eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

ANNOUNCEMENT OF FINAL RESULTS FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 JULY 2011

RESULTS

The board of directors (the "Board") of eSun Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the period from 1 January 2011 to 31 July 2011 together with the comparative figures for the year ended 31 December 2010 as follows:

CONSOLIDATED INCOME STATEMENT

Period from 1 January 2011 to 31 July 2011

	Notes	**Period from 1 January 2011 to 31 July 2011** *HK$'000*	Year ended 31 December 2010 *HK$'000*
TURNOVER	*4*	**316,285**	459,020
Cost of sales		**(207,878)**	(348,684)
Gross profit		**108,407**	110,336
Other revenue	*5*	**11,879**	18,077
Marketing expenses		**(63,492)**	(64,124)
Administrative expenses		**(147,126)**	(234,780)
Other operating gains		**2,634**	30,010
Other operating expenses		**(81,708)**	(103,232)
Fair value gain on a forward contract	*15*	**6,585**	—
Fair value loss on a put option	*6*	**—**	(25,356)
Gain on bargain purchase of subsidiaries		**8,339**	—
LOSS FROM OPERATING ACTIVITIES		**(154,482)**	(269,069)
Finance costs	*7*	**(6,052)**	(7,226)
Gain on disposal of investments in jointly-controlled entities	*8*	**652,408**	—
Gain on shares swap transactions	*9*	**—**	610,007
Share of profits and losses of jointly-controlled entities		**(9,487)**	(31,353)
Share of profits and losses of associates	*13*	**35,940**	541,685
PROFIT BEFORE TAX	*10*	**518,327**	844,044
Income tax expense	*11*	**(112)**	(1,267)
PROFIT FOR THE PERIOD/YEAR		**518,215**	842,777

	Note	**Period from 1 January 2011 to 31 July 2011** *HK$'000*	Year ended 31 December 2010 *HK$'000*
Attributable to:			
Owners of the Company		**524,538**	853,278
Non-controlling interests		**(6,323)**	(10,501)
		518,215	842,777

EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *12*

	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
Basic	**HK$0.42**	HK$0.69
Diluted	**HK$0.42**	HK$0.69

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period from 1 January 2011 to 31 July 2011

	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD/YEAR	**518,215**	842,777
OTHER COMPREHENSIVE INCOME/(LOSS)		
Exchange realignment on translation of foreign operations	**1,358**	2,861
Fair value gain of an available-for-sale investment	—	150
Release of investment revaluation reserve upon realisation of an available-for-sale investment	—	(25,505)
Share of other comprehensive income of jointly-controlled entities	**130**	251
Share of other comprehensive income of associates	**101,563**	143,947
Release of reserves upon disposal of an associate	—	(282,717)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR, NET OF TAX	**103,051**	(161,013)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	**621,266**	681,764
Attributable to:		
Owners of the Company	**627,589**	692,265
Non-controlling interests	**(6,323)**	(10,501)
	621,266	681,764

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 July 2011

	Notes	31 July 2011 HK$'000	31 December 2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**77,639**	80,032
Film rights		**54,614**	60,624
Film products		**77,277**	86,765
Music catalogs		**48,287**	92,530
Investments in jointly-controlled entities		**74,303**	1,037,169
Investments in associates	*13*	**4,467,382**	4,345,306
Available-for-sale investment		**78,969**	77,946
Deposits, prepayments and other receivables		**88,764**	99,747
Deferred tax assets		**—**	329
Total non-current assets		**4,967,235**	5,880,448
CURRENT ASSETS			
Due from a jointly-controlled entity		**—**	513
Loan receivable		**11,000**	11,000
Inventories		**7,854**	5,317
Equity investments at fair value through profit or loss		**1,474**	2,083
Held-to-maturity debt investments		**—**	51,561
Films under production		**104,090**	91,657
Debtors	*14*	**97,680**	122,736
Deposits, prepayments and other receivables		**123,647**	110,163
Forward contract	*15*	**8,336**	—
Pledged deposit		**12,960**	12,960
Cash and cash equivalents		**2,311,490**	1,089,144
Total current assets		**2,678,531**	1,497,134
CURRENT LIABILITIES			
Creditors and accruals	*16*	**334,561**	540,999
Tax payable		**2,789**	3,555
Finance lease payables		**125**	130
Interest-bearing bank borrowings		**12,229**	11,820
Put option	*6*	**—**	143,684
Total current liabilities		**349,704**	700,188
NET CURRENT ASSETS		**2,328,827**	796,946
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,296,062**	6,677,394
NON-CURRENT LIABILITIES			
Finance lease payables		**(247)**	(314)
Interest-bearing other borrowings		**(164,601)**	(161,321)
Convertible notes	*17*	**(155,422)**	—
Deferred tax liabilities		**(61)**	—
Total non-current liabilities		**(320,331)**	(161,635)
Net assets		**6,975,731**	6,515,759

	Note	**31 July 2011** *HK$'000*	31 December 2010 *HK$'000*
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*18*	**621,606**	620,366
Reserves		**6,215,880**	5,578,393
		6,837,486	6,198,759
Non-controlling interests		**138,245**	317,000
Total equity		**6,975,731**	6,515,759

1. CHANGE OF FINANCIAL YEAR END DATE

During the period, the board of directors of the Company resolved to change the financial year end date of the Company from 31 December to 31 July effective from 31 July 2011 in order to align the financial year end date of the Company with its other listed affiliates. The consolidated financial statements presented for the current period therefore covered a seven-month period from 1 January 2011 to 31 July 2011. The corresponding comparative amounts presented for the consolidated income statement, consolidated statement of comprehensive income and related notes, which were prepared for the year from 1 January 2010 to 31 December 2010, may not be comparable with amounts shown for the current period.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments at fair value through profit or loss, a forward contract and a put option, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs, which are applicable to the Group, for the first time for the current period's financial statements.

HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
HKAS 24 (Revised)	*Related Party Disclosures*

HK(IFRIC)-Int 19 clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of HKAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.

Any difference between the carrying amount of the financial liability that is extinguished and the fair value of the equity instruments issued is recognised immediately in profit or loss.

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. The new definitions emphasis a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationship of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard.

The adoption of these new and revised standards has had no significant financial impact on these financial statements.

3.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* [1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets* [1]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements* [4]
HKFRS 11	*Joint Arrangements* [4]
HKFRS 12	*Disclosure of Interests in Other Entities* [4]
HKFRS 13	*Fair Value Measurement* [4]
HKAS 1 (Revised)	Amendments to HKAS 1 (Revised) *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income* [3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets* [2]
HKAS 19 (2011)	*Employee Benefits* [4]
HKAS 27 (2011)	*Separate Financial Statements* [4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013

The amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property". Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The adoption of the amendments to HKAS 12 may have a material impact on deferred tax recognised for investment properties that are measured using the fair value model. The Group is in the process of assessing the impact from application of these amendments.

For other new and revised HKFRSs which are issued but not yet effective, the Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. The Group is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

Segment revenue / results:

	Media and entertainment		Film production and distribution		Corporate and others		Consolidated	
	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**142,518**	261,332	**142,965**	151,232	**30,802**	46,456	**316,285**	459,020
Other revenue	**3,012**	3,936	**2,898**	5,034	**1,379**	620	**7,289**	9,590
Total	**145,530**	265,268	**145,863**	156,266	**32,181**	47,076	**323,574**	468,610
Segment results	**(60,201)**	(46,273)	**(3,454)**	(46,909)	**(101,393)**	(158,765)	**(165,048)**	(251,947)
Unallocated interest and other gains							**4,590**	8,487
Fair value losses on realised equity investments at fair value through profit or loss	—	—	—	—	—	(56)	—	(56)
Fair value losses on unrealised equity investments at fair value through profit or loss	—	—	—	—	**(609)**	(197)	**(609)**	(197)
Fair value gain on a forward contract							**6,585**	—
Fair value loss on a put option	—	—	—	—	—	(25,356)	—	(25,356)
Loss from operating activities							**(154,482)**	(269,069)
Finance costs							**(6,052)**	(7,226)
Gain on disposal of investments in jointly-controlled entities	—	—	—	—	**652,408**	—	**652,408**	—
Gain on shares swap transactions							—	610,007
Share of profits and losses of jointly-controlled entities	**1,662**	(541)	**(2,821)**	(4,169)	**(8,328)**	(26,643)	**(9,487)**	(31,353)
Share of profits and losses of associates	**(339)**	(656)	—	—	**36,279**	542,341	**35,940**	541,685
Profit before tax							**518,327**	844,044
Income tax expense							**(112)**	(1,267)
Profit for the period/year							**518,215**	842,777

