

管理層論述及分析 Management Discussion and Analysis

財務業績

截至二零零五年十二月三十一日止年度，本集團之營業額下跌44%至約92,200,000港元（二零零四年：165,300,000港元）。本公司權益持有人應佔之虧損約為21,000,000港元，較去年303,200,000港元上升93%。經營虧損約為39,500,000港元（二零零四年：155,900,000港元）。本年度虧損約為21,000,000港元（二零零四年：303,400,000港元）。董事不建議就本年度派發股息。

本年度虧損之所以減少，主要由於已確認減值虧損及應佔聯營公司虧損同時大幅下降，以上兩項總額分別約為15,600,000港元（二零零四年：117,500,000港元）及10,000,000港元（二零零四年：99,100,000港元（經重列））。本集團亦自豐采多媒體集團有限公司（「豐采多媒體」，並與其附屬公司統稱「豐采集團」）確認被視作出售聯營公司之溢利45,000,000港元。於採納新訂及經修訂香港財務匯報準則後，本集團毋須攤銷任何所持有之商譽。於截至二零零四年十二月三十一日止年度攤銷之商譽為28,700,000港元。然而，有關影響受到本集團須將購股權公平價值確認為收入表內開支（於本年度為24,100,000港元）所緩和。

業務回顧

截至二零零五年十二月三十一日止年度，總營業額為92,200,000港元，其中86,000,000港元或93%來自電影發行業務，700,000港元或1%來自錄影帶發行，5,600,000港元或6%則來自其他製作服務。儘管來自電影發行業務之營業額較截至二零零四年十二月三十一日止年度之153,700,000港元下跌44%，而與去年33,500,000港元比較，毛利仍維持於31,400,000港元之相若水平。營業額之所以減少，主要由於新電影推出量下降所致。年內，本集團發行8部電影（包括「最愛女人購物狂」及「黑社會」等熱門電影），而去年則發行11部電影。為應付娛樂行業（尤其是華語電影）疲弱之市況，本集團已採納審慎措施以確保每部新電影之收入，以及控制其財政預算。該等措施均已證明奏效，毛利亦有所增加。然而，電影行業之表現仍受日益猖

FINANCIAL PERFORMANCE

For the year ended 31st December 2005, the Group's turnover decreased by 44% to approximately HK\$92.2 million (2004: HK\$165.3 million). Loss attributable to equity holders of the Company amounted to approximately HK\$21.0 million, representing a 93% improvement over the last year of HK\$303.2 million. Loss from operations amounted to approximately HK\$39.5 million (2004: HK\$155.9 million). Loss for the year of approximately HK\$21.0 million (2004: HK\$303.4 million) was recorded. The directors do not recommend the payment of a dividend for the year.

The decrease in current year's loss was mainly attributable to the substantial reduction in the impairment loss recognised and the share of attributable loss in associates which totally amounted to approximately HK\$15.6 million (2004: HK\$117.5 million) and HK\$10.0 million (2004: HK\$99.1 million, restated) respectively. The Group had also recognised a gain on deemed disposal of an associate of HK\$45.0 million from Riche Multi-Media Holdings Limited ("Riche Multi-Media" and collectively with its subsidiaries, "Riche Group"). Following the adoption of new and revised Hong Kong Financial Reporting Standards, no amortisation of goodwill held by the Group was required. Amortisation of goodwill in the year ended 31st December, 2004 amounted to HK\$28.7 million. The effect was mitigated by the Group required to recognise the fair value of share options granted as an expense in the income statement which amounted to HK\$24.1 million in the year.

