

1. 一般事項

本公司乃於百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司上市。

本集團之主要業務為生產及買賣影音產品、電影製作、發行電影及電視連續劇、節目廣播、投資控股及設計及製作廣告。

2. 採納會計實務準則

本集團於本年度首次採納香港會計師公會頒佈之若干經修訂及新訂會計實務準則（「會計實務準則」）。

除下文所披露者外，採納該等經修訂及新訂會計實務準則並無導致本集團會計政策出現任何變動而影響本期間及過往期間所呈報之數字。此外，該等新訂及經修訂準則引入額外及經修訂之披露規定，而財務報表已引用該等規定。往年度之比較數字已重新計算，以一致之方式呈報。

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The principal activities of the Group are production of and trading in video products, film production, distribution of motion pictures and television drama series, programme broadcasting, investment holding and design and production of advertisements.

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE

In the current year, the Group has adopted, for the first time, a number of revised and new Statements of Standard Accounting Practice (“SSAPs”) issued by the Hong Kong Society of Accountants.

Other than as disclosed below, the adoption of these revised and new SSAPs has not resulted in any changes to the Group’s accounting policies that have affected the amounts reported for the current or prior periods. In addition, these revised and new SSAPs have introduced additional and revised disclosure requirements which have been adopted in these financial statements. Comparative disclosures for the prior year have been restated in order to achieve a consistent presentation.

2. 採納會計實務準則 (續)

商譽及資產減值

於本年度，本集團已採用會計實務準則第30號「企業合併」之規定，並決定不再重新計算以往於儲備撤銷或(入賬)之商譽(負商譽)。然而已根據會計實務準則第31號「資產減值」規定，追溯確認自收購有關附屬公司日期至採納會計實務準則第30號日期間所產生之商譽減值虧損。於二零零一年一月一日前因收購而產生之商譽繼續保留於儲備，在出售有關附屬公司時或確認減值虧損時自收益表中扣除。於二零零一年一月一日前因收購而產生之負商譽，在出售有關附屬公司時計入收益表。

於二零零一年一月一日或之後因收購而產生之商譽撥充資本，並按估計可使用年期攤銷。於二零零一年一月一日後因收購而產生之負商譽列作資產減值，並基於影響結餘之狀況撥入收益表。

會計實務準則第31號規定可確保資產賬面值不會超逾其可收回數額之措施。資產可收回數額即售價淨額或其使用價值兩者之較高者。本集團釐定資產(包括物業、機器及設備、當作採購入賬之業務合併時產生之商譽及無形資產)之使用價值為估計未來現金流量加上估計可使用年期完結時出售所得款項之現值。本集團須於各結算日衡量資產有否出現減值跡像，倘出現該等跡像，則須重新釐定資產之可收回款項。

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE (continued)

Goodwill and impairment of assets

In the current year, the Group has adopted SSAP 30 "Business Combinations" and has elected not to restate goodwill and negative goodwill previously eliminated against and credited to reserves. However, impairment loss in respect of goodwill that arose between the date of acquisition of the relevant subsidiaries and the date of adoption of SSAP 30 has been recognised retrospectively in accordance with SSAP 31 "Impairment of Assets". Goodwill arising on acquisitions prior to 1 January 2001 continues to be held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary, or at such time as the goodwill is determined to be impaired. Negative goodwill arising on acquisitions prior to 1 January 2001 will be credited to income at the time of disposal of the relevant subsidiary.

Goodwill arising on acquisitions on or after 1 January 2001 is capitalised and amortised over its estimated useful life. Negative goodwill arising on acquisitions on or after 1 January 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

SSAP 31 prescribes procedures to be applied to ensure that assets are carried at not more than their recoverable amounts. The recoverable amount of an asset is defined to be the higher of its net selling price and its value in use. The Group determines the value in use of its assets (including property, plant and equipment, goodwill arising on business combinations accounted for using the purchase method and intangible assets) as the present value of estimated future cash flows together with estimated disposal proceeds at the end of its useful life. The Group is required to assess at each balance sheet date whether there are any indications that assets may be impaired, and if there are such indications, the recoverable amount of the assets is to be determined.

2. 採納會計實務準則 (續)

商譽及資產減值 (續)

本集團已對於二零零零年十二月三十一日之資產(包括以往於儲備扣除之有關除譽)公平價值作出評估。因此,本集團追溯重列截至二零零零年十二月三十一日止年度之虧損淨額,計及收購附屬公司所產生並已確認及撥入儲備之商譽減值虧損25,000,000港元。董事認為,該等附屬公司資產於二零零零年十二月三十一日之賬面淨值指該等資產之使用價值。賬面值乃參考美國評值有限公司於二零零零年九月三十日所進行之估值計算,而經周詳諮詢後,董事認為該賬面值與二零零零年十二月三十一日之數值並無重大差別。估值乃根據折現估計現金流量所得之預計日後收益之現值計算,所用折現率為25.5%。

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE (continued)

Goodwill and impairment of assets (continued)

The Group has performed an assessment of the fair value of its assets, including the related goodwill that had previously been charge to reserves, as at 31 December 2000. As a result, the Group has retrospectively restated its previously reported net loss for the year ended 31 December 2000 by HK\$25,000,000 for the impairment loss recognised on goodwill held in reserves arising from the acquisition of subsidiaries. In the opinion of the directors, the carrying value of the assets of these subsidiaries as at 31 December 2000 represented the value in use of these assets. The carrying value was determined with reference to the valuation performed by American Appraisal Hongkong Limited as at 30 September 2000, which after making due enquiry, the directors were satisfied that it was not materially different from that at 31 December 2000. The valuation was determined based on the present value of the expected future revenue which was derived from discounting the projected cash flow by a discount rate. The discount rate used was 25.5%.

2. 採納會計實務準則 (續)

商譽及資產減值 (續)

採用該等新會計政策之財務影響概述如下：

於二零零一年一月一日
以往呈報數額
追溯確認於儲備入賬之商譽減值虧損
重列

更改會計政策對本期間及前期間業績之影響如下：

商譽攤銷
已確認並計入儲備之商譽減值虧損

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE (continued)

Goodwill and impairment of assets (continued)

The financial effect of the adoption of these new accounting policies is summarised below.

	本集團		
	THE GROUP		
	商譽儲備	累積虧損	總額
	Goodwill reserve	Accumulated losses	Total
	港元	港元	港元
	HK\$	HK\$	HK\$
At 1 January 2001			
As originally stated	147,915,356	47,563,546	195,478,902
Retrospective recognition of impairment loss recognised on goodwill held in reserves	(25,000,000)	25,000,000	—
As restated	122,915,356	72,563,546	195,478,902

The effect of this change in accounting policies on the results for the current and prior periods is as follows:

	本集團	
	THE GROUP	
	二零零一年	二零零零年
	2001	2002
	港元	港元
	HK\$	HK\$
Amortisation of goodwill	16,985,384	—
Impairment loss recognised on goodwill held in reserves	38,665,494	25,000,000
	55,650,878	25,000,000

2. 採納會計實務準則 (續)**商譽及資產減值 (續)**

截至二零零零年十二月三十一日止
年度虧損對賬如下：

以往呈報之虧損
已確認並計入儲備之商譽減值虧損

追溯重列虧損

3. 主要會計政策

財務報表根據香港公認之會計原則以實際成本會計法編製，但就重估證券投資而修訂。所採納之主要會計政策如下：

綜合基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

年內收購或出售之附屬公司業績分別由收購生效日期起或直至出售生效日期止計入綜合收入表內。

2. ADOPTION OF STATEMENTS OF STANDARD ACCOUNTING PRACTICE (continued)**Goodwill and impairment of assets (continued)**

Reconciliation of the loss for the year ended 31 December 2000 is as follows:

	本集團 THE GROUP 二零零零年 2000 港元 HK\$
Loss as originally stated	31,100,606
Impairment loss recognised on goodwill held in reserves	25,000,000
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Loss as restated	56,100,606

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investments in securities and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

3. 主要會計政策 (續)

商譽

綜合賬目而產生之商譽指本集團所佔附屬公司或聯營公司之個別資產及負債於收購日期之公平價值高於收購成本之差額。

於二零零一年一月一日前因收購而產生之商譽撥入儲備，當出售有關附屬公司或聯營公司時或確認減值虧損時自收益表中扣除。

於二零零一年一月一日或之後因收購而產生之商譽撥充資本，並以直線法按估計可使用年期攤銷。收購聯營公司而產生之商譽計入聯營公司面值。收購附屬公司而產生之商譽以個別無形資產方式呈報。

出售附屬公司或聯營公司而計算出售之盈虧時，包括應佔未攤銷商譽或先前於儲備撇銷或於儲備入賬之商譽計算。

附屬公司之投資

於附屬公司之投資列入本公司之資產負債表，按成本減任何已知減值虧損。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition.

Goodwill arising on acquisitions prior to 1 January 2001 continues to be held in reserves and will be charged to the income statement at the time of disposal of the relevant subsidiary or associate or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisitions on or after 1 January 2001 is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of associates is included within the carrying amount of the associates. Goodwill arising on the acquisition of subsidiaries is presented as a separate intangible asset.

On disposal of a subsidiary or an associate, the attributable amount of unamortised goodwill or goodwill previously eliminated against or credited to reserves is included in the determination of the profit or loss on disposal.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost, less any identified impairment loss.

3. 主要會計政策 (續)

聯營公司之權益

綜合收入表包括本集團在本年度內應佔聯營公司之收購後業績。於綜合資產負債表內，聯營公司之權益按本集團應佔之聯營公司資產淨額加上至目前為止仍未於收入表攤銷之溢價減已知減值虧損列賬。

本公司應佔之聯營公司業績按年度內已收及應收之股息為基準計算。於本公司之資產負債表內，於聯營公司之投資乃按成本減任何可鑑別減值虧損列賬。

收入之確認

錄影帶產品之銷售在貨品付運及擁有權已轉移時確認。

發行費收入在母帶交付後確認。

版權費收入按有關協議之條款以應計基準確認。

製作費收入在提供服務後確認。

來自投資之股息收入在本集團收取股息之權利獲確立後確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in associates

The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. In the consolidated balance sheet, interests in associates are stated at the Group's share of the net assets of the associates plus the premium paid on acquisition in so far as it has not already been amortised to the income statement, less any identified impairment loss.

The results of associates are accounted for by the Company on the basis of dividends received or receivable during the year. In the Company's balance sheet, investments in associates are stated at cost, as reduced by any identified impairment loss.

Revenue recognition

Sales of video products are recognised when goods are delivered and title has passed.

Distribution fee income is recognised when the master materials have been delivered.

Royalty income is recognised on an accrual basis in accordance with the terms of the relevant agreement.

Production fee income is recognised when the services are rendered.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

3. 主要會計政策 (續)

收入之確認 (續)

銀行存款利息收入根據尚未收回之本金及適用利率按時間比例基準累計。

服務收入、廣告收入及管理費用收入於提供服務時確認。

來自經營租約之租金收入於有關租賃期內按直線法確認。

物業、機器及設備

物業、機器與設備乃按成本減折舊與攤銷及任何累積減值虧損列賬。

折舊或攤銷乃用以撇銷物業、機器及設備之成本，經計算其估計餘值後，按其估計可使用年限依直線法計算，年率如下：

租約土地	剩餘租約年期
樓宇	4.5% — 5%
租賃物業裝修	20% — 25%
傢俬及裝置	10% — 20%
機器及設備	18% — 25%
汽車	15% — 20%

出售或棄用資產產生之溢利或虧損，即出售資產所得款項及資產賬面值兩者之差額，在收入表內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Service income, advertising income and management fee income are recognised when the services are rendered.

Rental income under operating leases is recognised on a straight-line basis over the relevant lease term.

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and amortisation and any accumulated impairment losses.

Depreciation or amortisation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold land	Over the term of the lease
Buildings	4.5% - 5%
Leasehold improvements	20% - 25%
Furniture and fixtures	10% - 20%
Machinery and equipment	18% - 25%
Motor vehicles	15% - 20%

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

3. 主要會計政策 (續)

減值

本集團於各結算日檢討有形及無形資產之賬面值，以評估有關資產有否出現減值虧損。倘資產之估計可收回金額低於其賬面值，則將其賬面值減至其可收回金額。減值虧損將即時確認為開支入賬，除非有關資產根據另一會計實務準則以重估值入賬，在此情況下減值虧損將根據該會計實務準則當作重估減值處理。

倘減值虧損其後減少，則將資產之賬面值增加至其可收回金額，而增加後之賬面值以假設過往年度並無確認減值虧損而釐定之賬面值為限。減值虧損減少時即時確認為收入賬，除非有關資產根據另一會計實務準則以重估數額入賬，則減值虧損減少按該會計實務準則當作重估增值處理。

證券投資

證券投資乃於交易當日確認，初期以成本入賬。

所有證券於隨後之報告日，以公平價值入賬。

如證券乃持作買賣用途，則未變賣溢利及虧損均包括在有關年度的溢利或虧損淨額內。至於其他證券，未變現溢利及虧損則在股本中處理，直至有關證券被變賣或獲確認出現減值，屆時有關累計溢利或虧損包括在該年度的溢利或虧損淨額內。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another SSAP, in which case the impairment loss is treated as revaluation decrease under that SSAP.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another SSAP, in which case the reversal of the impairment loss is treated as a revaluation increase under that SSAP.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

All securities are measured at subsequent reporting dates at fair value.

Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the year. For other securities, unrealised gains and losses are dealt with in equity, until the securities are disposed of or are determined to be impaired, at which time the cumulative gain or loss is included in net profit or loss for the year.

