

董事會報告書

Report of the Directors

董事會呈報截至二零零三年三月三十一日止年度之年報及經審核財務報表。

The directors present their annual report and the audited financial statements for the year ended 31st March, 2003.

主要業務

本公司為投資控股公司。各附屬及聯營公司之主要業務為設計、製造及銷售各種掌上電子產品，主要為電子辭典、個人數碼助理及原件設計生產之電子產品。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries and associates are the design, manufacture and sale of a range of electronic handheld products, primarily electronic dictionaries, personal digital assistants and original design manufacturing ("ODM") products.

於二零零二年九月二十七日，本集團已達成出售旗下的傳呼機業務的協議。詳情列載於本財務報表附註8。

On 27th September, 2002, the Group entered into an agreement to dispose of its pager product operation. Details of the disposal are set out in note 8 to the financial statements.

業績

本集團截至二零零三年三月三十一日止之業績載列於本年報第40頁之綜合損益表。董事會建議派發末期股息每股1.5港仙，合共17,768,000港元（二零零二年：無）。是項末期股息將派發予名列於二零零三年八月十八日之股東名冊上之股東。

RESULTS

The results of the Group for the year ended 31st March, 2003 are set out in the consolidated income statement on page 40 of the annual report. The directors recommend the payment of a final dividend of HK1.5 cents per share to the shareholders on the register of members on 18th August, 2003, amounting to HK\$17,768,000 (2002: nil).

主要顧客及供應商

截至二零零三年三月三十一日止年度：

- (i) 本集團之最大及前五大顧客分別佔本集團約30%及56%之總銷售額。
- (ii) 本集團之最大及前五大供應商分別佔本集團之總採購額（並不包括資本性質之採購項目）約15%及42%。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2003:

- (i) The Group's largest customer and five largest customers accounted for approximately 30% and 56% respectively of the Group's total turnover.
- (ii) The Group's largest supplier and five largest suppliers accounted for approximately 15% and 42% respectively of the Group's total purchases (not including purchases of items which are of capital nature).

據董事會了解，本公司之董事、其關連人士及任何擁有超過本公司5%控股權之股東並無與前五大顧客及前五大供應商有任何關連。

According to the understanding of the directors, none of the directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers nor the five largest suppliers.

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物業、廠房及設備

於本年內，本集團添置之傢具、裝置及設備、廠房及機器和工具及工模分別約為4,000,000港元、3,000,000港元及6,000,000港元。

此等詳情及本集團於本年度內之物業、廠房及設備之其他變動情況載列於本財務報表附註14。

主要物業

本集團於二零零三年三月三十一日之主要物業之詳情列載於年報第107頁。

股本

本公司股本之變動詳情載列於本財務報表附註28。

董事及董事服務合約

年內及直至本公司董事會報告書日期之董事如下：

執行董事：

譚偉豪 (主席)
譚偉棠 (董事總經理)
譚梅嘉慧
大谷和廣
李冠雄
霍定洋

非執行董事：

羅志聰

羅志聰先生由二零零三年四月一日起不再擔任執行董事，惟仍以非執行董事身份保留在董事會之席位。

獨立非執行董事：

容永祺 MH
何國成

根據本公司之公司細則第87及169條，霍定洋博士及羅志聰先生均須告退並已表示願膺選連任。

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired furniture, fixtures and equipment of approximately HK\$4 million, plant and machinery of approximately HK\$3 million and toolings and moulds of approximately HK\$6 million.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 31st March, 2003 are set out on page 107 of the annual report.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 28 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:

TAM Wai Ho, Samson (Chairman)
TAM Wai Tong, Thomas (Managing Director)
TAM Mui Ka Wai, Vivian
Kazuhiro **OTANI**
LEE Koon Hung
FOK Ting Yeung, James

Non-executive director:

LO Chi Chung, William

Mr. Lo Chi Chung, William ceased to be an executive director with effect from 1st April, 2003 but remains in the Board as a non-executive director.

Independent non-executive directors:

YUNG Wing Ki, Samuel, MH
HO Kwok Shing, Harris

In accordance with Bye-laws 87 and 169 of the Company's Bye-laws, Dr. Fok Ting Yeung, James and Mr. Lo Chi Chung, William retire and, being eligible, offer themselves for re-election.

