

# Management Discussion and Analysis

## 管理層討論與分析

### OVERVIEW

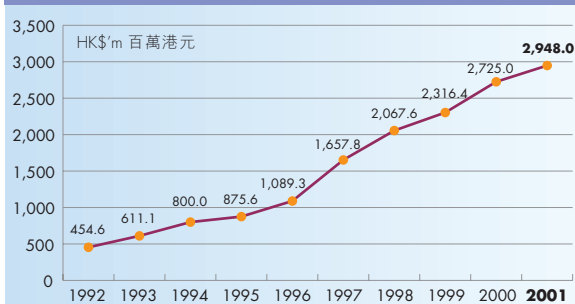
For the financial year ended 31st March 2001, the Group once again recorded satisfactory organic growth and it is now the eight consecutive years of growth in turnover since the Company was listed on the Stock Exchange of Hong Kong Limited in 1992. Turnover of the Group increased by 8.2% over last year, reaching HK\$2,947,967,000. Profit attributable to shareholders attained a new record at HK\$190,289,000, representing an increase of 24.1% over last year. The Electronics Manufacturing Services ("EMS") division performed very well for the year with turnover and operating profit increased by 16.5% and 53.5% respectively over last year. The EMS division continues to be the major profit contributor of the Group, accounting for 89.8% of the turnover of the Group. The motorcycle division has had a challenging year with a decrease in sales by 33.6% over the last year. The year under review was a transitional stage for the motorcycle division. In view of the keen competition in the motorcycle engine market in the PRC, the Group shifted its focus to design and sell assembly sets of motorcycles and products have been well accepted by the market.



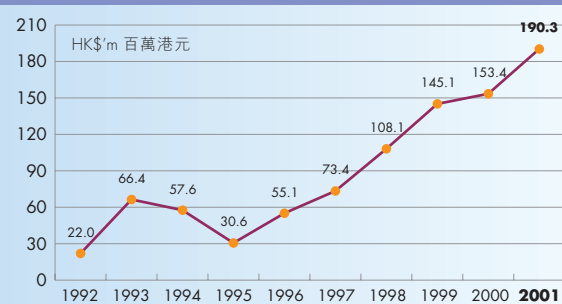
### 總覽

在截至二零零一年三月三十一日止財政年度內，本集團再一次錄得理想之內部增長。自本公司在一九九二年於香港聯合交易所有限公司上市以來，回顧年度乃本公司第八年連續錄得營業額上升。本集團本年度之營業額約達2,947,967,000港元，較去年增加8.2%。股東應佔溢利達到新高水平190,289,000港元，較去年增加24.1%。電子製造服務（「EMS」）部門在年內表現甚佳，其營業額及經營溢利分別較去年增加16.5%及53.5%。EMS部門繼續為本集團提供主要溢利來源，佔本集團營業額89.8%。電單車部門在回顧年度內曾面對不少挑戰，而銷售額亦因此較去年減少33.6%。對電單車業務而言，回顧年度乃一個轉型階段。國內之電單車市場競爭劇烈，本集團因此改為致力設計及經銷電單車全套組件，有關產品亦深受市場歡迎。

Turnover 營業額



Profit attributable to shareholders 股東應佔溢利



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### GROWTH STRATEGY

During the year, the Group pursued a multi-facet growth strategy through a combination of vertical and horizontal expansion. The Group integrated vertically its motorcycle engine business to motorcycle assembly sets business in the motorcycle division and expanded the EMS division to other digital products including digital cameras, internet DVD players and MP3 embedded CD players.

### FINANCIAL PERFORMANCE

This is another fruitful year of the Group to attain a record high operating profit of HK\$223 million, representing an increase of 15.3% compared to that of last year. The following major factors contributed to this splendid results :

- (1) Market segments diversification continues to be a successful strategy in enlarging the revenue base;
- (2) Sustained strong liquidity throughout the period led to more preferable lending terms from the major bankers reducing the borrowing cost;
- (3) Carried out various measures streamlining the cost structure of the Group, including:
  - Installation of power generators to reduce power cost. At present, we have four sets of power generators with a total capacity of 16,000 kw.

### 業務增長之策略

在本年度內，本集團透過採用垂直及橫向整合發展方式，實行一個多方面之業務增長策略。本集團進一步將其電單車部門之業務垂直整合至包括電單車全套配件業務，亦將EMS部門之業務擴展至包括其他數碼產品，如數碼照相機、互聯網DVD機及內置MP3之CD機等。

### 財務表現

本年度是集團又一豐收及錄得刷新過往經營溢利紀錄之年度。本年度之經營溢利合共達223,000,000港元，較去年增加15.3%。本集團錄得理想業績基於以下各個主要因素：

- (1) 成功實行多元化市場發展之業務策略，為本集團擴潤收入基礎；
- (2) 在期間內流動資金持續充裕，藉此成功獲得主要往來銀行給予較優惠之借貸條款，從而減輕借貸成本；
- (3) 實行多項措施，精簡本集團之成本架構，其中包括：
  - 自行安裝發電機以節省電費。現時本集團共設有四組發電機，供電量達16,000千瓦。

