

Management Discussion and Analysis 管理層研討及分析

Despite year 2000/2001 was a rough year characterising with price wars in the China TV market, the group succeeded in increasing its total turnover for the year ended 31 March 2001. The group has also taken a bold step in diversifying its businesses into the manufacture and sale of multimedia and IT-related products through the restructuring of its operations into six major subsidiaries, which specialise respectively in TVs, multimedia products, display products, computer and network products, broadband technology products and IT-related solution. The diversification has already brought about positive business opportunities to the group and has laid a solid platform for the group's ongoing business growth.

Operating Results

For the financial year ended 31 March 2001, the group has seen an increase of almost 16% in turnover. During the year, the group's turnover reached HK\$4,447 million compared with HK\$3,819 million of the previous year. However, the group's gross profit and gross profit margin for the year ended 31 March 2001 has fallen by 23% and 8 percentage point to \$669 million and 15% respectively from those of 1999/2000.

During the year, the intense price competition in China's TV market has rendered the group to reduce price to boost sales. As a result, the group's gross profit and gross margin were adversely affected.

In response to the rigorous TV market conditions in China, the Group has incurred heavy expenses during the year on sales network expansion, marketing and promotion, as well as in research and development. For the year under review, the group's expenses on selling and distribution soared by 51% over the previous year to HK\$595 million, while general and administrative expenses rose by 64% to HK\$171 million over 1999/2000's.

本集團於二零零零／二零零一年度，雖然面對中國電視機市場激烈的削價競爭，仍能夠成功提高截至二零零一年三月三十一日止年度之總營業額。本集團更積極對業務作多元化發展，將業務拓展至多媒體及科技相關產品之製造及銷售。本集團透過將架構重組把業務分別歸併於六家主要附屬公司。這些附屬公司分別專注於開發及製造電視機、多媒體產品、顯示產品、電腦及網絡用品、寬頻科技產品和資訊科技相關方案等，多元化發展為集團帶來有利的商機，並為未來業務的持續增長奠下穩固根基。

經營業績

截至二零零一年三月三十一日止年度，本集團營業額為港幣四十四億四千七百萬元，較去年港幣三十八億一千九百萬元，增長百分之十六。然而年度內，集團截至二零零一年三月三十一日止年度的毛利額及毛利率則較一九九九／二零零零年度分別下調百分之二十三及八個百分點，分別達港幣六億六千九百萬及百分之十五。

年內，中國彩電市場價格競爭激烈，促使集團以減價刺激銷售，導致集團的毛利及毛利率受到不利的影響。

為應付嚴峻的市場環境，年內，集團在加強銷售網絡、廣告宣傳攻勢及研發方面的開支，令經常支出大幅增加。年度內，集團銷售與分銷費用相對上年，上升百分之五十一，達港幣五億九千五百萬元，在一般及行政費用，相對一九九九／二零零零年度，亦上升百分之六十四，達港幣一億七千一百萬元。

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During the year, the group increased its advertising and promotion expenses by 25% to HK\$184 million over that of the previous year. Such expenses were made to boost sales and the group's image. The expanded sales network during the year has also led to a rise in salaries, as well as transportation and travelling expenses by 79% to HK\$122 million and 44% to HK\$117 million respectively over those of the previous year. Furthermore, additional staff costs were incurred as the Group enlarged its R&D team to strengthen its capability in new product and technology development.

As a result of the reduced gross margin and upsurge in overhead expenses, the group incurred a net loss of HK\$61 million for the year 2000/2001.

In the second half of year 2000/2001, the group was able to achieve significant recovery with total turnover and gross profit rose by 89% and 172% over those of the interim period to HK\$2,910 million and HK\$489 million. Gross profit margin also increased by 5 percentage point from that of the interim period to 17%. The success in the rebound was attributed to effective sales target scheme and peak seasons for TV sales in China during the second half of year 2000/2001, thus led to significant sales increase and improved gross profit margins. Moreover, prices in China's TV market began to stabilise and the group's constant launch of new TV models also allowed the group to raise its TV prices.

