

▶▶ The Chairman's Statement 主席報告書

Over the last 25 years I have been guiding Truly from a successful labour intensive factory to become a technology based, people based company. Today I am proud to announce that Truly has metamorphosed into a financially strong, world-class LCD manufacturer with elite people and advanced technologies. We are delivering TN, monochrome and colour STN, TFT and OLED flat panel products and total solutions to customers around the world.

我在過去25年，一直引領信利從成功的勞動密集型工廠轉向「科技為本，人才為本」的公司。今天，我很自豪的宣佈，信利已蛻變為一家擁有優秀人才，尖端科技，財務穩健的世界級LCD生產商。我們為全球各地的客戶提供TN、黑白和彩色STN (CSTN)、TFT和OLED等平面顯示器產品和整體方案。

Dear shareholders,

Starting this year I report to you straightforwardly.

Let me summarize the 2004 key figures:

- Group Revenue was HK\$3.41 billion (+143%)
- Net Profit was HK\$527 million (+173%)

各位股東：

從今年開始，我會用最直接的方式向你們報告公司的情况。

首先，讓我總括二零零四年度的主要資料如下：

- 集團銷售總額為34.1億港元(+143%)
- 純利5.27億港元(+173%)

net profit **jumped**  
**173%** to HK\$527million  
 純利較上年度 **大幅上升**  
**173%** 至5億2千7百萬港元

- Sales from LCD division were HK\$3.14 billion (92.1% of Group Revenue).
  - Sales for Mobile Handset LCD application was HK\$2.228 billion (65.3% of Group Revenue)
  - Sales for non Mobile Handset LCD application was HK\$912 million (26.8% of Group Revenue)
- Net cash from operating activities increased to HK\$593 million (+308%)
- Surplus cash and bank balances, net of bank and other borrowings at 31 December 2004 was HK\$53 million
- Current ratio as at 31 December 2004 was 1.9 times
- Earnings per share was HK\$1.18 (+174%)
- Return on Equity was 37% (+95%)
- 液晶體顯示器銷售額為31.4億港元(佔集團銷售總額92.1%)
  - 手機顯示器銷售額為22.28億港元(佔集團銷售總額的65.3%)
  - 非手機顯示器銷售額為9.12億港元(佔集團銷售總額的26.8%)
- 來自經營業務的淨現金流為5.93億港元(+308%) ;
- 扣除銀行及其他借貸之淨現金和銀行結餘(於二零零四年十二月三十一日)為5,300萬港元
- 流動比率(於二零零四年十二月三十一日)為1.9倍
- 每股盈利為1.18港元(+174%)
- 資本回報率為37%(+95%)

### The people and know how

Over the last 25 years I have been guiding Truly from a successful labour intensive factory to become a technology based, people based company. Today I am proud to announce that Truly has metamorphosed into a financially strong, world-class LCD manufacturer with elite people and advanced technologies. We are delivering TN, monochrome and colour STN, TFT and OLED flat panel products and total solutions to customers around the world.

The plant management team has 233 members, of which 196 (84%) are undergraduates or possess higher academic qualifications. The average age is 30.1 years old. The research and development team has 479 men and women, of which 430 (90%) are undergraduates or possess higher academic qualifications. The average age is 28.6 years old. The teams are very stable with only 1.1% and 1.7% churn

### 人才與技術

我在過去25年，一直引領信利從成功的勞動密集型工廠轉向「科技為本，人才為本」的公司。今天，我很自豪的宣佈，信利已蛻變為一家擁有優秀人才，尖端科技，財務穩健的世界級 LCD 生產商。我們為全球各地的客戶提供 TN、黑白和彩色 STN (CSTN)、TFT 和 OLED 等平面顯示器產品和整體方案。

工廠的管理團隊共有233人，其中196人(84%)具大學以上學歷，平均年齡為30.1歲。研發團隊有479位男女精英，其中430人(90%)具大學以上學歷，平均年齡為28.6歲。兩個團隊的流失率分別為1.1%和1.7%，遠低於廣東省同年度的5.10%和11.80%的水平。信利大約有5,000名工人，平均

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rates respectively, far lower than the average 5.10% and 11.80% respectively in Guangdong Province during the year. Truly has about 5,000 workers with average age of 22.7 years old, 98% of them live within 5Km from the factory. The 2.11% labour churn rate contributed to the stability and improvement of our quality and production efficiency, and was far lower than the 17.8% average labour churn rate of foreign owned enterprises (FOEs) as reported by the Human Resources Market newspaper in 17 January 2005, citing an independent research conducted jointly by Jiaotong University.

During the year the average equipment utilization rate increased to 90% (2003: 65%). This was achieved through the improvement of the machine automation ratio and equipment upgrade. As a result we were able to sell 1.43 times more without significant increase in the number of workers as well as plant and machineries investment.

### The Mobile Handset LCD business

We have continued to gain market share in the growing colour display mobile handset market both in China and in Overseas. A reputable independent research organization reported that 670 million handsets were delivered worldwide in 2004. It predicts the market will expand by 8% in 2005 reaching 730 million units. There were 274 million new GSM subscribers in 2004, according to the GSM Association, putting the world's total GSM users at 1.266 billion. 288 millions of these GSM subscribers lived in China. I believe a 1.266 billion GSM handset user market could sustain the LCD industry's healthy growth.

We have delivered 12 million CSTN modules in 2004 and become a major supplier to China mobile handset manufacturers and Korean LCD module makers. We have employed specific market strategies to mobile handset LCD users in different countries and, as a result, have achieved fabulous business throughout the year.

In China, Truly has established excellent relationship and co-operation with mobile handset makers and solution providers (design houses). Through the provision of better display solutions and highly customized services, we have been receiving more business.

年齡為22.7歲，98%的員工住所離公司不足5公里。工人於年內的流失率為2.11%，遠遠低於外企17.8%的平均流失率（資料來源於二零零五年一月十七日《人才市場報》之交大正源調研數據）。穩定的工人團隊，令我們產品的品質和效率穩步提升。

年內的 LCD 設備使用率上升至90%（二零零三年為65%）。因為我們提高了生產自動化的比例和對現有設備進行升級，以致公司在沒有大幅增加員工和重大機器設備投資的情況下，增加1.43倍的銷售額。

### 手機用 LCD 業務

中國與海外的彩屏手機市場不斷上升，我們的市場佔有率亦隨著增長。一個權威調研機構指出，二零零四年度全球手機付運量為6.7億部。並預測二零零五年會有8%的增長，至7.3億部。GSM協會表示，二零零四年新增GSM用戶達2.74億，使全球GSM用戶總數高達12.66億人，其中2.88億人居於中國。我相信，一個12.66億的GSM手機用戶的市場，足以支持LCD工業的健康發展。

二零零四年我們共付運了約1,200萬個CSTN模組，已成為中國手機製造商、韓國LCD模組工廠的主要供應商。由於我們針對各國手機模組用戶採用不同的市場策略，故取得了可喜成績。

我們在中國已與多家手機方案商和製造商均建立良好合作關係，通過為手機製造商提供更優質的方案和貼身服務取得更多訂單。

In Korea, Truly delivered 7.9 million CSTN panels in 2004, accounting for 5.6% of the local market share. Since Korean mobile handset makers would only purchase their LCD modules from Korean suppliers, we strategically focused on the local LCD module assemblers by supplying them semi-processed CSTN panels. These local LCD module assemblers would be able to lower their production costs with our semi-processed panels. They would then manufacture various LCD modules for Korean and international brand mobile handset makers. In 2005 we have successfully become CSTN panel supplier to an internationally renowned Korean brand mobile handset manufacturer. We target to deliver 25 million CSTN panels for the full year to take a 10.33% local market share.

A European telecommunication company, which has mobile handset factories in Europe, Central and South America, has contracted Truly to supply CSTN modules. We are working to add 2 more telecommunication company and European brand to our customer list within this year. Our target shipment for Europe is 2 to 4 million CSTN modules.

The unaudited revenue of the Group for the first quarter of 2005 was approximately HK\$1 billion, increased by 318 million or 47% as on a year on year basis.

A brand new CSTN glass panel production line will be in operation by May 2005. This will increase our annual production capacity of CSTN module up to 60 million units.

## The LCD business not related to mobile handset

### Telecommunication

Aside from the mobile handset business, advanced DECT system and 900MHz cordless phones are using more CSTN displays due to the improvement of CSTN cost and the higher retail prices of these cordless phones. This comprises a good portion of the 5.25% (HK\$160 million) LCD business in Truly's non-mobile handset telecommunication sector.

