

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

1. 一般事項

本公司乃於百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司上市。

本集團之主要業務為電影製作、發行電影及電視連續劇、提供藝員管理服務及提供後期製作服務。

2. 近期頒佈之會計準則之潛在影響

二零零四年，香港會計師公會（「香港會計師公會」）已頒佈多項新訂及經修訂香港會計準則（「香港會計準則」）及香港財務申報準則（「香港財務申報準則」）（統稱「新香港財務申報準則」），該等準則於二零零五年一月一日或以後開始之會計期間生效。本集團並無提早於截至二零零四年十二月三十一日止年度之財務報表中採納該等新香港財務申報準則。

本集團已開始考慮該等新香港財務申報準則之潛在影響。根據管理層之初步評估，於二零零五年一月一日開始之會計年度採納香港財務申報準則第三條「業務合併」及香港會計準則第三十六條「資產減值」將導致停止於收入表內攤銷商譽。根據香港財務申報準則第三條「業務合併」及香港會計準則第三十六條「資產減值」，商譽將獲確認為資產，並至少按年度審核商譽有否減值，如有任何減值則即時於收入表內確認。然而，本集團之現行政策乃以直線法按商譽之可使用年期攤銷商譽，並倘於年終出現減值跡象時審核商譽有否減值。於截至二零零四年十二月三十一日止年度，自收入表中扣除因購入附屬公司及聯營公司而產生之商譽攤銷約為28,732,000港元。

本集團尚在考慮其他新香港財務申報準則之潛在影響，惟仍未能確定其他新香港財務申報準則對編製及呈列經營業績及財務狀況之方式有否重大影響。其他新香港財務申報準則或會導致日後編製及呈列業績及財務狀況之方式有所變動。

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The principal activities of the Group are film production, distribution of motion pictures and television drama series, provision of artists management services and provision of post-production services.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new and revised Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as the "New HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005. The Group has not early adopted these New HKFRSs in the financial statements for the year ended 31st December, 2004.

The Group has commenced considering the potential impact of these New HKFRSs. Based on management's preliminary assessment, the adoption of HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets" in the accounting period beginning on 1st January, 2005 will result in cessation of amortisation of goodwill to the income statement. Pursuant to HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets", goodwill is to be recognised as an asset and reviewed for impairment at least annually and any impairment is recognised immediately in the income statement while the Group's current policy is to amortise goodwill on a straight-line basis over its useful economic life and reviewed for impairment if there are indicators of impairment at the year end. During the year ended 31st December, 2004, the amortisation of goodwill arising on acquisition of subsidiaries and associates charged to the income statement amounted to approximately HK\$28,732,000.

The Group is still considering the potential impact of other New HKFRSs but is not yet in a position to determine whether other New HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. Other New HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

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3. 主要會計政策

財務報表根據香港公認之會計原則以歷史成本會計法就投資物業重估及證券投資修訂而編製，所採納之主要會計政策如下：

綜合基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

年內收購或出售之附屬公司之業績分別由收購生效日期起或直至出售生效日期止(如適用)計入綜合收入表內。

收入之確認

發行費收入在母帶交付後確認。

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、廣告收入、管理費用收入及製作費收入於提供服務時確認。

投資所產生之股息收入於本集團有權收取有關款項時予以確認。

利息收入根據尚未收回之本金及適用利率按時間比例基準累計。

來自經營租約之租金收入於有關租賃期內按直線法確認。

減值

本集團會於每年結算日檢討有形及無形資產之賬面值，以確定該等資產有否出現減值虧損。倘估計資產之可收回數額降低至低於其賬面值，則該資產之賬面值將調減至可收回數額之水平，並會即時將減值虧損列作開支。

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties and investments in securities, and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

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

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

Revenue recognition

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

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

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

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

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

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

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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. Impairment loss is recognised as an expense immediately.

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3. 主要會計政策 (續)

減值 (續)

倘減值虧損其後減少，則有關資產之賬面值將回升至重新估計之可收回數額，而所增加之賬面值不得超過假設該資產於過往年度並無確認減值虧損而釐定之賬面值。減值虧損之回撥將即時列作收入。

稅項

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與收入表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入及開支，並且不包括從不應課稅及扣稅之收支項目。

遞延稅項為就財務報表中資產及負債之賬面值及計算應課稅溢利所用相應稅基間之差額而須支付或收回之稅項，並採用資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差額確認，而遞延稅項資產乃按可能出現可利用暫時時差扣稅之應課稅溢利時提撥。若於一項交易中，因商譽(或負商譽)或因業務合併以外原因開始確認其他資產及負債而引致之暫時時差即不影響應課稅溢利、亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司及聯營公司之投資而引致之應課稅暫時差額而確認，惟若本集團可令暫時差額回撥及暫時差額有可能未於可見將來回撥之情況除外。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the 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.

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 net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items of income and expense that are never taxable and deductible.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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3. 主要會計政策 (續)

稅項 (續)

遞延稅項乃按預期於負債清償或資產變現之年度之適用稅率計算。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。

物業、機器及設備

物業、機器及設備乃按成本減折舊及任何累積減值虧損列賬。

折舊或攤銷乃用以撇銷物業、機器及設備項目之成本，經計算其估計餘值後，按其估計可使用年限依直線法計算，年率如下：

租約土地	剩餘租約年期
樓宇	4.5% – 5%
租賃物業裝修	20% – 25%
傢俬及裝置	10% – 20%
機器及設備	18% – 25%
汽車	15% – 20%

當資產出售或棄用時，其盈虧為出售資產所得款項及資產賬面值兩者之差額，在收入表內確認。

投資物業

投資物業為已完成並可作投資用途而持有之物業，其任何租金收入經公平磋商釐定。

投資物業乃以其公開市值列賬。因重估投資物業而產生之重估增減，則計入投資物業重估儲備或自該儲備扣除，除非儲備結餘不足以抵銷重估減值。若情況如此，重估減值高出投資物業重估儲備之部份則自收入表扣除。減值如先前已自收入表扣除，而其後產生重估增值，此增值則計入收入表，惟數額以先前扣除之減值為限。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited in the 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.

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any accumulated impairment losses.

Depreciation or amortisation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold land	Over the term of the lease
Buildings	4.5% – 5%
Leasehold improvements	20% – 25%
Furniture and fixtures	10% – 20%
Machinery and equipment	18% – 25%
Motor vehicles	15% – 20%

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

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

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3. 主要會計政策 (續)

投資物業 (續)

出售投資物業時，有關物業應佔投資物業重估儲備結餘之部份乃轉撥入收入表。

除非有關租約之未屆滿租期少於20年，否則不就投資物業計提折舊。

於附屬公司投資

於附屬公司投資按成本減任何可鑑別減值虧損列入本公司之資產負債表。

商譽

綜合賬目而產生之商譽指本集團所佔附屬公司或聯營公司之個別資產及負債於收購日期之收購成本高於公平價值之差額。

於二零零一年一月一日前因收購而產生之商譽繼續保存在儲備，當出售有關附屬公司或聯營公司時或斷定商譽減值時自收入表中扣除。

於二零零一年一月一日或之後因收購而產生之商譽撥充資本，並以直線法按估計可使用年期攤銷。收購聯營公司而產生之商譽計入聯營公司賬面值。收購附屬公司而產生之商譽以獨立無形資產方式呈報。

出售附屬公司或聯營公司而計算出售之盈虧時，加入應佔未攤銷商譽或先前於儲備對銷或於儲備入賬之商譽計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Investments in subsidiaries

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

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition.

Goodwill arising on acquisitions prior to 1st January, 2001 continues to be held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary or associate or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisitions on or after 1st January, 2001 is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of associates is included in the carrying amount of the associates. Goodwill arising on the acquisition of subsidiaries is presented as a separate intangible asset.

On disposal of a subsidiary or an associate, the attributable amount of unamortised goodwill or goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal.

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3. 主要會計政策 (續)

於聯營公司權益

綜合收入表包括本集團在本年度內應佔聯營公司之收購後業績。於綜合資產負債表內，於聯營公司權益按本集團應佔之聯營公司資產淨額加上至目前為止仍未於收入表攤銷之溢價減可鑑別減值虧損列賬。倘本集團與其聯營公司進行交易，未變現溢利及虧損將予抵銷，惟以本集團於相關聯營公司之權益為限，倘未變現虧損提供已轉讓資產之減值憑證則除外。

本公司應佔之聯營公司業績按年度內已收或應收之股息為基準計算。於本公司之資產負債表內，於聯營公司投資乃按成本減任何可鑑別減值虧損列賬。

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。

應收可換股票據

除非實際兌換，否則應收可換股票據列作資產另行披露。有關在收入表確認之應收可換股票據利息收入，按應收可換股票據於各財務年度之結餘計算，以定期定額入賬。

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可鑑別減值虧損入賬。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates plus the premium paid on acquisition in so far as it has not already been amortised to the income statement, less any identified impairment loss. When the Group transacts with its associates, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associates, except where unrealised loss provide evidence of an impairment of the asset transferred.

The results of associates are accounted for by the Company on the basis of dividends received or receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any identified impairment loss.

Inventories

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

Convertible notes receivables

Convertible notes receivables are separately disclosed and regarded as assets unless conversion actually occurs. The interest income recognised in the income statement in respect of the convertible notes receivables is calculated so as to produce a constant periodic rate of income on the remaining balances of the convertible notes receivables for each financial year.

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 (續)

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可鑑別之減值虧損入賬。成本將於完成後轉撥為電影版權入賬。

證券投資

證券投資乃於交易當日確認，初期以成本入賬。

所有證券於隨後之報告日，以公平價值入賬。

如證券乃持作買賣用途，則未變現溢利及虧損均包括在有關年度的溢利或虧損淨額內。至於其他證券，未變現溢利及虧損則在股本中處理，直至有關證券被出售或獲確認將予減值，在該情況下，有關累計溢利或虧損則包括在該年度的溢利或虧損淨額內。

可換股貸款票據

除非實際兌換，否則可換股貸款票據列作負債另行披露。有關在收入表確認之可換股票據融資成本，按可換股貸款票據於各財務年度之結餘計算，以定期定額扣除。

有關發行可換股貸款票據之費用於發行年度自收入表扣除。

負商譽

負商譽指本集團佔附屬公司之個別資產及負債於收購日期之公平價值高於收購成本之差額。

於二零零一年一月一日前因收購而產生之負商譽繼續保存在儲備，並於出售有關附屬公司時自收入表中抵免。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

All securities are measured at subsequent reporting dates at fair value.

Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the year. For other securities, unrealised gains and losses are dealt with in equity, until the securities are disposed of or are determined to be impaired, at which time the cumulative gain or loss is included in net profit or loss for the year.

Convertible loan note

Convertible loan note is separately disclosed and regarded as a liability unless conversion actually occurs. The finance cost recognised in the income statement in respect of the convertible loan note is calculated so as to produce a constant periodic rate of charge on the remaining balances of the convertible loan note for each financial year.

The costs incurred in connection with the issue of convertible loan note is charged to the income statement in the year of issue.

Negative goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition over the cost of acquisition.

Negative goodwill arising on acquisitions prior to 1st January, 2001 continues to be held in reserves and will be credited to income statement at the time of disposal of the relevant subsidiary.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

3. 主要會計政策 (續)

外幣

外幣交易先按交易日期之通行匯率入賬。以外幣計算之貨幣資產與負債按結算日之通行匯率再換算。匯兌盈虧乃計入本年度之溢利或虧損淨額內。

編製綜合賬目時，本集團在香港以外營運之資產與負債乃按結算日通行之匯率換算，收支項目按本年度平均匯率換算。一切匯兌差額（如有）乃列作股本及轉撥入本集團換算儲備。上述換算差額乃於出售業務年度確認為收入及支出。

經營租約

倘出租人仍擁有資產擁有權之絕大部份回報及風險，則有關租約列作經營租約。

經營租約之應付租金按有關租期以直線法在收入表中支銷。

退休福利成本

對本集團退休福利計劃之支款於到期應付時列作開支入賬。

4. 營業額

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the year.

On consolidation, the assets and liabilities of the Group's operations outside Hong Kong are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessors are accounted for as operating leases.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the relevant lease term.

Retirement benefits costs

Payments to the Group's retirement benefits schemes are charged as an expense as they fall due.

4. TURNOVER

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
發行費收入	Distribution fee income	153,745	200,332
銷售錄影帶產品	Sales of video products	1,387	4,817
服務收入	Service income	1,419	2,946
製作費收入	Production fee income	8,756	5,762
廣告收入	Advertising income	—	50
		165,307	213,907

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

5. 分類資料

董事呈報地域分類為本集團之主要分類資料。

地區分類

下表按市場位置分析本集團之銷售：

截至二零零四年十二月三十一日止年度之收入表

5. SEGMENT INFORMATION

The directors report the geographical segments as the Group's primary segment information.

