Annual Report 2008

星 美 國 際

SMI CORPORATION LIMITED

(Provisional Liquidator Appointed)

星美國際集團有限公司*

(已委任臨時清盤人)

(Incorporated in Bermuda with limited liability)

(Stock Code: 198)

* For identification purposes only

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Hu Yidong
Mr. Liu Xianbo
Mr. Li Kai *(Deputy Chairman)*
Mr. Hao Bin

Independent Non-executive Directors

Mr. Lam Tak Shing, Harry
Mr. Pang Hong
Mr. Qiao Zhen Pu

Audit Committee Members

Mr. Pang Hong
Mr. Qiao Zhen Pu

AUDITOR

ANDA CPA Limited
Certified Public Accountants

REGISTERED OFFICE

Clarendon House,
Church Street,
Hamilton HM 11,
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 12, 37th Floor,
West Tower,
Shun Tak Centre,
200 Connaught Road Central,
Hong Kong

SHARE REGISTRARS

Principal Share Registrar in Bermuda

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

Branch Share Registrar in Hong Kong

Tricor Progressive Limited
26th Floor,
Tesbury Centre,
28 Queen's Road East,
Wanchai,
Hong Kong

STOCK CODE

198

WEBSITE

www.equitynet.com.hk/smi

SMI Corporation Limited (Provisional Liquidator Appointed) (the "Company"), an investment holding company and its subsidiaries (collectively the "Group") are mainly engaged in the production, distribution and licensing of content in relation to movies and films, leisure business including theme restaurant, talent management, investments in cinema businesses and cyber café. During the year ended 31 March 2008, all (2007: approximately 95%) of the Group's turnover was derived from a theme restaurant in the name of Planet Hollywood operated by the Group in Japan. In recent years, the theme restaurant operation was not successful and has been in continuous operating losses.

Subsequent to the balance sheet date, the theme restaurant was closed down on 13 April 2009 as a result of an eviction order against a subsidiary of the Group granted by a court in Japan to The Disney Store Japan, a division of Walt Disney International Japan, Inc.

OPERATING PERFORMANCE

The Group's turnover for the year ended 31 March 2008 was approximately HK$29,675,000, a drop of approximately HK$9,122,000 or 24% compared with the turnover for the previous year which was approximately HK$38,797,000.

An analysis of the Group's financial performance and position by business segments is as follows:

	Movie production, distribution and exhibition HK$'000	**Theme restaurant** HK$'000	**Corporate and others** HK$'000	**Consolidated** HK$'000
Year ended 31 March 2008				
Turnover	**–**	**29,675**	**–**	**29,675**
Segment results	**(58,111)**	**(14,828)**	**(6,803)**	**(79,742)**
Year ended 31 March 2007				
Turnover	1,989	36,750	58	38,797
Segment results	1,212	(10,050)	(11,067)	(19,905)

The Group's movies, television, dramas and documentary production, distributing and licensing operation had continued to shrink during the year ended 31 March 2008 due to the Group's liquidity problem. The Group's segmental loss in respect of such operation for the year was attributed to the impairment on its interest in an associate the details of which is set out in "Material Acquisitions, Disposals and Impairment" below. The Group has also recorded continuous losses in its theme restaurant operation in Japan.

The leisure and entertainment industry is highly volatile because it is very much dependent on the economic condition and consumers' willingness to spend. Therefore, the Group's performance would fluctuate vigorously in accordance with changes in market condition. However, it is the Group's long term strategy to diversify its business operations within the leisure and entertainment industry in order to minimise the impacts due to such unstable market environment.

Management Discussion and Analysis

Loss attributable to the Company's shareholders for the year ended 31 March 2008 was approximately HK$90,455,000, an increase of approximately HK$65,475,000 or 2.6 times compared to the loss of the previous year which amounted approximately HK$24,980,000. The drastic increase in loss for the year was due to a decrease in turnover and increases in other expenses including impairments of interest in an associate, amounts due from jointly controlled entities, deposit paid on acquisition of interest in an associate and trade receivables which amounting in the total sum of approximately HK$65,184,000 (2007: Nil).

For the year ended 31 March 2008, the loss per share was approximately 28.8 Hong Kong cents (2007: 8.0 Hong Kong cents).

MATERIAL ACQUISITIONS, DISPOSALS AND IMPAIRMENTS

The Group had no material acquisition and disposal during the year ended 31 March 2008.

The Group had provided for impairments on the following assets during the year ended 31 March 2008:

(a) On 25 August 2004, 星美影院發展有限公司(“星美影院發展”), an associate which was 25% owned by the Group, entered into an agreement with 星美傳媒集團有限公司(“星美傳媒”) to acquire the latter's 60% equity interest in 中影星美電影院線有限公司(“中影星美”), a PRC domestic company engaged in film distribution business in Mainland China, at a consideration of RMB55,000,000 (the “Acquisition”). During the year ended 31 March 2005, 星美影院發展 paid a sum of RMB55,000,000 to 星美傳媒 as deposit in connection with the Acquisition (the “Deposit”). So far, the legal title on 中影星美 has not yet been transferred to the Group because of an existing regulation in the PRC restricting foreign enterprises from holding equity interest in domestic companies carrying on film distribution business. By a supplementary agreement signed on 30 April 2008, 星美傳媒 had agreed to refund the Deposit to 星美影院發展 if the Acquisition could not be completed within two years. In view of the uncertainty relating to the outcome of the refund, full impairment in respect of the Deposit in the accounts of 星美影院發展 is anticipated by the Group. In consequence, the Group had made full impairment on its interest in 星美影院發展 originally carried in the Group's financial statements at approximately HK$30,517,000.

(b) On 14 March 2005, Sino Logic Limited (“Sino Logic”), a wholly owned subsidiary of the Group, entered into an agreement (the “Agreement”) with 星美傳媒 for the acquisition of 35% additional equity interest in 星美影院發展 held by 星美傳媒, for a consideration of RMB 42 million (the “Additional Acquisition”). In 2005, a sum of approximately HK$15,555,000 was paid to 星美傳媒 as down payment for the Additional Acquisition (the “Down Payment”). As conditions precedent stipulated in the Agreement had not been fulfilled, the Agreement was declared as no effect on 31 December 2005. On 14 February 2008, a memorandum was signed between Sino Logic and 星美傳媒 for resuming the negotiation for completing the Additional Acquisition. In view of the uncertainty relating to the outcome of the negotiation, full impairment on the Down Payment was made during the year ended 31 March 2008.

(c) On 1 February 2005, Stepwise Investments Limited (“Stepwise”), a wholly owned subsidiary of the Group, entered into an agreement (effective from 2 February 2005) with Alfresco Gold Limited (“Alfresco”), an independent third party which owned 65% of the entire issued capital of Alfaway International Limited (“Alfaway”), for the disposals to Alfresco of Stepwise's 35% of the entire issued share capital of Alfaway together with the shareholder's loan and interest amounting approximately to HK$22 million (the “Shareholder's Loan”) as at 31 December 2004 extended by Stepwise to Alfaway, for considerations of HK$30 million and HK$18 million respectively.

At 31 March 2008, an amount of HK$3 million, being the remaining balance of the consideration receivable from Alfresco for the disposal of the Shareholder's Loan to be satisfied by broadcasting rights of films or television programmes or advertising air-time, was still outstanding by Alfresco. Full impairment on this receivable was made during the year ended 31 March 2008.

Further details in respect of the above impairments are set out in notes 19 and 24 to the financial statements.

FINANCIAL RESOURCES, LIQUIDITY, CAPITAL STRUCTURE, GEARING RATIO AND FOREIGN CURRENCY EXPOSURE

As at 31 March 2008, the Group did not maintain sufficient liquid funds and had net current liabilities of approximately HK$110,021,000 (2007: approximately HK$54,440,000). The net current liabilities as at 31 March 2008 include bank and cash balances of approximately HK$11,443,000 (2007: approximately HK$835,000). The bank and cash balances as at 31 March 2008 are mainly unused finance provided by the controlling shareholder of the Company, namely, Strategic Media International Limited (the "Controlling Shareholder") and a third party for the purposes of settling the Group's restructuring expenses to be incurred subsequent to the balance sheet date.

The capital structure of the Group consists of borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and reserves. The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate.

As at 31 March 2008, the Group's total bank and other borrowings were amounted approximately to HK$31,284,000 (2007: approximately HK$31,284,000), of which, approximately HK$17,203,000 (2007: approximately HK$17,203,000) was an unsecured bank loan, approximately HK$11,000,000 and HK$3,081,000 (2007: approximately HK$11,000,000 and HK$3,081,000) were a secured other loan and an unsecured other loan respectively. The Group's borrowings are principally on a floating rate basis. There was no fixed rate or equity linked bonds and notes issued by the Group.

The Group's gearing ratio, which is calculated on the basis of the Group's total interest bearing debts net of cash and bank balances and pledged deposit over the total equity interest, as at 31 March 2008 could not be determined as the Group had net liabilities of approximately HK$55,214,000 (2007: the Group's gearing ratio was 84%).

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities or United States dollars for Hong Kong dollar functional currency Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

When appropriate and at times of interest rate or exchange rate uncertainty or volatility, hedging instruments including swaps and forwards are used by the Group in the management of exposure to interest rate and foreign exchange rate fluctuations.

There has not been any change in the Group's funding and treasury policies and the Group will continue to follow the practice of prudent cash management.

Management Discussion and Analysis

PROSPECTS

On 11 March 2008, a resumption proposal was submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") requesting for the resumption of trading of the Company's shares on the Stock Exchange. Subsequently, one set of supplementary information for the resumption proposal and two sets of supplements to the resumption proposal (collectively the "Resumption Proposal") were submitted to the Stock Exchange on 9 May 2008, 7 August 2008 and 2 February 2009 respectively.

On 6 February 2009, the Stock Exchange issued a letter to the Company advising its decision to allow the Company to proceed with the Resumption Proposal, subject to prior compliance with various conditions to the satisfaction of the Listing Division of the Stock Exchange within six months from that date.

The proposed restructuring, if completely implemented, will amongst other things, result in the following:

(a) an acquisition of a cinema business to be settled by way of the issuance of consideration shares of the Company;

(b) an open offer giving rise to gross proceeds of approximately HK$94.2 million;

(c) the setting up of café bars in the PRC;

(d) an increase in the authorised share capital of the Company;

(e) all the creditors of the Company being repaid in full;

(f) reorganisation of the Group's operations by disposing part of its inactive subsidiaries by way of voluntary liquidation; and

(g) trading of the Company's shares on the Stock Exchange being resumed upon completion of the proposed restructuring subject to prior compliance with various conditions to the satisfaction of the Listing Division of the Stock Exchange.

The Company also intends to streamline its business and concentrate its activities in areas where growth opportunities exist for the Group.

On 7 May 2009, the High Court of the Hong Kong Special Administrative Region (the "High Court") sanctioned that the Company may dispose of certain of its subsidiaries (both direct and indirect) or cause the subsidiaries to be wound up voluntarily.

BUSINESS OUTLOOK

Looking ahead, the Group will concentrate on the businesses of (i) theme restaurant operation; and (ii) entertainment business in relation to the production, distribution and licensing of content for movies, television programs and documentaries.