在韓國，二零零四年我們付運了790萬片 CSTN 玻璃屏，當地市場佔有率為5.6%。由於韓國的手機製造商只會向韓國本土的 LCD 模組供應商取用所需的 LCD 模組，為此，我們面向韓國 LCD 模組廠，策略性地提供半加工的 CSTN 玻璃，讓他們在製造模組時能降低成本，再付運韓國本地和國際品牌的手機製造商作手機裝配。今年我們成功取得一個韓國國際品牌的 CSTN 玻璃訂單。預期在二零零五年付運量可達2,500萬片，當地市場佔有率為10.33%。

我們已開始為一家在歐洲，中南美洲設有手機工廠的歐洲電訊公司生產 CSTN 模組，並期望年內再增加2個歐洲電訊公司或品牌的客戶。二零零五年目標付運數為200萬至400萬個 CSTN 模組。

我們於二零零五年首季度未經審核的銷售額約為10億港元，比二零零四年度同期增長3.18億港元或47%。

我們一條新的 CSTN 玻璃面板生產線將於5月投入運作，將把公司的 CSTN 模組的年產量增加至6,000萬個。

## 非手機用 LCD 業務

### 通訊

除了手機，先進的 DECT 制式和900兆赫的無繩電話也開始採用 CSTN 彩屏。因為 CSTN 彩屏的價格已改善了很多，而這些高檔無繩電話的零售價也不算太低。我們的5.25% (1.6億港元) 通訊產品 (非手機) LCD 銷售，很大部份是來自這方面的業務。

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### Automobile Industry

We have also a strong market position on the automobile industry. In Japan we are supplying LCD products to car makers through the biggest auto parts agent. We are also in active negotiations with some car makers directly. We are in business talks with two European and US auto parts agents' China offices. Another European auto parts agent also qualified us and is in talks with us now. The use of LCD products in the automobiles will create a market we should not miss. I think this is a steady growing and important long term market for us.

### Technology and Competitiveness

Some of the Group's technical inventions have become our core competitiveness. We now own 15 patents in LCD and OLED technologies, 12 of them are inventions, 3 of them are application inventions. 4 among these 12 inventions are also being processed for international patents. 5 more are in the pipeline this year.

The Chinese Government pays much attention and support to our research and development achievements in the display technologies. During the year our Organic Light Emitting Display (OLED) project was separately enlisted in the Chinese National High and New Technology Research and Development Program, the renowned "863 Program", and the Guangdong Provincial Government Critical Area Breakthrough Program. With the enlistment, two sizeable research grants were awarded to the Truly OLED project.

We have mastered the engineering technology and research and development on the current major small to medium size LCD applications. The existing full range of CSTN, TFT and OLED products laid the solid foundation of a Truly "Supermarket for small to medium size display product". In 2004 we released more than 500 CSTN mobile handset module standard designs, severing virtually each and every need of our mobile handset manufacturers. We also explore CSTN's applications in non mobile handset areas like MP3 player, DECT phone, cordless phone, portable game player and digital electronic products. The group has successfully mass produced small size full colour passive matrix PM OLED display to be

### 汽車工業

我們在汽車工業穩佔一席之地。通過日本最大的零部件供應商，我們付運 LCD 製品予多家日本車廠。有些日本車廠更直接與我們進行業務磋商。我們與兩家歐美的汽車零件供應商中國辦事處正進行業務磋商，另外一家歐洲的汽車零件供應商亦完成評審工作。LCD 產品在汽車的應用將不容忽視。對於我們來說，這是一個長遠而重要的市場。

### 科技與競爭力

集團部分技術發明專利已成為集團的核心競爭力之一。目前已擁有顯示技術方面的發明專利12項、實用新型專利3項，共計15項，其中有4項正準備申請國際專利。另尚有5項發明專利正在辦理申請中。

我集團之半導體研發中心得到中國政府的重視和關注。集團全彩色有機電致發光顯示器件(OLED)專案被列為廣東省關鍵領域重點突破專案，和中國國家高新技術研究發展計劃(863計劃)專案，並分別獲政府科研經費。

在工程技術和研發方面，集團已掌握和形成涵蓋當前主要中小尺寸顯示屏技術之體系，目前已推出的 CSTN、OLED、TFT 產品系列形成「信利中小尺寸顯示屏超級市場」，為客戶提供了全方位選擇。二零零四年已推出的 CSTN 手機標準顯示模組已達到500多款，幾乎涵蓋了當前市場上所有不同尺寸及模式。公司還致力於推廣拓展 CSTN 在非手機領域的應用，如 MP3播放器、DECT 制式電話、室內無繩電話、遊戲機、其他移動數碼產品等的廣泛應用。集團 OLED 項目目前已成功量產小尺寸全彩被動式 (passive matrix)

used in mobile handset and MP3 players. We also have developed TFT LCD mobile handset modules with different size and pixels and wide temperature range LCD modules for automotive and industrial applications. Looking ahead the Group introduced CSTN, OLED and TFT mobile handset modules with streaming video capability for 3G handsets.

Lastly, I want to thank our staff and their families for their dedication and hard works, our customers for their business and support, our suppliers for their great efforts to help us to fulfill our commitment and deliveries and you, our valued shareholders, for the trust and investment put on us.

PM OLED，主要應用於手機和 MP3 產品。產品性能已達到了國際水準。而在 TFT 顯示器方面，也開發了不同尺寸及點陣的多款 TFT 手機用 LCD 模組。此外，還積極開發出了中小尺寸的超寬溫的顯示模組，應用於汽車及工業用顯示器領域。因應手機市場對於3G的需求，集團積極開發出 CSTN、OLED、TFT 等具有串流動態顯示功能的模組。

最後，我要多謝各位員工及他們的家人，為公司所付出的努力和奉獻。感謝客戶的業務和支持；多謝供應商同心協力，使我們能及時付運。還有，感謝各位股東的信任，把你們的投資託付給我們。



# Quality Achievement

品質優秀



ISO9001

ISO14001

## LIST OF PATENTS

### Name of Inventions

1. The use of the masking layer in the resistive type touch panel
2. New method to determine the CSTN panel reflectance and transmittance ratio by the correlation between the reflective and transmittance index of the reflector of the colour filter
3. New production process for newly developed transfective CSTN panel
4. New production process for newly developed Colour and Monochrome Interchangeable display technology "Chameleon"
5. New production process for DSTN (Dual Super Twisted Nematic) display
6. New production process for the CMOS image sensor module
7. New production process for CSTN product
8. Design of a semi-automatic cutter for metallic circuitry
9. New type of transfective display technology
10. New production process for the OLED panel and its encapsulation
11. New design and production process of the encapsulation of the OLED
12. New type of white OLED panel
13. New production process for the substrate and its pattern aging of the OLED
14. New production process for the organic light emitting diode
15. Mirror type OLED panel and device

