

OVERVIEW

The Board is very pleased to announce another year of strong growth in sales and profitability, which is also reflected in a strengthened balance sheet and an increased dividend.

SunCorp has made tremendous strides in product innovation and development in recent years, which have led to our sales now exceeding HK\$2.3 billion and our attaining a leading position in the European cordless telephone market with a substantial share of the market.

FINANCIAL

Sales grew 73% over the previous year to reach HK\$2,339 million. Earnings before interest, tax and depreciation grew 103% to HK\$150.6 million. Net profit before taxation was HK\$117 million, an increase of 110%. After factoring in an increase in our effective tax rate following the full utilization of previous carry-forward tax losses, net profit for the year was HK\$96.2 million, an increase of 86% over 2003. Earnings per share grew 67% to HK\$0.30.

In the face of increasing prices in oil, raw materials and components, our gross margin deteriorated slightly from 11.35% to 10.99%. Our net margin remained at approximately 4%.

Shareholders' equity increased 99% to reach HK\$183.2 million and our return on equity was 52.5%. Total interest bearing debt (including lease obligations, but excluding trade finance related facilities) was only HK\$13.7 million. Liquidity ratios remained at very healthy levels.

概覽

董事會欣然宣佈銷售及盈利再次錄得強勁增長，資產負債表愈見穩健，而股息亦有所增加。

近年來，新確在產品創新及開發方面取得極大進展，令本集團現時之銷售額超過23億港元，並促使本集團於歐洲無線電話市場取得領導地位及可觀的佔有率。

財務

銷售額較往年增加73%至2,339,000,000港元。未計利息、稅項及折舊之盈利增加103%至150,600,000港元。除稅前溢利淨額為117,000,000港元，增加110%。由於過往結轉稅務虧損已全數耗掉，形成本集團實際稅率增加，惟本年度溢利淨額較二零零三年仍增加86%至96,200,000港元。每股盈利增加67%至0.30港元。

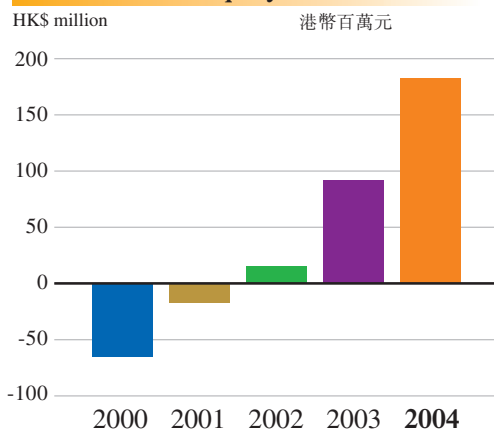
鑑於石油、原材料及零件價格上升，本集團之毛利率由11.35%輕微下降至10.99%。本集團之邊際純利仍然維持約4%。

股東權益增加99%至183,200,000港元，而本集團之股東權益報為52.5%。付息債項（包括租賃承擔，但不包括有關貿易融資之貸款）總額僅為13,700,000港元。流動比率仍然維持非常健康之水平。

