



PDA

個人數碼助理

管理層研究及分析(續)

Management Discussion & Analysis (continued)

個人數碼助理 (PDA) ▶

業務回顧

全年營業額錄得146,600,000港元，約為前年的55.7%，由於科研經費高昂及相對上固定，營業額下跌無可避免地引致經營虧損。全年度的經營虧損為25,500,000港元。

國內市場是集團中文PDA的最主要市場。而由於市場被外國品牌所壟斷，香港及台灣的市場佔有率亦相對地較小。國內PDA市場在一九九九年至二零零零年初經歷了強勁增長後，進入了激烈的整固期。因PDA市場尚未成熟而入門門檻亦不高，市場於二零零零年中突然增加了二、三十間各式各樣的小型公司，推出了一大堆毫無特色的同類低階產品，部份該等產品甚至不能被視為PDA，一下子市場供應過剩，令消費者非常迷茫。

整固過程由二零零零年第四季開始，一直維持了差不多一年，首先由佔有市場份額一半以上的對手發難，將其產品價格大幅下調了40%，引致市場平均零售價亦下跌了30%至40%。結果，過半數的小型供應商不能立足，亦阻嚇了新對手的加入，而如本集團般的較大企業則受著嚴重的毛利下跌所衝擊。踏入二零零一年，消費市場對產品的好奇感逐漸減輕，這直接令數年來提供最大動力的禮品市場大幅倒退，但用家市場卻未能如所料迅速填補此空間，結果明顯地令人失望，於是供應商腹背受敵，一方面銷售量下跌，而毛利又備受壓力，令市場推廣受限制，結果是產生了惡性循環。

雖然整體市場收縮，但憑著產品的新穎設計及其開放式平台系統，集團的市場佔有率於年內卻得以提高。集團的產品，例如V系列PDA，被普遍認為比競爭對手的產品更物超所值。V系列內的

PDA SBU ▶

Performance Review

The SBU recorded sales turnover for the financial year HK\$146.6 million, which is approximately 55.7% of that in previous year. The drastic drop in turnover inevitably led to a loss from operation because of high fixed cost of research & development. The resultant operating loss is HK\$25.5 million.

Mainland China was the major market for the SBU's Chinese-based PDA products during the year. Hong Kong and Taiwan were relatively small because of the domination of foreign brands in the market. The mainland market entered into a vigorous consolidation phase after it had achieved tremendous growth in year 1999 and early 2000. Because of novelty effect and relatively low entry barrier, starting from the middle of year 2000 the market was swamped with more than two dozens of small players that suddenly came out to offer "me too" low-end products that could be more precisely described as organizers instead of PDAs. The market became overcrowded and customers were confused.

The consolidation process began in the last quarter of year 2000 and lasted for almost one year. Triggered by a 40% price cut by the company that had more than 50% market share, the average retail price in the market slumped by 30% to 40%. The direct consequence was over half of the smaller players were killed and new entrants were deterred. The bigger players, including the Group, were also hurt by severe erosion in gross margins. Entering year 2001, the novelty effect faded away gradually and this directly led to a substantial setback in the premium (gift) market that used to be the biggest driver in previous years. The serious user market, on the other hand, has not picked up as quickly as expected to fill the vacuum. The result was obviously painful. The players in the market, no matter big or small, were suffering at two ends - sluggish sales and slim profit margins. The lack of marketing fund in turn initiated a vicious cycle of market contraction.

Despite the overall market shrunk considerably the Group's share had increased during the year because of outstanding product design and open OS (operating system) architecture. The Group's products, the V-series for example, are generally regarded as commanding higher value-for-money than

管理層研究及分析(續)

Management Discussion & Analysis (continued)

四種產品，涵蓋了最基本型號至高階型號，其中V88型號在大中華區大受歡迎，其纖薄及亮麗的外型，配合8MB記憶體、電子書閱讀功能及開放式平台，令其成為用家的上乘之選。

無線PDA市場暫時仍未起步，集團於二零零一年末在中國國內市場推出首部中文顯示GSM PDA，但成績並不理想。可以肯定的是，由話音主導通訊流量過渡至數據主導，市場仍需一段時間及培育。短訊服務(SMS)本是一個好開始，而其成績亦令人非常鼓舞，但其以文字為本則仍然流於簡單及低層次，並未能充分應用PDA的所有長處，換句話說，在一段時間內，PDA在流動數據通訊上的優勢尚未能得以發揮。