Apart from the continuous efforts to monitor the market development, restructure and streamlining the business operations so as to improve the financial status of the Group and enhance its business performance, the management of the Company is actively looking for business opportunities to expand the Group's businesses and to widen the Group's income streams.

PLEDGE OF ASSETS

On 27 December 2006, the Group entered into a share mortgage agreement (the "Share Mortgage Agreement") and a loan assignment agreement (the "Loan Assignment Agreement") with Sunday Inn Limited (the "Lender"). Pursuant to the Share Mortgage Agreement, the Group agreed to pledge in favour of the Lender the Group's 50% interest (held by Fung Ming Venture Limited ("Fung Ming"), a subsidiary of the Group) in Canaria Holding Limited (which in turn owns 100% interest in Earn Elite Development Limited ("Earn Elite")). Pursuant to the Share Mortgage Agreement and Loan Assignment Agreement, the Group agreed to assign to the Lender absolutely all its right, title, interest and benefit in and to the assigned monies of loans in the principal amount of approximately HK$54,324,000 (before making an impairment of approximately HK$37,139,000) and HK$9,500,000 (before making an impairment of approximately HK$5,528,000) due by Canaria Holding Limited and its subsidiary, Earn Elite, respectively. Both of the Share Mortgage Agreement and Loan Assignment Agreement were entered into as the security (the "Secured Assets") to secure a loan in the sum of HK$11,000,000 (the "Loan") granted by the Lender to the Group and the Company.

By a power of attorney dated 11 January 2008, the Lender appointed an attorney to take steps in realising the Secured Assets, including the exercising of the power of sale.

Subsequent to the balance sheet date, Silver Epoch Limited ("Silver Epoch"), a wholly owned subsidiary of the Company and the immediate holding company of Fung Ming, and Fung Ming jointly entered into a loan agreement with Mr. Qin Hui (the beneficial owner of the controlling shareholder ("Mr. Qin") on 22 December 2008 under which, Mr. Qin had granted a loan in the sum of approximately HK$13,877,000 (the "Advance") to Silver Epoch to repay the outstanding Loan, accrued interest and legal fee in the total sum of approximately HK$13,787,000 due to the Lender and to redeem the Secured Assets. In return, Silver Epoch shall repay the Advance to Mr. Qin two years after the resumption of trading of the Company's shares on the Stock Exchange.

Subsequent to the balance sheet date, the Lender released and discharged the Secured Assets to the Company on 7 January 2009.

CONTINGENT LIABILITIES

On 15 April 2008, a notice of claim was filed by a creditor, Planet Hollywood International Inc, ("Planet Hollywood") for a sum of US$6,173,497.61 (the "Claim") in respect of a Final Default Judgement against the Company (the "Declaratory Judgement"). Planet Hollywood obtained the Declaratory Judgement in the Circuit Court of the Ninth Judicial Circuit In and For Orange County, Florida (the "US Court") on 9 April 2008 for damages based on the breach of a settlement agreement, namely, the Term Sheet dated 7 February 2005 entered into between Planet Hollywood and the Company ("the Term Sheet"). By the Declaratory Judgement, the US Court ruled that the Company had breached the Term Sheet by failing to perform the agreed-upon provisions therein and that Planet Hollywood could recover its damages for the Company's breach of the Term Sheet, including but not limited to actual damages, lost profits, lost business opportunities, interest, attorneys' fees and costs.

According to a legal opinion obtained by the Company, the likelihood of Planet Hollywood eventually making a successful recovery of an amount of damages from the Company based on the breach of the Term Sheet is slim, given the nature of the Claim upon which the Notice of Claim was filed and given the legal requirements for Planet Hollywood in applying for leave to issue proceedings against a company being wound up.

Nevertheless, the Company is in the course of liaising a proposed settlement of the alleged claim with Planet Hollywood. Planet Hollywood had tabled a draft settlement proposal to the Company, pursuant to which the Company, inter alia, is to forfeit its rights in accordance with the licence agreement entered into between the Group and Planet Hollywood and revert the same to Planet Hollywood in exchange for its dismissal of claim against the Company. The Provisional Liquidator obtained a legal opinion on the same and had reverted to Planet Hollywood their comments on the draft settlement proposal. A settlement agreement was duly executed on 27 February 2009 by Planet Hollywood, the Company and Star East (BVI) Limited. On 7 May 2009, the High Court sanctioned the proposed mutual settlement between Planet Hollywood, the Company and Star East (BVI) Limited.

Apart from the above, the Group had no material contingent liability as at 31 March 2008.

CAPITAL COMMITMENT

The Group had no significant capital commitment as at 31 March 2008.

LEASE COMMITMENTS

At 31 March 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2008	2007
	HK$'000	HK$'000
Within one year	**13,156**	8,795
In the second to fifth years inclusive	**51,834**	34,104
After five years	**103,560**	81,708
	168,550	124,607

Except the lease in respect of a restaurant premise in Japan, which has a lease term of 20 years, leases are negotiated for an average term of 2 years. All of the leases do not include contingent rentals.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2008, the Group had about 21 full-time employees. Employee remuneration for the year ended 31 March 2008 was approximately HK$15,037,000 (2007: approximately HK$19,695,000). The pay scale of the Group's employees is maintained at a competitive level and the employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company was suspended from 11:04 a.m. on 28 April 2005 and will remain suspended until further notice.

Biographical Information of Directors

EXECUTIVE DIRECTORS

Mr. HU Yidong, aged 45, obtained his Master degree in Executive Master of Business Administration from Tsinghua University. Mr. Hu is currently the chief executive officer of Stellar Megamedia Group Limited（星美傳媒集團有限公司）. Mr. Hu is a former vice president of Stellar Megaunion Corporation, a listed company on the Shenzhen Stock Exchange, and was the executive director of See Corporation Limited (stock code: 491), a listed company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), until 24 August 2004. Mr. Hu has strong experience in corporate management and information management system. In addition, Mr. Hu has over 7 years of experience in cinema management business in the PRC.

Mr. Liu Xianbo, aged 45, is currently a lawyer of China Commercial Law Co. Mr. Liu has been qualified as a lawyer for 20 years and law consultant for hundreds of enterprises, listed companies and financial institutions. Mr Liu also took part in strategy planning and drafting of legal documents of investment decision, initial listing merging, reorganization, financing and bankruptcy. He has extensive experience in corporate management.

Mr. Li Kai, aged 48, graduated from the Post-graduate School of the Chinese Institute of Social Science. Mr. Li has over 15 years of experience in corporate management both in the PRC and in the USA. Prior to joining the Company, he was the President of Dongfeng Hongtai Investments Holdings Limited, a property investment company in Beijing, PRC.

Mr. Hao Bin, aged 45, graduated in the faculty of News in the Beijing Broadcasting College. Mr. Hao has been engaged as the general manager in an enterprise carrying on media business in Beijing.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Tak Shing, Harry, aged 48, joined the Company as an independent non-executive director in December 1998. Mr. Lam holds a bachelor's degree and a master's degree in Business Administration. He has over 27 years' experience in the accounting and finance field, with wide exposure to businesses of different nature.

Mr. Pang Hong, aged 55, has over 28 years of experience working for enterprises in the PRC as well as PRC government authorities. Mr. Pang was a deputy general manager of Beijing Electrical Industry Corporation and deputy director of the Liaison Office of Taiwan, Hong Kong, Macao Compatriot and Overseas Chinese Affairs of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). After finishing further studies for three years in the USA, Mr. Pang moved to, and started his career in Hong Kong in 1991. He is well versed with the investment environments in Hong Kong and in the PRC and has extensive experience in the management of both Hong Kong and PRC corporations. He has been a director of numerous Sino-foreign joint venture companies in the PRC.

Mr. Qiao Zhen Pu, aged 51, graduated from University of Shanghai for Science and Technology and has over 14 years' experience in the real estate industry in the PRC. Mr. Qiao is a director of Beijing Real Estate Association and a researcher of Western China Economics Institute.

Directors' Report

The directors of the Company present their annual report and the audited financial statements for the year ended 31 March 2008.

APPOINTMENT OF PROVISIONAL LIQUIDATORS

On 18 February 2008 and 19 February 2008, a winding-up petition and an application for the appointment of provisional liquidators were respectively presented and filed in the Court of First Instance of the High Court by the Bank of China (Hong Kong) Limited, a creditor of the Company. On 20 February 2008, the High Court appointed Mr. Liu Yiu Keung Stephen and Ms. Chan Wai Hing, both of Ernst & Young Transactions Limited as the joint and several provisional liquidators (the "Provisional Liquidators") of the Company. (Ms. Chan Wai Hing subsequently resigned from the office of provisional liquidator on 9 December 2008 and Mr. Liu Yiu Keung, Stephen remains as the sole provisional liquidator (the "Provisional Liquidator").

Pursuant to an order of the High Court, the Provisional Liquidators would, inter alia, take into their custody and protect all the assets of the Group and manage the Group until such time as further order is made. The Provisional Liquidators are independent third parties not connected with the Company or any of the Directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Further details of the Company's status are set out in note 2 to the financial statements.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries, associates and jointly controlled entities are respectively set out in notes 37, 19 and 20 to the financial statements.

RESULTS

The loss of the Group for the year ended 31 March 2008 and the state of the Group's affairs as at that date are set out in the financial statements on pages 26 to 69.

DIVIDEND

No dividend was paid during the year. The directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2008.

RESERVES

Details of the movements in other reserves and share premium of the Group during the year are set out in the consolidated statement of changes in equity on page 28.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales and purchases attributable to the Group's five largest customers and suppliers respectively during the year were less than 30% of the Group's turnover and cost of sales.

FIXED ASSETS

Details of the movements in fixed assets of the Group during the year are set out in note 17 to the financial statements.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 March 2008 are set out in note 26 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 30 to the financial statements.

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

DIRECTORS

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

Executive directors:

Mr. Hu Yidong	*(appointed as executive director on 7 May 2009)*
Mr. Liu Xianbo	
Ms. Horfuangfung Wei Ho	*(resigned as executive director on 7 May 2009)*
Mr. Li Kai *(Deputy Chairman)*	
Mr. Hao Bin	

Independent non-executive directors:

Mr. Lam Tak Shing, Harry
Mr. Pang Hong
Mr. Qiao Zhen Pu

In accordance with bye-laws 86(2), 87(1) and 87(2) of the Company's bye-laws, Messrs. Hu Yidong, Liu Xianbo, Li Kai, Hao Bin, Lam Tak Shing, Harry, Pang Hong and Qiao Zhen Pu will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS *(Continued)*

The following director has service contract with the Company:

Name	Position	Annual remuneration
		HK$
Mr. Li Kai	Deputy chairman	720,000

The above service contract has no fixed term, continue on a month-to-month basis and can be terminated by either party by giving three months' notice. The annual remuneration package was determined on arm's length negotiations between the party based on his contribution to and responsibilities in the Company.

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory compensation.

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

No director of the Company who held office at 31 March 2008 or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding company, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to Appendix 10: "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") of the Listing Rules.

