

TURNOVER AND RESULTS

For the Year under review, the Group has made further effort in implementing its strategies on high technology business, with the aim to gradually retreat from the processing operations and enter into the high technology businesses. Meanwhile, the Group has also made appropriate adjustments to its unhealthy assets. Accordingly, the overall results of the Group for the Year were significantly improved over the previous year.

The Group has achieved a net profit after tax of HK\$13.7 million compared to a loss of HK\$149.72 million last year, and turnover is HK\$244.11 million, representing a decrease by 65 percent as compared with last year. Basic earnings/(loss) per share has improved from a loss of 10 cents per share in 1999 to an earning of 1 cent per share for the Year.

The directors do not recommend the payment of a dividend for the Year.

Detailed discussion of the results and operation review for the Year are set out in the section headed "Management Discussion and Analysis" in this annual report.

Keyboard manufacturing

Under the external market conditions of increasing competition and shrinking profitability of the processing operation, the profit margin of products has decreased. Furthermore, the Group had not reached any further agreement with the profit guarantor of Goodnice International Limited ("Goodnice") with respect to the technical support, marketing and management upon expiry of the profit guarantee period on 31st December 1999 which materially and adversely affected the operation.

In view of the above mentioned factors in particular and the vested strategy of the Group of retreating gradually from the processing and manufacturing operation in general, the Group

營業額及業績

在回顧之年內，本集團在實行其高科技業務策略方面進一步作出努力，務求逐漸縮減加工及製造業務而加入高科技業務。與此同時，本集團亦逐步就其不良資產作出調整，因此，與去年相比，本集團的整體業績已有重大的改進。

本年度，本集團的稅後溢利為13,700,000港元，而去年同期則虧損149,720,000港元，營業額為244,110,000港元，較去年減少65%。每股基本盈利／（虧損）由一九九九年的虧損10仙改善至本年的盈利1仙。

董事會建議不派發本年度的股息。

有關本年度的業績及業務回顧之詳細討論，請參閱本年度之「管理層之研討與分析」一文。

電腦鍵盤生產業務

由於市場競爭日趨激烈，該產品之邊際溢利下降。此外，本集團於一九九九年十二月三十一日德麗國際有限公司（「德麗公司」）的溢利保證期屆滿後，仍未就技術支援、市場推廣及管理各方面與盈利保證人達成任何進一步協議，對該業務營運構成重大不利影響。

為針對上述因素，並配合本集團逐漸縮減加工及製造業務的既有策略，本集團決定出售此項業務，並將本集團之資源重新調配，以求



decided to dispose of this operation and redeploy the Group's resources to further develop new high technology projects. The Group is of the view that such arrangement is the best available under the circumstances in view of the uncertain outlook for this manufacturing operation. Accordingly, the gain on disposal of Goodnice has been included in the accounts.

Watches and timepieces manufacturing and distribution

Everbright EB Brand Limited ("EB Brand"), a wholly-owned subsidiary of the Group, distributes adidas and Seiko watches through its network as the general distributor and regional agent respectively in the People's Republic of China ("PRC"), in addition to selling its own EB watches through its distribution network in the PRC market. As the major network of the Group, the wholly-owned subsidiaries of EB Brand have a nationwide network of 440 retail outlets in 35 major cities in the PRC and have 10 years' experience in sales through the distribution network. EB Brand's extensive network in the PRC can provide a strong support of marketing services, delivery and distribution, settlement of transactions and after-sale services in development of other businesses of the Group.

Communication products distribution

In order to speed up the implementation of e-Commerce business strategies, a 65% equity interest in China Everbright Telecom-Land Network Limited ("Telecom-Land Network") was sold to an independent third party, GMAI-Asia.Com Inc. ("GMAI-Asia"). Telecom-Land Network is engaged in communication equipment business. The consideration was satisfied by the allotment and issuance of 168,104 shares in the capital of Greg Manning Auctions Inc. ("GMAI", a company listed on NASDAQ in USA and the holding company of GMAI-Asia) in equivalent value. GMAI is a global e-Commerce company and internet merchant with operation in Asia, Europe and North America. Upon the completion of this transaction, the Group's interest in the communication equipment business was reduced from 75% to 35%.