雖然如此，本SBU已開拓垂直市場，為銀行、證券行及專業團體提供企業解決方案，同時亦正與國內某些執法單位及物流公司商討合作事宜。此外，本SBU亦已完成開放式無線平台的開發，令用家得以透過不同的流動網絡而進行資訊傳送。

於二零零一年五月，Intel Capital Corporation, SB China Holdings Pte Limited (軟庫集團附屬公司)及UTStarcom, Inc.共同注資10,500,000美元於集團的PDA營運附屬公司(即PDA SBU的公司個體)－權智PDA控股有限公司。這三家公司共購入171,818股A類優先股份，佔該公司約16%的控股權，並獲董事局兩個席位，共同參與PDA公司的管理。與此同時，該PDA附屬公司亦與Intel Semiconductor Limited達成技術及產品開發合作協議。這是區內首家PDA公司，能成功吸引享譽國際的策略性投資者如英特爾及軟庫作資本投資。繼SB China於二零零一年八月轉讓其部份股份後，SB Asia Infrastructure Fund, L.P.，市場暱

competitors'。The V-series comprises of four members covering the entire span from entry model to high-end model. The V88 PDA is a particularly popular model in Greater China. Its slim and sleek outlook with built-in 8 MB memory combined with an eBook reader and open OS platform made it the perfect choice even to the demanding users.

The wireless PDA market is yet to take off. The Group launched the first ever Chinese-based GSM PDA in the mainland market in late 2001 but the result was not satisfactory. It is certain that the market still needs some time and some education before voice-centric applications could be migrated to data-centric applications. SMS (Short Message Service) is a good start with very encouraging result but this text-based data communication is still very much simple and low-level and could not take the full advantage of the form factor of a PDA. In this sense, PDA is still competing with cellular phones for SMS communication.

Nevertheless the SBU has entered the vertical market by offering enterprise solutions to banks, security brokerage houses and professional bodies. Discussions are in progress with law enforcement units and logistics companies. Besides, the SBU has almost completed the development of an open wireless platform that would allow users to do data communication across the different mobile carriers.

In May 2001, Intel Capital Corporation, SB China Holdings Pte Limited ("SB China", a Softbank subsidiary) and UTStarcom, Inc. altogether invested a sum of US\$10.5 million in the Group's PDA operating arm (i.e. the legal entity of the PDA SBU) - Group Sense PDA Holdings Limited. They subscribed for a total of 171,818 Series A Preferred Shares which represent approx. 16.0% voting rights and are given two board seats to participate in the management of the PDA company. At the same time of the investment, the PDA subsidiary also entered into a collaboration agreement with Intel Semiconductor Limited for technology and product development co-operation. This is the first PDA company in the region that has successfully attracted equity investment by reputable international strategic investors like Intel and Softbank. SB Asia Infrastructure Fund L.P., nicknamed "the Cisco Fund", became a shareholder in August 2001 after

管理層研究及分析(續)

Management Discussion & Analysis (continued)



V88是集團推出第一款內置電子書功能的PDA。
V88 is the Group's first PDA that comes with an eBook reader.

稱「the Cisco Fund」，亦成為PDA公司股東之一。

展望

預見傳統PDA市場將由實際用家人數的自然發展，帶動出溫和增長。價格仍然是購買產品的主要考慮因素，但是產品的設計及功能將開始增加考慮時的比重，因為從實際用家觀點來看，後者許多時比前者更為重要。產品質素是另一個關鍵的成功因素，令優勝者能於競爭對手內突圍而出。管理層深信本SBU於上述各方面都比對手優勝，令SBU處於一個有利位置以爭取市場份額。

當然，取勝最後還是決定於獨到的產品功能。在未來數月，本SBU將會推出一系統具有彩色顯示屏、內置攝影機、藍牙晶片及更多其他創新功能的新產品。這些都能對用家提供創新的應用功能（如PDA可成為數碼相簿），而促成對這些產品的需求。另一方面，技術門檻亦是一道很高的屏障，把其他競爭對手拋離。

本SBU計劃在今個財政年度增加傳統PDA的營業額及市場佔有率，但同時明白到邊際利潤仍然承受巨大的壓力。

雖然第一代無線PDA並非取得很大程度

part of SB China's stake in the PDA company was transferred to it.

