

# Directors' Report

## 董事會報告書

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 2004.

### PRINCIPAL ACTIVITIES

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

During the year, the Group disposed of its motorcycle division. Details of the disposal are set out in note 7 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2004 are set out in the consolidated income statement on page 41.

A special dividend of HK8 cents per share amounting to approximately HK\$63,417,000 and an interim dividend of HK7 cents per share amounting to approximately HK\$55,512,000 were paid during the year respectively. The directors recommend the payment of a final dividend of HK8.5 cents per share amounting to approximately HK\$67,406,000 to the shareholders on the register of members on 10 September 2004, and the retention of the remaining profit for the year of approximately HK\$58,833,000.

### 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 11 and 12 to the financial statements, respectively.

### SHARE CAPITAL

Details of the Company's authorised, issued and fully paid share capital are set out in note 22 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」)截至二零零四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。

年內，本集團已出售其電單車部門。出售詳情載列於財務報表附註7。

### 業績及分派

本集團於截至二零零四年三月三十一日止年度之業績載於第41頁之綜合收益表。

本年度已派付特別股息每股8港仙，總額約為63,417,000港元，另派付中期股息每股7港仙，總額約為55,512,000港元。董事會建議向於二零零四年九月十日名列股東名冊之股東派付末期股息每股8.5港仙，總額約為67,406,000港元，並保留本年度之溢利盈餘約58,833,000港元。

### 投資物業以及物業、廠房及設備

年內，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11及12。

### 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22。

### DIRECTORS

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

#### Executive directors:

Mr. Lam Man Chan  
Ms. Ting Lai Ling  
Ms. Ting Lai Wah  
Mr. Hui King Chun  
Mr. Yeung Cheuk Kwong  
Mr. Yip Tak Sing  
(resigned on 15 April 2003)

#### Non-executive director:

Dr. Hari Naroomal Harilela GBS OBE JP  
(appointed on 8 December 2003)

#### Independent non-executive directors:

Mr. Lam Ping Cheung, Andrew  
Mr. Ng Chi Yeung, Simon

In accordance with Articles 86 and 87 of the Company's Bye-Laws, Dr. Hari Naroomal Harilela, Mr. Lam Ping Cheung, Andrew and Mr. Ng Chi Yeung, Simon 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  
葉德成先生  
(於二零零三年四月十五日辭任)

#### 非執行董事：

Hari Naroomal Harilela博士 GBS OBE 太平紳士  
(於二零零三年十二月八日獲委任)

#### 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86條及第87條，Hari Naroomal Harilela博士、林炳昌先生及吳志揚先生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' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 March 2004, the directors and chief executive of the Company and their associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"):

Name of director 董事姓名	Notes 附註	Capacity/ nature of interest 身份／權益性質	Number of shares held 所持股份數目		Percentage of holding 持股百分比
			Long position 好倉	Short position 淡倉	
Mr. Lam Man Chan 林文燦先生	1	Family interest 家族權益	277,923,176	-	35.05%
Ms. Ting Lai Ling 丁麗玲女士	1	Family interest 家族權益	277,923,176	-	35.05%
Ms. Ting Lai Wah 丁麗華女士	1	Corporate interest 公司權益	277,923,176	-	35.05%
Mr. Hui King Chun 許經振先生	2	Family interest 家族權益	40,640,000	-	5.12%
Mr. Yeung Cheuk Kwong 楊卓光先生	3	Personal interest 個人權益	5,000,000	-	0.63%
Dr. Hari Naroomal Harilela Hari Naroomal Harilela博士	-	Personal interest 個人權益	100,000	-	0.01%

Notes:

- (1) The 277,923,176 shares of the Company are held by and registered in the name of Goodchamp Holdings Limited, which is 100% owned by Sinowin Inc. as trustee of The Sinowin Unit Trust. The Sinowin Unit Trust is a unit trust owned by Banque Paribas International Trustee Limited as trustee of a discretionary trust. The family members of Mr. Lam Man Chan and Ms. Ting Lai Ling, both directors of the Company, are the discretionary objects of the discretionary trust. Ms. Ting Lai Wah, a director of the Company, is the sole shareholder of Sinowin Inc.

