

董事會茲提呈本公司及本集團截至二〇〇二年三月三十一日止年度之董事會報告及已審核財務報表。

### 主要業務

本集團之主要業務包括推廣與經銷照相沖印產品。年內，本集團開設照相沖印零售門市。

本公司之主要業務為投資控股，主要附屬公司的主要業務載於本財務報表附註15及29。

### 分類資料

集團截至二〇〇二年三月三十一日止年度按業務及區域劃分之營業額及除稅前純利分析，載於本財務報表附註4。

### 業績及股息

本集團截至二〇〇二年三月三十一日止年度之溢利以及本公司和本集團於當日之業務狀況載於本財務報表第43至79頁。

每普通股港幣2.5仙之中期股息已於二〇〇二年一月十七日派發。董事會建議向於二〇〇二年八月三十日已名列股東名冊之股東派發截至二〇〇二年三月三十一日止年度之末期股息每普通股港幣1仙。此建議已於資產負債表按股本及儲備項下作分派保留溢利列賬，會計處理詳情載於本財務報表附註3。

### 財務資料摘要

本集團截至二〇〇二年三月三十一日止五個年度之業績摘要及資產淨值詳列如下。

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2002.

### Principal activities

The Group's principal activities consisted of the marketing and distribution of photographic, developing and processing products. During the current year, the Group also commenced the operations of retail photograph developing and processing shops.

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries are set out in notes 15 and 29 to the financial statements.

### Segment information

An analysis of the Group's turnover and contribution to results by principal activity and geographical area of operations for the year ended 31 March 2002 is set out in note 4 to the financial statements.

### Results and dividends

The Group's profit for the year ended 31 March 2002 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 43 to 79.

An interim dividend of HK2.5 cents per ordinary share was paid on 17 January 2002. The directors recommend the payment of a final dividend of HK1 cent per ordinary share in respect of the year ended 31 March 2002 to shareholders on the register of members on 30 August 2002. This recommendation has been incorporated in the financial statements as an allocation of retained earnings within capital and reserves in the balance sheet. Further details of this accounting treatment are set out in note 3 to the financial statements.

### Summary financial information

Set out below is a summary of the published results and the net assets of the Group for the last five years ended 31 March 2002.

		Year ended 31 March 截至三月三十一日止年度				
		2002 HK\$'000	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000	1998 HK\$'000
營業額	<b>Turnover</b>	<b>1,530,706</b>	1,513,685	1,415,699	1,482,163	1,742,132
股東應佔正常業務之純利	<b>Net profit from ordinary activities attributable to shareholders</b>	<b>53,432</b>	103,564	130,321	147,324	198,510
		31 March 三月三十一日				
		2002 HK\$'000	2001 HK\$'000	2000 HK\$'000	1999 HK\$'000	1998 HK\$'000
總資產	<b>Total assets</b>	<b>1,436,307</b>	1,357,703	1,247,246	1,218,078	1,184,349
總負債	<b>Total liabilities (Note)</b>	<b>(244,889)</b>	(188,564)	(129,180)	(106,441)	(104,502)
少數股東權益	<b>Minority interests</b>	<b>(14,873)</b>	(20,614)	(21,409)	(21,302)	(16,231)
資產淨值	<b>Net assets</b>	<b>1,176,545</b>	1,148,525	1,096,657	1,090,335	1,063,616

**財務資料摘要 (續)**

註：如財務報表附註2闡釋，由於採納香港會計師公會頒佈之經修訂會計實務準則第9號「結算日後事項」，建議派發之末期股息不再被視為集團負債，而是反映於股本賬目內。因此，財務資料摘要所載截至一九九八年、一九九九年、二〇〇〇年及二〇〇一年三月三十一日止之總負債，已根據現年度呈報方式重列。

