



嘉禾的目標

VISION

成為全球具領導地位的華語娛樂企業
To be the world's leading Chinese entertainment company



嘉禾的使命

MISSION

To expand horizons and enable people to live outside the realms of their lives through the world of films, television and music. By providing creative entertainment, Golden Harvest enriches and inspires people to live life to the fullest.

At Golden Harvest we operate by the motto: Love Life, Live Life. We possess:

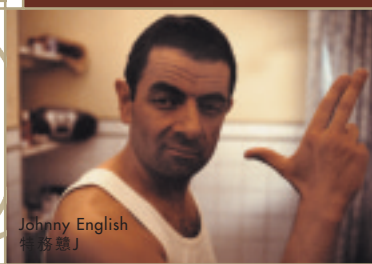
- Passion for our industry
- Creativity to produce top products
- Openness in our deals
- Responsibility to our public
- Teamwork for success

嘉禾積極提供各種創意無限的娛樂節目，讓大眾透過電影、電視和音樂去體會另一個超乎想像的空間，將目光和視野無限擴闊，從而令生活昇華至更豐盛、更美滿的境界。

嘉禾一直以「熱愛生活•享受生活」為目標和發展路向。我們：

- 對娛樂事業滿載 熱誠理想
- 對每個製作注入 無窮創意
- 對每宗交易謹守 公平公開
- 對社會大眾抱有 責任承擔
- 為達致成功堅守 團隊精神

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特務頭J

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**CORPORATE
INFORMATION**
公司資料



Lara Croft Tomb Raider:
The Cradle Of Life
盜墓者羅拉：生命之匙



Hulk
變形俠醫

CHAIRMAN

主席

CHOW Ting Hsing, Raymond
鄒文懷

DEPUTY CHAIRMAN

副主席

HUANG Shao-Hua, George
黃少華

EXECUTIVE DIRECTORS

執行董事

HUANG Shao-Hua, George
黃少華

PHOON Chiong Kit
潘從傑

CHU Siu Tsun, Stephen
諸兆俊

CHAN Sik Hong, David
陳錫康

**NON-EXECUTIVE
DIRECTORS**

非執行董事

PENG, Philip
彭錦彬

LIN, Frank
林輝波

Prince YUKOL, Chatrichalerm

COMPANY SECRETARY

公司秘書

ANG Puay Koon, Susan
洪銀崑

REGISTERED OFFICE

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

**HEAD OFFICE AND
PRINCIPAL PLACE
OF BUSINESS**

總辦事處及主要營業地址

16th Floor The Peninsula Office Tower
18 Middle Road
Tsimshatsui
Kowloon
Hong Kong
香港九龍尖沙咀
中間道十八號
半島寫字樓大廈十六樓



PRINCIPAL BANKER 主要往來銀行

The Hongkong and Shanghai Banking Corporation Limited
香港上海滙豐銀行有限公司
Citibank, N.A.
花旗銀行

AUDITORS 核數師

Ernst & Young
安永會計師事務所
Certified Public Accountants
執業會計師
15th Floor Hutchison House
10 Harcourt Road
Hong Kong
香港中環夏慤道 10 號
和記大廈 15 樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

主要股份過戶登記處

Butterfield Corporate Services Limited
Rosebank Centre
14 Bermudiana Road
Pembroke
Bermuda

HONG KONG BRANCH REGISTRAR AND TRANSFER OFFICE

香港股份過戶登記處分處

Tengis Limited
G/F, Bank of East Asia
Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong
登捷時有限公司
香港灣仔
告士打道 56 號
東亞銀行港灣中心地下

*Directors and
Senior Management*
董事及高級管理人員





Mr. CHOW Ting Hsing, Raymond
鄧文懷先生

EXECUTIVE DIRECTORS

執行董事

Mr. CHOW Ting Hsing, Raymond, GBS, OBE, OST, aged 76, is the Chairman of the Company and is jointly responsible for the business and the strategic planning of the Group. He graduated from St. John's University in Shanghai, majoring in journalism. He co-founded the Golden Harvest Group in 1970 and has more than 43 years' experience in the film industry. Among the many awards that he has received for his contribution to the film industry are "International Showman of the Year" from the National Association of Theatre Owners of the United States and the Golden Horse Award for "The Most Outstanding International Producer from Taiwan", both in 1980, and the "Lifetime Achievement Award" at the 1996 CineAsia film industry convention in Singapore. Mr. Chow was also honoured in 1987 by Her Majesty Queen Elizabeth II with the Order of the British Empire, in 1996 by the Emperor of Japan with the Order of the Sacred Treasure, Gold Rays with Rosette, and in 1998 by the Government of the Hong Kong Special Administrative Region with the Gold Bauhinia Star.

鄧文懷先生，GBS，OBE，OST，76歲，本公司主席，負責本集團之業務及策略性規劃事宜。彼畢業於上海聖約翰大學，主修新聞。彼於一九七零年與另一創辦人共同創辦嘉禾集團，於電影業已積累逾四十三年經驗，且因為對電影業所作貢獻而屢獲殊榮，其中包括於一九八零年獲美國的National Association of Theatre Owners頒譽為「International Showman of the Year」及台灣金馬獎「中國傑出國際影人獎」，彼亦於一九九六年獲新加坡CineAsia電影業展頒發「終生成就獎」。鄧先生亦於一九八七年獲頒英女皇依莉莎伯二世之大英帝國勳章，於一九九六年獲日皇授勳四等瑞寶章及於一九九八年獲香港特別行政區政府頒授之金紫荊勳章。

**DIRECTORS
AND SENIOR
MANAGEMENT**
董事及高級管理人員



Mr. HUANG Shao-Hua,
George
黃少華先生

Mr. HUANG Shao-Hua, George, aged 54, the Deputy Chairman of the Company, graduated from the College of Telecommunications Engineering, National Chiao-Tung University in Taiwan, and co-founded the Acer Group in 1976. He has been heavily involved in the development of microprocessor technology applications and services and was the first person in Taiwan to promote and sell microcomputers to international markets in 1979. Mr. Huang is the Chairman of numerous related companies of the Acer Group and is also a Director of China Productivity Centre. Mr. Huang was distinguished as an honoured graduate by National Chiao-Tung University in Taiwan and also as an outstanding graduate of Cheng-Uen Junior High School.

Mr. PHOON Chiong Kit, aged 51, the Managing Director of the Company, graduated with a Bachelor of Business Administration Degree from the University of Singapore. He has 21 years' experience as an investment banker and corporate finance consultant.



Mr. PHOON Chiong Kit
潘從傑先生

黃少華先生，54歲，本公司之副主席，畢業於台灣國立交通大學電信工程學系，於一九七六年與其他人士共同創辦宏碁集團。彼曾積極參與微型處理器之技術發展及應用，並為第一位人士於一九七九年將微型電腦從台灣推廣及銷售至國際市場。黃先生現為宏碁集團多間有關連公司之主席並為中國生產力中心之董事。黃先生被台灣國立交通大學甄選為榮譽畢業生，亦為成淵中學之傑出畢業生。

潘從傑先生，51歲，本公司之董事總經理，畢業於新加坡大學，持有工商管理學士學位。彼從事投資銀行及機構財務顧問達二十一年。



Mr. CHU Siu Tsun,
Stephen
諸兆俊先生



Mr. CHAN Sik Hong,
David
陳錫康先生

Mr. CHU Siu Tsun, Stephen, aged 49, holds BBA and MBA Degrees from Ohio University in the US and is a Certified Public Accountant and a Chartered Accountant in the US and Canada, respectively. Besides, being an Executive Director of Golden Harvest Entertainment (Holdings) Limited, Mr. Chu is also the Chief Executive Officer of Golden Harvest Film Productions Limited and an Executive Director of GH Pictures (China) Limited. Before joining the Golden Harvest Group, Mr. Chu was the Managing Director of Manhattan Card Co. Limited, a listed restricted-licence bank in Hong Kong, from 1993 to 1997. He also held positions as Vice President of The Chase Manhattan Bank in Hong Kong, General Manager of Seng Heng Bank in Macau and Vice President of J.P. Morgan in Canada.

Mr. CHAN Sik Hong, David, aged 52, holds a Bachelor's Degree in Art from St. John's University of Minnesota, US and a Master's Degree from the University of Kansas Graduate School of Radio-Television-Film, US. Mr. Chan joined the Golden Harvest Group in 1975. He is the Deputy Chief Executive Officer of Golden Harvest Film Productions Limited. During his 28 years tenure with the Group, he has worked on 22 international films and over 100 Chinese films. Among his many screen credits, Mr. Chan was the producer of one of Hollywood's most successful independent screen series, "Teenage Mutant Ninja Turtles" and its two sequels, which grossed more than USD250 million in North America alone. He is a member of the Producers' Branch of the Academy of Motion Picture Arts and Sciences in America.

諸兆俊先生，49歲，持有美國俄亥俄州大學之工商管理學士及碩士學位，亦分別為美國之執業會計師及加拿大之特許會計師。除為嘉禾娛樂事業(集團)有限公司之執行董事外，諸先生亦為嘉禾電影製作有限公司之行政總裁，以及嘉禾電影(中國)有限公司之執行董事。彼於加入嘉禾集團前，於一九九三年至一九九七年擔任大通信用咭有限公司董事總經理，該公司乃於香港上市之有限制持牌銀行。彼亦曾出任美國大通銀行香港分行副總裁，澳門誠興銀行總經理及加拿大J.P. Morgan 副總裁。

陳錫康先生，52歲，持有美國明尼蘇達州聖約翰大學之藝術系文學士學位及美國肯薩斯大學電台－電視－電影研究院之碩士學位。彼於一九七五年加入嘉禾集團，現為嘉禾電影製作有限公司之副行政總裁。彼在本集團之二十八年期間曾為二十二部國際電影及一百部以上之華語電影工作。彼為電影「忍者龜」及其兩部續集之監製，此系列為荷李活最成功之獨立製作之一，單在北美洲之票房收入已逾二億伍千萬美元。彼為美國電影藝術及科學學院之監製分院會員。



Mr. PENG, Philip
彭錦彬先生



Mr. LIN, Frank
林輝波先生

NON-EXECUTIVE DIRECTOR 非執行董事

Mr. PENG, Philip, aged 50, graduated with a MBA Degree from the National Chengchi University in Taiwan. He is presently the Senior Vice President and Chief Financial Officer of Acer Incorporated. Mr. Peng has extensive experience in corporate finance and investment management and was honoured as “National Outstanding Finance Man of Taiwan” in 1988.

彭錦彬先生，50歲，畢業於台灣國立政治大學，並持有企業管理碩士學位。彼現為宏碁電腦股份有限公司之高級副總裁及財務總監。彭先生於機構財務及投資管理方面具豐富經驗，並於一九八八年獲頒譽為「全國傑出財務主持人」。

INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

Mr. LIN, Frank, OBE, J.P., aged 76, received his education at St. John’s University, Shanghai. He is presently the Chairman of Milo’s International Corporation Limited and the Honorary Chairman of the Textile Council of Hong Kong Limited and the Hong Kong Knitwear Exporters & Manufacturers Association.

林輝波先生，OBE，J.P.，76歲，畢業於上海聖約翰大學。彼現任美羅國際有限公司主席，以及香港紡織業聯會有限公司及香港毛織出口廠商會榮譽主席。



Prince YUKOL,
Chatrichalerm

Prince YUKOL, Chatrichalerm, aged 61, attended the prestigious Geelong Grammar School in Australia where he completed his high school education. Thereafter he continued his tertiary education at UCLA in California where he gained a Bachelor's Degree in Geology. In 2000, Prince Chatrichalerm was awarded a Honorary PhD in Mass Communications from Thammasart University in Thailand.

After his graduation, Prince Chatrichalerm embarked on his filmmaking career by working on a number of his father's films. In 1972, Prince Chatrichalerm made his first feature film as a director, and has since made a total of 24 feature films. His last film "Suriyothai" (2001) gained international acclaim, and was the subject of collaboration with Francis Ford Coppola, who re-edited the film for international release.

Prince Chatrichalerm has served on many advisory panels on Thai films, and was honoured with the "National Artist" award for his services to the film industry in Thailand.

Prince YUKOL, Chatrichalerm, 61歲，於澳洲著名學府 Geelong Grammar School 完成高中課程，其後於洛杉磯加州大學取得地質學學士學位。於二零零零年，Prince Chatrichalerm 於泰國 Thammasart University 取得大眾傳播榮譽博士學位。

Prince Chatrichalerm 於畢業後投身製片業，協助其父製作若干電影。Prince Chatrichalerm 於一九七二年執導首齣劇情片，其後陸續製作共 24 齣劇情片，最近一齣與哥普拉合作之「Suriyothai」(二零零一年)更使他蜚聲國際，而哥普拉更為該片之國際發行重新進行剪接。

Prince Chatrichalerm 曾參與多個泰國電影顧問團之工作，更因對泰國電影業貢獻良多而獲頒「National Artist」之榮譽。

**DIRECTORS
AND SENIOR
MANAGEMENT**
董事及高級管理人員



Ms. ANG Puay Koon, Susan
洪銀嶠女士



Mr. FOO Ying Sung
傅應淞先生



Mr. LEE Yu, Alan
李渝先生

SENIOR MANAGEMENT
高級管理人員

Ms. ANG Puay Koon, Susan, aged 40, the Company Secretary and Director of Legal Affairs of the Group, graduated with a Law Degree from the University of Kent at Canterbury in England and has a L.L.M. from the London School of Economics and Political Science. Ms. Ang is a member of Gray's Inn and has been admitted to the English Bar, the Malaysian Bar and the Hong Kong Bar. She practised as a barrister in Hong Kong in the chambers of Mr. Anthony Neoh, SC.

Mr. FOO Ying Sung, aged 72, is the General Manager of the Cine Art Laboratory Limited ("Cine Art") and is responsible for the film processing activities of the Group. He joined the Group in 1971 as a Director of Cine Art.

Mr. LEE Yu, Alan, aged 61, the General Manager of Golden Harvest Entertainment (Taiwan) Company Limited and is responsible for the Group's strategic planning and film distribution in Taiwan. He graduated from Tankang University in Taiwan and joined the Golden Harvest Group in 1981. Mr. Lee has more than 30 years' experience as a TV programme producer and has held other related positions in Taiwan's entertainment industry. He is also the supervisor of the Motion Picture Association of Taipei.

洪銀嶠女士，40歲，為本集團公司秘書及法律部總監。彼畢業於英國根德大學，持有法律學士學位，及倫敦經濟及政治學院法律碩士學位。彼為“Gray's Inn”之會員，並獲加入英國、馬來西亞及香港大律師公會。彼曾為本港梁定邦資深大律師事務所之執業大律師。

傅應淞先生，72歲，天工彩色沖印有限公司（「天工」）之總經理，負責本集團之電影沖印業務。彼於一九七一年加入本集團，出任天工之董事。

李渝先生，61歲，嘉禾國際娛樂股份有限公司總經理，負責執行本集團台灣事業之策略規劃及業務推展。彼畢業於台灣淡江大學，自一九八一年在台灣嘉禾機構服務至今，之前擔任電視製作人，亦曾任職傳播公司，在台灣娛樂傳播圈中具有逾三十年豐富經驗，同時現為台北市影片商業同業公會監事。



Ms. SIM Li Lian,
Vivian
沈莉蓮女士



Mr. TAN Boon Pin,
Simon
陳文彬先生



Mr. TRIWONGWARANAT,
Teerachai
陳初新先生

Ms. SIM Li Lian, Vivian, aged 36, was appointed Senior Vice President, Strategic Management & Business Development in August 2001. She holds a MBA Degree from Insead, France and a BBA Degree from National University of Singapore. She worked at our joint-venture partnership Golden Village in Singapore in 1994 and later joined Golden Harvest in 1996. Ms. Sim's previous position was Vice President, Marketing.

Mr. TAN Boon Pin, Simon, aged 35, General Manager, Exhibition, graduated with a Degree in Business majoring in Finance and Economics from Western Illinois University, US. He joined the Group's joint venture partnership in Singapore in May 1992 and has since worked in Thailand, Malaysia and Taiwan.

Mr. TRIWONGWARANAT, Teerachai, aged 48, is the Director of Film Distribution Division of the Group. He graduated with a Degree in Accountancy from the Faculty of Commerce and Accountancy at the Chulalongkorn University, Bangkok, Thailand and holds a MBA Degree from the University of Dallas, Texas, US. Before joining the Golden Harvest Group in 2000, he was the Vice President, Operations of Entertain Golden Village Company Limited in Thailand and was the Regional Programming Director, Asia of Golden Village Multiplex Pte Limited in Singapore.

沈莉蓮女士，36歲，於二零零一年八月獲委為嘉禾策略管理及業務拓展部高級副總裁。彼持有法國歐洲管理學院工商管理碩士學位及新加坡國立大學之工商管理學士學位。彼於一九九四年於新加坡加入集團之合資企業Golden Village，其後於一九九六年加入嘉禾集團，出任市務部副總裁。

陳文彬先生，35歲，為本集團戲院部之總經理，畢業於美國西部伊利洛大學，持有財務及經濟學士學位。彼於一九九二年五月加入本集團於新加坡之合資公司，並於泰國、馬來西亞及台灣工作。

陳初新先生，48歲，為本集團電影發行部之總監。彼畢業於泰國曼谷Chulalongkorn大學，持有商業及會計學士學位及美國德克薩斯州達拉斯大學之工商管理碩士學位。彼於二零零零年加入本集團之前，曾出任泰國Entertain Golden Village Company Limited之營運部副總裁，及擔任新加坡Golden Village Multiplex Pte Limited之亞洲區域影片編排總監。

Chairman's
主席報告書 *Statement*





The entertainment industry has been faced by some of its most trying times in the past year. Economies around the region, in particular Hong Kong, which have still been struggling to recover from the economic doldrums in the past few years were dealt a second blow with the outbreak of Severe Acute Respiratory Syndrome (SARS) from March to May 2003.

Golden Harvest has not been immune to the onslaught of SARS. The impact of SARS has been felt at our cinemas, particularly in Hong Kong, where our exhibition business took a beating at the box office.

However, the news is not all bad. In Singapore and Malaysia, despite the rate of piracy and the outbreak of SARS, our exhibition and distribution business has shown significant improvements in performance. As a result, our three joint ventures there posted record results.

娛樂事業在去年面對有史以來最困難的日子。區內經濟仍未自近年的經濟不景中全面復元，香港經濟更是沉痾未癒，卻又要承受嚴重急性呼吸系統綜合症（「沙士」）於二零零三年三月至五月期間爆發的重大打擊。

沙士肆虐，嘉禾亦不能倖免。全線戲院飽受沙士衝擊，香港戲院入座率更急劇下降，戲院經營業務的票房收益亦報大幅下跌。

猶幸陰霾中仍稍現曙光。即使盜版猖獗及沙士爆發，集團於新加坡及馬來西亞兩地的戲院經營及電影發行業務之表現均見明顯改善，帶動新加坡及馬來西亞兩地之三間合資公司都錄得創紀錄的業績。



The performance of our businesses around the region is testimony to the viability and the soundness of Golden Harvest's strategies set in place in 2001 and 2002. During that financial year, Golden Harvest made the decision to consolidate our business by slowing down on production and concentrating on our exhibition, distribution and film financing interests.

In the short term, this change in strategy will impact our profit and loss statement. But, Golden Harvest's three-decade success story has always been built on long-term vision and strategies, and the ability to forecast the winds of change and act ahead of the crowd.

That success story has not changed. I strongly believe in our company's long-term vision and strategies. They are sound plans that will continue to protect the interests of our shareholders by minimising risks while still forging ahead on new ventures and the exploration of new avenues of business.

我們於區內的業務表現，印證嘉禾於二零零一年及二零零二年所實行的策略奏效可取。嘉禾於該財政年度期間決心鞏固業務，放慢電影製作之步伐，轉而集中發展戲院經營、發行及電影融資等方面的業務。

短期而言，上述策略轉變將影響到集團盈利，然而嘉禾三十年來的成功故事正是靠高瞻遠矚的策略、洞悉先機的慧眼與敢於突破行規的精神所編寫而成。

嘉禾的成功傳奇定必延續下去。本人對集團的長遠目標及發展策略極有信心，這些完善的計劃可將風險減至最低，保障了股東權益，亦同時朝著新機遇與發掘新業務途徑而穩步邁進。



As I mentioned before, the realisation of these long-term visions will affect our bottom line for the short-term. This year, this has been reflected in the write-down on our production-related assets. On paper, these losses may seem big but most of them are goodwill write-offs that will have no impact on our cash flow. Our expenditure is under good control, our head count is down and Golden Harvest continues to operate debt-free.

In the long-run, however, Golden Harvest has much to look forward to as our visions take shape. Besides a healthy recovery in our businesses in Singapore and Malaysia, Golden Harvest has also moved ahead on plans to manage advertising in our own cinema circuits. While this decision has yet to produce significant impact on our bottom line, we believe that picture will change in the coming years.

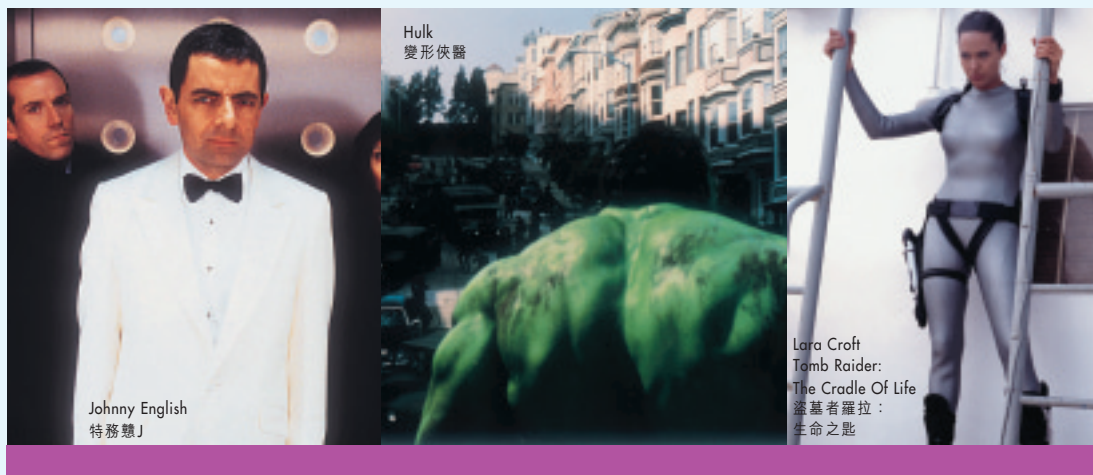
In 2002, we talked about working closely with the Hong Kong and Mainland authorities towards bringing more Chinese language films into China, in particular the southern provinces. This year, we have seen the promise of this in the

正如本人先前所述，實踐這些長遠目標難免會影響到集團的短期盈利，例如集團需要在本年度撇銷與電影製作有關的資產。賬面上這些虧損數額不少，但當中絕大部份屬於商譽撇銷，對我們的現金流轉不會有任何影響。我們的開支控制得宜，人手減少，而嘉禾仍毋須以借貸挹注。

隨着我們的長線目標逐步實現，嘉禾的長遠前景將變得豐富多姿。除新加坡及馬來西亞兩地的業績轉好外，嘉禾亦落實管理旗下院線廣告業務的計劃。雖然此決定尚未對集團盈利帶來明顯貢獻，但我們相信此計劃的益處可於日後展現。

於二零零二年，我們曾提及與中港兩地當局緊密合作，好為內地（特別是華南地區）引進更多華語電影。今年六月簽訂的《內地與香港關於建立更緊密經貿關係的安排》

CHAIRMAN'S
STATEMENT
主席報告書



Mainland China-Hong Kong Closer Economic Partnership Arrangement (CEPA) signed in June. This new accord surpasses our original hopes for just the Pearl River Delta; in effect, this will throw the doors to the whole Chinese market wide open for Hong Kong companies.

With Golden Harvest's prime position in the industry and a brand name that has surpassed all and stood the test of time, there is no doubt that Golden Harvest will continue to be a leading player as these changes take effect. We will continue to identify viable opportunities for the Group to expand its presence in China where we already have had presence for many years.

Outside of China, our plans are no less active. With our exhibition and distribution businesses doing well in Singapore and Malaysia, and our Hong Kong business moving back on track, Golden Harvest will also be looking at new investment prospects opening up in the Greater China and Southeast Asian region. We have also been actively negotiating with new investment partners that will help us realise our expansion plans.

(CEPA)實現了上述目標。我們原本只希望打開珠江三角洲地區之門戶，CEPA卻叫我們喜出望外，為香港公司消除了進軍全中國龐大市場之門檻。

憑藉嘉禾在業內的尊崇地位，以及一直以來屹立不倒的昭著品牌，嘉禾在CEPA生效後亦將繼續領導同儕。我們將繼續尋找可行商機，在現有多年的基礎上進一步在國內擴展業務據點。

我們在中國以外的發展計劃亦同樣活躍。新加坡及馬來西亞戲院經營及電影發行業務成績不俗，加上香港業務重返正軌，嘉禾正密切注視大中華與東南亞地區的新投資前景。我們亦與新投資夥伴積極進行磋商，以將我們的擴展計劃付諸實行。



With all these factors in place, I am confident that Golden Harvest is on track in its plans to move towards its ambitions of being a major Asian film distribution business. We have the knowledge, we have the expertise and we have the business savvy that will help us achieve these ambitions.

The potential market for Chinese language entertainment has not diminished. If anything, the signing of CEPA and the opening of the Mainland Chinese market will boost demand to heights we have only hitherto dreamed of.

My belief in the Golden Harvest dream remains strong. While we may take detours to get to our destination, there is no doubt in my mind that we will get there in top form. Although we are adjusting our strategy to fit into the current economic situation, we are committed to remain a major player in the Asian film industry.

有鑑於上述利好因素已經到位，本人深信嘉禾之發展計劃正按步實踐，並向成為亞洲主要電影發行商之目標邁進。知識、專才、膽色一一俱備，達成既定目標指日可待。

華語娛樂市場的潛力從未退減。不論是簽訂CEPA又或是開放中國內地市場，均會將市場需求推至我們夢寐以求的新高。

本人對嘉禾的夢想信心依然。即使前路迂迴曲折，本人深信嘉禾將以最佳狀態攀上頂峰。儘管要為適應現時市況調整策略，我們仍致力保持領導亞洲電影業的地位。

Chow Ting Hsing, Raymond 鄒文懷

Chairman 主席

Hong Kong, 17 October 2003 香港，二零零三年十月十七日

*Management
Discussion
and Analysis*
管理層討論及分析





REVIEW OF OPERATIONS

Overview

The film and entertainment industry have been hard hit by poor economic conditions and piracy across the region in previous years. Added to the unchanged economic situation, the outbreak of Severe Acute Respiratory Syndrome (SARS) has severely impacted the exhibition and distribution businesses in Hong Kong.

As predicted last year, box office receipts in Hong Kong was on a downward spiral, falling from HK\$1,037 million in 2001/2002 to HK\$841 million in 2002/2003. Besides the economic downturn and SARS, the Group also attributes this downward trend to a lack of good cinemas, the high cost of land and rental and an insufficient supply of movies. This outlook is unlikely to change in the short term.

Despite that, however, the Group's financial standing has stood firm and we continue to operate debt-free with the promise of new revenue avenues opening up in the coming year. The Group will continue to explore new investment opportunities in and out of Hong Kong to further develop its core businesses of distribution and exhibition.

業務回顧

回顧

電影及娛樂事業在過去數年已飽受經濟不景與區內盜版猖獗的嚴重打擊，而在今年經濟未能擺脫困境之時，嚴重急性呼吸系統綜合症（「沙士」）爆發對香港之戲院經營及電影發行業務來說更是雪上加霜。

正如去年所預計，香港之票房收益拾級而下，由二零零一／二零零二年之1,037,000,000港元減至二零零二／二零零三年之841,000,000港元。本集團認為，除經濟衰退與沙士肆虐外，本地缺乏優質影院，土地成本與租金高企，再加上片源不足，都是票房收益下降之原因，而此等問題亦難以在短期內得到解決。

雖然票房收益未如理想，但本集團之財務狀況維持穩健。本集團繼續在毋須舉債之情況下經營，並有信心可於來年開拓新收入來源。本集團將繼續發掘香港與其他地區之新投資商機，並致力進一步發展電影發行及戲院經營等核心業務。



Subsequent to this report, the Group started the first stage of its plans to attract new investment to the Group in August 2003. Several new investors including actor and producer Jackie Chan invested HK\$23.4 million by subscribing to 83,400,000 new shares issued by the Company. This will be an ongoing strategy for the Company.

