



左起：俞敏先生、王添根先生、宋林先生、
朱金坤先生、王國平先生、戴振華先生、
俞宇先生

From Left : Mr. Yu Min, Mr. Ken Ong, Mr. Song Lin,
Mr. Zhu Jinkun, Mr. Wang Guoping, Mr. Dai Zenhua,
Mr. Yu Yu

業績

事實證明，本集團在二零零二年於中國收購半導體相關業務的策略是正確的並且執行成功。收購該等業務為本集團的半導體業務帶來實質的及有營業額和盈利貢獻的中國平台。

本集團於本年度的經審核綜合營業額達2,043,542,000港元，比較去年增加71%。本集團於本年度的毛利率為24%，去年的毛利率則為33%。本集團於本年度的經營溢利為230,785,000港元，經營利率為11%（二零零二年：14%）。本集團於本年度的年內溢利和每股基本盈利分別為187,840,000港元及7.17港仙（二零零二年：分別為88,640,000港元及4.02港仙）。本集團的整體業績比較去年為佳，令人滿意，主要因為半導體業務取得顯著貢獻。此外，本年度的壓縮機業務比預期及去年下半年為佳，亦為本集團的業績帶來貢獻。

末期股息

董事議決建議於二零零四年六月八日向股東派付截至二零零三年十二月三十一日止年度的首次及末期股息每股1.50港仙（二零零二年：每股1.00港仙）。

暫停辦理股份過戶登記

本公司將於二零零四年四月十九日起至二零零四年四月二十六日止（包括首尾兩天）期間，暫停辦理股份過戶登記。為符合獲派建議股息的資格，填妥的過戶表格連同有關股票須最遲於二零零四年四月十六日下午四時三十分交回本公司的香港股份過戶登記分處秘書商業服務有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

RESULTS

The strategy of acquiring semiconductor related businesses in the PRC by the Group during 2002 is proven to be correct and successfully implemented. The acquisition provided the concrete PRC platform with positive turnover and profit contribution enhancement from the Group's Semiconductor Business.

The Group's audited consolidated turnover for the year amounted to HK\$2,044 million, representing an increase of 71% over that of last year. The Group's gross profit margin for the year was 24%, compared to 33% for that of last year. The Group's profit from operations for the year was HK\$231 million representing an operating margin of 11% (2002: 14%). The Group's profit for the year and basic earnings per share for the year was HK\$188 million and 7.17 HK cents respectively (2002: HK\$89 million and 4.02 HK cents respectively.) The good and satisfactory results of the Group compared to that of the last year was mainly due to the significant contributions from the Semiconductor Business. The better than expected performance of the Compressor Business compare to that of the second half of previous year was also a contributing factor.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a first and final dividend of 1.50 HK cents per share for the year ended 31st December, 2003 (2002: 1.00 HK cent per share), payable on 8th June, 2004 to shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Register of members will be closed from 19th April, 2004 to 26th April, 2004, both days inclusive. In order to qualify for the proposed dividend payment, completed transfer forms accompanied by the relevant share certificates must be lodged with the Branch Registrar of the Company, Secretaries Limited, at G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:30 p.m. on 16th April, 2004.

業務回顧

本集團的營業額大幅度增加71%，主要因二零零二年度新收購的半導體業務帶來更多營業額貢獻所致。新的半導體業務對本集團的業績帶來顯著及策略性的影響，本集團以往過份倚重壓縮機業務以取得營業額和盈利能力的局面，也因而出現本質上的改變，並令本集團轉型為中國主要的半導體製造商。本集團半導體業務對營業額的貢獻比例已從二零零二年的28%增至二零零三年的51%。同樣，經營溢利亦從25%增長至59%，年內溢利則從34%增長至75%。

預期日後半導體業務對本集團營業額和盈利能力的貢獻將會持續大幅增長。半導體業務已經成為本集團增長的新動力源頭，為本集團建立起高增長平台，抓住中國龐大及增長迅速的半導體市場。

BUSINESS REVIEW

The significant increase in the Group's turnover by 71% was the direct result of enhanced turnover contribution from new semiconductor businesses acquired during 2002. The impact of the Semiconductor Business to the Group's result is both significant and strategic. It has fundamentally altered the Group's past heavy reliance on the Compressor Business for turnover and profitability and has transformed the Group into a major semiconductor powerhouse in the PRC. The proportion of turnover contribution to the Group from the Semiconductor Business has increased from 28% for 2002 to 51% for 2003. Similarly operating profit has increased from 25% to 59% and profit for the year has increased from 34% to 75%.

It is expected that the contribution of the Semiconductor Business to the Group's turnover and profitability will continue to increase significantly in the future. The Semiconductor Business has become the new growth driver of the Group, providing the Group with a high growth platform to tap into the huge and expanding semiconductor market in the PRC.



