



COSMOS MACHINERY ENTERPRISES LIMITED

大同機械企業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 118)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2004

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, 2004 with comparative figures for last year are as follows:

| | Notes | 2004 HK\$'000 | 2003 HK\$'000 |
|---|-------|--------------------|------------------|
| Turnover | 2 | 1,656,303 | 1,393,628 |
| Cost of sales | | (1,328,939) | (1,101,255) |
| Gross profit | | 327,364 | 292,373 |
| Other operating income | 3 | 32,854 | 27,845 |
| Distribution costs | | (100,086) | (93,503) |
| Administrative expenses | | (198,424) | (188,964) |
| Other operating expenses | | (1,281) | (3,726) |
| Allowance for bad and doubtful debts | | (12,502) | (5,000) |
| Profit from operations | 4 | 47,925 | 29,025 |
| Finance costs | | (19,968) | (17,826) |
| Investment income | | (607) | 836 |
| Gain (loss) on partial disposal/disposal of interests in subsidiaries | | 3,561 | (2,218) |
| Share of results of associates | | 39,371 | 28,351 |
| Release of negative goodwill of an associate | | – | 13,999 |
| Profit before taxation | | 70,282 | 52,167 |
| Taxation | 5 | 13,508 | 13,379 |
| Profit before minority interests | | 56,774 | 38,788 |
| Minority interests | | 14,925 | 18,260 |
| Net profit for the year | | 41,849 | 20,528 |
| Proposed dividend | 6 | 7,062 | – |
| Earnings per share – basic | 7 | 5.93 cents | 2.91 cents |

Notes:

1. IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“new HKFRSs”) which are effective for accounting periods beginning on or after 1st January, 2005. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

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:

2004

| | Industrial consumables <i>HK\$'000</i> | Plastic processing products <i>HK\$'000</i> | Machinery <i>HK\$'000</i> | Audio products <i>HK\$'000</i> | Printed circuit boards <i>HK\$'000</i> | Other operations <i>HK\$'000</i> | Eliminations <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|---|--|--|------------------------------|--------------------------------------|---|--|---------------------------------|---------------------------------|
| TURNOVER | | | | | | | | |
| External sales | 266,707 | 285,239 | 615,291 | 140,204 | 348,862 | - | - | 1,656,303 |
| Inter-segment sales | 5,146 | 20,407 | 16,691 | 7 | - | - | (42,251) | - |
| Total revenue | <u>271,853</u> | <u>305,646</u> | <u>631,982</u> | <u>140,211</u> | <u>348,862</u> | <u>-</u> | <u>(42,251)</u> | <u>1,656,303</u> |
| Inter-segment sales are charged at prevailing market rates. | | | | | | | | |
| RESULTS | | | | | | | | |
| Segment results | <u>13,965</u> | <u>23,721</u> | <u>36,172</u> | <u>(7,352)</u> | <u>(2,888)</u> | <u>(1,148)</u> | <u>(2,023)</u> | 60,447 |
| Unallocated corporate expenses | | | | | | | | <u>(12,522)</u> |
| Profit from operations | | | | | | | | 47,925 |
| Finance costs | | | | | | | | (19,968) |
| Investment income | | | | | | | | (607) |
| Gain on partial disposal of interest in subsidiaries | | | 3,561 | | | | | 3,561 |
| Share of results of associates | | (277) | 9,149 | | | 30,499 | | <u>39,371</u> |
| Profit before taxation | | | | | | | | 70,282 |
| Taxation | | | | | | | | <u>13,508</u> |
| Profit before minority interests | | | | | | | | <u>56,774</u> |

2003

| | 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 | 244,266 | 222,230 | 601,291 | 72,769 | 253,072 | – | – | 1,393,628 |
| Inter-segment sales | 5,308 | 9,966 | 13,453 | – | – | – | (28,727) | – |
| Total revenue | 249,574 | 232,196 | 614,744 | 72,769 | 253,072 | – | (28,727) | 1,393,628 |

Inter-segment sales are charged at prevailing market rates.

| RESULTS | | | | | | | | |
|--|--------|--------|--------|----------|--------|---------|-------|----------|
| Segment results | 16,249 | 10,180 | 24,272 | (15,943) | 11,763 | 461 | 3,991 | 50,973 |
| Unallocated corporate expenses | | | | | | | | (21,948) |
| Profit from operations | | | | | | | | 29,025 |
| Finance costs | | | | | | | | (17,826) |
| Investment income | | | | | | | | 836 |
| Loss on disposal of subsidiaries | | | | (244) | | (1,974) | | (2,218) |
| Share of results of associates | | (797) | 4,772 | | | 24,376 | | 28,351 |
| Release of negative goodwill of an associate | | | | | | 13,999 | | 13,999 |
| Profit before taxation | | | | | | | | 52,167 |
| Taxation | | | | | | | | 13,379 |
| Profit before minority interests | | | | | | | | 38,788 |

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 processing products, machinery, audio 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 | |
|------------------------------|---|------------------|
| | 2004 HK\$'000 | 2003 HK\$'000 |
| Hong Kong | 643,730 | 492,211 |
| PRC | 749,507 | 727,083 |
| Other Asia-Pacific countries | 85,293 | 94,734 |
| Europe | 40,687 | 35,934 |
| North America | 137,086 | 43,666 |
| | 1,656,303 | 1,393,628 |

3. OTHER OPERATING INCOME

| | 2004 <i>HK\$'000</i> | 2003 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Other operating income included the following items: | | |
| Commission income | 8,901 | 8,363 |
| Exchange gain | 94 | – |
| Handling and services income | 854 | 2,244 |
| Rental income net of outgoings | 2,869 | 3,444 |
| Release of negative goodwill to income | 6,756 | 289 |
| | <u>6,756</u> | <u>289</u> |

