

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW

Product Mix Analysis

In fiscal 2004/05, Fujikon accomplished strong performances and results. The Group's growth momentum, which started to build up in the first half year, continued to gather and drive further gains in the second half of the year. During the year, all business segments of the Group, except multimedia, reported growth.

In product terms, mobile communication products and electro-acoustic parts delivered the most impressive results. For the year ended 31 March 2005, the sales of audio products, communication products, multimedia products, electro-acoustic parts, electronic products and accessories, accounted for 30.3%, 19.2%, 4.4%, 23.2% and 22.9% respectively of the Group's total turnover.

Audio Products

Among the Group's different audio products, audio headphones continued to be the main revenue and profit contributor during the year supported by persistent demand from major MP3 manufacturers for high quality earphones to go with their players. Other revenue contributors included wireless headphones and noise-canceling headphones, both of these technology products registered notable growth.

The audio product segment grew steadily during the year, with sales increased from HK\$280 million last year to this year's HK\$282 million. The noise-canceling market niche has kept expanding for the last few years, as more frequent air travelers become aware and accepting of this type of special feature headphone. Moreover, as portable entertainment devices such as MP3 players continue to mesmerize consumers in the global market, the Group is optimistic about achieving organic growth in this relatively mature market segment.

業務回顧

產品組合分析

富士高於二零零四／零五年度表現出色，並錄得理想業績。上半年的增長動力於下半年仍然持續，並帶來更佳的盈利。年內，除了多媒體業務外，集團的所有業務均錄得增長。

產品方面，流動通訊產品及電聲零件的表現最為突出。截至二零零五年三月三十一日止年度，音響產品、通訊產品、多媒體產品、電聲零件、電子產品及配件的銷售分別佔集團總營業額30.3%、19.2%、4.4%、23.2%及22.9%。

音響產品

由於主要MP3播放機製造商對優質耳機的需求殷切，因此，音響耳機在眾多音響產品之中，繼續在年內成為主要的收入及盈利來源。其他收入來源包括無線耳機及消滅噪音耳機，這兩項科技產品均錄得顯著升幅。

年內，音響產品業務穩健增長，銷售額由去年的280,000,000港元增加至本年度的282,000,000港元。由於配備特別功能的消滅噪音耳機獲得更多乘搭飛機的常客注意和接受，促使此獨特的市場於過去數年不斷擴大；加上手提娛樂設備如MP3播放機繼續風靡全球消費市場，集團深信發展得較為成熟的音響產品市場仍能持續自然增長。

BUSINESS REVIEW (Continued)

Communication Products

The sales of communication products surged a substantial 123% over the previous year. Revenue from this segment increased from HK\$80 million last year to HK\$179 million this year. This remarkable growth was mainly powered by the in-box bundling of communication headsets with mobile phones by a leading European handset manufacturer. Business performance with other Asian manufacturers was also very encouraging.

During the year, the Group further strengthened its customer base with additional tier-one mobile phone manufacturers. Mass shipment for these new customers is expected to commence in the second quarter of fiscal 2005/06. Moving forward, as more entertainment and multimedia features are built into mobile phones, the Group expects to see more widespread use of communication headset and it eventually becomes an indispensable accessory.

Multimedia Products

Turnover generated by multimedia products dropped 24.3% to HK\$41 million this year. Current business in this segment mainly falls in the category of PC accessories. With the PC market becoming more mature and competitive, the percentage contribution of multimedia products to total turnover has continued to fall in the past few years. This year, it accounted for only 4.4% of the Group's total sales. This segment, however, is not to be overlooked as promising opportunities have sprung up in areas like the rapidly evolving video game industry and the budding VoIP phone arena. The Group is optimistic that this segment will become vibrant again in the coming years.

Electro-acoustic Parts

Boosted primarily by the increased sales of high-end micro speakers to a renowned Japanese customer, the turnover of this business segment surged a colossal 572.4% to reach HK\$217 million. The main application of these acoustic transducers was for mobile phones. Apart from micro speakers, FM transmitters - wireless audio transmission devices mainly for automotive applications - were another major revenue contributor to this segment.