BUSINESS REVIEW

For the year ended 31st December, 2005, total turnover was HK\$92.2 million, of which HK\$86.0 million or 93% were generated from film distribution, HK\$0.7 million or 1% was generated from video distribution and HK\$5.6 million or 6% was generated from other production services. Although the turnover from film distribution division had decreased by 44% when compared with HK\$153.7 million for the year ended 31st December, 2004, gross profit maintained at similar amount of HK\$31.4 million when compared with HK\$33.5 million for last year. The decrease in turnover was mainly attributable to the decline in number of new films released. This year, the Group had released eight films including popular films like "The Shopaholic" and "Election" when compared with eleven films in last year. In response to the weak market condition of the entertainment industry, especially for the Chinese language films, the Group has adopted cautious measures to secure the revenue and control budget for each new film. These measures were proved effective and better gross profit was achieved. Nevertheless, the performance of film industry still threaten by

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獺之高科技翻版活動之威脅，如「Bit Torrent」下載及「點對點」下載技術，導致本集團整體上蒙受損失。

於二零零五年，香港仍為本集團最大之市場。來自香港及澳門之營業額下跌53%至約49,800,000港元（二零零四年：104,900,000港元），而其分類業績錄得5,400,000港元之溢利（二零零四年：8,800,000港元之虧損）。市場表現所取得之成就主要歸因於對電影製作之審慎甄選以及嚴格控制市場推廣及發行開支。於香港市場之市場推廣及發行開支由二零零四年之36,100,000港元下降至二零零五年之10,500,000港元，降幅為71%。

來自中國之營業額下跌40%至約10,200,000港元（二零零四年：17,000,000港元），而其分類業績則錄得約6,400,000港元（二零零四年：22,900,000港元）之虧損。分類業績錄得虧損，主要因中國一線影院偏向放映荷李活之電影，而導致本集團電影放映之影院位置欠佳及上映時間不理想所致。於二零零五年，該情況稍有改善。近期，本集團已轉授其於中國之放映權予其他發行商，以獲得固定發行費用，從而確保本集團可收取之利潤。此外，本集團與豐采集團於二零零二年二月五日訂立之地區供應協議已於二零零五年四月屆滿。鑑於中國現時之市況，雙方協議不續訂地區供應協議。本集團相信，不續訂地區供應協議可為本集團之發行策略提供更大靈活性。

來自東南亞之營業額下跌21%至約22,600,000港元（二零零四年：28,600,000港元），而其分類業績則錄得約6,700,000港元（二零零四年：5,600,000港元）之溢利。分類溢利上升主要由於若干電影之成本已因往年確認之減值虧損而減少所致。此外，本集團於過往年度發行之部份電影，已於年內重新發行電影發行權，並按最低版權費於本集團之賬目中列賬。

來自歐美之營業額下跌28%至約8,000,000港元（二零零四年：11,200,000港元），而其分類業績則錄得2,600,000港元（二零零四年：8,600,000港元）之溢利。分類溢利下降乃由於去年若干轉授發行權之電影

growing popularity of advance technology in privacy activities such as “Bit Torrent” and “peer-to-peer” downloading, resulting in the overall loss generated by the Group.

In year 2005, Hong Kong remained the Group's largest market. Turnover from Hong Kong and Macau decreased by 53% to approximately HK\$49.8 million (2004: HK\$104.9 million) and its segment result recorded a profit of HK\$5.4 million (2004: loss of HK\$8.8 million). The achievement in the performance of the market was mainly attributable to the cautious selection in film production and the tight control on marketing and distribution expenses. The marketing and distribution expenses spent on Hong Kong market decreased from HK\$36.1 million in the year 2004 to HK\$10.5 million in the year 2005, a drop of 71%.

The turnover from the PRC decreased by 40% to approximately HK\$10.2 million (2004: HK\$17.0 million) and its segment result recorded a loss of approximately HK\$6.4 million (2004: HK\$22.9 million). The segment loss was mainly attributed to the unfavorable cinema locations and screening period in exhibiting the Group's films in the PRC as Chinese first-tier cinemas have strong preference for exhibiting Hollywood films. This preference has little improvement in the year 2005. Recently, the Group has sub-licensed China theatrical rights to other distributor for a fixed amount of distribution fees in order to secure the margin received by the Group. Besides, the territory supply agreement entered into between the Group and the Riche Group on 5th February, 2002 expired in April 2005. In view of the current market condition in the PRC, both parties agreed not to renew the territory supply agreement. The Group believes that the non-renewal of the territory supply agreement provides a greater flexibility in formulating the Group's distribution strategy.