Segment assets / liabilities:

	Media and entertainment		Film production and distribution		Corporate and others		Consolidated	
	31 July 2011	31 December 2010	**31 July 2011**	31 December 2010	**31 July 2011**	31 December 2010	**31 July 2011**	31 December 2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**759,372**	294,040	**517,033**	504,442	**1,738,897**	1,064,193	**3,015,302**	1,862,675
Investments in jointly-controlled entities	**9,565**	7,285	**64,738**	74,752	—	955,645	**74,303**	1,037,682
Investments in associates	**690**	115	—	**—**	**4,466,692**	4,345,191	**4,467,382**	4,345,306
Unallocated assets							**88,779**	131,919
Total assets							**7,645,766**	7,377,582
Segment liabilities	**69,106**	97,166	**88,769**	86,420	**176,686**	501,097	**334,561**	684,683
Unallocated liabilities							**335,474**	177,140
Total liabilities							**670,035**	861,823

Other segment information:

	Media and entertainment		Film production and distribution		Corporate and others		Consolidated	
	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Depreciation	**2,135**	3,176	**104**	228	**3,010**	5,274	**5,249**	8,678
Amortisation of film rights	**—**	—	**7,986**	12,604	**—**	—	**7,986**	12,604
Amortisation of film products	**—**	—	**67,056**	93,463	**—**	—	**67,056**	93,463
Amortisation of music catalogs	**3,053**	4,825	**—**	—	**—**	—	**3,053**	4,825
Write-off of bad debts	**17**	—	**—**	129	**—**	—	**17**	129
Recovery of bad debts	**—**	—	**—**	—	**270**	168	**270**	168
Provision for doubtful debts	**—**	70	**—**	46	**—**	—	**—**	116
Provision for other receivables	**844**	—	**—**	—	**—**	—	**844**	—
Provision for advances to artistes	**1,936**	—	**—**	—	—	—	**1,936**	—
Reversal of provision for other receivables	**—**	—	**2**	500	**2**	—	**4**	500
Reversal of provision for advances to artistes	**—**	2,345	**—**	—	**—**	—	**—**	2,345
Reversal of provision for inventories	**—**	—	**—**	—	**82**	1,374	**82**	1,374
Impairment of film rights	**—**	—	**—**	3,033	**—**	—	**—**	3,033
Impairment of film products	**—**	—	**—**	10,065	**—**	—	**—**	10,065
Impairment of music catalogs	**41,990**	33,094	**—**	—	**—**	—	**41,990**	33,094
Impairment of films under production	**—**	—	**500**	1,059	**—**	—	**500**	1,059
Additions of property, plant and equipment	**1,679**	1,027	**75**	50	**150**	3,022	**1,904**	4,099
Additions of film rights	**—**	—	**1,976**	3,693	**—**	—	**1,976**	3,693
Additions of film products	**—**	—	**262**	1,720	**—**	—	**262**	1,720
Additions of films under production	**—**	—	**70,239**	81,928	**—**	—	**70,239**	81,928
Additions of music catalogs	**800**	15,200	**—**	—	**—**	—	**800**	15,200

Geographical information:

	Hong Kong		Mainland China (including Macau)		Others		Consolidated	
	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010	**Period from 1 January 2011 to 31 July 2011**	Year ended 31 December 2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue:								
Sales to external customers	**139,931**	274,218	**147,860**	137,359	**28,494**	47,443	**316,285**	459,020
Assets:								
Segment assets:								
- non-current assets	**323,162**	385,459	**4,565,104**	5,416,714	**—**	—	**4,888,266**	5,802,173
- current assets	**2,554,734**	1,329,076	**102,042**	98,771	**11,945**	15,643	**2,668,721**	1,443,490
Unallocated assets							**88,779**	131,919
Total assets							**7,645,766**	7,377,582
Other information:								
Additions of property, plant and equipment	**673**	3,460	**1,231**	639	**—**	—	**1,904**	4,099
Additions of film rights	**1,976**	3,693	**—**	—	**—**	—	**1,976**	3,693
Additions of film products	**262**	1,720	**—**	—	**—**	—	**262**	1,720
Additions of films under production	**70,239**	81,928	**—**	—	**—**	—	**70,239**	81,928
Additions of music catalogs	**800**	15,200	**—**	—	**—**	—	**800**	15,200

Information about a major customer:

For the period from 1 January 2011 to 31 July 2011, revenue of approximately HK$42,827,000 was derived from a single customer of film production and distribution segment which contributed to 10% or more of the Group's revenue for the period (year ended 31 December 2010: Nil).

5. OTHER REVENUE

	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
	HK$'000	*HK$'000*
Bank interest income	**1,506**	1,658
Interest income on held-to-maturity debt investments	**389**	1,502
Interest income from an amount due from a jointly-controlled entity	**1,673**	2,055
Consultancy service income from a jointly-controlled entity	**2,305**	3,834
Distribution income from an unlisted available-for-sale investment	**1,023**	3,100
Dividend income from listed investments	**—**	4
Others	**4,983**	5,924
	11,879	18,077

6. FAIR VALUE LOSS ON A PUT OPTION

In connection with the disposal of one-third of the equity interest in East Asia Satellite Television (Holdings) Limited ("EAST (Holdings)") by the Group to CapitaLand Integrated Resorts Pte. Ltd. ("CIR"), an independent third party, for a cash consideration of HK$658,757,000 on 12 March 2007 (the "CapitaLand Transaction"), the Group granted CIR a right (but not the obligation) at nil consideration, to sell or put back (the "Put Option") to the Group all (and not some) of the shares of EAST (Holdings) then held by CIR at that time, in exchange for the return of:

(i) the purchase consideration paid for such shares; and
(ii) any associated joint venture capital contributions made up to that time, net of any benefits had or received by CIR in respect of such shareholding.

The principal asset of EAST (Holdings) was its investment in Cyber One Agents Limited ("Cyber One"), which through its direct and indirect interests in East Asia-Televisão Por Satélite, Limitada ("EAST (Macau)"), held a piece of land in Macau proposed to be developed into MSC (defined in note 8).

Prior to the completion of the Cyber One Transactions as set out in note 8, the Put Option were only exercisable under certain discrete circumstances; including the failure to obtain certain documents such as the occupation permit of the MSC, solely due to the failure in obtaining a land grant modification within 54 months after completion of the CapitaLand Transaction, i.e. by 11 September 2011. Further details of the Put Option are set out in the Company's circular dated 1 February 2007. The land grant modification was being sought for an increase in the developable gross floor area from the original gazetted area.

Pursuant to the waiver and termination agreement entered into between the Group and CIR, the Put Option has been cancelled upon completion of the Cyber One Acquisition as detailed in note 8. The Put Option has been derecognised during the period from 1 January 2011 to 31 July 2011.

As at 31 December 2010, the directors considered that the fair value of the Put Option depended on the possibility and timing of certain events (including whether and when EAST (Macau) would obtain the (gazetted) land grant modification for the MSC as well as the probability of exercising the Put Option).

During the year ended 31 December 2010, after taking into consideration the litigation between the Group and New Cotai, LLC ("New Cotai"), including the proceedings initiated by the Group in October 2009 and the proceedings initiated by New Cotai and related parties in October 2010, and the prevailing progress and uncertainties as regards obtaining the abovementioned land grant modification (details as set out in note 19), the directors reassessed the fair value of the Put Option at HK$143,684,000. Fair value loss on the Put Option of HK$25,356,000 was recognised in the consolidated income statement for the year ended 31 December 2010.