4. PROFIT FROM OPERATIONS

| | 2004 <i>HK\$'000</i> | 2003 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Profit from operations has been arrived at after charging: | | |
| Staff costs | | |
| Directors' remuneration | 9,169 | 7,104 |
| Salaries and other benefits | 188,729 | 181,847 |
| Retirement benefits schemes contributions | 7,272 | 6,191 |
| | <u>205,170</u> | <u>195,142</u> |
| Depreciation and amortisation | | |
| Depreciation and amortisation on: | | |
| – Owned assets | 54,918 | 54,787 |
| – Assets held under finance leases | 3,721 | 5,654 |
| Amortisation of goodwill (included in other operating expenses) | 1,839 | 3,098 |
| | <u>60,478</u> | <u>63,539</u> |
| Auditors' remuneration | | |
| – Current year | 1,715 | 2,361 |
| – Overprovided in prior years | (204) | (13) |
| Deficit arising on revaluation of leasehold land and buildings | – | 628 |
| Exchange loss | – | 1,072 |
| Loss on disposal of property, plant and equipment | 444 | 931 |
| | <u>444</u> | <u>931</u> |
| <i>and crediting:</i> | | |
| Surplus arising on revaluation of leasehold land and buildings | (558) | – |
| | <u>(558)</u> | <u>–</u> |

5. TAXATION

Hong Kong Profits Tax is calculated at 17.5%(2003: 17.5%) on the estimated assessable profit for the year.

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

| | 2004 <i>HK\$'000</i> | 2003 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Hong Kong Profits Tax | | |
| Current year | 1,433 | 1,079 |
| Underprovision in prior years | 63 | 93 |
| | <u>1,496</u> | <u>1,172</u> |
| Taxation outside Hong Kong | 7,852 | 8,723 |
| Deferred taxation relating to the origination and reversal of temporary differences | | |
| Current year | (414) | 633 |
| Effect of increase in tax rate | – | 19 |
| | <u>(414)</u> | <u>652</u> |
| Taxation attributable to the Company and its subsidiaries | 8,934 | 10,547 |
| Share of tax on results of associates | 4,574 | 2,832 |
| | <u>4,574</u> | <u>2,832</u> |
| Taxation charge | <u>13,508</u> | <u>13,379</u> |

6. DIVIDENDS

| | 2004 <i>HK\$'000</i> | 2003 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Dividend proposed after the balance sheet date of HK\$0.01 (2003: Nil) per share | <u>7,062</u> | <u>–</u> |

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the net profit for the year of approximately HK\$41,849,000 (2003: approximately HK\$20,528,000) and on the weighted average number of shares in issue during the year of 706,228,857 (2003: as restated 705,590,556).

The adjustment to the comparative basic earnings per share, arising from the bonus issue of shares is as follows:

| | <i>HK cents</i> |
|---|-----------------|
| Reconciliation of 2003 earnings per share: | |
| Reported figure before adjustments | 3.20 |
| Adjustment arising from the bonus issue of shares | <u>(0.29)</u> |
| As restated | <u>2.91</u> |

8. CONTINGENT LIABILITIES

| | THE GROUP | |
|---|-------------------------|-------------------------|
| | 2004 <i>HK\$'000</i> | 2003 <i>HK\$'000</i> |
| Guarantees given to financial institutions in respect of credit facilities utilised by: | | |
| Outsiders | <u>6,109</u> | <u>6,092</u> |
| | <u>6,109</u> | <u>6,092</u> |

9. PLEDGE OF ASSETS

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

| | Net book value | |
|------------------------------|-------------------------|-------------------------|
| | 2004 <i>HK\$'000</i> | 2003 <i>HK\$'000</i> |
| Investment properties | 13,500 | 13,500 |
| Leasehold land and buildings | 45,357 | 25,309 |
| Plant and machinery | 58,189 | 37,192 |
| Bank deposits | <u>3,961</u> | <u>13,969</u> |
| | <u>121,007</u> | <u>89,970</u> |

FINAL DIVIDEND

The Board recommends the payment of a final dividend for the year ended 31st December, 2004 of 1 HK cent per share (2003: Nil) to shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company as at the date of the 2005 Annual General Meeting (the "AGM"). Such final dividend will be satisfied by way of a scrip dividend with an alternative to the Shareholders to elect to receive such final dividend (or part thereof) in cash in lieu of such scrip dividend (the "Scrip Dividend Scheme").

Subject to the approval by the Shareholders in the AGM, a circular containing details of the Scrip Dividend Scheme together with the relevant election form will be sent to the Shareholders as soon as practicable. The Scrip Dividend Scheme is conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of the listing of and permission to deal in the new shares to be issued pursuant thereto.

CLOSE OF REGISTER

The register of members will be closed from 24th May, 2005 to 30th May, 2005 (both days inclusive), during which no transfer of shares will be registered. In order to qualify for the final dividend, all instruments of transfers and the relevant share certificates must be lodged with the Company's Registrars, Secretaries 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 23rd May, 2005.

BUSINESS REVIEW AND PROSPECTS

Results

The Group's consolidated turnover for the year 2004 was approximately HK\$1,656,303,000, or about 19% higher than the approximate figure of HK\$1,393,628,000 for 2003. Our profit before taxation amounted to approximately HK\$70,282,000, increasing by about 35% over the approximate figure of HK\$52,167,000 for the previous year. For the year ended 31st December 2004, profit attributable to the shareholders was approximately HK\$41,849,000, representing an increase of 104% over that for the previous year.

Among our various businesses, plastic processing registered the most remarkable growth with a one-fold increase in profit. Achieving a profit of HK\$36,172,000, the machinery business continued to perform satisfactorily. Sales of audio products have picked up, substantially narrowing down last year's huge losses. Less desirable results were witnessed by the printed circuit board business which suffered a loss of approximately HK\$2,888,000 owing to the surge in the costs of raw materials.

