



Chairman's Statement

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主席報告

本集團一直致力成為華語電影製片商之領導者之一。除了不斷積極從事電影製作之業務以加強其製片實力及壯大發行網絡外，本集團早於二零零一年窺準中華人民共和國（「中國」）電影市場之優厚潛力，成功收購豐采多媒體集團有限公司，憑藉其國內之廣泛發行網絡與穩固地位，令本集團得以初嘗中國電影業市場蓬勃發展所造就之商機與效益。除豐采多媒體集團有限公司外，我們亦曾於同年收購業內極具名望之一百年電影有限公司，積極求進，進一步鞏固製作能力。

然而，於二零零三年，香港之經濟持續低迷，加上上半年度爆發嚴重急性呼吸道綜合症（「沙士」）所影響，整體消費意慾大大減低，香港之娛樂事業經歷了前所未見之嚴峻考驗，而本集團業績亦因而受影響。以往數年電影票房紀錄持續下跌，上電影院看電影再不是觀眾的慣性消費模式，而觀眾對電影光碟之需求亦已逐漸轉移至有線電視及網上頻道方面。這不但令電影票房萎靡不振，電影光碟之銷售量亦有所下跌，導致本集團源自此兩個渠道之傳統收入來源縮減。由於目前尚未能確定來自線電視之收益，故本集團之會計政策未能反映有關轉變，導致來自主要媒體與地區之收益出現下跌。加上沙士的影響，使本集團之營業額有所減少。但本集團透過成本控制及營運重組，成功將有關影響減至最低，令二零零三年之毛利仍有所增長。

鑑於本集團擁有一個龐大影片庫，我們正好把握時機迎合觀眾欣賞電影之新習慣，掌握有線電視及網上頻道播放模式對優質、受歡迎影片之渴求，透過開拓新媒體之銷售途徑，發掘額外收入來源。本集團之龐大影片庫可向有線電視及網上頻道提供源源不絕之電影，藉此向他們徵收版權費，可望從而令本集團之收入有可觀之增幅。我們期望，憑藉積極尋求新銷售媒體可有助本集團成功將挑戰化為商機。

The Group has always been striving for leadership as a producer of Chinese language films. Apart from insistently consolidating its production capabilities and distribution network through aggressive engagement in the film production business, the Group has recognised the huge potential in the film market in the People's Republic of China ("PRC") long ago in 2001. The Group has been employing the acquired extensive distribution network and established position since the successful acquisition of Riche Multi-Media Holdings Limited in 2001, and preliminary results and gains from the agile development of the PRC film market have been reaped. In addition to Riche Multi-Media Holdings Limited, we have also acquired One Hundred Years of Film Company Limited, a well-recognised film producer, in the same year with the objective of building a solid production capacity in mind.

However, Hong Kong has seen a decline in the overall consumption desire due to the sustained economic downturn in 2003 and the outbreak of Severe Acute Respiratory Syndrome ("SARS") during the first half of the year. The entertainment industry experienced the worst challenges ever seen, while our performance unavoidably suffered. On one hand, the box-office has been shrinking during the past years, with movie-going ceasing to be a habitual behaviour for the audience. On the other hand, the demand for film contents has gradually shifted from video products to cable television and network channels. Against this backdrop, the box-office and the sale of video products have shrunk, leading to a drop in the Group's revenue from these more traditional income sources. As the future increase in revenue from cable television channels is uncertain, our accounting policies cannot reflect this change of audience behaviour. Revenues from the major media and regions have dropped as a result. Coupled with the influence of SARS, the Group's turnover recorded a decline. The Group nevertheless successfully maintained a growth in the gross profit for 2003 through adoption of cost-control and operational restructuring measures.

Given its huge film library, the Group is well-positioned to adjust to the new audience behaviour. Targeting at the huge demand for quality and popular films by the cable television and internet broadcasting channels, we endeavour to explore new revenue sources by opening up new sales channels on these new media. The Group intends to provide to cable television and internet channels with rich contents from its film library in return for loyalty fees. This will hopefully bring remarkable increase in our revenue, and we expect that the opening up of new sales media will help turning the challenges into opportunities.