年內，集團增加百分之二十五的廣告及宣傳費用，達港幣一億八千四百萬元。部份開支用作增加銷售及加強集團形象。因為增加銷售網絡而引起的薪金與及交通及舟車費開支大幅增加百分之七十九及百分之四十四，達港幣一億二千二百萬及港幣一億一千七百萬元。此外，配合多元化業務策略，集團特別加強研發隊伍的陣容以拓展新產品及技術，增加員工數目，令員工的開支成本上升。

以上因素令經常支出大增，加上毛利率減少，令集團在二零零零／二零零一年度錄得淨虧損港幣六千一百萬元。

本集團於下半年度在國內的營業額和毛利額都有明顯改善，分別較上半年上升百分之八十九及百分之一百七十二到港幣二十九億一千萬元和港幣四億八千九百萬元。下半年度毛利率亦較上半年度增加五個百分點至百分之十七。集團成功改善下半年度業績主要歸功於製訂銷售目標計劃及下半年度踏入中國的電視機銷售旺季。上述原因令集團的銷售額及毛利率都有所上升。此外，下半年度國內市場及電視機價格開始穩定下來，而集團陸續推出新款電視機，使其產品價格有所提升。

Sales by market

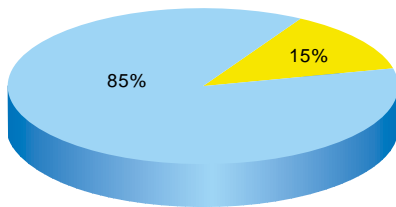


Fig 1: Group's turnover by market for year 2000/2001.
圖表一：二零零零／二零零一年度集團於各市場之營業額

China sales

China remains as the group's largest single market. For the year ended 31 March 2001, the China market accounted for 85% of the group's total turnover and generated HK\$3,793 million in sales. Compared with year 1999/2000, sales in the China market grew by 14% for the year 2000/2001, although its share of the group's total turnover has slightly dropped from 1999/2000's 87% to 85%. The upsurge in China's total sales was mainly due to the group's responsive pricing policy, strengthened distribution network and launch of new TV models, which met local demand. In China, the group's sales distribution network reaches most of the provinces, with substantial portion of its domestic sales directed to Northern China, which experienced the highest growth in the year 2000/2001.

市場銷售表現

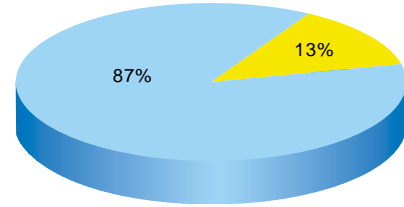


Fig 2: Group's turnover by market of year 1999/2000.
圖表二：一九九九／二零零零年度集團於各市場之營業額

國內市場銷售表現

中國仍是本集團最大的銷售市場。截至二零零一年三月三十一日止年度，中國市場銷售額達港幣三十七億九千三百萬元，佔本集團的總營業額百分之八十五。雖然在本回顧年度，中國市場銷售額佔集團總營業額之比率較去年度的百分之八十七輕微下降，但銷售金額則較上年度增加百分之十四。銷售額上升主要是因為集團能因應市場情報作出相應定價政策，加強分銷網絡及推出新型號電視機迎合市場需求。本集團於國內的分銷網絡遍佈大部份省份，其中有以大比重的國內銷售額來自於本年度內增長最快速的華北市場。

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Overseas sales

The group's overseas sales amounted to HK\$654 million, which accounted for 15% of the group's total turnover in year 2000/2001 and represented a growth of 32% over that of the previous financial year. From Table 1, Asia (excluding China) accounted for the biggest share of the group's overseas sales. This was because some Asian markets also acted as re-export channels to markets in Eastern Europe and the Middle East, thus making the sales to Asia (excluding China) account for about half of the group's overseas sales, while Europe and the Middle East each took up about a quarter of the total.

For the markets in Central America, Australia and New Zealand, and Africa, the growth in sales to these relatively new markets, which were in development stage, was tremendous.

