

Tungda Innovative Lighting Holdings Limited

東大新材料照明控股有限公司

(Incorporated in the Cayman Islands with limited liability)

ANNUAL REPORT 2003/2004



NEW ENERGY OF LIGHT

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligations to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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香港聯合交易所有限公司（「聯交所」）創業板市場（「創業板」）之特色

創業板乃為帶有高投資風險之公司而設立之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司亦可能因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資人士應了解該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於在創業板上市之公司屬新興性質，在創業板買賣之證券可能會較在主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要途徑為在聯交所為創業板而設之互聯網網頁刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資人士應注意，彼等須閱覽創業板網頁，方可取得創業板上市發行人之最新資料。

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Executive directors	CHU Chien Tung CHU Chick Kei CHU Sen Hei CHOW Sau Fong, Fiona	執行董事	朱展東 朱植杞 朱晨曦 鄒秀芳
Non-executive director	FUNG Shiu Lun, Anthony	非執行董事	馮兆麟
Independent non-executive directors	ZHU Lei Bo HONG Yong Hwan WU King Yin	獨立非執行董事	朱雷波 洪庸皖 胡景妍
Registered office	Century Yard Cricket Square Hutchins Drive P.O. Box 2681GT George Town Grand Cayman British West Indies	註冊辦事處	Century Yard Cricket Square Hutchins Drive P.O. Box 2681GT George Town Grand Cayman British West Indies
Head office and principal place of business	Room 1007-8, 10th Floor Harcourt House 39 Gloucester Road Wanchai Hong Kong	總辦事處兼 主要營業地點	香港 灣仔 告士打道39號 夏慤大廈 10樓1007-8室
Company website	http://www.tungdalighting.com.hk http://www.tungdalighting.com	公司網址	http://www.tungdalighting.com.hk http://www.tungdalighting.com
Company secretary	LEE Wing Lun (CPA (Aust.), CPA (HKICPA), ACIS, ACS)	公司秘書	李永倫 (CPA (Aust.), CPA (HKICPA), ACIS, ACS)
Qualified accountant	LEE Wing Lun (CPA (Aust.), CPA (HKICPA), ACIS, ACS)	合資格會計師	李永倫 (CPA (Aust.), CPA (HKICPA), ACIS, ACS)
Compliance officer	CHU Chien Tung	規章主任	朱展東
Audit committee	HONG Yong Hwan (Chairman) ZHU Lei Bo WU King Yin	審核委員會	洪庸皖 (主席) 朱雷波 胡景妍
Authorised representatives (for the purpose of the GEM Listing Rules)	CHU Chien Tung CHU Chick Kei	授權代表 (就 創業板上市 規則而言)	朱展東 朱植杞

Principal bankers

DBS Bank (Hong Kong) Limited
16th Floor
The Center
99 Queen's Road Central
Hong Kong

Nanyang Commercial Bank,
Limited
48 Tsun Yip Street
Kwun Tong
Kowloon
Hong Kong

主要往來銀行

星展銀行(香港)有限公司
香港
皇后大道中99號
中環中心
16樓

南洋商業銀行有限公司
香港
九龍
觀塘
駿業街48號

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants
26th Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

核數師

德勤•關黃陳方會計師行
執業會計師
香港
干諾道中111號
永安中心
26樓

**Principal share registrar
and transfer office**

Bank of Butterfield
International (Cayman)
Limited
Butterfield House
68 Fort Street
P. O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

**股份過戶登記
總處**

Bank of Butterfield
International (Cayman)
Limited
Butterfield House
68 Fort Street
P. O. Box 705
George Town
Grand Cayman
Cayman Islands
British West Indies

**Hong Kong branch
share registrar and
transfer office**

Standard Registrars Limited
Ground Floor, BEA Harbour
View Centre
56 Gloucester Road
Wanchai
Hong Kong

**香港股份過戶
登記分處**

標準證券登記有限公司
香港
灣仔
告士打道56號
東亞銀行港灣中心地下

Sponsor

China Everbright Capital Limited
40th Floor
Far East Finance Centre
16 Harcourt Road
Hong Kong

保薦人

中國光大融資有限公司
香港
夏慤道16號
遠東金融中心
40樓

Financial Summary

財務概要

For the year ended 31st March,

截至三月三十一日止年度

		2001 二零零一年 HK'000 千港元	2002 二零零二年 HK'000 千港元	2003 二零零三年 HK'000 千港元	2004 二零零四年 HK'000 千港元
RESULTS	業績				
Turnover	營業額	41,890	152,918	258,431	299,896
Profit before taxation	除稅前溢利	1,998	35,807	61,424	78,780
Taxation	稅項	(460)	(4,100)	(3,411)	(4,024)
Net profit for the year	年內純利	1,538	31,707	58,013	74,756
Dividends	股息	—	(10,000)	—	(5,890)

At 31st March,

於三月三十一日

		2001 二零零一年 HK'000 千港元	2002 二零零二年 HK'000 千港元	2003 二零零三年 HK'000 千港元	2004 二零零四年 HK'000 千港元
ASSETS AND LIABILITIES	資產及負債				
Total assets	資產總值	8,645	31,789	134,647	275,146
Total liabilities	負債總額	(8,829)	(10,266)	(8,960)	(12,388)
Shareholders' funds	股東資金	(184)	21,523	125,687	262,758

Notes: The results for each of the three years ended 31st March, 2003 have been prepared on a combined basis as if the group structure immediately after the group reorganisation had been in existence since 1st April, 2000.

附註：截至二零零三年三月三十一日止三個年度各年之業績已按合併基準編製，猶如緊隨集團重組後之集團架構自二零零零年四月一日起一直存在。

Dear Shareholders and Directors,

On behalf of the board of directors (the "Board"), I am pleased to present the Group's annual report for the year ended 31st March, 2004 to the shareholders.

OPERATING RESULTS

The Group has achieved remarkable results in terms of research and development, manufacturing, distribution and trading of energy-saving light source products, thus enabling the gradual, smooth attainment of the Group's targeted sales and earnings. Turnover and profit attributable to shareholders amounted to approximately HK\$299.90 million and HK\$74.76 million respectively, representing an increase of 16.04% and 28.86% over last year. The Group is so proud that since the Group's embarking on research and development in its core products, among competitors producing the same products, the production cost of the Group has strong competitive advantage. Thus allow the Group to enjoy a steady gross profit margin, and an optimistic development prospect.



HK International Lighting Fair 2003
香港國際燈飾展2003

Year 2003 was a challenging year for Hong Kong's economy in general. The outbreak of the Severe Acute Respiratory Syndrome (SARS) in the region worsened the already weak economy in Hong Kong for the year under review. Meanwhile, market competition in certain lighting product segments has also got more intense. However, with the success of the Group's cost control and marketing efforts to sell Tungda brand products, the Group is able to maintain a competitive cost advantage and to increase its gross profit margin from 35.52% to 38.52%.

各位股東及董事：

本人謹代表董事會（「董事會」）向股東欣然提呈本集團截至二零零四年三月三十一日止年度之年報。

經營業績

本集團於研發、生產製造、銷售及代理節能光源產品方面的成績斐然，因而能順利地逐步實現銷售和盈利目標。營業額及股東應佔溢利分別約299,900,000港元及74,760,000港元，分別較去年增長16.04%及28.86%。令人自豪的是本集團研發主力產品至目前為止，與業務競爭者的同類產品比較，本集團在生產成本上有相當強的競爭優勢，毛利率穩定得到保證，證明本集團所開發的產品的發展前景是樂觀的。

二零零三年，香港整體經濟環境困難。於回顧年度，區內爆發嚴重急性呼吸系統綜合症（「非典型肺炎」），令香港經濟雪上加霜。同時，若干照明產品的市場競爭亦趨激烈。儘管如此，憑藉本集團嚴謹地控制成本及不遺餘力地推廣東大品牌產品，本集團得以維持極具競爭力的成本優勢，其毛利率亦由35.52%增至38.52%。

BUSINESS REVIEW

Since listing in 2002, the Group has dedicated resources to develop and supply the market with innovative, high quality energy-saving light source products. The Group's commitment in research and development and its strategic cooperation enables the Group to expand its product offerings to cater for the needs of different customers.

During the year 2003/04, the Group has participated in many international lighting fairs which provided us with invaluable opportunities to promote our products to potential new customers from around the world. In addition, the Group received excellent press coverage that our brand and products were featured in trade journals and international lighting magazines. The Group has also conducted various marketing initiatives including running a two-months' publicity drive on the Mass Transit Railway to enhance our brand awareness and recognition in the market.

Being GE Lighting's distributor since 1996, the Group was proud to be appointed by GE Lighting as its exclusive distributor for lighting fixtures in Hong Kong and Macau in January, 2004. The appointment enables the Group to expand its product offerings to include lighting fixtures and also symbolizes our successful long term cooperation with GE Lighting.

業務回顧

本集團自二零零二年上市以來，一直積極投入資源開發及向市場供應優質創新的節能光源產品。本集團致力研發工作，加上策略性合作關係，得以擴展產品種類，迎合不同客戶之需要。

本集團於二零零三／零四年度曾參與多個國際照明展覽會，為我們提供向全球各地潛在新客戶推廣產品之寶貴機會。此外，本集團亦得到傳媒廣泛報導，旗下品牌及產品均獲多份貿易雜誌及國際照明雜誌專題介紹。本集團亦推行多項市場推廣計劃，包括於地下鐵路展開為期兩個月的宣傳活動，務求提升品牌知名度及市場認知度。



本集團自一九九六年起為GE Lighting之分銷商，並於二零零四年一月榮獲GE Lighting委任為港澳兩地照明裝置之獨家分銷商，讓本集團將產品系列擴展至涵蓋照明裝置，標誌著集團與GE Lighting成功建立長遠合作關係。

The Group has been actively seeking capable distributors to expand its sales and distribution network. In the year 2003/04, the Group has successfully signed up distributors in the U.S. and Canada, and has been in discussion with potential distributors in some Asian and European countries.

In meeting needs of different customers, the Group has dedicated resources in research and development of new products. In the year 2003/04, the Group has completed the development of low-wattage and high-wattage induction lamps and entered the final development stage of automobile HID xenon lamps and microwave sulphur lamps. With increasing awareness of environmental protection and energy conservation, the Group believes these new products would increase the competitiveness of its product offerings.

In line with the Group's strategy to strengthen its production capability and capacity, the Group has established a new plant in the PRC. Located in Xianyou County, Fujian province, the PRC, the Phase One facility of the new plant accommodates the induction lamp production line that was completed in March, 2003. Equipped with advanced equipment and technologies, and excellent technical personnel, the Group believes the new plant provides the Group with unparalleled edge for future development in the lighting market that lies in the application of new technologies, production with economies of scale and low costing.

本集團一直積極物色實力雄厚的分銷商，擴展其銷售及分銷網絡。於二零零三／零四年度，本集團成功獲得美國及加拿大兩地分銷商加盟，並與部分亞洲及歐洲國家潛在分銷商進行磋商。

為配合不同客戶需求，本集團積極投入資源研究及開發新產品。於二零零三／零四年度，本集團完成開發低瓦及高瓦無極螢光燈，而開發汽車用高壓氣體放電氙燈與微波硫燈亦進入最後階段。隨著環保及節能意識日增，本集團相信新產品可望提升旗下產品之競爭力。



Induction Lamp
無極螢光燈



Automobile HID Xenon Lamp
汽車用高壓氣體放電氙燈



Microwave Sulphur Lamp
微波硫燈

為配合本集團加強產能及生產力之策略，集團已於中國福建省仙游縣設立新廠房。新廠房第一期設施已於二零零三年三月落成，當中設有無極螢光燈之生產線。本集團相信，憑藉先進設備及技術，加上優秀的技術人員，新廠房定能為本集團帶來無比優勢，日後於講求應用新技術、經濟規模生產及低成本生產之照明市場大展拳腳。

PROSPECTS

With the increasing awareness of the "Tungda" brand and the establishment of its new plant in the PRC, the Group believes that the competitiveness of Tungda's products has been greatly enhanced. In the year 2004/05, Tungda will continue to pay attention to research and development so as to supply the market with value-added, innovative high quality energy-saving light source products. We will also dedicate resources to strengthen our distribution network locally and globally, and to market our products effectively through these channels.



Publicity Drive on Mass Transit Railway
於地下鐵路展開之宣傳活動

業務前景

隨著「東大」品牌知名度日漸提升，加上於中國成立之新廠房，本集團相信東大產品之競爭力已經大大提升。於二零零四／零五年度，東大將繼續專注於研究及開發工作，為市場提供優質創新的增值節能光源產品。我們會積極投入資源加強本地及全球分銷網絡，透過該等途徑有效推廣產品。

ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude to all the Directors and staff for their continuous support, dedication and contribution to the Group, as well as shareholders and business partners for their full support and confidence in the Group.

致謝

對於全體董事及員工鼎力支持、默默耕耘及積極貢獻；各股東及業務夥伴對本集團的愛戴及信賴，本人謹藉此機會向他們致以萬分謝意。

Chu Chien Tung

Chairman

15th October, 2004

主席

朱展東

二零零四年十月十五日



FINANCIAL REVIEW**Operating Results**

For the year ended 31st March, 2004, the Group's turnover was approximately HK\$299.90 million, representing an increase of approximately 16.04% from HK\$258.43 million last year. This increase in turnover was mainly contributed by the increased demand for the Group's house brand light source products and new customers from North America and Asia, as resulted from the Group's successful marketing efforts to enhance its brand awareness and market recognition, and its quality assurance standards to deliver high quality products to customers.

The gross profit margin for the year ended 31st March, 2004 has increased to 38.52% compared to 35.52% for the same period in 2003. The improvement is attributable to the increase in amount and proportion in sales of house brand light source products that usually give higher gross profit margin as compared to agency brand light source products.

Other Operating Income

The major component of other operating income was interest income which was approximately HK\$0.73 million for the year ended 2004 as compared to approximately HK\$0.25 million for the same period in 2003. The increase was accounted by the higher cash and bank balance for the Group.

Selling and Administrative Expenses

The selling expenses amounted to approximately HK\$8.19 million during the year ended 31st March, 2004, as compared to approximately HK\$10.02 million for the same period in 2003, which were primarily comprised of advertising, exhibition, business promotion and travelling expenses. The amount decreased because of the completion of significant contracted advertisement and promotion expense in 2003 which does not recur in 2004.

財務回顧**經營業績**

截至二零零四年三月三十一日止年度，本集團營業額約為299,900,000港元，較二零零三年之258,430,000港元增加約16.04%。營業額增長之主要原因為本集團之推廣策略成功提升其品牌知名度及市場認受性，加上本集團制定品質保證標準以向客戶交付優質產品，令到其本身品牌光源產品之需求不斷增長，而來自北美洲及亞洲各地之新客戶亦有所增加。

截至二零零四年三月三十一日止年度之毛利率升至38.52%，二零零三年同期則為35.52%。毛利率上升乃由於毛利率一般較代理品牌光源產品高的本公司品牌光源產品之銷售額及銷售比例增加所致。

其他經營收入

其他經營收入主要為利息收入。二零零四年度之利息收入約為730,000港元，二零零三年同期則約為250,000港元，增幅乃由於本集團現金及銀行結存增加所致。

**銷售及行政開支**

截至二零零四年三月三十一日止年度之銷售開支約為8,190,000港元，主要包括廣告宣傳、展覽會及業務推廣與差旅開支，而二零零三年同期則約為10,020,000港元。銷售開支下降，乃由於重大已訂約廣告及推廣活動已於二零零三年完成，二零零四年並無再錄得有關開支。

FINANCIAL REVIEW (Continued)**Selling and Administrative Expenses (Continued)**

The administrative expenses comprised primarily of directors' and staff remuneration, business trip expenses, entertainment and rental expenses, which increased to approximately HK\$23.30 million due to increased business activities, as compared to approximately HK\$14.61 million in the corresponding year in 2003.

Research and Development Expenses

The research and development expenses amounted to approximately HK\$6.00 million in 2004, as compared to approximately HK\$5.84 million in the corresponding period in the previous year, which comprised of the cost of research and development of new products such as low and high wattage induction lamp, microwave sulphur lamp and automobile HID xenon lamp.

Net Profit

As a result of the factors discussed above, the net profit attributable to shareholders for the year ended 31st March, 2004 increased to approximately HK\$74.76 million from approximately HK\$58.01 million for the same period in 2003.

**財務回顧 (續)****銷售及行政開支 (續)**

行政開支主要包括董事及員工薪酬、差旅費、應酬及租金開支。由於業務活動增多，行政開支增至約23,300,000港元，而二零零三年同期則約為14,610,000港元。

研發開支

二零零四年之研發開支約為6,000,000港元（當中包括研發低瓦及高瓦無極螢光燈、微波硫燈及汽車用高壓氣體放電氙燈等新產品之成本），去年同期則約為5,840,000港元。

純利

基於上述所討論因素，截至二零零四年三月三十一日止年度之股東應佔純利由二零零三年同期約58,010,000港元增至約74,760,000港元。

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31st March, 2004, the Group's shareholders' funds amounted to approximately HK\$262.76 million (2003: HK\$125.69 million). Cash and bank balances was approximately HK\$139.49 million as at 31st March, 2004, compared to HK\$86.34 million as at 31st March, 2003. Increases in cash stemmed primarily from HK\$49.5 million and HK\$14.9 million net proceeds received from the placing of share and exercise of share option of the Company in September 2003 and February 2004 respectively and income generated from operations. The Board believes that the Group has adequate funds to support its operations and capital expenditures for future expansion and development.

As at 31st March, 2004, the Group had no outstanding bank borrowing (2003: HK\$953,000). The Group's gearing ratio, defined as the Group's total borrowings to the shareholders' funds, was zero (2003: zero).

流動資金、財政資源及資本結構

於二零零四年三月三十一日，本集團之股東資金約達262,760,000港元（二零零三年：125,690,000港元）。於二零零四年三月三十一日，現金及銀行結存約為139,490,000港元，而於二零零三年三月三十一日則為86,340,000港元。現金增幅主要來自本公司分別於二零零三年九月及二零零四年二月配售股份及行使購股權所得款項淨額49,500,000港元及14,900,000港元與經營業務所得收入。董事會相信，本集團有充裕資金支持其業務營運開支與未來擴充及發展之資本開支。

於二零零四年三月三十一日，本集團沒有未償還銀行借款（二零零三年：953,000港元）。本集團之資產負債比率（即本集團借款總額與股東資金之比率）為零（二零零三年：零）。

RESPONSE TO AUDITORS' OPINION

In view of the fact that the Group's auditors were unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March, 2004 and of the profit and cash flows of the Group for the year then ended and, as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance, the directors wish to state that the audit committee comprising all the independent non-executive directors of the Company had promptly engaged an external international accounting firm to perform additional tasks that were specifically designed to address issues in relation to the audit raised by the auditors to the audit committee. The scope of the additional tasks had been copied to, reviewed and commented by the auditors prior to the engagement of the external international accounting firm by the Company. Under the direct supervision of the audit committee, such external international accounting firm conducted independent checking on the particulars of business transactions of the Group in connection with the matters for clarification raised by the auditors. In addition, under the supervision of the audit committee, the Company obtained both Hong Kong and PRC legal opinions to address issues in relation to the audit raised by the auditors to the audit committee and no adverse concerns were raised.

回應核數師意見

鑑於本集團核數師未能就財務報表是否真實及公平地反映本公司及本集團於二零零四年三月三十一日之財務狀況與本集團截至該日止年度之溢利及現金流量，以及財務報表是否根據香港公司條例之披露規定適當地編製提供意見，董事謹此聲明由本公司全體獨立非執行董事組成之審核委員會已迅速外聘國際會計師行執行額外工作，專門處理有關核數師向審核委員會提出與核數有關之問題。本公司於委聘外聘國際會計師行前，已向核數師呈交該等額外工作範疇，經由彼等檢討及作出評論。在審核委員會直接監督下，該家外聘國際會計師行已就該核數師所提出澄清事宜，對本集團業務交易詳情進行獨立檢查。此外，於審核委員會之監督下，本公司已同時取得中港兩地之法律意見，以處理有關核數師向審核委員會提出與核數有關之問題，當中並無反面意見。



Opening ceremony of Fujian
production site
福建生產廠房開幕典禮

Part of Induction
Lamp Production
Line
無極螢光燈
部分生產線

Exhibition
in Germany
德國展覽會



RESPONSE TO AUDITORS' OPINION (Continued)

The directors wish to clarify the following matters based on the extensive findings of the external international accounting firm, and the Hong Kong and PRC legal opinions:

1. With regard to the validity of approximately HK\$67,105,000 deposits paid and included in the balance sheet as at 31st March, 2004 and the amount of capital commitments disclosed in note 23 to the financial statements for the acquisition of property, plant and equipment, the amount was supported by verifiable evidence, including (1) contracts; (2) receipts from suppliers; (3) official VAT invoices for three sets of relevant equipment already delivered to the Group's plant in Fujian in April and May, 2004; (4) confirmations given by the suppliers directly to the auditors; (5) confirmations with the details of the transactions from the suppliers directly to the external international accounting firm; and (6) inspection of the suppliers' work-in-progress at respective suppliers' sites and inspection of completed equipment at the Group's plant in Fujian by the external international accounting firm. The external international accounting firm took considerable efforts in collecting, reviewing and analysing such evidences. Having reviewed the findings in the external international accounting firm's report and the Hong Kong and PRC legal opinions, the audit committee concluded that there was no irregularity, impropriety or illegality in connection with the transactions and the directors are of the view that the deposits paid and the amount of capital commitments were free from any material misstatement.

回應核數師意見 (續)

董事謹此根據國際會計師行之詳細調查結果，以及中港兩地法律意見澄清以下各項事宜：

1. 關於已支付及計入截至二零零四年三月三十一日之資產負債表內約67,105,000港元按金及財務報表附註23就購置物業、廠房及設備所披露資本承擔金額之有效性，該項金額有多項可供證實之證據可茲證明，包括(1)合約；(2)供應商收據；(3)於二零零四年四月及五月已送交本公司福建廠房之三套有關設備的增值稅正式發票；(4)供應商直接向核數師提供之確認；(5)供應商直接向外聘國際會計師行確認交易詳情；及(6)外聘國際會計師行對在各自供應商生產場所視察在建工程及於本集團福建廠房視察已完成製造及交送之機器設備的工作。該家外聘國際會計師行花費相當大的人力搜集、檢討及分析該等證據。於檢討該家外聘國際會計師行之報告結果及中港兩地之法律意見後，審核委員會總結並無任何證據顯示交易屬違規、不恰當或違法，而董事認為對已付按金及資本承擔金額之陳述並無任何重大錯誤。



RESPONSE TO AUDITORS' OPINION (Continued)

2a. With regard to the validity of approximately HK\$289,314,000 of sales to customers outside Hong Kong for the year ended 31st March, 2004, the amount of the sales were supported by verifiable evidence, including (1) contracts; (2) invoices; (3) PRC Custom Export Merchandise Declaration Forms or duly acknowledged delivery notes; (4) written and oral confirmations from the customers directly to the auditors and external international accounting firm; (5) shipment confirmations from the applicable freight forwarding company directly to the external international accounting firm; (6) customer interviews and site visits by the external international accounting firm; and (7) confirmation with the details of the transactions from the customers directly to the external international accounting firm. In addition, all relevant accounts receivable had been settled by 31st March, 2004. The external international accounting firm took considerable time in collecting, reviewing and analysing such evidence. Having reviewed the findings in the external international accounting firm's report and the Hong Kong and PRC legal opinions, the audit committee concluded that there was no evidence of irregularity, impropriety or illegality in connection with the sales transactions, and the directors are of the view that sales transactions of the Group were free from any material misstatement.

