



Mr Peter Francis Amour

區沛達先生

A YEAR OF SUCCESS

2003 was a very successful year for the Company. We achieved record levels of turnover and profit, introduced new breakthrough products, moved into five new markets, became the second largest supplier of cordless telephones in Europe (our key market), resumed the payment of dividends after a five years gap, repaid all outstanding bank debt and had record levels of cash on hand at year end.

KEY FINANCIAL HIGHLIGHTS

Sales increased 91% over 2002 levels to reach HK\$1,354 million; gross profit increased 53% to HK\$154 million; EBITDA grew 63% to HK\$74 million and net profit for the year was HK\$52 million, a 55% increase over 2002. Earnings per share grew 50% to HK\$0.18.

豐收的一年

二零零三年為本公司豐收的一年。在這一年裏，本集團刷新營業額及盈利紀錄，推出突破性之新產品，進入了五個新市場，成為歐洲(本集團之主要市場)第二大無線電話供應商，五年來再度派息，清還所有銀行債項，並於年結時錄得手頭現金之新高水平。

財務重點

銷售額由二零零二年之水平增加91%至約1,354,000,000港元，毛利增加53%至約154,000,000港元，未計利息、稅項、折舊及攤銷前盈利增加63%至約74,000,000港元，而本年度之溢利淨額則約為52,000,000港元，較二零零二年增加55%。每股盈利增加50%至18港仙。