## 專利清單

### Chinese Patent No.

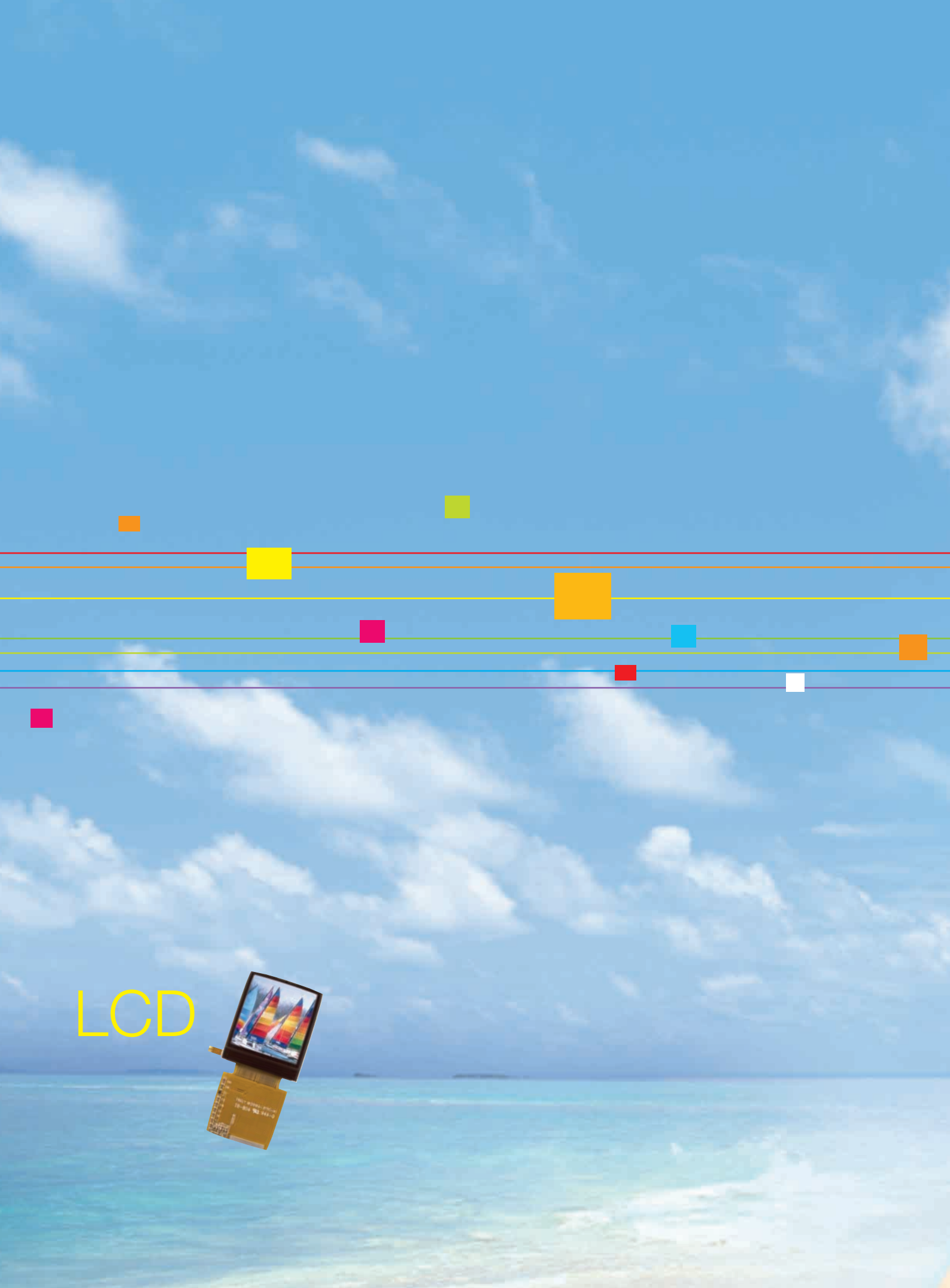
### 中國專利編號

### 發明名稱

- |                |                           |
|----------------|---------------------------|
| 03126620.7     | 帶遮罩層的電阻觸摸屏                |
| 03146861.6     | 由反射膜開口率定彩色液晶屏反射率與透過率比率的方法 |
| 200310117402.1 | 半透型液晶顯示器及其製作方法            |
| 200410026543.7 | 變色液晶顯示器及其製作方法             |
| 200410027886.5 | 雙層盒結構超扭曲向列型液晶顯示器及其製造工藝方法  |
| 200410028047.5 | 互補金屬氧化物半導體圖像感測器模組及其製造工藝   |
| 200410077254.X | 彩色顯示器的製作方法                |
| 200320117590.3 | 半自動電路金屬引線剪切機              |
| 200420095137.1 | 一種半透型液晶顯示器                |
| 200410026837.X | 有機電致發光顯示器件及其面板後蓋的製作方法     |
| 200410052413.0 | 有機電致發光顯示器面板後蓋的製作方法        |
| 200410052463.9 | 一種白光有機電致發光顯示器件            |
| 200410051482.X | 用於有機電致發光顯示器的母板面板及其老化線製作方法 |
| 200410077537.4 | 有機發光二極體的製作方法              |
| 200420045879.3 | 鏡面有機電致發光顯示器件              |



LCD





Group unaudited turnover of about **HK\$1 billion** for the first three months of 2005 which was **47%** more than the same period last year.

本集團於2005年首三個月的未經審核營業額約達**10億港元**，較去年同期上升**47%**。

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**Management Discussion and Analysis 管理層討論及分析**

**Segmental Information**

**分類資料**

By geographical segments:

按地區分類：

		<b>2004</b> 二零零四年	2003 二零零三年
		<b>Turnover</b> 營業額 <b>HK\$'000</b> 千港元	Turnover 營業額 HK\$'000 千港元
The People's Republic of China	中華人民共和國	<b>2,265,565</b>	735,278
South Korea	南韓	<b>443,167</b>	204,505
Japan	日本	<b>241,350</b>	186,736
Hong Kong	香港	<b>135,207</b>	102,822
Europe	歐洲	<b>113,778</b>	73,083
Others (Note)	其他(附註)	<b>207,925</b>	97,474
		<b>3,406,992</b>	1,399,898

By business segments:

按業務分類：

		<b>2004</b> 二零零四年		2003 二零零三年	
		<b>Turnover</b> 營業額 <b>HK\$'000</b> 千港元	<b>Segment result</b> 分類業績 <b>HK\$'000</b> 千港元	Turnover 營業額 HK\$'000 千港元	Segment result 分類業績 HK\$'000 千港元
Liquid crystal display products	液晶顯示器產品	<b>3,138,393</b>	<b>618,989</b>	1,222,535	262,772
Electronic consumer products	電子消費產品	<b>268,599</b>	<b>2,625</b>	177,363	(20,004)
		<b>3,406,992</b>	<b>621,614</b>	1,399,898	242,768
Interest income	利息收入		<b>1,477</b>		1,280
Unallocated other operating income	未分配之其他經營收入		—		14
Unallocated corporate expenses	未分配之公司費用		<b>(1,075)</b>		(730)
Profit from operations	經營溢利		<b>622,016</b>		243,332

Note: This category includes sales to countries in North and South Americas, Australia, the Middle East, Africa, the Commonwealth of Independent States and other Asian countries.

附註：此項目包括對南北美洲、澳洲、中東、非洲、獨聯體國家及其他亞洲國家之銷售。

## Market Analysis

Reviewing the annual performance, the Group's LCD business recorded robust growth, with turnover amounting to HK\$3.14 billion and accounting for 92.1% of the Group's total turnover, of which 75% of the sales revenue from the LCD business came from telecommunication related products and 25% from non-telecommunication related products (See charts below). Among the telecommunication related products, CSTN and TFT LCD products accounted for 60% and 9.75% respectively of the sales revenue from the LCD business, while other telecommunication products accounted for 5.25%. Among the non-telecommunication related products, consumer electronic products accounted for 15% of the sales revenue from the LCD business, followed by MP3 player which took up 3.25%, industrial products 2.5%, automobile displays 2%, office automation equipment displays 2%, and others 0.25%.

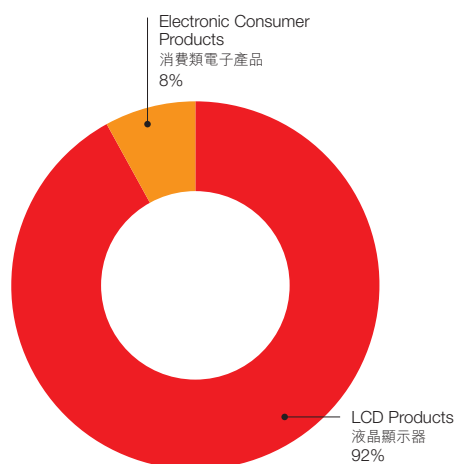
In addition, the Group's electronic consumer product business recorded a turnover of HK\$269 million, of which MP3 accounted for HK\$203 million, followed by calculators that accounted for HK\$32 million, PCB boards HK\$22 million, and battery powered toothbrushes HK\$12 million.

## 市場分析

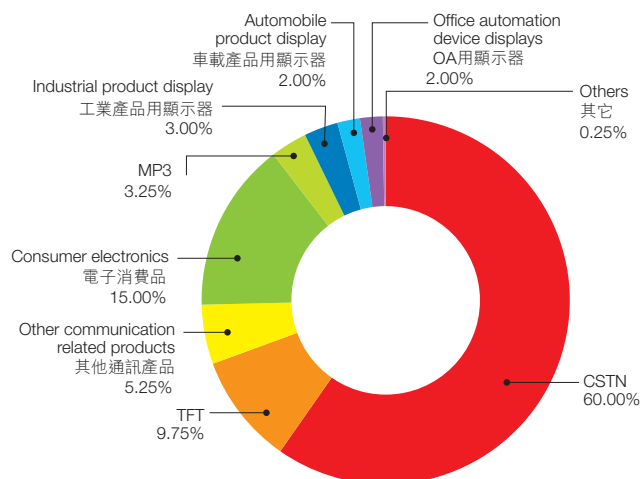
縱觀全年，集團之液晶顯示器 (LCD) 業務劇增，營業額達到31.4億港元，佔全集團總銷售額的92.1% (見下圖)。其中通訊類產品佔75%，非通訊類產品佔25%。在通訊類產品中，手機用彩色超扭曲向列型液晶顯示器產品 (CSTN) 佔60%，手機用薄膜電晶體顯示器產品 (TFT) 佔9.75%，其他產品5.25%；在非通訊類產品中，消費類電子產品顯示器佔15%，MP3顯示器佔3.25%，工業產品顯示器佔2.5%，車載產品顯示器佔2%，辦公自動化設備 (OA) 顯示器佔2%，其他佔0.25%。