業務回顧 (續)

通訊產品

通訊產品的銷售額較去年飆升123%，收入由去年的80,000,000港元增加至本年度的179,000,000港元。產品銷量大增，主要由於處領導地位的歐洲手機製造商客戶將通訊耳機配套流動電話一併發售所致。另一方面，產品售予其他亞洲製造商的情況亦令人鼓舞。

年內，集團增加了多家頂尖流動電話製造商為新客戶，進一步擴大客群，並預期於二零零五／零六年度第二季開始大量付運產品。展望未來，隨著手機內置的娛樂及多媒體功能日漸增加，集團預期通訊耳機不僅會更流行，而且將逐漸成為手機不可或缺的配件。

多媒體產品

多媒體產品的銷售於本年度下降24.3%至41,000,000港元。目前，此項業務主要集中於個人電腦配件的銷售，唯現時個人電腦市場已非常成熟，在劇烈的市場競爭下，多媒體產品佔集團總營業額的百分比於過去數年持續下降，年內僅佔集團總銷售額4.4%。然而，視像遊戲及VoIP電話業務迅速冒起，為多媒體業務帶來了龐大商機，潛力不容忽視。因此，集團有信心多媒體產品在未來數年將重拾增長的動力。

電聲零件

由於售予著名日本客戶的高質素微型揚聲器銷量大增，電聲零件的銷售攀升572.4%至217,000,000港元。上述微型揚聲器主要應用於流動電話。此外，FM傳送器—主要使用於汽車內的無線音響傳送裝置—也是此項業務的主要收入來源。

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BUSINESS REVIEW (Continued)

Electronic Products and Accessories

This segment represented the aggregated revenue contributions of components produced by the Group's subsidiaries. Besides supplying high quality components to the Group for its mainstream electro-acoustic business, they have been ramping up their production scale to meet the impressive growth of other customers. These supporting arms provided extra muscles for the Group to compete in the market place. The turnover of this segment grew 36.5% to HK\$214 million this year, in line with the overall performance of the Group.

Wireless Opportunities

With the proliferation of wireless technologies like infrared (IR), radio frequency (RF), Bluetooth, 2.4GHz digital audio, and electro-magnetic induction, the Group is opened to a whole new range of opportunities. During the year, the Group has formed a partnership with a Silicon Valley based technology company. Through the licensed use of their unique leading technology, products based on the FM transmission mechanism were successfully launched and well accepted by the consumer electronics market. The sales of IR headphones for in-car audio-visual entertainment also experienced significant growth. For the year ended 31 March 2005, all wireless products together accounted for only about 7% of the Group's turnover, but the technological expertise acquired has well positioned the Group for a winning run.

Geographical Market Performance

The Group's relentless efforts to grow its markets during the year were amply rewarded by the sustained growth in all its major markets. Standing out among all the markets, Japan returned the highest percentage growth in sales from HK\$19 million to HK\$116 million, a leap of 504.6%. Its percentage turnover contribution also increased from 3.2% last year to 12.4% this year.

業務回顧 (續)

電子產品及配件

此項業務代表了集團附屬公司生產的零配件所帶來的總盈利貢獻。該等附屬公司為集團的主流電聲業務提供優質零配件之餘，亦積極提升生產規模，以應付其他客戶的殷切需求。此強大的支援隊伍更為集團在市場上提供額外的競爭優勢。電子產品及配件的銷售於本年度增加36.5%至214,000,000港元，與集團的整體業務表現同步前進。

無線產品的商機

紅外線、射頻、藍芽、2.4GHz數碼音響及電磁感應等無線科技推陳出新，為集團提供各種商機。年內，集團與一家以矽谷為基地的科技公司建立聯盟，獲准採用該公司獨有的領先技術，成功推出以FM傳送制式為基礎的產品，深受電子消費市場歡迎。專為汽車視聽娛樂而設的紅外線耳機，銷售額亦錄得顯著增長。截至二零零五年三月三十一日止年度，儘管所有無線產品合共僅佔集團營業額約7%，但集團對此技術所累積的專業知識，已為集團邁向成功之路作出充足的準備。

地域市場表現

年內，集團努力不懈開拓市場，獲得理想的回報，並於各主要市場錄得可觀增長。其中日本市場表現出眾，銷售額由19,000,000港元躍升至116,000,000港元，升幅高達504.6%，成為眾市場之首，彼對總營業額的貢獻比例亦由去年的3.2%倍增至本年度的12.4%。

BUSINESS REVIEW (Continued)

Geographical Market Performance (Continued)

The Group credits its exceptional performance in the Japanese market to its newly set up joint venture Sefco Inc. This new marketing arm, which formally started operation in October last year, not only helped to strengthen the Group's presence in the country, but also enhanced its service quality leading to the landing of more orders. Besides the outstanding job of achieving the micro speaker business, Sefco is exploring with existing customers on further development prospects.