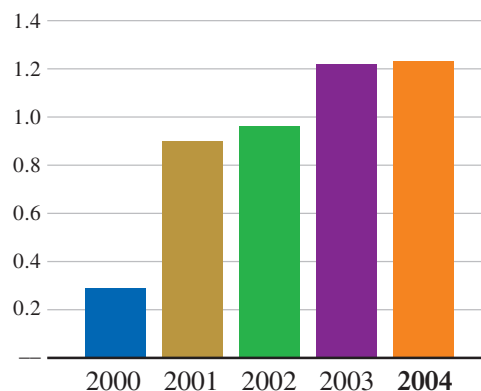
CHAIRMAN'S STATEMENT

主席報告

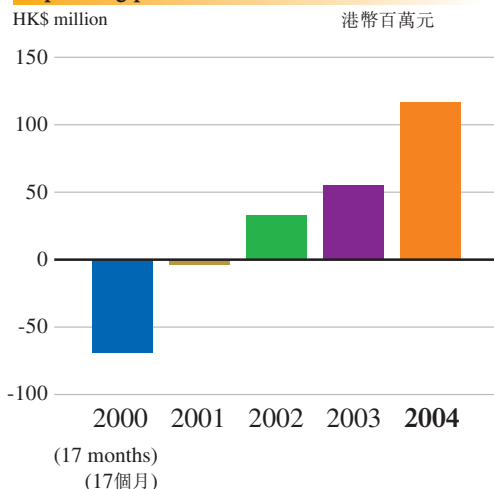
Shareholders' equity 股東權益



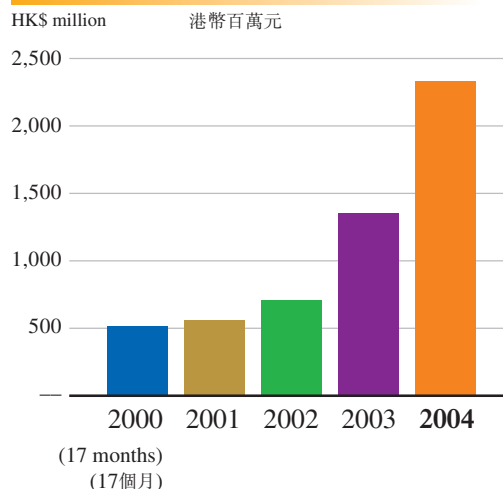
Current ratio 流動比率



Operating profit before tax 除稅前經營溢利



Turnover 營業額



DIVIDENDS

The Directors are pleased to declare a final dividend of 4.5 HK cents (2003: 2 HK cents) per share for the year ended 31 December 2004. An interim dividend of 3 HK cents was paid by the Company in 2004, making a total dividend for the year 2004 of 7.5 HK cents per share (2003: 3.5 HK cents).

股息

董事欣然就截至二零零四年十二月三十一日止年度宣派末期股息每股股份4.5港仙(二零零三年：2港仙)。本公司於二零零四年派付中期股息3港仙，令二零零四年年度之股息總額為每股股份7.5港仙(二零零三年：3.5港仙)。

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 23 May 2005 to Wednesday, 25 May 2005, both days inclusive, during which period no transfer of shares will be effected. The final dividend will be paid on or about Tuesday, 7 June 2005 to shareholders whose names are on the Register of Members at the close of business on Friday, 20 May 2005. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrars, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00pm on Friday, 20 May 2005.

BUSINESS

Our business is the development, manufacture and sale of residential telecommunication products.

2004 was a significant year in SunCorp's development, and we now have started to reap the benefits of many years' hard work and innovation. We hold a leading position in the European market with a reported 21.2% market share based on total units sold, up from 18.5% in 2003. More important, in the high end colour screen Digital Enhanced Cordless Telephones ("DECT") we hold the number one position with a 50% market share. The overall DECT market in Europe continues to be strong, with an estimated growth (in units) in 2004 of 30.8%. We

暫停辦理股份過戶登記手續

本公司將於二零零五年五月二十三日(星期一)至二零零五年五月二十五日(星期三)(包括首尾兩日)暫停辦理股份過戶登記手續,期間將不會辦理股份轉讓手續。末期股息將於二零零五年六月七日(星期二)或前後派付予於二零零五年五月二十日(星期五)營業時間結束時名列股東名冊之股東。為符合獲分派末期股息之資格,所有過戶文件連同有關股票須於二零零五年五月二十日(星期五)下午四時正前交回本公司之香港股份過戶登記分處秘書商業服務有限公司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

業務

本集團之業務為開發、製造及銷售住宅電訊產品。

二零零四年為新確發展歷程中重要之一年,本集團現已開始獲取多年來努力及創新之成果。按出售貨物數量計算,歐洲市場佔有率由二零零三年之18.5%增加至21.2%,令本集團保持歐洲市場之領導地位。更重要的是,本集團於高階彩色屏幕室內數碼無線電話(「DECT」)市場佔據第一位,市場佔有率為50%。歐洲整體



currently have over 150 model platforms. Our customer base is widely spread geographically, but still centres on prime European and Asia-Pacific telecommunication carriers. We currently sell to over 30 markets and have made great progress in opening new countries for our products, including Finland, Poland, Russia, and Slovak. Our single largest customer now accounts for only 30% of sales, down from 45% a year ago and 75% three years ago. DECT is now our principal product category, accounting for 89% of sales in 2004 (2003: 68%). Due to innovation and the emphasis on design and enhanced functionality, our average selling price per unit has increased from HK\$204 to HK\$253. This is directly related to our emphasis over recent years on producing cutting-edge, aesthetically pleasing products. We shipped approximately 9.2 million units in 2004 (2003: 6.6 million).

