

董事會報告書

Report of the Directors

董事會呈報截至二零零四年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司為投資控股公司。各附屬及聯營公司之主要業務為設計、製造及銷售各種掌上電子產品，主要為電子辭典、智能手機和個人數碼助理及原件設計生產之電子產品。

業績及盈利分配

本集團截至二零零四年三月三十一日止之業績載列於本年報第45頁之綜合損益表。

每股0.5港仙之中期股息已於年內派發予股東。董事會建議派發末期股息每股3.0港仙，共約35,900,000港元，而本年度之保留溢利為120,100,000港元。是項末期股息將派發予名列於二零零四年八月十八日之股東名冊上之股東。

主要顧客及供應商

截至二零零四年三月三十一日止年度：

- (i) 本集團之最大及前五大顧客分別佔本集團約24%及65%之總銷售額。
- (ii) 本集團之最大及前五大供應商分別佔本集團之總採購額(並不包括資本性質之採購項目)約14%及40%。

據董事會了解，本公司之董事、其關連人士及任何擁有超過本公司5%控股權之股東並無與前五大顧客及前五大供應商有任何關連。

The directors present their annual report and the audited financial statements for the year ended 31st March, 2004.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries and associates are the design, manufacture and sale of a range of electronic handheld products, primarily electronic dictionaries, smartphones and personal digital assistants and original design manufacturing ("ODM") products.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2004 are set out in the consolidated income statement on page 45 of the annual report.

An interim dividend of HK0.5 cent per ordinary share was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK3.0 cents per ordinary share to the shareholders on the register of members on 18th August, 2004, amounting to approximately HK\$35.9 million, and the retention of the remaining profit for the year of HK\$120.1 million.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2004:

- (i) The Group's largest customer and five largest customers accounted for approximately 24% and 65%, respectively of the Group's total turnover.
- (ii) The Group's largest supplier and five largest suppliers accounted for approximately 14% and 40%, respectively, of the Group's total purchases (not including purchases of items which are of capital nature).

According to the understanding of the directors, none of the directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers nor the five largest suppliers.

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物業、廠房及設備

於本年內，本集團添置之傢具、裝置及設備、廠房及機器、工具及工模和汽車分別約為3,000,000港元、8,000,000港元、6,000,000港元及3,000,000港元。

此等詳情及本集團於本年度內之物業、廠房及設備之其他變動情況載列於本財務報表附註14。

主要物業

本集團於二零零四年三月三十一日之主要物業之詳情列載於年報第112頁。

股本

本公司股本之變動詳情載列於本財務報表附註28。

董事及董事服務合約

年內及直至本公司董事會報告書日期之董事如下：

執行董事：

譚偉豪 (主席)
譚偉棠 (董事總經理)
譚梅嘉慧
大谷和廣
李冠雄
霍定洋

非執行董事：

羅志聰

羅志聰先生由二零零三年四月一日起不再擔任執行董事，惟仍以非執行董事身份保留在董事會之席位。

獨立非執行董事：

容永祺 榮譽勳章
何國成

根據本公司之公司細則第87及169條，容永祺先生及何國成先生均須告退並已表示願膺選連任。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired furniture, fixtures and equipment of approximately HK\$3 million, plant and machinery of approximately HK\$8 million, toolings and moulds of approximately HK\$6 million and motor vehicles of approximately HK\$3 million.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 31st March, 2004 are set out on page 112 of the annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 28 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors:

TAM Wai Ho, Samson (Chairman)
TAM Wai Tong, Thomas (Managing Director)
TAM Mui Ka Wai, Vivian
Kazuhiro **OTANI**
LEE Koon Hung
FOK Ting Yeung, James

Non-executive director:

LO Chi Chung, William

Mr. Lo Chi Chung, William ceased to be an executive director with effect from 1st April, 2003 but remains on the Board as a non-executive director.

Independent non-executive directors:

YUNG Wing Ki, Samuel, MH
HO Kwok Shing, Harris

In accordance with Bye-laws 87 and 169 of the Company's Bye-laws, Mr. Yung Wing Ki, Samuel and Mr. Ho Kwok Shing, Harris retire and, being eligible, offer themselves for re-election.

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董事及董事服務合約 (續)

所有非執行董事之任期均不多於一年。

於即舉行之股東週年大會獲提議連任之董事均無訂有任何本集團不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

董事擁有之證券權益

於二零零四年三月三十一日，根據證券及期貨條例第352條所述之登記冊所載，或根據上市公司董事進行證券交易之標準守則向本公司及香港聯合交易所有限公司所申報，各董事及彼等之聯繫人士所擁有本公司及各聯繫公司(定義見證券及期貨條例第XV部)之股份及相關股份之權益如下：

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

All non-executive directors have been appointed for a term of no more than one year.

