

主席報告 Chairman's Statement

二零零四年為香港電影業界舉步維艱之一年。受到過去數年本港持續低迷之經濟環境影響及二零零三年嚴重急性呼吸道綜合症(「沙士」)之重創，香港電影市場在本年度仍未見起色。相反，日新月異之資訊科技為業界帶來意想不到的打擊。網上BT下載、盜版影碟等違法活動日益猖獗，除了嚴重威脅本港電影業之正常運作和收益外，更強烈動搖電影投資者及電影工作者之熱誠與信心。

作為華語電影製片商之領導者之一，本集團雖面臨如此嚴峻之挑戰，亦不敢稍事鬆懈，相反卻秉承一貫嚴謹製作之宗旨，陸續出品多部不同題材之高質素電影。於本年度，本集團出品電影共計十一部，佔港產片全年六十一部總產量之18%。其中本集團於年初推出之賀歲片《鬼馬狂想曲》更穩奪二零零四年港產片票房亞軍寶座。

鑑於本地市場於短期內難望出現突破性好轉，本集團於來年將致力開發外埠市場。借助於近年來努力與內地企業所建立之親密夥伴關係，並以本集團多年累積之龐大影片庫為後盾，爭取成為內地主要港產電影供應商之一。此外，本集團亦會善用各項資源，充分發揮積極進取之精神，創製更多迎合內地市場之電影作品。早於二零零一年，本集團已率先收購豐采多媒體集團有限公司及一百年電影有限公司，作為進軍國內市場之基石。憑藉彼等於國內已建立之領導地位，尋求與國內其他製片企業共同發展之機會，造就橫跨中港兩地之電影投資，並利用國內夥伴之地域及網絡優勢，將本集團之發行業務伸展至各省市。然而，內地在電影檢查制度和觀眾口味兩方面均有別於本港市場，如何於二者之間取得協調與平衡，為中港兩地電影藝術增添姿采，為兩地觀眾提供優質娛樂，實為本集團務須解決之首要問題。

作為本港電影業界翹楚，本集團仍會以電影製作為核心業務。本集團深信，要令本港影業重新綻放光華，電影製作之品質實為先決條件。因此，本集團將維持一貫嚴謹之品質控制措施，審慎選擇製作藍本素材，靈活緊貼本港及內地市場之轉變，認真研究觀眾之喜好及口味，希望以更多優秀之原創影片帶領本港電影事業步出谷底。

The year 2004 has been a tough one for Hong Kong's film industry. During the year, the industry showed little signs of recovery from the sustained economic downturn in the last few years and the blow inflicted by the Severe Acute Respiratory Syndrome ("SARS") outbreak. Instead, it suffered from unexpected impact brought by the latest information technologies. Proliferation of BT downloading, pirated VCDs and other illegal activities has not only seriously threatened the normal operation and revenue of the local film industry, but also shaken the enthusiasm and confidence of investors and film workers.

As one of the leading Chinese language film producers, the Group has made every effort to ensure that it is well-prepared for such challenge. Conforming to its highest standards, the Group has launched a range of high quality productions on different themes. During the year, the Group produced a total of 11 films, accounting for 18% of the 61 Hong Kong films produced in the year. *Fantasia*, our Chinese New Year blockbuster, recorded the second highest box office of all local films in 2004.

As the local market is unlikely to experience any breakthrough soon, the Group will shift its focus to overseas markets in the coming years. The Group is able to take advantage of our close partnership with PRC enterprises formed in recent years. With these advantages, and the support of its huge film library, the Group will continue to make joint production with PRC producers, and endeavour to become a major supplier of Hong Kong films in the PRC. With an enterprising spirit, the Group will also utilise various resources to produce more films tailored to the tastes of the PRC market. As early as 2001, the Group acquired Riche Multi-Media Holdings Limited and One Hundred Years of Film Company Limited as springboards for penetrating the mainland market. By virtue of the leading position already established by these companies in the PRC, the Group sought opportunities to make joint development with other filming enterprises in the PRC, to bring up investments in the production of films for screening in Hong Kong and the mainland, and to extend the Group's distribution business to mainland provinces and municipalities through the geographical and network advantages of our mainland partners. Our biggest question, however, will be how to accommodate and balance the different censorship systems and audience tastes in Hong Kong and the PRC, so as to add variety to the films and provide quality entertainment to the audience in both places.

