

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries consisted of the manufacture and marketing of clocks and lighting products, the trading of metals and the provision of electroplating services. There were no significant changes in the nature of the Group's activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2003 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 37 to 98.

The directors do not recommend the payment of any dividend in respect of the year.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities, and minority interests of the Group for the last five financial years, as extracted from the audited financial statements is set out on pages 99 to 100 of the annual report. This summary does not form part of the audited financial statements.

FIXED ASSETS AND INVESTMENT PROPERTIES

Details of movements in the fixed assets and investment properties of the Group during the year are set out in note 12 to the financial statements.

SHARE CAPITAL, SHARE OPTIONS AND WARRANTS

Details of movements in the Company's share capital during the year, together with the reasons therefor, and details of the Company's warrants and share options are set out in notes 25 and 26 to the financial statements.

董事會茲呈報本公司及本集團截至二零零三年三月三十一日止年度之董事會報告及經審核財務報告。

主要業務

本公司之主要業務為投資控股。本公司之各附屬公司之主要業務乃製造及推銷時鐘及照明產品、金屬貿易及提供電鍍服務。本集團之業務性質於年內並無重大改變。

業績及股息

本集團截至二零零三年三月三十一日止年度之溢利及本公司與本集團於該日之業務狀況載於第37頁至第98頁之財務報告內。

董事會不建議派發年內任何之股息。

五年財務摘要

本集團過去五個財政年度公佈之業績及資產、負債及少數股東權益概要（節錄自經審核財務報告）載於本年報之第99頁至第100頁。此概要並非構成經審核財務報告之部份。

固定資產及投資物業

本集團於年內之固定資產及投資物業之變動詳情載於財務報告附註12。

股本、購股權及認股權證

本公司於本年內之股本變動與其原因、及本公司之認股權證及購股權詳情載於財務報告附註25及26。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the by-laws of the Company or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

優先購買權

根據本公司之公司細則或百慕達法例，並無有關優先購買權之規定，以致本公司必須向其現有股東按持股比例發行新股份。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased certain of its ordinary shares of HK\$0.10 each on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the summary details of which are as follows:

購入、贖回及出售本公司證券

於本年內，本公司在香港聯合交易所有限公司（「聯交所」）購回若干每股面值港幣0.10元之普通股股份，詳情摘要如下：

Month of repurchase	購回股份月份	Number of shares repurchased 購回股份數目	Price per share 每股價格		Total price paid 總繳付價格 HK\$'000 港幣千元
			Highest 最高價 HK\$ 港幣元	Lowest 最低價 HK\$ 港幣元	
October 2002	二零零二年十月	962,000	0.63	0.59	592
February 2003	二零零三年二月	800,000	0.63	0.57	485
		<u>1,762,000</u>			<u>1,077</u>

The repurchased shares were cancelled during the year and the issued share capital of the Company was reduced by the par value thereof. The premium paid on the repurchase of the shares of HK\$901,000 has been debited to the share premium account.

購回之股份於本年內已註銷，而本公司之已發行股本按票面值減低。購回股份已繳付之溢價港幣901,000元於股份溢價賬扣減。

The repurchase of the Company's shares during the year was effected by the directors, pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

於本年內，根據股東授權，董事於年內行使其授權購回本公司之股份，藉此可提高本集團每股資產淨值及每股盈利，整體使股東獲利。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY (Cont'd)

Subsequent to the balance sheet date, in May 2003, the Company repurchased 506,000 of its ordinary shares of HK\$0.10 each on the Stock Exchange at prices ranging from HK\$0.56 to HK\$0.57 per share. The total purchase consideration, including its related expenses, was HK\$291,000.

Further details of these transactions are set out in note 25 to the financial statements. Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 27 to the financial statements.

DISTRIBUTABLE RESERVES

At 31 March 2003, the Company had no retained profits available for cash distribution and/or distribution in specie. Under the Companies Act 1981 of Bermuda, the Company's contributed surplus of HK\$128,013,000 may be distributed under certain circumstances. In addition, the Company's share premium account with a balance of HK\$25,361,000 may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 55% of the total sales for the year and sales to the largest customer included therein amounted to 35%. Purchases from the Group's five largest suppliers accounted for 60% of the total purchases for the year and purchases from the largest supplier included therein amounted to 42%.