SHARE OPTION SCHEME

On 28 August 2002, the Company adopted a share option scheme (the "2002 Scheme") under which the directors of the Company may at its discretion offer to any director (including non-executive director), employee and contracted celebrity, consultant, adviser or agent of any member of the Group or any entity in which the Group holds an equity interests (the "Eligible Person(s)") of the Company and/or its subsidiaries options to subscribe for shares in the Company in accordance with the terms of the 2002 Scheme. The principal purpose of the 2002 Scheme is to recognise the significant contributions of the eligible persons to the growth of the Group.

The total number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and any other share option schemes of the Company cannot exceed 10% of the issued share capital as at 28 August 2002, i.e. 245,137,515 shares unless a fresh approval from the shareholders of the Company has been obtained. However, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other share option schemes of the Company cannot in aggregate exceed 30% of the issued share capital of the Company from time to time.

SHARE OPTION SCHEME *(Continued)*

The total number of shares issued and may be issued upon exercise of the options granted to each Eligible Person under the 2002 Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the issued share capital of the Company.

Options granted under the 2002 Scheme must be accepted within 28 days from the date of grant. Upon acceptance, the grantee is required to pay HK$1 to the Company as consideration for the grant.

The subscription price for the shares under the 2002 Scheme must be a price determined by the directors of the Company at its absolute discretion but cannot be less than the highest of: (i) the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a share of the Company.

The 2002 Scheme will remain in force for a period of 10 years commencing on 28 August 2002, after which no further options shall be granted but the options which are granted during the life of the 2002 Scheme may continue to be exercisable in accordance with their terms of issue and, in all other respects, the provisions of 2002 Scheme shall remain in full force and effect.

At 31 March 2008, no director of the Company had any interests in options to subscribe for shares of the Company granted under the 2002 Scheme.

No new share option was granted to any director of the Company under the 2002 Scheme during the year ended 31 March 2008.

No charge is recognised in the consolidated income statement in respect of the value of options granted under the 2002 Scheme.

At 31 March 2008, there were no outstanding share option which was granted under the 2002 Scheme.

At no time during the year was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

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

The Company has been notified of the following interests in the Company's issued shares at 31 March 2008 amounting to 5% or more of the ordinary shares in issue:

			Total number of ordinary shares held		
Substantial shareholders	**Registered shareholders**	**Corporate interests**	**long position**	**short position**	**% of total issued shares**
Mr. Qin Hui	–	163,239,981	163,239,981 (Note)	–	51.98%
Strategic Media International Limited ("SMIL")	163,239,981	–	163,239,981	–	51.98%

Note: Mr. Qin Hui owned the entire interest in SMIL and was accordingly deemed to be having the same interests in the shares as SMIL.

Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Interests of the directors of the Company in competing businesses required to be disclosed pursuant to Rule 8.10 of the Listing Rules are as follows:

Name of director	Name of company	Nature of competing business	Nature of interest
Mr. Hu Yidong	Stellar Megamedia Group Limited and its subsidiaries	Movies, television dramas and documentary production, distribution and licensing in the PRC	As chief executive officer
		Talent management in the PRC	
Mr. Hao Bin	Stellar Megamedia Group Limited and its subsidiaries	Movies, television dramas and documentary production, distribution and licensing in the PRC	As executive director
		Talent management in the PRC	
	China Film & Stellar Theater Chain Co., Limited	Theater management in the PRC	As executive director

DIRECTORS' INTERESTS IN COMPETING BUSINESS *(Continued)*

Having considered (i) the nature, scope and size of the above businesses as compared to those of the Group; and (ii) the nature and extent of the above-named directors' respective interest in these businesses, the directors of the Company believe that there is unlikely to be any significant competition with the businesses of the Group.

Apart from the foregoing, none of the directors of the Company is interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

CONNECTED TRANSACTIONS

On 11 March 2008, a Memorandum of Understanding ("MOU") was signed between the Provisional Liquidators, the Company and the Controlling Shareholder. The purpose of the MOU is to record the agreement and arrangements of the parties regarding the proposed restructuring of the Company for the purpose of resuming the trading of the Company's shares on the Stock Exchange.

On 28 March 2008, the Company, the Provisional Liquidators, the Controlling Shareholder and Mr. Qin entered into a formal agreement (the "Formal Agreement") in relation to the proposed restructuring of the Company to supersede the MOU. Pursuant to the Formal Agreement, the Company has conditionally agreed to purchase the entire issued capital of Colour Asia Pacific Limited ("Colour Asia"), a private company wholly owned by Mr. Qin ("the Share") together with the assignment by Mr. Qin of all the benefit of the amount of the shareholder's loan due by Colour Asia to Mr. Qin as at the completion of the said purchase and assignment (the "Colour Asia Loan").

The consideration for the Share and the Colour Asia Loan is estimated at HK$84.35 million and RMB 8.70 million (equivalent to approximately HK$9.67 million) respectively which is to be settled by the allotment and issue by the Company of a maximum of 843,500,000 of its new shares at an issue price of HK$0.10.

The relevant announcement in relation to the Formal Agreement was made on 15 May 2009.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Directors' Report

DISCLOSURE UNDER RULE 13.22 OF THE LISTING RULES

The total value of the amounts due from the Group's affiliated companies in respect of advances made by the Group was approximately 47,425,000 as at 31 March 2008, representing more than 8% of the percentage ratios defined under the Listing Rules. Details of these amounts are set out in notes 19 and 20 to the financial statements.

It is not practicable to prepare the combined balance sheet of the Group's affiliated companies as information of certain affiliated companies is not available to the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FIVE YEAR SUMMARY

A summary of the results of the assets and liabilities of the Group for the last five financial years is set out on page 70 of this annual report.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefit schemes are set out in note 15 to the financial statements.

POST BALANCE SHEET EVENTS

Details of significant events occurred after the balance sheet date are set out in note 36 to the financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from Mr. Pang Hong, an independent non-executive director of the Company, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers him to be independent.

The Company has not received from each of Messrs. Lam Tak Shing, Harry and Qiao Zhen Pu, independent non-executive directors of the Company, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and are unable to consider whether they are independent.

AUDITOR

The financial statements were audited by ANDA CPA Limited.

By order of the Board

HU Yidong
Executive Director

Hong Kong, 18 May 2009

The Company is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in enhancing the shareholders' value.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2008, the Company was in compliance with the principles of good governance (the "Principles") and code provisions (the "Code Provisions") set out in Appendix 14: "Code on Corporate Governance Practices" (the "Code") of the Listing Rules, except for the following:

1. Due to practical reasons, 14 days' advanced notifications have not been given to all meetings of the board of directors of the Company (the "Board"). Reasons have not been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days' advanced notification. The directors of the Company will give 14 days' advanced notifications of regular Board meeting to give all directors of the Company an opportunity to attend and use its best endeavour to give reasonable notices for all other Board meetings (Code Provisions A.1.3);

2. Non-executive directors of the Company were not appointed for a specific term but were subject to retirement by rotation at the Company's annual general meeting in accordance with the bye-law of the Company (Code Provision A.4.1);

3. No remuneration committee was established to review directors' remuneration policy and other remuneration related matters. The directors of the Company will, as soon as practicable, establish a remuneration committee with specific written reference which deals clearly with its authorities and duties (Code Provision B.1.1);

4. The Company had not complied with the financial reporting and disclosure requirements set out in the Listing Rules by publishing annual and interim reports on a regular basis. The directors of the Company will use their best endeavour to present a balanced, cleared and assessable assessment of the Company's performance, position and prospects to shareholders of the Company by publishing annual and interim reports in accordance with the financial reporting and disclosure requirements set out in the Listing Rules (Code Provision C.1.3);

5. The directors of the Company did not maintain sound and effective internal controls to safeguard the Company's shareholders' investment and the Company's assets. In this regard, the directors of the Company will at least annually conduct a review of the effectiveness of the system of internal control of the Group (Code Provision C.2.1); and

6. The directors of the Company did not maintain an on-going dialogue with shareholders of the Company. In this regard, the directors of the Company will at least annually conduct a general meeting to communicate with shareholders of the Company and encourage their participation (Code of Best Practice E.1).

Save as those mentioned above, in the opinion of the directors of the Company, the Company had met with the Code Provisions during the year ended 31 March 2008.

Corporate Governance Report

COMPLIANCE WITH THE MODEL CODE

The directors of the Company have not adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. However, the directors of the Company will, as soon as practicable, adopted such code of conduct and request all directors of the Company to comply with it.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversee the Group's businesses, strategic decisions and performance. The senior management were delegated with the authorities and responsibilities by the Board for the day-to-day operations of the Group while reserving certain key matters for the approval of the Board. In addition, the Board has also delegated various responsibilities to committee of the Board. Further details of these committees are set out in this corporate governance report.

The Board currently consist of seven directors including four executive Directors and three independent non-executive Directors:

Executive Directors

Mr. HU Yidong
Mr. Liu Xianbo
Mr. Li Kai *(Deputy Chairman)*
Mr. Hao Bin

Independent non-executive Directors

Mr. Lam Tak Shing, Harry
Mr. Pang Hong
Mr. Qiao Zhen Pu

The Board members have no financial, business, family or other material or relevant relationships with each other. A balanced composition of directors is formed to ensure the existence of a strong independency across the Board and to meet with the recommended practice under the Code for the Board to have at least one-third of its members comprises independent non-executive directors of the Company. The biographical information of the directors of the Company is set out on page 9 of this annual report under the section "Biographical Information of Directors".

Chairman and chief executive officer

The two positions are held separately by two individuals to ensure their respective independencies, accountabilities and responsibilities. While the chairman is in-charge with the leadership of the directors of the Company and strategies planning of the Group, the chief executive officer is responsible for the day-to-day management of the Group's business.

As at the date of this annual report, the directors of the Company have not yet appointed a chairman.

BOARD OF DIRECTORS *(Continued)*

Independent non-executive Directors

The three independent non-executive directors of the Company are persons of high calibre. With their experiences gained from various sectors, they provide strong supports towards the effective discharge of their duties and responsibilities of the directors of the Company. Each independent non-executive director of the Company is required to give an annual confirmation of his/her independence to the Company for the Company's consideration of his/her independency under Rule 3.13 of the Listing Rules.

The independent non-executive directors of the Company were not appointed for a specific term but were subject to retirement by rotation at the Company's annual general meeting in accordance with the bye-law of the Company.

BOARD MEETINGS

Board minutes are kept by the secretary of the Company (the "Secretary") and are open for inspection by the directors of the Company. Every directors of the Company is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Secretary, and has the liberty to seek external professional advice if so required.

INTERNAL CONTROL

The directors of the Company are entrusted with an overall responsibility of devising the Company's system of internal controls and conducting an annual review of its effectiveness. This ensures that the directors of the Company oversee and monitor the Group's overall financial position so that the interests of the shareholders are well protected and covered. The system of internal controls covers the areas of financial, operational, compliance and risk management of the Group's business.

In March 2008, the Company engaged an independent consultant to conduct a review of the Company's system of internal controls in order to assist the Company to design appropriate internal control policies and procedures with a view to ensure compliance of the Listing Rules as well as the Principles and Code Provision. The review is still in progress.

