

董事會報告書

Report of the Directors

董事會呈報截至二零零五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, 2005.

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、智能手機和個人數碼助理及製造原件設計生產之電子產品。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries and associates are design, manufacture and sale of a range of electronic handheld products, primarily electronic dictionaries, smartphones and personal digital assistants, and manufacture of original design manufacturing products.

業績及盈利分配

本集團截至二零零五年三月三十一日止之業績載列於本年報第44頁之綜合損益表。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2005 are set out in the consolidated income statement on page 44 of the annual report.

每股普通股1.0港仙之中期股息已於年內派發予股東。董事會建議派發末期股息每股普通股3.0港仙，共約36,110,000港元，而本年度之保留溢利為約14,060,000港元。是項末期股息將派發予名列於二零零五年八月十八日之股東名冊上之股東。

An interim dividend of HK1.0 cent per ordinary share was paid to the shareholders during the year. The directors now recommend the payment of a final dividend of HK3.0 cents per ordinary share to the shareholders on the register of members on 18th August, 2005, amounting to approximately HK\$36,110,000, and the retention of the remaining profit for the year of approximately HK\$14,060,000.

主要顧客及供應商

截至二零零五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34%及74%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17%及44%。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2005:

- (i) The Group's largest customer and five largest customers accounted for approximately 34% and 74%, respectively, of the Group's total turnover.
- (ii) The Group's largest supplier and five largest suppliers accounted for approximately 17% and 44%, 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、其聯繫人士及任何擁有超過本公司5%股本之股東並無持有前五大顧客及前五大供應商之任何權益。

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.

董事會報告書（續） Report of the Directors (Cont'd)

物業、廠房及設備

於本年內，本集團添置之物業裝修、傢具裝置及設備、廠房及機器、工具及工模和汽車分別約為 1,500,000 港元、3,000,000 港元、9,600,000 港元、9,900,000 港元及 400,000 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

本集團於二零零五年三月三十一日之主要物業之詳情載列於本年報第 108 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

獨立非執行董事：

容永祺 榮譽勳章
何國成
王幹文 (於二零零四年九月二十日獲委任)

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired leasehold improvement of approximately HK\$1.5 million, furniture, fixtures and equipment of approximately HK\$3.0 million, plant and machinery of approximately HK\$9.6 million, toolings and moulds of approximately HK\$9.9 million and motor vehicles of approximately HK\$0.4 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, 2005 are set out on page 108 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

Independent non-executive directors:

Yung Wing Ki, Samuel MH
Ho Kwok Shing, Harris
Wong Kon Man, Jason (appointed on 20th September, 2004)

董事會報告書（續） Report of the Directors (Cont'd)

董事及董事服務合約（續）

根據本公司之公司細則第87條，譚梅嘉慧女士及李冠雄先生均須退任，彼等各人均合資格並願膺選連任。

根據本公司之公司細則第86(2)條，王幹文先生於二零零四年九月二十日獲董事會新委任為獨立非執行董事，亦將會退任，彼合資格並願膺選連任。

所有非執行董事之任期均不多於一年。

於即將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。

獨立非執行董事

本公司已收到各獨立非執行董事包括容永祺先生榮譽勳章、何國成先生及王幹文先生根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條就其獨立性而作出的年度確認函，並視有關獨立非執行董事為獨立人士。

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS (Continued)

In accordance with Bye-law 87 of the Company's Bye-laws, Mrs. Tam Mui Ka Wai, Vivian and Mr. Lee Koon Hung retire and, being eligible, offer themselves for re-election.

Mr. Wong Kon Man, Jason, who was newly appointed by the board of Directors on 20th September, 2004, will also retire from office in accordance with Bye-law 86(2) of the Company's Bye-laws and he will, being eligible, offer himself for re-election.

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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive directors, namely Mr. Yung Wing Ki, Samuel MH, Mr. Ho Kwok Shing, Harris and Mr. Wong Kon Man, Jason, an annual confirmation of their independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers the independent non-executive directors to be independent.

董事會報告書（續） Report of the Directors (Cont'd)

董事擁有之證券權益

於二零零五年三月三十一日，根據證券及期貨條例第352條所述之登記冊所載，或根據上市公司董事進行證券交易之標準守則向本公司及香港聯合交易所有限公司所申報，各董事及彼等之聯繫人士所擁有本公司及各聯繫公司（定義見證券及期貨條例第XV部）之股份及相關股份之權益如下：

DIRECTORS' INTERESTS IN SECURITIES

At 31st March, 2005, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register maintained by the Company under Section 352 of 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, were as follows:

