

NOTES:

1. Statement of compliance and accounting policies

The 2004 interim report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Statement of Standard Accounting Practice 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and on a basis consistent with the accounting policies adopted in preparing the annual report of the Group for the year ended 31 December 2003.

2. Segment information

Geographical segments by location of customers with reference to the location of final users of the telephones and related equipment for the six months ended 30 June 2004:

附註：

1. 遵守說明及會計政策

二零零四年中期報告乃根據香港聯合交易所有限公司(「聯交所」)主板上市規則之規定及香港會計師公會頒佈之會計實務準則第25號「中期財務報告」而編製，並以與編製本集團截至二零零三年十二月三十一日止年度之年報所採納之會計政策一致之會計政策為基準。

2. 分類資料

截至二零零四年六月三十日止六個月按客戶所在地點劃分之業務地區分類(經參考電話及相關設備最終用戶所在地點)：

		Europe 歐洲							Asia Pacific 亞太區			
		United Kingdom	France	Germany	Italy	Sweden	Portugal	Spain	Other European countries	Australia	Other Asia Pacific countries	Total
		英國	法國	德國	意大利	瑞典	葡萄牙	西班牙	其他歐洲國家	澳洲	其他亞太區國家	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
TURNOVER	營業額	311,403	105,126	65,956	318,929	19,453	14,289	68,425	57,730	72,382	13,071	1,046,764
RESULTS	業績											
Segment results	分類業績	32,448	10,730	6,892	30,037	1,938	1,493	7,150	5,487	4,791	1,349	102,315
Unallocated corporate revenue	無分配之公司收入											78
Unallocated corporate expenses	無分配之公司開支											(45,625)
Profit from operations	經營溢利											56,768
Finance costs	財務成本											(3,888)
Profit before taxation	除稅前溢利											52,880
Taxation	稅項											(9,254)
Profit before minority interests	未計少數股東權益前溢利											43,626
Minority interests	少數股東權益											10
Net profit for the period	期間溢利淨額											43,616

Geographical segments by location of customers with reference to the location of final users of the telephones and related equipment for the six months ended 30 June 2003:

截至二零零三年六月三十日止六個月按客戶所在地點劃分之業務地區分類(經參考電話及相關設備最終用戶所在地點)：

		Europe 歐洲							Asia Pacific 亞太區		Total	
		United Kingdom	France	Germany	Italy	Sweden	Portugal	Spain	Other European countries 其他歐洲國家	Australia 澳洲	Other Asia Pacific countries 其他亞太區國家	Total
		英國	法國	德國	意大利	瑞典	葡萄牙	西班牙	其他歐洲國家	澳洲	其他亞太區國家	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
TURNOVER	營業額	269,884	37,942	66,477	50,839	30,758	17,368	18,210	21,264	43,643	18,950	575,335
RESULTS	業績											
Segment results	分類業績	22,333	3,276	5,740	3,906	2,656	1,500	1,572	1,836	2,108	1,634	46,561
Unallocated corporate revenue	無分配之公司收入											803
Unallocated corporate expenses	無分配之公司開支											(24,984)
Profit from operations	經營溢利											22,380
Finance costs	財務成本											(2,569)
Profit before taxation	除稅前溢利											19,811
Taxation	稅項											(1,411)
Profit before minority interests	未計少數股東權益前溢利											18,400
Minority interests	少數股東權益											(2)
Net profit for the period	期間溢利淨額											18,402

As all of the Group's turnover and contribution to results were derived from the design, manufacture and sale of telephones and related equipment, no separate business segment analysis is presented for the Group.

由於所有本集團營業額及業績貢獻皆來自設計、製造及銷售電話及相關設備，故本集團並無呈報獨立業務分類分析。

3. Profit from operations

3. 經營溢利

		Six months ended 30 June	
		2004 截至六月三十日止六個月 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利已扣除下列各項：		
Product development expenditure	產品開發開支	16,178	9,224
Less: Amount capitalised	減：資本化金額	(14,013)	(7,326)
		2,165	1,898
Depreciation:	折舊：		
- assets owned by the Group	- 本集團擁有之資產	306	513
- assets under finance leases	- 按融資租賃之資產	1,430	57
Amortisation of intangible assets	無形資產攤銷	8,200	5,550
and after crediting:	並已計入：		
Interest income	利息收入	78	4

4. Taxation

Current tax	現行稅項
Hong Kong	香港
Overseas	海外
Deferred tax	遞延稅項
Hong Kong	香港
Overseas	海外

Hong Kong Profits Tax has been calculated at 17.5% (2003: 17.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the overseas countries in which the Group operates respectively.