半導體業務

SEMICONDUCTOR BUSINESS

本集團現時為中國半導體行業最大開發商兼生產商之一，半導體業務包括：

The Group is one of the largest players in the PRC semiconductor industry and the Group's Semiconductor Business includes:

- (a) 製造、封裝及測試可用於家用電器、通訊設備、精密儀器、綠色照明、液晶顯示等領域電子消費產品的雙極集成電路和分立器件，現有生產設施的年生產能力約為一百二十萬片四寸至五寸晶圓片。



是項業務是由中國目前最大的雙極集成電路及分立器件生產廠家－無錫華潤華晶微電子有限公司、華潤半導體有限公司、賽美科微電子(深圳)有限公司及無錫華潤微電子有限公司封裝總廠經營。該封裝總廠於年底後重組為一家獨立經營個體，公司名稱為無錫華潤安盛科技有限公司(Wuxi CR Micro-Assemb Tech. Ltd.)。

- (b) 中國內地數一數二的集成電路設計公司之一，設計以MCU及數模混合信號處理技術為主導的中高檔MOS集成電路和SOC集成系統，可廣泛應用於電視、音響、視聽播放機(DVD及MP3)、家用電器、通訊設備、計算機、電子玩具、語音合成器等電子消費產品。

- (a) the production facilities, with an annual capacity of some 1.2 million 4-inch to 5-inch wafers, for fabrication, packaging and testing of bipolar IC's and discrete devices used in consumers electronic products such as home appliances, telecommunication devices, precision instruments, energy saving lights, liquid crystal displays, etc.

This business is carried out by the PRC's largest bipolar IC and discrete device manufacturer, Wuxi China Resources Huajing Microelectronics Co. Ltd., China Resources Semiconductor Company Limited, Semicon Microelectronics (Shen Zhen) Co., Ltd. and the Packaging factory of Wuxi China Resources Microelectronics Co., Ltd. (which subsequent to the year end restructured as a separate operating entity called Wuxi CR Micro-Assemb Tech. Ltd.)

- (b) one of the leading fabless design houses in the PRC, using MCU and digital-analogue mixed-signal technology to design mid to high end MOS and SOC systems applied in consumer electronics such as television, hi-fi, DVD and MP3 players, home appliances, telecommunication devices, calculators, electronic toys, voice synthesisers, etc.

是項業務是由無錫華潤矽科微電子有限公司（「矽科」）、無錫盈泰科技有限公司及華科微電子（深圳）有限公司經營。

- (c) 中國領先的合資經營晶圓代工廠商，具備線寬0.45μm的製造技術，以及月產三萬片六寸晶圓片的產能。是項業務是由無錫華潤上華半導體有限公司經營，前名為無錫華晶上華半導體有限公司，亦是中國最早起步的晶圓代工廠商，是與Central Semiconductor Manufacturing Corporation（「上華半導體」，連同其附屬公司合稱為「上華半導體集團」）、華潤微電子（控股）有限公司、特許半導體製造有限公司（「特許」）及其他國際投資者合資經營的公司。

半導體業務截至二零零三年十二月三十一日止年度的營業額從二零零二年錄得的338,000,000港元增至1,046,000,000港元。營業額激增是因為於二零零二年收購的無錫華潤微電子有限公司和集成電路設計公司－矽科帶來貢獻所致。截至二零零三年十二月三十一日止年度，半導體業務錄得毛利率25%（二零零二年：29%），經營溢利則為147,000,000港元。

國內的半導體行業目前只能滿足中國集成電路總需求的一小部分。過去數年，中國集成電路的需求快速增長，預期在可見將來增長勢頭依然強勁。中國市場發展潛力龐大，是本集團擴充半導體業務的大好良機。由於本集團半導體業務生產的集成電路產品壽命相對較長，屬於技術成熟的消費類集成電路市場產品，又以中國為目標市場，比較起以全球電腦及通訊市場為目標的高端集成電路市場產品，價格波動相對輕微，半導體業務因而能夠維持穩定的毛利率。本集團將會繼續加強技術專長，為中國價格平穩但高速增長的消費類集成電路市場生產更高檔產品。

This business is carried out by Wuxi China Resources Semico Company Limited (“Semico”), Wuxi INTECH Technology Co., Ltd. and Huake Microelectronics (Shenzhen) Co., Ltd.

- (c) a leading joint-venture open foundry operator in the PRC with 0.45μm technology and production capacity of some 30,000 6-inch wafers per month. This business is carried out by PRC's first open foundry operator, CSMC Technologies Fab 1 Co., Ltd, formerly known as Wuxi CSMC-HJ Semiconductor Co., Ltd, a joint-venture between Central Semiconductor Manufacturing Corporation (“CSMC” along with its subsidiaries, the “CSMC Group”), China Resources Microelectronics (Holdings) Ltd, Chartered Semiconductor Manufacturing Ltd (“Chartered”) and other international investors.

The turnover of the Semiconductor Business increased to HK\$1,046 million for the year ended 31st December, 2003 from the HK\$338 million recorded in 2002. The huge increase was due to the contribution from acquired Wuxi China Resources Microelectronics Co., Ltd. and the fabless design house, Semico acquired in 2002. The gross profit margin achieved by the Semiconductor Business was 25% (2002: 29%). The Semiconductor Business achieved an operating profit of HK\$147 million for the year ended 31st December, 2003.

At present, the domestic semiconductor industry satisfies only a small portion of the total demand for IC's in the PRC, which has been growing rapidly over the last few years and is expected to do so for the foreseeable future. This represents an excellent potential market for the expansion of the Group's Semiconductor Business. Since the IC's produced by Group's Semiconductor Business has relatively longer product life cycle and belong to the matured technology consumer IC market segment targeting the PRC market, they are relatively immune to volatile price fluctuations found in high end IC market segments meant for global computer and communication markets and thus contribute to the Semiconductor Business's stable gross profit margin. The Group will also continuously enhance its technical expertise to produce higher grade products within this stable-price yet high-growth consumer IC market segment in the PRC.

