



## REVIEW OF RESULTS

The Group continued to achieve a substantial improvement on the financial and operating results for the year ended 31 December 2003 in spite of the Iraqi war and the outbreak of Severe Acute Respiratory Syndrome in the first half year of 2003 which have severely dampened the recovery pace of the global economy.

The Group achieved a turnover of HK\$626,453,000 (2002: HK\$477,727,000) and a net profit attributable to shareholders of HK\$37,053,000 (2002 restated: HK\$20,348,000). Earnings per share for the year ended 31 December 2003 were HK9.92 cents (2002 restated: HK5.45 cents).

## REVIEW OF OPERATIONS

2003 was a challenging but rewarding year for the Group. While continuing to focus on OEM business with renowned brands and to develop our own "Samxon" products as a quality and high-technological brand, we have also successfully reorganized our product mix by concentrating our resources on higher-valued aluminium electrolytic capacitors used in computer motherboards, CRT monitors, display cards, power supplies, adaptors, photo flashes, ballasts, air conditioners, DVDs and loudspeakers, and have expanded our markets in the overseas especially Taiwan. We will continue our efforts to maintain a high degree of production flexibility and to improve production efficiency in order to remain competitive in the market.



## 業績回顧

雖然二零零三年上半年爆發伊拉克戰事及嚴重急性呼吸道綜合症，嚴重地拖慢全球經濟復甦步伐，惟本集團截至二零零三年十二月三十一日止年度之財務及經營業績仍繼續取得大幅改善。

本集團錄得營業額626,453,000港元(二零零二年：477,727,000港元)，股東應佔日常業務溢利淨額37,053,000港元(二零零二年重列：20,348,000港元)。截至二零零三年十二月三十一日止年度之每股盈利為9.92港仙(二零零二年重列：5.45港仙)。

## 業務回顧

二零零三年對於本集團是充滿挑戰但有收穫的一年。在繼續專注知名品牌之原設備製造業務及致力發展本身「Samxon」產品成為優質高科技品牌之餘，我們亦藉集中資源於高價值鋁電解電容器(用於電腦主板、CRT顯示器、顯示卡、電源器、配接器、相機閃光燈、鎮流器、空調、DVD機及擴音器)而成功地重組產品組合，並已在海外(尤其是台灣)擴大市場。本集團將繼續致力保持高度生產靈活性，及提高生產效率以在市場上維持競爭力。



In terms of the geographical distribution, sales in countries other than Hong Kong and PRC increased from approximately 40.2% in 2002 to approximately 57.2%, amounting to HK\$358,278,000 (2002: HK\$191,898,000) which were mainly contributed by the growth in Taiwanese market. Sales to Hong Kong customers decreased from 28.9% in 2002 to 20.4%, amounting to HK\$127,911,000 (2002: HK\$138,156,000) while sales to the PRC market decreased from 30.9% in 2002 to 22.4%, amounting to HK\$140,264,000 (2002: HK\$147,673,000).



至於地區分佈方面，主要由於台灣市場增長所帶動，售往中港兩地以外地區所佔之銷量由二零零二年約40.2%增至約57.2%，達358,278,000港元（二零零二年：191,898,000港元）。銷售予香港

客戶所佔銷量則由二零零二年28.9%減少至20.4%，為127,911,000港元（二零零二年：138,156,000港元），而售往中國市場所佔銷量則由二零零二年30.9%減少至22.4%，為140,264,000港元（二零零二年：147,673,000港元）。

The trading of machinery and trading of raw materials contributed to 1.0% (2002: 5.7%) and 3.8% (2002: 2.7%) respectively of the Group's overall turnover.

買賣機器及買賣原材料分別佔本集團整體營業額1.0%（二零零二年：5.7%）及3.8%（二零零二年：2.7%）。

During the year ended 31 December 2003, the Group further increased its shareholding in a subsidiary in Wuxi to approximately 81.7% from 80.3% as at 31 December 2002. The Group commenced its additional production operation in Dongguan in the fourth quarter of 2003. The Group also increased its stake in a jointly controlled entity in Foshan to approximately 33.0% from 21.8% as at 31 December 2002.

