



*Join forces to excel*

凝聚是力量



*On behalf of the Board of Directors, I am pleased to present the annual report of Karrie International Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the 12 months ended 31st March 2001.*

本人謹此提交嘉利國際控股有限公司（「公司」）及其附屬公司（「集團」）截至二零零一年三月三十一日止十二個月之年報。

## PRINCIPAL ACTIVITIES & RESULTS

The Group is engaged in the manufacture and sale of computer and server casings, office automation products, moulds and video cassette housings.

During the period under review, growth momentum in the Group's major markets continued, though the US economy started to slow down since the latter half of the financial year. The performance of the European market was stable notwithstanding the weak Euro. Further recovery in the Asian markets also set a favorable environment for business.

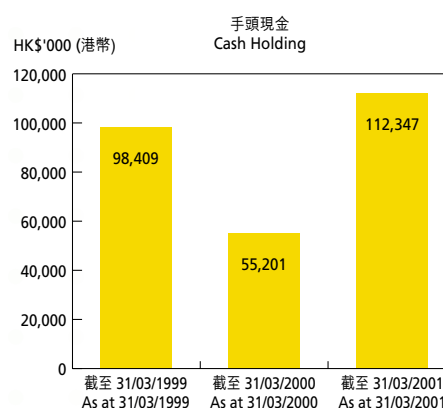
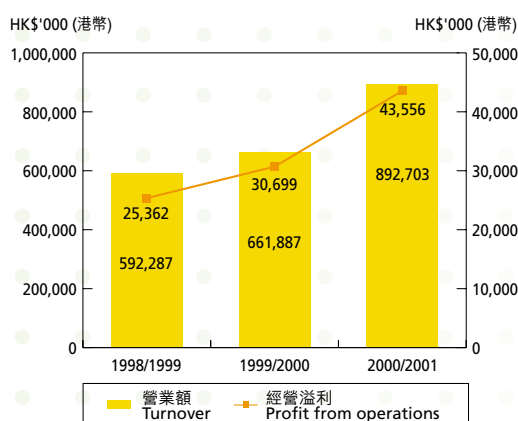
## 主要業務及業績

集團主要從事製造及銷售電腦及伺服器外殼、辦公室文儀產品、模具及錄影帶外殼之業務。

於回顧期間，集團之各主要市場持續增長，縱然美國經濟增長於下半年度開始逐漸減慢。歐洲方面，歐元持續疲弱，但整體市場表現尚算滿意。而亞洲市場之進一步復甦，為區內商業活動創造了一個有利之營商環境。

For the 12 months ended 31st March 2001, the Group achieved a turnover of HK\$892,703,000, representing an increase of approximately 35% over last year. Profit from operations surged 42% from HK\$30,699,000 to reach HK\$43,556,000 this year. Profit attributable to shareholders rose 28% to HK\$26,368,000. As at year end, the Group's cash holding amounted to HK\$112,347,000, significantly higher than last year's figure of HK\$55,201,000.

截至二零零一年三月三十一日止之十二個月內，集團錄得之營業額為港幣892,703,000元，比上年度增加約35%。集團之經營溢利由去年之港幣30,699,000元上升約42%至港幣43,556,000元。而股東應佔溢利則攀升28%至港幣26,368,000元。於年結日，集團之手頭現金達港幣112,347,000元，較去年之港幣55,201,000元大幅攀升。



These satisfactory results owed much to the Group's reputation for quality products and services, as well as adoption of a dynamic and flexible expansion strategy. During the reporting period, the Group continued to pursue business and product diversification. This has helped to sustain business growth despite the economic downturn in the US and European markets. At the same time, the Group actively sought to expand the business of its computer storage products. This strategy, combined with the Group's leading position in the industry, has successfully opened up new income sources. In addition, greater

此令人滿意之成績乃由於集團之產品質素優良及服務完善，加上配合一套靈活之業務擴展策略所致。於報告期內，集團致力推廣業務和使產品更趨多元化，使業績得以不受歐美市場拖累而持續呈現增長。集團積極拓展電腦存儲產品之業務，並結合本身於此方面之領先優勢，成功開發多項新收入來源。此外，為配合市場對電子產品組裝業務之殷切需求，集團已把此業務列為重點開發項目之一。一系列之產品多元化策略不但

emphasis has been placed on electronic products assembly business. This product diversification strategy not only demonstrates the Group's responsiveness to changing market conditions, but also reflects its ongoing commitment to strengthen its business.

