

Chairman's
主席報告書 *Statement*





The entertainment industry has been faced by some of its most trying times in the past year. Economies around the region, in particular Hong Kong, which have still been struggling to recover from the economic doldrums in the past few years were dealt a second blow with the outbreak of Severe Acute Respiratory Syndrome (SARS) from March to May 2003.

Golden Harvest has not been immune to the onslaught of SARS. The impact of SARS has been felt at our cinemas, particularly in Hong Kong, where our exhibition business took a beating at the box office.

However, the news is not all bad. In Singapore and Malaysia, despite the rate of piracy and the outbreak of SARS, our exhibition and distribution business has shown significant improvements in performance. As a result, our three joint ventures there posted record results.

娛樂事業在去年面對有史以來最困難的日子。區內經濟仍未自近年的經濟不景中全面復元，香港經濟更是沉痾未癒，卻又要承受嚴重急性呼吸系統綜合症（「沙士」）於二零零三年三月至五月期間爆發的重大打擊。

沙士肆虐，嘉禾亦不能倖免。全線戲院飽受沙士衝擊，香港戲院入座率更急劇下降，戲院經營業務的票房收益亦報大幅下跌。

猶幸陰霾中仍稍現曙光。即使盜版猖獗及沙士爆發，集團於新加坡及馬來西亞兩地的戲院經營及電影發行業務之表現均見明顯改善，帶動新加坡及馬來西亞兩地之三間合資公司都錄得創紀錄的業績。



The performance of our businesses around the region is testimony to the viability and the soundness of Golden Harvest's strategies set in place in 2001 and 2002. During that financial year, Golden Harvest made the decision to consolidate our business by slowing down on production and concentrating on our exhibition, distribution and film financing interests.

In the short term, this change in strategy will impact our profit and loss statement. But, Golden Harvest's three-decade success story has always been built on long-term vision and strategies, and the ability to forecast the winds of change and act ahead of the crowd.

That success story has not changed. I strongly believe in our company's long-term vision and strategies. They are sound plans that will continue to protect the interests of our shareholders by minimising risks while still forging ahead on new ventures and the exploration of new avenues of business.

我們於區內的業務表現，印證嘉禾於二零零一年及二零零二年所實行的策略奏效可取。嘉禾於該財政年度期間決心鞏固業務，放慢電影製作之步伐，轉而集中發展戲院經營、發行及電影融資等方面的業務。

短期而言，上述策略轉變將影響到集團盈利，然而嘉禾三十年來的成功故事正是靠高瞻遠矚的策略、洞悉先機的慧眼與敢於突破行規的精神所編寫而成。

嘉禾的成功傳奇定必延續下去。本人對集團的長遠目標及發展策略極有信心，這些完善的計劃可將風險減至最低，保障了股東權益，亦同時朝著新機遇與發掘新業務途徑而穩步邁進。



As I mentioned before, the realisation of these long-term visions will affect our bottom line for the short-term. This year, this has been reflected in the write-down on our production-related assets. On paper, these losses may seem big but most of them are goodwill write-offs that will have no impact on our cash flow. Our expenditure is under good control, our head count is down and Golden Harvest continues to operate debt-free.

In the long-run, however, Golden Harvest has much to look forward to as our visions take shape. Besides a healthy recovery in our businesses in Singapore and Malaysia, Golden Harvest has also moved ahead on plans to manage advertising in our own cinema circuits. While this decision has yet to produce significant impact on our bottom line, we believe that picture will change in the coming years.

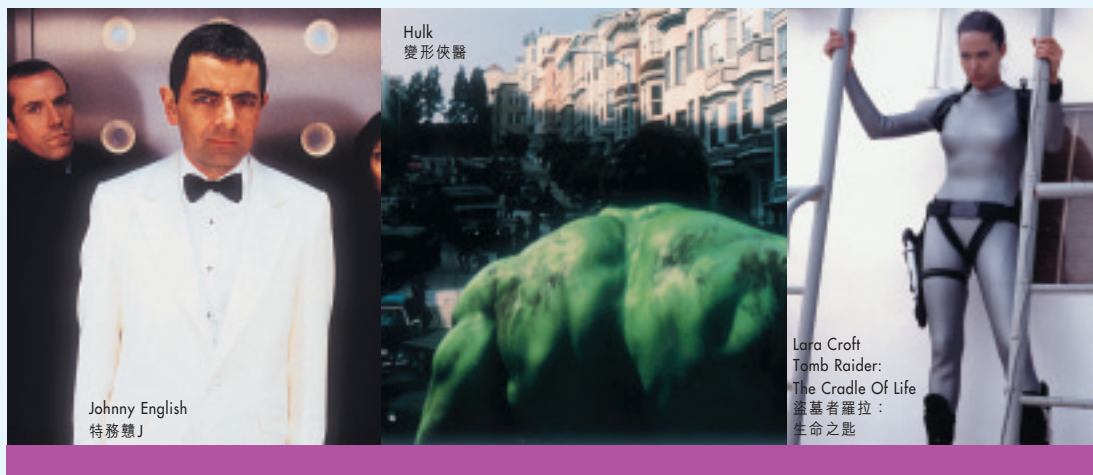
In 2002, we talked about working closely with the Hong Kong and Mainland authorities towards bringing more Chinese language films into China, in particular the southern provinces. This year, we have seen the promise of this in the