另一方面，集團消費類電子產品營業額錄得2.69億港元，其中數碼產品MP3播放器達2.03億港元，計算器產品達三千二百萬港元；線路板二千二百萬港元；電動牙刷為一千二百萬港元。

Turnover Breakdown  
集團銷售業績分佈圖



LCD Products Sales Composition  
液晶顯示器產品銷售組成

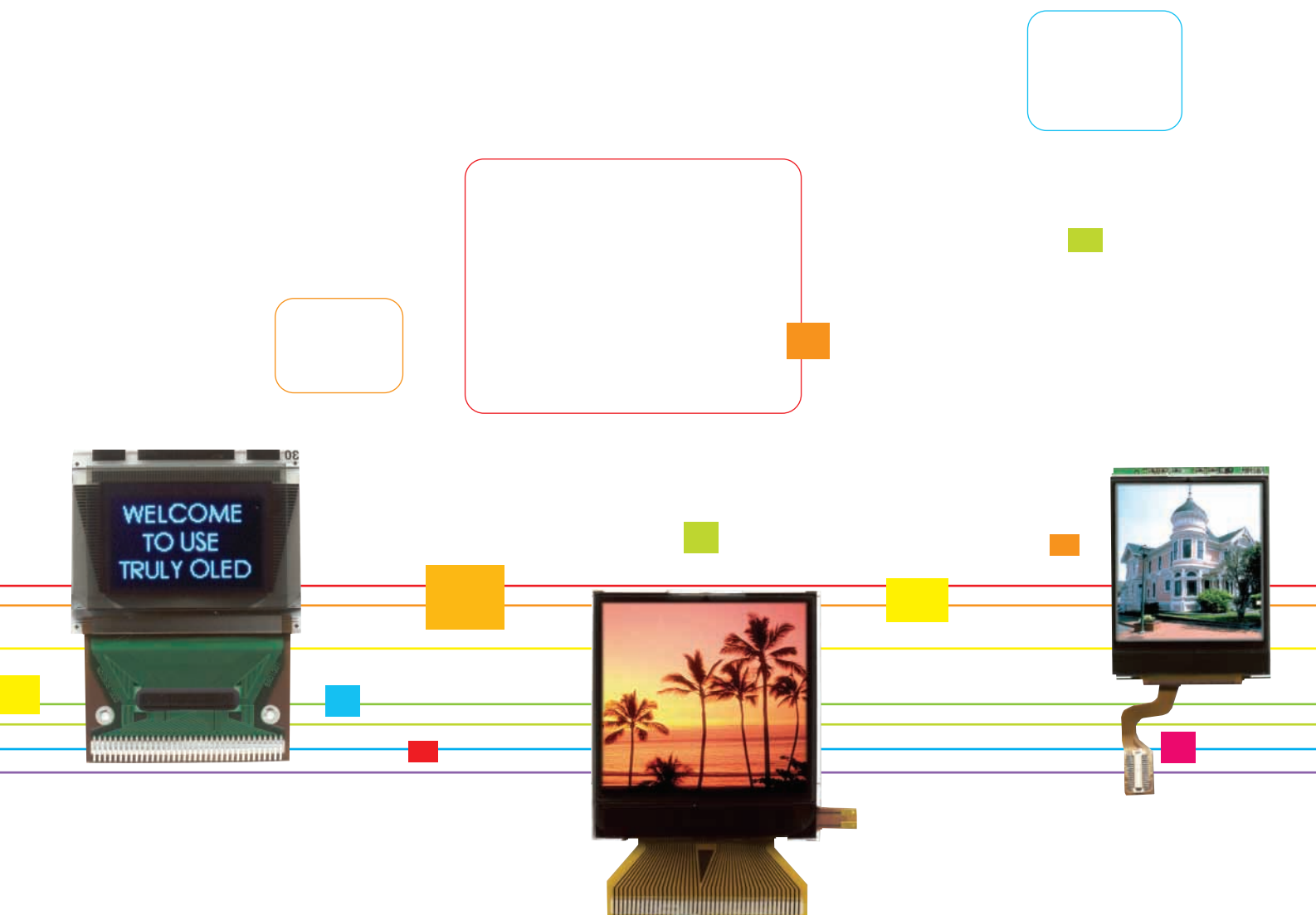


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According to information from IDC, the world's total handset output in 2004 reached 664.5 million sets, of which 35.1%, equivalent to 230 million sets, were manufactured in China. With over a decade's extensive experience in the research and development of handsets, the Group continually leads the market trend by introducing new handset display modules. For instance, the Group pioneered in launching a wide range of CSTN standard modules which were widely applied in the market. We were also amongst the first in China to launch camera sensor embedded display modules and introduced the first handset module using an OLED display panel as the secondary display. The Group has maintained solid and good relationships with several handset design houses. On this basis we provided these design houses' clients,

據 IDC 的資料，二零零四年全球手機出貨量為 6.645 億部，中國境內生產的手機約佔 35.1% (2.3 億部)。我集團有近十年豐富的手機開發經驗。故能以不斷推出手機顯示器模組新產品來引導市場潮流。如在中國大陸率先推出多款 CSTN 標準產品，目前為市場廣泛採用；率先在中國大陸推出帶攝像頭的手機顯示模組及率先推出帶 OLED 副屏的手機顯示模組。我司在穩固和維持與數家手機方案商良好合作關係的基礎上，派駐專門的市場和工程人員，為主要的手機製造商提供緊密之貼身服務，致力成為各手機客戶的手機顯示模組 (LCM) 之一站式供應商。目前，我集團已與 13



the handset manufacturers, with dedicated marketing and engineering staff. We offered customized services that cater to the needs of customers, striving to be a one-stop handset LCD module (LCM) service provider. The Group has currently developed trustworthy partnership with 13 PRC brand handset manufacturers, and has started initial cooperation with 7 other PRC brand and 3 international brand handset manufacturers. These favourable relationships brought satisfactory returns to the Group during the year under review. It is expected that as the sales volume of global colour display handsets continues to increase, the Group will continue to reap fruitful returns.

The Group posted a 83% increase in sales revenue from the European & the US and Korean LCD markets. Turnover from the Korean market accounted for 49% of the total turnover from the overseas LCD markets, while Japan and Europe & the US accounted for 27% and 24% respectively. We have engineers stationed at our

家中國品牌手機製造商建立起可信賴之合作夥伴關係，另外還與其他7家中國品牌和3家國際品牌的手機製造商建立了初步合作關係。而此種良好合作關係在回顧年內給集團業績帶來理想增長，相信還將會在全球彩屏手機量持續增長的今後，為集團持續帶來良好收益。

在歐美和韓日 LCD 市場，我集團之營業額較二零零三年有83%的增長。二零零四年集團韓國市場佔到整個海外 LCD 市場的49%，日本佔27%，歐美及其它佔24%。我們為韓國客戶派駐專門的應用工程師。並於回顧年度內在美國設立銷售代

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Korean customers' factories. In addition, a US sales office was set up during the year under review to establish a US sales network. Furthermore, in Europe, Korea and Japan, the Group has signed up new clients that engage in the handset manufacturing, telecommunication service, industrial products and home appliance industries.

The Group has successfully transformed itself from a conventional electronic product manufacturer to a professional enterprise that focuses on flat panel display technologies. With its unrivalled capability and leading technology, the Group will continue to emerge as the world's leading supplier for small- and medium-sized display products and total solutions. The Group's performance in the first quarter of 2005 continued to record impressive growth. Unaudited turnover for the period amounted to about HK\$1 billion, representing a year-on-year growth of over 47% (1Q2004: HK\$682 million).

#### Production, Manufacturing and Logistic Management

During the year under review, under pressures from both increasing raw material costs and declining handset module prices, the Group's gross profit margin declined from 29% in 2003 to 23% in 2004. Despite this, the Group's net profit margin continued to increase from 13.8% in 2003 to 15.5% in 2004. The continual growth in profitability was attributable to the introduction and implementation of the 6 Sigma management system, under which stringent cost controls were exercised in procurement, production and logistic arrangements. In addition, technological upgrades led to an increased production yield. Raw material wastage was maintained at a reasonable level.

On the manufacturing front, although the Group did not add new production lines during the year under review, it upgraded its facilities to fully realize the utilization rate of its existing facilities. Automation level was raised, staff were motivated, and the production efficiency and the stability of product quality were enhanced. The average utilization of the Group's facilities in 2004 increased to 90%, up from 65% in 2003. LCD average annual per capita output increased to HK\$815,000 in 2004, representing an impressive growth of 70%.