Outlook

The conventional PDA market is expected to see a modest growth that is to be driven by natural growth of the serious user population. Price is still a dominating factor but product design and features would begin to take more weight because the latter always precedes the former from a professional user's perspective. Product quality is another critical success factor to make the winner to stand out from its competitors. The SBU is confident that it excels in these attributes and therefore is in a good position to gain more market share.

Of course, killer application is the ultimate weapon to win the game. Over the next few months, the SBU will be launching new models featuring colour screen, built-in camera, embedded Bluetooth chip and many other new features. These features would create new user applications (for example, PDA could be a digital photo album) that in turn would create new demand for these products. Technological competence, on the other hand, is a very tall barrier that could not be easily overcome by competitors.

The SBU plans to increase both business volume and market share for conventional PDA in the current financial year 2002/03 but also notes that profit margins are still under immense pressure.

Despite the first generation wireless PDA was not that much

管理層研究及分析(續)

Management Discussion & Analysis (continued)



集團第二代的 GSM PDA e968 具備 GPRS 的功能。
e968, the Group's second GSM PDA, is GPRS-ready.

的成功，但集團不會改變其一貫發展無線數據的方向，因為管理層深信，數據傳輸早晚會追上話音傳輸。再者，PDA 的技術規格最適合處理數據通訊，當 GPRS (General Packet Radio Service 通用分組無線電服務) 一俗稱 2.5G 制式一變得更加流行，並且被流動電話消費者所接受，及應用更普及 (例如 MMS, Multimedia Message Service 多媒體信息)，無線 PDA 或其他類型的話音/數據結合產品，將會成為專業及一般用家的重要通訊工具。同時，管理層亦會集中提高產品的話音功能，吸引那些以話音為主的用家轉用此類話音/數據結合產品。本 SBU 亦會嘗試吸引中國內地的流動電話生產商採用此等產品，在原件設計生產或借用品牌的基礎上合作。

儘管 PDA 產品在消費市場的需求較為平淡，但在企業應用需求上仍有增長，本 SBU 已成立專責的營銷隊伍，加快開拓這個垂直式的市場。

為避免過份倚賴單一市場及更有效攤銷產品開發成本，本 SBU 將會於今年內開拓亞洲、中東及歐洲等市場。部份產品已於二月份於德國漢諾威舉辦的 CeBIT 展覽會上展出，並且取得理想的反應。本 SBU 現正與法國的合作夥伴落實關於在歐洲市場銷售產品的協議條款。管理層展望從今年年底開始，海外銷售將對集團收入作出貢獻。

of a success, the Group will not change its strategy for going wireless data because it is the management's vision that sooner or later data traffic will overtake voice traffic. Besides, PDA possesses the ultimate form factor for doing data communication. When GPRS (General Packet Radio Service) or the so-called 2.5G becomes more popular and accepted by mobile users and applications are more available (for example, MMS - Multimedia Message Service), wireless PDA or other forms of converged product would take off to become an important communication device to professional and general users alike. In the meantime, the management is focusing on improving the products' voice function in order to help those voice-centric users to switch to converged products. The SBU will also try to collaborate with cellular phone manufacturers in mainland China to enable them to use its products on either ODM or private label basis.

Although the demand of PDA products in consumer market is not too exciting, there is an increasing demand for corporate applications. The SBU has put together a dedicated marketing team to pursue this vertical market.

To avoid over-reliance on single market and to maximize the output values of product development, the SBU will expand into Asia, Middle East and Europe in current year. In February 2002 some of the products were displayed in the CeBIT Show in Hanover, Germany and received very favourable feedback. The SBU is now finalizing the business terms with the partner based in France for selling the products in the European market. The management expects that overseas sales will begin to contribute to the income statement towards the end of year 2002.

