

Directors' Report

董事會報告

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

Principal Activities

The Company acts as an investment holding company.

The principal activities of the Company's subsidiaries at 31 March 2004 are set out in note 23 to the financial statements.

Results and Appropriations

The results and appropriations of the Group for the year ended 31 March 2004 are set out in the consolidated income statement and the consolidated statement of changes in equity on page 23 and 27 respectively.

The directors do not recommend the payment of a dividend.

Reserves

Details of movements during the year in the reserves of the Group and the Company are set out in the consolidated statement of changes in equity on page 27 and note 26 to the financial statements, respectively.

Financial Summary

A summary of the results and of the assets and liabilities of the Group is set out on page 74 of the annual report.

Property, Plant and Equipment

Details of movements during the year in the property, plant and equipment of the Group are set out in note 12 to the financial statements.

董事會謹此提呈截至二零零四年三月三十一日止年度之年度報告及經審核財務報表。

主要業務

本公司作為其集團附屬公司之投資控股公司。

本公司之附屬公司截至二零零四年三月三十一日止的主要業務載於財務報表附註23內。

業績及撥款

本集團截至二零零四年三月三十一日止年度之業績及撥款分別載於第23頁及第27頁之綜合收益表及綜合權益變動表內。

董事會不建議派發末期股息。

儲備

本集團及本公司於本年度之儲備變動詳情分別載於年報第27頁綜合權益變動表及財務報表附註26內。

財務概要

本集團過去之業績及資產與負債之概要載於第74頁內。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於財務報表附註12內。

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Share Capital

Details of the share capital of the Company are set out in note 24 to the financial statements.

Purchase, Sale and Redemption of Listed Securities

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

Directors

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

Executive directors

Mr. Chu Ka Lok, Peter (*Chairman and President*)

Mr. Wat Hon Keung (*Vice-President*)

Mr. Chan Kai Kwok

Ms. Chu Maria Teresa

Independent non-executive directors

Mr. Chan Chi Keung, Chris

Dr. Wu Shu Chih, Alex

In accordance with Clause 87 of the Company's Bye-laws, Ms. Chu Maria Teresa and Mr. Chan Chi Keung, Chris retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. The other directors continue in office.

The term of office for each of the independent non-executive directors is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

Three of the executive directors, namely, Messrs. Chu Ka Lok, Peter, Wat Hon Keung and Ms. Chu Maria Teresa have each entered into a service agreement with the Company for a period of three years commencing on 1 July 1997 and continuing thereafter until terminated by either party giving not less than three months' written notice to the other party.

股本

本公司之股本之詳情載於財務報表附註24內。

購入、出售或贖回上市證券

於年內，本公司及任何一間附屬公司均沒有購入、出售或贖回本公司的任何上市證券。

董事

年內及截至本年報刊發當日，本公司之董事如下：

執行董事

朱嘉樂先生 (*主席兼總裁*)

屈漢強先生 (*副總裁*)

陳啟國先生

朱詠儀小姐

獨立非執行董事

陳志強先生

吳樹熾博士

根據本公司之公司細則第八十七條，朱詠儀小姐及陳志強先生應輪席告退，惟彼等願於來屆週年大會膺選連任。其他董事則會繼續留任為董事。

根據本公司之公司細則，各獨立非執行董事之任期乃根據其須輪席告退之期間為限。

三位執行董事(朱嘉樂先生、屈漢強先生及朱詠儀小姐)均分別與本公司訂立服務協議，由一九九七年七月一日起，為期三年，任期屆滿後可延續，直至任何立約方向另一立約方作出不少於三個月書面通知終止協議為止。

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Save as disclosed above, no other director has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

除上文所披露者外，概無其他董事與本集團訂立本集團不可於一年內免付賠償（法定賠償除外）而終止之服務合約。

Directors' Interests in Securities

At 31 March 2004, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("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（「證券及期貨條例」）第352條本公司須存置之登記冊所示，董事及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例）之股份，相關股份之權益，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香港聯合交易所有限公司之權益如下：

