

Financial Highlights

The Group continued to achieve steady growth and recorded an increase in turnover of 25% from HK\$427 million in 2000 to HK\$535 million in 2001. Corresponding with the increase in turnover, the profit attributable to shareholders increased by 10.2% to reach HK\$62.3 million. The Group's basic earnings per share were HK17 cents (2000 - HK21 cents).

Turnover

The Group's major source of profits came from its electro-acoustic business, representing 80.7% of the turnover. Products in this business area included audio headphones and microphones, multimedia speakers and headsets, and communication headsets. The remaining 19.3% of the turnover was from the sales of transformers and other accessories and rental income. Details of the turnover by business segments and geographical location are included in Note 4 to the financial statements.

財務摘要

本集團繼續穩步發展，營業額由二零零零年之四億二千七百萬元上升至二零零一年之五億三千五百萬元，增幅25%。股東應佔溢利亦隨營業額相應增長10.2%達六千二百三十萬元。本集團每股基本盈利則為17港仙（二零零零年 — 21港仙）。

營業額

本集團之溢利主要來自電聲產品業務，佔營業額80.7%。該類產品包括音響耳機及麥克風、多媒體音箱及耳機與通訊耳機。其餘19.3%營業額來自銷售變壓器及其他配件與租金收入。以業務及地區劃分之營業額詳情載於財務報表附註4。

During the year under review, the Group's communication headsets business achieved significant growth in turnover, being an increase of four times to HK\$101 million (2000 - HK\$20 million). Their contribution to the Group's total turnover also surged from 4.7% to 18.9%. The multimedia speakers and headsets business was another segment that achieved outstanding performance, with an increase turnover of 41% to HK\$99 million (2000 - HK\$70 million). Apart from these businesses, audio headphones maintained their role as the principal income source for the Group, the sales of which accounted for 40.8% of the turnover.

On the geographical basis, North America continued to be the core market that accounted for 58.4% of the Group's total turnover. Europe, Asia Pacific Regions (other than Japan), Japan and others contributed 16.3%, 12.1%, 11.1% and 2.1% of the turnover respectively. During the year, the Group capitalised on the potential in the Japanese market and was successful to win a number of new Japanese clients, including NEC, Uniden and Sharp. This has resulted in enlarging the market share in this region.

在回顧年度，本集團之通訊耳機業務營業額大幅增長，上升四倍至一億一百萬港元（二零零零年一 二 仟萬港元），佔本集團總營業額之百分比亦由4.7% 增至18.9%。多媒體音箱及耳機業務亦有極佳表現，營業額上升41%至九仟九百萬港元（二零零零 年一 七 仟萬港元）。除上述業務外，音響耳機業務仍為本集團主要之收入來源，其銷售額佔總營業 額40.8%。

以地區分析，北美一直為本集團之主要市場，佔本 集團總營業額58.4%。歐洲、亞太區（日本除外）、 日本及其他地區則分別佔16.3%、12.1%、11.1% 及2.1%。本集團在本年度掌握日本市場之潛在機 會，成功取得多位日本新客戶，包括NEC、 Uniden及Sharp，擴大在當地之市場佔有率。

Profit Attributable to Shareholders

The Group reported a steady growth in the profit attributable to shareholders, notwithstanding the operating margin dropped by about three percentage points from 15.9% to 12.9%. The profit from the Group's operations and interest income accounted for approximately HK\$69 million (2000 - HK\$68 million) and HK\$6 million (2000 - HK\$1 million) respectively. The contribution of the Group's business segments to profit before taxation are analysed and included in Note 4 to the financial statements.

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Audio headphones, communication headsets, microphones and multimedia headsets continued to provide better profit margin, being profit before taxation to total turnover, of over 20%. They collectively contributed about 94% of the Group's profit before taxation.

On the contrary, profit margins for multimedia speakers dropped by about three percentage points from 4.7% to 2%. It is because multimedia speakers require a comparatively higher consumption of plastic resin that cost was high during the first six to nine months in the year under review. However, recent costs for plastic resin have shown a gradual decline, and profit margin for multimedia speakers are expected to stabilize accordingly.