During the period under review, Western Europe remained the Group's principal market, accounting for 36% of total turnover. Contribution from the Japanese market increased from 23% last year to 27% this year. Sales in the North American market and Asian markets (excluding Japan) accounted for 21% and 16% of turnover respectively.

## DIVIDEND

The Directors have recommended a final dividend of HK 3.8 cents per share to shareholders whose names appear on the Register Members of the Company on 20th August, 2001. Together with the interim dividend of HK 1.1 cents per share, total dividends for the year would amount to HK 4.9 cents per share. The final dividend will be payable on or about 30th August, 2001.

## SPECIAL DIVIDEND

Subject to the approval of the shareholders, the Directors propose the payment of a special dividend of HK 6.2 cents per share for the following reasons:—

- The Group's cash holding is far in excess of its current and future operating and capital requirements

反映集團對市場變化之敏銳觸覺，更反映出其不斷鞏固業務之進取精神。

於回顧期內，西歐繼續成為集團之主要市場，佔總營業額之36%。日本市場之比重進一步由去年之23%上升至27%。而北美地區及亞洲其他地區（日本除外）之比重則分別佔總營業額之21%及16%。

## 股息

董事會建議派發末期股息每股3.8港仙予所有於二零零一年八月二十日名列公司股東名冊之股東，連同中期股息每股1.1港仙，全年股息為每股4.9港仙。末期股息將於二零零一年八月三十日派發。

## 特別股息

倘若獲得股東通過，董事局建議派發特別股息每股6.2港仙，主要原因如下：

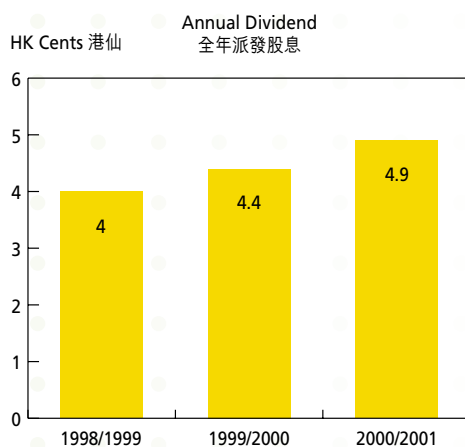
- 集團現時持有充裕現金，遠超於日常營運及未來資本性開支需求；

— Reward shareholders for their support

— 回饋一直以來支持本集團的股東；

— Improve returns on investment

— 改善投資回報率。



## BUSINESS REVIEW

### 1. Computer and Server Casings

As a result of the Group's efforts to promote this business area, turnover from computer and server casings climbed 33% to HK\$544,502,000 as compared to last year. Its contribution to the total turnover declined from 62% last year to 61% this year. Contribution to gross profit was 59%.

## 業務回顧

### 1. 電腦及伺服器外殼

由於集團積極拓展電腦及伺服器外殼業務，比去年此項目銷售額於期內上升33%至港幣544,502,000元，其銷售比重由去年之62%減少至61%，佔總毛利貢獻之59%。

**2. Office Automation Products**

Sales of office automation products exhibited significant growth and accounted for 27% of the total turnover as compared to 20% for the corresponding period last year. In relation to such products, total sales surged 83% to HK\$236,248,000. Contribution to the Group's gross profit for the period was 28%. This outstanding performance was attributable to the efforts of the Group's marketing division in securing new orders. This business is expected to maintain stable growth and to continue forming a major part of the Group's total sales.

