

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 March 2004.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries are engaged in the design, manufacture and trading of consumer electronic products and components and home appliance products. There were no changes in the nature of the Group's principal activities during the year.

Details of the principal activities of the Company's subsidiaries are set out in note 17 to the financial statements.

#### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2004 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 27 to 86.

An interim dividend of HK1 cent per share was paid to shareholders on 14 January 2004. The directors recommend the payment of a final dividend of HK0.5 cent per share in cash to shareholders whose names appear on the register of members on 23 September 2004. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the capital and reserves section of the balance sheet.

#### RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 29 to the financial statements and in the consolidated statement of changes in equity, respectively.

董事會謹此提呈截至二零零四年三月三十一日止年度董事會報告及本公司與本集團的經審核財務報表。

#### 主要業務

本公司的主要業務為投資控股。附屬公司從事消費電子產品與零件及家庭電器產品設計、製造及銷售業務。本集團的主要業務性質於年內並無變動。

本公司各附屬公司的主要業務詳情載於財務報表附註17。

#### 業績及股息

本集團截至二零零四年三月三十一日止年度的溢利及本公司與本集團於該日的財務狀況載於第27至86頁財務報表內。

本公司於二零零四年一月十四日向股東派發中期股息每股1港仙。董事會建議向於二零零四年九月二十三日名列股東名冊的股東派發末期現金股息每股0.5港仙。該建議已載入財務報表內資產負債表下的資本及儲備部分，列作保留溢利分配。

#### 儲備

本公司及本集團於年內的儲備變動詳情分別載於財務報表附註29及綜合權益變動表。

## DISTRIBUTABLE RESERVES

At 31 March 2004, the Company's reserves available for cash distribution and/or distribution in specie amounted to HK\$92,828,000, including the share premium account, of which HK\$3,176,000 has been proposed as a final dividend for the year. Under the Companies Law (2000 Revision) of the Cayman Islands, the share premium account of the Company, in the amount of HK\$28,735,000, is available for paying distributions or dividends to shareholders subject to the provisions of its memorandum or articles of association and, provided that immediately following the distribution of dividends, the Company is able to pay its debts as and when they fall due in the ordinary course of business. In the opinion of the directors, the Company's reserves available for distribution represent the share premium account, contributed surplus and retained profits.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers in aggregate accounted for approximately 53% of the total turnover of the Group and the largest customer accounted for approximately 15% of the total turnover of the Group.

During the year, the five largest suppliers in aggregate accounted for approximately 43% of the total purchases of the Group and the largest supplier accounted for approximately 14% of the total purchases of the Group.

As far as the directors are aware, neither the directors, their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), nor any shareholders which, to the knowledge of the directors, own more than 5% of the Company's issued share capital, had any interest in the five largest customers or suppliers.

## 可供分派儲備

於二零零四年三月三十一日，本公司可作現金及／或實物分派用途的儲備為92,828,000港元（包括股份溢價賬），其中3,176,000港元已建議用作派付本年度末期股息。根據開曼群島公司法（二零零零年修訂本），除公司組織章程大綱或細則條文另有規定者外，本公司可將股份溢價賬28,735,000港元分派予股東或以股息的形式向股東派發，惟在緊隨派發股息後，本公司須有能力償還其在日常業務中到期的債項。董事會認為，本公司可供分派的儲備指股份溢價賬、繳入盈餘及保留溢利。

## 主要客戶及供應商

年內，五大客戶合共佔本集團總營業額約53%，而最大客戶則佔本集團總營業額約15%。

年內，五大供應商合共佔本集團總採購額約43%，而最大供應商則佔本集團總採購額約14%。

據董事會所知，各董事、彼等的聯繫人士（定義見香港聯合交易所有限公司證券上市規則（「上市規則」））以及據董事所知擁有本公司已發行股本5%以上的任何股東，概無於五大客戶或供應商中擁有任何權益。

## FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified and restated as appropriate, is set out on page 87. This summary does not form part of the audited financial statements.

## FIXED ASSETS

Details of movements in the fixed assets of the Group during the year are set out in note 14 to the financial statements.