The turnover from South-east Asia decreased by 21% to approximately HK\$22.6 million (2004: HK\$28.6 million) and its segment result recorded a profit of approximately HK\$6.7 million (2004: HK\$5.6 million). The improvement in segment profit was mainly attributed to the costs of certain films had been reduced by impairment losses recognised in previous years. In addition, some of the Group's films released in previous years have been re-licensed during the year which carried minimal royalties in the accounts of the Group.

The turnover from America and Europe decreased by 28% to approximately HK\$8.0 million (2004: HK\$11.2 million) and its segment result recorded a profit of HK\$2.6 million (2004: HK\$8.6 million). The decrease in segment profit was attributed

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之成本已於去年全部攤銷，而截至二零零五年十二月三十一日止年度則發行較少轉授發行權之電影所致。

為保持於市場上之競爭力，本集團定期檢討其成本架構。於截至二零零五年十二月三十一日止年度內，本集團實行審慎之成本政策措施，並減少僱員人數。因此，行政開支減少至37,000,000港元，較去年之49,000,000港元減少24%。

流動資金及財務資源

於二零零五年十二月三十一日，本集團之資產總額約為743,400,000港元，而流動資產淨額則為330,900,000港元，即流動比率4.0(二零零四年：3.6)。本集團之現金及現金等值項目總額約為31,500,000港元(二零零四年：54,100,000港元)。於二零零五年十二月三十一日，本集團之借貸總額為44,800,000港元，包括銀行按揭貸款15,300,000港元(以本集團之投資物業作抵押、按最優惠利率減每年2.5厘計息，並須分97期每月償還)；循環銀行貸款8,300,000港元(以本集團之若干租賃土地及樓宇以及投資物業作抵押、按香港銀行同業拆息加每年1厘計息及須按要求隨時償還)；銀行分期貸款1,800,000港元(以本集團之電影「喜馬拉亞星」之全部版權之第一法定押記作為抵押、按每年6.531厘計息，並須分7期每月償還)；以及無抵押可換股貸款票據(「票據」)19,400,000港元(不包括權益部份600,000港元)(按每年4厘計息，並將於二零零七年六月三十日到期)。於二零零五年十二月三十一日，票據附有權利可按兌換價每股股份5.83港元兌換為本公司股本中每股面值0.05港元之股份(「股份」)。本集團於年內之資本負債比率以債項總額44,800,000港元對股東資金597,600,000港元計算，仍屬偏低。以本集團之借貸總額除以股東資金之基準計算，負債資本比率為0.08。

由於本集團大部份交易、資產與負債均以港元、人民幣及美元計值，故認為匯率波動風險甚低，並認為無需任何對沖活動。於二零零五年十二月三十一日，本集團並無或然負債。

to certain films had been sub-licensed in last year which the costs had fully amortised in previous years. Comparatively, less sub-license titles were distributed for the year ended 31st December, 2005.