回應核數師意見 (續)

2a. 至於截至二零零四年三月三十一日止年度向香港境外客戶所作出約289,314,000港元銷售之有效性，該項金額有可供證實之證據可茲證明，包括(1)合約；(2)發票；(3)中國海關出口商品報關表或正式收妥之提貨單；(4)客戶直接向核數師作出之書面及口頭確認；(5)適用貨運公司直接向外聘國際會計師行作出之船運確認；(6)外聘國際會計師行進行之客戶訪問及實地探訪；及(7)客戶直接向外聘國際會計師行確認交易詳情。此外，所有有關應收賬款已於二零零四年三月三十一日前償付。該家外聘國際會計師行花費相當大的人力搜集、檢討及分析該等證據。於檢討該家外聘國際會計師行之報告結果及中港兩地之法律意見後，審核委員會總結並無任何證據顯示銷售交易屬違規、不恰當或違法，而董事認為對本集團銷售交易之陳述並無任何重大錯誤。



RESPONSE TO AUDITORS' OPINION (Continued)

2b. With regard to the validity of the purchase transactions with a major supplier in the PRC, the transactions were supported by verifiable evidence, including (1) purchase orders; (2) delivery notes from the suppliers; (3) confirmations from suppliers directly to the auditors; and (4) confirmation with the details of the transactions from the suppliers directly to the external international accounting firm. Having reviewed the findings in the external international accounting firm's report, the audit committee concluded that there was no impropriety, irregularity or illegality relating to the purchase transactions, and the directors are of the view that the purchase transactions of the Group were free from any material misstatement.

Given the fact that no illegality, irregularly or impropriety has been found by the audit committee on the part of the Group in its dealings with its customers and suppliers in light of results of such external international accounting firm's extensive investigation and findings, and the Hong Kong and PRC legal opinions, and the auditors' audit work with the Group in previous years without raising any questions on the identical settlement practice of the sales transactions of the Group (which had been in place and not changed since the listing of the Company in 2002), the directors regret that the auditors are not satisfied and are of the opinion that they have not received all the information and explanations necessary. Notwithstanding the above, further delay of result announcement may affect shareholders' interest and therefore the Company concurs the issuance of the audit report. However, the Company reserves all its rights over and in connection with such disagreement with the opinion of the auditors.

**回應核數師意見 (續)**

2b. 有關向一名中國主要供應商進行採購交易之合法性，該項交易有多項可供證實之證據可茲證明，包括(1)採購訂單；(2)供應商提貨單；(3)客戶直接向核數師作出之確認；及(4)供應商直接向外聘國際會計師行確認交易詳情。於檢討該家外聘國際會計師行之報告結果後，審核委員會總結採購交易並無不恰當、違規或違法之處，而董事認為對本集團採購交易之陳述並無任何重大錯誤。

鑑於審核委員會鑑於外聘國際會計師行作出深入調查及發現之結果及中港兩地之法律意見未

能發現本集團與其客戶及供應商進行交易出現違法、不恰當或違規之情況，加上核數師於過往多年為本集團進行之審核工作未有對本集團銷售交易之可資識別結算慣例（自本公司在二零零二年上市以來一直存在且並無改變）提出任何

問題，董事對核數師未能信納於此感到遺憾，並認為彼等並未獲得所需資料及解釋。儘管如上所述，進一步延期刊發業績公佈，可能會影響股東利益，故本公司同意發出審核報告。本公司就與核數師之意見分歧保留一切權利。

SIGNIFICANT INVESTMENT HELD AND MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES

There were neither significant investment held by the Group nor material acquisitions and disposals of subsidiaries and affiliated companies for the years ended 31st March, 2004 and 2003 except as disclosed in note 11 to the financial statements.

CHARGES ON GROUP ASSETS

As at 31st March, 2004 the Group pledged a bank deposit of approximately HK\$304,000 to secure a rental deposit banking guarantee. As at 31st March, 2003 the time deposits of approximately HK\$2,319,000 was pledged together with a joint and several guarantees given by Mr. Chu Siu Chun, Chu Chien Tung and Chu Chick Kei to secure general banking facilities amounting to approximately HK\$5,301,000 granted to the Group. The general banking facilities of HK\$5,000,000 had been terminated and the joint and several guarantees given by Mr. Chu Siu Chun, Chu Chien Tung and Chu Chick Kei had been released on 29th April, 2003.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Details of the Group's future plans for material investments or capital expenditures and their expected source of funding have been stated in the Company's prospectus dated 19th July, 2002 under the sections headed "Business Objectives and Implementation Plans" and "Use of Proceeds" respectively. Progress of these has been dealt within sections headed "Business Objectives Review". Apart from those disclosed, should there be any other related plan for material investments or capital expenditure, the Group will consider any possible funding options.

FOREIGN EXCHANGE EXPOSURE

The Board believes that the exchange rate risks of the Group is minimal because the Group conducts its business transactions principally in Renminbi in the PRC, which was relatively stable during the financial year under review. However, devaluation of the Renminbi against the Hong Kong dollar would adversely affect the Group's performance when measured in Hong Kong dollar.

所持重大投資和附屬公司重大收購及出售

除財務報表附註11所披露者外，截至二零零四年及二零零三年三月三十一日止年度，本集團概無持有其他重大投資，附屬公司及聯屬公司亦無重大收購及出售。

集團資產抵押

於二零零四年三月三十一日，本集團已抵押銀行存款約304,000港元，以取得銀行之租金按金擔保。於二零零三年三月三十一日，約2,319,000港元之定期存款連同朱紹進先生、朱展東先生及朱植杞先生共同及個別作出之擔保作抵押，以取得授予本集團約5,301,000港元之一般銀行信貸。該等一般銀行信貸其中之5,000,000港元其後於二零零三年四月二十九日終止，而朱紹進先生、朱展東先生及朱植杞先生共同及個別作出之擔保亦於同日免除。

未來重大投資計劃及預期資金來源

有關本集團未來重大投資或資本支出計劃及預期資金來源之詳情，分別載於本公司日期為二零零二年七月十九日之招股章程「業務宗旨及實施計劃」與「所得款項用途」兩節。有關進展載列於「業務目標回顧」一節。除以上所披露者外，倘有其他相關重大投資

計劃或資本支出，本集團會考慮各種可行的融資計劃。

外匯風險

董事會相信，由於本集團主要以人民幣在中國進行業務交易，而人民幣匯率於回顧財政年度內亦相對穩定，故本集團之外匯風險輕微。然而，倘人民幣兌港元貶值，則會對本集團以港元計算之業績表現造成不利影響。



CONTINGENT LIABILITIES

The Group and the Company had no contingent liabilities as at both 31st March, 2004 and 2003.

SEGMENTAL INFORMATION

Segmental information of the Group is set out in note 4 to the financial statements. There was a 16.04% increase of turnover to that of previous year, mainly contributed by house brand light source products.

EMPLOYEE INFORMATION

As at 31st March, 2004, the Group had about 211 full time employees. The Group's employees were remunerated according to the nature of their duty and market trend, with discretionary bonus and benefit of retirement scheme, share options and necessary training. Total staff costs for the year amounted to approximately HK\$8.47 million (2003: HK\$6.45 million).

The share option schemes continue to play an important role in the motivation and retention of quality employees.

BUSINESS REVIEW**Overview**

The Group achieved a satisfactory turnover of approximately HK\$299.90 million, representing a growth of 16.04% over last year. The success was mainly attributable to (1) the Group's marketing initiatives and active participation in international lighting exhibitions that has greatly enhanced recognition of the "Tungda" brand; (2) its effort to recruit overseas distributors; and (3) its dedication to strive for high quality products. For the year ended 31st March, 2004, sales of house brand light source products was HK\$145.33 million, accounting for 48.45% of total turnover.

Sales & Marketing

For the year ended 31st March, 2004 and following, the Group participated in the following major international lighting exhibitions:

Hong Kong International Lighting Fair
香港國際燈飾展覽會
Light Fair 2004

Light + Building

Asian Elenex – Lighting
亞洲國際電力及照明
科技展覽－照明

27th – 31st October, 2003
二零零三年十月二十七日至三十一日
31st March – 2nd April, 2004
二零零四年三月三十一日至四月二日
18th – 22nd April, 2004
二零零四年四月十八日至二十二日
15th – 18th June, 2004
二零零四年六月十五日至十八日

Hong Kong
香港
Las Vegas, US
美國拉斯維加斯
Frankfurt, Germany
德國法蘭克福
Hong Kong
香港

或然負債

於二零零四年及二零零三年三月三十一日，本集團及本公司概無任何或然負債。

分類資料

本集團的分類資料列載於財務報表附註4。營業額較去年增加16.04%，增幅主要來自本身品牌光源產品。

僱員資料

於二零零四年三月三十一日，本集團聘有約211名全職僱員。本集團僱員薪酬根據其職責性質及市場趨勢釐定，並設有酌情花紅及退休福利計劃，以及購股權與所需培訓。年內僱員總成本約為8,470,000港元（二零零三年：6,450,000港元）。

購股權計劃繼續為激勵及挽留優質僱員之重要措施。

業務回顧**概覽**

本集團錄得營業額約299,900,000港元，較去年增加16.04%，成績令人滿意，主要歸功於(1)本集團之市場推廣計劃及積極參與國際照明展覽會，大大提升「東大」品牌之知名度；(2)本集團致力招攬海外分銷商；及(3)本集團致力生產高質素產品。截至二零零四年三月三十一日止年度，本身品牌光源產品之銷售達145,330,000港元，佔總營業額48.45%。

銷售及市場推廣

截至二零零四年三月三十一日止年度及其後時間，本集團參與以下主要國際照明展覽會：

BUSINESS REVIEW (Continued)**Sales & Marketing** (Continued)

Through these exhibitions, the Group promotes "Tungda" brand and products to potential customers from all over the world including Australia, Japan, South Korea, Brazil, United Kingdom, Germany and other European countries. Some of these potential new customers from these countries subsequently ordered sample products from the Group. In addition, the Group also received significant press coverage and was featured in trade journals and various international lighting magazines. Specifically, Tungda's induction lamps and its potential new product microwave sulphur lamps were featured in the international lighting magazine "Switch", and "Tungda" was featured as one of the Hong Kong brands in the Hong Kong Trade Development Council's "Hong Kong Enterprise".

The Group also conducted various marketing initiatives including (1) running a two-month publicity drive on the Mass Transit Railway, advertising both inside and outside the carriages; (2) taking the front page of a popular newspaper Sing Tao Daily (星島日報) for a full-color advertisement to celebrate being appointed as GE Lighting's exclusive distributor for its lighting fixtures in Hong Kong and Macau; and (3) advertising Tungda products in local and international lighting and home furnishing magazines.

Strategic Development

Being one of the distributors of GE Lighting for its light source products for over seven years, the Group was appointed as the exclusive distributor of GE Lighting for its lighting fixtures in Hong Kong and Macau in January 2004. The appointment enables the Group to expand its product lines to include lighting fixtures.

To facilitate its overseas expansion, the Group has been actively seeking for capable distributors around the world, and has successfully signed up new distributors in the US and Canada.

業務回顧 (續)**銷售及市場推廣** (續)

本集團透過這些展覽會，向來自澳洲、日本、南韓、巴西、英國、德國及其他歐洲國家等世界各地的潛在客戶推廣「東大」品牌及產品。來自這些國家之部分潛在新客戶其後要求本集團提供產品樣本。此外，本集團獲傳媒廣泛報導，成為多份貿易雜誌及國際照明雜誌之專題。其中東大無極螢光燈及其潛在新產品微波硫燈獲得國際照明雜誌「Switch」專題介紹，而「東大」更成為香港貿易發展局「香港企業」雜誌專題介紹的香港品牌之一。

本集團亦推行多項市場推廣計劃，包括(1)於地下鐵路展開為期兩個月的宣傳活動，於車廂內外張貼廣告；(2)於讀者人數眾多的報章星島日報頭版刊登全彩色廣告，慶賀東大獲GE Lighting委任為港澳兩地照明裝置之獨家分銷商；及(3)於本地及國際照明與家居陳設雜誌刊登廣告宣傳東大產品。

策略性發展

作為GE Lighting超過七年的光源產品分銷商之一，本集團於二零零四年一月獲GE Lighting委任為港澳兩地照明裝置之獨家分銷商，本集團產品系列因而可以擴展至涵蓋照明裝置。

為加快海外擴充步伐，本集團於全球各地一直積極物色實力雄厚之分銷商，並已成功獲得美國及加拿大兩地之新分銷商加盟。

BUSINESS REVIEW (Continued)**Research & Development**

Committed to providing high quality energy-saving light source products, the Group has dedicated resources to enhance the offerings of its currently available induction lamps, and to develop two new products: automobile HID xenon lamps and microwave sulphur lamps.

- Enhancement of induction lamp offerings*

During the year ended 31st March, 2004, the Group had completed the development of the low-wattage and high-wattage induction lamps, that target for residential use and commercial/industrial uses respectively. The successful development of the low-wattage and high-wattage induction lamps not only provides the Group with a complete series of induction lamps, but also enhances market recognition and competitiveness of the Group's products in the induction lamp market.
- Development of automobile HID xenon lamps*

Automobile HID xenon lamp is a popular type of car headlamps in developed countries including European Union and Japan. Generally, it consumes only one-third of energy for the same brightness as the traditional filament headlamps. The Transport Department of the HKSAR passed a new regulation permitting the use of HID xenon lamps in January, 2004. The Group is at the final stage of developing the automobile HID xenon lamps and believes its completion would enable the Group to capture benefits of this new market segment.
- Development of microwave sulphur lamps*

Microwave sulphur lamp represents a new type of innovative, environmental friendly energy-saving light source products. Generally, its lumens efficacy is 10 folds of that of traditional HID lamps. Given its mercury-free nature and its spectrum energy distribution resembled that of solar rays, microwave sulphur lamps can be used in agricultural and environmental researches. The Group is at the final stage of developing the microwave sulphur lamps. With the increasing awareness in environmental protection globally, the Group believes development of this new product provides the Group with good market potentials in lighting.

業務回顧 (續)**研究及發展**

本集團致力提供優質節能光源產品，不單積極投入資源增加現有無極螢光燈產品的品種，更開發汽車用高壓氣體放電氙燈及微波硫燈兩項新產品。

- 增加無極螢光燈的品種*

截至二零零四年三月三十一日止年度，本集團已完成開發分別以住宅及商業／工業用途為銷售對象之低瓦及高瓦無極螢光燈。成功開發低瓦及高瓦無極螢光燈，不單讓本集團可提供全面的無極螢光燈產品系列，更可提升集團產品於無極螢光燈市場之市場知名度及競爭優勢。
- 開發汽車用高壓氣體放電氙燈*

汽車用高壓氣體放電氙燈為一種於歐盟及日本等已發展國家深受歡迎之車頭燈。一般而言，高壓氣體放電氙燈只需耗用傳統白熾車頭燈三分之一的能源，便可提供相同亮度。香港特區政府運輸署已於二零零四年一月通過一項新規例，允許使用高壓氣體放電氙燈。本集團開發汽車用高壓氣體放電氙燈已進入最後階段，並相信完成開發後將於新市場中受惠。
- 開發微波硫燈*

微波硫燈是一種創新的環保節能光源產品。一般而言，其亮度功效為傳統高壓氣體放電燈的十倍。鑑於微波硫燈的無汞性質，加上其光譜能源分佈與太陽射線相近，故可用於農業及環保研究。本集團開發微波硫燈已進入最後階段。隨著全球環保意識日增，本集團相信開發此項新產品會為本集團於照明市場提供良好發展潛力。

BUSINESS REVIEW (Continued)**Construction of New Plant**

Pursuant to the Group's strategy to strengthen its production capability, the Group established a new plant in the PRC. The new plant aims strategically to increase the designed monthly production capacity of the Group's existing induction lamp production line, and to facilitate its future expansion for production lines of other new products. The Group believes that this new plant will take advantage of the lower production costs in the PRC. Equipped with advanced equipment, excellent technologies and technical personnel, the Group expects to supply innovative, high quality energy-saving light source products to local and overseas markets.

Located in Xianyou County, Fujian province, the PRC, the leasehold land occupies an area of approximately 58,823 square meters. The Group has completed the construction of Phase One facility for the induction lamp production line in March 2004 and commenced production in May 2004. The designed monthly production capacity of the induction lamp production line will be increased from 12,000 units to 140,000 units on the basis of one shift per day.

USE OF PROCEEDS FROM THE LISTING

The net proceeds raised from the listing of the Group on the GEM on 26th July, 2002 and private placing on 18th September, 2003 were approximately HK\$44.3 million and 49.5 million respectively, based on the actual placing price of HK\$0.25 and HK\$0.334 per share respectively.

On 26th February, 2004, the Company issued and allotted shares to certain employees upon the exercise of share option, and raised the net proceeds approximately HK\$14.9 million raised from this exercise.

業務回顧 (續)**興建新廠房**

根據本集團加強生產能力之策略，本集團已於中國成立新廠房，旨在有策略地提升本集團現有無極螢光燈生產線之每月預設生產量，以及方便日後擴充其他新產品之生產線。本集團相信，新廠房將能夠受惠於中國生產成本較低之優勢。憑藉先進設備、精湛技術及專業技術人員，本集團預期可向本地及海外市場供應優質創新的節能光源產品。

該幅租賃土地位於中國福建省仙游縣，佔地約58,823平方米。本集團已於二零零四年三月完成興建第一期設施，當中無極螢光燈生產線，並已於二零零四年五月投產。按每日一更制計算，無極螢光燈生產線之每月設定生產量將由12,000件增至140,000件。

上市所得款項用途

本集團於二零零二年七月二十六日在創業板上上市及於二零零三年九月十八日進行私人配售，分別按每股股份0.25港元及0.334港元之實際配售價計算，所得款項淨額分別約為44,300,000港元及49,500,000港元。

於二零零四年二月二十六日，本公司於購股權獲行使後向若干僱員發行及配發股份，行使購股權所得款項淨額約為14,900,000港元。

USE OF PROCEEDS FROM THE LISTING (Continued)

During the period from 26th July, 2002 to 31st March, 2004, the Group had incurred the following amount to achieve the business objectives as set out in the Prospectus:

上市所得款項用途 (續)

於二零零二年七月二十六日至二零零四年三月三十一日期間，本集團已動用下列金額，以達致招股章程所載業務目標：

			<div>Planned use of proceeds stated in the Prospectus up to 31st March, 2004 招股章程所載 截至二零零四年 三月三十一日之 所得款項 計劃用途</div>	<div>Actual amount used up to 31st March, 2004 截至二零零四年 三月三十一日之 實際動用金額</div>
		<div>Note 附註</div>	<div>HK\$ million 百萬元</div>	<div>HK\$ million 百萬元</div>
Development and enhancement of new light source technologies products and strengthening of research and development collaboration with Fudan University	開發及改良嶄新光源科技產品，並加強與復旦大學的研發協作	1	13.0	11.8
Expansion of manufacturing capacity and capability (machinery and equipment)	提升產量及生產力（機器及設備）	2	18.0	89.3
Establishment and expansion of sales and distribution network in the PRC and the oversea market	建立及擴展中國及海外市場之銷售及分銷網絡		10.0	10.4
Enhancement of brand recognition and public awareness	提高品牌認受性及公眾知名度	3	10.0	3.8
			51.0	115.3

Note
附註

USE OF PROCEEDS FROM THE LISTING *(Continued)*

The unused proceeds have been deposited at banks to prepare for future use set out in the business development plan in the Prospectus.

Note 1: Owing to the re-organisation of Fudan University, the incorporation of the joint venture had been delayed.

Note 2: The excess of use of proceeds was attributed by the additional acquisition of plant and machinery and was financed by net proceeds raised from the private placement on 18th September, 2003 and internal funding.

Note 3: It was due to the deferral of executing the plan for enhancement of brand recognition and public awareness.

ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At the time of the listing of the Company, the Group intended to expand its manufacturing capacity by setting up additional production lines in Shenzhen. However, to cope with new business development and demand after listing, the Group decided to set up a new plant in Fujian, the PRC. For the year under review, the Company has entered into three major contracts for the purchases of machineries of adjusted total contracts amount HK\$80,990,000. Deposits HK\$67,105,000 were paid and included in the balance sheet as at 31st March, 2004 in respect of the three contracts.

The machineries to be acquired by the Group will enable the Group to (1) expand the production capacity of its existing induction lamp production line; (2) expand its product line to include microwave sulphur lamps (a new and innovative type of mercury-free environmental friendly and energy-saving light source products); and (3) expand its product line to include automobile high intensity discharge ("HID") xenon lamps (a popular type of car headlamps in developed countries including European Union and Japan). The machineries are relevant to the section "Expansion of manufacturing capacity and capability" under the heading "BUSINESS OBJECTIVES AND IMPLEMENTATION PLANS" of the Company's Prospectus dated 19th July, 2002.

上市所得款項用途 (續)

未動用之所得款項已存入銀行，以預備作招股章程內業務發展計劃所載之日後用途。

附註1: 由於復旦大學重組，合營企業之註冊成立已經延遲。

附註2: 所用之所得款項增加乃由於增購廠房及機器所致，並由於二零零三年九月十八日進行之私人配售籌集所得款項淨額及內部資金撥付。

附註3: 此乃由於延遲實行提升品牌認受性及知名度之計劃所致。

購置物業、廠房及設備

於本公司上市時，本集團計劃透過於深圳加設生產線擴充其生產能力。然而，為配合上市後之新業務發展及需求，本集團決定於中國福建設立新廠房。本公司於回顧年內訂立三份購置機器合約，經調整之合約總額為80,990,000港元。就該三份主要合約已支付訂金67,105,000港元，並已計入截至二零零四年三月三十一日之資產負債表。

本集團即將購置之機器將讓本集團(1)擴充其現有無極螢光燈生產線之生產能力；(2)將產品系列擴展至涵蓋微波硫燈（該產品為創新的無汞環保及節能光源產品）；及(3)將產品系列擴展至涵蓋汽車用高壓氣體放電氙燈（一種於歐盟及日本等已發展國家深受歡迎之車頭燈）。本公司所刊發日期為二零零二年七月十九日之招股章程「**業務宗旨及實施計劃**」一節「擴大製造生產量及生產能力」一節載列與該等機器有關之內容。

ACQUISITION FOR PROPERTY, PLANT AND EQUIPMENT*(Continued)*

On the advice of the Company's PRC legal advisers, these three contracts were likely unenforceable under PRC laws as they should have been executed by a PRC entity rather than the Company, and they were cancelled and new contracts of same respective amounts were made by Tungda Lighting (Fujian) Co., Ltd. (a wholly foreign-invested PRC enterprise with limited liability of the Group in the PRC) with the same counterparties on 17th July, 2004. Previous payments made under the cancelled contracts were acknowledged to have been paid under the new contracts made on 17th July, 2004.

