

Report of the Auditors 核數師報告書



To the members

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

We have audited the financial statements on pages 49 to 92 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 statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants ("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.

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

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93頁至第136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。本核數師之責任是根據審核工作之結果，對該等財務報表作出獨立意見，並向股東報告。

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。

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

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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 of HK\$79,073,000 which are stated at cost and are not amortised. In accordance with Statement of Standard Accounting Practice No. 29 "Intangible assets" ("SSAP 29") issued by the HKSA, which became effective during the year, 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 2002 and the loss for the year then ended, including the prior year adjustment that is required in respect thereof in order to implement SSAP 29 retrospectively in accordance with the requirements of the SSAP.

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 2002 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
22 October 2002

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

綜合資產負債表所包括79,073,000港元之商標以成本入賬而非以攤銷後之數額。根據於本年度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「商標」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 貴集團二零零二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之規定引用會計準則第29條之追溯效力而對往年度調整之影響。

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 貴集團於二零零二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。

安永會計師事務所

執業會計師

香港
二零零二年十月二十二日