

Directors' Report 董事會報告書

The directors have pleasure in presenting their annual report and the audited financial statements of the Company for year ended 31 March 2001.

Principal Activities

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 36 to the financial statements.

Major Customers and Suppliers

The five largest suppliers of the Group together accounted for approximately 37% of the Group's total purchases for the year, with the largest supplier accounted for approximately 11% of the Group's total purchases. During the year, the aggregate sales attributable to the Group's five largest customers represented less than 30% of the Group's total sales.

For the year ended 31 March 2001, sales to the four distributors in Shenzhen, the People's Republic of China (the "PRC") amounted to approximately 59% of the turnover of the Group.

At no time during the year, did a director or a shareholder of the Company which to the knowledge of the directors owns more than 5% of the Company's share capital have an interest in any of the Group's five largest suppliers.

Results and Appropriation

The results of the Group for the year ended 31 March 2001 are set out in the consolidated income statement on page 45 of the annual report.

The directors do not recommend the payment of a dividend for the year.

董事謹此提呈其年度報告以及本公司截至二零零一年三月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股，而各主要附屬公司之主要業務載於財務報表附註36。

主要客戶及供應商

本集團五大供應商合計佔本集團年內採購總額約37%，其中最大供應商佔本集團採購總額約11%。年內，本集團五大客戶所佔之銷售額合計佔本集團銷售總額不足30%。

截至二零零一年三月三十一日止年度，銷貨予中華人民共和國（「中國」）深圳四間分銷商之銷售額約佔本集團營業額約59%。

年內，就董事所知，概無任何擁有本公司股本超過5%之董事或股東在本集團五大供應商中擁有權益。

業績及分派

截至二零零一年三月三十一日止年度，本集團之業績載於本年報第45頁之綜合收益表。

董事不建議派付本年度之股息。

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 102 of the annual report.

Property, Plant and Equipment

During the year, the Group incurred approximately a total of HK\$22 million on acquisition and construction of a research and development complex and new factory buildings situated in the PRC. In addition, the Group also acquired an office premise amounting to HK\$7 million during the year. The Group also acquired additional plant and machinery at a cost of approximately HK\$60 million for business expansion of production facilities. Details of these and other movements during the year in the plant and machinery of the Group are set out in note 11 to the financial statements.

Borrowings

Details of secured bank borrowings of the Group are set out in note 22 to the financial statements.

No interest was capitalised by the Group during the year.

Subsidiaries

Particulars of the Company's principal subsidiaries are set out in note 36 to the financial statements.

Share Capital

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

財務概要

本集團於過往五個財政年度之業績、資產及負債之概要載於本年報第102頁。

物業、廠房及設備

年內，本集團動用約22,000,000港元於中國收購及興建研究及開發綜合大樓及新廠廈。此外，本集團亦於年內以7,000,000港元購入一寫字樓。本集團亦以約60,000,000港元購入其他廠房及機器以擴大生產設施。上述事項之詳情及本集團廠房及機器於年內之其他變動詳情載於財務報表附註11。

借貸

本集團之有抵押銀行貸款詳情載於財務報表附註22。

本集團於年內並無將任何利息資本化。

附屬公司

本公司之主要附屬公司詳情載於財務報表附註36。

股本

本公司於年內之股本變動詳情載於財務報表附註24。

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Share Premium and Reserves

Details of movements during the year in the share premium and reserves of the Group and the Company are set out in note 26 to the financial statements.

Directors

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

Executive directors:

Wong Wang Sang, Stephen – *Chairman*

Kuo Teng Yeuk

Ng Kam Fai

Wong Pui Sing

Ding Kai

Tao Jun (resigned on 21 October 2000)

Liu Hui Yang, Henrique (resigned on 27 November 2000)

Independent non-executive directors:

So Hon Cheung, Stephen

Li Weibin

Liu Juh, James

In accordance with Clauses 86 and 87 of the Company's Bye-laws, Ding Kai, Li Weibin and Liu Juh, James retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. All other remaining directors continue in office.

All directors are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's Bye-laws.

股份溢價及儲備

年內，本集團及本公司之股份溢價及儲備之變動詳情載於財務報表附註26。

董事

本公司於截至本報告刊發日期止期間之在任董事如下：

執行董事：

黃宏生 – 主席

郭騰躍

吳錦輝

黃培昇

丁凱

陶鈞 (於二零零零年十月二十一日呈辭)

劉輝陽 (於二零零零年十一月二十七日呈辭)

獨立非執行董事：

蘇漢章

李偉斌

劉助

根據公司細則第86及87條，丁凱、李偉斌及劉助將於即將舉行之股東週年大會上退任，惟彼等符合資格並有意膺選連任。所有其他董事將繼續留任。

根據公司細則，所有董事均須於本公司股東週年大會上輪流告退。

Directors' Service Contracts

Each of the executive directors has entered into a service contract with the Company for a term of three years commencing from 1 April 2000.