於二零零三年八月五日，本集團重組與上華半導體集團合資經營的半導體晶圓代工業務（「重組」），透過邀請國際機構投資者入股擴大股東基礎，並提高其半導體投資的價值。重組亦使本集團的半導體晶圓代工業務的資本基礎更形鞏固，以支持業務持續擴展。此舉亦為經過重組的半導體合營企業鋪路，為其最終能在未來公開招股上市踏出第一步。

於重組完成後，合營企業CSMC Technologies Corporation（「華潤上華科技」）及其附屬公司（統稱「華潤上華科技集團」）完全擁有無錫華潤上華科技有限公司及無錫華潤上華半導體有限公司（「華潤上華」），後者為中國晶圓代工業務的先驅，於重組前由本集團和上華半導體集團分別持有49%及51%權益。

華潤上華是華潤上華科技的營運主力，旗下經營的晶圓代工廠是中國成本最低的晶圓代工廠之一。隨著中國設計公司迅速發展，加上集成器件生產商外判生產工序蔚然成風，市場對華潤上華服務的需求不斷增加，故華潤上華需拓展其生產能力，方可滿足市場需求。

華潤上華科技將重組籌集所得的資金，用作添置二手機器及配套設施，藉此設立新的生產線。華潤上華科技將貫徹其成功的經營模式，運用成熟的科技及低廉的資本開支，為客戶提供具競爭力的生產服務。

進行重組及邀請新投資者認購經重組的華潤上華科技額外股份，為上述拓展提供所需資金。邀請國際知名的投資者加入華潤上華科技有助實現華潤上華的發展潛力，並提升華潤勵致現時於該公司的投資價值。

On 5th August, 2003 the Group underwent a restructuring (“Restructuring”) of its semiconductor open foundry business, a joint venture with CSMC Group, to broaden shareholder base and enhance the value of its semiconductor investment through invitation of international institutional investors’ equity participation. The Restructuring strengthened the Group’s semiconductor open foundry business capital base to support its continued expansion. It was also an initial step to pave the way for an eventual initial public offer of the restructured semiconductor joint venture in the future.

Upon the completion of Restructuring, the joint venture – CSMC Technologies Corporation (“CSMC-Tech”) and its subsidiaries (collectively the “CSMC-Tech Group”), wholly owns CSMC Technologies Fab 2 Co., Ltd. and CSMC Technologies Fab 1 Co., Ltd. (“Fab 1”), the latter being the first mover in the PRC open foundry business and held by the Group and CSMC Group as to 49 per cent and 51 per cent respectively prior to the Restructuring.

Fab 1, the major operating arm of CSMC-Tech, operates one of the lowest cost open foundries in the PRC. With the rapid growth of design houses in the PRC and the acceleration of outsourcing of production from integrated device manufacturers, Fab 1 needs to expand its fabrication capacity in order to satisfy such rising demand for its services.

CSMC-Tech used the funds raised from the Restructuring for setting up new production line by acquiring additional used machinery and related facilities. CSMC-Tech will maintain its successful business model of utilising matured technology and low capital expenditure to provide competitive manufacturing services to its customers.

The Restructuring and invitation to new investors to subscribe for additional shares in the restructured CSMC-Tech provides the necessary funding for the aforementioned expansion. The invitation of internationally renowned investors into CSMC-Tech helped to realise the potential of Fab 1 and to enhance the value of CR Logic’s current investment in it.

於二零零三年八月二十八日，華潤上華科技與特許訂立協議，據此，特許將二手的六寸晶圓片製造設備出售，並將相關加工技術轉讓及授予華潤上華科技，以及向其推薦客戶。代價已以現金及配發與發行華潤上華科技股本的普通股支付，特許於是項安排完成後成為華潤上華科技的策略股東。本集團也成為華潤上華科技的單一最大股東。

本集團的半導體業務，是現時中國消費電子集成電路行業內最具規模的企業之一。其經營模式主要是採用成熟的集成電路技術，爭取相對較低的資本開支，以生產適合中國市場且替代進口的消費電子集成電路。華潤上華科技的經營模式與本集團不謀而合。此外，華潤上華的晶圓代工廠房為本集團的集成電路設計公司－矽科提供生產服務。矽科是華潤上華的主要客戶之一。因此，華潤勵致與華潤上華科技的業務，在策略上能互相配合，互補長短，有助雙方攜手開拓中國市場的龐大商機。

On 28th August, 2003, CSMC-Tech entered into agreements with Chartered in which Chartered would sell used 6 inch wafer fabrication equipment, transfer and license related process technology and refer customers to CSMC-Tech. The consideration was satisfied by cash and allotment and issue of ordinary shares in the share capital of CSMC-Tech and Chartered became a strategic shareholder of CSMC-Tech upon completion of the arrangements. The Group also became the single largest shareholder of CSMC-Tech.

The Group's semiconductor business operation is currently one of the largest PRC enterprises in the consumer electronic IC segment. The essence of its business model includes using mature IC technology and hence relatively low capital expenditure to produce import substitution consumer electronic ICs suitable for the PRC market. CSMC-Tech's business model is in total congruent with that of the Group. Moreover, Fab 1's open foundry provides manufacturing service to the Group's fabless design house, Semico. Semico is one of the major customers of Fab 1. Thus, both the businesses of CR Logic and that of CSMC-Tech are strategically and complementarily aligned to tap the vast potential of the PRC market.