另一方面，香港與中國於二零零三年簽訂之《更緊密經貿關係安排》為電影業帶來無限商機。《更緊密經貿關係安排》放寬香港電影進口內地及與內地製片商合作拍攝之多項要求，尤其是對進口香港電影不設數量限制，讓本集團之龐大影片庫發揮優勢。由於通往中國龐大市場之門經已打開，我們對本集團及香港電影業之未來前景更有信心。

除透過開拓發行渠道及進軍中國國內市場外，本集團亦有意擴展其藝人經理人業務，羅致更多有潛質之新進藝人於本集團旗下。除可減省製作電影之開支外，亦可為本港電影界注入新氣象。此舉有助於本集團之製作開拓新元素及新電影題材，令本集團更進一步鞏固在業內之地位。

本集團對藝人與電影製作員工之重視，不斷讓我們屢創佳績。憑藉這個宗旨，不僅為本集團在本地市場贏得好評及穩定票房，更令本集團在第二十三屆香港金像獎頒獎典禮中，勇奪多個重要獎項，包括《大隻佬》榮獲「最佳電影」及「最佳編劇」，而男主角劉德華先生同時獲封「最佳男主角」。《忘不了》之女主角張柏芝小姐及《豪情》之女配角何超儀女士亦分別獲頒「最佳女主角」及「最佳女配角」之殊榮。《忘不了》由金培達先生製作之電影配樂亦獲表揚，勇奪「最佳原創電影音樂」一獎。本公司旗下新進藝人安志杰先生亦獲頒最佳新演員。

展望將來，本集團除了維持一貫製片量來維持龐大影片庫之優勢外，更引入國內電影發行商共同投資製作新片，利用他們提供之資金與經驗，再加上他們對國內觀眾口味及市場潮流之認知及觸覺構思製作藍本，從而可製作更多迎合國內觀眾喜好之電影。本集團期望在國內電影市場之業務方面取得更豐碩成果，將會更事半功倍。另外，本集團去年業績成功實有賴旗下一批高質素藝人。因此，本集團將繼續拓展其藝人經理人業務，

Immense opportunities are also seen amidst the present gloomy environment of the film industry with the signing of Closer Economic Partnership Arrangement (“CEPA”) between Hong Kong and the PRC in 2003. CEPA has relaxed a number of restrictions on the import of Hong Kong films into the PRC and the cooperation between Hong Kong and Mainland producers. In particular, the Group will be able to take full advantage of its huge film library after the de-regulation on the number of films imported from Hong Kong. With the door to the vast PRC market opened, a brighter future for the Group and the local film industry is foreseen.

Apart from developing new distribution channels and penetrating into the PRC market, the Group also intends to further expand its artist management business. The joining of more talented new blood to the Group not only will help to stabilise our production costs and invigorate the local film scene, but also will help adding in more new elements and themes to our production, and further consolidate our position in the industry.

Our emphasis on the artists and production staff has achieved good results for the Group again and again, creating for us solid reputation and overwhelming box-office records in the local market. It is also won for the Group a number of the major awards at the 23rd Hong Kong Film Awards. “Running on Karma” was awarded the Best Film and the Best Screenplay, and Mr. Andy Lau was named the Best Actor with his role in the film. The awards Best Actress and Best Supporting Actress came to Miss Cecilia Cheung and Ms. Josie Ho with their respective performance in “Lost in Time” and “Naked Ambition”. “Lost in Time” has also won the award of Best Original Film Score for the outstanding work by Mr. Peter Kam. Mr. Andy Ong, a new artist under the Company, was also honoured as the Best New Performer.

Looking into the future, the Group will sustain a stable production volume to keep up its competitive edges in having a huge film library. It will also seek to introduce PRC film distributors for the joint investment in film production. Leveraging on their capital and experience, as well as their knowledge and sensitivity in the audience behaviour and trend in the PRC market, we expect to tailor our productions to the preferences of the PRC market. Fruitful results are anticipated from our film business in the PRC. On the other hand, our pool of talented artists has been crucial to our success in the past year. In view of that, we will continue to develop our artist management



Chairman's Statement

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主席報告

羅致更多有潛質之新進藝人，從而穩定製作電影之開支。本集團亦會繼續開源節流，密切留意市場轉變，瞭解觀眾口味，緊貼市場步伐作多元化的發展，製作更多叫好叫座之電影，讓本集團邁向更光明之發展，揭開電影光輝新一頁。

本集團深信憑藉全體員工繼續努力不懈，透過各種高瞻遠矚之策略，勢將為電影業作出更多貢獻，並為股東帶來更豐厚回報。本人謹此多謝本集團全人於過去一年之努力，亦向各位股東在過去一年對本集團之支持致謝。

business in order to recruit more talented new faces, which will also help to stabilise our production costs. Our cost control measures will be paralleled by the efforts to tap new revenue sources. We take heart in adapting to the changes in market trends and audience preferences, and look forward to the Group's diversified development and the addition of more popular films to our library. We are preparing for an exciting turnaround and a bright future in the coming years.

We firmly believe that our vision of contributing to the film industry and our commitment to generating greater return for our shareholders have become a reality with the dedication of our staff and our insightful strategies. I would like to express our gratitude to all the staff for the sustained efforts they have made, and our shareholders for their support in the past year.

主席
向華強

香港，二零零四年四月二十六日

Heung Wah Keung
Chairman

Hong Kong, 26th April, 2004