



Directors' Report 董事會報告書

The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31st March, 2004.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the principal subsidiaries are set out in note 43 to the financial statements.

RESULTS

The results of the Group for the year ended 31st March, 2004 are set out in the consolidated income statement on page 19.

The directors do not recommend the payment of a dividend.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 28 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

DIRECTORS

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

Pan Su Tong
Chung Kwan Yat
Lai Chi Kin, Lawrence*
Ng Lai Man, Carmen* (*appointed on 13th February, 2004*)

Lo Shu Sing, Danny* (*resigned on 2nd January, 2004*)

* *Independent non-executive directors*

In accordance with Article 105 of the Company's Articles of Association, Mr. Chung Kwan Yat and Mr. Lai Chi Kin, Lawrence will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

董事會現提呈本公司及其附屬公司(下文統稱「本集團」)截至二零零四年三月三十一日止年度之年度報告及經審核財政報告。

主要業務

本公司為一間投資控股公司。各主要附屬公司之主要業務載於財政報告附註43。

業績

本集團截至二零零四年三月三十一日止年度之業績載於第19頁之綜合損益表。

董事建議不派發股息。

股本

本公司於年內之股本變動詳情載於財政報告附註28。

物業、機器及設備

本集團於年內之物業、機器及設備變動詳情載於財政報告附註14。

董事

於年內及直至本報告之刊發日期止，本公司之董事芳名如下：

潘蘇通
叢筠日
黎志堅*
吳麗文* (於二零零四年二月十三日獲委任)
羅樹成* (於二零零四年一月二日辭任)

* 獨立非執行董事

按照本公司之公司組織章程細則第105條規定，叢筠日先生及黎志堅先生須於即將舉行的股東週年大會輪值卸任惟合乎資格並願膺選連任。

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The term of office of each director, including the independent non-executive directors, is for a period up to his/her retirement by rotation in accordance with the Company's Articles of Association.

None of the directors 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 UNDERLYING SHARES

At 31st March, 2004, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies, were as follows:

Long position

Ordinary shares of HK\$0.05 each of the Company

各董事(包括獨立非執行董事)之任期直至其按照本公司之公司組織章程細則規定輪值告退為止。

各董事並無與本公司或其任何附屬公司訂立任何不可由本集團於一年內免付賠償(法定賠償除外)而終止之服務合約。

董事之股份及相關股份權益

於二零零四年三月三十一日，根據本公司按證券及期貨條例(「證券及期貨條例」)第352條規定存置之股東名冊所示，或根據上市公司董事進行證券交易之標準守則須另行知會本公司及香港聯合交易所有限公司，董事及彼等之聯繫人士之本公司股份及相關股份權益如下：

長倉

本公司每股0.05港元之普通股

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 持有已發行 普通股數量	Percentage of the issued share capital of the Company 本公司已發行 股本百分比
Mr. Pan Su Tong 潘蘇通先生	Held by controlled corporation (Note) 由控制公司持有(附註)	341,202,894	67%

Note: Jade Forest Limited ("Jade Forest") held 341,202,894 shares (or 67% interest). Jade Forest was 100% owned by Mr. Pan Su Tong as at 31st March, 2004. Accordingly, Mr. Pan Su Tong was deemed to be interested in the 341,202,894 shares held by Jade Forest.

附註：Jade Forest Limited(「Jade Forest」)持有341,202,894股股份(或67%權益)。於二零零四年三月三十一日，Jade Forest由潘蘇通先生擁有100%。因此，潘蘇通先生被視為擁有由Jade Forest持有之341,202,894股股份之權益。



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Save as disclosed above, at 31st March, 2004, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Pursuant to the share option scheme (the "Scheme") adopted on 27th August, 2002 by a resolution passed by the Company's shareholders on the same date, the directors of the Company may grant options as incentives to any participants as described in the Scheme for the shares in the Company within a period of ten years commencing from 27th August, 2002. No options have been granted to the directors of the Company since its adoption. Details of the Scheme are set out in note 29 to the financial statements.

Save disclosed herein:

1. 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; and
2. 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 debt securities (including debentures) of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

- (a) On 31st July, 2003, the Group entered into a purchase agreement with Matsunichi Communications (Hong Kong) Limited, a company which is wholly and beneficially owned by Mr. Pan Su Tong, a director of the Company, to acquire the entire equity interests in Best Concord Limited and its subsidiary ("the Best Concord Group"), which beneficially owns the land and building situated in Shenzhen, the PRC, with carrying value of HK\$78,000,000 at a consideration of HK\$78,000,000.

