

Directors' Report

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

Principal Activities

The Company acts as an investment holding company.

The principal activities of the Company's subsidiaries at 31 March 2003 are set out in note 19 to the financial statements.

Results and Appropriations

The results and appropriations of the Group for the year ended 31 March 2003 are set out in the consolidated income statement and the consolidated statement of changes in equity on page 25 and 28 respectively.

The directors do not recommend the payment of a final dividend.

Reserves

Details of movements during the year in the reserves of the Group and the Company are set out in the consolidated statement of changes in equity on page 28 of the annual report and note 22 to the financial statements, respectively.

Financial Summary

A summary of the results and of the assets and liabilities of the Group is set out on page 67 of the annual report.

Property, Plant and Equipment

Details of movements during the year in the property, plant and equipment of the Group are set out in note 11 to the financial statements.

董事會報告

董事會謹此提呈截至二零零三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

本公司作為其集團附屬公司之投資控股公司。

本公司之附屬公司截至二零零三年三月三十一日止的主要業務載於財務報表附註19內。

業績及撥款

本集團截至二零零三年三月三十一日止年度之業績及撥款分別載於第25頁及第28頁之綜合收益表及綜合權益變動表內。

董事會不建議派發末期股息。

儲備

本集團及本公司於本年度之儲備變動詳情分別載於年報第28頁綜合權益變動表及財務報表附註22內。

財務概要

本集團過去之業績及資產與負債之概要載於第67頁內。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於財務報表附註11內。

Share Capital

Details of the share capital of the Company are set out in note 20 to the financial statements.

Purchase, Sale and Redemption of Listed Securities

During the year, the Company repurchased a total of 32,526,000 shares (before the share consolidation) of HK\$0.01 each of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), all of which were subsequently cancelled. The repurchase of the Company's shares during the year were effected by the directors, pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole by enhancing the net asset value and earnings per share of the Company. Details of the repurchased shares are as follows:

Month of repurchase	購回月份	Number of shares repurchased 購回股份數目	Price per share 每股股份價格		Aggregate price paid 總代價 HK\$ 港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
September 2002	二零零二年九月	11,566,000	0.020	0.018	225,164
October 2002	二零零二年十月	14,990,000	0.019	0.017	276,130
November 2002	二零零二年十一月	5,970,000	0.020	—	119,400

Save as disclosed above, neither the Company nor any of its subsidiaries purchased or redeemed of any of the Company's listed shares during the year.

股本

本公司之股本之詳情載於財務報表附註20內。

購入、出售或贖回上市證券

於年內，本公司於香港聯合交易所有限公司（「聯交所」）購回共32,526,000股（股份合併前）本公司之股份，每股面值0.01港元，本公司於購回股份時已註銷全部購回股份。董事會乃根據股東授權購回股份，並以加強公司的資產淨值及每股盈利，使本公司股東得益，購回股份詳情如下：

除上述披露外，本公司或其任何附屬公司於截至二零零三年三月三十一日止年度內概無買賣本公司之上市證券。

Directors

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

Executive directors

Mr. Chu Ka Lok, Peter (*Chairman and President*)
Mr. Wat Hon Keung (*Vice-President*)
Mr. Chan Kai Kwok
Ms. Chu Maria Teresa

Independent non-executive directors

Mr. Chan Chi Keung, Chris
Dr. Wu Shu Chih, Alex

In accordance with Clause 87 of the Company's Bye-laws, Dr. Wu Shu Chih, Alex and Mr. Chan Kai Kwok retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. The other directors continue in office.

The term of office for each of the independent non-executive directors is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

Three of the executive directors, namely, Messrs. Chu Ka Lok, Peter, Wat Hon Keung and Ms. Chu Maria Teresa have each entered into a service agreement with the Company for a period of three years commencing on 1 July 1997 and continuing thereafter until terminated by either party giving not less than three months' written notice to the other party.

Save as disclosed above, no other director has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

年內及截至本年報刊發當日，本公司之董事如下：

執行董事

朱嘉樂先生 (*主席兼總裁*)
屈漢強先生 (*副總裁*)
陳啟國先生
朱詠儀小姐

獨立非執行董事

陳志強先生
吳樹熾博士

根據本公司之公司細則第八十七條，吳樹熾博士及陳啟國先生應輪席告退，惟彼等願於來屆週年大會膺選連任。其他董事則會續留任為董事。

根據本公司之公司細則，各獨立非執行董事之任期乃根據其須輪席告退之期間為限。

三位執行董事(朱嘉樂先生、屈漢強先生及朱詠儀小姐)均分別與本公司訂立服務協議，由一九九七年七月一日起，為期三年，任期屆滿後可延續，直至任何立約方向另一立約方作出不少於三個月書面通知終止協議為止。

除上文所披露者外，概無其他董事與本集團訂立本集團不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

Directors' Interests in Securities

At 31 March 2003, the interests of the directors and their associates in the securities of the Company and its associates as recorded in the register required to be maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

