

Management Discussion & Analysis



Financial Results

The Group recorded a profit attributable to shareholders of HK\$56.4 million for the year, compared with HK\$62.3 million for 2001. Basic earnings per share were HK16 cents (2001: HK17 cents).

Turnover

Despite the recession experienced in the global economy, the Group performed satisfactorily during the year. The Group recorded a turnover of HK\$506 million for the year, a gentle decline of 5.3% against HK\$535 million in 2001. The decline in turnover was mainly attributable to the drop in demand for multimedia products.

The Group's major source of profits came from its electro-acoustic businesses, representing 78.7% of the turnover. These business segments consisted of audio products, communication products and multimedia products. The remaining 21.3% of the turnover was from the sales of electro-acoustic parts, electronic products and other accessories and rental income. Analysis of the turnover by business segments and geographical segments are included in Note 27 to the financial statements.

Communication products continued to achieve steady growth in turnover, an increase from HK\$86 million in 2001 to HK\$91 million in 2002. Their contribution to the Group's total turnover also increased steadily from 16.1% to 17.9%. Multimedia products followed the decline in worldwide demand for personal computers and recorded a sharp decrease in turnover from HK\$113 million last year to HK\$73 million this year. Audio products achieved a sales level slightly less than last year at HK\$235 million compared to HK\$254 million in 2001, and continued to maintain their role as the principal income source for the Group, the sales of which accounted for 46.4% of the turnover.

財務業績

本集團於本年度之股東應佔溢利為56,400,000港元，二零零一年則為62,300,000港元。每股基本溢利為16港仙（二零零一年：17港仙）。

營業額

儘管全球經濟衰退，本集團於本年度之業績仍表現理想。本集團於本年度錄得營業額506,000,000港元，較二零零一年之535,000,000港元稍微下跌5.3%。營業額下跌，主要是由於多媒體產品之需求下降所致。

本集團之溢利主要來自電聲產品業務，佔營業額78.7%。該類業務涉及音響產品、通訊產品及多媒體產品。其餘21.3%營業額來自銷售電聲產品部件、電子產品及其他配件與租金收入。以業務及地區劃分之營業額分析載於財務報表附註27。

通訊產品業務之營業額繼續穩步增長，由二零零一年之86,000,000港元增加至二零零二年之91,000,000港元。佔本集團總營業額之百分比亦從上年由16.1%穩步增至17.9%。由於全球私人電腦需求下降，故多媒體產品之營業額大幅減少從上年113,000,000港元至本年73,000,000港元。音響產品之銷售額為235,000,000港元，稍低於上年度254,000,000港元之水平，但仍為本集團主要之收入來源，其銷售額佔總營業額46.4%。

Profit Attributable to Shareholders

The Group recorded a growth in the gross profit from operations, an increase from HK\$153 million in 2001 to HK\$159 million in 2002. The overall gross profit margin of its products also increased from 28.6% last year to 31.4% this year. This improvement was the result of a series of measures taken by the Group during the year to enhance the cost effectiveness.

The profit from the Group's operations accounted for approximately HK\$67 million, compared with HK\$69 million for 2001. During the year, the two facilities of the Group, situated in Ningbo and Suzhou, the PRC, has commenced production. These two facilities incurred additional administrative expenses of approximately HK\$5 million to the Group's operation cost.

During the year, interest income fell significantly by 39.2% to approximately HK\$4 million, compared with HK\$6 million for 2001. The drop in interest income was mainly attributable to the continual interest rate's cuts. As it was, the profit attributable to shareholders dropped from HK\$62.3 million last year to HK\$56.4 million this year.

Liquidity and Financial Resources

The Group continued to maintain a very healthy financial position this year. As at 31st March 2002, net current assets amounted to approximately HK\$142 million (2001: HK\$159 million). During the year, the Group has invested approximately of HK\$27 million surplus cash in held-to-maturity securities and other investment fund for the purpose of earning high-yield return. The Group's current and quick ratio (excluding the inventories) accounted for 2.30 times (2001: 2.73 times) and 1.85 times (2001: 2.16 times) respectively. Despite the slightly drop in these ratios, the Group is confident to meet future obligations without any difficulty.

