



CHINA STAR ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 326)

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2007

FINAL RESULTS

The board of directors of China Star Entertainment Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st December 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December 2007

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Continuing operations			
Turnover	3	64,305	152,777
Cost of sales		(44,843)	(103,365)
Gross profit		19,462	49,412
Other revenue	4	9,076	9,068
Other income	5	3,807	3,682
Administrative expenses		(39,343)	(38,309)
Marketing and distribution expenses		(5,791)	(9,777)
Share-based payment expenses		(17,660)	(11,340)
Net realised and unrealised gain/(loss) on financial assets classified as held-for-trading		22,866	(16,256)
Impairment loss recognised in respect of film rights		(16,850)	–
Impairment loss recognised in respect of goodwill		(30,141)	–
Increase in fair value of investment properties		10,220	2,880

CONSOLIDATED INCOME STATEMENT *(Continued)*
For the year ended 31st December 2007

	<i>Notes</i>	2007 HK\$'000	2006 HK\$'000
Loss from operations		(44,354)	(10,640)
Finance costs		(2,159)	(2,212)
Share of results of associates		56,648	(9,796)
(Loss)/gain on deemed disposal of interests in associates		(49,744)	62,582
Gain on disposal of an associate		–	21,400
Impairment loss recognised in respect of investments in associates		–	(32,565)
Changes in fair value in respect of conversion options embedded in convertible notes receivables from an associate		(50)	–
Impairment loss reversed in respect of convertible notes receivables		–	10,000
		<hr/>	<hr/>
(Loss)/profit before taxation	6	(39,659)	38,769
Taxation	7	(1,593)	(1,918)
		<hr/>	<hr/>
(Loss)/profit for the year from continuing operations		(41,252)	36,851
Discontinued operations			
Loss for the year from discontinued operations	8	(62,555)	–
		<hr/>	<hr/>
		(103,807)	36,851
		<hr/>	<hr/>
Attributable to:			
Equity holders of the Company		(92,547)	36,880
Minority interests		(11,260)	(29)
		<hr/>	<hr/>
		(103,807)	36,851
		<hr/>	<hr/>
(Loss)/earnings per share for (loss)/profit attributable to the equity holders of the Company during the year			
From continuing and discontinued operations			
Basic	9	(HK\$0.07)	HK\$0.06
		<hr/>	<hr/>
Diluted	9	(HK\$0.07)	HK\$0.06
		<hr/>	<hr/>
From continuing operations			
Basic	9	(HK\$0.02)	HK\$0.06
		<hr/>	<hr/>
Diluted	9	(HK\$0.02)	HK\$0.06
		<hr/>	<hr/>

CONSOLIDATED BALANCE SHEET

At 31st December 2007

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		7,138	9,630
Interests in leasehold land		5,642	5,807
Investment properties		51,100	40,880
Goodwill		29,062	59,203
Available-for-sale financial assets		39,900	42,700
Convertible notes receivable from an associate		667	–
Conversion options embedded in convertible notes receivable from an associate		222	–
Interests in associates		375,148	198,113
		508,879	356,333
Current assets			
Inventories		301	364
Convertible notes receivables		–	52,000
Film rights		50,797	97,427
Films in progress		24,948	29,469
Trade receivables	10	51,666	8,016
Deposits, prepayments and other receivables		36,790	45,161
Deposits for investments		400,000	40,000
Held-for-trading investments		16,600	64,560
Amounts due from associates		7,359	5,905
Prepaid tax		456	455
Cash and cash equivalents		22,735	89,347
		611,652	432,704
Assets classified as held for sale		1,187,072	–
		1,798,724	432,704
Total assets		2,307,603	789,037
Capital and reserves			
Share capital		140,305	35,232
Reserves		1,033,828	659,595
Equity attributable to equity holders of the Company		1,174,133	694,827
Minority interests		1,328	1,382
Total equity		1,175,461	696,209

CONSOLIDATED BALANCE SHEET *(Continued)*
At 31st December 2007

	<i>Notes</i>	2007 HK\$'000	2006 <i>HK\$'000</i>
Non-current liabilities			
Bank borrowings – due after one year		8,523	10,948
Deferred tax liabilities		3,466	1,888
		<u>11,989</u>	<u>12,836</u>
Current liabilities			
Trade payables	11	17,621	18,310
Deposits received, accruals and other payables		66,018	39,561
Bank borrowings – due within one year		2,418	2,254
Unsecured convertible notes		–	19,867
		<u>86,057</u>	<u>79,992</u>
Liabilities associated with assets classified as held for sale		<u>1,034,096</u>	<u>–</u>
		<u>1,120,153</u>	<u>79,992</u>
Total liabilities		<u>1,132,142</u>	<u>92,828</u>
Total equity and liabilities		<u>2,307,603</u>	<u>789,037</u>
Net current assets		<u>678,571</u>	<u>352,712</u>
Total assets less current liabilities		<u>1,187,450</u>	<u>709,045</u>

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (the “HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1st January 2007.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC) – Int 8	Scope of HKFRS 2 ³
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ⁵

¹ Effective for annual periods beginning on or after 1st January 2007

² Effective for annual periods beginning on or after 1st March 2006

³ Effective for annual periods beginning on or after 1st May 2006

⁴ Effective for annual periods beginning on or after 1st June 2006

⁵ Effective for annual periods beginning on or after 1st November 2006

The adoption of the new HKFRSs has no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions ²
HK(IFRIC) – Int 12	Service Concession Arrangements ³
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁵

¹ Effective for annual periods beginning on or after 1st January 2009

² Effective for annual periods beginning on or after 1st March 2007

³ Effective for annual periods beginning on or after 1st January 2008

⁴ Effective for annual periods beginning on or after 1st July 2008

2. SEGMENT INFORMATION

The directors of the Company report the geographical segments as the Group's primary segment information. The Group's customers are located in four principal geographical areas – Hong Kong and Macau, the People's Republic of China (excluding Hong Kong, Macua and Taiwan) (the "PRC"), America and Europe and South-East Asia.

