

Report of the Directors

董事會報告

董事會茲提呈本公司及本集團截至二〇〇三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

本公司之主要業務為投資控股。附屬公司之主要業務包括推廣與經銷照相沖印產品，以及經營照相沖印零售門市。年內註冊成立一家附屬公司以經營推廣及經銷沖印產品。本集團之主要業務性質於年內並無重大變動。

業績及股息

本集團截至二〇〇三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83頁。

每普通股港幣2仙之中期股息已於二〇〇三年一月二十四日派發。董事會不建議派發末期股息，惟建議就本年度派發特別股息每普通股港幣1仙。

財務資料摘要

本集團截至二〇〇三年三月三十一日止五個年度之已刊發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 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the marketing and distribution of photographic, developing and processing products and the operations of retail photograph developing and processing shops. During the year, a subsidiary was incorporated to carry out the marketing and distribution of printing products. 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 of the Group at that date are set out in the financial statements on pages 43 to 83.

An interim dividend of HK2 cents per ordinary share was paid on 24 January 2003. The directors do not recommend the payment of final dividend but recommend the payment of a special dividend of HK1 cent per ordinary share in respect of the year.

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 2003.

		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
			(Restated)	(Restated)	(Restated)	(Restated)
			(重列)	(重列)	(重列)	(重列)
營業額	Turnover	1,735,428	1,530,706	1,513,685	1,415,699	1,482,163
股東應佔正常 業務之純利	Net profit from ordinary activities attributable to shareholders	19,437	53,432	103,564	130,321	147,324
總資產	Total assets	1,432,407	1,436,307	1,357,703	1,247,246	1,218,078
總負債	Total liabilities	(255,032)	(244,889)	(188,564)	(129,180)	(106,441)
少數股東權益	Minority interests	(16,358)	(14,873)	(20,614)	(21,409)	(21,302)
		1,161,017	1,176,545	1,148,525	1,096,657	1,090,335

固定資產

本集團固定資產在本年度之變動詳情載於財務報表附註13。

投資物業

本集團投資物業之變動詳情載於財務報表附註14，而投資物業之資料則載於本年報第84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23及24。

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購股權致令本公司須向現有股東按持股比例發行新股。

儲備

本公司及本集團在年內之儲備變動詳情分別載於財務報告附註25及綜合權益變動表。

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，本公司於二〇〇三年三月三十一日可作為現金派發的儲備總額為港幣198,613,000元。此外，於二〇〇三年三月三十一日分別達港幣478,773,000元及港幣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359,000元。

FIXED ASSETS

Details of movements in the fixed assets of the Group during the year are set out in note 13 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group are set out in note 14 to the financial statements and particulars of the investment properties are set out on page 84 of the 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 notes 23 and 24 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 25 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

The total amount of reserves of the Company available for cash distribution at 31 March 2003 as computed in accordance with the Companies Act 1981 of Bermuda (as amended) was HK\$198,613,000. 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 2003 may be distributed in the form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling HK\$359,000.

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)

吳玉華女士 (於二〇〇三年一月三日獲委任)

鄧國棠先生

馬鳳華女士 (於二〇〇三年一月三日辭任)

黃國榮先生 (於二〇〇三年一月三日辭任)

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

根據本公司細則第一百〇一條和第一百一十條A，張昀女士及吳玉華女士將會告退，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

鄧國棠先生

於二〇〇三年三月三十一日，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。

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

Sun Tai Lun Dennis (*Chairman and managing director*)

Ng Yuk Wah Eileen (*appointed on 3 January 2003*)

Tang Kwok Tong Simon

Ma Fung Wah Flora (*resigned on 3 January 2003*)

Wong Kwok Wing Frank (*resigned on 3 January 2003*)

Independent non-executive directors

Au Man Chung Malcolm

Wong Chi Yun Allan

Chiang Yun Rachel

Liu Hui Allan

In accordance with bye-law 101 and 110A of the Company's bye-laws, Ms Chiang Yun Rachel, and Ms Ng Yuk Wah Eileen, 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:

Sun Tai Lun Dennis

Tang Kwok Tong Simon

Each service contract had a remaining unexpired term of 12 months at 31 March 2003 and is terminable by either party upon the giving of three months' notice thereafter.

None of the above directors 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

於二〇〇三年三月三十一日，根據證券(披露權益)條例(「披露權益條例」)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：

DIRECTORS' INTERESTS IN SHARES

As at 31 March 2003, 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:

董事	權益性質	Name of director	Nature of interest	Number of shares 股份數目
孫大倫博士	個人權益 公司權益及其他權益 (附註i及ii)	Sun Tai Lun Dennis	Personal Corporate and other (Notes i & ii)	1,000,000 711,276,214
吳玉華女士	個人權益	Ng Yuk Wah Eileen	Personal	250,000
鄧國棠先生	個人權益	Tang Kwok Tong Simon	Personal	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披露權益條例所界定之個人、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、其控股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。

Notes:

(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.

董事收購股份或債權證之權利

除上文「董事股份權益」一段及財務報表附註24有關購股權計劃所披露者外，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獲授可藉購入本公司之股份或債權證而獲益而彼等亦無行使該等權利。本公司、其控股公司或其任何附屬公司亦無訂立任何安排致使董事可收購任何其他法人團體之該等權利。

購股權計劃

由於年內採納會計實務準則第34號「僱員福利」，大部分與本公司購股權計劃有關之披露詳情已轉至財務報表附註24列載。

因年內未有授出購股權，故不披露其理論價值。

主要股東

於二〇〇三年三月三十一日，根據披露權益條例第十六(一)條規定保管之權益登記冊所載，下列人士持有本公司已發行股本逾10%：

Name 姓名	Number of shares held 持股數目	Percentage 百分率
Fine Products Limited	700,034,214 (附註i及ii) (notes i & ii)	60.15
Searich Group Limited	600,034,214 (附註ii) (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以一個全權信託之信託人身份所擁有。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' interests in shares" above and in the share option scheme disclosures in note 24 to the financial statements, 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.

SHARE OPTION SCHEME

Due to the adoption of Statement 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 24 to the financial statements.

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

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2003, the following interests of 10% or more in the issued 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) 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%或以上而須按披露權益條例第十六(一)條規定予以登記。

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29.65%及9.89%。

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88.66%及86.7%。

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、贖回及出售本公司的上市證券

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。

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(「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。

(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.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

Sales to the Group's five largest customers and the single largest customer accounted for 29.65% and 9.89%, respectively, of the Group's turnover.

Purchases from the Group's five largest suppliers and the single largest supplier accounted for approximately 88.66% and 86.7%, 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.

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 bye-laws.

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

二〇〇三年七月十七日

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

17 July 2003