

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

1 主要會計政策

編製此等賬目所採用之主要會計政策如下：

(a) 編製基準

本賬目乃根據香港普遍採納之會計原則及香港會計師公會頒佈之會計準則而編製。此等賬目乃採用歷史成本常規法編製，惟如下文會計政策所披露，投資物業乃按公平值列賬。

於本年度，本集團採納香港會計師公會頒佈之下列會計實務準則（「會計準則」），該等會計準則於二零零二年一月一日或以後開始之會計期間生效：

會計準則第1號 (經修訂)	: 財務報表之呈報
會計準則第15號 (經修訂)	: 現金流量表
會計準則第34號 (經修訂)	: 僱員福利

採納此等新訂或經修訂會計準則之影響載於下文之會計政策內。若干比較數字已重新分類，以符合本年度之列賬形式。

(b) 集團會計

(i) 綜合賬目

綜合賬目包括本公司及其附屬公司截至六月三十日止之賬目。附屬公司指本公司直接或間接控制其過半數投票權；有權監管其財政或營運政策；委任或撤換董事會大多數成員；在董事會會議上持大多數票。

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, the investment property is stated at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2002:

SSAP 1 (revised)	: Presentation of accounts
SSAP 15 (revised)	: Cash flow statements
SSAP 34 (revised)	: Employee benefits

The effect of adopting these new or revised SSAPs is set out in the accounting policies below. Certain comparative figures have been reclassified to conform with the current year's presentation.

(b) Group accounting

(i) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 30th June. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

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1 主要會計政策 (續)

(b) 集團會計 (續)

(i) 綜合賬目 (續)

於年內購入或出售之附屬公司之業績分別由收購之生效日期起計或出售生效日期止列入綜合損益表內。

所有集團內公司間之重大交易及結餘均已於綜合賬目時對銷。

出售附屬公司之收益或虧損指出售所得款項與本集團佔其資產淨值連同任何未攤銷之商譽或負商譽，或已撥入儲備而以往並未在綜合損益表中扣除或確認之商譽／負商譽兩者間之差額。

在本公司之資產負債表內，於附屬公司之投資乃按成本扣除減值虧損後入賬。附屬公司之業績乃由本公司按已收及應收股息基準入賬。

(ii) 聯營公司

聯營公司為附屬公司或合營企業以外，集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益賬包括集團應佔聯營公司之本年度業績，而綜合資產負債表則包括集團應佔聯營公司之資產淨值及收購產生之商譽／負商譽(扣除累計攤銷)(如適用)。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Group accounting (Cont'd)

(i) Consolidation (Cont'd)

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

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(ii) Associated company

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associated company for the year, and the consolidated balance sheet includes the Group's share of the net asset of the associated company and goodwill/ negative goodwill (net of accumulated amortisation) on acquisition, if any.

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1 主要會計政策 (續)

(b) 集團會計 (續)

(ii) 聯營公司 (續)

在本公司之資產負債表內，聯營公司之投資以成本值減去減值虧損準備列賬。本公司將聯營公司之業績按已收及應收股息入賬。

當聯營公司之投資賬面值已全數撇銷，便不再採用權益會計法，除非集團就該聯營公司已產生承擔或有擔保之承擔。

(c) 固定資產

(i) 投資物業

投資物業乃在土地及樓宇中所佔之權益，而該等土地及樓宇之建築工程及發展經已完成，因其具有投資價值而持有，任何租金收入均按公平原則磋商。

投資物業皆由獨立估值師每年估值一次。估值是以個別物業之公開市值為計算為準，而土地及樓宇並不分開估值。估值會用於年度賬目內。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營盈利中扣除。其後任何增值將撥入經營盈利，惟最高以先前扣減之金額為限。

在出售投資物業時，重估儲備中與先前估值有關之已變現部分，將從投資物業重估儲備轉撥至損益賬。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(b) Group accounting (Cont'd)

(ii) Associated company (Cont'd)

In the Company's balance sheet the investment in associated company is stated at cost less provision for impairment losses. The results of associated company are accounted for by the Company on the basis of dividends received and receivable.

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

(c) Fixed assets

(i) Investment property

Investment property is interest in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment property is valued annually by independent valuers; The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment property revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment property revaluation reserve to the profit and loss account.

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1 主要會計政策 (續)

(c) 固定資產 (續)

- (ii) 固定資產乃按成本值減累計折舊及累計減值虧損列賬。固定資產折舊乃以直線法按尚餘租賃期或本集團預期該固定資產可使用年期撇銷成本值減累計減值虧損計算，採用之主要年率如下：

租賃土地及樓宇	2%
租賃物業裝修	20% - 50%
機器及設備	20% - 33 ¹ / ₃ %
其他	20%

- (iii) 固定資產之減值

於每個結算日，來自內部及外界之資料均予以考慮，以評核該固定資產是否出現耗蝕。如有跡象顯示該等資產出現耗蝕，則須估計該項資產之可收回價值，在適當情況下將減值虧損入賬，藉以將資產之價值減至其可收回價值。上述減值虧損均在損益表中確認。

- (iv) 出售固定資產之收益或虧損

出售固定資產之收益或虧損乃出售有關資產所得款項淨額與賬面值兩者之差額，並於損益表中入賬。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Fixed assets (Cont'd)

- (ii) Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation of fixed assets is calculated to write off their cost less accumulated impairment losses on the straight-line basis over the unexpired periods of the leases or their expected useful lives to the Group. The principal annual rates used for this purpose are:—

Leasehold land and buildings	2%
Leasehold improvements	20% to 50%
Machinery and equipment	20% to 33 ¹ / ₃ %
Others	20%

- (iii) Impairment of fixed assets

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

- (iv) Gain or loss on disposal of fixed assets

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

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1 主要會計政策 (續)

(c) 固定資產 (續)

(v) 固定資產重修及改良所需成本

將固定資產重修至正常運作狀況所涉及之主要成本均自損益表內扣除。改良資產之成本乃撥作資本及按本集團預計該固定資產可使用年期計算折舊。

(vi) 租賃資產

(i) 融資租賃

資產擁有權附帶之一切風險及報酬實質上轉歸本集團之租約以融資租賃形式入賬。融資租賃乃於租約開始生效時按租賃資產之公平價值或最低租賃付款之現值(以較低者為準)撥充資本。每項租賃付款乃在資本及融資費用之間分配，藉以在資本結餘上取得固定之支出比率。相應之租金承擔(扣除融資費用)均列入長期負債。融資費用於租約期內自損益表扣除。

根據融資租賃持有之資產乃於其估計可用年期或租約期(以較短為準)內計算折舊。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Fixed assets (Cont'd)

(v) Cost of restoring and improving fixed assets

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

(vi) Leased assets

(i) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long-term liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

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1 主要會計政策 (續)

(c) 固定資產 (續)

(vi) 租賃資產 (續)

(ii) 經營租賃

資產擁有權附帶之一切風險及報酬實質上仍歸出租公司之租賃以經營租賃形式入賬。根據經營租賃支付之款項(扣除自出租公司收取之任何獎勵)乃於租約期內按直線基準自損益表扣除。

(d) 存貨

存貨按成本或可變賣淨值兩者中之較低者入賬。成本指原料、直接勞工及應佔所有生產間接費用之適當比例。一般而言，成本乃按個別項目以加權平均基準計算。

可變賣淨值乃按預計銷售所得款項減估計銷售開支之基準釐定。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Fixed assets (Cont'd)

(vi) Leased assets (Cont'd)

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and an appropriate proportion of all production overheads. In general, costs are assigned to individual item on a weighted average basis.

Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

Notes to the Accounts

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1 主要會計政策 (續)

(e) 電影版權及製作中之電影

(i) 電影版權

電影版權指就複製及發行不同制式電影、放映電影、授出及轉授電影版權而根據協議預先支付及／或分期支付之費用及在拍攝電影期間產生之直接開支。

電影版權乃按成本減累計攤銷及累計減值虧損列賬。

電影版權成本乃參考預算收入，按版權期限或其經濟年期以較短年期為準而攤銷。

在每年結算日，電影版權及製作中之電影皆透過集團內部及外界所獲得的資訊，評核該等資產有否耗蝕。如有跡象顯示該等資產出現耗蝕，則估算其可收回價值，及在合適情況下將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在損益表入賬，但假若某資產乃按估值列賬。

(ii) 製作中之電影

製作中之電影乃按成本減任何減值虧損準備列賬。成本包括所有涉及電影製作之直接成本。電影成本於完成後轉撥至電影版權。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(e) Film rights and films in progress

(i) Film rights

Film rights comprise fees paid in advance and/or by instalments under agreements and direct expenses incurred during the production of films, for the reproduction and distribution of films in various videogram formats, film exhibition, licensing and sub-licensing of film titles.

Film rights are stated at cost less accumulated amortisation and accumulated impairment losses.

The cost of film rights is amortised over the shorter of the underlying license period or their economic life, with reference to projected revenues.

At each balance sheet date, both internal and external market information are considered to assess whether there is any indication that assets included in film rights and films in progress are impaired. If any such indication exists, the carrying amount of such assets is assessed and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss accounts.

(ii) Films in progress

Films in progress are stated at cost less any provision for impairment losses. Cost includes all direct costs associated with the production of films. Cost of films is transferred to film rights upon completion.