Geographical segments

The following table provides an analysis of the Group's sales by location of markets:

Income statement for the year ended 31st December 2007:

	Continuing operations					Discontinued operations		Consolidated HK\$'000
	Hong Kong and Macau HK\$'000	PRC HK\$'000	America and Europe HK\$'000	South-East Asia HK\$'000	Other HK\$'000	Total HK\$'000	Hong Kong and Macau HK\$'000	
Turnover	62,366	-	-	1,892	47	64,305	14,046	78,351
Cost of sales	(42,731)	-	-	(1,996)	(116)	(44,843)	(4,572)	(49,415)
Marketing and distribution expenses	(5,606)	(96)	(15)	(74)	-	(5,791)	-	(5,791)
Segment results	<u>14,029</u>	<u>(96)</u>	<u>(15)</u>	<u>(178)</u>	<u>(69)</u>	13,671	9,474	23,145
Increase in fair value of investment properties	10,220	-	-	-	-	10,220	-	10,220
Net realised and unrealised gains/(loss) on financial assets classified as held-for-trading	22,866	-	-	-	-	22,866	-	22,866
Share of results of associates						56,648	-	56,648
Discount on acquisition of subsidiaries						-	15,498	15,498
Loss on deemed disposal of interests in associates						(49,744)	-	(49,744)
Loss on disposal of interests in subsidiaries						-	(45,471)	(45,471)
Impairment loss recognised in respect of film rights						(16,850)	-	(16,850)
Impairment loss recognised in respect of goodwill						(30,141)	-	(30,141)
Changes in fair value in respect of conversion options embedded in convertible notes receivables from an associate						(50)	-	(50)
Unallocated corporate income						12,883	5,078	17,961
Unallocated corporate expenses						(59,162)	(46,776)	(105,938)
Loss before taxation						(39,659)	(62,197)	(101,856)
Taxation						(1,593)	(358)	(1,951)
Loss for the year						<u>(41,252)</u>	<u>(62,555)</u>	<u>(103,807)</u>

Income statement for the year ended 31st December 2006:

	Continuing operations						Discounted operations	
	Hong Kong and Macau		America and South-East			Total	Hong Kong and Macau Consolidated	
	HK\$'000	PRC HK\$'000	Europe HK\$'000	Asia HK\$'000	Other HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	129,936	8,783	1,093	11,532	1,433	152,777	-	152,777
Cost of sales	(91,023)	(3,984)	(697)	(6,921)	(740)	(103,365)	-	(103,365)
Marketing and distribution expenses	(9,018)	(396)	(52)	(191)	(120)	(9,777)	-	(9,777)
Segment results	<u>29,895</u>	<u>4,403</u>	<u>344</u>	<u>4,420</u>	<u>573</u>	39,635	-	39,635
Impairment loss reversed in respect of convertible notes receivables	10,000	-	-	-	-	10,000	-	10,000
Increase in fair value of investment properties	2,880	-	-	-	-	2,880	-	2,880
Net realised and unrealised gain/(loss) on financial assets classified as held-for-trading	(16,256)	-	-	-	-	(16,256)	-	(16,256)
Share of results of associates						(9,796)	-	(9,796)
Gain on deemed disposal of interests in associates						62,582	-	62,582
Gain on disposal of an associate						21,400	-	21,400
Impairment loss recognised in respect of investments in associates						(32,565)	-	(32,565)
Unallocated corporate income						12,750	-	12,750
Unallocated corporate expenses						(51,861)	-	(51,861)
Profit before taxation						38,769	-	38,769
Taxation						(1,918)	-	(1,918)
Profit for the year						<u>36,851</u>	<u>-</u>	<u>36,851</u>

No analysis of the carrying amount of segment assets, additions of property, plant and equipment and the depreciation and segment liabilities analysed by the geographical area are disclosed as more than 90% of the group assets are located in Hong Kong and Macau.

Business segments

The principal products and services of each of these divisions are as follows:

Film distribution – Production and distribution of motion pictures and television drama series

Hotel services – Provision of hotel services in Macau

During the financial year, the board of directors announced a plan to dispose the hotel services business.

Segment information about these businesses are presented as below.

Income statement for the year ended 31st December 2007:

	Continuing operations			Discontinued operations	Consolidated HK\$'000
	Film distribution HK\$'000	Others HK\$'000	Total HK\$'000	Hotel services HK\$'000	
Turnover					
External sales	58,970	5,335	64,305	14,046	78,351
Inter-segment sales	—	—	—	—	—
Total	<u>58,970</u>	<u>5,335</u>	<u>64,305</u>	<u>14,046</u>	<u>78,351</u>
Segment result	<u>8,336</u>	<u>5,335</u>	13,671	9,474	23,145
Unallocated corporate income			45,969	20,576	66,545
Unallocated corporate expenses			(155,947)	(92,247)	(248,194)
Share of profits of associates			56,648	—	56,648
Loss before taxation			(39,659)	(62,197)	(101,856)
Taxation			(1,593)	(358)	(1,951)
Loss for the year			<u>(41,252)</u>	<u>(62,555)</u>	<u>(103,807)</u>

Balance sheet at 31st December 2007:

