

Report of the Directors

董事會報告書

The directors submit their report together with the audited accounts for the year ended 31st March 2001.

董事會謹提呈董事會報告書及截至二零零一年三月三十一日止年度之經審核賬目。

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in manufacturing and trading of electronic products and trading of motorcycle parts.

按主要業務及經營地區劃分之業務分析

本公司之主要業務為投資控股，其附屬公司則主要從事製造及經銷電子產品以及經銷電單車零件之業務。

An analysis of the Group's turnover and contribution to operating profit for the year by principal activities and markets is set out in note 2 to the accounts.

本集團於本年度按主要業務及市場劃分之營業額及經營溢利貢獻之分析載於賬目附註2。

RESULTS AND APPROPRIATIONS

The results for the year are set out in the consolidated profit and loss account on page 34.

業績及分派

本年度之業績載於第34頁之綜合損益表。

The directors have declared an interim dividend of HK1.5 cents per share, totalling HK\$11,890,000 which was paid on 11th January 2001.

董事會已宣派中期股息每股1.5港仙，總額為11,890,000港元，並已於二零零一年一月十一日派付。

The directors recommend the payment of a final dividend of HK3 cents per share, totalling HK\$23,782,000.

董事會建議派付末期股息每股3港仙，總額為23,782,000港元。

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 21 to the accounts.

儲備

本集團及本公司年內之儲備變動詳情載於賬目附註21。

FIXED ASSETS

Details of the movements in fixed assets are set out in note 11 to the accounts.

固定資產

固定資產之變動詳情載於賬目附註11。

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 20 to the accounts.

股本

本公司之股本變動詳情載於賬目附註20。

Report of the Directors

董事會報告書

WARRANTS

Particulars of the warrants of the Company outstanding at the year end date are set out in note 25 to the accounts.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years, are set out on page 18.

DIRECTORS

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

Executive directors

Mr LAM Man Chan

Ms TING Lai Ling

Ms TING Lai Wah

Mr HUI King Chun

Mr CHUNG Yuk Man, Clarence

Mr YEUNG Cheuk Kwong

Mr TRIGUBOFF Pesach Michael

(appointed on 18th December 2000)

Mr YIP Tak Sing

(appointed on 3rd July 2001)

Ms WONG Helen

(resigned on 12th April 2000)

Mr CHEUNG Din Youn, Patrick

(resigned on 4th May 2000)

Mr ANDERSON David JLF

(appointed on 24th May 2000 and
resigned on 14th December 2000)

認股權證

本公司截至年結日已發行之認股權證詳情載於賬目附註25。

優先購買權

本公司之公司細則概無優先購買權之規定，而百慕達法例對有關權利亦無限制。

買賣或贖回股份

年內，本公司並無贖回任何股份。本公司或其任何附屬公司亦無於年內買賣本公司任何股份。

五年財務概要

本集團過去五個財政年度之業績、資產及負債概要均載列於本年報第18頁。

董事

年內及直至本報告書刊發日期任職之董事如下：

執行董事

林文燦先生

丁麗玲女士

丁麗華女士

許經振先生

鍾玉文先生

楊卓光先生

TRIGUBOFF Pesach Michael 先生

(於二零零零年十二月十八日獲委任)

葉德成先生

(於二零零一年七月三日獲委任)

WONG Helen女士

(於二零零零年四月十二日辭任)

張定遠先生

(於二零零零年五月四日辭任)

ANDERSON David JLF先生

(於二零零零年五月二十四日獲委任，
並於同年十二月十四日辭任)

Report of the Directors

董事會報告書

DIRECTORS (Continued)

Non-executive director

Mr TSE Kwok Hung, Allen

(resigned on 13th July 2000)

Independent non-executive directors

Mr LAM Ping Cheung, Andrew

Mr NG Chi Yeung, Simon

In accordance with Article 87 of the Company's Bye-Laws, Mr LAM Ping Cheung, Andrew, Mr NG Chi Yeung, Simon, Mr TRIGUBOFF Pesach Michael and Mr YIP Tak Sing retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 20 to 23.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Company and its subsidiaries have entered into various contracts (as listed out in note 29 to the accounts) with companies in which Mr LAM Man Chan and Ms TING Lai Ling has direct or indirect shareholding interests.