ODM
原 件 設 計 生 產



管理層研究及分析(續)

Management Discussion & Analysis (continued)

原件設計生產 (ODM) ▶

表現回顧

過去一年，本SBU錄得營業額228,100,000港元，比較前年同期下降46.8%。是次營業額倒退的最主要兩個原因是北美市場放緩及內部大力整頓業務的影響。透過本SBU努力不懈地去控制成本，提高生產效率及改善關鍵性零部件的採購，本SBU已重上有盈利的軌道，錄得經營溢利3,300,000港元，而於二零零零/零一年度則錄得經營虧損35,000,000港元。

受經濟衰退的影響，美國消費者的購買慾下降，令對美國的出口大幅倒退。百貨業及分銷商對新定單十分謹慎，間接令本SBU的某些產品項目被擱置，而去年的「九一一」事件，令情況更惡劣。而本SBU的另一個主要市場日本，其經濟亦未有起色，消費市場仍然淡靜。

本SBU已成功開拓歐洲新市場，但新業務未能彌補北美市場的損失。

管理層已實施了一系列整固措施，加強分析業務的成本與風險，務求業務的利潤得到保障，令SBU的盈利可以改善。本SBU去年非常重視與主要客戶作策略性合作，並謹慎地發展高質素業務，深信建立能獲利的運作基礎比單純追求增加營業額更為重要。

過去一年，本SBU有機會參與涉及嶄新技術及產品的項目，例如無線PDA、全球首部彩色顯示屏電子辭典、高密度異方向性導電膠膜(ACF)組裝液晶體顯示屏模組(LCD modules)及以晶片尺寸封裝(CSP)或球型陣列(BGA)封裝的晶片作表

ODM SBU ▶

Performance Review

Turnover of the SBU for the financial year is HK\$228.1 million that represents a drop of 46.8% when compared to previous year. The setback is the result of two major factors: slow down of the North American market and business consolidation. Through the SBU's relentless effort in cost control, improving manufacturing efficiency and procurement of critical components, the SBU returned to profitable track having an operating profit of HK\$3.3 million, whereas loss from operation in 2000/01 was HK\$35.0 million.

Shipment to North America market was seriously cutback during the year because of the weak consumer demand caused by economic recession. Department stores and dealers were extremely cautious in placing new orders and several new projects had to be shelved. The situation was aggravated by the "9.11" event in September 2001. Japan, the other major market of the SBU, had not shown significant improvement in economic performance and thus consumer spending was still not performing.

The SBU had opened up new markets in Europe but the new business could not compensate for the loss in North America.

The management had implemented a series of consolidation exercise to restructure its business such that cost and risks are evaluated against profitability carefully to make sure bottom-line result could be improved. During the year, greater emphasis was placed on strategic partnership with major customers and high quality business with a very cautious approach in new business development. The business philosophy is that building up the base for a profitable operation precedes the pursuit for sales volume.

The SBU had been approached for new opportunities of cutting-edge technology and products such as wireless PDA, the world's first colour electronic dictionary, high density ACF (Anisotropic Conductive Film) assembly for LCD modules and SMT with CSP/BGA* chips. During the year the SBU had successfully performed joint product development in

管理層研究及分析(續)

Management Discussion & Analysis (continued)



業界普遍認同集團是香港少數優秀的ODM供應商之一。

The Group is known as one of the most preferred ODM suppliers in Hong Kong.

面焊接組裝(SMT)等。年度內，本SBU亦曾成功與一主要客戶共同合作開發新產品，攤分工作及成本，令產品開發時間得以縮短。

展望

在過去數月，本SBU與來自南韓及歐洲的新客戶洽談多個新項目，倘若成功，客戶基礎將可以擴闊以避免過份倚賴某類產品或某些市場。

透過過去五年累積的產品知識，對市場的了解及與策略性合作夥伴的合作經驗，本SBU現正實施一項對客戶十分有用的新合作模式，在具備市場調查及產品開發能力的優勢下，由SBU負責產品設計意念，並向客戶推薦，再由客戶落實各樣的細節。這新模式將可大大節省客戶的產品開發成本及時間。

管理層預期本SBU營業額於本年度將會上升。

collaboration with a major customer such that tasks and cost could be shared while development lead-time could be shortened.

* Chip Size Package / Ball Grid Array

Outlook

Over the past few months the SBU is in discussion with new customers from South Korea and Europe for new projects. If successful, the customer base of the SBU could be very much expanded to avoid over-reliance on certain product categories or markets.