Finance

For the financial year ended 30 June 2003, the Group incurred a loss of HK\$141.4 million as compared to a loss of HK\$86.6 million last year. The figures include normal operating losses of HK\$57.3 million and exceptional items

於結算日後，本集團於二零零三年八月開始其引入新投資者計劃之首階段。包括身兼演員和監製之國際巨星成龍先生在內之多名新投資者認購本公司發行之83,400,000股新股份，對本公司作出23,400,000港元之投資。引入新投資者將成為本公司之長遠策略。

財務

截至二零零三年六月三十日止財政年度，本集團錄得之虧損為141,400,000港元，而去年錄得之虧損則為86,600,000港元。虧損包括一般經營虧損57,300,000港元以及



of HK\$84.1 million. The normal operating losses included approximately HK\$14.5 million that was attributable to the impact of SARS. Barring the SARS impact, it meant that our normal operating losses showed an improvement over the loss of HK\$45.4 million incurred the previous year.

A major portion of the exceptional items incurred were attributed to production-related appraisals, in particular goodwill accounts, and provisions for the IMAX project and cinema operations in Shanghai. While these strongly affected our profit and loss for the current year, they will not affect the balance sheet for the coming years. The increase in losses did not adversely affect the Group's cash flow from operating activities, which was in fact improved as compared to the previous year. Our expenditure is under good control and head count is down slightly, thus bringing down operating costs. The Group also continues to operate with no outstanding bank loans.

The Group's strategy to move from production to film financing and distribution has also brought in further income. The Group produced only one film, "My Lucky Star", this year, and has financed films such as the highly successful "Twins Effect", "Golden Chicken" and "The Touch".

非經常性虧損 84,100,000 港元。一般經營虧損中有約 14,500,000 港元乃沙士造成，撇除沙士之影響後，本集團之一般經營虧損較去年之 45,400,000 港元有所改善。

本年度錄得之非經常性項目中，大部份為製作相關之估值，而商譽賬及IMAX項目與上海之戲院業務撥備更佔去大多數。雖然本年度之業績大受影響，但本集團往後之資產負債表並不會受此影響。賬面上之虧損擴大，對本集團之營運現金流轉並無不利影響，實質虧損倒是較去年收窄。集團之成本控制措施奏效並且略為削減人手，降低了經營成本。本集團之業務仍然毋須以銀行借貸挹注。

本集團由電影製作轉為融資及集中發行業務之策略帶動進一步收入。本集團於年內只製作了一齣電影《行運超人》，及融資於《千機變》、《金雞》及《天脈傳奇》等賣座影片。



While the Hong Kong exhibition has suffered from SARS and the economic downturn, the Group's exhibition businesses in Singapore and Malaysia have seen a strong rebound this year, with market box offices growing by 7% and 16% respectively.

Film Distribution

The total box office of Hong Kong fell from HK\$1,037 million to HK\$841 million, a 19% slump for the financial year under review. This was largely attributable to a lack of strong Chinese language films and fewer summer blockbusters.

The Group distributed 17 Chinese language and 26 non-Chinese language films in the 2002/2003 financial year, compared with 23 Chinese language films and 43 non-Chinese language films in the previous year. Chinese language films distributed by the Group outperformed competitors at the box office, giving the Group a 46% market share for the year under review.

Through film financing, the Group managed to secure distribution rights to a number of external films for its Gala Circuit. Of the top 10 box office hits of the year, the Group distributed "My Lucky Star", "Infernal Affairs", "Twins Effect" and "Golden Chicken". "Infernal Affairs", in particular, was the box office champion for 2002/2003.

雖然香港的戲院經營業務受沙士與經濟下滑影響，但集團於新加坡及馬來西亞之戲院經營業務則出現強勁反彈，票房收益分別增長7%及16%。

電影發行

於本財政年內，由於缺乏優質華語電影及缺少暑期賣座猛片，香港總票房收益由1,037,000,000港元跌至841,000,000港元，下跌19%。

本集團於二零零二／二零零三年財政年度一共發行17齣華語電影及26齣非華語電影，而去年則發行23齣華語電影及43齣非華語電影。本集團發行之華語電影之票房收益遠勝對手，市場佔有率達46%。

本集團以融資換取數齣外間製作電影在嘉樂院線放映之發行權。在本年度十大賣座電影中，本集團發行的佔去其中四席，包括《行運超人》、《無間道》、《千機變》及《金雞》，而《無間道》更是二零零二／二零零三年的票房冠軍。



Due to a lack of strong non-Chinese language products, the Group saw its market share fall from 19% to 13%, with total box office receipts of HK\$62 million approximately half of that from the previous year's.

Despite that, the Group's distribution fee income from Hong Kong was up HK\$7.1 million. A drop in income from auxiliary rights and overseas traditional markets brought total distribution fee income down by approximately HK\$2 million.

Exhibition

In accordance with the Group's strategy to strengthen its core business in exhibition, the Group has consolidated its exhibition business across the region and is looking at further avenues to grow its business. The Group now operates 211 screens in 37 cinemas in Hong Kong, Mainland China, Singapore and Malaysia, and is exploring other opportunities for investment.

由於缺乏優質之非華語電影，本集團之市場佔有率由19%減至13%，總票房收益為62,000,000港元，僅及約去年一半。

縱然如此，本集團在香港之發行費收入上升7,100,000港元。其他輔助權益與海外傳統市場之收入下降使總發行費收入減少約2,000,000港元。

戲院經營

為配合本集團加強其戲院經營此核心業務之策略，本集團已鞏固區內之戲院經營業務，並繼續發掘其他渠道拓展業務。本集團現時在香港、中國內地、新加坡及馬來西亞共有37間戲院，經營211間影院。



Despite the SARS outbreak, our exhibition businesses in Singapore and Malaysia have maintained a healthy outlook achieving their best results since the 1997 financial crisis. In Singapore, box office receipts for the financial year jumped 7% to S\$109 million and the Group's market share pushed to 43.5%. This has been attributed to our successful marketing campaign as well as the strong performances of non-peak season releases such as "Lilo & Stitch" and "The Tuxedo". In November 2002, the Group also converted one of its existing screens to the Republic's first commercial IMAX screen.

In Malaysia where the Group controls 45% plus 37% of the market through Golden Screen Cinemas Sdn Bhd ("GSC") and Tanjong Golden Village Sdn Bhd ("TGV") respectively, overall box office receipts increased by 16% to RM112 million in the financial year under review. At TGV, box office receipts were up 18% to RM41.4 million, and operating results doubled to RM6.6 million after including a RM2.5 million insurance compensation from a fire accident two years ago. GSC reported box office up 41.3% and a profit of RM1.3 million compared to a loss of RM6.9 million the previous year.

The strong performances have been attributed to the full effects of the reduction in entertainment tax introduced the year before. The Group increased its stake in TGV from 25% to 33.3% in October 2002.

沙士爆發並無對新加坡與馬來西亞之戲院經營業務造成太大打擊。當地業務更取得自一九九七年金融風暴以來之最佳成績，前景樂觀。新加坡於本財政年度之票房收益躍升7%至109,000,000新加坡元，本集團之市場佔有率則攀升至43.5%，得力於相當成功之市場推廣活動及淡季上映之電影如《扮嘢小魔星》及《特務踢死兔》等大收旺場所。本集團亦於二零零二年十一月將一間影院改建成當地首間商業IMAX影院。

本集團透過Golden Screen Cinemas Sdn Bhd (「GSC」)與Tanjong Golden Village Sdn Bhd (「TGV」)分別控制45%及37%市場佔有率，整體票房收益於本財政年內上升16%，增至112,000,000馬幣。TGV之票房收益升至41,400,000馬幣，升幅達18%，若計算兩年前火災之2,500,000馬幣保金賠償後，經營業績倍增至6,600,000馬幣。而GSC則成功轉虧為盈，由去年錄得虧損6,900,000馬幣至本年票房收入增加41.3%及錄得盈利1,300,000馬幣。

馬來西亞業務表現理想，歸功於當局在前年調低娛樂稅之效益全面呈現。本集團於二零零二年十月增持TGV股權，由25%升至33.3%。



In Hong Kong, however, the exhibition business bore the full brunt of the outbreak of SARS as well as a lack of summer blockbusters, bringing losses of HK\$24.5 million – an increase of HK\$19.4 million over last year. The Group's market share fell slightly from 15% to 14%.

In Mainland China, the Group's cinemas faced growing competition from newly-opened cinemas, particularly near Hai Xing. Box office receipts dropped by 13% to HK\$5.3 million, but the impact was offset by lower film hire percentage and rental reductions.

In reviewing our exhibition strategy in Mainland China, we foresee a period of over-competition in the market. We have thus decided to concentrate our resources in other areas where we can build an ongoing competitive advantage. As such, the Group has divested its interests in the Peace IMAX project and is now considering disposing of our interests in our other two cinemas in Shanghai.

Film & TV Production/Finance

The Group decided to scale back on in-house productions in 2002 in light of the current economic downturn and the shrinking of the traditional markets for Chinese language

雖然新加坡與馬來西亞業務取得滿意業績，但香港之戲院經營業務則因為沙士爆發與缺乏暑期賣座巨片而錄得24,500,000港元虧損，較去年增加19,400,000港元。本集團之市場佔有率由15%微跌至14%。

集團旗下位於中國內地之戲院面對新開業戲院之競爭，而海興戲院一帶之競爭尤其激烈。票房收益跌至5,300,000港元，減幅為13%，幸得電影租金比率下降及租金下調來彌補收益下跌之影響。

集團檢討過中國內地之戲院經營策略後，預料內地市場將步入競爭過烈之時期，因此決定集中資源在可以建立起持續競爭優勢之業務範疇。因此，本集團已撤銷和平IMAX項目之投資，現亦考慮出售另外兩間上海戲院之權益。

電影及電視製作／融資

有見目前經濟不景及華語電影之傳統市場萎縮，本集團於二零零二年決定減少內部製作。於二零零二／二零零三年財政年



films. In the 2002/2003 financial year, the Group produced only one film "My Lucky Star", switching its focus instead to financing films from other producers in return for distribution rights across the region. Among the top films financed by the Group are "Twins Effect", "Golden Chicken" and "The Touch".

In television production, the Group invested in three Mainland Chinese television drama series which brought in royalty income of HK\$9.4 million this year. Results were below expectation and a provision of impairment for HK\$2 million was made for prudence.

Video

Our scaled back production numbers have had an effect on our video sales, with royalty income mainly being attributed to the Group's lunar new year hit "My Lucky Star".

Prospects

Despite the underperformance of some sectors of the Group's businesses, the Group's strict financial control measures and the growing returns from its other Asian businesses will help us retain our competitive edge in the business. Although the effects from SARS and the economic downturn will still likely

度，本集團只製作了《行運超人》一齣電影，但轉而集中為其他製片商提供融資以換取區內之發行權。本集團融資之賣座電影包括《千機變》、《金雞》及《天脈傳奇》。

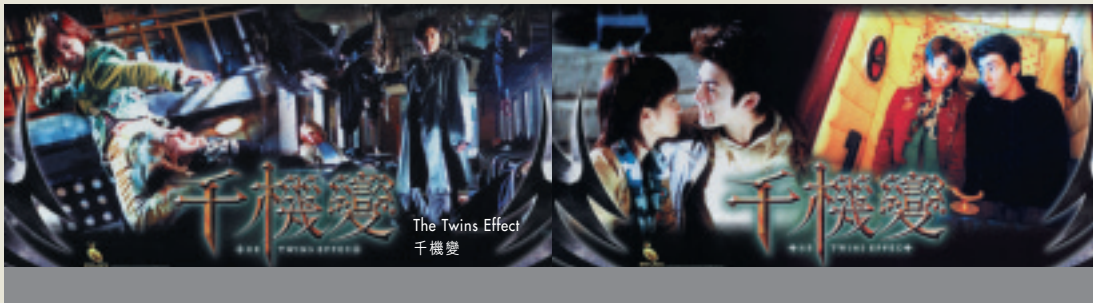
電視製作方面，本集團投資拍攝三齣中國內地電視連續劇集，年內帶來9,400,000港元之版權收入。此業務業績未如理想，為審慎起見，本集團已就此作出2,000,000港元撥備。

影碟

本集團減少內部製作數目亦影響到影碟銷售，版權收入主要來自叫好又叫座之賀歲片《行運超人》。

前瞻

雖然本集團部份業務表現較為遜色，但本集團嚴謹之財務控制措施以及其他亞洲業務回報持續攀升，有助本集團維持在業內之競爭優勢。雖然沙士與經濟衰退之影響仍需要一段時間方會退卻，但本集團有信心



be felt for some time, the Group is confident that our focus on our core businesses will give us an edge in these tough times.

Hong Kong will continue to be the base for the Group and Singapore and Malaysia will retain their strong supporting roles for us.

The Group will continue growing its core businesses with an eye on the Asian markets as a whole and will be looking at further expansion and investment opportunities in new territories and markets.

With the signing of the Mainland China-Hong Kong Closer Economic Partnership Arrangement (CEPA), the Group will be also actively looking for new investment opportunities in Mainland China.

The Chinese language entertainment industry remains one with great potential. We believe the Group's strength and vision across the Asian markets will help us realise this potential to develop and exploit those growing markets.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group was principally financed by cash flow generated internally. As at 30 June 2003, the Group's cash balances stood at HK\$28.4 million and the net current liabilities at HK\$17.3 million. The gearing ratio,

心，專注發展核心業務之策略，可讓本集團在此艱難時期中處處領先。

本集團將繼續以香港為業務基地，並以新加坡及馬來西亞來配合香港的發展。

本集團在發展核心業務之同時亦會放眼亞洲市場，發掘在新地區與市場之拓展及投資商機。

簽署《內地與香港關於建立更緊密經貿關係的安排》(CEPA)後，本集團亦會積極發掘中國內地之新投資商機。

華語娛樂事業依然具備無限潛力。本集團相信，憑藉自身於亞洲市場之實力與視野，當可大力發展及開拓此龐大市場。

流動資金及財務資源

年內，本集團之營運資金主要來自內部現金流轉。於二零零三年六月三十日，本集團之現金結餘有28,400,000港元而流動負債淨值則為17,300,000港元。總負債除以



which was computed by dividing the total liabilities by the total assets, increased from 21% to 29%. Subsequent to the balance sheet date, on 1 August 2003, the Group successfully placed new shares to third party individuals and institutional investors at HK\$0.28 per share and the net proceeds of approximately HK\$23.4 million were used to provide additional working capital of the Group. The Group continues to operate debt-free and there are no bank borrowings and charges on the Group's assets.

As at 30 June 2003, the Group had a contingent liability of HK\$48.2 million (2002: HK\$48.5 million) in respect of a guarantee of banking facilities granted to its associates.

The Group's assets and liabilities are principally denominated in Hong Kong dollars except investments in associates located in Singapore and Malaysia. In view that the Malaysian Ringgit is pegged to the United States dollars and the exchange rate between Singapore dollars and Hong Kong dollars has been relatively stable for the past two years, the directors were of the view that the Group's exposure to currency exchange risk was minimal. There was no hedging of foreign currencies carried out by the Group accordingly.

總資產之負債比率由21%上升至29%。於結算日後，本集團成功於二零零三年八月一日以每股0.28港元配售新股予獨立第三者及機構投資者並獲得款項淨額約23,400,000港元作為本集團之額外營運資金。本集團繼續在毋須舉債下經營，無任何銀行借貸及資產抵押。

於二零零三年六月三十日，本集團就因擔保其聯營公司所獲之銀行融資而產生之或然負債，數額為48,200,000港元（二零零二年：48,500,000港元）。

除位於新加坡及馬來西亞等聯營公司之投資外，本集團之資產及負債主要以港元定值。由於馬來西亞幣與美元掛鈎而新加坡幣對港元之滙率於過去兩年均相對穩定，董事認為本集團之外滙風險偏低，故本集團沒有採取任何外滙對沖政策。



Johnny English
特務艷J

The Core
地心浩劫

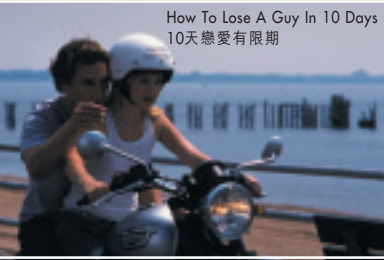
EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2003, the Group had 232 (2002: 244) employees. The Group remunerates its employees largely based on industry practice. Apart from salaries, commission, mandatory provident fund and discretionary bonuses, share options are granted to certain employees based on individual merit.

僱員及薪酬政策

於二零零三年六月三十日，本集團有232名僱員（二零零二年：244名）。本集團主要根據行業慣例釐定僱員薪酬。除薪金、佣金、強制性公積金及酌情發放之花紅外，若干僱員更可按個別表現而釐定發授購股權。

How To Lose A Guy In 10 Days
10天戀愛有限期



The Pianist
鋼琴戰曲

FINANCIAL INFORMATION

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**REPORT OF
THE DIRECTORS**
董事會報告書

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group consist of worldwide film and video distribution; film exhibition in Hong Kong, Malaysia, Singapore and Mainland China; film production and television drama series production; and the operation of a film processing business in Hong Kong.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 30 June 2003 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 53 to 108.

The directors do not recommend the payment of any dividends in respect of the year.

董事會謹此提呈董事會報告及本公司及本集團截至二零零三年六月三十日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團之主要業務則包括全球性電影及影碟發行及在香港、馬來西亞、新加坡與中國內地經營戲院，亦包括電影及電視劇集製作與及在香港經營電影沖印業務。

業績及股息

本集團截至二零零三年六月三十日止年度之虧損，與及本公司與本集團於該日之財政狀況載於第109至164頁之財務報表內。

董事會不建議派發任何股息。

SUMMARY FINANCIAL INFORMATION

Set out below is a summary of the consolidated results and of the assets, liabilities and minority interests of the Group for the last five financial years as extracted from the audited financial statements and restated/reclassified as appropriate.

財務資料摘要

以下為本集團過去五個財政年度摘錄自經審核財務報表及經重新編列之綜合業績、資產、負債及少數股東權益匯總表。

| | Year ended 30 June | | | | |
|---|--------------------|------------|------------|------------|------------|
| | 截至六月三十日止年度 | | | | |
| | 2003 | 2002 | 2001 | 2000 | 1999 |
| | 二零零三年 | 二零零二年 | 二零零一年 | 二零零零年 | 一九九九年 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| RESULTS | | (Restated) | (Restated) | (Restated) | (Restated) |
| 業績 | | (重列) | (重列) | (重列) | (重列) |
| TURNOVER | 210,270 | 264,030 | 269,694 | 103,590 | 158,136 |
| 營業額 | | | | | |
| LOSS BEFORE TAX | (135,778) | (82,489) | (69,858) | (77,912) | (32,280) |
| 除稅前虧損 | | | | | |
| Tax | (5,611) | (4,134) | (4,622) | (3,912) | (3,661) |
| 稅項 | | | | | |
| LOSS BEFORE MINORITY INTERESTS | (141,389) | (86,623) | (74,480) | (81,824) | (35,941) |
| 未計少數股東權益之虧損 | | | | | |
| Minority interests | 6 | 5 | 5 | - | - |
| 少數股東權益 | | | | | |
| NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS | (141,383) | (86,618) | (74,475) | (81,824) | (35,941) |
| 股東應佔虧損 | | | | | |

Note:

The results for the years ended 1999, 2000, 2001 and 2002 have been adjusted for the effects of the retrospective changes in accounting policy affecting the accrual of unused holiday leave for employees, as detailed in note 4 to the financial statements.

附註：

一九九九年，二零零零年，二零零一年及二零零二年之業績已因應有關僱員應計補假之會計政策更改而予以追溯調整，詳見財務報表附註4。

SUMMARY FINANCIAL INFORMATION (continued)

財務資料摘要 (續)

| | As at 30 June 於六月三十日 | | | | |
|---|----------------------------------|--|--|--|--|
| | 2003 二零零三年 HK\$'000 千港元 | 2002 二零零二年 HK\$'000 千港元 (Restated) (重列) | 2001 二零零一年 HK\$'000 千港元 (Restated) (重列) | 2000 二零零零年 HK\$'000 千港元 (Restated) (重列) | 1999 一九九九年 HK\$'000 千港元 (Restated) (重列) |
| ASSETS, LIABILITIES AND MINORITY INTERESTS 資產、負債及少數股東權益 | | | | | |
| FIXED ASSETS 固定資產 | 73,632 | 88,947 | 101,460 | 106,385 | 31,481 |
| INTERESTS IN ASSOCIATES 於聯營公司之權益 | 160,130 | 159,509 | 169,794 | 191,554 | 302,994 |
| INVESTMENTS IN CLUB MEMBERSHIPS 會籍投資 | 4,380 | 4,380 | 4,380 | 4,380 | 2,890 |
| RENTAL DEPOSITS 租務按金 | 13,134 | 13,179 | 14,206 | 14,386 | 4,941 |
| LONG TERM INVESTMENT 長期投資 | - | 2,297 | 8,097 | 40,000 | - |
| TRADEMARKS 商標 | 79,203 | 79,073 | 78,572 | 75,332 | - |
| CURRENT ASSETS 流動資產 | 107,199 | 177,015 | 213,794 | 295,056 | 228,952 |
| TOTAL ASSETS 資產總值 | 437,678 | 524,400 | 590,303 | 727,093 | 571,258 |
| CURRENT LIABILITIES 流動負債 | (124,513) | (109,053) | (93,805) | (140,469) | (97,931) |
| NON-CURRENT PORTION OF BANK LOANS 非本期銀行貸款 | - | - | - | - | (10,706) |
| NON-CURRENT PORTION OF FINANCE LEASE PAYABLES 非本期融資租賃應付款 | (1,174) | (473) | - | - | - |
| PROVISION FOR LONG SERVICE PAYMENTS 長期服務金 | (3,091) | (2,478) | (1,274) | (1,114) | (997) |
| DEFERRED TAX 遞延稅項 | - | (110) | (110) | (110) | - |
| TOTAL LIABILITIES 負債總額 | (128,778) | (112,114) | (95,189) | (141,693) | (109,634) |
| MINORITY INTERESTS 少數股東權益 | (22) | (28) | (33) | (38) | (38) |
| NET ASSETS 資產淨值 | 308,878 | 412,258 | 495,081 | 585,362 | 461,586 |

SUMMARY FINANCIAL INFORMATION (continued)**財務資料摘要 (續)**

Note:

The current liabilities as at 30 June 1999, 2000, 2001 and 2002 have been adjusted for the effects of the retrospective changes in accounting policy affecting the accrual of unused holiday leave for employees, as detailed in note 4 to the financial statements.

FIXED ASSETS

Details of movements in the fixed assets of the Group are set out in note 12 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and details of movements in the share options, together with the reasons therefor, are set out in notes 24 and 25, respectively, to the financial statements.

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.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 26 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2003, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act of Bermuda 1981 (as amended) (the "Act"), the Company's contributed surplus of HK\$191,644,000 is currently not available for distribution. However, the Company's share premium account and capital redemption reserve of HK\$565,577,000 and HK\$145,000, respectively, as at 30 June 2003 may be distributed to shareholders in certain circumstance prescribed by Section 54 of the Act.

附註：

一九九九年，二零零零年，二零零一年及二零零二年六月三十日之流動負債因應有關僱員應計補假之會計政策更改而予以追溯調整，詳見財務報表附註4。

固定資產

本集團固定資產之變動詳情載於財務報表附註12。

股本及購股權

本公司之股本及購股權之變動詳情分別載於財務報表附註24及25。

本公司之公司細則或百慕達公司法例並無關於優先購買權之規定，以致本公司須向現有股東按比例發售新股。

儲備

本公司及本集團之年內儲備變動詳情分別載於財務報表附註26及綜合權益變動報表。

可分派儲備

本公司於二零零三年六月三十日並無可供現金分派及／或實物分派之保留溢利。根據一九八一年百慕達公司法(經修訂)(「公司法」)之規定計算，本公司之繳入盈餘191,644,000港元暫時不可分派。惟本公司於二零零三年六月三十日之股份溢價賬結餘及資本贖回儲備分別為565,577,000港元及145,000港元並可以根據公司法第54章按情況分派給股東。

DIRECTORS

The directors of the Company during the year were:

Chow Ting Hsing, Raymond
Huang Shao-Hua, George
Phoon Chiong Kit
Chu Siu Tsun, Stephen
Chan Sik Hong, David
Peng, Philip*
Lin, Frank**
Prince Yukol, Chatrichalerm**
(appointed on 18 October 2002)
Kwee Chong Kok, Michael**
(resigned on 23 August 2002)
Tsui Man Ling, Monica**
(alternate to Kwee Chong Kok, Michael)
(resigned on 23 August 2002)
Lin Joung Yol*
(resigned on 5 September 2002)

* *Non-executive directors*

** *Independent non-executive directors*

In accordance with Bye-laws 86(2) and 87(1) of the Company's Bye-laws, Huang Shao-Hua, George and Chu Siu Tsun, Stephen will retire and being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

The Company has a service contract with Chu Siu Tsun, Stephen with extended terms until 31 October 2004.

Save as disclosed above, no other director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

年內本公司之董事為：

鄒文懷
黃少華
潘從傑
諸兆俊
陳錫康
彭錦彬*
林輝波**
Prince Yukol, Chatrichalerm**
(於二零零二年十月十八日獲委任)
郭彰國**
(於二零零二年八月二十三日辭任)
徐曼玲**
(郭彰國之替任董事)
(於二零零二年八月二十三日辭任)
林焯堯*
(於二零零二年九月五日辭任)

* *非執行董事*

** *獨立非執行董事*

根據本公司之公司細則第86(2)及87(1)條，黃少華與諸兆俊將於應屆股東週年大會退任，惟符合資格並願意重選連任。

董事之服務合約

本公司與諸兆俊所簽訂之服務合約期限將延續至二零零四年十月三十一日。

除上文所述披露者外，擬於應屆股東週年大會上膺選連任之董事與本公司並無訂立本公司不可於一年內不付賠償(法定賠償除外)而終止之服務合約。

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

As at 30 June 2003, the interests of the directors and chief executive in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions in shares of the Company

| Director 董事 | Nature 權益性質 | Capacity 身份 | Number of shares 股份數目 | Percentage of shareholding in the Company 股權百分比 |
|------------------------------------|-------------------|--|--------------------------|--|
| Chow Ting Hsing, Raymond 鄧文懷 | Corporate 公司權益 | Controlled Corporations (Note) 受控制法團 (附註) | 250,537,223 | 31.28 |
| Phoon Chiong Kit 潘從傑 | Personal 個人權益 | Beneficial owners 實益擁有人 | 6,000,000 | 0.75 |
| Chu Siu Tsun, Stephen 諸兆俊 | Personal 個人權益 | Beneficial owners 實益擁有人 | 5,959,375 | 0.74 |
| Chan Sik Hong, David 陳錫康 | Personal 個人權益 | Beneficial owners 實益擁有人 | 5,895,375 | 0.73 |

The interests of the directors in the share options of the Company are separately disclosed in the section "Share Option Scheme" below.

Note:

Chow Ting Hsing, Raymond was deemed to be interested in 250,537,223 shares of the Company by virtue of his beneficial holdings of the entire issued share capital of Planet Gold Associates Limited and Net City Limited, which held 146,568,473 shares and 103,968,750 shares of the Company, respectively.

董事及主要行政人員於股份、相關股份或債權證之權益及短倉

於二零零三年六月三十日，各董事及主要行政人員於本公司及其任何聯營公司之股份、相關股份或債權證所持有並須記入本公司遵照證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊內或根據上市公司董事進行證券交易的標準守則須知會本公司與香港聯合交易所有限公司（「聯交所」）之權益如下：

本公司股份之好倉

董事於本公司購股權之權益另文載列於下文「購股權計劃」一節。

附註：

鑒於鄧文懷實益擁有 Planet Gold Associates Limited及Net City Limited之全部已發行股本，而該等公司分別持有146,568,473股及103,968,750股本公司股份，故此鄧文懷被視為擁有250,537,223股本公司股份之權益。

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS
AND SHORT POSITIONS IN SHARES, UNDERLYING
SHARES OR DEBENTURES** (continued)

Long positions in shares of associated corporations

Chow Ting Hsing, Raymond is also the beneficial owner of the entire issued share capital of Golden Harvest Film Enterprises Inc., which beneficially holds 114,000,000 non-voting deferred shares of Golden Harvest Entertainment Company Limited, a wholly-owned subsidiary of the Company.

