

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

13. 投資按金

於二零零四年，本集團與一名第三方訂立有條件買賣協議，據此，本集團同意購買而該第三方同意按12,000,000港元之代價出售一間公司之30%已發行股本。該公司之主要業務為在中國透過需求平台提供流動娛樂。有條件買賣協議須待該公司及其附屬公司之資產、負債、營運及事務之詳盡審核結果獲本集團信納後，方告完成。根據該有條件買賣協議，本集團已向該第三方支付可退回按金12,000,000港元。

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

14. 存貨

製成品 Finished goods

以上金額包括222,000港元(二零零四年：793,000港元)以已變現淨值計賬之製成品。

15. 應收可換股票據

第三方發行之可換股票據(附註(a)) Convertible notes issued by third parties (Note (a))
一間聯營公司發行之可換股票據(附註(b)) Convertible notes issued by an associate (Note (b))

減：應收可換股票據減值 Less: Impairment of convertible notes receivables

13. DEPOSIT FOR INVESTMENT

In 2004, the Group entered into a conditional sale and purchase agreement with a third party pursuant to which the Group agreed to purchase and the third party agreed to sell 30% of the issued share capital of a company at a consideration of HK\$12,000,000. The principal activity of the Company is the provision of mobile entertainment on demand platform in the PRC. The completion of the conditional sale and purchase agreement is conditional on the Group being satisfied with the results of the due diligent review of the assets, liabilities, operations and affairs of the Company and its subsidiaries. Pursuant to the conditional sale and purchase agreement, the Group paid a refundable deposit of HK\$12,000,000 to the third party.

In the same year, the Group did not satisfy with the results of the due diligence review and decided not to acquire the 30% equity interest of such Company. The deposit of HK\$12,000,000 remained unsettled at 31st December, 2004. On 20th April, 2005, the Group entered into a settlement arrangement with the third party pursuant to which HK\$7,000,000 would be refunded by 4 equal instalments on or before 30th June, 2005, 30th September, 2005, 31st December, 2005 and 31st March, 2006 respectively and were fully settled as at the date of this report.

14. INVENTORIES

| 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

362

991

Included above are finished goods of HK\$222,000 (2004: HK\$793,000) which are carried at net realisable value.

15. CONVERTIBLE NOTES RECEIVABLES

| 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

52,000

52,000

—

33,800

52,000

85,800

(10,000)

—

42,000

85,800

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15. 應收可換股票據 (續)

附註：

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

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

於二零零五年十二月三十一日之可換股票據之公平價值乃根據二零零五年十二月三十一日由獨立專業估值師行中證評估有限公司之估值而釐定。專業估值師按經攤銷實際利率法釐定可換股票據之公平價值。年內確認10,000,000港元之減值虧損。

應收可換股票據之減值：

| | |
|----------|----------------------------|
| 於一月一日 | As at 1st January, |
| 已確認減值虧損 | Impairment loss recognised |
| 於十二月三十一日 | As at 31st December, |

- (b) 由豐采多媒體發行之33,800,000港元可換股票據按年利率1厘計息，須每半年支付前期股息，並將於二零零五年四月十九日到期。於到期前，本集團或豐采多媒體均無權贖回或要求贖回該等可換股票據。該等可換股票據附有權利可於二零零五年四月十九日或之前隨時按每股4.0港元之初步兌換價將票據之全部或部份未兌換本金兌換為豐采多媒體股本中每股面值0.10港元之普通股，而本集團亦可轉撥可換股票據全部或部份未兌換本金至豐采多媒體之股本。

15. CONVERTIBLE NOTES RECEIVABLES (Continued)

Notes:

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

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

The fair value of the Convertible Notes as at 31st December, 2005 was determined by reference to the valuation as at 31st December, 2005 performed by Grant Sherman Appraisal Limited, an independent firm of professional valuers. The fair value of the Convertible Notes determined by the professional valuers is based on the amortised effective interest rate method. Impairment loss of HK\$ 10,000,000 was recognised for the year.

Impairment of convertible notes receivables:

| | |
|----------|---------------|
| 二零零五年 | 2005 |
| 千港元 | 千港元 |
| HK\$'000 | HK\$'000 |
| | - |
| | 10,000 |
| | 10,000 |

- (b) The convertible notes of HK\$33,800,000 were issued by Riche Multi-Media and bear interest at 1% per annum which is payable semi-annually in arrears and with maturity date on 19th April, 2005. Prior to maturity, neither the Group nor Riche Multi-Media has the right to redeem or request for redemption of the convertible notes. The convertible notes carry the right to convert the whole or any part of the outstanding principal amount of the notes into ordinary shares of HK\$0.10 each in the share capital of Riche Multi-Media at an initial conversion price of HK\$4.0 per share at any time on or before 19th April, 2005. The convertible notes may be transferred in whole or in part of the outstanding principal amount into the share capital of Riche Multi-Media by the Group.

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15. 應收可換股票據 (續)

附註：(續)

於二零零五年四月十九日，豐采多媒體向本集團發行33,800,000港元之可換股票據到期。本集團並未行使權利，將未兌換本金33,800,000港元兌換為豐采多媒體股本，而該筆款項亦因此由豐采多媒體償還。同日，本公司向豐采多媒體授出一年期貸款33,800,000港元。該貸款無抵押、按年息1厘計息，並須按要求償還。於二零零五年十二月三十一日，該貸款計入流動資產之應收聯營公司款項。

15. CONVERTIBLE NOTES RECEIVABLES (Continued)

Notes: (Continued)

On 19th April, 2005, the convertible notes of HK\$33,800,000 issued by Riche Multi-Media to the Group matured. The Group did not exercise the right to convert the outstanding principal amount of HK\$33,800,000 into share capital of Riche Multi-Media and the amount was repaid by Riche Multi-Media accordingly. On the same date, the Company granted a one-year term loan of HK\$33,800,000 to Riche Multi-Media. The loan is unsecured, bears interest at 1% per annum and repayable on demand and was included as amounts due from associates in current assets as at 31st December, 2005.

16. 電影版權

16. FILM RIGHTS

| | | 本集團 THE GROUP |
|---------------|-----------------------------|------------------|
| | | 千港元 HK\$'000 |
| 成本 | Cost | |
| 於二零零四年一月一日 | As at 1st January, 2004 | 939,046 |
| 添置 | Additions | 132,710 |
| 於二零零四年十二月三十一日 | As at 31st December, 2004 | 1,071,756 |
| 添置 | Additions | 39,766 |
| 於二零零五年十二月三十一日 | As at 31st December, 2005 | 1,111,522 |
| 攤銷及減值 | Amortisation and impairment | |
| 於二零零四年一月一日 | As at 1st January, 2004 | 768,787 |
| 本年度攤銷 | Amortised for the year | 118,987 |
| 已確認減值虧損 | Impairment loss recognised | 30,104 |
| 於二零零四年十二月三十一日 | As at 31st December, 2004 | 917,878 |
| 本年度攤銷 | Amortised for the year | 57,646 |
| 於二零零五年十二月三十一日 | As at 31st December, 2005 | 975,524 |
| 賬面值 | Carrying amounts | |
| 於二零零五年十二月三十一日 | As at 31st December, 2005 | 135,998 |
| 於二零零四年十二月三十一日 | As at 31st December, 2004 | 153,878 |

董事已重估電影版權於二零零五年十二月三十一日之可收回金額，並根據獨立專業估值師行中證評估有限公司於二零零五年十二月三十一日之估值而計算，以及釐定本年度並無減值虧損於收入表內確認。上述估值乃按折現率18.89%將預計現金流量折現所得之預期日後發行及轉授電影版權收入之現值而計算。

The directors reassessed the recoverable amount of the film rights as at 31st December, 2005 by reference to the valuations as at 31st December, 2005 performed by Grant Sherman Appraisal Limited, an independent firm of professional valuers, and determined that no impairment be recognised for the year in the income statement. The valuations were determined based on the present value of the expected future revenue arising from the distribution and sub-licensing of the film rights, which was derived from discounting the projected cash flows at a discount rate of 18.89%.

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17. 製作中電影

17. FILMS IN PROGRESS

| | | 本集團 The Group | |
|-----------|----------------------------|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 製作中電影之成本值 | Films in progress, at cost | 47,461 | 40,650 |
| 已確認減值虧損 | Impairment loss recognised | — | (9,042) |
| | | 47,461 | 31,608 |

董事已重估電影版權於二零零五年十二月三十一日之可收回金額。董事考慮到該製作中電影所產生之額外成本及預計收益後，因此本年度並無於收入表內確認任何減值虧損。

The directors reassessed the recoverable amount of films in progress as at 31 December 2005. Having taken into account of the additional costs to be incurred and estimated revenue to be generated from these films in progress, the directors determined that no impairment loss be recognised in the income statement for the year.

減值估算詳情載於附註4(e)。

Details of assessment for impairment are set out in Note 4(e).

18. 貿易應收賬款

給予客戶之除賬期為30至90日不等。貿易應收賬款之賬齡分析如下：

18. TRADE RECEIVABLES

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

| | | 本集團 The Group | |
|---------|-----------------|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 豐采集團 | The Riche Group | | |
| 0至30日 | 0 to 30 days | 18 | 123 |
| 31至60日 | 31 to 60 days | — | 116 |
| 61至90日 | 61 to 90 days | — | 85 |
| 91至180日 | 91 to 180 days | — | 1 |
| 超過180日 | Over 180 days | — | — |
| | | 18 | 325 |

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18. 貿易應收賬款 (續)

18. TRADE RECEIVABLES (Continued)

| | | 本集團 The Group | |
|-------------|---------------------------------------|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 其他 | Others | | |
| 0至30日 | 0 to 30 days | 1,148 | 1,004 |
| 31至60日 | 31 to 60 days | 4,471 | 270 |
| 61至90日 | 61 to 90 days | 300 | 333 |
| 91至180日 | 91 to 180 days | 393 | 2,316 |
| 超過180日 | Over 180 days | 11,489 | 13,652 |
| | | 17,801 | 17,575 |
| 減：貿易應收賬款之減值 | Less: Impairment of trade receivables | 3,222 | 5,932 |
| | | 14,597 | 11,968 |

貿易應收賬款之賬面值與其公平價值相若。

The carrying amounts of trade receivables approximate to their fair value.

貿易應收賬款可收回之機會已遵照香港會計準則第39號作評估，並已於收入表內確認為減值虧損。

The collectibility of trade receivables has been assessed in accordance to HKAS 39 and an impairment loss was recognised in the income statement.

19. 按金、預付款項及其他應收款項

19. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | | 本集團 THE GROUP | | 本公司 THE COMPANY | |
|--------|-------------------|----------------------------------|---|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 按金 | Deposits | 73,931 | 24,770 | 20,025 | – |
| 預付款項 | Prepayment | 1,871 | 7,679 | 265 | 215 |
| 其他應收款項 | Other receivables | 4,745 | 11,749 | – | – |
| | | 80,547 | 44,198 | 20,290 | 215 |

按金、預付款項及其他應收款項之賬面值與其公平價值相若。

The carrying amounts of deposits, prepayment and other receivables approximate to their fair value.

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20. 透過損益以公平價值列賬之 金融資產

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 本集團 The Group | |
|--------------------|---|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 上市證券： 香港權益證券之市值 | Listed securities: Equity securities – Hong Kong, at market value | 23,345 | 33,816 |

21. 應收聯營公司及附屬公司款 項一本集團及本公司

21. AMOUNTS DUE FROM ASSOCIATES AND SUBSIDIARIES – THE GROUP AND THE COMPANY

分別計入應收本集團及本公司聯營公司款項及應收本公司附屬公司款項之33,800,000港元及25,000,000港元均屬無抵押、按年利率1厘利息及須於要求時歸還。其他應收聯營公司及附屬公司款項為無抵押、免息及須於要求時歸還。

Included in amounts due from associates of the Group and the Company, and amounts due from subsidiaries respectively are of the Company of HK\$33,800,000 and HK\$25,000,000 respectively are unsecured, interest bearing at 1% per annum and repayable on demand and other amounts due from associates and subsidiaries are unsecured, interest free and repayable on demand.