**固定資產**

本集團固定資產之變動詳情載於財務報表附註12。

**投資物業**

本集團投資物業之變動詳情載於財務報表附註13。而投資物業之資料則載於本年報第80頁。

**股本及購股權**

本公司股本及購股權在本年度之變動詳情連同原因載於財務報表附註22。

**優先購股權**

本公司之細則或百慕達法例均無規定授予優先權致令本公司須向現有股東按持股比例發行新股。

**儲備**

本公司在年內及本集團在年內之儲備變動詳情載於財務報告附註23。

**可分派儲備**

根據百慕達一九八一年公司法(經修訂)的規定計算，本公司於二〇〇二年三月三十一日可作為現金派發的儲備總額為港幣200,700,000元。此外，於二〇〇二年三月三十一日分別達港幣478,773,000元及1,619,000元之股份溢價賬及資本贖回儲備亦可用以派發繳足股款之紅股。

**慈善捐款**

年內本集團的慈善捐款共達港幣499,000元。

**Summary financial information (continued)**

Note: As further explained in note 2 to the financial statements, due to the adoption of the revised Statement of Standard Accounting Practice No.9 "Events after the Balance Sheet Date" issued by the Hong Kong Society of Accountants, the proposed final dividend no longer qualified as a liability of the Group, but reflected as part of the equity. Accordingly, the summary financial information on total liabilities as at 31 March 1998, 1999, 2000 and 2001 were restated to conform with the current year presentation.

**Fixed assets**

Details of movements in the fixed assets of the Group during the year are set out in note 12 to the financial statements.

**Investment properties**

Details of movements in the investment properties of the Group are set out in note 13 to the financial statements and particulars of the investment properties are set out on page 80 of this annual report.

**Share capital and options**

Details of movements in the share capital and share options of the Company during the year, together with the reasons therefor, are set out in note 22 to the financial statements.

**Pre-emptive rights**

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

**Reserves**

Details of movements in the reserves of the Company and of the Group during the year are set out in note 23 to the financial statements.

**Distributable reserves**

The total amount of reserves of the Company available for cash distribution at 31 March 2002 as computed in accordance with the Companies Act 1981 of Bermuda (as amended) was HK\$200,700,000. In addition, the share premium account and capital redemption reserve account of HK\$478,773,000 and HK\$1,619,000, respectively, as at 31 March 2002 may be distributed in the form of fully paid bonus shares.

**Charitable contributions**

During the year, the Group made charitable contributions totalling HK\$499,000.

**董事**

年內及截至本年報發表日，本公司之董事如下：

**執行董事**

孫大倫博士 (主席及董事總經理)

馬鳳華女士

黃國榮先生

鄧國榮先生

**獨立非執行董事**

區文中先生

黃子欣先生

張昀女士

劉暉先生

根據本公司細則第一百一十條A，黃國榮先生及區文中先生將會告退，但願在下屆股東週年大會上膺選連任。

**董事服務合約**

本公司已與下列各董事訂立服務合約，向本集團提供管理服務：

孫大倫博士

馬鳳華女士

黃國榮先生

鄧國榮先生

於二〇〇二年三月三十一日，服務合約期限尚餘十二個月，任何一方均可提早三個月通知而終止合約。

除以上所披露者外，擬於下屆股東週年大會上競選連任之董事並無與本公司訂有本公司不能在一年內終止而不作賠償(法定賠償除外)之服務合約。

**Directors**

The directors of the Company during the year and up to the date of this report were:

**Executive directors**

Dennis Sun Tai Lun (Chairman and Managing Director)

Flora Ma Fung Wah

Frank Wong Kwok Wing

Simon Tang Kwok Tong

**Independent non-executive directors**

Malcolm Au Man Chung

Allan Wong Chi Yun

Rachel Chiang Yun

Allan Liu Hui

In accordance with bye-law 110A of the Company's bye-laws, Mr Frank Wong Kwok Wing, and Mr Malcolm Au Man Chung, will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

**Directors' service contracts**

The Company entered into service contracts with each of the following directors for the provision of management services by these directors to the Group:

Dennis Sun Tai Lun

Flora Ma Fung Wah

Frank Wong Kwok Wing

Simon Tang Kwok Tong

Each service contract had a remaining unexpired term of 12 months at 31 March 2002 and is terminable by either party upon the giving of three months' notice thereafter.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

### 董事股份權益

於二〇〇二年三月三十一日，根據證券(公開權益)條例「公開條例」第29條規定保管之登記冊所載，本公司董事在本公司之股本中所持權益如下：

Director 董事	Nature of interest 權益性質	Number of shares 股份數目
孫大倫博士	Dennis Sun Tai Lun	1,000,000
	Corporate and other (Notes i & ii)	711,276,214
馬鳳華女士	Flora Ma Fung Wah	200,000
黃國榮先生	Frank Wong Kwok Wing	300,000
鄧國棠先生	Simon Tang Kwok Tong	400,000

附註：

- (i) 孫大倫博士合共擁有11,242,000股股份之權益。該等股份由Dago Corporation直接擁有。Dago Corporation於英屬處女群島註冊成立，為Ansbacher (BVI) Limited(作為代表孫大倫博士若干家族成員利益而設立之The Dennis Family Trust之受託人身份)所擁有。Dago Corporation亦擁有Searich Group Limited已發行股本百分之二十五。
- (ii) 再者，由於孫大倫博士是Fine Products Limited及Searich Group Limited的唯一董事，故孫大倫博士被視為擁有Fine Products Limited持有的700,034,214股股份之權益。Fine Products Limited及Searich Group Limited的股權資料詳見主要股東一節。

除以上所披露者外，本公司董事或其聯繫人並無在本公司股本中擁有公開條例所界定之個人、家族、公司或其他權益。

### 董事合約權益

年內任何時間並不存在本公司或其附屬公司參與本公司董事擁有實益權益之重大合約。

### 董事收購股份或債權證之權利

除上文「董事股份權益」一段及下文「購股權計劃」一段所披露者外，年內並無本公司董事或其各自之配偶或十八歲以下之兒女藉購入本公司或任何其他法人之股份或債券而獲益。

### Directors' interests in shares

As at 31 March 2002, the interests of the directors in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

Director	Nature of interest	Number of shares
董事	權益性質	股份數目
孫大倫博士	Dennis Sun Tai Lun	1,000,000
	Corporate and other (Notes i & ii)	711,276,214
馬鳳華女士	Flora Ma Fung Wah	200,000
黃國榮先生	Frank Wong Kwok Wing	300,000
鄧國棠先生	Simon Tang Kwok Tong	400,000

Note:

- (i) Dr. Dennis Sun Tai Lun was interested in a total of 11,242,000 shares directly held by Dago Corporation, which was incorporated in the British Virgin Islands and was owned by Ansbacher (BVI) Limited in its capacity as the trustee of The Dennis Family Trust, a trust established for the benefit of Dr. Dennis Sun Tai Lun and his family members. Dago Corporation also held 25% of the share capital of Searich Group Limited.
- (ii) In addition, Dr. Dennis Sun Tai Lun was deemed to be interested in 700,034,214 shares held by Fine Products Limited by virtue of his being the sole director of Fine Products Limited and Searich Group Limited. Details of the interest of Fine Products Limited and Searich Group Limited can be found in the section of substantial shareholders.

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interest in the share capital of the Company, as defined in the SDI Ordinance.

### Directors' interests in contracts

No director had a beneficial interest in any material contract to which the Company, its holding company, or any of its subsidiaries was a party during the year.