(i) The Company

(a) Shares

董事之證券權益

於二零零三年三月三十一日，各董事及彼等之聯繫人士於本公司及其聯營公司之證券中擁有根據證券(披露權益)條例(「披露權益條例」)第二十九條或根據上市公司董事進行證券交易的標準守則通知本公司及聯交所本公司須存置之名冊所記錄之權益如下：

(i) 本公司

(a) 股份

Name of director	董事姓名	Number of shares 股份數目	
		Personal interests 私人權益	Other interests 其他權益
Mr. Chu Ka Lok, Peter	朱嘉樂先生	3,367,000	764,000 (Note 1) (附註1)
			118,260,000 (Note 2) (附註2)
Mr. Wat Hon Keung	屈漢強先生	933,000	—
Mr. Chan Kai Kwok	陳啟國先生	935,500	—
Ms. Chu Maria Teresa	朱詠儀小姐	4,000,000	—

Note:

- These shares were held by Napson Trading Limited, Napson Trading Limited, a company incorporated in Hong Kong, is wholly and beneficially owned by Charmwood Development Limited. The entire issued share capital of Charmwood Development Limited is held by the trustee of a discretionary trust in which Mr. Chu Ka Lok, Peter is included as a beneficiary. He therefore has "other interests" in such number of shares as described in Practice Note 5 to the Rules Governing the Listing of Securities on the Stock Exchange.
- These shares were held by Charmwood Development Limited. The entire issued share capital of Charmwood Development Limited is held by the trustee of a discretionary trust in which Mr. Chu Ka Lok, Peter is included as a beneficiary. He therefore has "other interests" in such number of shares as described in Practice Note 5 to the Rules Governing the Listing of Securities on the Stock Exchange.

附註：

- 該等股份乃由Napson Trading Limited持有。Napson Trading Limited是一家於香港成立之公司，為Charmwood Development Limited全部和實益所擁有。Charmwood Development Limited之全部已發行股本是由全權信託受託人持有，而朱嘉樂先生為該全權信託之其中一位受益人。因此，根據聯交所證券上市條例應用指引第五號，朱先生擁有該等數目股份之「其他權益」。
- 該等股份乃由Charmwood Development Limited持有。Charmwood Development Limited之全部已發行股本是由全權信託受託人持有，而朱嘉樂先生為該全權信託之其中一位受益人。因此，根據香港聯合交易所有限公司證券上市條例應用指引第五號，朱先生擁有該等數目股份之「其他權益」。

(b) Options

Particulars of the Company's share option scheme are set out in note 21 to the financial statements.

The details of the share options granted to the directors of the Company were as follows:

(b) 購股權

有關本公司之購股權計劃之資料載於財務報表附註21內。

授予本公司董事之購股權詳情如下：

Directors 董事	Exercisable period 行使期間	Exercise price per share 每股行使價 HK\$港元 (Note) (附註)	Outstanding at 1.4.2002 於2002年4月1日 尚未行使	Adjusted on 28.1.2003 於2003年1月28日 調整 (Note) (附註)	Outstanding at 31.3.2003 於2003年3月31日 尚未行使
Mr. Chu Ka Lok, Peter 朱嘉樂先生	17.4.2001 – 16.4.2011	0.5504	30,000,000	(28,500,000)	1,500,000
Mr. Wat Hon Keung 屈漢強先生	17.12.2001 – 16.12.2011	0.7920	10,000,000	(9,500,000)	500,000
Mr. Chan Kai Kwok 陳啟國先生	17.12.2001 – 16.12.2011	0.7920	10,000,000	(9,500,000)	500,000
Ms. Chu Maria Teresa 朱詠儀小姐	17.4.2001 – 16.4.2011 17.12.2001 – 16.12.2011	0.5504 0.7920	30,000,000 2,000,000	(28,500,000) (1,900,000)	1,500,000 100,000
Total directors 董事總數			<u>82,000,000</u>	<u>(77,900,000)</u>	<u>4,100,000</u>

Note: The number and the exercise price of options which remained outstanding on 28 January 2003 have been adjusted as a result of the share consolidation whereby every 20 issued and unissued shares of HK\$0.01 each in the Company were consolidated into 1 share of HK\$0.20 each with effect on and from 28 January 2003.

附註：於二零零三年一月二十八日尚未行使之購股權數目及行使價已按於二零零三年一月二十八日起生效之股份合併作調整，本公司每20股每股0.01港元之已發行及未發行股份已合併為1股每股0.20港元之股份。

(ii) Shares in subsidiaries

At 31 March 2003, the following director held "other interests" in the non-voting deferred shares in Alpha Appliances Limited, a 100% owned subsidiary of the Company, as follows:

Name of director
董事姓名

Mr. Chu Ka Lok, Peter
朱嘉樂先生

Note: 49,999 shares were held by Charmwood Development Limited and 1 share was held by Reredos Corporation which share was in turn held in trust for Charmwood Development Limited. The entire issued share capital of Charmwood Development Limited is held by the trustee of a discretionary trust in which Mr. Chu Ka Lok, Peter is included as a beneficiary. He therefore has "other interests" in such number of non-voting deferred shares as described in Practice Note 5 to the Rules Governing the Listing of Securities on the Stock Exchange.