除上述披露者外，於二零零四年三月三十一日，並無董事或彼等之聯繫人士擁有本公司或其任何聯營公司之任何股份、相關股份或債券之任何權益。

董事購入股份或債券之權利

根據二零零二年八月二十七日日本公司股東通過決議案於同日採納之購股權計劃（「該計劃」），本公司董事可自二零零二年八月二十七日起計十年期間內，向該計劃所述之任何參與人士授出可認購本公司股份之購股權以作獎勵。根據該計劃，本公司自採納該計劃後並無向本公司董事授出購股權給予本公司董事。該計劃之詳情載於財務報表附註29。

除上文所披露者外：

1. 年內各董事或彼等之配偶或未滿十八歲子女並無擁有認購本公司證券之權利，亦無曾經行使任何上述權利。
2. 於年內任何時間，本公司或其任何附屬公司並無參與任何安排，致使本公司董事藉著購入本公司或任何其他法人團體之股份或債務證券（包括債券）而獲取利益。

董事於合約及關聯交易中之權益

- (a) 於二零零三年七月三十一日，本集團與松日資訊（香港）有限公司（本公司董事潘蘇通先生所全資實益擁有之公司）訂立一項購買協議，以代價78,000,000港元收購Best Concord Limited及其附屬公司（「Best Concord Group」）之全部股權。Best Concord Group則實益擁有位於中華人民共和國深圳市之土地及興建中廠房，賬面值為78,000,000港元。



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(b) On 9th December, 2002, the Group entered into two deeds with Matsunichi International Holdings Limited, and with 廣東松日電器有限公司 (Guangdong Matsunichi Electronics Limited) and 廣東松日通訊科技股份有限公司 (Guangdong Matsunichi Communications Technology Company Limited) (collectively the "Licensors"), respectively. Mr. Pan Su Tong, a director of the Company, has controlling interests in these companies. Pursuant to the deeds, the Licensors granted to the Group non-exclusive licences to use the trade marks of "Matsunichi" on and in relation to MP3 players and digital audio products at a licence fee of HK\$1 per annum each, for a term of 3 years from 1st November, 2002. During the year ended 31st March, 2004, the licence fee paid by the Group amounted to HK\$2.

Other than disclosed above, no contract of significance to which the Company or 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.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2004, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that Mr. Pan Su Tong and his controlled corporation stated under paragraph headed "Directors' interests in shares and underlying shares" are the only substantial shareholders of the Company.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st March, 2004.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2004, the aggregate amount of turnover attributable to the Group's five largest customers represented approximately 84% of the Group's total turnover for the year. The aggregate amount of turnover attributable to the Group's largest customer for the year was 34%.

(b) 於二零零二年十二月九日，本集團分別與松日國際集團有限公司、廣東松日通訊科技股份有限公司及廣東松日通訊科技股份有限公司（統稱「特許商」）訂立兩項契約。本公司之董事潘蘇通先生於上述公司擁有控股權益。根據該等契約，特許商向本集團授出非獨家特許權，本集團之MP3播放機及數碼音響產品可採用「松日」商標。有關之特許權費用為每年1港元，由二零零二年十一月一日起計，為期三年。於截至二零零四年三月三十一日止年度內，本集團支付特許權費為2港元。

除上述披露外，於年結或年內任何時間，本公司各董事並無在本公司或其附屬公司參與訂立之任何重大合約中直接或間接擁有重大權益。

主要股東

於二零零四年三月三十一日，根據本公司按證券及期貨條例第336條規定存置之主要名冊所示，標題為「董事於股份及相關股份之權益」段落中列述之潘蘇通先生及其受控法團乃本公司唯一主要股東。

除上述披露外，本公司並不知曉於二零零四年三月三十一日尚有任何本公司已發行股本中之其他有關權益或短倉。

主要客戶及供應商

截至二零零四年三月三十一日止年度內，本集團首五大客戶合計之營業額佔本集團年內之總營業額約84%。本集團最大之客戶佔本集團於年內之總營業額約34%。



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For the year ended 31st March, 2004, the aggregate amount of purchase attributable to the Group's five largest suppliers represented approximately 67% of the Group's total purchase for the year. The aggregate amount of purchases attributable to the Group's largest supplier for the year was 20%.

None of the directors, their associates or any shareholder, which to the knowledge of the directors, owns more than 5% of the Company's share capital, has interests in these customers or suppliers during the year.

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.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2004 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 forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

DIRECTOR
Pan Su Tong

19th July, 2004

截至二零零四年三月三十一日止年度內，本集團首五大供應商合佔本集團年內之總採購額約67%。本集團最大之供應商佔本集團於年內之總採購額約20%。

各董事、彼等之聯繫人士或就董事所知，任何擁有本公司股本5%以上之股東於年內概無擁有上述客戶或供應商之權益。

購入、出售或贖回本公司上市證券

本公司或其任何附屬公司於年內並無購入、出售或贖回任何本公司上市證券。

公司管治

本公司於截至二零零四年三月三十一日止全年度內均遵守香港聯合交易所有限公司證券上市規則附錄十四內所載之最佳應用守則。

核數師

一項重新委任德勤•關黃陳方會計師行為本公司核數師之決議案將於股東週年大會上提呈。

承董事會命

董事
潘蘇通

二零零四年七月十九日