Despite a decent growth of 23.2%, the share of the US market in the Group's total turnover dropped from 38.0% last year to 30.3% this year. Still the largest of all the Group's major markets, the US market's turnover contribution had gradually reduced from 50.8% in fiscal 2001/02 to 30.3% this year. It is in line with the Group's strategy to diversify and reduce the risk of relying too much on the performance of any particular economy. In geographical terms, the percentage contribution of North America, Europe, Asian Countries (other than Mainland China and Japan), Mainland China and Japan were 31.4%, 19.3%, 15.6%, 19.8% and 12.4% respectively.

Apart from the extraordinary achievement in Japan, the Group also saw significant growth in turnover from Mainland China market. As more and more of the Group's overseas customers set up base in Mainland China, the Group registered an increase in domestic sales to these customers for supporting their manufacturing or direct sales in the country. The Group expects this trend to continue. Sales in the European market jumped 52.0% to HK\$180 million, mainly as a result of increased sales to a leading European handset manufacturer. Sales in the Asian Countries (other than Mainland China and Japan) surged 55.1% from HK\$94 million last year to HK\$146 million this year, attributable to the prospering MP3 bundling business and the growth of component business.

業務回顧 (續)

地域市場表現 (續)

對於日本市場卓越的表現，新成立的合營公司Sefco Inc.可謂功不可沒。此新設的銷售窗口，自去年十月正式投入運作，一方面鞏固了集團於日本市場的地位，同時亦提升了對客戶的服務質素，令集團取得更多訂單。Sefco除了對微型揚聲器業務的優秀表現貢獻良多外，對於開拓與現有客戶的發展機會也不遺餘力。

儘管美國市場錄得23.2%的穩健增幅，其佔集團總營業額的比例已由去年的38.0%下降至本年度的30.3%。即使仍然位居集團的最大市場，美國市場佔集團總體營業額的比重，已由二零零一／零二年度的50.8%逐步下降至本年度的30.3%。此趨勢正貫徹了集團實行平衡銷售地域分佈的策略，避免過份依賴個別的經濟體系。就地域分佈而言，北美、歐洲、亞洲國家(不包括中國國內及日本)、中國國內及日本市場分別佔集團的總營業額31.4%、19.3%、15.6%、19.8%及12.4%。

除了日本市場成績顯著外，中國國內市場的營業額亦見增長強勁。集團海外客戶在中國國內成立生產及直銷基地與日俱增，集團為此等客戶提供相關配件，帶動國內的銷售額上升，並預期這種情況將會持續。歐洲市場方面，來自歐洲流動電話製造商的訂單倍增，刺激銷售額躍升52.0%至180,000,000港元。由於MP3配套業務及其他零配件業務蓬勃發展，帶動亞洲國家(不包括中國國內及日本)的銷售額由去年的94,000,000港元增加至本年度的146,000,000港元，增幅達55.1%。

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BUSINESS REVIEW (Continued)

Prospects

Like this year, mobile communications will remain as the number one growth driver for the fiscal year 2005/06. Based on the forecast provided by our major customers, orders will increase significantly starting from the second quarter. Other than the existing models, which still deliver very substantial sales volume, the Group has quite a number of new products in the pipeline.

Apart from the existing mobile phone customers, the Group has successfully added a couple of tier-one manufacturers to its client list. New product development for these new customers is well underway, and volume shipments are expected to be in July and August of 2005. Besides direct headset bundling, the booming mobile communications market will also boost sales of the Group's micro speakers for mobile phones.

Fiscal 2005/06 will be an exciting year for wireless products. On our development roadmap is a list of products empowered by different wireless technologies to address a diversity of needs: demand of the audio market, mobile communications and in-car entertainment. The percentage contribution to total turnover of wireless products is expected to grow from the current 7% to a double digit in the coming year.

