

CHAIRMAN'S STATEMENT

DIVIDEND

No dividend was paid or proposed during the year ended 31st December 2003, nor has any dividend been proposed since the balance sheet date (2002: Nil).

BUSINESS REVIEW

The Group achieved a record turnover of HK\$3 billion for the year 2003 representing an improvement of 24% over last year. The Group's profit attributable to shareholders was HK\$44.5 million representing an increase of 98% when compared to last year.

主席報告書

股息

董事會不派發或建議派發截至二零零三年十二月三十一日止年度之股息，而自結算日以來亦無建議派發任何股息(二零零二：無)。

業務回顧

本集團於二零零三年之營業額為港幣三十億元，較去年同期有24%之改善。本集團之股東應佔溢利為港幣四千四百五十萬元，較去年增加98%。



Optek-Video X-Y Programmable Measuring
高精度量度影像檢查系統

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Full Vision High Speed SMT Moulder
全視覺高速高精度貼片機

Trading and Distribution

The Group's Industrial Products Trading Division achieved record sales of HK\$1.3 billion, representing a growth of 25% compared to last year, and an operating profit of HK\$82.8 million against a profit of HK\$33.7 million last year. Benefited from the rebound in the electronics industry, the stronger demand for the industrial products distributed by the Group in the second half of this year pushed sales for the whole year to a record high. The Group's operations in Taiwan performed exceptionally well in the second half of 2003 and continued to contribute to the major share of the Divisions' profit. The trading of electronic products in Hong Kong and the PRC also contributed significantly to the Division's profit. The operations in Singapore returned to profit this year, mainly due to the recovery in the electronics market as well as the distribution of more advanced equipment used in the manufacture of electronic and semiconductor products. The other operations of the Division in Thailand and the Philippines continued to generate profits in the second half of this year.

貿易及分銷

本集團之工業產品貿易部錄得港幣十三億元之銷售額，較去年增長25%，經營溢利為港幣八千二百八十萬元，而去年同期則為港幣三千三百七十萬元。本集團受惠於電子行業之強勁復甦，其經銷之工業產品於本年度下半年需求更為殷切，令全年度之銷量創出歷史新高。於二零零三年下半年，本集團於台灣之業務表現尤為突出，並繼續為該部門提供主要之溢利來源。香港和中國電子產品貿易亦為該部門之溢利作出重大貢獻。新加坡之業務於本年度亦轉虧為盈，主要是電子市場復甦及增加分銷用於製造電子及半導體產品之較先進設備所致。泰國及菲律賓部門之其他業務於本年度下半年繼續錄得溢利。



Optical V-Scoring System
光學系統式V刻機



Systronic-Double-Side Roller Coating System for Liquid Resist
雙面水平滾輪油墨塗佈機

Manufacturing

After the improvement in revenue during the first half of the year, the OEM Manufacturing Division continued to secure more production orders from our customers in the second half of the year, mainly as a result of the Group's continuing efforts to explore business opportunities and its highly flexible manufacturing facilities. The obtaining of ISO 14001 Environmental Management System certification in December 2002 also helped the Division to secure more orders. The Division recorded an increase in revenue of approximately 24% to HK\$1.7 billion for this year when compared to last year. In spite of an improvement of approximately 36% to HK\$62.3 million in EBITDA (Earnings before interest, tax, depreciation and amortisation) over last year, the Division recorded only a slight profit for the year mainly due to an increase in depreciation expenses and interest charges relating to the construction of new manufacturing facilities.

製造

繼於本年度上半年收入有所改善後，於本年度下半年，主要由於本集團不遺餘力發掘商機及設立高度靈活之製造設施，故原產品製造部繼續取得更多客戶生產訂單。本公司於二零零二年十二月通過 ISO14001 環境管理系統認證，亦有助該部門獲得更多訂單。於本年度，該部門收入較上年度增加約24%至港幣十七億元。儘管除利息、稅項、折舊及攤銷前之盈利較上年度增長約36%至港幣六千二百三十萬元，惟該部門於本年度僅錄得輕微溢利，主要是有關興建新製造設施之折舊費用及利息支出增加所致。



Multiline-Optiline PE/ATP 5000
全自動內層蝕刻後自動對位沖孔機

BGA X-Ray Inspection Machine
BGA X 光檢測機



FINANCE

The Group has committed bank and other financing facilities totaling HK\$988.6 million, of which HK\$588.9 million were drawn down as at 31st December 2003. As at 31st December 2003, the Group's consolidated net borrowings amounted to HK\$463.7 million and its shareholders' equity amounted to HK\$553.7 million, resulting in a gearing ratio of 84%.

