



GOLDEN HARVEST
ENTERTAINMENT (HOLDINGS) LIMITED
嘉禾娛樂事業(集團)有限公司

(Stock Code 股份代號 : 1132)

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)



MISSION 嘉禾的使命

At Golden Harvest we operate by the motto:
LOVE LIFE, LIVE LIFE. We possess:

- Passion for our industry
- Creativity to produce top products
- Openness in our deals
- Responsibility to our public
- Teamwork for success

To expand horizons and to enable people to live outside the realms of their lives through the world of films. By providing creative entertainment, Golden Harvest enriches and inspires people to live life to the fullest.

嘉禾一直以「熱愛生活 • 享受生活」為目標和發展路向。我們：

- 對娛樂事業 滿載熱誠理想
- 對每個製作 注入無窮創意
- 對每宗交易 謹守公平公開
- 對社會大眾 抱有責任承擔
- 為達致成功 堅守團隊精神

嘉禾積極提供各種創意無限的娛樂節目，讓大眾透過電影去體會另一個超乎想像的空間，將目光和視野無限擴闊，從而令生活昇華至更豐盛、更美滿的境界。

VISION 嘉禾的遠景

To be the world's leading Chinese entertainment company
成為全球具領導地位的華語娛樂企業



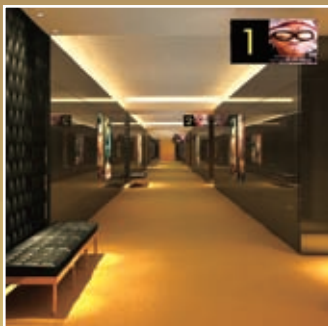
CONTENTS 目錄

| | |
|----|--|
| 2 | Corporate Information 公司資料 |
| 4 | Biographical Details of Directors 董事個人履歷 |
| 12 | Chairman's Statement 主席報告書 |
| 14 | Management Discussion and Analysis 管理層討論及分析 |

FINANCIAL INFORMATION 財務資料

| | |
|----|---|
| 25 | Report of the Directors 董事會報告書 |
| 53 | Corporate Governance Report 企業管治報告 |
| 66 | Independent Auditors' Report 獨立核數師報告 |
| 68 | Consolidated Income Statement 綜合收益表 |
| 70 | Consolidated Balance Sheet 綜合資產負債表 |
| 74 | Company Balance Sheet 公司資產負債表 |
| 76 | Consolidated Statement of Changes in Equity 綜合權益變動報表 |
| 80 | Consolidated Cash Flow Statement 綜合現金流量表 |
| 84 | Notes to Financial Statements 財務報表附註 |

公司資料



EXECUTIVE DIRECTORS

執行董事

WU Kebo (*Chairman*)
伍克波 (主席)

Winnie CHAN Suet Yin
陳雪彥

Fiona CHOW Sau Fong
鄒秀芳
(also alternate to Chow Siu Hong)
(亦為鄒小康之替任董事)

WANG Wei
王薇

WU Keyan
伍克燕
(alternate to Wu Kebo)
(為伍克波之替任董事)

NON-EXECUTIVE DIRECTORS

非執行董事

Eric Norman KRONFELD

Takashi ARAKI
荒木隆司

CHOW Siu Hong
鄒小康

SHEN De Min
沈德民

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

LEUNG Man Kit
梁民傑

George HUANG Shao-Hua
黃少華

Prince Chatrichalerm YUKOL

COMPANY SECRETARY

公司秘書

CHEUNG Wing Leung
張永良



REGISTERED OFFICE

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

主要營業地址

16th Floor
The Peninsula Office Tower
18 Middle Road
Tsimshatsui
Kowloon
Hong Kong
香港
九龍
尖沙咀
中間道十八號
半島寫字樓大廈
十六樓

PRINCIPAL BANKER

主要往來銀行

The Hongkong and Shanghai
Banking Corporation Limited
香港上海滙豐銀行有限公司

AUDITORS

核數師

KPMG
Certified Public Accountants
8th Floor
Prince's Building
10 Charter Road
Central
Hong Kong
畢馬威會計師事務所
執業會計師
香港
中環
遮打道十號
太子大廈
八樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

主要股份過戶登記處

Butterfield Fund Services
(Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM08
Bermuda

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

股份過戶登記處香港分處

Tricor Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Hong Kong
卓佳登捷時有限公司
香港
皇后大道東二十八號
金鐘匯中心
二十六樓

WEBSITE

網址

<http://www.goldenharvest.com>

STOCK CODE

股份代號

1132



CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. Wu Kebo ("Mr. Wu"),

aged 45,

is the chairman of the Company and currently a director of Chengtian Entertainment Group (International) Holding Company Limited and its subsidiaries ("Chengtian"). Chengtian, incorporated in the British Virgin Islands with limited liability, was founded by Mr. Wu in 2004 and is principally engaged in television and film production, music and musical production, artist management and advertising business in the PRC. Since founding Chengtian in 2004, Mr. Wu has expanded the business of Chengtian into television and film production, music and musical production, artist management and advertising. Specifically on film, Mr. Wu acted respectively as executive producer of the two well-received blockbuster Chinese films *Red Cliff* and *The Warlords*, as well as producer of other Chinese titles including *Call for Love*, *I am Liu Yuejin* and *Dangerous Games*. In addition, Mr. Wu has been involved in high-technology and communications businesses since the 1990s. Mr. Wu graduated with a Bachelor degree of Business Administration from the SOKA University Japan in 1992.

主席兼執行董事

伍克波先生(「伍先生」)

四十五歲

本公司主席，並為橙天娛樂集團(國際)控股有限公司及其附屬公司(「橙天」)之現任董事。橙天為於英屬處女群島註冊成立之有限公司，由伍先生於二零零四年創立，主要於中國從事電視及電影製作、音樂及音樂劇製作、藝人經理及廣告業務。自二零零四年創立橙天至今，伍先生成功開拓橙天之電視及電影製作、音樂及音樂劇製作、藝人經理及廣告業務。伍先生於電影方面貢獻良多，分別擔任兩齣好評如潮之華語鉅作《赤壁》及《投名狀》之執行監製，以及擔任多齣華語電影之監製，包括《愛情呼叫轉移》、《我叫劉躍進》及《棒子老虎雞》。另外，伍先生自九十年代開始從事高科技及通訊發展業務。彼於一九九二年畢業於日本創價大學，取得工商管理學士學位。

EXECUTIVE DIRECTORS**Ms. Chan Suet Yin Winnie ("Ms. Chan"),***aged 37,*

began her career working for Arthur Andersen as management consultant, specializing in strategy development and investment planning & analysis for clients mainly in the media, telecommunications and internet sectors in Asia including Mainland China. Ms. Chan then joined TOM Group Limited (then tom.com Limited) as a general manager and assisted in the company's IPO in 2000. She subsequently took up various developmental and operational responsibilities, and led a number of corporate and commercial initiatives across the media and entertainment businesses (TV, sports, internet, outdoor and publishing) which the company operates in Greater China. In 2006, Ms. Chan decided to become an independent consultant, and since then had served clients from media/advertising industries on investment and corporate development projects. Ms. Chan graduated Beta Gamma Sigma with an MBA degree from the University of Michigan; and a BBA degree in Accounting from the Chinese University of Hong Kong. She was admitted as member of American Institute of Certified Public Accountants and the Illinois CPA Society in 1995.

Ms. Chow Sau Fong, Fiona ("Ms. Chow"),*aged 36,*

is an executive director of the Company. She has extensive experience in financial management and strategic planning in the Greater China region where she served a number of multinational corporations. She has worked in management consultancy and investment projects, specializing in financial services and media industries in both the Asian and U.S. markets. Ms. Chow holds an M.B.A. in Finance and Entrepreneurial Management from the Wharton Business School at the University of Pennsylvania, and a B.A. (Honors) in Business Administration from the Chinese University of Hong Kong.

執行董事**陳雪彥女士(「陳女士」)***三十七歲*

於安達信公司開展事業，任職管理顧問，專注於為亞洲(包括中國大陸)媒體、電訊及互聯網行業之客戶提供策略發展及投資規劃與分析。陳女士其後加入TOM集團有限公司(當時稱tom.com有限公司)出任總經理，並於二零零零年協助該公司進行首次公開招股活動。彼其後接辦多項發展及營運工作，並領導該公司於大中華所經營多項媒體及娛樂業務(電視、體育、互聯網、戶外活動及出版)之企業及商業活動。於二零零六年，陳女士決定轉職為獨立顧問，自此協助媒體／廣告行業之客戶處理投資及企業發展項目。陳女士畢業於密芝根大學，取得工商管理碩士學位，獲選入美國國家榮譽學生協會(Beta Gamma Sigma)，並取得香港中文大學會計工商管理學位。彼於一九九五年獲接納為美國執業會計師公會及伊利諾斯州執業會計師學會會員。

鄒秀芳女士(「鄒女士」)*三十六歲*

本公司執行董事。鄒女士擁有豐富財務管理和策略規劃經驗，曾受聘於大中華地區多家跨國公司。鄒女士曾從事管理顧問及投資項目，尤其專注於亞洲及美國市場之金融服務及傳媒行業。鄒女士獲美國賓夕法尼亞州大學之沃頓商學院頒發財務及企業管理工商管理碩士學位，並獲香港中文大學頒發工商管理榮譽學士學位。

Ms. Wang Wei ("Ms. Wang"),

aged 48,

is the general manager of the Film Division of Chengtian. With extensive film production experience, she has been involved as producer or executive producer in various projects including *Urga, In the Heat of the Sun, Keep Cool, Shanghai Triad, Pillow Book, Happy Times, Purple Butterfly, The Sun also Raises* and *My BlueBerry Nights*. Before joining Chengtian, Ms. Wang served as the manager at ALPHA-FILMS, French-financed, production and world-wide distribution company. Ms. Wang also founded Lou Yi Limited, a film production company in Hong Kong. Ms. Wang graduated with an MBA in Marketing & Management at the Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC) and a Master of Arts in French and Chinese Literature at the Foreign Languages Institute in Beijing, China.

Ms. Wu Keyan ("Ms. Wu"),

aged 37,

had served in corporations in Japan and Hong Kong and is currently the deputy general manager of Holdrich Investment Limited, which specialised in telecommunications, semiconductor and technology-related businesses. Ms. Wu graduated with a Bachelor's degree in Business Management from the Faculty of Commerce at Takushyoku University in Japan in 1996.

王薇女士(「王女士」)

四十八歲

為橙天電影部總經理。王女士擁有豐富之電影製作經驗，曾擔任多部影片之監製及執行監製，包括《Urga》、《陽光燦爛的日子》、《有話好好說》、《搖啊搖搖到外婆橋》、《枕邊書》、《幸福時光》、《紫蝴蝶》、《當太陽再次升起》及《藍莓之夜》等。在加入橙天前，王女士曾在一間法國融資之電影製作及國際發行公司ALPHA-FILMS擔任經理，並在香港創辦從事電影製作之鹿逸有限公司。王女士畢業於法國經濟貿易科學高等學院，取得營銷及管理之工商管理碩士學位，並在中國北京第二外國語學院取得法語及漢語文學碩士學位。

伍克燕女士(「伍女士」)

三十七歲

曾於日本及香港多家企業任職，現為康鴻投資有限公司副總經理，專注於電訊、半導體及技術相關業務。伍女士於一九九六年獲日本拓殖大學商學部頒授經營學科學士學位。

NON-EXECUTIVE DIRECTORS**Mr. Eric Norman Kronfeld,***aged 67,*

graduated with a Bachelor of Arts Degree with distinction from Swarthmore College in 1962 and a Bachelor of Laws degree from the Harvard Law School in the US in 1965. After he had worked as a law clerk to The Hon. J. Edward Lumbard, the Chief Judge of the United States Court of Appeals, Second Circuit, he joined Machat & Kronfeld in 1966, a law firm with one of the world's largest music business client lists where he became a partner and remained with the law firm until 1980. Mr. Kronfeld was a co-founder and the former Chairman of Philadelphia International Records from 1969 to 1975. He is also the founder of Maverick Productions, Ltd. ("Maverick") and has been the Chairman and Chief Executive Officer of Maverick since 1973. Maverick has produced albums by The Eagles, Eric Clapton, The Who, Faces, etc. and acted as the strategic consultant for multinational corporations in media including UST, Inc. (formerly known as US Tobacco, Inc.), PolyGram Inc., Time-Warner Inc., EMI, etc. From 1991 onwards until 1998, Mr. Kronfeld was the President and Chief Operating Officer of PolyGram Holding, Inc. and was a board member of PolyGram International Management. From 1999 to 2003, he was a member of the board of directors of listen.com which was sold to Real Networks Inc., a Nasdaq listed company. Mr. Kronfeld has almost 43 years' experience in strategic management and consultancy in the worldwide music industry. He is also a director of Typhoon Music (PRC) Limited, a substantial shareholder of the Company.

非執行董事**Eric Norman Kronfeld 先生***六十七歲*

一九六二年畢業於斯沃特穆爾學院，並以優異成績取得文學士學位。彼於一九六五年取得美國哈佛法律學院之法律學士學位。彼於擔任美國第二巡迴上訴法院首席法官The Hon. J. Edward Lumbard之律政書記後，於一九六六年加入Machat & Kronfeld，該法律事務所為擁有全球最多音樂行業客戶之法律事務所之一，彼其後成為該法律事務所之合夥人及留任至一九八零年。Kronfeld先生為Philadelphia International Records之共同創辦人，並於一九六九年至一九七五年間擔任該公司主席。彼亦為Maverick Productions, Ltd. (「Maverick」)之創辦人，並自一九七三年起擔任Maverick之主席兼行政總裁。Maverick曾製作The Eagles、Eric Clapton、The Who、Faces等藝人之專輯，並曾擔任UST, Inc. (前稱US Tobacco, Inc.)、PolyGram Inc.、時代華納公司、EMI等跨國傳媒企業之策略顧問。於一九九一年至一九九八年，彼曾擔任PolyGram Holding, Inc.之總裁兼首席營運總監，亦曾擔任PolyGram International Management之董事會成員。於一九九九年至二零零三年，彼曾擔任listen.com之董事會成員，而該公司其後售予納斯達克上市公司Real Networks Inc.。彼於全球音樂行業之策略管理及顧問方面累積近四十三年經驗。彼亦為本公司之主要股東Typhoon Music (PRC) Limited之董事。

Mr. Takashi Araki ("Mr. Araki"),

aged 51,

is the chief operations officer and senior executive director of Avex Group Holdings Inc. ("Avex", together with its subsidiaries, the "Avex Group"), a company listed on Tokyo Stock Exchange First Section. Avex Group consists of various entertainment-oriented companies both in Japan and overseas and Avex holds 20% of the issued share capital of Chengtian. On top of his role as a chief operations officer in the holding company which he has assumed since 2004, he is also the chief executive officer of various subsidiaries of Avex Group Holdings Inc., such as Avex Marketing Inc., a company which is engaged in the distribution of music and visual content through digital and physical channels, and Avex Management Service Inc., a company providing consultation services to the Avex Group. Mr. Araki is also a non-executive director of Avex's strategic partner companies such as Dwango Co. Ltd., a Tokyo-based most advanced digital service provider, which is listed on the Tokyo Stock Exchange First Section, and Chengtian, with whom Avex founded a joint venture known as Avex China Co., Ltd. in Beijing. With his extensive experience from his past responsibilities as a banker and a fund manager at Bank of Tokyo (currently Mitsubishi Tokyo UFJ Bank) and Sparx Asset Management Co., Ltd., and also from working overseas, Mr. Araki is now mainly responsible for corporate planning and international strategy within the Avex Group. He is a graduate of Kyoto University with a Bachelor's degree in economics.

荒木隆司先生(「荒木先生」)

五十一歲

為於東京證券交易所第一部上市之 Avex Group Holdings Inc. (「Avex」，連同其附屬公司統稱為「Avex Group」) 之營運總裁及高級執行董事。Avex Group 包括多間日本及海外之娛樂業務公司，而 Avex 則持有橙天已發行股本 20%。彼除於二零零四年起擔任控股公司營運總裁一職外，亦為多間 Avex Group Holdings Inc. 附屬公司，例如 Avex Marketing Inc. (一間透過數碼及傳統渠道從事音樂及視象內容發行之公司) 及 Avex Management Service Inc. (一間向 Avex Group 提供顧問服務之公司) 之行政總裁。荒木先生亦為 Avex 策略夥伴公司，例如 Dwango Co. Ltd. (一間以東京為基地提供最先進數碼服務之供應商，並於東京證券交易所第一部上市) 及橙天 (Avex 與其在北京成立合營公司 Avex China Co., Ltd.) 之非執行董事。憑藉其過往於東京銀行 (現為三菱東京 UFJ 銀行) 及 Sparx Asset Management Co., Ltd. 擔任銀行家及基金經理，以及於海外工作之豐富經驗，彼現時主要負責 Avex Group 之企業規劃及國際策略事務。荒木先生畢業於京都大學，持有經濟學學士學位。

Mr. Chow Siu Hong (“Mr. Chow”),

aged 50,

is currently the president of Holdrich Investment Limited. Mr. Chow was the managing director of Guo Ye Enterprises Limited (formerly known as National Brilliant Investment Limited) from 1988 to 1998.

Mr. Shen De Min (“Mr. Shen”),

aged 47,

graduated with a Bachelor’s Degree from the Faculty of Mathematics at the East China Normal University in China in 1983 and graduated from the Faculty of Professional Japanese at the Meiji Academy in Japan in 1988. Since 1999, Mr. Shen had served a number of executive positions in various departments of Kanematsu (Hong Kong) Ltd, a trading corporation with global business presence. Mr. Shen has extensive experience in the management and operations of multinational businesses.

鄒小康先生(「鄒先生」)

五十歲

為康鴻投資有限公司之現任董事長。鄒先生於一九八八年至一九九八年擔任國葉企業有限公司(前稱National Brilliant Investment Limited)之董事總經理。

沈德民先生(「沈先生」)

四十七歲

於一九八三年在中國華東師範大學數學系畢業，取得學士學位，另於一九八八年在日本明治語言學院日語系畢業。自一九九九年，沈先生曾擔任兼松株式會社多個部門之行政人員職位，該公司為一家業務遍布全球之貿易公司。沈先生於管理及經營跨國業務方面擁有豐富經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Man Kit ("Mr. Leung"),

aged 54,

obtained a Bachelor's Degree in Social Science from the University of Hong Kong in 1977. Mr. Leung has over 20 years of experience in project finance and corporate finance. Mr. Leung held senior positions with Peregrine Capital (China) Limited, SG Securities (HK) Limited (previously known as Crosby Securities (Hong Kong) Limited), Swiss Bank Corporation, Hong Kong Branch, and Optima Capital Limited (previously known as Ke Capital (Hong Kong) Limited). Mr. Leung was a director of Emerging Markets Partnership (Hong Kong) Limited which was the principal adviser to the AIG Infrastructure Fund L.P. Mr. Leung is also currently Responsible Officer of North Asia Strategic Advisors which provides advice on corporate finance under type 6 license granted under the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO"). Mr. Leung is also an independent non-executive director and audit committee member of NetEase, a NASDAQ listed company. Mr. Leung is also an independent non-executive director and audit committee member of Junefield Department Store Group Limited, China Ting Group Holdings Limited and Anhui Expressway Company Limited, all of which are listed on The Stock Exchange of Hong Kong Limited. Mr. Leung is also a member and the chairman of the remuneration committee of Junefield Department Store Group Limited, a member of the nomination committee of China Ting Group Holdings Limited, and the chairman of the audit committee and a member of the Human Resources and Remuneration Committee of Anhui Expressway Company Limited.

獨立非執行董事

梁民傑先生(「梁先生」)

五十四歲

於一九七七年取得香港大學社會科學學士學位，在項目融資及企業融資方面擁有逾二十年經驗。梁先生曾任百富勤融資(中國)有限公司、法國興業證券(香港)有限公司(前稱香港高誠證券有限公司)、瑞士銀行公司香港分公司及創越融資有限公司(前稱Ke Capital (Hong Kong) Limited)高層成員。梁先生曾任新興市場投資有限公司董事，該公司曾為美國友邦集團亞洲基礎設施投資基金顧問。此外，梁先生亦為North Asia Strategic Advisors之負責人員，該公司根據香港法例第571章證券及期貨條例(「證券及期貨條例」)授出之第6類特許權就企業融資提供意見。梁先生亦為納斯達克上市公司網易之獨立非執行董事及審核委員會成員。梁先生亦為莊勝百貨集團有限公司、華鼎集團控股有限公司及安徽皖通高速公路股份有限公司(上述公司均於香港聯合交易所有限公司上市)之獨立非執行董事及審核委員會成員。梁先生亦為莊勝百貨集團有限公司薪酬委員會成員兼主席；華鼎集團控股有限公司提名委員會成員；及安徽皖通高速公路股份有限公司審核委員會主席及人力資源及薪酬委員會成員。

Mr. George Huang Shao-Hua (“Mr. Huang”),
aged 59,

graduated from the College of Telecommunications Engineering, National Chiao-Tung University in Taiwan, and co-founded the Acer Group in 1976. Mr. Huang has been heavily involved in the development of microprocessor technology applications and services and was the first person in Taiwan to promote and sell microcomputers to international markets in 1979. Mr. Huang is presently Supervisor of Acer Inc., Motech Co., Ltd, and Les Enphants Co., Ltd., which are all public companies in Taiwan. He was distinguished as an honoured graduate of National Chiao-Tung University in Taiwan and also as an outstanding graduate of Cheng-Uen Junior High School.

Prince Chatrichalerm Yukol,
aged 65,

attended the prestigious Geelong Grammar School in Australia where he completed his high school education. Thereafter he continued his tertiary education at UCLA in California where he gained a Bachelor’s Degree in Geology. In 2000, Prince Chatrichalerm was awarded an Honorary PhD in Mass Communications from Thammasart University in Thailand. After his graduation, Prince Chatrichalerm embarked on his filmmaking career by working on a number of his father’s films. In 1972, Prince Chatrichalerm made his first feature film as a director, and has since made approximately 30 films. One of his produced films, *Suriyothai* (2001) gained international acclaim, and was the subject of collaboration with Francis Ford Coppola, who re-edited the film for international release. Prince Chatrichalerm has served on many advisory panels on Thai film, and was honored with the “National Artist” award for his services to the film industry in Thailand.

黃少華先生(「黃先生」)
五十九歲

畢業於台灣國立交通大學電訊工程學院，並於一九七六年共同創辦宏碁集團。彼一直積極參與微型處理器技術應用及服務之發展工作，於一九七九年成為在台灣推廣及銷售微型電腦之先驅。黃先生現為台灣上市公司宏碁股份有限公司、Motech Co., Ltd及麗嬰房股份有限公司之監察人。彼為台灣國立交通大學之榮譽畢業生，亦為成淵中學之傑出畢業生。

Prince Chatrichalerm Yukol
六十五歲

於澳洲著名學府Geelong Grammar School完成高中課程，其後於洛杉磯加州大學取得地質學學士學位。於二零零零年，Prince Chatrichalerm獲泰國Thammasart University頒授大眾傳播榮譽博士學位。Prince Chatrichalerm於畢業後投身製片業，協助其父製作若干電影。彼於一九七二年執導首齣劇情片，其後陸續製作約共三十齣影片，其中《*Suriyothai*》(二零零一年)更助其蜚聲國際。Prince Chatrichalerm與哥普拉合作製作該片，並由哥普拉為國際發行重新進行剪接。Prince Chatrichalerm曾參與多個泰國電影顧問團之工作，更因對泰國電影業貢獻良多而獲頒「National Artist」之榮譽。



I am glad to report that 2007/08 was the best year on record for the Golden Harvest Group (the "Group"), both in terms of admissions and box office income with our cinema operations in Hong Kong, mainland China, Taiwan and Singapore as a whole. We are honored to have served more than 19 million theatre guest admissions across our networks, who have brought us to achieve approximately HK\$930 million box office income on a full and aggregated basis (including the gross revenue from the Group's jointly controlled entities).

Both the Group's established businesses of film exhibition and film distribution recorded healthy growth and improved turnover this year. Moving forward, our goal is to grow the reach of the Group's cinema networks, as well as sustain "Golden Harvest" as a leading household brand around the world in the film industry. The Group will continue to expand the multiplex business in mainland China, meanwhile fully utilizes the capability and strength of film distribution so as to expand the Group's business.

This year, the Group recorded impressive box office revenue from the multiplex located at MIXC Mall Phase I, City Crossing in Shenzhen despite intensified competition. In addition, the facilities and services of such multiplex are widely recognized as the best in the region, which helped us sustain our leading ranking nationally in terms of box office receipts. While we are now celebrating our best October Golden-Week ever achieved (having box office receipts doubled as compared to previous year's), we have also kick-started the design and construction of our expanding Phase II multiplex at same location. The Group believes that its position in the film market in Southern China will be further consolidated following the opening of the multiplex at MIXC Mall Phase II, City Crossing in Shenzhen.

本人欣然呈報，二零零七年／零八年是嘉禾集團（「本集團」）就香港、中國內地、台灣及新加坡之整體影院業務之入場觀眾人次及票房收入方面而言歷來最好的一年。本集團於去年透過其影院網絡向逾19,000,000名影院觀眾提供服務而深感榮幸。本集團取得的票房收入按全數及總額基準計算（包括本集團共同控制公司之總收益）約為930,000,000港元。

本集團影院及電影發行的固有業務於年內均錄得穩健增長及較高營業額。展望未來，本集團的目標是擴張現有之影院網絡，並鞏固「嘉禾」作為全球電影業家喻戶曉的領先品牌的地位。本集團將繼續開拓其於中國內地的影院業務，同時全面動用自身的電影發行的能力及優勢，以擴展本集團的業務。

年內，本集團位於深圳華潤中心一期萬象城之影院於競爭日趨激烈之營商環境中錄得令人滿意的票房收益。此外，該影院之設施及服務均獲公認為該地區之翹楚，鞏固了其在全中國票房收入高據前列地位。在慶祝萬象城一期影院取得最佳十月黃金周的同時（票房收入為去年之雙倍），本集團亦已展開了第二期影院之設計及建設工作。本集團相信，待深圳華潤中心二期萬象城之影院開業後，本集團於華南電影市場之地位將得以進一步鞏固。

For the multiplexes to be constructed in Beijing, Wuxi, Suzhou and Hangzhou, their planning/construction work are now in full swing. As such multiplexes complete and launch their openings, a number of high quality multiplexes will be available for the audience in other provinces in mainland China. Moreover, the Group will actively seek and explore other areas in mainland China with growth and market potentials to construct multiplexes so as to expand the Group's market share in the cinema industry in China and develop "Golden Harvest Cinema" as a nationwide superior cinema brand.

Apart from the multiplex business in mainland China, Vie Show Cinemas operated by our Taiwan-based joint venture and the GV cinema circuit operated by our Singapore-based joint venture continued to maintain a market leading position within the respective regions during the year. Both have been working hard during the year on creating an exceptional entertainment experience for our guests with different innovative and engaging offerings.

For film distribution business, the Group has distributed a number of well-received Chinese and non-Chinese language films during the year, including *The Warlords* and *The Golden Compass*. Recently, the 3D stereoscopic film *Journey to the Center of the Earth* distributed by the Group offers not only better visual effects to the audience, but also demonstrates the Group's continuous efforts in bringing in new elements for its film distribution business and seeks to make groundbreaking achievements. In the year ahead, the Group will continue to expand its film distribution business in this direction so as to bring in more fantastic films to the audience.

Last but not least, I would like to take this opportunity to thank all the management and staff members in different countries for their dedicated efforts and continuing contributions during the year to the Group, as well as the unreserved support to myself as the new Chairman. I look forward to growing the business together with the energetic team, and bringing the Group to a new next-level which continuously focus on financial and operating discipline, and strive for better results for our shareholders.

Wu Kebo
Chairman

Hong Kong
16 October 2008

就將於北京、無錫、蘇州及杭州等地興建的影院而言，有關規劃／建設工作現已全面啟動。在此等影院竣工並開業後，將會為中國內地其他省份的觀眾帶來更多高品質影院。此外，本集團將繼續在中國內地積極物色及於開發具市場增長潛力的其他地區興建影院，以擴展本集團在中國影院業市場的佔有率及將「嘉禾影城」發展為一個全國性的高級影院品牌。

年內，除中國內地的影院業務外，由本集團位於台灣合夥公司所經營的威秀影城及位於新加坡合夥公司所經營的GV影院，繼續保持其區內的市場領先地位。年內，該兩間合夥公司一直努力以各種新穎及吸引的方式為本集團客戶提供非凡的娛樂體驗。

就電影發行業務而言，本集團於年內發行了多部深受歡迎及口碑良好的華語及非華語電影，其中包括《投名狀》及《魔幻羅盤》。就近期來說，本集團發行之3D電影《地心探險記》不僅為觀眾提供更佳視覺效果，亦說明本集團持續努力為其電影發行業務引進新元素並力求創造突出業績。來年，本集團將繼續朝此方向擴展其電影發行業務，目標為觀眾帶來更多精彩的電影。

最後，本人藉此機會感謝在各地之全體管理層及員工年內為本集團作出的不懈努力及持續貢獻，以及對本人作為新主席的鼎力支持。本人期待在精銳團隊的努力下取得業務增長，並引領本集團邁上一個新台階，繼續專注提高財務及營運效率，致力為本集團股東帶來更佳業績。

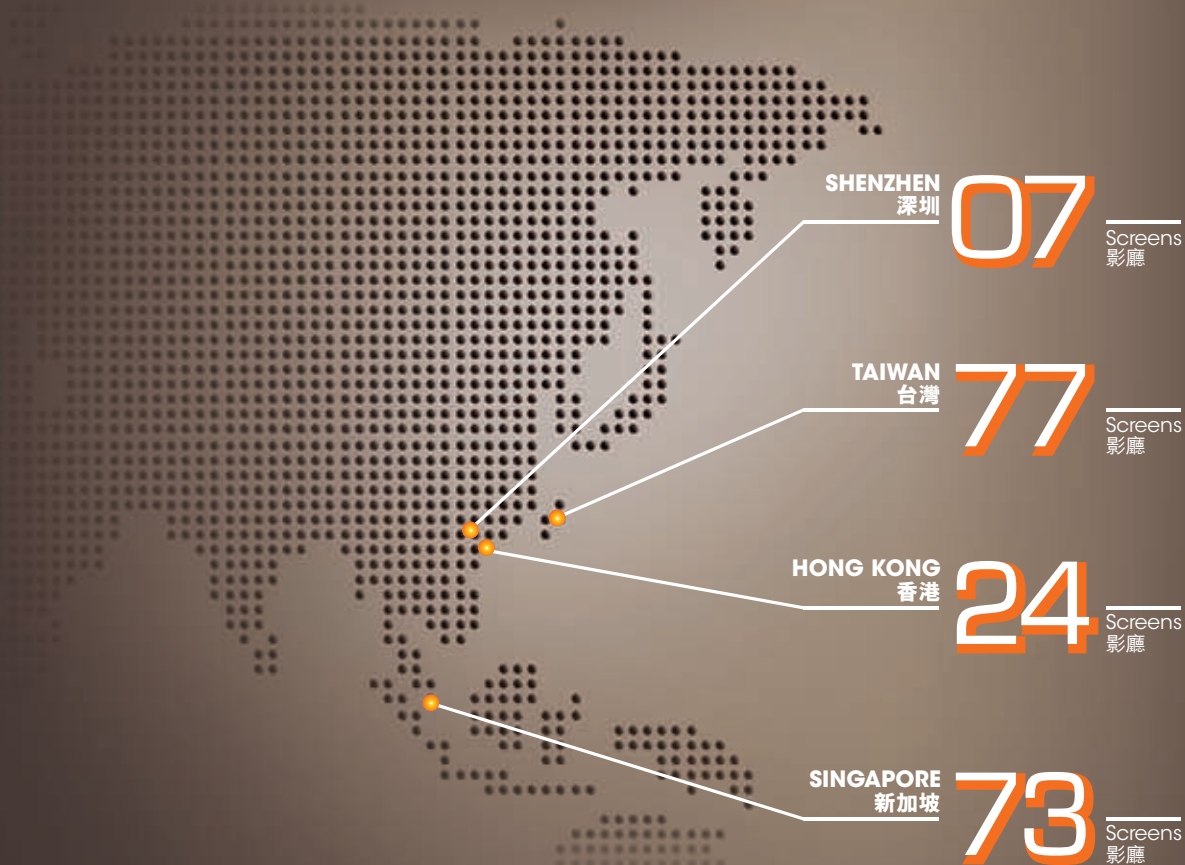
主席
伍克波

香港
二零零八年十月十六日



Management Discussion and Analysis

管理層討論及分析



OPERATION AND FINANCIAL REVIEW

Group revenues amounted to HK\$620 million, compared with HK\$470 million last year. Gross profit from continuing operations, with margin maintaining at about 53% plus, was HK\$330 million versus that of HK\$253 million reported last year. Excluding discontinued operation and gain on disposal of interest in associate and jointly controlled entity, the Group recorded a net profit of approximately HK\$7 million, which was significantly improved from last year's net loss of HK\$23 million. After taking into account the two items mentioned above, the Group recorded a profit of HK\$11 million for the year, vis-à-vis that

of HK\$97 million last year which included a one-off gain of approximately HK\$116 million arising from the disposal of GSC, one of our cinema circuits in Malaysia.



Thanks to our focused business strategies and a number of strong Hollywood blockbuster titles released during the year such as *Harry Potter And The Order Of The Phoenix* and *Transformers*, results from our exhibition businesses were strong and continued its upward trend across most territories, although income from film distribution business was relatively soft this year. The Group continues to be a major and leading cinema operator in Asia, operating 23 cinemas with 181 screens across Hong Kong, mainland China, Taiwan and Singapore.

業務及財務回顧

本集團收益達620,000,000港元，而去年則為470,000,000港元。持續經營業務的毛利為330,000,000港元，而去年則為253,000,000港元，邊際毛利保持大約53%以上。未計及已終止經營業務與出售聯營公司與共同控制公司權益的收益，本集團錄得淨溢利約7,000,000港元，較去年淨虧損23,000,000港元大幅改善。經計及以上兩個項目，本集團於本年度錄得溢利11,000,000港元，相比之下，去年則為97,000,000港元，而其中包括出售本集團的馬來西亞院線GSC所產生的一次性收益約116,000,000港元。

憑藉本集團專注業務策略及年內有多部成績卓越的荷里活巨片如《哈利波特鳳凰會的密令》及《變形金剛》等，本集團於大部份地區的影院業務錄得理想的業績和持續上升的趨勢，惟今年電影發行業務則比較疲弱。本集團保持亞洲區內主要兼具領導地位的影院營辦商之地位，於香港、中國內地、台灣及新加坡經營23間電影院，合共181個銀幕。

Riding on the success of our Shenzhen's flagship cinema, the continuing growth in the local film industry and box office receipts, as well as the emergence of investment opportunities in mainland China, the Group decided to redeploy its capital resources and put extra focus in developing new cinema projects in mainland China in the coming years while maintaining the leadership position in other territories.

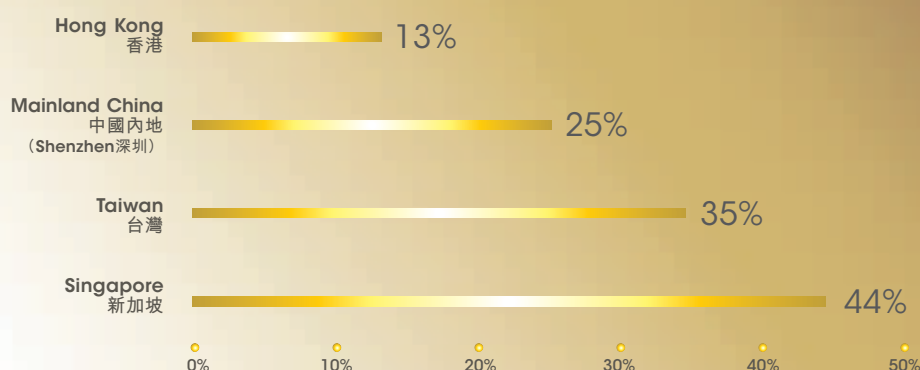
To facilitate such expansion with stronger capital base for financing new projects, the Group divested our investment in Malaysia further. Following the disposal of our equity interest in a cinema circuit Golden Screen Cinemas Sdn. Bhd. in Malaysia in February 2007, the Group entered into another agreement in February 2008 to dispose of our remaining Malaysian cinema circuit TGV Cinemas Sdn. Bhd. ("TGV") at a total consideration of RM51 million (approximately HK\$122 million which included repayment of amount due to the Group by TGV). The transaction was completed in July 2008 and would be accounted for in the next fiscal year. In accordance with the accounting standards, the Group has classified its investment in TGV as held for sale and accounted for its contribution for the year as discontinued operation in the financial statements.

本集團於深圳的旗艦影院成功經營、當地電影業與票房收入均持續增長，加上中國內地出現較多的投資機會，促使本集團決定重新調配資源，加倍專注於來年發展中國內地的新影院項目，並同時維持於其他地區的領導地位。

因應本集團之業務拓展及為增加本集團的資本基礎以為新項目提供資金，本集團已進一步出售其馬來西亞院線。隨著二零零七年二月出售本集團於馬來西亞影院Golden Screen Cinemas Sdn. Bhd.之權益，本集團於二零零八年二月簽訂另一份協議，以總代價51,000,000馬幣(約122,000,000港元，其中包括由TGV Cinemas Sdn. Bhd. (「TGV」)應償還予本集團之貸款)出售剩餘所持有之馬來西亞TGV影院的權益。該交易已於二零零八年七月完成，並且將於下一個財政年度入賬。根據會計準則，本集團將其於TGV之投資分類為持作待售的資產，並且將其貢獻視作已終止經營業務反映在本年度的財務報表內。

MARKET SHARE OF GOLDEN HARVEST CINEMAS 嘉禾戲院之市場佔有率

(in terms of box office takings) (按電影票房收入計算)



In January 2008, the Group reached a settlement agreement with the joint venture partner Village Roadshow ("VR") to end the legal disputes regarding the management of Golden Village Multiplex Pte Ltd. ("GVM"). According to the settlement agreement and the new shareholders agreement, the Group would jointly manage GVM's key operational and financial matters with VR, and thereafter accordingly, GVM has become a jointly-controlled entity of the Group and its results were also proportionately consolidated into the Group's financial statements.

During the year, the Group also focused on cost structure improvement which resulted in certain reduction in our headquarter expenses. We will continue our efforts to enhance corporate expense optimization and strive towards further growth in the forthcoming year.

BUSINESS REVIEW

Film Exhibition

The Group served more than 19 million theatre guest admissions during the year, and box office income improved almost 8% across the Group on a full and aggregated basis (including the gross revenue from its jointly controlled entities) to approximately HK\$930 million. Confectionary sales income showed an encouraging and healthy increase of 10.7%, reflecting positive results from both the enhanced confectionary product mix and confectionary prices, in addition to the improved attendance level.

本集團於二零零八年一月與合營夥伴 Village Roadshow (「VR」) 達成和解協議，終止有關管理Golden Village Multiplex Pte Ltd. (「GVM」)之訴訟糾紛。根據和解協議及新的股東協議，本集團會與VR共同管理GVM的主要業務運作及財務，因此GVM已成為本集團之共同控制公司，而其業績亦會按比例綜合方式入賬。

年內，本集團亦專注改善成本架構，以減省部分本集團總部開支。本集團將繼續致力加強優化公司開支結構，以於來年達至更高增長。

業務回顧

影院業務

本集團於年內為19,000,000以上的電影觀眾服務，本集團票房收入按全數及總額基準(包括其共同控制公司之總收益)計算增長近8%至約930,000,000港元。小賣部收入隨著更多的產品組合及價格調整，加上入座率的增加，增長10.7%，表現理想，令人鼓舞。



Hong Kong

Hong Kong market as a whole, recorded a box office receipts of HK\$1,075 million, which enjoyed an 11% increase compared to last year. Running slightly higher than the market, our cinemas in Hong Kong achieved an encouraging result for the year with theatre takings increased by HK\$16 million or 12% from last year. Apart from strong Hollywood line-up this summer, the Group also took the opportunity of improved economic conditions to raise the ticket price and occupancy by launching new pricing scheme as well as executing cinema-oriented film programming strategy. As a result of various efforts, our market share has slightly improved to above 13%.



香港

香港整體市場錄得1,075,000,000港元的票房收入，較去年增加11%。本集團香港影院本年度的票房收入增加了16,000,000港元或12%，業績令人鼓舞，表現亦略勝整體市場。除了今年夏季有多部荷里活猛片上映外，本集團亦把握經濟好轉的機會推出新的票價計劃以及執行針對個別影院的策略性電影播放安排，從而提高票價及入座率。在各方努力下，本集團的市場佔有率微升至高於13%。



Mainland China

Shenzhen, the city in which we operate our flagship cinema, saw a strong surge of market box office by 66% last year. That was largely due to increased supply of new cinemas over the past two years as well as the stronger consumer spending. The Group's 7-screen cinema located at MIXC Mall City Crossing continued to maintain its theatre takings at a high level despite intensified competition in the city and achieved a 25% market share in Shenzhen. It, at the same time, continued to be ranked as the 2nd highest box-office cinema in China nationally – with admissions grew by 10% and theatre takings grossed RMB46 million for the year. Furthermore, the Group extended its digital screen/in-theatre advertising business to other Shenzhen cinemas, and earned a satisfactory return from such investment.



中國內地

深圳為本集團經營旗艦影院的城市，其市場票房於去年錄得66%的強勁增長。此乃由於過去兩年增加了新影院，以及消費開支強勁所致。儘管深圳市內的競爭激烈，本集團位於萬象城擁有七個銀幕的影院仍繼續維持高水平的票房收入，市佔率達25%。該影院同時亦繼續雄據全中國影院票房的第二位，入場人數增加10%，票房收入合共人民幣46,000,000元。此外，本集團亦把數碼銀幕／院內廣告業務拓展至深圳其他影院，並且從有關投資獲得理想的回報。

Taiwan

The market box office for the year remained flat in Taiwan compared to last year, as consumer sentiment was weakened to some extent by political events. Our cinema circuit Vie Show, via implementing various operational enhancement programs which included a new tie-in promotion with a credit card company, continued to maintain its solid market share of around 35% for the year. The Group shared a net profit of HK\$18 million from Vie Show, as compared to HK\$18 million last year which included the recognition of tax credit of over HK\$4 million relating to its accumulated tax losses. In addition, during the year, Vie Show acquired 50% equity interest in a 4-screen cinema and strengthened the circuit's presence in Taipei. On the other hand, we shut down a cinema in Hsinchu due to the closure of a shopping mall and took up a write-off of fixed assets in the amount of HK\$2 million (our share).



台灣

本年度台灣市場票房與去年持平，某程度上乃因消費者情緒受政治事件影響而偏弱。本集團院線威秀，在透過各項提升經營表現計劃(包括與信用卡公司攜手推出新的推廣活動)繼續於本年度維持穩健的市場佔有率，約為35%。本集團所佔威秀的淨盈利為18,000,000港元，而去年錄得之18,000,000港元則包括確認關於累積稅項虧損中超過4,000,000港元的稅項抵免。此外，威秀亦於年內購入一間擁有四個銀幕之影院50%股權，增加本集團在台北的影院。在另一方面，本集團在新竹的一間影院因商場結業而關閉，因而錄得2,000,000港元(本集團所佔部分)之固定資產撇賬。



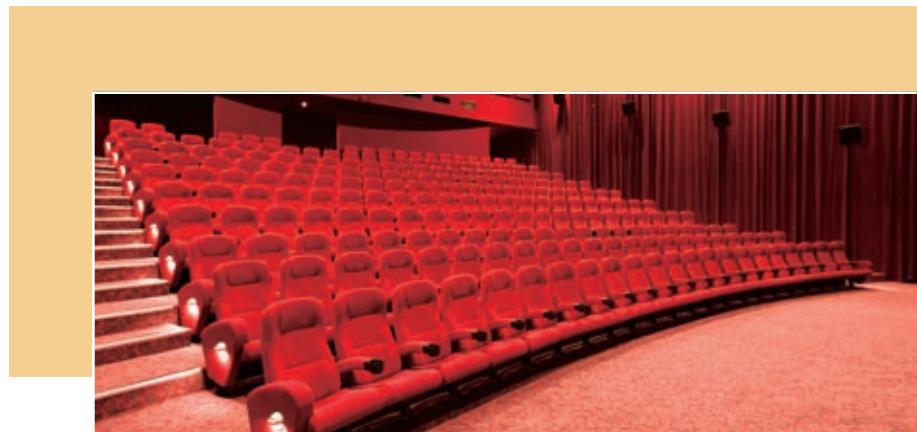
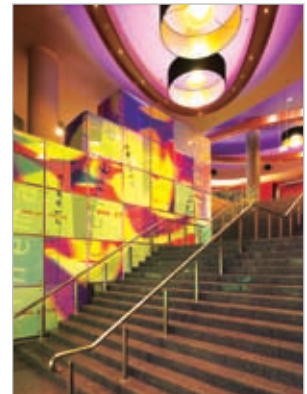


Singapore

The "Lion City" enjoyed a growth in market box office of 15% to S\$150 million for the year. Due to opening of new cinemas by competitors, market share of GVM was slightly affected and declined to 44% this year. Since the opening of the 15-screen flagship cinema GV Vivocity in October 2006, performance of GVM has shown significant improvement. Theatre takings of GVM for the year increased by 9% to S\$67 million. The Group shared a net profit of HK\$22 million for the year, significantly up from HK\$14 million of last year.

新加坡

本年度「獅城」的市場票房收入上升15%至150,000,000新加坡元。因競爭對手的新電影院開幕導致今年GVM的市場佔有率略受影響而微跌至44%。自從本集團於二零零六年十月開幕了擁有15個銀幕的旗艦影院GV Vivocity後，GVM的業績表現有顯著的改善。GVM於本年度的票房收入上升9%至67,000,000新加坡元。本集團應佔淨溢利為22,000,000港元，較去年的14,000,000港元大幅上升。



Malaysia

Net contribution from our circuit TGV significantly dropped by HK\$5 million to HK\$4 million because of fierce market competitions. In February 2008, the Group entered into an agreement to dispose of TGV and the transaction was completed in July 2008.

馬來西亞

由於馬來西亞市場競爭強烈，本集團院線TGV之淨貢獻顯著下降5,000,000港元至4,000,000港元。本集團於二零零八年二月簽訂協議，出售TGV，而該交易亦已於二零零八年七月完成。

Film Distribution

The market box office receipts in Hong Kong increased by 11% to HK\$1,075 million, of which non-Chinese language films took HK\$736 million or 68% of the total box offices. Driven by several high budget and fine quality pictures such as *CJ7*, *Lust Caution* and *The Warlords*, the market box office receipts of Chinese language films was increased by 21% to HK\$339 million for the year. As a major player in distributing both Chinese and non-Chinese language films, the Group held a 13% market share in terms of box office receipts.

Chinese Language Films

The Group distributed 15 Chinese language films during the year, including Andy Lau's *The Warlords*, as compared to 12 titles over the same period last year. The total box office of Chinese language films distributed by the Group amounted to HK\$69 million and the Group holds a market share of approximately 20% this year.

The Group owns a film library of approximately 140 Chinese film titles for worldwide distribution which continuously generates steady income to the Group. During the year, the library generated an income of approximately HK\$10 million for the Group from its royalty licensing activity.

Non-Chinese Language Films

The Group distributed 24 non-Chinese language films during the year, including *The Golden Compass*, *L Change The World* and *A Tale Of Mari And Three Puppies*. The total box office of non-Chinese films distributed by the Group increased by 26% to HK\$69 million, representing about 9% market share. The contribution from non-Chinese films was satisfactory but it was relatively soft compared to last year which included the income from the very successful Japanese movies *Death Note I & II* distributed by the Group in Hong Kong and Taiwan. Moving forward, the Group will continue to expand the film financing and licensing businesses in Hong Kong, mainland China and Taiwan. Our recently released 3D stereoscopic film, *Journey to the Centre of the Earth* in Hong Kong has delivered a very encouraging result.

電影發行

香港市場的票房收入增加11%至1,075,000,000港元，其中非華語電影佔736,000,000港元，即總票房收入的68%。華語電影方面，在數部大製作及高質素電影，如《長江7號》、《色戒》及《投名狀》的帶動下，本年度華語電影的票房收入增加了21%至339,000,000港元。作為華語電影及非華語電影的主要發行商，本集團於本年度按票房收入算，市場佔有率為13%。

華語電影

本集團於本年度共發行15部華語電影，當中包括由劉德華主演的《投名狀》，而去年同期則發行了12部華語電影。本集團所發行的華語電影之總票房收入達69,000,000港元，市場佔有率大約為20%。

本集團擁有的電影庫共約有140部華語電影，以供全球發行。該等電影為本集團帶來穩定的收入。於本年度內電影庫的電影為本集團帶來版權費收入約10,000,000港元。

非華語電影

於本年度本集團共發行24部非華語電影，包括《魔幻羅盤》、《L之終章・最後的23天》及《柴犬奇蹟物語》。本集團所發行之非華語電影的總票房收入增加26%至69,000,000港元，市場佔有率約為9%。非華語電影對本集團的收入貢獻較去年少，主要因為去年收入包括了在香港及台灣發行非常成功及為本集團帶來豐厚的收入的日本電影《死亡筆記 I》及《死亡筆記 II》。展望未來，本集團將在香港、中國內地及台灣繼續擴展電影融資及版權購買業務。最近本集團在香港發行的3D電影《地心探險記》也取得令人十分鼓舞的成績。



PROSPECTS

The Group has dedicated its efforts in strengthening and growing both the exhibition and distribution networks in territories with higher market potential and better returns. Given the continued opening of film market in mainland China and the increase in investment opportunities, we strongly believe that this is the appropriate time for the Group to redeploy its resources to strengthen our presence in mainland China. The Group has planned to open more screens in Shenzhen and other principal cities such as Beijing, Hangzhou, Suzhou and Wuxi in the years ahead.

We are facing a challenging year ahead with the recent global economic uncertainties caused by the sub-prime mortgage related credit crisis in United States as well as the austerity measures implemented in mainland China for preventing overheating economy and inflation. We are cautiously optimistic in respect to the prospects of film industry in territories we operated. Hong Kong will continue to be the base of the Group's operations and we have adopted stringent measures to control the general and administrative expenses.

FINANCIAL RESOURCES AND LIQUIDITY

During the year, convertible notes in aggregate amounts of HK\$90 million have been converted into the ordinary shares of the Company, creating a total of approximately 41 million new ordinary shares at a conversion price of HK\$2.2 per share. The Group's borrowings significantly decreased.

