

Report of the Directors

董事會報告

董事會茲提呈本公司及本集團截至二零零四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。本集團之主要業務性質於年內並無重大變動。

業績及股息

本集團截至二零零四年三月三十一日止年度之虧損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41至83頁。

每普通股港幣1仙之中期特別股息已於二零零四年二月六日派發。董事會不建議派發末期股息，但建議向已於二零零四年八月二十六日註冊股份之股東派發本年度每普通股港幣10仙末期特別股息。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。

財務資料摘要

本集團截至二零零四年三月三十一日止五個年度已刊發之業績摘要及資產淨值詳列如下。五個財政年度財務摘要之中的二零零三年及二零零二年賬項已按已採納之由香港會計師公會刊發的會計實務準則第12號（「會計實務準則第12號」）有關「所得稅」之規定而作修改，詳情載於財務報表附註2。由於採納會計實務準則第12號未有對二零零一年及二零零零年財政年度之賬目構成影響，故未有重整該兩個財政年度之賬目。

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2004.

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 photograph developing and processing shops. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2004 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 41 to 83.

An interim special dividend of HK1 cent per ordinary share was paid on 6 February 2004. The directors do not recommend the payment of a final dividend but recommend the payment of a final special dividend of HK10 cents per ordinary share in respect of the year, to shareholders on the register of members on 26 August 2004. 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.

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 2004. The amounts for the financial years 2003 and 2002 in the five year financial summary have been adjusted for the effects of the adoption of Statement of Standard Accounting Practice No.12 "Income taxes" ("SSAP 12") issued by the Hong Kong Society of Accountants, as detailed in note 2 to the financial statements. No restatement in the financial years 2001 and 2000 was noted as there was no impact on these prior years' balances following the adoption of revised SSAP 12.

		Year ended 31 March 截至三月三十一日止年度				
		2004	2003	2002	2001	2000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(restated)	(restated)		
			(重列)	(重列)		
營業額	Turnover	1,395,111	1,735,428	1,530,706	1,513,685	1,415,699
股東應佔正常 業務之純利 ／(純虧損)	Net profit/(loss) from ordinary activities attributable to shareholders	(61,647)	18,425	41,847	103,564	130,321

		Year ended 31 March 截至三月三十一日止年度				
		2004	2003	2002	2001	2000
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			(restated)	(restated)		
			(重列)	(重列)		
總資產	Total assets	1,231,110	1,419,810	1,424,722	1,357,703	1,247,246
總負債	Total liabilities	(148,008)	(255,032)	(244,889)	(188,564)	(129,180)
少數股東權益	Minority interests	(16,313)	(16,358)	(14,873)	(20,614)	(21,409)
		1,066,789	1,148,420	1,164,960	1,148,525	1,096,657

固定資產

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70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詳情載於財務報表附註26。

FIXED ASSETS

Details of movements in the fixed assets of 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 70.

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 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及綜合權益變動表。

可分派儲備

於二零零四年三月三十一日，本公司根據百慕達一九八一年公司法(經修訂)的規定計算之可作派發儲備總額為港幣312,832,000元，其中約港幣116,383,000元擬用以派發本年度之末期特別股息。此外，分別港幣478,773,000元及港幣1,619,000元之股份溢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181,000元。

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 (主席兼董事總經理)

鄧國棠先生

吳玉華女士

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

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 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2004, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK\$312,832,000 of which approximately HK\$116,383,000 has been proposed as a final special dividend for the year. In addition, the 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\$181,000.

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*)

Tang Kwok Tong Simon

Ng Yuk Wah Eileen

Independent non-executive directors

Au Man Chung Malcolm

Wong Chi Yun Allan

Chiang Yun Rachel

Liu Hui Allan

根據本公司細則第一百一十條A，黃子欣先生及劉暉先生將會告退，但願在下屆股東週年大會上膺選連任。

董事簡歷

本公司及本集團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：

孫大倫博士
鄧國棠先生

於二零零四年三月三十一日，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。

In accordance with bye-law 110A of the Company's bye-laws, Mr. Wong Chi Yun Allan, and Mr. Liu Hui Allan, will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' BIOGRAPHIES

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

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 as at 31 March 2004 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。

董事於股份及相關股份之權益及淡倉

於二零零四年三月三十一日，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，或須根據上市規則列載之上市公司董事進行證券交易標準守則知會本公司及香港聯合交易所有限公司（「聯交所」）之權益如下：

本公司普通股好倉：

Name of director	Nature of interest	Notes	Capacity	Number of shares	Percentage of the shareholding in the Company 於本公司 之持股百分比
董事	權益性質	附註	持有性質	股份數目	
Sun Tai Lun	Personal	(i) & (v)	Beneficial owner	2,000,000	
Dennis	Corporate	(ii)	Beneficiary of a trust	11,242,000	
孫大倫博士	and others	(iii)	Founder	700,034,214	
	個人權益		實益擁有人		
	公司權益		信託擁有人		
	及其他權益		創辦人		
				713,276,214	61.28
Ng Yuk Wah	Personal	(v)	Beneficial owner	250,000	0.02
Eileen	個人權益		實益擁有人		
吳玉華女士					
Tang Kwok Tong	Personal	(iv) & (v)	Beneficial owner	800,000	0.06
Simon	個人權益		實益擁有人		
鄧國棠先生					

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2004, the interests and short positions of the directors in the share capital 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 Companies, were as follows:

Long positions in ordinary shares of the Company:

相聯法團股份好倉：

Long positions in shares of the Associated Corporations:

Name of director	Name of associated corporations	Notes	Capacity	Number of shares	Percentage of shareholding in the associated corporations 於本公司之持股百分比
董事	權益性質	附註	持有性質	股份數目	之持股百分比
Sun Tai Lun Dennis 孫大倫博士	Searich Group Limited	(ii)	Beneficiary of a trust 實益擁有人	25	
	-do-	(iii)	Founder of a trust 信託創辦人	75	
				100	100
Sun Tai Lun Dennis 孫大倫博士	Fine Products Limited	(iii)	Founder of a trust 信託創辦人	103,000,000	100

附註：

Notes:

- (i) 股份數目包括 1,000,000 股股份及可購入 1,000,000 股本公司股份之購股權。
- (ii) 孫大倫合共擁有 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 Trident Corporate Services (B.V.I.) Limited (前為 Ansbacher (BVI) Limited) (作為代表孫大倫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 25%。
- (iii) 再者，由於孫大倫是 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 75% 由 Fine Products Limited 持有，故孫大倫被視為擁有 Fine Products Limited 持有的 700,034,214 股股份之權益。Fine Products Limited 及 Searich Group Limited 所持權益資料詳見下文「主要股東及其他個人股份權益及相關股權」部份。
- (iv) 股份數目包括 400,000 股股份及可購入 400,000 股本公司股份之購股權。
- (v) 有關董事持有本公司購股權之詳情被分載於財務報表附註 26 購股權計劃內。
- (i) The number of shares includes 1,000,000 shares and the options to acquire 1,000,000 shares in the Company.
- (ii) Sun Tai Lun Dennis 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 Trident Corporate Services (B.V.I.) Limited (formerly "Ansbacher (BVI) Limited") in its capacity as the trustee of The Dennis Family Trust, a trust established for the benefit of Sun Tai Lun Dennis and his family members. Dago Corporation also held 25% of the share capital of Searich Group Limited.
- (iii) In addition, Sun Tai Lun Dennis was deemed to be interested in 700,034,214 shares 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 Searich Group Limited was held by Fine Products Limited. Details of the interest of Fine Products Limited and Searich Group Limited can be found in the section of "Substantial shareholders' and other persons' interests in shares and underlying shares" below.
- (iv) The number of shares includes 400,000 shares and the options to acquire 400,000 shares in the Company.
- (v) Details of the directors' interests in the share options of the Company are separately disclosed in the share option scheme disclosure in note 26 to the financial statements.

除上文所披露者外，於二零零四年三月三十一日，本公司董事或彼等之聯繫人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、相關股份及債權證中概無擁有權益或淡倉，而須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所（包括彼等根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；或根據證券及期貨條例第352條須載入該條所述之登記冊內；或根據上市規則列載之上市公司董事進行證券交易標準守則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。

Save as disclosed above, as at 31 March 2004, none of the directors of the Company and their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she had taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified of the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above and in the share option scheme disclosure in note 26 to the financial statements, at no time during the year were rights granted to any directors or their respective spouse, or minor children, 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.

主要股東及其他個人股份權益及相關股權

於二零零四年三月三十一日，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權益或淡倉：

(1) 可於本公司任何之股東大會上行使或控制行使10%或以上投票權之主要股東之好倉：

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

As at 31 March 2004, the following persons had interests or short positions in the shares and the underlying shares of the Company 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 who were entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Company.

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 孫大倫博士	Beneficial owner 實益擁有人	1,000,000		
	Share option 購股權	1,000,000		
	Beneficiary of a trust Founder 信託創辦人及權益擁有人	11,242,000 700,034,214		
		713,276,214		61.28
Fine Products Limited	Beneficial owner & interest of controlled corporation 實益擁有人及控股公司權益	700,034,214	(i) & (ii)	60.15
Searich Group Limited	Interest of controlled corporation 控股公司權益	600,034,214	(i) & (ii)	51.56
Trident Corporate Services (B.V.I) Limited (formerly Ansbacher (BVI) Limited) (前為 Ansbacher (BVI) 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	713,276,214	(ii) & (iii)	61.28

(2) 可於本公司任何之股東大會上行使或控制行使5%或以上投票權之其他人士之好倉：

(2) Long positions of other persons who were entitled to exercise or control the exercise of 5% or more of the voting power at any general meeting of the Company:

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	
The China Retail Fund, LDC	Beneficial owner 實益擁有人	101,802,632		8.74
Fung Kwok Lun William馮國綸	Interest of 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 controlled corporation 受控法團權益	70,000,000		6.01
King Lun Holdings Limited	Interest of 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之信託人身份所擁有。

(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) 該等權益已包括在孫大倫之權益之內。

(ii) Such interest has been included as the interest of Sun Tai Lun Dennis.

(iii) 鄧秀英被視為透過配偶孫大倫之權益而擁有713,276,214股公司股份權益，其中包括1,000,000股購股權。

(iii) Tang Sau Ying was deemed to be interested in 713,276,214 shares of the Company, which includes the 1,000,000 share option held, through the interests of her spouse, Sun Tai Lun Dennis.

(iv) 馮國綸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。

(iv) The interests of 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) 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，於二零零四年三月三十一日，本公司備存之權益登記冊內並無記有任何其他人士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XV部第2及3分部向本公司披露或須列入本公司遵照證券及期貨條例第336條而須予備存之登記冊內。

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年內集團營業額33.41%及10.15%。

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81.17%及71.60%。

據各董事所知，並無董事、其聯繫人士或擁有本公司股本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

於截至二零零四年三月三十一日止之年度內，本公司已遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄十四所載之最佳應用守則。

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。

(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.

Saved as disclosed above, as at 31 March 2004, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

Sales to the Group's five largest customers and the single largest customer accounted for 33.41% and 10.15%, 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 81.17% and 71.60%, 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

The Company has complied throughout the year ended 31 March 2004 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited.

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 four independent non-executive directors of the Company.

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

主席兼董事總經理

香港

二零零四年七月十五日

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 and Managing Director

Hong Kong

15 July 2004