



COSMOS MACHINERY ENTERPRISES LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2002

RESULTS

The board of directors (the "Board") of Cosmos Machinery Enterprises Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2002 with comparative figures for last year are as follows:

	NOTES	2002 HK\$'000	2001 HK\$'000
Turnover	2	1,313,484	1,294,747
Cost of sales		(1,006,499)	(1,057,918)
Gross profit		306,985	236,829
Other operating income	3	37,067	37,922
Distribution costs		(83,546)	(87,319)
Administrative expenses		(197,060)	(213,555)
Other operating expenses		(3,657)	(7,603)
Allowance for bad and doubtful debts		(3,860)	(41,185)
Profit (loss) from operations	4	55,929	(74,911)
Finance costs		(19,139)	(24,222)
Investment income		1,524	602
(Loss) gain on disposal of subsidiaries		(2,824)	5,301
Loss on disposal of associates		-	(615)
Share of results of associates		18,654	14,407
Release of negative goodwill of an associate		2,206	-
Profit (loss) before taxation		56,350	(79,438)
Taxation	5	15,833	7,751
Profit (loss) before minority interests		40,517	(87,189)
Minority interests		17,212	1,939
Net profit (loss) for the year		23,305	(89,128)
Earnings (loss) per share – basic	6	3.64 cents	(13.91) cents

Notes:

1. Adoption of Statements of Standard Accounting Practice/Changes in Accounting Policies

In the current year, the Group adopted, for the first time, a number of new and revised Statements of Standard Accounting Practice ("SSAP(s)") issued by the Hong Kong Society of Accountants, which has resulted in the adoption of the following new and revised accounting policies. The adoption of these new and revised SSAPs resulted in a change in the format of presentation of the cash flow statement and the presentation of a statement of changes in equity, but has had no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

Foreign currencies

The revisions to SSAP 11 "Foreign Currency Translation" have eliminated the choice of translating the income statements of overseas operations at the closing rate for the year, the policy previously followed by the Group. They are now required to be translated at an average rate. This change in accounting policy has not had any material effect on the results for the current or prior accounting periods.

Cash flow statements

Under SSAP 15 (Revised) "Cash Flow Statements", cash flows are now classified under three headings – operating, investing and financing, rather than the previous five headings. Interest and dividends received or paid, which were previously presented under a separate heading, are classified as investing or financing cash flows. Cash flows arising from taxation are classified as operating activities, unless they can be separately identified with investing or financing activities.

Employee benefits

SSAP 34 "Employee Benefits" introduces measurement rules for employee benefits, including retirement benefit plans. Because the Group participates only in defined contribution retirement benefit schemes, the adoption of SSAP 34 has not had any material impact on the financial statements.

2. Segmental information

Business segments

For management purposes, the Group is currently organised into five operating divisions - trading of industrial consumables, manufacture of plastic processing products, manufacture of machinery, manufacture of audio products and manufacture of printed circuit boards. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

2002

	Industrial consumables HK\$'000	Plastic processing products HK\$'000	Machinery HK\$'000	Audio products HK\$'000	Printed circuit boards HK\$'000	Other operations HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER								
External sales	204,484	191,491	513,702	173,984	200,869	28,954	-	1,313,484
Inter-segment sales	4,146	26,450	4,719	-	-	-	(35,315)	-
Total revenue	208,630	217,941	518,421	173,984	200,869	28,954	(35,315)	1,313,484
Inter-segment sales are charged at prevailing market rates.								
RESULT								
Segment result	15,473	17,128	50,333	(12,104)	11,104	(2,702)	1,702	80,934
Unallocated corporate expenses								
								(25,005)
Profit from operations								55,929
Finance costs								(19,139)
Investment income								1,524
Loss on disposal of subsidiaries	(945)		(582)	(894)		(403)		(2,824)
Share of results of associates						18,654		18,654
Release of negative goodwill of an associate						2,206		2,206
Profit before taxation								56,350
Taxation								15,833
Profit before minority interests								40,517

2001

	Industrial consumables HK\$'000	Plastic processing products HK\$'000	Machinery HK\$'000	Audio products HK\$'000	Printed circuit boards HK\$'000	Other operations HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
TURNOVER								
External sales	210,392	190,743	445,716	254,665	170,556	22,675	-	1,294,747
Inter-segment sales	3,483	27,152	11,277	-	-	-	(41,912)	-
Total revenue	213,875	217,895	456,993	254,665	170,556	22,675	(41,912)	1,294,747
Inter-segment sales are charged at prevailing market rates.								
RESULT								
Segment result	(25,839)	26,092	(20,127)	(18,743)	(421)	(21,738)	13,708	(47,068)
Unallocated corporate expenses								
								(27,843)
Loss from operations								(74,911)
Finance costs								(24,222)
Investment income								602
Gain (loss) on disposal of subsidiaries	1,328		(222)			4,195		5,301
Loss on disposal of associates						(615)		(615)
Share of results of associates						14,407		14,407
Loss before taxation								(79,438)
Taxation								7,751
Loss before minority interests								(87,189)