長倉

(a) 本公司每股面值0.2港元之普通股

Long positions

(a) Ordinary shares of HK\$0.20 each in the Company

Name of director	董事姓名	Number of shares		Percentage of the issued share capital of the Company	
		Personal interests	Other interests	Personal interests	Other interests
		私人權益	其他權益	私人權益	其他權益
Mr. Chu Ka Lok, Peter	朱嘉樂先生	3,367,000	764,000	1.74%	0.39%
			(Note 1)	—	(Note 1)
Mr. Wat Hon Keung	屈漢強先生		118,260,000	—	60.91%
			(Note 2)	—	(Note 2)
Mr. Chan Kai Kwok	陳啟國先生	933,000	—	0.48%	—
Ms. Chu Maria Teresa	朱詠儀小姐	935,500	—	0.48%	—
		4,000,000	—	2.06%	—
		<u>9,235,500</u>	<u>119,024,000</u>	<u>4.76%</u>	<u>61.30%</u>

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Notes:

1. These shares were held by Napson Trading Limited ("Napson"), a company incorporated in Hong Kong, is wholly and beneficially owned by Charmwood Development Limited. The entire issued share capital of Charmwood Development Limited is held by the trustee of a discretionary trust in which Mr. Chu Ka Lok, Peter is included as a beneficiary.
2. These shares were held by Charmwood Development Limited.

附註：

1. 該等股份乃由Napson Trading Limited (「Napson」) 持有，一家於香港成立之公司，為Charmwood Development Limited全部和實益所擁有。Charmwood Development Limited之全部已發行股本是由全權信託受託人持有，而朱嘉樂先生為該全權信託之其中一位受益人。
2. 該等股份乃由Charmwood Development Limited持有。

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(b) Options

Particulars of the Company's share option scheme are set out in note 25 to the financial statements.

The details of the share options granted to the directors of the Company were as follows:

(b) 購股權

有關本公司之購股權計劃之資料載於財務報表附註25內。

授予本公司董事之購股權詳情如下：

Directors 董事	Exercisable period 行使期間	Exercise price per share 每股行使價 HK\$港元	Outstanding at 31.3.2004 於2004年3月31日 尚未行使
Mr. Chu Ka Lok, Peter 朱嘉樂先生	17.4.2001 – 16.4.2011	0.5504	1,500,000
Mr. Wat Hon Keung 屈漢強先生	17.12.2001 – 16.12.2011	0.7920	500,000
Mr. Chan Kai Kwok 陳啟國先生	17.12.2001 – 16.12.2011	0.7920	500,000
Ms. Chu Maria Teresa 朱詠儀小姐	17.4.2001 – 16.4.2011	0.5504	1,500,000
	17.12.2001 – 16.12.2011	0.7920	100,000
Total directors 董事總數			<u>4,100,000</u>

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(c) Shares in subsidiaries

At 31 March 2004, the following director held interests in the non-voting deferred shares in Alpha Appliances Limited, a 100% owned subsidiary of the Company, as follows:

Name of director 董事姓名	Number of non-voting deferred shares 無投票權遞延股份數目
Mr. Chu Ka Lok, Peter 朱嘉樂先生	50,000 (Note) (附註)

Note: 49,999 shares were held by Charmwood Development Limited and 1 share was held by Reredos Corporation which share was in turn held in trust for Charmwood Development Limited. The entire issued share capital of Charmwood Development Limited is held by the trustee of a discretionary trust in which Mr. Chu Ka Lok, Peter is included as a beneficiary. He therefore has "other interests" in such number of non-voting deferred shares as described in Practice Note 5 to the Rules Governing the Listing of Securities on the Stock Exchange.

In addition, a number of directors held non-beneficial interests in shares in certain subsidiaries as nominees for the Group.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 31 March 2004.

(c) 在附屬公司之股份

於二零零四年三月三十一日，以下董事持有本公司全資附屬公司第一電業有限公司之無投票權遞延股份之「其他權益」：

附註： Charmwood Development Limited持有49,999股股份，而其餘1股股份則由Reredos Corporation以信託形式代Charmwood Development Limited持有。Charmwood Development Limited之全部已發行股本是由全權信託受託人持有，而朱嘉樂先生為該全權信託之其中一位受益人。因此，根據聯交所證券上市條例應用指引第五號，朱先生擁有該等數目之無投票權遞延股份之「其他權益」。

此外，多位董事以本公司代理人名義於若干附屬公司中持有非實益權益。

除上述所披露者外，於二零零四年三月三十一日，各董事及彼等之聯繫人士概無於本公司或其任何聯營公司之股份及相關股份中擁有任何權益或短倉。

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Arrangements to Purchase Shares or Debentures

Apart from those share options granted to executive directors pursuant to the share option scheme of the Company as described in note 25 to the financial statements and disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Company's directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interest in Contracts

No contract of significance, to which the Company, any of its holding companies or 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.

