

言而有信，
一諾千金

We Promise,
We Deliver



On behalf of the Board of Directors, I am pleased to present the annual report of Karrie International Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the twelve months ended 31 March 2003.

PRINCIPAL ACTIVITIES AND RESULTS

The Group is engaged in

- Metal and Plastic Business – the manufacture and sales of metal and plastic products including computer casings, office automation products, video cassette housings, moulds, plastic and metal parts; and
- Electronic Manufacturing Services Business ("EMS" Business) – the manufacture and sales of laser printers, magnetic tape drives and other computer peripheral products.

我謹此代表董事會提交嘉利國際控股有限公司(「公司」)及其附屬公司(「集團」)截至二零零三年三月三十一日止的年報。

主要業務及業績

集團主要從事

- 五金塑膠業務 – 製造及銷售五金及塑膠產品，包括電腦外殼、辦公室文儀產品、錄影帶外殼、模具、塑膠及金屬部件等；及
- 電子專業代工業務 – 製造及銷售鐳射打印機、磁帶解碼器及其他電腦週邊產品。



An explanatory table illustrating the 'Twin Business Model' and a simplified graphical illustration of such (Diagram 1) are set out on pages 30 to 31 respectively.

Karrie Technologies

In recognition of the rapid growth of the EMS Business, we have decided to provide it with a separate identity. Karrie Technologies Company Limited ("Karrie Technologies"), a wholly owned subsidiary of the Company, was incorporated to spearhead the Group's drive in this fast growing segment. As mentioned in last year's Annual Report, the Group has begun working with professional parties to assess the pros and cons of a separate listing of the EMS Business. However, such assessment is at a very preliminary stage and no decision has yet been taken at this stage.

Mounting New Height

For the year ended 31 March 2003, the Group achieved a turnover of HK\$1,737,979,000, representing an increase of approximately 50% over last year. Profit from operations surged 52% from HK\$94,682,000 to reach HK\$143,475,000 this year. Consolidated profit attributable to shareholders rose 48% to HK\$121,043,000. Both the turnover and profit figures for 2002/03 represent new records for the Group in its history both as a private and a public company. (Diagram 2 on page 32)

The Group was able to achieve such outstanding results because of the following factors:

1. *Continued successful diversification into the EMS Business*
In three-year time, the Group has successfully built up an entirely new business division from scratch. Turnover of the EMS Business jumped from HK\$47,930,000 in 2000/01 to HK\$894,356,000 in 2002/03, an increase of 1,766%.

請各位參閱分別刊載於本年報第三十至三十一頁(圖表一)有關「雙軌業務經營模式」的解釋表及圖表。

嘉利環球科技

為確認電子專業代工業務發展的高速增長，我們決定替其設定一個獨立身份。嘉利環球科技有限公司(「嘉利環球科技」)(本集團的全資附屬公司)成立的目的，就是要其為集團作先鋒，帶領我們在這領域中持續發展。正如我在去年度年報中透露，集團已委託專業機構就電子專業代工業務獨立分拆上市利弊作了初步的研究。我們並不排除未來將嘉利環球科技分拆上市的可能性，惟目前仍未有任何定案。

排除萬難 再攀新高峰

在本財政年度內，集團錄得營業額達1,737,979,000港元，較去年度增長約50%；經營溢利較去年度約94,682,000港元急升約52%至本年度約143,475,000港元；綜合股東應佔溢利則攀升了48%至約121,043,000港元。集團在這財政年度的業績，無論在營業額及溢利數字方面，均遠勝由創辦以至上市至今一直所保持的紀錄。(圖表二於第三十二頁)

集團能夠持續取得如此驕人的成績，實有賴以下因素：

1. *成功開展電子專業代工業務*
短短三年間，集團已成功地建立了一個新業務。電子專業代工業務的營業額由二零零零／零一年度約47,930,000港元跳升至二零零二／零三年度約894,356,000港元，上升達1,766%。





Meeting with professional advisers: business as usual during the SARS period
與專業顧問作專題討論：於非典型肺炎期間運作如常

2. *Continued productivity enhancement*

With the rampage of deflation, the Directors recognised that the only way to combat persistent pricing pressure from customers is through continued productivity enhancement. We worked hard to deliver changes in work procedures to save cost and/or to improve efficiency. For example, suppliers were asked to deliver packing materials to our factories three times a day to avoid bottlenecks. Such productivity gains helped to cushion the pricing pressure on gross profit margin. (Diagram 3 on page 33)

3. *Operating leverage*

With a generally fixed and semi-fixed manufacturing and general overheads, incremental contribution after variable cost from increase in turnover would be automatically reflected in the bottom line.

2. 不斷提升生產力

在通縮的肆虐下，董事們意識到唯一能配合客戶在價格上持續的需求，就只有靠我們不斷在生產力方面的提升。我們努力地在工序上求變，以達致節省成本、提高效率的目的。例如我們要求包裝原料的供應商能提供每日三次的運送服務，以避免「生產樽頸」的情況出現；在生產力方面因此而產生的得益，就能緩減在邊際毛利率方面的價格壓力。(圖表三於第三十三頁)

3. 營運槓杆效應

由於大部份生產及一般性行政開支都屬於固定和半固定成本，故此營業額的增長好處在扣除浮動成本後所產生的遞增效益，就能直接反映在盈利上。

Dividend and Dividend Policy

The Directors have recommended a final dividend of HK11.0 cents per share to shareholders whose names appeared on the Register of members of the Company on 1 August 2003. Together with the interim dividend of HK8.0 cents per share, total dividends for the year amounted to HK19.0 cents (2001/02: HK10.9 cents). The final dividend will be payable on or about 14 August 2003. This dividend payment is in line with our policy of paying out 50% or more of the after tax profit of the year. (Diagram 4 on page 34)

REVISION TO THE OPTIMAL EQUITY TO TURNOVER RATIO

In 2001/02, the Directors had laid down the "rough" equity to turnover ratio of 1:6. After carefully reviewing the updated trading pattern with our major customers, the 2003/04 capital expenditure ("Capex") plan and other factors, the Directors revised the optimal ratio to 1:7 (Diagram 5 on page 35) with an expected resultant net gearing ratio of not more than 30%. This estimation is based on the following assumptions:

- no major capital expenditure plan;
- no operation loss;
- no changes in receivable/payable pattern;
- no major cash outflow; and
- no major changes in the Just-in-time inventory.

Based on the above, we estimate that theoretically we would only need equity of less than HK\$248,283,000 to support the sales of HK\$1,737,979,000 in the year ended 31 March 2003 as compared to the equity as at 31 March 2002 of HK\$352,247,000.

股息及股息政策

董事們已建議派發末期股息每股11.0港仙予所有於二零零三年八月一日當日名列於本公司股東名冊內的股東。連同中期股息每股8.0港仙，全年股息共達每股19.0港仙(二零零一／零二年度：10.9港仙)。末期股息將於或接近於二零零三年八月十四日派發。這個派發比率與集團將除稅後溢利之50%或以上分發給股東的政策相符。(圖表四於第三十四頁)



Using "Problem Follow-up Note" to monitor daily operation
利用「問題跟進紙」監察日常運作

最佳股東資金對銷售比例之修訂

在二零零一／零二的財政年度內，董事們訂下集團在股東資金對銷售比例之「粗略指標」為1比6。經審慎評估與客戶最新的商貿模式、二零零三／零四年度的資本開支計劃(「Capex計劃」)及其他因素後，我們已調整這個指標為1比7(圖表五於第三十五頁)，並預期集團相關之淨銀行負債比率將會少於30%。以上的估計乃基於下述假設：

- 無重大的資本投資計劃；
- 無經營虧損；
- 供應商放帳期及客戶應收帳找結期無改變；
- 無重大的現金流失；及
- 即時供貨的存量無大改變。

按照上述假設，我們估計集團於二零零三年三月三十一日的股東資金需求，理論上應不多於248,283,000港元，就能足以支持1,737,979,000港元的銷售額。而去年度的實際股東資金約為352,247,000港元。