海外市場銷售表現

本集團在海外市場方面之銷售額達港幣六億五千四百萬元，佔本集團二零零零／二零零一年度總營業額百分之十五，相對上一財政年度，海外銷售額增長達百分之三十二。從列表（一）中可見，亞洲（中國除外）是本集團最大的海外銷售市場，這是由於部份亞洲市場是貨品輸往東歐及中東市場的轉口站，致使亞洲市場（除中國外）的銷售額佔本集團海外銷售額的約一半，而歐洲及中東則各佔四分之一。

本集團的相對較新開發市場，包括中美洲、澳洲／紐西蘭及非洲等地，正處於發展階段，銷售增長可觀。

Market 市場	Contribution to overseas sales 海外市場銷售額		% change for 2000/2001 over 1999/2000 2000/2001與 1999/2000比較 變動%
	2000/2001 HK\$ million [%] 港幣百萬元 [%]	1999/2000 HK\$ million [%] 港幣百萬元 [%]	
Asia (excluding China) 亞洲（中國除外）	416 [64%]	313 [63%]	+33%
Middle East 中東	88 [13%]	78 [16%]	+13%
Europe 歐洲	49 [7%]	37 [7%]	+32%
South/North America 南／北美洲	38 [6%]	51 [10%]	-25%
Central America 中美洲	28 [4%]	8 [2%]	+250%
Australia/New Zealand 澳洲／紐西蘭	23 [4%]	6 [1%]	+283%
Africa 非洲	12 [2%]	3 [1%]	+300%
Total overseas sales 海外市場總銷售額	654 [100%]	496 [100%]	+32%

Table 1: Group's overseas sales by market for years 2000/2001 and 1999/2000 with growth indication.

列表（一）：二零零零／二零零一年度及一九九九／二零零零年度海外市場營業額分佈及兩年變動比較。

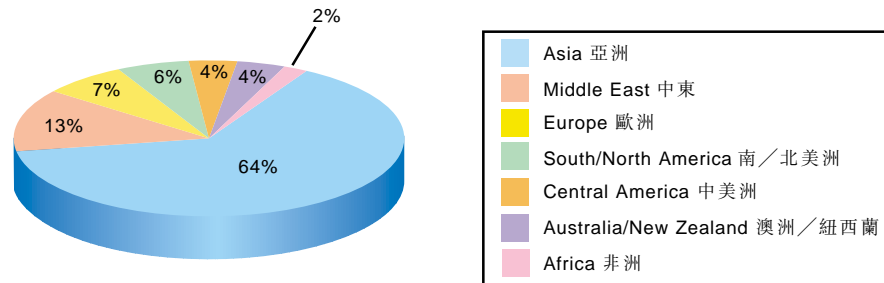


Fig 3: Group's overseas turnover by market distribution for the year 2000/2001.

圖表三：二零零零／二零零一年度海外市場營業額分佈

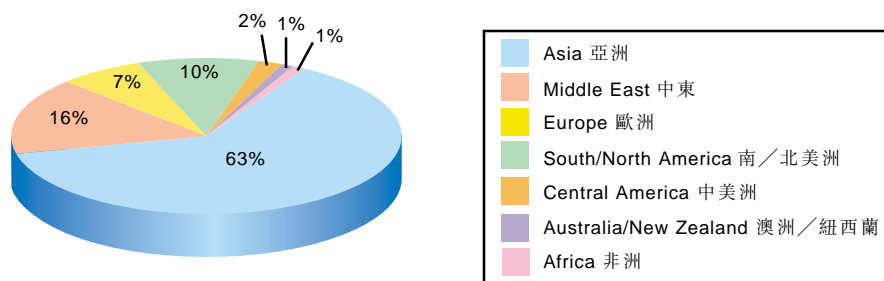


Fig 4: Group's overseas turnover by market distribution for the year 1999/2000.

圖表四：一九九九／二零零零年度海外市場營業額分佈

TV Sales & Production

For the year ended 31 March 2001, the total sales volume of the group reached 3.4 million TV sets, of which 79% were sold in the China market and 21% were exported to overseas markets. During the year, TV sales, contributing a total of HK\$4,067 million in revenue, accounted for 92% of the group's total turnover.

TV Sales

During the year under review, the China market for TV was overwhelmed by excess supply. Well-recognised domestic brandnames were particularly hard hit, and their prices experienced significant fluctuations.

電視機銷售及生產

截至二零零一年三月三十一日止年度，本集團的電視機總銷售量達三百四十萬台，其中七成九在國內市場銷售，其餘兩成一則出口至海外市場。年度內，電視機的銷售額達港幣四十億六千七百萬元，佔集團總營業額百分之九十二。

電視機銷售

在回顧財政年度內，中國電視機市場出現供過於求的情況。國內的著名品牌所受衝擊尤其嚴峻，導致該等名牌產品售價出現大幅波動。

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The price competition in China's TV market has weakened the profitability of the whole industry. Although TV makers have adopted all types of strategies or programmes to lower costs, it took time for such measures to realise material results.