Geographical segments

The Group's operations are located in Hong Kong, other regions in the People's Republic of China (the "PRC"), other Asia-Pacific countries, Europe and North America. The Group's trading of industrial consumables division is located in Hong Kong and the PRC. The manufacturing of plastic products, industrial machinery, electronic products and printed circuit boards divisions are located in the PRC.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2002 HK\$'000	2001 HK\$'000
Hong Kong	350,955	348,254
PRC	681,037	600,824
Other Asia-Pacific countries	112,214	142,799
Europe	82,359	123,182
North America	86,919	79,688
	1,313,484	1,294,747

3. Other Operating Income

Other operating income included the following items:

	2002 HK\$'000	2001 HK\$'000
Commission income	8,953	5,323
Exchange gain	1,154	5,091
Handling and services income	1,500	759
Property rental income	3,331	3,588
Release of negative goodwill to income	701	6,425

4. Profit (Loss) from Operations

	2002 HK\$'000	2001 HK\$'000
Profit (loss) from operations has been arrived at after charging:		
Staff costs		
Directors' remuneration	5,312	6,423
Salaries and other benefits	181,388	181,094
Retirement benefits schemes contributions	5,216	4,255
	191,916	191,772
Depreciation and amortisation		
Depreciation and amortisation on:		
- Owned assets	54,899	49,918
- Assets held under finance leases	5,102	4,908
Amortisation of goodwill (included in other operating expenses)	3,092	5,542
	63,093	60,368
Auditors' remuneration	2,348	2,976
Deficit arising on revaluation of investment properties	-	1,350
Deficit arising on revaluation of leasehold land and buildings	565	711
Loss on disposal of property, plant and equipment	2,278	3,424

5. Taxation

	2002 HK\$'000	2001 HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
Current year	3,395	2,090
Under (over) provision in prior years	55	(88)
	3,450	2,002
Taxation outside Hong Kong	10,303	3,887
Deferred taxation	(244)	58
Taxation attributable to the Company and its subsidiaries	13,509	5,947
Share of tax on results of associates	2,324	1,804
	15,833	7,751

Hong Kong Profits Tax is calculated at 16% on the estimated assessable profit for the year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

6. Earnings (Loss) per Share

The calculation of the basic earnings (loss) per share for the year is based on the net profit (loss) for the year of approximately HK\$23,305,000 (2001: net loss of approximately HK\$89,128,000) and on the number of shares in issue during the year of 640,838,234 (2001: weighted average of 640,835,030).

The computation of diluted earnings (loss) per share for 2002 or 2001 does not assume the exercise of options and warrants because the exercise prices of the Company's options and warrants were higher than the average market price of shares for both years.

7. Contingent Liabilities

	2002 HK\$'000	2001 HK\$'000
Guarantees given to financial institutions in respect of credit facilities utilised by outsiders	12,133	11,175

8. Pledge of Assets

At the balance sheet date, the following assets were pledged by the Group to secure general banking facilities:

	Net book value	
	2002	2001
	HK\$'000	HK\$'000
Investment properties	13,500	13,500
Leasehold land and buildings	21,619	43,595
Plant and machinery	18,602	20,738
Bank deposits	18,176	1,107
	<u>71,897</u>	<u>78,940</u>

DIVIDEND

The Board propose that the profit for the period be retained and do not recommend the payment of any dividend for the year ended 31st December, 2002 (2001: Nil).

BUSINESS REVIEW AND PROSPECTS

Results

The Group's consolidated turnover for the year of 2002 was approximately HK\$1,313,484,000, representing an increase of approximately 1.45% as compared to that of approximately HK\$1,294,747,000 in 2001. During the year, the profit before taxation amounting to approximately HK\$56,350,000, whereas the loss before taxation for the year of 2001 amounted to approximately HK\$79,438,000. For the year ended 31st December, 2002, profit attributable to the shareholders was approximately HK\$23,305,000.

Overview

As the adverse market conditions in 2001 persisted, the management streamlined and strengthened its team through a vigorous and earnest business review, thereby further consolidating our corporate culture and team spirit. Meanwhile, under the effort made to enhance our management standards and to control cost, the Group was yet able to register a total turnover roughly equal to that of last year and return to profit in the highly competitive year of 2002.

As compared with 2001, market conditions for the machinery business were relatively vibrant. However, competition remained fierce, putting much pressure on product prices. By virtue of the improvement of our management standards and realignment of our operating strategies, the Group was successful in making a turnaround. While our technical co-operation with Japan's UBE Machinery Corporation Ltd. ("UBE Japan") progressed smoothly, this had made significant contributions to the Group's market expansion and technical advancement. To better prepare for the anticipated keener market competition in the future, the R&D Center established at the year end would set the stage for integrating the Group's technical competencies and its research and development capabilities of new products.

