



主席劉錫康先生
Chairman, Mr. Lau Sak Hong, Philip

財務業績

截至二零零二年三月三十一日止年度，與上年比較，集團營業額下降30%，全年淨虧損下降至約39,830,000港元。（上年度淨虧損52,800,000港元。）下半年度與上半年度比較，淨虧損由上半年度之34,219,000港元減少至下半年度之5,613,000港元。

末期股息

董事局不建議派發二零零二年三月三十一日止年度之末期股息。

業務回顧

電子部門

本年度經營環境極為困難，世界性經濟衰退，再加上美國911事件，消費品市場需求疲弱，電子消費產品之價格競爭劇烈使利潤顯著下降。

集團為克服困難環境，精簡架構並關閉部份廠房，將所有電子產品廠房集中於番禺，以便增加生產效率。大部份重組費用，均於本年度上半年入帳。本部本年度淨虧損15,788,000港元，惟下半年度與上半年度比較，營業額下降3%，虧損數額由上半年之10,280,000港元，縮減至5,508,000港元。可見重組後生產成本下降之效應。

證券買賣

經濟不景，本年度證券買賣營業額與上年度比較，大幅下降69%。虧損亦減少至11,628,000港元。（上年度51,390,000港元。）本年度之營業額大部份為集團減持證券投資組合所作之交易。

FINANCIAL RESULTS

The Group's turnover for the year ended 31 March 2002, as compared with last year, decreased by 30%. Net loss for the year reduced to approximately Hong Kong dollars 39.83 million. (Net loss for last year was Hong Kong dollars 52.8 million.) Net loss reduced from HK\$34,219,000 in the first half year to only about HK\$5,613,000 in the second half year.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31st March, 2002.

BUSINESS REVIEW

Electronic Division

During the year, operating environment for consumer electronic business was extremely difficult. The demand for the consumer market was weak as affected by the global economic recession and further deteriorated by the 911 event in U.S.A. Gross profit margin for consumer electronic products dropped sharply as price competition was severe.

In order to overcome the difficult situation, positive measures including the consolidation of production facilities by the closure of some production bases were adopted by the Group. Operation structure was also simplified. Production facilities for consumer electronic business were concentrated in Panyu in order to improve the production efficiency. Most of the re-structure expenses were accounted for in the first half of the financial year. Loss for this segment for the year amounted to HK\$15,788,000. During the second half of the year, sales decreased by 3% as compared to the first half of the year. However, net loss reduced from HK\$10,280,000 in the first half of the year to net loss of HK\$5,508,000 in the second half of the year, which reflected the savings in production costs in the second half of the year after restructure.

Securities Trading

Facing economic downturn, turnover for securities trading during the year dropped sharply about 69% as compared with last year. Net loss for the year reduced to HK\$11,628,000 as compared to a net loss of HK\$51,390,000 last year. Most of the trading transactions during the year were transactions aiming at reducing the Group's investment portfolio.

展望

展望未來一年，營商環境仍然困難，全球經濟仍欠明朗，美國消費市場需求亦未見明顯改善，但在此困難環境下，集團仍然能夠爭取增加數個美國零售業著名之新客戶，以增加客戶基礎。此外，集團研製之一系列高科技數碼影音產品，如附有解碼及入碼功能之新MP3機，可重寫光碟機及六碟可轉換式雷射音響組合，極受市場歡迎，已取得非常滿意之訂單，足夠維持生產運作至本年底。

集團於二零零一年八月完成收購一間於美國NASDAQ上市之附屬公司，Cosmo Communications Corporation ("Cosmo")，本集團佔Cosmo 91%股權。於截至二零零二年三月三十一日止季度Cosmo已轉虧為盈。收購Cosmo後，於市場推廣方面產生協同效應，Cosmo於加拿大市場之銷售網絡，使集團成功開拓加拿大市場，現Cosmo已持有加拿大一著名零售客戶大量訂單購買集團影音產品。配合集團供應之新產品，預計Cosmo來年營業額必然大幅增長。