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1 主要會計政策 (續)

(f) 電影訂金

就複製及發行不同制式電影、放映電影、授出及轉授電影版權而根據協議於電影開拍前預先支付之費用均以電影訂金形式入賬，餘款則以承擔形式披露。倘預期電影訂金日後不會為本集團帶來任何收入，則須就電影訂金作出撥備。

(g) 應收賬款

凡被視為呆賬之應收賬款均作出撥備。資產負債表之應收賬款已扣除該等撥備。

(h) 現金及等同現金項目

現金及等同現金項目乃按成本在資產負債表內列賬。在現金流量表內，現金及等同現金項目包括庫存現金及存於銀行之通知存款。

(i) 撥備

當本集團因已發生之事件而致須承擔現有法例或推定責任，而解決有關責任可能需要流出資源，且所需金額能可靠地估計，則須確認撥備。倘本集團因預期某項撥備將獲償付（如根據保險合約），償付金額以獨立資產形式確認，惟只在大致上可肯定獲得償付之情況下始予確認。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(f) Film deposits

Fees paid in advance prior to the production of films under agreements for reproduction and distribution of films in various videogram formats, film exhibition, licensing and sub-licensing of film rights are accounted for as film deposits. The balance payable under agreements is disclosed as a commitment. Provision for film deposits is made to the extent that they are not expected to generate any future revenue for the Group.

(g) Accounts receivable

Provision is made against accounts receivable to the extent which they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

(i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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1 主要會計政策 (續)

(j) 僱員福利

(i) 僱員應享假期

僱員在年假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(ii) 退休金責任

本集團向香港的強制性公積金(「強積金」)作出供款，有關資產以獨立形式由託管人管理之基金持有。強積金由僱員及有關集團公司所作供款提供資金。

集團向該界定供款退休計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出計劃而被沒收之僱主供款將不會用作扣減此供款。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(j) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to Mandatory Provident Fund in Hong Kong, the assets of which are held in separate trustee - administered fund. The pension plan is funded by payments from employees and by the relevant Group companies.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

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1 主要會計政策 (續)

(k) 或然負債

或然負債指因以往發生之事件而可能需要承擔之責任，而是否存在或然負債將取決於日後會否發生一宗或多宗並非完全受本集團控制之不確定事件。或然負債亦可能是因以往發生事件而導致目前須承擔之責任，而此項責任因可能毋須引致資源流出或無法可靠量度涉及之金額而不予確認。

或然負債均不予確認，惟在賬目附註中披露。倘流出資源之可能性有所轉變，以致出現可能流出資源之情況，屆時或然負債將予以撥備。

(l) 遞延稅項

為課稅而計算之盈利或虧損與賬目所示之盈利或虧損二者間之時差，若預期將於可預見將來支付或收回負債或資產，即按現行稅率計算遞延稅項。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(k) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

(l) Deferred taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit or loss as computed for taxation purposes and profit or loss as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

1 主要會計政策 (續)

(m) 收入確認

- (i) 銷售貨品所得收益於擁有權之風險及回報轉移後確認。風險及回報之轉移通常與貨品付運予客戶及所有權轉讓同時發生。
- (ii) 授出及轉授電影版權之收入根據有關合約之條款於預錄影音產品及母帶等錄像正片使用之素材付運予客戶後確認入賬。
- (iii) 電影放映之收入乃於收取款項之權利獲確定時確認入賬。
- (iv) 光碟複製服務之收入於提供有關服務後確認入賬。
- (v) 經營租賃及其他租金收入乃按直線法確認入賬。
- (vi) 利息收入乃按時間比例基準，以未償還本金與適用利率計算確認入賬。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(m) Revenue recognition

- (i) Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed.
- (ii) Income from the licensing and sub-licensing of film rights is recognised upon the delivery of the pre-recorded audio visual products and the materials for video features including the master tapes to the customers, in accordance with the terms of the underlying contracts.
- (iii) Film exhibition income is recognised when the right to receive payment is established.
- (iv) Income from the optical disc replication service is recognised when the relevant services are rendered.
- (v) Operating lease and other rental income is recognised on a straight-line basis.
- (vi) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

1 主要會計政策 (續)

(n) 分部報告

根據本集團之內部財務報告，本集團已決定以業務分部作為主要分部報告，而地域分部則為從屬分部報告。

未分配成本指集團之企業營運費用。分部資產主要包括電影版權、固定資產、存貨、應收賬款，而製作中電影及營運資金則不包括在內。分部負債指營運負債，而稅項及若干公司借貸則不包括在內。資本性支出指固定資產(附註11)及電影版權(附註12)之增添數額。

就地域分部報告而言，銷售額乃以客戶所在國家為依據。資產總額及資本支出則按有關資產所在地域劃分。

1 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(n) Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of film rights, fixed assets, inventories, receivables and exclude items such as films in progress and operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to fixed assets (Note 11) and film rights (Note 12).

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

2 營業額、收益及分部資料

本集團主要從事以不同錄像產品制式發行電影、授出及轉授電影版權、電影放映、出租投資物業及光碟複製機器。年內之經確認收益如下：

營業額
銷售貨品及光碟複製

授出、轉授電影版權及電影放映

出租投資物業及光碟複製機器

其他收益
利息收入
其他租金收入

總收益

2 TURNOVER, REVENUES AND SEGMENT INFORMATION

The Group is principally engaged in the distribution of films in various videogram formats, licensing and sub-licensing of film rights, film exhibition and leasing of investment property and machineries for replication of optical discs. Revenues recognised during the year are as follows:

	本集團 Group	
	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
Turnover		
Sale of goods and replication of optical discs	191,961	244,494
Licensing, sub-licensing of film rights and film exhibition	50,535	62,247
Leasing of investment property and machineries for replication of optical discs	8,750	—
	251,246	306,741
Other revenues		
Interest income	616	1,248
Other rental income	208	—
	824	1,248
Total revenues	252,070	307,989

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

2 營業額、收益及分部資料 (續)

主要分部報告 — 業務分部資料

本集團可分為三個主要業務分部：

- 發行不同制式錄像產品及光碟複製
- 授出、轉授電影版權及電影放映
- 出租投資物業及光碟複製機器

光碟複製業務於年內結束。其相關之複製機器及集團物業出租予一名第三者，產生一個關於出租投資物業及光碟複製機器的新業務分部。

本集團之分部間交易主要包括授出電影版權，乃按成本互相轉讓。

從屬分部報告 — 地域分部資料

發行不同制式錄像產品及光碟複製只在香港及澳門兩地經營，而本集團之授出、轉授電影版權及電影放映業務則分佈五個主要地域。

各地域分部之間並無進行任何銷售交易。

2 TURNOVER, REVENUES AND SEGMENT INFORMATION (Cont'd)

Primary reporting format - business segments

The Group is organised into three main business segments:

- Distribution of films in various videogram formats and replication of optical discs
- Licensing, sub-licensing of films rights and film exhibition
- Leasing of investment property and machineries for replication of optical discs

During the year, the business for the replication of optical discs business was ceased. The corresponding replication machineries and property of the Group were eventually leased to a third party, which generated a new business segment on leasing of investment property and machineries for replication of optical discs during the year.

The Group's inter-segment transactions mainly consist of licensing of film rights, which are transferred at cost.

Secondary reporting format - geographical segments

Distribution of films in various videogram formats and replication of optical discs are solely operated in Hong Kong and Macau, while the Group operates its licensing, sub-licensing of film rights and film exhibition in five main geographical segments.

There are no sales between geographical segments.

Notes to the Accounts

賬目附註

For the year ended 30th June 2003

截至二零零三年六月三十日止年度

2 營業額、收益及分部資料

(續)

主要分部報告 — 業務分部資料

2 TURNOVER, REVENUES AND SEGMENT INFORMATION

(Cont'd)

Primary reporting format - business segments

	Turnover	銷售貨品及 光碟複製	授出、轉授 電影版權及 電影放映	出租投資 物業及光碟 複製機器	抵銷	集團
	External sales Inter-segment sales	Sale of goods and replication of optical discs 二零零三年 2003 港幣千元 HK\$'000	Licensing, sub-licensing of film rights and film exhibition 二零零三年 2003 港幣千元 HK\$'000	Leasing of investment property and machineries for replication of optical discs 二零零三年 2003 港幣千元 HK\$'000	Elimination 二零零三年 2003 港幣千元 HK\$'000	Group 二零零三年 2003 港幣千元 HK\$'000
營業額	Turnover					
對外之銷售	External sales	191,961	50,535	8,750	—	251,246
分部間之銷售	Inter-segment sales	—	54,774	—	(54,774)	—
		<u>191,961</u>	<u>105,309</u>	<u>8,750</u>	<u>(54,774)</u>	<u>251,246</u>
減值虧損前之 分部業績	Segment results before impairment losses	2,011	2,524	(1,244)	—	3,291
減：電影版權之 減值虧損	Less: impairment losses of film rights	(23,580)	(13,524)	—	—	(37,104)
分部業績	Segment results	(21,569)	(11,000)	(1,244)	—	(33,813)
加：其他收益	Add: other revenue					824
經營虧損	Operating loss					(32,989)
減：財務成本	Less: finance costs					(1,123)
除稅前虧損	Loss before taxation					(34,112)
稅項	Taxation					4,656
股東應佔虧損	Loss attributable to shareholders					<u>(29,456)</u>
分部資產	Segment assets	114,593	13,489	37,349		165,431
未分配資產	Unallocated assets					122,708
總資產	Total assets					<u>288,139</u>
分部負債	Segment liabilities	8,251	18,342	281		26,874
未分配負債	Unallocated liabilities					41,432
總負債	Total liabilities					<u>68,306</u>
資本性開支	Capital expenditures	61,526	1,050	43		62,619
未分配資本性開支	Unallocated capital expenditures					61,101
總資本性開支	Total capital expenditures					<u>123,720</u>
折舊	Depreciation	12,032	50	9,991		22,073
未分配折舊	Unallocated depreciation					2,348
總折舊	Total depreciation					<u>24,421</u>
攤銷	Amortisation charge	90,558	33,414			123,972

