

OVERVIEW

For the year ended 31 December 2002 the Group recorded a turnover of approximately HK\$710 million which represents an increase of 26% as compared to the corresponding figure for the year ended 31 December 2001. The gross profit for the year under review was approximately HK\$100 million as compared to approximately HK\$72 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 49% of our turnover for the year under review, up from 15% 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 2002 sales of cordless telephones amounted to 40% of the Group's turnover, sales of corded telephones amounted to 8%, sales of other telephone products amounted to 3%.

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\$628 million and Asia Pacific region accounted for approximately HK\$82 million of the Group's turnover.

概覽

於截至二零零二年十二月三十一日止年度，本集團錄得營業額約 710,000,000 港元，較截至二零零一年十二月三十一日止年度之數字上升 26%。回顧年度之毛利約為 100,000,000 港元，上一個年度則約為 72,000,000 港元。

分類資料

本集團之營業額及業績貢獻，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 產品之佔總體銷售比例從前年之約 15% 上升至上年度之約 49%。由於預期歐洲市場不但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。於二零零二年內，無線電話之銷售額佔本集團營業額之 40%，有線電話佔 8%，而其他電話產品則佔 3%。

本集團之客戶基礎一直包括了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 628,000,000 港元，而亞太區之客戶則帶來約 82,000,000 港元。

LIQUIDITY AND FINANCIAL RESOURCES

Pursuant to the restructuring of the Group effected on September 1999, secured convertible notes with an aggregate principal value of approximately HK\$39,563,000 (the "Convertible Notes") were issued by the Company. At 6 September 2002, the term of repayment and other terms of the Convertible Notes were modified pursuant to an agreement entered into with the Group Bank Agent acting on behalf of the holders of the Convertible Notes. Upon implement of the modification, out of the total outstanding principal amount of approximately HK\$27.6 million, HK\$12 million and HK\$15.6 million were required to repay in September 2002 and September 2003 respectively.

At 31 December 2002, principal of HK\$12 million had been repaid and the Company had outstanding Convertible Notes with an aggregate face value of approximately HK\$15.6 million which were redeemed by the Company on 10 March 2003, 6 months earlier than scheduled.

As at 31 December 2002, the Group had net current liabilities of approximately HK\$6 million, total assets of HK\$163 million and shareholders' funds of approximately HK\$16 million.

As at 31 December 2002, the cash balance of the Group stood at HK\$15 million included \$0.8 million being pledged as security for purchase on behalf of customers.

PLEDGES OF ASSETS

As at 31 December 2002, the Group has pledged a bank deposit of approximately HK\$0.8 million to secure credit facilities granted to the Group. All the Company's assets and its entire equity interests in nine wholly-owned subsidiaries were pledged to secure the Convertible Notes which will be released following the repayment of all convertible notes by the Company in 10 March 2003.

流動資金及財政資源

根據本集團於一九九九年九月十日生效之重組，本公司已發行本金總額約39,600,000港元之已抵押可換股票據（「可換股票據」）。於二零零二年九月六日本公司與集團銀行代理人（代表可換股票據持有人）同意調整可換股票據之條款及償還期限。在實行修訂後，本公司須於二零零二年九月償還本金額約27,600,000港元中其中12,000,000港元，其餘15,600,000港元須於二零零三年九月償還。

於二零零二年十二月三十一日，本公司已償還本金額12,000,000港元並餘下未償還之可換股票據總額約15,600,000港元。此部份之餘額亦已於二零零三年三月十日全部提前六個月償還。

於二零零二年十二月三十一日，本集團之流動負債淨額約6,000,000港元、資產總額約163,000,000港元及股東資金約16,000,000港元。

於二零零二年十二月三十一日，本集團之現金結餘約為15,000,000港元，包括就代表客戶進行購買事宜而質押約800,000港元作為抵押之款項。

資產抵押

於二零零二年十二月三十一日，本集團質押了為數約800,000港元之銀行存款，作為所獲批信貸額之抵押。本公司所有資產及於九間全資附屬公司之全部股權均予以質押，作為可換股票據之抵押。隨著本公司於二零零三年三月十日償還所有可換股票據後，此項資產之抵押將於日後解除。

GEARING RATIO

The Group's total bank borrowings as at 31 December 2002 was approximately HK\$53 million (2001: HK\$29 million). Out of this, approximately HK\$37 million (2001: Nil) represented advances drawn on trade receivables with insurance coverage.

At the balance sheet date, the gearing ratio of the Group is 0.96 (2001: No gearing ratio due to negative total equity) which is calculated based on the Group's total bank borrowings of non-trade finances nature of approximately HK\$15 million (2001: HK\$29 million) and the Group's net shareholders' equity of approximately HK\$16 million (2001: negative HK\$17 million).

INVESTMENTS

There is no material acquisitions and disposals of subsidiaries and associated companies in the course of the current year.

CONTINGENT LIABILITIES

The Group has outstanding guarantees of approximately HK\$75 million to secure general banking facilities granted to a jointly controlled entity.

EMPLOYEES

The group's emolument policies are formulated on the performance of employees with reference to the market condition. 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 9,350,000 share options to the employees in accordance with the share option scheme adopted on 23 May 2002.

負債與股東權益比率

於二零零二年十二月三十一日，本集團之銀行借貸總額約為 53,000,000 港元（二零零一年：29,000,000 港元）。其中約 37,000,000 港元（二零零一年：無）為已投保應收貿易賬款所取得之貼現融資。

於資產負債表結算日，本集團之負債與股東權益比率為 0.96（二零零一年：因為總權益為負數，故並無負債與股東權益比率）。負債與股東權益比率乃以本集團之所有非貿易財務性質之銀行借貸約 15,000,000 港元（二零零一年：29,000,000 港元）及本集團之股東權益淨值約 16,000,000 港元（二零零一年：負數 17,000,000 港元）額計算。

投資

於本年度並無任何重大收購及出售任何附屬及關連公司。

或然負債

本集團現存擔保約 75,000,000 港元，作為授予一間合營公司一般銀行信貸之抵押。

僱員

本集團之酬金政策，乃參考市況，按僱員之表現而制定。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，本集團根據於二零零二年五月二十三日採納之購股權計劃，向僱員授出合共 9,350,000 份購股權。