The increasing popularity of portable MP3 devices not only bulged the market size of audio earphones, but also drove the demand for quality earphones as consumers become more sophisticated. The demand for both MP3 music and players is expected to continue, and along with them the demand for quality earphones.

In the multimedia front, application areas like in video game playing and VoIP phones are presenting promising potentials. The Group is currently actively exploring these opportunities and expects sizable business to materialize in the coming year.

業務回顧 (續)

展望

預期流動通訊業務將繼續於二零零五／零六年度成為最主要的增長動力。根據集團主要客群所提供的預測，訂單數目將由第二季開始大幅增加。除了現有產品銷量非常可觀外，集團亦計劃推出多款新產品應付需求。

集團在現有流動電話客戶的基礎上，再成功贏得兩家頂尖流動電話製造商成為新客戶，並正積極為此等客戶開發新產品，預期分別於二零零五年七月及八月大量付運。流動通訊市場迅速發展，不僅有利於配套手機出售的通訊耳機的銷量，同時亦帶動流動電話微型揚聲器的銷售。

二零零五／零六年度對無線產品業務而言將會是豐盛的一年。集團的發展路向，是以一系列配備不同無線技術的產品，滿足在音響、流動通訊及汽車內置娛樂方面各個市場的各樣需求。預期來年無線產品佔集團總營業額的份額由現時約7%增加至雙位數字。

手提MP3播放機日趨流行，擴大了音響耳機的市場；而消費者的要求日漸提高，也同時帶動了優質耳機的需求。集團預計，市場對MP3音樂及播放機的需求將持續上揚，而對優質耳機的需求亦將相應增加。

在多媒體產品方面，主要的應用範疇如視像遊戲及VoIP電話業均蓬勃發展，這正顯示了此項業務擁有龐大的發展潛力。集團現正努力發掘各種商機，並期待大量訂單於來年出現。

BUSINESS REVIEW (Continued)

Prospects (Continued)

The major challenge for the Group in fiscal 2005/06 will be to ramp up production within a relatively short period of time. The seasonal slack in the first quarter has given us a very good window to make all necessary preparation. Existing production facilities have been tuned up and additional shop floor space is planned for. A newly rented factory building is scheduled to provide full manufacturing services by July when anticipated orders start coming in.

The Group's business outlook is very optimistic and the management is confident of its ability to deliver products that fulfill customers' demands. We, however, also see considerable challenges ahead, such as the rising operating cost in Southern China, labour shortage and upward pressure in both wages and raw material costs. To cope with and overcome these challenges, the Group will strive to further improve its operational efficiency through enlarging its production scale, increasing the degree of automation and tightening control over its supply chain. In order to raise competitiveness, more advanced technologies will be adopted in producing new products and more creative products will be developed. While confident about the future, the Group will still approach all the promising opportunities ahead with sufficient prudence, bearing in mind the commitment of bringing the best returns to its shareholders.

業務回顧 (續)

展望 (續)

於二零零五／零六年度，集團面對的最大挑戰，就是於較短的時間內大幅提升產能。二零零五／零六年度第一季時值淡季，卻正好為集團提供自我裝備的良機。集團已優化現有的生產設施，並計劃擴充廠房工作間。由於預期訂單於七月份開始遞增，新租用的廠房屆時將全面投產。

集團對業務前景非常樂觀，管理層亦有信心能提供優質產品以滿足客戶的需求。儘管如此，集團預見未來仍充滿挑戰，如南華地區的經營成本上漲、勞工短缺問題，以及工資與原材料成本上升的壓力。集團為應付並克服此等挑戰，將致力擴大生產規模，提高自動化生產及加強對供應鏈的控制，務求進一步提升營運效率效益。集團亦將採用更先進的技術製作新產品及開發更多創意產品，從而提高在市場的競爭能力。展望未來，集團信心十足，但仍會繼續持審慎態度，把握各項湧現的商機，矢志為股東爭取最佳回報。

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FINANCIAL REVIEW

The Group reported a 223% jump in profit attributable to shareholders to approximately HK\$70 million, being the record high since its shares have been listed on The Stock Exchange of Hong Kong Limited in 2000. The massive increase was primarily due to the combined effects of expansion of its market share in the electro-acoustic industry and improvement of its operational efficiencies. Basic earnings per share for the year were approximately HK19 cents, representing a significant growth of 223% against HK6 cents last year.

