

GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED



GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

Announcement of Results For the Year Ended 30 June 2001

RESULTS

The Board of Directors (the "Board") of Golden Harvest Entertainment (Holdings) Limited (the "Company") herein announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2001 together with the comparative figures for the previous year as follows:

	<i>Notes</i>	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
TURNOVER	1	269,694	103,590
Cost of sales		(121,978)	(35,994)
Gross profit		147,716	67,596
Interest income		9,073	6,840
Gain on disposal of associates		-	30,750
Other revenue		12,177	1,541
Selling and distribution costs		(122,072)	(46,331)
General and administrative expenses		(65,173)	(39,354)
Other operating expenses		(15,229)	(11,695)
Provision for diminution in value of long term investment		(8,205)	-

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PROFIT/(LOSS) FROM			
OPERATING ACTIVITIES	2	(41,713)	9,347
Finance costs		<u>(26)</u>	<u>(263)</u>
 PROFIT/(LOSS) AFTER			
FINANCE COSTS	1	(41,739)	9,084
Share of profits less losses of associates		<u>(16,418)</u>	<u>(3,900)</u>
 PROFIT/(LOSS) BEFORE TAX		(58,157)	5,184
Tax	3	<u>(4,622)</u>	<u>(3,912)</u>
 PROFIT/(LOSS) BEFORE			
MINORITY INTERESTS		(62,779)	1,272
Minority interests		<u>5</u>	<u>-</u>
 NET PROFIT/(LOSS)			
ATTRIBUTABLE			
TO SHAREHOLDERS		<u>(62,774)</u>	<u>1,272</u>
 PROFIT/(LOSS) PER SHARE			
Basic	4	<u>(7.8 cents)</u>	<u>0.2 cent</u>
Diluted		<u>(7.8 cents)</u>	<u>N/A</u>

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Notes:

1. Turnover and profit/(loss) after finance costs

An analysis of the Group's turnover and contribution to profit/(loss) after finance costs by principal activity and geographical area of markets is as follows:

	Turnover		Contribution	
	2001	2000	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
By principal activity:				
Film distribution	75,494	54,317	12,516	2,551
Film exhibition	161,211	29,335	(19,906)	(25,272)
Film processing	18,639	19,938	1,315	1,318
Production control	10,602	-	(18,210)	-
Public relations	2,912	-	(6,680)	-
Music production	836	-	(2,543)	-
	<u>269,694</u>	<u>103,590</u>	<u>(33,508)</u>	<u>(21,403)</u>
Add: Gain on disposal of associates			-	30,750
Less: Provision for diminution in value of long term investment			(8,205)	-
Finance costs			<u>(26)</u>	<u>(263)</u>
Profit/(loss) after finance costs			<u>(41,739)</u>	<u>9,084</u>

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By geographical area:

Hong Kong	224,279	78,475	(43,190)	(18,842)
Asia	26,677	17,559	(1,795)	(3,495)
North America	4,798	1,694	3,440	(167)
Elsewhere	<u>13,940</u>	<u>5,862</u>	<u>7,037</u>	<u>1,101</u>
	<u>269,694</u>	<u>103,590</u>	<u>(33,508)</u>	<u>(21,403)</u>
Add: Gain on disposal of associates				
			-	30,750
Less: Provision for diminution in value of long term investment				
			(8,205)	-
Finance costs				
			<u>(26)</u>	<u>(263)</u>
Profit/(loss) after finance costs			<u>(41,739)</u>	<u>9,084</u>

2. Profit/(loss) from operating activities

The Group's profit/(loss) from operating activities is arrived at after charging:

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Amortisation of film rights	18,048	8,777
Depreciation	<u>17,140</u>	<u>4,605</u>

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3. Tax

Hong Kong profits tax has been provided at the rate of 16% (2000: 16%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on country legislation, interpretations and practices in respect thereof.