Chairman Statement

We were faced with quite some challenges in the year 2004. The spiraling material prices, the fluctuating and appreciating foreign currencies, the power shortages and economic macro adjustments on the Mainland have put the Group under a lot of pressure. Fortunately, having weathered the adversities of 2003, our management team has emerged to be more sophisticated and has succeeded in improving the Group's performance.

To establish the Group as a key player in the industrial sector, the guiding principles of "industry-based, people-oriented, pragmatic and aggressive, and continuous learning" were put forward at our 2004 forum on overall strategies as our blueprint for management and development. Affirming the manufacturing of machinery as our core business to be supplemented by plastic processing and trading of industrial products, the Group aims to bond together our investments in other related industries in order to maintain our firm footing in the industrial sector. Mutual advancement will be sought through collaboration in the form of business exchanges and experience sharing among our various operations.

Machinery manufacturing being our focus, the Group dedicated more resources to the business in 2004 to expand our existing production plant and to acquire additional state-of-the-art processing facilities in anticipation of the phased launching of our new machinery products. As for the development of technology, to maintain our leading position in the fields of mechanical design, hydraulics and electronic control, the Group has recruited professionals both at home and abroad from countries like Germany and Switzerland to enhance our capability in producing machinery and applying technology so that advanced and quality service can be made available to meet the demands of both the market and our customers. We firmly believe that while injection moulding machines remain to be our primary products, new products like blow moulding machine, extrusion machine and CNC turret punching machine will constitute the new growth areas for the Group's profit.

In a bid to redefine machinery manufacturing as our core business, member companies engaging in such operations have been restructured so that production bases in various parts of the mainland and related products and brands can be centrally managed for maximizing resources and making room for expanding our machinery business.

Committed to our "people-oriented" principle, the Group firmly believes that our success hinges more on a professional, well-trained and crises-wise team than on expanded plants and additional facilities. It is such a team who loses no time in leading the Group out of plights with prompt actions in times of crises and who takes advantage of the good times to bring about drastic advances. As such, we set great store by staff training whilst recruiting talents. The vision is to ensure their advancement through continuous learning and growth through work so that they can make greater contribution towards a brighter future for the Group.

Appreciation

Last but not the least, I would like to congratulate and thank all our staff for their hard work and advancement and our shareholders and directors for their valuable support.

Review of Operations

Manufacturing Business

Machinery

Affected by unfavorable conditions like the surge in steel prices, power shortages and macro-economic control and adjustment on the mainland, coupled with the unregulated competition in the injection moulding machine industry, sales as well as profit were under considerable pressure. Thanks to the hard work of our staff, the machinery manufacturing business performed strongly and maintained its growth. Turnover totaled approximately HK\$615,291,000, or a rise of 2% over last year of HK\$14,000,000, while profit was approximately HK\$36,172,000, increasing slightly by 49% over last year.

To prepare for the launching of our new machinery products, the Group began expanding its plant in Dongguan by stages and acquired additional key processing facilities to boost its productivity and to ensure product quality. Productivity is expected to increase by about 10% upon completion of the first phase of works. The new machinery processing and assembly workshop is expected to be operational in the second quarter of 2005. The main products will include the new precision injection moulding machine for export market, blow moulding machine, rubber injection moulding machine and CNC turret punching machine.

We are pleased to report that, in the year 2004, our member company Dong Hua Machinery Ltd., being one of the only three in Dongguan honored with the award, was included among the fifty finest enterprises of new and advanced technology in Guangdong. In collaboration with mainland universities, the Group also came out successful in bidding for two separate contracts for Guangdong-Hong Kong projects of major breakthroughs in key areas, namely network-based intelligent high-speed CNC flexible machining system for sheet metal fabrication and testing platform for high molecular weight polymer and its composite material. These serve to testify to the recognition gained by the Group in technological research and development as well as our commitment and contribution to society.

Plastic Products and Processing

During the year under review, sales for the Group's plastic business amounted to approximately HK\$285,239,000, representing an increase of approximately HK\$63,009,000 or 28% higher than that of last year. Profit stood at approximately HK\$23,721,000 or 133% over last year.

The outbreak of SARS in 2003 took its toll on export orders so much so that the profit for the plastic processing business dwindled to approximately HK\$10,180,000. Thanks to the efforts made by our staff throughout 2004, our customer network has expanded and the pressure of soaring plastic prices on production costs has eased. As a result, profit rebounded and even rose beyond the 2002 level which was approximately HK\$17,128,000.

During the year under review, the Group's plastic processing capabilities have been enhanced considerably through management optimization. Whether in terms of quality or delivery times, we have been able to satisfy the requirements of our customers. It is our hope to bring about greater growth in our sales of moulds, especially in exports, in the coming year.

The newly constructed Zhuhai plant officially commenced operation in June 2004. The new plant not only doubles the productivity of the Shunde plant but is also better equipped. The air filtering facility, for example, enables the plant to comply with the stringent hygienic requirements for the production of food and drug containers and will push operation further up the quality ladder.

Following the surge in oil prices which successively reached new heights, plastic resin prices have been on the rise for a prolonged period of time. This has been a source of pressure to the Group's plastic products and processing business which will be impacted to a certain extent if power and labor on the mainland continue to be in short supply.

Audio Products

During the year under review, sales of audio products totaled approximately HK\$140,204,000, increasing by HK\$67,435,000 or 93% as compared to last year, while loss fell substantially to approximately HK\$7,352,000.

Maximizing our existing resources, we have calculated our entry into the niche market with the identification and production of suitable specialty products like shock-proof and water-proof audio products for construction sites. Initial results have been promising and growth can hopefully be maintained in the coming year to achieve break-even.

Printed Circuit Board

In 2004, printed circuit board products continued to record double-digit growth. Sales totaled approximately HK\$348,862,000 while the year-on-year increase was approximately HK\$95,790,000 or 38%. Nevertheless, as selling prices could not be adjusted in time to reflect the drastic climb in circuit board prices in the latter half of the year, there was a loss of approximately HK\$2,888,000 at the end of the year.