Despite the unfavourable market competition, the group increased its sales volume in China by 35% over that of the previous year to 2.7 million TVs for year 2000/2001. The rise in sales volume was resulted from an expanded sales and distribution network and price reduction. In value terms, the group reaped HK\$3,540 million from China sales, up 14% over 1999/2000's, while contribution from overseas TV sales amounted to HK\$527 million, up 11% over that of the previous year.

During the year, the group has also restructured its China's TV sales team to enhance its operation and sales efficiency. By adopting a sales target and incentive scheme, the group managed to drive its sales team and distributors to increase turnover. Besides augmenting sales efficiency, the group also strengthened communications among different departments, including production, purchase, sales and R&D.

TV sales by geographical regions

The group experienced upsurges in sales in Northern China (Hebei, Shanxi, Beijing, Tianjin), Southern China (Henan), Northwestern China (Xian, Jiangsu, Xinjiang) and Northeastern China (Liaoning, Heilungjiang), as well as Inner Mongolia. Among these areas, sales in Northern China outperformed the other areas.

國內電視機市場的減價戰削弱整個行業的盈利能力。雖然電視機製造商積極採取各種應變策略或措施以減低成本，然而這些措施均需要一段時間始發揮效應。

儘管面對市場劇烈的競爭，本集團在二零零零／二零零一年度，國內電視機銷售量仍增加了百分之三十五至二百七十萬台。國內電視機銷售上升主要因集團擴大銷售及分銷網絡及調低產品售價。國內電視機之銷售額則達港幣三十五億四千萬元，較去年增加達百分之十四；而海外電視機之銷售額則達港幣五億二千七百萬元，相對上年度，上升百分之十一。

本集團為增加國內電視機之銷量，重整國內之電視機銷售隊伍以加強其運作及營銷效率。本集團透過實行銷售目標制度及激勵計劃，推動銷售隊伍及分銷商提高營業額。此外，本集團更積極加強各部門之間溝通，包括生產、採購、銷售及研發部門之聯繫。

電視機按地域劃分之銷售情況

本集團在國內包括華北地區（河北、山西、北京、天津）、華南地區（河南）、西北地區（西安、江蘇、新疆）、東北地區（遼寧、黑龍江）及內蒙等地的電視機銷售均有顯著的上升，其中華北地區表現最為突出。

Besides China, the group also exported its TVs to other Asian markets, the Middle East, Europe, South and North America, Central America, Australia and New Zealand, and Africa.

Production

The group has seven production lines in Gongming, Shenzhen, China, and one production line in Bagua Ling Industrial District, Shenzhen, China. During the past year, the TV production unit of the group has developed and utilised a range of highly efficient automated equipment, which resulted in improvement in productivity. The introduction of new production machinery and equipment not only ensured the enhancement and standardisation of product quality but also served to reduce labour cost and chance of human errors.

Research and Development and New Products

The expansion of R&D capability was one of the group's focuses during the year to enhance the group's ability to broaden its product segments. By the end of year 2000/2001, there were about 500 technicians and engineers dedicated to R&D. The R&D department came up with new and upgraded TV products on a monthly basis, enabling the group to maintain its market share through offering a wide variety of 30-40 models in the China market. The constant introduction of new and upgraded TV products kept the group's products in line with market trends and secured higher profit margins for the group, and thus partly offset the impact of the severe price competition in China's TV market. To capitalise on these new and upgraded products, the group enhanced its brandname promotion in the second half of the year 2000/2001, resulting in an upsurge in TV sales.

除國內市場，本集團更將電視機出口至其他亞洲市場，如中東、歐洲、南及北美洲、中美洲、澳洲及紐西蘭及非洲。

生產

本集團分別於中國深圳市公明鎮及深圳市八卦嶺工業區設有七條及一條生產線。年度內，本集團電視機生產部門開發及利用高效能的自動生產設備，令生產力得以提升。此外，引入新的生產機器及設備不但有助穩定及提升產品質素，更可減少工資成本及生產時之人為錯誤。