Tungda Lighting (Fujian) Co., Ltd. further entered into a contract in July 2004 of amount approximately HK\$21,493,000 and has paid HK\$7,965,000 as deposit in August 2004 for the contract for the purchases of machineries which are complementary to the previous contract for the automobile HID xenon lamps production line.

In addition to the aforesaid contracts, the Group has spent an additional amount of approximately HK\$22,162,488 for the purchases of production machinery and equipment for production line of induction lamps since the date of the listing to 31st March, 2004. As such, the Group has spent an aggregate amount of approximately HK\$97,232,000 and has outstanding commitment of approximately HK\$27,413,000 on purchasing the production machinery and equipment since the date of listing.

A budget of HK\$18 million from the listing proceeds was allocated for purchasing production machinery and ancillary facilities. The Group therefore has incurred additional expenses in the amount of HK\$106,645,000 for such purposes, which were financed by internal resources including i) proceeds of approximately HK\$49,500,000 from a private placing on 18th September, 2003; ii) proceeds of approximately HK\$14,900,000 from the exercise of share options on 26th February, 2004; and iii) income from operations.

購置物業、廠房及設備 (續)

根據本公司中國法律顧問之意見，由於該三份合約應由一家中國實體而非本公司履行，故不大可能根據中國法例會切實執行，因此已經註銷，並由本集團於中國成立之全外資中國有限公司東大照明（福建）有限公司於二零零四年七月十七日與同一訂約方訂立金額相同之新合約。過往根據已註銷合約支付之款項，均獲確認為於二零零四年七月十七日所訂立新合約之已付款項。

東大照明（福建）有限公司於二零零四年七月進一步訂立金額約21,493,000港元之採購機器合約，並已於二零零四年八月支付7,965,000港元訂金，此合約之機器設備與前汽車用高壓氣體放電氙燈之合同相配合。

除上述合約外，本集團自上市日期至二零零四年三月三十一日期間，另外已支付了約22,162,488港元採購適用於無極螢光燈生產線之生產機器及設備。因此，本集團自上市日期就採購生產機器及設備合共支出約97,232,000港元及有尚未償還承擔款額約27,413,000港元。

上市所得款項中，18,000,000港元獲分配用作採購生產機器及附屬設施。本集團因而就此產生106,645,000港元額外支出，該筆支出以內部資源撥付，當中包括i)於二零零三年九月十八日私人配售所得款項約49,500,000港元；ii)於二零零四年二月二十六日行使購股權所得款項約14,900,000港元；及iii)經營收入。

ACQUISITION FOR PROPERTY, PLANT AND EQUIPMENT*(Continued)*

The Group has also spent approximately HK\$21,550,000 for its leasehold land and buildings for its production plant in Fujian since the date of listing to 31st March, 2004, which has commenced production in May 2003. The amount was financed by internal funding of the Group.

PROSPECTS

The Board remains positive about its business outlook. Sales of the Group's products are expected to continue growing in the years ahead with the introduction of more new products.

Given the increasing awareness in environmental protection in the lighting industry, the Group is confident that customers will continue to replace the traditional light source products with the Group's products owing to longer life hours and higher energy efficiency.

The Group will use its best endeavor to maximize return to its shareholders in the years ahead.

The Group had made an application to the Stock Exchange on 17th October, 2003 for the listing of the Company's shares by way of introduction on the Main Board of the Stock Exchange and voluntarily withdrawing its listing on the GEM Board conditional upon, amongst other things, the successful outcome of the application for the proposed listing of the Company's shares on the Main Board. The application has been processed by the Stock Exchange and automatically expired upon expiration of the six-months' processing period. The Group had subsequently suspended the application for the listing of the Company's shares on the Main Board. The Group will continue to pursue and focus on its core business of being a provider of good quality light source products.

購置物業、廠房及設備 (續)

本集團自上市日期至二零零四年三月三十一日期間就其於二零零三年五月開始投產之福建生產廠房之租賃土地及樓宇投放約21,550,000港元開支。該筆款項由本集團內部資金撥付。

展望

董事會對其業務前景仍然樂觀，隨著更多新產品推出市場，預期本集團未來數年之產品銷售將會不斷增長。

隨著照明業對環境保護的關注日漸提升，本集團有信心，客戶將繼續使用本集團壽命較長且具更高能源效益之產品，取代傳統光源產品。

本集團將盡最大努力擴大股東回報。

本集團於二零零三年十月十七日向聯交所申請批准本公司股份透過介紹方式在聯交所主板上市，並自願有條件地（其中包括本公司股份擬於主板上市之申請獲批准後）撤回其於創業板之上市地位。有關申請已由聯交所處理，並於六個月處理期滿後自動終止。本集團其後暫停就本公司股份於主板上市之申請。本集團將繼續致力發展其作為優質光源產品供應商之核心業務。

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as stated in the Prospectus dated 19th July, 2002 with the Group's actual business progress up to 31st March, 2004.

業務目標與實際業務進展比較

日期為二零零二年七月十九日之招股章程所載業務目標與本集團截至二零零四年三月三十一日之實際業務進展比較分析。

26th July, 2002 (date of listing) to 30th September, 2002

二零零二年七月二十六日(上市日期)至二零零二年九月三十日

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Sales and marketing 銷售及市場推廣	<p>Establish representative offices in Shanghai, Tianjin, Beijing, Chongqing and Guangzhou in the PRC 於中國上海、天津、北京、重慶及廣州設立代表辦事處</p> <p>Appoint PRC distribution agents 委聘多名中國分銷代理</p> <p>Seek suitable overseas distribution agents 物色合適的海外分銷代理</p> <p>Visit and conduct market research in Paris, Singapore, Tokyo and Kuala Lumpur for preparation of setting up representative offices 到訪巴黎、新加坡、東京及吉隆坡等地，並進行市場調查，籌辦代表辦事處</p> <p>Participate in international and domestic lighting exhibitions 參與國際及本地照明展覽會</p>	<p>Established representative offices in Shanghai. We have not found appropriate offices in Tianjin, Beijing, Chongqing and Guangzhou 已於上海設立代表辦事處，但尚未於天津、北京、重慶及廣州等地尋得合適地點設立辦事處</p> <p>Appointed a PRC distribution agent 已委聘一名中國分銷代理</p> <p>Continue to seek suitable overseas distribution agents 繼續物色合適的海外分銷代理</p> <p>Visited Singapore and Kuala Lumpur for seeking suitable partners. We will start to visit and conduct market research in Taipei and Seoul next year 已到訪新加坡及吉隆坡，物色合適的夥伴，將於明年開始到訪台北及漢城，並進行市場調查</p> <p>Promoted the products in domestic lighting exhibitions. International lighting exhibitions was launched in alternative year 已在本地照明展覽會中推廣產品，國際照明展覽會隔年舉行</p>

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Sales and Marketing (Continued) 銷售及市場推廣 (續)	Consistently promote the Group's products via advertising in professional magazines, sponsoring activities and product trial to end users 不斷透過在專業雜誌刊登廣告、贊助活動及給予最終用戶產品試用裝，以促銷本集團產品	Advertising and promotion activities and product trial to end users 已在活動中刊登廣告宣傳及向最終用戶派發產品試用裝
Expansion of manufacturing capacity and capability 提升產量及生產力	Finalise the development plan on setting up new production lines in Shenzhen 落實於深圳增設新生產線的發展計劃	The Group had rented additional premises which is used as additional office and production factory in Shenzhen 本集團已於深圳另行租用物業，作為新設辦公室及生產廠房
	Enter into rental agreement of the plant area 就廠房訂立租約	As above 如上文所述
	Order the required equipment from vendors 向供應商訂購所需設備	Preparing to order the equipments in the second half year 準備於下半年度訂購有關設備
Research and development 研發	Continue with the development of low-wattage induction lamps for residential use; high-wattage induction lamps for industrial and outdoor use; ceramic metal halide lamps and xenon lamp for automobile 繼續開發供住宅用低瓦無極螢光燈、工業及戶外用高瓦無極螢光燈、陶瓷金鹵燈及汽車用氙燈	All development have been carried out as planned 全部開發工作如期進行

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

1st October, 2002 to 31st March, 2003

二零零二年十月一日至二零零三年三月三十一日

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Sales and marketing 銷售及市場推廣	Continue to appoint PRC distribution agents 繼續委聘多名中國分銷代理	Continue to seek suitable PRC & overseas distribution agents 繼續物色合適的中國及海外分銷代理
	Appoint suitable overseas distribution agents 委聘合適的海外分銷代理	Continue to seek suitable overseas distribution agents 繼續物色合適的海外分銷代理
	Establish representative offices in Paris, Singapore, Tokyo and Kuala Lumpur 於巴黎、新加坡、東京及吉隆坡等地設立代表辦事處	Continue to seek appropriate offices in Paris, Singapore, Tokyo and Kuala Lumpur 於巴黎、新加坡、東京及吉隆坡等地繼續物色合適地點設立辦事處
	Visit and conduct market research in Taipei and Seoul for preparation of setting up representative offices 到訪台北及漢城，並進行市場調查，以籌辦代表辦事處	We will start to visit and conduct market research in Taipei and Seoul next year. We have visited Singapore and Kuala Lumpur for seeking suitable partners and promote the Group's products 將於明年開始到訪台北及漢城，並進行市場調查。已到訪新加坡及吉隆坡，物色合適的夥伴及推廣宣傳本集團產品
	Participate in international and domestic lighting exhibitions 參與國際及本地照明展覽會	Promoted products in domestic lighting exhibitions. International lighting exhibitions was launched in alternate year 已在本地照明展覽會中推廣產品，國際照明展覽會隔年舉行

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Sales and Marketing (Continued) 銷售及市場推廣 (續)	<p>Consistently promote the Group's products via advertising in professional magazines, sponsoring activities and product trial to end users</p> <p>不斷透過在專業雜誌刊登廣告、贊助活動及給予最終用戶產品試用裝，以促銷本集團產品</p> <p>Support the development of education in light source related disciplines and for public awareness on energy-saving light products</p> <p>支持有關光源規格的教育及提高公眾對節能照明產品的關注</p>	<p>Advertising and promotion activities and product trial to end users</p> <p>已在活動中刊登廣告宣傳及向最終用戶派發產品試用裝</p> <p>Supported education in light source for publishing a professional magazine in light source</p> <p>出版有關光源產品的專業雜誌，以支持有關光源教育</p>
Expansion of manufacturing capacity and capability 提升產量及生產力	<p>Commence rental of the new plant area</p> <p>開始租用新廠房</p>	<p>The Group had set up a PRC subsidiary in Fujian Province which will engage in the business of manufacturing and trading of lighting products in the PRC in next financial year. The Group had started the plant construction in January 2003 and had been completed plant construction at the end of March 2003. The directors considered that the set up of this Fujian subsidiary is beneficial to the Company as a whole as the Group can cope with future expansion and enjoy tax savings incentive</p> <p>本集團已於福建省成立中國附屬公司，該附屬公司將於下一個財政年度在中國從事照明產品製造及貿易業務，本集團於二零零三年一月著手興建廠房，並於二零零三年三月底完成建築工程。董事認為，成立福建附屬公司可配合日後業務擴充及享有稅務減免之優惠，故對本公司整體而言有利</p>

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL
BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Expansion of manufacturing capacity and capability (Continued) 提升產量及生產力 (續)	<p>Install all required equipment and auxiliary facilities 安裝一切所需設備及附屬設施</p> <p>Employ additional labour force 增聘員工</p> <p>Commence production with new facilities 開始以新設施生產</p>	<p>Preparing to install new equipments in Fujian subsidiary 準備在福建附屬公司安裝新設備</p> <p>Preparing to employ labour in Fujian subsidiary 準備為福建附屬公司聘請員工</p> <p>Expected to commence production in May 2003 預期於二零零三年五月投產</p>
Research and development 研發	<p>Continue with the development of low-wattage induction lamps for residential use, high-wattage induction lamps for industrial and outdoor use, ceramic metal halide lamps, xenon lamp for automobile and microwave sulphur lamps 繼續開發供住宅用低瓦無極螢光 燈、工業及戶外用高瓦無極螢光燈、 陶瓷金鹵燈、汽車用氙燈及微波硫 燈</p>	<p>All development have been carried out as planned 全部開發工作如期進行</p>

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

1st April, 2003 to 30th September, 2003

二零零三年四月一日至二零零三年九月三十日

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Sales and marketing 銷售及市場推廣	Establishment and expansion of sales and distribution network in the PRC and the overseas markets 建立及擴展中國及海外市場的銷售及分銷網絡	The Group has appointed a distribution agent in the USA and continued to seek agents in PRC. Also the Group has established a representative office in Shanghai and decided to postpone the establishment of other overseas office. 本集團已在美國委任分銷代理，並繼續在中國物色代理。本集團亦已於上海設立代表辦事處，並決定暫時擱置成立其他海外辦事處。
	Enhancement of brand recognition and to promote its public awareness 提升品牌形象及公眾知名度	The Group spent advertising and business promotion expenses of approximately HK\$3.8 million to promote its product and participated in domestic and international lighting exhibitions. 本集團已動用廣告及業務推廣開支約3,800,000港元以推廣其產品，並參與本地及國際照明展覽會。
Launching of new products 推出新產品	Launching low-wattage induction lamps for residential use, high-wattage induction lamps for industrial and outdoor use, and ceramic metal halide lamps 推出住宅用低瓦無極螢光燈、工業及戶外用高瓦無極螢光燈及陶瓷金鹵燈	The products are undergoing the development stage. Delay was due to extra time involved in research and development. 新產品正處於開發階段。由於研究及開發工作需要額外時間，故出現延誤。

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL
BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Research and development 研發	<p>Development and enhancement of new light source technologies products 開發及提升嶄新光源技術產品</p> <p>Strengthening of research and development collaboration with Fudan University 加強與復旦大學的研發協作</p>	<p>The Group is working closely with Fudan University in development of new products as stated planned in the Prospectus. 本集團現正如招股章程所計劃，與復旦大學緊密合作，開發新產品。</p> <p>The setting up of a joint venture company in PRC by the Group and Fudan University was delayed due to re-organisation of Fudan University. The Group spent research and development expenses of approximately HK\$8.2 million on new products including low-wattage induction lamps, ceramic metal halide lamps and xenon lamps for automobile. 由於復旦大學進行重組，故本集團與其在中國合組合營企業一事有所延誤。本集團已就新產品（包括低瓦無極螢光燈、陶瓷金鹵燈及汽車用氙燈）動用研發開支約8,200,000港元。</p>

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

1st October, 2003 to 31st March, 2004

二零零三年十月一日至二零零四年三月三十一日

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
Sales and marketing 銷售及市場推廣	<p>Launching of new products of low-wattage and high-wattage induction lamps, xenon lamps for automobile and microwave sulphur lamps 推出低瓦及高瓦無極螢光燈、汽車用氙燈及微波硫燈等新產品</p>	<p>Development and testing of low-wattage and high-wattage induction lamps are finished. These products are ready for market launching. Other products are currently in the final process of development and testing. Delay was due to the extra time involved in the development stage. 已完成開發及測試低瓦及高瓦無極螢光燈之工作，新產品可隨時面市。其他產品現於最後開發及測試階段，由於開發階段需要額外時間，故出現延誤。</p>
	<p>Continue to appoint PRC distribution agents 繼續委聘多名中國分銷代理</p>	<p>The Group continued to seek suitable distribution agent in the PRC. 本集團繼續物色合適的中國分銷代理。</p>
	<p>Continue to appoint suitable overseas distribution agents 繼續委聘合適的海外分銷代理</p>	<p>The Group appointed new distribution agent in Canada, and will continue to seek suitable distribution agent in other overseas markets. 本集團於加拿大委任新分銷代理，並將於其他海外市場物色合適的分銷代理。</p>
	<p>Participate in international and domestic lighting exhibitions 參與國際及本地照明展覽會</p>	<p>The Group participated in the International Lighting Exhibition held in Hong Kong in October 2003. The Group also participated in international lighting exhibitions held in Las Vegas and Frankfurt in April 2004. 本集團於二零零三年十月參與在香港舉行之國際照明展覽會，亦於二零零四年四月參與在拉斯維加斯及法蘭克福舉行之國際照明展覽會。</p>

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL
BUSINESS PROGRESS (Continued)

業務目標與實際業務進展比較 (續)

	Expected Business Progress 預期業務進展	Actual Business Progress 實際業務進展
	<p>Consistently promote the Group's products via advertising in professional magazines, sponsoring activities and product trial to end users</p> <p>不斷透過在專業雜誌刊登廣告、贊助活動及給予最終用戶產品試用裝，以促銷本集團產品</p>	<p>The Group promoted products through advertisement in trade journals and international lighting magazines and will continue to seek suitable platforms to promote the Group's products.</p> <p>本集團於貿易雜誌及國際照明雜誌刊登廣告推廣產品，並會繼續物色合適的平台，以促銷本集團產品。</p>
	<p>Coordinate with professional associations and institutes in the light source professional for organizing market seminars and forums</p> <p>與光源專業組織及機構合作，籌辦市場研討會及座談會</p>	<p>The Group continued to seek suitable market seminars and forums to participate.</p> <p>本集團繼續物色及參與合適的市場研討會及座談會。</p>
Research and development 研發	<p>Finalise the development of xenon lamps of automobile</p> <p>落實開發汽車用氙燈</p>	<p>The Group is at the final development for the product.</p> <p>本集團踏入開發該產品之最後階段。</p>
	<p>Finalise the development of microwave sulphur lamps</p> <p>落實開發微波硫燈</p>	<p>As above</p> <p>如上文所述</p>

DIRECTORS

Executive Directors

Mr. CHU Chien Tung, aged 51, is the chairman and the chief executive officer of the Company. He is a member of Political Consultative Conference of Henan Province, Vice-Chairman of Putian Overseas Chinese Association. He was awarded "The Outstanding Entrepreneur" in Fujian Xianyou County. He was appointed as a director of the Company on 19th December, 2001. He is currently a part-time professor of the Faculty of Light Sources and Illuminating Engineering in Fudan University. Since the establishment of Tungda Industrial Limited in 1984, Mr. Chu has participated in manufacturing, trading and sales of lighting sources products. Mr. Chu is the founder of Tungda Industrial Limited in 1984.

Mr. CHU Chick Kei, aged 46, is the vice chairman and deputy chief executive officer of the Company. He was appointed as a director of the Company on 19th December, 2001. He joined Tungda Industrial Limited in August 1986 and has been engaged in manufacturing, trading, sales, management and administration. He is the brother of Mr. Chu Chien Tung.

Mr. CHU Sen Hei, aged 24, is a director and the son of Mr. Chu Chien Tung. He was appointed as a director of the Company on 10th April, 2002. He joined Tungda Industrial Limited in April 2000 and is responsible for technical development of lighting sources, sales for overseas market and administration.

董事

執行董事

朱展東先生，51歲，本公司主席兼行政總裁，河南省政協委員、莆田市僑聯副主席，在福建仙游縣曾被評為優秀企業家，於二零零一年十二月十九日獲委任為本公司董事。朱先生現為復旦大學光源與照明工程系兼職教授。自東大工業有限公司於一九八四年成立以來，朱先生參與光源產品的製造、貿易及銷售工作。朱先生於一九八四年創辦東大工業有限公司。

朱植杞先生，46歲，本公司副主席兼副行政總裁，於二零零一年十二月十九日獲委任為本公司董事。彼於一九八六年八月加入東大工業有限公司，參與製造、貿易、銷售、管理及行政等範疇業務。彼為朱展東先生之胞弟。

朱晨曦先生，24歲，董事，為朱展東先生的兒子，於二零零二年四月十日獲委任為本公司董事。彼於二零零零年四月加入東大工業有限公司，負責光源技術發展、海外市場銷售及行政事宜。

DIRECTORS (Continued)**Executive Directors** (Continued)

Ms. CHOW Sau Fong, Fiona, aged 32, had been an independent non-executive director of the Company. She was appointed as a director of the Company on 30th September, 2003. She has more than six years marketing and public relations experience in the Greater China region where she served at multinational corporations and non-profit organization. Since 2000, she has worked as a management consultant, and has responsibility for consultancy services in market expansion, business development and investment projects, specializing in financial services and media industries in both Asian and United States markets. Ms. Chow graduated with a Bachelor degree in Business Administration (Honors) from the Chinese University of Hong Kong and holds a Master degree in Business Administration in Finance and Entrepreneurial Management from the Wharton Business School of University of Pennsylvania.

Non-executive Director

Dr. FUNG Shiu Lun, Anthony, aged 43, is an non-executive director of the Company. He was appointed as a director of the Company on 1st June, 2004. Dr. Fung graduated from Massachusetts Institute of Technology with dual Bachelor of Science degrees in Chemical Engineering and Chemistry, and a Master degree in Chemical Engineering Practice. He also holds a Master degree in Business Administration from The Wharton Business School of University of Pennsylvania and a Doctoral in Philosophy degree in Chemical Engineering from the University of Delaware of the United States ("US").

Dr. Fung is currently the General Manager of a private investment firm focusing on healthcare industry in the People's Republic of China. Previously, Dr. Fung has extensive management consultancy experience in financial services, manufacturing, and energy sectors in Asia and US. He is the holder of 15 US patents on the development of new catalytic materials and their related petrochemical and refining processes.

董事 (續)**執行董事** (續)

鄒秀芳女士，32歲，本公司前獨立非執行董事，於二零零三年九月三十日獲委任為本公司董事。彼在大中華區擁有六年以上市場推廣及公關經驗，曾在多間跨國企業及非牟利機構工作。自二零零零年起，彼任職管理顧問，負責有關市場拓展、業務發展及投資項目之顧問服務，專長於亞洲及美國市場之金融服務及媒體行業。鄒女士於香港中文大學畢業，持有榮譽工商管理學士學位，並於賓夕法尼亞州大學沃頓商學院(Wharton Business School)取得財務及企業管理工商管理碩士學位。

非執行董事

馮兆麟博士，43歲，本公司非執行董事，於二零零四年六月一日獲委任為本公司董事。馮博士畢業於麻省理工學院，先後獲得化學工程和化學理學士雙學位，以及化學工程碩士學位。其後，彼在賓夕法尼亞州大學沃頓商學院(Wharton Business School)取得工商管理碩士學位，並在美國達拉華州大學取得化學工程博士學位。

馮博士現為一家私人投資公司之總經理，該公司致力投資中華人民共和國之醫療服務行業。在加入該公司之前，彼在亞洲及美國之金融服務、製造及能源業積累豐富之管理及顧問經驗。馮博士持有15項有關新型催化材料及相關石油化工和石油精煉流程之美國專利。

DIRECTORS (Continued)

Independent non-executive Directors

Mr. ZHU Lei Bo, aged 41, is an independent non-executive director of the Company. He was appointed as a director of the Company on 30th September, 2003. Mr. Zhu graduated from Shanghai Institute of Building Materials, Renmin University of China and Tongji University in the People's Republic of China ("PRC"). He is also a deputy director of Glass Sub-committee of The Chinese Ceramic Society and fellow of Coating Sub-committee of China Architectural and Industrial Glass Association. Mr. Zhu is currently the General Manager of China Luoyang Float Glass Group Company Limited, a company established in the PRC and has extensive experience in production, coordination and technology management.