Notes to the Accounts

賬目附註

For the year ended 30th June 2003

截至二零零三年六月三十日止年度

2 營業額、收益及分部資料 (續)

主要分部報告 — 業務分部資料 (續)

2 TURNOVER, REVENUES AND SEGMENT INFORMATION (Cont'd)

Primary reporting format - business segments (Cont'd)

	銷售貨品 及光碟複製	授出、轉授 電影版權及 電影放映 Licensing, sub-licensing of film rights and film exhibition	抵銷	集團
	Sale of goods and replication of optical discs	Elimination		Group
	二零零二年 2002 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
營業額	Turnover			
對外之銷售	External sales	244,494	62,247	306,741
分部間之銷售	Inter-segment sales	—	21,518	—
		<u>244,494</u>	<u>83,765</u>	<u>306,741</u>
減值虧損前之 分部業績	Segment results before impairment losses	39,691	6,118	45,809
減：電影版權之 減值虧損	Less: impairment losses of film rights	(13,775)	(8,625)	(22,400)
分部業績	Segment results	<u>25,916</u>	<u>(2,507)</u>	<u>23,409</u>
加：其他收益	Add: other revenue			1,248
經營溢利	Operating profit			<u>24,657</u>
減：財務成本	Less: finance costs			(9,792)
除稅前溢利	Profit before taxation			<u>14,865</u>
稅項	Taxation			(4,838)
股東應佔溢利	Profit attributable to shareholders			<u>10,027</u>
分部資產	Segment assets	228,971	40,204	269,175
未分配資產	Unallocated assets			136,790
總資產	Total assets			<u>405,965</u>
分部負債	Segment liabilities	16,979	27,403	44,382
未分配負債	Unallocated liabilities			112,640
總負債	Total liabilities			<u>157,022</u>
資本性開支	Capital expenditures	92,836	5,442	98,278
未分配資本性開支	Unallocated capital expenditures			55,748
總資本性開支	Total capital expenditures			<u>154,026</u>
折舊	Depreciation	22,722	49	22,771
未分配折舊	Unallocated depreciation			2,118
總折舊	Total depreciation			<u>24,889</u>
攤銷	Amortisation charge	94,893	37,433	132,326

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

2 營業額、收益及分部資料 (續)

2 TURNOVER, REVENUES AND SEGMENT INFORMATION (Cont'd)

從屬分部報告 — 地域分部資料

Secondary reporting format - geographical segments

		營業額 Turnover 二零零三年 2003 港幣千元 HK\$'000	分部業績 Segment results 二零零三年 2003 港幣千元 HK\$'000	總資產 Total assets 二零零三年 2003 港幣千元 HK\$'000	資本性開支 Capital expenditures 二零零三年 2003 港幣千元 HK\$'000
香港及澳門	Hong Kong and Macau	235,005	(35,981)	283,574	123,720
亞洲(香港及 澳門除外)	Asia (other than Hong Kong and Macau)	14,686	1,912	4,162	—
北美洲	North America	1,365	209	378	—
澳洲及紐西蘭	Australia and New Zealand	112	14	—	—
東北歐	Eastern and Northern Europe	78	33	25	—
		<u>251,246</u>	<u>(33,813)</u>	<u>288,139</u>	<u>123,720</u>
加：其他收益	Add: other revenue		824		
經營虧損	Operating loss		<u>(32,989)</u>		
		營業額 Turnover 二零零二年 2002 港幣千元 HK\$'000	分部業績 Segment results 二零零二年 2002 港幣千元 HK\$'000	總資產 Total assets 二零零二年 2002 港幣千元 HK\$'000	資本性開支 Capital Expenditures 二零零二年 2002 港幣千元 HK\$'000
香港及澳門	Hong Kong and Macau	279,029	19,167	404,355	154,026
亞洲(香港及 澳門除外)	Asia (other than Hong Kong and Macau)	18,544	3,793	1,150	—
北美洲	North America	8,730	239	436	—
澳洲及紐西蘭	Australia and New Zealand	150	20	—	—
東北歐	Eastern and Northern Europe	288	190	24	—
		<u>306,741</u>	<u>23,409</u>	<u>405,965</u>	<u>154,026</u>
加：其他收益	Add: other revenue		1,248		
經營溢利	Operating profit		<u>24,657</u>		

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

3 經營(虧損)/溢利

經營(虧損)/溢利已計入及
扣除下列項目：

計入

外匯收益淨額
出售固定資產之收益

扣除

電影版權攤銷
電影版權之減值虧損
電影版權撤銷
未能收回之電影訂金之撥備
核數師酬金
員工成本
(包括董事酬金)(附註9)
已售存貨成本
撤銷存貨
擁有之固定資產折舊
根據融資租賃持有
之固定資產折舊
土地及樓宇
之經營租約租金
出售固定資產之虧損
外匯虧損淨額
滯銷存貨撥備

3 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after
crediting and charging the following:

Crediting

Net exchange gains
Profit on disposal of fixed assets

Charging

Amortisation of film rights
Impairment losses of film rights
Write-off of film rights
Provision for irrecoverable film deposits
Auditors' remuneration
Staff costs (including directors'
emoluments) (Note 9)
Cost of inventories sold
Write-off of inventories
Depreciation on owned fixed assets
Depreciation on fixed assets held
under finance leases
Operating lease rental in respect
of land and buildings
Loss on disposal of fixed assets
Net exchange losses
Provision for slow-moving inventories

本集團	
Group	
二零零三年	二零零二年
2003	2002
港幣千元	港幣千元
HK\$'000	HK\$'000

	—	57
	1	—
	123,972	132,326
	37,104	22,400
	324	942
	1,552	1,865
	588	600
	27,064	33,517
	65,761	76,258
	1,116	1,918
	14,740	11,979
	9,681	12,910
	258	756
	—	16
	453	—
	955	—

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

4 財務成本

須於下列期限悉數償還
之銀行貸款及透支之利息

- 五年內
- 五年後

須於五年內悉數償還
之融資租賃之利息部份

須於五年內悉數償還之
可換股票據之利息部份

5 稅項回撥／(計提)

香港利得稅

- 本年度
- 過往年度超額

遞延稅項 (附註25)

香港利得稅及遞延稅項乃根據本年度之估計應課稅溢利按稅率17.5%(二零零二年：16%)撥備。於二零零三年，政府通過2003/2004財政年度之利得稅稅率由16%調整為17.5%。

6 股東應佔(虧損)／溢利

計入本公司賬目之股東應佔(虧損)／溢利為虧損港幣1,569,000元(二零零二年：溢利港幣13,000元)。

4 FINANCE COSTS

Interest on bank loans and overdrafts wholly repayable

- within five years
- after five years

Interest element of finance leases wholly repayable within five years

Interest element of convertible notes wholly repayable within five years

5 TAXATION CREDIT/(CHARGE)

Hong Kong profits tax

- current year
- overprovision in prior years

Deferred taxation (Note 25)

Hong Kong profits tax and deferred taxation have been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profit for the year. In 2003, the government enacted a change in the profits tax rate from 16% to 17.5% for the fiscal year 2003/2004.

6 (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The (loss)/profit attributable to shareholders is dealt with in the accounts of the Company to the extent of a loss of HK\$1,569,000 (2002: profit of HK\$13,000).

本集團	
Group	
二零零三年	二零零二年
2003	2002
港幣千元	港幣千元
HK\$'000	HK\$'000
Interest on bank loans and overdrafts wholly repayable	
— within five years	7
— after five years	918
Interest element of finance leases wholly repayable within five years	916
Interest element of convertible notes wholly repayable within five years	7,951
1,123	9,792

本集團	
Group	
二零零三年	二零零二年
2003	2002
港幣千元	港幣千元
HK\$'000	HK\$'000
Hong Kong profits tax	
— current year	(4,326)
— overprovision in prior years	91
Deferred taxation (Note 25)	(603)
4,506	(4,838)

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

7 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據本集團於年內之股東應佔虧損約港幣29,456,000元(二零零二年:港幣10,027,000元溢利)及已發行普通股之加權平均數956,403,580股普通股(二零零二年:954,619,681股普通股)計算。

因於年內所有未被行使並具攤薄性可轉換成為普通股股份在假設轉換後之效果為反攤薄,故此截至二零零三年六月三十日止年度之每股攤薄虧損未有呈列。

截至二零零二年六月三十日止年度之每股攤薄盈利乃根據本集團之股東應佔溢利約港幣10,027,000元及967,417,025股普通股計算,即年內已發行普通股之加權平均數,加上假設所有未行使之購股權皆已行使而被視作無償發行之加權平均數12,797,344股普通股計算。由行使可換股票據而產生之潛在普通股會導致本集團於截至二零零二年六月三十日止年度之每股盈利上升及會視為具反攤薄性質。

8 退休福利成本

於二零零零年十二月一日,本公司已為僱員(包括執行董事)訂立一項強制性公積金計劃(「強積金計劃」)。根據強積金計劃,本集團之供款額按僱員之有關收入(定義見香港強制性公積金計劃條例)5%計算,每名僱員每月之供款上限為港幣1,000元。倘僱員於二零零三年二月一日之前之有關收入每月超過港幣4,000元及於二零零三年二月一日之後之有關收入每月超過港幣5,000元,亦須向強積金計劃作出相應數目之供款。強積金供款一旦支付後,即完全及即時屬於僱員之累計福利。

9 員工成本

工資及薪酬
員工福利
退休成本—界定供款計劃

總額包括董事酬金

7 (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the Group's loss attributable to shareholders of approximately HK\$29,456,000 (2002: profit of HK\$10,027,000) and on the weighted average number of 956,403,580 ordinary shares in issue (2002: 954,619,681) during the year.