**董事及行政總裁於股份、相關股份及債券之權益及淡倉**

於二零零四年三月三十一日，本公司各董事及行政總裁及彼等之聯繫人士於本公司及其聯營公司（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債券須根據證券及期貨條例第352條須保存之登記冊所記載，或根據上市公司董事進行證券交易之標準守則（「標準守則」）須另行知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

Name of director 董事姓名	Notes 附註	Capacity/ nature of interest 身份／權益性質	Number of shares held 所持股份數目		Percentage of holding 持股百分比
			Long position 好倉	Short position 淡倉	
Mr. Lam Man Chan 林文燦先生	1	Family interest 家族權益	277,923,176	-	35.05%
Ms. Ting Lai Ling 丁麗玲女士	1	Family interest 家族權益	277,923,176	-	35.05%
Ms. Ting Lai Wah 丁麗華女士	1	Corporate interest 公司權益	277,923,176	-	35.05%
Mr. Hui King Chun 許經振先生	2	Family interest 家族權益	40,640,000	-	5.12%
Mr. Yeung Cheuk Kwong 楊卓光先生	3	Personal interest 個人權益	5,000,000	-	0.63%
Dr. Hari Naroomal Harilela Hari Naroomal Harilela博士	-	Personal interest 個人權益	100,000	-	0.01%

附註：

- (1) 本公司之277,923,176股股份乃以Goodchamp Holdings Limited之名義持有及登記，而該公司乃由Sinowin Inc.（作為The Sinowin Unit Trust之信託人）擁有100%權益。The Sinowin Unit Trust乃一項由Banque Paribas International Trustee Limited（作為一項全權信託之信託人）擁有之單位信託。本公司董事林文燦先生及丁麗玲女士之家族成員為該全權信託之全權受益人。本公司董事丁麗華女士為Sinowin Inc.之唯一股東。

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

- (2) The 40,640,000 shares of the Company are held by and registered in the name of Grandlink Holdings Limited, which is 100% owned by Basab Inc. as trustee of The Basab Unit Trust. The Basab Unit Trust is a unit trust owned by Guardian Trustee Limited as trustee of a discretionary trust. The family members of Mr. Hui King Chun, a director of the Company, are the beneficiaries of the discretionary trust.
- (3) This interest relates to 5,000,000 options granted on 10 July 2003 by the Company to Mr. Yeung Cheuk Kwong. This interest is also referred to in the section headed "Director's Right To Acquire Shares" below. The options are exercisable at an exercise price of HK\$2.475 for each share of the Company during the period from 2 August 2003 to 28 February 2008. On 24 December 2003, Mr. Yeung has exercised 300,000 options to subscribe for 300,000 shares. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as at 31 March 2004.

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.

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 SFO.

### 董事及行政總裁於股份、相關股份及債券之權益及淡倉(續)

- (2) 本公司之40,640,000股股份乃以Grandlink Holdings Limited之名義持有及登記，而該公司乃由Basab Inc. (作為The Basab Unit Trust之信託人) 擁有100%權益。The Basab Unit Trust乃一項由Guardian Trustee Limited (作為一項全權信託之信託人) 擁有之單位信託。本公司董事許經振先生之家族成員為該全權信託之受益人。
- (3) 該項權益乃涉及本公司於二零零三年七月十日向楊卓光先生授出之5,000,000份購股權。該項權益亦詳述於下文「董事購買股份之權利」一節。該等購股權可於二零零三年八月二日至二零零八年二月二十八日止期間內，按每股本公司股份2.475港元之行使價予以行使。於二零零三年十二月二十四日，楊先生已行使300,000份購股權以認購300,000股股份。持股百分比乃根據(i)該等購股權已獲悉數行使；及(ii)於該等購股權獲行使時之本公司已發行股本數目與於二零零四年三月三十一日之數目相同。

除上文所述者外，若干董事為本公司之利益而於若干附屬公司持有非實益個人股份權益，惟此舉僅為符合公司股東人數最低規定。

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聯法團(定義見《證券及期貨》條例)之股本證券中擁有任何個人、家族、公司或其他權益。

# Directors' Report 董事會報告書

## DIRECTORS' RIGHT TO ACQUIRE SHARES

As at 31 March 2004, the directors and the chief executive of the Company have the following options to subscribe for the shares of the Company under the Company's share option scheme approved and adopted on 23 August 2002:

Name of director	Outstanding options as at 31 March 2004	Date of grant	Exercise period	Exercise price
董事姓名	於二零零四年三月三十一日 尚未行使之購股權數目	授出日期	行使期限	行使價 HK\$ 港元
Mr. Yeung Cheuk Kwong 楊卓光先生	4,700,000	10 July 2003 二零零三年七月十日	2 August 2003 to 28 February 2008 二零零三年八月二日至 二零零八年二月二十八日	2.475

## 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 30 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.

## 董事購買股份之權利

於二零零四年三月三十一日，本公司各董事及行政總裁持有下列購股權，並可根據於二零零二年八月二十三日批准及採納之本公司購股權計劃以認購本公司股份：

## 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利或行使任何該等權利，而本公司或其任何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券而獲益。

## 董事於重要合約之權益

除財務報表附註30所述者外，本公司或其附屬公司於年終或年內任何時間，概無訂立本公司之任何董事直接或間接擁有重大權益之重要合約。

### RELATED PARTY AND CONNECTED TRANSACTIONS

Significant related party and connected transactions entered into by the Group during the year are disclosed in note 30 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:

#### (a) Rental

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

#### (b) Disposal of the motorcycle division

During the year, the Group disposed of the entire issued share capital of Hangerton Group Limited which, together with its subsidiaries, carried out the business of the motorcycle division, and the related shareholder's loan to City Harvest Limited at a consideration of HK\$63,892,000 payable in cash. City Harvest Limited is ultimately owned as to 50% by Goodchamp Holdings Limited and 50% by Grandlink Holdings Limited.

In the opinion of the directors of the Company, 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.

### 關連人士及關連交易

年內，本集團進行之重大關連人士及關連交易於財務報表附註30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：

#### (a) 租金

HK\$'000  
千港元

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

#### (b) 出售電單車部門

年內，本集團出售Hangerton Group Limited（該公司連同其附屬公司經營電單車部門）之全部已發行股本，及向City Harvest Limited提供之有關股東貸款，應付之現金代價為63,892,000港元。City Harvest Limited由Goodchamp Holdings Limited及Grandlink Holdings Limited分別最終擁有其50%權益。

本公司董事會認為，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，而制約該等交易之安排乃按一般商業條款訂立。

# Directors' Report

## 董事會報告書

### INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OTHER PERSONS

As at 31 March 2004, the following persons (other than the directors or the chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

### 其他人士於股份及相關股份之權益及淡倉

於二零零四年三月三十一日，以下人士（不包括本公司各董事或行政總裁）於本公司股份及相關股份中擁有根據證券及期貨條例第336條存置之登記冊所記載之權益或淡倉：

Name of director 董事姓名	Name of company 公司名稱	Capacity/ nature of interest 身份/權益性質	Number of shares held 所持股份數目		Percentage of holding 持股百分比
			Long position 好倉	Short position 淡倉	
<b>Substantial Shareholders (as defined in the Listing Rules)</b> 主要股東(定義見上市規則)					
Goodchamp Holdings Limited (Note 1) (附註1)	the Company 本公司	Beneficial interest 實益權益	277,923,176	-	35.05%
Banque Paribas International Trustee Limited (Note 1) (附註1)	the Company 本公司	Trustee interest 信託人權益	277,923,176	-	35.05%
Sinowin Inc. (Note 1) (附註1)	the Company 本公司	Trustee interest 信託人權益	277,923,176	-	35.05%
<b>Other Persons</b> 其他人士					
Grandlink Holdings Limited (Note 2) (附註2)	the Company 本公司	Beneficial interest 實益權益	40,640,000	-	5.12%
Guardian Trustee Limited (Note 2) (附註2)	the Company 本公司	Trustee interest 信託人權益	40,640,000	-	5.12%
Basab Inc. (Note 2) (附註2)	the Company 本公司	Trustee interest 信託人權益	40,640,000	-	5.12%
FMR Corp. (Note 3) (附註3)	the Company 本公司	Investment manager 投資經理	71,680,000	-	9.04%
Oaktree Capital Management L.L.C. ("OCM") (Note 4) (附註4)	the Company 本公司	Corporate interest 公司權益	39,726,000	-	5.01%

### INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OTHER PERSONS (Continued)

### 其他人士於股份及相關股份之權益及淡倉 (續)

Name of director 董事姓名	Name of company 公司名稱	Capacity/ nature of interest 身份/權益性質	Number of shares held 所持股份數目		Percentage of holding 持股百分比
			Long position 好倉	Short position 淡倉	
OCM Emerging Markets Fund, L.P. ("EMF") (Note 4) (附註4)	the Company 本公司	Beneficial interest 實益權益	39,726,000	-	5.01%

Notes:

附註:

- The 277,923,176 shares of the Company are held by and registered in the name of Goodchamp Holdings Limited, which is 100% owned by Sinowin Inc. as trustee of The Sinowin Unit Trust. The Sinowin Unit Trust is a unit trust owned by Banque Paribas International Trustee Limited as trustee of a discretionary trust. The family members of Mr. Lam Man Chan and Ms. Ting Lai Ling, both directors of the Company are the discretionary objects of the discretionary trust. Ms. Ting Lai Wah, a director of the Company is the sole shareholder of Sinowin Inc.
- The 40,640,000 shares of the Company are held by and registered in the name of Grandlink Holdings Limited, which is 100% owned by Basab Inc. as trustee of The Basab Unit Trust. The Basab Unit Trust is a unit trust owned by Guardian Trustee Limited as trustee of a discretionary trust. The family members of Mr. Hui King Chun, a director of the Company, are the beneficiaries of the discretionary trust.
- The interests are indirectly held by FMR Corp. through its 100% controlled corporations, namely, Fidelity Management & Research Company and Fidelity Management Trust Company.
- These shares are held through EMF. OCM is the general partner of EMF and is holding 1% in EMF. OCM is deemed to be interested in shares held by EMF solely as general partner of EMF but disclaims any beneficial interest therein except for its pecuniary interest.

- 本公司之 277,923,176 股股份乃以 Goodchamp Holdings Limited 之名義持有及登記，而該公司乃由 Sinowin Inc. (作為 The Sinowin Unit Trust 之信託人) 擁有 100% 權益。The Sinowin Unit Trust 乃一項由 Banque Paribas International Trustee Limited (作為一項全權信託之信託人) 擁有之單位信託。本公司董事林文燦先生及丁麗玲女士之家族成員為該全權信託之全權受益人。本公司董事丁麗華女士為 Sinowin Inc. 之唯一股東。
- 本公司之 40,640,000 股股份乃以 Grandlink Holdings Limited 之名義持有及登記，而該公司乃由 Basab Inc. (作為 The Basab Unit Trust 之信託人) 擁有 100% 權益。The Basab Unit Trust 乃一項由 Guardian Trustee Limited (作為一項全權信託之信託人) 擁有之單位信託。本公司董事許經振先生之家族成員為該全權信託之受益人。
- 該等權益乃 FMR Corp. 透過其全權控制之公司 Fidelity Management & Research Company 及 Fidelity Management Trust Company 間接持有。
- 該等權益乃透過 EMF 持有。OCM 乃 EMF 之普通合夥人，並持有 EMF 之 1% 權益。OCM 僅因作為 EMF 之普通合夥人而被視作於 EMF 持有之股份中擁有權益，惟於其金錢利益以外，OCM 於當中並無任何實益權益。



**INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OTHER PERSONS (Continued)**

Save as disclosed above, the Company had not been notified of any other person (other than the directors or the chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as at 31 March 2004 as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

**SHARE OPTION SCHEME**

Pursuant to the share option scheme adopted on 23 August 2002 by the Company (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 exercise price of the options shall not be less than the higher of (i) the closing price of the shares on the Stock Exchange on the date of grant, (ii) the average closing price of the shares on the Stock Exchange 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.