股東應佔溢利

雖然經營溢利率由15.9%減少三個百分點至12.9%，但本集團之股東應佔溢利仍穩步增長。本集團之經營溢利及利息收入分別約為六仟九百萬港元(二零零零年 — 六仟八百萬港元)及六百萬港元(二零零零年 — 一百萬港元)。本集團各類業務所佔除稅前溢利分析載於財務報表附註4。

音響耳機、通訊耳機、麥克風及多媒體耳機等業務維持理想之除稅前溢利率，除稅前溢利相對總營業額之百分比超過20%，而該等業務合計佔本集團除稅前溢利約94%。

另一方面，由於多媒體音箱使用較多膠粒，而膠粒成本在上年度頭六個至九個月期間一直偏高，導致多媒體音箱之除稅前溢利率則由4.7%減少三個百分點至2%。然而，近期膠粒價格已逐步回順，故此預期多媒體音箱之除稅前溢利率可轉趨穩定。

Another segment that caused the Group's overall margin dropped was electronic products and others (including trading of parts and scrap sales), the margin of which decreased significantly from 17.4% in 2000 to 0.4% in 2001. During the year, the Group faced keen competition in pricing of trading of parts and was forced to differentiate its price in according to the significance of its customers. The Group also fully wrote off the certificate fee, amounting to approximately HK\$2 million, for electronic products. These had resulted in declining the profitability of this segment.

Liquidity and Financial Resources

The Group continued to maintain a very healthy financial position this year. As at 31st March 2001, net current assets amounted to approximately HK\$143 million (2000 - HK\$47 million). The Group's current and quick ratio (excluding the inventory) accounted for 2.33 times (2000 - 1.47 times) and 1.83 times (2000 - 0.90 time) respectively. These indicate that the Group is able to meet future obligations without difficulties.

電子產品及其他業務(包括元部件及廢料貿易)之除稅前溢利率由二零零零年之17.4%大幅下降至二零零一年之0.4%，成為本集團整體除稅前溢利率下降之另一原因。在本年度，本集團之元部件貿易業務面對激烈之價格競爭，被逼針對客戶之重要性而分別定價。另外本集團將大約二百萬港元之電子產品認證費全部撤銷。結果導致該項業務之除稅前溢利率減少。

流動資金及財務資源

本集團在本年度之財務實力相當穩健。於二零零一年三月三十一日，流動資產淨值約為一億四仟三百萬港元(二零零零年—四仟七百萬港元)。本集團之流動及速動比率(不包括存貨)分別為2.33倍(二零零零年—1.47倍)及1.83倍(二零零零年—0.90倍)，顯示本集團可輕易應付未來之承擔。

On 7th April, 2000, the Company placed and issued 89,900,000 new ordinary shares of HK\$0.10 each at a price of HK\$1.00 per share. The net cash proceeds, after deducting the related expenses, of approximately HK\$78 million were used for financing expansion of operations and providing additional working capital of the Group.

The Group had cash and bank deposit of approximately HK\$130 million (2000 - HK\$36 million) of which HK\$13 million (2000 - Nil) were pledged to a bank for short-term loans granted to the Group. About 2%, 1% and 82% of these funds were denominated in Chinese Renminbi, Japanese Yen and US dollars respectively and the remainder in Hong Kong dollars.

For day-to-day liquidity management and maintaining flexibility in funding, the Group also has access to significant uncommitted banking facilities. As at 31st March, 2001, the Group had aggregate banking facilities of approximately HK\$244 million (2000 - HK\$250 million) from several banks for overdrafts, loans, and trade financing, with an unused balance of approximately HK\$230 million (2000 - HK\$250 million). However, due to the high level of surplus cash as noted above, there are no present needs for borrowings of any material amount.

於二零零零年四月七日，本公司按每股1.00港元之價格，配售及發行89,900,000股每股面值0.10港元之新普通股，扣除有關費用後所得現金淨額約為七千八百萬港元，已用作擴充業務及撥作本集團之額外營運資金。

本集團有大約一億三千萬港元(二零零零年 — 三千六百萬港元)現金及銀行結餘，其中約一仟三百萬港元(二零零零年 — 無)已抵押予銀行作為本集團所獲短期貸款之擔保。該等款項其中約2%、1%及82%分別為人民幣、日圓及美元，而其餘則為港元。

為有利於日常流動資金管理及靈活運用資金，本集團亦已安排大額未動用銀行信貸。於二零零一年三月三十一日，本集團之銀行信貸合共約二億四千四百萬港元(二零零零年 — 二億五仟萬港元)，為來自多家銀行之透支、貸款及貿易信貸，而未動用之餘額約為二億三千萬港元(二零零零年 — 二億五仟萬港元)。然而，由於上述有大量現金結餘，因此目前無需大額借貸。

Capital Structure

It is the intention of the Group to maintain an appropriate mix of equity and debt to ensure an efficient capital structure. However, up to the date of this annual report, the Group continue to maintain very strong cash flows, such that there are no immediate requirements for debt finance. As at 31st March, 2001, the total debts of the Group remained at a very low level of approximately HK\$12 million (2000 - Nil).

The Group's total debts were primarily short-term bank loans borrowed to finance the construction work of and the machineries for the production plant in Ningbo. These short-term bank loans, being denominated in Chinese Renminbi and bearing interest at rates ranging from 5.6% to 6.4% (2000 - N/A), were secured by the Group's bank deposits being denominated in US dollars of approximately HK\$13 million (2000 - Nil).