Keeping our communication line open by video conferencing during the period of SARS

於非典型肺炎肆虐期間透過視像會議與客戶們保持緊密聯繫

Managing Risk vs Seeking of the Optimal Capital Structure

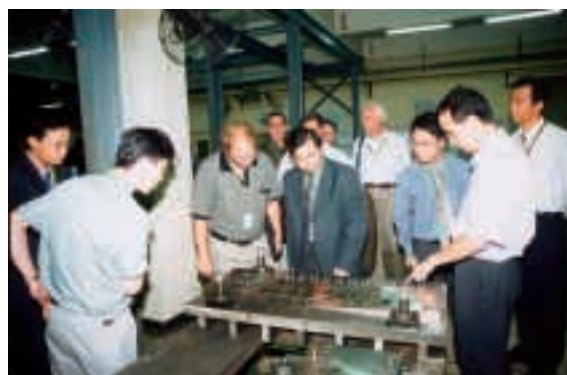
Even though the Group has paid out a total HK\$106,309,000 in terms of 2001/02 final dividend and 2002/03 interim dividend, the Group's net cash position was still positive as at 31 March 2003. This showed that the Group's business continued to generate a lot of free cash flow. In managing risk vs seeking of the optimal capital structure, the Directors have to consider the following two opposing factors:

1. The Directors are convinced that too much surplus equity capital, in addition to the problem of inefficient use of capital and thus lowering the return on equity ("ROE") ratio, may not be conducive to good corporate governance. Excess cash cushion may encourage the management to embark on risky or marginal ventures, while tight cash flow would impose a strong financial discipline in the decision-making process.
2. However, the continued economic uncertainty and the emergence of the Severe Acute Respiratory Syndrome ("SARS") have affected our strategic thinking. The Directors have to consider the possibility of grave uncertainty and totally unpredictable damages rather than just managing normal business risk.

平衡風險與追求最理想的股東資金架構

雖然集團於二零零三年度的股息現金流出(二零零一/零二年度末期股息及二零零二/零三年度中期股息)達106,309,000港元，惟集團在二零零三年三月三十一日仍保持淨現金結存；這充分反映集團業務持續帶來現金流的能力。對於平衡風險與追求最理想的股東資金架構問題，董事們認為有以下兩個相對因素要考慮：

1. 董事們相信過剩的股東資金及低效率的資金運用乃提高股東權益回報率(「ROE」)的最大障礙；這更非良好公司管治之道。過多現金或會誘使管理層趨向投資於一些高風險或邊際的商業機會上；反之，緊縮的財政狀況會加強管理層決策時在融資上的紀律。
2. 然而持續的經濟不明朗因素及非典型肺炎的出現，已影響到我們原初策略性的思維。董事們不單只要考慮一般性的商業風險，更要考慮到重大不明朗因素的可能性及其所帶來不可預計的損失。



Explaining mould fabrication process to visitors

向參觀團體講解制模工序



As such the Directors has to strike a right balance between these two opposing forces of dealing with "excess capital" vs the need to "deal with the unknown". Accordingly we have scaled back the proposed special dividend as compared to the special dividend paid last financial year. (Diagram 5 on page 35)

Special Final Dividend

Subject to the approval of the shareholders, the Directors propose the payment of a special final dividend of HK5.0 cents per share (2000/01: 6.2 cents; 2001/02: 14.1 cents). This is the Group's third consecutive special final dividend since 2000/01 (Diagram 4 on page 34). In accordance to the ground rules laid down in 2000/01 annual report, the Directors believe that the following three conditions have been met:

- having excess cash holding over the present and future requirements;
- rewarding shareholders for their support;
- improving return on equity ("ROE") ratio.

The Directors are pleased to note that since the Group's first payment of special dividend in 2000/01, more and more listed companies in Hong Kong are taking the same route of declaring special dividends to return surplus capital to the shareholders.

董事們因此在處理「過剩資金」及「應付不明朗因素」的相互角力上，要力求取得最恰當的平衡。亦因為這樣，相對於上年財政年度的特別股息，今年我們決定縮減了原先擬建議的特別股息金額。(圖表五於第三十五頁)

特別末期股息

倘若獲得股東通過，董事會建議本年度派發特別末期股息每股5.0港仙(二零零零/零一年度：6.2港仙，二零零一/零二年度：14.1港仙)。這將是集團自二零零零/零一年度以來連續第三次派發的特別末期股息。(圖表四於第三十四頁)根據集團在二零零零/零一年度的年報中提述，董事們認為已符合以下三項情況：

- 現金量遠超於目前及未來的資金要求；
- 回饋股東的支持；
- 改善股東權益回報率。

董事們亦欣聞自集團於二零零零/零一年度第一次派發特別股息以來，近期更多香港上市公司與集團看齊，派發特別股息以實行還富於股民。

股仔派高息話益股東

嘉利國際(1050)尋日公布二零零零年度業績，業績唔算特別靚，但就好慷慨咁派發特別股息6.2仙，連同末期息計算在內，每股派息就高達10仙，即係有成「一毫子」。

佢哋公司主席兼行政總裁何焯輝就以自嘲嘅口脛咁話，嘉利屬二三線股仔，雖然一向成交疏落，無乜人炒，但為咗可以回報小股東多年嚟嘅支持，所以，尋日就宣布派特別股息，以作為答謝大家嘅支持咁話。不過，佢就順帶咁補充一句，下一年度就未必一定會再派發特別股息了。

Return on Equity

While Karrie may have passed the minimum requirements in managing its own manufacturing business, it is not an expert in managing non-manufacturing investment. Considering the low interest rate at the moment, the Directors prefer to leave those high risks, high returns investment decisions to individual shareholders by returning surplus equity capital to them. Since 2000/01, the Group has paid out a total of HK\$185,626,000 amount of cash as dividend to its shareholders. If the current proposed dividend of HK\$61,039,000 is included, the total amount of dividends paid will be HK\$246,665,000, representing 80% of the shareholders' fund net of the current proposed dividend.

This careful balancing of risk management & capital structure management has propelled the Group's ROE ratio to an enviable rate of 32.7%. (Diagram 6 on page 35) The Directors are confident that Karrie does not need a much larger equity base to conduct its business in the coming year and will continue the present efficient deployment of capital.

股東權益回報率

儘管嘉利在製造業務上的表現或可冠以「合格」二字，然而非製造業務的投資實非本集團所長。以現時低息的營商環境，董事們寧選派發過剩的股本資金給股東，以讓他們個別決定是否投資於高風險但回報高的項目上。自二零零零／零一年度至今，集團已

分派股息合共185,626,000港元。若計算目前擬派發的股息61,039,000港元在內，總數共達246,665,000港元，或股東資金(減除是次擬派發的股息後)的80%。

股價大折讓歸咎管理不善

大部分出現大折讓的公司都唔值得投資，尤其係市價低於資產淨值60-75%的公司，其實係表現最差的股份。出現如此大折讓之理由乃公司管理不善也。

企業上市之前為公開招股好話說盡，做咗呢類公司小股東後捱盡幾許風雨，受盡幾許折磨，最後卻以爛茶渣價錢賣回大股東，如果唔接受？哼！有得你受。子曰，買錯股票慘過嫁錯老公。信焉。

Extracted from *The Hong Kong Economic Journal* published on 17 June 2003 (written by Mr. Cho Yan Chiu)

原文載於《信報》二零零三年六月十七日(筆者曹仁超)

我們在風險管理及股本架構上的謹慎平衡，令

集團達致32.7%極吸引的股東回報率。(圖表六於第三十五頁)董事們有信心以集團現時的股東資金水平，就足以支持來年的業務；我們會繼續保持目前有效益的股東資金管理部署。



Discussing new internal audit project

討論內部審計計劃

Corporate Governance

Recognising the changing mood in the society, the Directors have strived to improve its corporate governance.