Mr. HONG Yong Hwan, aged 46, is an independent non-executive director of the Company. He was appointed as a director of the Company on 18th September, 2003. Mr. Hong graduated from National Taiwan Normal University and Korea University. He was presently an executive director of a retailing and trading firm in the People's Republic of China.

Ms. WU King Yin, aged 30, is an independent non-executive director of the Company. She was appointed as a director of the Company on 1st June, 2004. Ms. Wu graduated from University of Wollongong with a Bachelor degree of Commerce in Accounting and holds a Master degree of Business Administration from University of Deakin. She is a Certified Practising Accountant of the CPA Australia and an associated member of Hong Kong Institute of Certified Public Accountants. Ms. Wu is currently an independent consultant specializing in business strategy and financial management and has extensive experience in finance, accounting and auditing.

董事 (續)

獨立非執行董事

朱雷波先生，41歲，本公司獨立非執行董事，於二零零三年九月三十日獲委任為本公司董事。朱先生畢業於中華人民共和國（「中國」）上海建材學院、中國人民大學及上海同濟大學。彼亦為中國硅酸鹽學會玻璃專業委員會副理事長及中國建築玻璃與工業玻璃協會鍍膜專業委員會主任委員。彼現為於中國成立之中國洛陽浮法玻璃集團有限責任公司總經理，於生產、統籌及技術管理方面擁有廣泛經驗。

洪庸皖先生，46歲，本公司獨立非執行董事，於二零零三年九月十八日獲委任為本公司董事。洪先生畢業於國立台灣師範大學及高麗大學，現於中華人民共和國一家零售及貿易公司出任執行董事。

胡景妍女士，30歲，本公司獨立非執行董事，於二零零四年六月一日獲委任為本公司董事。彼畢業於University of Wollongong，獲得會計商學士學位，其後於University of Deakin取得工商管理碩士學位。胡女士為澳洲會計師公會執業會計師，並為香港會計師公會會員。彼現為專門於業務策略及財務管理之獨立顧問，在財務、會計及審計方面經驗豐富。

SENIOR MANAGEMENT

Ms. MOK Lam Fong, aged 33, is the sales manager of the Company. She is responsible for the overall sales matter of the Group. Prior to joining the Group in January 1999, she was a sales manager of K.B. Industrial (HK) Limited, a trading company based in Hong Kong.

Mr. WANG Zhimin, aged 40, is the senior engineer of the Company. He graduated from Jiangxi University in 1989 with a bachelor's degree in applied electronics. Prior to the joining the Group in January 1999, he was a chief technical officer of Shenzhen Guilin Industry Co., Ltd, a lighting manufacturer based in Shenzhen, the PRC.

Mr. ZHU Qing Chun, aged 36, is the deputy general manager of Light Power. He graduated from Xiamen University in 1990 with a bachelor's degree in Economics. Prior to joining the Group in June 2000, he was a deputy general manager of Shanghai Chientung Industrial Limited, a trading company based in Shanghai, the PRC.

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Mr. LEE Wing Lun, aged 44, graduated from the Australian National University with a Bachelor degree in Commerce and holds a Postgraduate Diploma in Corporate Administration from the Polytechnic University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants, the CPA Australia, the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. He joins the Group in October 2003 and is responsible for the financial and accounting management and secretarial affairs of the Group. He has over 8 years of working experience in auditing, accounting and finance matters including over 6 years in several audit firms and has been the financial controller of a trading group.

高級管理層

莫林芳女士，33歲，本公司銷售經理，負責本集團的整體銷售事宜。彼於一九九九年一月加入本集團前，為香港貿易公司K.B. Industrial (HK) Limited的銷售經理。

王智敏先生，40歲，本公司高級工程師。彼於一九八九年畢業於江西大學，持有應用電子學學士學位。彼於一九九九年一月加入本集團前，為中國深圳照明製造廠商深圳槐林實業有限公司技術總監。

朱慶椿先生，36歲，為光之力副總經理。彼於一九九零年在廈門大學畢業，取得經濟學學士學位。彼於二零零零年六月加入本集團前，為中國上海貿易公司上海展東實業有限公司副總經理。

合資格會計師兼公司秘書

李永倫先生，44歲，畢業於Australian National University，獲頒商學士學位及持有香港理工大學公司行政管理深造文憑。李先生為香港會計師公會、澳洲會計師公會、香港公司秘書公會及英國特許秘書及行政人員公會會員，彼於二零零三年十月加入本集團，負責集團之財務及會計管理與秘書事宜。彼亦於核數、會計及財務方面擁有超過8年工作經驗，曾效力數家核數師樓逾6年，另曾於一家貿易集團擔任財務總監。

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st March, 2004.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 11 to the financial statements.

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 55 of the annual report.

An interim dividend of HK\$0.0020 per share amounting to approximately HK\$2,131,000 was declared and paid to the shareholders of the Company during the year. The directors propose for the payment of a final dividend of HK\$0.0034 per share amounting to approximately HK\$3,759,000 being made payable to the shareholders of the Company.

FINANCIAL SUMMARY

A summary of the results of the Group for each of the four years ended 31st March, 2004 is set out on page 4 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the Group's property, plant and equipment are set out in note 10 to the financial statements.

董事提呈本公司及其附屬公司（統稱「本集團」）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

本公司為投資控股公司，其附屬公司之主要業務載於財務報表附註11。

業績及分配

本集團截至二零零四年三月三十一日止年度之業績載於年報第55頁之綜合收入報表內。

年內已宣派並向本公司股東派付之中期股息為每股股份0.0020港元，合共約2,131,000港元。董事建議就截至二零零四年四月三十一日止年度向本公司股東派付末期股息每股0.0034港元，合共約3,759,000港元。

財務概要

本集團截至二零零四年三月三十一日止四個年度各年之業績概要載於年報第4頁。

物業、廠房及設備

本集團年內之物業、廠房及設備變動詳情載於財務報表附註10。

SHARE CAPITAL

On 18th September, 2003, the Company issued and allotted 177,600,000 new shares of HK\$0.01 each at the price of HK\$0.334 per share to provide the additional capital to finance the Group's business expansion.

On 26th February, 2004, the Company issued and allotted 10,549,440 shares and 29,450,560 shares of HK\$0.01 each at HK\$0.452 and HK\$0.345 per share respectively upon the exercise of share options granted to certain employees.

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

Further details in relation to the authorised and issued share capital of the Company are set out in note 18 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:

Mr. Chu Chien Tung
(Chairman)
Mr. Chu Chick Kei
Mr. Chu Sen Hei
Ms. Chow Sau Fong, Fiona (re-designated as executive director on 30th September, 2003)

Non-executive directors:

Dr. Fung Shiu Lun, Anthony (appointed on 1st June, 2004)
Ms. Chang Wai Ling, Lily (resigned on 1st June, 2004)
Mr. Lee Deng Charng (appointed on 15th April, 2003 and resigned on 16th October, 2003)

股本

於二零零三年九月十八日，本公司按每股股份0.334港元之價格發行及配發177,600,000股每股面值0.01港元之新股份，以為本集團業務拓展提供額外資金。

於二零零四年二月二十六日，本公司於授予若干僱員之購股權獲行使時，分別按每股股份0.452港元及0.345港元發行及配發10,549,440股及29,450,560股每股面值0.01港元之股份。

年內，本公司或其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

有關本公司已發行法定股本之進一步詳情載於財務報表附註18。

董事及董事服務合約

本公司年內及截至本報告日期之董事如下：

執行董事：

朱展東先生
(主席)
朱植杞先生
朱晨曦先生
鄒秀芳女士 (於二零零三年九月三十日獲轉委任為執行董事)

非執行董事：

馮兆麟博士 (於二零零四年六月一日獲委任)
鄭惠玲女士 (於二零零四年六月一日辭任)
李燈場先生 (於二零零三年四月十五日獲委任，其後於二零零三年十月十六日辭任)

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS*(Continued)***Independent non-executive directors:**

Ms. Wu King Yin	(appointed on 1st June, 2004)
Mr. Hong Yong Hwan	(appointed on 18th September, 2003)
Mr. Zhu Lei Bo	(appointed on 30th September, 2003)
Dr. Liu Juh, James	(resigned on 18th September, 2003)
Ms. Chow Sau Fong, Fiona	(re-designated as executive director on 30th September, 2003)

In accordance with the Articles 86 and 87 of the Company's Articles of Association, all directors, except Mr. Chu Chien Tung, Mr. Chu Chick Kei and Ms. Chow Sau Fong, Fiona, shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Each of Messrs. Chu Chien Tung, Chu Chick Kei, Chu Sen Hei and Ms. Chow Sau Fong, Fiona has entered into a service contract with the Company. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

1. each service contract of Messrs. Chu Chien Tung, Chu Chick Kei and Chu Sen Hei is of two years duration commenced on 1st August, 2002 until terminated by either party giving to the other not less than three months' prior written notice or payment of salary in lieu thereof, such notice to expire upon the initial term of two years, while the service contract of Ms. Chow Sau Fong, Fiona is of two years duration commenced on 29th September, 2003, on part time basis, until terminated by either party giving to the other not less than three months' prior written notice or payment of salary in lieu thereof, such notice to expire upon the initial term of two years;

董事及董事服務合約 (續)**獨立非執行董事：**

胡景妍女士	(於二零零四年六月一日 獲委任)
洪庸皖先生	(於二零零三年九月十八日 獲委任)
朱雷波先生	(於二零零三年九月三十日 獲委任)
劉助博士	(於二零零三年九月十八日 辭任)
鄧秀芳女士	(於二零零三年九月三十日 獲轉委任為執行董事)

根據本公司之公司組織章程細則第86及87條，除朱展東先生、朱植杞先生及鄧秀芳女士外，所有董事須於應屆股東週年大會輪值告退，並符合資格且願意膺選連任。

朱展東先生、朱植杞先生、朱晨曦先生及鄧秀芳女士已各自與本公司訂立服務協議。除另有指明者外，該等協議之詳情於各重大方面均相同，載列如下：

1. 朱展東先生、朱植杞先生及朱晨曦先生各自之服務協議於二零零二年八月一日開始，為期兩年，直至其中一方向對方發出不少於三個月之事先書面通知或以酬金代替為止，而該通知於初步兩年期或之後屆滿；而鄧秀芳女士之兼職服務合約則於二零零三年九月二十九日開始為期兩年，直至其中一方向對方發出不少於三個月之事先書面通知或以酬金代替為止，而該通知於初步兩年期或之後屆滿；

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS*(Continued)*

2. the monthly salary for each of Messrs. Chu Chien Tung, Chu Chick Kei and Chu Sen Hei for the year from 1st April, 2002 to 31st March, 2004 shall be HK\$100,000, HK\$80,000 and HK\$50,000 respectively, while the monthly salary for Ms. Chow Sau Fong, Fiona for the period from 29th September, 2003 to 31st March, 2004 shall be HK\$20,000;
3. each of Messrs. Chu Chien Tung, Chu Chick Kei, Chu Sen Hei and Ms. Chow Sau Fong, Fiona is entitled to such management bonus by reference to the consolidated net profits of the Group after taxation and extraordinary items ("Net Profits") as the board of directors may approve provided that the aggregate amount of management bonuses payable to all executive directors in respect of any financial year of the Group shall not exceed 20% of the Net Profits for the relevant financial year; and
4. each of Messrs. Chu Chien Tung, Chu Chick Kei, Chu Sen Hei and Ms. Chow Sau Fong, Fiona shall abstain from voting and not be counted in the quorum in respect of any resolution of the board of directors regarding the amount of annual salary and management bonus payable to himself/herself.

Each of Dr. Fung Shiu Lun, Anthony and Ms. Wu King Yin has entered into a service contract with the Company. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

1. each service contract of Dr. Fung Shiu Lun, Anthony and Ms. Wu King Yin is of initial fixed term of one year commenced on 1st June, 2004 which appointment shall continue after the expiry of the initial fixed term and either party may terminate the appointment by giving the other party at least one month's notice in writing expiring not earlier than the initial fixed term of one year; and

董事及董事服務合約 (續)

2. 朱展東先生、朱植杞先生及朱晨曦先生於二零零二年四月一日至二零零四年三月三十一日年度之月薪分別為100,000港元、80,000港元及50,000港元；而鄒秀芳女士於二零零三年九月二十九日至二零零四年三月三十一日期間之月薪則為20,000港元；
3. 朱展東先生、朱植杞先生、朱晨曦先生及鄒秀芳女士均有權收取管理花紅，該花紅乃參考董事會可能批准之本集團除稅及非經常項目之綜合純利（「純利」）計算，惟本集團於任何財政年度應付予全體執行董事之管理花紅總額，不得超過有關財政年度純利20%；及
4. 朱展東先生、朱植杞先生、朱晨曦先生及鄒秀芳女士均須放棄就應付予彼等之年薪及管理花紅數額的任何董事會決議案投票，且不得計入法定人數內。

馮兆麟博士及胡景妍女士已各自與本公司訂立服務協議。除另有指明者外，該等協議之詳情於各重大方面均相同，載列如下：

1. 馮兆麟博士及胡景妍女士各自之服務協議於二零零四年六月一日開始，初步固定任期為一年，於初步固定任期屆滿後將會續任，直至其中一方向對方發出不少於一個月之書面通知為止，而有關委任將不早於初步固定任期一年內屆滿；及

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS*(Continued)*

2. the monthly remuneration for each of Dr. Fung Shiu Lun, Anthony and Ms. Wu King Yin for the year from 1st June, 2004 to 31st May, 2005 shall be HK\$8,000.

Save as disclosed above, none of the independent non-executive directors and the non-executive director has entered into any service contract with the Group.

Save as disclosed herein, none of the directors has entered into any service agreements 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.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31st March, 2004, the interests of the directors and the chief executives of the Company and their associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the Rules Governing the Listing of Securities on Growth Enterprise Market of the Stock Exchange ("GEM Listing Rules") relating to securities transactions by directors, were as follows:

董事及董事服務合約 (續)

2. 馮兆麟博士及胡景妍女士於二零零四年六月一日至二零零五年五月三十一日之月薪分別為8,000港元。

除上文披露者外，概無獨立非執行董事及非執行董事與本集團訂有任何服務合約。

除本報告披露者外，概無董事與本公司或其任何附屬公司訂有任何本集團不可於一年內終止而毋須作出賠償（法定賠償除外）之服務協議。

董事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，本公司董事、行政總裁及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（「證券及期貨條例」）第XV部）之股份及相關股份中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益（包括根據證券及期貨條例有關條文彼等被視作或當作擁有之權益或淡倉），及須記錄於本公司根據證券及期貨條例第352條存置之登記冊之權益，或根據聯交所創業板證券上市規則（「創業板上市規則」）第5.46條規定董事進行證券交易時須知會本公司及聯交所之權益如下：

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)**Long positions**

- (a) Ordinary shares of HK\$0.01 each of the Company and underlying shares

Name of director
董事姓名

Capacity
身分

Mr. Chu Chien Tung
朱展東先生

Held by controlled corporation (Note)
由受控法團持有(附註)

Note:

These shares were held indirectly by Tungda Industrial Limited ("Tungda Industrial") through its beneficial interest in the entire issued share capital of Standard Exceed Limited. Messrs. Chu Chien Tung, Chu Chick Kei and Chu Siu Chun (father of Messrs. Chu Chien Tung and Chu Chick Kei) jointly hold the entire issued share capital of Tungda Industrial.

- (b) Share options

Name of director
董事姓名

Capacity
身分

Mr. Chu Chien Tung
朱展東先生

Beneficial owner
實益擁有人

Mr. Chu Chick Kei
朱植杞先生

Beneficial owner
實益擁有人

Mr. Chu Sen Hei
朱晨曦先生

Beneficial owner
實益擁有人

Ms. Chow Sau Fong, Fiona
鄒秀芳女士

Beneficial owner
實益擁有人

Other than as disclosed above, none of the directors and chief executives of the Company and their associates has any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations at 31st March, 2004.

董事於股份及相關股份之權益及淡倉(續)**好倉**

- (a) 本公司每股面值0.01港元之普通股及相關股份

Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
--	--

560,000,000

50.7%

附註:

該等股份由東大工業(集團)有限公司(「東大工業(集團)」)透過其於Standard Exceed Limited全部已發行股本之實益權益間接持有。朱展東先生、朱植杞先生及朱紹進先生(朱展東先生及朱植杞先生之父)共同持有東大工業(集團)全部已發行股本。

- (b) 購股權

Number of options held 所持購股權數目	Number of underlying shares 相關股份數目
--	--

1,054,944

1,054,944

1,054,944

1,054,944

10,549,440

10,549,440

3,000,000

3,000,000

除上文披露者外，於二零零四年三月三十一日，本公司董事、行政總裁或彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

SHARE OPTIONS

Pursuant to the Company's share option scheme adopted on 12th July, 2002, the board of directors may grant share options to any directors, full time and part time employees of the Group and the consultant or adviser of the Group. Details of the Company's share option scheme are set out in note 19 to the financial statements.

A summary of the movements in the Company's share options during the year is as follows:

購股權

根據本公司於二零零二年七月十二日採納之購股權計劃，董事會可向本集團任何董事、全職及兼職僱員以及本集團諮詢顧問或顧問授出購股權。本公司購股權計劃詳情載於財務報表附註19。

本公司購股權於年內之變動概述如下：

	Date of grant 授出日期	Exercisable period 行使期間	Exercise price per share 每股股份 行使價 HK\$ 港元	Closing price at the date of grant 於授出日期 之收市價 HK\$ 港元	Number of share options 購股權數目			
					At 1st April, 2003 於二零零三年 四月一日	Granted during the year 年內授出	Exercised during the year 年內行使	At 31st March, 2004 於二零零四年 三月三十一日
Directors 董事								
Mr. Chu Chien Tung 朱展東先生	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	–	1,054,944	–	1,054,944
Mr. Chu Chick Kei 朱植杞先生	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	–	1,054,944	–	1,054,944
Mr. Chu Sen Hei 朱晨曦先生	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	–	10,549,440	–	10,549,440
Ms. Chow Sau Fong, Fiona 鄧秀芳女士	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	–	3,000,000	–	3,000,000
Sub-total 小計					–	15,659,328	–	15,659,328

SHARE OPTIONS (Continued)

購股權 (續)

	Date of grant 授出日期	Exercisable period 行使期間	Exercise price per share 每股股份 行使價 HK\$ 港元	Closing price at the date of grant 於授出日期 之收市價 HK\$ 港元	Number of share options 購股權數目			
					At 1st April, 2003 於二零零三年 四月一日	Granted during the year 年內授出	Exercised during the year 年內行使	At 31st March, 2004 於二零零四年 三月三十一日
Employees 僱員	3rd October, 2003 二零零三年十月三日	22nd October, 2003– 21st October, 2013 二零零三年十月二十二日至 二零一三年十月三十一日	0.345	0.345	–	62,591,232	(29,450,560)	33,140,672
	21st November, 2003 二零零三年十一月二十一日	29th November, 2003 – 28th November, 2013 二零零三年十一月二十九日至 二零一三年十一月二十八日	0.452	0.440	–	10,549,440	(10,549,440)	–
Sub-total 小計					–	73,140,672	(40,000,000)	33,140,672
Total 總計					–	88,800,000	(40,000,000)	48,800,000

The closing price of the Company's shares immediately before the date on which the options were exercised was HK\$0.70.

緊接行使購股權日期前本公司股份之收市價為0.70港元。

The directors consider that it is not appropriate to value the share options on the ground that certain crucial factors for such valuation are variables which cannot be reasonably and objectively determined. Any such valuation of the share options based on speculative assumptions in respect of such variables would not be meaningful and the results thereof may be misleading to the shareholders of the Company.

董事認為，由於該項估值之若干項重要因素為無法合理及客觀釐定之變數，故評估購股權價值乃不恰當做法。任何基於該等變數所作推測假設而評估購股權價值之意義不大，而當中結果或會誤導本公司股東。

SHARE OPTIONS (Continued)

The financial impact of share options granted is not recorded in the balance sheet of the Company until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled are deleted from the register of outstanding options.

Save as disclosed herein, none of the directors and chief executives and their associates has any interests or short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding companies, fellow subsidiaries 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. None of the directors of the Company, or their spouses or children under 18 years of age, had any rights to subscribe for the shares of the Company, or had exercised any such right during the year.

購股權 (續)

授出購股權之財務影響並無記錄於本公司資產負債表，直至購股權獲行使為止，而收入報表亦無就年內授出購股權價值確認開支。行使購股權時，本公司將按股份面值將所發行股份記錄為額外股本，而本公司亦將每股股份之行使價與股份面值之差額記錄於股份溢價賬。失效或註銷之購股權自發行在外購股權登記冊刪除。

除本報告披露者外，董事及行政總裁及彼等之聯繫人士概無於本公司或任何相聯法團（定義見證券及期貨條例）之任何股份、相關股份及債券中，擁有任何須記錄於根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或根據創業板上市規則第5.46條規定須知會本公司及聯交所之權益或淡倉。

購買股份或債券之安排

除上文披露之購股權外，年內，本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何安排，致使本公司董事可透過購入本公司或任何其他法人團體之股份或債券而獲益。本公司董事或彼等之配偶或18歲以下子女亦無擁有或已於年內行使可認購本公司股份的任何權利。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND CONNECTED TRANSACTIONS

1. At 1st April, 2003, the Group obtained general banking facilities amounting to approximately HK\$5,301,000 from certain banks. Such general banking facilities were secured by the pledge of time deposits of approximately HK\$2,319,000 and joint and several guarantees given by Messrs. Chu Chien Tung, Chu Chick Kei and Chu Siu Chun. Pursuant to Chapter 20 of the GEM Listing Rules, these joint and several guarantees were exempted from the reporting, announcement and independent shareholders' approval requirements. The general banking facilities of HK\$5,000,000 had subsequently been terminated and the joint and several guarantees given by Messrs. Chu Chien Tung, Chu Chick Kei and Chu Siu Chun had been released on 29th April, 2003.
2. During the year, the Group paid rental amounting to HK\$108,000 to Tungda Industrial. Details of such transactions are set out in note 21 to the financial statements.