**3. Moulds and plastic and metal parts**

Continuous product upgrades have helped to lower product costs. For the year, sales of moulds and parts increased satisfactorily to HK\$66,287,000, up 26% from the previous year. Contribution to gross profit stood at 12%.

**4. Video Cassette Housings**

In line with the Group's strategies to develop the high growth businesses and downsize the business of video products, sales of video cassette housings continued to slide. For the reporting period, sales of these products amounted to HK\$45,666,000, representing approximately 5% of total turnover.

**2. 辦公室文儀產品**

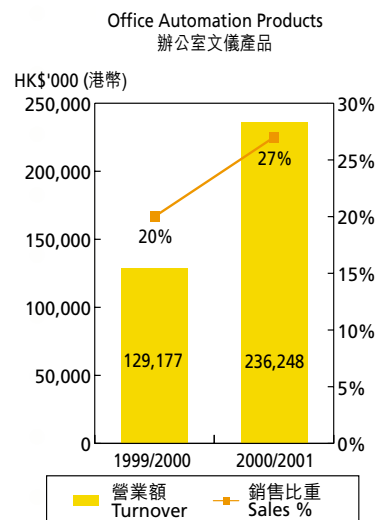
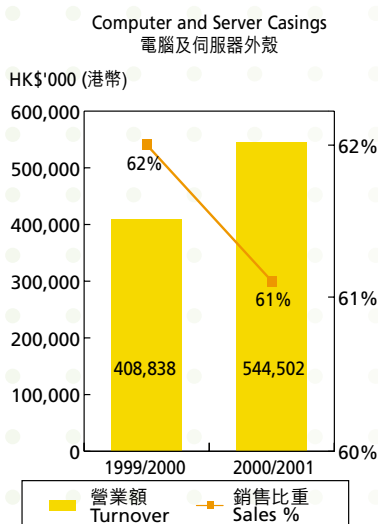
辦公室文儀產品之銷售呈現顯著增長，銷售額較去年上升83%至港幣236,248,000元，佔總營業額之27%，去年同期之比重為20%，此成績有賴於集團市場部成功爭取新訂單所致。於年內，其佔集團之總毛利貢獻達28%。預期此項目將維持穩定增長，並繼續成為集團主要收入來源之一。

**3. 其他塑膠及金屬部件**

模具及部件之設計進一步改良，有利降低生產成本。於年內，其銷售額為港幣66,287,000元，較去年同期增加26%，毛利比重則為12%。

**4. 錄影帶外殼**

由於集團致力拓展具高增長潛力之業務，逐步調低錄影帶產品業務之比重，故錄影帶外殼之銷售持續遞減。於回顧期間，此項目之銷售額約為港幣45,666,000元，約佔總銷售額之5%。



During the period under review, the operating environment continued to be challenging. In view of mounting competition, the Group has strengthened its fully integrated business model with prime focus on raising product quality and service standards so as to enhance its competitiveness. To strengthen earnings capacity, the Group has implemented various measures which aim at lifting overall operational efficiencies.

The Group has adopted a stringent policy on cost controls and revamped management controls, which have significantly trimmed general administration costs. These changes were designed to ensure a flexible and efficient labor force. In addition, the Group also introduced a more efficient system for material purchases to cater for changes in supply conditions.

於回顧期內，整體營商環境仍然充滿挑戰，有見及日趨激烈之競爭，集團繼續強化其完全垂直式作業模式，並重點提升產品及服務質素，進一步增強競爭力。為壯大盈利基礎，集團已採納了一系列措施，力求進一步提升整體營運效率。

集團嚴謹控制各類開支及重整管理模式，有效地減省不必要之行政開支。一系列之措施，主要為確保集團擁有一隊既高效率亦具靈活性之員工隊伍。此外，集團亦已採用了更具效率之原材料採購政策，以應付原材料供應市場之變化。

In line with the Group's pledge for provision of excellent service, the marketing division has adopted a more proactive approach on every client interface while also maintaining close communication with the production division. With the concerted efforts of all staff, the Group has been highly commended by its major clients. In November 2000, the Group was presented with an "Excellent Supplier Award" by Compaq. In February 2001, NEC presented a "Certificate of Appreciation" to the Group in recognition of its commitment to assist clients to achieve their business goals.