3. 主要會計政策 (續)

存貨

存貨乃按成本及可變現淨值兩者之較低者入賬。成本按先入先出法計算。

電影版權

根據為複製及發行影視產品及在指定地區及時間內以特許形式轉批電影或電視劇集而訂立之特許協議，於製作電影或電視劇集期間分期支付之墊款均以預付款項入賬。根據特許權協議之合約代價餘款列為承擔項目。當收到電影或電視劇集之母帶時，所有根據特許權協議而作出之墊款均列為電影版權入賬。根據特許權協議所須支付之餘款均列為負債。

對於為複製及發行影視產品而購入之電影版權，電影版權之有關部份將根據年內所生產數量估估計將生產之總數量比例轉撥為生產成本。倘本集團決定不行使本身根據個別特許協議之權利，則電影版權之餘款在收入表撇銷。

在以特許形式轉批之電影版權方面，電影版權之有關部份將根據年內實際賺取收入佔轉批電影版權估計所得之收入總額之比例自收入表扣除。倘電影版權之餘款較估計未來收入為低，則電影版權之尚欠餘款須撇減至其可變現淨值。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Film rights

Advances made by instalments during the production of films or television drama series under licensing agreements for reproduction and distribution of audio visual products and for sub-licensing of film titles or television drama series, in specific geographical areas and time periods, are recorded as prepayments. The balances of the contracted consideration under the licensing agreements are disclosed as commitments. Upon receipt of the master materials of films or television drama series, all advance payments under the licensing agreements are recorded as film rights. The balances payable under the licensing agreements are recorded as liabilities.

For film rights acquired for reproduction and distribution of audio visual products, the relevant portion of the film rights will be transferred to the cost of production in the proportion that units produced during the year bear to the total estimated number of units to be produced. In the case where the Group decides not to exercise its rights under a particular licensing agreement, the remaining balance of the film rights will be written off in the income statement.

For film rights acquired for sub-licensing, the relevant portion for film rights will be charged to income statement in the proportion that actual income earned during the year bears to the total estimated income from sub-licensing. Where the remaining balance of the film rights is less than the estimated future income, the balance is written down to its net realisable value.

3. 主要會計政策 (續)

製作中電影

製作中電影指製作中之電影及電視劇，按截至入賬日期已動用成本減任何可識別之減值入賬。成本將於完成後轉撥為電影版權入賬。

可換股貸款票據

除非實際兌換，否則可換股貸款票據列作負債另行披露。有關在收入表確認之可換股票據財務支出，按可換股貸款票據於各財務年度之結餘計算，以定期定額扣除。

有關發行可換股貸款票據之費用於發行年度自收入表扣除。

稅項

稅項支出乃按本年度已就不應課稅或不獲寬減之項目作出調整後之業績計算。若干收支項目因在計算稅務時與在財務報表確認時計入不同會計期而有時差。倘時差之稅務影響有可能在可見將來確定為負債或資產，則按負債法在財務報表確認為遞延稅項。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Films in progress

Films in progress represents films and televisions drama series under production and is stated at cost incurred to date, less any identified impairment loss. Cost is transferred to film rights upon completion.

Convertible loan notes

Convertible loan notes are separately disclosed and regarded as liabilities unless conversion actually occurs. The finance cost recognised in the income statement in respect of the convertible loan notes is calculated so as to produce a constant periodic rate of charge on the remaining balances of the convertible loan notes for each financial year.

The costs incurred in connection with the issue of convertible loan notes are charged to the income statement in the year of issue.

Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements. The tax effect of timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

3. 主要會計政策 (續)**外幣**

外幣交易先按交易日期之匯率入賬。以外幣計算之貨幣資產及負債按結算日之匯率換算。匯兌溢利及虧損計入收入表。

於綜合非以港元入賬之附屬公司及聯營公司之財務報表時，按結算日之匯率換算。一切匯兌差額均撥入儲備。

經營租約

倘出租人仍擁有資產擁有權之絕大部份回報及風險，則有關租約列作經營租約。

經營租約之應付租金均按有關租約條款以直線法在收入表中扣除。

退休福利計劃

於收入表中扣除之退休福利成本指本年度向本集團香港強制性供積金計劃及中華人民共和國中央退休金計劃之供款。

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Foreign currencies**

Transactions in currencies other than Hong Kong dollar are initially recorded at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong dollar are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

On consolidation the financial statements of subsidiaries and associates which are denominated in currencies other than Hong Kong dollar are translated at the rates ruling on the balance sheet date. All exchange differences arising on consolidation are dealt with in reserves.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessors are accounted for as operating leases.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the relevant lease term.

Retirement benefits schemes

The retirement benefit costs charged in the income statement represent the contributions payable in respect of the current year to the Group's Mandatory Provident Fund Scheme in Hong Kong and the Central Pension Scheme in the People's Republic of China.

4. 營業額

		二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
發行費收入	Distribution fee income	200,324,232	54,684,710
銷售錄影帶產品	Sales of video products	43,713,909	7,725,838
服務收入	Service income	3,522,238	2,203,894
版權費收入	Royalty income	1,451,200	400,369
製作費收入	Production fee income	2,681,634	206,888
廣告收入	Advertising income	1,525,076	1,217
		<u>253,218,289</u>	<u>65,222,916</u>

5. 業務及地區分類

業務分類

本集團現時按管理需要而分為兩個主要經營部門，分別為電影發行及錄影帶發行。上述部門為本集團呈報分類資料之基本方式。

主要業務分類如下：

電影發行 — 發行電影及電視連續劇

錄影帶發行 — 製作及買賣影音光碟及光碟

4. TURNOVER

		二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
Distribution fee income		200,324,232	54,684,710
Sales of video products		43,713,909	7,725,838
Service income		3,522,238	2,203,894
Royalty income		1,451,200	400,369
Production fee income		2,681,634	206,888
Advertising income		1,525,076	1,217
		<u>253,218,289</u>	<u>65,222,916</u>

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two main operating divisions, namely film distribution and video distribution. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Film distribution — distribution of motion pictures and television drama series

Video distribution — production and trading of video compact discs and compact discs

5. 業務及地區分類 (續)

業務分類 (續)

有關上述業務截至二零零一年及二零零零年十二月三十一日止年度之分類資料呈報如下：

截至二零零一年十二月三十一日止年度
收入表

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Business segments (continued)

Segment information about these businesses for the years ended 31 December 2001 and 2000 is presented below.

Income statement for the year ended 31 December 2001

		電影發行 Film distribution 港元 HK\$	影視發行 Video distribution 港元 HK\$	其他業務 Other operations 港元 HK\$	撇銷 Eliminations 港元 HK\$	合併 Consolidated 港元 HK\$
營業額	Turnover					
對外銷售	External sales	200,324,232	45,165,109	7,728,948	—	253,218,289
分部間銷售	Inter-segment sales	26,675,274	861,298	1,203,923	(28,740,495)	—
		<u>226,999,506</u>	<u>46,026,407</u>	<u>8,932,871</u>	<u>(28,740,495)</u>	<u>253,218,289</u>
分部間銷售，按成本加利潤計算。	Inter-segment sales are charged at cost plus a mark-up.					
分部虧損	Segment loss	<u>(96,958,249)</u>	<u>(14,379,477)</u>	<u>(6,666,035)</u>	<u>(11,162,101)</u>	(129,165,862)
其他收入	Other revenue					11,826,700
未分類公司 開支	Unallocated corporate expenses					<u>(15,168,406)</u>
經營虧損	Loss from operations					(132,507,568)
融資成本	Finance costs					(2,675,892)
應佔聯營公司 業績	Shares of results of associates	<u>(5,332,742)</u>	<u>(11,983,686)</u>	—	—	(17,316,428)
聯營公司視為 出售收益	Gain on deemed disposal of associates					21,200,614
應收聯營公司之 款項撥備	Allowance for amounts due from associates					(4,500,000)
已確認並計入 儲備之商譽 減值虧損	Impairment losses recognised on goodwill held in reserves					(38,665,494)
商譽攤銷	Amortisation of goodwill					<u>(16,497,736)</u>
除稅前虧損	Loss before taxation					(190,962,504)
稅項	Taxation					<u>(307,492)</u>
未計少數股東 權益前虧損	Loss before minority interests					<u>(191,269,996)</u>

5. 業務及地區分類 (續)

業務分類 (續)

資產負債表於二零零一年
十二月三十一日

		電影發行 Film distribution 港元 HK\$	錄影帶發行 Video distribution 港元 HK\$	其他業務 Other operations 港元 HK\$	合併 Consolidated 港元 HK\$
資產	Assets				
分部資產	Segment assets	859,879,506	21,416,092	32,048,259	913,343,857
於聯營公司之權益	Interests in associates	73,061,169	25,547,825	6,204,418	104,813,412
未分類公司資產	Unallocated corporate assets				149,032,813
綜合資產總值	Consolidated total assets				1,167,190,082
負債	Liabilities				
分類負債	Segment liabilities	204,097,611	34,509,228	6,163,829	244,770,668
未分類公司負債	Unallocated corporate liabilities				29,526,300
綜合負債總額	Consolidated total liabilities				274,296,968

截至二零零一年十二月三十一日止年度
其他資料

Other information for the year ended 31 December 2001

		電影發行 Film distribution 港元 HK\$	錄影帶發行 Video distribution 港元 HK\$	其他業務 Other operations 港元 HK\$	未分配 Unallocated 港元 HK\$	綜合 Consolidated 港元 HK\$
添置物業、 機器及設備	Additions of property, plant and equipment	5,122,224	—	33,349,549	43,788,658	82,260,431
添置電影版權	Additions of film rights	333,727,123	4,089,527	—	—	337,816,650
物業、廠房及設備 之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	8,474,460	5,301,134	3,207,941	2,031,916	19,015,451
商譽攤銷	Amortisation of goodwill	16,497,736	—	—	—	16,497,736
電影發行權攤銷	Amortisation of film rights	165,905,819	22,247	—	—	165,928,066
已確認減值虧損	Impairment losses recognised	87,000,000	10,174,917	1,225,000	5,664,594	104,064,511
呆壞賬撥備	Allowance for bad and doubtful debts	15,915,194	—	—	—	15,915,194
陳舊存貨撥備	Allowance for inventory obsolescence	—	2,045,895	—	—	2,045,895

5. 業務及地區分類 (續)

業務分類 (續)

截至二零零一年十二月三十一日止年度

收入表

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Business segments (continued)

Income statement for the year ended 31 December 2000

		電影發行 Film distribution 港元 HK\$	影視發行 Video distribution 港元 HK\$	其他業務 Other operations 港元 HK\$	撇銷 Eliminations 港元 HK\$	合併 Consolidated 港元 HK\$
營業額	Turnover					
對外銷售	External sales	54,684,710	8,126,207	2,411,999	—	65,222,916
分部間銷售	Inter-segment sales	2,400,000	—	—	(2,400,000)	—
		<u>57,084,710</u>	<u>8,126,207</u>	<u>2,411,999</u>	<u>(2,400,000)</u>	<u>65,222,916</u>
分部間銷售，按成本加利潤計算。	Inter-segment sales are charged at cost plus a mark-up.					
分部虧損	Segment loss	<u>(29,604,293)</u>	<u>(17,298,699)</u>	<u>(3,721,865)</u>	<u>(2,400,000)</u>	<u>(53,024,857)</u>
其他收入	Other revenue					45,691,839
未分類公司 開支	Unallocated corporate expenses					<u>(21,671,397)</u>
經營虧損	Loss from operations					(29,004,415)
融資成本	Finance costs					(714,362)
應佔聯營公司 業績	Shares of results of associates	<u>—</u>	<u>—</u>	<u>(1,108,845)</u>	<u>—</u>	<u>(1,108,845)</u>
已確認並計入儲備 之商譽減值虧損	Impairment losses recognised on goodwill held in reserves					<u>(25,000,000)</u>
除稅前虧損	Loss before taxation					(55,827,622)
稅項	Taxation					<u>(203,619)</u>
未計少數股東 權益前虧損	Loss before minority interests					<u>(56,031,241)</u>

5. 業務及地區分類 (續)

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

業務分類 (續)

Business segments (continued)

資產負債表於二零零零年十二月三十一日 Balance sheet as at 31 December 2000

		電影發行 Film distribution 港元 HK\$	錄影帶發行 Video distribution 港元 HK\$	其他業務 Other operations 港元 HK\$	合併 Consolidated 港元 HK\$
資產	Assets				
分部資產	Segment assets	759,029,007	20,675,456	2,526,977	782,231,440
於聯營公司之權益	Interests in associates	—	—	1,150,474	1,150,474
未分類公司資產	Unallocated corporate assets				419,510,146
綜合資產總值	Consolidated total assets				1,202,892,060
負債	Liabilities				
分類負債	Segment liabilities	124,592,185	6,801,657	1,173,781	132,567,623
未分類公司負債	Unallocated corporate liabilities				37,843,658
綜合負債總額	Consolidated total liabilities				170,411,281

截至二零零零年十二月三十一日止年度

Other information for the year ended 31 December 2000

其他資料

		電影發行 Film distribution 港元 HK\$	錄影帶發行 Video distribution 港元 HK\$	其他業務 Other operations 港元 HK\$	未分配 Unallocated 港元 HK\$	綜合 Consolidated 港元 HK\$
添置物業、機器及設備	Additions of property, plant and equipment	14,944,168	21,941,106	1,781,926	14,801,456	53,468,656
添置電影版權	Additions of film rights	57,458,593	139,023	—	—	57,597,616
物業、廠房及設備之折舊及攤銷	Depreciation and amortisation of property, plant and equipment	4,245,926	4,976,565	—	1,185,696	10,408,187
電影版權攤銷	Amortisation of film rights	17,048,575	139,023	—	—	17,187,598
已確認減值虧損	Impairment losses recognised	25,000,000	—	—	—	25,000,000
呆壞賬撥備	Allowance for bad and doubtful debts	—	2,818,203	—	—	2,818,203

5. 業務及地區分類 (續)

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

地區分類

本集團於香港及中華人民共和國(不包括香港) (「中國」) 營業。

下表按市場位置分析本集團之銷售(並不考慮產品/服務之原產地)：

Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China excluding Hong Kong (the "PRC").