With the accumulation of product knowledge, understanding of market and working experience with strategic business partners over the past five years, the SBU is now practicing a more value-added approach in ODM business. With in-house market research and product development capability, new product design concepts are to be generated and proposed to customers for final customization. This approach could minimize customers' development cost and time to market.

The SBU management expect business volume of the SBU will increase in the current financial year.

管理層研究及分析(續)

Management Discussion & Analysis (continued)

企業事務 ▶

公司管治

審計委員會

審計委員會於一九九九年成立，成員包括獨立非執行董事，審核委員會每年最少兩次與高級管理層及外聘核數師審閱集團採納的會計原則及政策，檢討及評估內部監控系統、風險管理及財務匯報等事宜，並且確保集團遵守所有適用法例和規則。公司秘書同時擔任審計委員會秘書一職。

為協助審計委員會履行其職責，「工作流程改善及內部審計小組」於二零零二年二月成立，為前線部門提供改善工作流程的意見及進行內部審計。該小組成員來自不同部門，各有專長，在推行工作前接受了提供內部諮詢服務技巧及審核技能的訓練。

企業風險管理委員會

企業風險管理委員會成立於二零零一年二月，為協助董事會確定及評估各種業務運作上涉及的風險，並制定策略及推行制度以防止及管理該等風險。成員包括執行董事及高級管理人員。年度內，一隊分別由來自資訊科技、品質管理、公司秘書及每個SBU所委派的一位代表，組成了「資訊保安工作小組」。該小組在過去一年推行了以下工作：審閱及研究BS7799保安標準，與供應商及分判商簽署保密協議、於公司物業範圍內實施出入保安管制及正在設計一套文檔管理系統。

最佳應用守則

董事會認為，本公司於截至二零零二年三月三十一日止年度內一直遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則。

CORPORATE AFFAIRS ▶

Corporate Governance

Audit Committee

The Audit Committee has been established since 1999 with independent non-executive directors as members. The Audit Committee meets at least twice a year to review with senior management and external auditors the accounting principles and practices adopted and to discuss and evaluate internal control procedures, risk management and financial reporting matters. It also ensures that the Group complies with all applicable laws and regulations. The Company Secretary serves as the secretary to the Audit Committee.

To assist the Audit Committee to carry out its duties, the Process Improvement and Internal Audit (PIIA) Sub-committee was formed in February 2002 to provide support to line functions to improve business operations and to perform internal audit function. Members of the PIIA are drawn from different functions with diversified background and are given training on internal consultancy skill and auditing techniques before carrying out assignments.

Corporate Risk Management Committee ("CRMC")

The CRMC was established in February 2001 to assist the Directors to identify and assess business risks and to formulate strategies and to implement system to prevent and manage such risks. Members include executive directors and senior management. During the year, a working team was gathered to form the Information Security Sub-committee ("ISS") with members from information technology, quality system, company secretarial and one representative from each SBU. The ISS had carried out the following tasks: review and study of the BS7799 security standard, execution of non-disclosure agreements with all suppliers and sub-contractors, physical access control on company premises and designing a document management system for the Group.

Code of Best Practice

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31st March, 2002.

管理層研究及分析(續)

Management Discussion & Analysis (continued)

投資

除下列兩項外，集團於年內並沒有任何其他的新投資。於二零零二年一月份，集團與數位獨立第三者達成協議，共同投資生產智能卡及其配件。此外，如先前所述，集團亦與中國國內一所著名大學合組合營公司，共同經營軟件及數碼化內容業務。此兩項投資並不牽涉重大的投資金額。

集團於年內繼續持有已進行的投資，但管理層決定為其於領高IT(控股)有限公司及附屬公司的投資現值作撥備。集團於二零零零年六月與其他兩位投資者共同成立該公司，為中國國內的團體或個別人士提供網上互動語言學習教材，惟其經營模式得以實現前，所有資金已悉數用罄，故各投資者決定結束投資，集團為此作2,000,000港元的撇賬。

流動資金及財務資源

集團於二零零二年三月三十一日止有銀行結餘及現金總額約185,200,000港元，對比二零零一年三月三十一日的結餘增加了59,900,000港元或47.8%。而同期的銀行總借貸由221,000,000港元下降至133,300,000港元，減少了39.7%。