To stay competitive in the market, the Group has regularly review its costs structure. During the year ended 31st December, 2005, the Group had exercised prudence measures on cost policies and reduced its headcount. As a result, administrative expenses decreased to HK\$37 million, a 24% decrease from HK\$49.0 million in last year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2005, the Group had total assets of approximately HK\$743.4 million and a net current assets of HK\$330.9 million, representing a current ratio of 4.0 (2004: 3.6). The Group had a total cash and cash equivalent of approximately HK\$31.5 million (2004: HK\$54.1 million). As at 31st December, 2005, the Group had total borrowings of HK\$44.8 million comprising a bank mortgage loan of HK\$15.3 million which was secured by the Group's investment properties, interest bearing at 2.5% below the Hong Kong Prime Lending Rate per annum and repayable by 97 monthly instalments; a revolving bank loan of HK\$8.3 million which was secured by certain of the Group's leasehold land and buildings and investment properties, interest bearing at 1% per annum over Hong Kong Interbank Offered Rate and repayable on demand; an instalment loan from a bank of HK\$1.8 million which was secured by a first legal charge over all copyrights on the Group's film, Himalaya Singh, interest bearing at 6.531% per annum and repayable by 7 monthly instalments; and unsecured convertible loan notes ("Notes") of HK\$19.4 million (excluding equity component of HK\$0.6 million) which is bearing interest at 4% per annum and will mature on 30th June, 2007. The Notes carry the right to convert into shares of HK\$0.05 each in the share capital of the Company ("Shares") at the conversion price of HK\$5.83 per share as of 31st December, 2005. The Group's gearing remained low during the year with total debts of HK\$44.8 million against shareholders' funds of HK\$597.6 million. This represents a gearing ratio, calculated in the basis of the Group's total borrowings over shareholders' fund of 0.08.

As the majority of the Group's transactions, assets and liabilities are denominated in Hong Kong Dollars, Renminbi and United States Dollars, the exposure to fluctuation in exchange rates was considered to be minimal and no hedge activity were considered necessary. As at 31st December, 2005, the Group had no contingent liability.

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於二零零四年十二月十五日，本公司有條件同意按每股股份0.60港元之價格向獨立投資者配售60,765,000股新股份。發行60,765,000股新股份一事已獲本公司股東於二零零五年一月二十一日舉行之股東特別大會上批准。配售事項已於二零零五年一月二十七日完成。所得款項淨額約為35,600,000港元，其中約20,000,000港元已用於兩部電影之製作，而餘額約15,600,000港元則用作本集團之一般營運資金。

於二零零五年一月，若干購股權持有人行使彼等之購股權權利，分別按行使價每股股份0.564港元認購合共7,969,939股股份及按行使價每股股份0.52港元認購合共9,800,000股股份。行使購股權權利之所得款項淨額為9,600,000港元。

於二零零五年二月二十四日，本公司之主要股東Porterstone Limited及本公司之主要股東兼執行董事向華強先生分別與配售代理訂立補足配售協議及與本公司訂立認購協議。根據補足配售協議，Porterstone Limited及向華強先生按每股股份0.50港元之價格向獨立投資者配售合共76,600,000股現有股份。根據認購協議，Porterstone Limited及向華強先生按每股股份0.50港元之價格認購合共76,600,000股新股份。76,600,000股新股份已就認購事項於二零零五年三月七日發行。所得款項淨額約為37,300,000港元，已用作本集團之一般營運資金及／或用於仍有待物色而日後可能進行之任何收購事項。該等新股份乃根據二零零五年一月二十一日本公司股東特別大會上本公司董事獲授之一般授權發行。

聯營公司

豐采多媒體集團有限公司

於二零零五年十二月三十一日，本集團擁有豐採集團約41.07%之股本權益。豐採集團之主要業務為電影發行、轉授電影版權及證券投資。於二零零五年十二月三十一日，豐採集團之淨資產約為167,600,000港元。於截至二零零五年十二月三十一日止年度，豐採集團之營業額及虧損分別約為38,300,000港元及29,700,000港元。因此，本集團於截至二零零五年十二月三十一日止年度分佔虧損約12,200,000港元。此外，於二零零五年九月配售及認購交易（如下文所述）

On 15th December, 2004, the Company had conditionally agreed to place 60,765,000 new Shares to independent investors at a price of HK\$0.60 per Share. The issue of 60,765,000 new Shares was approved by the shareholders of the Company at a special general meeting held on 21st January, 2005. The placing was completed on 27th January, 2005. The net proceeds of approximately HK\$35.6 million were used as to approximately HK\$20 million for the production of two movies and as to the balance of approximately HK\$15.6 million for general working capital of the Group.

