

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in design, manufacture and sales of electronic products and sales of motorcycle parts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2003 are set out in the consolidated income statement on page 39.

An interim dividend of HK6 cents per share amounting to approximately HK\$47,563,000 was paid during the year. The directors recommend the payment of a final dividend of HK8 cents per share amounting to approximately HK\$63,417,000 to the shareholders on the register of members on 15 August 2003, and the retention of the remaining profit for the year of approximately HK\$119,038,000.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the investment properties and property, plant and equipment of the Group are set out in notes 10 and 11 to the financial statements, respectively.

SHARE CAPITAL

Details of the Company's authorised, issued and fully paid share capital are set out in note 21 to the financial statements.

董事會謹提呈董事會報告書以及本公司及其附屬公司(下文統稱「本集團」)截至二零零三年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股，其附屬公司則主要從事設計、製造及銷售電子產品及銷售電單車零件之業務。

業績及分派

本集團於截至二零零三年三月三十一日止年度之業績載於第39頁之綜合收益表。

董事會已於本年度派付中期股息每股6港仙，總額約為47,563,000港元。董事會建議向於二零零三年八月十五日名列股東名冊之股東派付末期股息每股8港仙，總額約為63,417,000港元，並保留本年度之溢利盈餘約119,038,000港元。

投資物業以及物業、廠房及設備

於本年度，有關本集團之投資物業以及物業、廠房及設備之變動詳情分別載於財務報表附註10及11。

股本

本公司之法定、已發行及繳足股本之詳情載於財務報表附註21。

DIRECTORS

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

Executive directors:

Mr. Lam Man Chan

Madam Ting Lai Ling

Madam Ting Lai Wah

Mr. Hui King Chun

Mr. Yeung Cheuk Kwong, Jim

Mr. Pesach Michael Triguboff

(resigned on 31 May 2002)

Mr. Chung Yuk Man, Clarence

(resigned on 2 October 2002)

Mr. Yip Tak Sing

(resigned on 15 April 2003)

Independent non-executive directors:

Mr. Lam Ping Cheung, Andrew

Mr. Ng Chi Yeung, Simon

In accordance with Article 87 of the Company's Bye-Laws, Mr. Hui King Chun and Madam Ting Lai Ling retire by rotation, and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

All of the remaining directors continue in office.

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

董事

年內及直至本報告書刊發日期任職之本公司董事如下：

執行董事

林文燦先生

丁麗玲女士

丁麗華女士

許經振先生

楊卓光先生

Pesach Michael Triguboff先生

(於二零零二年五月三十一日辭任)

鍾玉文先生

(於二零零二年十月二日辭任)

葉德成先生

(於二零零三年四月十五日辭任)

獨立非執行董事

林炳昌先生

吳志揚先生

根據本公司之公司細則第87條，許經振先生及丁麗玲女士將於本屆股東週年大會上依章告退，惟符合資格且願膺選連任。

其他董事均繼續留任。

任何擬於本屆股東週年大會上膺選連任之董事概無與本公司訂立於一年內毋須作出賠償(法定賠償除外)方可終止之服務合約。

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2003, the interests of the directors and their associates in the securities of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and to The Stock Exchange of Hong Kong Limited pursuant to the Model Code of Securities Transactions by Directors of Listed Companies were as follows:

董事之證券權益

於二零零三年三月三十一日，根據本公司按證券（披露權益）條例（「披露權益條例」）第29條之規定而存置之登記冊所載或本公司及香港聯合交易所有限公司根據上市公司董事進行證券交易之標準守則而所知，各董事及彼等各自之聯繫人士在本公司及各相聯法團（具有披露權益條例所賦予之涵義）之證券中持有之權益如下：

Name of director	Notes	Nature of interest	Number of shares beneficially held
董事姓名	附註	權益性質	實益持有股份數目
Mr. Lam Man Chan 林文燦先生	(1)	Other 其他	317,923,176
Madam Ting Lai Ling 丁麗玲女士	(1)	Other 其他	317,923,176
Mr. Hui King Chun 許經振先生	(2)	Other 其他	95,640,000

Note:

附註：

- | | |
|--|--|
| <p>(1) The shares of the Company are held by Goodchamp Holdings Limited which is beneficially owned by a discretionary trust. The family members of Mr. Lam Man Chan and Madam Ting Lai Ling are the beneficiaries of the trust.</p> | <p>(1) 該等本公司股份由Goodchamp Holdings Limited持有，而該公司則由一全權信託實益擁有，該信託之受益人包括林文燦先生及丁麗玲女士之家屬。</p> |
| <p>(2) The shares of the Company are held by Grandlink Holdings Limited which is beneficially owned by a discretionary trust. The family members of Mr. Hui King Chun are the beneficiaries of the trust.</p> | <p>(2) 該等本公司股份由Grandlink Holdings Limited持有，而該公司則由一家全權信託實益擁有，該信託公司受益人包括許經振先生之家屬。</p> |

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the company solely for the purpose of compliance with the minimum company membership requirements.

