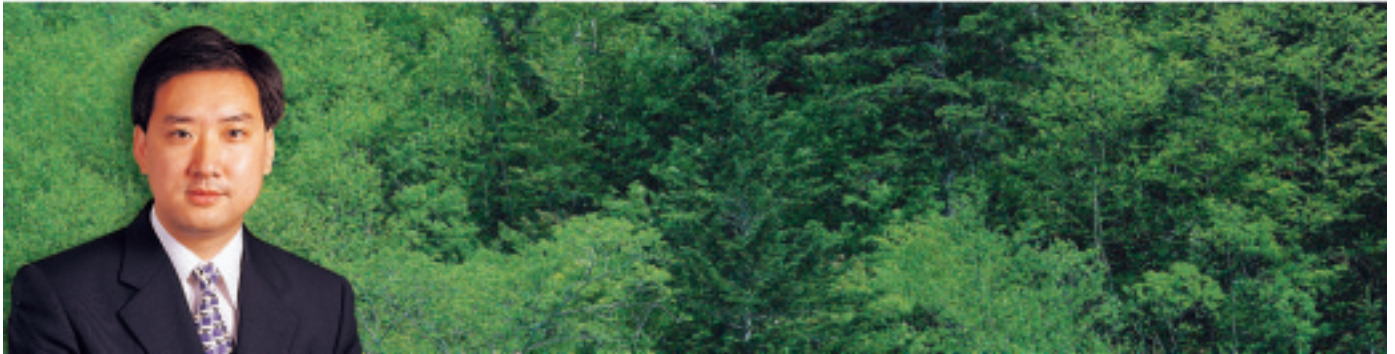


MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析



OVERVIEW

The Group reported another satisfactory result for the year ended 31st March, 2002. Total sales turnover was HK\$2,848 million, a decrease of 3% compared to the 2001 financial year. However, profit attributable to shareholders rose to HK\$220 million, representing an increase of 16% over last year. The EMS division continues to perform steadily and is still the major profit contributor of the Group, accounting for 93% of the turnover of the Group. The motorcycle division remains in a transitional phase and recorded a 30% decline in turnover.

FINANCIAL PERFORMANCE

For the financial year ended 31st March 2002, the Group recorded profit growth, its seventh consecutive year since listing in Hong Kong and attained a record high operating profit of HK\$241 million, representing an increase of 8% compared to that of last year.

Profit growth for the Group was mainly driven by the following factors:

- (1) The Group continued to expand its customer base while securing a large share of business of its existing customers.
- (2) The Group focused on developing low cost products for the mass market at 'value' price points, utilizing economies of scale and extending the range of products to its customers.
- (3) Gross margin was improved, mainly a result of:
 - cost savings from in-house power generators

概覽

截至二零零二年三月三十一日止年度，本集團錄得又一驕人業績。總銷售額為2,848,000,000港元，較二零零一年財政年度下跌3%。然而，股東應佔溢利則增加至220,000,000港元，較去年上升16%。EMS部門表現持續穩定，仍為本集團提供主要盈利來源，佔本集團營業額93%。電單車部門仍處於轉型階段，因此營業額錄得30%之跌幅。

財務表現

截至二零零二年三月三十一日止財政年度，本集團之盈利錄得甚佳增長，是於香港上市以來連續第七年錄得此佳績。本集團錄得之經營溢利刷新過往年度之紀錄，達241,000,000港元，較去年同期增加8%。

本集團之盈利增長乃基於以下各個因素：

- (1) 本集團不斷擴闊客戶基礎及與現有客戶擴大業務佔有比率。
- (2) 本集團著重於龐大市場上以相宜之價格及善用規模效益開發低成本產品，並為其客戶提供更多元化之產品。
- (3) 本集團之毛利得以改善，主要由於：
 - 自置發電機以節省成本

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- producing most of its components in-house. With extensive vertical integration, just-in-time production has been engaged and this resulted in multiple benefits including low inventory levels and lower transportation costs
- stringent cost control measures.

(4) Strong financial control and proactive cash management policies led to the high liquidity and more preferable lending terms from major banks. The Group's borrowing costs were reduced significantly during the year under review.

- 大部份之配件均自行生產，並引入全面之垂直整合及適時生產，以取得多方面之利益，包括低存貨水平及較低之運輸費用
- 審慎之成本控制措施。

(4) 憑藉嚴謹之財務控制及積極進取的現金管理政策，以取得充裕之流動資金及獲得主要往來銀行給予較優惠之借貸條款。於回顧年度，本集團之借貸成本大幅下降。

FINANCING AND CAPITAL STRUCTURE

It is the Group's policy to maintain an optimal mix of equity and debt to ensure an efficient capital structure. Total debt stood at HK\$200 million and the gearing ratio, based on the total borrowings to the shareholders' equity, decreased from 0.29 to 0.21. The Group maintained a net surplus cash position of HK\$82 million as at 31st March, 2002, compared to the net debt balance of HK\$90 million as of 31st March 2001.

