

REPORT OF THE DIRECTORS

董事會報告

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company's subsidiaries are set out in note 16 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2003 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 44 to 75.

An interim dividend of HK9 cents per ordinary share was paid on 23 December 2002. The directors recommend the payment of a final dividend of HK8 cents per ordinary share in respect of the year, to shareholders on the register of members on 27 June, 2003. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The proceeds from the Company's issue of new shares at the time of its listing on The Stock Exchange of Hong Kong Limited on 10 April 2002, after deduction of related issuance expenses, amounted to approximately HK\$37,750,000, of which approximately HK\$16,750,000 was applied during the year ended 31 March 2003 in accordance with the proposed applications set out in the Company's prospectus dated 25 March 2002, as follows:

- approximately HK\$1,000,000 for the expansion of the existing trade shows;
- approximately HK\$2,000,000 for the development of new shows;
- approximately HK\$4,000,000 for the development of the PRC market; and
- approximately HK\$9,750,000 was applied as general working capital of the Group.

The balance of the proceeds of approximately HK\$21,000,000 was deposited with banks and will be applied in the coming years to their intended use as set out in the prospectus dated 25 March 2002.

董事謹此呈列董事會報告及本公司與本集團截至二零零三年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本公司附屬公司之主要業務詳情載於財務報表附註16。年內，本集團之主要業務性質概無重大變動。

業績及股息

本集團截至二零零三年三月三十一日止年度之溢利及本公司及本集團於該日之業務狀況載於第44至第75頁之財務報表內。

本公司已於二零零二年十二月二十三日派付中期股息每股普通股9港仙。董事會建議向於二零零三年年六月二十七日名列股東登記冊之股東派付本年度末期股息每股普通股8港仙。此項建議已收錄在財務報表之資產負債表其中股本及儲備項下，列作保留溢利之分配。

本公司首次公開發售所得款項之用途

本公司在二零零二年四月十日在香港聯合交易所有限公司上市並在當時發行新股，就此所得之款項在扣除發行開支後約為37,750,000港元，其中約16,750,000港元已根據本公司於二零零二年三月二十五日刊發之售股章程所載之建議，在截至二零零三年三月三十一日止年度內分別作下列用途：

- 約1,000,000港元用作擴充現時之貿易展覽會業務；
- 約2,000,000港元用作發展新展覽會；
- 約4,000,000港元用作開發中國市場；及
- 約9,750,000港元用作本集團之一般營運資金。

有關款項之餘額約21,000,000港元已存於銀行，並會在來年撥作其於本公司二零零二年三月二十五日刊發之售股章程內之擬定用途。

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated/combined results and of the assets and liabilities of the Group prepared on the basis set out in the note below:

財務資料概要

以下為本集團按照下文附註所載基準而編製之已刊發綜合／合併業績及資產與負債概要：

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				
		2003	2002	2001	2000	1999
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
TURNOVER	營業額					
Participation fee income	參展費收入	171,169	158,505	147,218	99,828	53,258
Entrance fee income	入場費收入	1,357	874	1,029	255	235
Administrative income	行政收入	251	144	276	696	-
Advertising fee income	廣告費收入	6,948	4,515	1,810	652	456
Portal income	入門網站收入	1,156	-	-	-	-
		180,881	164,038	150,333	101,431	53,949
Other revenue	其他收益	334	908	904	293	304
Advertising and promotion expenses	廣告及推廣開支	(19,093)	(11,620)	(11,647)	(7,763)	(9,060)
Agency commission	代理佣金	(11,300)	(10,739)	(8,786)	(11,112)	(175)
Depreciation	折舊	(4,594)	(3,558)	(2,800)	(1,301)	(974)
Operating lease rentals	經營租賃租金	(25,432)	(24,018)	(20,242)	(13,124)	(9,963)
Staff costs	員工成本	(29,146)	(26,897)	(24,103)	(13,908)	(11,195)
Other operating expenses	其他營運開支	(38,861)	(32,484)	(34,881)	(15,675)	(12,440)
PROFIT FROM OPERATING ACTIVITIES	經營業務溢利	52,789	55,630	48,778	38,841	10,446
Finance costs	融資成本	(386)	(504)	(435)	(355)	(417)
PROFIT BEFORE TAX	除稅前溢利	52,403	55,126	48,343	38,486	10,029
Tax	稅項	(9,947)	(9,489)	(8,797)	(6,166)	(1,496)
NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	股東應佔日常 業務純利	42,456	45,637	39,546	32,320	8,533

SUMMARY FINANCIAL INFORMATION (continued)