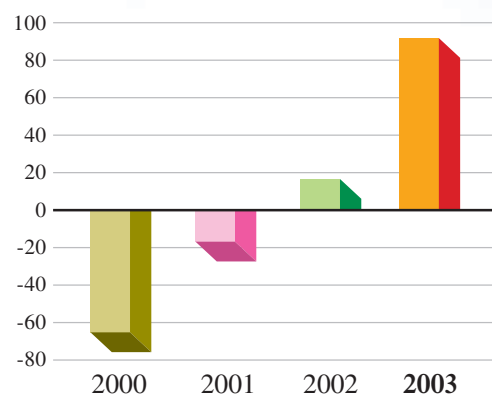
CHAIRMAN'S STATEMENT

主席報告

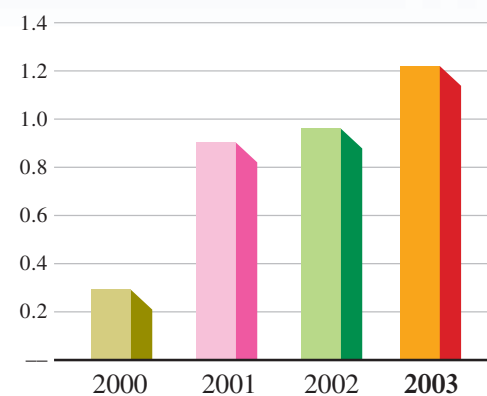
Shareholders' equity 股東權益

HK\$ million

港幣百萬元



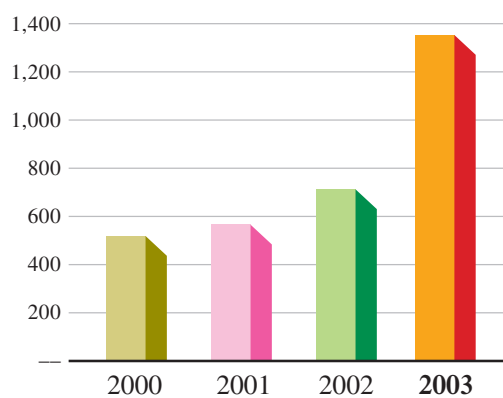
Current ratio 流動比率



Turnover 營業額

HK\$ million

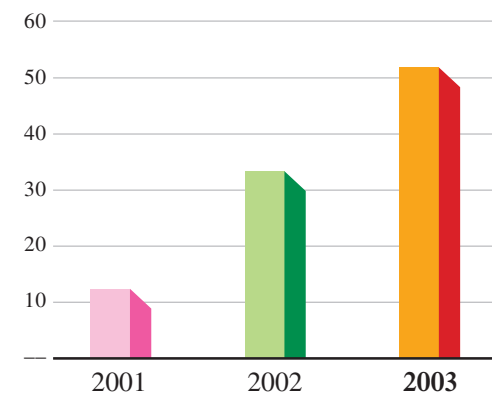
港幣百萬元



Net profit 溢利淨額

HK\$ million

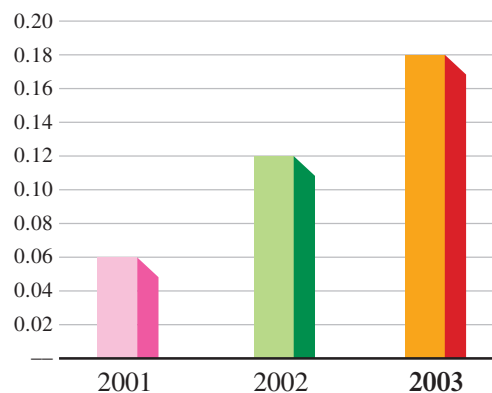
港幣百萬元



EPS 每股盈利

HK\$

港幣



CHAIRMAN'S STATEMENT 主席報告

Since the present management team took over in late 1999, sales have grown at a compound rate of 35.8% per annum; operating results have improved from a loss from operations after finance costs of HK\$174.2 million in 1999 to a profit from operation after finance costs of HK\$55.8 million in 2003; net profit after taxation has turned around from a loss of HK\$326.3 million in 1998 (the year before we assumed control) to reach HK\$52 million in the current year.

Our balance sheet strengthened considerably, aided by the repayment in March 2003, ahead of schedule, of the balance of the then outstanding convertible notes and the new share issue in August at a subscription price of HK\$0.96 per share that raised new equity of approximately HK\$26 million. At year end shareholders' equity totalled HK\$92 million. At year end we do not have any bank debt and have a net cash position of HK\$113 million. Overall key financial ratios, both in terms of profitability and balance sheet have continued to improve. Nevertheless, one of our challenges during the year was to maintain margins in the face of rising costs for raw materials and components. This is a global, industry-wide problem which became more pronounced in the second half of the year.

