

annual report 年報
2006/07



CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED

中港照相器材集團有限公司
(Stock Code: 1123)

Corporate Profile

公司概況

China-Hongkong Photo Products Holdings Limited (Stock Code: 1123) has a long-established business partnership with Fujifilm Japan as the sole authorised distributor of Fujifilm products in Hong Kong and Macau since 1968. The Group has established an extensive network of importers and distributors in these two markets.

In July 2001, the Group acquired Fotomax Holdings Limited and broadened its network from wholesale to include retail business. Through this expansion, the Group operates Fotomax, a leading retail chain that provides photographic processing services across Hong Kong. Fotomax shops use Fujifilm digital laser printing technology to provide high quality photofinishing and digital output services. Fotomax also provides a full range of imaging services include digital imaging and professional imaging services as well as the sales of other imaging related accessories.

In Mainland China, the Group operates a joint venture company in Beijing and has two wholly-owned enterprises in Hainan and Sichuan. In 2005, the Group established a wholly-owned subsidiary in Beijing to further expand its wholesale and retail services network following the granting of certificates through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), as preferred Hong Kong wholesale and retail service supplier.

China-Hongkong Photo Products Holdings Limited was incorporated in Bermuda on 6 July, 1994 and listed on the Stock Exchange of Hong Kong on 19 September, 1994. The Group is held by the public (38.8%) and by its founder, the Sun family (61.2%) through Searich Group Limited, Fine Products Limited and Dago Corporation.

中港照相器材集團有限公司(股份代號：1123)與日本富士為長久的業務夥伴，自1968年以來一直為富士產品於香港及澳門的唯一認可經銷商。集團已在這兩個市場建立廣泛的入口商及分銷商網絡。

2001年7月，集團購入快圖美控股有限公司，將分銷網絡的業務擴展至零售層面。快圖美是香港最具規模的影像服務連鎖店，通過是次收購擴張，集團涉足快圖美的業務。快圖美利用富士的數碼激光沖印科技提供高質量的沖印及數碼沖印服務。快圖美亦提供一系列的影像服務，包括數碼影像及專業影像服務，以及銷售其他相關影像產品。

在中國大陸，集團於北京設有一間合營公司並於海南及四川開設兩間獨資公司。2005年，隨著中國內地與香港更緊密經貿關係安排授予集團證書作為首選的香港批發及零售服務供應商後，集團已在北京設立一間全資附屬公司，以進一步擴大其批發及零售服務網絡。

中港照相器材集團有限公司於1994年7月6日在百慕達註冊成立，並於同年9月19日在香港聯合交易所上市。集團百分之38.8%股權由公眾持有，而其餘61.2%則由創辦人孫氏家族透過Searich Group Limited, Fine Products Limited及Dago Corporation所擁有。

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Mission Statement

We have a long-term perspective and commitment to the imaging and information business in mainland China, Hong Kong and Macau. We strive to achieve steady growth and a prudent return on shareholders' funds. China-Hongkong Photo is dedicated to providing customers with quality products and services, and to contributing to the communities in which we do business.

企業宗旨

我們對於目前在中港澳三地經營的影像及資訊業務抱有長遠的使命感。我們會確保集團有穩健的增長，股東獲得合理的回報。我們更承諾為顧客提供最優質之產品及服務，並積極貢獻社會。

Corporate Principles

- Fostering strong internal relationships between management and employees
- Creating an environment that will encourage employees to be confident and competent
- Empowering our staff to boost employees' morale
- Striving to provide quality service and distribute diversified products to our customers' satisfaction
- Commitment to effective and open communication with our shareholders, our customers, our colleagues and the community
- Actively seeking opportunities to help the community

企業信念

- 建立緊密及良好的從屬關係
- 建立理想的工作環境，培養稱職及具自信的員工
- 適當授權予員工，提高員工之士氣
- 提供卓越服務及多元化產品，令顧客稱心滿意
- 與股東、顧客、員工及社會保持有效之溝通
- 回饋社會

Financial Highlights

財務摘要

Consolidated profit and loss data

Year ended 31 March 2007

綜合損益表資料

截至2007年3月31日

		2007 HK\$'000	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
Revenue	收益	827,204	1,250,595	1,232,828	1,395,111	1,735,428
Profit/(loss) before taxation	除稅前溢利／(虧損)	233,714	120,499	44,910	(57,363)	16,447
Tax	稅項	(14,979)	100	195	(4,329)	3,463
Profit/(loss) before minority interests	除少數股東權益前之溢利／(虧損)	218,735	120,599	45,105	(61,692)	19,910
Minority interests	少數股東權益	89	(103)	240	45	(1,485)
Profit/(loss) attributable to shareholders	股東應佔溢利／(虧損)	218,824	120,496	45,345	(61,647)	18,425
Dividends	股息	(104,744)	(74,485)	(128,021)	(128,021)	(34,915)
Per share data	每股資料	HK cents	HK cents	HK cents	HK cents	HK cents
Earnings/(loss)	盈利／(虧損)	18.80	10.35	3.90	(5.30)	1.58
Interim dividend	中期股息	3.8	2.2	1.00	–	2.00
Interim special dividend	中期特別股息	–	–	–	1.00	–
Proposed final dividend	擬派末期股息	5.2	4.2	2.00	–	–
Proposed final special dividend	擬派末期特別股息	–	–	8.00	10.00	1.00

Consolidated balance sheet

As at 31 March 2007

綜合資產負債表

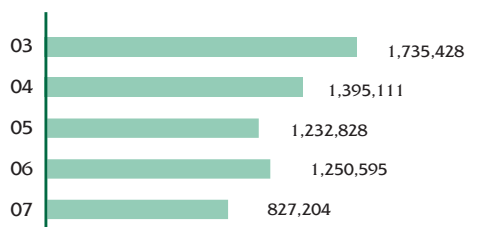
於2007年3月31日

		2007 HK\$'000	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
Property, plant and equipment	物業、廠房及設備	50,434	98,176	116,306	144,849	200,706
Investment properties	投資物業	103,248	35,958	35,850	35,900	3,919
Goodwill	商譽	35,878	35,878	35,878	38,075	40,273
Time deposits	定期存款	–	38,785	54,579	15,594	–
Cash and cash equivalents	現金及現金等值項目	965,257	617,420	540,976	515,336	359,415
Other net current assets/(liabilities)	其他流動資產淨值／(負債)	(36,482)	117,996	190,270	329,335	556,872
Total assets over current liabilities	總資產減流動負債	1,133,248	980,556	1,002,639	1,085,030	1,166,842
Minority interests	少數股東權益	(16,087)	(16,176)	(16,073)	(16,313)	(16,358)
Non current liabilities	非流動負債	(8,363)	(4,898)	(2,503)	(1,928)	(2,064)
Shareholders' funds	股東資金	1,108,798	959,482	984,063	1,066,789	1,148,420
		%	%	%	%	%
Debt to equity ratio	債務與資本比率	–	–	–	–	6.00
Return on equity	資金回報率	19.74	12.56	4.61	N/A	1.67
Dividend pay-out ratio	派息率	47.89	61.84	282.05	N/A	179
Current ratio	流動比率	985.15	626.78	665.21	678.22	462.21

Revenue

收益

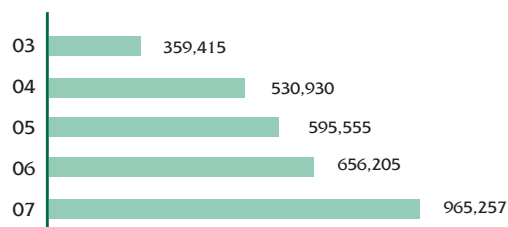
HK\$'000
港幣千元



Cash balance

現金結餘

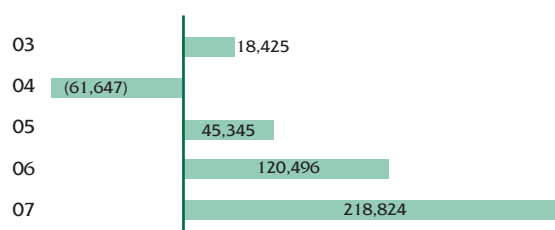
HK\$'000
港幣千元



Profit/(loss) attributable to shareholders

股東應佔溢利／(虧損)

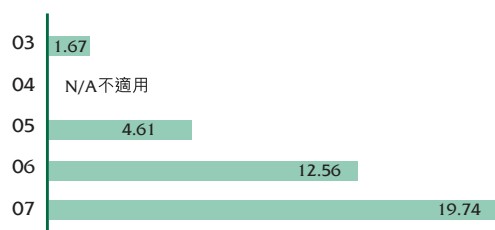
HK\$'000
港幣千元



Return on equity

資金回報率

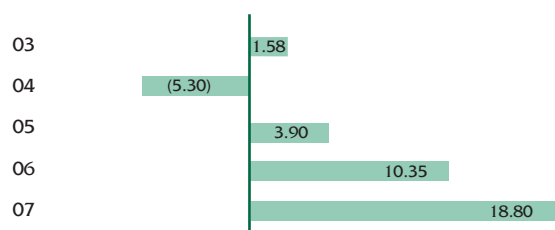
%
百分比



Earnings/(loss) per share

每股盈利／(虧損)

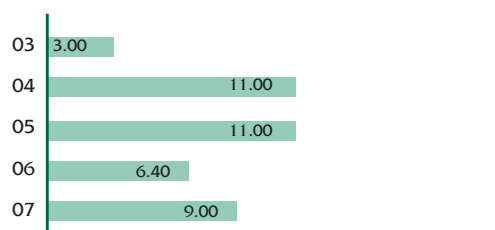
HK ¢
港仙



Dividend per share

每股股息

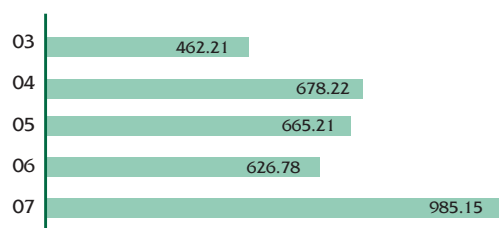
HK ¢
港仙



Current ratio

流動比率

%
百分比





We are confident that our continued commitment to innovation and creativity will result in new and unique products which will achieve better customer service. We believe this will enable the Group to derive maximum business returns in coming years.

集團深信，憑藉集團不斷致力發揮創意與創新，定可發展出嶄新而獨特的產品，從而為顧客提供更佳客戶服務。集團相信，此經營方針將為集團未來數年帶來更高的商業回報。

The emergence of digital technology during the past few years has completely re-shaped the global imaging industry. Indeed, if we take a broader view, few other industries have faced such a significant transformation. In the course of less than a decade, the industry has experienced a revolution from analogue and traditional film imaging to entirely new modes of digital imaging technology.

Entering into 2007, China-Hongkong Photo Products Holdings Limited (referred to as "the Group" hereafter) witnessed new and emerging trends as a result of these shifts and we look forward to capitalising on the opportunities presented as we celebrate our 40th year of successful operation.

In recent years, fierce competition in the new global digital market has witnessed its contraction with several of Fujifilm's competitors ceasing operations. To ensure that our business adapts successfully to this new environment and continues to generate profitable revenue growth from the digital imaging market, the Group has made important strategic adjustments to its business model. This will ensure that the Group stays ahead of the global shift in demand for new imaging technologies.

過去數年，數碼科技的崛起令全球影像業的面貌被重新塑造過來。若從較宏觀的角度分析，如此急劇的演變實際上在過往任何其他行業均絕無僅有。在不足10年的日子，影像業已從模擬及傳統菲林影像演變至全新數碼影像科技模式。

踏入2007年，在中港照相器材集團有限公司（下稱「集團」）所見證下該等技術轉變而造成的全新形勢，欣逢集團慶祝成立40週年，集團期盼抓緊所展現的機遇使業務繼往開來。

近年，新形成的全球數碼市場由於競爭激烈而出現萎縮，數個富士的競爭對手已結業離場。為確保集團的業務順利適應新的經營環境，並繼續從數碼影像市場取得最佳的利潤收益增長，集團已對經營模式作出重要的策略調整，確保集團在全球新影像科技需求轉移中能繼續早著先機。

The consolidated revenue for the year under review amounted to HK\$827 million, while the net profit attributable to shareholders was HK\$219 million. This is an increase of 81.6% compared with the previous year. The Group's dynamic response to distribution channels, and the corporate restructuring undertaken during the year contributed significantly to these positive results.

During the fiscal year, the sales performance of the imaging business was exceptional. With the prospect of increased demand for imaging services arising from the forthcoming Olympic Games in Beijing 2008, coupled with encouraging tourism growth, we expect to see a continued increase in our retail business.

Performance of Fotomax, the Group's wholly owned subsidiary, is very encouraging with the volume of digital prints experiencing a 10% rise in the year under review. Since its inception in 2002, digital printing demand has consistently recorded an outstanding performance and the total cumulative volume stands at more than 200 million prints. To take further advantage of this market, two elite online partnerships projects have been launched. Fotomax now supports the delivery of quality printing services to Sina Hong Kong, a highly popular website, and 'Snaap!' which was launched by Netvigator, PCCW, one of Hong Kong's best Internet Service Providers. Online digital photo prints have created a new business channel and reinforced consumers' loyalty, which has seen an increase of 33% in sales compared to the last fiscal year.

The Group will continue to explore more own brands following the successful launch of two digital imaging business brands in November 2005. We are confident that our continued commitment to innovation and creativity will result in new and unique products which will achieve better customer service. We believe this will enable the Group to derive maximum business returns in coming years.

It is widely acknowledged that the demand for traditional imaging products has been shrinking. Consequently, the Group has been working hard to maintain the profit margin for both its wholesale and retail businesses. To date, we have been very successful in growing revenue from digital products and services. In line with the continuous growth of the Hong Kong economy, coupled with a buoyant tourism industry supported by visitors from Mainland China, we expect to see continued robust sales of digital cameras.

於回顧年度，綜合收益為港幣8.27億元，並錄得股東應佔純利港幣2.19億元，較對上年度增長81.6%。良好的業績主要受惠於年內集團對分銷管道狀況的迅速反應，及所進行的企業重組。

於本財政年度，影像業務的銷售表現非常突出。2008年北京奧運會舉行在即為影像服務帶來的需求增長前景，加上旅遊業的蓬勃發展，集團預計其零售業務也會伴隨增長。

集團全資附屬公司快圖美表現優良，數碼相片總沖印量於回顧年度上升10%。數碼相片沖印業務自2002年展開以來需求穩步上升，表現理想，累積總沖印量超過二億張相片。為進一步把握該市場的商機，集團已開展與兩家著名互聯網企業的合作夥伴計劃。快圖美現已支援新浪網香港（一個廣受歡迎的網站）及「Snaap!」（由香港最佳互聯網服務供應商之一電信盈科網上行推出）提供高質素相片沖印服務。網上數碼相片沖印已開創一條新的生意管道，並鞏固了顧客的忠誠度，從銷售額較對上財政年度增長33%可見一斑。

繼2005年11月成功推出兩個數碼影像業務品牌後，集團將繼續探索創立其他自有品牌。集團深信，憑藉集團不斷致力於推陳出新和發揮創意，定可發展出嶄新而獨特的產品，從而達致更佳的客戶服務。集團相信此經營方針將可為集團未來數年帶來最高商業回報。

眾所周知，傳統影像產品的需求正在萎縮，集團因此已一直在努力維持批發及零售業務的邊際利潤。直到目前為止，集團於提升來自數碼產品和服務的收入方面成績甚佳。配合香港經濟的持續增長，加上中國大陸旅客帶動下旅遊業一片興旺，集團預期數碼相機的銷售會繼續強勁增長。



Cartoon character promotion
卡通人物推廣活動



A wide variety of image
items for you to express
your special thought to your
beloved.

多元化影像產品送上無限
心思。

To sustain profitability, the Group remains focused on keeping abreast of changes and marketing developments in the imaging industry. To offset the impact of increasing competition from other imaging companies, we are imposing tight cost controls and will remain strategically focused on the most promising business areas. We will secure our profit levels through effective management of expenses, distribution networks and inventory control.

Looking forward to the next year, the Group plans to further broaden its retail programs, placing strong emphasis on digital imaging services. We are also planning to strengthen the technological capabilities of our front-line staff to accommodate new digital products and servicing. Through these initiatives, we expect to see sustainable business growth into the future.

This focus on new product lines and brands will see a reallocation of resources from subsidiaries, Fuji Photo Products (China) Co. Ltd., Fuji Graphic Arts Products Ltd. and Fuji Medical Products Ltd., the Group's wholly owned subsidiaries. This follows the termination of the distributor arrangement for Fujifilm Japan and will see a drive to new growth areas.

Like all successful corporate endeavours, we cannot survive without a strong belief and commitment in our business strategies. I firmly believe in the motto "perseverance is vital to success", and believe that with this shared commitment from staff at all levels, success will result. The Group will continue to grow and prosper with this philosophy embedded in our strategic business goals.

Finally, on behalf of the management and the board of directors, I would like to thank the Group's business partners, stakeholders and all our staff for their continuous support over the past years.

集團繼續專注於緊貼影像業的轉變與市場推廣發展，確保能夠維持盈利。為了抵消與其他影像公司的競爭加劇帶來的影響，集團實施嚴格的成本控制措施，並繼續有策略地專注於前景最優越的業務範疇。集團將透過有效的開支、分銷網絡及存貨控制管理，確保維持一定的盈利水平。

展望來年，集團計劃進一步擴展零售業務計劃，重點發展數碼影像服務。集團亦計劃加強前線員工的科技能力，以配售推出新的數碼產品和服務。通過此等措施，集團認為達致持續業務增長乃指日可待。

由於改以新產品系列及品牌作為重點，集團全資附屬公司富士攝影器材(中國)有限公司、富士印刷器材有限公司及富士醫療產品有限公司的資源將會重新分配。是次轉變是在與日本富士的代理商安排終止後作出的，其將引領集團開展新的業務範疇。

正如所有成功企業的奮鬥歷程，集團全憑堅守信念及貫徹執行業務策略，得以屹立不倒。本人深信古諺「大業成於百折不撓」的真諦，並且堅信，在全體員工上下一心投入下，集團定能取得成果。集團將秉持這理念並將其融入集團的策略性經營目標，務使集團繼續邁步成長，欣欣向榮。

最後，本人謹代表管理層及董事會，衷心感謝集團的業務夥伴、股東及全體員工過去多年來一直給予的支持。

Dr Sun Tai Lun Dennis
Chairman

孫大倫博士
主席



FinePix S5Pro camera print ad
富士 FinePix S5Pro 數碼相機平面
廣告



Ultra compact digital camera
received high acclaim from
the youth.

小巧輕便的數碼相機極受年輕
人歡迎。

FUJIFILM



FinePix **fd** Face Detection



Advanced image intelligence technology equals more beautiful faces...
more sweet memories... and more sophisticated captures!
卓越的智能科技帶給您更多可愛的笑臉... 更多甜蜜的回憶... 更多完美細緻的影像!



Operations Review

業務回顧

OVERVIEW

The rapidly changing imaging industry has seen a number of the Group's former competitors unable to adapt and respond to the new marketplace. While the Group has risen to this challenge by adopting innovative and responsive business strategies, the highly competitive market combined with a much-shortened product life cycle poses new challenges and places extra pressure on the profit margins of the imaging business. This has seen the contraction of the market with a number of businesses unable to adapt forced to close.

By contrast, the Group has embraced these challenges making several strategic adjustments in line with new distribution opportunities. Responding to the rising demand for diversified digital imaging products, the Fotomax network successfully developed two new brands that significantly boosted business during the year in review. The Fun2Print and FotoPress schemes do not simply value-add but also meet the new digital demands of the Group's retail customers and demonstrate our commitment to innovation.

REVENUE AND PROFIT

The Group's total revenue for the year ended 31 March 2007 was HK\$827 million, a drop of 33.9% compared with 2006. A net profit attributable to shareholders of HK\$219 million was recorded, a 81.6% increase over the previous year. Earnings per share were HK18.8 cents.

概覽

在影像業迅速轉變下，多位本集團過往競爭對手未能適應及回應新的市場環境。儘管本集團已藉採納創新而具針對性的業務策略有效回應這項挑戰，但競爭激烈的市場，加上產品的市場週期大幅縮短，為影像業務的邊際利潤帶來新挑戰並且倍添壓力。因此，多位同業未能適應而被逼結業，導致市場萎縮。

相對之下，集團積極面對該等挑戰，因應新的分銷商機作出多項戰略調整。鑒於市場對多元化的數碼影像產品需求日增，快圖美網絡成功發展兩個全新品牌，大大刺激回顧年度內的業務。Fun2Print及FotoPress計劃不單為服務增值，更加迎合了本集團零售客戶新的數碼服務需求，亦充份反映本集團對創新的堅持。

收益及溢利

集團截至2007年3月31日的收益總額為港幣8.27億元，較2006年下跌33.9%。股東應佔純利為港幣2.19億元，較去年增長81.6%。每股盈利為港幣18.8仙。



D&P Easter promotion
復活節沖印推廣活動



Fun2Print promotion
「快趣印」推廣活動

WHOLESALE

With the transformation of imaging from analogue to digital, total sales of film continued to fall, recording a decrease of 34.4% compared to the previous fiscal year. However, instant products recorded a strong growth of 28.2%. Aggregate sales of digital cameras were up by 9.1% due to the quality and superior functions of the Group's products, such as ultra-high sensitivity and quick-shooting response features.

The two most popular digital camera models during the year were FinePix F30 and FinePix Z5fd. FinePix F30 became the world's first pioneer digital compact camera with ISO 3200 sensitivity whilst the FinePix Z5fd was recognized as the "Best Compact Digital Camera 2006" and the "Best Ultra Compact Digital Camera 2007" by Europe's TIPA (Technical Image Press Association). With the outstanding performance of the world's fastest new feature "face detection" which optimizes focus and exposure, FinePix F31fd became the year's market winner.

In the professional market, the digital SLR camera FinePix S5Pro recorded strong popularity among professional users. Two additional models that have recorded increased sales performance during the fiscal year were the SLR-like FinePix S9600 and the FinePix S6500.

批發

隨著影像業從模擬技術轉向數碼化，攝影菲林的總銷售額繼續下滑，其較上一個財政年度下跌34.4%。然而，即影即有產品錄得28.2%的強勁增長。由於本集團所售產品具備如高感光度及極速快門等優良性能及卓越功能，使數碼相機的總銷售額上升9.1%。

年內，FinePix F30及FinePix Z5fd數碼相機為最受市場歡迎的兩種數碼相機型號。FinePix F30成為全球首部具備ISO 3200感光度的革命性輕便數碼相機，而FinePix Z5fd被歐洲TIPA（技術影像新聞媒體協會）評為「2006年最佳輕便數碼相機」及「2007年最佳超輕便數碼相機」。而Fine Pix F31fd則憑藉擁有全球最快速的臉部識別技術，可達致最適切焦距和曝光的出色表現，令它成為今年市場的贏家。

在專業市場，FinePix S5Pro單鏡反光數碼相機在專業用家中深受歡迎。另外兩種型號：Fine Pix S9600半專業數碼相機及Fine Pix S6500數碼相機，同樣在本財政年度內錄得銷售額增長。



Bus advertisement
巴士廣告



Fujifilm FinePix F31fd camera
print ad
富士 FinePix F31fd 數碼相機
平面廣告



Digital photographic exhibition
數碼攝影展覽

In the coming year, the Group envisages a continued upsurge in the economy which will result in increased consumer confidence and a rise in the propensity to buy, boding well for consumption of the digital market. The Group expects more people will be drawn to state-of-the-art, high quality digital products.

During the fiscal year, increased consumer demand for printing with photographic paper and digital minilabs contributed to a 5.4% growth in total sales of photofinishing products. Building on our commitment to quality and leveraging off the brand equity of the Group's photofinishing and equipment offerings, we foresee continued growth in this area.

The Group has adopted a strategic approach to growing the market for innovative imaging products and services. Measures include strengthening the FDI networks, upgrading imaging software, and extending our promotional network. Special attention has also been paid to upgrading the technological and photofinishing knowledge of frontline staff, critical in meeting the needs of well-informed consumers. Training of frontline staff will be boosted in terms of both resources and knowledge.

來年，集團預計經濟增長將會加強消費者的信心，令消費意慾增加，這對數碼產品消費市場實為佳兆。集團預期會有更多人購買高科技的優質數碼產品。

於本財政年度內，客戶對相紙沖印及數碼沖印之需求增加令沖印產品的總銷售額增長5.4%。本集團憑著提供優質產品並致力建構本集團沖印服務及器材供應的品牌價值，預期此業務範疇會繼續增長。

集團對增加創新影像產品及服務的市場採取的戰略方法，包括強化富士數碼激光沖印服務 (FDI) 網絡、更新影像軟件、擴大推廣層面等措施。集團特別集中提升前線員工於科技與相片沖印方面的知識，此對於知識豐富的客戶提供服務尤其重要。集團會在資源和知識兩方面增強對前線員工的培訓。



The Group promotes the photographic arts through seminar.

