

CHAIRMAN'S STATEMENT

主席報告

RESULT

The turnover of the Group was HK\$606,825,889 (2003: HK\$340,262,516), representing an increase of 34% (if last year figure is adjusted to annual basis) as compared with last year. The profit attributable to shareholders was HK\$58,766,095 (2003: loss of HK\$29,075,462). The basic earnings per share was HK17.26 cents (2003: loss of HK10.52 cents). Significant improvement were made in 2004.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2004, the Group had net assets of HK\$229,313,920 (2003: HK\$135,224,814). The gearing ratio was 45.4% (2003: 60.6%). This gearing ratio is calculated by dividing total liabilities of HK\$197,836,367 (2003: HK\$275,068,195) over total assets of HK\$436,097,949 (2003: HK\$453,965,299).

As at 31st December, 2004, the Group had \$70,023,743 of cash on hand (2003: HK\$20,395,263), net current assets value being HK\$109,111,593 (2003: HK\$18,376,292), short-term bank loan amounted to HK\$16,823,342 (2003: HK\$62,126,871) and long-term bank loan amounted to HK\$nil (2003: HK\$24,088,064). The total borrowing was therefore HK\$16,823,342 (2003: HK\$86,214,935), a decrease from last year of HK\$69,391,593.

As at 31st December, 2004, the Group has pledged its land and buildings in PRC (and Taiwan in 2003) with an aggregate net book value of approximately HK\$44,000,000 (2003: HK\$124,000,000) and bank deposits of approximately HK\$5,900,000 (2003: HK\$3,600,000) to secure banking facilities of approximately HK\$39,000,000 (2003: HK\$68,340,000) to the Group. Out of the secured facilities available, the Group has utilised approximately HK\$20,500,000 as at 31st December, 2004.

The Group had utilised an unsecured banking facilities of approximately HK\$nil (2003: HK\$19,200,000).

業績

本集團之營業額為606,825,889港元(二零零三年: 340,262,516港元), 較去年增長34%(若去年數字調整以全年為基礎), 股東應佔溢利則為58,766,095港元(二零零三年: 29,075,462港元之虧損), 而每股基本盈利為17.26港仙(二零零三年: 10.52港仙之虧損)。二零零四年有顯著的改善。

資本結構、流動資金及財務資源

於二零零四年十二月三十一日, 本集團之資產淨值約達229,313,920港元(二零零三年: 135,224,814港元)。負債比率為45.4%(二零零三年: 60.6%)。此負債比率乃將總負債約197,836,367港元(二零零三年: 275,068,195港元)除以總資產約436,097,949港元(二零零三年: 453,965,229港元)。

於二零零四年十二月三十一日, 本集團之現金約達70,023,743港元(二零零三年: 20,395,263港元), 流動資產淨值約為109,111,593港元(二零零三年: 18,376,292港元), 短期銀行貸款約為16,823,342港元(二零零三年: 62,126,871港元), 及並無長期銀行貸款(二零零三年: 24,088,064港元)。因此, 借款總額約達16,823,342港元(二零零三年: 86,214,935港元), 較去年減少69,391,593港元。

於二零零四年十二月三十一日, 本集團將中國(二零零三年包括台灣)之土地及樓宇合共賬面淨值約44,000,000港元(二零零三年: 124,000,000港元)及連同銀行存款約5,900,000港元(二零零三年: 3,600,000港元)抵押予銀行, 作為給予集團之銀行信貸額約39,000,000港元(二零零三年: 68,340,000港元)之抵押。本集團於二零零四年十二月三十一日已動用所獲信貸額中約20,500,000港元。

本集團並沒有免抵押銀行信貸額約為零港元(二零零三年: 19,200,000港元)。

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Most of the bank borrowing is charged at prevailing prime rate in the countries where the Company's subsidiaries are operating in.

大部份銀行借款乃按本集團附屬公司經營所在國家之現行優惠利率計息。

Most of the assets and liabilities in the Group were mainly dominated in US dollars and HK dollars. Since HK dollars are packed against US dollars, the Group is subject to low risk of foreign exchange exposure.

本集團大部份資產及負債主要以美元及港元為單位。由於港元與美元掛鈎，故本集團所面對之匯兌風險甚低。

Pursuant to a resolution passed at a special general meeting held on 23rd April, 2004, the Company carried out a capital reorganization, details of which are more particularly described in Note 30 of the financial statements.

根據二零零四年四月二十三日舉行之特別股東大會通過的一項決議案，本公司已進行股本重組，有關詳情載列於財務報表之附註30。

In May 2004, the Company issued a convertible note for a consideration of HK\$30,000,000 to Karfun Investments Limited (the "Karfun"). Karfun is a wholly-owned subsidiary of Karl Thomson Holdings Ltd, a company in which Mr. Lam Kwok Hing, the Chairman of the Company, has a beneficiary interest. In July 2004, such convertible note was converted into 150,000,000 shares of HK\$0.01 each in the Company at a conversion price of HK\$0.2 per share.

於二零零四年五月，本公司向佳帆投資有限公司（「佳帆」）發出可換股票據，作價30,000,000港元。佳帆是高信投資控股有限公司之全資附屬公司，而本公司之主席藍國慶先生為該公司的實益擁有人。於二零零四年七月，該可換股票據以每股轉換價0.2港元，轉換為150,000,000股每股面值0.01港元之股份。

CONTINGENT LIABILITIES

As at 31st December, 2004, the Company had guarantee of approximately HK\$24,000,000 (2003: HK\$19,500,000) to a bank in respect of banking facilities granted to a subsidiary of the Company. The amount utilised by the subsidiary was approximately HK\$4,900,000 (2003: HK\$9,600,000). As at 31st December, 2004, the Group has export bills discounted with recourse amounted approximately HK\$10,000,000 (2003: HK\$nil).

或然負債

於二零零四年十二月三十一日，本公司就本集團一間附屬公司獲授之銀行信貸額提供約24,000,000港元之擔保（二零零三年：19,500,000港元）。該附屬公司所動用之款額約為4,900,000港元（二零零三年：9,600,000港元）。於二零零四年十二月三十一日，本集團之付追索權之出貼現票據達約10,000,000港元（二零零三年：無）。

DIVIDEND

No interim dividend (2003: HK\$nil) was recommended during the year. The Board does not recommend a final dividend for this year (2003: HK\$nil).

股息

於年內並無派付中期股息（二零零三年：無）。董事會並不建議派發本年度之末期股息（二零零三年：無）。

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HUMAN RESOURCES

As at 31st December, 2004, the Company has approximately 810 employees. Remuneration for its employees is based on industry practice and performance of individual employees.

APPRECIATION

On behalf of the Board, I would like to thank our customers, bankers, suppliers and friends for their kind support and to thank especially our staff at all levels for their contribution and commitment over the year.

By Order of the Board

Lam Kwok Hing

Chairman and Managing Director

Hong Kong, 25th April, 2005

人力資源

於二零零四年十二月三十一日，本集團擁有約810名僱員。薪酬之釐定乃根據行內慣例和僱員個人表現。

致謝

本人謹代表董事會仝人感謝各客戶、往來銀行、供應商及友好所給予之支持，並特別對本集團各級員工於年內作出之貢獻及努力，致以謝忱。

承董事局命

主席兼董事總經理

藍國慶

香港，二零零五年四月二十五日