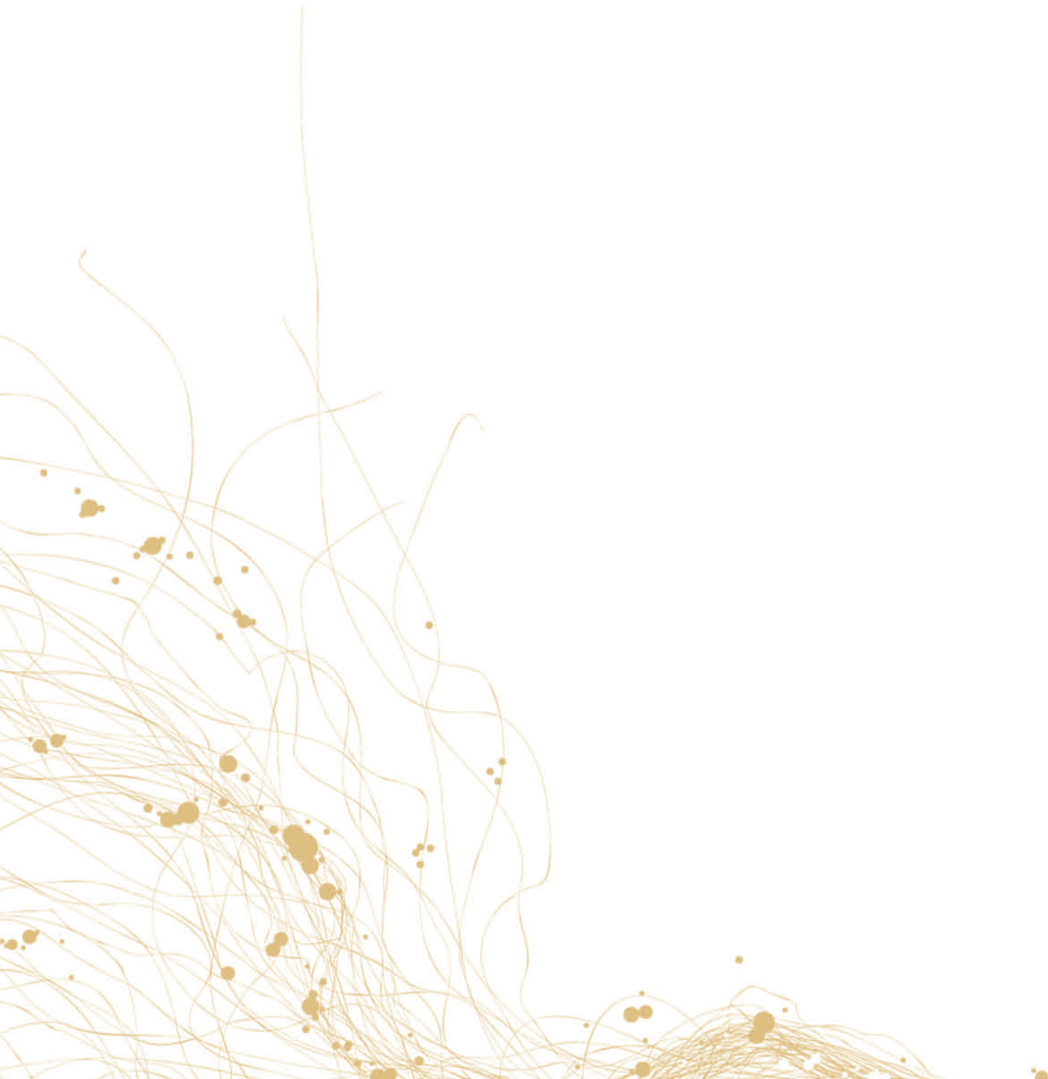
主席報告 Chairman's Statement

過往一年，本公司業績雖因娛樂博彩中介人業務無形資產及商譽之減值而受影響，但由於業務多元化策略成功，其他各項業務均錄得理想增長，未來更會受惠於澳門地產市道之穩定增長，加上公司同仁上下一心，致力為公司開拓新機遇，相信本公司在未來的發展上，將可在策略上處於更為有利的位置。展望來年，本公司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公司的支持。

During the past year, despite the impact of aggregate impairment losses from game promotion operations in respect of the intangible assets and goodwill on the Group's results, the Group had succeeded in deploying its diversified business strategy and a majority of the segments recorded satisfactory growth in financial results. We expect the Group's performance will benefit from the future growth of the Macau property market. 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. With these competitive advantages, the Group is able to secure a more privileged strategic position in terms of future development. Looking ahead, the Group will continue its prudence in business policies, to better capture business opportunities and minimise unnecessary investment risk. The endeavour to attain lucrative business profits is to reciprocate shareholders for their years of benevolent 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

截至二零一零年十二月三十一日止年度，本集團之營業額增加59%至約864,261,000港元（二零零九年：543,429,000港元）。

來自經營業務之溢利及年度溢利分別約為41,033,000港元及24,827,000港元，而去年分別為251,153,000港元及164,395,000港元。大幅減少主要由於透過Best Mind International Inc.（「Best Mind」）於澳門博彩推廣業務之投資之應佔溢利減少，導致本集團於二零一零年六月三十日中期回顧期間分別來自無形資產197,973,000港元及商譽8,975,000港元之已確認減值虧損合共206,948,000港元。Best Mind之溢利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」）。於二零一零年十二月三十一日，本集團並未確認進一步減值虧損。撇除已確認減值虧損之影響後，本集團來自經營業務之溢利及年度溢利將分別約為247,981,000港元及231,775,000港元。

截至二零一零年十二月三十一日止年度，本公司擁有人應佔虧損為8,083,000港元，較去年之溢利204,388,000港元下跌104%。

股息

董事不建議派發截至二零一零年十二月三十一日止年度之任何末期股息（二零零九年：無）。

業務回顧

在總營業額中，725,130,000港元或84%來自酒店及博彩服務經營業務、137,814,000港元或16%來自博彩推廣經營業務及1,317,000港元或0%來自電影發行經營業務。

FINANCIAL REVIEW

For the year ended 31st December 2010, the Group's turnover increased by 59% to approximately HK\$864,261,000 (2009: HK\$543,429,000).

Profit from operations and profit for the year amounted to approximately HK\$41,033,000 and HK\$24,827,000 respectively as compared to HK\$251,153,000 and HK\$164,395,000 respectively for last year. The substantial decrease was mainly attributable to an aggregate impairment losses of HK\$206,948,000 recognised in respect of intangible assets of HK\$197,973,000 and goodwill of HK\$8,975,000 during the interim review of the Group as at 30th June 2010 with regard to the decrease in sharing of profit streams from investments in gaming promotion business in Macau from Best Mind International Inc. ("Best Mind"). Best Mind is the profit receiving company from Ocho Sociedade Unipessoal Limitada ("Ocho"), one of the leading gaming promoters at one of the VIP gaming rooms at the Grand Lisboa Casino in Macau. As at 31st December 2010, the Group did not identify further impairment losses. Taking out the effect of the impairment losses recognised, the Group's profit from operations and profit for the year would amount to approximately HK\$247,981,000 and HK\$231,775,000 respectively.

The loss attributable to owners of the Company for the year ended 31st December 2010 was HK\$8,083,000, representing a 104% decrease over profit of HK\$204,388,000 in the last year.

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31st December 2010 (2009: nil).

BUSINESS REVIEW

Of the total turnover amount for the year, HK\$725,130,000 or 84% was generated from hotel and gaming service operations, HK\$137,814,000 or 16% was generated from gaming promotion operations and HK\$1,317,000 or 0% was generated from film distribution operations.

管理層論述及分析 Management Discussion and Analysis

酒店及博彩服務經營業務

酒店及博彩服務經營業務包括本集團一間間接附屬公司澳門蘭桂坊酒店有限公司(「蘭桂坊酒店」)在澳門蘭桂坊酒店(「蘭桂坊」)錄得之酒店經營業務及本集團一間間接附屬公司經典管理服務有限公司(「經典」)在蘭桂坊錄得提供予娛樂場(「蘭桂坊娛樂場」)之服務。蘭桂坊設有200間客房、位於一樓及十八樓之娛樂場、餐廳、花店、零售店及一間水療館。

蘭桂坊娛樂場由牌照持有人澳門博彩股份有限公司(「澳門博彩」)營運。經典已與澳門博彩訂立博彩經營業務服務協議。根據協議，經典將分佔來自澳門博彩之服務收入之若干百分比，按蘭桂坊娛樂場經營賭桌及角子老虎機所賺取之溢利總額計算。於二零一零年十二月三十一日，蘭桂坊娛樂場設有合共84張賭桌(包括貴賓場及中場)及合共128部角子老虎機。

酒店及博彩服務經營業務之收入主要包括酒店房間銷售52,426,000港元(二零零九年：18,611,000港元)、食品及飲品銷售12,931,000港元(二零零九年：3,972,000港元)及賭桌及角子老虎機之服務收入分別為653,696,000港元(二零零九年：197,027,000港元)及6,077,000港元(二零零九年：2,433,000港元)，而酒店及博彩服務經營業務錄得分類溢利總額64,333,000港元(二零零九年：虧損76,635,000港元)。於二零零九年，蘭桂坊僅營運約五個月。於本年度，蘭桂坊之表現令人鼓舞。酒店及博彩服務經營業務之平均每月收益約為60,428,000港元，較二零零九年之約44,409,000港元增加36%，主要由於來自賭桌之每月服務收入由二零零九年之約39,405,000港元增加38%至二零一零年之約54,475,000港元。

Hotel and Gaming Service Operations

Hotel and gaming service operations included the hotel operation in Hotel Lan Kwai Fong Macau (“Lan Kwai Fong”) which was recorded in an indirect subsidiary of the Group, Hotel Lan Kwai Fong (Macau) Limited (“Hotel LKF”) and services provided to the casino situated in Lan Kwai Fong (the “Casino LKF”) which was recorded in an indirect subsidiary of the Group, Classic Management & Services Company Limited (“Classic”). Lan Kwai Fong presents a total of 200 guest rooms, casino situated in the 1st and 18th floors, restaurants, flower shop, retail shop and a spa.

Casino LKF is run by licence holder Sociedade de Jogos de Macau, S.A. (“SJM”). Classic has entered into gaming operation service agreements with SJM. Under the agreements, Classic will share certain percentage of service income from SJM based on the gross wins of the table gaming and slot machines in Casino LKF. As at 31st December 2010, Casino LKF operated a total of 84 tables, targeting both for the VIP market and the mass market. It also operated a total of 128 slot machines.

Revenue in the hotel and gaming service operations mainly comprised of hotel room sales of HK\$52,426,000 (2009: HK\$18,611,000), food and beverage of HK\$12,931,000 (2009: HK\$3,972,000) and services income of HK\$653,696,000 (2009: HK\$197,027,000) and HK\$6,077,000 (2009: HK\$2,433,000) received from table gaming and slot machines respectively. Hotel and gaming service operations recorded an aggregate segment profit of HK\$64,333,000 (2009: loss of HK\$76,635,000). In year 2009, Lan Kwai Fong had operations for only around 5 months. This year, the performance of Lan Kwai Fong was encouraging. The average monthly revenue from the hotel and gaming service operations was approximately HK\$60,428,000 which represented increase of 36% from approximately HK\$44,409,000 in 2009, mainly reflecting 38% increase in monthly service income from table gaming to approximately HK\$54,475,000 in 2010 from approximately HK\$39,405,000 in 2009.

管理層論述及分析 Management Discussion and Analysis

博彩推廣經營業務

本集團已自博彩推廣經營業務分佔約137,814,000港元(二零零九年: 294,806,000港元)及70,349,000港元(二零零九年: 溢利292,710,000港元)的收入及分類虧損, 跌幅分別為53%及124%。

儘管澳門娛樂場博彩業於二零一零年錄得創紀錄收益, 博彩業之競爭持續激烈。貴賓廳博彩之其一特色為大部份交易量極容易受到影響。澳門政府於二零零九年八月十日在其憲報刊登有關行政規例之修訂本, 讓財政司司長釐定澳門推廣人佣金上限, 並於二零零九年十二月實施, 導致Ocho未能向其優質分包中介公司或客戶提供較市場佣金更佳條件, 因此失去競爭優勢。應佔收益減少亦導致來自此項業務之預期現金流入減少, 因此於二零一零年六月三十日中期回顧期間確認有關無形資產197,973,000港元及商譽8,975,000港元之減值虧損合共206,948,000港元。於二零一零年十二月三十一日, 本集團並未確認進一步減值虧損。儘管本集團於本年度需從此項投資確認減值, 本集團認為投資屬公平, 乃由於此項投資之已收累計收益約635,948,000港元, 遠超已確認減值虧損。此外, 其可以相對較少成本向本集團提供有力之現金流量。

電影發行經營業務

電影發行經營業務包括製作及發行電影及電視連續劇以及提供其他電影相關服務。於本年度, 本集團僅發行一部新電影。

於二零一零年, 電影發行經營業務之營業額為1,317,000港元(二零零九年: 26,580,000港元)及其分類虧損為520,000港元(二零零九年: 11,738,000港元), 其中包括就電影版權及商譽分別確認之減值虧損1,339,000港元(二零零九年: 無)及零港元(二零零九年: 15,416,000港元)。

Gaming Promotion Operations

The Group had shared revenue and segment loss of approximately HK\$137,814,000 (2009: HK\$294,806,000) and HK\$70,349,000 (2009: profit of HK\$292,710,000) from the gaming promotion business, a decrease of 53% and 124% respectively.

Although Macau's casino gaming industry earned record revenue in year 2010, the competition in gaming industry continues to be intense. One of the characteristic of the VIP gaming is that the majority of the business volume is highly volatile. The publishing on 10th August 2009 by the Macau government in its official gazette an amendment to an executive regulation that would enable the Financial Secretary to set a cap for promoter commission in Macau and its implementation from December 2009 had resulted in Ocho lost its competitive advantage as it cannot offer a better than market commission to its quality sub-junkets or customers. The decrease in revenue sharing also decrease the expected cash inflow from this operation and thus recognised an aggregate impairment losses of HK\$206,948,000 in respect of intangible assets of HK\$197,973,000 and goodwill of HK\$8,975,000 during the interim review as at 30th June 2010. As at 31st December 2010, the Group did not identify further impairment losses. Although the Group had to recognise an impairment for this investment this year, the Group considered the investment was fair as the accumulated revenue received from this investment amounted to approximately HK\$635,948,000 which is far exceeding the impairment losses recognised. Besides, it can provide strong cash flow to the Group with comparatively small costs.

Film Distribution Operations

Film distribution operations includes production and distribution of motion pictures and television drama series and provision of other film related services. The Group had distributed only 1 new film during the year.

In year 2010, turnover for film distribution division amounted to HK\$1,317,000 (2009: HK\$26,580,000) and its segment loss amounted to HK\$520,000 (2009: HK\$11,738,000) which included impairment loss recognised in respect of film rights and goodwill of HK\$1,339,000 (2009: nil) and nil (2009: HK\$15,416,000) respectively.

管理層論述及分析 Management Discussion and Analysis

地區分類

就地區分類方面，由於酒店及博彩服務經營業務及博彩推廣經營業務之收益均來自澳門，因此本集團於本年度接近100%營業額來自澳門。

行政開支

截至二零一零年十二月三十一日止年度，行政開支（扣除租賃土地攤銷及物業、機器及設備之折舊）為347,548,000港元，較去年同期之190,264,000港元增加83%。此項增加主要由於比較去年同期5個月，年內蘭桂坊全面投入服務所致。僱員福利開支相同理由由77,651,000港元增加32%至102,334,000港元。

流動資金及財務資源

於二零一零年十二月三十一日，本集團之總資產約為3,345,092,000港元，而流動資產淨值則為1,059,311,000港元，即流動比率為5.7（二零零九年：1.4）。本集團之現金及現金結餘約為625,827,000港元（二零零九年：173,188,000港元）。於二零一零年十二月三十一日，本集團之借貸總額為500,000,000港元，包括有抵押銀行定期貸款（「定期貸款」）。定期貸款按銀行所報香港最優惠年利率減1.75厘計息，並須自提取首期貸款之日後第三個月開始，連續十九個季度按等額12,500,000港元分期償還，及最後一期償還餘額。於二零一零年十二月三十一日，本公司一間附屬公司蘭桂坊酒店之銀行信貸額為536,000,000港元，當中已動用500,000,000港元。本集團年內之資本負債比率仍低，總債項為500,000,000港元及擁有人權益為2,302,775,000港元，即資本負債比率（以本集團之借貸總額除以擁有人權益為基準計算）為22%（二零零九年：28%）。

Geographical segments

For the geographical segments, as revenue from hotel and gaming service operations and gaming promotion operations are all sourced in Macau, almost 100% turnover of the Group during this year were come from Macau.

Administrative Expenses

For the year ended 31st December 2010, administrative expenses (net of amortisation of leasehold land and depreciation on property, plant and equipment) amounted to HK\$347,548,000, a 83% increase from HK\$190,264,000 as compared to the last corresponding year. The increase was mainly attributable to the full operations of Lan Kwai Fong during the year as compared to 5 months in the last corresponding year. Employee benefit expenses increased 32% from HK\$77,651,000 to HK\$102,334,000 for the same reason.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December 2010, the Group had total assets of approximately HK\$3,345,092,000 and net current assets of HK\$1,059,311,000, representing a current ratio of 5.7 (2009: 1.4). The Group had cash and cash balances of approximately HK\$625,827,000 (2009: HK\$173,188,000). As at 31st December 2010, the Group had total borrowings of HK\$500,000,000 which comprised a secured bank term loan ("Term Loan"). The Term Loan is interest bearing at 1.75% per annum below the Hong Kong Prime rate quoted by the bank, repayable by 19 equal consecutive quarterly installments of HK\$12,500,000 each commencing from the third month after the date of the first loan drawdown and a final repayment for the remaining balance. As at 31st December 2010, Hotel LKF, a subsidiary of the Company had banking facilities amounting to HK\$536,000,000 which were utilised to the extent of HK\$500,000,000. The Group's gearing was low during the year with total debts of HK\$500,000,000 against owners' equity of HK\$2,302,775,000. This represents a gearing ratio, calculated in the basis of the Group's total borrowings over owners' equity of 22% (2009: 28%).

管理層論述及分析 Management Discussion and Analysis

由於本集團大部份交易、資產與負債均以港元、澳門幣及美元計值，故認為匯率波動風險甚低，並認為無需任何對沖活動。於二零一零年十二月三十一日，本集團並無或然負債。

於二零一零年一月四日，本公司與配售代理訂立一份配售協議，按悉數包銷基準以每股0.14港元之價格向獨立投資者配售合共540,000,000股每股面值0.01港元之新股份。本公司於二零一零年二月十一日根據於二零一零年二月八日舉行之本公司股東特別大會上授予本公司董事之特別授權發行540,000,000股新股份。所得款項淨額約75,400,000港元已用作本集團於澳門之投資項目及本集團之一般營運資金。

於二零零八年十二月八日，本公司宣佈擬分五批認購每批12,000,000港元由嘉滙投資控股有限公司（前稱中國星電影集團有限公司）（「嘉滙投資」）發行本金額為60,000,000港元零票息可換股債券，有關可換股債券將於該批次發行日期起計第十週年到期。於二零零九年一月二十九日，60,000,000港元之可換股債券由嘉滙投資發行予本公司，並於二零一零年五月二十六日由嘉滙投資全數贖回。

於二零一零年四月二十六日，本公司宣佈擬按初步認購價每股新股份（每股面值0.01港元）0.193港元（可予調整）發行紅利認股權證，基準為於二零一零年六月八日每持有五股股份獲發一份紅利認股權證。本公司之認股權證於二零一零年六月十五日獲發行。於二零一零年十二月三十一日，本公司約有111,526,000港元尚未行使認股權證，可按經調整認購價每股0.185港元轉換為約602,841,000股本公司股份。於二零一一年一月二十七日，認股權證之認購價因完成配售577,855,000股本公司股份後進一步調整為每股0.182港元。

As the majority of the Group's transactions, assets and liabilities are denominated in Hong Kong Dollars, Macau Pataca and United States Dollars, the exposure to fluctuation in exchange rates was considered to be minimal and no hedge activity were considered necessary. As at 31st December 2010, the Group had no contingent liability.

On 4th January 2010, the Company entered into a placing agreement with a placing agent to place on a fully underwritten basis an aggregate 540,000,000 new shares of HK\$0.01 each to independent investors at a price of HK\$0.14 per share. 540,000,000 new shares was issued on 11th February 2010 under the specific mandate granted to the directors of the Company at the special general meeting of the Company held on 8th February 2010. The net proceeds of approximately HK\$75,400,000 were used for the Group's investment projects in Macau and general working capital of the Group.

On 8th December 2008, the Company announced that it proposed to subscribe zero coupon convertible bonds in principal amount of HK\$60,000,000 to be issued by KH Investment Holdings Limited (formerly known as China Star Film Group Limited) ("KH Investment") in five tranches of HK\$12,000,000 each due on the tenth anniversary of the date of issue for such tranche. HK\$60,000,000 convertible bonds were issued by KH Investment to the Company on 29th January 2009 and were fully redeemed by KH Investment on 26th May 2010.

On 26th April 2010, the Company announced that it proposed to issue bonus warrants at the initial subscription price of HK\$0.193 per new share of HK\$0.01 each (subject to adjustment) on the basis of one bonus warrant for every five shares held on 8th June 2010. The warrants of the Company were issued on 15th June 2010. As at 31 December 2010, the Company had approximately HK\$111,526,000 warrants outstanding which are convertible into approximately 602,841,000 shares of the Company at an adjusted subscription price of HK\$0.185 per share. On 27th January 2011, the subscription price of the warrants was further adjusted to HK\$0.182 per share upon completion of the placement of 577,855,000 new shares of the Company.

管理層論述及分析 Management Discussion and Analysis

於二零一零年七月八日，本公司宣佈擬透過供股，按認購價每股0.1港元發行1,444,643,184股供股股份，基準為於二零一零年七月二十日每持有兩股股份獲發一股供股股份，集資約144,464,000港元（扣除開支前）。估計所得款項淨額約為141,460,000港元，其中約100,460,000港元擬用於削減本集團之銀行借貸及約41,000,000港元擬用於為本集團之酒店業務融資或用作本集團之一般營運資金。供股股份於二零一零年八月十一日獲發行。於二零一一年二月九日，本公司宣佈，本公司與銀行已議定以更佳條款及更長還款期限調整本集團銀行借貸。鑒於收購事項（定義見本報告），本公司擬改變供股所得款項之用途，將所得款項淨額約100,460,000港元用作收購事項總代價之一部份。41,000,000港元已按擬定用途為本集團之酒店業務融資及用作本集團之一般營運資金。

於截至二零一零年十二月三十一日止年度內，若干購股權持有人行使彼等之購股權，按行使價每股0.18港元認購合共52,790,000股每股面值0.01港元之股份。行使購股權所得款項淨額達9,502,200港元。

於結算日後，本公司與配售代理於二零一一年一月十四日訂立配售協議，按盡最大努力基準向獨立投資者配售最多577,855,000股每股面值0.01港元之新股份，配售價為每股0.07港元。577,855,000股新股份已根據在二零一零年六月三十日舉行之股東週年大會上授予本公司董事之一般授權於二零一一年一月二十七日發行。所得款項淨額約39,930,000港元擬用作收購事項代價之一部份。

On 8th July 2010, the Company announced that it proposed to raise approximately HK\$144,464,000 before expenses by way of rights issue of 1,444,643,184 rights shares at a subscription price of HK\$0.1 each on the basis of one rights shares for every two shares held on 20th July 2010. The estimated net proceeds were approximately HK\$141,460,000, of which approximately HK\$100,460,000 were intended to be used for reducing the Group's bank borrowings and approximately HK\$41,000,000 was intended to be used for financing hotel operation of the Group or general working capital of the Group. The rights shares were issued on 11th August 2010. On 9th February 2011, the Company announced that the Company and the bank had agreed to restructure the Group's bank borrowings with better terms and longer repayment period. In view of the Acquisition (as defined herein), the Company intend to change the use of proceeds of the rights issue and to apply the net proceeds of approximately HK\$100,460,000 to satisfy part of the total consideration for the Acquisition. HK\$41,000,000 were used for financing hotel operation of the Group and general working capital of the Group as intended.

During the year ended 31st December 2010, certain option holders exercised their option rights to subscribe for an aggregate of 52,790,000 shares of HK\$0.01 each at exercise price of HK\$0.18 per share. The net proceeds from the exercise of option rights amounted to HK\$9,502,200.

Subsequent to the balance sheet date, the Company entered into a placing agreement on 14th January 2011 with a placing agent to place on a best effort basis up to 577,855,000 new shares of HK\$0.01 each to independent investors at a price of HK\$0.07 per share. 577,855,000 new shares was issued on 27th January 2011 under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 30th June 2010. The net proceeds of approximately HK\$39,930,000 were intended to be used as part of the consideration for the Acquisition.

管理層論述及分析 Management Discussion and Analysis

於二零一一年二月九日，本公司董事會宣佈，本公司擬提呈本公司股東批准有關本公司資本重組（「資本重組」）之建議，其中包括：(a) 股份合併：每10股每股面值0.01港元之已發行及未發行的現有股份合併為本公司1股每股面值0.10港元之合併股份（「合併股份」）；(b) 資本削減：(i) 透過註銷本公司之繳足資本（每股當時已發行合併股份註銷0.09港元）而削減本公司之已發行股本，使每股已發行合併股份之面值由0.10港元減至0.01港元；(ii) 透過將所有合併股份之面值由每股0.10港元削減至每股0.01港元削減本公司之法定股本，以致本公司之法定股本由500,000,000港元（分為5,000,000,000股合併股份）削減至50,000,000港元（分為5,000,000,000股每股面值0.01港元之新股份）；及(iii) 因削減本公司已發行股本而產生之進賬轉撥入本公司之實繳盈餘賬；及(c) 資本增加：將本公司之法定股本由50,000,000港元（分為5,000,000,000股每股面值0.01港元之新股份）增加至500,000,000港元（分為50,000,000,000股每股面值0.01港元之新股份）。資本重組截至報告日期止尚未完成。

於二零一一年一月二十一日，本公司與永恒策略投資有限公司（「永恒策略」）訂立認購協議，據此，本公司有條件同意發行而永恒策略有條件同意按面值分兩批認購或促使認購最高本金額650,000,000港元之可換股債券。可換股債券將為無抵押、按年息8厘計息及附帶權利可按初步換股價每股0.08港元（可予調整）轉換為本公司股份，並將於發行日期起第五個週年到期。發行可換股債券之估計最高所得款項淨額約649,500,000港元將用於為收購事項融資、開發收購事項內所收購之地盤（定義見本報告）及／或用作本集團之一般營運資金。

On 9th February 2011, 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 (“Capital Reorganisation”) of the Company comprising (a) share consolidation that every 10 issued and unissued existing shares of HK\$0.01 each be consolidated into 1 consolidated share of HK\$0.10 each of the Company (“Consolidated Shares”); (b) capital reduction that (i) the issued share capital of the Company be reduced by the cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01; (ii) the authorised share capital of the Company be reduced by reducing the nominal value of all Consolidated Shares from HK\$0.10 each to HK\$0.01 each resulting in the reduction of the authorised share capital of the Company from HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares to HK\$50,000,000 divided into 5,000,000,000 new shares of HK\$0.01 each; and (iii) the credit arising from the reduction of the issued share capital of the Company be transferred to the contributed surplus account of the Company; and (c) capital increase that the authorised share capital of the Company be increased from HK\$50,000,000 divided into 5,000,000,000 new shares of HK\$0.01 each to HK\$500,000,000 divided into 50,000,000,000 new shares of HK\$0.01 each. The Capital Reorganisation was not yet completed up to the reporting date.

On 21st January 2011, the Company and Eternity Investment Limited (“Eternity”) entered into a subscription agreement, pursuant to which the Company has conditionally agreed to issue and Eternity has conditionally agreed to subscribe or procure subscription for convertible bonds in the maximum principal amount of HK\$650,000,000 in two tranches at their face value. The convertible bonds will be unsecured, interest bearing at 8% per annum and carry the right to convert into shares of the Company at an initial conversion price of HK\$0.08 per share (subject to adjustment) and will mature on the 5th anniversary from the date of issue. The estimated maximum net proceeds from the issue of the convertible bonds of approximately HK\$649,500,000 will be used for financing the Acquisition, the development of the Sites (as defined herein) to be acquired in the Acquisition and/or the general working capital of the Group.