With respect to procedures and internal controls for the handling of and dissemination of price-sensitive information:

– the Company is fully aware of its obligations under the Listing Rules;

– the Company conducts its affairs with close regards to the "Guide on disclosure of Price-sensitive information" issued by the Stock Exchange; and

– through channels such as financial reporting and public announcements, the Company has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusionary distribution of information to the public.

AUDIT COMMITTEE

The main functions of an audit committee is to recommend to the Board on the appointment, reappointment and removal of the external auditors; to approve the remuneration and terms of engagement of the external auditors as well as any questions of resignation or dismissal of such auditors; to review the interim and annual reports and accounts of the Group; and to oversee the Company's financial reporting system and internal control procedures.

Since the directors of the Company have not appointed sufficient members to constitute an audit committee, the Company's audited financial results for the year ended 31 March 2008 have not been reviewed by an audit committee. However, the directors of the Company will, as soon as practicable, establish an audit committee with clear terms of reference pursuant to the Listing Rules.

NOMINATION OF DIRECTORS

In considering the nomination of new directors of the Company, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the media industry and/or other professional area.

As the full Board is responsible for the selection and approval of candidate for appointment as director of the Company, the Company has not established a nomination committee for the time being.

REMUNERATION OF DIRECTORS

A remuneration committee, the majority of its members should be independent non-executive directors of the Company, is mainly responsible for making recommendations to the Board on the remuneration system of the Company. The remuneration committee should consult the chairman and/or chief executive officer of the Company about their proposals relating to the remuneration of other executive directors of the Company and have access to professional advice of considered necessary.

As the Company has not established a remuneration committee, the directors of the Company will, as soon as practicable, establish a remuneration committee with specific terms of reference which deals clearly with its authorities and duties.

The Company adopted a share option scheme on 28 August 2002. The purpose of the share option scheme is to enable the Board, at its discretion, to grant options to eligible participants, including the directors of the Company, as incentives or rewards for their contributions to the Group.

Details of the share option scheme are set out in the directors' report on pages 10 to 16 of this annual report and note 32 to the financial statements.

AUDITOR'S REMUNERATION

During the year ended 31 March 2008, the remuneration in respect of audit and non-audit services provided by the Company's auditor, is set out below:

Services rendered	Fee paid/payable
	HK$
Audit services	500,000

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors of the Company acknowledges its responsibility to prepare the Company's financial statements for each financial year which give a true and fair view of the state of affairs of the Company and in representing the interim and annual financial statements, and announcements to shareholders, the directors of the Company aim at presenting a balanced, cleared and comprehensive assessment of the Company's performance, position and prospects.

The respective responsibilities of the directors and auditors of the Company in preparing the financial statements are set out in the independent auditor's report on pages 22 to 25 of this annual report.

Independent Auditor's Report

ANDA
CPA Limited
安達會計師事務所有限公司

TO THE SHAREHOLDERS OF
SMI CORPORATION LIMITED (Provisional Liquidator Appointed)
星美國際集團有限公司(已委任臨時清盤人)
(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of SMI Corporation Limited (Provisional Liquidator Appointed) (the "Company") set out on pages 26 to 69, which comprise the consolidated balance sheet as at 31 March 2008, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the limitation in the scope of our work as described in the basis for disclaimer of opinion paragraphs, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

1. Opening balances and corresponding figures

The consolidated financial statements of the Company for the year ended 31 March 2007 which form the basis for the corresponding figures presented in the current year's consolidated financial statements were not audited by us, and were disclaimed by the previous auditors in their report dated 4 July 2008. There were no satisfactory audit procedures to ascertain the existence, accuracy, presentation and completeness of the opening balances and corresponding figures shown in the current year's consolidated financial statements.

BASIS FOR DISCLAIMER OF OPINION ***(Continued)***

2. Interests in associates

No sufficient evidence has been received by us up to the date of this report in respect of the Group's share of net assets of an associate, Applause Holdings Limited ("Applause") of approximately HK$4,173,000 (including goodwill of approximately HK$2,010,000) and the amount due from Applause of approximately HK$14,002,000 as at 31 March 2008 as included in the interests in associates of approximately HK$28,122,000 in the consolidated balance sheet.

In respect of the Group's share of net assets of an associate, 星美影院發展有限公司("星美影院發展"), an allowance for impairment of approximately HK$30,517,000 was made against this investment to write down the carrying amount to zero during the year ended 31 March 2008. No sufficient evidence has been received by us up to the date of this report to verify whether the amount of the impairment loss made as included in the other expenses of approximately HK$73,714,000 in the consolidated income statement is appropriate, and whether the carrying value of zero in respect of this investment was fairly stated in the consolidated balance sheet.

3. Trade payables

No sufficient direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the trade payables totaling approximately HK$3,806,000 as at 31 March 2008 as included in the trade payables of approximately HK$5,351,000 in the consolidated balance sheet.

4. Accruals and other payables

No sufficient direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the accruals and other payables totaling approximately HK$21,955,000 as at 31 March 2008 as included in the accruals and other payables of approximately HK$76,757,000 in the consolidated balance sheet.

5. Inventories

We were appointed as auditor of the Company subsequent to the balance sheet date of 31 March 2008. In consequence, we were unable to attend the physical count of inventories as at that date in respect of one of the subsidiaries of the Company, Planet Hollywood (Japan) K. K. No sufficient stock records and other evidence have been provided to us to verify the quantity and conditions of the inventories of this subsidiary with the carrying amount of approximately HK$2,225,000 as at 31 March 2008 as included in the inventories of approximately HK$3,225,000 in the consolidated balance sheet.

BASIS FOR DISCLAIMER OF OPINION *(Continued)*

6. Tax payable

No sufficient evidence has been received by us up to the date of this report in respect of the tax payable of approximately HK$1,988,000 as at 31 March 2008.

7. Share of results of associates

No sufficient evidence has been received by us up to the date of this report in respect of the Group's share of loss of an associate, Applause of approximately HK$636,000 and share of profit of an associate, 星美影院發展 of approximately HK$2,327,000 for the year ended 31 March 2008 as included in the share of results of associates of approximately HK$3,671,000 in the consolidated income statement.

8. Other expenses

Included in other expenses of approximately HK$73,714,000 in the consolidated income statement were an impairment of deposits paid to 星美傳媒集團有限公司 for the acquisition of 35% additional equity interest in an associate, 星美影院發展 of approximately HK$15,555,000, an impairment of trade receivables due from 星美傳媒集團有限公司 in relation to film distribution income of approximately HK$12,966,000 and an impairment of prepayments and other receivables of approximately HK$5,194,000 in relation to balances brought forward from the year ended 31 March 2007. No sufficient evidence has been received by us up to the date of this report in respect of whether these impairment losses should be recognised in the financial statements for the year ended 31 March 2008 or prior years.

Any adjustments to the figures as described from points 1 to 8 above might have a significant consequential effect on the Group's results for the two years ended 31 March 2007 and 2008, the Group's cash flows for the year ended 31 March 2007 and the financial positions of the Group as at 31 March 2007 and 2008, and the related disclosures thereof in the financial statements.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") was submitted to The Stock Exchange of Hong Kong Limited on 11 March 2008.

The financial statements have been prepared on a going concern basis on the assumption that the Resumption Proposal will be successfully completed and that, following the Resumption Proposal, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The financial statements do not include any adjustments that would result from a failure to complete the Resumption Proposal. We consider that the disclosures are adequate. However, in view of the extent of the material uncertainty relating to the completion of the Resumption Proposal, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY THE FINANCIAL STATEMENTS

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis as described above, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 March 2008 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

ANDA CPA LIMITED
Certified Public Accountants
Sze Lin Tang
Practising Certificate Number P03614
Hong Kong, 18 May 2009

Consolidated Income Statement

For the year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Turnover	7	**29,675**	38,797
Cost of sales		**(6,540)**	(9,210)
Direct expenses		**(34,323)**	(35,137)
Gross loss		**(11,188)**	(5,550)
Other income	8	**4,513**	986
Selling expenses		**(1,448)**	(18)
Administrative expenses		**(8,623)**	(14,350)
Other expenses	9	**(73,714)**	(3,287)
Loss from operations		**(90,460)**	(22,219)
Finance cost	11	**(3,653)**	(3,816)
Share of results of associates		**3,671**	1,070
Loss before tax		**(90,442)**	(24,965)
Income tax expense	12	**(13)**	(15)
Loss for the year attributable to equity holders of the Company	13	**(90,455)**	(24,980)
Loss per share	16		
Basic (HK cents per share)		**(28.8)**	(8.0)
Diluted (HK cents per share)		**N/A**	N/A

Consolidated Balance Sheet

At 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment	17	**–**	4,834
Intangible assets	18	**–**	15
Interests in associates	19	**28,122**	52,828
Interests in jointly controlled entities	20	**26,685**	32,831
		54,807	90,508
Current assets			
Inventories	21	**3,225**	2,462
Trade receivables	22	**1,193**	14,840
Amount due from a related company	23	**–**	236
Prepayments, deposits and other receivables	24	**712**	22,121
Bank and cash balances	25	**11,443**	835
		16,573	40,494
Current liabilities			
Bank and other borrowings	26	**31,284**	31,284
Trade payables	27	**5,351**	7,497
Amounts due to related parties	28	**11,214**	519
Accruals and other payables		**76,757**	53,642
Tax payable		**1,988**	1,992
		126,594	94,934
Net current liabilities		**(110,021)**	(54,440)
NET (LIABILITIES)/ASSETS		**(55,214)**	36,068
Capital and reserves			
Share capital	30	**31,407**	31,407
Reserves		**(86,621)**	4,661
TOTAL EQUITY		**(55,214)**	36,068

Approved by:

Hu Yidong — *DIRECTOR*

Pang Hong — *DIRECTOR*

Consolidated Statement of Changes in Equity

For the year ended 31 March 2008

	Share capital	Share premium account	Contributed surplus	Foreign currency translation reserve	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2006	31,407	44,150	31,172	116	(46,818)	60,027
Translation difference	–	–	–	1,021	–	1,021
Net income recognised directly in equity	–	–	–	1,021	–	1,021
Loss for the year	–	–	–	–	(24,980)	(24,980)
Total recognised income and expense for the year	–	–	–	1,021	(24,980)	(23,959)
At 31 March 2007	31,407	44,150	31,172	1,137	(71,798)	36,068
At 1 April 2007	31,407	44,150	31,172	1,137	(71,798)	36,068
Translation difference	–	–	–	(827)	–	(827)
Net expense recognised directly in equity	–	–	–	(827)	–	(827)
Loss for the year	–	–	–	–	(90,455)	(90,455)
Total recognised income and expense for the year	–	–	–	(827)	(90,455)	(91,282)
At 31 March 2008	31,407	44,150	31,172	310	(162,253)	(55,214)