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above and save for the disclosures referred to in the section "Share Option Scheme" below, none of the directors and chief executive of the Company had any beneficial interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

**DIRECTORS' RIGHTS TO ACQUIRE SHARES OR
DEBENTURES**

Save as disclosed under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares or debentures" above and in the share option scheme disclosures in note 25 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Company's directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**董事及主要行政人員於股份、相
關股份或債權證之權益及短倉**
(續)

聯營公司股份之好倉

鄒文懷同時亦為 Golden Harvest Film Enterprises Inc. 全部已發行股本之實益擁有人，而該公司實益持有 114,000,000 股本公司全資附屬公司嘉禾娛樂事業有限公司之無投票權遞延股份。

除上述者外，若干董事僅為符合公司股東人數下限之規定而代本公司持有若干附屬公司股權，但並無實際個人權益。

除上文所披露者及下文「購股權計劃」一節所提述之資料披露外，本公司各董事及主要行政人員於本公司及其任何聯營公司（定義見證券及期貨條例第 XV 部）之股份、相關股份或債權證中並無任何實益權益或短倉而須記入本公司遵照證券及期貨條例第 352 條存置之登記冊內或須根據上市公司董事進行證券交易的標準守則須知會本公司與聯交所。

董事收購股份或債權證之權益

除上文「董事及主要行政人員於股份、相關股份或債權證之權益及短倉」以及財務報表附註 25 就購股權計劃所作之披露以外，本公司及其任何附屬公司概無參與任何安排，令本公司董事、彼等各自之配偶或未滿 18 歲之子女可藉收購本公司或其他法人團體之股份或債權證而獲益。

SHARE OPTION SCHEME

Due to the adoption of Hong Kong Statement of Standard Accounting Practice No. 34 "Employee benefits" during the year, disclosures relating to the Company's share option scheme including the directors' and chief executive's interests in share options, have been moved to note 25 to the financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

Except as detailed in note 28 to the financial statements, no director had a beneficial interest in any material contract to which the Company or any of its subsidiaries was a party during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchases from its largest supplier and its five largest suppliers accounted for 7 and 28 percent of the Group's combined purchases, respectively.

The Group's sales to its largest customer and its five largest customers accounted for 3 and 11 percent of the Group's combined sales, respectively.

Chow Ting Hsing, Raymond, Phoon Chiong Kit and Chu Siu Tsun, Stephen, who were directors of the Company during the year, were also directors and/or beneficial shareholders in certain of the Group's five largest customers and suppliers.

Apart from the above, none of the directors, or any of their associates, or any shareholders of the Company (which to the best knowledge of the directors own more than 5 percent of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

購股權計劃

由於本公司在年內採納香港會計實務準則第34條「僱員福利」，關於本公司購股權計劃之資料披露(包括董事及主要行政人員於購股權之權益)已轉為載列於財務報表附註25。

董事於合約之權益

除財務報表附註28所詳述者外，各董事並無於本公司或其任何附屬公司年內參與訂立之任何重大合約中擁有實際權益。

主要客戶及供應商

年內，本集團向其最大供應商及五大供應商採購之購貨額分別佔本集團合併購貨額之7%及28%。

本集團向其最大客戶及五大客戶售出之銷售額則分別佔本集團合併銷售額之3%及11%。

年內，本公司董事鄒文懷、潘從傑及諸兆俊均為本集團若干五大客戶及供應商之董事及／或實益股東。

除上述者外，本公司各董事或彼等任何聯繫人士或任何股東(就董事所知擁有本公司已發行股本5%以上之股東)並無擁有本集團五大客戶及供應商任何權益。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2003, the following persons had the following interests in shares or underlying shares of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in shares of the Company

| Name 名稱 | Notes 附註 | Number of shares 股份數目 | Percentage 百分比 |
|--|-------------|--------------------------|-------------------|
| Chow Ting Hsing, Raymond 鄒文懷 | 1 | 250,537,223 | 31.28 |
| Planet Gold Associates Limited | 1 | 146,568,473 | 18.30 |
| Net City Limited | 1 | 103,968,750 | 12.98 |
| Acer Incorporated 宏碁電腦股份有限公司 | 2 | 150,414,000 | 18.78 |
| Acer SoftCapital Incorporated 宏碁智融有限公司 | 2 | 82,044,000 | 10.24 |
| Acer Digital Services (BVI) Holding Corporation | 2 | 68,370,000 | 8.54 |
| Acer Digital Services (Cayman Islands) Corporation | 2 | 68,370,000 | 8.54 |
| PAMA Group Inc. 寶銘集團有限公司 | | 123,284,027 | 15.39 |
| CDIB & Partners Investment Holding (Cayman) Limited | | 54,696,000 | 6.83 |

主要股東

於二零零三年六月三十日，根據本公司遵照證券及期貨條例第336條存置之登記冊所記錄，下列人士持有以下本公司之股份或相關股份之權益：

本公司股份之好倉

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. Chow Ting Hsing, Raymond was deemed to be interested in 250,537,223 shares of the Company by virtue of his beneficial holding in the entire issued capital of Planet Gold Associates Limited and Net City Limited, which held 146,568,473 shares and 103,968,750 shares of the Company, respectively.
2. Acer Incorporated was deemed to be interested in the shares of the Company by virtue of its 100 percent shareholding in Acer SoftCapital Incorporated, which held 82,044,000 shares of the Company, and by virtue of its 100 percent shareholding in Acer Digital Services (BVI) Holding Corporation which held 100 percent shareholding in Acer Digital Services (Cayman Islands) Corporation which in turn, held 68,370,000 shares of the Company.

Save as disclosed above and save for any interests in share options granted by the Company referred to in the section Share Option Scheme, no other person had an interest or short position in the share capital or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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.

主要股東 (續)

附註：

1. 鑒於鄧文懷實益擁有Planet Gold Associates Limited及Net City Limited之全部已發行股本，而該等公司分別持有146,568,473股及103,968,750股本公司股份，故此鄧文懷被視為擁有250,537,223股本公司股份之權益。
2. 鑒於宏碁電腦股份有限公司擁有宏碁智融有限公司全部股權及全資擁有Acer Digital Services (BVI) Holding Corporation及其全資附屬公司Acer Digital Services (Cayman Island) Corporation之全部股權，而該等公司分別持有82,044,000股及68,370,000股本公司股份，故此宏碁電腦股份有限公司被視為擁有本公司股份之權益。

除上文所披露者及「購股權計劃」一節所述本公司授出之購股權權益外，根據本公司遵照證券及期貨條例第336條存置之登記冊所記錄，並無其他人士持有本公司股本或相關股份之權益或短倉。

買賣及贖回上市證券

年內本公司及其任何附屬公司概無買賣或贖回本公司之任何上市證券。

CONNECTED/RELATED PARTY TRANSACTIONS

Details of the material related party transactions are set out in note 28 to the financial statements.

Certain related party transactions also constituted connected transactions, as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

In respect of certain connected transactions with the Golden Harvest Private Group (a group of private companies controlled by Chow Ting Hsing, Raymond, a director of the Company, which were not included in the Group reorganisation in November 1994), a conditional waiver from strict compliance with the connected transaction requirements as set out in Chapter 14 of the Listing Rules has been obtained. The directors have reviewed and confirmed that those connected transactions were conducted in the ordinary and usual course of the Group's business, and on terms no less favourable than those offered by unrelated third parties.

POST BALANCE SHEET EVENT

Details of the significant post balance sheet event of the Group are set out in notes 24 and 32 to the financial statements.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules 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.

關連交易／關連人士交易

主要關連人士交易之詳情載於財務報表附註 28。

根據香港聯合交易所有限公司證券上市規則（「上市規則」）之定義，若干關連人士交易亦屬關連交易。

若干與嘉禾私人集團（由本公司董事鄒文懷控制之私人集團公司，並不包括在一九九四年十一月進行之集團重組內）之關連交易已獲准有條件豁免於嚴格遵從上市規則第 14 章所載關於關連交易之規定。董事已審閱並確認該等關連交易乃於本集團一般日常業務中按不遜於無關連第三者給予之條款進行。

結算日後事項

本集團結算日後重大事項之詳情載於財務報表附註 24 及 32。

最佳應用守則

董事認為，本公司於年內一直遵守上市規則附錄 14 所載之最佳應用守則，惟本公司獨立非執行董事並無指定任期，而須根據本公司細則之規定在股東週年大會輪流退任及重選連任。

AUDIT COMMITTEE

The Company established an Audit Committee (the "Audit Committee") on 9 October 1998 in compliance with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules. The work of the Audit Committee covered the full financial year ended 30 June 2003. The members of the Audit Committee at the date of this report were Lin, Frank and Prince Yukol, Chatrichalerm.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chow Ting Hsing, Raymond

Chairman

Hong Kong

17 October 2003

審核委員會

本公司已遵照上市規則附錄14所載最佳應用守則之規定，於一九九八年十月九日成立審核委員會（「審核委員會」）。審核委員會之工作涵蓋截至二零零三年六月三十日止整個財政年度。截至本報告日期，審核委員會之成員為林輝波及Prince Yukol, Chatrichalerm。

核數師

本公司核數師安永會計師事務所之任期將告屆滿，本公司將於應屆股東週年大會上提呈續聘其為本公司核數師之決議案。

承董事會命

主席

鄒文懷

香港

二零零三年十月十七日

**NOTICE OF ANNUAL
GENERAL MEETING**
股東週年大會通告

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Ball Room B, 2/F, Langham Hotel, Hong Kong, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 26 November 2003 at 11:00 a.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 2003.
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

茲通告本公司謹訂於二零零三年十一月二十六日星期三上午十一時正假座香港九龍尖沙咀北京道八號朗廷酒店二樓禮堂舉行股東週年大會，藉以處理下列事項：

1. 省覽截至二零零三年六月三十日止年度之經審核綜合財務報表及董事會與核數師報告。
2. 重選董事並授權董事會釐訂董事酬金及設定董事最高人數。
3. 委聘安永會計師事務所擔任核數師並授權董事會釐訂其酬金。
4. 考慮並酌情通過下列決議案(不論有否修訂)為普通決議案：

「動議：

- (a) 一般及無條件批准董事會於有關期間內行使本公司一切權力，以便根據適用法例及在其規限下購回其股份；
- (b) 根據上文(a)段之批准而購回之股份面值總額不得超過本公司於通過本決議案當日已發行股本面值總額10%，故上述批准須受相應限制；及

(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
- (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the By-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

(c) 就本決議案而言，「有關期間」指本決議案通過之日至下列日期（以其中較早日期為準）止之期間：

- (i) 本公司下屆股東週年大會結束時；
- (ii) 股東在股東大會上通過普通決議案撤銷或修訂本決議案所授權力之日；及
- (iii) 本公司之公司細則或任何適用法例規定本公司必須舉行下屆股東週年大會期限屆滿之日。」。

5. 考慮並酌情通過（不論有否修訂）下列決議案為普通決議案：

「動議：

- (a) 一般及無條件批准董事會於有關期間內行使本公司一切權力，以便發行、配發或處置本公司之額外股份，並作出或授予可能須於有關期間內或有關期間結束後配發、發行或處置股份之售股建議、協議及購股權。除根據配售新股（根據股東於指定記錄日期之持股量按比例提

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GENERAL MEETING
股東週年大會通告

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

呈發售股份，惟董事會可就零碎權益或在顧及香港以外任何地區之法例或當地認可之監管機構或證券交易所之規例所規定之限制或責任後作出彼等認為必須或恰當之豁免或其他安排)或任何購股權計劃或當時就向本公司及／或其任何附屬公司之行政人員及／或僱員授予或發行股份或可購入本公司股份之權利而採納之類似安排外，發行、配發或處置或同意有條件或無條件予以發行、配發或處置(不論根據購股權或以其他方式)之額外股份總面值不得超過本公司於通過本決議案當日已發行股本總面值20%，故上述批准須受相應限制；及

- (b) 就本決議案而言，「有關期間」指本決議案通過之日至下列日期(以其中較早日期為準)止之期間：
- (i) 本公司下屆股東週年大會結束時；
 - (ii) 股東在股東大會上通過普通決議案撤銷或修訂本決議案所授權力之日；及

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

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.”.

(iii) 本公司之公司細則或任何適用法例規定本公司必須舉行下屆股東週年大會期限屆滿之日。」。

6. 考慮並酌情通過(不論有否修訂)下列決議案為普通決議案：

「動議：擴大授予本公司董事會行使本公司權力以發行、配發及以其他方式處置額外股份，並作出或授予可能須行使上述權力之售股建議、協議及購股權之一般授權至包括自本公司董事會獲授予行使本公司權力購回股份之一般授權(如上文第4項決議案所述)以來所購回之本公司股本中之股份總面值，惟不得超過本公司於通過本決議案當日之已發行股本總面值10%。」。

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

“**THAT** the authorised share capital of the Company be and is hereby increased from HK\$130,000,000 to HK\$200,000,000 by the creation of 700,000,000 shares of HK\$0.10 each and that such new shares, upon issue, shall rank *pari passu* in all respects with the existing shares of the Company.”

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

Hong Kong, 17 October 2003

Notes:

- (a) The Register of Members will be closed from Friday, 21 November 2003 to Wednesday, 26 November 2003 (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, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 20 November 2003.
- (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.

7. 考慮並酌情通過(不論有否修訂)下列決議案為普通決議案：

「動議：增加700,000,000股每股面值0.10港元之法定股份，使本公司之法定股本由130,000,000增加至200,000,000港元，而該等新股份於發行後在各方面均與本公司現有股份享有同等權益。」。

承董事會命
公司秘書
洪銀崑

香港，二零零三年十月十七日

附註：

- (a) 本公司將由二零零三年十一月二十一日星期五至二零零三年十一月二十六日星期三(首尾兩日包括在內)止期間暫停辦理股份過戶登記手續。如欲參與股東週年大會，所有過戶文件連同有關股票最遲須於二零零三年十一月二十日星期四下午四時前送達本公司在香港之股份過戶登記處登捷時有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。
- (b) 凡有權出席上述大會及在會上投票之股東，均有權委任一位或多位代表代其出席及於投票表決時代其投票。受委任代表毋須為本公司股東。

- | | |
|---|---|
| <p>(c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Share Registrars in Hong Kong, Tengis Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting.</p> | <p>(c) 代表委任表格連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之該等授權書或授權文件副本,最遲須於大會指定舉行時間48小時前交回本公司在香港之股份過戶登記處登捷時有限公司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下。</p> |
| <p>(d) The proposed maximum number of directors under Resolution 2 is not more than 20, which is to reconfirm the existing maximum number. The determination of maximum number of Directors under Resolution 2 above will permit the Directors of the Company to appoint additional Directors up to the maximum number so determined.</p> | <p>(d) 根據第2項決議案,建議重新確認董事最高人數為不超過20人,將與現時之董事最高人數之數目相同。以上第2項決議案釐定董事最高人數之決定將能允許董事會可委任額外董事至不超過訂定之董事最高人數。</p> |
| <p>(e) The annual report of the Company for the year ended 30 June 2003 also containing this notice together with a circular setting out further information regarding Resolutions 4 to 7 above will be despatched to shareholders.</p> | <p>(e) 同時載有本通告之本公司截至二零零三年六月三十日止年度年報將連同一份詳列有關第4至7項決議案進一步資料之通函一併寄予股東。</p> |

ERNST & YOUNG
安永會計師事務所

To the members
Golden Harvest Entertainment (Holdings) Limited
(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 53 to 108 which have been prepared in accordance with accounting principles generally accepted in Hong Kong other than as set out below.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS
AND AUDITORS**

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981 (as amended), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants (the "HKSA"). An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

致：嘉禾娛樂事業(集團)有限公司股東
(於百慕達註冊成立之有限公司)

本核數師已完成審核刊於第109頁至第164頁按照香港公認會計原則編製(除下文所述外)之財務報表。

董事及核數師的責任

貴公司之董事須編製真實與公平之財務報表。在編製該等財務報表時，董事必須貫徹採用合適之會計政策。根據一九八一年百慕達公司法(經修訂)第90條，吾等的責任是根據審核工作的結果，對該等財務報表作出獨立的意見，並僅向閣下(作為一團體)報告，除此之外概無其他用途。吾等概不就本報告的內容向任何人士承擔責任。

意見的基礎

本核數師是按照香港會計師公會(「香港會計師公會」)頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製該等財務報表時所作之重大估計和判斷、所釐定之會計政策是否適合貴公司及貴集團之具體情況、及有否貫徹運用並充分披露該等會計政策。

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

ACCOUNTING TREATMENT OF TRADEMARKS

Included in the consolidated balance sheet are trademarks which are stated at cost of HK\$79,203,000 at 30 June 2003 and are not amortised. In accordance with Statement of Standard Accounting Practice 29 "Intangible assets" ("SSAP 29") issued by the HKSA, which became effective in 2001, these trademarks should be amortised over the best estimate of their useful lives. However, as further explained in note 16 to the financial statements, in the opinion of the directors, no amortisation is considered necessary for the reasons stated therein. Because we have not been able to quantify the estimated useful lives of the trademarks, we are unable to determine the effect of this departure from SSAP 29 on the Group's net assets as at 30 June 2003 and the loss for the year then ended, including the prior year adjustment that is required in respect thereof in order to both recognise the amortisation which should have been recognised in the prior years since the date of adoption of SSAP 29 and to implement SSAP 29 retrospectively at the date of its adoption in 2001 in accordance with the requirements of SSAP 29.

本核數師在策劃和進行審核工作時，均以取得一切本核數師認為必需之資料及解釋為目標，使能獲得充分之憑證，就該等財務報表是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已衡量該等財務報表所載資料在整體上是否足夠。本核數師相信，本核數師之審核工作已為下列意見建立合理之基礎。

商標之會計處理方法

於二零零三年六月三十日綜合資產負債表所包括79,203,000港元之商標以成本入賬而非以攤銷後之數額。根據於二零零一年香港會計師公會頒佈而生效之會計實務準則（「會計準則」）第29條「無形資產」規定，該等商標應按最佳估計經濟效益期攤銷。然而，按財務報表附註16所詳述，董事認為基於該附註所述之理由毋須作出攤銷。由於我們未能衡量商標之估計經濟效益期，因此未能確定不遵守會計準則第29條規定對 貴集團二零零三年六月三十日之資產淨值及截至該日止年度虧損之影響，亦未能確定根據會計準則第29條之規定於二零零一年引用會計準則第29條之追溯效力而對往年度有關採用會計準則第29條當日起確認之攤銷及其調整之影響。

**REPORT OF
THE AUDITORS**
核數師報告書

Except for any adjustments that might have been found necessary had the trademarks been amortised, in our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2003 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants

Hong Kong
17 October 2003

除商標可能需以攤銷入賬而作出之調整外，本核數師認為財務報表真實與公平地反映 貴公司及 貴集團於二零零三年六月三十日之財政狀況，及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定而恰當編製。

執業會計師
安永會計師事務所

香港
二零零三年十月十七日

Year ended 30 June 2003

| | Notes | 2003 HK\$'000 | 2002 HK\$'000 (Restated) |
|---|-------|------------------|--------------------------------|
| TURNOVER | 5, 6 | 210,270 | 264,030 |
| Cost of sales | | (109,271) | (133,144) |
| Gross profit | | 100,999 | 130,886 |
| Interest income | | 403 | 969 |
| Other revenue | | 7,102 | 15,435 |
| Selling and distribution costs | | (112,685) | (119,434) |
| General and administrative expenses | | (54,262) | (58,412) |
| Other operating expenses | | (36,227) | (6,279) |
| Impairment of film rights | | (11,215) | (15,536) |
| LOSS FROM OPERATING ACTIVITIES | 7 | (105,885) | (52,371) |
| Write-off of interests in associates | | (75) | (15,157) |
| Impairment of a long term investment | | (2,297) | (5,800) |
| Impairment of interests in associates | | (2,000) | - |
| Impairment of goodwill | | (37,606) | - |
| Finance costs | 8 | (628) | (242) |
| Share of profits and losses of associates | | 12,713 | (8,919) |
| LOSS BEFORE TAX | | (135,778) | (82,489) |
| Tax | 9 | (5,611) | (4,134) |
| LOSS BEFORE MINORITY INTERESTS | | (141,389) | (86,623) |
| Minority interests | | 6 | 5 |
| NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS | 10 | (141,383) | (86,618) |
| LOSS PER SHARE | 11 | | |
| Basic | | (HK17.7 cents) | (HK10.8 cents) |
| Diluted | | N/A | N/A |

**CONSOLIDATED
BALANCE SHEET**

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30 June 2003

| | Notes | 2003 HK\$'000 | 2002 HK\$'000 (Restated) |
|---|-------|------------------|--------------------------------|
| NON-CURRENT ASSETS | | | |
| Fixed assets | 12 | 73,632 | 88,947 |
| Interests in associates | 14 | 160,130 | 159,509 |
| Investments in club memberships | | 4,380 | 4,380 |
| Rental deposits | | 13,134 | 13,179 |
| Long term investment | 15 | – | 2,297 |
| Trademarks | 16 | 79,203 | 79,073 |
| | | 330,479 | 347,385 |
| CURRENT ASSETS | | | |
| Prepayments, deposits and other receivables | | 30,690 | 55,422 |
| Inventories | 17 | 417 | 318 |
| Film rights and films in progress | 18 | 27,698 | 53,306 |
| Accounts receivable | 19 | 20,037 | 29,095 |
| Time deposits | | – | 17,130 |
| Cash and bank balances | | 28,357 | 21,744 |
| | | 107,199 | 177,015 |
| CURRENT LIABILITIES | | | |
| Accounts payable | 20 | 70,084 | 55,743 |
| Accrued liabilities and other payables | | 37,359 | 33,806 |
| Customer deposits | | 4,437 | 7,133 |
| Current portion of finance lease payables | 21 | 445 | 178 |
| Provision for employee benefits | 22 | 1,615 | 2,200 |
| Tax payable | | 10,573 | 9,993 |
| | | 124,513 | 109,053 |
| NET CURRENT ASSETS/(LIABILITIES) | | (17,314) | 67,962 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 313,165 | 415,347 |
| NON-CURRENT LIABILITIES | | | |
| Non-current portion of finance lease payables | 21 | 1,174 | 473 |
| Provision for long service payments | 22 | 3,091 | 2,478 |
| Deferred tax | 23 | – | 110 |
| | | 4,265 | 3,061 |
| MINORITY INTERESTS | | 22 | 28 |
| | | 308,878 | 412,258 |
| CAPITAL AND RESERVES | | | |
| Issued share capital | 24 | 80,089 | 80,089 |
| Reserves | 26(a) | 228,789 | 332,169 |
| | | 308,878 | 412,258 |

CHOW Ting Hsing, Raymond
Director

PHOON Chiong Kit
Director

Year ended 30 June 2003

| | Issued share capital HK\$'000 | Reserves | | | | | | | | Total reserve HK\$'000 | Total HK\$'000 |
|---|--|---|--|--------------------------------|-----------------------------------|--------------------------------|------------------------------------|--|------------------------------|------------------------------|-------------------|
| | | Share premium account HK\$'000 | Capital redemption reserve HK\$'000 | Capital reserve HK\$'000 | Accumulated losses HK\$'000 | Surplus reserve HK\$'000 | Revaluation reserve HK\$'000 | Exchange fluctuation reserve HK\$'000 | Total reserve HK\$'000 | | |
| At 1 July 2001: | | | | | | | | | | | |
| As previously reported | 80,089 | 565,577 | 145 | (50,089) | (69,084) | 480 | 7,864 | (37,921) | 416,972 | 497,061 | |
| Prior year adjustments | | | | | | | | | | | |
| - note 4 | - | - | - | - | (1,980) | - | - | - | (1,980) | (1,980) | |
| As restated | 80,089 | 565,577 | 145 | (50,089) | (71,064) | 480 | 7,864 | (37,921) | 414,992 | 495,081 | |
| Exchange adjustments on translation of: | | | | | | | | | | | |
| - overseas subsidiaries | - | - | - | - | - | - | - | (487) | (487) | (487) | |
| - overseas associates | - | - | - | - | - | - | - | 1,432 | 1,432 | 1,432 | |
| Net gains and losses not recognised in the profit and loss account | - | - | - | - | - | - | - | 945 | 945 | 945 | |
| On write-off of interest in an associate | - | - | - | - | - | - | - | 2,850 | 2,850 | 2,850 | |
| Net loss for the year (as restated) | - | - | - | - | (86,618) | - | - | - | (86,618) | (86,618) | |
| At 30 June 2002 | 80,089 | 565,577 | 145 | (50,089) | (157,682) | 480 | 7,864 | (34,126) | 332,169 | 412,258 | |
| At 1 July 2002: | | | | | | | | | | | |
| As previously reported | 80,089 | 565,577 | 145 | (50,089) | (155,482) | 480 | 7,864 | (34,126) | 334,369 | 414,458 | |
| Prior year adjustments | | | | | | | | | | | |
| - note 4 | - | - | - | - | (2,200) | - | - | - | (2,200) | (2,200) | |
| As restated | 80,089 | 565,577 | 145 | (50,089) | (157,682) | 480 | 7,864 | (34,126) | 332,169 | 412,258 | |
| Exchange adjustments on translation of: | | | | | | | | | | | |
| - overseas subsidiaries | - | - | - | - | - | - | - | 116 | 116 | 116 | |
| - overseas associates | - | - | - | - | - | - | - | 296 | 296 | 296 | |
| Net gains and losses not recognised in the profit and loss account | - | - | - | - | - | - | - | 412 | 412 | 412 | |
| Impairment of goodwill (note 26(a)) | - | - | - | 37,606 | - | - | - | - | 37,606 | 37,606 | |
| Net loss for the year | - | - | - | - | (141,383) | - | - | - | (141,383) | (141,383) | |
| On liquidation of interests in associates | - | - | - | - | - | - | - | (15) | (15) | (15) | |
| At 30 June 2003 | 80,089 | 565,577 | 145 | (12,483) | (299,065) | 480 | 7,864 | (33,729) | 228,789 | 308,878 | |

**CONSOLIDATED
STATEMENT OF
CHANGES IN
EQUITY**

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(continued)

Year ended 30 June 2003

| | Issued share capital HK\$'000 | Share premium account HK\$'000 | Capital redemption reserve HK\$'000 | Reserves | | | | | Exchange fluctuation reserve HK\$'000 | Total reserve HK\$'000 | Total HK\$'000 |
|--------------------------|--|---|--|--------------------------------|-----------------------------------|--------------------------------|------------------------------------|----------|--|------------------------------|-------------------|
| | | | | Capital reserve HK\$'000 | Accumulated losses HK\$'000 | Surplus reserve HK\$'000 | Revaluation reserve HK\$'000 | Total | | | |
| Reserves retained by: | | | | | | | | | | | |
| Company and subsidiaries | 80,089 | 565,577 | 145 | (12,483) | (226,419) | - | 7,864 | 1,375 | 336,059 | 416,148 | |
| Associates | - | - | - | - | (72,646) | 480 | - | (35,104) | (107,270) | (107,270) | |
| At 30 June 2003 | 80,089 | 565,577 | 145 | (12,483) | (299,065) | 480 | 7,864 | (33,729) | 228,789 | 308,878 | |
| Company and subsidiaries | 80,089 | 565,577 | 145 | (50,089) | (77,500) | - | 7,864 | 1,259 | 447,256 | 527,345 | |
| Associates | - | - | - | - | (80,182) | 480 | - | (35,385) | (115,087) | (115,087) | |
| At 30 June 2002 | 80,089 | 565,577 | 145 | (50,089) | (157,682) | 480 | 7,864 | (34,126) | 332,169 | 412,258 | |

Year ended 30 June 2003

| | 2003 HK\$'000 | 2002 HK\$'000 (Restated) |
|--|------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (135,778) | (82,489) |
| Adjustments for: | | |
| Interest income | (403) | (969) |
| Finance costs | 628 | 242 |
| Depreciation | 18,293 | 18,454 |
| Loss on disposal of fixed assets | 108 | 544 |
| Write-off of interests in associates | 75 | 15,157 |
| Impairment of interests in associates | 2,000 | - |
| Exchange gains arising from translation of advances to overseas associates in Asia and other monetary assets and liabilities denominated in foreign currencies as at the balance sheet date | (456) | (2,747) |
| Share of profits and losses of associates | (12,713) | 8,919 |
| Impairment of a long term investment | 2,297 | 5,800 |
| Impairment of film rights | 11,215 | 15,536 |
| Impairment of goodwill | 37,606 | - |
| Provision for/(write-back of) doubtful debts, net | 2,788 | (435) |
| Exchange adjustments | 73 | (549) |
| Operating loss before working capital changes | (74,267) | (22,537) |
| Decrease/(increase) in prepayments, deposits and other receivables | 24,732 | (8,077) |
| Decrease/(increase) in inventories | (99) | 233 |
| Decrease/(increase) in film rights and films in progress | 14,393 | (18,974) |
| Decrease/(increase) in accounts receivable | 6,270 | (11,689) |
| Increase in accounts payable | 14,341 | 18,178 |
| Increase/(decrease) in accrued liabilities and other payables | 3,553 | (6,161) |
| Increase/(decrease) in customer deposits | (2,696) | 2,530 |
| Increase/(decrease) in provision for employee benefits | (585) | 220 |
| Increase in provision for long service payments | 613 | 1,204 |
| Cash used in operations | (13,745) | (45,073) |
| Interest received | 403 | 969 |
| Interest paid | (548) | (201) |
| Interest element on finance lease rental payments | (80) | (41) |
| Hong Kong profits tax refunded | - | 50 |
| Overseas tax paid | (41) | (732) |
| Overseas tax refunded | 77 | - |
| Net cash outflow from operating activities | (13,934) | (45,028) |

**CONSOLIDATED
CASH FLOW
STATEMENT**

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Year ended 30 June 2003

(continued)

| | 2003 HK\$'000 | 2002 HK\$'000 (Restated) |
|--|------------------|--------------------------------|
| Net cash outflow from operating activities | (13,934) | (45,028) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchases of fixed assets | (1,814) | (5,688) |
| Proceeds from disposal of fixed assets | 163 | 143 |
| Investment in an associate | (205) | – |
| Proceeds from liquidation of associates | 1,199 | 2,479 |
| Repayment from/(advances to) associates, net | 4,583 | (12,390) |
| Rental deposits paid | (188) | – |
| Refund of rental deposits | 233 | 1,027 |
| Additions to trademarks | (130) | (501) |
| Net cash inflow/(outflow) from investing activities | 3,841 | (14,930) |
| CASH FLOW FROM FINANCING ACTIVITY | | |
| Repayment of finance lease obligations | (484) | (255) |
| Net cash outflow from financing activity | (484) | (255) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (10,577) | (60,213) |
| Cash and cash equivalents at beginning of year | 38,874 | 99,059 |
| Exchange adjustments | 60 | 28 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 28,357 | 38,874 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Time deposits | – | 17,130 |
| Cash and bank balances | 28,357 | 21,744 |
| | 28,357 | 38,874 |

30 June 2003

59 BALANCE SHEET

| | Notes | 2003 HK\$'000 | 2002 HK\$'000 |
|---|-------|------------------|------------------|
| NON-CURRENT ASSETS | | | |
| Interests in subsidiaries | 13 | 307,979 | 389,875 |
| CURRENT ASSETS | | | |
| Prepayments | | 135 | 135 |
| Cash and bank balances | | 1,593 | 63 |
| | | 1,728 | 198 |
| CURRENT LIABILITIES | | | |
| Accrued liabilities and other payables | | 829 | 1,001 |
| NET CURRENT ASSETS/(LIABILITIES) | | | |
| | | 899 | (803) |
| | | 308,878 | 389,072 |
| CAPITAL AND RESERVES | | | |
| Issued share capital | 24 | 80,089 | 80,089 |
| Reserves | 26(b) | 228,789 | 308,983 |
| | | 308,878 | 389,072 |

CHOW Ting Hsing, Raymond
Director

PHOON Chiong Kit
Director

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Group consist of worldwide film and video distribution; film exhibition in Hong Kong, Malaysia, Singapore and Mainland China; film and television drama series production; and the operation of a film processing business in Hong Kong.

