

OVERVIEW

For the year ended 31 December 2004 the Group recorded a turnover of approximately HK\$2,339 million which represents an increase of 73% as compared to the corresponding figure for the year ended 31 December 2003. The gross profit for the year under review was approximately HK\$257 million as compared to approximately HK\$154 million for the previous year.

SEGMENTAL INFORMATION

All of the Group's turnover and contribution to results were derived from the design, manufacture and sale of telephones and related equipment. Our existing product range includes corded telephones, cordless telephones, DECT and other telecom products. DECT products accounted for approximately 89% of our turnover for the year under review, up from 68% in the previous year. DECT will continue to be an important driver of our growth, as the European market not only sees natural growth in demand for telephone products but also looks to replace existing cordless models with the DECT models. During 2004, sales of cordless telephones amounted to 8% of the Group's turnover, sales of corded telephones amounted to 2%, sales of other telephone products amounted to 1%.

Our customer base continues to comprise prime telecom operating companies and telecom product distributors in Europe and Asia Pacific. Customers in European countries accounted for approximately HK\$2,139 million and Asia Pacific region and other countries accounted for approximately HK\$200 million of the Group's turnover.

As of mid April, the level of confirmed orders (excluding contracts currently under discussion) for products to be shipped in the remainder of the first half of the year is approximately 7% greater than the comparable period last year.

概覽

截至二零零四年十二月三十一日止年度，本集團錄得營業額約2,339,000,000港元，較截至二零零三年十二月三十一日止年度之相關數字上升73%。回顧年度之毛利約為257,000,000港元，上一個年度則約為154,000,000港元。

分類資料

所有本集團營業額及業績貢獻，均來自設計、製造及出售電話及相關設備。本集團現有產品種類包括有線電話、無線電話、DECT及其他電訊產品。DECT產品佔本集團回顧年度之營業額由上一年度之68%上升至約89%。由於預期歐洲市場不單在電話產品需求方面有自然增長，且展望會以DECT模式逐漸取代現有無線模式，故DECT將繼續為本集團未來增長提供主要動力。於二零零四年內，無線電話之銷售額佔本集團營業額之8%，有線電話佔2%，而其他電話產品則佔1%。

本集團之客戶基礎一直包括歐洲及亞太區之主要電訊經營公司及電訊產品分銷商。歐洲國家之客戶為本集團營業額帶來約2,139,000,000港元，而亞太區及其他國家之客戶則帶來約200,000,000港元。

於四月中，本集團目前就上半年餘下時間將予付運之產品確實訂單（不包括目前磋商中之合約）水平較去年同期高約7%。

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2004, the Group had net current assets of approximately HK\$110 million, total assets of HK\$666 million and shareholders' funds of approximately HK\$183 million.

As at 31 December 2004, the cash balance of the Group stood at approximately HK\$231 million and included approximately HK\$21 million being pledged as security for banking facilities.

The Group's total bank borrowings as at 31 December 2004 were approximately HK\$159 million (2003: HK\$83 million) including approximately HK\$139 million (2003: HK\$83 million) that represented advances drawn on trade receivables with insurance coverage.

PLEDGE OF ASSETS

As at 31 December 2004, the Group has pledged bank deposits of approximately HK\$21 million to secure banking facilities granted to the Group including the advances drawn on trade receivables with insurance coverage.

流動資金及財政資源

於二零零四年十二月三十一日，本集團有流動資產淨額約110,000,000港元、資產總額666,000,000港元及股東資金約183,000,000港元。

於二零零四年十二月三十一日，本集團之現金結餘約為231,000,000港元，包括作為銀行融資額抵押品而質押之約21,000,000港元。

於二零零四年十二月三十一日，本集團之銀行借貸總額約為159,000,000港元（二零零三年：83,000,000港元），包括約139,000,000港元（二零零三年：83,000,000港元）已投保應收貿易賬款所取得之貼現融資。

資產抵押

於二零零四年十二月三十一日，本集團質押了為數約21,000,000港元之銀行存款，作為本集團所獲銀行融資額，包括已投保應收貿易賬款所得之貼現融資之抵押。



CAPITAL STRUCTURE

During the year, 16,405,144 new shares were issued at exercise prices of HK\$0.292, HK\$0.567, HK\$1.02 and HK\$0.60 per share upon the exercise of share options and warrants by option and warrant holders.

INVESTMENTS

On 28 May 2004, the Group acquired Mansella in the UK as part of our R&D roadmap. Mansella is a highly regarded research house based near London that has proven development capabilities in Bluetooth and wireless data solutions.

CONTINGENT LIABILITIES

The Company has outstanding guarantees of approximately HK\$71 million to secure general banking facilities granted to a jointly controlled entity.

As at 31 December 2004, there was approximately HK\$135 million (2003: HK\$116 million) of bills discounted with recourse.

CAPITAL COMMITMENT

As at 31 December 2004, the capital expenditure in respect of acquisition of intangible assets contracted for but not provided in the financial statements amounted to approximately HK\$7 million (2003: HK\$5 million).

EMPLOYEES

The group's emolument policies are formulated on the performance of employees with reference to market conditions. The Board may exercise its discretion to grant share options to the executive directors and employees as an incentive to their contribution to the Group. During the year under review, the Group had granted a total of 6,812,000 share options to the employees in accordance with the share option scheme.

股本架構

本年內，因購股權及認股權證持有人行使購股權及認股權證，本公司分別按每股0.292港元、0.567港元、1.02港元及0.60港元之行使價發行16,405,144股新股份。

投資

於二零零四年五月二十八日，本集團收購英國Mansella，作為研發進程之一部分。Mansella是一間位於倫敦附近並獲高度評價之研發公司，在藍芽及無線數據解決方案方面之開發能力獲得認同。

或然負債

本公司向若干銀行所作出之擔保約為71,000,000港元，作為向一間合營公司授出一般銀行融資之抵押。

於二零零四年十二月三十一日，本集團有附有追索權的貼現票據約135,000,000港元（二零零三年：116,000,000港元）。

資本承擔

於二零零四年十二月三十一日，有關收購已訂約但未於財務報表中作出撥備之無形資產之資本開支約為7,000,000港元（二零零三年：5,000,000港元）。

僱員

本集團之酬金政策，乃參考市況就僱員之表現而制定。董事會可酌情授予執行董事及僱員購股權，作為彼等對本集團貢獻之獎勵。於回顧年度內，本集團根據購股權計劃，向其僱員授出合共6,812,000份購股權。