For the year under review, the Group achieved a record-breaking turnover of HK\$932 million, representing an increase of 55% against HK\$602 million in the previous year. The significant increase in turnover was mainly attributable to the robustly growing demands for its high quality headsets, mainly for in-box bundling with mobile phones and MP3 players, high-end micro speakers for mobile phones and FM transmitters, being wireless audio transmission devices mainly for automotive applications.

Gross profit from operations rose from HK\$133 million last year to HK\$203 million this year. During the year under review, the Group continued to face substantial increases in cost of raw materials, such as copper and PVC beads, that inevitably put pressure on its gross margin. Resulting from the successful launch of new products with its tier-one customers and its dedication to drive for improving operational efficiency and strengthening supply chain management, the Group managed to maintain its gross margin of approximately 22% this year.

Distribution and selling expenses rose slightly by approximately 7% to HK\$29 million this year. General and administrative expenses rose by approximately 16% to HK\$90 million this year. The increase was mainly due to the provision of discretionary bonus to the employees of the Group so as to reward their excellent performance this year.

財務回顧

本集團股東應佔溢利於本年內躍升223%，至約70,000,000港元，為二零零零年本公司股份在香港聯合交易所有限公司上市以來之新高。盈利大幅增長，主要有賴集團於電聲市場之佔有率增加，及營運效率改善所致。本年度每股基本盈利約19港仙，較去年之6港仙上升223%。

於回顧年度，本集團營業額達破紀錄之932,000,000港元，較去年之602,000,000港元增長55%。營業額增長可觀之主要因為，市場對集團旗下高品質耳機（以配套流動電話及MP3播放機一併發售為主）、高端微型揚聲器（供手機使用）及FM傳送器（主要使用於汽車內之無線音響傳送裝置）等需求殷切。

經營溢利由去年133,000,000港元增至本年度203,000,000港元。於回顧年度，本集團繼續面對原材料如銅及PVC膠粒之成本大幅上漲，此情況難免對毛利率構成壓力。然而，集團成功向其一等客戶推出新產品，以及致力促進營運效率提升和強化供應鏈管理，令本集團能夠將本年度毛利率保持在約22%。

分銷及銷售支出於本年度微升7%至29,000,000港元。一般及行政支出於本年度增加約16%至90,000,000港元，增加主要因為向本集團員工發放酌情花紅，以獎勵他們年內之優秀表現。

FINANCIAL REVIEW (Continued)

Financial Position and Liquidity

The Group managed to strengthen further its financial position accompanying its significant business expansion. Net assets as at 31 March 2005 accumulated to approximately HK\$412 million (2004: HK\$303 million). Among such growth was a rise in fixed assets of 55% that reached approximately HK\$281 million (2004: HK\$181 million). This is resulted from the expansion in production capacity and the surplus of approximately HK\$85 million arising in property revaluation on the Group's land and buildings. Moreover, net current assets as at 31 March 2005 amounted to approximately HK\$146 million (2004: HK\$104 million). The Group's current and quick ratio (excluding inventories) were 1.70 times (2004: 1.60 times) and 1.20 times (2004: 1.09 times) respectively. These indicate that the Group is able to meet future obligations without any difficulty.

The Group had cash and bank deposits of approximately HK\$94 million as at 31 March 2005, representing an increase of 27% against HK\$74 million last year. Measures for tightening up credit control and inventory management are proved to be effective and contribute to the rise of cash balance. About 16.0%, 7.9% and 58.0% of the total cash and bank deposits were denominated in Chinese Renminbi, Japanese Yen and US dollars respectively and the remainder in Hong Kong dollars.

The securities held for long-term purpose as at 31 March 2005 accounted for approximately HK\$24 million (2004: HK\$36 million), of which about 39.9% and 58.5% were several structural notes issued by overseas banks and investment funds managed by overseas investment companies respectively. The Group has no intention to realise the investment in the light of its sufficient cash and banking facilities.

For the purposes of day-to-day liquidity management and future expansion, the Group has access to significant uncommitted banking facilities. As at 31 March 2005, the Group had aggregate banking facilities of approximately HK\$579 million (2004: HK\$560 million) from several banks for overdrafts, loans, and trade financing, with an unused balance of approximately HK\$528 million (2004: HK\$463 million). This serves as a strong back up for its business development.