DECT市場持續增長，於二零零四年估計錄得30.8% (以件計) 之增幅。本集團現時擁有超過150個設計平台。本集團之客戶廣泛分佈於不同地區，但仍集中於歐洲及亞太地區之主要電訊供應商。本集團現時銷售予超過30個市場，而在開拓產品新市場方面亦取得重大進展，當中包括芬蘭、波蘭、俄羅斯及斯洛伐克。本集團之單一最大客戶現時僅佔銷售額30%，較去年之45%及三年前之75%有所下跌。本集團現時之主要產品類別為DECT，於二零零四年佔銷售額89% (二零零三年：68%)。此外，憑藉本集團之創新精神、令產品設計及功能多樣化，本集團每件產品之平均售價由204港元增加至253港元。平均售價提高亦與本集團近年致力研製技術先進、外型美觀之產品有關。本集團於二零零四年付運約9,200,000件 (二零零三年：6,600,000件) 產品。

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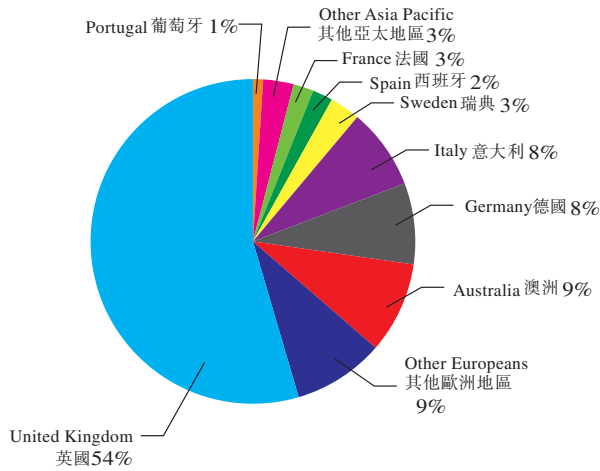
In early 2004, we adopted “home is the hotspot” as our corporate mark. This mark highlights to our customers, suppliers and all at SunCorp that we believe that the home will be the most exciting focal point for communications development in the coming years and that this is the area SunCorp has chosen to target. DECT is only one important element in the development of sophisticated communications for the home. Others will include Voice Over Internet Protocol (VOIP), wireless broadband and many other innovations. SunCorp is actively developing products in all of these areas.

於二零零四年初，本集團以「家居熱點」作為公司主題。本集團藉此公司主題告訴客戶、供應商及新確全體成員，本集團相信，「家居」將於未來成為通訊發展之重要焦點，同樣亦為新確所選擇作為目標的範疇。在家居先進之通訊發展過程中，DECT僅為其中重要之一環，而其他重點將會包括網絡電話 (VOIP)、無線寬頻及其他創新技術。新確正積極發展這方面之產品。

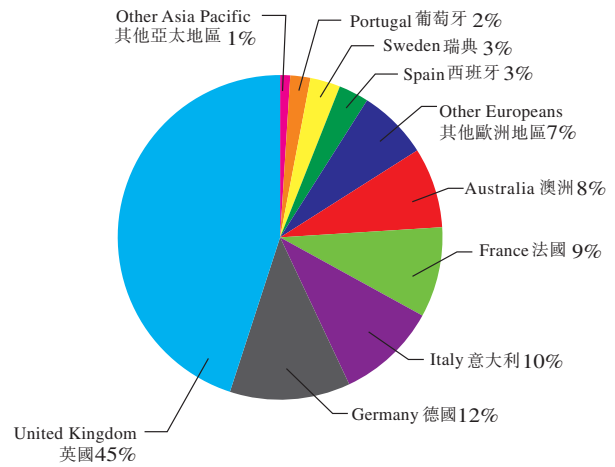


Turnover by Region 營業額 (地區分類)