截至二零零三年十二月三十一日止年度內，本集團增持無錫附屬公司股權，由二零零二年十二月三十一日之80.3%增至約81.7%。本集團在東莞新增之生產線已於二零零三年第四季開始營運。本集團亦增加於佛山共同控制公司之權益，由二零零二年十二月三十一日21.8%增至約33.0%。

Save as disclosed in note 33 to the audited financial statements, the Group has no other material contingent liabilities.

除經審核財務報表附註33所披露外，本集團並無其他重大或然負債。



## LIQUIDITY AND FINANCIAL RESOURCES

At 31 December 2003, the Group's consolidated borrowings in respect of bank loans and finance leases amounted to HK\$202,510,000 (2002: HK\$87,973,000) and its shareholders' equity amounted to HK\$259,619,000 (2002 restated: HK\$223,745,000), resulting in a gearing ratio of 78.0% (2002 restated: 39.3%).



## 流動資金及財務資源

於二零零三年十二月三十一日，有關銀行貸款及融資租賃之總額為202,510,000港元（二零零二年：87,973,000港元），而股東資金為259,619,000港元

（二零零二年重列：223,745,000港元），得出資本負債比率78.0%（二零零二年重列：39.3%）。

In addition to the positive operating cash flow generated during the year under review, the Group enhanced its liquidity by obtaining in October 2003 a 3-year term loan facility of HK\$30 million from a local bank and a HK\$150 million 3-year syndicated loan facility, of which an aggregate amount of HK\$142,500,000 was drawn down as at 31 December 2003. These bank loans were used to finance the capital expenditure and general working capital of the Group at a more favourable interest rate compared to short term bank loans previously offered to the Group. These have also strengthened the operating capital and consolidated the financing structure of the Group.

除於回顧年度內透過經營活動產生淨現金流入外，本集團於二零零三年十月獲一本地銀行批出三年期貸款30,000,000港元及取得三年期銀團貸款150,000,000港元而提高流動資金水平，其中本集團於二零零三年十二月三十一日合計已提用總額142,500,000港元。上述銀行貸款乃用以應付本集團資本開支及一般營運資金之需要，利率較本集團以往獲授之短期銀行貸款優惠，並加強本集團之營運資金及鞏固其財務結構。

Cash and bank balances of the Group at 31 December 2003 were HK\$49,416,000, representing an increase of approximately 105.9% as compared to cash and bank balances of HK\$24,000,000 at 31 December 2002.

本集團於二零零三年十二月三十一日之現金及銀行結餘為49,416,000港元，較二零零二年十二月三十一日之現金及銀行結餘24,000,000港元增加約105.9%。

Profit before interest, taxation, depreciation and amortization ("EBITDA") for the year ended 31 December 2003 was HK\$74,112,000, representing an increase of approximately 38.0% as compared to HK\$53,715,000 for 2002. Interest coverage expressed as a multiple of EBITDA to total interest expenses improved to 13.8 times as compared to 9.7 times for 2002.

截至二零零三年十二月三十一日止年度之未計利息、稅項、折舊及攤銷之溢利（「EBITDA」）為74,112,000港元，較二零零二年之53,715,000港元增加約38.0%。利息盈利包涵率（EBITDA除以總利息開支之倍數）為13.8倍，而二零零二年則為9.7倍。



Capital expenditure incurred for the purchase of machinery and equipment for the year ended 31 December 2003 amounted to HK\$92,903,000, representing an increase of approximately 94.2% as compared to HK\$47,832,000 in 2002. This was funded by internally generated resources, finance lease payables usually in 36 monthly instalments and long term bank financings.