2. IMPACT OF NEW AND REVISED HONG KONG STATEMENTS OF STANDARD ACCOUNTING PRACTICE

The following new and revised Hong Kong Statements of Standard Accounting Practice ("SSAPs") are effective for the first time in the preparation of the current year's financial statements:

- SSAP 1 (Revised): "Presentation of financial statements"
- SSAP 11 (Revised): "Foreign currency translation"
- SSAP 15 (Revised): "Cash flow statements"
- SSAP 34: "Employee benefits"

These SSAPs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of adopting those SSAPs which have had a significant effect on the financial statements, are summarised as follows:

SSAP 1 prescribes the basis for the presentation of financial statements and sets out guidelines for their structure and minimum requirements for the content thereof. The principal impact of the revision of this SSAP is that a consolidated statement of changes in equity is now presented in the financial statements in place of the consolidated statement of recognised gains and losses that was previously required and in place of the Group's reserves note.

SSAP 11 prescribes the basis for the translation of foreign currency transactions in the financial statements. The principal impact of the revision of this SSAP on the consolidated financial statements is that the profit and loss accounts of overseas subsidiaries and associates are now translated into Hong Kong dollars at the weighted average exchange rates for the year, whereas previously they were translated at the exchange rates ruling at the balance sheet date. The adoption of the revised SSAP 11 has had no material effect on the financial statements.

30 June 2003

2. IMPACT OF NEW AND REVISED HONG KONG STATEMENTS OF STANDARD ACCOUNTING PRACTICE *(continued)*

SSAP 15 prescribes the revised format for the cash flow statement. The principal impact of the revision of this SSAP is that the consolidated cash flow statement now presents cash flows under three headings, cash flows from operating, investing and financing activities, rather than the five headings previously required. In addition, cash flows from overseas subsidiaries arising during the year are now translated into Hong Kong dollars at the exchange rates at the dates of the transactions, or at an approximation thereto, whereas previously they were translated at the exchange rates at the balance sheet date, and the definition of cash equivalents for the purpose of the consolidated cash flow statement has been revised.

SSAP 34 prescribes the recognition and measurement criteria to apply to employee benefits, together with the required disclosures in respect thereof. The adoption of this SSAP has resulted in the recognition of an accrual for unused holiday leave carried forward by the Group's employees as at the balance sheet date. The recognition of this accrual has resulted in a prior year adjustment, further details of which are included under the heading "Employee benefits" in note 3 and in note 4 to the financial statements. In addition, disclosures are now required in respect of the Company's share option scheme, as detailed in note 25 to the financial statements. These share option scheme disclosures are similar to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") disclosures previously included in the Report of the Directors, which are now included in the notes to the financial statements as a consequence of the adoption of this SSAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with SSAPs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the remeasurement of certain fixed assets, as further explained below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries for the year ended 30 June 2003, together with the Group's share of the results for the year and post-acquisition reserves of its associates, as set out below. The results of the subsidiaries and associates acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

Minority interests represent the interest of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Associates

An associate is a company, not being a subsidiary, in which the Group has a long term interest of not less than 20 percent of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and is calculated from the latest financial statements of the associates which are made up to 30 June 2003, with the exception of Golden Screen Cinemas Sdn. Bhd., and Golden Screen Film Distribution Company Sdn. Bhd., for which financial statements made up to 31 December 2002 are used. The share of results is arrived at based on the audited financial statements of these associates as at 31 December 2002, after making appropriate adjustments for significant transactions and events in the intervening period to 30 June 2003 between the associates and the Group.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

30 June 2003

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***Goodwill** *(continued)*

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

SSAP 30 "Business combinations" was adopted as at 1 July 2001. Prior to that date, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to 1 July 2001 is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries or associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any remaining attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of assets *(continued)*

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

| | |
|--------------------------|--|
| Long term leasehold land | over the unexpired terms of the leases |
| Buildings | 4% |
| Leasehold improvements | 10% – 33 ¹ / ₃ % |
| Machinery and equipment | 10% – 25% |
| Furniture and fixtures | 10% – 25% |
| Motor vehicles | 20% |
| Air-conditioning systems | 20% |

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset. On disposal or retirement, the attributable revaluation surplus not previously dealt with in retained profits or accumulated losses is transferred directly to retained profits or accumulated losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***Investments in club memberships**

Investments in club memberships are stated at cost less any impairment losses. Cost includes fees and expenses directly related to the acquisition of the club memberships.

Trademarks

Trademarks are stated at cost less any impairment losses and are not amortised.

Long term investments

Long term investments in unlisted equity securities, which are intended to be held on a continuing basis, and which are held for identified long term purposes documented at the time of acquisition or change of purpose and are clearly identifiable for the documented purpose, are stated at cost less any impairment losses, on an individual investment basis.

When impairments in values have occurred, the carrying amounts of the securities are reduced to their fair values, as estimated by the directors, and the amounts of the impairments are charged to the profit and loss account for the period in which they arise.

When the circumstances and events that led to the impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the appreciation in fair value is credited to profit and loss account, on an individual investment basis, to the extent of the amount previously charged.

Accounts receivable

Accounts receivable, which generally have credit terms of between one to three months, are recognised and carried at the original invoiced amount. An estimate for doubtful debts is made and deducted when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowances for obsolete or slow-moving items. Cost is determined on the first-in, first-out basis and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices, less any further costs expected to be incurred to completion and disposal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Film rights and amortisation

(i) *Film rights*

Film rights represent films and television drama series and are stated at cost less accumulated amortisation and any impairment losses.

Amortisation is charged to the profit and loss account based on the proportion of actual income earned during the year to the total estimated income from the sale of the film rights. Where there is an impairment in value, the unamortised balance is written down to its estimated recoverable amount.

(ii) *Films in progress*

Films in progress are stated at cost less any impairment losses. Cost includes all direct costs associated with the production of films or television drama series. Impairment losses are made for costs which are in excess of the expected future revenue generated by these films or television drama series. Costs are transferred to film rights upon completion.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Deferred tax

Deferred tax is provided, using the liability method, on all significant timing differences to the extent it is probable that the liability will crystallise in the foreseeable future. A deferred tax asset is not recognised until its realisation is assured beyond reasonable doubt.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are dealt with in the profit and loss account.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

On consolidation, the financial statements of overseas subsidiaries and the Group's share of net assets of overseas associates expressed in foreign currencies are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheet are translated into Hong Kong dollars as the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchanged rates for the year.

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***Employee benefits***Paid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Prior to the adoption of SSAP 34 during the year, as explained in note 2 to the financial statements, the Group did not accrue for paid annual leave carried forward at the balance sheet date. This change in accounting policy has resulted in a prior year adjustment due to the initial recognition of the accrual, further details of which are included in note 4 to the financial statements.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group to the balance sheet date.

Retirement benefits scheme

The Group operates a defined contribution retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the Scheme. Contributions to the Scheme are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the Scheme. The Group's employer contributions are fully and immediately vested with the employees when contributed to the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***Employee benefits** *(continued)**Retirement benefits scheme (continued)*

The employees of the Group's subsidiaries in the People's Republic of China (the "PRC") are members of the state-sponsored retirement scheme (the "State Scheme") operated by the government of the PRC. Contributions to the State Scheme are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the State Scheme.

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provisions *(continued)*

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the profit and loss account.

Provisions for long service payments are made based on relevant labour laws and regulations governing retirement payments and are reviewed by the directors on an annual basis and adjusted where applicable.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) film royalty income, theatre advertising income and video distribution income, on an accrual basis;
- (b) film distribution commission income, film developing and printing service income, advertising agency fee income, music production income, production control fee income, and film sourcing and consultancy service income, on completion of the services;
- (c) gross box office takings, on the sale of tickets and when the services have been rendered to the buyers;
- (d) income from confectionery sales and compact disc sales, at the point of sale when the confectionery and compact discs are given to the customers;
- (e) rental income, in the period in which the properties are let out and on the straight-line basis over the lease terms;
- (f) interest, on a time proportion basis taking into account the principal outstanding and the effective rate of interest applicable; and
- (g) dividends, when the shareholders' right to receive payment is established.

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4. PRIOR YEAR ADJUSTMENTS

In the current year, the Group adopted SSAP 34 "Employee benefits" as detailed in note 2 to the financial statements. The resulting change in accounting policy relating to the accrual for unused holiday leave carried forward by employees has been made retrospectively and accordingly, the comparative balances for the year ended 30 June 2002, including the loss per share and the accumulated losses brought forward as at 1 July 2001 have been restated.

The effect of this change is an increase in general and administrative expenses and an increase in net losses attributable to shareholders of HK\$220,000 for the year ended 30 June 2002, which is the net movement in the accrued employees' unused annual leave during that year. The accumulated losses brought forward as at 1 July 2001 and 1 July 2002 have been increased by HK\$1,980,000 and HK\$2,200,000, respectively, which are the amounts of the adjustments in respect of the Group's required accrual for employees' unused annual leave as at those dates.

5. SEGMENT INFORMATION

Segment information is presented by way of segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the film and video distribution segment engages in the worldwide distribution of films and audio visual products related to films and television programmes;
- (b) the film exhibition segment engages in film exhibition in Hong Kong, Malaysia, Singapore and Mainland China;
- (c) the film and television drama series production segment engages in production controller and film producer services; and
- (d) the others segment comprises film processing business and music production business, which provide film processing services and produce soundtracks and sell soundtrack albums. In last year, the others segment also comprised public relations which provided public relations and retainer services.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Inter-segment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

5. SEGMENT INFORMATION (continued)

(a) Business segments

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's business segments.

| | Film and video distribution | | Film exhibition | | Film and television drama series production | | Others | | Eliminations | | Consolidated | |
|--|-----------------------------|---------------|-----------------|----------------|---|--------------|---------------|---------------|----------------|-----------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segment revenue: | | | | | | | | | | | | |
| Sales to external customers | 77,993 | 91,316 | 116,602 | 148,996 | 910 | 2,505 | 14,765 | 21,213 | - | - | 210,270 | 264,030 |
| Inter-segment sales | 2,024 | 2,066 | - | - | - | 3,377 | 268 | 3,202 | (2,292) | (8,645) | - | - |
| Other revenue | 3,806 | 6,342 | 2,308 | 4,305 | 1,505 | 2,780 | 319 | 618 | (1,395) | (1,979) | 6,543 | 12,066 |
| Total | 83,823 | 99,724 | 118,910 | 153,301 | 2,415 | 8,662 | 15,352 | 25,033 | (3,687) | (10,624) | 216,813 | 276,096 |
| Segment results | | | | | | | | | | | | |
| | (8,406) | 3,146 | (64,025) | (21,758) | (24,497) | (17,397) | 574 | (7,045) | 722 | 1,881 | (95,632) | (41,173) |
| Interest income and unallocated gains | | | | | | | | | | | | |
| Impairment of film rights | (11,215) | (15,536) | - | - | - | - | - | - | - | - | 962 | 4,338 |
| | | | | | | | | | | | (11,215) | (15,536) |
| Loss from operating activities | | | | | | | | | | | | |
| Write-off of interests in associates | (75) | (13,930) | - | (1,227) | - | - | - | - | - | - | (75) | (15,157) |
| Impairment of a long term investment | | | | | | | | | | | (2,297) | (5,800) |
| Impairment of interests in associates | - | - | (2,000) | - | - | - | - | - | - | - | (2,000) | - |
| Impairment of goodwill | - | - | - | (37,606) | - | - | - | - | - | - | (37,606) | - |
| Finance costs | | | | | | | | | | | (628) | (242) |
| Share of profits and losses of associates | (833) | (5,174) | 13,546 | (3,745) | - | - | - | - | - | - | 12,713 | (8,919) |
| Loss before tax | | | | | | | | | | | (135,778) | (82,489) |
| Tax | | | | | | | | | | | (5,611) | (4,134) |
| Loss before minority interests | | | | | | | | | | | (141,389) | (86,623) |
| Minority interests | | | | | | | | | | | 6 | 5 |
| Net loss from ordinary activities attributable to shareholders | | | | | | | | | | | (141,383) | (86,618) |

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5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

| | Film and video distribution | | Film exhibition | | Film and television drama series production | | Others | | Eliminations | | Consolidated | |
|---|-----------------------------|----------|-----------------|----------|---|----------|----------|----------|--------------|----------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segment assets | 76,495 | 113,922 | 92,268 | 129,122 | 20,007 | 14,861 | 10,674 | 10,030 | (15,390) | (11,076) | 184,054 | 256,859 |
| Interests in associates | 737 | 1,461 | 159,393 | 158,048 | - | - | - | - | - | - | 160,130 | 159,509 |
| Long term investment | | | | | | | | | | | - | 2,297 |
| Trademarks | | | | | | | | | | | 79,203 | 79,073 |
| Unallocated assets | | | | | | | | | | | 14,291 | 26,662 |
| Total assets | | | | | | | | | | | 437,678 | 524,400 |
| Segment liabilities | 37,070 | 44,135 | 29,063 | 16,672 | 4,002 | 10,567 | 6,485 | 3,152 | (15,426) | (9,382) | 61,194 | 65,144 |
| Unallocated liabilities | | | | | | | | | | | 67,584 | 46,970 |
| Total liabilities | | | | | | | | | | | 128,778 | 112,114 |
| Other segment information: | | | | | | | | | | | | |
| Depreciation | 628 | 540 | 14,363 | 14,326 | 802 | 1,009 | 680 | 933 | - | - | 16,473 | 16,808 |
| Unallocated amounts | | | | | | | | | | | 1,820 | 1,646 |
| | | | | | | | | | | | 18,293 | 18,454 |
| Amortisation of film rights | 30,919 | 27,321 | - | - | - | - | - | - | - | - | 30,919 | 27,321 |
| Provision for/(write-back of) doubtful debts, net | 2,559 | (509) | 339 | 38 | - | - | (110) | 36 | - | - | 2,788 | (435) |
| Capital expenditure | 202 | 2,855 | 1,183 | 1,729 | - | 403 | - | 45 | - | - | 1,385 | 5,032 |
| Unallocated amounts | | | | | | | | | | | 1,881 | 2,615 |
| | | | | | | | | | | | 3,266 | 7,647 |

5. SEGMENT INFORMATION (*continued*)

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments.

| | Hong Kong | | Mainland China | | Elsewhere in Asia | | Others | | Eliminations | | Consolidated | |
|-----------------------------|-----------|----------|----------------|----------|----------------------|----------|----------|----------|--------------|----------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Segment revenue: | | | | | | | | | | | | |
| Sales to external customers | 174,917 | 224,272 | 17,555 | 20,299 | 15,052 | 14,782 | 5,038 | 4,677 | (2,292) | - | 210,270 | 264,030 |
| Other segment information: | | | | | | | | | | | | |
| Segment assets | 167,971 | 236,027 | 25,363 | 45,417 | 4,308 | 1,728 | 703 | 349 | - | - | 198,345 | 283,521 |
| Interests in associates | | | | | | | | | | | 160,130 | 159,509 |
| Long term investment | | | | | | | | | | | - | 2,297 |
| Trademarks | | | | | | | | | | | 79,203 | 79,073 |
| | | | | | | | | | | | <u>437,678</u> | <u>524,400</u> |
| Capital expenditure | 3,037 | 3,370 | 213 | 2,430 | 16 | 1,346 | - | - | - | - | 3,266 | 7,146 |
| Unallocated amounts | | | | | | | | | | | 130 | 501 |
| | | | | | | | | | | | <u>3,396</u> | <u>7,647</u> |

6. TURNOVER

Turnover represents proceeds from the sale of film, video and television rights; motion picture distribution and theatre operation; advertising agency fees earned; the invoiced value of film developing and printing services rendered; production control fees earned; music production income earned; service fees earned for film sourcing and consultancy, and the sale of audio visual products.

7. LOSS FROM OPERATING ACTIVITIES

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

| | 2003 HK\$'000 | 2002 HK\$'000 |
|--|------------------|------------------|
| Cost of inventories sold | 6,345 | 5,917 |
| Cost of services provided | 72,007 | 99,906 |
| Amortisation of film rights | 30,919 | 27,321 |
| Auditors' remuneration | 1,486 | 1,569 |
| Depreciation (note 12) | 18,293 | 18,454 |
| Loss on disposal of fixed assets | 108 | 544 |
| Operating lease rental payments in respect of land and buildings: | | |
| Minimum lease payments | 39,165 | 40,319 |
| Contingent rents | 1,811 | 2,824 |
| | 40,976 | 43,143 |
| Staff costs, excluding directors' remuneration (see note 29) | | |
| Wages and salaries* | 47,644 | 54,463 |
| Pension contributions | 1,632 | 2,068 |
| | 49,276 | 56,531 |
| Provisions for long service payments | 613 | 1,204 |
| Exchange gains arising from translation of advances to overseas associates in Asia and other monetary assets and liabilities denominated in foreign currencies as at the balance sheet date | (456) | (2,747) |
| Provision for/(write-back of) doubtful debts, net | 2,788 | (435) |
| Provision for deposits paid for equipment | 20,731 | - |
| Exchange gains, net | (93) | (687) |
| Rental income, net | (365) | (365) |
| Interest income on bank deposits | (263) | (969) |
| Interest income from related parties | (140) | - |

* Balance also included the amount of "Provision for long service payments" disclosed above.

7. LOSS FROM OPERATING ACTIVITIES *(continued)*

The cost of services provided includes approximately HK\$3,308,000 (2002: HK\$9,170,000) relating to staff costs which is also included in the amount disclosed above.

The amortisation of film rights for the year is included in "Cost of sales" on the face of the consolidated profit and loss account.

The provision for deposits paid for equipment for the year is included in "Other operating expenses" on the face of the consolidated profit and loss account.

8. FINANCE COSTS

| | 2003 HK\$'000 | 2002 HK\$'000 |
|------------------------------|------------------|------------------|
| Interest on accounts payable | 548 | 201 |
| Interest on finance leases | 80 | 41 |
| | 628 | 242 |

9. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 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.

| | 2003 HK\$'000 | 2002 HK\$'000 |
|---------------------------------|------------------|------------------|
| Group: | | |
| Hong Kong | 355 | 395 |
| Elsewhere | 189 | 498 |
| Under provision in prior years | – | 92 |
| Deferred (<i>note 23</i>) | (110) | – |
| | 434 | 985 |
| Associates: | | |
| Overprovision in the prior year | – | (120) |
| Deferred | 5,177 | 3,269 |
| | 5,177 | 3,149 |
| Tax charge for the year | 5,611 | 4,134 |

At the date of approval of the financial statements, a subsidiary of the Group has disputes with the Hong Kong Inland Revenue Department on the non-taxable claim of certain non-Hong Kong sourced income from the years of assessment 1995/1996 and 1996/1997. The subsidiary is pursuing objection against the disputes and the directors consider that sufficient tax provision has been made in this regard.

10. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders dealt with in the financial statements of the Company is HK\$80,194,000 (2002: HK\$107,989,000).

11. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the year of HK\$141,383,000 (2002: HK\$86,618,000 (restated)) and the weighted average of 800,887,500 shares (2002: 800,887,500 shares) in issue during the year.

No disclosure of diluted loss per share for both the current year and prior year is 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 both years and thus the share options had no diluting effect on the basic loss per share for these years.

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12. FIXED ASSETS

Group

| | Leasehold land and buildings HK\$'000 | Leasehold improve- ments HK\$'000 | Machinery and equipment HK\$'000 | Furniture and fixtures HK\$'000 | Motor vehicles HK\$'000 | Air- conditioning systems HK\$'000 | Total HK\$'000 |
|--------------------------------|--|--|---|--|-------------------------------|---|-------------------|
| Cost or valuation: | | | | | | | |
| At beginning of year | 9,300 | 68,615 | 28,961 | 21,263 | 2,954 | 588 | 131,681 |
| Additions | - | 590 | 932 | 292 | 1,452 | - | 3,266 |
| Disposals | - | - | (123) | (56) | (1,038) | - | (1,217) |
| Exchange adjustments | - | (2) | (12) | (9) | 5 | - | (18) |
| At 30 June 2003 | 9,300 | 69,203 | 29,758 | 21,490 | 3,373 | 588 | 133,712 |
| Accumulated depreciation: | | | | | | | |
| At beginning of year | 2,649 | 19,950 | 11,318 | 7,151 | 1,108 | 558 | 42,734 |
| Provided during the year | 358 | 10,279 | 4,123 | 2,892 | 630 | 11 | 18,293 |
| Disposals | - | - | (94) | (35) | (817) | - | (946) |
| Exchange adjustments | - | - | (3) | (2) | 4 | - | (1) |
| At 30 June 2003 | 3,007 | 30,229 | 15,344 | 10,006 | 925 | 569 | 60,080 |
| Net book value: | | | | | | | |
| At 30 June 2003 | 6,293 | 38,974 | 14,414 | 11,484 | 2,448 | 19 | 73,632 |
| At 30 June 2002 | 6,651 | 48,665 | 17,643 | 14,112 | 1,846 | 30 | 88,947 |
| Analysis of cost or valuation: | | | | | | | |
| At cost | - | 69,203 | 29,758 | 21,490 | 3,373 | 588 | 124,412 |
| At valuation | 9,300 | - | - | - | - | - | 9,300 |
| | 9,300 | 69,203 | 29,758 | 21,490 | 3,373 | 588 | 133,712 |

12. FIXED ASSETS *(continued)*

The leasehold land and buildings are situated in Hong Kong and are held under long term leases.

The net book value of the Group's fixed assets held under finance leases included in the total amount of machinery and equipment, and motor vehicles at 30 June 2003, amounted to HK\$70,000 (2002: HK\$93,000) and HK\$1,911,000 (2002: HK\$942,000), respectively.

The long term leasehold land and buildings were revalued on 30 September 1994 by an independent firm of professionally qualified valuers, C.Y. Leung & Company Limited, at HK\$9,300,000 at open market value assuming sale with vacant possession. The surplus arising from the revaluation was credited to the revaluation reserve account. The effect of this revaluation on the depreciation charge for the year was insignificant. The Group has adopted the transitional provision, as permitted under paragraph 80 of SSAP 17 issued in 1995, of not making further regular valuations on its revalued assets.

Had the Group's land and buildings been carried at cost less accumulated depreciation and any impairment losses, they would have been included in the financial statements at approximately HK\$707,000 (2002: HK\$789,000).

13. INTERESTS IN SUBSIDIARIES

| | Company | |
|--------------------------|-----------|-----------|
| | 2003 | 2002 |
| | HK\$'000 | HK\$'000 |
| Unlisted shares, at cost | 167,647 | 167,647 |
| Due from subsidiaries | 717,718 | 718,948 |
| | 885,365 | 886,595 |
| Provision for impairment | (577,386) | (496,720) |
| | 307,979 | 389,875 |

The balances with subsidiaries are unsecured, interest-free and are not repayable within the next twelve months.

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13. INTERESTS IN SUBSIDIARIES *(continued)*

Particulars of the principal subsidiaries are as follows:

| Name | Place of incorporation and principal operations | Nominal value of issued and fully paid share/registered capital | Percentage of equity attributable to the Group | Principal activities |
|--|---|---|--|---------------------------------|
| Cine Art Laboratory Limited | Hong Kong | Ordinary HK\$2,500 Deferred* HK\$997,500 | 100 | Film developing and printing |
| City Entertainment Corporation Limited | Hong Kong | Ordinary HK\$2 | 100 | Theatre operation |
| Conneway Films Company Limited | Hong Kong | Ordinary HK\$31,610,000 | 100 | Theatre operation |
| Gala Film Distribution Limited | Hong Kong | Ordinary HK\$10,000 Deferred* HK\$10,000 | 100 | Distribution of motion pictures |
| Golden Harvest Cinemas Holding Limited | British Virgin Islands | Ordinary US\$1 | 100 | Investment holding |
| Golden Harvest Entertainment Company Limited | Hong Kong | Ordinary HK\$100 Deferred* HK\$114,000,000 | 100 | Investment holding |

13. INTERESTS IN SUBSIDIARIES *(continued)*

| Name | Place of incorporation and principal operations | Nominal value of issued and fully paid share/registered capital | Percentage of equity attributable to the Group | Principal activities |
|--|---|---|--|---|
| Golden Harvest Entertainment International Limited | British Virgin Islands | Ordinary US\$1,000 | 100 | Investment holding |
| Golden Harvest Films Distribution Holding Limited | British Virgin Islands | Ordinary US\$1 | 100 | Investment holding |
| Golden Harvest Film Productions Limited | Hong Kong | Ordinary HK\$100,000 | 100 | Provision of production controller and film producer services |
| Golden Harvest (Marks) Limited | British Virgin Islands | Ordinary US\$1 | 100 | Holding of trademarks |
| Golden Harvest Multiplex (Pte.) Limited | Singapore | Ordinary S\$2 | 100 | Investment holding |
| Golden Movies International Limited | British Virgin Islands | Ordinary US\$1 | 100 | Sale of film rights and distribution of motion pictures |

13. INTERESTS IN SUBSIDIARIES *(continued)*

| Name | Place of incorporation and principal operations | Nominal value of issued and fully paid share/registered capital | Percentage of equity attributable to the Group | Principal activities |
|-----------------------------|---|---|--|---|
| Golden Screen Limited | Hong Kong | Ordinary HK\$8,750,000 | 100 | Investment holding |
| Golden Touch Licencing B.V. | Netherlands | Ordinary EUR18,151.21 | 100 | Distribution of motion pictures |
| Happy Way Limited | Hong Kong | Ordinary HK\$10,000 | 100 | Distribution of audio visual products related to films and programmes |
| Kotewall Limited | British Virgin Islands | Ordinary US\$1 | 100 | Sale of film rights and distribution of motion pictures |
| Panasia Films Limited | Hong Kong | Ordinary HK\$2,600,000 | 100 | Distribution of motion pictures and acting as an advertising agent |
| Real Merry Limited | Hong Kong | Ordinary HK\$16,831,002 | 100 | Theatre operation |

13. INTERESTS IN SUBSIDIARIES *(continued)*

| Name | Place of incorporation and principal operations | Nominal value of issued and fully paid share/registered capital | Percentage of equity attributable to the Group | Principal activities |
|--|---|---|--|---|
| Shanghai Golden Harvest Media Management Company Limited** | PRC | Ordinary US\$500,000 | 90 | Distribution of motion pictures |
| Shanghai Golden Harvest Multiplexes Company Limited** | PRC | Ordinary US\$1,000,000 | 90 | Theatre operation |
| Splendid Ventures Limited | Hong Kong | Ordinary HK\$2 | 100 | Theatre operation |
| SML (Hong Kong) Limited | Samoa | Ordinary US\$1 | 100 | Distribution of motion pictures |
| United Harvest Asia Limited | Hong Kong | Ordinary HK\$2 | 100 | Provision of finance to group companies |

Except for Golden Harvest Entertainment International Limited, all of the above subsidiaries are indirectly held by the Company.