In addition, the Group obtained a new bank loan facility of RMB24 million during the year for the development of our cinemas in mainland China. The loan is repayable within 4 years from the drawdown date and as at 30 June 2008, the loan has not been utilized. The loan is secured by the pledge of certain fixed assets of the Group and is at floating interest rates.

前景

本集團將致力強化並擴大其於具有高市場潛力及有能力提供較豐厚回報之地區內的影院經營及發行網絡。考慮到中國內地電影市場不斷開放及投資機會增加等因素，本集團深信現時正是重新部署資產的投放以加強在中國內地電影市場之地位的良機。本集團計劃在來年於深圳及中國其他主要城市例如北京、杭州、蘇州及無錫等地開設更多影廳。

最近由美國次按問題所引起相關的信貸危機，以及中國內地為防止經濟過熱及通脹問題所實施之壓抑消費的措施，使本集團將面對具挑戰性的一年。然而本集團對本身業務地區內之電影業前景仍審慎樂觀。本集團將會繼續以香港為營運基地，並且已經採取多項緊縮開支措施，有效控制公司的一般及行政開支。

財務資源及流動資金

於本年度內，共有90,000,000港元之可換股票據以每股2.2港元的行使價轉換成本公司的普通股，因此本集團合共發行約41,000,000股普通股新股。本集團的負債因此而大幅下降。

此外，本集團於年度內獲批一項新的銀行貸款，貸款額為人民幣24,000,000元，以供本集團在中國內地發展影院之用。該貸款須於提款日起四年內清還，於二零零八年六月三十日，本集團並未動用該筆貸款。該貸款以本集團部分固定資產作為抵押，及以浮動利率作為利息計算。

As at 30 June 2008, the Group's cash balance was HK\$266 million (2007: HK\$221 million), representing an increase of 20% as compared with that of 2007. The aggregate amount of the Group's bank borrowings and the convertible notes was HK\$52 million (2007: HK\$196 million). Details of the borrowings including the terms of the loans, interest rates, currencies and securities are disclosed in note 23 and 24 to the financial statements. Our gearing ratio, calculated on the basis of external borrowings (including the convertible notes) over total assets, was 5%, representing a significant improvement from 21% in 2007. The improvement was mainly attributable to the conversion of the convertible notes and increase in total assets.

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

The Group did not have any significant contingent liabilities as of 30 June 2008.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2008, the Group had 311 (2007: 264) permanent employees. The Group remunerates its employees largely based on industry practice. In addition to salaries, commissions and discretionary bonuses, share options are granted to certain employees based on individual merit. The Group also operates a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance and as at the balance sheet, there was no forfeited contribution arising from employees leaving the retirement benefit scheme.

於二零零八年六月三十日，本集團所持現金餘額為266,000,000港元(二零零七年：221,000,000港元)，比二零零七年增加20%。同期本集團之銀行借款及可換股票據總額為52,000,000港元(二零零七年：196,000,000港元)，貸款年期、利率、貨幣及抵押之借款詳情載於財務報表附註23及24。按對外借貸(包括可換股票據)與資產總值計算，本集團之資產負債比率為5%，較二零零七年之21%有顯著改善。資產負債比率情況有所改善主要由於本集團之可換股票據被行使及資產總值增加。

本集團之資產與負債主要以港元計值，惟於中國內地、台灣、新加坡及馬來西亞之投資相關若干資產及負債外。管理層不時評估該等地區之外匯風險。由於過去兩年該等貨幣之匯率相對穩定或對本集團有利，故年內並無採取任何外幣對沖措施。董事將繼續評估外匯風險，並會考慮採取可行之對沖措施，盡量以合理成本降低風險。

於二零零八年六月三十日本集團並無任何重大或然負債。

僱員及薪酬政策

於二零零八年六月三十日，本集團有311名(二零零七年：264名)全職僱員。本集團主要根據行業慣例釐定僱員薪酬。除薪金、佣金及酌情花紅外，若干僱員可就個人表現獲授購股權。本集團亦根據強制性公積金計劃條例設立定額供款退休福利計劃。於結算日，並無任何僱員脫離退休福利計劃而產生之沒收供款。

Financial Information

財務資料



Report of The Directors

董事會報告書

The directors of the Company (the "Director(s)") present their report and the audited financial statements of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 30 June 2008.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group consist of worldwide film and video distribution, film exhibition in Hong Kong, mainland China, Taiwan and Singapore, and the operation of a film processing business in Hong Kong.

RESULTS AND DIVIDENDS

The Group's results for the financial year ended 30 June 2008 and the state of affairs of the Company and the Group as at 30 June 2008 are set out in the financial statements on pages 68 to 223.

A special dividend of HK\$0.10 per Share, amounting to a total of HK\$18,327,399, was declared by the Board on 26 August 2008 and has been paid to the shareholders of the Company whose names appeared on the register of members of the Company at close of business on 11 September 2008.

The Directors do not recommend the payment of any final dividend for the year ended 30 June 2008.

SUMMARY FINANCIAL INFORMATION

Set out below is a summary of the consolidated results and of the assets, liabilities and minority interests of the Group for the last five financial years as extracted from the audited financial statements.

本公司董事(「董事」)謹此提呈董事會報告書以及本公司及其附屬公司(統稱「本集團」)截至二零零八年六月三十日止財政年度之經審核財務報表。

主要業務

本公司為投資控股公司。本集團之主要業務包括在全球各地發行電影及影碟；在香港、中國內地、台灣及新加坡經營影院，以及在香港經營電影沖印業務。

業績及股息

本集團截至二零零八年六月三十日止財政年度之業績，以及本公司與本集團於二零零八年六月三十日之財政狀況載於第68至第223頁之財務報表內。

董事會於二零零八年八月二十六日宣派特別股息每股股份0.10港元，總額達18,327,399港元，並已經向於二零零八年九月十一日營業時間結束時名列於本公司股東名冊之本公司股東支付有關股息。

董事不建議派付截至二零零八年六月三十日止年度之末期股息。

財務資料摘要

下文載列本集團過去五個財政年度摘錄自經審核財務報表之綜合業績、資產、負債及少數股東權益概要。

FIVE YEAR FINANCIAL SUMMARY

五年財務摘要

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 | 2004 二零零四年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Consolidated income statement | 綜合收益表 | | | | | |
| Turnover | 營業額 | 619,901 | 469,511 | 512,285 | 276,586 | 218,477 |
| Profit/(loss) before taxation | 除稅前溢利/(虧損) | 17,549 | 87,200 | 7,952 | (10,531) | (10,993) |
| Income tax | 所得稅 | (10,391) | 414 | (2,737) | (2,399) | (512) |
| Profit for the year from continuing operations | 持續經營業務之本年度溢利 | 7,158 | 87,614 | 5,215 | (12,930) | (11,505) |
| Profit from discontinued operation | 已終止經營業務之溢利 | 3,911 | 8,949 | - | - | - |
| Profit/(loss) for the year | 本年度溢利/(虧損) | 11,069 | 96,563 | 5,215 | (12,930) | (11,505) |
| Attributable to: | 以下人士應佔部分： | | | | | |
| Equity shareholder of the Company | 本公司股權持有人 | 10,763 | 96,717 | 5,215 | (12,930) | (11,505) |
| Minority interests | 少數股東權益 | 306 | (154) | - | - | - |
| | | 11,069 | 96,563 | 5,215 | (12,930) | (11,505) |
| Consolidated balance sheet | 綜合資產負債表 | | | | | |
| Fixed assets | 固定資產 | 367,395 | 262,189 | 247,540 | 236,995 | 53,367 |
| Interest in associates | 於聯營公司之權益 | - | 169,369 | 195,902 | 159,374 | 182,613 |
| Amounts due from jointly controlled entities | 應收共同控制公司款項 | 32,285 | 26,069 | 42,775 | 61,344 | - |
| Prepaid rental | 預付租金 | 8,015 | 8,704 | 11,502 | 5,190 | - |
| Club memberships | 會籍 | 3,590 | 3,590 | 3,590 | 4,380 | 4,380 |
| Rental and other deposits | 租務及其他按金 | 54,006 | 51,507 | 53,130 | 54,706 | 11,869 |
| Trademarks | 商標 | 79,421 | 79,421 | 79,421 | 79,421 | 79,421 |
| Deferred tax assets | 遞延稅項資產 | 358 | 1,503 | - | - | - |
| Pledged bank deposits | 已抵押銀行存款 | 10,133 | 2,049 | 1,870 | 1,139 | - |
| Current assets | 流動資產 | 422,904 | 326,012 | 135,192 | 167,885 | 89,173 |
| Assets of a jointly controlled entity held for sale | 持待待售之共同控制公司資產 | 141,037 | - | - | - | - |
| Total assets | 資產總值 | 1,119,144 | 930,413 | 770,922 | 770,434 | 420,823 |

| | | 2008 二零零八年 HK\$'000 千港元 | 2007 二零零七年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 | 2004 二零零四年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Consolidated balance sheet | 綜合資產負債表 | | | | | |
| Current liabilities | 流動負債 | 277,064 | 204,555 | 217,866 | 225,063 | 101,613 |
| Liabilities of a jointly controlled entity held for sale | 持作待售之共同控制公司負債 | 101,135 | – | – | – | – |
| Non-current portion of bank loans | 銀行貸款之非即期部分 | 7,800 | 48,686 | 57,087 | 65,325 | – |
| Non-current portion of convertible notes | 可換股票據之非即期部分 | – | 100,590 | 19,618 | – | – |
| Non-current portion of finance lease payables | 融資租賃應付賬款之非即期部分 | – | 799 | 1,152 | 298 | 709 |
| Loans from joint venture partners | 合營夥伴提供之貸款 | 42,505 | 26,069 | 42,775 | 61,344 | – |
| Loan from minority shareholder | 少數股東提供之貸款 | 696 | – | – | – | – |
| Deposits received | 已收按金 | 4,248 | 3,700 | 4,284 | 3,686 | – |
| Deferred tax liabilities | 遞延稅項負債 | 16,540 | 7,999 | 7,274 | 5,585 | 462 |
| Total liabilities | 負債總值 | 449,988 | 392,398 | 350,056 | 361,301 | 102,784 |
| Net assets | 資產淨值 | 669,156 | 538,015 | 420,866 | 409,133 | 318,039 |
| Minority interests | 少數股東權益 | 1,421 | 555 | – | – | – |

FIXED ASSETS

Details of movements in the fixed assets of the Group during the year are set out in note 13 to the financial statements.

固定資產

本集團固定資產於年內之變動詳情載於財務報表附註13。

SHARE CAPITAL AND CONVERTIBLE NOTES

Details of movements in the Company's share capital and convertible notes during the year are set out in notes 28 and 24, respectively, to the financial statements.

股本及可換股票據

本公司股本及可換股票據年內之變動詳情分別載於財務報表附註28及24。

PRE-EMPTIVE RIGHTS

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 28(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2008, the Company's reserve available for cash distribution and/or distribution in specie, comprising the contributed surplus and retained profits, amounted to HK\$310,740,000 (2007: HK\$273,141,000). In addition, the Company's share premium account and capital redemption reserve of HK\$179,062,000 and HK\$6,422,000, respectively, as at 30 June 2008 may be distributed to shareholders in certain circumstance prescribed by Section 54 of the Companies Act 1981 of Bermuda.

DIRECTORS

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

Chairman & Executive Directors:

Wu Kebo

(appointed on 26 October 2007)

Raymond Chow Ting Hsing

(resigned on 26 October 2007)

優先購買權

本公司之公司細則或百慕達公司法例並無關於優先購買權之規定，以致本公司須向現有股東按比例發售新股。

儲備

本公司及本集團年內之儲備變動詳情分別載於財務報表附註28(b)及綜合權益變動報表。

可分派儲備

本公司於二零零八年六月三十日之可供現金分派及／或實物分派之儲備(包括繳入盈餘及保留溢利)為310,740,000港元(二零零七年:273,141,000港元)。此外，本公司於二零零八年六月三十日之股份溢價賬結餘及資本贖回儲備分別為179,062,000港元及6,422,000港元，並可以根據一九八一年百慕達公司法第54條按若干情況向股東分派。

董事

年內及截至本報告日期在任之本公司董事為：

主席及執行董事：

伍克波

(於二零零七年十月二十六日獲委任)

鄧文懷

(於二零零七年十月二十六日辭任)

Executive Directors:

Winnie Chan Suet Yin
(appointed on 1 September 2008)

Fiona Chow Sau Fong
(appointed on 30 October 2007 and also
alternate to Chow Siu Hong)

Wang Wei
(appointed on 26 October 2007)

Wu Keyan
(appointed as alternate to Wu Kebo on 1 January 2008)

Lau Pak Keung
(resigned on 31 August 2008)

David Chan Sik Hong
(resigned on 24 March 2008)

Roberta Chin Chow Chung Hang
(resigned on 26 October 2007)

Non-executive Directors:

Eric Norman Kronfeld

Takashi Araki
(appointed on 29 October 2007)

Shen De Min
(appointed as executive Director on 26 March 2008 and
re-designated to non-executive Director on 1 September 2008)

Chow Siu Hong
(appointed as executive Director on 26 October 2007 and
re-designated to non-executive Director on 1 September 2008)

Phoon Chiong Kit
(re-designated from executive Director to non-executive Director
on 21 December 2007 and resigned on 28 March 2008)

Independent Non-executive Directors:

Leung Man Kit
(appointed on 11 February 2008)

George Huang Shao-Hua

Prince Chatrichalerm Yukol

Paul Ma Kah Woh
(resigned on 24 December 2007)

Frank Lin
(resigned on 2 November 2007)

執行董事：

陳雪彥
(於二零零八年九月一日獲委任)

鄒秀芳
(於二零零七年十月三十日獲委任及
亦為鄒小康之替任董事)

王薇
(於二零零七年十月二十六日獲委任)

伍克燕
(於二零零八年一月一日獲委任為
伍克波之替任董事)

劉柏強
(於二零零八年八月三十一日辭任)

陳錫康
(於二零零八年三月二十四日辭任)

陳鄒重珩
(於二零零七年十月二十六日辭任)

非執行董事：

Eric Norman Kronfeld

荒木隆司
(於二零零七年十月二十九日獲委任)

沈德民
(於二零零八年三月二十六日獲委任為執行董事
並於二零零八年九月一日調任為非執行董事)

鄒小康
(於二零零七年十月二十六日獲委任為執行董事
並於二零零八年九月一日調任為非執行董事)

潘從傑
(於二零零七年十二月二十一日由執行董事調任為
非執行董事並於二零零八年三月二十八日辭任)

獨立非執行董事：

梁民傑
(於二零零八年二月十一日獲委任)

黃少華

Prince Chatrichalerm Yukol

馬家和
(於二零零七年十二月二十四日辭任)

林輝波
(於二零零七年十一月二日辭任)

Pursuant to Bye-law 87(1) of the Bye-laws of the Company, at each annual general meeting of the Company, one third of the Directors for the time being shall retire from office by rotation. Pursuant to Bye-law 87(2) of the Bye-laws of the Company, a retiring Director shall be eligible for re-election. Accordingly, each of Mr. Takashi Araki, Mr. Chow Siu Hong, Mr. George Huang Shao-Hua and Prince Chatrichalerm Yukol shall retire at the forthcoming annual general meeting and, being eligible for re-election at the annual general meeting. Except for Mr. George Huang Shao-Hua who will offer himself for re-election at the annual general meeting, each of Prince Chatrichalerm Yukol and Mr. Chow Siu Hong has indicated that he will not offer himself for re-election due to pursuit of his other business and Mr. Takashi Araki has also indicated that he will not offer himself for re-election due to pursuit of his career development.

In addition, Ms. Fiona Chow Sau Fong, Ms. Wang Wei and Mr. Eric Norman Kronfeld will voluntarily retire and being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

Pursuant to Bye-laws 86(2) and 87(2) of the Bye-laws of the Company, any Director appointed as an addition to the Board shall hold office only until the first general meeting of the Company after his or her appointment and shall then be eligible for re-election at that meeting (but shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation). Accordingly, Ms. Winnie Chan Suet Yin, Mr. Leung Man Kit and Mr. Shen De Min, all being the Directors appointed by the Board after the preceding annual general meeting of the Company, will retire and being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Each of Ms. Fiona Chow Sau Fong and Ms. Winnie Chan Suet Yin has entered into a service contract with the Company which in each case is determinable by not less than three months notice with compensation in the amount equivalent to their respective salaries for the period from the date of such notice until the end of the term of the service contract, and in any event no more than one year's emoluments.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting of the Company has entered into a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

根據本公司之章程細則第87(1)條規定，於各屆本公司股東週年大會上，當時三分之一之董事須輪值退任。根據本公司之章程細則第87(2)條規定，退任董事符合資格應選連任。因此，荒木隆司先生、鄒小康先生、黃少華先生及Prince Chatrichalerm Yukol各自將於應屆股東週年大會上退任，並符合資格於股東週年大會上應選連任。除黃少華願意於股東週年大會上應選連任外，Prince Chatrichalerm Yukol及鄒小康先生已各自表明，彼因其他業務而不會應選連任。而荒木隆司先生亦已表明，彼因個人事業發展而不會應選連任。

另外，鄒秀芳女士、王薇女士及Eric Norman Kronfeld先生各自將自願於本公司應屆股東週年大會上退任，並符合資格及願意於本公司應屆股東週年大會應選連任。

根據本公司之章程細則第86(2)條及第87(2)條規定，任何董事會新成員僅可任職至獲委任後本公司首屆股東大會結束為止，並符合資格於該大會上應選連任(惟毋須考慮確定須輪席退任之董事名單或數目內)。因此，陳雪彥女士、梁民傑先生及沈德民先生彼等各自於本公司上屆股東週年大會後獲董事會委任為董事，將於應屆股東週年大會上退任，並合資格及願意應選連任。

鄒秀芳女士及陳雪彥女士各自與本公司訂立服務合約，可發出不少於三個月通知予以終止，而賠償金額相當於發出通知當日起至合約期限到期止彼等各自之薪酬，惟無論如何不超過一年之薪酬。

除上文所披露外，擬於應屆股東週年大會上應選連任之董事與本公司並無訂立不可由本公司於一年內終止合約而毋須賠償(法定賠償除外)之服務合約。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2008, the interests and short positions of the directors and chief executive of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(i) **Interests in shares of HK\$1.00 each in the issued share capital of the Company (the "Shares"), underlying Shares and debentures of the Company**

董事及主要行政人員於股份、相關股份或債權證之權益及淡倉

於二零零八年六月三十日，本公司之董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，擁有本公司須根據證券及期貨條例第XV部第352條存置之登記冊所記錄；或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)所載上市發行人董事進行證券交易的標準守則(「標準守則」)已知會本公司與聯交所之權益及淡倉如下：

(i) 於本公司已發行股本中每股1.00港元之股份(「股份」)、本公司之相關股份及債權證之權益

| Name of Director | Capacity | Note | Number of Shares | Number of underlying Shares | Total number of Shares and underlying Shares | * Approximate percentage of shareholding in the Company |
|--------------------|---|------|------------------|-----------------------------|--|---|
| 董事姓名 | 身份 | 附註 | 股份數目 | 相關股份數目 | 股份及相關股份總數 | 本公司股權概約百分比* |
| Wu Kebo 伍克波 | Interest of controlled corporations 受控法團權益 | 1 | 94,627,991(L) | 9,090,909(L) | 103,718,900(L) | 61.14% |
| | Interest of controlled corporations 受控法團權益 | 2 | 74,809,636(L) | 4,545,454(L) | 79,355,090(L) | 46.78% |
| Shen De Min 沈德民 | Beneficial Owner 實益擁有人 | | 200,000(L) | - | 200,000(L) | 0.12% |

| Name of Director 董事姓名 | Capacity 身份 | Note 附註 | Number of Shares 股份數目 | Number of underlying Shares 相關股份數目 | Total number of Shares and underlying Shares 股份及相關股份總數 | * Approximate percentage of shareholding in the Company 本公司股權概約百分比* |
|---------------------------------|---------------------------|------------|--------------------------|---------------------------------------|---|--|
| Lau Pak Keung 劉柏強 | Beneficial Owner 實益擁有人 | 3 | 200,000(L) | 200,000(L) | 400,000(L) | 0.24% |
| Eric Norman Kronfeld | Beneficial Owner 實益擁有人 | 4 | – | 185,000(L) | 185,000(L) | 0.11% |
| George Huang Shao-Hua 黃少華 | Beneficial Owner 實益擁有人 | 4 | – | 100,000(L) | 100,000(L) | 0.06% |
| Prince Chatrichalerm Yukul | Beneficial Owner 實益擁有人 | 4 | – | 135,000(L) | 135,000(L) | 0.08% |

* This percentage has been compiled based on the total number of Shares in issue (i.e. 169,637,627 Shares) as at 30 June 2008.

* 此百分比乃根據於二零零八年六月三十日已發行股份總數(即169,637,627股股份)而計算。

Notes:

附註:

1. Mr. Wu Kebo ("Mr. Wu") was deemed to be interested in these 94,627,991 Shares and 9,090,909 underlying Shares by virtue of his 100% beneficial holding in Skyera International Limited ("Skyera") and 80% beneficial holding in Chengtian Entertainment Group (International) Holding Company Limited ("Chengtian"). Of these Shares, 63,165,840 Shares were held by Skyera and 31,462,151 Shares and 9,090,909 underlying Shares, which will be issued upon full conversion of HK\$20,000,000 4% convertible notes issued by the Company on 22 August 2006, were held by Chengtian.

1. 伍克波先生(「伍先生」)實益擁有Skyera International Limited (「Skyera」)全部股權及橙天娛樂集團(國際)控股有限公司(「橙天」)80%股權，故此伍先生被視為擁有本公司94,627,991股股份以及9,090,909股相關股份權益。該等股份當中，63,165,840股股份由Skyera持有，而31,462,151股股份以及須待本公司於二零零六年八月二十二日發行之20,000,000港元4厘可換股票據全數轉換後將發行之9,090,909股相關股份則由橙天持有。

2. Assuming that the mandatory unconditional cash offer made by Somerley Limited on behalf of Skyera and Mainway Enterprises Limited ("Mainway") for all outstanding convertible notes, share options of the Company and all the Shares (other than those already owned or agreed to be acquired by Skyera and Mainway and parties acting in concert with any of them) (the "Offers", as more particularly described in the circular of the Company dated 12 June 2008) were fully accepted, in addition to the interests as disclosed in Note 1 above, Mr. Wu was also deemed to be interested in 74,809,636 Shares and 4,545,454 underlying Shares by virtue of his 100% beneficial holding in each of Skyera and Mainway. These 4,545,454 underlying Shares represented the Shares which will be issued upon full conversion of HK\$10,000,000 4% convertible notes issued by the Company on 22 August 2006.

3. These 200,000 underlying Shares represented the Shares which will be issued upon the exercise of share options granted by the Company under the share option scheme adopted by the Company on 28 November 2001 (the "Share Options Scheme") and such share options had been lapsed as at the date of this report due to the resignation of Mr. Lau Pak Keung as executive Director with effect from 31 August 2008.

4. These underlying Shares represented the Shares which will be issued upon the exercise of the share options granted by the Company under the Share Option Scheme.

Abbreviations:

"L" stands for long position
 "S" stands for short position

2. 假設新百利有限公司代表Skyera及Mainway Enterprises Limited (「Mainway」)就所有未行使之可換股票據、本公司購股權及所有股份(除經已由Skyera及Mainway及彼等一致行動人士擁有或同意收購之股份外)而提出之強制性無條件現金收購建議(「收購建議」,詳情載於本公司於二零零八年六月十二日之通函內)獲全部接納,由於伍先生分別實益擁有Skyera及Mainway全部股權,故除附註1所披露之權益外,彼亦被視為擁有74,809,636股股份及4,545,454股相關股份的股權。該4,545,454股相關股份乃指本公司於二零零六年八月二十二日發行面值為10,000,000港元4厘可換股票據獲全數兌換後將予發行之股份。

3. 該200,000股相關股份乃指本公司根據公司於二零零一年十一月二十八日採納之購股權計劃(「購股權計劃」)授出之購股權獲行使後將予發行之股份,而該等購股權因執行董事劉柏強先生於二零零八年八月三十一日辭任而於本報告日期失效。

4. 該等相關股份乃指本公司根據購股權計劃授出之購股權獲行使後將予發行之股份。

縮略詞:

「L」 指好倉
 「S」 指淡倉

(ii) Interests in shares of associated corporations

Mr. Wu Kebo was also the beneficial owner of the entire issued share capital of Golden Harvest Film Enterprises Inc., which beneficially held 114,000,000 non-voting deferred shares of Golden Harvest Entertainment Company Limited, a wholly-owned subsidiary of the Company.

In addition to the above, Mr. Wu Kebo had non-beneficial equity interests in certain subsidiaries of the Company which were held for the benefit of the Group.

Save as disclosed above and save for the disclosure referred to under "Share Option Scheme" set out in note 28(iii) to the financial statements, as at 30 June 2008, none of the Directors and chief executive of the Company had any interests or short positions in Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' and chief executive's interests and short positions in shares, underlying shares or debentures" above and "Share Option Scheme" below, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's Directors, their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

(ii) 相聯法團之股份

伍克波先生亦為Golden Harvest Film Enterprises Inc.全部已發行股本之實益擁有人，而該公司實益持有本公司全資附屬公司嘉禾娛樂事業有限公司114,000,000股無投票權遞延股份。

除上述者外，伍克波先生就本集團利益持有本公司之若干附屬公司股本權益，但並無實際權益。

除上文披露者及財務報表附註28(iii)所載「購股權計劃」一節之披露事項外，於二零零八年六月三十日，本公司各董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中並無擁有任何本公司須根據證券及期貨條例第XV部第352條存置之登記冊所記錄；或根據標準守則已知會本公司與聯交所之權益或淡倉。

董事購買股份或債權證之權利

除上文「董事及主要行政人員於股份、相關股份或債權證之權益及淡倉」一節及下文「購股權計劃」一節披露者外，本公司或其任何附屬公司於年內任何時間概無參與任何安排，致使本公司董事、彼等各自之配偶或未滿18歲子女可藉收購本公司或任何其他法人團體之股份或債權證而獲益。

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include the Directors and other employees of the Group, shareholders of the Company, suppliers of goods or services to the Group and customers of the Group. The Share Option Scheme became effective on 30 November 2001 and, unless otherwise cancelled or amended, will remain in force for a period of 10 years from that date.

Each grant of the share options to the Director, chief executive or substantial shareholder of the Company, or any of their associates, must be subject to prior approval of the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the option). In addition, any grant of the share options to a substantial shareholder of the Company or an independent non-executive Director, or any of their associates respective which would result in the Shares issued or to be issued upon exercise of options already granted and to be granted under the Share Option Scheme and any other share option schemes of the Company (if any) (including options exercised, cancelled and outstanding) to such person representing in aggregate over 0.1% of the Shares in issue at any time and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of the grant, shall be subject to prior approval of the shareholders of the Company in general meeting with voting to be taken by way of a poll.

The offer in relation to a grant of share options must be accepted within 30 days inclusive of, and from the day of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the Directors, which may not exceed 10 years commencing on such date on or after the date of grant as the Directors may determine in granting the share options and ending on such date as the Directors may determine in granting the share options (which in any event must be prior to the close of business on 30 October 2011). Save as determined by the Directors and provided in the offer of the grant of the relevant share option, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

購股權計劃

本公司採納購股權計劃，作為給予為本集團業務成功所作出貢獻之合資格參與者之獎勵及回饋。購股權計劃之合資格參與者包括董事及本集團其他僱員、本公司股東、本集團貨品或服務供應商及本集團客戶。購股權計劃已於二零零一年十一月三十日生效，除非以其他方式取消或修訂，否則購股權計劃自該日起計十年內有效。

每次向本公司董事、行政總裁或主要股東、或任何彼等之聯繫人授出購股權，須先獲獨立非執行董事（身為購股權承授人之獨立非執行董事除外）之批准。此外，於截至授出購股權當日止任何12個月期間向本公司主要股東或獨立非執行董事、或任何彼等各自之聯繫人授出之任何購股權，如將導致根據購股權計劃及本公司任何其他購股權計劃（如有）已授出或將授出予該等人士之購股權（包括已行使、註銷及未行使之購股權）行使後已發行或將發行之股份多於本公司任何時間之已發行股份0.1%或總值（根據授出當日本公司股份之收市價計算）多於5,000,000港元，須事先獲本公司股東於股東大會上按投票表決方式批准。

授出購股權之建議必須於建議日期（包括該日）起計30日內由承授人接納，並須支付象徵式代價1港元。所授出購股權之行使期乃由董事釐定，惟由本公司董事於授出購股權時決定之授出購股權當日或之後之日期起至本公司董事於授出購股權時可能決定之結束日期（無論如何不得遲於二零一一年十月三十日辦公時間結束時）不得超過10年。除本公司董事另行決定及授出有關購股權之建議另有規定外，並無一般規定限制購股權必須於持有若干最短期限後方可行使。

The exercise price of the share options is determinable by the Directors, provided always that it shall be at least the higher of (i) the closing price of the Shares as stated in the daily quotations of the Stock Exchange on the date of offer of grant of the share options; and (ii) the average Stock Exchange's closing price of the Shares for the five trading days immediately preceding the date of the offer.

The maximum number of Shares issuable upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company (if any) must not in aggregate exceed 10% of the Shares in issue as at 28 November 2001. This limit was refreshed by the shareholders of the Company in the annual general meeting of the Company held on 10 December 2007 in accordance with the provisions of the Listing Rules. In addition, the maximum number of Shares issued and to be issued upon exercise of the share options granted to each eligible participant under the Share Option Scheme and any other share option schemes of the Company (if any) (including both exercised and outstanding options) within any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of share options in excess of such limit (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant of such share option shall be separately approved by the shareholder of the Company in general meeting with such participant and his associates abstaining from voting.

購股權之行使價乃由董事釐定，惟不得低於(i)本公司股份於建議授出購股權當日在聯交所之收市價；及(ii)本公司股份於緊接建議授出購股權當日前五個交易日在聯交所之平均收市價(以較高者為準)。

因行使根據購股權計劃及本公司任何其他購股權計劃(如有)將授出之所有購股權而可予發行之本公司最高股數，不得超過本公司於二零零一年十一月二十八日之已發行股份之10%。本公司股東已於二零零七年十二月十日按照上市規則之條文在股東大會上重新釐定該上限。此外，根據購股權計劃及本公司任何其他購股權計劃(如有)於任何12個月期間內向個別合資格參與者授出之購股權而已發行及可予發行之最高股數，不得超過本公司已發行股份之1%。倘於該等購股權授出日前十二個月任何期間(包括授出當日)內額外授出超逾該上限之購股權(包括已行使、註銷及未行使之購股權)，則須個別在股東大會上獲得股東批准，而該等參與者及其聯繫人須放棄投票。

As at the date of this report, the aggregate number of Shares available for issue under the Share Option Scheme and an earlier share option scheme of the Company (the "Terminated Scheme", which was terminated on 28 November 2001) was 1,400,000 Shares, of which 825,000 Shares available for issue under the Share Option Scheme (representing approximately 0.45% of the Shares in issue as at the date of this report), and 575,000 Shares available for issue under the Terminated Scheme (representing approximately 0.31% of the Shares in issue as at the date of this report).

Share options do not confer rights on the holders to dividends or to vote at the shareholders' meetings.

Share options granted and lapsed during the year

During the financial year ended 30 June 2008, no options were granted to the Directors and other employees of the Group while 4,970,000 share options were lapsed (details of which are set out in the following table).

During the financial year ended 30 June 2008, a total of 1,975,000 share options were exercised (2007: Nil) at exercise prices ranging from HK\$2.08 to HK\$3.93 and no share options were cancelled under the Share Option Scheme (details of which are set out in the following table).

The movements of share options during the year and the outstanding share options held by the Directors and other employees of the Group as at 30 June 2008 are set out in the following table:

於本報告日，根據購股權計劃及本公司先前購股權計劃（「已終止計劃」，於二零零一年十一月二十八日終止）可供發行之股份總數為1,400,000股，當中根據購股權計劃可供發行之825,000股股份約佔於本報告日已發行股份0.45%，而根據已終止計劃可供發行之股份為575,000股，約相當於本報告日已發行股份0.31%。

購股權並無賦予持有人獲派股息或在股東大會上投票之權利。

年內授出及失效之購股權

截至二零零八年六月三十日止財政年度，概無購股權已授予本公司董事及本集團其他僱員，而4,970,000份購股權則告失效（詳情載於下表）。

截至二零零八年六月三十日止財政年度，合共1,975,000份購股權已行使（二零零七年：無），行使價介乎於2.08港元至3.93港元，而並無根據購股權計劃註銷購股權（詳情載於下表）。

購股權年內變動以及董事及本集團其他僱員於二零零八年六月三十日所持尚未行使購股權載於下表：

| Name or category of participant 參與者姓名或類別 | Date of grant of share option 購股權 授出日期 | Exercise price 行使價 | Exercise period 行使期 | Number of share options outstanding as at 1 July 2007 於 二零零七年 七月一日之 尚未行使 購股權數目 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Lapsed during the year 年內失效 | Closing price of the Shares immediately before the date of grant of share option 股份於 緊接購股權 授出日前 之收市價 | | Number of share options outstanding as at 30 June 2008 於 二零零八年 六月三十日 之尚未行使 購股權數目 |
|---|--|-----------------------|------------------------|---|---------------------------------|-----------------------------------|--------------------------------|--|-------------------|---|
| | | | | | | | | (Note e) (附註e) | (Note e) (附註e) | |
| | | HK\$ 港元 | | | | | | HK\$ 港元 | HK\$ 港元 | |

Director 董事

| | | | | | | | | | | |
|-------------------------|------------------------------------|----------------------|---|-------------------------------|-------------|-------------------------------------|----------------------------------|-------------------------|----------------------|-------------|
| Phoon Chiong Kit 潘從傑 | 25 July 2000 二零零零年 七月二十五日 | 6.24 | 25 July 2000 to 24 July 2010 (Note a) 二零零零年七月二十五日至 二零一零年七月二十四日 附註(a) | 575,000 | - | - | (575,000) Note (d) (附註d) | 0.96 | - | - |
| | 31 October 2001 二零零一年 十月三十一日 | 4.96 | 30 November 2001 to 30 October 2011 Note (b) 二零零一年十一月三十日至 二零一一年十月三十日 附註(b) | 1,250,000 | - | - | (1,250,000) Note (d) (附註d) | 0.62 | - | - |
| | 9 December 2004 二零零四年 十二月九日 | 2.08 2.56 3.04 | 10 January 2005 to 30 October 2011 Note (c) 二零零五年一月十日至 二零一一年十月三十日 附註(c) | 625,000 625,000 625,000 | - - - | (625,000) (625,000) (625,000) | - - - | 0.265 0.265 0.265 | 3.09 3.09 3.09 | - - - |
| | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 650,000 | - | - | (650,000) Note (d) (附註d) | 0.34 | - | - |
| | | 4.32 | 二零零七年七月一日至 二零一一年十月三十日 | 650,000 | - | - | (650,000) Note (d) (附註d) | - | - | - |
| | | 4.75 | | 650,000 | - | - | (650,000) Note (d) (附註d) | - | - | - |

| Name or category of participant 參與者姓名或類別 | Date of grant of share option 購股權 授出日期 | Exercise price 行使價 | Exercise period 行使期 | Number of share options outstanding as at 1 July 2007 於 二零零七年七月一日之 尚未行使 購股權數目 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Lapsed during the year 年內失效 | Closing price of the Shares | | Number of share options outstanding as at 30 June 2008 於 二零零八年六月三十日 之尚未行使 購股權數目 |
|---|--|-----------------------|------------------------|---|---------------------------------|-----------------------------------|--------------------------------|---|--|---|
| | | | | | | | | immediately before the date of grant of share option 股份於 緊接購股權 授出日前 之收市價 (Note e) (附註e) | immediately before the date of exercise of share option 股份於 緊接購股權 行使日前 之收市價 (Note e) (附註e) | |
| | | HK\$ 港元 | | | | | | HK\$ 港元 | HK\$ 港元 | |

Director (Continued)

董事(續)

| | | | | | | | | | | |
|---|------------------------------------|------|---|---------|---|---|--|-------|---|---------|
| David Chan Silk Hong 陳錫康 | 31 October 2001 二零零一年 十月三十一日 | 4.96 | 30 November 2001 to 30 October 2011 <i>Note (b)</i> 二零零一年十一月三十日至 二零一一年十月三十日 <i>附註(b)</i> | 625,000 | - | - | (625,000) <i>(Note d)</i> <i>(附註d)</i> | 0.62 | - | - |
| Roberta Chin Chow Chung Hang 陳鄒重珩 | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 100,000 | - | - | (100,000) <i>(Note d)</i> <i>(附註d)</i> | 0.34 | - | - |
| Lau Pak Keung 劉柏強 | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 200,000 | - | - | - | 0.34 | - | 200,000 |
| Eric Norman Kronfeld | 31 March 2005 二零零五年 三月三十一日 | 2.60 | 31 March 2005 to 30 October 2011 二零零五年三月三十一日至 二零一一年十月三十日 | 35,000 | - | - | - | 0.255 | - | 35,000 |
| | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 150,000 | - | - | - | 0.34 | - | 150,000 |

| Name or category of participant 參與者姓名或類別 | Date of grant of share option 購股權 授出日期 | Exercise price 行使價 | Exercise period 行使期 | Number of share options outstanding as at 1 July 2007 於 二零零七年七月一日之 尚未行使 購股權數目 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Lapsed during the year 年內失效 | Closing price of the Shares | | Number of share options outstanding as at 30 June 2008 於 二零零八年六月三十日 之尚未行使 購股權數目 |
|---|--|-----------------------|------------------------|---|---------------------------------|-----------------------------------|--------------------------------|---|--|---|
| | | | | | | | | Closing price of the Shares immediately before the date of grant of share option 股份於 緊接購股權 授出日前 之收市價 (Note e) (附註e) | Closing price of the Shares immediately before the date of exercise of the share option 股份於 緊接購股權 行使日前 之收市價 (Note e) (附註e) | |
| | | HK\$ 港元 | | | | | | HK\$ 港元 | HK\$ 港元 | |

Director (Continued)

董事(續)

| | | | | | | | | | | |
|---------------------------------|----------------------------------|------|---|---------|---|---|--------------------------------|-------|---|---------|
| Paul Ma Kah Woh 馬家和 | 31 March 2005 二零零五年 三月三十一日 | 2.60 | 31 March 2005 to 30 October 2011 二零零五年三月三十一日至 二零一一年十月三十日 | 35,000 | - | - | (35,000) (Note d) (附註d) | 0.255 | - | - |
| | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 200,000 | - | - | (200,000) (Note d) (附註d) | 0.34 | - | - |
| Frank Lin 林輝波 | 31 March 2005 二零零五年 三月三十一日 | 2.60 | 31 March 2005 to 30 October 2011 二零零五年三月三十一日至 二零一一年十月三十日 | 35,000 | - | - | (35,000) (Note d) (附註d) | 0.255 | - | - |
| | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 100,000 | - | - | (100,000) Note (d) (附註d) | 0.34 | - | - |
| George Huang Shao-Hua 黃少華 | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 100,000 | - | - | - | 0.34 | - | 100,000 |

| Name or category of participant 參與者姓名或類別 | Date of grant of share option 購股權 授出日期 | Exercise price 行使價 | Exercise period 行使期 | Number of share options outstanding as at 1 July 2007 於 二零零七年 七月一日之 尚未行使 購股權數目 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Lapsed during the year 年內失效 | Closing price of the Shares | | Number of share options outstanding as at 30 June 2008 於 二零零八年 六月三十日 之尚未行使 購股權數目 |
|---|--|-----------------------|------------------------|---|---------------------------------|-----------------------------------|--------------------------------|---|--|---|
| | | | | | | | | Closing price of the Shares immediately before the date of grant of share option 股份於 緊接購股權 授出日前 之收市價 (Note e) (附註e) | Closing price of the Shares immediately before the date of exercise of share option 股份於 緊接購股權 行使日前 之收市價 (Note e) (附註e) | |
| | | HK\$ 港元 | | | | | | HK\$ 港元 | HK\$ 港元 | |

Director (Continued)

董事(續)

| | | | | | | | | | | |
|----------------------------|----------------------------------|------|---|---------|---|---|---|-------|---|---------|
| Prince Chatrichalerm Yukol | 31 March 2005 二零零五年 三月三十一日 | 2.60 | 31 March 2005 to 30 October 2011 二零零五年三月三十一日至 二零一一年十月三十日 | 35,000 | - | - | - | 0.255 | - | 35,000 |
| | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 100,000 | - | - | - | 0.34 | - | 100,000 |

Other participant

其他參與者

| | | | | | | | | | | |
|--------------------|---------------------------------|------|---|---------|---|-----------|-----------|------|------|---------|
| In aggregate 總計 | 12 April 2007 二零零七年 四月十二日 | 3.93 | 1 July 2007 to 30 October 2011 二零零七年七月一日至 二零一一年十月三十日 | 980,000 | - | (100,000) | (100,000) | 0.34 | 3.67 | 780,000 |
|--------------------|---------------------------------|------|---|---------|---|-----------|-----------|------|------|---------|

8,345,000 - (1,975,000) (4,970,000) 1,400,000

| | |
|---|---|
| <p>Notes:</p> <p>(a) 50%, 25% and 25% of the share options granted are exercisable during the periods from 25 July 2000 to 24 July 2010, 25 July 2001 to 24 July 2010 and 25 July 2002 to 24 July 2010, respectively.</p> <p>(b) 30%, 30% and 40% of the share options granted are exercisable during the periods from 30 November 2001 to 30 October 2011, 1 August 2002 to 30 October 2011 and 1 August 2003 to 30 October 2011, respectively.</p> <p>(c) 33.33%, 33.33% and 33.34% of the share options granted are exercisable during the periods from 10 January 2005 to 30 October 2011, 10 January 2006 to 30 October 2011 and 10 January 2007 to 30 October 2011, respectively.</p> <p>(d) The share options lapsed due to the resignation of the Director.</p> <p>(e) Being the weighted average closing price of the Shares immediately before the dates on which the share options were granted or exercised, as applicable.</p> | <p>附註：</p> <p>(a) 已授出購股權之50%、25%及25%分別可於二零零零年七月二十五日至二零一零年七月二十四日止期間、二零零一年七月二十五日至二零一零年七月二十四日止期間及二零零二年七月二十五日至二零一零年七月二十四日止期間行使。</p> <p>(b) 已授出購股權之30%、30%及40%分別可於二零零一年十一月三十日至二零一一年十月三十日止期間、二零零二年八月一日至二零一一年十月三十日止期間及二零零三年八月一日至二零一一年十月三十日止期間行使。</p> <p>(c) 已授出購股權之33.33%、33.33%及33.34%分別可於二零零五年一月十日至二零一一年十月三十日止期間、二零零六年一月十日至二零一一年十月三十日止期間及二零零七年一月十日至二零一一年十月三十日止期間行使。</p> <p>(d) 該等購股權因董事辭任而失效。</p> <p>(e) 即緊接該等購股權獲授出或行使(如適用)日期前之股份加權平均收市價。</p> |
|---|---|

Apart from the above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

除上述者外，於本年度期間，本公司或其任何附屬公司概無訂立任何安排致使本公司董事、彼等各自之配偶或未滿十八歲子女透過認購本公司或其他任何法團之股份或債權證而獲益。

As at 30 June 2008, the Company had 1,400,000 share options outstanding under the Share Option Scheme and the Terminated Scheme. The exercise in full of the remaining share option would, under the present capital structure of the Company, result in the issue of 1,400,000 additional Shares, representing approximately 0.83% of the Shares in issue as at 30 June 2008, and additional share capital of HK\$1,400,000 and share premium account of approximately HK\$4,009,000 (before issue expenses).

於二零零八年六月三十日，本公司有1,400,000份購股權尚未根據購股權計劃及已終止計劃行使。根據本公司之現有資本架構，全面行使餘下之購股權可能導致本公司額外發行1,400,000股股份(佔本公司於二零零八年六月三十日已發行股份約0.83%)，並額外產生股本1,400,000港元及股份溢價賬約4,009,000港元(未計發行費用前)。

DIRECTORS' INTERESTS IN CONTRACTS

Except for the disclosure under the heading "Connected/related party transactions" below and save as detailed in note 32 to the financial statements, none of the Directors had beneficial interests in any contract of significance to which the Company or any of its subsidiaries was a party during or at the end of the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchases from its largest supplier and its five largest suppliers accounted for 6 and 23 percent of the Group's purchases, respectively.

The Group's sales to its largest customer and its five largest customers accounted for 1 and 4 percent of the Group's sales, respectively.

None of the Directors, or any of its associates, or any of the shareholders of the Company (which to the best knowledge of the Directors own more than 5 percent of the Company's issued share capital) had any interest in the Group's five largest customers and/or suppliers.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors, as at 30 June 2008, the following persons had the following interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

董事於合約之權益

除下文「關連交易／關連人士交易」一節所披露者及財務報表附註32所詳述者外，各董事概無在年內或本年度末於本公司或其任何附屬公司參與訂立任何重大合約中擁有實際權益。

主要客戶及供應商

年內，本集團向其最大供應商及五大供應商採購之購貨額分別佔本集團購貨額之6%及23%。

本集團向其最大客戶及五大客戶售出之銷售額則分別佔本集團銷售額之1%及4%。

本公司各董事或彼等任何聯繫人士或就董事所深知擁有本公司已發行股本5%以上之股東並無擁有本集團五大客戶及／或供應商任何權益。

主要股東及其他人士於股份及相關股份之權益及淡倉

就董事所知，於二零零八年六月三十日，按本公司根據證券及期貨條例第XV部第336條存置之登記冊所記錄，下列人士於本公司股份或相關股份中持有以下權益或淡倉：

| Name of shareholder 股東 姓名／名稱 | Capacity 身份 | Note 附註 | Number of Shares 股份 數目 | Number of underlying Shares 相關股份 數目 | Total number of Shares and underlying Shares 股份及相關 股份總數 | * Approximate percentage of shareholding in the Company *於本公司 之概約股權 百分比 |
|--|---|------------|------------------------------|---|---|--|
| Wu Kebo 伍克波 | Interest of controlled corporations 受控法團權益 | 1 | 94,627,991(L) | 9,090,909(L) | 103,718,900(L) | 61.14% |
| | Interest of controlled corporations 受控法團權益 | 2 | 74,809,636(L) | 4,545,454(L) | 79,355,090(L) | 46.78% |
| Skyera International Limited | Beneficial Owner 實益擁有人 | 1 | 63,165,840(L) | – | 63,165,840(L) | 37.24% |
| | Beneficial Owner 實益擁有人 | 2 | 19,040,000(L) | – | 19,040,000(L) | 11.22% |
| Mainway Enterprises Limited | Beneficial Owner 實益擁有人 | 2 | 55,769,636(L) | 4,545,454(L) | 60,315,090(L) | 35.56% |
| Chengtian Entertainment Group (International) Holding Company Limited 橙天娛樂集團 (國際)控股有限公司 | Beneficial Owner 實益擁有人 | 1 | 31,462,151(L) | 9,090,909(L) | 40,553,060(L) | 23.91% |
| Wu King Shiu Kelvin 胡景邵 | Interest of controlled corporations 受控法團權益 | 3 | – | 32,591,891(L) | 32,591,891(L) | 19.26% |

| Name of shareholder 股東 姓名／名稱 | Capacity 身份 | Note 附註 | Number of Shares 股份 數目 | Number of underlying Shares 相關股份 數目 | Total number of Shares and underlying Shares 股份及相關 股份總數 | * Approximate percentage of shareholding in the Company *於本公司 之概約股權 百分比 |
|--|---|------------|------------------------------|---|---|--|
| Chang Tat Joel 鄭達祖 | Interest of controlled corporations 受控法團權益 | 3 | – | 32,591,891(L) | 32,591,891(L) | 19.26% |
| AID Partners Ltd. | Interest of controlled corporations 受控法團權益 | 3 | – | 32,591,891(L) | 32,591,891(L) | 19.26% |
| AID Partners GP1, L.P. | Interest of controlled corporations 受控法團權益 | 3 | – | 32,591,891(L) | 32,591,891(L) | 19.26% |
| AID Partners Capital 1, L.P. | Interest of controlled corporations 受控法團權益 | 3 | – | 32,591,891(L) | 32,591,891(L) | 19.26% |
| AID Partners Asset Management Ltd. | Interest of controlled corporations 受控法團權益 | 3 | – | 32,591,891(L) | 32,591,891(L) | 19.26% |
| Billion Century Group Limited | Interest of controlled corporations 受控法團權益 | 3 | – | 32,591,891(L) | 32,591,891(L) | 19.26% |
| Typhoon Music (PRC) Limited | Beneficial Owner 實益擁有人 | 4 | 15,500,000(L) | 4,545,454(L) | 20,045,454(L) | 11.82% |
| EMI Group Plc | Interest of controlled corporations 受控法團權益 | 4 | 15,500,000(L) | 4,545,454(L) | 20,045,454(L) | 11.82% |
| Virgin Music Group Limited | Interest of controlled corporations 受控法團權益 | 4 | 15,500,000(L) | 4,545,454(L) | 20,045,454(L) | 11.82% |

| Name of shareholder 股東 姓名/名稱 | Capacity 身份 | Note 附註 | Number of Shares 股份 數目 | Number of underlying Shares 相關股份 數目 | Total number of Shares and underlying Shares 股份及相關 股份總數 | * Approximate percentage of shareholding in the Company *於本公司 之概約股權 百分比 |
|---|---|------------|------------------------------|---|---|--|
| EMI Group Worldwide | Interest of controlled corporations 受控法團權益 | 4 | 15,500,000(L) | 4,545,454(L) | 20,045,454(L) | 11.82% |
| Norman Cheng Tung Hon 鄭東漢 | Interest of controlled corporations 受控法團權益 | 4 | 15,500,000(L) | 4,545,454(L) | 20,045,454(L) | 11.82% |
| Typhoon Records Limited | Interest of controlled corporations 受控法團權益 | 4 | 15,500,000(L) | 4,545,454(L) | 20,045,454(L) | 11.82% |
| Lily Feng Yuen Cheung 馮元璋 | Spouse's interest 配偶權益 | 5 | 15,500,000(L) | 4,545,454(L) | 20,045,454(L) | 11.82% |
| Evenstar Master Fund Segregated Portfolio Company | Beneficial Owner 實益擁有人 | 6 | 15,154,251(L) | 505,688(L) | 15,659,939(L) | 9.23% |
| * This percentage has been compiled based on the total number of Shares in issue (i.e. 169,637,627 ordinary Shares) as at 30 June 2008. | | | | * 該百分比乃根據本公司於二零零八年六月三十日已發行股份總數(即169,637,627股普通股)計算。 | | |

Notes:

附註:

1. Mr. Wu Kebo was deemed to be interested in these 94,627,991 Shares and 9,090,909 underlying Shares by virtue of his 100% beneficial holding in Skyera and 80% beneficial holding in Chengtian. Of these Shares, 63,165,840 Shares were held by Skyera and 31,462,151 Shares and 9,090,909 underlying Shares, which will be issued upon full conversion of HK\$20,000,000 4% convertible notes issued by the Company on 22 August 2006, were held by Chengtian.