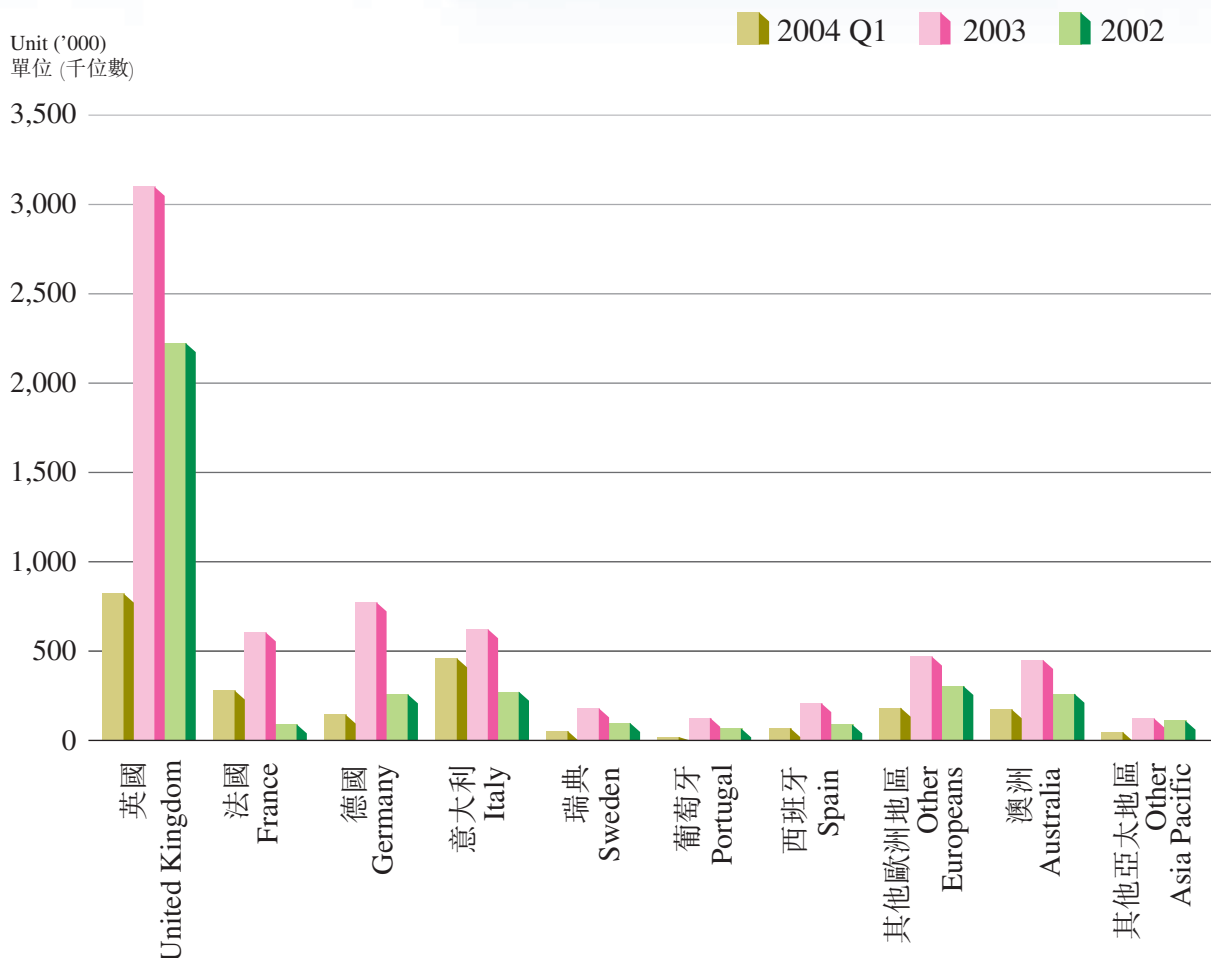
自現有管理層團隊於一九九九年年底接管以來，本集團之銷售額按年複合率35.8%增長。經營業績由一九九九年之扣除財務成本後經營虧損約174,200,000港元改善至二零零三年之扣除財務成本後經營溢利約55,800,000港元。除稅後溢利淨額由一九九八年(吾等取得控制權之前之年度)之虧損約326,300,000港元轉虧為盈至本年度之約52,000,000港元。

本集團之資產負債狀況明顯加強，部分原因是於二零零三年三月提前償還可換股票據當時之未償還結餘，以及於八月按認購價每股0.96港元發行新股，所籌得之新資金約為26,000,000港元。年結時之股東權益合共約92,000,000港元。年結時，本集團並無任何銀行債項，而現金淨額水平約為113,000,000港元。就盈利能力及資產負債表而言，整體主要財務比率不斷改善。然而，本集團年內其中一項挑戰是在原料及組件成本持續上升之環境下保持利潤。這個全球性之行業問題到本年度之下半年更為突顯。

CHAIRMAN'S STATEMENT

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Broad customer base 廣濶客戶基礎



BUSINESS

Our business is the development, sale and manufacture of residential telecommunication products.