The fair value of the Put Option as at 31 December 2010 had been determined (i) by using a Black-Scholes model with key inputs including estimated valuation of the underlying property of Cyber One, expected volatility and risk-free rate; and (ii) with reference to the estimation by the Company's directors of the probability of the Put Option being exercised.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
	HK$'000	*HK$'000*
Interest on other borrowings wholly repayable within five years	**3,280**	5,648
Interest on secured bank borrowings wholly repayable within five years	**367**	528
Interest on convertible notes	**2,404**	—
Interest on promissory notes	—	1,047
Interest on finance leases	**1**	3
	6,052	7,226

8. GAIN ON DISPOSAL OF INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES

On 15 June 2011, EAST (Holdings) (a then indirect non wholly-owned subsidiary of the Company), the Company and Melco Crown Entertainment Limited ("MCE") entered into a sale and purchase agreement, pursuant to which, among other things, EAST (Holdings) conditionally agreed to sell, and MCE conditionally agreed to purchase 60% equity interest in Cyber One and the shareholder loan of US$60 million (equivalent to approximately HK$467.7 million) advanced to Cyber One (the "Cyber One Transfer Securities") at a consideration of approximately US$306.9 million (equivalent to approximately HK$2,391.9 million) (the "Cyber One Disposal"), which includes the consideration for the Cyber One Transfer Securities payable by MCE to EAST (Holdings) in the amount of US$260.0 million (equivalent to HK$2,025.9 million) and the release of the obligation of the Group to pay to the Macau government the outstanding land premium in the amount of approximately MOP377 million (equivalent to approximately HK$366 million) in relation to the land grant modification premium of the MSC (defined below) project.

On 15 June 2011, Boom Faith Limited ("Boom Faith") (an indirect wholly-owned subsidiary of the Company), CapitaLand Commercial Limited ("CapitaLand Commercial"), CIR, EAST (Holdings) and the Company entered into a waiver and termination agreement, pursuant to which, among other things, CIR conditionally agreed to sell, and Boom Faith conditionally agreed to purchase 33.33% equity interest of EAST (Holdings) held by CIR (the "East Asia Shares") at a consideration of HK$658,756,800 (the "Cyber One Acquisition"). These parties conditionally agreed to terminate the share purchase agreement entered into between Boom Faith, CapitaLand Commercial, CIR and the Company on 9 January 2007 in relation to the sale and purchase of the 33.33% equity interest in EAST (Holdings) (the "East Asia SPA") and the joint venture agreement entered into between Boom Faith, CapitaLand Commercial, CIR, EAST (Holdings) and the Company on 12 March 2007 in relation to the management and ownership and the governance of the business and affairs of EAST (Holdings) (the "East Asia JVA"). The Put Option (defined in note 6) would consequentially be terminated together with all the other rights and obligations of the parties to the East Asia SPA under the East Asia SPA.

Pursuant to the waiver and termination agreement, the Cyber One Acquisition is conditional upon the Cyber One Disposal. The Cyber One Disposal and the Cyber One Acquisition (collectively, the "Cyber One Transactions") are considered by the Company as an inter-connected series of transactions.

It was further agreed that on the completion date, Boom Faith would reimburse CIR an amount of US$548,600 (equivalent to approximately HK$4.3 million), representing the legal and administrative costs, charges and expenses reasonably incurred by CIR and CapitaLand Commercial in respect of the legal proceedings in relation to Cyber One, in accordance with a pre-existing letter agreement.

Upon the completion of the Cyber One Acquisition, EAST (Holdings) would use the proceeds received from the Cyber One Disposal to repay the shareholder loans advanced by Boom Faith and CIR in the amount of approximately US$80 million (equivalent to approximately HK$624.2 million) and approximately US$40 million (equivalent to approximately HK$312.1 million), respectively, in accordance with the East Asia SPA.

Prior to the completion of the Cyber One Transactions, the Group held a 60% equity interest in Cyber One and its subsidiaries (the "Cyber One Group"), through EAST (Holdings), a 66.67%-owned subsidiary. CIR held the remaining 33.33% interest in EAST (Holdings). New Cotai, LLC ("New Cotai") is the US joint venture partner holding a 40% equity interest in the Cyber One Group.

Cyber One, through its interest in EAST (Macau), holds a piece of land in Macau which the Group wished to see be developed into a retail complex, hotels, a television studio, a concert hall and a convention and exhibition centre (the "Macao Studio City" or "MSC").

The Cyber One Disposal constituted a major transaction for the Company and the Cyber One Acquisition constituted discloseable and connected transactions for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Further details of the Cyber One Disposal and Cyber One Transactions are set out in the Company's announcement dated 16 June 2011 and the Company's circular dated 7 July 2011. Resolutions for approving the Cyber One Transactions were duly passed at a special general meeting of the Company on 23 July 2011.

The Cyber One Transactions were completed on 27 July 2011 pursuant to a supplemental agreement entered into amongst the contractual parties on 27 July 2011 (the "Cyber One Transactions Completion Date").

The Group has recognised a net gain of approximately HK$652,408,000 arising from the disposal consideration of approximately HK$2,026 million less the Group's carrying value in Cyber One as at the date of disposal of approximately HK$947 million, the acquisition consideration for the East Asia Shares amounted to approximately HK$659 million; and the other costs and expenses amounting to approximately HK$130 million associated with the Cyber One Transactions; plus derecognition of accrued land premium of approximately HK$219 million and the reversal of the Put Option of approximately HK$144 million as at the date of the disposal.

Upon completion of the Cyber One Transactions, the Group ceased to hold any equity interest in Cyber One, and accordingly, the Cyber One Group ceased to be jointly-controlled entities of the Group.

9. GAIN ON SHARES SWAP TRANSACTIONS

On 26 July 2010, the Company entered into a conditional shares swap agreement (the "Shares Swap Agreement") with Lai Sun Garment (International) Limited ("LSG"), a company in which a director of the Company (together with his associates) owns a controlling interest, pursuant to which:

(a) LSG has agreed to transfer or procure the transfer of, and the Company has agreed to accept the transfer of, LSG's direct and indirect interests in 3,265,688,037 shares in the capital of Lai Fung Holdings Limited ("Lai Fung") (the "Lai Fung Transaction"), representing approximately 40.58% of the existing issued share capital of Lai Fung and LSG's entire shareholding interest in Lai Fung. The consideration was to be satisfied by (i) the transfer to LSG of the Group's entire shareholding interest in Lai Sun Development Company Limited ("LSD"); and (ii) cash consideration of approximately HK$178.4 million (HK$100 million paid on the date of completion of the Shares Swap Transactions (see definition below), and approximately HK$78.4 million to be paid, without interest, six months after the date of completion); and

(b) the Company has agreed to procure the transfer of, and LSG has agreed to accept the transfer of, the Company's indirect interest in 5,200,000,000 shares in the capital of LSD (the "LSD Transaction", together with the Lai Fung Transaction collectively referred to as "Shares Swap Transactions"), representing approximately 36.72% of the existing issued share capital of LSD and the Group's entire shareholding interest in LSD. The consideration was to be satisfied by the transfer of LSG's entire shareholding interest in Lai Fung less the cash consideration of approximately HK$178.4 million.

The Lai Fung Transaction constituted a very substantial acquisition and connected transaction for the Company and the LSD Transaction constituted a very substantial disposal and connected transaction for the Company under the Listing Rules. Further details of the Shares Swap Transactions are set out in the joint announcement of the Company and LSG dated 26 July 2010 and the Company's circular dated 30 August 2010. Resolutions for approving the Shares Swap Agreement were duly passed at a special general meeting of the Company and an extraordinary general meeting of LSG on 20 September 2010. All the conditions precedent under the Shares Swap Agreement were fulfilled and completion of the Shares Swap Transactions took place on 30 September 2010 (the "Shares Swap Completion Date").

During the year ended 31 December 2010, the Group had recognised gain on the Shares Swap Transactions in its consolidated income statement as below:

	Notes	*HK$'000*
Gain on disposal of 36.72% equity interest in LSD	(a)	604,850
Gain on bargain purchase of 40.58% equity interest in Lai Fung	(b)	5,157
Gain on the Shares Swap Transactions		610,007

Notes:

(a) Taking into account the consideration received by the Group for the disposal of a 36.72% equity interest in LSD of approximately HK$3,930,519,000 (being the fair value of the Group's 36.72% interests in the identifiable net assets of LSD and its subsidiaries (the "LSD Group") as at 30 September 2010) and the Group's share of net assets of the LSD Group up to date of disposal of approximately HK$3,608,386,000, a gain on disposal of approximately HK$604,850,000 (including release of reserves of LSD shared by the Group up to the Shares Swap Completion Date of approximately HK$282,717,000) was recognised in the consolidated income statement for the year ended 31 December 2010.

