



TURNOVER AND RESULTS

The economic environment in Hong Kong has not recovered and is facing an unexperienced slowdown. Unemployment rate continues to rise and is expected to remain at a high level for a period of time. With the deteriorated market confidence, corporations in Hong Kong are seriously affected by the weakening economy. China Everbright Technology Limited (“the Company”) and its subsidiaries (collectively, “the Group”) has tried every measure, including fine-tuning its business strategy, to sustain its performance but the performance of the Group has been inevitably affected by the current weakening economic situation.

The Group’s audited consolidated turnover and net profit for the year ended 31 December 2001 (“the Year”) approximately amounted to HK\$99 million and HK\$4 million respectively. Consolidated turnover and net profit have been decreased approximately by HK\$166 million and HK\$10 million, representing a 63% and 71% decrease respectively as compared to last year.

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

營業額及業績

香港之經濟環境未有起色，並正面對前所未有之蕭條，失業率持續上升，且預期將有一段時間高企不下。在信心疲弱之情況下，香港商家均飽受經濟不景之影響。中國光大科技有限公司（「本公司」）及其附屬公司（統稱「本集團」）雖已盡心盡力刻苦經營，包括重新調整其業務策略，業績仍難免受到目前嚴峻之經濟環境所拖累。

本集團截至二零零一年十二月三十一日（「本年度」）的年度內之經審核綜合營業額及溢利分別約為99,000,000港元及4,000,000港元。綜合營業額及溢利較上年度下降分別約為166,000,000港元及10,000,000港元，下降幅度分別約為63%及71%。

董事會建議不派發本年度的股息。

REVIEW OF OPERATIONS

(1) Watch and timepiece 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 distributor and regional agent respectively in the PRC, in addition to selling its own EB watches through its distribution network in the PRC’s market. EB Brand is the sole agent of Chinese Basketball Association (“CBA”) to produce and distribute CBA watches. As the major distribution network of the Group, the wholly-owned subsidiaries of EB Brand have a nationwide network of 350 retail outlets in 29 major cities in the PRC. EB Brand is planning to introduce some internationally renowned brands for sale through its distribution network. EB Brand’s extensive network in the PRC can provide a strong support in respect of marketing services, delivery and distribution, settlement of transactions and after-sale services on other businesses of the Group.

In order to maintain the market share and to remain competitive, EB Brand has significantly lowered the price of its aged models. EB Brand has also closed down approximately 90 unprofitable retail outlets to lower the operation costs. EB Brand is able to sustain its preeminent market standing as one of the major local watches and timepieces manufacturers. EB Brand was recently placed as the second largest local watches and timepieces manufacturer in the PRC. The Group foresees better prospect and results in 2002 as EB Brand has received several production contracts in early 2002, such as the memory watches order from Beijing Railways Administration. EB Brand continues to generate stable revenue to the Group.

業務回顧

(1) 鐘錶製造及分銷業務

光大依波系列品牌有限公司（「依波品牌」），為本公司之全資附屬公司，在國內市場的營銷網路，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。依波品牌亦同時為中國籃球協會之獨家製造及代理經銷「CBA」運動手錶。作為本集團網絡商務業務支柱，依波品牌之全資附屬公司之網絡已遍佈各省，在全國二十九個主要城市擁有三百五十間零售門市。依波品牌計劃引入部份國際知名之品牌，並於其分銷網絡中進行銷售。依波品牌於國內廣泛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援。

為了保持市場佔有率及保持競爭力，依波品牌對部份舊型號產品大幅削價以薄利多銷之政策，依波品牌亦關閉九十家沒有盈利的門市，值此降低營運成本。依波品牌能保持其卓越市場優勢，穩企中國國內品牌主要鐘錶製造商之地位，並已攀升成為第二大國內品牌鐘錶時計製造商。本集團預期依波品牌於二零零二年將會有更好的前景和成績。在二零零二年初，依波品牌已獲得一些可觀的生產合約，如北京鐵路局紀念錶生產合約等。依波品牌繼續為本集團帶來穩定的收入。

**(2) Communication products distribution**

Recently, the Group negotiates with GMAI-Asia Com, Inc. (“GMAI-Asia”), the other shareholder of China Everbright Telecom-Land Network Limited (“Telecom-Land Network”), about the future plan of Telecom-Land Network. The Group aims to reach a consensus of Telecom-Land Network’s future development plan between the Telecom-Land Network’s management and its shareholders. In order to safeguard the Group’s benefit, the Group has visited the said operation several times during the year. Through improving the Telecom-Land Network’s profit structure and reinforcing the management and internal controls, the Group foresees better prospect and results of the said operation in 2002.

(3) Properties investment

In view of the declining industrial property market, the Group has disposed of all non-core industrial properties in Hong Kong to independent third parties at a reasonable price.

The Group continues to keep its own principal office premises in Hong Kong and a factory complex in Dongguan County, Guangdong Province, the PRC. A portion of the office premises is renting to China Everbright Holdings Company Limited (“CEH”), the major shareholder of the Company. On the other hand, the factory complex is renting to an independent third party tenant. Both of the above properties investment can generate stable rental income to the Group.