During the year under review, resin plastic prices remained fluctuating, making it a difficult job to control the cost of our plastic processing business. As a result, the turnover dropped with profit slashed. Upon completion of business rationalization, the plastic hygienic food container business made headway towards market expansion. The new plant in Zhuhai will be ready for commercial operation in the middle of the year and is expected to bring new contribution to the Group's results.

The streamlining process in the audio product business was unable to make a turnaround yet, as the Group was not determined enough to implement its rationalization program and strategy to the full. In the year ahead, the Group will reaffirm its determination to carry out a pivotal reform.

In 2001, the printed circuit board business recorded an operating loss because of plant relocation. Yet in the year under review, we adhered to our high-end market policy and engage to invest in market expansion. As such, we managed to avoid the vicious price war in this sector. This business is now back on track to profit.

Since the hampering factor of having to make provisions for the trading business no longer existed, the Group focused on the expansion of the industrial consumable business and attached great importance to manpower training and steady expansion of its sales network during the year under review. As a result, the business made a turnaround as anticipated. We are confident that this business will be able to make long-term steady contribution.

Thanks to our restructuring and optimization efforts in 2002, we have successfully trained up and recruited a capable team on top of improvement of our business. Now that our management teams are more brilliant and dynamic, we have indeed laid a solid foundation for the even keener competition and tougher challenges ahead.

With the domestic market in China getting to maturity and the recent accession of China to the WTO, more and more foreign investments have been spurred to set up and expand their production plants in the Mainland in recent years. China has become the de facto manufacturing centre of the world. Along with the robust development of the private enterprises, all these will bring forth valuable opportunities to the Group in developing its core businesses.

Review of Operations

In 2002 the Group focused its efforts on developing the growing China market. We deployed necessary resources in time to increase operating efficiency and reduce cost, thereby achieving satisfactory results. The Group managed to register profit as a whole for the year ended 31st December, 2002, with particularly outstanding results in the growth in the machinery and printed circuit board businesses. Yet the audio business was hampered by the slowdown of overseas markets and undergoing a period of consolidation, hence resulting in an operating loss.

Manufacturing Business

Machinery

Turnover of the machinery business during the year was approximately HK\$513,702,000, representing an increase of HK\$67,986,000 or 15% over that of last year. The business in China accounted for substantial portion of the rise, while export sales showed a slight decline. Operating profit increased to approximately HK\$50,333,000.

For the year under review, the machinery business has shown significant improvement, thanks to the optimization of our management teams and approach, enhancement of our sales network, and stronger customer relations management. Our new series of large-sized two-platen plastic injection moulding machines were well received in quality after their extensive use by our customers in the past year. While sales are on a steady rise, these series now enjoy a good reputation in such sectors as automobile component processing and household appliances. It is envisaged that these series will become a core product of the Group.

In the coming year, we will inject an appropriate amount of capital to expand the scale of production and purchase additional processing facilities. Our objective for this is to manufacture quality products to meet the customers' requirements while at the same time making use of our competitive price and products to enlarge our market share gradually.

The first batch of the large injection moulding machine series manufactured in China under a technology transfer agreement with UBE Japan began delivery to our customers in late 2002. These series of technologically advanced large injection moulding machines will be the key product for the Group's development in the mainland China market.

Besides, to sustain the continuous development of our products, the Group has established a research and development centre in Dongguan, PRC with a specific responsibility of researching new products. This centre will capitalize on the Group's strength in designing machinery, electric and hydraulic machines for the purpose of developing new products to satisfy market demands.

Plastic Products and Processing

The drastic upsurge in raw material prices had led to an increase in production cost and hence a cut in profit margin. In addition, external economic factors had also driven down product prices. These factors had adversely affected the export sales, both in terms of turnover and profit, making them fall short of target. For the year under review, sales of plastic processing business was approximately HK\$191,491,000, representing an increase of HK\$748,000 or 0.4% over that of last year. However, the profit was approximately HK\$17,128,000, a decline of 34% over that of last year.

The plastic hygienic food container and cutlery business focused mainly on the food packaging market in China and thus was not affected. It is anticipated that the business will post further growth when the new plant in Zhuhai becomes operational in mid-2003. As the main customers are within mainland China, the Group's plastic processing plants in Dongguan, Shuofang and Shenyang attained different degrees of development. The plastic processing plant in Dalian Development Zone also commenced operation late last year and started providing plastic processing services for household appliance and office stationery sectors in the area.

In the year ahead, it is expected that the price of plastic resin will remain unstable and have an impact on the overall profit. The Group will actively explore new overseas markets while at the same time endeavoring to improve quality and production management, including the utilization of enterprises resources planning system, so as to achieve higher efficiency and effectiveness.