1. 鑑於伍克波先生實益擁有Skyera全部股權及橙天80%股權，故此伍先生被視為持有本公司94,627,991股股份及9,090,909股相關股份中的權益。該等股份當中，63,165,840股股份由Skyera持有，而其餘31,462,151股股份以及須待本公司於二零零六年八月二十二日發行之20,000,000港元4厘可換股票據全數轉換後將發行之9,090,909股相關股份則由橙天持有。

- | | |
|--|---|
| <p>2. Assuming that the Offers were fully accepted, in addition to the interests as disclosed in Note 1 above, Mr. Wu was also deemed to be interested in 74,809,636 Shares and 4,545,454 underlying Shares of the Company by virtue of his 100% beneficial holding in Skyera and Mainway.</p> | <p>2. 假設收購建議獲全部接納，而由於伍先生分別實益擁有Skyera及Mainway全部權益，故除上文附註1所披露之權益外，伍先生亦被視為持有本公司74,809,636股股份及4,545,454股相關股份之權益。</p> |
| <p>3. Assuming that the Offers were fully accepted, Mr. Wu King Shiu Kelvin and Mr. Chang Tat Joel were deemed to be interested in these 32,591,891 underlying Shares by virtue of their direct or indirect beneficial holdings as to 60% and 40%, respectively, in each of AID Partners Ltd., AID Partners GP1, L.P. and AID Partners Capital I, L.P., AID Partners Assets Management Ltd. and Billion Century Group Limited ("BCG"). Mr. Wu and Mainway had entered into a subscription agreement with BCG pursuant to which BCG had agreed to subscribe for and Mainway had agreed to issue exchangeable notes into shares of Mainway to BCG for the funding arrangement of the Offers.</p> | <p>3. 假設收購建議獲全部接納，而由於胡景邵先生及鄭達祖先生分別直接或間接實益擁有60%及40%於AID Partners Ltd.、AID Partners GP1, L.P.及AID Partners Capital I, L.P.、AID Partners Assets Management Ltd.以及Billion Century Group Limited (「BCG」)之權益，故胡景邵先生及鄭達祖先生被視為擁有該等32,591,891股相關股份之權益。就收購建議，伍先生及Mainway已與BCG訂立一項認購協議，據此BCG同意認購而Mainway同意向BCG發行可轉換票據以轉換為Mainway股份，用作撥款安排。</p> |
| <p>4. These 15,500,000 Shares and 4,545,454 underlying Shares were held by Typhoon Music (PRC) Limited, a company which was owned as to 50% by EMI Group Worldwide and as to another 50% by Typhoon Records Limited. As (i) EMI Group Plc had 100% control of Virgin Music Group Limited, which in turn had 100% control of EMI Group Worldwide; and (ii) Mr. Norman Cheng Tung Hon had 100% control of Typhoon Records Limited, each of EMI Group Plc, Virgin Music Group Limited, EMI Group Worldwide, Mr. Norman Cheng Tung Hon and Typhoon Records Limited was deemed to be interested in 15,500,000 Shares and 4,545,454 underlying Shares, which were Shares issuable upon full conversion of HK\$10,000,000 4% convertible notes issued by the Company to Typhoon Music (PRC) Limited on 22 August 2006, held by Typhoon Music (PRC) Limited.</p> | <p>4. 該等15,500,000股股份及4,545,454股相關股份為Typhoon Music (PRC) Limited所持有。Typhoon Music (PRC) Limited乃一家由EMI Group Worldwide及Typhoon Records Limited各自擁有50%權益之公司。鑑於(i)EMI Group Plc擁有Virgin Music Group Limited之全部控制權，而Virgin Music Group Limited擁有EMI Group Worldwide之全部控制權；及(ii)鄭東漢先生擁有Typhoon Records Limited之全部控制權，故EMI Group Plc、Virgin Music Group Limited、EMI Group Worldwide、鄭東漢先生及Typhoon Records Limited各自均被視為擁有由Typhoon Music (PRC) Limited所持有之15,500,000股股份及因全數行使本公司於二零零六年八月二十二日發行予Typhoon Music (PRC) Limited價值10,000,000港元之4厘可換股票據而發行之4,545,454股相關股份中的權益。</p> |
| <p>5. Ms. Lily Feng Yuen Cheung, the spouse of Mr. Norman Cheng Tung Hon, was deemed to be interested in the Shares and underlying Shares of the Company in which Mr. Norman Cheng Tung Hon was interested.</p> | <p>5. 鄭東漢先生之配偶馮元璋女士被視為擁有鄭東漢先生於本公司股份及相關股份中之權益。</p> |
| <p>6. Evenstar Master Fund Segregated Portfolio Company ("Evenstar Master") was owned as to 85% by Evenstar Capital Management Limited, being the immediate holding company of Evenstar Master.</p> | <p>6. Evenstar Master Fund Segregated Portfolio Company (「Evenstar Master」) 由Evenstar Capital Management Limited(為Evenstar Master之直接控股公司)持有85%權益。</p> |

Abbreviations:

"L" stands for long position

"S" stands for short position

縮略詞：

「L」 指好倉

「S」 指淡倉

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the financial year ended 30 June 2008, the Company repurchased its shares on the Stock Exchange. The Directors consider that such repurchases were made in the best interest of the shareholders of the Company who retain their investments in the Company. Details of such share repurchase are set out below:

購買、出售及贖回上市證券

截至二零零八年六月三十日止財政年度，本公司曾在聯交所購回其股份。董事認為有關購回符合保留本公司投資之本公司之股東之最佳利益。有關股份購回詳情載列如下：

| Month/Year 月份／年份 | Number of shares repurchased 購回股份數目 | Highest price per share 每股最高價格 HK\$ 港元 | Lowest price per share 每股最低價格 HK\$ 港元 | Aggregated consideration (excluding transaction costs) 總代價 (不包括交易成本) HK\$ 港元 |
|---------------------------|--|---|--|---|
| July 2007 二零零七年七月 | 628,000 | 3.40 | 3.24 | 2,064,020 |
| August 2007 二零零七年八月 | 615,000 | 3.30 | 2.90 | 1,937,770 |
| September 2007 二零零七年九月 | 270,000 | 3.00 | 2.92 | 801,930 |
| February 2008 二零零八年二月 | 90,000 | 4.00 | 3.88 | 351,660 |
| Total: 總計 | 1,603,000 | | | 5,155,380 |

The Shares repurchased during the year were cancelled upon repurchase and accordingly, the issued share capital of the Company was diminished by the nominal value thereof. The premium payable on such repurchase was charged against the share premium account of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

年內購回之股份已於購回後註銷。因此本公司已發行股本按所註銷股份面值減少，數額相等於所註銷股份之面值。購回股份之應付溢價自本公司股份溢價賬扣除。

除上文所披露者外，本公司或其任何附屬公司並無於年內購買、出售或贖回本公司任何上市證券。

CONNECTED/RELATED PARTY TRANSACTIONS

(a) Purchase of equipment for film exhibition and screen advertising

During the financial year ended 30 June 2008, the Group purchased certain equipment from GDC Technology Limited ("GDC Technology") for its film exhibition and screen advertising businesses in Hong Kong and Mainland China. Since Mr. Li Ka-Shing, the then substantial shareholder of the Company, held more than 30% interests in GDC Technology, GDC Technology was regarded as a connected party of the Company under the Listing Rules. On 11 September 2007, Mr. Li Ka-Shing's interest in GDC Technology reduced to below 30% of the issued share capital of GDC Technology, and accordingly, GDC Technology ceased to be a connected party of the Company since then. For the period from 1 July 2007 to 10 September 2007, the purchase made by the Group from GDC Technology amounted to approximately HK\$2,000,000.

關連交易／關連人士交易

(a) 購入影院經營及銀幕廣告設備

於截至二零零八年六月三十日止財政年度，本集團向GDC Technology Limited (「GDC Technology」) 購入若干設備以用作香港及中國內地之影院經營及銀幕廣告業務。由於本公司當時之主要股東李嘉誠先生持有GDC Technology逾30%權益，故根據上市規則GDC Technology被視為本公司之關連人士。二零零七年九月十一日，李嘉誠先生於GDC Technology之權益減至低於GDC Technology已發行股本之30%，因此GDC Technology由當時起不再為本公司之關連人士。於二零零七年七月一日至二零零七年九月十日期間，本公司向GDC Technology購買設備之金額約為2,000,000港元。

(b) Consultancy agreements with ex-directors

On 26 October 2007, the Group entered into the consultancy agreements with each of Mr. Raymond Chow Ting Hsing and Ms. Roberta Chin Chow Chung Hang, the then Directors for a term of 3 months at a cash consideration of HK\$1,038,000 and HK\$750,000 for such 3-month term, respectively (collectively, the "Consultancy Agreements"). The Directors believed that it was in the best interest of the Group to continue to have Mr. Raymond Chow Ting Hsing and Ms. Roberta Chin Chow Chung Hang to serve the Company for a transitional period so that the then new Board can benefit from their knowledge and experience in relation to the Group and the industry in which the Group operated. As Mr. Raymond Chow Ting Hsing and Ms. Roberta Chin Chow Chung Hang were Directors up to 26 October 2007 and therefore were regarded as connected persons of the Company. Accordingly, the entering into of each of the Consultancy Agreements constituted connected transactions of the Company under the Listing Rules.

During the financial year ended 30 June 2008, the total consultancy fee paid to each of Mr. Raymond Chow Ting Hsing and Ms. Roberta Chin Chow Chung Hang pursuant to their respective Consultancy Agreement were HK\$1,038,000 and HK\$750,000, respectively. In addition to the consultancy fee, under the Consultancy Agreements, the Group shall provide living quarters to Mr. Raymond Chow Ting Hsing and Ms. Roberta Chin Chow Chung Hang during the term of their respective Consultancy Agreement and the total costs of providing such quarters to each of Mr. Raymond Chow Ting Hsing and Ms. Roberta Chin Chow Chung Hang during the said period amounted to HK\$255,000 and HK\$93,000, respectively.

(b) 與前董事訂立之顧問協議

於二零零七年十月二十六日，本集團與本公司當時之董事鄒文懷先生及陳鄒重珩女士訂立顧問協議（統稱為「顧問協議」），為期三個月，現金代價分別為1,038,000港元及750,000港元。董事相信鄒文懷先生及陳鄒重珩女士於過渡期繼續服務本公司，將可使當時之新董事會從彼等對本集團及所經營行業之知識及經驗獲益良多，故符合本集團之最佳利益。由於鄒文懷先生及陳鄒重珩女士直至二零零七年十月二十六日仍為本公司董事，故被視為本公司之關連人士。因此根據上市規則，訂立各顧問協議構成本公司之持續關連交易。

於截至二零零八年六月三十日止財政年度，根據各自之顧問協議而支付予鄒文懷先生及陳鄒重珩女士之顧問費用總額分別為1,038,000港元及750,000港元。除顧問費用外，根據顧問協議，本集團於各自之顧問協議有效期內為鄒文懷先生及陳鄒重珩女士提供住房，於上述期間之津貼成本分別為255,000港元及93,000港元。

Save as disclosed above, details of the material connected and continuing connected transactions and related party transactions for the year ended 30 June 2008 are set out in note 32 to the financial statements. These connected or continuing connected transactions constituted de minimis transactions (as defined in the Listing Rules) and were exempt from the reporting, announcement and independent shareholders' approval requirements. The independent non-executive Directors have reviewed and confirmed that such connected or continuing connected transactions were entered into in the ordinary and usual course of the business of the Group, on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties, and in accordance with the relevant agreement(s) governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

EMOLUMENT POLICY

Remuneration of the employees of the Group is made reference to the market, individual performance and contribution. As a long-term incentive, the Share Option Scheme is in place and the details of which are set out in note 28(iii) to the financial statements.

Directors' emoluments are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments are determined by the board with reference to Directors' duties, abilities, reputation and performance.

除上文披露者外，截至二零零八年六月三十日止年度重大關連及持續關連交易以及關連人士交易詳情載於財務報表附註32。該等關連或持續關連交易構成上市規則所界定之最低豁免交易，可獲豁免遵守申報、公告及獨立股東批准規定。獨立非執行董事已審閱及確認，該等關連或持續關連交易乃於本集團日常及一般業務中，按正常商業條款或按不遜於本集團向或自獨立第三者提供之條款，並根據條款屬公平合理之有關協議進行，符合本公司股東之整體利益。

獨立性之確認

本公司已接獲各獨立非執行董事按照上市規則第3.13條發出其每年之獨立性確認書，並認為全體獨立非執行董事均具獨立性。

薪酬政策

本集團僱員之薪酬乃經參照市場、個人表現及貢獻釐定。本集團已提供購股權計劃作為長期獎勵計劃，詳情載於財務報表附註28(iii)。

董事酬金須獲本公司薪酬委員會建議及獲董事會批准。其他薪酬經由董事會參考各董事之職務、能力、聲望及表現而釐定。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, approximately 10.4% of the total issued share capital of the Company was held by the public which was below the prescribed percentage for the Company as required by Rule 8.08(1)(a) of the Listing Rules. Pursuant to the announcement of the Company dated 10 July 2008, the Company had applied to the Stock Exchange for the suspension of trading in the Shares and the trading in the Shares remained in suspension since 11 July 2008. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 8.08 of the Listing Rules for three months with effect from 12 October 2008 and will apply to the Stock Exchange to resume trading in the Shares once the 25% minimum public float of the Shares has been restored.

AUDITORS

Messrs. Ernst & Young ("E&Y"), who had acted as the auditors of the Company in the proceeding three years, resigned as auditors of the Company with effect from 12 June 2008 and Messrs. KPMG ("KPMG") were appointed as auditors of the Company to fill the casual vacancy following the resignation of E&Y as auditors of the Company, and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

The financial statements have been audited by KPMG who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

ON BEHALF OF THE BOARD

Wu Kebo

Chairman

Hong Kong

16 October 2008

足夠公眾持股量

於本報告刊發日期，按照本公司可公開獲取之資料及據董事所知，公眾人士持有本公司已發行股本總額約10.4%，此低於上市規則第8.08(1)(a)條規定之百分比。根據本公司於二零零八年七月十日之公佈，本公司已向聯交所申請自二零零八年七月十一日起暫停買賣股份。本公司已向聯交所申請豁免嚴格遵守上市規則第8.08條之規定，並自二零零八年十月十二日起生效，為期三個月，本公司將於其股份恢復其25%最低公眾持股量後即時向聯交所申請恢復買賣股份。

核數師

於過往三年擔任本公司核數師之安永會計師事務所(「安永」)於二零零八年六月十二日辭去本公司核數師之職務，而畢馬威會計師事務所(「畢馬威」)獲委任為本公司核數師，以填補本公司核數師安永辭任後之臨時空缺，任期至本公司下屆股東週年大會結束為止。

財務報表已由畢馬威審核，而畢馬威將於本公司應屆股東週年大會上退任，惟符合資格及願意獲續聘。

代表董事會

主席

伍克波

香港

二零零八年十月十六日

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the "Board") recognises the importance of good corporate governance to maintain the Group's competitiveness and lead to its healthy growth. The Company has taken steps not only to comply with code provisions as set out in The Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules but also to aim at enhancing the corporate governance practices of the Group as a whole.

For the financial year ended 30 June 2008, the Company has complied with the code provisions of the CG Code except for deviations from the code provisions A.2.1, A.3, A.4.1 and B.1.1 of the CG Code as summarized below:

- (a) Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer ("CEO") should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. The Company at present does not have any officer with the title of CEO. Due to the re-designation of Mr. Phoon Chiong Kit from executive Director to non-executive Director with effect from 21 December 2007, Mr. Wu Kebo, the chairman and executive Director, was appointed as the acting managing director with effect from 21 December 2007. The Board considers that as Mr. Wu Kebo has experience in acting in a leading and managing role in media and entertainment businesses, it is in the interests of the Company for Mr. Wu Kebo to act as the acting managing director pending the appointment of a new CEO to ensure continuity. The Board has taken active steps to seek a suitable individual with appropriate qualifications to act as the CEO of the Company and is still in the process of identifying such individual.
- (b) Pursuant to note 1 to code provision A.3 of the CG Code and as required under Rule 3.10 of the Listing Rules, every board of directors of a listed issuer must include at least 3 independent non-executive directors. Due to the resignation of Mr. Paul Ma Kah Woh as an independent non-executive Director on 24 December 2007, the total

企業管治常規守則

董事會(「董事會」)深明良好企業管治對維持本集團競爭力及推動業務穩健增長之重要性。本公司已採取措施，既遵守上市規則附錄14所載企業管治常規守則(「企業管治守則」)所載之守則條文，亦旨在改善本集團之整體企業管治常規。

除偏離企業管治守則第A.2.1條、第A.3條、第A.4.1條及第B.1.1條守則條文之規定外，於截至二零零八年六月三十日止財政年度，本公司一直遵守企業管治守則之守則條文規定。現概述如下：

- (a) 根據企業管治守則第A.2.1條守則條文，主席與行政總裁(「行政總裁」)之角色應有區分，不應由一人同時兼任。主席與行政總裁之職責分工應清楚界定並以書面列明。本公司目前並無任何高級行政人員擔任行政總裁一職。由於潘從傑先生由執行董事調任為非執行董事，自二零零七年十二月二十一日起生效，主席兼執行董事伍克波先生獲委任為署理董事總經理，自二零零七年十二月二十一日起生效。董事會認為伍克波先生於傳媒及娛樂業務擔任領導及管理角色方面擁有豐富經驗，故為確保連貫性，由伍克波先生擔任署理董事總經理，以待委任新行政總裁為止，實符合本公司之利益。董事會已採取措施積極物色具合適資格之適當個別人士擔任本公司之行政總裁，而物色有關個別人士仍在進行。
- (b) 根據企業管治守則第A.3條守則條文附註1以及上市規則第3.10條之規定，上市發行人之董事會至少需有三名獨立非執行董事。由於馬家和先生於二零零七年十二月二十四日辭任獨立非執行董事，獨立非執行董事總數因而未能符合上市規則第3.10

number of independent non-executive Directors fell below the minimum number as required under Rule 3.10 of the Listing Rules. Subsequently, Mr. Leung Man Kit was appointed by the Board as an independent non-executive Director with effect from 11 February 2008 such that the requirement as to the minimum number of independent non-executive Directors as required under note 1 to code provision A.3 of the CG Code and Rule 3.10 of the Listing Rules had been fulfilled.

(c) Pursuant to code provision A.4.1 of the CG Code, non-executive directors of a listed issuer should be appointed for a specific term and subject to re-election. All non-executive Directors were not appointed for a specific term but are subject to the requirement of retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws, accomplishing the same purpose as being appointed for a specific term.

(d) Pursuant to code provision B.1.1 of the CG Code, a majority of the members of the remuneration committee of a listed issuer should be independent non-executive directors. The remuneration committee of the Company currently comprises one executive Director, one non-executive Director and two independent non-executive Directors. During the year, due to the resignation of Mr. Paul Ma Kah Woh and Mr. Frank Lin as independent non-executive Directors and members of the remuneration committee of the Company, the requirement in relation to the composition of the remuneration committee under code provision B.1.1 of the CG Code has not been fulfilled. The Board is in the process of inviting an existing independent non-executive Director to become a member of the remuneration committee of the Company.

As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the code provisions of the CG Code.

條規定之數目下限。隨後，梁民傑先生已獲董事會委任為獨立非執行董事，自二零零八年二月十一日起生效，本公司得以符合根據企業管治守則第A.3條守則條文附註1以及上市規則第3.10條項下獨立非執行董事之最低人數規定。

(c) 根據企業管治守則第A.4.1條守則條文，上市發行人之非執行董事之委任須有指定任期，並須遵守重選規定。全體非執行董事並無指定任期，惟須按本公司之公司細則之相關規定，最少每三年於本公司之股東週年大會上輪值退任一次，並重選連任，此舉目的與指定委任任期相同。

(d) 根據企業管治守則第B.1.1條守則條文，上市發行人之薪酬委員會之大多數成員須為獨立非執行董事。目前，本公司薪酬委員會由一名執行董事、一名非執行董事及兩名獨立非執行董事組成。年內，由於馬家和先生及林輝波先生辭任獨立非執行董事及本公司薪酬委員會成員，未能符合企業管治守則第B.1.1條守則條文項下有關薪酬委員會之組成規定。董事會正在邀請現有之獨立非執行董事成為薪酬委員會成員。

因此，本公司認為已採取充分措施，確保本公司之企業管治常規並不比企業管治守則之守則條文所規定者寬鬆。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own code on terms no less exacting than those set out in the Model Code of the Listing Rules. The Company has made specific enquiries with all the Directors and all of them have confirmed that they had complied with the requirements set out in the Model Code and the Company's code for the financial year ended 30 June 2008.

BOARD OF DIRECTORS

The Board comprises five executive Directors (including the Chairman of the Board and one alternate Director), four non-executive Directors and three independent non-executive Directors, whose biographical details are set out in the "Biographical Details of Directors" on pages 4 to 11 of this annual report.

The Board is collectively responsible for overseeing the management of the business and affairs of the Group. The Board meets regularly throughout the year to discuss the overall strategies as well as operation and financial performances of the Group. Matters relating to (i) the formulation of the Group's overall strategy and directions; (ii) any material conflict of interest of substantial shareholders of the Company or Directors; (iii) approval of the Group's annual results, annual budgets, and other significant operational and financial transactions; (iv) changes to the Company's capital structure; and (v) major appointments to the Board are reserved for decisions by the Board. The Board has delegated the day-to-day management, administration and operation of the Group and implementation and execution of Board policies and strategies to the executive Directors and management of the Company.

All Directors have been given sufficient time and effort to the affairs of the Group and they have full and timely access to all relevant information regarding the Group's affairs and have unrestricted access to the advice and services of the company secretary. The Directors may seek independent professional advice at the Company's expenses in carrying out their duties and responsibilities.

Appropriate and sufficient insurance coverage has been effected by the Company in respect of Director's liabilities arising from the legal action that may be taken against the Directors in relation to corporate activities.

董事進行證券交易

本公司已採納條款與上市規則之標準守則同樣嚴格之守則。本公司已向全體董事作出具體查詢，彼等均確認，於截至二零零八年六月三十日止財政年度內一直遵守標準守則及本公司守則所載規定。

董事會

董事會成員包括五名執行董事(包括董事會主席及一名替任董事)、四名非執行董事及三名獨立非執行董事。彼等之履歷詳情載於本年報第4至第11頁「董事個人履歷」內。

董事會共同負責監督本集團業務及事務之管理工作。董事會於年內定期會面，以討論整體策略以及本集團之營運與財務表現。有關(i)制定本集團整體策略及方向；(ii)本公司主要股東或董事之任何重大利益衝突；(iii)批准本集團年度業績、年度預算及其他重大營運與財務交易；(iv)更改本公司之股本結構；及(v)就董事會作出重大委任之事項均由董事會決定。董事會已授權本公司執行董事及管理層負責管理本集團之日常管理、行政及營運，以及實施及執行董事會政策及策略。

所有董事已付出足夠時間及精力處理本集團之事務，彼等擁有及時接觸有關本集團事務之所有相關資料之一切權力，能夠獲得公司秘書之建議及服務而不受任何限制。董事在履行職責及責任時可尋求獨立專業意見，費用由本公司承擔。

本公司已就董事進行公司活動而可能面對法律訴訟所產生之責任購買合適及充分之保險。

During the financial year ended 30 June 2008, ten Board meetings were held and the attendance of the Directors is as follows:

截至二零零八年六月三十日止財政年度內曾舉行十次董事會會議，董事之出席情況如下：

| Members 成員 | Meetings Attended/ Eligible to Attend 曾出席／合資格出席會議 | |
|--|---|-------|
| <i>Executive Directors</i> 執行董事 | | |
| Wu Kebo (<i>Chairman</i>) (appointed on 26 October 2007) | 伍克波(主席) (於二零零七年十月二十六日獲委任) | 7/8 |
| Fiona Chow Sau Fong (also alternate to Chow Siu Hong and appointed on 30 October 2007) | 鄒秀芳 (亦為鄒小康之替任董事， 於二零零七年十月三十日獲委任) | 6/7 |
| Wang Wei (appointed on 26 October 2007) | 王薇 (於二零零七年十月二十六日獲委任) | 7/8 |
| Wu Keyan (<i>Note 1</i>) (appointed as alternate to Wu Kebo on 1 January 2008) | 伍克燕(附註1) (於二零零八年一月一日獲委任 為伍克波之替任董事) | - |
| Lau Pak Keung (resigned on 31 August 2008) | 劉柏強 (於二零零八年八月三十一日辭任) | 9/10 |
| David Chan Sik Hong (resigned on 24 March 2008) | 陳錫康 (於二零零八年三月二十四日辭任) | 8/9 |
| Raymond Chow Ting Hsing (resigned on 26 October 2007) | 鄒文懷 (於二零零七年十月二十六日辭任) | 3/3 |
| Roberta Chin Chow Chung Hang (resigned on 26 October 2007) | 陳鄒重珩 (於二零零七年十月二十六日辭任) | 2/3 |
| <i>Non-executive Directors</i> 非執行董事 | | |
| Eric Norman Kronfeld | Eric Norman Kronfeld | 9/10 |
| Takashi Araki (appointed on 29 October 2007) | 荒木隆司 (於二零零七年十月二十九日獲委任) | 6/7 |
| Shen De Min (<i>Note 2</i>) (appointed as executive Director on 26 March 2008 and re-designated to non-executive Director on 1 September 2008) | 沈德民(附註2) (於二零零八年三月二十六日 獲委任為執行董事 並於二零零八年九月一日調任 為非執行董事) | - |
| Chow Siu Hong (appointed as executive Director on 26 October 2007 and re-designated to non-executive Director on 1 September 2008) | 鄒小康 (於二零零七年十月二十六日獲 委任為執行董事 並於二零零八年九月一日調任 為非執行董事) | 7/8 |
| Phoon Chiong Kit (re-designated from executive Director to non-executive Director on 21 December 2007 and resigned on 28 March 2008) | 潘從傑 (於二零零七年十二月二十一日 由執行董事調任為非執行董事並 於二零零八年三月二十八日辭任) | 10/10 |

| Members 成員 | | Meetings Attended/ Eligible to Attend 曾出席/合資格出席會議 |
|--|----------------------------|---|
| <i>Independent non-executive Directors</i> 獨立非執行董事 | | |
| Leung Man Kit (appointed on 11 February 2008) | 梁民傑 (於二零零八年二月十一日獲委任) | 1/2 |
| George Huang Shao-Hua | 黃少華 | 9/10 |
| Prince Chatrichalerm Yukol | Prince Chatrichalerm Yukol | 5/10 |
| Paul Ma Kah Woh (resigned on 24 December 2007) | 馬家和 (於二零零七年十二月二十四日辭任) | 6/7 |
| Frank Lin (resigned on 2 November 2007) | 林輝波 (於二零零七年十一月二日辭任) | 3/4 |

Notes:

1. Ms. Wu Keyan is the sister of Mr. Wu Kebo.
2. Mr. Shen De Min was appointed as the Director on 26 March 2008 and therefore has not attended any meeting of the Board held prior to that date.

附註：

1. 伍克燕女士為伍克波先生之胞妹。
2. 沈德民先生於二零零八年三月二十六日獲委任為董事，因此並無出席該日期前之任何董事會會議。

At least 14 days' prior notice to the date of the meeting of the Board was given to all Directors and an agenda together with Board papers and materials were sent to all Directors no less than three days before the date of the Board meeting. All Directors were given opportunity to include in the agenda any other matter that they would like to discuss in the meeting. The Board committees also adopted and followed the foregoing procedure for the Board committee meetings. All Directors and Board committee members were urged to attend the Board meeting and the Board committee meeting in person. If any Director or Board committee member was unable to attend any such meeting in person, participation through electronic means had been arranged and made available to such Director and Board committee member.

If a Director had a potential conflict of interest in a matter being considered in the Board meeting, the Director having such potential interest abstained from voting. Independent non-executive Directors with no conflict of interest were present at such meeting to deal with related issues.

董事會會議於董事會會議日期前給予各董事最少十四日事前通知，亦於董事會會議日期前最少三日向各董事派發議程連同會議文件及資料。全體董事均可於議程內加入其有意於會議上討論之任何事項。董事委員會亦採用及沿用董事委員會會議前述之程序。各董事及董事委員會成員須親身出席董事會及董事委員會會議，任何董事或董事委員會成員若未能親身出席該等會議，已安排以電子方式讓彼等參與。

倘董事與董事會會議上討論之事項有潛在之利益衝突，則有潛在利益衝突之董事須放棄投票。由並無利益衝突之獨立非執行董事已出席會議，處理該等有關事項。

The company secretary prepared and kept detailed minutes of each Board meeting and Board committee meeting and, within a reasonable time after each meeting, the draft minutes were circulated to all Directors for comment and the final and approved version of the minutes was sent to all Directors for their records. The Board committees had also adopted and followed the same practices and procedures as used in the Board meetings.

During the financial year ended 30 June 2008, due to the resignation of Mr. Paul Ma Kah Woh as an independent non-executive Director with effect from 24 December 2007, the total number of independent non-executive Directors fell below the minimum number as required under Rule 3.10 of the Listing Rules. Subsequently, Mr. Leung Man Kit was appointed by the Board as an independent non-executive Director with effect from 11 February 2008 such that the requirement as to the minimum number of independent non-executive Directors as required under note 1 to code provision A.3 of the CG Code and Rule 3.10 of the Listing Rules had been fulfilled.

The Board has received from each independent non-executive Director a written confirmation of his independence and the Board considers all of them to be independent pursuant to rule 3.13 of the Listing Rules.

To the best knowledge of the Company, except for Ms. Wu Keyan who is the sister of Mr. Wu Kebo, there is no financial, business, family or other material relationship among members of the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Board, Mr. Wu Kebo, is responsible for providing leadership of the Board and ensuring all Directors are properly briefed on issues arising at the Board meeting. In addition, he is charged with duty to ensure that Directors receive in timely manner adequate, complete and reliable information in relation to the Group's affairs. The Chairman also encourages Directors to actively participate in and to make a full contribution to the Board so that the Board functions effectively and acts in the best interest of the Company.

公司秘書負責編製及備存每次董事會會議及董事委員會會議之詳細會議記錄，並於每次會議後之合理時間內向全體董事傳閱會議記錄初稿，以供董事提供意見，而會議記錄最終獲批准之版本已發給所有董事作記錄。董事委員會亦已採用及沿用董事會會議採用之相同常規及程序。

於截至二零零八年六月三十日止財政年度，由於馬家和先生於二零零七年十二月二十四日辭任本公司獨立非執行董事，獨立非執行董事總數因而未能符合上市規則第3.10條規定之數目下限。隨後，梁民傑先生已獲董事會委任為獨立非執行董事，自二零零八年二月十一日起生效，本公司得以符合根據企業管治守則第A.3條守則條文附註1以及上市規則第3.10條項下獨立非執行董事之最低人數規定。

董事會已接獲各獨立非執行董事就彼等之獨立身分之書面確認，董事會認為，根據上市規則第3.13條，全體獨立非執行董事均屬獨立人士。

據本公司所深知，除伍克燕女士為伍克波先生之胞妹外，董事會成員間並無任何財務、業務、家族或其他重大關係。

主席及行政總裁

董事會主席伍克波先生負責領導董事會，並確保所有董事已適當知悉董事會上之事宜。此外，彼負責確保董事及時收到有關本集團事宜之充分、完整及可靠資料。主席亦鼓勵董事積極參與董事會，為董事會全力作出貢獻，以使董事會有效運作，並能按本公司之最佳利益行事。

The Company at present does not have any officer with the title of CEO. During the year, due to the re-designation of Mr. Phoon Chiong Kit from executive Director to non-executive Director with effect from 21 December 2007, Mr. Wu Kebo, the chairman and executive Director, was appointed as the acting managing Director with effect from 21 December 2007. The Board considers that as Mr. Wu Kebo has experience in acting in a leading and managing role in media and entertainment businesses, it is in the interests of the Company for Mr. Wu Kebo to act as the acting managing Director pending the appointment of a new CEO to ensure continuity. The Board has taken active steps to identify a suitable individual with appropriate qualifications to act as the CEO of the Company and is still in the process of identifying such individual.

NON-EXECUTIVE DIRECTORS

All non-executive Directors were not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws, accomplishing the same purpose as being appointed for a specific term. In the Board meeting and Board committee meeting in which constructive views and comments of the non-executive Directors are given, the non-executive Directors provides independent judgment on the issues relating to the strategy, performance, conflict of interest and management process.

REMUNERATION OF DIRECTORS

The Company has established a remuneration committee of the Company ("Remuneration Committee") on 8 October 2004 and has formulated its written terms of reference in accordance with code provision B.1.3 of the CG Code. The Remuneration Committee currently comprises one executive Director, being Mr. Wu Kebo, one non-executive Director, being Mr. Eric Norman Kronfeld (who also acts as the chairman of the Remuneration Committee), and two independent non-executive Directors, being Mr. Leung Man Kit and Prince Chatrichalerm Yukol. The principal responsibilities of the Remuneration Committee include making recommendation to the Board on the Company's policy and structure for the remuneration packages of all the Directors and senior management of the Company according to its terms of reference, including benefits in kind, pension rights and compensation payments, including any compensation payable for the loss or termination of their office or appointment. The remuneration of the Directors and

本公司目前並無任何高級行政人員擔任行政總裁一職。年內，由於潘從傑先生由執行董事調任為非執行董事，自二零零七年十二月二十一日起生效，主席兼執行董事伍克波先生獲委任為署理董事總經理，自二零零七年十二月二十一日起生效。董事會認為伍克波先生於傳媒及娛樂業務擔任領導及管理角色方面擁有豐富經驗，故為確保連貫性，由伍克波先生擔任署理董事總經理，以待委任新行政總裁為止，實符合本公司之利益。董事會已採取措施積極物色具合適資格之適當個別人士擔任本公司之行政總裁，而物色有關個別人士仍在進行中。

非執行董事

全體非執行董事並無指定任期，惟須按本公司之公司細則之相關規定，最少每三年於本公司之股東週年大會上輪值退任一次，並重選連任，此舉目的與指定委任任期相同。在董事會會議以及董事委員會會議上，非執行董事會提供建設性意見及建議，及為有關策略、業績、利益衝突及管理過程之事宜作出獨立判斷。

董事酬金

本公司已於二零零四年十月八日成立本公司之薪酬委員會("薪酬委員會")，並根據企業管治守則守則條文第B.1.3條書面訂明其職權範圍。薪酬委員會現任成員包括一名執行董事伍克波先生、一名非執行董事Eric Norman Kronfeld先生(彼亦擔任薪酬委員會主席)及兩名獨立非執行董事梁民傑先生及Prince Chatrichalerm Yukol。薪酬委員會之主要職責包括根據其職權範圍，向董事會就本公司全體董事及高級管理人員之薪酬組合政策及架構作出推薦意見，其中包括實物利益、退休金權利及賠償費用(包括就離職或終止職務或委任而應付之任何賠償)。本公司董事及高級管理人員之薪酬乃參照可與比較公司

senior management of the Company is determined by reference to factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, employment conditions elsewhere in the Group and desirability of performance based remuneration.

The Remuneration Committee is required to consult the Chairman of the Board regarding the remuneration of the executive Directors and members of the Remuneration committee have access to professional advice on remuneration of executive Directors if considered necessary.

The Remuneration Committee held two meetings during the financial year ended 30 June 2008 to review and make recommendation to the Board on the Directors' fees of all the existing non-executive Directors and to review the remuneration package of all existing executive Directors and senior management of the Company. The Remuneration Committee also reviewed and approved the terms of service contracts of the executive Directors, and the granting of share options to the executive Directors and senior management of the Company pursuant to the Share Option Scheme. The attendance of the members of the Remuneration Committee is as follows:

支付之薪金、董事及高級管理人員付出之時間及職責、本集團各地區之僱傭條件及與表現掛鉤薪酬方案之適用程度等因素而釐定。

薪酬委員會須就執行董事及薪酬委員會成員之薪酬徵詢董事會主席之意見以及(如有必要)就執行董事之薪酬徵求專業意見。

薪酬委員會於截至二零零八年六月三十日止財政年度曾舉行兩次會議，以檢討全體現任非執行董事之董事袍金，以及檢討本公司全體現任執行董事及高級管理人員之薪酬待遇並就此向董事會作出推薦建議。薪酬委員會亦已檢討及批准執行董事之服務合約條款以及根據購股權計劃向本公司執行董事及高級管理人員授出購股權。薪酬委員會成員之出席情況如下：

| Members 成員 | | Meetings Attended/ Eligible to Attend 曾出席/合資格出席會議 |
|--|---------------------------------------|---|
| Eric Norman Kronfeld (<i>Chairman</i>) | Eric Norman Kronfeld (主席) | 2/2 |
| Wu Kebo (appointed on 26 October 2007) | 伍克波 (於二零零七年十月二十六日獲委任) | 2/2 |
| Leung Man Kit (<i>Note</i>) (appointed on 11 February 2008) | 梁民傑 (<i>附註</i>) (於二零零八年二月十一日獲委任) | – |
| Prince Chatrichalerm Yukol | Prince Chatrichalerm Yukol | 0/2 |

Note: Mr. Leung Man Kit was appointed as an independent non-executive Director and a member of the Remuneration Committee on 11 February 2008 and therefore has not attended any meeting of the Remuneration Committee held prior to that date.

附註： 梁民傑先生於二零零八年二月十一日獲委任為獨立非執行董事及薪酬委員會成員，因此並無出席該日期前之任何薪酬委員會會議。

Details of emoluments of each Director are set out in note 9 to the financial statements of this annual report.

各董事之酬金詳情載於本年報財務報表附註9。

NOMINATION OF DIRECTORS

The Board is empowered under the Company's Bye-laws to appoint any person as a Director either to fill a casual vacancy or, subject to authorisation by the members at the general meeting, as an additional member of the Board. The selection criteria are mainly based on the professional qualifications and experience of the candidate. Pursuant to Bye-law 86(2) of the Bye-laws of the Company, any Director who has been appointed by the Board must retire and be subject to re-election at the first general meeting after his/her appointment. A retiring Director shall be eligible for re-election. The Board reviews regularly its composition to ensure a balance of skills and experience appropriate for the requirements of the business of the Company. During the year, the Board reviewed the qualification and experience requirements of the candidate so as to cope with the Company's development and business expansion.

董事提名

根據本公司之公司細則，董事會獲授權委任任何人士出任董事，以填補臨時空缺或在股東於股東大會授權之規限下，作為董事會之新增成員。甄選條件主要按候選人之專業資格及經驗為基準。根據本公司之公司細則第86(2)條規定，任何獲董事會委任之董事必須於獲委任後首個股東大會退任及重選連任。退任董事將合資格重選連任。董事會定期檢討其成員組合，以確保成員之技能與經驗能取得平衡，能夠符合本公司業務需要。年內，董事會已審閱候選人之專業資格及經驗，以配合本公司之發展及業務擴展。

AUDITORS' REMUNERATION

For the financial year ended 30 June 2008, the fees paid/payable to the Group's auditors, Messrs. KPMG, are set out as follows:

核數師酬金

截至二零零八年六月三十日止財政年度，已付／應付本集團核數師畢馬威會計師事務所之費用載列如下：

| Services Rendered | | Fee Paid / Payable |
|--------------------|-------|--------------------|
| 所提供服務 | | HK\$'000 |
| | | 已付／應付費用 |
| | | 千港元 |
| Audit Services | 審核服務 | 1,800 |
| Non-audit services | 非審核服務 | 633 |

AUDIT COMMITTEE AND ACCOUNTABILITY

The Board is responsible for preparing the accounts that give a true and fair view of the financial position of the Group on a going concern basis. It is also responsible for presenting a balanced, clear and understandable assessment in annual / interim reports, price-sensitive announcements and other financial disclosures. Management of the Company provides all relevant information, records and other information so as to enable the Board to discharge its responsibilities.

審核委員會及問責

董事會有責任以持續經營之基準編制本集團之賬目，以提供真確及公正之財政狀況。其亦有責任對本集團之年報／中期報告、股價敏感資料之通告及其他財務披露作出平衡，作清晰及合理之評核。本公司之管理層會向董事會提供一切有關資料、記錄及其他資料，以便董事會履行其職責。

The Board established an audit committee of the Company (the "Audit Committee") on 9 October 1998 and formulated written terms of reference in accordance with the requirements of the Listing Rules. The Audit Committee's current members comprise three independent non-executive Directors, being Mr. Leung Man Kit (who also acts as the chairman), Mr. George Huang Shan-Hua and Prince Chatrichalerm Yukol.

During the financial year ended 30 June 2008, three Audit Committee meetings were convened and the individual attendance of the members of the Audit Committee is set out as follows:

董事會於一九九八年十月九日成立本公司之審核委員會(「審核委員會」)，並根據上市規則書面訂明其職權範圍。審核委員會現任成員包括三名獨立非執行董事，即梁民傑先生(彼亦擔任主席)、黃少華先生及Prince Chatrichalerm Yukol。

截至二零零八年六月三十日止財政年度曾召開三次審核委員會會議，審核委員會個別成員之出席情況如下：

| Members 成員 | | Meetings Attended/ Eligible to Attend 曾出席/合資格出席會議 |
|--|------------------------------|---|
| Leung Man Kit (<i>Chairman</i>) (appointed on 11 February 2008) | 梁民傑 (主席) (於二零零八年二月十一日獲委任) | 2/2 |
| George Huang Shao-Hua | 黃少華 | 3/3 |
| Prince Chatrichalerm Yukol | Prince Chatrichalerm Yukol | 1/3 |
| Frank Lin (resigned on 2 November 2007) | 林輝波 (於二零零七年十一月二日辭任) | 1/1 |
| Paul Ma Kah Woh (resigned on 24 December 2007) | 馬家和 (於二零零七年十二月二十四日辭任) | 1/1 |

The principal duties of the Audit Committee include monitoring the integrity of the financial statements of the Company, reviewing the effectiveness of Company's internal control and risk management as delegated by the Board and making recommendation to the Board on the appointment and engagement of the external auditors for the audit and non-audit services. The Audit Committee is provided with sufficient resources to enable it to discharge its duties.

審核委員會之主要職務包括監控本公司財務報表是否完整全面、按董事會授權檢討本公司之內部監控及風險管理事宜，以及就委聘外聘核數師進行審核及非審核服務向董事會作出推薦意見。審核委員會獲提供充足資源以履行其職責。

During the financial year ended 30 June 2008, the Audit Committee reviewed the accounting principles and policies adopted by the Group and discussed and reviewed financial reporting matters including the interim and audited financial statements. In addition, the Audit Committee also reviewed the engagement of the external auditors and the adequacy and effectiveness of the Company's internal control and risk management systems and made recommendations to the Board. There was no disagreement between the Board and the Audit Committee on the selection, appointment or resignation of the external auditors.

Pursuant to Rule 3.21 of the Listing Rules, the audit committee of an issuer must comprise a minimum of three members and at least one of whom is an independent non-executive director with appropriate qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The resignation of Mr. Paul Ma Kah Woh as an independent non-executive Director and the chairman and member of the Audit Committee resulted in the total number of members of the Audit Committee falling below the minimum number as required under Rule 3.21 of the Listing Rules and the Company failing to meet the requirement regarding qualification of the member of the Audit Committee under Rule 3.21 of the Listing Rules. The Board appointed Mr. Leung Man Kit as an independent non-executive Director and the member and chairman of the Audit Committee with effect from 11 February 2008 such that the requirements as to the minimum number of members of the Audit Committee and the qualification of the member of the Audit Committee as required under Rule 3.21 of the Listing Rules had been fulfilled.

RESPONSIBILITIES TO FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities to prepare the financial statements in each financial year with supports from finance department of the Company and to ensure that the relevant accounting policies are observed and the accounting standards issued by the Hong Kong Institute of Certified Public Accountants are complied with in the preparation of such financial statements and to report the financial affairs of the Company in a true and fair manner.

The statement by the auditors of the Company regarding their responsibilities on the financial statements of the Group is set out in Independent Auditors' Report on pages 66 to 67.

截至二零零八年六月三十日止財政年度，審核委員會已審閱本集團採納之會計原則及政策，並討論及審閱財務申報事宜，包括中期及經審核財務報表。此外，審核委員會亦審閱外聘核數師之委聘、本公司內部監控及風險管理制度是否足夠及有效，並向董事會作出推薦意見。董事會與審核委員會就甄選、委任或罷免外聘核數師並無意見分歧。

根據上市規則第3.21條，發行人之審核委員會須包括最少三名成員，當中最少一名為具上市規則第3.10(2)條規定之合適資格或會計或相關財務管理專長之獨立非執行董事。馬家和先生辭任獨立非執行董事以及審核委員會主席及成員，以致審核委員會之成員總數低於上市規則第3.21條規定之最低人數，亦使本公司未能符合上市規則第3.21條有關審核委員會成員資格之規定。董事會委任梁民傑先生為獨立非執行董事以及審核委員會成員及主席，自二零零八年二月十一日起生效，因此已符合上市規則第3.21條有關審核委員會成員之最低人數以及審核委員會成員資格之規定。

對財務報表之責任

董事瞭解彼等之責任為於本公司財務部門支援下，編製每個財政年度之財務報表、確保遵照有關會計政策及香港會計師公會頒佈之會計準則編製有關財務報表，以及真實公平地呈報本公司之財務狀況。

本公司核數師就其對本集團財務報表之責任之聲明載於第66至67頁之獨立核數師報告書內。

GOING CONCERN

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROLS

The Board has overall responsibilities for maintaining a sound and effective internal control system with the aim at (i) safeguarding the Group's assets against unauthorised use or disposition; (ii) maintaining proper accounting records and (iii) ensuring compliance with relevant legislation and regulations. The internal control system of the Group comprises a well-established organisation structure and comprehensive policies and standards. The Board, through the Audit Committee, has reviewed the effectiveness of the Group's internal control system covering all material controls, including financial, operational and compliance controls and risk management function for the year ended 30 June 2008, where some findings have been identified and reported to the Board. There are no material internal control deficiencies that may affect the shareholders of the Company have come to the attention of the Audit Committee or the Board. The Directors are of the opinion that the Company has complied with the code provision C.2.1 on internal controls as set out in the CG Code contained in Appendix 14 of the Listing Rules.

SHAREHOLDER RELATIONS

The Company has adopted a policy of disclosing clear and relevant information to the shareholders of the Company in timely manner. The general meeting(s) of the Company provides a forum for communication between shareholders of the Company and Directors. During the year, the Chairman of the Board personally chaired and actively participated in organizing the annual general meeting of the Company (the "AGM") to ensure that shareholders' views were effectively and fully communicated to the Directors. In addition, the chairman of each of the Board committees, or in their absence, other member(s) of the respective Board committees, were available at the AGM to answer any queries that the shareholders of the Company had. The Chairman proposed separate resolutions for each issue to be considered in AGM.

持續經營基準

董事確認，據彼等經作出一切合理查詢後所深知、全悉及確信，彼等並不知悉有任何可能對本公司持續經營能力構成重大疑問之任何重大不明朗事項或情況。

內部監控

董事會有整體責任維持穩健兼有效之內部監控制度，旨在(i)保障本集團資產不會在無經授權下遭使用或處置；(ii)維持妥善會計記錄及(iii)確保遵從有關法例及規例。本集團之內部監控系統包括完善之組織結構及周全政策與準則。董事會於截至二零零八年六月三十日止年度已透過審核委員會審閱本集團內部監控制度之效益，涉及財務、營運及守規監控與風險管理職能等所有重大監控事宜，而當中發現已向董事會匯報。審核委員會或董事會概不知悉內部監控有任何可能影響本公司股東之重大不足之處。董事認為，本公司一直遵守上市規則附錄14內企業管治守則項下有關內部監控之第C.2.1條守則條文規定。

與股東之關係

本公司已採納一套可及時向本公司股東清晰披露有關資料之政策。本公司之股東大會為本公司股東與董事提供溝通平台。年內，董事會主席親自主持及積極參與組織本公司股東週年大會（「股東週年大會」），確保股東之意見得以有效及全面傳達至各董事。此外，各董事委員會主席，（倘其缺席）個別委員會之其他成員亦會出席股東週年大會回答本公司股東之提問。主席就需要於股東週年大會中討論之議題提呈獨立之決議案。

Review of the AGM proceedings had been carried out by the Board from time to time so as to ensure that the Company had followed the best corporate governance practices. Notice of the AGM together with the circular setting out details of each of the proposed resolutions, voting procedures (including procedures for demanding and conducting a poll) and other relevant information were delivered to all the shareholders of the Company at least 21 days before the date appointed for the AGM. At the commencement of the AGM, procedures for demanding and conducting a poll were explained by the chairman of the AGM to the shareholders of the Company and the votes cast were properly counted and recorded by the scrutineer appointed by the Company. Poll results of the AGM were posted on the Company's website on the day of the AGM.