Existing Arrangements

1. The Board of Directors is composed of eight directors, three of whom are independent non-executive directors.
2. We have made achieving a 20% ROE as part of the long term business goals.
3. We have clearly defined our dividend policy of paying out dividend representing 50% or more of our after tax profit.
4. We have consistently enhanced transparency through more disclosure on our management philosophy in our published accounts, contacts with public investors and press announcements.
5. We have delegated operational authority to the 'Executive Committee'. The Chairman of the Board and the Chief Operation Officer positions have been separately assumed by myself and Mr. Ho Cheuk Ming respectively. Other than Mr. Ho Cheuk Ming, members of the Executive Committee are all professional managers unrelated to the substantial shareholders.

企業管治

意識到社會上不斷求變的訴求，董事們已努力改善集團的企業管治狀況。

目前狀況

1. 八名董事會成員當中獨立非執行董事已共佔三席。
2. 集團已達到長遠業務目標之一——股東權益回報率達20%。
3. 集團已清楚訂定派息政策——將除稅後溢利的50%或以上作派息之用。
4. 集團已透過在年報及公告內披露更多管理哲學及接觸公眾投資者，以增加集團的透明度。
5. 董事會已授予「執行委員會」營運權力。董事會主席及營運總裁的職能亦已分開——分別由本人及何卓明先生擔任。除了何卓明先生外，所有執行委員會的成員均為非關連於主要股東的專業管理人員。



Inline quality inspection

生產線品質檢定



New Arrangements

1. The Directors have carefully balanced the pros and cons of publishing the Group's quarterly results and decided that the cost still outweighs the benefits. For one thing, the Group's business often involves prolonged discussion and managing of projects for customers, which do not always fit nicely into a three-months period. However, to improve transparency, the Directors have approved a new practice of disclosing updated quarterly turnover figures. The first such announcement for the 9 months turnover figures to 31 December 2002 was published in April 2003.
2. To improve supervision of the management, the Audit Committee will meet at the end of each quarter. This brings the frequency of audit committee meetings to 4 times a year as compared to the previous 2 times (in reviewing the interim and final accounts). The first such additional meeting was held in April 2003.
3. To enhance executive directors' commitment to the Group, all the executive directors (in association with their associates (as defined in the Listing Rules)) are encouraged to hold a minimum of 500,000 ordinary shares of the Company subjected to some transitional arrangement.

EXPENSING OPTIONS

The Group has granted its employees and other eligible participants stock options since 1999. The objective of the exercise is to enhance the commitment of the employees and others to the overall performance of the Group and thus further cementing the bond between the shareholders and the employees and other eligible participants.

However, recent development in the United States and elsewhere signals a strong movement for expensing stock options to avoid abuse. While this is not yet a mandatory

最新安排

1. 我們已審慎考慮過公佈季度業績的可行性，董事們認為目前其壞處仍比好處多，例如集團的業務因經常涉及長時間與客戶討論及項目管理，往往未能配合於一個季度的時間內。但為著增加透明度，董事會已通過披露季度營業額數據的實務安排。這最新的披露安排已在二零零三年四月份首次實行，公佈了截至二零零二年十二月三十一日止九個月的營業額數字。
2. 審核委員會已訂於每季末召開，以提高對管理層的監管。這將會使目前審核委員會的召開次數，由每年兩次增加至每年四次。這最新的安排已於二零零三年四月份首次執行。
3. 鼓勵所有目前的執行董事(及／或連同其聯繫人(釋義見《上市規則》))在過渡期後持有至少500,000股本公司股份，以增加各執行董事對集團的認同性。

將購股權作開支列出

集團自一九九九年開始向員工及其他合資格參與者授出購股權，以作為僱員整體福利的一部份。此舉旨在增加員工及其他合資格參與者的投入感，及最終提高集團的整體表現與緊扣股東與員工及其他合資格參與者的關係。

然而，觀察到美國以至其他地區的最新發展，為避免濫用購股權的情況出現，以開支報銷購股權的做法已漸漸成為趨勢。雖然目前在香港沒有這方面的



requirement in Hong Kong, the Directors are convinced that expensing options is an integral part of good corporate governance in the future. Therefore we have enlisted the help of a professional actuarial firm, which estimated the value of outstanding options granted as at 31 March 2003 was HK\$26,469,000.

No charge is recognised in the consolidated profit and loss account in respect of the value of options granted during the year.

Details of this can be found on pages 56 to 58.

Shareholders should carefully note the followings:

1. Estimating the value of outstanding options is a complicated professional matter and the estimation is made under various assumptions. For example, the Black-Scholes model, under which the option value is estimated, assumes that employee stock options are transferrable but in reality this is not the case.

規定，董事們相信在不久將來以開支列出購股權乃良好企業管治的一部份。因此，我們誠聘一間專業估值公司為我們於截至二零零三年三月三十一日止尚未行使的購股權作估值，其估值為約26,469,000港元。

綜合損益表內並無確認本年度內所授購股權的價值。

詳情請參閱第五十六頁至五十八頁。

股東需注意以下各點：

1. 推算尚未行使購股權成本是一樁非常複雜和專業的評估項目，建基於許多假設上。例如，我們選用的「柏力克－舒爾斯」期權定價權模式中的其中一項假設——僱員的購股權是可以轉讓的；但事實卻非如此。



Moving semi-finished products by automatic overhead conveyor

透過掛空式自動輸送帶運送半制成品



2. The value is a one-off value but not a recurring yearly expenses unless further options are granted. As the estimated stock option value here is computed based on the share price as at 31 March 2003, which is substantially higher than that in the previous years, the estimated stock option value should be substantially lower than the current reported figures should the computation be made at the time of the grants in the past years.
3. Disclosure has been made every year on the options granted and the dilution effect on earnings per share should such options granted were exercised.
2. 這「成本」乃一次性開支。除有新購股權授出外，不會再於每年作開支列出。是次評估所得的成本值，乃按二零零三年三月三十一日的收市價計算。由於當天的收市價相對於過去數年已有不少增幅，因此若改用過往授出購股權日的收市價作基準，我們推算實際購股權成本應遠低於這個數字。
3. 每年已披露授出購股權及其行使對每股溢利攤銷的狀況。

The Directors believe that they have made the right decision in granting such options and will grant further options when they think fit. Shareholders should note that consolidated profit attributable to shareholders jumped from HK\$25,162,000 in 1998/99 to HK\$121,043,000 in 2002/03, a 381% increase in the same period when the options were first granted.

Enhancing Stock Market Liquidity

On 23 May 2003, the controlling shareholder of the Group, Pearl Court Company Limited, has placed 60,000,000 ordinary shares of the Company to more than 6 independent institutional shareholders at HK\$1.80 per share (representing a premium of HK\$0.83 or 86% per share as compared to the net asset value of the group of HK\$0.97 per share as at 31 March 2003). After the completion of the placement, Pearl Court's shareholding of the Company is reduced from 60.79% to 45.14%. This has increased the number of shares in public hands and thus enhancing stock market liquidity. Please refer to the section headed "Substantial Shareholders" in Report of the Directors for details.