Printed Circuit Board

Both the production facilities and technical levels were greatly enhanced after relocating to the new plant in mid-2001. Product quality and quantity were raised while internal communication was strengthened. These had led to better co-ordination between production and sales, resulting in successful penetration into the European and Southeast Asian markets. For the year under review, sales of the export-oriented printed circuit board had increased. Total sales amounted to HK\$200,869,000, representing an increase of HK\$30,313,000 or 18% over last year. Profit increased to approximately HK\$11,104,000. Looking forward, we will keep our two-layer printed circuit boards as our core products, targeting principally the U.S. and European markets.

In line with the expanding needs in production, we recruited additional engineers and introduced such specialized ancillary facilities as metal precipitation production line and circuit board cutting machine. The objective is to produce printed circuit board of high quality and competitiveness to meet market demand.

While maintaining two-layer printed circuit boards as our core product, we will gradually expand into the multi-layer printed circuit board market. It is anticipated that sales of multi-layer printed circuit boards will experience a steady growth in the coming year.

Audio Products

As this business was still in consolidation stage, along with drastic changes in the overseas audio market, sales of audio products suffered a direct blow. Performance at such major markets as Europe and Japan was not satisfactory. Market conditions were harsher than last year. During the year under review, sale of audio products was approximately HK\$173,984,000, representing a decrease of HK\$80,681,000 or 32% as compared with that of last year. Operation loss was approximately HK\$12,104,000.

In the future, we will uphold the strategy of stringent supervision and control of material cost with the goal of reducing operating loss and reaching breakeven ultimately. In the area of production, measures will be implemented to localize production and streamline manpower needs to control cost and reduce expenses.

Trading Business

Industrial Consumables

Turnover declined slightly over that of last year, mainly because the Group had reduced the scale of machine business that operated with low gross profit margin. Sales volume of industrial consumables such as steel wire and fasteners was marginally better than anticipated. After completion of the asset rationalization, the business made a turnaround. During the year under review, turnover was HK\$204,484,000, representing a decrease of HK\$5,908,000 or 3% over last year. Operating profit increased to approximately HK\$15,473,000.

Adhering to our trading principles of fully understanding the current and future needs of our customers and meeting and even surpassing their expectations, we worked hard to enhance our employees' understanding of the application technology of our products and their service standards during the year under review; and set up additional sales points in Beijing, Chengdu and Qingdao to expand our sales network and supply centres. It is envisaged that the industrial consumables business will achieve a fairly satisfactory growth in the year ahead.

Prospects

In the years ahead, China will remain its economic momentum despite the sluggish recovery of the global economy as a whole. This is attributable to China's persistent policy in stimulating domestic demand, its proactive yet healthy macroeconomic policy and the prime opportunities brought forward by the accession to the WTO. The Group's target markets will be the Yangtze Delta, Pearl River Delta and Baohai Bay regions where the Group will try its best to enhance the quality standards and competitiveness of its key products to meet market demands.

To realize the above objectives, the Group will spare no efforts in strengthening its management by retaining the right professionals from the mainland and overseas as well as providing ongoing training for existing employees, so as to lay a solid foundation for the sustainable development of the Group's core businesses.

The Group's principal business remains to be machinery. The Group will inject capital as and when necessary to purchase advanced processing facilities and to enlarge production capacity to an appropriate level so that it can keep in line with market development. Through the introduction of advanced technology from overseas and based on the Group's R&D strength, we will strive to offer machinery products that are really efficient and high quality at reasonable prices which, in turn, will strengthen the Group's competitive edge and profit-making capability.

Meanwhile our plastic business will be focusing on the mainland China market, with foreign enterprises, and large and medium-sized private enterprises as target customers. By virtue of the brand name built on plastic injection moulding machinery and the well-established sales network, the Group envisages that there will be more satisfactory development for the plastic business in the mainland China Market.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2002, the Group's shareholders' funds were approximately HK\$597,543,000, compared with approximately HK\$579,854,000 as at 31st December, 2001.

The Group finances its operations with internally generated cash flow and banking facilities provided by its bankers in Hong Kong and China. The Group's gearing ratio as at 31st December, 2002 was approximately 2.7% (2001: 3.57%), and the liquidity ratio was approximately 1.28 (2001: 1.31), both were maintained at a healthy level. As at 31st December, 2002, cash, bank balances and time deposits amounted to approximately HK\$81,253,000. All these reflect that the Group is in sound financial position.

AUDIT COMMITTEE

The audit committee of the Company comprises the two independent non-executive directors. The audit committee members possess management and financial experience to advise on the Company's matters. During the last 12 months, the audit committee met twice to review with senior management the accounting practices adopted by the Group, and to discuss internal control and financial reporting matters, including the interim and annual financial statements before recommending the same to the Board for approval.