管理層論述及分析 Management Discussion and Analysis

重大收購事項

於二零零九年四月二十九日，本公司一間全資附屬公司 Bestjump Holdings Limited (「Bestjump」) 與本公司執行董事及主要股東陳明英女士 (「陳女士」) 訂立一份買賣協議，據此，Bestjump 已同意購買及陳女士已同意出售 Modern Vision (Asia) Limited 及 Reform Base Holdings Limited (「目標公司」) 之全部已發行股本及目標公司應付陳女士之尚未償還貸款總額 750,810,007 港元，總代價為 900,000,000 港元 (可予調整)。目標公司之主要資產為彼等於 Over Profit International Limited 之合共 75% 股權權益。Over Profit International Limited 透過一間澳門公司 Legstrong Construction and Investment Company Limited (「澳門公司」) 間接全資實益擁有一幅位於澳門何鴻燊博士大馬路南灣湖畔地區，面積 4,669 平方米，名為「南灣湖計劃C區7地段」，於 Macau Land and Real Estate Registry (澳門物業登記局) 之登記編號為第 23070 號之土地 (「澳門土地」) 之權益。有關該交易之詳情載於本公司於二零零九年八月十七日刊發之通函 (「該通函」) 內。該交易已於二零零九年九月三日舉行之本公司股東特別大會上獲得批准。協議之截止日期已延至二零一零年十二月三十一日，並進一步延至二零一一年十二月三十一日。誠如該通函內所載，完成條件之一為澳門政府刊登南灣湖計劃「C」區之總分區指引，而澳門公司因應總分區指引而遞交之批地 (據此，澳門公司持有澳門政府於二零一零年八月十四日簽批之澳門土地) 新修訂之結果已由澳門政府於《公報》刊登。於二零一零年第三季，作為此過程之一部份，澳門政府邀請澳門居民呈交其對南灣湖區之規劃概念建議書，以優化對該城市基建之整體利益。預期澳門政府將需要額外時間以考慮及仔細商議規劃概念建議書才能落實規劃。由於 Bestjump 仍未達成或獲豁免該等條件，故該交易截至報告日期止尚未完成。

MATERIAL ACQUISITIONS

On 29th April 2009, Bestjump Holdings Limited ("Bestjump"), a wholly owned subsidiary of the Company and Ms. Chen Ming Yin, Tiffany ("Ms. Chen"), an executive director and a substantial shareholder of the Company entered into a sale and purchase agreement pursuant to which Bestjump has agreed to purchase and Ms. Chen has agreed to sell the entire issued share capital of Modern Vision (Asia) Limited and Reform Base Holdings Limited (the "Targeted Companies") and outstanding loans in an aggregate amount of HK\$750,810,007 due by the Targeted Companies to Ms. Chen at an aggregate consideration HK\$900,000,000 (subject to adjustment). The major assets of the Targeted Companies are their aggregate 75% equity interests in Over Profit International Limited. Over Profit International Limited, through a Macau company, Legstrong Construction and Investment Company Limited (the "Macau Co"), indirectly owned 100% beneficial interest in a lot of land with the area of 4,669 square meters, named "Lote C7 do Plano de Urbanização da Baía da Praia Grande", located in the Nam Van Lakes Zone, at Avenida Doutor Stanley Ho, registered with the Macau Land and Real Estate Registry under no. 23070 (the "Macau Land"). Details of the transaction were set out in the Company's circular dated 17th August 2009 ("the Circular"). The transaction has been approved in a special general meeting of the Company held on 3rd September 2009. The longstop date of the agreement had extended to 31st December 2010 and further extended to 31st December 2011. As set out in the Circular, one of the conditions to completion is the publication by the Macau Government of a master zoning guideline for the "C" area of Nam Van Lakes Zone and the results of a new amendment to the land grant under which the Macau Co holds the Macau Land from the Macau Government executed on 14th August 2001 to be submitted by Macau Co having been, in light of the master zoning guideline, gazetted by the Macau Government. In the third quarter of 2010, the Macau Government invited Macau citizens as part of this process to submit their conceptual planning proposals for the Nam Van area with a view to optimising the benefits to the city's infrastructures as a whole. It is anticipated that the Macau Government will need further time for its consideration and deliberations of the conceptual planning proposals to finalise the plan. As the conditions have not been satisfied or waived by Bestjump, the transaction has not yet completed up to the reporting date.

管理層論述及分析 Management Discussion and Analysis

於二零一零年十二月八日，本公司全資附屬公司China Star Entertainment (BVI) Limited (「CSBVI」)、嘉滙投資及China Star Film Group Limited (「合營公司」) 訂立合營協議 (「合營協議」)，內容有關成立主要從事製作及發行電影之合營公司。根據合營協議，合營公司同意按每股1,000,000港元之價格分別發行及配發30股及29股合營公司股份予CSBVI及嘉滙投資，於完成合營協議後，CSBVI及嘉滙投資將各自實益擁有合營公司50%權益。59股合營公司股份已於二零一一年一月七日獲發行及配發。

於二零一零年十二月二十三日，本公司之全資附屬公司Triumph Top Limited (「買方」)、本公司、Sociedade de Turismo e Diversões de Macau, S.A. (「賣方」) 及本公司董事向華強先生訂立有條件協議，據此，賣方有條件同意出售而買方有條件同意按代價550,000,000港元收購賣方根據澳門政府就位於澳門Zona de Aterros do Porto Exterior (ZAPE) 之第6B地段、第6C地段、第6D地段及第6E地段 (「該等地盤」) 授出之租賃而持有之物業租賃權 (連同該等地盤之固有法定業權轉讓予買方) (「收購事項」)。根據香港聯合交易所有限公司證券上市規則 (「上市規則」)，收購事項構成本公司一項非常重大收購事項及關連交易，因此須待本公司獨立股東於本公司舉行之股東特別大會上批准後，方可作實。

僱員

於二零一零年十二月三十一日，本集團僱用556名員工 (二零一零年：526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因素。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。除基本薪金外，公積金、醫療計劃、住房補貼及酌情花紅外，若干員工更可按個別表現評估獲授購股權。

On 8th December 2010, China Star Entertainment (BVI) Limited (“CSBVI”), a wholly owned subsidiary of the Company, KH Investment and China Star Film Group Limited (the “JV Company”) entered into a joint venture agreement (the “JV Agreement”) relating to the formation of the JV Company, which is principally engaged in production and distribution of films. Pursuant to the JV Agreement, the JV Company agreed to issue and allot 30 shares and 29 shares of the JV Company at a price of HK1,000,000 per share to CSBVI and KH Investment respectively. CSBVI and KH Investment will beneficially interested in 50% each of the JV Company after the completion of the JV Agreement. The 59 shares of the JV Company were issued and allotted on 7th January 2011.

On 23rd December 2010, Triumph Top Limited, a wholly owned subsidiary of the Company (the “Purchaser”), the Company, Sociedade de Turismo e Diversões de Macau, S.A. (the “Vender”) and Mr. Heung Wah Keung, a director of the Company entered into a conditional agreement pursuant to which the Vender has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the property leasehold right held by the Vender under the leasehold granted by the Macau Government over Lot 6B, Lot 6C, Lot 6D and Lot 6E, located in Macau at Zona de Aterros do Porto Exterior (ZAPE) (the “Sites”) (and the inherent transfer to the Purchaser of the legal title to the Sites) at a consideration of HK\$550,000,000 (the “Acquisition”). The Acquisition constitutes a very substantial acquisition and a connected transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and thus is subject to the approval of the independent shareholders of the Company in a special general meeting to be convened by the Company.

EMPLOYEES

As at 31st December 2010, the Group employed 556 staffs (2010: 526 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, housing allowance and discretionary bonuses, options are awarded to certain staffs according to the assessment of individual performance.

管理層論述及分析 Management Discussion and Analysis

前景

由於本集團大部份收益乃由澳門之經營業務所貢獻，因此澳門經濟將對本集團未來表現影響重大。本集團認為，於二零一零年，由於澳門之基建發展更趨成熟，且可受澳門博彩業之強勁增長支持，就短期至中期而言，澳門之前景極好。

於二零一零年三月，澳門政府宣佈，澳門賭桌總數於未來三年將限制在5,500張。本集團預期該政策將會限制澳門博彩業之間的競爭，從而加強蘭桂坊及博彩推廣業務之進一步發展。

儘管香港電影市場狀況仍不樂觀，但中國電影市場之發展為行業創造新的機會。雖然本集團之電影製作於近年大幅減少，但本集團將繼續運用其在市場上精心打造之網絡及可靠之經驗製作及發行高質量電影。透過投資於與嘉匯投資新成立之合營公司China Star Film Group Limited(從事製作及發行電影)，本集團可削減電影製作及發行業務佔用之營運資金並分散所涉及之業務風險。

展望未來，本集團將對澳門物業開發市場進行多樣化投資。本集團購買及開發之澳門土地及該等地盤位於絕佳地段。該等投資將進一步抓住澳門經濟發展之商機(特別是在旅遊及物業方面)，預期將於未來幾年為本集團作出積極貢獻。

PROSPECT

As majority of the Group's revenues are contributed by operations in Macau, Macau's economy will have significant impact on the future performance of the Group. The Group considers that the prospect of Macau over the near to medium term are excellent given its infrastructural development become more mature and this can be supported by the strong growth of Macau's gaming industry in 2010.

In March 2010, the Macau government announced that the total number of gaming tables in Macau would be capped at 5,500 in the next three years. The Group expects that this policy would limit the competition among the gaming industry in Macau and thus enhance the future development of the operations in Lan Kwai Fong and the gaming promotion business.

Despite Hong Kong movie market situation remained unfavourable, the development of China movie market created new opportunities for the industry. Although the film productions of the Group are substantially decreased in these few years, the Group will continue on utilising its well established network and solid experience in the market to produce and distribute high quality films. By investing in the newly formed joint venture company, China Star Film Group Limited which is engaged in production and distribution of films, with KH Investment, the Group can reduce the working capital tied up in the film production and distribution business and spread out the business risks involved.

Looking ahead, the Group will diversify into the property development market in Macau. Both the Macau Land and the Sites to be acquired and develop by the Group are located in superb locations. These investments will further grasp the business opportunities of the economic development of Macau especially in the sectors of tourism and property and expect to have positive contribution to the Group in the next few years.

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62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30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54歲，為本公司之副主席及向華強先生之妻子，擁有逾25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43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70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。洪先生自二零零七年起獲香港特別行政區政府委任為香港電影發展局委員。彼亦於二零零九年起獲委任為中國電影家協會理事。洪先生於一九九六年獲委任為非執行董事。

何偉志先生，現年59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。

PROFILES OF DIRECTORS

Mr. HEUNG Wah Keung, aged 62, is the Chairman of the Company. He is the husband of Ms. Chen Ming Yin, Tiffany, Vice Chairman of the Company. He has over 30 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 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 54, is the Vice Chairman of the Company. She is the wife of Mr. Heung Wah Keung and has over 25 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. 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 43, 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 70, 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 by the HKSAR Government as a member of the Hong Kong Film Development Council since 2007. He was also appointed as a director of the China Film Association since 2009. Mr. Hung was appointed as a non-executive director in 1996.

Mr. HO Wai Chi, Paul, aged 59, 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.

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

梁學文先生，現年48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。

高級管理人員簡介

吳卓徽先生，現年53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。

李綺媚女士，現年48歲，為本集團藝員部及公關部總監，擁有30年演藝文化工作經驗。李女士於一九九六年加入本集團。

曾善美女士，現年46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。

韋家輝先生，現年48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」、「神探」及「再生號」，總票房更超過二億港元。

黃淑嫻女士，現年45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。

Mr. LEUNG Hok Man, aged 48, 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.

PROFILES OF SENIOR MANAGEMENT

Mr. NG Cheuk Fai, aged 53, 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.

Ms. LI Yee Mei, aged 48, is the Talent and PR Controller of the Group, has 30 years of experience in entertainment business and culture industry. Ms. Li joined the Group in 1996.

Ms. TSANG Anna, aged 46, 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.

Mr. WAI Kai Fai, aged 48, 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", "Mad Detective" and "Written By" have earned a total of over HK\$200 million dollars.

Ms. WONG Shuk Han, Dorothy, aged 45, 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。於截至二零一零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改進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二零一零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 2010, 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 2010. 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19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條作出之年度書面確認書確認其獨立性。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 19 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. 與本公司主要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成員及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、審閱及批准本公司企業管治常規手冊、就本集團董事及其他指定高級管理人員進行證券交易而訂立之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之變更。
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，董事會舉行十次全體會議（其中四次為定期季度會議），各董事的出席詳情如下：

During the year, ten 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	10	100%
陳明英 Chen Ming Yin, Tiffany	10	100%
李玉嫦 Li Yuk Sheung	10	100%
洪祖星 Hung Cho Sing	10	100%
何偉志 Ho Wai Chi, Paul	10	100%
梁學文 Leung Hok Man	10	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至44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 to 44 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、集團內其他職位的僱用條件及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.

企業管治報告 Corporate Governance Report

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，審核委員會舉行兩次會議，各成員的出席詳情如下：

During the year, two 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	2	100%
洪祖星 Hung Cho Sing	2	100%
梁學文 Leung Hok Man	2	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，審核委員會已在二零一零年中期報告及二零一零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 2010 interim report and 2010 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979,000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\$979,000 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二零一零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 2010.

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、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, investing in operations which receive profit streams from the gaming promotion business and property and hotel investment.

其主要附屬公司及聯營公司之業務詳情，分別載於財務報表附註49及50。

The activities of its principal subsidiaries and associates are set out in notes 49 and 50 to the financial statements respectively.

業績及分派

本集團截至二零一零年十二月三十一日止年度之業績分別載於第45頁及第46頁之綜合收入表及綜合全面收入表內。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2010 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 45 and 46 respectively.

董事不建議派發截至二零一零年十二月三十一日止年度之末期股息。

The directors do not recommend the payment of a final dividend for the year ended 31st December 2010.

五年財務概要

本集團截至二零一零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196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 2010 is set out on page 196.

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。

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.

股本及認股權證

本公司之股本及認股權證於年內之變動詳情載於財務報表附註34。

SHARE CAPITAL AND WARRANTS

Details of movements during the year in the share capital and warrants of the Company are set out in note 34 to the financial statements.



董事會報告 Directors' Report

儲備

本集團於年內之儲備變動詳情載於第50頁綜合權益變動表。本公司於年內之儲備變動載於財務報表附註35。

可分派儲備

於二零一零年十二月三十一日，本公司之可分派儲備為約332,153,000港元(二零零九年：253,785,000港元)。

主要客戶及供應商

截至二零一零年十二月三十一日止年度，本集團五大客戶應佔營業額合共佔本集團營業額約96%。本集團最大客戶應佔營業額佔本集團營業額約76%。

截至二零一零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少於30%。

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。

RESERVES

Movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 50. Movements during the year in the reserves of the Company are set out in note 35 to the financial statements.

DISTRIBUTABLE RESERVES

Distribution reserves of the Company amounted to approximately HK\$332,153,000 as at 31st December 2010 (2009: HK\$253,785,000).

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December 2010, 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 76% of the Group's turnover.

For the year ended 31st December 2010, purchases attributable to the five largest suppliers of the Group were less than 30% 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，何偉志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。

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」之人士進行若干交易。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表附註48。

該等交易亦構成上市規則所述之「關連交易」（如下文所述）。

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. Ho Wai Chi, Paul shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer himself 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).

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 48 to the financial statements.

The transactions also constituted "Connected Transactions" under the Listing Rules, as identified below.

董事會報告 Directors' Report

關連交易

於二零零九年四月二十九日，本公司之一間全資附屬公司Bestjump Holdings Limited與本公司執行董事及主要股東陳女士訂立一份買賣協議，內容有關收購Modern Vision (Asia) Limited及Reform Base Holdings Limited（統稱為「目標公司」）之全部股權權益以及目標公司應付陳女士之尚未償還貸款總額750,810,007港元，總代價為900,000,000港元（可予調整）（「收購事項I」）。目標公司之主要資產為彼等於Over Profit International Limited之合共75%股權權益。Over Profit International Limited間接全資實益擁有一幅位於澳門何鴻燊博士大馬路南灣湖畔地區，名為「南灣湖計劃C區7地段」之土地權益。根據上市規則第14A章，收購事項I被視為一項關連交易。有關收購事項I之詳情載於本公司於二零零九年八月十七日刊發之通函。

獨立非執行董事確認，收購事項I之協議條款屬公平合理，且收購事項I符合本公司及其股東之整體利益。收購事項I已於二零零九年九月三日獲得獨立股東之批准及截至報告日期為止尚未完成。

於二零一零年十二月二十三日，本公司之全資附屬公司Triumph Top Limited（「買方」）、本公司、Sociedade de Turismo e Diversões de Macau, S.A.（「賣方」）及本公司董事向華強先生訂立有條件協議，據此，賣方有條件同意出售而買方有條件同意按代價550,000,000港元收購賣方根據澳門政府就位於澳門Zona de Aterros do Porto Exterior (ZAPE)之第6B地段、第6C地段、第6D地段及第6E地段（「該等地盤」）授出之租賃而持有之物業租賃權（連同該等地盤之固有法定業權轉讓予買方）（「收購事項II」）。根據上市規則，收購事項II構成本公司一項非常重大收購事項及關連交易，因此須待本公司獨立股東於本公司舉行之股東特別大會上批准後，方可作實。

CONNECTED TRANSACTIONS

On 29th April 2009, Bestjump Holdings Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Ms Chen, an executive director and a substantial shareholder of the Company, in respect of the acquisition (the "Acquisition I") of the entire equity interest of Modern Vision (Asia) Limited and Reform Base Holdings Limited (collectively referred as the "Target Companies") and outstanding loans in an aggregate amount of HK\$750,810,007 due by the Targeted Companies to Ms. Chen at an aggregate consideration of HK\$900,000,000 (subject to adjustment). The major assets of the Target Companies are their aggregate 75% equity interests in Over Profit International Limited. Over Profit International Limited indirectly owned 100% beneficial interest in a lot of land, namely "Lote C7 do Plano de Urbanização da Baía do Praia Grande", located in Nam Van Lakes Zone, at Avenida Doutor Stanley Ho. The Acquisition I is regarded as a connected transaction pursuant to Chapter 14A of the Listing Rules. Details of the Acquisition I are set out in the Company's circular dated 17th August 2009.

The independent non-executive directors confirm that the terms of the agreement of the Acquisition I are fair and reasonable and the Acquisition I is in the interests of the Company and its shareholders as a whole. The Acquisition I was approved by independent shareholders on 3rd September 2009 and has not been completed up to the reporting date.

On 23rd December 2010, Triumph Top Limited, a wholly owned subsidiary of the Company (the "Purchaser"), the Company, Sociedade de Turismo e Diversões de Macau, S.A. (the "Vender") and Mr. Heung Wah Keung, a director of the Company entered into a conditional agreement pursuant to which the Vender has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the property leasehold right held by the Vender under the leasehold granted by the Macau Government over Lot 6B, Lot 6C, Lot 6D and Lot 6E, located in Macau at Zona de Aterros do Porto Exterior (ZAPE) (the "Sites") (and the inherent transfer to the Purchaser of the legal title of the Sites) at a consideration of HK\$550,000,000 (the "Acquisition"). The Acquisition constitutes a very substantial acquisition and a connected transaction of the Company under the Listing Rules and thus is subject to the approval of the independent shareholders of the Company in a special general meeting to be convened by the Company.

董事於重大合約之權益

由於本公司執行董事及主要股東陳女士為收購事項I之賣方，故關連交易所述收購事項I構成陳女士之重大合約。

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。

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，於二零一零年十二月三十一日，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 (「向先生」) Mr. Heung Wah Keung ("Mr. Heung")	受控法團之權益 Interest of controlled corporation	246,852,025*	5.69
陳女士 Ms. Chen	受控法團之權益 Interest of controlled corporation	246,852,025*	5.69

上述權益皆為好倉。

* 此等股份當中246,715,000股股份由向先生及陳女士分別控制50%及50%權益之公司Heung Wah Keung Family Endowment Limited持有及137,025股股份由陳女士及向先生分別實益擁有60%及40%權益之公司多寶有限公司持有。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

The Acquisition I as set out in Connected Transactions constitutes a contract of significance of Ms. Chen, the executive director and substantial shareholder of the Company as Ms. Chen is the vendor in the Acquisition I.

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.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31st December 2010, 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 (「向先生」) Mr. Heung Wah Keung ("Mr. Heung")	受控法團之權益 Interest of controlled corporation	246,852,025*	5.69
陳女士 Ms. Chen	受控法團之權益 Interest of controlled corporation	246,852,025*	5.69

All interests stated above represent long positions.

* These shares are held as to 246,715,000 shares by Heung Wah Keung Family Endowment Limited (a company owned as to 50% by Mr. Heung and as to 50% by Ms. Chen) and as to 137,025 shares by Dorest Company Limited (a company beneficially owned as to 60% by Ms. Chen and as to 40% by Mr. Heung).

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

(a) 購股權

於二零一零年十二月三十一日，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：

董事姓名 Name of director	行使期 Exercisable period (附註c) (note c)	每股行使價 Exercise price per share (附註d) (note d) 港元 HK\$
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向先生 Mr. Heung	16.07.2002 – 15.07.2012 17.07.2003 – 16.07.2013	62.852 20.670
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陳女士 Ms. Chen	16.07.2002 – 15.07.2012 17.07.2003 – 16.07.2013	62.852 20.670
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李玉嫦女士 Ms. Li Yuk Sheung	16.07.2002 – 15.07.2012 17.07.2003 – 16.07.2013 13.05.2010 – 12.05.2011	62.852 20.670 0.144
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上述權益皆為好倉。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

2. Rights to acquire shares in the Company

(a) Share options

As at 31st December 2010, 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

直接權益 Direct interest	被視為 擁有權益 Deemed interest	總數 Total	所持權益 百分比約數 Approximate percentage of interest held
9,263	9,263 (附註a) (note a)	18,526 (附註a) (note a)	0.00
9,263	9,263 (附註b) (note b)	18,526 (附註b) (note b)	0.00
19,327,275	–	19,327,275	
19,419,969	–	19,419,969	0.45

All interests stated above represent long positions.

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)

(a) 購股權 (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權益。
- 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權益。
- c. 行使期由授出有關購股權當日開始。
- d. 年內尚未行使之購股權之行使價及數目已因年內完成供股而予以調整。

(b) 本公司將予發行之可換股票據

董事姓名

Name of Director

陳女士
Ms. Chen

向先生
Mr. Heung

上述權益皆為好倉。

- * 此等相關股份由陳女士持有。因此，向先生被視為於此等相關股份中擁有權益。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

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

(a) Share options (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 rights issue during the year.

(b) Convertible notes to be issued by the Company

可換股票據涉及之 相關股份數目 Number of underlying shares comprised in the convertible notes	所持權益 百分比約數 Approximate percentage of interests held
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700,000,000

16.15

700,000,000*

16.15

All interests stated above represent long positions.

- * These underlying shares are held by Ms. Chen. Mr. Heung is therefore deemed to be interested in these underlying shares.

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)

(c) 認股權證

董事姓名 Name of Director	有關認股權證所涉 及之相關股份數目 Number of underlying shares comprised in the warrants	所持權益 百分比約數 Approximate percentage of interests held
陳女士 Ms. Chen	29,504,385*	0.68
向先生 Mr. Heung	29,504,385*	0.68

上述權益皆為好倉。

All interests stated above represent long positions.

* 該等相關股份當中29,475,795份本公司認股權證由向先生及陳女士分別控制50%及50%之公司Heung Wah Keung Family Endowment Limited持有及28,590份本公司認股權證由陳女士及向先生分別實益擁有60%及40%權益之公司多實有限公司持有。

* These underlying shares are held as to 29,475,795 warrants of the Company by Heung Wah Keung Family Endowment Limited (a company owned as to 50% by Mr. Heung and as to 50% by Ms. Chen) and as to 28,590 warrants of the Company by Dorest Company Limited (a company beneficially owned as to 60% by Ms. Chen and as to 40% by Mr. Heung).

除上述所披露外，於二零一零年十二月三十一日，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。

Other than as set out above, as at 31st December 2010, 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.

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。

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.

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0.01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47。

主要股東

於二零一零年十二月三十一日，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：

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes, details of movements in the share options to subscribe for shares of HK\$0.01 each in the Company granted under the share option schemes and the fair value of the share options are set out in note 47 to the financial statements.

SUBSTANTIAL SHAREHOLDERS

As at 31st December 2010, 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	所持股份或相關股份數目 Number of shares or underlying shares held	所持權益百分比約數 Approximate percentage of interests held
永恒策略投資有限公司 Eternity Investment Limited	受控法團之權益 Interest of controlled corporation	821,881,081*	18.96
Riche (BVI) Limited	受控法團之權益 Interest of controlled corporation	821,881,081*	18.96
Simple View Investment Limited	實益擁有人 Beneficial owner	821,881,081	18.96
Heung Wah Keung Family Endowment Limited	實益擁有人 Beneficial owner	276,190,795	6.37

上述權益皆為好倉。

* 此等股份皆由Simple View Investment Limited持有。

除上文所披露者外，於二零一零年十二月三十一日，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。

All interests stated above represent long positions.

* These shares are held by Simple View Investment Limited.

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 2010.

董事會報告 Directors' Report

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。

RETIREMENT BENEFITS SCHEMES

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

購買、出售及贖回本公司之上市證券

於截至二零一零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。

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 2010.

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。

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.

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。

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

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47。

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 47 to the financial statements.

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。

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.

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。

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.



董事會報告 Directors' Report

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。

報告期後事項

於報告期後發生之重大事項詳情載於財務報表附註51。

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。

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.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events occurring after the reporting period are set out in note 51 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.

承董事會命
主席
向華強

香港，二零一一年三月二十五日

On behalf of the Board
Heung Wah Keung
Chairman

Hong Kong, 25th March 2011

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45至195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二零一零年十二月三十一日之綜合及公司財務狀況表與截至該日止年度之綜合收入表、綜合全面收入表、綜合權益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。

**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 45 to 195 which comprise the consolidated and company statement of financial position as at 31st December 2010, and the consolidated income statement, the consolidated statement of comprehensive income the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

董事就綜合財務報表承擔之責任

貴公司董事負責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該等真實兼公平之財務報表，並對本公司董事釐定就編製並無重大錯誤陳述(無論因欺詐或錯誤)之綜合財務報表而言屬必要之有關內部監控負責。

**DIRECTORS' RESPONSIBILITY FOR THE
CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view 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, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.



獨立核數師報告 Independent Auditors' Report

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。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。

審核涉及執程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，但並非旨在對該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。

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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. 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' judgement, 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 of the consolidated financial statements that give a true and fair view 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 of the Company, 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.

**獨立核數師報告 Independent Auditors' Report****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 貴集團於二零一零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，二零一一年三月二十五日

OPINION

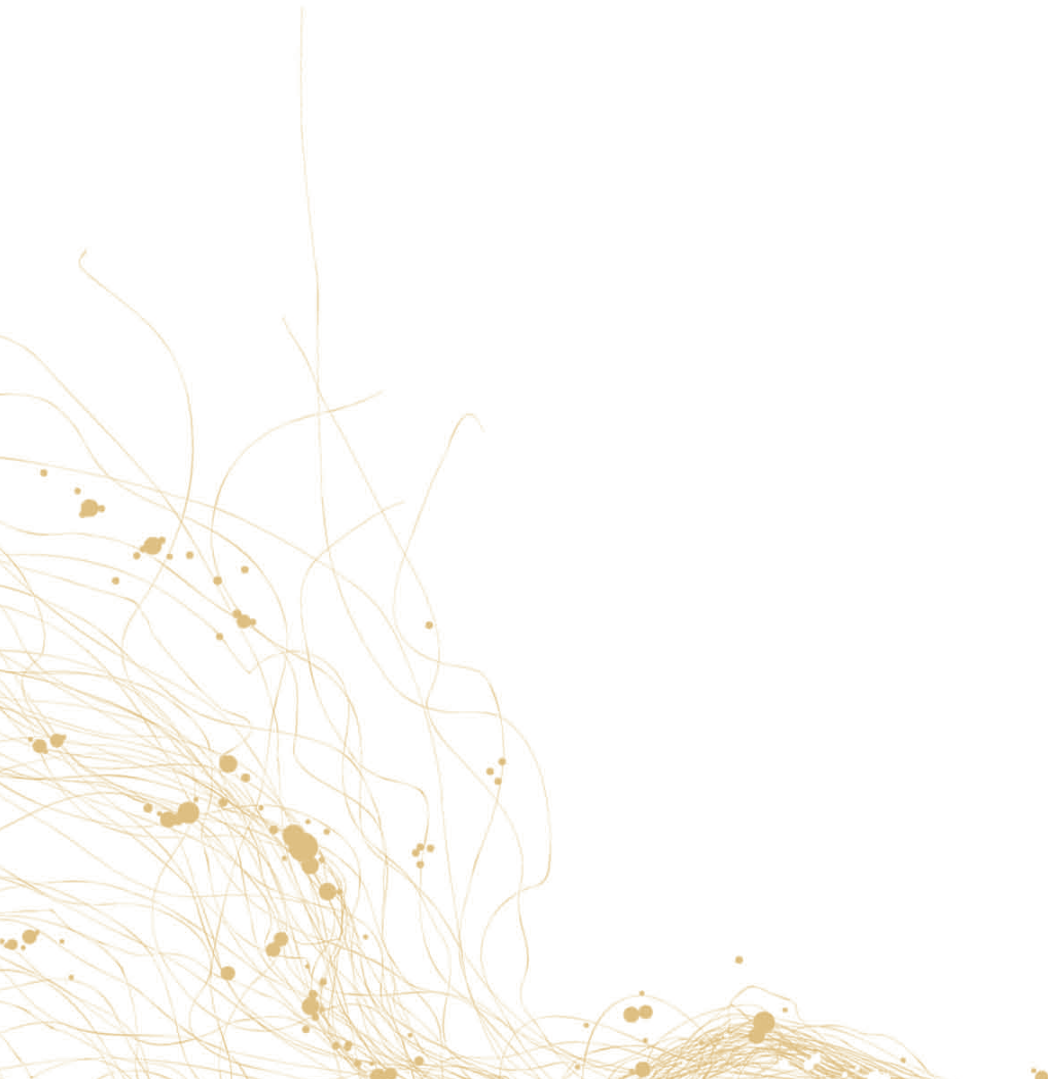
In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants

Certified Public Accountants

Hong Kong, 25th March 2011



綜合收入表 Consolidated Income Statement

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

			二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000 (經重列) (Re-presented)
營業額	Turnover	7	864,261	543,429
銷售成本	Cost of sales		(239,153)	(98,810)
毛利	Gross profit		625,108	444,619
其他收益	Other revenue	8	25,293	10,104
其他收入	Other income	9	27,802	55,088
行政開支	Administrative expenses		(455,812)	(236,101)
市場推廣及發行開支	Marketing and distribution expenses		(5,810)	(9,514)
以股份支付之款項開支	Share-based payment expenses		(8,238)	(8,039)
分類為持作買賣之金融 資產公平價值變動 產生之溢利	Gain arising on change in fair value of financial assets classified as held for trading		28,707	15,622
投資物業公平價值變動 產生之溢利	Gain arising on change in fair value of investment properties	19	12,270	19,652
有關商譽之已確認 減值虧損	Impairment loss recognised in respect of goodwill	21	(8,975)	(40,278)
有關電影版權之已確認 減值虧損	Impairment loss recognised in respect of film rights	26	(1,339)	–
有關無形資產之已確認 減值虧損	Impairment loss recognised in respect of intangible assets	22	(197,973)	–
經營溢利	Profit from operations		41,033	251,153
融資成本	Finance costs	10	(15,695)	(22,272)
應佔聯營公司虧損	Share of losses of associates	24	(1)	(14)
有關應收可換股票據內含 之換股期權之公平價值 變動產生之溢利／(虧損)	Gain/(loss) arising on change in fair value in respect of conversion options embedded in convertible notes receivable		882	(31,565)
出售附屬公司之虧損	Loss on disposal of subsidiaries	44	–	(30,059)
除稅前溢利	Profit before taxation	11	26,219	167,243
稅項支銷	Taxation charge	12	(1,392)	(2,848)
年度溢利	Profit for the year		24,827	164,395
以下人士應佔：	Attributable to:			
本公司擁有人	Owners of the Company		(8,083)	204,388
非控股權益	Non-controlling interests		32,910	(39,993)
			24,827	164,395
每股(虧損)／盈利	(Loss)/earnings per share	14		
基本	Basic		HKcents(0.24) 港仙	HKcents 22.04 港仙
攤薄	Diluted		HKcents(0.24) 港仙	HKcents 19.53 港仙

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 consolidated financial statements.