In the light of the experiences gained, the Group has stepped up management and adjusted contingency measures with a view to promptly reflect the changes in material costs in our selling prices. The production portfolio remains to be primarily one-layer and two-layer boards with multi-layer ones next on the list. Through optimizing production management, reducing waste of scraps and introducing enterprise resources planning system, cost management has become more effective and resources can be spared for research and development of value-added products. The focus for the year ahead will be on markets like Europe and Japan where the marginal profits are higher so as to keep the gross profit rate at a stable level. With the gradual increase in the selling prices of our products, better profits can be envisaged for the coming year.

Trading Business

Industrial Consumables

During the year under review, turnover for this business rose to HK\$266,707,000, representing an increase of approximately HK\$22,441,000 or 9%. The profit stood at approximately HK\$13,965,000.

The opening up of the mainland market has led to an increase in the supply of imported products. Mainland products improving in quality, productivity and supply as well as fluctuating and appreciating foreign currencies also pose possible competition. Faced with these challenges, the Group has responded by placing emphasis on training our sales team and streamlining logistics. With professional training, we aim to provide our customers with quality and professional technological applications and to sustain our development and profitability with high value-added products and service. To expand and consolidate our exporting business, we will continue to source quality mainland industrial products and distribute them through our highly efficient sales network.

Prospects

Looking into the year ahead, the Group's business will benefit from the growing mainland market and the relatively promising overseas markets like South America and Eastern Europe. Nevertheless, the Group's engagement in machinery manufacturing and plastic processing means that we will inevitably be faced with the pressure of rising costs in view of the expected high prices of raw materials like steel and plastic in the coming year and scarce power supply. We may further be affected by the dampened interests of certain customers in reinvestment following the macro-economic control and adjustment measures taken by the mainland authorities in the third quarter of last year. The Group is confident, however, to be able to deal with and overcome any short-term difficulties that may arise in view of the enhancement we have achieved in overall management in recent years through training our management team and optimizing our management structure and system.

The machinery business will remain to be the thrust of our development in the future. With competition envisaged to become more intense for the injection moulding machine on the mainland market, the Group will focus on developing for our customers injection moulding machines with greater emphasis on technology and value-adding. Meanwhile, the Group strikes to develop the overseas markets. Our new products of blow moulding machine, extrusion machine and CNC turret punching machine are now ready for launch in 2005. With our well-established sales network, market branding, inherent productivity and sales and service systems, these new machinery products are expected to form the mainstay of our products after the injection moulding machine and will fuel new growths for our machinery business.

Changes and fluctuations in the economy and the market are unavoidable for any enterprise in the course of its development. The Group firmly believes that retaining and capitalizing on our talents will enable our team to face squarely any challenges that may arise, to devise contingency measures to overcome any short-term difficulties, and, more importantly, to formulate strategies for development in the long run in order to bring about greater returns for both our investors and staff.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st December, 2004, the Group's shareholders' funds were approximately HK\$680,593,000, compared with approximately HK\$631,803,000 as at 31st December, 2003.

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, 2004 was approximately 7.1% (2003: 3.8%), and the liquidity ratio was approximately 1.26 (2003: 1.29), both were maintained at a healthy level. As at 31st December, 2004, cash, bank balances and time deposits amounted to approximately HK\$107,536,000. All these reflect that the Group is in sound financial position.

Foreign Currencies and Treasury Policy

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars, Renminbi or United States Dollars. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. During the year, the Group had certain fixed interest rate borrowings but had not engaged in any financial instruments for hedging or speculative activities.

AUDIT COMMITTEE

The audit committee of the Company comprises the three 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. The audit committee is of the opinion that the preparation of such statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

EMPLOYEES AND REMUNERATION POLICY

As at 31st December, 2004, the Group has approximately 6,000 employees (2003: 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 SHARES

During the year ended 31st December, 2004, there has been no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed shares.

CORPORATE GOVERNANCE

None of the directors is aware of any information that would reasonably indicate that the Company had not been for any part of the year ended 31st December, 2004, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except that the non-executive directors and independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election in accordance with Articles 94 and 103 of the Company's Articles of Association.

Throughout the year ended 31st December, 2004, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions based on the enquiry of all the directors of the Company.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers all of the independent non-executive directors are independent.

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 Listing Rules will be published on the website of each of the Stock Exchange at <http://www.hkex.com.hk> and of the Company at <http://www.cosmel.com> in due course.

On behalf of the Board
TANG To
Chairman

Hong Kong, 26th April, 2005

As at the date hereof, the board of directors of the Company is comprised of eleven directors, of which five are Executive Directors, namely Mr. Tang To, Mr. Zhao Zhuoying, Mr. Wong Yiu Ming, Mr. Yan Wing Fai Richard and Mr. Li Tin Loi and three are Non-Executive Directors, namely Mr. Tang Kwan, Mr. He Zhiqi and Mr. Kan Wai Wah and three are Independent Non-Executive Directors, namely Mr. Liang Shangli, Mr. Yip Jeffery and Miss. Yeung Shuk Fan.

“Please also refer to the published version of this announcement in The Standard.”