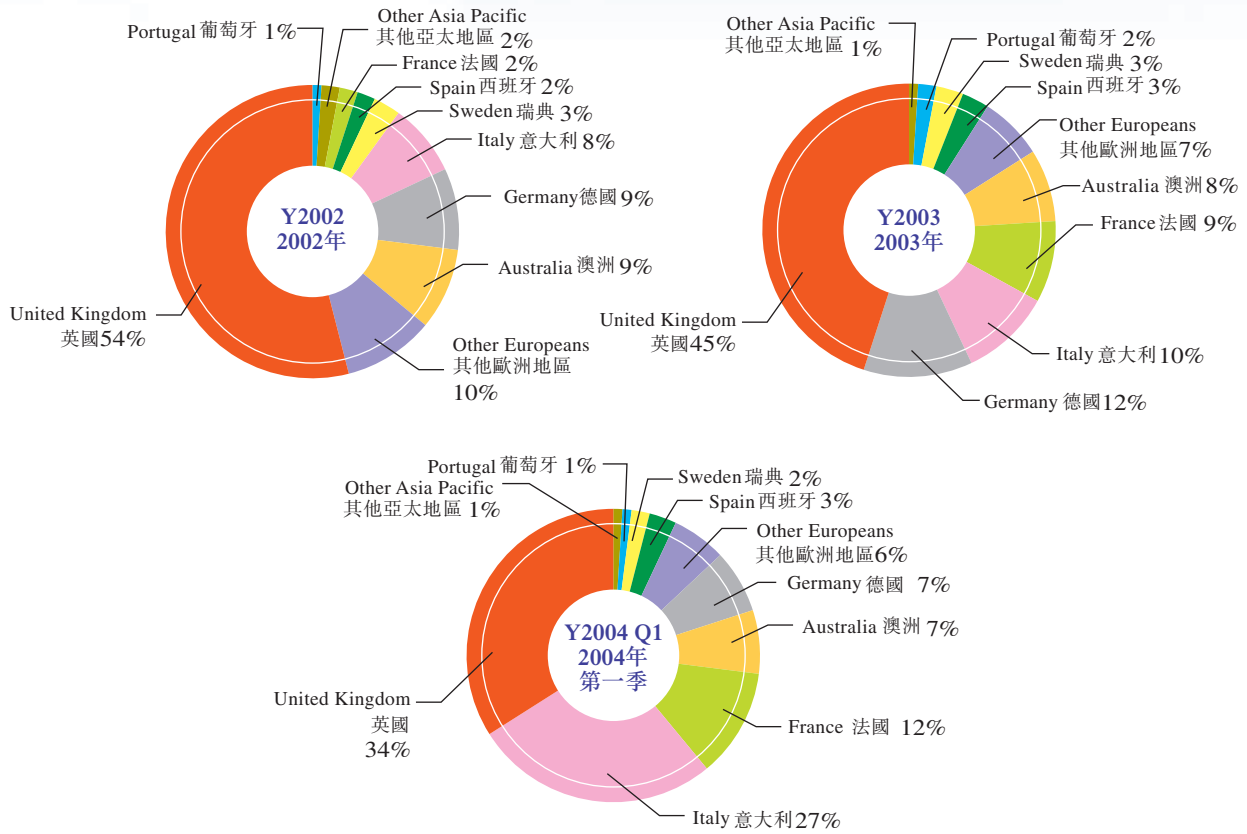
We are recognized as a leader in product development and innovation in this area and have aggressively expanded our target markets. Our current focus is Europe, where we have the second largest market share of all suppliers, and also Asia Pacific. 2003 saw us successfully move into many new markets (including Russia, Poland, Hungary, Scandinavia and Japan). We gained market share in almost all of our existing markets, the most noteworthy of which are UK, France, Germany, Italy, Norway, Portugal, Sweden and Turkey.