	Continuing operations			Discontinued operations	Consolidated HK\$'000
	Film distribution HK\$'000	Others HK\$'000	Total HK\$'000	Hotel services HK\$'000	
ASSETS					
Segment assets	<u>742,326</u>	<u>3,057</u>	745,383	1,187,072	1,932,455
Interests in associates			375,148	—	375,148
Consolidated total assets			<u>1,120,531</u>	<u>1,187,072</u>	<u>2,307,603</u>
LIABILITIES					
Segment liabilities /					
Consolidated total liabilities	<u>81,977</u>	<u>16,069</u>	<u>98,046</u>	<u>1,034,096</u>	<u>1,132,142</u>

Other information for the year ended 31st December 2007:

	Continuing operations			Discontinued operations	Consolidated HK\$'000
	Film	Others HK\$'000	Total HK\$'000	Hotel	
	distribution HK\$'000			services HK\$'000	
Depreciation of property, plant and equipment	(2,891)	–	(2,891)	(5,551)	(8,442)
Amortisation of interests in leasehold land	(165)	–	(165)	(15,259)	(15,424)
Impairment loss recognised in respect of film right	(16,850)	–	(16,850)	–	(16,850)
Impairment loss recognised in respect of goodwill	(30,141)	–	(30,141)	–	(30,141)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Income statement for the year ended 31st December 2006:

	Continuing operations			Discontinued operations	Consolidated HK\$'000
	Film	Others HK\$'000	Total HK\$'000	Hotel	
	distribution HK\$'000			services HK\$'000	
Turnover					
External sales	145,881	6,896	152,777	–	152,777
Inter-segment sales	–	–	–	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>145,881</u>	<u>6,896</u>	<u>152,777</u>	<u> </u>	<u>152,777</u>
Segment result	<u>34,119</u>	<u>5,516</u>	39,635	–	39,635
Unallocated corporate income			109,612	–	109,612
Unallocated corporate expenses			(100,682)	–	(100,682)
Share of losses of associates			(9,796)	–	(9,796)
Profit before taxation			38,769	–	38,769
Taxation			(1,918)	–	(1,918)
Profit for the year			<u>36,851</u>	<u> </u>	<u>36,851</u>

Balance sheet as 31st December 2006:

	Continuing operations			Discontinued operations	Consolidated HK\$'000
	Film	Others HK\$'000	Total HK\$'000	Hotel	
	distribution HK\$'000			services HK\$'000	
ASSETS					
Segment assets	586,491	4,433	590,924	–	590,924
Interests in associates			198,113	–	198,113
Consolidated total assets			789,037	–	789,037
LIABILITIES					
Segment liabilities/ Consolidated total liabilities	75,598	17,230	92,828	–	92,828

Other information for the year ended 31st December 2006

	Continuing operations			Discontinued operations	Consolidated HK\$'000
	Film	Others HK\$'000	Total HK\$'000	Hotel	
	distribution HK\$'000			services HK\$'000	
Depreciation of property, plant and equipment	(6,294)	–	(6,294)	–	(6,294)
Amortisation of interests in leasehold land	(286)	–	(286)	–	(286)

3. TURNOVER

	Continuing operations		Discontinued operations		Consolidated	
	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Distribution fee income	10,285	52,833	–	–	10,285	52,833
Sales of film rights	48,672	92,976	–	–	48,672	92,976
Sales of video products	13	72	–	–	13	72
Service income	300	1,790	–	–	300	1,790
Production fee income	5,035	5,106	–	–	5,035	5,106
Hotel operation income	–	–	14,046	–	14,046	–
	64,305	152,777	14,046	–	78,351	152,777

4. OTHER REVENUE

	Continuing operations		Discontinued operations		Consolidated	
	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank interest income	3,587	2,763	–	–	3,587	2,763
Loan receivable interest income	–	218	–	–	–	218
Convertible notes receivables interest income	228	520	–	–	228	520
Rental income	240	315	–	–	240	315
Management fee income from associates	4,860	4,860	–	–	4,860	4,860
Other interest income	82	102	–	–	82	102
Dividend income	79	290	–	–	79	290
	<u>9,076</u>	<u>9,068</u>	<u>–</u>	<u>–</u>	<u>9,076</u>	<u>9,068</u>

5. OTHER INCOME

	Continuing operations		Discontinued operations		Consolidated	
	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reversal of impairment loss on trade receivables	–	5	–	–	–	5
Reversal of impairment loss on other receivables	–	763	–	–	–	763
Gain on redemption of convertible bonds	2,315	–	–	–	2,315	–
Gain on disposal of property, plant and equipment	20	973	87	–	107	973
Gain on disposal of investment properties	–	1,810	–	–	–	1,810
Others	1,472	131	4,991	–	6,463	131
	<u>3,807</u>	<u>3,682</u>	<u>5,078</u>	<u>–</u>	<u>8,885</u>	<u>3,682</u>

6. (LOSS)/PROFIT FOR THE YEAR

(Loss)/profit for the year has been arrived at after charging:

	Continuing operations		Discontinued operations		Consolidated	
	2007	2006	2007	2006	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amortisation of film rights (included in cost of sales)	43,747	100,850	–	–	43,747	100,850
Auditors' remuneration	605	606	28	–	633	606
Cost of inventories (included in cost of sales)	6	33	–	–	6	33
Depreciation of property, plant and equipment	2,891	6,294	5,551	–	8,442	6,294
Amortisation of interests in leasehold land	165	286	15,259	–	15,424	286
Net foreign exchange losses	1,109	1,095	–	–	1,109	1,095
Operating lease rental in respect of rented premises	1,431	2,286	2,213	–	3,644	2,286
Employee benefit expenses	33,381	26,285	3,604	–	36,985	26,285
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	2007	2006	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