綜合全面收入表 Consolidated Statement of Comprehensive Income

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000 (經重列) (Re-presented)
年度溢利	Profit for the year	24,827	164,395
其他全面收入	Other comprehensive income		
換算海外業務產生之 匯兌差額	Exchange differences arising on translation of foreign operations	(171)	39
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	–	9,800
年度其他全面收入	Other comprehensive income for the year	(171)	9,839
年度全面收入總額	Total comprehensive income for the year	24,656	174,234
以下人士應佔全面收入總額：	Total comprehensive income attributable to:		
本公司擁有人	Owners of the Company	(8,254)	214,227
非控股權益	Non-controlling interests	32,910	(39,993)
		24,656	174,234

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 consolidated financial statements.

綜合財務狀況表 Consolidated Statement of Financial Position

於二零一零年十二月三十一日 At 31st December 2010

			二零一零年 2010 千港元 HK\$'000	二零零九年 2009 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	721,381	773,254
租賃土地權益	Interests in leasehold land	18	464,731	484,333
投資物業	Investment properties	19	73,580	61,310
商譽	Goodwill	21	–	8,975
無形資產	Intangible assets	22	791,232	989,205
應收可換股票據	Convertible notes receivable	23	–	20,015
於聯營公司權益	Interests in associates	24	7,985	–
			2,058,909	2,337,092
流動資產	Current assets			
存貨	Inventories	25	1,657	1,091
電影版權	Film rights	26	21,321	22,914
製作中電影	Films in progress	27	19,038	19,238
貿易應收賬款	Trade receivables	28	69,337	105,428
按金、預付款項及其他 應收款項	Deposits, prepayments and other receivables	29	441,059	396,968
應收可換股票據內含之 換股期權	Conversion options embedded in convertible notes receivable	23	–	10,908
持作買賣投資	Held for trading investments	30	94,050	97,641
應收聯營公司款項	Amounts due from associates	31	13,714	16,435
預繳稅項	Prepaid tax		180	1,100
現金及銀行結餘	Cash and bank balances		625,827	173,188
			1,286,183	844,911
分類為持作出售之資產	Assets classified as held for sale	33	–	8,272
			1,286,183	853,183
總資產	Total assets		3,345,092	3,190,275
股本及儲備	Capital and reserves			
股本	Share capital	34	43,340	22,965
儲備	Reserves		2,259,435	2,052,157
本公司擁有人應佔權益	Equity attributable to owners of the Company		2,302,775	2,075,122
非控股權益	Non-controlling interests		277,181	244,271
總權益	Total equity		2,579,956	2,319,393

綜合財務狀況表 Consolidated Statement of Financial Position

於二零一零年十二月三十一日 At 31st December 2010

			二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
	附註 Notes			
非流動負債	Non-current liabilities			
銀行借貸—一年後到期	Bank borrowings – due after one year	36	450,000	178,275
融資租賃債務	Obligation under finance lease	37	201	305
可換股票據	Convertible notes	38	–	–
遞延稅項負債	Deferred tax liabilities	39	88,063	86,682
			538,264	265,262
流動負債	Current liabilities			
銀行透支	Bank overdraft		–	178,764
銀行借貸—一年內到期	Bank borrowings – due within one year	36	50,000	232,631
融資租賃債務	Obligation under finance lease	37	96	96
貿易應付賬款	Trade payables	40	25,038	21,426
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	41	60,470	132,201
應付一間聯營公司款項	Amount due to an associate	42	25,766	–
應付非控股權益股東款項	Amounts due to non-controlling interests	42	65,502	40,502
			226,872	605,620
負債總額	Total liabilities		765,136	870,882
股權及負債總額	Total equity and liabilities		3,345,092	3,190,275
流動資產淨值	Net current assets		1,059,311	247,563
總資產減流動負債	Total assets less current liabilities		3,118,220	2,584,655

於二零一一年三月二十五日由董事會批准及授權刊發並由下列董事代表簽署：

向華強
Heung Wah Keung
董事
Director

陳明英
Chen Ming Yin, Tiffany
董事
Director

Approved and authorised for issue by the Board of Directors on 25th March 2011 and are signed on its behalf by:

隨附之附註構成此等綜合財務報表之一部份。

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

財務狀況表 Statement of Financial Position

於二零一零年十二月三十一日 At 31st December 2010

	附註 Notes	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
非流動資產	Non-current assets		
於附屬公司權益	Interests in subsidiaries	20	2,048,957
應收可換股票據	Convertible notes receivable	23	20,015
		1,965,158	2,068,972
流動資產	Current assets		
應收附屬公司款項	Amounts due from subsidiaries	20	105,075
應收可換股票據內含之 換股期權	Conversion options embedded in convertible notes receivable	23	10,908
應收聯營公司款項	Amounts due from associates	31	–
按金、預付款項及其他 應收款項	Deposits, prepayments and other receivables	29	468
現金及銀行結餘	Cash and bank balances		94,342
		395,529	94,342
		570,371	210,793
總資產	Total assets	2,535,529	2,279,765
股本及儲備	Capital and reserves		
股本	Share capital	34	22,965
儲備	Reserves	35	2,104,868
本公司擁有人 應佔權益	Equity attributable to owners of the Company	2,437,865	2,127,833
非流動負債	Non-current liabilities		
應付附屬公司款項	Amounts due to subsidiaries	20	133,061
可換股票據	Convertible notes	38	–
		83,695	133,061
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	41	18,871
		13,969	18,871
負債總額	Total liabilities	97,664	151,932
股權及負債總額	Total equity and liabilities	2,535,529	2,279,765
流動資產淨值	Net current assets	556,402	191,922
總資產減流動負債	Total assets less current liabilities	2,521,560	2,260,894

於二零一一年三月二十五日由董事會批准及授權刊發
並由下列董事代表簽署：

向華強
Heung Wah Keung
董事
Director

陳明英
Chen Ming Yin, Tiffany
董事
Director

Approved and authorised for issue by the Board of Directors
on 25th March 2011 and are signed on its behalf by:

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.

綜合權益變動表 Consolidated Statement of Changes in Equity

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

本集團	The Group	股本	股份溢價	繳入盈餘	匯兌儲備	法定儲備	以股份支付之款項儲備	可換股票據儲備	物業重估儲備	金融資產重估儲備	股本削減儲備	保留盈利	小計	非控股權益	總計
		Share capital 千港元 HK\$ '000	Share premium 千港元 HK\$ '000 (附註a) (note a)	Contributed surplus 千港元 HK\$ '000 (附註b) (note b)	Exchange reserve 千港元 HK\$ '000 (附註c) (note c)	Statutory reserve 千港元 HK\$ '000 (附註d) (note d)	Share-based payment reserve 千港元 HK\$ '000 (附註e) (note e)	Convertible notes reserve 千港元 HK\$ '000 (附註f) (note f)	Properties revaluation reserve 千港元 HK\$ '000 (附註g) (note g)	Financial assets revaluation reserve 千港元 HK\$ '000 (附註h) (note h)	Capital reduction reserve 千港元 HK\$ '000 (附註i) (note i)	Retained earnings 千港元 HK\$ '000	Sub-total 千港元 HK\$ '000	Non-controlling interests 千港元 HK\$ '000	Total 千港元 HK\$ '000
於二零零九年一月一日	At 1st January 2009	26,612	100,649	878,319	1,020	-	53,666	32,665	5,330	(35,762)	316,008	40,204	1,418,711	284,264	1,702,975
匯兌調整	Exchange alignment	-	-	-	39	-	-	-	-	-	-	-	39	-	39
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	-	-	-	-	-	-	-	-	9,800	-	-	9,800	-	9,800
年度其他全面收入	Other comprehensive income for the year	-	-	-	39	-	-	-	-	9,800	-	-	9,839	-	9,839
年度溢利/(虧損)	Profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	204,388	204,388	(39,993)	164,395
年度全面收入總額	Total comprehensive income for the year	-	-	-	39	-	-	-	-	9,800	-	204,388	214,227	(39,993)	174,234
出售附屬公司時轉撥根據公開發售及發行紅股發行股份	Release on disposal of subsidiaries Issue of shares under open offer and bonus issue	-	-	-	-	-	-	-	-	-	-	-	25,962	-	25,962
發行可換股票據	Issue of convertible notes	212,897	(100,282)	(59,392)	-	-	-	-	-	-	-	-	53,223	-	53,223
發行可換股票據時確認之遞延稅項	Recognition of deferred tax upon issue of convertible notes	-	-	-	-	-	-	(3,885)	-	-	-	-	(3,885)	-	(3,885)
轉換可換股票據	Conversion of convertible notes	10,000	190,672	-	-	-	-	(23,414)	-	-	-	-	177,258	-	177,258
轉換可換股票據時轉撥之遞延稅項	Released of deferred tax upon conversion of convertible notes	-	-	-	-	-	-	3,753	-	-	-	-	3,753	-	3,753
贖回可換股票據	Redemption of convertible notes	-	-	-	-	-	-	(30,019)	-	-	(8,726)	(46,745)	-	(46,745)	
贖回可換股票據時轉撥之遞延稅項	Released of deferred tax upon redemption of convertible notes	-	-	-	-	-	-	5,354	-	-	-	-	5,354	-	5,354
配售股份	Placement of shares	10,079	195,659	-	-	-	-	-	-	-	-	-	205,738	-	205,738
發行股份開支	Share issuing expenses	-	(2,424)	-	-	-	-	-	-	-	-	-	(2,424)	-	(2,424)
以股份支付之款項開支	Share-based payment expenses	-	-	-	-	-	8,039	-	-	-	-	-	8,039	-	8,039
行使購股權	Exercise of share options	491	16,460	-	-	-	(3,796)	-	-	-	-	-	13,155	-	13,155
購股權到期	Expiry of share options	-	-	-	-	-	(533)	-	-	-	-	533	-	-	-
股本削減	Capital reduction	(237,114)	-	237,114	-	-	-	-	-	-	-	-	-	-	-
已付股息	Dividend paid	-	-	-	-	-	-	-	-	-	-	(20,790)	(20,790)	-	(20,790)
於二零零九年十二月三十一日	At 31st December 2009	22,965	400,734	1,056,041	1,059	-	57,376	-	5,330	-	316,008	215,609	2,075,122	244,271	2,319,393
及二零一零年一月一日	and 1st January 2010	-	-	-	(171)	-	-	-	-	-	-	-	(171)	-	(171)
匯兌調整	Exchange alignment	-	-	-	(171)	-	-	-	-	-	-	-	(171)	-	(171)
年度其他全面收入	Other comprehensive income for the year	-	-	-	(171)	-	-	-	-	-	-	-	(171)	-	(171)
年度(虧損)/溢利	(Loss)/profit for the year	-	-	-	-	-	-	-	-	-	-	(8,083)	(8,083)	32,910	24,827
年度全面收入總額	Total comprehensive income for the year	-	-	-	(171)	-	-	-	-	-	-	(8,083)	(8,254)	32,910	24,656
以股份支付之款項開支	Share-based payment expenses	-	-	-	-	-	8,238	-	-	-	-	-	8,238	-	8,238
行使購股權	Exercise of share options	528	10,367	-	-	-	(1,393)	-	-	-	-	-	9,502	-	9,502
配售股份	Placement of shares	5,400	70,200	-	-	-	-	-	-	-	-	-	75,600	-	75,600
發行股份開支	Share issuing expenses	-	(1,899)	-	-	-	-	-	-	-	-	-	(1,899)	-	(1,899)
購股權到期	Expiry of share options	-	-	-	-	-	(4,243)	-	-	-	-	4,243	-	-	-
因供股而發行股份	Issue of shares under rights issue	14,446	130,018	-	-	-	-	-	-	-	-	-	144,464	-	144,464
行使已上市認股權證	Exercise of listed warrants	1	1	-	-	-	-	-	-	-	-	-	2	-	2
轉撥至法定儲備	Transfer to statutory reserve	-	-	-	-	259	-	-	-	-	-	(259)	-	-	-
出售投資物業時轉撥	Released on disposal of investment properties	-	-	-	-	-	-	-	(5,330)	-	-	5,330	-	-	-
於二零一零年十二月三十一日	At 31st December 2010	43,340	609,421	1,056,041	888	259	59,978	-	-	-	316,008	216,840	2,302,775	277,161	2,579,956

綜合權益變動表 Consolidated Statement of Changes in Equity

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

附註：

Notes:

- (a) 根據一九八一年百慕達公司法(經修訂)，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及多次資本削減而轉自股本賬之結餘。根據百慕達一九八一年公司法(經修訂)，繳入盈餘賬可供分派。然而，於以下情況，本公司不得自繳入盈餘宣派或支付股息或作出分派：(i)本公司當時或於分派後將會無法支付其到期負債；或(ii)本公司資產之可變現值將因而低於其負債及已發行股本與股份溢價之總和。
- (c) 匯兌儲備指將本集團海外業務之淨資產由其功能貨幣換算至本集團呈列貨幣(即港元)有關之匯兌差額，而匯兌差額乃直接於其他全面收入確認並於匯兌儲備累計。該等於匯兌儲備累計之匯兌差額於出售海外業務時重新分類至損益。
- (d) 根據澳門商法典之條文，本公司於澳門註冊成立之附屬公司須將年度淨溢利之最低25%轉撥至法定儲備，直至儲備等於其資本面值之50%為止。在公司存在期間，法定儲備不可以現金股息或其他形式分派。
- (e) 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之款項儲備。
- (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) The contributed surplus of the Group brought forward represents the balance transferred from the capital account due to the capital reduction effective on 10th September 2002 and various capital reduction subsequently. Under the Company Act 1981 of Bermuda (as amended), the contributed surplus account 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.
- (c) Exchange reserve represents exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the disposal of the foreign operations.
- (d) In accordance with the provisions of Macau Commercial Code, the Company's subsidiaries incorporated in Macau are required to transfer a minimum of 25% of the annual net profits to a statutory reserve until that reserve equals 50% of the nominal value of their capital. The statutory reserve may not be distributed in the form of cash dividends or otherwise, during the life of the companies.
- (e) Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting period (if any) and is recognised as staff costs and related expenses with a corresponding increase in the share-based payment reserve.

綜合權益變動表 Consolidated Statement of Changes in Equity

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

附註：(續)

Notes: (Continued)

- (f) 根據香港會計準則(「香港會計準則」)第32號「金融工具：呈列」，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(公平價值乃使用類同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，直至可換股票據被轉換(屆時將轉撥至股份溢價)或可換股票據被贖回(屆時將直接撥至保留盈利)為止。
- (f) Under Hong Kong Accounting Standard ("HKAS") 32 *Financial Instruments: Presentation*, 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 similar non-convertible debts 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 convertible notes are either converted (in which case it is transferred to share premium) or the convertible notes are redeemed (in which case it is released directly to retained earnings).
- (g) 物業重估儲備乃與由自用物業重新分類至投資物業之物業有關。就此等重新分類而言，物業之公平價值於重新分類日期之累計增加超出任何過往減值虧損之金額將計入物業重估儲備。
- (g) The properties revaluation reserve relates to property reclassified from owner-occupied to investment properties. For such reclassifications, the accumulative increase in the fair value of the properties at the date of reclassification in excess of any previous impairment losses is included in the properties revaluation reserve.
- (h) 金融資產重估儲備指重估可供出售投資而產生之累計溢利及虧損已於其他全面收入表內確認，當此等投資在被出售或釐定減值時，淨金額將重新分類至損益。
- (h) The financial assets revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale investments that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those investments have been disposed of or are determined to be impaired.
- (i) 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。按董事根據本公司之公司細則第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遭索償之金額、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。
- (i) The capital reduction reserve 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.

綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

	附註 Notes	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 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	Profit before taxation	26,219	167,243
就以下各項所作調整：	Adjustments for:		
利息支出	Interest expenses	15,695	22,272
利息收入	Interest income	(3,177)	(2,950)
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	108,264	45,837
分類為持作買賣之金融 資產之公平價值變動 產生之溢利	Gain arising on change in fair value of financial assets classified as held for trading	(28,707)	(15,622)
投資物業之公平價值 變動產生之溢利	Gain arising on change in fair value of investment properties	(12,270)	(19,652)
贖回可換股票據之溢利	Gain on redemption of convertible notes	–	(17,254)
提早贖回應收可換股票據 之溢利	Gain on early redemption of convertible notes receivables	(26,983)	–
有關應收可換股票據內含 之換股期權之公平價值 變動產生之(溢利)/虧損	(Gain)/loss arising on change in fair value in respect of conversion options embedded in convertible notes receivable	(882)	31,565
貿易應收賬款之減值虧損	Impairment loss on trade receivables	–	30
已付按金及其他應收款項 之減值虧損	Impairment loss on deposits paid and other receivables	–	4,311
有關商譽之已確認減值 虧損	Impairment loss recognised in respect of goodwill	8,975	40,278
有關電影版權之已確認 減值虧損	Impairment loss recognised in respect of film rights	1,339	–
有關無形資產之已確認 減值虧損	Impairment loss recognised in respect of intangible assets	197,973	–
出售物業、機器及設備之 虧損/(溢利)	Loss/(gain) on disposal of property, plant and equipment	713	(9,760)
出售附屬公司之虧損	Loss on disposal of subsidiaries	–	30,059
貿易及其他應收 款項之減值虧損回撥	Reversal of impairment loss on trade and other receivables	(14)	(119)
有關應收聯營公司款項之 減值虧損回撥	Reversal of impairment loss on amount due from associates	–	(25,179)
應佔聯營公司虧損	Share of losses of associates	1	14
以股份支付之款項開支	Share-based payment expenses	8,238	8,039

綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

	附註 Notes	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
營運資金變動前之經營現金流量	Operating cash flows before movements in working capital	295,384	259,112
存貨增加	Increase in inventories	(566)	(692)
電影版權減少	Decrease in film rights	254	6,839
製作中電影減少／(增加)	Decrease/(increase) in films in progress	200	(859)
貿易應收賬款減少／(增加)	Decrease/(increase) in trade receivables	36,091	(36,033)
按金、預付款項及其他應收款項減少	Decrease in deposits, prepayments and other receivables	10,923	19,381
應收聯營公司款項減少	Decrease in amounts due from associates	2,721	8,744
貿易應付賬款增加	Increase in trade payables	3,612	22,874
已收取按金、應計項目及其他應付款項(減少)／增加	(Decrease)/increase in deposits received, accruals and other payables	(71,731)	25,972
應付一間聯營公司款項增加	Increase in amount due to an associate	25,766	–
應付非控股權益股東款項增加	Increase in amounts due to non-controlling interests	25,000	–
營運產生之現金	Cash generated from operations	327,654	305,338
已退回／(已繳)稅項	Tax refund/(paid)	909	(676)
經營業務產生之現金淨額	Net cash generated from operating activities	328,563	304,662
投資業務之現金流量	CASH FLOWS FROM INVESTING ACTIVITIES		
已收利息	Interest received	1,965	462
收購聯營公司之權益	Acquisition of interests in associates	(1)	(14)
墊付聯營公司款項	Advance to associates	(7,985)	–
收購附屬公司(現金及現金等值項目淨值)	Acquisition of subsidiaries (Net cash and cash equivalent)	–	560
已付投資按金	Deposits paid for investment	(55,000)	(360,000)
出售分類為持作出售資產之所得款項淨額	Net proceeds from disposal of assets classified as held for sale	8,272	–
出售分類為持作買賣之金融資產所得款項	Proceeds from disposal of financial assets classified as held for trading	44,085	714
出售物業、機器及設備所得款項	Proceeds from disposal of property, plant and equipment	804	11,200
出售附屬公司所得款項	Proceeds from disposal of subsidiaries	–	25,382
購入分類為持作買賣之金融資產	Purchase of financial assets classified as held for trading	(11,787)	(57,020)
購入物業、機器及設備及租賃土地	Purchases of property, plant and equipment and leasehold land	(38,306)	(300,030)
贖回應收可換股票據	Redemption of convertible notes receivable	60,000	–
非控股權益股東償還款項	Repayment from non-controlling interests	–	183,750
認購可換股票據(包括開支)	Subscription of convertible notes (including expenses)	–	(60,000)
投資業務產生／(所用)現金淨額	Net cash generated from/(used in) investing activities	2,047	(554,996)

綜合現金流量表 Consolidated Statement of Cash Flows

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
	附註 Notes		
融資活動之現金流量	CASH FLOWS FROM FINANCING ACTIVITIES		
已付利息	Interest paid	(15,695)	(27,342)
已付股息	Dividends paid	—	(20,790)
新增銀行貸款	New bank loan raised	500,000	240,000
發行股份所得款項	Proceeds from issue of shares	144,464	53,223
行使上市認股權證所得款項	Proceeds from exercise of listed warrants	2	—
配售股份所得款項	Proceeds from placing of shares	75,600	205,738
行使購股權所得款項	Proceeds from exercise of options	9,502	13,155
發行可換股票據所得款項	Proceeds from issue of convertible notes	—	200,000
初始償還融資租賃債務之 所得款項	Proceeds from inception of obligation under finance lease	—	482
贖回可換股票據	Redemption of convertible notes	—	(168,000)
償還融資租賃債務	Repayment of obligation under finance lease	(104)	(81)
償還銀行貸款	Repayment of bank loans	(410,906)	(212,561)
股份發行開支	Share issuing expenses	(1,899)	(2,424)
融資活動產生之 現金淨額	Net cash generated from financing activities	300,964	281,400
現金及現金等值項目增加	Increase in cash and cash equivalents	631,574	31,066
年初之現金及現金等值項目	Cash and cash equivalents at the beginning of the year	(5,576)	(36,681)
外幣匯率變動之影響	Effect of foreign exchange rate changes	(171)	39
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	32 625,827	(5,576)

隨附之附註為此等綜合財務報表之一部份。

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

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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，其已發行股份在香港聯合交易所有限公司（「聯交所」）上市。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、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應用香港會計師公會（「香港會計師公會」）頒佈之下列新訂及經修訂準則及詮釋（統稱為「新訂及經修訂香港財務報告準則」），並於本集團二零一零年一月一日開始之財務年度生效。本集團採納之新訂及經修訂香港財務報告準則之概要載列如下：

香港財務報告準則
（修訂本）

對香港財務報告準則
第5號之修訂作為
於二零零八年頒佈之
香港財務報告準則之
改進一部份

香港財務報告準則
（修訂本）

於二零零九年頒佈之
香港財務報告準則之改進

香港會計準則第27號
（經修訂）

綜合及獨立財務報表

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its issued 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, 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 new and revised standards and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1st January 2010. A summary of the new and revised HKFRSs adopted by the Group is set out as follows:

HKFRSs (Amendments)

Amendments to HKFRS 5 as part of
Improvements to HKFRSs 2008

HKFRSs (Amendments)

Improvements to HKFRSs 2009

HKAS 27 (Revised)

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財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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）

香港會計準則第39號 （修訂本）	合資格對沖項目
香港財務報告準則 第1號（修訂本）	對首次採納者之額外豁免
香港財務報告準則 第1號（經修訂）	首次採納香港財務報告準則
香港財務報告準則 第2號（修訂本）	集團以現金結算之以股份 支付款項交易
香港財務報告準則 第3號（經修訂）	業務合併
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
香港（國際財務報告 詮釋委員會） — 詮釋第4號（修訂本）	對香港（國際財務報告 詮釋委員會）— 詮釋第4號 「租賃—釐定香港土地租賃 之租期」之修訂
香港（國際財務報告 詮釋委員會） — 詮釋第5號	呈列財務報表—定期貸款 包含要求時償還貸款 之借款人的分類

除下文所披露者外，採納新訂及經修訂香港財務報告準則不會對本集團當前或過往會計期間之綜合財務報表產生重大影響。

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

HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 1 (Amendments)	Additional Exemptions for first-time adopters
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 4 Amendment	Amendment to HK(IFRIC) – Int 4 Lease – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK(IFRIC) – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as disclosed below, the adoption of the new and revised HKFRSs has no material effect on the consolidated financial statements of the Group for the current or prior accounting period.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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）

香港財務報告準則第3號（二零零八年經修訂）「業務合併」

按照相關過渡條文，香港財務報告準則第3號（二零零八年修訂）於年內已被應用於收購日期為二零一零年一月一日或之後之業務合併。其應用已影響本年內的業務合併之入賬。

應用香港財務報告準則第3號（二零零八年修訂）之影響如下：

- 香港財務報告準則第3號（二零零八年經修訂）允許選擇以每項交易為基準計量非控股權益（前稱「少數股東」權益），即以公平價值或以非控股權益分佔被收購方之可識別資產淨值計量。
- 香港財務報告準則第3號（二零零八年經修訂）改變或有代價之確認及其後之會計要求。該準則修訂前，只當有可能支付或有代價且其金額能可靠地計量時，才會於收購日確認或有代價；其後對或有代價之調整乃以收購價值抵銷。根據經修訂準則，或有代價按於收購日之公平價值計量，其後對或有代價之調整，則僅於調整是源自有關於收購日期之收購價值之新資料於「計量期間」（最長為收購日期起12個月）內取得時，方以收購價值抵銷。所有其他對或有代價的其後調整分類為資產或負債，會於損益確認。

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

HKFRS 3 (as revised in 2008) Business Combinations

HKFRS 3 (as revised in 2008) has been applied in the current year prospectively to business combinations of which the acquisition date is on or after 1st January 2010 in accordance with relevant transitional provisions. Its application has affected the accounting for business combinations in the current year.

The impact of the application of HKFRS 3 (as revised in 2008) is as follows:

- HKFRS 3 (as revised in 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as ‘minority’ interests) either at fair value or at the non-controlling interests’ share of recognised identifiable net assets of the acquiree.
- HKFRS 3 (as revised in 2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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）

香港財務報告準則第3號（二零零八年經修訂）「業務合併」（續）

- 香港財務報告準則第3號（二零零八年經修訂）規定，當業務合併清算集團與被收購方的已有關係時，須確認清算損益。
- 香港財務報告準則第3號（二零零八年經修訂）規定收購相關成本將與業務合併分開入賬，導致該等成本於產生時於損益確認為開支，而該等成本此前乃作為收購成本的一部份入賬。

於本期間採納香港財務報告準則第3號（二零零八年經修訂）對收購之影響與收購相關成本有關連。其規定收購相關成本將與業務合併分開入賬。因此，本集團已於損益內確認該等成本為開支，而該等成本此前乃作為收購成本的一部份入賬。本期間之收購成本並不重大。

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

HKFRS 3 (as revised in 2008) Business Combinations (Continued)

- HKFRS 3 (as revised in 2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.
- HKFRS 3 (as revised in 2008) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

The impact of adoption of HKFRS 3 (as revised in 2008) on the acquisition during the current period has been related to the acquisition-related costs. It requires acquisition-related costs to be accounted for separately from the business combination. As a result, the Group has recognised these costs as an expense in profit or loss, whereas previously they would have been accounted as part of the cost of the acquisition. The acquisition costs in the current period were insignificant.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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）

本集團並無提早應用下列已頒佈但未生效之新訂及經修訂準則、修訂或詮釋。

香港財務報告準則（修訂本）	於二零一零年頒佈之香港財務報告準則之改進 ¹
香港會計準則第12號（修訂本）	遞延稅項：收回相關資產 ²
香港會計準則第24號（經修訂）	關連人士披露 ³
香港會計準則第32號（修訂本）	供股之分類 ⁴
香港財務報告準則第1號（修訂本）	香港財務報告準則第7號對首次採納者披露比較數字之有限豁免 ⁵
香港財務報告準則第1號（修訂本）	嚴重惡性通脹及為首次採納者剔除固定日期 ⁶
香港財務報告準則第7號（修訂本）	披露－轉撥金融資產 ⁶
香港財務報告準則第9號	金融工具 ⁷
香港（國際財務報告詮釋委員會）－詮釋第14號（修訂本）	最低資金要求之預付款項 ³
香港（國際財務報告詮釋委員會）－詮釋第19號	以權益工具抵銷財務負債 ⁵

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

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 24 (Revised)	Related Party Disclosures ³
HKAS 32 (Amendments)	Classification of Rights Issues ⁴
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ⁶
HKFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets ⁶
HKFRS 9	Financial Instruments ⁷
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ³
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁵

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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 於二零一零年七月一日及二零一一年一月一日（倘適用）或其後開始之年度期間生效
- 2 於二零一二年一月一日或其後開始之年度期間生效
- 3 於二零一一年一月一日或其後開始之年度期間生效
- 4 於二零一零年二月一日或其後開始之年度期間生效
- 5 於二零一零年七月一日或其後開始之年度期間生效
- 6 於二零一一年七月一日或其後開始之年度期間生效
- 7 於二零一三年一月一日或其後開始之年度期間生效

本公司董事已開始評估上述新訂及經修訂香港財務報告準則之影響，但尚未就該等新訂及經修訂香港財務報告準則是否會對本集團之業績及財務狀況產生重大影響得出結論。

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。

該等綜合財務報表乃根據所有適用香港財務報告準則（其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，該等財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

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

- 1 Effective for annual periods beginning on or after 1st July 2010 and 1st January 2011, as appropriate
- 2 Effective for annual periods beginning on or after 1st January 2012
- 3 Effective for annual periods beginning on or after 1st January 2011
- 4 Effective for annual periods beginning on or after 1st February 2010
- 5 Effective for annual periods beginning on or after 1st July 2010
- 6 Effective for annual periods beginning on or after 1st July 2011
- 7 Effective for annual periods beginning on or after 1st January 2013

The directors of the Company has commenced their assessments of the impact of the above new and revised HKFRSs but it is not yet in a position to state whether these new and revised HKFRSs would have a material impact on the results and the financial position of the Group.