財務資料概要(續)

		As at 31 March 三月三十一日				
		2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元	1999 HK\$'000 千港元
ASSETS AND LIABILITIES	資產與負債					
NON-CURRENT ASSETS	非流動資產	67,438	20,986	26,717	7,840	7,345
CURRENT ASSETS	流動資產	86,623	55,570	35,396	46,183	25,155
CURRENT LIABILITIES	流動負債	(53,481)	(59,346)	(55,030)	(42,780)	(29,740)
NON-CURRENT LIABILITIES	非流動負債	(9,418)	(11,046)	(12,056)	(4,762)	(3,599)
		91,162	6,164	(4,973)	6,481	(839)

Note: The summary of the combined results of the Group for the three years ended 31 March 2001 and the combined assets and liabilities of the Group as at 31 March 1999, 2000 and 2001 have been extracted from the Company's prospectus dated 25 March 2002. This summary was prepared from the audited financial statements of the companies now comprising the Group as if the current structure of the Group had been in existence throughout these financial years and is presented on the basis set out in note 4 to the financial statements. The results of the Group for the two years ended 31 March 2003 and its assets and liabilities as at 31 March 2002 and 2003 are those set out on pages 44 and 45 of the financial statements, and are presented on the basis as set out in note 4 to the financial statements.

附註：本集團截至二零零一年三月三十一日止三個年度之合併業績及本集團於一九九九年、二零零零年及二零零一年三月三十一日之合併資產負債表概要乃摘錄自本公司於二零零二年三月二十五日刊發之售股章程。本概要乃根據本集團現時旗下公司之經審核財務報表編製，猶如本集團之現時架構於該等財政年度一直存在，並以財務報表附註4之基準呈列。本集團截至二零零三年三月三十一日止兩個年度之業績乃於二零零二年及二零零三年三月三十一日之資產與負債分別載於財務報表第44及第45頁，並以財務報表附註4所載之基準呈列。

FIXED ASSETS

Details of movements in the fixed assets of the Group during the year are set out in note 15 to the financial statements.

固定資產

本集團年內之固定資產變動詳情載於財務報表附註15。

SHARE CAPITAL AND SHARE OPTION

Details of movements in the Company's share capital during the year, together with the reasons therefor, and details of the Company's share option scheme are set out in notes 22 and 23 to the financial statements and disclosed under the heading "share option scheme" below.

股本及購股權計劃

本公司年內之股本變動詳情連同有關變動之原因，以及本公司購股權計劃之詳情載於財務報表附註22及23，並於下文「購股權計劃」一節內披露。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

優先購買權

本公司之公司組織章程細則或開曼群島(本公司註冊成立所處之司法權區)法例概無載有關於優先購買權之條文，而令本公司須按比例向現有股東發售新股份。

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.

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司在年內概無購買、贖回或出售任何本公司之上市證券。

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 24 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2003, the Company's reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2001 Second Revision) of the Cayman Islands, amounted to HK\$27,521,000, of which HK\$16,784,000 has been proposed as a final dividend for the year. Under the laws of the Cayman Islands, a company may make distributions to its members out of the contributed surplus accounts under certain circumstances. In addition, the Company's share premium account, in the amount of HK\$58,216,000 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 25% of the Group's turnover for the year and turnover attributable to the largest customer included therein amounted to approximately 18%. Purchases from the Group's five largest suppliers accounted for approximately 64% of the Group's cost of exhibitions for the year and the fees paid to the largest supplier accounted for approximately 26% of the Group's cost of exhibitions for the year.

None of the directors of the Company, or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS

The directors of the Company during the year were:

Executive directors:

Mr. Ip Ki Cheung (*Chairman*)
Mr. Cheung Shui Kwai (*Managing Director*)
Mr. Chan Siu Chung

Independent non-executive directors:

Mr. Wong Tat Tong
Mr. Chan Wing Yau, George
Mr. Wan Chuen Fai (appointed on 18 July 2002 and
resigned on 10 December 2002)

The directors of the Company, excluding the Chairman and Managing Director and including the independent non-executive directors are subject to retirement by rotation and re-election in accordance with the provisions of the Company's articles of association.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out in the Appendix of the annual report.