業務

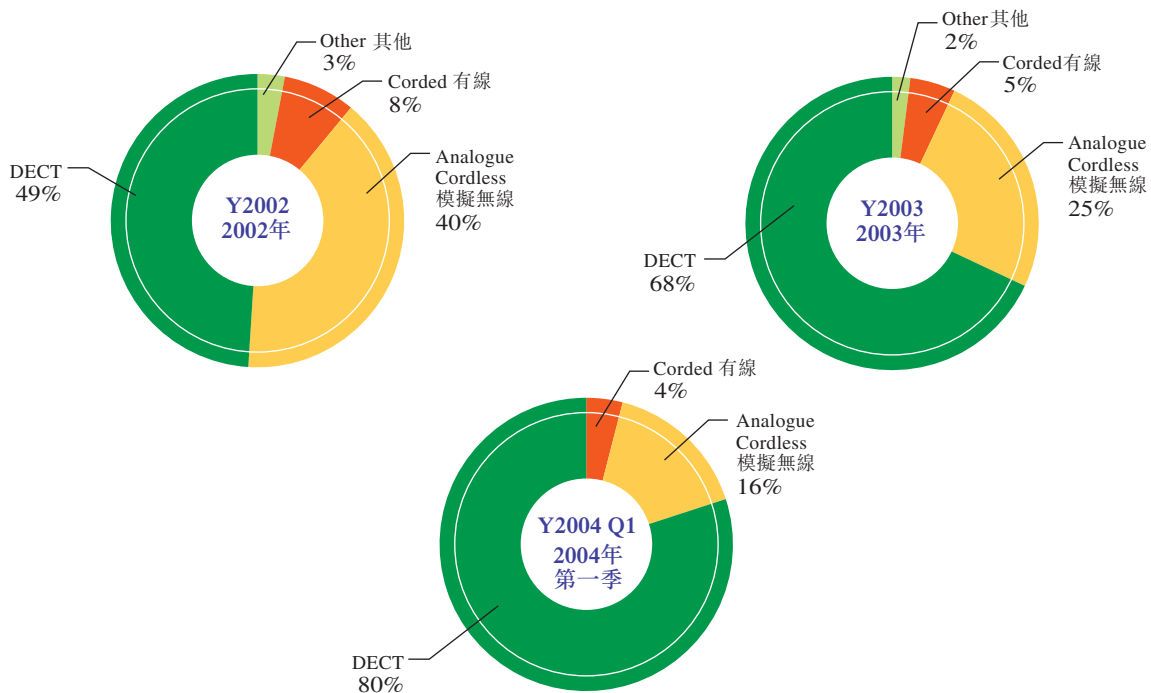
本集團之業務為開發、銷售及製造住宅電訊產品。

本集團獲認同為住宅電訊產品開發及創新之表表者，並一直積極拓展目標市場。本集團現時專注於歐洲及亞太區，而本集團已成功奪得歐洲供應商之第二大市場佔有率。二零零三年，本集團順利加入多個新市場，包括俄羅斯、波蘭、匈牙利、斯堪的納維亞及日本。本集團在幾乎所有現有市場均取得一定佔有率，其中在英國、法國、德國、意大利、挪威、葡萄牙、瑞典及土耳其之成績尤其突出。

Turnover by Region 營業額 (地區分類)



Turnover by Product 營業額 (產品分類)



CHAIRMAN'S STATEMENT

主席報告

Our customer base is well diversified. More importantly, our expansion in Europe has also resulted in the trebling of our market share in the last three years; from 5.9% of all European cordless telephone placement to approximately 17.3%. By the end of 2003, our European network covered 19 countries and we were the second largest supplier of cordless phones in Europe, up from the number three position only one year earlier. We are now second only to Siemens and surpassed Philips for the first time in 2003.

Our experience over the last two years has been that we quickly gain approximately 15% to 30% of any new market that we enter, as customers respond to our innovative and attractive product range. In 2003 we were the first to supply colour screen, SMS enabled, Digital Enhanced Cordless Telephones ("DECT") phones in Europe. This particular product, reflective of SunCorp's innovation and speed to market, has captured the imagination of consumers and has been well-received by our customers. We are working on equally innovative products for release in 2004.

DECT is our most important product category, increasing from 49% of sales in 2002 to 68% in 2003. Analogue cordless phones accounted for 25% of sales versus 40% in 2002.

Our strategy to meet the challenge of maintaining and improving margins depends on continuing implementation of two key initiatives: firstly a program to introduce innovative products to the market, and secondly an on-going program to improve production efficiencies and containing supply chain costs.

We significantly improved our productive capability in 2003, shipping over 6.6 million units from our Shenzhen facility, compared to only 3.7 million in 2002. This increase was achieved through productivity enhancements and basically making our fixed assets work harder, without incurring any significant capital expenditure.