## PROSPECTS

### Preface

1. Although the US economy has been showing signs of economic slowdown since last year, the impact on the Group was relatively small. The main principle of the Group's "business model" has always been diversification: whether with customers, products or in its geographical distribution for product shipments. For the financial year under review, shipments to the US accounted for only 21% of the Group's total turnover.

為貫徹集團之優質服務作風，市場部採用了一個更主動式之策略，以加強與客戶之全面溝通，同時亦與生產部保持緊密聯繫，務求把市場情況迅速和準確地傳遞至各生產部門。在上下同事之共同努力下，集團今年度繼續得到主要客戶之嘉許，Compaq於2000年11月頒授傑出供應商表現獎予本集團，另NEC亦於2001年2月頒發感謝狀予本集團，以肯定集團於協助客戶達成企業發展目標之貢獻。

## 展望

### 序言

1. 雖然美國經濟自去年底開始不斷出現經濟逆轉之跡象，但本集團維持一貫之「生意模式」：分散客戶、市場及產品之宗旨，故現時美國市場佔本集團之總營業額比重只為21%，其影響相對較少。



2. Nevertheless, the Group has undertaken a series of reforms and changes in anticipation of the uncertainty as a result of such economic slowdown. The Group believes that without such changes, the Group will not be able to thrive in this super-competitive marketplace.

## FUNDAMENTAL REFORMS TO ACHIEVE QUALITATIVE AND QUANTITATIVE IMPROVEMENTS

The Group has undertaken and still continues to pursue reforms in three aspects:

### 1. Organizational

- The Board has authorized the formation of a new Executive Committee. One of the primary functions of the Executive Committee is to spearhead the reforms throughout all levels within the Group
- Improve the inventory and accounts receivable levels to ensure high liquidity through an inter-departmental cooperation
- Infuse staff with "crisis mentality" and emphasise the need for constant self-enhancement to cope with the super-competitive marketplace

2. 雖然如此，本集團自去年底開始已經不斷積極為這不可預知的經濟環境作好準備。本集團深信倘若在這如此慘烈的競爭環境當中不作出應變革新，相信難以繼續維持經營，必遭市場淘汰。

## 脫胎換骨，質量並進

本集團已進行及繼續推行下列三方面的改革：

### 1. 行政制度方面

- 經董事局授權成立〈執行委員會〉，積極推動公司進行改革；
- 各部門通力合作，改善存貨水平及應收帳，務求將存貨數量及應收帳繼續調低，確保資金流轉暢順；
- 經常提醒員工必須備有「危機感意識」，同時鼓勵員工要自我增值，不斷將技術及知識提升，以切合現時市場劇烈競爭的需要。

**2. Marketing**

- Consolidate existing customer base and explore the markets for the electronic product assembly service
- Keep monitoring progress of the development of new products. These products included laser printers, point-of-sale system, and magnetic tape drive. So far the results have been very satisfactory.

**3. Production**

- Freeze capital expenditure temporarily to improve cash flow, as the capacities of the equipment recently purchased is sufficient to meet the orders placed
- Study the cost and benefits of more subcontracting to outside sub-contractors to improve production flexibility
- Re-organize factories into different "vertical business units" with clear profit and loss responsibilities

**2. 市務策略方面**

- 於鞏固現有客戶基礎之同時，積極開展新客戶及開拓發展電子產品組裝業務；
- 監察新產品項目之發展進度，包括鐳射打印機，收銀機系統 (POS) 及磁帶解碼機，現階段效果令人滿意。