集團透過舉辦攝影分享會推廣攝影藝術。

快圖美 婚禮

Fotomax One-stop Wedding Services 一站式服務



FotoBook

快圖美完美精裝相冊



快圖美相片修補服務

Fotomax Photo Retouching Service

Fotomax provides user-friendly photofinishing services which are close to the hearts of our customers and strives to uphold its winning position in the market. 快圖美不斷為顧客提供各種關懷貼心的相片沖印服務，奮力保持市場的領導地位。

快圖美 FOTOMAX





Mother's Day promotion
母親節宣傳活動



Chinese New Year special
promotion
農曆新年特別推廣活動

RETAIL

In the past fiscal year, the Group added one outlet to the Fotomax shops network, bringing the total number of shops in Hong Kong to 91. Total sales of the retail segment decreased by 4.8%, reflecting the reduced demand for traditional film products.

As the market moves towards high-quality digital prints, the core business of Fotomax has undergone a transition from film to digital printing. Sales and quantity of digital output have overtaken that of film products. In the year under review, we saw a 10% total growth in the volume of digital printing. We expect to see continued growth of sales in digital printing over the next year, reflecting the overall market transition from film to digital printing.

The new Digital Kiosk, a compact and smart computer-assisted terminal, allows customers to order digital prints themselves with just a few touches on a touch-screen monitor. The kiosk installation plan was successfully implemented in the fiscal year of 2006 in response to the continued upsurge in demand for digital photo services. The Digital Kiosk is convenient for customers, offering greater capacity to customize, edit and order their prints and meets the demands of a technologically-savvy younger generation. During the past year, the Group installed 66 new Digital Kiosks, bringing the total number of kiosks to 180. Print orders received from Digital Kiosks increased by 50% and they have become the preferred method of photographic printing.

零售

在過去的財政年度，集團旗下快圖美門店網絡新增了一間分店，使快圖美在香港的分店總數達91間。零售業務的總銷售額下跌4.8%，反映傳統菲林產品的需求下降。

由於市場需求轉向優質數碼影像沖印，故快圖美的核心業務已經從菲林沖印轉向數碼影像沖印。數碼影像輸出在銷售額及沖印量均已超越菲林沖印。在回顧年內，數碼沖印的總沖印量增長10%。集團預計未來數碼影像沖印一年的銷售額持續增長，反映整體市場從菲林沖印轉向數碼影像沖印。

新式「數碼站」為一種小型智能電腦輔助終端機，顧客只需在其輕觸式螢幕上按數個鍵即可自行訂購數碼相片。數碼站安裝計劃在二零零六財政年度順利實行，以應付數碼相片服務持續激增的需求。此數碼站讓顧客沖印相片時更快捷，並增強功能讓客人規格化、編輯及訂購相片，迎合愛好新科技的年輕一代的需要。於過去一年，集團增添66台新的「數碼站」，使總數達180台。來自「數碼站」的沖印訂單增加50%，已成為顧客心目中優先選擇的沖印相片方式。

Following the introduction of the Octopus Card system in Fotomax shops in 2005, Fotomax launched the “Octopus Rewards Programme” in November 2006 to high acclaim from customers. This commitment to meeting and responding to the rapidly changing needs of customers who continue to want quality products combined with convenience and ease of use has ensured that the Group has kept abreast of the fast-changing marketplace.

New media is touching daily life on an increasing basis and most customers are now familiar with internet services and online payment schemes. The Group has therefore upgraded the functionality and usability of Fotomax.com. A re-launch scheme in 2005 offered a one-stop platform for digital photos and gift items. Since then, the number of members’ registrations has continued to grow. In the year under review, online sales grew by 33%. We expect to see this trend continue in coming years as more and more customers adopt the online platform.

The Group actively looks for market expansion and has identified a number of new growth areas targeting specific customer segments such as schools, commercial corporations and associations. We actively promoted one-stop photography services to these new customer clusters, which resulted in a sales increase of 24% in the past fiscal year. Total sales of Fun2Print also increased by 153% compared with the previous year.

繼快圖美店舖於2005年安裝八達通系統後，快圖美於2006年11月推出「八達通日日賞」計劃，顧客反應相當熱烈。本集團致力滿足及回應講究產品質素並追求快捷易用的顧客素求，以確保本集團可緊貼日新月異的市場。

新興媒體與日常生活接觸日趨密切，大部分顧客都懂得網上服務和網上付款系統。因此，集團已革新Fotomax.com的功能和用途。網站於2005年以新面貌重新推出，提供數碼相片和禮品訂購一站式平台。自此，登記會員數目持續上升。於回顧年內，網上銷售額增加33%。集團預期使用網上平台的客戶將會不斷上升，此趨勢將於未來數年持續。

集團積極尋求擴大市場，並已確認數個增長範疇，已鎖定的特定顧客群為學校、公司及團體客戶。集團積極向這些新客戶群推廣一站式攝影服務，令銷售額於過去的財政年度增加24%。Fun2Print的總銷售額也較去年增加153%。



All Fotomax shops accept Octopus payment
全線快圖美店接受「八達通」付款



Hong Kong singer Ms Ella Koon helps to promote the on-line printing services.
香港歌手官恩娜協助推廣網上沖印服務。

Looking ahead, Fotomax will celebrate its 25th anniversary in 2007 and is about to launch a series of programmes as a tribute to the loyalty of our customers. These include a photographic competition, television advertising campaign and brand building promotions with the aim of promoting photographic printing in the digital era.

Sixty new Digital Kiosks will be added or replaced to facilitate print ordering. The online interface will also be revamped in Summer with a new shopping cart feature for image gift items. The development of new mini-websites is also underway to encourage personal or corporate clients to try one-stop image solutions for printing, archiving and sharing digital images. Moreover, new stand-alone Fotomax kiosks with Octopus payment will be installed at shopping malls, public transit areas and supermarkets as part of our business expansion strategy.

In response to the rising demand from the corporate business market, Fotomax will further enhance its quality services by upgrading imaging-related hardware and software to facilitate the needs of the growing event market.

展望未來，快圖美會於2007年慶祝25週年，並計劃推出連串活動向長期客戶致意，當中包括攝影比賽、電視廣告及品牌樹立推廣活動，目的是推廣數碼年代的攝影沖印。

我們將增設或替換60台新「數碼站」，以應付沖印訂購的需要。網上介面亦將在今個夏季翻新，新增設影像禮品購物籃功能。集團亦正著手開發新迷你網站，向個人或公司客戶推廣包辦沖印、存檔及分享數碼影像的一站式影像解決方案。另外，作為其擴展業務策略其中一步，本集團將於購物商場、公共交通設施範圍和超級市場，裝設以八達通付款的獨立快圖美「數碼站」。

為把握公司商業市場需求不斷上升的機遇，快圖美將繼續更新影像相關硬件及軟件的配套，以進一步提升服務質素，從而滿足不斷增長的盛事活動市場需求。



Fotomax Photo Tips Booklet
「快圖美攝影貼士」小冊子

Brand Management

Strong brand management drives continuous growth by building and reinforcing long-term customer loyalty. During the year under review, strategic campaigns through public relations, advertising and promotional activities were implemented which delivered high impact images and messages to our targeted audiences.

For the wholesale business, the Group successfully leveraged Fujifilm's sponsorship of the 2006 FIFA World Cup Germany™, which provided unparalleled exposure of our brand globally through the world's most-watched sports event of the year. In Hong Kong, wholesale promotions featuring premiums with the FIFA World Cup logo proved to be highly popular. To stimulate the sales of photographic paper, locally-created cartoon characters "Panchi and Nana" were featured in the summer promotion.

In addition, a HK\$1 redemption promotion was also conducted to boost the sales of photofinishing products during the Christmas season. To create synergies for the Group's digital cameras and services, developing and photofinishing service lucky draw promotions were launched during Chinese New Year offering consumers the chance to win the popular FinePix digital camera. To increase market share and draw attention to our digital cameras, eye-catching advertisements were placed in various formats including print advertisements, outdoor billboards and MTR panels. Outdoor media panels, each over 23,000 square feet, were displayed in prime areas across Hong Kong to raise brand awareness of our digital cameras. Effective trade promotions in collaboration with several leading dealers in the Hong Kong retail market were also undertaken.

品牌管理

良好品牌管理可以建立及加強長期顧客的忠誠度，從而推動業務增長。於回顧年內，透過推行公關、廣告和宣傳活動等計劃，集團成功向目標客戶傳達了深入人心的形象和訊息。

在批發業務方面，集團憑藉富士贊助「2006年德國世界盃™」的機會，使本集團品牌可透過該年度全球最矚目的體育盛事獲得無可比擬的世界性曝光率。香港方面，提供印有世界盃標誌禮品的批發推廣活動證明深受歡迎。為促銷相紙，本集團以本地創作卡通人物「Panchi and Nana」作為其夏季推廣活動的主角。

此外，本集團於聖誕節期間推出港幣1元回贈推廣計劃，藉此提高沖印產品銷售。為實現集團數碼相機與服務之間的協同效益，本集團在農曆新年期間推出沖印服務幸運抽獎活動，讓顧客有機會贏取FinePix人氣數碼相機。為提升集團旗下數碼相機的市場佔有率及吸引公眾注目，本集團以多種模式投放醒目廣告，包括印刷廣告、大型戶外廣告牌及地鐵月台燈箱。集團在香港多個黃金地點展示的戶外廣告牌總面積超過23,000平方呎，以提高數碼相機的品牌知名度。本集團亦與多家香港零售市場主要分銷企業進行有效的聯合推廣活動。



Lucky draw promotion
幸運大抽獎推廣活動



Billboard advertisement
巨型廣告板

As a leader of photofinishing retail chain stores, Fotomax plays a major role in helping customers capture and preserve their most memorable moments, positioning itself as a caring and sensitive photo services provider. Several popular cartoon characters including Pingu, Keroro, Hello Kitty and Hanadeka were adopted during the year under review to stimulate the sales of digital photographic printing. A thematic promotional campaign featuring a photographic competition was launched to further strengthen its leading position in the digital business. More than 20,000 pieces of the *Fotomax Photo Tips* booklets were distributed to customers during the campaign.



Photographic competition was held to promote the digital printing.

快圖美舉辦攝影比賽活動
推廣沖印。

作為相片沖印連鎖店的翹楚，快圖美在協助顧客捕捉和保存珍貴時刻方面擔當著重要角色，並以一家關懷細心的照相服務供應商為本位。於回顧年內，為刺激數碼相片沖印的銷售額，本集團在其產品及服務加入了多個人氣卡通角色為主題，包括企鵝家族(Pingu)、軍曹(Keroro)、吉蒂貓(Hello Kitty)和Hanadeka。為進一步鞏固在數碼業務的領導地位，集團展開一項設有攝影比賽的主題推廣活動，期間向客戶分發了逾20,000份「快圖美攝影貼士」小冊子。

Social Responsibility

Consistent with the Group's long-standing business philosophy to put back into the community, a number of activities focusing on environmental protection and youth education were undertaken. During the year, the Group sponsored the Community Chest's "Greening for the Chest" programme, meeting its environmental protection principles.

Another significant community function sponsored by the group was the "Fujifilm Mini-Squash Promotional Campaign" organized by Hong Kong Squash which aims to promote a healthy lifestyle and a positive attitude among the younger generation. The scale of this campaign has grown so significantly during the years that the Hong Kong Government's Leisure and Cultural Department has incorporated the programme into its "Easy Sports Programme". To date, this remains the only official sports programme that has granted sponsorship status to a commercial brand. The number of beneficiaries of this programme including children, adults and educators has increased each year and the programme has received very positive feedback. With the Government's continued support, we expect this programme will grow to new heights with an increasing number of participants into the future.

社會責任

集團秉承其一貫的營商理念積極回饋社會，展開了多項以推廣保護環境及青少年教育為主的活動。年內，集團贊助了香港公益金「環保為公益」活動，正符合其重視環保的原則。

另一個由本集團贊助的主要社區活動是香港壁球總會主辦的「富士菲林小型壁球推廣活動」，向年輕一代推廣健康生活和灌輸積極人生觀。由於活動規模逐年擴大，香港政府康樂及文化事務署已把這項活動納入其「簡易運動計劃」，成為迄今為止唯一由商業品牌擔任贊助人的官方體育活動。這個活動的受惠者（包括兒童、成人及教育工作者）人數每年增加，並獲得很好的評價。借助政府的持續支持，集團預期未來該活動的參加人數更多，將活動推向新高峰。



The Group has sponsored the Community Chest consecutively for 20 years. 集團已連續贊助公益金達二十年。



Fujifilm Mini-Squash Promotional Campaign
富士菲林小型壁球推廣活動



Staff training
員工培訓



Staff training
員工培訓

Staff Development

Consistent with sound business practice in the service sector, our staff and our human resources function remain critical to the success of the company. The Group is keenly aware of the importance of having effective corporate resources management schemes. Aided by the Enterprise Resource Planning (ERP) system, the Group has performed well in streamlining priorities, increasing work efficiency and has kept operating costs at a low level. The ERP system also offers management detailed information regarding performance, enabling the Group to react to the market in a timely and effective manner.

The ERP system enables the Group to manage the inventory and distribution network, ensuring success in the rapidly changing global marketplace. This integrated system also allows our staff members to streamline order processing, simplify work flow and carry out financial reporting in accordance with accounting needs.

As technology continues to grow and the Group continues to focus on innovation, it is crucial for staff to be aligned with the company's philosophy and to be prepared to meet new challenges. Our focus on professional development and training is therefore being increased across the board. In the past fiscal year, a series of training courses were offered to all staff, offering a wide range of skills development opportunities. Among the most popular subjects were computer software applications, product knowledge, marketing strategies and leadership skills. In addition to on-the-job training and internal programmes, staff are also encouraged to identify and participate in appropriate external programmes.

員工發展

本集團在服務業方面實行有效的經營實務守則，相應之下，本集團的員工和人力資源職能對公司的成功有舉足輕重的作用。本集團深明有效的企業資源管理計劃的重要性。借助企業資源規劃(ERP)系統，本集團成功簡化優先次序排列、提升工作效率，並將經營成本保持在較低水平。ERP系統也為管理層提供有關績效的詳細資料，讓集團可以迅速有效地回應市場。

ERP系統讓本集團能有效管理存貨及分銷網絡，確保集團在瞬息萬變的環球市場成功拓展業務。這綜合系統亦有助員工加快處理訂單，簡化工作流程，並根據會計需要進行財務分析報告。

在科技不斷發展及集團努力不懈追求創新下，員工認同公司理念並且接受裝備迎接挑戰，對本集團十分重要。因此，本集團已全面加强專業發展及培訓工作。在過去的財政年度，集團為所有員工提供了一系列訓練課程，讓員工得到發展廣泛技能的機會，當中最受歡迎的培訓主題包括電腦軟件應用、產品知識、市場推廣策略及領導技能。除在職培訓及內部培訓課程外，集團也鼓勵員工報讀外間課程。

Outlook

Positive signals of economic growth in China and the continual influx of tourists from Mainland China have been very encouraging signs for the photo imaging business. In view of the 2008 Olympic Games in China which will bring worldwide attention to the region and draw significant numbers of additional visitors, we remain optimistic about continued business prospects. The Group will continue to leverage the opportunities created by the boom in tourism to Hong Kong.

The Group will take advantage of advancing technology and will continue to explore new territories that will maximize the company's profits.

In addition, the Group is exploring possible acquisitions of young and energetic retailers in the digital and technology business and will continue to foster expansion of its established digital imaging services.

展望

中國經濟增長的利好訊息，及大批國內旅客繼續湧入香港的情況，對於照相影像業務均為令人鼓舞的信息。展望二零零八年奧運會在中國舉行，勢必使中國受到全球注目，並吸引大批新增遊客，因此，本集團對業務的前景依然樂觀。集團會把握香港旅遊業興旺帶來的商機，持續擴展業務。

本集團會利用先進科技並繼續開拓新業務領域以盡量提升公司盈利。

再者，集團正研究對數碼科技業內較有潛力而進取的零售業務進行收購的可能性，並會繼續積極擴展其已確立基礎的數碼影像服務。

FUJIFILM





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to a new era of digital intelligence

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CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED
中港照相器材集團有限公司



Senior Management & Directors' Information

管理層及董事資料



Dr Sun Tai Lun Dennis
Chairman
孫大倫博士，集團主席

Mr Sun Tao Hung Stanley
Executive Director
孫道弘先生，執行董事

孫大倫博士 BBS, JP, 現年 56 歲，為中港照相器材集團有限公司之主席，負責集團的整體管理及策略業務發展事宜。孫氏於 1976 年加入集團管理層，並於照相產品業累積 31 年經驗。

孫氏為香港攝影業商會的永遠名譽會長，香港攝影學會的永遠名譽顧問。孫氏又出任香港公益金名譽副會長，並分別擔任香港城市大學校董會成員及公共關係委員會主席。

孫博士為香港管理專業協會副主席，離職公務員就業申請諮詢委員會委員，大新金融集團有限公司、有線寬頻通訊有限公司及興勝創建控股有限公司之獨立非執行董事。孫博士於 1999 年獲頒銅紫荊星章，更於 2002 年獲委任為太平紳士。

孫氏持有美國奧克拉荷馬州大學藥劑學學士學位及美國 Southern California University for Professional Studies 商業管理博士學位，他是前任集團主席兼創辦人孫建業先生之子。

Dr Sun Tai Lun Dennis BBS, JP, aged 56, is the Chairman of China-Hongkong Photo Products Holdings Limited, responsible for the overall management and strategic business development of the Group. He joined the management team of the Group in 1976 and has 31 years' experience in the photographic products industry.

Dr Sun is the Honorary Chairman of the Executive Committee of the Hong Kong Photo Marketing Association and also the Life Honorary Advisor of the Photographic Society of Hong Kong. He is the Vice Patron of the Community Chest of Hong Kong. He is also a Council Member and the Chairman of the Community Relations Committee of the City University of Hong Kong.

Dr Sun is the Deputy Chairman of The Hong Kong Management Association and a Member of the Advisory Committee on Post-service Employment of Civil Servants. He is also an Independent Non-executive Director of Dah Sing Financial Holdings Limited, i-Cable Communications Limited and Hanison Construction Holdings Limited. He was awarded the Bronze Bauhinia Star in 1999 and appointed Justice of the Peace (JP) in 2002.

Dr Sun holds a Bachelor's degree in Pharmacy from the University of Oklahoma, USA and a Doctorate degree in Philosophy in Business Administration from Southern California University for Professional Studies. He is the son of the former Honorary Chairman and founder of China-Hongkong Photo Products Holdings Limited, Mr Sun Chieh Yeh.



Ms Ng Yuk Wah Eileen
Executive Director
吳玉華女士，執行董事



Mr Tang Kwok Tong Simon
Executive Director
鄧國棠先生，執行董事

孫道弘先生，29歲，為中港照相器材集團有限公司之執行董事。孫氏於2005年加入本集團，現時負責監督集團之整體市場推廣及銷售範疇，並負責制定本集團之商業及發展策略。在加入本集團前，孫氏曾分別於日本富士及其美國分公司任職，專責影像產品之市場推廣事宜。孫氏擁有美國康奈爾大學學士學位及工商管理碩士學位。孫氏是本公司主席孫大倫博士之子。

Mr Sun Tao Hung Stanley, aged 29, is an Executive Director of China-Hongkong Photo Products Holdings Limited. He joined the Group in 2005 and is currently responsible for the supervision of the overall marketing and sales areas as well as the strategic business development of the Group. Prior to joining the Group, Mr Sun has worked in Fuji Photo Film Co. Ltd, both in Japan and the United States of America, where he conducted marketing work for their imaging business. Mr Sun holds a Bachelor of Science degree and a Master of Business Administration degree from Cornell University, Ithaca, New York, USA. Mr Sun is the son of Dr Sun Tai Lun, Chairman of the Company.

吳玉華女士，現年53歲，為中港照相器材集團有限公司之執行董事。吳氏於1978年2月加入本集團，並於集團的財務及行政方面累積豐富經驗。吳氏曾見證集團在80年代的不斷成長，由香港一家富士產品代理商，發展成為在國內、香港及澳門具領導地位的照相器材批發及零售商。

Ms Ng Yuk Wah Eileen, aged 53, is an Executive Director of China-Hongkong Photo Products Holdings Limited. Ms Ng joined the Group in February 1978. She has extensive finance and administrative experience with the Group, having helped it to grow from a local Fuji products trading company in Hong Kong in 1980s to a leading photographic wholesale and retail distributor in Mainland China, Hong Kong and Macau.

鄧國棠先生，現年55歲，為中港照相器材集團有限公司之執行董事。他於1978年加入中港照相集團，並在照相器材行業積累超過28年的經驗。鄧氏專責監督集團的企業資源署。鄧氏持有加拿大薩斯克其萬省University of Regina頒授之文學士學位。他是本集團主席孫大倫博士的小舅。

Mr Tang Kwok Tong Simon, aged 55, is an Executive Director of China-Hongkong Photo Products Holding Limited. He joined the Group in 1978 and has over 28 years' experience in the photographic products industry. He is responsible for the supervision of the Corporate Resources Division of the Group. Mr Tang holds a Bachelor of Arts degree from the University of Regina, Saskatchewan, Canada. He is the brother-in-law of Dr Sun Tai Lun.

Independent Non-executive Directors' Information

獨立非執行董事資料

獨立非執行董事

區文中先生，58歲。區先生持有美國University of Wisconsin 頒發之化學工程科學士學位及食品學碩士學位及加拿大University of Toronto 頒發之企業管理碩士學位。區先生是 Convenience Retail Asia Ltd. 和 Eu Yang Sang Company 的董事會成員，區先生於管理方面累積逾28年經驗。

張昀女士，39歲，是ARC Capital Partners Ltd. 的董事總經理，負責管理投資於亞洲消費及零售業務之基金。在出任此職前，張氏曾為美國國際集團(亞洲)投資有限公司副總裁。張氏持有維珍尼亞理工學院暨美國州立大學之理學士學位，及美國西北大學之工商管理碩士學位。

李家暉先生，52歲，現為李湯陳會計師事務所副執行合夥人、香港中文大學校外進修學院兼任導師及嶺南大學會計學課程諮詢委員會委任委員。此外，李先生亦分別為香港會計師公會執業資深會計師、英國特許公認會計師公會及英國特許秘書行政人員公會資深會員和英格蘭及威爾斯特許會計師公會會員。李先生現為萬科企業股份有限公司之獨立董事、四海國際集團有限公司及招商局國際有限公司之獨立非執行董事。2002-2005年曾任滙保集團控股有限公司(前稱「萬基藥業控股有限公司」)之獨立非執行董事及審核委員會主席。因致力促進香港會計專業發展，李先生於2004年7月獲香港特別行政區政府頒授榮譽勳章。

劉暉先生，50歲，目前為ARC Capital Partners Ltd. 的管理合夥人，該公司為私人股本管理人，管理約5.80億美元的資金，專注投資於中國及亞洲其他地區的消費及零售公司。在此之前，劉先生是The China Retail Fund LDC的總裁兼董事會成員。該基金是American International Group (「AIG」)與中華人民共和國(「中國」)前原國內貿易部(「內貿部」)共同保薦的國際直接投資基金，投資於國際知名零售商及分銷公司在國內的零售及有關的分銷業務。劉先生曾於中國政府及私人企業服務，在外資直接於中國投資方面擁有逾23年經驗，於消費及零售業務方面的經驗尤其豐富。

黃子欣博士，JP，56歲，偉易達集團主席兼集團行政總裁。黃博士持有香港大學電機工程系理學士學位、美國麥迪遜威斯康辛大學電機及電腦工程科學碩士學位及香港理工大學頒授之榮譽科技博士學位。黃博士為香港應用科技研究院主席以及創新及科技督導委員會當然成員，並兼任香港大學校董、甘泉航空有限公司副主席、東亞銀行及利豐有限公司之獨立非執行董事。

Independent Non-executive Directors

Mr Au Man Chung Malcolm, aged 58. Mr Au holds a Bachelor of Science degree in Chemical Engineering and a Master of Science degree in Food Science both from the University of Wisconsin, USA and a Master of Business Administration degree from the University of Toronto, Canada. Mr Au also sits on the boards of Convenience Retail Asia Ltd. in HK and Eu Yang Sang Company. Mr Au has over 28 years' experience in management.

Ms Chiang Yun Rachel, aged 39, is the Managing Director of ARC Capital Partners Ltd., which manages funds investing in consumer and retail sectors in Asia. Prior to that, Ms Chiang was the Vice President of AIG Global Investment Corporation (Asia) Ltd. Ms Chiang holds a Bachelor of Science degree from the Virginia Polytechnic Institute and State University, USA and a Master of Business Administration degree from the Kellogg Graduate School of Management at the Northwestern University, USA.

Mr Li Ka Fai David, aged 52, is currently the deputy managing partner of Li, Tang, Chen & Company, a part-time instructor of School of Continuing Studies, The Chinese University of Hong Kong and appointed member of Advisory Board on Accountancy Lingnan University. He is also a fellow of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, UK as well as The Institute of Chartered Secretaries & Administrators, UK and an associate of The Institute of Chartered Accountants in England & Wales. He is an independent director of China Vanke Company Limited, an independent non-executive director of China Merchants Holdings (International) Company Limited and Cosmopolitan International Holdings Limited. He was also an independent non-executive director and chairman of audit committee of Nubrand Group Holdings Limited (Formerly known as "Wanji Pharmaceutical Holdings Limited") in 2002-2005. He was awarded the Medal of Honour (MH) from The Government of the Hong Kong Special Administrative Region in July 2004 for valuable contribution to the development of the accounting profession.