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	2008 HK$'000	2007 HK$'000
Cash flows from operating activities		
Loss before tax	**(90,442)**	(24,965)
Adjustments for:		
Depreciation of property, plant and equipment	**4,950**	4,799
Amortisation of intangible assets	**15**	7
Loss on disposal of property, plant and equipment	**–**	78
Share of results of associates	**(3,671)**	(1,070)
Impairment of interest in an associate	**30,517**	–
Impairment of amounts due from jointly controlled entities	**6,146**	–
Impairment of deposits paid on acquisition of interest in an associate	**15,555**	–
Impairment of trade receivables	**12,966**	–
Impairment of prepayments and other receivables	**7,262**	3,527
Interest income	**–**	(2)
Finance cost	**3,653**	3,816
Operating cash flows before working capital changes	**(13,049)**	(13,810)
Change in inventories	**(763)**	241
Change in prepayments, deposits and other receivables	**(1,408)**	1,416
Change in trade receivables	**681**	(991)
Change in amount due from a related company	**236**	(236)
Change in trade payables	**(2,146)**	(1,098)
Change in accruals and other payables	**19,762**	8,590
Change in amounts due to related parties	**(305)**	(1,617)
Cash generated from/(used in) operations	**3,008**	(7,505)
Interest paid	**(300)**	(1,466)
(Tax paid)/refunded	**(17)**	2,375
Net cash generated from/(used in) operating activities	**2,691**	(6,596)

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	2008	2007
	HK$'000	HK$'000
Cash flows from investing activities		
Decrease in pledged bank deposits	–	24,799
Interest received	–	2
Proceeds on disposal of property, plant and equipment	–	78
Purchase of property, plant and equipment	(100)	(153)
Investment in associates	–	(1,134)
Decrease in amounts receivable from associates	485	2,400
Increase in amounts receivable from jointly controlled entities	–	(293)
Net cash from investing activities	385	25,699
Cash flows from financing activities		
Repayments of borrowings	–	(19,839)
Advance from a related party	11,000	–
Repayments of obligations under finance leases	–	(77)
Net cash generated from/(used in) financing activities	11,000	(19,916)
Net increase/(decrease) in cash and cash equivalents	14,076	(813)
Effect of foreign exchange rate changes	(3,468)	960
Cash and cash equivalents at beginning of year	835	688
Cash and cash equivalents at end of year	11,443	835
Analysis of cash and cash equivalents		
Bank and cash balances	11,443	835

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. Its registered office is at Clarendon House, Church Street, Hamilton HM 11, Bermuda and principal place of business is at Room 12, 37th Floor, West Tower, Shun Tak centre, 200 Connaught Road Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading since 28 April 2005.

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 37 to the financial statements.

2. BASIS OF PREPARATION

Winding-up petition and appointment of the provisional liquidators

On 28 September 2007, the Company was placed into the third stage of the delisting procedures. If no viable resumption proposal is submitted at least 10 business days before 27 March 2008, the listing status of the Company will be cancelled.

On 18 February 2008 and 19 February 2008, a winding-up petition and the application for the appointment of the provisional liquidators were presented and filed respectively by Bank of China (Hong Kong) Limited ("BOCHK"), a creditor of the Company. On 20 February 2008, Messrs. Liu Yiu Keung Stephen and Chan Wai Hing, both of Ernst & Young Transactions Limited, were appointed by the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "HK High Court") as the Joint and Several Provisional Liquidators (the "Provisional Liquidators"). The HK High Court, subsequently on 9 December 2008, ordered that Ms. Chan Wai Hing, one of the joint and several provisional liquidators of the Company, be at liberty to resign from the office of provisional liquidator from the date thereof and Mr. Liu Yiu Keung Stephen be remained as the sole provisional liquidator (the "Provisional Liquidator") of the Company. By the HK High Court order, the Provisional Liquidators will, inter alia, take into their custody and protect all the assets of the Group and manage the Group until such time as further order is made. The Provisional Liquidators are independent third parties not connected with the Company or any of the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Resumption proposal

On 7 March 2008, the Provisional Liquidators, the Company, Cenith Capital Limited ("Cenith"), P.C. Woo & Co. (the "Escrow Agent") and Strategic Media International Limited (the "Controlling Shareholder") (collectively as the "Parties") entered into an escrow agreement. The Parties agreed that Cenith to deposit to the Escrow Agent a maximum of HK$15 million for the expenses to be incurred by the Provisional Liquidators during the implementation of the resumption proposal (the "Deposit for Resumption Proposal"). It was also agreed that a sum of HK$5 million would be deposited in the Escrow Agent's account as escrow money to the creditors (the "Escrow Money to Creditors"), in the event that the proposed restructuring could not proceed further due to the action done or not done by the Controlling Shareholder.

2. BASIS OF PREPARATION *(Continued)*

Resumption proposal *(Continued)*

A supplemental agreement dated 13 March 2008 was executed by the Parties to extend the date to deposit HK$3 million of the Escrow Money to Creditors to the Escrow Agent.

As at 31 March 2008, the Escrow Agent had received the Deposit for Resumption Proposal and the Escrow Money to Creditors of HK$6 million and HK$5 million respectively according to the above agreements.

On 11 and 26 February 2009, the Escrow Agent further received the Deposit for Resumption Proposal of HK$1 million and HK$2 million respectively according to the above agreements.

On 11 March 2008, a Memorandum of Understanding ("MOU") was signed between the Provisional Liquidators, the Company and the Controlling Shareholder. The purpose of the MOU is to record the agreement and arrangements of the parties regarding the proposed restructuring of the Company for the purpose of resuming the trading of the Company's shares on the Stock Exchange.

On 28 March 2008, the Company, the Provisional Liquidators, the Controlling Shareholder and Mr. Qin Hui entered into a formal agreement ("the Formal Agreement") in relation to the proposed restructuring of the Company to supersede the MOU.

Three supplemental agreements to the Formal Agreement were entered into subsequently on 30 September 2008, 31 March 2009 and 11 May 2009.

On 11 March 2008, a resumption proposal and subsequently on 9 May 2008, 7 August 2008 and 2 February 2009 respectively, one set of supplementary information for the resumption proposal and two sets of supplements to the resumption proposal (collectively the "Resumption Proposal") were submitted to the Stock Exchange requesting the resumption of trading of the Company's shares.

On 6 February 2009, the Stock Exchange issued a letter to the Company advising its decision to allow the Company to proceed with the Resumption Proposal, subject to prior compliance with various conditions to the satisfaction of the Listing Division of the Stock Exchange within six months from the date of the letter.

Going concern

The Group incurred a loss attributable to equity holders of the Company of approximately HK$90,455,000 for the year ended 31 March 2008 (2007: approximately HK$24,980,000) and as at 31 March 2008 the Group had net current liabilities of approximately HK$110,021,000 (2007: approximately HK$54,440,000) and net liabilities of approximately HK$55,214,000 (2007: net assets of approximately HK$36,068,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PREPARATION *(Continued)*

Going concern *(Continued)*

The financial statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets, respectively.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2007. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests represent the interests of minority shareholders in the operating results and net assets of subsidiaries. Minority interests are presented in the consolidated balance sheet and consolidated statement of changes in equity within equity. Minority interests are presented in the consolidated income statement as an allocation of profit or loss for the year between minority and shareholders of the Company. Losses applicable to the minority in excess of the minority's interests in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the interests of the Group until the minority's share of losses previously absorbed by the Group has been recovered.

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Associates *(Continued)*

Investment in an associate is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

The Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the associate which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over the economic activity when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the "venturers").

A jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Jointly controlled entities *(Continued)*

Investment in a jointly controlled entity is accounted for in the consolidated financial statements by the equity method of accounting and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the jointly controlled entity in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the jointly controlled entity's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated income statement.

The Group's share of a jointly controlled entity's post-acquisition profits or losses is recognised in the consolidated income statement, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

The gain or loss on the disposal of a jointly controlled entity represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the jointly controlled entity which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

Unrealised profits on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interests in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currency translation *(Continued)*

b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvements	20% or the term of the lease, whichever is shorter
Furniture and equipment	20% to $33^1/_3$%
Motor vehicles	20%
Operating equipment	20%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the income statement.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the income statement.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Revenue from the operations of the entertainment complex, including theme restaurants, is recognised when the services are rendered to customers.

Income from movies, television dramas and documentary distribution is recognised when the movies, television dramas and documentary production is completed, released and the amount can be measured reliably.

Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

A party is related to the Group if:

a) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

b) the party is an associate;

c) the party is a joint venture;

d) the party is a member of the key management personnel of the Company or its parent;

e) the party is a close member of the family of any individual referred to in (a) or (d);

f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

Segment reporting

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

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, other intangible assets, inventories and trade receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on terms mutually agreed between the segments.

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

4. **SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets other than inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

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

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

Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

a) Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon being able to achieve a successful restructuring and continue its business. Details are explained in note 2 to the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account of their estimated residual values. The determination of the useful lives and residual values involves management's estimation. The Group assesses annually the residual values and the useful lives of the property, plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

b) Allowance for interests in associates

The Group carries out assessment on the recoverability of its interests in associates, by reference to the financial situation and the operation of the associates. This requires the use of judgement and estimates. When the actual result is different from the original estimate, such difference will impact the carrying value of the interests in associates and impairment expense or reversal of impairment for the year.

c) Allowance for bad and doubtful debts

The Group performs ongoing credit evaluations of its debtors and adjusts credit limits based on payment history and the debtor's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its debtors and maintains a provision for estimated credit losses based upon its historical experience and any specific debtors collection issues that it has been identified. The Group will continue to monitor the collections from debtors and maintain an appropriate level of estimate credit losses.

d) Allowance for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and makes allowances for obsolete and slow-moving inventory items identified that are no longer suitable for use in operation. The management estimates the net realizable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes allowances for obsolete items.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) *Foreign currency risk*

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities or United States dollars for Hong Kong dollar functional currency Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

b) *Credit risk*

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 March 2008 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise credit risk, management reviews the recoverable amount of each individual debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, management considers that the Group's credit risk is significantly reduced.

The Group has certain concentration of credit risk for the amounts due from associates and jointly controlled entities.

c) *Liquidity risk*

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

d) *Interest rate risk*

At 31 March 2008, if interest rates at that date had been 1% lower/higher with all other variables held constant, consolidated loss after tax for the year would have been approximately HK$313,000 (2007: approximately HK$313,000) lower/higher, arising mainly as a result of lower/higher interest expense on bank and other borrowings.

e) *Fair values*

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

7. TURNOVER

The Group's turnover is as follows:

	2008	2007
	HK$'000	HK$'000
Theme restaurant income	**29,675**	36,750
Movies, television and dramas and documentary production, distributing and licensing income	**–**	1,989
Interest income from provision of finance	**–**	58
	29,675	38,797

8. OTHER INCOME

	2008	2007
	HK$'000	HK$'000
Bank interest income	**–**	2
Other interest income, other than from loan receivables	**–**	734
Gain on disposal of movie rights	**4,073**	–
Sundry income	**440**	250
	4,513	986

9. OTHER EXPENSES

	2008	2007
	HK$'000	HK$'000
Impairment of interest in an associate	**30,517**	–
Impairment of amounts due from jointly controlled entities	**6,146**	–
Impairment of deposits paid on acquisition of interest in an associate (note (a))	**15,555**	–
Impairment of trade receivables (note (b))	**12,966**	–
Others	**8,530**	3,287
	73,714	3,287

Notes:

(a) This amount represents the full impairment made in respect of the deposit of approximately HK$15,555,000 paid to 星美傳媒集團有限公司 for the acquisition of 35% additional equity interest in an associate, 星美影院發展有限公司.

