

CHAIRMAN'S STATEMENT



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

CHAIRMAN'S STATEMENT

財務業績

截至二零零一年三月三十一日止年度，集團營業額與上年度比較，增加0.7%。集團本年度錄得虧損52,803,421港元。

末期股息

董事局不建議派發二零零一年三月三十一日止年度之末期股息。

業務回顧及前景

虧損主要為證券買賣部門之損失所引致，因為股票市場之低迷，集團需為於二零零一年三月三十一日時所持證券，作出五千六百萬元降價準備。電視機生產部門因市場降價競爭影響，錄得約六百萬元虧損。此外，集團賬目上亦作出約壹佰六拾萬元投資物業降價準備。

集團主要盈利貢獻部門，音響產品部所錄得之盈利亦顯著減少。截至二零零一年三月三十一日止財政年度之下半年，電子消費品市場因世界經濟倒退，尤以美國影響最大，市場條件惡劣，美國定單大幅減少，而退貨率亦較預期為高。產品毛利率亦明顯下降。此外，因應市場情況而暫時關閉部份生產線及遣散工人，亦使下半年財政年度之生產成本增加。

訊息科技部門，好狗網未能獲利而因應集團去除虧損部門政策，正式關閉，員工轉移致力發展高科技產品，如藍芽產品、可重寫光碟錄影機、硬碟型錄影機、數碼音樂點唱機及藍碟等。集團之一關連公司欣然獲得香港政府資助發展藍芽應用產品。

對於下財政年度之前景，估計上半年電子消費產品營業額仍未能大幅增長，但估計二零零一年之最後季度，當本集團為OEM客戶設計之新產品投入生產時，電子消費產品之銷售將會增長。集團之新產品如MP3系列，取得滿意定單，新產品之毛利與其他產品比較，毛利率較高，故集團產品整體毛利應可提昇。

FINANCIAL RESULTS

For the year ended 31st March, 2001, turnover of the Group was increased by 0.7% as compared with last year. The Group has recorded a loss of HK\$52,803,421.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31st March, 2001.

BUSINESS REVIEW AND FUTURE PROSPECTS

The loss incurred was mainly caused by the loss from the securities trading division. Owing to the depressed stock market condition, unrealised holding loss of listed securities held by the Group as at 31st March, 2001 amounted HK\$56 million. The TV manufacturing division also recorded a loss of HK\$6 million as affected by price cutting competition in the market. Besides, deficit arising from revaluation of investment properties of HK\$1.6 million was also recognized in the accounts of the Group.

Performance in audio product manufacturing division, the main profit contributor of the Group, also recorded a significant decrease in profit figure. During the second half of the financial year ended 31st March, 2001, consumer electronic market faced a severe adverse condition under world-wide economic recession, especially in USA. Orders from US market decreased sharply and goods return rate reported an unexpected high level. Profit margin for the products decreased significantly. Besides, certain product lines in the factories were temporarily shut-down and workers lay-off in response to adverse market condition. These were also accounted for a higher manufacturing cost during the second half of the financial year.

In the eTech division, gopuppy.com was closed down in order to terminate all loss making business. Personnel divert their attention to the development of high tech products such as Bluetooth products, CDRW video recorder, hard disk video recorder, digital audio jukebox and blue disk. The Group has the pleasure to report that one related company of the Group has obtained a subsidy from the Hong Kong Government for the development of the Bluetooth devices.

For the prospect in next financial year, it is anticipated that sales for consumer electronic products will not increase significantly during the first half of the financial year. However, in the last quarter of 2001 when the new products designed for our OEM customers are completed and scheduled for productions, sales for consumer electronic products will increase. The profit margin for our products will also increase as new products of the Group, such as MP3 series, have received satisfactory orders and the profit margin for these new products are higher than other product lines.

CHAIRMAN'S STATEMENT

集團現時財政狀況仍非常穩健，借貸率亦相對較低，來年集團應得益於低利率條件使財務費用支出減少。

流動資金及借貸

於年結日時，本集團之現金及銀行結存約25,881,000港元（二零零零年：75,951,000港元），證券及衍生工具投資約96,535,000港元（二零零零年：176,129,000港元），借貸約140,247,000港元（二零零零年：67,869,000港元）。借貸比率以總負債與股東資金比較為0.48倍。顯示集團借貸審慎及財政健全。

或然負債

於年結日時，集團未有重大之或然負債。

僱員

於二零零一年三月三十一日，本集團擁有僱員共3,933人，其中3,770人受僱於中國，負責本集團之製造及分銷生意。

本集團為其僱員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。

主要供應商與客戶

本公司前五間最大及其中最大之供應商分別佔本年度購貨總額42%及20%（二零零零年：分別57%及25%），而本公司前五位最大及其中最大之客戶則分別佔本公司營業總額70%及42%（二零零零年：分別佔59%及37%）。董事局並未知悉有任何本公司之董事及其聯繫人士或擁有本公司之權益5%以上之股東，在任何該五間最大供應商或客戶中佔有權益。

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，二零零一年七月二十日

The financial position of the Group is still stable with bank borrowings relatively in low level. The Group will also benefit from present low interest rate position with an expected reduced financial expenditure in the coming year.

LIQUIDITY AND BORROWINGS

As at balance sheet date, bank balances and cash held by the Group amounted to approximately HK\$25,881,000 (2000: HK\$75,951,000). Investments in securities and derivatives instruments were approximately HK\$96,535,000 (2000: HK\$176,129,000). Borrowings were approximately HK\$140,247,000 (2000: HK\$67,869,000). The gearing ratio calculated by total liabilities to shareholders' fund was 0.48. This reflects the Group's stable financial position and its prudence in borrowing policies.

CONTINGENT LIABILITIES

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

EMPLOYEES

As at 31st March, 2001, the Group had a total number of staff of 3,933 of which 3,770 were employed in the Mainland China 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.

MAJOR SUPPLIERS AND CUSTOMERS

The Company's five largest suppliers and top supplier contributed 42% and 20% respectively (2000: 57% and 25% respectively) of the total purchases in the current year. The aggregate turnover attributable to the Company's five largest customers and top customer, accounted for 70% and 42% respectively (2000: 59% and 37% respectively). Neither directors, their associates, nor those shareholders, who to the knowledge of directors own more than 5% of the Company's share capital, has any interest in any of the five largest suppliers and customers mentioned above.

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, 20th July, 2001