**3. 生產方面**

- 由於近年購置的機械設備已足夠應付訂單需要，因此為確保資金流暢，暫時凍結所有資本性投資；
- 因應效益考慮以外發形式將部份訂單外判，以增加生產之靈活性；
- 集團將各生產組別以「責任制」概念直線管理，日常運作交由部門獨立以自負盈虧形式管理，提升效益。

## HOLDING THE KEY TO A DEFENSIVE/OFFENSIVE PLATFORM

To most manufacturers, 2001 is and will be a challenging and difficult year. They must strike a delicate balance between

- the need to cut down costs to keep competitive in view of the US economic slowdown
- cutting costs to the bone however, will seriously hinder the ability to take advantage of the US economy recovery and China's impending entry to the WTO

The Group is fully prepared for these two eventualities. After careful deliberation of the existing operational conditions and customer prospects, the Directors believe that prospects in the coming year remain cautiously optimistic.

## FINANCIAL RESOURCES

As at 31st March, 2001, the Group's cash holding was HK\$112,347,000. The Directors are confident that with its cash holdings and banking facilities of HK\$433,806,000, the Group is able to meet its current and future operational and capital expenditure requirements. During the period, the Group's net gearing ratio was 11%.

攻守兼備，智珠在握

對大部份之廠商而言，2001年將是充滿挑戰及艱巨的一年，管理者必須於下列兩者中取得平衡：

- 因美國經濟衰退之陰影實在不容忽視，公司必須繼續節約成本，以保持競爭力；
- 但另一方面，要考慮2001及2002年經濟開始復甦及中國加入世貿後所帶來的商機，因此不能盲目大幅削減開支，必須要保持生產力及員工之凝聚力，以免錯失商機。

本集團在這方面經已作好準備，於各項業務上取得平衡發展，經詳細研究整體營運及客戶訂單情況後，董事局對於2002年的業務前景於無特變的情況下，維持審慎樂觀的看法。

## 財務狀況

截至2001年3月31日，本集團持有現金達港幣112,347,000元。董事局相信，本集團持有之現金加上港幣433,806,000元之可動用銀行融資借貸額，將可從容應付其日常營運及資本性投資計劃。年內本集團之淨銀行負債比率為11%。

## EXCHANGE RATE EXPOSURE

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar, US dollar or Renminbi. As the exchange rates of Hong Kong dollar, US dollar and Renminbi were relatively stable during the year, the Group was not exposed to material exchange risk.

## CONTINGENT LIABILITIES

As at 31st March, 2001 there was a trade receivable factored with recourse of approximately HK\$3,061,000, and the Group did not have other significant contingent liabilities.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31st March, 2001 the Group employed approximately 4,084 staffs and workers. Employees' remuneration is determined in accordance with their performance, experience and prevailing industry practice. Discretionary bonus will be awarded to employees who demonstrated good performance under a reward evaluation policy and linked up with the Group's audited result. Other staff benefits include medical insurance and MPF. Besides, a Share Option Scheme was adopted in 1996 under which share options were/will be granted to certain employees as incentive and award for their contribution to the Group.

## 匯兌風險

本集團所有資產、負債及交易均以港元、美元及人民幣計算，由於年內港元、美元及人民幣之匯率維持穩定，故此本集團並無任何重大之匯兌風險。

## 或然負債

本集團於二零零一年三月三十一日除附有追索權之已讓售應收帳款約港幣3,061,000元外，並無其他重大之或然負債。

## 僱員及薪酬政策資料

於二零零一年三月三十一日，本集團共聘有僱員總數約4,084名。僱員薪酬一般參考市場標準及僱員表現釐定，集團並會根據公司已審核之業績透過獎賞評核政策，對有良好表現之員工發放花紅。其它員工福利包括醫療保險及強制性公積金。此外，本集團設有於一九九六年採納之僱員購股權計劃，並選定若干優秀表現及貢獻之僱員授予購股權。