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)

(股份代號：118)

業績公佈

截至二零零四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」)截至二零零四年十二月三十一日止年度之經審核綜合業績連同二零零三年同期之比較數字如下：

| | 附註 | 二零零四年 千港元 | 二零零三年 千港元 |
|-----------------------|----|--------------|--------------|
| 營業額 | 2 | 1,656,303 | 1,393,628 |
| 銷售成本 | | (1,328,939) | (1,101,255) |
| 毛利 | | 327,364 | 292,373 |
| 其他收入 | 3 | 32,854 | 27,845 |
| 分銷費用 | | (100,086) | (93,503) |
| 行政費用 | | (198,424) | (188,964) |
| 其他經營開支 | | (1,281) | (3,726) |
| 呆壞賬撥備 | | (12,502) | (5,000) |
| 經營溢利 | 4 | 47,925 | 29,025 |
| 財務費用 | | (19,968) | (17,826) |
| 投資收益 | | (607) | 836 |
| 出售部份附屬公司／附屬公司權益利潤(虧損) | | 3,561 | (2,218) |
| 應佔聯營公司業績 | | 39,371 | 28,351 |
| 聯營公司負商譽撥作收入 | | — | 13,999 |
| 除稅前溢利 | | 70,282 | 52,167 |
| 稅項 | 5 | 13,508 | 13,379 |
| 扣除少數股東權益前溢利 | | 56,774 | 38,788 |
| 少數股東權益 | | 14,925 | 18,260 |
| 年內溢利淨額 | | 41,849 | 20,528 |
| 擬派股息 | 6 | 7,062 | — |
| 每股盈利－基本 | 7 | 5.93仙 | 2.91仙 |

附註：

1. 最近頒佈之財務報告準則之影響

香港會計師公會已頒佈多項新香港財務報告準則及香港會計準則(新香港財務報告準則)，該等新香港財務報告準則於二零零五年一月一日或之後開始之會計期間有效。本集團已開始評估該等新香港財務報告準則之影響，惟仍然無法確定該等新香港財務報告準則會否對其經營業績及財務狀況構成重大影響。

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－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：

二零零四年

| | 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 | 其他營運 千港元 | 撇消 千港元 | 綜合 千港元 |
|--------|------------------|--------------------|----------------|----------------|----------------|-------------|-----------------|------------------|
| 營業額 | | | | | | | | |
| 對外銷售 | 266,707 | 285,239 | 615,291 | 140,204 | 348,862 | — | — | 1,656,303 |
| 內部分類銷售 | 5,146 | 20,407 | 16,691 | 7 | — | — | (42,251) | — |
| 總收入 | <u>271,853</u> | <u>305,646</u> | <u>631,982</u> | <u>140,211</u> | <u>348,862</u> | <u>—</u> | <u>(42,251)</u> | <u>1,656,303</u> |

內部分類銷售按市場優惠價格計算。

| | | | | | | | | |
|-------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|
| 業績 分類業績 | <u>13,965</u> | <u>23,721</u> | <u>36,172</u> | <u>(7,352)</u> | <u>(2,888)</u> | <u>(1,148)</u> | <u>(2,023)</u> | 60,447 |
| 未分配公司費用 | | | | | | | | (12,522) |
| 經營溢利 | | | | | | | | 47,925 |
| 財務費用 | | | | | | | | (19,968) |
| 投資收益 | | | | | | | | (607) |
| 出售附屬公司權益盈利 | | | 3,561 | | | | | 3,561 |
| 應佔聯營公司業績 | | (277) | 9,149 | | | 30,499 | | 39,371 |
| 除稅前溢利 | | | | | | | | 70,282 |
| 稅項 | | | | | | | | 13,508 |
| 扣除少數股東權益前溢利 | | | | | | | | <u>56,774</u> |

二零零三年

| | 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 | 其他營運 千港元 | 撇消 千港元 | 綜合 千港元 |
|--------|------------------|--------------------|----------------|---------------|----------------|-------------|-----------------|------------------|
| 營業額 | | | | | | | | |
| 對外銷售 | 244,266 | 222,230 | 601,291 | 72,769 | 253,072 | — | — | 1,393,628 |
| 內部分類銷售 | 5,308 | 9,966 | 13,453 | — | — | — | (28,727) | — |
| 總收入 | <u>249,574</u> | <u>232,196</u> | <u>614,744</u> | <u>72,769</u> | <u>253,072</u> | <u>—</u> | <u>(28,727)</u> | <u>1,393,628</u> |

內部分類銷售按市場優惠價格計算。

| | | | | | | | | |
|-------------|---------------|---------------|---------------|-----------------|---------------|------------|--------------|---------------|
| 業績 分類業績 | <u>16,249</u> | <u>10,180</u> | <u>24,272</u> | <u>(15,943)</u> | <u>11,763</u> | <u>461</u> | <u>3,991</u> | 50,973 |
| 未分配公司費用 | | | | | | | | (21,948) |
| 經營溢利 | | | | | | | | 29,025 |
| 財務費用 | | | | | | | | (17,826) |
| 投資收益 | | | | | | | | 836 |
| 出售附屬公司虧損 | | | (244) | | | (1,974) | | (2,218) |
| 應佔聯營公司業績 | | (797) | 4,772 | | | 24,376 | | 28,351 |
| 聯營公司負商譽撥作收入 | | | | | | 13,999 | | 13,999 |
| 除稅前溢利 | | | | | | | | 52,167 |
| 稅項 | | | | | | | | 13,379 |
| 扣除少數股東權益前溢利 | | | | | | | | <u>38,788</u> |

地區分類

本集團的業務位於香港、中華人民共和國其他地區、其他亞太國家、歐洲及北美洲。本集團之工業消耗品貿易類別位於香港及中華人民共和國其他地區。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 | |
|-------------|------------------|------------------|
| | 二零零四年 千港元 | 二零零三年 千港元 |
| 香港 | 643,730 | 492,211 |
| 中華人民共和國其他地區 | 749,507 | 727,083 |
| 其他亞太國家 | 85,293 | 94,734 |
| 歐洲 | 40,687 | 35,934 |
| 北美洲 | 137,086 | 43,666 |
| | <u>1,656,303</u> | <u>1,393,628</u> |

3. 其他收入

其他收入包括下列項目：

| | 二零零四年 千港元 | 二零零三年 千港元 |
|---------|--------------|--------------|
| 佣金收入 | 8,901 | 8,363 |
| 匯兌收益 | 94 | — |
| 處理及服務收入 | 854 | 2,244 |
| 物業租金淨收益 | 2,869 | 3,444 |
| 負商譽撥作收入 | 6,756 | 289 |
| | <u>6,756</u> | <u>289</u> |