In addition, a number of directors held non-beneficial interests in shares in certain subsidiaries as nominees for the Group.

Save as disclosed above, none of the directors, chief executives or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company or its associated corporations (as defined in the SDI Ordinance) as recorded in the register required to be kept under Section 29 of the SDI Ordinance or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

(ii) 在附屬公司之股份

於二零零三年三月三十一日，以下董事持有本公司全資附屬公司第一電業有限公司之無投票權遞延股份之「其他權益」：

Number of non-voting
deferred shares
無投票權遞延股份數目

50,000
(Note)
(附註)

附註： Charmwood Development Limited持有49,999股股份，而其餘1股股份則由Reredos Corporation以信託形式代Charmwood Development Limited持有。Charmwood Development Limited之全部已發行股本是由全權信託受託人持有，而朱嘉樂先生為該全權信託之其中一位受益人。因此，根據聯交所證券上市條例應用指引第五號，朱先生擁有該等數目之無投票權遞延股份之「其他權益」。

此外，多位董事以本公司代理人名義於若干附屬公司中持有非實益權益。

除上文所披露者外，各董事、主要行政人員或彼等之聯繫人士概無於本公司或其任何聯營公司(定義見披露權益條例)任何股本證券及債務證券中擁有根據披露權益條例第二十九條或根據上市公司董事進行證券交易的標準守則通知本公司及聯交所本公司須存置之名冊所記錄之權益。

Arrangements to Purchase Shares or Debentures

Apart from those share options granted to executive directors pursuant to the share option scheme of the Company as described in note 21 to the financial statements and disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Company's directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interest in Contracts

No contract of significance, to which the Company, any of its holding companies or 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.

Major Customers and Suppliers

For the year ended 31 March 2003, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 38% of the Group's total turnover and the amount of turnover attributable to the Group's largest customer was approximately 21% of the Group's total turnover. The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 99% of the Group's total purchases and the amount of purchases attributable to the Group's largest supplier was approximately 70% of the Group's total purchases.

Napson is beneficially interested in 315,000 shares in Fujitsu General Limited (representing 0.29% of the issued share capital of Fujitsu General Limited), the largest supplier to the Group.

Save as disclosed above, none of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) has any interest in any of the Group's five largest customers or suppliers.

購買股份或債券之安排

除了於財務報表附註21所列根據本公司購股權計劃所授出予執行董事之購股權及上述所披露外，本公司、其控股公司或任何附屬公司概無於年內任何時間內訂立任何安排致使本公司之董事、其配偶或18歲以下之子女透過購買本公司或任何其他法人團體之股份或債券而獲取利益。

董事於合約之權益

本公司之董事概無於本公司、任何其控股公司或附屬公司於年終或年內任何時間內所訂立任何重大合約中直接或間接擁有重大權益。

主要客戶及供應商

截至二零零三年三月三十一日，由本集團五大客戶貢獻之營業額佔本集團之總營業額約38%，而由本集團最大客戶貢獻之營業額佔本集團之總營業額約21%。本集團之五大供應商佔本集團總採購額約99%，而本集團之最大供應商則佔本集團總採購額約70%。

Napson實益持有富士通將軍公司315,000股股份(相當於富士通將軍公司已發行股本中0.29%權益)。富士通將軍為本集團最大之供應商。

除上文所披露者外，概無董事、其聯繫人士或任何股東(就董事所知，彼等持有本公司股本逾5%)於本集團五大客戶或供應商中持有任何權益。

Substantial Shareholders

At 31 March 2003, according to the register kept under Section 16(1) of the SDI Ordinance, the only shareholder who had an interest in 10% or more of the issued share capital of the Company was Charmwood Development Limited which held 118,260,000 shares of HK\$0.20 each. This interest has also been disclosed as an interest of Mr. Chu Ka Lok, Peter in the disclosure of directors' interests in securities of the Company above.

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be recorded under Section 16(1) of the SDI Ordinance.

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.

Compliance With Code of Best Practice

The Company has complied throughout the year ended 31 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.

主要股東

於二零零三年三月三十一日，根據披露權益條例第十六(一)條存置之名冊顯示，唯一持有本公司已發行股本中10%或以上權益之股東為Charmwood Development Limited，其持有118,260,000股每股0.20港元之股份。此等權益亦已於上文董事於本公司證券權益中披露為朱嘉樂先生之權益。

除上文所披露者外，根據披露權益條例第十六(一)條本公司須予存置之名冊所載，概無任何人士持有本公司股本中之權益。

優先購買權

儘管百慕達法例對優先購買權並無限制，惟本公司之公司細則並無就優先購買權作出規定。

遵守最佳應用守則

本公司於截至二零零三年三月三十一日止年度內，一直遵守香港聯合交易所有限公司之證券上市規則附錄十四。

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

Chu Ka Lok, Peter
Chairman and President

24 July 2003

核數師

本公司將於股東週年大會上提呈決議案重聘德勤•關黃陳方會計師行為本公司之核數師。

承董事會命

主席兼總裁
朱嘉樂

二零零三年七月二十四日