

Chairman's Statement
主席報告書



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The past financial year has been a challenging year for the film and entertainment industry in Hong Kong, but no more so than some that Golden Harvest has been through in the past three decades. From a financial standpoint, we are looking confidently towards the future despite some losses this year. This confidence comes from corporate moves to consolidate our businesses in these difficult times. We believe that it is when the going gets tough that the tough show their mettle by making bold but rational decisions; it is these sorts of decisions that will ensure that Golden Harvest remains a strong leader in the business.

In the past few years, you have heard me talk about our plans to turn Golden Harvest into a fully-integrated multi-media entity. In 2000, we laid the foundation for that ambition with the setting up of our public relations and music divisions. In the face of the poor economic climate not only in Hong Kong but also around the region, however, we have diverted slightly from this course. Among the major decisions we have made in the past year is to return to our core businesses of distribution, exhibition and production and to lay dormant our two new divisions and also to divest of under-performing businesses such as our video business in Taiwan.

香港電影及娛樂事業在上一財政年度雖然面對嚴峻的挑戰，但未能與嘉禾在過去三十多年所克服過的相題並論。在財政方面，雖然公司在本年度略有虧損，惟我們對未來充滿信心，而這份信心乃建基於公司在逆境中推行多項鞏固業務措施。我們相信，即使面對重重逆境，但憑藉堅毅不屈的意志和英明果斷的決策，定能確保嘉禾堅守在業內的領導地位。

過去數年，我們一直計劃將嘉禾轉型為一家全面綜合的多媒體公司。我們於二零零零年設立公關及唱片製作部門，為該目標奠下基礎，但由於香港以及鄰近地區經濟不景，我們已將發展路向稍為調整。去年，我們作出多項重大決策，包括重新集中經營發行、戲院及製作等核心業務、擱置兩個新部門，並且結束台灣影碟業務等表現欠佳的業務。



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However, we believe this detour only marks a temporary delay to our multi-media plans and the streamlining of our operations will help us maintain our competitiveness in an embattled market. The consolidation in the past year is yet another testament to Golden Harvest's attunement with the industry and our responsiveness towards market conditions, something that has kept us ahead of the game for so many years. By concentrating on our core businesses, we have been able to maximise our strengths while minimising risk for our shareholders.

We have scaled back on our productions and instead moved into the arena of film financing, which is economically more viable and provides lower risk, in return for distribution rights across the region. This business model allows us to optimise our capital usage and capitalise on our regional synergies. It also allows us to gain market share through service and distribution fees. This is why you will see us moving towards a more aggressive approach for the distribution of both non-Chinese language and Chinese language films.

The film industry is not going to rebound very quickly but Golden Harvest is a well-established brand name with consumers around the world. Our aim now is to find new entertainment avenues that will allow us to leverage on our existing brand and consumer confidence. In China, for instance, we are already a strong brand name and are perfectly positioned to be able to capitalise on the eventual opening up of the market.

然而，我們相信上述決定僅會略為減慢多媒體業務計劃之進展，而精簡業務將有助本集團在競爭激烈的市場環境下維持競爭優勢。過去一年進行之業務鞏固工作，足證嘉禾對業界轉變之適應力及緊貼市況的能力，故多年來一直在業界獨當一面。本集團集中發展核心業務，既可發揮本集團之最大實力，同時更可減低股東之風險。

本集團已減少參與電影製作，轉為提供在經濟上更可行及較低風險之電影融資，以換取有關電影在區內之發行權。有關業務模式可使本集團更能善用資金，並充份發揮在區內的協同作用，亦可收取服務及發行費而分享更大市場佔有率。因此本集團在爭取發行非華語及華語電影方面會更為積極。

電影業雖不會於短期內迅速復甦，但以嘉禾的悠久品牌加上影片遍銷全球，故我們不會受到太大影響。本集團現正物色新渠道發揮現有的品牌效應及加強消費者信心，我們已在中國建立品牌知名度，並已為日後開放市場作好準備。



We are working very closely with both the Hong Kong Government and the Chinese Government to work towards bringing more Chinese language films to China. We are hoping to see China opening up the Pearl River Delta region for freer imports of Chinese language films and we see Golden Harvest's role as a bridge towards achieving that. When that happens, our market of six million will grow significantly to more than 40 million.

Despite falling box office receipts across the region, our exhibition business also continues to fare well. In Singapore, we are starting to see our first profits roll in after a period of investment. In Malaysia, we have also gained headway through lower costs with the reduction of entertainment tax in the country. In China, we have successfully negotiated our contract for the IMAX theatre in Shanghai to include four other multiplex screens as well.

My belief in the demand for entertainment is still strong. Whatever the economic situation, people - whether in Hong Kong, China, Asia or anywhere else around the world - will continue to want entertainment. With the strong branding of Golden Harvest, we have no doubt that we will remain a leading supplier for that demand. I speak for my senior management and staff when I say that our vision towards the future remains the same, our confidence unshaken. The economics of the business may force delays or diversions, but these will only encourage us to be more pragmatic, prudent and precise. The journey may be rough at times, but here at Golden Harvest we have been on that road and we know the way. We will get there in good shape.

我們正與香港政府及中國政府緊密合作，爭取向中國進口更多華語電影。我們期望中國可開放珠江三角洲地區，使華語片可更自由進口該地區，而嘉禾可協助促成此目標。珠江三角洲地區一旦開放，本集團現時之六百萬人口市場將大幅擴展至四千萬人以上。

雖然鄰近地區之票房收益全面下滑，但本集團之戲院經營業務表現頗佳。新加坡方面，在經過一段時間的投資後，本集團首度取得溢利。另外，基於馬來西亞減低娛樂稅，本集團亦可因而降低成本，從而有更理想的表現。在中國方面，本集團已成功為上海IMAX戲院訂約，新增擁有四個影院之影城。

本人相信娛樂仍有龐大需求。無論經濟狀況如何，香港、中國、亞洲以至全球各地均對娛樂有所需求。我們堅信，憑藉嘉禾信譽昭著的品牌，本集團在提供娛樂方面仍可領導同儕。本人謹代表高級管理人員及員工保證，本集團仍以堅定的信心保持一貫的目標。業界的情況或會使原有計劃的進度放緩或出現改變，但我們將會更為務實、審慎及嚴謹。雖然爭取成績的路並非坦途，但嘉禾一直昂首朝目標進發，定能克服一切困難。