In addition to the positive operating cash flow generated this year, the Group has further enhanced its liquidity by obtaining a HK\$250 million four-year syndicated loan in August 2003. Part of the proceeds have been used to refinance the syndicated loan that was drawn down during the first half of 2001, and the balance was used for general working capital. The Group has entered into interest swap contracts to hedge the interest payable in the four year syndicated loan mentioned above.

Most of the Group's sales are conducted in the same currencies as the corresponding purchase transactions. Foreign exchange contracts were used to hedge exposures where necessary.

財務

本集團已獲取銀行及其他財務融資合共港幣九億八千八百六十萬元，於二零零三年十二月三十一日已經動用其中港幣五億八千八百九十萬元。於二零零三年十二月三十一日，本集團之綜合借貸淨額約為港幣四億六千三百七十萬元，其股東權益則約為港幣五億五千三百七十萬元，因此資本負債比率為84%。

除本年度之經營現金流量錄得正數外，本集團亦透過於二零零三年八月取得港幣二億五千萬之四年期銀團貸款，進一步提高資金流動性。部份所得款項金額已用於二零零一年上半年動用之銀團貸款作出重新融資，餘額則作一般營運資金用途。本集團已訂立利息掉期合約，以對沖上述四年期銀團貸款之應付利息。

本集團大部份銷售以相同於有關購買交易之貨幣單位進行。本集團在適當時候已訂立外幣合約作對沖用途，以管理外匯風險。

EMPLOYEES

As at 31st December 2003, the Group had a total of 4,887 employees, of whom 347 were based in Hong Kong, 4,325 in the PRC and 215 in overseas. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account current industry practices. In addition to the provision of provident fund scheme, medical allowance, in-house and external training programs, discretionary bonuses are also available to employees based on their performance. The remuneration policy and packages of the Group's employees are reviewed regularly.

PROSPECTS

Following the rebound of the electronics industry and the continuous development of the PRC economy, demand for the industrial products distributed by the Group is expected to remain strong for the coming year.

僱員

於二零零三年十二月三十一日，本集團共有4,887名僱員，其中347名駐香港，4,325名駐中國，215名駐海外工作。本集團主要根據僱員之工作表現及經驗，以及考慮現行業內慣例釐定僱員薪酬待遇。除提供公積金計劃、醫療津貼、內部及外間培訓課程外，本集團亦會視乎僱員之工作表現給予酌情花紅。本集團會定期檢討僱員之薪酬政策及薪酬水平。

前景

由於電子業復甦及中國經濟持續發展，因此，預期本集團所分銷之工業產品在來年將保持強勁需求。

The Group will continue its efforts to maintain a high degree of production flexibility and to improve production efficiencies in order to stay competitive in the market. The OEM Manufacturing Division was awarded the TL9000 Quality Management System this year, which is an internationally recognized standard for the telecommunications industry. The Group also acquired appropriate production equipment and has developed the ROHS (Restriction on the use of certain Hazardous Substances in Electrical and Electronic Equipment) compliance system to set up lead-free production facilities to produce environmentally friendly products in order to meet the Green Procurement Policy of our customers. The Directors are confident that such achievements will further reinforce our Group's competitiveness in the market.

本集團將繼續致力於保持高度靈活之生產及提高生產效率，以維持市場上之競爭力。原產品製造部於本年度獲取國際公認之電訊行業標準 TL9000 質量管理系統。此外，本集團亦已購置適當之生產設備，並已開發符合 ROHS(關於電力及電子設備使用若干有害物質之限制)之系統，以建立無鉛生產設施用作生產環保產品，務求遵行客戶之「綠色採購政策」。董事深信，該等成就必會進一步鞏固本集團之市場競爭力。

By Order of the Board

Senta Wong

Chairman

Hong Kong, 7th April 2004

承董事會命

王忠桐

主席

香港，二零零四年四月七日