Mr Liu Hui Allan, aged 50, is currently Managing Partner of ARC Capital Partners Ltd., a private equity manager with approximately US\$580 million under management, focused on investing in consumer and retail companies in China and the rest of Asia. Previously, Mr Liu was the president and board member of The China Retail Fund LDC, an international direct investment fund sponsored by American International Group ("AIG") in cooperation with the former Ministry of Internal Trade ("MOIT") of the People's Republic of China ("PRC"). The fund invested in retail and retail related distribution business in the PRC with proven international retailers and distribution companies. Mr Liu has had over 23 years of experience in foreign direct investments in China, especially in the consumer and retail sectors, both in PRC government and private sector capacities.

Dr Wong Chi Yun Allan, JP, aged 56, is Chairman & Group Chief Executive Officer of VTech Holdings Limited. Dr Wong holds a Bachelor of Science degree in Electrical Engineering from the University of Hong Kong, a Master of Science degree in Electrical and Computer Engineering from the University of Wisconsin, USA and an honorary degree of Doctor of Technology from the Hong Kong Polytechnic University. Dr Wong is the Chairman of the Hong Kong Applied Science and Technology Research Institute and ex-officio member of the Steering Committee on Innovation and Technology. He is also a council member of the University of Hong Kong, the Vice Chairman of Oasis Hong Kong Airlines Limited, and an independent non-executive director of the Bank of East Asia Limited and Li & Fung Limited.

Corporate Governance Report

企業管治報告

董事會欣然提呈本集團截至2007年3月31日止年度年報內之本企業管治報告。

良好之企業管治對本集團之成功及維持本集團之發展至關重要。本公司致力於維持高水準之企業管治，作為質素之重要成份，並引入適合其業務之運作及發展之企業管治常規。

本公司已於截至2007年3月31日止年度遵守企業管治守則所載之原則及守則條文，惟守則條文之若干偏離者除外，內容有關分別主席及行政總裁之角色、委任非執行董事（「非執行董事」）及有關僱員買賣本公司證券，詳情於下文闡述。

本公司定期審閱其企業管治常規，以確保該等常規繼續符合企業管治守則之規定。本公司主要企業管治原則及常規概述如下：

A. 董事會

(1) 職責

董事會負責本公司業務之全面管理，透過指導及監督本公司事務，肩負起領導及監控本公司之責任，並共同推動本公司邁向成功。所有董事皆會在客觀前提下作出符合本公司利益之決定。

(2) 管理層職能指派

董事會對本公司所有重大事宜保留決策權，包括批准及監督所有政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易（特別是可能涉及利益衝突之交易）、財務資料、委任董事及其他重大財務及運作事宜。

全體董事可迅速取得所有相關資料以至公司秘書之意見及服務，以確保符合董事會議事程序以及遵守所有適用規則及規例。向董事會提出要求後，各董事一般可於適當情況下徵詢獨立專業意見，費用由本公司承擔。

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 March 2007.

Good corporate governance has always been recognized as vital to the Company's success and to sustain development of the Group. We commit ourselves to a high standard of corporate governance as an essential component of quality and have introduced corporate governance practices appropriate to the conduct and growth of its business.

The Company has complied with the major code provisions as set out in the Code on Corporate Governance Practices ("CG Code") throughout the year ended 31 March 2007 save for certain deviations from the code provisions in respect of the separation of the role of Chairman and Chief Executive Officer, the appointment of the non-executive directors ("NEDs") and dealings in the Company's securities by the relevant employees, details of which will be explained below.

The Company periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code. The key corporate governance principles and practices of the Company are summarized as follows:

A. THE BOARD

(1) Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors take decisions objectively in the interests of the Company.

(2) Delegation of Management Functions

The Board reserves for its decision all major matters of the Company, including: the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

本公司日常管理、行政及運作均由高級管理層負責。本公司會定期檢討獲分派職務及工作。上述高級職員於訂立任何重大交易前，必須事先獲董事會批准。

(3) 董事會組成

董事會現由九名成員組成，包括四名執行董事及五名獨立非執行董事：

執行董事：

孫大倫博士，
主席／行政總裁及
薪酬委員會成員

吳玉華女士

鄧國棠先生

孫道弘先生

獨立非執行董事：

區文中先生，
薪酬委員會主席及
審核委員會成員

李家暉先生，
審核委員會主席

黃子欣博士，
審核委員會及
薪酬委員會成員

張昀女士，
審核委員會成員

劉暉先生，
審核委員會成員

董事名單(按類別分類)亦於本公司不時根據上市規則發出之所有公司通訊內披露。根據上市規則，已於所有公司通訊中，明確說明獨立非執行董事之事務。

由2007年6月28日，張昀女士及劉暉先生已從非執行董事重新調任為本公司之獨立非執行董事。於重新調任上述非執行董事後，本公司共有五名獨立非執行董事。

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

(3) Board Composition

The Board currently comprises 9 members, consisting of 4 executive directors and 5 independent non-executive directors:

Executive directors:

Dr Sun Tai Lun Dennis,
*Chairman/Chief Executive Officer &
Member of Remuneration Committee*

Ms Ng Yuk Wah Eileen

Mr Tang Kwok Tong Simon

Mr Sun Tao Hung Stanley

Independent non-executive directors:

Mr Au Man Chung Malcolm,
*Chairman of Remuneration Committee &
Member of Audit Committee*

Mr Li Ka Fai David,
Chairman of Audit Committee

Dr Wong Chi Yun Allan,
*Member of Audit Committee and
Remuneration Committee*

Ms Chiang Yun Rachel,
Member of Audit Committee

Mr Liu Hui Allan,
Member of Audit Committee

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

With effect from 28 June 2007, Ms Chiang Yun Rachel and Mr Liu Hui Allan were re-designated from non-executive directors as independent non-executive directors of the Company. Following the aforesaid re-designation of non-executive directors, the Company has a total of 5 independent non-executive directors.

董事會成員間之關係於第22頁至24頁之「高級管理層及董事資料」及「獨立非執行董事及非執行董事資料」中披露。

截至2007年3月31日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事之規定，而最少一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專業知識。

本公司接獲各獨立非執行董事根據上市規則規定發出之年度獨立身分確認書。本公司認為，根據上市規則所載之獨立指引，全體獨立非執行董事均為獨立人士。

非執行董事為董事會提供廣泛業務及財務專業知識、經驗及獨立判斷。透過積極參與董事會會議、領導涉及潛在利益衝突之管理事宜及履行董事委員會職務，全體非執行董事對本公司實際方向作出多項貢獻。

(4) 董事委任、連任及免任

董事委任、重選及免任之程序及過程載於本公司之公司細則。雖然本公司並無設立提名委員會，而前非執行董事並無與本公司訂立任何服務合約，董事會整體上負責檢討董事會之組成、監察董事之委任及繼任計劃，以及評估獨立非執行董事之獨立性。

根據本公司之公司細則，本公司全體董事均須最少每三年輪值告退一次，而任何就填補臨時空缺委任之新任董事，須於獲委任後首次股東大會接受股東膺選連任。

The relationships among the members of the Board are disclosed under “Senior Management & Directors’ Information” and “Independent Non-Executive Directors’ Information” on page 22 to page 24.

During the year ended 31 March 2007, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his/her independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The non-executive directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive directors make various contributions to the effective direction of the Company.

(4) Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company’s Bye-laws. Though the Company has not set up a nomination committee and the previous non-executive directors has not entered into any services contract with the Company, the Board as a whole is responsible for reviewing the Board composition, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

In accordance with the Company’s Bye-laws, all directors of the Company are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment.

董事會定期檢討其架構、規模及組成，確保董事具備適合本公司業務所需之各項專業知識、技能及經驗。

倘董事會出現空缺，董事會將參考擬委任候選人之技能、經驗、專業知識、個別才能及所用時間、本公司需要以及其他相關法定規定及規例進行甄選程序。在有需要時，本公司可能外聘人事顧問公司，進行招聘及甄選程序。

根據本公司之公司細則，黃子欣博士、李家暉先生及劉暉先生須予退任，並合資格且願意於下屆股東週年大會上膺選連任。

董事會建議於本公司下屆股東週年大會續聘此等正待膺選連任之董事。

本公司日期為2007年7月18日之通函載有正待膺選連任董事之詳細資料。

(5) 董事培訓

各新委任董事於首次獲委任時均會獲得全面、正式兼特為其而設之就任指引，以確保董事適當了解本公司之業務及運作，並全面知悉其根據上市規則及有關監管規定之職責及責任。

於有需要時，本公司亦會為董事安排持續簡介及專業發展。

(6) 董事會會議

會議舉行次數及董事出席率

截至2007年3月31日止年度，已舉行四次常規董事會會議，約為每季舉行一次，以檢討及批准財務及業務表現，並考慮及批准本公司整體策略及政策。

The Board reviewed its own structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company.

Where vacancies on the Board exist, the Board will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary.

In accordance with the Company's Bye-laws, Dr Wong Chi Yun, Mr Li Ka Fai David and Mr Liu Hui Allan shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

The Board recommended the re-appointment of the directors standing for re-election at the next forthcoming annual general meeting of the Company.

The Company's circular dated 18 July 2007 contains detailed information of the directors standing for re-election.

(5) Training for Directors

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Continuing briefing and professional development for directors will be arranged whenever necessary.

(6) Board Meetings

Number of Meetings and Directors' Attendance

During the year ended 31 March 2007, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

截至2007年3月31日止年度，各董事於董事會會議之出席記錄載列如下：

The attendance record of each director at the Board meetings during the year ended 31 March 2007 is set out below:

Name of Directors		Attendance/ Number of Meetings
董事姓名		出席率／會議舉行次數
Sun Tai Lun Dennis	孫大倫	4/4
Ng Yuk Wah Eileen	吳玉華	4/4
Tang Kwok Tong Simon	鄧國棠	4/4
Sun Tao Hung Stanley	孫道弘	4/4
Au Man Chung Malcolm	區文中	2/4
Li Ka Fai David	李家暉	4/4
Wong Chi Yun Allan	黃子欣	4/4
Chiang Yun Rachel	張昀	2/4
Liu Hui Allan	劉暉	3/4

議事常規及操守

董事一般可事先取得股東大會會期及各會議議程初稿。

常規董事會會議通知於會議前最少14日向全體董事發出，其他董事會及委員會會議則一般會發出合理通知。

董事會文件連同所有完備之合適可靠資料將於各董事會會議或委員會會議前最少三日向全體董事發出，以令董事得知本公司最新發展及財務狀況，並確保彼等作出知情決定。於有需要時，董事會及各董事亦可個別獨立接觸高級管理層。

財務總監、營運總監及公司秘書出席常規董事會會議，並於有需要時出席其他董事會及委員會會議，以就業務發展、財務及會計事宜、守章事宜、企業管治及本公司其他主要範疇作出建議。

公司秘書負責保存所有董事會會議及委員會會議之會議記錄。會議記錄初稿一般將於各會議後一段合理時間內分派予董事，而定稿將可供董事查閱。

Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to directors in advance.

Notices of regular Board meetings are served to all directors at least fourteen days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least three days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The Chief Financial Officer, Chief Operating Officer and Company Secretary attend the regular Board meetings and when necessary, other Board and committee meetings to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible to keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

根據現行董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會於正式舉行之董事會會議上考慮及處理。本公司之細則亦載有條文，規定董事於批准該等董事或彼等任何聯繫人士擁有重大利益之交易之會議上放棄投票，且不計入會議法定人數。

B. 主席及行政總裁

守則條文第A.2.1條訂明，主席及行政總裁之職責須有所區分，並不應由同一人出任。

孫大倫博士為本公司主席／行政總裁。董事會相信，由同一人擔任主席及行政總裁可為本公司提供強大而穩健之領導，並有效及具效益地規劃及實行業務決策及策略。

董事會認為，現時由同一人擔任主席及行政總裁之架構將不會損害董事會與本公司管理層間之權力及授權之平衡。

C. 董事委員會

董事會已成立兩個委員會，即薪酬委員會及審核委員會，以監督本公司事務之特定範疇。本公司之薪酬委員會及審核委員會訂有特定書面職權範圍。董事委員會之職權範圍可按股東要求查閱。

各董事委員會大部分成員為獨立非執行董事，各董事委員會主席及成員之名單載於「公司資料」內。

董事委員會就履行其職責提供充裕資源，並應合理要求，在適當情況下徵詢獨立專業意見，費用由本公司承擔。

(1) 薪酬委員會

薪酬委員會由三名成員組成而大部份成員均為獨立非執行董事。

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Bye-laws also contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

B. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Dr Sun Tai Lun Dennis is the Chairman/Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the senior management of the Company.

C. BOARD COMMITTEES

The Board has established 2 committees, namely, the Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. Both the Remuneration Committee and the Audit Committee of the Company are established with defined written terms of reference. The terms of reference of the Board committees are available to shareholders upon request.

The majority of the members of each Board committees are independent non-executive directors and the list of the chairman and members of each Board committee is set out under "Corporate Information".

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

(1) Remuneration Committee

The Remuneration Committee comprises three members and the majority of them are independent non-executive directors.

薪酬委員會主要目標包括就薪酬政策與架構及執行董事與高級管理層之薪酬待遇提供意見及批准。薪酬委員會亦負責就有關薪酬政策及架構之發展制定具透明度之程序，確保董事或其聯繫人士將不會參與決定其本身薪酬之決策，有關酬金將經參考個人及本公司表現以及市場慣例及條件後釐定。

薪酬委員會一般於八月中舉行會議，以檢討薪酬政策及架構、釐定執行董事與高級管理層年度薪酬待遇以及其他相關事宜。人力資源部負責收集及管理人力資源數據，並向薪酬委員會作出推薦意見以供考慮。薪酬委員會將諮詢本公司主席及／或行政總裁有關薪酬政策及架構以及薪酬待遇之推薦意見。

截至2007年3月31日止年度內，薪酬委員會曾舉行一次會議，檢討本公司之薪酬政策及架構，以及執行董事與高級管理層於回顧年度之薪酬待遇。

出席記錄如下：

Name of Directors		Attendance/Number of Meetings
董事姓名		出席率／會議舉行次數
Sun Tai Lun Dennis	孫大倫	1/1
Au Man Chung Malcolm	區文中	0/1
Wong Chi Yun Allan	黃子欣	1/1

- (2) **審核委員會**
審核委員會由三名獨立非執行董事(包括一名具備合適專業資格或會計或相關財務管理專業知識之獨立非執行董事)組成。概無審核委員會成員為本公司現任外聘核數師之前合夥人。

The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets in mid August for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive directors and the senior management and other related matters. The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the remuneration committee for consideration. The Remuneration Committee will consult the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

The Remuneration Committee met once during the year ended 31 March 2007 and reviewed the remuneration policy and structure of the Company and remuneration packages of the executive directors and the senior management for the year under review.

The attendance records are set out below:

- (2) **Audit Committee**
The Audit Committee comprises three independent non-executive directors including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

審核委員會主要職責包括以下各項：

- (a) 於呈交董事會前審閱財務報表及報告，並考慮合資格會計師、合規主任（如有）、內部核數師或外聘核數師提出之任何重大或非經常項目。
- (b) 經參考核數師進行之工作、其費用及委聘條款後，檢討與外聘核數師之關係，並就委任、續聘及罷免外聘核數師向董事會提出推薦意見。
- (c) 檢討本公司財務監控制度、內部監控制度及風險管理制度以及相關程序是否足夠及有效。

審核委員會於2007年3月31日止年度內曾舉行兩次會議，以審閱財務業績及報告、財務申報及遵例程序，管理層對本公司內部監控及風險及管理檢討及過程之報告及重新聘任外界核數師，出席記錄載列如下：

Name of Directors

董事姓名

Attendance/Number of Meetings

出席率／會議舉行次數

Au Man Chung Malcolm	區文中	2/2
Li Ka Fai David	李家暉	2/2
Wong Chi Yun Allan	黃子欣	2/2
Chiang Yun Rachel	張昀	2/2
Liu Hui Allan	劉暉	1/2

審核委員會與董事會對甄選、委任、辭任或罷免外聘核數師意見一致。

本公司截至2007年3月31日止年度之年度業績已由審核委員會核閱。

概無對本公司能否持續經營存有重大疑問之事件或條件相關之任何重大不明朗因素。

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer (if any), internal auditor or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial controls system, internal control system and risk management system and associated procedures.

The Audit Committee held two meetings during the year ended 31 March 2007 to review the financial results and reports, financial reporting and compliance procedures, the report from the management on the Company's internal control and risk management review and posses, and the re-appointment of the external auditors. The attendance records are set out below:

The Audit Committee has the same view with the Board regarding the selection, appointment, resignation or dismissal of external auditors.

The Company's annual results for the year ended 31 March 2007 have been reviewed by the Audit Committee.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. 進行證券交易之標準守則

本公司已就董事買賣本公司證券採納條款不寬鬆於上市規則附錄10所載上市公司董事進行證券交易之標準守則（「標準守則」）所載規定準則之本身操守準則（「本身守則」）。

經向全體董事具體查詢後，各董事確認，彼等於截至2007年3月31日止年度一直遵守本身守則及標準守則。

守則條文第A.5.4條規定，董事會應就有關僱員進行本公司證券交易時可能得知本公司未公佈之價格敏感資料制定條款不寬鬆於標準守則之書面指引（「僱員書面指引」）。

本公司並未就僱員進行證券交易制定僱員書面指引，原因為本公司已具備有關程序，確保僅執行董事可能得知本公司未公佈之價格敏感資料，而彼等買賣本公司證券已受本身守則所規管。

E. 就財務報表之責任

根據上市規則及其他監管規定，董事會負責提呈持平之清晰易明的年度及中期報告評估、股價敏感公佈及其他披露。

董事知悉其須負責編製本公司截至2007年3月31日止年度之財務報表。

管理層已於有需要時向董事會提供解釋及資料，以使董事會在知情情況下評估本公司之財務資料及狀況，以供董事會審批。

本公司外聘核數師就有關其申報財務報表責任之聲明載於第46及47頁「核數師報告」。

F. 核數師之薪酬

截至2007年3月31日止年度，本公司就核數服務及非核數服務支付外聘核數師之薪酬分別為港幣1,100,000元及港幣1,053,000元。

D. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding director's dealings in the Company's securities (the "Own Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Own Code and the Model Code throughout the year ended 31 March 2007.

Code Provision A.5.4 stipulates that the Board should establish written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company in respect of their dealings in the securities of the Company.

The Company has not established Employees Written Guidelines for securities transactions by employees as procedures are in place to ensure that only the executive directors are likely to be in possession of unpublished price-sensitive information of the Company and their dealings in the securities of the Company are already governed by the Own Code.

E. RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2007.

The management has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company put to the Board for approval.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Report of the Auditors" on pages 46 and 47.

F. AUDITORS' REMUNERATION

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 March 2007 amounted to HK\$1,100,000 and HK\$1,053,000 respectively.

G. 內部監控

截至2007年3月31日止年度。董事會已檢討本集團內部監控制度之成效。檢討工作已涵蓋本集團之財務、營運、遵例及風險管理。

H. 股東權利與投資者關係

本公司認為，與股東有效溝通對加強投資者與本集團的關係及令投資者更能了解本集團之業務表現及策略而言相當重要。本公司亦明察到保持公司資料透明度及適時披露公司資料之重要性，此舉將使股東及投資者作出最佳投資決定。

本公司股東大會為股東與董事會提供溝通機會。董事會主席、薪酬委員會及審核委員會主席，或其缺席則由各委員會其他成員及(如適用)獨立董事委員會可於股東大會回答提問。

為保障股東權益與權利，本公司將就各重大事宜(包括選出個別董事)於股東大會提呈獨立決議案。

股東權利及於股東大會上要求就決議案按股數投票表決之程序載於本公司細則。有關要求按股數投票表決之權利及投票程序之詳情載於致股東之所有通函，並於會議期間闡釋。投票結果將於股東大會後之營業日於報章及在聯交所網站刊登。

投票結果將於緊隨以投票方式表決之股東大會舉行後之營業日在報章發表，並於聯交所及本公司網站內刊載。

本公司持續提升與其投資者之溝通及關係。指定高級管理層會定期與機構投資者及分析員保持對話，確保彼等緊握本公司最新發展。本公司會即時處理投資者查詢，並提供資料。投資人士如有任何查詢，可直接致函本公司之香港主要營業地點或電郵至 enquiry@chinahkphoto.com.hk。

為促進有效溝通，本公司亦運作網站 <http://www.chinahkphoto.com.hk/>，該網站載有本公司廣泛之業務發展及運作之資訊及最新資料、財務資料、企業管治常規及其他資料。

G. INTERNAL CONTROLS

The Board has conducted a review of the effectiveness of the internal control system of the Group for the year ended 31 March 2007. The review has covered the financial, operational, compliance and risk management aspects of the Group.

H. SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Remuneration Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings.

To safeguard shareholder interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings.

Poll results will be published in newspapers and posted on the websites of the Stock Exchange and of the Company on the business day following the shareholders' meeting at which voting is taken on a poll.

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner. Investors may write directly to the Company at its principal place of business in Hong Kong or via email to enquiry@chinahkphoto.com.hk for any inquiries.

To promote effective communication, the Company maintains a website at <http://www.chinahkphoto.com.hk> where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

Risk Management

風險管理

經營生意同時會帶來挑戰和風險。本集團的核心業務策略已制訂對付該等風險的措施並採取迅速回應的方法，避免對經營業績產生負面影響。

a. 控制銷售成本增加

雖然過去數年本集團已經進行過大型業務重整，集團仍面對滯銷存貨帶來的銷售成本持續上漲問題。為控制銷售成本，集團已經制訂多項會計政策及互相制衡方案。本集團希望通過平衡高利潤及低利潤產品比重，及提供更多元化的服務模式，以盡量減低此風險因素。

b. 對抗價格競爭的措施

競爭激烈顯然已成為影像市場的特點，加上移動電話的普及和更多功能，令競爭壓力更大。本集團預期，流動電話科技未來應會結合更多影像及攝錄智能，所引致的競爭會直接影響數碼相機及沖印服務業。

產品方面，零售價的下降、不限次數免費維修引致的可能成本，加上產品週期縮短，都可能對溢利造成負面影響。

為增加其競爭力，集團已實施簡單直接的管理架構，務求與瞬息萬變的數碼影像市場與時並進。

c. 內部管理系統

為鞏固企業架構，本集團已採納多項控制內部管理及財務系統的措施，包括存貨檢查措施、預算控制計劃，並對員工架構內的權限作出清晰界定。集團亦特別注重採購程序及付款安排。本集團期望透過妥善的內部監控將出現預算以外開支的風險降至最低。

Running a business poses challenges and risks at the same time. The Group's core business strategies put in place measures which address these issues and adopt a responsive approach to avoid adverse impacts on our business performance.

a. Controlling the increased cost of sales

The Group is experiencing a continuous rise in the cost of sales as a result of slow-moving inventories despite a significant business relocation exercise during the past few years. To keep this under control, several accounting policies and cross-checking schemes have been put into place. We hope that by balancing high-margin and low-margin products, and by offering more diversified modes of services, we can minimise this risk factor.

b. Measures against price competition

It is clear that intense competition is now a feature of the imaging market. This is coupled with the popularity and increased functionality of mobile phones which creates an additional pressure. We anticipate that the competition posed by mobile phone technology which is likely to incorporate additional imaging and movie intelligence over time will directly affect digital camera and photo printing services.

Turning to products, the fall in retail prices and the hidden costs behind unlimited free repairs as well as the shortened product life cycles are all potential risks that have the capacity to adversely affect profit.

To increase its competitiveness, the Group has adopted a simple and straight-forward management structure that will help it keep abreast of the still-evolving digital imaging market.

c. Internal Control System

To strengthen the corporate structure, a series of measures have been adopted to control management and financial systems internally. These include inventory checking measures, budgeting control schemes, and a clear line of authority within the staff structure. Special attention has also been paid to procurement procedures and payment schemes. It is hoped that with proper internal control, the risk level of unexpected expenditure will be kept to a minimum.

Report of the Directors

董事會報告

董事會茲提呈本公司及本集團截至2007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2007年3月31日的現金及銀行結餘錄得增長47.1%至港幣9.65億元(2006年：港幣6.56億元)，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。於財政年度內，廣告及市場推廣開支為港幣1,700萬元，而行政開支為港幣8,500萬元。由於審慎管理貿易應收賬項及存貨，年內的應收賬項下降78.5%至港幣1,900萬元，而存貨則大幅下跌84.1%至港幣2,300萬元。集團員工數目為365名(2006年：477名)，員工之酬金多數按照行業運作(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2007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報表第48至106頁。

每普通股港幣3.8仙(二零零六：每普通股港幣2.2仙)之中期股息已於2007年2月7日派發。董事會建議向已於2007年8月17日註冊股份之股東派發本年度每普通股港幣5.2仙(二零零六年：每普通股港幣4.2仙)之末期股息。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

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，有關資料乃摘錄自已審核財務報表。本摘要並不構成已審核財務報表之部份。

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2007.