During the year, three new term loan facilities all standing for a term of three years of HK\$93.4 million were obtained to repay the syndicated loan of US\$12 million being drawn down in January 2000.

The Group's borrowings are primarily denominated in US dollars and Hong Kong dollars and the Group has no significant exposure to foreign exchange fluctuations in relation to borrowings.

At 31st March 2002, the Group had bills discounted to banks amounted to HK\$101 million.

WORKING CAPITAL MANAGEMENT AND DIVIDEND POLICY

During the year, working capital utilisation continued to be efficient. The Group's average inventory turnover and trade receivables recovery period have been maintained at 48 days (2001: 41) and 22 days (2001: 23) respectively.

The Group's good liquidity and the rich cash surplus enabled the Board of Directors to declare a higher dividend payout for

融資及股本架構

本集團之政策為維持一個理想之股本及債務比例以確保達至有效之股本架構。總債務為200,000,000港元，資產負債比率(按總借貸除以股東權益計算)由0.29減至0.21。於二零零二年三月三十一日，本集團維持於現金盈餘淨額82,000,000港元之水平，而於二零零一年三月三十一日之債務結餘淨額為90,000,000港元。

本年度內，本集團曾獲得三筆合共93,400,000港元為期三年之有期貸款融資，以償還於二零零零年一月提用之銀團貸款12,000,000美元。

本集團之借貸主要以美元及港元結算，而本集團於借貸方面並毋須承擔任何外匯波動之重大風險。

於二零零二年三月三十一日，本集團擁有銀行貼現票據合共101,000,000港元。

營運資金管理及股息政策

本年度內，本集團繼續有效地善用營運資金。本集團之存貨流轉期及應收貿易賬款期平均分別維持於48日(二零零一年：41日)及22日(二零零一年：23日)。

本集團穩健之流動資金及充裕之現金盈餘可供董事會於本年度宣派更高之股息。於二零零二年已派付及擬

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the year. Dividend per share paid out and proposed for the year 2002 amounted to HK7 cents. In particular, special dividend paid out and proposed for the year was HK6 cents after due consideration of the sound performance for the year under review, strong cash flow position and future working capital requirements.

The Board of Directors considers that a dividend policy declaring not more than 50% of the net profit as dividend payments is appropriate. Whilst providing reward to the investors for their on-going support, the cash available after dividend payments is healthy and sufficient to match the Group's future funding requirements.

LIQUIDITY AND FINANCIAL RESOURCES

The net current assets of the Group increased from HK\$320 million as at 31st March 2001 to HK\$382 million as at 31st March 2002. The shareholders' funds as at 31st March 2002 achieved a record high of HK\$936 million, representing an increase of 19% from 31st March 2001.

The Group maintains a prudent attitude towards financing. The Group entered into a four-year syndicated loan of HK\$210 million in May 2002. The loan facility's lower interest spread significantly cuts the Group's future funding cost. This facility will be mainly used to finance future funding requirements for capital expenditure. For day-to-day liquidity and to maintain flexibility in funding, the Group also has access to significant uncommitted short-term borrowings, provided by its relationship banks. There are, however, no present need for borrowings of any material amount. The Group considers its financial resources adequate to support the business in the coming year.

EXCHANGE EXPOSURE

Sales and purchases of the Group are mostly denominated in US Dollar and through this natural hedge, the exchange exposure is adequately managed.

派付之股息為每股7港仙。特別的是，經審慎考慮回顧年度之卓越表現、穩健之現金流量狀況及未來營運資金之需求後，於本年度已派付及擬派付之特別股息為6港仙。

董事會認為，派付不超過純利50%作為股息之股息政策乃切合時宜，既可回饋投資者對集團不斷支持，且於派付股息後所持有之現金水平仍然充裕，並足以應付本集團未來之資金需求。

流動資金及財政資源

本集團之流動資產淨額由二零零一年三月三十一日之320,000,000港元增加至於二零零二年三月三十一日之382,000,000港元。於二零零二年三月三十一日，股東資金錄得歷史性新高，達936,000,000港元，較二零零一年三月三十一日增加19%。

本集團於融資管理方面仍然採取審慎態度。本集團於二零零二年五月訂立一項為期四年之銀團借貸款210,000,000港元。由於借貸融資可享有更低息之利率，因此大幅削減本集團之未來資金成本，此借貸融資主要作未來資本性開支之用。於日常流動資金及維持資金之靈活性方面，本集團亦已與其有關銀行達成取得充裕之短期借貸額。然而，現時毋須借取任何重大款額之款項。本集團認為其財務資源足以支援未來之業務發展。

匯兌風險

本集團之銷售及採購大部份以美元結算，憑藉此自然對沖，本集團定可應付所承受之匯兌風險。