本集團之客戶基礎非常多元化。更值得注意的是，本集團擴充歐洲市場，亦令本集團過去三年之市場佔有率增加三倍，由佔所有歐洲無線電話設備之5.9%增至約17.3%。於二零零三年年底，本集團之歐洲網絡覆蓋十九個國家，而本集團由去年歐洲無線電話最大供應商第三位躍升為第二位，僅次於西門子，並於二零零三年首次超越飛利浦。

本集團對過去兩年之經驗證明，每當本集團加入任何新市場，均能迅速奪得超過約15%至30%之市場佔有率，因本集團具有吸引力之創新產品系列受到客戶歡迎。二零零三年，本集團成為在歐洲首間供應彩色屏幕並附設短訊服務功能之室內數碼無線電話（「DECT」）之公司。此項產品反映新確科技之革新精神及對市場作出反應之速度。由於此項產品能滿足消費者之想像力，因此廣受客戶歡迎。本集團正努力開發同樣創新之產品，計劃於二零零四年推出。

DECT顯然是本集團最重要之產品類別，銷量由二零零二年之49%增至二零零三年之68%。模擬無線電話佔銷售額25%，二零零二年則佔40%。

本集團保持及提高利潤之挑戰所採取之策略是持續推行以下兩項主要計劃：首先是將創新產品推出市場，第二是不斷提升生產效率及控制供應鏈成本。

本集團於二零零三年大幅提升生產力，深圳廠房付運超過約6,600,000部電話，而二零零二年只有約3,700,000部。生產量增加，是由於提升生產力，延長固定資產之操作時間，而並無產生任何重大資本開支所致。

CHAIRMAN'S STATEMENT

主席報告

Market Share

European cordless telephone

市場佔有率

歐洲無線電話

Country/Region	國家 / 地區	2001(%)	2002(%)	2003(%)
Europe	歐洲	5.9	10.8	17.3
Belgium/Luxemburg	比利時 / 盧森堡	-	18.9	12.4
Denmark	丹麥	-	6.2	9.1
Finland	芬蘭	-	7.0	5.0
France	法國	1.7	3.4	11
Germany	德國	0.3	3.4	10.9
Greece	希臘	-	4.5	3.0
Ireland	愛爾蘭	-	4.1	11.4
Italy	意大利	2.5	11.8	18.7
Netherlands	荷蘭	-	3.4	6.4
Norway	挪威	-	1.8	9.4
Portugal	葡萄牙	-	4.6	36.9
Spain	西班牙	-	11.8	16.2
Sweden	瑞典	-	5.7	12.8
Switzerland	瑞士	-	10.6	10.5
Turkey	土耳其	-	-	25.8
United Kingdom	英國	27.9	33.2	38.4

Source: infoSource, Spring 2003 & 2004

資料來源：infoSource，二零零三年及二零零四年春季刊

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

Our 2004 plans include the release of additional new DECT products, continuation of new product development, further broadening of our customer base and further increasing our market share in markets relatively new to us.

Demand for our products has continued to be strong in the first quarter of this year where our turnover recorded a substantial growth over same period in 2003. To illustrate our sales growth, we more than doubled our unaudited consolidated turnover in the first quarter of 2004 compared to the same period in 2003. We have a full order book for the balance of the first half. We anticipate continuing revenue growth in the second half, underpinned by the planned release of additional innovative products. We continue to emphasise our R&D effort with the aim of developing a roadmap for the release of further innovative products in 2005. Margins however continue to face some pressure due to increases in components and raw materials costs. Nevertheless, barring unforeseen circumstances, I look forward to reporting to you at the interim results stage further growth in the first half of 2004.

Peter Francis Amour
CHAIRMAN

Hong Kong, 21 April 2004

展望

本集團二零零四年之計劃包括推出更多新DECT產品，繼續新產品開發工作，進一步擴充客戶基礎及提高新市場之佔有率。

本集團產品之需求於本年度第一季依然強勁，與本集團二零零三年同期之營業額相比錄得大幅增長。至於銷售增長，與二零零三年同期相比，本集團於二零零四年第一季之未經審核綜合營業額增加超過一倍。本集團上半年度剩餘期間之訂單已滿。由於本集團計劃推出更多創新產品，預期下半年度之收益將持續增長。本集團將繼續著重研發工作，務求能擬定二零零五年推出更多創新產品之時間表。但由於組件及原料成本上漲，利潤繼續受壓。然而，在不計及無法預知之情況下，本人期待在公佈中期業績時向股東報告二零零四年上半年之進一步增長。

主席
區沛達

香港，二零零四年四月二十一日