

CHAIRMAN'S STATEMENT

主席報告書

FINANCIAL RESULTS

For the year ended 30 June 2003, the Group produced a turnover of approximately HK\$45,705,000, a 19.3% decrease from last year's turnover of HK\$56,635,000. The profit attributable to shareholders for the year amounted to approximately HK\$71,565,000, which includes gains of approximately HK\$86,151,000 arising from debts discharged under a scheme of arrangement ("the Scheme of Arrangement") under Section 166 of the Hong Kong Companies Ordinance and Section 99 of the Companies Act 1981 of Bermuda and approximately HK\$10,753,000 arising from disposal of a jointly controlled entity respectively.

BUSINESS REVIEW

During the year, the Group focused its operation mainly on manufacturing and trading of multi-media and digital communication products. Affected by the sluggish economy recovery in the Hong Kong economy and abundant supply of multi-media and digital communication products in the Great China region, this segment of business had only contributed an operating profit of approximately HK\$2.21 million to the profit attributable to the shareholders for the year.

DISPOSAL OF A JOINTLY CONTROLLED ENTITY

The Group's equity interest in a PRC jointly controlled entity engaging in a property development project had been pledged to an independent third party for a loan of approximately HK\$4 million. Under a consent order issued by the Hong Kong High Court on 14 April 2003, the Group's interest was transferred to the creditor for setting off against the outstanding loan. Full provision for impairment loss was made in 2002 and a gain of disposal of approximately HK\$10,753,000 was credited to the income statement of current year.

財務業績

截至二零零三年六月三十日止年度，本集團錄得營業額約45,705,000港元，較去年營業額56,635,000港元減少19.3%。本年度之股東應佔溢利約為71,565,000港元，包括根據香港公司條例第166條及百慕達一九八一年公司法第99條之規定，償債計劃（「償債計劃」）解除債項之收益約86,151,000港元，以及出售共同控制企業所產生之約10,753,000港元。

業務回顧

年內，本集團主力經營產銷多媒體及數碼通訊產品。受香港經濟復甦疲弱及大中華地區多媒體及數碼通訊產品供過於求影響，此類業務僅為股東應佔溢利帶來經營溢利約2,210,000港元。

出售共同控制企業

為取得為數約4,000,000港元之貸款，本集團將其於中國一家從事物業發展項目之共同控制企業之股本權益抵押予獨立第三方。根據香港高等法院於二零零三年四月十四日在同意下作出之命令，本集團之權益乃讓予該債權人，用以抵銷未償還貸款。本集團已於二零零二年就減值虧損作悉數撥備，而出售所產生之收益約10,753,000港元已撥入現年度之收益表。

CHAIRMAN'S STATEMENT

主席報告書

LIQUIDITY AND FINANCIAL RESOURCES

The Group had net current liabilities of approximately HK\$24 million as at 30 June 2003 and the gearing ratio to total equity is 42.7%.

On 20 December 2002, the majority of the Scheme Creditors approved the Scheme of Arrangement for debt restructuring under which all the secured and unsecured indebtedness (including any interest accrued thereon) owed by the Group to the Scheme Creditors were to be released, discharged and fully settled.

The Scheme of Arrangement was sanctioned by the High Court of Hong Kong and the Supreme Court of Bermuda on 2 and 4 April 2003 respectively. Based on the final assessment of the Scheme Administrator in respect of the disputed claims of the creditors, further contingent liabilities of approximately HK\$75 million had to be taken up by the Company before the total indebtedness of approximately HK\$206 million was arrived at. Total indebtedness admitted under the Scheme of Arrangement was approximately HK\$206 million, of which approximately HK\$15 million was paid out from the proceeds, and approximately HK\$21 million was settled by the issue of 2,100,000,000 ordinary shares of the Company at HK\$0.01 each. The remaining indebtedness of approximately HK\$170 million was waived by the Scheme Creditors. The Scheme of Arrangement was completed on 16 May 2003.

FOREIGN CURRENCY EXPOSURE

The Group did not have significant foreign currency exposure at the balance sheet date.

EMPLOYEES INFORMATION

The Group has around 40 employees currently. The remuneration packages of employees are maintained at competitive level which include monthly salaries, mandatory provident fund and share option scheme.

流動資金及財政資源

本集團於二零零三年六月三十日有淨流動負債約24,000,000港元，相對於股本總額之資本負債比率為42.7%。

於二零零二年十二月二十日，有關計劃債權人以多數票通過有關債務重組之償債計劃，據此，本集團結欠計劃債權人之所有有抵押及無抵押債項（包括任何應計利息）一律獲解除，免除及悉數償還。

於二零零三年四月二日及四日，香港高等法院及百慕達最高法院已分別批准償債計劃。基於計劃管理人就債權人所爭議索償之最後評估，在達致約206,000,000港元之總債項前，本公司所產生之其他或然負債約為75,000,000港元。償債計劃所涉及之總債項約為206,000,000港元，當中約15,000,000港元乃以所得款項撥付，約21,000,000港元透過以每股0.01港元之價格發行本公司2,100,000,000股普通股之方式支付。餘下約170,000,000港元之負債已獲計劃債權人豁免。償債計劃已於二零零三年五月十六日完成。

外匯風險

截至結算日，本集團並無重大外匯風險。

僱員資料

本集團目前有40名左右僱員。僱員薪酬組合具有競爭性，包括月薪、強積金及購股權計劃。

CHAIRMAN'S STATEMENT

主席報告書

CHARGES ON GROUP ASSETS

The Group's property was pledged to a bank as securities for the facilities granted to a winding up subsidiary. Pursuant to the Scheme of Arrangement, the bank took possession of the property and disposed of it on 13 August 2003 at net proceeds of approximately HK\$6.4 million. Carrying value of the property had been reduced to this amount by an impairment loss of approximately HK\$13.8 million of which HK\$4.2 million was charged to income statement and HK\$9.6 million was charged to revaluation reserve in 2002.

CONTINGENT LIABILITIES

At 30 June 2003, the Group had contingent liabilities of approximately HK\$93 million in respect of the disputed claims against the Group for outstanding loans and service fees.

PROSPECTS

Economic condition of the local economy is recovering gradually and the development of the Mainland China's economy is continuing its promising trend. It is expected investment opportunities will be further enhanced subsequent to the SAR Government entering into the Closer Economic Partnership Arrangement (CEPA) with the Central Government. In the days ahead, the management will focus in formulating strategy to develop new business ventures in the Mainland China.

Ke Jun Xiang

Chairman

Hong Kong, 31 March 2004

抵押集團資產

本集團之物業已抵押予一間銀行，以獲取附屬公司清盤所需之融資額。根據償債計劃，該銀行已取得該物業之所有權，並將其於二零零三年八月十三日出售，所得款項淨額約6,400,000港元。該物業之賬面值乃經扣除減值虧損約13,800,000港元後計算所得，當中4,200,000港元乃計入收益表，而9,600,000港元已於二零零二年從重估儲備扣除。

或然負債

截至二零零三年六月三十日，本集團有約93,000,000港元之或然負債，乃有關未償還貸款及未付服務費而針對本集團之爭議索償。

前景

本港經濟正逐步復甦，且中國大陸經濟發展持續向好。隨著特區政府與中央政府訂立更緊密經貿關係安排(CEPA)，預期投資機會將進一步增加。於未來日子，管理層將專注制訂策略以開拓中國內地之新業務。

主席

柯俊翔

香港，二零零四年三月三十一日