董事姓名 Name of director	權益性質 Nature of interests	所持普通股股份數目（好倉） Number of ordinary shares held (long position)				佔已發行股本 之百分比 % of issued share capital	
		個人權益 Personal interests	家族權益 Family interests	其他權益 Other interests	總額 Total		
譚偉豪 Tam Wai Ho, Samson	附註 1 及 2 Notes 1 & 2	26,000,000	—	537,877,118	563,877,118		46.85
譚偉棠 Tam Wai Tong, Thomas	附註 1 及 2 Notes 1 & 2	29,000,000	—	537,877,118	566,877,118		47.10
譚梅嘉慧 Tam Mui Ka Wai, Vivian	附註 1 Note 1	2,300,000	—	537,877,118	540,177,118		44.88
大谷和廣 Kazuhiro Otani		2,000,000	—	—	2,000,000		0.17
李冠雄 Lee Koon Hung		1,676,000	550,000	—	2,226,000		0.18
羅志聰 Lo Chi Chung, William		3,000,000	—	—	3,000,000		0.25

董事會報告書（續） Report of the Directors (Cont'd)

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配偶譚梅嘉慧女士。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。譚偉豪先生、譚梅嘉慧女士及譚偉棠先生均為 Earnmill Holdings Limited 之董事。
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載列於董事會報告書「優先認股權」內。

除上文所披露者外，於二零零五年三月三十一日，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（定義見證券及期貨條例）之股份及相關股份中擁有任何權益或淡倉。

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 (spouse of Mr. Tam Wai Ho, Samson). 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). Mr. Tam Wai Ho, Samson, Mrs. Tam Mui Ka Wai, Vivian and Mr. Tam Wai Tong, Thomas, being Directors, are directors of Earnmill Holdings Limited.
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, at 31st March, 2005, none of the Directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations as defined in the SFO.

董事會報告書（續） Report of the Directors (Cont'd)

優先認股權

本公司及其附屬公司之優先認股權計劃詳列於本財務報表附註30。

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 and its subsidiary's share option schemes are set out in note 30.

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	12.8.2002	1,000,000	—	—	(1,000,000)	—
Tam Wai Ho, Samson	24.3.2003	1,000,000	—	—	(1,000,000)	—
	19.4.2004	—	900,000	—	—	900,000
譚偉棠	12.8.2002	1,000,000	—	—	(1,000,000)	—
Tam Wai Tong, Thomas	24.3.2003	1,000,000	—	—	(1,000,000)	—
	19.4.2004	—	900,000	—	—	900,000
譚梅嘉慧	12.8.2002	400,000	—	—	(400,000)	—
Tam Mui Ka Wai, Vivian	24.3.2003	400,000	—	—	(400,000)	—
	19.4.2004	—	400,000	—	—	400,000
大谷和廣	12.8.2002	—	—	—	—	—
Kazuhiro Otani	24.3.2003	1,000,000	—	—	(1,000,000)	—
	19.4.2004	—	900,000	—	—	900,000
李冠雄 (附註)	12.8.2002	—	—	—	—	—
Lee Koon Hung (Note)	24.3.2003	—	—	—	—	—
	19.4.2004	—	1,400,000	—	—	1,400,000
霍定洋	12.8.2002	400,000	—	—	—	400,000
Fok Ting Yeung, James	24.3.2003	400,000	—	—	—	400,000
	19.4.2004	—	400,000	—	—	400,000
總數 (董事)		6,600,000	4,900,000	—	(5,800,000)	5,700,000
Total (Directors)						
僱員	12.8.2002	31,000	—	—	(1,000)	30,000
Employees	24.3.2003	528,000	—	—	(392,000)	136,000
	19.4.2004	—	6,006,000	(827,000)	—	5,179,000
總數 (僱員)		559,000	6,006,000	(827,000)	(393,000)	5,345,000
Total (Employees)						
總計		7,159,000	10,906,000	(827,000)	(6,193,000)	11,045,000
Grand Total						

董事會報告書（續） Report of the Directors (Cont'd)

優先認股權（續）

每類優先認股權的詳情載列如下：

SHARE OPTIONS (Continued)

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\$
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
19.4.2004	19.4.2004 – 19.1.2005	20.1.2005 – 19.1.2010	0.950

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。於二零零五年三月三十一日，李冠雄先生之配偶的500,000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, 2005, 500,000 options of Mrs. Lee were included under the interests in options of Mr. Lee Koon Hung set out above.

本公司股份在緊接優先認股權授出日期（即二零零四年四月十九日）之前的收市價為0.92港元。本公司股份在緊接優先認股權行使日前之加權平均股份收市價為0.79港元。

The closing price of the Company's shares immediately before the date of grant on 19th April, 2004 was HK\$0.92. The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised were HK\$0.79.

於截至二零零五年三月三十一日止授出行使價為0.95港元之優先認股權之公平價值估計為0.234港元。以下乃以柏力克－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：

The fair value of an option on one share of the Company granted during the year ended 31st March, 2005 with exercise price per share of HK\$0.95 is estimated at HK\$0.234. The following significant assumptions were used to derive the fair value, using the Black-Scholes option pricing model:

預計已授出的優先認股權年限（年） Estimated expected life of options granted (years)	1.68
根據過往股價波幅計算之預計波幅 Expected volatility based on historical share price movement	61.69%
香港外匯基金債券息率 Hong Kong Exchange Fund Notes Rate	1.60%
根據過去十二個月派發的股息預計每年股息收益率 Expected annual dividend yield based on dividend payments in the last 12 months	3.80%
被收回之優先認股權之調整 Risk-of-forfeiture adjustment	5.47%

董事會報告書（續） Report of the Directors (Cont'd)

優先認股權（續）

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。

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。

董事於合約之重大權益

於是年內，本集團向精輝企業有限公司採購電子零部件數額約8,000,000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附屬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、出售或贖回本公司之上市證券

本公司或其任何附屬公司於是年內並無購買、出售或贖回本公司之上市證券。

SHARE OPTIONS (Continued)

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 actual value of the options may differ from the estimated fair value of the options due to limitations of the existing model.