The diluted loss per share for the year ended 30th June 2003 is not presented because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the year is anti-dilutive.

The calculation of diluted earnings per share for the year ended 30th June 2002 was based on the Group's profit attributable to shareholders of approximately HK\$10,027,000 and on 967,417,025 ordinary shares which is the weighted average of ordinary shares in issue during the year plus the weighted average of 12,797,344 ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised. The potential shares arising from the exercise of the convertible notes would increase the earnings per share of the Group for the year ended 30th June 2002 and would be regarded as anti-dilutive.

8 RETIREMENT BENEFITS COSTS

On 1st December 2000, a Mandatory Provident Fund scheme (the "MPF scheme") has been set up for employees, including executive directors. Under the MPF scheme, the Group's contributions are at 5% of employees' relevant income as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance up to a maximum of HK\$1,000 per employee per month. The employees also contribute a corresponding amount to the MPF scheme if their relevant income is more than HK\$4,000 per month before 1st February 2003 and HK\$5,000 after 1st February 2003. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid.

9 STAFF COSTS

	本集團 Group	
	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
Wages and salaries	25,365	31,314
Staff welfare	747	982
Pension costs - defined contribution plan	952	1,221
Total including directors' emoluments	<u>27,064</u>	<u>33,517</u>

Notes to the Accounts

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For the year ended 30th June 2003
截至二零零三年六月三十日止年度

10 董事及高級管理人員之酬金

(a) 董事酬金

年內應付本公司董事之酬金總額如下：

袍金
基本薪金、房屋津貼、
其他津貼及實物利益
退休計劃供款

總額包括董事酬金

上述董事袍金包括已付予獨立非執行董事之袍金港幣162,000元(二零零二年：港幣160,000元)。

(b) 在以下組別之董事酬金人數如下：

酬金組別

港幣0元至港幣1,000,000元
港幣1,000,001元至港幣1,500,000元

概無董事放棄截至二零零三年及二零零二年六月三十日止年度之酬金。

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments payable to directors of the Company during the year are as follows:

	本集團 Group	
	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
Fees	162	200
Basic salaries, housing allowances, other allowances and benefits in kind	2,029	3,227
Contributions to retirement scheme	28	33
Total including directors' emoluments	<u>2,219</u>	<u>3,460</u>

Directors' fees disclosed above include HK\$162,000 (2002: HK\$160,000) paid to the independent non-executive directors.

(b) The number of directors whose emoluments fell within the following bands are as follows:

Emolument bands	董事人數 Number of directors	
	二零零三年 2003	二零零二年 2002
HK\$Nil to HK\$1,000,000	5	5
HK\$1,000,001 to HK\$1,500,000	1	1
	<u>6</u>	<u>6</u>

No directors waived emoluments in respect of the years ended 30th June 2003 and 2002.

Notes to the Accounts

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For the year ended 30th June 2003
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10 董事及高級管理人員之酬金 (續)

(c) 五名最高薪人士

本集團五名最高薪人士包括兩名(二零零二年：兩名)本公司董事，彼等之酬金詳情已於上段披露。其餘三名最高薪人士(二零零二年：三名)之酬金總額如下：

基本薪金、房屋津貼、
其他津貼及實物利益
退休計劃供款

該等人士之酬金屬於港幣0元至港幣1,000,000元之組別。

(d) 有關授予本集團的執行董事的購股權詳情載於附註21(b)。

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included two directors (2002: two) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2002: three) individuals during the year are as follows:

	本集團 Group	
	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	1,551	1,976
Contributions to retirement scheme	36	35
	<u>1,587</u>	<u>2,011</u>

The emoluments of each of these individuals fall within the emolument band of HK\$Nil to HK\$1,000,000.

(d) Details of the share options granted to the executive directors of the Group are set out in note 21(b).

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

11 固定資產

11 FIXED ASSETS

		租賃 土地及樓宇	投資物業	租賃物業 裝修	機器及 設備	傢俬及 裝置	汽車	辦公室 設備	總額
		Leasehold land and buildings	Investment property	Leasehold improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Office equipment	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
本集團	Group								
成本或估值	Cost or valuation								
於二零零二年七月一日	At 1st July 2002	47,406	—	10,448	102,087	1,521	1,163	7,296	169,921
增加	Additions	14,025	—	259	1,131	10	589	101	16,115
出售	Disposals	—	—	—	(329)	(2)	(801)	(44)	(1,176)
轉撥	Transfers	(13,674)	12,854	—	—	—	—	—	(820)
重估	Revaluation	—	346	—	—	—	—	—	346
於二零零三年六月三十日	At 30th June 2003	<u>47,757</u>	<u>13,200</u>	<u>10,707</u>	<u>102,889</u>	<u>1,529</u>	<u>951</u>	<u>7,353</u>	<u>184,386</u>
累計折舊	Accumulated depreciation								
於二零零二年七月一日	At 1st July 2002	2,168	—	5,070	56,642	782	575	3,582	68,819
年度折舊	Charge for the year	966	—	2,131	19,448	269	200	1,407	24,421
出售	Disposals	—	—	—	(159)	(1)	(528)	(30)	(718)
轉撥	Transfers	(820)	—	—	—	—	—	—	(820)
於二零零三年六月三十日	At 30th June 2003	<u>2,314</u>	<u>—</u>	<u>7,201</u>	<u>75,931</u>	<u>1,050</u>	<u>247</u>	<u>4,959</u>	<u>91,702</u>
賬面淨值	Net book value								
於二零零三年六月三十日	At 30th June 2003	<u>45,443</u>	<u>13,200</u>	<u>3,506</u>	<u>26,958</u>	<u>479</u>	<u>704</u>	<u>2,394</u>	<u>92,684</u>
於二零零二年六月三十日	At 30th June 2002	<u>45,238</u>	<u>—</u>	<u>5,378</u>	<u>45,445</u>	<u>739</u>	<u>588</u>	<u>3,714</u>	<u>101,102</u>

(a) 本集團於香港之租賃土地及樓宇乃根據中期租約持有。於二零零三年六月三十日，所有該等租賃土地及樓宇已用作本集團長期銀行貸款之抵押(附註27)。

(a) The Group's leasehold land and buildings are situated in Hong Kong under medium term leases. At 30th June 2003, all the leasehold land and buildings were pledged as securities for the Group's bank loans (Note 27).

(b) 投資物業於二零零三年六月三十日按公開市值基準由香港測量師學會之會員忠誠測量行有限公司重估。重估盈餘撥往投資物業重估儲備(附註22)。

(b) Investment property was revalued at 30th June 2003 on the basis of their open market by CS Surveyors Limited, a member of the Hong Kong Institute of Surveyors employed by the Group. The revaluation surplus was credited to investment property revaluation reserve (Note 22).

(c) 於二零零三年六月三十日，本集團根據融資租賃持有之固定資產之賬面淨值為港幣16,154,000元(二零零二年：港幣31,270,000元)。

(c) At 30th June 2003, net book value of machinery and equipment held by the Group under finance leases amounted to HK\$16,154,000 (2002: HK\$31,270,000).

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For the year ended 30th June 2003
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12 電影版權及製作中之電影

12 FILM RIGHTS AND FILMS IN PROGRESS

		電影版權	製作中之電影	總額
		Film rights	Films in progress	Total
		港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000
本集團	Group			
成本	Cost			
於二零零二年七月一日	At 1st July 2002	556,801	15,468	572,269
增加	Additions	60,880	46,725	107,605
轉撥	Transfers	33,646	(33,646)	—
到期項目之撇銷	Write-off of expired items	(43,359)	—	(43,359)
		<u>607,968</u>	<u>28,547</u>	<u>636,515</u>
於二零零三年六月三十日	At 30th June 2003	607,968	28,547	636,515
累計攤銷及減值	Accumulated amortisation and impairment			
於二零零二年七月一日	At 1st July 2002	447,446	—	447,446
年度攤銷	Charge for the year	123,972	—	123,972
減值虧損	Impairment losses	37,104	—	37,104
到期項目之撇銷	Write-off of expired items	(43,035)	—	(43,035)
		<u>565,487</u>	<u>—</u>	<u>565,487</u>
於二零零三年六月三十日	At 30th June 2003	565,487	—	565,487
賬面淨值	Net book value			
於二零零三年六月三十日	At 30th June 2003	<u>42,481</u>	<u>28,547</u>	<u>71,028</u>
於二零零二年六月三十日	At 30th June 2002	<u>109,355</u>	<u>15,468</u>	<u>124,823</u>

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賬目附註

For the year ended 30th June 2003
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13 附屬公司投資

非上市股份，按成本值
附屬公司欠款
欠附屬公司款項

- (a) 附屬公司之詳情載於賬目附註32。
- (b) 於二零零三年六月三十日，應收／應付附屬公司之款項均無抵押及免息。於二零零二年六月三十日，應收／應付附屬公司之款項均無抵押及免息，惟應收一間附屬公司為數港幣70,780,000元之欠款須計算利息。

14 聯營公司權益

應佔淨資產
聯營公司欠款

投資按成本值：
非上市股份

13 INVESTMENTS IN SUBSIDIARIES

	本公司 Company	
	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
Unlisted shares, at cost	52,052	52,052
Due from subsidiaries	85,184	147,241
Due to subsidiaries	(75)	(75)
	<u>137,161</u>	<u>199,218</u>

- (a) Details of subsidiaries are set out in note 32 to the accounts.
- (b) As at 30th June 2003, the amounts due from/to subsidiaries were unsecured and interest-free. As at 30th June 2002, the amounts due from/to subsidiaries were unsecured and interest-free, except for an amount due from a subsidiary of HK\$70,780,000 which was interest-bearing.