Geographical segments

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

Income statement for the year ended 31st December, 2004

		香港及 澳門 Hong Kong and Macau 千港元 HK\$'000	中華人民 共和國 (不包括 香港、澳門 及台灣) ("中國") People's Republic of China excluding Hong Kong, Macau and Taiwan ("PRC") 千港元 HK\$'000	歐美 America and Europe 千港元 HK\$'000	東南亞 South-East Asia 千港元 HK\$'000	其他 Other 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
營業額	Turnover	104,928	17,029	11,175	28,582	3,593	165,307
銷售及服務成本	Cost of sales and services	(77,581)	(27,022)	(1,918)	(20,979)	(4,349)	(131,849)
市場推廣及發行開支	Marketing and distribution expenses	(36,147)	(12,872)	(616)	(2,009)	(241)	(51,885)
分類業績	Segment results	(8,800)	(22,865)	8,641	5,594	(997)	(18,427)
購入附屬公司 而產生之 商譽攤銷	Amortisation of goodwill arising on acquisition of subsidiaries						(15,451)
購入附屬公司而產生 之商譽之已確認 減值虧損	Impairment loss recognised in respect of goodwill arising on acquisition of subsidiaries						(33,500)
製作中電影之 已確認減值虧損	Impairment loss recognised in respect of films in progress						(9,042)
電影版權之 已確認減值虧損	Impairment loss recognised in respect of film rights						(30,104)
證券投資虧損 淨額	Net loss on investments in securities						(5,637)
其他經營收入	Other operating income						6,896
投資物業重估 盈餘	Revaluation surplus on investment properties						2,381
未分類公司開支	Unallocated corporate expenses						(52,979)
經營虧損	Loss from operations						(155,863)
融資成本	Finance costs						(1,479)
應佔聯營公司業績	Share of results of associates	9,326	(107,860)	-	-	-	(98,534)
購入聯營公司而產生 之商譽攤銷	Amortisation of goodwill arising on acquisition of associates	(6,541)	(6,740)	-	-	-	(13,281)
購入聯營公司而產生 之商譽之已確認減值 虧損	Impairment loss recognised in respect of goodwill on acquisition of associates	-	(40,925)	-	-	-	(40,925)
出售附屬公司之溢利	Gain on disposal of subsidiaries						7,524
除稅前虧損	Loss before taxation						(302,558)
稅項支銷	Taxation charge						(862)
未計少數股東權益 前虧損	Loss before minority interests						(303,420)

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

5. 分類資料 (續)

地區分類 (續)

截至二零零三年十二月三十一日止年度之收入表

5. SEGMENT INFORMATION (Continued)

Geographical segments (Continued)

Income statement for the year ended 31st December, 2003

		香港及 澳門 Hong Kong and Macau 千港元 HK\$'000	中國 PRC 千港元 HK\$'000	歐美 America and Europe 千港元 HK\$'000	東南亞 South-East Asia 千港元 HK\$'000	其他 Other 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
營業額	Turnover	118,929	33,562	18,976	40,436	2,004	213,907
銷售及服務成本	Cost of sales and services	(76,775)	(23,914)	(9,337)	(33,604)	(858)	(144,488)
市場推廣及發行開支	Marketing and distribution expenses	(44,516)	(5,753)	(2,260)	(1,453)	(23)	(54,005)
分類業績	Segment results	(2,362)	3,895	7,379	5,379	1,123	15,414
購入附屬公司而產生之商譽攤銷	Amortisation of goodwill arising on acquisition of subsidiaries						(17,582)
購入附屬公司而產生之商譽之已確認減值虧損	Impairment loss recognised in respect of goodwill arising on acquisition of subsidiaries						(16,000)
製作中電影之已確認減值虧損	Impairment loss recognised in respect of films in progress						(12,500)
證券投資之溢利淨額	Net gain on investments in securities						2,586
其他經營收入	Other operating income						3,079
未分類公司開支	Unallocated corporate expenses						(85,540)
經營虧損	Loss from operations						(110,543)
融資成本	Finance costs						(1,257)
出售聯營公司虧損	Loss on disposal of associates						(178)
認股權證到期之溢利	Gain on expiry of warrants						23,868
應佔聯營公司業績	Share of results of associates	-	47,955	-	-	-	47,955
購入聯營公司而產生之商譽攤銷	Amortisation of goodwill arising on acquisition of associates	-	(9,276)	-	-	-	(9,276)
購入聯營公司而產生之商譽之已確認減值虧損	Impairment loss recognised in respect of goodwill arising on acquisition of associates	-	(5,000)	-	-	-	(5,000)
除稅前虧損	Loss before taxation						(54,431)
稅項抵免	Taxation credit						155
未計少數股東權益前虧損	Loss before minority interests						(54,276)

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

5. 分類資料 (續)

地區分類 (續)

依董事之意見，由於沒有合適按市場位置分類資產及負債之基準，因此並無呈列按市場位置分類之資產及負債分析。

分類資產、添置物業、機器及設備之賬面值及分類負債之賬面值按資產分佈地區分析如下：

於二零零四年十二月三十一日之資產負債表

		香港及澳門 Hong Kong and Macau 千港元 HK\$'000	中國 PRC 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
分類資產	Segment assets	663,090	4,790	667,880
分類負債	Segment liabilities	148,945	5,398	154,343
添置物業、機器 及設備	Additions of property, plant and equipment	2,512	—	2,512

於二零零三年十二月三十一日之資產負債表

		香港及澳門 Hong Kong and Macau 千港元 HK\$'000	中國 PRC 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
分類資產	Segment assets	941,475	11,611	953,086
分類負債	Segment liabilities	174,142	3,757	177,899
添置物業、機器 及設備	Additions of property, plant and equipment	2,709	27	2,736

業務分類

由於本集團之營業額及業績主要來自電影發行，因此並無呈列業務分類之分析。

5. SEGMENT INFORMATION (Continued)

Geographical segments (Continued)

No analysis of assets and liabilities by location of markets is disclosed as, in the opinion of the directors, there is no appropriate basis in allocating the assets and liabilities by location of markets.

The following is an analysis of the carrying amount of segment assets, additions of property, plant and equipment and the carrying amount of segment liabilities analysed by the geographical area in which the assets are located:

Balance sheet as at 31st December, 2004

		香港及澳門 Hong Kong and Macau 千港元 HK\$'000	中國 PRC 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
分類資產	Segment assets	663,090	4,790	667,880
分類負債	Segment liabilities	148,945	5,398	154,343
添置物業、機器 及設備	Additions of property, plant and equipment	2,512	—	2,512

Balance sheet as at 31st December, 2003

		香港及澳門 Hong Kong and Macau 千港元 HK\$'000	中國 PRC 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
分類資產	Segment assets	941,475	11,611	953,086
分類負債	Segment liabilities	174,142	3,757	177,899
添置物業、機器 及設備	Additions of property, plant and equipment	2,709	27	2,736

Business segments

As the Group's turnover and results are substantially derived from film distribution, no analysis by business segment is presented.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

6. 其他經營收入

6. OTHER OPERATING INCOME

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
銀行存款所享利息	Interest earned on bank deposits	141	288
應收貸款所享利息	Interest earned on loan receivable	592	–
可換股票據所享利息	Interest earned on convertible notes	754	338
投資物業之租金收入	Rental income from investment properties	250	250
應收聯營公司管理費收入	Management fee income from associates	3,860	–
雜項收入	Sundry income	1,299	2,203
		6,896	3,079

7. 經營虧損

7. LOSS FROM OPERATIONS

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
經營虧損已扣除(計入)：	Loss from operations has been arrived at after charging (crediting):		
電影版權攤銷(包括在銷售及服務成本內)	Amortisation of film rights (included in cost of sales and services)	118,987	138,405
核數師酬金	Auditors' remuneration	1,093	1,016
存貨成本(包括在銷售及服務成本內)	Cost of inventories (included in cost of sales and services)	642	2,814
物業、機器及設備之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	14,144	14,536
出售物業、機器及設備之虧損	Loss on disposal of property, plant and equipment	2,301	756
匯兌虧損淨額	Net foreign exchange losses	7	1,142
證券投資之已變現虧損(溢利)淨額	Net realised loss (gain) on investments in securities	893	(22)
證券投資之未變現虧損(溢利)淨額	Net unrealised loss (gain) on investments in securities	4,744	(2,564)
土地及樓宇之經營租約租金	Operating lease rental in respect of land and buildings	2,356	3,312
職員開支(包括董事酬金)	Staff costs including directors' emoluments	18,999	25,493

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

8. 融資成本

8. FINANCE COSTS

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
須於五年內全數償還之 可換股貸款票據利息	Interest on convertible loan note wholly repayable within five years	800	800
須於五年內全數償還 之銀行借貸利息	Interest on bank borrowings wholly repayable within five years	182	–
不須於五年內全數償還 之銀行借貸利息	Interest on bank borrowings not wholly repayable within five years	497	457
		1,479	1,257

9. 董事酬金

9. DIRECTORS' EMOLUMENTS

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
董事袍金：	Directors' fees:		
執行	Executive	–	–
獨立非執行	Independent non-executive	190	160
執行董事之其他酬金：	Other emoluments of executive directors:		
薪金及其他津貼	Salaries and other allowances	4,464	4,464
退休福利計劃供款	Retirement benefits scheme contributions	36	36
		4,690	4,660

董事酬金範圍如下：

The emoluments of the directors fell within the following bands:

		董事人數 Number of directors	
		二零零四年 2004	二零零三年 2003
無至1,000,000港元	Nil to HK\$1,000,000	4	3
1,500,001港元至 2,000,000港元	HK\$1,500,001 to HK\$2,000,000	1	1
2,000,001港元至 2,500,000港元	HK\$2,000,001 to HK\$2,500,000	1	1
		6	5

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

9. 董事酬金 (續)

年內，本集團概無向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。亦無董事於年內放棄任何酬金。

10. 僱員酬金

本集團五位最高薪僱員包括兩位本公司董事(二零零三年：兩位)，其酬金詳情載於上文附註9。其餘三位(二零零三年：三位)最高薪僱員之酬金詳情如下：

9. DIRECTORS' EMOLUMENTS (Continued)

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

10. EMPLOYEES' EMOLUMENTS

The five individuals with highest emoluments included two (2003: two) directors of the Company, whose emoluments are set out in note 9 above. The details of the emoluments of the remaining three (2003: three) individuals were as follows:

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
薪金及其他津貼	Salaries and other allowances	2,232	2,376
退休福利計劃供款	Retirement benefits scheme contributions	36	36
		2,268	2,412

其餘三名(二零零三年：三名)最高薪僱員每位之酬金總額範圍於兩年內均為零至1,000,000港元不等。

The aggregated emoluments of each of these remaining three (2003: three) highest paid individuals fell within the band from Nil to HK\$1,000,000 for both years.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

11. 稅項(支銷)抵免

11. TAXATION (CHARGE) CREDIT

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
稅項(支銷)抵免如下：	The taxation (charge) credit are as follows:		
其他司法權區之稅項：	Taxation in other jurisdictions:		
本年度撥備	Provision for the year	(239)	(267)
過往年度撥備不足	Underprovision for prior years	(29)	-
本公司及其附屬公司 應佔稅項	Taxation attributable to the Company and its subsidiaries	(268)	(267)
攤佔聯營公司稅項	Share of taxation attributable to associates	(594)	422
		(862)	155

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 either as the Company and its subsidiaries have no assessable profits arising in Hong Kong or as assessable profits were wholly absorbed by estimated tax losses brought forward.

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.

年內，可與綜合收入表內除稅前虧損對賬之稅項如下：

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

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
除稅前虧損	Loss before taxation	302,558	54,431
按本地所得稅稅率17.5% 計算之稅項	Taxation at domestic income tax rate of 17.5%	52,948	9,525
未確認估計稅項虧損 之稅務影響	Tax effect of estimated tax losses not recognised	(15,641)	(18,166)
過往年度撥備不足	Underprovision for prior years	(29)	-
不可扣稅支出之稅務 影響	Tax effect of expenses not deductible for tax purpose	(40,362)	(12,404)
不應課稅收入之稅務影響	Tax effect of income not taxable for tax purpose	509	14,682
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	1,713	6,518
年內稅項(支銷)抵免	Taxation (charge) credit for the year	(862)	155

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

12. 每股虧損

每股基本及攤薄虧損乃按以下數據計算：

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
股東應佔虧損	Loss attributable to shareholders	<u>303,219</u>	<u>53,478</u>
股份數目	Number of shares		
計算每股普通股基本 及攤薄虧損 之加權平均股數	Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>306,504,409</u>	<u>258,982,653</u>

計算每股攤薄虧損並無：

The computation of diluted loss per share did not:

- (i) 假設於年內行使本公司尚未行使購股權、認股權證及可換股貸款票據，因該等行使會使每股虧損下降；及
- (ii) 就分佔一間聯營公司之業績作出調整，因轉換一間聯營公司發行之尚未行使可換股票據會導致每股虧損減少。

- (i) assume the exercise of the Company's outstanding share options, warrants and convertible loan notes existed during the year since their exercise would reduce loss per share; and
- (ii) adjust for the share of result of an associate as the conversion of outstanding convertible notes issued by an associate would result in a decrease in loss per share.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

13. 物業、機器及設備

13. PROPERTY, PLANT AND EQUIPMENT

		土地及 樓宇 Land and buildings	租約 物業裝修 Leasehold improvements	傢俬及裝置 Furniture and fixtures	機器 及設備 Machinery and equipment	汽車 Motor vehicles	總額 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
本集團	THE GROUP						
成本	COST						
於二零零四年一月一日	As at 1st January, 2004	21,379	5,508	15,742	62,536	3,468	108,633
添置	Additions	-	-	69	2,443	-	2,512
出售附屬公司	Disposal of subsidiaries	-	-	(123)	(4)	-	(127)
出售	Disposals	(479)	-	(577)	(21,294)	(604)	(22,954)
於二零零四年十二月三十一日	As at 31st December, 2004	20,900	5,508	15,111	43,681	2,864	88,064
折舊及減值	DEPRECIATION AND IMPAIRMENT						
於二零零四年一月一日	As at 1st January, 2004	4,671	4,774	8,793	42,236	1,935	62,409
年內折舊	Charged for the year	744	200	2,531	10,238	431	14,144
出售附屬公司時對銷	Eliminated on disposal of subsidiaries	-	-	(123)	(1)	-	(124)
出售時對銷	Eliminated on disposals	(223)	-	(469)	(19,313)	(543)	(20,548)
於二零零四年十二月三十一日	As at 31st December, 2004	5,192	4,974	10,732	33,160	1,823	55,881
賬面淨值	NET BOOK VALUES						
於二零零四年十二月三十一日	As at 31st December, 2004	15,708	534	4,379	10,521	1,041	32,183
於二零零三年十二月三十一日	As at 31st December, 2003	16,708	734	6,949	20,300	1,533	46,224

上述土地及樓宇之賬面淨值包括：

The net book value of land and buildings shown above comprises:

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
香港之土地及樓宇	Land and buildings in Hong Kong		
長期租約	Long lease	5,929	6,154
中期租約	Medium-term lease	9,779	10,276
香港以外之土地及樓宇	Land and buildings outside Hong Kong		
中期租約	Medium-term lease	-	278
		15,708	16,708

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

14. 投資物業

14. INVESTMENT PROPERTIES

		本集團 THE GROUP
		千港元 HK\$'000
於二零零四年一月一日	As at 1st January, 2004	31,360
重估盈餘	Revaluation surplus	7,290
於二零零四年 十二月三十一日	As at 31st December, 2004	<u>38,650</u>

投資物業乃由獨立專業估值師行中證評估有限公司以物業於二零零四年十二月三十一日之公開市值進行估值。該等估值產生重估盈餘7,290,000港元，其中2,381,000港元已計入收入表中以撥回同一資產之前之重估減值，而4,909,000港元已根據附註3所載之會計政策計入投資物業重估儲備中。

Investment properties were valued at their open market value as at 31st December, 2004 by Grant Sherman Appraisal Limited, an independent firm of professional valuers. These valuations gave rise to a revaluation surplus of HK\$7,290,000, of which HK\$2,381,000 have been credited to income statement to reverse a previous revaluation decrease on the same assets and HK\$4,909,000 have been credited to investment properties revaluation reserve in accordance with the accounting policy set out in note 3.