13. INTERESTS IN SUBSIDIARIES (continued)

* For Golden Harvest Entertainment Company Limited, the deferred shares carry no rights to dividends and carry the right to receive one half of the surplus on a return of capital exceeding HK\$1,000,000,000,000. Apart from this, all other deferred shares carry rights to dividends for any given financial year of the respective companies when the net profit available for distribution exceeds HK\$1,000,000,000. They also carry rights to receive one half of the surplus on a return of capital of the respective companies exceeding HK\$500,000,000,000. None of the deferred shares carry any rights to vote at general meetings.

** Shanghai Golden Harvest Media Management Company Limited and Shanghai Golden Harvest Multiplexes Company Limited are Sino-foreign equity joint venture enterprises under the PRC Law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

14. INTERESTS IN ASSOCIATES

| | Group | |
|---|----------|----------|
| | 2003 | 2002 |
| | HK\$'000 | HK\$'000 |
| Share of net assets other than goodwill | 12,163 | 4,160 |
| Due from associates | 149,967 | 155,918 |
| | 162,130 | 160,078 |
| Provision for impairment | (2,000) | (569) |
| | 160,130 | 159,509 |

All balances with associates are unsecured, interest-free and not repayable within the next twelve months.

The Group's share of the post-acquisition accumulated reserves of associates as at 30 June 2003 amounted to accumulated losses of HK\$72,646,000 (2002: HK\$80,182,000).

14. INTERESTS IN ASSOCIATES *(continued)*

Particulars of the principal associates are as follows:

| Name | Business structure | Place of incorporation and principal operations | Class of shares held | Percentage of issued shares/paid-up registered capital held by the Group | Principal activities |
|---|--------------------|---|----------------------|--|---|
| Dartina Development Limited | Corporate | Hong Kong | Ordinary | 50 | Investment holding |
| Global Entertainment and Management Systems Sdn. Bhd. | Corporate | Malaysia | Ordinary | 33.33 | Investment holding |
| Golden Access Pte. Limited (Formerly known as Golden Abacus Pte. Limited) | Corporate | Singapore | Ordinary | 50 | Computer programming |
| Golden Screen Cinemas Sdn. Bhd. | Corporate | Malaysia | Ordinary | 40.22 | Distribution of motion pictures and theatre operation |
| Golden UIP Film Distributors Limited | Corporate | Hong Kong | Ordinary | 50 | Distribution of motion pictures |
| Golden Village Entertainment (Singapore) Pte. Limited | Corporate | Singapore | Ordinary | 50 | Investment holding |

14. INTERESTS IN ASSOCIATES *(continued)*

| Name | Business structure | Place of incorporation and principal operations | Class of shares held | Percentage of issued shares/paid-up registered capital held by the Group | Principal activities |
|---------------------------------------|--------------------|---|----------------------|--|---------------------------------|
| Golden Village Pictures Pte. Limited | Corporate | Singapore | Ordinary | 50 | Distribution of motion pictures |
| Golden Village Holdings Pte. Limited | Corporate | Singapore | Ordinary | 50 | Investment holding |
| Golden Village Multiplex Pte. Limited | Corporate | Singapore | Ordinary | 50 | Theatre operation |
| Keen Fortune Production Limited* | Corporate | British Virgin Islands | Ordinary | 50 | Distribution of motion pictures |
| Rich Will Limited | Corporate | Hong Kong | Ordinary | 50 | Theatre operation |
| Shanghai Golden Entertainment Limited | Corporate | PRC | Registered capital | 27 | Theatre operation |
| Tanjong Golden Village Sdn. Bhd. | Corporate | Malaysia | Ordinary | 33.34 | Theatre operation |

* Incorporated during the year

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

15. LONG TERM INVESTMENT

The long term investment represented a 16% shareholding in an unlisted equity investment and is stated at cost, representing its fair value on acquisition, less any impairment losses.

| | Group | |
|---|------------------|------------------|
| | 2003 HK\$'000 | 2002 HK\$'000 |
| Unlisted equity investment, at fair value | 16,302 | 16,302 |
| Less: Provision for impairment | (16,302) | (14,005) |
| | – | 2,297 |

16. TRADEMARKS

The trademarks represent the perpetual licence for the use of the brandname "Golden Harvest" which takes the form of sign, symbol, name, logo, design or any combination thereof.

The trademarks are stated at cost less any impairment losses and are not amortised. The additions during the year represent design fees and professional fees and registration fees incurred on the registration of the trademarks overseas.

In accordance with the requirements of SSAP 29, the cost of the Group's trademarks should be amortised over the best estimate of their useful lives. SSAP 29 also states that there is a rebuttable presumption that the useful life of an intangible asset will not exceed 20 years from the date when the asset is available for use. In the opinion of the directors, to follow the requirements of SSAP 29 would give a misleading view of the results of the Group and its loss per share for the following reasons:

- (i) The trademarks, which were acquired by the Group in 2000, have been in use for a long time and will continue to be used for the long term. The valuation of the Group's trademarks performed by Adonis Appraisal Limited, an independent professional appraiser, has confirmed that the market value of the trademarks exceeded the carrying value as at 30 June 2003. In the opinion of the directors, there has been no material change in the valuation since 30 June 2003; and

16. TRADEMARKS *(continued)*

- (ii) The Group has incurred and intends to continue to incur significant advertising and promotion expenses, which are charged to profit and loss account when incurred, to maintain and increase the market value of its trademarks.

As a result, the Group has decided not to follow the requirements of SSAP 29 and to continue to adopt the accounting policy to state trademarks at cost less any impairment losses. The Group intends to confirm the value of its trademarks by independent professional valuation periodically.

17. INVENTORIES

| | Group | |
|-----------------|------------|------------|
| | 2003 | 2002 |
| | HK\$'000 | HK\$'000 |
| Raw materials | 266 | 191 |
| Chemicals | 38 | 36 |
| Machinery parts | 113 | 91 |
| | <u>417</u> | <u>318</u> |

18. FILM RIGHTS AND FILMS IN PROGRESS

As at 30 June 2003, the balance of film rights and films in progress included an impairment loss of HK\$11,215,000 (2002: HK\$15,536,000), which was charged to the profit and loss account for the year. The impairment loss was determined by management with reference to the net realisable values of film rights and films in progress as at the balance sheet date in accordance with the Group's accounting policy.

19. ACCOUNTS RECEIVABLE

The Group usually grants credit periods ranging from one to three months. The age analysis of the accounts receivable, net of provision, at 30 June is as follows:

| | Group | |
|---------------------|------------------|------------------|
| | 2003 HK\$'000 | 2002 HK\$'000 |
| Current to 3 months | 14,345 | 28,035 |
| 4 to 6 months | 656 | 451 |
| 7 to 12 months | 2,873 | 10 |
| Over 1 year | 2,163 | 599 |
| | <u>20,037</u> | <u>29,095</u> |

The accounts receivable of the Group at 30 June 2003 included trading balances due from Golden Harvest Private Group companies totalling HK\$123,000 (2002: HK\$11,000). All of the balances with the Golden Harvest Private Group companies are unsecured, interest-free and repayable in accordance with normal trading terms.

The Golden Harvest Private Group represents the private companies in the Golden Harvest Group, a group of companies controlled by Chow Ting Hsing, Raymond, a director of the Company, which were not included in the Group pursuant to the Group reorganisation in November 1994.

The accounts receivable of the Group at 30 June 2003 also included amounts due from certain related companies, namely GH Pictures (China) Limited, GH Media Management Pte. Limited, Best Creation International Limited and Wigston Company Limited, of approximately HK\$56,000 (2002: HK\$53,000), HK\$198,000 (2002: HK\$50,000), HK\$299,000 (2002: HK\$599,000) and HK\$8,000 (2002: Nil), respectively. These balances are unsecured, interest-free and have no fixed repayment terms. Chow Ting Hsing, Raymond, Phoon Chiong Kit, Chu Siu Tsun, Stephen and Chan Sik Hong, David, who were directors of the Company, are also directors and/or beneficial shareholders of these related companies.

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20. ACCOUNTS PAYABLE

The age analysis of trade creditors included in accounts payable at 30 June is as follows:

| | Group | |
|---------------------|------------------|------------------|
| | 2003 HK\$'000 | 2002 HK\$'000 |
| Current to 3 months | 24,663 | 48,023 |
| 4 to 6 months | 4,517 | 718 |
| 7 to 12 months | 9,154 | 1,970 |
| Over 1 year | 31,750 | 5,032 |
| | <u>70,084</u> | <u>55,743</u> |

The accounts payable of the Group at 30 June 2003 included trading balances due to Golden Harvest Private Group companies totalling HK\$11,000 (2002: HK\$52,000). The amounts are unsecured, interest-free and repayable in accordance with normal trading terms.

The accounts payable of the Group at 30 June 2003 also included amounts due to GH Pictures (China) Limited and Harvest Crown Limited of HK\$39,464,000 (2002: HK\$30,237,000) and HK\$284,000 (2002: HK\$107,000), respectively. The amounts are unsecured, interest-free except for an amount of HK\$38,930,000 due to GH Pictures (China) Limited which bears interest at the Hong Kong dollar short term time deposit rate plus 1% per annum, and have no fixed repayment terms. Chow Ting Hsing, Raymond, Phoon Chiong Kit and Chu Siu Tsun, Stephen, three directors of the Company, are also directors and/or beneficial shareholders of these related companies.

21. FINANCE LEASE PAYABLES

At 30 June 2003, the total future minimum lease payments under finance leases and their present values, were as follows:

Group

| | Minimum lease payments | | Present value of minimum lease payments | |
|---|------------------------|------------------|---|------------------|
| | 2003 HK\$'000 | 2002 HK\$'000 | 2003 HK\$'000 | 2002 HK\$'000 |
| Amounts payable: | | | | |
| Within one year | 544 | 210 | 445 | 178 |
| In the second year | 544 | 210 | 467 | 180 |
| In the third to fifth years, inclusive | 761 | 331 | 707 | 293 |
| Total minimum finance lease payments | 1,849 | 751 | 1,619 | 651 |
| Future finance charges | (230) | (100) | | |
| Total net finance lease payables | 1,619 | 651 | | |
| Portion classified as current liabilities | (445) | (178) | | |
| Non-current portion | 1,174 | 473 | | |

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22. PROVISIONS

Group

| | Long service payments HK\$'000 | Other employee benefits HK\$'000 | Total HK\$'000 |
|---|---|---|-------------------|
| At beginning of year | 2,478 | 2,200 | 4,678 |
| Additional provision | 613 | – | 613 |
| Reversal of unutilised amounts | – | (585) | (585) |
| At 30 June 2003 | 3,091 | 1,615 | 4,706 |
| Portion classified as current liabilities | – | (1,615) | (1,615) |
| Non-current portion | 3,091 | – | 3,091 |

Under the relevant labour laws and regulations governing retirement payments, the Company's directors have estimated and provided for the amount of provisions for long service payments. The estimation basis is reviewed on an ongoing basis and is revised where appropriate.

The Group provides for the unused holiday leave carried forward by the Group's employees. The provision is based on the best estimate of the probable future costs of such paid leave earned during the year by the employees and carried forward at the balance sheet date.

23. DEFERRED TAX

Deferred tax has been provided for, under the liability method, at the rate of 17.5% (2002: 16%) on the significant timing differences between the taxable profits and the profits reported in the financial statements.

The movement in the deferred tax liabilities for the year is set out below:

| | Group | |
|---------------------------------------|------------------|------------------|
| | 2003 HK\$'000 | 2002 HK\$'000 |
| Balance at beginning of year | 110 | 110 |
| Credit for the year (<i>note 9</i>) | (110) | – |
| At 30 June | – | 110 |

The revaluation of the Group's fixed assets does not constitute a timing difference and, consequently, the amount of potential deferred tax thereon is not taken into consideration.

The principal components of the Group's deferred tax assets not recognised at the balance sheet date calculated at the rate of 17.5% (2002: 16%) are as follows:

| | 2003 HK\$'000 | 2002 HK\$'000 |
|--------------------------------|------------------|------------------|
| Accelerated capital allowances | (1,956) | (4,108) |
| Tax losses | 56,108 | 37,943 |
| Others | – | 121 |
| | 54,152 | 33,956 |

There were no other significant potential deferred tax liabilities of the Company and of the Group for which provision has not been made.

24. SHARE CAPITAL**Shares**

| | Company | |
|--|----------|----------|
| | 2003 | 2002 |
| | HK\$'000 | HK\$'000 |
| Authorised: | | |
| 1,300,000,000 ordinary shares of HK\$0.10 each | 130,000 | 130,000 |
| Issued and fully paid: | | |
| 800,887,500 ordinary shares of HK\$0.10 each | 80,089 | 80,089 |

Subsequent to the balance sheet date, on 11 July 2003, the Company entered into a placing agreement (the "Placing Agreement") with FB Gemini Capital Limited ("FB Gemini"), an independent placing agent. Pursuant to the Placing Agreement, FB Gemini agreed to procure third party individuals and institutional investors to subscribe for 83,400,000 new shares of the Company at a price of HK\$0.28 per share. 83,400,000 new shares were issued on 1 August 2003 and the net proceeds of approximately HK\$23.4 million were used to provide additional working capital of the Group.

Share options

Details of the Company's share option scheme are included in note 25 to the financial statements.

25. SHARE OPTION SCHEME

SSAP 34 was adopted during the year, as explained in note 2 and under the heading "Employee benefits" in note 3 to the financial statements. As a result, the following detailed disclosures relating to the Company's share option scheme are now included in the notes to the financial statements. In the prior year, these disclosures were included in the Report of the Directors, as their disclosure is also a requirement of the Listing Rules.

The Company operates a share option scheme (the "Scheme") for the purpose for providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, and other employees of the Group, suppliers of goods or services to the Group and customers of the Group. The Scheme became effective on 31 October 2001 and, unless otherwise cancelled or amended, will remain in force for a period of 10 years from that date.

25. SHARE OPTION SCHEME *(continued)*

The maximum number of shares of the Company issuable upon exercise of all share options granted and to be granted under the Scheme and any other share option schemes of the Company (if any) is a number equivalent to 10% of the shares of the Company in issue as at 28 November 2001. This limit can be refreshed by the shareholders of the Company in a general meeting in accordance with the provisions of the Listing Rules. As at 30 June 2003, the aggregate number of shares of the Company issuable under share options granted under the Scheme and the previous share option scheme of the Company (which was terminated on 28 November 2001) was 29,100,000, of which 24,500,000 shares of the Company remain issuable under options granted under the Scheme (which represented approximately 3.1% of the Company's shares in issue as at 30 June 2003), and 4,600,000 shares of the Company remain issuable under options granted on 25 July 2000 under the terminated share option scheme of the Company (which represented approximately 0.6% of the Company's shares in issue as at 30 June 2003). The maximum number of shares issuable under share options granted to each eligible participant under the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options to an eligible participant in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by independent non-executive directors. In addition, any share options granted within any 12-month period to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options must be accepted within 30 days inclusive of, and from the day of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period of the share options granted is determinable by the directors, which may not exceed 10 years commencing on such date on or after the date of grant as the directors of the Company may determine in granting the share options (which in any event must be prior to the close of business on 30 October 2011) and ending on such date as the directors of the Company may determine in granting the share options. Save as determined by the directors of the Company and provided in the offer of the grant of the relevant share option, there is no general requirement that a share option must be held for any minimum period before it can be exercised.

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25. SHARE OPTION SCHEME *(continued)*

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer of the share options; and (ii) the average Stock Exchange's closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

As at 30 June 2003, the Company had the following outstanding share options granted to directors and employees of the Company:

| Name or category of participant | Date of grant | Exercise price HK\$ | Exercisable period | Notes | Number of share options | | | At 30 June 2003 |
|------------------------------------|---------------|---------------------------|-----------------------------|-------|-------------------------|-------------------------------|--|-----------------------|
| | | | | | At 1 July 2002 | Granted during the year | Cancelled/ lapsed during the year | |
| <i>Directors</i> | | | | | | | | |
| Phoon Chiong Kit | 25/7/2000 | 0.78 | 25/7/2000 to 24/7/2010 | 1 | 4,600,000 | - | - | 4,600,000 |
| | 31/10/2001 | 0.62 | 31/10/2001 to 30/10/2011 | 2 | 10,000,000 | - | - | 10,000,000 |
| Chu Siu Tsun, Stephen | 31/10/2001 | 0.62 | 31/10/2001 to 30/10/2011 | 2 | 8,000,000 | - | - | 8,000,000 |
| Chan Sik Hong, David | 31/10/2001 | 0.62 | 31/10/2001 to 30/10/2011 | 2 | 5,000,000 | - | - | 5,000,000 |
| <i>Other employees</i> | | | | | | | | |
| In aggregate | 31/10/2001 | 0.62 | 31/10/2001 to 30/10/2011 | 2 | 2,500,000 | - | (1,000,000) | 1,500,000 |
| | | | | | 30,100,000 | - | (1,000,000) | 29,100,000 |

25. SHARE OPTION SCHEME (continued)

Notes:

1. 50%, 25% and 25% of the share options granted are exercisable during the periods from 25 July 2000 to 24 July 2010, 25 July 2001 to 24 July 2010 and 25 July 2002 to 24 July 2010, respectively.
2. 30%, 30% and 40% of the share options granted are exercisable during the periods from 31 October 2001 to 30 October 2011, 1 August 2002 to 30 October 2011 and 1 August 2003 to 30 October 2011, respectively.

No share options were granted or exercised during the year.

26. RESERVES

(a) Group

The surplus reserve represents an amount transferred from retained profits in accordance with statutory requirements and the articles of association of an associate in Taiwan. The surplus reserve may only be applied to make up any losses and for the capitalisation by way of fully paid bonus issues of the shares of the associate in Taiwan.

During the year, the management determined the estimated fair value of the goodwill arising from the acquisition of a subsidiary which was engaged in film production business in June 2000 with reference to the recent film production market environment. In light of such review, the corresponding goodwill was adjusted downwards by approximately HK\$37,606,000 which was removed from the reserves and charged to profit and loss account for the year in accordance with the Group's accounting policy.

The amount of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

26. RESERVES (continued)**(a) Group (continued)**

The amounts of goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries and associates prior to 1 July 2001, is as follows:

| | Goodwill eliminated against capital reserve HK\$'000 |
|--|---|
| Cost: | |
| At beginning of year and at 30 June 2003 | 154,313 |
| Accumulated impairment: | |
| At beginning of year | 104,224 |
| Impairment provided during the year | 37,606 |
| At 30 June 2003 | 141,830 |
| Net amount: | |
| At 30 June 2003 | 12,483 |
| At 30 June 2002 | 50,089 |

(b) Company

| | Share premium account HK\$'000 | Capital redemption reserve HK\$'000 | Contributed surplus HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 |
|------------------------------------|---|--|------------------------------------|-----------------------------------|-------------------|
| At 1 July 2001 | 565,577 | 145 | 191,644 | (340,394) | 416,972 |
| Net loss for the year | - | - | - | (107,989) | (107,989) |
| At 30 June 2002 and 1 July 2002 | 565,577 | 145 | 191,644 | (448,383) | 308,983 |
| Net loss for the year | - | - | - | (80,194) | (80,194) |
| At 30 June 2003 | 565,577 | 145 | 191,644 | (528,577) | 228,789 |

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchanged for the issued share capital of the subsidiaries and the aggregate net asset value of the subsidiaries acquired at the date of acquisition. Under the companies Act of Bermuda 1981 (as amended), the contributed surplus of the Company is distributable to shareholders under certain conditions.

27. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

Major non-cash transaction

During the year, the Group entered into finance lease arrangements in respect of fixed assets acquired at a total consideration of HK\$1,452,000 (2002: HK\$1,458,000).

28. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the financial statements, the Group also had the following transactions with related parties. The directors confirm that all of these transactions were carried out in the ordinary and usual course of business of the Group.

(a) Transactions with the Golden Harvest Private Group

During the year, the Group had transactions to which members of the Golden Harvest Private Group were parties. The significant transactions are summarised below:

| | Group | |
|-------------------------------------|----------|----------|
| | 2003 | 2002 |
| | HK\$'000 | HK\$'000 |
| Film distribution commission income | 29 | 139 |

The Group acted as the distributor of the films produced by companies within the Golden Harvest Private Group and commission income was charged according to prices and conditions similar to those offered to other customers of the Group.

Chow Ting Hsing, Raymond ("Mr. Chow"), Phoon Chiong Kit ("Mr. Phoon"), Chu Siu Tsun, Stephen ("Mr. Chu") and Chan Sik Hong, David ("Mr. Chan"), who were directors of the Company during the year, were interested, directly or indirectly, in certain of the above transactions as directors and/or beneficial shareholders of the members of the Golden Harvest Private Group.

The above related party transactions with the members of the Golden Harvest Private Group also constituted connected transactions, as defined in the Listing Rules.

In respect of the transactions set out above, a conditional waiver from strict compliance with the connected transaction requirements as set out in Chapter 14 of the Listing Rules has been obtained. The directors have reviewed and confirmed that these connected transactions were conducted in the ordinary course of the business of the Group and on terms no less favourable than those offered by unrelated third parties.

28. RELATED PARTY TRANSACTIONS *(continued)***(b) Transactions with other related parties**

Apart from the above, during the year, the Group also had the following material transactions with other related parties:

| | Notes | Group | |
|--|--------------|------------------|------------------|
| | | 2003 HK\$'000 | 2002 HK\$'000 |
| Film developing and printing services income from related companies | (i), (ii) | 223 | 2,610 |
| Film distribution commission income from related companies | (i), (iii) | 2,185 | 11,329 |
| Consultancy fee income from related companies | (i), (iv) | 600 | 600 |
| Interest income from a minority shareholder of a subsidiary | (i), (v) | 140 | – |
| Artist service fees paid to a related company | (i), (vi) | 845 | – |
| Producer fees paid to related companies | (i), (vii) | 1,386 | – |
| Rental income from a related company | (i), (viii) | 365 | 365 |
| Interest expense to a related company | (i), (ix) | 548 | 201 |
| Consultancy fee paid to a related company | (i), (x) | 749 | 796 |
| Film royalty income from associates | (i), (xi) | 1,769 | 3,452 |
| Management fee income from associates | (i), (xii) | 2,309 | 2,549 |
| Film distribution commission income from an associate | (i), (xiii) | 2,171 | – |
| Film developing and printing services income from an associate | (i), (xiv) | 1,105 | – |
| Advertising agency fee income from an associate | (i), (xv) | 779 | – |
| Film production control fee income from an associate | (i), (xvi) | 710 | – |
| Film sourcing service fee paid to an associate | (i), (xvii) | 132 | 126 |
| Accounting service fee paid to an associate | (i), (xviii) | 82 | 81 |
| Film royalty paid to an associate | (i), (xix) | 6,068 | – |
| Film rental paid to an associate | (i), (xix) | 1,633 | – |
| Screen rental paid to an associate | (i), (xx) | 20 | – |
| Ticketing system development costs paid to an associate | (i), (xxi) | 519 | – |
| Corporate guarantees given in respect of banking facilities granted to associates | (i), (xxii) | 48,207 | 48,493 |

28. RELATED PARTY TRANSACTIONS *(continued)*

(b) Transactions with other related parties *(continued)*

Notes:

- (i) Mr. Chow, Mr. Phoon, Mr. Chu and Mr. Chan, who were directors of the Company during the year, were interested, directly or indirectly, in the above transactions as directors and/or beneficial shareholders of certain of these companies.
- (ii) The income related to the provision of film developing and printing services which was charged according to prices and conditions similar to those offered to other customers of the Group.
- (iii) The Group acted as the distributor of the films produced by the related companies and the film distribution commission income was charged according to the terms of the distribution agreement dated 21 April 1997 and 2 August 1999 or charged according to prices and conditions similar to those offered to other customers of the Group.
- (iv) The consultancy fee income related to the promotional and advertising services rendered to an associate of the Golden Harvest Private Group and was charged at a rate of HK\$50,000 (2002: HK\$50,000) per month.
- (v) The interest income was charged on a loan to a minority shareholder of a subsidiary at a rate of 6% per annum on the outstanding balance.
- (vi) The Group paid artist service fees to a related company for the services of two artists in respect of a film co-owned by the Group and other independent parties. The fees were charged according to the terms of the respective artist service agreements.
- (vii) The producer fees were charged by related companies according to the terms under the respective service contracts.
- (viii) The rental income was charged at a rate of approximately HK\$30,000 (2002: HK\$30,000) per month for sub-letting the office to an associate of the Golden Harvest Private Group.
- (ix) The interest expense to an associate of the Golden Harvest Private Group was charged at the Hong Kong dollar short-term time deposit rate plus 1% per annum.
- (x) The consultancy fee paid represented the film production and distribution consulting services provided by a related company to the Group and was charged according to the terms of the agreement dated 1 October 2001.

28. RELATED PARTY TRANSACTIONS *(continued)***(b) Transactions with other related parties** *(continued)*

Notes: *(Continued)*

- (xi) The royalty income was charged according to the terms of the respective distribution agreements.
- (xii) The management fee income representing the following:
 - an amount of HK\$312,000 related to accounting services provided to three associates of the Group and was charged at rates of HK\$10,000 per month (2002: HK\$10,000 per month), HK\$14,000 per month (2002: HK\$14,000 per month), and HK\$24,000 per annum (2002: HK\$24,000 per annum), respectively; and
 - an amount of approximately HK\$1,997,000 related to consultancy services provided to three associates of the Group and was charged at rates of HK\$120,000 per month (2002: HK\$120,000 per month) and RMB5,000 per month (2002: RMB5,000 per month), and HK\$500,000 per annum (2002: HK\$500,000 per annum), respectively.
- (xiii) The Group acted as the distributor of a film produced by an associate and the film distribution commission income was charged according to the terms of the distribution agreement dated 6 January 2003.
- (xiv) The income related to the provision of film developing and printing services which was charged according to prices and conditions similar to those offered to other customers of the Group.
- (xv) The agency fee income related to the provision of advertising services which was charged according to prices and conditions similar to those offered to other customers of the Group.
- (xvi) The film production fee income was charged according to the terms of the production agreement dated 18 October 2002.
- (xvii) The film sourcing service fee was charged at a rate of HK\$11,000 per month from 1 January 2002 onward (2002: HK\$10,000 per month from July to December 2001).
- (xviii) The accounting service fee was charged at a rate of S\$1,500 (2002: S\$1,500) per month.
- (xix) The film royalty and rental paid were charged according to prices and conditions similar to those offered to other customers of the associate.

28. RELATED PARTY TRANSACTIONS *(continued)*

(b) Transactions with other related parties *(continued)*

Notes: (Continued)

- (xx) The screen rental paid was charged according to prices and conditions similar to those offered to other customers of the associate.
- (xxi) The ticketing system development cost paid was charged according to prices and conditions which were determined between the Group and that associate.
- (xxii) The corporate guarantees were given by the Group in respect of banking facilities granted to certain associates at nil consideration.

Certain transactions amounted to HK\$1,447,000 (2002: HK\$889,000) included in notes (iii), (vii) and (x) above with four related companies (2002: two related company) constituted connected transactions as defined in the Listing Rules.

