

管理層討論及分析

Management Discussion and Analysis

業績分析

回顧財務年度之業績令人鼓舞。本集團錄得營業額約71,000,000港元，較上年度之39,000,000港元顯著上升約82%。邊際毛利維持在43%，上年度為42%。本集團之淨虧損上升28%，由上年度約15,300,000港元增至本年度之19,600,000港元。

營業額之增加，其一由於收購華新及揚州基因使之成為本集團成員公司後首次綜合此等中國附屬公司之財務業績所致，結果本集團之總營業額增益約18%；其二，經營條件雖因經濟持續低迷而處於困境，但本年度香港業務之營業額增長約49%，由上年度約39,000,000港元增至本年度之58,000,000港元，成績突出。本集團整體淨虧損上升主要因收購後首次綜合於國內之附屬公司業績之故，有關業績佔本集團本年度淨虧損總升幅約20%，香港業務佔其餘8%之升幅。

ANALYSIS OF RESULTS

The results of the financial year under review are encouraging. The Group recorded a turnover of approximately HK\$71million, a significant increase of approximately 82% compared to that of last year at HK\$39 million, whilst gross profit margin has been maintained at 43% compared to last year's 42%. Net loss of the Group rose by 28%, from approximately HK\$15.3 million last year to this year's HK\$19.6 million.

The increase in turnover has been attributable to firstly, the consolidation of this year's post acquisition financial results of the subsidiaries in the PRC for the first time since becoming members of the Group, namely Hua Xin and Yangzhou Genetic, contributing approximately 18% of the Group's total turnover; secondly, though confronted with difficult trading conditions amid the prevailing economic downturn, operations in Hong Kong recorded a remarkable growth in turnover from approximately HK\$39 million last year to HK\$58 million this year, an increase of almost 49%. Overall net loss rose mainly as a result of the consolidation of the post acquisition results of the PRC subsidiaries, which accounted for approximately 20% of this year's increase in the net loss of the Group, the balance of the increase of 8% is attributable to the Hong Kong operations.

本集團繼續加緊控制經營成本，以期提高經營效率及競爭力以至更佳之業務表現。過去兩年，本集團之管理層著力鞏固及重組其香港業務，成績令人鼓舞，在達到分類營業額顯著增長之餘，亦能將其經營虧損控制在約13,000,000港元，水平與上年度相若。

本年度首次在收購前述新收購之公司後綜合此等附屬公司之財務業績。雖然本集團仍有虧損，但有信心日後在策略計劃全面推行後，位於國內附屬公司之業績將會出現改進。

重大收購

回顧年內，兩項權益性投資成為本集團之附屬公司。

二零零一年四月，本集團與揚州大學合組轉基因製藥研發中心－揚州基因，其於收購後之業績已於本集團本年度之財務業績中予以綜合。

二零零一年八月，本集團宣佈收購一樹51%股權，作價15,254,400港元，其中3,000,000港元以現金支付，其餘以發行同等金額之可換股票據支付。收購於二零零二年三月三十日完成，因此，其經營業績將不會包括在本集團本年度之業績中，惟其資產及負債將會予以綜合。

The Group continues to tighten controls on the reduction of operating costs, aiming to enhance operational efficiency and competitiveness and thus further improve business performance. For the past two years, the management of the Group devoted much effort on consolidating and restructuring its operations in Hong Kong, and the results have been promising, achieving significant growth in the segment's turnover whilst able to control its level of operating loss at approximately HK\$13 million, similar to that of last year.

This year is the first year of consolidating the post acquisition financial results of the fore-mentioned newly acquired subsidiaries in the PRC since their acquisitions. Though loss-making, the Group is confident that improved business results from the subsidiaries in the PRC shall be achieved in the ensuing years when strategic plans are fully executed.

MATERIAL ACQUISITIONS

During the year under review, two equity interest investments have joined the Group as subsidiaries.

In April 2001, the Group and Yangzhou University jointly established a transgenic pharmaceutical research and development centre – Yangzhou Genetic, post acquisition results of which have been consolidated into the Group's financial results for the year.

In August 2001, the Group announced its acquisition of 51% interest in Ensure at a consideration of HK\$15,254,400, satisfied by HK\$3 million cash and the balance by way of issuance of convertible notes to the same amount. The acquisition was completed on 30 March, 2002. The trading results of which will therefore not be included in the Group's trading results for the year, however, its assets and liabilities will and have been consolidated.