	2001	2000
	<i>HK\$'000</i>	<i>HK\$'000</i>
Group:		
Hong Kong	53	214
Elsewhere	675	900
Over provision in prior year	(471)	(41)
Tax rebate relating to prior year	-	(35)
	257	1,038
Associates:		
Hong Kong	120	-
Elsewhere	198	2,874
Deferred	4,047	-
	4,365	2,874
Tax charge for the year	4,622	3,912

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4. Profit/(loss) per share

The calculation of basic profit/(loss) per share is based on the net loss attributable to shareholders for the year of HK\$62,774,000 (2000: net profit of HK\$1,272,000) and the weighted average number of 800,887,500 shares (2000: 686,451,025 shares) in issue during the year.

The calculation of diluted loss per share is based on the net loss attributable to shareholders for the year and the weighted average of 801,046,668 shares in issue, which represents the weighted average number of 800,887,500 shares in issue during the period, plus the weighted average number of 159,168 shares assumed to be issued at no consideration on the deemed exercise of all exercisable options during the year.

No disclosure for diluted profit per share for the prior year was shown as the exercise price of the Company's outstanding share options was higher than the average market price of the Company's ordinary shares during that year and thus the share options had no diluting effect.

DIVIDENDS

The Board has resolved not to recommend the payment of a final dividend for the year ended 30 June 2001 (2000: Nil).

REVIEW OF OPERATIONS

Overview

Despite the recessionary economic climate we have faced over the past year, the Group has emerged as a stronger and more diversified group. We are starting to establish our reputation as a multi-media company with strengths in various fields of entertainment. Better cost control measures have been implemented during the previous financial year which are proving effective and individual divisions are operating more efficiently. The Group continues to operate free from debt.

The difficult economic climate experienced across the Asian region is reflected in the region's box office receipts which recorded declines except for Hong Kong, which registered a slight increase. The increase in Hong Kong's box office was due to Hong Kong Chinese language films which grossed HK\$443 million, in total, 23% more than last year. Non-Chinese language films were, however, down at HK\$519 million, a decrease of 9% thus pulling down the overall increase in box office receipts for Hong Kong.

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Finance

For the financial year ended 30 June 2001, the Group incurred a loss of HK\$62.8 million, as compared to a profit of HK\$1.3 million last year. The figures include non-recurring loss items of HK\$16.7 million for this year and a non-recurring gain amounting to HK\$30.8 million for last year. Results across the individual business segments have been mixed. Film distribution has performed strongly during the year, particularly due to the successful international distribution of the Jackie Chan movie. The Accidental Spy in the second half of the financial year. Exhibition in Hong Kong and Mainland China has also shown moderate improvement. Performances in other areas of the Group's business, however, have been weak. Results of the film production division has fallen below expectation primarily due to a lower than anticipated number of film projects undertaken in the second half of the year. The newly set up public relations and music production divisions have also been incurring start-up losses. In addition to the above, the Group's associates have posted less than satisfactory results during the year. The Group's share of the after tax losses of the associates has widened from HK\$6.8 million last year to HK\$20.8 million for the current year, primarily as a result of the weakness of the Taiwan video rental operation and the continued difficulties of Malaysia exhibition.

Film Distribution

Our film distribution business produced improved results for the second half of the financial year. However, we remain vulnerable to the effects of film piracy. Whilst anti-piracy moves by the Hong Kong SAR Government have proven effective, piracy remains rampant throughout the rest of the Asian region.

The Group distributed 25 Chinese language films and 27 non-Chinese language films during the financial year.

Summer Holiday and Lavender, both distributed by the Group were the major movies released during the first six months of the financial year. These two movies achieved box office receipts of over HK\$10 million each. These two movies were followed by the Chinese New Year release of Jackie Chan's *The Accidental Spy*. This was the most expensive film made in Hong Kong to date and has achieved total Asian box office revenue in excess of HK\$103 million. Besides these three major films, the rest of the Chinese language films we distributed were smaller pictures.

Overall our share of the Chinese language market dropped from 39% in 1999-2000 to 28% due to the lack of other strong Chinese films in our distribution line up.

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In the non-Chinese language sector, top-grossing movies distributed by the Group included The Grinch, Hannibal and The Mummy Returns. Hollywood pictures distributed by other distributors were stronger. Our market share for non-Chinese pictures over the last 12 month period dropped 2% to 17%.