The taxation charge is as follow:

Current tax:

Taxation in other jurisdictions:

Provision for the year	15	30	–	–	15	30
Under provision in prior years	–	–	358	–	358	–
	<u>15</u>	<u>30</u>	<u>358</u>	<u>–</u>	<u>373</u>	<u>30</u>

Deferred tax:

Current year	1,578	504	–	–	1,578	504
Under provision in prior years	–	1,384	–	–	–	1,384
	<u>1,578</u>	<u>1,888</u>	<u>–</u>	<u>–</u>	<u>1,578</u>	<u>1,888</u>
	<u><u>1,593</u></u>	<u><u>1,918</u></u>	<u><u>358</u></u>	<u><u>–</u></u>	<u><u>1,951</u></u>	<u><u>1,918</u></u>

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

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

8. DISCONTINUED OPERATIONS

On 1st August 2007, the Company entered into an agreement with Riche Multi-Media Holdings Limited (“Riche”) and Legend Rich Limited, a wholly owned subsidiary of Riche, whereby the Company has agreed to sell and/or procure the sale of 100% of the issued share capital of Exceptional Gain Profits Limited (“Exceptional Gain”) and a sale loan owned by Exceptional Gain to the Company amounted to approximately HK\$409,222,000 as at the date of the agreement for an aggregate consideration of HK\$447,000,000 (the “Proposed Disposal”). Exceptional Gain is the investment holding company which holds 50% interest in Kingsway Hotel Limited (“KHL”), a subsidiary of the Group which operates the hotel operation. The directors of the Company believed that the value of KHL will be better realised and reflected in Riche and will enable Riche to build up its own branding in hotel and hospitality industry and a chain of hotels in the Greater China region. It, in turn, will have a positive impact on the Group’s return on investment in Riche. The Proposed Disposal has been approved by the shareholders of the Company at a special general meeting of the Company held on 24th October 2007 and is expected to complete in May 2008. Accordingly, all the results, assets and liabilities of the group headed by Exceptional Gain (i.e. the hotel services operation) are classified as discontinued operations.

The combined results of the discontinued operations included in the consolidated income statement are set out as follow:

	2007 <i>HK\$’000</i>	2006 <i>HK\$’000</i>
Loss for the year from discontinued operations		
Turnover	14,046	–
Cost of sales	(4,572)	–
Gross profit	9,474	–
Other income	5,078	–
Administrative expenses	(36,108)	–
Loss from operation	(21,556)	–
Finance costs	(10,668)	–
Discount on acquisition of subsidiaries	15,498	–
Loss on disposal of subsidiaries	(45,471)	–
Loss before taxation	(62,197)	–
Taxation	(358)	–
Loss for the year from discontinued operations	<u>(62,555)</u>	<u>–</u>

9. (LOSS)/EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss)/earnings per share attributable to equity holders of the Company is based on the following data:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i> (restated)
(Loss)/earnings attributable to equity holders of the Company for the purpose of basic and diluted (loss)/earnings per share	<u>(92,547)</u>	<u>36,880</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	1,391,593,273	606,671,079
Effect of dilutive potential ordinary shares:		
Share options	<u>–</u>	<u>12,203,820</u>
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	<u>1,391,593,273</u>	<u>618,874,899</u>

The weighted average number of ordinary shares for the year ended 31st December 2007 and 31st December 2006 for the purpose of basis and diluted (loss)/earnings per share has been adjusted and restated respectively resulting from the rights issue of 843,769,024 rights shares issued at a price of HK\$0.20 each during the year ended 31st December 2007.

From continuing operations

The calculation of the basic and diluted (loss)/earnings per share from continuing operations attributable to equity holders of the Company is based on the following data:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
(Loss)/earnings attributable to equity holders of the Company for the purpose of basic and diluted (loss)/earnings per share	(92,547)	36,880
Less: Loss for the year from discontinued operations	<u>62,555</u>	<u>–</u>
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share from continuing operations	<u>(29,992)</u>	<u>36,880</u>

The denominators used are the same as those detailed above for both basic and diluted (loss)/earnings per share.

From discontinued operations

Basic and diluted loss per share for the discontinued operations is HK\$0.04 per share (2006: nil), based on the loss for the year from the discontinued operations of HK\$62,555,000 (2006: nil) and the denominators detailed above for both basic and diluted (loss)/earnings per share.

The computation of the relevant diluted loss per share for the year ended 31st December 2007 did not assume exercise of the Company's outstanding share options existed during the year since their conversion would result in a decrease in loss per share and thus anti-dilutive.

The computation of the relevant diluted earnings per share for the year ended 31st December 2006 did not assume exercise of certain outstanding share options and the conversion of convertible notes existed during the year since their conversion would result in an increase in earnings per share and thus anti-dilutive.

10. TRADE RECEIVABLES

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

	The Group	
	2007	2006
	HK\$'000	HK\$'000
Brilliant Arts Multi-Media Holdings Limited and its subsidiaries		
0 to 30 days	12	–
	<u>12</u>	<u>–</u>
Others		
0 to 30 days	885	683
31 to 60 days	2,784	575
61 to 90 days	224	826
91 to 180 days	151	373
Over 180 days	51,644	9,595
	<u>55,688</u>	<u>12,052</u>
Less: Impairment loss on trade receivables	(4,034)	(4,036)
	<u>51,654</u>	<u>8,016</u>
Total	<u><u>51,666</u></u>	<u><u>8,016</u></u>
Aging of trade receivables which are past due but not impaired:		
61 – 90 days	224	826
Over 90 days	47,761	5,932
	<u>47,985</u>	<u>6,758</u>
Total	<u><u>47,985</u></u>	<u><u>6,758</u></u>

Included in the Group's trade receivables balances are debtors with aggregate carrying amount of approximately HK\$47,985,000 (2006: HK\$6,758,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

In determining the recoverability of trade receivables, the directors of the Company considers any change in the credit quality of the trade receivables from the date credit were initially granted up to the reporting date. Accordingly, the directors of the Company considered provision for impairment in values be made in respect of trade receivables to their recoverable values and believe that there is no further credit provision required in excess of the allowance for doubtful debts.