理，建立起了全美的銷售網路，在歐洲和韓日，已開拓了數家新的手機，電訊公司，和工業及家用電器客戶。

由此可見，本集團已由傳統的電子產品廠家成功轉型為專注於平面顯示技術領域之專業企業。信利憑藉驕人的實力和領先的技術，將繼續朝成為全球中小尺寸顯示屏之超級供應商的目標邁進。集團於二零零五年第一季度繼續保持強勁的增長勢頭，未經審核的營業額約10億港元，較二零零四年同期(6.82億)上升超過47%。

#### 管理、生產及物流

回顧年度內，LCD 產品在面臨原材料價格上漲和手機模組價格下降的雙重壓力下，公司的毛利率儘管較零三年的29%下降到23%，但純利率仍保持增長，上升至15.5%，較零三年(13.8%)有所增加。純利率得以增長，有賴於集團初步導入並推行六個西格瑪(6 SIGMA)之管理體系，實施由採購、生產至物流的嚴謹的成本控制；亦有賴於技術水平的提升及良品率保持在較高水平，以致物料消耗維持在合理之水平。

生產方面，於回顧年內，集團雖然沒有新增生產線，但對現有設備進行升級改造，充分發揮現有設備的利用率。提升生產自動化率，充分調動人員的積極性，並進一步提高生產效率和產品的穩定性。二零零四年設備平均利用率從二零零三年的65%提高至90%。LCD的人均年產值增加到二零零四年的81.5萬港元，上升了70%。

With respect to logistics, the MRP II system implemented in 2004 brought significant results. Truly's MRP II system was linked to the Customs Authority computer system, increasing the efficiency of the customs clearance, enabling the Group to enjoy a smooth logistics workflow and strengthening monitoring efforts. The Group was also able to carry out a more sophisticated and accurate rolling production planning system to ensure the delivery of raw materials was perfectly in line with the commencement of production. As such, the achievement rate increased from 50% at the beginning of the year to 95% at year-end. The production procedure enhancement allowed the manufacturing base to exercise more stringent controls on upstream materials and stock inventory, shortening the cycle for inventory check-ups and storage periods. While the Group posted an increase of 143% in production value, the inventory turnaround period and inventory value were lowered to 60 days and HK\$450 million at the year-end, as compared with 100 days and 290 million at 2003 year-end. The Group expects to further reduce the inventory turnover period to 45 days in 2005.

## Technology, Research and Development

As to the engineering technology and R&D aspect, the Group has mastered the technology for manufacturing a full range of LCD displays in the small- to medium-sized regime. Catering to the diversified, multi-leveled and different needs of customers in the handset industry, the Group adopted a dual strategy by offering standardized CSTN products and customized CSTN products. We released more than 500 standard handset display modules in 2004, covering almost every sizes and modes in the market, reflecting Truly's spirit of a Supermarket for the small- to medium-sized LCD products to provide comprehensive choices to customers. As a CSTN panel and module pioneer, the Group has accumulated extensive experience and achieved a substantially higher competitive edge in terms of product qualities and prices. The Group has made huge investments in the CSTN technology and manufacturing know-how and skills since 1998. The product yield of CSTN products was above 90% in 2004. One CSTN module's response time was shortened to 90 milli-seconds to display 12 picture frames in one second. The Group is also committed to the promotion of CSTN application to the non-handset sector, such as MP3 player, DECT phones, cordless phones, handheld games, other mobile digital products, etc. Contributions from these non-handset categories are expected to increase in the second half of 2005.

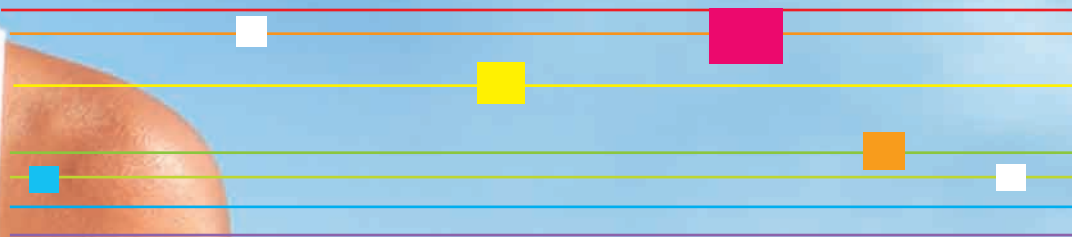
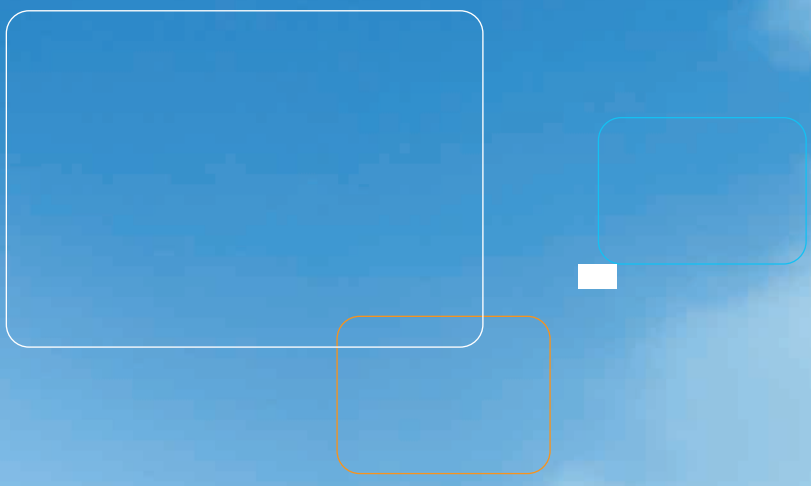
物流方面，集團於二零零四年推行的材料徵用及生產計劃系統 (MRP II) 為我們帶來顯著成效。材料徵用及生產計劃系統 (MRP II) 與海關聯網運行，加速了集團通關效率，使集團物流更為順暢透明，增強了有效監控力度。集團實施了更為精細、準確的滾動式生產計劃，嚴格實行同步到料計劃控制。計劃的達成率由回顧年初的50%提升到年底的95%。工廠通過對生產流程優化，加強了對線上品和物料倉的控制力度，縮短了查倉、退倉週期。存倉週期和存倉金額在產值提升143%的前提下，也分別由二零零三年的100天 (年底2.9億港元) 控制至60天 (年底為4.5億港元)。集團二零零五年計劃之存倉週期將會控制在45天內。

## 技術及研發情況

在工程技術和研發上方面，集團已掌握和形成涵蓋當前主要中小尺寸顯示屏技術之體系。本集團針對手機市場多元化、多層次及不同客戶群之需求，注重推行標準品和差異化 CSTN 產品並行策略。二零零四年推出的 CSTN 手機標準顯示模組已達到500多款，幾乎涵蓋了當前市場上所有不同尺寸及模式，充分體現了「信利中小尺寸顯示屏超級市場」的專業精神，為客戶提供了全方位選擇。由於公司在 CSTN 面板及模組方面的先行策略致使信利在 CSTN 的技術方面積累了豐富經驗，產品性價比優勢明顯。集團從一九九八年開始便投入鉅資致力於 CSTN 的技術和生產工藝研究。二零零四年我司 CSTN 面板之良品率已達到90%以上。特別是將 CSTN 模組應用回應時間縮短至90毫秒。每秒可顯示畫面達12幅。公司還致力於推廣拓展 CSTN 在非手機領域的應用，如 MP3 播放器、DECT 制式電話、室內無繩電話、遊戲機、其他移動數碼產品等的廣泛應用。預計這些非手機顯示器產品從二零零五年下半年開始對集團業績有較大貢獻。







MP3



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The Group first installed the OLED manufacturing facilities in June 2003. It now has successfully commenced the mass production of small sized, coloured (passive-matrix) PM OLED products (current monthly production approximately 20,000 pieces and is expected to reach 80,000 pieces in July 2005). These OLEDs were mainly applied in MP3 products. The qualities of these products have attained international levels, in particular the improvement of the live cycle of the red colour in OLED. While Red colour is generally considered short-lived among the industry, we applied certain structural modification in components to extend the live of the red colour in our OLED to over 20,000 hours, well over the standards for applications in automobiles products and home appliances. Currently, the Group plans to develop 2" QCIF (176x220) active matrix AM OLED products and expects to have the sample ready in November 2005. It will be promoted for application as the display module in 3G handsets.

As to the TFT business, the Group has also developed a full range of TFT display modules in different sizes and dot matrix for mobile handsets. The Group has successfully developed 1.22"—1.99" 128x160 dot matrix, 1.88"—2.2" 176x120 dot matrix, and 3.5" above to 7" QVGA 320x240 dot matrix TFT modules. Furthermore, it also actively developed small- and medium sized wide temperature range display modules for applications in automobiles and industrial product. The Group also customized to develop exclusive TFT panel and TFT module for major customers.