14 INTEREST IN ASSOCIATED COMPANY

	本集團 Group	
	二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
Share of net assets	1	—
Due from associated company (a)	<u>1,799</u>	—
	<u>1,800</u>	—
Investment at cost:		
Unlisted shares	<u>1</u>	—

Notes to the Accounts

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For the year ended 30th June 2003
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14 聯營公司權益 (續)

以下為於二零零三年六月三十日有關聯營公司的詳情：

名稱 Name	註冊成立及 營業之地點 Place of incorporation and operation	主要業務 Principal activities	持有已發行 股份摘要 Particulars of issued shares held	間接持有之權益 Interest held indirectly
美浩集團有限公司 (「美浩」) Elite Master Holdings Limited ("Elite")	香港 Hong Kong	製作電視連續劇 Production of television series	每股港幣1元之 普通股股份 Ordinary share of HK\$1 each	40% 40%

(a) 所欠款項為無抵押及免息。

(b) 美浩於二零零二年八月二十二日(其成立日期)至二零零三年六月三十日止期間，只產生少量的費用。

14 INTEREST IN ASSOCIATED COMPANY (Cont'd)

The following is the details of the associated company at 30th June 2003:

(a) The amount due is unsecured and interest free.

(b) Elite only incurred minimal expenses for the period from the date of its incorporation on 22nd August 2002 to 30th June 2003.

15 存貨

15 INVENTORIES

		本集團 Group	
		二零零三年 2003	二零零二年 2002
		港幣千元 HK\$'000	港幣千元 HK\$'000
原料	Raw materials	1,670	3,850
製成品	Finished goods	19,227	19,046
		20,897	22,896
減：滯銷存貨撥備	Less: provision for slow-moving inventories	(1,864)	(909)
		19,033	21,987

於二零零三年六月三十日，約有港幣1,864,000元(二零零二年：港幣909,000元)存貨以可變現淨值列賬。

As at 30th June 2003, inventories carried at net realisable value amounted to approximately HK\$1,864,000 (2002: HK\$909,000).

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

16 應收賬款

於二零零三年六月三十日，應收賬款之賬齡分析如下：

即期至90日
90日至180日
180日以上

銷售錄像產品及提供複製服務之信貸期為由7日至60日不等。版權轉授及影片放映之銷售交易均以記賬形式進行。

17 應付賬款

於二零零三年六月三十日，應付賬款之賬齡分析如下：

即期至90日
90日至180日
180日以上

16 ACCOUNTS RECEIVABLE

At 30th June 2003, the ageing analysis of the accounts receivable was as follows:

	本集團	
	Group	
	二零零三年	二零零二年
	2003	2002
	港幣千元	港幣千元
	HK\$'000	HK\$'000
Current to 90 days	10,616	16,660
90 days to 180 days	1,512	556
Over 180 days	4,314	6,166
	<u>16,442</u>	<u>23,382</u>

Sale of video products and provision of replication service are with credit terms of 7 days to 60 days. Sales from sub-licensing, licensing and film exhibition are on open account terms.

17 ACCOUNTS PAYABLE

At 30th June 2003, the ageing analysis of the accounts payable was as follows:

	本集團	
	Group	
	二零零三年	二零零二年
	2003	2002
	港幣千元	港幣千元
	HK\$'000	HK\$'000
Current to 90 days	4,462	5,688
90 days to 180 days	345	1,638
Over 180 days	5,059	6,917
	<u>9,866</u>	<u>14,243</u>

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For the year ended 30th June 2003
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18 欠最終控股公司款項

所欠款項為無抵押、免息及須於通知時償還。

19 融資租賃承擔

於二零零三年六月三十日，本集團之融資租賃承擔須於如以下年期限內償還：

18 DUE TO ULTIMATE HOLDING COMPANY

The amount due is unsecured, interest-free and repayable on demand.

19 OBLIGATIONS UNDER FINANCE LEASES

At 30th June 2003, the Group's obligations under finance leases were repayable as follows:

		本集團 Group	
		二零零三年 2003	二零零二年 2002
		港幣千元 HK\$'000	港幣千元 HK\$'000
一年內	Within one year	4,855	9,864
第二年	In the second year	144	4,862
第三至第五年	In the third to fifth year	125	264
		<u>5,124</u>	14,990
融資租賃之未來融資支出	Future finance charges on obligations under finance leases	<u>(60)</u>	(430)
融資租賃負債之現值	Present value of obligations under finance leases	<u>5,064</u>	<u>14,560</u>
融資租賃負債之現值如下：	The present value of obligations under finance leases is as follows:		
一年內	Within one year	4,801	9,496
第二年	In the second year	138	4,801
第三至第五年	In the third to fifth year	125	263
		<u>263</u>	5,064
		<u>5,064</u>	<u>14,560</u>

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
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21 股本

21 SHARE CAPITAL

		本公司 Company			
		二零零三年 2003		二零零二年 2002	
		普通股數目 No. of ordinary shares	港幣千元 HK\$'000	普通股數目 No. of ordinary shares	港幣千元 HK\$'000
法定：	Authorised:				
於七月一日	At 1st July				
及六月三十日	and 30th June	5,000,000,000	100,000	5,000,000,000	100,000
已發行及繳足：	Issued and fully paid:				
於七月一日	At 1st July	956,403,580	19,128	952,976,616	19,060
以股代息股份之發行 (附註(a))	Issue of shares as scrip dividends (Note (a))	—	—	3,426,964	68
於六月三十日	At 30th June	956,403,580	19,128	956,403,580	19,128

(a) 根據於二零零一年十一月二十六日舉行之本公司股東週年大會上通過之普通決議案，本公司宣佈派發截至二零零一年六月三十日止年度之末期股息每股普通股港幣0.3仙，將採用以股代息方式派發，股東亦可選擇收取現金代替配發股份作為全部或部份股息。於二零零二年一月七日，共有3,426,964股每股面值港幣0.02元之股份按每股港幣0.512元之價格發行作為末期股息。超出所發行股份面值之數額已撥入股份溢價賬。

(a) By an ordinary resolution passed at the Annual General Meeting of the Company held on 26th November 2001, a final dividend of HK\$0.3 cents per ordinary share was declared in the form of scrip dividend wholly or partly thereof in cash in lieu of such allotment for the year ended 30th June 2001. On 7th January 2002, 3,426,964 shares of HK\$0.02 each were issued at HK\$0.512 per share as final scrip dividend. The excess over the par value of the shares issued was credited to the share premium account.

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21 股本 (續)

(b) 根據本公司股東於一九九九年六月二十八日批准之購股權計劃，本公司之董事可酌情邀請本集團之僱員及執行董事接納購股權，以便在計劃規定之條款及條件規限下認購本公司之股東。於二零零三年六月三十日，所有授出的購股權已交回及註銷。以下為購股權之變動之詳情：

21 SHARE CAPITAL (Cont'd)

(b) Under a share option scheme approved by the shareholders of the Company on 28th June 1999, the directors of the Company may, at their discretion, invite employees and executive directors of the Group, to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. On 30th June 2003, all share options granted were surrendered and cancelled. Details of movements of options are as follows:

	於二零零二年 七月一日 持有之購股權 數目 Number of options held at 1st July 2002 以千計 '000	於年內 註銷之 購股權 數目 Number of options cancelled during the year 以千計 '000	於二零零三年 六月三十日 持有之購股權 數目 Number of options held at 30th June 2003 以千計 '000	行使價 Exercise price 港元 HK\$	授出日期 Grant date	行使期開始 Exercisable from	行使期終結 Exercisable until
現任董事： Current directors:							
林小明先生 Mr Lam Shiu Ming Daneil	22,500	(22,500)	—	0.4	二零零零年六月十九日 19th June 2000	二零零零年六月十九日 19th June 2000	二零零五年六月十八日 18th June 2005
趙雪英女士 Ms Chiu Suet Ying	22,500	(22,500)	—	0.4	二零零零年六月十九日 19th June 2000	二零零零年六月十九日 19th June 2000	二零零五年六月十八日 18th June 2005
前任董事： Former director:							
楊劍標先生* Mr Yeung Kim Piu*	3,000	(3,000)	—	0.5	二零零零年六月十九日 19th June 2000	二零零零年十二月十九日 19th December 2000	二零零五年六月十八日 18th June 2005
	3,000	(3,000)	—	0.5	二零零零年六月十九日 19th June 2000	二零零一年十二月十九日 19th December 2001	二零零五年六月十八日 18th June 2005

* 楊劍標先生於二零零二年十一月二十六日退任董事

* Mr Yeung Kim Piu retired as Director on 26th November 2002.