In January 2005, certain option holders exercised their option rights to subscribe for an aggregate of 7,969,939 Shares at an exercise price of HK\$0.564 per Share and an aggregate of 9,800,000 Shares at an exercise price of HK\$0.52 per Share. The net proceeds from the exercise of option rights amounted to HK\$9.6 million.

On 24th February, 2005, Porterstone Limited, a substantial shareholder of the Company and Mr. Heung Wah Heung, a substantial shareholder and an executive director of the Company, entered into a top-up placing agreement with a placing agent and a subscription agreement with the Company respectively. Pursuant to the top-up placing agreement, Porterstone Limited and Mr. Heung Wah Heung placed an aggregate of 76,600,000 existing Shares to independent investors at a price of HK\$0.50 per Share. Pursuant to the subscription agreement, Porterstone Limited and Mr. Heung Wah Heung subscribed for an aggregate of 76,600,000 new Shares at a price of HK\$0.50 per Share. 76,600,000 new Shares issued for the subscription on 7th March, 2005. The net proceeds of approximately HK\$37.3 million were used for general working capital of the Group and/or any future possible acquisition which is yet to be identified. These new Shares were issued under the general mandate granted to the directors of the Company at the special general meeting of the Company held on 21st January, 2005.

ASSOCIATES

Riche Multi-Media Holdings Limited

As at 31st December, 2005, the Group held approximately 41.07% equity interest in Riche Group. Riche Group is principally engaged in distribution of films, sub-licensing of film rights, and investments in securities. As at 31st December, 2005, Riche Group had net assets of approximately HK\$167.6 million. Turnover and loss of Riche Group for the year ended 31st December, 2005 were approximately HK\$38.3 million and HK\$29.7 million respectively. Accordingly, the Group had shared a loss of approximately HK\$12.2 million for the year

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完成後，本集團亦自豐采多媒體錄得被視為出售聯營公司之溢利45,000,000港元。

於二零零六年三月三十一日，豐采多媒體宣佈不會完成與Leadfirst Limited及紀明寶先生訂立之有條件協議，據此協議，豐采集團將收購Best Winning Group Limited全部已發行股本，代價為600,000,000港元，原因為豐采集團未能信納有關盡職審查審閱之結果。

於二零零五年九月七日，本公司之全資附屬公司Classical Statue Limited（「Classical」）與配售代理及豐采多媒體訂立配售及認購協議。根據配售及認購協議，Classical已同意按每股豐采多媒體股份（「豐采股份」）0.34港元之價格向不少於六名獨立投資者配售400,000,000股現有之豐采股份，並有條件同意按每股豐采股份0.34港元之價格認購400,000,000股新豐采股份。緊隨配售及認購協議完成後，本集團於豐采多媒體經擴大後之已發行股本中擁有約39.24%權益。

於二零零六年二月十七日，豐采集團與Northbay Investments Holdings Limited（「Northbay」）訂立一項有條件買賣協議，據此，豐采集團將以總代價266,064,350港元收購（i）Shinhan-Golden Faith International Development Limited（「Shinhan-Golden」）已發行股本之100%權益及（ii）Shinhan-Golden結欠Northbay之債項（「收購事項」）。代價將以配發及發行1,330,321,745股豐采股份之形式支付，每股作價0.20港元。Shinhan-Golden之主要資產為持有北京建國房地產開發有限公司（「合資公司」）之96.7%股本權益。合資公司為一項位於中國北京市東城區真園西街9號之物業（「該物業」）之註冊及實益擁有人。該物業現時正在進行翻新，以將該物業由公寓大樓轉型為服務式公寓。翻新工程預期將於二零零六年六月底完成。待該協議項下所載之條件達成後，收購事項預期將於二零零六年五月完成。收購事項完成後，本集團於豐采集團持有之股本權益將從41.07%減少至32.64%。

ended 31st December, 2005. The Group had also recorded a gain of deemed disposal of an associate of HK\$45.0 million from Riche Multi-Media upon the completion of the placing and subscription transactions on September 2005 as stated below.