### Directors' rights to acquire shares or debentures

Apart from as disclosed under the headings "Directors' interests in shares" above and "Share option scheme" below, at no time during the year were rights granted to any directors or their respective spouse, or children under 18 years of age, to acquire benefits by means of the acquisition of shares in or debentures of the Company, or were any such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## 購股權計劃

購股權計劃〔計劃〕詳情如下：

### (a) 計劃目的

本公司於一九九四年八月三十一日採納計劃，以獎勵為集團的業務表現作出貢獻之合資格人士。

### (b) 參與人

董事會可酌情決定邀請本集團任何成員公司之僱員(包括本集團任何成員公司之任何執行董事)接受可按下文(c)段所計算之價格認購本公司股份〔股份〕之購股權。承授人接納購股權後，須向本公司支付1.00港元作為代價。

### (c) 認購價

根據計劃，股份之認購價將由董事決定，並通知僱員，惟認購價不得低於(i)購股權授出日前五個交易日股份在香港聯合交易所有限公司〔聯交所〕之平均收市價之80%，或(ii)股份之面值，以較高者為準。

### (d) 股份最高數目

根據計劃可授出之認購股數最高不超過本公司不時已發行股本之10%，其中不包括按計劃或本公司其他購股權計劃所授之購股權獲行使而正式配發及發行之股份。

### (e) 每名參與人可獲授之最高購股權數目

倘全數行使購股權將會導致任何一位人士根據計劃已獲發行及可獲發行之股份總數，連同按已註銷購股權或已發行之股份合計，超過該位人士當時根據計劃已獲發行及可予發行之股份數目25%，則不得向該位人士授出購股權。

### (f) 行使購股權之期限

購股權可於購股權獲接納之日起計十年內隨時根據計劃條款予以行使，並於十年期之最後一日到期。

### (g) 計劃之剩餘年期

除非被註銷或修訂，計劃之有效期由本公司採納計劃之日起計為時十年。

## Share option scheme

Details of the Share Option Scheme (the "Scheme") are as follows:

### (a) Purpose of the Scheme

With effect from 31 August 1994, the Company adopted the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

### (b) Participants

The directors may, at their discretion, invite employees of any company in the Group (including any executive directors of any member of the Group) to take up options to subscribe for the Company's shares (the "Shares") at a price calculated in accordance with paragraph (c) below. Upon acceptance of the option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant.

### (c) Subscription price

The subscription price under the Scheme shall be a price notified by the directors to the employee being (i) 80% of the average of the closing price of the shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as stated in the Stock Exchange quotation sheets for the five trading days immediately preceding the date of grant of the option; (ii) or the nominal value of the shares, whichever is the higher.

### (d) Maximum number of shares

The maximum number of shares subject to the Scheme is not permitted to exceed 10% of the issued share capital of the Company from time to time (excluding shares duly allotted and issued pursuant to options granted under the Scheme or any other shares option scheme of the Company).

### (e) Maximum number of options to each participant

No option may be granted to any one person which, if exercised in full, would result in the total number of Shares already issued and issuable to him under the Scheme, when aggregated with any shares which might have been issued under cancelled options, exceeding 25% of the aggregate number of shares for the time being issued and issuable under the Scheme.

### (f) Period of exercise of options

An option may be exercised in accordance with the terms of the Scheme at any time during a period of 10 years from the date on which the option is accepted in accordance with the terms of the Scheme and expiring on the last day of the 10-year period.

### (g) Remaining life of the Scheme

The Scheme is valid during the period of 10 years commencing from its date of adoption, unless otherwise cancelled or amended.

本年度內未行使之購股權如下：

The following share options were outstanding under the Scheme during the year.