22. 現金及現金等值項目

22. CASH AND CASH EQUIVALENTS

| | | 本集團 The Group | | 本公司 The Company | |
|-----------|---------------------------|----------------------------------|---|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 現金及銀行結餘 | Cash and bank balances | 5,568 | 24,108 | 2,273 | 3,217 |
| 定期存款 | Time deposits | 25,932 | 30,000 | 19,790 | 30,000 |
| 現金及現金等值項目 | Cash and cash equivalents | 31,500 | 54,108 | 22,063 | 33,217 |

存放於銀行之現金可依據每日銀行存款利率按浮動利率獲取利息。本集團會存放各段時期之短期定期存款，由一日至三個月不等，視乎當前現金需要而定，並會按各短期定期存款利率收取利息。現金及現金等值項目之賬面值與其公平價值相若。

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

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23. 股本

23. SHARE CAPITAL

| | | 股份數目 | | 金額 | |
|------------|---------------------------|-------------------|------------|------------------|-----------|
| | | Number of shares | | Amount | |
| | | 二零零五年 | 二零零四年 | 二零零五年 | 二零零四年 |
| | | 2005 | 2004 | 2005 | 2004 |
| | | 千股 | 千股 | 千港元 | 千港元 |
| | | '000 | '000 | HK\$'000 | HK\$'000 |
| 法定股本 | Authorised | 20,000,000 | 20,000,000 | 1,000,000 | 1,000,000 |
| 已發行及繳足股本： | Issued and fully paid: | | | | |
| 年初 | As at beginning of year | 365,406 | 303,841 | 18,270 | 15,192 |
| 行使購股權 | Exercise of share options | | | | |
| (附註 b) | (Note b) | 17,770 | 800 | 889 | 40 |
| 配售股份 | Placement of shares | | | | |
| (附註 a 及 c) | (Note a and c) | 137,365 | 60,765 | 6,868 | 3,038 |
| 年終 | As at end of year | 520,541 | 365,406 | 26,027 | 18,270 |

附註：

- (a) 於二零零四年十二月十五日，本公司有條件同意按每股股份0.60港元（較本公司股份二零零四年十二月十四日收市價折讓14.29%）之價格向獨立投資者配售60,765,000股新股份。配售事項已於二零零五年一月二十七日完成。所得款項淨額約為35,600,000港元，擬定用於兩部電影之製作（計劃於二零零五年製作），而餘額則用作本集團之一般營運資金。發行新股份一事已獲本公司股東於二零零五年一月二十一日舉行之股東特別大會上批准。
- (b) 於二零零五年一月，若干購股權持有人行使彼等之購股權權利，以總額約9,591,000港元分別按行使價每股股份0.564港元認購合共7,969,939股股份及按行使價每股股份0.52港元認購合共9,800,000股股份。
- (c) 於二零零五年二月二十四日，本公司之主要股東Porterstone Limited及本公司之主要股東兼執行董事向華強先生分別與配售代理訂立補足配售協議及與本公司訂立認購協議。根據補足配售協議，Porterstone Limited及向華強先生按每股股份0.50港元（較本公司股份於二零零五年二月二十四日收市價折讓17.25%）之價格向獨立投資者配售合共76,600,000股現有股份。根據認購協議，Porterstone Limited及向華強先生按每股股份0.50港元之價格認購合共76,600,000股新股份。76,600,000股新股份已就認購事項於二零零五年三月七日發行。所得款項淨額約為37,300,000港元，擬定用作本集團之一般營運資金及／或用於仍有待物色而日後可能進行之任何收購事項。該等新股份乃根據二零零五年一月二十一日本公司股東特別大會上本公司董事獲授之一般授權發行。

Notes:

- (a) On 15th December, 2004, the Company had conditionally agreed to place 60,765,000 new shares to independent investors at a price of HK\$0.60 per share, representing a discount of 14.29% to the closing price of the Company's shares on 14th December, 2004. The placing was completed on 27th January, 2005. Net proceeds of approximately HK\$ 35,600,000 were intended to be used for two movies' production which have been scheduled to be produced in 2005 and as the general working capital of the Group. The issue of these new shares was approved by the shareholders of the Company at a special general meeting held on 21st January, 2005.
- (b) In January, 2005, certain option holders exercised their option rights to subscribe for an aggregate of 7,969,939 shares at an exercise price of HK\$0.564 per share and an aggregate of 9,800,000 shares at an exercise price of HK\$0.52 per share respectively in an aggregate amount of approximately HK\$9,591,000.
- (c) On 24th February, 2005, Porterstone Limited, a substantial shareholder of the Company, and Mr. Heung Wah Keung, a substantial shareholder and an executive director of the Company entered into a top-up placing agreement with a placing agent and a subscription agreement with the Company respectively. Pursuant to the top-up placing agreement, Porterstone Limited and Mr. Heung Wah Keung placed an aggregate of 76,600,000 existing shares to independent investors at a price of HK\$0.50 per share, representing a discount of 17.25% to the closing price of the Company's shares on 24th February, 2005. Pursuant to the subscription agreement, Porterstone Limited and Mr. Heung Wah Keung subscribed for an aggregate of 76,600,000 new shares at a price of HK\$0.50 per share. 76,600,000 new shares issued for the subscription on 7th March, 2005 with net proceeds of approximately HK\$37.3 million were intended to be used for general working capital of the Group and/or any future possible acquisition which is yet to be identified. These new shares were issued under the general mandate granted to the directors at the special general meeting of the Company held on 21st January, 2005.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

24. 儲備

24. RESERVES

| | 本集團 The Group | 綜合項目 之負商譽 | | 撥入盈餘 Contributed surplus | 匯兌儲備 Exchange reserve | 投資物業 重估儲備 Investment properties revaluation reserve | 以股份 支付員工 款項之儲備 Employee share-based payment reserve | 可換股 貸款 票據儲備 Convertible loan notes reserve | 股本削減儲備 Capital reduction reserve | 投資重估儲備 Investment revaluation reserve | 累計虧損 Accumulated losses | 少數股東權益 | | 總額 Total |
|----------------------------|--|--------------------------|--|--------------------------------|-----------------------------|--|---|---|---|--|-------------------------------|-----------------|----------------------|-----------------|
| | | 股份溢價 Share premium | Negative goodwill on consolidation | | | | | | | | | 小計 Sub-total | Minority interest | |
| | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 於二零零四年一月一日 先前呈報 | As at 1st January, 2004 As previously reported | 746,090 | 6,326 | 186,624 | 445 | - | - | - | 316,008 | (184) | (496,979) | 758,330 | - | 758,330 |
| 採納新訂會計政策 之影響 | Effect on adoption of new accounting policy | - | - | - | - | - | - | - | - | - | - | - | 1,665 | 1,665 |
| - 香港會計準則第1號 | - HKAS 1 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - 香港會計準則第32號 | - HKAS 32 | - | - | - | - | - | - | 566 | - | - | - | 566 | - | 566 |
| 經重列 | As restated | 746,090 | 6,326 | 186,624 | 445 | - | - | 566 | 316,008 | (184) | (496,979) | 758,896 | 1,665 | 760,561 |
| 年度虧損淨額 | Net loss for the year | - | - | - | - | - | - | - | - | - | (303,219) | (303,219) | (201) | (303,420) |
| 配售股份 | Placement of shares | 33,421 | - | - | - | - | - | - | - | - | - | 33,421 | - | 33,421 |
| 股份發行開支 | Share issuing expenses | (947) | - | - | - | - | - | - | - | - | - | (947) | - | (947) |
| 行使購股權 | Exercise of share options | 411 | - | - | - | - | - | - | - | - | - | 411 | - | 411 |
| | | 778,975 | 6,326 | 186,624 | 445 | - | - | 566 | 316,008 | (184) | (800,198) | 488,562 | 1,464 | 490,026 |
| 應佔一間聯營公司之 物業重估未變現 溢利 | Share of an associate's unrealised gain on revaluation of property | - | - | - | - | - | - | - | - | 663 | - | 663 | - | 663 |
| 投資物業重估盈餘 | Surplus on revaluation of investment properties | - | - | - | - | 4,909 | - | - | - | - | - | 4,909 | - | 4,909 |
| 匯兌調整 | Exchange adjustment | - | - | - | 235 | - | - | - | - | - | - | 235 | - | 235 |
| 未於綜合收入表內確認 之溢利淨額 | Net gains not recognised in the consolidated income statement | - | - | - | 235 | 4,909 | - | - | - | 663 | - | 5,807 | - | 5,807 |
| 於二零零四年 十二月三十一日 經重列 | As at 31st December, 2004 as restated | 778,975 | 6,326 | 186,624 | 680 | 4,909 | - | 566 | 316,008 | 479 | (800,198) | 494,369 | 1,464 | 495,833 |
| 分佔： 本公司及 附屬公司 | Attributable to: Company and subsidiaries | 778,975 | 6,326 | 186,624 | 680 | 4,909 | - | 566 | 316,008 | - | (666,888) | 627,200 | 1,464 | 628,664 |
| 聯營公司 | Associates | - | - | - | - | - | - | - | - | 479 | (133,310) | (132,831) | - | (132,831) |
| | | 778,975 | 6,326 | 186,624 | 680 | 4,909 | - | 566 | 316,008 | 479 | (800,198) | 494,369 | 1,464 | 495,833 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

24. 儲備 (續)

24. RESERVES (Continued)

| | | 綜合項目之負商譽 | | 匯兌儲備 | 投資物業重估儲備 | 以股份支付員工款項之儲備 | 可換股貸款 | 股本削減儲備 | 投資重估儲備 | 累計虧損 | 少數股東權益 | | 總額 | |
|----------------------|--|----------|------------------------------------|----------|----------|--------------|----------|----------|----------|----------|-----------|------------------|----------|--------------------------------|
| | | 股份溢價 | Negative goodwill on consolidation | | | | | | | | 撥入盈餘 | Exchange reserve | | properties revaluation reserve |
| | | 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 |
| | | 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 |
| 本集團 | The Group | | | | | | | | | | | | | |
| 於二零零五年一月一日 | As at 1st January, 2005 | | | | | | | | | | | | | |
| 先前呈報 | as previously reported | 778,975 | 6,326 | 186,624 | 680 | 4,909 | - | - | 316,008 | 479 | (800,198) | 493,803 | - | 493,803 |
| 採納新訂會計政策之影響 | Effect on adopting of new accounting policy | | | | | | | | | | | | | |
| - 香港會計準則第40號 | - HKAS 40 | - | - | - | - | (4,909) | - | - | - | - | 4,909 | - | - | - |
| - 香港財務匯報準則第2號 | - HKFRS 2 | - | - | - | - | - | - | - | - | - | (7,841) | - | - | - |
| - 香港財務匯報準則第3號 | - HKFRS 3 | - | (6,326) | - | - | - | - | - | - | - | 6,326 | - | - | - |
| - 香港會計準則第32號 | - HKAS 32 | - | - | - | - | - | - | 566 | - | - | - | 566 | - | 566 |
| - 香港會計準則第1號 | - HKAS 1 | - | - | - | - | - | - | - | - | - | - | 1,464 | - | 1,464 |
| 經重列 | As restated | 778,975 | - | 186,624 | 680 | - | 7,841 | 566 | 316,008 | 479 | (796,804) | 494,369 | 1,464 | 495,833 |
| 年度虧損淨額 | Net loss for the year | - | - | - | - | - | - | - | - | - | (20,961) | (20,961) | (52) | (21,013) |
| 轉撥至聯營公司權益 | Transferred to interests of associates | - | - | - | - | - | - | - | - | - | (479) | (479) | - | (479) |
| 配售股份 | Placement of shares | 67,891 | - | - | - | - | - | - | - | - | - | 67,891 | - | 67,891 |
| 股份發行開支 | Share issuing expenses | (1,759) | - | - | - | - | - | - | - | - | - | (1,759) | - | (1,759) |
| 採納新訂會計政策之影響 | Effect on adoption of new accounting policies | | | | | | | | | | | | | |
| - 香港財務匯報準則第2號 | - HKFRS 2 | - | - | - | - | - | 24,057 | - | - | - | - | 24,057 | - | 24,057 |
| 行使購股權 | Exercise of share options | 8,703 | - | - | - | - | - | - | - | - | - | 8,703 | - | 8,703 |
| | | 853,810 | - | 186,624 | 680 | - | 31,898 | 566 | 316,008 | - | (817,765) | 571,821 | 1,412 | 573,233 |
| 匯兌調整 | Exchange adjustment | - | - | - | (292) | - | - | - | - | - | - | (292) | 20 | (272) |
| 未於綜合收入表內確認之(虧損)/溢利淨額 | Net (loss)/gains not recognized in the consolidated income statement | - | - | - | (292) | - | - | - | - | - | - | (292) | 20 | (272) |
| 於二零零五年十二月三十一日 | As at 31st December, 2005 | 853,810 | - | 186,624 | 388 | - | 31,898 | 566 | 316,008 | - | (817,765) | 571,529 | 1,432 | 572,961 |
| 分佔: | Attributable to: | | | | | | | | | | | | | |
| 本公司及其附屬公司 | Company and subsidiaries | 853,810 | - | 186,624 | 388 | - | 31,898 | 566 | 316,008 | - | (674,442) | 714,852 | 1,432 | 716,284 |
| 聯營公司 | Associates | - | - | - | - | - | - | - | - | - | (143,323) | (143,323) | - | (143,323) |
| | | 853,810 | - | 186,624 | 388 | - | 31,898 | 566 | 316,008 | - | (817,765) | 571,529 | 1,432 | 572,961 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

