

主席報告書 Chairman's Statement

董事公佈本集團截至二零零三年十二月三十一日止年度之業績如下：

The Directors announce that the results of the Group for the year ended 31st December, 2003 were as follows:-

業務業績

BUSINESS RESULTS

		截至十二月三十一日止年度 For the Year Ended 31st December, 2002	
		港幣千元	
		2003	HK\$'000
		港幣千元	(重新呈列)
		HK\$'000	(Restated)
營業額	Turnover	2,220,387	1,808,752
利息收入	Interest income	4,223	28,741
其他經營收益	Other operating income	31,657	16,584
製成品及在製品存貨之變動	Changes in inventories of finished goods and work-in-progress	(15,297)	21,389
所使用之原料及消耗品	Raw materials and consumables used	(1,754,384)	(1,432,169)
員工成本	Staff costs	(193,693)	(170,571)
折舊及攤銷支出	Depreciation and amortisation expenses	(74,195)	(59,708)
投資物業公平價值之增加(減少)	Increase (decrease) in fair value of investment properties	520	(700)
持有投資證券未實現之淨收益	Net unrealised holding gain on investments in securities	669	1,292
出售投資證券收益(虧損)	Gain (loss) on disposal of investments in securities	1,997	(62)
廠房、機器及設備已確認減值虧損	Impairment loss recognised in respect of plant, machinery and equipment	(2,500)	-
租約土地及樓宇已確認減值虧損	Impairment loss recognised in respect of leasehold land and buildings	(1,141)	(1,140)
其他經營支出	Other operating expenses	(170,268)	(148,785)
經營溢利	Profit from operations	47,975	63,623
融資成本	Finance costs	(10,481)	(10,394)
出售聯營公司權益之虧損	Loss on disposal of interests in associates	-	(234)
應佔聯營公司業績	Share of results of associates	6,994	3,350
墊支予一間聯營公司 貸款撥備之回撥	Write back of allowance for loan advanced to an associate	2,589	-
墊支予聯營公司貸款之撥備	Allowance for loans advanced to associates	(14,785)	(12,500)
除稅前溢利	Profit before taxation	32,292	43,845
稅項(附註1)	Taxation (Note 1)	(9,157)	(10,608)
除少數股東權益前溢利	Profit before minority interests	23,135	33,237
少數股東權益	Minority interests	1,768	207
本年度純利	Net profit for the year	24,903	33,444
股息	Dividends	14,008	1,358,744
每股盈利(附註2)	Earnings per share (Note 2)		
基本	Basic	港幣 HK\$0.05元	港幣 HK\$0.07元
攤薄	Diluted	不適用 N/A	不適用 N/A

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業務業績 (續)

附註：

1. 香港利得稅乃就年內本集團各成員公司於香港之估計應課稅溢利按稅率17.5% (二零零二年：16%) 撥備。海外附屬公司及聯營公司所得稅已按有關當地法律作撥備。遞延稅項已根據會計實務準則第12號 (經修訂) 按資產及負債賬面值與計算應課稅溢利之基準之間的差異作出撥備。
2. 每股基本盈利乃根據本集團本年度純利約港幣24,903,000元 (二零零二年：港幣33,444,000元) 及普通股466,921,794股 (二零零二年：466,921,794股) 計算。

BUSINESS RESULTS (Continued)

Notes:

1. Hong Kong Profits Tax has been provided for at 17.5% (2002: 16%) on the estimated assessable profits for the year of each member of the Group in Hong Kong. Taxation on profits of overseas subsidiaries and associates has been provided in accordance with the relevant local laws. Deferred taxation has been provided on differences between the carrying amount of assets and liabilities and the corresponding bases used in the computation of taxable profit in accordance with the provisions in SSAP 12 (Revised).
2. The calculation of the basic earnings per share is based on the Group's net profit for the year of approximately HK\$24,903,000 (2002: HK\$33,444,000) and the number of ordinary shares of 466,921,794 (2002: 466,921,794).

