



The year 2003 was full of challenges. Affected by a pool of uncertainties attributable to the unfavourable international political and the general economic situation, the global economy remained sluggish. The outbreak of war between Iraq and the United States and the eruption of Severe Acute Respiratory Syndrome ("SARS") epidemic in the first half of the year severely derailed the global economy, pushing Hong Kong economy to its bottom. Notwithstanding such situation, the PRC economy still posted its strong annual growth, with gross domestic product surged by 9.1% for the year. On the other hand, the Hong Kong economy was benefited from the Closer Economic Partnership Arrangement ("CEPA"), showing obvious signs of recovery, together with a gradual decline in unemployment rate. Amidst such underlying complication in the economy, China Everbright Technology Limited ("the Company") and its subsidiaries ("the Group") swiftly adjusted its operating strategies during the year under review, so as to mitigate any external adverse impact.

In order to achieve its target of diversification in business, the Group acquired Beijing Jing Guan Property Development Co. Ltd. during the year under review, with an aim to further expand its PRC property business. Development of the relevant property project has been duly commenced in the second half of the year under review with satisfactory progress. Moreover, the Group acquired Everbright Timber Industry (Shenzhen) Company Limited ("Everbright Timber") to facilitate its direct expansion into building materials business and secure stable supply of building materials for the Group's property development business. During the year ended 31 December 2003, turnover of the Group amounted to HK\$287,878,000, comparing to HK\$116,396,000 last year. The increase was mainly attributable to the consolidation of turnover contributed by Everbright Timber. Audited loss before tax from ordinary activities totalled HK\$31,225,000, is mainly attributable to the provisions made for certain trade receivables and investment securities. On the other hand, interest income of the Group was affected by the prevailing low interest rate in Hong Kong during the year.

二零零三年是充滿嚴峻考驗的一年，全球政治及整體經濟不明朗等各種不穩定因素繼續影響世界經濟，而上半年美伊戰爭爆發以及嚴重急性呼吸系統綜合症（「非典型肺炎」）之肆虐，使全球經濟備受重大打擊，更把香港經濟推進低谷。儘管如此，中國全年之經濟仍表現出強勁的增長態勢，全年國內生產總值增長率達9.1%，另一方面香港經濟也因受惠於更緊密經貿關係安排（「CEPA」）而呈現明顯的復蘇跡象，失業率也逐步下降。面對紛繁複雜的經濟環境，中國光大科技有限公司（「本公司」）及其附屬公司（「本集團」）在回顧年內，靈活調整經營策略，儘量減低外界不利因素的影響。

在回顧年內，為了邁進集團業務多元化發展的目標，本集團收購了北京京冠房地產開發有限公司，藉此進一步拓展本集團於中國內地之房地產業務，有關房產項目之開發工作已於回顧年下半年起陸續正式展開，施工進展順利。此外，本集團還收購了光大木材工業（深圳）有限公司（「光大木材」），在直接開拓建築材料業務的同時，更可為本集團之房地產開發業務供應相關的建築材料。截至二零零三年十二月三十一日止年度內，本集團的營業額為287,878,000港元，而上年度為116,396,000港元，主要是合併計入源自光大木材之營業額，而經審核一般業務除稅前虧損為31,225,000港元，主要歸因於若干應收賬款和投資證券作出撥備。另一方面，期內由於香港利率持續低企，使本集團利息收入也因此受到影響。



The global economy is set to rebound in 2004. Braced by the PRC's progressive economic growth, the economy of Hong Kong is expected to bottom-out and move to its track of recovery. In view of this, the Company will capture any opportunity ahead and impose stringent financial policies and cost control measures on its watches and timepieces manufacturing and distribution business, as well as its timber business. Amidst the uncertainties around the world still hanging in 2004, the global economy will still be vulnerable to the unstable political situation in the Middle East and the threat of terrorist attack. In addition, the volatile stock market may also affect the recovery of global economy to a certain extent. As such, economic recovery will inevitably encounter challenges from all ends. Nevertheless, in view of the PRC's accession into the World Trade Organisation and the successful bidding for the hosting of 2008 Olympic Games, we are confident that the rapid growth of the PRC's economy will present all kinds of opportunities for the Group's development. The Group will continue to cautiously focus not only on its existing on-going projects, but also leveraging on its strong asset base and brilliant management, to grasp every potential business opportunity, so as to improve the Group's results and competitive edges, and to maximise values for its customers and shareholders.

On 18 March 2004, China Everbright Holdings Company Limited ("CEH"), a substantial shareholder of the Group, entered into a Share Sale Agreement with Sincere View International Limited ("Sincere View"), pursuant to which, Sincere View will acquire shares of the Company currently held by CEH, representing 40.48% of the existing issued share capital of the Company. As a result of this, Sincere View was obliged to make a mandatory conditional cash offer to acquire the entire issued shares of the Company. It is believed that the change in substantial shareholder of the Company will bring in new ideas for the Company's future development, so as to increase the Company's flexibility in operations and enhance its efficiency in project development.

二零零四年，世界經濟將迎來轉機的曙光，中國經濟將繼續穩步增長，香港經濟也將逐步擺脫低迷，走向復蘇。為此，本公司將抓住機遇，對鐘錶製造及分銷業務和木材業務實施嚴格的財務政策和成本控制，二零零四年世界形勢仍然具有許多不明朗因素，中東局勢不穩和恐怖襲擊活動的陰影下，會進一步引起全球經濟波動。此外，股票市場的波動對世界經濟復蘇造成不可小視的影響。因此，經濟復蘇必定充滿多方面的挑戰。但在中國已加入世界貿易組織及二零零八年奧運會申辦成功之帶動下，我們相信內地經濟的快速發展將為本集團的發展提供多方面的機遇。本集團將繼續保持謹慎的態度，不僅以持續發展現有項目投資，還將充分發揮其穩健的資產基礎和優秀的管理團隊等自身優勢，積極把握每一個潛在之重大商機，積極改善本集團的業績及提升其競爭力，為客戶及股東提高價值。

於二零零四年三月十八日，本集團的主要股東中國光大集團有限公司（「光大集團」）與信景國際有限公司（「信景國際」）訂立售股協議，據此，信景國際將收購光大集團現持有本公司的股份，佔本公司現有已發行股本40.48%，因此信景國際需提出強制性有條件現金收購建議以收購本公司之全部已發行股份。本公司主要股東的轉變，相信能為本公司的未來發展帶來新的思維，使本公司的運作可更加靈活，項目開發和發展更具效率。



On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to my fellow directors and all staff for their outstanding works and dedications. I would also like to extend my appreciation to our shareholders for their continual support to the Company. The Company will, as it was, reward its shareholders' support and understanding by achieving better results.

Wang Mingquan

Chairman

Hong Kong, 26 April 2004

本人在此謹向董事會同仁及公司全體員工致以衷心的謝意，感謝各位卓有成效的工作及不懈努力；同時感謝各位股東對公司的一貫支持。本公司將一如既往，努力以良好的業績回報所有股東的支持和理解。

王明權

主席

香港，二零零四年四月二十六日