Save as disclosed above, no contracts of significance to which the Company, its holding companies, fellow subsidiaries or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at end of the year or at any time during the year.

董事於重大合約中之權益及關連交易

1. 於二零零三年四月一日，本集團向多家銀行取得一般銀行信貸約5,301,000港元。該等一般銀行信貸以定期存款約2,319,000港元和朱展東先生、朱植杞先生及朱紹進先生共同及個別作出之擔保作抵押。根據創業板上市規則第20章，此項共同及個別作出之擔保獲豁免遵守申報、公佈及取得獨立股東批准之規定。該等一般銀行信貸其中5,000,000港元其後於二零零三年四月二十九日終止，而朱展東先生、朱植杞先生及朱紹進先生共同及個別作出之擔保亦於同日免除。
2. 年內，本集團向東大工業（集團）支付租金108,000港元。有關交易詳情載於財務報表附註21。

除上文披露者外，本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何於年終或年內任何時間生效而本公司董事於當中直接或間接擁有重大權益之重大合約。

SUBSTANTIAL SHAREHOLDERS

At 31st March, 2004, the following substantial shareholder (other than a director or chief executive of the Company) who have interests or short positions in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東

根據本公司按證券及期貨條例第336條存置的登記冊所記錄，於二零零四年三月三十一日，以下主要股東（本公司董事或行政總裁除外）於股份及相關股份中擁有權益或淡倉：

Name of shareholder	股東姓名／名稱	Number of issued ordinary shares held in the Company 於本公司所持已發行 普通股數目	Approximate percentage of shareholding 概約百分比
Standard Exceed Limited (Note 1)	Standard Exceed Limited (附註1)	560,000,000	50.7%
Tungda Industrial Limited (Note 1)	東大工業(集團)有限公司(附註1)	560,000,000	50.7%
Mr. Chu Chien Tung (Note 2)	朱展東先生(附註2)	560,000,000	50.7%
Ms. Chan Pik Kam (Note 3)	陳碧琴女士(附註3)	560,000,000	50.7%

Notes:

- Standard Exceed Limited is wholly and beneficially-owned by Tungda Industrial which in turn is beneficially-owned as to 33.33334% by Mr. Chu Chien Tung, 33.33333% by Mr. Chu Chick Kei and 33.33333% by Mr. Chu Siu Chun. Mr. Chu Siu Chun has no management role in the Group.
- Under Section 336 of the SFO, Mr. Chu Chien Tung is deemed to have interests in all the shares of the Company which Tungda Industrial has interests as he is entitled to exercise more than one-third of the voting power at general meeting of Tungda Industrial. The other two shareholders of Tungda Industrial, namely Messrs. Chu Chick Kei and Chu Siu Chun, are not so deemed as they are not entitled to exercise more than one-third of the voting power at general meetings of Tungda Industrial.
- Ms. Chan Pik Kam is the wife of Mr. Chu Chien Tung. Under Section 336 of the SFO, she is deemed to have interest in all the shares in which Mr. Chu Chien Tung is interested.

Save as disclosed above, no other person (other than a director or chief executive of the Company) has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

附註：

- Standard Exceed Limited乃由東大工業(集團)全資實益擁有，而東大工業(集團)則由朱展東先生、朱植杞先生及朱紹進先生分別實益擁有33.33334%、33.33333%及33.33333%。朱紹進先生於本集團並無管理職務。
- 根據證券及期貨條例第336條，基於朱展東先生有權於東大工業(集團)的股東大會上行使超過三分之一的投票權，彼因而被視作於東大工業(集團)擁有權益的所有本公司股份中擁有權益，而基於東大工業(集團)另外兩名股東朱植杞先生及朱紹進先生無權於東大工業(集團)股東大會上行使超過三分之一的投票權，故彼等被視為並無擁有該等權益。
- 陳碧琴女士為朱展東先生的妻子。根據證券及期貨條例第336條，彼被視作於朱展東先生擁有權益的所有股份中擁有權益。

除上文披露者外，概無其他人士擁有須記錄於根據證券及期貨條例第336條存置之登記冊之股份及相關股份之權益或淡倉。

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group, in aggregate, accounted for approximately 62.4% of the Group's total turnover and the largest customer accounted for approximately 14.4% of the total turnover. The five largest suppliers of the Group in aggregate accounted for approximately 92.2% of its total purchases for the year. Purchases from the largest supplier accounted for approximately 74.3% of its total purchases.

None of the directors, their respective associates, or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) has any interest in any of the five largest customers and the five largest suppliers of the Group for the year ended 31st March, 2004.

All transactions between the Group and its customers were carried out on normal commercial terms.

COMPETING INTERESTS

During the year, the board of directors is not aware of any business or interest of each director, management shareholder and their respective associates that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

PRE-EMPTIVE RIGHTS

There are no provision 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 pro-rata basis to the existing shareholders.

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

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

主要客戶及供應商

年內，本集團五大及最大客戶分別合共佔其總營業額約62.4%及約14.4%，而本集團五大供應商合共佔其本年度採購總額約92.2%，最大供應商之採購額則佔其採購總額約74.3%。

概無董事、彼等各自之聯繫人士或就董事所知悉擁有本公司股本5%以上權益之任何股東於本集團截至二零零四年三月三十一日止年度之五大客戶及五大供應商中擁有任何權益。

本集團與其客戶間之所有交易均按一般商業條款進行。

競爭性權益

年內，董事會並無獲悉董事、管理層股東及彼等各自之聯繫人士於足以或可能與本集團業務構成競爭的業務中擁有任何權益或任何該等人士與本集團有或可能有任何其他利益衝突。

優先購買權

本公司之公司組織章程細則或開曼群島法例並無任何有關優先購買權之條文，以使本公司須按比例向現有股東提呈發售新股份。

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、出售或贖回任何本公司上市證券。

AUDIT COMMITTEE

The audit committee's principal duties are the review and supervision of the Company's financial reporting process and internal control systems. The existing audit committee comprises three independent non-executive directors, Mr. Hong Yong Hwan, Mr. Zhu Lei Bo and Ms. Wu King Yin.

During the year, the then audit committee held four meetings and performed the following duties:

1. reviewed the audited financial statements of the Company and its subsidiaries for the year ended 31st March, 2003.
2. reviewed the unaudited financial statements of the Company and its subsidiaries for the three months ended 30th June, 2003, for the three and six months ended 30th September, 2003 and for the three and nine months ended 31st December, 2003.
3. reviewed the financial reporting process, internal controls of the Company and its subsidiaries for the year ended 31st March, 2003, for the three months ended 30th June, 2003, for the six months ended 30th September, 2003 and for the nine months ended 31st December, 2003.
4. met with the external auditors and participated in the re-appointment and assessment of the performance of the external auditors.

CORPORATE GOVERNANCE

The Company has complied with the Rules 5.28 to 5.39 of the GEM Listing Rules during the year ended 31st March, 2004, except that the non-executive directors and independent non-executive directors of the Company are not appointed for specific terms and are subject to re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Articles of Association.

審核委員會

審核委員會之主要職責為審閱及監察本公司財務申報程序及內部監控系統。現行審核委員會由三名獨立非執行董事組成，包括洪庸皖先生、朱雷波先生及胡景妍女士。

年內，當時之審核委員會曾舉行四次會議，履行以下職務：

1. 審閱本公司及其附屬公司截至二零零三年三月三十一日止年度之經審核財務報表。
2. 審閱本公司及其附屬公司截至二零零三年六月三十日止三個月、截至二零零三年九月三十日止三個月及六個月和截至二零零三年十二月三十一日止三個月及九個月之未經審核財務報表。
3. 審閱本公司及其附屬公司截至二零零三年三月三十一日止年度、截至二零零三年六月三十日止三個月、截至二零零三年九月三十日止六個月及截至二零零三年十二月三十一日止九個月之財務申報程序及內部監控。
4. 與外聘核數師會面，並參與續聘及評估外聘核數師表現之工作。

公司管治

本公司於截至二零零四年三月三十一日止年度內，一直遵守創業板上市規則第5.28至5.39條之規定，惟本公司非執行董事及獨立非執行董事並無固定任期，而須按本公司之公司組織章程細則規定，於本公司股東週年大會膺選連任。

SPONSOR'S INTERESTS

As updated and notified by the Company's sponsor, China Everbright Capital Limited (the "Sponsor"), neither the Sponsor nor its directors, employees or associates had any interests in the securities of the Company or any member of the Group or any rights to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group at 31st March, 2004, pursuant to Rules 6.35 of the GEM Listing Rules.

Pursuant to the agreement dated 19th July, 2002 entered into between the Company and Core Pacific Yamaichi Capital Limited, the former sponsor of the Company, the former sponsor will receive the sponsorship fees for acting as the Company's retained sponsor for the period from 26th July, 2002 to 31st March, 2005 or until the sponsor agreement is terminated upon the terms and conditions set out therein. Pursuant to the agreement dated 19th July, 2002 entered into between the Company and the former sponsor whereby, for a fee, the former sponsor would act as the Company's sponsor for the period from 26th July, 2002 to 10th October, 2003. The Company and the former sponsor have mutually agreed to terminate the engagement with effect from 10th October, 2003.

Pursuant to the agreement dated 10th October, 2003 entered into between the Company and the Sponsor, the Sponsor will receive the sponsorship fees for acting as the Company's sponsor for the period from 10th October, 2003 to 31st March, 2005 or until the sponsor agreement is terminated upon the terms and conditions set out therein.

保薦人權益

據本公司保薦人中國光大融資有限公司（「保薦人」）根據創業板上市規則第6.35條給予的最新資料及通知，於二零零四年三月三十一日，保薦人、其董事、僱員或聯繫人士概無在本公司或本集團任何成員公司的證券中擁有任何權益，亦無任何可認購或指派他人認購本公司或本集團任何成員公司證券之權利。

根據本公司與本公司前保薦人京華山一企業融資有限公司所訂立日期為二零零二年七月十九日的協議，前保薦人由二零零二年七月二十六日至二零零五年三月三十一日止（或直至根據保薦人協議內所載條款及條件終止為止）期間擔任本公司留任保薦人，並有權就此收取保薦人費用。根據本公司與前保薦人所訂立日期為二零零二年七月十九日之協議，前保薦人於二零零二年七月二十六日至二零零三年十月十日期間擔任本公司保薦人。本公司與前保薦人已互相協定自二零零三年十月十日起終止委聘。

根據本公司與保薦人所訂立日期為二零零三年十月十日之協議，保薦人由二零零三年十月十日至二零零五年三月三十一日止（或直至根據保薦人協議內所載條款及條件終止為止）期間擔任本公司保薦人，並有權就此收取保薦人費用。

AUDITORS

These financial statements were audited by Messrs. Deloitte Touche Tohmatsu who will not be seeking re-appointment as auditors of the Company.

核數師

此等財務報表經德勤•關黃陳方會計師行審核。彼將不會有意重任本公司核數師。

On behalf of the Board

代表董事會

CHU CHIEN TUNG

CHAIRMAN

主席

朱展東

Hong Kong, 15th October, 2004

香港，二零零四年十月十五日

Deloitte.

德勤

**To the Shareholders of
Tungda Innovative Lighting Holdings Limited**
(incorporated in the Cayman Islands with limited liability)

We have audited the financial statements on pages 55 to 93 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. However, the evidence available to us was limited as explained below.

- (a) Included in the balance sheet as at 31st March, 2004, are deposits paid for acquisition of property, plant and equipment in the aggregate sum of HK\$67,105,000, all of which were paid in the form of cheques made payable to cash in Hong Kong. We were unable to obtain sufficient documentary evidence and explanations from the directors to satisfy ourselves as to the validity of these deposits. Accordingly, we were unable to satisfy ourselves that deposits paid for the acquisition of property, plant and equipment are free from material misstatement. We were also unable to satisfy ourselves that capital commitments for the acquisition of property, plant and equipment of HK\$17,866,000 disclosed in note 23 to the financial statements are free from material misstatement.

致東大新材料照明控股有限公司全體股東
(於開曼群島註冊成立之有限公司)

本核數師行已完成審核載於第55頁至第93頁按照香港公認會計原則編製之財務報表。

董事及核數師各自之責任

董事須負責編製真實公平之財務報表。在編製真實公平之財務報表時，董事必須選擇並貫徹採用合適之會計政策。

本核數師行之責任乃根據審核工作之結果，對該等財務報表作出獨立意見，並僅向全體股東報告，且不作其他用途。本核數師行不會就本報告內容向任何其他人士負上或承擔任何責任。

意見基礎

本核數師行乃按照香港會計師公會頒布之核數準則進行審核工作，惟本核數師行於下文所述工作範圍受限者則作別論。

審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製財務報表時所作重大估計及判斷、所應用會計政策是否適合貴公司及貴集團之具體情況，以及有否貫徹使用並適當披露該等會計政策。

本核數師行在計劃審核工作時，均以取得一切本核數師行認為必需之資料及解釋為目標，使本核數師行能獲得充分憑證，就該等財務報表是否存有重要錯誤陳述，作出合理確定。惟本核數師行獲得之證據有限，詳情闡述如下。

- (a) 就購置物業、廠房及設備所付合共67,105,000港元訂金已計入截至二零零四年三月三十一日之資產負債表，並全數以現金支票形式在香港支付。本核數師行無法自董事獲取足夠文件證明及解釋，以信納該筆訂金之有效性。因此，本核數師行無法信納，有關購置物業、廠房及設備所付訂金之陳述並無任何重大錯誤。吾等亦無法信納，有關財務報表附註23所披露就購置物業、廠房及設備作出17,866,000港元資本承擔之陳述並無任何重大錯誤。

(b) Included in turnover for the year of approximately HK\$299,896,000 are recorded sales of approximately HK\$289,314,000 in respect of sales to customers outside Hong Kong. We were unable to obtain sufficient information and explanations to satisfy ourselves as to the validity of these sales transactions, substantially all of which were settled in the form of cash deposits into the bank accounts of the Group in Hong Kong. We were also unable to obtain sufficient evidence to satisfy ourselves concerning the validity of the corresponding purchases transactions, most of which were settled in cash. Accordingly, we were unable to satisfy ourselves that sales and cost of sales for the year ended 31st March, 2004 are free from material misstatement.

Any adjustment found to be necessary to the above amounts would affect the net assets of the Group as at 31st March, 2004 and the profit of the Group for the year then ended.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

DISCLAIMER OF OPINION

Because of the significance of the possible effect of the limitations in evidence available to us as set out in the "basis of opinion" section of this report, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31st March, 2004 and of the profit and cash flows of the Group for the year then ended and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of Hong Kong Companies Ordinance.

In respect alone of the limitations on our work relating to the deposits paid for acquisition of property, plant and equipment, the sales to certain customers of the Group and their corresponding purchases:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper books of account had been kept.

EMPHASIS OF MATTERS

We have considered the section of the Management Discussion and Analysis headed "Response to Auditors' Opinion" included in the Annual Report of the Company for the year ended 31st March, 2004. The views of the directors therein set out have previously been considered by us but nevertheless our disclaimer of opinion remains as stated in our report above.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

15th October, 2004

(b) 就向香港以外客戶銷售所錄得約289,314,000港元銷售額已計入本年度約299,896,000港元之營業額內。本核數師無法獲取足夠文件證明及解釋，以信納該等銷售交易（基本上全部以向本集團香港賬戶存入現金存款之形式結算）之有效性。本核數師行亦無法獲取足夠證據，以信納相應採購交易（大部分以現金結算）之有效性。因此，本核數師行無法信納，有關截至二零零四年三月三十一日年度之銷售額及銷售成本之陳述並無任何重大錯誤。

任何上述金額之必要調整將影響 貴集團截至二零零四年三月三十一日之資產淨值及 貴集團於截至該日止年度之溢利。

於編製意見時，本核數師行亦評估財務報表內所列資料於整體上是否足夠。本核數師行相信，吾等之審核工作為編製吾等意見提供合理基準。

拒絕發表意見

誠如本報告「意見基礎」一節所載，由於本核數師行於獲得證據方面受到限制可能會帶來重大影響，吾等無法就財務報表是否真實及公平地反映 貴公司及 貴集團於二零零四年三月三十一日之財務狀況與 貴集團截至該日止年度之溢利及現金流量，以及財務報表是否根據香港公司條例之披露規定適當地編製提供意見。

鑑於本核數師行在購置物業、廠房及設備所付訂金、向 貴集團若干客戶之銷售及相關採購方面之工作受到限制：

- 本核數師行無法獲取一切吾等認為就審核工作而言必需之資料及解釋；及
- 本核數師行無法釐定 貴集團是否恰當地存置賬簿。

強調事項

本核數師行已省覽載於 貴公司截至二零零四年三月三十一日止年度年報內董事層討論及分析一節「回應核數師意見」一段。吾等早前已省覽 貴公司董事於年報所載之意見，惟吾等於上述報告中仍然指出未能就財務報表發表意見。

德勤•關黃陳方會計師行
執業會計師
香港

二零零四年十月十五日

Consolidated Income Statement

綜合收入報表

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

		Notes 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Turnover	營業額	4	299,896	258,431
Cost of sales	銷售成本		(184,350)	(166,630)
Gross profit	毛利		115,546	91,801
Other operating income	其他經營收入		730	254
Selling expenses	銷售開支		(8,189)	(10,018)
Administrative expenses	行政開支		(23,300)	(14,609)
Research and development expenses	研發開支		(6,002)	(5,843)
Profit from operations	經營溢利	5	78,785	61,585
Finance costs	融資成本	6	(5)	(161)
Profit before taxation	除稅前溢利		78,780	61,424
Taxation	稅項	7	(4,025)	(3,411)
Net profit for the year	年內純利		74,756	58,013
Dividends	股息	8	5,890	—
Earnings per share	每股盈利			
– basic	— 基本	9	7.57 cents 仙	7.10 cents 仙
– diluted	— 攤薄	9	7.47 cents 仙	N/A 不適用

Consolidated Balance Sheet

綜合資產負債表

At 31st March, 2004 於二零零四年三月三十一日

		Notes 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	44,978	32,524
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之按金付款	12	67,105	—
			112,083	32,524
Current assets	流動資產			
Inventories	存貨	13	9,043	6,770
Debtors, deposits and prepayments	應收賬款、按金及預付款項	14	14,223	6,688
Pledged bank deposits	已抵押銀行存款	15	305	2,319
Bank balances and cash	銀行結存及現金		139,492	86,346
			163,063	102,123
Current liabilities	流動負債			
Creditors and accrued charges	應付賬款及應計費用	16	11,819	6,967
Amount due to ultimate holding company	應付最終控股公司款項	17	—	475
Taxation payable	應付稅項		569	565
Bank overdraft, secured	有抵押銀行透支		—	953
			12,388	8,960
Net current assets	流動資產淨值		150,675	93,163
Net assets	資產淨值		262,758	125,687
Capital and reserves	資本及儲備			
Share capital	股本	18	11,056	8,880
Reserves	儲備		251,702	116,807
			262,758	125,687

The financial statements on pages 55 to 93 were approved and authorised for issue by the Board of Directors on 15th October, 2004 and are signed on its behalf by:

第55至93頁之財務報表已於二零零四年十月十五日獲董事會批准及授權刊發，並由下列董事代表簽署：

Chu Chien Tung
朱展東
DIRECTOR
董事

Chu Chick Kei
朱植杞
DIRECTOR
董事

Balance Sheet

資產負債表

At 31st March, 2004 於二零零四年三月三十一日

		Notes 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Non-current assets	非流動資產			
Investments in subsidiaries	附屬公司投資	11	3,128	3,128
Current assets	流動資產			
Debtors and prepayments	應收賬款及預付款項		196	117
Amounts due from subsidiaries	應收附屬公司款項		97,946	43,921
Pledged bank deposit	已抵押銀行存款		305	303
Bank balances and cash	銀行結存及現金		15,995	381
			114,442	44,722
Current liabilities	流動負債			
Accrued charges	應計費用		547	650
Net current assets	流動資產淨值		113,895	44,072
Net assets	資產淨值		117,023	47,200
Capital and reserves	資本及儲備			
Share capital	股本	18	11,056	8,880
Reserves	儲備	20	105,967	38,320
			117,023	47,200

Chu Chien Tung
朱展東
DIRECTOR
董事

Chu Chick Kei
朱植杞
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (note 20) (附註20)	Translation reserve 匯兌儲備 HK\$'000 千港元	General reserve 一般儲備 HK\$'000 千港元 (note 20) (附註20)	Accumulated profits 累計溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st April, 2002	於二零零二年 四月一日	-	-	-	9	126	21,388	21,523
New shares issued	發行新股	4,000	-	(2,128)	-	-	-	1,872
Issue of shares upon private placing on 26th July, 2003	於二零零三年七月 二十六日因私人 配售發行股份	2,220	53,280	-	-	-	-	55,500
Capitalisation issue of shares	資本化發行股份	2,660	(2,660)	-	-	-	-	-
Issue expenses in connection with private placing	私人配售的發行開支	-	(11,221)	-	-	-	-	(11,221)
Net profit for the year	年內純利	-	-	-	-	-	58,013	58,013
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	3,398	(3,398)	-
At 31st March, 2003	於二零零三年 三月三十一日	8,880	39,399	(2,128)	9	3,524	76,003	125,687
Issue of shares upon private placing on 18th September, 2003	於二零零三年 九月十八日 因私人配售發行股份	1,776	57,542	-	-	-	-	59,318
Issue expenses in connection with private placing	私人配售的發行 開支	-	(9,801)	-	-	-	-	(9,801)
Issue of shares upon exercise of share options	因行使購股權發行股份	400	14,529	-	-	-	-	14,929
Interim dividend paid	已派中期股息	-	-	-	-	-	(2,131)	(2,131)
Net profit for the year	年內純利	-	-	-	-	-	74,756	74,756
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	4,648	(4,648)	-
At 31st March, 2004	於二零零四年 三月三十一日	11,056	101,669	(2,128)	9	8,172	143,980	262,758

Consolidated Cash Flow Statement

綜合現金流量報表

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流量		
Profit before taxation	除稅前溢利	78,780	61,424
Adjustments for:	調整：		
Interest income	利息收入	(700)	(201)
Interest expense	利息開支	5	161
Depreciation	折舊	3,070	447
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	81,155	61,831
Increase in inventories	存貨增加	(2,273)	(1,395)
(Increase) decrease in debtors, deposits and prepayments	應收賬款、按金及預付款項(增加)減少	(7,535)	2,850
Increase in creditors and accrued charges	應付賬款及應計費用增加	4,852	3,408
Cash generated from operations	經營業務所得現金	76,199	66,694
Interest paid	已付利息	(5)	(161)
Hong Kong Profits Tax paid	已付香港利得稅	(2,645)	(7,406)
PRC Enterprise Income Tax paid	已付中國企業所得稅	(1,375)	—
Net cash generated from operating activities	經營業務所得現金淨額	72,174	59,127
Cash flows from investing activities	投資活動之現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(15,524)	(32,497)
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備之按金付款	(67,105)	—
Decrease (increase) in pledged bank deposits	已抵押銀行存款減少(增加)	2,014	(2,319)
Interest received	已收利息	700	201
Net cash used in investing activities	投資活動所用現金淨額	(79,915)	(34,615)

Consolidated Cash Flow Statement

綜合現金流量報表

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cash flows from financing activities	融資活動之現金流量		
Proceeds from issue of shares for private placing	私人配售發行股份所得款項	59,318	55,500
Proceeds from issue of shares upon exercise of share options	因行使購股權發行股份所得款項	14,929	—
Issue expenses in connection with private placing	私人配售的發行開支	(9,801)	(11,221)
Advances from ultimate holding company	最終控股公司墊款	501	475
Repayments to ultimate holding company	還款予最終控股公司	(976)	(236)
Dividend paid	已付股息	(2,131)	—
Net cash generated from financing activities	融資活動所得現金淨額	61,840	44,518
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	54,099	69,030
Cash and cash equivalents at beginning of the year	年初之現金及現金等值項目	85,393	16,363
Cash and cash equivalents at end of the year	年終之現金及現金等值項目	139,492	85,393
Analysis of the balance of cash and cash equivalents	現金及現金等值項目結餘分析		
Bank balances and cash	銀行結存及現金	139,492	86,346
Bank overdraft	銀行透支	—	(953)
		139,492	85,393

1. GROUP REORGANISATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law (2001 Second Revision) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 26th July, 2002.