Apart from the above, no other contracts of significance in relation to the Company's business to which the Company, its subsidiaries or its holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事(續)

非執行董事

謝國雄先生

(於二零零零年七月十三日辭任)

獨立非執行董事

林炳昌先生

吳志揚先生

根據本公司之公司細則第87條，林炳昌先生、吳志揚先生、TRIGUBOFF Pesach Michael先生及葉德成先生將於本屆股東週年大會上依章告退，惟願膺選連任。

董事及高級管理人員之個人資料

董事及高級管理人員之個人資料載於第20至23頁。

董事之合約權益

年內，本公司及其附屬公司與多家由林文燦先生及丁麗玲女士擁有直接或間接股權之公司訂立多項合約(載於賬目附註29)。

除上述者外，本公司、其附屬公司或控股公司於年終或年內任何時間，概無訂立與本公司業務有關、而本公司之任何董事直接或間接擁有重大權益之重大合約。

Report of the Directors

董事會報告書

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year are disclosed in note 29 to the accounts. Those transactions, which also constitute connected transactions under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), required to be disclosed in accordance with Chapter 14 of the Listing Rules, are as follows:

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

In the opinion of the directors, the above transactions were carried out on normal commercial terms and in the ordinary course of business. The independent non-executive directors have reviewed the above connected transactions and are of the opinion that the transactions are in the normal course of business of the Group and agreements governing the transactions were entered into under normal commercial terms.

PARTICULARS OF SHARES HELD BY DIRECTORS, CHIEF EXECUTIVES AND ASSOCIATES

As at 31st March 2001, the interests of the directors, chief executives and their associates in the shares and warrants of the Company and its associated corporations, as recorded in the register maintained by the Company under Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or as notified by the Company were as follows:

關連交易

年內，本集團進行之重大關連人士交易於賬目附註29披露。根據香港聯合交易所有限公司證券上市規則（「上市規則」）第十四章須予披露之該等交易（根據上市規則亦構成關連交易），現載列如下：

董事認為，上述交易乃於正常業務過程中按一般商業條款進行。獨立非執行董事已審閱上述關連交易，認為該等交易乃在本集團一般業務過程中進行，而制約該等交易之協議乃按一般商業條款訂立。

董事、行政總裁及聯繫人士所持股份資料

於二零零一年三月三十一日，根據本公司按證券（披露權益）條例（「披露權益條例」）第29條之規定而存置之登記冊所載或據本公司所知，各董事、行政總裁及彼等各自之聯繫人士在本公司及各相聯法團之股份及認股權證中持有之權益如下：

Report of the Directors

董事會報告書

PARTICULARS OF SHARES HELD BY DIRECTORS, CHIEF EXECUTIVES AND ASSOCIATES (Continued)

董事、行政總裁及聯繫人士所持股份資料(續)

Name of director	董事姓名	Notes	Nature of interest	Number of shares beneficially held	Number of shares under warrants
		附註	權益性質	實益持有股份數目	認股權證可認購之股份數目
Mr LAM Man Chan	林文燦先生	(1)	Other 其他	317,923,176	12,805,200
Ms TING Lai Ling	丁麗玲女士	(1)	Other 其他	317,923,176	12,805,200
Mr HUI King Chun	許經振先生	(2)	Other 其他	95,640,000	2,244,000

Notes:

附註：

(1) The shares and warrants of the Company are held by Goodchamp Holdings Limited which is beneficially owned by a discretionary trust. The family members of Mr LAM Man Chan and Ms TING Lai Ling are the beneficiaries of the trust.

(1) 該等本公司股份及認股權證由 Goodchamp Holdings Limited 持有，而該公司則由一全權信託實益擁有，該信託之受益人包括林文燦先生及丁麗玲女士之家屬。

(2) The shares and warrants of the Company are held by Grandlink Holdings Limited which is beneficially owned by a discretionary trust. The family members of Mr HUI King Chun are the beneficiaries of the trust.

(2) 該等本公司股份及認股權證由 Grandlink Holdings Limited 持有，而該公司則由一家全權信託實益擁有，該信託公司受益人包括許經振先生之家屬。

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of compliance with the minimum company membership requirement.

除上文所述者外，若干董事為符合本公司最低股東人數之規定，亦代表本公司持有若干附屬公司之非實益個人股權。

Save as disclosed above, none of the directors, chief executives and their associates had any beneficial or non-beneficial interests in the share capital of the Company or any of its associated corporations required to be disclosed pursuant to the SDI Ordinance.

除上文所披露者外，各董事、行政總裁及彼等各自之聯繫人士概無擁有根據披露權益條例須予披露之本公司或其相聯法團任何實益或非實益股本權益。

Report of the Directors

董事會報告書

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the Company's share option scheme (the "Scheme") adopted on 2nd September 1992, the directors may, at their discretion, grant share options to directors and employees of the Company and its subsidiaries to subscribe for ordinary shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the share capital of the Company in issue from time to time. The Scheme will remain in force for a period of ten years from the date of its adoption. No share options were granted to the directors of the Company during the year and no share options were outstanding as at 31st March 2001.