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 HKFRSs, 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 Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(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

該綜合財務報表包括本公司及本公司(其附屬公司)所控制實體(包括特定用途實體)的財務報表。控制指本公司有權掌管一個實體的財務及營運政策，以從其活動取得利益。

年內所收購或出售附屬公司之業績乃自收購事項生效日期起及直至出售之生效日期(如適用)於綜合收入表列賬。

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收益乃於綜合賬目時對銷。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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(b) 綜合基準 (續)

附屬公司內的非控股權益與本集團所佔的權益分開列賬。

全面收益總額分配至非控股權益

一家附屬公司之全面收益及開支總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。於二零一零年一月一日前，非控股權益可適用之虧損超出於附屬公司權益之非控股權益之超額部分，已分配予與本集團權益互相抵銷，惟倘非控股權益附有具約束力的責任，並可作出額外投資填補該等虧損者則除外。

於二零一零年一月一日或之後之本集團於現有附屬公司之擁有權權益變動

不導致本集團對附屬公司失去控制權之本集團於附屬公司之擁有權權益變動則計入權益交易。本集團權益及非控股權益之賬面值作出調整以反映其於附屬公司之有關權益之變動。非控股權益作出調整後之金額與已付或已收代價之公平值間之任何差額直接在權益中確認及歸屬於本公司擁有人。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation (Continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1st January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries on or after 1st January 2010

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(b) 綜合基準 (續)

於二零一零年一月一日或之後之本集團於現有附屬公司之擁有權權益變動 (續)

當本集團失去附屬公司控制權，出售溢利或虧損按以下兩者之差額計算：(i)已收代價之公平值與任何保留權益之公平值之總額；及(ii)附屬公司之資產(包括商譽)與負債及任何非控股權益之原賬面值。倘附屬公司之若干資產按重估金額或公平值計量，而相關累計溢利或虧損已於其他全面收益及於權益累計確認，則原先於其他全面收益及於權益累計確認之金額按猶如本集團已直接出售相關資產入賬(即重新分類至損益或直接轉往累計盈利)。前附屬公司中之任何保留投資於失去控制權當日之公平值，根據香港會計準則第39號「金融工具：確認及計量」視作初步確認時之公平值，以供隨後會計處理，或(如適用)於初步確認聯營公司或一家共同控制實體投資時視作成本。

於二零一零年一月一日前之本集團於現有附屬公司之擁有權權益變動

於現有附屬公司權益增加以與收購附屬公司之相同方式處理，並確認商譽或議價購買溢利(視適用情況而定)。就附屬公司權益減少而言，不論出售是否會導致本集團失去附屬公司控股權，所收代價與非控股權益調整之間之差額均於損益內確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries on or after 1st January 2010 (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Changes in the Group's ownership interests in existing subsidiaries prior to 1st January 2010

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(b) 綜合基準 (續)

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財務狀況表。

(c) 業務合併

於二零一零年一月一日或之後進行之業務合併

收購業務乃採用收購法入賬。業務合併中轉讓之代價乃按公平價值計量，而計算方法為本集團轉讓之資產、本集團對被收購方之前擁有人產生之負債及本集團就交換被收購方之控制權而發行之股權於收購日之公平價值總和。與收購有關之成本一般於產生時在損益中確認。

於收購日，所收購之可識別資產及所承擔之負債按彼等於收購日之公平價值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 負債或權益工具乃按收購日有關於本集團以股份支付款項或以股份支付款項替換予被收購方之交易根據香港財務報告準則第2號「以股份支付款項」計量；及
- 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經營業務」劃分為持作出售之資產(或出售組合)乃根據該準則計量。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation (Continued)

Investments in subsidiaries are included in the Company's statement of financial position at cost, less any identified impairment loss.

(c) Business combinations

Business combinations that took place on or after 1st January 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- 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* are measured in accordance with that standard.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(c) 業務合併 (續)

於二零一零年一月一日前進行之業務合併

收購業務乃採用收購會計法入賬。收購成本按交易當日所給予之資產、所產生或承擔之負債，以及本集團為控制被收購公司所發行權益工具之公平價值，另加業務合併直接應佔之任何成本計量。被收購公司符合有關確認條件之可識別資產、負債及或然負債，一般以收購日之公平價值確認。

(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財務狀況表。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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Business combinations (Continued)

Business combinations that took place prior to 1st January 2010

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was 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 met the relevant conditions for recognition were generally recognised at their fair value at the acquisition date.

(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 statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment losses. 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.

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(d) 於聯營公司之投資 (續)

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。

應用香港會計準則第39號以釐定是否需要確認有關本集團投資於聯營公司的任何減值虧損。倘為需要，投資之全部賬面值（包括商譽）透過比較其可收回金額（使用價值及公平價值減銷售成本的較高者）與其賬面值，根據香港會計準則第36號資產減值，作為單一資產進行減值測試。被確認的任何減值虧損均形成投資賬面值之一部份。該減值虧損之任何回撥根據香港會計準則第36號獲得確認，惟受隨後增加之可收回投資金額所規限。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investment in associates (Continued)

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.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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3. 主要會計政策概要 (續)

(d) 於聯營公司之投資 (續)

自二零一零年一月一日起，於出售聯營公司導致本集團失去對該聯營公司的重大影響後，任何保留投資均於當日按公平價值計量，公平價值則被視為根據香港會計準則第39號首次確認為金融資產時之公平價值。保留權益應佔聯營公司以往賬面值與其公平價值之間的差額計入釐定於出售聯營公司之盈虧。此外，倘該聯營公司直接出售相關資產或負債，則本集團可能需要按相同基準計入有關該聯營公司的以往於其他全面收入表確認的所有金額。因此，倘聯營公司以往於其他全面收益表確認的盈虧將獲重新分類為出售相關資產或負債之損益賬，則本集團於其失去對該聯營公司之重大影響時，將權益之盈虧重新分類至損益賬(作為重新分類調整)。

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 (Continued)

From 1st January 2010 onwards, upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

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.

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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商譽於財務狀況表單獨呈列。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。

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.

Goodwill arising on an acquisition of a subsidiary is presented separately in the statement of financial position. Capitalised goodwill arising on an acquisition of an associate is included in the cost of the investment of the relevant associate.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(e) 商譽(續)

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綜合收入表確認。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商譽應佔金額。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Goodwill (Continued)

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 consolidated 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 is included in the determination of the amount of profit or loss on disposal.

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(f) 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，且其公平價值能可靠計量，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價值。

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。

無形資產於出售時或預計使用或出售時並無未來經濟得益時取消確認，因取消確認無形資產而產生之溢利及虧損，乃按出售所得款項淨額與該項資產賬面值之差額計量，並於有關資產取消確認時於損益確認。

(g) 收入之確認

電影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、管理費用收入及後期製作服務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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets

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.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(g) Revenue recognition

Film 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 post-production service 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.

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3. 主要會計政策概要 (續)

(g) 收入之確認 (續)

金融資產之利息收入根據尚未收回之本金及實際利率按時間比例基準累計，該利率乃是將實質貼現估計未來現金收入透過金融資產預期有效期至該資產賬面淨值。

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。食品及飲品銷售及其他配套服務之收入在提供貨品及服務時確認。

就向公眾廳、角子老虎機廳及貴賓廳之博彩經營業務提供服務之收入在相關服務已提供而本集團有權分佔博彩營運商之博彩收益時確認。

自博彩推廣業務收取之溢利在有權收取溢利時確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue recognition (Continued)

Interest income from financial asset is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

Revenue from hotel accommodation are recognised upon the provision of the accommodation services. Revenue from food and beverage sales and other ancillary services are recognised upon the provision of goods and services.

Revenue arising from service provided for gaming operations in mass market hall, slot machine hall and VIP rooms is recognised when the relevant services have been rendered and the Group is entitled to the share of gaming wins from the gaming operator.

Revenue from gaming promotion business is recognised when the right to receive profit is established.

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less 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.

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(h) 物業、機器及設備 (續)

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	2% – 5%
租賃物業裝修	20% – 33%
傢俬及裝置	10% – 50%
機器及設備	18% – 33%
汽車	15% – 20%

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment (Continued)

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	2% – 5%
Leasehold improvements	20% – 33%
Furniture and fixtures	10% – 50%
Machinery and equipment	18% – 33%
Motor vehicles	15% – 20%

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 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.

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3. 主要會計政策概要 (續)

(i) 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。

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價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，倘若公平價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盈利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) 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 properties are included in the consolidated income statement for the period in which they arise.

Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the assets 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 earnings.

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3. 主要會計政策概要 (續)

(j) 投資物業 (續)

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。

(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報告期結束時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暫時差額確認，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，則該等遞延稅項資產及負債不予確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Investment properties (Continued)

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 disposal. 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.

(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 excludes items of income or expense that are taxable or deductible in other years and it 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 end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts 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 deferred tax 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.

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(k) 稅項 (續)

遞延稅項資產之賬面值於每個報告期結束時作檢討，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。

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。

年內即期或遞延稅項於損益確認，惟當其與在其他全面收入表中確認或直接於權益中確認之項目相關，則即期及遞延稅項亦分別於其他全面收入表或直接於權益中確認。倘因業務合併之初次會計方法而產生即期或遞延稅項，有關稅務影響計入業務合併之會計方法內。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at each end of the reporting period 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.

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.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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3. 主要會計政策概要 (續)

(l) 借貸成本

因籌備收購、建造或生產合資格資產擬作用途或出售之主要期間之借貸成本，該借貸成本直接添加至該資產成本，直至該等資產大部份已籌備作彼等之擬作用途或出售之有關時間為止。

所有其他借貸成本於產生期間之綜合收入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(或出售組別)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符合。

分類為持作出售之非流動資產(或出售組別)乃按其賬面值及公平價值兩者中之較低者減出售成本計量。

(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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other 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 (or 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 (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

(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.

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3. 主要會計政策概要 (續)

(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。

(q) 金融工具

當集團實體成為工具合約條款之訂約方時，會在財務狀況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(「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(「可供出售」)之金融資產。分類以金融資產之性質及用途為準，並於初步確認時釐定。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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(q) Financial Instruments

Financial assets and financial liabilities are recognised on the statement of financial position 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 ("FVTPL"), loans and receivables and available-for-sale ("AFS") financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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3. 主要會計政策概要 (續)

(q) 金融工具 (續)

i. 金融資產 (續)

實際利息法

實際利息法為於有關期間計算債務工具之攤銷成本及分配利息收入之方法。實際利率乃是將實質折現透過債務工具之預期年期或較短期間(如適用)預計未來現金收款(包括構成實際利率不可或缺部份之一切已付或已收費用及利率差價、交易成本及其他溢價或折現)至初始確認時之賬面淨值之利率。

債務工具之收入乃按實際利率基準確認，惟分類為透過損益以公平價值列賬之金融資產除外。

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL 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) on initial recognition 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

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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)

- (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。

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「金融工具：確認及計量」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 FVTPL (Continued)

- (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL 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 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as FVTPL.

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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按公平價值列賬，而重新計量產生之任何溢利或虧損於損益確認。於損益確認之溢利或虧損淨額包括於金融資產賺取之任何股息或利息，並計入綜合收入表。公平價值以附註5內所述之方式釐定。

貸款及應收款項

貸款及應收款項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。貸款及應收款項 (包括貿易應收賬款及其他應收款項、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) 以運用實際利率法攤銷之成本減任何減值計量。

利息收入透過應用實際利率確認，惟短期應收款項之利息確認金額不大則除外。

可供出售之金融資產 (「可供出售之金融資產」)

可供出售之金融資產為指定為可供出售或未劃分為(a)貸款及應收款項；(b)持有至到期之投資；或(c)透過損益以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 FVTPL (Continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset (and is included) in the consolidated income statement. Fair value is determined in the manner described in note 5.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, amounts due from subsidiaries, amounts due from associates, time deposits, cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available for sale financial assets ("AFS financial assets")

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

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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」) (續)

可供出售之金融資產於報告期結束時按公平價值計量。公平價值之變動於其他全面收入中確認，並累計在投資重估儲備項下。倘金融資產獲處置或確定減值，之前於投資重估儲備中累計之累積損益將重新分類至損益 (請參閱下文有關金融資產減值虧損之會計政策)。

在任何交投活躍之市場並無市場報價及無法可靠地計量公平價值之可供出售股本投資，及與該等無報價股本投資掛鈎及必須透過交付該等股本投資進行結算之衍生工具，於報告期結束時按成本減任何已識別減值虧損計量 (請參閱下文有關金融資產減值虧損之會計政策)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

Available for sale financial assets ("AFS financial assets") (Continued)

AFS financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. Where the financial asset is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period (see the accounting policy in respect of impairment loss on financial assets below).

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3. 主要會計政策概要 (續)

(q) 金融工具 (續)

i. 金融資產 (續)

金融資產減值

金融資產(透過損益以公平價值列賬除外)於各報告期結束時就減值指標進行評估。倘有客觀證據顯示因於初步確認金融資產後發生之一項或多項事件而引致有關投資之估計未來現金流量受到影響，則金融資產被視為出現減值。

就可供出售股本投資而言，倘證券之公平價值大幅或持續下降至低於其成本，則視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可包括：

- (a) 發行人或對方出現嚴重財政困難；或
- (b) 違約，如逾期支付或拖欠利息或本金；或
- (c) 借款人有可能破產或進行財務重組；或
- (d) 因出現財政困難導致該金融資產失去活躍市場。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- (a) significant financial difficulty of the issuer or counterparty; or
- (b) breach of contract, such as a default or delinquency in interest or principal payments; or
- (c) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

i. 金融資產 (續)

此外，若干不會個別減值之金融資產類別(如貿易應收款項)將整體作減值評估。應收款項組合出現減值之客觀證據可包括本集團過往收款經驗、組合中款項平均信貸期60至90天過後仍未還款之次數增加，以及可影響應收款項拖欠情況之國家或地方經濟狀況出現明顯變動。

就以攤銷成本列賬之金融資產而言，確認之減值虧損金額為資產賬面值與估計未來現金流量之現值(按金融資產之原實際利率折現)之間之差額。

按成本列賬之金融資產之減值虧損金額按資產之賬面值與就換取類似金融資產以現行市場利率折現估計未來現金流量現值間之差額計算。有關減值虧損不會於往後期間撥回(請參閱下文會計政策)。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

i. Financial assets (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60-90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount 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 loss will not be reversed in subsequent periods (see the accounting policy below).

**財務報表附註 Notes to the Financial Statements**

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)**(q) 金融工具 (續)***i. 金融資產 (續)*

就所有金融資產而言，減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項除外，其賬面值會透過撥備賬作出扣減。當貿易應收款項被視為不可收回時，其將於撥備賬內撇銷。其後收回先前註銷之金額計入撥備賬。撥備賬內之賬面值變動會於損益中確認。

當可供出售之金融資產被視為減值時，先前於其他全面收入確認之累計收益或虧損於期內重新分類至損益。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(q) Financial Instruments (Continued)***i. Financial assets (Continued)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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本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

當金融負債以持作買賣或於初次確認時指定為透過損益以公平價值列賬則歸類為透過損益以公平價值列賬之金融資產。

金融負債歸類為持作買賣倘：

- (i) 主要為取得於不久將來重購之用；或
- (ii) 於初次確認時為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 FVTPL and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- (i) it has been acquired principally for the purpose of repurchasing in the near future; or
- (ii) on initial recognition 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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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以公平價值計量：

- (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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL 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 or more embedded derivatives, and HKAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract to be designated as FVTPL.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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)

透過損益以公平價值列賬之金融負債按公平價值列賬，而重新計量產生之任何溢利或虧損於損益確認。於損益確認之溢利或虧損淨額包括就金融負債已付之任何利息，並計入綜合收入表「其他溢利及虧損」項下。公平價值以附註5內所述之方式釐定。

其他金融負債

其他金融負債 (包括貿易應付賬款及其他應付款項、銀行借貸、融資租賃債務、應付一間聯營公司款項及應付非控股權益股東款項) 隨後按採用實際利率法攤銷成本計算。

實際利息法

實際利息法為於有關期間計算金融負債之攤銷成本及分配利息開支之方法。實際利率乃是將實質折現透過債務工具之預期年期或較短期間 (如適用) 預計未來現金付款 (包括構成實際利率不可或缺部份之一切已付或已收費用及利率差價、交易成本及其他溢價或折現) 至初始確認時之賬面淨值之利率。

利息開支乃按實際利率基準確認，惟分類為透過損益以公平價值列賬之金融負債除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL (Continued)

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the consolidated income statement. Fair value is determined in the manner described in note 5.

Other financial liabilities

Other financial liabilities including trade and other payables, bank borrowings, obligation under finance lease, amount due to an associate and amounts due to non-controlling interest are subsequently measured at amortised cost, using the effective interest rate method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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

本公司發行之可換股票據乃根據合約安排之性質以及金融負債及權益工具之定義，分別列入金融負債及權益。將以固定金額現金或另一項金融資產交換本公司固定數目之權益工具之方式結清之換股期權，列為權益工具。

於發行日期，負債部份之公平價值按同類不可換股工具之當時市場利率評估。該金額按攤銷成本基準以實際利率法記入負債，直至於轉換當日或該工具到期日註銷為止。

列入權益之換股期權乃透過從整體複合工具之公平價值中扣減負債部份金額而釐定。其將於扣除所得稅影響後在權益中確認及記賬，且隨後不可重新計量。此外，列入權益之換股期權將一直保留於權益內，直至該換股期權獲行使，而在此情況下，權益內確認之結餘將轉入股本及股份溢價。倘換股期權於可換股票據到期日仍未獲行使，權益內確認之結餘將轉入累計保留盈利。換股期權獲兌換或到期時將不會於損益內確認任何收益或虧損。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Convertible notes

Convertible notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital and share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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)

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

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。

本集團發行之財務擔保合約初次按公平價值計量，倘不指定為透過損益以公平價值列賬，則其後按以下較高者計量：根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之合約承擔金額；及初次確認之金額減去根據收入確認政策確認之累計攤銷（如適用）。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

ii. Financial liabilities and equity instruments (Continued)

Convertible notes (Continued)

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

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 payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

iii. 終止確認

本集團僅於自資產獲取現金流之合約權利到期時，或本集團將金融資產及資產所有權之絕大部份風險及回報轉讓予另一實體時終止確認金融資產。倘本集團未轉讓亦無保留所有權之絕大部份風險及回報，而是繼續控制已轉讓資產，則本集團確認其於資產之保留權益及其必需支付之相關負債。倘本集團保留已轉讓金融資產所有權之絕大部份風險及回報，則本集團繼續確認該金融資產，亦會就已收取之所得款項確認擔保借貸。

全面終止確認金融資產時，資產賬面值與已收及應收代價以及累計溢利或虧損（已於其他全面收入及累計權益確認）總和間之差額，於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

iii. Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(q) 金融工具 (續)

iii. 終止確認 (續)

除全面終止確認外(即本集團保留購回部份已轉讓資產之選擇權或保留不會導致保留擁有權絕大部份風險及回報之餘下權益,及本集團保留控制權),於終止確認金融資產時,本集團將金融資產之過往賬面值在其仍確認為繼續參與之部份及不再確認之部份之間,按照該兩者於轉讓日期之相關公平價值作出分配。不再確認部份獲分配之賬面值與該部份已收代價及其已於其他全面收入確認獲分配之任何累計溢利或虧損之總和間的差額,乃於損益內確認。已於其他全面收入確認之累計溢利或虧損乃按繼續確認部份及不再確認部份之相關公平價值在該兩者間作出分配。

本集團只有在責任獲免除、取消或終止時,方會終止確認金融負債。獲終止確認之金融負債之賬面值與已付及應付代價間差額會於損益確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial Instruments (Continued)

iii. Derecognition (Continued)

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(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。

(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。於各報告期結束時，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，將包括在該期間之收入表中，惟有關直接於其他全面收入確認損益的非貨幣項目換算所產生的外匯差額，亦直接於其他全面收入確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. 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 other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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報告期結束時之適用匯率換算為本集團之呈列貨幣(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)乃於其他全面收入確認及累計權益(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 Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, 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 in other comprehensive income and accumulated in equity (exchange 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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(t) 租賃(續)

(ii) 本集團作為承租人

按融資租賃所持有之資產於租賃開始時按彼等之公平價值或(如較低)最低租賃付款之現值初始確認為本集團之資產。向出租人履行之有關責任於財務狀況表內列賬為融資租賃債務。

租賃付款為分攤融資開支及減少租賃債務之間，以至負債餘額按固定利率計息。融資開支於損益中即時確認，除非彼等由合資格資產直接應佔，於此情況下，彼等根據本集團有關借貸成本之一般政策資本化。或然租金於彼等產生之期間內確認為開支。

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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Leasing (Continued)

(ii) The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(u) 僱員福利 (續)

(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。

本集團之附屬公司於澳門所聘請僱員為澳門特區政府所營辦並為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。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Employee benefits (Continued)

(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.

The employees employed by the Group's subsidiaries 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.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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

就授予購股權(須待達成指定歸屬條件後方可作實)而言,所獲服務之公平價值乃參考所獲授購股權於授出日期之公平價值釐定,於歸屬期以直線法基準支銷,並於權益(購股權儲備)作出相應增加。

於報告期結束時,本集團修訂其預期最終歸屬之購股權估計數目,修訂原估計之影響(如有)於損益賬確認,以使累計開支反映經修訂之估計,並於購股權儲備作相應調整。

就授出日期已歸屬之購股權而言,已授出購股權之公平價值隨即於損益支銷。

行使購股權時,早前已確認之購股權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,早前已確認之購股權儲備數額將轉入保留盈利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Employee benefits (Continued)

(iii) Share-based payment expenses

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(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；
- (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。

某位人士之親密家族成員為與該實體進行交易時預期可能影響該人士或受該人士影響之該等家族成員。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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);
- (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.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.



財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

3. 主要會計政策概要 (續)

(w) 有形及無形資產之減值虧損 (商譽除外)

於各報告期結束時，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。倘若任何有關跡象顯示有關資產出現減值，則估計該資產之可收回金額以釐定減值虧損之程度 (如有)。倘若個別資產之可收回金額不能作出估計，本集團則估算該資產所屬現金產生單位之可收回金額。在合理及一貫之分配基準可被確定之情況下，公司資產亦分配至個別現金產生單位，否則將分配至合理及一貫之分配基準可被確定之最小現金產生單位組別。

具有不確定可使用年期之無形資產及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。

可收回金額乃公平價值減銷售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量使用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之當前市場估計及未來現金流量預期未經調整之資產有關風險。

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。減值虧損即時於損益確認為開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

At each end of the reporting period, 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. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whether there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 in profit or loss.

財務報表附註 Notes to the Financial Statements

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3. 主要會計政策概要 (續)

(w) 有形及無形資產之減值虧損 (商譽除外)
(續)

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。減值虧損撥回即時於損益確認為收入。

(x) 撥備

倘本集團因過往事件而須承擔現有法定或推定責任，且本集團很可能須履行該責任，並能可靠地估計所須承擔之金額，則須確認撥備。

確認為撥備之金額乃對於報告期間未履行現時責任所需代價作出之最佳估計，並計及有關責任之風險及不確定因素。當撥備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值（如貨幣時間價值之影響重大）。

當結算撥備所需之部份或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收款項金額可作可靠計量，則將應收款項確認為資產。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 in profit or loss.

(x) Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.



財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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) 商譽及無形資產減值估計

本集團根據附註3(e)、3(f)及3(w)所載之會計政策就商譽及無形資產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 underlying 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 judgments, 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 goodwill and intangible assets*

The Group performs annual tests on whether there has been impairment of goodwill and intangible assets in accordance with the accounting policy stated in note 3(e), 3(f) and 3(w). 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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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 judgments in applying accounting policies (Continued)

(b) Trade receivables

The aged debt profile of trade receivables is reviewed on a regular basis to ensure that 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 receivable 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**

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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

本集團管理層於各報告期間結束時檢討賬齡分析，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，本集團於各報告期間結束時逐項檢討各電影並就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 judgments 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 end of the reporting period, 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 end of the reporting period and makes allowance for any films in progress that productions no longer proceed.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

5. 金融工具

(a) 金融工具分類：

金融資產

透過損益以公平價值

列賬之金融資產

貸款及應收款項(包括

現金及銀行結餘)

金融負債

攤銷成本

(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、應收聯營公司款項、應收可換股票據內含之換股期權、貿易應付賬款、應計項目及其他應付款項、應付一間聯營公司／非控股權益股東款項、融資租賃承擔及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。

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments:

本集團

The Group

二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
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Financial assets

Financial assets at fair value

through profit or loss

94,050

108,549

Loans and receivables (including cash and

bank balances)

717,960

320,944

Financial liabilities

Amortised cost

660,156

768,395

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity investments, borrowings, trade and other receivables, amounts due from associates, conversion options embedded in convertible notes receivable, trade payables, accruals and other payables, amounts due to an associate/non-controlling interests, obligation under finance lease and 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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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滙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:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
資產	Assets		
澳門幣	MOP	179,790	113,408
負債	Liabilities		
澳門幣	MOP	647,173	560,733

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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 reasonable 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.

	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
澳門幣之影響 Impact of MOP		
溢利或虧損 Profit or loss	23,369	22,366

管理層認為，由於報告期完結時之年末風險未能反映整個年度的風險，故敏感度分析並不反映外匯風險。

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure at the end of the reporting period does not reflect the exposure during the year.

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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

本集團之股本投資分為持作買賣投資及透過損益以公平價值列賬之金融資產，於各報告期結束時均會按公平價值計量令本集團面臨價格風險。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。

倘股價上升／下降5%，則本集團截至二零一零年十二月三十一日止年度之除稅前溢利將增加／減少4,703,000港元（二零零九年：5,427,000港元）。此乃主要由於透過損益以公平價值列賬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

The Group's equity investments classified as held for trading investments in financial assets at fair value through profit or loss which are measured at fair value at each end of the reporting period and expose the Group to equity price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. In addition, the Group 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.

If equity prices had been 5% higher/lower, the Group's profit before taxation for the year ended 31st December 2010 would increase/decrease by HK\$4,703,000 (2009: HK\$5,427,000). This is mainly due to the changes in fair value of financial assets at fair value through profit and loss.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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36)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。

利率敏感度分析

下文之敏感度分析根據於報告期結束時就衍生及非衍生工具之利率風險釐定。分析乃假設於報告期結束時尚未行使之金融工具為全年尚未行使而編製。當向主要管理人員內部匯報利率風險時，乃使用香港銀行同業拆息增加或減少50個基點(二零零九年：50個基點)，並指管理層對利率可能合理變動之評估。

倘利率高於／低於50個基點(二零零九年：50個基點)，而所有其他變數維持不變，則本集團於截至二零一零年十二月三十一日止年度之稅後溢利應會減少／增加2,500,000港元(二零零九年：2,948,000港元)，主要由於本集團所面對浮息借貸之利率風險所致。

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 36 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.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for derivatives and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2009: 50 basis points) increase or decrease in HIBOR is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2009: 50 basis points) higher/lower and all other variables were held constant, the Group's post tax profit for the year ended 31st December 2010 would decrease/increase by HK\$2,500,000 (2009: HK\$2,948,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.



財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

5. 金融工具 (續)

(b) 金融風險管理項目及政策 (續)

信貸風險

於二零一零年十二月三十一日，因交易對方未能履行責任及財務擔保而可為本集團帶來財務虧損之本集團最大信貸風險，乃來自綜合財務狀況表所列各項已確認金融資產之賬面值。

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

As at 31st December 2010, 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 and financial guarantees is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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)

於二零一零年十二月三十一日，本集團銀行融資約為536,000,000港元(二零零九年：535,600,000港元)。

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，根據由報告期間結束時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)

As at 31st December 2010, the Group had banking facilities amounting to HK\$536,000,000 (2009: HK\$535,600,000).

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

於二零一零年十二月三十一日

At 31st December 2010

	加權平均 實際利率 Weighted average effective interest rate	無折讓現金 流量總計			賬面值 總計		
		一年內	二至五年	五年以上			
		Within 1 year	Within 2-5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount	
		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	
非衍生金融負債	Non-derivative financial liabilities						
銀行借貸	Bank Borrowings	3.5%	51,750	465,750	-	517,500	500,000
貿易應付賬款	Trade payables	-	25,038	-	-	25,038	25,038
已收取按金、應計項目 及其他應付款項	Deposits received, accruals and other payables	-	60,470	-	-	60,470	60,470
融資租賃債務	Obligation under finance lease	5.99%	125	271	-	396	297
應付一間聯營公司款項	Amount due to an associate	-	25,766	-	-	25,766	25,766
應付非控股權益股東 款項	Amounts due to non-controlling interests	-	65,502	-	-	65,502	65,502
總計	Total		228,651	466,021	-	694,672	677,073

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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)

於二零零九年十二月三十一日
At 31st December 2009

加權平均 實際利率 Weighted average effective interest rate	無折讓現金 流量總計			賬面值 總計		
	一年內	二至五年	五年以上			
	Within 1 year	Within 2-5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount	
	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	
非衍生金融負債	Non-derivative financial liabilities					
銀行透支	3.05%	184,217	-	-	184,217	178,764
銀行借貸	Bank Borrowings					
- 流動	3.29%	241,314	-	-	241,314	232,631
- 非流動	3.24%	-	183,082	-	183,082	178,275
貿易應付賬款	-	21,426	-	-	21,426	21,426
已收取按金、應計項目 及其他應付款項	-	132,201	-	-	132,201	132,201
融資租賃債務	5.99%	125	396	-	521	401
應付非控股權益股東 款項	-	40,502	-	-	40,502	40,502
總計		619,785	183,478	-	803,263	784,200

(c) 金融工具之公平價值

金融資產及金融負債之公平價值乃按下列各項釐定：

- 具有標準條款及條件及於活躍流動市場買賣的金融資產及金融負債，乃分別參考所報市場買盤及賣盤價格釐定公平價值。

5. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

於二零零九年十二月三十一日
At 31st December 2009

加權平均 實際利率 Weighted average effective interest rate	無折讓現金 流量總計			賬面值 總計		
	一年內	二至五年	五年以上			
	Within 1 year	Within 2-5 years	Over 5 years	Total undiscounted cash flows	Total carrying amount	
	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	
非衍生金融負債	Non-derivative financial liabilities					
銀行透支	3.05%	184,217	-	-	184,217	178,764
銀行借貸	Bank Borrowings					
- 流動	3.29%	241,314	-	-	241,314	232,631
- 非流動	3.24%	-	183,082	-	183,082	178,275
貿易應付賬款	-	21,426	-	-	21,426	21,426
已收取按金、應計項目 及其他應付款項	-	132,201	-	-	132,201	132,201
融資租賃債務	5.99%	125	396	-	521	401
應付非控股權益股東 款項	-	40,502	-	-	40,502	40,502
總計		619,785	183,478	-	803,263	784,200

(c) Fair value of financial instruments

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

5. 金融工具(續)

(c) 金融工具之公平價值(續)

- 衍生工具之公平價值乃以報價計算。倘未取得有關價格，則非期權衍生工具以工具年期之適用收益曲線進行折現現金流分析，而期權衍生工具則以期權定價模式進行折現現金流分析。外幣遠期合約是按所報遠期匯率及符合合約到期日之所報利率得出之浮息曲線計量。利率掉期是按估計未來現金流量現值計量，並根據所報利率得出之適用浮息曲線折現。
- 其他金融資產及金融負債(不包括上文所述者)之公平價值乃根據普遍採納定價模式(基於折現現金流分析)釐定。

董事認為，金融資產及金融負債於綜合財務報表內記錄之賬面值與其公平價值相若。

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

5. 金融工具 (續)

(c) 金融工具之公平價值 (續)

對香港財務報告準則第7號「金融工具：披露」之修訂要求按三個等級「公平價值等級」披露有關金融工具之公平價值計量。各金融工具之公平價值乃全部根據對該公平價值計量而言屬重大之最低等級輸入值進行分類。該等等級界定如下：

- 第一等級：採用在活躍市場上確定金融工具所報之價格(未經調整)計量之公平價值
- 第二等級：採用在活躍市場類同之金融工具所報之價格或使用所有重要輸入值均直接或間接依據可觀察市場數據之估值技術計量之公平價值
- 第三等級：採用任何重要輸入值並非依據可觀察市場數據之估值技術計量之公平價值

於二零一零年及二零零九年十二月三十一日，本集團及本公司按公平價值列賬之金融工具包括應收可換股票據內含之換股期權及持作買賣投資。

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

The amendments to HKFRS 7 *Financial Instruments: Disclosures*, require disclosures relating to fair value measurements of financial instruments across three levels of a “fair value hierarchy”. The fair value of each financial instrument is categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3: fair values measured using valuation techniques in which any significant input is not based on observable market data

As at 31st December 2010 and 2009, the financial instruments of the Group and the Company carried at fair value included conversion options embedded in convertible notes receivable and held for trading investments.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

5. 金融工具 (續)

(c) 金融工具之公平價值 (續)

下表載列緊隨初步確認後按公平價值計量之金融工具分析，公平價值乃根據其可觀察程度，劃分為第一等級、第二等級及第三等級。

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1, level 2 and level 3 based on the degree to which the fair value is observable.