壓縮機業務

本集團與其少數股東夥伴日本三洋電機株式會社合作的壓縮機業務，是中國內地住宅空調壓縮機四大供應商之一，佔市場份額約10%。

在二零零二年下半年，中國住宅空調機市場出現了激烈的價格競爭，主要因為不少小型住宅空調裝嵌商生產多個低檔品牌的住宅空調推出市場，加上主要的壓縮機生產商提高產量，令住宅空調壓縮機行業的整體產量上升。結果，空調壓縮機在二零零二年下半年的價格下調約30%。但隨著購買空調的旺季來臨，上述情況自二零零三年年初得到改善，二零零三年的整體售價較二零零二年底上升約10%至15%。價格上升的部分原因是鋼（空調壓縮機主要原材料之一）的價格有所上升。而在二零零三年，空調壓縮機的價格已趨穩定，預期在可見將來會維持在同等或上升至更高的水平。



COMPRESSOR BUSINESS

The Group's Compressor Business with Sanyo Electric Co., Ltd. of Japan, a minority partner, is one of the top four suppliers of residential air-conditioner compressor in the PRC with a market share of about 10%.

During the second half of 2002, the residential air-conditioner market in the PRC has experienced severe price competition. This was mainly brought about by the proliferation of numerous brands of low end residential air-conditioners marketed and produced by numerous small residential air-conditioner assemblers and the increase in the overall production capacity of the residential air-conditioner compressor industry brought about by the capacity expansion of the leading compressor manufacturers. Consequently prices of air-conditioner compressors have fallen by some 30% during the second half of 2002. The situation, however, has improved since the beginning of 2003 with the onset of the air-conditioning season which saw a general price increase of some 10% to 15% during 2003 when compared to the price level towards the end of 2002. The increase was also partly due to the increase in price of steel, one of the key raw materials for air-conditioner compressor. The prices of air-conditioner compressors in 2003 have stabilized and is expected to remain at this level or higher for the foreseeable future.

於二零零三年，壓縮機的銷量增至3,008,507台，比二零零二年的1,927,882台上升56%。壓縮機業務錄得854,000,000港元的營業額，比二零零二年的675,000,000港元上升27%，壓縮機業務繼續為本集團帶來可觀的經營溢利貢獻。儘管二零零三年的整體價格下調（與二零零二年整年相比），但是在推行材料國產化計劃和成本控制方面繼續取得成績，毛利率和經營利率依然處於可接受水平，分別為20%及11%。是項業務在本年度錄得經營溢利91,000,000港元（二零零二年：133,000,000港元）。

二零零三年二月，第四期擴產計劃的第二生產線已開始商業投產，生產性能更強的C-R25F及C-R33F系列旋轉式壓縮機。該生產線帶來額外約300,000台的年產量，將總年產量增至3,100,000台。本集團定能抓緊中國內地新購及替換住宅空調市場的龐大潛在需求，而中國的住宅空調市場也會因為：(i)中國內地人民日益富裕，(ii)城市的住宅空調滲透率不高，只有約30%，加上(iii)空調一般在使用七至八年後即需更換等因素而繼續上揚。

二零零三年六月十一日，沈陽華潤三洋壓縮機有限公司和沈陽盛潤三洋壓縮機有限公司，就壓縮機業務與日本合營夥伴三洋電機株式會社訂立銷售協議。根據該等協議，三洋電機株式會社同意於二零零三年六月十一日至二零零五年十二月三十一日止期間，購買本集團壓縮機業務的C-R15F及C-R20F系列旋轉式壓縮機，以及C-R25F及C-R33F系列旋轉式壓縮機。

二零零三年九月三十日，沈陽華潤三洋壓縮機有限公司與三洋電機株式會社訂立協議，向後者購買設備及技術特許使用權，此舉可提高沈陽華潤三洋壓縮機有限公司各種旋轉式壓縮機（包括環保類型）的生產量，藉以增加產品種類，滿足逐漸上升的市場需求。以上安排增強了本集團與日本合營夥伴在壓縮機業務方面的合作。本集團視持續提升與三洋電機株式會社的關係及合作為主要業務策略，因為此舉能夠在本地和海外市場為本公司壓縮機業務帶來長遠利益。

For 2003, sales volume increased by 56% to 3,008,507 units compared to 1,927,882 units for 2002. Turnover amounted to HK\$854 million. This represents an increase of 27% over the HK\$675 million in 2002. The Compressor Business has continued to make a significant contribution to the Group's operating profit. Despite the overall price reduction in 2003 (compare to the whole year of 2002), both gross and operating margins are still at acceptable levels of 20% and 11% respectively because of continual successful material localisation program and tight cost controls. An operating profit of HK\$91 million was achieved during the year (2002: HK\$133 million).

In February 2003, the line 2 of the phase IV expansion has already commenced commercial production of the higher capacity C-R25F & C-R33F series rotary compressors, this line added some 300,000 units annual capacity and increase the total annual production capacity to 3,100,000 units. The Group is well poised to capture the huge potential demand for the residential air-conditioner in both new and replacement markets in PRC, which will continue to be brought about by (i) growing affluence among the population, (ii) low penetration rate of residential air-conditioners which is about 30% in the cities, and (iii) replacement needs of air-conditioners after 7 to 8 years of usage.