(b) This amount represents the full impairment made in respect of the trade receivable of approximately HK$12,966,000 due from 星美傳媒集團有限公司 in relation to film distribution income.

10. SEGMENT INFORMATION

Primary reporting format – business segments

An analysis of the Group's financial performance and position by business segments is as follows:

	Movie production, distribution and exhibition HK$'000	Theme restaurant HK$'000	Corporate and others HK$'000	Consolidated HK$'000
Year ended 31 March 2008				
Turnover	–	29,675	–	29,675
Segment results	(58,111)	(14,828)	(6,803)	(79,742)
Other income	–	–	275	275
Other expenses	–	–	(10,993)	(10,993)
Loss from operations				(90,460)
Finance cost				(3,653)
Share of results of associates	1,691	–	1,980	3,671
Loss before tax				(90,442)
At 31 March 2008				
Segment assets	1,035	5,632	9,906	16,573
Interests in associates	18,175	–	9,947	28,122
Interests in jointly controlled entities	–	–	26,685	26,685
Total assets				71,380
Segment liabilities	6,052	48,473	72,069	126,594
Other segment information:				
Capital expenditure	–	100	–	100
Depreciation	11	4,379	560	4,950
Amortisation	–	–	15	15
Impairment of interest in an associate	30,517	–	–	30,517
Impairment of deposits paid on acquisition of interest in an associate	15,555	–	–	15,555
Impairment of trade receivables	12,966	–	–	12,966
Impairment of prepayments and other receivables	2,995	442	3,825	7,262

10. SEGMENT INFORMATION *(Continued)*

Primary reporting format – business segments *(Continued)*

	Movie production, distribution and exhibition HK$'000	Theme restaurant HK$'000	Corporate and others HK$'000	Consolidated HK$'000
Year ended 31 March 2007				
Turnover	1,989	36,750	58	38,797
Segment results	1,212	(10,050)	(11,067)	(19,905)
Other income	–	–	973	973
Other expenses	–	–	(3,287)	(3,287)
Loss from operations				(22,219)
Finance cost				(3,816)
Share of results of associates	1,380	–	(310)	1,070
Loss before tax				(24,965)
At 31 March 2007				
Segment assets	33,413	4,704	7,226	45,343
Interests in associates	44,376	–	8,452	52,828
Interests in jointly controlled entities	–	–	32,831	32,831
Total assets				131,002
Segment liabilities	6,024	32,131	56,779	94,934
Other segment information:				
Capital expenditure	–	153	–	153
Depreciation	6	4,322	471	4,799
Amortisation	–	–	7	7
Impairment of prepayments and other receivables	–	–	3,527	3,527

10. SEGMENT INFORMATION *(Continued)*

Secondary reporting format – geographical segments

	Revenue		Total assets		Capital expenditure	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
The PRC and Hong Kong	**–**	2,047	**65,748**	126,298	**–**	–
Japan	**29,675**	36,750	**5,632**	4,704	**100**	153
Total	**29,675**	38,797	**71,380**	131,002	**100**	153

11. FINANCE COST

	2008	2007
	HK$'000	HK$'000
Interest on an unsecured bank loan	**2,251**	2,834
Other loans wholly repayable within five years	**1,402**	977
Interest element of a finance lease	**–**	5
	3,653	3,816

12. INCOME TAX EXPENSE

	2008	2007
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
Under-provision in prior years	**13**	–
Current tax – Overseas		
Provision for the year	**–**	15
	13	15

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

12. INCOME TAX EXPENSE *(Continued)*

The reconciliation between the income tax expense and the product of loss before tax multipled by the Hong Kong Profits Tax rate is as follows:

	2008 HK$'000	2007 HK$'000
Loss before tax	**(90,442)**	(24,965)
Tax at the domestic income tax rate of 17.5% (2007: 17.5%)	**(15,827)**	(4,369)
Tax effect of expenses not deductible and incomes not taxable	**12,923**	2,408
Under-provision in prior years	**13**	–
Tax effect of current year tax loss not recognised	**2,904**	1,976
	13	15

13. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging the following:

	2008 HK$'000	2007 HK$'000
Amortisation of intangible assets (included in administrative expenses)	**15**	7
Depreciation	**4,950**	4,799
Directors' emoluments		
– As directors	**–**	–
– For management	**447**	961
	447	961
Operating lease charges of land and buildings	**8,913**	12,183
Auditors' remuneration	**500**	1,400
Loss on disposal of property, plant and equipment	**–**	78
Impairment of interest in an associate	**30,517**	–
Impairment of amounts due from jointly controlled entities	**6,146**	–
Impairment of deposits paid on acquisition of interest in an associate	**15,555**	–
Impairment of trade receivables	**12,966**	–
Impairment of prepayments and other receivables	**7,262**	3,527
Cost of inventories sold	**6,540**	9,210
Staff costs including directors' emoluments		
Salaries, bonus and allowances	**14,833**	19,571
Retirement benefits scheme contributions	**204**	124
	15,037	19,695

14. DIRECTORS' EMOLUMENTS

The emoluments of each director were as follows:

	Fee	Salaries and allowances	Discretionary bonus	Share-based payments	Retirement benefit scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Name of directors						
Mr. Li Kai	–	330	–	–	12	342
Mr. Hao Bin	–	–	–	–	–	–
Mr. Liu Xianbo (Note (a))	–	100	–	–	5	105
Ms. Horfuangfung Wei Ho (Note (b))	–	–	–	–	–	–
Mr. Qin Hong (Note (c))	–	–	–	–	–	–
Mr. Lam Tak Shing	–	–	–	–	–	–
Mr. Pang Hong	–	–	–	–	–	–
Mr. Qiao Zhen Pu	–	–	–	–	–	–
Total for 2008	–	430	–	–	17	447
Mr. Li Kai	–	390	–	–	12	402
Mr. Hao Bin	–	–	–	–	–	–
Mr. Qin Hong (Note (c))	–	550	–	–	9	559
Mr. Tsang Chi Wai Eric (Note (d))	–	–	–	–	–	–
Mr. Lam Tak Shing	–	–	–	–	–	–
Mr. Pang Hong	–	–	–	–	–	–
Mr. Qiao Zhen Pu	–	–	–	–	–	–
Total for 2007	–	940	–	–	21	961

Note: (a) Appointed on 5 July 2007

(b) Appointed on 5 July 2007 and resigned on 7 May 2009

(c) Resigned on 18 June 2007

(d) Resigned on 12 June 2006

14. DIRECTORS' EMOLUMENTS *(Continued)*

The five highest paid individuals in the Group during the year included 1 (2007: 2) director whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 4 (2007: 3) individuals are set out below:

	2008	2007
	HK$'000	HK$'000
Basic salaries and allowances	**1,887**	1,310
Retirement benefit scheme contributions	**81**	23
	1,968	1,333

The emoluments fell within the following band:

	Number of individuals	
	2008	2007
Nil – HK$1,000,000	**4**	3

During the year, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

15. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,000 per employee and vest fully with employees when contributed into the MPF Scheme.

The amount of contribution payable to pension scheme required by respective jurisdictions other than Hong Kong is also charged to the income statement.

16. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of approximately HK$90,455,000 (2007: HK$24,980,000) and the weighted average number of ordinary shares of 314,068,757 (2007: 314,068,757) in issue during the year.

Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 March 2008.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and equipment	Motor vehicles	Operating equipment	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost					
At 1 April 2006	36,593	10,657	535	3,320	51,105
Additions	34	7	71	41	153
Exchange differences	265	11	–	18	294
Disposals	–	–	(180)	–	(180)
At 31 March 2007 and 1 April 2007	36,892	10,675	426	3,379	51,372
Additions	–	4	5	91	100
Exchange differences	6,237	240	12	453	6,942
At 31 March 2008	**43,129**	**10,919**	**443**	**3,923**	**58,414**
Accumulated depreciation and impairment					
At 1 April 2006	29,101	9,508	374	2,547	41,530
Charge for the year	4,031	473	10	285	4,799
Exchange differences	210	8	–	15	233
Written back	–	–	(24)	–	(24)
At 31 March 2007 and 1 April 2007	33,342	9,989	360	2,847	46,538
Charge for the year	3,564	691	71	624	4,950
Exchange differences	6,223	239	12	452	6,926
At 31 March 2008	**43,129**	**10,919**	**443**	**3,923**	**58,414**
Carrying amounts					
At 31 March 2008	**–**	**–**	**–**	**–**	**–**
At 31 March 2007	3,550	686	66	532	4,834

18. INTANGIBLE ASSETS

	Franchise right	Trademark	Total
	HK$'000	HK$'000	HK$'000
Cost			
At 1 April 2006, 31 March 2007 and 31 March 2008	15,606	156	15,762
Accumulated amortisation and impairment losses			
At 1 April 2006	15,606	134	15,740
Amortisation for the year	–	7	7
At 31 March 2007 and 1 April 2007	15,606	141	15,747
Amortisation for the year	–	15	15
At 31 March 2008	15,606	156	15,762
Carrying amounts			
At 31 March 2008	–	–	–
At 31 March 2007	–	15	15

Trademark of the Group represents initial fees paid for the registration of the trademark in the respective country/place of registration.

Franchise right of the Group represents the cost incurred for obtaining the right to operate the theme restaurant in Japan. Full impairment had been made in 2002.

19. INTERESTS IN ASSOCIATES

	2008 HK$'000	2007 HK$'000
Share of net assets other than goodwill	**5,372**	29,180
Goodwill	**2,010**	2,423
	7,382	31,603
Amounts due from associates, less impairment loss	**20,740**	21,225
	28,122	52,828

The amounts due from associates are unsecured, interest-free and have no fixed repayment terms. In the opinion of the directors, the amounts will not be repayable within twelve months of the balance sheet date and are accordingly classified as non-current.

Upon the appointment of the Provisional Liquidators, the Group had issued demand letters requesting the repayment in relation to the amount due from Polyco Development Limited of approximately HK$6,723,000 as at 31 March 2008 (2007: approximately HK$4,515,000).

Details of the Group's associates which are held indirectly by the Company are as follows:

Name	Place of incorporation/ registration and operation	Form of business structure	Percentage of ownership interest/ voting power/ profit sharing	Principal activities
星美影院發展有限公司 ("星美影院發展")	People's Republic of China	Equity joint venture	25%	Movie distribution and exhibition
Polyco Development Limited	Hong Kong	Incorporated	20%	Property investment
Applause Holdings Limited ("Applause") (note (1))	British Virgin Islands	Incorporated	40%	Movie production and distribution

The above associates are limited liability companies incorporated in their respective jurisdictions.

Note:

1. The Group's share of net assets in Applause as at 31 March 2008 is approximately HK$4,173,000 (2007: approximately HK$4,809,000). No updated financial information of Applause is available.