股東週年大會之議程已由董事會不時檢討，以確保本公司奉行最佳之企業管治常規。股東週年大會通告連同載有各項提呈之決議案、投票程序(包括要求及進行投票表決之程序)及其他相關資料之詳情之通函於股東週年大會指定舉行日期前最少二十一日派送予本公司股東。於股東週年大會開始時，股東週年大會主席會向本公司股東解釋就要求及進行投票表決之程序，且所有票數均會由本公司委任之監票員適當點算及記錄在案。股東週年大會之投票結果於股東週年大會同日在本公司網站公佈。

Independent Auditor's Report

獨立核數師報告



Independent auditor's report to the shareholders of Golden Harvest Entertainment (Holdings) Limited *(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Golden Harvest Entertainment (Holdings) Limited (the "Company") set out on pages 68 to 223, which comprise the consolidated and Company balance sheets as at 30 June 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致嘉禾娛樂事業(集團)有限公司全體股東之 獨立核數師報告 *(於百慕達註冊成立之有限公司)*

本核數師已審核刊於第68頁至第223頁嘉禾娛樂事業(集團)有限公司(「貴公司」)之綜合財務報表，當中包括於二零零八年六月三十日的綜合及公司資產負債表、截至該日止年度的綜合收益表、綜合權益變動報表和綜合現金流量表以及主要會計政策概要和其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製及真實公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實公平地列報財務報表相關的內部控制，以確使財務報表不存在因欺詐或錯誤而導致的重大錯誤陳述；選擇並應用適當的會計政策；及按情況作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對此等財務報表發表意見，並按照百慕達一九八一年《公司法》第90條僅向全體股東報告。除此之外，本報告別無其他目的。本核數師不會就本報告內容向任何其他人士負責或承擔任何責任。

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

16 October 2008

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的適當性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年六月三十日的財政狀況，及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

畢馬威會計師事務所

執業會計師
香港
中環
遮打道10號
太子大廈8樓

二零零八年十月十六日

Consolidated Income Statement

for the year ended 30 June 2008

| | Note | 2008 HK\$'000 | 2007 HK\$'000 |
|---|-------|------------------|------------------|
| Continuing operations | | | |
| Turnover | 3 | 619,901 | 469,511 |
| Cost of sales | | (289,552) | (216,732) |
| Gross profit | | 330,349 | 252,779 |
| Other income | 5 | 67,723 | 43,775 |
| Selling and distribution costs | | (301,739) | (244,452) |
| General and administrative expenses | | (61,498) | (68,799) |
| Other operating expenses | | (14,979) | (11,445) |
| Profit/(loss) from operations | | 19,856 | (28,142) |
| Finance costs | 6(a) | (11,970) | (15,712) |
| Share of profits less losses of associates | | 9,663 | 20,801 |
| Gain on disposal of interest in an associate | 15(d) | - | 115,970 |
| Loss on disposal of interest in a jointly controlled entity | 16(d) | - | (5,717) |
| Profit before taxation | | 17,549 | 87,200 |
| Income tax | 7(a) | (10,391) | 414 |
| Profit for the year from continuing operations | | 7,158 | 87,614 |
| Discontinued operation - jointly controlled entity held for sale | 8 | | |
| Profit for the year from discontinued operation | | 3,911 | 8,949 |
| Total profit for the year | | 11,069 | 96,563 |
| Attributable to: | | | |
| Equity shareholders of the Company | 11 | 10,763 | 96,717 |
| Minority interests | | 306 | (154) |
| Profit for the year | 6 | 11,069 | 96,563 |
| Earnings per share | 12 | | |
| Basic | | | |
| - Continuing operations | | 5.2 cents | 66.6 cents |
| - Discontinued operation | | 3.0 cents | 6.8 cents |
| | | 8.2 cents | 73.4 cents |
| Diluted | | | |
| - Continuing operations | | 5.2 cents | 52.8 cents |
| - Discontinued operation | | 3.0 cents | 5.0 cents |
| | | 8.2 cents | 57.8 cents |

The notes on pages 84 to 223 form part of these financial statements.

綜合收益表

截至二零零八年六月三十日止年度

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|------------------------------|-------|------------------|--------------|
| 持續經營業務 | | | |
| 營業額 | 3 | 619,901 | 469,511 |
| 銷售成本 | | (289,552) | (216,732) |
| 毛利 | | 330,349 | 252,779 |
| 其他收入 | 5 | 67,723 | 43,775 |
| 銷售及發行費用 | | (301,739) | (244,452) |
| 一般及行政費用 | | (61,498) | (68,799) |
| 其他營運費用 | | (14,979) | (11,445) |
| 經營業務之溢利/(虧損) | | 19,856 | (28,142) |
| 財務費用 | 6(a) | (11,970) | (15,712) |
| 所佔聯營公司損益 | | 9,663 | 20,801 |
| 出售一間聯營公司權益之收益 | 15(d) | - | 115,970 |
| 出售一間共同控制公司權益之虧損 | 16(d) | - | (5,717) |
| 除稅前溢利 | | 17,549 | 87,200 |
| 所得稅 | 7(a) | (10,391) | 414 |
| 持續經營業務之本年度溢利 | | 7,158 | 87,614 |
| 已終止經營業務 – 持作待售之共同控制公司 | | | |
| 已終止經營業務之本年度溢利 | 8 | 3,911 | 8,949 |
| 本年度溢利總額 | | 11,069 | 96,563 |
| 以下人士應佔部分： | | | |
| 本公司股權持有人 | 11 | 10,763 | 96,717 |
| 少數股東權益 | | 306 | (154) |
| 本年度溢利 | 6 | 11,069 | 96,563 |
| 每股盈利 | | | |
| 基本 | 12 | | |
| — 持續經營業務 | | 5.2 港仙 | 66.6 港仙 |
| — 已終止經營業務 | | 3.0 港仙 | 6.8 港仙 |
| | | 8.2 港仙 | 73.4 港仙 |
| 攤薄 | | | |
| — 持續經營業務 | | 5.2 港仙 | 52.8 港仙 |
| — 已終止經營業務 | | 3.0 港仙 | 5.0 港仙 |
| | | 8.2 港仙 | 57.8 港仙 |

於第84頁至第223頁的附註為本財務報表的組成部分。

Consolidated Balance Sheet

at 30 June 2008

| | Note | 2008 HK\$'000 | 2007 HK\$'000 |
|--|-------|------------------|------------------|
| Non-current assets | | | |
| Fixed assets | 13 | 367,395 | 262,189 |
| Interest in associates | 15 | - | 169,369 |
| Amounts due from jointly controlled entities | 16 | 32,285 | 26,069 |
| Prepaid rental | | 8,015 | 8,704 |
| Club memberships | | 3,590 | 3,590 |
| Rental and other deposits | | 54,006 | 51,507 |
| Trademarks | 17 | 79,421 | 79,421 |
| Deferred tax assets | 27(a) | 358 | 1,503 |
| Pledged bank deposits | 21 | 10,133 | 2,049 |
| | | 555,203 | 604,401 |
| Current assets | | | |
| Inventories | 18 | 2,417 | 708 |
| Film rights | 19 | 27,503 | 33,090 |
| Trade receivables | 20 | 27,045 | 13,450 |
| Other receivables, deposits and prepayments | 20(c) | 49,355 | 42,674 |
| Amounts due from jointly controlled entities | 16 | 50,277 | 14,787 |
| Pledged bank deposits | 21 | - | 2,141 |
| Deposits and cash | 21 | 266,307 | 219,162 |
| | | 422,904 | 326,012 |
| Assets of a jointly controlled entity held for sale | 8 | 141,037 | - |
| | | 563,941 | 326,012 |
| Current liabilities | | | |
| Trade payables | 22(a) | 68,609 | 46,946 |
| Other payables and accrued charges | 22(b) | 129,472 | 87,250 |
| Amounts due to associates | 15 | - | 236 |
| Customer deposits | | 3,675 | 5,622 |
| Bank loans | 23 | 12,480 | 25,311 |
| Convertible notes | 24 | 31,066 | 20,262 |
| Current portion of finance lease payables | 25 | - | 353 |
| Loans from joint venture partners | 26(a) | 22,144 | 14,787 |
| Taxation payable | | 9,618 | 3,788 |
| | | 277,064 | 204,555 |
| Liabilities of a jointly controlled entity held for sale | 8 | 101,135 | - |
| | | 378,199 | 204,555 |

綜合資產負債表

於二零零八年六月三十日

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|----------------|-------|----------------|--------------|
| 非流動資產 | | | |
| 固定資產 | 13 | 367,395 | 262,189 |
| 於聯營公司之權益 | 15 | - | 169,369 |
| 應收共同控制公司款項 | 16 | 32,285 | 26,069 |
| 預付租金 | | 8,015 | 8,704 |
| 會籍 | | 3,590 | 3,590 |
| 租務及其他按金 | | 54,006 | 51,507 |
| 商標 | 17 | 79,421 | 79,421 |
| 遞延稅項資產 | 27(a) | 358 | 1,503 |
| 已抵押銀行存款 | 21 | 10,133 | 2,049 |
| | | 555,203 | 604,401 |
| 流動資產 | | | |
| 存貨 | 18 | 2,417 | 708 |
| 電影版權 | 19 | 27,503 | 33,090 |
| 應收貿易款項 | 20 | 27,045 | 13,450 |
| 其他應收款項、按金及預付款項 | 20(c) | 49,355 | 42,674 |
| 應收共同控制公司款項 | 16 | 50,277 | 14,787 |
| 已抵押銀行存款 | 21 | - | 2,141 |
| 存款及現金 | 21 | 266,307 | 219,162 |
| | | 422,904 | 326,012 |
| 持作待售之共同控制公司資產 | 8 | 141,037 | - |
| | | 563,941 | 326,012 |
| 流動負債 | | | |
| 應付貿易款項 | 22(a) | 68,609 | 46,946 |
| 其他應付款項及應計費用 | 22(b) | 129,472 | 87,250 |
| 應付聯營公司款項 | 15 | - | 236 |
| 客戶按金 | | 3,675 | 5,622 |
| 銀行貸款 | 23 | 12,480 | 25,311 |
| 可換股票據 | 24 | 31,066 | 20,262 |
| 本期融資租賃應付賬款 | 25 | - | 353 |
| 合營夥伴提供之貸款 | 26(a) | 22,144 | 14,787 |
| 應付稅項 | | 9,618 | 3,788 |
| | | 277,064 | 204,555 |
| 持作待售之共同控制公司負債 | 8 | 101,135 | - |
| | | 378,199 | 204,555 |

Consolidated Balance Sheet
at 30 June 2008

| | <i>Note</i> | 2008 HK\$'000 | 2007 HK\$'000 |
|--|-------------|--------------------------------|------------------|
| Net current assets | | 185,742 | 121,457 |
| Total assets less current liabilities | | 740,945 | 725,858 |
| Non-current liabilities | | | |
| Bank loans | 23 | 7,800 | 48,686 |
| Convertible notes | 24 | - | 100,590 |
| Non-current portion of finance lease payables | 25 | - | 799 |
| Loans from joint venture partners | 26(a) | 42,505 | 26,069 |
| Loan from minority shareholder | 26(b) | 696 | - |
| Deposits received | | 4,248 | 3,700 |
| Deferred tax liabilities | 27(a) | 16,540 | 7,999 |
| | | 71,789 | 187,843 |
| NET ASSETS | | 669,156 | 538,015 |
| Capital and reserves | 28 | | |
| Share capital | | 169,638 | 128,357 |
| Reserves | | 498,097 | 409,103 |
| Total equity attributable to equity shareholders of the Company | | 667,735 | 537,460 |
| Minority interests | | 1,421 | 555 |
| TOTAL EQUITY | | 669,156 | 538,015 |

Approved and authorised for issue by the board of directors on 16 October 2008

)
)
) Directors
)
)

The notes on pages 84 to 223 form part of these financial statements.

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|----------------|-------|----------------|--------------|
| 流動資產淨值 | | 185,742 | 121,457 |
| 資產總值減流動負債 | | 740,945 | 725,858 |
| 非流動負債 | | | |
| 銀行貸款 | 23 | 7,800 | 48,686 |
| 可換股票據 | 24 | - | 100,590 |
| 非本期融資租賃應付賬款 | 25 | - | 799 |
| 合營夥伴提供之貸款 | 26(a) | 42,505 | 26,069 |
| 少數股東提供之貸款 | 26(b) | 696 | - |
| 已收按金 | | 4,248 | 3,700 |
| 遞延稅項負債 | 27(a) | 16,540 | 7,999 |
| | | 71,789 | 187,843 |
| 資產淨值 | | 669,156 | 538,015 |
| 股本及儲備 | 28 | | |
| 股本 | | 169,638 | 128,357 |
| 儲備 | | 498,097 | 409,103 |
| 本公司股權持有人應佔權益總值 | | 667,735 | 537,460 |
| 少數股東權益 | | 1,421 | 555 |
| 權益總值 | | 669,156 | 538,015 |

董事會於二零零八年十月十六日審批及授權簽發。

)
)
)
)
)

董事

於第84頁至第223頁的附註為本財務報表的組成部分。

Company Balance Sheet

at 30 June 2008

| | <i>Note</i> | 2008 HK\$'000 | 2007 HK\$'000 |
|--|-------------|-------------------------|------------------|
| Non-current assets | | | |
| Interest in subsidiaries | 14 | 681,091 | 627,685 |
| Current assets | | | |
| Amount due from a subsidiary | 14 | 20,000 | 33,000 |
| Prepayments | | 127 | 192 |
| Deposits and cash | 21 | 193 | 319 |
| | | 20,320 | 33,511 |
| Current liabilities | | | |
| Payables and accrued charges | | 2,693 | 2,329 |
| Convertible notes | 24 | 31,066 | 20,262 |
| | | 33,759 | 22,591 |
| Net current (liabilities)/assets | | (13,439) | 10,920 |
| Total assets less current liabilities | | 667,652 | 638,605 |
| Non-current liabilities | | | |
| Convertible notes | 24 | - | 100,590 |
| NET ASSETS | | 667,652 | 538,015 |
| Capital and reserves | | | |
| Share capital | 28 | 169,638 | 128,357 |
| Reserves | | 498,014 | 409,658 |
| TOTAL EQUITY | | 667,652 | 538,015 |

Approved and authorised for issue by the board of directors on 16 October 2008

)
)
)
)
)

Directors

The notes on pages 84 to 223 form part of these financial statements.

公司資產負債表

於二零零八年六月三十日

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|--------------------|----|-----------------|--------------|
| 非流動資產 | | | |
| 於附屬公司之權益 | 14 | 681,091 | 627,685 |
| 流動資產 | | | |
| 應收一間附屬公司款項 | 14 | 20,000 | 33,000 |
| 預付款項 | | 127 | 192 |
| 存款及現金 | 21 | 193 | 319 |
| | | 20,320 | 33,511 |
| 流動負債 | | | |
| 應付款項及應計費用 | | 2,693 | 2,329 |
| 可換股票據 | 24 | 31,066 | 20,262 |
| | | 33,759 | 22,591 |
| 流動(負債)/資產淨值 | | (13,439) | 10,920 |
| 資產總值減流動負債 | | 667,652 | 638,605 |
| 非流動負債 | | | |
| 可換股票據 | 24 | - | 100,590 |
| 資產淨值 | | 667,652 | 538,015 |
| 資本及儲備 | | | |
| 股本 | 28 | 169,638 | 128,357 |
| 儲備 | | 498,014 | 409,658 |
| 權益總值 | | 667,652 | 538,015 |

董事會於二零零八年十月十六日審批及授權簽發。

)
)
)
)
)

董事

於第84頁至第223頁的附註為本財務報表的組成部分。

Consolidated Statement of Changes in Equity

for the year ended 30 June 2008

| | Note | Equity component of | | | | | | | | | | | Exchange reserve of a jointly controlled | | Minority interests | Total | |
|---|-------|---------------------|---------------|----------------------|----------------------------|---------------------|-------------------|---------------------|---------------|-----------------|------------------|------------------|--|----------|--------------------|----------|----------|
| | | Share capital | Share premium | Share option reserve | Capital redemption reserve | Contributed surplus | convertible notes | Revaluation reserve | Reserve funds | Surplus reserve | Exchange reserve | Retained profits | entity held for sale | Total | | | Total |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 July 2007 | | 128,357 | 125,733 | 5,085 | 4,819 | 80,000 | 880 | 3,974 | 1,139 | 480 | 1,208 | 185,785 | - | 537,460 | 555 | 538,015 | |
| Exchange difference on translation of financial statements of | | | | | | | | | | | | | | | | | |
| - overseas subsidiaries | | - | - | - | - | - | - | - | - | - | (2,641) | - | - | (2,641) | - | (2,641) | |
| - overseas associates | | - | - | - | - | - | - | - | - | - | 8,837 | - | - | 8,837 | - | 8,837 | |
| - overseas jointly controlled entities | | - | - | - | - | - | - | - | - | - | 20,173 | - | - | 20,173 | 106 | 20,279 | |
| Deferred tax credited to equity | 27(a) | - | - | - | - | - | - | 50 | - | - | - | - | - | 50 | - | 50 | |
| Total income and expenses recognised directly in equity | | - | - | - | - | - | - | 50 | - | - | 26,369 | - | - | 26,419 | 106 | 26,525 | |
| Profit for the year | | - | - | - | - | - | - | - | - | - | - | 10,763 | - | 10,763 | 306 | 11,069 | |
| Total income and expenses for the year | | - | - | - | - | - | - | 50 | - | - | 26,369 | 10,763 | - | 37,182 | 412 | 37,594 | |
| Repurchases of shares | 28(n) | (1,603) | (3,590) | - | 1,603 | - | - | - | - | - | - | (1,603) | - | (5,193) | - | (5,193) | |
| Exercise of share options | 28(m) | 1,975 | 4,097 | (879) | - | - | - | - | - | - | - | - | - | 5,193 | - | 5,193 | |
| Transfer to retained profits on lapse of share options | 28(n) | - | - | (2,658) | - | - | - | - | - | - | - | 2,658 | - | - | - | - | |
| Conversion of convertible notes | 24 | 40,909 | 52,822 | - | - | - | (638) | - | - | - | - | - | - | 93,093 | - | 93,093 | |
| Capital injection from a minority shareholder | | - | - | - | - | - | - | - | - | - | - | - | - | - | 454 | 454 | |
| Transfer to reserves | | - | - | - | - | - | - | 727 | - | (4,781) | (727) | 4,781 | - | - | - | - | |
| At 30 June 2008 | | 169,638 | 179,062 | 1,548 | 6,422 | 80,000 | 242 | 4,024 | 1,866 | 480 | 22,796 | 196,876 | 4,781 | 667,735 | 1,421 | 669,156 | |

綜合權益變動報表

截至二零零八年六月三十日止年度

| | 附註 | 股本 | | 購股權 | | 股本贖回 | | 可換股票據之 | | 外匯儲備 | | | 持作待售之共同控制公司 | | 少數股東權益 | | 總額 |
|------------------|---------|---------|---------|---------|-------|--------|-------|--------|-------|------|---------|---------|-------------|---------|--------|---------|----|
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| | | 股本 | 股份溢價 | 儲備 | 儲備 | 繳入盈餘 | 股本部分 | 重估儲備 | 儲備基金 | 盈餘儲備 | 外匯儲備 | 保留溢利 | 外匯儲備 | 總額 | 股東權益 | 總額 | |
| 於二零零七年七月一日 | | 128,357 | 125,733 | 5,085 | 4,819 | 80,000 | 880 | 3,974 | 1,139 | 480 | 1,208 | 185,785 | - | 537,460 | 555 | 538,015 | |
| 換算以下公司財務報表時之匯兌差額 | | | | | | | | | | | | | | | | | |
| — 海外附屬公司 | | - | - | - | - | - | - | - | - | - | (2,641) | - | - | (2,641) | - | (2,641) | |
| — 海外聯營公司 | | - | - | - | - | - | - | - | - | - | 8,837 | - | - | 8,837 | - | 8,837 | |
| — 海外共同控制公司 | | - | - | - | - | - | - | - | - | - | 20,173 | - | - | 20,173 | 106 | 20,279 | |
| 計入權益之遞延稅項 | 27(a) | - | - | - | - | - | - | 50 | - | - | - | - | - | 50 | - | 50 | |
| 直接於權益確認之 | | | | | | | | | | | | | | | | | |
| 收支總額 | | - | - | - | - | - | - | 50 | - | - | 26,369 | - | - | 26,419 | 106 | 26,525 | |
| 年度溢利 | | - | - | - | - | - | - | - | - | - | - | 10,763 | - | 10,763 | 306 | 11,069 | |
| 本年度收支總額 | | - | - | - | - | - | - | 50 | - | - | 26,369 | 10,763 | - | 37,182 | 412 | 37,594 | |
| 購回股份 | 28(ii) | (1,603) | (3,590) | - | 1,603 | - | - | - | - | - | - | (1,603) | - | (5,193) | - | (5,193) | |
| 行使購股權 | 28(iii) | 1,975 | 4,097 | (879) | - | - | - | - | - | - | - | - | - | 5,193 | - | 5,193 | |
| 購股權失效時轉發往 | | | | | | | | | | | | | | | | | |
| 保留溢利 | 28(iii) | - | - | (2,658) | - | - | - | - | - | - | - | 2,658 | - | - | - | - | |
| 轉換可換股票據 | 24 | 40,909 | 52,822 | - | - | - | (638) | - | - | - | - | - | - | 93,093 | - | 93,093 | |
| 一名少數股東注資 | | - | - | - | - | - | - | - | - | - | - | - | - | - | 454 | 454 | |
| 轉發往儲備 | | - | - | - | - | - | - | - | 727 | - | (4,781) | (727) | 4,781 | - | - | - | |
| 於二零零八年六月三十日 | | 169,638 | 179,062 | 1,548 | 6,422 | 80,000 | 242 | 4,024 | 1,866 | 480 | 22,796 | 196,876 | 4,781 | 667,735 | 1,421 | 669,156 | |

Consolidated Statement of Changes in Equity
for the year ended 30 June 2008

| Note | Share capital HK\$'000 | Share premium HK\$'000 | Share option reserve HK\$'000 | Capital redemption reserve HK\$'000 | Equity component | | | Reserve funds HK\$'000 | Surplus reserve HK\$'000 | Exchange reserve HK\$'000 | Retained profits HK\$'000 | Total HK\$'000 | Minority interests HK\$'000 | Total HK\$'000 |
|---|---------------------------|---------------------------|----------------------------------|--|---------------------------------|-------------------------------|---------------------------------|---------------------------|-----------------------------|------------------------------|------------------------------|-------------------|--------------------------------|-------------------|
| | | | | | Contributed surplus HK\$'000 | Convertible notes HK\$'000 | Revaluation reserve HK\$'000 | | | | | | | |
| At 1 July 2006 | 133,031 | 639,881 | 544 | 145 | - | 95 | 3,943 | 495 | 480 | (27,460) | (330,288) | 420,866 | - | 420,866 |
| Reserves realised upon disposal of | | | | | | | | | | | | | | |
| - an associate | 15(a) | - | - | - | - | - | - | - | - | 20,204 | - | 20,204 | - | 20,204 |
| - a jointly controlled entity | 33(c) | - | - | - | - | - | - | - | - | 339 | - | 339 | (67) | 272 |
| Exchange difference on translation of financial statements of | | | | | | | | | | | | | | |
| - overseas subsidiaries | | - | - | - | - | - | - | - | - | (1,464) | - | (1,464) | - | (1,464) |
| - overseas associates | | - | - | - | - | - | - | - | - | 8,329 | - | 8,329 | - | 8,329 |
| - overseas jointly controlled entities | | - | - | - | - | - | - | - | - | 1,260 | - | 1,260 | - | 1,260 |
| Deferred tax credited to equity | 27(a) | - | - | - | - | - | 31 | - | - | - | - | 31 | - | 31 |
| Total income and expenses recognised directly in equity | | - | - | - | - | - | 31 | - | - | 28,668 | - | 28,699 | (67) | 28,632 |
| Profit for the year | | - | - | - | - | - | - | - | - | - | 96,717 | 96,717 | (154) | 96,563 |
| Total income and expenses for the year | | - | - | - | - | - | 31 | - | - | 28,668 | 96,717 | 125,416 | (221) | 125,195 |
| Elimination upon capital reorganisation | 28(a) | - | (500,000) | - | - | 500,000 | - | - | - | - | - | - | - | - |
| Setting off accumulated losses | 28(a) | - | - | - | - | (420,000) | - | - | - | - | 420,000 | - | - | - |
| Repurchase of shares | 28(i) | (4,674) | (14,148) | - | 4,674 | - | - | - | - | - | - | (14,148) | - | (14,148) |
| Issuance of convertible notes | 24 | - | - | - | - | - | 785 | - | - | - | - | 785 | - | 785 |
| Capital injection from a minority shareholder | | - | - | - | - | - | - | - | - | - | - | - | 776 | 776 |
| Transfer to reserves | | - | - | - | - | - | - | 644 | - | - | (644) | - | - | - |
| Equity-settled share-based transactions | 28(m) | - | - | 4,541 | - | - | - | - | - | - | - | 4,541 | - | 4,541 |
| At 30 June 2007 | | 128,357 | 125,733 | 5,085 | 4,819 | 80,000 | 880 | 3,974 | 1,139 | 480 | 1,208 | 185,785 | 555 | 538,015 |

The notes on pages 84 to 223 form part of these financial statements.

綜合權益變動報表
截至二零零八年六月三十日止年度

| 附註 | 股本 千港元 | 股份溢價 千港元 | 購股權 | | 繳入盈餘 千港元 | 可換股 票據之 股本部分 | | 重估儲備 千港元 | 儲備基金 千港元 | 盈餘儲備 千港元 | 外匯儲備 千港元 | 保留溢利 千港元 | 總額 千港元 | 少數 股東權益 千港元 | 總額 千港元 |
|----------------------|-----------|-------------|-----------|-------------------|-------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-------------------|-----------|
| | | | 儲備 千港元 | 股本贖回 儲備 千港元 | | 股本部分 千港元 | 重估儲備 千港元 | | | | | | | | |
| 於二零零六年七月一日 | 133,031 | 639,881 | 544 | 145 | - | 95 | 3,943 | 495 | 480 | (27,460) | (330,288) | 420,866 | - | 420,866 | |
| 於出售下列公司權益時變現之儲備 | | | | | | | | | | | | | | | |
| — 一間聯營公司 | 15(d) | - | - | - | - | - | - | - | - | - | 20,204 | - | 20,204 | - | 20,204 |
| — 一間共同控制公司 | 33(c) | - | - | - | - | - | - | - | - | - | 339 | - | 339 | (67) | 272 |
| 換算以下公司財務報表時之 匯兌差額 | | | | | | | | | | | | | | | |
| — 海外附屬公司 | | - | - | - | - | - | - | - | - | - | (1,464) | - | (1,464) | - | (1,464) |
| — 海外聯營公司 | | - | - | - | - | - | - | - | - | - | 8,329 | - | 8,329 | - | 8,329 |
| — 海外共同控制公司 | | - | - | - | - | - | - | - | - | - | 1,260 | - | 1,260 | - | 1,260 |
| 計入權益之遞延稅項 | 27(a) | - | - | - | - | - | 31 | - | - | - | - | - | 31 | - | 31 |
| 直接於權益確認之 | | | | | | | | | | | | | | | |
| 收支總額 | | - | - | - | - | - | 31 | - | - | - | 28,668 | - | 28,699 | (67) | 28,632 |
| 年度溢利 | | - | - | - | - | - | - | - | - | - | - | 96,717 | 96,717 | (154) | 96,563 |
| 本年度收支總額 | | - | - | - | - | - | 31 | - | - | - | 28,668 | 96,717 | 125,416 | (221) | 125,195 |
| 股本重組 | 28(b) | - | (500,000) | - | - | 500,000 | - | - | - | - | - | - | - | - | - |
| 對銷累計虧損 | 28(b) | - | - | - | - | (420,000) | - | - | - | - | - | 420,000 | - | - | - |
| 購回股份 | 28(ii) | (4,674) | (14,148) | - | 4,674 | - | - | - | - | - | - | - | (14,148) | - | (14,148) |
| 發行可換股票據 | 24 | - | - | - | - | - | 785 | - | - | - | - | - | 785 | - | 785 |
| 一名少數股東注資 | | - | - | - | - | - | - | - | - | - | - | - | - | 776 | 776 |
| 轉撥往儲備 | | - | - | - | - | - | - | - | 644 | - | - | (644) | - | - | - |
| 股本結算購股權交易 | 28(iii) | - | - | 4,541 | - | - | - | - | - | - | - | - | 4,541 | - | 4,541 |
| 於二零零七年六月三十日 | | 128,357 | 125,733 | 5,085 | 4,819 | 80,000 | 880 | 3,974 | 1,139 | 480 | 1,208 | 185,785 | 537,460 | 555 | 538,015 |

於第84頁至第223頁的附註為本財務報表的組成部分。

Consolidated Cash Flow Statement

for the year ended 30 June 2008

| | Note | 2008 HK\$'000 | 2007 HK\$'000 |
|---|-------|------------------|------------------|
| Operating activities | | | |
| Profit before taxation | | | |
| – Continuing operations | | 17,549 | 87,200 |
| – Discontinued operation | 8 | 7,430 | 12,841 |
| Adjustments for: | | | |
| – Interest income | | (5,844) | (5,445) |
| – Finance costs | | 13,485 | 16,619 |
| – Depreciation | 13 | 50,206 | 41,771 |
| – Amortisation of prepaid land lease payments | 13 | 340 | 18 |
| – Loss on disposal of property, plant and equipment | | 7,027 | 1,945 |
| – Foreign exchange gain | | (16,584) | (6,112) |
| – Gain on disposal of interest in an associate | 15(d) | – | (115,970) |
| – Loss on disposal of interest in a jointly controlled entity | 16(d) | – | 5,717 |
| – Share of profits less losses of associates | | (9,663) | (20,801) |
| – Impairment allowance on trade and other receivables | | 1,796 | 1,327 |
| – Equity-settled share-based payment expenses | | – | 4,541 |
| Operating profit before changes in working capital | | 65,742 | 23,651 |
| (Increase)/decrease in inventories | | (3,077) | 18 |
| Decrease in film rights | | 8,076 | 1,892 |
| Increase in trade receivables | | (3,312) | (1,407) |
| Increase in other receivables, deposits and prepayments | | (12,903) | (9,161) |
| Increase/(decrease) in trade payables | | 11,295 | (5,808) |
| Increase/(decrease) in other payables and accrued charges | | 35,167 | (4,696) |
| (Decrease)/increase in customer deposits | | (1,947) | 2,130 |
| Decrease in prepaid rental | | 689 | 1,752 |
| Decrease in rental and other deposits | | (4,618) | (2,529) |
| Cash generated from operations | | 95,112 | 5,842 |
| Interest received | | 5,816 | 4,842 |
| Interest and finance charges paid | | (11,392) | (11,615) |
| Interest element on finance lease rental payments | | – | (109) |
| Hong Kong profits tax paid | | – | (6,903) |
| Overseas tax paid | | (7,093) | (4,823) |
| Overseas tax refund | | 627 | 192 |
| Net cash generated from/(used in) operating activities | | 83,070 | (12,574) |

綜合現金流量表

截至二零零八年六月三十日止年度

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|------------------------|-------|-----------------|--------------|
| 經營業務 | | | |
| 除稅前溢利 | | | |
| — 持續經營業務 | | 17,549 | 87,200 |
| — 已終止經營業務 | 8 | 7,430 | 12,841 |
| 調整下列各項： | | | |
| — 利息收入 | | (5,844) | (5,445) |
| — 財務費用 | | 13,485 | 16,619 |
| — 折舊 | 13 | 50,206 | 41,771 |
| — 預付土地租賃款項攤銷 | 13 | 340 | 18 |
| — 出售物業、廠房及設備之虧損 | | 7,027 | 1,945 |
| — 外匯收益 | | (16,584) | (6,112) |
| — 出售一間聯營公司權益之收益 | 15(d) | - | (115,970) |
| — 出售一間共同控制公司權益之虧損 | 16(d) | - | 5,717 |
| — 所佔聯營公司損益 | | (9,663) | (20,801) |
| — 貿易及其他應收款項減值撥備 | | 1,796 | 1,327 |
| — 股本結算購股權開支 | | - | 4,541 |
| 營運資金變動前之經營溢利 | | 65,742 | 23,651 |
| 存貨之(增加)/減少額 | | (3,077) | 18 |
| 電影版權之減少額 | | 8,076 | 1,892 |
| 應收貿易款項之增加額 | | (3,312) | (1,407) |
| 其他應收款項、按金及預付款項之增加額 | | (12,903) | (9,161) |
| 應付貿易款項之增加/(減少)額 | | 11,295 | (5,808) |
| 其他應付款項及應計費用之增加/(減少)額 | | 35,167 | (4,696) |
| 客戶按金之(減少)/增加額 | | (1,947) | 2,130 |
| 預付租金之減少額 | | 689 | 1,752 |
| 租務及其他按金之減少額 | | (4,618) | (2,529) |
| 經營所得現金 | | 95,112 | 5,842 |
| 已收利息 | | 5,816 | 4,842 |
| 已付利息及財務費用 | | (11,392) | (11,615) |
| 支付融資租賃利息 | | - | (109) |
| 已付香港利得稅 | | - | (6,903) |
| 已付海外稅項 | | (7,093) | (4,823) |
| 退回海外稅項 | | 627 | 192 |
| 經營業務所得/(所用)現金淨額 | | 83,070 | (12,574) |

Consolidated Cash Flow Statement
for the year ended 30 June 2008

| | <i>Note</i> | 2008 HK\$'000 | 2007 HK\$'000 |
|---|-------------|--------------------------------|------------------|
| Investing activities | | | |
| Payment for the purchase of property, plant and equipment | 13 | (67,915) | (66,016) |
| Proceeds from disposal of property, plant and equipment | | 1,408 | 582 |
| Acquisition of subsidiaries | 33(b) | - | (22,779) |
| Net proceeds from disposal of interest in | | | |
| - an associate | 15(d) | - | 195,237 |
| - a jointly controlled entity | 33(c) | - | 7,588 |
| Transfer to jointly controlled entities | 33(a) | 64,546 | - |
| Payment from jointly controlled entities | | 19,525 | 16,319 |
| Repayment to joint venture partners | | (20,282) | (16,319) |
| Repayment from/(advance made to) associates | | 325 | (882) |
| Increase/(decrease) in deposits received | | 548 | (140) |
| Increase in pledged bank deposits | | (5,943) | (594) |
| Decrease/(increase) in time deposits with maturity of over three months | | 10,031 | (10,031) |
| Net cash generated from investing activities | | 2,243 | 102,965 |
| Financing activities | | | |
| Net proceeds from issuance of convertible notes | | - | 99,000 |
| Payment for repurchase of the Company's shares | | (5,193) | (14,148) |
| Proceeds from issue of ordinary shares | | 5,193 | - |
| Capital contribution by a minority shareholder | | - | 776 |
| Advance of new bank loans | | 3,323 | 32,349 |
| Repayment of bank loans | | (26,288) | (53,947) |
| Repayment of loan from minority shareholder | | (288) | - |
| Repayment of finance lease obligations | | (1,152) | (328) |
| Net cash (used in)/generated from financing activities | | (24,405) | 63,702 |
| Net increase in cash and cash equivalents | | 60,908 | 154,093 |
| Cash and cash equivalents at 1 July | | 209,131 | 54,369 |
| Effect of foreign exchange rate changes | | 7,109 | 669 |
| Cash and cash equivalents at 30 June | 21 | 277,148 | 209,131 |

The notes on pages 84 to 223 form part of these financial statements.

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|------------------------|-------|-----------------|--------------|
| 投資業務 | | | |
| 支付購買物業、廠房及設備之款項 | 13 | (67,915) | (66,016) |
| 出售物業、廠房及設備所得款項 | | 1,408 | 582 |
| 收購附屬公司 | 33(b) | - | (22,779) |
| 出售以下公司權益所得款項淨額 | | | |
| — 一間聯營公司 | 15(d) | - | 195,237 |
| — 一間共同控制公司 | 33(c) | - | 7,588 |
| 轉撥往共同控制公司 | 33(a) | 64,546 | - |
| 共同控制公司還款 | | 19,525 | 16,319 |
| 償還合營夥伴之貸款 | | (20,282) | (16,319) |
| 聯營公司還款／(借款) | | 325 | (882) |
| 已收按金增加／(減少)額 | | 548 | (140) |
| 已抵押銀行存款之增加額 | | (5,943) | (594) |
| 到期日超過三個月之定期存款減少／(增加)額 | | 10,031 | (10,031) |
| 投資業務所得現金淨額 | | 2,243 | 102,965 |
| 融資業務 | | | |
| 發行可換股票據所得款項淨額 | | - | 99,000 |
| 支付購回本公司股份之款項 | | (5,193) | (14,148) |
| 發行普通股所得款項 | | 5,193 | - |
| 一名少數股東之資本貢獻 | | - | 776 |
| 新籌借銀行貸款 | | 3,323 | 32,349 |
| 償還銀行貸款 | | (26,288) | (53,947) |
| 償還少數股東貸款 | | (288) | - |
| 償還融資租賃承擔 | | (1,152) | (328) |
| 融資業務(所用)／所得現金淨額 | | (24,405) | 63,702 |
| 現金及現金等值項目之增加淨額 | | 60,908 | 154,093 |
| 於七月一日之現金及現金等值項目 | | 209,131 | 54,369 |
| 外匯匯率變動之影響 | | 7,109 | 669 |
| 於六月三十日之現金及現金等值項目 | 21 | 277,148 | 209,131 |

於第84頁至第223頁的附註為本財務報表的組成部分。

Notes to the Financial Statements

For the year ended 30 June 2008

1 CORPORATE INFORMATION

Golden Harvest Entertainment (Holdings) Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activity of the Company is investment holding. The principal activities of the Group consist of worldwide film and video distribution, film exhibition in Hong Kong, mainland China, Taiwan, Singapore and Malaysia, and the operation of a film processing business in Hong Kong.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

- (i) These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.
- (ii) The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The adoption of the new and revised HKFRSs has no significant impact on the financial statements of the Group for the years ended 30 June 2007 and 30 June 2008 except for the presentation requirements following the adoption of HKFRS 7, "Financial instruments: Disclosures" and the amendment to HKAS 1, "Presentation of financial statements: Capital disclosures", there have been some additional disclosures provided as follows:

HKFRS 7, Financial instruments: Disclosures

As a result of the adoption of HKFRS 7, the financial statements included expanded disclosure about the significance of the financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, "Financial Instruments: Disclosure and presentation". These disclosures are provided in note 29 to the financial statements.

HKAS 1, Presentation of financial statements: Capital disclosures

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital. These new disclosures are set out in note 28(e) to the financial statements.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 37).

1 公司資料

嘉禾娛樂事業(集團)有限公司為於百慕達註冊成立之有限公司。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司之主要業務為投資控股。本集團之主要業務則包括全球電影及影碟發行、在香港、中國內地、台灣、新加坡與馬來西亞經營影院，以及在香港經營電影沖印業務。

2 主要會計政策

(a) 遵例聲明

- (i) 本財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)(亦包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則之披露規定。本集團採用之主要會計政策概述如下。
- (ii) 香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，並於本集團及本公司本會計期間首次生效或可供提早採納。除採納香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號(修訂)「呈列財務報表：資本披露」之呈列要求外，採納新訂及經修訂之香港財務報告準則對本集團截至二零零七年六月三十日及二零零八年六月三十日止年度之財務報表概無任何重大影響。下文載列若干額外披露事項：

香港財務報告準則第7號－金融工具：披露

由於採納香港財務報告準則第7號，因此，與較先前根據香港會計準則第32號「金融工具：披露及呈列」所規定須予披露之資料相比，財務報表之披露資料更廣泛，包括金融工具之重要性及該等工具產生之風險性質及水平。財務報表附註29載列該等披露事項。

香港會計準則第1號－呈列財務報表：資本披露

香港會計準則第1號(修訂)規定須作出額外披露，提供有關資本水平及本集團及本公司之資本管理目標、政策及程序之資料。財務報表附註28(e)載列該等新披露事項。

香港財務報告準則第7號及香港會計準則第1號(修訂)對於財務報表內已確認之款額之分類、確認及計量概無產生任何重大影響。

本集團並未於本會計期間應用任何尚未生效之新準則或詮釋(參閱附註37)。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

- (i) The consolidated financial statements include the financial statements of the Company and its subsidiaries and the Group's share of the financial statements of the Group's jointly-controlled entities for the year ended 30 June 2008. The results of subsidiaries and jointly-controlled entities are consolidated and proportionately consolidated, respectively, from the date of acquisition, being the date on which the Group obtains control and joint control, and continue to be consolidated and proportionately consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.
- (ii) The measurement basis used in the preparation of the financial statements is the historical cost except for certain buildings, where the Group adopted the transitional provision of paragraph 80A of HKAS 16 "Property, plant and equipment" and which have been measured at 1995 fair value, further details are set out in note 2(h) to the financial statements.
- (iii) The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 35.

(c) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries and subsidiaries of jointly controlled entities attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

2 主要會計政策(續)

(b) 財務報表之編製基準

- (i) 綜合財務報表包括本公司及其附屬公司以及本集團應佔其共同控制公司截至二零零八年六月三十日止年度之財務報表。附屬公司及共同控制公司之業績自收購日期(即本集團取得控制權及共同控制權之日)起分別綜合計算及按比例綜合計算至有關控制權終止之日止。本集團旗下各公司之間所有重大交易及結存於綜合賬目時已予抵銷。
- (ii) 除本集團就若干樓宇採用香港會計準則第16號「物業、廠房及設備」第80A段之過渡條文，按一九九五年之公平值計算外，本財務報表乃按歷史成本常規編製，進一步詳情載於財務報表附註2(h)。
- (iii) 為編製符合香港財務報告準則之財務報表，管理層須作出對政策之應用、資產、負債及收支之列報金額構成影響的判斷、估計及假設。有關估計及相關之假設乃根據過往經驗，以及多項在當時情況下相信屬合理之其他因素而作出，有關結果構成在未能依循其他途徑即時確切得知資產與負債賬面值時所作出判斷之基礎。實際結果可能與此等估計或有不同。

管理層會不斷審閱各項估計及相關假設。倘估計金額之修訂僅影響某一期間，其影響便會在該期間內確認；倘修訂對當前及未來期間均有影響，則在作出修訂之期間及未來期間確認。

有關管理層在應用香港財務報告準則時所作出對本財務報表有重大影響之判斷，以及作出極可能在下一年度構成重大調整風險之估計之討論內容，載列於附註35。

(c) 附屬公司及少數股東權益

附屬公司為本集團控制之公司。當本集團有權支配一間公司之財務及經營政策，並藉此從其活動中取得利益，則本集團擁有該公司之控制權。評估控制權時，現時可行使之潛在投票權亦計算在內。

於附屬公司之投資，自開始控制之日起至失去控制權當日止已包括於綜合財務報表內。本集團內公司間之結餘及交易，以及本集團內公司間交易所產生之任何未變現溢利，會在編製綜合財務報表時全數抵銷。本集團內公司間交易所引致未變現虧損之抵銷方法與未變現收益相同，惟抵銷額只限於無證據顯示已出現減值之部分。

少數股東權益是指，無論是直接或間接透過附屬公司或共同控制公司之附屬公司，非由本公司擁有的應佔附屬公司及共同控制公司之附屬公司資產淨值之部分，本集團並無與該等權益之持有人達成任何附加協議，以致本集團對這些權益產生與金融負債定義同符之合約責任。少數股東權益在綜合資產負債表之權益項目中列示，並與本公司股東應佔權益分開列示。本集團業績內之少數股東權益在綜合收益表中分為本公司少數股東權益及本公司股東於年內溢利或虧損總額之賬面應佔金額列示。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Subsidiaries and minority interests (continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with note 2(r).

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (note 2(l)).

(d) Joint venture companies

A joint venture company is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture company (note 2(c));
- (b) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company (note 2(e));
- (c) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company (note 2(f)); or
- (d) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

2 主要會計政策(續)

(c) 附屬公司及少數股東權益(續)

倘歸屬於少數股東之虧損超過少數股東於該附屬公司權益中所享有之份額，除少數股東有義務承擔並且有能力作出額外投資予以彌補虧損之部分外，其餘部分自本集團權益扣減。該附屬公司日後之所有溢利均分配予本集團，直至先前由本集團承擔原應由少數股東攤佔之虧損得到彌補為止。

少數股東權益持有人貸款及其他有關該等持有人之合約責任，根據附註2(r)於綜合資產負債表列為金融負債。

在本公司之資產負債表內，於附屬公司之投資乃按成本扣除減值虧損列賬(見附註2(l))。

(d) 合營公司

合營公司指本集團與其他人士按合約安排共同進行經濟活動而成立之公司。該合營公司以獨立公司之形式營運，而本集團及其他人士均於合營公司中擁有權益。

合營人士訂立之合營協議規定合營各方之出資金額、合營之年期及在解散合營公司時變現資產所依據之基準。合營公司經營業務之溢利及虧損及任何盈餘資產之分派均由合營人士按彼等各自之出資比例或根據合營協議之條款規定而攤分。

合營公司被視為：

- (a) 附屬公司，倘本集團有權直接或間接單方面控制該合營公司(見附註2(c))；
- (b) 共同控制公司，倘本集團無直接或間接單方面控制權，但可共同控制合營公司(見附註2(e))；
- (c) 聯營公司，倘本集團無權直接或間接單方面或共同控制合營公司，但直接或間接於其註冊資本持有不少於20%權益，且有權對該合營公司行使重大影響力(見附註2(f))；或
- (d) 香港會計準則第39號項下股本投資，倘本集團直接或間接持有合營公司註冊股本少於20%權益，且無權共同控制該合營公司，亦無權對該合營公司行使重大影響力。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Jointly controlled entities

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group and other parties, where the contractual arrangement establishes that the Group and one or more of the other parties share joint control over the economic activity of the entity.

An investment in a jointly controlled entity is accounted for in the consolidated financial statements under the proportionate consolidation method, unless it is classified as held for sale (note 2(bb)). The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains and losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

(f) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

(g) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate or a jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (note 2(l)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in the income statement.

On disposal of a cash generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2 主要會計政策(續)

(e) 共同控制公司

共同控制公司乃一間由本集團與其他人士按一項合約安排而經營之公司，而在該項合約安排下，本集團與一名或多名其他人士對該公司之經濟活動共同行使控制權。

於共同控制公司之投資按比例綜合法計入綜合財務報表，惟分類為持作待售(見附註2(bb))除外。本集團將所分佔之合營企業個別收支、資產負債及現金流量，與本集團財務報表中之同類項目逐項合併。本集團向合營企業出售資產，會確認其他合資方應佔之收益及虧損部分。直至本集團將有關資產轉售予獨立方，本集團才會確認因向合營企業購買資產而分佔該合營企業之溢利或虧損。然而，倘該項交易之虧損能夠證明流動資產之可變現淨值下跌或出現減值虧損，便會即時確認交易虧損。

(f) 聯營公司

聯營公司是指本集團或本公司對其有重大影響，但不是控制或共同控制其管理層的公司；重大影響包括參與其財務和經營決策。

於聯營公司之投資乃以權益法在綜合財務報表內列賬，初步以成本入賬，其後按本集團應佔聯營公司之資產淨值於收購後之變動作出調整。綜合收益表包括本集團應佔聯營公司於收購後及除稅後之年度業績。

當本集團對聯營公司承擔之虧損額超過其所佔權益時，本集團所佔權益便會減少至零，並且不須再確認往後之虧損；但如本集團須履行法定或推定義務，或代聯營公司作出付款則除外。就此而言，本集團在聯營公司所佔權益為按照權益法計算之投資賬面值，以及實質上構成本集團對聯營公司投資淨額一部分之長期權益。

本集團與其聯營公司之間交易所產生之未變現溢利及虧損，均按本集團於聯營公司所佔之權益抵銷；但如未變現虧損證明已轉讓資產出現減值，則會即時在損益中確認該虧損。

(g) 商譽

商譽是指業務合併成本或於聯營公司或共同控制公司之投資超過本集團在被收購方之可識別資產、負債及或然負債之公平淨值中所佔份額之部分。

商譽是按成本扣除累計減值虧損列賬。商譽會分配至現金產生單位，並且每年進行減值測試(見附註2(l))。就聯營公司而言，商譽之賬面值計入聯營公司權益之賬面值。

本集團在被收購方之可識別資產、負債及或然負債之公平淨值中所佔份額，超過業務合併成本或於聯營公司或共同控制公司之投資，會即時在收益表確認。

當出售現金產生單位，任何應佔購入商譽之金額均包括在出售損益之計算內。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

The following items of property, plant and equipment are stated in the balance sheet at cost or valuation less accumulated depreciation and impairment losses (note 2(l)):

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (note 2(k)); and
- other items of plant and equipment, other than construction in progress.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and where the cost of the item can be measured realisably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

The transitional provision set out in paragraph 80A of HKAS 16, "Property, plant and equipment" issued by the HKICPA has been adopted for certain properties, which are stated at valuation. As a result, those assets stated at revalued amounts based on revaluations which were reflected in the financial statements for the year ended 30 June 1995 have not been revalued by class at the balance sheet date.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

| | | |
|----------------------------|------------------------------------|----------------|
| - Buildings | | 4% |
| - Leasehold improvements | Over the remaining terms of leases | |
| - Machinery and equipment | | 6.50% - 33.33% |
| - Furniture and fixtures | | 5% - 33.33% |
| - Motor vehicles | | 20% |
| - Air-conditioning systems | | 20% |

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal. On disposal or retirement, the attributable revaluation surplus not previously dealt with in retained profits or accumulated losses is transferred directly to retained profits or accumulated loss.

Construction in progress represents an asset under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2 主要會計政策(續)

(h) 物業、廠房及設備

下列物業、廠房及設備項目乃於資產負債表內按成本或估值扣除累計折舊及減值虧損入賬(見附註2(j)):

- 租賃土地上興建之自用樓宇，其公平值可以在土地租賃時與租賃土地之公平值分別計量(見附註2(k)); 及
- 其他廠房及設備項目(在建工程除外)。

物業、廠房及設備項目成本包括購買價及將該資產達至操作狀況及地點作擬定用途之任何直接應佔費用。物業、廠房及設備項目投入運作後之支出(如維修及保養費用)，一般於產生期間自收益表扣除。倘能明確顯示該等支出可增加日後使用該物業、廠房及設備項目預期可獲取之經濟效益，及倘項目成本能可靠計量，則該等支出會撥作資本，列為該資產之額外成本或列為替代項目。

本集團已就按估值列賬之若干物業採納香港會計師公會頒佈之香港會計準則第16號「物業、廠房及設備」第80A段所載過渡條文。因此，該等按於截至一九九五年六月三十日止年度財務報表反映之重估為基準計算之重估金額列賬之資產，並無於結算日按類別重估。

折舊乃按物業、廠房及設備項目之估計可使用年期以直線法撇銷成本減其估計剩餘價值(如有)計算。所採用之基本折舊年率載列如下:

| | |
|----------|----------------|
| — 樓宇 | 4% |
| — 租賃物業裝修 | 餘下租賃限期 |
| — 機器及設備 | 6.50% — 33.33% |
| — 傢具及裝置 | 5% — 33.33% |
| — 汽車 | 20% |
| — 空調系統 | 20% |

若物業、廠房及設備項目任何部分之可使用年期不同，則該項目成本或估值將合理分配至各部分，而各部分將個別折舊。

資產之可使用年期及其剩餘價值(如有)將每年進行檢討。

廢棄或出售物業、廠房及設備項目產生之損益，按該項目之出售所得款項淨額與其賬面值間之差額釐定，並於廢棄或出售日期之收益表內確認。出售或廢棄時，早前並無於保留溢利或累計虧損處理之應佔重估盈餘直接轉撥往保留溢利或累計虧損。

在建工程指興建中之資產，按成本減任何減值虧損列賬，且不予折舊。成本包括於動工期間之直接建造成本。在建工程於落成及可供使用時重新分類為適當類別之物業、廠房及設備。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Club memberships

Club memberships are stated in the balance sheet at cost less impairment losses (note 2(l)). Cost includes fees and expenses directly related to the acquisition of the club memberships.