董事們相信我們在授出購股權的決定上是正確的，並會在適當的時候考慮再發購股權。股東們請留意，在一九九八／九九年度授出購股權開始，綜合股東應佔溢利已由一九九八／九九年度約25,162,000港元，攀升至二零零二／零三年度約121,043,000港元，共升了381%。

增加市場流通量

於二零零三年五月二十三日，本公司的控股股東Pearl Court Company Limited以每股1.80港元的配售價（即相對集團於二零零三年三月三十一日的每股資產淨值0.97港元，每股溢價共0.83港元或86%），配售了共60,000,000股現有本公司股份予超過六名獨立機構投資者。於配售完成後，Pearl Court的持股量由60.79%降至45.14%，大大增加了本公司股份在市場上的流通量。詳情請參閱董事會報告有關「主要股東」一欄。



Corporate Social Responsibility

This is the first time Karrie includes a formal statement of Corporate Social Responsibility in our annual report. As a responsible corporate citizen in both Hong Kong and in China, we continuously review and implement corporate social responsibility programs to promote welfare of the community we serve.

企業社會責任

這是我們首次於年報中正式加入此段有關「企業社會責任」的篇幅。嘉利作為香港及內地負責任的企業公民，我們一直默默在推行企業社會責任運動上不遺餘力。



The 1st Hope Primary School of Karrie donated by the company and its employees
由公司及員工共同捐建的第一所嘉利希望小學

1. Donation

To combat SARS in Hong Kong, the Group has made a donation to a project for purchase of protective clothing to medical staff in April 2003.

Following completion of the first “school of hope” development project funded by the Group and its staff in Guangdong He Yuan City in October 2000, Karrie and its staff have jointly funded the construction of a second village school during the year, in response to the appeal of the Feng Gang District government of Dongguan City.

1. 捐獻

與香港齊心對抗非典型肺炎，我們於二零零三年四月份撥出一筆損款以為醫護人員購買保護衣物。

嘉利與員工再度攜手資助內地的鄉鎮援建項目。繼二零零零年十月在廣東河源市捐建落成第一所「希望」小學後，再響應東莞市鳳崗鎮政府針對廣西的扶貧配套計劃，於本年度資助捐建另一所小學。

2. *Community Interest*

In September 2002, the "Dongguan City Fenggang Association of Enterprises with Foreign Investment" was established. Our independent non-executive director, Mr. Leung Wai Ho, was elected as the Chairman while I am one of the Chairmen of the Supervisory Board. The objective of the Association is to promote the relationship between foreign investors and the local community. For example, Mr. Leung and over a hundred of our employees were active participants of the "4.24 Whole-Community Cleaning Campaign" during the battle against SARS in April 2003.



Signing ceremony for the donation of the 2nd primary school
捐建第二所小學簽約儀式

3. *Environmental Affairs*

In 2001, we obtained the ISO 14001 Environmental Management System accreditation. During this consecutive year, we have not slowed down our pace in enhancing the environmental measures. For example, we tried our best effort in using environmental-friendly raw materials in product design, improving the polluted air filtering system, speeding up in response to customers' queries in environmental concerns on our products, reusing recycled waste water in toilets, etc. In addition, we have productively been influencing our suppliers to comply with the relevant environmental protection requirements. Karrie is committed to continue upgrading its business and production process to enhance protection of the environment.

2. 社會公益

「東莞市鳳崗外商投資企業協會」於二零零二年九月正式成立。該會由本公司獨立非執行董事梁偉浩先生出任主席，並由本人出任監事會主席之一。該會成立的目的是主力推動外商投資者更多參與當地的社區事務。集團鼓勵員工積極參予社會公益，例如於二零零三年四月非典型肺炎肆虐期間，梁先生與集團過百名員工便齊參與「4.24全鎮全民清潔運動」，以對抗非典型肺炎。

3. 環保事務

在二零零一年，我們獲頒 ISO14001環境管理體系認證。於這緊接的一年，我們並未鬆懈於改進集團定下的環境改善措施，例如我們在設計產品方面盡量使用環保原材料、改善排氣過濾系統、加快回應客戶對我們的產品在符合環保要求上的查詢、將經處理過的廢水回用於洗手間等；此外，嘉利更努力主動影響供應商符合相關的環保要求，以致力改良營運及生產程序並進一步保護環境。



Our production: Metal stamping
我們的生產線：五金沖壓



BUSINESS REVIEW**Metal and Plastic Business**

The Metal and Plastic Business showed signs of recovery in 2002/03. Despite a weak first half, the stronger than expected business in the second half of the year raised the turnover to HK\$843,623,000, 10% higher than 2001/02. Because of continued productivity gains and impact of operating leverage, operating profit from this division continues to be the biggest profit contributor of the Group at HK\$98,190,000 (2001/02: HK\$72,008,000)

EMS Business

Sales attributable to this newly formed division continued its momentum. Turnover was HK\$894,356,000, 130% higher than the 2001/02 turnover of HK\$388,216,000. While the EMS business now represented 51% of the Group's total turnover, operating profit was only 37% of the Metal & Plastic Business at HK\$36,395,000 (2001/02: HK\$12,446,000) because of its very low profit margin. However, with overheads shared with the long established Metal and Plastic Business, the EMS Business was still able to provide reasonable contribution to the Group.



Delivering finished goods
付運成品

Geographical Distribution

The shipment pattern of the Group continued its established practice of diversification. Western Europe continued to be the largest market of the Group, accounting for 39% of the total turnover (2001/02: 38%). Shipment to Japan declined from HK\$305,257,000 to HK\$186,783,000 while shipment to Asia (excluding Japan) increased from HK\$212,262,000 to HK\$610,529,000 principally because of the change of logistic decisions by the customers and the rapid increase in sales in the EMS Business.

業務回顧**五金塑膠業務**

五金塑膠業務在二零零二／零三年度內有復甦的跡象。儘管在上半年表現的疲弱，惟下半年的業績稍勝預期，營業額達至843,623,000港元，高於二零零一／零二年度度約10%；主要由於受惠於生產力的提升及營運槓桿效應的優勢。五金及塑膠業務所帶來的營運溢利持續成為集團最大的盈利貢獻者；本年度約98,190,000港元（二零零一／零二年度：72,008,000港元）。

