

The directors submit herewith their annual report together with the audited financial statements for the year ended 28 February 2003.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 13 on the financial statements.

The analysis of the geographical locations of the operations of the Company and its subsidiaries ("the Group") during the financial year are set out in note 11 on the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 28 February 2003, the five largest customers in aggregate accounted for less than 30% of the Group's turnover. The five largest suppliers in aggregate and the largest supplier of the Group accounted for approximately 35% and 12% respectively by value of the Group's total purchases.

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) had any interest (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules")) in these major customers and suppliers.

FINANCIAL STATEMENTS

The loss of the Group for the year ended 28 February 2003 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 31 to 99.

董事會全人謹將截至2003年2月28日止年度的年報及經審核財務報表呈覽。

主要業務

本公司的主要業務是投資控股。各附屬公司的主要業務及其他詳情載列於財務報表附註13。

本公司及各附屬公司(「本集團」)於本財政年度的經營地區分析載列於財務報表附註11。

主要客戶及供應商

截至2003年2月28日止年度，本集團五大客戶合共佔本集團之營業額低於30%，而本集團五大供應商及最大供應商分別佔本集團總採購額約35%及12%。

本公司的董事、與董事有聯繫人士或任何股東(據董事所知，持有本公司已發行股本5%以上)均沒有於本年度任何時間擁有這些主要客戶及供應商的任何權益(定義見《香港聯合交易所有限公司證券上市規則》(「上市規則」))。

財務報表

本集團截至2003年2月28日止年度的虧損和本公司及本集團於該日的財政狀況載於第31至第99頁的財務報表內。

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$20,180 (2002: HK\$72,910).

FIXED ASSETS

Details of the movements in fixed assets of the Group and of the Company during the year are set out in note 12 on the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 25 on the financial statements.

RESERVES

Details of the movements in reserves of the Group and of the Company during the year are set out in note 26 on the financial statements.

DIRECTORS

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

Executive directors

Tse Tat Fung, Tommy, Chairman
Peter Gerardus Van Weerdenburg
(appointed on 18 March 2003)
Leung Yit Kuen, Raymond
Chung Yuen Ling
(resigned on 7 May 2003)

Independent non-executive directors

Hong Po Kui, Martin
Chui Chi Yun, Robert
Gerald Clive Dobby
Lui Pui Kee, Francis

慈善捐款

本集團於年內的慈善捐款額為20,180港元
(2002年：72,910港元)。

固定資產

本集團及本公司於本年度內固定資產之變動詳情載於財務報表附註12。

股本

本公司於本年度內之股本變動的詳情載於財務報表附註25。

儲備

本集團及本公司於本年度內儲備變動詳情載於財務報表附註26。

董事

本財政年度內及截至本報告日期止的董事如下：

執行董事

謝達峰(主席)
溫彼得
(於2003年3月18日委任)
梁悅權
鍾婉玲
(於2003年5月7日離任)

獨立非執行董事

康寶駒
崔志仁
Gerald Clive Dobby
呂培基

DIRECTORS (continued)

In accordance with the provisions of the Company's Bye-laws, Messrs Peter Gerardus Van Weerdenburg and Hong Po Kui, Martin retire from the board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. All other directors continue in office for the ensuing year.

DIRECTORS' SERVICE CONTRACTS

No directors proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事 (續)

依照本公司細則規定，溫彼得先生及康寶駒先生需於即將舉行之股東週年大會上告退，惟彼等均有資格並已表示願意膺選連任。其他董事則於來年繼續留任。

董事之服務合約

擬於即將召開的股東周年大會中候選連任的董事概無與本公司或其任何附屬公司訂立於一年內不可在不予賠償(一般法定賠償除外)的情況下終止的尚未屆滿服務合約。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

董事及行政總裁在股份擁有的權益

At 28 February 2003, a director of the Company had the following interests in the issued share capital of the Company as follows:

於2003年2月28日，本公司一名董事擁有本公司已發行股本的權益如下：

Name of director 董事姓名	Number of ordinary shares held 普通股股份持有數目			
	Personal interest 個人權益	Family interest 家族權益	Corporate interest 公司權益	Other interest 其他權益
Tse Tat Fung, Tommy 謝達峰	—	—	195,971,534(i)	1(ii)

Notes:

- (i) These ordinary shares were held through Blink Technology Limited ("Blink Technology"), a company beneficially owned by Mr. Tse Tat Fung, Tommy.
- (ii) Blink Technology acquired the rights, title and interest in various financing documents under which this ordinary share, representing share of which Mr. Tse Sui Luen has personal interest, was charged. Accordingly, Mr. Tse Tat Fung, Tommy is deemed to be interested in this ordinary share.

附註：

- (i) 此等普通股股份乃由一間謝達峰先生實益擁有之Blink Technology Limited (「Blink Technology」)持有。
- (ii) Blink Technology 於多份以此普通股股份 (即謝瑞麟先生以個人權益所擁有之股份) 抵押之若干融資文件中購入一切權利、擁有權及權益。因此，謝達峰先生被設定擁有此普通股股份之權益。

Apart from the foregoing and other than certain nominee shares in subsidiaries held by directors in trust for the Company or its subsidiaries, no director nor chief executive of the Company who held office at 28 February 2003 had any beneficial interests in the issued share capital of the Company, its subsidiaries and other associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance) ("the SDI Ordinance") at that date as recorded in the register of directors' share interests.

除以上所述外及董事以信託形式代本公司或其附屬公司持有若干附屬公司股份外，根據董事股份權益登記冊的記錄，於2003年2月28日在任的本公司董事及行政總裁於該日概無擁有本公司、其附屬公司及其他聯繫公司 (須符合《證券 (披露權益) 條例》所載的定義) (「證券 (披露權益) 條例」) 已發行股本的任何實益權益。

SHARE OPTION SCHEME

The Company has a share option scheme which was adopted on 20 August 1993 for a period of ten years ("the Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. For options granted before 1 September 2001, the exercise price of options was determined by the board and was the higher of the nominal value of the shares and 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") for the five business days immediately preceding the date of the grant. For options granted on or after 1 September 2001, the exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options are exercisable six months after the date on which the options are granted for a period up to five years.

The number of ordinary shares issued and issuable under the Share Option Scheme, when aggregated with any shares issued and issuable under any other scheme in the Company, may not exceed 10% of the issued share capital of the Company, excluding any ordinary shares issued and allotted pursuant to the exercise of share options under the scheme, from time to time. In respect of the maximum entitlement of each participant, the number of ordinary shares issued and issuable under the Share Option Scheme, when aggregated with any shares issued and issuable under any other scheme in the Company, may not exceed 25% of the issued share capital of the Company, excluding any ordinary shares issued and allotted pursuant to the exercise of the share options under the scheme, from time to time.

The Stock Exchange amended the requirements for share option schemes under the Listing Rules. The new requirements have come into effect from 1 September 2001 and make some of the provisions of the Share Option Scheme no longer applicable. During the year, no option has been granted, exercised nor cancelled.

優先認股計劃

本公司於1993年8月20日採納一項為期十年的優先認股計劃（「優先認股計劃」）；據此，本公司董事獲授權酌情邀請本集團的僱員（包括本集團內任何公司的董事）接受認股權，以認購本公司股份。於2001年9月1日前授予的認股權的行使價由董事會釐定，並以股份的票面值和股份於截至認股權授予日期前五個營業日在香港聯合交易所有限公司（「聯交所」）錄得的平均收市價的80%兩者中的較高數額為準。至於在2001年9月1日或之後授予的認股權，行使價為股份的票面值、股份於認股權授予日期在聯交所錄得的收市價及股份於截至認股權授予日期前五個營業日在聯交所錄得的平均收市價三者中的最高數額。認股權的行使期為授予日期後六個月起計最多達五年。