The following table provides an analysis of the Group's sales by location of markets, irrespective of the origin of the goods/services:

		營業額		業務對虧損之影響	
		Turnover		Contribution to loss from operations	
		二零零一年	二零零零年	二零零一年	二零零零年
		2001	2000	2001	2000
		港元	港元	港元	港元
		HK\$	HK\$	HK\$	HK\$
香港	Hong Kong	122,640,733	24,592,919	(71,861,197)	(16,108,675)
中國	The PRC	19,520,604	20,424,682	(3,182,312)	(21,085,982)
東南亞	South-east Asia	41,617,055	16,418,012	(34,293,733)	(8,476,140)
歐美	America and Europe	63,047,542	3,329,712	(15,575,990)	(6,288,701)
其他地區	Other	6,392,355	457,591	(4,252,630)	(1,065,359)
		<u>253,218,289</u>	<u>65,222,916</u>	<u>(129,165,862)</u>	<u>(53,024,857)</u>
其他收入	Other revenue			11,826,700	45,691,839
未分類公司開支	Unallocated corporate expenses			<u>(15,168,406)</u>	<u>(21,671,397)</u>
經營虧損	Loss from operations			<u>(132,507,568)</u>	<u>(29,004,415)</u>

5. 業務及地區分類 (續)

地區分類 (續)

分部資產、添置物業、機器及設備及無形資產按資產分佈地區分析如下：

香港
中國

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(continued)

Geographical segments (continued)

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:

	分類資產賬面值		添置物業、機器及 設備與無形資產	
	Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	二零零一年	二零零零年	二零零一年	二零零零年
	2001	2000	2001	2000
	港元	港元	港元	港元
	HK\$	HK\$	HK\$	HK\$
Hong Kong	1,141,484,814	1,167,964,617	415,484,512	94,926,202
The PRC	25,705,268	34,927,443	4,592,569	16,140,070
	1,167,190,082	1,202,892,060	420,077,081	111,066,272

6. 其他收入

6. OTHER REVENUE

	二零零一年	二零零零年
	2001	2000
	港元	港元
	HK\$	HK\$
銀行存款所享利息	4,390,784	19,939,574
其他應收款項所享利息	12,509	3,937,054
已收管理費	240,000	402,000
出售上市證券之可變現 溢利淨值	—	15,198,411
租金收入	3,024,800	4,679,200
出售聯營公司之溢利	—	352,915
匯兌收益淨額	2,226,653	359,858
雜項收入	1,931,954	822,827
	11,826,700	45,691,839

7. 經營虧損

經營虧損已扣除：

呆壞賬撥備
陳舊存貨撥備 (於銷售及服務入賬)
電影版權攤銷 (包括在銷售及服務成本內)
核數師酬金
壞賬撇銷
存貨成本(包括在銷售及服務成本內)
物業、廠房及設備之折舊及攤銷
出售物業、機器及設備虧損
土地及樓宇之經營租約租金
職員開支(包括董事酬金)

8. 融資費用

須於五年內全數償還之 貸款利息：
銀行貸款及透支
可換股貸款票據
其他貸款

7. LOSS FROM OPERATIONS

	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
Loss from operations has been arrived at after charging:		
Allowance for bad and doubtful debts	15,915,194	2,818,203
Allowance for inventory obsolescence (included in cost of sales and services)	2,045,895	—
Amortisation of film rights (included in cost of sales and services)	165,928,066	17,187,598
Auditors' remuneration	1,088,499	976,036
Bad debts written off	14,272	2,601,277
Cost of inventories (included in cost of sales and services)	17,460,909	7,673,216
Depreciation and amortisation of property, plant and equipment	19,015,451	10,408,187
Loss on disposal of property, plant and equipment	900,470	73,982
Operating lease rentals in respect of land and buildings	7,405,956	3,477,000
Staff costs including directors' emoluments	42,495,660	34,605,348

8. FINANCE COSTS

	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
Interest on borrowings wholly repayable within five year:		
Bank loans and overdrafts	—	161,828
Convertible loan notes	1,503,561	552,534
Other loan	1,172,331	—
	2,675,892	714,362

9. 董事酬金

	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
董事袍金：		
執行		
獨立非執行		
執行董事之其他酬金：		
薪金及其他津貼		
退休福利計劃供款		

董事酬金範圍如下：

無至1,000,000港元		
2,500,001港元至3,000,000港元		
3,000,001港元至3,500,000港元		

年內，本集團概無向董事支付酬金作為加入本集團之獎勵或失法職位之補償。亦無董事於年內放棄任何酬金。

9. DIRECTORS' EMOLUMENTS

	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
Directors' fees:		
Executive	—	—
Independent non-executive	240,000	240,000
Other emoluments of executive directors:		
Salaries and other allowances	5,718,000	6,160,000
Retirement benefits scheme contributions	284,000	25,000
	6,242,000	6,425,000

董事人數

Number of directors

二零零一年 2001	二零零零年 2000
3	2
1	1
1	1
5	4

The emoluments of the directors fell within the following bands:

Nil to HK\$1,000,000	3	2
HK\$2,500,001 to HK\$3,000,000	1	1
HK\$3,000,001 to HK\$3,500,000	1	1
	5	4

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

10. 僱員酬金

本集團五位最高薪僱員包括兩位本公司董事(二零零零年：兩位)，其酬金詳情載於上文附註9。其餘三位(二零零零年：三位)最高薪僱員之酬金詳情如下：

	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
薪金及其他津貼	4,418,266,	4,410,000
退休福利計劃供款	145,997	126,000
	<u>4,564,263</u>	<u>4,536,000</u>

其餘三名(二零零零年：三名)最高薪僱員之酬金範圍如下：

	僱員人數 Number of individuals	
	二零零一年 2001	二零零零年 2000
零至1,000,000港元	—	1
1,000,001港元至1,500,000港元	1	1
1,500,001港元至2,000,000港元	2	—
2,500,001港元至3,000,000港元	—	1
	<u>3</u>	<u>3</u>

10. EMPLOYEES' EMOLUMENTS

The five individuals with highest emoluments included two (2000: two) directors of the Company, whose emoluments are set out in note 9 above. The details of the emoluments of the remaining three (2000: three) individuals were as follows:

	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
Salaries and other allowances	4,418,266,	4,410,000
Retirement benefits scheme contributions	145,997	126,000
	<u>4,564,263</u>	<u>4,536,000</u>

The emoluments of the remaining three (2000: three) highest paid individuals fell within the following bands:

	僱員人數 Number of individuals	
	二零零一年 2001	二零零零年 2000
Nil to HK\$1,000,000	—	1
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	2	—
HK\$2,500,001 to HK\$3,000,000	—	1
	<u>3</u>	<u>3</u>

11. 稅項

11. TAXATION

		二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
本年度溢利	Profit for the year		
香港利得稅退款	Hong Kong Profits Tax refunded	—	387,708
海外稅項	Overseas taxation	(1,170,710)	(591,327)
本集團之稅項	Taxation attribution to the Group	(1,170,710)	(203,619)
分佔聯營公司稅項抵免	Share of taxation credit attribution to associates	863,218	—
		(307,492)	(203,619)

由於本公司及其在香港經營之附屬公司於年內產生稅項虧損，故並無於財務報表上作出香港利得稅撥備。

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company and its subsidiaries operating in Hong Kong incurred a tax loss for the year.

其他司法權區之稅項按有關司法權區之適用稅率計算。

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

於結算日，未撥備遞延稅項資產(負債)主要成份如下：

At the balance sheet date, the major components of the unprovided deferred taxation assets (liabilities) were as follows:

		本集團 THE GROUP		本公司 THE COMPANY	
		二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
下列時差原因之稅項影響：	Tax effect of timing differences because of:				
估計稅項虧損	Estimated tax losses	37,336,000	25,068,000	6,605,000	2,265,000
過剩之折舊 免稅額	Excess of tax allowances over depreciation	(7,550,000)	(3,150,000)	—	—
		29,786,000	21,918,000	6,605,000	2,265,000

11. 稅項 (續)

遞延稅項資產，即可動用以抵銷未來溢利之估計稅項虧損，並未於財務報表入賬，原因為未能確定估計稅項虧損能於可見未來動用。

本年度計入(扣除)之概約未撥備遞延稅項數額如下：

下列原因引起之時差稅項影響：

產生之估計稅項虧損
免稅額超逾折舊之差額

11. TAXATION (continued)

The deferred tax asset has not been recognised in the financial statements in respect of estimated tax losses available to offset future profits as it is not certain that the estimated tax losses will be utilised in the foreseeable future.

The amount of unprovided deferred taxation credit (charge) for the year was approximately as follows:

	本集團	
	THE GROUP	
	二零零一年	二零零零年
	2001	2000
	港元	港元
	HK\$	HK\$
Tax effect of timing difference because of:		
Estimated tax losses arising	12,268,000	4,123,000
Excess of tax allowances over depreciation	(4,400,000)	(1,729,000)
	<u>7,868,000</u>	<u>2,394,000</u>

12. 每股虧損

每股基本及攤薄虧損按以下數據計算：

股東應佔虧損

股份數目：

計算每股基本及攤薄虧損之
加權平均股數

由於年內行使本公司尚未行使之購股權、認股權證及可換股貸款票據不會使每股虧損下降，故此計算截至二零零零年及二零零一年十二月三十一日止年度之每股攤薄虧損假設並無行使該等證券。

上文附註2所述更改會計政策產生之每股比較基本虧損調整如下：

二零零零年每股虧損對賬：

調整前每股呈報虧損
採納會計實務準則第30號
及第31號所產生之調整

重列每股虧損

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

	二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$ (重列) (restated)
Loss attributable to shareholders	<u>191,207,134</u>	<u>56,100,606</u>
Number of shares:		
Weighted average number of shares for the purposes of basic and diluted loss per share	<u>1,763,266,965</u>	<u>1,695,062,128</u>

The computation of diluted loss per share for the years ended 31 December 2000 and 2001 does not assume the exercise of the Company's outstanding share options, warrants and convertible loan notes existed during the years since their exercise would reduce loss per share.

The adjustment to comparative basic and diluted loss per share, arising from the change in accounting policies shown in note 2 above, is as follows:

	港仙 HK cents
Reconciliation of 2000 loss per share:	
Reported loss per share before adjustments	1.83
Adjustments arising from the adoption of SSAPs 30 and 31	<u>1.48</u>
Restated loss per share	<u>3.31</u>

13. 物業、機器及設備

13. PROPERTY, PLANT AND EQUIPMENT

本集團 The GROUP		土地及樓宇	租約物業裝修	傢俬及裝置	機器及設備	汽車	總額
		Land and buildings	Leasehold improvements	Furniture and fixtures	Machinery and equipment	Motor vehicles	Total
		港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$
成本	Cost						
於二零零一年一月一日	At 1 January 2001	15,124,333	6,664,800	9,912,376	53,858,217	3,471,335	89,031,061
匯兌調整	Exchange adjustment	14,040	12,670	31,315	99,767	43,773	201,565
收購附屬公司所得	Acquired on acquisition						
	of subsidiaries	—	136,533	380,847	30,757	—	548,137
添置	Additions	42,796,965	—	4,005,445	34,909,884	—	81,712,294
出售	Disposals	—	(606,240)	(738,858)	(127,715)	—	(1,472,813)
於二零零一年十二月三十一日	At 31 December 2001	57,935,338	6,207,763	13,591,125	88,770,910	3,515,108	170,020,244
折舊及減值	Depreciation and impairment						
於二零零一年一月一日	At 1 January 2001	2,258,315	4,612,430	3,329,374	16,213,416	2,250,100	28,663,635
匯兌調整	Exchange adjustment	4,393	2,361	7,322	27,734	36,250	78,060
年內折舊	Charged for the year	1,302,424	1,065,942	2,348,997	13,811,517	486,571	19,015,451
出售時對銷	Eliminated on disposals	—	(157,198)	(144,964)	(27,777)	—	(329,939)
已確認減值虧損	Impairment loss recognised	—	—	—	10,399,017	—	10,399,017
於二零零一年十二月三十一日	At 31 December 2001	3,565,132	5,523,535	5,540,729	40,423,907	2,772,921	57,826,224
賬面淨值	Net book values						
於二零零一年十二月三十一日	At 31 December 2001	54,370,206	684,228	8,050,396	48,347,003	742,187	112,194,020
於二零零零年十二月三十一日	At 31 December 2000	12,866,018	2,052,370	6,583,002	37,644,801	1,221,235	60,367,426

13. 物業、機器及設備 (續)

上述土地及樓宇及賬面淨值包括：

香港之租賃土地及樓宇
 長期租約
 中期租約
 香港以外之租賃土地及樓宇
 中期租約

於結算日，本集團出售總賬面淨值16,649,017港元之機器及設備，總代價為6,250,000港元。經諮詢後，董事認為，該等機器及設備其後之售價指該等機器及設備於二零零一年十二月三十一日之賬面值。因此，已就此確認減值虧損總額10,399,017港元。

14. 商譽

成本

於年內因收購而產生及
 二零零一年十二月三十一日結餘

攤銷

於本年度扣除及
 二零零一年十二月三十一日結餘

賬面值

於二零零一年十二月三十一日結餘

商譽之攤銷期為十年。

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The net book value of land and buildings shown above comprises:

	本集團	
	二零零一年	二零零零年
	2001	2002
	港元	港元
	HK\$	HK\$
Land and buildings in Hong Kong		
Long lease	6,606,417	6,966,767
Medium-term lease	47,436,647	5,560,175
Land and buildings outside Hong Kong		
Medium-term lease	327,142	339,076
	<u>54,370,206</u>	<u>12,866,018</u>

Subsequent to the balance sheet date, the Group disposed of its machinery and equipment with an aggregate net book value of HK\$16,649,017 at a total consideration of HK\$6,250,000. After making due enquiry, the directors were satisfied that the subsequent selling price of these machinery and equipment represented the carrying value of these machinery and equipment as at 31 December 2001. Thus, total impairment loss of HK\$10,399,017 were recognised.