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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

During the year, the Group purchased electronic components amounting to approximately HK\$8,000,000 from Genfield Enterprises Limited, a company in which Mr. Tam Wai Tong, Thomas, has beneficial interests.

In the opinion of the independent non-executive 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 LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the year ended 31st March, 2005.

董事會報告書（續） Report of the Directors (Cont'd)

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40。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

按遵照證券及期貨條例第336條而設立之主要股東名冊所載，於二零零五年三月三十一日，除上文披露有關若干董事之權益外，下列股東曾知會本公司擁有本公司已發行股本中的權益和淡倉：

CONNECTED TRANSACTIONS

Details of the discloseable connected transactions for the year are set out in note 40 to the financial statements. In the opinion of those independent non-executive 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

At 31st March, 2005, the register of substantial shareholders kept by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests and short positions in the issued capital of the Company:

股東名稱 Name of shareholder	所持普通股股份數目（好倉） Number of ordinary shares held (long position)	佔已發行股本之百分比 % of issued share capital
Earnmill Holdings Limited	537,877,118 (附註1) (Note 1)	44.69
惠理基金管理公司 Value Partners Limited	84,374,000 (附註2) (Note 2)	7.01
謝清海 Cheah Cheng Hye	84,374,000 (附註2) (Note 2)	7.01

附註：

1. 該等股權與上文「董事擁有之證券權益」所披露者相同。
2. 惠理基金管理公司作為投資經理，現時擁有84,374,000股股份。謝清海先生透過在惠理基金管理公司31.82%之權益而被視作擁有該等股份權益。

除上文所披露者外，於二零零五年三月三十一日，概無任何人士曾知會本公司擁有根據證券及期貨條例須向本公司披露的股份或相關股份之權益或淡倉。

Notes:

1. The shareholding is also included in the "Directors' Interests in Securities" disclosed above.
2. Value Partners Limited is holding the 84,374,000 shares as an investment manager. Mr. Cheah Cheng Hye is deemed to be interested in such shares through his 31.82% interest in Value Partners Limited.

Save as disclosed above, at 31st March, 2005, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the SFO.

董事會報告書（續） Report of the Directors (Cont'd)

優先購買權

本公司之公司細則或百慕達法例並無載有任何優先購買權之規定，要求本公司按比例向現有股東配售新股。

公眾持股量

根據本公司以公開途徑取得的資料及據本公司董事所知，於本報告書日期，本公司一直維持上市規則所訂明的公眾持股量。

最佳應用守則

董事會認為，本公司於截至二零零五年三月三十一日止年度內一直遵守上市規則附錄14所載之最佳應用守則。

董事進行證券交易 之標準守則

本公司已採納上市規則附錄10所載有關董事進行證券交易之標準守則（「標準守則」），以不遜於標準守則之條款，作為其有關董事進行證券交易之行為守則。經向所有董事作出特定查詢後，董事概不知悉於期內之任何時間本公司沒有遵守標準守則之要求及其有關董事進行證券交易之行為守則。

審核委員會

審核委員會成員包括獨立非執行董事容永祺先生榮譽勳章（主席）、何國成先生、王幹文先生及非執行董事羅志聰先生。

於是年內，審核委員會已舉行過四次會議，出席率達93.75%，檢討本集團所採納的會計原則及政策，內部監控系統及財務匯報事宜，其中包括經審核之財務報表。

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.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Company's directors.

CODE OF BEST PRACTICE

The Directors are of the opinion that throughout the year ended 31st March, 2005, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules which came in force prior to 1st January, 2005.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors on terms no less exactly than the required standard set out in the Model Code. Having made specific enquiry of the Directors, none of the Directors has not complied with, for any part of the accounting period under review, the required standard set out in the Model Code and its code of conduct regarding director's securities transactions.

AUDIT COMMITTEE

The audit committee comprises independent non-executive directors, Mr. Yung Wing Ki, Samuel MH (Chairman), Mr. Ho Kwok Shing, Harris, and Mr. Wong Kon Man, Jason and a non-executive director, Mr. Lo Chi Chung, William.

During the year, the audit committee has held four meetings with 93.75% attendance to review the accounting principles and practices adopted by the Group and discuss internal control and financial reporting matters including the review of the audited financial statements.

董事會報告書（續） Report of the Directors (Cont'd)

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。

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。

POST BALANCE SHEET EVENT

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

AUDITORS

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

承董事會命
主席
譚偉豪

香港
二零零五年七月十四日

On behalf of the Board
Tam Wai Ho, Samson
Chairman

Hong Kong
14th July, 2005