As one of the leaders of Hong Kong's film industry, the Group will continue to focus on film production as its core business. The Group strongly believes that quality is the key to restoring the local film industry's past glory. As always, the Group will stick to its stringent quality control measures and carefully select film topics. It will closely monitor the changes in local and PRC markets, adapt to the latest trends with a flexible mind, and study the preference and tastes of the audience. The Group looks forward to invigorate the Hong Kong film industry with more high quality and original productions.

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除電影製作外，表演娛樂亦將成為本集團未來發展計劃之重要一環。本集團旗下演藝工作者眾多，且大部分對舞台藝術具備專業知識及豐富經驗。本集團將爭取為彼等開創更多表演空間，讓彼等於拍攝電影以外，有更多機會參與其他演藝活動，盡展所長。此舉既能提升本集團旗下演藝工作者之曝光率，提高彼等於演藝專業之知名度，同時亦可為本集團開拓業務商機，擴闊收入來源。

為鞏固本集團之競爭優勢，集團除繼續維持與現有資深藝人之良好關係外，亦會不斷發掘及培育潛質優厚之演員，並於中、港、台三地羅致傑出之演藝工作者加盟助陣，以壯大本集團之實力，為本港演藝界注入新元素。此外，本集團亦會加強藝人經理人業務之管理及統籌工作，使本集團能更有系統、更有效率地開展業務。

面對本港電影行業不景氣及外埠市場之激烈競爭，本集團認為須採取靈活之經營方式，發展多元化之娛樂事業，方能突破困局，闖出新天。因此，本集團將利用過往累積所得之資源，發揮電影創作優勢，積極研究各種下游行業之可行方案，開拓嶄新服務單元，並積極為產品重新包裝定位，率先部署具發展潛力之業務方針。

過去一年，儘管本集團經歷重重困難，惟仗賴旗下各演藝人員及幕後工作人員傾力支持電影製作，以及各管理人員之英明領導，使集團上下同心協力，致令本集團於如此險峻之環境下，仍能創製出高水準作品。展望來年，本集團定將堅守開源節流之原則，善用每分資源，拓展宏遠商機，爭取可觀回報，以回饋股東過去多年來對本集團之支持。

主席
向華強

香港，二零零五年四月二十六日

Apart from film production, performance and entertainment will also constitute an important part of the Group's plan for future development. The Group has a large pool of performance and entertainment artists, most of whom are highly professional and experienced in stage arts. The Group will strive to create more performance opportunities for our artists, so that they can bring their talents into full play by taking part in other performance activities other than film production. This will not only increase their exposure and popularity in the entertainment sector, but also create new business opportunities and generate additional sources of income for the Group.

In order to consolidate our competitiveness, the Group will continue to maintain good relationship with its senior artists. In addition, it will continue to explore and foster talented artists, and seek more from the PRC, Hong Kong and Taiwan. The joining of more talented new blood will enhance the Group's competitiveness and bring fresh input into the local entertainment industry. Also, the Group will optimise the management and coordination of its artists management business, so that it can operate in a much more systematic and efficient manner.

Confronted by the downturn of the local film industry and fierce competition from overseas, and in order to achieve breakthroughs from the present difficulties, the Group must be flexible in its operations and diversify its entertainment business portfolio. As such, the Group will utilise its resources accumulated over the years and advantages in film production, and explore all possible opportunities in downstream industries. It will develop new services, re-package and re-position its products, and spearhead its development with businesses that have good potential.

Despite all the difficulties we experienced last year, our artists and backstage workers have devoted their support to our film production. Thanks to the remarkable leadership of the management and the unity of our staff, the Group has managed to come up with high quality products even under such tough circumstances. Looking forward, the Group will continue to explore new revenue sources and control its expenditure. It will make full use of its resources to develop long-term business opportunities and generate favourable return, as a token of gratitude to the support of our shareholders over the years.

Heung Wah Keung
Chairman

Hong Kong, 26th April, 2005