

Report of the Directors

董事會報告

董事會茲提呈本公司及本集團截至2005年3月31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。本集團之主要業務性質於年內並無重大變動。

財務資源

集團於2005年3月31日的現金及銀行結餘錄得增長12%至港幣5.96億元(2004年：港幣5.31億元)，資產負債比率為零。集團繼續採取各項措施以提升工作效率及節流措施效益。於財政年度內，廣告及市場推廣開支顯著下降50%至港幣1,800萬元，而行政開支亦由於實施有效節流措施而得以減少13%至港幣7,700萬元。由於審慎管理貿易應收賬及存貨，貿易應收賬亦於期內下降62%至港幣9,600萬元，而存貨則輕微上升10%至港幣1.95億元。集團員工數目為540名(2004年：654名)，員工之酬金則多數按照行業運作(包括公積金、保險及醫療福利)而定。集團亦有採納一個每年按照集團及僱員表現而釐訂之非強制性花紅制度。

業績及股息

本集團截至2005年3月31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表第39至83頁。

每普通股港幣1仙(2004年：每股港幣1仙(特別))之中期股息已於2005年2月24日派發。董事會建議向已於2005年8月26日註冊股份之股東派發本年度每普通股港幣2仙末期股息(2004年：無)及末期特別股息每普通股港幣8仙(2004年：每股港幣10仙(特別))。股息將於2005年9月22日派發。此建議已被納入財務報表中資產負債表內資本及儲備項目作為分配保留盈利。

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2005.

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, processing and printing products and the operations of retail photographic developing and processing shops. There were no significant changes in the nature of the Group's principal activities during the year.

FINANCIAL RESOURCES

The Group's cash and bank balances as at 31 March 2005 has recorded a growth of 12% to HK\$596 million (2004: HK\$531 million) with a zero gearing ratio. The Group continued to take every measure to extend work efficiency and cost control. During the fiscal year, advertising and marketing expenses were significantly reduced by 50% to HK\$18 million and administrative expenses decreased by 13% to HK\$77 million, due to effective cost-control measures. Trade receivables also decreased by 62% to HK\$96 million for the period, while inventory was slightly up 10% to HK\$195 million because of prudent management of trade receivables and inventory. The Group had 540 employees (2004: 654), remunerated largely based on industry practice, including provident funds, insurance and medical benefits. The Group also adopted a discretionary bonus programme determined annually based upon the performance of the Group and the employee.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2005 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 39 to 83.

An interim dividend of HK1 cent per ordinary share (2004: HK1 cent per share (special)) was paid on 24 February 2005. The directors recommend the payment of a final dividend of HK2 cents per ordinary share (2004: Nil) and final special dividend of HK8 cents per ordinary share (2004: HK10 cents per share (special)) in respect of the year, to shareholders on the register of members on 26 August 2005. The dividend will be payable on 22 September 2005. 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.

財務資料摘要

下文載列本集團最近五個財政年度之已公佈業績及資產、負債及少數股東權益，有關資料乃摘錄自己審核財務報表，並經作出適當重列。本摘要並不構成已審核財務報表之部份。

		Year ended 31 March 截至3月31日止年度				
業績	RESULTS	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
營業額	Turnover	1,232,828	1,395,111	1,735,428	1,530,706	1,513,685
股東應佔正常 業務之溢利 ／(虧損)淨額	Net profit/(loss) from ordinary activities attributable to shareholders	45,345	(61,647)	18,425	41,847	103,564

		Year ended 31 March 截至3月31日止年度				
資產、負債及 少數股東權益	ASSETS, LIABILITIES AND MINORITY INTERESTS	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
總資產	Total assets	1,132,014	1,231,110	1,419,810	1,424,722	1,357,703
總負債	Total liabilities	(131,878)	(148,008)	(255,032)	(244,889)	(188,564)
少數股東權益	Minority interests	(16,073)	(16,313)	(16,358)	(14,873)	(20,614)
		984,063	1,066,789	1,148,420	1,164,960	1,148,525