按優先認股計劃已發行及可發行之普通股股份與按本公司其他計劃已發行及可發行之普通股股份累計時，將不會超過本公司不時已發行普通股股本的10%，但不包括按此計劃行使認股權而發行及配發之普通股股份。優先認股計劃每名參與者按該計劃已發行及可發行之普通股股份與按本公司其他計劃已發行及可發行之普通股股份累計時，將不會超過本公司不時已發行普通股股本的25%，但不包括按此計劃行使認股權而發行及配發之普通股股份。

聯交所已修訂上市規則有關認股權之規定，有關之新規定已自2001年9月1日起生效及令優先認股計劃之若干規定已不再適用。於本年度內，並無授出、行使或註銷任何認股權。

SHARE OPTION SCHEME (continued)

At 28 February 2003, the directors and employees of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 28 February 2003 is HK\$0.063) granted at nominal consideration under the Share Option Scheme. Each option gives the holder the right to subscribe for one share.

優先認股計劃 (續)

於2003年2月28日，本公司董事及僱員根據本公司的優先認股計劃，以象徵式的代價獲授予可認購本公司股份（於2003年2月28日的每股市值為0.063港元）的認股權，因而擁有下列權益。持有人有權憑每項認股權認購一股股份。

	No. of options outstanding at 1 March 2002 於2002年3月1日 未行使的 認股權數目	No. of options lapsed during the year 年內 失效的 認股權數目	No. of options outstanding at 28 February 2003 於2003年2月28日 未行使的 認股權數目	Date granted 授予日期	Period during which options exercisable 可行使 認股權 期間	Price per share on exercise of options 行使 認股權時的 每股價格	Market value per share at date of grant of options 於認股權 授予日期的 每股市值
Directors 董事							
Tse Tat Fung, Tommy 謝達峰	2,152,500 (Note 1) (附註1)	(2,152,500) (Note 2) (附註2)	–	21 July 1997	21 January 1998 to 21 July 2002 1997年 7月21日 至2002年 7月21日	HK\$2.79 (Note 1) 2.79港元 (附註1)	HK\$4.65 4.65港元
Leung Yit Kuen, Raymond 梁悅權	2,152,500 (Note 1) (附註1)	(2,152,500) (Note 2) (附註2)	–	21 July 1997	21 January 1998 to 21 July 2002 1997年 7月21日 至2002年 7月21日	HK\$2.79 (Note 1) 2.79港元 (附註1)	HK\$4.65 4.65港元

SHARE OPTION SCHEME (continued)

優先認股計劃 (續)

	No. of options outstanding at 1 March 2002 於2002年3月1日 未行使的 認股權數目	No. of options lapsed during the year 年內 失效的 認股權數目	No. of options outstanding at 28 February 2003 於2003年2月28日 未行使的 認股權數目	Date granted 授予日期	Period during which options exercisable 可行使 認股權 期間	Price per share on exercise of options 行使 認股權時的 每股價格	Market value per share at date of grant of options 於認股權 授予日期的 每股市值
Leung Yit Kuen, Raymond (continued) 梁悅權 (續)	6,647,500	–	6,647,500	15 September 1999 1999年 9月15日	15 March 2000 to 19 August 2003 2000年 3月15日 至2003年 8月19日	HK\$0.25 0.25港元	HK\$0.24 0.24港元
Employees 僱員	19,942,500	–	19,942,500	15 September 1999 1999年 9月15日	15 March 2000 to 19 August 2003 2000年 3月15日 至2003年 8月19日	HK\$0.25 0.25港元	HK\$0.24 0.24港元

SHARE OPTION SCHEME (continued)

Notes:

- (1) On 21 July 1997, 1,500,000 options with exercise price of HK\$4.00 were granted to Mr. Tse Tat Fung, Tommy and Mr. Leung Yit Kuen, Raymond respectively. With the two for five and one for forty bonus issue of shares in August 1997 and November 1997, the number of options exercisable and the exercise price were adjusted to 2,152,000 and HK\$2.79 respectively in accordance with the provisions of the Share Option Scheme.
- (2) On 21 July 2002, the options of 2,152,500 previously granted to Mr. Tse Tat Fung, Tommy and Mr. Leung Yit Kuen, Raymond respectively were lapsed in accordance with the terms of the Share Option Scheme.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors or chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

