

OPERATION RESULT

During Year 2001, the global economy was adversely affected by various events such as the "September 11" incident in the United States. Because of the solid foundation of our manufacturing capability and our strong financial strength, our Group achieved satisfactory results. Sales of electrical appliances declined only 1% compared with that of the previous year and the Group's net profit is satisfactory.

At the completion of the re-organisation of Cheung Fung Technology (Holdings) Limited ("Cheung Fung"), our equity was reduced to 33.83% from 63.35%, and Cheung Fung's financial results were no longer required to be consolidated in our Group except share of results of Cheung Fung. In light of Cheung Fung re-organisation, for the financial year ended 31 December 2001, the Group's turnover was HK\$344 million compared with HK\$459 million in the previous year, representing a decline of 25% in turnover.

Cheung Fung showed a loss for year 2001, mainly due to write off of non-recurring expenses from the attempt to list at the Stock Exchange of Hong Kong Limited. Discounting the effect of such, Cheung Fung's business was profitable in 2001, we believe Cheung Fung's business would continue to be profitable in 2002.

On the positive note, the Group's net profit during the same period decreased only 10 % due to a successful implementation of cost cutting measures. For the year under review, the Group's general and administrative expenses have decreased 35% to HK\$43 million compared with HK\$66 million in the previous year because of cost savings from Cheung Fung re-organisation and closure of the Group's U.S. operations. As a result, we are pleased to announce that our net profit was HK\$38.7 million, representing earnings per share of 12.32 cents, despite a slight loss attributed to Cheung Fung. (Our net profit in 2000 was HK\$43 million, with earnings per share of 13.73 cents)

The redevelopment of Kwun Tong Inland Lot No.16 at No.410 Kwun Tong Road, Kowloon, Hong Kong was completed and Occupation Permit was obtained on March 13, 2002. The office/retail space is now ready to rent out. The Group expects that rental income generated from this commercial building would make substantial contribution to the net profit of the Group in the coming years. In accordance with a professional surveyor's valuation, the estimated monthly rental income would be around HK\$2 million on the basis that all offices and retail spaces are fully leased.

DIVIDEND

The Board of Directors is recommending the payment of a final dividend of 6 cents per share, making a total payout of 8 cents per share for 2001. (2000 – total of 8 cents per share). The total amount of dividend appropriated, based on the number of shares in issue, is HK\$25,144,064 (2000 – HK\$25,144,064)

The transfer of book and register of member will be closed from 13 May 2002 to 17 May 2002, both days inclusive during which period no transfer of shares will be registered. In order to qualify for the final dividend, lodging of all transfers accompanied by the relevant share certificates must not be later than 4:00 p.m. on 10 May 2002. The final dividend is payable on 12 June 2002 to members on register on 17 May 2002.

業績概要

二零零一年，儘管全球經濟受到美國「九一一」等事件的強烈沖擊。本集團仍能依靠生產技術基礎和財務能力，保持穩定，並取得了較好業績。本集團電器銷售額與上一年相比只下降了百分之一，盈利令人滿意。

本集團控股的祥豐科技(集團)有限公司(「祥豐」)重組後，祥豐的股份百分之六十三點三五降至百分之三十三點八三，而祥豐的營運業績資料不再納入本集團綜合財務表合併計算，只是計算所佔祥豐的業績。由此原因，本集團二零零一年度營業額由上年度的港幣四億五千九百萬元下降到港幣三億四千四百萬元，下降了百分之二十五。

祥豐的業務於二零零一年本錄得盈利，但現錄得虧損，主要原因是撇除嘗試在香港聯合交易所上市所支的一筆非經常性費用。祥豐於二零零二年之業務仍會獲得盈利。

本集團在同期內的純利下降只有百分之十，因為我們成功地實施了成本控制。由於祥豐重組及關閉集團在美國的分公司，集團在本年度的行政費用為港幣四千三百萬元，與上年度的港幣六千六百萬元相比，降低了百分之三十五。儘管祥豐輕微虧損，集團本年度的綜合純利仍達到港幣三千八百七十萬元，每股獲利十二點三二仙。(二零零零年度本集團純利為港幣四千三百萬元，每股獲利十三點七三仙)

官塘道410號的建築已完成，並於二零零二年三月十三日取得入伙紙。辦公室及零售單位現已進行招租，預計410號大廈的租金收入將會增加集團未來的純利收入。依據專業測量師評估，官塘道410號全部出租後，每月的租金收入預計約為二百萬港元。

股息

董事局建議末期股息為每股港幣六仙，所以二零零一年度總股息為每股港幣八仙(二零零零年總股息—每股港幣八仙)。根據以上發佈的數字，本年度股息總額為港幣二千五百一十四萬四千零六十四元(二零零零年為港幣二千五百一十四萬四千零六十四元)。

本公司將於二零零二年五月十三日至二零零二年五月十七日(包括首尾兩天)暫停辦理登記過戶手續。如欲收取末期股息，所有過戶文件連同有關股票需不遲於二零零二年五月十日下午四時前送抵過戶處。末期股息將於二零零二年六月十二日派發予於二零零二年五月十七日登記在名冊上之股東。

FINANCIAL POSITION

The liquidity position of the Group remains sound. Its current ratio was 1.1 as of 31 December 2001, against 2.2 as of 31 December 2000.