期間銀行及現金結餘的增加及銀行總借貸的減少，皆歸功於：經營業務所產生的淨現金收入，持續減低存貨及應收賬，出售物業及發行新股所得的資金。

銀行總借貸的81.1%，即108,100,000港元，屬於一年內須償還的短期借貸。其餘25,100,000港元，乃屬一年後須償還的長期借貸。

集團的借貸比率由一年前的44.6%下降至33.6%。

Investment Activities

Save for the two items listed below, the Group has not made any new investment during the year. In January 2002, the Group entered into an agreement with several independent third parties to take a minority stake in a new venture for smart-card products and related accessories. Besides, as aforesaid, the Group went partnership with a reputable university in mainland China to set up a joint venture company to engage in software and digital content business. The amount involved in these two investments is very insignificant.

There has been no divesting activities during the year but the management decided to provide for full the residual book value of its investment in Lango IT (Holdings) Limited and its subsidiary. The company was formed in June 2000 with two co-investors for the purpose of delivering online interactive language learning material to groups and individuals in mainland China. Capital was used up before the business model could be realized. The investors decided to wind down the company in which the Group has a residual exposure of HK\$2.0 million.

Liquidity and Financial Resources

Bank balances and cash amounted to HK\$185.2 million as at 31st March, 2002, which is HK\$59.9 million or 47.8% higher than that as 31st March, 2001. Total bank borrowings decreased from HK\$221.0 million to HK\$133.3 million, a drop of 39.7%, during the twelve months period.

The improvement in liquidity and bank borrowings is a result of the following factors: positive cash inflow from operating activities, continuous effort in reduction of inventories and trade receivables, proceeds from disposal of properties and issue of new shares.

Majority of the bank borrowings, around 81.1% or HK\$108.1 million, are short term borrowings that are to be due within one year. The remaining HK\$25.1 million are long term borrowings that are to be due after one year.

Gearing ratio of the Group reduced from 44.6% a year ago to 33.6% as at 31st March, 2002.

管理層研究及分析(續)

Management Discussion & Analysis (continued)

出售－附屬公司

於二零零二年七月，集團與一家總部設於北京的公司簽署一份不具法律約束力的意向書，以出售全部傳呼機業務，作價30,000,000港元。雙方需於簽署意向書之日起三十天內簽署正式合約。

物業及資產抵押

集團於年內並無購置或出售任何物業。

集團將若干資產抵押予銀行，作為銀行一般融資的擔保。於二零零二年三月三十一日，該等抵押資產的賬面值約124,300,000港元，較去年增加7,100,000港元。

投資者關係

集團一貫致力增強投資者關係，透過會議、發佈會、在集團網頁內刊載新聞稿及公佈、參觀廠房及投資者電郵通訊等方法，增加集團對投資界的透明度。

員工關係

於二零零二年三月三十一日，集團於香港聘有256名僱員（二零零一年：265名），於中國國內聘有3,260名僱員（二零零一年：5,101名），而於新加坡則聘有90名僱員（二零零一年：81名），與前年同期相比，三個地區分別減少約3.4%及36.1%及增長約11.1%。除薪酬及一般員工福利如有薪年假、醫療保險及公積金外，集團亦為執行董事及高級職員提供優先認股權計劃。

集團定期舉行員工交流大會，使員工能了解集團狀況，並促進管理層與員工之間的雙向溝通。內聯網乃各層員工獲取公司資訊並資料及經驗分享的另一有效途徑。集團鼓勵員工踴躍表達意見及觀感，並提出各方面的建議。集團亦會定期進行員工意見調查，以協助管理層了解有關員工的事宜並採取適當的行動。

Disposal of a Subsidiary

In July, 2002, the Group and a Beijing-based company entered into a non-legally binding letter of intent for disposal of the entire pager business at a consideration of HK\$30 million. Both parties shall execute definitive agreements within thirty days from the date of the letter of intent.

Properties and Charge on Assets

There was no addition or disposal of properties during the year.

Certain assets are pledged as security for general banking facilities granted to the Group. As at 31st March, 2002, the carrying value of the assets pledged is HK\$124.3 million which is HK\$7.1 million higher than that of previous year.