24. 儲備 (續)

24. RESERVES (Continued)

| | | 股份溢價 Share premium 千港元 HK\$'000 (附註 a) (Note a) | 繳入盈餘 Contributed surplus 千港元 HK\$'000 (附註 c) (Note c) | 可換股 貸款累積儲備 Convertible loan notes reserve 千港元 HK\$'000 (附註 e) (Note e) | 以股份支付員工 款項之儲備 Employee Share-based payment reserve 千港元 HK\$'000 (附註 f) (Note f) | 股本削減儲備 Capital reduction reserve 千港元 HK\$'000 (附註 d) (Note d) | 累計虧損 Accumulated losses 千港元 HK\$'000 | 總額 Total 千港元 HK\$'000 |
|------------------------------|--|---|---|--|--|--|--|--------------------------------|
| 本公司 | The Company | | | | | | | |
| 於二零零四年一月一日 | As at 1st January, 2004 | 746,090 | 207,548 | - | - | 316,008 | (511,902) | 757,744 |
| 採納新訂會計政策之 影響 - 香港會計準則第32號 | Effect on adoption of new accounting policy - HKAS 32 | - | - | 566 | - | - | - | 566 |
| 年度虧損淨額 | Net loss for the year | - | - | - | - | - | (314,348) | (314,348) |
| 以股份支付之款項開支 | Share-based payment expenses | - | - | - | 7,841 | - | (7,841) | - |
| 配售股份 | Placement of shares | 33,421 | - | - | - | - | - | 33,421 |
| 股份發行開支 | Share issuing expenses | (947) | - | - | - | - | - | (947) |
| 行使購股權 | Exercise of share options | 411 | - | - | - | - | - | 411 |
| 於二零零四年十二月三十一日 及二零零五年一月一日 | As at 31st December, 2004 and 1st January, 2005 | 778,975 | 207,548 | 566 | 7,841 | 316,008 | (834,091) | 476,847 |
| 年度虧損淨額 | Net loss for the year | - | - | - | - | - | (25,408) | (25,408) |
| 以股份支付之款項開支 | Share-based payment expenses | - | - | - | 24,057 | - | - | 24,057 |
| 配售股份 | Placement of shares | 67,891 | - | - | - | - | - | 67,891 |
| 股份發行開支 | Share issuing expenses | (1,759) | - | - | - | - | - | (1,759) |
| 行使購股權 | Exercise of share options | 8,703 | - | - | - | - | - | 8,703 |
| 於二零零五年十二月三十一日 | As at 31st December, 2005 | 853,810 | 207,548 | 566 | 31,898 | 316,008 | (859,499) | 550,331 |

附註：

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

Notes:

- (a) Under the Companies Act 1981 of Bermuda (as amended), the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the company as fully paid bonus shares.
- (b) The contributed surplus of the Group represents the amount transferred from the capital account due to the capital reduction effective on 10 September 2002.
- (c) The contributed surplus of the Company represents the difference between the underlying net tangible assets of the subsidiaries which were acquired by the Company and the nominal amount of the share capital issued by the Company at the time of the Group reorganisation in 1992 and the amount transferred from the capital account due to the capital reduction effective on 10 September 2002.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

24. 儲備 (續)

附註：(續)

(c) (續)

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

- (i) 公司現時或將於派息後無力償還到期而應償還之債項；或
- (ii) 公司資產之可變現價值因派息而少於其負債加已發行股本及股份溢價賬之總和。

(d) 本集團及本公司之股本削減儲備指於一九九八年將本公司332,640,000股已發行股份之面值由每股面值1.00港元削減至每股面值0.05港元所產生之金額。按董事根據本公司細則第129條而通過之一項決議案，股本削減儲備可用作支付本公司遭索償之金額、負債、或然負債，以及可用作償還資本性貸款、補足股息或其他本公司溢利可運用之用途。

(e) 根據香港會計準則第32號，所發行之可換股貸款票據乃於初次確認時分為負債部份及權益部份，方式為按公平價值確認負債部份(公平價值乃使用同等不可換股票據之市場利率釐定)，而發行所得款項與負債部份之公平價值兩者之差則歸於權益部份。負債部份其後乃按已攤銷成本列值。權益部份會確認於可換股貸款票據儲備，直至票據被轉換(屆時將轉撥至股份溢價)或票據被贖回(屆時將直接撥至累計虧損)為止。

(f) 以股份支付員工薪酬之福利，相當於授出相關購股權後估計可於相關歸屬期間內換得之僱員服務之公平價值，其總數乃以授出當日有關購股權之公平價值為計算基準。至於每段期間之數額，則是將有關購股權之公平價值在相關歸屬期間(倘有)內攤分計算，並作為職員開支及相關支出項目入賬，並相應提高以股份支付員工薪酬款項之儲備。

24. RESERVES (Continued)

Notes: (Continued)

(c) (Continued)

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(d) The capital reduction reserve of the Group and the Company represents the amount arising in relation to the reduction of the nominal value of 332,640,000 issued shares of the Company from HK\$1.00 each to HK\$0.05 each in 1998. Pursuant to a resolution passed by the directors pursuant to a resolution passed by the directors pursuant to a resolution passed by the directors pursuant to Bye-law 129 of the Company's Bye-laws, the capital reduction reserve shall be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied.

(e) Under HKAS 32, convertible loan notes issued are split into their liability and equity components at initial recognition by recognising the liability component at its fair value which is determined using a market interest rate for equivalent non-convertible notes and attributing to the equity component the difference between the proceeds from issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost. The equity component is recognised in the convertible loan notes reserve until the notes are either converted (in which case it is transferred to share premium) or the notes are redeemed (in which case it is released directly to accumulated losses).

(f) Employee share-based compensation benefits represent the fair value of employee services estimated to be received in exchange for the grant of the relevant options over the relevant vesting periods, the total of which is based on the fair value of the options at grant date. The amount for each period is determined by spreading the fair value of the options over the relevant vesting periods (if any) and is recognised as staff costs and related expenses with a corresponding increase in the employee share-based payment reserve.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

24. 儲備 (續)

附註：(續)

- (g) 於二零零五年十二月三十一日及二零零四年十二月三十一日，本公司並無任何可供分派予股東之儲備。

24. RESERVES (Continued)

Notes: (Continued)

- (g) The Company did not have any reserves available for distribution to shareholders as at 31st December, 2005 and 31st December, 2004.

25. 借貸

25. BORROWINGS

| | | 本集團 THE GROUP | |
|--------------------------|--|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 有抵押銀行貸款 | Secured bank loans | 25,390 | 36,200 |
| 上述借貸之到期日 如下： | The maturity of the above borrowings is as follows: | | |
| 一年內 | Within one year | 12,197 | 19,793 |
| 一至兩年 | Between one and two years | 2,252 | 3,449 |
| 兩至五年 | Between two and five years | 7,538 | 9,788 |
| 五年以上 | Over five years | 3,403 | 3,170 |
| | | 25,390 | 36,200 |
| 減：一年內到期列 入流動負債 之款項 | Less: Amount due within one year shown under current liabilities | (12,197) | (19,793) |
| 一年後到期之款項 | Amount due after one year | 13,193 | 16,407 |

有抵押銀行貸款包括循環貸款、分期貸款及按揭貸款，按商業利率計息。分期貸款乃以一項本集團於二零零五年初製作之一部電影之全部版權之第一法律押記作抵押。按揭貸款及循環貸款則以本集團在香港之投資物業，賬面值約為42,190,000港元(二零零四年：38,650,000港元)及租賃土地及樓宇之權益賬面值5,000,000港元(二零零四年：5,361,000港元)作擔保。分期貸款分十八個月償還、循環貸款須按要求隨時償還，而按揭貸款則須於十年內分期攤還。

Secured bank loans comprise revolving loans, an instalment loan and a mortgage loan which bear interest at commercial rates. The instalment loan is secured by a first legal charge over all copyrights on a film produced by the Group in the beginning of 2005. The mortgage loan and the revolving loans are secured by the Group's investment properties, interest in leasehold land and buildings in Hong Kong with carrying value of approximately HK\$42,190,000 (2004: HK\$ 38,650,000), and HK\$5,000,000 (2004: HK\$5,361,000) respectively. The instalment loan is repayable by 18 monthly instalment, the revolving loan is repayable on demand and the mortgage loan is repayable in instalments over a period of ten years.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

25. 借貸 (續)

可換股貸款票據之詳情載於附註26。

所有有息借貸均以港元列賬。於結算日之實際利率如下：

| | | 本集團 The Group | |
|-----------------------|---|----------------------------------|----------------------------------|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
| 有抵押銀行貸款 | Secured bank loans | 1.7%-6.5% | 1.2%-6.5% |
| 無抵押可換股 貸款票據 (附註26) | Unsecured convertible loan notes (Note 26) | 4% | 4% |

非流動借貸之公平價值如下：

| | | 賬面值 Carrying amount | | 公平價值 Fair values | |
|-----------------------|---|----------------------------------|---|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 有抵押銀行貸款 | Secured bank loans | 25,390 | 36,200 | 25,390 | 36,200 |
| 無抵押可換股貸款 票據 (附註26) | Unsecured convertible loan notes (Note 26) | 19,434 | 19,434 | 19,434 | 19,434 |
| | | 44,824 | 55,634 | 44,824 | 55,634 |

公平價值乃以將現金流量按本集團現時銀行借貸年利率貼現之基準計算。

短期借貸之賬面值與其公平價值相若。

25. BORROWINGS (Continued)

Details of the convertible loan notes are set out in Note 26.

All interest-bearing borrowings are denominated in Hong Kong dollar. The effective interest rate at the balance sheet date was as follows:

| | | 本集團 The Group | |
|-----------------------|---|----------------------------------|----------------------------------|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
| 有抵押銀行貸款 | Secured bank loans | 1.7%-6.5% | 1.2%-6.5% |
| 無抵押可換股 貸款票據 (附註26) | Unsecured convertible loan notes (Note 26) | 4% | 4% |

The fair value of the non-current borrowings are as follows:

| | | 賬面值 Carrying amount | | 公平價值 Fair values | |
|-----------------------|---|----------------------------------|---|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 有抵押銀行貸款 | Secured bank loans | 25,390 | 36,200 | 25,390 | 36,200 |
| 無抵押可換股貸款 票據 (附註26) | Unsecured convertible loan notes (Note 26) | 19,434 | 19,434 | 19,434 | 19,434 |
| | | 44,824 | 55,634 | 44,824 | 55,634 |

The fair values are based on cash flows discounted using a rate based on the current bank borrowing rate per annum of the Group.

The carrying amounts of short-term borrowings approximate to their fair values.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

26. 無抵押可換股貸款票據

本公司於二零零四年六月十四日發行按年利率4厘計息、面值20,000,000港元之可換股貸款票據（「該票據」）。

該票據須每半年期末償還利息一次，原於二零零四年六月三十日到期。於二零零四年六月十四日，本公司與票據持有人訂立補充契約，據此，本公司與票據持有人同意將票據之到期日延長至二零零七年六月三十日。票據附有權利，可按每股股份5.83港元（經調整後）之換股價將票據本金總兌換為本公司股本中每股面值0.05港元之股份。自二零零四年六月十四日至緊接二零零七年六月三十日前第14個營業日，票據持有人可兌換票據之餘下本金額為本公司股份，並可要求提早償還票據之未償還本金額連同應計利息。

負債部份之公平價值（包括於長期借貸）乃使用同等不可換股債券之市場利率計算。餘款乃權益轉換部份，已包括於股東權益中（列於可換股貸款票據儲備項下）。

26. UNSECURED CONVERTIBLE LOAN NOTES

The Company issued 20,000,000 4% convertible loan note ("the Note") at a nominal value of HK\$ 20 million on 14th June, 2004.