**其他人士於股份及相關股份之權益及淡倉 (續)**

除上文所披露者外，於二零零四年三月三十一日，本公司並無接獲任何其他人士（不包括本公司各董事或行政總裁）知會，表示於本公司之股份及相關股份中擁有本公司根據證券及期貨條例第336條所存置之登記冊所記載之權益或淡倉。

**購股權計劃**

根據本公司於二零零二年八月二十三日所採納之購股權計劃（「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。購股權之行使價不得少於以下之較高者：(i)股份於授出日期在聯交所之收市價；(ii)股份於緊接授出日期前五個交易日在聯交所之平均收市價；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。

### SHARE OPTION SCHEME (Continued)

The movements of the share options granted under the Scheme during the year and balance as at 31 March 2004 are as follows:

### 購股權計劃(續)

年內及於二零零四年三月三十一日，根據計劃授出之購股權變動如下：

Participants	Date of grant	Exercise period	Exercise price per share HK\$	Outstanding as at 1 April 2003 於二零零三年四月一日尚未行使	Granted during the year	Number of options 購股權數目		Outstanding as at 31 March 2004 於二零零四年三月三十一日尚未行使
						Exercised during the year	Outstanding as at 31 March 2004	
<b>Director</b> 董事								
Mr. Yeung Cheuk Kwong 楊卓光先生	10 July 2003 二零零三年七月十日	2 August 2003 to 28 February 2008 二零零三年八月二日至二零零八年二月二十八日	2.475	-	5,000,000	(300,000)		4,700,000
<b>Other</b> 其他								
Employees and other participant 僱員及其他參與者	10 July 2003 二零零三年七月十日	2 August 2003 to 28 February 2008 二零零三年八月二日至二零零八年二月二十八日	2.475	-	22,000,000	-		22,000,000
					-	27,000,000	(300,000)	26,700,000

Saved as disclosed above, no options were exercised, cancelled or lapsed during the year.

除上文所披露者外，並無購股權於年內被行使、註銷或失效。

The closing price of the Company's shares on 10 July 2003, the date of grant of the share options, was HK\$2.475.

本公司股份於二零零三年七月十日(即購股權授出日期)之收市價為2.475港元。

The closing price of the Company's shares on 23 December 2004, being the date immediately before the date of which the options were exercised was HK\$3.15.

本公司股份於二零零四年十二月二十三日(即緊接購股權行使前)之收市價為3.15港元。

The fair value of the share options measured at the date of grant on 10 July 2003 was HK\$0.51 per share option. The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

購股權於二零零三年七月十日授出日之公平價值為每股購股權0.51港元。下列乃運用柏力克-舒爾斯期權定價模式計算公平價值時所採用之重大假設：

Expected life of options (months)	購股權預期年期(月)	55
Expected volatility based on historical volatility of share prices	按股份價格之歷史波幅而預期之波幅	38%
Expected annual dividend yield	預期每年股息率	5.74%
Hong Kong Exchange Fund Notes rate (per annum)	香港外匯基金票據息率(每年)	2.706%

# Directors' Report

## 董事會報告書

### SHARE OPTION SCHEME (Continued)

For the purposes of the calculation of fair value, no adjustment has been made in respect of share options expected to be forfeited due to the lack of historical data.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimation, in the opinion of the directors of the Company, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

Other than as disclosed, at no time during the year was the Company or its subsidiaries a party to any arrangement 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.

### 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.

### 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:

		2004 二零零四年 %
		百分比
Purchases	採購額	
- the largest supplier	- 最大供應商	34
- five largest suppliers combined	- 五大供應商合計	53
Sales	銷售額	
- the largest customer	- 最大客戶	41
- 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 Group's five largest suppliers or customers during the year.

### 購股權計劃(續)

在計算公平價值時，由於並無過往數據可依，故並沒有就預期沒收之購股權作出調整。

柏力克－舒爾斯期權定價模式需要輸入高度主觀之假設(包括股價之波動情況)。由於主觀假設之變動可重大影響公平價值之估計，故本公司董事認為現有模式不一定能就購股權之公平價值提供一個可靠之單一計算方法。

除上文所披露者外，本公司或其附屬公司於年內並無訂立任何安排，致使本公司各董事可藉購買本公司或任何其他法團之股份或債券而獲益。

### 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。

### 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：

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，概無於年內擁有本集團五大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 a pro-rata basis to existing shareholders.

### CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$1,575,000.

### 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, 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

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, 12 July 2004

### 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。

### 慈善捐款

年內，本集團作出之慈善捐款約1,575,000港元。

### 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

本公司已遵照聯交所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

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，二零零四年七月十二日