正如本人先前所述，實踐這些長遠目標難免會影響到集團的短期盈利，例如集團需要在本年度撇銷與電影製作有關的資產。賬面上這些虧損數額不少，但當中絕大部份屬於商譽撇銷，對我們的現金流轉不會有任何影響。我們的開支控制得宜，人手減少，而嘉禾仍毋須以借貸挹注。

隨着我們的長線目標逐步實現，嘉禾的長遠前景將變得豐富多姿。除新加坡及馬來西亞兩地的業績轉好外，嘉禾亦落實管理旗下院線廣告業務的計劃。雖然此決定尚未對集團盈利帶來明顯貢獻，但我們相信此計劃的益處可於日後展現。

於二零零二年，我們曾提及與中港兩地當局緊密合作，好為內地（特別是華南地區）引進更多華語電影。今年六月簽訂的《內地與香港關於建立更緊密經貿關係的安排》

CHAIRMAN'S
STATEMENT
主席報告書



Mainland China-Hong Kong Closer Economic Partnership Arrangement (CEPA) signed in June. This new accord surpasses our original hopes for just the Pearl River Delta; in effect, this will throw the doors to the whole Chinese market wide open for Hong Kong companies.

With Golden Harvest's prime position in the industry and a brand name that has surpassed all and stood the test of time, there is no doubt that Golden Harvest will continue to be a leading player as these changes take effect. We will continue to identify viable opportunities for the Group to expand its presence in China where we already have had presence for many years.

Outside of China, our plans are no less active. With our exhibition and distribution businesses doing well in Singapore and Malaysia, and our Hong Kong business moving back on track, Golden Harvest will also be looking at new investment prospects opening up in the Greater China and Southeast Asian region. We have also been actively negotiating with new investment partners that will help us realise our expansion plans.

(CEPA)實現了上述目標。我們原本只希望打開珠江三角洲地區之門戶，CEPA卻叫我們喜出望外，為香港公司消除了進軍全中國龐大市場之門檻。

憑藉嘉禾在業內的尊崇地位，以及一直以來屹立不倒的昭著品牌，嘉禾在CEPA生效後亦將繼續領導同儕。我們將繼續尋找可行商機，在現有多年的基礎上進一步在國內擴展業務據點。

我們在中國以外的發展計劃亦同樣活躍。新加坡及馬來西亞戲院經營及電影發行業務成績不俗，加上香港業務重返正軌，嘉禾正密切注視大中華與東南亞地區的新投資前景。我們亦與新投資夥伴積極進行磋商，以將我們的擴展計劃付諸實行。



With all these factors in place, I am confident that Golden Harvest is on track in its plans to move towards its ambitions of being a major Asian film distribution business. We have the knowledge, we have the expertise and we have the business savvy that will help us achieve these ambitions.

The potential market for Chinese language entertainment has not diminished. If anything, the signing of CEPA and the opening of the Mainland Chinese market will boost demand to heights we have only hitherto dreamed of.

My belief in the Golden Harvest dream remains strong. While we may take detours to get to our destination, there is no doubt in my mind that we will get there in top form. Although we are adjusting our strategy to fit into the current economic situation, we are committed to remain a major player in the Asian film industry.

有鑑於上述利好因素已經到位，本人深信嘉禾之發展計劃正按步實踐，並向成為亞洲主要電影發行商之目標邁進。知識、專才、膽色一一俱備，達成既定目標指日可待。

華語娛樂市場的潛力從未退減。不論是簽訂CEPA又或是開放中國內地市場，均會將市場需求推至我們夢寐以求的新高。

本人對嘉禾的夢想信心依然。即使前路迂迴曲折，本人深信嘉禾將以最佳狀態攀上頂峰。儘管要為適應現時市況調整策略，我們仍致力保持領導亞洲電影業的地位。

Chow Ting Hsing, Raymond 鄒文懷

Chairman 主席

Hong Kong, 17 October 2003 香港，二零零三年十月十七日