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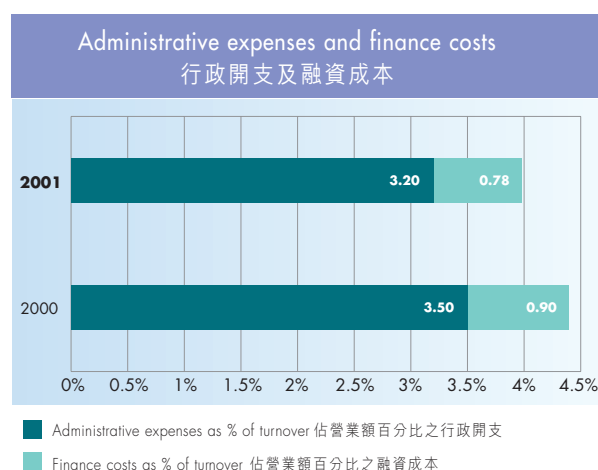
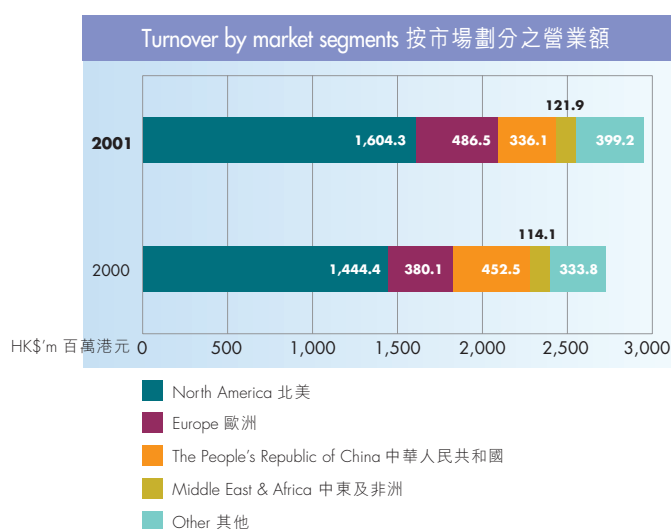
## 管理層討論與分析

### FINANCIAL PERFORMANCE (Continued)

- Control of work force despite the sustained growth in sales turnover of the Group.
- Enhancement of stock management and adoption of zero inventory strategy.

### 財務表現(續)

- 雖然本集團之銷售營業額持續增長，惟依舊嚴謹控制人力資源。
- 加強存貨管理及採納零存貨策略。



### WORKING CAPITAL MANAGEMENT & DIVIDEND POLICY

In the year, working capital utilisation continued to be efficient. The Group's average inventory turnover is 41 days in the year (2000: 48 days) whilst trade receivables continued to be low at only 23 days of sales (2000: 30 days).

The Group continues its policy of prudent financial management and maintained the dividend distribution rate as that of last year in order to retain more cash for business expansion in its digital product development and motorcycle business. Dividend per share paid and proposed for the year 2001 amounted to HK4.5 cents.

### 營運資金管理及股息政策

本年度內，本集團繼續有效地善用營運資金。本年度內，本集團之存貨流轉期平均為41日(二零零零年：48日)而應收貿易賬款則仍然維持在銷售後23日(二零零零年：30日)之低水平。

本集團繼續實行審慎之財政管理政策，並維持與去年相若之派息率。此舉乃為着保留現金以供本集團發展數碼產品及電單車業務之用。在二零零一年年度內，已派付及建議派付之每股股息合共為4.5港仙。

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### FINANCING AND CAPITAL STRUCTURE

Despite the increase in the Group's total borrowings from HK\$198 million to HK\$223 million during the year, the Group's finance costs decreased marginally from HK\$24.4 million of last year to HK\$23 million this year. This decrease is mainly due to the continuous support from the Group's bankers that offer more preferential interest rate.

Net debt balances of HK\$90 million slightly increased by HK\$4 million during the year. Net debt to equity ratio decreased from 0.14 to 0.12.

The Group started repaying the three year syndicated loan of US\$12 million drawn down in January 2000. Two new term loan facilities for a term of four years totalling US\$11 million were also obtained during the year in order to maintain an optimal leverage level to service the need of funds for business growth as well as taking advantage of the lower finance cost.