4. 經營溢利

經營溢利已扣除下列項目：

| | 二零零四年 千港元 | 二零零三年 千港元 |
|-------------------|----------------|----------------|
| 員工支出 | 9,169 | 7,104 |
| 董事酬金 | 188,729 | 181,847 |
| 薪金及其他收益 | 7,272 | 6,191 |
| 退休福利計劃供款 | | |
| | <u>205,170</u> | <u>195,142</u> |
| 折舊及攤銷 | | |
| 折舊及攤銷： | | |
| — 自置資產 | 54,918 | 54,787 |
| — 財務租賃之資產 | 3,721 | 5,654 |
| 商譽攤銷 (已包括在其他經營開支) | 1,839 | 3,098 |
| | <u>60,478</u> | <u>63,539</u> |
| 核數師酬金 | | |
| — 本年度 | 1,715 | 2,361 |
| — 往年度多提 | (204) | (13) |
| 土地及樓宇重估之虧損 | — | 628 |
| 匯兌虧損 | — | 1,072 |
| 出售物業、廠房及設備之虧損 | 444 | 931 |
| | <u>444</u> | <u>931</u> |
| 並已計入： | | |
| 土地及樓宇重估之盈餘 | (558) | — |
| | <u>(558)</u> | <u>—</u> |

5. 稅項

香港利得稅乃按期內估計應課稅溢利17.5% (二零零三年：17.5%) 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。

| | 二零零四年 千港元 | 二零零三年 千港元 |
|------------------|---------------|---------------|
| 香港利得稅 | | |
| 本年度 | 1,433 | 1,079 |
| 上年度少提 | 63 | 93 |
| | <u>1,496</u> | <u>1,172</u> |
| 海外稅項 | 7,852 | 8,723 |
| 因暫時差異之產生及逆轉之遞延稅項 | | |
| 本年度 | (414) | 633 |
| 稅率改變之影響 | — | 19 |
| | <u>(414)</u> | <u>652</u> |
| 本公司及其附屬公司應佔稅項 | 8,934 | 10,547 |
| 應佔聯營公司稅項 | 4,574 | 2,832 |
| | <u>13,508</u> | <u>13,379</u> |

6. 股息

建議末期股息每股1港仙 (二零零三年：無)

| | 二零零四年 千港元 | 二零零三年 千港元 |
|--|--------------|--------------|
| | <u>7,062</u> | <u>—</u> |

7. 每股盈利

本年每股基本盈利乃按本年溢利約為41,849,000港元 (二零零三年：約為20,528,000港元) 及年度內已發行股份加權平均數706,228,857股 (二零零三年：705,590,556股) 計算。

因發行紅股而調整可比較的每股之盈利如下：

| | 港仙 |
|--------------|-------------|
| 調整二零零三年每股盈利： | |
| 調整前報告數值 | 3.20 |
| 因發行紅股而調整 | (0.29) |
| | <u>2.91</u> |
| 重列 | <u>2.91</u> |

8. 或然負債

| | 二零零四年 千港元 | 二零零三年 千港元 |
|------------------------------|--------------|--------------|
| 給予財務機構之已使用信貸額作出的擔保： 非集團公司 | 6,109 | 6,092 |
| | <u>6,109</u> | <u>6,092</u> |

9. 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信貸款：

| | 賬面淨值 | |
|-------|----------------|---------------|
| | 二零零四年 千港元 | 二零零三年 千港元 |
| 投資物業 | 13,500 | 13,500 |
| 土地及樓宇 | 45,357 | 25,309 |
| 機器設備 | 58,189 | 37,192 |
| 銀行存款 | 3,961 | 13,969 |
| | <u>121,007</u> | <u>89,970</u> |

末期股息

董事會議決建議向二零零五年股東週年大會（「股東週年大會」）當日名列本公司股東名冊之本公司股東（「股東」），派發截至二零零四年十二月三十一日止年度之末期股息每股1港仙（二零零三年：無），該末期股息將以代息股份方式支付，股東有權選擇收取現金作為全部或部份末期股息代替代息股份（「以股代息計劃」）。

待股東在股東週年大會上批准後，本公司將儘快向股東發出一份刊載以股代息計劃詳情的通函，連同有關的選擇表格。以股代息計劃須待香港聯合交易所有限公司（「聯交所」）上市委員會批准根據該計劃而發行之新股上市及買賣後，方可作實。

暫停辦理股份過戶登記手續

本公司將於二零零五年五月二十四日至二零零五年五月三十日（首尾兩天包括在內）暫停辦理股份過戶登記手續。本公司股東如欲獲派發末期股息，最遲須於二零零五年五月二十三日下午四時以前，將過戶文件及有關股票送交本公司之股份過戶登記處—香港灣仔告士打道56號東亞銀行港灣中心地下秘書商業服務有限公司辦理登記手續。

業務回顧及展望

業績

本集團本年度之綜合營業總額約為1,656,303,000港元，較二零零三年的約為1,393,628,000港元上升約19%。本年度除稅前溢利約為70,282,000港元，而二零零三年除稅前溢利約為52,167,000港元，上升約35%。截至二零零四年十二月三十一日止年度股東應佔溢利約為41,849,000港元，與上年度比較，升幅為104%。

各項業務中，以塑料加工業務較為突出，利潤升幅逾1倍；機械業務維持理想水平，錄得利潤36,172,000港元，去年嚴重虧損的電子音響業務，業績得到改善，虧損有較大幅度的收窄，成績較為遜色為印刷線路板的業務，由於原材料成本的猛升，令該業務出現約2,888,000港元的虧損。