		第一等級 Level 1 千港元 HK\$'000	第二等級 Level 2 千港元 HK\$'000	第三等級 Level 3 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一零年 十二月三十一日	At 31st December 2010				
持作買賣投資	Held for trading investments	94,050	–	–	94,050
於二零零九年 十二月三十一日	At 31st December 2009				
應收可換股票據內含之 換股期權	Conversion options embedded in convertible notes receivable	–	–	10,908	10,908
持作買賣投資	Held for trading investments	97,641	–	–	97,641
		97,641	–	10,908	108,549

於本年度內，並無在第一等級、第二等級及第三等級之間進行轉撥。

There were no transfers between Levels 1, 2 and 3 in the current year.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

5. 金融工具 (續)

(c) 金融工具之公平價值 (續)

金融資產第三等級公平價值計量之調節

		應收可換股票據內含之換股期權 Conversion options embedded in convertible notes receivable	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於一月一日	At 1st January	10,908	
於損益確認之溢利／ (虧損)	Gain/(loss) recognised in profit or loss	882	(31,565)
認購可換股票據	Subscription of convertible notes	—	42,473
贖回	Redemption	(11,790)	—
於十二月三十一日	At 31st December	—	10,908

上表僅計入金融資產。本年度有關該金融資產之溢利已於綜合收入表內確認。金融資產已於年內贖回。

The table above only includes financial assets. The gain for the current year relating to this financial asset has been recognised in the consolidated income statement. The financial asset has been redeemed during the year.

(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，其包括銀行透支、銀行借貸、融資租賃債務及可換股票據及本公司權益持有人應佔權益，其包括已發行股本及儲備。

5. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

Reconciliation of Level 3 fair value measurement of financial assets

(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 overdraft, bank borrowings, obligation under finance lease and convertible notes and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

5. 金融工具 (續)

(d) 資本管理 (續)

本公司董事按年度基準審閱資本結構。作為此審閱之一部份，本公司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。本集團將根據本公司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%。於二零一零年及二零零九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 2010 and 2009 are as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
總債務(i)	Total Debt (i)	500,297	590,071
減：現金及銀行結餘	Less: Cash and bank balances	(625,827)	(173,188)
(現金)／債務淨額	Net (cash)/debt	(125,530)	416,883
股本(ii)	Equity (ii)	2,302,775	2,075,122
債務淨額對股本比率	Net debt to equity ratio	N/A	20%
總債務對股本比率	Total debt to equity ratio	22%	28%

附註：

(i) 債務包括銀行透支、銀行借貸、融資租賃債務及可換股票據(有關詳情分別載於附註32、36、37及38)。

(ii) 股本包括本集團之所有資本及儲備。

Notes:

(i) Debt comprises bank overdraft, bank borrowings, obligation under finance lease and convertible notes as detailed in notes 32, 36, 37 and 38 respectively.

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

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

6. 分類資料

為監控分類表現及分類間之資源分配，除未分配資產外，所有資產分配至須予報告分類。

為與向主要營運決策者（「主要營運決策者」）就分配資源及表現評估之內部呈報資料之方式一致，本集團當前分為下列營運分類：

就電影發行經營業務而言，主要營運決策者按個別電影基準定期分析電影發行收入。就根據香港財務報告準則第8號作出之分類報告而言，該等電影之財務資料已合併至一項單一經營業務分類，稱為「電影發行經營業務」。

就酒店及博彩服務經營業務而言，主要營運決策者按澳門蘭桂坊酒店所產生收益之基準定期檢討其表現。就根據香港財務報告準則第8號作出之分類報告而言，該酒店之財務資料已合併至一項單一經營業務分類，稱為「酒店及博彩服務經營業務」。

就博彩推廣經營業務而言，主要營運決策者定期檢討投資於自博彩推廣業務收取溢利之業務。就根據香港財務報告準則第8號作出之分類報告而言，該經營業務之財務資料已合併至一項單一經營業務分類，稱為「博彩推廣經營業務」。

該等分類之各主要產品及服務如下：

- | | | |
|-------------|---|---------------------------|
| 電影發行經營業務 | — | 製作及發行電影及電視連續劇以及提供其他電影相關服務 |
| 酒店及博彩服務經營業務 | — | 於澳門蘭桂坊酒店提供酒店服務及博彩經營業務服務 |
| 博彩推廣經營業務 | — | 投資於自博彩推廣業務收取溢利之業務 |

6. SEGMENT INFORMATION

For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to reportable segments other than unallocated assets.

In a manner consistent with the way in which information is reported internally to chief operating decision maker (the "CODM") for the purpose of resources allocation and performance assessment, the Group is currently organised into the following operating segments:

For film distribution operations, the CODM regularly analyses film distribution revenue on the basis of individual film. For segment reporting under HKFRS 8, financial information of these films has been aggregated into a single operating segment named "film distribution operations".

For hotel and gaming service operations, the CODM regularly reviews the performance of Hotel Lan Kwai Fong Macau on the basis of revenue generated by it. For segment reporting under HKFRS 8, financial information of this hotel has been aggregated into a single operating segment named "hotel and gaming service operations".

For gaming promotion operations, the CODM regularly reviews the investment in the operation which receives profit streams from the gaming promotion business. For segment reporting under HKFRS 8, financial information of this operation has been aggregated into a single operating segment named "gaming promotion operations".

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

- | | | |
|-------------------------------------|---|---|
| Film distribution operations | — | Production and distribution of motion pictures and television drama series and provision of other film related services |
| Hotel and gaming service operations | — | Provision of hotel services and gaming operation services in Hotel Lan Kwai Fong Macau |
| Gaming promotion operations | — | Investing in operations which receive profit streams from the gaming promotion business |

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

6. 分類資料 (續)

有關該等業務之分類資料呈報如下：

(a) 按經營業務分類劃分之本集團收益及業績分析

6. SEGMENT INFORMATION (Continued)

Segment information about these businesses is presented below:

(a) An analysis of the Group's revenue and results by operating segments

		分類收益		分類業績	
		Segment revenue		Segment results	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
電影發行經營業務	Film distribution operations	1,317	26,580	(520)	(11,738)
酒店及博彩服務	Hotel and gaming service				
經營業務	operations	725,130	222,043	64,333	(76,635)
博彩推廣經營業務	Gaming promotion				
operations	operations	137,814	294,806	(70,349)	292,710
		864,261	543,429	(6,536)	204,337
分類業績與除稅前溢利之對賬	Reconciliation from segment results to profit before taxation				
未分配企業收入	Unallocated corporate income			34,249	65,192
分類為持作買賣之金融資產之公平價值變動	Change in fair value of financial assets classified as held for trading			28,707	15,622
投資物業之公平價值變動	Change in fair value of investment properties			12,270	19,652
有關商譽之已確認減值虧損	Impairment loss recognised in respect of goodwill			-	(24,862)
未分配企業開支	Unallocated corporate expenses			(42,471)	(112,698)
除稅前溢利	Profit before taxation			26,219	167,243

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

6. 分類資料 (續)

(a) 按經營業務分類劃分之本集團收益及業績分析 (續)

上文所呈報之收益指來自外間客戶之收益。於兩個年度並無內部銷售。

分類業績指各分類在分配若干行政成本、於買賣證券投資及物業投資之公平價值變動及所得稅開支前所賺取之溢利。此為向主要營運決策者作報告以分配資源及評估表現之方法。

(b) 按經營業務分類劃分之本集團財務狀況分析

6. SEGMENT INFORMATION (Continued)

(a) An analysis of the Group's revenue and results by operating segments (Continued)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the both years.

Segment results represent the profit earned by each segment without allocation of central administration costs, change on fair value of investment in trading securities and investment properties and income tax expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) An analysis of the Group's financial position by operating segments

		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
資產	ASSETS		
分類資產	Segment assets		
– 電影發行經營業務	– Film distribution operations	60,011	73,621
– 酒店及博彩服務經營業務	– Hotel and gaming service operations	1,248,717	1,354,038
– 博彩推廣經營業務	– Gaming promotion operations	801,144	1,022,182
分類資產總值	Total segment assets	2,109,872	2,449,841
未分配資產	Unallocated assets	1,235,220	740,434
		3,345,092	3,190,275

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

6. 分類資料 (續)

(b) 按經營業務分類劃分之本集團財務狀況分析 (續)

6. SEGMENT INFORMATION (Continued)

(b) An analysis of the Group's financial position by operating segments (Continued)

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
負債	LIABILITIES		
分類負債	Segment liabilities		
– 電影發行經營業務	– Film distribution operations	21,215	42,552
– 酒店及博彩服務經營業務	– Hotel and gaming service operations	624,648	735,732
– 博彩推廣經營業務	– Gaming promotion operations	10	10
分類負債總額	Total segment liabilities	645,873	778,294
未分配負債	Unallocated liabilities	119,263	92,588
		765,136	870,882

就監控分類表現及在分類間分配資源而言：

- 所有資產乃分配予須予報告分類，惟於聯營公司權益、投資物業、商譽、應收可換股票據、投資按金、應收可換股票據內含之換股期權、持作買賣投資、應收聯營公司款項、預繳稅項、現金及銀行結餘、分類為持作出售之資產以及作若干行政用途之部份物業、機器及設備及租賃土地除外；及
- 所有負債乃分配予須予報告分類，惟可換股票據、部份已收按金、應計項目及其他應付款項、遞延稅項負債及應付一間聯營公司款項除外。

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments, other than interests in associates, investment properties, goodwill, convertible notes receivable, deposits for investment, conversion options embedded in convertible notes receivable, held for trading investments, amounts due from associates, prepaid tax, cash and bank balances, assets classified as held for sale and partial property, plant and equipment and leasehold land for central administrative purposes; and
- all liabilities are allocated to reportable segments, other than convertible notes, partial deposits received, accruals and other payables, deferred tax liabilities and amount due to an associate.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

6. 分類資料 (續)

(c) 其他分類資料

電影發行經營業務		酒店及博彩服務經營業務		博彩推廣經營業務		未分配		綜合	
Film distribution operations		Hotel and gaming service operations		Gaming promotion operations		Unallocated		Consolidated	
二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

其他資料	OTHER INFORMATION										
電影版權攤銷	Amortisation of film rights	254	20,590	-	-	-	-	-	-	254	20,590
租賃土地權益攤銷	Amortisation of interests in leasehold land	80	80	19,763	7,599	-	-	-	-	19,843	7,679
物業、機器及設備折舊	Depreciation of property, plant and equipment	729	1,048	87,692	37,110	-	-	-	-	88,421	38,158
有關電影版權之已確認減值虧損	Impairment loss recognised in respect of film rights	1,339	-	-	-	-	-	-	-	1,339	-
有關無形資產之已確認減值虧損	Impairment loss recognised in respect of intangible assets	-	-	-	-	197,973	-	-	-	197,973	-
有關商譽之已確認減值虧損	Impairment loss recognised in respect of goodwill	-	15,416	-	-	8,975	-	-	24,862	8,975	40,278

(d) 有關主要客戶之資料

酒店及博彩服務經營業務產生之收入為725,130,000港元(二零零九年:222,043,000港元)包括銷售予本集團之最大客戶產生之收入約為659,773,000港元(二零零九年:199,460,000港元)。博彩推廣經營業務產生之收入為137,814,000港元(二零零九年:294,806,000港元)包括銷售予本集團之一個最大客戶產生之收入。

於二零一零年及二零零九年,概無其他客戶貢獻本集團收入之10%或以上。

(d) Information about major customers

Included in revenue arising from hotel and gaming service operations of HK\$725,130,000 (2009:HK\$222,043,000) are revenue of approximately HK\$659,773,000 (2009:HK\$199,460,000) which arose from sales to the Group's largest customer. Included in revenue arising from gaming promotion operations of HK\$137,814,000 (2009:HK\$294,806,000) are revenue arose from sales to one of the Group's largest customer.

No other customers contributed 10% or more to the Group's revenue for both 2010 and 2009.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

6. 分類資料 (續)

(e) 主要產品及服務之收入

6. SEGMENT INFORMATION (Continued)

(e) Revenue from major products and services

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
電影發行費收入	Film distribution fee income	1,317	20,073
電影製作服務收入	Film production service income	–	6,009
其他電影相關服務收入	Other film related service income	–	498
酒店房間收入	Hotel room income	52,426	18,611
食品及飲品銷售	Food and beverage sales	12,931	3,972
賭桌經營業務之服務收入	Service income from table gaming operations	653,696	197,027
角子老虎機經營業務 之服務收入	Service income from slot machine operations	6,077	2,433
自博彩推廣業務收取溢利	Receive profit streams from gaming promotion business	137,814	294,806
		864,261	543,429

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

6. 分類資料 (續)

(f) 地區資料

下表列載本集團按市場地區之銷售分析：

		來自外間客戶之收入 Revenue from external customers		非流動資產* Non-current assets*	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
香港	Hong Kong	1,087	24,779	77,769	66,112
澳門	Macau	862,944	516,849	1,973,155	2,250,965
全球 (香港及澳門除外)	Worldwide other than Hong Kong and Macau	230	1,801	—	—
		864,261	543,429	2,050,924	2,317,077

* 非流動資產不包括於聯營公司之權益及應收可換股票據。

* Non-current assets excluding interests in associates and convertible notes receivables.

7. 營業額

7. TURNOVER

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
電影發行費收入	Film distribution fee income	1,317	20,073
電影製作服務收入	Film production service income	—	6,009
服務收入	Service income	—	498
酒店房間收入	Hotel room income	52,426	18,611
食品及飲品銷售	Food and beverage sales	12,931	3,972
賭桌經營業務之服務收入	Service income from table gaming operations	653,696	197,027
角子老虎機經營業務之服務收入	Service income from slot machine operations	6,077	2,433
自博彩推廣業務收取溢利	Receive profit streams from gaming promotion business	137,814	294,806
		864,261	543,429

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

8. 其他收益

8. OTHER REVENUE

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
銀行利息收入	Bank interest income	1,965	345
應收可換股票據之推算 利息收入	Imputed interest income from convertible notes receivable	1,212	2,488
租金收入	Rental income	17	456
管理費收入	Management fee income	2,560	4,430
其他附屬酒店收益	Other ancillary hotel revenue	19,539	2,385
		25,293	10,104

9. 其他收入

9. OTHER INCOME

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
貿易應收賬款及其他應收款項 減值虧損之撥回	Reversal of impairment loss on trade and other receivables	14	119
應收前聯營公司款項 之減值虧損撥回	Reversal of impairment loss on amount due from former associates	–	25,179
贖回可換股票據之溢利	Gain on redemption of convertible notes	–	17,254
提早贖回應收可換股票據 之溢利	Gain on early redemption of convertible notes receivable	26,983	–
出售物業、機器及設備 之溢利	Gain on disposal of property, plant and equipment	–	9,760
外匯溢利淨額	Net foreign exchange gain	595	151
其他	Others	210	2,625
		27,802	55,088

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

10. 融資成本

10. FINANCE COSTS

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 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	–	5,359
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	15,664	19,520
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	–	3,973
融資租賃利息	Interest on finance lease	31	24
		15,695	28,876
減：在建工程之資本化金額	Less: Amount capitalised in the construction in progress	–	(6,604)
		15,695	22,272

11. 除稅前溢利

11. PROFIT BEFORE TAXATION

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
除稅前溢利已扣除下列各項：	Profit before taxation has been arrived at after charging:		
電影版權(包括銷售成本) 攤銷	Amortisation of film rights (included in cost of sales)	254	20,590
租賃土地權益攤銷	Amortisation of interests in leasehold land	19,843	7,679
核數師酬金	Auditors' remuneration	1,330	928
存貨成本(包括銷售成本)	Cost of inventories (included in cost of sales)	5,048	2,821
物業、機器及設備折舊	Depreciation of property, plant and equipment	88,421	38,158
僱員福利開支(附註15)	Employee benefit expenses (note 15)	102,334	77,651
出售物業、機器及設備虧損	Loss on disposal of property, plant and equipment	713	–
有關租賃物業之 經營租約租金	Operating lease rental in respect of rented premises	1,487	2,314

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

12. 稅項支銷

12. TAXATION CHARGE

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
稅項支銷如下：	The taxation charge is as follow:		
其他司法權區之本期稅項：	Current tax in other jurisdictions:		
過往年度(撥備不足)/超額撥備	(Under)/over provision in prior years	(11)	128
		(11)	128
遞延稅項：	Deferred tax:		
本年度	Current year	(1,381)	(2,976)
		(1,392)	(2,848)

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。

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.

由於本年度應課稅溢利與過往年度承前稅項虧損抵銷或豁免稅項負債，故並無就澳門所得補充稅作出撥備。

No Macau Complementary Tax has been provided as assessable profit for the year was set off against the tax losses brought forward from previous years or was exempt for tax liability.

其他司法權區之稅項按有關司法權區之通行稅率計算。

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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

12. 稅項支銷 (續)

年內，可與綜合收入表內除稅前溢利對賬之稅項如下：

12. TAXATION CHARGE (Continued)

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

		二零一零年 2010		二零零九年 2009	
		千港元 HK\$'000	百分比 %	千港元 HK\$'000	百分比 %
除稅前溢利	Profit before taxation	26,219	-	167,243	-
按本地所得稅稅率 計算之稅項	Taxation at domestic income tax rate	(4,326)	(16.5)	(27,595)	(16.5)
分佔聯營公司業績之 稅務影響	Tax effect of share of results of associates	-	-	2	0.1
不可扣稅支出之稅務影響	Tax effect of expenses not deductible for tax purpose	(36,665)	(139.8)	(43,926)	(26.3)
不應課稅收入之稅務影響	Tax effect of income not taxable for tax purpose	27,900	106.4	65,947	39.4
未確認之估計稅項虧損之 稅務影響	Tax effect of estimated tax losses not recognised	(5,746)	(21.9)	(2,296)	(1.4)
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	14,465	55.2	5,020	3.0
豁免澳門所得補充稅 稅項負債之稅務影響	Tax effect of exemption for tax liability in Macau Complementary Tax	10	0.1	-	-
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	2,970	11.3	-	-
年內稅項支銷	Tax charge for the year	(1,392)	(5.2)	(2,848)	(1.7)

13. 股息

13. DIVIDENDS

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於年內確認為已分派之股息：	Dividends recognised as distributions during the year:		
二零零八年末期股息 — 1,039,509,368股股份 每股0.02港元	2008 final paid — HK\$0.02 per share on 1,039,509,368 shares	-	20,790

本公司董事不建議派發截至二零一零年及二零零九年十二月三十一日止年度之股息。

The directors of the Company do not propose the payment of dividend for the year ended 31st December 2010 and 2009.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

14. 每股(虧損)/盈利

本公司擁有人應佔每股基本及攤薄(虧損)/盈利乃按以下數據計算：

14. (LOSS)/EARNINGS PER SHARE

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

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
計算每股基本(虧損)/盈利之 本公司擁有人 應佔(虧損)/盈利	(Loss)/earnings attributable to owners of the Company for the purpose of basic (loss)/earnings per share	(8,083)	204,388
加：可換股票據之利息 (扣除稅項)	Add: Interest on convertible notes (net of tax)	—	1,616
計算每股攤薄(虧損)/盈利 之本公司擁有人應佔 (虧損)/盈利	(Loss)/earnings attributable to owners of the Company for the purpose of diluted (loss)/earnings per share	(8,083)	206,004
		二零一零年 2010	二零零九年 2009 (重列) (Restated)

股份數目	Number of shares		
計算每股基本(虧損)/盈利之加權 平均普通股數目	Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	3,400,123,287	927,546,128
攤薄潛在普通股之影響：	Effect of dilutive potential ordinary shares:		
購股權	Share options	—	9,430,638
可換股票據	Convertible notes	—	118,031,723
計算每股攤薄(虧損)/盈利之加權 平均普通股數目	Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	3,400,123,287	1,055,008,489

由於本公司供股於二零一零年八月十一日完成，計算每股基本及攤薄(虧損)/盈利所採納截至二零一零年十二月三十一日及二零零九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。

The weighted average number of ordinary shares for the year ended 31st December 2010 and 31st December 2009 for the purpose of basis and diluted (loss)/earnings per share has been adjusted and restated respectively resulting from rights issue completed on 11th August 2010.

由於本公司截至二零一零年十二月三十一日止年度未獲行使認股權證之認購及未獲行使購股權之行使會減少每股虧損，認購行使產生反攤薄效應，故計算每股攤薄盈利時未有計入有關之認購或行使。

The computation of diluted loss per share did not assume the subscription of the outstanding warrants and the exercise of the share options of the Company since their subscription/exercise would result in a decrease in loss per share and thus anti-dilutive for the year ended 31st December 2010.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

15. 僱員福利開支

15. EMPLOYEE BENEFIT EXPENSES

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
董事酬金	Directors' remuneration	7,395	5,655
董事袍金	Directors' fee	360	360
薪金及其他津貼	Salaries and other allowances	71,506	58,597
以股份支付之款項	Share-based payment	8,238	8,039
退休福利計劃供款	Retirement benefits scheme contributions	1,504	642
僱員福利開支	Staff welfare expenses	13,331	4,358
		102,334	77,651

(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8,170,000港元(二零零九年: 6,855,000港元)。本公司各董事截至二零一零年及二零零九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\$8,170,000 (2009: HK\$6,855,000). The remuneration of each director of the Company for the year ended 31st December 2010 and 2009 is as below:

董事姓名 Name of director	袍金 Fees		薪金及其他津貼 Salaries and other allowances		退休福利計劃供款 Retirement benefits scheme contributions		以股份支付之款項 Share-based payment		總額 Total	
	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000	二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
向華強先生 Mr. Heung Wah Keung	-	-	3,450	2,600	12	12	-	-	3,462	2,612
陳明英女士 Ms. Chen Ming Yin, Tiffany	-	-	3,170	2,340	12	12	-	-	3,182	2,352
李玉嫦女士 Ms. Li Yuk Sheung	-	-	775	715	12	12	379	804	1,166	1,531
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
梁學文先生 Mr. Leung Hok Man	120	120	-	-	-	-	-	-	120	120
	360	360	7,395	5,655	36	36	379	804	8,170	6,855

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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：

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	
		二零一零年 2010	二零零九年 2009
零至1,000,000港元	Nil to HK\$1,000,000	3	3
1,000,001港元至1,500,000港元	HK\$1,000,001 to HK\$1,500,000	1	–
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	–	1
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	–	1
2,500,001港元至3,000,000港元	HK\$2,500,001 to HK\$3,000,000	–	1
超過3,000,000港元	Over HK\$3,000,000	2	–
		6	6

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。

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.

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

15. 僱員福利開支(續)

(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(二零零九年:兩名)本公司董事,其薪酬達6,644,000港元(二零零九年:4,964,000港元),並已於上文附註(a)列示。於本年度應付其餘三名人士(二零零九年:三名)之酬金如下:

15. EMPLOYEE BENEFIT EXPENSES

(Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2009: two) directors of the Company whose emoluments are reflected in note (a) above and amounted to HK\$6,644,000 (2009: HK\$4,964,000). The emoluments payable to the remaining three individuals (2009: three) during the year were as follows:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
薪金及其他津貼	Salaries and other allowances	5,049	3,179
退休福利計劃供款	Retirement benefits scheme contributions	36	36
以股份支付之款項	Share-based payment	1,316	2,215
		6,401	5,430

其餘三名(二零零九年:三名)最高薪酬僱員每位之酬金總額範圍如下:

The aggregated emoluments of each of these remaining three (2009: three) highest paid individuals fell within the following bands:

		人數 Number of individuals	
		二零一零年 2010	二零零九年 2009
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000	1	2
2,000,001港元至2,500,000港元	HK\$2,000,001 to HK\$2,500,000	1	1
2,500,001港元至3,000,000港元	HK\$2,500,001 to HK\$3,000,000	1	–
		3	3

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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。
- (b) 本集團之附屬公司在澳門所聘請僱員為澳門特區政府所營辦並為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。
- (c) 年內，退休福利計劃供款減已沒收供款為1,000港元（二零零九年：5,000港元）後之淨額約為1,359,000港元（二零零九年：642,000港元）。

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 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.
- (b) The staffs employed by the Group's subsidiaries 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.
- (c) During the year, the retirement benefits schemes contributions net of forfeited contributions of HK\$1,000 (2009: HK\$5,000) amounted to approximately HK\$1,359,000 (2009: HK\$642,000).

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

17. 物業、機器及設備

17. PROPERTY, PLANT AND EQUIPMENT

本集團	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 千港元 HK\$'000	Buildings 千港元 HK\$'000	Leasehold improvements 千港元 HK\$'000	Furniture and fixtures 千港元 HK\$'000	Machinery and equipment 千港元 HK\$'000	Motor vehicles 千港元 HK\$'000	Total 千港元 HK\$'000
成本	Cost							
於二零零九年一月一日	At 1st January 2009	488,646	7,243	1,251	11,318	2,850	3,669	514,977
添置	Additions	302,876	-	-	91	14,179	-	317,146
收購附屬公司	Acquisition of subsidiaries	-	-	-	-	3	83	86
出售附屬公司	Disposals of subsidiaries	-	-	-	-	(3)	(83)	(86)
於完成時轉撥	Transfer upon completion	(791,522)	280,456	293,047	218,019	-	-	-
出售	Disposals	-	(148)	(687)	(4,599)	(65)	(176)	(5,675)
於二零零九年十二月三十一日 及二零一零年一月一日	At 31st December 2009 and 1st January 2010	-	287,551	293,611	224,829	16,964	3,493	826,448
添置	Additions	-	2,233	5,365	28,979	1,488	-	38,065
出售	Disposals	-	-	(180)	(3,792)	(171)	-	(4,143)
於二零一零年十二月三十一日	At 31st December 2010	-	289,784	298,796	250,016	18,281	3,493	860,370
累積折舊	Accumulated depreciation							
於二零零九年一月一日	At 1st January 2009	-	3,062	1,017	10,572	2,718	2,625	19,994
年內折舊	Charge for the year	-	3,719	14,112	17,780	2,041	506	38,158
出售時對銷	Eliminated on disposals	-	(148)	(105)	(4,458)	(64)	(176)	(4,951)
出售附屬公司時對銷	Eliminated on disposals of subsidiaries	-	-	-	-	-	(7)	(7)
於二零零九年十二月三十一日 及二零一零年一月一日	At 31st December 2009 and 1st January 2010	-	6,633	15,024	23,894	4,695	2,948	53,194
年內折舊	Charge for the year	-	8,121	38,601	36,145	5,094	460	88,421
出售時對銷	Eliminated on disposals	-	-	(21)	(2,434)	(171)	-	(2,626)
於二零一零年十二月三十一日	At 31st December 2010	-	14,754	53,604	57,605	9,618	3,408	138,989
賬面淨值	Net book value							
於二零一零年十二月三十一日	At 31st December 2010	-	275,030	245,192	192,411	8,663	85	721,381
於二零零九年十二月三十一日	At 31st December 2009	-	280,918	278,587	200,935	12,269	545	773,254

於截至二零一零年十二月三十一日止年度，在建工程之添置包括資本化利息零港元（二零零九年：6,604,000港元）。於二零一零年十二月三十一日，樓宇約274,198,000港元（二零零九年：279,877,000港元）已抵押作本集團所獲銀行貸款之擔保。

Included as additions in construction in progress for the year ended 31st December 2010 was interest capitalised of nil (2009: HK\$6,604,000). At 31st December 2010, buildings of approximately HK\$274,198,000 (2009: HK\$279,877,000) have been pledged to secure banking facilities granted to the Group.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

18. 租賃土地權益

18. INTERESTS IN LEASEHOLD LAND

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
成本	Cost		
於一月一日	At 1st January	521,734	521,734
添置	Additions	241	–
於十二月三十一日	At 31st December	521,975	521,734
累積攤銷	Accumulated amortisation		
於一月一日	At 1st January	37,401	19,210
年內攤銷	Charge for the year	19,843	18,191
於十二月三十一日	At 31st December	57,244	37,401
賬面淨值	Net book value		
於十二月三十一日	At 31st December	464,731	484,333

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:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 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	2,907	2,987
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	461,824	481,346
		464,731	484,333

於二零一零年十二月三十一日，租賃土地權益約461,824,000港元（二零零九年：481,346,000港元）已抵押作為本集團所獲銀行貸款之擔保。

At 31st December 2010, interests in leasehold land of approximately HK\$461,824,000 (2009: HK\$481,346,000) have been pledged to secure banking facilities granted to the Group.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

18. 租賃土地權益 (續)

預付租賃款項之攤銷開支零港元(二零零九年：10,512,000港元)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19,843,000港元(二零零九年：7,679,000港元)已於本年度在綜合收入表中扣除。

19. 投資物業

本集團於二零一零年及二零零九年十二月三十一日之投資物業之公平價值乃根據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)於該日進行之估值得出。中證評估有限公司為香港測量師學會成員，擁有合適資格及近期評估相關地區類似物業之經驗。該估值乃經參考近期有關市場之可作比較銷售憑證後達致。

本集團所有根據經營租約持有賺取租金之物業權益乃採用公平價值模式計量，分類及入賬為投資物業。

18. INTERESTS IN LEASEHOLD LAND
(Continued)

Amortisation expense on prepaid lease payments of nil (2009: HK\$10,512,000) has been capitalised to construction in progress under property, plant and equipment for the year. Amortisation expenses on prepaid lease payments of HK\$19,843,000 (2009: HK\$7,679,000) has been charged to the consolidated income statement for the year.