儲備

本公司及本集團在年內之儲備變動詳情分別載於財務報表附註24及綜合權益變動表。

可供分派儲備

於二零零三年三月三十一日，按照開曼群島公司法(二零零一年第二次修訂版)計算之本公司可供作現金分派及/或實物分派之儲備為27,521,000港元，其中16,784,000港元獲建議作為本年度之末期股息。根據開曼群島法例，本公司可在若干情況下以繳入盈餘賬內之款項向其股東作出分派。此外，本公司股份溢價賬內之58,216,000港元亦可以繳足股款紅利股份之形式作出分派。

主要客戶及供應商

於回顧年度內，本集團向五大客戶取得之銷售額佔本集團年內之營業額約25%，而本集團自當中最大客戶取得之銷售額則約為18%。本集團向五大供應商之採購額佔本集團年內之展覽成本約64%，而向最大供應商支付之費用則佔本集團年內之展覽成本約26%。

本公司董事、彼等之任何聯繫人士或任何股東(就董事所知，擁有本公司已發行股本5%以上者)概無於本集團之五大客戶或供應商中擁有任何實益權益。

董事

年內，本公司董事之芳名如下：

執行董事：

葉紀章先生(主席)
張瑞貴先生(董事總經理)
陳兆忠先生

獨立非執行董事：

黃達堂先生
陳永祐先生
尹銓輝先生 (於二零零二年七月十八日委任，並
於二零零二年十二月十日辭任)

根據本公司之公司組織章程細則之規定，本公司董事(不包括主席及董事總經理，惟包括獨立非執行董事)須輪值告退並膺選連任。

董事及高級管理層之簡歷

本公司董事及本集團高級管理層之簡歷載於本年報之附錄內。

DIRECTORS' SERVICE CONTRACTS

Each of the executive directors has entered into a service agreement with the Company for an initial term of three years commencing from 1 April 2002 and which will continue thereafter until the agreement is terminated by not less than six calendar months' notice in writing served by either party on the other. Such notice of termination is agreed not to be issued earlier than 31 March 2005.

All non-executive directors have each been appointed for an initial term of one year. No service agreement has been or will be entered into between the Company and either of the independent non-executive directors.

Apart from the foregoing, 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.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a significant beneficial interest, either direct or indirect, in any contracts of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN SHARES

At 31 March 2003, the interests of the directors in the share capital of the Company or its associated corporations, 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:

董事之服務合約

各執行董事均與本公司訂立服務合約，自二零零二年四月一日起初步為期三年，並於其後繼續生效，直至協議任何一方向另一方發出不少於六個月之書面通知終止協議為止，有關終止通知不得於二零零五年三月三十一日前發出。

所有非執行董事均各自獲委任，初步為期一年。本公司概無或不會與任何獨立非執行董事訂立服務合約。

除上述者外，擬於即將舉行之股東週年大會上膺選連任之董事，概無與本公司訂立本公司不得於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

董事之合約權益

本公司、其控股公司或其任何附屬公司於年內概無訂立董事直接或間接擁有重大實益權益而對本集團業務影響重大之任何合約。

董事於股份之權益

於二零零三年三月三十一日，根據本公司遵照證券(披露權益)條例(「披露權益條例」)第29條之規定而存置之登記冊記錄，董事於本公司或任何相聯法團股本中之權益如下：

Name of ordinary shares held and nature of interest 所持普通股數目及權益性質

Name of directors	董事姓名	Notes 附註	Personal 個人	Family 家族	Corporate 公司	Other 其他
Mr. Ip Ki Cheung	葉紀章先生	(a)	-	-	108,000,000	-
Mr. Cheung Shui Kwai	張瑞貴先生	(b)	1,728,000	-	-	108,000,000
Mr. Chan Siu Chung	陳兆忠先生	(c)	-	-	-	108,000,000

Notes:

附註：

- (a) Mr. Ip Ki Cheung is beneficially interested in 50% of the entire issued share capital of Capital Concord which in turn holds 108,000,000 shares representing 51.5% of the entire issued shares of the Company as at 31 March 2003. The interests of Mr. Ip Ki Cheung are accordingly "corporate interests" as described in paragraph 3(c) of practice note 5 of the Listing Rules.
- (b) In addition to personal interests, Mr. Cheung Shui Kwai is beneficially interested in 30% of the entire issued share capital of Capital Concord and such interests of Mr. Cheung Shui Kwai are accordingly "other interests" as described in paragraph 3(d) of practice note 5 of the Listing Rules.
- (c) Mr. Chan Siu Chung is beneficially interested in 20% of the entire issued share capital of Capital Concord. The interests of Mr. Chan Siu Chung are accordingly "other interests" as described in paragraph 3(d) of practice note 5 of the Listing Rules.