On 11th June, 2003, each of the China Resources (Shenyang) Sanyo Compressor Co., Ltd., and Shenyang Shengrun Sanyo Compressor Co. Ltd. of the Compressor Business has entered into Sales Agreements with its Japanese joint-venture partner, Sanyo Electric Co. Ltd. in which the latter agreed to purchase C-R15F and C-R20F series rotary compressors and C-R25F and C-R33F series rotary compressors from the Compressor Business for a period from 11th June, 2003 to 31st December, 2005.

On 30th September, 2003, China Resources (Shenyang) Sanyo Compressor Co. Ltd. entered into agreements with Sanyo Electric Co., Ltd. for equipment purchase and technology licencing to enhance the former's production capacity of various types of rotary compressors, including environmental friendly types, in order to have a more diversified product range to meet growing market demand. The above agreements further enhance the Compressor Business's co-operation with its Japanese joint venture partner. The Group views the continual enhancement of relationship and co-operation with Sanyo Electric Co. Ltd. as a key business strategy which will bring long term benefits to the Compressor Business for both its local and overseas markets.



辦公室傢具業務

本集團是中國內地專門生產辦公室傢具的主要生產商和供應商之一，集團的高檔品牌街知巷聞，廣受客戶青睞。目前，本集團的辦公室傢具業務擁有超過20條分銷渠道，遍布全國各地，其中8間分行更位於國內主要城市。是項業務於截至二零零三年十二月三十一日止年度錄得營業額144,000,000港元及經營溢利11,000,000港元（二零零二年：分別為146,000,000港元及3,000,000港元）。本年度的業績淨值較二零零二年有所改善。本集團展望辦公室傢具業務在可見將來會持續保持平穩。



華潤勵致有限公司
(股票編號: 1193)
**China Resources
Logic Limited**
(stock code: 1193)

OFFICE FURNITURE BUSINESS

The Group's Office Furniture Business is one of the leading office furniture manufacturers and suppliers in the PRC. Its premium brand name is widely known and well received in the PRC. At present, the Office Furniture Business has over 20 distribution channels across PRC including 8 branches in major cities. Turnover for the year ended 31st December, 2003 amounted to HK\$144 million with an operating profit of HK\$11 million (For 2002, they were HK\$146 million and HK\$3 million respectively). Current year net results is an improvement over that of 2002. The Group's Office Furniture is envisaged to continue to be stable in the foreseeable future.

本集團前景

本集團會致力謀求實質增長，積極對外收購，努力尋求與海外和國內企業合組战略合作夥伴的機遇，繼續拓展本集團業務，尤其是半導體業務和壓縮機業務。

PROSPECTS FOR THE GROUP

The Group will continue to expand in particular, its Semiconductor Business and Compressor Business, by organic growth, external acquisitions and by exploring the forming of strategic partnerships with both overseas and Chinese enterprises.

在半導體業務方面，中國市場對技術成熟消費類集成電路的需求急劇增長，本集團應可繼續從中受惠。於二零零二年收購中國華晶集團為本集團創造了生產平台，讓本集團躋身中國半導體生產商龍頭之列。在收購矽科之後，本集團的消費類集成電路產品組合較以往更多元化，提升了本集團在中國集成電路設計方面的領先地位。本集團更引進一批高質素的半導體人才，以提高生產及設計能力。上述各項收購不但使半導體業務更形鞏固，同時亦為進一步爭取中國半導體市場奠定良好基礎。

本集團已經晉身為中國技術成熟消費類集成電路市場的翹楚，在製造和封裝雙極集成電路及分立器件、經營集成電路設計、提供0.45μm技術晶圓代工服務方面享有舉足輕重的地位。本集團經營晶圓代工業務的聯營公司華潤上華科技於二零零三年八月進行重組、集資及引進戰略性夥伴，為本集團晶圓代工業務的迅速擴展鋪路。本集團預期在二零零四年和其後年度的總收益當中，半導體業務的收益貢獻將繼續佔有相當比重。本集團將致力招攬優秀專才、與外國夥伴結成策略聯盟和科技聯盟，務求持續提升本身在消費類集成電路市場中的技術實力。

至於壓縮機業務方面，二零零三年銷售3,000,000台壓縮機，較二零零二年的2,000,000台上升56%，本集團對於是項業務的長遠增長潛力信心十足。本集團於二零零三年已經將壓縮機年產量由2,800,000台提升至3,000,000台。藉此，本集團的壓縮機業務將可在中國爭取更大的市場份額，抓緊住宅空調市場長遠的龐大潛在需求。本集團亦會開拓海外市場，透過與日本合營企業夥伴之間的合作，加強產品研發工作，最終目的旨在提升市場份額，在多元化發展本身的產品組合之餘，亦緊貼最新的冷凍技術，提升本身的競爭力。本集團目前是國內四大空調壓縮機生產商之一，所供應的住宅空調壓縮機佔中國市場份額約10%，預期壓縮機業務可望繼續穩步上揚。

For the Semiconductor Business, the Group will continue to benefit from the rapidly increasing demand in the PRC for matured technology consumer IC's. The acquisition of China Huajing Group in 2002 provided the Group with the manufacturing platform to catapult the Group into one of the largest semiconductor manufacturers in the PRC. With the acquisition of Semico, the Group has become a leading IC design house in the PRC and also significantly increased its consumer IC's product portfolio. The Group has further recruited high calibre semiconductor experts to boost our manufacturing and design capability. These acquisitions further strengthen the foundation of the Semiconductor Business for further penetration into the PRC semiconductor market.