14. GOODWILL

	本集團	
	二零零一年	二零零零年
	2001	2002
	港元	港元
	HK\$	HK\$
Cost		
Arising on acquisition during the year and at 31 December 2001		175,815,294
Amortisation		
Charged for the year and at 31 December 2001		<u>16,497,736</u>
Carrying amount		
At 31 December 2001		<u>159,317,558</u>

The amortisation period adopted for goodwill is 10 years.

15. 附屬公司權益

15. INTERESTS IN SUBSIDIARIES

	本公司	
	THE COMPANY	
	二零零一年	二零零零年
	2001	2002
	港元	港元
	HK\$	HK\$
非上市股份，成本值	30,708,261	30,708,261
已確認減值虧損	(30,299,000)	(30,299,000)
	<u>409,261</u>	<u>409,261</u>
應收附屬公司款項	1,492,538,443	1,056,416,000
應收附屬公司款項撥備	(186,634,000)	(86,634,000)
	<u>1,305,904,443</u>	<u>969,782,000</u>
	<u>1,306,313,704</u>	<u>970,191,266</u>

應收附屬公司款項無抵押、免息且無固定還款期。董事認為款項應不會於未來十二個月償還。

The amounts are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of directors, the amount will not be repaid in the next twelve months.

本公司之主要附屬公司於二零零一年十二月三十一日之詳情載於附註38。

Details of the Company's principal subsidiaries at 31 December 2001 are set out in note 38.

16. 聯營公司權益

16. INTERESTS IN ASSOCIATES

		本集團		本公司	
		THE GROUP		THE COMPANY	
		二零零一年	二零零零年	二零零一年	二零零零年
		2001	2000	2001	2000
		港元	港元	港元	港元
		HK\$	HK\$	HK\$	HK\$
非上市股份，成本值	Unlisted shares, at cost	—	—	5,000	5,000
應佔資產淨值	Share of net assets	95,672,199	1,150,474	—	—
商譽	Goodwill	7,641,213	—	—	—
		<u>103,313,412</u>	<u>1,150,474</u>	<u>5,000</u>	<u>5,000</u>
給予聯營公司貸款	Loans to associates	5,000,000	—	—	—
貸款予聯營公司之撥備	Allowance for loans to an associate	(3,500,000)	—	—	—
		<u>1,500,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<u>104,813,412</u>	<u>1,150,474</u>	<u>5,000</u>	<u>5,000</u>
上市股份市值	Market value of listed shares	587,520,000	—	—	—

給予聯營公司貸款包括無抵押貸款1,500,000港元，而該無抵押貸款按年利率3厘計算利息，並可於二零零二年九月十七日或之後按原定換股價每股1港元兌換為該聯營公司之股份。所有其他貸款均為無抵押及免息，而董事認為毋須於未來十二個月內償還。

年內因收購香港聯合交易所有限公司上市公司海岸集團有限公司而產生9,752,950港元之商譽。商譽之攤銷期為10年，本年度487,648港元之攤銷支出已於綜合收入表入賬呈報為應佔聯營公司虧損。內年視為出售海岸集團有限公司7.72%權益已撇銷1,624,089港元商譽。

主要聯營公司於二零零一年十二月三十一日之詳情載於附註39。

Included in loans to an associate is a loan of HK\$1,500,000 which is unsecured, bears interest at 3% per annum and carries the right to convert the amount into shares of the associate at an initial conversion price of HK\$1 per share on or after 17 September 2002. All other loans are unsecured, non-interest bearing and in the opinion of directors, will not be repaid within the next twelve months.

During the year, goodwill of HK\$9,752,950 arose on the acquisition of Ocean Shores Group Limited, a company listed on The Stock Exchange of Hong Kong Limited. The amortisation period adopted for the goodwill is 10 years and amortisation charge in the current year amounting to HK\$487,648 has been included in the amount reported as share of losses of associates in the consolidated income statement. HK\$1,624,089 has been eliminated on the deemed disposal of 7.72% interest in Ocean Shores Group Limited during the year.

Details of the principal associates at 31 December 2001 are set out in note 39.

16. 聯營公司權益 (續)

以下詳情摘錄自海岸集團有限公司經審核綜合財務報表：

16. INTERESTS IN ASSOCIATES (continued)

The following details have been extracted from the audited consolidated financial statements of Ocean Shores Group Limited:

		二零零一年 2001 千港元 HK\$'000	二零零零年 2000 千港元 HK\$'000
營業額	Turnover	<u>28,007</u>	—
除稅前虧損	Loss before taxation	<u>100,731</u>	—
除稅後本集團應佔虧損	Loss after taxation attributable to the Group	<u>15,960</u>	—
非流動資產	Non-current assets	147,676	—
流動資產	Current assets	125,176	—
流動負債	Current liabilities	23,861	—
非流動負債	Non-current liabilities	<u>2,728</u>	—
資產淨值	Net assets	<u>246,263</u>	—
本集團應佔資產淨產	Net assets attributable to the Group	<u>95,156</u>	—

17. 證券投資

本集團

股本證券：
在香港上市
非香港上市
上市證券之市值
就編製報告而言，
賬面價值分析如下：
非流動

18. 應收貸款

應收貸款

該貸款為根據股東協議，股東貸款予一間本集團持有長期股本權益之公司，以資助該公司之業務。

該貸款為無抵押、免息及無固定還款期。依董事之意見，有關款項不會在未來十二個月內償還。

17. INVESTMENTS IN SECURITIES

THE GROUP

Equity securities:
Listed in Hong Kong
Unlisted in Hong Kong
Market value of listed securities
Carrying amount analysed
for reporting purposes as:
Non-current

18. LOAN RECEIVABLE

Loan receivable

The loan represents a shareholder's loan made to a company in which the Group is holding a long-term equity interest, to finance the activity of that company according to the shareholders' agreement.

The loan is unsecured, non-interest bearing and has no fixed term of repayment. In the opinion of the directors, the amount will not be repaid within the next twelve months.

其他證券

Other securities

二零零一年	二零零零年
2001	2000
港元	港元
HK\$	HK\$
—	4,995,000
390	390
390	4,995,390
—	4,995,000
390	4,995,390

本集團

THE GROUP

二零零一年	二零零零年
2001	2000
港元	港元
HK\$	HK\$
5,426,060	5,176,060

19. 存貨

19. INVENTORIES

		本集團	
		THE GROUP	
		二零零一年	二零零零年
		2001	2000
		港元	港元
		HK\$	HK\$
在製品	Work in progress	5,935,477	3,925,638
製成品	Finished goods	5,284,225	1,495,737
		<u>11,219,702</u>	<u>5,421,375</u>

以上數額包括3,687,553港元(二零零零年：899,584港元)以變現淨值入賬之製成品。

Included above are finished goods of HK\$3,687,553 (2000: HK\$899,584) which are carried at net realisable value.

20. 電影版權

20. FILMS RIGHTS

		本集團
		THE GROUP
		二零零一年
		2001
		港元
		HK\$
成本	Cost	
於二零零一年一月一日	At 1 January 2001	250,432,326
添置	Additions	<u>337,816,650</u>
於二零零一年十二月三十一日	At 31 December 2001	<u>588,248,976</u>
攤銷及減值	Amortisation and impairment	
於二零零一年一月一日	At 1 January 2001	82,347,671
年內攤銷	Charged for the year	165,928,066
已確認減值虧損	Impairment loss recognised	<u>55,000,000</u>
於二零零一年十二月三十一日	At 31 December 2001	<u>303,275,737</u>
賬面值	Carrying amounts	
於二零零一年十二月三十一日	At 31 December 2001	<u>284,973,239</u>
於二零零零年十二月三十一日	At 31 December 2000	<u>168,084,655</u>

20. 電影版權 (續)

由於競爭激烈使舊有版權之價格偏低，故此董事已重估電影版權於結算日之可收回數額，並就此確認減值虧損總額約55,000,000港元。董事認為，電影版權於二零零一年十二月三十一日之賬面值指根據二零零一年十二月三十一日之估值而計算之電影版權售價淨額。上述估值乃由獨立專業估值師行安迪評值有限公司進行，並按折現率22%將預計現金流量折現所得之預期日後發行及轉授電影版權收入現值而計算。

21. 貿易應收賬款

給予客戶之除賬期為30至90日不等。貿易應收賬款之賬齡分析如下：

20. FILMS RIGHTS (continued)

As the price for old titles remained low due to keen competition, the directors reassessed the recoverable amount of film rights at the balance sheet date. Total impairment loss of approximately HK\$55,000,000 was recognised. In the opinion of the directors, the carrying value of film rights as at 31 December 2001 represented the net selling price of the film rights which was determined by reference to a valuation as at 31 December 2001. The valuation was performed by Adonis Appraisal Limited, an independent firm of professional valuers, and was determined based on the present value of the expected future revenue arising from the distribution and sub-licensing of the film rights, which was derived from discounting the projected cash flow by a discount rate. The discount rate used was 22%.

21. TRADE DEBTORS

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

		本集團	
		THE GROUP	
		二零零一年	二零零零年
		2001	2002
		港元	港元
		HK\$	HK\$
0至30日	0 to 30 days	14,738,630	4,468,183
31至60日	31 to 60 days	8,492,306	1,034,876
61至90日	61 to 90 days	2,903,447	1,238,699
91至180日	91 to 180 days	33,463,294	3,072,282
超過180日	Over 180 days	2,371,040	4,549,460
		61,968,717	14,363,500

22. 應收／應付之聯營公司之款項**本集團及本公司**

此款項不計利息、無抵押且無固定還款期。

22. AMOUNTS DUE FROM/TO ASSOCIATES**The Group and the Company**

The amounts are unsecured, non-interest bearing and have no fixed repayment terms.

23. 應收關連公司之款項

23. AMOUNTS DUE FROM RELATED COMPANIES

		於二零零一年 十二月三十一日 之結餘 Balance at 31.12.2001 港元 HK\$	於二零零一年 一月一日 之結餘 Balance at 1.1.2001 港元 HK\$	年內未償還 最高款額 Maximum amount outstanding during the year 港元 HK\$
本集團	The GROUP			
根據發行協議之墊款 (附註a)	Advances under distribution agreements (note a)	—	296,193,671	296,698,259
根據製作服務協議支付 之按金(附註b)	Deposit paid under production service agreement (note b)	22,750,000	22,750,000	22,750,000
根據電影協議支付 之按金(附註c)	Deposit paid under films agreement (note c)	—	10,000,000	10,000,000
		<u>22,750,000</u>	<u>328,943,671</u>	

附註：

Notes:

- (a) 有關結餘乃根據本集團與永盛娛樂製作有限公司(「永盛」)及其附屬公司(「永盛集團」)訂立之發行協議而向永盛集團提供之墊款。本公司董事陳明英女士及向華強先生均同時擔任永盛董事兼實益股東。該款項已於年內發行協議終止時全數償還。
- (a) The balances represented advances made to Win's Entertainment Limited ("Win's") and its subsidiaries (the "Win's Group") under distribution agreements entered into between the Group and the Win's Group Ms. Chen Ming Yin, Tiffany and Mr. Heung Wah Keung, who are directors of the Company, are directors and beneficial shareholders of Win's. The amount was fully settled during the year as the distribution agreements were terminated.
- (b) 餘額為根據本公司之全資附屬公司中國星演藝管理有限公司與永盛全資附屬公司永盛音像企業(香港)有限公司(「永盛音像」)訂立之製作服務協議，以支付永盛音像之按金。有關餘額為無抵押、免息，將用作抵銷根據製作服務協議之條款中國星演藝管理有限公司所須支付之費用，而任何餘下部份將須於二零零二年七月三十一日前償還。
- (b) The balance represents deposit paid to Win's Music & Video Enterprises (Hong Kong) Limited ("Win's Music"), a wholly-owned subsidiary of Win's, under a production service agreement entered into between China Star Management Limited, a wholly-owned subsidiary of the Company, and Win's Music. The balance is unsecured, interest-free and will be used to set off against fee payable by China Star Management Limited in accordance with the terms of the production service agreement and any remaining portion will be repayable before 31 July 2002.
- (c) 餘額指根據於二零零零年十二月十四日訂立之買賣協議及電影轉讓就購買電影及電視節目而向永盛支付之按金。
- (c) The balance represented deposit paid to Win's for the purchase of motion pictures and television programmes pursuant to the sale and purchase agreement and assignment of films dated 14 December 2000.