The Note was repayable semi-annually in arrears. It was originally matured on 30th June, 2004. On 14th June, 2004, the Company and the noteholder entered into a supplementary deed, pursuant to which the Company and the noteholder agreed to extend the maturity date of the Note to 30th June, 2007. The Note carries the right to convert the principal amount of the Note into shares of HK\$0.05 each in the share capital of the Company at a conversion price of HK\$5.83 per share (after adjustments), subject to adjustment. From 14th June, 2004 to the 14th business day immediately preceding 30th June, 2007, the noteholder can convert the outstanding principal amount of the Note into shares of the Company and may request early repayment of the outstanding principal amount of the Note together with accrued interest.

The fair value of the liability component, included in long-term borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The remaining balance represented the equity conversion component, is included in shareholders' equity named as convertible loan notes reserve.

| | | 本集團 The Group | |
|--------------------------|--|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 於二零零四年六月十四日 已發行票據之面值 | Face value of the Note issued on 14th June, 2004 | 20,000 | 20,000 |
| 權益部份 | Equity component | (566) | (566) |
| 於二零零四年六月十四日 初次確認之負債部份 | Liability component on initial recognition at 14th June, 2004 | 19,434 | 19,434 |
| 利息開支 | Interest expenses | 800 | 800 |
| 已付利息 | Interest paid | (800) | (800) |
| | | 19,434 | 19,434 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

26. 無抵押可換股貸款票據 (續)

於二零零五年十二月三十一日，票據之負債部份之公平價值為19,434,000港元。公平價值乃將現金流量按本集團借貸年利率貼現計算。

27. 遞延稅項

本集團

以下為本集團確認之主要遞延稅項負債及資產及有關變動：

| | | | | |
|-------------------|--|---------|-------|---|
| 於二零零四年 一月一日 | As at 1 January, 2004 | (1,791) | 1,791 | — |
| 自收入表計入/ (扣除) | Credit/(charge) to income statement | 353 | (353) | — |
| 於二零零四年 十二月三十一日 | As at 31 December, 2004 | (1,438) | 1,438 | — |
| 自收入表計入/ (扣除) | Credit/(charge) to income statement | — | — | — |
| 於二零零五年 十二月三十一日 | As at 31 December, 2005 | (1,438) | 1,438 | — |

於二零零五年十二月三十一日，本集團擁有約319,928,000港元（二零零四年：467,066,000港元）之未動用估計稅務虧損可供抵銷日後溢利。該虧損中約55,988,000港元（二零零四年：81,737,000港元）之遞延稅項資產已獲確認。由於未能預計日後之溢利，故並無就餘額約263,940,000港元（二零零四年：458,849,000港元）確認遞延稅項資產。

本公司

由於未能預計日後之溢利，故並無就估計稅項虧損約2,397,000港元（二零零四年：64,433,000港元）確認遞延稅項資產。

26. UNSECURED CONVERTIBLE LOAN NOTES (Continued)

The fair value of the liability component of the Notes as at 31st December, 2005 amounted to HK\$19,434,000. The fair value is calculated using cash flows discounted at a rate based on the borrowings rate per annum of the Group.

27. DEFERRED TAXATION

The Group

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

| 加速稅項折舊 Accelerated tax depreciation 千港元 HK\$'000 | 估計稅務虧損 Estimated tax losses 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|---|---|--------------------------------|
|---|---|--------------------------------|

As at 31st December, 2005, the Group had unused estimated tax losses of approximately HK\$319,928,000 (2004: HK\$467,066,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$55,988,000 (2004: HK\$81,737,000) of such losses. No deferred tax asset has been recognised in respect of the remaining balance of approximately HK\$263,940,000 (2004: HK\$458,849,000) due to the unpredictability of future profit streams.

The Company

No deferred tax assets has been recognised in respect of estimated tax losses of approximately HK\$2,397,000 (2004: HK\$64,433,000) due to the unpredictability of future profit streams.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

28. 貿易應付賬款

貿易應付賬款之賬齡分析如下：

| | | 本集團 The Group | |
|---------|----------------|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 0至30日 | 0 to 30 days | 2,680 | 1,875 |
| 31至60日 | 31 to 60 days | 836 | 4,391 |
| 61至90日 | 61 to 90 days | 1,368 | 4,135 |
| 91至180日 | 91 to 180 days | 3,123 | 3,480 |
| 超過180日 | Over 180 days | 10,885 | 11,406 |
| | | 18,892 | 25,287 |

29. 已收按金、應計項目及其他應付款項

29. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

| | | 本集團 The Group | | 本公司 The Company | |
|--------|-------------------|----------------------------------|---|----------------------------------|---|
| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
| 已收按金 | Deposits received | 77,692 | 62,116 | 10,000 | 10,000 |
| 應計項目 | Accruals | 2,188 | 3,105 | 1,027 | 1,442 |
| 其他應付款項 | Other payables | 812 | 2,635 | 78 | 103 |
| | | 80,692 | 67,856 | 11,105 | 11,545 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

30. 營業額

30. TURNOVER

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|---------|-------------------------|----------------------------------|---|
| 發行費收入 | Distribution fee income | 85,970 | 153,745 |
| 銷售錄影帶產品 | Sales of video products | 661 | 1,387 |
| 服務收入 | Service income | 240 | 1,419 |
| 製作費收入 | Production fee income | 5,363 | 8,756 |
| | | 92,234 | 165,307 |

31. 其他收益

31. OTHER REVENUE

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|-------------|--|----------------------------------|---|
| 銀行利息收入 | Bank interest income | 1,792 | 141 |
| 應收貸款利息收入 | Loan receivable interest income | 741 | 592 |
| 應收可換股票據收入 | Convertible notes receivables income | 520 | 754 |
| 投資物業之租金收入 | Rental income from investment properties | 291 | 250 |
| 應收聯營公司管理費收入 | Management fee income from associates | 4,860 | 3,860 |
| | | 8,204 | 5,597 |

32. 其他收入

32. OTHER INCOME

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|-------------|---|----------------------------------|---|
| 其他應收款項減值之回撥 | Reversal of impairment of other receivables | 3,811 | – |
| 匯兌收益 | Exchange gain | 820 | – |
| 貸款豁免 | Waiver of loan | 1,194 | 1,194 |
| 其他 | Others | 94 | 105 |
| | | 5,919 | 1,299 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

33. 開支類別

列於銷售成本、行政開支、以及市場推廣及發行開支之開支之分析如下：

33. EXPENSES BY NATURE

Expenses included on cost of sales, administrative expenses and marketing and distribution expenses are analysed as follows:

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|-------------------|--|----------------------------------|---|
| 電影版權(包括銷售成本)攤銷 | Amortisation of film rights (included in cost of sales) | 57,646 | 118,987 |
| 核數師酬金 | Auditors' remuneration | 838 | 1,093 |
| 存貨(包括銷售成本)成本 | Cost of inventories (included in cost of sales) | 664 | 642 |
| 物業、機器及設備折舊 | Depreciation of property, plant and equipment | 9,491 | 13,923 |
| 租賃土地攤銷 | Amortisation of leasehold land | 319 | 221 |
| 出售物業、機器及設備(收益)/虧損 | (Gain)/loss on disposal of property, plant and equipment | (104) | 2,301 |
| 外匯虧損淨額 | Net foreign exchange losses | - | 7 |
| 有關土地及樓宇之經營租賃 | Operating lease rental in respect of land and buildings | 2,174 | 2,356 |
| 僱員福利開支 | Employee benefit expenses | 39,740 | 18,999 |

34. 僱員福利開支

34. EMPLOYEE BENEFIT EXPENSES

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|------------|-----------------------------------|----------------------------------|---|
| 董事酬金 | Directors' remuneration | 4,464 | 4,464 |
| 董事袍金 | Directors' fee | 360 | 190 |
| 薪金及花紅 | Salaries and bonuses | 10,360 | 13,695 |
| 以股份支付之款項開支 | Share-based compensation expenses | 24,057 | - |
| 強制性公積金 | Mandatory provident fund | 428 | 530 |
| 僱員福利開支 | Staff welfare expenses | 71 | 120 |
| | | 39,740 | 18,999 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

34. 僱員福利開支 (續)

(a) 董事酬金

本公司董事會目前由三名非執行董事及三名執行董事組成。

年內應付本公司董事酬金總額為4,860,000港元(二零零四年: 4,690,000港元)。各董事截至二零零五年十二月三十一日及二零零四年十二月三十一日止年度之酬金如下:-

34. EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Directors' emoluments

The Company's Board is currently composed of three non-executive Directors and three executive Directors.

The aggregate amount of emoluments payable to the Directors of the Company during the year was HK\$4,860,000 (2004: HK\$4,690,000). The remuneration of every director for the year ended 31st December, 2005 and 31st December, 2004 is as below:-

| 董事姓名 | Name of director | 袍金 | | 薪金及花紅 | | 強制性公積金 | | 以股份支付之款項 | | 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 |
| | | HK\$'000 | | HK\$'000 | | HK\$'000 | | Employee share-based payment | | Total | |
| | | 二零零五年 | 二零零四年 | 二零零五年 | 二零零四年 | 二零零五年 | 二零零四年 | 二零零五年 | 二零零四年 | 二零零五年 | 二零零四年 |
| | | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| 向華強先生 | Mr. Heung Wah Keung | - | - | 2,160 | 2,160 | 12 | 12 | - | - | 2,172 | 2,172 |
| 陳明英女士 | Ms. Chen Ming Ying, Tiffany | - | - | 1,800 | 1,800 | 12 | 12 | - | - | 1,812 | 1,812 |
| 李玉嫦女士 | Ms. Li Yuk Sheung | - | - | 504 | 504 | 12 | 12 | - | - | 516 | 516 |
| 洪祖星先生 | Mr. Hung Cho Sing | 120 | 80 | - | - | - | - | - | - | 120 | 80 |
| 何偉志先生 | Mr. Ho Wai Chi, Paul | 120 | 80 | - | - | - | - | - | - | 120 | 80 |
| 馮浩森先生 | Mr. Fung Ho Sum | 120 | 30 | - | - | - | - | - | - | 120 | 30 |
| | | 360 | 190 | 4,464 | 4,464 | 36 | 36 | - | - | 4,860 | 4,690 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

34. 僱員福利開支 (續)

(b) 五名最高薪酬人士

本集團年度內五名最高薪酬之人士包括兩名(二零零四年: 兩名)董事, 其薪酬達3,984,000港元(二零零四年: 4,500,000港元), 並已於上文附註(a)列示。於本年度應付其餘人士(二零零四年: 三名人士)之酬金如下: -

| | |
|------------|--|
| 薪金及其他津貼 | Salaries and other allowances |
| 退休福利計劃供款 | Retirement benefits scheme contributions |
| 以股份支付之款項開支 | Share-based payment expenses |

其餘三名(二零零四年: 三名)最高薪酬僱員每位之酬金總額範圍於兩年內均為零至1,000,000港元不等。

董事酬金範圍如下:

| | |
|-----------------------------|--------------------------------|
| 零至1,000,000港元 | Nil to HK\$1,000,000 |
| 1,500,001港元至 2,000,000港元 | HK\$1,500,001 to HK\$2,000,000 |
| 2,000,001港元至 2,500,000港元 | HK\$2,000,001 to HK\$2,500,000 |

年內, 本集團概無向董事支付酬金作為加入本集團或加盟時之獎勵或失去職位之補償。亦無董事於年內放棄任何酬金。

34. EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2004: two) Directors whose emoluments are reflected in note (a) above and amounted to HK\$3,984,000 (2004: HK\$4,500,000). The emoluments payable to the remaining individuals (2004: three) during the year were as follow:-

| 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
|----------------------------------|----------------------------------|
| 948 | 2,232 |
| 24 | 36 |
| 4,635 | - |
| 5,607 | 2,268 |

The aggregated emoluments of each of these remaining three (2004: three) highest paid individuals fell within the band from Nil to HK\$1,000,000 for both years.