(b) Taking into account the consideration given up by the Group for the purchase of a 40.58% equity interest in Lai Fung of approximately HK$4,108,872,000 (being the fair value of the Group's 36.72% interests in the identifiable net assets of the LSD Group as at 30 September 2010 plus cash consideration of approximately HK$178,353,000) and the fair value of the Group's 40.58% interests in the identifiable net assets of Lai Fung and its subsidiaries (the "Lai Fung Group") as at 30 September 2010 of approximately HK$4,114,029,000, a gain on bargain purchase of approximately HK$5,157,000 was recognised in the consolidated income statement for the year ended 31 December 2010.

10. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
	HK$'000	*HK$'000*
Cost of film rights, licence rights and film products	**77,179**	116,431
Cost of artiste management services, advertising agency services, and services for entertainment events provided	**114,215**	210,127
Cost of inventories sold	**16,484**	22,126
Total cost of sales	**207,878**	348,684
Impairment of film rights **	—	3,033
Impairment of film products #	—	10,065
Impairment of music catalogs **	**41,990**	33,094
Impairment of films under production #	**500**	1,059
Share of net income from entertainment events organised by co-investors *	**(1,124)**	(3,099)
Fair value losses on realised equity investments at fair value through profit or loss *	—	56
Fair value losses on unrealised equity investments at fair value through profit or loss **	**609**	197
Fair value gains of an available-for-sale investment (transfer from investment revaluation reserve upon realisation) *	—	(25,505)
Amortisation of film rights #	**7,986**	12,604
Amortisation of film products #	**67,056**	93,463
Amortisation of music catalogs #	**3,053**	4,825
Depreciation	**5,249**	8,678
Provision for doubtful debts **	—	116
Provision for other receivables **	**844**	—
Provision for advances to artistes #	**1,936**	—
Reversal of provision for other receivables #	**(4)**	(500)
Reversal of provision for advances to artistes #	—	(2,345)
Loss on disposal of items of property, plant and equipment **	**1**	98
Write-off of bad debts **	**17**	129
Recovery of bad debts *	**(270)**	(168)
Reversal of provision for inventories #	**(82)**	(1,374)
Foreign exchange gains, net	**(2,222)**	(747)

* These items are included in "Other operating gains" on the face of the consolidated income statement.

** These items are included in "Other operating expenses" on the face of the consolidated income statement.

These items are included in "Cost of sales" on the face of the consolidated income statement.

11. INCOME TAX EXPENSE

No provision for Hong Kong profits tax was made for the period from 1 January 2011 to 31 July 2011 as there were no assessable profits arising in Hong Kong for the period. Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2010. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
	HK$'000	*HK$'000*
Provision for tax for the period/year:		
Hong Kong	—	930
Elsewhere	**147**	243
	147	1,173
Deferred tax charge/(credit)	**(35)**	94
Total tax charge for the period/year	**112**	1,267

12. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the period/year attributable to owners of the Company and the weighted average number of ordinary shares of 1,241,937,071 (year ended 31 December 2010: 1,240,732,165) in issue during the period/year.

The calculation of diluted earnings per share amount is based on the profit for the period/year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period/year, as used in the basic earnings per share calculation, and weighted average number of ordinary shares assumed to have been issued at no consideration as if all the Company's outstanding share options had been considered.

The calculation of basic and diluted earnings per share is based on:

	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
	HK$'000	*HK$'000*
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	**524,538**	853,278

	Number of shares	
	Period from 1 January 2011 to 31 July 2011	Year ended 31 December 2010
Shares		
Weighted average number of ordinary shares in issue during the period/year used in the basic earnings per share calculation	**1,241,937,071**	1,240,732,165
Effect of dilution - weighted average number of ordinary shares:		
- Share options	**545,397**	—
Weighted average number of ordinary shares in issue during the period/year used in the diluted earnings per share calculation	**1,242,482,468**	1,240,732,165

The conversion of outstanding convertible notes issued by MAGHL (as defined in note 15) has an anti-dilutive effect on the basic earnings per share existed during the period ended 31 July 2011.

The calculation of diluted earnings per share for the year ended 31 December 2010 had not assumed the exercise of the share options of the Company as no diluting events existed during that year.

13. INVESTMENTS IN ASSOCIATES

The balances as at 31 July 2011 and 31 December 2010 mainly include the Group's interests in Lai Fung. As further detailed in note 9, upon completion of the Shares Swap Transactions on 30 September 2010, LSD ceased to be an associate of the Group while Lai Fung has become a 40.58%-owned associate of the Group.

Investments in Lai Fung

For the period from 1 January 2011 to 31 July 2011, the Group's share of profit of the Lai Fung Group included in the Group's share of profits and losses of associates was HK$36,454,000 (year ended 31 December 2010: HK$139,660,000). The Group's share of net assets of the Lai Fung Group is included in the Group's investments in associates as at 31 July 2011 and 31 December 2010.

Investments in LSD

A cross-holding position had existed between LSD and the Company since 7 December 2004 and up to the Shares Swap Completion Date. Up to the Shares Swap Completion Date, the Group's interests in LSD was 36.72% and the LSD Group held in aggregate 36.08% in the issued share capital of the Company.

During the year ended 31 December 2010, the Group's share of profit of the LSD Group included in the Group's share of profits and losses of associates, after taking into account the cross-holdings between the Group and the LSD Group, for the period from 1 January 2010 to the Shares Swap Completion Date was HK$402,681,000.

14. DEBTORS

	31 July 2011 *HK$'000*	31 December 2010 *HK$'000*
Trade debtors	**104,974**	126,049
Impairment	**(7,294)**	(3,313)
	97,680	122,736

The Group's trading terms with its customers are mainly on credit. Invoices are normally payable within 30 to 90 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are regularly reviewed by senior management. In view of the aforementioned and the fact that the Group's debtors relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade debtors, net of provision for doubtful debts, based on payment due date, as at the respective end of the reporting periods, is as follows:

	31 July 2011 *HK$'000*	31 December 2010 *HK$'000*
Trade debtors:		
Neither past due nor impaired	**44,850**	40,858
1 - 90 days past due	**21,608**	54,873
Over 90 days past due	**31,222**	27,005
	97,680	122,736

15. FAIR VALUE GAIN ON A FORWARD CONTRACT

On 23 March 2011, Media Asia Group Holdings Limited ("MAGHL", formerly known as "Rojam Entertainment Holdings Limited") entered into a subscription agreement (the "Subscription Agreement") with Perfect Sky Holdings Limited ("Perfect Sky"), a wholly-owned subsidiary of the Company, Sun Great Investment Limited, Next Gen Entertainment Limited, Memestar Limited, On Chance Inc. and Grace Promise Limited (collectively the "Other Subscriber(s)", together with Perfect Sky referred to as the "Subscribers"), pursuant to which, MAGHL has conditionally agreed to issue, and Perfect Sky and the Other Subscribers have conditionally agreed to subscribe for the second tranche convertible notes (the "Second Completion Convertible Notes") on 9 June 2011 (the "First Completion Date").

The Second Completion Convertible Notes are 3-year zero coupon convertible notes in an aggregate principal amount of HK$224,873,937.

The Second Completion Convertible Notes are convertible, at the option of the holders, into MAGHL's ordinary shares of HK$0.01 each at a conversion price of HK$0.02785 per share any time during the period commencing on the first date of issuance of the Second Completion Convertible Notes and expiring on the date which is five business days preceding the maturity date. Unless previously converted, redeemed, purchased or cancelled in accordance with the terms and conditions of the Second Completion Convertible Notes, the Second Completion Convertible Notes will be redeemed by MAGHL on the maturity date at the principal amount outstanding.

Subject to fulfilment of certain conditions, completion of the issue of the Second Completion Convertible Notes is expected to take place on the first anniversary of the First Completion Date, i.e. 9 June 2012.

MAGHL was contractually obligated to issue the Second Completion Convertible Notes to Perfect Sky and the Other Subscribers. In this regard, before the issue of the Second Completion Convertible Notes, the Subscription Agreement in respect of the issue of the Second Completion Convertible Notes constitutes a forward contract within the scope of HKAS 39, and is recognised at its fair value as an asset or a liability on the commitment date, and is subsequently remeasured at fair value with changes in fair value recognised in the consolidated income statement.

At the date of becoming the Group's subsidiary on 9 June 2011, MAGHL had a derivative financial asset, after eliminating the portion on the Perfect Sky, of HK$1,751,000. As at 31 July 2011, the Group recognised a derivative financial asset of HK$8,336,000 (31 December 2010: Nil) in respect of the forward contract on the Second Completion Convertible Notes, after eliminating the portion with Perfect Sky in the consolidated statement of financial position. A fair value gain in respect of the forward contract of HK$6,585,000 (year ended 31 December 2010: Nil) has been recognised in the consolidated income statement during the period from 1 January 2011 to 31 July 2011.