電子專業代工業務

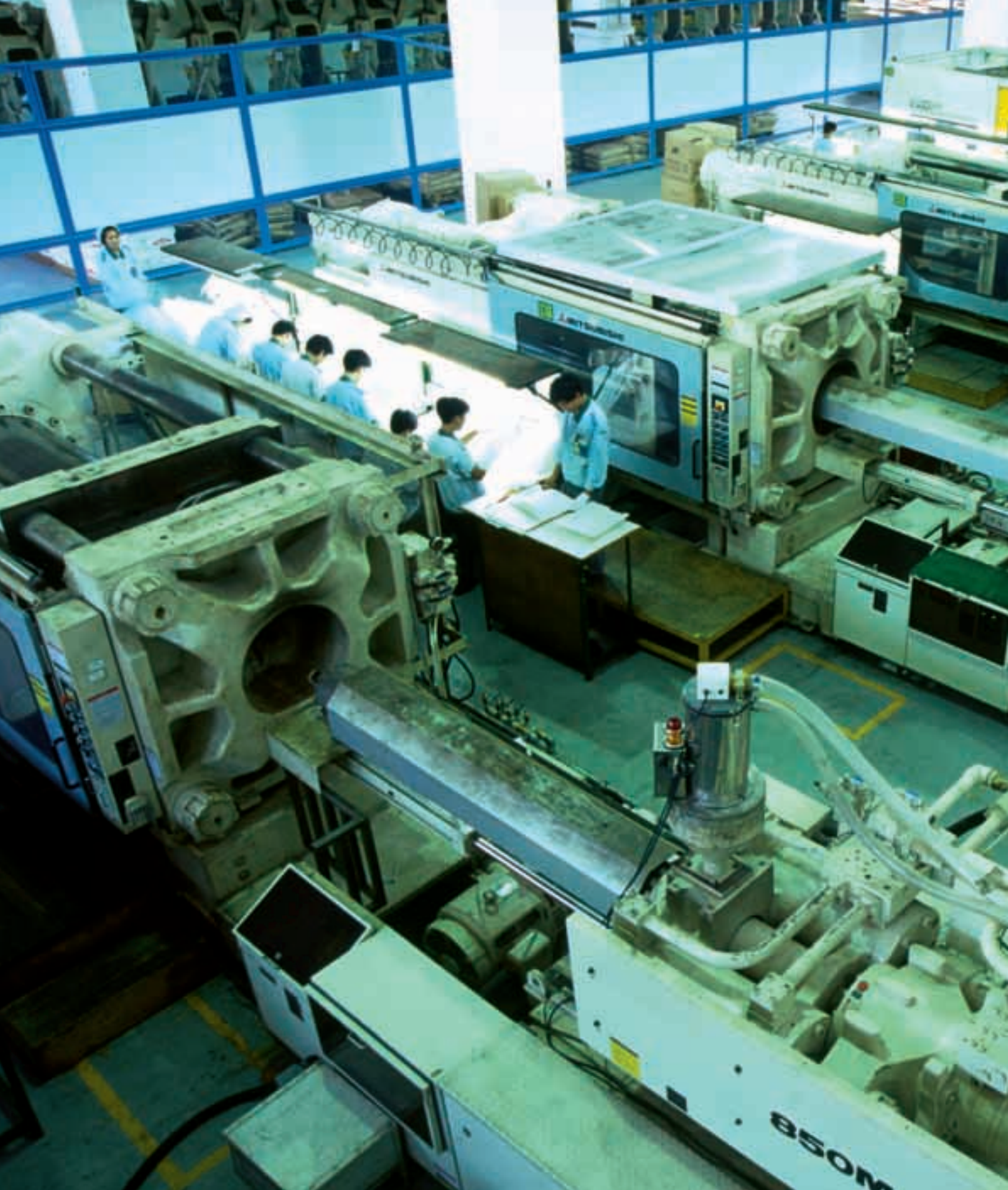
這新業務在本年度繼續保持銷售上升趨勢；營業額約894,356,000港元，較去年約388,216,000港元增加了130%。電子專業代工業務的邊際溢利甚低；即使佔了集團的營業額共51%，其所帶來的經營溢利只佔五金塑膠業務的37%，約36,395,000港元（二零零一／零二年度：12,446,000港元）。

儘管如此，因與五金塑膠業務共同分擔一般開支的成本，電子專業代工業務仍能為集團帶來合理的回報。

地域分佈

集團付運的模式繼續採取多元化方針。西歐仍然是集團最大的市場，佔集團總銷售額約39%（二零零一／零二年度：38%）。日本市場的銷售額由二零零一／零二年度約305,257,000港元降至本年度約186,783,000港元，惟亞洲市場（不包括日本）則由去年約212,262,000港元上升至本年度約610,529,000港元；這主要因為客戶改變了物流取向與及電子專業代工業務的高速增長。





Our production: Plastic injection

我們的生產線：注塑



PROSPECT

It is no denying that Severe Acute Respiratory Syndrome ("SARS") has a very profound impact on Hong Kong and the business environment. During the most difficult period in March to May 2003, we had to rely on e-mails and video conferencing to keep our contacts with customers. However, because of the engineering nature of our business, the progress of various projects has proceeded much slower than we would like. While we are confident that in the long run we would recoup the lost ground, we would want to make a more prudent view of the 2003/04 performance.

- Instead of the rapid expansion of turnover as in the past few years, we believe that the coming year is a period of consolidation and the growth in turnover will be around 10% unless the world economy shows sustained improvement.
- However, we are still keeping the long term business goal made in 2001/02 of doubling turnover in three years time, i.e. doubling the 2001/02 turnover of approximately HK\$1,156,000,000 to around HK\$2,300,000,000 in 2004/05.

Such a more modest business goal would make us more comfortable to keep our long-standing tradition of "We promise. We deliver.", whether to customers or to our shareholders.

Still Positive on Future Ahead

While the Directors do not wish to downplay the significance of continued pressure on margin and the expected slowdown of the growth rate in turnover to 10% from 30% plus annual growth rate in the past three financial years, we are still optimistic about the future for the following reasons:

1. *Improvement over the mix of business portfolio*
 - there will be new customers and new products in the EMS business;

展望

無可否認，非典型肺炎對香港及營商環境帶來了深遠的影響。在二零零三年三月至五月期間非典型肺炎肆虐，我們只得靠電郵及視像會議與客戶保持聯繫。惟我們的業務因工程主導的關係，各項項目的進展較我們所預期的緩慢。儘管我們深信長遠而言必定能收復失地，我們對二零零三／零四年度的業績仍作較保守的預測：

- 雖然過去數年營業額均有快速增長，但除非全球經濟在來年表現持續改善，我們相信來年會是我們的整固期，營業額的增幅將會約10%；
- 我們仍然會保持集團訂下的長期業務目標，即在三年內將營業額增至二零零一／零二年度的雙倍，由二零零一／零二年度約1,156,000,000港元增加至二零零四／零五年度約2,300,000,000港元。

我們認為這審慎業務目標，令董事會稍為容易地做到貫徹對客戶及股東履行集團「言而有信 一諾千金」的承諾的優良傳統。

面對未來 依舊樂觀

儘管董事們並不低估邊際毛利率的持續壓力、及來年預期營業額增長僅為10%（遠低於過往三年每年超過30%的增幅）所帶來的影響；我們對前景仍然依舊樂觀，原因是：

1. *業務組合得到改善*
 - 電子專業代工業務帶來新客戶及新產品；





Logistics planning to ensure timely delivery of raw materials and finished products
物流監控以確保生產原材料及成品適時付運



- while the growth rate of the EMS Business will decline, the Metal and Plastic Business shows renewed momentum.

In other words, the Directors have again successfully tackled the problem of customers' concentration risk and put the Group into a more broad-based growth path.

2. Identification of production bottlenecks

Based on the past year's experience and 2003/04 business projection, the Directors have approved a new capital budget plan HK\$50,000,000 as compared with the HK\$24,488,000 in the 2002/03 financial year. (Diagram 7 on page 36) The Directors have showed their confidence in the future by such raising of the Capex, the first since the end of the Capex investment cycle in 2000/01. The Group believes that it will be able to build up additional production capacity to cater for the increased shipment volume in 2003/04 and to enhance production efficiency.



Regular checking on fuel storage for in-house power generator
定期測量廠內發電機之燃油儲備

3. Improvement in Productivity

The directors are pleased on the continued productivity improvement and confident that this will continue in the future.

From the perspective of 74% increase of total dividend payments of HK19.0 cents (excluding special dividend) per share as compared to last year of HK10.9 cents, Directors continued to possess confidence in the Group's cash flow and future performance.

- 即使電子專業代工業務增長率將會放緩，惟五金塑膠業務展現了復甦的動力。

換言之，董事會已再一次成功地避過了客戶過於集中的風險並重新踏上了一條較平坦廣闊的成長路途。

2. 生產樽頸位得到確定
根據過去一年的經驗及二零零三／零四年度的業務預測，董事們已批准一筆共50,000,000港元的新固定資產預算方案（二零零二／零三年度：約24,488,000港元）。（圖表七於第三十六頁）這筆預算金額是自二零零零／零一年度資本開支周期完結以來的首次增幅，顯示了董事們對前景的信心。集團相信這筆款額將足夠用作購買額外的生產設備，以提高生產效率及應付二零零三／零四年度的付運量。

3. 生產力得以提升

董事們集團的生產力得以不斷提升表示欣喜，並有信心我們能繼續於將來持續改善。

從本年度全年股息的派發，由去年度的每股10.9港仙增加了74%至本年度的19.0港仙（除特別股息外）來看，足證董事們一直以來對集團現金流及長遠業績的信心。



May be Not Outstanding but We are willing to Take One Step More

Many of my colleagues told me that they welcome the reprieve after three years of rapid growth, when the Group's turnover jumped from HK\$661,887,000 to HK\$1,737,979,000 in 2002/03, an increase of 163%. The Directors share the same view of the need to consolidate. During the period of rapid expansion it is inevitable that we have to accept some 'controlled chaos' in staff and resources allocation, internal control procedures like subcontracting, material controls, etc. in order to meet ambitious sales targets. Now it is time to put everything in right order to prepare for the next round of rapid growth.