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

Directors' Interests in Shares and Options

(a) Shares

At 31 March 2001, the interests of the directors and their associates' interests in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of Hong Kong Securities (Disclosure of interests) Ordinance (the "SDI Ordinance") were as follows:

Name of director 董事姓名	Type of interest 所持股份類別	Number of shares 股份數目
Wong Wang Sang, Stephen 黃宏生	Family (<i>note</i>) 家族 (註)	819,719,000
Kuo Teng Yeuk 郭騰躍	Personal 個人	67,017,000
Ng Kam Fai 吳錦輝	Personal 個人	57,443,000
Wong Pui Sing 黃培昇	Personal 個人	23,935,000
Ding Kai 丁凱	Personal 個人	13,935,000

董事之服務合約

所有執行董事均與本公司訂立服務合約，由二零零零年四月一日起計，為期3年。

除上文所披露者外，在即將舉行之股東週年大會上有意膺選連任之董事與本公司或任何附屬公司概無另外訂立僱主如不作出賠償（法定賠償除外）則不能於一年內終止服務之合約。

董事之股份及購股權權益

(a) 股份

於二零零一年三月三十一日本公司各董事及彼等之聯繫人士在本公司股本中擁有而登記於本公司按香港證券（披露權益）條例（「披露權益條例」）第29條所保存登記冊之權益如下：

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Directors' Interests in Shares and Options

(continued)

(a) Shares (continued)

Note:

These shares are held as to 816,768,000 shares by Target Success Group Limited in its capacity as trustee of the Skysource Unit Trust and as to 2,951,000 shares by the wife of Wong Wang Sang, Stephen ("Mr. Wong"). These shares are deemed Mr. Wong's interests under the SDI Ordinance.

Other than as disclosed above, as at 31 March 2001, none of the directors or their associates had any interests in the securities of the Company or any of its associated corporations as defined in the SDI Ordinance as at 31 March 2001.

(b) Share options

Pursuant to the share option scheme, adopted by the Company on 27 March 2000, the board of directors of the Company may, at its discretion, grant options to eligible employees, including executive directors, of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of offer of the options or the nominal value of the shares, whichever is the higher.

The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company in issue from time to time and the maximum number of shares in respect of which options may be granted to any one employee shall not exceed 25% of the maximum number of shares in respect of which options may be granted under the Scheme.

董事之股份及購股權權益 (續)

(a) 股份 (續)

註:

該等股份由 Target Success Group Limited 以信託方式代表 Skysource Unit Trust 持有 816,768,000 股，另黃宏生（「黃先生」）之妻子持有 2,951,000 股。根據披露權益條例，該等股份被視為屬於黃先生之權益。

除上述者外，於二零零一年三月三十一日，概無任何董事或彼等之聯繫人士擁有本公司或其任何聯營公司（定義見披露權益條例）股本之權益。

(b) 購股權

根據本公司於二零零零年三月二十七日採納之購股權計劃，本公司董事會可酌情向本公司或其附屬公司之合資格僱員（包括執行董事）授出購股權，以不少於股份於購股權授出之日前五個交易日在香港聯合交易所有限公司之平均收市價的 80% 或股份之面值（以較高者為準）之價格認購本公司股份。

根據該計劃授予之購股權可認購之股份總數最多不可超逾當時本公司已發行股本之 10%，而授予任何一位僱員之購股權可購之股份數量最多不可超逾根據該計劃授予之購股權可認購最高股份總數之 25%。

Directors' Interests in Shares and Options
(continued)

董事之股份及購股權權益 (續)

(b) Share options (continued)

During the year, certain directors and a former director of the Company were granted share options to subscribe for shares in the Company. A summary of the share options granted to the directors during the year and as at 31 March 2001 is as follows:

(b) 購股權 (續)