In response to the demand for 3G handsets in the market, the Group aggressively developed CSTN, OLED and TFT modules with streaming video capability. To meet the strong demand for camera-embedded handsets, the Group has also developed camera sensor modules and planned to commence mass production in June 2005. Integrating Truly's strength in LCM, the Group offers customers more competitive, multi-functional and value added camera handset module total solutions.

Furthermore, in the area of consumer electronic products, the Group pioneered in launching the first colour display MP3 player in China and constantly enriches its product lines. Truly's MP3 players are well received by end customers who are fond of the Truly brand as well as its ODM customers.

集團從二零零三年六月開始安裝 OLED 生產設備以來，目前已成功量產小尺寸全彩被動式 (passive-matrix) PM OLED (月產能約20K，預計到二零零五年七月份月產能可擴大到80K)，主要應用於手機和 MP3 產品。產品性能已達到了國際同等水平。特別在產品壽命方面獲得了很大的突破，被 OLED 業界普遍認為壽命很短的紅色，我司通過對器件結構進行改良，目前已將紅色 OLED 產品壽命提高到了20,000小時，完全可以滿足車載產品和家電產品的要求。目前，集團正在計劃開發2" QCIF (176×220) 主動式 (active-matrix) AM OLED，預計二零零五年十一月完成樣品，並推廣應用於3G手機顯示模組等領域。

而在 TFT 顯示器方面，集團憑藉多年顯示模組開發之經驗和專項的接合技術，也開發了不同尺寸及點陣的多款 TFT 手機用 LCD 模組。集團現已成功開發出1.22"至1.99"各款128 x 160點陣的TFT 模組，1.88"至2.2"各款176 x 120點陣的 TFT 模組及3.5"以上至7"多款 QVGA (320 x 240) 的 TFT 模組。此外，還積極開發出了中小尺寸的超寬溫的顯示模組，應用於汽車及工業用顯示器領域。並且針對市場及有潛力的大客戶需求積極開發了信利獨有的 TFT 顯示面板 (TFT panel) 及 TFT 模組 (TFT module)。

因應手機市場對於3G的需求，集團積極開發出 CSTN、OLED、TFT 等具有串流動態顯示功能的模組。此外針對未來龐大的照相機之市場需求，集團還開發出手機用的相機攝像頭模組 (camera sensor module)，計劃於二零零五年六月開始量產，屆時將結合信利的液晶顯示模組 (LCM)，為客戶提供更具競爭優勢、多功能高附加值的手機照相及顯示整體方案。

此外，在消費類電子產品方面，集團於回顧年內，率先在中國大陸推出首款彩屏 MP3 播放器後，產品系列不斷豐富，信利 MP3 播放器產品得到了熱愛「TRULY」品牌之終端消費者及各合作之原設計生產 (ODM) 客戶的青睞。

## Future Outlook

Stepping into 2005, the world has entered into the preliminary stage of 3G and digital era with continuous introduction of numerous new handset models and other digital products. Capitalizing on the strong client relationship and all-rounded technical skills, the Group will continue to develop the LCD business to meet different customers' needs. Overall, we are optimistic about the Group's business outlook and performance.

The growing medium- to small-sized LCD market, especially for the application of automobile and industrial products, helps to strengthen the foundation for the Group's business growth. Meanwhile, Japan will also start utilizing color display for DECT Phone and Cordless Phone. Looking forward, the Group expects Asia market, especially Japan and Korea, will be the main growth driver. With continuous expansion in market coverage, we believe more corporations and products will be using the Group's CSTN display products. Furthermore, we will also focus in strengthening our market position in handset display module industry in Korea. Revenue from overseas market for the year 2005 is anticipated to grow by 40% as compared to 2004.

The orders-on-hand of telecommunication products in China remains robust. According to CCID, Domestically-manufactured handsets will be reaching 252.3 million, 282.3 million and 311.2 million units in 2005, 2006 and 2007 respectively, representing growth rate of 14.76%, 12.02% and 10.14%. According to 2005 economic development target set by the Ministry of Information Industry, approximately 260 million units of handsets will be produced in China in 2005, registering a year-on-year growth of 13%, in which 160 million units are targeted for export markets. Together with the robust development in handsets industry, such market will continue to be the important growth driver of the Group. In addition, the rising trend of the demand for color handsets display will lead to increasing numbers of orders placed for CSTN, color OLED and TFT products of the Group. After adding the new CSTN production line in May 2005, our production capacity could simultaneously satisfy the demand of 20 to 25 handset manufacturers.

## 發展展望

踏入二零零五年，初步進入全球期待已久的3G和數碼時代，多款全新移動電話型號及其他數碼產品先後矚目面世。集團於顯示器領域的業務將在現有客戶良好的基礎上進一步延伸，以全方位的顯示技術來滿足全球顧客不同之需求。管理層對業務保持樂觀。

歐洲及北美洲的中小尺寸液晶顯示屏的市場持續增長，特別是在汽車及工業產品方面的應用，將有助推動集團業務增長。與此同時，預期亞洲，尤其日本及韓國市場將會是集團增長的主要部份。日本的 DECT 制式電話及室內無繩電話也開始採用彩屏。隨著信利對市場的進一步開拓，相信會有更多的公司和產品將採用我司的 CSTN 顯示屏。我們亦將重點致力於提升對韓國的手機顯示模組的市場佔有率。集團預計二零零五年集團之海外市場在二零零四年基礎上會有40%的增長。

中國電訊產品市場的訂單持續樂觀，據賽迪資料預測，中國國產手機二零零五、二零零六、二零零七年的增長率分別為14.76%（達到2.52億部）、12.02%（達到2.83億部）、10.14%（達到3.11億部）。中國訊息產業部制定的二零零五年經濟發展目標，二零零五年手機產量為2.6億部，同比增長13%，出口目標為1.6億部。配合其發展迅速的手機市場，此項業務將繼續成為集團今後增長的重要動力。憑藉彩色手機顯示屏不斷上升的趨勢，預料 CSTN、全彩 OLED 及 TFT 的訂單將持續增長。二零零五年五月我集團新的 CSTN 生產線投產後，產能將可同時滿足20—25家手機廠商的訂單需求。

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Market outlook of automobile industry in China is encouraging with increasing numbers of automobile manufacturers in the world to set up the manufacturing and packaging factories in China. According to Xinhua Net's estimate, the growth rate of automobiles and sedan in terms of production units will grow by approximately 13% and 15% respectively in 2005. LCD display products of the Group are mainly used as displays for speedmetre, audio system and GPS products. Truly will continue in strengthening its relationship with automobile parts manufacturers, in order to maintain double-digit growth in the sale of automobile display products.

With expanding application of CSTN, we expect the Group will be able to remain a strong competitor with excellent price to performance ratio. Generally, either CSTN or TFT is used as display

中國的汽車市場增長喜人，各國汽車製造商積極在中國國內生產組裝。據新華網預計中國二零零五年轎車產量可望實現15%左右的增長，全部汽車產量可能增長13%左右。我集團之液晶顯示屏主要用於汽車儀錶、車載音響、GPS全球衛星定位儀等顯示器。信利將增強與各汽車零部製造件商之緊密聯繫，保持集團在車載顯示器產品方面銷售的雙位數增長。

我們預計，隨著 CSTN 應用面更加廣泛，CSTN 產品以優良的性價比在一定時期內仍具有強大的競爭力。眾所周知，目前一部彩屏手機的主屏主



for colour handset. Although CSTN has slower responding time and poorer picture quality than TFT, the price of CSTN modules is cheaper by 10–15%. Within a GSM network of 2.5G or below, both CSTN and TFT displays can satisfy the needs of the majority. On the other hand, 3G or CDMA network can both support interactive multimedia. If the unsolved technical issues regarding the displaying of streaming video screen by using CSTN at the time when 3G network becomes the mainstream in the world, then CSTN will likely lose its market position and becomes the minority. Currently, 90% of the existing networks in the world are GSM. According to GSM Association, GSM new subscriber growth in Latin America in 2004 was 150%, Russia, North America and India all reported 70% growth while China, though less than the above, gained 20% new GSM users. At the end of 2004, global wireless subscribers reached 1.688 billion. GSM subscribers accounted for 1.263 billion (74.9%), CDMA users were 236 million (14.0%) and 3G users were 16.2 million (1.0%). 1.26 billion GSM users is a huge market for handset replacement, upgrade and new subscribers, providing tremendous