固定資產

本公司及本集團在本年度之固定資產變動詳情載於財務報表附註14。

投資物業

集團在本年度之投資物業變動詳情載於財務報表附註15。本集團投資物業之其他詳情載於第84頁。

股本及購股權

本公司授權或已發行股本於年內概無變動。本公司之股本詳情載於財務報表附註25。本公司購股權在本年度之變動連同變動原因詳情載於財務報表附註26。

SUMMARY FINANCIAL INFORMATION

Set out below is a summary of the published results and the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate. This summary does not form part of the audited financial statements.

		Year ended 31 March 截至3月31日止年度				
業績	RESULTS	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000	2002 HK\$'000	2001 HK\$'000
營業額	Turnover	1,232,828	1,395,111	1,735,428	1,530,706	1,513,685
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少數股東權益	Minority interests	(16,073)	(16,313)	(16,358)	(14,873)	(20,614)
		984,063	1,066,789	1,148,420	1,164,960	1,148,525

FIXED ASSETS

Details of movements in the fixed assets of the Company and the Group during the year are set out in note 14 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in note 15 to the financial statements. Further details of the Group's investment properties are set out on page 84.

SHARE CAPITAL AND SHARE OPTIONS

There were no movements in either the Company's authorised or issued share capital during the year. Details of the Company's share capital are set out in note 25 to the financial statements. Details of movements in the Company's share options during the year, together with the reasons therefor, are set out in note 26 to the financial statements.

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表附註27(b)及綜合權益變動表。

可分派儲備

於2005年3月31日，本公司根據百慕達1981年公司法(經修訂)的規定計算之可作派發儲備總額為港幣311,343,000元，其中約港幣23,277,000元及港幣93,106,000元分別擬用以派發本年度之末期股息及末期特別股息。此外，本公司股份溢賬及資本贖回儲備分別為港幣478,773,000元及港幣1,619,000元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168,000元。

董事

本公司年內之董事如下：

執行董事

孫大倫(主席)

吳玉華

鄧國棠

獨立非執行董事

區文中

張昀

李家暉(於2004年9月15日獲委任)

劉暉

黃子欣

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 27(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2005, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK\$311,343,000 of which approximately HK\$23,277,000 and HK\$93,106,000 have been proposed as a final dividend and a final special dividend, respectively, for the year. In addition, the Company's share premium account and capital redemption reserve account of HK\$478,773,000 and HK\$1,619,000, respectively, may be distributed in the form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling HK\$168,000.

DIRECTORS

The directors of the Company during the year were:

Executive directors:

Sun Tai Lun Dennis (*Chairman*)

Ng Yuk Wah Eileen

Tang Kwok Tong Simon

Independent non-executive directors:

Au Man Chung Malcolm

Chiang Yun Rachel

Li Ka Fai David (*appointed on 15 September 2004*)

Liu Hui Allan

Wong Chi Yun Allan

根據本公司細則第101條及110A條，李家暉先生、區文中先生及鄧國棠先生將會告退，但願在下屆股東週年大會上膺選連任。

本公司已接獲所有獨立非執行董事就其獨立性發出之年度確認函，並於本報告日期仍然視彼等為獨立人士。

董事簡歷

本公司董事簡歷詳情載於年報第22至第24頁。

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
吳玉華
鄧國棠

於2005年3月31日，服務合約期限尚餘12個月，任何一方均可向另一方提早3個月發出通知而終止合約。

除上述者外，擬於下屆股東週年大會上膺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。

董事酬金

董事袍金須待股東於週年大會批准，方可作實。其他報酬乃按本公司董事會經考慮董事之職責、責任及表現及本集團之業績後釐定。

In accordance with bye-law 101 and bye-law 110A of the Company's bye-laws, Mr Li Ka Fai David, Mr Au Man Chung Malcolm and Mr Tang Kwok Tong Simon will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all independent non-executive directors, and as at the date of this report still considers them to be independent.

DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Company are set out on pages 22 to 24 of the annual report.

DIRECTORS' SERVICE CONTRACTS

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

Sun Tai Lun Dennis
Ng Yuk Wah Eileen
Tang Kwok Tong Simon

Each service contract had a remaining unexpired term of 12 months as at 31 March 2005 and is terminable by either party upon the giving of three months' notice to the other party thereafter.

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 terminable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

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本集團業務實益權益之重大合約。

董事於股份及相關股份之權益及淡倉

於2005年3月31日，董事於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股本及相關股份中持有，須按證券及期貨條例第352條規定載入該條所述之登記冊內，或須根據上市公司董事進行證券交易標準守則（「標準守則」）知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

本公司普通股好倉：

DIRECTORS' INTERESTS IN CONTRACTS

No director had a beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company and any of its holding companies or subsidiaries was a party during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2005, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

Name of director	Notes	Number of shares held, capacity and nature of interest 持有股份數目、身份及權益性質			Total 總計	Percentage of the Company's issued share capital 於本公司已發行 股本之持股百分比
		Directly beneficially owned 直接實益擁有	Founder of a trust 信託創辦人	Beneficiary of a trust 信託實益 擁有人		
Sun Tai Lun Dennis 孫大倫	(i)&(ii)	1,000,000	700,034,214	11,242,000	712,276,214	61.20
Ng Yuk Wah Eileen 吳玉華		250,000	–	–	250,000	0.02
Tang Kwok Tong Simon 鄧國棠		400,000	–	–	400,000	0.03
		1,650,000	700,034,214	11,242,000	712,926,214	61.25

本公司董事於購股權之權益於財務報表附註26獨立披露。

The interests of the directors in the share options of the Company are separately disclosed in note 26 to the financial statements.

相聯法團股份及相關股份之好倉：

Long position in shares and underlying shares of the associated corporations:

Name of director	Name of associated corporation	Relationship with the Company	Shares	Numbers of shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
董事	相關法團名稱	與本公司關係	股份	持有股份數量	持有權益之身份及性質	於相聯法團已發行股本之百分比
Sun Tai Lun Dennis 孫大倫	Searich Group Limited	Company's intermediate holding company	Ordinary shares	25	Beneficiary of a trust	
		本公司之中介控股公司	普通股 (附註(i))		信託之實益擁有人	
	Searich Group Limited	Company's intermediate holding company	Ordinary shares	75	Founder of a trust	
		本公司之中介控股公司	普通股 (附註(ii))		信託創辦人	
				100		100.0
Sun Tai Lun Dennis 孫大倫	Fine Products Limited	Company's ultimate holding company	Ordinary shares	103,000,000	Founder of a trust	100.0
		本公司之最終控股公司	普通股 (附註(ii))		信託創辦人	

附註：

- (i) 孫大倫博士被視作合共擁有本公司11,242,000股股份之權益。該等股份由Dago Corporation直接持有。Dago Corporation於英屬處女群島註冊成立，為Trident Corporate Services (B.V.I.) 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亦持有Searich Group Limited已發行股本25%。
- (ii) 由於孫大倫博士是The Sun Family Trust之創辦人，該信託持有Fine Products Limited之全部已發行股本，而Searich Group Limited之已發行股本75%由Fine Products Limited持有，故孫大倫博士被視為擁有Fine Products Limited持有本公司700,034,214股股份之權益。Fine Products Limited及Searich Group Limited所持本公司權益資料詳見下文「主要股東及其他個人股份及相關股份之權益及淡倉」部份。

除上文所披露者外，於2005年3月31日，本公司董事及其各自之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中概無註冊擁有權益或淡倉，而須根據證券及期貨條例第XV部第352條須載入該條所述之登記冊內；或根據標準守則須知會本公司及聯交所。