The Company's ultimate holding company is Tungda Industrial Limited ("Tungda Industrial"), a company incorporated in Hong Kong.

The Company is an investment holding company and the principal activities of the Group are trading and manufacturing of light source products.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted, for the first time, the following Hong Kong Financial Reporting Standards ("HKFRS") – issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the term of HKFRS is inclusive of Statements of Standard Accounting Practice ("SSAPs") and Interpretations approved by the HKICPA.

SSAP 12 (Revised)

Income taxes

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred taxation. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred taxation is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, with limited exceptions. The adoption of SSAP 12 (Revised) has had no significant effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

1. 集團重組及財務報表編製基準

本公司根據開曼群島公司法(二零零一年第二次修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司股份自二零零二年七月二十六日起於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司之最終控股公司為於香港註冊成立之東大工業(集團)有限公司(「東大工業(集團)」)。

本公司為投資控股公司，本集團之主要業務為買賣及製造光源產品。

2. 採納香港財務報告準則

於本年度，本集團首次採納下列由香港會計師公會(「會計師公會」)頒佈之香港財務報告準則(「財務報告準則」)，財務報告準則一詞涵蓋會計師公會所頒佈之香港會計實務準則(「會計實務準則」)及註釋。

會計實務準則第12號
(經修訂)

所得稅

會計實務準則第12號(經修訂)之主要影響與遞延稅項相關。會計實務準則第12號(經修訂)規定必須採納資產負債表負債法，就財務報表內之資產及負債賬面值與計算應課稅溢利所用相應稅基間之所有暫時性時差額確認遞延稅項，惟不包括少數例外情況。採納會計實務準則第12號(經修訂)並無對本期間或過往會計期間之業績構成重大影響。因此，毋須作出前期調整。

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st March each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal respectively, as appropriate.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less accumulated depreciation and any identified impairment loss.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

The cost of construction in progress will not be amortised until they are put into use and are transferred to a specific category of property, plant and equipment when the construction is completed.

3. 主要會計政策

財務報表乃根據歷史成本法按香港公認會計準則編製，所採納之主要會計政策如下。

綜合基準

綜合財務報表包括本公司及其附屬公司每年截至三月三十一日止之財務報表。

於年內收購或出售之附屬公司業績，由實際收購日期起或實際售出日期止（按適用情況而定）計入綜合收入報表內。

集團內各公司間所有重要交易及結餘已於綜合賬目時對消。

附屬公司投資

於附屬公司之投資按成本值減任何已識別減值虧損計入本公司之資產負債表。

物業、廠房及設備

在建工程以外之物業、廠房及設備以成本值減累計折舊及任何已識別減值虧損列賬。

出售或廢棄資產產生之盈虧，按銷售所得款項與資產賬面值的差額計算，於收入報表確認。

在建工程成本於投入使用後方予以攤銷，並於工程完成時轉撥至物業、廠房及設備項下指定項目。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Property, plant and equipment (Continued)**

Depreciation is provided to write off the cost of property, plant and equipment other than construction in progress over their estimated useful lives, using the straight line method, at the following rates per annum:

Land use right	Over the unexpired term of leases	
Buildings	20 years or the unexpired term of lease, whichever is shorter	
Furniture, fixtures and equipment		20%
Leasehold improvement		50%
Plant and machinery		10%
Motor vehicle		20%

Research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised over the life of the project from the date of commencement of commercial operation subject to maximum period of five years.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

3. 主要會計政策 (續)**物業、廠房及設備 (續)**

在建工程以外之物業、廠房及設備以直線法，按估計可用年期以下列年率折舊，撇銷成本：

土地使用權	按尚餘租期
樓宇	20年或按尚餘租期 (以較短者為準)
傢俬、裝置及設備	20%
租賃物業裝修	50%
廠房及機器	10%
汽車	20%

研發開支

研究工作的開支乃於產生期間確認作年內支出。

倘預期清楚界定項目所產生的開發成本，可於日後透過商業活動收回，開發開支所產生的內部產生無形資產方會予以確認。所得資產將於開始作商業投產時按項目年期予以攤銷，而最長期限為五年。

倘並無確認內部產生的無形資產，則開發開支乃於產生期間確認作支出。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Impairment**

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs to completion and cost to be incurred in marketing, selling and distribution.

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

3. 主要會計政策 (續)**減值**

於各結算日，本集團審閱其資產的賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘估計資產的可收回數額少於其賬面值，則資產的賬面值將減至其可收回數額。減值虧損會即時確認為開支。

倘其後撥回減值虧損，則資產的賬面值將予增至重新估計的可收回數額，惟所增加的賬面值不會超過於過往年度並無確認減值虧損而釐定的資產賬面值數額。減值虧損撥回將被即時確認為收入。

存貨

存貨乃按成本值與可變現淨值兩者中較低者列賬。成本包括直接材料及（如適用）直接勞工成本及將存貨運送至現時地點及達至現時狀況所產生之其他成本。成本值以先入先出法計算。可變現淨值為估計售價減估計完成所需所有成本及市場推廣、銷售及分銷所涉及之成本。

收入確認

銷售貨品乃於貨品已予付運且所有權已轉移時予以確認。

利息收入乃參考尚餘本金按時間基準以適用利率計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable and deductible.

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred taxation liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred taxation asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 主要會計政策 (續)**稅項**

所得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或可扣減之收入及開支項目，亦不包括從不課稅或不扣稅之損益表項目，故與收入報表所列純利不同。

遞延稅項指預期從財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，並以資產負債表負債法入賬。遞延稅項負債一般就所有應課稅暫時差額予以確認，而遞延稅項資產則於有可能產生足以動用可扣稅暫時差額之應課稅溢利時，予以確認。倘暫時差額由商譽（或負商譽）或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債（業務合併除外）所產生，有關資產及負債不予確認。

遞延稅項負債乃就於附屬公司之投資所產生之應課稅暫時差額，予以確認。如本集團有能力控制暫時差額之撥回，及暫時差額可能不會於可見將來撥回，則不予確認。

遞延稅項資產之賬面值乃於每個結算日審閱，並撤減至應課稅溢利可能不足以動用全部或部分將予收回之資產為限。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Taxation (Continued)**

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred taxation is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

Foreign currencies

Transactions in currencies other than Hong Kong dollars are translated at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Hong Kong dollars are re-translated at the rates prevailing on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Operating leases

Rentals payment under operating leases are charged to the income statement on a straight line basis over the period of the relevant lease terms.

Retirement benefits

Payments to the state-managed retirement benefit schemes for staff in the People's Republic of China (the "PRC") and the mandatory provident fund scheme for staff in Hong Kong are charged as expense as they fall due.

3. 主要會計政策 (續)**稅項 (續)**

遞延稅項按預期適用於負債獲清償或資產獲變現之期間之稅率計算。遞延稅項乃於收入報表扣除或計入收入報表，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目，則在該情況下遞延稅項亦於股本中處理。

外幣

以港元以外貨幣進行的交易均按交易日期適用的匯率換算。以港元以外貨幣列值的貨幣資產及負債均按結算日的適用匯率重新換算。匯兌所產生的收益及虧損概撥入收入報表處理。

於綜合賬目時，本集團海外業務的資產與負債乃按結算日的適用匯率換算。收支項目以年內平均匯率換算。於綜合賬目時產生的匯兌差額（如有），乃歸類為股本及轉撥至本集團之匯兌儲備。該等匯兌差額於出售業務期間確認為收入或支出。

經營租約

經營租約租金乃按有關租約年期以直線法自收入報表扣除。

退休福利

中華人民共和國（「中國」）員工之國家管理退休福利計劃及香港員工之強制性公積金計劃之供款於到期支付時列作開支扣除。

4. TURNOVER AND SEGMENT INFORMATION

Business segments

The Group is organised into 2 operating divisions – manufacture and trading of house brand light source products and the distribution of agency brand light source products. These two operating divisions are the basis on which the Group reports its primary segment information.

Segment information about these business is presented as below:

4. 營業額及分類資料

業務環節分析

本集團按業務性質而編組成兩大部門：本身品牌光源產品的製造及貿易業務，以及代理品牌光源產品的分銷業務。以上兩項業務環節乃本集團就其主要分析資料作出報告所依據的基準。

有關該等業務的分類資料分析呈列如下：

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
INCOME STATEMENT	收入報表			
<i>For the year ended</i>	<i>截至二零零四年</i>			
<i>31st March, 2004</i>	<i>三月三十一日止年度</i>			
Turnover	營業額	145,329	154,567	299,896
Result	業績			
Segment result	分類業績	102,856	11,604	114,460
Unallocated corporate expenses	未分配公司開支			(36,375)
Interest income, net of finance costs	利息收入（扣除融資成本）			695
Profit before taxation	除稅前溢利			78,780
Taxation	稅項			(4,024)
Net profit for the year	年內純利			74,756

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財務報表附註

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

4. TURNOVER AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

4. 營業額及分類資料 (續)

業務環節分析 (續)

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
BALANCE SHEET	資產負債表			
<i>At 31st March, 2004</i>	<i>於二零零四年 三月三十一日</i>			
Assets	資產			
Segment assets	分類資產	120,902	6,445	127,347
Unallocated corporate assets	未分配公司資產			147,799
Consolidated total assets	綜合資產總值			275,146
Liabilities	負債			
Segment liabilities	分類負債	8,036	2,028	10,064
Unallocated corporate liabilities	未分配公司負債			2,324
Consolidated total liabilities	綜合負債總額			12,388

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
OTHER INFORMATION	其他資料				
<i>For the year ended 31st March, 2004</i>	<i>截至二零零四年 三月三十一日止年度</i>				
Additions of property, plant and equipment	添置物業、廠房及設備	15,509	–	15	15,524
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 之按金付款	67,105	–	–	67,105
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,369	–	701	3,070

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財務報表附註

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

4. TURNOVER AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

4. 營業額及分類資料 (續)

業務環節分析 (續)

		House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
INCOME STATEMENT				
<i>For the year ended</i>				
<i>31st March, 2003</i>				
Turnover	營業額	102,643	155,788	258,431
Result	業績			
Segment result	分類業績	75,166	16,635	91,801
Unallocated corporate expenses	未分配公司開支			(30,417)
Interest income, net of finance costs	利息收入 (扣除融資成本)			40
Profit before taxation	除稅前溢利			61,424
Taxation	稅項			(3,411)
Net profit for the year	年內純利			58,013
BALANCE SHEET				
<i>At 31st March, 2003</i>				
Assets	資產			
Segment assets	分類資產	37,608	2,957	40,565
Unallocated corporate assets	未分配公司資產			94,082
Consolidated total assets	綜合資產總值			134,647
Liabilities	負債			
Segment liabilities	分類負債	5,056	1,423	6,479
Unallocated corporate liabilities	未分配公司負債			2,481
Consolidated total liabilities	綜合負債總值			8,960

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For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

4. TURNOVER AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

4. 營業額及分類資料 (續)

業務環節分析 (續)

	House brand light source products 本身品牌 光源產品 HK\$'000 千港元	Agency brand light source products 代理品牌 光源產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
OTHER INFORMATION				
<i>For the year ended</i>				
<i>31st March, 2003</i>				
Income statement				
截至二零零三年				
三月三十一日止年度				
Additions of property, plant and equipment	30,582	–	1,915	32,497
添置物業、廠房及設備				
Depreciation of property, plant and equipment	81	–	366	447
物業、廠房及設備折舊				

Geographical segments

The Group's operations are located in the PRC and Hong Kong. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods:

地區分析

本集團於中國及香港兩地經營業務。下表載列本集團按地區市場劃分（不論貨品的原產地）的營業額分析：

		Turnover 營業額	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
The PRC, excluding Hong Kong	中國·不包括香港	144,465	143,253
Hong Kong	香港	10,582	12,698
Europe	歐洲	96,985	89,922
North America	北美洲	32,869	12,558
Others	其他地區	14,995	–
		299,896	258,431

4. TURNOVER AND SEGMENT INFORMATION (Continued)**Geographical segments** (Continued)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment analysed by the geographical areas in which the assets are located:

4. 營業額及分類資料 (續)**地區分析** (續)

以下為按資產所在地區分析的分類資產賬面值及添置物業、廠房及設備分析：

		Carrying amount of consolidated segment assets 綜合分類 資產賬面值		Additions to and deposits paid for acquisition of plant property, and equipment 添置物業、廠房 及設備及收購物業、 廠房及設備 之按金付款	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Hong Kong	香港	112,133	14,938	15	1,915
The PRC, excluding Hong Kong	中國·不包括 香港	163,013	119,709	82,614	30,582
		275,146	134,647	82,629	32,497

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財務報表附註

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

5. PROFIT FROM OPERATIONS

5. 經營溢利

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利乃經扣除：		
Directors' remuneration (Note)	董事酬金 (附註)		
– Fees	– 袍金	–	–
– Other emoluments	– 其他酬金	3,348	2,500
– Retirement benefits contributions (note 25)	– 退休福利供款 (附註25)	49	37
		3,397	2,537
Other staff costs	其他員工成本	4,797	3,610
Retirement benefits contributions for other staff (note 25)	其他員工退休福利供款 (附註25)	272	300
		8,466	6,447
Total staff costs	員工總成本		
Auditors' remuneration	核數師酬金		
– Current year	– 本年度	700	680
– Underprovision in prior year	– 往年撥備不足	–	50
		700	730
Bad debts written off	撇銷壞賬	–	6
Cost of inventories recognised as an expense	存貨成本確認作開支	184,350	166,630
Depreciation	折舊	3,070	447
Operating lease rentals in respect of land and buildings	土地及樓宇的經營租賃租金	1,485	1,163
and after crediting:	並經計入：		
Interest income from bank balances and deposits	銀行結存及存款的利息收入	700	201

5. PROFIT FROM OPERATIONS (Continued)

Note:

Emoluments of directors and highest paid employees

- (i) Details of emoluments paid by the Group to the directors of the Company are as follows:

Fees:	袍金:
Executive	執行
Non-executive	非執行
Independent non-executive	獨立非執行
Other emoluments to executive directors:	執行董事其他酬金:
Salaries and other benefits	薪金及其他福利
Retirement benefits contributions	退休福利供款
Other emoluments to non-executive directors:	非執行董事其他酬金:
Salaries and other benefits	薪金及其他福利
Retirement benefits contributions	退休福利供款

The executive directors received total emoluments of HK\$1,312,000, HK\$1,052,000, HK\$662,000 and HK\$254,000 respectively for the year ended 31st March, 2004 and received total emoluments of HK\$1,072,000, HK\$872,000, HK\$551,000 and nil respectively for the year ended 31st March, 2003.

Two of the non-executive directors received total emoluments of HK\$63,000 and HK\$54,000 respectively for the year ended 31st March, 2004 and received total emoluments of HK\$42,000 and nil respectively for the year ended 31st March, 2003. The other non-executive directors did not receive any emoluments for the two years ended 31st March, 2004.

5. 經營溢利 (續)

附註:

董事及最高薪僱員酬金

- (i) 本集團支付本公司董事之酬金詳情如下:

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
—	—
—	—
—	—
3,237	2,460
43	35
3,280	2,495
111	40
6	2
117	42
3,397	2,537

截至二零零四年三月三十一日止年度，執行董事所收取酬金總額分別為1,312,000港元、1,052,000港元、662,000港元及254,000港元，而截至二零零三年三月三十一日止年度所收取之酬金總額則分別為1,072,000港元、872,000港元、551,000港元及零。

截至二零零四年三月三十一日止年度，其中兩名非執行董事所收取之酬金總額分別為63,000港元及54,000港元，而截至二零零三年三月三十一日止年度所收取之酬金總額則分別為42,000港元及零。截至二零零四年三月三十一止兩個年度，其餘非執行董事並無收取任何酬金。

5. PROFIT FROM OPERATIONS (Continued)

Note: (Continued)

Emoluments of directors and highest paid employees (Continued)

- (ii) Emoluments of the directors of the Company were within the following bands:

Nil – HK\$1,000,000	零 – 1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元

- (iii) Of the five individuals with the highest emoluments in the Group, four (2003: three) are directors of the Company whose emoluments are included in the disclosures in Note (i) and (ii) above. The emoluments of the remaining one (2003: two) individuals are as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefits contributions	退休福利供款

- (iv) During the year, no emolument has been paid by the Group to the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group, or as compensation for loss of office (2003: nil). No directors waived or agreed to waive any emoluments during the year.

5. 經營溢利 (續)

附註: (續)

董事及最高薪僱員酬金 (續)

- (ii) 本公司董事的酬金乃介乎以下範圍:

2004 二零零四年 Number 人數	2003 二零零三年 Number 人數
7	5
2	1
9	6

- (iii) 本集團五名最高薪人士包括四名(二零零三年:三名)本公司董事,其酬金詳情載於上文附註(i)及(ii)。其餘一名(二零零三年:兩名)人士的酬金如下:

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
520	421
12	19
532	440

- (iv) 年內,本集團並無向五名最高薪人士(包括董事及僱員)支付任何酬金,作為吸引加入或於加入本集團時之報酬或作為離職補償(二零零三年:無)。年內概無董事放棄或同意放棄任何酬金。

6. FINANCE COSTS

6. 融資成本

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interest on:	下列各項之利息：		
Bank borrowings wholly repayable within five years	須於五年內悉數償還之銀行借款	5	—
Reimbursement of interest paid by ultimate holding company on behalf of the Group	付還最終控股公司代本集團支付的利息	—	161
		5	161

7. TAXATION

7. 稅項

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current taxation:	本期稅項：		
Hong Kong Profits Tax	香港利得稅	3,186	2,874
PRC Enterprise Income Tax	中國企業所得稅	838	537
		4,024	3,411

The charge for Hong Kong Profits Tax is calculated at 17.5% (2003: 16%) of the estimated assessable profit for the year.

香港利得稅支出乃按年內估計應課稅溢利以 17.5% (二零零三年：16%) 稅率計算。

Pursuant to the relevant laws and regulations in the PRC, two subsidiaries of the Company are entitled to exemption from PRC Enterprise Income Tax for two years commencing from their first profit-making year of operation and thereafter, they are entitled to a 50% relief from PRC Enterprise Income Tax for the following three years. The first profit-making year of the subsidiaries in PRC commenced on 1st January, 2001 and 1st January, 2003 respectively.

根據中國有關法例及規則，本公司兩間附屬公司可於其首個盈利年度起計兩年獲豁免繳納中國企業所得稅，並可於其後三年獲豁免繳納 50% 中國企業所得稅。該等中國附屬公司的首個盈利年度分別於二零零一年一月一日及二零零三年一月一日開始。

7. TAXATION (Continued)

The charge for the year can be reconciled to the profit before taxation per income statements as follows:

7. 稅項 (續)

本年度稅項支出可按每項收入報表之除稅前溢利對賬如下：

		2004		2003	
		二零零四年		二零零三年	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Profit before taxation	除稅前溢利	78,780		61,424	
Tax at the domestic income tax rate	按本地所得稅稅率計算之稅項	13,787	17.5	9,828	16.0
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	212	0.2	58	—
Tax effect of income not assessable in for tax purposes	毋須課稅收入之稅務影響	(20)	—	(128)	(0.2)
Effect of preferential tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營之附屬公司之優惠稅率影響	(10,667)	(13.5)	(6,317)	(10.2)
Others	其他	712	0.9	(30)	—
Taxation charge to income statement	於收入報表扣除之稅項	4,024	5.1	3,411	5.6

No provision for deferred taxation has been made in both years as the amount involved is insignificant.

由於所涉數額並不重大，故並無就各年度提撥遞延稅項準備。

8. DIVIDENDS**8. 股息**

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Interim dividend paid of HK\$0.0020 per share (2003: nil)	已付中期股息每股0.0020港元 (二零零三年：零)	2,131	—
Final dividend proposed of HK\$0.0034 per share (2003: nil)	擬派末期股息每股0.0034港元 (二零零三年：無)	3,759	—
		5,890	—

9. EARNINGS PER SHARE

The calculation of the earnings per share is based on the following data:

9. 每股盈利

每股盈利乃按下列數據計算：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Earnings	盈利		
Net profit for the year for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利之本年度純利	74,756	58,013
Number of shares	股份數目		
Weighted average number of shares for the purpose of basic earnings per share	就計算每股基本盈利之股份加權平均數	986,933,000	817,447,000
Effect of dilutive potential ordinary shares on share options	有關購股權之具攤薄潛力之普通股影響	13,485,000	
Weighted average number of shares for the purpose of diluted earnings per share	計算每股攤薄盈利之股份加權平均數	1,000,418,000	

No diluted earnings per share has been presented in prior year as the Company did not have any dilutive potential shares outstanding in that year.

由於本公司於上年度並無任何具攤薄潛力的普通股，故並無呈列該年度每股攤薄盈利。

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財務報表附註

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

10. PROPERTY, PLANT AND EQUIPMENT

10. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Leasehold improve- ment 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及 機器 HK\$'000 千港元	Motor vehicle 汽車 HK\$'000 千港元	Con- struction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE GROUP	本集團							
COST	成本							
At 1st April, 2003	於二零零三年四月一日	–	1,252	960	2,182	–	28,830	33,224
Additions	添置	–	63	–	429	387	14,645	15,524
Transfer	轉撥	21,550	186	–	21,739	–	(43,475)	–
At 31st March, 2004	於二零零四年三月三十一日	21,550	1,501	960	24,350	387	–	48,748
DEPRECIATION	折舊							
At 1st April, 2003	於二零零三年四月一日	–	275	240	185	–	–	700
Provided for the year	年內撥備	622	254	480	1,697	17	–	3,070
At 31st March, 2004	於二零零四年三月三十一日	622	529	720	1,882	17	–	3,770
NET BOOK VALUES	賬面淨值							
At 31st March, 2004	於二零零四年三月三十一日	20,928	972	240	22,468	370	–	44,978
At 31st March, 2003	於二零零三年三月三十一日	–	977	720	1,997	–	28,830	32,524

The Group's buildings are situated in the PRC and are held under land use right for 50 years expiring on 8th February, 2053.