要是 CSTN 或 TFT，CSTN 雖然反應速度和圖元雖比 TFT 稍遜，但 CSTN 模組價格便宜約 10–15%。而在一個 2.5G 或以下的 GSM 網路中，兩種顯示幕均能滿足大部分用戶的需求。在以互動式多媒體為主的 3G 或 CDMA 網路中，如果 CSTN 在技術上未能解決顯示動態畫面的問題，而 3G 網路又快速地在全球成為主要網路，CSTN 的市場或許將會變得很少。但是目前，全球 90% 的網路是 GSM 制式。據 GSM 協會資料顯示，二零零四年拉丁美洲 GSM 用戶增長 150%，俄羅斯、北美洲和印度分別新增 70% GSM 用戶，雖然中國的增幅不及前 4 個國家和地區，增長亦有 20%。截至二零零四年底，全球手機用戶多達 16.88 億戶，其中 GSM 用戶佔 12.63 億 (74.9%)，CDMA 用戶佔 2.36 億 (14.0%)，而 3G 用戶佔 0.162 億 (1.0%)，12.6 億的 GSM 用戶是一個龐大的手機市場，無論是新增客戶、還是手機升級換機，都是巨大的商機。這個佔全球人口五分之一的市場，其規模

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opportunities. GSM market covers approximately one-fifth of the world's population — with such massive scale and extensive coverage area, it is not easy for 3G to takeover and become the mainstream network. Regardless of slower responding time of CSTN as compared with TFT, there will be no major differences in terms of performance in small-sized products. In addition, together the custom-made feature and shorter order-delivery time possessed by CSTN, CSTN is expected to retain its mainstream position in its application in the handset and automobile products in the future. The in-depth technology know-how and patents of CSTN products will benefit the Group in the market. To further expedite the production capacity of CSTN, an additional CSTN production line will be put into operation in May 2005. The Group is also considering to add another CSTN production line in 2006. The Group will become the largest CSTN producer in the world by then with 1.8" CSTN panel's monthly production volume reaching 9.5 million pieces. The cost of CSTN products of the Group will be dramatically lowered with increasing competitive power in the market. The Group will also manufacture major components of display modules, such as FPC and motor, etc., by our own production plants.

On the other hand, leveraging on technical expertise in display products, the Group will further explore consumer market. On the existing enriched MP3 product series, the Group will develop new MP3 and MP4 products with CCD camera and U-drive features. The strengthening of "Truly" brand and increasing numbers of ODM customers will provide the business with sustainable and attractive growth.

### Conclusion

Truly possesses 25 years of professional electronic products manufacturing experience. With a prudent operational style, Truly closely monitors the market trend, focuses on the production and manufacturing without diversifying into other industries. Over the years, we pursued the corporate culture of "Integrity Based" and the management philosophy of "People Based", as well as emphasized the importance of technology advancement to the products and the

之大，分佈區域極廣，要完全過渡至3G，也絕非易事。在目前飛速發展的手持設備和車載設備上，CSTN 仍是主流，雖然反應速度比 TFT 慢，不過在小尺寸產品上表現差異不大。與 TFT 相比，CSTN 具備量身定做以及供貨迅速的優點。而集團在該項技術方面積累的經驗和專利亦將給我們帶來持續之效益。為此集團將發揮 CSTN 生產之規模效應，在目前生產規模的基礎上，二零零五年五月，一條新的 CSTN 線將投產。二零零六年初則計劃投產另一條 CSTN 生產線。屆時，集團將成為全球最大的 CSTN 生產工廠，以 1.8" 計 CSTN 面板的月出貨量可達 9,500,000 片。CSTN 產品成本將大幅降低，市場競爭力會更強。而同時，用於顯示模組的一些主要配件，如 FPC、馬達等，我們也由自己的配套工廠生產，以實現部分自給。

另一方面，集團依賴本身顯示技術之優勢，在消費類產品方面，會在豐富現有彩屏 MP3 產品系列的基礎上，開發一些附加 CCD 攝像頭功能、集 U 盤等於一體的新型 MP3 及 MP4 產品。集團自有「TRULY」品牌的加強及原設計生產 (ODM) 客戶數的增加，會讓此業務在今後保持理想增長。

### 總結

信利已有二十五年的電子產品專業製造經驗，經營作風一貫穩健，貼近市場、專注生產製造，從未涉足其他行業。一直以來，我們真正奉行「誠信為本」的企業精神和「以人為本」的管理理念，重視科技研發對產品及公司的推動。且已培養出專業的生產管理和科研隊伍，能很好掌控生產製造的各個環節，能順應市場潮流，把握市場方

Group. A professional team of production management and research and development has been established, who are able to manage every procedure of the whole process and follow the market trend. Therefore, Truly was able to maintain stable operations and strong profitability during the development phase. With our solid foundation and advanced technology built over the years, Truly has started to enter the phase of rapid development.

Looking ahead, with the leadership of reliable and visionary management and the dedication of our employees, we will put all our effort to work together for our business, endeavor to maximize returns to our shareholders and bring prosperous future to our customers. Truly is confident to concentrate on being a professional research and manufacturing company in the small- to mid-sized display panel technology and being the No. 1 in the small- to mid-sized display panel sector in the world.

## Financial Analysis

### Investments, Assets and Liabilities

During the year, the Group acquired plant and machinery with a total value of HK\$165 million and properties under development amounting to HK\$6 million for the purpose of expanding its manufacturing capacity in its production base in the PRC.

Total assets were increased by approximately 39% to HK\$2,409 million which comprised HK\$1,477 million of current assets, HK\$894 million of fixed assets and HK\$38 million of deferred expenditure and other long-term assets. Total liabilities were about HK\$1,001 million of which HK\$758 million were current liabilities and HK\$243 million were long term liabilities. The current ratio was maintained at a healthy level of 1.9.

### Liquidity and Financial Resources

Turnover and net profit for the year were increased by 143% and 173% respectively. Earnings per share were accordingly enhanced by approximately 174%.

向。故信利在發展中能一直保持穩健運作和較強的盈利能力。經過多年基礎性工作的積累，技術的進步與成熟，信利已開始步入高速發展的快車道。

展望前景，信利將在嚴謹務實和高瞻遠矚的管理層的悉心領導下，在員工之拼搏精神下，我們將同心協力，鞠躬盡瘁，致力為信利股東帶來最豐厚的回報，為客戶帶來輝煌燦爛的將來。信利將更有信心專注打造成為專業的中小尺寸平面顯示技術的研究生產公司，為成為中小尺寸顯示器領域的全球第一而努力。

## 財務狀況分析

### 投資、資產及負債

於年度內，集團為擴充其於國內生產基地之產能，添置總值165,000,000港元之廠房及設備，以及總值6,000,000港元之發展中物業。

總資產上升約39%至2,409,000,000港元，當中計有1,477,000,000港元流動資產、894,000,000港元固定資產、38,000,000港元遞延支出及其它長期資產。總負債約為1,001,000,000港元，當中包括758,000,000港元流動負債及243,000,000港元長期負債。流動比率維持在1.9的健康水準。

### 流動資金及財政資源

年內，營業額及溢利分別上升143%及173%，因此每股盈利隨之增強約174%。



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As at 31 December 2004, the surplus cash and bank balances, net of outstanding bank and other borrowings were about HK\$53 million (2003: net debt of HK\$221 million). These borrowings bear interest at prevailing market rate and their maturity profiles are shown in notes 23 and 24 to the financial statements.

The Group is now in the strongest financial position in its 25 year history and ready for future expansion while keeping a sufficiently high level of cash and bank balances (HK\$476 million as at 31 December 2004) together with adequate unutilized banking facilities. The gearing ratio based on total liabilities, net of cash and bank balances was approximately 37%.

Capital expenditure of approximately HK\$550 million for the next three years in respect of acquisitions of property, plant and equipment was authorized but not contracted for. Their expected sources of funding will be principally from internal reserves.

#### General

During the year, the Group issued 7,430,000 ordinary shares of HK\$0.1 each under the 2001 share option scheme at HK\$2.196 per share, for a consideration of HK\$16,316,280. The new shares rank pari passu with the existing shares in all respects and the issued share capital of the Company was accordingly increased to HK\$45,168,953 at 31 December 2004.

The state of the Group's current order books is very excellent.

Except for investments in subsidiaries and an associate, neither the Group nor the Company had held any material investments during the year.

Additions to and disposals of fixed assets mainly in plant and machinery were approximately HK\$187 million and HK\$14 million respectively during the year. As at 31 December 2004, the Group had pledged certain of its machinery with an aggregate carrying value of around HK\$55 million to secure banking facilities.