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 2007 has recorded a growth of 47.1% to HK\$965 million (2006: HK\$656 million) with a zero gearing ratio. The Group continued to take every measure to extend work efficiency. During the fiscal year, advertising and marketing expenses were HK\$17 million and administrative expenses were HK\$85 million. Trade receivables decreased by 78.5% to HK\$19 million for the year, while inventory decreased remarkably by 84.1% to HK\$23 million because of prudent management of trade receivables and inventory. The Group had 365 employees (2006: 477), 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 2007 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 48 to 106.

An interim dividend of HK3.8 cents per ordinary share (2006: HK2.2 cents per ordinary share) was paid on 7 February 2007. The directors recommend the payment of a final dividend of HK5.2 cents per ordinary share (2006: HK4.2 cents per ordinary share) in respect of the year to shareholders on the register of members on 17 August 2007. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

SUMMARY FINANCIAL INFORMATION

Set out below is a summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements. 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	2007 HK\$'000	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
收益	Revenue	827,204	1,250,595	1,232,828	1,395,111	1,735,428
股東應佔之 溢利／(虧損)	Profit /(loss) for the year attributable to equity holders of the Company	218,824	120,496	45,345	(61,647)	18,425
		As at 31 March 於3月31日				
資產、負債及 少數股東權益	ASSETS, LIABILITIES AND MINORITY INTERESTS	2007 HK\$'000	2006 HK\$'000	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
總資產	Total assets	1,238,177	1,120,163	1,132,014	1,231,110	1,419,810
總負債	Total liabilities	(113,292)	(144,505)	(131,878)	(148,008)	(255,032)
資產淨值	Net assets	1,124,885	975,658	1,000,136	1,083,102	1,164,778
少數股東權益	Minority interests	(16,087)	(16,176)	(16,073)	(16,313)	(16,358)
		1,108,798	959,482	984,063	1,066,789	1,148,420

物業、廠房及設備

本公司及本集團在本年度之物業、廠房及設備變動詳情載於財務報表附註15。

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16。本集團投資物業之其他詳情載於年報第107至108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。本年度本公司之股本及購股權詳情分別載於財務報表附註29及30。

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。

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年內概無購買、贖回或出售任何本公司之上市證券。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year are set out in note 15 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year are set out in note 16 to the financial statements. Further details of the Group's investment properties are set out on pages 107 to 108.

SHARE CAPITAL AND SHARE OPTIONS

There were no movements in either the Company's authorised or issued share capital and share options during the year. Details of the Company's share capital and share options during the year are set out in notes 29 and 30 to the financial statements, respectively.

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 the existing shareholders.

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.

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31(b)及綜合權益變動表。

可分派儲備

於2007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255,622,000元，其中約港幣60,519,000元擬用以派發本年度之末期股息。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473,000元。

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最大客戶之購貨額分別佔年內本集團營業額24.45%及8.66%。本集團五位最大供應商及最大之供應商分別佔年內本集團購貨總額約49.55%及42.59%。

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之五個客戶及供應商中擁有實益權益。

董事

本公司年內之董事如下：

執行董事：

孫大倫博士 (主席)
吳玉華女士
鄧國棠先生
孫道弘先生 (於2006年4月1日獲委任)

獨立非執行董事：

區文中先生
張昀女士 (於2007年6月28日調任)
李家暉先生
劉暉先生 (於2007年6月28日調任)
黃子欣博士

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 31(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2007, the Company's reserves available for distribution, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK\$255,622,000, of which approximately HK\$60,519,000 has been proposed as a final dividend 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\$473,000.

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

In the year under review, sales to the Group's five largest customers and the largest customer accounted for 24.45% and 8.66% of the Group's total sales for the year, respectively. Purchases from the Group's five largest suppliers and the largest supplier accounted for approximately 49.55% and 42.59% of the Group's total purchases for the year, respectively.

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.

DIRECTORS

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

Executive directors:

Dr Sun Tai Lun Dennis (*Chairman*)
Ms Ng Yuk Wah Eileen
Mr Tang Kwok Tong Simon
Mr Sun Tao Hung Stanley (*appointed on 1 April 2006*)

Independent non-executive directors:

Mr Au Man Chung Malcolm
Ms Chiang Yun Rachel (*re-designated on 28 June 2007*)
Mr Li Ka Fai David
Mr Liu Hui Allan (*re-designated on 28 June 2007*)
Dr Wong Chi Yun Allan

根據本公司細則第110條，劉暉先生、李家暉先生及黃子欣博士將會告退，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：

孫大倫博士
孫道弘先生
吳玉華女士
鄧國棠先生

於2007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。

董事合約權益

年內並不存在本公司或其控股公司或其附屬公司參與本公司董事直接或間接擁有本集團業務重大權益之合約。

In accordance with bye-law 110 of the Company's bye-laws, Mr Liu Hui Allan, Mr Li Ka Fai David and Dr Wong Chi Yun Allan 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:

Dr Sun Tai Lun Dennis
Mr Sun Tao Hung Stanley
Ms Ng Yuk Wah Eileen
Mr Tang Kwok Tong Simon

Each service contract has a remaining unexpired term of 12 months as at 31 March 2007 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, performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

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

董事於股份及相關股份之權益及淡倉

於2007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：

Name of director 董事	Notes 附註	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 信託受益人		
Dr Sun Tai Lun Dennis 孫大倫博士	(i) & (ii)	1,000,000	700,034,214	11,242,000	712,276,214	61.20
Ms Ng Yuk Wah Eileen 吳玉華女士		250,000	-	-	250,000	0.02
Mr Tang Kwok Tong Simon 鄧國棠先生		400,000	-	-	400,000	0.03
Mr Sun Tao Hung Stanley 孫道弘先生	(iii) & (iv)	-	-	711,276,214	711,276,214	61.12

本公司董事於購股權之權益於財務報表附註30獨立披露。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2007, 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:

Number of shares held, capacity and nature of interest
持有股份數目、身份及權益性質

The interests of the directors in the share options of the Company are separately disclosed in note 30 to the financial statements.

相聯法團股份及相關股份之好倉：

Long positions in shares and underlying shares of associated corporations:

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

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酌情信託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」部份。

Notes:

(i) Dr Sun Tai Lun Dennis is deemed to be interested in a total of 11,242,000 shares in the Company directly held by Dago Corporation, which is incorporated in the British Virgin Islands and is owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The Dennis Family Trust, a discretionary 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 is deemed to be interested in 700,034,214 shares in the Company held by Fine Products Limited by virtue of him 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 is 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.

- (iii) 孫道弘先生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 (包括孫道弘先生) 利益而設立之酌情信託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%。
- (iv) 由於孫道弘先生是The Sun Family Trust之受益人，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」部份。

除上文所披露者外，於2007年3月31日，董事於本公司或其任何相聯法團之股份、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30購股權計劃披露所披露者外，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之權利。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。

購股權計劃

本公司之購股權計劃詳情於財務報表附註30中獨立披露。

- (iii) Mr Sun Tao Hung Stanley is deemed to be interested in a total of 11,242,000 shares in the Company directly held by Dago Corporation, which is incorporated in the British Virgin Islands and is owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The Dennis Family Trust, a discretionary trust established for the benefit of Dr Sun Tai Lun Dennis and his family members including Mr Sun Tao Hung Stanley. Dago Corporation also held 25% of the issued share capital of Searich Group Limited.
- (iv) Mr Sun Tao Hung Stanley is deemed to be interested in 700,034,214 shares in the Company held by Fine Products Limited by virtue of him being the beneficiary 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 is 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 2007, none of the directors had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations 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 and short positions in shares and underlying shares” above and in the share option scheme disclosures in note 30 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 director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or 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.

SHARE OPTION SCHEMES

Details of the share option schemes of the Company are separately disclosed in note 30 to the financial statements.

主要股東及其他個人股份及相關股份之權益及淡倉

於2007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已發行股本及購股權之權益：

- (1) 有權行使或控制行使本公司任何股東大會上10%或以上之投票權之主要股東之好倉：

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

As at 31 March 2007, the following interests and short positions in the shares and the underlying shares of the Company, which were 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	Percentage of Number of ordinary shares held	Notes	the Company's issued share capital 持有本公司已發行股本 百分比
股東	身份及權益性質	持有普通股數目	附註	百分比
Sun Tai Lun	Beneficial owner	1,000,000		
Dennis 孫大倫	Beneficiary of a trust	11,242,000		
	Founder of a trust	700,034,214		
		712,276,214		61.20
Fine Products Limited	Beneficial owner & interest of a controlled corporation	700,034,214	(i) & (ii)	60.15
	實益擁有人及控股公司權益			
Searich Group Limited	Beneficial owner	600,034,214	(i) & (ii)	51.56
	實益擁有人			
Trident Corporate Services (B.V.I.) Limited	Trustee	711,276,214	(i) & (ii)	61.12
	信託持有人			
Tang Sau Ying Betty 鄧秀英	Interest of spouse	712,276,214	(ii) & (iii)	61.20
	配偶權益			
Sun Tao Hung Stanley 孫道弘	Beneficiary of a trust	711,276,214	(iv)	61.12
	信託受益人			

**主要股東及其他個人股份及相關股份之
權益及淡倉 (續)**

**SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS'
INTERESTS AND SHORT POSITIONS IN SHARES AND
UNDERLYING SHARES (Continued)**

(2) 其他主要股東之好倉：

(2) Long positions of other substantial shareholders:

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Notes	Percentage of the Company's issued share capital 持有本公司已發行股本 百分比
股東	身份及權益性質	持有普通股數目	附註	百分比
Allianz Aktiengesellschaft	Interest of a controlled corporation 受控法團權益	111,784,000		9.60
Allianz Finanzbeteiligungs GmbH	Interest of a controlled corporation 受控法團權益	111,784,000		9.60
Dresdner Bank Aktiengesellschaft	Interest of a controlled corporation 受控法團權益	111,784,000		9.60
Dresdner Bank Luxembourg S.A.	Interest of a controlled corporation 受控法團權益	111,784,000	(v)	9.60
Veer Palthe Voute NV	Interest of an investment manager 投資經理權益	111,784,000	(v)	9.60
Fung Kwok Lun William 馮國綸	Interest of a controlled corporation 受控法團權益	70,000,000	(vi) & (viii)	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	(vii) & (viii)	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。

(i) 100,000,000 shares representing 8.59% of the Company's shares in issue are directly owned by Fine Products Limited. The remaining 600,034,214 shares are owned by Searich Group Limited, in which Fine Products Limited held 75% of its issued share capital. Fine Products Limited is incorporated in the British Virgin Islands and is 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。
- (iv) 孫道弘先生憑藉其身為The Sun Family Trust及Dennis Family Trust之受益人被視為擁有本公司合共711,276,214股股份之權益。
- (v) Allianz Aktiengesellschaft之權益乃透過一系列受控法團而持有，即Allianz Finanzbeteiligungs GmbH(擁有81.1%)、Dresdner Bank Aktiengesellschaft、Dresdner Bank Luxembourg S.A.及Veer Palthe Voute NV。
- (vi) 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(由馮國綸先生擁有50%之權益)。
- (vii) 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(由J.P. Morgan Trust Company (Jersey) Limited擁有50%之權益)。
- (viii) 上述附註(vi)及(vii)所述馮國綸先生及J.P. Morgan Trust Company (Jersey) Limited之權益指本公司之同一批股份。

除上文所披露者外，於2007年3月31日，除本公司董事外(其權益載於「董事於股份及相關股份之權益及淡倉」)，概無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336條須予備存之登記冊內。

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%。

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
2007年6月28日

- (ii) Such interests have been included as the interests of Dr Sun Tai Lun Dennis.
- (iii) Ms Tang Sau Ying Betty is deemed to be interested in 712,276,214 shares of the Company through the interests of her spouse, Dr Sun Tai Lun Dennis.
- (iv) Mr Sun Tao Hung Stanley is deemed to be interested in a total of 711,276,214 shares of the Company by virtue of him being a beneficiary of The Sun Family Trust and the Dennis Family Trust.
- (v) The interests of Allianz Aktiengesellschaft are held via a chain of controlled corporations namely Allianz Finanzbeteiligungs GmbH (81.1% owned), Dresdner Bank Aktiengesellschaft, Dresdner Bank Luxembourg S.A. and Veer Palthe Voute NV.
- (vi) 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 (which is 50% owned by Mr Fung Kwok Lun William).
- (vii) 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 (which is 50% owned by J.P. Morgan Trust Company (Jersey) Limited).
- (viii) The interests of Mr Fung Kwok Lun William and J.P. Morgan Trust Company (Jersey) Limited as mentioned in the above notes (vi) and (vii) refer to the same block of shares in the Company.

Save as disclosed above, as at 31 March 2007, 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.

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.

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
28 June 2007

Independent Auditors' Report

獨立核數師報告



18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

香港中環金融街8號
國際金融中心2期18樓

致中港照相器材集團有限公司股東 (於百慕達註冊成立之有限公司)

本核數師已審核列載於第48頁至106頁中港照相器材集團有限公司之財務報表，此財務報表包括於2007年3月31日之綜合及公司資產負債表與截至該日止年度之綜合收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及《香港公司條例》中有關披露資料之規定編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關之內部控制，以使財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況下作出合理之會計估計。

核數師之責任

本核數師之責任是根據我們之審核對該等財務報表作出意見。本核數師是按照百慕達1981年公司法第90條規定，僅向整體股東報告。除此以外，本核數師之報告書不可用作其他用途。本核數師概不就本報告書之內容，對任何其他人士負責或承擔法律責任。

本核數師已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求本核數師遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

To the shareholders of China-Hongkong Photo Products Holdings Limited

(Incorporated in Bermuda with limited liability)

We have audited the financial statements of China-Hongkong Photo Products Holdings Limited set out on pages 48 to 106, which comprise the consolidated and Company balance sheets as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

審核涉及執行程序以獲取有關財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關之內部控制，以設計適當之審核程序，但並非為對公司之內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價財務報表之整體列報方式。

本核數師相信，我們所獲得之審核憑證是充足和適當地為我們之審核意見提供基礎。

意見

本核數師認為，該等財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2007年3月31日之事務狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照《香港公司條例》中有關披露資料之規定妥為編製。

安永會計師事務所

執業會計師

香港

2007年6月28日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong

28 June 2007

綜合損益表

截至 2007 年 3 月 31 日止年度

Consolidated Income Statement

Year ended 31 March 2007

		Notes 附註	2007 HK\$'000	2006 HK\$'000
收益	REVENUE	6	827,204	1,250,595
銷售成本	Cost of sales		(616,354)	(1,003,439)
溢利總額	Gross profit		210,850	247,156
其他收入及收益	Other income and gains	6	44,720	24,550
協議收入	Settlement income	7	140,400	–
銷售及分銷費用	Selling and distribution costs		(59,941)	(66,155)
廣告及市場推廣開支	Advertising and marketing expenses		(17,155)	(16,036)
行政開支	Administrative expenses		(84,919)	(67,367)
其他經營開支	Other operating expenses		(241)	(2,676)
所佔聯營公司溢利	Share of profit of an associate		–	1,027
除稅前溢利	PROFIT BEFORE TAX	8	233,714	120,499
稅項	Tax	11	(14,979)	100
本年度溢利	PROFIT FOR THE YEAR		218,735	120,599
歸屬於：	Attributable to:			
本公司股權持有人	Equity holders of the Company	12	218,824	120,496
少數股東權益	Minority interests		(89)	103
			218,735	120,599
股息	DIVIDENDS	13		
中期	Interim		44,225	25,604
擬派末期	Proposed final		60,519	48,881
			104,744	74,485
本公司普通股股權 持有人應佔每股盈利	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	14		
基本	Basic		18.80港仙HK cents	10.35港仙HK cents
攤薄	Diluted		不適用N/A	不適用N/A

綜合資產負債表

2007年3月31日

Consolidated Balance Sheet

31 March 2007

		Notes 附註	2007 HK\$'000	2006 HK\$'000
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	15	50,434	98,176
投資物業	Investment properties	16	103,248	35,958
預付土地租賃開支	Prepaid land lease payments	17	3,271	9,109
商譽	Goodwill	18	35,878	35,878
聯營公司權益	Interest in an associate	20	–	9,607
租賃按金	Rental deposits	23	6,045	5,907
定期存款	Time deposits	24	–	38,785
遞延稅項資產	Deferred tax assets	28	5,597	11,720
非流動資產總額	Total non-current assets		204,473	245,140
流動資產	CURRENT ASSETS			
存貨	Inventories	21	22,789	143,546
應收賬項及票據	Trade and bills receivables	22	18,601	86,697
預付款項、訂金及 其他應收賬項	Prepayments, deposits and other receivables	23	24,370	27,360
可收回稅項	Tax recoverable		2,687	–
現金及現金等值項目	Cash and cash equivalents	24	965,257	617,420
流動資產總額	Total current assets		1,033,704	875,023
流動負債	CURRENT LIABILITIES			
應付賬項及票據	Trade and bills payables	25	16,609	49,836
應計負債及 其他應付賬項	Accrued liabilities and other payables	26	88,320	82,682
應付稅項	Tax payable		–	7,089
流動負債總額	Total current liabilities		104,929	139,607
流動資產淨值	NET CURRENT ASSETS		928,775	735,416
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		1,133,248	980,556
非流動負債	NON-CURRENT LIABILITIES			
長期服務金撥備	Provision for long service payments	27	2,739	2,810
遞延稅項負債	Deferred tax liabilities	28	5,624	2,088
非流動負債總額	Total non-current liabilities		8,363	4,898
資產淨值	Net assets		1,124,885	975,658
權益	EQUITY			
本公司股權持有人 應佔權益	Equity attributable to equity holders of the Company			
已發行股本	Issued capital	29	116,383	116,383
儲備	Reserves	31(a)	931,896	794,218
擬派末期股息	Proposed final dividend	13	60,519	48,881
少數股東權益	Minority interests		1,108,798	959,482
			16,087	16,176
總權益	Total equity		1,124,885	975,658

孫大倫
主席

Sun Tai Lun Dennis
Chairman

吳玉華
董事

Ng Yuk Wah Eileen
Director

綜合權益變動表

截至 2007 年 3 月 31 日止年度

Consolidated Statement of Changes in Equity

Year ended 31 March 2007

		Attributable to equity holders of the Company 本公司股權持有人應佔									
Notes 附註		Issued	Share	Capital	Exchange	Asset	Retained	Proposed	Minority	Total	
		capital 已發行 股本	premium 溢價賬	redemption 贖回儲備	fluctuation 變動儲備	revaluation 重估儲備	reserve* 匯率 資產	profits* 保留溢利			final dividend 擬派末期 股息
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	於 2005 年 4 月 1 日	116,383	478,773	1,619	453	-	270,452	116,383	984,063	16,073	1,000,136
	年內直接在權益確認										
	之匯兌調整及				(3,090)				(3,090)		(3,090)
	收入與支出總額										
	年內溢利						120,496		120,496	103	120,599
	年內收入及支出總額				(3,090)		120,496		117,406	103	117,509
	已付 2005 年末期股息	13						(23,277)	(23,277)		(23,277)
	已付 2005 年末期特別股息	13						(93,106)	(93,106)		(93,106)
	已付 2006 年中期股息	13						(25,604)	(25,604)		(25,604)
	擬派 2006 年末期股息	13						(48,881)	48,881		
	於 2006 年 3 月 31 日及 2006 年 4 月 1 日	116,383	478,773	1,619	(2,637)		316,463	48,881	959,482	16,176	975,658
	匯兌調整				2,924				2,924		2,924
	土地及樓宇重估盈餘 (扣除遞延稅項)					20,674			20,674		20,674
	年內直接在權益										
	確認之收入與				2,924	20,674			23,598		23,598
	支出總額										
	年內溢利						218,824		218,824	(89)	218,735
	年內收入及支出				2,924	20,674	218,824		242,422	(89)	242,333
	總額										
	已付 2006 年末期股息	13						(48,881)	(48,881)		(48,881)
	已付 2007 年中期股息	13						(44,225)	(44,225)		(44,225)
	擬派 2007 年末期股息	13						(60,519)	60,519		
	於 2007 年 3 月 31 日	116,383	478,773	1,619	287	20,674	430,543	60,519	1,108,798	16,087	1,124,885

* 此等儲備賬包括於綜合資產負債表之綜合儲備港幣 931,896,000 元 (2006 年: 港幣 794,218,000 元)。

* These reserve accounts comprise the consolidated reserves of HK\$931,896,000 (2006: HK\$794,218,000) in the consolidated balance sheet.

綜合現金流動表

截至 2007 年 3 月 31 日止年度

Consolidated Cash Flow Statement

Year ended 31 March 2007

	Notes 附註	2007 HK\$'000	2006 HK\$'000
經營業務之現金流動	CASH FLOWS FROM OPERATING ACTIVITIES		
除稅前溢利	Profit before tax	233,714	120,499
經下列調整：	Adjustments for:		
所佔聯營公司溢利	Share of profit of an associate	–	(1,027)
利息收入	Interest income	6 (31,508)	(14,666)
出售聯營公司收益	Gain on disposal of an associate	6 (6,774)	–
折舊	Depreciation	8 18,852	21,492
確認預付土地租金	Recognition of prepaid land lease payments	8 690	690
出售物業、廠房及設備項目 之虧損／(收益)	Loss/(gain) on disposal of items of property, plant and equipment	8 (354)	1,198
物業、廠房及設備項目 減值撥回	Reversal of impairments of items of property, plant and equipment	8 (3,102)	–
應收賬項減值	Impairments on trade receivables	8 1,293	578
其他應收款項減值	Impairment on an other receivable	8 1,000	–
存貨撥備／(回撥)	Provision/(write-back of provision) against inventories	8 (28,692)	4,529
投資物業公平價值變動	Changes in fair value of investment properties	8 2,972	900
		188,091	134,193
存貨之減少	Decrease in inventories	149,449	46,609
應收賬款及票據之減少	Decrease in trade and bills receivables	66,803	9,106
租賃按金、預付款項、訂金及 其他應收款項之減少	Decrease in rental deposits, prepayments, deposits and other receivables	1,371	1,581
應付賬款及票據之增加／(減少)	Increase/(decrease) in trade and bills payables	(33,227)	1,127
應計負債及其他應付賬項 之增加／(減少)	Increase/(decrease) in accrued liabilities and other payables	5,638	(1,096)
長期服務金撥備增加／(減少)	Increase/(decrease) in provision for long service payments	(71)	615
經營業務所得現金	Cash generated from operations	378,054	192,135
已付香港所得稅	Hong Kong profits tax paid	(15,519)	(2,720)
已付海外稅項	Overseas taxes paid	(2,634)	(131)
經營業務之現金流入淨額	Net cash inflow from operating activities	359,901	189,284
投資活動之現金流動	CASH FLOWS FROM INVESTING ACTIVITIES		
已收利息	Interest received	31,508	14,666
購入物業、廠房及設備項目	Purchases of items of property, plant and equipment	15 (8,853)	(7,442)
出售物業、廠房及 設備項目所得款項	Proceeds from disposal of items of property, plant and equipment	1,699	4,185
出售聯營公司所得款項	Proceeds from disposal of an associate	16,381	–
一般為在購入時超過3個月到期 之非抵押之銀行存款增加	Increase in non-pledged bank deposits with original maturity of more than three months when acquired	(566,470)	(7,520)
投資活動之現金流入／(流出)淨額	Net cash inflow/(outflow) from investing activities	(525,735)	3,889

綜合現金流動表 (續) Consolidated Cash Flow Statement (Continued)

截至 2007 年 3 月 31 日止年度

Year ended 31 March 2007

		Notes 附註	2007 HK\$'000	2006 HK\$'000
融資活動之現金流動	CASH FLOW FROM A FINANCING ACTIVITY			
已付股息及融資活動之 現金流出	Dividends paid and cash outflow from a financing activity		(93,106)	(141,987)
現金及現金等值項目之 增加/(減少)淨額	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(258,940)	51,186
年初現金及現金等值項目	Cash and cash equivalents at beginning of year		594,106	540,976
匯率變動之淨影響	Effect of foreign exchange rate changes, net		1,522	1,944
年終現金及現金等值項目	CASH AND CASH EQUIVALENTS AT END OF YEAR		336,688	594,106
現金及現金等值項目結餘分析	ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	24, 32		
現金及銀行結餘	Cash and bank balances		66,212	105,731
一般為在購入時於少於3個月 內到期之非抵押之定期存款	Non-pledged time deposits with original maturity of less than three months when acquired		270,476	488,375
			336,688	594,106

資產負債表

2007年3月31日

Balance Sheet

31 March 2007

		Notes 附註	2007 HK\$'000	2006 HK\$'000
非流動資產	NON-CURRENT ASSETS			
附屬公司權益	Interests in subsidiaries	19	795,225	793,044
流動資產	CURRENT ASSETS			
應收附屬公司賬項	Due from a subsidiary	19	60,519	48,881
其他應收賬項	Other receivables	23	216	218
現金及現金等值項目	Cash and cash equivalents	24	383	420
流動資產總值	Total current assets		61,118	49,519
流動負債	CURRENT LIABILITIES			
應計負債及 其他應付賬項	Accrued liabilities and other payables	26	3,946	3,273
流動資產淨值	NET CURRENT ASSETS		57,172	46,246
資產淨值	Net assets		852,397	839,290
權益	EQUITY			
已發行股本	Issued capital	29	116,383	116,383
儲備	Reserves	31(b)	675,495	674,026
擬派末期股息	Proposed final dividend	13	60,519	48,881
總權益	Total equity		852,397	839,290

孫大倫
主席

Sun Tai Lun Dennis
Chairman

吳玉華
董事

Ng Yuk Wah Eileen
Director

1. 公司資料

中港照相器材集團有限公司為一間於英屬處女群島註冊成立之有限公司。本公司註冊辦事處位於Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda。主要經營業務地址為香港荃灣德士古道220-248號荃灣工業中心8字樓。

年內，集團主要從事推廣及經銷照相沖印產品，以及經營照相沖印零售門市。

董事會認為，本公司的控股公司及最終控股公司是英屬處女群島註冊成立之 Fine Products Limited。

2.1 編製基準

本財務報表乃按香港會計師公會頒佈的香港財務報告準則（亦包括香港會計準則及詮釋）、香港普遍採用之會計準則及香港公司條例的披露要求而編製。除投資物業乃按公平價值計量外，財務報表採用歷史成本法編製。本財務報表乃以港幣呈報，除非另有註明，所有數值四捨五入至最接近之千位。

綜合基準

本綜合財務報表包括本公司及其附屬公司截至2007年3月31日止年度之財務報表。附屬公司之業績從收購日期（即本集團獲得控制權日期）直至該項控制權終止日期進行合併。集團內各公司間之所有重大交易及結餘經已於綜合時對銷。

少數股東權益代表外界股東於本公司附屬公司業績及淨資產中之並非由本集團持有之權益。

1. CORPORATE INFORMATION

China-Hongkong Photo Products Holdings Limited is a limited company incorporated in Bermuda. The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda. The principal place of business of the Company is located at 8/F, Tsuen Wan Industrial Centre, 220-248 Texaco Road, Tsuen Wan, Hong Kong.