除上述者外，若干董事以本公司為受益人於若干附屬公司持有非實益個人股本權益，純粹為符合最低公司股東數目之規定。

DIRECTORS' INTERESTS IN SECURITIES (Continued)

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

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed under the heading "Share Option Scheme", none of the directors, their spouses or children under the age of 18 had any right to subscribe for shares of the Company, or had exercised any such right during the year, and at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as set out in note 28 to the financial statements, no contracts of significance to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year are disclosed in note 28 to the financial statements. Those transactions, which also constitute connected transactions under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), required to be disclosed in accordance with Chapter 14 of the Listing Rules, are as follows:

董事之證券權益 (續)

除上述披露者外，於結算日，概無董事或彼等之聯繫人士於本公司或其任何相關法團(定義見披露權益條例)之股本證券中擁有任何個人、家族、公司或其他權益。

購買股份或債券之安排

除「購股權計劃」所披露者外，於年內，各董事、彼等之配偶或十八歲以下之子女概無可藉認購本公司股份之權益或行使該等權益，而本公司或其附屬公司於年內亦無訂立任何安排，致使本公司之董事可藉購入本公司或任何其他法人團體之股份或債務證券而獲益。

董事於重要合約之權益

除財務報表附註28所述者外，本公司或其附屬公司於年終或年內任何時間，概無訂立與本公司業務有關、而本公司之任何董事直接或間接擁有重大權益之重要合約。

關連交易

年內，本集團進行之重大關連人士交易於財務報表附註28披露。根據香港聯合交易所有限公司證券上市規則(「上市規則」)第十四章須予披露之該等交易(根據上市規則亦構成關連交易)，現載列如下：

		HK\$'000 千港元
Rental expense paid to:	向下列公司支付租金：	
Man Fat Enterprise Company Limited	文發企業有限公司	540
Geming Company Limited	錦聲有限公司	432

CONNECTED TRANSACTIONS (Continued)

In the opinion of the directors, the above transactions were carried out on normal commercial terms and in the ordinary course of business. The independent non-executive directors have reviewed the above connected transactions and are of the opinion that the transactions are in the ordinary course of business of the Group and arrangements governing the transactions were entered into under normal commercial terms.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2003, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that, other than the interests disclosed above in respect of certain directors the following shareholder had an interest of 10% or more in the share capital of the Company:

Name of shareholder 股東姓名	Number of shares 股份數目	% 百分比
Prismatine International Limited ("Prismatine")	158,448,824	19.99

Prismatine is a wholly owned subsidiary of LAF Sponsor Limited which is wholly owned by Lazard Asia Fund ultimately.

關連交易 (續)

董事認為，上述交易乃於正常業務過程中按一般商業條款進行。獨立非執行董事已審閱上述關連交易，認為該等交易乃在本集團日常業務過程中進行，而制約該等交易之協議乃按一般商業條款訂立。

主要股東

於二零零三年三月三十一日，按本公司根據披露權益條例第16(1)條所存置之主要股東名冊所顯示，除上文所披露有關若干董事之權益外，下列股東擁有本公司股本10%或以上之權益：

Prismatine乃LAF Sponsor Limited之全資附屬公司，而LAF Sponsor Limited則由Lazard Asia Fund最終全資擁有。

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued shared capital as at 31 March 2003.

除上述所披露者外，於二零零三年三月三十一日，本公司並無接獲任何人士通知擁有本公司已發行股本10%或以上之其他權益。

SHARE OPTIONS SCHEME

Pursuant to the share option scheme (the "1992 Scheme") adopted on 2 September 1992 by the Company, the directors may, at their discretion, offer and grant options to any employee, including directors, of the Company and its subsidiaries to subscribe for shares in the Company. The 1992 Scheme was terminated on 23 August 2002 at the annual general meeting of the Company.

No share options have been granted by the Company during the year under the 1992 Scheme.

