

For the year ended 31 March, 2003, the Group's sales turnover increased by 5% to HK\$769,638,000 (2002: HK\$730,667,000) and consolidated net profit decreased by 4% to HK\$57,598,000 (2002: HK\$60,031,000). Basic earnings per share of the Group for the year ended 31 March, 2003 was HK17.2 cents (2002: HK17.9 cents).

The Directors recommend the payment of a final dividend of HK6 cents per share for the year ended 31 March, 2003. Together with the interim dividend HK2 cents per share paid in January 2003, the total dividends for the year ended 31 March, 2003 will be HK8 cents per share (2002: HK7 cents and a special dividend of HK3 cents).

BUSINESS REVIEW

Business environment, being affected by the uncertain global economic conditions and consumers' cautious and conservative spending, remains difficult and highly competitive. In spite of this, the Group was able to attain a slight increase in sales turnover and maintain the operating profit margin at 9%.

The Group's core business lies in product categories of household appliances and personal care products. Turnover of household appliances increased by 7% to HK\$554,761,000 representing 72% of the Group's turnover. Turnover of personal care products increased slightly to HK\$214,877,000 representing 28% of the Group's turnover.

Geographically, turnover to Europe increased by 17% to HK\$390,942,000 representing 51% of the Group's turnover. Turnover to America decreased by 5% to HK\$277,494,000 representing 36% of the Group's turnover. Turnover to Asia and other markets decreased by 5% to HK\$101,202,000 representing 13% of the Group's turnover.

截至二零零三年三月三十一日止年度，本集團之銷售營業額增加5%至769,638,000港元（二零零二年：730,667,000港元），綜合溢利減少4%至57,598,000港元（二零零二年：60,031,000港元）。本集團截至二零零三年三月三十一日止年度之每股基本盈利為17.2港仙（二零零二年：17.9港仙）。

董事會建議派付截至二零零三年三月三十一日止年度之末期股息每股6港仙。連同已於二零零三年一月派付之中期股息每股2港仙，截至二零零三年三月三十一日止年度之股息總額將為每股8港仙（二零零二年：7港仙及特別股息3港仙）。

業務回顧

在全球經濟環境不明朗、消費意慾低迷的影響下，競爭日趨激烈，惟本集團之銷售營業額仍能取得輕微增長，未為艱鉅經營環境所擊倒，而經營溢利則維持於9%水平。

本集團之核心業務為家電產品及個人護理產品。家電產品營業額增加7%至554,761,000港元，佔本集團營業額72%。個人護理產品營業額微增至214,877,000港元，佔本集團營業額28%。

以地區劃分而言，歐洲業務之營業額增加17%至390,942,000港元，佔本集團營業額51%。美洲業務的營業額減少5%至277,494,000港元，佔本集團營業額36%。亞洲及其他市場業務營業額減少5%至101,202,000港元，佔本集團營業額13%。

BUSINESS REVIEW (continued)

Gross profit margin dropped from 25% to 23% due to the continual pricing pressure from customers. Profit from operations, however, maintained at 9% to turnover. The Group's distribution costs was maintained at 4% to turnover. The Group's administration expenses was trimmed down from HK\$91,858,000 to HK\$81,776,000 thereby achieving a HK\$10,082,000 cost savings which compensated for the drop in gross profit.

Net profit after tax for the year dropped by one percentage point year on year from 8% to 7% to turnover. While the profit from operations was maintained at 9%, the drop in net profit was caused by an investment loss of HK\$5,788,000 arising from disposal of investment in stock equity. The Group no longer holds any investment in stock equity. Currently, the Group holds HK\$25,207,000 in investment in held-to-maturity principal-guaranteed bonds and funds.

During the year, new products launched included Foot Bath, Lady Shaver, Vegetable Cutter, Minus-ion Hair Dryer, Ice Cream Maker and new versions of Food Processors, Deep Fryers, Coffee Makers and Bath Spa.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March, 2003, the Group had total assets of HK\$543,678,000 (2002: HK\$495,103,000) which was financed by current liabilities of HK\$105,018,000 (2002: HK\$80,516,000), long-term liabilities and deferred taxation of HK\$11,659,000 (2002: HK\$18,152,000) and shareholders' equity of HK\$427,001,000 (2002: HK\$396,435,000).

業務回顧 (續)

由於客戶的削價壓力不斷，毛利率由25%下跌至23%。然而，經營溢利維持於營業額9%之水平。其中分銷成本維持於營業額4%之水平。行政開支由91,858,000港元削減至81,776,000港元，減省成本10,082,000港元，可抵銷毛利減少之影響。

年內之除稅後溢利由佔營業額8%減至7%，較去年減少1個百分點。經營溢利維持於9%，溢利減少之原因為出售股票投資產生5,788,000港元投資虧損所致。本集團已沒持有任何股票投資。現時，本集團持有持至到期日之本金保證債券及基金為25,207,000港元。

年內推出之新產品包括足浴器、女士脫毛器、切菜機、負離子風筒、雪糕機及新型號食物處理器、電炸焗、咖啡機及水力按摩器。

流動資金及財務資源

於二零零三年三月三十一日，本集團之總資產為543,678,000港元（二零零二年：495,103,000港元），資金來源包括流動負債105,018,000港元（二零零二年：80,516,000港元）、長期負債及遞延稅項11,659,000港元（二零零二年：18,152,000港元）及股東權益427,001,000港元（二零零二年：396,435,000港元）。