(j) Trademarks

Trademarks are stated in the balance sheet at cost less impairment losses (note 2(l)). Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) *Assets acquired under finance leases*

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(h). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(l). Finance charges implicit in the lease payments are charged to the income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

2 主要會計政策(續)

(i) 會籍

會籍按成本扣除減值虧損於資產負債表內入賬(見附註2(l))。成本包括與購入會籍直接有關之費用及開支。

(j) 商標

商標按成本扣除減值虧損於資產負債表內入賬(見附註2(l))。被評估為具有無限可用年期之無形資產不作攤銷。本集團每年會審閱有關無形資產具有無限可用年期之結論，以判斷活動及情況會否繼續支持有關該資產之無限可用年期之評估。

(k) 租賃資產

如果本集團認為某項安排於一段協定期間內轉讓使用特定資產之權利，並以付款或連串付款作為交換，該項安排(包括交易或連串交易)應為或包含租賃。本集團經評估該項安排之實質內容後，釐定上述決定，且不會考慮該項安排是否屬租賃之法定形式。

(i) 租予本集團之資產分類

本集團根據租賃持有擁有權所附帶之絕大部分風險及回報轉讓予本集團之資產，乃分類為根據融資租賃持有。凡擁有權所附帶之絕大部分風險及回報並無轉讓予本集團之租賃，則列為經營租賃，但下列情況除外：

- 以經營租賃持作自用，但無法在租賃開始時將其公平值與建於其上之建築物之公平值分開計量之土地，是按以融資租賃持有方式入賬；但清楚地以經營租賃持有之建築物除外。就此而言，租賃之開始時間是指本集團首次訂立租賃時，或自前承租人接收建築物時。

(ii) 根據融資租賃購入之資產

倘本集團根據融資租賃購入資產之使用權，則所租賃資產之公平值或有關資產之最少應付租金之現值兩者之較低者計入固定資產，而相應之負債在扣除融資費用後，列作融資租賃承擔入賬。折舊是在相關之租賃期內或資產之可使用年期(如本集團可能取得資產之擁有權)內撇銷資產成本或估值之比率計提；有關之資產可使用年期載列於附註2(h)。減值虧損根據附註2(l)載列之會計政策入賬處理。包含在租金內之融資費用於租賃期內在收益表內扣除，使每個會計期間之融資費用佔承擔餘額之比率大致相同。或然租金在其產生之會計期間內自收益表扣除。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets (continued)

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

Prepaid land lease payments under an operating lease is amortised on a straight-line basis over the period of the lease term.

(l) Impairment of assets

(i) Impairment of trade and other receivables

Other current and non-current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment.

Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2 主要會計政策(續)

(k) 租賃資產(續)

(iii) 經營租賃費用

倘本集團是以經營租賃獲得資產之使用權，則根據租賃作出之付款在租賃期內所涵蓋之會計期間內，以等額在收益表中列支；惟倘有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。所獲之租金優惠在收益表中確認為淨租金總額之不可分割組成部分。或然租金在其產生之會計期間內自收益表扣除。

列作經營租賃之預付土地租賃款項按租賃年期以直線法攤銷。

(l) 資產減值

(i) 貿易及其他應收款項之減值

其他流動及非流動應收款項如以成本或攤銷成本列賬，將會於每個結算日檢討，以確定有否客觀證據顯示出現減值。

減值客觀證據包括本集團注意到下列一項或以上虧損事項之可察覺跡象：

- 債務人之重大財政困難；
- 違反合約，例如拖欠利息或本金付款；
- 債務人可能破產或進行其他財務重整；及
- 科技、市場、經濟或法律上之重大改變引致對債務人之不利影響。

倘若任何證據存在，釐定及確認減值虧損如下：

- 就按攤銷成本列賬之貿易及其他流動應收款項及其他金融資產而言，減值虧損乃按資產賬面值與估計未來現金流量按金融資產原有之實際利率(即在初始確認該等資產時計算之實際利率)折現之現值兩者之差額計量(倘若折現會造成重大影響)。如按攤銷成本列賬之金融資產具備類似風險特徵，例如類似逾期情況及並未單獨被評估為減值，則有關評估會同時進行。金融資產之未來現金流量會根據與被評估資產具有類似信貸風險特徵資產的過往虧損情況來一同減值。

若於其後之期間，減值虧損數額減少，而有關減少可客觀地與在確認減值虧損後發生之事件聯繫，則減值虧損會透過損益撥回。減值虧損撥回不得導致資產賬面值超出於以往年度沒有確認減值虧損之金額。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Impairment of assets (continued)

(i) Impairment of trade and other receivables (continued)

- Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets;
- trademarks;
- club memberships;
- film rights; and
- investments in subsidiaries and associates (except for those classified as held for sale (or included in a disposal group that is classified as held for sale) (note 2(bb)).

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- **Calculation of recoverable amount**
The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).
- **Recognition of impairment losses**
An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2 主要會計政策(續)

(I) 資產減值(續)

(i) 貿易及其他應收款項之減值(續)

- 減值虧損是於有關資產直接撇銷。除貿易及其他應收款項之收回可能性被認為不明確但不低之情況下，減值虧損被確認。於此情況下，呆賬之減值虧損使用撥備賬目入賬。當本集團感到收回可能性低，不能收回之款項於應收貿易款項直接撇銷及有關此負債於撥備賬目內回撥。曾於撥備賬目扣除之款項在其後收回時，在撥備賬目中回撥。撥備賬目中之其他變動及曾被直接撇銷於其後收回之款項在損益賬中確認。

(ii) 其他資產之減值

本集團會在每個結算日審閱內部及外部資料，以確定下列資產是否出現減值跡象，或(商譽除外)以往確認之減值虧損是否不再存在或已經減少：

- 固定資產；
- 商標；
- 會籍；
- 電影版權；及
- 於附屬公司及聯營公司之投資(分類為持作待售之投資除外(或包括在分類為持作待售之出售組別))(見附註2(bb))。

倘若存在任何有關跡象，則會估計資產之可收回金額。此外，就具有無限使用年期之無形資產而言，無論是否存在任何減值跡象，均會每年估計可收回金額。

- 計算可收回金額
資產之可收回金額以其銷售淨價及使用價值兩者中之較高數額為準。在評估使用價值時，會使用除稅前貼現率將估計未來現金流量貼現至現值。該貼現率應是反映市場當時所評估之貨幣時間價值及該資產之獨有風險。如果資產所產生之現金流入基本上不獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最小資產類別(即現金產生單位)來釐定可收回金額。
- 確認減值虧損
當資產或其所屬之現金產生單位之賬面值高於其可收回金額時，便會於收益表內確認減值虧損。除資產賬面值不會減至低於其個別公平值減銷售成本或使用價值(如可衡量)外，現金產生單位之已確認減值虧損首先用作減少分配予現金產生單位(或一組單位)之任何商譽賬面值，然後按比例減少單位(或一組單位)內其他資產之賬面值。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is determined using a first-in, first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down of loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Film rights

(i) Film rights

Film rights represent films and television drama series and are stated at cost less accumulated amortisation and impairment losses (note 2(l)).

Amortisation of film rights 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.

(ii) Films in progress

Films in progress are stated at cost less any impairment losses (note 2(l)). Costs include all direct costs associated with the production of films. Impairment losses are made for costs which are in excess of the expected future revenue generated by these films. Costs are transferred to film rights upon completion.

(o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (note 2(l)).

2 主要會計政策(續)

(l) 資產減值(續)

(ii) 其他資產之減值(續)

— 減值虧損撥回

倘若用以釐定可收回金額的估計出現有利變動，便會將資產減值虧損撥回；但商譽除外。商譽之減值虧損不會撥回。

所撥回之減值虧損以假設往年並無確認減值虧損而應已釐定之資產賬面值為限。所撥回之減值虧損在確認撥回之年度內計入收益表內。

(m) 存貨

存貨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，並包括所有購買成本、轉換成本及使存貨達致其現有位置及狀況所產生之其他成本。

可變現淨值指日常業務過程中之估計售價減估計完成成本及作出銷售所需之估計成本。

當出售存貨時，該等存貨之賬面值於有關收益確認之期間確認為開支。任何撇減存貨至可變現淨值及存貨之所有虧損於撇減虧損之期間內確認為開支。撇減存貨之任何撥回金額於撥回期間內以存貨減少金額確認為開支。

(n) 電影版權

(i) 電影版權

電影版權為電影及電視劇集，乃按成本扣除累計攤銷及減值虧損列賬(見附註2(l))。

電影版權攤銷乃按年內所賺取實際收入與出售電影版權之估計總收入之比例計算而撥入收益表。

(ii) 製作中電影

製作中電影乃按成本扣除任何減值虧損入賬(見附註2(l))。成本包括所有與製作電影有關之直接成本。當其成本高於估計日後自該等電影產生之收益時，則作出減值虧損。當製作完成時，該成本轉撥往電影版權。

(o) 貿易及其他應收款項

貿易及其他應收款項初步按公平值確認，其後按攤銷成本扣除呆賬減值撥備入賬(見附註2(l))；惟倘應收款項為給予關連人士之無固定還款期之免息貸款或其貼現影響並不重大則除外。在此情況下，應收款項會按成本扣除呆賬減值撥備入賬(見附註2(l))。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the income statement over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(s) Convertible notes

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible notes is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component of the convertible note is recognised in the equity until either the note is converted or redeemed.

If the note is converted the equity, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the capital reserve is released directly to retained profits.

(t) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

2 主要會計政策(續)

(p) 現金及現金等值項目

現金及現金等值項目包括銀行及庫存現金、於銀行及其他財務機構之活期存款，及短期而高流動性之投資，即在沒有涉及重大價值轉變之風險下可以即時轉換為已知數額且收購時於三個月內到期之現金的投資。就編製綜合現金流量表而言，現金及現金等值項目包括按要求償還及構成本集團現金管理之不可分割組成部分之銀行透支。

(q) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後按攤銷成本入賬；惟倘貼現影響並不重大，則按成本入賬。

(r) 計息借貸

計息借貸初步按公平值減應佔交易成本確認。初步確認後，計息借貸按攤銷成本列賬，初步確認之數額與贖回價值間之差額以實際利率法按借貸年期與任何應付利息及費用一併於收益表內確認。

(s) 可換股票據

可按持有人選擇兌換為權益股本之可換股票據，凡於換股時將予發行之股份數目及屆時將可收取之代價價值不變，則作為同時含有負債部分及權益部分之複合金融工具入賬。

初步確認時，可換股票據之負債部分是以與不附帶換股權之同類負債初步確認時適用之市場利率折現計算之未來利息及本金付款之現值計量。所得款項超逾初步確認為負債部分金額之部分確認為權益部分。發行複合金融工具之相關交易成本會按照所得款項之分配比例分列至負債及權益部分。

負債部分其後按攤銷成本列賬。就負債部分於損益確認之利息開支使用實際利率法計算。可換股票據之權益部分將在權益中確認，直至兌換或贖回有關票據為止。

倘票據獲兌換，則權益連同兌換時負債部分之賬面值乃轉撥至股本及股份溢價，作為發行股份之代價。倘票據獲贖回，則資本儲備會直接撥至保留溢利。

(t) 剔除確認金融資產

金融資產或(倘適用)金融資產其中部分或任何一組類似金融資產其中部分，於下列情況剔除確認：

- 自資產獲取現金流量之權利屆滿；
- 本集團保留自資產獲取現金流量之權利，惟根據「經手」安排有責任盡快向第三方全數支付有關現金流量；或

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Derecognition of financial assets (continued)

- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(u) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

(v) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the consolidated income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

2 主要會計政策(續)

(t) 剔除確認金融資產(續)

- 本集團已轉讓其自資產獲取現金流量之權利，且(a)已轉讓有關資產絕大部分風險及回報；或(b)並無轉讓或保留有關資產絕大部分風險及回報，惟已轉讓有關資產之控制權。

倘本集團已轉讓其自資產獲取現金流量之權利，且並無轉讓或保留有關資產絕大部分風險及回報或無轉讓該資產之控制權，則會按本集團繼續涉及該資產之程度確認該項資產。倘以就經轉讓資產作擔保方式繼續涉及有關資產，乃按該項資產之原來賬面值及本集團可能須支付之最高代價之較低者計量。

(u) 剔除確認金融負債

金融負債於負債責任獲履行或取消或屆滿時剔除確認。

倘一項現有金融負債，以同一放款人按重大不同條款作出之負債取代，或現有負債條款經大幅修訂，則有關交換或修訂被視作剔除確認原有負債及確認新負債處理，而相關賬面值之差額則於收益表確認。

(v) 僱員福利

(i) 短期僱員福利及向定額供款退休計劃作出之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及各項非貨幣福利之成本，均在本集團僱員提供相關服務之年度內累計。如延遲支付或結算會構成重大影響，則上述數額須按現值列賬。

(ii) 以股份為基礎之付款

授予僱員之購股權之公平值確認為僱員成本，並相應於股本內增加資本儲備。公平值於授予日期經考慮有關購股權授予之條款及條件後採用柏力克-舒爾斯期權定價模式釐定。倘僱員須符合歸屬條件方能無條件取得購股權，購股權之估計公平值總額將於歸屬期間攤分，並考慮到購股權將予歸屬之可能性。

於歸屬期間，預期歸屬之購股權數目將獲審核。對於過往年間確認之累計公平值作出之任何調整，將支取／計入審核年間之綜合收益表，除非原來之僱員開支可獲確認為資產，並於資本儲備中作出相應調整。於歸屬日，已確認為開支之金額將調整至反映歸屬之購股權之實際數目(並於資本儲備中作出相應調整)，因無法達到與本公司股份市價相關之歸屬條件而喪失者除外。股本金額將於資本儲備確認，直到購股權獲行使(轉入股份溢價賬)或購股權期屆滿(直接撥至保留溢利)。

(iii) 可結轉有薪假期

本集團根據僱員之僱用合約以每個曆年為基準提供有薪年假。於若干情況下，於結算日各僱員尚未提取之有薪假期可轉撥至下年度使用。於結算日，本集團已就本年度該等僱員可賺取及結轉之有薪假期之預期未來開支計算應計款項。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee benefits (continued)

(iv) Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance (the "Employment Ordinance") in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group to the balance sheet date.

(v) Retirement benefit schemes

The Group operates a defined contribution retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the Scheme. Contributions to the Scheme are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the Scheme. The Group's employer contributions are fully and immediately vested with the employees when contributed to the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund.

The employees of the Group's subsidiaries which operate in mainland China are members of the state-sponsored retirement scheme (the "State Scheme") operated by the government of mainland China. Contributions to the State Scheme are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the State Scheme.

(w) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策(續)

(v) 僱員福利(續)

(iv) 僱傭條例長期服務金

本集團若干僱員為本集團服務之年期已符合香港僱傭條例(「僱傭條例」)規定有關於終止僱用時合資格領取長期服務金所需之服務年期。本集團須按向於僱傭條例中所訂明特定情況向該等被終止僱用之僱員支付該筆款項。

有關預期可能支付之未來長期服務金已作撥備。此撥備乃根據僱員截至結算日就服務本集團所賺取長期服務金之最佳估計提撥。

(v) 退休福利計劃

本集團根據強制性公積金計劃條例為合資格參與定額供款退休福利計劃(「該計劃」)之僱員營辦該計劃。該計劃供款乃按僱員基本薪金之百分比計算，並於根據該計劃規則應付時在收益表扣除。本集團所作之僱主供款已於向該計劃供款時完全及即時歸於僱員。該計劃之資產與本集團資產分開由獨立管理基金持有。

本集團於中國內地之附屬公司僱員均為中國內地政府營辦之國家保薦退休計劃(「國家退休計劃」)之成員。為國家退休計劃作出之供款乃按僱員基本薪金之百分比計算，並於根據國家退休計劃規定應付時在收益表扣除。

(w) 所得稅

- (i) 本年度所得稅包括本期稅項及遞延稅項資產及負債之變動。本期稅項及遞延稅項資產及負債之變動均在收益表內確認，但與直接確認為權益項目相關者，則確認為權益。
- (ii) 本期稅項乃按本年度應課稅收入，根據已生效或在結算日實質上已生效之稅率計算而預期應付之稅項，並就過往年度應付稅項作出任何調整。
- (iii) 遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債就財務呈報目的而言之賬面值與其稅基之差異。遞延稅項資產亦可以由未動用稅項虧損及未動用稅項抵免產生。

除若干有限之例外情況外，所有遞延稅項負債及遞延稅項資產(只以未來可能有應課稅溢利予以抵銷之資產為限)均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差異而產生之數額；但有關差異必須與同一稅務機關及同一應課稅公司有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生之稅項虧損向後期或向前期結轉之期間內撥回。在決定現有之應課稅暫時差異是否足以支持確認由未動用稅項虧損及抵免所產生之遞延稅項資產時，亦會採用同一準則，倘涉及同一稅務機關及同一應課稅公司，而且預期在能夠使用稅項虧損或抵免之同一期間內撥回，則予以計算在內。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Income tax (continued)

(iii) (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(x) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the income statement on initial recognition of any deferred income.

2 主要會計政策(續)

(w) 所得稅(續)

(iii) (續)

遞延稅項資產及負債確認之有限例外情況包括不可扣稅商譽所產生之暫時差異，不影響會計或應課稅溢利(如屬業務合併之一部分則除外)之資產或負債之初步確認，以及於附屬公司之投資之暫時差異(如屬應課稅差異，只限於本集團可以控制撥回之時間，而且在可預見之將來不大可能撥回之差異；或如屬可予扣減之差異，則只限於可在將來撥回之差異)。

已確認之遞延稅項數額是按照資產及負債賬面值之預期實現或清償方式，以結算日已生效或實際生效之稅率計量。遞延稅項資產及負債均不須貼現。

遞延稅項資產之賬面值，每個結算日予以重計，並於不可能再有足夠應課稅溢利可供動用有關稅項福利時予以削減。任何有關減少在可能有足夠應課稅溢利可供抵免時撥回。

(iv) 本期稅項結餘及遞延稅項結餘及其變動額會分開列示，並且不予抵銷。倘本公司或本集團有法定行使權以本期稅項資產抵銷本期稅項負債，並且在符合以下附帶條件之情況下，本期稅項資產與遞延稅項資產始會分別與本期稅項負債及遞延稅項負債抵銷：

- 倘為本期稅項資產及負債，本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應課稅公司；或
 - 不同之應課稅公司。此等公司計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準變現本期稅項資產及清償本期稅項負債，或同時變現該資產及清償該負債。

(x) 已作出財務擔保、撥備及或然負債

(i) 已作出財務擔保

財務擔保為要求發行人(即擔保人)支付特定金額補償擔保的受益人(「持有人」)因指定債務人未能根據債務工具之條款在到期時付款所產生之虧損。

倘本集團作出財務擔保，擔保的公平值(即交易價，除非能可靠地估計公平值)則初步確認為貿易及其他應付款項內之遞延收入。倘就作出擔保之代價已收取或可收取，代價則根據適用於此類別資產之本集團政策確認。倘並無收到或無可收代價，則於初步確認任何遞延收入時在收益表確認為即時開支。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Financial guarantees issued, provisions and contingent liabilities (continued)

(i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in the income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(x)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(y) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

- (i) Income from film royalties, screen advertising and video distribution is recognised at the time when the services are provided;
- (ii) Income from film distribution, film developing and printing service, advertising production and agency fee and consultancy service is recognised upon the provision of the services;
- (iii) Income from box office takings is recognised when the services have been rendered to the buyers;
- (iv) Income from confectionery sales and audio visual sales is recognised, at the point of sales when the confectionery and audio visual products are given to the customers;
- (v) Rental income receivable under operating leases is recognised in the income statement in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned;
- (vi) Interest income is recognised as it accrues using the effective interest method; and
- (vii) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

2 主要會計政策(續)

(x) 已作出財務擔保、撥備及或然負債(續)

(i) 已作出財務擔保(續)

初步確認為遞延收入之擔保金額自作出財務擔保後在收益表中按擔保之年期作為收入攤銷。此外，倘(i)擔保之持有人將可能根據擔保向本集團取得款項及(ii)該筆對本集團索取之金額預期超逾現時就擔保列賬為貿易及其他應付款項(即初步確認之金額減累計攤銷)之金額時，撥備將根據附註2(x)(ii)確認。

(ii) 其他撥備及或然負債

倘本集團或本公司須就已發生之事件承擔法律或推定義務，而會導致經濟利益外流及在可以作出可靠之估計時，則就該時間或數額不定之其他負債確認撥備。倘貨幣時間值重大，則按履行義務預計所需支出之現值計提撥備。

倘經濟利益外流之可能性較低，或無法對有關數額作出可靠之估計，則會將該義務披露為或然負債，但經濟利益外流之可能性極低則除外。倘可能存在義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，則會披露為或然負債，除非經濟利益外流之可能性極低。

(y) 收益確認

收益是在經濟效益可能會流入本集團，以及能夠可靠計算收益及成本(如適用)時，根據下列方法在收益表內確認：

- (i) 電影版權、銀幕廣告及影碟發行收入於提供有關服務時確認；
- (ii) 電影發行、電影菲林沖印服務、廣告製作及代理費用收入以及顧問服務收入於提供有關服務時確認；
- (iii) 票房收入於電影已向購票人放映時確認；
- (iv) 小賣部及視聽產品銷售之收入於小食及視聽產品給予客戶時確認；
- (v) 經營租賃之應收租金收入在租賃期所涵蓋之期間內，以等額在收益表內確認；惟倘有其他基準能更清楚地反映使用租賃資產所產生之收益模式則除外。租賃優惠措施均在收益表內確認為應收租賃淨付款總額之組成部分。在會計期間所獲得之或然租金確認為收入；
- (vi) 利息收入按實際利率法計算所得之利息確認；及
- (vii) 非上市投資之股息收入按股東收取款項之權利確立時確認。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies and the financial statements of overseas subsidiaries, jointly controlled entities and associates are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses on foreign currency translation are dealt with in the income statement, except for those arising from the translation of the financial statements of overseas subsidiaries, jointly controlled entities and associates which are taken directly to the exchange reserve.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(aa) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred.

(bb) Non-current assets held for sale and discontinued operations

(i) *Non-current assets held for sale*

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures). These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in the income statement. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2 主要會計政策(續)

(z) 外幣換算

於年內進行之外幣交易以交易日之適用匯率換算為港元。於結算日以外幣結算之貨幣資產及負債及海外附屬公司、共同控制公司及聯營公司之財務報表按該日之匯率換算為港元。外幣換算所產生之匯兌盈虧計入收益表內，惟因換算海外附屬公司、共同控制公司及聯營公司之財務報表而產生之匯兌盈虧則直接計入匯兌儲備。

按過往成本以外幣為單位之非貨幣資產及負債，按交易日之外匯匯率換算。以外幣結算並按公平值列賬之非貨幣資產及負債按釐定其公平值當日適用之外匯匯率換算。

於出售海外業務時，與海外業務有關並於權益確認之累計匯兌差額於計算出售之損益時計入。

(aa) 借貸成本

借貸成本於產生期間在收益表列支。

(bb) 持作待售之非流動資產及已終止經營業務

(i) 持作待售之非流動資產

倘一項非流動資產(或出售組別)之賬面值極可能透過銷售交易而非持續使用收回，以及該資產(或出售組別)可在現況下出售，則分類為持作待售。出售組別為一組於單一交易將予出售之資產組別，以及與將於交易轉讓之相關資產有直接關聯之負債。

緊接分類為持作待售前，非流動資產(及出售組別之所有獨立資產及負債)於分類前根據會計政策重新計量。其後，於初步分類為持作待售及直至出售前，非流動資產(下文闡述之若干資產除外)或出售組別按其賬面值及公平值減銷售成本之較低者確認。就本集團及本公司之財務報表而言，毋需採用此計量政策之主要例外項目為遞延稅項資產、僱員福利資產及金融資產(不包括於附屬公司、聯營公司及合營企業之投資)。此類資產即使列入持作待售，仍會繼續按附註2其他分節所載之政策計量。

於初步分類為持作待售及其後持作待售時重新計量之減值虧損於收益表確認。只要非流動資產仍被分類為持作待售或列入分類為持作待售之出售組別，非流動資產均不予折舊或攤銷。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(bb) Non-current assets held for sale and discontinued operations (continued)

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs when the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the income statement, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(cc) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

(dd) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

2 主要會計政策(續)

(bb) 持作待售之非流動資產及已終止經營業務(續)

(ii) 已終止經營業務

已終止經營業務是本集團業務之一部分，其營運及現金流量可與本集團其他業務清楚區分，且代表一項按業務或地區劃分之獨立主要業務，或作為出售一項按業務或地區劃分之獨立主要業務之單一統籌計劃一部分，或為一間純粹為轉售而收購之附屬公司。

倘業務被出售或符合列為持作待售項目(見上文(i))之準則(如較早)，則分類為已終止經營業務。撤出業務時，有關業務亦會分類為已終止經營業務。

倘若業務分類為已終止經營，則會於收益表按單一數額呈列，當中包含：

- 已終止經營業務之除稅後溢利或虧損；及
- 就構成已終止經營業務之資產或出售組別，計量公平值減銷售成本或於出售時確認之除稅後損益。

(cc) 關連人士

在編製財務報表時，與本集團有關連之人士是指：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團之財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團之聯營公司或本集團為合營一方之合營企業；
- (iv) 該人士屬本集團或本集團母公司主要管理階層之一員、或屬該名人士之近親家族成員、或受該等個別人士控制、共同控制或重大影響之公司；
- (v) 該人士屬(i)所指人士之近親家族成員或受該等個別人士控制、共同控制或重大影響之公司；或
- (vi) 該人士屬提供福利予本集團或為本集團關連方之公司之僱員離職後福利計劃。

有關人士之近親家族成員為預期於買賣公司時將影響該人士或受該人士影響之該等家族成員。

(dd) 分部報告

分部是指本集團內可明顯區分之組成部分，並且負責提供產品或服務(業務分部)，或在一個特定之經濟環境中提供產品或服務(地區分部)，而其所受之風險和回報與其他分部不同。

按照本集團之內部財務報告制度，就編製財務報表而言，本集團選取業務分部資料作為主要報告形式，地區分部資料則為次要報告形式。

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(dd) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, borrowings, tax balances, corporate and financing expenses.

3 TURNOVER

The principal activities of the Group consist of worldwide film and video distribution, film exhibition in Hong Kong, mainland China, Taiwan, Singapore and Malaysia, and the operation of a film processing business in Hong Kong.

Turnover represents the income from the sale of film, video and television rights, motion picture distribution and theatre operation, advertising agency fees earned, invoiced value of film developing and printing services rendered, consultancy fee income, and proceeds from the sale of audio visual products.

4 SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the film and video distribution segment engages in worldwide distribution of films and audio visual products related to films and television programmes;
- (b) the film exhibition segment engages in film exhibition and screen advertising in Hong Kong, mainland China, Taiwan, Singapore and Malaysia; and
- (c) the others segment comprises film processing business, which provide film processing services and film production.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2 主要會計政策(續)

(dd) 分部報告(續)

分部收益、支出、業績、資產及負債包含直接歸屬某一分部，以及可按合理基準分配至該分部之項目。例如，分部資產可包括存貨、應收貿易款項以及物業、廠房及設備。分部收益、支出、資產及負債於抵銷本集團內公司間之結餘及交易前釐定(作為綜合賬目之部分程序)，但同屬一個分部之本集團企業之間之本集團內公司間結餘及交易則除外。分部間之定價按與其他外界人士相若之條款計算。

分部資本開支是指在期內購入預計可於超過一個期間使用之分部資產(包括有形及無形資產)所產生之成本總額。

未分配之項目主要包括財務及企業資產、借貸、稅項結餘、企業及融資支出。

3 營業額

本集團之主要業務為在全球各地發行電影及影碟、在香港、中國內地、台灣、新加坡與馬來西亞經營影院，以及在香港經營電影沖印業務。

營業額指出售電影、影碟及電視版權、電影發行及影院經營所得收入，亦包括廣告代理收入、提供電影菲林沖印服務之發票值、顧問服務收入以及出售視聽產品之所得款項。

4 分部報告

分部資料按本集團業務分部及地區分部進行呈報。業務分部資料作為主要呈報方式，原因為其與本集團內部財務呈報更加密切相關。

本集團之經營業務乃根據各經營性質及其提供之產品與服務獨立成立及管理。本集團內各業務分部代表不同業務策略單位，各自提供不同風險及不同回報之產品及服務。各業務分部摘要如下：

- (a) 電影及影碟發行分部從事全球性電影及與電影及電視節目相關之視聽產品發行；
- (b) 影院經營分部於香港、中國內地、台灣、新加坡及馬來西亞從事影院經營及銀幕廣告業務；及
- (c) 其他業務分部包括提供電影菲林沖印之電影沖印業務，以及電影製作。

為釐定本集團之地區分部，收益乃按該業務之客戶所屬地列入各地區，而資產則以其所在地撥入不同分部。

分部間之銷售及轉讓乃參照銷售予第三方之售價及現行市價進行交易。

4 SEGMENT REPORTING (CONTINUED)

(a) Business segments

| | 2008 | | | | |
|---|---|-----------------------------|--------------------|-------------------------|-------------------|
| | Film and video distribution HK\$'000 | Film exhibition HK\$'000 | Others HK\$'000 | Elimination HK\$'000 | Total HK\$'000 |
| Continuing operations | | | | | |
| Sales to external customers | 71,870 | 536,324 | 11,707 | - | 619,901 |
| Inter-segment revenue | 6,418 | - | 1,837 | (8,255) | - |
| Other income | 1,902 | 36,460 | 329 | (413) | 38,278 |
| Total revenue from continuing operations | 80,190 | 572,784 | 13,873 | (8,668) | 658,179 |
| Segment results from continuing operations | 4,945 | 38,570 | 757 | - | 44,272 |
| Interest income | | | | | 5,423 |
| Unallocated operating income/ (expenses), net | | | | | (29,839)* |
| Finance costs | | | | | (11,970) |
| Share of profits less losses of associates | 3,897 | 5,766 | - | - | 9,663 |
| Profit before taxation | | | | | 17,549 |
| Income tax | | | | | (10,391) |
| Profit for the year from continuing operations | | | | | 7,158 |
| Discontinued operation | | | | | |
| Sales to external customers | - | 119,828 | - | - | 119,828 |
| Other income | - | 1,992 | - | - | 1,992 |
| Total revenue from discontinued operation | - | 121,820 | - | - | 121,820 |
| Segment results from discontinued operation | - | 8,524 | - | - | 8,524 |
| Interest income | | | | | 421 |
| Finance costs | | | | | (1,515) |
| Profit before taxation | | | | | 7,430 |
| Income tax | | | | | (3,519) |
| Profit for the year from discontinued operation | | | | | 3,911 |
| Total profit for the year | | | | | 11,069 |

* This includes exchange gain of HK\$24,154,000.

4 分部報告(續)

(a) 業務分部

| | 二零零八年 | | | | |
|----------------------|--------------------|----------------|---------------|----------------|----------------|
| | 電影及 影碟發行 千港元 | 影院經營 千港元 | 其他 千港元 | 抵銷 千港元 | 總計 千港元 |
| 持續經營業務 | | | | | |
| 銷售予外部客戶 | 71,870 | 536,324 | 11,707 | - | 619,901 |
| 分部間之收益 | 6,418 | - | 1,837 | (8,255) | - |
| 其他收入 | 1,902 | 36,460 | 329 | (413) | 38,278 |
| 持續經營業務之收益總額 | 80,190 | 572,784 | 13,873 | (8,668) | 658,179 |
| 持續經營業務之分部業績 | 4,945 | 38,570 | 757 | - | 44,272 |
| 利息收入 | | | | | 5,423 |
| 未分配經營收入/(支出)淨額 | | | | | (29,839)* |
| 財務費用 | | | | | (11,970) |
| 所佔聯營公司損益 | 3,897 | 5,766 | - | - | 9,663 |
| 除稅前溢利 | | | | | 17,549 |
| 所得稅 | | | | | (10,391) |
| 持續經營業務之本年度溢利 | | | | | 7,158 |
| 已終止經營業務 | | | | | |
| 銷售予外部客戶 | - | 119,828 | - | - | 119,828 |
| 其他收入 | - | 1,992 | - | - | 1,992 |
| 已終止經營業務之收益總額 | - | 121,820 | - | - | 121,820 |
| 已終止經營業務之分部業績 | - | 8,524 | - | - | 8,524 |
| 利息收入 | | | | | 421 |
| 財務費用 | | | | | (1,515) |
| 除稅前溢利 | | | | | 7,430 |
| 所得稅 | | | | | (3,519) |
| 已終止經營業務之本年度溢利 | | | | | 3,911 |
| 本年度溢利總額 | | | | | 11,069 |

* 包括匯兌收益24,154,000港元。

4 SEGMENT REPORTING (CONTINUED)

(a) Business segments (continued)

| | 2008 | | | | |
|--|---|-----------------------------|--------------------|-------------------------|-------------------|
| | Film and video distribution HK\$'000 | Film exhibition HK\$'000 | Others HK\$'000 | Elimination HK\$'000 | Total HK\$'000 |
| Depreciation for the year | 537 | 48,348 | 230 | - | 49,115 |
| Unallocated | | | | | 1,091 |
| | | | | | 50,206 |
| Amortisation of prepaid land lease payment | - | 321 | 19 | - | 340 |
| Amortisation of film rights | 31,930 | - | - | - | 31,930 |
| Impairment allowances for trade and other receivables, net | 1,535 | 259 | 2 | - | 1,796 |
| Segment assets | 86,188 | 655,064 | 7,563 | - | 748,815 |
| Assets of a jointly controlled entity held for sale | | | | | 141,037 |
| Trademarks | | | | | 79,421 |
| Unallocated assets | | | | | 149,871 |
| Total assets | | | | | 1,119,144 |
| Segment liabilities | 39,562 | 214,305 | 4,782 | - | 258,649 |
| Liabilities of a jointly controlled entity held for sale | | | | | 101,135 |
| Unallocated liabilities | | | | | 90,204 |
| Total liabilities | | | | | 449,988 |
| Capital expenditure incurred during the year | 716 | 65,417 | - | - | 66,133 |
| Unallocated | | | | | 1,782 |
| | | | | | 67,915 |

4 分部報告(續)

(a) 業務分部(續)

| | 二零零八年 | | | | |
|----------------------|--------------------|-------------|-----------|-----------|-----------|
| | 電影及 影碟發行 千港元 | 影院經營 千港元 | 其他 千港元 | 抵銷 千港元 | 總計 千港元 |
| 本年度折舊 未分配數額 | 537 | 48,348 | 230 | - | 49,115 |
| | | | | | 1,091 |
| | | | | | 50,206 |
| 預付土地租賃款項攤銷 | - | 321 | 19 | - | 340 |
| 電影版權攤銷 | 31,930 | - | - | - | 31,930 |
| 貿易及其他應收 款項之減值撥備淨額 | 1,535 | 259 | 2 | - | 1,796 |
| 分部資產 | 86,188 | 655,064 | 7,563 | - | 748,815 |
| 持作待售之共同控制公司資產 | | | | | 141,037 |
| 商標 | | | | | 79,421 |
| 未分配資產 | | | | | 149,871 |
| 資產總值 | | | | | 1,119,144 |
| 分部負債 | 39,562 | 214,305 | 4,782 | - | 258,649 |
| 持作待售之共同控制公司負債 | | | | | 101,135 |
| 未分配負債 | | | | | 90,204 |
| 負債總值 | | | | | 449,988 |
| 本年度產生之資本開支 未分配數額 | 716 | 65,417 | - | - | 66,133 |
| | | | | | 1,782 |
| | | | | | 67,915 |

4 SEGMENT REPORTING (CONTINUED)

(a) Business segments (continued)

| | 2007 | | | | |
|---|--------------------------------------|--------------------------|-----------------|----------------------|----------------|
| | Film and video distribution HK\$'000 | Film exhibition HK\$'000 | Others HK\$'000 | Elimination HK\$'000 | Total HK\$'000 |
| Continuing operations | | | | | |
| Sales to external customers | 59,647 | 392,605 | 17,259 | - | 469,511 |
| Inter-segment revenue | 6,160 | - | 1,053 | (7,213) | - |
| Other income | 1,769 | 29,966 | 340 | (341) | 31,734 |
| Total revenue from continuing operations | 67,576 | 422,571 | 18,652 | (7,554) | 501,245 |
| Segment results from continuing operations | 14,352 | 19 | 872 | - | 15,243 |
| Interest income | | | | | 4,959 |
| Unallocated operating income/ (expenses), net | | | | | (48,344)* |
| Finance costs | | | | | (15,712) |
| Share of profits less losses of associates | 4,542 | 16,259 | - | - | 20,801 |
| Gain on disposal of interest in an associate | | | | | 115,970 |
| Loss on disposal of interest in a jointly controlled entity | | | | | (5,717) |
| Profit before taxation | | | | | 87,200 |
| Income tax | | | | | 414 |
| Profit for the year from continuing operations | | | | | 87,614 |
| Discontinued operation | | | | | |
| Sales to external customers | - | 96,189 | - | - | 96,189 |
| Other income | - | 1,815 | - | - | 1,815 |
| Total revenue from discontinued operation | - | 98,004 | - | - | 98,004 |
| Segment results from discontinued operation | - | 13,262 | - | - | 13,262 |
| Interest income | | | | | 486 |
| Finance costs | | | | | (907) |
| Profit before taxation | | | | | 12,841 |
| Income tax | | | | | (3,892) |
| Profit for the year from discontinued operation | | | | | 8,949 |
| Total profit for the year | | | | | 96,563 |

* This includes exchange gain of HK\$5,726,000.

4 分部報告(續)

(a) 業務分部(續)

| | 二零零七年 | | | | |
|-----------------|--------------------|-------------|-----------|-----------|-----------|
| | 電影及 影碟發行 千港元 | 影院經營 千港元 | 其他 千港元 | 抵銷 千港元 | 總計 千港元 |
| 持續經營業務 | | | | | |
| 銷售予外部客戶 | 59,647 | 392,605 | 17,259 | - | 469,511 |
| 分部間之收益 | 6,160 | - | 1,053 | (7,213) | - |
| 其他收入 | 1,769 | 29,966 | 340 | (341) | 31,734 |
| 持續經營業務之收益總額 | 67,576 | 422,571 | 18,652 | (7,554) | 501,245 |
| 持續經營業務之分部業績 | 14,352 | 19 | 872 | - | 15,243 |
| 利息收入 | | | | | 4,959 |
| 未分配經營收入/(支出)淨額 | | | | | (48,344)* |
| 財務費用 | | | | | (15,712) |
| 所佔聯營公司損益 | 4,542 | 16,259 | - | - | 20,801 |
| 出售一間聯營公司權益之收益 | | | | | 115,970 |
| 出售一間共同控制公司權益之虧損 | | | | | (5,717) |
| 除稅前溢利 | | | | | 87,200 |
| 所得稅 | | | | | 414 |
| 持續經營業務之本年度溢利 | | | | | 87,614 |
| 已終止經營業務 | | | | | |
| 銷售予外部客戶 | - | 96,189 | - | - | 96,189 |
| 其他收入 | - | 1,815 | - | - | 1,815 |
| 已終止經營業務之收益總額 | - | 98,004 | - | - | 98,004 |
| 已終止經營業務之分部業績 | - | 13,262 | - | - | 13,262 |
| 利息收入 | | | | | 486 |
| 財務費用 | | | | | (907) |
| 除稅前溢利 | | | | | 12,841 |
| 所得稅 | | | | | (3,892) |
| 已終止經營業務之本年度溢利 | | | | | 8,949 |
| 本年度溢利總額 | | | | | 96,563 |

* 包括匯兌收益5,726,000港元。

4 SEGMENT REPORTING (CONTINUED)

(a) Business segments (continued)

| | 2007 | | | | |
|--|---|-----------------------------|--------------------|-------------------------|-------------------|
| | Film and video distribution HK\$'000 | Film exhibition HK\$'000 | Others HK\$'000 | Elimination HK\$'000 | Total HK\$'000 |
| Depreciation for the year | 298 | 40,167 | 213 | - | 40,678 |
| Unallocated | | | | | 1,093 |
| | | | | | 41,771 |
| Amortisation of prepaid land lease payments | - | - | 18 | - | 18 |
| Amortisation of film rights | 11,058 | - | - | - | 11,058 |
| Impairment allowances for trade and other receivables, net | (99) | (2) | 1,428 | - | 1,327 |
| Segment assets | 64,723 | 426,826 | 8,736 | - | 500,285 |
| Interest in associates | | | | | 169,369 |
| Trademarks | | | | | 79,421 |
| Unallocated assets | | | | | 181,338 |
| Total assets | | | | | 930,413 |
| Segment liabilities | 23,982 | 145,222 | 5,327 | - | 174,531 |
| Unallocated liabilities | | | | | 217,867 |
| Total liabilities | | | | | 392,398 |
| Capital expenditure incurred during the year | 429 | 64,399 | 102 | - | 64,930 |
| Unallocated | | | | | 1,086 |
| | | | | | 66,016 |

4 分部報告(續)

(a) 業務分部(續)

| | 二零零七年 | | | | |
|---------------------------------|--------------------|-------------|-----------|-----------|---|
| | 電影及 影碟發行 千港元 | 影院經營 千港元 | 其他 千港元 | 抵銷 千港元 | 總計 千港元 |
| 本年度折舊 未分配數額 | 298 | 40,167 | 213 | - | 40,678 1,093 |
| 預付土地租賃款項攤銷 | - | - | 18 | - | 41,771 18 |
| 電影版權攤銷 | 11,058 | - | - | - | 11,058 |
| 貿易及其他應收款項 之減值撥備淨額 | (99) | (2) | 1,428 | - | 1,327 |
| 分部資產 於聯營公司之權益 商標 未分配資產 | 64,723 | 426,826 | 8,736 | - | 500,285 169,369 79,421 181,338 |
| 資產總值 | | | | | 930,413 |
| 分部負債 未分配負債 | 23,982 | 145,222 | 5,327 | - | 174,531 217,867 |
| 負債總值 | | | | | 392,398 |
| 本年度產生之資本開支 未分配數額 | 429 | 64,399 | 102 | - | 64,930 1,086 |
| | | | | | 66,016 |

4 SEGMENT REPORTING (CONTINUED)

(b) Geographical segments

| | 2008 | | | | | | | |
|--|-----------------------|-------------------|-----------------------|--------------------|----------------------|---------------------|--------------------|-----------|
| | mainland | | | | Elsewhere | | | Total |
| | Hong Kong HK\$'000 | China HK\$'000 | Singapore HK\$'000 | Taiwan HK\$'000 | Malaysia HK\$'000 | in Asia HK\$'000 | Others HK\$'000 | |
| Sales to external customers | 209,134 | 63,919 | 140,490 | 202,688 | 120,272 | 2,439 | 787 | 739,729 |
| Less: | | | | | | | | |
| Attributable to discontinued operation | - | - | - | - | 119,828 | - | - | 119,828 |
| Sales to external customers from continuing operations | 209,134 | 63,919 | 140,490 | 202,688 | 444 | 2,439 | 787 | 619,901 |
| Other segment information: | | | | | | | | |
| Segment assets | 283,524 | 83,458 | 297,679 | 207,359 | 167,700 | - | 3 | 1,039,723 |
| Trademarks | | | | | | | | 79,421 |
| Total assets | | | | | | | | 1,119,144 |
| Capital expenditure incurred during the year | 11,400 | 3,822 | 8,301 | 11,122 | 33,270 | - | - | 67,915 |

| | 2007 | | | | | | | |
|--|-----------------------|-------------------|-----------------------|--------------------|----------------------|---------------------|--------------------|---------|
| | mainland | | | | Elsewhere | | | Total |
| | Hong Kong HK\$'000 | China HK\$'000 | Singapore HK\$'000 | Taiwan HK\$'000 | Malaysia HK\$'000 | in Asia HK\$'000 | Others HK\$'000 | |
| Sales to external customers | 196,740 | 52,847 | - | 213,849 | 98,049 | 3,035 | 1,180 | 565,700 |
| Less: | | | | | | | | |
| Attributable to discontinued operation | - | - | - | - | 96,189 | - | - | 96,189 |
| Sales to external customers from continuing operations | 196,740 | 52,847 | - | 213,849 | 1,860 | 3,035 | 1,180 | 469,511 |
| Other segment information: | | | | | | | | |
| Segment assets | 305,290 | 50,058 | - | 194,082 | 131,987 | 191 | 15 | 681,623 |
| Interest in associates | | | | | | | | 169,369 |
| Trademarks | | | | | | | | 79,421 |
| Total assets | | | | | | | | 930,413 |
| Capital expenditure incurred during the year | 13,070 | 6,599 | - | 10,955 | 35,392 | - | - | 66,016 |

4 分部報告(續)

(b) 地區分部

| | 二零零八年 | | | | | | | |
|-------------------|-----------|-------------|------------|-----------|-------------|-------------------|-----------------|-----------|
| | 香港 千港元 | 中國內地 千港元 | 新加坡 千港元 | 台灣 千港元 | 馬來西亞 千港元 | 亞洲 其他地區 千港元 | 其他 地區 千港元 | 總計 千港元 |
| 銷售予外部客戶 | 209,134 | 63,919 | 140,490 | 202,688 | 120,272 | 2,439 | 787 | 739,729 |
| 減： 已終止經營業務應佔款額 | - | - | - | - | 119,828 | - | - | 119,828 |
| 持續經營業務銷售予外部客戶 | 209,134 | 63,919 | 140,490 | 202,688 | 444 | 2,439 | 787 | 619,901 |
| 其他分部資料： | | | | | | | | |
| 分部資產 | 283,524 | 83,458 | 297,679 | 207,359 | 167,700 | - | 3 | 1,039,723 |
| 商標 | | | | | | | | 79,421 |
| 資產總值 | | | | | | | | 1,119,144 |
| 本年度產生之資本開支 | 11,400 | 3,822 | 8,301 | 11,122 | 33,270 | - | - | 67,915 |

| | 二零零七年 | | | | | | | |
|-------------------|-----------|-------------|------------|-----------|-------------|-------------------|-----------------|-----------|
| | 香港 千港元 | 中國內地 千港元 | 新加坡 千港元 | 台灣 千港元 | 馬來西亞 千港元 | 亞洲 其他地區 千港元 | 其他 地區 千港元 | 總計 千港元 |
| 銷售予外部客戶 | 196,740 | 52,847 | - | 213,849 | 98,049 | 3,035 | 1,180 | 565,700 |
| 減： 已終止經營業務應佔款額 | - | - | - | - | 96,189 | - | - | 96,189 |
| 持續經營業務銷售予外部客戶 | 196,740 | 52,847 | - | 213,849 | 1,860 | 3,035 | 1,180 | 469,511 |
| 其他分部資料： | | | | | | | | |
| 分部資產 | 305,290 | 50,058 | - | 194,082 | 131,987 | 191 | 15 | 681,623 |
| 於聯營公司之權益 | | | | | | | | 169,369 |
| 商標 | | | | | | | | 79,421 |
| 資產總值 | | | | | | | | 930,413 |
| 本年度產生之資本開支 | 13,070 | 6,599 | - | 10,955 | 35,392 | - | - | 66,016 |

5 OTHER INCOME

| | 2008 HK\$'000 | 2007 HK\$'000 |
|--|------------------|------------------|
| Continuing operations | | |
| Interest income from bank deposits | 4,800 | 3,726 |
| Interest income on loan to a jointly controlled entity | 623 | 1,233 |
| Rental income | 12,753 | 10,817 |
| Theatre rental | 1,497 | 2,086 |
| Miscellaneous income | 23,896 | 20,187 |
| Exchange gain, net | 24,154 | 5,726 |
| | 67,723 | 43,775 |
| Discontinued operation | | |
| | 2,413 | 2,301 |
| | 70,136 | 46,076 |

6 PROFIT FOR THE YEAR

Profit for the year is arrived at after charging/(crediting):

| | 2008 HK\$'000 | 2007 HK\$'000 |
|--|------------------|------------------|
| (a) Finance costs | | |
| Continuing operations | | |
| Interest on bank loans wholly repayable within five years | 2,415 | 5,980 |
| Interest on convertible notes (note 24) | 7,790 | 7,186 |
| Interest on loans from joint venture partners (note 26(a)) | 911 | 1,812 |
| Finance charges on obligations under finance leases | 79 | 109 |
| Other borrowing costs | 775 | 625 |
| | 11,970 | 15,712 |
| Discontinued operation | | |
| Interest on bank loans wholly repayable within five years | 1,515 | 907 |
| | 13,485 | 16,619 |

5 其他收入

| | 二零零八年 千港元 | 二零零七年 千港元 |
|----------------|---------------|--------------|
| 持續經營業務 | | |
| 銀行存款之利息收入 | 4,800 | 3,726 |
| 共同控制公司貸款之利息收入 | 623 | 1,233 |
| 租金收入 | 12,753 | 10,817 |
| 影院租金 | 1,497 | 2,086 |
| 雜項收入 | 23,896 | 20,187 |
| 匯兌收益淨額 | 24,154 | 5,726 |
| | 67,723 | 43,775 |
| 已終止經營業務 | 2,413 | 2,301 |
| | 70,136 | 46,076 |

6 本年度溢利

本年度溢利已扣除／(計入)下列項目：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|----------------------|---------------|--------------|
| (a) 財務費用 | | |
| 持續經營業務 | | |
| 須於五年內全數償還之銀行貸款利息 | 2,415 | 5,980 |
| 可換股票據利息(附註24) | 7,790 | 7,186 |
| 合營夥伴提供之貸款利息(附註26(a)) | 911 | 1,812 |
| 融資租賃承擔之財務費用 | 79 | 109 |
| 其他借款費用 | 775 | 625 |
| | 11,970 | 15,712 |
| 已終止經營業務 | | |
| 須於五年內全數償還之銀行貸款利息 | 1,515 | 907 |
| | 13,485 | 16,619 |

6 PROFIT FOR THE YEAR (CONTINUED)

Profit for the year is arrived at after charging/(crediting): (continued)

| | 2008 HK\$'000 | 2007 HK\$'000 |
|---|------------------|------------------|
| (b) Staff costs (excluding directors' remuneration (note 9)) | | |
| Salaries, wages and other benefits * | 94,878 | 77,009 |
| Contributions to defined contribution retirement plans | 3,039 | 2,687 |
| Equity-settled share-based payment expenses | - | 1,141 |
| | 97,917 | 80,837 |
| (c) Other items | | |
| Cost of inventories | 33,565 | 8,003 |
| Cost of services ** | 276,344 | 238,854 |
| Depreciation | 50,206 | 41,771 |
| Amortisation of prepaid land lease payments | 340 | 18 |
| Amortisation of film rights *** | 31,930 | 11,058 |
| Impairment losses on trade and other receivables | 1,796 | 1,327 |
| Provision/(reversal of provision) for long service payments, net | 547 | (95) |
| Auditors' remuneration | 2,284 | 2,204 |
| Operating lease charges in respect of land and buildings | | |
| – minimum lease payments | 131,754 | 109,673 |
| – contingent rentals | 19,278 | 16,422 |
| Loss on disposal of property, plant and equipment | 7,027 | 1,945 |
| Rental income less direct outgoings | (12,753) | (10,817) |

* The amount includes provision for long service payments.

