



# Chairman's Statement

## 主席報告

On behalf of the Board, I am pleased to present to our shareholders the Group's satisfactory and encouraging results for the year ended 31st March 2001. 2001 marks the 25th anniversary of the Group and our various development during the year under review makes this occasion both meaningful and joyous.

### RESULTS AND DIVIDENDS

The Group's turnover amounted to HK\$2,947,967,000, representing a 8.2% increase over that of 1999/2000 financial year. Profit attributable to shareholders was HK\$190,289,000, showing an encouraging increase of 24.1% over last year.

The directors recommended the payment of a final dividend of HK3 cents per share for the year ended 31st March, 2001, which makes total dividends of HK4.5 cents for this financial year, which is the same as that of HK4.5 cents for the previous year.



### BUSINESS REVIEW

#### **The Electronics Manufacturing Services ("EMS") Division**

Notwithstanding the worldwide shortage of electronics manufacturing components and the rise in material costs during the year under review, the EMS division still attained a record high turnover and profit, demonstrating the flexibility as well as capability of the Group to face challenges over times. Turnover amounted to HK\$2,647,880,000, accounting for about 89.8% of the Group's turnover whilst the gross profit amounted to HK\$282,101,000, an



## **Our Mission**

*is to become a leading global player in Electronics Manufacturing Services (EMS) industry and prominent market player in the motorcycle industry*

**我們的企業使命**是成為  
全球電子製造業領導者及  
電單車業中卓越的  
市場表表者

本人謹代表董事會欣然向本公司股東提呈本集團截至二零零一年三月三十一日止年度之業績，本集團在有關年度錄得使人鼓舞之美滿成績。二零零一年標誌著本集團慶祝成立二十五週年之大日子，此外，本集團在回顧年度內曾成功推行多項業務發展計劃，而這個年度亦因此顯得意義重大及令人振奮。

### **業績及股息**

本集團之營業額達2,947,967,000港元，較一九九九／二零零零年財政年度增加8.2%。股東應佔溢利為190,289,000港元，升幅較去年增加24.1%，成績令人鼓舞。

董事會建議派付截至二零零一年三月三十一日止年度之末期股息每股3港仙，令本年度之股息合共為4.5港仙，與上年度之4.5港仙相同。

### **業務回顧**

#### **電子製造服務（「EMS」）部門**

雖然本集團在本年度內受到全球性製造元件短缺及原料成本上漲之影響，EMS部門仍然能夠錄得刷新過往紀錄之營業額及溢利，足證本集團在面對挑戰時能夠發揮靈活應變之能力。EMS部門營業額合共達2,647,880,000港元，佔本集團營業額約89.8%，而毛利則為282,101,000港元，較一九九九／二零零零年財政年度增加19.6%。營業額較去年上升16.5%之主要原因為家用音響產品在美國及歐洲之銷量強勁所致。歐洲市場之營業額佔本部門總營業額18.4%，較上年度增加28.0%。北美洲市場之銷售額增加11.0%，佔本



# Chairman's Statement

## 主席報告

increase of 19.6% over 1999/2000 financial year. The 16.5% increase in turnover from last year was mainly attributed to the strong sales of home audio products in both the U.S. and Europe. European market segment

accounted for 18.4% of total turnover of the division, a 28.0% increase over that of the prior year, whereas sales to North America increased by 11.0% and accounted for 60.6% of total sales of the division. The successful yield in the Group results was considerably due to the adoption of market segments diversification strategy on one hand and the enhanced business relationship with the worldwide customers. Wal-Mart continues to be our largest customer in the U.S. and this is the 5th year for our Group to receive the "Vendor of the Year" award from Wal-Mart.

During the year, the Group continued its commitments to product development, expansion and refinement by adding new product lines and new models. A number of new models were successfully introduced to our existing products range. Digital camera was warmly welcomed by the market and a new generation of portable DVD player is also in the pipeline pending launch. This demonstrates the Group's insight in product development and enhancement as well as its research and development capability, both contributing to profit stability of the Group in a longer term.