19. INVESTMENT PROPERTIES

		本集團 The Group	
		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
於一月一日	At 1st January	61,310	49,930
轉撥至分類為持作出售之資產	Transfer to assets classified as held for sale	-	(8,272)
公平價值之增加	Increase in fair value	12,270	19,652
於十二月三十一日	At 31st December	73,580	61,310

The fair values of the Group's investment properties at 31st December 2010 and 2009 have been arrived at on the basis of a valuation carried out at that date by Grant Sherman Appraisal Limited, independent qualified professional valuers not connected to the Group. Grant Sherman Appraisal Limited are members of the Hong Kong Institute of Valuers, and have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in relevant market.

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

19. 投資物業 (續)

投資物業之總公平價值零港元(二零零九年: 61,310,000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。

本集團投資物業按其賬面值分析如下:

19. INVESTMENT PROPERTIES (Continued)

The aggregate fair value of investment properties of nil (2009: HK\$61,310,000) 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.

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

		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
根據以下持有中期租約之 香港投資物業	Investment properties in Hong Kong held on medium-term leases	73,580	61,310

20. 於附屬公司權益

20. INTERESTS IN SUBSIDIARIES

本公司

The Company

		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
非上市股份，按成本值	Unlisted shares, at cost	1,028,888	1,028,888
已確認之減值虧損	Impairment loss recognised	(30,299)	(30,299)
		998,589	998,589
應收附屬公司款項	Amounts due from subsidiaries	2,096,070	2,039,167
已確認之減值虧損	Impairment loss recognised	(1,129,501)	(988,799)
		966,569	1,050,368
		1,965,158	2,048,957

**財務報表附註 Notes to the Financial Statements**

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

20. 於附屬公司權益 (續)

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，本公司不會於報告期結束時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。

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，於二零一零年十二月三十一日，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。

本公司於二零一零年十二月三十一日之主要附屬公司詳情載於附註49。

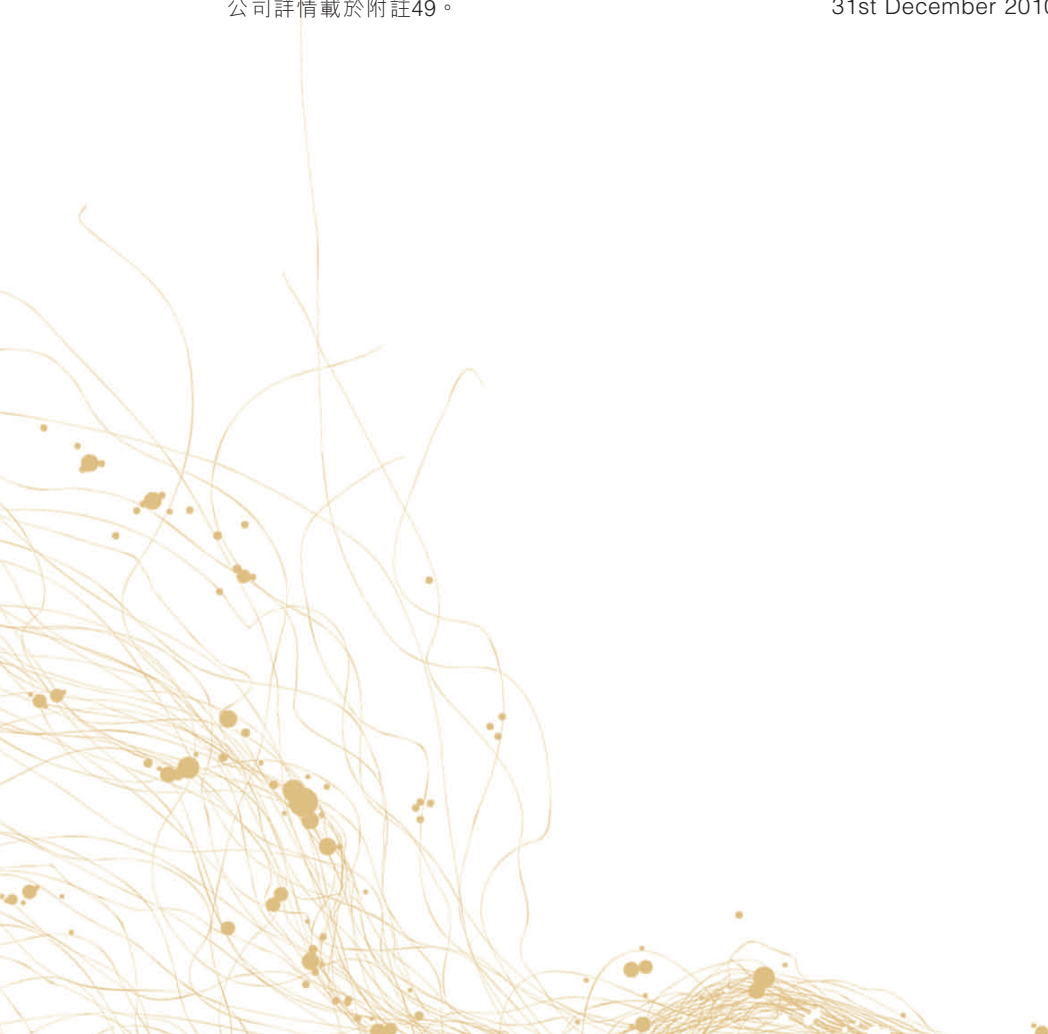
20. INTERESTS IN SUBSIDIARIES (Continued)

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 end of the reporting period and the amounts due from subsidiaries are therefore shown as non-current.

Other amounts due from/to subsidiaries of the Company 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 2010 approximately to their fair values.

The carrying amounts of the 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 2010 are set out in note 49.



財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

21. 商譽

21. GOODWILL

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
成本	Cost		
於一月一日	At 1st January	117,678	117,678
添置(附註43)	Additions (note 43)	–	24,862
出售附屬公司	Disposals of subsidiaries	–	(24,862)
於十二月三十一日	At 31st December	117,678	117,678
減值	Impairment		
於一月一日	At 1st January	108,703	93,287
已確認之減值虧損	Impairment loss recognised	8,975	40,278
出售附屬公司時對銷	Eliminated upon disposals of subsidiaries	–	(24,862)
於十二月三十一日	At 31st December	117,678	108,703
賬面值	Carrying amount		
於十二月三十一日	At 31st December	–	8,975

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

21. 商譽 (續)

商譽減值測試

就減值測試而言，商譽被分配至根據業務確認之產生現金單位（「產生現金單位」）。於二零一零年十二月三十一日，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 cash generating units (“CGU”) identified according to business. The carrying amount of goodwill (net of accumulated impairment losses) as at 31st December 2010 is allocated as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
博彩推廣業務	Gaming promotion business	–	8,975
電影製作	Film production	–	–
		–	8,975

於截至二零一零年十二月三十一日止年度，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博彩推廣業務之產生現金單位之可收回金額，並釐定與博彩推廣業務之產生現金單位有關之商譽減值8,975,000港元（二零零九年：無）。

For the year ended 31st December 2010, the directors of the Company assessed the recoverable amount of the CGU of gaming promotion business with reference to the valuation performed by Grant Sherman Appraisal Limited, independent qualified professional valuers and determined that goodwill associated with the CGU of the gaming promotion business was impaired by HK\$8,975,000 (2009: nil).

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

21. 商譽 (續)

商譽減值測試 (續)

博彩推廣業務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2%增長率並經參考使用價值之計算而評估。此增長率並無超逾博彩推廣業務之產生現金單位所營運之市場之長期平均增長率。使用價值模式之博彩推廣業務每年折讓率為17.45%，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。

截至二零零九年十二月三十一日止年度，本集團評估電影製作之產生現金單位之可收回金額，並釐定與電影製作之產生現金單位有關之商譽減值15,416,000港元。電影製作之產生現金單位之可收回金額於參考其使用價值後評估。電影製作業務之產生現金單位出現減值之主要因素為本集團於所預期未來年度進行電影製作之數目及預期所產生之現金不確定性，致使本集團於近年大幅縮減其電影製作。

截至二零零九年十二月三十一日止年度內，於附註43披露之收購附屬公司產生之商譽約24,862,000港元於收購年度悉數減值。

21. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

The recoverable amount of the CGU of gaming promotion business was assessed by reference to value-in-use calculation based on a five year projection of the relevant cash-generating unit with a 2% growth rate. This growth rate does not exceed the long term average growth rate for the market in which the CGU of gaming promotion business operates. A discount rate of 17.45% per annum for gaming promotion 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.

For the year ended 31st December 2009, the Group assessed the recoverable amount of the CGU of film production and determined that goodwill associated with the CGU of film production was impaired by HK\$15,416,000. The recoverable amount of the CGU of film production business was assessed by reference to its value-in-use. The major factor contributing to the impairment of the CGU of film production business was the uncertainty regarding the number of film productions by the Group and the expected cash generated in the projected future years due to the Group's significant reduction in its film production in recent years.

For the year ended 31st December 2009, the goodwill of approximately HK\$24,862,000 arising from the acquisition of subsidiaries as disclosed in note 43 was fully impaired in the year of acquisition.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

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	
於二零零九年一月一日、 二零零九年十二月三十一日、 二零一零年一月一日及 二零一零年十二月三十一日	At 1st January 2009, 31st December 2009, 1st January 2010 and 31st December 2010	989,205
減值	Impairment	
於二零零九年一月一日、 二零零九年十二月三十一日、 及二零一零年一月一日	At 1st January 2009, 31st December 2009 and 1st January 2010	-
已確認之減值虧損	Impairment loss recognised	197,973
於二零一零年十二月三十一日	At 31st December 2010	197,973
賬面淨值	Carrying amount	
於二零一零年十二月三十一日	At 31st December 2010	791,232
於二零零九年十二月三十一日	At 31st December 2009	989,205

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推廣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。

與分佔溢利來源權利相關之博彩中介人牌照須由澳門政府每年重續。本公司董事概不知悉任何預期妨礙有關重續中介人牌照之事宜，並認為未能重續牌照之可能性極微。因此，本公司董事認為，無形資產按無限期列賬。

The intangible assets represent the rights in sharing of profit streams from gaming promotion business at one of the VIP room in a casino in Macau for an indefinite period of time. Such intangible assets are carried at cost less accumulated impairment.

The junket licences associated with the rights in sharing the profit streams is renewable annually by the Macau Government. The directors of the Company are not aware of any expected impediment with respect to the renewal of the junket licences and consider that the possibility of failing in licence renewal is remote. Therefore, the directors of the Company consider that the intangible assets are treated as having indefinite lives.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

22. 無形資產 (續)

於二零一零年十二月三十一日，本公司董事已參考獨立合資格專業估值師行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，釐定與博彩推廣業務相關之無形資產減值約197,973,000港元(二零零九年：零港元)。

22. INTANGIBLE ASSETS (Continued)

As at 31st December 2010, 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, a firm of independent qualified professional valuers which valued the rights in sharing of profit streams using the discounted cash flow method and determined that intangible assets associated with gaming promotion business was impaired by approximately HK\$197,973,000 (2009: nil).

23. 應收可換股票據／應收可換股票據內含之換股期權

23. CONVERTIBLE NOTES RECEIVABLE/ CONVERSION OPTIONS EMBEDDED IN CONVERTIBLE NOTES RECEIVABLE

本集團及本公司	The Group and the Company	應收 可換股票據	應收可換股票據 內含之換股期權
		Convertible notes receivable	Conversion options embedded in convertible notes receivable
		千港元 HK\$'000	千港元 HK\$'000
於二零零九年一月一日	At 1st January 2009	–	–
認購可換股票據(附註a)	Subscription of convertible notes (note a)	17,527	42,473
推算利息收入	Imputed interest income	2,488	–
有關應收可換股票據內含之 換股期權之公平價值 變動產生之虧損	Loss arising on change in fair value in respect of conversion options embedded in convertible notes receivable	–	(31,565)
於二零零九年十二月三十一日 及二零一零年一月一日	At 31st December 2009 and 1st January 2010	20,015	10,908
推算利息收入	Imputed interest income	1,212	–
有關應收可換股票據內含之 換股期權之公平價值 變動產生之溢利(附註b)	Gain arising on change in fair value in respect of conversion options embedded in convertible notes receivable (note b)	–	882
贖回應收可換股票據(附註b)	Redemption of convertible notes receivable (note b)	(21,227)	(11,790)
於二零一零年十二月三十一日	At 31st December 2010	–	–

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

23. 應收可換股票據／應收可換
股票據內含之換股期權 (續)

附註：

- (a) 於二零零八年十一月二十六日，本公司與嘉滙投資控股有限公司(前稱「中國星電影集團有限公司」)(「嘉滙投資」)訂立一份認購協議，據此，本公司將認購及嘉滙投資將發行本金額為60,000,000港元之可換股票據，分五批每批為12,000,000港元發行。認購事項已於二零零九年一月二十九日完成，並以單邊契約之方式進行。

應收可換股票據之實際利率約為15%。

- (b) 於二零一零年五月二十六日，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採用二項式期權定價模式就公平價值進行之估值，評估應收可換股票據內含之換股期權之公平價值，並釐定有關應收可換股票據內含之換股期權之公平價值變動產生溢利約為882,000港元。

於二零一零年五月二十六日，嘉滙投資贖回全部可換股票據，代價為60,000,000港元。代價與賬面值之差額指計入綜合收入表之溢利約26,983,000港元。

23. CONVERTIBLE NOTES RECEIVABLE/
CONVERSION OPTIONS EMBEDDED IN
CONVERTIBLE NOTES RECEIVABLE
(Continued)

Notes:

- (a) On 26th November 2008, the Company entered into a subscription agreement with KH Investment Holdings Limited (formerly known as "China Star Film Group Limited") ("KH Investment") in which the Company shall subscribe and KH Investment shall issue convertible notes in the principal amount of HK\$60,000,000 in five tranches of HK\$12,000,000 each. The subscription was completed and executed by way of Deed Poll on 29th January 2009.

The effective interest rate of the convertible notes receivable was approximately 15%.

- (b) On 26th May 2010, the directors of the Company assessed the fair value of the conversion options embedded in convertible notes receivable by reference to the valuation performed by Grant Sherman Appraisal Limited, a firm of independent qualified professional valuers which valued the fair value using the binomial option pricing model and determined that a gain arising on change in fair value in respect of conversion options embedded in convertible notes receivable was approximately HK\$882,000.

On 26th May 2010, KH Investment redeemed all of the convertible notes for a consideration of HK\$60,000,000. The difference between the consideration and the carrying amount represented a gain of approximately HK\$26,983,000 credited to the consolidated income statement.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

24. 於聯營公司權益

24. INTERESTS IN ASSOCIATES

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 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)	–	–
應收聯營公司款項(附註b)	Amounts due from associates (note b)	7,985	–
		7,985	–

(a) 應佔聯營公司資產淨值

(a) Share of net assets of associates

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於一月一日	At 1st January	–	–
應佔聯營公司虧損(附註b)	Share of losses of associates (note b)	(1)	(14)
投資成本	Cost of investment	1	14
於十二月三十一日	At 31st December	–	–

截至二零一零年十二月三十一日止年度，本集團就聯營公司之未確認虧損為2,956,000港元(二零零九年：1,362,000港元)。未確認之累計虧損為4,318,000港元(二零零九年：1,362,000港元)。

The Group has not recognised losses amounting to HK\$2,956,000 (2009: HK\$1,362,000) for the associates for the year ended 31st December 2010. The accumulated losses not recognised were HK\$4,318,000 (2009: HK\$1,362,000).

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

24. 於聯營公司權益 (續)

(b) 應收聯營公司款項為無抵押、免息及並無固定還款期限。本公司董事認為，本公司自報告期結束起十二個月內將不要求還款，因此該等款項列為非流動。

(c) 本公司之聯營公司於二零一零年十二月三十一日之詳情載於附註50。

24. INTERESTS IN ASSOCIATES (Continued)

(b) Amounts due from associates 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 end of the reporting period and the amounts are therefore shown as non-current.

(c) Details of the Company's associates as at 31st December 2010 are set out in note 50.

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
資產總值	Total assets	63,957	51,057
負債總額	Total liabilities	(81,524)	(56,649)
		(17,567)	(5,592)
營業額	Turnover	17,921	8,042
除稅前虧損	Loss before taxation	(12,026)	(5,615)
本集團應佔除稅後虧損	Loss after taxation attributable to the Group	(1)	(14)

25. 存貨

25. INVENTORIES

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
食材及貯備	Food materials and supplies	1,504	937
製成品	Finished goods	153	154
		1,657	1,091

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

26. 電影版權

26. FILM RIGHTS

本集團	The Group	千港元 HK\$'000
成本	Cost	
於二零零九年一月一日	At 1st January 2009	310,797
添置	Additions	13,751
出售	Disposals	(23,629)
		<hr/>
於二零零九年十二月三十一日、 二零一零年一月一日 及二零一零年十二月三十一日	At 31st December 2009, 1st January 2010 and 31st December 2010	300,919
		<hr/>
攤銷及減值	Amortisation and impairment	
於二零零九年一月一日	At 1st January 2009	281,044
本年度攤銷	Amortisation for the year	20,590
出售	Disposals	(23,629)
		<hr/>
於二零零九年十二月三十一日及 二零一零年一月一日	At 31st December 2009 and 1st January 2010	278,005
本年度攤銷	Amortisation for the year	254
已確認之減值虧損	Impairment loss recognised	1,339
		<hr/>
於二零一零年十二月三十一日	At 31st December 2010	279,598
		<hr/>
賬面值	Carrying amount	
於二零一零年十二月三十一日	At 31st December 2010	21,321
		<hr/>
於二零零九年十二月三十一日	At 31st December 2009	22,914
		<hr/>

於二零一零年十二月三十一日，本公司董事已參考獨立合資格專業估值師行中證評估有限公司進行之估值，評估電影版權之可收回金額，並確認有關電影版權之減值虧損約1,339,000港元（二零零九年：無）。

As at 31st December 2010, the directors of the Company assessed the recoverable amount of film rights with reference to the valuation performed by Grant Sherman Appraisal Limited, a firm of independent professional valuers and determined that impairment loss of approximately HK\$1,339,000 (2009:nil) on the film rights was identified.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

26. 電影版權 (續)

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19.33%，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。

26. FILM RIGHTS (Continued)

The recoverable amount of film rights was assessed by reference to value-in-use calculation. A discount rate of 19.33% 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.

27. 製作中電影

27. FILMS IN PROGRESS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
製作中電影	Films in progress	19,038	19,238

製作中電影以成本減任何可識別減值虧損計量。

The films in progress were measured at cost less any identifiable impairment loss.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

28. 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：

28. TRADE RECEIVABLES

The credit period granted to customers ranges from 30 to 90 days. The aging analysis of the trade receivables is as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
0至30日	0 to 30 days	64,152	86,269
31至60日	31 to 60 days	609	7,763
61至90日	61 to 90 days	–	4,518
91至180日	91 to 180 days	–	1,817
超過180日	Over 180 days	5,733	6,225
		70,494	106,592
減：貿易應收賬款之 減值虧損	Less: Impairment loss on trade receivables	(1,157)	(1,164)
		69,337	105,428
已到期但未減值之貿易應收賬款之賬齡分析：		Aging of trade receivables which are past due but not impaired:	
61至90日	61 – 90 days	–	4,518
超過90日	Over 90 days	4,576	6,878
總計	Total	4,576	11,396

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

28. 貿易應收賬款(續)

有關貿易應收賬款之減值虧損變動：

28. TRADE RECEIVABLES (Continued)

Movement of impairment loss on trade receivables:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
於一月一日	At 1st January	1,164	1,361
已確認之減值虧損	Impairment loss recognised	—	30
撇銷	Written off	(7)	(227)
		<u>1,157</u>	<u>1,164</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4,576,000港元(二零零九年：11,396,000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 receivable balance are debtors with aggregate carrying amount of approximately HK\$4,576,000 (2009: HK\$11,396,000) 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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

29. 按金、預付款項及其他應收款項

29. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		本集團		本公司	
		The Group		The Company	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
投資按金	Deposits for investment	415,000	360,000	-	-
其他按金	Other deposits	15,230	12,894	-	-
預付款項	Prepayments	9,732	18,196	712	423
其他應收款項	Other receivables	1,097	5,878	92	45
		441,059	396,968	804	468

於投資按金415,000,000港元中，360,000,000港元指一間本公司之全資附屬公司Bestjump Holdings Limited根據與本公司執行董事及主要股東陳明英女士就有關收購Modern Vision (Asia) Limited及Reform Base Holdings Limited之全部股權權益而訂立之買賣協議支付之現金按金。該交易之詳情載於附註48(a)。

於投資按金415,000,000港元中，55,000,000港元指一間本公司全資附屬公司Triumph Top Limited根據與一間附屬公司董事之聯繫人士Sociedade de Turismo e Diversões de Macau, S.A. (本公司之關連人士)就有關按代價550,000,000港元收購根據澳門政府就位於澳門Zona de Aterros do Porto Exterior (ZAPE)之第6B地段、第6C地段、第6D地段及第6E地段(「該等地盤」)授出之租賃而持有之物業租賃權(連同轉讓該等地盤之固有法定業權)而訂立之一份有條件協議支付之現金按金。該交易詳情載於附註48(b)。

Included in deposits for investment of HK\$415,000,000, amount of HK\$360,000,000 represented the cash deposit paid by Bestjump Holdings Limited, a wholly owned subsidiary of the Company, pursuant to the sale and purchase agreement entered with Ms. Chen Ming Yin, Tiffany, an executive director and a substantial shareholder of the Company, in respect of the acquisition of the entire equity interest of Modern Vision (Asia) Limited and Reform Base Holdings Limited. Details of the transaction are set out in note 48(a).

Included in deposits for investment of HK\$415,000,000, amount of HK\$55,000,000 represented the cash deposit paid by Triumph Top Limited, a wholly owned subsidiary of the Company, pursuant to a conditional agreement entered with Sociedade de Turismo e Diversões de Macau, S.A., an associate of a director of a subsidiary and a connected person of the Company, in respect of the acquisition of the property leasehold rights under the leasehold granted by the Macau Government over Lot 6B, Lot 6C, Lot 6D and Lot 6E, located in Macau at Zona de Aterros do Porto Exterior (ZAPE) (the "Sites") (and the inherent transfer of the legal title of the Sites) at a consideration of HK\$550,000,000. Details of the transaction are set out in note 48(b).

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

29. 按金、預付款項及其他應收款項 (續)

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。

已到期但未減值之其他應收款項之賬齡分析如下：

29. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

The carrying amounts of deposits, prepayments and other receivables approximate to their fair values.

Aging of other receivables which are past due but not impaired:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
超過90日	Over 90 days	158	5,878

本公司董事相信，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。

The directors of the Company believe that no provision for impairment is necessary in respect of these balances as the balances are considered fully recoverable. The Group does not hold any collateral over these balances.

30. 持作買賣投資

30. HELD FOR TRADING INVESTMENTS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
上市證券： －於香港上市之權益證券， 按公平價值	Listed securities: － Equity securities listed in Hong Kong, at fair value	94,050	97,641

於報告期結束時，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。該等上市證券之公平價值乃參考聯交所所報之市場買入價而釐定。

At the end of the reporting period, all financial assets at fair value through profit or loss are stated at fair value. Fair values of those listed securities have been determined by reference to the quoted market bid prices available on the Stock Exchange.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

31. 應收聯營公司款項—本集團及本公司

應收本集團聯營公司款項為無抵押、免息及須於要求時歸還。

32. 現金及現金等值項目

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。

就綜合現金流量表而言，現金及現金等值項目包括現金及銀行存款（扣除未償還銀行透支）。於綜合現金流量表上列示於二零一零年十二月三十一日之現金及現金等值項目可與於綜合財務狀況表之相關項目對賬如下：

31. AMOUNTS DUE FROM ASSOCIATES – THE GROUP AND THE COMPANY

Amounts due from associates of the Group and the Company are unsecured, interest-free and repayable on demand.

32. CASH AND CASH EQUIVALENTS

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.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at 31st December 2010 as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
現金及銀行結餘	Cash and bank balances	625,827	173,188
銀行透支	Bank overdraft	—	(178,764)
		625,827	(5,576)

截至二零零九年十二月三十一日止年度，銀行透支乃按市場利率（介乎3.25厘至4.25厘）計息。

Bank overdraft carried interest at market rates which ranged from 3.25% to 4.25% per annum for the year ended 31st December 2009.

33. 分類為持作出售之資產

於二零零九年十一月二日，本集團訂立協議，按代價8,272,000港元（扣除開支）出售其若干投資物業。因此，該等投資物業之賬面值於二零零九年十二月三十一日分類為持作出售之資產。

33. ASSETS CLASSIFIED AS HELD FOR SALE

On 2nd November 2009, the Group entered into agreement to dispose certain of its investment properties at a consideration of HK\$8,272,000 (net of expenses). Accordingly, the carrying values of these investment properties were classified as assets held for sale as at 31st December 2009.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

34. 股本

34. SHARE CAPITAL

		股份數目		金額	
		Number of shares		Amount	
		二零一零年	二零零九年	二零一零年	二零零九年
		2010	2009	2010	2009
		千股	千股	千港元	千港元
		'000	'000	HK\$'000	HK\$'000
每股面值0.01港元之普通股	Ordinary shares of HK\$0.01 each				
法定股本：	Authorised:				
於一月一日	At 1st January	50,000,000	2,000,000	500,000	100,000
法定股本增加(附註d)	Increase in authorised share capital (note d)	-	8,000,000	-	400,000
		50,000,000	10,000,000	500,000	500,000
股份合併(附註(i))	Share consolidation (note f (i))	-	(9,500,000)	-	-
股份拆細(附註(iii))	Share subdivision (note f (iii))	-	49,500,000	-	-
		50,000,000	50,000,000	500,000	500,000
於十二月三十一日	At 31st December	50,000,000	50,000,000	500,000	500,000
已發行及繳足股本：	Issued and fully paid:				
於一月一日	At 1st January	2,296,496	532,243	22,965	26,612
配售股份	Placement of shares				
(附註a、g及h)	(note a, g and h)	540,000	1,007,900	5,400	10,079
根據供股發行股份(附註b)	Issue of shares under rights issue (note b)	1,444,643	-	14,446	-
行使購股權(附註c及j)	Exercise of share options (note c and j)	52,790	49,087	528	491
根據公开发售及發行紅股	Issue of shares under open offer				
發行股份(附註e)	and bonus issue (note e)	-	4,257,944	-	212,897
股份合併(附註(i))	Share consolidation (note f (i))	-	(4,550,678)	-	-
股本削減(附註(ii))	Capital reduction (note f (ii))	-	-	-	(237,114)
兌換可換股票據(附註i)	Conversion of convertible notes (note i)	-	1,000,000	-	10,000
行使上市認股權證	Exercise of listed warrants	4	-	1	-
		4,333,933	2,296,496	43,340	22,965
於十二月三十一日	At 31st December	4,333,933	2,296,496	43,340	22,965

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

34. 股本 (續)

附註：

截至二零一零年十二月三十一日止年度

- (a) 於二零一零年二月十一日，本公司以每股0.14港元之價格向獨立投資者配發及發行合共540,000,000股每股面值0.01港元之新股份。所得款項淨額約75,542,000港元擬用作本集團之澳門投資項目及本集團一般營運資金。
- (b) 於二零一零年八月十一日，本公司按認購價每股0.1港元配發及發行1,444,643,184股每股面值0.01港元之本公司供股股份，基準為於二零一零年七月二十日透過供股方式每持有兩股股份獲配發一股供股股份。估計所得款項淨額約141,460,000港元。其中約100,460,000港元擬用於削減本集團之銀行借貸及約41,000,000港元擬用於為本集團之酒店業務融資或用作本集團之一般營運資金。於二零一一年二月九日，本公司宣佈，本公司擬改變供股所得款項之用途，將所得款項淨額約100,460,000港元用作收購總代價之一部份。41,000,000港元按擬定用途為本集團之酒店業務融資及用作本集團之一般營運資金。
- (c) 截至二零一零年十二月三十一日止年度，若干期權持有人行使彼等之期權，按行使價每股0.18港元（未就因年內供股完成而調整）認購合共52,790,000股每股面值0.01港元之本公司股份。行使期權所得款項淨額達9,502,200港元。

34. SHARE CAPITAL (Continued)

Notes:

For the year ended 31st December 2010

- (a) On 11th February 2010, the Company allotted and issued an aggregate 540,000,000 new shares of HK\$0.01 each to independent investors at a price of HK\$0.14 per share. The net proceeds of approximately HK\$75,542,000 were used for the Group's investment projects in Macau and general working capital of the Group.
- (b) On 11th August 2010, the Company allotted and issued 1,444,643,184 rights shares of the Company of HK\$0.01 each per share at a subscription price of HK\$0.1 each on the basis of one rights share for every two shares held on 20th July 2010 by way of rights issue. The estimated net proceeds were approximately HK\$141,460,000, of which approximately HK\$100,460,000 were intended to be used for reducing the Group's bank borrowings and approximately HK\$41,000,000 was intended to be used for financing hotel operation of the Group or general working capital of the Group. On 9th February 2011, the Company announced that the Company intended to change the use of proceeds of the rights issue and to apply the net proceeds of approximately HK\$100,460,000 to satisfy part of the total consideration for the Acquisition. HK\$41,000,000 were used for financing hotel operation of the Group and general working capital of the Group as intended.
- (c) During the year ended 31st December 2010, certain option holders exercised their option rights to subscribe for an aggregate of 52,790,000 shares of the Company at HK\$0.01 each per share at exercise price of HK\$0.18 per share (before adjustment due to completion of rights issue during the year). The net proceeds from the exercise of option rights amounted to HK\$9,502,200.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

34. 股本 (續)

附註：(續)

於截至二零零九年十二月三十一日止年度

- (d) 根據本公司於二零零九年一月二十三日舉行之股東特別大會上通過之一項普通決議案，本公司之法定股本透過額外增加8,000,000,000股每股面值0.05港元之股份，已由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）。
- (e) 於二零零九年二月二十六日，本公司以公開發售方式按認購價每股0.05港元配發及發行1,064,486,080股每股面值0.05港元之本公司發售股份，基準為於二零零九年一月二十三日每持有一股現有股份獲配發兩股發售股份，並於本公司公開發售時以每接納一股發售股份獲配發三股紅股為基準配發及發行3,193,458,240股新股份。估計所得款項淨額約52,000,000港元已用於認購由嘉滙投資發行之可換股票據。
- (f) 於本公司二零零九年四月三十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（「二零零九年資本重組」）：
- (i) 股份合併：本公司股本中每二十股每股面值0.05港元之已發行及未發行現有股份已合併為一股面值1.00港元之合併股份（「已合併股份」）；
- (ii) 股本削減：(a)藉註銷本公司股本中每股已發行已合併股份0.99港元之繳足股本而削減本公司之已發行股本，以致所有已發行已合併股份之每股面值將由1.00港元減少至0.01港元；及(b)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

34. SHARE CAPITAL (Continued)

Notes: (Continued)

For the year ended 31st December 2009

- (d) Pursuant to an ordinary resolution passed in a special general meeting of the Company held on 23rd January 2009, the authorised share capital of the Company was 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 by creation of an additional 8,000,000,000 shares of HK\$0.05 each.
- (e) On 26th February 2009, the Company allotted and issued 1,064,486,080 offer shares of the Company of HK\$0.05 per share at a subscription price of HK\$0.05 each on the basis of two offer shares for every existing shares held on 23rd January 2009 by way of open offer and allotted and issued 3,193,458,240 new shares 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 approximately HK\$52,000,000 were used for subscription of convertible notes issued by KH Investment.
- (f) At a special general meeting of the Company held on 30th April 2009, a special resolution was passed to approve the following changes to the capital of the Company (the "2009 Capital Reorganisation"):
- (i) Share consolidation: every twenty existing issued and unissued shares of par value of HK\$0.05 each in the share capital of the Company be consolidated into one consolidated share of HK\$1.00 each (the "Combined Share");
- (ii) Capital reduction: (a) 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 Combined Shares such that the nominal value of each issued Combined Share will be reduced from HK\$1.00 to HK\$0.01; and (b) the credit arising from the reduction of issued share capital of the Company be credited to the contributed surplus account of the Company; and

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

34. 股本 (續)

附註：(續)

(f) (續)

(iii) 股份拆細：每股面值1.00港元之法定但未發行已合併股份拆細為100股每股面值0.01港元之本公司股份。

二零零九年資本重組已於二零零九年五月四日生效。

(g) 於二零零九年六月十一日，本公司以每股0.20港元之價格向獨立投資者配發及發行合共800,000,000股每股面值0.01港元之新股份。所得款項淨額約158,000,000港元已被用作酒店經營業務及本集團一般營運資金。

(h) 於二零零九年七月二十九日，本公司以每股0.22港元之價格向獨立投資者配發及發行合共207,900,000股每股面值0.01港元之新股份。所得款項淨額約45,238,000港元已用作本集團一般營運資金。

(i) 於二零零九年九月二十一日，本公司按初次轉換價每股0.20港元向永恒策略投資有限公司(前稱「中國星投資有限公司」)(「永恒策略」)配發及發行本金額為200,000,000港元之可換股票據。於截至二零零九年十二月三十一日止年度，該等可換股票據按轉換價每股0.20港元悉數轉換為1,000,000,000股股份。

(j) 於截至二零零九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0.268港元認購合共49,087,000股股份。行使購股權之所得款項淨額約為13,155,000港元。

34. SHARE CAPITAL (Continued)

Notes: (Continued)

(f) (Continued)

(iii) Share subdivision: each of the authorised but unissued Combined Shares of HK\$1.00 each be subdivided into one hundred shares of HK\$0.01 each of the Company.