- (a) 葉紀章先生實益擁有Capital Concord全部已發行股本之50%權益，而Capital Concord則持有108,000,000股股份，佔本公司於二零零三年三月三十一日之全部已發行股份之51.5%。葉紀章先生之權益因此如上市規則應用指引第5項第3(c)段所述列為「公司權益」。
- (b) 除個人權益外，張瑞貴先生實益擁有Capital Concord全部已發行股本之30%權益，張瑞貴先生之權益因此如上市規則應用指引第5項第3(d)段所述列為「其他權益」。
- (c) 陳兆忠先生實益擁有Capital Concord全部已發行股本之20%權益，陳兆忠先生之權益因此如上市規則應用指引第5項第3(d)段所述列為「其他權益」。

DIRECTORS' INTERESTS IN SHARES (continued)

Save as disclosed above, none of the directors or their associates had any personal, family, corporate or other interests in the equity of the Company or any of its associated corporations as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme disclosures in note 23 to the financial statements, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Company's directors, 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 any other body corporate.

SHARE OPTION SCHEME

Due to the adoption of Statements of Standard Accounting Practice No. 34 "Employee benefits" during the year, most of the detailed disclosures relating to the Company's share option scheme have been moved to note 23 to the financial statements.

No option had been granted nor agreed to be granted under the share option scheme up to the date of approval of these financial statements.

SUBSTANTIAL SHAREHOLDERS

At 31 March 2003, the following interests of 10% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance:

Name 姓名／名稱		Number of shares held 所持股份數目	Percentage of the Company's issued share capital 佔本公司已發行股本中之百分比
Capital Concord Profits Limited ("Capital Concord") (note 1)	Capital Concord Profits Limited ("Capital Concord") (附註1)	108,000,000	51.5
Best Aims Finance Limited ("Best Aims") (notes 1 and 2)	Best Aims Finance Limited ("Best Aims") (附註1及2)	54,000,000 (note 5)	25.7
Harbour Rich Finance Limited ("Harbour Rich") (notes 1 and 3)	Harbour Rich Finance Limited ("Harbour Rich") (附註1及3)	32,400,000 (note 6)	15.5
Pace Maker Finance Limited ("Pace Maker") (notes 1 and 4)	Pace Maker Finance Limited ("Pace Maker") (附註1及4)	21,600,000 (note 7)	10.3
Mr. Ip Ki Cheung (note 2)	葉紀章先生 (附註2)	54,000,000 (note 8)	25.7
Mr. Cheung Shui Kwai (note 3)	張瑞貴先生 (附註3)	34,128,000 (note 9)	16.3
Mr. Chan Siu Chung (note 4)	陳兆忠先生 (附註4)	21,600,000 (note 10)	10.3

董事於股份之權益 (續)

除上文所披露者外，各董事或其聯繫人士概無於本公司或其任何聯營公司(見披露權益條例之定義)之普通股中擁有任何個人、家族、公司或其他權益。

董事收購股份或債券之權利

除於財務報表附註23「購股權計劃」一節所披露者外，本公司、其控股公司或其任何附屬公司在年內概無訂立任何安排，致使本公司董事、彼等各自之配偶或18歲以下之子女可藉收購本公司或任何其他法人團體之股份或債券而得益。

購股權計劃

基於年內採納會計實務準則第34號「僱員福利」，大部份有關本公司購股權計劃之詳情已改在財務報表附註23披露。

截至本財務報表之批准日期為止，本公司並無根據購股權計劃授出或同意將予授出任何購股權。

主要股東

於二零零三年三月三十一日，根據本公司遵照披露權益條例第16(1)條之規定而存置之權益登記冊記錄，下列人士於本公司已發行股本中擁有10%或以上之權益：

SUBSTANTIAL SHAREHOLDERS (continued)

Notes:

1. The entire issued share capital of Capital Concord is beneficially owned as to 50% by Best Aims, 30% by Harbour Rich and 20% by Pace Maker.
2. The entire issued share capital of Best Aims is beneficially owned by Mr. Ip Ki Cheung.
3. The entire issued share capital of Harbour Rich is beneficially owned by Mr. Cheung Shui Kwai.
4. The entire issued share capital of Pace Maker is beneficially owned by Mr. Chan Siu Chung.
5. These shares are attributable to Best Aims in respect of its 50% interest in Capital Concord.
6. These shares are attributable to Harbour Rich in respect of its 30% interest in Capital Concord.
7. These shares are attributable to Pace Maker in respect of its 20% interest in Capital Concord.
8. These shares are attributable to Mr. Ip Ki Cheung in respect of his 100% interest in Best Aims.
9. These shares are attributable to Mr. Cheung Shui Kwai in respect of his 100% interest in Harbour Rich and his personal interest.
10. These shares are attributable to Mr. Chan Siu Chung in respect of his 100% interest in Pace Maker.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI Ordinance.