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22 儲備

22 RESERVES

		股份溢價	綜合賬目 所得儲備	投資物業 重估	保留溢利	總額
		Share premium	Reserve arising on consolidation	Investment property revaluation	Retained earnings	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
本集團	Group					
於二零零二年七月一日	At 1st July 2002	66,254	821	—	162,740	229,815
投資物業重估盈餘	Surplus on revaluation of investment property	—	—	346	—	346
股東應佔虧損	Loss attributable to shareholders	—	—	—	(29,456)	(29,456)
於二零零三年六月三十日	At 30th June 2003	<u>66,254</u>	<u>821</u>	<u>346</u>	<u>133,284</u>	<u>200,705</u>
於二零零一年七月一日	At 1st July 2001	64,568	821	—	155,572	220,961
發行以股代息之股份	Shares issued as scrip dividends	1,686	—	—	—	1,686
股東應佔溢利	Profit attributable to shareholders	—	—	—	10,027	10,027
二零零一年已派末期股息	2001 final dividend paid	—	—	—	(2,859)	(2,859)
於二零零二年六月三十日	At 30th June 2002	<u>66,254</u>	<u>821</u>	<u>—</u>	<u>162,740</u>	<u>229,815</u>

Notes to the Accounts

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For the year ended 30th June 2003
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22 儲備 (續)

22 RESERVES (Cont'd)

本公司	Company	股份溢價 Share premium 港幣千元 HK\$'000	實繳盈餘 Contributed surplus 港幣千元 HK\$'000	保留溢利 Retained earnings 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於二零零二年七月一日	At 1st July 2002	66,254	51,852	706	118,812
股東應佔虧損	Loss attributable to shareholders	—	—	(1,569)	(1,569)
於二零零三年六月三十日	At 30th June 2003	<u>66,254</u>	<u>51,852</u>	<u>(863)</u>	<u>117,243</u>
於二零零一年七月一日	At 1st July 2001	64,568	51,852	3,552	119,972
發行以股代息之股份	Shares issued as scrip dividend	1,686	—	—	1,686
股東應佔溢利	Profit attributable to shareholders	—	—	13	13
二零零一年已派末期股息 (附註(a))	2001 final dividend paid (Note (a))	—	—	(2,859)	(2,859)
於二零零二年六月三十日	At 30th June 2002	<u>66,254</u>	<u>51,852</u>	<u>706</u>	<u>118,812</u>

本公司實繳盈餘乃本公司為換取 Universe Films (Holdings) Limited 之已發行股份而發行本公司股份之面值與於一九九九年六月二十八日所收購附屬公司之資產淨值之差額。根據百慕達一九八一年公司法(修訂本)，假若有理由相信會出現下列情況，則實繳盈餘不得分派予股東：

- (i) 本公司當時或於派付後無力償還到期之負債；或
- (ii) 本公司之資產可變賣價值會因派付而降至低於負債與已發行股本及股份溢價賬之總值。

於本集團而言，實繳盈餘重新列入有關附屬公司之儲備。

- (a) 二零零二年派付之股息為二零零一年資產負債表結算日後建議及宣派之年終股息。本年度並無建議及宣派股息。

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued shares of Universe Films (Holdings) Limited and the value of net assets of the underlying subsidiaries acquired on 28th June 1999. Under the Companies Act of 1981 of Bermuda (as amended), the contributed surplus shall not be distributed to the shareholders if there are reasonable grounds for believing that:

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

At Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

- (a) The dividend paid in 2002 represented the final dividend for 2001 proposed and declared after the balance sheet date. No dividend has been declared and proposed for the year.

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
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23 可換股票據

可換股票據

於二零零零年七月二十六日，本公司發行本金金額合共7,000,000美元之無抵押可換股票據（「票據」）。該等票據乃由本公司發行予Multimedia Group Limited（一間由滙豐直接投資（亞洲）有限公司管理之基金全資擁有之公司）（「票據持有人」）以換取現金7,000,000美元。該等票據利息按年息2厘計算，且可於二零零零年七月二十六日至二零零二年七月二十五日止期間內按每股港幣0.51元之兌換價兌換為本公司每股面值港幣0.02元之普通股（已因股份拆細調整）。

除非已被兌換或提早贖回，否則本公司將於二零零二年七月二十五日贖回全部該等票據。除票據之未償還本金及任何應計但尚未付之利息外，本公司須於贖回票據時支付一筆額外款項（「額外利息」），以使票據持有人於該等票據被贖回時獲得8厘之內部回報率。

本公司於二零零二年七月二十五日已贖回該票據。

23 CONVERTIBLE NOTES

Convertible notes

On 26th July 2000, the Company issued unsecured convertible notes in the aggregate principal amount of US\$7,000,000 (the "Notes"). The Notes was issued by the Company to Multimedia Group Limited (a company wholly-owned by a fund under the management of HSBC Private Equity (Asia) Limited) (the "Noteholder") for cash amounting to US\$7,000,000. The Notes is interest-bearing at the rate of 2% per annum and can be converted into ordinary shares of HK\$0.02 each (adjusted for shares subdivision) of the Company at the conversion price of HK\$0.51 per share during the period from 26th July 2000 to 25th July 2002.

Unless converted or redeemed earlier, all the Notes outstanding shall be redeemed by the Company on 25th July 2002. In addition to the principal amount outstanding and any accrued but unpaid interest under the Notes, the Company is required to pay an additional amount (the "Additional Interest") calculated as provided in the conditions of the Notes which would give the Noteholder an 8% internal rate of return in the case of redemption of the Notes.

The Notes were redeemed by the Company on 25th July 2002.

本集團及本公司	
Group and Company	
二零零三年	二零零二年
2003	2002
港幣千元	港幣千元
HK\$'000	HK\$'000
—	54,110

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
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24 其他長期負債

	本集團 Group
	二零零三年 2003
	港幣千元 HK\$'000
融資租賃承擔 (附註19)	
有抵押銀行貸款 (附註20)	

24 OTHER LONG-TERM LIABILITIES

	本集團 Group	二零零二年 2002
	港幣千元 HK\$'000	港幣千元 HK\$'000
Obligations under finance leases (Note 19)	263	5,064
Secured bank loans (Note 20)	18,586	16,285
	18,849	21,349

25 遞延稅項

	本集團 Group
	二零零三年 2003
	港幣千元 HK\$'000
於七月一日 在損益表(記賬)／支銷 (附註5)	
於六月三十日	
按以下項目撥備	
加速折舊減免	
稅務虧損	

25 DEFERRED TAXATION

	本集團 Group	二零零二年 2002
	港幣千元 HK\$'000	港幣千元 HK\$'000
At 1st July (Credited)/charged to profit and loss account (Note 5)	5,671 (4,506)	5,068 603
At 30th June	1,165	5,671
Provided for in respect of		
Accelerated depreciation allowances	4,561	5,671
Tax losses	(3,396)	—
	1,165	5,671

於二零零三年六月三十日，並無重大而尚未在賬目上撥備之遞延稅項資產或負債。

As at 30th June 2003, there was no material unprovided deferred tax assets or liabilities.

Notes to the Accounts

賬目附註

For the year ended 30th June 2003
截至二零零三年六月三十日止年度

26 綜合現金流量表附註

(a) 除稅前(虧損)/溢利與經營活動之現金流入淨額之對賬表

除稅前(虧損)/溢利
擁有之固定資產折舊
根據融資租賃持有之 固定資產折舊
利息收入
電影版權攤銷
電影版權之減值虧損
電影版權撇銷
銀行貸款及透支利息
可換股票據利息部份
融資租賃之利息部份
出售固定資產之(收益)/虧損
電影訂金之增加
滯銷存貨撥備
未能收回電影訂金之撥備
營運資金變動前之 經營溢利
存貨之減少
應收賬款之減少
已付訂金及預付款項 之減少/(增加)
已抵押銀行存款 之減少/(增加)
應付賬款之減少
其他應付款項、已收訂金、 應計支出及欠最終控股 公司款項之(減少)/增加
經營產生之現金流入淨額

26 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of (loss)/profit before taxation to net cash inflow from operations

	本集團	
	Group	
	二零零三年	二零零二年
	2003	2002
	港幣千元	港幣千元
	HK\$'000	HK\$'000
(Loss)/profit before taxation	(34,112)	14,865
Depreciation of owned fixed assets	14,740	11,979
Depreciation of fixed assets held under finance leases	9,681	12,910
Interest income	(616)	(1,248)
Amortisation of film rights	123,972	132,326
Impairment losses of film rights	37,104	22,400
Write-off of film rights	324	942
Interest on bank loans and overdrafts	763	925
Interest element of convertible notes	—	7,951
Interest element of finance leases	360	916
(Gain)/loss on disposal of fixed assets	(1)	16
Increase in film deposits	(16,049)	(342)
Provision for slow-moving inventories	955	—
Provision for irrecoverable film deposits	1,552	1,865
Operating profit before working capital changes	138,673	205,505
Decrease in inventories	1,989	1,471
Decrease in accounts receivable	6,940	7,939
Decrease/(increase) in deposits paid and prepayments	2,720	(10,843)
Decrease/(increase) in pledged bank deposits	3,000	(5,000)
Decrease in accounts payable	(4,377)	(1,291)
(Decrease)/increase in other payables, deposits received, accrued charges and amount due to ultimate holding company	(8,851)	18,816
Net cash inflow generated from operations	140,094	216,597