年內，本公司若干董事及一位前董事獲授予購股權以認購本公司之股份。於年內及於二零零一年三月三十一日已授予董事之購股權概要如下：

Name of director 董事姓名	Consideration paid for the option granted 授予購股權 之代價 HK\$ 港元	Date of grant 授予日期	Exercise price 行使價 HK\$ 港元	Exercisable period 可行使期限	Number of share options granted during the year and at 31 March 2001 於年內及 於二零零一年 三月三十一日 已授出購 股權之數量
Director 董事					
Wong Wang Sang, Stephen 黃宏生	1.00	25.11.2000	0.336	25.11.2001 – 27.3.2010	12,500,000
			0.336	25.11.2002 – 27.3.2010	12,500,000
			0.336	25.11.2003 – 27.3.2010	12,500,000
			0.336	25.11.2004 – 27.3.2010	12,500,000

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Directors' Interests in Shares and Options (continued)

董事之股份及購股權權益 (續)

(b) Share options (continued)

(b) 購股權 (續)

Name of director 董事姓名	Consideration paid for the option granted 授予購股權 之代價 HK\$ 港元	Date of grant 授予日期	Exercise price 行使價 HK\$ 港元	Exercisable period 可行使期限	Number of share options granted during the year and at 31 March 2001 於年內及 於二零零一年 三月三十一日 已授出購股權 之數量
Kuo Teng Yeuk 郭騰躍	1.00	25.11.2000	0.336	25.11.2001 – 27.3.2010	3,500,000
			0.336	25.11.2002 – 27.3.2010	3,500,000
			0.336	25.11.2003 – 27.3.2010	3,500,000
			0.336	25.11.2004 – 27.3.2010	3,500,000
Ng Kam Fai 吳錦輝	1.00	25.11.2000	0.336	25.11.2001 – 27.3.2010	3,000,000
			0.336	25.11.2002 – 27.3.2010	3,000,000
			0.336	25.11.2003 – 27.3.2010	3,000,000
			0.336	25.11.2004 – 27.3.2010	3,000,000

Directors' Interests in Shares and Options

(continued)

董事之股份及購股權權益 (續)

(b) Share options (continued)

(b) 購股權 (續)

Name of director 董事姓名	Consideration paid for the option granted 授予購股權 之代價 HK\$ 港元	Date of grant 授予日期	Exercise price 行使價 HK\$ 港元	Exercisable period 可行使期限	Number of share options granted during the year and at 31 March 2001 於年內及 於二零零一年 三月三十一日 已授出購股權 之數量
Ding Kai 丁凱	1.00	25.11.2000	0.336	25.11.2001 – 27.3.2010	1,000,000
			0.336	25.11.2002 – 27.3.2010	1,000,000
			0.336	25.11.2003 – 27.3.2010	1,000,000
			0.336	25.11.2004 – 27.3.2010	1,000,000
Wong Pui Sing 黃培昇	1.00	25.11.2000	0.336	25.11.2001 – 27.3.2010	1,000,000
			0.336	25.11.2002 – 27.3.2010	1,000,000
			0.336	25.11.2003 – 27.3.2010	1,000,000
			0.336	25.11.2004 – 27.3.2010	1,000,000

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Directors' Interests in Shares and Options (continued)

董事之股份及購股權權益 (續)

(b) Share options (continued)

(b) 購股權 (續)

Name of director 董事姓名	Consideration paid for the option granted 授予購股權 之代價 HK\$ 港元	Date of grant 授予日期	Exercise price 行使價 HK\$ 港元	Exercisable period 可行使期限	Number of share options granted during the year and at 31 March 2001 於年內及 於二零零一年 三月三十一日 已授出購股權 之數量
Former director 前董事					
Liu Hui Yang, Henrique 劉輝陽	1.00	25.11.2000	0.336	25.11.2001 – 27.3.2010	5,000,000
			0.336	25.11.2002 – 27.3.2010	5,000,000
			0.336	25.11.2003 – 27.3.2010	5,000,000

Directors' Interests in Shares and Options (continued)

(b) Share options (continued)

No share option was exercised by the directors and the former director to subscribe for shares of the Company during the year.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of the Company or any other body corporate and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

Substantial Shareholders

As at 31 March 2001, the register of substantial shareholders maintained by the Company pursuant to Section 16(1) of the SDI Ordinance shows that the following shareholders as having an interest of 10% or more of the issued share capital of the Company:

Name	名稱	Number of shares 股份數目	Approximate percentage of issued shares held 所持已發行股份 概約百分比
Target Success Group Limited	Target Success Group Limited	816,768,000 (note) (註)	39.84%
HSBC International Trustee Limited	滙豐國際信託有限公司	816,768,000 (note) (註)	39.84%

Note: They held the shares of the Company in the respective capacities as trustee (in the case of Target Success Group Limited) of the Skysource Unit Trust (all of the units in which are owned by Skysource Trust) and (in the case of HSBC International Trustee Limited) of the Skysource Trust.

