

The directors herein present their report and the audited financial statements of the Company and the Group for the year ended 30 June 2001.

Principal activities

The principal activity of the Company is investment holding. The continuing principal activities of the Group consist of worldwide film distribution, film exhibition in Hong Kong, Malaysia, Singapore and Mainland China, and the operation of a film processing business in Hong Kong. During the year, the Group also engaged in film production, television drama series production, public relation services and music production.

Segmental information

An analysis of the Group's turnover and contribution to profit/(loss) after finance costs by principal activity and geographical area of operations is set out in note 5 to the financial statements.

Results and dividends

The Group's loss for the year ended 30 June 2001 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 53 to 102.

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二零零一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發行及在香港、馬來西亞、新加坡與中國經營戲院，以及在香港經營電影沖印業務。年內，本集團亦從事電影制作、電視劇集製作、公關服務及音樂製作等業務。

資料分析

本集團按業務性質及市場地區劃分之營業額及計入利息支出後溢利／(虧損)之貢獻分析載於財務報表附註5。

業績及股息

本集團截至二零零一年六月三十日止年度之虧損，以及本公司與本集團於該日之財政狀況載於第103至152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 results and the statement of net assets of the Group for the last five financial years as extracted from the audited financial statements.

財務資料摘要

以下為本集團過去五個財政年度摘錄自本集團經審核財務報表之業績及資產淨值報表。

	Year ended 30 June				
	2001	2000	1999	1998	1997
	二零零一年	二零零零年	一九九九年	一九九八年	一九九七年
	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					
業績					
TURNOVER	269,694	103,590	158,136	222,902	338,777
營業額					
PROFIT/(LOSS) BEFORE TAX	(58,157)	5,184	(21,979)	(93,238)	15,772
除稅前溢利／(虧損)					
Tax	(4,622)	(3,912)	(3,661)	(4,774)	(6,458)
稅項					
PROFIT/(LOSS) BEFORE MINORITY INTERESTS	(62,779)	1,272	(25,640)	(98,012)	9,314
未計少數股東權益之溢利／(虧損)					
Minority interests	5	—	—	—	(3,756)
少數股東權益					
NET PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	(62,774)	1,272	(25,640)	(98,012)	5,558
股東應佔溢利／(虧損)					

[REPORT OF THE DIRECTORS]

	As at 30 June 於六月三十日				
	2001 二零零一年	2000 二零零零年	1999 一九九九年	1998 一九九八年	1997 一九九七年
ASSETS AND LIABILITIES 資產及負債	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
FIXED ASSETS 固定資產	101,460	106,385	31,481	34,280	40,676
INTERESTS IN ASSOCIATES 於聯營公司之權益	169,794	191,554	302,994	268,251	362,895
INVESTMENTS IN CLUB MEMBERSHIPS 會籍投資	4,380	4,380	2,890	150	150
RENTAL DEPOSITS 租務按金	14,206	14,386	4,941	3,501	3,566
LONG TERM RECEIVABLE 長期應收賬款	–	–	–	–	16,186
LONG TERM INVESTMENT 長期投資	8,097	40,000	–	–	–
TRADEMARKS 商標	78,572	75,332	–	–	–
CURRENT ASSETS 流動資產	213,794	295,056	228,952	289,340	369,291
TOTAL ASSETS 資產總值	590,303	727,093	571,258	595,522	792,764
CURRENT LIABILITIES 流動負債	(93,099)	(140,304)	(97,691)	(159,273)	(126,635)
LONG TERM PORTION OF BANK LOANS 長期銀行貸款	–	–	(10,706)	(16,702)	(22,746)
LONG TERM PORTION OF FINANCE LEASE PAYABLES 應付長期融資租賃	–	–	–	(195)	(585)
DEFERRED TAX 遞延稅項	(110)	(110)	–	(253)	(587)
TOTAL LIABILITIES 負債總額	(93,209)	(140,414)	(108,397)	(176,423)	(150,553)
MINORITY INTERESTS 少數股東權益	(33)	(38)	(38)	(38)	(38)
NET ASSETS 資產淨值	497,061	586,641	462,823	419,061	642,173

Fixed assets

Details of movements in the fixed assets of the Group are set out in note 11 to the financial statements.

Subsidiaries and associates

Particulars of the Company's subsidiaries and associates are set out in notes 12 and 13, respectively, to the financial statements.

Share capital and share options

Details of the Company's share capital and details of the share options are set out in note 20 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 the Group during the year are set out in note 21 to the financial statements.