On 31st March, 2006, Riche Multi-Media announced that it would not complete the conditional agreement with Leadfirst Limited and Mr. Benny Ki, pursuant to which the Riche Group would acquire 100% of the issued share capital of Best Winning Group Limited for a consideration of HK\$600 million because the Riche Group did not satisfy with the results of the due diligence review.

On 7th September, 2005, Classical Statue Limited（「Classical」），a wholly owned subsidiary of the Company, entered into a placing and subscription agreement with a placing agent and Riche Multi-Media. Pursuant to the placing and subscription agreement, Classical has agreed to place 400,000,000 existing shares of Riche Multi-Media（「Riche Shares」）to not less than six independent investors at a price of HK\$0.34 per Riche Share and conditionally agreed to subscribe for 400,000,000 new Riche Shares at a price of HK\$0.34 per Riche Share. Immediately after the completion of the placing and subscription agreement, the Group interested in approximately 39.24% of the enlarged issued share capital of Riche Multi-Media.

On 17th February, 2006, the Riche Group entered into a conditional sale and purchase agreement with Northbay Investments Holdings Limited（「Northbay」），pursuant to which the Riche Group would acquire（i）100% of the issued share capital of Shinhan-Golden Faith International Development Limited（「Shinhan-Golden」）and（ii）the debts owned by Shinhan-Golden to Northbay, at an aggregate consideration of HK\$266,064,350（the「Acquisition」）。The consideration shall be satisfied by the allotment and issue of 1,330,321,745 Riche Shares at HK\$0.20 per share. Shinhan-Golden's major asset is the 96.7% equity interest in Beijing Jiang Guo Real Estate Development Co. Ltd.（the「JV Co.」）。JV Co. is the registered and beneficial owner of a property（the「Property」）located at No. 9, Gongyuan Xijie, Dongcheng District, Beijing, the PRC. The Property is currently under renovation and being transformed from an apartment complex into serviced apartments. The renovation project is expected to be completed by the end of June 2006. Subject to the fulfillment of the conditions set out under the agreement, the Acquisition is expected to be completed in May 2006. Upon completion of the Acquisition, the equity interest in the Riche Group held by the Group will decrease from 41.07% to 32.64%.

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Together Again Limited

於二零零五年十二月三十一日，本集團持有以 Together Again Limited 為首之集團（「TAL 集團」）之 49% 股本權益，該公司乃一家於英屬處女群島註冊成立之有限公司，其間接持有 China Entertainment Group, Inc.（前稱 China Artists Agency Inc.，於美國場外電子交易板買賣之美國公眾公司）之 85% 股本權益。TAL 集團之主要業務為提供藝人管理服務。

於二零零五年十二月三十一日，TAL 集團之淨資產為 9,200,000 港元。TAL 集團於截至二零零五年十二月三十一日止年度之營業額及溢利分別為 23,500,000 港元及 1,400,000 港元。因此，本集團於截至二零零五年十二月三十一日止年度內分佔溢利 700,000 港元。

收購租賃土地及樓宇

於二零零五年七月七日，本集團完成從豐采集團收購租賃土地及樓宇，總代價為 9,000,000 港元。代價乃於有關各方經參考由本集團所委聘之獨立專業特許測量師行所作之物業估值後，按公平原則磋商釐定。收購事項讓本集團可擴充其後期製作物業及電影業務。有關代價乃以本集團之內部資源撥付。

簽署無約束力之意向書

於二零零五年九月十五日，本公司與獨立第三方 Phua Wei Seng 先生訂立一項無約束力之意向書，以讓本公司收購一家參與澳門博彩業務之公司之股本權益。根據無約束力意向書，本公司已將可退回按金 20,000,000 港元交由 Phua Wei Seng 先生保管。倘若建議中之交易未能落實或於二零零五年十二月十四日仍未完成，則有關按金將退回本公司。意向書之訂約雙方已同意將最後截止日期延長至二零零六年六月十二日。倘建議中之交易未能落實或於二零零六年六月十二日仍未完成，則有關按金將退回本公司。

Together Again Limited

As at 31st December, 2005, the Group held 49% equity interest in the group headed by Together Again Limited ("TAL Group"), a company incorporated in British Virgin Islands with limited liability and it indirectly holds 85% equity interest in China Entertainment Group, Inc. (formerly known as China Artists Agency Inc.), a U.S. public company traded on the Over-The-Counter Bulletin Board. TAL Group is principally engaged in the provision of artist management services.