EMPLOYEES AND REMUNERATION POLICY

As at 31st December, 2002, the Group has approximately 6,000 employees (2001: approximately 6,000), remunerations were formulated in accordance with market trends and performance of employees. Benefits have included schemes of insurance, retirement, share option and so on.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31st December, 2002, there has been no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT

The Company's detailed results announcement containing all the information required by paragraph 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on the website of The Stock Exchange of Hong Kong Limited in due course.

On behalf of the Board
TANG To
Chairman

Hong Kong, 25th April, 2003

The Company's 2002 annual results announcement can also be accessed through the internet at the Company's website, www.cosmel.com.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Tang I, 3rd Floor, Sheraton Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Tuesday, 3rd June, 2003 at 9:30 a.m. for the following purposes:

- To receive and consider the audited financial statements and the reports of the directors and joint auditors for the year ended 31st December, 2002.
- To re-elect directors.
- To re-appoint joint auditors and authorise the directors to fix their remuneration.
- To transact any other ordinary business.

By order of the Board
TANG To
Chairman

Hong Kong, 25th April, 2003

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
- In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the registered office of the Company, 8th Floor, Tai Tung Industrial Building, 29-33 Tsing Yi Road, Tsing Yi Island, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- The Register of Members of the Company will be closed from Friday, 30th May, 2003 to Tuesday, 3rd June, 2003 (both days inclusive) during which period no transfer of shares can be registered. In order to appear on the Register of Members on Tuesday, 3rd June, 2003, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's Share Registrars, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Thursday, 29th May, 2003.



COSMOS MACHINERY ENTERPRISES LIMITED

大同機械企業有限公司

(於香港註冊成立之有限公司)

業績公佈 截至二零零二年十二月三十一日止年度

業績

大同機械企業有限公司(「本公司」)董事會(「董事會」)謹此宣佈本公司及其附屬公司(「本集團」)截至二零零二年十二月三十一日止年度之經審核綜合業績連同二零零一年同期之比較數字如下：

	附註	二零零二年 千港元	二零零一年 千港元
營業額		1,313,484	1,294,747
銷售成本	2	(1,006,499)	(1,057,918)
毛利		306,985	236,829
其他經營收入	3	37,067	37,922
分銷成本		(83,546)	(87,319)
行政支出		(197,060)	(213,555)
其他經營支出		(3,657)	(7,603)
呆壞賬撥備		(3,860)	(41,185)
經營溢利(虧損)	4	55,929	(74,911)
財務費用支出		(19,139)	(24,222)
投資收入		1,524	602
出售附屬公司(虧損)收益		(2,824)	5,301
出售聯營公司虧損		—	(615)
應佔聯營公司業績		18,654	14,407
聯營公司負商譽撥作收入		2,206	—
除稅前溢利(虧損)		56,350	(79,438)
稅項	5	15,833	7,751
扣除少數股東權益前溢利(虧損)		40,517	(87,189)
少數股東權益		17,212	1,939
本年度溢利(虧損)淨額		23,305	(89,128)
每股盈利(虧損)一基本	6	3.64仙	(13.91)仙

附註：

1. 採用會計實務準則/會計政策之變動

於本年度，本集團首次採用由香港會計師公會所頒佈之新訂及經修訂之會計實務準則，因此有以下新訂及經修訂之會計政策。採用該等會計實務準則導致現金流量呈列方式有所改變及權益變動表之呈列，惟沒有對本會計年度或過往會計年度之業績有任何重要影響，故此無須作出過往會計期間之調整。

外幣

根據會計實務準則第11條「外幣換算」之修訂，海外業務之收益表以年度終結時之匯率換算之選擇，即集團過往行之政策已經取消。現收益表要求按平均匯率換算。該項會計政策之轉變對本年度或過往會計年度之業績並無任何重大影響。

現金流量表

根據會計實務準則第15條(經修訂)「現金流量表」，現金流量現分為三個項目一經營活動、投資活動及融資活動，而非過往之五個項目。已收或已付之利息及股息，以往分項呈列，現歸類為投資或融資現金流量。現金流量所產生之稅項歸類為經營活動，除非該等現金流量可分開確認為投資活動或融資活動。

僱員福利

會計實務準則第34條「僱員福利」，為僱員福利引入衡量準則，包括退休福利計劃。由於本集團只參與定期供款退休福利計劃，採用會計實務準則第34條對財務報表並無任何重大影響。