Distributable reserves

As at 30 June 2001, 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 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 2001 may be distributed to shareholders in certain circumstance prescribed by Section 54 thereof.

固定資產

本集團固定資產之變動詳情載於財務報表附註11。

附屬公司及聯營公司

本公司之附屬公司及聯營公司之詳情分別載於財務報表附註12及13。

股本及購股權

本公司之股本及購股權之詳情載於財務報表附註20。

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

年內本公司及本集團之儲備變動詳情載於財務報表附註21。

可分派儲備

本公司於二零零一年六月三十日並無可分派之保留溢利。根據一九八一年百慕達公司法(經修訂)之規定計算，本公司之繳入盈餘191,644,000港元暫時並不可分派。惟本公司於二零零一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港元可以根據其法例第54節按情況分派給股東。

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

(resigned as alternate director on 31 July 2000 and
reappointed as a director on the same date)

Kwee Chong Kok, Michael **

Peng, Philip *

Yang Tze-Kaing *

Lin, Frank **

Tsui Man Ling, Monica **

(alternate to Kwee Chong Kok, Michael)

Lee, Albert

(resigned on 31 July 2000)

* Non-executive directors

** Independent non-executive directors

Subsequent to the balance sheet date, on 16 October 2001, Yang Tze-Kaing resigned as a non-executive director and Lin Joung Yol was appointed as a non-executive director of the Company on the same date.

In accordance with Bye-laws 86(2) and 87(1) of the Company's Bye-laws, Kwee Chong Kok, Michael, Lin, Frank and Lin Joung Yol will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

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

(於二零零零年七月三十一日辭任為
替任董事並於同日獲委任為董事)

郭彰國**

彭錦彬*

楊子江*

林輝波**

徐曼玲**

(郭彰國之替任董事)

利雅博

(於二零零零年七月三十一日辭任)

* 非執行董事

** 獨立非執行董事

在結算日後，於二零零一年十月十六日，楊子江辭任為非執行董事及林焯堦於同日獲委任為非執行董事。

根據本公司公司細則第86(2)及87(1)條，郭彰國，林輝波及林焯堦將於應屆股東週年大會退任，惟符合資格並願意重選連任。

Directors' service contracts

The Company, through a wholly-owned subsidiary has extended the service contracts with Chow Ting Hsing, Raymond until October 2004 and which shall continue thereafter unless and until terminated by either party upon the giving of three months' notice. In addition, the Company has also extended the service contract with Phoon Chiong Kit until 31 July 2004.

Save as disclosed above, no 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 other than statutory compensation.

Directors' interests in shares and share options

Shares

As at 30 June 2001, the interests of the directors in the share capital of the Company and any of its associated corporations, as required to be disclosed pursuant to the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), were as follows:

Interests in shares of the Company

Director 董事	Nature of interest 權益性質	Number of shares 股份數目
Chow Ting Hsing, Raymond 鄒文懷	Corporate (Note) 公司 (附註)	250,537,223
Phoon Chiong Kit 潘從傑	Personal 個人	6,000,000
Chu Siu Tsun, Stephen 諸兆俊	Personal 個人	5,959,375
Chan Sik Hong, David 陳錫康	Personal 個人	5,859,375

董事之服務合約

本公司透過一全資附屬公司延續與鄒文懷所簽訂之服務合約至二零零四年十月及任何一方均可以三個月通知而終止合約。此外，本公司亦延續與潘從傑簽訂之服務合約，直至二零零四年七月三十一日。

除上文所述披露者外，擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司訂立不可由本公司於一年內終止而毋須作出賠償 (法定賠償除外) 之服務合約。

董事於股份及購股權之權益

於二零零一年六月三十日，各董事於本公司及其任何聯營公司所持有並須遵照證券 (公開權益) 條例 (「公開權益條例」) 披露之股本權益如下：

於本公司之權益

Note: Chow Ting Hsing, Raymond was interested in 250,537,223 shares of the Company by virtue of his beneficial shareholdings in Planet Gold Associates Limited and Net City Limited, which held 146,568,473 shares and 103,968,750 shares of the Company, respectively.

Interests in shares of associates

Chow Ting Hsing, Raymond is also the beneficial owner 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.

Save as disclosed above, none of the directors or their respective associates had any personal, family, corporate or other beneficial interests in the share capital of the Company or any of its associated corporations, as defined in the SDI Ordinance.