財務回顧 (續)

財務狀況及流動資金

在業務顯著擴展同時，本集團亦成功強化其財務狀況。截至二零零五年三月三十一日之資產淨值合共約412,000,000港元（二零零四年：303,000,000港元），其中固定資產增加55%至大約281,000,000港元（二零零四年：181,000,000港元），主要由於擴充產能及因重估本集團土地及樓宇而產生約85,000,000港元之物業重估盈餘。另外，截至二零零五年三月三十一日止，流動資產淨值約為146,000,000港元（二零零四年：104,000,000港元）。本集團之流動及速動比率（不包括存貨）分別為1.70倍（二零零四年：1.60倍）及1.20倍（二零零四年：1.09倍），顯示本集團可從容應付未來承擔。

截至二零零五年三月三十一日止，本集團約有94,000,000港元現金及銀行存款，較去年之74,000,000港元上升27%。收緊信貸控制及存貨管理之措施卓見成效，並令現金結餘增加。現金及銀行存款總額中約16.0%、7.9%及58.0%分別為中國人民幣、日圓及美元，其餘則為港元。

於二零零五年三月三十一日，長期持有之證券約為24,000,000港元（二零零四年：36,000,000港元），其中約39.9%及58.5%乃分別為海外銀行所發出之若干投資票據及海外投資公司管理之投資基金。由於本集團已有充裕現金及銀行信貸額，故未有計劃將該等投資套現。

為配合日常流動資金管理及往後發展，本集團亦已安排大額未動用銀行信貸。於二零零五年三月三十一日，本集團之銀行融資合共約為579,000,000港元（二零零四年：560,000,000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528,000,000港元（二零零四年：463,000,000港元）。此等融資為集團之業務發展提供強大後盾。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW (Continued)

Capital Structure

It is the intention of the Group to maintain an appropriate mix of equity and borrowings to ensure an efficient capital structure. As at 31 March 2005, the total borrowings of the Group were approximately HK\$42 million (2004: HK\$52 million), a decrease of 20% and of which about 91.1% and 8.9% were due within one year and within two to three years, respectively.

These Group's borrowings consisted of unsecured three-year bank loans of approximately HK\$8 million (2004: HK\$6 million), being denominated in Hong Kong dollars, and short-term bank loans of approximately HK\$34 million (2004: HK\$47 million), of which about 93% and 7% were denominated in US dollars and Chinese Renminbi, respectively. These borrowings are secured by the Group's land and buildings of approximately HK\$26 million (2004: HK\$19 million) and the Company's corporate guarantee of approximately HK\$68 million. The short-term bank loans were primarily borrowed to finance the general operation of the production plants in the Mainland China. During the year, the Group's borrowings bore interest at rates ranging from 1.1% to 5.8% (2004: ranging from 1.1% to 6.6%).

The Group's gearing ratio as at 31 March 2005 was approximately 10.2% (2004: 17.3%), which was measured on the basis of total borrowings of approximately HK\$42 million (2004: HK\$52 million) as a percentage of total shareholders' equity of approximately HK\$412 million (2004: HK\$303 million).

Foreign Exchange Exposure

Most of the Group's transactions, including borrowings, were conducted in US dollars, Hong Kong dollars or Chinese Renminbi. To mitigate the risks due to fluctuations in foreign currency exchange rates, the Group had used forward foreign exchange contracts to hedge against major currency exposures during the year. Net exchange loss was approximately HK\$725,000 (2004: HK\$1,015,000). In the light of potential appreciation of Chinese Renminbi, the Group anticipates the increasing proportion of revenue denominated in Chinese Renminbi will help to relieve the foreign exchange exposure resulted from Chinese Renminbi purchases and expenditure.