股東應佔溢利

本集團之經營毛利錄得增長，由二零零一年之153,000,000港元增至二零零二年之159,000,000港元。產品之整體毛利率亦由上年度之28.6%上升至本年度之31.4%。整體毛利率得以改善，主要是由於本集團於本年度採取一連串措施提升成本效益所致。

本集團之經營溢利約為67,000,000港元，二零零一年則為69,000,000港元。本集團於中國寧波及蘇州之兩座廠房已於年內開始投產。本集團之經營成本因該兩座廠房而增加，所涉及之額外行政開支約為5,000,000港元。

本年度之利息收入大幅下跌39.2%至約4,000,000港元，二零零一年則為6,000,000港元。利息收入下跌，主要是由於持續減息所致。結果，股東應佔溢利由上年度之62,300,000港元下跌至本年度之56,400,000港元。

流動資金及財務資源

本集團在本年度之財務實力仍相當穩健。於二零零二年三月三十一日，流動資產淨值約為142,000,000港元（二零零一年：159,000,000港元）。本集團於本年度將約27,000,000港元之現金結餘投資於持至到期證券及其他投資基金，以賺取高收益回報。本集團之流動及速動比率（不包括存貨）分別為2.30倍（二零零一年：2.73倍）及1.85倍（二零零一年：2.16倍）。雖然上述比率稍微下降，但本集團有信心可輕易應付未來之承擔。

Liquidity and Financial Resources (Cont'd)

The Group had cash and bank deposit of approximately HK\$136 million (2001: HK\$130 million) of which HK\$2 million (2001: HK\$13 million) were pledged to a bank for short-term loans granted to the Group. About 4.8%, 0.4% and 83.3% of the total cash and bank deposits were denominated in Chinese Renminbi, Japanese Yen and US dollars respectively and the remainder in Hong Kong dollars.

For day-to-day liquidity management and maintaining flexibility in funding, the Group also has access to significant uncommitted banking facilities. As at 31st March, 2002, the Group had aggregate banking facilities of approximately HK\$246 million (2001: HK\$244 million) from several banks for overdrafts, loans, trade financing and foreign exchange contracts, with an unused balance of approximately HK\$153 million (2001: HK\$230 million). However, due to the high level of surplus cash as mentioned above, there are no present needs for borrowings of any material amount.

Capital Structure

It is the intention of the Group to maintain an appropriate mix of equity and debt to ensure an efficient capital structure. However, up to the date of this annual report, the Group continue to maintain very strong cash flows, such that there are no immediate requirements for debt finance. As at 31st March, 2002, the total debts of the Group remained at a very low level of approximately HK\$9 million (2001: HK\$12 million).

流動資金及財務資源 (續)

本集團有大約136,000,000港元(二零零一年:130,000,000港元)之現金及銀行存款,其中約2,000,000港元(二零零一年:13,000,000港元)已抵押予銀行作為本集團所獲短期貸款之擔保。該等現金及銀行存款其中約4.8%、0.4%及83.3%分別為人民幣、日圓及美元,而其餘則為港元。

為有利於日常流動資金管理及靈活運用資金,本集團亦已安排大額未動用銀行信貸。於二零零二年三月三十一日,本集團之銀行信貸合共約246,000,000港元(二零零一年:244,000,000港元),為來自多家銀行之透支、貸款、貿易信貸及外匯合約,而未動用之餘額約為153,000,000港元(二零零一年:230,000,000港元)。然而,由於如上文所述有大量現金結餘,因此目前無需大額借貸。

資本架構

本集團希望維持適當之股本借貸比例,確保維持有效之股本架構。然而,截至本年報日期,本集團仍有大量流動現金,故此並無即時借貸需要。於二零零二年三月三十一日,本集團之總借貸維持在極低水平,僅約為9,000,000港元(二零零一年:12,000,000港元)。

Capital Structure (Cont'd)

The Group's total debts were primarily short-term bank loans borrowed to finance the construction work of and the machineries for the production plant in Ningbo. These short-term bank loans, being denominated in Chinese Renminbi and bearing interest at rates ranging from 5.3% to 5.9% (2001: 5.6% to 6.4%), were secured by the pledge of the Group's bank deposits of approximately HK\$2 million (2001: HK\$13 million), and the pledge of the Group's land and buildings with a net book value of approximately HK\$13 million (2001: Nil).

Gearing Ratio

The Group's gearing ratio as at 31st March, 2002 was 3.1% (2001: 4.6%), which was calculated based on the total debt of approximately HK\$9 million (2001: HK\$12 million) and total equity of approximately HK\$302 million (2001: HK\$271 million).

Foreign Exchange Exposure

The Group had limited exposure to foreign exchange rate fluctuations as most of its transactions, including borrowings, were conducted in US dollars, Hong Kong dollars or Chinese Renminbi. During the year, the exchange rates of these currencies were relatively stable, and hence the Group reported only net exchange loss of approximately HK\$1 million.