香港之投資物業以中期租約持有。

The investment properties are under medium-term lease in Hong Kong.

本集團之投資物業賬面值約38,650,000港元(二零零三年：27,800,000港元)已抵押作為擔保本集團所獲得之銀行貸款。

The Group's investment properties with the carrying value of approximately HK\$38,650,000 (2003: HK\$27,800,000) have been pledged to secure banking facilities granted to the Group.

15. 於附屬公司權益

15. INTERESTS IN SUBSIDIARIES

		本公司 THE COMPANY	
		二零零四年 2004	二零零三年 2003
		千港元 HK\$'000	千港元 HK\$'000
非上市股份之成本值	Unlisted shares, at cost	30,708	30,708
已確認減值虧損	Impairment loss recognised	<u>(30,299)</u>	<u>(30,299)</u>
		409	409
應收附屬公司款項	Amounts due from subsidiaries	1,758,466	1,658,776
應收附屬公司款項撥備	Allowance for amounts due from subsidiaries	<u>(1,015,984)</u>	<u>(704,984)</u>
		<u>742,482</u>	<u>953,792</u>
		<u>742,891</u>	<u>954,201</u>

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

15. 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。董事認為該款項應不會於未來十二個月內償還。

本公司於二零零四年十二月三十一日之主要附屬公司詳情載於附註39。

15. INTERESTS IN SUBSIDIARIES (Continued)

The amounts due from subsidiaries are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of directors, the amount will not be repaid in the next twelve months.

Details of the Company's principal subsidiaries at 31st December, 2004 are set out in note 39.

16. 商譽

16. GOODWILL

本集團
THE GROUP
千港元
HK\$'000

成本	COST	
於二零零四年一月一日 及二零零四年 十二月三十一日	As at 1st January, 2004 and 31st December, 2004	175,815
攤銷及減值	AMORTISATION AND IMPAIRMENT	
於二零零四年一月一日	As at 1st January, 2004	67,661
本年度攤銷	Amortised for the year	15,451
已確認減值虧損	Impairment loss recognised	33,500
於二零零四年 十二月三十一日	As at 31st December, 2004	116,612
賬面值	CARRYING AMOUNTS	
於二零零四年 十二月三十一日	As at 31st December, 2004	59,203
於二零零三年 十二月三十一日	As at 31st December, 2003	108,154

商譽所採用之攤銷期為10年。

The amortisation period adopted for goodwill is 10 years.

董事已重估商譽於二零零四年十二月三十一日之可收回金額，並根據二零零四年十二月三十一日由獨立專業估值師行中證評估有限公司之估值而計算，並確認減值虧損約33,500,000港元於收入表內。上述估值乃按折現率23.3%將預計現金流量折現所得之預計日後電影發行收入現值而計算。

The directors reassessed the recoverable amount of goodwill as at 31st December, 2004 by reference to the valuation as at 31st December, 2004 performed by Grant Sherman Appraisal Limited, an independent firm of professional valuers, and determined an impairment loss of approximately HK\$33,500,000 be recognised in the income statement. The valuation was determined based on the present value of the expected future revenue arising from the distribution of films, which was derived from discounting the projected cash flows by a discount rate of 23.3%.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

17. 於聯營公司權益

17. INTERESTS IN ASSOCIATES

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
應佔資產淨值	Share of net assets	38,249	138,629
商譽 (附註 a)	Goodwill (Note a)	37,065	57,665
		75,314	196,294
一間聯營公司所發行之 可換股票據 (附註 b)	Convertible notes issued by an associate (Note b)	33,800	33,800
		109,114	230,094
減：一年內到期並列入 流動資產之可換 股票據 (附註 20)	Less: Convertible notes due within one year and shown under current assets (Note 20)	(33,800)	—
		75,314	230,094
上市股份市值	Market value of listed shares	627,244	573,147

附註：

(a) 購入聯營公司而產生之商譽變動如下：

Notes:

(a) Details of movements in goodwill arising on acquisition of associates are as follows:

		千港元 HK\$'000
成本	COST	
於二零零四年一月一日	As at 1st January, 2004	74,096
過往年度收購一家聯營 公司之代價調整*	Adjustment to consideration for the acquisition of an associate in prior year*	(10,000)
購入 Together Again Limited (「TAL」) 而產生之商譽	Arising on acquisition of Together Again Limited ("TAL")	43,606
於二零零四年 十二月三十一日	As at 31st December, 2004	107,702
攤銷及減值	AMORTISATION AND IMPAIRMENT	
於二零零四年一月一日	As at 1st January, 2004	16,431
本年度攤銷**	Amortised for the year**	13,281
已確認減值虧損***	Impairment loss recognised***	40,925
於二零零四年 十二月三十一日	As at 31st December, 2004	70,637
賬面值	CARRYING AMOUNTS	
於二零零四年 十二月三十一日	As at 31st December, 2004	37,065
於二零零三年 十二月三十一日	As at 31st December, 2003	57,665

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

17. 於聯營公司權益 (續)

附註：(續)

* 根據本集團、賣方及賣方股東(作為擔保人)訂立之買賣協議及補充協議，賣方保證本集團之聯營公司Golden Capital International Limited(「Golden Capital」)截至二零零三年十二月三十一日止年度之股息將不會少於10,000,000港元。賣方及賣方股東同意支付本集團一筆合共相等於10,000,000港元與本集團實際所收股息兩者差額之款項(「損害賠償」)。Golden Capital並無就截至二零零三年十二月三十一日止年度宣派股息。年內，賣方股東同意支付損害賠償，本集團已收到其中4,000,000港元，二零零四年十二月三十一日之餘額6,000,000港元已計入資產負債表內按金、預付款項及其他賬款賬目內。而損害賠償之餘額6,000,000港元則已於二零零五年四月收取。因此，收購Golden Capital之代價已作出相應調整。

於二零零四年三月十五日，賣方股東向本集團授出一項期權，規定賣方股東按總代價25,000,000港元向本集團購入Golden Capital股本中合共356股每股1美元之股份(相等於本集團在Golden Capital之全部股權)。倘Golden Capital於截至二零零四年十二月三十一日止年度之經審核賬目所示之除稅後但未扣除特殊項目溢利淨額少於14,600,000港元之情況下，則本集團可行使該期權。

** 就商譽採用之攤銷期為五至十年。

*** 由於豐采多媒體集團有限公司(「豐采多媒體」)及其附屬公司(統稱「豐采集團」)所產生之虧損，董事重新評估收購豐采集團所產生之商譽之可收回數額及確認減值虧損25,472,000港元。

董事重新評估購入Golden Capital及其附屬公司北京澳昌科技有限公司(統稱「Golden Capital Group」)所產生之商譽之可收回數額並確認減值虧損15,453,000港元。

(b) 該等由豐采多媒體發行之可換股票據按年利率1厘計息，須每半年支付前期股息，並將於二零零五年四月十九日到期。於到期前，本集團或豐采多媒體均無權贖回或要求贖回該等可換股票據。該等可換股票據附有權利可於二零零五年四月十九日或之前隨時按每股4.0港元之初步兌換價將票據之全部或部份未兌換本金兌換為豐采多媒體股本中每股面值0.10港元之普通股，而本集團亦可轉撥全部或部份未兌換本金。結算日之後，本集團並無行使權利，將可換股票據兌換為豐采多媒體之股本。詳情載於附註41(e)。

17. INTERESTS IN ASSOCIATES (Continued)

Notes: (Continued)

* Pursuant to a sales and purchase agreement and a supplemental agreement entered into among the Group, the vendor and the vendor's shareholder (who acted as the guarantor), the vendor warranted that dividends from Golden Capital International Limited ("Golden Capital"), an associate of the Group, for the year ended 31st December, 2003 would not be less than HK\$10,000,000. The vendor and the vendor's shareholder agreed to pay the Group a sum equivalent to the shortfall between HK\$10,000,000 and the actual dividends received by the Group ("Liquidated Damage"). No dividend was declared by Golden Capital for the year ended 31st December, 2003. During the year, the vendor's shareholder agreed to pay the Liquidated Damage, of which HK\$4,000,000 were received by the Group and the remaining balance of HK\$6,000,000 at 31st December, 2004 was included in deposits, prepayments and other debtors account in the balance sheet. The balance of HK\$6,000,000 was subsequently received in April 2005. Therefore, the consideration for the acquisition of Golden Capital was adjusted accordingly.

On 15th March, 2004, the vendor's shareholder granted to the Group an option to require the vendor's shareholder to purchase from the Group an aggregate of 356 shares of US\$1 each in the share capital of Golden Capital, representing the Group's entire shareholding in Golden Capital, at an aggregate consideration of HK\$25,000,000. The Group may exercise the option in the event that the net profits after taxation but before extraordinary items as shown in the audited accounts of Golden Capital for the year ending 31st December, 2004 is less than HK\$14,600,000.

** The amortisation period adopted for goodwill is 5 to 10 years.

*** Due to losses incurred by Riche Multi-Media Holdings Limited ("Riche Multi-Media") and its subsidiaries (collectively the "Riche Group"), the directors reassessed the recoverable amount of goodwill arising on the acquisition of the Riche Group and recognised an impairment loss of HK\$25,472,000.

The directors reassessed the recoverable amount of goodwill arising on the acquisition of Golden Capital and its subsidiary, 北京澳昌科技有限公司, (collectively "Golden Capital Group") and recognised an impairment loss of HK\$15,453,000.

(b) The convertible notes were issued by Riche Multi-Media and bear interest at 1% per annum which is payable semi-annually in arrears and will mature on 19th April, 2005. Prior to maturity, neither the Group nor Riche Multi-Media has the right to redeem or request for redemption of the convertible notes. The convertible notes carry the right to convert the whole or any part of the outstanding principal amount of the notes into ordinary shares of HK\$0.10 each in the share capital of Riche Multi-Media at an initial conversion price of HK\$4.0 per share at any time on or before 19th April, 2005. The convertible notes may be transferred in whole or in part of the outstanding principal amount into the share capital of Riche Multi-Media by the Group. Subsequent to the balance sheet date, the Group did not exercise the right to convert the convertible notes into share capital of Riche Multi-media. Details are set out in note 41(e).

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

17. 於聯營公司權益 (續)

主要聯營公司於二零零四年十二月三十一日之詳情載於附註40。

以下詳情摘錄自本集團主要聯營公司經審核綜合財務報表：

17. INTERESTS IN ASSOCIATES (Continued)

Details of the principal associates at 31st December, 2004 are set out in note 40.

The following details have been extracted from the audited consolidated financial statements of the Group's significant associates:

		TAL		豐采多媒體 Riche Multi-Media	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
營業額	Turnover	25,003	—	58,382	206,996
除稅前溢利(虧損)	Profit (loss) before taxation	30,368	—	(268,113)	116,089
除稅後本集團應佔 溢利(虧損)	Profit (loss) after taxation attributable to the Group	8,846	—	(108,880)	47,566
非流動資產	Non-current assets	4,078	—	25,616	288,316
流動資產	Current assets	33,625	—	109,518	158,785
流動負債	Current liabilities	29,858	—	64,310	75,638
非流動負債	Non-current liabilities	—	—	—	33,808
資產淨值	Net assets	7,845	—	70,824	337,655
本集團應佔資產 淨值	Net assets attributable to the Group	3,844	—	28,804	137,122

18. 應收貸款

18. LOAN RECEIVABLE

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
應收貸款	Loan receivable	25,000	14,571
呆壞賬撥備	Allowance for bad and doubtful debts	—	(5,804)
		25,000	8,767

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

18. 應收貸款 (續)

二零零三年十二月三十一日之應收貸款，為借予一間當時之所投資公司之股東貸款，以資助該當時所投資公司之業務。以該當時所投資公司為首之集團主要從事電影製作廠及相關設備發展（「影城」）。年內，本集團於該當時所投資公司之全部權益已出售予當時所投資公司之其他股東，而未償還應收貸款減撥備已由當時之所投資公司償還。

於二零零四年十二月三十一日之應收貸款詳情載於附註19(b)(i)。

19. 投資按金

(a) 年內，本集團與一名第三方訂立有條件買賣協議，據此，本集團同意購買而該第三者同意按12,000,000港元之代價出售一間公司之已發行股本30%。該公司之主要業務為在中國透過需求平台提供流動娛樂。有條件買賣協議須待該公司及其附屬公司之資產、負債、營運及事務之詳盡審核結果獲本集團信納後，方告完成。根據該有條件買賣協議，本集團已向該第三者支付可退回按金12,000,000港元。

年內，本集團並不滿意盡職審查之結果及決定不會收購該公司之30%股本權益。按金12,000,000港元於二零零四年十二月三十一日仍未償還。於二零零五年四月二十日，本集團與第三方訂立結算安排，據此，其中5,000,000港元已於二零零五年四月二十日收取，而餘額7,000,000港元將分別於二零零五年六月三十日、二零零五年九月三十日、二零零五年十二月三十一日及二零零六年三月三十一日或之前分四期按定額償還。

18. LOAN RECEIVABLE (Continued)

The loan receivable as at 31st December, 2003, represented a shareholder's loan made to a then investee company to finance the activity of this then investee company. The principal activity of the group headed by this then investee company is the development of film studio and ancillary facilities (the "Movie City"). During the year, the Group's entire interest in this then investee company was sold to the other shareholders of the then investee company and the outstanding loan receivable net of allowance made was settled by the then investee company.