	Director	Number of outstanding share options 未行使之購股權			Date of grant of share options* 授出購股權日期	Price of Company's shares <sup>†</sup> 本公司股價			
		At 1 April 於四月一日 2001	Cancelled during the year 於年內註銷	At 31 March 於三月三十一日 2002		Exercise period of share options 購股權行使期	Exercise price of share options <sup>‡</sup> 購股權行使價 HK\$	At grant date of options 於授出購股權當日 HK\$	At exercise date of options 於行使購股權當日
董事	Director								
孫大倫博士	Dennis Sun Tai Lun	1,000,000	-	1,000,000	21/6/2000	21/6/2000 to 30/6/2004	0.7568	0.97	-
馬鳳華女士	Flora Ma Fung Wah	800,000	-	800,000	21/6/2000	21/6/2000 to 30/6/2004	0.7568	0.97	-
黃國榮先生	Frank Wong Kwok Wing	700,000	-	700,000	21/6/2000	21/6/2000 to 30/6/2004	0.7568	0.97	-
鄧國棠先生	Simon Tang Kwok Tong	400,000	-	400,000	21/6/2000	21/6/2000 to 30/6/2004	0.7568	0.97	-
		2,900,000	-	2,900,000					
其他僱員，總額	Other employees, in aggregate	2,260,000	(1,550,000)	710,000	31/1/2000	31/1/2000 to 29/2/2004	0.8048	0.95	-
		5,160,000	(1,550,000)	3,610,000					

年內共有 1,550,000 份授予僱員(非董事)之購股權於彼等辭職後已經註銷。

During the year, 1,550,000 share options originally granted to the employees other than directors, were cancelled subsequent to the resignation of these employees.

\* 購股權持有期由授出日開始，至行使期開始時結束。

\* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

<sup>†</sup> 購股權之行使價會視乎供股或發行紅股，或本公司股本出現類似變動而調整。

<sup>†</sup> The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

<sup>‡</sup> 上表所披露本公司於購股權授出之日之股價指授出購股權日之前一個交易日，股份於聯交所之收市價。上表所披露本公司於購股權行使之日之股價指所披露類別內全部購股權行使時聯交所收市價之加權平均價。由於年內並無購股權被行使，故不披露此等資料。

<sup>‡</sup> The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure category. As no share options were exercised during the year, no disclosure of such information was made.

本公司購股權計劃之概括資料亦見於財務報表附註 22。

Summary details of the Scheme are also set out in note 22 to the financial statements.

在購股權行使前，本公司或本集團之資產負債表均不會記錄購股權之財務影響，而且損益表或資產負債表亦不會扣除購股權之成本。對購股權獲行使而發出之股份，本公司會按股份面值記錄為額外股本，而每股行使價超出股份面值之部份，本公司則會記入股份溢價賬中。未經行使而被註銷之購股權將從購股權登記冊中刪除。

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date are deleted from the register of outstanding options.

因年內未有授出購股權，故不披露其理論價值。

於二〇〇一年八月二十三日，聯交所公布對聯交所證券上市規則「上市規則」第17章有關購股權計劃的條款作出修訂，有關修訂已於二〇〇一年九月一日生效。上市規則第17章的新條款對計劃的實施構成重大影響。為使計劃符合上市規則第17章之新規定，董事會計劃於二〇〇二年八月三十日召開之股東週年大會上終止現有購股權計劃並採納新訂購股權計劃。修訂詳情已載於本年報附上之通函內。

### 主要股東

於二〇〇二年三月三十一日，根據公開條例第十六(一)條規定保管之登記冊所載，下列人士持有本公司股本逾10%：

姓名	Name	Number of shares 股份數目	Percentage 百分率
Fine Products Limited	Fine Products Limited	700,034,214 (note i & ii)	60.15
Searich Group Limited	Searich Group Limited	600,034,214 (note ii)	51.56

附註：

- (i) 本公司已發行股份的100,000,000股股份即8.59%由Fine Products Limited直接擁有，其餘600,034,214股股份由Searich Group Limited擁有，而Fine Products Limited則擁有該公司已發行股本75%。Fine Products Limited於英屬處女群島註冊成立，為Ansbacher (BVI) Limited所擁有。
- (ii) 由於Fine Products Limited在Searich Group Limited的股本中持有控制性權益，故Searich Group Limited所持有本公司權益被列為Fine Products Limited所持權益之一部分。

除以上所披露者外，董事會不知悉有任何人士因直接或間接持有本公司已發行股本10%或以上而須按公開條例第十六(一)條規定予以登記。

No theoretical value of the share option is disclosed as no share options were granted during the year.