None of the other related party transactions set out above constituted connected transactions as defined in the Listing Rules.

29. REMUNERATION OF DIRECTORS AND OF FIVE HIGHEST PAID INDIVIDUALS**Directors' remuneration**

The remuneration of the directors of the Company disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is analysed as follows:

| | 2003 HK\$'000 | 2002 HK\$'000 |
|---|------------------|------------------|
| Fees: | | |
| Executive directors | – | – |
| Non-executive directors | – | – |
| Independent non-executive directors | 120 | – |
| | 120 | – |
| Basic salaries, allowances and benefits in kind: | | |
| Executive directors | 11,352 | 11,752 |
| Non-executive directors | – | – |
| Independent non-executive directors | – | – |
| | 11,352 | 11,752 |
| Pension contributions: | | |
| Executive directors | 97 | 36 |
| Non-executive directors | – | – |
| Independent non-executive directors | – | – |
| | 97 | 36 |
| | 11,569 | 11,788 |

29. REMUNERATION OF DIRECTORS AND OF FIVE HIGHEST PAID INDIVIDUALS

(continued)

Directors' remuneration *(continued)*

The above remuneration of directors fell within the following bands:

| | 2003 Number | 2002 Number |
|-------------------------------|----------------|----------------|
| Nil – HK\$1,000,000 | 7 | 7 |
| HK\$1,500,001 – HK\$2,000,000 | 1 | 1 |
| HK\$2,000,001 – HK\$2,500,000 | – | 1 |
| HK\$2,500,001 – HK\$3,000,000 | 1 | – |
| HK\$3,000,001 – HK\$3,500,000 | 1 | 1 |
| HK\$3,500,001 – HK\$4,000,000 | 1 | – |
| HK\$4,500,001 – HK\$5,000,000 | – | 1 |
| | 11 | 11 |

There was no other arrangement under which a director waived or agreed to waive any remuneration during the year.

Five highest paid individuals

Of the five highest paid individuals in the Group, four (2002: four) were directors of the Company and their remuneration has been included in the directors' remuneration disclosures above. The remuneration of the remaining one (2002: one) non-director, highest paid individual for the year is as follows:

| | 2003 HK\$'000 | 2002 HK\$'000 |
|---|------------------|------------------|
| Basic salary, allowances and benefits in kind | 1,228 | 1,279 |
| Pension contributions | 12 | 11 |
| | 1,240 | 1,290 |

The above remuneration of the non-director, highest paid individual employee fell within the bands of HK\$1,000,001 – HK\$1,500,000.

30 June 2003

30. CONTINGENT LIABILITIES

Contingent liabilities at the balance sheet date were as follows:

| | Group | | Company | |
|--|----------|----------|----------|----------|
| | 2003 | 2002 | 2003 | 2002 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Guarantee of banking facilities granted to subsidiaries | - | - | - | 5,000 |
| Guarantee of banking facilities granted to associates | 48,207 | 48,493 | 47,034 | 47,320 |

In addition to above, certain associates of the Group had executed guarantees to certain bankers in favour of certain third parties of approximately HK\$16,521,000 (2002: Nil) and given letter of credit in favour of related companies as security for the leasing of certain fixed assets of approximately HK\$2,144,000 (2002: Nil) as at the balance sheet date.

31. COMMITMENTS

(a) Capital commitments

| | Group | |
|------------------------------------|----------|----------|
| | 2003 | 2002 |
| | HK\$'000 | HK\$'000 |
| Contracted for | 2,854 | 4,623 |
| Authorised, but not contracted for | - | 562 |
| | 2,854 | 5,185 |

31. COMMITMENTS *(continued)*

(b) Operating lease commitments

The Group leases certain of its office premises and cinemas under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 to 10 years.

| | Group | |
|--|----------|----------|
| | 2003 | 2002 |
| | HK\$'000 | HK\$'000 |
| Total future minimum lease payments under non-cancellable operating leases for land and buildings: | | |
| Within one year | 49,073 | 39,618 |
| In the second to fifth years, inclusive | 128,227 | 161,920 |
| After five years | 3,790 | 13,696 |
| | 181,090 | 215,234 |

Certain non-cancellable operating leases included in the above were subject to contingent rent payments, which were charged at rates ranging from 17% to 29% (2002: 17% to 29%) of their monthly or annual gross box office takings in excess of the base rents as determined in the respective lease agreements. In addition, 10% of theatre confectionery sales and advertising income are also charged under certain leases.

The Company had no significant commitments at the balance sheet date (2002: Nil).

32. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, on 11 July 2003, the Company entered into the Placing Agreement with FB Gemini. Pursuant to the Placing Agreement, 83,400,000 new shares were issued on 1 August 2003 at HK\$0.28 per share and the net proceeds of approximately HK\$23.4 million were used to provide additional working capital for the Group. Further details of the Placement are set out in note 24 to the financial statements.

33. COMPARATIVE AMOUNTS

As further explained in notes 2 and 4 to the financial statements, due to the adoption of certain new and revised SSAPs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made and certain comparative amounts have been reclassified to conform with the current year's presentation.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 17 October 2003.

截至二零零三年六月三十日止年度

| | 附註 | 二零零三年 千港元 | 二零零二年 千港元 (重列) |
|--------------|------|--------------|----------------------|
| 營業額 | 5, 6 | 210,270 | 264,030 |
| 銷售成本 | | (109,271) | (133,144) |
| 毛利 | | 100,999 | 130,886 |
| 利息收入 | | 403 | 969 |
| 其他收入 | | 7,102 | 15,435 |
| 銷售及發行費用 | | (112,685) | (119,434) |
| 一般及行政費用 | | (54,262) | (58,412) |
| 其他營運費用 | | (36,227) | (6,279) |
| 電影版權減值 | | (11,215) | (15,536) |
| 經營虧損 | 7 | (105,885) | (52,371) |
| 註銷於聯營公司之權益 | | (75) | (15,157) |
| 長期投資減值 | | (2,297) | (5,800) |
| 於聯營公司之權益減值 | | (2,000) | — |
| 商譽減值 | | (37,606) | — |
| 利息支出 | 8 | (628) | (242) |
| 所佔聯營公司損益 | | 12,713 | (8,919) |
| 除稅前虧損 | | (135,778) | (82,489) |
| 稅項 | 9 | (5,611) | (4,134) |
| 未計少數股東權益前虧損 | | (141,389) | (86,623) |
| 少數股東權益 | | 6 | 5 |
| 股東應佔日常業務虧損淨額 | 10 | (141,383) | (86,618) |
| 每股虧損 | 11 | | |
| 基本 | | 港元(17.7仙) | 港元(10.8仙) |
| 攤薄 | | 不適用 | 不適用 |

綜合 資產負債表

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二零零三年六月三十日

| | 附註 | 二零零三年 千港元 | 二零零二年 千港元 (重列) |
|--------------------|-------|-----------------|----------------------|
| 非流動資產 | | | |
| 固定資產 | 12 | 73,632 | 88,947 |
| 於聯營公司之權益 | 14 | 160,130 | 159,509 |
| 會籍投資 | | 4,380 | 4,380 |
| 租務按金 | | 13,134 | 13,179 |
| 長期投資 | 15 | — | 2,297 |
| 商標 | 16 | 79,203 | 79,073 |
| | | 330,479 | 347,385 |
| 流動資產 | | | |
| 預付款項、按金及其他應收款項 | | 30,690 | 55,422 |
| 存貨 | 17 | 417 | 318 |
| 電影版權及電影在製品 | 18 | 27,698 | 53,306 |
| 應收賬款 | 19 | 20,037 | 29,095 |
| 定期存款 | | — | 17,130 |
| 現金及銀行結存 | | 28,357 | 21,744 |
| | | 107,199 | 177,015 |
| 流動負債 | | | |
| 應付賬款 | 20 | 70,084 | 55,743 |
| 應計負債及其他應付賬款 | | 37,359 | 33,806 |
| 客戶按金 | | 4,437 | 7,133 |
| 本期融資租賃應付款 | 21 | 445 | 178 |
| 僱員福利撥備 | 22 | 1,615 | 2,200 |
| 稅項 | | 10,573 | 9,993 |
| | | 124,513 | 109,053 |
| 流動資產／(負債)淨值 | | (17,314) | 67,962 |
| 總資產減流動負債 | | 313,165 | 415,347 |
| 非流動負債 | | | |
| 非本期融資租賃應付款 | 21 | 1,174 | 473 |
| 長期服務金撥備 | 22 | 3,091 | 2,478 |
| 遞延稅項 | 23 | — | 110 |
| | | 4,265 | 3,061 |
| 少數股東權益 | | 22 | 28 |
| | | 308,878 | 412,258 |
| 股本及儲備 | | | |
| 已發行股本 | 24 | 80,089 | 80,089 |
| 儲備 | 26(a) | 228,789 | 332,169 |
| | | 308,878 | 412,258 |

董事
鄒文懷

董事
潘從傑

III 綜合 權益變動報表

截至二零零三年六月三十日止年度

| | 儲備 | | | | | | | | | |
|---------------|--------|---------|------|----------|-----------|------|-------|----------|-----------|-----------|
| | 已發行 | 股本 | 股本贖回 | 儲備 | | | | 外匯變動 | 儲備 | 總額 |
| | 股本 | 溢價賬 | 儲備 | 資本儲備 | 累積虧損 | 盈餘儲備 | 重估儲備 | 儲備 | 總額 | |
| 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | | |
| 於二零零一年七月一日 | | | | | | | | | | |
| 如前申報 | 80,089 | 565,577 | 145 | (50,089) | (69,084) | 480 | 7,864 | (37,921) | 416,972 | 497,061 |
| 前期調整 - 附註4 | - | - | - | - | (1,980) | - | - | - | (1,980) | (1,980) |
| 重列 | 80,089 | 565,577 | 145 | (50,089) | (71,064) | 480 | 7,864 | (37,921) | 414,992 | 495,081 |
| 匯兌調整 | | | | | | | | | | |
| - 海外附屬公司 | - | - | - | - | - | - | - | (487) | (487) | (487) |
| - 海外聯營公司 | - | - | - | - | - | - | - | 1,432 | 1,432 | 1,432 |
| 於損益表未確認之淨盈虧 | - | - | - | - | - | - | - | 945 | 945 | 945 |
| 註銷於聯營公司之權益 | - | - | - | - | - | - | - | 2,850 | 2,850 | 2,850 |
| 是年度虧損(重列) | - | - | - | - | (86,618) | - | - | - | (86,618) | (86,618) |
| 於二零零二年六月三十日 | 80,089 | 565,577 | 145 | (50,089) | (157,682) | 480 | 7,864 | (34,126) | 332,169 | 412,258 |
| 於二零零二年七月一日 | | | | | | | | | | |
| 如前申報 | 80,089 | 565,577 | 145 | (50,089) | (155,482) | 480 | 7,864 | (34,126) | 334,369 | 414,458 |
| 前期調整 - 附註4 | - | - | - | - | (2,200) | - | - | - | (2,200) | (2,200) |
| 重列 | 80,089 | 565,577 | 145 | (50,089) | (157,682) | 480 | 7,864 | (34,126) | 332,169 | 412,258 |
| 匯兌調整 | | | | | | | | | | |
| - 海外附屬公司 | - | - | - | - | - | - | - | 116 | 116 | 116 |
| - 海外聯營公司 | - | - | - | - | - | - | - | 296 | 296 | 296 |
| 於損益表未確認之淨盈虧 | - | - | - | - | - | - | - | 412 | 412 | 412 |
| 商譽減值(附註26(a)) | - | - | - | 37,606 | - | - | - | - | 37,606 | 37,606 |
| 是年度虧損 | - | - | - | - | (141,383) | - | - | - | (141,383) | (141,383) |
| 清算聯營公司之權益 | - | - | - | - | - | - | - | (15) | (15) | (15) |
| 於二零零三年六月三十日 | 80,089 | 565,577 | 145 | (12,483) | (299,065) | 480 | 7,864 | (33,729) | 228,789 | 308,878 |

綜合 權益變動報表

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(續)

截至二零零三年六月三十日止年度

| | 已發行 股本 千港元 | 儲備 | | | | | | | 外匯變動 儲備 千港元 | 儲備 總額 千港元 | 總額 千港元 |
|-------------|------------------|------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------------|-----------------|-----------|
| | | 股本 溢價賬 千港元 | 股本贖回 儲備 千港元 | 資本儲備 千港元 | 累積虧損 千港元 | 盈餘儲備 千港元 | 重估儲備 千港元 | 盈餘儲備 千港元 | | | |
| 儲備保留： | | | | | | | | | | | |
| 本公司及附屬公司 | 80,089 | 565,577 | 145 | (12,483) | (226,419) | - | 7,864 | 1,375 | 336,059 | 416,148 | |
| 聯營公司 | - | - | - | - | (72,646) | 480 | - | (35,104) | (107,270) | (107,270) | |
| 於二零零三年六月三十日 | 80,089 | 565,577 | 145 | (12,483) | (299,065) | 480 | 7,864 | (33,729) | 228,789 | 308,878 | |
| 本公司及附屬公司 | 80,089 | 565,577 | 145 | (50,089) | (77,500) | - | 7,864 | 1,259 | 447,256 | 527,345 | |
| 聯營公司 | - | - | - | - | (80,182) | 480 | - | (35,385) | (115,087) | (115,087) | |
| 於二零零二年六月三十日 | 80,089 | 565,577 | 145 | (50,089) | (157,682) | 480 | 7,864 | (34,126) | 332,169 | 412,258 | |

綜合 現金流量表

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截至二零零三年六月三十日止年度

| | 二零零三年 千港元 | 二零零二年 千港元 (重列) |
|---|-----------------|----------------------|
| 經營業務之現金流量 | | |
| 除稅前虧損 | (135,778) | (82,489) |
| 調整下列各項： | | |
| 利息收入 | (403) | (969) |
| 財務費用 | 628 | 242 |
| 折舊 | 18,293 | 18,454 |
| 出售固定資產虧損 | 108 | 544 |
| 註銷於聯營公司之權益 | 75 | 15,157 |
| 於聯營公司之權益減值 | 2,000 | — |
| 於結算日重新換算對亞洲海外聯營公司墊款及 其他以外幣為單位之貨幣性資產及 負債所產生之滙兌收益 | (456) | (2,747) |
| 所佔聯營公司損益 | (12,713) | 8,919 |
| 長期投資減值 | 2,297 | 5,800 |
| 電影版權減值 | 11,215 | 15,536 |
| 商譽減值 | 37,606 | — |
| 呆賬撥備／(回撥)淨額 | 2,788 | (435) |
| 滙兌調整 | 73 | (549) |
| 營運資金變動前之經營虧損 | (74,267) | (22,537) |
| 預付款項、按金及其他應收款項之減少／(增加)額 | 24,732 | (8,077) |
| 存貨之減少／(增加)額 | (99) | 233 |
| 電影版權及電影在製品之減少／(增加)額 | 14,393 | (18,974) |
| 應收賬款之減少／(增加)額 | 6,270 | (11,689) |
| 應付賬款之增加額 | 14,341 | 18,178 |
| 應計負債及其他應付賬款之增加／(減少)額 | 3,553 | (6,161) |
| 客戶按金之增加／(減少)額 | (2,696) | 2,530 |
| 僱員福利撥備之增加／(減少)額 | (585) | 220 |
| 長期服務金撥備增加額 | 613 | 1,204 |
| 經營所需現金 | (13,745) | (45,073) |
| 已收利息 | 403 | 969 |
| 已付利息 | (548) | (201) |
| 支付融資租賃利息 | (80) | (41) |
| 退回香港利得稅 | — | 50 |
| 已付海外稅項 | (41) | (732) |
| 退回海外稅項 | 77 | — |
| 經營業務之現金流出淨額 | (13,934) | (45,028) |

綜合 現金流量表

(續)

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截至二零零三年六月三十日止年度

| | 二零零三年 千港元 | 二零零二年 千港元 (重列) |
|------------------|--------------|----------------------|
| 經營業務之現金流出淨額 | (13,934) | (45,028) |
| 投資業務之現金流量 | | |
| 購買固定資產 | (1,814) | (5,688) |
| 出售固定資產所得款項 | 163 | 143 |
| 於聯營公司之投資 | (205) | — |
| 清算聯營公司所得款項 | 1,199 | 2,479 |
| 聯營公司之償還／(墊支)淨額 | 4,583 | (12,390) |
| 已付租務按金 | (188) | — |
| 租務按金退款 | 233 | 1,027 |
| 商標之增加額 | (130) | (501) |
| 投資業務之現金流入／(流出)淨額 | 3,841 | (14,930) |
| 融資業務之現金流量 | | |
| 償還融資租賃債務 | (484) | (255) |
| 融資業務之現金流出淨額 | (484) | (255) |
| 現金及現金等值項目之減少淨額 | (10,577) | (60,213) |
| 年初之現金及現金等值項目 | 38,874 | 99,059 |
| 滙兌調整 | 60 | 28 |
| 年終之現金及現金等值項目 | 28,357 | 38,874 |
| 現金及現金等值項目結餘分析 | | |
| 定期存款 | — | 17,130 |
| 現金及銀行結存 | 28,357 | 21,744 |
| | 28,357 | 38,874 |

二零零三年六月三十日

| | 附註 | 二零零三年 千港元 | 二零零二年 千港元 |
|--------------------|-------|--------------|--------------|
| 非流動資產 | | | |
| 於附屬公司之權益 | 13 | 307,979 | 389,875 |
| 流動資產 | | | |
| 預付款項 | | 135 | 135 |
| 現金及銀行結存 | | 1,593 | 63 |
| | | 1,728 | 198 |
| 流動負債 | | | |
| 應計負債及其他應付賬款 | | 829 | 1,001 |
| 流動資產／(負債)淨值 | | | |
| | | 899 | (803) |
| | | 308,878 | 389,072 |
| 股本及儲備 | | | |
| 已發行股本 | 24 | 80,089 | 80,089 |
| 儲備 | 26(b) | 228,789 | 308,983 |
| | | 308,878 | 389,072 |

董事
鄒文懷

董事
潘從傑

1. 公司資料

本公司之主要業務為投資控股。本集團之主要業務則包括全球性電影及影碟發行及在香港、馬來西亞、新加坡與中國內地經營戲院，亦包括電影及電視劇集製作與及在香港經營電影沖印業務。

2. 新訂及經修訂之香港會計實務準則之影響

下列為新頒佈及經修訂之香港會計實務準則（「會計準則」），並首次應用於本年度之財務報表：

- 會計準則第1條（經修訂）： 「財務報表之呈報方式」
- 會計準則第11條（經修訂）： 「外幣換算」
- 會計準則第15條（經修訂）： 「現金流量表」
- 會計準則第34條： 「僱員福利」

此等會計準則規定新訂會計方法及披露方式。所採納之會計準則對本集團之會計政策及財務報表所披露之金額所構成之主要影響概述如下：

會計準則第1條規定呈列財務報表之基準，並列明有關內容結構及基本要求之指引。此會計準則修訂之主要影響在於以載於本財務報表之綜合權益變動報表取代先前規定之綜合經確認盈虧結算表及本集團之儲備附註。

會計準則第11條規定換算外幣交易及財務報表之基準。此會計實務準則修訂對綜合財務報表之主要影響，在於海外附屬公司及聯營公司之損益表現按全年度之加權平均滙率換算為港元，而以往則按結算日之滙率換算。採納經修訂之會計準則第11條對財務報表並無重大影響。

二零零三年六月三十日

2. 新訂及經修訂之香港會計實務準則之影響 (續)

會計準則第15條規定現金流量報表之修訂呈報方式。此會計準則修訂之主要影響，在於綜合現金流量報表分開三個項目呈列現金流量，即經營業務、投資及融資業務之現金流量，而先前則分為五個項目呈列。此外，年內海外附屬公司之現金流量現按交易日期之滙率或相近之滙率換算為港元，而以往則按結算日之滙率換算，綜合現金流量報表之現金等值項目定義亦已修改。

會計準則第34條規定僱員福利之確認及計算準則，以及有關之披露規定。採納此會計準則引致本集團須於結算日為本集團之僱員之可結轉應計補假作確認。此應計項目之確認導致前期調整，其進一步詳情載於本財務報表附註3及4之「僱員福利」項下。此外，本公司現須就購股權計劃作出披露，有關詳情載於財務報表附註25。該等披露資料與先前董事會報告書所載根據香港聯合交易所有限公司上市規則（「上市規則」）作出之披露類似，而採納該會計準則後，該等資料現須在財務報表附註呈列。

3. 主要會計政策概要**會計基準**

本財務報表已根據香港普遍接納之會計準則及香港公司條例之披露規定而編備。本財務報表乃按歷史成本常規編製，除重新估量若干固定資產外則會進一步解釋如下。

綜合基準

本綜合財務報表已包括本公司及其附屬公司截至二零零三年六月三十日止年度之財務報表連同本集團所佔下文所述之聯營公司所佔之年內業績及收購後儲備。年內所收購或出售之附屬公司及聯營公司之業績乃由收購生效日期起計算或計算至出售生效日期止。所有本集團內公司間之重大交易與結餘於綜合時已予抵銷。

3. 主要會計政策概要 (續)

綜合基準 (續)

少數股東權益代表外部股東於本公司附屬公司所佔之業績及淨資產之權益。

附屬公司

附屬公司乃本公司直接或間接操控其財務及營運政策，以藉其業務取得利益之公司。

附屬公司之業績已納入本公司之損益表內，惟以已收及應收股息為限。所佔附屬公司之權益按成本扣除任何減值虧損入賬。

聯營公司

聯營公司乃指附屬公司以外而本集團持有其不少於百分之二十股本投票權之長期權益，並對其有重大影響力之公司。

本集團所佔聯營公司之權益按會計權益法以本集團所佔之資產淨值扣除任何減值虧損列入綜合資產負債表。

本集團所佔聯營公司之收購後業績及儲備乃按聯營公司最近期截至二零零三年六月三十日之財務報表而計入綜合損益表，惟Golden Screen Cinemas Sdn. Bhd.及Golden Screen Film Distribution Company Sdn. Bhd.則按其截至二零零二年十二月三十一日止之財務報表。所佔該聯營公司業績根據截至二零零二年十二月三十一日之經審核財務報表計算，另就其後至二零零三年六月三十日，該聯營公司與本集團之重大交易及事項作出適當調整。

商譽

商譽指收購附屬公司及聯營公司之成本超逾本集團所佔個別投資之資產及負債於收購日期之公平價值。

二零零三年六月三十日

3. 主要會計政策概要 (續)**商譽 (續)**

因收購產生之商譽在綜合資產負債表中列為資產入賬，並按其估計使用年期以直線法攤銷。而因收購聯營公司所產生而未攤銷之商譽則應列入其資產面值而毋須於綜合資產負債表作獨立披露。

本集團已於二零零一年七月一日採納會計準則第30條「業務合併」。於該日前因收購所產生之商譽於收購年在綜合儲備中抵銷。由於採納會計準則第30條，本集團引用會計準則第30條之過渡性條文即允許該商譽保留於綜合儲備中抵銷。而於二零零一年七月一日後因收購而產生之商譽則根據上述所訂之會計準則第30條商譽會計政策處理。

在出售附屬公司或聯營公司時，計算出售所得之盈虧時乃參照出售日期之資產淨值，而該淨值包括仍未撇銷之應佔商譽及有關儲備(如有)。於收購期間任何在綜合儲備中抵銷之尚餘商譽應予以回撥並納入出售所得之盈虧計算內。

商譽之賬面值包括已於綜合儲備中抵銷之尚餘商譽，須作每年檢討，並且在認為必要時就減值撇銷。而已確認之商譽減值虧損不會予以回撥，除非此減值虧損之確認乃基於某外來非經常性事項估計不會發生但隨後發生，並撤銷該事項先前所引致之減值影響。

資產減值

於各結算日須評估資產有否任何跡象顯示減值，或有否任何跡象顯示先前已確認之資產減值不再存在或減值數額下降。如有上述跡象，則須估計資產之可收回數額。資產之可收回數額為資產之使用價值或售價兩者之較高者。

只有當資產賬面值高於其可收回數額方可確認減值虧損，並且在出現減值之會計期間於損益表中扣除。惟倘若資產以估值入賬，則會根據有關資產之會計政策將減值虧損入賬。

3. 主要會計政策概要 (續)

資產減值 (續)

倘若用作評估資產可收回數額之假設有所改變，則撥回先前已確認之減值。但撥回後之總額不得高於假設有關資產在以往年度並無確認減值之情況下應有之數額(已扣除折舊或攤銷)。

撥回減值虧損須於產生撥回期間計入損益表。惟倘若資產以估值入賬，則會根據有關資產之會計政策將撥回減值虧損入賬。

固定資產及折舊

固定資產按成本或估值扣除累積折舊及任何減值虧損入賬。資產成本包括購買價及將該資產達至現今操作狀況及地點作預計用途之任何有關直接費用。固定資產投入運作後之支出(如維修及保養費用)，一般於支出期間自損益表扣除。如能明確顯示該等支出預期可增加日後使用該固定資產之經濟效益，則該等支出會撥作資本，列為固定資產之額外成本。

折舊乃按每項資產之估計可使用年期以直線法撇銷成本或估值，基本折舊年率載列如下：

| | |
|--------|--|
| 長期租賃土地 | 按尚餘租約期折舊 |
| 樓宇 | 4% |
| 租賃物業裝修 | 10% - 33 ¹ / ₃ % |
| 機器及設備 | 10% - 25% |
| 傢俱及設備 | 10% - 25% |
| 汽車 | 20% |
| 空調系統 | 20% |

固定資產出售或報廢而於損益表內入賬之盈虧乃指出售所得款項淨額與有關資產賬面值兩者間之差額。於出售或報廢時，之前未撥入保留溢利或累積虧損中處理之應佔重估盈餘乃直接轉撥為保留溢利或累積虧損。

二零零三年六月三十日

3. 主要會計政策概要 (續)**會籍投資**

會籍投資乃按成本扣除任何減值虧損入賬。成本包括與購入會籍直接有關之費用及開支。

商標

商標乃按成本扣除任何減值虧損入賬而不作攤銷。

長期投資

非上市長期證券投資乃持續性持有及於購入或轉變用途時以書面形式認定為長期持有的證券。長期投資證券乃按個別投資之成本扣除任何減值虧損入賬。

當減值出現時，證券之賬面值會按董事之估計減至其公平值。減值數額則於減值期間於損益表中扣除。

當於引致長期投資證券減值或報銷的情況終止時，而且有充份理據支持該情況在可見未來仍然持續，其對比公平價值之漲價只限於從前個別投資減值時列賬之數額。

應收賬款

應收賬款，信貸通常介乎一至三個月，以原本發票銀碼認列。如賬款不能全數收回，則須作呆壞賬撥備。壞賬於發生時撇賬。

存貨

存貨乃為陳舊及滯銷貨品作出適當調整後，按成本與可變現淨值兩者中之較低者入賬。成本以先入先出法計算，其中包括所有採購成本、加工成本及令存貨變成現狀和運輸成本。可變現淨值乃根據估計售價減任何預計就完成及出售所涉及之其他費用。

3. 主要會計政策概要 (續)

電影版權及攤銷

(i) 電影版權

電影版權為電影及電視劇集，乃按成本扣除累積攤銷及任何減值虧損列賬。

攤銷乃按年內所賺取之實際收入與出售電影版權之估計總收入之比例計算而撥入損益表。倘出現減值情況，則尚未攤銷之餘額將撇銷至其估計可收回之數額。

(ii) 電影在製品

電影在製品乃按成本扣除任何減值虧損入賬。成本包括所有於製作電影或電視劇集所產生之直接成本。當其成本高於未來估計收益時，差額數則作減值。當製作完成時，該成本則轉入電影版權。

關連人士

倘一方人士有權直接或間接監控另一方人士或對另一方人士的財務及經營決策作出重要影響，則該人士被視為關連人士。倘雙方人士均受制於共同的監控或共同的重要影響下，則此等人士亦被視為有關連。關連人士可為個人或公司。

遞延稅項

遞延稅項乃以負債法就可見將來可能出現負債之所有重大時差提撥準備。除非遞延稅項資產可在毫無疑問之情況下變現，否則不會入賬。

外幣

外幣交易均按有關交易日之可適用匯率計算。以外幣為單位之貨幣性資產及負債均按結算日之可適用匯率折算，滙兌差額均撥入損益表中處理。

二零零三年六月三十日

3. 主要會計政策概要 (續)**外幣 (續)**

在綜合賬目時，海外附屬公司之財務報表及本集團於海外聯營公司之資產淨值乃按淨投資法換算為港元。海外附屬公司及聯營公司之損益表乃按年度加權平均滙率換算為港元，其資產負債表則按結算日之滙率換算為港元。得出之換算差額計入本集團外滙變動儲備內。

