

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 2002.

董事會謹提呈董事會報告書及截至二零零二年三月三十一日止年度之經審核賬目。

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

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

主要業務及分部報告

本公司之主要業務為投資控股，其附屬公司則主要從事設計、製造及銷售電子產品以及銷售電單車零件之業務。

An analysis of the Group's performance for the year by business and geographical segments is set out in note 2 to the accounts.

本集團於本年度按業務及地區劃分之表現之分析載於賬目附註2。

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 41.

業績及分派

本集團於本年度之業績載於第41頁之綜合損益表。

The directors have declared an interim dividend of HK3 cents per share and a special dividend of HK3 cents per share, totalling HK\$47,563,000 which were paid on 10th January 2002.

董事會已宣派中期股息每股3港仙及特別股息每股3港仙，總額為47,563,000港元，並已於二零零二年一月十日派付。

The directors recommend the payment of a final dividend of HK4 cents per share and a special dividend of HK3 cents per share, totalling HK\$55,490,000, to be paid on or about 3rd September 2002. This recommendation shall become effective subject to the approval of shareholders at the Annual General Meeting to be held on 23rd August 2002.

董事會建議派付末期股息每股4港仙及特別股息每股3港仙，總額為55,490,000港元，並將於二零零二年九月三日或相近日子派付。待股東於二零零二年八月二十三日召開之股東週年大會上批准有關建議後，方可生效。

DONATIONS

Charitable and other donations made by the Group during the year amounted to approximately HK\$853,000.

捐款

本公司於年內之慈善及其他捐款合共約為853,000港元。

FIXED ASSETS

Movements in the fixed assets during the year are set out in note 11 to the accounts.

固定資產

年內固定資產之變動詳情載於賬目附註11。

SHARE CAPITAL

Movements in the share capital of the Company during the year are set out in note 20 to the accounts.

股本

本公司年內之股本變動詳情載於賬目附註20。

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。

REPORT OF THE DIRECTORS

董事會報告書

WARRANTS

Movements of the warrants of the Company during the year are set out in note 25 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2002 amounted to approximately HK\$251,480,000 (2001: HK\$274,027,000).

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.

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 YEUNG Cheuk Kwong
 Mr CHUNG Yuk Man, Clarence
 Mr YIP Tak Sing
 (appointed on 3rd July 2001)
 Mr TRIGUBOFF Pesach Michael
 (resigned on 31st May 2002)

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 YEUNG Cheuk Kwong and Ms TING Lai Wah retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

認股權證

本公司於年內之認股權證變動詳情載於賬目附註25。

可供份派之儲備

本公司於二零零二年三月三十一日之可供分派之儲備約為251,480,000港元(二零零一年: 274,027,000港元)。

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。

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
 楊卓光先生
 鍾玉文先生
 葉德成先生
 (於二零零一年七月三日獲委任)
 TRIGUBOFF Pesach Michael 先生
 (於二零零二年五月三十一日辭任)

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，楊卓光先生及丁麗華女士將於本屆股東週年大會上依章告退，惟符合資格且願膺選連任。

REPORT OF THE DIRECTORS

董事會報告書

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 30 to the accounts) with companies in which Mr LAM Man Chan and Ms TING Lai Ling have beneficial interests.

Apart from the above, no other contracts of significance in relation to the Company's business to which the Company, and 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.

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year are disclosed in note 30 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
		<u>972</u>

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 ordinary course of business of the Group and agreements governing the transactions were entered into under normal commercial terms.

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實惠權益之公司訂立多項合約（載於賬目附註30）。

除上述者外，本公司及其附屬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要合約。

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30披露。根據香港聯合交易所有限公司證券上市規則（「上市規則」）第十四章須予披露之該等交易（根據上市規則亦構成關連交易），現載列如下：

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日常業務過程中進行，而制約該等交易之協議乃按一般商業條款訂立。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEME

Pursuant to the Share Option Scheme ("the Scheme") adopted by the Company on 2nd September 1992, the directors may, at their discretion, offer and grant options to any employee (including directors) of the Group to subscribe for shares of the Company subject to the terms and conditions stipulated therein.

No option shall be granted under the Scheme which would result in the aggregate number of shares issued or issuable or which may be issuable under the Scheme to exceed 10% of the issued share capital of the Company (excluding any shares to be issued upon exercise of the option). No eligible person shall be granted an option or options for such number of shares which in aggregate would exceed 25% of the total number of shares for which options may be granted.

The price per share payable on the exercise of an option equal to the higher of: (i) the nominal value of the shares; (ii) 80% of the average of the closing price per share on the Stock Exchange for the five trading days immediately preceding the date of grant of an option; or (iii) price as from time to time adjusted pursuant to the Scheme.

No option was granted during the year, nor was there any option outstanding at 31st March 2002.

The Scheme will expire on 1st September 2002. Moreover, Chapter 17 of the Listing Rules relating to share option scheme has been revised with effect from 1st September 2001. In order to comply with the relevant regulations, a resolution for the adoption of a new share option scheme will be proposed at the forthcoming Annual General Meeting.