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

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2004, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors, were as follows:

董事姓名 Name of director	權益性質 Nature of interests	所持股份數目 Number of ordinary shares held				總額 Total	佔已發行股本之百分率 % of issued share capital
		個人權益 Personal interests	家族權益 Family interests	其他權益 Other interests			
譚偉豪 Tam Wai Ho, Samson	附註1及2 Notes 1 & 2	24,000,000	-	537,877,118	561,877,118	46.92	
譚偉棠 Tam Wai Tong, Thomas	附註1及2 Notes 1 & 2	27,000,000	-	537,877,118	564,877,118	47.17	
譚梅嘉慧 Tam Mui Ka Wai, Vivian	附註1 Note 1	1,500,000	-	537,877,118	539,377,118	45.04	
大谷和廣 Kazuhiro Otani		1,000,000	-	-	1,000,000	0.08	
李冠雄 Lee Koon Hung		1,676,000	550,000	-	2,226,000	0.19	
羅志聰 Lo Chi Chung, William		3,000,000	-	-	3,000,000	0.25	

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董事擁有之證券權益 (續)

附註：

1. 此等 537,877,118 股股份均以 Earnmill Holdings Limited 之名義登記，該公司由 The Samson 1992 Trust 及 The Thomas 1992 Trust 按相同比例最終實益擁有。The Samson 1992 Trust 為一項全權代管信託，其全權代管受益人包括譚偉豪先生及譚梅嘉慧女士。The Thomas 1992 Trust 為一項全權代管信託，其全權代管受益人包括譚偉棠先生及配偶譚吳麗婉女士。
2. 以上包括由譚偉豪先生及譚偉棠先生共同持有的 20,000,000 股股份。

各董事及彼等聯繫人士擁有本公司之優先認股權權益列載於董事會報告書「優先認股權」內。

除上文所披露者外，於二零零四年三月三十一日，各董事或彼等之聯繫人士概無在本公司或各任何聯繫公司（定義見證券及期貨條例）之股份及相關股份中擁有任何權益或淡倉。

DIRECTORS' INTERESTS IN SECURITIES (Continued)

Notes:

1. The 537,877,118 shares are registered in the name of Earnmill Holdings Limited, a company ultimately beneficially owned by The Samson 1992 Trust and The Thomas 1992 Trust in equal shares. The Samson 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Mr. Tam Wai Ho, Samson and Mrs. Tam Mui Ka Wai, Vivian. The Thomas 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Mr. Tam Wai Tong, Thomas and Mrs. Tam Ng Lai Yuen, Jocelyn (spouse of Mr. Tam Wai Tong, Thomas).
2. Included above is the 20,000,000 shares which are jointly owned by Mr. Tam Wai Ho, Samson and Mr. Tam Wai Tong, Thomas.

The interests of the Directors and their associates in the share options granted by the Company are set out in the section "Share Options" in the Report of the Directors.

Save as disclosed above, at 31st March, 2004, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

優先認股權

本公司之優先認股權計劃詳列於本財務報表附註30。

本公司之優先認股權於本年內之變動披露如下：

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 30 to the financial statements.

The following table discloses movements in the Company's share options during the year:

	授出日期 Option grant date	於年度開始時 尚未行使 Outstanding at beginning of the year	年內授出 Granted during the year	年內註銷 Cancelled during the year	年內失效 Lapsed during the year	年內行使 Exercised during the year	於年度終結時 尚未行使 Outstanding at end of the year
董事							
Directors							
譚偉豪	12.8.2002	1,000,000	-	-	-	-	1,000,000
Tam Wai Ho, Samson	24.3.2003	1,000,000	-	-	-	-	1,000,000
譚偉棠	12.8.2002	1,000,000	-	-	-	-	1,000,000
Tam Wai Tong, Thomas	24.3.2003	1,000,000	-	-	-	-	1,000,000
譚梅嘉慧	12.8.2002	400,000	-	-	-	-	400,000
Tam Mui Ka Wai, Vivian	24.3.2003	400,000	-	-	-	-	400,000
大谷和廣	12.8.2002	1,000,000	-	-	-	(1,000,000)	-
Kazuhiro Otani	24.3.2003	1,000,000	-	-	-	-	1,000,000
李冠雄 (附註)	12.8.2002	1,400,000	-	-	-	(1,400,000)	-
Lee Koon Hung (note)	24.3.2003	1,500,000	-	-	-	(1,500,000)	-
霍定洋	12.8.2002	400,000	-	-	-	-	400,000
Fok Ting Yeung, James	24.3.2003	400,000	-	-	-	-	400,000
羅志聰	12.8.2002	1,000,000	-	-	-	(1,000,000)	-
Lo Chi Chung, William	24.3.2003	1,000,000	-	-	-	(1,000,000)	-
總數 (董事)							
Total (Directors)		12,500,000	-	-	-	(5,900,000)	6,600,000
僱員							
Employees							
	12.8.2002	4,380,000	-	(90,000)	-	(4,259,000)	31,000
	24.3.2003	5,165,000	-	(497,000)	-	(4,140,000)	528,000
總數 (僱員)							
Total (Employees)		9,545,000	-	(587,000)	-	(8,399,000)	559,000
總計							
Grand Total		22,045,000	-	(587,000)	-	(14,299,000)	7,159,000