董事收購股份或債權之權利

除上文「董事於股份及相關股份之權益及淡倉」一段及財務報表附註26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、其任何控股公司或其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。

Notes:

- (i) Dr Sun Tai Lun Dennis was deemed to be interested in a total of 11,242,000 shares in the Company directly held by Dago Corporation, which was incorporated in the British Virgin Islands and was owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The Dennis Family Trust, a trust established for the benefit of Dr Sun Tai Lun Dennis and his family members. Dago Corporation also held 25% of the issued share capital of Searich Group Limited.
- (ii) Dr Sun Tai Lun Dennis was deemed to be interested in 700,034,214 shares in the Company held by Fine Products Limited by virtue of his being the founder of the Sun Family Trust which held the entire issued share capital of Fine Products Limited. 75% of the issued share capital of Searich Group Limited was held by Fine Products Limited. Details of the interest of Fine Products Limited and Searich Group Limited in the Company can be found in the section "Substantial shareholders' and other persons' interests in shares and underlying shares" below.

Save as disclosed above, as at 31 March 2005, none of the directors of the Company and their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests in shares and underlying shares" above and in the share option scheme disclosures in note 26 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company and any of its holding company or subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

購股權計劃

本公司之購股權計劃詳情於財務報表附註26中獨立披露。

主要股東及其他個人股份及相關股份之權益及淡倉

於2005年3月31日，根據證券及期貨條例第336條規定備存之權益登記冊所載，下列人士持有本公司股份及相關股份之權益或淡倉：

(1) 主要股東之好倉：

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Notes	Percentage of Company's issued share capital 持有本公司已發行股本百分比
股東	持有性質及權益性質	持有普通股數目	附註	
Sun Tai Lun Dennis 孫大倫	Beneficial owner 實益擁有人 Beneficiary of a trust 信託實益擁有人 Founder of a trust 信託創辦人	1,000,000 11,242,000 700,034,214		
		712,276,214		61.20
Fine Products Limited	Beneficial owner & interest of a controlled corporation 實益擁有人及控股公司權益	700,034,214	(i) & (ii)	60.15
Searich Group Limited	Beneficial owner 實益擁有人	600,034,214	(i) & (ii)	51.56
Trident Corporate Services (B.V.I) Limited	Trustee 信託持有人	711,276,214	(i) & (ii)	61.12
Tang Sau Ying Betty 鄧秀英	Interest of spouse 配偶權益	712,276,214	(ii) & (iii)	61.20
The China Retail Fund, LDC	Beneficial owner 實益擁有人	101,802,632		8.75

SHARE OPTION SCHEME

Details of the share option scheme of the Company are separately disclosed in note 26 to the financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2005, the following persons had interests or short positions in the shares and the underlying shares of the Company, which as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

(1) Long positions of substantial shareholders:

(2) 其他人士之長倉

(2) Long positions of other persons

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Notes	Percentage of Company's issued share capital 持有本公司已發行股本百分比
股東	持有性質及權益性質	持有普通股數目	附註	
Fung Kwok Lun William馮國綸	Interest of a controlled corporation 受控法團權益	70,000,000	(iv)	6.01
Li Fung (Retailing) Limited 利豐(零售)有限公司	Beneficial owner 實益擁有人	70,000,000		6.01
Li Fung (1937) Limited 利豐(1937)有限公司	Interest of a controlled corporation 受控法團權益	70,000,000		6.01
King Lun Holdings Limited	Interest of a controlled corporation 受控法團權益	70,000,000		6.01
J.P. Morgan Trust Company (Jersey) Limited	Trustee 信託持有人	70,000,000	(v)	6.01

附註：

Notes:

(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Trident Corporate Services (B.V.I.) Limited以The Sun Family Trust信託人身份所擁有。

(ii) 該等權益已包括在孫大倫博士之權益之內。

(iii) 鄧秀英女士被視為透過配偶孫大倫博士之權益而擁有712,276,214股公司股份權益。

(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 Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of the Sun Family Trust.