** The cost of services provided includes approximately HK\$2,827,000 (2007: HK\$2,826,000) relating to staff costs which is also included in the amount disclosed above.

*** The amortisation of film rights for the year is included in "Cost of sales" on the face of the consolidated income statement.

6 本年度溢利(續)

本年度溢利已扣除/(計入)下列項目:(續)

| | 二零零八年 千港元 | 二零零七年 千港元 |
|-------------------------------|-----------------|--------------|
| (b) 員工成本(不包括董事酬金(附註9)) | | |
| 工資、薪金及其他福利* | 94,878 | 77,009 |
| 定額供款退休計劃供款 | 3,039 | 2,687 |
| 股本結算購股權開支 | - | 1,141 |
| | 97,917 | 80,837 |
| (c) 其他項目 | | |
| 存貨銷售成本 | 33,565 | 8,003 |
| 服務提供成本** | 276,344 | 238,854 |
| 折舊 | 50,206 | 41,771 |
| 預付土地租賃款項攤銷 | 340 | 18 |
| 電影版權攤銷*** | 31,930 | 11,058 |
| 貿易及其他應收款項之減值虧損 | 1,796 | 1,327 |
| 長期服務金撥備/(撥回撥備)淨額 | 547 | (95) |
| 核數師酬金 | 2,284 | 2,204 |
| 土地及樓宇之經營租賃費用 | | |
| — 租賃最低付款 | 131,754 | 109,673 |
| — 或然租金 | 19,278 | 16,422 |
| 出售物業、廠房及設備之虧損 | 7,027 | 1,945 |
| 租金收入減直接支出 | (12,753) | (10,817) |

* 該金額包括長期服務金撥備。

** 所提供之服務成本包括有關員工成本約2,827,000港元(二零零七年:2,826,000港元),此款項亦包括於上文所披露之金額內。

*** 年內電影版權攤銷已計入綜合收益表中「銷售成本」內。

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

| | 2008 HK\$'000 | 2007 HK\$'000 |
|---|------------------|------------------|
| Continuing operations | | |
| Group | | |
| <i>Current income tax</i> | | |
| Provision for overseas tax | 948 | 1,237 |
| (Over)/under-provision in respect of prior years | (543) | 312 |
| | 405 | 1,549 |
| Jointly controlled entities | | |
| <i>Current income tax</i> | | |
| Provision for overseas tax | 2,583 | - |
| Over-provision in respect of prior years | - | (279) |
| | 2,583 | (279) |
| <i>Deferred tax – overseas (note 27(a))</i> | | |
| Origination and reversal of temporary differences | 7,403 | (1,684) |
| | 9,986 | (1,963) |
| | 10,391 | (414) |
| Discontinued operation | | |
| <i>Current income tax</i> | | |
| Provision for overseas tax | 2,269 | 3,465 |
| <i>Deferred tax – overseas (note 27(a))</i> | | |
| Origination and reversal of temporary differences | 1,250 | 427 |
| | 3,519 | 3,892 |
| | 13,910 | 3,478 |

7 計入綜合收益表內之所得稅

(a) 綜合收益表內之稅項乃指：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|-------------------------|---------------|--------------|
| 持續經營業務 | | |
| 本集團 | | |
| 即期所得稅 | | |
| 海外稅項撥備 | 948 | 1,237 |
| 過往年度(超額撥備)/撥備不足 | (543) | 312 |
| | 405 | 1,549 |
| 共同控制公司 | | |
| 即期所得稅 | | |
| 海外稅項撥備 | 2,583 | - |
| 過往年度超額撥備 | - | (279) |
| | 2,583 | (279) |
| 遞延稅項—海外(附註27(a)) | | |
| 暫時差異之產生及撥回 | 7,403 | (1,684) |
| | 9,986 | (1,963) |
| | 10,391 | (414) |
| 已終止經營業務 | | |
| 即期所得稅 | | |
| 海外稅項撥備 | 2,269 | 3,465 |
| 遞延稅項—海外(附註27(a)) | | |
| 暫時差異之產生及撥回 | 1,250 | 427 |
| | 3,519 | 3,892 |
| | 13,910 | 3,478 |

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (CONTINUED)

Notes:

- (i) The provision for Hong Kong Profits Tax for 2008 is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in the profits tax rate from 17.5% to 16.5% with effect from the year of assessment 2008/2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the year ended 30 June 2008. Tax provisions are reviewed regularly to take into account of changes in legislation, practice and status of negotiations.

- (ii) Taxation for overseas subsidiaries and jointly-controlled entities is charged at the appropriate current rates of taxation ruling in the relevant countries.

- (iii) On 16 March 2007, the Standing committee of the Tenth National People's Congress of the People's Republic of China (the "PRC") approved the income tax law. Certain subsidiaries of the Group operating in Shenzhen, the PRC that were qualified under old law or regulations for incentive tax rate of 15%, the tax rate will progressively increase to 18%, 20%, 22%, 24% and 25% in years 2008, 2009, 2010, 2011 and 2012, respectively. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

Under the new tax law, from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 5% to 10% on various types of passive income such as dividend derived from sources in the PRC. Distribution of the pre-2008 earnings are exempted from the above-mentioned withholding tax.

- (iv) Share of associates' tax for the year ended 30 June 2008 of HK\$3,250,000 (2007: HK\$13,922,000) is included in the share of profits less losses of associates.

7 計入綜合收益表內之所得稅(續)

附註：

- (i) 於二零零八年之香港利得稅撥備按本年度預計應課稅溢利之16.5%計算(二零零七年：17.5%)。

於二零零八年六月二十六日，香港立法會通過二零零八年收入條例法案，當中包括由二零零八年至二零零九年課稅年度開始，將香港利得稅稅率由17.5%調低至16.5%。相關減稅之影響已於計算截至二零零八年六月三十日止年度之即期及遞延稅項時反映。本公司定期審閱稅款撥備，以考慮法例、慣例及商議情況之變動。

- (ii) 海外附屬公司及共同控制公司之稅款按相關國家制定之適當即期稅率計算。

- (iii) 於二零零七年三月十六日，中華人民共和國(「中國」)第十屆全國人民代表大會常務委員會批准所得稅法。本集團於中國深圳之若干附屬公司根據舊法例及法規享有15%優惠稅率，並於二零零八年、二零零九年、二零一零年、二零一一年及二零一二年逐年遞增至18%、20%、22%、24%及25%。遞延稅項結餘經已調整，以反映預期資產變現或負債清償期間適用之稅率。

根據新稅法，自二零零八年一月一日起，未在中國擁有設立機構或營業地點或擁有設立機構或營業地點惟有關收入與中國設立機構或營業地點並無實際關連之非本土企業，須就各種被動收入(如中國資源所產生之股息)按5%至10%稅率繳納預扣稅。二零零八年前之盈利分派獲豁免繳納上述預扣稅。

- (iv) 截至二零零八年六月三十日止年度之所佔聯營公司稅款3,250,000港元(二零零七年：13,922,000港元)已計入綜合收益表所佔聯營公司損益內。

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (CONTINUED)

(b) Reconciliation between tax expense and profit before taxation at applicable tax rates:

| | 2008 HK\$'000 | 2007 HK\$'000 |
|--|------------------|------------------|
| Profit before taxation (including profit from discontinued operation) | 24,979 | 100,041 |
| Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned | 7,138 | 24,550 |
| Share of profits less losses of associates | (3,251) | (13,922) |
| Tax effect of non-deductible expenses | 8,627 | 3,902 |
| Tax effect of non-taxable revenue | (7,178) | (21,320) |
| Tax effect of unused tax losses not recognised | 7,729 | 10,570 |
| Tax effect of previously unrecognised prior years' tax losses utilised this year | (294) | (234) |
| Tax effect of temporary differences unrecognised | 1,682 | (101) |
| (Over)/under-provision in prior years | (543) | 33 |
| Actual tax expense | 13,910 | 3,478 |
| Represented by | | |
| – Continuing operations | 10,391 | (414) |
| – Discontinued operation | 3,519 | 3,892 |
| | 13,910 | 3,478 |

8 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

On 13 February 2008, the Group entered into an agreement to dispose of its entire 50% equity interests in TGV Cinema Sdn Bhd ("TGV") to its then existing shareholder (the "Purchaser") for a consideration of approximately HK\$96,500,000 (RM40,200,000) (the "Transaction") and to procure the repayment of a shareholders' loan in the amounts of approximately HK\$25,900,000 (RM10,800,000) by TGV. Details of the Transaction were set out in the Company's circular dated 5 March 2008.

TGV is principally engaged in the theatre operation in Malaysia.

The Group has decided to dispose its entire interests in TGV as it plans to redeploy its resources in the Greater China market. At 30 June 2008, the Transaction was in the process of obtaining the relevant regulatory approval and the financial results of TGV were classified and presented as a discontinued operation in accordance with Hong Kong Financial Reporting Standard 5, "Non-current assets held for sale and discontinued operations". The disposal of TGV was completed on 31 July 2008.

7 計入綜合收益表內之所得稅(續)

(b) 稅項支出及按適用稅率計算之除稅前溢利對賬表：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|--------------------------|----------------|--------------|
| 除稅前溢利 (包括已終止經營業務之溢利) | 24,979 | 100,041 |
| 按有關國家溢利之適用稅率計算除稅前溢利之名義稅項 | 7,138 | 24,550 |
| 所佔聯營公司損益 | (3,251) | (13,922) |
| 不可扣稅開支之稅務影響 | 8,627 | 3,902 |
| 毋須課稅收益之稅務影響 | (7,178) | (21,320) |
| 尚未確認之未動用稅項虧損之稅務影響 | 7,729 | 10,570 |
| 本年度動用先前尚未確認之往年稅項虧損之稅務影響 | (294) | (234) |
| 未確認之暫時差異之稅務影響 | 1,682 | (101) |
| 過往年度(超額撥備)/撥備不足 | (543) | 33 |
| 實際稅項支出 | 13,910 | 3,478 |
| 由下列者組成 | | |
| — 持續經營業務 | 10,391 | (414) |
| — 已終止經營業務 | 3,519 | 3,892 |
| | 13,910 | 3,478 |

8 持作待售之非流動資產及已終止經營業務

於二零零八年二月十三日，本集團訂立一份協議，按代價約96,500,000港元(40,200,000馬幣)出售其於TGV Cinema Sdn Bhd (「TGV」) 50%股本權益予其另一股東(「買方」)(「是項交易」)，並促使TGV償還股東貸款約25,900,000港元(10,800,000馬幣)。是項交易之詳情載述於本公司於二零零八年三月五日刊發之通函。

TGV於馬來西亞從事影院經營業務。

本集團已決定出售其於TGV之全部權益，以重新部署其於大中華市場之資源。於二零零八年六月三十日，是項交易仍待獲取相關規管批文，而TGV之財務業績已根據香港財務報告準則第5號「持作待售之非流動資產及已終止經營業務」分類列為已終止經營業務。出售TGV於二零零八年七月三十一日完成。

8 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONTINUED)

The results of TGV are presented below:

| | <i>Note</i> | 2008 HK\$'000 | 2007 HK\$'000 |
|---|-------------|-------------------------|------------------|
| Turnover | 4 | 119,828 | 96,189 |
| Cost of sales | | (52,287) | (41,183) |
| | | 67,541 | 55,006 |
| Other income | 5 | 2,413 | 2,301 |
| Selling and distribution costs | | (55,924) | (41,786) |
| General and administrative expenses | | (1,674) | (1,340) |
| Other operating expenses | | (3,411) | (433) |
| Profit from operations | | 8,945 | 13,748 |
| Finance costs | 6(a) | (1,515) | (907) |
| Profit before taxation | | 7,430 | 12,841 |
| Income tax | 7(a) | (3,519) | (3,892) |
| Profit for the year | | 3,911 | 8,949 |
| The net cash flows incurred by the discontinued operation were as follow: | | | |
| Operating activities | | 24,046 | 23,940 |
| Investing activities | | (33,265) | (35,377) |
| Financing activities | | (1,164) | 16,091 |
| Net cash (outflow)/inflow | | (10,383) | 4,654 |

8 持作待售之非流動資產及已終止經營業務(續)

TGV之業績呈報如下：

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|---------------------|------|-----------------|--------------|
| 營業額 | 4 | 119,828 | 96,189 |
| 銷售成本 | | (52,287) | (41,183) |
| | | 67,541 | 55,006 |
| 其他收入 | 5 | 2,413 | 2,301 |
| 銷售及發行費用 | | (55,924) | (41,786) |
| 一般及行政費用 | | (1,674) | (1,340) |
| 其他營運費用 | | (3,411) | (433) |
| 經營業務之溢利 | | 8,945 | 13,748 |
| 財務費用 | 6(a) | (1,515) | (907) |
| 除稅前溢利 | | 7,430 | 12,841 |
| 所得稅 | 7(a) | (3,519) | (3,892) |
| 本年度溢利 | | 3,911 | 8,949 |
| 已終止經營業務產生之現金流量淨額如下： | | | |
| 經營業務 | | 24,046 | 23,940 |
| 投資業務 | | (33,265) | (35,377) |
| 融資業務 | | (1,164) | 16,091 |
| 現金(流出)／流入淨額 | | (10,383) | 4,654 |

9 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:

| | Directors' fees HK\$'000 | Salaries, allowances and benefits in kind HK\$'000 | Retirement scheme contributions HK\$'000 | Share-based payments HK\$'000 (note 28(iii)) | Compensation for termination HK\$'000 | 2008 Total HK\$'000 |
|--|-----------------------------|---|---|--|--|------------------------------------|
| Executive directors | | | | | | |
| WU, Kebo | - | 593 | - | - | - | 593 |
| CHOW, Siu Hong | - | 529 | 6 | - | - | 535 |
| WANG, Wei | - | 529 | 6 | - | - | 535 |
| CHOW, Sau Fong Fiona | - | 909 | 6 | - | - | 915 |
| SHEN, De Min | - | 310 | 3 | - | - | 313 |
| CHOW, Ting Hsing Raymond * | - | 1,781 | - | - | - | 1,781 |
| CHIN, Chow Chung Hang Roberta * | - | 476 | 4 | - | - | 480 |
| CHAN, Sik Hong David * | - | 1,254 | 9 | - | - | 1,263 |
| PHOON, Chiong Kit * | 53 | 3,242 | 26 | - | 2,072 | 5,393 |
| LAU, Pak Keung | - | 1,627 | 12 | - | - | 1,639 |
| Non-executive directors | | | | | | |
| KRONFELD, Eric Norman | 280 | - | - | - | - | 280 |
| ARAKI, Takashi | 145 | - | - | - | - | 145 |
| Independent non-executive directors | | | | | | |
| HUANG, Shao-Hua George | 230 | - | - | - | - | 230 |
| PRINCE Chatrichalerm Yukol | 210 | - | - | - | - | 210 |
| LEUNG, Man Kit | 106 | - | - | - | - | 106 |
| LIN, Frank * | 98 | - | - | - | - | 98 |
| MA, Ka Woh Paul * | 164 | - | - | - | - | 164 |
| | 1,286 | 11,250 | 72 | - | 2,072 | 14,680 |

* All these directors resigned during the year. The amounts for the year represented the remuneration of the directors up to the date of resignation.

9 董事酬金

根據上市規則及香港公司條例第161條須予以披露之董事酬金如下：

| | 董事袍金 千港元 | 薪資、津貼 及 實物利益 千港元 | 退休計劃 供款 千港元 | 以股份 為基礎 之付款 千港元 | 退任補償 千港元 | 二零零八年 總額 千港元 |
|----------------------------|-------------|---------------------------|-------------------|--------------------------|-------------|--------------------|
| (附註28(iii)) | | | | | | |
| 執行董事 | | | | | | |
| 伍克波 | - | 593 | - | - | - | 593 |
| 鄒小康 | - | 529 | 6 | - | - | 535 |
| 王薇 | - | 529 | 6 | - | - | 535 |
| 鄒秀芳 | - | 909 | 6 | - | - | 915 |
| 沈德民 | - | 310 | 3 | - | - | 313 |
| 鄒文懷* | - | 1,781 | - | - | - | 1,781 |
| 陳鄒重珩* | - | 476 | 4 | - | - | 480 |
| 陳錫康* | - | 1,254 | 9 | - | - | 1,263 |
| 潘從傑* | 53 | 3,242 | 26 | - | 2,072 | 5,393 |
| 劉柏強 | - | 1,627 | 12 | - | - | 1,639 |
| 非執行董事 | | | | | | |
| KRONFELD, Eric Norman | 280 | - | - | - | - | 280 |
| 荒木隆司 | 145 | - | - | - | - | 145 |
| 獨立非執行董事 | | | | | | |
| 黃少華 | 230 | - | - | - | - | 230 |
| PRINCE Chatrichalerm Yukol | 210 | - | - | - | - | 210 |
| 梁民傑 | 106 | - | - | - | - | 106 |
| 林輝波* | 98 | - | - | - | - | 98 |
| 馬家和* | 164 | - | - | - | - | 164 |
| | 1,286 | 11,250 | 72 | - | 2,072 | 14,680 |

* 該等董事全部於年內辭任，上述本年度之酬金為彼等於任內之酬金。

9 DIRECTORS' REMUNERATION (CONTINUED)

Directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows: (continued)

| | Directors' fees HK\$'000 | Salaries, allowances and benefits In kind HK\$'000 | Retirement scheme contributions HK\$'000 | Share-based payments HK\$'000 (note 28(iii)) | 2007 Total HK\$'000 |
|--|-----------------------------|--|---|--|------------------------|
| Executive directors | | | | | |
| CHOW, Ting Hsing Raymond | - | 10,452 | - | - | 10,452 |
| PHOON, Chiong Kit | - | 8,470 | 108 | 2,294 | 10,872 |
| CHAN, Sik Hong David | - | 4,038 | 12 | - | 4,050 |
| CHIN, Chow Chung Hang Roberta | - | 1,521 | 12 | 116 | 1,649 |
| LAU, Pak Keung | - | 1,532 | 7 | 233 | 1,772 |
| Non-executive director | | | | | |
| KRONFELD, Eric Norman | 120 | - | - | 175 | 295 |
| Independent non-executive directors | | | | | |
| MA, Kah Woh Paul | 150 | - | - | 233 | 383 |
| LIN, Frank | 100 | - | - | 116 | 216 |
| HUANG, Shao-Hua George | 59 | - | - | 117 | 176 |
| PRINCE Chatrichalerm Yukol | 100 | - | - | 116 | 216 |
| | 529 | 26,013 | 139 | 3,400 | 30,081 |

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, all (2007: all) are directors whose emoluments are disclosed in note 9.

9 董事酬金 (續)

根據上市規則及香港公司條例第161條須予以披露之董事酬金如下：(續)

| | 董事袍金 千港元 | 薪資、津貼 及 實物利益 千港元 | 退休計劃 供款 千港元 | 以股份 為基礎 之付款 千港元 | 二零零七年 總額 千港元 |
|---------------------------|-------------|---------------------------|-------------------|--------------------------|--------------------|
| | | (附註28(iii)) | | | |
| 執行董事 | | | | | |
| 鄧文懷 | - | 10,452 | - | - | 10,452 |
| 潘從傑 | - | 8,470 | 108 | 2,294 | 10,872 |
| 陳錫康 | - | 4,038 | 12 | - | 4,050 |
| 陳鄒重珩 | - | 1,521 | 12 | 116 | 1,649 |
| 劉柏強 | - | 1,532 | 7 | 233 | 1,772 |
| 非執行董事 | | | | | |
| KRONFELD, Eric Norman | 120 | - | - | 175 | 295 |
| 獨立非執行董事 | | | | | |
| 馬家和 | 150 | - | - | 233 | 383 |
| 林輝波 | 100 | - | - | 116 | 216 |
| 黃少華 | 59 | - | - | 117 | 176 |
| PRINCE Chatrichalem Yukol | 100 | - | - | 116 | 216 |
| | 529 | 26,013 | 139 | 3,400 | 30,081 |

於本年度內，並無安排致使董事放棄或同意放棄收取任何酬金。

10 最高薪僱員

於五名最高薪僱員中，全部(二零零七年：全部)均為董事，彼等之酬金於附註9披露。

11 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of HK\$36,544,000 (2007: HK\$136,655,000) which has been dealt with in the financial statements of the Company.

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company from continuing operations and discontinued operation of HK\$6,852,000 and HK\$3,911,000 respectively (2007: HK\$87,768,000 and HK\$8,949,000) and the weighted average of 131,225,351 ordinary shares (2007: 131,804,146 ordinary shares) in issue during the year, calculated as follows:

(i) *Profit attributable to ordinary equity shareholders of the Company*

| | 2008 HK\$'000 | 2007 HK\$'000 |
|---|------------------|------------------|
| Profit attributable to ordinary equity shareholders | | |
| – Continuing operations | 6,852 | 87,768 |
| – Discontinued operation | 3,911 | 8,949 |
| | 10,763 | 96,717 |

(ii) *Weighted average number of ordinary shares*

| | 2008 | 2007 |
|---|--------------------|-------------|
| Issued ordinary shares at 1 July | 128,356,537 | 133,030,937 |
| Effect of shares repurchased | (1,390,724) | (1,226,791) |
| Effect of share options exercised | 546,175 | – |
| Effect of conversion of convertible notes | 3,713,363 | – |
| Weighted average number of ordinary shares at 30 June | 131,225,351 | 131,804,146 |

11 本公司股權持有人應佔溢利

本公司財務報表內之本公司股權持有人應佔綜合溢利為溢利36,544,000港元(二零零七年：136,655,000港元)。

12 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司股權持有人應佔來自持續經營業務及已終止經營業務之溢利分別為6,852,000港元及3,911,000港元(二零零七年：87,768,000港元及8,949,000港元)，以及年內已發行普通股加權平均股數131,225,351股普通股(二零零七年：131,804,146股普通股)，按下列方式計算：

(i) 本公司普通股權持有人應佔溢利

| | 二零零八年 千港元 | 二零零七年 千港元 |
|----------------|---------------|--------------|
| 本公司普通股權持有人應佔溢利 | | |
| — 持續經營業務 | 6,852 | 87,768 |
| — 已終止經營業務 | 3,911 | 8,949 |
| | 10,763 | 96,717 |

(ii) 普通股加權平均股數

| | 二零零八年 | 二零零七年 |
|------------------|--------------------|-------------|
| 於七月一日已發行普通股 | 128,356,537 | 133,030,937 |
| 已購回股份之影響 | (1,390,724) | (1,226,791) |
| 已行使購股權之影響 | 546,175 | — |
| 轉換可換股票據之影響 | 3,713,363 | — |
| 於六月三十日之普通股加權平均股數 | 131,225,351 | 131,804,146 |

12 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company from continuing operations and discontinued operation of HK\$6,852,000 and HK\$3,911,000 respectively (2007: HK\$94,954,000 and HK\$8,949,000) and the weighted average number of ordinary shares of 131,642,634 shares (2007: 179,749,351 shares), calculated as follows:

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

| | 2008 HK\$'000 | 2007 HK\$'000 |
|--|------------------|------------------|
| <i>Continuing operations</i> | | |
| Profit attributable to ordinary equity shareholders | 6,852 | 87,768 |
| After tax effect of effective interest on the liability component of convertible notes | - | 7,186 |
| Profit attributable to ordinary equity shareholders (diluted) | 6,852 | 94,954 |
| <i>Discontinued operation</i> | | |
| Profit attributable to ordinary equity shareholders | 3,911 | 8,949 |

(ii) Weighted average number of ordinary shares (diluted)

| | 2008 | 2007 |
|---|--------------------|-------------|
| Weighted average number of ordinary shares at 30 June | 131,225,351 | 131,804,146 |
| Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 1) | 417,283 | - |
| Effect of conversion of convertible notes (note 2) | - | 47,945,205 |
| Weighted average number of ordinary shares (diluted) at 30 June | 131,642,634 | 179,749,351 |

Notes:

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

2 The convertible notes had no diluting effect on the basic earnings per share for the current year.

12 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司股權持有人應佔來自持續經營業務及已終止經營業務之溢利分別為6,852,000港元及3,911,000港元(二零零七年:94,954,000港元及8,949,000港元),以及普通股加權平均股數131,642,634股(二零零七年:179,749,351股),按下列方式計算:

(i) 本公司普通股權持有人應佔溢利(攤薄)

| | 二零零八年 千港元 | 二零零七年 千港元 |
|------------------------|--------------|--------------|
| 持續經營業務 | | |
| 普通股權持有人應佔溢利 | 6,852 | 87,768 |
| 可換股票據負債部分實際利息之除稅後影響 | - | 7,186 |
| 普通股權持有人應佔溢利(攤薄) | 6,852 | 94,954 |
| 已終止經營業務 | | |
| 普通股權持有人應佔溢利 | 3,911 | 8,949 |

(ii) 普通股加權平均股數(攤薄)

| | 二零零八年 | 二零零七年 |
|-----------------------------|--------------------|-------------|
| 於六月三十日之普通股加權平均股數 | 131,225,351 | 131,804,146 |
| 被視為根據本公司購股權計劃無償發行股份之影響(附註1) | 417,283 | - |
| 轉換可換股票據之影響(附註2) | - | 47,945,205 |
| 於六月三十日之普通股加權平均股數(攤薄) | 131,642,634 | 179,749,351 |

附註:

- 由於本公司尚未行使購股權之行使價高於本公司於上年度普通股平均市價,故購股權對上年度之每股基本盈利並無攤薄影響。
- 本年度可換股票據對每股基本盈利並無攤薄影響。

13 FIXED ASSETS

The Group

| | Property, plant and equipment | | | | | | | Sub-total HK\$'000 | Prepaid land lease payments HK\$'000 | Total HK\$'000 |
|--|-------------------------------|---------------------------|-------------------------------|------------------------------|-------------------|---------------------------------|-----------------------------|-----------------------|---|-------------------|
| | Buildings | Leasehold improvements | Machinery and equipment | Furniture and fixtures | Motor vehicles | Air- conditioning systems | Construction in progress | | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | | | |
| Cost or valuation: | | | | | | | | | | |
| At 1 July 2007 | 4,556 | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 440,844 | 1,226 | 442,070 |
| Additions | - | 34,367 | 27,733 | 2,030 | 988 | - | 2,797 | 67,915 | - | 67,915 |
| Transfer to jointly controlled entities (note 15(c)) | 65,531 | 88,871 | 78,345 | 6,785 | - | - | - | 239,532 | 63,502 | 303,034 |
| Transfers | - | 1,037 | 197 | - | - | - | (1,234) | - | - | - |
| Disposals | - | (13,643) | (8,888) | (8,774) | (2,134) | (535) | - | (33,974) | - | (33,974) |
| Reclassification to held for sale (note 8) | - | (109,610) | (66,205) | - | - | - | (5,748) | (181,563) | - | (181,563) |
| Exchange adjustments | 4,126 | 22,313 | 12,431 | 4,930 | 65 | - | 635 | 44,500 | 3,998 | 48,498 |
| At 30 June 2008 | 74,213 | 291,999 | 162,216 | 41,840 | 2,216 | - | 4,770 | 577,254 | 68,726 | 645,980 |
| Representing: | | | | | | | | | | |
| Cost | 69,657 | 291,999 | 162,216 | 41,840 | 2,216 | - | 4,770 | 572,698 | 68,726 | 641,424 |
| Valuation (note (ii)) | 4,556 | - | - | - | - | - | - | 4,556 | - | 4,556 |
| At 30 June 2008 | 74,213 | 291,999 | 162,216 | 41,840 | 2,216 | - | 4,770 | 577,254 | 68,726 | 645,980 |
| Accumulated depreciation and amortisation: | | | | | | | | | | |
| At 1 July 2007 | 2,330 | 101,004 | 54,557 | 20,001 | 951 | 535 | - | 179,378 | 503 | 179,881 |
| Charge for the year | 1,005 | 26,413 | 17,877 | 4,294 | 617 | - | - | 50,206 | 340 | 50,546 |
| Transfer to jointly controlled entities (note 15(c)) | 22,749 | 41,735 | 49,141 | 4,292 | - | - | - | 117,917 | 321 | 118,238 |
| Written back on disposals | - | (7,325) | (7,874) | (8,862) | (943) | (535) | - | (25,539) | - | (25,539) |
| Reclassification to held for sale (note 8) | - | (35,131) | (29,831) | - | - | - | - | (64,962) | - | (64,962) |
| Exchange adjustments | 1,484 | 9,307 | 6,929 | 2,673 | 28 | - | - | 20,421 | - | 20,421 |
| At 30 June 2008 | 27,568 | 136,003 | 90,799 | 22,398 | 653 | - | - | 277,421 | 1,164 | 278,585 |
| Net book value: | | | | | | | | | | |
| At 30 June 2008 | 46,645 | 155,996 | 71,417 | 19,442 | 1,563 | - | 4,770 | 299,833 | 67,562 | 367,395 |

13 固定資產

本集團

| | 物業、廠房及設備 | | | | | | | | | 總額 千港元 |
|---------------------|-----------|-------------|--------------|--------------|-----------|-------------|-------------|-----------|-------------|-----------|
| | 租賃 | | | | | | | 預付土地 | | |
| | 樓宇 千港元 | 物業裝修 千港元 | 機器及設備 千港元 | 傢具及裝置 千港元 | 汽車 千港元 | 空調系統 千港元 | 在建工程 千港元 | 小計 千港元 | 租賃款項 千港元 | |
| 成本或估值： | | | | | | | | | | |
| 於二零零七年七月一日 | 4,556 | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 440,844 | 1,226 | 442,070 |
| 增添 | - | 34,367 | 27,733 | 2,030 | 988 | - | 2,797 | 67,915 | - | 67,915 |
| 轉撥往共同控制公司 (附註15(c)) | 65,531 | 88,871 | 78,345 | 6,785 | - | - | - | 239,532 | 63,502 | 303,034 |
| 轉撥 | - | 1,037 | 197 | - | - | - | (1,234) | - | - | - |
| 出售 | - | (13,643) | (8,888) | (8,774) | (2,134) | (535) | - | (33,974) | - | (33,974) |
| 重新分類至持作待售 (附註8) | - | (109,610) | (66,205) | - | - | - | (5,748) | (181,563) | - | (181,563) |
| 匯兌調整 | 4,126 | 22,313 | 12,431 | 4,930 | 65 | - | 635 | 44,500 | 3,998 | 48,498 |
| 於二零零八年六月三十日 | 74,213 | 291,999 | 162,216 | 41,840 | 2,216 | - | 4,770 | 577,254 | 68,726 | 645,980 |
| 成本或估值分析： | | | | | | | | | | |
| 成本 | 69,657 | 291,999 | 162,216 | 41,840 | 2,216 | - | 4,770 | 572,698 | 68,726 | 641,424 |
| 估值 (附註(ii)) | 4,556 | - | - | - | - | - | - | 4,556 | - | 4,556 |
| 於二零零八年六月三十日 | 74,213 | 291,999 | 162,216 | 41,840 | 2,216 | - | 4,770 | 577,254 | 68,726 | 645,980 |
| 累計折舊及攤銷： | | | | | | | | | | |
| 於二零零七年七月一日 | 2,330 | 101,004 | 54,557 | 20,001 | 951 | 535 | - | 179,378 | 503 | 179,881 |
| 年內折舊及攤銷 | 1,005 | 26,413 | 17,877 | 4,294 | 617 | - | - | 50,206 | 340 | 50,546 |
| 轉撥往共同控制公司 (附註15(c)) | 22,749 | 41,735 | 49,141 | 4,292 | - | - | - | 117,917 | 321 | 118,238 |
| 出售時撥回 | - | (7,325) | (7,874) | (8,862) | (943) | (535) | - | (25,539) | - | (25,539) |
| 重新分類至持作待售 (附註8) | - | (35,131) | (29,831) | - | - | - | - | (64,962) | - | (64,962) |
| 匯兌調整 | 1,484 | 9,307 | 6,929 | 2,673 | 28 | - | - | 20,421 | - | 20,421 |
| 於二零零八年六月三十日 | 27,568 | 136,003 | 90,799 | 22,398 | 653 | - | - | 277,421 | 1,164 | 278,585 |
| 賬面淨值： | | | | | | | | | | |
| 於二零零八年六月三十日 | 46,645 | 155,996 | 71,417 | 19,442 | 1,563 | - | 4,770 | 299,833 | 67,562 | 367,395 |

13 FIXED ASSETS (CONTINUED)

The Group (continued)

| | Property, plant and equipment | | | | | | | | | |
|--|-------------------------------|------------------------|-------------------------|------------------------|----------------|--------------------------|--------------------------|-----------|-----------------------------|----------|
| | Buildings | Leasehold improvements | Machinery and equipment | Furniture and fixtures | Motor vehicles | Air-conditioning systems | Construction in progress | Sub-total | Prepaid land lease payments | Total |
| | | | | | | | | | | |
| Cost or valuation: | | | | | | | | | | |
| At 1 July 2006 | 4,556 | 260,437 | 91,708 | 36,449 | 3,031 | 535 | 3,541 | 400,257 | 1,226 | 401,483 |
| Additions | - | 25,262 | 27,164 | 4,486 | 617 | - | 8,487 | 66,016 | - | 66,016 |
| Transfers | - | - | 3,026 | 748 | - | - | (3,774) | - | - | - |
| Disposals | - | (10,276) | (4,520) | (2,806) | (380) | - | - | (17,982) | - | (17,982) |
| Disposal of interest in a jointly controlled entity (note 16(d)) | - | (10,554) | (1,241) | (2,153) | - | - | (23) | (13,971) | - | (13,971) |
| Exchange adjustments | - | 3,795 | 2,466 | 145 | 29 | - | 89 | 6,524 | - | 6,524 |
| At 30 June 2007 | 4,556 | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 440,844 | 1,226 | 442,070 |
| Representing: | | | | | | | | | | |
| Cost | - | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 436,288 | 1,226 | 437,514 |
| Valuation (note (ii)) | 4,556 | - | - | - | - | - | - | 4,556 | - | 4,556 |
| At 30 June 2007 | 4,556 | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 440,844 | 1,226 | 442,070 |
| Accumulated depreciation and amortisation: | | | | | | | | | | |
| At 1 July 2006 | 2,148 | 89,322 | 44,976 | 15,862 | 615 | 535 | - | 153,458 | 485 | 153,943 |
| Charge for the year | 182 | 21,314 | 12,263 | 7,413 | 599 | - | - | 41,771 | 18 | 41,789 |
| Written back on disposals | - | (8,941) | (3,761) | (2,483) | (270) | - | - | (15,455) | - | (15,455) |
| Disposal of interest in a jointly controlled entity (note 16(d)) | - | (2,062) | (147) | (836) | - | - | - | (3,045) | - | (3,045) |
| Exchange adjustments | - | 1,371 | 1,226 | 45 | 7 | - | - | 2,649 | - | 2,649 |
| At 30 June 2007 | 2,330 | 101,004 | 54,557 | 20,001 | 951 | 535 | - | 179,378 | 503 | 179,881 |
| Net book value: | | | | | | | | | | |
| At 30 June 2007 | 2,226 | 167,660 | 64,046 | 16,868 | 2,346 | - | 8,320 | 261,466 | 723 | 262,189 |

13 固定資產(續)

本集團(續)

| | 物業、廠房及設備 | | | | | | | | | |
|-------------------------|----------|----------|---------|---------|-------|------|---------|----------|-------|----------|
| | 租賃 | | | | | | | 預付土地 | | 總額 |
| | 樓宇 | 物業裝修 | 機器及設備 | 傢具及裝置 | 汽車 | 空調系統 | 在建工程 | 小計 | 租賃款項 | |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| 成本或估值： | | | | | | | | | | |
| 於二零零六年七月一日 | 4,556 | 260,437 | 91,708 | 36,449 | 3,031 | 535 | 3,541 | 400,257 | 1,226 | 401,483 |
| 增添 | - | 25,262 | 27,164 | 4,486 | 617 | - | 8,487 | 66,016 | - | 66,016 |
| 轉撥 | - | - | 3,026 | 748 | - | - | (3,774) | - | - | - |
| 出售 | - | (10,276) | (4,520) | (2,806) | (380) | - | - | (17,982) | - | (17,982) |
| 出售一間共同控制公司之權益 (附註16(d)) | - | (10,554) | (1,241) | (2,153) | - | - | (23) | (13,971) | - | (13,971) |
| 匯兌調整 | - | 3,795 | 2,466 | 145 | 29 | - | 89 | 6,524 | - | 6,524 |
| 於二零零七年六月三十日 | 4,556 | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 440,844 | 1,226 | 442,070 |
| 成本或估值分析： | | | | | | | | | | |
| 成本 | - | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 436,288 | 1,226 | 437,514 |
| 估值 (附註(i)) | 4,556 | - | - | - | - | - | - | 4,556 | - | 4,556 |
| 於二零零七年六月三十日 | 4,556 | 268,664 | 118,603 | 36,869 | 3,297 | 535 | 8,320 | 440,844 | 1,226 | 442,070 |
| 累計折舊及攤銷： | | | | | | | | | | |
| 於二零零六年七月一日 | 2,148 | 89,322 | 44,976 | 15,862 | 615 | 535 | - | 153,458 | 485 | 153,943 |
| 年內折舊及攤銷 | 182 | 21,314 | 12,263 | 7,413 | 599 | - | - | 41,771 | 18 | 41,789 |
| 出售時撥回 | - | (8,941) | (3,761) | (2,483) | (270) | - | - | (15,455) | - | (15,455) |
| 出售一間共同控制公司權益 (附註16(d)) | - | (2,062) | (147) | (836) | - | - | - | (3,045) | - | (3,045) |
| 匯兌調整 | - | 1,371 | 1,226 | 45 | 7 | - | - | 2,649 | - | 2,649 |
| 於二零零七年六月三十日 | 2,330 | 101,004 | 54,557 | 20,001 | 951 | 535 | - | 179,378 | 503 | 179,881 |
| 賬面淨值： | | | | | | | | | | |
| 於二零零七年六月三十日 | 2,226 | 167,660 | 64,046 | 16,868 | 2,346 | - | 8,320 | 261,466 | 723 | 262,189 |

13 FIXED ASSETS (CONTINUED)

The Group (continued)

(i) Analysis of carrying values of fixed assets:

| | 2008 | | 2007 | |
|---------------------|-----------------------|---|-----------------------|---|
| | Buildings HK\$'000 | Prepaid land lease payments HK\$'000 | Buildings HK\$'000 | Prepaid land lease payments HK\$'000 |
| Long leases | | | | |
| – in Hong Kong | 2,044 | 704 | 2,226 | 723 |
| – outside Hong Kong | 44,601 | 66,858 | – | – |
| | 46,645 | 67,562 | 2,226 | 723 |

(ii) The buildings in Hong Kong were revalued on 30 September 1994 by C.Y. Leung & Company Limited, an independent firm of valuers, on an open market value basis, assuming sale with vacant possession. The Group has taken advantage of the transitional provision, as permitted under paragraph 80A of HKAS 16, "Property, plant and equipment", of not making further regular valuations on its revalued assets.

Had the Group's buildings been carried at cost less accumulated depreciation and any impairment losses, the net book values of the buildings would have been HK\$Nil at 30 June 2008 and 2007.

(iii) At 30 June 2008, certain property, plant and equipment which are situated in the PRC and land and buildings which are situated in Hong Kong with carrying values of approximately HK\$12,971,000 (2007: HK\$13,639,000) and HK\$Nil (2007: HK\$2,949,000) respectively were pledged as security to banks for bank loans and an overdraft facility granted to the Group (note 23).

(iv) At 30 June 2008, the net book value of fixed assets held under finance leases of the Group was HK\$Nil (2007: HK\$1,458,000).

13 固定資產(續)

本集團(續)

(i) 固定資產之賬面值分析：

| | 二零零八年 | | 二零零七年 | |
|----------|---------------|---------------------|-----------|---------------------|
| | 樓宇 千港元 | 預付土地 租賃款項 千港元 | 樓宇 千港元 | 預付土地 租賃款項 千港元 |
| 長期租賃 | | | | |
| — 香港 | 2,044 | 704 | 2,226 | 723 |
| — 香港以外地區 | 44,601 | 66,858 | — | — |
| | 46,645 | 67,562 | 2,226 | 723 |

- (ii) 香港各樓宇由獨立測量師梁振英測量師行於一九九四年九月三十日按假設交吉出售之公開市值重新估值。本集團已採納香港會計準則第16號「物業、廠房及設備」第80A段之過渡條文規定，毋須再就已重估資產進行定期估值。

倘本集團之樓宇均按成本扣除累計折舊及任何減值虧損入賬，則各樓宇於二零零八年及二零零七年六月三十日之賬面淨值為零港元。

- (iii) 於二零零八年六月三十日，賬面值分別約為12,971,000港元(二零零七年：13,639,000港元)及零港元(二零零七年：2,949,000港元)之若干位於中國之物業、廠房及設備及位於香港之土地及樓宇，已就授予本集團之銀行貸款及透支融資抵押予銀行(附註23)。

- (iv) 於二零零八年六月三十日，本集團根據融資租賃持有之固定資產之賬面淨值為零港元(二零零七年：1,458,000港元)。

14 INTEREST IN SUBSIDIARIES

| The Company | | |
|--|------------------|-----------|
| | 2008 | 2007 |
| | HK\$'000 | HK\$'000 |
| Unlisted shares, at cost | 167,647 | 167,647 |
| Capital contribution in respect of employee share-based payments | 3,566 | 3,566 |
| Amounts due from subsidiaries | 935,231 | 944,614 |
| | 1,106,444 | 1,115,827 |
| Less: Impairment losses | (405,353) | (455,142) |
| | 701,091 | 660,685 |
| | 2008 | 2007 |
| | HK\$'000 | HK\$'000 |
| Included in | | |
| – Non-current | 681,091 | 627,685 |
| – Current | 20,000 | 33,000 |
| | 701,091 | 660,685 |

Amounts due from subsidiaries are unsecured, interest-free and are not expected to be recovered within one year, except for an amount due from a subsidiary of HK\$20,000,000 (2007: HK\$33,000,000) which is expected to be settled within one year and included under current assets. The carrying amount of these amounts due from subsidiaries approximate their fair values.

Details of principal subsidiaries of the Group are set out in note 38 to the financial statements.

14 於附屬公司之權益

| | 本公司 | |
|------------------|--------------------------------------|------------------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 非上市股份，按成本 | 167,647 | 167,647 |
| 就僱員以股份為基礎付款所投入資本 | 3,566 | 3,566 |
| 應收附屬公司款項 | 935,231 | 944,614 |
| 減：減值撥備 | 1,106,444 (405,353) | 1,115,827 (455,142) |
| | 701,091 | 660,685 |
| | | |
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 計入於 | | |
| — 非流動資產 | 681,091 | 627,685 |
| — 流動資產 | 20,000 | 33,000 |
| | 701,091 | 660,685 |

應收附屬公司款項為無抵押、免息及預期毋須於一年內收回，惟應收一間附屬公司款項20,000,000港元(二零零七年：33,000,000港元)預期須於一年內清償，並計入流動資產除外。該等應收附屬公司款項之賬面值與其公平值相若。

本集團主要附屬公司詳情載於財務報表附註38。

15 INTEREST IN ASSOCIATES

| The Group | | |
|-----------------------------|-----------------|----------|
| | 2008 | 2007 |
| | HK\$'000 | HK\$'000 |
| Share of net assets | - | 72,733 |
| Amounts due from associates | - | 98,900 |
| Amounts due to associates | - | (1,087) |
| | - | 170,546 |
| Less: Impairment loss | - | (1,413) |
| | - | 169,133 |

(a) As at 30 June 2007, the amounts due from/(to) associates are unsecured, interest-free and are not expected to be recovered/settled within one year, except for amounts due to associates of HK\$236,000 which are expected to be repaid within one year and have been classified under current liabilities.

(b) Summary of financial information on associates:

| | 2008 | 2007 |
|-------------------|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Total assets | - | 495,910 |
| Total liabilities | - | 326,426 |
| Revenue | - | 492,129 |
| Profit after tax | - | 25,869 |

(c) On 1 January 2008, Dartina Development Limited and its subsidiaries ("Dartina Group") (formerly associates of the Group) became jointly controlled entities of the Group following the new shareholder agreement entered by the Group and the joint venture partner. The financial results of Dartina Group were proportionately consolidated into the Group's financial statements in accordance with the accounting policy as set out in note 2(e). Further details are set out in note 33(a).

(d) On 28 February 2007, the Group disposed of its entire equity interest in Golden Screen Cinemas Sdn. Bhd. ("GSC") to an independent third party for a consideration of HK\$195,237,000. The Group recorded a gain on disposal of an associate of HK\$115,970,000 for the year ended 30 June 2007, representing the difference between the consideration and the carrying value of the Group's interests in GSC of HK\$79,267,000.

15 於聯營公司之權益

| | 本集團 | |
|----------|--------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 所佔資產淨值 | - | 72,733 |
| 應收聯營公司款項 | - | 98,900 |
| 應付聯營公司款項 | - | (1,087) |
| | | |
| 減：減值虧損 | - | 170,546 |
| | - | (1,413) |
| | | |
| | - | 169,133 |

(a) 於二零零七年六月三十日，應收／(應付)聯營公司款項均為無抵押、免息及預期毋須於一年內收回／清償，惟應付聯營公司款項236,000港元預期須於一年內償還，並分類為流動負債除外。

(b) 聯營公司財務資料之概要：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|-------|--------------|--------------|
| 資產總值 | - | 495,910 |
| 負債總值 | - | 326,426 |
| 收益 | - | 492,129 |
| 除稅後溢利 | - | 25,869 |

(c) 於二零零八年一月一日，嘉年華影業有限公司及其附屬公司(「嘉年華集團」)(本集團前聯營公司)因本集團與合營夥伴訂立新股東協議而成為本集團之共同控制公司。嘉年華集團之財務業績根據附註2(e)所載之會計政策按比例於本集團之財務報表綜合入賬。進一步詳情載於附註33(a)。

(d) 於二零零七年二月二十八日，本集團出售其於Golden Screen Cinemas Sdn. Bhd. (「GSC」)之全部股本權益予獨立第三方，代價為195,237,000港元。本集團於截至二零零七年六月三十日止年度錄得出售一間聯營公司之收益115,970,000港元，即代價與本集團於GSC之權益之賬面值79,267,000港元之差額。

16 AMOUNTS DUE FROM JOINTLY CONTROLLED ENTITIES

| | The Group | |
|--|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Amounts due from jointly controlled entities | | |
| – non-current | 32,285 | 26,069 |
| – current | 50,277 | 14,787 |
| | 82,562 | 40,856 |

- (a) Amounts due from jointly controlled entities are unsecured and interest-free, except for an amount of HK\$19,494,000 (2007: HK\$28,667,000) which is interest bearing at 3.5% to 4.0% per annum (2007: 2.5% to 3.5% per annum). The carrying amounts of balances with jointly controlled entities approximate their fair values.
- (b) Details of the jointly controlled entities of the Group are set out in note 38 to the financial statements.
- (c) Summary financial information on jointly controlled entities – Group's effective interest:

| | Continuing operations | | | 2007 HK\$'000 |
|-------------------------|-----------------------|--|---------------------------|------------------|
| | 2008 HK\$'000 | Discontinued operation 2008 HK\$'000 | Total 2008 HK\$'000 | |
| Non-current assets | 347,607 | 121,206 | 468,813 | 233,114 |
| Current assets | 104,281 | 19,831 | 124,112 | 53,646 |
| Non-current liabilities | (132,585) | (60,571) | (193,156) | (108,684) |
| Current liabilities | (114,669) | (40,564) | (155,233) | (64,922) |
| Net assets | 204,634 | 39,902 | 244,536 | 113,154 |
| Income | 355,906 | 122,241 | 478,147 | 319,821 |
| Expenses | (344,259) | (118,330) | (462,589) | (295,577) |
| Profit for the year | 11,647 | 3,911 | 15,558 | 24,244 |

- (d) On 12 June 2007, the Group disposed of 4.29% equity interests of Vie Show Cinemas Co., Ltd ("Vie Show") to one of the shareholders of Vie Show. The net proceeds of the disposal amounted to HK\$10,538,000 and the carrying value of the 4.29% interests in Vie Show amounted to HK\$16,255,000. The disposal gave rise to a loss amounting to HK\$5,717,000 which was charged to the consolidated income statement for the year ended 30 June 2007. Further details are set out in note 33(c).

16 應收共同控制公司款項

| | 本集團 | |
|------------|---------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 應收共同控制公司款項 | | |
| — 非流動 | 32,285 | 26,069 |
| — 流動 | 50,277 | 14,787 |
| | 82,562 | 40,856 |

- (a) 應收共同控制公司之款項為無抵押及免息，惟19,494,000港元(二零零七年：28,667,000港元)乃按年利率3.5%至4.0%計息(二零零七年：年利率2.5%至3.5%)。與共同控制公司之結餘之賬面值與彼等之公平值相若。
- (b) 本集團共同控制公司之詳情載於財務報表附註38。
- (c) 共同控制公司財務資料之概要—本集團之實際權益：

| | 已終止 | | 總額 二零零八年 千港元 | 二零零七年 千港元 |
|-------|------------------------|----------------------|--------------------|--------------|
| | 持續經營業務 二零零八年 千港元 | 經營業務 二零零八年 千港元 | | |
| 非流動資產 | 347,607 | 121,206 | 468,813 | 233,114 |
| 流動資產 | 104,281 | 19,831 | 124,112 | 53,646 |
| 非流動負債 | (132,585) | (60,571) | (193,156) | (108,684) |
| 流動負債 | (114,669) | (40,564) | (155,233) | (64,922) |
| 資產淨值 | 204,634 | 39,902 | 244,536 | 113,154 |
| 收入 | 355,906 | 122,241 | 478,147 | 319,821 |
| 開支 | (344,259) | (118,330) | (462,589) | (295,577) |
| 本年度溢利 | 11,647 | 3,911 | 15,558 | 24,244 |

- (d) 於二零零七年六月十二日，本集團向威秀影城股份有限公司(「威秀」)其中一名股東出售威秀4.29%股本權益。是次出售所得款項淨額為10,538,000港元，而威秀4.29%權益之賬面值為16,255,000港元。出售導致虧損5,717,000港元，已於截至二零零七年六月三十日止年度綜合收益表扣除。進一步詳情載於附註33(c)。

17 TRADEMARKS

The trademarks represented the perpetual license for the use of the brand name "Golden Harvest" which takes the form of sign, symbol, name, logo, design or any combination thereof.