Deferred tax has been provided for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profits.

5. Earnings per share

The calculation of the basic and diluted earnings per share for the period is based on the following data:

Earnings for the purposes of basic and diluted earnings per share	用以計算每股基本及攤薄盈利之盈利
Weighted average number of ordinary shares for the purposes of basic earnings per share	用以計算每股基本盈利之普通股加權平均數
Effect of dilutive potential ordinary shares: Share options	具潛在攤薄影響之普通股：購股權
Weighted average number of ordinary shares for the purposes of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數

The computation of diluted earnings per share for the period ended 30 June 2003 did not assume the exercise of the Company's warrants as the exercise price of the warrants was higher than the average market price of the Company's shares. The warrants were expired on 1 June 2004.

4. 稅項

		Six months ended 30 June	
		2004	2003
		截至六月三十日止六個月	截至六月三十日止六個月
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Current tax	現行稅項		
Hong Kong	香港	8,512	696
Overseas	海外	450	604
		<u>8,962</u>	<u>1,300</u>
Deferred tax	遞延稅項		
Hong Kong	香港	292	111
Overseas	海外	—	—
		<u>292</u>	<u>111</u>
		<u>9,254</u>	<u>1,411</u>

香港利得稅乃根據期內估計之應課稅溢利按稅率17.5% (二零零三年：17.5%) 計算。海外利得稅乃根據期內之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

遞延稅項乃根據財務報表內所有資產及負債項目之賬面值及其用於計算應課稅溢利之相關稅基所產生之暫時性差異作撥備。

5. 每股盈利

本期間之每股基本及攤薄盈利乃根據以下數據計算：

		Six months ended 30 June	
		2004	2003
		截至六月三十日止六個月	截至六月三十日止六個月
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Earnings for the purposes of basic and diluted earnings per share	用以計算每股基本及攤薄盈利之盈利	<u>43,616</u>	<u>18,402</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	用以計算每股基本盈利之普通股加權平均數	311,263,172	268,494,512
Effect of dilutive potential ordinary shares: Share options	具潛在攤薄影響之普通股：購股權	<u>4,031,496</u>	<u>3,241,949</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數	<u>315,294,668</u>	<u>271,736,461</u>

由於認股權證之行使價高於本公司股份之平均市價，故計算截至二零零三年六月三十日止期間每股攤薄盈利時並無假設行使本公司之認股權證。認股權證於二零零四年六月一日屆滿。

6. Trade receivables, bills receivables, deposits and prepayments

Included in trade receivables, bills receivables, deposits and prepayments are trade debtors of HK\$95,043,000 and their ageing analysis is as follows:

0 -30 days	0-30 日
31- 60 days	31-60 日
Over 60 days	60 日以上

The Group allows an average credit period of 30 to 40 days to its trade customers.

7. Trade receivables with insurance coverage

Details of the ageing analysis of trade receivables with insurance coverage are as follows:

0 -30 days	0-30 日
31- 60 days	31-60 日

8. Trade payables, deposits received and accrued charges

Included in trade payables, deposits received and accrued charges are trade payables of HK\$188,814,000 and their ageing analysis is as follows:

0 -30 days	0-30 日
31- 60 days	31-60 日
Over 60 days	60 日以上

9. Trade receivable from a jointly controlled entity

The amount due from the jointly controlled entity, which mainly arose from the trading activities of purchase of finished goods from and procurement of suppliers, is unsecured, non-interest bearing and repayable on demand. The above balances are aged within 30 days at the respective balance sheet date.