11. TRADE PAYABLES

The aged analysis of the trade creditors is as follows:

	The Group	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 to 30 days	2,980	1,523
31 to 60 days	1,174	839
61 to 90 days	5	1,923
91 to 180 days	167	2,450
Over 180 days	13,295	11,575
	<hr/> 17,621 <hr/>	<hr/> 18,310 <hr/>

DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31st December 2007 (2006: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31st December 2007, the Group's turnover decreased by 58% to approximately HK\$64,305,000 (2006: HK\$152,777,000). Of the total turnover amount, HK\$58,970,000 or 92% was generated from film distribution and sale of film rights, HK\$5,335,000 or 8% was generated from post-production services and other service income.

Loss from operations and loss for the year from continuing operations amounted to approximately HK\$44,354,000 and HK\$41,252,000 respectively as compared to profit from operations and profit for the year of HK\$10,640,000 and HK\$36,851,000 respectively for last year. The increase in current year's loss position was mainly attributable to the impairment losses recognised in respect of film rights and goodwill.

Loss for the year from discontinued operations amounted to approximately HK\$62,555,000. Kingsway Hotel Limited ("KHL") become a subsidiary of the Group and the results being consolidated into the results of the Group with effect from 30th March 2007. The principal asset of KHL is Kingsway Hotel, a three star hotel with a total 383 guests rooms locate in Macau. Kingsway Hotel ceased its operation from end of July 2007 and is currently under renovation to becoming a luxury boutique hotel. On 1st August 2007, the Company entered into an agreement ("Proposed Disposal") to dispose all its interest in Exceptional Gain Profits Limited ("Exception Gain") to Riche Multi-Media Holdings Limited ("Riche"). The principal assets in Exception Gain is its interest in KHL. The Proposed Disposal has been approved by the shareholders of the Company at a special general meeting of the Company held on 24th October 2007 and is expected to complete in May 2008. Accordingly, the results, assets and liabilities of Exceptional Gain which comprised the hotel operations had been classified as discontinued operations. The Group had shared an aggregate loss of approximately HK\$62,555,000 from the hotel operations which consisted of share of loss of approximately HK\$32,583,000 during the year and loss on disposal of interest in KHL of HK\$45,471,000 and a gain recognised from discount on acquisition of subsidiaries of HK\$15,498,000. In the opinion of the directors, the loss from discontinued operations is expected to recover from the forthcoming year upon completion of the Proposed Disposal. As stated in the circular of the Company dated 9th October 2007, the Group is estimated to recognise a gain on disposal of approximately HK\$71,992,000 if assuming the Proposed Disposal would completed on 30th June 2007. This gain will differ upon actual completion of the Proposed Disposal.

BUSINESS REVIEW

This year, the Group had released 2 new films in the market in response to the weak market condition of the entertainment industry in these years, especially for the Chinese language films. On 13th September 2006, One Hundred Years of Film Company Limited, China Star Pictures Limited and S&W Entertainment Limited (the “Venders”), all whollyowned subsidiaries of the Company, the Company and Fortune Star Entertainment (HK) Limited (“Fortune Star”) entered into a deed pursuant to which Fortune Star has agreed to acquire from the Venders the perpetual and worldwide right, title and interest in 100 motion pictures at a total consideration of US\$18,000,000 (subject to adjustment). Part of the income had recorded in the income statement for the year ended 31st December 2006 and the balance recorded in the income statement during the year.

In year 2007, turnover and profit segment for continuing operations from Hong Kong and Macau amounted to HK\$62,366,000 (2006: HK\$129,936,000) and HK\$14,029,000 (2006: HK\$29,895,000) respectively. The turnover mainly comprised film distribution, post production fees income of films and sales of film rights to Fortune Star. The marketing and distribution expenses for the year ended 31st December 2007 was HK\$5,791,000, representing a 41% decrease from HK\$9,777,000 for the last corresponding year.

Turnover and profit segment for the discontinued operation from Hong Kong and Macau amounted to HK\$14,046,000 and HK\$9,474,000 respectively, mainly comprised the hotel operations in Macau.

To stay competitive in the market, the Group has regularly review its costs structure in these years by exercised prudence measures on cost policies. As a result, administrative expenses keep at a reasonable basis. For the year ended 31st December 2007, administrative expenses increased to HK\$39,343,000, a slight 3% increase from HK\$38,309,000 of the last corresponding year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December 2007, the Group had total assets of approximately HK\$2,307,603,000 and net current assets of HK\$678,571,000, representing a current ratio of 1.6 (2006: 5.4). The Group had total cash and cash equivalents of approximately HK\$22,735,000 (2006: HK\$89,347,000). As at 31st December 2007, the Group had total borrowings of HK\$10,941,000 comprising a bank mortgage loan which was secured by the Group’s investment properties, interest bearing at 2.5% below the Hong Kong Prime Lending Rate per annum and repayable by 73 monthly instalments. As at 31st December 2007, KHL, a non wholly owned subsidiary of the Group had total banking facilities amounted to HK\$650,000,000 which were utilised to the extent of HK\$596,516,000, comprising a bank loan of HK\$450,000,000 and a bank overdraft of HK\$146,516,000. These bank borrowings were classified as liabilities of hotel business associated with assets classified as held for sale in the balance sheet. The Group’s gearing remained

low during the year with total debts of HK\$10,941,000 against shareholders' funds of HK\$1,174,133,000. This represents a gearing ratio, calculated in the basis of the Group's total borrowings over shareholders' fund of 1%.