(2) 通訊產品分銷業務

本集團現正與另一股東邁寧亞聯有限公司（「邁寧亞聯」）商議中國光大通訊天地網絡系統有限公司（「通訊天地網絡」）的未來計劃。本集團希望通訊天地網絡之各股東和管理團隊能為通訊天地網絡的未來發展達成共識。以本集團的利益為前題，本集團年內多次派員巡視此項業務。透過改善通訊天地網絡的盈利結構、加強管理團隊和內部監管，本集團預期此項業務於二零零二年將會有較好的成績。

(3) 物業投資

鑒於工廠物業市道不景氣，本集團以合理價錢把在香港持有的全部非核心工廠物業出售與一些獨立買家。

本集團現時繼續持有其於香港的主要辦事處和於中國廣東省東莞市的工廠綜合大樓，香港的主要辦事處的部份樓面現正出租予中國光大集團有限公司（「光大集團」，為本公司之主要股東），另一方面，東莞市的工廠綜合大樓現正出租予一獨立租客，上述兩項物業投資均錄得穩定收入。

(4) Projects under negotiation

In 2001, the Company has enhanced its investment selection process. A special team has been formed in order to actively search for new projects in the area of data systems and health-care products with high technology, high assets value, profitable and good market potential. In 2001, the Company has explored about 30 projects in the area of data systems and health-care products and about 20 analysis reports have been made. The Company currently emphasizes to follow up some of them such as enterprise incubator, online library, e-commerce solution system, data system software, Chinese medicine and genetic engineering etc.

FINANCIAL POSITION

As at 31 December 2001, the Group had net assets of approximately HK\$516 million. The Group presently holds cash of approximately HK\$291 million hereby providing adequate working capital to support the growth of its existing businesses while diversifying into new ventures.

As the establishment of the new high technology project investments are still under negotiation and has not reached a stage which requires capital injection. The cash are still placed with the Group's major banks.

(4) 商談中的項目

本公司二零零一年加強了新項目的尋找、篩選、分析工作，並組織了專門人員積極在信息和醫藥產業這兩個重點領域尋找有較高技術含量、有相當資產規模和經濟效益、市場前景明朗的項目。本公司在二零零一年接觸了近三十個主要是上述領域的科技項目，形成了近二十份初步分析報告，並對企業孵化器、網上圖書館、電子商務系統、信息系統軟件、中醫藥和基因工程等項目進行了重點跟蹤。

財政狀況

於二零零一年十二月三十一日，本集團之綜合淨資產值約為516,000,000港元。本集團目前持有現金約291,000,000港元，為本集團提供充裕營運資金，更可支援本集團投資新的業務。

鑒於本集團現正就高新科技項目投資進行磋商，暫時未達注資階段，故本集團所持現金目前仍存置於主要銀行內。



EMPLOYEES

As at the balance sheet date, the Group employed approximately 628 staff in Hong Kong and the PRC.

The Group recognises human resources as the most important asset of the Group and duly reward staff through fair remuneration packages and other fringe benefits which include medical insurance, retirement scheme. Share options may be granted to the directors of the Company and full time employees of the Group in accordance with chapter 17 of the Listing Rules and the terms and conditions of the Share Option Scheme.

FUTURE PLAN AND PROSPECT

The PRC market has grown tremendously in the past decades and the commercial sector is still endeavouring to meet international benchmarks in every aspect of its operations. New high technology businesses have become evidence of the PRC's development and drive to embrace high technology in line with its counterparts around the world.

The Group will continue to position itself as one of the leading high-technology service and product providers. With vision and foresight, the Group is seizing this tremendous market opportunity and with an aim to become the market leader of this newly emerging business. The Group will focus on the investment in data system, software, biological medication and health-care products etc. The Group will also select the new investment projects which have potential listing on stock market.

The management team of the Company is further enhanced in the area of finance, corporate development and operations. To capture the new investment opportunities arisen from the PRC's accession into the WTO in 2001, the Group has positioned itself to develop longer-term strategies and business development plans and sustain long-term growth. In addition, the Group will actively seek opportunities in the new high technology sector so as to achieve growth and return for our shareholders.

僱員及酬金政策

於二零零一年十二月三十一日，本集團於中港兩地共聘用約六百二十八名全職員工。

本集團深明人力資源為最重要之資產，因此透過公平之酬金政策及其它額外福利獎勵員工包括醫療保險和退休計劃。本公司董事及本集團的全職員工可根據上市規則第十七條及本公司之購股權計劃之條款及條件獲授購股權以認購本公司之股份。

展望

中國市場於過去數十年不斷增長且持續興旺，商界現時仍致力爭取使業務在各方面達到國際標準。高新科技業務媲美全球同業之科技，高新科技業務已成為中國經濟發展之印證。

本集團將繼續重新定位為高新科技服務與產品的翹礎，本集團擁有遠大目光並洞悉先機，抓緊無窮商機，目標成為此新興業務之翹礎。本集團將著重信息產業、軟件、生物制藥和健康護理等等。本集團亦同時挑選較有上市潛質的項目作為投資目標。

本公司之管理隊伍正進一步加強在財務、企業發展及營運等方面之實力。為了抓緊中國在二零零一年加入世界貿易組織後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。本集團亦將同時積極尋求高新科技方面的機會，以求為股東取得令人滿意的增長和回報。

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, 15 April 2002

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和員工致深切謝意。此外，本人亦謹此對一直支援及指導本集團之所有客戶、股東及業務夥伴衷心致謝。本集團預期各方不斷之支援及貢獻將可令本集團來年之業績更進一步。

王少蘭
行政總裁

香港，二零零二年四月十五日