As at 31st December, 2005, TAL Group had net assets of HK\$9.2 million. Turnover and profit of TAL Group for the year ended 31st December, 2005 were HK\$23.5 million and HK\$1.4 million respectively. Accordingly, the Group shared a profit of HK\$0.7 million for the year ended 31st December, 2005.

ACQUISITION OF LEASEHOLD LAND AND BUILDINGS

On 7th July, 2005, the Group completed the acquisition of the leasehold land and buildings from Riche Group at a total consideration of HK\$9,000,000. The consideration has been agreed between the parties based on arms' length negotiations with reference to a property valuation done by an independent firm of professional chartered surveyors appointed by the Group. The acquisition permitted the Group to expand its post-production premises and business on film. The consideration was satisfied by internal resources of the Group.

SIGNING OF A NON-BINDING LETTER OF INTENT

On 15th September, 2005, the Company entered into a non-binding letter of intent with Mr. Phua Wei Seng, an independent third party, for the acquisition by the Company of an equity interest in a company involved in Macau gaming business. Pursuant to the non-binding letter of intent, a refundable deposit of HK\$20,000,000 was placed by the Company with Mr. Phua Wei Seng. If the proposed transaction does not materialise or fails to complete by 14th December, 2005, the deposit will be returned to the Company. The parties to the letter of intent had agreed to extend the longstop date to 12th June, 2006. If the proposed transaction does not materialise or fails to complete by 12th June, 2006, the deposit will be returned to the Company.

管理層論述及分析 Management Discussion and Analysis

僱員

於二零零五年十二月三十一日，本集團僱用51名員工（二零零四年：76名員工），當中2名員工（二零零四年：3名員工）駐守中國。董事相信，其優秀員工乃本集團維持聲譽及改善盈利能力之單一最重要元素。員工之酬金乃根據彼等之工作表現、專業經驗及當時之行業慣例而釐定。除基本薪金、公積金及醫療計劃外，若干員工更可按個別表現評估獲授酌情花紅及購股權。

展望

電影行業屬高風險業務，需要投入龐大資金。為分散上述風險並謀求長遠發展，本集團已積極令投資組合多元化，尤其是屬於長遠穩定收入來源之投資組合。

展望未來，本集團將繼續製作賣座原創電影，而此在很大程度上有賴本集團對電影製作之投入、對市場需要之認識、對資本投資之嚴格監控及極具效率之管理。此外，本集團將致力開拓新業務機會，在充分利用資源加強業務發展之餘，亦要將風險盡量降低，務求在未來為股東爭取更佳回報。

EMPLOYEES

As at 31st December 2005, the Group employed 51 staffs (2004: 76 staffs) of which 2 staffs (2004: 3 staffs) are based in China. The directors believe that the quality of its employees is the single most important factor in sustaining the Group's reputation and improving its profitability. The staffs are remunerated based on their work performance, professional experience and prevailing industry practices. Apart from basic salaries, pension fund and medical schemes, discretionary bonuses and options are awarded to certain staffs according to the assessment of individual performance.

PROSPECT

The film industry is a highly risk business and requires a huge in-flow of capital. To diversify such risk and for long-term growth, the Group has, therefore, actively diversified the investment portfolio, in particular those that could generate a steady source of income in the long term.

Looking into the future, the Group will continue to produce best-selling original films which will rely greatly on our commitment to film-making, our understanding of the market needs, stringent control on capital investment and efficient management. The Group will also strive to explore new business opportunities; fully utilize the resources to strengthen business growth while minimizing risk for better return for the shareholders over the years.