資本架構 (續)

本集團之借貸總額主要包括短期銀行貸款，用作寧波廠房之建築工程及購置機械。該等短期銀行貸款以人民幣結算，利率介乎5.3%至5.9%（二零零一年：5.6%至6.4%）不等，由本集團約2,000,000港元（二零零一年：13,000,000港元）之銀行存款及本集團賬面淨值約13,000,000港元（二零零一年：無）之土地及樓宇作抵押。

資本負債比率

本集團於二零零二年三月三十一日之資本負債比率為3.1%（二零零一年：4.6%），乃根據借貸總額約9,000,000港元（二零零一年：12,000,000港元）及股東權益總額約302,000,000港元（二零零一年：271,000,000港元）計算。

外匯風險

由於本集團大部份交易（包括借貸）均以美元、港元或人民幣進行，故此本集團之匯率波動風險不高。年內，該等貨幣之匯率相當穩定，故此本集團僅有大約1,000,000港元淨外匯虧損。

Employment, Training and Remuneration Policy

The Group has developed its training programs in a structural and systematic manner to its management and employees. The Group has provided regular management and technical courses to its employees during the year.

The Group has also developed its human resources policies and procedures based on performance and merit. It ensures that the pay levels of its employees are competitive and employees are rewarded on a performance-related basis within the general framework of its salary and bonus system. Discretionary bonus is linked to the performance of the Group as well as individual performance. Benefits include staff accommodation, medical schemes, Mandatory Provident Fund scheme and employee stock options for Hong Kong employees, and state-sponsored retirement plans for employees in the PRC.

As at 31st March, 2002, the Group's operations engaged a total of over 4,500 staff and workers. The employment costs (including the directors' emoluments) accounted for approximately HK\$90 million (2001: HK\$80 million).

Dividend Policy

It is the intention of the Group that the dividend paid should over the long term provide the shareholders with relatively consistent dividend income. In view of the Group's growth potential, it is also intended to retain sufficient cash reserves to take advantage of any expansion or acquisition opportunities in the future. Accordingly, the dividend payout ratio (excluding the proposed special dividend) was approximately 45% (2001: 40%) of the profit attributable to shareholders for the year.

招聘、培訓及薪酬政策

本集團已為管理層及僱員設立有系統之培訓計劃。本集團已於年內為僱員定期提供管理及技術課程。

本集團亦已根據員工之表現及長處制訂人力資源政策及程序，以確保僱員之薪酬水平具競爭力，並根據慣常之薪酬及花紅制度按員工表現給予員工報酬。酌情花紅視乎本集團之溢利及個別員工之表現而定。僱員福利包括宿舍、醫療計劃、香港僱員之強積金及購股權及中國僱員之國家退休金計劃。

於二零零二年三月三十一日，本集團合共聘用4,500名員工及工人從事業務。包括董事酬金之僱員成本約為90,000,000港元（二零零一年：80,000,000港元）。

股息政策

本集團計劃讓股東長期收取穩定之股息收入。基於本集團之發展潛力，本集團亦有意維持足夠現金儲備，以掌握日後之擴充及收購機會。因此，本年度股息佔股東應佔溢利之比率（不包括建議特別股息）約為45%（二零零一年：40%）。

Commitments and Contingent Liabilities

At the end of the year under review, the Group had total outstanding capital commitments, operating lease commitments and foreign exchange contracts of approximately HK\$6 million (2001: HK\$7 million), HK\$5 million (2001: HK\$7 million) and HK\$78 million (2001: Nil) respectively. In respect of the foreign exchange contracts, the Group had committed to sell US\$10 million at various rates for a total of approximately HK\$78 million. In view of the Group's high level of liquid funds, it is confident to fulfil all these commitments without any difficulty.

As at 31st March, 2002, the Company had provided a guarantee of approximately HK\$62 million (2001: HK\$60 million) to a bank to secure banking facilities of its subsidiaries.

承擔及或然負債

於本回顧年度結算日，本集團分別合共有大約6,000,000港元（二零零一年：7,000,000港元）之未償還資本承擔、5,000,000港元（二零零一年：7,000,000港元）之經營租約承擔及78,000,000港元（二零零一年：無）之外匯合約。對於該等外匯合約，本集團已決定按不同匯率出售10,000,000美元，以獲取合共約78,000,000港元之款項。基於本集團有大量流動現金，故本集團相信履行該等承擔並無困難。

於二零零二年三月三十一日，本公司為附屬公司所獲銀行信貸向銀行作出約62,000,000港元（二零零一年：60,000,000港元）擔保。

Headphones