優先認股計劃 (續)

附註：

- (1) 於1997年7月21日，謝達峰先生及梁悅權先生分別獲授予行使價為4港元的認股權1,500,000項。由於本公司在1997年8月及1997年11月分別按每5送2和每40送1的方式派送紅股，因此，根據優先認股計劃的條款，可行使認股權的數目和行使價分別調整至2,152,000項和2.79港元。
- (2) 於2002年7月21日，先前分別授予謝達峰先生及梁悅權先生之2,152,500項認股權已根據優先認股計劃失效。

除以上所述外，本公司或其任何附屬公司均沒有在本年度任何時間參與任何安排，致使本公司董事或行政總裁或任何他們的配偶或未滿十八歲的子女，可以透過收購本公司或任何其他法團的股份或債權證而獲益。

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

The Company has been notified of the following interests in the Company's issued shares at 28 February 2003 amounting to 10% or more of the ordinary shares in issue:

在本公司股本擁有的重大權益

本公司獲知，下列股東於2003年2月28日擁有本公司已發行股份10%或以上的權益：

Name	Direct interest	Number of ordinary shares held 普通股股份持有數目		
		Percentage of total issued shares 佔已發行 股份總數 的百分比	Deemed interest 設定權益	Percentage of total issued shares 佔已發行 股份總數 的百分比
姓名	直接權益			
Blink Technology	195,971,534	50%	1 (Note) (附註)	0%

Note: Blink Technology acquired the rights, title and interest in various financing documents under which this ordinary share, representing shares of which Mr. Tse Sui Luen has personal interest, was charged. Accordingly, Blink Technology is deemed to be interested in this ordinary share.

附註：Blink Technology 於多份以此普通股股份（即謝瑞麟先生以個人權益所擁有之股份）抵押之若干融資文件中購入一切權利、擁有權及權益。因此，謝達峰先生被設定擁有此普通股股份之權益。

Save for the shares referred to above, no person or corporation has any interest in the share capital of the Company as in the registers required to be kept under section 16(1) of the SDI Ordinance.

除上述之股份外，並無任何人士或公司在本公司股本中擁有任何權益而記錄於根據證券（公開權益）條例第16(1)條之規定而存置之名冊內。

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party, 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.

DISCLOSURE PURSUANT TO PRACTICE NOTE 19 OF THE LISTING RULES

Advance to an entity

In accordance with the requirement under paragraphs 3.2.1 and 3.8 of Practice Note 19 ("PN19") of the Listing Rules, the directors of the Company report that there was an advance (as defined in PN19) to its customer, Beijing Hua Long Rui Lin Economic and Trading Company Limited, amounting to HK\$42,134,000 as at 28 February 2003 and an advance (as defined in PN19) to Beijing Zhong Shang Tse Sui Luen Economic and Trading Limited amounting to HK\$73,114,000 as at 28 February 2002. The advances were trade receivables arising from the Group's normal and ordinary course of business and were unsecured, interest free with credit term of 75 days. The transactions giving rise to these receivables were set out in note 30 on the financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

董事在合約的利益

於年結時或本年度任何時間，本公司或其任何附屬公司，不論直接或間接，均沒有訂立任何本公司董事擁有關鍵性利益關係的重要合約。

按上市規則第19項應用指引作出的披露

給予某實體的貸款

根據上市規則第19項應用指引（「應用指引19」）第3.2.1和第3.8段的規定，本公司董事呈報本公司於2003年2月28日向其客戶北京華龍瑞麟商貿有限公司提供貸款（按應用指引19的定義）42,134,000港元。另外，本公司於2002年2月28日向北京中商謝瑞麟經貿有限公司提供貸款（按應用指引19的定義）73,114,000港元。這些貸款均屬於本集團在進行一般和日常業務過程中產生的應收賬款，它們均無抵押、免息，信用期為75天。有關產生這些貸款的交易詳情，載於財務報表附註30。

購買、出售或贖回本公司的上市證券

於本年度內，本公司或其任何附屬公司概無購入、出售或贖回任何本公司的上市證券。

CONVERTIBLE SECURITIES, OPTIONS OR SIMILAR RIGHTS

Other than the employee share option scheme as disclosed above and in note 23 on the financial statements, the Company had no outstanding convertible securities, options or similar rights as at 28 February 2003. Details of the redemption of convertible preference shares during the year are set out in note 25 on the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws in Bermuda.