As the majority of the Group's transactions, assets and liabilities are denominated in Hong Kong Dollars and United States Dollars, the exposure to fluctuation in exchange rates was considered to be minimal and no hedge activity were considered necessary. As at 31st December 2007, the Group had no contingent liability.

On 19th January 2007, the Company entered into three subscription agreements with Improvemany International Limited, Better Talent Limited and Aceyard Investments Limited (the "Subscribers"), whereby the Subscribers have conditionally agreed to subscribe and pay for the zero coupon unsecured convertible bonds due 2012 ("Firm Bonds") of an aggregate principal face value amount of HK\$168,500,000 to be issued by the Company at an issue price of 95% of the face value. The initial conversion price of the Firm Bonds is HK\$0.32 per conversion Share (subject to adjustments). The net proceeds of approximately HK\$159,000,000 had been used for the acquisition of KHL. The Firm Bonds were issued on 18th May 2007. During the year ended 31st December 2007, HK\$64,000,000 Firm Bonds were converted into 200,000,000 Shares at the conversion price of HK\$0.32, HK\$10,000,000 Firm Bonds were converted into 31,746,031 Shares at the conversion price of HK\$0.315 (after adjustment) and the balance of HK\$94,500,000 Firm Bonds were converted into 300,955,410 Shares at the conversion price of HK\$0.314 (after adjustment) respectively.

On 12th March 2007, Classical Statue Limited ("Classical"), a wholly owned subsidiary of the Company entered into a subscription agreement with Brilliant Arts Multi-Media Holding Limited (formerly known as "Milkyway Image Holdings Limited") ("Brilliant Arts"), a company whose shares are listed on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited, whereby Classical had conditionally agreed to subscribe for the zero coupon convertible bonds in principal amount of HK\$25,000,000 due 2012 ("Convertible Bonds") to be issued by Brilliant Arts at an issue price of HK\$22,500,000. The conversion price of the Convertible Bonds is initially HK\$0.33 per shares of Brilliant Arts (subject to adjustments). The Convertible Bonds has been issued on 25th May 2007. On 15th June 2007, 72,727,272 shares of Brilliant Arts, representing approximately 29.17% of the issued share capital of Brilliant Arts are allotted and issued as a result of the conversion of HK\$24,000,000 Convertible Bonds. Brilliant Arts becomes an associate of the Company with effect from 15th June 2007.

On 28th March 2007, the Company entered into a loan agreement with a finance company with Money Lender License for a term loan of HK\$55,000,000 ("Loan") for the period from 28th March 2007 to 18th April 2007 at interest rate of 3% per annum over the prime rate quoted by The Hong Kong and Shanghai Corporation Limited to finance the completion of the acquisition of KHL. The Loan was repaid on 18th April 2007.

On 29th March 2007, the Company entered into a placing agreement with a placing agent to place on a fully underwritten basis an aggregate 124,900,000 new Shares to independent investors at a price of HK\$0.37 per Share. 124,900,000 new Shares was issued under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 23rd June 2006. The net proceeds of approximately HK\$44,800,000 was intended to be used for general working capital of the Group.

On the same date, the Company entered into another placing agreement with the placing agent and had conditionally agreed to place on a fully underwritten basis an aggregate 81,100,000 new Shares to independent investors at a price of HK\$0.37 per Share. The issue of 81,100,000 new Shares was approved by the shareholders of the Company at a special general meeting held on 18th May 2007. The net proceeds of approximately HK\$29,200,000 was intended to be used for general working capital of the Group.

On 4th June 2007, the Company entered into a placing agreement with a placing agent to place on a fully underwritten basis an aggregate 165,905,000 new Shares to independent investors at a price of HK\$0.40 per Share. 165,905,000 new Shares was issued on 25th June 2007 under the general mandate granted to the directors of the Company at the special general meeting of the Company held on 18th May 2007. The net proceeds of approximately HK\$64,600,000 was intended to be used for general working capital of the Group.

On 20th July 2007, a licensed bank in Macau had agreed to grant a term loan of HK\$450,000,000 and an overdraft facility of HK\$200,000,000 to KHL, a subsidiary of the Company. The term loan and overdraft facility were secured by a first legal charge on the properties held by Kingsway Hotel, interest bearing at 2% per annum and 1% per annum below the bank's best lending rate respectively. The term loan has to be repaid by 18 equal consecutive quarterly installments of HK\$25,000,000 each and the first principal repayment will commence on the 9th month after the date of first loan drawdown. The overdraft facility is repayable on demand. HK\$400,000,000 term loan had been drawdown at the end of July 2007 of which HK\$200,000,000 had been used by the Group to finance the acquisition of Best Mind International Inc.

On 30th August 2007, the Company announced that not less than 843,769,024 rights Shares and not more than 940,393,799 rights Shares at a subscription price of HK\$0.20 each had been issued by the Company on the basis of one right Shares for every two Shares held on 18th September 2007. The estimated net proceeds of approximately HK\$162,600,000 was intended to be used for the acquisition of Best Mind International Inc.