The fair values of the forward contract as at the issue date of 9 June 2011 and 31 July 2011 were determined with reference to the valuations of the forward contract as at those dates performed by Greater China Appraisal Limited, an independent firm of professional valuers. The valuations have been taken into account factors including adjusted weighted average market prices of the MAGHL's shares, volatilities and prevailing market interest rates etc.

16. CREDITORS AND ACCRUALS

An ageing analysis of the trade creditors, prepared based on the dates of receipt of the goods and services purchased, as at the respective end of the reporting periods, is as follows:

	31 July 2011	31 December 2010
	HK$'000	*HK$'000*
Trade creditors:		
Less than 30 days	**7,430**	20,533
31 - 60 days	**946**	288
61 - 90 days	**420**	13
Over 90 days	**1,581**	1,015
	10,377	21,849
Payable to LSG (Note)	—	78,353
Other creditors and accruals	**324,184**	440,797
	334,561	540,999

Trade creditors and other creditors are non-interest-bearing and have an average credit term of three months.

Note: The balance represented the balance of the consideration for the Shares Swap Transactions (Note 9) payable to LSG. The amount was unsecured, interest-free and payable on 31 March 2011 and was fully settled during the period form 1 January 2011 to 31 July 2011.

17. CONVERTIBLE NOTES

Pursuant to the Subscription Agreement (note 15), on 9 June 2011, MAGHL issued to the Subscribers and the Subscribers subscribed for 3-year zero coupon convertible notes in an aggregate principal amount of HK$371,386,642 (the "First Completion Convertible Notes"). The First Completion Convertible Notes are convertible, at the option of the holders, into the MAGHL's ordinary shares of HK$0.01 each during the period commencing on the first date of the First Completion Convertible Notes and expiring on the date which is five business days preceding the maturity date.

The note holders may at any time before the maturity date, convert in whole or in part of the First Completion Convertible Notes at the option of the holders. The First Completion Convertible Notes with the principal amount of HK$170,000,000 carries the rights to convert the principal amount into 10,625,000,000 ordinary shares of MAGHL at a conversion price of HK$0.016 per share whereas the First Completion Convertible Notes with the principal amount of HK$201,386,642 carries a right to convert the principal amount into 7,231,118,192 ordinary shares of MAGHL at a conversion price of HK$0.02785 per share.

Unless previously converted, redeemed, purchased or cancelled in accordance with the terms and conditions of the First Completion Convertible Notes, the First Completion Convertible Notes will be redeemed by MAGHL on the maturity date at the principal amount outstanding.

On initial recognition, the fair value of the liability component was estimated at the issue date using an equivalent market interest rate for a similar note without a conversion option. The residual amount is assigned as the equity component and is included in equity.

The net proceeds received from the issue of the First Completion Convertible Notes after eliminating the subscription of the First Completion Convertible Notes of HK$163,120,000 by Perfect Sky at a conversion price of HK$0.016 per share, were split as to the liability and equity components on the issue date, as follows:

	31 July 2011 *HK$'000*
Face value	**208,267**
Equity component	**(50,419)**
Direct transaction costs attributable to the liability component	**(4,830)**
Liability component at date of issue	**153,018**
Interest charged	**2,404**
Liability component at 31 July 2011	**155,422**

The interest charged for the period from the issue date of the First Completion Convertible Notes to 31 July 2011 was calculated by applying an effective interest rate of 10.8% per annum to the liability component.

The fair value of the liability component of the First Completion Convertible Notes at 31 July 2011 was approximately HK$147,072,000. This fair value has been calculated by discounting the future cash flow at the prevailing market interest rate as at 31 July 2011.

18. SHARE CAPITAL

	31 July 2011		31 December 2010	
	Number of shares	**Nominal value**	Number of shares	Nominal value
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.50 each	**2,500,000**	**1,250,000**	2,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of HK$0.50 each	**1,243,212**	**621,606**	1,240,732	620,366

Movement in the Company's authorised and issued share capital are summarised as follows:

	Number of authorised shares	**Number of ordinary shares**	**Issued share capital**	**Share premium account**	**Total**
	'000	***'000***	***HK$'000***	***HK$'000***	***HK$'000***
At 1 January 2010, 31 December 2010 and 1 January 2011	2,000,000	1,240,732	620,366	4,227,678	4,848,044
Increase in authorised shares (note (a))	500,000	—	—	—	—
Issue of shares (note (b))	—	2,480	1,240	2,232	3,472
Release from share option reserve upon exercise of share options (note (b))	—	—	—	887	887
At 31 July 2011	**2,500,000**	**1,243,212**	**621,606**	**4,230,797**	**4,852,403**

Notes:

(a) Pursuant to an ordinary resolution passed by the shareholders of the Company on 27 May 2011, the authorised ordinary share capital of the Company was increased from HK$1,000,000,000 divided into 2,000,000,000 shares with par value of HK$0.50 each to HK$1,250,000,000 divided into 2,500,000,000 shares by creation of additional 500,000,000 shares.

(b) During the period, subscription rights attaching to 2,480,000 share options granted under the Company's share option scheme (the "Share Option Scheme") were exercised at a subscription price of HK$1.4 per share. Total cash consideration of approximately HK$3,472,000 was received and 2,480,000 shares of HK$0.50 each were issued. The share option reserve of HK$887,000 was released to the share premium account.

19. LITIGATION

(a) Litigation with New Cotai

Cyber One had been the jointly-controlled entity of the Group responsible for the MSC project. EAST (Holdings) - of which 66.7% was held indirectly by the Company and 33.3% was held by CIR - had a 60% shareholding interest in Cyber One. New Cotai had been the US joint venture partner holding a 40% shareholding interest in Cyber One.

Since 2009, there had been disputes and ongoing litigation between EAST (Holdings) and New Cotai in respect of the development and construction of the MSC project, which had effectively deadlocked the project's development and construction. The litigation between the parties was, in short, as follows:

(i) On 29 October 2009, EAST (Holdings) commenced legal proceedings (HCA 2189/2009) in the Hong Kong SAR against New Cotai and parties interested in that company. Amongst other things, EAST (Holdings) claimed damages of approximately HK$689 million for breach or inducing breaches of contract.

(ii) On 29 October 2009, EAST (Holdings) also sought an order by way of a petition (under HCMP 2218/2009) requiring New Cotai to transfer its interests in the Cyber One Group to EAST (Holdings).

(iii) On 14 October 2010, New Cotai Entertainment LLC commenced an action (HCA 1545 of 2010) in the Hong Kong High Court against EAST (Macau), the Company, EAST (Holdings), CIR and CapitaLand Limited seeking specific performance of the execution of a casino lease, and damages for breach of contract and inducing or procuring breach of contract for failure to execute the casino lease.

(iv) Also on 14 October 2010, the directors of Cyber One nominated by New Cotai commenced an action (HCA 1546 of 2010) against Cyber One and EAST (Holdings) seeking an indemnity of all costs and expenses incurred by them in defending the legal proceedings commenced against them by EAST (Holdings).

(v) On 29 October 2010, New Cotai also presented to the Hong Kong High Court a counter petition (HCMP 2185 of 2010) seeking an order requiring EAST (Holdings) to transfer its interests in the Cyber One group to New Cotai. Essentially, New Cotai's petition was the mirror-image of EAST (Holdings)'s petition.

In order to resolve the deadlock between the parties, amongst other reasons, EAST (Holdings), the Company and Melco Crown Entertainment Limited ("MCE") agreed amongst other things that EAST (Holdings) would sell its 60% shareholding in Cyber One to MCE. As at 31 July 2011, EAST (Holdings) had completed the disposal of its shares in Cyber One to MCE, such that the Company has ceased to hold any interest in Cyber One and the MSC project.

On the event of the above completion, and pursuant to the terms of a Deed of Settlement dated 15 June 2011, the Company, EAST (Holdings), CIR, CapitaLand Limited, New Cotai and New Cotai Entertainment, on a no admission of liability basis, fully and finally settled:

(i) the above claims and petitions; and

(ii) all disputes between them arising out of, or in connection with, the MSC project and the related joint venture between EAST (Holdings) and New Cotai.

The settlement includes a release from liability between the parties to the Deed of Settlement and no settlement sum has been paid by any party pursuant to the terms of that Deed.