During the year, the Group was principally involved in the marketing and distribution of photographic developing, processing and printing products and the operations of retail photographic developing and processing shops.

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Fine Products Limited, which is incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2007. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interest of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

2.2 新訂及經修訂之香港財務報告準則之影響

本集團已於本年度之財務報表首次採納下列新訂及經修訂之香港財務報告準則。除某些特定情形需要採用新訂及經修訂的會計政策及額外披露外，採納此等新訂及經修訂準則及詮釋對本財務報表並無重大影響。

香港會計準則第21號 (經修訂)	對境外經營的淨投資
香港會計準則第39號及 香港財務報告準則第4號 (經修訂)	財務擔保合約
香港會計準則第39號 (經修訂)	預測集團內交易的 現金流量套期會計
香港會計準則第39號 (經修訂)	公允價值計量選擇權
香港(國際財務報告 詮釋委員會) — 詮釋第4號	確定一項安排是否 包含租賃

會計政策之主要變動如下：

(a) 香港會計準則第21號「外幣匯率變動的影響」

在採用了香港會計準則第21號經修訂關於對境外經營的淨投資的條款後，作為本集團對境外經營淨投資一部分的貨幣項目產生的所有匯兌差額作為權益的單獨組成部分在合併財務報表中確認，無論該貨幣項目以何種貨幣列值。這一變化對於截至2007年3月31日或2006年3月31日止的財務報表無重大影響。

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

The principal changes in accounting policies are as follows:

(a) HKAS 21 “The Effects of Changes in Foreign Exchange Rates”

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms a part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 March 2007 or 31 March 2006.

2.2 新增及經修訂之香港財務報告準則之影響 (續)

(b) 香港會計準則第39號「金融工具：確認和計量」

(i) 財務擔保合同的修訂

本修訂條款更改了香港會計準則第39號的適用範圍，要求已出具的非保險合同的財務擔保合同按公允價值作初始計量，並按根據香港會計準則第37號準備、或有負債和或有資產確認的金額和初始確認的金額減根據香港會計準則第18號收入確認的累計攤銷額（如適用），後的餘額兩者中較高者重新計量。採用本修訂條款對這些財務報表無重大影響。

(ii) 公允價值計量選擇權的修訂

本修訂改變了以公允價值計量且變動計入損益的金融工具的定義，並且對指定任何金融資產或金融負債為按公允價值計量並在利潤表中確認公允價值變動的選擇權使用進行了限制。本集團以前未採用過此選擇權，因此，本修改對財務報表無影響。

(iii) 預測集團內部交易的現金流量套期會計的修訂

本修訂對香港會計準則第39號進行了修改，允許很可能的預期集團內部交易的外幣風險作為現金流量套期的被套期專案，只要該交易採用的貨幣不是該交易企業的功能貨幣，並且外幣風險對合併利潤表會產生影響。鑒於本集團目前未開展此類交易，因此本修訂對這些財務報表無影響。

(c) 香港（國際財務報告詮釋委員會）－詮釋第4號「確定一項安排是否包括租賃」

本集團自2006年4月1日起採用了本詮釋，詮釋就確定安排是否包含一項必須採用租賃會計核算的租賃提供了指南。本詮釋對這些財務報表無重大影響。

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

(b) HKAS 39 “Financial Instruments: Recognition and Measurement”

(i) Amendment for financial guarantee contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 “Revenue”. The adoption of this amendment has had no material impact on these financial statements.

(ii) Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

(iii) Amendment for cash flow hedge accounting of forecast intragroup transactions

This amendment has revised HKAS 39 to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in a cash flow hedge, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and that the foreign currency risk will affect the consolidated income statement. As the Group currently has no such transactions, the amendment has had no effect on these financial statements.

(c) HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”

The Group has adopted this interpretation as of 1 April 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. The adoption of this interpretation has had no effect on these financial statements.

2.3 已頒佈但尚未生效的香港財務報告準則的影響

本集團在編制這些財務報表時尚未採用下列已發佈但尚未生效的新制訂和經修訂的香港財務報告準則。

香港會計準則第1號 經修訂	資本披露
香港財務報告準則第7號	金融工具：披露
香港財務報告準則第8號	經營分部
香港（國際財務報告詮釋委員會）－詮釋第8號	香港財務報告準則第2號的範圍
香港（國際財務報告詮釋委員會）－詮釋第9號	嵌入衍生工具的重估
香港（國際財務報告詮釋委員會）－詮釋第10號	中期財務報告和減值
香港（國際財務報告詮釋委員會）－詮釋第11號	香港財務報告準則第2號－集團及庫存股份交易
香港（國際財務報告詮釋委員會）－詮釋第12號	服務經營權安排

香港會計準則第1號經修訂適用於自2007年1月1日或以後開始的年度期間。該修訂後準則將影響以下事項的披露：有關本集團資本管理的目標、政策和程式的定性資訊、本公司視作資本的定量資料，以及遵守所有資本規定的情況以及任何不合規造成的後果。

香港財務報告準則第7號適用於2007年1月1日或以後開始的年度期間。本準則要求披露能使財務報表使用者能夠評估集團的金融工具的重要性以及這些金融工具所產生風險的性質和程度。

香港財務報告準則第8號適用於2009年1月1日或以後開始的年度期間。該準則要求披露有關本集團經營分部之資料、分部提供之產品及服務、本集團分部經營地區，以及來自本集團主要客戶之收益。該準則將取代香港會計準則第14號「分類報告」。

香港（國際財務報告詮釋委員會）－詮釋第8號、香港（國際財務報告詮釋委員會）－詮釋第9號、香港（國際財務報告詮釋委員會）－詮釋第10號、香港（國際財務報告詮釋委員會）－詮釋第11號及香港（國際財務報告詮釋委員會）－詮釋第12號分別適用於2006年5月1日、2006年6月1日、2006年11月1日、2007年3月1日及2008年1月1日或以後開始的年度期間。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objectives, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments.

HKFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. The standard requires the disclosure of information about the operating segments of the Group, the products and services provided by the segments, the geographical areas in which the Group operates, and revenues from the Group's major customers. This standard will supersede HKAS 14 "Segment Reporting".

HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10, HK(IFRIC)-Int 11 and HK(IFRIC)-Int 12 shall be applied for annual periods beginning on or after 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007 and 1 January 2008, respectively.

2.3 已頒佈但尚未生效之香港財務報告準則之影響 (續)

本集團正在評估首次採用這些新制訂和經修訂的香港財務報告準則的影響。到目前為止，本集團得出如下結論：採用香港會計準則第1號經修訂、香港財務報告準則第7號和香港財務報告準則第8號可能需要做出新的披露或修改目前披露。這些新制訂和經修訂的香港財務報告準則不會對本集團的經營成果和財務狀況產生重大影響。

3. 主要會計政策撮要

附屬公司

附屬公司乃本公司直接或間接透過控制其財務及營運政策而享有業務利益之實體。

附屬公司之業績中之已收取或應收股息乃計入本公司損益賬。本公司持有之附屬公司權益乃按原值扣除任何減值虧損列出。

合營企業

合營企業乃指按合約安排成立之實體，據此，本集團及其他各方共同進行一項經濟業務。合營企業以獨立實體方式經營，而本集團及其他各方擁有其中之權益。

由合營人訂立之合營協議訂明合營各方之出資額、合營期及合營企業解散時將資產變現之基準。合營企業業務帶來之損益及任何盈餘資產分派，均由合營人按各自之出資比例或按合營協議之條款分攤。

合營企業之處理方式如下：

- (a) 如本集團直接或間接擁有合營企業單方面控制權，會視作附屬公司；或
- (b) 如本集團並無擁有合營企業單方面或共同控制權，惟只直接或間接擁有不少於20%之合營企業註冊股本及有能力對其行使重大影響力，會視作聯營公司。

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that the adoption of the HKAS 1 Amendment, HKFRS 7 and HKFRS 8 may result in new or amended disclosures. The Group has already commenced an assessment of the impact of the other new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture entity and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

- (a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture; or
- (b) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture.

3. 主要會計政策撮要 (續)**聯營公司**

聯營公司乃本集團長期持有其一般不少於20%之投票權並可對其發揮重大影響力、但並非歸類為附屬公司或共同控制實體之實體。

本集團應佔聯營公司之收購後業績及儲備分別計入綜合損益賬及綜合儲備內。本集團於聯營公司之權益，乃以權益會計法，按本集團應佔之資產淨值減去減值虧損後，列於綜合資產負債表內。

商譽

收購附屬公司而產生之商譽乃是於收購日，業務合併成本較本集團佔可識別之已收購資產、已承擔負債及或然負債公平價值淨額之權益超出之數額。

收購產生之商譽乃於綜合資產負債表內確認為資產，初步按成本值列賬，其後則按成本減任何累計減值虧損列賬。

商譽之賬面值每年進行減值檢討，或如發生某些事件或情況變化顯示可能出現賬面減值，則會更頻密地進行減值檢討。

為進行減值測試，因業務合併而購入之商譽自購入之日起分配至預期可從合併產生之協同效益中獲益之本集團各個現金產生單位或現金產生單位組別，而無論本集團資產或負債是否已分配予該等單位或單位組別。獲分配商譽之各單位或單位組別：

- 為就內部管理而言對商譽進行之監察屬本集團內的最低水平；及
- 不超過按香港會計準則第14號「分類報告」而釐定之本集團主要或次要申報方式所得出之一個分類。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Associate**

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of an associate are included in the consolidated income statement and consolidated reserves, respectively. The Group's interest in an associate is stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with HKAS 14 "Segment Reporting".

3. 主要會計政策撮要 (續)**商譽 (續)**

減值乃通過評估與商譽有關之現金產生單位 (或現金產生單位組別) 之可收回金額來確定。凡現金產生單位 (或現金產生單位組別) 之可收回金額低於賬面值，即確認減值虧損。

倘商譽構成現金產生單位 (或現金產生單位組別) 之部份而該單位之部份業務已出售，則在釐定所出售業務之盈虧時，與所出售業務相關之商譽計入該業務賬面值。在這種情況下出售之商譽根據所出售業務之相對價值和現金產生單位之保留份額進行計量。

就商譽確認之減值虧損不會於往後期間回撥。

非金融資產減值 (商譽除外)

倘有跡象顯示出現減值或須就資產進行年度減值測試 (存貨、金融資產及商譽等項目除外)，則會估計該資產之可收回金額。可收回金額按資產或現金產生單位之使用價值或其公平價值 (以較高者為準) 減銷售成本計算，並就個別資產而釐定，除非有關資產並無產生現金流入，且在頗大程度上獨立於其他資產或資產組別。在此情況下，可收回金額就資產所屬之現金產生單位而釐定。

減值虧損僅於資產賬面值超出其可收回金額時予以確認。於評估使用價值時，估計日後現金流量按可反映現時市場評估之貨幣時值及資產特定風險之除稅前折現率折減至現值。減值虧損於產生期間自損益賬內與減值資產功能一致的開支類別扣除，惟倘若資產以估值入賬，則會根據有關資產之會計政策將減值虧損入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3. 主要會計政策撮要 (續)**資產減值 (續)**

於各申報日會評定是否有跡象顯示先前已確認之減值虧損不再存在或減少。倘出現該等跡象，則會估計可收回金額。過往確認之資產減值虧損(商譽及若干金融資產除外)僅會於用以釐定資產可收回金額之估計改變時撥回，惟撥回後之數額不得高於假設過往年度並無就資產確認減值虧損而應有之賬面值(扣除折舊／攤銷後)。減值虧損之撥回於產生期間計入損益賬，惟倘若資產以估值入賬，則會根據有關資產之會計政策將減值虧損之撥回入賬。

關連人士

在下列情況下，有關人士將視為本集團關連人士：

- (a) 有關人士直接或透過一名或多名中介人間接(i)控制本集團，或受到本集團或本集團及其他人士共同控制；(ii)擁有本集團權益，並可對本集團發揮重大影響力；或(iii)與他人共同擁有本集團的控制權；
- (b) 有關人士為聯營公司；
- (c) 有關人士為本集團或其母公司主要管理人員；
- (d) 有關人士為(a)或(c)項所述人士之直系親屬；
- (e) 有關人士受直接或間接歸屬於(c)或(d)項所述人士之實體所控制、與他人共同控制或發揮重大影響力，或擁有重大投票權；或
- (f) 有關人士為本集團或其關連人士之僱傭後福利計劃之受益人。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Impairment of non-financial assets other than goodwill***(Continued)*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill and certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a member of the key management personnel of the Group or its parent;
- (d) the party is a close member of the family of any individual referred to in (a) or (c);
- (e) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or
- (f) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

3. 主要會計政策撮要 (續)**物業、廠房及設備及折舊**

物業、廠房及設備乃按成本值減累積折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括購入價及任何令資產達致運作狀態及運作擬定用途之地點的直接有關成本。物業、廠房及設備項目運作後所需支出如維修及保養，則一般在產生期間內自損益賬撇除。如能清楚證明支出將增加日後使用物業、廠房及設備項目帶來的經濟利益及該項目之成本能可靠計量，則支出撥作該資產之額外成本或作為一項置換處理。

估值乃於物業、廠房及設備轉讓時進行。

折舊乃按直線法計算，按各物業、廠房及設備項目之估計可使用年期撇銷其成本值至其剩餘價值。以下為折舊之主要年率：

租賃土地及樓宇	5%或租約剩餘年期
傢俬、裝置及租賃物業裝修	20%至33 ¹ / ₃ %
機器及設備	20%
汽車	20%

倘若物業、廠房及設備項目之部份具不同使用期限，該項目之成本按合理基準分配至各部份，由各部份各自計算折舊。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Valuations are performed upon the transfer from property, plant and equipment to investment properties.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	5% or over the remaining lease terms
Furniture, fixtures and leasehold improvements	20% to 33 ¹ / ₃ %
Machinery and equipment	20%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

3. 主要會計政策撮要 (續)**物業、廠房及設備與折舊 (續)**

剩餘價值、可使用年期及折舊方法於各結算日審閱及在適當時進行調整。

物業、廠房及設備項目於出售或預期待日後使用或出售不再產生經濟利益時取消確認。取消確認年內在損益賬確認出售或棄用資產所產生之盈虧指出售所得款項淨額與有關資產賬面值之差額。

投資物業

投資物業指為賺取租賃收入及／或資本升值而持有之土地及樓宇(包括物業經營租約之契約權益並附合投資物業之定義)，而非用作生產或提供貨品或服務，或用作行政用途，或用作在日常業務中出售。該等物業初步按成本計量，包括交易成本。於初步確認後，投資物業按反映結算日市場狀況之公平價值列賬。

投資物業公平價值變動所產生之盈虧計入產生年度之損益賬。

棄用或出售投資物業之盈虧在棄用或出售當年之損益賬中確認。

就業主佔用物業轉撥為投資物業而言，本集團前根據「物業、廠房及設備與折舊」所述之政策將有關物業列賬，直至用途變更當日為止，於該日有關物業之賬面值與公平值間之任何差異乃列作重估值。重估盈餘會計入損益表，金額以過往扣除之減值為限，而餘下之重估盈餘將視作資產重估儲備之變動處理。於出售重估資產時，就過往估值變現之資產重估儲備之相關部分將撥入保留溢利。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment and depreciation

(Continued)

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

For a transfer from an owner-occupied property to an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation. The revaluation surplus is credited to the income statement to the extent of the impairments previously charged, while the remaining revaluation surplus is dealt with as a movement in the asset revaluation reserve. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

3. 主要會計政策撮要 (續)**經營租賃**

凡資產擁有權之絕大部份回報及風險歸予租賃公司所有之租約，均列為經營租約。倘集團為出租人，按經營租約出租之資產將列為非流動資產，其租金收入於租期內按直線法記入損益賬內。倘集團為承租人，經營租約之租金支出於租期內按直線法從損益賬支銷。

經營租約之預付土地租金初步按成本值列賬，其後則於租期內按直線法確認入賬。倘租金未能可靠分配至土地及樓宇部份，則全部租金計入物業、廠房及設備之土地及樓宇成本作為融資租賃。

貸款及應收賬項

貸款及應收賬項為具有固定或可確定款項，但在活躍市場中無報價之非衍生金融資產。該等資產初步以公平值計量，其後用實際利息法按攤銷成本列賬。攤銷成本乃於計及收購之任何折讓或溢價而計算，並計入構成實際利率及交易成本不可分割部分之費用。該等貸款及應收賬項取消確認、出現減值或進行攤銷時產生之盈虧計入損益賬。

金融資產減值

本集團於各結算日評估有否客觀跡象表明一項金融資產或一組金融資產出現減值。

按攤銷成本列賬之資產

如果有客觀跡象表明按攤銷成本列賬之貸款及應收賬項已產生減值虧損，資產賬面值與估算未來現金流量（不包括尚未產生之未來信貸損失）以原始實際利率（即初步確認時計算之實際利率）折現的現值之間差額確認為損失金額。有關資產之賬面值可通過直接沖減或通過撥備賬目降低。有關減值虧損在損益表中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases, net of any incentives received from the lessor, are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value, and are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

3. 主要會計政策撮要 (續)**金融資產減值 (續)****按攤銷成本列賬之資產 (續)**

本集團首先對具個別重要性之金融資產進行評估，評估有否客觀跡象顯示個別存有減值，並對非具個別重要性之金融資產進行評估，評估有否客觀跡象顯示個別或共同存有減值。倘若經個別評估之金融資產(無論具重要性與否)釐定並無客觀跡象顯示存有減值，該項資產會歸入一組具有類似信貸風險特性之金融資產內，並對該組金融資產是否存有減值共同作出評估。倘資產乃經個別評估減值且其減值虧損會或將繼續確認入賬，則有關資產不會歸入共同減值評估之內。

於往後期間，倘若減值虧損金額減少，而減少原因客觀上與確認減值後所發生之事件相關聯，則先前確認之減值虧損可予撥回。於撥回當日，倘若資產賬面值並無超出其攤銷成本，則任何減值虧損之其後撥回將於損益賬內確認入賬。

就應收賬項而言，倘有客觀憑證(例如債務人有可能無力償債或有重大財政困難)顯示本集團將未能收回所有根據原有發票條款應收之款項，則會作出減值。應收款項之賬面值乃透過使用撥備賬而減少。減值債務於獲確認為不可收回時予以取消確認。

取消確認金融資產

金融資產(或(倘適用)一項金融資產之一部份或一組類似金融資產之一部份)在下列情況將取消確認：

- 收取該項資產所得現金流量之權利經已屆滿；
- 本集團保留收取該項資產所得現金流量之權利，惟須根據一項「轉付」安排，在未有嚴重遲延之情況下向第三者全數付款；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，並(a)已轉讓該項資產之絕大部份風險及回報；或(b)並無轉讓或保留該項資產絕大部份風險及回報，但已轉讓該項資產之控制權。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Impairment of financial assets (Continued)****Assets carried at amortised cost (Continued)**

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade receivables, impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original term of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. 主要會計政策撮要 (續)**取消確認金融資產 (續)**

倘本集團已轉讓其收取該項資產所得現金流量之權利，但並無轉讓或保留該項資產之絕大部份風險及回報，亦無轉讓該項資產之控制權，則該項資產將確認入賬，惟本集團須持續介入該項資產。倘持續介入之形式為就已轉讓資產作出保證，則按該項資產之原賬面值及本集團或須償還之代價金額上限(以較低者為準)計算。

按攤銷成本列賬之金融負債

金融負債(包括應付賬款及票據及應計負債及其他應付款項)初步乃以公平值減直接應佔交易成本列賬，其後則以實際利率法按攤銷成本計量，除非折讓之影響將並非重大，在該情況下則以成本列賬。

當負債取消確認及透過攤銷程序處理時，盈虧乃於損益表確認。

取消確認金融負債

倘負債之責任被解除、取消或到期，則須取消確認金融負債。

倘現有金融負債被來自同一貸款人之另一項負債按實質不同之條款取代，或現有負債之條款大部份被修訂，該項取代或修訂作為取消確認原有負債及確認新負債處理，各自賬面值之差額於損益表內確認。

存貨

存貨以成本值與可變現淨值兩者中之較低者入賬，成本值是按加權平均法計算。可變現淨值乃根據估計售價減完成及出售前預期會引致之其他費用計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Derecognition of financial assets (Continued)

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities at amortised cost

Financial liabilities including trade and bills payables and accrued liabilities and other payables are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

3. 主要會計政策撮要 (續)**現金及現金等值項目**

就綜合現金流動表而言，現金及現金等值項目包括手頭現金及活期存款，以及可隨時轉換為已知數額之現金、價值變動風險不大並於短期內到期（一般為在購入時於3個月內到期）之高流動性之短期投資，減去須於要求時償還之銀行透支。現金及現金等值項目為本集團現金管理之一部份。

按資產負債表內的分類，現金及現金等值項目包括無限定用途的手頭現金及銀行存款（包括定期存款）。

撥備

凡過往事務產生現有責任（法律或推定責任），而將來或須撥出資源以履行此責任，則須作出撥備，惟須能夠對有關金額作出可靠評估。

如貼現影響重大，則確認之撥備額按日後履行責任預期所需開支於結算日之現值計算，因時間消逝而增加之貼現值列為損益賬內之融資成本處理。

所得稅

所得稅包括即期及遞延稅項。所得稅於損益賬入賬，如有關項目於同期或不同期於股本入賬，則其相關所得稅亦於股本入賬。

當前及過往期間之即期稅項資產和負債按預期可收回或支付予稅務機構之金額作計量。

就財務報告而言，遞延稅項乃就於結算日所有資產及負債之稅基及其賬面值之暫時差額以負債法提撥準備。

遞延稅項負債確認所有可課稅暫時差額，惟下列者除外：

- 除卻商譽或最初入賬一項資產或負債所引至之遞延稅項負債乃非因業務組合之交易所產生，而於交易發生時並無影響會計溢利或可課稅溢利或虧損；及

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

3. 主要會計政策撮要 (續)**所得稅 (續)**

- 就有關投資附屬公司及聯營公司之可課稅暫時差額，除卻暫時差額之撥回時間可被控制及於可見未來不可能撥回暫時差額。

遞延稅項乃按可導致可扣稅未用稅項資產及未用稅項虧損可被動用之稅項溢利可能出現的情況之所有可扣稅之暫時差額及前期帶來之未用稅項資產及未用稅項虧損被入賬，惟下列者除外：

- 除卻最初入賬之一項資產或負債所導致之可扣稅暫時差額之相關遞延稅項資產於交易進行時不會影響會計溢利及可課稅溢利或虧損；及
- 就有關投資附屬公司及聯營公司之可扣稅暫時差額，遞延稅項資產於可見未來可能撥回之暫時差額及可導致暫時差額可被動用之可課稅溢利出現時方會被入賬。

遞延稅項資產面值於每一個結算日修訂並按可導致全部或部份遞延稅項資產可被運用之充足可課稅溢利不再有可能出現的情況予以調低。另外，較早前未被入賬之遞延稅項資產則按可導致全部或部份遞延稅項資產可被運用之充足可課稅溢利可能出現的情況被入賬。

遞延稅項資產及負債按資產實現或負債繳清期內之預期實行稅率(基於於結算日期已被實行或大部份實行之稅率(及稅項法例))計算。

倘若存在可強制執行之法律權利，將有關同一課稅實體及同一稅務機構之流動稅項資產與流動稅項負債及遞延稅項抵銷，則對銷遞延稅項資產與遞延稅項負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Income tax (Continued)**

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. 主要會計政策撮要 (續)**收入確認**

當本集團可能獲得收入的經濟利益能夠可靠地計算時，收入將按下列情況確認：

- (a) 銷貨方面，在貨物擁有權所附的重大風險及回報已轉移至買家時，確認銷售收入，惟集團對已售貨物不時維持因擁有貨物而通常享有的管理參與權及有效控制權；
- (b) 菲林沖晒及照片沖印服務之收入於提供服務時確認；
- (c) 供應商之津貼，在擁有收取權利時確認；
- (d) 利息收入乃按應計基準使用實際利息法計算，須採用能把金融工具預期期限下估計未來現金收入折算至金融資產賬面淨值的利率；及
- (e) 租金收入於租期內按時間比例確認。

僱員福利**基於股份支付**

本公司為獎勵及報答曾對集團業務成功作出貢獻之合資格參與者而設立購股權計劃。本集團僱員（包括董事）以基於股份支付的方式收取報酬，而僱員則提供服務以權益性工具作為代價（「權益結算交易」）。

與僱員的權益結算交易的成本以權益性工具授予日的公平價值計算。公平價值按柏力克－舒爾斯期權定價模式確定。在評估權益結算交易時，如適用，除與本公司股價相聯繫的條件（「市場情況」）外，並不考慮任何績效條件。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the provision of film processing and photo-finishing services, when the services have been rendered;
- (c) subsidies from a supplier, when the right to receive payment has been established;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (e) rental income, on a time proportion basis over the lease terms.