Income from distribution fees earned in our traditional markets - Hong Kong, Taiwan, Korea, Singapore and Malaysia increased from HK\$26 million in 1999/2000 to HK\$30.8 million during the financial year. Distribution income from non-traditional markets - Japan, America, Europe and other countries increased from HK\$11 million in 1999/2000 to HK\$17.9 million during the year.

Exhibition

The exhibition industry registered its first box office growth since early 1993 during this financial year. The Group is working to improve both the convenience and the experience of moviegoers at its cinemas. The newly renovated Grand Ocean Theatre in Kowloon has met with a very positive response. The HK\$10 million renovation program includes state-of-the-art digital sound systems, luxurious seating and a brand new box office and concession counter.

The Group now operates 236 screens in 47 cinemas in Hong Kong, Mainland China, Singapore and Malaysia. Our decision to sell our cinema interests in Thailand and Korea has proven timely. Both markets have been badly affected by an oversupply of new screens. Too many cinemas and competition from other forms of entertainment are inhibiting admissions in Singapore. We need to see some consolidation. Our new 18-screen Multiplex in Kuala Lumpur - one of Asia's largest - is proving to be a great success in a flat market. With the forthcoming reduction in entertainment tax, we expect to see some improvement in Malaysia. The Group continues to monitor the overall progress of the Singapore and Malaysian markets with a view to rationalising the existing supply of screens should the opportunity present itself.

Good progress is being made on the development of our Golden Peace Cinema IMAX Theatre in Shanghai. This is a joint venture development involving Golden Harvest and Shanghai Peace Cinema on perhaps one of the best located sites in Shanghai. The 400-seat theatre will be the first commercial IMAX theatre in China. The project is expected to be completed in early 2002.

Our cinemas in China continue to improve and in a further step to cement our relationships with our partners in China, the Group has agreed with China Film to set up a Joint-Venture Management Company to jointly manage a chain of cineplexes in China. This is a significant move in our efforts to build a bigger presence in China.

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Film Production

The Group successfully handled the production of eight films over the past year, three of which achieved outstanding recognition. *Summer Holiday* was the second highest grossing Chinese film in Hong Kong during the summer of 2000, earning HK\$21.3 million at the box office. It also performed very well in Malaysia.

The Group received audience and industry accolades for *Lavender*, Hong Kong's first "scented" movie. Specially synchronised machines ejected aromas through theatres during the film.

The Accidental Spy which starred Jackie Chan, became the highest grossing Chinese film at box offices in Hong Kong, Mainland China, Taiwan, Singapore, Malaysia, South Korea, Indonesia and Thailand during Chinese New Year 2001. Hollywood producers have noted the cost effectiveness of the production and Miramax Pictures who purchased the US and European rights plan to release the film in North America in the near future.

The Accidental Spy also laid the foundation for the first of our Internet movies. Golden Harvest teamed up with Spring House Technology Entertainment of Taiwan to produce *The Accidental Spy 2003*. There is strong potential in this form of online entertainment which creates original, interactive and real-time experiences. People log on at their own convenience to enjoy a short interactive movie.

Among the films produced, these were nominated for industry awards during the year:

Summer Holiday

Nominated for Best Cinematography, Best Original Music Score and Best Original Film Song at the 20th Hong Kong Film Awards. Nominated for Best Film at the 45th Asia Pacific Film Festival.

Lavender

Nominated for Best Supporting Actor, Best Cinematography, Best Art Direction, Best Costume & Make-up Design, Best Original Music Score and Best Original Film Song at the 20th Hong Kong Film Awards.

Tokyo Raiders

Nominated for Best Action Choreography, Best Film Editing and Best Costume & Make-up Design at the 20th Hong Kong Film Awards. Nominated for Best Action Choreography at the 37th Golden Horse Film Awards.

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When I Fall in Love... With Both

Nominated for Best Screenplay Adaptation at the 37th Golden Horse Film Awards.

Twelve Nights

Nominated for Best New Performer and Best Original Film Song at the 20th Hong Kong Film Awards. Nominated for Best Original Film Song at the 37th Golden Horse Film Awards.

Double Tap

Nominated for Best Sound Design at the 20th Hong Kong Film Awards. Nominated for Best Leading Actor, Best Cinematography, Best Visual Effects, Best Action Choreography, Best Film Editing and Best Sound Design at the 37th Golden Horse Film Awards.