Investor Relations

The Group is committed to enhance investor relations by increasing its transparency to the investor community. Measures taken to keep investors informed include meetings, presentations, posting of press release and announcements on the Group's website, visits to the manufacturing plant and e-mail news updates.

Employee Relations

As at 31st March, 2002, the Group has on its payroll 256 (2001: 265) employees in Hong Kong, 3,260 (2001: 5,101) in mainland China and 90 (2001: 81) in Singapore representing decreases of about 3.4% and 36.1% and an increase of 11.1% respectively when compared with prior year. In addition to salary payment and normal fringe benefits such as annual leave, medical insurance and provident fund, the Group also has Share Option Schemes for executive directors and senior staff.

Staff communication sessions are held to keep employees informed of the Group's developments and to facilitate two-way dialogue between management and staff. Intranet is another effective mean to get information across to all levels of staff and to promote sharing of information and experience. Staff are encouraged to express their views and feelings and to make suggestions on different topics. Employee satisfaction surveys are conducted regularly to assist the senior management to understand staff issues and to take appropriate actions.

管理層研究及分析(續)

Management Discussion & Analysis (continued)

因應員工的不同需要及工作的地點不同，集團於二零零一年十二月開始推行「網上學習」培訓課程，推廣彈性學習方法，使員工能在有需要時，隨時上網學習，課程內容廣泛，包括實用管理技巧及個人發展課程等，令員工可以真正隨時隨地學習。截至二零零二年七月，已有130名高級員工報讀了「網上學習」課程。除內部培訓外，集團亦同時因應工作需要而資助員工參予公司以外由其他機構提供的培訓課程。

集團於年內舉辦了多項公益活動，例如「公益綠「識」日」及紅十字會捐血日等，回應企業的社會責任。

ISO 9001 及 ISO 14000

集團已於二零零零年成功合併ISO 9001及ISO14000的品質管理系統，以加強行政效率。獨立評核員每六個月進行一次現場評核，以確保集團符合規定並進行持續改善。集團亦委任內部審核員定期進行審核。集團現正準備提升系統至符合新的ISO 9001:2000品質管理標準。

或然負債

於二零零二年三月三十一日，集團有約9,300,000港元的有追索權之銀行貼現票據及7,100,000港元的有追索權之貼現應收賬，比對去年分別減少約12,900,000港元及增加約4,600,000港元。

外匯及財經政策

集團大部份的商業交易、資產及負債皆以港元或美元或人民幣結算，只有一小部份的採購合同以日元結算。根據集團的財務政策，管理層應就所有對集團構成顯著影響的外匯風險加以管理。集團並無進行任何形式的利率或外匯投機活動。

This year a new approach of staff training was introduced. In view of the diversified needs of employees and their multiple working locations, the Group launched the "e-Learning" program in December 2001 adopting the just-in-need and just-in-time learning methodology. Course content covers a wide variety of practical management skills and self-development programs. Learning is now truly anytime and anywhere. Up to July 2002, the "e-Learning" program has an enrollment of 130 senior staff. Besides in-house training, the Group also provides education subsidies to staff for company-required trainings conducted by external parties.

During the year, the Group has participated in some community functions such as the Community Chest Green Day and blood donation to Red Cross to promote corporate citizenship.

ISO 9001 and ISO 14000

The two systems were combined in 2000 in the interest of administrative efficiency. Independent assessors conduct on-site surveillance assessment every six months to ensure compliance and continuous improvement. Internal audit teams are organized to perform compliance audit on an on-going basis. The Group is now in preparation of upgrading the system to attain the new ISO 9001:2000 standard.

Contingent Liabilities

As at 31st March, 2002, trade bills discounted to banks with recourse and factoring facilities with recourse amounted to HK\$9.3 million and HK\$7.1 million respectively, which are HK\$12.9 million lower than and HK\$4.6 million higher than those of the previous year respectively.

Foreign Currencies and Treasury Policy

Most of the Group's business transactions, assets and liabilities are denominated in either Hong Kong Dollars, United States Dollars or China Renmenbi. A small portion of the Group's purchases of raw material is denominated in Japanese Yens. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. The Group does not engage in interest rate or foreign currency speculative activities.