The Group has become the market leader in the matured technology consumer IC market segment of the PRC with dominant positions in manufacturing and packaging bipolar IC's and discrete devices; operating fabless design house as well as providing open foundry service up to 0.45μm technology. The Restructuring, funding and the invitation of strategic partner exercise carried out in August 2003 by the Group's open foundry associated company, CSMC-Tech, paved the way for the rapid expansion of the Group's foundry business. The Group foresees the revenue contribution from its Semiconductor Business to continue to account for a very significant share of the Group's total revenue in 2004 and thereafter. The Group will strive to continually enhance its technical capability within the consumer IC market segment via infusion of talents and forging strategic and technical alliances with foreign partners.

For the Compressor Business, the Group is confident of its long term potential having sold some 3 million compressors in 2003 compared to 2 million in 2002, an increase of 56%. By increasing its annual production capacity from 2.8 million units to 3 million units of compressor in 2003, the Group's Compressor Business will strive to enlarge its market share in PRC to capture the huge potential demand for residential air-conditioners in the longer term. The Group would also explore tapping into overseas market and enhance its product research and development through cooperation with its joint-venture Japanese partner, with the ultimate aim to enhance its market reach, product portfolio and keeping up with the latest cooling technology to increase competitiveness. As one of the top four air-conditioner compressor manufacturers supplying some 10% of the residential air-conditioner compressor market in the PRC, the Group envisages the Compressor Business to continue to grow steadily.

財務回顧

現金流量

年內，經營業務的現金淨額為468,518,000港元，較去年增加116%，主要原因是二零零二年僅計及完成收購中國華晶集團後的一個月業績，本年度則計及半導體業務的全年業績。

本集團於年內的資本開支為393,697,000港元，其中90%用作擴充及提升半導體業務的現有生產設施，其餘則用作壓縮機業務的第四期擴產計劃。本集團亦為旗下經營晶圓代工業務的聯營公司提供27,318,000港元現金，作為注資的一部分。所需資金主要由本集團經營業務的現金流量、銀行借貸及庫存現金撥付。於年底，本集團的可動用庫存現金為449,656,000港元，較去年年底增加38,962,000港元，增幅為9%。現金結存其中76%及18%分別為人民幣及港元，而其餘則為美元及日圓。

流動資金和財務資源

本集團的政策為使用經營業務所得現金流量及適當水平的借貸，作為主要擴展及收購所需資金的主要來源。於年結日，本集團的借貸總額為957,024,000港元，與去年相約。於年結日，本集團的借貸淨額為507,368,000港元。於年底，本集團的負債比率（按借貸淨額除資產淨值計算）為25%，較去年略低。此外，流動比率（流動資產與流動負債的比例）維持在1.14倍的良好水平。整體而言，本集團的流動資金為穩健良好。

FINANCIAL REVIEW

Cash Flow

The net cash from operating activities during the year amounted to HK\$469 million which represents 116% increase compared to that of last year. The increase was mainly brought about by the full year contribution of the Semiconductor Business as compared to only one month results after completion of acquisition of the China Huajing Group in 2002.

The Group has spent HK\$394 million in capital expenditure during the year, 90% of which was used to fund the expansion and upgrading of existing production facilities of the Semiconductor Business while the rest was deployed on the Phase IV expansion of the Compressor Business. The Group also made a cash injection of HK\$27 million into its open foundry associate as part of capital injection. The required funding was basically financed by the operating cash flow, bank borrowings and cash on hand of the Group. As at year end the Group's free cash on hand was HK\$450 million representing an increase of HK\$39 million or 9% over that at last year end. Among the cash balance 76% and 18% were denominated in Renminbi and Hong Kong dollar respectively and the remaining in US dollar and Japanese Yen.

Liquidity and Financial Resources

It is the Group's policy to use the cash flow generated from operations and appropriate level of borrowings as the principal source of fund to finance major expansion and acquisition. As at the end of the year, the Group has total borrowings of HK\$957 million which was about the same level that of last year. The net borrowings of the Group was HK\$507 million as at the year end date. The gearing ratio of the Group at the end of the year, calculated as net borrowings over net assets, was 25%, which is slightly lower than that of last year. In addition, the current ratio (ratio of current assets to current liabilities) was maintained at the healthy level of 1.14. On the whole, the liquidity of the Group is healthy and stable.

本集團的借貸總額957,024,000港元來自附息銀行貸款及其他貸款兩個途徑。附息銀行貸款的84%及15%分別須於一年內及兩年內償還，其餘須於五年內償還。人民幣附息銀行貸款佔附息銀行貸款44%，而其餘附息銀行貸款則為港元貸款。所有人民幣附息銀行貸款均按固定利率計息。

本集團獲授800,000,000 港元於二零零七年到期的循環信貸及定期貸款備用額。備用額為無抵押，並以港元浮動利率計息。於年底，本集團僅使用備用額的45%。備用額連同穩健的經營業務現金流量，為本集團提供充裕資金來源作未來擴展之用。

其他貸款指二零零二年收購中國華晶集團所產生的借貸，於年結日佔本集團的借貸總額28%，全部均以人民幣結算及不計利息。所有貸款均須於二零零五年之前分期全數償付，其中57%及42%分別於二零零四年及二零零五年到期。164,000,000港元已於年內償還。