24. 貿易應付賬款

貿易應付賬款之賬齡分析如下：

24. TRADE CREDITORS

The aged analysis of trade creditors is as follows:

		本集團	
		THE GROUP	
		二零零一年	二零零零年
		2001	2000
		港元	港元
		HK\$	HK\$
0至30日	0 to 30 days	7,760,231	7,454,117
31至60日	31 to 60 days	1,751,635	146,448
61至90日	61 to 90 days	153,151	5,042
91至180日	91 to 180 days	6,655,816	650,422
超過180日	Over 180 days	13,500,190	6,352,301
		29,821,023	14,608,330

25. 借貸

25. BORROWINGS

		本集團		本公司	
		THE GROUP		THE COMPANY	
		二零零一年	二零零零年	二零零一年	二零零零年
		2001	2000	2001	2000
		港元	港元	港元	港元
		HK\$	HK\$	HK\$	HK\$
有抵押銀行貸款	Secured bank loan	21,000,000	—	—	—
有抵押財務機構貸款	Secured other loan from a financial institution	25,000,000	—	—	—
無抵押可換股貸款票據	Unsecured convertible loan notes	70,000,000	—	70,000,000	—
		<u>116,000,000</u>	<u>—</u>	<u>70,000,000</u>	<u>—</u>
上述貸款原來到期日 如下：	The original maturity of the above borrowings is as follows:				
一年內	Within one year	25,000,000	—	—	—
兩年以上但不 超過五年	More than two years but not exceeding five years	70,000,000	—	70,000,000	—
五年以上	More than five years	21,000,000	—	—	—
		<u>116,000,000</u>	<u>—</u>	<u>70,000,000</u>	<u>—</u>
減：一年內到期列入 流動負債之 款項	Less: Amount due within one year shown under current liabilities	(26,860,988)	—	—	—
一年後到期之款項	Amount due after one year	<u>89,139,012</u>	<u>—</u>	<u>70,000,000</u>	<u>—</u>

25. 借貸 (續)

銀行貸款按商業利率計息，於10年內以等額攤還。

向一間財務機構借貸之貸款按商業利率計息，於一年內全數償還。

於年內，本公司發行總值70,000,000港元之可換股貸款票據(「票據」)。票據按年利率4%計息，每半年支付利息一次，將於二零零四年六月三十日到期。

票據附有權利，可於二零零二年七月一日前按每股0.20港元之初步兌換價，將票據本金之兌換額兌換為每股賬面值0.05港元之本公司股份。自二零零二年七月一日至二零零三年六月三十日，票據持有人可兌換不超過票據三分之一之賬面值。自二零零三年七月一日至二零零四年六月三十日前第十四個營業日，票據持有人可兌換票據之餘下賬面值。除非之前已兌換或償還，否則於二零零二年七月一日或之後，票據持有人可要求提早償還票據之未兌換本金總額以及應計利息，惟已兌換或預付者除外。

25. BORROWINGS (continued)

The bank loan bears interest at commercial rate and is repayable in instalments over a period of 10 years.

The other loan from a financial institution bears interest at commercial rates and is repayable in lump sum within one year.

During the year, the Company issued convertible loan notes (the "Notes") in an aggregate amount of HK\$70 million. The Notes bear interest at 4% per annum which will be payable semi-annually in arrears and will mature on 30 June 2004.

The Notes carry the right to convert the principal amount of the Notes into shares of HK\$0.05 each in the share capital of the Company at an initial conversion price of HK\$0.20 per share on or after 1 July 2002. From 1 July 2002 to 30 June 2003, the noteholders can convert up to a maximum of one-third of the face value of the Notes. From 1 July 2003 to 14th business day immediately preceding 30 June 2004, the noteholders can convert the remaining face value of the Notes. Unless previously converted or repaid, at any time on or after 1 July 2002, the noteholders may request early repayment of up to the entire amount of the outstanding principal amount of the Notes together with accrued interest.

26. 股本

26. SHARE CAPITAL

		股份數目		款項	
		Number of shares		Amount	
		二零零一年	二零零零年	二零零一年	二零零零年
		2001	2000	2001	2000
				港元	港元
				HK\$	HK\$
每股面值0.05港元 之普通股	Ordinary shares of HK\$0.05 each				
法定股本：	Authorised	20,000,000,000	20,000,000,000	1,000,000,000	1,000,000,000
已發行及繳足股本	Issued and fully paid				
年初	At beginning of year	1,763,266,965	1,252,529,823	88,163,348	62,626,491
配售股份	Placement of shares	—	390,000,000	—	19,500,000
轉換可換股 貸款票據而 發行股份	Issue of shares on conversion of convertible loan notes	—	64,499,999	—	3,225,000
行使購股權 而發行股份	Issue of shares on exercise of share options	—	56,237,143	—	2,811,857
年終	At end of year	1,763,266,965	1,763,266,965	88,163,348	88,163,348

認股權證

於二零零零年八月一日，本公司透過私人配售以發行價0.075港元發行340,000,000份認股權證。該等認股權證賦予持有人權利，自二零零零年八月三日至二零零三年二月二日（包括首尾兩日）期間可隨時以每股0.35港元之初步認購價認購本公司股本中每股面值0.05港元之1股普通股。

年內並無行使認股權證。於結算日，本公司有340,000,000份尚未行使之認股權證。

全面行使上述認股權後將會額外發行340,000,000股每股面值0.05港元之普通股。

Warrants

On 1 August 2000, the Company issued 340,000,000 warrants at an issue price of HK\$0.075 per warrant by private placement. Each warrant entitles the holder to subscribe for one ordinary share of HK\$0.05 each in the share capital of the Company at an initial subscription price of HK\$0.35 per share, subject to adjustment, at any time from 3 August 2000 to 2 February 2003, both dates inclusive.

During the year, no warrants were exercised. At the balance sheet date, the Company had outstanding 340,000,000 warrants.

The exercise in full of such warrants would result in the issue of 340,000,000 additional ordinary shares of HK\$0.05 each.

26. 股本 (續)

購股權計劃

於二零零一年十二月三十一日，根據本公司購股權計劃可認購股份之未行使購股權如下：

		購股權數目 Number of options	行使期 Exercisable period	每股行使價 Exercise price per share 港元 HK\$
一九九六年購股權	1996 options	19,364,024	21.11.1996 - 20.11.2006	2.107
一九九九年購股權	1999 options	1,271	5.1.1999 - 4.1.2009	0.175
二零零零年三月購股權	March 2000 options	41,200,000	28.3.2000 - 27.3.2010	0.584
二零零零年六月購股權	June 2000 options	24,000,000	2.6.2000 - 1.6.2010	0.283
		<u>84,565,295</u>		

根據本公司現有之股本架構，於二零零一年十二月三十一日全面行使84,565,295份購股權將導致本公司按未計開支現金代價約71,653,000港元發行84,565,295股額外普通股。

26. SHARE CAPITAL (continued)

Share option scheme

At 31 December 2001, the following options to subscribe for shares were outstanding under the Company's share option scheme:

The exercise in full of the outstanding 84,565,295 share options at 31 December 2001 would, under the present capital structure of the Company, result in the issue of 84,565,295 additional ordinary shares for a total cash consideration, before expenses, of approximately HK\$71,653,000.

27. 股份溢價及儲備

27. SHARE PREMIUM AND RESERVES

本集團	The Group	綜合賬目 之(商譽) 資本儲備 (Goodwill)		繳入盈餘 Contributed surplus	匯兌儲備 Exchange reserve	認股權證 儲備 Warrant reserve	削減資本 儲備 Capital reduction reserve	投資重估 儲備 Investment revaluation reserve	累積虧損 Accumulated losses	總額 Total
		股份溢價 Share premium	reserve on consolidation capital							
於二零零零年 一月一日	At 1 January 2000	279,160,833	659,389	—	(369,044)	—	316,008,000	—	(16,462,940)	578,996,238
匯兌調整	Exchange adjustment	—	—	—	(200,487)	—	—	—	—	(200,487)
配售認股權證	Placement of warrants	—	—	—	—	25,500,000	—	—	—	25,500,000
配售股份	Placement of shares	477,500,000	—	—	—	—	—	—	—	477,500,000
配售支出	Placement expenses	(14,065,669)	—	—	—	(1,631,273)	—	—	—	(15,696,942)
行使購股權而 發行股份	Issue of shares on exercise of share options	15,739,903	—	—	—	—	—	—	—	15,739,903
轉換可換股 貸款票據 而發行股份	Issue of shares on conversion of convertible loan notes	50,955,000	—	—	—	—	—	—	—	50,955,000
購買聯營公司 所產生之商譽	Goodwill arising on purchase of associates	—	(75,570,194)	—	—	—	—	—	—	(75,570,194)
購買附屬公司 所產生之商譽	Goodwill arising on purchase of subsidiaries	—	(73,004,551)	—	—	—	—	—	—	(73,004,551)
重估投資證券 減少	Revaluation decrease on investments in other securities	—	—	—	—	—	—	(12,960,000)	—	(12,960,000)
已確認之商譽減值	Impairment loss recognised on goodwill	—	25,000,000	—	—	—	—	—	—	25,000,000
年度虧損淨額	Net loss for the year	—	—	—	—	—	—	—	(56,100,606)	(56,100,606)
於二零零零年 十二月三十一日	At 31 December 2000	809,290,067	(122,915,356)	—	(569,531)	23,868,727	316,008,000	(12,960,000)	(72,563,546)	940,158,361
於二零零零年 十二月三十一日 及二零零一年 一月一日	At 31 December 2000 and at 1 January 2001	809,290,067	(147,915,356)	—	(569,531)	23,868,727	316,008,000	(12,960,000)	(47,563,546)	940,158,361
— 如前列示	— as previously stated	809,290,067	(147,915,356)	—	(569,531)	23,868,727	316,008,000	(12,960,000)	(47,563,546)	940,158,361
— 過往年度調整 (附註2)	— Prior year adjustments (note 2)	—	25,000,000	—	—	—	—	—	(25,000,000)	—
重列	As restated	809,290,067	(122,915,356)	—	(569,531)	23,868,727	316,008,000	(12,960,000)	(72,563,546)	940,158,361
轉撥至聯營公司 權益	Released to interests in associates	—	—	—	—	—	—	12,960,000	—	12,960,000
已確認之 商譽減值虧損	Impairment loss recognised on goodwill	—	38,665,494	—	—	—	—	—	—	38,665,494
匯兌調整	Exchange adjustment	—	—	—	(15,789)	—	—	—	—	(15,789)
年度虧損淨額	Net loss for the year	—	—	—	—	—	—	—	(191,207,134)	(191,207,134)
於二零零一年 十二月三十一日	At 31 December 2001	809,290,067	(84,249,862)	—	(585,320)	23,868,727	316,008,000	—	(263,770,680)	800,560,932

27. 股份溢價及儲備 (續)

27. SHARE PREMIUM AND RESERVES (continued)

本公司	The Company	綜合賬目 之(商譽) 資本儲備 (Goodwill)		繳入盈餘 Contributed surplus	匯兌儲備 Exchange reserve	認股權證 儲備 Warrant reserve	削減資本 儲備 Capital reduction reserve	投資重估 儲備 Investment revaluation reserve	累積虧損 Accumulated losses	總額 Total
		股份溢價 Share premium	capital reserve on consolidation							
		港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$	港元 HK\$
於二零零零年 一月一日	At 1 January 2000	279,160,833	—	20,924,000	—	—	316,008,000	—	(79,079,320)	537,013,513
配售認股權證	Placement of warrants	—	—	—	—	25,500,000	—	—	—	25,500,000
配售股份	Placement of shares	477,500,000	—	—	—	—	—	—	—	477,500,000
配售支出	Placement expenses	(14,065,669)	—	—	—	(1,631,273)	—	—	—	(15,696,942)
行使購股權而 發行股份	Issue of shares on exercise of share options	15,739,903	—	—	—	—	—	—	—	15,739,903
轉換可換股 貸款票據 而發行股份	Issue of shares on conversion of convertible loan notes	50,955,000	—	—	—	—	—	—	—	50,955,000
年度虧損淨額	Net loss for the year	—	—	—	—	—	—	—	(25,984,249)	(25,984,249)
於二零零零年 十二月三十一日 及二零零一年 一月一日	At 31 December 2000 and at 1 January 2001	809,290,067	—	20,924,000	—	23,868,727	316,008,000	—	(105,063,569)	1,065,027,225
年度虧損淨額	Net loss for the year	—	—	—	—	—	—	—	(110,896,804)	(110,896,804)
於二零零一年 十二月三十一日	At 31 December 2001	809,290,067	—	20,924,000	—	23,868,727	316,008,000	—	(215,960,373)	954,130,421

由於中國之產生現金單位持續出現虧損，故此本集團已重估該項產生現金單位之資產之可收回數額，並就此確認減值虧損總額約38,665,494港元。上述減值虧損已用作減低因收購該單位所產之之商譽賬面值。董事認為，該單位之資產於二零零一年十二月三十一日之賬面值指根據二零零一年十二月三十一日之估值而計算之該單位使用價值。上述估值乃由獨立專業估值師行安迪評值有限公司進行，並按折現率26%將預計現金流量折現所得之預期日後發行及轉授電影版權收入現值而計算。

Due to continuous losses incurred by its cash-generating unit in the PRC, the Group reassessed the recoverable amount of the assets of this cash-generating unit. Total impairment loss of HK\$38,665,494 was recognised. This impairment loss was allocated to reduce the carrying amount of goodwill arising from the acquisition of this unit. In the opinion of the directors, the carrying value of the assets of this unit as at 31 December 2001 represented the value in use of this unit which was determined by reference to a valuation on 31 December 2001. The valuation was performed by Adonis Appraisal Limited, an independent firm of professional valuers, and was determined based on the present value of the expected future revenue which was derived from discounting the projected cash flow by a discount rate. The discount rate used was 26%.