2. 業務及地區市場分類

業務類別

就管理而言，本集團目前按五個經營組別組成一工業消耗品貿易、注塑製品及加工製造、機械製造、音響產品製造及線路板製造，此等類別為本集團呈報其分類資料之基準。

業務分類資料如下：

	二零零二年					其他 營運 千港元	兼消 千港元	綜合 千港元
	工業消耗品 千港元	注塑製品 及加工 千港元	機械 千港元	音響產品 千港元	線路板 千港元			
分類營業額								
對外銷售	204,484	191,491	513,702	173,984	200,869	28,954	—	1,313,484
內部分類銷售	4,146	26,450	4,719	—	—	—	(35,315)	—
總收入	208,630	217,941	518,421	173,984	200,869	28,954	(35,315)	1,313,484
內部分類銷售按市場優惠利率計算。								
業績								
分類業績	15,473	17,128	50,333	(12,104)	11,104	(2,702)	1,702	80,934
未分配公司費用								(25,005)
經營溢利								55,929
財務費用								(19,139)
投資收入								1,524
出售附屬公司虧損	(945)		(582)	(894)		(403)		(2,824)
應佔聯營公司業績								18,654
聯營公司負商譽撥作收入								2,206
除稅前溢利								56,350
稅項								15,833
扣除少數股東權益前溢利								40,517
二零零一年								
分類營業額								
對外銷售	210,392	190,743	445,716	254,665	170,556	22,675	—	1,294,747
內部分類銷售	3,483	27,152	11,277	—	—	—	(41,912)	—
總收入	213,875	217,895	456,993	254,665	170,556	22,675	(41,912)	1,294,747
內部分類銷售按市場優惠利率計算。								
業績								
分類業績	(25,839)	26,092	(20,127)	(18,743)	(421)	(21,738)	13,708	(47,068)
未分配公司費用								(27,843)
經營虧損								(74,911)
財務費用								(24,222)
投資收入								602
出售附屬公司收益(虧損)	1,328		(222)		4,195			5,301
出售聯營公司虧損								(615)
應佔聯營公司業績								14,407
除稅前虧損								(79,438)
稅項								7,751
扣除少數股東權益前虧損								(87,189)
地區分類								
本集團的業務位於香港、中華人民共和國、其他亞太國家、歐洲及北美洲。本集團之貿易工業消耗品類別位於香港及中華人民共和國。注塑製品及加工，機械，音響產品及線路板等製造業類別均位於中華人民共和國。								
下列載列本集團銷售額按地區市場之分析，不論貨物/服務之來源：								
	按地區市場劃分之銷售收入							
	二零零二年		二零零一年		千港元		千港元	
香港	350,955	348,254	681,037	600,824				
中華人民共和國	112,214	142,799	82,359	123,182				
其他亞太國家	86,919	79,688	1,313,484	1,294,747				
歐洲								
北美洲								

3. 其他經營收入

其他經營收入包括下列項目：

	二零零二年 千港元	二零零一年 千港元
佣金收入	5,323	8,953
匯兌收益	1,154	5,091
加工及服務費收入	1,500	759
租金收入	3,331	3,588
負商譽撥作收入	701	6,425
經營溢利(虧損)		
二零零二年	5,312	6,423
二零零一年	181,388	181,094
薪金及其他收益	5,216	4,255
退休福利計劃供款	191,916	191,772

所得經營溢利(虧損)已扣除：

員工支出	二零零二年 千港元	二零零一年 千港元
董事酬金	5,312	6,423
薪金及其他收益	181,388	181,094
退休福利計劃供款	5,216	4,255
折舊及攤銷：		
折舊及攤銷	54,899	49,918
—自購資產	5,102	4,908
—財務租賃	3,092	5,542
商譽攤銷(已包括在其他營運支出)	63,093	60,368
核數師酬金	2,348	2,976
投資物業重估之損失	—	1,350
土地及樓宇重估之損失	565	711
出售物業、廠房及設備之損失	2,278	3,424

5. 稅項

	二零零二年 千港元	二零零一年 千港元
支出包括：		
香港利得稅	3,395	2,090
本年度	55	(88)
上年度少(多)提	—	—
海外稅項	3,450	2,002
遞延稅項	10,303	3,887
	(244)	58
本公司及其附屬公司應佔稅項	13,509	5,947
應佔聯營公司稅項	2,324	1,804
	15,833	7,751

香港利得稅乃按年度內估計應課稅溢利16%計算。

於其他司法權區所產生稅項乃按有關該司法權區現行之稅率計算。

6. 每股盈利(虧損)

本年每股基本盈利(虧損)乃按本年溢利約23,305,000港元(二零零一年：虧損約89,128,000港元)及年內已發行股份640,838,234股(二零零一年：加權平均數640,835,030股)計算。

由於本公司優先認股權及認股權證之行使價均高於截至二零零二年十二月三十一日止及截至二零零一年十二月三十一日止期間內股份之市場平均價，故計算每股攤薄盈利(虧損)時並未假設該等優先認股權及認股權證會行使。