管理層討論及分析

Management Discussion and Analysis

流動資金及財務資源

本集團本年度之流動比率為1倍，較上年度之1.17倍下降約15%。輕微下降之主要原因因為綜合本年新收購之國內附屬公司業績，以致短期借款及貿易應付賬款增加。收購後，本集團之管理層將會集中重組及鞏固被收購公司之業務，以充份利用其等現有之銷售網，並將會增加流動現金及營運資本以及提高整體經營表現。管理層抱有信心，新收購之附屬公司未來之財務狀況將會更令人鼓舞。

負債比率(總借款除以總資產)為0.47倍，與上年度相同。於二零零一年四月二十七日，債權人兌換為數13,000,000港元之可換股票據，本集團隨之按每股0.10港元之價格發行130,000,000股新股，負債比率因債務減少而下降，股本基礎亦按同等數額上升。於年內，本集團因收購位於國內之一樹51%股權而進一步發行約12,250,000港元、換股價為每股1.38港元之可換股票據，作為支付部份代價。此項收購於二零零二年三月三十日完成。按收購安排發行此等可換股票據導致負債比率回復上年度之相同水平。預計於此等可換股票據落實換股後，本集團之負債比率將會因債務減少及股本基礎增加而進一步下降。

LIQUIDITY AND FINANCIAL RESOURCES

The current ratio of the Group declined by approximately 15% from last year's 1.17 times to 1 time this year. The slight decline is mainly attributable to the increase in short term borrowings and trade creditors as a result of consolidating the results of this year's newly acquired PRC subsidiaries. Subsequent to the acquisitions, the management of the Group shall focus on restructuring and consolidating the newly acquired operations, aiming to maximize use of their existing sales networks, enhance cashflow and working capital and operating performance as a whole. The management is confident that these newly acquired operations shall display a more encouraging financial position in the near future.

Gearing ratio (Total Borrowings over Total Assets) of the Group is measured at 0.47 time, same as last year. On 27 April 2001, pursuant to the conversion of HK\$13 million creditor convertible notes, the Group issued 130 million new shares at the price of HK\$0.10 per share, improved the gearing ratio by reducing debts and increasing equity base by the same amount. During the year, the Group further issued approximately HK\$12.25 million convertible notes, conversion price at HK\$1.38 per share, as part of the consideration payable to acquire 51% equity interest in Ensure in the PRC, acquisition of which was completed on 30 March 2002. The issuance of these convertible notes pursuant to the acquisition arrangement has been instrumental to reverting the gearing ratio to the same level as last year. It is expected that, following the execution of the conversion of the existing convertible notes, the Group's gearing ratio shall improve further from the corresponding reduction in debt and enlargement of equity base.

資產抵押

於結算日，現存價值40,150,000港元之本集團之若干投資物業抵押予一間銀行作為一般銀行貸款及發行予銀行之可換股票據之抵押品。本集團之信託收據貸款乃以於結算日現存價值2,800,000港元之本集團之投資物業作抵押。作為本集團債務重組安排一部分而發行予債權人之可換股票據乃以 Hennabun Management Inc. 於二零零一年三月三十一日已發行股本4.32%作抵押，其於二零零一年五月已獲解除。

僱員及酬金

截至二零零二年三月三十一日，本集團僱用約237名全職僱員，其中國內約有108名僱員。本年度涉及之總員工成本約19,000,000港元。僱員之酬金包括薪金及酌情發放之花紅。本集團亦採納購股權計劃以提供獎勵予僱員。

本集團僱員之酬金政策及計劃（包括認股權）乃按市場基準釐定，每年經由管理層進行審核。

或然負債

相較上年度年報所述，本集團之或然負債並無重大變動。除財務報表所披露外，本集團於結算日並無任何顯著之或然負債。

CHARGE OF ASSETS

At the balance sheet date, certain of the Group's investment properties with an aggregate carrying value of HK\$40,150,000 were charged to a bank to secure general banking facilities and convertible note issued to a bank. The Group's trust receipts loans were secured by one of the Group's investment properties with an aggregate carrying value of HK\$2,800,000 at the balance sheet date. The convertible note issued to a creditor as part of the Group's debt restructure arrangement was secured by 4.32% shareholding in Hennabun Management Inc. as at 31 March 2001 which were released in May 2001.

STAFF AND REMUNERATION

As at 31 March 2002, the Group employed approximately 237 full time employees, of which approximately 108 were in the PRC. Total staff costs incurred during the year amounted to approximately HK\$19,000,000. The remuneration of employees include salary and discretionary bonus. The Group also adopted a share option scheme to provide an incentive to the employees.

The remuneration policy and package, including the share options, of the Group's employees are maintained at market level and reviewed annually by the management.

CONTINGENT LIABILITIES

The contingent liabilities of the Group have not changed materially from those disclosed in last year's annual report. Save as disclosed in the notes to the financial statements, the Group did not have any significant contingent liabilities as at the balance sheet date.