主席報告

二零零四年的挑戰全不輕鬆，本年度因原材料價格與外匯波動上揚，國內電力供應緊缺及內地經濟宏觀調控等問題的出現，給集團帶來不少壓力，可喜的是集團管理層通過二零零三年逆境的鍛鍊，在克服這些困難的過程中，我們的團隊顯得更加成熟，集團的業績亦跟隨團隊的進步而有所改善，取得較佳的成績。

於二零零四年總體戰略研討會上，集團提出「立足工業、以人為本、務實進取、持續學習」為本公司的管理及發展綱領，進一步明確將以機械製造業務為核心，塑料加工業務及工業消耗品貿易業務為輔，結合集團在其它相關工業的投資，構成立足工業的實體。各事業單位，通過業務上的交往及經驗的分享，以實現協同效應，互相促進提高效率。

基於對機械製造業務的重視，集團於二零零四年度內，加大了對該業務的投入，其中包括擴大現有的生產廠房，加添了先進的加工設備，是為集團新的機械產品陸續推向市場作準備。此外，在技術開發上，為保持本集團在機械、液壓及電子控制等技術的領先優勢，集團延聘了包括來自德國及瑞士等國內、外的技術專業人士，以加強集團在機械產品及應用技術的力量，更好地為市場提供先進及優質的產品和服務，滿足客戶的需要。集團深信，機械業務將仍以注塑機為主力產品的同時，塑料中空成型機、塑料押出機及數控轉塔衝床等新產品，將成為集團利潤的新增長點。

在明確以機械業務為核心的前提下，集團將對從事機械製造業務的成員公司進行整合，通過重組將分佈於國內的生產基地、相關的產品及品牌，進行集中管理，使集團的資源能得到有效的利用，從而擴大機械業務的發展空間。

集團堅持「以人為本」的理念，深信我們的成功，並非祇建基於不斷擴充廠房及增添設備，更重要是靠一支具專業水平、訓練有素及經得起考驗的團隊。祇有通過他們，才能帶領企業在逆境中作出應變，迅速走出困局，並在順境時快步前進。因此，我們在廣聚賢才的同時，更重視員工的培育，期望他們在持續學習中得到進步，在工作鍛煉中得到成長，最終能為企業作出更大的貢獻，為集團締造更好的未來。

致謝

全體員工的辛勤與進步，確實可喜且欣慰，股東們與董事會各成員的支援十分可貴，本人謹向大家深表謝意。

業務回顧

製造業務

工業機械

於二零零四年度，面對諸如鋼材價格猛漲、國內電力供應緊張及實施經濟宏觀調控等不利因素的影響，加上注塑機行業內的無序競爭，對銷售以致利潤都構成一定的壓力，然而通過員工們的努力，機械製造業務仍取得穩健成績，業績保持增長，營業額約為615,291,000港元，較去年增加14,000,000港元上升約2%。年內溢利約為36,172,000港元，與去年相比，上升49%。

考慮為新的機械產品投入市場作準備，集團於二零零四年度內，在東莞的廠房進行分階段的擴充，並增置相應的關鍵加工設備作配合，以提高生產能力並保證產品的質量。預計當首期工程完成後，產能將增加約百分之十，新的機械加工及裝配車間預期在零五年第二季度投入生產，產品將以包括新系列專供外銷市場的精密注塑機、塑料中空成型機、橡膠注塑機、數控轉塔衝床等機械產品為主。

此外，值得一提的是於二零零四年，我們成員公司東華機械有限公司榮獲廣東五十家優秀高新技術企業獎，在東莞地區三家名額中，東華佔了一席。於回顧年度，在粵港關鍵領域重點突破項目招標中，本集團與國內大學合作的兩個項目分別中標，其中包括網絡化智能型高速數控板材柔性加工成套裝備及高分子及其複合材料開發的測試關鍵技術平台。此等項目除反映我司在科研領域及開發技術水平得到業界的認同外，也是我集團對社會貢獻的承擔。

注塑製品及加工

於回顧年度，注塑業務的銷售約為285,239,000港元，較去年增加約63,009,000港元，增幅約為28%，盈利約為23,721,000港元，比較去年上升133%。

注塑加工業務在二零零三年期間，由於「非典」的肆虐，嚴重影響外銷客戶的訂單，使注塑加工業務的利潤，減縮至約10,180,000港元的水平，通過二零零四年整年的努力，員工們於致力拓展新客戶的同時，亦較好地舒緩了塑料價格高企帶來生產成本的壓力，使注塑加工業務的利潤回復並超越了二零零二年的利潤水平（二零零二年注塑業務利潤約17,128,000港元）。

回顧年度內，集團注塑模具加工力量，通過優化管理得到較大的提升，無論在質量及交貨期，均能滿足海內外客戶的要求，期望模具的銷售業務在來年，尤其在出口方面，能有較大的增長。

新建的珠海廠房已於二零零四年六月正式使用，產能比原有在順德的廠房增加一倍，基礎設備亦更優越，其中如空氣素質過濾設備等俱備，可生產高衛生要求的食品或藥品衛生容器等製品，業務將推上更高水準的台階。

原油價格高踞不下，且有屢創新高之勢，令塑料的價格亦長期看漲，對集團注塑加工業務，構成壓力，倘國內電力供應仍然緊張及華南的勞動力依然緊絀的話，對集團的注塑製品及加工業務會帶來一定的影響。

音響產品

於回顧年度，音響產品銷售約為140,204,000港元，較去年上升67,435,000港元，升幅達93%，虧損大幅降至約為7,352,000港元。

我們充分利用現有資源，有計劃地投入利基市場，找到適當的產品，生產具特別性能要求的產品，如可避震及防水的工地音響，取得初步成效，可望來年業績維持增幅，達收支平衡。

線路板

於二零零四年度，線路板產品銷售繼續錄得雙位數字的增幅，銷售額約為348,862,000港元，與去年比較，上升約95,790,000港元，增幅約38%，但由於線路板材料價格在下半年急劇上升，而售價未能及時地作相應調整，年終錄得虧損約為2,888,000港元。