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董事及董事服務合約 (續)

所有非執行董事之任期均不多於一年。

於即舉行之股東週年大會獲提議連任之董事均無訂有任何本集團不可於一年內毋須賠償(法定賠償除外)而終止之服務合約。

董事擁有之證券權益

於二零零三年三月三十一日，按本公司遵照證券(公開權益)條例(「公開權益條例」)第29條而設立之名冊所記錄，各董事及彼等之聯繫人士擁有本公司及各聯繫公司(定義見公開權益條例)之已發行股本及優先認股權權益如下：

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

All non-executive directors have been appointed for a term of no more than one year.

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

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2003, the interests of the directors and their associates in the issued share capital of the Company and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance and in the share options of the Company were as follows:

董事姓名 Name of director	權益性質 Nature of interests	所持股份數目 Number of ordinary shares held			總額 Total
		個人權益 Personal interests	家族權益 Family interests	其他權益 Other interests	
譚偉豪 Tam Wai Ho, Samson	附註1及2 Notes 1 & 2	24,000,000	-	537,877,118	561,877,118
譚偉棠 Tam Wai Tong, Thomas	附註1及2 Notes 1 & 2	27,000,000	-	537,877,118	564,877,118
譚梅嘉慧 Tam Mui Ka Wai, Vivian	附註1 Note 1	1,500,000	-	537,877,118	539,377,118
李冠雄 Lee Koon Hung		926,000	450,000	-	1,376,000
容永祺 MH Yung Wing Ki, Samuel MH		730,000	-	-	730,000
羅志聰 Lo Chi Chung, William		2,150,000	-	-	2,150,000

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董事擁有之證券權益 (續)

附註：

1. 此等 537,877,118 股股份均以 Earnmill Holdings Limited 之名義登記，該公司由 The Samson 1992 Trust 及 The Thomas 1992 Trust 按相同比例最終實益擁有。The Samson 1992 Trust 為一項全權代管信託，其全權代管受益人包括譚偉豪先生及譚梅嘉慧女士。The Thomas 1992 Trust 為一項全權代管信託，其全權代管受益人包括譚偉棠先生及配偶譚吳麗婉女士。
2. 以上包括由譚偉豪先生及譚偉棠先生共同持有的 20,000,000 股股份。

各董事及彼等聯繫人士擁有本公司之優先認股權權益列載於董事會報告書「優先認股權」內。

除上文所披露者外，及董事以信託方式代本集團持有附屬公司之若干代理人名義股份外，於二零零三年三月三十一日，(i) 各董事或彼等之聯繫人士概無在本公司或各任何聯繫公司（定義見公開權益條例）之任何證券中擁有任何個人權益、家族權益、公司權益及其他權益；及(ii) 各董事或彼等配偶或十八歲以下子女概無認購本公司證券，或於年內已行使任何該權力。

DIRECTORS' INTERESTS IN SECURITIES (Continued)

Notes:

1. The 537,877,118 shares are registered in the name of Earnmill Holdings Limited, a company ultimately beneficially owned by The Samson 1992 Trust and The Thomas 1992 Trust in equal shares. The Samson 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Mr. Tam Wai Ho, Samson and Mrs. Tam Mui Ka Wai, Vivian. The Thomas 1992 Trust is a discretionary trust, the discretionary beneficiaries of which include Mr. Tam Wai Tong, Thomas and Mrs. Tam Ng Lai Yuen, Jocelyn (spouse of Mr. Tam Wai Tong, Thomas).
2. Included above is the 20,000,000 shares which are jointly owned by Mr. Tam Wai Ho, Samson and Mr. Tam Wai Tong, Thomas.

The interests of the directors and their associates in the share options granted by the Company are set out in the section "Share Options" in the Report of the Directors.

Save as disclosed above, and other than certain nominee shares in subsidiaries held by directors in trust for the Group, at 31st March, 2003 (i) none of the directors or their associates had any personal interests, family interests, corporate interests or other interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance; and (ii) 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.