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優先認股權 (續)

每類優先認股權的詳情載列如下：

授出日期 Date of grant	有效期 Vesting period	行使期 Exercise period	行使價 Exercise price HK\$
12.8.2002	12.8.2002 – 16.6.2003	17.6.2003 – 16.6.2008	0.250
24.3.2003	24.3.2003 – 19.1.2004	20.1.2004 – 19.1.2009	0.202

附註：李冠雄先生之配偶為本公司之僱員，並獲授予本公司之優先認股權。

本公司股份於緊接各優先認股權行使日期之前的加權平均收市價為0.81港元。

董事購入股份或債券之權利

除上文所披露者外，本公司或各任何附屬公司或同集團附屬公司於本年內任何時間概無作出任何安排，致令本公司董事可藉購入本公司或其他法人團體之股份或債券而獲益。

董事於合約之重大權益

於本年度，本集團向精輝企業有限公司採購電子零件數額約13,000,000港元，譚偉棠先生在該公司擁有實益權益。

於上述交易中並沒佔有權益之董事認為，此等交易乃按本集團之一般商業條款及日常業務進行。

除上述外，本公司各董事於本公司或各任何附屬公司或同集團公司於本年度結束日期或本年度內任何時間訂立之重要合約中概無直接或間接擁有重大權益。

SHARE OPTIONS (Continued)

Details of specific categories of options are as follows:

Note: The wife of Mr. Lee Koon Hung, who is also an employee of the Company, was granted options of the Company.

The weighted average closing prices of the Company's shares immediately before the dates on which the options were exercised was HK\$0.81.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries or fellow 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

During the year, the Group purchased electronic components amounting to approximately HK\$13 million from Genfield Enterprises Limited, a company in which Mr. Tam Wai Tong, Thomas, has a beneficial interest.

In the opinion of the directors who do not have any interest in the above transactions, the transactions were carried out on normal commercial terms and in the ordinary and usual course of business of the Group.

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries, or fellow 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.

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購買、出售或贖回證券

於本年度，本公司於香港聯合交易所有限公司購回本公司之股份，詳情列載於本財務報表附註28。因本公司的股份回購之價格乃低於每股之資產淨值，故董事會認為此回購將提高本公司股份每股之資產淨值。

關連交易

本年度須披露之關連交易詳情已載列於本財務報表附註39。於上述交易中並沒佔有權益之董事認為，此等交易乃按本集團之一般商業條款及日常業務進行。

主要股東

按遵照證券及期貨條例第336條而設立之主要股東名冊所載，於二零零四年三月三十一日，除上文披露有關若干董事之權益外，下列股東曾知會本公司擁有本公司已發行股本中的權益和淡倉：

股東名稱

Name of shareholder

Earnmill Holdings Limited

* 該等股權與上文「董事擁有之證券權益」所披露者相同。

除上文所披露者外，於二零零四年三月三十一日，概無任何人士曾知會本公司擁有根據證券及期貨條例須向本公司披露的股份或相關股份之權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, the Company repurchased certain of its own shares through The Stock Exchange of Hong Kong Limited, details of which are set out in note 28 to the financial statements. The directors considered that, as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

CONNECTED TRANSACTIONS

Details of the discloseable connected transactions for the year are set out in note 39 to the financial statements. In the opinion of those directors not having any interest in the above transactions, the above transactions were carried out on normal commercial terms and in the ordinary and usual course of business of the Group.

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2004, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests and short positions in the issued capital of the Company:

普通股數目 Number of ordinary shares	佔已發行股本之百分比 % of issued share capital
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537,877,118*

44.92%

* The shareholding is duplicated in the "Directors' interests in securities" disclosed above.

Save as disclosed above, at 31st March, 2004, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the SFO.

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股本優先購買權

本公司之公司細則並無載有任何股本優先購買權之規定，而根據百慕達法例，亦無要求本公司就發行新股按比例向現有股東配股。

最佳應用守則

董事會認為，本公司於截至二零零四年三月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則。

審核委員會

審核委員會成員包括獨立非執行董事容永祺先生MH(主席)、何國成先生及非執行董事羅志聰先生。

於年內，審核委員會已舉行三次會議，全體會員均有出席，與本集團之管理階層檢討本集團所採用的會計實務準則，內部監控系統及財務報告事宜，其中包括經審核之財務報告。

核數師

續聘德勤•關黃陳方會計師行為核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命
主席
譚偉豪

香港
二零零四年七月十四日

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.

CODE OF BEST PRACTICE

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

AUDIT COMMITTEE

The audit committee comprises independent non-executive directors, Mr. Yung Wing Ki, Samuel, MH (Chairman) and Mr. Ho Kwok Shing, Harris, and a non-executive director, Mr. Lo Chi Chung, William.

During the year, the audit committee held three meetings with all members present to review with management the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters including the review of the audited financial statements.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board
Tam Wai Ho, Samson
Chairman

Hong Kong
14th July, 2004