## SHARE CAPITAL AND SHARE OPTIONS

Details of the share capital and share options of the Company are set out in notes 27 and 28 to the financial statements, respectively.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## DIRECTORS

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

*Executive directors:*

Ling Siu Man, Simon (Chairman and Managing Director)  
Lee Ka Yue, Peter  
Wong Ki Cheung  
Li Fung Ching, Catherine  
Au Wai Man  
Liu Hoi Keung, Gary

## 五年財務資料概要

本集團於過往五個財政年度的已刊發業績及資產與負債概要（摘錄自經審核財務報表，並在適當情況下重新分類及重列）載於第87頁。該概要並非經審核財務報表的任何部分。

## 固定資產

本集團於年內的固定資產變動詳情載於財務報表附註14。

## 股本及購股權

本公司的股本及購股權詳情分別載於財務報表附註27及28。

## 優先購買權

本公司的組織章程細則或開曼群島法例並無有關本公司須向現有股東按比例發售新股的優先購買權規定。

## 董事

於本年度及截至本報告日期止，本公司之董事如下：

*執行董事：*

凌少文（主席兼董事總經理）  
李嘉渝  
黃其昌  
李鳳貞  
區偉民  
廖開強

## DIRECTORS (Continued)

Non-executive directors:

Wong Wai Kwong, David  
Ho Fook Hong, Ferdinand \*  
Pang Hon Chung \*

\* Independent non-executive directors

In accordance with article 116 of the Company's articles of association, Mr. Lee Ka Yue, Peter and Mr. Wong Wai Kwong, David will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The terms in office of the non-executive directors are the periods from their dates of appointment up to their retirement by rotation in accordance with the Company's articles of association.

## DIRECTORS' BIOGRAPHIES

Biographical details of the directors of the Group are set out on pages 11 to 12 of the annual report.

## DIRECTORS' SERVICE CONTRACTS

All the executive directors, other than Lee Ka Yue, Peter, have entered into service contracts with the Company for terms of three years commencing from 1 October 2003.

Save as disclosed above, none of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## 董事 (續)

非執行董事:

黃偉光  
何福康\*  
彭漢中\*

\* 獨立非執行董事

根據本公司的組織章程細則第116條，李嘉渝先生及黃偉光先生均將於應屆股東週年大會上退任，惟彼等符合重選資格，並願意膺選連任。

根據本公司的組織章程細則，非執行董事的任期由彼等獲委任之日起至輪值告退之日止。

## 董事履歷

本集團董事之履歷詳情載於年報第11至12頁。

## 董事服務合約

除李嘉渝外，所有執行董事均與本公司訂有服務合約，由二零零三年十月一日起計，為期三年。

除上文披露者外，擬於應屆股東週年大會膺選連任的董事，概無與本公司或其任何附屬公司訂有本集團如不作出賠償（法定賠償除外）則不能於一年內終止的服務合約。

**DIRECTORS' INTERESTS IN SHARES**

At 31 March 2004, the interests of the directors in the share capital 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 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

**董事擁有之股份權益**

於二零零四年三月三十一日，董事於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股本中，擁有須記錄於本公司根據證券及期貨條例第352條規定存置之登記冊，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益如下：

**(a) Long positions in ordinary shares of the Company**

**(a) 本公司普通股之好倉**

Name of director	董事姓名	Nature of interest 權益性質	Number of Ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Ling Siu Man, Simon	凌少文	Corporate (Note) 公司 (附註)	317,886,782	50.04
Wong Ki Cheung	黃其昌	Personal 個人	938,000	0.15
Li Fung Ching, Catherine	李鳳貞	Personal 個人	1,200,000	0.19
Liu Hoi Keung, Gary	廖開強	Personal 個人	3,920	-
			320,028,702	50.38

Note: These shares were held by Success Forever Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Ling Siu Man, Simon.

附註：該等股份由於英屬處女群島註冊成立之公司 Success Forever Limited 持有。該公司的全部已發行股本由凌少文實益擁有。

**DIRECTORS' INTERESTS IN SHARES** (Continued)**(b) Associated corporation**

At 31 March 2004, Ling Siu Man, Simon personally held 2,850 non-voting deferred shares of HK\$100 each of Tonic Electronics Limited, a subsidiary of the Company.

