



Catalyst for
Growth

股息

於二零零四年十月，本公司已支付中期股息每股港幣0.01元(二零零三年：港幣0.01元)。董事現建議於二零零五年六月十日(星期五)派付末期股息每股港幣0.02元(二零零三年：港幣0.02元)予二零零五年六月三日(星期五)名列於股東名冊之股東。

本公司將由二零零五年五月三十日(星期一)至二零零五年六月三日(星期五)止(包括首尾兩日)暫停辦理股份過戶登記手續。如欲獲派上述股息，務須於二零零五年五月二十七日(星期五)下午四時前，將所有過戶表格連同有關股票，一併送達本公司之股份過戶登記處標準證券登記有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下，以辦理登記手續。

業務回顧

本集團之營業額及除稅前溢利較二零零三年分別增加約13.6%及6.6%。

電子製造服務部門(「EMS部門」)之營業額較二零零三年增加18.3%。EMS部門位於沙井之廠房(為EMS部門之主要廠房)之營業額增加約17.7%，而EMS部門位於蘇州之廠房(「蘇州廠房」)(於二零零三年投入運作)之營業額則增加約190.2%。然而，由於原料成本增加、銷售組合改變及員工數目增加，以致EMS部門之經營溢利下跌。員工數目增加乃由於預期業務量上升所致，惟此預期並無實現，尤其是流動電話製造業務方面。

於二零零四年內，EMS部門繼續專注於為客戶提供優質工程及設計服務，並致力改善管理效能及效率。於二零零四年年末，蘇州廠房通過QS9000認證審核。於二零零五年三月，蘇州廠房行使選擇權，購買一塊鄰近其現有廠房，面積為40,000平方米之土地作擴展用途。同時，於二零零四年，EMS部門獲得數名新客戶。長遠來說，該等客戶將有助EMS部門增加業務量。

DIVIDENDS

In October 2004, the Company paid an interim dividend of HK\$0.01 (2003: HK\$0.01) per share. The Directors now recommend the payment of a final dividend of HK\$0.02 (2003: HK\$0.02) per share on Friday, 10th June, 2005 to the shareholders on the Register of Members on Friday, 3rd June, 2005.

The Register of Members will be closed from Monday, 30th May, 2005 to Friday, 3rd June, 2005, both days inclusive, during which period no further transfer of shares will be effected. To qualify for the above dividend, all transfers accompanied by the relevant certificates must be lodged with the Company's registrars, Standard Registrars Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 27th May, 2005.

REVIEW OF BUSINESS ACTIVITIES

The Group's turnover and profit before taxation increased by about 13.6% and 6.6%, respectively, compared to 2003.

The turnover of the Electronic Manufacturing Service Division (the "EMS Division") increased by 18.3% compared to 2003. The turnover of the Division's factory in Shajing, which is the main factory of the Division, increased by about 17.7% while the Division's factory in Suzhou ("WTSZ"), which started operation in 2003, achieved an increase in turnover of about 190.2%. The operating profit of the Division, however, declined due to increased costs of component materials, change of sales mix and increased headcounts. Headcounts were increased in anticipation of a projected increase in business volume, especially in the manufacture of mobile phones, which did not materialise.

During 2004, the Division continued to focus on the provision of value engineering and design services to customers. Considerable efforts were spent to improve management effectiveness and efficiency. Towards the end of 2004, WTSZ passed the onsite certification audit for QS9000. In March 2005, WTSZ exercised an option to purchase a piece of land of 40,000 square meters which is adjacent to its current factory for the purpose of expansion. Also, in 2004, the EMS Division obtained a number of new customers. These new customers should result in growing business volume for the Division in the long term.

業務回顧 (續)

於年內，原設計及市場推廣部門(「ODM部門」)退出競爭甚為激烈之寬頻調制解調器業務，並專注於開發及推廣無線通訊產品，例如流動電話及智能電話。由於若干設計問題導致產品延遲推出，二零零四年期間之流動電話銷售量遠低於原先計劃。

ODM部門計劃於二零零五年發展無線通訊產品之國際市場，包括美國及英國，並與該等地區之潛在客戶保持聯絡。ODM部門之下一項產品為RFID(無線射頻識別器)咭，而Wireless Dynamics Inc. (本集團一間公司)於二零零五年三月宣佈行內首個RFID讀取器/寫入器SD(保密數碼)面世。