Details of the loan receivable as at 31st December, 2004 are set out in note 19(b)(i).

19. DEPOSIT FOR INVESTMENT

(a) During the year, the Group entered into a conditional sale and purchase agreement with a third party pursuant to which the Group agreed to purchase and the third party agreed to sell 30% of the issued share capital of a company at a consideration of HK\$12,000,000. The principal activity of the company is the provision of mobile entertainment on demand platform in the PRC. The completion of the conditional sale and purchase agreement is conditional on the Group being satisfied with the results of the due diligent review of the assets, liabilities, operations and affairs of the company and its subsidiaries. Pursuant to the conditional sale and purchase agreement, the Group paid a refundable deposit of HK\$12,000,000 to the third party.

During the year, the Group did not satisfy with the results of the due diligence review and decided not to acquire the 30% equity interest of such company. The deposit of HK\$12,000,000 remained unsettled at 31st December, 2004. On 20th April, 2005, the Group entered into a settlement arrangement with the third party pursuant to which HK\$5,000,000 was received on 20th April, 2005 and the remaining balance of HK\$7,000,000 would be refunded by 4 equal instalments on or before 30th June, 2005, 30th September, 2005, 31st December, 2005 and 31st March, 2006 respectively.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

19. 投資按金 (續)

- (b) 根據本集團與第三方(「賣方」)於二零零二年訂立之意向書及契約，本集團將購入一間主要從事中國客車錄影帶廣告業務之公司(「有意所投資公司」)共49%股本權益，代價不多於98,000,000港元。根據意向書及契約，本集團向賣方支付按金49,000,000港元。倘本集團因任何理由未能信納有意所投資公司於財務及法例方面之盡職審查(「審查」)結果，按金將可退回。

於截至二零零三年十二月三十一日止年度，本集團並不信納審查結果，因此決定不收購有意所投資公司之49%股本權益。於二零零三年十二月三十一日，按金49,000,000港元仍未償還。

於二零零四年三月二十九日，本集團與賣方訂立下列結算安排：

- (i) 合共25,000,000港元(於二零零四年十二月三十一日之應收貸款(作為非流動資產)內入賬)將於二零零六年三月二十八日或之前償還。此金額將以年利率2厘計息，利息每半年支付，並由另一第三方擔保；
- (ii) 合共12,000,000港元將於二零零四年內償還予本集團，而於二零零四年三月，賣方已償還12,000,000港元予本集團；及
- (iii) 合共12,000,000港元將用作換取廣告代理向本集團提供總值12,000,000港元之廣告服務，由二零零四年四月一日起為期18個月。年內，本集團使用之廣告服務約6,655,000港元。於二零零四年十二月三十一日之餘額約5,345,000港元列入按金、預繳款項及其他應收賬款賬目內(作為流動資產)。

19. DEPOSIT FOR INVESTMENT (Continued)

- (b) Pursuant to the letters of intent and deed entered into between the Group and a third party (the "Vendor") during 2002, the Group would purchase an aggregate of 49% equity interest in a company ("Potential Investee Company") which principally engages in video advertising business on coaches in the PRC at a consideration of not more than HK\$98,000,000. Pursuant to the letters of intent and deed, the Group paid a deposit of HK\$49,000,000 to the Vendor and the deposit would be refundable if the Group did not satisfy with the results of the financial and legal due diligence review on the Potential Investee Company ("Review") for any reasons.

During the year ended 31st December, 2003, the Group did not satisfy with the results of the Review and decided not to acquire the 49% equity interest in the Potential Investee Company. The deposit of HK\$49,000,000 remained unsettled as at 31st December, 2003.

On 29th March, 2004, the Group entered into the following settlement arrangements with the Vendor:

- (i) the sum of HK\$25,000,000 (included in loan receivable as a non-current asset as at 31st December, 2004) would be repayable on or before 28th March, 2006. This amount bears an interest at 2% per annum, which would be payable semi-annually, and would be guaranteed by another third party;
- (ii) the sum of HK\$12,000,000 would be repaid to the Group during 2004. In March 2004, the Vendor settled the sum of HK\$12,000,000 to the Group; and
- (iii) the sum of HK\$12,000,000 would be exchanged for advertising services to be provided by an advertising agent to the Group with an aggregate value of HK\$12,000,000 for a period of 18 months commencing 1st April, 2004. During the year, the Group utilised advertising services amounting to approximately HK\$6,655,000. The remaining balance of approximately HK\$5,345,000 as at 31st December, 2004 was included in deposits, prepayments and other debtors account as a current asset.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

20. 應收可換股票據

20. CONVERTIBLE NOTES RECEIVABLES

		二零零四年 十二月 三十一日 31.12.2004 千港元 HK\$'000	二零零三年 十二月 三十一日 31.12.2003 千港元 HK\$'000
一間聯營公司發行之 可換股票據 (附註17(b))	Convertible notes issued by an associate (Note 17(b))	33,800	—
第三方發行之可換股票據 (附註)	Convertible notes issued by third parties (Note)	52,000	—
		85,800	—

附註：

於二零零四年三月十五日，本集團與TAL之控股公司 Colima Enterprises Holdings Inc. (「Colima」) 之兩名股東(「票據發行人」)訂立兩項認購協議，據此本集團認購由票據發行人所發行每批26,000,000港元之兩批可換股票據(「可換股票據」)，總代價為52,000,000港元。每批可換股票據之利息按年利率1厘計算，以有關票據發行人於Colima之全部股本權益之押記作擔保，並將於有關認購協議日期起計36個月或藝人管理業務之建議控股公司於認可證券交易所之上市日期(以較早者為準)到期。

每批可換股票據均附有權利，可根據有關認購協議載列之公式，由二零零五年三月十五日至二零零七年三月十四日或藝人管理業務之建議控股公司於認可證券交易所之上市日期(以較早者為準)，將可換股票據之全部或部份未償還本金額轉換為有關票據發行人之股份。倘本集團行使其權利以轉換可換股票據之全數款額為每名票據發行人之股份，則本集團將分別持有票據發行人各自約99%直接股本權益及以Colima為首集團之99%間接股本權益。

Note:

On 15th March, 2004, the Group entered into two subscription agreements with two shareholders ("Note Issuers") of Colima Enterprises Holdings Inc. ("Colima"), the holding company of TAL, pursuant to which the Group subscribed for two convertible notes of HK\$26,000,000 each ("Convertible Notes") issued by the Note Issuers for an aggregate consideration of HK\$52,000,000. Each of the Convertible Notes bears interest at 1% per annum, secured by a charge on the relevant Note Issuers' entire equity interest in Colima and will mature on 36 months from the date of the relevant subscription agreements or the date of the listing of a proposed holding company of the artists management business on a recognised stock exchange, whichever is the earlier.

Each of the Convertible Notes carries the rights to convert the whole or any part of the outstanding principal amount of the Convertible Notes into shares in relevant Note Issuer in accordance with the formula as set out in the relevant subscription agreement from 15th March, 2005 to 14th March, 2007 or the date of the listing of a proposed holding company of the artists management business on a recognised stock exchange, whichever is earlier. If the Group exercises its rights to convert the full amount of the Convertible Notes into shares of each of the Note Issuers, the Group will have approximately 99% direct equity interests in the Note Issuers and 99% indirect equity interest in the group headed by Colima respectively.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

21. 存貨

21. INVENTORIES

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
製成品	Finished goods	991	1,287

以上數額包括793,000港元(二零零三年: 1,011,000港元)以變現淨值計賬之製成品。

Included above are finished goods of HK\$793,000 (2003: HK\$1,011,000) which are carried at net realisable value.

22. 電影版權

22. FILM RIGHTS

		本集團 THE GROUP 千港元 HK\$'000
成本	COST	
於二零零四年一月一日	As at 1st January, 2004	939,046
添置	Additions	132,710
於二零零四年 十二月三十一日	As at 31st December, 2004	1,071,756
攤銷及減值	AMORTISATION AND IMPAIRMENT	
於二零零四年一月一日	As at 1st January, 2004	768,787
本年度攤銷	Amortised for the year	118,987
已確認減值虧損	Impairment loss recognised	30,104
於二零零四年 十二月三十一日	As at 31st December, 2004	917,878
賬面值	CARRYING AMOUNTS	
於二零零四年 十二月三十一日	As at 31st December, 2004	153,878
於二零零三年 十二月三十一日	As at 31st December, 2003	170,259

董事已重估電影版權於二零零四年十二月三十一日之可收回金額，並根據二零零四年十二月三十一日由獨立專業估值師行中證評估有限公司之估值而計算，確認於收入表內已確認約30,104,000港元之減值虧損。上述估值乃按折現率20.3%將預計現金流量折現所得之預期日後發行及轉授電影版權收入現值而計算。

The directors reassessed the recoverable amount of the film rights as at 31st December, 2004 by reference to the valuations as at 31st December, 2004 performed by Grant Sherman Appraisal Limited, an independent firm of professional valuers, and determined that an impairment of approximately HK\$30,104,000 be recognised in the income statement. The valuations were determined based on the present value of the expected future revenue arising from the distribution and sub-licensing of the film rights, which was derived from discounting the projected cash flows by a discount rate of 20.3%.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

23. 製作中電影

23. FILMS IN PROGRESS

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
製作中電影之成本值	Films in progress, at cost	40,650	95,759
已確認減值虧損	Impairment loss recognised	(9,042)	(21,300)
		31,608	74,459

董事已重估電影版權於二零零四年十二月三十一日之可收回金額。董事考慮到由該製作中電影所產生之額外成本及預計收益後，約9,042,000港元之減值虧損確認於收入表內。

The directors reassessed the recoverable amount of films in progress as at 31st December, 2004. Having taken into account of the additional costs to be incurred and estimated revenue to be generated from these films in progress, the directors determined an impairment loss of approximately HK\$9,042,000 be recognised in the income statement.

24. 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：

24. TRADE DEBTORS

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

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
豐采集團	The Riche Group		
0至30日	0 to 30 days	123	1,010
31至60日	31 to 60 days	116	3,834
61至90日	61 to 90 days	85	595
91至180日	91 to 180 days	1	5,082
超過180日	Over 180 days	—	3,782
		325	14,303
其他	Others		
0至30日	0 to 30 days	1,004	3,601
31至60日	31 to 60 days	270	539
61至90日	61 to 90 days	333	420
91至180日	91 to 180 days	2,316	524
超過180日	Over 180 days	7,720	10,389
		11,643	15,473
		11,968	29,776

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

25. 證券投資

25. INVESTMENTS IN SECURITIES

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
證券交易：	Trading securities:		
香港上市之股本股份， 按市值	Equity shares listed in Hong Kong, at market value	33,816	38,352

26. 應收聯營公司款項

本集團

應收聯營公司款項為應收TAL及其附屬公司(統稱「TAL集團」)及豐采集團之款項。該等款項無抵押、不計利息且無固定還款期。

26. AMOUNTS DUE FROM ASSOCIATES

THE GROUP

The amounts due from associates represent amounts due from TAL and its subsidiaries (collectively the "TAL Group") and Riche Group. They are unsecured, non-interest bearing and have no fixed repayment terms.

27. 已抵押之銀行存款

本集團

於二零零三年十二月三十一日，本集團已向銀行抵押約4,557,000港元之存款，以擔保本集團所獲得之銀行貸款。於二零零四年十二月三十一日，本集團並無抵押存款。

27. PLEDGED BANK DEPOSITS

THE GROUP

As at 31st December, 2003, the Group pledged deposits of approximately HK\$4,557,000 to a bank to secure the general banking facilities granted to the Group. There was no deposit pledged by the Group as at 31st December, 2004.

28. 貿易應付賬款

貿易應付賬款之賬齡分析如下：

28. TRADE CREDITORS

The aged analysis of the trade creditors is as follows:

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
0至30日	0 to 30 days	1,875	11,167
31至60日	31 to 60 days	4,391	1,730
61至90日	61 to 90 days	4,135	3,161
91至180日	91 to 180 days	3,480	3,925
超過180日	Over 180 days	11,406	11,900
		25,287	31,883

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

29. 借貸

29. BORROWINGS

		本集團 THE GROUP		本公司 THE COMPANY	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
有抵押銀行貸款	Secured bank loans	36,200	17,218	-	-
無抵押可換股 貸款票據	Unsecured convertible loan note	20,000	20,000	20,000	20,000
		56,200	37,218	20,000	20,000
上述借貸之到 期日如下：	The maturity of the above borrowings is as follows:				
一年內	Within one year	19,793	21,969	-	20,000
一年以上但不 超過兩年	More than one year but not exceeding two years	3,449	2,019	-	-
兩年以上但不 超過五年	More than two years but not exceeding five years	29,788	6,343	20,000	-
五年以上	More than five years	3,170	6,887	-	-
		56,200	37,218	20,000	20,000
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	(19,793)	(21,969)	-	(20,000)
一年後到期之款項	Amount due after one year	36,407	15,249	20,000	-

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

29. 借貸 (續)

有抵押銀行貸款包括循環貸款、分期貸款及按揭貸款，按商業利率計息，分期貸款以乃一項本集團於二零零五年初製作之一部電影之全部版權進行之第一法律押記作抵押。而循環貸款及按揭貸款則以本集團在香港之投資物業賬面值為38,650,000港元(二零零三年：27,800,000港元)及租賃土地及樓宇賬面值為5,361,000港元(二零零三年：無)作擔保。分期貸款分十八個月償還，循環貸款須按要求隨時償還，而按揭貸款則須於十年內分期攤還。

可換股貸款票據(「票據」)按年利率4厘計息，每半年期末支付利息一次。票據之原本到期日為二零零四年六月三十日。於二零零四年六月十四日，本公司與票據持有人訂立補充契約，據此本公司與票據持有人同意將票據之到期日延長至二零零七年六月三十日。票據附有權利，可按每股5.83港元(經調整，可作調整)之換股價將票據本金總額兌換本公司股本中為每股面值0.05港元之股份。自二零零四年六月十四日至緊接二零零七年六月三十日前第14個營業日，票據持有人可兌換票據之餘下本金額為本公司股份，並可要求提早償還票據之未償還本金額及應付利息。

29. BORROWINGS (Continued)

Secured bank loans comprise revolving loans, an instalment loan and a mortgage loan which bear interest at commercial rates. The instalment loan is secured by a first legal charge over all copyrights on a film produced by the Group in the beginning of 2005. The revolving loans and the mortgage loan are secured by the Group's investment properties and leasehold land and buildings in Hong Kong with carrying value of HK\$38,650,000 (2003: HK\$27,800,000) and HK\$5,361,000 (2003: nil) respectively. The instalment loan is repayable by 18 monthly instalments, the revolving loan is repayable on demand and the mortgage loan is repayable in instalments over a period of ten years.