7. 或然負債

	二零零二年 千港元	二零零一年 千港元
給予財務機構之已使用信貸額作出的擔保	12,133	11,175
非集團公司	—	—

8. 資產抵押

於結算日，本集團已將下列資產作抵押，以取得給予本集團之一般銀行借貸款：

	賬面淨值 二零零二年 千港元	二零零一年 千港元
投資物業	13,500	13,500
土地及樓宇	21,619	43,595
機器設備	18,602	20,738
銀行存款	18,176	1,107
	71,897	78,940

股息

董事會建議將期內溢利留存，並建議不派發截至二零零二年十二月三十一日止年度之股息(二零零一年：無)。

業務回顧與展望

業績

本集團本年度之綜合營業總額約為1,313,484,000港元，較二零零一年的約為1,294,747,000港元上升約1.45%。本年度除稅前溢利約為56,350,000港元，而二零零一年除稅前虧損約為79,438,000港元。截至二零零二年十二月三十一日止年度股東應佔溢利約為23,305,000港元。

概覽

承接二零零一年的逆境，管理層通過嚴肅認真的反思與檢討，整頓與強化了管理隊伍，令公司文化與團隊精神進一步得到確立。同時，隨著管理水平提升及控制成本的努力下，儘管處於二零零二年的激烈競爭中，本集團的營業總額與去年相若，綜合業績則重新踏上盈利平台。

相對二零零一年，機械業務所面對的市場狀況，較為活躍，然而，競爭十分激烈，產品售價遭受壓力。惟在管理水平的提高及營運策略的調整下，業績已轉虧為盈。加上與日本宇部製機械株式會社(「日本宇部」)的技術合作順利開展，對本集團的市場拓展與技術提升提供重大意義。為了面對將來更激烈的市場競爭，於年度未成立之技術開發中心，將為本集團在綜合新產品研發及企業技能等範疇奠下新基礎。

於回顧年度內，塑料價格波動反覆，塑膠加工的成本控制困難，營業額下降，導致盈利降減。惟塑膠衛生食品容器業務經過整頓後，市場開展順利，預計其位於珠海市的新廠房可於本年中啟用，將為本集團業績帶來新貢獻。

音響產品業務，由於本集團的決心與策略未有徹底落實，整頓工作進展未見順利，以致虧損未除。在本年度，本集團將下決心重點整頓。

於二零零一年，線路板業務因遷廠而帶來虧損。然而，在回顧年度內，我們堅持高品質路線，並致力投資於市場開拓，成功避開惡性減價戰，重新走上盈利的軌道。

鑑於貿易業務的撥備因素已經消除，於回顧年度內，全力集中在工業消耗品的市場拓展之餘，並著重培訓人才與穩步開發銷售網點，致使盈利於預期中顯現。本集團有信心，該業務將長期帶來穩定的收益。

通過二零零二年的整頓優化，除業績改善外，更為我管理層在人才培訓與招攬各方面締造成果，成為我們日後面對激烈市場競爭與挑戰的基石。同時，我們將不斷優化管理隊伍，令朝氣進一步提升。

中國內地市場日漸成熟，隨著中國近年加入世貿，帶動大量外資在中國設廠，且不斷擴充，中國已經成為世界製造中心，加上內地民營企業發展將更蓬勃，確為本集團的核心業務提供拓展良機。

業務回顧

於二零零二年度，本集團致力發展持續增長的中國市場，適時投入資源以提高營運效益及降低成本，取得較理想的成績。綜觀本集團截至二零零二年十二月三十一日止年度業績，整體業務錄得盈利，其中以工業機械及線路板業務增長較為突出，音響產品業務礙於面向不景氣之外銷市場及處於整頓階段，仍呈現虧損。

製造業務

機械

機械業務銷售增加，其中以中國業務增長較大，外銷則微跌。營業額約為513,702,000港元，較去年增長67,986,000港元，增幅約15%，盈利增加至約為50,333,000港元。

於回顧年度內，通過優化管理隊伍及手段，改善營銷網絡，加強與客戶的關係管理，業務取得較大的改善。新產品一大型的二板式注塑機，經年來客戶的廣泛使用，品質備受肯定，銷量穩步上升，在汽車零件加工及家電等行業，享有一定的知名度，料將成為我集團的主力產品之一。

在新的一年裏，我們將投入適量的資金，擴大生產規模及增添加工設備，目的是滿足客戶質量需要的同時，以具競爭力的價格及產品，逐步擴大市場的佔有率。

引入日本宇部的技術在國內生產的大型注塑機系列，首批訂單於二零零二年末開始交付予客戶，這融合了先進技術之大型注塑機系列，將是我集團在國內市場今後發展的重點產品。

此外，為加強產品的持續發展，本集團於東莞成立新產品研發中心，專責新產品研製工作，該中心將以我集團在機械、電控及液壓設計能力的優勢，發展以滿足市場所需求的機械產品。