本集團之樓宇位於中國，乃根據土地使用權持有，於二零五三年二月八日屆滿，為期50年。

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財務報表附註

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

11. INVESTMENTS IN SUBSIDIARIES

11. 附屬公司投資

		THE COMPANY	
		本公司	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份·按成本值	3,128	3,128

Particulars of the Company's subsidiaries at 31st March, 2004 are set out as follows:

本公司之附屬公司於二零零四年三月三十一日之詳情如下：

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Place of operation 經營地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊股本	Percentage of nominal value of issued share capital/registered capital held by the Company 本公司所持 已發行股本/ 註冊股本 面值百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Bright Growth Resources Limited*	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$1 1美元	100%	—	Investment holding 投資控股
Bright World Resources Limited*	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$4 4美元	100%	—	Investment holding 投資控股
Direct Intelligent Limited*	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$1 1美元	100%	—	Not yet commenced business 尚未營運
Ultra Modern Technology Limited*	British Virgin Islands 英屬處女群島	Hong Kong 香港	US\$2 2美元	100%	—	Investment holding 投資控股

11. INVESTMENTS IN SUBSIDIARIES (Continued)

11. 附屬公司投資 (續)

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Place of operation 經營地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊股本	Percentage of nominal value of issued share capital/registered capital held by the Company 本公司所持 已發行股本/ 註冊股本 面值百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Tungda Electrical & Lighting Limited ("Tungda Electrical")* 東大電業有限公司 (「東大電業」)*	Hong Kong 香港	Hong Kong 香港	HK\$4 4港元	—	100%	Trading of light source products 買賣光源產品
Light Power (Shenzhen) Co., Ltd.* 光之力照明(深圳)有限公司*	PRC 中國	PRC 中國	HK\$10,000,000 10,000,000港元	—	100%	Manufacturing of light source products 製造光源產品
Tungda Lighting (Fujian) Co., Ltd. ("Tungda Fujian")* 東大照明(福建)有限公司 (「東大福建」)*	PRC 中國	PRC 中國	RMB27,000,000 人民幣27,000,000元	—	100%	Manufacturing of light source products 製造光源產品

Note:

None of the subsidiaries had any debt securities outstanding at 31st March, 2004 or at any time during the year.

* Private companies with limited liability.

* Wholly foreign-invested enterprise with limited liability.

附註:

於二零零四年三月三十一日或年內任何時間,概無任何附屬公司有任何尚未償還債務證券。

* 有限責任的私營公司。

* 有限責任的外商獨資企業。

12. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

THE GROUP

During the year ended 31st March, 2004, the Group has paid certain deposits, in aggregate, amounting to approximately HK\$67,105,000 to two machine and equipment manufacturers in the PRC in relation to the purchases of machinery and equipment in the PRC.

As the deposits were paid for acquisition of property, plant and equipment, the amount was shown as non-current in the balance sheet.

12. 收購物業、廠房及設備之按金付款

本集團

截至二零零四年三月三十一日止年度，本集團就購買機器及設備合共支付總額約67,105,000港元之按金予中國兩家機器及設備製造商。

由於該等按金為收購物業、廠房及設備之付款，因此於資產負債表以非流動項目呈列。

13. INVENTORIES

13. 存貨

THE GROUP

本集團

Raw materials	原料
Finished goods	製成品

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
2,124	1,585
6,919	5,185
9,043	6,770

At the balance sheet date, included above are raw materials and finished goods of HK\$402,000 (2003: nil) and HK\$619,000 (2003: HK\$703,000) which are carried at net realisable value, respectively.

於結算日，計入上述數額之原料及製成品分別402,000港元（二零零三年：零）及619,000港元（二零零三年：703,000港元）乃以可變現淨值入賬。

14. DEBTORS, DEPOSITS AND PREPAYMENTS

An aged analysis of the Group's trade debtors, included in debtors, deposits and prepayments, is as follows:

Within three months	三個月內
Four months to six months	四個月至六個月
Seven months to twelve months	七個月至十二個月
More than one year	一年以上

The Group allows credit periods ranging from 7 to 90 days to its trade customers.

14. 應收賬款、按金及預付款項

本集團計入應收賬款、按金及預付款項的應收貿易賬款賬齡分析如下：

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
1,640	1,240
236	178
57	56
12	9
1,945	1,483

本集團一般給予其貿易客戶的信貸期由七日至九十日不等。

15. PLEDGED BANK DEPOSITS

THE GROUP

The amounts represent the bank deposits pledged to banks to secure the general banking facilities granted to the Group amounting to HK\$302,000 (2003: HK\$5,301,000) by such banks.

15. 已抵押銀行存款

本集團

金額乃指就本集團所獲一般銀行信貸合共302,000港元之存款抵押(二零零三年: 5,301,000港元)。

16. CREDITORS AND ACCRUED CHARGES

An aged analysis of the Group's trade creditors, included in creditors and accrued charges, is as follows:

Within three months	三個月內
Four months to six months	四個月至六個月
Seven months to twelve months	七個月至十二個月
More than one year	一年以上

16. 應付賬款及應計費用

本集團計入應付賬款及應計費用的應付貿易賬款賬齡分析如下：

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
3,224	1,969
284	53
24	21
6	78
3,538	2,121

17. AMOUNT DUE TO ULTIMATE HOLDING COMPANY THE GROUP

The amount was unsecured, interest-free and fully repaid during the year.

17. 應付最終控股公司款項 本集團

該筆款項為無抵押、免息及已於年內悉數償還。

18. SHARE CAPITAL

18. 股本

			Number of shares 股份數目	Amount 金額 HK\$'000 千港元
		Notes 附註		
Shares of HK\$0.01 each	每股面值0.01港元之股份			
<i>Authorised:</i>	法定：			
At 1st April, 2002	於二零零二年四月一日		39,000,000	390
Increase in authorised share capital on 24th May, 2002	於二零零二年五月 二十四日增加之 法定股本	(a)	4,961,000,000	49,610
At 31st March, 2003 and 2004	於二零零三年及二零零四年 三月三十一日		5,000,000,000	50,000
<i>Issued and fully paid:</i>	已發行及繳足：			
At 1st April, 2002	於二零零二年四月一日		1	—
Issue of shares upon Group Reorganisation	於集團重組時 發行股份	(b)	399,999,999	4,000
Issue of shares upon private placing on 26th July, 2002	於二零零二年七月二十六日 進行私人配售時發行股份	(c)	222,000,000	2,220
Issue of shares by capitalisation of the share premium account	將股份溢價賬撥充 資本發行股份	(d)	266,000,000	2,660
At 31st March, 2003	於二零零三年三月三十一日		888,000,000	8,880
Issue of shares upon private placing on 18th September, 2003	於二零零三年九月十八日 進行私人配售時 發行股份	(e)	177,600,000	1,776
Issue of shares upon exercise of share options on 26th February, 2004	於二零零四年二月二十六日 行使購股權時 發行股份	(f)	40,000,000	400
At 31st March, 2004	於二零零四年三月三十一日		1,105,600,000	11,056

18. SHARE CAPITAL (Continued)

Notes:

- (a) Pursuant to a written resolution of the sole shareholder of the Company dated 24th May, 2002, the authorised share capital of the Company was increased from HK\$390,000 to HK\$50,000,000 by creation of an additional 4,961,000,000 shares of HK\$0.01 each.
- (b) On 8th July, 2002, the Company entered into a sale and purchase agreement with Tungda Industrial and Messrs. Chu Chien Tung, Chu Chick Kei and Chu Siu Chun, pursuant to which the Company issued 399,999,999 shares credited as fully paid to Standard Exceed Limited, the nominee of Tungda Industrial, and crediting as fully paid at par the 1 share issued nil paid by the Company on 19th December, 2001 and held by Standard Exceed Limited as the consideration for acquisition of the companies comprising the Group from Tungda Industrial and the loan to Tungda Electrical of HK\$872,000. These shares issued rank pari passu in all respects with the then existing issued shares of the Company.
- (c) On 26th July, 2002, the Company issued and allotted a total of 222,000,000 new shares of HK\$0.01 each at the price of HK\$0.25 per share. These shares issued rank pari passu in all respects with the then existing issued shares of the Company.
- (d) Pursuant to the written resolution of the sole shareholder of the Company dated 8th July, 2002, share premium account of the Company being credited, the sum of HK\$2,660,000 being part of the amount then standing to the credit of the share premium account of the Company be capitalised by issuing 266,000,000 shares of a par value of HK\$0.01 each in the capital of the Company, credited as fully paid at par, to the holders of shares registered in the register of members of the Company as at the close of business on 8th July, 2002 in proportion as nearly as possible to their respective shareholdings and that the board of directors or a committee thereof be and is authorised to do at such things as may be necessary to give offset to such capitalisation issue.
- (e) On 18th September, 2003, the Company issued and allotted 177,600,000 new shares of HK\$0.01 each at the price of HK\$0.334 per share to provide the additional capital to finance the Group's business expansion.

18. 股本 (續)

附註:

- (a) 根據本公司唯一股東日期為二零零二年五月二十四日之書面決議案，本公司藉增設4,961,000,000股每股面值0.01港元之股份，將法定股本由390,000港元增至50,000,000港元。
- (b) 於二零零二年七月八日，本公司與東大工業（集團）、朱展東先生、朱植杞先生及朱紹進先生訂立買賣協議，據此，本公司向東大工業（集團）之代理人Standard Exceed Limited發行399,999,999股入賬列作繳足股份，並將本公司於二零零一年十二月十九日按零代價發行而由Standard Exceed Limited所持之1股股份按面值入賬列作繳足，作為向東大工業（集團）收購現時組成本集團之各公司及給予東大電業貸款872,000港元之代價。該等股份在各方面與本公司當時現有已發行股份享有同等權利。
- (c) 於二零零二年七月二十六日，本公司按每股股份0.25港元之價格發行及配發合共222,000,000股每股面值0.01港元之新股份。該等股份在各方面與本公司當時現有已發行股份享有同等權利。
- (d) 根據本公司唯一股東日期為二零零二年七月八日之書面決議案，本公司之股份溢價賬中獲計入2,660,000港元，該數額為本公司因盡量按本公司股東名冊於二零零二年七月八日營業時間結束時所載股份持有人之各自持股量比例按面值以入賬列作繳足方式發行予該等股東之266,000,000股本公司股本中每股面值0.01港元之股份而撥充資本之股份溢價賬當時部分進項金額，據此董事會或其有關委員會獲授權進行抵消該資本化發行之所需事宜。
- (e) 於二零零三年九月十八日，本公司按每股股份0.334港元之價格發行及配發177,600,000股每股面值0.01港元之新股份，藉以提供額外資本作為本集團擴充業務之資金。

18. SHARE CAPITAL (Continued)*Notes: (Continued)*

- (f) On 26th February, 2004, the Company issued and allotted 10,549,440 shares and 29,450,560 shares of HK\$0.01 each at HK\$0.452 and HK\$0.345 per share respectively upon the exercise of share options granted to certain employees.

19. SHARE OPTIONS SCHEME

The Company adopted a share option scheme (the "Scheme") on 12th July, 2002 for the purpose of providing incentives and rewards to eligible persons, including the directors of the Company, full time and part time employees of the Group and the consultant or adviser of the Group. Pursuant to the Scheme, the board of directors may grant share options to the eligible persons to subscribe for shares in the Company. Options granted must be taken up within a period of 28 days from the date of options granted and upon payment of HK\$1 as the consideration for the options granted. Unless otherwise terminated or altered, the Scheme will remain in force for a period of ten years.

The maximum number of shares in respect of which options may be granted under the Scheme together with shares previously issued pursuant to options exercised under the Scheme shall not exceed 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 eligible person in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time.

The subscription price shall be determined by the board of directors and notified to the eligible persons and shall be at least the highest of (i) the closing price of the shares on the GEM as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a trading day; (ii) the average closing price of the shares on the GEM as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the offer date; (iii) the nominal value of a share.

18. 股本 (續)*附註: (續)*

- (f) 於二零零四年二月二十六日，因授予若干僱員之購股權獲行使，本公司分別按每股0.452港元及0.345港元之價格發行及配發10,549,440股及29,450,560股每股面值0.01港元之股份。

19. 購股權計劃

本公司於二零零二年七月十二日採納購股權計劃（「計劃」），旨在為合資格人士，包括本公司董事、本集團全職及兼職僱員及本集團之諮詢顧問及顧問等提供獎勵及獎賞。根據計劃，董事會可向合資格人士授予可認購本公司股份之購股權。購股權必須於授出購股權日期起計二十八日內期間接納，且於接納時須繳付1港元之代價。除非另行終止或作出修訂者外，計劃於十年內有效。

根據計劃可能授出之購股權所涉及之股份數目上限，連同先前根據計劃行使購股權發行之股份，不得超過本公司不時已發行股本10%，而於任何十二個月期間可能向任何合資格人士授出之購股權所涉及之股份數目上限，則不得超過本公司不時已發行股本1%。

認購價須由董事會釐定，並知會合資格人士，且不得低於以下三者中最高者：(i) 聯交所日報表所報股份於授出購股權當日（該日必須為交易日）在創業板之收市價；(ii) 聯交所日報表所報股份在緊接授出購股權當日前五個交易日在創業板之平均收市價；及(iii) 股份面值。

19. SHARE OPTIONS SCHEME (Continued)

The following tables disclose details of the Company's share options held by employees (including directors) and movements in such holdings during the year ended 31st March, 2004:

Date of grant 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Exercisable period 行使期間	Outstanding at 1.4.2002 and 1.4.2003 於二零零二年 四月一日及 二零零三年 四月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使 (Note) (附註)	Outstanding at 31.3.2004 於二零零四年 三月三十一日 尚未行使
3.10.2003	0.345	22.10.2003 – 21.10.2013	–	62,591,232	(29,450,560)	33,140,672
21.11.2003	0.452	29.11.2003 – 28.11.2013	–	26,208,768	(10,549,440)	15,659,328
			–	88,800,000	(40,000,000)	48,800,000

Details of the movements of the share options during the year held by the directors of the Company included in the above table are as follows:

Date of grant 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Exercisable period 行使期間	Outstanding at 1.4.2002 and 1.4.2003 於二零零二年 四月一日及 二零零三年 四月一日 尚未行使		Granted during the year 年內授出	Exercised during the year 年內行使	Outstanding at 31.3.2004 於二零零四年 三月三十一日 尚未行使
21.11.2003	0.452	29.11.2003 – 28.11.2013	–	15,659,328	–	–	15,659,328

Note: The options were exercised with closing price of HK\$0.70 of the Company shares at the exercise date.

19. 購股權計劃 (續)

下表披露截至二零零四年三月三十一日止年度內僱員(包括董事)所持本公司購股權之詳情及該等購股權之變動:

上表所載本公司董事於年內所持購股權之變動詳情如下:

附註: 於購股權獲行使當日, 本公司股份收市價為0.70港元。

19. SHARE OPTIONS SCHEME (Continued)

Total consideration received from the directors and employees for taking up the options granted during the year amounted to HK\$13 (2003: nil).

During the year ended 31st March, 2003, no options were granted or exercised under the Scheme since its date of adoption.

20. RESERVES**THE GROUP**

- (a) Pursuant to the relevant accounting rules and regulations applicable to foreign investment enterprises established in the PRC, the Group's PRC subsidiaries are required to transfer not less than 10% of its profit after taxation to the general reserve fund until the balance of such fund has reached 50% of their respective registered capital. The balances of the general reserve fund cannot be reduced except where approval is obtained from the relevant PRC authority to set off accumulated losses or increase capital.
- (b) The special reserve represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition under the group reorganisation of the Group took place in July 2002.

19. 購股權計劃 (續)

年內本公司就董事及僱員接納所獲授購股權而收取之總代價為13港元(二零零三年:零)。

截至二零零三年三月三十一日止年度,自計劃採納日期以來,概無授出或行使任何購股權。

20. 儲備**本集團**

- (a) 根據有關適用於中國成立之外商投資企業之會計規則及規例,本集團中國附屬公司須將其稅後溢利不少於10%轉撥至一般儲備,直至該基金結存達至註冊股本之50%為止。除非獲有關中國機構批准抵消累計虧損或增加股本,否則不得減少一般儲備基金之結存。
- (b) 特別儲備指所收購附屬公司之股份面值與本公司根據本集團於二零零二年七月進行之集團重組收購而發行股份面值間之差額。

Notes to the Financial Statements

財務報表附註

For the Year Ended 31st March, 2004 截至二零零四年三月三十一日止年度

20. RESERVES (Continued)

THE COMPANY

20. 儲備 (續)

本公司

		Share premium 股份溢價 HK\$'000 千港元	Accumulated (loss) profit 累計 (虧損) 溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st April, 2002	於二零零二年四月一日	—	—	—
Premium arising from issue of shares for cash in private placing on 26th July, 2002	於二零零二年七月二十六日 進行私人配售而發行股份 以換取現金所產生之溢價	53,280	—	53,280
Capitalisation issue of shares	資本化發行股份	(2,660)	—	(2,660)
Issue expenses in connection with private placing	私人配售的發行開支	(11,221)	—	(11,221)
Net loss for the year	年內虧損淨額	—	(1,079)	(1,079)
At 31st March, 2002	於二零零二年三月三十一日	39,399	(1,079)	38,320
Premium arising from issue of shares for cash in private placing on 18th September, 2003	於二零零三年九月十八日 進行私人配售而發行股份 以換取現金所產生 之溢價	57,542	—	57,542
Issue expenses in connection with private placing	私人配售之發行開支	(9,801)	—	(9,801)
Premium arising from issue of shares upon exercise of share options on 26th February, 2004	於二零零四年二月二十六日 因行使購股權而發行股份 所產生之溢價	14,529	—	14,529
Interim dividend paid	已付股息	—	(2,131)	(2,131)
Net profit for the year	年內純利	—	7,508	7,508
At 31st March, 2004	於二零零四年三月三十一日	101,669	4,298	105,967

20. RESERVES (Continued)**THE COMPANY (Continued)**

The Company's reserves available for distribution represent the share premium and accumulated profits. Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and/or Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends can be distributed out of the share premium and accumulated profits of the Company. As at 31st March, 2004, the Company's reserves available for distribution amounted to approximately HK\$105,967,000 (at 31st March, 2003: HK\$38,320,000).

21. RELATED PARTY TRANSACTIONS

During the year, the Group had the following significant transactions with related parties:

20. 儲備 (續)**本公司 (續)**

本公司之可供分派儲備指股份溢價及累計溢利。根據開曼群島法例第22章公司法(修訂本)，本公司之股份溢價可供向股東作出分派或派付股息，惟須受本公司組織章程大綱及／或組織章程細則之條款規限，以及於緊隨分派或派息後，本公司必須能於日常業務過程中支付到期應付之債項。根據本公司之組織章程細則，股息可從本公司股份溢價及累計溢利中撥付。於二零零四年三月三十一日，本公司之可供分派儲備約為105,967,000港元(二零零三年三月三十一日：38,320,000港元)。

21. 關連人士交易

年內，本集團與關連人士進行以下重大交易：

			2004	2003
			二零零四年	二零零三年
			HK\$'000	HK\$'000
			千港元	千港元
		<i>Notes</i>		
		<i>附註</i>		
Rental paid to Tungda Industrial	付予東大工業(集團)的租金	(a)	108	108
Purchases of finished goods from Tungda Industrial	向東大工業(集團)購買製成品	(b)	-	3,110
Purchases of materials for production from Tungda Industrial	向東大工業(集團)購買生產物料	(c)	-	2,897
Reimbursement of interest paid by Tungda Industrial on behalf of the Tungda Electrical	付還東大工業(集團)代東大電業支付的利息	(d)	-	161

21. RELATED PARTY TRANSACTIONS (Continued)

Notes:

- (a) Tungda Electrical entered into a sub-tenancy agreement ("Sub-tenancy Agreement") with Tungda Industrial on 1st April, 2000. According to the Sub-tenancy Agreement, Tungda Industrial agreed to sub-lease a portion of the premises being part of Room 1903A, 19th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong ("Rented Property") to Tungda Electrical for a term commencing from 1st April, 2000 to 31st March, 2002 (both days inclusive) at a monthly rental of HK\$9,000 inclusive of other charges. On 28th May, 2002, Tungda Electrical and Tungda Industrial entered into a tenancy agreement to rent the Rented Property for a term of two years commencing from 1st April, 2002 at a monthly rental of HK\$9,000 inclusive of other charges.

Messrs. Chu Chien Tung, Chu Chick Kei and Chu Siu Chun jointly hold the entire beneficial interest in Tungda Industrial, the ultimate holding company of the Company.

- (b) During the year ended 31st March, 2003, the Group purchased finished goods from Tungda Industrial on the purchase cost of Tungda Industrial. Such kind of transactions ceased after June 2002.
- (c) During the year ended 31st March, 2003, the Group purchased materials for production from Tungda Industrial on the purchase cost of Tungda Industrial. Such kind of transactions ceased after June 2002.
- (d) The amount in prior year represented the reimbursement of interest paid by Tungda Industrial to banks in respect of the trust receipts loans granted by the banks to finance the purchases of finished goods on behalf of Tungda Electrical. The reimbursement of interest paid by Tungda Industrial on behalf of the Tungda Electrical was carried out on cost reimbursement basis. Such kind of transactions ceased after June 2002.

In addition, in December 2003, the Company delegated Standard Exceed Limited, the Company's immediate holding company, which is wholly and beneficially-owned by Tungda Industrial, to negotiate a potential business opportunity with a third party on behalf of the Company. In this regard, the Group advanced an amount of HK\$5,500,000 to Standard Exceed Limited. As the Company decided not to proceed this potential investment, Standard Exceed Limited had refunded the amount of HK\$5,500,000 to the Group on 30th December, 2003.