CONNECTED TRANSACTIONS

On 13 December 2002, the Company and Octopus Enterprises Limited, a subsidiary of the Company, entered into an agreement (the "Consultancy and Acquisition Agreement") with Baron International Investment Holdings Limited ("Baron") pursuant to which Baron agreed to (i) procure Baron International Consultants Limited (the "Consultant") to provide advisory, line-up and co-ordination services to assist the Group in exhibition development in the People's Republic of China and (ii) dispose 100% equity interest in Astonishing Profits Limited ("APL") to the Group. The ultimate sole shareholder of Baron and the Consultant is a brother of Mr. Wan Chuen Fai, who is a former independent non-executive director of the Company resigned on 10 December 2002. Each of Baron and the Consultant is a connected person of the Company within the meaning of the Listing Rules. The transactions contemplated under the Consultancy and Acquisition Agreement therefore constitutes connected transactions for the Company under Rule 14.23 of the Listing Rules. Further details of the transaction are included in notes 16 and 28 to the financial statements and in a Circular issued by the Company on 14 January 2003.

主要股東 (續)

附註：

1. Capital Concord之50%、30%及20%全部已發行股本分別由Best Aims、Harbour Rich及Pace Maker實益擁有。
2. Best Aims之全部已發行股本均由葉紀章先生實益擁有。
3. Harbour Rich之全部已發行股本均由張瑞貴先生實益擁有。
4. Pace Maker之全部已發行股本均由陳兆忠先生實益擁有。
5. 該等股份乃Best Aims就其於Capital Concord之50%權益所應佔之股數。
6. 該等股份乃Harbour Rich就其於Capital Concord之30%權益所應佔之股數。
7. 該等股份乃Pace Maker就其於Capital Concord之20%權益所應佔之股數。
8. 該等股份乃葉紀章先生就其於Best Aims之100%權益所應佔之股數。
9. 該等股份乃張瑞貴先生就其於Harbour Rich之100%權益所應佔之股數。
10. 該等股份乃陳兆忠先生就其於Pace Maker之100%權益所應佔之股數。

除上文披露者外，除本公司董事外（彼等之權益載於上文「董事於股份之權益」一節），根據本公司遵照披露權益條例第16(1)條之規定而存置之權益登記冊記錄，概無任何人士於本公司已發行股本中擁有任何權益。

關連交易

於二零零二年十二月十三日，本公司及本公司之一間附屬公司Octopus Enterprises Limited與Baron International Investment Holdings Limited（「Baron」）訂立一項協議（「顧問及收購協議」）。據此，Baron同意(i)促使Baron International Consultants Limited（「Consultant」）提供顧問服務及安排與統籌協調服務，幫助本集團在中華人民共和國發展展覽會業務，及(ii)向本集團出售Astonishing Profits Limited（「APL」）之100%股權。Baron及Consultant之最終唯一股東乃本公司前獨立非執行董事尹銓輝先生之兄弟，尹銓輝先生已於二零零二年十二月十日辭任。Baron及Consultant分別為本公司之關連人士（見上市規則之定義）。因此，按上市規則第14.23條之規定，根據顧問及收購協議擬進行之交易構成本公司之關連交易。有關交易之進一步詳情載於本財務報表附註16及28及本公司於二零零三年一月十四日刊發之通函內。

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 Listing Rules of the Hong Kong Stock Exchange, throughout the accounting period covered by the annual report, except that the independent non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code but are subject to retirement by rotation and re-election at the annual general meeting of the Company 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, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the two 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

Ip Ki Cheung

Chairman

Hong Kong
26 May 2003

最佳應用守則

董事認為，除委任本公司獨立非執行董事時並無按照聯交所上市規則附錄十四所載之最佳應用守則（「守則」）第7段規定而訂定任期，但須按照本公司之公司組織章程細則之規定於股東週年大會上輪值告退並膺選連任外，本公司一直均有遵照守則之規定。

審核委員會

本公司已按照守則之規定成立審核委員會，以審閱及監察本集團之申報程序及內部監控。審核委員會由本公司兩名獨立非執行董事組成。

核數師

安永會計師事務所現已退任，本公司將於即將舉行之股東週年大會上提呈決議案重新委任其為本公司之核數師。

代表董事會

葉紀章

主席

香港
二零零三年五月二十六日