The convertible loan note (the "Note") bears interest at 4% per annum which will be payable semi-annually in arrears. The original maturity date of the Note was 30th June, 2004. On 14th June, 2004, the Company and the noteholder entered into a supplemental deed, pursuant to which the Company and the noteholder agreed to extend the maturity date of the Note to 30th June, 2007. The Note carries the right to convert the principal amount of the Note into shares of HK\$0.05 each in the share capital of the Company at a conversion price of HK\$5.83 per share (after adjustments), subject to adjustment. From 14th June, 2004 to the 14th business day immediately preceding 30th June, 2007, the noteholder can convert the outstanding principal amount of the Note into shares of the Company and may request early repayment of the outstanding principal amount of the Note together with accrued interest.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

30. 股本

30. SHARE CAPITAL

		股份數目 Number of shares		金額 Amount	
		二零零四年 2004 千股 '000	二零零三年 2003 千股 '000	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
每股面值0.05港元 之普通股	Ordinary shares of HK\$0.05 each				
法定股本	Authorised	20,000,000	20,000,000	1,000,000	1,000,000
已發行及繳足股本：	Issued and fully paid:				
年初	As at beginning of year	303,841	228,519	15,192	11,426
行使購股權 (附註a)	Exercise of share options (Note a)	800	2,000	40	100
配售股份(附註b)	Placement of shares (Note b)	60,765	73,322	3,038	3,666
年終	As at end of year	365,406	303,841	18,270	15,192

附註：

- (a) 於二零零四年十二月十五日，一名購股權持有人行使其購股權，按每股0.564港元之行使價，以合共451,200港元認購本公司股本中800,000股股份。
- (b) 於二零零四年十二月十五日，本公司根據有關安排按每股0.60港元之價格向獨立投資者私人補足配售由Porterstone Limited (「Porterstone」)、向華強先生及陳明英女士分別所持之40,655,000股、13,870,000股及6,240,000股每股面值0.05港元之本公司股份。上述配售價較本公司股份於二零零四年十二月十四日之收市價折讓14.29%。向華強先生及陳明英女士分別被視為實益擁有及實益擁有Porterstone之權益。

根據同日之有條件認購協議，Porterstone、向華強先生及陳明英女士按每股0.60港元之價格分別認購40,655,000股、13,870,000股及6,240,000股每股面值0.05港元之本公司新股份。所得款項淨額約為35,600,000港元，已計劃用於兩部訂於二零零五年製作之電影製作及用作本集團之一般營運資金。該等新股份乃根據本公司於二零零四年六月二十五日舉行之股東週年大會上董事獲授之一般授權而發行，在各方面均與其他已發行股份享有同等權益。

Notes:

- (a) On 15th December, 2004, a share option holder exercised his share option rights to subscribe for 800,000 shares in the capital of the Company at an exercise price of HK\$0.564 per share in an aggregate amount of HK\$451,200.
- (b) On 15th December, 2004, arrangements were made for a top-up private placement to independent investors of 40,655,000, 13,870,000 and 6,240,000 shares of HK\$0.05 each in the Company held by Porterstone Limited ("Porterstone"), Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany respectively at a price of HK\$0.60 per share, representing a discount of 14.29% to the closing price of the Company's shares on 14th December, 2004. Porterstone is a company in which Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany have deemed and beneficial interests respectively.

Pursuant to the conditional subscription agreement of the same date, Porterstone, Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany subscribed for 40,655,000, 13,870,000 and 6,240,000 new shares of HK\$0.05 each in the Company respectively at a price of HK\$0.60 per share. The net proceeds of approximately HK\$35,600,000 were intended to be used for two movies' production which have been scheduled to be produced in year 2005 and as general working capital of the Group. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 25th June, 2004 and rank pari passu with other shares in issue in all respects.

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31. 儲備

31. RESERVES

		股份溢價 Share premium	綜合賬目 之負商譽 Negative goodwill on consolidation	撥入盈餘 Contributed surplus	匯兌儲備 Exchange reserve	投資物業 重估儲備 Investment properties revaluation reserve	認股權證儲備 Warrant reserve	股本削減儲備 Capital reduction reserve	投資重估儲備 Investment revaluation reserve	累計虧損 Accumulated losses	總額 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
本集團	THE GROUP										
於二零零三年一月一日	As at 1st January, 2003	698,318	6,326	186,624	(48)	-	23,868	316,008	(355)	(443,501)	787,240
年度虧損淨額	Net loss for the year	-	-	-	-	-	-	-	-	(53,478)	(53,478)
於綜合收入表內確認認股 權證到期之溢利	Gain on expiry of warrants recognised in the consolidated income statement	-	-	-	-	-	(23,868)	-	-	-	(23,868)
配售股份	Placement of shares	47,719	-	-	-	-	-	-	-	-	47,719
股份發行開支	Share issuing expenses	(975)	-	-	-	-	-	-	-	-	(975)
行使購股權	Exercise of share options	1,028	-	-	-	-	-	-	-	-	1,028
		<u>746,090</u>	<u>6,326</u>	<u>186,624</u>	<u>(48)</u>	<u>-</u>	<u>-</u>	<u>316,008</u>	<u>(355)</u>	<u>(496,979)</u>	<u>757,666</u>
應佔一間聯營公司之 物業重估未變現溢利	Share of an associate's unrealised gain on revaluation of property	-	-	-	-	-	-	-	171	-	171
匯兌調整	Exchange adjustment	-	-	-	493	-	-	-	-	-	493
未於綜合收入表內確認 之溢利淨額	Net gains not recognised in the consolidated income statement	-	-	-	493	-	-	-	171	-	664
於二零零三年十二月三十一日	As at 31st December, 2003	<u>746,090</u>	<u>6,326</u>	<u>186,624</u>	<u>445</u>	<u>-</u>	<u>-</u>	<u>316,008</u>	<u>(184)</u>	<u>(496,979)</u>	<u>758,330</u>
分佔：	Attributable to:										
本公司及其附屬公司	Company and subsidiaries	746,090	6,326	186,624	445	-	-	316,008	-	(517,003)	738,490
聯營公司	Associates	-	-	-	-	-	-	-	(184)	20,024	19,840
		<u>746,090</u>	<u>6,326</u>	<u>186,624</u>	<u>445</u>	<u>-</u>	<u>-</u>	<u>316,008</u>	<u>(184)</u>	<u>(496,979)</u>	<u>758,330</u>
於二零零四年一月一日	As at 1st January, 2004	746,090	6,326	186,624	445	-	-	316,008	(184)	(496,979)	758,330
年度虧損淨額	Net loss for the year	-	-	-	-	-	-	-	-	(303,219)	(303,219)
配售股份	Placement of shares	33,421	-	-	-	-	-	-	-	-	33,421
股份發行開支	Share issuing expenses	(947)	-	-	-	-	-	-	-	-	(947)
行使購股權	Exercise of share options	411	-	-	-	-	-	-	-	-	411
		<u>778,975</u>	<u>6,326</u>	<u>186,624</u>	<u>445</u>	<u>-</u>	<u>-</u>	<u>316,008</u>	<u>(184)</u>	<u>(800,198)</u>	<u>487,996</u>
應佔一間聯營公司之 物業重估未變現溢利	Share of an associate's unrealised gain on revaluation of property	-	-	-	-	-	-	-	663	-	663
投資物業重估 盈餘	Surplus on revaluation of investment properties	-	-	-	-	4,909	-	-	-	-	4,909
匯兌調整	Exchange adjustment	-	-	-	235	-	-	-	-	-	235
未於綜合收入表內確認 之溢利淨額	Net gains not recognised in the consolidated income statement	-	-	-	235	4,909	-	-	663	-	5,807
於二零零四年 十二月三十一日	As at 31st December, 2004	<u>778,975</u>	<u>6,326</u>	<u>186,624</u>	<u>680</u>	<u>4,909</u>	<u>-</u>	<u>316,008</u>	<u>479</u>	<u>(800,198)</u>	<u>493,803</u>
分佔：	Attributable to:										
本公司及其附屬公司	Company and subsidiaries	778,975	6,326	186,624	680	4,909	-	316,008	-	(666,888)	626,634
聯營公司	Associates	-	-	-	-	-	-	-	479	(133,310)	(132,831)
		<u>778,975</u>	<u>6,326</u>	<u>186,624</u>	<u>680</u>	<u>4,909</u>	<u>-</u>	<u>316,008</u>	<u>479</u>	<u>(800,198)</u>	<u>493,803</u>

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31. 儲備 (續)

31. RESERVES (Continued)

		股份溢價 Share premium 千港元 HK\$'000	繳入盈餘 Contributed surplus 千港元 HK\$'000	認股權證儲備 Warrant reserve 千港元 HK\$'000	股本削減儲備 Capital reduction reserve 千港元 HK\$'000	累計虧損 Accumulated losses 千港元 HK\$'000	總額 Total 千港元 HK\$'000
本公司	THE COMPANY						
於二零零三年一月一日	As at 1st January, 2003	698,318	207,548	23,868	316,008	(458,582)	787,160
年度虧損淨額	Net loss for the year	-	-	-	-	(53,320)	(53,320)
於收入表內確認認股權證 到期之溢利	Gain on expiry of warrants recognised in the income statement	-	-	(23,868)	-	-	(23,868)
配售股份	Placement of shares	47,719	-	-	-	-	47,719
股份發行開支	Share issuing expenses	(975)	-	-	-	-	(975)
行使購股權	Exercise of share options	1,028	-	-	-	-	1,028
於二零零三年十二月三十一日 及二零零四年一月一日	As at 31st December, 2003 and 1st January, 2004	746,090	207,548	-	316,008	(511,902)	757,744
年度虧損淨額	Net loss for the year	-	-	-	-	(314,348)	(314,348)
配售股份	Placement of shares	33,421	-	-	-	-	33,421
股份發行開支	Share issuing expenses	(947)	-	-	-	-	(947)
行使購股權	Exercise of share options	411	-	-	-	-	411
於二零零四年十二月三十一日	As at 31st December, 2004	778,975	207,548	-	316,008	(826,250)	476,281

附註：

Notes:

- (a) 根據一九八一年百慕達公司法(修訂本)，本公司之股份溢價可用作繳足本公司之未發行股份，作為繳足紅股發行予本公司股東。
- (b) 本集團之繳入盈餘乃指因股本削減於二零零二年九月十日生效而轉自股本賬之數額。
- (c) 本公司之繳入盈餘為本公司所收購附屬公司之相關有形資產淨值與本公司於一九九二年進行集團重組時所發行之股本面值及因股本削減於二零零二年九月十日生效而轉自股本賬之數額之差額。

- (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 Group represents the amount transferred from the capital account due to the capital reduction effective on 10th September, 2002.
- (c) The contributed surplus of the Company represents the difference between the underlying net tangible assets of the subsidiaries which were acquired by the Company and the nominal amount of the share capital issued by the Company at the time of the group reorganisation in 1992 and the amount transferred from the capital account due to the capital reduction effective on 10th September, 2002.

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

31. 儲備 (續)

附註：(續)

根據一九八一年百慕達公司法(修訂本)，公司之繳入盈餘賬可供分派。然而，公司不得在下列情況下於繳入盈餘中宣佈或派發股息或作出分派：

- (i) 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) 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。

- (d) 本集團及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面值1.00港元削減至每股面值0.05港元所產生之金額。按董事根據本公司細則第129條而通過之一項決議案，股本削減儲備可用作支付本公司遭索償之金額、負債、或然負債，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。

31. RESERVES (Continued)

Notes: (Continued)

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.

- (d) The capital reduction reserve of the Group and 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.

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32. 遞延稅項

本集團

以下為本集團確認之主要遞延稅項負債及資產及有關變動：

		加速稅項折舊 Accelerated tax depreciation	估計稅務虧損 Estimated tax losses	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零三年 一月一日	As at 1st January, 2003	(1,455)	1,455	-
自收入表(扣除)計入	(Charge) credit to income statement	(200)	200	-
稅率改變之影響	Effect of change in tax rate	(136)	136	-
於二零零三年 十二月三十一日	As at 31st December, 2003	(1,791)	1,791	-
自收入表計入(扣除)	Credit (charge) to income statement	353	(353)	-
於二零零四年 十二月三十一日	As at 31st December, 2004	(1,438)	1,438	-

於二零零四年十二月三十一日，本集團擁有約467,066,000港元(二零零三年：389,490,000港元)之未動用估計稅務虧損可供抵銷日後溢利。該虧損中約8,217,000港元(二零零三年：10,234,000港元)之遞延稅項資產已獲確認。由於未能預計日後之溢利，故並無就餘額約458,849,000港元(二零零三年：379,256,000港元)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64,433,000港元(二零零三年：60,075,000港元)確認遞延稅項資產。

32. DEFERRED TAXATION

THE GROUP

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

As at 31st December, 2004, the Group had unused estimated tax losses of approximately HK\$467,066,000 (2003: HK\$389,490,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$8,217,000 (2003: HK\$10,234,000) of such losses. No deferred tax asset has been recognised in respect of the remaining balance of approximately HK\$458,849,000 (2003: HK\$379,256,000) 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\$64,433,000 (2003: HK\$60,075,000) due to the unpredictability of future profits streams.