27. 股份溢價及儲備 (續)

根據一九八一年百慕達公司法，本公司之股份溢價可用作繳足本公司之未發行股份，作為繳足紅股發行予股東。

本公司之繳入盈餘為本公司所收購附屬公司之有關有形資產淨值與本公司於一九九二年進行集團重組時所發行之股本面值之差額。

根據一九八一年百慕達公司法(以修訂者為準)，公司之繳入盈餘可供分派。然而，公司不得在下列情況下於繳入盈餘中宣佈或派發股息或作出分派：

- (a) 公司現時或將於派息後無力償還到期而應償還之債項；或
- (b) 公司資產之可變現價值因派息而少於其負債加已發行股本及股份溢價賬之總和。

認股權證儲備指二零零零年配售之認股權證之已收款項扣除已付支出。該儲備將於行使認股權證時撥至股本及股份溢價賬。

削減資本儲備指於一九九八年將本公司332,640,000股已發行股份之面值由每股面值1.00港元削減至每股面值0.05港元。依董事之意見，削減資本儲備不得予以分派。

本集團之累積虧損包括本集團聯營公司應佔累積虧損16,453,495港元(二零零零年：285港元)。

依董事之意見，於二零零一年及二零零零年十二月三十一日，本公司並無可分派儲備。

27. SHARE PREMIUM AND RESERVES (continued)

Under the Companies Act 1981 of Bermuda, the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

The contributed surplus of the Company represents the difference between the underlying net tangible assets of the subsidiaries which were acquired by the Company and the nominal amount of the share capital issued by the Company at the time of the group reorganisation in 1992.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a company is available for distribution. However, the company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The warrant reserve represents the amount received net of expenses paid in relation to the placement of warrants on 2000. The reserve will be released to the share capital and share premium accounts upon exercise of the warrants.

The capital reduction reserve represents the amount arising in relation to the reduction of the nominal value of 332,640,000 issued shares of the Company from HK\$1.00 each to HK\$0.05 each in 1998. In the opinion of the directors, the capital reduction reserve is not distributable.

The accumulated losses of the Group include accumulated losses of HK\$16,453,495(2000: HK\$285) attributable to associates of the Group.

In the opinion of the directors, the Company had no reserves available for distribution to the shareholders of the Company as at 31 December 2001 and 2000.

28. 除稅前虧損與經營業務之
現金流出淨額對賬28. RECONCILIATION OF LOSS BEFORE TAXATION
TO NET CASH OUTFLOW FROM OPERATING
ACTIVITIES

	二零零一年 2001 港元 HK\$	二零零零年 2002 港元 HK\$
除稅前虧損	(190,962,504)	(55,827,622)
利息收入	(4,403,293)	(23,876,628)
利息支出	2,675,892	714,362
分佔聯營公司業績	17,316,428	1,108,845
物業、機器及設備折舊及攤銷	19,015,451	10,408,187
壞賬註銷	14,272	2,601,277
商譽攤銷	16,497,736	—
已確認減值虧損	104,064,511	25,000,000
視為出售聯營公司之溢利	(21,200,614)	—
出售證券投資之已變現 溢利淨額	—	(15,198,411)
出售物業、廠房及設備之 虧損	900,470	73,982
出售聯營公司之溢利	—	(352,915)
應收聯營公司款項撥備	4,500,000	—
陳舊存貨撥備	2,045,895	—
呆壞賬撥備	15,915,194	2,818,203
存貨(增加)減少	(7,844,222)	265,815
電影版權增加	(171,888,584)	(40,410,018)
製作中電影增加	(26,133,099)	—
貿易應收賬款(增加)減少	(49,534,683)	27,905,133
按金及預付款項減少(增加)	63,644,484	(14,463,594)
應收聯營公司之款項 (增加)減少	(106,611)	49,561,896
應收關連公司之款項減少(增加)	219,828,354	(80,857,970)
貿易應付賬款增加(減少)	15,212,693	(15,362,572)
其他應付賬款及應計項目(減少)增加	(52,254,823)	61,965,580
應付聯營公司之款項增加(減少)	189,710	(111,701,103)
經營業務之現金流出淨額	<u>(42,507,343)</u>	<u>(175,627,553)</u>

29. 購入附屬公司

二零零零年十月，本集團按74,541,600港元之代價收購本集團當時之聯營公司Offshore Network Limited之58%權益。交易以會計之採購法入賬。

本集團於二零零一年二月五日以現金代價265,600,000港元收購High Productive Trading Limited所有已發行股本。交易以會計之採購法入賬。

29. ACQUISITION OF SUBSIDIARIES

In October 2000, the Group acquired a 58% interest in Offshore Network Limited, an associate of the Group, at a consideration of HK\$74,541,600. This transaction has been accounted for using the purchase method of accounting.

On 5 February 2001, the Group acquired 100% of the issued share capital of High Productive Trading Limited at a consideration of HK\$265,600,000. This transaction has been accounted for using the purchase method of accounting.

		二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
購入資產淨值	Net assets acquired		
物業、廠房及設備	Property, plant and equipment	548,137	13,456,846
製作中電影	Films in progress	110,062,934	—
存貨	Inventories	—	162,990
按金及預付款項	Deposits and prepayments	1,237,775	4,661,415
銀行結存及現金	Bank balances and cash	273,266	1,365,674
其他應付賬款及應計項目	Other creditors and accruals	(22,184,406)	(14,771,520)
稅項撥備	Provision for taxation	(153,000)	—
少數股東權益	Minority interests	—	(2,225,321)
		89,784,706	2,650,084
收購所產生之商譽	Goodwill arising on acquisition	175,815,294	73,004,551
		265,600,000	75,654,635

29. 購入附屬公司 (續)

29. ACQUISITION OF SUBSIDIARIES (continued)

		二零零一年 2001 港元 HK\$	二零零零年 2000 港元 HK\$
支付方式：	Satisfied by:		
現金代價	Cash consideration	179,234,683	74,541,600
應收永盛集團款項	Amounts due from Win's Group	86,365,317	—
聯營公司之權益減少	Decrease in interests in associates	—	1,113,035
		<u>265,600,000</u>	<u>75,654,635</u>
有關購入附屬公司 之現金及現金等值 流出淨額之分析：	Analysis of the net outflow of cash and cash equivalents in respect of the purchase of subsidiaries:		
現金代價	Cash consideration	179,234,683	74,541,600
購入銀行結存及現金	Bank balances and cash acquired	(273,266)	(1,365,674)
有關購入附屬公司之現金及 現金等值流出淨額	Net outflow of cash and cash equivalents in respect of the purchase of subsidiaries	<u>178,961,417</u>	<u>73,175,926</u>
於年內所購入附屬公司之 現金流量	Cash flows of subsidiaries acquired during the year:		
對本集團營運現金流量淨額 之貢獻	Contribution of the Group's net operating cashflow	351,256	489,382
投資活動現金流出淨額	Net cash outflow for investing activities	<u>51,050</u>	<u>446,969</u>
年內來自附屬公司之營業額及 經營溢利(虧損)：	Turnover and profit (loss) from operations contributed by subsidiaries acquired during the year:		
營業額	Turnover	173,638,828	982,016
經營溢利(虧損)	Profit (loss) from operations	<u>12,876,790</u>	<u>(1,556,558)</u>

30. 年內融資變動分析

30. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

		股本(包括股份溢價及削減資本儲備) Share capital (including share premium and capital reduction reserve) 港元 HK\$	認股權證儲備 Warrant reserve 港元 HK\$	少數股東權益 Minority interests 港元 HK\$	可換股貸款票據 Convertible loan notes 港元 HK\$	銀行貸款 Bank loan 港元 HK\$	其他貸款 Other loan 港元 HK\$
二零零零年一月一日結存	At 1 January 2000	657,795,324	—	1,872,028	73,540,000	1,305,490	—
配售股份之所得款項	Proceeds from placement of shares	497,000,000	—	—	—	—	—
配售認股權證之所得款項	Proceeds from placement of warrants	—	25,500,000	—	—	—	—
配售支出	Placement expenses	(14,065,669)	(1,631,273)	—	—	—	—
行使購股權而發行股份之所得款項	Proceeds from issue of shares as a result of exercise of share options	18,551,760	—	—	—	—	—
償還銀行貸款	Repayment of bank loan	—	—	—	—	(1,305,490)	—
償還可換股貸款票據	Repayment of convertible loan notes	—	—	—	(19,360,000)	—	—
轉換可換股貸款票據	On conversion of convertible loan notes	54,180,000	—	—	(54,180,000)	—	—
購入附屬公司	On acquisition of subsidiaries	—	—	2,225,321	—	—	—
少數股東應佔溢利	Share of profit by minority interests	—	—	69,365	—	—	—
匯兌調整	Exchange adjustment	—	—	(7,644)	—	—	—
二零零零年十二月三十一日及二零零一年一月一日	At 31 December 2000 and at 1 January 2001	1,213,461,415	23,868,727	4,159,070	—	—	—
新借貸款	New loans raised	—	—	—	—	21,000,000	25,000,000
發行可換股貸款票據	Issue of convertible loan notes	—	—	—	70,000,000	—	—
應佔少數股東虧損	Shares of loss of minority interests	—	—	(62,862)	—	—	—
匯兌調整	Exchange adjustment	—	—	72,626	—	—	—
於二零零一年十二月三十一日	At 31 December 2001	1,213,461,415	23,868,727	4,168,834	70,000,000	21,000,000	25,000,000

31. 租約承擔

於二零零一年十二月三十一日，本集團根據不可撤銷之經營租約租賃物業而須於未來支付之最低租賃款項如下：

一年內
第二至第五年

經營租約款項指本集團為辦事處物業所支付之租金。租約主要平均年期兩年，而租金平均兩年內不變。

31. LEASE COMMITMENTS

At 31 December 2001, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	本集團	
	THE GROUP	
	二零零一年	二零零零年
	2001	2002
	港元	港元
	HK\$	HK\$
Within one year	5,372,820	1,079,000
In the second to fifth year inclusive	1,500,379	6,190,337
	<u>6,873,199</u>	<u>7,269,337</u>

Operating lease payments represent rentals payable by the Group for its office premises. Leases are mainly negotiated for an average term of 2 years and rentals are fixed for an average of 2 years.

32. 其他承擔

於二零零一年十二月三十一日，本集團有下列各項已訂立但尚未於財務報表撥備之支出：

購入物業、廠房及設備
根據電影及電視連續劇
特許協議所收購之
發行權
根據發行協議向發出
特許權人士提供免息墊款
根據製作服務協議之
應付餘額
網上廣告

32. OTHER COMMITMENTS

At 31 December 2001, the Group had the following expenditure which had been contracted but not provided for in the financial statements:

	本集團	
	THE GROUP	
	二零零一年	二零零零年
	2001	2002
	港元	港元
	HK\$	HK\$
Purchases of property, plant and equipment	1,990,000	25,485,932
Acquisition of distribution rights under film and television drama series licensing agreements	172,504,813	206,062,915
Interest-free advances to licensors under the distribution agreements	—	78,571,090
Balance payable under production service agreement	48,750,000	48,750,000
Online advertising	4,348,300	8,240,183
	227,593,113	367,110,120

33. 或然負債

為全資附屬公司之
租金表現而提供
公司擔保

33. CONTINGENT LIABILITIES

	本集團		本公司	
	THE GROUP		THE COMPANY	
	二零零一年	二零零零年	二零零一年	二零零零年
	2001	2000	2001	2000
	港元	港元	港元	港元
	HK\$	HK\$	HK\$	HK\$
Corporate guarantee in respect of rental performance by wholly-owned subsidiaries	—	—	640,000	1,840,000

34. 資產抵押

於二零零一年十二月三十一日，本集團位於香港賬面淨值總額為31,022,165港元(二零零零年：無)之租賃土地及樓宇已按予銀行，作為本集團所獲一項銀行貸款之抵押。

於二零零一年十二月三十一日，本集團向一間財務機構抵押183,600,000股海岸集團有限公司之股份(即本集團於海岸集團有限公司之全部權益)，作為25,000,000港元(二零零零年：無)其他貸款之抵押。該等股份於結算日之市值為587,820,000港元。

於二零零零年十二月三十一日，本集團為數21,991,127港元之銀行存款已按予銀行，作為授予本集團多項銀行融資之抵押。於二零零一年十二月三十一日，概無向銀行抵押以取得銀行貸款。

34. PLEDGE OF ASSETS

At 31 December 2001, the Group's leasehold land and building located in Hong Kong with a total net book value of HK\$31,022,165 (2000: nil) were pledged to a bank to secure a bank loan granted to the Group.

At 31 December 2001, the Group has pledged 183,600,000 shares in Ocean Shores Group Limited, being the Group's entire interest in Ocean Shores Group Limited, to secure the other loan of HK\$25,000,000 (2000: nil) granted by a financial institution. The market value of these shares at the balance sheet date amounted to HK\$587,520,000.

At 31 December 2000, the Group's bank deposits amounting to HK\$21,991,127 were pledged to banks to secure banking facilities granted to the Group. There were no bank deposits pledged to banks as at 31 December 2001.

35. 退休福利計劃

(a) 本集團根據強制性公積金計劃(「強積金計劃」)之規則及規例設立退休金計劃。強積金計劃之資產由獨立管理之基金持有。本集團已選擇最低法定供款規定,即合資格僱員有關總收入之5%供款。供款於產生時在收入表扣除。倘僱員於有權悉數享有僱主之自願供款前退出強積金計劃,則被沒收自願供款之有關部份將退還本集團。

(b) 受僱於中國附屬公司之僱員均屬中國政府所管理之中央退休金計劃之成員。此等附屬公司之須將工資之若干百分比向中央退休金計劃供款,作為有關福利資金。本集團對中央退休金計劃之唯一責任為根據中央退休金計劃作出所需之供款。

年內,退休福利計劃供款減已沒收供款239,363港元(二零零零年:541,941港元)後之退款淨額為1,620,575元(二零零零年:退回675,876港元)。

35. RETIREMENT BENEFITS SCHEMES

(a) The Group operated a pension scheme under rules and regulations of Mandatory Provident Fund Scheme Ordinance (“MPF Scheme”). The assets of the MPF Scheme are held separately in an independently administrated fund. The Group has chosen to follow the minimum statutory contribution requirement of 5% of eligible employees’ relevant aggregate income. The contributions are charged to the income statement as incurred. In respect of employees who leave the MPF Scheme before the employer’s voluntary contributions become fully vested, the relevant portion of the voluntary contributions forfeited will be refunded to the Group.