(b) Litigation with Passport Special Opportunities Master Fund, LP and Passport Global Master Fund SPC Limited ("Passport")

In December 2008, the Company had sought to raise approximately HK$60 million through a share placement exercise (with the prospect of raising an additional HK$60 million if the placees exercised the accompanying warrants in full). The placing shares would have represented approximately 8.82% of the enlarged issued share capital of the Company (and the shares issued on the full exercise of the warrants would have represented approximately 8.10% of the further enlarged issued share capital of the Company). The placing, which was primarily intended to finance the Group's media and entertainment businesses and otherwise for general working capital purposes, did not ultimately proceed because Passport, which was then a substantial shareholder of the Company, obtained an ex-parte injunction temporarily restraining the Company from proceeding with the placing (Passport and its affiliates disposed of their entire shareholdings in the Company on 30 April 2010). Although the long-stop date for the placing was extended once, with the injunction order remaining in place and the conditions to the placing remaining unfulfilled, the placing agreement lapsed on 9 January 2009.

In essence, Passport alleged that the Company had no good commercial reason for the placement and that its sole or primary purpose was to dilute Passport's shareholding.

On 8 June 2011, judgment was handed down. The Judge held that Passport's claims to relief against the Company and the directors be dismissed. Passport has appealed against the decision and the hearing of the appeal will take place between 18 and 22 June 2012. In the meantime, a hearing has been fixed on 19 January 2012 before the Trial Judge to determine the question of costs and for directions to be given for the further conduct of the matter, namely on the question of enforcement of Passport's undertaking as to damages. Passport has put up a bank guarantee in the sum of HK$120 million to fortify its undertaking as to damages. Passport also put up security for the Company's costs.

20. EVENTS AFTER THE REPORTING PERIOD

(a) MAGHL - Change of company name and increase in authorised share capital

The board of directors of MAGHL proposed to seek approval of the shareholders of MAGHL at the annual general meeting of MAGHL held on 20 August 2011 (the "AGM"), among other things:

(i) to change MAGHL's English name from "Rojam Entertainment Holdings Limited" to "Media Asia Group Holdings Limited" and adopt the Chinese name "寰亞傳媒集團有限公司" as the secondary name of MAGHL (the "Change of MAGHL Name"); and

(ii) to increase the authorised share capital of MAGHL from HK$500,000,000 divided into 50,000,000,000 ordinary shares of HK$0.01 each (the "Shares") to HK$600,000,000 divided into 60,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares, ranking *pari passu* in all respects with the existing Shares (the "Increase in MAGHL Authorised Share Capital").

The Change of MAGHL Name and the Increase in MAGHL Authorised Share Capital were approved by the shareholders of MAGHL at the AGM. The Change of MAGHL Name was approved by the Registrar of Companies in Bermuda on 23 August 2011 and by the Registrar of Companies in Hong Kong on 12 September 2011. The English stock short name of MAGHL has been changed from "Rojam" to "Media Asia" and the Chinese stock short name of "寰亞傳媒" has been adopted with effect from 22 September 2011.

Further details of the Change of MAGHL Name and the Increase in MAGHL Authorised Share Capital are set out in MAGHL's circular dated 21 July 2011 and MAGHL's announcement dated 19 September 2011.

(b) MAGHL - Placing of new shares

MAGHL and CLSA Limited (the "Placing Agent") entered into a conditional placing agreement and a supplemental agreement on 28 July 2011 and 1 August 2011, respectively, pursuant to which the Placing Agent agreed to place up to 2,022,051,522 MAGHL new shares (the "Placing Shares") at a price of HK$0.20 per Share (the "Placing"). The Placing was approved by the shareholders of MAGHL at the special general meeting of MAGHL held on 27 August 2011. The Placing was completed on 8 September 2011 and, an aggregate of 1,467,500,000 Placing Shares were issued to three independent placees. The net proceeds from the Placing amounted to approximately HK$291,000,000.

On 8 September 2011 and immediately before the completion of the Placing, Perfect Sky converted the First Completion Convertible Notes in an aggregate principal amount of HK$25,000,000 into 1,562,500,000 new shares of MAGHL. Immediately following the completion of the Placing, MAGHL continues to remain as a subsidiary of the Company and the Company's shareholding interest in MAGHL has been increased from 50.94% to 51.09%.

Further details of the Placing are set out in MAGHL's circular dated 11 August 2011 and the joint announcements of the Company and MAGHL dated 28 July 2011, 1 August 2011 and 8 September 2011.

(c) On 26 August 2011, 94,025,000 share options of MAGHL were granted to an eligible participant of MAGHL.

(d) Joint investment in and development of the Creative Culture City Project in Hengqin

On 16 September 2011, the Company and Lai Fung entered into a co-operation agreement with the Hengqin New District Management Committee (the "Cooperation Agreement"), pursuant to which the Company and Lai Fung shall jointly invest in and develop the project in Hengqin Cultural and Creative Zone. In addition, the Company and Lai Fung entered into a strategic banking co-operation framework agreement with the China Construction Bank Corporation Guangdong Branch ("CCB") on 15 September 2011 and a banking co-operation agreement with Industrial Bank Co., Limited Guangzhou Branch ("Industrial Bank") on 25 July 2011 (collectively the "Banking Agreements") whereby both CCB and Industrial Bank have agreed to provide indicative credit facilities to support development of the Project.

The co-operation under the Cooperation Agreement and the Banking Agreements is at a preliminary stage. The parties will further negotiate on the detailed terms of the co-operation and further updates will be made from time to time. Further details are set out in a joint announcement of the Company and Lai Fung dated 16 September 2011.

DIVIDEND

The Board does not recommend the payment of a final dividend for the financial period from 1 January 2011 to 31 July 2011 (year ended 31 December 2010: Nil). No interim dividend was paid or declared in respect of the period from 1 January 2011 to 31 July 2011 (year ended 31 December 2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF FINAL RESULTS

In May 2011, the Board of the Company resolved to change the financial year end date of the Company from 31 December to 31 July with effect from 31 July 2011 in order to align the financial year end date of the Company with its other listed affiliates. The change will have an effect of substantially simplifying the reporting procedures, accounts preparation and audit work. As a result of the change of the financial year end date, the current financial report only covers a seven-month period beginning on 1 January 2011 and ending on 31 July 2011.

Following completion of the Group's acquisition of a controlling equity stake of approximately 51.30% in Media Asia Group Holdings Limited (寰亞傳媒集團有限公司) ("MAGHL", formerly known as Rojam Entertainment Holdings Limited) on 9 June 2011, the Group has since consolidated the results of the MAGHL.

For the seven months ended 31 July 2011, the Group recorded a turnover of HK$316,285,000 (twelve months ended 31 December 2010: HK$459,020,000). For the current reporting period, there were, on an annualised basis, increases in turnover contributed by film production and distribution and artiste management, and decreases in turnover in entertainment event income, music production and distribution and film library licensing income. The increase in turnover from film production and distribution was mainly due to the release of 3 films during the current reporting period and the continued contribution from the 8 films released in year 2010. Also, there was a corresponding increase in marketing expenses incurred for the related film production and distribution business.

For the seven months ended 31 July 2011, the Group recorded a loss from operating activities of HK$154,482,000 (twelve months ended 31 December 2010: a loss of HK$269,069,000).

During the period, the Group recognised a fair value gain on a forward contract of HK$6,585,000 which represented the change in fair value of the forward contract associated with the contractual commitment for issuance of unsecured and unguaranteed 3-year zero coupon convertible notes by MAGHL to certain subscribers (including the Group) with an aggregate principal amount of approximately HK$224,874,000, comprising approximately HK$153,175,000 and approximately HK$71,699,000 to be issued to the Group and other subscribers respectively on the first anniversary of 9 June 2011.

For the seven months ended 31 July 2011, the Group recorded a share of profits of associates of HK$35,940,000 (twelve months ended 31 December 2010: HK$541,685,000). Following the completion of the Group Reorganisation (as explained in the Chairman's Statement of the Company's Annual Report 2010) on 30 September 2010, the Group ceased to hold any shareholding interests in Lai Sun Development Company Limited ("LSD") and Lai Fung Holdings Limited ("Lai Fung") has since become an associate of the Company. The Group holds approximately 40.58% shareholding interests in Lai Fung since 30 September 2010. Accordingly, the share of profits of associates for the current reporting period was mainly attributable to Lai Fung. The share of profits of associates for the twelve months ended 31 December 2010 included mainly contributions from LSD of HK$402,681,000 for the period up to 30 September 2010 (including the cross-shareholding effects) and contribution from Lai Fung of HK$139,660,000 for the period from 1 October 2010 to 31 December 2010.