新產品研發

集團在年度內其中一項重點工作是提高科研能力，使集團可以透過擴展現有產品系列及發展新產品維持銷售增長。於二零零零／二零零一年底，本集團共有約五百名技術人員及工程師專注科研開發工作。研發部門每個月均會研製出新的電視機型號，使集團得以向國內市場提供多達三十至四十款產品，維持本集團於國內之市場佔有率。集團不停推出迎合市場潮流之新產品，令集團得以保持較高毛利率，及可部份抵銷因割價戰造成的負面影響。本集團透過這些新推出及經改良的產品，進一步加強其品牌形象，使電視機於二零零零／二零零一下半年度銷售節節上升。



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To tap into the growing high-end market for large panel and multimedia TVs, a new product line is under development by the group's new display product unit. Based on liquid crystal display ("LCD") technology, the group has, since June 2001, started to produce rear projection ("RP") TVs, which are expected to enjoy immense demand in China for the next decade.

With a greater vision, the group aims to revolutionise China's TV market by offering high-end products such as RPTVs at affordable prices by constant exploration of new technology and bringing together formidable strategic partners in the supply chain. The Group is aiming at establishing a major joint venture with market leaders in Greater China shortly for the development and production of LCOS (liquid crystal on silicone) RPTVs, which have the advantages of slim displays, high definition, low radiation, and multimedia functions. With this formidable alliance, the Group envisions to launch LCOS RPTVs in the China market at competitive price before the coming Chinese New Year. At present, an RPTV is sold at a price three times that of a traditional TV. By offering this upper-end product at a significantly lower price, the group is expected to rapidly enlarge its share of the TV market in China. The Group expects to achieve substantial sales growth in RPTVs by year 2002/2003.

為了在日漸擴大的大螢幕及多媒體電視市場立足，本集團之顯示產品部門正開發一種有關的新產品，以液晶體顯示技術為基礎，在二零零一年六月正式開始投入生產背投影電視機。本集團相信背投影電視機於中國市場之需求在未來十年將有巨大增長。

本集團抱有宏大的理想，銳意改革國內電視機市場，透過發掘新科技及在原料及零部件供應方面與具實力的夥伴合作，以提供價錢合理的高檔產品，如背投影電視機等。本集團正致力在短期內與大中華的幾個主要行業領導商組成合作聯盟，開發及生產LCOS (liquid crystal on silicone)背投影電視機。這種背投影電視機具有薄顯示屏、高解像度、低幅射、及多媒體應用的功能。假若這個聯盟能夠成功成立，集團計劃在農曆新年前以一個具競爭力的價格在市場上推出LCOS背投影電視機。現時，背投影電視機的售價是傳統電視機的三倍。本集團期望透過高檔的背投影電視機以大眾化價錢推出，能夠迅速擴大其在中國市場之佔有率。本集團亦預期在二零零二／二零零三年度背投影電視機的銷售能夠達到強勁的增長。



LCD52rp



42PDP

Digital AV Products

The group also engages in the design, manufacturing and sales and distribution of digital audio-visual (AV) products. For year 2000/2001, the sales of digital AV products amounted to HK\$329 million, representing a 39% rise and 7 percentage share of the group's total turnover.

數碼視聽產品

為配合多元化業務發展，本集團亦投入設計、製作、銷售及分銷數碼視聽產品。本集團於二零零零／二零零一年度，數碼視聽產品的銷售額達港幣三億二千九百萬元，相較上年度，增長約百分之三十九，佔本集團的總營業額達百分之七。



DVD1050S

Like TVs, most of the digital AV products were sold in China. In year 2000/2001, the group sold in China HK\$251 million worth of AV products, constituting 76% of the total sales in digital AV products. During the year, only HK\$78 million were booked under overseas sales for digital AV products.

大部份數碼視聽產品亦是以國內為主要銷售市場。數碼視聽產品在本年度於國內的營業額達港幣二億五千一百萬元，佔本集團在數碼視聽產品方面的總銷售額百分之七十六。年內，只有港幣七千八百萬元計入該產品之海外銷售額。

Among all digital AV products, the group saw an upsurge in DVD player sales. For the year under review, sales in DVD players rose by 469% to HK\$101 million over the previous year.

本集團在二零零零／二零零一年度，DVD機的銷售額較上年度上升百分之四百六十九至港幣一億零一百萬元。

Management Discussion and Analysis 管理層研討及分析

Computer and IT-related Products

Besides its traditional TV business, the group has also spread its wings over the high-tech sectors through its newly formed business units towards the end of year 2000/2001.