於二零零四年十二月三十一日，淨現金及銀行結餘(扣除未償還之銀行及其它借貸)約為53,000,000港元(二零零三年：淨負債221,000,000港元)。該等貸款之利率乃根據現行市場息率而厘定，其還款期載於財務報表附注第23及24項。

本集團之財政狀況，現正處於其25年歷史上最穩健之時期，其同時持有高度充盈的現金及銀行結餘(於二零零四年十二月三十一日為476,000,000港元)，及足夠的尚未運用銀行備用額，足以應付未來的資本擴展所需。資本負債比率按總負債(經扣除現金及銀行結餘)計算約為37%。

未來三年，將有約550,000,000港元的資本支出會用作購置物業、廠房及設備，此事已獲授權但尚未訂約，預期資金來源主要為內部儲備。

#### 一般事項

年內，本公司根據購股權計劃(2001)以每股2.196港元發行7,430,000股每股面值0.1港元之普通股，股款為16,316,280港元。該等新股份與現有股份在各方面均享有同等權利，本公司於二零零四年十二月三十一日之已發行股本因此增加至45,168,953港元。

本集團現時的訂單數量非常可觀。

除附屬公司及聯營公司投資外，本集團及本公司均無於年內持有任何重大投資。

年內，固定資產添置及出售(以廠房及機器為主)約為187,000,000港元及14,000,000港元。於二零零四年十二月三十一日，本集團已將其帳面總值約55,000,000港元的若干機器質押，以作為其銀行備用額的抵押品。

More than 5,200 workers and staff are currently employed in our Shan Wei factory and approximately 80 personnel in the Group's Hong Kong office. Total staff costs for the year were about HK\$155 million.

Other than trade bills of around HK\$27 million discounted to banks in the ordinary course of business, the Group had no material contingent liabilities. Exposure to fluctuations in exchange rates was minor and properly hedges, if any.

### Dividends

The directors recommend the payment of a final dividend for the year ended 31 December 2004 of 23 HK cents per share (2003: 12 HK cents) which, together with the interim dividend of 17 HK cents (2003: 7 HK cents) paid in October 2004, makes a total dividend for the year of 40 HK cents per share (2003: 19 HK cents).

The total dividend payout ratio for the year was about 34% and it is the Board's long term target to keep this ratio in between 30% and 35%.

### Customers and Suppliers

In the year under review, sales to the five largest customers and purchases from the five largest suppliers accounted for less than 30% of the total sales and purchases of the Group respectively.

As at 31 December 2004, none of the directors, their associates, or any shareholders which to the knowledge of the directors owned more than 5% of the Company's share capital had any beneficial interests in the Group's five largest customers and/or five largest suppliers mentioned in the preceding paragraph.

現時超過5,200名工人及雇員受聘於本集團位於國內汕尾之工廠，以及約有80名員工受雇於香港辦事處。年內，員工總成本約為155,000,000港元。

除於一般業務過程中向銀行貼現約27,000,000港元的商業票據外，本集團概無任何重大或然負債，且僅須承擔低度匯率波動風險，並已就此妥為作出對沖（如有）。

### 股息

董事建議就截至二零零四年十二月三十一日止年度派付每股23港仙（二零零三：12港仙）之末期股息，連同已於二零零四年十月派付的中期股息每股17港仙（二零零三：7港仙）計算，本年度的股息總額為每股40港仙（二零零三：19港仙）。

年內之總派息比率約為34%，董事會擬定之長期派息率目標為30%至35%之間。

### 客戶及供應商

回顧年內，向五大客戶進行之銷售及自五大供應商之購貨額分別佔本集團總銷售額及購貨額不足30%。

於二零零四年十二月三十一日，概無董事、彼等之聯繫人士或據董事所知擁有本公司已發行股本超過5%之股東於前段所述本集團五大客戶及／或五大供應商中擁有任何實益權益。

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#### Directors and Senior Management

Biographical details of the directors of the Company and senior management of the Group are set out as follows:

Mr. Lam Wai Wah, Steven, aged 52, is the Chairman and Managing Director of the Company. He is the founder of the Group and has over 28 years of experience in the electronics industry. He is primarily responsible for the formulation of the Group's overall strategic planning and business development.

Mr. Wong Pong Chun, James, aged 46, is an Executive Director of the Company. He is responsible for the Group's operations, external affairs and investor relationship. Mr. Wong graduated from Centro Escolar University of the Philippines with the degree of Doctor of Dental Medicine in 1983. He joined the Group in 1987.

Mr. Cheung Tat Sang, James, aged 49, is an Executive Director of the Company. He is responsible for the sales of the Group's LCD products and other semiconductor components. Prior to joining the Group in 1989, he was sales manager for a number of electronics companies for over 10 years.

Mr. Li Jian Hua, aged 41, is the Head of the Group's LCD Production Division and an Executive Director of the Company. Mr. Li graduated from the Jilin University of Technology and Engineering Management in 1987 and joined the group in 1989. Prior to joining the Group, he worked in a multinational motor car manufacturer in Guangzhou City, the PRC for almost two years.

Mr. Chung Kam Kwong, aged 47, was re-designated as an independent Non-executive Director of the Company during the year and he is also the Chairman of the Group's Audit Committee. Mr. Chung is a practising Certified Public Accountant in Hong Kong and is members of the Hong Kong Institute of Certified Public Accountants and the Australian Society of Certified Practising Accountants and a council member of the Macau Society of Certified Practising Accountants. He has extensive experience in accounting and financial management and has been the independent Non-executive Director, management consultant and Company Secretary of a number of listed companies in Hong Kong.

#### 董事及高級管理人員

以下所載為本公司董事及本集團高級管理人員之履歷：

林偉華先生，現年五十二歲，本公司之主席兼董事總經理。彼為本集團之創辦人，從事電子業超過二十八年，主要負責制訂本集團之整體策略及業務發展。

黃邦俊先生，現年四十六歲，本公司之執行董事。彼負責本集團之業務運作，對外事務與投資者關係。黃先生於一九八三年畢業於菲律賓 Centro Escolar University，並取得牙醫學位。彼於一九八七年加入本集團。

張達生先生，現年四十九歲，本公司之執行董事。彼負責銷售本集團之半導體產品及元件。彼於一九八九年加入本集團之前，曾任多間電子公司之營業經理逾十年。

李建華先生，現年四十一歲，本集團之液晶體顯示器生產部主管兼本公司之執行董事。李先生於一九八七年畢業於吉林工業大學管理學院，後於一九八九年加入本集團。彼於加入本集團之前，曾於中國廣州市一間國際汽車生產商任職近兩年。

鍾錦光先生，現年四十七歲，於年內調職為本公司之獨立非執行董事，並為本集團審核委員會的主席。彼為香港執業會計師，並為香港會計師公會資深會員，澳洲註冊會計師，亦為澳門執業會計師公會的委員會成員。鍾先生於會計及財務管理上擁有深厚經驗，並為香港多間上市公司的獨立非執行董事、管理顧問及公司秘書。

Mr. Ip Cho Ting, Spencer, aged 46, is an independent Non-executive Director and a member of the Group's Audit Committee. He is the holder of a Bachelor of Science degree from the University of Wisconsin, Green Bay, U.S.A. Mr. Ip is a member of the Institute of Financial Planner of Hong Kong and is the Senior Financial Advisor of a professional insurance company in Hong Kong.

Mr. Heung Kai Sing, aged 56, is an independent Non-executive Director and a member of the Group's Audit Committee. He has experience in textile industry.

Mr. Cheung Chong Hai, aged 53. Mr. Cheung joined the Group in 1987 and is the General Manager of Truly Semiconductors (Europe) GmbH with main responsibility in the marketing of the Group's LCD products to customers in Europe.

Mr. Ng Sui Wa, Thomas, aged 42, is the Group's Chief Financial Officer and the Finance Director of Truly Semiconductors Limited. He graduated from the University of Hong Kong and is a fellow member of the Association of Chartered Certified Accountants. Mr. Ng joined the Group in 1996 and has more than 17 years of experiences for working in an international accounting firm and in the commercial and industrial sectors.

**Lam Wai Wah, Steven**  
*Chairman*

Hong Kong, 30 March 2005

葉祖亭先生，現年四十六歲，獨立非執行董事，並為本集團審核委員會之成員。彼持有美國 Green Bay 威斯康辛大學之理學士學位。葉先生為香港財務策劃師學會會員及香港一間專業保險公司之高級財務顧問。

香啟誠先生，現年五十六歲，獨立非執行董事，並為本集團審核委員會之成員。彼在紡織業擁有豐富經驗。

張壯希先生，現年五十三歲。張先生於一九八七年加入本集團，現任 Truly Semiconductors (Europe) GmbH 之總經理，專責向歐洲客戶推廣本集團之液晶體顯示器產品。

吳瑞華先生，現年四十二歲，為本集團之財務總監，並為信利半導體有限公司之財務董事。彼畢業於香港大學，並為英國公認會計師公會之會員。吳先生於一九九六年加入本集團，擁有一間國際會計師行及工商界逾十七年的工作經驗。

主席  
**林偉華**

香港，二零零五年三月三十日