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優先認股權

本公司之優先認股權計劃詳列於本財務報表附註 29。

本公司之優先認股權於本年內之變動披露如下：

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 29 to the financial statements.

The following table discloses movements in the Company's share options during the year:

	授出日期 Option grant date	於年度開始時 尚未行使 Outstanding at beginning of the year	年內授出 Granted during the year	年內註銷 Cancelled during the year	年內失效 Lapsed during the year	年內行使 Exercised during the year	於年度終結時 尚未行使 Outstanding at end of the year
董事							
Directors							
譚偉豪	20.3.1998	2,500,000	-	-	(2,500,000)	-	-
Tam Wai Ho, Samson	4.6.1999	800,000	-	-	(800,000)	-	-
	22.3.2000	800,000	-	-	(800,000)	-	-
	27.8.2001	1,000,000	-	-	(1,000,000)	-	-
	12.8.2002	-	1,000,000	-	-	-	1,000,000
	24.3.2003	-	1,000,000	-	-	-	1,000,000
譚偉棠	20.3.1998	2,500,000	-	-	(2,500,000)	-	-
Tam Wai Tong, Thomas	4.6.1999	800,000	-	-	(800,000)	-	-
	22.3.2000	800,000	-	-	(800,000)	-	-
	27.8.2001	1,000,000	-	-	(1,000,000)	-	-
	12.8.2002	-	1,000,000	-	-	-	1,000,000
	24.3.2003	-	1,000,000	-	-	-	1,000,000
譚梅嘉慧	20.3.1998	1,000,000	-	-	(1,000,000)	-	-
Tam Mui Ka Wai, Vivian	4.6.1999	500,000	-	-	(500,000)	-	-
	22.3.2000	500,000	-	-	(500,000)	-	-
	27.8.2001	400,000	-	-	(400,000)	-	-
	12.8.2002	-	400,000	-	-	-	400,000
	24.3.2003	-	400,000	-	-	-	400,000
大谷和廣	5.5.1997	2,500,000	-	-	(2,500,000)	-	-
Kazuhiro Otani	20.3.1998	2,500,000	-	-	(2,500,000)	-	-
	4.6.1999	500,000	-	-	(500,000)	-	-
	22.3.2000	500,000	-	-	(500,000)	-	-
	27.8.2001	1,000,000	-	-	(1,000,000)	-	-
	12.8.2002	-	1,000,000	-	-	-	1,000,000
	24.3.2003	-	1,000,000	-	-	-	1,000,000
李冠雄(附註)	24.2.1997	450,000	-	-	(450,000)	-	-
Lee Koon Hung (note)	20.3.1998	1,200,000	-	-	(1,200,000)	-	-
	4.6.1999	700,000	-	-	(700,000)	-	-
	22.3.2000	700,000	-	-	(700,000)	-	-
	27.8.2001	1,300,000	-	-	(1,300,000)	-	-
	12.8.2002	-	1,400,000	-	-	-	1,400,000
	24.3.2003	-	1,500,000	-	-	-	1,500,000
霍定洋	4.6.1999	500,000	-	-	(500,000)	-	-
Fok Ting Yeung, James	22.3.2000	500,000	-	-	(500,000)	-	-
	27.8.2001	400,000	-	-	(400,000)	-	-
	12.8.2002	-	400,000	-	-	-	400,000
	24.3.2003	-	400,000	-	-	-	400,000
羅志聰	20.3.1998	500,000	-	-	(500,000)	-	-
Lo Chi Chung, William	4.6.1999	500,000	-	-	(500,000)	-	-
	22.3.2000	500,000	-	-	(500,000)	-	-
	27.8.2001	1,800,000	-	-	(1,800,000)	-	-
	12.8.2002	-	1,000,000	-	-	-	1,000,000
	24.3.2003	-	1,000,000	-	-	-	1,000,000
總數(董事)							
Total (Directors)		28,650,000	12,500,000	-	(28,650,000)	-	12,500,000

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優先認股權 (續)

SHARE OPTIONS (Continued)