股息

於二零零三年十月，本公司已支付中期股息每股港幣0.01元 (二零零二年：中期股息港幣0.01元及特別中期股息港幣2.00元)。董事現建議於二零零四年六月十一日 (星期五) 派付末期股息每股港幣0.02元 (二零零二年：末期股息港幣0.02元及特別末期股息港幣0.88元) 予二零零四年六月八日 (星期二) 名列於股東名冊之股東。

DIVIDENDS

In October 2003, the Company paid an interim dividend of HK\$0.01 (2002: interim dividend of HK\$0.01 and special interim dividend of HK\$2.00) per share. The Directors now recommend the payment of a final dividend of HK\$0.02 (2002: final dividend of HK\$0.02 and special final dividend of HK\$0.88) per share on Friday, 11th June, 2004 to the shareholders on the Register of Members on Tuesday, 8th June, 2004.

業務回顧

本集團之營業額較二零零二年上升約22.8%，主要由於電子製造服務部門 (「EMS部門」) 營業額增加。雖然EMS部門在沙井的廠房 (「沙井廠房」) 的利潤增加，但經營溢利則下跌約24.6%，主要由於利息收入減少約港幣24,500,000元，以及EMS部門在中國蘇州之新廠房 (「蘇州廠房」) 錄得虧損所致。蘇州廠房已於二零零三年第一季開始運作。

EMS部門營業額雖較二零零二年上升約23.3%，但經營溢利由於蘇州廠房錄得虧損而僅上升約11.9%。蘇州廠房的表現在下半年已見大幅改善。部門的另一廠房沙井廠房則表現優越，其經營溢利勝過二零零二年。

REVIEW OF BUSINESS ACTIVITIES

The Group's turnover increased by about 22.8% compared to 2002, mainly due to an increase in the turnover of the Electronic Manufacturing Service Division (the "EMS Division"). Profit from operations, however, fell by about 24.6% notwithstanding the increased profits earned by the EMS Division's factory in Shajing ("WTSJ"), mainly because of a decrease in interest income by approximately HK\$24.5 million and the losses incurred by the EMS Division's new factory in Suzhou, China ("WTSZ"). WTSZ started operation in the first quarter of 2003.

The turnover of the EMS Division increased by about 23.3% compared to 2002. The Division's profit from operations, nevertheless, only increased by 11.9% mainly due to losses incurred by WTSZ. The performance of WTSZ, however, improved significantly in the second half of the year. The other factory in the Division, WTSJ, performed well and its operating profit improved compared to 2002.

業務回顧 (續)

於二零零三年，EMS部門更積極向客戶推廣價值工程服務及ODM工作，並為集團帶來新業務。於下半年，蘇州廠房通過ISO9001認證審核並且擴大生產規模。實施以上各項的目的均為幫助部門持續增長。

在墨西哥Mexicali的廠房表現持續不滿意，部份由於若干客戶選用中國作為他們產品的生產地。

寬頻調制解調器的市場競爭仍然相當激烈。回顧年度，來自寬頻調制解調器的銷售收入較二零零二年升約56.4%。經營業績卻因價格急跌、存貨撥備及邊際利潤下降而受影響。

年內，本集團成立新部門開發及推廣無線通訊產品如流動電話及智能電話。現時正與中國及北美洲數名潛在客戶磋商業務。該部門預期在二零零四年上半年開始銷售及付運流動電話及智能電話。

於二零零三年，本集團分別在中國深圳及加拿大Calgary開設兩間產品開發辦事處。

九龍塘地產項目的所有複式單位經已售出並於年內錄得約港幣11,000,000元虧損。有關中半山住宅物業發展項目方面，由於市場情況好轉，最近售出的單位售價遠高於六個月前的水平。因此，董事決定不再對該項目作出額外撥備。

REVIEW OF BUSINESS ACTIVITIES (Continued)

During the year in 2003, increased efforts were made by the EMS Division to promote value engineering services and ODM work to customers. Such efforts have helped the Group to acquire new businesses. During the second half of the year, WTSZ passed the certification audit for ISO9001, while WTSJ expanded its production capacities. All the above were implemented with an objective to facilitate the continuous growth of the Division.

The performance of the factory in Mexicali, Mexico continued to be unsatisfactory, partly because some customers have changed their preference to using China as the place of manufacturing their products.

Market conditions for broadband modems remained extremely competitive. For the year under review, the revenue from the sales of broadband modems increased by about 56.4% compared to 2002. Its operating results, however, were affected by rapidly falling prices, provisions made against inventories and decreased margins.