Employee benefits**Share-based payment transactions**

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

3. 主要會計政策撮要 (續)**僱員福利 (續)****基於股份支付 (續)**

權益結算交易的成本，在績效和／或服務條件得到履行的期間內分期確認，直至相關僱員完全可享有該報酬的那天（「歸屬日」），並相應記錄權益的增加。在授予日之前的每一結算日對於權益結算交易所確認的累計費用，反映了授予期屆滿的程度和本集團對於最終將授予的權益性工具數量的最佳估計。當期損益賬借記或貸記的金額代表了當期期初和期末所確認的累計費用的變動。

除報酬以市場情況為授予條件外，對於最終沒有授予的報酬並不確認為費用。而對於授予條件為市場情況的報酬，在所有其他的績效條件都符合的情況下，不管市場情況是否符合，都視作已授予。

倘權益結算獎勵之條款被修訂，將確認最低限額開支猶如條款未經修訂。此外，任何增加基於股權支付安排公平價值總額或於修訂日期計量對僱員有利之任何修訂均予確認開支。

倘權益結算獎勵被取消，將視之為於取消日期已歸屬，該獎勵任何尚未確認之開支即時予以確認。然而，倘被取消獎勵由新獎勵所取代，亦於授出日期指定為替代獎勵，則被取消獎勵和新獎勵均視為猶如原有獎勵之修訂（誠如前一段所述）。

尚未行使購股權之攤薄效力於計算每股盈利時反映為額外股份攤薄。

本集團已採納香港財務報告準則第2號有關權益結算獎勵之過渡性條文，並僅將香港財務報告準則第2號應用於2002年11月7日以後授出但於2005年4月1日仍未歸屬以及該等於2005年4月1日或以後授出之權益結算獎勵。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(Continued)****Employee benefits (Continued)****Share-based payment transactions (Continued)**

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the “vesting date”). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 April 2005 and to those granted on or after 1 April 2005.

3. 主要會計政策撮要 (續)**僱員福利 (續)***預付有薪假期結轉*

本集團根據僱傭合約按曆年基準給予其僱員有薪年假。在若干情形下，於結算日未支取之年假准予結轉，留待有關僱員於來年享用。於結算日，已就僱員於年內獲取並予結轉之有薪年假之預期未來成本作出累算。

僱傭條例之長期服務金

本集團若干僱員之服務年資符合資格於終止僱傭時領取香港僱傭條例項下之長期服務金，而本集團有責任於上述僱員終止受聘符合僱傭條例所指定情況下發放有關金額。

退休金計劃

本集團根據強制性公積金計劃條例設立界定供款強制性公積金退休福利計劃及根據職業退休計劃條例設立界定供款職業退休福利計劃（「職業退休計劃」）。根據該等計劃之規則，供款額為僱員基本薪金之某個百分比，並於應繳付時在損益賬扣除。兩個計劃之資產與本集團之資產分開持有，並由獨立運作之基金管理。本集團對兩個計劃之僱主供款於對兩個計劃供款時已全數歸於僱員，惟本集團根據職業退休計劃之條款對職業退休計劃作出之自願性僱主供款，倘有關僱員在全數收歸前離職，則退回本集團所有。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Employee benefits (Continued)***Prepaid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance and a defined contribution occupational retirement scheme (the "ORSO scheme") under the Occupational Retirement Schemes Ordinance, for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the schemes. The assets of both schemes are held separately from those of the Group in independently administered funds. The Group's employer contributions to both schemes vest fully with the employees when contributed into the schemes, except for the Group's employer voluntary contributions to the ORSO scheme, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the ORSO scheme.

3. 主要會計政策撮要 (續)**僱員福利 (續)****退休金計劃 (續)**

本集團於中國內地經營之附屬公司之僱員須參加地方市政府主理之中央退休金計劃。該等附屬公司必須撥出員工薪酬某個百分比作為該退休金計劃之供款。供款於按照中央退休金計劃應付時自損益賬扣除。

股息

董事擬派之末期股息於資產負債表獨立按股本及儲備項下保留溢利分配列賬，直至此等股息獲股東於股東大會批准。當此等股息獲股東批准及宣派後始確認為負債。

中期股息乃同時予以擬派及宣派，此乃本公司細則授予董事宣派中期股息之權力。因此，中期股息於擬派及宣派時即確認為負債。

外幣

財務報表以本公司功能及呈報貨幣港幣呈報。本集團內各實體自行決定其功能貨幣，其財務報表項目均以所定功能貨幣計量。外幣交易按交易日有關功能貨幣之匯率換算入賬。於結算日以外幣為單位之貨幣資產及負債按該日之適用匯率折算，匯兌差額撥入損益賬內。按歷史成本列賬、以外幣為單位之非貨幣項目，採用初步交易日期之匯率換算。按公平值列賬、以外幣為單位之非貨幣項目，採用釐定公平值日期之匯率換算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*(Continued)***Employee benefits (Continued)****Pension schemes (Continued)**

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3. 主要會計政策撮要 (續)**外幣 (續)**

本集團位於中國大陸之若干附屬公司及一間聯營公司之功能貨幣並非港幣。於結算日時，有關實體之資產與負債，按結算日之適用匯率換算為本公司呈報貨幣，彼等之損益賬則按年內之加權平均匯率換算為港幣。因此而產生之匯兌差額於匯率變動儲備內列賬。於出售海外實體時，於權益確認之有關該特定海外業務之遞延累積金額於損益表確認。

為符合綜合現金流動報表要求，位於中國大陸之附屬公司之現金流動情況按於現金流動日期之匯率換算為港幣。海外附屬公司於全年均有發生之經常性重覆現金流動情況則按年內匯率加權平均數換算為港幣。

4. 重大會計判斷及估計**判斷**

於應用本集團會計政策過程中，除涉及估計者外，管理層已作出下列判斷，該些判斷對財務報告內確認之數額具有非常重大影響：

(i) *經營租約承擔 – 本集團作為出租人*
本集團就其投資物業組合訂立商業物業租賃，並決定保留按經營租約出租之物業擁有權之所有重大風險及回報。

(ii) *投資物業與自用物業之區別*

本集團釐定一項物業是否符合資格為投資物業，並制定判斷標準。投資物業乃持有作賺取租金或資本增值用途或兼有兩種用途之物業，故本集團會考慮該物業所產生之現金流量是否基本不受集團所持其他資產影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

The functional currencies of certain subsidiaries and an associate located in Mainland China are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of subsidiaries located in Mainland China are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) *Operating lease commitments – Group as lessor*
The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

(ii) *Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

4. 重大會計判斷及估計 (續)**判斷 (續)****(ii) 投資物業與自用物業之區別 (續)**

若干物業部份持有作賺取租金或資本增值用途，另一部份則持有作生產或提供貨品或服務或作行政用途。倘各部份可分開出售(或根據一項融資租賃分開出租)，本集團之賬目須就各部份分開入賬。倘各部份不可分開出售，則僅在持有作生產或提供貨品或服務或作行政用途之部份為微不足道的情況下，該物業會入賬列作投資物業。

本集團須判斷配套服務所佔比例是否較高以致有關物業不符合投資物業要求。在作出判斷時，本集團須考慮每項物業之個別情況。

(iii) 資產減值

釐定資產有否出現減值或過往導致資產減值之情況是否不再存在時，本集團須作出判斷，特別是評估(1)有否出現可能影響資產價值之事件或影響資產價值之該等事件並不存在；(2)資產賬面值是否獲得日後現金流量現值淨額支持，而日後現金流量按持續使用資產評估或取消確認；及(3)編製現金流量預測所用合適主要假設包括現金流量預測是否以合適比率折算。變更管理層所選假設以決定減值水平包括現金流量預測所用折算率或增長率，對減值檢測所用現值淨額或有重大影響。

估計不明朗因素

有關未來之主要假設，及於結算日估計不明朗因素之其他主要來源之討論見下文所述，兩者均對下個財政年度為資產及負債之賬面值作出重大調整具有重大風險。

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)**Judgements (Continued)****(ii) Classification between investment properties and owner-occupied properties (Continued)**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under finance leases), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(iii) Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment testing.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4. 重大會計判斷及估計 (續)**估計不明朗因素 (續)****(i) 投資物業公平值之估計**

公平值之最佳憑證為同類租約及其他合約於活躍市場之最新價格。倘缺乏此方面資料，本集團會考慮多方面資料，其中包括(i)參考獨立估值意見；(ii)不同性質、狀況或地點(或受不同租約或其他合約規限)物業當時在活躍市場之最新價格(須就各項差異作出調整)；(iii)活躍程度稍遜之市場所提供同類物業最近期價格(須按自有關價格成交當日以來經濟狀況出現之任何變化作出調整)；及(iv)根據未來現金流量所作可靠估計而預測之折讓現金流量，此項預測源自任何現有租約與其他合約之條款及(指在可能情況下)外在因素(如地點及狀況相同之類似物業最新市場租值)，並採用足以反映當時無法肯定有關現金流量金額及時間之折讓率計算。

支持本集團所作公平值估計之主要假設涉及地點及狀況相同之類似物業最新市場租值、適當之折讓率、預計未來市場租值及未來保養費用。

(ii) 物業、廠房及設備項目之可使用年期及餘值

於釐定物業、廠房及設備項目之可使用年期及餘值時，本集團須考慮多項因素，例如因生產變動或改進以致技術或商業環境過時，或資產之產品或服務輸出之市場需求之變動、資產之預期使用量、預期實際耗損、資產之維修保養及對使用資產之法律或類似限制。資產之估計可使用年期乃根據本集團就用作近似用途之類似資產之經驗而定。倘物業、廠房及設備項目之估計可使用年期及／或餘值與過往估計有所出入，則須作出額外折舊。可使用年期及餘值乃於各財務年度年結日根據情況變動而進行審閱。

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)**Estimation uncertainty (Continued)****(i) Estimation of fair value of investment properties**

The best evidence of fair value is current prices in an active market for similar lease terms and other contracts. In the absence of such information, the Group considers information from a variety of sources, including (i) by reference to independent valuations; (ii) current prices in an active market for properties of a different nature, condition and location (or subject to different leases or other contracts), adjusted to reflect those differences; (iii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of transactions that occurred at those prices; and (iv) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs

(ii) Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed, at each financial year end date based on changes in circumstances.

4. 重大會計判斷及估計 (續)

估計不明朗因素 (續)

(iii) 金融資產或商譽減值

本集團至少每年釐定金融資產或商譽是否減值。進行釐定時須對已獲分配金融資產或商譽之現金產生單位之使用價值作出估計。估計使用價值要求本集團對來自現金產生單位之預期未來現金流量作出估計，亦要選擇合適折現率計算該等現金流量之現值。倘估計之未來現金流量及／或採用之折現率發生變動，則須調整先前計提之估計減值撥備。於2007年3月31日，商譽之賬面值為港幣35,878,000元(2006年：港幣35,878,000港元)。商譽減值測試之進一步詳情載於財務報表附註18。

(iv) 遞延稅項資產

遞延稅項資產乃就因應收賬款及票據及存貨減值而產生之所有未動用稅項虧損及可扣稅暫時差額而確認，直至將可能有應課稅溢利可用作對銷虧損及可扣稅暫時差額可予動用。管理層須根據未來應課稅溢利之可能時間及水平連同日後稅務計劃策略，就釐定可予確認之遞延稅項資產金額作出重大判斷。於2007年3月31日，有關已確認稅務虧損、應收賬款減值之可扣稅暫時差額及存貨撥備之遞延稅項資產之賬面值分別為港幣6,898,000元(2006年：港幣8,183,000元)、無(2006年：港幣5,539,000元)及港幣34,000元(2006年：港幣37,000元)。於2007年3月31日，未確認稅務虧損、應收賬款減值之暫時差額及存貨撥備之金額分別為港幣24,975,000元(2006年：港幣31,557,000元)、港幣141,745,000元(2006年：港幣111,341,000元)及無(2006年：港幣5,401,000元)。進一步詳情載於財務報表附註28。

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)**Estimation uncertainty (Continued)***(iii) Impairment of financial assets or goodwill*

The Group determines whether a financial asset or goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the financial asset or goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the financial asset or cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made. The carrying amount of goodwill at 31 March 2007 was HK\$35,878,000 (2006: HK\$35,878,000). More details of impairment testing of goodwill are set out in note 18 to the financial statements.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and deductible temporary differences arising from impairment on trade and bills receivables and inventories to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying values of deferred tax assets relating to recognised tax losses and deductible temporary differences on impairment on trade receivables and provision against inventories as at 31 March 2007 were HK\$6,898,000 (2006: HK\$8,183,000), nil (2006: HK\$5,539,000) and HK\$34,000 (2006: HK\$37,000), respectively. The amounts of unrecognised tax losses and temporary differences on impairment on trade receivables and provision against inventories as at 31 March 2007 were HK\$24,975,000 (2006: HK\$31,557,000), HK\$141,745,000 (2006: HK\$111,341,000) and nil (2006: HK\$5,401,000). Further details are contained in note 28 to the financial statements.

5. 分類資料

分類資料採用以下兩部形式呈報：(i)以業務分類作為主要分類呈報基準；及(ii)按地區分類為次要分類呈報基準。

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務劃分架構及管理。本集團每項分類業務代表一策略性經營單位，其提供之產品及服務所承擔之風險及回報均有別於其他分類業務。本集團業務分類概要如下：

- (a) 批發業務，從事攝影及沖印產品之市場推廣及分銷；
- (b) 零售業務，透過零售門市提供菲林沖曬；照相沖印服務，以及銷售照相商品；及
- (c) 企業及其他業務，包括集團的投資地產業務，連同企業收支項目。

確定本集團之地區分類時，收益乃按客戶所在地分類，資產則按資產所在地分類。

部門間之銷售及轉讓按成本值加上約百分之二十五(2006年：百分之二十八)之附加值計算。

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the wholesale segment engages in the marketing and distribution of photographic developing, processing and printing products;
- (b) the retail segment engages in the provision of film processing, photo-finishing services and the sale of photographic merchandise through retail outlets; and
- (c) the corporate and others segment comprises the Group's investment property business together with corporate income and expense items.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted at cost plus a mark-up of approximately 25% (2006: 28%).

5. 分類資料 (續)

(a) 分類業務

下表詳列本集團截至2007年及2006年3月31日止年度分類業務之現有收益、溢利／(虧損)及若干資產、負債及開支之資料。

5. SEGMENT INFORMATION (Continued)

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information of the Group's business segments for the years ended 31 March 2007 and 2006.

		Wholesale segment		Retail segment		Corporate and Others		Eliminations		Consolidated	
		批發業務		零售業務		企業及其他業務		註銷		綜合	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
分類收益：	Segment revenue:										
外界客戶之銷售及服務收入	Sales to external customers and service income	656,959	1,070,916	170,245	179,679	-	-	-	-	827,204	1,250,595
部門間之銷售額	Intersegment sales	35,722	48,317	-	-	-	-	(35,722)	(48,317)	-	-
其他收入及收益	Other income and gains	747	6,326	3,314	1,052	2,377	2,506	-	-	6,438	9,884
總額	Total	693,428	1,125,559	173,559	180,731	2,377	2,506	(35,722)	(48,317)	833,642	1,260,479
分類業績	Segment results	55,581	106,002	2,435	3,010	(2,984)	(4,206)	-	-	55,032	104,806
利息收入及未分配收益	Interest income and unallocated gains	140,400	-	-	-	-	-	-	-	38,282	14,666
協議收入	Settlement income	-	-	-	-	-	-	-	-	140,400	-
應佔聯營公司溢利	Share of profit of an associate	-	1,027	-	-	-	-	-	-	-	1,027
除稅前溢利	Profit before tax									233,714	120,499
稅項	Tax									(14,979)	100
本年度溢利	Profit for the year									218,735	120,599

		Wholesale segment		Retail segment		Corporate and Others		Consolidated	
		批發業務		零售業務		企業及其他業務		綜合	
		2007	2006	2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產及負債	Assets and liabilities								
分類資產	Segment assets	126,499	289,005	87,814	103,501	50,323	50,125	264,636	442,631
於聯營公司之權益	Interest in an associate	-	9,607	-	-	-	-	-	9,607
未分配資產	Unallocated assets							973,541	667,925
總資產	Total assets							1,238,177	1,120,163
分類負債	Segment liabilities	76,807	99,371	22,042	27,638	8,819	8,319	107,668	135,328
未分配負債	Unallocated liabilities							5,624	9,177
總負債	Total liabilities							113,292	144,505
其他分類資料：	Other segment information:								
折舊及確認預付土地租金	Depreciation and recognition of prepaid land lease payments	4,160	5,686	13,540	13,890	1,842	2,606	19,542	22,182
物業、廠房及設備減值撥回	Reversal of impairment on items of property, plant and equipment	(3,102)	-	-	-	-	-	(3,102)	-
資本開支	Capital expenditure	1,258	2,154	7,030	5,254	565	34	8,853	7,442
投資物業公平值變動	Changes in fair value of investment properties	-	-	-	-	2,972	900	2,972	900
應收賬項及票據減值	Impairment on trade and bills receivables	1,293	578	-	-	-	-	1,293	578
其他應收款項減值	Impairment on an other receivable	1,000	-	-	-	-	-	1,000	-
存貨撥備／(回撥)	Provision/(write-back of provision) against inventories	(28,600)	4,865	(92)	(336)	-	-	(28,692)	4,529

5. 分類資料 (續)

(b) 地區分類

下表詳列本集團截至2007年及2006年3月31日止年度地區業務之現有收益、若干資產及開支之資料。

5. SEGMENT INFORMATION (Continued)

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information of the Group's geographical segments for the years ended 31 March 2007 and 2006.

		Hong Kong 香港		Mainland China 中國內地		Consolidated 綜合	
		2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
分類收益：	Segment revenue:						
外界客戶之銷售及服務收入	Sales to external customers and service income	650,636	1,036,597	176,568	213,998	827,204	1,250,595
其他分類資料：	Other segment information:						
分類資產	Segment assets	1,110,504	906,491	127,673	213,672	1,238,177	1,120,163
資本開支	Capital expenditure	8,826	7,180	27	262	8,853	7,442

6. 收益、其他收入及收益

收益亦即本集團之營業額，指(i)銷售貨品之發票淨值(已扣除折扣及退貨)及(ii)提供沖印服務之收入。

6. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents (i) the net invoiced value of goods sold, after allowances for returns and trade discounts; and (ii) the income from the rendering of film processing and photo-finishing services.

收益、其他收入及收益之分析如下：

An analysis of revenue, other income and gains is as follows:

		2007	2006
		HK\$'000	HK\$'000
收益：	Revenue		
產品銷售	Sale of goods	702,058	1,123,222
沖印服務收入	Income from the rendering of film processing photo-finishing services	125,146	127,373
		827,204	1,250,595
其他收入及收益	Other income and gains		
利息收入	Interest income	31,508	14,666
租金收入總值(附註8)	Gross rental income (note 8)	2,367	2,506
供應商之津貼	Subsidies from a supplier	458	5,265
出售聯營公司收益(附註20)	Gain on disposal of an associate (note 20)	6,774	-
其他	Others	3,613	2,113
		44,720	24,550

7. 協議收入

於2006年6月30日，本集團與一位主要供應商訂立一項協議，以由2006年10月20日起終止與本集團若干附屬公司訂立的若干分銷協議（「終止協議」）。根據終止協議，本集團不再為該主要供應商的若干產品之分銷商，並於年內從該主要供應商收取協議收入。

8. 除稅前溢利

本集團除稅前溢利已扣除／（計入）：

7. SETTLEMENT INCOME

On 30 June 2006, the Group entered into an agreement with a major supplier to terminate certain distributorship agreements with certain subsidiaries of the Group with effect from 20 October 2006 (the "Termination Agreement"). Pursuant to the Termination Agreement, the Group ceased to be the distributor of certain products of this major supplier and received the settlement income from this major supplier during the year.

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes 附註	2007 HK\$'000	2006 HK\$'000
銷售存貨成本	Cost of inventories sold	591,067	934,397
提供服務成本	Cost of services provided	53,979	64,513
核數師酬金	Auditors' remuneration	1,100	1,200
折舊	Depreciation	18,852	21,492
物業、廠房及 設備減值撥回*	Reversal of impairment on items of property, plant and equipment*	(3,102)	-
確認預付土地租金	Recognition of prepaid land lease payments	690	690
土地及樓宇之 最低經營租約租金	Minimum lease payments under operating leases on land and buildings	31,782	32,961
出售物業、廠房及 設備項目虧損／（收益）*	Loss/(gain) on disposal of items of property, plant and equipment*	(354)	1,198
存貨撥備／（回撥）**	Provision/(write-back of provision) against inventories**	(28,692)	4,529
應收賬項減值*	Impairment on trade receivables*	1,293	578
其他應收款項減值*	Impairment on an other receivable*	1,000	-
收回壞賬*	Bad debts recovered*	(1,568)	-
投資物業公平值變動*	Changes in fair value of investment properties*	2,972	900
僱員福利開支（包括附註9所載 之董事酬金）	Employee benefits expense (including directors' remuneration as set out in note 9)	60,449	72,652
工資及薪金	Wages and salaries	2,553	2,754
退休金計劃供款	Pension scheme contributions	162	615
長期服務金撥備	Provision for long service payments	-	-
減：被沒收之供款***	Less: Forfeited contributions***	-	-
退休金計劃供款淨額	Net pension scheme contributions	2,715	3,369
		63,164	76,021
租金收入總值	Gross rental income	(2,367)	(2,506)
賺取租金之投資物業產生之 直接開支（包括維修及保養）	Direct expenses (including repairs and maintenance) arising on rental-earning investment properties	1,123	383
租金收入淨值	Net rental income	(1,244)	(2,123)
匯兌差額，淨額	Foreign exchange differences, net	(1,443)	(2,568)

* 該等項目已於綜合損益表「其他經營開支」一欄內列賬。

** 該等項目已於綜合損益表「銷售成本」一欄內列賬。

*** 於2007年3月31日本集團並無減低未來退休金計劃供款之已沒收退休金計劃供款（2006年：無）。

* Included in "Other operating expenses" on the face of the consolidated income statement.

** Included in "Cost of sales" on the face of the consolidated income statement.

*** As at 31 March 2007, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2006: Nil).

9. 董事酬金

年內根據香港聯合交易所有限公司主板證券上市規則（「上市規則」）及香港公司條例第161條披露之董事酬金如下：

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
袍金	Fees	840	760
其他酬金：	Other emoluments:		
薪金及津貼	Salaries and allowances	4,889	4,825
非強制性花紅	Discretionary bonuses	1,139	750
退休金計劃供款	Pension scheme contributions	48	36
		6,916	6,371

(a) 獨立非執行董事

年內支付予獨立非執行董事之袍金如下：

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2007 HK\$'000	2006 HK\$'000
區文中	Au Man Chung Malcolm	100	110
黃子欣	Wong Chi Yun Allan	110	100
李家暉	Li Ka Fai David	120	120
		330	330

年內並無其他應付予獨立非執行董事之酬金（2006年：無）。

There were no other emoluments payable to the independent non-executive directors during the year (2006: Nil).