The emoluments of the directors fell within the following bands:

| 董事人數 Number of directors | |
|----------------------------------|----------------------------------|
| 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
| 4 | 4 |
| 1 | 1 |
| 1 | 1 |
| 6 | 6 |

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

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

35. 融資成本

35. FINANCE COSTS

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|-------------------------|--|----------------------------------|---|
| 須於五年內全數償還之 可換股貸款票據利息 | Interest on convertible loan notes wholly repayable within five years | 800 | 800 |
| 須於五年內全數償還之 銀行借貸利息 | Interest on bank borrowings wholly repayable within five years | 524 | 182 |
| 不須於五年內全數償還之 銀行借貸利息 | Interest on bank borrowings not wholly repayable within five years | 605 | 497 |
| | | 1,929 | 1,479 |

36. 稅項

36. TAXATION

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|-------------------|--|----------------------------------|---|
| 稅項支銷如下： | The taxation charge is as follows: | | |
| 其他司法權區之稅項： | Taxation in other jurisdictions: | | |
| 本年度撥備 | Provision for the year | 124 | 239 |
| 過往年度撥備不足 | Underprovision for prior years | - | 29 |
| 本公司及其附屬公司 應佔稅項 | Taxation attributable to the Company and its subsidiaries | 124 | 268 |

由於本公司及其附屬公司均無任何源自香港之應課稅溢利或該等應課稅溢利已全數計入承前估計稅項虧損，故並無就此兩年度之香港利得稅作出撥備。

其他司法權區之稅項按有關司法權區之通行稅率計算。

No provision for Hong Kong Profits Tax has been made for both years either as the Company and its subsidiaries have no assessable profits arising in Hong Kong or as assessable profits were wholly absorbed by estimated tax losses brought forward.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

36. 稅項 (續)

年內，可與綜合收入表內除稅前虧損對賬之稅項如下：

| | | 二零零五年 2005 千港元 HK\$'000 | | 二零零四年 2004 千港元 HK\$'000 (restated) (經重列) | |
|------------------------------|---|----------------------------------|---------------|---|--------|
| 除稅前虧損 | Loss before taxation | 20,889 | | 303,152 | |
| 按本地所得稅稅率 17.5%計算之稅項 | Taxation at domestic income tax rate of 17.5% | 3,656 | 17.5 | 53,052 | 17.5 |
| 過往年度撥備不足 | Underprovision for prior years | — | — | (29) | (0.1) |
| 不可扣稅支出之 稅務影響 | Tax effect of expenses not deductible for tax purpose | (1,649) | (7.9) | (40,362) | (13.3) |
| 不應課稅收入之 稅務影響 | Tax effect of income not taxable for tax purpose | 705 | 3.4 | 509 | 0.2 |
| 未確認之估計稅項 虧損稅務影響 | Tax effect of estimated tax loss not recognised | (3,260) | (15.6) | (15,151) | (5.0) |
| 過往未確認之 可使用估計稅項 虧損之稅務影響 | Tax effect of utilisation of estimated tax losses previously not recognised | 424 | 2.0 | 1,713 | 0.6 |
| 年內稅項支銷 | Taxation charge for the year | (124) | (0.6) | (268) | (0.1) |

36. TAXATION (Continued)

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

37. 每股虧損

每股基本及攤薄虧損乃按以下數據計算：

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
|---------------------------------------|--|----------------------------------|----------------------------------|
| 本公司權益持有人 應佔虧損 | Loss attributable to equity holders of the Company | 20,961 | 303,219 |
| 股份數目 計算每股普通股基本 及攤薄虧損之 加權平均股數 | Number of shares Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | 501,724,214 | 306,504,409 |

37. LOSS PER SHARE

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

計算每股攤薄虧損並無假設於年內行使本公司尚未行使購股權及可換股貸款票據，因該等行使會使每股虧損下降。

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options and convertible loan notes existed during the year since their exercise would reduce loss per share.

財務報表附註 Notes to the Financial Statements

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38. 出售附屬公司

於出售日期之全資附屬公司資產淨值如下：

38. DISPOSAL OF SUBSIDIARIES

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

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|----------------------|--|----------------------------------|---|
| 物業、機器及設備 | Property, plant and equipment | - | 3 |
| 貿易應收賬款 | Trade receivables | - | 788 |
| 按金、預付款項及 其他應收賬款 | Deposits, prepayments and other receivables | - | 18,656 |
| 透過損益以公平價值 列賬之金融資產 | Financial assets at fair value through profit or loss | - | 13,476 |
| 貿易應付賬款 | Trade payables | - | (34) |
| 已收按金、應計項目及 其他應付賬款 | Deposits received, accruals and other payables | - | (8,526) |
| 所出售資產淨額 | Net assets disposed of | - | 24,363 |
| 出售溢利 | Gain on disposal | - | 7,524 |
| 總代價 | Total consideration | - | 31,887 |
| 支付方式： | Satisfied by: | | |
| 現金(附註i) | Cash (Note i) | - | 21,000 |
| 於一間聯營公司 之權益(附註ii) | Interest in an associate (Note ii) | - | 10,887 |
| | | - | 31,887 |

附註：

- (i) 年內，並無收購或出售附屬公司。於二零零四年內，本集團與一名第三方訂立買賣協議，據此，本集團同意出售及該第三方同意購買本集團全資附屬公司Health Basic Limited之全部之已發行股本，總代價為21,000,000港元。Health Basic Limited之主要資產為於香港上市股份之投資。

Notes:

- (i) During the year, there is no acquisition or disposal of subsidiaries. During the year 2004, the Group entered into a sale and purchase agreement with a third party pursuant to which the Group agreed to dispose of and the third party agreed to purchase the entire issued share capital of Health Basic Limited, a wholly-owned subsidiary of the Group and its principal asset was investment in equity shares listed in Hong Kong, at a total consideration of HK\$21,000,000.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

38. 出售附屬公司 (續)

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

於二零零四年內，已出售之附屬公司對本集團之業績及現金流量並無任何重大貢獻。

39. 租賃承擔

於二零零五年十二月三十一日，本集團根據於下列期限屆滿之租賃物業不可撤回經營租約之日後最低租金承擔如下：

| | |
|---------------------|---------------------------------------|
| 一年內 | Within one year |
| 第二至第五年內 (包括首尾兩年) | In the second to fifth year inclusive |

經營租約款項指本集團辦公室物業應付之租金。租約主要就平均兩年租期磋商，而平均兩年之租金固定不變。

38. DISPOSAL OF SUBSIDIARIES (Continued)

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

The subsidiaries disposed of during the year 2004 did not make any significant contribution to the results and cash flows of the Group.

39. LEASE COMMITMENTS

As at 31st December, 2005, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|---------------------|---------------------------------------|----------------------------------|---|
| 一年內 | Within one year | 1,059 | 1,867 |
| 第二至第五年內 (包括首尾兩年) | In the second to fifth year inclusive | — | 1,253 |
| | | 1,059 | 3,120 |

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

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

40. 退休福利計劃

- (a) 本集團根據強制性公積金計劃條例之規則及規例為其所有香港僱員設立強制性公積金計劃(「強積金計劃」)，並於二零零零年十二月一日終止定額供款退休金計劃(「舊計劃」)。本集團所有香港僱員均須參加強積金計劃。本集團已選擇最低法定供款規定，即合資格僱員每月有關收入之5%供款，但每月收入上限為法定之20,000港元。供款於產生時在收入表扣除。僱員於有權悉數享有僱主之自願供款(即自舊計劃轉撥之資產)前在合資格服務期限完成前辭任本集團，則被沒收自願供款之有關部份將歸屬本集團。強積金計劃之資產與本集團之資產分開持有，並由一項獨立管理基金持有。

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

年內，退休福利計劃供款減已沒收供款19,000港元(二零零四年：42,000港元)後之淨額為428,000港元(二零零四年：522,000港元)。

40. RETIREMENT BENEFITS SCHEMES

- (a) The Group operates Mandatory Provident Fund Scheme ("MPF Scheme") under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong and terminated the defined contribution pension scheme ("Old Scheme") on 1st December, 2000. All the employees of the Group in Hong Kong are required to join the MPF Scheme. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible employees' monthly relevant income but limited to the mandatory cap of HK\$20,000. The contributions are charged to income statements as incurred. In respect of those employees who leave the Group prior to completion of qualifying service period for the employer's voluntary contributions (represents become fully vested, the relevant portion of the voluntary contributions (represents the assets transferred from the Old Scheme) become fully vested, the relevant portion of the voluntary contributions forfeited will be reverted to the Group. The assets of the MPF Scheme is held separately from those of the Group in an independently administrative fund.

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

During the year, the retirement benefits schemes contributions net of forfeited contributions of HK\$19,000 (2004: HK\$42,000) amounted to HK\$428,000 (2004: HK\$522,000).

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截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易

本公司根據於二零零二年五月二十七日舉行之股東週年大會上通過之一項決議案，終止了本公司於一九九六年十月二十三日採納之購股權計劃（「舊購股權計劃」），並採納了一項新購股權計劃（「新購股權計劃」）。

(a) 舊購股權計劃

舊購股權計劃之主要條款概述如下：

- (i) 旨在鼓勵參與者。
- (ii) 參與者包括本集團任何成員公司之僱員或董事。
- (iii) 授出之購股權所涉及之股份上限數目不得超逾本公司不時之已發行股本10%。
- (iv) 每名參與者可獲授之購股權所涉及之股份上限，加上根據任何購股權而已發行及可發行之股份總數，不得超逾不時股份上限之25%。
- (v) 購股權可於視為授出當日後隨時全部或部分行使。
- (vi) 購股權之行使期不得超逾接納日期起計十年。
- (vii) 承授人須於授出日期起計30日內接納購股權（如接納），並向本公司支付1港元不可退回款項。

41. EQUITY SETTLED SHARE-BASED TRANSACTION

Pursuant to a resolution passed at the annual general meeting of the Company held on 27th May, 2002, the share option scheme adopted by the Company on 23rd October, 1996 (the "Old Option Scheme") was terminated and a new share option scheme (the "New Option Scheme") was adopted.

(a) The Old Option Scheme

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

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

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41. 以股權結算以股份支付之交易 (續)

(a) 舊購股權計劃 (續)

(viii) 購股權之行使價須為下列之較高者：

- 不低於緊接在授出購股權日期前五個交易日本公司每股股份之平均收市價80%之價格；及
- 本公司每股股份之面值。

由於舊購股權計劃已於二零零二年五月二十七日終止，因此再無購股權可根據舊購股權計劃而授出。惟所有於該終止前按舊購股權計劃已授出而尚未行使之購股權則仍然有效，並可根據舊購股權計劃之條款予以行使。

(b) 新購股權計劃

新購股權計劃之主要條款概述如下：

- (i) 旨在作為參與者對本集團所作出或可能作出之貢獻之獎勵及報酬。
- (ii) 參與者包括：
 - (1) (a) 在本公司或本公司直接或間接持有任何股本權益之任何實體（統稱「持有權益團體」）之任何成員公司、本公司主要股東或由本公司主要股東控制之任何公司任職之任何執行或非執行董事或候任董事（包括任何獨立非執行董事）、全職或兼職僱員或候任僱員；

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

(a) The Old Option Scheme (Continued)

(viii) The exercise price of a share option must be the higher of:

- a price not less than 80% of the average closing price of a share of the Company for the 5 trading days immediately preceding the grant; and
- the nominal value of a share of the Company.

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

(b) The New Option Scheme

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

- (i) The purpose is to provide incentives and rewards to the participants for their contribution or potential contribution to the Group.
- (ii) The participants include:
 - (1) (a) any director or proposed director (whether executive or non-executive including any independent non-executive director), employee or proposed employee (whether full time or part time) of any member of the Company and any entity in which the Company, directly or indirectly, holds any equity interests (collectively the "Interested Group") or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易 (續)

(b) 新購股權計劃 (續)

(ii) 參與者包括：(續)

- (b) 在持有權益團體任何成員公司或本公司主要股東或由本公司主要股東控制之任何公司任職之任何臨時調派之人士；
- (c) 持有權益團體任何成員公司或本公司主要股東或由本公司主要股東控制之任何公司所發行任何證券之任何人士；
- (d) 持有權益團體任何成員公司或本公司主要股東或由本公司主要股東控制之任何公司之業務或合營夥伴、承辦商、代理商或代表；
- (e) 向持有權益團體任何成員公司或本公司主要股東或由本公司主要股東控制之任何公司提供服務之任何研究人員、技術員、諮詢人、顧問、藝員、演員，以及任何研究公司、技術支援公司、諮詢公司、顧問公司、製作公司、廣告公司、發行公司及專業服務公司；

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

(b) The New Option Scheme (Continued)

(ii) The participants include: (Continued)

- (b) any individual for the time being seconded to work for any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;
- (c) any holder of any securities issued by any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;
- (d) any business or joint venture partner, contractor, agent or representative of any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;
- (e) any research assistant, technician, adviser, consultant, artist, actor, actress of, and any research company, technical support company, advisory company, consultancy company, production company, advertising company, distribution company and professional services company to any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易 (續)

(b) 新購股權計劃 (續)

(ii) 參與者包括：(續)

(f) 向持有權益團體任何成員公司或本公司主要股東或由本公司主要股東控制之任何公司提供電影、電視節目、影視節目、貨品或服務之任何供應商、監製、導演或特許權授出人；