During the year, a new division was established to undertake the development and marketing of wireless communication products such as mobile phones and smartphones. Business negotiations are being conducted with a number of potential customers in China and North America. The Division expects to commence sales and deliveries of mobile phones and smartphones in the first half of 2004.

During 2003, the Group opened two product development offices in Shenzhen, China and Calgary, Canada, respectively.

All the duplexes of the Kowloon Tong property project have been sold and a loss of about HK\$11 million was booked during the year. With regard to the residential development in the Mid-levels property project, due to the improvement in market conditions, recent sales of units were at a significantly higher level of prices compared to that prevailing six months ago. Accordingly, the Directors have decided not to make any additional provision against that project.

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財務

於支付二零零二年特別末期股息後，本集團之銀行借貸超過其銀行存款。於二零零三年十二月三十一日，本集團之銀行借貸淨額約港幣149,000,000元（二零零二年：現金淨額港幣231,000,000元），佔股東權益24.5%。董事滿意此水平的負債比率。

FINANCE

After the payment of the 2002 special final dividend, the Group's bank borrowings have exceeded its bank deposits. As at 31st December, 2003, the Group had net bank borrowings of about HK\$149 million (2002: net cash of HK\$231 million), representing 24.5% of its shareholders' equity. The Directors are comfortable with this level of gearing.

資本結構

自二零零二年十二月三十一日以來，本集團之資本結構並無重大變動。

CAPITAL STRUCTURE

There has been no material change in the capital structure of the Group since 31st December, 2002.

僱員

於二零零三年十二月三十一日，本集團聘用約4,300名僱員，其中約2,900名為生產部工人。除提供年終花紅、醫療及人壽保險外，本集團亦會因應僱員之表現提供內部及外間培訓計劃、酌情花紅及購股權。本集團之酬金政策及福利計劃會不時檢討。

EMPLOYEES

As at 31st December, 2003, the Group employed approximately 4,300 employees, out of which approximately 2,900 are production workers. In addition to the provision of annual bonuses, medical and life insurances and in-house and external training programs, discretionary bonuses and share options are also available to employees based on their performance. The remuneration policy and packages of the Group are reviewed from time to time.

前景

根據客戶的現有及預計業務量，我們相信EMS部門的營業額將於二零零四年有所增長。我們亦預期該部門表現將於二零零四年有所改善。雖然電子零件缺貨加上日圓強勁將會侵蝕該部門的利潤，但來自大量購買原材料及效率提升的削減成本效益將能抵銷該不利影響有餘。於蘇州的新廠房預期會為該部門業績提供盈利。此外，二零零四年第一季結束時關閉在墨西哥虧損中的廠房預期會改善該部門的業績。

PROSPECTS

Based on current and anticipated levels of business from customers, we are optimistic that the sales turnover of the EMS Division will increase in 2004. We also expect the performance of the Division to improve in 2004. While it is expected that the shortage of electronic components and the strength of the Japanese Yen will erode the profitability of the Division, such impacts are expected to be more than compensated by cost reductions resulting from larger volumes of purchases of raw materials and improvements in efficiency. The new factory in Suzhou is expected to contribute positively to the Division's results. In addition, the discontinuation of the operations of the loss making factory in Mexico at the end of the first quarter of 2004 is also expected to improve the Division's results.

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前景 (續)

就ODM業務而言，本集團計劃將焦點由競爭非常激烈的寬頻調制解調器業務轉移至開發及銷售無線通訊產品。流動電話及智能電話的ODM銷售預期將有利於本集團業績。

本人謹此代表各董事衷心感謝本集團客戶、供應商及業務夥伴一向以來對本集團之信任及支持。本人亦謹此衷心感謝本集團僱員對本集團之忠誠、勤奮及專業服務。

王忠秣
主席

香港，二零零四年三月二十三日

PROSPECTS (Continued)

For ODM activities, the Group plans to shift its focus from the very competitive business of broadband modems to the development and sales of wireless communication products. The ODM sales of mobile phones and smartphones are expected to benefit the Group's results.

On behalf of the Directors, I would like to thank our customers, suppliers and business partners for their continued confidence in and support for the Group. I would also like to thank our employees for their loyal, diligent and professional services to the Group.

WONG CHUNG MAT, BEN
Chairman

Hong Kong, 23rd March, 2004