9. 董事酬金 (續)

(b) 執行董事及非執行董事

9. DIRECTORS' REMUNERATION (Continued)

(b) Executive directors and non-executive directors

		Fees	Salaries and allowances	Discretionary bonuses	Pension scheme contributions	Total remuneration
		袍金 HK\$'000	薪金及津貼 HK\$'000	非強制性花紅 HK\$'000	退休金 計劃供款 HK\$'000	酬金總額 HK\$'000
2007年	2007					
執行董事：	Executive directors:					
孫大倫	Sun Tai Lun Dennis	90	2,541	602	12	3,245
吳玉華	Ng Yuk Wah Eileen	80	865	207	12	1,164
鄧國棠	Tang Kwok Tong Simon	80	865	178	12	1,135
孫道弘	Sun Tao Hung Stanley	80	618	152	12	862
		330	4,889	1,139	48	6,406
非執行董事：	Non-executive directors:					
劉暉	Liu Hui Allan	90	-	-	-	90
張昀	Chiang Yun Rachel	90	-	-	-	90
		510	4,889	1,139	48	6,586
2006年	2006					
執行董事：	Executive directors:					
孫大倫	Sun Tai Lun Dennis	90	2,905	384	12	3,391
吳玉華	Ng Yuk Wah Eileen	80	960	166	12	1,218
鄧國棠	Tang Kwok Tong Simon	80	960	200	12	1,252
		250	4,825	750	36	5,861
非執行董事：	Non-executive directors:					
劉暉	Liu Hui Allan	90	-	-	-	90
張昀	Chiang Yun Rachel	90	-	-	-	90
		430	4,825	750	36	6,041

截至2007年及2006年3月31日止年度，並無任何安排使董事放棄或同意放棄任何酬金。

There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 March 2007 and 2006.

10. 5位最高薪酬僱員

年內5位最高薪人士包括4位(2006年:3位)董事,其薪酬已在上文附註9披露。年內其餘1位非董事及最高薪酬僱員酬金(2006年:2位)之詳情如下:

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2006: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining one (2006: two) non-director, highest paid employee for the year are as follows:

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
薪金及津貼	Salaries and allowances	755	1,596
退休金計劃供款	Pension scheme contributions	12	24
		767	1,620

酬金收入在下列範圍之非董事及最高薪酬僱員人數:

The number of non-director, highest paid employees whose remuneration fell within the following band is as follows:

		Number of employees 僱員人數	
		2007	2006
無 - 港幣 1,000,000元	Nil to HK\$1,000,000	1	2

11. 稅項

香港利得稅根據年內在香港賺取之估計應課稅溢利,按稅率17.5%(2006年:17.5%)作提撥準備。中華人民共和國(「中國」)應課稅溢利的利得稅按本集團經營業務之地區現行稅率並根據現行法例、闡釋及運作計算。

11. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in the People's Republic of China (the "PRC") have been calculated at the rates of tax prevailing in the location in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

		2007 HK\$'000	2006 HK\$'000
集團:	Group:		
本年 - 香港	Current - Hong Kong		
年內計提	Charge for the year	4,933	7,191
往年超額撥備	Overprovision in prior years	(374)	(1,722)
本年 - 中國內地	Current - Mainland China	3,818	238
		8,377	5,707
遞延稅項(附註28)	Deferred (note 28)	6,602	(5,807)
		14,979	(100)
年內稅項支出/(抵免)	Total tax charge/(credit) for the year		

11. 稅項 (續)

使用本公司及其附屬公司經營所在地區之法定稅率計算之除稅前溢利／(虧損)之適用稅項開支／(抵免)，與按實際稅率計算之稅項開支／(抵免)之對賬，以及法定稅率與實際稅率之對賬如下：

Group – 2007

集團 – 2007年

11. TAX (Continued)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax using the statutory rates for the location in which the Company and its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rates is as follows:

		Hong Kong 香港 HK\$'000	Mainland China 中國內地 HK\$'000	Total 總計 HK\$'000
除稅前溢利	Profit before tax	228,545	5,169	233,714
法定稅率	Statutory tax rate	17.5%	33%	
按法定稅率計算之稅項	Tax at the statutory tax rate	39,995	1,706	41,701
就過往年度當期稅項之調整	Adjustments in respect of current tax of previous periods	(374)	–	(374)
就過往期間遞延稅項之調整	Adjustments in respect of deferred tax of previous periods	503	(35)	468
取消確認遞延稅項資產	Derecognition of deferred tax assets	6,824	–	6,824
免繳稅收入	Income not subject to tax	(33,354)	(1)	(33,355)
不可扣稅支出	Expenses not deductible for tax	1,190	1,832	3,022
抵銷過往年度產生之稅務虧損	Tax losses utilised from previous periods	(3,307)	–	(3,307)
按本集團實際稅率計算之稅項支出	Tax charge at the Group's effective rate	11,477	3,502	14,979

11. 稅項 (續)

Group – 2006

集團 – 2006年

11. TAX (Continued)

		Hong Kong 香港 HK\$'000	Mainland China 中國內地 HK\$'000	Total 總計 HK\$'000
除稅前溢利／(虧損)	Profit/(loss) before tax	129,076	(8,577)	120,499
法定稅率	Statutory tax rate	17.5%	33%	
按法定稅率計算之稅項	Tax at the statutory tax rate	22,588	(2,830)	19,758
就過往年度當期稅項之調整	Adjustments in respect of current tax of previous periods	(1,722)	–	(1,722)
就過往年度遞延稅項之調整	Adjustments in respect of deferred tax of previous periods	(5,944)	1,405	(4,539)
聯營公司應佔溢利	Profits attributable to an associate	–	(339)	(339)
免繳稅收入	Income not subject to tax	(2,956)	(44)	(3,000)
不可扣稅支出	Expenses not deductible for tax	393	3,450	3,843
抵銷過往年度產生 之稅務虧損	Tax losses utilised from previous periods	(14,101)	–	(14,101)
按本集團實際稅率計算 之稅項支出／(抵免)	Tax charge/(credit) at the Group's effective rate	(1,742)	1,642	(100)

12. 本公司股權持有人應佔溢利

截至2007年3月31日止年度，本公司股權持有人應佔綜合利潤為港幣106,213,000元（2006年：港幣73,159,000元），已於本公司財務報表中呈列（附註31(b)）。

12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company for the year ended 31 March 2007 includes a profit of HK\$106,213,000 (2006: HK\$73,159,000) which has been dealt with in the financial statements of the Company (note 31(b)).

13. 股息

13. DIVIDENDS

		2007 HK\$'000	2006 HK\$'000
中期 – 每股普通股港幣3.8仙 (2006年：港幣2.2仙)	Interim – HK3.8 cents (2006: HK2.2 cents) per ordinary share	44,225	25,604
擬派末期 – 每股普通股 港幣5.2仙 (2006年：港幣4.2仙)	Proposed final – HK5.2 cents (2006: HK4.2 cents) per ordinary share	60,519	48,881
		104,744	74,485

派發本年度末期股息之提議須待本公司股東於下一次召開之股東週年大會上批准後，方可作實。

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

14. 本公司普通股股權持有人應佔每股盈利

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) 每股基本盈利

(a) Basic earnings per share

每股基本盈利是根據以下項目計算：

The calculation of basic earnings per share is based on:

		Group 集團	
		2007 HK\$	2006 HK\$
盈利	Earnings		
本公司普通股股權持有人 應佔溢利	Profit attributable to ordinary equity holders of the Company	218,824,000	120,496,000
股份	Shares		
年內已發行普通股 加權平均數	Weighted average number of ordinary shares in issue during the year	1,163,828,377	1,163,828,377

(b) 每股攤薄盈利

由於截至2007年及2006年3月31日止年度內概無存在具攤薄影響之事件。故本公司並無披露截至2007年及2006年3月31日止年度之每股攤薄盈利賬目。

(b) Diluted earnings per share

Diluted earnings per share amounts for the years ended 31 March 2007 and 2006 have not been disclosed as no diluting event existed during the years ended 31 March 2007 and 2006.

15. 物業、廠房及設備

Group
集團

15. PROPERTY, PLANT AND EQUIPMENT

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000	Furniture, fixtures and leasehold improvements 傢俬裝置及 租賃物業裝修 HK\$'000	Machinery and equipment 機器及設備 HK\$'000	Motor vehicles 汽車 HK\$'000	Total 合計 HK\$'000
2007年3月31日	31 March 2007					
於2006年4月1日：	At 1 April 2006:					
成本	Cost	121,400	71,085	110,438	8,860	311,783
累計折舊及減值	Accumulated depreciation and impairment	(59,071)	(64,717)	(82,877)	(6,942)	(213,607)
賬面淨值	Net carrying amount	62,329	6,368	27,561	1,918	98,176
於2006年4月1日， 扣除累計折舊及 減值	At 1 April 2006, net of accumulated depreciation and impairment	62,329	6,368	27,561	1,918	98,176
增加	Additions	–	6,195	1,428	1,230	8,853
出售	Disposals	–	(231)	(891)	(223)	(1,345)
年內折舊撥備	Depreciation provided during the year	(3,738)	(6,472)	(8,046)	(596)	(18,852)
減值回撥／(減值)	Reversal of impairment/ (impairment)	3,234	–	(132)	–	3,102
重估	Revaluation upon transfer	23,731	–	–	–	23,731
撥往投資物業	Transfer to investment properties	(63,819)	–	–	–	(63,819)
匯兌調整	Exchange realignment	527	24	36	1	588
於2007年3月31日， 扣除累計折舊	At 31 March 2007, net of accumulated depreciation and impairment	22,264	5,884	19,956	2,330	50,434
於2007年3月31日：	At 31 March 2007:					
成本	Cost	47,274	55,346	102,785	6,708	212,113
累計折舊及減值	Accumulated depreciation and impairment	(25,010)	(49,462)	(82,829)	(4,378)	(161,679)
賬面淨值	Net carrying amount	22,264	5,884	19,956	2,330	50,434

15. 物業、廠房及設備 (續)

Group
集團

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000	Furniture, fixtures and leasehold improvements 傢俬裝置及 租賃物業裝修 HK\$'000	Machinery and equipment 機器及設備 HK\$'000	Motor vehicles 汽車 HK\$'000	Total 合計 HK\$'000
2006年3月31日	31 March 2006					
於2005年4月1日：	At 1 April 2005:					
成本	Cost	119,994	68,558	116,270	8,291	313,113
累計折舊及減值	Accumulated depreciation and impairment	(53,026)	(60,110)	(75,848)	(7,823)	(196,807)
賬面淨值	Net carrying amount	66,968	8,448	40,422	468	116,306
於2005年4月1日， 扣除累計折舊及減值	At 1 April 2005, net of accumulated depreciation and impairment	66,968	8,448	40,422	468	116,306
增加	Additions	-	5,512	38	1,892	7,442
出售	Disposals	-	(737)	(4,577)	(69)	(5,383)
年內折舊撥備	Depreciation provided during the year	(5,428)	(6,919)	(8,772)	(373)	(21,492)
匯兌調整	Exchange realignment	789	64	450	-	1,303
於2006年4月1日， 扣除累計折舊及減值	At 1 April 2006, net of accumulated depreciation and impairment	62,329	6,368	27,561	1,918	98,176
於2006年3月31日：	At 31 March 2006:					
成本	Cost	121,400	71,085	110,438	8,860	311,783
累計折舊及減值	Accumulated depreciation and impairment	(59,071)	(64,717)	(82,877)	(6,942)	(213,607)
賬面淨值	Net carrying amount	62,329	6,368	27,561	1,918	98,176

於2007年3月31日，位於中國內地之租賃土地及樓宇乃列入本集團總成本港幣47,274,000元(2006年：港幣121,400,000元)之租賃土地及樓宇，總成本為港幣26,799,000元(2006年：港幣80,277,000元)，其中港幣26,799,000元(2006年：港幣39,640,000元)及港幣0元(2006年：港幣40,637,000元)分別為長期及中期租約。由於有關預付土地租金不能可靠地於土地及樓宇之間作出分配，全部租金乃包括在租賃土地及樓宇之成本內，根據香港會計準則第17號之條文，成為物業、廠房及設備之融資租賃。

Included in the Group's leasehold land and buildings with a total cost of HK\$47,274,000 (2006: HK\$121,400,000) are leasehold land and buildings situated in Mainland China with an aggregate cost of HK\$26,799,000 (2006: HK\$80,277,000) as at 31 March 2007, of which HK\$26,799,000 (2006: HK\$39,640,000) and nil (2006: HK\$40,637,000) are under long term leases and medium term leases, respectively. As the related prepaid land lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payment is included in the cost of leasehold land and buildings as a finance lease in property, plant and equipment in accordance with the provision of HKAS 17.

16. 投資物業

16. INVESTMENT PROPERTIES

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
年初之賬面值	Carrying amount at beginning of year	35,958	35,850
自自用物業及 預付土地租金轉撥	Transfer from owner-occupied properties and prepaid land lease payments	69,448	–
公平值調整之 虧損淨額(附註8)	Net loss from a fair value adjustment (note 8)	(2,972)	(900)
匯兌調整	Exchange realignment	814	1,008
於3月31日之賬面值	Carrying amount at 31 March	103,248	35,958

集團之投資物業按以下租約持有：

The Group's investment properties are held under the following lease terms:

		2007 HK\$'000	2006 HK\$'000
位於香港之中期租約物業	Medium term leases in Hong Kong	32,098	4,100
位於中國內地之中期租約物業	Medium term leases in Mainland China	41,900	31,858
位於中國內地之長期租約物業	Long term leases in Mainland China	29,250	–
於3月31日，按估值	At 31 March, at valuation	103,248	35,958

集團之投資物業由獨立執行合資格估價師衡量行(Chung, Chan & Associates)於2007年3月31日根據現時用途按公開市價基準進行重估，重估值為港幣103,248,000元。投資物業已按經營租約租予第三者，其摘要資料已載於財務報表附註34(a)。

The Group's investment properties were revalued at HK\$103,248,000 as at 31 March 2007 by Chung, Chan & Associates, independent professionally qualified valuers, on an open market, existing use basis. The investment properties are leased to third parties under operating leases arrangements, further summary details of which are included in note 34(a) to the financial statements.

有關集團投資物業之進一步詳情載於本年報第107及108頁。

Further particulars of the Group's investment properties are set out on pages 107 and 108 of the annual report.

17. 預付土地租賃開支

17. PREPAID LAND LEASE PAYMENTS

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
年初之賬面值	Carrying amount at beginning of year	9,799	10,489
於年內確認	Recognised during the year	(690)	(690)
轉撥至投資物業	Transfer to investment properties	(5,629)	–
於3月31日之賬面值	Carrying amount at 31 March	3,480	9,799
列入預付款、按金及 其他應收款項之即期部分	Current portion included in prepayments, deposits and other receivables	(209)	(690)
非即期部分	Non-current portion	3,271	9,109

集團之預付土地租賃開支按以下租約持有：

The Group's prepaid land lease payments are held under the following lease terms:

		2007 HK\$'000	2006 HK\$'000
位於香港之中期租約物業	Medium term leases in Hong Kong	3,480	7,839
位於中國內地之中期租約物業	Medium term leases in Mainland China	–	1,960
於3月31日	At 31 March	3,480	9,799

18. 商譽

18. GOODWILL

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
年初及3月31日之成本 及賬面淨值	Cost and net carrying amount at beginning of year and 31 March	35,878	35,878

商譽減值測試

透過業務合併收購之商譽獲分配至零售業務現金產生單位(即呈報類別)進行減值測試。

零售業務現金產生單位之可收回金額乃按照使用價值計算而釐定，根據以公司管理層批准之三年期現金流量預測計算。現金流量預測適用之折現率為4%(2006年：4%)。

Impairment testing of goodwill

Goodwill acquired through a business combination has been allocated to the retail operation cash-generating unit, which is a reportable segment, for impairment testing.

The recoverable amount of the retail operation cash-generating unit has been determined based on a value in use calculation using cash flow projections approved by the Company's directors covering a period of three years. The discount rate applied to cash flow projections is 4% (2006: 4%).

18. 商譽 (續)

於2007年3月31日及2006年3月31日，零售業務現金產生單位之使用價值計算採用了主要假設。下文載述管理層就現金流量預測所依賴之各主要假設，藉以進行商譽減值測試：

預期毛利率-預期毛利率乃根據預算年度前之最近年度內已達到之平均毛利率及預期增長情況釐定。

折現率-折現率乃剔除納稅影響，並反應同現金生產單位相關之特定風險。

購買價格上漲-存貨價格上漲之決定基準乃按購買存貨之預算年度之預測價格指標。主要假設之價值與外部資料來源相符一致。

19. 附屬公司權益

		Company 公司	
		2007 HK\$'000	2006 HK\$'000
非上市股份，按原值	Unlisted shares, at cost	193,540	193,540
應收附屬公司欠款	Amounts due from a subsidiary	662,204	648,385
		855,744	841,925
減：即期部分	Less: Current portion	(60,519)	(48,881)
非即期部分	Non-current portion	795,225	793,044

除了一筆並非於未來12個月內償還的金額港幣601,685,000元（2006年：港幣599,504,000元），所有應收附屬公司之欠款均為無抵押、免息並須於要求時償還。應收附屬公司款項之賬面值與其公平值相若。

18. GOODWILL (Continued)

Key assumptions were used in the value in use calculation of the retail operation cash-generating unit for 31 March 2007 and 31 March 2006. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Purchase price inflation – The basis used to determine the value assigned to inventory price inflation is the forecast price indices during the budget year from where inventories are sourced. The values assigned to key assumptions are consistent with external information sources.

19. INTERESTS IN SUBSIDIARIES

The amounts due from a subsidiary are unsecured, non-interest-bearing and repayable on demand, except for an amount of HK\$601,685,000 (2006: HK\$599,504,000) which is not repayable within the next twelve months. The carrying amounts of the amounts due from the subsidiary approximate to their fair values.

19. 附屬公司權益 (續)

本集團主要附屬公司資料如下：

19. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and operations 成立／註冊地點 及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股股本／ 註冊資本面值	Percentage of equity attributable to the Company 本公司應佔 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Callas Investments Limited 嘉麗詩投資有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	-	100	Property holding 物業持有
China-Hongkong Photo Retail Limited 中港照相零售有限公司	British Virgin Islands/ Mainland China 英屬處女群島／ 中國內地	Ordinary US\$1 普通 1美元	-	100	Investment holding 投資控股
C.Y. Sun Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通 10,000美元	100	-	Investment holding 投資控股
Fotomax (F.E.) Ltd. 快圖美(遠東)公司	Hong Kong 香港	Ordinary HK\$1,000,000 普通 港幣1,000,000元	-	100	Provision of photographic developing and processing services and retail of photographic merchandise 提供相片沖印服務 及攝影器材零售
Fuji Graphic Arts Products Co., Ltd. 富士印刷器材有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通 港幣10,000元	-	100	Marketing and distribution of printing products 推廣及經銷印刷器材
Fuji Medical Products Limited 富士醫療產品有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	-	100	Marketing and distribution of medical imaging products 推廣及經銷醫療 影像產品
Fuji Photo Products (China) Co., Limited 富士攝影器材(中國) 有限公司	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	Ordinary US\$10,000 普通 10,000美元	-	100	Purchase agent of photographic goods 採購攝影產品

19. 附屬公司權益 (續)

19. INTERESTS IN SUBSIDIARIES (Continued)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊地點 及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股股本／ 註冊資本面值	Percentage of equity attributable to the Company 本公司應佔 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Fuji Photo Products (China) Co., Ltd. 富士攝影器材(中國) 有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Marketing and distribution of photographic developing and processing products 推廣及經銷照相及 沖印產品
Fuji Photo Products Company, Limited 富士攝影器材有限公司	Hong Kong 香港	Ordinary HK\$10,000,000 普通 港幣10,000,000元	–	100	Marketing and distribution of photographic developing and processing products 推廣及經銷攝影及 沖印產品
Great Earnings Investments Limited 溢進投資有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Property holding 物業持有
Imaging and Information Products Trading Limited (“IIP”) 影像及資訊產品貿易 有限公司	Hong Kong 香港	Ordinary HK\$1,000 普通 港幣1,000元	–	100	Marketing and distribution of photographic developing and processing products 推廣及經銷攝影及 沖印產品
Majestic Income Limited 高息有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Property holding 物業持有
Orderly Mind Enterprises Limited 精幹企業有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Property holding 物業持有
Palace Glory Limited 滿堂有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Property holding 物業持有

19. 附屬公司權益 (續)

19. INTERESTS IN SUBSIDIARIES (Continued)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊地點 及營業地點	Nominal value of issued ordinary/ registered share capital 已發行普通股股本／ 註冊資本面值	Percentage of equity attributable to the Company 本公司應佔 股本權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Pride High Company Limited 傲翔有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Property holding 物業持有
Sky Rich (Asia) Limited 天富(亞洲)有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Property holding 物業持有
Sky Year Resources Limited 天業資源有限公司	Hong Kong 香港	Ordinary HK\$2 普通 港幣2元	–	100	Property holding 物業持有
中商中港(上海) 國際貿易有限公司*	PRC/Mainland China 中國／中國內地	Registered capital US\$300,000 註冊資本 300,000美元	–	100	Marketing and distribution of printing products in Mainland China 於中國推廣及 經銷沖印產品
Fuji Photo Products Trading (China) Co. Ltd* 富士攝影器材貿易 (中國)有限公司	PRC/Mainland China 中國／中國內地	Registered capital RMB10,000,000 註冊資本 人民幣10,000,000元	–	100	Marketing and distribution of photographic developing and processing products 推廣及經銷攝影 及沖印產品

* 該等附屬公司是以外商獨資企業根據中國法律註冊，並非由中國安永會計師事務所或安永國際成員公司核數。

* These subsidiaries are registered as wholly-owned foreign enterprises under the PRC law and are not audited by Ernst & Young China or other Ernst & Young International member firms.

上表所列乃董事會認為對本集團本年度業績有重大影響或佔本集團淨資產主要部份之本公司附屬公司。董事會認為，倘列出其他附屬公司之詳情會使篇幅過於冗長。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

20. 聯營公司權益

20. INTEREST IN AN ASSOCIATE

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
應佔資產淨值	Share of net assets	–	9,607

聯營公司詳情如下：

Particulars of the associate are as follows:

Name	Nominal value of registered share capital	Place of registration	Percentage of ownership interest attributable to the Group 本集團應佔 擁有權益百分比	Principal activities
名稱	註冊股本面值	註冊及營運地點		主要業務
Fujifilm Medical Systems (Shanghai) Co., Ltd.	US\$5,500,000 5,500,000美元	PRC 中國	20	Marketing and distribution of medical products 推廣醫療產品及分銷

該聯營公司並非由中國安永會計師事務所或安永國際成員公司核數。

The associate was not audited by Ernst & Young China or other Ernst & Young International member firms.

聯營公司之財務報表乃截至12月31日止財政年度，與本集團並不一致。聯營公司以3月31日作為報告日期，以符合本公司之報告日期。

The financial statements of the associate, which has a financial year ending 31 December, were non-coterminous with those of the Group. The associate used 31 March as its reporting date to conform with the Company's reporting date.

下表顯示本集團聯營公司之財務資料概要，乃摘錄自其管理賬目：

The following table illustrates the summarised financial information of the Group's associate extracted from its management accounts:

		2007 HK\$'000	2006 HK\$'000
資產	Assets	–	85,329
負債	Liabilities	–	(37,296)
收益	Revenues	–	122,749
溢利	Profit	–	5,133

本集團年內已出售聯營公司，產生出售收益為港幣6,774,000元（附註6）。

The associate was disposed of during the year, resulting in a gain on disposal of HK\$6,774,000 (note 6).

21. 存貨

集團存貨主要為供轉售之照相沖印產品。

22. 應收賬項及票據

本集團與顧客之交易主要以賒賬方式進行，惟新客戶一般需要預先付款。顧客通常須於發票發出後30日內結賬，但部份長期顧客的賬期可延長至120日。每位客戶均有最高信貸限額，並由高級管理層批准。本集團致力嚴格控制未償還之應收賬款，並設有信貸控制部門以盡量減低信貸風險。高層管理人員定期檢視逾期賬款。鑑於本集團之應收賬項與多位不同客戶有關，並無重大集中信貸風險。

按逾期日計算，以下為扣除撥備後應收賬項及票據之賬齡分析：

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
即期至3個月	Current to 3 months	16,686	80,311
4至6個月	4 to 6 months	808	4,128
7至9個月	7 to 9 months	43	357
9個月以上	Over 9 months	1,064	1,901
		18,601	86,697

本集團之應收賬項及票據為免息，其賬面值與公平值相若。

23. 預付款、按金及其他應收款項及租賃按金

本公司之其他應收款項及本集團之預付款、按金及其他應收款項及租賃按金為免息，且其賬面值與其公平值相若。

21. INVENTORIES

The Group's inventories principally consist of photographic developing, processing and printing products for resale.

22. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days, except for certain well-established customers where the terms are extended to 120 days. Each customer has a maximum credit limit pre-approved by senior management. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An aged analysis of the trade and bills receivables as at the balance sheet date, based on the payment due date and net of impairment, is as follows:

The Group's trade and bills receivables are non-interest-bearing and their carrying amounts approximate to their fair values.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES AND RENTAL DEPOSITS

The Company's other receivables and the Group's prepayments, deposits and other receivables and rental deposits are non-interest-bearing and their carrying amounts approximate to their fair values.