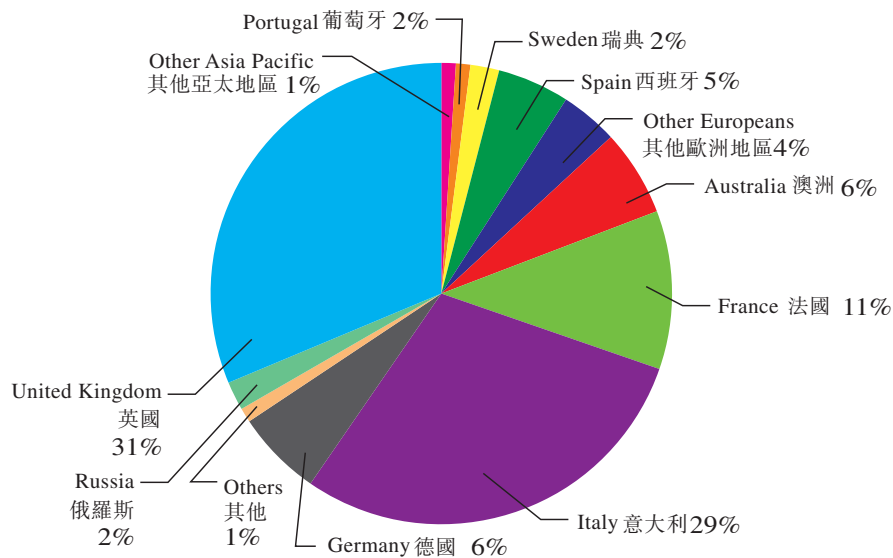
Y2002
2002年



Y2003
2003年

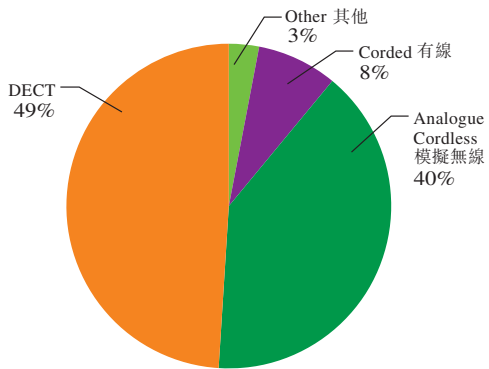


Y2004
2004年

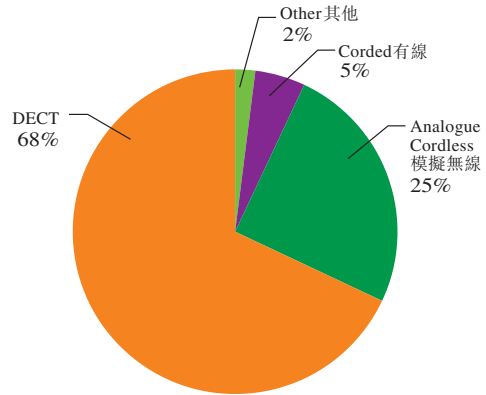


Turnover by Product 營業額 (產品分類)

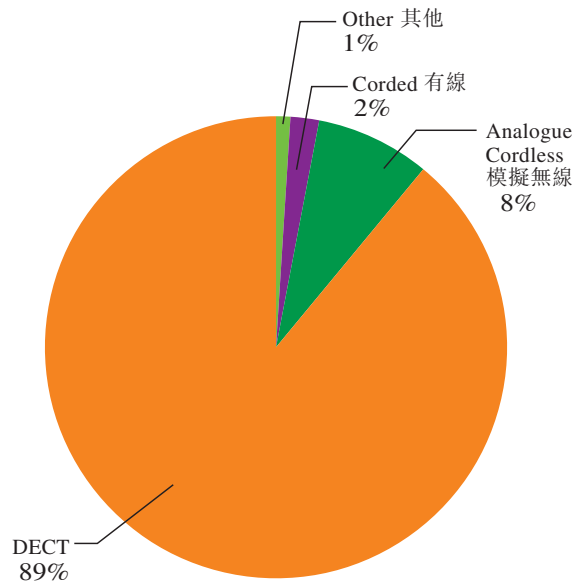
Y2002
2002年



Y2003
2003年



Y2004
2004年



NEW DEVELOPMENTS

Acquisition of Mansella Limited ("Mansella")

In May 2004 the Company announced the acquisition of 100% ownership of Mansella, which is one of the leading research and development houses in Europe focusing on bluetooth and wireless data. Since its establishment in June 2001, Mansella's emphasis has been on designing telecommunications products for the home combining voice and wireless data access. Mansella has a team of 25 highly qualified engineers and research staff who have worked together as a closely-knit team since 2001. The acquisition and integration of the Mansella team into SunCorp proceeded smoothly, and Mansella is now an important contributor to our product development roadmap.