We wish to emphasise here this is in no way belittling the achievement of our colleagues in delivering such excellent performance to the shareholders although with various minor difficulties. A reduction of inventory period from 54 days in 2000/01 to 29 days in 2002/03 during a period of exponential growth is certainly a commendable achievement. (Diagram 8 on page 36) Still we believe that there are always grounds for improvement. For example, an internal audit department has been established in early 2002/03.

Moreover with the continued pricing pressure from customers, we can no longer rely on the old pricing model. Excess can no longer be tolerated and improvement in productivity is the name of the game. Ever since the Group's slow recovery from the disastrous years in 1998 after the Asian Financial Turmoil, Karrie has made strong improvement in productivity gain. (Diagram 3 on page 33)

The Directors will continue such productivity improvement drive by asking all our colleagues to take one step more. We are not the smartest people in the world and it is not necessary for all our staff to be the smartest people in order to deliver above-average results. What we need is everybody to take one step more than normally required.

Proactive Services Commitment

If all our staff were able to take such "proactive" steps, then we can certainly provide superb "services" to our customers and honour our "commitment" to them. We will continue to deliver of what we have promised to the satisfaction of our customers and shareholders.

或許平庸 但勝在多走一步

集團的營業額由過往三年來約661,887,000港元躍升至二零零二／零三年度約1,737,979,000港元，高速增長了163%。許多同事向我坦言，他們對緊接在高速增長後有放緩的階段表示歡迎。董事們亦認同他們的理念——這是我們整固的時候。在這段快速增長的期間，無可避免地我們得接受一些「受控混亂」的情況，出現於人力和其他資源調配上及內部監控程序上（如外判程序及物料監控等）；以達到熱切渴望的銷售目標。此時此刻為準備迎接下一輪的高速增長，正是我們將一切回復到正常軌道的時候了。

我們強調，雖然過去在生產流程中，確出現各種小問題；但各同寅為股東們作出重大的貢獻，實功不可沒。例如存貨周期由二零零零／零一年的54日縮減至二零零二／零三年度度的29日，在這段高增長時期能有如此的成績，他們實在應記一功。（圖表八於第三十六頁）然而我們相信仍有改善的空間，例如於二零零二／零三年度初，我們新成立了一個內部審核部門。

再者，以現時顧客在價格下調上持續的需求，我們不能夠再倚賴舊有的營運模式。新一輪遊戲的致勝之道乃取決於生產力的改進，舊有以提高價格作為戰略的模式就只會註定失敗。自亞洲金融風暴後，我們經過了一九九八年慘痛的一役，集團在生產力的提升上取得了顯著的成績。（圖表三於第三十三頁）

董事們將致力推動全體同事都多走一步，以繼續改進我們的生產力。我們不敢自稱為世界上最聰慧的一群，亦無必要要求每一位同事均是最精銳的人才。我們仍然能夠做出高水平的成績——這要靠的，就是我們每一位同事比別人多走一步！

主動 服務 承諾

若我們每一位同事如此事事「主動」，我們便能為客戶提供更優質的「服務」，及兌現向他們的「承諾」。我們會繼續努力向客戶及股東達到「言而有信——一諾千金」之目標。



Financial Resources

Learning from the painful lessons of the Asian Financial Turmoil, the Group has decided to consolidate its relationship with its principal bankers. While the balance has shifted in favour of the fund users at the moment, we believe that we have to prepare for the uncertain future lest such unpredictable events like SARS would suddenly alter the business environment:

1. During the year, the HSBC, Standard Chartered Bank, Hang Seng Bank and the Mizuho Bank have increased their banking facilities to the Group by 50% to 100%. Together with our cash in hand of HK\$258,205,000 as at 31 March 2003, the Group is confident in meeting its current and future funding requirements.
2. In line with our tradition of transparency, our bankers are constantly kept informed of our business plan. We are also actively managing our relationship with our financiers to ensure that all of them getting a fair share of revenues.
3. After careful deliberation, we have decided that Karrie does not need a syndicated loan at the moment. However, to maintain/enhance our current ratio, we have obtained a 5-year installment loan facilities of HK\$75,000,000 from the HSBC (HK\$40,000,000) and the Standard Chartered Bank (HK\$35,000,000) at a very competitive rate to meet the new Capex plan and other long term projects funding requirements. (Such loan facilities remain undrawn as at 30 June 2003)

The Group's gearing ratio is 60%(2001/02: 47%), representing the total bank borrowings divided by the shareholders' equity. If the cash/bank balance is included, the Group's gearing ratio will be in negative %. As at 31 March 2003, the Group has a cash and bank balance of HK\$258,205,000 (2001/02: HK\$228,118,000) and the total bank borrowings is HK\$224,515,000 (2001/02: HK\$167,020,000), resulting in a net cash/bank balance of HK\$33,690,000 (2001/02: HK\$61,098,000).

財政資源

經過亞洲金融風暴後的慘痛教訓，集團已決定整固與主要往來銀行的關係。雖然目前已轉變為用家市場，我們相信為不明朗的因素作準備是必要的，因類似非典型肺炎不可預計的情況或會突然影響這個營商環境：

1. 於本年度，香港上海滙豐銀行、渣打銀行、恆生銀行及瑞穗實業銀行已增加集團的銀行融資額，由50%至100%不等。加上於二零零三年三月三十一日止年度的手頭現金約258,205,000港元，集團有信心能應付現時及未來的資金需求。
2. 配合集團具透明度的傳統，我們經常向往來銀行匯報我們的業務計劃。我們主動與信貸機構保持良好的關係而確保他們均獲得合理的生意回報。
3. 經過慎重的考慮，我們認為嘉利目前並不需要籌組銀團貸款。然而，為保持甚或提高我們的流動比率，我們已取得一個75,000,000港元、以相當吸引利率共五年期的分期貸款額(分別由滙豐銀行提供40,000,000港元及由渣打銀行提供35,000,000港元)，以應付最新的資本開支計劃及其他長期項目的資金要求。(此分期貸款額於二零零三年六月三十日仍未提取)

本集團之總銀行負債與股東權益比率為60%(二零零一/零二年度：47%) (即總銀行借貸除以股東資金)。如計入現金及銀行結存，本集團之負債與股東權益比率會出現負百分率。截至二零零三年三月三十一日止本集團持有現金及銀行結存共258,205,000港元(二零零一/零二年度：228,118,000港元)及總銀行借貸共224,515,000港元(二零零一/零二年度：167,020,000港元)，令淨現金及銀行結存達至33,690,000港元(二零零一/零二年度：61,098,000港元)。



CONTINGENT LIABILITIES

As at 31 March 2003, the Group had no significant contingent liabilities.

EXCHANGE RATE EXPOSURE

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar, US dollar or Renminbi. As the exchange rates of the Hong Kong dollar, US dollar and Renminbi were relatively stable during the year, the Group was not exposed to material exchange risk. As at 31 March 2003, the Group's US-dollar assets exceeded its US-dollar liabilities by US\$43,742,000.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2003, the Group employed in average 4,995 staff and workers in the year. Employees' remuneration is determined in accordance with prevailing industry practice and their performance and experience. Discretionary bonus will be awarded to employees who demonstrated good performance under a reward evaluation policy and linked up with the Group's performance. Other staff benefits include medical insurance and mandatory provident fund. Besides, two share option schemes were adopted in 1996 and 2002 respectively under which share options were/will be granted to certain employees as incentive and award for their contribution to the Group. No further options will be granted under the 1996 Share Option Scheme upon its termination on 21 May 2002.