於年結日，本集團有182,382,000港元的質押資產，作為本公司附屬公司部分獲授借貸及一般銀行備用額的抵押。

除上文所述的已承諾備用額外，本集團並無其他已承諾借貸備用額。在日常流動資金管理方面，為了維持資金靈活，本集團已獲往來銀行批出足夠的無承諾短期備用額。

財務管理和庫務政策

本集團的財務風險管理由香港總部的司庫負責。本集團的庫務政策以管理外幣匯兌波動風險為主要宗旨之一。本集團一貫的政策是不參與任何外匯投機活動。

The Group's total borrowings of HK\$957 million came from two sources namely interest bearing bank loans and other borrowings. 84% and 15% of the interest bearing bank loans are repayable within one year and two years respectively, the rest are repayable within 5 years. Renminbi denominated interest bearing bank loans accounted for 44% of the interest bearing bank loans with the remaining interest bearing bank loans denominated in HK dollar. All Renminbi interest bearing bank loans are on fixed interest rate terms.

The Group has been granted a HK\$800 million revolving credit and term loan facilities with maturity in 2007. The facility is unsecured and with floating HK dollar interest rate. Only 45% of the facility has been drawn down at the end of the year. The facility together with healthy operating cash flow has provided sufficient source of funding for foreseeable expansion.

Other loans represent borrowings resulting from the acquisition of China Huajing Group in 2002. They accounted for 28% of the Group's total borrowings as at the year end date, and were all denominated in Renminbi and interest free. They are repayable in full through several installments by 2005 of which 57% and 42% are due in 2004 and 2005 respectively. HK\$164 million was repaid during the year.

As at the year end date the Group has HK\$182 million of pledged assets to secure some of the borrowings and general banking facilities granted to subsidiaries of the Company.

Other than the above mentioned committed facilities, the Group has no other committed borrowing facilities. For day-to-day liquidity management and maintaining flexibility in funding, the Group has managed to obtain sufficient uncommitted short-term facilities from banks.

Financial Management and Treasury Policy

The financial risk management of the Group is the responsibility of the Group's treasury function at the head office in Hong Kong. One of the major objectives of the Group's treasury policies is to manage its exposure to fluctuation in foreign currency exchange rates. It is the Group's policy not to engage in speculative activities.

本集團大部分資產和負債均以港元和人民幣為計算單位，而小部分應付款項則以日圓及美元為計算單位。本集團預期不會面對重大的外匯波動風險。

資本結構

於年結日，本集團有股東資金1,654,927,000港元，較去年增加153,690,000港元，升幅為10%。年內，本公司已向其股東派付二零零二年度的末期股息，為數26,000,000港元。

重大投資、收購和出售事項

於二零零三年一月二日，本公司已透過其全資附屬公司CRT (BVI) Limited (「CRT(BVI)」)與本公司的控股股東華潤集團訂立協議，據此，CRT (BVI)同意將eSources Limited (「eSources」)的全部已發行股本出售予華潤集團，代價為10,982,264港元。eSources是一家控股公司，擁有潤聯國際網絡有限公司(「潤聯」)的全部股權。潤聯從事資訊科技業務，主要業務其中包括商業諮詢服務、企業應用及基建服務。有關出售事項已於同日完成。

於二零零三年八月五日，本集團重組其半導體晶圓代工業務(「重組」)，透過邀請國際機構投資者入股擴大股東基礎，並提高其半導體投資的價值。重組亦使本集團的半導體晶圓代工業務的資本基礎更形鞏固，以支持業務持續擴展。此舉亦為經過重組的半導體合營企業鋪路，為其最終能在未來公開招股上市踏出第一步。

Most of the Group's assets and liabilities are denominated in Hong Kong dollars and Renminbi with some payables denominated in Japanese Yen and US dollar. The Group does not expect significant exposure to foreign exchange fluctuations in this regard.

Capital Structure

As at the end of the year the shareholders' fund of the Group was HK\$1,655 million, representing an increase of HK\$154 million or 10% compared to that of last year. During the year HK\$26 million was paid to shareholders of the Company as final dividend for the year 2002.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 2nd January, 2003, the Company has, through its wholly owned subsidiary CRT (BVI) Limited ("CRT(BVI)") entered into an agreement with CRH, the controlling shareholder of the Company, pursuant to which CRT(BVI) agreed to sell to CRH the entire issued share capital of eSources Limited ("eSources") at a consideration of HK\$10,982,264. eSources is a holding company which owns 100% equity interests in Resources Link Network Limited ("Resolink"). Resolink is engaged in the information technology business whose principal activities include, inter alia, business consulting services, enterprise application and infrastructure services. The disposal was completed on the same date.

On 5th August, 2003 the Group underwent a restructuring ("Restructuring") of its semiconductor open foundry business to broaden shareholder base and enhance the value of its semiconductor investment through invitation of international institutional investors' equity participation. The Restructuring strengthens the Group's semiconductor open foundry business capital base to support its continued expansion. It is also an initial step to pave the way for an eventual initial public offer of the restructured semiconductor joint venture in the future.