### Manufacturing and capital expenditure

The Group has established a unique low cost production platform in its Dongguan Industrial City with production floor area of more than 200,000 square metres. There is a high degree of vertical integration in the manufacturing process of electronics products ranging from self-supply of electricity, components manufacturing, mould-making, spray painting and silk screening and printing processes. Total capital expenditure for the year was HK\$164 million, out of which HK\$54 million was invested in the construction of a new factory building,



部門總營業額60.6%。本集團業績理想之主要原因為本集團一方面在不同市場層面上將業務作多元化發展，而另一方面，本集團亦成功與其遍佈世界各地之客戶建立更加鞏固之關係。Wal-Mart繼續成為本集團在美國之最大客戶，而本集團亦第五年度榮膺Wal-Mart之「最佳供應商」。

在本年度內，本集團藉着增添新產品及研製更多款式之產品，繼續致力於產品發展、擴充業務及提升產品質素。本集團現時之產品系列亦因此成功加入多種新款式。市場對數碼照相機之反應良好，而本集團快將推出新一代之手提數碼影碟機。此乃本集團深入了解產品發展路向和在研究和發展方面雄厚實力之證明。長線而言，此兩項優點均會有助穩定本集團之溢利來源。



### 製造及資本開支

本集團在東莞工業城內設立了一個獨特低成本生產基地，其生產面積超過200,000平方米。本集團製造電子產品乃採用高度垂直整合之生產程序，包括自行供應電力、製造元件、製造模具、噴漆、絲網印刷及普通印刷程序。本年度內之資本性支出總額為164,000,000港元，其中54,000,000港元用作在東莞市興建新廠房、宿舍及員工飯堂。本集團為着進一步提升生產能力，亦動用了51,000,000港元購入廠房及機器，其中

# Chairman's Statement

## 主席報告

dormitories and staff canteens in Dongguan. The Group also acquired plant and machinery of HK\$51 million for the purpose of its production enhancement through the addition of more than 20 sets of plastic injection machines, 2 sets of power generators, and certain surface mount machines.

包括添置超過二十台塑料注模機、兩組發電機及若干部自動貼片機。



### The Motorcycle Division

The sales turnover of this division dropped by 33.6% to HK\$300,087,000. This was mainly due to an intentional change in business direction initiated by the Group during the year under review. In view of the high competition in the motorcycle engine market, the Group has shifted its focus to design and sell assembly sets of motorcycles and the Group believed that this production shift should be beneficial in the long term. Although the motorcycle division was facing a difficult year, the division still recorded a gross profit of HK\$42,715,000.

The Group plans for the construction of a new plant in Dongguan, the PRC with a gross floor area of approximately 20,000 square metres. With the completion of Phase One of the construction, the production capacity of motorcycle is expected to increase from 4,000 sets to 20,000 sets per month.

The first production line of complete set of motorcycle is expected to commence commercial operation in the third quarter of 2001.



### 電單車部門

電單車部門之銷售營業額為300,087,000港元，較去年減少33.6%，主要由於本集團在本年度內改動此部門之業務路向所致。鑑於電單車引擎市場競爭劇烈，本集團改為致力設計及銷售電單車全套配件組合，而本集團相信，長遠而言，此項生產方面之改動將會為本集團帶來裨益。雖然在本年度內電單車部門之經營環境欠佳，該部門仍能錄得42,715,000港元之毛利。

本集團計劃在中國東莞市投資興建新廠房（建築面積約共20,000平方米）。當該幢新廠房第1期建築工程竣工後，預期電單車之生產量將會由每月4,000套配件組合增至每月20,000套配件組合。現時預期製造電單車全套配件組合之第一條生產線將於二零零一年第三季開始作商業性投產。

# Chairman's Statement

## 主席報告

The Group also places focus on its brand strategy. Its own brand "Tontse" successfully captured a significant share in the middle and upper-middle class of the PRC motorcycle market.

### Liquidity and financial resources

The Group reported improved liquidity and balance sheet position as illustrated by its brilliant results achieved for the year. At year end, the Group's net current assets have further increased from HK\$223 million to HK\$297 million. Cash on hand and total borrowings amounted to HK\$133 million and HK\$223 million respectively. Net debt balances of HK\$90 million increased by HK\$4 million in the year. This represented a net debt to equity ratio of 0.12 (2000: 0.14). The interest coverage ratio of the Group's profit before interest, tax, depreciation and amortization (EBITDA) to total interest expenses was 12 times in 2001, compared to 10 times in 2000. Shareholder's funds at balance sheet date were HK\$761 million (equivalent to HK96 cents per shares), increased by HK\$151 million over last year.

Most of the Group's sales and purchases are denominated in US dollar and HK dollar. The Group considered its foreign exchange exposure is adequately managed, since the HK dollar is pegged to US dollar. In this regard, the Group does not commit to any exchange rates hedge.

### Employee information

As at 31st March 2001, total numbers of employees of the Group were approximately 133 in Hong Kong (2000: 130) and approximately 20,000 in the PRC (2000: 24,000). Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Bonuses are normally paid to management staff based on individuals' merits as well as the results of the respective companies.