	授出日期 Option grant date	於年度開始時 尚未行使 Outstanding at beginning of the year	年內授出 Granted during the year	年內註銷 Cancelled during the year	年內失效 Lapsed during the year	年內行使 Exercised during the year	於年度終結時 尚未行使 Outstanding at end of the year
僱員	24.2.1997	300,000	-	-	(300,000)	-	-
Employees	20.3.1998	1,300,000	-	-	(1,300,000)	-	-
	4.6.1999	1,610,000	-	(120,000)	(1,490,000)	-	-
	13.9.1999	150,000	-	(150,000)	-	-	-
	22.3.2000	3,990,000	-	(580,000)	(3,410,000)	-	-
	27.8.2001	5,590,000	-	(790,000)	(4,800,000)	-	-
	12.8.2002	-	5,035,000	(655,000)	-	-	4,380,000
	24.3.2003	-	5,165,000	-	-	-	5,165,000
總數 (僱員) Total (Employees)		12,940,000	10,200,000	(2,295,000)	(11,300,000)	-	9,545,000
總計 Grand Total		41,590,000	22,700,000	(2,295,000)	(39,950,000)	-	22,045,000

每類優先認股權的詳情載列如下：

Details of specific categories of options are as follows:

授出日期 Date of grant	有效期 Vesting period	行使期 Exercise period	行使價 Exercise price 港元 HK\$
24.2.1997	24.2.1997 – 26.1.1998	27.1.1998 – 7.1.2003	0.320
5.5.1997	5.5.1997 – 7.4.1998	8.4.1998 – 7.1.2003	0.490
20.3.1998	20.3.1998 – 5.2.1999	6.2.1999 – 7.1.2003	0.390
4.6.1999	4.6.1999 – 21.4.2000	22.4.2000 – 7.1.2003	0.380
13.9.1999	13.9.1999 – 12.8.2000	13.8.2000 – 7.1.2003	0.470
22.3.2000	22.3.2000 – 7.2.2001	8.2.2001 – 7.1.2003	0.650
27.8.2001	27.8.2001 – 12.7.2002	13.7.2002 – 7.1.2003	0.210
12.8.2002	12.8.2002 – 16.6.2003	17.6.2003 – 16.6.2008	0.250
24.3.2003	24.3.2003 – 19.1.2004	20.1.2004 – 19.1.2009	0.202

附註：李冠雄先生之配偶為本公司之僱員，並獲授予本公司之優先認股權。於二零零三年三月三十一日，李冠雄之太太的900,000優先認股權已包括在上列李冠雄先生之優先認股權權益內。

Note: The wife of Mr. Lee Koon Hung, who is also an employee of the Company, was granted options of the Company. At 31st March, 2003, 900,000 options of Mrs. Lee were included under the interests in options of Mr. Lee Koon Hung set out above.

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優先認股權 (續)

本公司股份在緊接優先認股權授出日期，即二零零二年八月十二日及二零零三年三月二十四日之前的收市價分別為0.166港元及0.300港元。

於二零零二年八月十二日及二零零三年三月二十四日，即本年度優先認股權授出日期計算，優先認股權之平均公平價值為0.099港元。以下乃及「柏力克－舒爾斯」優先認股權定價模式計算公平價值時所採用之假定：

預計已授出的優先認股權年限	3年 / years
Estimated expected life of options granted	
根據過往股價波幅計算之預計波幅	66.94%
Expected volatility based on historical share price movement	
香港外匯基金債券息率	2.70%
Hong Kong Exchange Fund Notes Rate	
根據過去十二個月派發的股息預計每年股息收益率	零 / Nil
Expected annual dividend yield based on dividend payments in the last 12 months	
被收回之優先認股權之調整	5%
Risk-of-forfeiture adjustment	

於二零零二年八月十二日及二零零三年三月二十四日，即優先認股權授出日期，授出之優先認股權之行使價分別為0.250港元及0.202港元。

「柏力克－舒爾斯」優先認股權定價模式要求採用之假定，包括股價波動及股息回報率。由於此假定在變動時可以對公平價值之估算構成重大影響，故董事會認為優先認股權實際價值或會與優先認股權公平價值不同。

在綜合損益表內並無就本年度授出之優先認股權價值而確認任何開支。

董事購入股份或債券之權利

除上文所披露者外，本公司或各任何附屬公司或同集團附屬公司於本年內任何時間概無作出任何安排，致令本公司董事可藉購入本公司或其他法人團體之股份或債券而獲益。

SHARE OPTIONS (Continued)

The closing price of the Company's shares immediately before the date of grant on 12th August, 2002 and 24th March, 2003 were HK\$0.166 and HK\$0.300.