作為重組的第一步，本集團與 Central Semiconductor Manufacturing Corporation (「上華半導體」)，連同其附屬公司合稱為「上華半導體集團」) 成立一家合營企業，各持有50%股權。於重組完成後，合營企業 CSMC Technologies Corporation (「華潤上華科技」) 及其附屬公司 (統稱「華潤上華科技集團」) 將會完全擁有無錫華潤上華科技有限公司及無錫華潤上華半導體有限公司 (「華潤上華」)，後者為中國晶圓代工業務的先驅，於重組前由本集團和上華半導體集團分別持有49%及51%權益。

進行重組的同時，本集團及上華半導體集團於二零零三年八月五日與若干著名的國際投資者訂立一項投資協議 (「投資協議」)，認購華潤上華科技的可贖回可換股優先股 (「A類股份」)。有關的國際投資者包括 3i Group plc、Crown Crystal Investments Limited、International Finance Corporation 與 Templeton Strategic Emerging Markets Fund LDC。

二零零三年十一月二十八日，本集團及上華半導體集團與另外一些以星展託管私人有限公司 (DBS Nominees Pte. Ltd.) 為首的投資者訂立一份經修訂投資協議。

華潤上華的註冊資本由12,000,000美元增加至57,970,000美元，以作為重組的一部分。本集團已經向華潤上華注入價值22,500,000美元的六吋晶圓片生產線，而資本增加的餘額，已在華潤上華科技根據投資協議進行的A類股份認購所籌集的資金中撥付。於完成重組時，所有投資者對華潤上華科技集團的估值為95,000,000美元。

As a first step of the Restructuring, the Group formed a 50-50 joint venture with Central Semiconductor Manufacturing Corporation (“CSMC” along with its subsidiaries, the “CSMC Group”). Upon the completion of Restructuring, the joint venture – CSMC Technologies Corporation (“CSMC-Tech”) and its subsidiaries (collectively the “CSMC-Tech Group”), wholly own CSMC Technologies Fab 2 Co. Ltd. and CSMC Technologies Fab 1 Co. Ltd. (“Fab 1”), the latter being the first mover in the PRC open foundry business and held by the Group and CSMC Group as to 49 per cent and 51 per cent respectively prior to the Restructuring.

Parallel to the Restructuring, the Group and CSMC Group entered into an investment agreement (“Investment Agreement”) on 5th August, 2003 with certain well-known international investors including 3i Group plc, Crown Crystal Investments Limited, International Finance Corporation and Templeton Strategic Emerging Markets Fund LDC to subscribe for redeemable convertible preferred shares (“Series A Shares”) in CSMC-Tech.

On 28th November, 2003 the Group and CSMC Group entered into an amended Investment Agreement with another group of investors led by DBS Nominees Pte. Ltd.

As part of the Restructuring, the registered capital of Fab 1 was increased from US\$12 million to US\$57.97 million. The Group has satisfied its portion by injection of a production line for 6-inch wafers valued at US\$22.5 million into Fab 1, while the balance of the increase in capital was satisfied by part of the funds raised by CSMC-Tech through the subscription of Series A Shares pursuant to the Investment Agreement. On completion of the Restructuring, the CSMC-Tech Group was valued at US\$95 million by all investors.

持續經營業務

以目前的財政預測和可供動用的備用額計算，本集團具備充裕財務資源在可見將來持續經營業務。因此，編製財務報表時仍然採用持續經營業務基準。

購股權計劃

於二零零一年十一月二十六日，本公司終止於一九九四年十月十五日採納的購股權計劃（「舊購股權計劃」）；由於香港聯合交易所有限公司（「聯交所」）更改有關購股權計劃的證券上市規則（「上市規則」），故本公司採納了全新購股權計劃（「新購股權計劃」）。於二零零二年二月二十一日，本公司取得股東批准後修訂新購股權計劃，藉此放寬有權參與新購股權計劃的參與者的範圍。

舊購股權計劃及新購股權計劃概要載於董事會報告書，有關該等計劃各自的變動詳情，載於董事會報告書及財務報表附註26內。

獎勵僱員

於二零零三年十二月三十一日，本集團在香港和中國共聘用約6,184位員工。本集團一向重視人才，深明吸納和挽留優秀員工是本集團繼續致勝之道。本集團會按若干員工的個別表現發放花紅及購股權，相信此舉有助本集團吸引高質素員工加盟和留任，並鼓勵員工發揮最佳表現。

GOING CONCERN

On the basis of current financial projections and facilities available, the Group has adequate financial resources to continue its operation for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

SHARE OPTION SCHEME

On 26th November 2001, the Company has terminated the share option scheme of the Company adopted on 15th October 1994 (the "Old Share Option Scheme") and adopted a new share option scheme (the "New Share Option Scheme") as a result of changes in Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") in relation to share option scheme. On 21st February 2002, upon approval of its shareholders, the Company amended the New Share Option Scheme to widen the scope of participants that are eligible to participate in the New Share Option Scheme.

A summary showing the Old Share Option Scheme and the New Share Option Scheme and their respective movements are detailed in the Report of Directors and in Note 26 to the financial statements.

REWARD FOR EMPLOYEES

As at 31st December, 2003, the Group employs approximately 6,184 employees in Hong Kong and the PRC. The Group values human resources and recognizes the importance of attracting and retaining quality staff for its continuous success. Staff bonus and share options are granted to certain employees basing on individual performance. The Group believes this will assist the Group to attract and retain quality staff and at the same time encourage the employees to give their best performance.

致謝

本集團有賴各股東的鼎力支持和全體員工努力不懈的竭誠服務以達至本集團的目標，本人謹代表董事會向彼等致以深切謝意。

承董事會命

主席

宋 林

香港，二零零四年三月十五日

APPRECIATION

On behalf of the Board, I would like to express my appreciation and gratitude to our shareholders for their support and all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

On behalf of the Board

SONG LIN

CHAIRMAN

Hong Kong, 15th March, 2004