(g) 由持有權益團體任何成員公司或本公司主要股東或由本公司主要股東控制之任何公司提供電影、電視節目、影視節目、貨品或服務之任何客戶、特許權承授人(包括特許權轉授人)或分銷商；

(h) 持有權益團體任何成員公司或本公司主要股東或由本公司主要股東控制之任何公司之任何業主或租戶(包括任何分租租戶)；及

(2) 由一名或多名上述任何類別參與者所控制之公司。

(iii) 根據新購股權計劃可授出之購股權所涉及之股份上限數目不得超過本公司批准新購股權計劃時之已發行股本10%，惟該上限可由股東於股東大會上更新。因行使所有根據新購股權計劃及任何其他購股權計劃已授出而尚未行使之購股權而發行之股份上限數目，不得超過不時已發行股份之30%。於本年報刊發日期，根據新購股權計劃(經更新)而可供發行之購股權總數為54,160份，佔

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

(b) The New Option Scheme (Continued)

(ii) The participants include: (Continued)

(f) any supplier, producer, director or licensor of films, television programmes, video features, goods or services to any member of the Interested Group or any substantial shareholder of the Company or any company controlled by a substantial shareholder of the Company;

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

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

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

(iii) The maximum number of shares in respect of which share options may be granted under the New Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the New Option Scheme and such limit might be refreshed by the shareholders in general meeting. The maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to

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截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易 (續)

(b) 新購股權計劃 (續)

本公司於本年報刊發日期已發行股本約0.01%。

(iv) 除非獲得股東批准，否則每名參與者於十二個月內獲授之購股權(包括已行使，已註銷及尚未行使之購股權)予以行使時所發行及將發行之股份總數，不得超過不時已發行股份之1%。

(v) 行使期由董事會於授出購股權時決定，惟無論如何不得超逾授出日期起計十年。

(vi) 除董事會另有決定及於授出相關購股權時另有規定外，並無規定購股權於行使前須持有之最短限期。

(vii) 承授人須於授出日期起計30日內接納購股權(如接納)，並向本公司支付1港元不可退回收項。

(viii) 購股權之行使價須為下列之最高者：

- 授出日期當日本公司每股股份之收市價；
- 緊接授出日期前五個交易日本公司每股股份之平均收市價；及
- 本公司每股股份之面值。

(ix) 新購股權計劃自採納日期起至二零一二年五月二十六日止十年內有效。

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

(b) The New Option Scheme (Continued)

time. The total number of share options available for issue under the New Option Scheme (after refreshment) as at the date of this annual report was 54,160, which represented approximately 0.01% of the issued share capital of the Company at the date of this annual report.

(iv) The total number of shares issued and to be issued upon exercise of the share options granted to each participant (including exercised, cancelled and outstanding share options) in 12 month period must not exceed 1% of the shares in issue from time to time unless the same is approved by the shareholders.

(v) The exercisable period should be determined by the board of directors upon grant of the share option but in any event should not exceed 10 years from the date of offer for grant.

(vi) Save as determined by the board of directors provided in the offer of the grant of the relevant share options, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

(vii) The acceptance of a share option, if accepted, must be made within 30 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.

(viii) The exercise price of a share option must be the highest of:

- the closing price of a share of the Company on the date of grant;
- the average closing price of a share of the Company for the 5 trading days immediately preceding the date of grant; and
- the nominal value of a share of the Company.

(ix) The New Option Scheme is effective for 10 years from the date of adoption until 26th May, 2012.

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截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易 (續)

下表披露本公司主要股東、董事、本集團僱員及其他參與者所持本公司購股權之詳情及該等所持權益之變動：

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The following table discloses details of the Company's share options held by the Company's substantial shareholders, directors, the Group's employees and other participants and movements in such holdings:

| 參與者類別 Category of Participants | 計劃名稱 Name of scheme | 授出日期 Date of grant | 行使期限 Exercisable period | 每股行使價 Exercise price per share | 購股權數目 Number of share options | | | | | | | | | |
|---|-----------------------------|--|--|--|---|---------------------------------|-----------------------------------|--------------------------------|---|---------------------------------|-----------------------------------|--------------------------------|--|--|
| | | | | | 於二零零四年 一月一日 尚未行使 | | | | | 於二零零五年 十二月三十一日 尚未行使 | | | | |
| | | | | | Outstanding as at 01.01.2004 | 授出 Granted during 2004 | 行使 Exercised during 2004 | 失效 Lapsed during 2004 | Outstanding and 01.01.2005 | 授出 Granted during 2005 | 行使 Exercised during 2005 | 失效 Lapsed during 2005 | Outstanding as at 31.12.2005 | |
| | | | | 港元 HK\$ | (附註i) (Note i) | (附註ii) (Note ii) | | | | (附註iii) (Note iii) | (附註iv) (Note iv) | | | |
| 本公司主要 股東及董事* | 舊購股權計劃 Old Option Scheme | 21.11.1996 28.03.2000 | 21.11.1996 – 20.11.2006 28.03.2000 – 27.03.2010 | 60.510 16.783 | 674,269 922,123 | - - | - - | - - | 674,269 922,123 | - - | - - | - - | 674,269 922,123 | |
| Substantial shareholders and directors of the Company [†] | 新購股權計劃 New Option Scheme | 02.06.2000 16.07.2002 17.07.2003 | 02.06.2000 – 01.06.2010 16.07.2002 – 15.07.2012 17.07.2003 – 16.07.2013 | 8.134 1.716 0.564 | 417,506 221,446 457,000 | - - | - - | - - | 417,506 221,446 457,000 | - - | - - | - - | 417,506 221,446 457,000 | |
| | | | | | 2,692,344 | - | - | - | 2,692,344 | - | - | - | 2,692,344 | |
| 本公司董事** | 新購股權計劃 New Option Scheme | 16.07.2002 17.07.2003 | 16.07.2002 – 15.07.2012 17.07.2003 – 16.07.2013 | 1.716 0.564 | 1,109,557 2,285,000 | - - | - - | - - | 1,109,557 2,285,000 | - - | - - | - - | 1,109,557 2,285,000 | |
| Director of the Company ^{**} | | | | | 3,394,557 | - | - | - | 3,394,557 | - | - | - | 3,394,557 | |
| 本集團僱員 Employees of the Group | 舊購股權計劃 Old Option Scheme | 05.01.1999 28.03.2000 | 05.01.1999 – 04.01.2009 28.03.2000 – 27.03.2010 | 5.011 16.783 | 44 285,337 | - - | - - | - (34,798) | 44 250,539 | - - | - - | - (10,440) | 44 240,099 | |
| | 新購股權計劃 New Option Scheme | 02.06.2000 16.07.2002 17.07.2003 13.12.2004 04.02.2005 30.12.2005 | 02.06.2000 – 01.06.2010 16.07.2002 – 15.07.2012 17.07.2003 – 16.07.2013 13.12.2004 – 12.12.2014 04.02.2005 – 03.02.2015 30.12.2005 – 29.12.2015 | 8.134 1.716 0.564 0.520 0.538 0.242 | 417,508 3,328,671 10,254,939 15,800,000 - | - - | - - | - - | 417,508 3,328,671 10,254,939 15,800,000 - | - - | - (7,969,939) (9,800,000) | - (1,109,557) - | 417,508 2,219,114 2,285,000 6,000,000 28,110,000 18,005,000 | |
| | | | | | 14,286,499 | 15,800,000 | - | (34,798) | 30,051,701 | 46,115,000 | (17,769,939) | (1,119,997) | 57,276,765 | |
| 其他參與者 Other participants | 新購股權計劃 New Option Scheme | 16.07.2002 17.07.2003 13.12.2004 04.02.2005 30.12.2005 | 16.07.2002 – 15.07.2012 17.07.2003 – 16.07.2013 13.12.2004 – 12.12.2014 04.02.2005 – 03.02.2015 30.12.2005 – 29.12.2015 | 1.716 0.564 0.520 0.538 0.242 | 4,438,228 7,855,000 11,820,000 - | - - | - (800,000) | - - | 4,438,228 7,055,000 11,820,000 - | - - | - - | - - | 4,438,228 7,055,000 11,820,000 10,205,000 33,995,000 | |
| | | | | | 12,293,228 | 11,820,000 | (800,000) | - | 23,313,228 | 44,200,000 | - | - | 67,513,228 | |
| | | | | | 32,666,628 | 27,620,000 | (800,000) | (34,798) | 59,451,830 | 90,315,000 | (17,769,939) | (1,119,997) | 130,876,894 | |

* 代表本公司之主要股東及董事向華強先生及陳明英女士所持之購股權。

** 代表本公司董事李玉嫦女士所持之購股權。

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

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

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易 (續)

附註：

- (i) 本公司股份緊接二零零四年授出購股權日期前之收市價為每股0.475港元。
- (ii) 本公司股份緊接購股權於二零零四年獲行使日期前之收市價為每股0.700港元。
- (iii) 本公司股份緊接二零零五年授出購股權日期前之收市價分別為每股0.500港元及每股0.248港元。
- (iv) 本公司股份緊接購股權於二零零五年獲行使日期前之收市價分別為每股1.110港元(就800,000股股份而言)及每股0.720港元(就16,969,939股股份而言)。
- (v) 並無購股權於年內註銷。

以本公司現時之股本架構，於二零零五年十二月三十一日悉數行使尚未行使之130,876,894份購股權，將導致本公司按未計開支現金總代價約130,084,000港元發行130,876,894股額外普通股。

年內從承授人接納獲授購股權時所得之總代價為28港元(二零零四年：15港元)。

以股份支付之款項開支

於採納香港財務匯報準則第2號之後，以股份形式支付之款項，即於二零零二年十一月七日之後就僱員提供服務而授予購股權之公平價值，確認為開支。於歸屬期內列作開支之總金額乃參考所授購股權之公平價值釐定。

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

Notes:

- (i) The closing price of the Company's shares immediately before the date of grant of share options in 2004 was HK\$0.475 per share.
- (ii) The closing price of the Company's shares immediately before the date on which the share options were exercised in 2004 was HK\$0.700 per share.
- (iii) The closing prices of the Company's shares immediately before the dates of grant of share options in 2005 were HK\$0.500 per share and HK\$0.248 per share.
- (iv) The closing prices of the Company's shares immediately before the dates on which the share options were exercised in 2005 were HK\$1.110 per share in respect of 800,000 shares and HK\$0.720 per share in respect of 16,969,939 shares.
- (v) No share option was cancelled during the year.

The exercised in full of the outstanding 130,876,894 share options as at 31st December, 2005 would, under the present capital structure of the Company, result in the issue of 130,876,894 additional ordinary shares for a total cash consideration, before expenses, of approximately HK\$130,084,000.

Total consideration received during the year from the grantees for taking up the share options granted amounted to HK\$28 (2004: HK\$15).