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33. 出售附屬公司

於出售日期之全資附屬公司資產淨值如下：

33. DISPOSAL OF SUBSIDIARIES

The net assets of the wholly owned subsidiaries at the date of disposal were as follows:

		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
物業、機器及設備	Property, plant and equipment	3	-
貿易應收賬款	Trade debtors	788	-
按金、預付款項及 其他應收賬款	Deposits, prepayments and other debtors	18,656	-
證券投資	Investments in securities	13,476	-
貿易應付賬款	Trade creditors	(34)	-
其他應付賬款及應計項目	Other creditors and accruals	(8,526)	-
所出售資產淨額	Net assets disposed of	<u>24,363</u>	-
出售溢利	Gain on disposal	<u>7,524</u>	-
總代價	Total consideration	<u>31,887</u>	-
支付方式：	Satisfied by:		
現金 (附註i)	Cash (Note i)	21,000	-
於一間聯營公司 之權益 (附註ii)	Interest in an associate (Note ii)	10,887	-
		<u>31,887</u>	-

附註：

- (i) 年內，本集團與一名第三方訂立買賣協議。據此，本集團同意出售及該第三方同意購買本集團全資附屬公司Health Basic Limited之全部之已發行股本，總代價為21,000,000港元。Health Basic Limited之主要資產為於香港上市股份之投資。
- (ii) 於二零零四年三月十五日，本集團與TAL訂立買賣協議。據此，本集團同意出售及TAL同意購買本公司之全資附屬公司Imperial International Limited (「Imperial」) 之全部已發行股本。Imperial之主要資產為於中國星演藝管理有限公司及Anglo Market International Limited之100%股權權益。買賣Imperial之全部已發行股本之代價已透過TAL向本集團配發及發行TAL之股本中每股面值1美元之新股份8,080股(列作繳足股款)支付。自此，本集團持有TAL合共49%股本權益。

年內，已出售之附屬公司對本集團之業績及現金流量並無任何重大貢獻。

Notes:

- (i) During the year, the Group entered into a sale and purchase agreement with a third party pursuant to which the Group agreed to dispose of and the third party agreed to purchase the entire issued share capital of Health Basic Limited, a wholly-owned subsidiary of the Group and its principal asset was investment in equity shares listed in Hong Kong, at a total consideration of HK\$21,000,000.
- (ii) On 15th March, 2004, the Group entered into a sale and purchase agreement with TAL pursuant to which the Group agreed to sell and TAL agreed to purchase the entire issued share capital of Imperial International Limited ("Imperial"), a wholly-owned subsidiary of the Company. The principal assets of Imperial are the 100% shareholding interests in China Star Management Limited and Anglo Market International Limited. The consideration for the sale and purchase of the entire issued share capital of Imperial was satisfied by the allotment and issue of 8,080 new shares of US\$1 each in the share capital of TAL, credited as fully paid, by TAL to the Group. Since then, the Group holds an aggregate 49% equity interest in TAL.

The subsidiaries disposed of during the year did not make any significant contribution to the results and cash flows of the Group.

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34. 租賃承擔

於二零零四年十二月三十一日，本集團根據於下列期限屆滿之租賃物業不可撤回經營租約之日後最低租金承擔如下：

		本集團 THE GROUP	
		二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
一年內	Within one year	1,867	1,742
第二至第五年內 (包括首尾兩年)	In the second to fifth year inclusive	1,253	398
		3,120	2,140

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。

34. LEASE COMMITMENTS

As at 31st December, 2004, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

Operating lease payments represented rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of two years and rentals are fixed for an average of two years.

35. 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。僱員於有權悉數享有僱主之自願供款(即自舊計劃轉撥之資產)前在合資格服務期限完成前辭任本集團，則被沒收自願供款之有關部份將歸屬本集團。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。

35. 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 income statements as incurred. In respect of those employees who leave the Group prior to completion of qualifying service period for the employer's voluntary contributions (represents the assets transferred from the Old Scheme) become fully vested, the relevant portion of the voluntary contributions forfeited will be reverted to the Group. The assets of the MPF Scheme is held separately from those of the Group in an independently administrative fund.

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35. 退休福利計劃 (續)

- (b) 受僱於中國附屬公司之僱員均屬中國政府所管理之中央退休金計劃之成員。此等附屬公司須將工資之若干百分比向中央退休金計劃供款，作為有關福利資金。本集團對中央退休金計劃之唯一責任為根據中央退休金計劃作出所需之供款。

年內，退休福利計劃供款減已沒收供款42,000港元(二零零三年：62,000港元)後之淨額為522,000港元(二零零三年：597,000港元)。

36. 購股權計劃

本公司根據於二零零二年五月二十七日舉行之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」)。

35. RETIREMENT BENEFITS SCHEMES (Continued)

- (b) Employees of subsidiaries in the PRC are members of the Central Pension Scheme operated by the PRC government. These subsidiaries are required to contribute a certain percentage of their payroll to the Central Pension Scheme to fund the benefits. The only obligation of the Group with respect to the Central Pension Scheme is the required contribution under the Central Pension Scheme.

During the year, the retirement benefits schemes contributions net of forfeited contributions of HK\$42,000 (2003: HK\$62,000) amounted to HK\$522,000 (2003: HK\$597,000).

36. SHARE OPTION SCHEMES

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.

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

36. 購股權計劃 (續)

(a) 舊購股權計劃

舊購股權計劃之主要條款概述如下：

- (i) 旨在鼓勵參與者。
- (ii) 參與者包括本集團任何成員公司之僱員或董事。
- (iii) 授出之購股權所涉及之股份上限數目不得超逾本公司不時之已發行股本10%。
- (iv) 每名參與者可獲授之購股權所涉及之股份上限，加上根據任何購股權而已發行及可發行之股份總數，不得超逾不時股份上限之25%。
- (v) 購股權可於視為授出當日後隨時全部或部份行使。
- (vi) 購股權之行使期不得超逾接納日期起計十年。
- (vii) 承授人須於授出日期起計30日內接納購股權(如接納)，並向本公司支付1港元不可退回款項。
- (viii) 購股權之行使價須為下列之較高者：
 - 不低於緊接在授出購股權日期前五個交易日本公司每股股份之平均收市價80%之價格；及
 - 本公司每股股份之面值。

由於舊購股權計劃已於二零零二年五月二十七日終止，因此再無購股權可根據舊購股權計劃而授出。惟所有於該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。

36. SHARE OPTION SCHEMES (Continued)

(a) The Old Option Scheme

The major terms of the Old Option Scheme are summarised as follows:

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included any employee or director of any members of the Group.
- (iii) The maximum number of shares in respect of which share options might be granted must not exceed 10% of the issued share capital of the Company from time to time.
- (iv) The maximum number of shares in respect of which share options might be granted to a participant, when aggregated with shares issued and issuable under any share option granted to the same participant, must not exceed 25% of the maximum shares from time to time.
- (v) Any share option may be exercised in whole or in part at any time after the date on which the share option is deemed to be granted.
- (vi) The exercisable period of a share option must not exceed a period of 10 years commencing on the date of acceptance.
- (vii) The acceptance of a share option, if accepted, must be made within 30 days from the date of the offer of the grant with a non-refundable payment of HK\$1 from the grantee to the Company.
- (viii) The exercise price of a share option must be the higher of:
 - a price not less than 80% of the average closing price of a share of the Company for the 5 trading days immediately preceding the grant; and
 - the nominal value of a share of the Company.

As the Old Option Scheme was terminated on 27th May, 2002, no further share options can be granted under the Old Option Scheme thereafter. However, all outstanding share options granted under the Old Option Scheme prior to the said termination shall remain valid and exercisable in accordance with the provisions of the Old Option Scheme.

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36. 購股權計劃 (續)

(b) 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人士；

36. SHARE OPTION SCHEMES (Continued)

(b) 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 director 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;

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36. 購股權計劃 (續)

(b) 新購股權計劃 (續)

(ii) 參與者包括：(續)

(d) 持有權益團體任何成員公司或本公司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、貨品或服務之供應商、監製、導演或特許權授出人；

36. SHARE OPTION SCHEMES (Continued)

(b) The New Option Scheme (Continued)

(ii) The participants include: (Continued)

(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;

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36. 購股權計劃 (續)

(b) 新購股權計劃 (續)

(ii) 參與者包括：(續)

(g) 由持有權益團體任何成員公司或本公司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公司。

(iii) 根據新購股權計劃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時之已發行股本10%，惟該上限可由股東於股東大會上更新。因行使所有根據新購股權計劃及任何其他購股權計劃已授出而尚未行使之購股權而發行之股份上限數目數，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)而可發行之購股權總數為2,660份，佔本公司於本年報刊發日期已發行股本約0%。

36. SHARE OPTION SCHEMES (Continued)

(b) The New Option Scheme (Continued)

(ii) The participants include: (Continued)

(g) any customer, licensee (including any sub-licensee) or distributor of films, television programmes, video features, goods or services of any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

(h) any landlord or tenant (including any sub-tenant) of any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company; and

(2) any company controlled by one or more persons belonging to any of the above classes of participants.

(iii) The maximum number of shares in respect of which share options may be granted under the New Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the New Option Scheme and such limit might be refreshed by the shareholders in general meeting. The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time. The total number of share options available for issue under the New Option Scheme (after refreshment) as at the date of this annual report was 2,660, which represented approximately 0% of the issued share capital of the Company at the date of this annual report.

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36. 購股權計劃 (續)

(b) 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，惟無論如何不得超逾授出日期起計十年。
- (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港元不可退回收項。
- (viii) 購股權之行使價須為下列之最高者：
- 授出日期當日本公司每股股份之收市價；
 - 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
 - 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。

36. SHARE OPTION SCHEMES (Continued)

(b) 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 and 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:
- the closing price of a share of the Company on the date of grant;
 - the average closing price of a share of the Company for the 5 trading days immediately preceding the date of grant; and
 - 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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36. 購股權計劃 (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：

36. SHARE OPTION SCHEMES (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 Category of Participants	計劃名稱 Name of scheme	授出日期 Date of grant	行使期限 Exercisable period	每股行使價 Exercise price per share 港元 HK\$	購股權數目 Number of share options								
					於二零零三年 一月一日 尚未行使 Outstanding as at 01.01.2003	於二零零三年 授出 Granted during 2003 (附註i) (Note i)	於二零零三年 行使 Exercised during 2003 (附註ii) (Note ii)	於二零零三年 十二月三十一日 及二零零四年 一月一日 尚未行使 Outstanding as at 31.12.2003 and 01.01.2004	於二零零四年 授出 Granted during 2004 (附註iii) (Note iii)	於二零零四年 行使 Exercised during 2004 (附註vi) (Note vi)	於二零零四年 失效 Lapsed during 2004	於二零零四年 十二月三十一日 尚未行使 Outstanding as at 31.12.2004	
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	21.11.1996	21.11.1996 - 20.11.2006	60.510	674,269	-	-	674,269	-	-	-	-	674,269
		28.03.2000	28.03.2000 - 27.03.2010	16.783	922,123	-	-	922,123	-	-	-	-	922,123
		02.06.2000	02.06.2000 - 01.06.2010	8.134	417,506	-	-	417,506	-	-	-	-	417,506
		16.07.2002	16.07.2002 - 15.07.2012	1.716	221,446	-	-	221,446	-	-	-	-	221,446
		17.07.2003	17.07.2003 - 16.07.2013	0.564	-	457,000	-	457,000	-	-	-	-	457,000
					2,235,344	457,000	-	2,692,344	-	-	-	-	2,692,344
本公司董事** Director of the Company**	新購股權計劃 New Option Scheme	16.07.2002	16.07.2002 - 15.07.2012	1.716	1,109,557	-	-	1,109,557	-	-	-	-	1,109,557
		17.07.2003	17.07.2003 - 16.07.2013	0.564	-	2,285,000	-	2,285,000	-	-	-	-	2,285,000
					1,109,557	2,285,000	-	3,394,557	-	-	-	-	3,394,557
本集團僱員 Employees of the Group	舊購股權計劃 Old Option Scheme	05.01.1999	05.01.1999 - 04.01.2009	5.011	44	-	-	44	-	-	-	-	44
		28.03.2000	28.03.2000 - 27.03.2010	16.783	285,337	-	-	285,337	-	-	(34,798)	-	250,539
		02.06.2000	02.06.2000 - 01.06.2010	8.134	417,508	-	-	417,508	-	-	-	-	417,508
		16.07.2002	16.07.2002 - 15.07.2012	1.716	3,328,671	-	-	3,328,671	-	-	-	-	3,328,671
		17.07.2003	17.07.2003 - 16.07.2013	0.564	-	11,254,939	(1,000,000)	10,254,939	-	-	-	-	10,254,939
		13.12.2004	13.12.2004 - 12.12.2014	0.520	-	-	-	-	15,800,000	-	-	-	15,800,000
					4,031,560	11,254,939	(1,000,000)	14,286,499	15,800,000	-	(34,798)	-	30,051,701
其他參與者 Other participants	新購股權計劃 New Option Scheme	16.07.2002	16.07.2002 - 15.07.2012	1.716	4,438,228	-	-	4,438,228	-	-	-	-	4,438,228
		17.07.2003	17.07.2003 - 16.07.2013	0.564	-	8,855,000	(1,000,000)	7,855,000	-	(800,000)	-	-	7,055,000
		13.12.2004	13.12.2004 - 12.12.2014	0.520	-	-	-	-	11,820,000	-	-	-	11,820,000
					4,438,228	8,855,000	(1,000,000)	12,293,228	11,820,000	(800,000)	-	-	23,313,228
					11,814,689	22,851,939	(2,000,000)	32,666,628	27,620,000	(800,000)	(34,798)	-	59,451,830

* 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。

* Represented the share options held by Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany, the substantial shareholders and directors of the Company.