The 2009 Capital Reorganisation was effected on 4th May 2009.

(g) On 11th June 2009, the Company allotted and issued an aggregate of 800,000,000 new shares of HK\$0.01 each to independent investors at a price of HK\$0.20 per share. The net proceeds of approximately HK\$158,000,000 were used to finance the hotel operations and for general working capital of the Group.

(h) On 29th July 2009, the Company allotted and issued an aggregate of 207,900,000 new shares of HK\$0.01 each to independent investors at a price of HK\$0.22 per share. The net proceeds of approximately HK\$45,238,000 were used for general working capital of the Group.

(i) On 21st September 2009, the Company allotted and issued convertible notes in the principal amount of HK\$200,000,000 at an initial conversion price of HK\$0.20 per share to Eternity Investment Limited (formerly known as China Star Investment Holdings Limited) ("Eternity"). These convertible notes were fully converted into 1,000,000,000 shares at the conversion price of HK\$0.20 per share during the year ended 31st December 2009.

(j) During the year ended 31st December 2009, certain option holders exercised their option rights to subscribe for an aggregate of 49,087,000 shares at exercise price of HK\$0.268 per share. The net proceeds from the exercise of option rights amounted to approximately HK\$13,155,000.

**財務報表附註 Notes to the Financial Statements**

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

34. 股本 (續)

認股權證

於二零一零年四月二十六日，董事會建議向股東發行紅利認股權證，基準為於二零一零年六月八日每持有五股本公司股份獲發一份認股權證。合共約為111,526,000港元之認股權證（「認股權證」）已於二零一零年六月十五日發行，初步認購價為每股0.193港元（可予調整），並可於二零一零年六月十五日至二零一二年六月十四日（包括首尾兩天）止期間隨時行使。認購價因二零一零年八月十一日本公司供股完成而調整為每股0.185港元。

於本年度，因轉換認股權證發行4,205股新股份，其中4,000股及205股股份分別按認購價每股0.193港元及每股0.185港元轉換。於二零一零年十二月三十一日，本公司約有尚未行使認股權證111,526,000港元。悉數行使認股權證將導致發行約602,841,000股本公司股份。

34. SHARE CAPITAL (Continued)

Warrants

On 26th April 2010, the board proposed to issue bonus warrants to the shareholders on the basis of one warrant for every five shares of the Company held on 8th June 2010. Total amount of approximately HK\$111,526,000 warrants ("Warrants") were issued on 15th June 2010 at an initial subscription price of HK\$0.193 per share (subject to adjustment) and exercisable at any time during the period commencing on 15th June 2010 to 14th June 2012 (both days inclusive). The subscription price was adjusted to HK\$0.185 per share due to the completion of rights issue of the Company on 11th August 2010.

During the year, 4,205 new shares were issued on the conversion of the Warrants, of which 4,000 shares and 205 shares were converted at the subscription price of HK\$0.193 per share and HK\$0.185 per share respectively. As at 31st December 2010, the Company had approximately HK\$111,526,000 Warrants outstanding. The exercise in full of the Warrants would result in the issue of approximately 602,841,000 shares of the Company.



財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

35. 儲備

35. RESERVES

		股份溢價	繳入盈餘	以股份支付之 款項儲備	可換股 票儲備	股本 削減儲備	保留盈利	總額
		Share premium	Contributed surplus	Share-based payment reserve	Convertible notes reserve	Capital reduction reserve	Retained earnings	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c)	(附註d)	(附註e)		
本公司	The Company	(note a)	(note b)	(note c)	(note d)	(note e)		
於二零零九年一月一日	At 1st January 2009	100,649	899,243	53,666	32,665	316,008	21,986	1,424,217
年度溢利	Profit for the year	-	-	-	-	-	260,782	260,782
根據公開發售及發行紅股 發行股份	Issue of shares under open offer and bonus issue	(100,282)	(59,392)	-	-	-	-	(159,674)
發行可換股票據	Issue of convertible notes	-	-	-	23,546	-	-	23,546
於發行可換股票據時確認 遞延稅項	Recognition of deferred tax upon issue of convertible notes	-	-	-	(3,885)	-	-	(3,885)
轉換可換股票據	Conversion of convertible notes	190,672	-	-	(23,414)	-	-	167,258
於轉換可換股票據時轉撥 遞延稅項	Released of deferred tax upon conversion of convertible notes	-	-	-	3,753	-	-	3,753
贖回可換股票據	Redemption of convertible notes	-	-	-	(38,019)	-	(8,726)	(46,745)
於贖回可換股票據時轉撥 遞延稅項	Released of deferred tax upon redemption of convertible notes	-	-	-	5,354	-	-	5,354
配售股份	Placement of shares	195,659	-	-	-	-	-	195,659
股份發行開支	Share issuing expenses	(2,424)	-	-	-	-	-	(2,424)
以股份支付之款項開支	Share-based payment expenses	-	-	8,039	-	-	-	8,039
行使購股權	Exercise of share options	16,460	-	(3,796)	-	-	-	12,664
購股權到期	Expiry of share options	-	-	(533)	-	-	533	-
股本削減	Capital reduction	-	237,114	-	-	-	-	237,114
已付股息	Dividend paid	-	-	-	-	-	(20,790)	(20,790)
於二零零九年十二月三十一日及 二零一零年一月一日	At 31st December 2009 and 1st January 2010	400,734	1,076,965	57,376	-	316,008	253,785	2,104,868
年度溢利	Profit for the year	-	-	-	-	-	74,125	74,125
以股份支付之款項開支	Share-based payment expenses	-	-	8,238	-	-	-	8,238
行使購股權	Exercise of shares options	10,367	-	(1,393)	-	-	-	8,974
配售股份	Placement of shares	70,200	-	-	-	-	-	70,200
股份發行開支	Share issuing expenses	(1,899)	-	-	-	-	-	(1,899)
購股權到期	Expiry of share options	-	-	(4,243)	-	-	4,243	-
根據供股發行股份	Issue of shares under rights issue	130,018	-	-	-	-	-	130,018
行使上市認股權證	Exercise of listed warrants	1	-	-	-	-	-	1
於二零一零年十二月三十一日	At 31st December 2010	609,421	1,076,965	59,978	-	316,008	332,153	2,394,525

**財務報表附註 Notes to the Financial Statements**

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

35. 儲備 (續)

附註：

- (a) 根據一九八一年百慕達公司法(經修訂)，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於二零零二年九月十日生效之股本削減及其後多次資本削減而轉自股本賬之結餘。

根據一九八一年百慕達公司法(經修訂)，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。

35. 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 balance transferred from the capital account due to the capital reduction effective on 10th September 2002 and various capital reduction subsequently.

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 represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share 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.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

35. 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（公平價值乃使用類同不可換股債務之市場利率釐定），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，直至可換股票據被轉換（屆時將轉撥至股份溢價）或可換股票據被贖回（屆時將直接撥至保留盈利）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遭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。

35. 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 similar non-convertible debts 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 convertible notes are either converted (in which case it is transferred to share premium) or the convertible notes are redeemed (in which case it is released directly to retained earnings).

(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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

36. 銀行借貸

36. BANK BORROWINGS

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
銀行貸款:	Bank loans:		
– 有抵押	– Secured	500,000	340,906
– 無抵押	– Unsecured	–	70,000
		500,000	410,906
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	50,000	232,631
一至兩年	Between one and two years	50,000	103,007
兩至五年	Between two and five years	400,000	75,268
五年以上	Over five years	–	–
		500,000	410,906
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	(50,000)	(232,631)
一年後到期之款項	Amount due after one year	450,000	178,275

於二零一零年十二月三十一日，本集團之有抵押銀行定期貸款為500,000,000港元。有抵押銀行定期貸款分別由本集團賬面值約461,824,000港元及274,198,000港元之租賃土地及樓宇作抵押。有抵押銀行定期貸款按年利率3.50厘（香港最優惠利率（5.25厘）減邊際利率（1.75厘））計息，並須於五年內連續十九個季度按等額12,500,000港元分期償還及最後於貸款到期日償還262,500,000港元。

As at 31st December 2010, the Group had secured bank term loan borrowings of HK\$500,000,000. The secured bank term loan is secured by the Group's leasehold land and buildings with carrying amount of approximately HK\$461,824,000 and HK\$274,198,000 respectively. The secured bank term loan is interest bearing at 3.50% per annum (Hong Kong Prime Rate (5.25%) less margin (1.75%)) and repayable within 5 years by 19 equal consecutive quarterly installments of HK\$12,500,000 each and a final repayment of HK\$262,500,000 at the maturity date of the loan.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

36. 銀行借貸 (續)

於二零零九年十二月三十一日，銀行貸款包括按揭貸款按商業利率計息，金額為275,000,000港元之定期貸款按銀行最優惠年利率減2厘計息（「定期貸款I」）、金額為60,000,000港元之定期貸款按一個月之香港銀行同業拆息加年利率2.2厘計息（「定期貸款II」）及金額為70,000,000港元之無抵押定期貸款按一個月之香港銀行同業拆息加年利率3厘計息（「定期貸款III」）。按揭貸款以本集團賬面值約為61,310,000港元之投資物業作抵押，並須於十年內分期攤還。定期貸款I及定期貸款II乃分別由本集團賬面值約481,346,000港元及279,877,000港元之租賃土地及樓宇作抵押。定期貸款I須由首次支取貸款日期起第九個月後開始分為18等份連續每季償還25,000,000港元。定期貸款II及定期貸款III均須由首次支取貸款日期起一個月後開始分為12等份連續每月償還。定期貸款I及按揭貸款已提早償還，定期貸款II及定期貸款III於截至二零一零年十二月三十一日止年度已悉數償還。

所有計息貸款均以港元定值。

本公司董事認為，本集團銀行借貸之賬面值與其公平價值相若。

36. BANK BORROWINGS (Continued)

As at 31st December 2009, bank loans comprised a mortgage loan which bore interest at commercial rates, term loan of HK\$275,000,000 ("Term Loan I") which bore interest at 2.0% per annum below the bank's best lending rate, term loan of HK\$60,000,000 ("Term Loan II") which bore interest at 2.2% per annum above 1 month HIBOR and unsecured term loan of HK\$70,000,000 ("Term Loan III") which bore interest at 3.0% per annum above 1 month HIBOR. The mortgage loan was secured by the Group's investment properties with carrying value of approximately HK\$61,310,000 and was repayable in installments over a period of ten years. Term Loan I and Term Loan II were secured by the Group's leasehold land and buildings with carrying values of approximately HK\$481,346,000 and HK\$279,877,000 respectively. Term Loan I 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. Term Loan II and Term Loan III were repayable by 12 equal consecutive monthly installments commencing from first month after date of drawdown. Term Loan I and the mortgage loan were early repaid and Term Loan II and Term Loan III were fully repaid for the year ended 31st December 2010.

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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

37. 融資租賃債務

37. OBLIGATION UNDER FINANCE LEASE

		本集團 The Group			
		最低租金 Minimum lease payments		最低租金之現值 Present value of minimum lease payments	
		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000	二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 千港元 HK\$' 000
按融資租賃應付之 款項：	Amount payable under finance lease:				
一年內	Within one year	125	125	96	96
第二至第五年內	In the second to fifth years	271	396	201	305
		396	521	297	401
減：未來財務費用	Less: Future finance charges	(99)	(120)	-	-
		297	401	297	401
減：於一年內到期 償還之款項	Less: Amount due for settlement within one year			(96)	(96)
於一年後到期償還 之款項	Amount due after one year			201	305

根據本集團政策，其若干機器及設備根據融資租賃租用。平均租期為五年。利率按商業利率計算，並於彼等各自之合約日期釐定。所有租賃均須定期償還，而並無訂立或然租金付款之安排。

本集團之融資租賃債務以出租人之租賃資產作抵押。

It is the Group's policy to lease certain of its machinery and equipment under finance lease. The average lease term is 5 years. Interest rates are charged at commercial rates and fixed at the respective contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligation under finance lease is secured by the lessor's charge over the leased assets.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

38. 可換股票據

於二零零九年九月二十一日，本公司向永恒策略發行本金額為200,000,000港元之無抵押可換股票據（「中國星投資可換股票據」）。中國星投資可換股票據按香港上海滙豐銀行有限公司最優惠利率計息及將於二零一二年九月三十日到期。永恒策略可於轉換期間按初次轉換價每股0.20港元（可予調整）將中國星投資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。截至二零零九年十二月三十一日止年度，中國星投資可換股票據按初次轉換價每股面值0.20港元兌換為1,000,000,000股本公司之普通股。

於二零零八年三月十八日，本公司向Lucky State Group Limited（「Lucky State集團」）發行本金額384,000,000港元之無抵押可換股票據（「Lucky State可換股票據」）作為Best Mind收購事項代價之一部份。Lucky State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。由二零零九年八月十六日起至二零一八年三月十七日，Lucky State集團可按初次轉換價每股0.30港元（可予調整）將Lucky State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。截至二零零九年十二月三十一日止年度，Lucky State可換股票據已全部贖回。

可換股票據由負債及權益兩部份組成。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股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擁有人權益。

38. CONVERTIBLE NOTES

On 21st September 2009, the Company issued unsecured convertible notes in the principal amount of HK\$200,000,000 (the "China Star Investment Convertible Notes") to Eternity. China Star Investment Convertible Notes are interest bearing at prime rate as quoted by The Hongkong and Shanghai Banking Corporation Limited and will be matured on 30th September 2012. Eternity may convert the whole or part (in multiple of HK\$1,000,000) of the China Star Investment Convertible Notes into shares of the Company at an initial conversion price of HK\$0.20 per share (subject to adjustment) during the conversion period. China Star Investment Convertible Notes were converted into 1,000,000,000 ordinary shares of the Company at initial conversion price of HK\$0.20 each for the year ended 31st December 2009.

On 18th March 2008, the Company issued unsecured convertible notes in the principal amount of HK\$384,000,000 (the "Lucky State Convertible Notes") to Lucky State Group Limited ("Lucky State Group") as part of consideration for the Best Mind Acquisition. The Lucky State Convertible Notes were interest bearing at 5% per annum and will be matured on 17th March 2018. Lucky State Group may convert the whole or part (in multiple of HK\$1,000,000) of the Lucky State Convertible Notes into shares of the Company at an initial conversion price of HK\$0.30 per share (subject to adjustment) from 16th August 2009 to 17th March 2018. The Lucky State Convertible Notes were fully redeemed for the year ended 31st December 2009.

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, was included in owners' equity named as convertible notes reserve.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

38. 可換股票據 (續)

38. CONVERTIBLE NOTES (Continued)

本集團及本公司	The Group and the Company	Lucky State	中國星投資	總計
		可換股票據	可換股票據	
		Lucky State	China Star	
		Convertible	Investment	
		Notes	Convertible	Total
		千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000
於二零零九年一月一日	At 1st January 2009	138,390	–	138,390
發行所得款項	Proceeds of issue	–	200,000	200,000
權益成份	Equity component	–	(23,546)	(23,546)
負債成份	Liability component	138,390	176,454	314,844
利息支出	Interest charged	3,425	1,934	5,359
已付利息	Interest paid	(2,695)	(1,130)	(3,825)
轉換	Conversion	–	(177,258)	(177,258)
贖回	Redemption	(139,120)	–	(139,120)
於二零零九年十二月三十一日、 二零一零年一月一日及 二零一零年十二月三十一日	At 31st December 2009, 1st January 2010 and 31st December 2010	–	–	–

中國星投資可換股票據及Lucky State可換股票據之負債成份之實際利率分別約為9.61%及7.75%。

The effective interest rate on the liability component of the China Star Investment Convertible Notes and Lucky State Convertible Notes were approximately 9.61% and 7.75% respectively.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

39. 遞延稅項負債

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：

39. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities and assets recognised by the Group and movements thereon:

本集團	The Group	收購附屬公司之	可換股票據	投資物業之	總計
		公平價值調整	公平價值變動	公平價值變動	
		Fair value adjustment on acquisition of subsidiaries	Convertible notes	Fair value changes of investment properties	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零九年一月一日	At 1st January 2009	80,888	4,878	2,551	88,317
發行可換股票據	Issue of convertible notes	-	3,885	-	3,885
贖回可換股票據	Redemption of convertible notes	-	(4,743)	-	(4,743)
兌換可換股票據	Conversion of convertible notes	-	(3,753)	-	(3,753)
(計入綜合收入表) / 自綜合收入表扣除	(Credit)/charge to the consolidated income statement	-	(267)	3,243	2,976
於二零零九年十二月三十一日 及二零一零年一月一日	At 31st December 2009 and 1st January 2010	80,888	-	5,794	86,682
出售投資物業時轉撥	Released upon disposal of investment properties	-	-	(643)	(643)
自綜合收入表扣除	Charge to the consolidated income statement	-	-	2,024	2,024
於二零一零年十二月三十一日	At 31st December 2010	80,888	-	7,175	88,063

於二零一零年十二月三十一日，本集團擁有約425,445,000港元（二零零九年：478,288,000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102,347,000港元（二零零九年：93,186,000港元）確認遞延稅項資產。

At 31st December 2010, the Group had unused estimated tax losses of approximately HK\$425,445,000 (2009: HK\$478,288,000) 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\$102,347,000 (2009: HK\$93,186,000) due to the unpredictability of future profit streams.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

40. 貿易應付賬款

貿易應付賬款之賬齡分析如下：

0至30日	0 to 30 days
31至60日	31 to 60 days
61至90日	61 to 90 days
91至180日	91 to 180 days
超過180日	Over 180 days

40. TRADE PAYABLES

The aging analysis of the trade creditors is as follows:

本集團		The Group	
二零一零年	二零零九年	二零一零年	二零零九年
2010	2009	2010	2009
千港元	千港元	千港元	千港元
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
14,267	6,247	14,267	6,247
2,444	3,614	2,444	3,614
233	101	233	101
917	1,845	917	1,845
7,177	9,619	7,177	9,619
25,038	21,426	25,038	21,426

41. 已收取按金、應計項目及其他應付款項

已收取按金	Deposits received
應計項目	Accruals
其他應付款項	Other payables

41. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

本集團		本公司	
The Group		The Company	
二零一零年	二零零九年	二零一零年	二零零九年
2010	2009	2010	2009
千港元	千港元	千港元	千港元
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
16,917	15,805	10,000	10,000
40,951	88,831	3,230	8,156
2,602	27,565	739	715
60,470	132,201	13,969	18,871

42. 應付一間聯營公司／非控股權益股東之款項

應付本集團一間聯營公司／非控股權益股東之款項乃無抵押、免息及須按要求償還。

42. AMOUNTS DUE TO AN ASSOCIATE/ NON-CONTROLLING INTERESTS

The amounts due to an associate/non-controlling interests of the Group are unsecured, interest free and repayable on demand.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

43. 收購附屬公司

截至二零零九年十二月三十一日止年度

於二零零九年六月三十日，本集團收購中國星演藝管理有限公司（「CSML」）及Anglo Market International Limited（「AMIL」）之餘下51%股權權益，總代價為2港元。連同本集團所持有CSML及AMIL之現有49%股權權益，CSML及AMIL於二零零九年六月三十日成為本公司之全資附屬公司。

所收購CSML及AMIL之負債淨額及商譽詳情如下：

43. ACQUISITION OF SUBSIDIARIES

For the year ended 31st December 2009

On 30th June 2009, the Group acquired the remaining 51% equity interest in China Star Management Limited ("CSML") and Anglo Market International Limited ("AMIL") at a total consideration of HK\$2. Together with the existing 49% interest in CSML and AMIL held by the Group, CSML and AMIL became wholly owned subsidiaries of the Company on 30th June 2009.

Details of net liabilities of CSML and AMIL acquired and goodwill are as follows:

	收購事項前賬面值 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
所收購之負債淨額：	Net liabilities acquired:		
物業、機器及設備	Property, plant and equipment	86	86
貿易應收賬款	Trade receivables	2,215	2,215
已付按金、預付款項及 其他應收款項	Deposits paid, prepayments and other receivables	9,655	9,655
銀行存款及手頭現金	Cash at bank and in hand	560	560
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	(37,378)	(37,378)
		(24,862)	(24,862)
商譽	Goodwill		24,862
總代價按公平價值	Total consideration at fair value		-
總代價按公平價值以下列方式支付：	Total consideration at fair value satisfied by:		
已付現金代價	Cash consideration paid		-
自收購事項產生之現金流入淨額：	Net cash inflow arising from the acquisition:		
已付現金代價	Cash consideration paid		-
所收購之銀行存款及手頭現金	Cash at bank and in hand acquired		560
			560

截至二零零九年十二月三十一日止年度，CSML及AMIL分別為本集團營業額貢獻約146,000港元及252,000港元，並於年內分別為本集團溢利貢獻約323,000港元及133,000港元。

For the year ended 31st December 2009, CSML and AMIL contributed approximately HK\$146,000 and HK\$252,000 respectively to the Group's turnover and contributed approximately HK\$323,000 and HK\$133,000 respectively to the Group's profit.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

44. 出售附屬公司

截至二零零九年十二月三十一日止年度

於二零零九年六月八日，本集團以代價22,960,000港元出售一間本公司直接全資附屬公司Bingo Chance Limited (「BCL」)。於二零零九年七月三十一日，本集團以總代價約3,138,000港元出售其於CSML及AMIL之全部股權權益予一間嘉滙投資控股有限公司(前稱「中國星電影集團有限公司」)之全資附屬公司Dance Star Group Limited。

所出售之資產淨值詳情如下：

44. DISPOSAL OF SUBSIDIARIES

For the year ended 31st December 2009

On 8th June 2009, the Group disposed Bingo Chance Limited ("BCL"), a directly wholly owned subsidiary of the Company at a consideration of HK\$22,960,000. On 31st July 2009, the Group disposed its entire equity interests in CSML and AMIL to Dance Star Group Limited, a wholly owned subsidiary of KH Investment Holdings Limited (formally known as "China Star Film Group Limited"), at a total consideration of approximately HK\$3,138,000.

Details of the net assets disposed of are as follows:

		BCL	CSML	AMIL	對銷 Elimination	總計 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
可供出售之金融資產	Available for sale financial assets	26,600	-	-	-	26,600
轉撥金融資產重估儲備	Release of financial assets revaluation reserve	25,962	-	-	-	25,962
物業、機器及設備	Property, plant and equipment	-	79	-	-	79
應收AMIL之款項	Amount due from AMIL	-	643	-	(643)	-
貿易應收賬款	Trade receivables	-	912	648	-	1,560
按金、預付款項及 其他應收款項	Deposits, prepayments and other receivables	-	9,512	679	-	10,191
現金及銀行結餘	Cash and bank balances	-	321	395	-	716
應付CSML之款項	Amount due to CSML	-	-	(643)	643	-
已收取按金、應計項目及 其他應付款項	Deposits received, accruals and other payables	-	(7,101)	(1,850)	-	(8,951)
		52,562	4,366	(771)	-	56,157
非控股權益	Non-controlling interest	-	-	-	-	-
		52,562	4,366	(771)	-	56,157
出售附屬公司之虧損	Loss on disposal of subsidiaries					(30,059)
						26,098
以下列方式支付： 現金代價	Satisfied by: Cash consideration					26,098
出售所產生之現金流出淨額： 已收現金代價	Net cash outflow from disposals: Cash consideration received					26,098
售出之銀行結餘及現金	Bank balance and cash disposed of					(716)
						25,382

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

44. 出售附屬公司(續)

截至二零零九年十二月三十一日止年度，BCL、CSML及AMIL分別為本集團貢獻營業額約零港元、146,000港元及252,000港元，且分別為本集團之溢利帶來虧損約74,000港元、及溢利323,000港元及133,000港元。

45. 租賃承擔

本集團作為承租人

於二零一零年十二月三十一日，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：

44. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31st December 2009, BCL, CSML and AMIL contributed approximately nil, HK\$146,000 and HK\$252,000 to the Group's turnover and contributed loss of approximately HK\$74,000 and profit of approximately HK\$323,000 and HK\$133,000 to Group's profit respectively.

45. LEASE COMMITMENTS

The Group as lessee

At 31st December 2010, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
一年內	Within one year	1,491	963
第二至第五年內	In the second to fifth year inclusive	1,219	1,128
		2,710	2,091

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。

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.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

46. 資本承擔

本集團於報告期結束時之未履行承擔如下：

46. CAPITAL COMMITMENTS

The Group had the following outstanding commitments at the end of the reporting period:

		本集團 The Group	
		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
已授權及已訂約，但尚未撥備：	Authorised and contracted, but not provided for:		
在建工程	Construction in progress	–	1,049
收購物業	Acquisition of properties	–	1,180
收購物業租賃權利	Acquisition of property leasehold rights	495,000	–
收購附屬公司 (附註48(a))	Acquisition of subsidiaries (note 48(a))	540,000	540,000
合營公司資本分擔 (附註51(a))	Capital contribution of joint venture company (note 51(a))	30,000	–
		1,065,000	542,229

47. 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」）。

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。

47. 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.

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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

47. 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；

47. 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**

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

47. 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；

47. 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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

47. 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(包括舊購股權計劃)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288,928,636份，佔本公司於本年報刊發日期已發行股本約5.88%。

47. 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 (including the Old 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 288,928,636, which represented approximately 5.88% 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

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

47. 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。

47. 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.