購股權計劃

根據本公司於一九九二年九月二日所採納之購股權計劃（「該計劃」），董事可酌情向本集團任何僱員（包括董事）提呈及授予購股權以根據該計劃所載之條款及條件認購本公司之股份。

倘該計劃所涉及之已發行或須予發行或可能須予發行之股份總數超過本公司已發行股本之10%（不包括因行使購股權而須予發行之任何股份），則不會授出該計劃項下之任何購股權。倘合資格人士獲授購股權致使其所涉及之股份數目超過可能授出之購股權所涉及之股份總數之25%，則該合資格人士將不會獲授任何購股權。

行使購股權時每股股份應付之價格為下列之較高者：(i) 股份面值；(ii) 緊接授出購股權之前5個交易日股份於聯交所每股平均收市價之80%；或(iii) 根據該計劃不時作出調整之價格。

年內，並無授出任何購股權，於二零零二年三月三十一日概無任何購股權尚未獲行使。

該計劃將於二零零二年九月一日屆滿。此外，上市規則第17章亦就購股權計劃之規定作出修訂，並已於二零零一年九月一日起生效。為符合有關規例之規定，於本屆股東週年大會上將提呈一項決議案以採納新購股權計劃。

REPORT OF THE DIRECTORS

董事會報告書

INTERESTS IN EQUITY OR DEBT SECURITIES

As at 31st March 2002, the interests of the directors, chief executive and their associates in the shares, warrants and options of the Company and its associated corporations, as recorded in the register maintained by the Company under Section 29 (within the meaning of the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”)) or as notified by the Company were as follows:

Ordinary shares of HK\$0.10 each in the Company

Name of director	董事姓名	Note	Nature of interest
		附註	權益性質
Mr LAM Man Chan	林文燦先生	(1)	Other 其他
Ms TING Lai Ling	丁麗玲女士	(1)	Other 其他
Mr HUI King Chun	許經振先生	(2)	Other 其他

Note:

- (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.
- (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.

於股本或債務證券之權益

於二零零二年三月三十一日，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、認股權證及購股權中持有之權益如下：

本公司每股面值0.10港元之普通股

Number of shares beneficially held	Number of shares under warrants		
	As at 31st March 2002	As at 1st April 2001	Lapsed during the year
實益持有 股份數目	認股權證所涉及之股份數目	As at 31st March 2002	As at 31st March 2002
		於二零零二年三月三十一日	於二零零二年三月三十一日

附註：

- (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) 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。

REPORT OF THE DIRECTORS

董事會報告書

INTERESTS IN EQUITY OR DEBT SECURITIES (Continued)

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

Save as disclosed above, none of the directors, chief executive and their associates had any interests in the securities of the Company and its associated corporations as defined in the SDI Ordinance, and none of the directors and chief executive or their respective spouses or children under 18 years of age, had any rights to subscribe for the securities in the Company or had exercised such right during the year.

Save as disclosed under the section headed by "Share Option Scheme" and above, at no time during the year was the Company and its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

Other than the interests in equity or debt securities in respect of the directors, chief executive and their associates, the Company had been notified of the following substantial shareholder's interest, being 10% or more of the Company's issued share capital as at 31st March 2002.

Name of shareholder	Number of ordinary shares	Percentage of total number of shares issued
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%

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

於股本或債務證券之權益(續)

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。

除上文所披露者外，各董事、行政總裁及彼等之聯繫人士概無於本公司及其相聯法團(定義見披露權益條例)擁有任何證券權益。此外，於年內亦無董事及行政總裁或彼等各自之配偶或十八歲以下之子女可藉認購本公司證券取得任何權益或行使該等權益。

除上文「購股權計劃」一節所述者外，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務證券而獲益。

主要股東

除董事、行政總裁及彼等之聯繫人士於股本及債務證券之權益外，於二零零二年三月三十一日，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。

董事服務合約

任何擬於本屆股東週年大會上膺選連任之董事概無與本公司訂立於一年內毋須作出賠償(法定賠償除外)方可終止之服務合約。

REPORT OF THE DIRECTORS

董事會報告書

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	採購額
– the largest supplier	– 最大供應商
– five largest suppliers combined	– 五大供應商合計
Sales	銷售額
– the largest customer	– 最大客戶
– five largest customers combined	– 五大客戶合計

None of the directors, their associates or any shareholders (which to the knowledge of the directors own more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

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 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

管理合約

年內，並無訂立或存在任何有關本公司全部或大部份業務之管理及行政合約。

主要客戶及供應商

本集團主要供應商及客戶所佔年內採購額及銷售額之百分比如下：

	2002 二零零二年 %	2001 二零零一年 %
	百分比	百分比

26 24

51 48

44 45

67 69

各董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之股東，概無擁有上述主要供應商或客戶任何權益。

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。

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

REPORT OF THE DIRECTORS

董事會報告書

PRACTICE NOTE 19 OF THE LISTING RULES (Continued)

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.

As at 31st March 2002, the loan was fully repaid.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

The Company was in compliance 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.

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, 8th July 2002

遵守上市規則第19項應用指引(續)

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。

於二零零二年三月三十一日，貸款已悉數償還。

遵守上市規則之最佳應用守則

本公司全年一直遵守上市規則附錄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。審核委員會須向本公司董事會匯報述職，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。

核數師

羅兵咸永道會計師事務所及陳浩賢會計師事務所共同審核賬目，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，二零零二年七月八日