For the seven months ended 31 July 2011, the Group's share of losses from jointly-controlled entities was HK$9,487,000, as compared to a reported loss of HK$31,353,000 for the twelve months ended 31 December 2010. The decrease in share of losses from jointly-controlled entities was mainly attributable to the decrease in losses of the project of Macao Studio City (the "MSC").

Finance costs during the period ended 31 July 2011 was HK$6,052,000 (twelve months ended 31 December 2010: HK$7,226,000).

As a result of the completion of the disposal of the MSC project in July 2011, the Group recorded a one-off net gain of HK$652,408,000 for the current reporting period. For the twelve months ended 31 December 2010, the Group booked a one-off gain of HK$610,007,000 as a result of the completion of the Group Reorganisation where the Company transferred its entire shareholding interests in LSD and acquired the 40.58% shareholding interests in Lai Fung.

Due to the reasons stated above, the Group recorded a consolidated profit for the seven months ended 31 July 2011 (before non-controlling interests) of HK$518,215,000 (twelve months ended 31 December 2010: HK$842,777,000) and a consolidated profit attributable to owners of the Company for the period of HK$524,538,000 (twelve months ended 31 December 2010: HK$853,278,000).

Shareholders' equity as at 31 July 2011 amounted to HK$6,837,486,000, as compared to HK$6,198,759,000 as at 31 December 2010. Net asset value per share as at 31 July 2011 was HK$5.5, as compared to HK$5.0 as at 31 December 2010.

BUSINESS REVIEW

Resolution of MSC disputes and disposal of the Group's interests in the MSC project

The MSC project had been intended as an integrated leisure resort project combining theatre/concert venues, live entertainment facilities, a destination retail complex, Las Vegas-style gaming facilities and world-class hotels. It had been developed by a joint venture, in which the Company had, but now no longer has, an interest as set out below.

Cyber One Agents Limited ("Cyber One") had been the jointly-controlled entity of the Group responsible for the development of the MSC project. East Asia Satellite Television (Holdings) Limited ("EAST (Holdings)") - an indirect majority-owned subsidiary of the Company - had a 60% shareholding interest in Cyber One. New Cotai, LLC ("New Cotai") had been the US joint venture partner holding a 40% shareholding interest in Cyber One.

Since 2009, there had been disputes and ongoing litigation between EAST (Holdings) and New Cotai in respect of the development and construction of the MSC project, which effectively deadlocked the development and construction.

In order to resolve this deadlock, amongst other reasons, on 15 June 2011, EAST (Holdings), the Company and Melco Crown Entertainment Limited ("MCE") agreed amongst other things, that EAST (Holdings) would sell its 60% shareholding in Cyber One to MCE. During the period ended 31 July 2011, EAST (Holdings) had completed the disposal of its shares in Cyber One to MCE, such that the Company has ceased to hold any interest in Cyber One and the MSC project.

In order to achieve this, the Group acquired the 33.33% shareholding interests of CapitaLand Integrated Resorts Pte. Ltd. ("CIR") in EAST (Holdings) at a consideration of HK$658,756,800 in accordance with a Waiver and Termination Agreement dated 15 June 2011, which also provided for the termination of the Put Option (as defined in note 6 to the consolidated financial statements of this announcement) to CIR. The relevant transactions described above were completed on 27 July 2011.

The disputes and litigation between EAST (Holdings) and New Cotai have also been fully and finally settled on a no-admission of liability basis. Details of the litigation and settlement are set out in note 19 to the consolidated financial statements of the Group for the period ended 31 July 2011.

Joint investment in and development of the Creative Culture City Project in Hengqin ("the Project")

On 16 September 2011, the Company and Lai Fung entered into a Cooperation Agreement with the Hengqin New District Management Committee (the "Cooperation Agreement"), pursuant to which the Company and Lai Fung shall jointly invest in and develop the Project in the Hengqin Cultural and Creative Zone, Zhuhai City, Guangdong Province, China. In addition, the Company and Lai Fung entered into a strategic banking cooperation framework agreement with the China Construction Bank Corporation Guangdong Branch ("CCB") on 15 September 2011 and a banking cooperation agreement with Industrial Bank Co., Ltd. Guangzhou Branch ("Industrial Bank") on 25 July 2011 (collectively the "Banking Agreements") whereby both CCB and Industrial Bank have agreed to provide indicative credit facilities to support the development of the Project.

The cooperation under the Cooperation Agreement and the Banking Agreements is at a preliminary stage. The parties will further negotiate on the detailed terms of the cooperation and further updates will be made from time to time.

Acquisition of MAGHL

On 9 June 2011, the Company, Yunfeng Fund, L.P. and the SINA Corporation acquired control of MAGHL for the consideration of HK$490 million. The company name of MAGHL has been changed from Rojam Entertainment Holdings Limited with effect from 23 August 2011 and on its re-launch the re-branded group will expand into the Mainland of China's media and entertainment markets aiming to bring to the mainland audience with ever-wider, more exuberant choice in entertainment experiences.

Leveraging on the Company's core resources in performance, media and entertainment business as well as programme management, and the strong business network and established strategic partnership of Yunfeng Fund. L.P., as well as the resource advantages of other leading local internet companies in new media, MAGHL will actively expand its presence and business in the media and entertainment markets of the Mainland of China. Its business scope includes film production, concert and music performance, artiste management, television dramas production and distribution, investment in movie theatres, and new media business.

Media and entertainment

Film production and distribution

For the period ended 31 July 2011, the Group through its film production and distribution units, completed the principal photography on 3 films, with 6 other films in the production pipeline or under development and also committed equity investment in a film with a leading production company in Europe.

Due to the change in the financial year end date of the Group from 31 December to 31 July, the Group has released 3 films during the 7-month period, namely *Don't Go Breaking My Heart*, *Punished* and *A Beautiful Life* as compared to 8 films released in 2010, namely *Love In A Puff*, *Fire Of Conscience*, *Once A Gangster*, *Aftershock*, *Frozen*, *Legend of the Fist: The Return of Chen Zhen*, *Reign of Assassins* and *Bruce Lee*, *My Brother*.

Live entertainment

During the period, the Group's live entertainment division produced and participated in 58 (year ended 31 December 2010: 141) concerts and entertainment events by popular local, Asian and internationally renowned artistes, including Andy Lau, Sammi Cheng, Vivian Chow, Miriam Yeung, Andy Hui, Jim Chim, Jolin Tsai, Richie Jen, Emil Chau, Ekin Cheng, Eric Moo and Samuel Tai, Fish Leong, Lo Ta Yu, Elva Hsiao and Mayday, in Hong Kong, the Mainland of China, Macau, Malaysia, and the United States of America.

Music production, distribution and publishing

During the period, the Group's music production and distribution division released 32 albums (year ended 31 December 2010: 45), including titles by Andy Lau, Sammi Cheng, Miriam Yeung, Denise Ho, Andy Hui, Ivana Wong, Ekin Cheng, William So, Eason Chan, Edison Chen and Ellen Lo.

The Group would increase its music licensing revenue from the exploitation of the music library through new media distribution. The performance of the music publishing business depends on, among other things, the capability of the new media distributor(s), the available channels for new media/digital distribution and the receptiveness of the public (in general) to use such distribution method for music.

Television drama, content production and distribution

During the period, the Group has made investments, via content directors, producers and artistes from the Mainland of China, to produce renowned television dramas and content. 30 episodes of television dramas were produced for the period ended 31 July 2011. In addition, the Group is gradually expanding its production and distribution network for such operation through merger and acquisitions.

New media

Goyeah.com is a video community launched by the Company in 2009 and it provides not only FREE movies, the most popular Japanese animation, but also the high quality content for the young generation.

Cinema operation

The Group through its subsidiary, MAGHL, has entered into an agreement with an independent party of the Mainland of China to establish a joint venture for a total investment of approximately RMB40 million in a cinema project which will be located in a property currently under development in Sanlitun, Beijing, China. The cinema is expected to commence operation in 2014.

OUTLOOK

Growing the Group's media and entertainment businesses

By its acquisition of MAGHL, the Company has signaled its intention to further strengthen its media and entertainment businesses. Such a platform allows the Company to exploit the synergy between the Company's media and entertainment businesses with that of MAGHL which will allow the Group to grow and expand in various key areas (as described above), including music production, distribution and publishing, artistes management, new media (such as internet content licensing), live entertainment and television program production and distribution.

