

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend of 6.0 cents per ordinary share, payable on 26th January 2006 to shareholders whose names appear on the Register of Members of the Company on that date, and will absorb HK\$23,903,424.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Saturday, 14th January 2006 to Thursday, 26th January 2006, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited, at Hopewell Centre, 17th Floor, 183 Queen's Road East, Hong Kong, no later than 4:00 p.m. on Friday, 13th January 2006.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Rental

Property rental income was mainly derived from leasing office premises to our associated company, Television Broadcasts Limited. The lease expired on 30th June 2005. Part of the office premises has been leased to other new tenants and the Company will continue to explore options to maximize the potential for rental income.

Filming Facilities Services

Filming facilities services comprise Film Remastering and Film Processing Centres, and the contribution towards Group profits during the period was HK\$2,795,000.

Redevelopment Of Clearwater Bay Site

Traffic and Environment impact assessments have been submitted to the Town Planning Board for consideration by the relevant departments. The scope and character of the development should be determined by end of the year 2005, as scheduled.

Associated Companies

Television Broadcasts Limited continued to report growth in advertising revenues during January to June 2005 against the background of improved retail sales in Hong Kong. As a result the contribution after taxation from Television Broadcasts Limited to Group profits during the period increased by 150%.

Movie City Project (Shaw Studios)

Internal fitting out works are in progress and soft launch of the studio facilities is expected to be in the first quarter of 2006.

Financial

The Group had no significant external borrowing and consequently none of the Group's assets are subject to any charge. There was no acquisition or disposal of material subsidiaries or associated companies in the course of the period.

Contingent Liabilities

The civil suit filed by a stuntman, who was injured during the course of film production, against Film Power Company Limited, a non-wholly owned subsidiary of the Company, has been settled out of Court at HK\$1.3 Million.

As at 30th September 2005, the Group and the Company did not have any significant contingent liabilities.

Exposure To Fluctuations In Exchange Rates

As the majority of the revenues, expenses, assets and liabilities of the Group are denominated in Hong Kong Dollars, the Group does not have significant risk in exposure to fluctuations in exchange rates.

Employees And Remuneration Policies

As at 30th September 2005, the Group employed a total of 178 full time employees, all in Hong Kong. During the period under review, there was no significant change in the Group's remuneration policies.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th September 2005, the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.