近期歐洲貨幣兌美元匯率上升，對集團增加歐洲市場之銷售量將產生很大效益。

如無逆料，集團來年營業額應有顯著增長，加以集團經重組生產設備後，效率提高，生產成本下降，故集團希望取得較高邊際利潤。

財務狀況

於二零零二年三月三十一日，集團之現金及銀行結存約為23,180,000港元（二零零一年：25,881,000港元），證券及衍生工具投資約為52,232,000港元（二零零一年：96,535,000港元），銀行借貸則約為114,109,000港元（二零零一年：140,247,000港元），借款比率以總負債與股東資金比較為0.67。借貸比率若以銀行總借貸與股東資金比較，則為0.24。

由於集團絕大部份交易均以美元或港元為結算單位，匯兌風險很低。

PROSPECT

The operation environment for the Group in the coming year is still difficult, Global economy is still under uncertainty. There is no big improvement from the demand in the consumer market in United States. Under these situations, the Group still successfully increase a few well known new customers in the consumer sector in United States to strengthen our customers base. Besides, a series of high technology digital audio and video products such as MP3 with decode and encode features, CDRW and six CD changers music centre, were designed by the Group. These products were well received by the market and have obtained satisfactory orders for the Group to maintain its production till the end of the year.

In August 2001, the Group had completed the acquisition of 91% equity interest of a subsidiary, Cosmo Communications Corporation ("Cosmo"), listed in the NASDAQ stock market. For the quarter ended 31 March 2002, Cosmo has successfully turned into profitable position. After the acquisition of Cosmo, strong synergies in marketing of the Group's products will occur. With Cosmo marketing network in Canada, the Group has successfully exploited the market in Canada. Cosmo has already held a substantial amount of orders for the Group's audio and video products from well known customers in the consumer sector. With the support of the Group's new product lines, the turnover of Cosmo for the coming year will increase substantially .

Recent increase in exchange rate for Euro against US dollars will have a favourable impact to the Group and increases its sales in Europe.

Barring unforeseen circumstances, the Group's turnover in the coming year will increase significantly. After the re-structure of the Group's production facilities, production efficiency will increase and production costs decrease. Consequently, the Group expects a higher profit margin.

FINANCIAL POSITION

As at 31st March 2002, cash and bank balance were approximately HK\$23,180,000 (2001: HK\$25,881,000). Investments in securities and derivative instruments approximately amounted to HK\$52,232,000 (2001: HK\$96,535,000). Bank borrowings were approximately HK\$114,109,000 (2001: HK\$140,247,000). The gearing ratio based on total liabilities to shareholders' funds was 0.67. The gearing ratio based on total bank borrowings to shareholders' funds was 0.24.

Group's transactions were mostly denominated in US dollars and Hong Kong dollars. The exposure to foreign exchange risk was minimal.

資產抵押

於二零零二年三月三十一日，本集團抵押若干資產及證券，其賬面值約為125,561,000港元，作為一般信貸服務及經紀股票戶口之擔保。

員工

於二零零二年三月三十一日，本集團擁有員工共6,320人，其中6,162人受僱於中國，負責本集團之製造及分銷生意。

本集團為其員工提供之福利如員工保險、退休計劃、花紅、優先認股權計劃、在職訓練及訓練資助。

或然負債

於年結日時，集團未有重大之或然負債。

致謝

本人藉此機會謹向本集團全體員工於本年度努力不懈、盡忠職守之表現作衷心致謝。

主席
劉錫康

香港，二零零二年七月二十三日

PLEDGE OF ASSETS

At 31st March, 2002, the Group pledged certain assets and securities with the carrying value of HK\$125,561,000 to secure the general credit facilities and the margin accounts with brokers.

STAFF

As at 31st March, 2002 the Group had a total staff of 6,320 of which 6,162 were employed in the PRC for the Group's manufacturing and distribution businesses.

The Group provides employee benefits such as staff insurance, retirement scheme, discretionary bonus and share option scheme and also provides in-house training programmes and external training sponsorship.

CONTINGENT LIABILITIES

As at balance sheet date, no material contingent liabilities were incurred by the Group.

APPRECIATION

I would like to take this opportunity to express my sincere appreciation to all our staff for their, utmost effect and dedication to the Group during the year.

Lau Sak Hong, Philip
Chairman

Hong Kong, 23rd July, 2002