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47. 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：

47. 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	行使期限*	每股行使價	購股權數目														
				於二零零九年一月一日尚未行使	於二零零九年失效/到期	於二零零九年調整	於二零零九年授出	於二零零九年行使	於二零零九年未行使	於二零零九年到期	於二零零九年調整*	於二零零九年授出	於二零零九年行使	於二零零九年未行使				
Category of Participants	Name of scheme	Exercisable period [†]	Exercise price per share 港元 HK\$	Outstanding as at 01.01.2009	Lapsed/ Expired during 2009	Adjustment during 2009	Granted during 2009 (附註i) (note i)	Exercised during 2009	Transfer between category during 2009	Outstanding as at 31.12.2009 and 01.01.2010	Expired during 2010	Adjustment during 2010*	Granted during 2010 (附註i) (note i)	Exercised during 2010	Transfer between category during 2010	Outstanding as at 31.12.2010		
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 - 27.03.2010	642.26	100,108	-	(76,012)	-	-	-	24,096	(24,096)	-	-	-	-	-		
		02.06.2000 - 01.06.2010	311.26	45,326	-	(34,416)	-	-	-	10,910	(10,910)	-	-	-	-	-		
		16.07.2002 - 15.07.2012	62.852*	24,042	-	(18,256)	-	-	-	5,786	-	260	-	-	-	-	6,046	
本公司董事*** Director of the Company***	新購股權計劃 New Option Scheme	17.07.2003 - 16.07.2013	20.670*	49,612	-	(37,670)	-	-	-	11,942	-	538	-	-	-	12,480		
		16.07.2002 - 15.07.2012	62.852*	120,457	-	(91,464)	-	-	-	28,993	-	1,305	-	-	-	-	30,298	
		17.07.2009 - 16.07.2010	0.268	248,068	-	(188,359)	-	-	-	59,709	-	2,687	-	-	-	-	62,396	
本集團僱員 Employees of the Group	舊購股權計劃 Old Option Scheme	28.03.2000 - 27.03.2010	642.26	26,067	-	(19,793)	-	-	-	6,274	(6,274)	-	-	-	-	-		
		02.06.2000 - 01.06.2010	311.26	45,326	-	(34,417)	-	-	-	10,909	(10,909)	-	-	-	-	-		
		16.07.2002 - 15.07.2012	62.852*	240,915	-	(182,927)	-	-	-	57,988	-	6,523	-	-	-	-	64,511	
其他參與者 Other participants	新購股權計劃 New Option Scheme	17.07.2003 - 16.07.2013	20.670*	248,068	-	(188,359)	-	-	-	59,709	-	9,236	-	-	-	68,945		
		13.12.2004 - 12.12.2014	19.043*	325,691	-	(247,296)	-	-	-	78,393	156,786	-	17,556	-	-	-	233,350	
		04.02.2005 - 03.02.2015	19.713*	1,986,713	-	(1,508,517)	-	-	-	36,846	515,042	-	28,239	-	-	-	112,493	
		30.12.2005 - 29.12.2015	8.861*	718,148	-	(545,292)	-	-	-	-	172,856	-	10,130	-	-	-	52,262	
		21.11.2006 - 20.11.2016	10.144*	1,302,782	-	(989,191)	-	-	-	-	313,571	-	17,638	-	-	-	78,383	
		25.05.2007 - 24.05.2017	15.388*	1,779,358	-	(1,351,070)	-	-	-	138,364	566,650	-	44,178	-	-	-	415,092	
		27.06.2007 - 26.06.2017	15.311*	1,011,289	-	(767,859)	-	-	-	133,921	377,331	-	28,032	-	-	-	267,842	
		23.10.2007 - 22.10.2017	7.273*	5,243,000	-	(3,961,023)	-	-	-	330,719	1,592,696	-	101,435	-	-	-	661,438	
		21.08.2008 - 20.08.2018	0.938*	21,395,000	-	(16,245,274)	-	-	-	737,738	5,887,464	-	379,424	-	-	-	2,544,174	
		17.07.2009 - 16.07.2010	0.268	-	-	-	-	63,839,000	(19,378,000)	-	44,461,000	(44,461,000)	-	-	-	-	-	
		07.01.2010 - 06.01.2011	0.172*	-	-	-	-	-	-	-	-	-	1,392,075	71,165,000	(40,230,000)	-	32,327,075	
		13.05.2010 - 12.05.2011	0.144*	-	-	-	-	-	-	-	-	-	5,038,515	111,967,000	-	-	117,005,515	
		34,322,319	(4)	(26,061,020)	63,839,000	(19,378,000)	1,455,981	54,178,276	(44,478,183)	7,073,981	183,132,000	(40,230,000)	4,597,575	164,273,649				
		481,828	-	(365,852)	-	-	-	-	-	-	115,976	-	1,305	-	-	-	(86,982)	30,299
		765,916	-	(581,562)	-	-	-	-	-	-	184,354	-	1,746	-	-	-	(145,549)	40,551
1,608,911	-	(1,221,650)	-	-	-	-	-	(78,393)	308,868	-	3,988	-	-	-	(233,350)	78,916		
1,716,932	(114,977)*	(1,303,670)	-	-	-	-	-	(36,846)	261,439	-	6,702	-	-	-	(112,493)	155,648		
1,346,187	-	(1,022,163)	-	-	-	-	-	-	324,024	-	12,229	-	-	-	(52,262)	283,991		
977,072	-	(741,893)	-	-	-	-	-	-	235,179	-	7,055	-	-	-	(78,383)	163,841		
3,905,030	-	(2,965,098)	-	-	-	-	-	(138,364)	801,568	-	17,391	-	-	-	(415,092)	403,867		
1,669,164	-	(1,267,401)	-	-	-	-	-	(133,921)	267,842	-	-	-	-	-	(267,842)	-		
6,027,000	-	(4,576,315)	-	-	-	-	-	(330,719)	1,119,966	-	20,634	-	-	-	(661,438)	479,162		
22,515,000	(1,068,698)*	(17,095,692)	-	-	-	-	-	(737,738)	3,612,872	-	48,091	-	-	-	(2,544,174)	1,116,789		
-	-	-	-	-	-	29,709,000	(29,709,000)	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-	2,066,400	58,480,000	(12,560,000)	-	-	47,986,400		
-	-	-	-	-	-	-	-	-	-	-	4,700,925	104,465,000	-	-	-	109,165,925		
41,013,040	(1,183,675)	(31,141,296)	29,709,000	(29,709,000)	(1,455,981)	7,232,088	-	6,885,876	162,945,000	(12,560,000)	(4,597,575)	159,905,389						
75,922,972	(1,183,679)	(57,648,493)	103,943,000	(49,087,000)	-	71,946,800	(54,908,189)	14,796,922	364,572,000	(52,790,000)	-	343,617,533						
加權平均行使價 Weighted average exercise price				7.82	2.76	0.268	0.268	2.15	0.75	0.15	0.17	0.49						

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47. 以股權結算以股份支付之交易 (續)

下列根據新購股權計劃授出之購股權於本年度行使：

47. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The following share options granted under the New Option Scheme were exercised in the current year:

行使日期 Exercise date	參與者類別 Category of Participants	獲行使購股權數目 Number of share options exercised	行使日期之股價 Share price at exercise date
二零零九年八月三日 3rd August 2009	本集團僱員 Employees of the Group	19,378,000	HK\$0.258港元
二零零九年七月二十八日 28th July 2009	其他參與者 Other participants	29,709,000	HK\$0.267港元
		49,087,000	
二零一零年一月八日 8th January 2010	本集團僱員 Employees of the Group	40,230,000	HK\$0.17港元
二零一零年一月八日 8th January 2010	其他參與者 Other participants	12,560,000	HK\$0.17港元
		52,790,000	

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

47. 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之供股而作調整。

** 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。

行使期限自有關購股權授出當日起計。

Δ 年內失效之購股權。

附註：

(i) 本公司股份緊接二零一零年五月十三日、二零一零年一月七日及二零零九年七月十七日授出購股權日期前之收市價分別為每股0.149、0.178及0.260港元。

(ii) 於截至二零一零年十二月三十一日止年度並無購股權註銷(二零零九年：無)。

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就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。

47. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

* The exercise prices and numbers of share options which remained outstanding during the year have been adjusted due to completion of the rights issue 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.

The exercisable period commenced on the date of grant of the relevant share options.

Δ Share options lapsed during the year.

Notes:

(i) The closing prices of the Company's shares immediately before the dates of grant of share options on 13th May 2010, 7th January 2010 and 17th July 2009 were HK\$0.149, 0.178 and 0.260 per share respectively.

(ii) No share option was cancelled for the year ended 31st December 2010 (2009: nil).

Share-based payment expenses

Following to the adoption of HKFRS 2 *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.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

47. 以股權結算以股份支付之交易 (續)

以股份支付之款項開支 (續)

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：

47. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

Share-based payment expenses (Continued)

The estimated fair value of the share options is measured based on Binomial Option Pricing Model. The variables input into the model are as follows:

		授出購股權		
		Share options granted on		
		於二零一零年	於二零一零年	於二零零九年
		五月十三日	一月七日	七月十七日
		13th May	7th January	17th July
		2010	2010	2009
於計量日期之加權平均股價 (港元)	Weighted average share price at measurement date (HK\$)	0.150	0.176	0.260
加權平均行使價 (港元)	Weighted average exercise price (HK\$)	0.150	0.180	0.268
預期波幅 (以加權平均波幅列示)	Expected volatility (expressed as weighted average volatility)	52.68%	59.58%	123.98%
購股權年期 (以加權平均年期列示)	Number of years for share option life (expressed as weighted average life)	1	1	1
預期股息	Expected dividends	-	-	-
無風險利率	Risk-free interest rate	0.16%	0.16%	0.06%
於計量日期之加權平均公平價值 (港元)	Weighted average fair value at measurement date (HK\$)	0.0205	0.0264	0.0773

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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48. 重大關連人士交易

除財務報表另有所披露者外，本集團與關連人士訂立下列交易：

- (a) 於二零零九年四月二十九日，一間本公司之全資附屬公司Bestjump Holdings Limited與本公司執行董事及主要股東陳明英女士訂立一份買賣協議，內容有關收購Modern Vision (Asia) Limited及Reform Base Holdings Limited (統稱為「目標公司」) 之全部股權權益以及目標公司應付合共750,810,007港元之貸款（「收購事項I」），總代價為900,000,000港元（可予調整）（「該代價」）。該代價以現金按金360,000,000港元、本公司將予發行之可換股票據350,000,000港元償還，而餘額191,000,000以現金或於完成時發行承兌票據償還。倘若由澳門政府授出之總樓面面積少於先前澳門印務局公佈之樓面面積，則該代價可予調整。目標公司之主要資產為彼等於一間於澳門註冊成立之實體之合共75%股權。該實體擁有一幅位於澳門何鴻燊博士大馬路南灣湖畔地區，名為「南灣湖計劃C區7地段」之土地之100%權益。根據上市規則第14A章，收購事項I被視為關連交易。有關該交易之詳情載於本公司於二零零九年八月十七日刊發之通函。

48. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the financial statements, the Group entered into the following transactions with related parties:

- (a) On 29th April 2009, Bestjump Holdings Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Ms Chen Ming Yin, Tiffany, an executive director and a substantial shareholder of the Company, in respect of the acquisition (the "Acquisition I") of the entire equity interest of Modern Vision (Asia) Limited and Reform Base Holdings Limited (collectively referred as to the "Target Companies") and outstanding loans in an aggregate amount of HK\$750,810,000 due by the Targeted Companies with a total consideration of HK\$900,000,000 (subjected to adjustment) (the "Consideration"). The Consideration shall be satisfied by cash deposit of HK\$360,000,000, HK\$350,000,000 convertible notes to be issued by the Company and the balance of HK\$191,000,000 in cash or by the issue of promissory note upon completion. The Consideration is subject to adjustment in case the total gross floor area granted by Macau Government is less than the gross floor area previously published in the Macau Official Gazette. The major assets of the Target Companies are their aggregate 75% equity interest in a Macau incorporated entity which owned 100% interest in a lot of land, namely Lote C7 do Plano de Urbanizacao da Baia de Paria Grande, located in Nam van Lakes Zone, at Avenida Doutor Stanley Ho. The Acquisition I is regarded as a connected transaction pursuant to chapter 14A of the Listing Rules. Details of the transaction were set out in the Company's circular dated 17th August 2009.

**財務報表附註 Notes to the Financial Statements**

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48. 重大關連人士交易 (續)

(a) (續)

獨立非執行董事確認，收購事項I之協議條款屬公平合理，且收購事項I符合本公司及其股東之整體利益。收購事項I已於二零零九年九月三日獲得獨立股東之批准，但於截至報告日期為止尚未完成。投資按金360,000,000港元於本集團綜合財務狀況表分類為預付款項、按金及其他應收款項。

(b) 於二零一零年十二月二十三日，本公司之全資附屬公司Triumph Top Limited (「買方」)、本公司、Sociedade de Turismo e Diversões de Macau, S.A. (「賣方」)及本公司董事向華強先生訂立有條件協議，據此，賣方有條件同意出售而買方有條件同意按代價550,000,000港元收購賣方根據澳門政府就位於澳門Zona de Aterros do Porto Exterior (ZAPE)之第6B地段、第6C地段、第6D地段及第6E地段(「該等地盤」)授出之租賃而持有之物業租賃權(連同該等地盤之固有法定業權轉讓予買方)(「收購事項」)。根據上市規則，收購事項構成本公司一項非常重大收購事項及關連交易，因此須待本公司獨立股東於本公司舉行之股東特別大會上批准後，方可作實。收購事項詳情載於本公司於二零一一年一月七日發表之公佈內。

48. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

The independent non-executive directors confirm that the terms of the agreement of the Acquisition I are fair and reasonable and the Acquisition I is in the interests of the Company and its shareholders as a whole. The Acquisition I was approved by independent shareholders on 3rd September 2009 but has not been completed up to reporting date and an investment deposit of HK\$360,000,000 is classified as prepayment, deposits and other receivables in the consolidated financial statements of the Group.

(b) On 23rd December 2010, Triumph Top Limited, a wholly owned subsidiary of the Company (the "Purchaser"), the Company, Sociedade de Turismo e Diversões de Macau, S.A. (the "Vendor") and Mr. Heung Wah Keung, a director of the Company entered into a conditional agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the property leasehold right held by the Vendor under the leasehold granted by the Macau Government over Lot 6B, Lot 6C, Lot 6D and Lot 6E, located in Macau at Zona de Aterros do Porto Exterior (ZAPE) (the "Sites") (and the inherent transfer to the Purchaser of the legal title of the Sites) at a consideration of HK\$550,000,000 (the "Acquisition"). The Acquisition constitutes a very substantial acquisition and a connected transaction of the Company under the Listing Rules and thus is subject to the approval of the independent shareholders of the Company in a special general meeting to be convened by the Company. Details of the Acquisition are set out in the Company's announcement dated 7th January 2011.

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

48. 重大關連人士交易 (續)

- (c) 於二零零九年三月十一日，本集團於永恒策略訂立貸款協議，據此，本集團獲授最多200,000,000港元之貸款。本集團隨後提取貸款200,000,000港元（「該貸款」）。於二零零九年七月二十三日，本公司與永恒策略訂立一份認購協議，據此，本公司已同意發行及永恒策略已同意或促使按認購價認購本金額為200,000,000港元之為期三年可換股票據，該可換股票據之金額透過抵銷該貸款後償還。中國星投資可換股票據已於二零零九年九月二十一日獲認購，並於二零零九年十月及十二月悉數兌換為1,000,000,000股本公司股份。於二零零九年三月十一日及二零零九年七月二十三日，向華強先生及陳明英女士為本公司及永恒策略之共同董事，並辭任永恒策略董事，自二零一零年二月一日起生效。

於截至二零零九年十二月三十一日止年度，本集團已支付有關該貸款之利息支出及錄得有關中國星投資可換股票據之推算利息支出分別約3,973,000港元及1,934,000港元。

48. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (c) On 11th March 2009, the Group entered into a loan facility agreement with Eternity pursuant to which the Group was granted loan facility of up to HK\$200,000,000. The Group subsequently has drawn the loan of HK\$200,000,000 ("Loan Advance"). On 23rd July 2009, the Company and Eternity entered into a subscription agreement pursuant to which the Company has agreed to issue and Eternity has agreed to subscribe or procure subscription for a 3-year convertible note in the principal amount of HK\$200,000,000, the subscription price of which shall be satisfied by setting off against the Loan Advance. The China Star Investment Convertible Notes was subscribed on 21st September 2009 and fully converted into 1,000,000,000 shares of the Company on October and December 2009. Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany were common directors of the Company and Eternity as at 11th March 2009 and 23rd July 2009, and resigned as directors of Eternity with effect from 1st February 2010.

During the year ended 31st December 2009, the Group had paid interest expenses and recorded imputed interest expenses amounted to approximately HK\$3,973,000 and HK\$1,934,000 in respect of the Loan Advance and the China Star Investment Convertible Notes respectively.

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

48. 重大關連人士交易 (續)

- (d) 於本年度，本集團與其關連公司訂立下列交易：

48. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (d) During the year, the Group entered into the following transactions with its and related companies:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
來自聯營公司之收入：	Income received from associates:		
租金收入及償還公用事業 費用	Rental income and utilities fee reimbursement	5,249	1,306
管理費收入	Management fee income	160	–
支付予聯營公司之開支：	Expenses paid to associates:		
已付娛樂及員工膳食費用	Entertainment and staff messing paid	11,679	4,876
來自擁有共同董事之 公司之收入：	Income received from companies with common directors:		
管理費收入(附註1)	Management fee income (note 1)	2,400	4,430
來自應收可換股票據之 推算利息收入(附註2)	Imputed interest income from convertible notes receivable (note 2)	–	2,488
出售附屬公司之 虧損(附註2)	Loss on disposal of subsidiaries (note 2)	–	457

附註：

- 管理費收入乃按本集團與關連公司(本公司若干董事於其中擁有實益權益)參照辦公場所及物資所佔份額以及向關連公司提供行政服務之人力，經雙方議定之費率扣除。向華強先生為本公司及關連公司之共同董事，並辭任關連公司之董事，自二零一零年十月二十八日起生效。
- 向華強先生為本公司及嘉滙投資之共同董事。向華強先生辭任嘉滙投資之董事，由二零一零年一月二十一日起生效。

Notes:

- Management fee income was charged at a rate mutually agreed between the Group and the related company by reference to sharing of office premises and supplies, and manpower in provision of administrative services. Mr. Heung Wah Keung was a common director of the Company and the related company, and resigned as a director of the related company with effect from 28th October 2010.
- Mr. Heung Wah Keung was a common director of the Company and KH Investment, and resigned as a director of KH Investment with effect from 21st January 2010.

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

48. 重大關連人士交易 (續)

(e) 於截至二零零九年十二月三十一日止年度，向華強先生和陳明英女士向銀行提供個人擔保，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) 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：

48. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(e) During the year ended 31st December 2009, Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany provided personal guarantees to bank to secure mortgage loan granted to the Group. No fee was paid to them by the Group.

(f) 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:

		二零一零年 2010 千港元 HK\$'000	二零零九年 2009 千港元 HK\$'000
薪金及其他津貼	Salaries and other allowances	10,086	8,398
退休福利計劃供款	Retirement benefits scheme contributions	64	72
以股份支付之款項	Share-based payment	1,505	3,024
		11,655	11,494

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

49. 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。

49. 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/ 定額資本類別	本公司所持已 發行股本/定額 資本面值比例	已發行及 繳足股本/ 定額資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares/quota capital held	Proportion of nominal value of issued capital/quota capital held by the Company 百分比 %	Issued and fully paid share capital/ quota 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股每股面值 1美元之股份 100 shares of US\$1 each	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
Bestjump Holdings Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股每股面值 1美元之普通股 1 ordinary share of US\$1	投資控股 Investment holding
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\$1	持有有線播映權 Holding of cable right
Charm Faith Holdings Limited (附註d) (note d)	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	50	100股 每股面值1美元 之普通股 100 ordinary shares of US\$1 each	投資控股 Investment holding
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

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

49. 主要附屬公司詳情 (續)

49. 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/ 定額資本類別	本公司所持已 發行股本/定額 資本面值比例	已發行及 繳足股本/ 定額資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares/quota capital held	Proportion of nominal value of issued capital/quota capital held by the Company 百分比 %	Issued and fully paid share capital/ quota capital	Principal activities
中國星娛樂控股 有限公司 China Star Entertainment Holding 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 及1,000,000股 每股面值1港元 之無投票權遞延股 (附註c) 2 ordinary shares of HK\$1 each and 1,000,000 non-voting deferred shares of HK\$1 each (note c)	投資控股 Investment holding
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 之普通股 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 之普通股 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

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

49. 主要附屬公司詳情 (續)

49. 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/ 定額資本類別	本公司所持已 發行股本/定額 資本面值比例	已發行及 繳足股本/ 定額資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares/quota capital held	Proportion of nominal value of issued capital/quota capital held by the Company 百分比 %	Issued and fully paid share capital/ quota capital	Principal activities
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港元之普通股 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
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 之普通股 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 之普通股 2 ordinary shares of HK\$1 each	提供電影後期製作服務 Provision of film post- production services

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

49. 主要附屬公司詳情 (續)

49. 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/ 定額資本類別	本公司所持已 發行股本/定額 資本面值比例	已發行及 繳足股本/ 定額資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares/quota capital held	Proportion of nominal value of issued capital/quota capital held by the Company 百分比 %	Issued and fully paid share capital/ quota capital	Principal activities
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
經典管理服務有限公司 (附註b及d) Classic Management & Services Company Limited (note b and d)	註冊成立 Incorporated	澳門 Macau	定額資本 Quota capital	50	100,000澳門幣 MOP100,000	提供娛樂場管理服務 Provision of casino management service
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
高采國際有限公司 Gold Choice International Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	1股面值1港元 之普通股 1 ordinary share of HK\$1	電影製作 Film Production

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

49. 主要附屬公司詳情 (續)

49. 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/ 定額資本類別	本公司所持已 發行股本/定額 資本面值比例	已發行及 繳足股本/ 定額資本	主要業務
Name of subsidiary	Form of business structure	Country/place of incorporation/ formation	Class of shares/quota capital held	Proportion of nominal value of issued capital/quota capital held by the Company 百分比 %	Issued and fully paid share capital/ quota capital	Principal activities
澳門蘭桂坊酒店有限公司 (附註b及d) Hotel Lan Kwai Fong (Macau) Limited (note b&d)	註冊成立 Incorporated	澳門 Macau	定額資本 Quota capital	50	500,000澳門幣 MOP500,000	於澳門提供酒店服務及物 業投資，以及投資控股 Provision of hotel services in Macau and property investment, and investment holding
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
Triumph Top Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股每股面值 1美元之普通股 1 ordinary share of US\$1	投資控股 Investment Holding

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

49. 主要附屬公司詳情 (續)

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) 於澳門蘭桂坊酒店有限公司持有49%投票權之一位澳門蘭桂坊酒店有限公司及Charm Faith Holdings Limited之共同股東已同意依循本公司之投票及管理層決定。因此，澳門蘭桂坊酒店有限公司及Charm Faith Holdings Limited及其直接投資經典管理服務有限公司均被視為本公司之附屬公司。

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。

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

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 common shareholder of Hotel Lan Kwai Fong (Macau) Limited and Charm Faith Holdings Limited who holding 49% voting power has agreed to follow the voting and management decision of the Company. Therefore, Hotel Lan Kwai Fong (Macau) Limited and Charm Faith Holdings Limited and their direct investment, Classic Management & Services Company Limited are considered as subsidiaries of the Company.

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.

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50. 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的本集團聯營公司。

50. PARTICULARS OF ASSOCIATES

The following table lists the associates 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/ 定額資本類別	本集團所持 已發行股本/ 定額資本 面值比例 Proportion of nominal value of issued capital/quota capital held by the Group 百分比 %	已發行及 繳足股本/ 定額資本	主要業務
Name of associate	Form of business structure	Country/place of incorporation/ formation	Class of shares/quota capital held		Issued and fully paid share capital/ quota capital	Principal activities
阿凡達有限公司*(前稱 醫美健水療美容有限公司) Avatar Limited* (formally known as Dr. Chauchard's Spa Limited)	註冊成立 Incorporated	澳門 Macau	定額資本 Quota capital	26.67	60,000澳門幣 MOP60,000	經營水療館 Spa operations
悅爵有限公司* Merit Noble Company Limited*	註冊成立 Incorporated	澳門 Macau	定額資本 Quota capital	24.5	30,000澳門幣 MOP30,000	提供飲食服務 Provision of catering services
百爵有限公司 Noble Million Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	50.0	1股面值1港元 之普通股 1 ordinary share of HK\$1	投資控股 Investment holding

* 在澳門經營業務。

* Operating in Macau

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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

51. 報告期後事項

- (a) 於二零一零年十二月八日，一間本公司全資附屬公司China Star Entertainment (BVI) Limited (「CSBVI」)、嘉滙投資及China Star Film Group Limited(「合營公司」)訂立有條件合營協議(「合營協議」)，內容有關成立主要從事製作及發行電影之合營公司。根據合營協議，CSBVI同意認購而合營公司同意按每股1,000,000港元之價格發行及配發30股合營公司股份，總代價為30,000,000港元，於完成合營協議後，CSBVI將實益擁有合營公司50%權益。合營公司之股份已於二零一一年一月七日獲發行及配發。
- (b) 於二零一一年一月十四日，本公司與配售代理訂立配售協議，按盡最大努力基準向獨立投資者配售最多577,855,000股每股面值0.01港元之新股份，配售價為每股0.07港元。577,855,000股新股份已根據在二零一零年六月三十日舉行之股東週年大會上授予本公司董事之一般授權而於二零一一年一月二十七日發行。所得款項淨額約39,930,000港元擬用作收購代價之一部份。
- (c) 於二零一一年二月九日，本公司董事會宣佈，本公司擬提呈本公司股東批准有關本公司資本重組(「資本重組」)之建議，其中包括：
- (i) 股份合併：每10股每股面值0.01港元之已發行及未發行現有股份合併為本公司1股每股面值0.10港元之合併股份(「合併股份」)；

51. EVENTS AFTER THE REPORTING PERIOD

- (a) On 8th December 2010, China Star Entertainment (BVI) Limited (“CSBVI”), a wholly owned subsidiary of the Company, KH Investment and China Star Film Group Limited (the “JV Company”) entered into a conditional joint venture agreement (the “JV Agreement”) relating to the formation of the JV Company, which is principally engaged in production and distribution of films. Pursuant to the JV Agreement, CSBVI agreed to subscribe and the JV Company agreed to issue and allot 30 shares of the JV Company at a price of HK\$1,000,000 per share for a total consideration of HK\$30,000,000 and CSBVI will beneficially interested in 50% of the JV Company after the completion of the JV Agreement. The shares of the JV Company was issued and allotted on 7th January 2011.
- (b) On 14th January 2011, the Company entered into a placing agreement with a placing agent to place on a best effort basis up to 577,855,000 new Shares of HK\$0.01 each to independent investors at a price of HK\$0.07 per Share. 577,855,000 new Shares was issued on 27th January 2011 under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 30th June 2010. The net proceeds of approximately HK\$39,930,000 were intended to be used for part of the consideration for the Acquisition.
- (c) On 9th February 2011, 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 (“Capital Reorganisation”) of the Company comprising:
- (i) share consolidation that every 10 issued and unissued existing Shares of HK\$0.01 each be consolidated into 1 consolidated share of HK\$0.10 each of the Company (“Consolidated Shares”);

財務報表附註 Notes to the Financial Statements

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

51. 報告期後事項 (續)

(c) (續)

(ii) 資本削減：(i)透過註銷本公司之繳足資本(每股當時已發行合併股份註銷0.09港元)而削減本公司之已發行股本，使每股已發行合併股份之面值由0.10港元減至0.01港元；(ii)透過將所有合併股份之面值由每股0.10港元削減至每股0.01港元削減本公司之法定股本，以致本公司之法定股本由500,000,000港元(分為5,000,000,000股合併股份)削減至50,000,000港元(分為5,000,000,000股每股面值0.01港元之新股份)；及(iii)因削減公司已發行股本而產生之進賬轉撥入本公司之實繳盈餘賬；及

(iii) 資本增加：將本公司之法定股本由50,000,000港元(分為5,000,000,000股每股面值0.01港元之新股份)增加至500,000,000港元(分為50,000,000,000股每股面值0.01港元之新股份)。資本重組截至報告日期止尚未完成。

(d) 於二零一一年一月二十一日，本公司與永恒策略訂立認購協議，據此，本公司有條件同意發行而永恒策略有條件同意按面值分兩批認購或促成認購最大本金額650,000,000港元之可換股債券。發行可換股債券之估計最大所得款項淨額約649,500,000港元將用於為收購事項融資、開發地盤及／或用作本集團之一般營運資金。

51. EVENTS AFTER THE REPORTING PERIOD (Continued)

(c) (Continued)

(ii) capital reduction that (i) the issued share capital of the Company be reduced by the cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01; (ii) the authorized share capital of the Company be reduced by reducing the nominal value of all Consolidated Shares from HK\$0.10 each to HK\$0.01 each resulting in the reduction of the authorized share capital of the Company from HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares to HK\$50,000,000 divided into 5,000,000,000 new Shares of HK\$0.01 each; and (iii) the credit arising from the reduction of issued share capital of the Company be transferred to the contributed surplus account of the Company; and

(iii) capital increase that the authorized share capital of the Company be increased from HK\$50,000,000 divided into 5,000,000,000 new Shares of HK\$0.01 each to HK\$500,000,000 divided into 50,000,000,000 new Shares of HK\$0.01 each. The Capital Reorganisation was not yet completed up to the reporting date.

(d) On 21st January 2011, the Company and Eternity entered into a subscription agreement, pursuant to which the Company has conditionally agreed to issue and Eternity has conditionally agreed to subscribe or procure subscription for convertible bonds in the maximum principal amount of HK\$650,000,000 in two tranches at their face value. The estimated maximum net proceeds from the issue of the convertible bonds of approximately HK\$649,500,000 will be used for financing the Acquisition, the development of the Sites and/or the general working capital of the Group.



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截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

52. 比較數字

上年度若干比較數字已經重列，以與本年度之呈列相一致。

52. COMPARATIVE FIGURES

Certain comparative figures of the previous year have been re-presented to conform with the current year's presentation.

53. 批准財務報表

本財務報表於二零一一年三月二十五日獲董事會批准及授權刊發。

53. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25th March 2011.

五年財務概要 Five Year Financial Summary

截至二零一零年十二月三十一日止年度 For the year ended 31st December 2010

截至十二月三十一日止年度

For the year ended 31st December

		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 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	二零零六年 2006 千港元 HK\$' 000
業績	Results					
營業額	Turnover	864,261	543,429	227,747	78,351	152,777
除稅前溢利／(虧損)	Profit/(loss) before taxation	26,219	167,243	63,149	(101,856)	38,769
稅項(支銷)／抵免	Taxation (charge)/credit	(1,392)	(2,848)	2,441	(1,951)	(1,918)
年度溢利／(虧損)	Profit/(loss) for the year	24,827	164,395	65,590	(103,807)	36,851
以下人士應佔：	Attributable to:					
本公司擁有人	Owners of the Company	(8,083)	204,388	90,604	(92,547)	36,880
非控股權益	Non-controlling interests	32,910	(39,993)	(25,014)	(11,260)	(29)
		24,827	164,395	65,590	(103,807)	36,851

資產及負債

Assets and liabilities

於十二月三十一日

As at 31st December

		二零一零年 2010 千港元 HK\$' 000	二零零九年 2009 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	二零零六年 2006 千港元 HK\$' 000
資產總值	Total assets	3,345,092	3,190,275	2,605,167	2,307,603	789,037
負債總額	Total liabilities	(765,136)	(870,882)	(902,192)	(1,132,142)	(92,828)
		2,579,956	2,319,393	1,702,975	1,175,461	696,209
本公司擁有人應佔權益	Equity attributable to owners of the Company	2,302,775	2,075,122	1,418,711	1,174,133	694,827
非控股權益	Non-controlling interests	277,181	244,271	284,264	1,328	1,382
		2,579,956	2,319,393	1,702,975	1,175,461	696,209



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