

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of 3 HK cents (2003: 1.5 HK cents) per share for the six months ended 30 June 2004.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 23 August 2004 to 24 August 2004, both days inclusive, during which period no transfer of shares will be effected. The interim dividend will be paid on or about 31 August 2004 to shareholders whose names are on the Register of Members at the close of business on 24 August 2004. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrars, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00pm on 20 August 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The first half of 2004 saw a continuation of the success and growth that we achieved in 2003. Sales grew 82% over the same period last year to reach HK\$1,047 million. Net profit grew 137% to HK\$44 million. Earnings per share grew 100% to 14 HK cents.

Reflecting these excellent results the board has decided to pay an increased interim dividend of 3 HK cents (2003: 1.5 HK cents).

Financial Highlights

Turnover grew 82% to HK\$1,047 million. Our gross margin showed a slight improvement over the 2003 level, rising to 12%. Profit from operations grew 154% to HK\$57 million. To put these results in context, the 2003 full year results were: turnover HK\$1,354 million, net profit HK\$52 million and earnings per share 18 HK cents.

At 30 June 2004 our cash balance was HK\$108 million, net current assets were HK\$83 million and total assets were HK\$530 million. Shareholders' equity was HK\$136 million. Our current ratio was 1.22. Apart from banking facilities connected with trading, we do not have any bank debt.

During the period, 50,000, 8,659,500 and 2,055,644 new shares were issued at exercise price of HK\$0.292, HK\$0.567 and HK\$0.60 per share respectively upon the exercise of share options and warrants by options and warrants holders.

中期股息

董事欣然宣派截至二零零四年六月三十日止六個月之中期股息每股3港仙(二零零三年: 1.5港仙)。

暫停辦理股份過戶登記

本集團將由二零零四年八月二十三日至二零零四年八月二十四日(首尾兩日包括在內)暫停辦理股份過戶登記,期間概不登記任何股份過戶。中期股息將於二零零四年八月三十一日或前後支付予於二零零四年八月二十四日營業時間結束時名列股東名冊之股東。為符合獲派上述中期股息之資格,所有股份過戶文件連同有關股票須於二零零四年八月二十日下午四時正前交回本公司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。

管理層論述及分析

概述

二零零四年上半年見證我們於二零零三年實現之成就及增長得以延續下來。銷售額較去年同期增加82%至1,047,000,000港元。溢利淨額增加137%至44,000,000港元。每股盈利增加100%至14港仙。

為了反映上述出色業績,董事會決定派付較高之中期股息3港仙(二零零三年: 1.5港仙)。

財務摘要

營業額增加82%至1,047,000,000港元。本集團之毛利率比二零零三年之水平略有改善,上升至12%。經營溢利增加154%至57,000,000港元。為了與上述業績比較,現列出二零零三年全年之業績為:營業額1,354,000,000港元、溢利淨額52,000,000港元及每股盈利18港仙。

於二零零四年六月三十日,本集團之現金結餘為108,000,000港元、流動資產淨值為83,000,000港元及資產總值為530,000,000港元。股東權益為136,000,000港元。本集團之流動比率為1.22。除與貿易有關之銀行信貸外,本集團並無任何銀行債務。

期內,因購股權及認股權證持有人行使購股權及認股權證而分別按發行價0.292港元、0.567港元及0.60港元發行50,000股、8,659,500股及2,055,644股新股份。

Growth Drivers

A focus on innovation in product design, an emphasis on collaboration with our customers and the pursuit of new markets continue to be the drivers of our growth. These initiatives have led to increased sales to existing customers plus a substantial broadening of our customer base.

Sales to existing markets continued to increase in the period and new markets played an important part in our growth. Sales across our key markets are now very well balanced. The breakdown of our sales (with comparable figures for the full year of 2003 in brackets) is as follows: the UK 30% (2003:45%), Italy 30% (2003: 10%), France 10% (2003: 9%), Germany 6% (2003: 12%). Australia 7% (2003: 8%). We now sell to 26 countries including the recently added Russia, a number of Eastern European countries, South Africa and Japan.

The Digital Enhanced Cordless Telephone (DECT) category continues to be the key to our performance, accounting for 84 % of turnover in the period (2003 first half: 64%). We again led the market this year in introducing new products.

Our plans for the balance of the year envisage the release of a new range of DECT products with exciting functionality. The initial response from customers has been very encouraging and we will be talking more about this when we launch this range later in the year.

Our focus – “home is the hotspot”

I believe it is fair to say that we have achieved a reputation for being an excellent collaborative partner and a responsive and innovative supplier of telecom products. Our aim is to maintain and enhance this reputation in the years ahead.