財務回顧 (續)

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。於二零零五年三月三十一日，本集團之借貸總額約為42,000,000港元（二零零四年：52,000,000港元），下跌20%，其中約91.1%及8.9%分別於一年內及第二至三年內到期。

本集團此等借貸包括為期三年合共約8,000,000港元（二零零四年：6,000,000港元）之無擔保銀行貸款，以港元結算，以及合共約34,000,000港元（二零零四年：47,000,000港元）之短期銀行貸款，其中約93%及7%分別為以美元及中國人民幣結算。此等借貸乃以本集團約26,000,000港元（二零零四年：19,000,000港元）之土地及樓宇作抵押，並加上約68,000,000港元之公司擔保。短期銀行貸款主要用於支付中國國內廠房之日常營運開支。年內，本集團之借款按介乎1.1%至5.8%不等（二零零四年：介乎1.1%至6.6%不等）之利率計息。

本集團於二零零五年三月三十一日之資本負債比率約為10.2%（二零零四年：17.3%），乃根據約42,000,000港元（二零零四年：52,000,000港元）之借貸總額及約412,000,000港元（二零零四年：303,000,000港元）之股東權益總額之百分比計算。

外匯風險

本集團大部份交易（包括借貸）均以美元、港元或中國人民幣進行，為減低匯率波動引起的風險，本集團於年內利用遠期外匯合約對沖主要貨幣匯兌風險。匯兌虧損淨額約為725,000港元（二零零四年：1,015,000港元）。因應中國人民幣有可能升值，本集團預期，以中國人民幣計值之收入比例增加，將可減輕來自中國人民幣購貨額及開支之外匯風險。

FINANCIAL REVIEW (Continued)

Employment, Training and Remuneration Policy

The Group has developed its training programs in a structural and systematic manner to its management and employees. The Group has provided regular management and technical courses to its employees during the year.

The Group has also developed its human resources policies and procedures based on performance and merit. It ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis within the general framework of its salary and bonus system. Discretionary bonus is linked to the profit performance of the Group as well as individual performance. Benefits include staff accommodation, medical schemes, share option scheme, Mandatory Provident Fund for employees in Hong Kong, and state-sponsored retirement plans for employees in the Mainland China.

As at 31 March 2005, the Group's operations engaged a total of over 9,100 staff and workers. The employment costs (including the directors' emoluments) accounted for approximately HK\$133 million (2004: HK\$108 million).

Commitments and Contingent Liabilities

As at 31 March 2005, the Group had total outstanding capital commitments, operating lease commitments and foreign exchange contracts of approximately HK\$23 million (2004: HK\$8 million), HK\$3 million (2004: HK\$4 million) and HK\$22 million (2004: HK\$44 million) respectively. In respect of the foreign exchange contracts, the Group had committed to sell approximately US\$1.2 million at various rates for a total of approximately HK\$9 million and to buy approximately €1.2 million at various rates for a total of approximately HK\$13 million. In view of the Group's high level of liquid funds, it is confident to fulfil all these commitments without any difficulty.

As at 31 March 2005, the Company had provided guarantees of approximately HK\$202 million (2004: HK\$168 million) to several banks to secure banking facilities of its subsidiaries.

財務回顧 (續)

招聘、培訓及薪酬政策

本集團已為管理層及僱員設立有系統之培訓計劃。本集團已於年內為僱員定期提供管理及技術課程。

本集團亦根據表現及成績制訂人力資源政策及程序，以確保僱員之薪酬水平具競爭力，並根據慣常之薪酬及花紅制度按員工表現給予員工報酬。酌情花紅視乎本集團之溢利表現及個別員工之表現而定，而僱員福利包括宿舍、醫療計劃、購股權計劃、香港僱員之強積金計劃及中國國內僱員之國家退休金計劃。

於二零零五年三月三十一日，本集團之業務共聘用超過9,100名員工及工人。僱員成本(包括董事酬金)約為133,000,000港元(二零零四年：108,000,000港元)。

承擔及或然負債

於二零零五年三月三十一日，本集團分別有合共約23,000,000港元(二零零四年：8,000,000港元)、3,000,000港元(二零零四年：4,000,000港元)及22,000,000港元(二零零四年：44,000,000港元)之未履行資本承擔、經營租約承擔及外匯合約。就外匯合約而言，本集團已訂約按不同匯率出售約1,200,000美元，以獲取合共約9,000,000港元之款項；及按不同匯率購買1,200,000歐羅，代價合共約13,000,000港元。由於本集團有大量流動現金，故此履行所有此等承擔並無困難。

於二零零五年三月三十一日，本公司為其附屬公司所獲銀行融資向數家銀行作出約202,000,000港元(二零零四年：168,000,000港元)擔保。