就有關半山區之住宅發展項目(「項目」)，自二零零四年初出售單位之價格遠較二零零三年上半年之價格為高。董事對現行價格得以維持感到樂觀，並決定從較早前就項目作出之撥備中撥回港幣10,000,000元。

財務

於二零零四年十二月三十一日，本集團之銀行借貸淨額約港幣462,000,000元(二零零三年：港幣149,000,000元)，佔股東權益73.9%(二零零三年：24.5%)。

本集團大部份銷售均以美元進行，成本及開支則主要以美元及港幣計算。遠期外匯合約於有需要時用以對沖風險。

資本結構

自二零零三年十二月三十一日以來，本集團之資本結構並無重大變動。

REVIEW OF BUSINESS ACTIVITIES (Continued)

During the year, the Original Design and Marketing Division (the "ODM" Division) exited from the very competitive business of broadband modems and focused on the development and marketing of wireless communication products such as mobile phones and smartphones. Because of delay in the launch of products due to certain design issues, the volume of sales of mobile phones during 2004 was much lower than originally planned.

The ODM Division plans to develop global markets including the USA and the UK for its wireless communication products in 2005. It has been in dialogue with potential customers in those territories. The next product on the Division's roadmap is RFID (Radio Frequency Identification) cards and in March 2005, Wireless Dynamics Inc., a group company announced the first RFID Reader/Writer SD (Secure Digital) in the industry.

With regard to the residential development in the Mid-levels (the "Project"), units sold since the beginning of 2004 were priced at a significantly higher level than that prevailing in the first half of 2003. The Directors are optimistic that the current prices can be sustained and have decided to write back HK\$10 million from the provision previously made against the Project.

FINANCE

As at 31st December, 2004, the Group had net bank borrowings of about HK\$462 million (2003: HK\$149 million), representing 73.9% (2003: 24.5%) of its share of equity.

Most of the Group's sales are conducted in US\$ and costs and expenses are mainly in US\$ or HK\$. Forward exchange contracts are used to hedge exposures where necessary.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since 31st December, 2003.

僱員

於二零零四年十二月三十一日，本集團聘用約5,000名僱員，其中約3,600名為生產部工人。除提供年終花紅、醫療及人壽保險外，本集團亦會因應僱員之表現提供內部及外間培訓計劃、酌情花紅及購股權。本集團之酬金政策及福利計劃會不時檢討。

前景

根據客戶之現有訂貨量及預計業務量，我們預期，EMS部門於二零零五年上半年之銷售額將僅有輕微增長，但對二零零五年下半年銷售額之大幅上升則感到樂觀。我們之首要目標為透過改善經營效率以及節省成本及經常費用，增加EMS部門之盈利能力。

於二零零五年，ODM部門之目標為增加銷售額及減少經營虧損，並將繼續專注於無線通訊產品及發展RFID咭等市場新興產品，並會為產品拓展國際市場。該部門之整體計劃為於二零零五年建立穩固之基礎，以提高長遠之盈利能力。

本人謹此代表各董事感謝客戶、供應商及業務夥伴一直對本集團信任及支持。本人亦謹此感謝員工之忠誠、勤奮及為本集團提供專業服務。

王忠秣
主席

香港，二零零五年四月十九日

EMPLOYEES

As at 31st December, 2004, the Group employed approximately 5,000 employees, out of which approximately 3,600 are production workers. In addition to the provision of annual bonuses, medical and life insurances and in-house and external training programs, discretionary bonuses and share options are also available to employees based on their performance. The remuneration policy and packages of the Group are reviewed on a periodical basis.

PROSPECTS

Based on the level of orders on hand and the anticipated levels of business from customers, we expect that there will be only modest growth in the sales turnover of the EMS Division for the first half of 2005, but are optimistic that sales turnover will increase more significantly in the second half of the year. It is also our prime target to enhance the profitability of the Division through improvements in operational efficiency and cost and overhead economization.

The ODM Division targets to increase its sales turnover and reduce its operating loss in 2005. It will continue to focus on wireless communication products and will develop products such as RFID cards that have emerging needs in the market. It will also develop global markets for its products. The Division's overall plan is to build a solid foundation in 2005 to enhance its profitability in the long term.

On behalf of the Directors, I would like to thank our customers, suppliers and business partner for their continued confidence in and support for the Group. I would also like to thank our employees for their loyal, diligent and professional services to the Group.

WONG CHUNG MAT, BEN
Chairman

Hong Kong, 19th April, 2005