Notes to the Accounts

賬目附註

For the year ended 30th June 2003

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26 綜合現金流量表附註 (續)

26 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(Cont'd)

(b) 年內融資變動分析

(b) Analysis of changes in financing during the year

	二零零三年 2003					二零零二年 2002					
	股本 (包括溢價)	銀行貸款	融資租賃 承擔	可換股票據	總額	應付股息	股本 (包括溢價)	銀行貸款	融資租賃 承擔	可換股票據	總額
	Share capital including premium	Bank loans	Obligations under finance leases	Convertible notes	Total	Dividend payable	Share capital including premium	Bank loans	finance leases	Convertible notes	Total
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於七月一日	85,382	21,100	14,560	54,110	175,152	—	83,628	29,552	25,820	54,110	193,110
At 1st July	85,382	21,100	14,560	54,110	175,152	—	83,628	29,552	25,820	54,110	193,110
現金(流出)/流入	—	3,741	(9,856)	(54,110)	(60,225)	(1,105)	—	(8,452)	(12,476)	(1,092)	(23,125)
Cash (outflow)/ inflow	—	3,741	(9,856)	(54,110)	(60,225)	(1,105)	—	(8,452)	(12,476)	(1,092)	(23,125)
以股代息股份 之發行(附註21(a))	—	—	—	—	—	—	1,754	—	—	—	1,754
Issue of shares as scrip dividends (Note 21 (a))	—	—	—	—	—	—	1,754	—	—	—	1,754
融資租賃之利息部份 在損益表支銷	—	—	360	—	360	—	—	—	916	—	916
Interest element of finance lease charged to profit and loss account	—	—	360	—	360	—	—	—	916	—	916
可換股票據利息部份 在損益表支銷	—	—	—	—	—	—	—	—	—	1,092	1,092
Interest element of convertible notes charged to profit and loss account	—	—	—	—	—	—	—	—	—	1,092	1,092
融資租賃在開始生效時	—	—	—	—	—	—	—	—	300	—	300
Inception of finance lease	—	—	—	—	—	—	—	—	300	—	300
股息	—	—	—	—	—	1,105	—	—	—	—	1,105
Dividends	—	—	—	—	—	1,105	—	—	—	—	1,105
於六月三十日	85,382	24,841	5,064	—	115,287	—	85,382	21,100	14,560	54,110	175,152
At 30th June	85,382	24,841	5,064	—	115,287	—	85,382	21,100	14,560	54,110	175,152

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賬目附註

For the year ended 30th June 2003
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26 綜合現金流量表附註 (續)

(c) 出售一間附屬公司

出售之淨資產／(負債)：

存貨
已付按金及預付款項
銀行結存及現金
其他應付款項，已收訂金 及應計支出

附屬公司的出售價格是根據該附屬公司於出售日之淨資產值所訂。

(d) 出售一間附屬公司產生之現金流出淨額分析：

現金代價
出售之銀行結存及現金
出售一間附屬公司產生之 現金流出淨額

26 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(Cont'd)

(c) Sale of a subsidiary

Net assets/(liabilities) disposed of:

Inventories	10	—
Deposits paid and prepayments	4,027	—
Bank balances and cash	314	—
Other payables, deposits received and accrued charges	(4,351)	—
	<u>—</u>	<u>—</u>

The consolidation for sale of a subsidiary is determined with reference to its underlying net asset value on the date of disposal.

(d) Analysis of the net outflow in respect of the sale of a subsidiary:

Cash Consideration	—	—
Bank balances and cash disposed of	(314)	—
Net cash outflow in respect of the sale of a subsidiary	<u>(314)</u>	<u>—</u>

Notes to the Accounts

賬目附註

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27 銀行融資

於二零零三年六月三十日，本集團獲多間銀行提供銀行融資約港幣95,000,000元（二零零二年：港幣102,000,000元），並以下列各項作抵押，本集團已動用其中約港幣30,000,000元（二零零二年：港幣35,000,000元）：

- (i) 以本集團持有之所有物業作為第一次法定押記；
- (ii) 以本公司一間附屬公司之定期存款港幣4,000,000元（二零零二年：港幣7,000,000元）作抵押；及
- (iii) 由本公司提供公司擔保。

28 未決訴訟

於二零零二年四月十七日，獨立第三者星輝海外有限公司（「星輝」）對本公司全資附屬公司寰宇娛樂有限公司（「寰宇娛樂」）提出之原訟法庭訴訟在香港展開。

星輝在上述訴訟中指稱寰宇娛樂應向其支付935,871.65美元（相等於港幣7,299,798.84元），作為分享一齣名為「少林足球」之電影（「該電影」）之部份收入。

根據高等法院於二零零三年二月二十一日頒發之指令（「指令」），寰宇娛樂遭頒令及已向星輝支付港幣5,495,699.80元，即寰宇娛樂就該電影而從Miramax Films（即該電影之版權持有人）收取之部份版權費及星輝索償之部份金額。根據該指令，寰宇娛樂亦須向星輝支付為數港幣350,905.30元之利息及申請該指令所耗部份費用，而雖然上述款項已於二零零三年二月二十一日到期支付，惟至今仍未支付上述任何款項。由於指令並無解除星輝為數935,871.65美元（相等於港幣7,299,798.84元）之所有索償，故此寰宇娛樂有權繼續就星輝追討餘下為數約港幣1,804,099.04元（即港幣7,299,798.84元減港幣5,495,699.80元）之款項進行抗辯。

27 BANKING FACILITIES

As at 30th June 2003, banking facilities of approximately HK\$95 million (2002: HK\$102million) granted by banks to the Group, of which approximately HK\$30 million (2002: HK\$35million) have been utilised by the Group, were secured by the following:

- (i) first legal charges over all properties held by the Group;
- (ii) charge on time deposit of a subsidiary of the Company of HK\$4 million (2002: HK\$7million); and
- (iii) corporate guarantees given by the Company.

28 PENDING LITIGATIONS

A Court of First Instance was commenced in Hong Kong on 17th April, 2002 by The Star Overseas Limited ("Star"), an independent third party, against Universe Entertainment Limited ("UEL"), a wholly-owned subsidiary of the Company.

By the above action, Star alleges that a sum of US\$935,871.65 (equivalent to HK\$7,299,798.84) was payable by UEL to Star as its share of the revenue of the movie entitled "Shaolin Soccer" (the "Movie").

Pursuant to an Order (the "Order") made by High Court on 21st February, 2003, UEL was ordered and has paid to Star a sum of HK\$5,495,699.80, being part of the licence fee of the Movie received by UEL from Miramax Films (being the licensee of the Movie) and which was also part of the sum claimed by Star and interest in the sum of HK\$350,905.30. Pursuant to the Order, UEL is also liable to pay Star some of the costs of the application leading to the making of the Order, which has not been settled. As the Order has not disposed of all the claims of US\$935,871.65 (equivalent to HK\$7,299,798.84) by Star, UEL is entitled to continue to defend the claim by Star for recovering the remaining balance in the sum of approximately HK\$1,804,099.04 (HK\$7,299,798.84 less HK\$5,495,699.80).

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For the year ended 30th June 2003
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28 未決訴訟 (續)

於二零零二年四月三十日，寰宇娛樂向星輝發出傳訊令狀，其中包括指後者不當地利用雙方共同擁有之若干權利。寰宇娛樂現追討因該不當利用權利而令寰宇娛樂蒙受包括但不限於就此引致的損失、損害及有關的利潤。

於二零零二年九月九日，本公司之全資屬附有限公司寰宇鐳射錄影有限公司（「寰宇鐳射」）因指星輝侵犯寰宇鐳射就該電影所持的特許權利而向其發出傳訊令狀。寰宇鐳射現追討因上述侵權行為而蒙受之一切經濟損失。

根據法律顧問之意見，現階段預測索償結果尚屬言之過早。然而，董事會認為對寰宇娛樂的索償之結果並不會對集團構成重大財務影響。

除上文所披露者外，於二零零三年六月三十日，就董事所知，本公司或其任何附屬公司並無面對任何重大訴訟或索償。

29 承擔

(a) 資本承擔

於二零零三年六月三十日，本集團已訂約但未於賬目撥備之承擔如下：

購買電影版權
及電影製作

28 PENDING LITIGATIONS (Cont'd)

On 30th April 2002, UEL issued a Writ of Summons against Star for inter alia the latter's wrongful exploitation of certain rights co-owned by both parties. UEL claimed to recover inter alia loss and damages or account of profits suffered by UEL as a result of the wrongful exploitation.

On 9th September 2002, Universe Laser & Video Co. Limited ("ULV"), a wholly owned subsidiary of the Company issued a Writ of Summons against Star for infringement of the licensed rights in the Movie held by ULV. ULV claimed to recover all economic losses as a result of the said infringement.