The weighted average fair value of an option on one share of the Company granted in the current year measured as at the dates of grant of 12th August, 2002 and 24th March, 2003 was HK\$0.099. The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:

The exercise price of options granted on 12th August, 2002 and 24th March, 2003 is HK\$0.250 and HK\$0.202 respectively.

The Black-Scholes option pricing model requires the input of assumptions, including the volatility of share price and dividend yield. Because changes in assumptions can materially affect the fair value estimated, in the directors' opinion, the options' actual value may differ from the estimated fair value of the options due to limitations of the existing model.

No charge is recognised in the consolidated income statement in respect of the value of options granted during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries or fellow 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.

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董事於合約之重大權益

於本年度，本集團向精輝企業有限公司採購電子零件數額約14,000,000港元，譚偉棠先生在該公司擁有實益權益。

於上述交易中並沒佔有權益之董事認為，此等交易乃按本集團之一般商業條款及日常業務進行。

除上述外，本公司各董事於本公司或各任何附屬公司或同集團公司於本年度結束日期或本年度內任何時間訂立之重要合約中概無直接或間接擁有重大權益。

購買、出售或贖回證券

於本年度，本公司於香港聯合交易所有限公司購回本公司之股份，詳情列載於本財務報表附註28。因本公司的股份回購之價格乃低於每股之資產淨值，故董事會認為此回購將提高本公司股份每股之資產淨值。

關連交易

本年度須披露之關連交易詳情已載列於本財務報表附註38(a)。於上述交易中並沒佔有權益之董事認為，此等交易乃按本集團之一般商業條款及日常業務進行。

主要股東

除上述就若干董事之權益披露者外，按遵照公開權益條例第16(1)條而設立之主要股東名冊所載，於二零零三年三月三十一日，概無人擁有本公司已發行股本10%或以上之權益。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year, the Group purchased electronic components amounting to approximately HK\$14 million from Genfield Enterprises Limited, a company in which Mr. Tam Wai Tong, Thomas, has a beneficial interest.

In the opinion of the directors who do not have any interest in the above transactions, the transactions were carried out on normal commercial terms and in the ordinary and usual course of business of the Group.

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries, or fellow 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.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, the Company repurchased certain of its own shares through The Stock Exchange of Hong Kong Limited, details of which are set out in note 28 to the financial statements. The directors considered that, as the Company's shares were trading at a discount to the net asset value per share, the repurchases would increase the net asset value per share of the Company.

CONNECTED TRANSACTIONS

Details of the discloseable connected transactions for the year are set out in note 38(a) to the financial statements. In the opinion of those directors not having any interest in the above transactions, the above transactions were carried out on normal commercial terms and in the ordinary and usual course of business of the Group.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of certain directors, the register of substantial shareholders maintained by the Company under Section 16(1) of the SDI Ordinance discloses no person as having an interest of 10% or more of the issued share capital of the Company as at 31st March, 2003.

董事會報告書

Report of the Directors

結算日後事項

結算日後事項之詳情載列於本財務報表附註39。

股本優先購買權

本公司之公司細則並無載有任何股本優先購買權之規定，而根據百慕達法例，亦無要求本公司就發行新股按比例向現有股東配股。

遵守最佳應用守則

本公司於二零零三年三月三十一日止一年內已遵守香港聯合交易所有限公司證券上市規則附錄十四所載監管上市證券之最佳應用守則。

核數師

續聘德勤•關黃陳方會計師行為核數師之決議案將於本公司之股東週年大會上提呈。

承董事會命
主席
譚偉豪

香港
二零零三年七月十五日

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events occurring after the balance sheet date are set out in note 39 to the financial statements.

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 the existing shareholders.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2003 with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

AUDITORS

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

On behalf of the Board
Tam Wai Ho, Samson
Chairman

Hong Kong
15th July, 2003