(b) Employees of subsidiaries in the PRC are members of the Central Pension Scheme operated by the PRC government. These subsidiaries are required to contribute a certain percentage of their payroll to the Central Pension Scheme to fund the benefits. The only obligation of the Group with respect to the Central Pension Scheme is the required contribution under the Central Pension Scheme.

During the year, the retirement benefits scheme contributions net of forfeited contributions of HK\$239,363 (2000: HK\$541,941) amounted to HK\$1,620,575 (2000: net refund of HK\$675,876).

36. 關連人士交易

- (a) 根據本集團與永盛集團於一九九九年十二月二日訂立之供應協議及多份發行協議而進行之重大交易如下：

於年內向永盛集團
提供免息墊款
發行費收入

根據發行協議，本集團可分享有關製作之總收入15%至20%。

根據於二零零零年十二月十四日訂立之兩份終止協議，於二零零一年二月五日開始，本集團終止與永盛集團於一九九九年十二月二日訂立之供應協議以及多份發行協議。

36. RELATED PARTY TRANSACTIONS

- (a) The significant transactions under the supply agreement dated 2 December 1999 and the various distribution agreements entered into between the Group and the Win's Group are summarised as follows:

	本集團	
	THE GROUP	
	二零零一年	二零零零年
	2001	2000
	港元	港元
	HK\$	HK\$
Interest-free advances made to the Win's Group during the year	—	121,245,442
Distribution fee income	496,500	20,212,298

Pursuant to the distribution agreements, the Group was entitled to 15% to 20% of the gross receipts generated from the relevant productions.

Pursuant to the two termination agreements dated 14 December 2000, the Group terminated the supply agreement dated 2 December 1999 and the various distribution agreements entered into with the Win's Group with effect from 5 February 2001.

36. 關連人士交易 (續)

- (b) 於二零零零年十二月十四日，本集團與永盛及永盛音像訂立有條件買賣及電影轉讓協議(「電影協議」)。

根據電影協議，本集團以代價187,900,000港元購買總數21套已完成電影，2套正在製作中之電影；以及總數8套華語電視節目之版權、所有權及權益。根據電影協議，本集團將擁有以一切途徑及於全球一切媒介運用電影之獨家權利。代價乃按獨立專業估值師公司美國評值有限公司(「美國評值」)於二零零零年十一月三十日編製之估值計算。獨立股東已於二零零一年一月十九日批准該項交易。

- (c) 於二零零零年十二月十四日，本集團與永盛及More Distribution Limited(「More Distribution」)(向華強先生及陳明英女士間接擁有其20.4%實際權益)訂立有條件買賣協議(「一百年協議」)。

根據一百年協議，本集團以代價265,600,000港元購入More Distribution之全資附屬公司High Productive Trading Limited全部已發行股本，而High Productive之主要資產為其於一百年電影有限公司之全部已發行股本之權益，一百年電影有限公司主要從事製作華語電視電影。代價乃按美國評值於二零零零年十一月三十日編製之估值計算。獨立股東已於二零零一年一月十九日批准該項交易。

36. RELATED PARTY TRANSACTIONS (continued)

- (b) On 14 December 2000, the Group entered into a conditional sale and purchase agreement and assignment of films (“Films Agreement”) with Win’s and Win’s Music.

Pursuant to the Films Agreement, the Group purchased the rights, title and interest in an aggregate of 21 completed motion pictures, 2 motion pictures in progress and an aggregate of 8 television programmes in Chinese language at a consideration of HK\$187.9 million. Under the Films Agreement, the Group had the exclusive right to exploit the films by all means and in all media worldwide. The consideration was determined based on the valuation prepared by American Appraisal Hongkong Limited (“American Appraisal”), an independent firm of professional valuers, as at 30 November 2000. This transaction was approved by the independent shareholders on 19 January 2001.

- (c) On 14 December 2000, the Group entered into a conditional sale and purchase agreement (“One Hundred Years Agreement”) with Win’s and More Distribution Limited (“More Distribution”), a company in which Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany have an indirect beneficial interests of 20.4%.

Pursuant to the One Hundred Years Agreement, the Group acquired the entire issued share capital of High Productive Trading Limited, a wholly-owned subsidiary of More Distribution, whose principal assets are its interest in the entire issued share capital of One Hundred Years of Film Company Limited which is principally engaged in the production of Chinese language motion pictures at a consideration of HK\$265.6 million. The consideration was determined based on the valuation prepared by American Appraisal as at 30 November 2000. This transaction was approved by the independent shareholders on 19 January 2001.

36. 關連人士交易 (續)

- (d) 於二零零零年十二月十四日，本集團與 Samico Films Production Company Limited (「Samico」) 就向 Samico 收購物業有條件訂立五項物業買賣協議，代價為 11,200,000 港元，乃按美國評值於二零零零年十一月三十日編製之估值計算。獨立股東已於二零零一年一月十九日批准該項交易。

陳明英女士及向華強先生為 Samico 之董事及實益股東。

- (e) 於二零零一年十一月二十九日，本集團聯營公司海岸錄影有限公司 (「海岸錄影」) 與本集團訂立協議，本集團同意向海岸錄影授出三套電影之獨家權益，包括放映權、影帶發行權及其他媒體之權利，惟不包括互聯網權利，總代價為 9,100,000 港元。代價按雙方同意之價價計算。交易詳情載於本公司二零零一年十一月三十日刊發之公佈。

36. RELATED PARTY TRANSACTIONS (continued)

- (d) On 14 December 2000, the Group entered into five conditional sale and purchase agreements with Samico Films Production Company Limited ("Samico") for the acquisition of properties from Samico at an aggregate consideration of HK\$11.2 million. The consideration was determined based on the valuation prepared by American Appraisal as at 30 November 2000. This transaction was approved by the independent shareholders on 19 January 2001.

Mr. Heung Wah Keung and Ms. Chen Ming Ying, Tiffany are directors and beneficial shareholders of Samico.

- (e) On 29 November 2001, Ocean Shores Video Limited ("OSVL"), an associate of the Group, entered into agreements with the Group pursuant to which the Group agreed to grant to OSVL the exclusive rights which included the theatrical rights, video rights and other medium rights except internet rights of three movie titles for a total consideration of HK\$9.1 million. The consideration was determined at a price agreed between the parties. Details of this transaction are set out in the Company's announcement dated 30 November 2001.

36. 關連人士交易 (續)

(f) 年內，本集團向聯營公司收取及支付下列費用收入及開支：

36. RELATED PARTY TRANSACTIONS (continued)

(f) During the year, the Group received the following fee income from and paid the following expenses to the associate:

聯營公司名稱 Name of associate	費用性質 Nature	本集團 THE GROUP	
		二零零一年 2001 港元 HK\$	二零零零年 2002 港元 HK\$
多益製作有限公司 Top Yield Production Limited	管理費收入 Management fee income	—	60,000
運利集團有限公司 Lucky Assets Holdings Limited	管理費收入 Management fee income	240,000	342,000
	服務費收入 Service fee income	—	78,000
海岸發行有限公司 Ocean Shores Distribution Limited	租金開支 Rental expenses	405,470	—

管理費及服務費按本集團之成本計算。

The management fee and service charges are charged at costs incurred by the Group.

向華強先生及陳明英女士為海岸發行有限公司、多益製作有限公司及運利集團有限公司之董事兼股東。

Mr. Heung Wah Keung and Ms. Chen Ming Yin are directors and shareholders of Ocean Shores Distribution Limited, Top Yield Production Limited and Lucky Assets Holdings Limited.

(g) 應收及應付聯營公司及關連公司款項之詳情分別載於附註22及23。

(g) Details of amounts due from and to associates and related companies are set out in notes 22 and 23 respectively.

37. 結算日後事項

於二零零二年二月十一日，本公司公佈以下交易：

- (a) 於二零零二年二月五日，海岸影畫有限公司「海岸影畫」與本公司全資附屬公司China Star International Distribution Limited (「CSID」) 訂立有條件特許權協議，CSID有條件同意自特許權協議完成日期起計十年內，向海岸影畫授出116套電影在中國(澳門及台灣除外)及蒙古之特許權，總代價為33,800,000港元。代價乃按獨立專業估值師公司安迪評值有限公司於二零零二年一月三十一日編製之估值計算。代價將由海岸集團有限公司發行本金33,800,000港元之可換股票據支付。交易已於二零零二年四月八日完成。
- (b) 於二零零二年二月五日，海岸影畫與CSID訂立有條件地區供應協議，CSID有條件同意自地區供應協議完成日期起計三年期間，向海岸影畫授出優先購買權以購買每部電影在中國(澳門及台灣除外)及蒙古之獨家發行權(「發行權」)。

根據地區供應協議，海岸影畫須向CSID支付5,000,000港元之按金，以取得購買發行權之優先購買權，並作為將予訂立之地區發行協議之特許費用保證金。倘海岸影畫選擇購買發行權，則須訂立地區發行協議。而根據地區發行協議，海岸影畫(或其指定之集團公司)須就每套電影支付按照電影級別計算之特許費用，由C級電影(製作成本不超過5,000,000港元)之200,000港元至A++級電影(製作成本超過30,000,000港元)之1,000,000港元不等。每套電影之地區發行權為10年。交易已於二零零二年四月八日完成。

37. POST BALANCE SHEET EVENTS

On 11 February 2002, the Company announced the following transactions:

- (a) On 5 February 2002, Ocean Shores Pictures Limited (“OSP”) and China Star International Distribution Limited (“CSID”), a wholly-owned subsidiary of the Company entered into a conditional licensing agreement pursuant to which CSID conditionally agreed to grant to OSP the licensing rights in the PRC (except Macau and Taiwan) and Mongolia in respect of 116 movies for a term of 10 years from the date of completion of the licensing agreement at a total consideration of HK\$33,800,000. The consideration was determined based on the valuation report prepared by Adonis Appraisal Limited, an independent firm of professional valuers, dated 31 January 2002. The consideration will be settled by the issue of the convertible notes in the principal amount of HK\$33,800,000 by the Ocean Shores Group Limited. This transaction was completed on 8 April 2002.
- (b) On 5 February 2002, OSP and CSID entered into a conditional territory supply agreement whereby CSID conditionally agreed to, during the term of three years from completion of the territory supply agreement, grant in favour of OSP a first right of refusal to acquire the exclusive distribution rights in respect of each films in the PRC (except Macau and Taiwan) and Mongolia (“Distribution Rights”).

Pursuant to the territory supply agreement, OSP shall pay an amount of HK\$5 million to CSID as a deposit for the grant of the first right of refusal to acquire the Distribution Rights and as security for the licence fees payable under the territory distribution agreements to be entered into. If OSP elects to acquire the Distribution Rights, a territory distribution agreement in respect of the film will be entered into pursuant to which OSP (or its designated group company) shall pay a licence fee in respect of each film calculated by reference to its grading, ranging between HK\$200,000 for a Grade C film (cost of production not more than HK\$5 million) to HK\$1,000,000 for a Grade A++ film (cost of production at least HK\$30 million). The territory distribution rights in respect of a film will be for a period of 10 years. This transaction was completed on 8 April 2002.

37. 結算日後事項 (續)

(c) 於二零零二年三月二日，本公司兩間主要股東多實有限公司及Porterstone Limited(向華強先生及陳明英女士均實益擁有該兩間公司之權益)與一配售代理及本公司分別訂立配售協議及認購協議。根據配售協議，多實有限公司及Porterstone Limited已分別同意向獨立投資者按每股0.095港元之價格配售107,000,000股及195,000,000股配售股份。另外根據認購協議，多實有限公司及Porterstone Limited已分別有條件同意按每股0.095港元之價格認購131,653,393股及221,000,000股認購股份。約32,000,000港元之認購所得款項淨額將用於製作影片及本集團一般營運資金。

(d) 於二零零二年三月二十日，本公司建議按二零零二年四月十二日持有每兩股現有股份可獲發一股供股股份之比例供股，每股供股股份作價0.05港元，集資約52,900,000港元(未扣除開支)。供股所得款項淨額擬用於製作影片及本集團一般營運資金。

37. POST BALANCE SHEET EVENTS (continued)

(c) On 2 March 2002, Dorest Company Limited and Porterstone Limited, the substantial shareholders of the Company and in which Mr. Heung Wah Keung and Ms. Chen Ming Yin, Tiffany have beneficial interests, entered into a placing agreement with a placing agent and a subscription agreement with the Company respectively. Pursuant to the placing agreement, Dorest Company Limited and Porterstone Limited have agreed to place 107,000,000 and 195,000,000 placing shares respectively to independent investors at a price of HK\$0.095 per share. On the other hand, according to the subscription agreement, Dorest Company Limited and Porterstone Limited conditionally agreed to subscribe for 131,653,393 and 221,000,000 subscription shares respectively at a price of HK\$0.095 per share. The net proceeds from the subscription of approximately HK\$32 million will be used for movie production and as general working capital of the Group.

(d) On 20 March 2002, the Company proposed to raise not less than about HK\$52.9 million before expenses by issuing one rights share for every two existing share held on 12 April 2002 at a subscription price of HK\$0.05 per rights share. The net proceeds from the rights issue are intended to be used for movie production and for general working capital of the Group.

38. 主要附屬公司之詳情

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

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of exercise length.