19. INTERESTS IN ASSOCIATES *(Continued)*

Summarised financial information in respect of the Group's associates, 星美影院發展有限公司 and Polyco Development Limited, are set out below:

	2008	2007
	HK$'000	HK$'000
Total assets	**191,503**	170,733
Total liabilities	**(49,980)**	(63,977)
Net assets	**141,523**	106,756
Revenue	**79,431**	55,690
Profit for the year	**15,119**	6,215

20. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	2008	2007
	HK$'000	HK$'000
Share of net assets	**–**	–
Amounts due from jointly controlled entities, less impairment loss	**26,685**	32,831
	26,685	32,831

The balances are unsecured, interest-free and have no fixed repayment terms.

Details of the Group's principal jointly controlled entities which are held indirectly by the Company are as follows:

Name	**Place of incorporation/ registration and operation**	**Percentage of ownership interest/ voting power/ profit sharing**	**Principal activities**
Canaria Holding Limited	British Virgin Islands	50%	Investment holding
Earn Elite Development Limited	Hong Kong	50%	Property investment

The above jointly controlled entities are limited liability companies incorporated in their respective jurisdictions.

20. INTERESTS IN JOINTLY CONTROLLED ENTITIES *(Continued)*

The above table lists the jointly controlled entities of the Company which, in the opinion of the Company's directors, would principally affect the results, assets or liabilities of the Group. To give details of other jointly controlled entities would, in the opinion of the directors, result in particulars of excessive length.

Summarised financial information on jointly controlled entities related to the Group's interests is set out as below:

	2008	2007
	HK$'000	HK$'000
Non-current assets	**25,500**	25,300
Current assets	**1,346**	530
Non-current liabilities	**(58,409)**	(65,678)
Current liabilities	**(161)**	(163)
Net liabilities	**(31,724)**	(40,011)
Income	**930**	930
Expenses	**(1,503)**	(25,883)
Tax credit	**–**	2,205
Loss for the year	**(573)**	(22,748)

21. INVENTORIES

	2008	2007
	HK$'000	HK$'000
Goods held for resale	**1,121**	92
Food and beverage	**1,104**	368
Film stocks	**1,000**	2,002
	3,225	2,462

22. TRADE RECEIVABLES

The Group allows an average credit period of 30 days to its trade customers. The ageing analysis of the Group's trade receivables at balance sheet date is as follows:

	2008	2007
	HK$'000	HK$'000
Up to 30 days	**1,193**	1,769
31 to 60 days	**–**	4
Over 60 days	**–**	13,067
	1,193	14,840

23. AMOUNT DUE FROM A RELATED COMPANY

The amount as at 31 March 2007 represents the balance due from Strategic Media International Limited ("SMIL"), the controlling shareholder of the Company, which is unsecured, interest-free and is repayable on demand.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2008	2007
	HK$'000	HK$'000
Other receivables and prepayments	**712**	3,571
Deposits paid on acquisition of interest in an associate (note (a))	**–**	15,555
Consideration receivable on disposal of available-for-sale financial asset (note (b))	**–**	2,995
	712	22,121

Notes:

(a) A deposit of approximately HK$15,555,000 was paid to 星美傳媒集團有限公司 for the acquisition of 35% additional equity interest in an associate, 星美影院發展有限公司, by Sino Logic Limited, a wholly owned subsidiary of the Company. As conditions precedent stipulated in the agreement for the above acquisition (the "Agreement") have not been fulfilled, the Agreement was declared as no effect on 31 December 2005. On 14 February 2008, a memorandum was signed between Sino Logic Limited and 星美傳媒集團有限公司 for resuming the negotiation for completing the acquisition. In view of the uncertainty relating to the outcome of negotiation, full impairment on this deposit was made during the year.

(b) The amount represents the remaining balance of consideration receivable from Alfresco Gold Limited ("Alfresco") for disposal of loans amounting to HK$22 million due from Alfaway International Limited ("Alfaway") to Stepwise Investments Limited ("Stepwise"), a wholly-owned subsidiary of the Company, which will be satisfied by broadcasting rights of films or television programmes or advertising air-time. Pursuant to the above agreement, 40% of the issued share capital in Alfaway was pledged by Alfresco to Stepwise through an escrow agent to secure the payment of the consideration. Full impairment on this receivable was made during the year.

25. BANK AND CASH BALANCES

As at 31 March 2008, the bank and cash balances of the Group denominated in Japanese Yen amounted to approximately HK$1,503,000 (2007: approximately HK$637,000).

As at 31 March 2008, the bank and cash balances included the Deposit for Resumption Proposal and the Escrow Money to Creditors of approximately HK$4,747,000 and HK$5,000,000 respectively.

26. BANK AND OTHER BORROWINGS

	2008	2007
	HK$'000	HK$'000
Bank loan – unsecured	**17,203**	17,203
Other borrowings – unsecured	**3,081**	3,081
Other borrowings – secured	**11,000**	11,000
Total borrowings	**31,284**	31,284

The borrowings are repayable as follows:

On demand or within one year	**31,284**	31,284
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(31,284)**	(31,284)
Amount due for settlement after 12 months	**–**	–

The average interest rates at 31 March 2008 were as follows:

	2008	2007
Bank loan – unsecured	**10.3%**	12.8%
Other borrowings – unsecured	**11.0%**	13.8%
Other borrowings – secured	**7.3%**	9.8%

All bank and other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

The Group had defaulted in respect of the repayment of a bank loan from BOCHK totaling approximately HK$17,203,000 as at 31 March 2008 and such amounts have become repayable on demand. On 18 February 2008, BOCHK presented a petition for the winding-up of the Company.

27. TRADE PAYABLES

The ageing analysis of the Group's trade payables at the balance sheet date is as follows:

	2008	2007
	HK$'000	HK$'000
Up to 30 days	**917**	845
31 to 60 days	**–**	277
Over 60 days	**4,434**	6,375
	5,351	7,497

28. AMOUNTS DUE TO RELATED PARTIES

	2008	2007
	HK$'000	HK$'000
SMIL (Note (a))	**11,214**	–
Stellar Megamedia (HK) Limited ("Stellar Megamedia")	**–**	4
Mr. Qin Hui	**–**	515
	11,214	519

(a) This amount includes HK$6,000,000 of the Deposit for Resumption Proposal and HK$5,000,000 of the Escrow Money to Creditors paid by Cenith on behalf of SMIL.

Mr. Qin Hui is the sole owner of SMIL and Stellar Megamedia is owned as to 50% by Mr. Qin Hui.

The amounts are unsecured and interest free.

29. PLEDGE OF ASSETS

The Group entered into a share mortgage agreement (the "Share Mortgage Agreement") and a loan assignment agreement (the "Loan Assignment Agreement") with Sunday Inn Limited (the "Lender") on 27 December 2006. Pursuant to the Share Mortgage Agreement, the Group agreed to pledge its 50% interest in Canaria Holding Limited, which in turn owns 100% interest in Earn Elite Development Limited, held by the Company's subsidiary in favour of the Lender. Pursuant to the Loan Assignment Agreement, the Group has agreed to assign to the Lender absolutely all its right, title, interest and benefit in and to the assigned monies of loans in the principal amount of approximately HK$54,324,000 (before impairment of approximately HK$37,139,000) and HK$9,500,000 due from Canaria Holding Limited and its subsidiary, Earn Elite Development Limited, respectively. Both aforesaid agreements were entered into as the security to secure a loan of HK$11,000,000 granted by the Lender to the Group.

30. SHARE CAPITAL

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

	2008	2007
	HK$'000	HK$'000
Authorized:		
1,000,000,000 ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
314,068,757 ordinary shares of HK$0.10 each	**31,407**	31,407

31. RESERVES

Nature and purpose of reserves

(i) Share premium account

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

(ii) Contributed surplus

The contributed surplus of the Group represented the balance of credit arising from the reduction of share capital and the cancellation of share premium in relation to the capital reorganisation in 1996 less the amount transferred to accumulated losses in relation to another capital reorganisation in the years ended 31 March 2003 and 2005 and the amount released from disposal of certain associates and distribution of dividends in prior years.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if: (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

31. RESERVES *(Continued)*

Nature and purpose of reserves *(Continued)*

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4 to the financial statements.

32. SHARE-BASED PAYMENTS

Equity-settled share option scheme

On 28 August 2002, the Company adopted a share option scheme (the "2002 Scheme") under which the board of directors may at its discretion offer to any director (including non-executive director), employee and contracted celebrity, consultant, adviser or agent of any member of the Group or any entity in which the Group holds an equity interests (the "Eligible Person(s)") of the Company and/or its subsidiaries options to subscribe for shares in the Company in accordance with the terms of the 2002 Scheme. The principal purpose of the 2002 Scheme is to recognise the significant contributions of the eligible persons to the growth of the Group.

The total number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and any other share option schemes of the Company cannot exceed 10% of the issued share capital as at 28 August 2002, i.e. 245,137,515 shares unless a fresh approval from the shareholders of the Company has been obtained. However, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other share option schemes of the Company cannot in aggregate exceed 30% of the issued share capital of the Company from time to time.

The total number of shares issued and may be issued upon exercise of the options granted to each Eligible Person under the 2002 Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the issued share capital of the Company.

Options granted under the 2002 Scheme must be accepted within 28 days from the date of grant. Upon acceptance, the grantee is required to pay HK$1 to the Company as consideration for the grant.

The subscription price for the shares under the 2002 Scheme must be a price determined by the board of directors of the Company at its absolute discretion but cannot be less than the highest of: (i) the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a share of the Company.

32. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

The 2002 Scheme will remain in force for a period of 10 years commencing on 28 August 2002, after which no further options shall be granted but the options which are granted during the life of 2002 Scheme may continue to be exercisable in accordance with their terms of issue and, in all other respects, the provisions of the 2002 Scheme shall remain in full force and effect.

The share options which have been granted under the 2002 Scheme to certain Eligible Persons of the Group to subscribe for shares in the Company during the two years ended 31 March 2008 are as follows:

Year ended 31 March 2007

Name of category	Date of grant of share options	Exercise period of share options	Exercise price of share options HK$	Balance as at 1/4/2006	Lapsed during the year	Balance as at 31/3/2007
Directors	28.7.2003	28.1.2004 to 27.1.2007	0.0660	7,700,000	(7,700,000)	–
	13.2.2004	13.8.2004 to 12.8.2007	1.3400	1,400,000	–	1,400,000
Employees	13.2.2004	13.8.2004 to 12.8.2007	1.3400	3,150,000	–	3,150,000
				12,250,000	(7,700,000)	4,550,000

Year ended 31 March 2008

Name of category	Date of grant of share options	Exercise period of share options	Exercise price of share options HK$	Balance as at 1/4/2007	Lapsed during the year	Balance as at 31/3/2008
Directors	13.2.2004	13.8.2004 to 12.8.2007	1.3400	1,400,000	(1,400,000)	–
Employees	13.2.2004	13.8.2004 to 12.8.2007	1.3400	3,150,000	(3,150,000)	–
				4,550,000	(4,550,000)	–

No share options were exercised by any Eligible Persons in both years.

33. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2008, the accruals and other payables was increased by approximately HK$3,353,000 (2007: approximately 2,350,000) in respect of overdue interest on bank and other borrowings.