購入、贖回及出售本公司證券 (續)

在結算日後，於二零零三年五月，本公司以價格介乎每股港幣0.56元至港幣0.57元在聯交所購回每股面值港幣0.10元之506,000普通股股份。總購回代價（已包括有關費用）為港幣291,000元。

詳情載於財務報告附註25。除上文所披露外，本公司或其附屬公司於本年內概無購入、贖回或出售本公司之任何上市證券。

儲備

本公司及本集團於本年內之儲備變動詳情載於財務報告附註27。

可供分派之儲備

於二零零三年三月三十一日，本公司沒有可供之現金分派及／或實物分派之保留溢利。根據百慕達一九八一年公司法，本公司之繳入盈餘為港幣128,013,000元，於若干情形下可供分派。此外，本公司之股份溢價結餘為港幣25,361,000元，可作已繳足紅股形式分派。

主要客戶及供應商

於回顧年度內，五大客戶佔本集團之總銷售額55%，最大客戶佔總銷售額35%。五大供應商佔本集團年內之總採購額60%，最大供應商佔總採購額42%。

MAJOR CUSTOMERS AND SUPPLIERS (Cont'd)

As far as the directors are aware, one of the shareholders, who own more than 5% of the Company's issued share capital, had 50% beneficial interest in the Group's largest customer.

Save as disclosed above, as far as the directors are aware, neither the directors, their associates, nor 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 were:

Executive directors:

Mr. LIANG Jin You
Ms. LI Kwo Yuk
Mr. LEUNG Kin Yau
Mr. OU Jian Sheng
Mr. DENG Ju Neng

Non-executive director:

Mr. LO Wah Wai

Independent non-executive directors:

Mr. LO Ming Chi, Charles
Mr. CHEUNG Doi Shu

In accordance with articles 86(2) and 87 of the Company's bye-laws, Mr. OU Jian Sheng and Mr. CHEUNG Doi Shu will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 23 to 26 of the annual report.

主要客戶及供應商 (續)

就董事會所知，其中一名股東乃擁有超過本公司已發行股本5%，同時持有本集團最大客戶之50%權益擁有者。

除上文所披露外，就董事會所知，擁有本公司已發行股本5%以上之董事、彼等之聯繫人士或任何股東均無持有本集團五大客戶及供應商之任何權益。

董事

於本年度內，本公司之董事如下：

執行董事：

梁金友先生
李戈玉女士
梁健友先生
歐健生先生
鄧巨能先生

非執行董事：

盧華威先生

獨立非執行董事：

勞明智先生
張岱樞先生

根據本公司之公司細則第86(2)條及87條，歐健生先生及張岱樞先生將依章輪值告退，並於即將舉行之股東週年大會上膺選連任。

董事及高級管理人員簡介

本公司董事及本集團高級管理人員之履歷詳情載於本年報第23頁至26頁。

DIRECTORS' SERVICE CONTRACTS

During the year ended 31 March 2003, an executive director provided management services to the Group under the following contracts:

Director 董事	Terms of service 服務年期	Expiry date 終止日期
Ms. LI Kwo Yuk 李戈玉女士	2 years 二年	30 April 2002 二零零二年四月三十日

The above service contract which expired during the year was not renewed.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a significant beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party at any time during the year.

董事服務合約

截至二零零三年三月三十一日止年度內，執行董事依照以下之合約向本集團提供管理服務：

以上已到期之服務合約於本年度內並無續約。

本公司並無與擬於即將舉行之股東週年大會上膺選連任之董事訂立任何不可於一年內由本公司無償終止（法定補償除外）之合約。

董事之合約權益

各董事在本公司或其任何附屬公司於本年度內任何時間，概無參與訂立與本集團業務有關連之重大合約，亦無擁有任何直接或間接之實質利益。

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

At 31 March 2003, the interests of the directors and their associates in the share capital of the Company or its associated corporations, as required to be recorded in the Register of Directors' Interests maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

Ordinary shares of the Company 本公司普通股股份

Director 董事

Mr. LIANG Jin You*
梁金友先生*

Note:

* 119,184,300 shares are owned by Golden Glory Group Limited ("GG"). GG is a company incorporated in the British Virgin Islands. The entire issued share capital of GG is beneficially owned by General Line International (Holdings) Limited, which is in turn 100% beneficially owned by Mr. LIANG Jin You.