The interests of the directors in the share options of the Company are separately disclosed in note 28 to the financial statements.

Save as disclose above, none of the directors had registered an interest or short position in the shares, underlying shares or debentures 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 for Securities Transactions by Directors of Listed Companies.

**DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Apart from as disclosed under the heading "Directors' interests in shares" above and in the share option scheme disclosures in note 28 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 directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

**董事擁有之股份權益 (續)****(b) 相聯法團**

於二零零四年三月三十一日，凌少文個人持有本公司附屬公司東力電子有限公司每股面值100港元之無投票權遞延股份共2,850股。

董事於本公司購股權的權益於財務報表附註28另作披露。

除上文披露者外，各董事概無於本公司或其任何相聯法團之股份、相關股份或債券中，擁有須根據證券及期貨條例第352條規定記錄，或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益或淡倉。

**董事購買股份或債券之權利**

除上文「董事擁有之股份權益」及財務報表附註28購股權計劃披露事項所披露者外，於年內任何時間概無向任何董事或彼等各自之配偶或18歲以下子女賦予權力，以藉購入本公司股份或債券而獲益，亦無任何該等權力獲行使；而本公司、其控股公司或其任何附屬公司亦無涉及任何安排，致使董事可於任何其他法人團體獲得該等權利。

**DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

Save as disclosed in note 34 to the financial statements, no contract of significance to which the Company or any of its subsidiaries was a party in which any director had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

**SHARE OPTION SCHEME**

Concerning the share options granted to the directors and employees, as detailed in note 28, the directors do not consider it appropriate to disclose a theoretical value of the options granted because in the absence of a readily market value of the share options on the shares of the Company, the directors were unable to arrive at an assessment of the value of these share options.

**SUBSTANTIAL SHAREHOLDERS**

At 31 March 2004, the following parties having the interests of 5% or more of the issued share capital of the Company were recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

**董事於重大合約中之權益**

除財務報表附註34披露者外，於年終或年內任何時間，本公司或其任何附屬公司概無訂有任何董事於當中擁有直接或間接重大權益的重大合約。

**購股權計劃**

就向董事或僱員授出購股權事項上(詳情載於附註28)，董事認為在並無本公司股份購股權市場價值的情況下，披露所授出購股權之理論價值並不恰當，因此董事未能評估該等購股權的價值。

**主要股東**

於二零零四年三月三十一日，根據本公司按證券及期貨條例第336條而存置之權益登記冊所記錄，擁有本公司已發行股本5%或以上權益之人士如下：

Name 名稱	Nature of interest 權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital (%) 佔本公司已發行 股本百分比 (%)
Success Forever Limited (Note 1) (附註1)	Beneficially owned 實質擁有	317,886,782	50.04
Eco-Haru Mfr. Holdings Limited ("Eco-Haru") (Note 2) (附註2)	Beneficially owned 實質擁有	121,100,869	19.06
Glorious Concept Limited ("Glorious Concept") (Note 2) (附註2)	Beneficially owned 實質擁有	8,502,000	1.34
EganaGoldpfeil (Holdings) Limited ("EganaGoldpfeil") (Note 2) 聯洲國際集團有限公司(「聯洲」) (附註2)	Interest held by controlled corporation 受控法團所持權益	129,602,869	20.40
Peninsula International Limited ("Peninsula") (Note 3) (附註3)	Interest held by controlled corporation 受控法團所持權益	129,602,869	20.40

**SUBSTANTIAL SHAREHOLDERS** (Continued)

## Notes:

- (1) The entire issued share capital of Success Forever Limited is beneficially owned by Ling Siu Man, Simon as disclosed in the section "Directors' interests in shares" above.
- (2) The entire issued share capital of Eco-Haru and Glorious Concept is beneficially owned by EganaGoldpfeil.
- (3) The issued share capital of EganaGoldpfeil is held as to 39.18% by Peninsula.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

**CONNECTED TRANSACTIONS**

Details of the connected transactions of the Company are set out in note 34 to the financial statements.