進一步發展新高科技項目。本集團認為，在製造業前景並不明朗之情況下，作出該項安排乃最佳做法。因此，由出售電腦鍵盤生產業務所得之利潤已記錄於本年度之帳項內。

鐘錶製造及分銷業務

本集團全資擁有的光大依波系列品牌有限公司（「依波品牌」）在中華人民共和國（「中國」）國內市場的營銷網絡，現除營銷其自有品牌「依波表」以外，還以中國地區總經銷商身份通過其現有網絡營銷「adidas」運動手錶，同時在中國部分地區代理「精工」表之銷售。作為本集團網絡商務業務支柱，依波品牌之國內全資附屬公司在國內35個主要城市擁有440個銷售網點和十年的營銷網絡經驗。依波品牌於國內廣泛分佈之商業網絡能為本集團的其他業務發展提供市場推廣、地面配送、貨款結算及售後服務等多方支持。

通訊產品分銷業務

為加快推進網絡商務策略計劃，中國光大通訊天地網絡系統有限公司（「通訊天地網絡」）之65%權益已出售予一獨立第三者美國GMAI-Asia.Com Inc.（「邁寧公司」）。通信天地網絡主要從事通訊產品分銷業務。該代價以Greg Manning Auctions Inc.（「GMAI」，是於美國NASDAQ上市及為邁寧公司之控股公司）配發及發行同等價值之168,104股股份作抵償。GMAI為國際電子商貿及互聯網公司，業務遍佈亞洲、歐洲及北美洲。於交易完成後，本集團於通訊設備業務之權益由75%減至35%。

FUTURE PLAN

Due to the decline in the e-business worldwide in the Year, the Group has redirected the e-Commerce business strategies to invest in high technology business. The Group will not limit in developing e-Commerce business in the future. Meanwhile, the Group will emphasize the investment in information system, software and biotechnology medication such as "Genetics Biochip" and "Protein Biochip". The Group will also select the new investment projects which have potential listing in stock exchange market.

The management team of the Company is further reinforced in the area of finance, corporate development and operations. To capture the new investment opportunities arising from recovering economy in the Asia Pacific region, the Group has repositioned itself to develop long term strategies and business development plans and sustain long term growth.

Through improving the Group's profit structure and reinforcing the management and internal controls, the Group has achieved a record high profit after tax of approximately HK\$13.7 million.

As at the end of year 2000, the Group had net assets of approximately HK\$514.73 million. The Group presently holds liquid fund of over HK\$200 million which provide adequate working capital to support the growth of its existing businesses and the diversification into new ventures.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my appreciation to all members of the management and staff for their hard work, loyalty and dedication. I would like to offer my sincere gratitude to all our customers, shareholders as well as business associates for their continued support and advice. The Group expects their continuous support and contribution will make aspiring achievement in the coming year.

Wang Shaolan
Chief Executive Officer

Hong Kong, 23 April 2001

未來計劃

本年度，由於全球電子業務不景氣，本集團之商業策略方向由電子商貿轉換為高科技業務投資，日後，本集團不限於電子商貿的投資，同時更著重信息產業、軟件和生物製藥（例如：「基因芯片」和「蛋白芯片」）等投資項目，本集團亦同時挑選較有證券化潛質的項目作為投資目標。

本公司之管理隊伍已進一步加強在財務、企業管理、營運等方面之實力。為了抓緊亞太地區經濟復甦所帶來之新投資機會，本集團已重新部署，發展較長期之策略與業務發展計劃，以及維持長期增長。

通過改善盈利結構，加強管理及內部控制機制，本集團成功地錄得稅後溢利13,700,000港元。

於二零零零年終，本集團之淨資產約為514,730,000港元，現持有現金逾200,000,000港元作為流動資金，為本集團提供充足之營運資金，更可支持本集團現有業務之發展，並把業務發展至多元化。

致意

本人謹藉此機會代表董事會，向刻苦耐勞、盡忠職守之全體管理層及職工，致深切謝意。此外，本人亦謹此對一直支持及指導本集團之所有客戶、股東及業務夥伴衷心致謝。本集團預期彼等不斷之支持及貢獻將可令本集團來年之業績百尺竿頭，更進一步。

王少蘭
行政總裁

香港，二零零一年四月二十三日