6. 應收貿易賬款、應收票據、按金及預付款項

應收貿易賬款、應收票據、按金及預付款項包括 95,043,000 港元之應收貿易賬款，其賬齡分析如下：

30 June 2004 二零零四年 六月三十日 HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元
43,244	29,985
43,789	46,250
8,010	8,138
<u>95,043</u>	<u>84,373</u>

本集團向其貿易客戶提供平均 30 至 40 日之信貸期。

7. 已投保之應收貿易賬款

已投保之應收貿易賬款之賬齡分析詳情如下：

30 June 2004 二零零四年 六月三十日 HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元
120,019	88,916
16,642	3,337
<u>136,661</u>	<u>92,253</u>

8. 應付貿易賬款、已收按金及應計費用

應付貿易賬款、已收按金及應計費用包括 188,814,000 港元之應付貿易賬款，其賬齡分析如下：

30 June 2004 二零零四年 六月三十日 HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元
79,923	60,986
88,067	45,401
20,824	56,961
<u>188,814</u>	<u>163,348</u>

9. 應收一間合營公司貿易賬款

應收合營公司之款項主要來自向供應商採購製成品及供應商作出之採購，該等款項為無抵押、免息及須按要求即時償還。上述結餘於各自之結算日之賬齡為三十日內。

10. Obligations under finance leases

10. 融資租賃項下之債務

		THE GROUP 本集團			
		Minimum lease payment 最低租金		Present value of minimum lease payments 最低租金現值	
		30 June 2004 二零零四年 六月三十日 HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元	30 June 2004 二零零四年 六月三十日 HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元
Amounts payable under finance leases are repayable as follows:	須於下列年內償還之融資租賃項下之應付金額：				
Within one year	一年內	4,836	3,166	4,274	2,757
More than one year, but not exceeding two years	超過一年但不逾兩年	4,552	2,781	4,257	2,538
Within two to five years	於第二至第五年內	2,251	2,404	2,202	2,329
		11,639	8,351	10,733	7,624
Less: future finance charges	減：未來融資費用	(906)	(727)	—	—
Present value of lease obligations	租賃債務現值	10,733	7,624	10,733	7,624
Less: Amount due within one year and shown under current liabilities	減：一年內到期及流動負債下列示之款項			(4,274)	(2,757)
Amount due after one year	一年後到期款項			6,459	4,867

The average lease term is 4 years (2003:4 years). For the period ended 30 June 2004, the average effective borrowing rate was 6% (2003: 7%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

租期平均為四年(二零零二年：四年)。於截至二零零四年六月三十日止期間，實際之借貸率平均為6厘(二零零三年：7厘)。利率按合約日期釐訂。所有租賃均按固定還款基準訂立，但並未就或然租金訂立任何安排。

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

本集團之融資租賃承擔乃以出租人之租賃資產抵押作擔保。

11. Share capital

11. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares at HK\$0.1 each	每股面值0.1港元之普通股		
AUTHORISED:	法定：		
At 1 January and 30 June 2004	於二零零四年一月一日及二零零四年六月三十日	2,500,000,000	250,000
ISSUED AND FULLY PAID:	已發行及繳足：		
At 1 January 2004	於二零零四年一月一日	308,493,516	30,849
Exercise of share options	行使購股權	8,709,500	871
Exercise of warrants	行使認股權證	2,055,644	206
At 30 June 2004	於二零零四年六月三十日	319,258,660	31,926

12. Contingent liabilities

Guarantees given to banks in respect of bank facilities utilized by:	就下列各項所動用之銀行信貸向銀行作出擔保：
- a jointly controlled entity	—一間合營公司
Bills discounted with recourse	附有追索權之貼現票據

30 June 2004 二零零四年 六月三十日 HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元
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72,251	73,861
141,253	116,232
213,504	190,093

13. Commitments

(a) There were no material capital commitments as at 30 June 2004. (2003: Nil)

(b) Commitments under operating leases

At 30 June 2004, the Group has commitments for future minimum lease payments under non-cancellable operating leases in respect of certain premises as follows:

Operating leases which fall due:	經營租約於下列年期到期：
Within one year	一年內
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）

30 June 2004 二零零四年 六月三十日 HK\$'000 千港元	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元
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629	596
286	529
915	1,125

14. Pledge of assets

As at 30 June 2004, a bank deposit of HK\$15,273,000 (2003: HK\$13,390,000) was pledged by the Group to secure credit facilities granted to the Group.