就綜合現金流量表而言，海外附屬公司現金流量乃按產生之現金流量之日之滙率換算為港元。整年頻繁產生之海外附屬公司經常性現金流量乃按該年度之加權平均滙率換算為港元。

租賃資產

除法定所有權外，凡資產擁有權所附帶之絕大部分風險及回報轉讓予本集團之租賃，均列為融資租賃。融資租賃於開始訂立時按租賃資產最低租賃連同其承擔撥作資本，作為反映相關之資產購買及融資活動，固不包括利息部份。融資租賃持有之資產按彼等之估計可使用年期或租期並以較短者作折舊。利息支出於租賃期內在損益表中扣除。

凡資產擁有權所附帶之絕大部分風險及回報屬出租公司所有之租賃，均列為營運租賃。倘本集團為出租公司，有關營運租賃之資產須列入非流動資產而應收租金須按租賃年期以直線法計入損益表。倘本集團為承租公司，應付租金則按租賃年期以直線法在損益表中扣除。

3. 主要會計政策概要 (續)

僱員福利

可結轉有薪假期

本集團根據僱員之合約以每個曆年為基準提供有薪年假。於若干情況下，於結算日各僱員尚未提取之有薪假期可轉撥至下年度使用。於結算日，本集團已就本年度預期該等僱員可結轉之有薪假期之未來開支計算應計款項。

誠如財務報表附註2所述，於本年度採納會計準則第34條前，本集團於結算日並無就可結轉有薪年假之應計款項作計提。此項會計政策之變動致使首次確認該項應計款項，因此須作前期調整。有關詳情已載於財務報表附註4。

僱傭條例長期服務金

本集團若干僱員為本集團服務的年期已符合香港僱傭條例規定有關於終止僱用時領取長期服務金之服務年期。本集團須按僱傭條例中所述的特定情況向被終止僱用而又符合領取長期服務金之僱員支付該筆款項。

有關可能給予僱員之未來長期服務金已提撥備。此撥備乃根據最佳估計僱員就服務本集團截至結算日所獲之長期服務金提撥。

退休福利計劃

本集團根據強制性公積金法例為有資格參與公積金計劃之僱員提供強制性公積金計劃(「計劃」)。根據本計劃之法例條款，供款為僱員之基本薪金之百分比並於應付時列入損益表。本集團所作之僱員供款已於供款時完全及即時獲僱員授權。此計劃之資產由獨立於本集團之行政基金所管理。

二零零三年六月三十日

3. 主要會計政策概要 (續)**僱員福利 (續)****退休福利計劃 (續)**

本集團於中華人民共和國(「中國」)之附屬公司僱員為中國政府國家保薦退休計劃(「國家退休計劃」)之會員。為國家退休計劃所作出之供款乃按僱員薪金之百分比計算，並於依照各項國家退休計劃之規定繳納供款時在損益表中扣除。

購股權計劃

本公司採納一項購股權計劃作為給予為本集團業務成功作出貢獻之合資格參與者之激勵及獎勵。於購股權獲行使前，不會於本公司或本集團之資產負債表內記錄購股權計劃所授出購股權之財務影響，亦無就其成本於損益表或資產負債表呈列任何費用。於行使購股權後，所發行之股份將由本公司按股份面值列作額外股本，而每股行使價所超逾股份面值之款額則由本公司計入股份溢價賬。於行使日期前已註銷或已失效之購股權將於尚未行使購股權登記冊上刪除。

等同現金項目

在綜合現金流量表中之等同現金項目指現金，活期存款及短期並流通性高之投資，而該等投資可隨時兌換為可知數額之現金，且無重大價值變動風險並於購入時起計不超過三個月到期，另扣按要求的償還之銀行透支，並構成本集團現金管理之整體部份。

在資產負債表中之現金及銀行結存指手頭現金，銀行存款，並包括用途無限制之定期存款。

撥備

當有過往事件導致現時承擔責任(法定或引伸責任)且日後可能會流出資源以履行承擔，並能可靠估計所承擔之數額，則將撥備確認入賬。

3. 主要會計政策概要 (續)

撥備 (續)

倘若折現影響重大，則所確認之撥備數額為預計須履行承擔之未來開支於結算日之現值。因時間推移而增加之折現價值，須作利息支出納入損益表內。

長期服務金撥備乃根據與退休支出相關之勞工法例提撥，並經董事作每年檢討及予以調整（如有）。

收益入賬

本集團於可能獲得經濟利益而該等收益又能以可靠之方法計算時，收益按下列基準入賬：

- (a) 影片版權費收入、戲院廣告收入及影碟發行收入按應計基礎計算；
- (b) 電影發行佣金收入、電影菲林沖印服務收入、廣告代理費用收入、音樂製作收入、製作監控收入、影片採購服務及顧問服務收入按有關服務完成後計算；
- (c) 票房總收入按戲票銷售及影片已向購票人放映後計算；
- (d) 小食及鐳射影碟收入按小食及鐳射影碟給予客人後計算；
- (e) 租金收入，於出租物業期間以直線方式計算；
- (f) 利息按時間比例，以本金及實際採用之利率計算；及
- (g) 股息按股東獲確定有權收取款項時計算。

二零零三年六月三十日

4. 前期調整

誠如財務報表附註2所述，本集團於本年度採納會計準則第34條「僱員福利」。此項有關應計僱員可結轉補假之會計政策更改已追溯應用。因此，截至二零零二年六月三十日止年度之比較餘額（包括每股虧損）及於二零零一年七月一日之承前累積虧損已予重列。

此項更改對截至二零零二年六月三十日止年度之影響為增加一般及行政費用，以及股東應佔虧損220,000港元，是項影響乃年內之應計僱員補假之變動淨額。於二零零一年及二零零二年七月一日之承前累積虧損已分別增加1,980,000港元及2,200,000港元，此乃本集團於該等日期有關應計僱員補假所作之調整金額。

5. 分部資料

分部資料以按業務分部為主要呈報方式而按地區分部則為次要呈報方式。

本集團之經營業務乃根據各經營性質及其提供之產品與服務獨立成立及管理。集團內各業務分部代表不同業務策略單位，各自提供不同風險及不同回報之產品及服務。各業務分部摘要如下：

- (a) 電影及影碟發行分部從事全球性電影及其相關之視聽產品發行；
- (b) 戲院經營分部於香港、馬來西亞、新加坡及中國內地從事戲院經營業務；
- (c) 電影及電視劇集製作分部提供電影製作及監控服務；及
- (d) 其他業務分部包括電影沖印及音樂製作業務，而所提供服務有電影菲林沖印並製作及銷售音樂唱片。於上年度，其他分部亦包括提供公關活動之公關服務。

為釐定本集團之地區分部，收入乃按該業務之客戶所屬地列入各地區，而資產則以其所在地撥入不同分部。

分部間之交易乃參照銷售予本集團其他顧客及市場一般價格釐定。

5. 分部資料 (續)

(a) 業務分部

下表呈列本集團按業務分部之收入、業績、若干資產、負債及支出之分類資料。

| | 電影及 影碟發行 | | 戲院經營 | | 電影及電視 劇集製作 | | 其他 | | 抵銷 | | 綜合 | |
|-------------------|---------------|---------------|----------------|----------------|---------------|--------------|---------------|---------------|----------------|-----------------|------------------|-----------------|
| | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 |
| 分部收入： | | | | | | | | | | | | |
| 銷售予外部客戶 | 77,993 | 91,316 | 116,602 | 148,996 | 910 | 2,505 | 14,765 | 21,213 | - | - | 210,270 | 264,030 |
| 分部間之收入 | 2,024 | 2,066 | - | - | - | 3,377 | 268 | 3,202 | (2,292) | (8,645) | - | - |
| 其他收入 | 3,806 | 6,342 | 2,308 | 4,305 | 1,505 | 2,780 | 319 | 618 | (1,395) | (1,979) | 6,543 | 12,066 |
| 總收入 | 83,823 | 99,724 | 118,910 | 153,301 | 2,415 | 8,662 | 15,352 | 25,033 | (3,687) | (10,624) | 216,813 | 276,096 |
| 分部業績 | (8,406) | 3,146 | (64,025) | (21,758) | (24,497) | (17,397) | 574 | (7,045) | 722 | 1,881 | (95,632) | (41,173) |
| 利息及未分配收入 | | | | | | | | | | | 962 | 4,338 |
| 電影版權減值 | (11,215) | (15,536) | - | - | - | - | - | - | - | - | (11,215) | (15,536) |
| 經營虧損 | | | | | | | | | | | (105,885) | (52,371) |
| 註銷附聯公司之權益 | (75) | (13,930) | - | (1,227) | - | - | - | - | - | - | (75) | (15,157) |
| 長期投資減值 | | | | | | | | | | | (2,297) | (5,800) |
| 附聯公司之權益減值 | - | - | (2,000) | - | - | - | - | - | - | - | (2,000) | - |
| 商譽減值 | - | - | - | - | (37,606) | - | - | - | - | - | (37,606) | - |
| 利息支出 | | | | | | | | | | | (628) | (242) |
| 所佔附聯公司損益 | (833) | (5,174) | 13,546 | (3,745) | - | - | - | - | - | - | 12,713 | (8,919) |
| 除稅前虧損 | | | | | | | | | | | (135,778) | (82,489) |
| 稅項 | | | | | | | | | | | (5,611) | (4,134) |
| 未計少數股東權益前虧損 | | | | | | | | | | | (141,389) | (86,623) |
| 少數股東權益 | | | | | | | | | | | 6 | 5 |
| 股東應佔日常業務虧損 | | | | | | | | | | | (141,383) | (86,618) |

二零零三年六月三十日

5. 分部資料 (續)

(a) 業務分部 (續)

| | 電影及 影碟發行 | | 戲院經營 | | 電影及電視 劇集製作 | | 其他 | | 抵銷 | | 綜合 | |
|------------|-------------|---------|---------|---------|---------------|--------|--------|--------|----------|----------|----------------|----------------|
| | 二零零二年 | 二零零二年 | 二零零三年 | 二零零二年 | 二零零二年 | 二零零二年 | 二零零三年 | 二零零二年 | 二零零三年 | 二零零二年 | 二零零三年 | 二零零二年 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 分部資產 | 76,495 | 113,922 | 92,268 | 129,122 | 20,007 | 14,861 | 10,674 | 10,030 | (15,390) | (11,076) | 184,054 | 256,859 |
| 於聯營公司之權益 | 737 | 1,461 | 159,393 | 158,048 | - | - | - | - | - | - | 160,130 | 159,509 |
| 長期投資 | | | | | | | | | | | - | 2,297 |
| 商標 | | | | | | | | | | | 79,203 | 79,073 |
| 未分配資產 | | | | | | | | | | | 14,291 | 26,662 |
| 總資產 | | | | | | | | | | | 437,678 | 524,400 |
| 分部負債 | 37,070 | 44,135 | 29,063 | 16,672 | 4,002 | 10,567 | 6,485 | 3,152 | (15,426) | (9,382) | 61,194 | 65,144 |
| 未分配負債 | | | | | | | | | | | 67,584 | 46,970 |
| 總負債 | | | | | | | | | | | 128,778 | 112,114 |
| 其他分部資料： | | | | | | | | | | | | |
| 折舊 | 628 | 540 | 14,363 | 14,326 | 802 | 1,009 | 680 | 933 | - | - | 16,473 | 16,808 |
| 未分配數額 | | | | | | | | | | | 1,820 | 1,646 |
| | | | | | | | | | | | 18,293 | 18,454 |
| 電影版權攤銷 | 30,919 | 27,321 | - | - | - | - | - | - | - | - | 30,919 | 27,321 |
| 呆賬撥備/回撥淨額 | 2,559 | (509) | 339 | 38 | - | - | (110) | 36 | - | - | 2,788 | (435) |
| 資本支出 | 202 | 2,855 | 1,183 | 1,729 | - | 403 | - | 45 | - | - | 1,385 | 5,032 |
| 未分配數額 | | | | | | | | | | | 1,881 | 2,615 |
| | | | | | | | | | | | 3,266 | 7,647 |

5. 分部資料 (續)

(b) 地區分部 (續)

下表呈列本集團按地區分部之收入、若干資產及支出之分類資料。

| | 香港 | | 中國內地 | | 亞洲其他地區 | | 其他地區 | | 抵銷 | | 綜合 | |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 |
| 分部收入： | | | | | | | | | | | | |
| 銷售予外部客戶 | 174,917 | 224,272 | 17,555 | 20,299 | 15,052 | 14,782 | 5,038 | 4,677 | (2,292) | - | 210,270 | 264,030 |
| 其他分部資料： | | | | | | | | | | | | |
| 分部資產 | 167,971 | 236,027 | 25,363 | 45,417 | 4,308 | 1,728 | 703 | 349 | - | - | 198,345 | 283,521 |
| 於聯營公司之權益 | | | | | | | | | | | 160,130 | 159,509 |
| 長期投資 | | | | | | | | | | | - | 2,287 |
| 商標 | | | | | | | | | | | 79,203 | 79,073 |
| | | | | | | | | | | | 437,678 | 524,400 |
| 資產支出 | 3,037 | 3,370 | 213 | 2,430 | 16 | 1,346 | - | - | - | - | 3,266 | 7,146 |
| 未分配之總額 | | | | | | | | | | | 130 | 501 |
| | | | | | | | | | | | 3,396 | 7,647 |

6. 營業額

營業額包括由出售電影、影碟及電視播映權、以及電影發行及戲院經營所得之款項，亦有廣告代理收入、提供電影菲林沖印服務之發票值，與及製作監控服務、音樂製作、採購影片及顧問服務收入，並包括出售電影相關之視聽產品收益。

二零零三年六月三十日

7. 經營虧損

本集團之經營虧損已扣除／(計入)下列項目：

| | 二零零三年 千港元 | 二零零二年 千港元 |
|---|--------------|--------------|
| 存貨銷售成本 | 6,345 | 5,917 |
| 服務提供成本 | 72,007 | 99,906 |
| 電影版權攤銷 | 30,919 | 27,321 |
| 核數師酬金 | 1,486 | 1,569 |
| 折舊(附註12) | 18,293 | 18,454 |
| 出售固定資產所致虧損 | 108 | 544 |
| 有關土地及樓宇之經營租賃支出 | | |
| 最低租賃支出 | 39,165 | 40,319 |
| 或然租金 | 1,811 | 2,824 |
| | 40,976 | 43,143 |
| 員工支出，不包括董事酬金(見附註29) | | |
| 工資及薪金* | 47,644 | 54,463 |
| 退休金供款 | 1,632 | 2,068 |
| | 49,276 | 56,531 |
| 長期服務金撥備 | 613 | 1,204 |
| 於結算日重新換算對亞洲海外聯營公司墊款 及其他以外幣為單位之貨幣性資產與負債 所產生之滙兌收益 | (456) | (2,747) |
| 呆賬撥備／(回撥)淨額 | 2,788 | (435) |
| 已付機器按金撥備 | 20,731 | — |
| 滙兌收益淨額 | (93) | (687) |
| 租金收入淨額 | (365) | (365) |
| 銀行存款之利息收入 | (263) | (969) |
| 來自關連人士之利息收入 | (140) | — |

* 結餘亦包括以上披露之長期服務金撥備。

7. 經營虧損 (續)

服務提供成本中包括約3,308,000港元(二零零二年: 9,170,000港元)為員工支出,此款項亦包括在上述員工支出項目中。

本年度之電影版權攤銷已納入綜合損益表所披露之「銷售成本」內。

本年度已付機器按金撥備已納入綜合損益表所披露之「其他營運費用」內。

8. 利息支出

| | 二零零三年 千港元 | 二零零二年 千港元 |
|---------|--------------|--------------|
| 應付賬款利息 | 548 | 201 |
| 融資租賃之利息 | 80 | 41 |
| | 628 | 242 |

二零零三年六月三十日

9. 稅項

香港利得稅乃根據年內從香港賺取之估計應課稅溢利按稅率17.5%(二零零二年：16%)撥備。海外稅項則按本集團業務所在國家之適用稅率，根據當地現行法例，有關之詮釋及慣例計算。

| | 二零零三年 千港元 | 二零零二年 千港元 |
|-------------|--------------|--------------|
| 本集團： | | |
| 香港 | 355 | 395 |
| 其他地區 | 189 | 498 |
| 往年度之不足撥備 | — | 92 |
| 遞延稅項 (附註23) | (110) | — |
| | 434 | 985 |
| 聯營公司： | | |
| 上年度之多提撥備 | — | (120) |
| 遞延稅項 | 5,177 | 3,269 |
| | 5,177 | 3,149 |
| 本年度稅項支出 | 5,611 | 4,134 |

在財務報表批准之日，本集團旗下之附屬公司與香港稅務局就若干稅項出現爭議。該稅項涉及一九九五／一九九六年及一九九六／一九九七年之課稅年度內某些申報為毋須課稅之非香港來源收入。該附屬公司現正就爭議提出抗辯，而董事認為已就該方面作出足夠稅項撥備。

10. 股東應佔日常業務虧損淨額

本公司財務報表之股東應佔虧損為80,194,000港元(二零零二年：107,989,000港元)。

11. 每股虧損

每股基本虧損乃按本年度股東應佔虧損淨額141,383,000港元(二零零二年：86,618,000港元(重列))及本年度內已發行股份之加權平均數800,887,500股(二零零二年：800,887,500股)計算。

由於本公司尚未行使購股權之行使價於本年度及上年度較本公司普通股之平均市價為高，故購股權對於基本每股虧損並無攤薄影響，因此並無列出本年度及上年度之每股攤薄虧損。

二零零三年六月三十日

12. 固定資產

本集團

| | 租賃土地 及樓宇 千港元 | 租賃 物業裝修 千港元 | 機器 及設備 千港元 | 傢具 及設備 千港元 | 汽車 千港元 | 空調系統 千港元 | 總額 千港元 |
|-----------------|--------------------|-------------------|------------------|------------------|-----------|-------------|-----------|
| 成本或估值： | | | | | | | |
| 於年初 | 9,300 | 68,615 | 28,961 | 21,263 | 2,954 | 588 | 131,681 |
| 增添 | — | 590 | 932 | 292 | 1,452 | — | 3,266 |
| 出售 | — | — | (123) | (56) | (1,038) | — | (1,217) |
| 滙兌調整 | — | (2) | (12) | (9) | 5 | — | (18) |
| 於二零零三年 六月三十日 | 9,300 | 69,203 | 29,758 | 21,490 | 3,373 | 588 | 133,712 |
| 累積折舊： | | | | | | | |
| 於年初 | 2,649 | 19,950 | 11,318 | 7,151 | 1,108 | 558 | 42,734 |
| 年內撥備 | 358 | 10,279 | 4,123 | 2,892 | 630 | 11 | 18,293 |
| 出售 | — | — | (94) | (35) | (817) | — | (946) |
| 滙兌調整 | — | — | (3) | (2) | 4 | — | (1) |
| 於二零零三年 六月三十日 | 3,007 | 30,229 | 15,344 | 10,006 | 925 | 569 | 60,080 |
| 賬面淨值： | | | | | | | |
| 於二零零三年 六月三十日 | 6,293 | 38,974 | 14,414 | 11,484 | 2,448 | 19 | 73,632 |
| 於二零零二年 六月三十日 | 6,651 | 48,665 | 17,643 | 14,112 | 1,846 | 30 | 88,947 |
| 成本及估值分析： | | | | | | | |
| 按成本計 | — | 69,203 | 29,758 | 21,490 | 3,373 | 588 | 124,412 |
| 按估值計 | 9,300 | — | — | — | — | — | 9,300 |
| | 9,300 | 69,203 | 29,758 | 21,490 | 3,373 | 588 | 133,712 |

12. 固定資產 (續)

租賃土地及樓宇均位於香港，並根據長期租賃持有。

本集團之機器及設備與及汽車於二零零三年六月三十日之總賬面淨值包括有融資租賃固定資產之淨值，分別為70,000港元及1,911,000港元(二零零二年：93,000港元及942,000港元)。

長期租賃土地及樓宇由獨立專業測量師梁振英測量師行於一九九四年九月三十日按假設交吉出售之公開市值重新估值為9,300,000港元。因重估產生之盈餘已撥入重估儲備賬內。此重估對本年度折舊之影響不大。本集團已採納於一九九五年頒佈會計準則第17條第80段之過渡性條文規定，毋須定期就其已重估資產進行估值。

倘本集團之土地及樓宇均按成本扣除累積折舊及任何減值虧損入賬，則財務報表內之數額將約為707,000港元(二零零二年：789,000港元)。

13. 於附屬公司之權益

| | 本公司 | |
|-----------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 非上市股份，按成本 | 167,647 | 167,647 |
| 應收附屬公司賬款 | 717,718 | 718,948 |
| | 885,365 | 886,595 |
| 減值撥備 | (577,386) | (496,720) |
| | 307,979 | 389,875 |

與附屬公司間之結餘為無抵押、免息及並不會於未來十二個月內償還。

二零零三年六月三十日

13. 於附屬公司之權益 (續)

主要附屬公司之詳情如下：

| 公司名稱 | 註冊成立及 主要營業地點 | 已發行及 已繳足/ 註冊股本票面值 | 本集團應佔 之股本百分比 | 主要業務 |
|--|-----------------|--|-----------------|--------|
| 天工彩色沖印有限公司 | 香港 | 普通股 2,500港元 遞延股份* 997,500港元 | 100 | 電影菲林沖印 |
| City Entertainment Corporation Limited | 香港 | 普通股 2港元 | 100 | 經營戲院 |
| 康運影業有限公司 | 香港 | 普通股 31,610,000港元 | 100 | 經營戲院 |
| 嘉樂影片發行有限公司 | 香港 | 普通股 10,000港元 遞延股份* 10,000港元 | 100 | 電影發行 |
| Golden Harvest Cinemas Holding Limited | 英屬處女群島 | 普通股 1美元 | 100 | 投資控股 |
| 嘉禾娛樂事業 有限公司 | 香港 | 普通股 100港元 遞延股份* 114,000,000港元 | 100 | 投資控股 |

13. 於附屬公司之權益 (續)

| 公司名稱 | 註冊成立及 主要營業地點 | 已發行及 已繳足/ 註冊股本票面值 | 本集團應佔 之股本百分比 | 主要業務 |
|--|-----------------|-------------------------|-----------------|-----------------|
| Golden Harvest Entertainment International Limited | 英屬處女群島 | 普通股 1,000美元 | 100 | 投資控股 |
| Golden Harvest Films Distribution Holding Limited | 英屬處女群島 | 普通股 1美元 | 100 | 投資控股 |
| 嘉禾電影製作有限公司 | 香港 | 普通股 100,000港元 | 100 | 電影製作及 監製服務 |
| 嘉禾(商標)有限公司 | 英屬處女群島 | 普通股 1美元 | 100 | 持有商標 |
| Golden Harvest Multiplex (Pte.) Limited | 新加坡 | 普通股 2坡元 | 100 | 投資控股 |
| Golden Movies International Limited | 英屬處女群島 | 普通股 1美元 | 100 | 出售電影版權 及電影發行 |

二零零三年六月三十日

13. 於附屬公司之權益 (續)

| 公司名稱 | 註冊成立及 主要營業地點 | 已發行及 已繳足/ 註冊股本票面值 | 本集團應佔 之股本百分比 | 主要業務 |
|--------------------------------|-----------------|-------------------------|-----------------|------------------|
| Golden Screen Limited | 香港 | 普通股 8,750,000港元 | 100 | 投資控股 |
| Golden Touch Licencing B.V. | 荷蘭 | 普通股 18,151.21歐羅 | 100 | 電影發行 |
| Happy Way Limited | 香港 | 普通股 10,000港元 | 100 | 與電影有關 之影視產品發行 |
| Kotewall Limited | 英屬處女群島 | 普通股 1美元 | 100 | 出售電影版權 及電影發行 |
| 泛亞影業有限公司 | 香港 | 普通股 2,600,000港元 | 100 | 電影發行及 擔任廣告代理 |
| Real Merry Limited | 香港 | 普通股 16,831,002港元 | 100 | 經營戲院 |

13. 於附屬公司之權益 (續)

| 公司名稱 | 註冊成立及 主要營業地點 | 已發行及 已繳足/ 註冊股本票面值 | 本集團應佔 之股本百分比 | 主要業務 |
|------------------------------|-----------------|-------------------------|-----------------|---------------|
| 上海嘉禾影視娛樂管理 諮詢有限公司** | 中國 | 普通股 500,000美元 | 90 | 電影發行 |
| 上海嘉禾影城 有限公司** | 中國 | 普通股 1,000,000美元 | 90 | 經營戲院 |
| Splendid Ventures Limited | 香港 | 普通股 2港元 | 100 | 經營戲院 |
| SML (Hong Kong) Limited | 薩摩亞 | 普通股 1美元 | 100 | 電影發行 |
| 金豐聯亞洲有限公司 | 香港 | 普通股 2港元 | 100 | 為集團公司 提供資金 |

除 Golden Harvest Entertainment International Limited 外，上述附屬公司全部由本公司間接持有。

二零零三年六月三十日

13. 於附屬公司之權益 (續)

* 嘉禾娛樂事業有限公司之遞延股份無權享有股息，惟在退回超逾1,000,000,000,000港元之資本後有權收取一半盈餘。除上述外，全部遞延股份均附有權利，可於有關公司之可供分派溢利超逾1,000,000,000港元時有權收取有關年度之股息，並可於退回超逾500,000,000,000港元之資本後有權收取一半盈餘。遞延股份概不附帶在股東大會上投票之權利。

** 上海嘉禾影視娛樂管理諮詢有限公司及上海嘉禾影城有限公司為中國法例下之中外合資企業。

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

14. 於聯營公司之權益

| | 本集團 | |
|--------------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 所佔資產淨值(商譽除外) | 12,163 | 4,160 |
| 應收聯營公司賬款 | 149,967 | 155,918 |
| | 162,130 | 160,078 |
| 減值撥備 | (2,000) | (569) |
| | 160,130 | 159,509 |

所有與聯營公司之結餘均為無抵押、免息及並不會於未來十二個月內償還。

於二零零三年六月三十日，本集團應佔聯營公司於收購後之累積虧損為72,646,000港元(二零零二年：80,182,000港元)。

14. 於聯營公司之權益 (續)

主要聯營公司之詳細資料載列如下：

| 公司名稱 | 業務架構 | 註冊成立及 主要營業地點 | 所持 股份類別 | 本集團持有 已發行或已繳足 註冊股本 百分比 | 主要業務 |
|---|------|-----------------|------------|---------------------------------|---------------|
| 嘉年華影業有限公司 | 公司 | 香港 | 普通股 | 50 | 投資控股 |
| Global Entertainment and Management Systems Sdn. Bhd. | 公司 | 馬來西亞 | 普通股 | 33.33 | 投資控股 |
| Golden Access Pte. Limited (以前名為 Golden Abacus Pte. Limited) | 公司 | 新加坡 | 普通股 | 50 | 電腦程序 |
| Golden Screen Cinemas Sdn. Bhd. | 公司 | 馬來西亞 | 普通股 | 40.22 | 電影發行及 經營戲院 |
| 嘉聯國際電影有限公司 | 公司 | 香港 | 普通股 | 50 | 電影發行 |
| Golden Village Entertainment (Singapore) Pte. Limited | 公司 | 新加坡 | 普通股 | 50 | 投資控股 |

二零零三年六月三十日

14. 於聯營公司之權益 (續)

| 公司名稱 | 業務架構 | 註冊成立及 主要營業地點 | 所持 股份類別 | 本集團持有 已發行或已繳足 註冊股本 百分比 | 主要業務 |
|--|------|-----------------|------------|---------------------------------|------|
| Golden Village Pictures Pte. Limited | 公司 | 新加坡 | 普通股 | 50 | 電影發行 |
| Golden Village Holdings Pte. Limited | 公司 | 新加坡 | 普通股 | 50 | 投資控股 |
| Golden Village Multiplex Pte. Limited | 公司 | 新加坡 | 普通股 | 50 | 經營戲院 |
| Keen Fortune Production Limited* | 公司 | 英屬處女群島 | 普通股 | 50 | 電影發行 |
| 富懷有限公司 | 公司 | 香港 | 普通股 | 50 | 經營戲院 |
| 上海嘉華娛樂 發展有限公司 | 公司 | 中國 | 註冊股本 | 27 | 經營戲院 |
| Tanjong Golden Village Sdn. Bhd. | 公司 | 馬來西亞 | 普通股 | 33.34 | 經營戲院 |