A new share option scheme (the "Scheme") of the Company has been approved and adopted on 23 August 2002. The Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Company may grant options to directors and employees of the Company or its subsidiaries, for the purpose of providing incentives, to subscribe for shares in the Company, subject to a maximum of 10% of the issued share capital of the Company from time to time and the maximum number of shares in respect of which options may be granted to any one employee shall not be more than 30% of the maximum number of shares in respect of options granted under the Scheme. Options granted are exercisable at any time for a period of ten years from the date of grant. The subscription price of the option shares shall not be less than the higher of (i) the closing price of the shares on The Stock Exchange of Hong Kong Limited on the date of grant, (ii) the average closing price of the shares on The Stock Exchange of Hong Kong Limited for the five trading days immediately preceding the date of grant; or (iii) the nominal value of a share. Options granted must be taken up within 28 days of the date of grant and a nominal consideration of HK\$1 is payable on the grant of an option.

No share options have been granted by the Company since the adoption of the Scheme.

購股權計劃

根據本公司於一九九二年九月二日所採納之購股權計劃（「1992計劃」），董事可酌情向本公司及其附屬公司任何僱員（包括董事）提呈及授予購股權以認購本公司之股份。1992計劃已於本公司在二零零二年八月二十三日召開之股東週年大會上予以終止。

本公司於本年度並無根據1992計劃授出任何購股權。

本公司已於二零零二年八月二十三日批准及採納新購股權計劃（「該計劃」）。該計劃已生效，並由採納日期起計十年內仍然有效。

根據該計劃，本公司可向本公司或其附屬公司之董事及僱員授出購股權作為激勵，據此彼等可認購本公司股份，惟最多為本公司不時已發行股本之10%，而任何一名僱員可能獲授之購股權所涉及之股份數目最多不得超過根據該計劃所授出購股權所涉及股份數目之30%。所授出之購股權可自授出日期起計十年內任何時間予以行使。行使購股權時之股份認購價不得少於以下之較高者：(i)股份於授出日期在香港聯合交易所有限公司之收市價；(ii)股份於緊接授出日期前五個交易日在香港聯合交易所有限公司之平均收市價；或(iii)股份面值。所授出之購股權須於授出日期起計28日內接納，並須於接納購股權時就每份購股權支付1港元名義代價。

自該計劃採納起，本公司並無授出任何購股權。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

主要客戶及供應商

本集團主要供應商及客戶所佔年內採購額及銷售額之百分比如下：

		2003 二零零三年 %
		百分比
Purchases	採購額	
– the largest supplier	– 最大供應商	28
– five largest suppliers combined	– 五大供應商合計	47
Sales	銷售額	
– the largest customer	– 最大客戶	37
– five largest customers combined	– 五大客戶合計	59

None of the directors, their associates or any shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

各董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東，概無擁有上述主要供應商或客戶任何權益。

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 pro-rata basis to existing shareholders.

優先購買權

本公司之公司細則或百慕達法例概無有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

CORPORATE GOVERNANCE

The Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, throughout the year except for the term of office for the non-executive directors of the Company is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-Laws of the Company.

AUDIT COMMITTEE

In compliance with the requirements of the Stock Exchange of Hong Kong Limited, an Audit Committee comprising two independent non-executive directors was formed. Reporting to the Board of Directors of the Company, the Audit Committee is dedicated to the review and supervision of the Group's financial reporting process and internal controls.

AUDITORS

During the year, Messrs. PricewaterhouseCoopers resigned and Messrs. Deloitte Touche Tohmatsu was appointed to act as one of the joint auditors of the Company. The financial statements have been jointly audited by Messrs. Deloitte Touche Tohmatsu and Messrs. Graham H.Y. Chan & Co.

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu and Messrs. Graham H.Y. Chan & Co. as joint auditors of the Company.

On behalf of the Board

Lam Man Chan

Chairman

Hong Kong, 8 July 2003

公司管治

本公司於本年度期間一直遵守上市規則附錄14所載之最佳應用守則，惟根據本公司之公司細則規定，本公司非執行董事須於股東週年大會上輪流告退，並可膺選連任。

審核委員會

本公司已遵照香港聯合交易所有限公司之規定成立一個審核委員會，成員包括兩名獨立非執行董事。審核委員會須向董事會匯報，其責任為審閱及監管本集團之財務申報程序及內部控制。

核數師

年內，羅兵咸永道會計師事務所已辭任，德勤•關黃陳方會計師行獲委任出任本公司其中一名聯席核數師。德勤•關黃陳方會計師行及陳浩賢會計師事務所已共同審核本財務報表。

股東週年大會上將提呈一項決議案以續聘德勤•關黃陳方會計師行及陳浩賢會計師事務所作為本公司之聯席核數師。

代表董事會

林文燦

主席

香港，二零零三年七月八日