The Group conducts its business transactions mainly in Hong Kong dollars, Renminbi, United States dollars and Japanese yens. As Hong Kong dollar is pegged to United States dollar and there has not been major fluctuation in the exchange rate between Renminbi and Hong Kong dollar, the Group does not foresee any high exchange risk in this respect. Foreign exchange contracts were used to hedge exposures where necessary. The Group has also entered into interest rate swap contracts to partially hedge the interest payable in the loans stated above. Credit risk was hedged through export credit insurance coverage.

## EMPLOYMENT AND REMUNERATION POLICY

At 31 December 2003, the Group had 79 members of staff in Hong Kong (2002: 67) and employed a total work force of approximately 3,288 (2002: 2,171) inclusive of its operations in China and overseas offices. Total headcount increased mainly due to the expansion of an existing production facility and establishment of a new production facility, both in Dongguan, to meet increasing order flows.

Salaries, bonuses and benefits to employees were determined with reference to market terms and the performance, qualification and experience of individual employees.

截至二零零三年十二月三十一日止年度就購置機器及設備而錄得之現金開支為92,903,000港元，較二零零二年之47,832,000港元增加約94.2%。有關開支乃由內部產生之資源、融資租賃應付款項（通常36個月分期支付）及長期銀行融資所撥付。

本集團主要以港元、人民幣、美元及日圓進行業務交易。在港元與美元掛鈎，而人民幣與港元之匯率並無重大波動情況下，本集團並不預期會有重大匯兌風險。然而，本集團必要時會以外匯合約對沖風險。本集團亦已訂立利率掉期合約，以對沖上述貸款部分之應付利息。信貸風險則以出口信貸保險對沖。

## 僱員及酬金政策

於二零零三年十二月三十一日，本集團在香港僱有79名（二零零二年：67名）僱員，與中國之業務及海外辦事處合計後共僱用3,288名（二零零二年：2,171名）僱員。總僱員人數增加，乃因位於東莞之原有廠房擴充及另一新生產廠房開始投產，以應付定單量日增所致。

僱員之薪酬、花紅及福利乃參考市場水平及因應個別僱員之表現、資歷及經驗而釐定。





## PROSPECTS

The Group participated some trade fairs in Hong Kong and the United States in 2003. The management sees participation in such trade fairs as an opportunity to expand customer base of the Group in both China and overseas, and to promote the image of its brand "Samxon" in the market. The Group has just participated a trade fair

held in Shanghai earlier this month, and will participate in further trade fairs to be held in Hong Kong and Germany in the fourth quarter of 2004. To expand the sales network, the Group has appointed several manufacturer representatives and distributors in the United States and South Korea, and will continue to appoint suitable representatives and distributors for different overseas territories.

The Group has made deposit for the purchase of a piece of land in Wuxi, the PRC. Construction of the first phase of the new factory premises is expected to commence in the second quarter of 2004. We anticipate that the relocation of the existing production facility in Wuxi to the first phase of the new factory premises will be completed in the fourth quarter of 2004. The first phase of new premises of about 20,000 square metres will be approximately three times of the size of the existing factory premises in Wuxi, the PRC and will provide room for future expansion of production capacity and enhancement of delivery service of the Group in Eastern China.

## 前景



本集團於二零零三年參加了一些香港及美國舉行之交易會。管理層視參展為擴大國內外客戶基礎及推廣旗下「Samxon」品牌形象之機會。本集團剛於本月較早時參加了上海一交易會，並將於二零零四年第四季參加其他在本港及德國舉行之貿易展。為擴大銷售網絡，本集團已在美國及南韓委任數名製造

商代表及分銷商，亦將繼續在不同海外地區委任適合之代表及分銷商。

本集團已支付訂金以購入中國無錫一幅土地。新生產廠房首期建造工程預計將於二零零四年第二季動工，預期可於二零零四年第四季完成將現生產設施遷至第一期之新生產廠房。第一期之新廠房佔地約20,000平方米，約為中國無錫現廠房之三倍，可為日後擴大產能及提升本集團華東付運能力營造有利條件。