On 23 August 2001, the Stock Exchange announced amendments to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") in relation to share option schemes, which took effect on 1 September 2001. The new provisions of Chapter 17 of the Listing Rules have significant effects on the implementation of the Scheme. With a view to bringing the Scheme in line with the new requirements of Chapter 17 of the Listing Rules, the board of directors intends to terminate the Scheme and to adopt a new share option scheme at the forthcoming annual general meeting of the Company to be held on 30 August 2002. Details of the amendments are set out in the circular attached with this annual report.

### Substantial shareholders

At 31 March 2002, the following interests of 10% or more in the share capital of the Company were recorded in the register of interests required to be kept by the Company under Section 16(1) of the SDI Ordinance:

Notes:

- (i) 100,000,000 shares representing 8.59% of the Company's shares in issue were directly owned by Fine Products Limited. The remaining 600,034,214 shares were owned by Searich Group Limited, in which Fine Products Limited held 75% of its issued share capital. Fine Products Limited was incorporated in the British Virgin Islands and was owned by Ansbacher (BVI) Limited in its capacity as the trustee of a discretionary trust.
- (ii) The interest of Searich Group Limited in the Company was included as part of the interest held by Fine Products Limited, by virtue of the fact that Fine Products Limited had a controlling interest in the share capital of Searich Group Limited.

Save as disclosed above, the directors were not aware of any person who was, directly or indirectly, interested in 10% or more of the issued share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

### 主要客戶及主要供應商

集團五位最大客戶及單一最大客戶之購貨額分別佔集團營業額 53.78% 及 20.92%。集團五位最大供應商及單一最大的供應商分別佔年內集團購貨總額約 90.4% 及 87.78%。

據各董事所知，並無董事、其聯繫人或擁有本公司股本 5% 或以上之股東在最大的五個客戶及供應商中擁有權益。

### 購買、出售及贖回上市證券

年內本公司及其任何附屬公司並無購買、贖回或出售本公司任何上市證券。

### 結算日後事項

結算日後事項詳載於本財務報表附註 27。

### 最佳應用守則

董事會認為，年內本公司均符合香港聯合交易所有限公司證券上市規則附錄 14 所載之最佳應用守則，惟本公司委任之獨立非執行董事並無按守則第 7 段訂定具體任期。但須按本公司之公司組織章程細則規定輪值告退。

### 審核委員會

本公司根據最佳應用守則之規定，成立審核委員會，以檢討並監督本集團之財務匯報過程及內部管制。審核委員會由本公司四位獨立非執行董事組成。

### 核數師

安永會計師事務所任滿告退，本公司於即將舉行之股東週年大會上將提出有關重聘其為本公司核數師之決議案。

### 董事會代表

孫大倫

主席兼董事總經理

香港

二〇〇二年七月二十五日

### Major customers and major suppliers

Sales to the Group's five largest customers and the single largest customer accounted for 53.78% and 20.92%, respectively, of the Group's turnover.

Purchases from the Group's five largest suppliers and the single largest supplier accounted for approximately 90.40% and 87.78%, respectively, of the Group's total purchases for the year.

As far as the directors are aware, neither the directors, their associates, nor those shareholders who, to the knowledge of the directors, own more than 5% of the Company's share capital had any interest in the five largest customers and suppliers.

### Purchase, redemption or sale of listed securities of the Company

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

### Post balance sheet event

Details of the post balance sheet events are disclosed in note 27 to the financial statements.

### Code of Best Practice

In the opinion of the directors, the Company complied with the Code of Best Practice ("the Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited throughout the year, except that the independent non-executive directors were not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's articles of association.

### Audit committee

The Company has an audit committee which was established in accordance with the requirements of the Code of Best Practice, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the four independent non-executive directors of the Company.

### Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Dennis Sun Tai Lun

Chairman and Managing Director

Hong Kong

25 July 2002