APPRECIATION

I would like to thank our customers, suppliers, bankers, shareholders and others who have extended their invaluable support to the Group, and my fellow directors, managers and all staff for their considerable contributions to the Group.

Ho Cheuk Fai
Chairman

Hong Kong, 30 June 2003

或然負債

截至二零零三年三月三十一日止，本集團並無重大或然負債。

匯兌風險

集團所有資產、負債及交易均以港元、美元或人民幣計算，由於年內港元、美元及人民幣之匯率一直維持穩定，故此集團並無任何重大的匯兌風險。截至二零零三年三月三十一日止，集團的美元資產較美元負債多出43,742,000美元。



Our production: EMS products assembling

我們的生產線：電子代工產品組裝

僱員及薪酬政策資料

於二零零三年三月三十一日，集團全年平均共聘有僱員總數約4,995名。僱員薪酬一般參考市場標準及僱員表現釐定，集團並會根據公司之業績表現透過獎賞評核政策，對有良好表現之員工發放花紅。其它員工福利包括醫療保險及強制性公積金。此外，集團設有於一九九六年及二零零二年採納之兩項購股權計劃，並選定若干有優秀表現及貢獻之僱員授予購股權，惟公司不可再根據一九九六年的購股權計劃的條款授予購股權。因該計劃已於二零零二年五月二十一日被終止。

致謝

本人謹向一直鼎力支持集團的所有客戶、供應商、往來銀行、股東、以及所有給予本公司支持者致以衷心致謝。此外更感謝一直為集團作出寶貴貢獻之董事、經理及員工們。

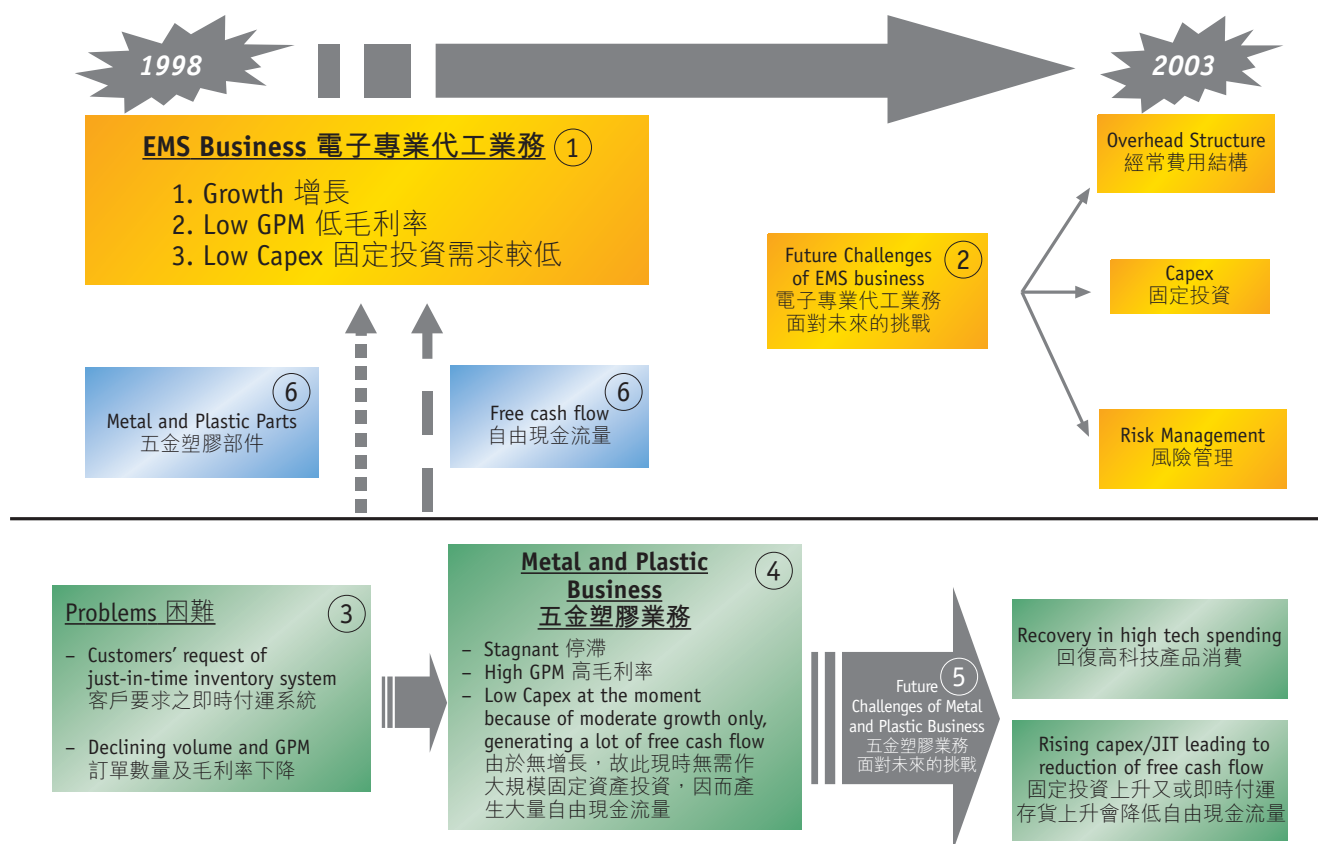
何焯輝
主席

香港，二零零三年六月三十日



Diagram 1. A Simplified Graphic Illustration of "Twin Business Model"

圖表一.「雙軌業務經營模式」簡易圖表說明



Explanatory Notes to the Simplified Graphic Illustration of Karrie's "Twin Business Model"

嘉利的「雙軌業務經營模式」簡易圖表的解說

- Electronic Manufacturing Services ("EMS") Business
 - EMS Business grows from HK\$48,000,000 in 2000/01, HK\$388,216,000 in 2001/02, HK\$894,356,000 in 2002/03 or 17 times in three years.
 - Normally EMS Business carries a gross profit margin of less than 10%.
 - For Karrie, EMS Business does not require a large amount of capital expenditure.

- 電子專業代工業務(EMS)
 - 電子專業代工業務之銷售從二零零零/零一年的48,000,000港元，躍升至二零零一/零二年之388,216,000港元，而二零零二/零三年則是894,356,000港元，三年間共增長了十七倍。
 - 一般而言電子專業代工業務的毛利率低於10%。
 - 對於嘉利而言，電子專業代工業務無需大量的資本投資。