Major Customers and Suppliers

For the year ended 31 March 2004, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 30% of the Group's total turnover and the amount of turnover attributable to the Group's largest customer was approximately 8% of the Group's total turnover. The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 99% of the Group's total purchases and the amount of purchases attributable to the Group's largest supplier was approximately 64% of the Group's total purchases.

Napson is beneficially interested in 315,000 shares in Fujitsu General Limited (representing 0.29% of the issued share capital of Fujitsu General Limited), the largest supplier to the Group.

購買股份或債券之安排

除了於財務報表附註25所列出根據本公司購股權計劃所授出予執行董事之購股權及上述所披露外，本公司、其控股公司或任何附屬公司概無於年內任何時間內訂立任何安排致使本公司之董事、其配偶或18歲以下之子女透過購買本公司或任何其他法人團體之股份或債券而獲取利益。

董事於合約之權益

本公司之董事概無於本公司、任何其控股公司或附屬公司於年終或年內任何時間內所訂立任何重大合約中直接或間接擁有重大權益。

主要客戶及供應商

截至二零零四年三月三十一日，由本集團五大客戶貢獻之營業額佔本集團之總營業額約30%，而由本集團最大客戶貢獻之營業額佔本集團之總營業額約8%。本集團之五大供應商佔本集團總採購額約99%，而本集團之最大供應商則佔本集團總採購額約64%。

Napson實益持有富士通將軍公司315,000股股份（相當於富士通將軍公司已發行股本中0.29%權益）。富士通將軍為本集團最大之供應商。

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Save as disclosed above, none of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) has any interest in any of the Group's five largest customers or suppliers.

Substantial Shareholders

Long positions

At 31 March 2004, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the shareholder who had an interest in 5% or more of the issued share capital of the Company was Charmwood Development Limited which held 118,260,000 shares of HK\$0.20 each. This interest has also been disclosed as an interest of Mr. Chu Ka Lok, Peter in the disclosure of directors' interests in securities of the Company above.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2004.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws, although there are no restrictions against such rights under the laws in Bermuda.

Related Party Transactions

The Group paid rentals amounting to HK\$588,000 to Napson during the year ended 31 March 2004 for the use of the Group's principal office (2003: HK\$798,000). The rentals were determined with reference to prevailing market rent when the relevant rental agreements were entered into.

The independent non-executive directors have confirmed that the above transactions have been entered into by the Group in the ordinary course of its business and in accordance with the terms of the agreements governing such transactions.

除上文所披露者外，概無董事、其聯繫人士或任何股東(就董事所知，彼等持有本公司股本逾5%)於本集團五大客戶或供應商中持有任何權益。

主要股東

長倉

於二零零四年三月三十一日，根據證券及期貨條例第336條存置之主要股東名冊所示，本公司知悉持有本公司已發行股本5%或以上有關權益之股東為Charmwood Development Limited，其持有118,260,000股每股0.20港元之股份。此等權益亦已於上文董事於本公司證券權益中披露為朱嘉樂先生之權益。

於二零零四年三月三十一日，除上文所披露者外，本公司並不知悉有任何本公司已發行股本中之任何其他有關權益或短倉。

優先購買權

儘管百慕達法例對優先購買權並無限制，惟本公司之公司細則並無就優先購買權作出規定。

有關人士之交易

本集團於截至二零零四年三月三十一日止年度共繳付租金588,000港元(二零零三年：798,000港元)予Napson，以租用本集團主要辦事處。此租金是參考簽訂有關租務協議時之市場租金而釐定。

獨立非執行董事確認上述交易於本集團日常業務過程中，以及根據監管該等交易之合約條款下進行。

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Compliance with Code of Best Practice

Except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's By-laws, the Company has complied throughout the year ended 31 March 2004 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.

Post Balance Sheet Events

Details of significant events occurring after the balance sheet date are set out in note 35 to the 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

Chu Ka Lok, Peter
Chairman and President

23 July 2004

遵守最佳應用守則

除本公司獨立非執行董事並無指定任期；惟須根據本公司之公司細則輪值告退外，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之證券上市規則附錄十四所載之最佳應用守則。

結算日後事項

於結算日後發生之重大事項之詳情載列於財務報告表附註35。

核數師

本公司將於股東週年大會上提呈決議案重聘德勤•關黃陳方會計師行為本公司之核數師。

承董事會命

主席兼總裁
朱嘉樂

二零零四年七月二十三日