Technology award

During the year we were also pleased to receive the "Deloitte Technology Fast 500 Asia Pacific" awards. This annual award program organized by Deloitte Touche Tohmatsu accredits fast growing technological companies in the Asia Pacific region for their outstanding financial performance over the previous three years. In addition, in 2004, the Hong Kong Economic Digest nominated SunCorp as a "Hong Kong Outstanding Enterprise".

New products

At the recent CeBIT exhibition in Germany, which is Europe's premier consumer electronics show, we announced the release of two new products.

新進展

收購Mansella Limited (「Mansella」)

本公司於二零零四年五月宣佈全面收購Mansella。Mansella為歐洲其中一間著名研發公司，主要研究藍芽及無線數據。Mansella於二零零一年六月成立，一直致力設計結合通話及無線數據傳輸之家居電訊產品。Mansella擁有一隊為數25人，自二零零一年起合作並擁有豐富經驗之工程師及研究人員隊伍。收購Mansella及將之與新確融合之過程進行順利，而Mansella現時為本集團產品研發進程作出非常重大的貢獻。

技術獎項

本集團於本年度獲得「Deloitte Technology Fast 500 Asia Pacific」獎項。該年度獎項計劃由德勤•關黃陳方會計師行舉辦，對象為亞太地區增長最快之科技公司，獎勵有關公司於過去三年之傑出財務表現。此外，新確亦於二零零四年獲《經濟一週》選為「香港傑出企業」。

新產品

本集團於歐洲最大型之消費電子產品展覽－德國漢諾威電腦及通訊博覽會(CeBIT)宣佈推出兩項新產品。



The centerpiece of our new product line is a videophone for use at home. Featuring the latest technology in picture refresh quality, the phone will allow users to see each other in real-time moving images with superb clarity. SunCorp has won a sizeable contract with Telecom Italia to supply these videophones to their customers over the next two years.

Another range of cordless communication devices launched at the CeBIT showcase included cordless telephones with VOIP, which enable users to take advantage of the low-cost calls made over their broadband connections.

OUTLOOK

Overall demand for DECT products in our core markets continues to grow. Our plans for 2005 include a continuation of new product development as discussed above and further penetration into existing and new markets.

Demand for our products has continued to be strong in the first quarter of this year and we have a full order book for the balance of the first half of 2005. Sales prices continue to be firm, although some pressure is appearing at the low end of our product range. However, it is important to be cautious given the challenges that the current economic environment is presenting. European economic growth continues to be sluggish and we are also starting to see modest increases in labour cost in China. The main concern facing us currently is the continuing margin pressure caused by rising costs for plastics (because of the rising oil price) and other components. We have introduced a number of initiatives internally to attempt to address this issue. Our expenditure on R&D which lays the foundation for our future growth is also expected to increase significantly this year, via Mansella and also as a consequence our launch of a number of new products in the next 12 to 18 months. Nevertheless, we have a strong market position, our products have been well received by both existing and new customers and we have an exciting product roadmap ahead of us.

其中，最主要之新產品為家居用視像電話。視像電話採用最先進之畫面更新技術，令使用者可以絕佳之清晰度觀看對方之即時影像。新確並取得Telecom Italia之大額合約，於未來兩年向其客戶供應該等視像電話。

於CeBIT推出之另一項室內無線通訊設備為具備VOIP功能之室內無線電話，令使用者可透過其寬頻網絡享用價格便宜之通話。

展望

本集團核心市場對DECT產品之整體需求持續增加。本集團二零零五年之計劃包括繼續前述之新產品開發工作以及進一步提高現有及新市場之佔有率。

本集團產品之需求於本年度第一季持續強勁，於二零零五年上半年度剩餘期間之訂單已滿。儘管本集團在低廉產品的價格方面面臨若干壓力，但整體產品銷售價格持續穩定。本集團認為對目前之經濟環境所顯現出來的挑戰來說，採取較審慎之態度是重要的。歐洲經濟增長仍然緩慢，而中國之勞工成本亦慢慢開始上升。本集團現時面對之最大問題是塑膠及其他零件成本(塑膠成本上升乃由於油價上升)上升而導致邊際利潤持續受壓。本集團已推行一連串內部措施，嘗試處理有關問題。研發活動為本集團未來增長之基石。因應本集團將於未來12-18月推出的一系列新產品，而透過Mansella之研發開支預計會於本年度顯著上升。儘管如此，本集團仍處於市場之領導地位，而產品亦廣受現有及新客戶歡迎，並將有一系列令人興奮的新產品陸續推出。