本集團亦致力實行建立本身品牌之策略。本集團之「Tontse」品牌成功在國內之中檔及中高檔電單車市場佔有相當份量之比重。

### 流動資金及財政資源

本集團之流動資金增加及資產負債情況表現較前更佳乃本集團成功創下輝煌業績之證明。在年結時，本集團之流動資產淨值由223,000,000港元進一步增至297,000,000港元，所持現金及借貸總額分別為133,000,000港元及223,000,000港元。債務結餘淨額為90,000,000港元，在年內增加4,000,000港元，而據此計算之負債資本淨額比率為0.12(二零零零年：0.14)。本集團在二零零一年之溢利(未扣除利息、稅項、折舊及攤銷(EBITDA)相對利息支出總額計算所得之溢利對利息比率為12倍，而在二零零零年則為10倍。於結算日，股東資金為761,000,000港元(相等於每股96港仙)，較去年增加151,000,000港元。

本集團之銷售額及採購額大部份均以美元及港元計值。本集團已對本身之滙兌風險實施足夠的監控。由於港元與美元掛鈎，就此而言，本集團毋須為滙兌風險而採用貨幣對沖方法。

### 僱員資料

於二零零一年三月三十一日，本集團在香港之僱員總數約為133名(二零零零年：130名)，而在中國之僱員總數則約為20,000名(二零零零年：24,000名)。薪金一般參考市場標準及個別員工資歷釐定。薪金與工資一般按表現及其他相關因素每年作出檢討。本集團根據公司



# Chairman's Statement

## 主席報告

Staff benefit plans maintained by the Group for the Hong Kong staff include a provident fund scheme, as well as medical and life insurance. In the PRC, the Group provides free medical treatment, free lodging, free entertainment and meal subsidy to all employees, and life insurance for certain employees.



業績對個別有良好表現之管理人員發放花紅。

本集團向香港員工提供之福利計劃包括公積金計劃及醫療與人壽保險。本集團在中國為所有員工提供免費醫療、免費住宿、免費娛樂及膳食津貼，並為若干僱員提供人壽保險。

The Company maintains a Share Option Scheme, pursuant to which share options are granted to selected eligible executives, with a view to providing senior management with an appropriate incentive interest in the growth of the Group.

根據本公司之購股權計劃，本公司會向經挑選之合資格行政人員授予購股權，旨在激勵高級管理人員推動本集團之發展。

### PROSPECTS

#### EMS Division

The Group is committed to the provision of low cost and good quality products to our customers and the continuous development of new models for existing products to meet the growth in demand and to maintain our competitive position in the market. In future, the Group will focus more on the development of new generation products such as new models of digital cameras, MP3 embedded CD players and internet DVD players. These products provide attractive profit margins and are clear demonstration of the Group's technology edge. Besides these digital products, conventional audio products will still be the major profit contributor to the Group. Relationship with Wal-Mart will become closer and more amicable. Our other major customers including Alba group, Quelle and Kingfisher also poses good market potential, especially when the electronics industry is under further consolidation, orders will tend to flow to strong and major companies which can offer more competitive price and delivery terms. Moreover, the Group has successfully solicited three renowned customers in Germany and Korea.



### 前景

#### EMS部門

本集團致力於為客戶提供價格大眾化之優質產品及繼續為現時之產品

研製新款式，以配合市場之殷切需求及維持本集團產品在市場內之競爭優勢。本集團在將來會投入更多資源發展新一代之產品，例如新款之數碼照相機、內置MP3之CD機及互聯網DVD機等。該等產品能為本集團帶來可觀之邊際溢利，亦堪作本集團技冠同儕之證明。除上述數碼產品外，傳統式之音響產品仍然會是本集團之主要溢利來源。本集團與Wal-Mart之關係將會更加和諧密切。本集團的其他主要客戶包括Alba group、Quelle及Kingfisher亦為本集團帶來美好之市場發展機會，尤其是在

目前電子行業正在進一步整固之情況下，客戶訂單將會趨向實力雄厚、能提供更相宜之價格及較優惠付運條款之大型公司。此外，本集團亦成功獲得三個分別位於德國及韓國之知名客戶。



# Chairman's Statement

## 主席報告

The US economy is slowing down and the buyers are more cautious when placing orders. However, the Group's satisfactory achievements in the year under review is a solid proof of our ability to initiate effective policies to capitalize on any possible business opportunities. The Group will endeavour to minimize the adverse effects of the unfavorable global economy by utilising its sold experience in the industry and flexible marketing strategies.