** 代表本公司董事李玉嫦女士所持之購股權。

** Represented the share options held by Ms. Li Yuk Sheung, the director of the Company.

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36. 購股權計劃 (續)

附註：

- (i) 本公司股份緊接二零零三年授出購股權日期前之收市價為每股0.57港元。
- (ii) 本公司股份緊接購股權於二零零三年獲行使當日前之收市價為每股0.89港元。
- (iii) 本公司股份緊接二零零四年授出購股權日期前之收市價為每股0.475港元。
- (iv) 本公司股份緊接購股權於二零零四年獲行使當日前之收市價為每股0.70港元。
- (v) 並無購股權於年內註銷。

以本公司現時之股本架構，於二零零四年十二月三十一日悉數行使尚未行使之59,451,830份購股權，將導致本公司按未計開支現金總代價約108,557,000港元發行59,451,830股額外普通股。

年內從承授人接納獲授購股權時所得之總代價為15港元(二零零三年：12港元)。

授出購股權於獲行使前之財務影響並無記錄於本公司或本集團之資產負債表內，亦無就年內授出之購股權價值於收入表內確認開支。於購股權獲行使後導致須發行之股份，會由本公司按該等股份之面值記錄為額外股本，而每股行使價與股份面值之差額將記錄於本公司之股份溢價賬內。於行使期限完結前失效或註銷之購股權於尚未行使購股權紀錄冊內刪除。

36. SHARE OPTION SCHEMES (Continued)

Notes:

- (i) The closing price of the Company's shares immediately before the date of grant of share options in 2003 was HK\$0.57 per share.
- (ii) The closing price of the Company's shares immediately before the date on which the share options were exercised in 2003 was HK\$0.89 per share.
- (iii) The closing price of the Company's shares immediately before the date of grant of share options in 2004 was HK\$0.475 per share.
- (iv) The closing price of the Company's shares immediately before the date on which the share options were exercised in 2004 was HK\$0.70 per share.
- (v) No share option was cancelled during the year.

The exercise in full of the outstanding 59,451,830 share options as at 31st December, 2004 would, under the present capital structure of the Company, result in the issue of 59,451,830 additional ordinary shares for a total cash consideration, before expenses, of approximately HK\$108,557,000

Total consideration received during the year from the grantees for taking up the share options granted amounted to HK\$15 (2003: HK\$12).

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the share options are exercised, and no charge is recognised in the income statement in respect of the value of share options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the share is recorded by the Company in the share premium account. Share options which lapse or are cancelled prior to the end of their exercisable period are deleted from the register of outstanding share options.

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37. 主要非現金交易

本集團於年內進行下列主要非現金交易：

- (a) 25,000,000港元之投資按金重列作貸款，並於資產負債表中計入應收貸款賬目內。該交易之詳情載於註附19(b)。
- (b) 12,000,000港元之投資按金已用作換取廣告代理向本集團提供廣告服務，並於資產負債表中計入按金、預付款項及其他應收賬款賬目內。年內，本集團已使用之廣告服務之費用約6,655,000港元。該交易之詳情載於附註19(b)。
- (c) 年內，本集團以代價10,887,000港元出售其於Imperial之全部權益。代價以配發8,080股TAL股份之方式支付。該交易之詳情載於附註33。
- (d) 年內，就本集團於二零零三年購入Golden Capital，賣方股東同意分四期向本集團支付損害賠償10,000,000港元。本集團年內合共收到4,000,000港元，而本集團已於結算日後收取餘額6,000,000港元，該數額已於資產負債表中計入按金、預付款項及其他應收賬款賬目內。該交易之詳情載於附註17(a)。

37. MAJOR NON-CASH TRANSACTIONS

During the year, the Group had the following major non-cash transactions:

- (a) Deposit for investment of HK\$25,000,000 was rearranged into a loan and is included in loan receivable account in the balance sheet. Details of this transaction are set out in note 19(b).
- (b) Deposit for investment of HK\$12,000,000 was exchanged for the advertising services to be provided by an advertising agent to the Group and is included in deposits, prepayments and other debtors account in the balance sheet. During the year, the Group utilised advertising services amounted to approximately HK\$6,655,000. Details of this transaction are set out in note 19(b).
- (c) During the year, the Group disposed of its entire interest in Imperial for a consideration of HK\$10,887,000. The consideration was satisfied by the allotment of 8,080 shares of TAL. Details of this transaction are set out in note 33.
- (d) During the year, in respect of the acquisition of Golden Capital by the Group in 2003, the vendor's shareholder agreed to pay the Liquidated Damage of HK\$10,000,000 to the Group by four instalments. A total amount of HK\$4,000,000 was received by the Group during the year. The remaining amount of HK\$6,000,000, which was received by the Group after the balance sheet date, is included in deposits, prepayments and other debtors account in the balance sheet. Details of this transaction are set out in note 17(a).

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

38. 關連人士交易

- (a) 本集團於二零零二年二月五日與豐采集團訂立地區供應協議，據此，本集團自二零零二年四月八日起計3年內向豐采集團授出優先購買權，以購買每部電影在中國及蒙古之獨家發行權（不包括放映權及互聯網發行權）（「發行權」）及有權選擇購買放映權。

根據地區供應協議，豐采集團已向本集團支付5,000,000港元之按金，以取得購買發行權之優先購買權，並作為將訂立地區發行協議應付之特許費用保證金。倘豐采集團選擇購買發行權，則須就電影訂立地區發行協議。根據發行協議，豐采集團須就每部電影支付按照電影級別計算之特許費用，由約200,000港元至1,000,000港元不等。每部電影之地區發行權為期10年。至於選擇購買其放映權之電影，該放映權應付之額外特許費用將相等於豐采集團就運用上述放映權所獲總收入（未計發行開支）扣除由豐采集團保留款項（上述總收入之20%）後之餘額。

年內，本集團根據有關地區發行協議以總代價約8,500,000港元（二零零三年：9,700,000港元）向豐采集團授出發行權，而本集團亦以總特許費用約4,970,000港元（二零零三年：15,453,000港元）向豐采集團授出放映權。

38. RELATED PARTY TRANSACTIONS

- (a) On 5th February, 2002, the Group and the Riche Group entered into a territory supply agreement whereby the Group, during the term of three years from 8th April, 2002, granted in favour of the Riche Group a first right of refusal to acquire the exclusive distribution rights excluding the theatrical and internet rights in respect of each film in the PRC and Mongolia ("Distribution Rights") and an option to acquire the theatrical rights.

Pursuant to the territory supply agreement, the Riche Group paid an amount of HK\$5,000,000 to the Group as a deposit for the grant of the first right of refusal to acquire the Distribution Rights and as security for the licence fees payable under the territory distribution agreements to be entered into. If the Riche Group elects to acquire the Distribution Rights, a territory distribution agreement in respect of the film will be entered into pursuant to which the Riche Group shall pay a licence fee in respect of each film, ranging from approximately HK\$200,000 and HK\$1,000,000 calculated by reference to its grading. The Distribution Rights in respect of a film will be for a period of ten years. In relation to the option to acquire the theatrical rights, the additional license fee shall be equal to the balance of the total income received by the Riche Group in respect of the exploitation of such theatrical rights before payment of any distribution expenses but after deducting a sum equal to 20% of the said total income which shall be retained by the Riche Group.

During the year, the Group granted Distribution Rights to the Riche Group at a total consideration of approximately HK\$8,500,000 (2003: HK\$9,700,000) and the Group granted theatrical rights to the Riche Group at a total license fee of approximately HK\$4,970,000 (2003: HK\$15,453,000) pursuant to the relevant territory distribution agreements.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

38. 關連人士交易 (續)

截至二零零三年十二月三十一日，本集團就授出發行權從豐采集團收取按金約720,000港元。於二零零四年十二月三十一日並無自豐采集團收取按金。

向華強先生及陳明英女士亦為豐采多媒體及其附屬公司之董事。

- (b) 於二零零二年十二月三日，本集團與豐采集團訂立數碼影院放映權供應協議，據此本集團同意向豐采集團就中國電影之數碼影院放映權提供服務，惟須受日後可能訂立之有關發行協議之各方所協定之其他條款限制。豐采集團向本集團支付相等於本集團代表豐采集團收取之總收入35%之發行佣金，作為本集團提供服務之代價。於截至二零零三年十二月三十一日止年度內，本集團已根據有關數碼影院放映權發行協議向豐采集團收取發行佣金約527,000港元。年內並無自豐采集團收取發行佣金。

38. RELATED PARTY TRANSACTIONS (Continued)

As at 31st December, 2003, the Group received a deposit of approximately HK\$720,000 from the Riche Group for the granting of Distribution Rights. There was no deposit received from the Riche Group as at 31st December, 2004

Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany are also directors of Riche Multi-Media and its subsidiaries.

- (b) On 3rd December, 2002, the Group entered into a cyber cinema rights supply agreement with the Riche Group pursuant to which the Group agreed to distribute the cyber cinema rights of the films within the PRC to the Riche Group subject to such other terms as may be agreed by the parties to the relevant future cyber cinema rights distribution agreements to be entered into. In consideration of the provision of services by the Group, the Riche Group would pay the Group distribution commission equivalent to 35% of the total income received by the Group on behalf of the Riche Group. During the year ended 31st December, 2003, the Group received distribution commission of approximately HK\$527,000 from the Riche Group pursuant to the relevant cyber cinema rights distribution agreements. No distribution commission was received from the Riche Group during the year.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

38. 關連人士交易 (續)

(c) 本集團年內與關連人士進行下列交易：

38. RELATED PARTY TRANSACTIONS

(Continued)

(c) During the year, the Group entered into the following transactions with related parties:

交易性質	Nature of transactions	附註 Notes	二零零四年 2004 千港元 HK\$'000	二零零三年 2003 千港元 HK\$'000
來自TAL集團 之管理費收入	Management fee income from the TAL Group	(i)&(iv)	3,860	-
已支付及應支付 TAL集團之 服務費	Services charges paid and payable to the TAL Group	(i)&(iv)	11,540	-
已支付及應支付 TAL集團之 藝人宣傳費	Artists promotion charges paid and payable to the TAL Group	(i)&(iv)	10,349	-
來自豐采集團之 後期製作服務費	Post-production service income from the Riche Group	(i) & (iii)	1,781	1,269
來自豐采集團之 利息收入	Interest income from the Riche Group	(ii) & (iii)	338	338

附註：

(i) 金額按各方協定之價格釐定。

(ii) 利息收入根據豐采多媒體所發行可換
股票據之條款按年利率1厘計算。

(iii) 向華強先生與陳明英女士亦為豐采集
團之董事。

(iv) 陳明英女士亦為TAL之董事。

Notes:

(i) The amounts were determined at prices agreed
between the parties.

(ii) Interest income was calculated at 1% per
annum in accordance with the terms of the
convertible notes issued by Riche Multi-Media.

(iii) Mr. Heung Wah Keung and Ms. Chen Ming Yin,
Tiffany are also directors of the Riche Group.

(iv) Ms. Chen Ming Yin, Tiffany is also a director of
TAL.

(d) 年內，本公司向董事及其聯繫人士發行
60,765,000股普通股(二零零三年：
45,702,273股)。該認購之詳情載於附
註30。

(e) 年內，向華強先生和陳明英女士向一間
銀行提供個人擔保，以擔保本集團獲得
之銀行貸款。本集團沒有就其支付費用
(二零零三年：無)。

(f) 年內，Golden Capital集團使用由一間
銀行提供予本集團之貿易財務貸款。本
集團已向聯營公司收取49,000港元(二
零零三年：103,000港元)之費用。該費
用之價格由雙方協定。

(g) 應收及應付關連人士款項之詳情載於附
註17、20、24及26。

(d) During the year, the Company issued 60,765,000
(2003: 45,702,273) ordinary shares to the
directors and their associates. Details of these
subscriptions are set out in note 30.

(e) During the year, Mr. Heung Wah Keung and Ms.
Chen Ming Yin, Tiffany provided personal
guarantees to a bank to secure banking facilities
granted to the Group. No fee was paid to them
by the Group (2003: nil).

(f) During the year, Golden Capital Group utilised
the trade finance banking facility granted to the
Group by a bank. The Group received a fee of
HK\$49,000 (2003: HK\$103,000) from the
associate. The fee was at a price agreed
between the parties.