34. LEASE COMMITMENTS

At 31 March 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2008	2007
	HK$'000	HK$'000
Within one year	**13,156**	8,795
In the second to fifth years inclusive	**51,834**	34,104
After five years	**103,560**	81,708
	168,550	124,607

Except the lease in respect of a restaurant premise in Japan, which has a lease term of 20 years, leases are negotiated for an average term of 2 years. All the leases do not include contingent rentals.

35. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the year:

	2008	2007
	HK$'000	HK$'000
Interest income received from a jointly controlled entity	**–**	641
Management services fee paid to related companies	**–**	826

36. EVENTS AFTER THE BALANCE SHEET DATE

Reinstatement of the Company's registration status in Bermuda

On 7 September 2007, the Registrar of Companies in Bermuda struck off the Company from the Register of Companies as a result of the Company's non-payment of its government fee and late penalties. The Company had made an application to the Supreme Court of Bermuda for an order declaring the reinstatement of the Company's status in Bermuda.

Pursuant to a court order by the Supreme Court of Bermuda dated 9 April 2009, it was ordered that the Company be restored to the Register of Companies in Bermuda. Pursuant to Section 261 of The Companies Act 1981 of Bermuda (as amended), the Company is deemed to have continued in existence as if its name had not been stuck off.

Winding up Petition

The winding up petition filed by the BOCHK (the "Petition") originally scheduled to be heard on 16 April 2008 was further adjourned to 23 September 2009 by the order of Honourable Justice Barma.

Litigations

By a Power of Attorney dated 11 January 2008, Sunday Inn Limited (the "Lender") appointed an attorney to take steps in realising the securities provided to Sunday Inn Limited as detailed in note 29 to the financial statements, including the exercising of the power of sale.

On 26 September 2008 and 2 October 2008, the Group paid sums of approximately HK$13,465,445 and HK$321,258 respectively to the Lender representing the outstanding loan and accrued interest to redeem the Secured Assets together with legal fees. The said sums (the "Sums") used for financing the redemption was provided by Mr. Qin Hui to Silver Epoch Limited ("SEL"), being the major creditor and sole shareholder of Fung Ming Venture Limited ("Fung Ming"). In return, on 22 December 2008, SEL and Fung Ming entered into an agreement with Mr. Qin Hui to repay the Sums upon the occurrence of a number of events and it is the SEL's intention to repay the Sums only from the proceeds realised from the Secured Assets. On 7 January 2009, the Lender confirmed that the loan was fully repaid and that the pledge of the Secured Assets was released and discharged.

On 23 August 2007, The Disney Store Japan ("TDSJ"), a division of Walt Disney International Japan, Inc. filed a legal claim to the Court in Japan against Planet Hollywood (Japan) K. K. ("PHJ"), a subsidiary of the Company, in relation to the outstanding rental expenses of approximately HK$29,383,000 as at 10 August 2007. Such rental expenses are arising from the sublease agreement dated on 19 September 2000 entered into by TDSJ and PHJ. As at 31 March 2008, PHJ had the outstanding rental expense payable to TDSJ of approximately HK$43,130,000 (2007: approximately HK$21,889,000).

On 7 April 2009, the Tokyo District Court made a judgement that PHJ was obliged to pay TDSJ the outstanding rental expenses being claimed. Subsequently, on 12 April 2009, TDSJ requested PHJ to repay the outstanding rents and vacate from the premises on or before 13 April 2009. PHJ closed its operation on 13 April 2009.

36. EVENTS AFTER THE BALANCE SHEET DATE *(Continued)*

Settlement on claims by Planet Hollywood

On 15 April 2008, a notice of claim was filed by a creditor, Planet Hollywood International Inc, ("Planet Hollywood") for a sum of US$6,173,497.61 (the "Claim") in respect of a Final Default Judgement against the Company (the "Declaratory Judgement"). Planet Hollywood obtained the Declaratory Judgement in the Circuit Court of the Ninth Judicial Circuit In and For Orange County, Florida (the "US Court") on 9 April 2008 for damages based on the breach of a settlement agreement, namely, the Term Sheet dated 7 February 2005 entered into between Planet Hollywood and the Company ("the Term Sheet"). By the Declaratory Judgement, the US Court ruled that the Company has breached the Term Sheet by failing to perform the agreed-upon provisions therein and that Planet Hollywood shall recover its damages for the Company's breach of the Term Sheet, including but not limited to actual damages, lost profits, lost business opportunities, interest, attorneys' fees and costs.

According to the legal opinion, given the nature of the Claim upon which the Notice of Claim is filed and given the legal requirements for Planet Hollywood in applying for leave to issue proceedings against a company being wound up, the likelihood of Planet Hollywood eventually making a successful recovery of an amount of damages based on the breach of the Term Sheet against the Company is slim.

Nevertheless, the Company was in the course of liaising a proposed settlement of the alleged claim with Planet Hollywood. Planet Hollywood had tabled a draft settlement proposal to the Company, pursuant to which the Company, inter alia, is to forfeit its rights in accordance with the licence agreement entered into between the Group and Planet Hollywood and revert the same to Planet Hollywood in exchange for its dismissal of claim against the Company. The Provisional Liquidator had obtained the legal opinion on the same and reverted to Planet Hollywood their comments on the draft settlement proposal. A settlement agreement was duly executed on 27 February 2009 by Planet Hollywood, the Company and Star East (BVI) Limited. On 7 May 2009, the HK High Court sanctioned the proposed mutual settlement between Planet Hollywood, the Company and Star East (BVI) Limited.

Modification and redevelopment of property owned by the jointly controlled entity

Earn Elite Development Limited ("Earn Elite"), the Group's jointly controlled entity, applied to the Government of HKSAR for the modification of the land use of its property from cinema to non-industrial purposes (the "Modification") pursuant to the board resolution dated 23 March 2007. On 31 March 2009, the Government of HKSAR agreed the premium payable for the Modification be revised to HK$25,080,000. In addition to the costs for the alteration and addition works on the property estimated to be HK$38,101,800, the total cost for the Modification and redevelopment of the property would therefore be HK$63,181,800.

On 14 April 2009, an attorney representing the other shareholder of Earn Elite, issued a letter to the Group asking for the consideration of contributing 50% of the total sum, that is, HK$31,590,900, in the form of shareholders' loans for the Modification and redevelopment of the property.

On 23 April 2009, an application was made on behalf of Earn Elite to the District Lands Office for a 2 months' extension until 30 June 2009 for acceptance of the terms of the said revised offer of HK$25,080,000 for the Modification. By a letter from the District Lands Office dated 30 April 2009, the Government rejected to extend the period for acceptance of the terms of the offer for the Modification.

36. EVENTS AFTER THE BALANCE SHEET DATE *(Continued)*

Modification and redevelopment of property owned by the jointly controlled entity *(Continued)*

Meanwhile, on 30 April 2009, an appeal against the said revised premium offer of HK$25,080,000 and for re-assessment of the premium payable for the Modification has been submitted to the District Lands Office on behalf of Earn Elite ("the said Appeal"). As at the date of this report, the said appeal has not yet been considered by the Government of HKSAR.

Resumption of trading in the shares of the Company

On 11 March 2008, a resumption proposal and subsequently on 9 May 2008, 7 August 2008 and 2 February 2009 respectively, one set of supplementary information for the resumption proposal and 2 sets of supplements to the resumption proposal (collectively "the Resumption Proposal") were submitted to the Stock Exchange requesting the resumption of trading of the Company's Shares.

On 6 February 2009, the Stock Exchange issued a letter to the Company advising its decision to allow the Company to proceed with the Resumption Proposal, subject to prior compliance with various conditions to the satisfaction of the Listing Division of the Stock Exchange within six months from the date of the letter.

On 30 September 2008, a supplemental agreement to the Formal Agreement in relation to the proposed restructuring of the Company (the "Supplemental Agreement") was executed by the Provisional Liquidators, the Company and the Controlling Shareholder.

Subsequently on 31 March 2009 and 11 May 2009 respectively, a second and a third supplemental agreements to the Formal Agreement were entered into by the relevant parties for the purposes of amending the relevant terms of the Formal Agreement.

An announcement in relation to the Formal Agreement and the restructuring of the Group was made on 15 May 2009.

On 7 May 2009, the HK High Court sanctioned the Company to dispose of certain of its subsidiaries (both direct and indirect) per the request of the Company or to cause the subsidiaries to be wound up voluntarily, and to enter any ancillary or other agreements or instruments incidental thereto.

Establishment of Stellar Cafe Bars

In order to activate the Group's business activities and realise part of the Group's resumption Proposal, on 9 December 2008, the Group and Cenith entered into a funding deed in which Cenith agreed to provide a fund of up to HK$3,000,000 for setting up the special purpose vehicles (the "SPV") to commence and run the Stellar Cafe Bars. As at the date of this report, the Group has established 6 Stellar Café Bars in the PRC.

Change of principal place of business

With effect from 14 April 2009, the principal place of business of the Company in Hong Kong has been changed from Room 2502, 25th Floor, Sino Plaza 255-257 Gloucester Road, Causeway Bay, Hong Kong to Room 12, 37th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

37. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ registration and operation	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing Direct	Indirect	Principal activities
Anytime Pictures Company Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Movies production and distribution
Asiacreation Management Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Investment holding
Best Thought Entertainment Limited	Hong Kong	200 ordinary shares of HK$1 each	–	100%	Provision of agency and talent artistes management services
Cornhill Development Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Provision of finance
Discover China Production Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Film and documentary production and distribution
Global Step Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Property investment
Jumbo Field Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Property investment
Lucky Cosmos Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Securities investment
Planet Hollywood (Japan) K. K.	Japan	JPY25,000,000	–	80%	Operation of theme restaurant

37. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ registration and operation	Issued and paid-up capital	Percentage of ownership interest/ voting power/profit sharing		Principal activities
			Direct	Indirect	
Star East Management Limited	Hong Kong	100 ordinary shares of HK$1 each	–	100%	Provision of corporate management services
SMI Entertainment Limited	Hong Kong	10,000 ordinary shares of HK$1 each	–	100%	Provisions of artistes agency and talent management services
Well Bright (Asia) Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Property investment

The above table lists the subsidiaries of the Company which, in the opinion of the Company's directors, would principally affect the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 18 May 2009.

Financial Summary

	2004 HK$'000	2005 HK$'000	2006 HK$'000	2007 HK$'000	**2008** **HK$'000**
Results					
Turnover	105,814	117,005	59,617	38,797	**29,675**
Loss before taxation	(14,098)	(90,274)	(49,021)	(24,965)	**(90,442)**
Taxation	(480)	2,359	(24)	(15)	**(13)**
Loss before minority interests	(14,578)	(87,915)	(49,045)	(24,980)	**(90,455)**
Minority interests	94	44	–	–	**–**
Loss for the year attributable to equity holders of the Company	(14,484)	(87,871)	(49,045)	(24,980)	**(90,455)**
Assets and liabilities					
Total assets	428,371	238,878	166,652	131,002	**71,380**
Total liabilities	(255,180)	(133,436)	(106,625)	(94,934)	**(126,590)**
Minority interests	(82)	–	–	–	**–**
Total equity	173,109	105,442	60,027	36,068	**(55,214)**