The directors are of the opinion that the Group's trademarks have an indefinite useful life due to the following reasons:

- (i) the trademarks, which were acquired by the Group in 2001, have been in use for a considerable number of years and will continue to be used for the long term; and
- (ii) the Group has incurred and intends to continue to incur significant advertising and promotion expenses, which are charged to income statement when incurred, to maintain and increase the market value of its trademarks.

Vigers Appraisal & Consulting Ltd. ("Vigers Appraisal"), a firm of independent professional qualified valuers, has confirmed, in their valuation of the Group's trademarks, that the market value of the trademarks exceeded their carrying value as at 30 June 2008. Accordingly, no impairment loss was recorded at 30 June 2008.

18 INVENTORIES

| | The Group | |
|-----------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Raw materials | 139 | 334 |
| Chemicals | 60 | 58 |
| Machinery parts | 152 | 123 |
| Audio visual products | 192 | 193 |
| Goods for resale | 1,874 | - |
| | 2,417 | 708 |

The carrying amount of inventories sold and recognised as an expense to the consolidated income statement of the Group was HK\$33,565,000 (2007: HK\$8,003,000).

19 FILM RIGHTS

Film rights represent films and television drama series acquired by the Group.

In accordance with note 2(n) of the Group's accounting policy, the Group performed impairment tests at 30 June 2007 and 30 June 2008 by comparing the attributable carrying amount of the film rights with the receivable amount. No impairment loss was recorded for the years ended 30 June 2008 and 30 June 2007.

17 商標

商標為永久性可使用「嘉禾」品牌之准許，並可以標誌、符號、名稱、標記、設計或以上任何組合之形式使用。

董事認為，基於下列理由，本集團之商標具有無限定可使用年期：

- (i) 本集團於二零零一年收購之商標已使用多年，且本集團將繼續長期使用該等商標；及
- (ii) 本集團已動用及有意繼續投放大量廣告及宣傳費用，以維持及提高商標之市值，而該等廣告及宣傳費用均於動用時自收益表中扣除。

獨立專業合資格估值師行威格斯資產評估顧問有限公司（「威格斯資產評估」）對本集團商標進行估值，並已確認商標之市值於二零零八年六月三十日超逾賬面值。因此，於二零零八年六月三十日並無錄得減值虧損。

18 存貨

| | 本集團 | |
|------|--------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 原材料 | 139 | 334 |
| 化學品 | 60 | 58 |
| 機器零件 | 152 | 123 |
| 影音產品 | 192 | 193 |
| 待售貨品 | 1,874 | - |
| | 2,417 | 708 |

已售存貨之賬面值為33,565,000港元（二零零七年：8,003,000港元），並已於本集團之綜合收益表確認為開支。

19 電影版權

電影版權指本集團取得之電影及電視劇集。

根據本集團會計政策附註2(n)，本集團於二零零七年六月三十日及二零零八年六月三十日將應佔電影版權賬面值與其將產生之應收款項進行比較從而進行減值測試。本集團於截至二零零八年六月三十日及二零零七年六月三十日止年度並無錄得減值虧損。

20 TRADE AND OTHER RECEIVABLES

| The Group | | |
|------------------------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Trade receivables | 27,045 | 18,933 |
| Less: Allowance for doubtful debts | - | (5,483) |
| | 27,045 | 13,450 |

(a) Ageing analysis

The ageing analysis of trade receivables (net of allowance for doubtful debts) as of the balance sheet date:

| The Group | | |
|----------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Current to 3 months | 21,357 | 12,325 |
| Within 4 to 6 months | 3,900 | 1,125 |
| Over 6 months | 1,788 | - |
| | 27,045 | 13,450 |

The Group usually grants credit periods ranging from one to three months. Each customer has a credit limit and overdue balances are regularly reviewed by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, the concentration of credit risk is not considered significant. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate their fair values. Further details on the Group's credit policy are set out in note 29(a) to the financial statements.

The trade receivables of the Group included HK\$34,000 (2007: HK\$Nil) due from a related company, Chengtian Entertainment Group (International) Holding Company Limited, as at 30 June 2008. The balance was unsecured, interest-free and repayable in accordance with normal trading terms.

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

20 貿易及其他應收款項

| | 本集團 | |
|--------|---------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 應收貿易款項 | 27,045 | 18,933 |
| 減：呆賬撥備 | - | (5,483) |
| | 27,045 | 13,450 |

(a) 賬齡分析

於結算日之應收貿易款項(已扣除呆賬撥備)之賬齡分析如下：

| | 本集團 | |
|--------|---------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 即期至三個月 | 21,357 | 12,325 |
| 四至六個月 | 3,900 | 1,125 |
| 六個月以上 | 1,788 | - |
| | 27,045 | 13,450 |

本集團一般給予客戶介乎一至三個月之信貸期。客戶各自擁有信貸限額，而管理層會定期檢閱逾期欠款。鑑於上述各項，加上本集團應收貿易款項涉及大批客戶，信貸風險並非高度集中。應收貿易款項為不計利息。其賬面值與公平值相若。本集團信貸政策之進一步詳情載於財務報表附註29(a)。

於二零零八年六月三十日，本集團之應收貿易款項包括應收一間關連公司Chengtian Entertainment Group (International) Holding Company Limited之款項34,000港元(二零零七年：零港元)。結餘為無抵押、免息及須根據一般交易條款償還。

(b) 應收貿易款項減值

有關應收貿易款項之減值虧損以撥備賬記錄，除非本集團確認能收回應收款項之機會極微，則減值虧損會直接從應收款項中撇銷。

20 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (continued)

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

| The Group | | |
|-----------------------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| At 1 July | 5,483 | 5,629 |
| Uncollectible amounts written off | (5,483) | (146) |
| At 30 June | - | 5,483 |

The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. As at 30 June 2007, specific allowances for doubtful debts of HK\$5,483,000 were recognised. The Group does not hold any collateral over these balances.

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

| The Group | | |
|-------------------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Neither past due nor impaired | 13,027 | 8,620 |
| Less than one month past due | 5,286 | 2,877 |
| Past due over one month | 8,732 | 1,953 |
| | 14,018 | 4,830 |
| | 27,045 | 13,450 |

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there were no recent history of default.

20 貿易及其他應收款項 (續)

(b) 應收貿易款項減值 (續)

年內，呆賬撥備之變動(包括個別及共同虧損部分)如下：

| 本集團 | | |
|----------|--------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 於七月一日 | 5,483 | 5,629 |
| 不可收回金額撇銷 | (5,483) | (146) |
| 於六月三十日 | - | 5,483 |

有所減值之個別應收款項乃關於出現財政困難及據管理層所評估預料僅可收回部分應收款項之客戶。於二零零七年六月三十日，已確認特定呆賬撥備5,483,000港元。本集團並無就該等結餘持有任何抵押品。

既無個別亦無共同被認為將予減值之應收貿易款項之賬齡分析如下：

| 本集團 | | |
|---------|--------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 未逾期亦未減值 | 13,027 | 8,620 |
| 逾期一個月以下 | 5,286 | 2,877 |
| 逾期一個月以上 | 8,732 | 1,953 |
| | 14,018 | 4,830 |
| | 27,045 | 13,450 |

未逾期或未減值之應收款項乃與大批客戶有關，該批客戶近期並無拖欠記錄。

20 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(c) All of the other receivables, deposits and prepayments are expected to be recoverable within one year.

21 CASH AND CASH EQUIVALENTS AND PLEDGED BANK BALANCES

| | The Group | | The Company | |
|--|------------------|------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 | 2008 HK\$'000 | 2007 HK\$'000 |
| Deposits at banks | 151,203 | 178,805 | - | - |
| Cash at bank and in hand | 125,237 | 44,547 | 193 | 319 |
| | 276,440 | 223,352 | 193 | 319 |
| Less: Pledged deposits | | | | |
| - for bank loans | - | (2,141) | - | - |
| - as guarantees to landlords | (10,133) | (2,049) | - | - |
| | 266,307 | 219,162 | 193 | 319 |
| Less: Time deposits with maturity over three months | - | (10,031) | | |
| Cash and cash equivalents held by jointly controlled entity held for sale | 10,841 | - | | |
| Cash and cash equivalents in the consolidated cash flow statement | 277,148 | 209,131 | | |

Cash at bank earns interest at floating rates based on daily bank deposit rates. Deposits at banks are made for varying periods of between one day and five months depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate their fair values.

20 貿易及其他應收款項(續)

(b) 應收貿易款項減值(續)

已逾期但未減值之應收款項乃與本集團若干具有良好信貸記錄之獨立客戶有關。按照過往經驗，管理層相信，由於信貸狀況並無重大變動，且該等結餘仍被視為可全數收回，因此毋須就有關結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

(c) 所有其他應收款項、按金及預付款項預期可於一年內收回。

21 現金及現金等值項目及已抵押銀行結存

| | 本集團 | | 本公司 | |
|-------------------------|-----------------|--------------|--------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 | 二零零八年 千港元 | 二零零七年 千港元 |
| 銀行存款 | 151,203 | 178,805 | - | - |
| 銀行及庫存現金 | 125,237 | 44,547 | 193 | 319 |
| | 276,440 | 223,352 | 193 | 319 |
| 減：已抵押存款 | | | | |
| — 銀行貸款之抵押 | - | (2,141) | - | - |
| — 作為業主擔保之抵押 | (10,133) | (2,049) | - | - |
| 存款及現金 | 266,307 | 219,162 | 193 | 319 |
| 減：三個月以後到期之定期存款 | - | (10,031) | | |
| 持作待售之共同控制公司持有之現金及現金等值項目 | 10,841 | - | | |
| 綜合現金流量表之現金及現金等值項目 | 277,148 | 209,131 | | |

存放於銀行之現金按每日銀行存款利率以浮息計息。銀行存款會視乎本集團即時現金需求按一日至五個月不等期間作出，並按相關存款利率計息。現金及現金等值項目及已抵押存款之賬面值與其公平值相若。

22 TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

(a) Trade payables

The ageing analysis of trade payables as of the balance sheet date:

| The Group | | |
|-----------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Current to 3 months | 63,275 | 42,534 |
| Within 4 to 6 months | 193 | 500 |
| Within 7 to 12 months | 1,509 | 109 |
| Over one year | 3,632 | 3,803 |
| | 68,609 | 46,946 |

- (b) All of the other payables and accrued charges (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

23 BANK LOANS

(a) At 30 June, the bank loans were repayable as follows:

| The Group | | |
|---------------------------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Within one year or on demand | 12,480 | 25,311 |
| After one year but within two years | 7,800 | 20,770 |
| After two years but within five years | - | 27,090 |
| After five years | - | 826 |
| | 7,800 | 48,686 |
| | 20,280 | 73,997 |

All of the non-current interest-bearing borrowings are carried at amortised cost.

All bank loans bear interest at floating interest rates which approximate to market rates of interest.

22 貿易及其他應付款項及應計費用

(a) 應付貿易款項

於結算日之應付貿易款項之賬齡分析如下：

| | 本集團 | |
|--------|---------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 即期至三個月 | 63,275 | 42,534 |
| 四至六個月 | 193 | 500 |
| 七至十二個月 | 1,509 | 109 |
| 一年以上 | 3,632 | 3,803 |
| | 68,609 | 46,946 |

(b) 所有其他應付款項及應計費用(包括應付關連人士款項)預期將於一年內清償或須按要求償還。

23 銀行貸款

(a) 於六月三十日，須償還之銀行貸款如下：

| | 本集團 | |
|---------|---------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 一年內或按要求 | 12,480 | 25,311 |
| 一年後但兩年內 | 7,800 | 20,770 |
| 兩年後但五年內 | - | 27,090 |
| 五年後 | - | 826 |
| | 7,800 | 48,686 |
| | 20,280 | 73,997 |

所有非即期計息借貸按攤銷成本計算。

所有銀行貸款以浮息計息，而其浮息利率與市場利率相若。

23 BANK LOANS (CONTINUED)

(b) At 30 June, the bank loans were secured as follows:

| | The Group | |
|-------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Bank loans | | |
| – secured | 20,280 | 41,594 |
| – unsecured | - | 32,403 |
| | 20,280 | 73,997 |

(c) At 30 June 2008, the Group's bank loans were secured by:

- (i) its 35.71% equity interest in a jointly-controlled entity; and
- (ii) the property, plant and equipment of a subsidiary (note 13).

The Group's overdraft facility was previously secured by certain leasehold property and prepaid land payments which were released during the year ended 30 June 2008.

(d) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 29(b). As at 30 June 2008, none of the covenants relating to drawn down facilities had been breached (2007: None).

24 CONVERTIBLE NOTES

On 23 May 2006, the Company issued 4% convertible note with a principal amount of HK\$20,000,000. The note is convertible at the option of the note holder into ordinary shares of the Company on or before 15 May 2008 at a price of HK\$2.2 per share. The note bears interest at a rate of 4% per annum and is unsecured.

On 22 August 2006, the Company issued 4% convertible notes with principal amount of HK\$100,000,000. The notes are convertible at the option of the note holders into ordinary shares of the Company on or before 14 August 2008 at a price of HK\$2.2 per share. If the conversion rights are not exercised by the note holders, the notes not converted will be redeemed on 21 August 2008 at 104% of the principal amount of the notes. The notes bear interest at a rate of 4% per annum and are unsecured.

The fair values of the liability portion of the convertible notes were estimated at the issuance date using the Group's prevailing borrowing rate and an equivalent market interest rate for a similar note without a conversion option, and have been ascertained by Vigers Appraisal. The residual amounts were assigned as the equity component and included in shareholders' equity.

23 銀行貸款(續)

(b) 於六月三十日，抵押之銀行貸款如下：

| | 本集團 | |
|-------|---------------|---------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 銀行貸款 | | |
| — 有抵押 | 20,280 | 41,594 |
| — 無抵押 | - | 32,403 |
| | 20,280 | 73,997 |

(c) 於二零零八年六月三十日，本集團之銀行貸款按以下方式抵押：

- (i) 其於一間共同控制公司佔有之35.71%股本權益；及
- (ii) 一間附屬公司之物業、廠房及設備(附註13)。

本集團之透支借貸原本由若干租賃物業及預付土地款項抵押，該透支借貸及抵押已於截至二零零八年六月三十日止年度解除。

(d) 本集團須待達成有關本集團之若干資產負債比率之契約後方可獲取若干銀行借貸，此狀況常見於金融機構之借貸安排。倘本集團違反該等契約，所借取之借貸將會按的要求償還。本集團定期監管該等契約。本集團對流動資金風險之管理之進一步詳情載述於附註29(b)。於二零零八年六月三十日，有關所借取之借貸之契約概無違反(二零零七年：無)。

24 可換股票據

於二零零六年五月二十三日，本公司發行本金額20,000,000港元之4厘可換股票據。票據持有人可於二零零八年五月十五日或之前按每股2.2港元將票據兌換為本公司普通股。票據按年利率4厘計息，且並無抵押。

於二零零六年八月二十二日，本公司發行本金額100,000,000港元之4厘可換股票據。票據持有人可於二零零八年八月十四日或之前按每股2.2港元將票據兌換為本公司普通股。倘票據持有人並無行使換股權，未兌換之可換股票據將於二零零八年八月三十一日按票據本金額之104%贖回。票據按年利率4厘計息，且並無抵押。

可換股票據負債部分之公平值按發行日期以本集團現行借貸利率及等同不帶兌換權之類似票據市場息率估算，並由威格斯資產評估確認。餘款確認為權益部分，並計入股東權益。

24 CONVERTIBLE NOTES (CONTINUED)

In May and June 2008, convertible notes in aggregate amounts of HK\$90,000,000 have been converted into the Company's ordinary shares, creating a total of 40.9 million new ordinary shares at a conversion price of HK\$2.2 per share.

Subsequent to 30 June 2008, the remaining convertible notes in aggregate amounts of HK\$30,000,000 have been converted into the Company's ordinary shares, creating a total of 13.6 million new ordinary shares at a conversion price of HK\$2.2 per share.

The net proceeds received from the issue of the convertible notes have been split between the liability and equity components, as follows:

| | The Group and the Company | | |
|---|---------------------------|------------------|----------|
| | Liability component | Equity component | Total |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 July 2006 | 19,761 | 95 | 19,856 |
| Nominal value of convertible notes issued, net of issuing costs | 98,215 | 785 | 99,000 |
| Interest expenses (<i>note 6(a)</i>) | 7,186 | - | 7,186 |
| Interest paid | (2,811) | - | (2,811) |
| At 30 June and 1 July 2007 | 122,351 | 880 | 123,231 |
| Conversion of convertible notes | (93,092) | (638) | (93,730) |
| Interest expenses (<i>note 6(a)</i>) | 7,790 | - | 7,790 |
| Interest paid | (5,556) | - | (5,556) |
| At 30 June 2008 | 31,493 | 242 | 31,735 |

| | 2008 HK\$'000 | 2007 HK\$'000 |
|--|------------------|------------------|
| Liability component analysed for reporting purposes: | | |
| Current liabilities – other payables and accrued charges | 427 | 1,499 |
| – convertible notes | 31,066 | 20,262 |
| Non-current liabilities – convertible notes | 31,493 | 21,761 |
| | - | 100,590 |
| | 31,493 | 122,351 |

24 可換股票據(續)

於二零零八年五月及六月，金額合共為90,000,000港元之可換股票據經已轉換為本公司普通股，按每股兌換價2.2港元增設合共40,900,000股新普通股。

二零零八年六月三十日後，金額合共為30,000,000港元之餘下可換股票據經已轉換為本公司普通股，按每股兌換價2.2港元增設合共13,600,000股新普通股。

發行可換股票據所得款項淨額按負債及權益部分劃分如下：

| | 本集團及本公司 | | |
|---------------------|-------------|-------------|-----------|
| | 負債部分 千港元 | 權益部分 千港元 | 合計 千港元 |
| 於二零零六年七月一日 | 19,761 | 95 | 19,856 |
| 已扣除發行成本之已發行可換股票據之面值 | 98,215 | 785 | 99,000 |
| 利息開支 (附註6(a)) | 7,186 | - | 7,186 |
| 已付利息 | (2,811) | - | (2,811) |
| 於二零零七年六月三十日及七月一日 | 122,351 | 880 | 123,231 |
| 兌換可換股票據 | (93,092) | (638) | (93,730) |
| 利息開支 (附註6(a)) | 7,790 | - | 7,790 |
| 已付利息 | (5,556) | - | (5,556) |
| 於二零零八年六月三十日 | 31,493 | 242 | 31,735 |

| | 二零零八年 千港元 | 二零零七年 千港元 |
|------------------|--------------|--------------|
| 負債部分就呈報目的作出分析： | | |
| 流動負債－其他應付款項及應計費用 | 427 | 1,499 |
| －可換股票據 | 31,066 | 20,262 |
| 非流動負債－可換股票據 | 31,493 | 21,761 |
| | - | 100,590 |
| | 31,493 | 122,351 |

25 OBLIGATIONS UNDER FINANCE LEASES

At 30 June 2007, the Group had obligations under finance leases repayable as follows:

| | 2007 Present value of the minimum lease payments HK\$'000 | Total minimum lease payments HK\$'000 |
|---------------------------------------|--|---|
| Within one year | 353 | 434 |
| After one year but within two years | 383 | 434 |
| After two years but within five years | 416 | 435 |
| | 799 | 869 |
| | 1,152 | 1,303 |
| Less: total future interest expenses | | (151) |
| Present value of lease obligations | | 1,152 |
| Classified as current liabilities | | (353) |
| Non-current portion | | 799 |

During the year ended 30 June 2008, the Group made early repayment to discharge its obligations under finance leases. Accordingly, there was no finance lease payables at 30 June 2008.

25 融資租賃承擔

於二零零七年六月三十日，本集團須償還之融資租賃承擔如下：

| | 二零零七年 | |
|------------|--------------------|-------------------|
| | 最低租金 之現值 千港元 | 最低 租金總額 千港元 |
| 一年內 | 353 | 434 |
| 一年後但兩年內 | 383 | 434 |
| 兩年後但五年內 | 416 | 435 |
| | 799 | 869 |
| | 1,152 | 1,303 |
| 減：未來利息開支總額 | | (151) |
| 租賃承擔現值 | | 1,152 |
| 分類為流動負債 | | (353) |
| 非流動部分 | | 799 |

於截至二零零八年六月三十日止年度，本集團提前償還款額，以解除其融資租賃承擔。因此，於二零零八年六月三十日並無應付融資租賃。

26 LOANS FROM JOINT VENTURE PARTNERS/MINORITY SHAREHOLDER

(a) Loans from joint venture partners

| | The Group | |
|-----------------------------------|------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Loans from joint venture partners | | |
| - current | 22,144 | 14,787 |
| - non-current | 42,505 | 26,069 |
| | 64,649 | 40,856 |

Loans from joint venture partners are unsecured and interest-free, except for an amount of HK\$18,109,000 (2007: HK\$28,667,000) which is interest bearing at a rate from 3.5% to 4.0% per annum (2007: 2.5% to 3.5% per annum).

The carrying amounts of the loans from joint venture partners approximate their fair values.

(b) Loan from minority shareholder

Loan from minority shareholder is unsecured, interest bearing at a rate from 3.5% to 4.0% per annum and is expected to be settled after one year.

27 DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised:

The Group

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

| | Depreciation allowance in excess of related depreciation HK\$'000 | Tax losses recognised HK\$'000 | Revaluation of leasehold buildings HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|---|--|-----------------------------------|--|--------------------|-------------------|
| <i>Deferred tax arising from:</i> | | | | | |
| At 1 July 2006 | 6,872 | - | 402 | - | 7,274 |
| Exchange adjustments | 329 | - | - | - | 329 |
| Charged/(credited) | | | | | |
| to the income statement | 2,504 | (4,045) | - | 284 | (1,257) |
| Credited to equity | - | - | (31) | - | (31) |
| Disposal of interest in a jointly controlled entity (<i>note 33(c)</i>) | (222) | 433 | - | (30) | 181 |
| At 30 June 2007 | 9,483 | (3,612) | 371 | 254 | 6,496 |

26 合營夥伴／少數股東提供之貸款

(a) 合營夥伴提供之貸款

| | 本集團 | |
|-----------|---------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 合營夥伴提供之貸款 | | |
| — 流動 | 22,144 | 14,787 |
| — 非流動 | 42,505 | 26,069 |
| | 64,649 | 40,856 |

合營夥伴提供之貸款為無抵押、免息，惟一筆金額為18,109,000港元(二零零七年：28,667,000港元)須按每年3.5厘至4.0厘(二零零七年：每年2.5厘至3.5厘)計息。

合營夥伴提供之貸款賬面值與其公平值相若。

(b) 少數股東提供之貸款

少數股東提供之貸款為無抵押，惟須按每年3.5厘至4.0厘計息並於一年後清償。

27 遞延稅項

(a) 已確認遞延稅項資產及負債：

本集團

本年度於綜合資產負債表確認之遞延稅項(資產)／負債部分及其變動列載如下：

| | 相關折舊 之 額外折舊 免稅額 千港元 | 已確認 稅項虧損 千港元 | 重估 租賃樓宇 千港元 | 其他 千港元 | 總計 千港元 |
|------------------------|---------------------------------|--------------------|-------------------|-----------|-----------|
| 遞延稅項來自： | | | | | |
| 於二零零六年七月一日 | 6,872 | - | 402 | - | 7,274 |
| 匯兌調整 | 329 | - | - | - | 329 |
| 扣自／(計入) 收益表 | 2,504 | (4,045) | - | 284 | (1,257) |
| 計入權益 | - | - | (31) | - | (31) |
| 出售一間共同控制公司權益 (附註33(c)) | (222) | 433 | - | (30) | 181 |
| 於二零零七年六月三十日 | 9,483 | (3,612) | 371 | 254 | 6,496 |

27 DEFERRED TAXATION (CONTINUED)

(a) Deferred tax assets and liabilities recognised: (continued)

| | Depreciation allowance in excess of related depreciation HK\$'000 | Tax losses recognised HK\$'000 | Revaluation of leasehold buildings HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|---|--|--------------------------------------|--|--------------------|-------------------|
| At 1 July 2007 | 9,483 | (3,612) | 371 | 254 | 6,496 |
| Exchange adjustments | 1,375 | (301) | – | 647 | 1,721 |
| Charged/(credited) to the income statement | 5,207 | 3,913 | – | (467) | 8,653 |
| Transfer to jointly controlled entity (note 33(a)) | 9,790 | – | – | (792) | 8,998 |
| Reclassification to held for sale (note 8) | (9,636) | – | – | – | (9,636) |
| Credited to equity | – | – | (50) | – | (50) |
| At 30 June 2008 | 16,219 | – | 321 | (358) | 16,182 |

| The Group | | |
|--|-------------------------|------------------|
| | 2008 HK\$'000 | 2007 HK\$'000 |
| Net deferred tax liability recognised on the balance sheet | 16,540 | 7,999 |
| Net deferred tax asset recognised on the balance sheet | (358) | (1,503) |
| | 16,182 | 6,496 |

(b) Deferred tax assets not recognised

At 30 June 2008, the Group has not recognised deferred tax assets in respect of accumulative tax losses of approximately HK\$523,739,000 (2007: HK\$500,523,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation except for the balances of HK\$7,435,000 (2007: HK\$31,708,000) which can be only carried forward for five years under the relevant jurisdiction.

(c) Deferred tax liabilities not recognised

At 30 June 2008, there was no significant unrecognised deferred tax liability (2007: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, jointly controlled entities or associates as the Group has no significant liability to additional tax should such amounts be remitted.

27 遞延稅項(續)

(a) 已確認遞延稅項資產及負債：(續)

| | 相關折舊 之 額外折舊 | | 重估 租賃樓宇 | 其他 | 總計 |
|---------------------|-------------------|-------------|------------|-------|---------|
| | 免稅額 | 已確認 稅項虧損 | | | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 於二零零七年七月一日 | 9,483 | (3,612) | 371 | 254 | 6,496 |
| 匯兌調整 | 1,375 | (301) | - | 647 | 1,721 |
| 扣自／(計入) 收益表 | 5,207 | 3,913 | - | (467) | 8,653 |
| 轉撥往共同控制公司 (附註33(a)) | 9,790 | - | - | (792) | 8,998 |
| 重新分類為持作待售 (附註8) | (9,636) | - | - | - | (9,636) |
| 計入權益 | - | - | (50) | - | (50) |
| 於二零零八年六月三十日 | 16,219 | - | 321 | (358) | 16,182 |

| | 本集團 | |
|-------------------|--------------|--------------|
| | 二零零八年 千港元 | 二零零七年 千港元 |
| 於資產負債表確認之遞延稅項負債淨額 | 16,540 | 7,999 |
| 於資產負債表確認之遞延稅項資產淨額 | (358) | (1,503) |
| | 16,182 | 6,496 |

(b) 未確認之遞延稅項資產

於二零零八年六月三十日，本集團尚未確認有關約523,739,000港元(二零零七年：500,523,000港元)之累計稅項虧損之遞延稅項資產，此乃由於相關稅務司法權區及公司不大可能有用以抵銷虧損之未來應課稅溢利。稅項虧損於現時稅務立法下並未到期，惟根據相關司法權區內餘款7,435,000港元(二零零七年：31,708,000港元)須於五年內轉結除外。

(c) 未確認之遞延稅項負債

於二零零八年六月三十日，並無有關本集團若干附屬公司、共同控制公司或聯營公司之未匯出盈利而產生之重大未確認遞延稅項負債(二零零七年：無)，原因為即使匯出該等盈利，本集團亦毋須承擔支付額外稅項之重大責任。

28 SHARE CAPITAL AND RESERVES

| | 2008 | | 2007 | |
|--|--------------------|-----------------|-----------------|-----------------|
| | No. of shares | Amount HK\$'000 | No. of shares | Amount HK\$'000 |
| Authorised: | | | | |
| Ordinary shares of HK\$1.00 each | 600,000,000 | 600,000 | 600,000,000 | 600,000 |
| Ordinary shares, issued and fully paid: | | | | |
| At 1 July | 128,356,537 | 128,357 | 1,330,309,375 | 133,031 |
| Consolidation of every ten shares of nominal value of HK\$0.10 each into one share of nominal value of HK\$1.00 each (<i>note (i)</i>) | - | - | (1,166,678,438) | - |
| Repurchase of shares (<i>note (ii)</i>) | (1,603,000) | (1,603) | (35,274,400) | (4,674) |
| Share option exercised (<i>note (iii)</i>) | 1,975,000 | 1,975 | - | - |
| Conversion of convertible notes (<i>note (iv)</i>) | 40,909,090 | 40,909 | - | - |
| At 30 June | 169,637,627 | 169,638 | 128,356,537 | 128,357 |

Notes:

(i) Consolidation of share capital
Pursuant to an ordinary resolution passed on 9 May 2007, the issued and unissued ordinary shares of HK\$0.10 each of the Company were consolidated on the basis of every ten shares into one share of HK\$1.00 each. The Company's authorised share capital of HK\$600,000,000 divided into 6,000,000,000 ordinary shares of HK\$0.10 each was consolidated into 600,000,000 ordinary shares of HK\$1.00 each. On the same day, the Company's issued and fully paid share capital of HK\$129,630,938 divided into 1,296,309,375 ordinary shares of HK\$0.10 each was consolidated into 129,630,937 ordinary shares of HK\$1.00 each.

(ii) Purchase of own shares
During the year ended 30 June 2008, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at prices ranging from HK\$2.9 to HK\$4.0 per share for aggregate consideration before expenses of HK\$5,155,000. Details of the repurchases are disclosed in the Report of the Directors under the heading of "Purchase, sale and redemption of listed securities" in these financial statements.

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. An amount equivalent to the nominal value of these shares of HK\$1,603,000 was transferred from the retained profits to the capital redemption reserve. The premium paid on the repurchase of the shares of HK\$3,552,000 and the related costs of HK\$38,000 were charged to the share premium account.

28 股本及儲備

| | 二零零八年 | | 二零零七年 | |
|---|--------------------|----------------|-----------------|-----------|
| | 股份數目 | 金額 千港元 | 股份數目 | 金額 千港元 |
| 法定： | | | | |
| 每股面值1.00港元之普通股 | 600,000,000 | 600,000 | 600,000,000 | 600,000 |
| 已發行及繳足之普通股： | | | | |
| 於七月一日 | 128,356,537 | 128,357 | 1,330,309,375 | 133,031 |
| 每十股面值為0.10港元之股份合併為 一股面值1.00港元之股份 (附註(i)) | - | - | (1,166,678,438) | - |
| 購回股份 (附註(ii)) | (1,603,000) | (1,603) | (35,274,400) | (4,674) |
| 已使用購股權 (附註(iii)) | 1,975,000 | 1,975 | - | - |
| 兌換可換股票據 (附註(iv)) | 40,909,090 | 40,909 | - | - |
| 於六月三十日 | 169,637,627 | 169,638 | 128,356,537 | 128,357 |

附註：

(i) 合併股本

根據於二零零七年五月九日通過之普通決議案，本公司每股面值0.10港元之已發行及未發行普通股按每十股合併為一股面值1.00港元股份之基準合併。本公司600,000,000港元分為6,000,000,000股每股面值0.10港元普通股之法定股本，合併為600,000,000股每股面值1.00港元之普通股。同日，本公司129,630,938港元分為1,296,309,375股每股面值0.10港元普通股之已發行及繳足股本，合併為129,630,937股每股面值1.00港元之普通股。

(ii) 購回股份

截至二零零八年六月三十日止年度，本公司在香港聯合交易所有限公司(「聯交所」)以介乎每股2.9港元至4.0港元之價格購回本身之普通股，總代價為5,155,000港元(未計開支前)。有關購回詳情於本財務報表董事報告書「購買、出售及贖回上市證券」一節披露。

購回股份已註銷，故本公司已就該等股份之賬面值發行股本已調低。金額相當於此等股份面值等額之1,603,000港元已自保留盈利轉撥往股本贖回儲備。購回股份所付溢價3,552,000港元及購回股份開支38,000港元已自股份溢價賬扣除。

28 SHARE CAPITAL AND RESERVES (CONTINUED)

Notes: (continued)

(iii) Share option scheme

Equity-settled share-based transactions

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group, shareholders of the Company, suppliers of goods or services to the Group and customers of the Group. The Scheme became effective on 30 November 2001 and, unless otherwise cancelled or amended, will remain in force for a period of 10 years from that date.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their associates, are subject to approval in advance by the independent non-executive directors (excluding independent non-executive director who is the grantee of the option). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period up to and including the date of the grant, are subject to the shareholders' approval in advance in a general meeting.

The offer of a grant of share options must be accepted within 30 days inclusive of, and from the day of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the directors, which may not exceed 10 years commencing on such date on or after the date of grant as the directors of the Company may determine in granting the share options and ending on such date as the directors of the Company may determine in granting the share options (which in any event must be prior to the close of business on 30 October 2011). Save as determined by the directors of the Company and provided in the offer of the grant of the relevant share option, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

The exercise price of the share options is determinable by the directors, provided always that it shall be at least the higher of (i) the closing price of the Company's shares on the Stock Exchange on the date of offer of grant of the share options; and (ii) the average Stock Exchange's closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

The maximum number of shares of the Company issuable upon exercise of all share options granted and to be granted under the Scheme and any other share option schemes of the Company (if any) is an amount equivalent to 10% of the shares of the Company in issue as at 28 November 2001. This limit can be refreshed by the shareholders of the Company in a general meeting in accordance with the provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The maximum number of shares issuable under share options granted to each eligible participant under the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders' approval in a general meeting.

Share options do not confer rights on the holders to dividends or to vote at the shareholders' meeting.

28 股本及儲備(續)

附註：(續)

(iii) 購股權計劃

股本結算購股權交易

本公司設有購股權計劃(「該計劃」)，作為給予為本集團業務成功作出貢獻之合資格參與者之激勵及獎勵。該計劃之合資格參與者包括本公司董事(包括獨立非執行董事)及本集團其他僱員、本公司之股東、本集團之貨品或服務供應商及本集團客戶。該計劃於二零零一年十一月三十日生效，自當日起有效10年(已註銷或修訂者除外)。

向本公司董事、主要行政人員、主要股東或彼等之任何聯繫人士授出購股權均須事先獲得獨立非執行董事(不包括身為購股權承授人之獨立非執行董事)批准。此外，於截至授出購股權當日(包括該日)止任何12個月期間內向本公司主要股東、獨立非執行董事或彼等之任何聯繫人士授出超逾本公司任何時間之已發行股份0.1%及根據授出購股權當日本公司股份之收市價計算所得總值超逾5,000,000港元之購股權，亦須事先在股東大會上獲得股東批准。

授出購股權之建議必須於建議日期(包括該日)起計30日內由承授人接納，並須支付象徵式代價1港元。所授出購股權之行使期乃由董事釐定，惟由本公司董事於授出購股權時決定之授出購股權當日或之後之日期起至本公司董事於授出購股權時可能決定之結束日期(無論如何不得遲於二零一一年十月三十日辦公時間結束時)不得超過10年。除本公司董事另行決定及授出有關購股權之建議另有規定外，並無一般規定限制購股權必須於持有若干最短期限後方可行使。

購股權之行使價乃由董事釐定，惟不得低於(i)本公司股份於建議授出購股權當日在聯交所之收市價；及(ii)本公司股份於緊接建議授出購股權當日前五個交易日在聯交所之平均收市價(以較高者為準)。

因行使根據該計劃及本公司任何其他購股權計劃(如有)已授出及將授出之所有購股權而可予發行之本公司最高股數，相當於本公司於二零零一年十一月二十八日之已發行股份之10%。本公司股東可按照聯交所證券上市規則(「上市規則」)之條文在股東大會上重新釐定該上限。根據該計劃於任何12個月期間內向個別合資格參與者授出之購股權可予發行之最高股數，不得超過本公司任何時間之已發行股份之1%。額外授出超逾該上限之購股權須在股東大會上獲得股東批准。

購股權並無賦予持有人獲派股息或在股東大會上投票之權利。

28 SHARE CAPITAL AND RESERVES (CONTINUED)

Notes: (continued)

(iii) Share option scheme (continued)

Equity-settled share-based transactions (continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

| | 2008 | | 2007 | |
|-------------------------------------|----------------------------------|-------------|----------------------------------|--------------|
| | Average exercise price per share | Options | Average exercise price per share | Options |
| At 1 July | 4.08 | 8,345,000 | 4.06 | 45,275,000 |
| Granted | - | - | 4.13 | 38,800,000 |
| Exercised | 2.63 | (1,975,000) | - | - |
| Lapsed | 4.73 | (4,970,000) | 4.96 | (625,000) |
| Adjustment upon share consideration | - | - | 4.08 | (75,105,000) |
| At 30 June | 3.86 | 1,400,000 | 4.08 | 8,345,000 |

During the year ended 30 June 2008, a total of 1,975,000 share options were exercised (2007: Nil) at exercise prices ranging from HK\$2.08 to HK\$3.93.

Apart from the above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

At the balance sheet date, the Company had 1,400,000 share options outstanding under the Scheme and the Terminated Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 1,400,000 additional ordinary shares of the Company, representing approximately 1% of the Company's shares in issue as at the balance sheet date, and additional share capital of HK\$1,400,000 and share premium account of HK\$4,009,000 (before issue expenses).

(iv) Conversion of convertible notes

During the year ended 30 June 2008, the note holders exercised their conversion rights to convert notes of HK\$90,000,000 into the Company's ordinary shares of 40.9 million ordinary shares at a conversion price of HK\$2.2 per ordinary share. Note 24 sets out details of the convertible notes.

28 股本及儲備(續)

附註：(續)

(iii) 購股權計劃(續)

股本結算購股權交易(續)

未行使之購股權數目變動及彼等相關加權平均行使價如下：

| | 二零零八年 | | 二零零七年 | |
|---------|-------------|--------------------|-------------|--------------|
| | 每股平均 行使價 | 購股權數目 | 每股平均 行使價 | 購股權數目 |
| 於七月一日 | 4.08 | 8,345,000 | 4.06 | 45,275,000 |
| 已授出 | - | - | 4.13 | 38,800,000 |
| 已行使 | 2.63 | (1,975,000) | - | - |
| 已失效 | 4.73 | (4,970,000) | 4.96 | (625,000) |
| 股份合併後調整 | - | - | 4.08 | (75,105,000) |
| 於六月三十日 | 3.86 | 1,400,000 | 4.08 | 8,345,000 |

截至二零零八年六月三十日止年度，合共1,975,000份購股權(二零零七年：無)按介乎2.08港元至3.93港元之行使價予以行使。

除上述者外，本公司或其任何附屬公司於年內概無訂立任何安排致使本公司董事、彼等各自之配偶或未滿十八歲子女透過認購本公司或任何其他法團之股份或債權證而獲益。

於結算日，本公司根據該計劃及已終止計劃有1,400,000份未行使購股權。根據本公司現行股本架構，餘下購股權獲全面行使後，將導致額外發行1,400,000股本公司普通股(相當於本公司在結算日已發行股份約1%)及1,400,000港元額外股本，而未計發行費用之股份溢價則為4,009,000港元。

(iv) 兌換可換股票據

截至二零零八年六月三十日止年度，票據持有人按兌換價每股普通股2.2港元行使彼等之兌換權將90,000,000港元之票據兌換為40,900,000股本公司普通股。可換股票據之詳情載於附註24。

28 SHARE CAPITAL AND RESERVES (CONTINUED)

(a) The Group

Details of the movements in reserves of the Group during the years ended 30 June 2007 and 30 June 2008 are set out in the consolidated statement of changes in equity.

(b) The Company

| | Share premium HK\$'000 | Share option reserve HK\$'000 | Capital redemption reserve HK\$'000 | Contributed surplus HK\$'000 | Equity (Accumulated component of convertible notes HK\$'000 | losses)/ retained profits HK\$'000 | Total HK\$'000 |
|--|------------------------------|--|--|------------------------------------|---|---|-------------------|
| At 1 July 2006 | 639,881 | 544 | 145 | 191,644 | 880 | (555,158) | 277,936 |
| Elimination upon capital reorganisation (note) | (500,000) | - | - | 500,000 | - | - | - |
| Setting off the accumulated losses (note) | - | - | - | (420,000) | - | 420,000 | - |
| Repurchases of shares | (14,148) | - | 4,674 | - | - | - | (9,474) |
| Profit for the year | - | - | - | - | - | 136,655 | 136,655 |
| Equity-settled share-based transactions | - | 4,541 | - | - | - | - | 4,541 |
| At 30 June 2007 | 125,733 | 5,085 | 4,819 | 271,644 | 880 | 1,497 | 409,658 |
| At 1 July 2007 | 125,733 | 5,085 | 4,819 | 271,644 | 880 | 1,497 | 409,658 |
| Repurchase of shares | (3,590) | - | 1,603 | - | - | (1,603) | (3,590) |
| Profit for the year | - | - | - | - | - | 36,544 | 36,544 |
| Reserve realised upon | | | | | | | |
| - exercise of share options | 4,097 | (879) | - | - | - | - | 3,218 |
| - lapse of share options | - | (2,658) | - | - | - | 2,658 | - |
| - conversion of convertible notes | 52,822 | - | - | - | (638) | - | 52,184 |
| At 30 June 2008 | 179,062 | 1,548 | 6,422 | 271,644 | 242 | 39,096 | 498,014 |

Note: Pursuant to a special resolution passed on 9 May 2007, the share premium account of the Company was reduced by HK\$500,000,000 ("Share Premium Reduction") and the credit arising in the books of account of the Company from the Share Premium Reduction has been transferred to the contributed surplus account of the Company and an amount equal to HK\$420,000,000 in the contribution surplus account has been applied in setting off the accumulated losses of the Company of HK\$420,000,000.

28 股本及儲備(續)

(a) 本集團

本集團於截至二零零七年六月三十日及二零零八年六月三十日止年度之儲備變動詳情載述於綜合權益變動報表內。

(b) 本公司

| | 股份溢價 千港元 | 購股權 儲備 千港元 | 股本 贖回儲備 千港元 | 繳入盈餘 千港元 | 可換股票據 之股本部分 千港元 | (累計虧損) / 保留溢利 千港元 | 總額 千港元 |
|--------------|-------------|------------------|-------------------|-------------|-----------------------|-------------------------|-----------|
| 於二零零六年七月一日 | 639,881 | 544 | 145 | 191,644 | 880 | (555,158) | 277,936 |
| 股本重組後撤銷 (附註) | (500,000) | - | - | 500,000 | - | - | - |
| 對銷累計虧損 (附註) | - | - | - | (420,000) | - | 420,000 | - |
| 購回股份 | (14,148) | - | 4,674 | - | - | - | (9,474) |
| 年度溢利 | - | - | - | - | - | 136,655 | 136,655 |
| 股本結算購股權交易 | - | 4,541 | - | - | - | - | 4,541 |
| 於二零零七年六月三十日 | 125,733 | 5,085 | 4,819 | 271,644 | 880 | 1,497 | 409,658 |
| 於二零零七年七月一日 | 125,733 | 5,085 | 4,819 | 271,644 | 880 | 1,497 | 409,658 |
| 購回股份 | (3,590) | - | 1,603 | - | - | (1,603) | (3,590) |
| 年度溢利 | - | - | - | - | - | 36,544 | 36,544 |
| 在下列情況下變現儲備： | | | | | | | |
| — 行使購股權 | 4,097 | (879) | - | - | - | - | 3,218 |
| — 購股權失效 | - | (2,658) | - | - | - | 2,658 | - |
| — 兌換可換股票據 | 52,822 | - | - | - | (638) | - | 52,184 |
| 於二零零八年六月三十日 | 179,062 | 1,548 | 6,422 | 271,644 | 242 | 39,096 | 498,014 |

附註：根據於二零零七年五月九日通過之特別決議案，本公司之股份溢價賬削減500,000,000港元(「股份溢價削減」)，本公司賬目內股份溢價賬項下進賬已轉撥往本公司繳入盈餘賬，而繳入盈餘賬內一筆相當於420,000,000港元之款項已用作抵銷本公司累計虧損420,000,000港元。

28 SHARE CAPITAL AND RESERVES (CONTINUED)

(c) Nature and purpose of reserves

(i) *Share premium and capital redemption reserve*

The application of the share premium account is governed by Sections 40 of the Companies Act 1981 of Bermuda.

(ii) *Share option reserve*

The share option reserve represents the fair value of the number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(v)(ii).

(iii) *Contributed surplus*

The contributed surplus represents (i) the difference between the nominal value of the Company's shares in issue, in exchange for the issued share capital of the subsidiaries, and the aggregate net asset value of the subsidiaries acquired at the date of acquisition; and (ii) the net transfer of HK\$80,000,000 after setting off the accumulated losses from the share premium account pursuant to the Company's capital reorganisation in May 2007. Under the Bermuda Companies Act 1981 (as amended), the contributed surplus of the Company is distributable to shareholders of the Company.

(iv) *Equity component of convertible notes*

Equity component of convertible notes represents the value of equity component of the unexercised convertible notes issued by the Company recognised in accordance with the accounting policy adopted for convertible notes in note 2(s).

(v) *Surplus reserve*

The surplus reserve represents an amount transferred from retained profits in accordance with statutory requirements and the articles of association of an associate incorporated in Taiwan. The surplus reserve may only be applied to make up any losses and for the capitalisation by the way of fully paid bonus issue of the shares of the associate in Taiwan.

(vi) *Reserve funds*

In accordance with the relevant regulations in the PRC, the Company's subsidiary established in the PRC is required to transfer a certain percentage of its profits after tax to the reserve funds. Subject to certain restrictions set out in the relevant PRC regulations and in the subsidiary's articles of association, the reserve funds may be used either to offset losses, or for capitalisation by way of paid-up capital.

(vii) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries, jointly controlled entities and associate. The reserve is dealt with in accordance with the accounting policy set out in note 2(z).

28 股本及儲備 (續)

(c) 儲備性質及目的

(i) 股份溢價及股本贖回儲備

股份溢價賬之動用受百慕達一九八一年公司法第40節規限。

(ii) 購股權儲備

授予本公司僱員之未行使購股權數目之公平值根據附註2(v)(ii)內以股份為基礎付款所採用之會計政策確認，即為購股權儲備。

(iii) 繳入盈餘

本公司之繳入盈餘乃指(i)本公司就收購附屬公司已發行股本而發行股份之面值與所收購附屬公司於收購當日合計資產淨值兩者間之差額及(ii)根據本公司於二零零七年五月之資本重組行動，自股份溢價賬轉撥抵銷累積虧損後之淨額80,000,000港元。根據一九八一年之百慕達公司法(經修訂)，本公司之繳入盈餘可分派予本公司各股東。

(iv) 可換股票據權益部分

根據附註2(s)內可換股票據所採用之會計政策確認，可換股票據權益部分為本公司發行之未行使可換股票據權益部分之價值。

(v) 盈餘儲備

盈餘儲備乃根據法定要求及台灣一間聯營公司之公司章程撥自保留溢利。此盈餘儲備僅可應用於該台灣聯營公司作填補虧損及資本化為已發行繳足紅股之用。

(vi) 儲備基金

根據中國有關規例，本公司於中國成立之附屬公司須將其除稅後溢利之若干百分比轉撥往儲備基金。於有關中國法例所載若干限制及有關附屬公司之組織章程細則規限下，儲備基金可用作抵銷虧損或資本化為繳足資本。

(vii) 匯兌儲備

匯兌儲備包括兌換海外附屬公司、共同控制公司及聯營公司之財務報表而產生之所有外匯差額。該儲備乃按附註2(z)所載述之會計政策處理。

28 SHARE CAPITAL AND RESERVES (CONTINUED)

(d) Distributability of reserves

At 30 June 2008, the aggregate amount of reserves available for distribution to shareholders of the Company was HK\$496,224,000 (2007: HK\$403,693,000).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its gearing structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the gearing structure in light of changes in economic conditions.

The Group monitors its gearing structure calculated on the basis of external borrowings, which includes bank loans, convertible notes and finance lease payable over total assets.

The Group's strategy is to maintain the gearing ratio below 35%. In order to maintain or adjust the ratio, the Group may raise new debt financing or sell assets to reduce debt. The gearing ratio at 30 June 2008 and 2007 are as follows:

| | 2008 HK\$'000 | 2007 HK\$'000 |
|---------------------------------|------------------|------------------|
| Bank loans | 20,280 | 73,997 |
| Convertible notes | 31,066 | 120,852 |
| Obligations under finance lease | - | 1,152 |
| External borrowings | 51,346 | 196,001 |
| Total assets | 1,119,144 | 930,413 |
| Gearing ratio | 4.6% | 21.1% |

28 股本及儲備(續)

(d) 可供分派儲備

於二零零八年六月三十日，可供分派予本公司股東之儲備總額為496,224,000港元(二零零七年：403,693,000港元)。

(e) 資本管理

本集團管理資本之首要目標乃保障本集團能繼續按持續經營基準經營，從而透過因應風險水平為產品及服務定價以及按合理成本獲得融資，繼續為股東創造回報及為股權持有人帶來利益。

本集團積極及定期對資產負債比率架構進行檢討及管理，以期在可能伴隨較高借貸水平帶來之較高股東回報與良好之資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資產負債比率架構作出調整。

本集團監測按外部借貸基準計算之資產負債比率架構，資產負債比率之計算為包括銀行貸款、可換股票據及應付融資租賃等外部借貸與資產總值之比值。

本集團之策略為維持資產負債比率低於35%。為維持或調整該負債比率，本集團於有需要時將須籌集債務融資或出售資產降低負債。於二零零八年及二零零七年六月三十日之資產負債比率如下：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|--------|--------------|--------------|
| 銀行貸款 | 20,280 | 73,997 |
| 可換股票據 | 31,066 | 120,852 |
| 融資租賃承擔 | - | 1,152 |
| 外部借貸 | 51,346 | 196,001 |
| 資產總值 | 1,119,144 | 930,413 |
| 資產負債比率 | 4.6% | 21.1% |

29 FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, currency and interest rate risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. The Group has established credit control policies of which credit limits, credit approvals and other monitoring procedures for debts recovery are in place to minimise the credit risk. In addition, management reviews the recoverable amount of each individual receivable regularly to ensure that adequate impairment allowances are made for irrecoverable amounts. With such policies in place, the Group has been able to maintain its bad debts at minimal level.