Apart from the above, at no time during the year was the Company, its subsidiaries or its holding companies a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that as at 31st March 2001, the Company had been notified of the following substantial shareholder's interest, being 10% or more of the Company's issued share capital. This interest is in addition to those disclosed above in respect of the directors, chief executives and associates.

董事購買股份或債券之權利

根據本公司於一九九二年九月二日通過之購股權計劃(「該計劃」)，董事可酌情向本公司及各附屬公司之董事及僱員授予購股權，以認購本公司之普通股。根據該計劃所授出購股權可認購之股份最高數目不得超過本公司不時已發行股本10%。該計劃自採納日期起計十年內生效。本公司在年內並無向本公司董事授出任何購股權，而於二零零一年三月三十一日，並無任何尚未行使之購股權。

除上文所述者外，本公司、其附屬公司或控股公司於年內概無訂立任何安排，致使本公司之董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

主要股東

根據披露權益條例第16(1)條存置之主要股東登記冊所示，於截至二零零一年三月三十一日，本公司接獲下列人士通知擁有主要股東權益，即擁有本公司已發行股本10%或以上之權益。該等權益並不包括上文所披露各董事、行政總裁及聯繫人士擁有之權益。

Name of shareholder	Number of ordinary shares	Percentage of total number of shares in issue
股東姓名	普通股數目	佔已發行股份總數之百分比
Prismatine International Limited	158,448,824	19.99%

Report of the Directors

董事會報告書

PRACTICE NOTE 19 OF THE LISTING RULES

The information required to be disclosed in accordance with Practice Note 19 of the Listing Rules is set out below:

The Company entered into a loan agreement on 24th January 2000 with a group of banks and financial institutions for a term loan facility of up to US\$12 million (HK\$93,360,000) (the "Facility"). The full amount of the Facility was drawn down by the Company on 28th January 2000. The loan is repayable in nine instalments, the first of which is repayable twelve months after the date of drawdown and the remaining instalments are repayable quarterly thereafter. As at 31st March 2001, US\$10.7 million (HK\$82,985,000) remained outstanding.

The loan agreement includes a covenant requiring Mr LAM Man Chan and Mr HUI King Chun and their associates together not to cease to own beneficially or control at least 50% of the issued share capital of the Company. A breach of any such covenant will constitute an event of default under the Facility, upon the occurrence of which all amounts outstanding and owing under the Facility shall become immediately due and payable.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

The Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, throughout the year.

The term of office for the non-executive directors of the Company is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-Laws of the Company.

AUDIT COMMITTEE

In compliance with the requirements of The Stock Exchange of Hong Kong Limited, an Audit Committee comprising the two independent non-executive directors was formed. Reporting to the Board of Directors of the Company, the Audit Committee is dedicated to the review and supervision of the Group's financial reporting process and internal controls.

遵守上市規則第19項應用指引

根據上市規則第19項應用指引須予披露之資料如下：

本公司與多家銀行及財務機構於二零零零年一月二十四日就最高金額為12,000,000美元(93,360,000港元)之定期貸款融資(「該項融資」)簽訂貸款協議。本公司已於二零零零年一月二十八日動用該項融資之全數金額。該筆貸款分九期償還，第一期須於動用貸款日期後十二個月償還，餘下八期於其後每季償還。於二零零一年三月三十一日，尚未償還之貸款額為10,700,000美元(82,985,000港元)。

該貸款協議包括一項契諾，規定林文燦先生及許經振先生及彼等之聯繫人士須合共實益擁有或控制本公司已發行股本最少50%。違反有關契諾根據該項融資將構成違約，而一旦出現此情況，則該項融資中所有未償還及結欠款項，將會立即到期，並須即時支付。

遵守上市規則之最佳應用守則

本公司全年一直遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則。

根據本公司之公司細則規定，本公司非執行董事須於股東週年大會上輪流告退，惟可膺選連任。

審核委員會

本公司已遵照香港聯合交易所有限公司之規定成立一個審核委員會，成員包括兩位獨立非執行董事。審核委員會須向董事會匯報述職，其責任為審閱及監管本集團在財務方面之申報程序及內部管理。

Report of the Directors

董事會報告書

AUDITORS

The accounts have been jointly audited by PricewaterhouseCoopers and Graham H.Y. Chan & Co. who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Lam Man Chan

Chairman

Hong Kong, 9th July 2001

核數師

羅兵咸永道會計師事務所及陳浩賢會計師事務所已共同審核賬目，彼等將會退任，惟符合資格且願意續任核數師一職。

代表董事會

林文燦

主席

香港，二零零一年七月九日