Share-based payment expenses

Following to the adoption of HKFRS 2, Share-based Payment, the fair value of the employee services received in exchange for the grant of the share options after 7th November, 2002 is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易 (續)

以股份支付之薪酬 (續)

- (i) 於年內生效之授予條款及條件如下，據此，所有購股權均透過實際交付股份之形式結算：

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

Share-based payment compensation (Continued)

- (i) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

| | 工具數目 Number of Instruments | 行使期限 Exercisable period |
|--|-------------------------------|---|
| 授予主要股東及董事之購股權 Options granted to substantial shareholders and directors | | |
| — 於二零零三年七月十七日 — on 17th July, 2003 | 457,000 | 二零零三年七月十七日至二零一三年七月十六日 17th July, 2003 – 16th July, 2013 |
| 授予董事之購股權 Options granted to directors | | |
| — 於二零零三年七月十七日 — on 17th July, 2003 | 2,285,000 | 二零零三年七月十七日至二零一三年七月十六日 17th July, 2003 – 16th July, 2013 |
| 授予本集團僱員之購股權 Options granted to employees of the Group | | |
| — 於二零零三年七月十七日 — on 17th July, 2003 | 11,254,939 | 二零零三年七月十七日至二零一三年七月十六日 17th July, 2003 – 16th July, 2013 |
| — 於二零零四年十二月十三日 — on 13th December, 2004 | 15,800,000 | 二零零四年十二月十三日至二零一四年十二月十二日 13th December, 2004 – 12th December, 2014 |
| — 於二零零五年二月四日 — on 4th February, 2005 | 28,110,000 | 二零零五年二月四日至二零一五年二月三日 4th February, 2005 – 3rd February, 2015 |
| — 於二零零五年十二月三十日 — on 30th December, 2005 | 18,005,000 | 二零零五年十二月三十日至二零一五年十二月二十九日 30th December, 2005 – 29th December, 2015 |
| 授予其他參與者之購股權 Options granted to other participants | | |
| — 於二零零三年七月十七日 — on 17th July, 2003 | 8,855,000 | 二零零三年七月十七日至二零一三年七月十六日 17th July, 2003 – 16th July, 2013 |
| — 於二零零四年十二月十三日 — on 13th December, 2004 | 11,820,000 | 二零零四年十二月十三日至二零一四年十二月十二日 13th December, 2004 – 12th December, 2014 |
| — 於二零零五年二月四日 — on 4th February, 2005 | 10,205,000 | 二零零五年二月四日至二零一五年二月三日 4th February, 2005 – 3rd February, 2015 |
| — 於二零零五年十二月三十日 — on 30th December, 2005 | 33,995,000 | 二零零五年十二月三十日至二零一五年十二月二十九日 30th December, 2005 – 29th December, 2015 |
| | <u>140,786,939</u> | |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

41. 以股權結算以股份支付之交易 (續)

以股份支付之薪酬 (續)

- (ii) 購股權之估計公平價值按柏力克－舒爾斯模式計算。該模式所採用之變量如下：－

41. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

Share-based payment compensation (Continued)

- (ii) The estimated fair value of the options is measured based on Black-Scholes Model. The variables input into the model are as follows:－

| | | 二零零五年 2005 | 二零零四年 2004 (經重列) (Restated) |
|-------------------------------|--|---------------|--------------------------------------|
| 於計量日期之加權平均股價 | Weighted average share price at measurement date | HK\$0.35港元 | － |
| 加權平均行使價 | Weighted average exercise price | HK\$0.37港元 | － |
| 預期波幅(以按柏力克－舒爾斯模式計算之加權平均波幅列示) | Expected volatility (expressed as weighted average volatility used in the modeling of Black-Scholes Model) | 65.82% | － |
| 購股權年期(以按柏力克－舒爾斯模式計算之加權平均年期列示) | Option life (expressed as weighted average life used in the modeling of Black-Scholes Model) | 10 年 years | － |
| 預期股息 | Expected dividends | － | － |
| 無風險利率 | Risk-free interest rate | 4.0% | － |
| 於計量日期之加權平均公平價值 | Weighted average fair value at measurement date | HK\$0.27港元 | － |

預期波幅乃以過往波幅(按購股權之平均加權剩餘年期計算)為基準。預期股息則以過往股息為基準。所採用之主觀假設之變動或會對公平價值之估計產生重大影響。

購股權乃根據服務條件而授出。服務條件並無計入所收取之服務於授出日期之公平價值計量。所授出之購股權與市場條件並無關連。

The expected volatility is based on historical volatility (calculated based on the weighted average remaining life of the share options). Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. The condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share options granted.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

42. 主要非現金交易

本集團於年內進行下列主要非現金交易：

- (a) 12,000,000港元之投資按金已用作換取廣告代理向本集團提供廣告服務，並於資產負債表中計入按金、預付款項及其他應收賬款賬目內。年內，本集團已使用之廣告服務之費用約5,345,000港元，且於結算日，並無仍未償還之結餘。
- (b) 年內，就本集團於二零零四年收購一間主要業務為在中國透過需求平台提供流動娛樂之公司之30%已發行股本，賣方股東同意向本集團支付可退回按金12,000,000港元。本集團年內合共收到5,000,000港元，而本集團已於結算日後收取餘額7,000,000港元，該數額已於資產負債表中計入按金、預付款項及其他應收賬款賬目內。該交易之詳情載於附註13。

42. MAJOR NON-CASH TRANSACTIONS

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

- (a) Deposit for investment of HK\$12,000,000 was exchanged for the advertising services to be provided by an advertising agent to the Group and is included in deposits, prepayments and other debtors account in the balance sheet. During the year, the Group utilised advertising services amounted to approximately HK\$5,345,000 and no balance remained outstanding as at the balance date.
- (b) During the year, in respect of the acquisition of 30% of the issued share capital of a company which principal activity was the provision of mobile entertainment on demand platform in PRC, by the Group in 2004, the vendor's shareholder agreed to repay the refundable deposit of HK\$12,000,000 to the Group. A total amount of HK\$5,000,000 was received by the Group during the year. The remaining amount of HK\$7,000,000, which was received by the Group after the balance sheet date, is included in deposits, prepayments and other debtors account in the balance sheet. Details of this transaction are set out in note 13.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

43. 關連人士交易

(a) 年內，本集團與豐采集團訂立以下交易：

43. RELATED PARTY TRANSACTION

(a) During the year, the Group entered into the following transactions with Riche Group:

| | | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|-------------|---|-------------|----------------------------------|---|
| 交易性質 | Nature of transactions | 附註 | | |
| 利息開支 — 貸款利息 | Interest expense — Loan interest | (i) | 238 | — |
| — 可換股票據利息 | — Interest on convertible notes | (i) | 100 | 338 |
| 定期貸款 | Term loan | (i) | 33,800 | — |
| 已付後期製作費用 | Post-production fee paid | (ii) & (iv) | 736 | 1,781 |
| 已收影展收入 | Film exhibition income received | (i) | 7,947 | 13,470 |
| 收購租賃土地及樓宇 | Acquisition of leasehold land and buildings | (iii) | 9,000 | — |
| 已付薪金開支 | Salary expense paid | | 1,032 | 1,032 |

附註：

- (i) 於二零零五年四月十九日，本集團發行之33,800,000港元可換股票據到期。本集團並無行使權利以兌換未償還本金額33,800,000港元為豐采多媒體股本，而豐采多媒體已償還33,800,000港元。同日，本公司同意向豐采多媒體授出一年期貸款33,800,000港元。該筆貸款為無抵押、按年息1厘計息，並須於二零零六年四月十九日償還。請參閱附註15(b)。
- (ii) 金額按各方協定之價格釐定。
- (iii) 於二零零五年年度內，本集團向豐采集團收購租賃土地及樓宇，總代價9,000,000港元。收購事項之代價於二零零五年七月七日以現金償還。

Notes:

- (i) On 19 April 2005, the convertible notes of HK\$33,800,000 issued by the Group were matured. The Group did not exercise the right to convert the outstanding principal amount of HK\$33,800,000 into share capital of Riche Multi-Media and Riche Multi-Media repaid HK\$33,800,000 to the Group. On the same date, the Company granted a one year term loan of HK\$33,800,000 to Riche Multi-Media. The loan is unsecured, bears interest at 1% per annum and repayable on 19 April 2006. Please also refer to note 15(b).
- (ii) The amounts were determined at prices agreed between the parties.
- (iii) During the year 2005, the Group acquired leasehold land and buildings from the Riche Group at a total consideration of HK\$9,000,000. The consideration for the acquisition was settled in cash on 7 July 2005.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

43. 關連人士交易 (續)

- (iv) 本集團於二零零二年二月五日與豐采集團訂立地區供應協議，據此，本集團自二零零二年四月八日起計三年內向豐采集團授出優先購買權，以購買每部電影在中國及蒙古之獨家發行權（不包括放映權及互聯網發行權）及有權選擇購買放映權。

- (b) 本集團年內與TAL集團進行下列交易：

43. RELATED PARTY TRANSACTION (Continued)

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

- (b) During the year, the Group entered into the following transactions with TAL Group:

| 交易性質 | Nature of transactions | 附註 Notes | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 |
|----------------------------|---|-------------|----------------------------------|----------------------------------|
| 來自TAL集團之 管理費收入 | Management fee income from the TAL Group | (i) & (ii) | 4,860 | 3,860 |
| 已支付及應支付 TAL集團之服務費 | Services charges paid and payable to the TAL Group | (i) & (ii) | 2,880 | 11,540 |
| 已支付及應支付 TAL集團之藝人 宣傳費 | Artists promotion charges paid and payable to the TAL Group | (i) & (ii) | 4,382 | 10,349 |

附註：

- (i) 金額按各方協定之價格釐定。
(ii) 陳明英女士亦為TAL之董事。

Notes:

- (i) The amounts were determined at prices agreed between the parties.
(ii) Ms. Chen Ming Yin, Tiffany is also a director of TAL.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

43. 關連人士交易 (續)

- (c) 年內，本公司向董事及其聯繫人士發行 137,365,000 股普通股 (二零零四年：60,765,000 股)。該認購之詳情載於附註 23(a) 及 (c)。
- (d) 年內，向華強先生和陳明英女士向一間銀行提供個人擔保，以擔保本集團獲得之銀行貸款。本集團沒有就其支付費用 (二零零四年：無)。
- (e) 應收及應付關連人士款項之詳情載於附註 21。
- (f) 主要管理人員
如附註 24 所披露，主要管理人員酬金 (包括支付予本公司董事及若干最高薪僱員之款項) 如下：—

43. RELATED PARTY TRANSACTION (Continued)

- (c) During the year, the Company issued 137,365,000 (2004: 60,765,000) ordinary shares to the directors and their associates. Details of these subscriptions are set out in note 23(a) and (c).
- (d) During the year, Mr. Heung Wah Keung and Ms Chen Ming Yin, Tiffany provided personal guarantees to a bank to secure banking facilities granted to the Group. No fee was paid to them by the Group (2004: Nil).
- (e) Details of the amounts due from and to related parties are set out in note 21.
- (f) Key management personnel
Compensation for key management personnel, including amount paid to the Company's directors and certain of the highest paid employee, as disclosed in note 24, is as follows:—

| | | 二零零五年 2005 千港元 HK\$'000 | 二零零四年 2004 千港元 HK\$'000 (經重列) (restated) |
|-----------|--|----------------------------------|---|
| 薪金及其他短期福利 | Salaries and other short-term benefits | 1,104 | 2,040 |
| 退休金計劃供款 | Pension scheme contributions | 24 | 36 |
| 以股份支付之款項 | Share-based payment | 3,981 | — |
| | | 5,109 | 2,076 |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

44. 主要附屬公司詳情

下表載列董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為，呈列其他附屬公司之資料會使篇幅過於冗長。

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

| 附屬公司名稱 Name of subsidiary | 業務架構 形式 Form of business structure | 註冊/成立 國家/地點 Country/place of incorporation/ formation | 所持股份 類別 Class of shares held | 本公司所持 已發行股本/ 註冊資本 面值比例 Proportion of nominal value of issued capital/registered capital held by the Company % | 已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital | 主要業務 Principal activities |
|--|--|---|---------------------------------------|---|---|-----------------------------------|
| Business First Limited | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 普通股 Ordinary | 100 | 1股面值1美元 之股份 1 share of US\$1 | 持有有線播映權 Holding of cable right |
| China Star Entertainment (BVI) Limited | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 普通股 Ordinary | 100 | 200股每股面值1美元 之股份 200 shares of US\$1 each | 投資控股 Investment holding |
| 中國星娛樂控股 有限公司 China Star Entertainment Holding Limited | 註冊成立 Incorporated | 香港 Hong Kong | 普通股 Ordinary | 100 | 2股每股面值 1港元普通股 及1,000,000股 每股面值1港元之 無投票權遞延股 (附註b) 2 ordinary shares of HK\$1 each and 1,000,000 non-voting deferred shares of HK\$1 each (Note b) | 投資控股 Investment holding |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

44. 主要附屬公司詳情 (續)

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

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

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

44. 主要附屬公司詳情 (續)

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

| 附屬公司名稱 Name of subsidiary | 業務架構 形式 Form of business structure | 註冊/成立 國家/地點 Country/place of incorporation/ formation | 所持股份 類別 Class of shares held | 本公司所持 已發行股本/ 註冊資本 面值比例 Proportion of nominal value of issued capital/registered capital held by the Company % | 已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital | 主要業務 Principal activities |
|--|--|---|---------------------------------------|---|--|--|
| 中國星商標有限公司 China Star Trademark Limited | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 普通股 Ordinary | 100 | 1股面值1美元之股份 1 share of US\$1 | 持有商標及 版權 Holding of trademark and copyrights |
| China Star Worldwide Distribution B.V. (附註a) (Note a) | 註冊成立 Incorporated | 荷蘭 Netherlands | 普通股 Ordinary | 100 | 400股每股 面值100荷蘭盾 之普通股 400 ordinary shares of Dutch Guilders 100 each | 電影及電視 連續劇 發行 Distribution of motion pictures and television drama series |
| Classical Statue Limited | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 普通股 Ordinary | 100 | 1股面值1美元之股份 1 share of US\$1 | 投資控股 Investment holding |
| Exceptional Gain Profits Limited | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 普通股 Ordinary | 100 | 1股面值1美元之股份 1 share of US\$1 | 物業投資 Property investment |
| 安樂(香港)有限公司 Newrich (H.K.) Limited | 註冊成立 Incorporated | 香港 Hong Kong | 普通股 Ordinary | 100 | 2股每股面值 1港元之普通股 2 ordinary shares of HK\$1 each | 持有物業 Property holding |
| 一百年電影有限公司 One Hundred Years of Film Company Limited | 註冊成立 Incorporated | 香港 Hong Kong | 普通股 Ordinary | 100 | 3,000,000股每股 面值1港元 之普通股 3,000,000 ordinary shares of HK\$1 each | 電影製作 Film production |
| 思維娛樂有限公司 S & W Entertainment Limited | 註冊成立 Incorporated | 香港 Hong Kong | 普通股 Ordinary | 100 | 2股每股面值 1港元之普通股 2 ordinary shares of HK\$1 each | 製作電影及 電視連續劇 Production of motion pictures and television drama series |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

44. 主要附屬公司詳情 (續)

附註：

- (a) 在全球經營業務。
- (b) 無投票權遞延股份實際並無權利分享該公司股息、接收該公司股東大會之通告、出席該等大會或在會上投票之權利、在清盤時亦不可享有任何分派。

China Star Entertainment (BVI) Limited 及 China Star Worldwide Distribution B.V. 由本公司直接擁有，而所有其他附屬公司均由本公司間接擁有。

除另有指明者外，附屬公司之主要營業地點為香港。

所有附屬公司於年結日或年中任何時間概無任何未贖回之債務證券。

44. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Notes:

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

China Star Entertainment (BVI) Limited and China Star Worldwide Distribution B.V. are directly held by the Company. All other subsidiaries are indirectly held by the Company.