* 於年內成立

上表載列董事認為主要影響本集團業績或資產淨值之本集團聯營公司。董事認為，呈列其他聯營公司之資料會使篇幅過於冗長。

15. 長期投資

長期投資為擁有一間非上市公司16%之權益並按成本扣除任何減值虧損入賬，而成本為收購時之公平價值。

| | 本集團 | |
|-----------------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 投資於非上市公司之權益公平價值 | 16,302 | 16,302 |
| 減：減值撥備 | (16,302) | (14,005) |
| | — | 2,297 |

16. 商標

商標為永久性可用「嘉禾」品牌之准許並可以標誌、符號、名稱、標記、設計或以上任何組合而形成。

商標按成本扣除任何減值虧損入賬而不作攤銷。年內之增加額為設計費與及於海外註冊之專業費用及登記費。

根據會計準則第29條規定，本集團之商標成本須按其最佳估計可使用年期攤銷。會計準則第29條亦假設無形資產之可使用年期不會超過該資產可使用當日起計二十年。董事認為，基於下列理由，遵守會計準則第29條之規定將引致本集團之業績及每股虧損有所誤導：

- (i) 本集團於二零零零年收購之商標已用多時，且本集團將繼續長期使用該等商標。獨立專業估值師安迪評值有限公司已對本集團之商標進行估值，並確認於二零零三年六月三十日該等商標之市值超逾賬面值。董事認為，自二零零三年六月三十日，商標之市值並沒有重大改變；及

二零零三年六月三十日

16. 商標 (續)

(ii) 本集團已動用及有意繼續投放廣告及宣傳費用，以維持及提高商標之市值。而該等廣告及宣傳費用均於動用時自損益表中扣除。

因此，本集團決定不遵從會計準則第29條之規定，並沿用現有會計政策，按成本扣除任何減值虧損將商標入賬。本集團將定期對商標進行獨立專業估值，以確定有關價值。

17. 存貨

| | 本集團 | |
|------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 原材料 | 266 | 191 |
| 化學品 | 38 | 36 |
| 機器零件 | 113 | 91 |
| | 417 | 318 |

18. 電影版權及電影在製品

於二零零三年六月三十日，電影版權及電影在製品結餘包括減值虧損11,215,000港元（二零零二年：15,536,000港元），而該減值已於損益表中扣除。此減值虧損乃管理層根據本集團之會計政策參照電影版權及電影在製品於結算日之可變現淨值作評估。

19. 應收賬款

本集團給予之一般信貸期介乎一至三個月。於六月三十日之應收款項(已扣除呆賬撥備)之賬齡分析如下：

| | 本集團 | |
|--------|---------------|---------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 即期至三個月 | 14,345 | 28,035 |
| 四至六個月 | 656 | 451 |
| 七至十二個月 | 2,873 | 10 |
| 超過一年 | 2,163 | 599 |
| | <u>20,037</u> | <u>29,095</u> |

本集團於二零零三年六月三十日之應收賬款包括應收嘉禾私人集團屬下公司之交易結餘合共123,000港元(二零零二年：11,000港元)。該等款項為無抵押及免息，並須按一般交易條件償還。

嘉禾私人集團乃指嘉禾集團屬下之私人公司，該等公司乃由本公司之董事鄧文懷控制，並不包括在一九九四年十一月進行之集團重組計劃內。

本集團於二零零三年六月三十日之應收賬款亦包括應收關連公司賬項—GH Pictures (China) Limited、GH Media Management Pte. Limited、Best Creation International Limited及Wigston Company Limited分別為約56,000港元(二零零二年：53,000港元)，198,000港元(二零零二年：50,000港元)，299,000港元(二零零二年：599,000港元)及8,000港元(二零零二年：無)。該等款項為無抵押，免息及無固定還款期限。鄧文懷、潘從傑、諸兆俊及陳錫康為本公司董事，亦為此關連公司之董事並／或為實益股東。

二零零三年六月三十日

20. 應付賬款

於六月三十日之應付賬款所包括之貿易應付款賬齡分析如下：

| | 本集團 | |
|--------|---------------|---------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 即期至三個月 | 24,663 | 48,023 |
| 四至六個月 | 4,517 | 718 |
| 七至十二個月 | 9,154 | 1,970 |
| 超過一年 | 31,750 | 5,032 |
| | <u>70,084</u> | <u>55,743</u> |

本集團於二零零三年六月三十日之應付賬款包括應付予嘉禾私人集團屬下公司之交易結餘合共11,000港元(二零零二年：52,000港元)。該等款項為無抵押及免息，並須按一般交易條件償還。

本集團於二零零三年六月三十日之應付賬款亦包括應付GH Pictures (China) Limited及Harvest Crown Limited賬項，分別為39,464,000港元(二零零二年：30,237,000港元)及284,000港元(二零零二年：107,000港元)。該等款項為無抵押、免息及無固定還款期限，除應付GH Pictures (China) Limited之賬款38,930,000港元須付利息按香港短期存款年利率加1%計算外。鄧文懷、潘從傑及諸兆俊三位為本公司董事，亦為該等關連公司之董事並／或為實益股東。

21. 融資租賃應付賬款

於二零零三年六月三十日，融資租賃之未來最低租賃總支出及其現值為：

本集團

| | 最低租賃支出 | | 最低租賃支出現值 | |
|----------------------|--------------|--------------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 |
| 應付賬款 | | | | |
| 一年內 | 544 | 210 | 445 | 178 |
| 第二年 | 544 | 210 | 467 | 180 |
| 第三至第五年 (首尾兩年包括在內) | 761 | 331 | 707 | 293 |
| 最低融資租賃總支出 | 1,849 | 751 | 1,619 | 651 |
| 未來融資支出 | (230) | (100) | | |
| 融資租賃應付總淨額 | 1,619 | 651 | | |
| 轉撥為流動負債 | (445) | (178) | | |
| 非流動部份 | 1,174 | 473 | | |

二零零三年六月三十日

22. 撥備

本集團

| | 長期 服務金 千港元 | 其他 僱員福利 千港元 | 總額 千港元 |
|-------------|------------------|-------------------|-----------|
| 於年初 | 2,478 | 2,200 | 4,678 |
| 撥備增加 | 613 | — | 613 |
| 撥回未使用金額 | — | (585) | (585) |
| 於二零零三年六月三十日 | 3,091 | 1,615 | 4,706 |
| 轉撥為流動負債 | — | (1,615) | (1,615) |
| 非流動部份 | 3,091 | — | 3,091 |

本公司之董事已根據退休支出相關之勞工法例，估計及提撥長期服務金。估計之基礎將作持續檢討並予以適當調整。

本集團為本集團僱員之可結轉應計補假提撥備，該撥備乃根據僱員於年內已獲補假及於結算日之結轉補假以最佳估計概算其本來須付支出。

23. 遞延稅項

遞延稅項乃以負債法就應課稅溢利與財務報表所呈報溢利之重大時差按17.5%之稅率(二零零二年：16%)提撥準備。

本年度之遞延稅項變動載列如下：

| | 本集團 | |
|------------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 於年初之結餘 | 110 | 110 |
| 是年度回轉(附註9) | (110) | — |
| 於六月三十日 | — | 110 |

本集團之固定資產重估並不構成時差，故並無就此作出遞延稅項準備。

本集團於結算日按稅率17.5%(二零零二年：16%)計算之未入賬遞延稅項資產之主要成份如下：

| | 二零零三年 千港元 | 二零零二年 千港元 |
|---------|--------------|--------------|
| 加速折舊免稅額 | (1,956) | (4,108) |
| 稅項虧損 | 56,108 | 37,943 |
| 其他 | — | 121 |
| | 54,152 | 33,956 |

本集團及本公司並無任何重大未作撥備之潛在遞延稅項負債。

二零零三年六月三十日

24. 股本 股份

| | 本公司 | |
|------------------------------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 法定股本： | | |
| 1,300,000,000股每股面值0.10港元之普通股 | 130,000 | 130,000 |
| 已發行及繳足股本： | | |
| 800,887,500股每股面值0.10港元之普通股 | 80,089 | 80,089 |

於結算日後，本公司在二零零三年七月十一日與獨立配售代理FB Gemini Capital Limited（「FB Gemini」）訂立配售協議（「配售協議」）。根據配售協議，FB Gemini同意促使屬於獨立第三方及機構投資者之承配人按每股0.28港元之價格認購83,400,000股本公司新股份。83,400,000股新股份已於二零零三年八月一日發行，而所得款項淨額約23,400,000港元則撥作本集團之額外營運資金。

購股權

本公司購股權計劃之詳情載於財務報表附註25。

25. 購股權計劃

誠如財務報表附註2及附註3「僱員福利」所述，本公司於年內採納會計實務準則第34條，故下列有關本公司購股權計劃之詳盡資料披露現已納入財務報表附註。此等資料披露在去年則按上市規則之規定納入董事會報告書。

本公司設有購股權計劃（「計劃」），以鼓勵及酬謝合資格參與者對本集團業務成功之貢獻。計劃之合資格參與者包括本公司董事（包括獨立非執行董事）及本集團其他僱員、所需貨品及服務之供應商及本集團客戶。計劃自二零零一年十月三十一日起生效，自當日起有效期10年（已註銷或修訂者除外）。

25. 購股權計劃 (續)

因行使根據該計劃及本公司其他購股權計劃(如有)已授出及將授出之所有購股權而可發行之本公司股份數量，不得超過二零零一年十一月二十八日本公司已發行股份之10%。本公司股東可按照上市規則之規定在股東大會重新釐定該上限。於二零零三年六月三十日，根據計劃及本公司以往一項購股權計劃(已於二零零一年十一月二十八日結束)所授出之購股權而可發行之本公司股份總數為29,100,000股，其中24,500,000股為根據計劃已授出購股權所涉及而仍可發行之本公司股份(約等於二零零三年六月三十日本公司已發行股份3.1%)，而4,600,000股則為本公司根據已結束之購股權計劃於二零零零年七月二十五日已授出購股權所涉及而仍可發行之本公司股份(約等於二零零三年六月三十日本公司已發行股份0.6%)。根據計劃於任何12個月內向個別合資格參與者授出之購股權可發行之股份總數，不得超過本公司任何時間已發行股份之1%。向合資格參與者額外授出超逾上述限額之購股權須在股東大會上獲得股東批准。

向本公司董事、主要行政人員、主要股東或彼等之聯繫人士授出購股權均須事先獲得獨立非執行董事批准。此外，於任何12個月內向本公司主要股東、獨立非執行董事或彼等之聯繫人士授出超逾本公司任何時間已發行股份0.1%而總值(根據授出當日本公司股份之收市價計算)超逾5,000,000港元之購股權，亦須事先在股東大會上獲得股東批准。

授出購股權之建議必須於建議日期(包括該日)起計30日內由承授人接納，並須支付象徵式代價1港元。所授出購股權之行使期由董事釐定，惟由本公司董事於授出購股權時決定於授出購股權當日或之後之日期(無論如何不得遲於二零一一年十月三十日辦公時間結束時)起至本公司董事於授出購股權時決定之日期不得超過10年。除本公司董事另行決定及授出有關購股權之建議另有規定外，並無一般規定限制購股權必須於持有若干最短期限後方可行使。

二零零三年六月三十日

25. 購股權計劃 (續)

購股權之行使價可由董事釐定，惟不得低於(i)本公司股份於建議授出購股權當日在香港聯合交易所有限公司(「聯交所」)之收市價；或(ii)本公司股份於截至建議授出購股權當日止五個交易日在聯交所之平均收市價(以較高者為準)。

購股權並無賦予持有人獲派股息或在股東大會上投票之權利。

於二零零三年六月三十日，本公司向董事及僱員授出但尚未行使之購股權如下：

| 參與者名稱 或類別 | 授出日期 | 行使價 港元 | 行使期 | 附註 | 購股權數目 | | | 於二零零三年 六月三十日 |
|--------------|-----------------|-----------|-------------------------------------|----|----------------|----------|------------------|-----------------|
| | | | | | 於二零零二年 七月一日 | 年內 授出 | 年內 被註銷/ 失效 | |
| 董事 | | | | | | | | |
| 潘從傑 | 二零零零年 七月二十五日 | 0.78 | 二零零零年七月 二十五日至 二零零一年七月 二十四日 | 1 | 4,600,000 | - | - | 4,600,000 |
| | 二零零一年 十月三十一日 | 0.62 | 二零零一年十月 三十一日至 二零零一年十月 三十日 | 2 | 10,000,000 | - | - | 10,000,000 |
| 諸兆俊 | 二零零一年 十月三十一日 | 0.62 | 二零零一年十月 三十一日至 二零零一年十月 三十日 | 2 | 8,000,000 | - | - | 8,000,000 |
| 陳錫康 | 二零零一年 十月三十一日 | 0.62 | 二零零一年十月 三十一日至 二零零一年十月 三十日 | 2 | 5,000,000 | - | - | 5,000,000 |
| 其他僱員 | | | | | | | | |
| 總計 | 二零零一年 十月三十一日 | 0.62 | 二零零一年十月 三十一日至 二零零一年十月 三十日 | 2 | 2,500,000 | - | (1,000,000) | 1,500,000 |
| | | | | | 30,100,000 | - | (1,000,000) | 29,100,000 |

25. 購股權計劃 (續)

附註：

1. 已授出購股權之50%、25%及25%分別可於二零零零年七月二十五日至二零一零年七月二十四日期間、二零零一年七月二十五日至二零一零年七月二十四日期間及二零零二年七月二十五日至二零一零年七月二十四日期間行使。
2. 已授出購股權之30%、30%及40%分別可於二零零一年十月三十一日至二零一一年十月三十日期間、二零零二年八月一日至二零一一年十月三十日期間及二零零三年八月一日至二零一一年十月三十日期間行使。

年內，並無授出購股權，亦無購股權獲行使。

26. 儲備

(a) 本集團

盈餘儲備乃為一間台灣聯營公司因應法定要求及公司章程從保留溢利中撥出。此盈餘儲備只可應用於該台灣聯營公司填補虧損及發出繳足紅股之用。

年內，管理層參照最近電影製作市場環境，就因於二零零零年六月收購一間從事電影製作業務之附屬公司所產生之商譽進行概算公平值檢討。鑑於此檢討結果，相關之商譽已調低約37,606,000港元，而此調低款項亦根據本集團之會計政策從儲備撥至損益表中扣除。

本集團本年度及上年度之儲備及其變動已於綜合權益變動報表披露。

二零零三年六月三十日

26. 儲備 (續)

(a) 本集團 (續)

於二零零一年七月一日前，因收購附屬及聯營公司所產生而尚留於綜合儲備之商譽分析如下：

| | 已於資本儲備中 抵銷之商譽 千港元 |
|-----------------|-------------------------|
| 成本： | |
| 於二零零三年六月三十日及年初額 | 154,313 |
| 累積減值： | |
| 於年初 | 104,224 |
| 是年減值撥備 | 37,606 |
| 於二零零三年六月三十日 | 141,830 |
| 淨額： | |
| 於二零零三年六月三十日 | 12,483 |
| 於二零零二年六月三十日 | 50,089 |

(b) 本公司

| | 股份 溢價賬 千港元 | 資本 贖回儲備 千港元 | 繳入盈餘 千港元 | 累積虧損 千港元 | 總額 千港元 |
|---------------------------|------------------|-------------------|-------------|-------------|-----------|
| 於二零零一年七月一日 | 565,577 | 145 | 191,644 | (340,394) | 416,972 |
| 是年度虧損 | - | - | - | (107,989) | (107,989) |
| 於二零零二年六月三十日 及二零零二年七月一日 | 565,577 | 145 | 191,644 | (448,383) | 308,983 |
| 本年度虧損 | - | - | - | (80,194) | (80,194) |
| 於二零零三年六月三十日 | 565,577 | 145 | 191,644 | (528,577) | 228,789 |

本公司之繳入盈餘乃指本公司就收購附屬公司已發行股本而發行股份之面值與所收購附屬公司於收購當日合計資產淨值兩者間之差額。根據一九八一年之百慕達公司法(經修訂)，本公司之繳入盈餘可於若干情況下分派予各股東。

27. 綜合現金流量表附註

重大非現金交易

年內，本集團為購入固定資產共1,452,000港元（二零零二年：1,458,000港元）作融資租賃安排。

28. 與關連人士之交易

除披露於財務報表其他地方外，本集團尚有下列與關連人士之交易。董事確認所有交易均根據一般商業條款並按本集團之日常業務進行。

(a) 與嘉禾私人集團之交易

年內，本集團曾與嘉禾私人集團成員公司進行交易。主要交易摘錄如下：

| | 本集團 | |
|----------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 電影發行佣金收入 | 29 | 139 |

本集團擔任嘉禾私人集團屬下公司所製作之電影發行商、發行收費所根據之價目及條件與提供給本集團其他客戶類似。

本公司本年度之董事鄧文懷（「鄧先生」）、潘從傑（「潘先生」）、諸兆俊（「諸先生」）及陳錫康（「陳先生」）為嘉禾私人集團成員公司之董事及／或實益股東並於上述若干交易中直接或間接擁有權益。

上述所列與嘉禾私人集團成員公司之關連人士交易亦構成證券上市規則所定義之關連交易。

關於上述列載之交易，已取得有條件豁免於嚴格遵從上市規則第14章所述關於關連交易之要求。董事已審閱及確認該等關連交易乃為本集團日常業務，並按一般條款或沒有比無關連之第三者更有利之情況下進行。

二零零三年六月三十日

28. 與關連人士之交易 (續)

(b) 與其他關連人士之交易

除上述外，本集團亦於年內與其他關連人士進行下列重大交易：

| | 附註 | 本集團 | |
|-------------------|--------------|--------------|--------------|
| | | 二零零三年 千港元 | 二零零二年 千港元 |
| 來自關連公司之電影菲林沖印服務收入 | (i), (ii) | 223 | 2,610 |
| 來自關連公司之電影發行佣金收入 | (i), (iii) | 2,185 | 11,329 |
| 來自關連公司之顧問收入 | (i), (iv) | 600 | 600 |
| 來自一附屬公司之少數股東之利息收入 | (i), (v) | 140 | — |
| 付予一關連公司之藝人服務費 | (i), (vi) | 845 | — |
| 付予關連公司之製作監控費 | (i), (vii) | 1,386 | — |
| 來自一關連公司之租金收入 | (i), (viii) | 365 | 365 |
| 付予一關連公司之利息 | (i), (ix) | 548 | 201 |
| 付予一關連公司之顧問服務費 | (i), (x) | 749 | 796 |
| 來自聯營公司之影片版權收入 | (i), (xi) | 1,769 | 3,452 |
| 來自聯營公司之管理服務收入 | (i), (xii) | 2,309 | 2,549 |
| 來自一聯營公司之電影發行佣金 | (i), (xiii) | 2,171 | — |
| 來自一聯營公司之電影菲林沖印服務 | (i), (xiv) | 1,105 | — |
| 來自一聯營公司之廣告代理收入 | (i), (xv) | 779 | — |
| 來自一聯營公司之電影製作監控收入 | (i), (xvi) | 710 | — |
| 付予一聯營公司之影片採購服務費 | (i), (xvii) | 132 | 126 |
| 付予一聯營公司之會計服務費 | (i), (xviii) | 82 | 81 |
| 付予一聯營公司之電影版權 | (i), (xix) | 6,068 | — |
| 付予一聯營公司之電影租金 | (i), (xix) | 1,633 | — |
| 付予一聯營公司之營幕廣告租金 | (i), (xx) | 20 | — |
| 付予一聯營公司之戲票系統開發成本 | (i), (xxi) | 519 | — |
| 授予聯營公司之銀行信貸擔保 | (i), (xxii) | 48,207 | 48,493 |

28. 與關連人士之交易 (續)

(b) 與其他關連人士之交易 (續)

附註：

- (i) 鄧先生、潘先生、諸先生及陳先生於本年內為本公司之董事，亦為該等公司之董事及／實益股東並直接或間接擁有若干上述交易之權益。
- (ii) 此收入來自電影沖印服務，所根據之價目及條件，與提供給本集團其他客戶類似。
- (iii) 本集團擔任關連公司所製作之電影發行商，而電影發行佣金收入乃根據一九九七年四月二十一日及一九九九年八月二日所訂立之發行協議或根據提供給本集團其他客戶類似之收費價目及條件計算。
- (iv) 顧問收入來自提供給一間嘉禾私人集團聯營公司之推銷及廣告服務，收費為每月50,000港元(二零零二年：50,000港元)。
- (v) 此利息收入乃來自一間附屬公司少數股東之貸款，利率按未償餘額之6%計算。
- (vi) 本集團就一齣與其他獨立人士合資之電影支付兩位藝人服務費用予一間關連公司。收費乃根據相關之藝人服務合約條款計算。
- (vii) 關連公司所收取之電影製作服務，按各服務協議條款計算。
- (viii) 租金收入為分租辦公室予一間嘉禾私人集團聯營公司，月租約30,000港元(二零零二年：30,000港元)。
- (ix) 利息支出乃支付予嘉禾私人集團之一間聯營公司，利率按香港短期存款利率加1%計算。
- (x) 顧問服務費支出為付予本集團一間關連公司之電影製作及發行顧問服務，收費根據二零零一年十月一日所訂的協議條款計算。

二零零三年六月三十日

28. 與關連人士之交易 (續)

(b) 與其他關連人士之交易 (續)

附註：(續)

- (xi) 影片版權費收入之收費乃根據相關之發行協議條款收取。
- (xii) 管理服務收入如下：
 - 會計服務費312,000港元乃來自本集團三間聯營公司，收費分別為每月10,000港元(二零零二年：每月10,000港元)，每月14,000港元(二零零二年：每月14,000港元)及每年24,000港元(二零零二年：每年24,000港元)；及
 - 顧問服務費約1,997,000港元乃來自本集團三間聯營公司，收費分別為每月120,000港元(二零零二年：每月120,000港元)，每月5,000人民幣(二零零二年：每月5,000人民幣)及每年500,000港元(二零零二年：每年500,000港元)。
- (xiii) 本集團為一間聯營公司所製作之電影擔任發行商，電影發行佣金按二零零三年一月六日所訂立之發行協議收取。
- (xiv) 此收入來自電影沖印服務，所收取之價目及條件，與提供給本集團其他客戶類似。
- (xv) 此代理收入乃來自廣告服務，所收取之價目及條件，與提供給本集團其他客戶類似。
- (xvi) 電影製作收入根據二零零二年十月十八日所訂立之條款收取。
- (xvii) 影片採購服務費用由二零零二年一月一日起為每月11,000港元(二零零二年：由二零零一年七月至十二月為每月10,000港元)。
- (xviii) 會計服務費用為每月1,500新加坡元(二零零二年：1,500新加坡元)。
- (xix) 電影版權及租金之收費價目及條件與聯營公司提供給其他客戶類似。

28. 與關連人士之交易 (續)

(b) 與其他關連人士之交易 (續)

附註：(續)

(xx) 營幕租金之收費價目及條件與聯營公司提供給其他客戶類似。

(xxi) 戲票系統開發成本之收費價目及條件乃本集團與有關聯營公司共同協議。

(xxii) 本集團授予若干聯營公司之銀行信貸擔保並無收取代價。

據上述附註(iii)，(vii)及(x)所載列，本集團與四間關連公司之交易(二零零二年：兩間關連公司)合共1,447,000港元(二零零二年：889,000港元)構成證券上市規則之關連交易。

上列所有其他與關連人士之交易均不構成證券上市規則之關連交易。

二零零三年六月三十日

29. 董事及五位最高薪僱員酬金**董事酬金**

根據上市規則及香港公司條例第161節之規定披露本公司董事酬金之分析如下：

| | 二零零三年 千港元 | 二零零二年 千港元 |
|-------------|--------------|--------------|
| 袍金： | | |
| 執行董事 | — | — |
| 非執行董事 | — | — |
| 獨立非執行董事 | 120 | — |
| | 120 | — |
| 基本薪酬、津貼及福利： | | |
| 執行董事 | 11,352 | 11,752 |
| 非執行董事 | — | — |
| 獨立非執行董事 | — | — |
| | 11,352 | 11,752 |
| 退休金供款： | | |
| 執行董事 | 97 | 36 |
| 非執行董事 | — | — |
| 獨立非執行董事 | — | — |
| | 97 | 36 |
| | 11,569 | 11,788 |

29. 董事及五位最高薪僱員酬金 (續)

董事酬金 (續)

以上董事酬金可歸納為以下組別：

| | 二零零三年 人數 | 二零零二年 人數 |
|---------------------------|-------------|-------------|
| 無 – 1,000,000港元 | 7 | 7 |
| 1,500,001港元 – 2,000,000港元 | 1 | 1 |
| 2,000,001港元 – 2,500,000港元 | – | 1 |
| 2,500,001港元 – 3,000,000港元 | 1 | – |
| 3,000,001港元 – 3,500,000港元 | 1 | 1 |
| 3,500,001港元 – 4,000,000港元 | 1 | – |
| 4,500,001港元 – 5,000,000港元 | – | 1 |
| | 11 | 11 |

年內本集團並無作出安排而令任何董事放棄或同意放棄任何酬金。

五位本集團最高薪僱員

在五位本集團最高薪之僱員中，四位(二零零二年：四位)為本公司董事。該等董事之酬金已計入上述披露之董事酬金內。餘下之一位(二零零二年：一位)最高薪非董事僱員在本年度之酬金總額如下：

| | 二零零三年 千港元 | 二零零二年 千港元 |
|------------|--------------|--------------|
| 基本薪金、津貼及福利 | 1,228 | 1,279 |
| 退休金供款 | 12 | 11 |
| | 1,240 | 1,290 |

以上最高薪金之非董事僱員可歸納為1,000,001港元 – 1,500,000港元組別。

二零零三年六月三十日

30. 或然負債

於結算日之或然負債載列如下：

| | 本集團 | | 本公司 | |
|-------------------|--------------|--------------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 | 二零零三年 千港元 | 二零零二年 千港元 |
| 授予附屬公司之 銀行信貸擔保 | — | — | — | 5,000 |
| 授予聯營公司之 銀行信貸擔保 | 48,207 | 48,493 | 47,034 | 47,320 |

除上述外，若干本集團之聯營公司行使授予若干第三者之銀行信貸擔保，數額為約16,521,000港元（二零零二年：無）並提供信用狀予關連公司作為抵押若干租賃固定資產，於結算日之數額約為2,144,000港元（二零零二年：無）。

31. 承擔

(a) 資本承擔

| | 本集團 | |
|---------|--------------|--------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 已訂約 | 2,854 | 4,623 |
| 已授權但未訂約 | — | 562 |
| | 2,854 | 5,185 |

31. 承擔 (續)

(b) 經營租賃承擔

本集團就若干辦公室及戲院物業作經營租賃安排。租賃年期介乎一年至十年之間。

| | 本集團 | |
|---|----------------|----------------|
| | 二零零三年 千港元 | 二零零二年 千港元 |
| 不可撤銷之土地及樓宇經營租賃而須於 下述年期支付之未來最低租賃支出如下： | | |
| 一年內 | 49,073 | 39,618 |
| 第二至第五年(首尾兩年包括在內) | 128,227 | 161,920 |
| 五年以上 | 3,790 | 13,696 |
| | 181,090 | 215,234 |

以上若干不能取消之經營租賃取決於或然租款，此租款乃根據每月或每年之票房總收入之17%至29%(二零零二年：17%至29%)而多於基本租金之金額計算。此外，10%之小食及戲院廣告收入亦計算於此等租賃內。

本公司於結算日並無重大承擔(二零零二年：無)。

32. 結算日後事項

於結算日後即二零零三年七月十一日，本公司與FB Gemini訂立配售協議。據此配售協議，83,400,000股新股份以每股0.28港元於二零零三年八月一日發行並獲得款項淨額約23,400,000港元作為本集團之額外營運資金。此配售詳情載列於財務報表附註24。

33. 比較數字

按財務報表附註2及4所詳述，由於本年度採用新及經修訂之會計準則，財務報表之若干項目及結餘之會計處理與呈報方式已根據新會計準則作出修訂。因此，本集團已作若干前期調整，而比較數字亦已重新編列以符合本年度之呈報方式。

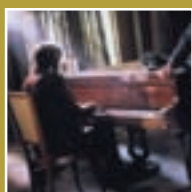
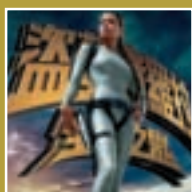
34. 財務報表之通過

董事會於二零零三年十月十七日通過及授權刊發本財務報表。

嘉禾娛樂事業
(集團)有限公司



GOLDEN HARVEST ENTERTAINMENT
(HOLDINGS) LIMITED



嘉禾娛樂事業(集團)有限公司
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