21. 關連人士交易 (續)

附註：

- (a) 東大電業於二零零零年四月一日與東大工業(集團)訂立分租協議(「分租協議」)。根據分租協議，東大工業(集團)同意向東大電業分租其位於香港九龍官塘鴻圖道57號南洋廣場19樓1903A室的部分物業(「租賃物業」)，年期由二零零零年四月一日至二零零二年三月三十一日(包括首尾兩日)止期間，月租為9,000港元(包括其他費用)。於二零零二年五月二十八日，東大電業及東大工業(集團)就租賃租賃物業而訂立租賃協議，租賃年期由二零零二年四月一日起計，為期兩年，月租9,000港元(包括其他費用)。

朱展東先生、朱植杞先生及朱紹進先生共同持有本公司最終控股公司東大工業(集團)全部實益權益。

- (b) 截至二零零三年三月三十一日止年度，本集團按東大工業(集團)的採購成本向東大工業(集團)購買製成品。該種交易已於二零零二年六月後終止。
- (c) 截至二零零三年三月三十一日止年度，本集團以東大工業(集團)的採購成本向東大工業(集團)採購生產原料。該種交易已於二零零二年六月後終止。
- (d) 該數額乃指付還東大工業(集團)代東大電業就銀行所批出信託收據貸款以撥付採購製成品資金所付予銀行的利息。付還東大工業(集團)代東大電業所付利息乃按成本償付基準進行。該種交易已於二零零二年六月後終止。

此外，於二零零三年十二月，本公司委託本公司之直系控股公司Standard Exceed Limited(由東大工業(集團)全資及實益擁有)代表本公司與一名第三方磋商潛在商機。就此，本集團墊付5,500,000港元予Standard Exceed Limited。由於本公司決定不進行該項潛在投資，Standard Exceed Limited已於二零零三年十二月三十日退還5,500,000港元予本集團。

22. LEASE COMMITMENTS

As at the balance sheet dates, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

22. 租約承擔

於結算日，本集團及本公司根據有關土地及樓宇的不可撤銷且於以下期間到期的經營租約而應付的日後最低租金承擔如下：

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	一年內	605	1,409	383	957
In the second to fifth year inclusive	第二至第五年內 (包括首尾兩年)	—	558	—	383
		605	1,967	383	1,340

The operating lease payments represent rentals payable by the Group and the Company for certain of its office premises and factories. Leases are generally negotiated for a term of one to two years.

經營租約租金指本集團及本公司就若干辦公室物業及廠房應付之租金。租約一般按一至兩年期洽商。

23. CAPITAL AND OTHER COMMITMENTS**23. 資本及其他承擔**

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Amount contracted for but not provided in the financial statements in respect of	就下列項目已訂約但未於財務報表撥備之款項		
– acquisition of property, plant and equipment	– 收購物業、廠房及設備	17,866	13,606
– research and development expenditure	– 研發開支	756	6,758
– advertising expenditure	– 廣告開支	1,780	5,671
		20,402	26,035

23. CAPITAL AND OTHER COMMITMENTS (Continued)

In December 2001, the Group entered into a joint venture agreement with Shanghai Fudan University to establish a joint venture company with limited liability in Shanghai, the PRC. Pursuant to the joint venture agreement, the Group should contribute the total registered capital of approximately HK\$2,830,000 (equivalent to RMB3,000,000) of this new joint venture company and share 80% of the equity interest in this new joint venture company. Shanghai Fudan University should contribute the relevant technical know-how to this new joint venture company and share 20% equity interest in this new joint venture company.

In May 2002, the Group entered into a supplementary agreement with Shanghai Fudan University to extend the establishment of the new joint venture company in Shanghai, the PRC. Up to 31st March, 2004, the Group has not yet established this new joint venture company and did not contribute for any registered capital in this regard.

24. POTENTIAL CLAIM

During the year ended 31st March, 2004, the Group received a letter from an overseas manufacturer (the "Manufacturer") concerning the allegation of potential infringement of certain patents rights of the Manufacturer. Up to the date of this report, the Group did not receive any claims from the Manufacturer.

The Company's legal advisor stated that they are not in a position to comment on the likelihood of any proceedings being issued against the Group. However, based on the opinion of the directors and the advices from the Company's patent attorney, the Group has not infringed such patent rights of the Manufacturer. Accordingly, no provision for this potential claim has been made.

23. 資本及其他承擔 (續)

於二零零一年十二月，本集團與上海復旦大學訂立合營企業協議，於中國上海成立有限責任合營企業。根據合營企業協議，本集團須於該新合營企業注入合共約2,830,000港元（相當於人民幣3,000,000元）之全部註冊資本，分佔該新合營企業80%股權。上海復旦大學則須向該新合營企業提供有關技術知識，分佔該新合營企業20%股權。

於二零零二年五月，本集團與上海復旦大學訂立補充協議，擴充在中國上海成立之新合營企業。截至二零零四年三月三十一日，本集團尚未成立該新合營企業，且並未就此注入任何註冊股本。

24. 潛在索償

截至二零零四年三月三十一日止年度，本集團接獲一名海外製造商（「製造商」）之函件，聲稱本集團可能侵犯製造商之若干專利權。截至本報告日期，本集團並無接獲製造商之任何索償。

本公司之法律顧問表示，彼等不適合對任何向本集團提出之法律程序作出評論。然而，根據董事意見及本公司專利權代辦人之建議，本集團並無侵犯製造商之有關專利權。故此，並無就此項潛在索償提撥準備。

25. RETIREMENT BENEFITS SCHEMES

The Group operates a mandatory provident fund scheme ("MPF Scheme") for all employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The Group also participates in a defined contribution retirement scheme organised by the local government of Shenzhen, the PRC. All employees in the PRC are entitled to an annual pension equal to a fixed portion of their individual final basic salaries at their retirement date. The Group is required to make contributions to the retirement scheme at the rate of 9% of the basic salaries of its employees in the PRC.

During the year, the total cost of retirement benefits contributions charged to the income statement of HK\$321,000 (2003: HK\$337,000) represents contributions to the schemes made by the Group at rates specified in the rules of the respective schemes. No forfeited contributions may be used by the employer to reduce the existing level of contributions.

25. 退休福利計劃

本集團為其所有香港僱員設立強制性公積金計劃（「強積金計劃」）。該強積金計劃資產由獨立受託人管理，與本集團資產分開持有。根據該強積金計劃，僱主及其僱員須各自按有關規例之指定比率向該強積金計劃供款。本集團就該強積金計劃須承擔之責任僅為根據該計劃作出所需供款。

本集團亦參與中國深圳當地政府設立之定額供款退休計劃，所有中國僱員均有權取得相等於其退休之日最終基本薪金某固定比例之年度退休金，本集團須按其中國僱員基本薪金9%之比率向該退休計劃作出供款。

年內計入收入報表之退休福利供款總成本為321,000港元（二零零三年：337,000港元），該數額為本集團按有關計劃規例之指定比率向該等計劃作出之供款額。僱主不得使用被沒收供款以減低其現有供款水平。

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Tungda Innovative Lighting Holdings Limited (the "Company") will be held at 2nd Floor, Shui On Centre, 8 Harbour Road, Wanchai, Hong Kong, on Thursday, 11th November, 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2004;
2. To re-elect directors and authorize the board of directors (the "Board") to fix the remuneration of the directors;
3. To accept the resignation of Deloitte Touche Tohmatsu as auditors of the Company; and
4. To declare the final dividend.

As special business to consider and, if thought fit, pass the following ordinary and special resolutions:

ORDINARY RESOLUTIONS

5. **"THAT:**
 - (a) subject to paragraph (c) of this Resolution and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, and options which might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);

東大新材料照明控股有限公司(「本公司」)謹此宣佈，謹訂於二零零四年十一月十一日星期四上午十時正假座香港灣仔港灣道8號瑞安中心2樓舉行股東週年大會，以討論下列事項：

1. 省覽截至二零零四年三月三十一日止年度之經審核財務報表、董事會報告及核數師報告；
2. 重選董事，並授權董事會(「董事會」)釐定董事酬金；
3. 接納德勤•關黃陳方會計師行辭任本公司核數師，即時生效；及
4. 宣派末期股息。

作為特別事項，考慮及酌情通過以下普通及特別決議案：

普通決議案

5. 「動議：
 - (a) 在本決議案(c)段及香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)規定之規限下，謹此一般及無條件批准本公司董事，於有關期間(定義見下文)行使本公司一切權力，以配發、發行及處理本公司股本中之額外股份及作出或授予可能需行使該等權力的售股建議、協議及購股權；
 - (b) 本決議案(a)段批准須授權本公司董事於有關期間(定義見下文)，作出或授予在有關期間(定義見下文)結束後可能需行使該等權力之售股建議、協議及購股權；

(c) the aggregate nominal amount of share capital allotted, or agreed conditionally or unconditionally to be allotted (whether pursuant to the exercise of options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:

- (i) a Rights Issue (as hereinafter defined);
- (ii) any share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
- (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or
- (iv) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares; and shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval in paragraph (a) shall be limited accordingly;

(d) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or by the Company's Articles of Association or any applicable law to be held; or

(c) 本公司董事根據本決議案(a)段批准，配發或有條件或無條件同意配發（不論根據購股權獲行使或其他原因而配發者）之股本面值總額，不得超過本決議案獲通過當日本公司已發行股本面值總額20%，而(a)段所述批准亦須受此限制，惟根據下述配發者除外：

- (i) 供股（定義見下文）；
- (ii) 本公司當時就向本公司及／或其任何附屬公司之高級職員及／或僱員授出或發行股份或認購本公司股份之權利而採納之任何購股權計劃或類似安排；或
- (iii) 任何以股代息計劃或根據本公司之公司組織章程細則規定配發股份以代替本公司股份之全部或部分股息之類似安排；或
- (iv) 行使附有權利認購或可轉換為股份之本公司所發行任何認股權證或可轉換為股份之任何證券；

(d) 就本決議案而言，「有關期間」指由本決議案獲通過起至下列最早時限止期間：

- (i) 本公司下屆股東週年大會結束；
- (ii) 按任何法例或本公司之公司組織章程細則或任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿；或

- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and "Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company)."

6. "THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or of any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong under the Hong Kong Code on Share Repurchases (as amended from time to time), be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (iii) 本公司股東於股東大會通過普通決議案撤銷或更改本決議案授予之權力；

及「供股」乃指本公司董事於指定期間，向於指定記錄日期名列股東名冊之本公司股份持有人，按彼等當日持有該等股份之比例提呈股份發售之建議，惟本公司董事有權按需要或權宜就零碎股權或經考慮任何地區適用於本公司之法例或任何認可監管機關或證券交易所規定之任何限制或責任後，取消若干股份持有人在此方面之權利或作出其他安排。」

6. 「動議：

- (a) 在本決議案(b)段規限下，謹此一般及無條件批准本公司董事於有關期間（定義見下文），根據所有適用法例及證券上市規則之規定，行使本公司一切權力，在香港聯合交易所有限公司創業板或香港證券及期貨事務監察委員會根據香港股份購回守則（經不時修訂）就此認可之任何其他證券交易所，購回本公司股本中股份；
- (b) 根據上文(a)段之批准，本公司將予購回之本公司股份面值總額，不得超過於本決議案獲通過當日本公司已發行股本面值總額10%，而上述批准亦須受此限制；及

(c) for the purpose of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or by the Company's articles of association or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

7. **"THAT** conditional upon the passing of Ordinary Resolutions No. 4 and 5 set out in this notice convening this meeting, the aggregate nominal amount of share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 4 be and is hereby, subject to the requirements of the GEM Listing Rules, increased and extended by the addition thereto of the aggregate nominal amount of the shares capital of the Company repurchased by the Company pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 5 since the granting of such repurchase mandate, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution."

8. **"THAT** subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the ordinary shares of HK\$0.01 each ("Shares") in the share capital of the Company (representing a maximum of 10% of the ordinary shares of the Company in issue as at the date of passing this resolution) which may be issued pursuant to the exercise of options granted under the Company's share option scheme adopted on 12th July, 2002 ("Scheme") or any other share option scheme of the Company, the refreshing of the scheme limit on grant

(c) 就本決議案而言，「有關期間」指本決議案獲通過起至下列最早時限止期間：

- (i) 本公司下屆股東週年大會結束；
- (ii) 按任何法例或本公司之公司組織章程細則或任何適用法例規定本公司須召開下屆股東週年大會之期限屆滿；或
- (iii) 本公司股東於股東大會上通過普通決議案撤銷或更改本決議案授予之權力。」

7. 「**動議**待召開大會之本通告所載第4項及第5項普通決議案獲通過後，在創業板上市規則之規限下，本公司董事根據及按照第4項普通決議案所授予之授權，可能配發、發行或處理或有條件或無條件同意配發、發行或處理之本公司股本面值總額，謹此額外增加及擴大，加入本公司自授出該購回授權後，根據及按照第5項普通決議案授予之授權，所購回本公司股本面值總額，惟該數額不得超過於本決議案獲通過當日本公司已發行股本面值總額10%。」

8. 「**動議**受限於及待香港聯合交易所有限公司創業板上市委員會批准根據本公司於二零零二年七月十二日採納之購股權計劃（「計劃」）或本公司任何其他購股權計劃所授出購股權獲行使而可能發行之本公司股本中每股面值0.01港元之普通股（「股份」）（最多相當於本決議案獲通過當日本公司已發行普通股10%）上市及買賣後，謹此批准將根據本公司計劃所授出購股權之計劃限額更新為於本決議案獲通過當日本公司已發行普通股最多10%（不包括根據計劃或本公

of options under the Scheme of the Company up to 10% of the ordinary shares of the Company in issue as at the date of passing this resolution (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Scheme or any other share option scheme of the Company) ("Refreshed Mandate Limit") be and is hereby approved and any director of the Company be and is hereby authorized to do such act and execute such document to effect and implement the Refreshed Mandate Limit."

SPECIAL RESOLUTION

9. "THAT:

(a) the Articles of Association of the Company be and are hereby amended by:

(i) inserting the following new definition of "associate" in Article 2:

"associate" the meaning attributed to it in the rules of the Designated Stock Exchange.

(ii) deleting the words "a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing House) Ordinance of Hong Kong or" in the definition of "clearing house" in Article 2.

(iii) deleting the existing definition of "Subsidiary and Holding Company" in Article 2 and replacing these with the following new definition:

"Subsidiary and Holding Company" the meanings attributed to them in the rules of the Designated Stock Exchange.

(iv) re-numbering existing Article 76 as Article 76(1);

司任何其他購股權計劃之前已授出、尚未行使、已註銷、已失效或已行使之購股權) (「更新授權限額」)，並謹此授權本公司任何董事採取有關行動及簽訂有關文件，致使更新授權限額生效及實行更新授權限額。

特別決議案

9. 「動議：

(a) 本公司之公司組織章程細則謹此修訂如下：

(i) 於細則第2條加入以下新增之「聯繫人士」釋義：

「聯繫人士」指 指定證券交易所規則所賦予涵義。

(ii) 刪除細則第2條「結算所」之釋義中「認可結算所之定義見香港證券及期貨(結算所)條例第2條」字句。

(iii) 刪除細則第2條「附屬公司及控股公司」現有釋義，並以下列新釋義取代：

「附屬公司及控股公司」指 指定證券交易所規則所賦予涵義。

(iv) 將現有細則第76條重編為細則第76(1)條：

(v) inserting the following as new Article 76(2):

“(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

(vi) deleting the words “not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting” in the last sentence of Article 88 and replacing therewith the following proviso:

“provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the dispatch of notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

(vii) deleting the existing Article 103 in its entirety and replacing therewith the following new Article 103:

“103.(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

(v) 加入下文作為新細則第76(2)條：

「(2)倘本公司得悉任何股東根據指定證券交易所規則須就本公司任何特定決議案放棄投票或受限制僅就本公司任何特定決議案投贊成票或反對票，則任何有關股東或其代表作出而有違該規定或限制之投票將不予點算。」

(vi) 刪除細則第88條最後一句內「不少於股東大會舉行日期前足七(7)日但不多於足十四(14)日」字句，並以下列條文取代：

「惟發出有關通告之最短期限最少為七(7)日，倘於舉行有關選舉之指定股東大會通告寄發後始提交通告，則送交有關通告之期限須於舉行有關選舉之指定股東大會通告寄發翌日開始，最遲於舉行有關股東大會之日前七(7)日結束。」

(vii) 刪除現有細則第103條全文，並以下列新細則第103條取代：

「103. (1)董事不得就批准彼或彼之任何聯繫人士擁有重大權益之任何合約或安排或任何其他建議之任何董事會決議案投票，亦不得計入法定人數內，惟本限制不適用於下列任何事項：

- (A) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (B) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/ themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (C) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (A) 就董事或其聯繫人士應本公司或其任何附屬公司之要求或以本公司或其任何附屬公司之利益借出款項或產生或作出承擔，而向彼或彼之任何聯繫人士提供任何抵押或彌償保證之任何合約或安排；
- (B) 就董事或其聯繫人士本身已個別或共同根據一項擔保或彌償保證或提供抵押而承擔全部或部分責任之本公司或其任何附屬公司之債項或承擔，而向第三方提供任何抵押或彌償保證之任何合約或安排；
- (C) 有關提呈發售本公司或本公司可能發起或擁有認購或購買權益之任何其他公司之股份或債權證或其他證券或由該等公司提呈發售股份或債權證或其他證券之任何合約或安排，而董事或其聯繫人士因已經或將會參與提呈發售的包銷或分包銷而與其有利益關係；

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| <p>(D) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;</p> | <p>(D) 董事或其聯繫人士僅因於本公司股份或債權證或其他證券擁有權益而與其他本公司或其任何附屬公司股份或債權證或其他證券持有人以相同方式擁有權益的任何合約或安排；</p> |
| <p>(E) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or</p> | <p>(E) 與董事或其聯繫人士僅以高級職員或行政人員或股東身分而直接或間接擁有權益之任何其他公司有關之任何合約或安排，惟董事及／或其聯繫人士擁有該公司（或彼或彼之任何聯繫人士之權益透過其衍生之任何第三方公司）已發行股份或任何類別股份投票權百分之五(5%)或以上實益權益者則作別論；或</p> |
| <p>(F) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.</p> | <p>(F) 任何有關採納、修訂或執行購股權計劃、養老金或退休、身故或殘疾福利計劃之建議或與董事、其聯繫人士及本公司或其任何附屬公司僱員有關之其他安排，而該等建議及安排並無給予任何董事或其聯繫人士與該等計劃或基金有關之僱員所未獲賦予之特權或利益。</p> |

(2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.

(3) Where a company in which a Director and/or his associate(s) holds five (5) per cent or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

(2) 倘董事及／或其聯繫人士仍然（但僅限於彼仍然）直接或間接持有或實益擁有該公司任何類別股本或該公司（或彼／彼等或任何彼之聯繫人士之權益透過其衍生之任何第三方公司）股東之投票權百分之五（5%）或以上權益，則該公司被視作由彼及／或彼之聯繫人士擁有百分之五（5%）或以上權益之公司。就本段而言，董事或其聯繫人士作為被動受託人或保管受託人身分持有但彼本身或彼之任何聯繫人士並無實益權益之任何股份、董事或其聯繫人士在其中的權益為復歸權或剩餘權益之信託（但僅限於若干其他人士仍有權收取該信託之收入）之任何構成股份、董事或其聯繫人士僅以單位持有人身分持有權益之認可單位信託計劃之任何構成股份，以及並無附有股東大會投票權及有限股息及資本回報權利的股份，一概不予計算。

(3) 倘董事及／或其聯繫人士於一家彼等持有百分之五（5%）或以上權益之公司在交易中擁有重大權益，則該董事及／或其聯繫人士亦須視作於該項交易中擁有重大權益。

(4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board."

(b) the new articles of association of the Company, consolidating all of the changes referred to in this resolution and in the form produced to the meeting, be and are hereby adopted with immediate effect in replacement of the existing articles of association of Company."

(4) 倘於任何董事會會議出現有關某董事（大會主席除外）或其聯繫人士之權益是否屬重大或關於任何董事（大會主席除外）是否有權投票等問題，而有關問題未能因該董事自願放棄表決權而解決，則須將有關問題提交大會主席，而大會主席對有關該名其他董事之裁決將為最後及最終定論，除非有關董事及／或其聯繫人士之權益就其所知之性質或程度未有公平地向董事會披露，則作別論。倘任何上述問題與大會主席有關，則有關問題須以董事會決議案決定（就此而言，主席將不得就此事投票表決），而該項決議案將為最後及最終定論，除非主席之權益就其所知之性質或程度未有公平地向董事會披露，則作別論。」

(b) 謹此採納綜合本決議案所述所有變動及以提呈大會之形式之本公司新公司組織章程細則，即時取代本公司現有公司組織章程細則。」

By Order of the Board
Chu Chien Tung
Chairman

15th October, 2004

承董事會命
主席
朱展東

二零零四年十月十五日

Notice of Annual General Meeting

股東週年大會通告

Executive directors:

Mr. Chu Chien Tung
Mr. Chu Chick Kei
Mr. Chu Sen Hei
Ms. Chow Sau Fong, Fiona

Non-executive director:

Dr. Fung Shiu Lun, Anthony

Independent non-executive directors:

Mr. Hong Yong Hwan
Mr. Zhu Lei Bo
Ms. Wu King Yin

Principal place of business:

Room 1007-8, 10th Floor
Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. Proxy forms must be deposited with the Company's Branch Share Registrar and transfer office in Hong Kong, Standard Registrar Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting. The completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.
2. The register of members of the Company will be closed from Monday, 8th November, 2004 to Wednesday, 10th November, 2004 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the meeting convened by the above, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong Branch Registrar, Standard Registrars Limited at the above address not later than 4:00 p.m. on Friday, 5th November, 2004.
3. An Explanatory Statement in relation to Ordinary Resolutions No. 5 and a circular with further information will be sent to shareholders together with the Company's Annual Report.
4. Where there are joint registered holders of any share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

執行董事:

朱展東先生
朱植杞先生
朱晨曦先生
鄒秀芳女士

非執行董事:

馮兆麟博士

獨立非執行董事:

洪庸皖先生
朱雷波先生
胡景妍女士

主要營業地點:

香港
灣仔
告士打道39號
夏慤大廈
10樓1007-8室

附註:

1. 有權出席大會及於會上投票表決之股東，有權委派一名或以上受委代表出席大會及代其投票。受委代表毋須為本公司股東。代表委任表格最遲須於大會或其任何續會指定舉行時間48小時前送達本公司之香港股份過戶登記分處標準證券登記有限公司辦理登記手續，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。填妥及遞交代表委任表格後，閣下仍可依願親身出席大會並於會上投票。
2. 本公司將於二零零四年十一月八日星期一至二零零四年十一月十日星期三（包括首尾兩日）期間暫停辦理股份過戶登記手續，期間不會辦理股份過戶。為符合資格出席上述召開之大會，所有股票連同填妥之過戶文件須於二零零四年十一月五日星期五下午四時正前送達上述地址交本公司香港股份過戶登記分處標準證券登記有限公司。
3. 有關第5項普通決議案之說明函件及載有進一步詳情之通函將連同本公司年報寄交股東。
4. 倘為任何股份之聯名登記持有人，任何一名該等人士可親身或委派代表出席大會就有關股份投票，猶如彼為唯一有權投票者。但如超過一名該等聯名持有人親身或委派代表出席大會，則只會接納於本公司股東登記冊排名首位聯名持有人之投票。