Computer and network products

With respect to personal computers (“PCs”), the group targets home user market in China. To differentiate itself from other PC makers in the China market, the group focuses on developing future home PCs, which feature user-friendly interface, multimedia functions and are compatible to home PC networking. While emphasising on the development and sale of “Skyworth-branded” PCs, the group also plans to leverage on its PC sales and distribution channel to sell and distribute peripherals of other brands.

Besides PCs, the group also manufactures information appliances such as interactive TVs with real-time stock quote function, special terminals, and Thin Film Transistor (“TFT”) products. Of all information products, interactive TV is the core product for development. In China, the group is among the first to launch interactive TVs with real-time stock quote function. The group launched this



電腦及資訊科技相關產品

本集團除傳統的電視機銷售業務外，更於二零零零／二零零一年底成立新的業務單位以拓展高科技產品市場。

電腦及網絡用品

在個人電腦方面，本集團以國內極具潛力的家庭用戶市場為目標。為求在國內電腦市場突圍而出，本集團正致力發展未來家用個人電腦，這類產品具有簡便易用介面、多媒體功能及與家庭電腦網絡相容等特色。



本集團除集中發展及銷售以「創維」為品牌的創維電腦外，亦計劃利用其電腦銷售及分銷渠道，分銷其他品牌之配件產品。

除個人電腦外，本集團亦製造其他資訊產品如具即時股票報價功能之互動電視、特殊終端機、及TFT顯示產品。在各類資訊產品中，本集重點發展互動電視。在國內，集團是其中一家率先推出即時股票報價功能互動電視的製造商，於二零零一年六月在廣州推出是項新產品及服務。本集團為向用戶提供即時報價及網上

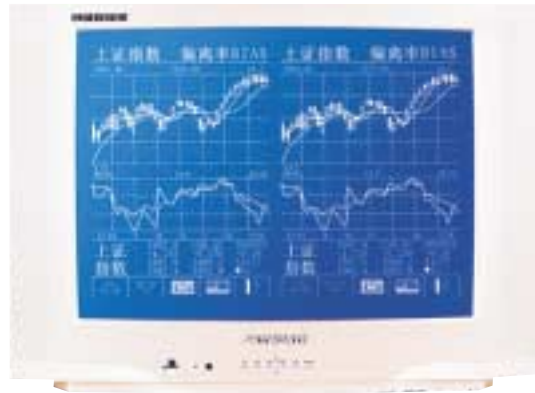
new product and service in Guangzhou in June 2001. To offer real-time stock quotes and online trading services, the group has entered into agreements with a number of cable TV operators in China, and more agreements are anticipated. Besides the revenue from sales of interactive TVs, the group also receives a constant revenue stream from users' subscription fee for services such as software upgrade and maintenance of the equipment.

Broadband technology products

This business line focuses on the development of integrated services digital network ("ISDN") products, asymmetric digital subscriber line ("ADSL") products, and digital information and video broadcasting ("DIVB") set-top boxes ("STB") for the household market.

The group has successfully entered China's telecommunications market with the development of ISDN. Using ISDN as a stepping stone, the group has commenced the development of digital subscriber line ("DSL") and ADSL products, which are expected to dominate the mainstream market in the long run. Both DSL and ADSL are latest technologies for transmitting digital data at high speed. In particular, ADSL allows transmission of data from server to client to be much faster than the transmission from client to server, which is useful for applications such as those used in interactive TVs.

With regard to the market for cable TV network, the group has entered into several collaboration projects with local cable TV operators to promote its DIVB STBs. The group has carried out pilot programmes with cable TV operators in Shenzhen, Anshan and Qingdao. Skyworth's DIVB STBs are being tested for the decoding of cable TV broadcasting signals and for connection to the internet for interactive functions.