The Group's trade receivable relate to a large number of diversified customers, the concentration of credit risk is not significant.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay. As all the convertible notes of the Group at 30 June 2008 have been converted to ordinary shares of the Company subsequent to the balance sheet date, the carrying amounts have not been included in the table. In addition, as loans from joint venture partners and minority shareholder and deposits received do not have fixed repayment terms, the carrying amounts have not been included in the table.

The Group

| | 2008 | | | | | |
|------------------------------------|-----------------------------|--|--|--|---|-------------------|
| | Carrying amount HK\$'000 | Total contractual undiscounted cash flow HK\$'000 | Within 1 year or on demand HK\$'000 | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years |
| | | | | HK\$'000 | HK\$'000 | HK\$'000 |
| Trade payables | 68,609 | 68,609 | 68,609 | - | - | - |
| Other payables and accrued charges | 129,472 | 129,472 | 129,472 | - | - | - |
| Customer deposits | 3,675 | 3,675 | 3,675 | - | - | - |
| Bank loans | 20,280 | 21,488 | 13,445 | 8,043 | - | - |
| | 222,036 | 223,244 | 215,201 | 8,043 | - | - |

29 金融風險管理

本集團之日常業務涉及信貸、流動資金、貨幣及利率風險。此等風險受限於本集團下述財務管理政策及慣例。

(a) 信貸風險

本集團之信貸風險主要因貿易及其他應收款項而產生。本集團已制定信貸監控政策，確立信貸額、信貸審批及其他收回債務之監控程序，以減低信貸風險。此外，管理層會定期審閱每筆應收款項之可收回金額，確保就不可收回金額作出適當減值撥備。本集團透過設立該等政策，得以維持壞賬於最低水平。

本集團之應收貿易款項與大批不同行業之客戶有關，故信貸風險系數不大。

(b) 流動資金風險

本集團之政策為定期監控即期及預期流動資金之需求，以確保維持足夠之現金儲備及來自主要金融機構提供充足資金之承諾，藉以應付短期及長期的流動資金需求。

下表詳細列載於結算日本集團及本公司非衍生金融負債之剩餘合約期限，該等期限乃根據合約未貼現現金流量(包括按合約利率計算或(倘為浮息)按結算日之即期利率計算之利息付款)以及本集團及本公司可能被要求付款之最早日期計算。由於本集團於二零零八年六月三十日之可換股票據於結算日後兌換為本公司普通股，故賬面值並未計入該表內。此外，由於合營夥伴及少數股東及已收按金並無固定償還條款，故賬面值並未計入該表內。

本集團

| | 二零零八年 | | | | | |
|-------------|----------------|------------------|----------------|---------------|---------------|------|
| | 賬面值 | 已訂約未折現 現金流量總額 | 一年內或 按要求 | 一年以上 但兩年以下 | 兩年以上 但五年以下 | 五年以上 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 應付貿易款項 | 68,609 | 68,609 | 68,609 | - | - | - |
| 其他應付款項及應計費用 | 129,472 | 129,472 | 129,472 | - | - | - |
| 客戶按金 | 3,675 | 3,675 | 3,675 | - | - | - |
| 銀行貸款 | 20,280 | 21,488 | 13,445 | 8,043 | - | - |
| | 222,036 | 223,244 | 215,201 | 8,043 | - | - |

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

The Group (continued)

| | Carrying amount HK\$'000 | Total contractual undiscounted cash flow HK\$'000 | 2007 | | | |
|------------------------------------|-----------------------------|--|--|--|---|-------------------------------|
| | | | Within 1 year or on demand HK\$'000 | More than 1 year but less than 2 years HK\$'000 | More than 2 years but less than 5 years HK\$'000 | More than 5 years HK\$'000 |
| Trade payables | 46,946 | 46,946 | 46,946 | - | - | - |
| Other payables and accrued charges | 87,250 | 87,250 | 87,250 | - | - | - |
| Amounts due to associates | 236 | 236 | 236 | - | - | - |
| Customer deposits | 5,622 | 5,622 | 5,622 | - | - | - |
| Bank loans | 73,997 | 81,409 | 29,090 | 21,908 | 29,393 | 1,018 |
| | 214,051 | 221,463 | 169,144 | 21,908 | 29,393 | 1,018 |

The Company

The earlier settlement dates of the Company's financial liabilities at the balance sheet date are all within one year or on demand and the contractual amounts of the financial liabilities are all equal to their carrying amounts.

(c) Currency risk

The Group has foreign currency monetary assets and liabilities that are denominated in a currency other than the functional currency of the Group. Exchange differences arising on settling or translating these foreign currency monetary items at rates different from those at dates of transactions giving rise to these monetary items are recognised in profit or loss.

The Group enters into transactions denominated in currencies other than its functional currency. Consequently, the Group is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Group's assets or liabilities denominated in currencies other than the United States dollars. Management of the Group continuously monitors the Group's exposure to such foreign currency risks to ensure they are at manageable levels.

29 金融風險管理(續)

(b) 流動資金風險(續)

本集團(續)

| | 二零零七年 | | | | | |
|-------------|---------|------------------|-------------|---------------|---------------|-------|
| | 賬面值 | 已訂約未折現 現金流量總額 | 一年內或 按要求 | 一年以上 但兩年以下 | 兩年以上 但五年以下 | 五年以上 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 應付貿易款項 | 46,946 | 46,946 | 46,946 | - | - | - |
| 其他應付款項及應計費用 | 87,250 | 87,250 | 87,250 | - | - | - |
| 應付聯營公司款項 | 236 | 236 | 236 | - | - | - |
| 客戶按金 | 5,622 | 5,622 | 5,622 | - | - | - |
| 銀行貸款 | 73,997 | 81,409 | 29,090 | 21,908 | 29,393 | 1,018 |
| | 214,051 | 221,463 | 169,144 | 21,908 | 29,393 | 1,018 |

本公司

本公司於結算日之金融負債之最早結算日期均為一年內或按要求，而金融負債之已訂約款項均與彼等之賬面值相等。

(c) 貨幣風險

本集團擁有以外幣計算之貨幣資產及負債，而該種貨幣並非本集團之功能貨幣。因交易當日之匯率結算或兌換此等外幣貨幣性項目產生之匯兌差異乃在損益賬中確認。

本集團有進行以其功能貨幣以外之貨幣計算之交易。因此，本集團須承受其貨幣相對其他外幣之匯率可能會出現變動，致使對本集團因該部分以美元以外之貨幣計算之資產或負債價值有不利影響之風險。本集團管理層繼續監控本集團所承受之該等外幣風險，以確保其處於可控制水平。

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Company's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than functional currency to which they relate.

The Group

| | 2008 Singapore Dollars '000 | 2007 Singapore Dollars '000 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Cash and cash equivalents | 5,100 | 14,156 |
| Net exposure to currency risk | 5,100 | 14,156 |

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date. Other components of equity would not be affected by changes in the foreign exchange rates:

| | 2008 | | 2007 | |
|-------------------|--|--|--|--|
| | Increase/ (decrease) in foreign exchange rates | Effect on profit after tax and retained earnings HK\$'000 | Increase/ (decrease) in foreign exchange rates | Effect on profit after tax and retained earnings HK\$'000 |
| Singapore Dollars | 5% (5)% | 1,464 (1,464) | 5% (5)% | 3,610 (3,610) |

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

Currency risk as defined by HKFRS7 arises on financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. Differences resulting from the translation of financial statements of overseas subsidiaries, jointly controlled entities and associates into the Group's presentation currency are therefore not taken into consideration for the purpose of the sensitivity analysis for currency risk.

29 金融風險管理(續)

(c) 貨幣風險(續)

(i) 所承受之貨幣風險

下表詳列於結算日本公司所承受來自以除功能貨幣外之貨幣列值之相關公司之已確認資產或負債之貨幣風險：

本集團

| | 二零零八年 千新加坡元 | 二零零七年 千新加坡元 |
|-----------|----------------|----------------|
| 現金及現金等值項目 | 5,100 | 14,156 |
| 貨幣風險淨額 | 5,100 | 14,156 |

(ii) 敏感度分析

下表顯示於結算日本集團須承擔重大風險的外匯匯率可能出現的合理變動而言，本集團除稅後溢利及保留溢利出現之概約變動情況。權益之其他部分不會因外匯匯率變動而受到影響：

| | 二零零八年 | | 二零零七年 | |
|------|-----------------|-------------------------------|-----------------|-------------------------------|
| | 外匯匯率 上升/(下降) | 對除稅後 溢利及保留 溢利之影響 千港元 | 外匯匯率 上升/(下降) | 對除稅後 溢利及保留 溢利之影響 千港元 |
| 新加坡元 | 5% (5)% | 1,464 (1,464) | 5% (5)% | 3,610 (3,610) |

以上敏感度分析乃假定外匯匯率變動於結算日發生及已應用於本集團該日存在的金融工具所涉及之貨幣風險，而所有其他變數(尤其是利率)均維持不變。上述之變動指管理層對直至下一個年度結算日止期間的外匯匯率合理可能變動之估計。二零零七年按相同基準進行有關分析。

香港財務報告準則第7號所界定之貨幣風險乃產生自以除功能貨幣外之貨幣計值且具有貨幣性質之金融工具。故此，就貨幣風險作出敏感度分析時，並無考慮將海外附屬公司、共同控制公司及聯營公司之財務報表換算為本集團之呈列貨幣所產生之差額。

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk

The Group's exposure to interest rate risk arises primarily to the Group's short and long-term loans. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the balance sheet date:

| | 2008 | | 2007 | |
|--|---------------------|----------|---------------------|----------|
| | Effective rate % | HK\$'000 | Effective rate % | HK\$'000 |
| Variable rate borrowings: | | | | |
| Bank loans (note 23) | 7.7% | 20,280 | 6.85% | 73,997 |
| Loans from joint venture partners (note 26(a)) | 3.5% - 4.0% | 18,109 | 2.5% - 3.5% | 28,667 |
| Loan from minority shareholder (note 26(b)) | 3.5% - 4.0% | 696 | N/A | - |

(ii) Sensitivity analysis

At 30 June 2008, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would decrease/increase the Group's profit after tax and total equity by approximately HK\$391,000 (2007: HK\$915,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk in existence at that date. The 1% increase/decrease represents management's assessment of a reasonable possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

29 金融風險管理(續)

(d) 利率風險

本集團之利率風險主要因本集團之短期及長期貸款所致。以浮動利率計息借款令本集團承受現金流量利率風險。而以固定利率計息之借款使得本集團承受公平值利率風險。本集團並無使用任何利率掉期對沖其利率風險。

(i) 利率概況

下表詳列於結算日本集團借款之利率概況：

| | 二零零八年 | | 二零零七年 | |
|---------------------|--------------------|---------------|-------------|--------|
| | 實際利率 % | 千港元 | 實際利率 % | 千港元 |
| 浮息借款利率： | | | | |
| 銀行貸款 (附註23) | 7.7% | 20,280 | 6.85% | 73,997 |
| 合營夥伴提供之貸款 (附註26(a)) | 3.5% - 4.0% | 18,109 | 2.5% - 3.5% | 28,667 |
| 少數股東提供之貸款 (附註26(b)) | 3.5% - 4.0% | 696 | 不適用 | - |

(ii) 敏感度分析

於二零零八年六月三十日，估計利率普遍上升/下跌1%（所有其他變數保持不變），將導致本集團除稅後溢利及權益總額增加/減少約391,000港元（二零零七年：915,000港元）。

上述之敏感度分析乃經假設於結算日利率出現變動而釐定，且已應用於當日存在之金融負債之利率風險。利率上升/下跌1%顯示出管理層對下年度結算日前期間內利率之合理可能變動作出之評估。二零零七年按相同基準進行有關分析。

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair values

The fair values of receivables, bank balances and other current assets, payables and accruals and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2007 and 30 June 2008. Amounts due (to)/from subsidiaries are unsecured, interest-free and have no fixed repayment terms. Given these terms it is not meaningful to disclose fair values.

30 COMMITMENTS

(a) Capital commitments outstanding at 30 June 2008 not provided for in the financial statements are as follows:

| | 2008 HK\$'000 | 2007 HK\$'000 |
|-----------------------------------|------------------|------------------|
| Contracted for | 12,433 | 14,498 |
| Authorised but not contracted for | 219,846 | 201,890 |
| | 232,279 | 216,388 |

(b) Capital commitments outstanding at 30 June 2008 in relation to capital contribution to jointly controlled entities are as follows:

| | 2008 HK\$'000 | 2007 HK\$'000 |
|-----------------------------------|------------------|------------------|
| Authorised but not contracted for | - | 26,124 |

(c) Operating lease commitments

(i) As lessor

At 30 June 2008, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

| | 2008 HK\$'000 | 2007 HK\$'000 |
|--|------------------|------------------|
| Leases on premises expiring | | |
| – within one year | 18,139 | 15,613 |
| – after one year but within five years | 23,217 | 27,178 |
| | 41,356 | 42,791 |

29 金融風險管理(續)

(e) 公平值

應收款項、銀行結存及其他流動資產、應付款項及應計費用以及流動借款之公平值乃假設與其賬面值相若，此乃由於該等資產及負債於短期內到期所致。

於二零零七年六月三十日及二零零八年六月三十日，所有金融工具之賬面值與其公平值均無重大差別。(應付)／應收附屬公司款項為無抵押、免息及並無固定償還期限。根據該等條款，披露公平值之意義不大。

30 承擔

(a) 於二零零八年六月三十日，本集團未在財務報表中作出撥備之資本承擔如下：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|---------|----------------|--------------|
| 已訂約 | 12,433 | 14,498 |
| 已批核但未訂約 | 219,846 | 201,890 |
| | 232,279 | 216,388 |

(b) 於二零零八年六月三十日，有關向共同控制公司注資之資本承擔如下：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|---------|--------------|--------------|
| 已批核但未訂約 | - | 26,124 |

(c) 經營租賃承擔

(i) 作為出租人

於二零零八年六月三十日，本集團根據不可註銷之經營租賃應收取之未來最低租金總額如下：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|--------------|---------------|--------------|
| 於以下期限屆滿之物業租賃 | | |
| — 一年內 | 18,139 | 15,613 |
| — 一年後但五年內 | 23,217 | 27,178 |
| | 41,356 | 42,791 |

30 COMMITMENTS (CONTINUED)

(c) Operating lease commitments (continued)

(i) *As lessor (continued)*

The Group leases certain of its buildings under operating leases. The leases typically run for one to twelve years. None of the leases include contingent rentals.

(ii) *As lessee*

At 30 June 2008, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

| | 2008 HK\$'000 | 2007 HK\$'000 |
|--|------------------|------------------|
| Leases on premises expiring | | |
| – within one year | 158,308 | 106,955 |
| – after one year but within five years | 497,043 | 364,316 |
| – after five years | 372,532 | 367,125 |
| | 1,027,883 | 838,396 |

The Group is the lessee in respect of a number of office premises and cinemas held under operating leases. The leases typically run for one to thirteen years.

Certain non-cancellable operating leases are subject to contingent rent payments, which are charged at 5% to 28% (2007: 5% to 28%) of their monthly or annual gross box office takings in excess of the base rents as set out in the respective lease agreements. In addition, 10% of the theatre confectionary sales and advertising income are also charged as payments under certain leases.

31 CONTINGENT LIABILITIES

At 30 June 2008, the Company has issued guarantees to banks in respect of banking facilities granted to certain subsidiaries amounting to HK\$81,880,000 (2007: HK\$62,844,000). At 30 June 2008, banking facilities of HK\$20,280,000 (2007: HK\$41,594,000) had been utilised by the subsidiaries.

At 30 June 2008, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees. The Company has not recognised any deferred income in respect of bank guarantees as their fair value cannot be reliably measured and no transaction price was incurred.

30 承擔(續)

(c) 經營租賃承擔(續)

(i) 作為出租人(續)

本集團按經營租賃租出若干樓宇。該等租賃基本年期為一至十二年。此等租賃並不包括或然租金。

(ii) 作為承租人

於二零零八年六月三十日，本集團根據不可註銷經營租賃而須支付之未來最低租金總額如下：

| | 二零零八年 千港元 | 二零零七年 千港元 |
|--------------|------------------|--------------|
| 於以下期限屆滿之物業租賃 | | |
| — 一年內 | 158,308 | 106,955 |
| — 一年後但五年內 | 497,043 | 364,316 |
| — 五年以上 | 372,532 | 367,125 |
| | 1,027,883 | 838,396 |

本集團為根據經營租賃租用多項辦公樓宇及影院之承租人。該等租賃基本年期為一至十三年。

若干不可撤銷之經營租賃涉及或然租金，此等租金乃各租賃協議釐定之基本租金以外按每月或每年之票房總收入之5%至28%（二零零七年：5%至28%）計算。此外，若干租賃亦就影院小賣部銷售額及廣告收入之10%收取租金。

31 或然負債

於二零零八年六月三十日，本公司就若干附屬公司取得之銀行融資而向銀行作出擔保，金額為81,880,000港元（二零零七年：62,844,000港元）。於二零零八年六月三十日，附屬公司已動用20,280,000港元（二零零七年：41,594,000港元）之銀行融資。

於二零零八年六月三十日，董事認為本公司不會因此等擔保被索償。本公司並無就銀行擔保確認任何遞延收入，原因為該等銀行擔保之公平值無法可靠地計量並無計入交易價格。

32 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

| | Notes | 2008 HK\$'000 | 2007 HK\$'000 |
|---|-----------|------------------|------------------|
| Interest on convertible notes | (i), (ii) | 3,388 | 2,910 |
| Consultancy fee | (iii) | 121 | 366 |
| Management fee income from an associate | (iv) | 132 | 192 |
| Accounting services paid to an associate/ jointly controlled entity | (v) | 76 | 95 |
| Office rental paid to an associate | (vi) | 55 | 105 |
| Ticketing system maintenance/ development costs paid/payable to an associate | (vii) | 258 | 1,087 |
| Consultancy fee income from jointly controlled entities | (viii) | 473 | 274 |
| Advertising agency fee paid to joint controlled entity | (ix) | 491 | 238 |
| Interest income from jointly controlled entity | (x) | 1,126 | 3,012 |

Notes:

- (i) The related companies are/were the substantial shareholders of the Company or related to a substantial shareholder of the Company.
- (ii) The interest expenses were charged at an effective interest rate of 7% per annum (2007: 7% per annum). Details of the terms of the convertible notes are set out in note 24 to the financial statements.
- (iii) The distribution consultancy fee paid represented the film production and distribution consulting services provided by a related company (a company owned by a relative of Mr Raymond Chow Ting Hsing) to the Group and was charged in accordance with the terms of the agreement dated 1 July 2004. Upon the resignation of Mr Raymond Chow Ting Hsing on 26 October 2007, the service provider was no longer being the related company of the Group, but it remained as a connected person of the Group under the Listing Rules. The total amount of the consultancy fee paid during the year was HK\$272,000.
- (iv) The management fee income represented accounting services provided to an associate of the Group which were charged at rates of HK\$11,000 per month for the year ended 30 June 2008. For the year ended 30 June 2007, the management fee income represented accounting services provided to two associates of the Group which were charge at rates of HK\$10,000 per month from the period from 1 July 2006 to 31 December 2006, and HK\$11,000 per month for the period from 1 January 2007 to 30 June 2007, respectively.
- (v) The accounting service fee was charged at a rate of S\$1,500 (2007: S\$1,500) per month for the period from 1 July 2007 to 31 March 2008. After 1 January 2008, the associate became the jointly-controlled entity of the Group. The amount of accounting service fee charged from 1 January 2008 to 31 March 2008 was HK\$26,000.
- (vi) The rental expense was charged at a rate of approximately S\$1,781 for the period from 1 July 2007 to 31 December 2007 (2007: S\$1,747) per month for sub-letting a portion of office premises of an associate to the Group.

32 重大關連人士交易

除本財務報表別處所披露之交易及結餘外，本集團已訂立下列重大關連交易。

| | 附註 | 二零零八年 千港元 | 二零零七年 千港元 |
|-------------------------|-----------|--------------|--------------|
| 可換股票據利息 | (i), (ii) | 3,388 | 2,910 |
| 顧問費 | (iii) | 121 | 366 |
| 來自一間聯營公司之管理費收入 | (iv) | 132 | 192 |
| 已付一間聯營公司／共同控制公司之會計服務費用 | (v) | 76 | 95 |
| 已付一間聯營公司之辦公室租金 | (vi) | 55 | 105 |
| 已付／應付一間聯營公司之售票系統保養／開發成本 | (vii) | 258 | 1,087 |
| 來自一間共同控制公司之顧問費收入 | (viii) | 473 | 274 |
| 已付一間共同控制公司之廣告代理費用 | (ix) | 491 | 238 |
| 來自一間共同控制公司之利息收入 | (x) | 1,126 | 3,012 |

附註：

- (i) 關連公司為／曾為本公司主要股東或與本公司主要股東有關連。
- (ii) 該等利息支出乃按實際年利率7厘(二零零七年：7厘)計算。有關可換股票據之詳情載於財務報表附註24。
- (iii) 顧問費為一間關連公司(一間由鄒文懷先生一名親屬擁有之公司)就向本集團提供之電影製作及發行顧問服務之費用，並根據二零零四年七月一日訂立之協議條款計算。在鄒文懷先生於二零零七年十月二十六日辭任後，提供服務方不再為本集團之關連公司，但根據上市規則其仍為本集團之一名關連人士。本年度之已付顧問費為272,000港元。
- (iv) 管理費收入指向本集團一間聯營公司提供會計服務而收取之費用，於截至二零零八年六月三十日止年度，該費用乃按每月11,000港元計算。於截至二零零七年六月三十日止年度，管理費指分別自二零零六年七月一日起至二零零六年十二月三十一日止期間及二零零七年一月一日起至二零零七年六月三十日止期間向本集團兩間聯營公司提供會計服務而分別按每月10,000港元及11,000港元收取之費用。
- (v) 會計服務費為自二零零七年七月一日至二零零八年三月三十一日止期間按每月1,500新加坡元(二零零七年：1,500新加坡元)計算。自二零零八年一月一日後，聯營公司成為本集團之共同控制公司。自二零零八年一月一日至二零零八年三月三十一日所收取之會計服務費為26,000港元。
- (vi) 自二零零七年七月一日至二零零七年十二月三十一日止期間之租金支出乃按每月約1,781新加坡元(二零零七年：1,747新加坡元)計算，該租金支出乃來自一間聯營公司向本集團分租部分辦公室物業。

32 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

Notes: (continued)

- (vii) The ticketing system maintenance/development costs were charged according to prices and conditions similar to those offered to other customers of the associate.
- (viii) The consultancy service fee was received from two jointly controlled entities of the Group, charged at a rate of S\$8,000 per month for the period from 1 January 2008 to 30 June 2008 and NT\$100,000 per month for the period from 1 July 2007 to 31 March 2008 (2007: S\$ Nil and NT\$100,000).
- (ix) The advertising agency fee was charged on normal commercial terms.
- (x) The interest on the shareholder's loan to a jointly-controlled entity was charged at 3.5% to 4.0% per annum (2007: 2.5% to 3.5% per annum).

The transactions amounted to HK\$3,660,000 (2007: HK\$3,276,000) shown in note (ii) and (iii) above with 5 related companies (2007: 5 related companies) constituted connected transactions as defined in the Listing Rules. The connected transactions were either properly approved by the independent shareholders or constituted the de minimis transactions as defined in the Listing Rules.

None of the other related party transactions set out above constituted connected transactions as defined in the Listing Rules.

32 重大關連人士交易 (續)

附註：(續)

- (vii) 售票系統保養／開發成本按聯營公司提供予其他客戶之價格及條件計算。
- (viii) 管理服務費乃向本集團兩間共同控制公司收取，自二零零八年一月一日至二零零八年六月三十日止期間按每月8,000新加坡元計算，及自二零零七年七月一日至二零零八年三月三十一日止期間則按每月新台幣100,000元(二零零七年：零新加坡元及新台幣100,000元)計算。
- (ix) 廣告代理費用以一般商業條款計算。
- (x) 於共同控制公司之股東貸款乃以年利率3.5厘至4.0厘(二零零七年：年利率2.5厘至3.5厘)計息。

據上述附註(ii)及(iii)所列，本集團與五間關連公司(二零零七年：五間關連公司)之交易為3,660,000港元(二零零七年：3,276,000港元)，屬於上市規則所界定之關連交易。該等關連交易已獲獨立股東批准，或屬於上市規則所界定之最低豁免交易。

上述所有其他關連人士交易均不構成上市規則所界定之關連交易。

33 TRANSFER TO JOINTLY CONTROLLED ENTITIES, ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF INTEREST IN A JOINTLY CONTROLLED ENTITY

(a) Transfer to jointly controlled entities

For the year ended 30 June 2008

On 1 January 2008, Dartina Group (formerly associates of the Group) became jointly controlled entities of the Group following the new shareholder agreement entered by the Group and the joint venture partner (the "Transaction"). The financial results of Dartina Group were proportionately consolidated into the Group's financial statements in accordance with the accounting policy set out in note 2(e).

The carrying amounts of identifiable assets and liabilities of Dartina Group immediately before the Transaction were as follows:

| | 2008 HK\$'000 |
|---|--------------------------|
| Fixed Assets | 184,796 |
| Deferred tax assets | 792 |
| Rental and other deposits | 2,499 |
| Film rights | 2,304 |
| Trade receivables | 11,524 |
| Other receivables, deposits and prepayments | 5 |
| Cash and cash equivalents | 64,546 |
| Trade payables | (21,052) |
| Other payables and accrued charges | (29,453) |
| Taxation payable | (4,944) |
| Loans from shareholders | (105,573) |
| Deferred tax liabilities | (9,790) |
| Net assets | 95,654 |
| Amount previously accounted for as interest in associates (note 15(c)) | 95,654 |

An analysis of the net inflow of cash and cash equivalents in respect of transfer to jointly controlled entities is as follows:

| | 2008 HK\$'000 |
|--|--------------------------|
| Cash and cash equivalents transferred | 64,546 |
| Net inflow of cash and cash equivalents in respect of the transfer to jointly controlled entities | 64,546 |

33 轉撥往共同控制公司、收購附屬公司及出售共同控制公司權益

(a) 轉撥往共同控制公司

截至二零零八年六月三十日止年度

於二零零八年一月一日，緊接本集團與合營夥伴訂立新股東協議，Dartina Group (本集團之前聯營公司) 成為本集團之共同控制公司(「該交易」)。Dartina Group之財務業績已根據載於附註2(e)之會計政策按比例於本集團之財務報表綜合入賬。

Dartina Group於緊接該交易前之可識別資產及負債之賬面值如下：

| | 二零零八年 千港元 |
|------------------------------|--------------|
| 固定資產 | 184,796 |
| 遞延稅項資產 | 792 |
| 租務及其他按金 | 2,499 |
| 電影版權 | 2,304 |
| 應收貿易款項 | 11,524 |
| 其他應收款項、按金及預付款項 | 5 |
| 現金及現金等值項目 | 64,546 |
| 應付貿易款項 | (21,052) |
| 其他應付款項及應計費用 | (29,453) |
| 應付稅項 | (4,944) |
| 股東貸款 | (105,573) |
| 遞延稅項負債 | (9,790) |
| 資產淨值 | 95,654 |
| 於以往年度計入聯營公司權益賬項之金額 (附註15(c)) | 95,654 |

轉撥往共同控制公司之現金及現金等值項目之流入淨額分析如下：

| | 二零零八年 千港元 |
|--------------------------|--------------|
| 已轉撥現金及現金等值項目 | 64,546 |
| 轉撥往共同控制公司之現金及現金等值項目之流入淨額 | 64,546 |

33 TRANSFER TO JOINTLY CONTROLLED ENTITIES, ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF INTEREST IN A JOINTLY CONTROLLED ENTITY (CONTINUED)

(b) Acquisition of subsidiaries

For the year ended 30 June 2007

On 6 December 2006, the Group acquired the entire equity interests in GH Pictures (China) Limited ("GHPC"), GH Media Management Pte Ltd ("GHMMPL") and GH Media Management Limited ("GHMML") from Golden Harvest Private Group and independent third parties. The purchase consideration for the acquisition was in the form of cash, with total cost of HK\$23,267,000.

The combined fair values of the identifiable assets and liabilities of the three companies as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

| | Fair value recognised on acquisition HK\$'000 | Carrying amount HK\$'000 |
|--------------------------------------|--|--------------------------------|
| Film rights | 18,683 | 17,940 |
| Amounts due from fellow subsidiaries | 7,758 | 7,758 |
| Cash and bank balances | 488 | 488 |
| Other payables and accrued charges | (2,847) | (2,847) |
| Taxation payable | (543) | (543) |
| Provision for long service payments | (272) | (272) |
| Net assets | 23,267 | 22,524 |
| Satisfied by cash | 23,267 | |

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of the subsidiaries is as follows:

| | 2007 HK\$'000 |
|---|------------------|
| Cash consideration | (23,267) |
| Cash and cash equivalents acquired | 488 |
| Net outflow of cash and cash equivalents in respect of the acquisition of the subsidiaries | (22,779) |

33 轉撥往共同控制公司、收購附屬公司及出售共同控制公司權益 (續)

(b) 收購附屬公司

截至二零零七年六月三十日

於二零零六年十二月六日，本集團從嘉禾私人集團及獨立第三方收購GH Pictures(China) Limited (「GHPC」)、GH Media Management Pte Ltd (「GHMMPL」)及GH Media Management Limited (「GHMML」)之全部股本權益。收購之購買代價為現金合共23,267,000港元。

三間公司於收購日期之可識別資產及負債之合併公平值及緊接收購前之相對賬面款項表列如下：

| | 收購時 確認之公平值 千港元 | 賬面款額 千港元 |
|-------------|----------------------|-------------|
| 電影版權 | 18,683 | 17,940 |
| 應收同系附屬公司款項 | 7,758 | 7,758 |
| 現金及銀行結存 | 488 | 488 |
| 其他應付款項及應計費用 | (2,847) | (2,847) |
| 應付稅款 | (543) | (543) |
| 長期服務金撥備 | (272) | (272) |
| 資產淨值 | 23,267 | 22,524 |
| 以現金支付 | 23,267 | |

收購附屬公司相關現金及現金等值項目之流出淨額分析如下：

| | 二零零七年 千港元 |
|------------------------|--------------|
| 現金代價 | (23,267) |
| 已收購之現金及現金等值項目 | 488 |
| 收購附屬公司相關現金及現金等值項目之流出淨額 | (22,779) |

33 TRANSFER TO JOINTLY CONTROLLED ENTITIES, ACQUISITION OF SUBSIDIARIES AND DISPOSAL OF INTEREST IN A JOINTLY CONTROLLED ENTITY (CONTINUED)

(c) Disposal of interest in a jointly controlled entity

| | 2007 HK\$'000 |
|---|------------------|
| Net assets disposed of: | |
| Property, plant and equipment | 10,926 |
| Prepaid rental | 1,046 |
| Rental and other deposits | 4,312 |
| Pledged bank deposits | 246 |
| Deferred tax assets | 181 |
| Cash and bank balances | 2,950 |
| Film rights | 4 |
| Trade receivables | 93 |
| Other receivables, deposits and prepayments | 1,274 |
| Trade payables | (1,739) |
| Other payables and accrued charges | (2,866) |
| Loans from joint venture partners | (6,332) |
| Deposits received | (444) |
| Minority interests | (67) |
| | 9,584 |
| Realisation of exchange reserve | 339 |
| Assignment of loans from joint venture partners | 6,332 |
| Loss on disposal of interest in a jointly controlled entity | (5,717) |
| | 10,538 |
| Satisfied by cash | 10,538 |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of interest in a jointly controlled entity is as follows:

| | 2007 HK\$'000 |
|---|------------------|
| Cash consideration | 10,538 |
| Cash and cash equivalents disposed of | (2,950) |
| Net inflow of cash and cash equivalents in respect of the disposal of interest in a jointly controlled entity | 7,588 |

33 轉撥往共同控制公司、收購附屬公司及出售共同控制公司權益(續)

(c) 出售共同控制公司權益

| | 二零零七年 千港元 |
|-----------------|--------------|
| 出售資產淨值： | |
| 物業、廠房及設備 | 10,926 |
| 預付租金 | 1,046 |
| 租務及其他按金 | 4,312 |
| 已抵押銀行存款 | 246 |
| 遞延稅項資產 | 181 |
| 現金及銀行結存 | 2,950 |
| 電影版權 | 4 |
| 應收貿易款項 | 93 |
| 其他應收款項、按金及預付款項 | 1,274 |
| 應付貿易款項 | (1,739) |
| 其他應付款項及應計費用 | (2,866) |
| 合營夥伴提供之貸款 | (6,332) |
| 已收按金 | (444) |
| 少數股東權益 | (67) |
| | 9,584 |
| 變現匯兌儲備 | 339 |
| 出讓合營夥伴提供之貸款 | 6,332 |
| 出售一間共同控制公司權益之虧損 | (5,717) |
| | 10,538 |
| 以現金支付 | 10,538 |

出售一間共同控制公司權益相關現金及現金等值項目之流入淨額分析如下：

| | 二零零七年 千港元 |
|------------------------------|--------------|
| 現金代價 | 10,538 |
| 已出售之現金及現金等值項目 | (2,950) |
| 出售一間共同控制公司權益相關現金及現金等值項目之流入淨額 | 7,588 |

34 POST BALANCE SHEET EVENTS

(a) Declaration of a special dividend

The Board of Directors has declared a special dividend of HK\$0.1 per share to shareholders whose names appear on the Register of Members of the Company at the close of business on 11 September 2008.

The special dividend will be paid on or before 18 September 2008.

(b) Conversion of the convertible notes

Subsequent to the balance sheet date, convertible notes with principal amounts of HK\$30,000,000 were converted into 13,636,363 ordinary shares of the Company at a price of HK\$2.2 per share.

35 ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 29 contains information about the assumptions and their risk factors relating to financial risk management. Other key sources of estimation uncertainty are as follows:

Key sources of estimation uncertainty

(i) *Estimated useful lives of fixed assets*

The Group estimates the useful lives of fixed assets based on the periods over which the assets are expected to be available for use. The Group reviews annually their estimated useful lives, based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of fixed assets would increase depreciation charges and decrease non-current assets.

(ii) *Impairment of assets*

The Group reviews internal and external sources of information at each balance sheet date to identify indications that assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The Group estimates the asset's recoverable amount when any such indication exists. The recoverable amount of an asset, or of the cash-generating unit to which it belongs, is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the assets. The preparation of projected future cash flows involves the estimation of future revenue and operating costs which are based on reasonable assumptions supported by information available to the Group. Changes in these estimates would result in additional impairment provisions or reversal of impairment in future years.

(iii) *Deferred tax assets*

The Group reviews the carrying amounts of deferred taxes at each balance sheet date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilised. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of its deferred tax assets to be utilised.

34 結算日後事項

(a) 宣派特別股息

董事會向於二零零八年九月十一日營業時間結束時名列本公司股東登記名冊上之股東宣派特別股息，每股為0.1港元。

特別股息將於二零零八年九月十八日時或之前派付。

(b) 兌換可換股票據

於結算日後，本金額為30,000,000港元之可換股票據按每股2.2港元之價格兌換為本公司13,636,363股普通股。

35 會計估計及判斷

附註29載有關於金融風險管理之假設及該等風險因素之資料。估計不明朗因素之其他主要來源如下：

估計不明朗因素之主要來源

(i) 固定資產之估計可使用年期

本集團根據固定資產預期可供使用之期間估計資產之可使用年期。本集團每年均會根據不同因素，包括資產使用情況、內部技術評估、科技發展、環境轉變及基於相關行業基準所定資產之預期用途檢討其可使用年期。倘上述因素出現任何變化而使有關估計有所改變，則可能對未來營運業績產生重大影響。扣減固定資產之估計可使用年期將會增加折舊開支及減少非流動資產。

(ii) 資產減值

本集團於各結算日審閱內部與外部之資料來源，以辨識有否跡象顯示資產可能出現減值或先前確認之減值虧損已不再存在或可能減少。本集團於有任何上述跡象出現時估計其可收回金額。資產之可收回金額或其所屬之現金產生單位乃其淨售價與可使用價值兩者之較高者。於評估可使用價值時，預計日後現金流量按扣稅前貼現率貼現至其現值，以反映目前市場對現金時間價值及資產特定風險之評估。編製預測未來現金流量涉及未來收益及經營成本之估計，而有關估計乃以本集團所得資料支持之合理假設作基準。此等估計之變動可導致未來數年出現額外減值撥備或減值轉回。

(iii) 遞延稅項資產

本集團於各結算日審閱遞延稅項面值，當並無足夠應課稅收入可運用全部或部分遞延稅項資產之情況下，會扣減遞延稅項資產。然而，本集團無法保證可產生足夠應課稅收入以運用全部或部分遞延稅項資產。

36 COMPARATIVE FIGURES

Certain comparative figures have been adjusted or reclassified to conform with the current year's presentation.

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 30 JUNE 2008

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2008 and which have not been adopted in these financial statements.

In addition, the following developments may result in new or amended disclosures in the financial statements:

| | Effective for accounting periods beginning on or after |
|--|---|
| HKFRS 8, Operating segments | 1 January 2009 |
| HKAS 1 (Revised), Presentation of financial statements | 1 January 2009 |
| HKAS 23 (Revised), Borrowing costs | 1 January 2009 |
| Amendments to HKFRS 2, Share-based payment – Vesting conditions and cancellations | 1 January 2009 |
| HKFRS 3 (Revised), Business combinations | Applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009 |
| HKAS 27 (Revised), Consolidated and separate financial statements | 1 July 2009 |

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

36 比較數字

若干比較數字已遵照本年度之呈報作出調整或重新分類。

37 截至二零零八年六月三十日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋之可能影響

截至本財務報表刊發日期，香港會計師公會已頒佈下列於截至二零零八年六月三十日止之年度尚未生效之修訂、新訂準則及詮釋，而本財務報表並未採納該等修訂、新訂準則及詮釋。

此外，下列發展可能會導致在財務報表作出新披露或修訂披露：

| | 於下列日期或之後開始之會計期間生效 |
|----------------------------------|--|
| 香港財務報告準則第8號，營業分部 | 二零零九年一月一日 |
| 香港會計準則1(經修訂)，呈列財務報表 | 二零零九年一月一日 |
| 香港會計準則23(經修訂)，借貸成本 | 二零零九年一月一日 |
| 香港財務報告準則第2號修訂本，以股份為基礎之付款－歸屬條件及註銷 | 二零零九年一月一日 |
| 香港財務報告準則第3號(經修訂)，業務合併 | 將應用於有關收購日期 於二零零九年七月一日或其後開始之 首個年度報告期間或其後開始之業務合併 |
| 香港會計準則27(經修訂)，綜合及獨立財務報表 | 二零零九年七月一日 |

本集團正在評估此等修訂、新訂準則及新訂詮釋對初始應用期間之預計影響。目前之結論是，採納此等修訂、新訂準則及新訂詮釋應不會嚴重影響本集團之經營業績及財政狀況。

38 SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

(a) Subsidiaries

The following list contains only the particulars of principal subsidiaries which affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

All of these are controlled subsidiaries as defined under note 2(c) and have been consolidated into the Group financial statements.

Details of the principal subsidiaries are as follows:

| Name of company | Place of incorporation/ operation | Issued equity capital | Group's effective interest | Principal activities |
|---|--------------------------------------|--|----------------------------|---------------------------------|
| Cine Art Laboratory Limited | Hong Kong | 25 shares of HK\$100 each and 9,975 non-voting deferred shares# of HK\$100 each | 100% | Film developing and processing |
| City Entertainment Corporation Limited | Hong Kong | 150,000,000 shares of HK\$1 each | 100% | Theatre operation |
| Gala Film Distribution Limited | Hong Kong | 49,990,000 shares of HK\$1 each and 10,000 non-voting deferred shares# of HK\$1 each | 100% | Distribution of motion pictures |
| Global Entertainment and Management Systems Sdn. Bhd. | Malaysia | 300,000 shares of RM1 each | 100% | Investment holding |
| GH Global Distribution Limited | British Virgin Islands | 1 share of US\$1 each | 100% | Distribution of motion pictures |
| GH Pictures (China) Limited | Cayman Islands | 354,545 shares of US\$1 each | 100% | Holding of film rights |
| Golden Harvest Cinemas Holding Limited | British Virgin Islands | 1 share of US\$1 each | 100% | Investment holding |
| Golden Harvest China Entertainment Properties Company Limited | Hong Kong | 16,831,002 shares of HK\$1 each | 100% | Theatre operation |
| Golden Harvest Entertainment Company Limited | Hong Kong | 100 shares of HK\$1 each and 114,000,000 non-voting deferred shares# of HK\$1 each | 100% | Investment holding |
| Golden Harvest Entertainment International Limited | British Virgin Islands | 1,000 shares of US\$1 each | 100% | Investment holding |

38 附屬公司及共同控制公司

(a) 附屬公司

下表僅載列影響本集團業績、資產或負債之主要附屬公司詳情。除另有所指外，所持股份類別為普通股。

所有該等附屬公司均為附註2(c)所界定之受控制附屬公司，並已於本集團之財務報表綜合入賬。

主要附屬公司之詳情如下：

| 公司名稱 | 註冊成立/ 經營地點 | 已發行權益股本 | 本集團實際權益 | 主要業務 |
|--|---------------|--|---------|--------|
| 天工彩色沖印有限公司 | 香港 | 25股每股面值100港元之股份及 9,975股每股面值100港元之 無投票權遞延股份# | 100% | 電影菲林沖印 |
| City Entertainment Corporation Limited | 香港 | 150,000,000股每股 面值1港元之股份 | 100% | 經營影院 |
| 嘉樂影片發行有限公司 | 香港 | 49,990,000股每股面值1港元之 股份及10,000股每股面值1港元之 無投票權遞延股份# | 100% | 電影發行 |
| Global Entertainment and Management Systems Sdn. Bhd. | 馬來西亞 | 300,000股每股面值1馬幣之股份 | 100% | 投資控股 |
| GH Global Distribution Limited | 英屬處女群島 | 1股每股面值1美元之股份 | 100% | 電影發行 |
| GH Pictures (China) Limited | 開曼群島 | 354,545股每股面值1美元之股份 | 100% | 持有電影版權 |
| Golden Harvest Cinemas Holding Limited | 英屬處女群島 | 1股每股面值1美元之股份 | 100% | 投資控股 |
| 嘉禾娛樂中國影城有限公司 | 香港 | 16,831,002股每股面值1港元之股份 | 100% | 經營影院 |
| 嘉禾娛樂事業有限公司 | 香港 | 100股每股面值1港元之股份及 114,000,000股每股面值1港元 之無投票權遞延股份# | 100% | 投資控股 |
| Golden Harvest Entertainment International Limited | 英屬處女群島 | 1,000股每股面值1美元之股份 | 100% | 投資控股 |

38 SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES (CONTINUED)

(a) Subsidiaries (continued)

| Name of company | Place of incorporation/ operation | Issued equity capital | Group's effective interest | Principal activities |
|--|--------------------------------------|----------------------------------|----------------------------|--|
| Golden Harvest Films Distribution Holding Limited | British Virgin Islands | 1 share of US\$1 each | 100% | Investment holding |
| Golden Harvest (Marks) Limited | British Virgin Islands | 1 share of US\$1 each | 100% | Holding of trademarks |
| Golden Harvest (Shenzhen) Cinemas Company Limited [^] | PRC | Registered capital RMB10,000,000 | 100% | Theatre operation |
| Golden Harvest Treasury Limited | British Virgin Islands | 1 share of US\$1 | 100% | Provision of finance to group companies |
| Golden Screen Limited | Hong Kong | 8,750,000 shares of HK\$1 each | 100% | Investment holding |
| Golden Sky Pacific Limited | Hong Kong | 2 shares of HK\$1 each | 100% | Investment holding |
| M Cinemas Company Limited | Hong Kong | 3,161,000 shares of HK\$10 each | 100% | Theatre operation |
| Panasia Films Limited | Hong Kong | 2,600 shares of HK\$1,000 each | 100% | Distribution of motion pictures and its related audio visual products and acts as an advertising agent |
| Shanghai Golden Harvest Media Management Company Limited ^{^^} | PRC | Registered capital US\$500,000 | 90% | Distribution of motion pictures |
| Splendid Ventures Limited | Hong Kong | 2 shares of HK\$1 each | 100% | Theatre operation |

38 附屬公司及共同控制公司 (續)

(a) 附屬公司 (續)

| 公司名稱 | 註冊成立/ 經營地點 | 已發行權益股本 | 本集團實際權益 | 主要業務 |
|--|---------------|--------------------------|---------|------------------------------|
| Golden Harvest Films Distribution Holding Limited | 英屬處女群島 | 1股每股面值1美元之股份 | 100% | 投資控股 |
| 嘉禾(商標)有限公司 | 英屬處女群島 | 1股每股面值1美元之股份 | 100% | 持有商標 |
| 深圳嘉禾影城有限公司^ | 中國 | 註冊股本人民幣10,000,000元 | 100% | 經營影院 |
| Golden Harvest Treasury Limited | 英屬處女群島 | 1股每股面值1美元之股份 | 100% | 為本集團公司提供資金 |
| Golden Screen Limited | 香港 | 8,750,000股每股面值1港元之股份 | 100% | 投資控股 |
| 天輝太平洋有限公司 | 香港 | 2股每股面值1港元之股份 | 100% | 投資控股 |
| 名影城有限公司 | 香港 | 3,161,000股每股面值10港元之股份 | 100% | 經營影院 |
| 泛亞影業有限公司 | 香港 | 2,600股每股面值1,000港元 之股份 | 100% | 電影及相關之影音 產品發行以及 擔任廣告代理 |
| 上海嘉禾影視娛樂管理 諮詢有限公司^^ | 中國 | 註冊股本500,000美元 | 90% | 電影發行 |
| Splendid Ventures Limited | 香港 | 2股每股面值1港元之股份 | 100% | 經營影院 |

38 SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES (CONTINUED)

(a) Subsidiaries (continued)

Except Golden Harvest Entertainment International Limited, all of the above subsidiaries are indirectly held by the Company.

For Golden Harvest Entertainment Company Limited, the deferred shares carry no rights to dividends and carry the right to receive on half of the surplus on a return of capital exceeding HK\$1,000,000,000,000,000. Apart from the above, all other deferred share carry rights to dividends for any given financial year of the respective companies when the net profit available for distribution exceeds HK\$1,000,000,000. They also carry rights to receive one half of the surplus on a return of capital of the respective companies exceeding HK\$500,000,000,000. None of the deferred shares carry any rights to vote at general meetings.

^ Golden Harvest (Shenzhen) Cinemas Company Limited is a wholly-foreign owned enterprise under the PRC Law.

^^ Shanghai Golden Harvest Media Management Company Limited is a Sino-foreign equity joint venture enterprise under the PRC Law.

(b) Jointly controlled entities

The following list contains the particulars of jointly controlled entities, all of which are unlisted corporate entities, which affected the results or assets of the Group:

| Name of jointly controlled entity | Form of business structure | Place of incorporation/ operation | Particulars of issued and paid up capital | Group's effective interest | Principal activity |
|---|----------------------------|-----------------------------------|---|----------------------------|---------------------------------|
| Dartina Development Limited | Incorporated | Hong Kong | 31,200,082 shares of HK\$1 each | 50% | Investment holding |
| Golden Village Entertainment (Singapore) Pte Ltd. | Incorporated | Singapore | 11,509,332 shares of S\$1 each | 50% | Investment holding |
| Golden Village Pictures Pte Ltd. | Incorporated | Singapore | 2 shares of S\$1 each | 50% | Distribution of motion pictures |
| Golden Village Holding Pte Ltd. | Incorporated | Singapore | 15,504,688 shares of S\$1 each | 50% | Investment holding |
| Golden Village Multiplex Pte Ltd. | Incorporated | Singapore | 8,000,000 shares of S\$1 each | 50% | Theatre operation |
| TGV Cinemas Sdn. Bhd. | Incorporated | Malaysia | 5,000,000 shares of RM\$1 each | 50% | Theatre operation |
| Vie Show Cinemas Co., Ltd. | Incorporated | Taiwan | 121,200,000 shares of NTD10 each | 35.71% | Theatre operation |

38 附屬公司及共同控制公司 (續)

(a) 附屬公司 (續)

除Golden Harvest Entertainment International Limited外，上述附屬公司全部由本公司間接持有。

嘉禾娛樂事業有限公司之遞延股份無權享有股息，惟在退回超逾1,000,000,000,000港元之資本後有權收取一半盈餘。除上述外，全部其他遞延股份均附有權利，於有關公司之可供分派純利超逾1,000,000,000港元時有權收取任何有關財政年度之股息，並於退回超逾500,000,000,000港元之資本後有權收取一半盈餘。遞延股份概不附帶在股東大會上投票之權利。

^ 深圳嘉禾影城有限公司為中國法例下之外商獨資企業。

^^ 上海嘉禾影視娛樂管理諮詢有限公司為中國法例項下中外合資企業。

(b) 共同控制公司

下表載列影響本集團業績或資產之共同控制公司詳情，而所有該等共同控制公司均為非上市公司：

| 共同控制 公司之名稱 | 業務結構形式 | 註冊成立/ 營業地點 | 已發行及已繳足 股本之詳情 | 本集團 實際權益 | 主要業務 |
|--|--------|---------------|-------------------------------|-------------|------|
| 嘉年華影業有限公司 | 註冊成立 | 香港 | 31,200,082股每股 面值1港元之股份 | 50% | 投資控股 |
| Golden Village Entertainment (Singapore) Pte Ltd. | 註冊成立 | 新加坡 | 11,509,332股每股 面值1新加坡元之股份 | 50% | 投資控股 |
| Golden Village Pictures Pte Ltd. | 註冊成立 | 新加坡 | 2股每股面值1新加坡元之股份 | 50% | 電影發行 |
| Golden Village Holdings Pte Ltd. | 註冊成立 | 新加坡 | 15,504,688股每股 面值1新加坡元之股份 | 50% | 投資控股 |
| Golden Village Multiplex Pte Ltd. | 註冊成立 | 新加坡 | 8,000,000股每股 面值1新加坡元之股份 | 50% | 經營影院 |
| TGV Cinemas Sdn. Bhd. | 註冊成立 | 馬來西亞 | 5,000,000股每股 面值1馬幣之股份 | 50% | 經營影院 |
| 威秀影城股份有限公司 | 註冊成立 | 台灣 | 121,200,000股每股面值 新台幣10元之股份 | 35.71% | 經營影院 |





**GOLDEN HARVEST
ENTERTAINMENT (HOLDINGS) LIMITED**
嘉禾娛樂事業(集團)有限公司

16th Floor, The Peninsula Office Tower, 18 Middle Road,
Tsimshatsui, Kowloon, Hong Kong

香港九龍尖沙咀中間道十八號半島寫字樓大廈十六樓

<http://www.goldenharvest.com>