24. 現金及現金等值項目

24. CASH AND CASH EQUIVALENTS

		Group 集團		Company 公司	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
現金及銀行結餘	Cash and bank balances	66,212	105,731	383	420
定期存款	Time deposits	899,045	550,474	-	-
現金及現金等值項目	Cash and cash equivalents	965,257	656,205	383	420
減：非即期部分	Less: Non-current portion	-	(38,785)	-	-
即期部分	Current portion	965,257	617,420	383	420

於結算日，本集團以人民幣（「人民幣」）計值之現金及銀行結餘約港幣38,686,000元（2006年：約港幣32,395,000元）。人民幣並不能自由兌換為其他貨幣，惟根據中國內地之《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過特許進行外匯業務之銀行將人民幣兌換為其他貨幣。

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to approximately HK\$38,686,000 (2006: HK\$32,395,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

存於銀行之現金根據銀行每日存款率賺取浮動利息。根據本集團對現金需求之急切性，短期定期存款由一日及一年以上不等，以分別賺取不同之短期定期利息。現金及現金等值項目及長期定期存款之賬面值與其公平值相若。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and over one year depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The carrying amounts of the cash and cash equivalents and long term time deposits approximate to their fair values.

25. 應付賬項及票據

25. TRADE AND BILLS PAYABLES

根據購買貨品及獲得服務之日期計算，應付賬項及票據之賬齡分析如下：

An aged analysis of the trade and bills payables as at the balance sheet date, based on the date of goods purchased and services rendered, is as follows:

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
即期至3個月	Current to 3 months	11,498	45,401
3個月以上	Over 3 months	5,111	4,435
		16,609	49,836

本集團之應付賬項及票據為免息，且通常須於30日期限內繳訖，其賬面值與公平值相若。

The Group’s trade and bills payables are non-interest-bearing and are normally settled on 30-day terms, and their carrying amounts approximate to their fair values.

26. 應計負債及其他應付賬項

本公司及本集團之應計負債及其他應付賬項為免息，其賬面值與其公平值相若。

26. ACCRUED LIABILITIES AND OTHER PAYABLES

The Company's and Group's accrued liabilities and other payables are non-interest-bearing and their carrying amounts approximate to their fair values.

27. 長期服務金撥備

27. PROVISION FOR LONG SERVICE PAYMENTS

		Group 集團	
		2007 HK\$'000	2006 HK\$'000
於年初	At beginning of year	2,810	2,195
額外撥備	Additional provision	162	615
付款	Payment	(233)	-
於3月31日	At 31 March	2,739	2,810

本集團已就根據香港《僱傭條例》預期須向僱員發放之可能未來長期服務金作出撥備，詳情如財務報表附註3「僱員福利」所詳釋。此項撥備乃基於截至結算日時僱員之服務年資計算僱員預期享有之可能領取之未來長期服務金之最佳推測而作出。

The Group provides for the probable future long service payments expected to be made to employees under the Hong Kong Employment Ordinance, as further explained under the heading "Employee benefits" in note 3 to the financial statements. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group as at the balance sheet date.

28. 遞延稅項

年內遞延稅項負債及資產變動如下：

28. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

遞延稅項負債

Deferred tax liabilities

Group
本集團

		Revaluation of property, plant and equipment 重估物業、 廠房及設備 HK\$'000	Depreciation allowance in excess of related depreciation 超過相關 折舊費用之 折舊免稅額 HK\$'000	Losses available for offset against future taxable profits 可供抵消 未來應課稅 溢利之虧損 HK\$'000	Total 總計 HK\$'000
於2005年4月1日	At 1 April 2005	-	308	-	308
年內於損益賬扣除/ (增加)之遞延稅項(附註11)	Deferred tax charged/(credited) to the income statement during the year (note 11)	-	4,355	(2,575)	1,780
於2006年3月31日 及2006年4月1日	At 31 March 2006 and 1 April 2006	-	4,663	(2,575)	2,088
年內於損益賬扣除/(增加) 之遞延稅項(附註11)	Deferred tax charged/(credited) to the income statement during the year (note 11)	-	(640)	1,119	479
於股本權益扣除之遞延稅項	Deferred tax charged to equity	3,057	-	-	3,057
於2007年3月31日	At 31 March 2007	3,057	4,023	(1,456)	5,624

28. 遞延稅項 (續)
遞延稅項資產

Group
本集團

28. DEFERRED TAX (Continued)
Deferred tax assets

		Provision against inventories	Depreciation expense in excess of related depreciation allowance 超過相關折舊免稅額之折舊費用	Impairment on trade and bills receivables 應付賬款及票據減值	Losses available for offset against future taxable profits 可供抵消未來應課稅溢利之虧損	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於2005年4月1日	At 1 April 2005	(3,815)	(318)	-	-	(4,133)
年內於損益賬扣除／ (增加)之遞延稅項 (附註11)	Deferred tax charged/ (credited) to the income statement during the year (note 11)	3,778	(218)	(5,539)	(5,608)	(7,587)
於2006年3月31日及 2006年4月1日	At 31 March 2006 and 1 April 2006	(37)	(536)	(5,539)	(5,608)	(11,720)
年內於損益賬扣除 之遞延稅項 (附註11)	Deferred tax charged to the income statement during the year (note 11)	3	415	5,539	166	6,123
於2007年3月31日	At 31 March 2007	(34)	(121)	-	(5,442)	(5,597)

於2007年3月31日，本集團香港之稅項虧損為港幣24,975,000元(2006年：港幣31,557,000元)，以及可扣減暫時性差異為港幣141,745,000元(2006年：港幣116,742,000元)，可於往後任何期間用以抵銷產生虧損公司未來之應課稅溢利。由於遞延稅項資產乃於已有一段時間錄得不確定未來經營溢利之附屬公司出現，故並未確認該等虧損及可扣減暫時性差額入賬。

於2007年3月31日，就本集團附屬公司及聯營公司若干不能免除之應付稅項而言，並無重大未入賬之遞延稅項負債(2006年：無)，因集團並無責任在若該等款項經免除後付予額外稅款。

本公司向其股東發息之款項並無帶來所得稅後果。

At 31 March 2007, the Group had tax losses arising in Hong Kong of HK\$24,975,000 (2006: HK\$31,557,000) and deductible temporary differences of HK\$141,745,000 (2006: HK\$116,742,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in subsidiaries with uncertain future operating profit streams.

At 31 March 2007, there was no significant unrecognised deferred tax liability (2006: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries and the associate as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

29. 股本
股本

29. SHARE CAPITAL
Shares

		2007 HK\$'000	2006 HK\$'000
法定：	Authorised:		
普通股 2,000,000,000 股 (2006年：2,000,000,000 股) 每股面值港幣一角	2,000,000,000 (2006: 2,000,000,000) ordinary shares of HK\$0.10 each	200,000	200,000
已發行及繳足：	Issued and fully paid:		
普通股 1,163,828,377 股 (2006年：1,163,828,377 股) 每股面值港幣一角	1,163,828,377 (2006: 1,163,828,377) ordinary shares of HK\$0.10 each	116,383	116,383

購股權

本公司購股權計劃之詳情載於財務報表附註 30。

Share options

Details of the Company's share option schemes are included in note 30 to the financial statements.

30. 購股權計劃

本公司為獎勵及酬報曾對本集團業務成功作出貢獻之合資格參與者而設立購股權計劃。

30. SHARE OPTION SCHEMES

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

在公司於2002年8月30舉行之股東週年大會上，本公司股東通過一項普通決議案，以採納遵循經修訂之上市規則第17章規定之新購股權計劃(「新計劃」)，以及終止本公司於1994年8月31日採納之舊購股權計劃(「舊計劃」)。舊計劃終止後，本公司不得再據此授出任何購股權，惟於舊計劃終止前授出之所有購股權繼續有效，並可根據舊計劃條文予以行使。

In the Company's annual general meeting held on 30 August 2002, an ordinary resolution was passed by the Company's shareholders for the adoption of a new share option scheme (the "New Scheme") in compliance with the amended Chapter 17 of the Listing Rules and the termination of the Company's old share option scheme (the "Old Scheme") adopted on 31 August 1994. Upon termination of the Old Scheme, no further options can be granted thereunder but all options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

新計劃之合資格參與者，包括本公司之董事(包括獨立非執行董事)、本集團其他僱員、本集團貨品及服務供應商、本集團客戶、本集團持有股權之公司、任何向本集團提供研究、開發或其他技術支持的代理商、諮詢人、顧問、策略員、承包商、分包商或專家，或由本集團任何成員公司所發行之證券之持有人。

Eligible participants of the New Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods and services to the Group, customers of the Group, any entity in which the Group holds any equity interest, any agent, advisor, consultant, strategist, contractor, subcontractor or expert that provides research, development or other technological support to the Group or any holder of any securities issued by any member of the Group.

年內及過往年度，並無根據新計劃授出購股權。新計劃於2002年8月30生效，而除非被註銷或經修改，否則自該日起10年內仍然有效。

In the current and prior years, no share options were granted under the New Scheme. The New Scheme became effective on 30 August 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

30. 購股權計劃 (續)

根據購股權計劃，現時容許授出而尚未行使之最高數目購股權乃指於2002年8月30日行使時佔本公司不時已發行股份10%。於2006年及2007年3月31日，並無於舊計劃及新計劃下尚未行使之購股權。於任何12個月期間，根據授予新計劃各合資格參與者之購股權可發行股份之最高數目均限於本公司當時已發行股份之1%。在此限制之外授出購股權須在股東大會上獲得股東批准。

向本公司各董事、行政總裁或主要股東或彼等之任何聯繫人士授予購股權，須事先獲得獨立非執行董事批准。此外，倘於任何12個月授予本公司主要股東或獨立非執行董事或彼等之任何聯繫人士之購股權超逾本公司不時已發行股份之0.1%或總值(根據授出購股權當日本公司股份價格計算)超逾港幣5,000,000元，則須事先在股東大會上獲得股東批准。

授出購股權之要約可於要約日期起計28日內授納。接納購股權要約時須支付代價港幣1元。已授出購股權之行使期由董事釐定，於若干歸屬期後開始並於購股權要約日期起計不多於10年之某個日子後終止。

購股權之行使價由董事釐定，惟不得少於以下三者之最高者：(i)本公司股份於要約授出日期(必須為交易日)在香港聯合交易所有限公司(「聯交所」)之收市價；(ii)緊接要約授出日期前5個交易日本公司股份於聯交所之平均收市價；及(iii)本公司股份面值。

購股權並不授予持有人享有股息或於股東大會上投票之權力。

30. SHARE OPTION SCHEMES (Continued)

The maximum number of unexercised share options currently permitted to be granted under the share option schemes is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at 30 August 2002. At 31 March 2006 and 2007, there were no outstanding share options granted under either the Old Scheme or the New Scheme. The maximum number of shares issuable under share options to each eligible participant in the New Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer. A consideration of HK\$1 is payable on acceptance of the offer of a grant of an option. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") closing price of the Company's shares on the date of offer of the share options, which must be a trading date; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

31. 儲備

(a) 集團

本集團儲備以及於本年及過往年度之變動，載於財務報表第50頁之綜合權益變動表。

(b) 公司

31. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 50 of the financial statements.

(b) Company

		Notes 附註	Share premium account 股份溢價賬 HK\$'000	Capital redemption reserve 資本贖回儲備 HK\$'000	Contributed surplus 實繳盈餘 HK\$'000	Retained profits 保留溢利 HK\$'000	Total 總額 HK\$'000
於2005年4月1日	At 1 April 2005		478,773	1,619	193,340	1,620	675,352
年度溢利	Profit for the year	12	-	-	-	73,159	73,159
2006年中期股息	2006 Interim dividend	13	-	-	-	(25,604)	(25,604)
2006年擬派末期股息	2006 Proposed final dividend	13	-	-	-	(48,881)	(48,881)
於2006年3月31日 及2006年4月1日	At 31 March 2006 and 1 April 2006		478,773	1,619	193,340	294	674,026
年度溢利	Profit for the year	12	-	-	-	106,213	106,213
2007年中期股息	2007 Interim dividend	13	-	-	-	(44,225)	(44,225)
2007年擬派末期股息	2007 Proposed final dividend	13	-	-	-	(60,519)	(60,519)
於2007年3月31日	At 31 March 2007		478,773	1,619	193,340	1,763	675,495

本公司之實繳盈餘為所收購附屬公司股份之公平值超逾本公司就此作出交換而發行之股份之賬面值之部分。根據百慕達1981年公司法(經修訂)，一間公司可於若干情況下自實繳盈餘向其股東作出分派。

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), a company may make distributions to its members out of the contributed surplus in certain circumstances.

32. 綜合現金流動表附註

32. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

		2007 HK\$'000	2006 HK\$'000
於3月31日綜合資產 負債表之現金及 現金等值項目(附註24)	Cash and cash equivalents for the purpose of the consolidated balance sheet as at 31 March (note 24)	965,257	656,205
未抵押及原訂期限於 獲得時超過三個月 之定期存款	Non-pledged time deposits with original maturity of more than three months when acquired	(628,569)	(62,099)
於3月31日綜合現金 流動表之現金及 現金等值項目	Cash and cash equivalents for the purpose of the consolidated cash flow statement as at 31 March	336,688	594,106

33. 或然負債

33. CONTINGENT LIABILITIES

(a) 於結算日，於財務報表未撥備之或然負債如下：

(a) At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

		Group 集團		Company 公司	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
向附屬公司 所獲銀行 信貸作出擔保	Guarantees given to banks in connection with facilities granted to subsidiaries	-	-	714,000	714,000

本公司就附屬公司所獲銀行信貸而作出港幣714,000,000元(2006年：港幣714,000,000元)之擔保，其中應付票據港幣7,880,000元(2006年：港幣29,311,000元)於結算日已獲附屬公司提用。

Out of the HK\$714,000,000 (2006: HK\$714,000,000) corporate guarantees to banks in respect of banking facilities granted to subsidiaries, bills payable totalling HK\$7,880,000 (2006: HK\$29,311,000) were utilised by the subsidiaries at the balance sheet date.

(b) 年內，稅務局向本集團發出查詢信件，內容有關動用本集團全資附屬公司於過往數年結轉之虧損港幣221,000,000元。本集團現正收集有關資料以證明這些稅務虧損適用，董事認為本集團有足夠的證明支持本集團的立場。由於董事認為現在估計該查詢的結果過早，2007年3月31日不會作出撥備。

(b) During the year, the Inland Revenue Department issued an enquiry letter to the Group in relation to the setting off of tax losses of HK\$221 million which were carried forward by a wholly-owned subsidiary of the Group in prior years. The Group is now gathering relevant information to support the setting off of the tax losses, and the directors are of the opinion that there is adequate evidence to support the Group's position. As the directors considered that it is premature to draw a conclusion on the possible outcome of the enquiry, no provision was made as of 31 March 2007.

34. 經營租約安排

(a) 出租人

本集團根據經營租約安排租出其投資物業(財務報表附註16)，經磋商訂定租期為1至5年(2006年：2至9年)。租約條款亦一般規定租戶須支付按金及根據當時市況定期調整租金。

於2007年3月31日，本集團就與租戶訂立之不可撤銷經營租約而可於未來收取之最低租金總額到期如下：

		Group 集團	
		2007	2006
		HK\$'000	HK\$'000
1年內	Within one year	3,809	830
2至5年(包括首尾2年)	In the second to fifth years, inclusive	6,378	327
5年後	After five years	-	191
		10,187	1,348

(b) 承租人

本集團按經營租約安排承租若干零售門市物業，物業租期經磋商訂定為期1至3年(2006年：1至5年)。

於2007年3月31日，本集團就不可撤銷之經營租約而須於未來支付之最低租金總額到期如下：

		Group 集團	
		2007	2006
		HK\$'000	HK\$'000
1年內	Within one year	26,999	27,383
2至5年(包括首尾2年)	In the second to fifth years, inclusive	21,943	21,470
		48,942	48,853

於結算日，本公司並無任何經營租賃安排(2006年：無)。

34. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 16 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from one to five years (2006: two to nine years). The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 March 2007, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

(b) As lessee

The Group leases certain of its retail outlets under operating lease arrangements. Leases for retail outlets are negotiated for terms ranging from one to three years (2006: one to five years).

At 31 March 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

The Company did not have any operating lease arrangements as at the balance sheet date (2006: Nil).

35. 關連人士交易

- (a) 預付款項、按金及其他應收款項內一間附屬公司少數股東之欠款合共港幣5,996,000元（2006年：無），為無抵押、免息及無固定還款期。
- (b) 本集團之主要管理人員為本公司董事，董事酬金之進一步詳情載於財務報表附註9。

36. 財務風險管理目標及政策

本集團之主要財務工具包括現金及銀行結存及定期存款。該等金融工具之主要目的是為本集團業務籌集資金。本集團擁有多項其他金融資產及負債，例如應收賬項及票據以及應付賬項及票據，均直接由其業務產生。

於回顧年度，本集團之政策一直為不進行買賣財務工具。

本集團財務工具所面對之主要風險為外匯風險、信貸風險及流動資金風險。董事會檢討及同意管理每項風險之政策，並概述如下。

外匯風險

本集團因交易而面對外匯風險。本集團有關風險源自營運單位以單位功能貨幣以外之貨幣計值之收益、購入及開支。本集團之貨幣資產、融資及交易主要以人民幣及港元列值。本集團面對外匯風險，有關風險由港元兌人民幣之匯率變動而產生。目前，本集團無意尋求對沖其外匯波動之風險。然而，本集團將定期檢討經濟狀況及其外匯風險，並於未來考慮合適之對沖措施。

信貸風險

本集團只會與已確認及有信用之第三方交易。本集團政策規定為所有擬用信貸條款交易之客戶進行信用審核程式。另外，本集團會持續監察應收款項結餘，因此壞賬風險相當少。本集團信貸政策之詳情載於財務報表附註22。

35. RELATED PARTY TRANSACTIONS

- (a) Included in prepayments, deposits and other receivables is an amount due from a minority shareholder of a subsidiary totalling HK\$5,996,000 (2006: Nil) which is unsecured, non-interest-bearing and has no specific terms of repayment.
- (b) The Group's key management personnel are the directors of the Company and further details of directors' remuneration are included in note 9 to the financial statements.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

It is, and has been, throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from revenue, purchases or expenses of operating units in currencies other than the units' functional currency. The Group's monetary assets, financing and transactions are principally denominated in RMB and HK\$. The Group is exposed to the foreign exchange risk arising from changes in the exchange rate of HK\$ against RMB. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, the Group will constantly review the economic situation and its foreign exchange risk profile, and will consider appropriate hedging measures in future as may be necessary.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Details of the Group's credit policy are set out in note 22 to the financial statements.

36. 財務風險管理目標及政策 (續)**信貸風險 (續)**

本集團其他金融資產(主要包括現金及現金等值項目、定期存款及預付款、按金及其他應收款項)之信貸風險,乃來自對方不能歸還之款項,而最大風險等同該等工具之賬面值。

由於本集團只會與已確認及有信用之第三方交易,所以沒有質押要求。

流動資金風險

本集團將持續維持穩健之融資政策,並致力確保能維持充裕之現金及信貸狀況,藉以滿足流動資金需求。

37. 批准財務報表

董事會於2007年6月28日批准及授權發行此財務報表。

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**Credit risk (Continued)**

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents, time deposits, and prepayments, deposits and other receivables, arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Liquidity risk

The Group consistently maintains a prudent financing policy and strives to ensure that it maintains sufficient cash and credit lines to meet its liquidity requirements.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 June 2007.

投資物業資料

2007年3月31日

Details of Investment properties

31 March 2007

Location 位置		Category of lease 租約類別	Existing use 現時用途
香港 九龍紅磡 馬頭圍道21號 義達工業大廈1樓D單位 地下停車位16及17號及 地下低層停車位10號	Unit D on the 1st Floor and Car Park Space Nos. 16 and 17 on the Ground Floor and Car Park Space No. 10 on the Lower Ground Floor Eldex Industrial Building 21 Ma Tau Wai Road Hungghom Kowloon Hong Kong	Medium term leasehold 中期租約	Warehouse 貨倉
中華人民共和國 廣東省 珠海市 吉大石花西路119號 第一廠房及第二廠房	Nos. 1 and 2 Factory 119, Ji Dai Shi Hua West Road Zhuhai City Guangdong Province People's Republic of China	Medium term leasehold 中期租約	Factory 廠房
中華人民共和國 上海 黃埔區 仁安東路588號 東海商業中心8樓	8th Level, Donghai Commercial Centre 588 Yan An East Road Huang Pu District Shanghai People's Republic of China	Medium term leasehold 中期租約	Commercial 商業
香港 新界 德士古道220-248號 荃灣工業中心23樓 2301, 2303, 2305及2307室	Units 2301, 2303, 2305 and 2307 on 23rd Floor, Tsuen Wan Industrial Centre Nos. 220-248 Texaco Road New Territories Hong Kong	Medium term leasehold 中期租約	Commercial 商業
香港 新界 德士古道220-248號 荃灣工業中心21樓 2109-2116室	Units 2109-2116 on 21st Floor Tsuen Wan Industrial Centre Nos. 220-248 Texaco Road New Territories Hong Kong	Medium term leasehold 中期租約	Commercial 商業
香港 九龍 高輝道7號 高輝工業大廈6樓6室及 C座地下車輛停泊號碼37, 51及60號	Units No. 6 on 6th Floor together with Vehicle Parking Spaces Nos. 37, 51 and 60 on Ground Floor, Block C Ko Fai Industrial Building No. 7 Ko Fai Road Kowloon Hong Kong	Medium term leasehold 中期租約	Commercial 商業

投資物業資料

2007年3月31日

Details of Investment properties

31 March 2007

Location 位置		Category of lease 租約類別	Existing use 現時用途
香港 新界 德士古道220-248號 荃灣工業中心25樓 2509, 2511-16室及 1樓車輛停泊號碼23號	Units 2509, 2511-16 on 25th Floor and Vehicle Parking Space No. 23 on 1st Floor Tsuen Wan Industrial Centre Nos. 220-248 Texaco Road New Territories Hong Kong	Medium term leasehold 中期租約	Commercial 商業
中華人民共和國 廣東省 廣州 東山區農林下路 83號廣發金融大廈 27層樓全層及車輛停泊號碼37, 38及39號	Whole of 27th Level and Car Parking Space Nos. 37, 38 and 39 Guang Fa Bank Building No.83 Lower Long Lin Road Dongshan District Guangzhou Guangdong Province People's Republic of China	Long term leasehold 長期租約	Commercial 商業
中華人民共和國 北京 方庄芳群園 第四區 金城中心 14樓1401-1408室	Units 1401-1408 on 14th Level Jin Cheng Zhong Xin 4th District, Fang Qun Garden Fang Zhuang District Beijing People's Republic of China	Medium term leasehold 中期租約	Commercial 商業
中華人民共和國 北京 朝陽區 建國門外大街 永安東里三塊板4號 麗晶苑 20樓C單位 及車輛停泊號碼32號	Unit C on Level 20 and Car Parking Space No. 32 Regent Court No. 4 San Kuai Ban Yong An Dong Li Jian Guo Men Wai Da Jie Chao Yang District Beijing People's Republic of China	Long term leasehold 長期租約	Commercial 商業
中華人民共和國 上海 長寧區 延安西路2077號 金橋大廈 17/18樓4室及 1樓車輛停泊號碼10號	Unit No.4 on Levels 17/18 together with Car Parking Space No. 10 on 1/F Golden Bridge Mansion 2077 Yan An Road West Changning District Shanghai People's Republic of China	Long term leasehold 長期租約	Commercial 商業

Corporate Information

公司資料

董事會

孫大倫 (主席)

執行董事

吳玉華

孫道弘

(於2006年4月1日獲委任)

鄧國棠

獨立非執行董事

區文中

張昀 (於2007年6月28日重新調任)

李家暉

劉暉 (於2007年6月28日重新調任)

黃子欣

公司秘書

陳蕙君

主要銀行

中國銀行(香港)有限公司

中國工商銀行(亞洲)有限公司

三菱UFJ東京銀行

香港上海滙豐銀行有限公司

律師

何耀棟律師事務所

核數師

安永會計師事務所

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荃灣工業中心8樓

主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

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香港過戶登記處分處

登捷時有限公司

香港灣仔

皇后大道東28號

金鐘匯中心26樓

Board of Directors

Sun Tai Lun Dennis (*Chairman*)

Executive Directors

Ng Yuk Wah Eileen

Sun Tao Hung Stanley

(*appointed on 1 April 2006*)

Tang Kwok Tong Simon

Independent Non-executive Directors

Au Man Chung Malcolm

Chiang Yun Rachel (*re-designated on 28 June 2007*)

Li Ka Fai David

Liu Hui Allan (*re-designated on 28 June 2007*)

Wong Chi Yun Allan

Company Secretary

Chan Wai Kwan Rita

Principal Bankers

Bank of China (Hong Kong) Limited

Industrial and Commercial Bank of China (Asia) Limited

The Bank of Tokyo-Mitsubishi UFJ, Limited

The Hongkong and Shanghai Banking Corporation Limited

Solicitors

Gallant Y. T. Ho & Co.

Auditors

Ernst & Young

Registered Office

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Principal Office in Hong Kong

8th Floor Tsuen Wan Industrial Centre

220-248 Texaco Road

Tsuen Wan, Hong Kong

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Bermuda) Limited

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Pembroke, HM08, Bermuda

Hong Kong Share Registrar and Transfer Office

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