Share options

During the year, on 25 July 2000, 2,000,000 outstanding share options granted in prior years to a director of the Company, Phoon Chiong Kit, were cancelled and replaced by the following new share options on the same date:

Exercise period 行使期限	Exercise price 行使價	Number of share options 購股權數目
On grant to 24 July 2010 由授予日起至二零一零年七月二十四日	HK\$0.78 per share 每股0.78港元	2,300,000
25 July 2001 to 24 July 2010 由二零零一年七月二十五日至二零一零年七月二十四日	HK\$0.78 per share 每股0.78港元	1,150,000
25 July 2002 to 24 July 2010 由二零零二年七月二十五日至二零一零年七月二十四日	HK\$0.78 per share 每股0.78港元	1,150,000

All of the above share options were granted pursuant to the Company's share option scheme, as detailed in note 20 to the financial statements, and are exercisable within the specified period at an exercise price of HK\$0.78 per share. No options were exercised during the year.

附註：鑒於鄧文懷為 Planet Gold Associates Limited及Net City Limited之實益擁有人，並分別持有本公司146,568,473股及103,968,750股股份，故鄧文懷擁有本公司250,537,223股之股份權益。

於關繫公司之權益

鄧文懷同時為 Golden Harvest Film Enterprises Inc.之實益擁有人，該公司實益持有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114,000,000股。

除上文所披露者外，各董事或彼等之有關連人士概無於本公司或公開權益條例所指之其任何聯營公司之股本中擁有任何私人、家族、公司或其他實益。

購股權

年內，於二零零零年七月二十五日，往年授予潘從傑董事之2,000,000未行使購股權被取消並於同日以下列新購股權所取代：

以上所有購股權均按照財務報表附註20所詳述之本公司購股權計劃而授出，該等購股權可於特定期限內以每股0.78港元之行使價行使。年內並無購股權獲行使。

Apart from the above, 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.

Directors' interests in contracts

Except as detailed in note 22 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.

Remuneration of directors and of the five highest paid individuals

Details of the directors' remuneration and that of the five highest paid individuals in the Group are set out in note 23 to the financial statements.

Retirement scheme and cost

Details of the pension scheme of the Group and the employer's pension costs charged to the profit and loss account for the year are set out in notes 3 and 6 to the financial statements, respectively.

Major customers and suppliers

During the year, the Group's purchases from its largest supplier and its five largest suppliers accounted for 10 and 36 per cent. of the Group's combined purchases, respectively.

The Group's sales to its largest customer and its five largest customers accounted for 22 and 29 per cent. 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.

除上述者外，年內本公司或其任何附屬公司概無參與任何安排，致使本公司董事或彼等之配偶及其未滿十八歲之子女可藉購入本公司或任何其他公司之股份或債券而得益。

董事於合約中之權益

除財務報表附註22所詳述者外，年內各董事概無於本公司或其任何附屬公司之任何重大合約中擁有實益。

董事及五位最高薪僱員酬金

本集團董事及五位最高薪僱員酬金之詳情載於財務報表附註23。

退休計劃及費用

本集團之退休金計劃及年內員工退休費用分別載於財務報表附註3及6。

主要客戶及供應商

年內本集團向其最大之供應商及首五名最大供應商所採購之購貨額分別佔本集團合併購貨額之10%及36%。

本集團向其最大客戶及首五名最大客戶售出之銷售額則分別佔本集團合併銷售額之22%及29%。

年內本公司董事鄒文懷、潘從傑及諸兆俊均為本集團之其中首五名最大客戶及供應商之董事及／或實益股東。

[REPORT OF THE DIRECTORS]

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

Substantial shareholders

As at 30 June 2001, the following shareholders had an interest in 10 per cent. or more of the issued share capital of the Company, that was required to be recorded under Section 16(1) of the SDI Ordinance:

Name 名稱	Notes 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
PAMA Group Inc. (formerly known as Prudential Asset Management Asia Limited) 寶銘集團有限公司 (前稱美國寶信資產管理有限公司)		123,284,027	15.39

Notes:

1. Chow Ting Hsing, Raymond was interested in 250,537,223 shares of the Company by virtue of his beneficial shareholdings in Planet Gold Associates Limited and Net City Limited, which held 146,568,473 shares and 103,968,750 shares of the Company, respectively.