附屬公司名稱 Name of subsidiary	註冊／成立 所在地／國家 Place/ country of incorporation/ formation	所持股份 類別 Class of share held	本公司所持 已發行股本／ 註冊資本面值比例 Proportion of nominal value of issued capital/ registered capital held by the Company %	已發行及 繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
Anglo Market International Limited	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股面值1美元 1 share of US\$1	提供藝人服務 Provision of artists services
北京創意星國際廣告有限公司 (註a, c 及d) Beijing Creative Star International Advertising Co. Ltd. (notes a, c and d) ("Beijing Creative Star")	中國 the PRC	注資 Capital contribution	49	300,000美元 US\$300,000	設計及製作廣告 Design and production of advertisements
Business First Limited	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股面值1美元 1 share of US\$1	持有有線播映權 Holding of cable right
China Star Entertainment (BVI) Limited	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	200股 每股面值1美元 200 shares of US\$1 each	投資控股 Investment holding

38. 主要附屬公司之詳情 (續)

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

附屬公司名稱 Name of subsidiary	註冊／成立 所在地／國家 Place/ country of incorporation/	所持股份 類別 Class of share held	本公司所持 已發行股本／ 註冊資本面值比例 Proportion of nominal value of issued capital/ registered capital held by the Company %	已發行及 繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
中國星娛樂控股有限公司 China Star Entertainment Holding Limited	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值1港元 普通股及 1,000,000股 每股面值1港元 無投票權遞延股 (註e) 2 ordinary shares of HK\$1 each and 1,000,000 deferred non- voting shares of HK\$1 each (note e)	投資控股 Investment holding
中國星香港發行有限公司 China Star HK Distribution Limited	香港 Hong Kong	普通股 Ordinary	100	100,000股 每股面值 1港元普通股 100,000 ordinary shares of HK\$1 each	生產及買賣光碟與卡式 錄音帶及電影及 電視連續劇發行 Production of and trading in compact discs and cassette tapes, and distribution of motion pictures and television drama series

38. 主要附屬公司之詳情 (續)

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

附屬公司名稱 Name of subsidiary	註冊／成立 所在地／國家 Place/ country of incorporation/	所持股份 類別 Class of share held	本公司所持 已發行股本／ 註冊資本面值比例 Proportion of nominal value of issued capital/ registered capital held by the Company %	已發行及 繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
中國星香港娛樂有限公司 China Star HK Entertainment Company Limited	香港 Hong Kong	普通股 Ordinary	100	1,000,000股 每股面值 1港元普通股 1,000,000 ordinary shares of HK\$1 each	生產及買賣錄影帶產品 及投資控股 Production of and trading in video product and investment holding
中國星多媒體有限公司 China Star i-Content Limited	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值 1港元普通股 2 ordinary shares of HK\$1 each	持有電影膠卷及製作 娛樂內容 Holding of film footage and making of entertainment content
China Star International Distribution Limited (註b) (note b)	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	8,001股 每股面值1美元 8,001 shares of US\$1 each	電影及電視連續劇發行 Distribution of motion pictures and television drama series

38. 主要附屬公司之詳情 (續)

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

附屬公司名稱 Name of subsidiary	註冊／成立 所在地／國家 Place/ country of incorporation/	所持股份 類別 Class of share held	本公司所持 已發行股本／ 註冊資本面值比例 Proportion of nominal value of issued capital/ registered capital held by the Company %	已發行及 繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
中國星鐳射影碟有限公司 China Star Laser Disc Company Limited	香港 Hong Kong	普通股 Ordinary	100	15,000股每股 面值100港元 普通股 15,000 ordinary shares of HK\$100 each	提供管理服務及 投資控股 Provision of management services and investment holding
中國星演藝管理有限公司 China Star Management Limited	香港 Hong Kong	普通股 Ordinary	100	1,000,000股 每股面值 1港元普通股 1,000,000 ordinary shares of HK\$1 each	提供藝員服務及製作 電視連續劇 Provision of artists services and production of television drama series

38. 主要附屬公司之詳情 (續)

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

附屬公司名稱 Name of subsidiary	註冊／成立 所在地／國家 Place/ country of incorporation/	所持股份 類別 Class of share held	本公司所持 已發行股本／ 註冊資本面值比例 Proportion of nominal value of issued capital/ registered capital held by the Company %	已發行及 繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
中國星影畫有限公司 China Star Pictures Limited	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值 1港元普通股 2 ordinary shares of HK\$1 each	持有電影版權 Holding of film right
中國星製作服務有限公司 (前稱榮聯國際有限公司) China Star Production Services Limited (Formerly known as Winwell International Limited)	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值 1港元普通股 2 ordinary shares of HK\$1 each	提供後期製作服務 Provision of post production services
中國星商標有限公司 China Star Trademark Limited	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股 面值1美元 1 share of US\$1	持有商標及版權 Holding of trademark and copyrights
China Star Worldwide Distribution B.V. (註b)(note b)	荷蘭 The Netherlands	普通股 Ordinary	100	400股 每股面值 100荷蘭盾 普通股 400 ordinary shares of Dutch Guilders 100 each	電影及電視連續劇發行 Distribution of motion pictures and television drama series

38. 主要附屬公司之詳情 (續)

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

附屬公司名稱 Name of subsidiary	註冊／成立 所在地／國家 Place/ country of incorporation/	所持股份 類別 Class of share held	本公司所持 已發行股本／ 註冊資本面值比例 Proportion of nominal value of issued capital/ registered capital held by the Company %	已發行及 繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
Classical Statue Limited	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股 面值1美元 1 share of US\$1	投資控股 Investment holding
中國數碼廳有限公司 Cyber Cineplex (China) Limited	香港 Hong Kong	普通股 Ordinary	100	10,000股 每股面值 1港元普通股 10,000 ordinary shares of HK\$1 each	視像節目廣播之 相關服務及提供 先進科技及投資控股 Provision of advance technology and relevant services on visual programme broadcasting and investment holding
Exceptional Gain Profits Limited	英屬處女群島 British Virgin Islands	普通股 Ordinary	100	1股 面值1美元 1 share of US\$1	物業投資 Property investment

38. 主要附屬公司之詳情 (續)

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

附屬公司名稱 Name of subsidiary	註冊／成立 所在地／國家 Place/ country of incorporation/ formation	所持股份 類別 Class of share held	本公司所持 已發行股本／ 註冊資本面值比例 Proportion of nominal value of issued capital/ registered capital held by the Company %	已發行及 繳足股本／ 註冊資本 Issued and fully paid share capital/ registered capital	主要業務 Principal activities
安榮(香港)有限公司 Newrich (HK) Limited	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值1港元 普通股 2 ordinary shares of HK\$1 each	持有物業 Property holding
一百年電影有限公司 One Hundred Years of Film Company Limited	香港 Hong Kong	普通股 Ordinary	100	3,000,000股 每股面值 1港元 3,000,000 shares of HK\$1 each	電影製作 Film production
蘇州天地數碼放映技術 有限公司 (註c) S & E Cyber Cine Plex Ltd. (note c)	中國 the PRC	注資 Capital contribution	70	人民幣 10,000,000元 RMB10,000,000	視像節目廣播 Visual programme broadcasting
思維娛樂有限公司 S & W Entertainment Limited	香港 Hong Kong	普通股 Ordinary	100	2股 每股面值 1港元普通股 2 ordinary shares of HK\$1 each	製作電影及電視連續劇 Production of motion picture and television drama

38. 主要附屬公司之詳情 (續)

附註：

- (a) 北京創意星乃一間由本集團與一位於中國之獨立第三者成立之合資公司。合營期由一九九七年九月九日起計二十年。根據於上述日期與該中方人士訂立之管理協議，本集團負責提供上述合資公司之所有資產及負債，並有權在管理協議有效期內，每年扣除向該中方人士支付之定額管理費後，可有權收取或承擔該公司之經營溢利或虧損淨額。因此，在一九九七年九月九日起至二零零二年十二月三十一日止期間，本集團實際擁有北京創意星100%之經濟權益。
- (b) 在全球經營業務。
- (c) 在中國經營業務。
- (d) 該公司之賬目並非由德勤•關黃陳方會計師行審核。
- (e) 無投票權遞延股份持有人並無獲派股息或接收股東大會通告或出席大會之權利，且原則上於清盤時不可享有剩餘之股本分派。

China Star Entertainment (BVI) Limited 及 China Star Worldwide Distribution B.V. 由本公司直接擁有，而所有其他附屬公司及由本公司間接擁有。

除另有指明者外，附屬公司之主要營業地點為香港。

所有附屬公司於年結日或年中任何時間概無任何未贖回之債務證券。

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(continued)

Notes:

- (a) Beijing Creative Star is an equity joint venture company established by the Group with an independent third party in PRC for a joint venture period of 20 years starting from 9 September 1997. Under a management agreement with the Chinese party on the same date, the Group is responsible for all of the assets and liabilities of the equity joint venture company and is entitled to all of the net profits or losses of the operation after payment of fixed amount as management fee to the Chinese party each year during the term of the management agreement. The Group therefore effectively has 100% attributable economic interest in Beijing Creative Star for the term running from 9 September 1997 to 31 December 2002.
- (b) Operating internationally.
- (c) Operating in the PRC.
- (d) Company not audited by Deloitte Touche Tohmatsu.
- (e) The non-voting deferred shares carry no right to dividend or receive notice of or to attend at any general meeting and principally carry no right to receive any surplus in a return of capital in a winding up.

China Star Entertainment (BVI) Limited and China Star Worldwide Distribution B.V. are directly held by the Company. All other subsidiaries are indirectly held by the Company.

Except otherwise stated, the principal place of operation of the subsidiaries is Hong Kong.

None of the subsidiaries had any debt securities outstanding at the end of the year, or at any time during the year.

39. 主要聯營公司之詳情

下表載列董事認為主要影響本集團業績及資產之本公司聯營公司。董事認為，呈列其他聯營公司之資料會使篇幅過於冗長。

39. PARTICULARS OF PRINCIPAL ASSOCIATES

The following table lists the associate of the Company which, in the opinion of the directors, principally affected the results and assets of the Group. To give details of other associated would in the opinion of directors, result in particulars of exercise length.

聯營公司名稱 Name of associate	業務架構型式 Form of business structure	註冊 所在地/ 國家 Place/ country of incorporation	本公司間接所持已 發行股本 面值比例 Proportion of nominal value of issued capital held		已發行 及繳足股本 Issued and fully paid share capital	主要業務 Principal activities
				%		
Manful Corporation Limited*	註冊成立 Incorporated	香港 Hong Kong	50		10,000股 每股面值 1港元普通股 10,000 ordinary shares of HK\$1 each	酒廊業務 Operation of a lounge
海岸集團有限公司 Ocean Shores Group Limited	註冊成立 Incorporated	百慕達 Bermuda	38.64	4,752,000,000股 每股面值 0.1港元普通股 4,752,000,000 ordinary shares of HK\$0.1 each	轉售節目錄影權，發行 影音光碟及投資控股 Sub-licensing of video programme rights, distribution of video compact discs and Investment holding	
Ocean Shores Licensing Limited	註冊成立 Incorporated	英屬處女群島 British Virgin Islands	38.64	10,000股 每股面值 1美元普通股 10,000 ordinary shares of US\$1 each	在香港及澳門以外地區 轉售節目錄影權 Sub-licensing of video programme rights outside Hong Kong and Macau	

39. 主要聯營公司之詳情
(續)

39. PARTICULARS OF PRINCIPAL ASSOCIATES
(continued)

聯營公司名稱 Name of associate	業務架構型式 Form of business structure	註冊 所在地/ 國家 Place/ country of incorporation	本公司間接所持已 發行股本 面值比例 Proportion of nominal value of issued capital held indirectly by the Group %	已發行 及繳足股本 Issued and fully paid share capital	主要業務 Principal activities
海岸錄影有限公司 Ocean Shores Video Limited	註冊成立 Incorporated	香港 Hong Kong	38.64	10股 每股面值 100港元普通股 及20,000股 每股面值100港元 無投票權遞延權** 10 ordinary shares of HK\$100 each and 20,000 non-voting deferred shares of HK\$100 each**	在香港及澳門發行節目 錄影權、電影放映及 提供影視制式轉換服務 Distribution of video programmes, film exhibition, provision of video conversion services in Hong Kong and Macau
海岸發行有限公司 Ocean Shores Distribution Limited	註冊成立 Incorporated	香港 Hong Kong	38.64	1,000,000股 每股面值 1港元普通股 1,000,000 ordinary shares of HK\$1 each	在香港轉售節目錄影權 Sub-licensing of video programme rights in Hong Kong

39. 主要聯營公司之詳情 (續)

39. PARTICULARS OF PRINCIPAL ASSOCIATES (continued)

聯營公司名稱 Name of associate	業務架構型式 Form of business structure	註冊 所在地/ 國家 Place/ country of incorporation	本公司間接所持已	已發行 及繳足股本 Issued and fully paid	主要業務 Principal activities
			發行股本 資本面值比例 Proportion of nominal value of issued capital held indirectly by the Group %		
多彩投資有限公司 Smart Choice Investments Limited	註冊成立 Incorporated	香港 Hong Kong	38.64	2股每股 面值1港元 普通股 2 ordinary shares of HK\$1 each	節目錄影權、 電視節目及其他 錄影產品 Distribution of video programmes, television programmes and other video features in PRC

* 並非由德勤•關黃陳方會計師行審核。

* Company not audited by Deloitte Touche Tohmatsu.

** 無投票權遞延股份持有人實際上並無獲派股息或接收股東大會通告之權利，亦不可出席股東大會或在會上投票，且於清盤時不可參與任何分派。

** The non-voting deferred shares carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of the relevant companies nor to participate in any distribution on winding up.