During the year, the Group's accounts receivables turnover stood at 50 days in year 2001, compared with 67 days of the previous year. The inventory turnover decreased from 108 days in year 2000 to 95 days in year 2001.

Bank balances and cash were HK\$50.3 million as of 31 December 2001, representing a decrease of HK\$24.6 million over that of the previous year. The change was mainly due to cash used for 410 Kwun Tong Road redevelopment project.

Total bank borrowings amounted to HK\$78 million as of 31 December 2001, representing an increase of HK\$40 million over that of the previous year. The change was mainly due to an increase in short-term bank loans which was used to finance the construction of 410 Kwun Tong Road.

The Group's debt-assets ratio stood at 26% as of 31 December 2001, compared to 19% as of 31 December 2000.

FUTURE PROSPECTS

The Group is moving forward with full confidence after reorganising its operational structure. The core business of the Group remains focus on small appliances manufacturing. The Group has already started new products development and talking with new customers based in Japan, the United States and the United Kingdom. Partnership with these new customers will help the Group to diversify the customer base. The Group also has plans to generate sales in new emerging markets such as China, the Middle East and Latin America. We expect our turnover to post double digit growth in 2002.

Apart from the expected sales growth from small appliances manufacturing, rental income from 410 Kwun Tong Road would smooth profit fluctuation from our existing manufacturing business, and gives the Group a steady source of income.

We will have several new innovative patented products in full production during year 2002, and we expect these new products will increase our turnover and profit substantially. The Group will continue its effort to develop and file patents for new innovative products.

財政狀況

集團的資金流動保持良好。截止二零零一年十二月三十一日資金流動率為一點一，二零零零年十二月三十一日則為二點二。

集團在二零零一年度的應收帳款周轉期為五十天，二零零零年度為六十七天。庫存周轉從二零零零年度的一百零八天減少到二零零一年度的九十五天。

截止二零零一年十二月底，銀行現金餘額為港幣五千零三十萬元，比上年度減少了港幣二千四百六十萬元。主要用於支付官塘道410號的建築費用。

截止二零零一年十二月底，銀行借款總額達港幣七千八百萬元，比上年度增加港幣四千萬元。這一增額主要是銀行短期貸款，用於官塘道410號。

截止二零零一年十二月三十一日，集團的負債與資產比率為百分之二十六，而二零零零年十二月三十一日則為百分之十九。

前景

集團主要業務仍然集中於小家電生產，集團將於下年度擴展新客戶。目前已有數家位於日本、美國及英國的新客戶正在洽談新產品開發及合作計劃，有助集團擴闊客戶網。集團在下年度也計劃開發新興市場如中國、中東及中南美洲。集團預計在二零零二年小家電的營業額將有雙位數字的增長。

除小家電生產盈利預期增長外，官塘道410號的租金收入也有助本集團將來平衡在製造業方面的盈利波幅，及為集團帶來一項穩定的收益。

二零零二年，我們將有幾個全新的專利產品全面投入生產。我們期望這些新產品將極大地增加新一年度的營業額和盈利。集團將繼續努力開發更多的專利產品。

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31 December 2001, 82% of the Group's sales were attributable to five largest customers, with the largest customer accounting for 61% of the overall turnover. During the same period, 25% of the Group's purchases were attributed to the Group's five largest suppliers combined, with the largest account for 8%. None of the directors of the Company, their associates or shareholders (who to the knowledge of the directors owns more than 5% of the issued share capital of the Company) has interests in the major customers and suppliers.

STAFF

The Group currently employs approximately 70 Hong Kong staffs and operates a defined contribution pension scheme. Our factory in China employs about 300 staff, and workers employed directly or indirectly varied from 2,000 to 2,200 persons during the year.

On behalf of the Board, I would like to extend the Board's appreciation to all our staff for their hard work and dedication throughout the year.

PURCHASE, SALE OR REDEMPTION OF OUR SHARES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

By Order of the Board



Wilson Wong Kin Lae
Chairman

Hong Kong, 19 April 2002

主要客戶和供應商

截止二零零一年十二月三十一日財政年度，集團百分之八十二的銷售分佈於五個大客戶，其中一個最大客戶佔總營業額的百分之六十一。同時，集團百分之二十五的採購也主要集中在五個大供應商，其中最大的一個達百分之八。本公司各董事及其聯繫人士或股東（本公司已發行股本百分之五以上者），並無在主要客戶和供應商佔有權益。

職員

本集團現於香港僱用約七十名職員，並提供一項定額公積金計劃，吾等於中國聘用之職員約三百名。本年度直接或間接僱用工人數目約為二千至二千二百人之間。本人謹代表董事會對所有員工在過去一年勤奮及作出之貢獻表示謝意。

購買、出售或贖回本公司股份

於本年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之股份。

承董事會命



主席
黃乾利

香港，二零零二年四月十九日