The independent non-executive directors of the Company have reviewed and confirmed that the connected transactions were conducted in the ordinary and usual course of the Group's business and are fair and reasonable so far as the Company's shareholders are concerned, or in accordance with the terms of the agreements governing the transactions.

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

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

**主要股東 (續)**

## 附註:

- (1) 按上文「董事擁有之股份權益」一節所披露，Success Forever Limited全部已發行股本由凌少文實益擁有。
- (2) Eco-Haru及Glorious Concept全部已發行股本由聯洲實益擁有。
- (3) Peninsula持有聯洲已發行股本之39.18%。

除上文披露者及上文「董事擁有之股份權益」一節所載本公司董事之權益外，並無任何人士於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

**關連交易**

本公司的關連交易詳情載於財務報表附註34。

本公司的獨立非執行董事已審閱及確認，關連交易乃在本集團的一般及日常業務中訂立，對本公司股東而言屬公平合理，且符合有關交易協議條款的規定。

**買賣或贖回本公司上市證券**

年內，本公司或其任何附屬公司並無買賣或贖回任何本公司的上市證券。



### CODE OF BEST PRACTICE

In the opinion of the directors, the Company complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange, throughout the accounting period covered by the annual report, except that the non-executive directors of the Company are not appointed for specific terms as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Company's articles of association.

### AUDIT COMMITTEE

Pursuant to the requirements of the Listing Rules, the Company has established an audit committee which comprises all of the Company's non-executive directors. Except for Wong Wai Kwong, David, all members of the audit committee are independent non-executive directors. There are written terms of reference describing the authority and duties of the audit committee. The audit committee's principal duties include the review and supervision of the Group's financial reporting process and internal controls.

### COMPLIANCE WITH THE CONTINUING DISCLOSURE REQUIREMENT UNDER CHAPTER 13 OF THE LISTING RULES

In compliance with the continuing disclosure requirements under Rule 13.21 of Chapter 13 of the Listing Rules (as amended on 31 March 2004), the directors of the Company reported below details of the loan agreement which included conditions relating to the specific performance of the controlling shareholder of the Company.

During the year, the Group signed a term loan facility agreement for a syndicated loan of HK\$245 million for a period of 3½ years. Under the terms of the agreement, the chairman of the Company, Mr. Ling Siu Man, Simon, being the single largest shareholder and is actively involved in the management and business of the Group, is required to maintain at least 40% of the beneficial interests in shareholdings in the Company.

### 最佳應用守則

董事會認為，除本公司並無根據香港聯交所上市規則附錄14所載之最佳應用守則（「守則」）第7段之規定以固定任期委任非執行董事，而須根據本公司之組織章程細則輪值告退外，本公司於年報所涵蓋會計期間一直符合守則。

### 審核委員會

根據上市規則規定，本公司已成立審核委員會，成員包括本公司全體非執行董事。除黃偉光外，審核委員會所有成員均為獨立非執行董事。董事會已制訂職權範圍書，列明審核委員會的職權及職務。審核委員會的主要職務包括檢討及監察本集團的財務申報程序及內部監控事務。

### 遵守上市規則第13章之持續披露規定

為遵守上市規則第13章第13.21條之持續披露規定（於二零零四年三月三十一日修訂），本公司董事於下文申報有關本公司控股股東須履行特定責任作為條件之貸款協議詳情。

年內，本公司就一筆為期三年半之245,000,000港元銀團貸款訂立一份有期貨款信貸協議。根據該協議之條款，作為單一最大股東以及積極參與本集團管理及業務之本公司主席凌少文先生須維持實益擁有本公司股權最少40%。

#### 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

*Chairman*

**LING Siu Man, Simon**

Hong Kong  
16 July 2004

#### 核數師

安永會計師事務所任滿告退，於應屆股東週年大會將提呈一項決議案，續聘其為本公司核數師。

代表董事會

*主席*

**凌少文**

香港  
二零零四年七月十六日