Gearing Ratio

The Group's gearing ratio as at 31st March, 2001 was 4.9% (2000 - Nil), which was calculated based on the total debt of approximately HK\$12 million (2000 - Nil) and total equity of approximately HK\$254 million (2000 - HK\$140 million).

資本架構

本集團希望維持適當之股本借貸比例，確保維持有效之股本架構。然而，截至本年報日期，本集團仍有大量流動現金，故此並無即時借貸需要。於二零零一年三月三十一日，本集團之總借貸維持在極低水平，僅約為一仟二百萬港元（二零零零年 — 無）。

本集團之借貸總額主要包括短期銀行貸款，用作寧波廠房之建築工程及購置機械。該等短期銀行貸款以人民幣結算，利率介乎5.6%至6.4%（二零零零年 — 不適用）不等，由本集團約一仟三百萬港元（二零零零年 — 無）之美元銀行存款作抵押。

資本負債比率

本集團於二零零一年三月三十一日之資本負債比率為4.9%（二零零零年 — 無），乃根據借貸總額約一仟二百萬港元（二零零零年 — 無）及股東權益總額約二億五千四百萬港元（二零零零年 — 一億四仟萬港元）計算。

Foreign Exchange Exposure

The Group had limited exposure of foreign exchange rate fluctuations as most of its transactions, including borrowings, were conducted in US dollars, Hong Kong dollars or Chinese Renminbi. During the year, the exchange rates of these currencies were relatively stable, and hence the Group reported only net exchange gains of approximately HK\$126,000 (2000 - net exchange loss of HK\$244,000).

Employment, Training and Remuneration Policy

As at 31st March, 2001, the Group's operations engaged a total of over 4,100 staff and workers. The Group is committed to staff training and has provided regular management and technical courses to its employees.

The remuneration policy of the Group's employees are reviewed and approved by the executive directors. Discretionary bonus is linked to the profit performance of the Group as well as individual performance. Benefits include staff accommodation, medical schemes, Mandatory Provident Fund and employee stock options for Hong Kong employees, and state-sponsored retirement plans for employees in Mainland China.

The employment costs (including the directors' emoluments) accounted for approximately HK\$80 million (2000 - HK\$63 million).

外匯風險

由於本集團大部份交易(包括借貸)均以美元、港元或人民幣進行，故此本集團之匯率波動風險不高。年內，該等貨幣之匯率相當穩定，故此本集團僅有大約十二萬六千港元淨外匯收益(二零零零年一淨外匯虧損二十四萬四千港元)。

招聘、培訓及薪酬政策

於二零零一年三月三十一日，本集團共有超過4,100名職工。本集團致力培訓職工，並定期提供管理及技術課程。

本集團僱員之薪酬政策由執行董事審批，而酌情花紅則視乎本集團之溢利及個別員工之表現而定。僱員福利包括宿舍、醫療計劃、香港僱員之強積金及購股權及中國內地僱員之國家退休金計劃。

包括董事酬金之僱員成本約為八仟萬港元(二零零零年一六仟三百萬港元)。

Dividend Policy

It is the intention of the Group that the dividend paid should, over the long term, provide the shareholders with relatively consistent dividend income. In view of the Group's growth potential, it is also intended to retain sufficient cash reserves to take advantage of any expansion or acquisition opportunities in the future. Accordingly, the dividend (including the proposed dividend) for the year was HK7 cents per ordinary share.

Commitments and Contingent Liabilities

At the end of the year under review, the Group had total outstanding capital commitments and operating lease commitments of approximately HK\$7 million (2000 - HK\$3 million) and HK\$7 million (2000 - HK\$6 million) respectively. In view of the Group's high level of liquid funds, it has no difficulty to fulfil all these commitments.

As at 31st March, 2001, the Company had provided a guarantee of approximately HK\$60 million (2000 - Nil) to a bank to secure banking facilities of its subsidiaries.

股息政策

本集團計劃讓股東長期收取穩定之股息收入。基於本集團之發展潛力，本集團亦有意維持足夠現金儲備，以掌握日後之擴充及收購機會。因此，本年度股息(包括建議派發之股息)為每股普通股七港仙。

承擔及或然負債

於本年度結算日，本集團分別合共有大約七百萬港元(二零零零年 — 三百萬港元)及七百萬港元(二零零零年 — 六百萬港元)資本承擔及經營租約承擔。基於本集團有大量流動現金，故此履行該等承擔並無困難。

於二零零一年三月三十一日，本公司為附屬公司所獲銀行信貸向銀行作出約六仟萬港元(二零零零年 — 無)擔保。