Our marketing strategies will be to place more focus on sales to European customers, participate in industry exhibitions, provide comprehensive after sales services and explore emerging markets. The Group will also exert efforts in promoting the Original Equipment Manufacturing ("OEM") and the Original Brand Manufacturing ("OBM") businesses.

### Motorcycle Division

The Group will focus on enhancing quality, manufacturing capacity, image and production flexibility in the coming year. Apart from the existing four-stroke 100cc, 125cc, 150cc and 175cc engines, complete set of motorcycles will become one of our main profit generators and the Group will commence a series of image building campaigns for its own brandname "Tontse".

The Group also believes that, upon China's accession to the World Trade Organisation (WTO), full trading and distribution rights will be given to foreign companies. In this regard, the Group will further explore the PRC market to secure a larger market share for its products in a cautious and steady manner. On the other hand, the Group envisages its motorcycle export business to boom. In the international market, our products enjoy distinct price advantage and our initial markets are Argentina and Indonesia.

Looking ahead, the Group's two business divisions are each executing business plans



美國經濟正在逐漸放緩，而買家在發出訂單時均較以往審慎，因此，本集團在本年度內錄得理想成績一事，足可證明本集團所實行之政策非常有效地把握任何商機，藉着本身在業內之豐富經驗及靈活應變之市場策略，本集團能夠盡量減輕因全球經濟不景氣所帶來之負面影響。

本集團之業務策略包括加強對歐洲客戶促銷產品、參加工業展覽會、提供全面的售後服務及進軍新興市場。本集團亦將會盡力推廣原設備製造（「OEM」）及原品牌製造（「OBM」）業務。

### 電單車部門

本集團將會在來年致力提升產品質素、生產能力、形象及生產靈活性。除現有之四速100cc、125cc、150cc及175cc引擎外，銷售電單車全套配件組合將會成為本集團之主要溢利來源之一，而本集團亦將會為本身之「Tontse」品牌開始進行一連串鞏固形象之宣傳計劃。

本集團亦相信，在中國加入世界貿易組織（「世貿組織」）之後，外國公司將會全面獲得貿易及分銷權力。就此而言，本集團將會以審慎之態度穩步深入探討中國市場，旨在為本身之產品爭取更大之

市場佔有率。另一方面，預期本集團之電單車出口業務將會逐漸興旺。在國際市場上，本集團之產品明顯地在價格方面佔盡優



# Chairman's Statement

## 主席報告

that emphasize a combination of increasing sales to existing and new customers, as well as introducing new products to penetrate new market segments. While the current economy in North America is undergoing a period of uncertainty, we are confident that our spread of product range and geographic markets will deliver solid result in the coming financial year.



The prospects for margin improvements in the coming year are also positive despite a general decline in selling prices. Among other factors, the support from our critical components suppliers, our own production of double layer printed circuit boards in June 2001 and the increase in plastic injection capacity will make additional contribution to the Group's profits. With regard to the motorcycle division, we also anticipate a rapid and positive impact on operating margins once the new motorcycle factory commence operation in the third quarter of 2001.

### APPRECIATION

Finally, on behalf of the Group, I would like to express our gratitude to our shareholders and business associates for their support and to our employees for their continuing loyalty, hard work and dedication to the Group.

By Order of the Board  
**Lam Man Chan**  
Chairman

Hong Kong, 9th July 2001

勢，而本集團意欲初步進軍之市場為阿根廷及印尼。

展望將來，本集團之兩個業務部門現時實行之業務計劃均着重於增加向現有及新客戶之銷售額及推出新產品以滲透全新市場層面。雖然現時北美洲之經濟正在經歷一段不明朗之日子，本集團有信心在未來一個財政年度內，產品銷量將會因擴闊產品系列及增加地域市場而錄得理想業績。

儘管銷售價一般而言均向下調整，惟本集團對未來年度之溢利增長前景仍然抱持樂觀態度。在眾多有利因素之中，本集團獲得主要元件供應商之支持，在二零零一年六月自行生產雙層印刷線路板及塑膠注模能力增加均會進一步為本集團帶來溢利。就電單車部門而言，本集團預期，在二零零一年第三季開始投產之新建電單車廠將對該部門之經營溢利有正面效應。

### 致謝

最後，本人謹代表本集團對一向支持我們之股東及業務友好衷心致謝，同時亦感謝本集團僱員一直以來盡忠職守、辛勤工作、竭誠服務。

承董事會命  
**林文燦**  
主席

香港，二零零一年七月九日