BANK LOANS AND OVERDRAFTS

Particulars of bank loans and overdrafts of the Group as at 28 February 2003 are set out in note 20 on the financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 100 to 101 of the annual report.

PROPERTIES

Particulars of the major properties of the Group are shown on pages 102 to 103 of the annual report.

可換股證券、認股權或類似權利

除上文及財務報表附註23所述之僱員優先認股計劃外，本公司於2003年2月28日概無未獲行使之可換股證券、認股權或類似權利。有關於年內贖回可兌換優先股之詳情載於財務報表附註25。

優先購股權

本公司細則及百慕達法例對優先購股權並無限制，對此權利亦無規定條款。

銀行貸款及透支

本集團於2003年2月28日的銀行貸款及透支詳情載於財務報表附註20。

五年概要

本集團於過去五個財政年度的業績及資產與負債概要載於本年報第100至第101頁。

物業

本集團主要物業的詳情載於本年報第102至第103頁。

RETIREMENT SCHEMES

As from 1 December 2000, the Group operates a Mandatory Provident Fund Scheme ("the MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000.

The Group also operates defined contribution retirement benefits schemes for all qualifying employees in the People's Republic of China ("PRC"), Taiwan and Malaysia. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees.

The Group's total contributions to these schemes charged to the profit and loss account during the year ended 28 February 2003 amounted to HK\$4,042,000 representing contribution payable by the Group to the schemes at 5%, 7%, 2% and 12% of the gross salaries in Hong Kong, PRC, Taiwan and Malaysia respectively.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied throughout the year with the Code of Best Practice as set out by the Stock Exchange in Appendix 14 to the Listing Rules except that Messrs Hong Po Kui, Martin and Chui Chi Yun, Robert, independent non-executive directors of the Company, are not appointed for a specific term as they are subject to retirement in accordance with the Company's Bye-laws.

退休計劃

由2000年12月1日起，本集團按照香港《強制性公積金計劃條例》的規定，為根據香港《僱傭條例》聘用的僱員，設立強制性公積金計劃（「強積金計劃」）。強積金計劃是一個界定供款退休計劃，由獨立的受託人管理。根據強積金計劃，僱主和僱員均須按照僱員相關入息的5%向計劃作出供款，但每月的相關入息上限為20,000港元。

本集團亦為所有中華人民共和國（「中國」）、台灣及馬來西亞合資格的僱員設立一個界定供款退休計劃。計劃的資產獨立於本集團的資產並由獨立受託人持有及管理。

於截至2003年2月28日止年度，本集團向此等計劃所作之總供款額為4,042,000港元，並已在損益表中扣除。此供款乃本集團分別為香港、中國、台灣及馬來西亞的員工薪金的5%、7%、2%及12%所支付予計劃的供款額。

遵守《最佳應用守則》

本公司之獨立非執行董事康寶駒先生及崔志仁先生之委任並無指定時限，惟依照本公司細則告退。除上述外，本公司在整個年度內均遵守上市規則附錄14所列的《最佳應用守則》。

AUDITORS

KPMG were first appointed as auditors of the Company in 2001 upon the retirement of Deloitte Touche Tohmatsu.

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board
Tse Tat Fung, Tommy
Chairman

Hong Kong, 29 July 2003

核數師

畢馬威會計師事務所於2001年首次獲委任為本公司的核數師，以接替德勤•關黃陳方會計師行。

畢馬威會計師事務所即將告退，惟願膺選連任。由畢馬威會計師事務所連任本公司核數師的決議，將於即將召開的股東周年大會上提出。

承董事會命
謝達峰
主席

香港，2003年7月29日