交易服務，已經與多個國內有線電視台簽訂合作協議，並預期將與有關機構達成更多協議。除從銷售互動電視獲取收益外，用戶訂購提升軟件、機件保養及維修等服務費用，亦為集團帶來穩定收入來源。

寬頻科技產品

寬頻科技業務以發展綜合服務數碼網絡 (integrated services digital network) 產品、非對稱數碼用戶環路 (asymmetric digital subscriber line) 產品及數碼信息視頻廣播 (digital information and video broadcasting) 機頂盒供家庭用戶市場為主。

本集團憑著發展綜合服務數碼網絡，成功打入中國電訊市場。本集團以是項科技作為發展基礎，將進一步發展將成為市場主流的數碼用戶環路 (digital subscriber line) 及非對稱數碼用戶環路產品。數字用戶環路及非對稱數碼用戶環路乃現時傳送數碼數據最先進的科技。非對稱數碼用戶環路將數據由伺服器傳送至客戶時，比由客戶傳送至伺服器更要快，特別有助於互動電視等方面的應用。

在有線電線網絡市場方面，本集團已經與幾個當地的有線電視台簽訂合作協議以共同推廣數碼信息視頻廣播機頂盒。本集團已經與深圳、鞍山、青島的有線電線台實施一連串的試驗計劃。創維的數碼信息視頻廣播機頂盒已成功通過有線電視訊號解碼測試，以接駁互聯網發揮互動功能。

Management Discussion and Analysis 管理層研討及分析

The group has forged a strategic alliance with US leading semi-conductor manufacturer Broadcom in the development of STBs and other interactive TV products.

IT-related solution

As a further step to tap into the rapidly developing IT sector, the group begins to offer high-tech information services through IT collaboration projects with provincial governments, banking and other sectors in China.

Drawing on the experience of the group's pool of talents in information technology, the group offers solutions that aim to strengthen communications, enhance operation efficiency and enlarge transaction volume through the use of the group's IT-related products and services.

The group has already entered into collaboration project agreements with Jiangsu and Hainan's provincial Administrations for Industry and Commerce ("AIC") to help them enter into electronic era. For these projects, the group provides IT infrastructure, including setting up an internal information system for the AICs and the manufacture of smart cards that serve as corporations' electronic certificates when they log onto Skyworth-powered websites to use AIC's services. On these AIC websites, the group will extend to offering banking services through partnership with local banks.

The Jiangsu project is already in progress, while the work on the Hainan project is expected to start next year. The group targets to enter into similar project agreements with two to three more provincial governments.

本集團為發展機頂盒及其他互動電視產品，更與美國領先的半導體製造商Broadcom組成策略性聯盟。

資訊科技相關方案

本集團為進一步開拓日趨蓬勃的資訊科技業務市場，正透過與國內省政府、銀行及其他業界的合作項目，開始提供高科技資訊服務。

本集團利用本身具有豐富經驗的資訊科技專才，及透過集團資訊科技相關的產品和服務全力為客戶提供解決方案，以加強企業通訊及營運效益和為客戶擴大交易量。

現時，本集團已經與江蘇省及海南省工商局達成合作協議，協助該等單位邁向電子化時代。本集團透過此等合作計劃，提供有關資訊科技的基礎建設，包括替工商局設立內部系統、生產智能卡供企業作為電子認證，以便進入由創維建立的工商局網站內使用工商局的服務。本集團將透過工商局的網頁，進一步與當地銀行建立夥伴關係，以逐步拓展業務至提供網上銀行服務。

江蘇省項目已經開展，而海南省項目亦預計於明年開始動工。本集團期望可與二至三個省政府進行類似之合作計劃。

Besides utilising its smart cards to venture into e-commerce business, the group is also looking at the transportation and public utilities sectors. The business model is similar to the Hong Kong's Octopus system, but will extend the use of smart cards to public utilities such as water and gas supplies. Talks with relevant parties in Chengdu and Anhui are underway.

Financial Position

The liquidity position of the group remains sound. Its current ratio was 2.3 as of 31 March 2001, against 1.8 as of 31 March 2000. During the year, the group's Accounts Receivables turnover stood at 52 days in year 2000/2001, compared with 45 days of the previous year. On the other hand, the Inventory turnover slightly increased from 70 days in year 1999/2000 to 74 days in year 2000/2001.

Bank balances and cash were HK\$1,516 million as of 31 March 2001 compared with HK\$508 million as of 31 March 2000. This 199% increase from the previous year was mainly due to the net proceeds of HK\$1,093 million received from 550 million new issue shares in April 2000. The net proceeds raised from the Group's IPO also contributed to the corresponding increase of share capital and reserves from HK\$1,154 million as of 31 March 2000 to HK\$2,185 million as of 31 March 2001.