We are very much aware of the exciting changes that are occurring in the communications and networking fields. Our strengths are in the residential markets. For us the “home is the hotspot” and we are working on a program of new products that will focus on integrated wireless communications for the home.

The recent, previously announced acquisition of Mansella in the UK is part of our R&D roadmap. It has given us development expertise that we did not previously have. Mansella is a highly regarded research house based near London that has proven development capabilities in Bluetooth and wireless data solutions. Having just completed this acquisition, we are working on integrating Mansella’s capabilities into SunCorp. We expect that the Mansella team will be an important part of our future.

Outlook

Our sales to date for the second half have been strong. Orders for the balance of the year are excellent. We operate in a competitive environment and we continue to be focused on meeting the challenges presented by increasing costs for raw materials and components. However, barring unforeseen circumstances, I look forward to reporting to you on another half year of strong growth.

增長之動力

專注於創新產品設計、注重與本集團之客戶合作及開拓新市場，繼續是本集團增長之動力。該等進取精神使向現有客戶作出之銷售額增加，同時顯著擴大本集團之客戶基礎。

期內，現有市場之銷售額持續上升，而新市場在推動本集團增長方面亦處於舉足輕重之位置。本集團重點市場之銷售額現時分佈平均。本集團之銷售額(二零零三年全年之比較數字列於括號內)劃分如下：英國30%(二零零三年：45%)、意大利30%(二零零三年：10%)、法國10%(二零零三年：9%)、德國6%(二零零三年：12%)、澳洲7%(二零零三年：8%)。本集團現時銷售予26個國家，包括新增之俄羅斯、部份東歐國家、南非及日本。

數碼室內無線電話(DECT)類別繼續是本集團賴以取得表現之產品，佔期內營業額之84%(二零零三年上半年：64%)。本年度，本集團在推出新產品方面再度主導市場。

本集團計劃於本年度餘下時間推出一系列配備出色功能之DECT無線電話產品。客戶之初步反應令人非常鼓舞，本集團在本年度稍後時間為該系列推出產品時將對此進行更多討論。

本集團之焦點 – 「家居就是熱點」

本人認為，作為一家出色之合作夥伴，並為迅速回應市場及創新之電訊產品供應商而言，本集團可算是實至名歸。本集團之目標是在未來歲月保持及提高此項美譽。

本集團已格外注意通訊及網絡範疇所呈現令人振奮之轉變。本集團之實力在於製造家居電訊產品。對本集團而言，「家居就是熱點」，及正研究一項專注於提供適用於家居之綜合無線通訊方案之新產品。

近期進行較早前曾公佈收購英國之Mansella，是本集團研發進程之一部份。它為本集團提供過往不曾設立之開發專業。Mansella是一間基地位於倫敦附近獲高度評價之研究公司，在藍牙及無線數據解決方案方面之開發能力獲得認同。雖然此項收購剛完成，本集團現正著手將Mansella之能力與新確結合。本集團預期Mansella隊伍將會於本集團未來發展扮演重要角色。

展望

截至目前為止，本集團下半年銷售額表現強勁。本年度餘下時間之訂單反應令人非常鼓舞。本集團經營之環境競爭激烈，本集團將會繼續集中面對原料及組件成本增加之挑戰。然而，在並無不可預計之情況，本人期望向閣下報告下半年增長仍然強勁。

Pledges of Assets

At 30 June 2004, the Group has pledged bank deposits of approximately HK\$15 million to secure credit facilities granted to the Group.

Contingent Liabilities

Other than trade bills discounted in the ordinary course of business, the Company has outstanding guarantees to certain banks of approximately HK\$72 million as security for general banking facilities granted to a jointly controlled entity.

Employees

The group's emolument policies are formulated by reference to the performance of employees and taking into account market conditions. As an incentive to contributions to the Group, during the period under review, the Group granted a total of 4,400,000 share options to the directors and employees in accordance with its share option scheme.

資產抵押

於二零零四年六月三十日，本集團質押了為數約15,000,000港元之銀行存款，作為所獲批信貸額之抵押。

或然負債

除本公司在日常業務範圍內貼現之貿易票據外，本公司向若干銀行所作出之擔保約72,000,000港元，作為向一間合營公司授出一般銀行信貸之抵押。

僱員

本集團之酬金政策，乃參考僱員之表現並計及市況而制定。作為對本集團貢獻之獎勵，於回顧期間內，本集團根據其購股權計劃，向其董事及僱員授出合共4,400,000份購股權。