(g) Details of the amounts due from and to related
parties are set out in notes 17, 20, 24 and 26.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

39. 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。

39. 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 Name of subsidiary	業務架構 Form of business structure	註冊/成立 所在地/國家 Country/place of incorporation/ formation	所持股份 類別 Class of shares held	本公司所持 已發行股本/ 註冊資本 面值比例 Proportion of nominal value of issued capital/registered capital held by the Company %	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
北京創意星國際 廣告有限公司 (附註a及c) (「北京創意星」) Beijing Creative Star International Advertising Co. Ltd. (Notes a and c) ("Beijing Creative Star")	中外合資 Sino-foreign joint venture	中國 PRC	注資 Capital contribution	49	300,000美元 US\$300,000	設計及製作廣告 Design and production of advertisements
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 1 share of US\$1	持有有線播映權 Holding of cable right
China Star Entertainment (BVI) Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	200股每股面值1美元 200 shares of US\$1 each	投資控股 Investment holding
中國星娛樂控股 有限公司 China Star Entertainment Holding Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股每股面值 1港元普通股 及1,000,000股 每股面值1港元 無投票權遞延股 (附註d) 2 ordinary shares of HK\$1 each and 1,000,000 deferred non-voting shares of HK\$1 each (Note d)	投資控股 Investment holding

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

39. 主要附屬公司詳情 (續)

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	業務架構 形式 Form of business structure	註冊/成立 國家/地點 Country/place of incorporation/ formation	所持股份 類別 Class of shares held	本公司所持 已發行股本/ 註冊資本 面值比例 Proportion of nominal value of issued capital/registered capital held by the Company %	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
中國星香港發行有限公司 China Star HK Distribution Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	100,000股 每股面值1港元 普通股 100,000 ordinary shares of HK\$1 each	電影及電視 連續劇 發行 Distribution of motion pictures and television drama series
中國星香港娛樂有限公司 China Star HK Entertainment Company Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	1,000,000股 每股面值1港元 普通股 1,000,000 ordinary shares of HK\$1 each	錄像版權 發行及 投資控股 Distribution of video rights and investment holding
China Star International Distribution Limited (附註b) (Note b)	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	8,001股每股 面值1美元之股份 8,001 shares of US\$1 each	電影及電視 連續劇 發行 Distribution of motion pictures and television drama series
中國星鐳射影碟有限公司 China Star Laser Disc Company Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	15,000股每股面值 100港元 普通股 15,000 ordinary shares of HK\$100 each	提供管理 服務及 投資控股 Provision of management services and investment holding
中國星影畫有限公司 China Star Pictures Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股每股面值 1港元 普通股 2 ordinary shares of HK\$1 each	持有電影 版權 Holding of film rights
中國星製作服務有限公司 China Star Production Services Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股每股面值 1港元 普通股 2 ordinary shares of HK\$1 each	提供後期 製作服務 Provision of post- production services

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

39. 主要附屬公司詳情 (續)

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	業務架構 形式 Form of business structure	註冊/成立 國家/地點 Country/place of incorporation/ formation	所持股份 類別 Class of shares held	本公司所持 已發行股本/ 註冊資本 面值比例 Proportion of nominal value of issued capital/registered capital held by the Company %	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
中國星商標有限公司 China Star Trademark Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股面值1美元之股份 1 share of US\$1	持有商標及 版權 Holding of trademark and copyrights
China Star Worldwide Distribution B.V. (附註b) (Note b)	註冊成立 Incorporated	荷蘭 Netherlands	普通股 Ordinary	100	400股每股 面值100荷蘭盾 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
Classical Statue 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
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	物業投資 Property investment
安樂(香港)有限公司 Newrich (HK) Limited	註冊成立 Incorporated	香港 Hong Kong	普通股 Ordinary	100	2股每股面值 1港元普通股 2 ordinary shares of HK\$1 each	持有物業 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 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

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

39. 主要附屬公司詳情 (續)

附註：

- (a) 北京創意星乃一間由本集團與一位於中國之獨立第三者成立之合資公司。合營期由一九九七年九月九日起計二十年。根據於上述日期與該中方人士訂立之管理協議，本集團負責提供上述合資公司之所有資產及負債，並在管理協議有效期內，每年扣除向該中方人士支付之定額管理費後，可有權收取或承擔該公司之經營溢利或虧損淨額。因此，在一九九七年九月九日起至二零零二年十二月三十一日止期間，本集團實際擁有北京創意星100%之經濟權益。該管理協議已延期十年至二零一二年十二月三十一日。
- (b) 在全球經營業務。
- (c) 在中國經營業務。
- (d) 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。

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任何未贖回之債務證券。

39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Notes:

- (a) Beijing Creative Star is an equity joint venture company established by the Group with an independent third party in the PRC for a joint venture period of 20 years starting from 9th September, 1997. Under a management agreement with the Chinese party on the same date, the Group is responsible for all of the assets and liabilities of the equity joint venture company and is entitled to all of the net profits or losses of the operation after payment of fixed amount as management fee to the Chinese party each year during the term of the management agreement. The Group therefore effectively has 100% attributable economic interest in Beijing Creative Star for the term running from 9th September, 1997 to 31st December, 2002. The management agreement has been renewed for a period of 10 years up to 31st December, 2012.
- (b) Operating internationally.
- (c) Operating in the PRC.
- (d) The non-voting deferred shares practically carry no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of the company nor to participate in any distribution on winding up.

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 any debt securities outstanding at the end of the year or at any time during the year.

財務報表附註 Notes to the Financial Statements

截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

40. 主要聯營公司詳情

下表載列董事認為主要影響本集團業績及資產之本集團聯營公司。董事認為，呈列其他聯營公司之資料會使篇幅過於冗長。

40. PARTICULARS OF PRINCIPAL 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. To give details of other associates would, in the opinion of directors, result in particulars of excessive length.

聯營公司名稱 Name of associate	業務架構形式 Form of business structure	註冊所在國家/地點 Country/place of incorporation	本公司間接所持 已發行股本/註冊 資本面值比例 Proportion of nominal value of issued capital/ registered capital held indirectly by the Company %	已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
Golden Capital International Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	36.50	1,000股每股 面值1美元 普通股 1,000 ordinary shares of US\$1 each	於中國投資控股 Investment holding in the PRC
北京澳昌科技有限公司*	外商獨資企業 Wholly foreign-owned enterprise	中國 PRC	20.08	註冊資本 人民幣 10,000,000元 Registered capital RMB10,000,000	於中國開發 及生產電訊、 資訊科技及 解決方案 Development and production of telecommunication and information technology and solution in the PRC
豐采多媒體集團有限公司*** Riche Multi-Media Holdings Limited***	註冊成立 Incorporated	百慕達 Bermuda	40.67	4,752,000,000股 每股面值0.1 港元 普通股 4,752,000,000 ordinary shares of HK\$0.1 each	於香港投資控股 Investment holding in Hong Kong

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

40. 主要聯營公司詳情 (續)

40. PARTICULARS OF PRINCIPAL ASSOCIATES (Continued)

聯營公司名稱 Name of associate	業務架構形式 Form of business structure	註冊所在 國家/地點 Country/ place of incorporation	本公司間接所持 已發行股本/註冊 資本面值比例 Proportion of nominal value of issued capital/ registered capital held indirectly by the Company %	已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
Bluelagoon Investment Holdings Limited**	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	40.67	1股面值1美元之股份 1 share of US\$1	於中國投資 控股、發行 電影、轉授電影 發行權及 銷售廣告權 Investment holding, distribution of films, sub-licensing of film rights and sale of advertising rights in the PRC
豐采發行有限公司** Riche Distribution Limited**	註冊成立 Incorporated	香港 Hong Kong	40.67	1,000,000股每股 面值1港元 普通股 1,000,000 ordinary shares of HK\$1 each	於香港轉授 電影發行權 Sub-licensing of film rights in Hong Kong
豐采國際(澳門離岸 商業服務)有限公司** Riche International (Macao Commercial Offshore) Limited**	註冊成立 Incorporated	澳門 Macao	40.67	1股面值100,000 澳門元 之股份 1 share of MOP100,000	於中國發行 電影、轉授 電影發行權及 銷售廣告權 Distribution of films, sub-licensing of film rights and sales of advertising rights in the PRC
豐采多媒體有限公司** Riche Multi-Media Limited**	註冊成立 Incorporated	香港 Hong Kong	40.67	2股每股面值 1港元 普通股 2 ordinary shares of HK\$1 each	於中國發行 電影及其他 影視特輯 Distribution of films and other video features in the PRC

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

40. 主要聯營公司詳情 (續)

40. PARTICULARS OF PRINCIPAL ASSOCIATES (Continued)

聯營公司名稱 Name of associate	業務架構形式 Form of business structure	註冊所在 國家/地點 Country/ place of incorporation	本公司間接所持 已發行股本/註冊 資本面值比例 Proportion of nominal value of issued capital/ registered capital held indirectly by the Company %	已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
豐采錄影有限公司** Riche Video Limited**	註冊成立 Incorporated	香港 Hong Kong	40.67	10股每股面值 100港元之 普通股及 20,000股 每股面值 100港元之 無投票權遞延 股份(附註) 10 ordinary shares of HK\$100 each and 20,000 non-voting deferred shares of HK\$100 each (Note)	於香港發行 影視產品 Distribution of video products in Hong Kong
Legend Rich Limited**	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	40.67	1股面值1美元 普通股 1 ordinary share of US\$1	透過中國代理商 於中國發行 影視產品 Distribution of video products in the PRC through a PRC agent
Together Again Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	49.00	48,080股面值 1美元之股份 48,080 shares of US\$1 each	投資控股及 提供藝人管理服務 Investment holding and provision of artists management services
Imperial International Limited****	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	49.00	100股面值 1美元之股份 100 shares of US\$1 each	投資控股 Investment Holding
China Artists Agency Inc. (前稱 Interactive Market Technology Inc.)***** (formerly known as Interactive Market Technology Inc.)*****	註冊成立 Incorporated	美國 United States of America	41.65	128,968,242股 每股面值0.0001美元 之普通股 128,968,242 of US\$0.0001 each common stock	投資控股 Investment Holding

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

40. 主要聯營公司詳情 (續)

40. PARTICULARS OF PRINCIPAL ASSOCIATES (Continued)

聯營公司名稱 Name of associate	業務架構形式 Form of business structure	註冊所在 國家/地點 Country/ place of incorporation	本公司間接所持 已發行股本/註冊 資本面值比例 Proportion of nominal value of issued capital/ registered capital held indirectly by the Company %	已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
Metrolink Pacific Limited****	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	41.65	120股每股面值 1美元之股份 120 shares of US\$1 each	投資控股 Investment holding
中國星演藝管理有限公司**** China Star Management Limited****	註冊成立 Incorporated	香港 Hong Kong	41.65	1,000,000股 每股面值1港元 之普通股 1,000,000 ordinary shares of HK\$1 each	提供藝人 管理服務 Provision of artists management services
Anglo Market International Limited****	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	41.65	1股每股面值 1美元之股份 1 share of US\$1 each	提供藝人管理服務 Provision of artists management services
Metrolink Global Limited****	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	41.65	100股每股面值 1美元之股份 100 shares of US\$1 each	提供藝人管理服務 Provision of artists management services

* 北京澳昌科技有限公司乃Golden Capital之一間附屬公司。

* Beijing Aochang Technology Co., Ltd. is a subsidiary of Golden Capital.

** 該等公司乃豐采多媒體之全資擁有附屬公司。

** These companies are wholly-owned subsidiaries of Riche Multi-Media.

*** 豐采多媒體之股份在香港聯合交易所有限公司上市。

*** The shares of Riche Multi-Media are listed on The Stock Exchange of Hong Kong Limited.

**** 該等公司為TAL之附屬公司。

**** These companies are subsidiaries of TAL.

China Artists Agency Inc.乃一間美國公眾公司，於美國場外電子交易板(Over-The-Counter Bulletin Board)進行買賣。

China Artists Agency Inc. is a U.S. public company traded on the Over-The-Counter Bulletin Board.

附註：無投票權遞延股份實際並無權利分享股息、接收任何該公司股東大會之通告、出席該等大會或在會上投票或在清盤時享有任何分派。

Note: The non-voting deferred shares practically carry no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of the company nor to participate in any distribution on winding up.

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截至二零零四年十二月三十一日止年度 For the year ended 31st December, 2004

41. 結算日後事項

- (a) 於二零零四年十二月十五日，本公司根據有關安排按每股0.60港元之價格向獨立投資者私人配售60,765,000股每股0.05港元之本公司新股份。上述配售價較本公司股份於二零零四年十二月十四日之收市價折讓14.29%。所得款項淨額約為35,600,000港元，已計劃用作兩部電影製作及作為本集團之一般營運資金。股東已於二零零五年一月二十一日舉行之股東特別大會上批准提呈配售60,765,000股新股份，並於二零零五年一月二十七日完成。
- (b) 二零零四年十二月三十一日之後，若干購股權持有人行使彼等之購股權分別按行使價每股0.564港元及每股0.52港元（合共9,591,000港元）合共認購本公司股本中7,969,939股及9,800,000股股份。
- (c) 於二零零五年二月，本集團以總代價約30,334,000港元額外收購豐采多媒體1.89%股本權益。
- (d) 於二零零五年二月二十四日，本公司根據有關安排按每股0.50港元之價格向獨立投資者私人補足配售由Porterstone及向華強先生分別所持之60,000,000股及16,600,000股每股面值0.05港元之本公司股份。上述配售價較本公司股份於二零零五年二月二十四日之收市價折讓約13.79%。

根據同日之認購協議，Porterstone及向華強先生按每股0.5港元之價格分別認購60,000,000股及16,600,000股每股面值0.05港元之本公司新股份。

- (e) 於二零零五年四月十九日，豐采多媒體向本集團發行之33,800,000港元可換股票據到期。本集團並無行使權利以兌換未償還本金額33,800,000港元為豐采多媒體股本，而豐采多媒體已償還該金額。同日，本公司同意向豐采多媒體授出一年期貸款33,800,000港元。該貸款無抵押、按年息1厘計息，並須按要求償還。

41. POST BALANCE SHEET EVENTS

- (a) On 15th December, 2004, arrangements were proposed to make for a private placement to independent investors of 60,765,000 new shares of HK\$0.05 each in the Company at a price of HK\$0.60 per share, representing a discount of 14.29% to the closing price of the Company's shares on 14th December, 2004. The net proceeds of approximately HK\$35,600,000 were intended to be used for two movies' production and as general working capital of the Group. The proposed placing of 60,765,000 new shares was approved by the shareholders at the special general meeting held on 21st January, 2005 and was completed on 27th January, 2005.
- (b) Subsequent to 31st December, 2004, certain share option holders exercised their share option rights to subscribe for an aggregate of 7,969,939 shares and 9,800,000 shares in the capital of the Company at an exercise price of HK\$0.564 and HK\$0.52 per share respectively in an aggregate amount of approximately HK\$9,591,000.
- (c) In February 2005, the Group acquired additional 1.89% equity interest in Riche Multi-Media for a total consideration of approximately HK\$30,334,000.
- (d) On 24th February, 2005, arrangements were made for a top up private placement to independent investors of 60,000,000 and 16,600,000 shares of HK\$0.05 each in the Company held by Porterstone and Mr. Heung Wah Keung respectively at a price of HK\$0.50 per share, representing a discount of about 13.79% to the closing price of the Company's shares on 24th February, 2005.
- Pursuant to the subscription agreement of the same date, Porterstone and Mr. Heung Wah Keung subscribed for 60,000,000 and 16,600,000 new shares of HK\$0.05 each in the Company respectively at a price of HK\$0.5 per share.
- (e) On 19th April, 2005, the convertible notes of HK\$33,800,000 issued by Riche Multi-Media to the Group matured. The Group did not exercise the right to convert the outstanding principal amount of HK\$33,800,000 into share capital of Riche Multi-Media and the amount was repaid by Riche Multi-Media accordingly. On the same date, the Company granted a one-year term loan of HK\$33,800,000 to Riche Multi-Media. The loan is unsecured, bears interest at 1% per annum and repayable on demand.