Joint investment in and development of the Creative Culture City Project in Hengqin

The Creative Culture City project will be the main focus of the Group in the coming years. The investment horizon will include further negotiations with the Hengqin New District Management Committee in relation to the further details of the co-operation and the commencement of agreed works. It should also be noted that Lai Fung, which is an associate of the Group, will be participating in the Project as well. The Group is committed to the success of this Project.

Further expansion through mergers and acquisitions

The Group will continue to look for suitable investment opportunities that have synergies with its existing core businesses in Hong Kong and overseas. In particular, the Group will look at investment opportunities that have good cash yield and potential for long term capital appreciation.

Other matters relating to the Company

Update in relation to Passport Special Opportunities Master Fund, LP and Passport Global Master Fund SPC Limited ("Passport")

In December 2008, the Company had sought to raise approximately HK$60 million through a share placement exercise (with the prospect of raising an additional HK$60 million if the placees exercised the accompanying warrants in full). The placing shares would have represented approximately 8.82% of the enlarged issued share capital of the Company (and the shares issued on the full exercise of the warrants would have represented approximately 8.10% of the further enlarged issued share capital of the Company). The placing, which was primarily intended to finance the Group's media and entertainment businesses and otherwise for general working capital purposes, did not ultimately proceed because Passport, which was then a substantial shareholder of the Company, obtained an ex-parte injunction temporarily restraining the Company from proceeding with the placing (Passport and its affiliates disposed of their entire shareholdings in the Company on 30 April 2010). Although the long-stop date for the placing was extended once, with the injunction order remaining in place and the conditions to the placing remaining unfulfilled, the placing agreement lapsed on 9 January 2009.

In essence, Passport alleged that the Company had no good commercial reason for the placement and that its sole or primary purpose was to dilute Passport's shareholding.

On 8 June 2011, judgment was handed down. The Judge held that Passport's claims to relief against the Company and the directors be dismissed. Passport has appealed against the decision and the hearing of the appeal will take place between 18 and 22 June 2012. In the meantime, a hearing has been fixed on 19 January 2012 before the Trial Judge to determine the question of costs and for directions to be given for the further conduct of the matter, namely on the question of enforcement of Passport's undertaking as to damages. Passport has put up a bank guarantee in the sum of HK$120 million to fortify its undertaking as to damages. Passport also put up security for the Company's costs.

LIQUIDITY, FINANCIAL RESOURCES, CHARGE ON ASSETS, GEARING AND CAPITAL COMMITMENTS

As at 31 July 2011, cash and cash equivalents held by the Group amounted to HK$2,311,490,000, of which over 97% was denominated in Hong Kong dollar and United States dollar currencies. As Hong Kong dollars are pegged to United States dollars, the Group considers that the corresponding exposure to exchange rate risk is nominal.

As at 31 July 2011, there existed unsecured other borrowings due to the late Mr. Lim Por Yen in the principal amount of HK$112,938,000 which is interest-bearing at the HSBC prime rate per annum. The Group recorded interest accruals of HK$51,663,000 for the said unsecured other borrowings as at 31 July 2011. On 31 July 2011, at the request of the Group, the executor of Mr. Lim Por Yen's estate confirmed that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from 31 July 2011. As at 31 July 2011, the Group had secured bank borrowings in the Mainland of China of RMB10,000,000 (or HK$12,092,000) falling due within one year, which was secured by pledged deposits of HK$12,960,000. The secured bank borrowings bear interest with reference to the People's Bank of China Base Interest Rate. The Group recorded interest accruals of HK$137,000 for the secured bank borrowings as at 31 July 2011. Also, the Group had finance lease payables of HK$125,000 falling due within one year, HK$119,000 falling due within the second year and HK$128,000 falling due within the third to fifth years, as at 31 July 2011.

As at 31 July 2011, a subsidiary company MAGHL had unsecured and unguaranteed 3-year zero coupon convertible notes with an aggregate principal amount of approximately HK$371,387,000, comprising approximately HK$163,120,000 and HK$208,267,000 issued to the Group and other subscribers, respectively on 9 June 2011. For accounting purposes after deducting the equity portion of the convertible notes from the principal amount, the resultant carrying amount of the convertible notes after adjusting for (i) accrued interest and (ii) intra-group elimination was HK$155,422,000 as at 31 July 2011. MAGHL has conditionally agreed to issue to each of the subscribers (including the Group) and each of the subscribers (including the Group) has conditionally agreed to subscribe for unsecured and unguaranteed 3-year zero coupon convertible notes with an aggregate principal amount of approximately HK$224,874,000, comprising approximately HK$153,175,000 and approximately HK$71,699,000 to be issued to the Group and other subscribers respectively on the first anniversary of 9 June 2011.

As at 31 July 2011, a revolving term loan facility in the amount of HK$60 million was granted by a bank to the Group. The said loan facility is subject to an annual review and is secured by a pledge of the Group's land and buildings with a carrying amount of HK$55,486,000 as at 31 July 2011. Such bank loan facility had not been utilised by the Group as at 31 July 2011. As at 31 July 2011, an unsecured revolving loan facility in the amount of HK$20 million was granted by another bank to the Group. The said unsecured loan facility is subject to an annual review and such bank loan facility had not been utilised by the Group as at 31 July 2011.

The Group's debt to equity ratio, expressed as a percentage of total borrowings to consolidated net assets attributable to owners of the Company, remained low at approximately 5% as at 31 July 2011. All of the Group's borrowings, except for the secured bank borrowings of HK$12,229,000 which are denominated in Renminbi, are denominated in Hong Kong dollars and the majority of which are floating rate debts. No financial instruments for hedging purposes were employed by the Group during the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

During the period from 1 January 2011 to 31 July 2011, the Company did not redeem any of its shares listed and traded on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") nor did the Company or any of its subsidiaries purchase or sell any of such shares.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the period from 1 January 2011 to 31 July 2011 save for the deviation from code provision A.4.1.

Under code provision A.4.1, non-executive directors should be appointed for a specific term and be subject to re-election.

None of the existing non-executive directors (including the independent non-executive directors) of the Company is appointed for a specific term. However, all directors of the Company (the "Directors") are subject to the retirement provisions of the Bye-laws of the Company which require that the Directors for the time being shall retire from office by rotation once every three years since their last election and the retiring Directors are eligible for re-election. In addition, any person appointed by the board of Directors (the "Board") as an additional Director (including non-executive Director) will hold office only until the next annual general meeting and will then be eligible for re-election. Further, Directors appointed to fill a causal vacancy will be subject to election by shareholders at the first general meeting after his/her appointment in line with the relevant code provision of the CG Code. In view of these, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

REVIEW OF FINAL RESULTS

The audit committee of the Company currently comprises three independent non-executive Directors, namely Dr. Ng Lai Man, Carmen, Mr. Alfred Donald Yap and Mr. Low Chee Keong (re-designated from non-executive Director to independent non-executive Director). Such committee has reviewed the final results (including the consolidated financial statements) of the Company for the period from 1 January 2011 to 31 July 2011.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's results for the period from 1 January 2011 to 31 July 2011 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Ernst & Young, to the amounts set out in the Company's consolidated financial statements for the period. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement.

SPECIAL GENERAL MEETING

A special general meeting of the Company (the "SGM") will be held on Wednesday, 21 December 2011 to, amongst other matters, consider and receive the audited financial statements of the Company for the period under review. Notice of the SGM together with the Company's Annual Report for the period from 1 January 2011 to 31 July 2011 will be published on the respective websites of the Stock Exchange and the Company and despatched to shareholders in about late November 2011.

By Order of the Board
Low Chee Keong
Chairman

Hong Kong, 28 October 2011

As at the date of this announcement, the Board comprises four executive Directors, namely Dr. Lam Kin Ngok, Peter and Messrs. Lui Siu Tsuen, Richard, Cheung Wing Sum, Ambrose and Cheung Sum, Sam; three non-executive Directors, namely Madam U Po Chu, Mr. Albert Thomas da Rosa, Junior and Mr. Andrew Y. Yan; and four independent non-executive Directors, namely Messrs. Low Chee Keong (Chairman), Alfred Donald Yap and Lo Kwok Kwei, David and Dr. Ng Lai Man, Carmen.