

Chairman's Statement 主席報告書

The year 2000/2001 had been a year of challenge and opportunities for the group. We faced strong competition in the China's TV market, yet from the experience in our hard-fought battle, we also grew stronger. With the support of a dedicated and professional staff, we managed to weather the challenge of severe price competition and formulate the blueprint for our long-term development through diversification into IT-related products utilising our expertise in electronic engineering and digital display technology.

For the year 2000/2001, we reported an increase of 16% in turnover totalling HK\$4,447 million over that of the previous year amid intense market competition. Yet, sluggish sales and the severe price wars in the China's TV market, although concentrated in the first half of the year, reduced our gross margin for the year by 8 percentage point to 15%.

During the year, the group experienced an upsurge in overhead expenses as substantial financial resources were allocated to sales expansion activities and research and development to maintain market share and competitiveness.

Due to the overall reduced gross margin and upsurge in overhead expenses, the group reported a net loss of HK\$61 million for the full year.

As a result, the Board of Directors does not recommend the payment of a dividend for the year ended 31 March 2001.

In the second half of the year, performance of the group significantly rebounded as turnover continued to surge during peak sale seasons for TVs, particularly during the Chinese New Year, and prices of TVs began to stabilise. Effect of our sales target scheme and launch of new TV models also helped increase sales and the group's ability to raise its TV prices. As a result, gross profit and gross margin surged by 172% and 5 percentage point respectively over those of the interim period.

二零零零至二零零一年度，對本集團而言是機遇與挑戰並存的一年。雖然集團面對國內電視機市場的激烈競爭，但經歷重重挑戰，我們的實力更形壯大。憑著一群盡責及專業的員工的支持，我們得以應付劇烈價格競爭所帶來之挑戰外，同時製訂集團之長期發展藍圖，透過發揮我們於電子工程及數碼顯示技術的專長，發展資訊科技相關之產品，致力將業務和產品作多元化發展。

面對激烈的市場競爭，我們於二零零零年至二零零一年度的營業額仍錄得百分之十六之增長，達港幣四十四億四千七百萬元。然而，受到上半年度國內電視機市場滯銷及激烈的割價戰所影響，毛利率下降八個百分點至百分之十五。

於年度內，集團動用相當的財政資源，加強其銷售網絡活動以維持市場佔有率，壯大其科研開發隊伍配合新產品的發展以維持集團的競爭力，因此集團經營支出大幅增加。

基於毛利率減少及經常支出大增，集團在年度內錄得淨虧損港幣六千一百萬元。

董事會亦因此建議不派發截至二零零一年三月三十一日止年度股息。

踏入下半年度，由於進入包括農曆年在內的電視機銷售旺季；電視機價格趨於穩定；加上我們採取銷售目標制度及推出新款電視機的成果，令集團營業額續漸上升外，亦增強集團調高電視機售價的能力。因此下半年度的毛利額和毛利率分別較上半年度增加百分之一百七十二和五個百分點。

During the year under review, we had also restructured our business platform through reorganising our activities into six business units, in an attempt to capitalise on our resources and technology to broaden our scope of businesses. These business units are respectively engaged in the development, production and sale of TVs, multimedia products, display products, computer and network products, broadband technology products, and IT-related solution. By diversifying our business portfolio, we can further expand our income sources and profit base, and thus reduce our dependency on the China TV market.

In addition to strengthening our earning power through diversification, we also strive to augment our ability and flexibility in meeting changing market demands and conditions. The re-engineered corporate structure highlights a sophisticated division of labour among these six business units according to the line of their products and geographical market focus. A high degree of specialisation is adopted in each of these business units to enable Skyworth to become a leading player in each of the respective business segment. The business units operate as subsidiaries of the group with independent budget and profit and loss accounts. By concentrating on the development of a specific business sector, each subsidiary can optimise the utilisation of its resources to achieve high productivity and effective market penetration.

We envision that the winners of future market are those possessing latest technical know-how and the ability to leverage such knowledge to generate products meeting the need of the era of information technology. We believe the group has ventured into the high-tech industries at a decisive time that empowers it to set a foothold in each of the major rising markets.

年度內，集團致力充份運用現有資源和技術，擴闊業務範圍，並透過重整營運架構將各項業務分別歸併於六間附屬公司，這些附屬公司分別專注於開發、製造及銷售電視機、多媒體產品、顯示產品、電腦及網絡產品、寬頻技術產品和資訊科技相關的方案。透過擴大我們的業務組合，我們可以擴展集團收入來源及盈利基礎，從而減低對國內電視機市場依賴的風險。

集團除了透過將業務多元化，加強盈利能力外，亦致力提升本集團之應變能力，以應付瞬息萬變的市場狀況及消費者需求。我們進行業務架構重整的重點在於使六個業務部門專責分工，每一間附屬公司會專注於各自不同的產品或市場地域。透過每一間附屬公司的高度專注發展，使集團可以在這些業務領域內扮演一個舉足輕重的角色。這六家附屬公司在財政及會計方面完全獨立，並且自負盈虧。透過集中發展其專注的業務，每間附屬公司均能充份運用其本身資源以提高生產和加強市場滲透能力。

我們明白要成為未來的市場優勝者，必需掌握最新行內專業技術和善於運用該等技術，以發展迎合資訊科技時代所需的產品。我們相信集團適時躋身高科技行業，令集團可於這些新興行業奠下穩固立足點。

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Last but not least, on behalf of the group, I would like to take this opportunity to thank our staff, shareholders and all parties who have rendered their support and contribution to the group in the past year.

Wong Wang Sang, Stephen
Chairman
Hong Kong, 23 July 2001

最後，本人謹代表集團向所有對本集團作出支持和貢獻的員工、股東和各界人士致以衷心的謝意。

黃宏生
主席
香港，二零零一年七月二十三日