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

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

董事於股本及購股權之權益

於二零零三年三月三十一日，根據證券（公開權益）條例（「證券權益條例」）第29條規定存放之登記名冊內顯示，各董事擁有本公司及其聯繫公司之股本權益如下：

Number of issued ordinary shares of HK\$0.10 each in the Company 每股面值港幣0.10元之 本公司已發行普通股股份數目

Corporate interests 公司權益

119,184,300

附註：

* 119,184,300股股份由Golden Glory Group Limited（「GG」）擁有。GG為於英屬處女群島註冊成立之有限公司，GG之全部已發行股本由廣橋國際（控股）有限公司實益擁有，此公司由梁金友先生實益擁有。

各董事擁有本公司之購股權權益詳情個別載於財務報告附註26。

除上文所披露外，各董事、行政要員及彼等之聯繫人士於本公司之股本或任何聯繫公司（定義見公開權益條例）之股本或債券，概無擁有任何個人、家族、公司或其他之權益。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests in shares and share options" above and in the share option scheme disclosures in note 26 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Due to the adoption of Hong Kong Statement of Standard Accounting Practice 34 "Employee benefits" during the year, detailed disclosures relating to the Company's share option scheme have been moved to note 26 to the financial statements.

SUBSTANTIAL SHAREHOLDERS

At 31 March 2003, no person other than Mr. LIANG Jin You, as set out in the section "Directors' interests in shares and share options" above, had registered an interest in 10% or more of the issued share capital of the Company in the register of interests that is required to be kept by the Company pursuant to Section 16(1) of the SDI Ordinance.

CODE OF BEST PRACTICE

All of the recommendations and guidelines of the Code of Best Practice issued by the Stock Exchange (the "Code") have been complied with by the Company throughout the accounting period covered by the annual report, except that independent non-executive directors are not appointed for specific terms as required by paragraph 7 of the Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange. According to the by-laws of the Company, one-third of the directors of the Company will retire by rotation every year and their appointments will be reviewed when they are due for re-election which, in the opinion of the directors, meets the same objective.

董事購買股本或債券之權利

除上文「董事於股本及購股權之權益」及在財務報告附註26所披露有關購股權計劃外，於本年內任何時間，並無任何董事、彼等之配偶或十八歲以下子女有任何認購本公司股份或債券，或已行使該等權利而獲益；或本公司及其附屬公司概無任何安排，以致本公司董事可藉購入其他法人團體之股份或債務而獲益。

購股權計劃

由於於本年內，採納了香港會計實務準則第34號「僱員福利」，有關本公司之購股權計劃詳細披露載於財務報告附註26。

主要股東

於二零零三年三月三十一日，本公司根據公開權益條例第16(1)條之規定而須保存之記錄顯示，除梁金友先生擁有10%或以上之本公司已發行股本外（見上述「董事於股本及購股權之權益」），概無任何人士持有本公司股本之權益而本公司根據公開權益條例第16(1)條之規定須予以記錄。

最佳應用守則

本公司在本年報所述之會計期間內已遵守聯交所之證券上市規則附錄十四之最佳應用守則（「守則」）之全部建議及指引，唯一例外是獨立非執行董事並無按照守則第7段之特別條款而獲委任。根據本公司之公司細則，本公司三分之一的董事每年均須輪值告退，而於彼等之委任將於可膺選連任時將再被評審。董事會認為此可達到上述守則建議之目標。

POST BALANCE SHEET EVENT

Details of the significant post balance sheet event of the Group are set out in note 32 to the financial statements.

AUDIT COMMITTEE

The Company has set up an Audit Committee (the "Committee"). The Committee meets regularly with senior management to review the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters. The members of the Committee are Mr. LO Ming Chi, Charles and Mr. CHEUNG Doi Shu, both of whom are the independent non-executive directors of the Company.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

LIANG Jin You

Chairman

Hong Kong, 30 July 2003

結算日後事項

本集團結算日後重大事項之詳情載於財務報告附註32。

審核委員會

本公司成立審核委員會（「委員會」），委員會定期與公司高級管理人員會面，以檢討本集團採用之會計準則，以及有關賬目審核、內部管理及財務申報事宜。委員會之成員有勞明智先生及張岱樞先生，兩人均屬本公司之獨立非執行董事。

核數師

安永會計師事務所任滿告退，本公司在即將舉行之股東週年大會上將提呈決議，重新委任安永會計師事務所為本公司之核數師。

承董事會命

梁金友

主席

香港，二零零三年七月三十日