本集團除利用智能卡進入電子商貿業務，正計劃將之推向其他公共事業及交通運輸系統。其商業模式與香港的八達通系統近似，該計劃更將智能卡的功用伸展至公共事業，如水務及煤氣等。本集團現階段正與成都及安徽省政府有關部門商談合作。

財務狀況

截至二零零一年三月三十一日止，本集團流動資金狀況保持穩健。本集團的流動比率為二點三，而去年則為一點八。年內，集團應收賬款收款期為五十二天，而去年同期的應收賬款收款期則為四十五天。而存貨周轉天數則由一九九九／二零零零年度的七十天輕微增加至回顧年度的七十四天。

截至二零零一年三月三十一日止，銀行結存及現金為港幣十五億一千六百萬元，相對二零零零年三月三十一日的港幣五億零八百萬元，上升百分之一百九十九，這主要由於本公司於二零零零年四月上市發行五億五千萬股新股籌集得資金淨額港幣十億零九千三百萬元。上市籌集所得的資金令集團股本及儲備亦由二零零零年三月底的港幣十一億五千四百萬元相應提高至二零零一年三月底時的港幣二十一億八千五百萬元。

Management Discussion and Analysis 管理層研討及分析

Total bank borrowings amounted to HK\$20 million as of the end of March 2001, representing a decrease of HK\$30 million over that of the previous year. The change was mainly due to a decrease in import loans by HK\$29 million as the number of transactions involving letter of credits reduced. Resulting from the fall of total bank borrowings and increase of share capital and reserves, the group's debt-equity ratio stood at 0.9% as of 31 March 2001, compared to 4.3% as of 31 March 2000.

Future Prospects

The group is looking ahead with strong confidence after the re-engineering of its operation structure and business focus, which has successfully positioned the group as a conglomerate with a diversified portfolio that targets at the high-end electronic appliances and IT product segments.

Of the various business divisions, TV manufacturing will continue to play a dominant role in the group's revenue and development in the short to medium term. For the new year, the group will focus on strengthening its market position in Eastern China, which is one of the most affluent regions in the mainland. The group expects an upsurge of demand in large display panel and multimedia TV market in China, and plans to expand to this market.

Besides the traditional TV business, the group has successfully set a foothold in China's internet and IT-based sectors through its new business units. The group expects more

截至二零零一年三月三十一日止，集團銀行借貸總額為港幣二千萬元，相對去年同期減少港幣三千萬元，主要是由於需要信用狀的交易數量下降而令入口借貸減少港幣二千九百萬元。由於銀行借貸減少，同時資本及儲備增加，令集團的資產負債比率，於二零零一年三月三十一日，降至百分之零點九，去年同期則為百分之四點三。

展望

本集團在重整營運架構及業務發展重心後，對於發展前景充滿信心。有關的重整，把集團定位為具有多元化業務基礎，並針對高科技電子產品及資訊科技產品。

本集團之電視機業務於近期及中期而言，仍將在集團的收入來源及發展方面扮演重要角色。本集團在新一



business opportunities will arise from the new lines of high-tech products.

The group is also looking forward to having a stronger competitive edge in overseas markets with the introduction of higher technology products at competitive price. For the year 2001/2002, the group will focus on developing the US and Europe markets as they have huge market potential. Besides tapping the US and Europe markets, the group will continue to develop the market in Japan, where it has successfully established a clientele of large OEM customers.

For long-term development of multimedia products, the group will focus on developing high market potential consumer electronic products and computer-related consumer products such as TFT monitors. TFT is a component of high-performance LCDs.

年度，將專注加強其在國內富庶的華東地區市場地位。此外，本集團 颯準大投影屏幕及多媒體電視之殷切需求，將進一步拓展有關業務。

除傳統電視機業務外，集團新成立的業務單位更成功打入中國的互聯網及資訊科技業界。集團期待新開設的高科技產品將帶來更多商機。

本集團期望透過引入具競爭力價格之高科技產品，可在海外市場上取得更大競爭優勢。在二零零一／二零零二年度，本集團將專注發展擁有龐大的發展潛力的美國及歐洲市場，本集團除集中發展這兩個市場，亦將繼續發展已具有多個大型原材料製造商客戶的日本市場。

多媒體產品之長線發展方面，本集團計劃將專注發展極具市場潛力的消費電子產品及電腦相關消費產品，例如TFT顯示屏幕。TFT是高性能液晶顯示的零部件。