總結經驗，集團已加強管理，調整應變機制，期能將材料成本升降，及時地反映到銷售價格上，產品組合仍以單、雙層面板為主，其次為多層面板。通過落實優化生產管理，減少廢品耗損，配合企業資源管理軟件的應用，有效地加強對成本的管理，騰出資源以便實行對高增值產品的研發等措施。在來年，集中以歐洲及日本為主，邊際利潤較高的市場，藉此保持穩定的毛利率，預計在銷售產品價格逐漸提升的情況下，來年可達較佳的盈利水平。

貿易業務

工業消耗品

於回顧年度內，營業額上升至266,707,000港元，比去年增加約22,441,000港元，上升約9%，盈利約為13,965,000港元。

中國市場的開放，帶來進口產品供應的增加，加上中國產品質量提升，產能及供應不斷擴大與外匯波動上揚，對集團的貿易業務帶來競爭威脅。面對挑戰，我司著重培訓銷售隊伍，精簡物流環節，通過專業的培訓，向客戶提供優質的專業技術應用服務，以高增值產品及服務，維持業務發展及盈利空間。與此同時，選擇中國優質工業產品，通過集團高效的營銷網絡，拓展並加強集團的出口業務。

展望

展望來年，中國市場仍保持增長，國外如南美及歐東等市場，亦將保持較好的勢頭，有利於本集團的業務發展，但是估計來年各類原材料如鋼材及塑料的價格仍將維持於高位水平，國內的電力供應仍將較緊張，對從事機械製造及塑料加工的我集團來說，必然帶來成本上揚的壓力，加上去年第三季中國實施宏觀調控，冷卻部份客戶再投資的意欲，對集團業務的發展，可能帶來一定的影響。本集團深信通過近年對管理團隊的培育，管理架構及制度的優化後帶來集團整體管理水平的提升，定可積極面對並可克服出現的短期困難。

未來發展重點仍為機械業務，預期中國注塑機市場競爭將更激烈，集團將重點開發技術含量較高，能為客戶貢獻更高價值的注塑機產品，同時亦將積極開拓海外的市場。就緒的塑料中空成型機、塑料押出機以至數控轉塔衝床等新產品，將於二零零五年，陸續推向市場，憑藉機械業務的銷售網絡、市場品牌、自有生產能力及良好銷售服務平台，預料這些新的機械產品，將成為集團機械業務的新增長點，成為集團繼注塑機之後新的主力產品。

經濟的波動，市場的起伏，是每個企業在發展的過程中必然要面對的，本集團深信祇要擁有並用好集團的人才，我們的團隊，定必能積極的面對挑戰，為短暫的困難制定應變措施的同時，更為集團今後的發展制定長遠的方略，最終能為投資者帶來更大的回報，為員工帶來更高的收益。

財務回顧

流動資金及財務資源

於二零零四年十二月三十一日，本集團之股東資本約為680,593,000港元，而於二零零三年十二月三十一日則約為631,803,000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。本集團於二零零四年十二月三十一日的資產負債比率約為7.1%（二零零三年：3.8%），而流動資金比率約為1.26（二零零三年：1.29），該等比率保持良好水平。於二零零四年十二月三十一日之現金、銀行結餘及定期存款約為107,536,000港元，財務狀況保持穩健。

外幣及財務政策

本集團大部分業務交易、資產及負債均以港元、人民幣或美元為單位。本集團之財務政策為在對本集團之財務影響重大時管理外匯風險。於年內，本集團維持若干定息借貸，概無因從事對沖或投機活動而持有任何的金融票據。

審核委員會

本公司之審核委員會由三位獨立非執行董事組成。各審核委員會成員均具備管理及財務經驗，為公司業務提供意見。審核委員會在過去十二個月曾舉行兩次會議，與高級管理層檢討本集團所採用之會計實務，並討論內部監控制度及財政匯報事宜（包括建議董事會批准中期及年度財務報表）。彼等均認為有關報告乃遵照適用之會計準則及規定所編製，並已作充份披露。

僱員及薪酬政策

截至二零零四年十二月三十一日，本集團之僱員約共6,000名（二零零三年：約共6,000名），薪酬按市場趨勢及僱員表現而釐定；福利包括保險、退休及優先認股權等計劃。

購買、售出或贖回本公司上市股份

本公司或其任何附屬公司概無於截至二零零四年十二月三十一日止年度內購買、售出或贖回本公司上市股份。

公司管治

據各董事所知，截至二零零四年十二月三十一日止年度內，概無任何資料合理顯示本公司未有遵守聯交所證券上市規則（「上市規則」）附錄十四所載之最佳應用守則，惟非執行董事及獨立非執行董事並無委派特定任期，但須依據本公司之公司組織章程細則第94及103條輪值告退及重新委任。

根據本公司向全體董事所作之查詢，截至二零零四年十二月三十一日止年度期間，本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之操守準則。

本公司已接獲各獨立非執行董事根據上市規則第3.13條確認其獨立性之年度確認書，而本公司仍然認為獨立非執行董事將維持其獨立性。

刊登詳盡之業績公佈

載有上市規則附錄十六第45(1)至45(3)段規定全部資料之本公司二零零四年年度業績公佈將於適當時於聯交所之網站<http://www.hkex.com.hk>及本公司網站<http://www.cosmel.com>刊登。

代表董事會
主席
鄧燾

香港，二零零五年四月二十六日

於本公佈發表日期，本公司董事會由十一位董事組成；其中，鄧燾先生、趙卓英先生、黃耀明先生、甄榮輝先生及李天來先生五位為執行董事；鄧焜先生、何志奇先生及簡衛華先生三位為非執行董事；而梁尚立先生、葉慶輝先生及楊淑芬小姐三位則為獨立非執行董事。

「請同時參閱本公佈於經濟日報刊登的內容。」