15. Related party disclosures

i) During the period ended 30 June 2004, the Group purchased finished goods of HK\$918,341,000 (2003: HK\$512,496,000) from a jointly controlled entity. In addition, as at 30 June 2004, certain of the jointly controlled entity's bank borrowings amounting to approximately HK\$72 million (2003: HK\$74 million) were guaranteed by the Group.

The transactions disclosed above were entered at terms determined and agreed by the Group and the relevant parties.

ii) At 30 June 2004, Mr Leung Shek Kong, a director of the Company, provided a personal guarantee to a bank for the acquisition of a motor vehicle to the extent of approximately HK\$434,000 (2003: HK\$434,000).

12. 或然負債

13. 承擔

(a) 於二零零四年六月三十日，概無重大資本承擔（二零零三年：無）。

(b) 經營租約承擔

於二零零四年六月三十日，本集團就若干物業之不可撤銷經營租約，擁有未來最低租金承擔如下：

14. 資產抵押

於二零零四年六月三十日，本集團已將銀行存款 15,273,000 港元（二零零三年：13,390,000 港元）作為本集團獲授信貸融資之抵押。

15. 關連人士披露事項

i) 於截至二零零四年六月三十日止期間，本集團向一間合營公司購買價值 918,341,000 港元（二零零三年：512,496,000 港元）之製成品。此外，於二零零四年六月三十日，該合營公司之部份銀行借貸由本集團提供擔保約為 72,000,000 港元（二零零三年：74,000,000 港元）。

以上披露之交易乃按本集團與有關人士釐訂及協定之條款訂立。

ii) 於二零零四年六月三十日，本公司之董事梁錫光先生就購買一架汽車向一間銀行作出最高約 434,000 港元（二零零三年：434,000 港元）之個人擔保。

16. Acquisition of a subsidiary

On 28 May 2004, the Group acquired 100% of the issued share capital and the shareholders' loan of Mansella Limited ("Mansella") for cash consideration of US\$1,000,000 and GBP110,000. This transaction has been accounted for using the acquisition method of accounting.

The following summarizes the effect of the acquisition:

		30 June 2004 二零零四年 六月三十日 HK\$'000 千港元
Net assets acquired	收購資產淨值	2,596
Goodwill arising on acquisition	於收購時產生之商譽	7,472
		<u>10,068</u>
Satisfied by:	以下列各項支付：	
Cash and cash equivalents	現金及現金等值項目	6,227
Other payables	其他應付賬款	3,841
		<u>10,068</u>
Net cash outflow arising on acquisition	於收購時產生之現金流出淨額	
Amount paid during the period	期內已付金額	(6,227)
Bank balance and cash acquired	收購之銀行結餘及現金	2,327
		<u>(3,900)</u>

Mansella is one of the leading engineering research development houses in Europe focusing on Bluetooth technology and wireless data solutions. During the interim period, Mansella did not make any significant contribution to the results of the Group.

16. 收購一間附屬公司

於二零零四年五月二十八日，本集團收購 Mansella Limited (「Mansella」) 之 100% 已發行股本及股東貸款，現金代價為 1,000,000 美元及 110,000 英鎊。是項交易使用收購會計法處理。

以下概述收購之影響：

		30 June 2004 二零零四年 六月三十日 HK\$'000 千港元
Net assets acquired	收購資產淨值	2,596
Goodwill arising on acquisition	於收購時產生之商譽	7,472
		<u>10,068</u>
Satisfied by:	以下列各項支付：	
Cash and cash equivalents	現金及現金等值項目	6,227
Other payables	其他應付賬款	3,841
		<u>10,068</u>
Net cash outflow arising on acquisition	於收購時產生之現金流出淨額	
Amount paid during the period	期內已付金額	(6,227)
Bank balance and cash acquired	收購之銀行結餘及現金	2,327
		<u>(3,900)</u>

Mansella 為歐洲一間具有領導地位之工程研發公司，專注於藍牙技術及無線數據解決方案。期內，Mansella 並無為本集團之業績帶來任何重大貢獻。