### 融資及股本架構

雖然在本年度內，本集團之借貸總額由198,000,000港元增至223,000,000港元，惟本集團之融資成本總額卻能由去年之24,400,000港元輕微下降至本年度之23,000,000港元。利息支出得以減少主要由於本集團現時之往來銀行繼續給予支持及提供較以往更優惠之利率條款所致。

本年度內，債務結餘淨額為90,000,000港元，微增4,000,000港元，而負債資本淨額比率亦由0.14下降至0.12。

本集團開始償還在二零零零年一月提用之三年期銀團貸款12,000,000美元。在本年度內，本集團亦曾獲得另兩筆合共11,000,000美元為期四年之有期貨款，旨在維持一個最適合負債水平，一方面提供所需資金以發展業務，另一方面亦能受惠於較低之融資成本。

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### FIVE YEAR FINANCIAL SUMMARY

#### 五年財務概要

Year ended 31st March (HK\$'000)	截至三月三十一日止年度 (千港元)	2001 二零零一年	2000 二零零零年	1999 一九九九年	1998 一九九八年	1997 一九九七年
<b>Results</b>	<b>業績</b>					
Turnover	營業額	<b>2,947,967</b>	2,724,880	2,316,412	2,067,624	1,657,798
Profit before taxation	除稅前溢利	<b>201,421</b>	172,792	154,616	119,034	76,795
Taxation	稅項	<b>(11,132)</b>	(19,412)	(9,485)	(12,383)	(7,901)
Profit after taxation	除稅後溢利	<b>190,289</b>	153,380	145,131	106,651	68,894
Minority interests	少數股東權益	-	-	-	1,460	4,508
Profit attributable to shareholders	股東應佔溢利	<b>190,289</b>	153,380	145,131	108,111	73,402
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	資產總值	<b>1,288,061</b>	1,222,357	1,083,456	1,101,371	1,017,974
Total liabilities and minority interests	負債總額及少數 股東權益	<b>(527,158)</b>	(612,829)	(596,722)	(738,074)	(744,304)
Shareholders' funds	股東資金	<b>760,903</b>	609,528	486,734	363,297	273,670

Note: The above results, assets and liabilities of the Group for the last five financial years are extracted from the audited accounts and reclassified as appropriate. Revenues from provision of after sales services for electronic products of HK\$20,018,000, HK\$13,383,000, HK\$11,901,000 and HK\$5,242,000 has been reclassified and included in turnover for the years ended 31st March 2000, 1999, 1998 and 1997 respectively to conform with current year's presentation.

附註：以上本集團在過去五個財政年度之業績、資產及負債乃摘錄自經審核賬目，並在適當情況下重新分類。為電子產品提供售後服務所得之收入為20,018,000港元、13,383,000港元、11,901,000港元及5,242,000港元已經重新分類及分別納入截至二零零零年、一九九九年、一九九八年及一九九七年三月三十一日止年度之營業額內，以配合本年度之呈報方式。

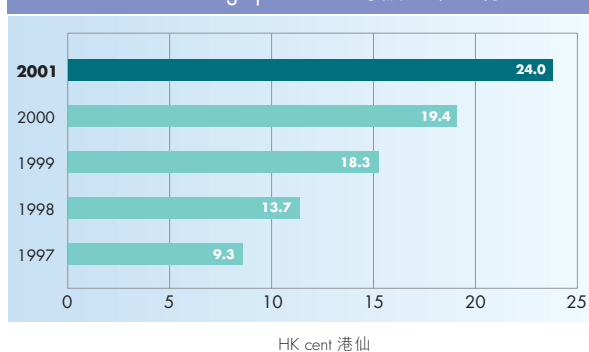
		2001 二零零一年	2000 二零零零年	Change 變動
Operating profit (after finance costs) margin	邊際經營溢利 (扣除融資成本) =	<b>6.8%</b>	6.2%	+10%
Net profit margin	邊際純利 =	<b>6.5%</b>	5.6%	+16%
Net debt/equity ratio	負債淨額/資本比率 =	<b>0.12</b>	0.14	-14%
Current ratio	流動比率 =	<b>1.7</b>	1.4	+21%

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		<b>2001</b> 二零零一年 <b>HK\$'000</b> 千港元	2000 二零零零年 HK\$'000 千港元	Change 變動
<b>Operating results for year ended 31st March</b>	截至三月三十一日 止年度之經營業績			
Turnover	營業額	<b>2,947,967</b>	2,724,880	+8.2%
Profit before taxation	除稅前溢利	<b>201,421</b>	172,792	+16.6%
Profit attributable to shareholders	股東應佔溢利	<b>190,289</b>	153,380	+24.1%
Dividends	股息	<b>35,672</b>	35,664	-
Basic earnings per share	每股基本盈利	<b>24.0 cents 仙</b>	19.4 cents 仙	+23.7%
<b>Financial position at 31st March</b>	於三月三十一日之 財政狀況			
Total assets	資產總值	<b>1,288,061</b>	1,222,357	+5.4%
Total liabilities	負債總額	<b>527,158</b>	612,829	-14%
Net current assets	流動資產淨值	<b>296,548</b>	223,568	+32.6%
Total borrowings	借貸總額	<b>222,792</b>	197,717	+12.7%
Shareholders' funds	股東資金	<b>760,903</b>	609,528	+24.8%
Net assets value per share	每股資產淨值	<b>96.0 cents 仙</b>	76.9 cents 仙	+24.8%
Capital expenditure	資本開支	<b>163,653</b>	140,608	+16.4%

Basic earnings per share 每股基本盈利



Shareholders' funds 股東資金