注塑製品及加工

由於原材料價格向上波動，提高生產成本，影響邊際利潤。加上受到外在經濟因素影響，令產品售價下降，注塑製品的外銷業務，無論在營業額及利潤方面，都受到影響，未能達到預期目標。於回顧年度，注塑業務的銷售約為191,491,000港元，較去年增加約748,000港元，增幅約為0.4%，惟盈利約為17,128,000港元，則比較去年下降約34%。

生產符合高衛生要求的食品容器及食具的業務，由於面向國內的食品包裝市場，業務未受影響，隨著零三年中於珠海市的新廠房的啟用，業務料有進一步增長。於二零零二年度，本集團在東莞、碩放、瀋陽等城市的注塑加工廠，由

於主要業務來自國內客戶，年度內均有不同程度的發展。於大连市開發區的注塑廠，亦於去年末正式投產，為區內的家電及辦公室文儀行業，提供注塑加工服務。

於新一年度，預料塑膠材料價格將持續不穩，影響綜合利潤。我集團除積極拓展海內外市場外，將致力於加強質量及生產管理(包括採用合適的企業資源企劃管理軟體)，以提高績效。

線路板

於二零零一年中，遷入新建的廠房後，生產設備及工藝水平均得到改善，提高了產量及質量，並加強內部溝通，令生產及營銷得到更佳的合作並成功地進入了歐洲及東南亞等市場。外銷為主的線路板產品，於回顧年度，銷售有所增加，銷售額約為200,869,000港元，與去年比較，上升約30,313,000港元，增幅約18%，盈利增加至約為11,104,000港元。預計未來，銷售產品仍以雙層線路板為主，美國及歐洲為主要市場。

為配合擴展中的生產需要，增聘了專業的工程人員並引進專業生產配套設施如沉金生產線及斷線板機，生產優質及具競爭力之線路板產品以滿足市場的需要。

我們將以雙層線路板為主力產品的同時，逐漸開拓多層板的市場，料於新的年度內，多層線路板的銷量將有穩步的增長。

音響產品

礙於業務仍處於整頓階段，加上音響產品海外市場急劇轉變，直接打擊銷售。產品主要市場如歐洲及日本的銷售均未如理想，相對去年，須面對更嚴峻市場情況。於回顧年度，音響產品銷售約為173,984,000港元，較去年下降80,681,000港元，跌幅約32%，虧損約為12,104,000港元。

在未來，我們將維持嚴格監控物料成本策略，務求可將虧損幅度收窄，達致業務平衡。生產方面，實行生產本地化及精簡人力資源，並致力控制成本，減省開支。

貿易業務

工業消耗品

營業額比去年略為下跌，原因本集團已將毛利偏低的機床業務收縮，然而，工業消耗品如鋼絲及緊固件銷售則略勝預期。業務經正常化後，現已轉虧為盈。於回顧年度內，營業額204,484,000港元，比去年下降5,908,000港元，下降約3%，盈利增加至約為15,473,000港元。

於回顧年度，以理解客戶當前及未來的需求，滿足並爭取超越客戶的期望作為貿易業務的經營原則的前提下，我們致力於提高員工對產品應用技術的認識及服務質量，在北京、成都及青島等城市增設銷售點，擴大銷售網絡及供貨中心。估計來年工業消耗品的業務，仍將會有較理想的增長。

展望

展望未來，儘管世界整體經濟復蘇仍較慢，但中國，在堅持擴大內需方針及積極、穩健的宏觀經濟政策的支援下，同時抓住了入世的契機，經濟將穩定持續向好。本集團將針對以長江三角洲、珠江三角洲及渤海灣區為主的目標市場，積極提高主力產品的質量及競爭力以滿足市場的需要。

為實現以上的目標，本集團將竭力強化管理，廣納國內外的專才並對員工進行持續的培訓，以為本集團核心業務的持續發展，奠定基礎。

機械業務仍為本集團的主要業務，本集團將按需要，適時的投入資金，購置先進加工設備及適度擴大生產配置以迎合市場的發展。通過引進國外先進技術及鞏固本集團的研發力量，為市場提供高效、優質及價格合理的機械產品以加強本集團的競爭優勢及盈利能力。

注塑業務將以國內市場為發展重點，客戶將以外資企業及中、大型的民營企業為主，憑藉本集團在注塑機製造所建立的品牌及市場網絡，預計注塑業務在國內市場將有較理想的發展。

流動資金及財務資源

於二零零二年十二月三十一日，本集團之股東資本約為597,543,000港元，而於二零零一年十二月三十一日則約為579,854,000港元。

本集團是以內部產生的現金流量，加上香港及中國往來銀行備用額作為營運資金。本集團於二零零二年十二月三十一日的資產負債比率約為2.7%(二零零一年：3.57%)，而流動資金比率約為1.28(二零零一年：1.31)，該等比率保持良好水平。於二零零二年十二月三十一日之現金、銀行結餘及定期存款約為81,253,000港元，財務狀況保持穩健。