董事之股份及購股權權益 (續)

(b) 購股權 (續)

於年內，上述董事及前董事並無行使購股權認購本公司股份。

除上文所披露者外，本公司或其附屬公司於年內任何時間並無參與任何安排致使本公司董事可透過購入本公司或其他法人團體之股份或債券而從中獲得權益；且各董事或其配偶或其18歲以下之子女，均無任何可認購本公司證券之權利，且於年內亦未有行使任何該等權利。

主要股東

於二零零一年三月三十一日，按本公司根據披露權益條例第16(1)條所保存之登記冊所載，下列股東持有本公司已發行股本10%或以上權益：

註： Target Success Group Limited及滙豐國際信託有限公司以信託方式分別代表Skysource Unit Trust (所有單位由Skysource Unit Trust擁有) 及Skysource Trust持有本公司股份。

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Substantial Shareholders (continued)

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31 March 2001.

Connected Transactions and Directors' Interests in Contracts

Saved as disclosed in note 35 to the financial statements:

- (i) there were no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"); and
- (ii) no contracts of significance subsisted at any time during the year to which the Company 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 the end of the year or at any time during the year.

Pre-emptive Rights

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

Purchase, Sale or Redemption of the Company's Listed Securities

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

主要股東 (續)

除上文所披露者外，本公司並無獲悉任何於二零零一年三月三十一日佔本公司已發行股本10%或以上之其他權益。

關連交易及董事於合約之權益

除財務報表附註35所披露者外：

- (i) 並無任何根據聯交所證券上市規則（「上市規則」）規定須予披露之關連交易；及
- (ii) 於年內任何時間本公司或各附屬公司並無參與訂立任何重大之合約而本公司董事直接或間接擁有重大權益。

優先購買權

本公司之公司細則或百慕達法例並無規定本公司須按現有股東持股比例向彼等發售新股之優先購買權之條款。

購買、出售或贖回本公司之上市證券

本公司及各附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

Retirement Benefits Schemes

Information on the retirement benefits schemes of the Group is set out in note 34 to the financial statements.

Corporate Governance

Save that the non-executive directors of the Company were not appointed for any specific terms but are subject to the provisions in the Bye-laws of the Company as to retirement by rotation which apply to all directors of the Company, the Company has complied throughout the year ended 31 March 2001 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules.

Up to the date of approval of these financial statements, the Audit Committee has held seven meetings during the year and up to the date of this report.

退休福利計劃

本集團退休福利計劃之詳情載於財務報表附註34。

公司監管

本公司非執行董事並無指定任期，但須根據本公司所有董事適用之公司細則規定而輪流退任。除此以外，本公司於截至二零零一年三月三十一日止年度，一直遵守聯交所上市規則附錄14所載之最佳應用守則。

於年內及截至通過財務報表之日期，審核委員會已舉行七次會議。

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Use of Proceeds

The Company's management had adopted a conservation attitude in the use of proceeds raised in the Group's initial public offering in April 2000. During the year ended 31 March 2001, the net proceeds of about HK\$1,093 million were applied as follows:

- (a) approximately HK\$79 million on the purchase of machinery and construction of new production facilities;
- (b) approximately HK\$8 million on the establishment of a research and development complex in Shenzhen;
- (c) approximately HK\$20 million on the development of internet and network communication projects; and
- (d) the remaining balance was either used for general working capital purposes or placed on short term deposits with licensed banks in Hong Kong if no requirement for immediate use.

Auditors

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Wong Wang Sang, Stephen
CHAIRMAN

Hong Kong, 23 July 2001

所得款項用途

本公司管理層對本集團於二零零零年四月從初次公開招股所籌集之資金之使用採取保守穩健的態度。截至二零零一年三月三十一日止年度，所得款項淨額1,093,000,000港元已撥作以下用途：

- (a) 約79,000,000港元用作購買機器及建造新生產設施；
- (b) 約8,000,000港元用作在深圳興建一幢研究及開發綜合大樓；
- (c) 約20,000,000港元用於發展互聯網及網絡通訊項目；及
- (d) 餘下款項如無即時用途則撥作一般營運資金或存放在香港之持牌銀行作短期存款。

核數師

於本公司既將召開之股東週年大會上將提呈決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

黃宏生
主席

香港，二零零一年七月二十三日