LIQUIDITY AND FINANCIAL RESOURCES (continued)

At the end of the financial year, the Group maintained a strong balance sheet and a healthy liquidity position. As at 31 March, 2003, the Group had bank deposit and cash balance of HK\$178,702,000 (2002: HK\$179,827,000) most of which was placed in US dollar short term deposits, except for temporary balances held in such non-US currencies as required pending specific payments. Total borrowings as at 31 March, 2003 included obligations under finance leases of HK\$5,336,000 (2002: HK\$10,838,000) representing 1% of the Group's shareholders' equity at the same date.

Funding for day-to-day operational working capital and capital expenditures are to be serviced by internal cash flows. With a strong financial position and available banking facilities, the Group is able to provide sufficient financial resources for our current commitments, working capital requirements, further expansion of the Group's business operation and future investment opportunities, as and when required.

HUMAN RESOURCES

Currently, the Group employed approximately 4,800 employees, the majority of which work in the PRC. Remuneration of the employees includes basic salaries and performance bonuses. Share options may also be granted to employees based on individual performance and attainment of certain set targets.

PROSPECTS

Under the difficult business environment with keen competition and customer request on shorter order lead time and pricing pressure, the Group would continue to focus on stringent cost control, expenditure reduction, efficiency improvement, material sourcing and research and development in new products.

We are currently working on several new versions of Juice Extractor, Blender, Food Processor, Food Steamer, Deep Fryer, Bath Spa and Foot Bath.

流動資金及財務資源 (續)

於本財政年度年結日，本集團具備雄厚資產，流動資金狀況亦相當穩健。於二零零三年三月三十一日，本集團之銀行存款及現金結餘額達178,702,000港元（二零零二年：179,827,000港元），除持有臨時非美元資金以備支付所需特定付款外，其中大部分已存入短期美元存款戶口。於二零零三年三月三十一日，借貸總額包括融資租賃承擔5,336,000港元（二零零二年：10,838,000港元），相當於本集團於同日之股東權益1%。

就日常營運所需之營運資金及資本開支而言，資金來源為內部流動現金。本集團之財政狀況穩健，連同備用銀行信貸，定能提供充裕財務資源，以便於有需要時，應付現有承擔、營運資金需要，並供本集團進一步擴展業務及掌握未來投資商機所需。

人力資源

本集團現聘用約4,800名僱員，其中大部分僱員於國內工作。僱員之酬金包括基本薪金及表現花紅。本集團亦會於達致若干指定目標而視乎個人表現向僱員授予購股權。

展望

在艱困的營商環境下，競爭越趨激烈，客戶更要求縮短完成訂單時間及調低價格，為此，本集團定會繼續著眼於嚴謹成本控制、開支削減、效率提升、物料採購及新產品研發。

本集團現正銳意開發多款新型號之榨汁器、攪伴器、食物處理器、電蒸鍋、電炸鍋、水力按摩器及足浴器。

PROSPECTS (continued)

With the fierce competition arising from PRC local manufacturers, we believe that we can differentiate in terms of quality and service. We would continue to focus on consistent product quality and design & engineering services to our customers. Our expansion in our Research and Development section is now in progress whereby testing and rapid prototyping facilities are being installed.

During the year, we have commenced on the construction of a new factory block in the PRC. The new block is now at its final stage of completion and is expected to be in operation in the 3rd quarter of this year. The added capacity of the new factory block would allow us to have a more efficient workflow for the larger size products. The capital expenditure requirement for this new block is approximately HK\$30 million which is funded from the internal resources of the Group.

The Group celebrates its 40th anniversary in business this year. With a strong and stable financial position, long established experience and goodwill, dedication and focus in our core business, the Group is confident to meet the challenges lying ahead and will continue to perform under difficult business conditions and create value to our shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our sincere appreciation to our employees, shareholders and business associates for their contribution and support throughout the year.

On behalf of the Board
Cheung Lun
Chairman

Hong Kong, 30 June, 2003

展望 (續)

儘管中國當地製造商之競爭日益加劇，惟本集團抱有信心，定能憑優異品質及卓越服務脫穎而出。本集團將嚴守一貫的產品質素標準，並著眼於為客戶提供產品設計及工程服務。本集團正擴充研究與開發部門，並已開始安裝測試及快速原型製作設施。

本集團於國內之一座新廠房已於年內動工，且已屆最後階段，預期可於本年度第三季投入運作。新廠房之額外生產力可提升本集團大型產品的生產流程。該座新廠房所需的資本開支約三仟萬港元，由本集團內部資源撥付。

本集團於本年度慶祝開業四十週年，本集團具備雄厚穩健之財政狀況、悠久豐富之經驗及商譽、果斷決心，而且專注發展核心業務，本集團有信心應付未來挑戰，並將繼續致力在逆境下締造佳績，為股東創造回報。

致謝

本人謹藉此機會代表董事會衷心感謝各員工、股東及業務夥伴年內之貢獻及支持。

承董事會命
張倫
主席

香港，二零零三年六月三十日