On 5th September 2007, the Company entered into a placing agreement with a placing agent to place on a fully underwritten basis an aggregate 274,790,000 new Shares to independent investors at a price of HK\$0.21 per Share. 274,790,000 new Shares was

issued on 28th September 2007 under the general mandate granted to the directors of the Company at the annual general meeting of the Company held on 29th June 2007. The net proceeds of approximately HK\$56,200,000 was intended to be used for partial payment of the acquisition of Best Mind International Inc.

On the same date, the Company entered into another placing agreement with the placing agent and had conditionally agreed to place on a best effort basis up to a maximum of 5,000,000,000 new Shares to independent investors at a price of HK\$0.21 per Share (“Tranche II Placing”). The Tranche II Placing was approved by the shareholders of the Company at the special general meeting held on 22nd October 2007. On 11th December 2007, the parties to the Tranche II Placing entered into a deed of variation to extent the long stop date to three months from the date of the special general meeting to approve the deed of variation (i.e. 24th April 2008) and to change the placing price of the Tranche II Placing from HK\$0.21 per Share to HK\$0.12 per Share. The net proceeds of approximately HK\$1,023,500,000 will be used by the Group to fund the consideration for future acquisition of gaming businesses in Macau. The Tranche II Placing has been terminated on the long stop date (i.e. 24th April 2008).

On 11th December 2007, the Company entered into a placing agreement with a placing agent and had conditionally agreed to place on a fully underwritten basis an aggregate 1,400,000,000 new Shares to independent investors at a price of HK\$0.12 per Share. 1,400,000,000 new Shares was issued on 29th February 2008 under the general mandate granted to the directors of the Company at the special general meeting of the Company held on 24th January 2008. The net proceeds of approximately HK\$163,500,000 was intended to be used for the acquisition of Best Mind International Inc.

During the year ended 31st December 2007, certain option holders exercised their option rights to subscribe for an aggregate of 32,985,000 Shares at exercise price of HK\$0.242 per Share, an aggregate 26,800,000 Shares at an exercise price of HK\$0.277 per Share, an aggregate of 5,900,000 Shares at an exercise price of HK\$0.42 per Share and an aggregate 12,600,000 Shares at the exercise price of HK\$0.277 respectively. The net proceeds from the exercise of option rights amounted to approximately HK\$21,374,000.

Subsequent to the balance sheet date, the board of directors of the Company announced on 26th March 2008 that the Company intended to put forward to the shareholders of the Company for their approval a proposal involving capital reorganisation of the Company comprising (i) share consolidation that every 10 issued and unissued Shares be consolidated into 1 consolidated share of the Company (“Consolidated Shares”); (ii) capital reduction that the nominal value of all issued and unissued Consolidated Shares be reduced from HK\$0.50 each to HK\$0.05 each; and (iii) share premium cancellation that the entire amount of HK\$1,356,449,856.32 in the share premium account of the Company as at 31st December 2007 be cancelled and credit to the contributed surplus account of the Company, a sum of approximately HK\$864,665,000 in the contributed surplus of the Company be applied to set off against the accumulated losses of the Company as at 31st December 2006.

ASSOCIATES

Riche Multi-Media Holdings Limited

As at 31st December 2007, the Group had approximately 29.90% equity interest in Riche and its subsidiaries (the “Riche Group”). Riche Group is principally engaged in film distribution, sub-licensing of film rights, investments in securities and property investment. As at 31st December 2007, Riche Group had net assets of approximately HK\$1,046,080,000. Turnover and net profit of Riche Group for the year ended 31st December 2007 were approximately HK\$38,739,000 and HK\$25,694,000 respectively. Accordingly, the Group had shared a net profit of approximately HK\$14,543,000 for the year ended 31st December 2007. The Group had recorded an aggregate result of profit of approximately HK\$4,899,000 from Riche Group after taking into account the loss on deemed disposal of interest in associates of HK\$49,744,000 and discount on acquisition of interest in associates of HK\$40,100,000.

Brilliant Arts Multi-Media Holding Limited

As at 31st December 2007, the Group had approximately 25.74% equity interest in Brilliant Arts. Brilliant Arts and its subsidiaries (“Brilliant Arts Group”) are principally engaged in the provision of film production services, production of television movies, investment in film productions and worldwide film distribution. As at 31st December 2007, Brilliant Arts Group had net assets of approximately HK\$65,658,000. Turnover and net profit of Brilliant Arts Group for the year ended 31st December 2007 were approximately HK\$22,813,000 and HK\$7,121,000 respectively. Accordingly, the Group had shared a net profit of approximately HK\$6,415,000 for the year ended 31st December 2007.

Together Again Limited

As at 31st December 2007, the Group held 49% equity interest in the group headed by Together Again Limited (“TAL Group”), a company incorporated in British Virgin Islands with limited liability and it indirectly holds 85% equity interest in China Entertainment Group, Inc., a U.S. public company traded on the Over-The-Counter Bulletin Board. TAL Group is principally engaged in the provision of artist management services.

As at 31st December 2007, TAL Group had net liabilities of HK\$7,945,000. Turnover and loss of TAL Group for the year ended 31st December 2007 were HK\$17,403,000 and HK\$16,954,000, respectively. Accordingly, the Group shared a loss of HK\$4,410,000 for the year ended 31st December 2007.