(ii) Such interests have been included as the interests of Dr Sun Tai Lun Dennis.

(iii) Ms Tang Sau Ying Betty was deemed to be interested in 712,276,214 shares of the Company through the interests of her spouse, Dr Sun Tai Lun Dennis.

- (iv) 馮國綸先生之權益乃透過一系列受控法團而持有，即利豐(零售)有限公司、利豐(1937)有限公司及King Lun Holdings Limited。
- (v) J.P. Morgan Trust Company (Jersey) Limited之權益乃透過一系列受控法團而持有，即利豐(零售)有限公司、利豐(1937)有限公司及King Lun Holdings Limited。

除上文所披露者外，於2005年3月31日，本公司並無記有本公司董事以外之任何其他人士(有關人仕之權益「董事於股份及相關股份之權益及淡倉」)於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第336條須予備存之登記冊內。

主要客戶及主要供應商

於回顧年內，本集團五位最大客戶及單一最大客戶之購貨額分別佔年內集團營業額34.97%及10.29%。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88.38%及84.12%。

據各董事所知，並無本公司董事或其任何聯繫人士或擁有本公司已發行股本5%或以上之股東在本集團最大的五個客戶及供應商中擁有實益權益。

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。

- (iv) The interests of Mr Fung Kwok Lun William are held via a chain of controlled corporations, namely Li Fung (Retailing) Limited, Li Fung (1937) Limited and King Lun Holdings Limited.

- (v) The interests of J.P. Morgan Trust Company (Jersey) Limited are held via a chain of controlled corporations, namely Li Fung (Retailing) Limited, Li Fung (1937) Limited and King Lun Holdings Limited.

Save as disclosed above, as at 31 March 2005, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

In the year under review, sales to the Group's five largest customers and the single largest customer accounted for 34.97% and 10.29%, respectively, of the Group's turnover for the year. Purchases from the Group's five largest suppliers and the single largest supplier accounted for approximately 88.38% and 84.12%, respectively, of the Group's total purchases 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 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.

足夠公眾持股量

根據本公司公開可獲得之資料及據董事所知，於本報告日期公眾人士持有本公司已發行股本總額最少25%。

企業管治

董事認為，本公司於截至2005年3月31日止年度已遵從香港聯交所證券上市規則附錄14（2005年1月1日前生效）所載的最佳應用守則（「守則」），惟本公司獨立非執行董事並無按守則第7段以特定任期委任，而須依據本公司細則於本公司之股東週年大會上輪值告退及膺選連任。

買賣證券之行為守則

本公司已採納標準守則作為本公司董事買賣證券之行為守則。根據對本公司董事作出之特別查詢，董事於年報之整個會計期間一直遵守標準守則之規定。

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Code of Best Practice (the "Code") as set out in Appendix 14 (which was in force prior to 1 January 2005) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong throughout the year end 31 March 2005, 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 Company's annual general meeting in accordance with the bye-laws of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the annual report.

審核委員會

依據上市規則第3.21條，本公司已正式成立審核委員會（「審核委員會」），以審閱及監督本集團之財務申報程序及內部監控。審核委員會包括五名本公司獨立非執行董事。本集團截至二零零五年三月三十一日止年度之經審核財務報表已由審核委員會審核，並認為上述財務報表乃遵照適用之會計準則編製及上市規則作出妥善披露。

核數師

安永會計師事務所任滿告退，本公司於即將舉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

香港

2005年7月14日

AUDIT COMMITTEE

The Company has an audit committee (the “Committee”) which was established in accordance with the Rules 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Committee comprises the five independent non-executive directors of the Company. The Group’s audited financial statements for the year ended 31 March 2005 have been reviewed by the Committee, who are of the opinion that these statements comply with the applicable accounting standards and Listing Rules and that adequate disclosures have been made.

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

Sun Tai Lun Dennis

Chairman

Hong Kong

14 July 2005