In the opinion of legal counsel, it is premature to predict the outcome of the claims against UEL. However, the Board of directors are of the opinion that the outcome of the claims against UEL will not have material financial effect on the Group.

Save as disclosed above, as at 30th June 2003, no litigation or claim of material importance is known to the Directors to be pending against either the Company or any of its subsidiaries.

29 COMMITMENTS

(a) Capital commitments

As at 30th June 2003, the Group had commitments contracted but not provided for in these accounts as follows:

	本集團 Group	
	二零零三年 2003	二零零二年 2002
	港幣千元 HK\$'000	港幣千元 HK\$'000
Purchase of film rights and production of films	<u>72,121</u>	<u>44,482</u>

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For the year ended 30th June 2003
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29 承擔 (續)

(b) 經營租賃承擔

於二零零三年六月三十日，本集團根據不可撤銷之經營租賃而於未來支付之最低租賃付款總額如下：

土地及樓宇
第一年內
第二至第五年內

本公司於二零零三年六月三十日並無任何承擔(二零零二年：無)。

30 有關連人士之交易

於截至二零零三年六月三十日止年度，寰宇鐳射錄影有限公司(為本公司之附屬公司)曾就董事租用之汽車及住宅單位向萬朗投資有限公司及大捷發展有限公司(同為Globalcrest Enterprises Limited之全資擁有之附屬公司)分別支付租金港幣300,000元(二零零二年：無)及港幣240,000元(二零零二年：港幣720,000元)。

除上文所披露者及本賬目中外，本集團並無訂立其他重大有關連人士交易。董事認為上述交易均按一般商業條款於日常業務中進行。

29 COMMITMENTS (Cont'd)

(b) Commitments under operating leases

At 30th June 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	本集團 Group	
	二零零三年 2003	二零零二年 2002
	港幣千元 HK\$'000	港幣千元 HK\$'000
Land and buildings		
Not later than one year	—	108
Later than one year and not later than five years	—	72
	<u>—</u>	<u>180</u>

The Company did not have any commitments at 30th June 2003 (2002: Nil).

30 RELATED PARTY TRANSACTIONS

During the year ended 30th June 2003, Universe Laser & Video Co. Limited, a subsidiary of the Company, had paid rental on motor vehicles and apartment leased for directors of HK\$300,000 (2002: Nil) and HK\$240,000 (2002: HK\$720,000) to Mightlong Investments Limited and Mass Express Development Limited, respectively. They are wholly owned subsidiaries of Globalcrest Enterprises Limited.

Save as disclosed above or elsewhere in these accounts, no other material related party transactions have been entered into by the Group. The directors are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary and usual course of business.

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賬目附註

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31 結算日後事項

於二零零三年七月二十九日，董事會通過一項供股計劃，向於二零零三年八月十九日名列於股東名冊之股東（不包括登記地址位於香港以外之股東）按每持有兩股現有股份發行一股供股股份之基準，以發售價港幣0.08元發行478,201,790股股份。該項交易已於二零零三年九月八日完成，本公司已收取約港幣37,684,000元之所得款項淨額。

供股之進一步詳情載於本公司於二零零三年八月十九日刊發之招股章程。

32 附屬公司

於二零零三年六月三十日，本公司持有以下附屬公司之權益：

名稱 Name	註冊成立／營業之地點 Place of incorporation/operation	已發行及繳足股本 Issued and fully paid up share capital	本公司所持股本百分比 Percentage of equity held by the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
* Universe Films (Holdings) Limited	英屬處女群島／香港 British Virgin Islands/Hong Kong	普通股本 100美元 Ordinary US\$100	100	—	投資控股 Investment holding
寰宇鐳射錄影有限公司 Universe Laser & Video Co. Limited	香港 Hong Kong	普通股本 港幣1,000,000元 Ordinary HK\$1,000,000	—	100	以不同錄像產品制式發行電影及轉授電影版權 Distribution of films in various videogram formats and sub-licensing of film rights
寰宇影片發行有限公司 Universe Films Distribution Company Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	轉授電影版權及電影放映 Sub-licensing of film rights and film exhibition

31 SUBSEQUENT EVENTS

On 29th July 2003, the Board of Directors approved a rights issue for 478,201,790 shares at an issue price of HK\$0.08 per rights share on the basis of one rights share for every two existing share held by members on the register of members on 19th August 2003 (excluding those shareholders with registered addresses outside Hong Kong). The transaction was completed on 8th September 2003 and the net proceeds of approximately HK\$37,684,000 were received by the Company.

Further details of the rights issue are set out in the prospectus of the Company dated 19th August 2003.

32 SUBSIDIARIES

As at 30th June 2003, the Company held interests in the following subsidiaries:—

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For the year ended 30th June 2003
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32 附屬公司 (續)

32 SUBSIDIARIES (Cont'd)

名稱 Name	註冊成立／營業 之地點 Place of incorporation/ operation	已發行及 繳足股本 Issued and fully paid up share capital	本公司所持 股本百分比 Percentage of equity held by the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
寰宇電腦科技有限公司 Universe Interactive Limited	香港 Hong Kong	普通股本 港幣100元 Ordinary HK\$100	—	100	經營網站 Operation of a web site
寰宇資訊科技有限公司 Universe Information Technology Limited	香港 Hong Kong	普通股本 港幣10,000元 5%遞延股本 港幣10,000元 Ordinary HK\$10,000 5% deferred HK\$10,000	—	100	以不同錄像產品制式發行 電影 Distribution of films in various videogram formats
* Simple Trading Company Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	暫無營業 Inactive
寰宇國際控股有限公司 Universe Information & Entertainment Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	暫無營業 Inactive
寰宇工業發展有限公司 Universe Industrial Development Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	租賃機器設備 Leasing of machinery and equipment

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賬目附註

For the year ended 30th June 2003
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32 附屬公司 (續)

32 SUBSIDIARIES (Cont'd)

名稱 Name	註冊成立／營業 之地點 Place of incorporation/ operation	已發行及 繳足股本 Issued and fully paid up share capital	本公司所持 股本百分比 Percentage of equity held by the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
寰宇企業管理有限公司	香港	普通股本 港幣10,000元 5%遞延股本 港幣10,000元	—	100	向本集團提供管理服務
Universe Management Services Limited	Hong Kong	Ordinary HK\$10,000 5% deferred HK\$10,000	—	100	Provision of management services to the Group
寰宇娛樂有限公司	英屬處女 群島／香港	普通股本 2美元	—	100	投資電影製作
Universe Entertainment Limited	British Virgin Islands/Hong Kong	Ordinary US\$2	—	100	Investment in films production
* Universe Pictures International Limited	英屬處女 群島／香港	普通股本 2美元	—	100	本集團之影片收購代理
	British Virgin Islands/Hong Kong	Ordinary US\$2	—	100	Film acquisition agent for the Group
寰宇物業投資有限公司	香港	普通股本 港幣2元	—	100	持有物業
Universe Property Investment Limited	Hong Kong	Ordinary HK\$2	—	100	Properties holding
寰宇(中國)拓展有限公司	香港	普通股本 港幣2元	—	100	投資控股
Universe (China) Development Limited	Hong Kong	Ordinary HK\$2	—	100	Investment holding

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賬目附註

For the year ended 30th June 2003
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32 附屬公司 (續)

32 SUBSIDIARIES (Cont'd)

名稱 Name	註冊成立／營業 之地點 Place of incorporation/ operation	已發行及 繳足股本 Issued and fully paid up share capital	本公司所持 股本百分比 Percentage of equity held by the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
* Globalink Advertising Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	本集團之廣告代理 Advertising agent for the Group
世紀創作室有限公司 Century Creator Company Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	投資電影製作 Investment in films production
縱橫製作有限公司 Matrix Productions Company Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	投資電影製作 Investment in films production
數碼節目製作有限公司 Digital Programme Production Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	製作娛樂資訊節目 Production of infotainment programme
寰宇國際科技有限公司 Universe International Technology Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	本集團之採購代理 Purchasing agent for the Group
寰宇藝人管理有限公司 Universe Artiste Management Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	管理合約藝人 Management of contracted artistes

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32 附屬公司 (續)

名稱 Name	註冊成立／營業 之地點 Place of incorporation/ operation	已發行及 繳足股本 Issued and fully paid up share capital	本公司所持 股本百分比 Percentage of equity held by the Company		主要業務 Principal activities
			直接 Direct	間接 Indirect	
* Films Station Production Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	電影製作 Films production
寰宇音樂有限公司 Universe Music Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	以不同錄像產品制式發行 電影 Distribution of films in various videogram formats
寰宇電影有限公司 Universe Films Limited	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	以不同錄像產品制式發行 電影 Distribution of films in various videogram formats
寰宇知識產權有限公司 (前稱：華信國際 有限公司) Universe Intellectual Property Limited (Formerly known as China Growth International Limited)	香港 Hong Kong	普通股本 港幣2元 Ordinary HK\$2	—	100	暫無營業 Inactive

* 此等公司並沒有註冊中文名稱

33 最終控股公司

董事認為，於英屬處女群島註冊成立之 Globalcrest Enterprises Limited 為本公司之最終控股公司。

34 批准賬目

賬目已於二零零三年十月二十日獲董事會批准。

32 SUBSIDIARIES (Cont'd)

* No registered Chinese names for these companies

33 ULTIMATE HOLDING COMPANY

The directors regard Globalcrest Enterprises Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company of the Company.

34 APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 20th October 2003.