And I Hate You So

Nominated for Best Supporting Actress at the 20th Hong Kong Film Awards. Nominated for Best Supporting Actress at the 37th Golden Horse Film Awards.

Television Production

In last year's Annual Report, we outlined plans to capitalise on the opportunities that exist in television by establishing our own television division. Over the past 12 months this division targeted the television market in Mainland China with a balanced production schedule designed to cater for audiences with diverse and maturing tastes. The Group's first series production, *Shanghai Dearest*, is a 30-episode situation comedy with Mainland stars Pan Hong, Mei Ting, Bao Jian Feng and Niu Ben. Television distributors have shown keen interest in the series.

Work has also begun on our second production, *Love Affairs in the Tang Dynasty*, which is a co-production with Hunan Economic Television Station. Agreements have also been reached with film studios in both Beijing and Shanghai for further joint television productions involving up to 200 hours of programming.

The Group is actively recruiting talented and experienced television producers, directors and writers. Both in Hong Kong and from Mainland China, to further expand our television portfolio to meet demand.

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Video

Video sales have become an increasing source of income. In the past, video rights to all the Group's movie titles were sold to external distributors for a fixed royalty income. To maximise our returns on each film, we have now developed a new strategy which ensures that our own in-house video operation shares a return on each video sold. Our fledging video operation focuses on the Group's Chinese and non-Chinese titles as well as those of independent film producers.

In Taiwan, our Group's associate, which is primarily engaged in video rental, has had a difficult year with a significant drop in revenue as a result of a shrinking rental market. Golden Communications (Taiwan) Co. Ltd. has however, effectively improved their operations and this is reflected in the 1st half of this year's revenue. However, revenue performance is still affected due to three reasons. Firstly, the NT Taiwan dollar has depreciated more than 10% against the US dollar since early last year. Secondly, the severe floods in Taiwan caused by the two typhoons in September has affected many of our franchise stores. Thirdly, Taiwan's economic recession has reduced consumers purchasing power significantly.

Music

As part of our attempt to create a greater symbiosis between our various media outlets, we established a new music company responsible for producing movie soundtracks as well as identifying potential musical talent. Singers well known to both Hong Kong and Mainland China audiences will be signed to the Group. Sales of an album of Mandarin songs by Hong Kong singer Maggie Fu have been successful in both Taiwan and Hong Kong. So too have sound track albums for four Golden Harvest movies - *The Accidental Spy*, *Skyline Cruisers*, *Marooned* and *Lavender*. As well as recruiting singers, we are also establishing a publishing department to develop the work of in-house composers.

PROSPECTS

The Group looks to the future with a strong sense of confidence. Having adopted a multi-media approach to the entertainment business, we are now building an enterprise that can be dynamic and innovative in content creation and execution. We are looking into the future of cinemas and how digital projection will change its use into more broad-based and stadium-like venues.

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In the immediate future however, the exhibition market will continue to be dependent on the variety and quality of products released. Hong Kong productions are gaining increasingly in box office popularity and the Group's cinemas are well positioned to take advantage of this. US products will continue to dominate the box office, but over the coming year at least, viewers will have a broad choice in terms of both films and venues. Stricter anti-piracy measures should foster some degree of stability in cinema admissions in Hong Kong. We will however, continue to suffer in other countries around the region where piracy is still rampant. The rapidly decreasing prices for VCDs and DVDs will change the viewing habits of movie lovers. So too will the shorter time gap between the release of a film and its appearance on video. Further consolidation of cinemas across Hong Kong and in other countries is inevitable in the light of these changing circumstances.

In terms of film distribution, our performance will continue to be affected by the ongoing economic crisis, which will affect to some degree the spending power of audiences. Our increasing presence in Mainland China, where economic growth continues to be strong, will help cushion the impact but the immediate contribution will not be significant. The Group is putting emphasis on better using our name to talent spot potential stars for film, television and music. This will build the pool of talent for our future. We are also looking for ways to tap into the potential of the overseas Chinese markets which technology and the internet have now made as close as if they were living next door.