Except otherwise stated, the principal place of operation of the subsidiaries is Hong Kong.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

45. 主要聯營公司詳情

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

45. PARTICULARS OF PRINCIPAL ASSOCIATES

The following table lists the associates of the Group which, in the opinion of the directors, principally affected the results and assets of the Group. To give details of other associates would, in the opinion of directors, result in particulars of excessive length.

| 聯營公司名稱 Name of associate | 業務架構形式 Form of business structure | 註冊成立 國家/地點 Country/ place of incorporation | 本公司間接持 已發行股本/註冊 資本面值比例 Proportion of nominal value of issued capital/registered capital held indirectly by the Company % | 已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital | 主要業務 Principal activities |
|--|--|--|---|--|--|
| Golden Capital International Limited | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 36.50 | 1,000股每股 面值1美元 之普通股 1,000 ordinary shares of US\$1 each | 於中國投資控股 Investment holding in the PRC |
| 北京澳昌科技有限公司* | 外商獨資企業 Wholly foreign -owned enterprise | 中國 PRC | 20.08 | 註冊資本 人民幣 10,000,000元 Registered capital RMB10,000,000 | 於中國開發及 生產電訊、資訊 科技及解決方案 Development and production of telecommunication and information technology and solution in the PRC |
| 豐采多媒體集團有限公司*** Riche Multi-Media Holdings Limited *** | 註冊成立 Incorporated | 百慕達 Bermuda | 41.07 | 5,154,018,000股 每股面值0.01港元 之普通股 5,154,018,000 ordinary shares of HK\$0.01 each | 投資控股 Investment holding |
| Bluelagoon Investment Holdings Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 1股面值 1美元之普通股 1 ordinary share of US\$1 | 於中國投資控股、 投資證券、 發行電影及轉授電影 發行權 Investment holding, investment in securities, distribution of films and sub-licensing of film rights in the PRC |
| Dragon Leader Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 1股面值1美元之 普通股 1 ordinary share of US\$1 | 於香港投資控股 Investment holdings in Hong Kong |
| Gainful Fortune Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 160,000,100股 每股面值1港元 之普通股 160,000,100 ordinary shares of HK\$1 each | 於香港以外地區 持有電影發行權 Holding of film rights outside Hong Kong |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

45. 主要聯營公司詳情 (續)

45. PARTICULARS OF PRINCIPAL ASSOCIATES (Continued)

| 聯營公司名稱 Name of associate | 業務架構形式 Form of business structure | 註冊成立 所在國家/地點 Country/ place of incorporation | 本公司間接所持 已發行股本/註冊 資本面值比例 Proportion of nominal value of issued capital/registered capital held indirectly by the Company % | 已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital | 主要業務 Principal activities |
|---|--|--|--|--|--|
| Legend Rich Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 1股面值 1美元之普通股 1 ordinary share of US\$1 | 透過中國代理商於 中國發行影視產品 Distribution of video products in the PRC through a PRC agent |
| Ocean Shores Licensing Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 10,000股每股面值 1美元之普通股 10,000 ordinary shares of US\$1 each | 於香港以外地區持有 電影發行權 Holding of film rights outside Hong Kong |
| Riche Advertising Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 1股面值 1美元之普通股 1 ordinary share of US\$1 | 於香港投資證券 Investments in securities in Hong Kong |
| Riche (BVI) Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 1,000股每股面值 1美元之普通股 1,000 ordinary shares of US\$1 each | 於香港投資控股 Investment holding in Hong Kong |
| 豐采發行有限公司 ** Riche Distribution Limited ** | 註冊成立 Incorporated | 香港 Hong Kong | 41.07 | 1,000,000股每股面值 1港元之普通股 1,000,000 ordinary shares of HK\$1 each | 於香港轉授電影發行權 及投資證券 Sub-licensing of film rights and investments in securities in Hong Kong |
| 豐采國際(澳門離岸商業服務) 有限公司 ** Riche International (Macao Commercial Offshore) Limited ** | 註冊成立 Incorporated | 澳門 Macau | 41.07 | 1股面值澳門幣 100,000元之股份 1 share of MOP100,000 | 於中國發行電影及 轉授電影發行權 Distribution of films and sub-licensing of film rights in the PRC |
| 豐采多媒體有限公司 ** Riche Multi-Media Limited ** | 註冊成立 Incorporated | 香港 Hong Kong | 41.07 | 2股每股面值 1港元之普通股 2 ordinary shares of HK\$1 each | 於中國發行電影及 其他影視特輯 Distribution of films and other video features in the PRC |
| 豐采影畫有限公司 ** Riche Pictures Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 1股面值 1美元之普通股 1 ordinary share of US\$1 | 於香港投資控股 Investment holding in Hong Kong |
| 豐采錄影有限公司 ** Riche Video Limited ** | 註冊成立 Incorporated | 香港 Hong Kong | 41.07 | 10股每股面值 100港元之普通股及 20,000股每股面值 100港元之無投票權 遞延股份 ^Δ 10 ordinary shares of HK\$100 each 20,000 non-voting deferred shares of HK\$100 each ^Δ | 於香港發行影視產品 Distribution of video products in Hong Kong |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

45. 主要聯營公司詳情 (續)

45. PARTICULARS OF PRINCIPAL ASSOCIATES (Continued)

| 聯營公司名稱 Name of associate | 業務架構形式 Form of business structure | 註冊成立 所在國家/地點 Country/ place of incorporation | 本公司間接所持 已發行股本/註冊 資本面值比例 Proportion of nominal value of issued capital/registered capital held indirectly by the Company % | 已發行及繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital | 主要業務 Principal activities |
|--|--|--|--|--|---|
| World East Investments Limited ** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.07 | 1股面值 1美元之普通股 1 ordinary share of US\$1 | 透過中國代理商於中國 發行電影及轉授電影 發行權 Distribution of films and sub-licensing of film in the PRC through a PRC agent |
| Together Again Limited | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 49.00 | 48,080股每股面值 1美元之股份 48,080 shares of US\$1 each | 投資控股及 提供藝人管理服務 Investment holding and provision of artists management services |
| Imperial International Limited**** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 49.00 | 100股每股面值 1美元之股份 100 shares of US\$1 each | 投資控股 Investment holding |
| China Entertainment Group, Inc. (formerly known as China Artists Agency Inc.)***** | 註冊成立 Incorporated | 美國 United States of America | 41.65 | 128,963,425股 每股面值0.001美元 之普通股 128,963,425 common stock of US\$0.001 each | 投資控股 Investment holding |
| Metrolink Pacific Limited**** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.65 | 120股每股面值 1美元之股份 120 shares of US\$1 each | 投資控股 Investment holding |
| 中國星演藝管理有限公司**** China Star Management Limited**** | 註冊成立 Incorporated | 香港 Hong Kong | 41.65 | 1,000,000股 每股面值1港元 之普通股 1,000,000 ordinary shares of HK\$1 each | 提供藝人管理服務 Provision of artists management services |
| Anglo Market International Limited **** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.65 | 1股每股面值 1美元之股份 1 share of US\$1 each | 提供藝人管理服務 Provision of artists management services |
| Metrolink Global Limited **** | 註冊成立 Incorporated | 英屬處女群島 British Virgin Islands | 41.65 | 100股每股面值 1美元之股份 100 shares of US\$1 each | 提供藝人管理服務 Provision of artists management services |

財務報表附註 Notes to the Financial Statements

截至二零零五年十二月三十一日止年度 For the year ended 31st December, 2005

45. 主要聯營公司詳情 (續)

- * 北京澳昌科技有限公司乃Golden Capital之一間附屬公司。
- ** 該等公司乃豐采多媒體之全資附屬公司。
- *** 豐采多媒體之股份在香港聯合交易所有限公司上市。
- **** 該等公司為TAL之附屬公司。
- # China Entertainment Group, Inc.乃一間美國公眾公司，於美國場外電子交易板(Over-The-Counter Bulletin Board)進行買賣。
- △ 無投票權遞延股份實際並無權利分享股息、接收任何本公司股東大會之通告、出席該等大會或在會上投票或在清盤時享有任何分派。

46. 結算日後事項

於二零零四年三月十五日，本集團聯營公司Golden Capital股東向本集團授出一項期權(「期權」)，規定Golden Capital股東按總代價25,000,000港元(「代價」)向本集團購入Golden Capital股本中合共356股每股1美元之股份(相等於本集團在Golden Capital之全部股權)。倘Golden Capital於截至二零零四年十二月三十一日止年度之經審核賬目(「經審核賬目」)所示之除稅後但未扣除特殊項目溢利淨額少於14,600,000港元之情況下，則本集團可行使該期權。應Golden Capital股東之要求，由於有關編製經審核賬目若干不可預測之困難，經審核賬目將於二零零六年一月十九日或以前可供查閱。

於結算日後，根據本集團於二零零六年四月取得之經審核賬目，由於除稅後但未扣除特殊項目溢利淨額少於14,600,000港元，故本集團行使期權，且Golden Capital之股東已同意向本集團償還代價。

47. 批准財務報表

財務報表已於二零零六年四月二十四日獲董事會批准。

45. PARTICULARS OF PRINCIPAL ASSOCIATES (Continued)

- * Beijing Aochang Technology Co., Ltd. is a subsidiary of Golden Capital.
- ** These companies are wholly-owned subsidiaries of Riche Multi-Media.
- *** The shares of Riche Multi-Media are listed on The Stock Exchange of Hong Kong Limited.
- **** These companies are subsidiaries of TAL.
- # China Entertainment Group, Inc. is a U.S. public company traded on the Over-The-Counter Bulletin Board.
- △ The non-voting deferred shares practically carry no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of the Company nor to participate in any distribution on winding up.

46. SUBSEQUENT EVENTS

On 15th March, 2004, the shareholder of Golden Capital, an associate of the Group, granted to the Group an option ("Option") to require Golden Capital's shareholder to purchase from the Group an aggregate of 356 shares of US\$1 each in the share capital of Golden Capital which represents the Group's entire shareholding in Golden Capital, at an aggregate consideration of HK\$25,000,000 ("Consideration"). The Group may exercise the Option in the event that the net profits after taxation but before extraordinary items as shown in the audited accounts ("Audited Accounts") of Golden Capital for year ended 31st December, 2004 is less than HK\$14,600,000. As requested by the shareholder's of Golden Capital, the Audited Accounts will be available on or before 19th January, 2006 due to certain unforeseeable difficulties relating to the preparation of the Audited Accounts.

Subsequent to the balance sheet date, the Group exercised the Option as the net profits after taxation but before extraordinary items was less than HK\$14,600,000 as per the Audited Accounts received by the Group in April, 2006 and the shareholder of Golden Capital has agreed to repay the Consideration to the Group.

47. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 24th April, 2006.