除上文所述者外，本公司各董事或其任何有關連人士或任何股東(據各董事所知，擁有本公司超過5%已發行股本者)概無於本集團之首五名最大供應商及客戶擁有任何權益。

主要股東

於二零零一年六月三十日，根據披露權益條例第16(1)條規定，以下股東擁有本公司已發行股本10%或以上權益：

附註：

1. 鑒於鄒文懷為 Planet Gold Associates Limited及Net City Limited之實益擁有人，並分別持有本公司146,568,473股及103,968,750股股份，故鄒文懷擁有本公司250,537,223股之股份權益。

2. Acer Incorporated was (or was deemed to be) interested in the shares of the Company by virtue of its 100 per cent. shareholding in Acer SoftCapital Incorporated, which held 82,044,000 shares of the Company, and by virtue of its 90.7 per cent. indirect shareholding in Acer Digital Services (Cayman Islands) Corp., which, in turn, held 68,370,000 shares of the Company.

Save as disclosed above, no other person had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

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.

Connected/related party transactions

Pursuant to a formal legal agreement which became unconditional on 30 June 2000 and subsequently ratified on 1 August 2000 between the Company, Golden Harvest Cinemas Holding Limited ("GHCH") and Village Roadshow (Hong Kong) Limited ("VRHK"), a subsidiary of Village Roadshow Limited who was a former substantial shareholder of the Company in the prior year, GHCH acquired the remaining 50% equity interest in City Entertainment Corporation Limited ("City Entertainment") held by VRHK at a consideration of HK\$60,880,000. The effective date of the Agreement was 30 June 2000. In the opinion of the directors, the Group acquired total control of the board of directors of City Entertainment with effect from 30 June 2000 and the agreement had become unconditional then, therefore, City Entertainment has been treated as a subsidiary since 30 June 2000.

In the opinion of the directors, this transaction was based upon arm's length negotiations between the Company, GHCH and VRHK and was conducted in the ordinary course of business of the relevant companies.

2. 鑒於宏碁電腦股份有限公司擁有持有本公司82,044,000股股份之宏碁智融有限公司全部股權，亦由於宏碁電腦股份有限公司間接擁有持有本公司68,370,000股股份之Acer Digital Services (Cayman Islands) Corp. 90.7%股權，故宏碁電腦股份有限公司擁有(或被視為擁有)本公司股份權益。

除上述權益外，概無任何人士登記擁有根據披露權益條例第16(1)條規定置存之本公司股權。

上市證券之購買、出售及贖回

本公司及各附屬公司並無於年內買賣或贖回本公司任何上市證券。

與關繫／關連人士之交易

據於二零零零年六月三十日成為無條件之正式法律協議，及後並於二零零零年八月一日正式批准，本公司，Golden Harvest Cinemas Holding Limited (「GHCH」)及Village Roadshow (Hong Kong) Limited (「VRHK」)，為本公司年前之主要股東Village Roadshow Limited之附屬公司，GHCH以60,880,000港元從VRHK收購其持有百利城市發展有限公司(「百利」)之其餘50%權益。此協議之正式生效日期為二零零零年六月三十日。董事認為本集團由二零零零年六月三十日起並協議已成為無條件時完全擁有該公司之董事局控制權。因此，於二零零零年六月三十日該公司被當作為附屬公司。

董事認為本公司，GHCH及VRHK關於此交易之協商乃按公平原則進行並為各方公司之一般業務。

Details of the other material related party transactions are set out in note 22 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.

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.

Audit Committee

The Company established an Audit Committee (the “Audit Committee”) on 9 October 1998 in compliance with the new additional requirement of 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 2001. The members of the Audit Committee at the date of this report were Lin, Frank and Kwee Chong Kok, Michael.

與關連人士之其他交易詳情載於財務報表附註22。

若干與關連人士之交易亦構成香港聯合交易所有限公司「證券上市規則」（「上市規則」）所定義之關連交易。

若干與嘉禾私人集團（私人集團公司由本公司董事鄒文懷先生控制而該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計劃內）之關連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中按一般商業條款或並沒有比無關連之第三者更有利之情況下進行。

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。

審核委員會

本公司已遵照上市規則附錄14所載之最佳應用守則，於一九九八年十月九日成立審核委員會（「審核委員會」）。審核委員會之工作已包括整個截至二零零一年六月三十日之財政年度。截至此報告之日期，審核委員會之成員為林輝波及郭彰國。

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

16 October 2001

核 數 師

本公司核數師安永會計師事務所之任期將告屆滿，本公司於即將召開之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

二零零一年十月十六日