The Chinese language entertainment market has huge potential. We believe that the Group is well positioned to take advantage of the tremendous changes that are coming about in the world. We have a strong sense of mission that we can build the Group into the leading Chinese language entertainment company in Asia.

LIQUIDITY AND FINANCE RESOURCE

The Group's financial position remains healthy. The gearing ratio, which was computed by dividing the total liabilities by the total assets, mildly decreased from 19% to 15%. There are no bank borrowings and net current assets amounted to HK\$120 million as at 30 June 2001, including cash and deposits totalling HK\$99 million.

As at 30 June 2001, the Group had a contingent liability of HK\$47 million (2000: HK\$66 million) in respect of a guarantee of banking facilities granted to its associates.

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EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2001, the Group had 255 (2000: 214) employees. The Group remunerates its employees largely based on industry practice. Remuneration packages comprised salary, commissions and bonuses based on individual merits.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 23 November 2001 to Wednesday, 28 November 2001 both days inclusive, during which period no transfer of shares will be registered.

In order to determine who are entitled to attend the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Tengis Limited, 4/F Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on Thursday, 22 November 2001.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

CODE OF BEST PRACTICE

In the opinion of the Board, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year except that the independent non-executive directors of the Company were not appointed for a specific-term because they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's bye-laws.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

All information required by paragraph 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange will be published on the website of the Stock Exchange in due course.

On behalf of the Board
Chow Ting Hsing, Raymond
Chairman

Hong Kong, 16 October 2001

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Ball Room B, 2/F, Great Eagle Hotel Hong Kong, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 28 November 2001 at 3:00 p.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and of the Auditors for the year ended 30 June 2001.
2. To elect Directors, to authorise the Board to fix Directors' remuneration and to set a maximum number of Directors.
3. To appoint Messrs Ernst & Young as auditors and to authorise the Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT

- (a) the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

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(iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held."

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT

(a) the exercise by the Directors during the Relevant Period of all the powers of the Company to issue, allot and dispose of additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or disposed of during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) or any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, the total nominal amount of additional shares issued, allotted, disposed of or agreed conditionally or unconditionally to be issued, allotted or disposed of (whether pursuant to an option or otherwise) shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and

(b) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next Annual General Meeting of the Company;

(ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

(iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held."

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6. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

"THAT the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to issue, allot and otherwise dispose of additional shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by total nominal amount of shares in the capital of the Company which has been repurchased by the Company since the granting of such general mandate referred to in the above Resolution 4 pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution."

7. To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as a Special Resolution:

"THAT "嘉禾娛樂事業（集團）有限公司" be adopted as the Company's Chinese name for the purpose of registration in Hong Kong."

By Order of the Board
Ang Puay Koon, Susan
Company Secretary

Hong Kong, 16 October 2001

Notes:

- (a) The Register of Members will be closed from Friday, 23 November 2001 to Wednesday, 28 November 2001 (both days inclusive) during which period no transfer of shares will be registered. In order to attend the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Tengis Limited, 4/F Hutchison House, 10 Harcourt Road, Central, Hong Kong not later than 4:00 p.m. on Thursday, 22 November 2001.
- (b) A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his behalf. A proxy need not be a Member of the Company.

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- (c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power or authority, must be lodged with the Company's Share Registrars in Hong Kong, Tengis Limited, 4/F Hutchison House, 10 Harcourt Road, Central, Hong Kong not less than 48 hours before the time fixed for holding the Meeting.
- (d) The annual report of the Company for the year ended 30 June 2001 also containing this notice together with a circular setting out further information regarding Resolutions 4 to 6 above will be despatched to shareholders.
- (e) The above Resolution numbered 7 relates to the adoption of a Chinese name by the Company. As the Company is a company incorporated in Bermuda, only its English name appears in its Certificate of Incorporation. Accordingly, the Company has been registered as an oversea company in its English name only under Part XI of the Hong Kong Companies Ordinance. The Chinese name now appears in the Company's documents has been used as a Chinese translation of its English name. As an oversea company is now allowed to register a Chinese name in Hong Kong notwithstanding the fact that only the English name of a company appears in the Certificate of Incorporation, the Directors propose the adoption of the Chinese name to formalize its use by the Company in Hong Kong.