DISPOSAL OF EXCEPTIONAL GAIN PROFITS LIMITED AND KINGSWAY HOTEL LIMITED

On 1st August 2007, the Company entered into an agreement with Legend Rich Limited, a wholly-owned subsidiary of Riche, an associate of the Group, and Riche relating to the sale of 100% of the issued share capital of Exceptional Gain and the relevant sale loan for an aggregate consideration of HK\$447,000,000. Exceptional Gain is an investment holding vehicle which indirectly holds 50% interest in KHL. Following the completion of the Proposed Disposal, KHL will cease to be a subsidiary of the Group. The directors of the Company believe that the Proposed Disposal will provide an opportunity to the Group and Riche to allocate their resources effectively and to avoid duplication of resources as Riche already possessed appropriate expertise and resources in hotel and property management and the value of Kingsway Hotel will be better realized and reflected in Riche as the Proposed Disposal will enable Riche to build up its own branding in hotel and hospitality industry and in turn will have a positive impact on the Group's return on investment in Riche. As stated in the circular of the Company dated 9th October 2007, the Group is estimated to recognise a gain on disposal of approximately HK\$71,992,000 if assuming the Proposed Disposal would be completed on 30th June 2007.

ACQUISITION OF BEST MIND INTERNATIONAL INC.

On 16th August 2007, the Company had entered into an acquisition agreement in relation to the acquisition of 51% issued Share capital of Best Mind International Inc. ("Best Mind") at a total consideration of HK\$538,000,000 ("Initial Acquisition") satisfied as to HK\$300,000,000 in cash, HK\$196,000,000 by the issue of 5% unsecured convertible note of the Company at an initial conversion price of HK\$0.30 per Share and the balance of HK\$42,000,000 by the allotment and issue of 140,000,000 Shares credited as fully paid. On 5th October 2007, the Company had entered into a sale and purchase agreement in relation to the acquisition of the remaining 49% issued share capital of Best Mind at a total consideration of HK\$516,900,000 (together with the Initial Acquisition, "Acquisitions") satisfied as to HK\$300,000,000 in cash, HK\$188,000,000 by the issue of 5% unsecured convertible note of the Company at an initial conversion price of HK\$0.30 per Share and the balance of HK\$28,900,000 by the allotment and issue of 96,333,333 Shares credited as fully paid.

Best Mind had entered into profit agreement with Ocho Sociedade Unipessoal Limitada ("Ocho"), a Macau company engaged in the gaming promotion business, to acquire 0.4% of the rolling turnover generated by Ocho and/or its customers at one of the VIP gaming rooms operated by Ocho at the Grand Lisboa Casino in Macau. Mr. Ng Cheuk Fai, the guarantor in the acquisition agreement and the beneficial owner in Ocho, has guaranteed to Best Mind that the profit to be received by Best Mind shall not be less than HK\$264,000,000 and HK\$120,000,000 during the period from 17th August 2007 to 31st December 2008 and the period from 1st January 2009 to 16th August 2009 respectively. In view of the recent booming economy of Macau and the prospects of Macau's gaming business, the directors of the Company believe that this acquisition will broaden the

Group's revenue sources and provide a stable income stream to the Group. Please refer to the Company's announcement dated 30th August 2007 and dated 10th October 2007 respectively for details of the Acquisitions.

The Acquisitions have been completed on 18th March 2008. Best Mind becomes a subsidiary of the Group and starts to contribute cash profit in April 2008.

EMPLOYEES

As at 31st December 2007, the Group employed 48 staffs (2006: 51 staffs). The directors believe that the quality of its employees is the single most important factor in sustaining the Group's reputation and improving its profitability. The staffs are remunerated based on their work performance, professional experience and prevailing industry practices. Apart from basic salaries, pension fund, medical schemes and discretionary bonuses, options are awarded to certain staffs according to the assessment of individual performance.

PROSPECT

Looking ahead, the Group will continue its strength in the production of high quality films with stringent control on capital investment and efficient management. Besides, the Group has strong confident on Macau's economy. The Acquisitions of Best Mind was completed in March 2008 and the Group will receive not less than HK\$364,000,000 guarantee profit for the first two years according to the terms of Acquisitions. This new operation will broaden the Group's revenue sources and provide a stable cash income to the Group. The cash profit received by the Group in April 2008 has solid our confident on the contribution of Best Mind. During the year, the Group has increased its long term investments in Riche and Brilliant Art and these long term investments are expected to provide positive contribution to the Group in the near future.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company is responsible for ensuring high standards of corporate governance are maintained and for accounting to shareholders. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules for the year ended 31st December 2007, except for the following deviation:

Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. However, all the independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's bye-laws. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

The information on the Company's compliance of the Code and deviation from certain code provisions of the Code for the year ended 31st December 2007 is set out in the Corporate Governance Report to be included in the Company's 2007 annual report which will be sent to the shareholders of the Company on or before 30th April 2008.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The audit committee of the Company comprises Messrs. Hung Cho Sing, Ho Wai Chi, Paul and Leung Hok Man, all being independent non-executive directors. Mr. Ho Wai Chi, Paul is the chairman of the audit committee.

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the Group's consolidated financial statements for the year ended 31st December 2007.

ADOPTION OF THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules for securities transactions by directors of the Company. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31st December 2007. The Model Code also applies to other specified senior management of the Group.

PUBLICATION OF ANNUAL REPORT

The Company's 2007 annual report will be despatched to the shareholders of the Company on or before 30th April 2008 and will be published on the Stock Exchange's website and the Company's website.

By Order of the Board
Heung Wah Keung
Chairman

Hong Kong, 25th April 2008

As at the date hereof, the executive Directors are Mr. Heung Wah Keung, Ms. Chen Ming Yin, Tiffany and Ms. Li Yuk Sheung and the independent non-executive Directors are Mr. Hung Cho Sing, Mr. Ho Wai Chi, Paul and Mr. Leung Hok Man.