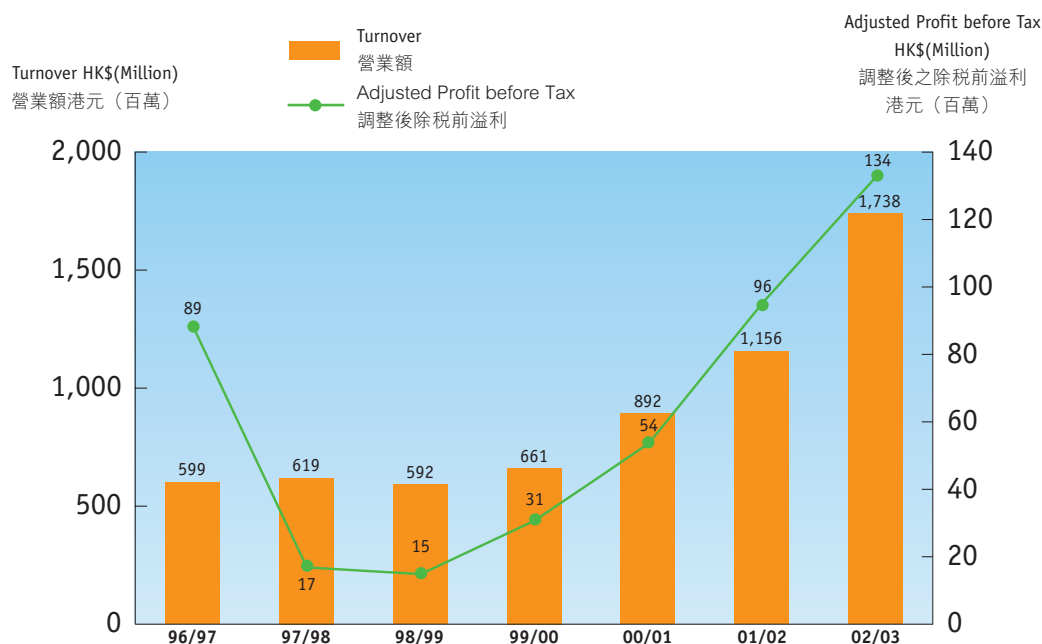


2. Future Challenges of the EMS Business
- To maintain a lean and mean overhead structure in face of the very low gross profit margin.
 - To keep capital expenditure low in face of rapid expansion of the EMS Business.
 - To monitor the operating (inventory and performance), financial (receivables, liquidity mis-match and liability) and customer concentration risk in view of the poor economic environment.
3. Problems faced by the Metal and Plastic Business
- Some customers request that finished goods be shipped to overseas warehouse under the just-in-time ("JIT") inventory system. This adds to both the financial burden and risk.
 - Due to poor economic environment, both price and volume are under pressures.
4. Metal and Plastic Business
- Until recently business was stagnant showing no sign of significant growth potentials.
 - However, because of the Group's prior investment in fixed assets, the Metal and Plastic Business is able to maintain a relative high gross profit margin of around 20%.
 - With the completion of the investment cycle and little potential for growth, the Metal and Plastic Business is currently generating a lot of free cash flow.
5. Future Challenges of the Metal and Plastics Business
- To maintain the existing level of business pending the resumption of high tech spending.
 - To balance the rising capital expenditure requirements against the need to finance the rapid growth of the EMS Business.
6. Interface between the Metal and Plastic Business and the EMS Business
- The Metal and Plastic Business is complimentary to the EMS Business as it
- Manufactures metal and plastic parts for the EMS Business.
 - Generates free cash flow to support the working capital requirements of the EMS Business.
2. 電子專業代工業務面對未來管理上的挑戰
- 由於毛利率低，故此必須嚴格控制營運架構的規模。
 - 在電子專業代工業務迅速膨脹之時，仍須將資本性開支維持於低水平。
 - 面對著疲弱的經濟環境，嚴格監察營運(包括存貨及生產)，財務(包括應收帳、淨銀行負債及流動資金錯配)及客戶過份集中的風險。
3. 五金塑膠業務所面對的困難
- 有些客戶要求將成品以即時供貨的形式交易，這種形式的交易加重了財務負擔及風險。
 - 鑑於現時經濟環境及高科技產品需求均表現疲弱，無論是價格與及訂單數量均有受壓。
4. 五金塑膠業務的現況
- 直至最近業務表現未有大幅回升的跡象。
 - 由集團早已作出之固定資產投資，使五金塑膠業務仍能保持約20%的毛利率。
 - 由於已完成了投資階段，而增長潛力又不大，五金塑膠業務能夠提供大量的自由現金流轉。
5. 五金塑膠業務面對未來管理上的挑戰
- 維持現有生產規模，以待市場未來恢復高科技設備支出的訂單需求。
 - 平衡固定資產開支、即時供貨及電子專業代工業務的急促發展等之大量的資金需求。
6. 五金塑膠業務與電子專業代工業務的融合介面
- 五金塑膠業務與電子專業代工業務可說是相輔相成的，因為
- 電子專業代工業務都需要五金及塑膠的部件。
 - 五金塑膠業務產生出來的自由流轉現金可支援電子專業代工業務對流動資金的需要。



Diagram 2. Turnover & Profit Before Tax adjusted for Stock Provision & (Gain)/Loss on Fixed Assets Disposal

圖表二. 營業額及除稅前溢利(經調整存貨準備和出售固定資產(盈)/虧後)



	96/97 HK\$(m) 港元 (百萬)	97/98 HK\$(m) 港元 (百萬)	98/99 HK\$(m) 港元 (百萬)	99/00 HK\$(m) 港元 (百萬)	00/01 HK\$(m) 港元 (百萬)	01/02 HK\$(m) 港元 (百萬)	02/03 HK\$(m) 港元 (百萬)
Turnover 營業額	599	619	592	661	892	1,156	1,738
Profit before Tax 除稅前溢利	95	17	21	24	30	85	133
<i>Add back adjustment for:</i> 調整 :							
(a) Stock provision/(Write-back) 存貨準備/(回撥)	4	0	(6)	7	9	0	1
(b) (Gain)/Loss on fixed assets disposal 出售固定資產(盈)/虧	(10)	0	0	0	15	11	0
Adjusted profit before tax 調整後之除稅前溢利	89	17	15	31	54	96	134



Diagram 3. Increase in Productivity 1997-2003

圖表三. 提升生產力 1997-2003

- 1 Invested over HK\$300m since 1998 in fixed assets.
自1998年投資超過3億港元於固定資產。
- 2 Engaged in a continuing re-structuring program including delayering, staff enhancement programme, staff natural attrition, establishment of independent business units and process re-engineering.
持續性之業務重組工作, 包括精簡架構、員工增值計劃、員工自然流失、成立獨立業務專組及改善生產流程。

While there is no best common denominator in measuring improvement in productivity for the Group, we are able to use surrogates to indicate the gigantic changes. Please note that such figures indicate the "trend" only but not necessarily the actual "magnitude".

雖然集團並無一些百份百準確的基制作為量度上述措施的成效, 但可從其他數據中顯示出當中所帶來的變化, 這些數字僅反映當中的「走勢」, 而並非實質的「幅度」。



Examples of increase in productivity

生產力提升之例証

(per employee) per annum (每年人均) 計算	2003	Change % 變幅	2002	Change % 變幅	1997
Turnover 銷售額 (HK\$)	348,000	+ 26%	277,000	+95%	142,000
Output of casings (pcs) 電腦外殼生產數量 (件)	493	+1%	489	+379%	102
Output of casings + EMS products (pcs) 電腦外殼+ 電子代工產品數量 (件)	633	+11%	568	+457%	102



Diagram 4. Dividend Policy We pay high and dependable dividends

圖表四. 股息政策 高「息」政策，奉為圭臬

Group's policy to distribute 50% or more of its consolidated profit attributable to shareholders' as dividend
集團既定股息政策為綜合股東應佔溢利50%或以上用作派息

Six Years' Trend of Dividend Payment

All dividends paid shown below are in HK cents per share

過去6年派息資料參考

下列每股派發的股息全以港仙計算

	Interim Dividend	Final Dividend	Dividend Subtotal	Special Interim Dividend	Special Final Dividend	Special Dividend Subtotal	Total	Dividend Payout Ratio	
	中期股息	末期股息	股息小計	特別股息	特別股息	特別股息 小計	合計	(Excluding) [*] (不包括 在內)*	(Including) [#] (包括 在內)#
1997/98	Nil 無	1.00	1.00	Nil 無	Nil 無	Nil 無	1.00	13%	N/A 不適用
1998/99	2.00	2.00	4.00	Nil 無	Nil 無	Nil 無	4.00	58%	N/A 不適用
1999/00	2.20	2.20	4.40	Nil 無	Nil 無	Nil 無	4.40	77%	N/A 不適用
2000/01	1.10	3.80	4.90	Nil 無	6.20	6.20	11.10	69%	156%
2001/02	5.00	5.90	10.90	5.00	14.10	19.10	30.00	50%	138%
2002/03	8.00	11.00	19.00	Nil 無	5.00	5.00	24.00	60%	75%

* Excluding special dividend

Including special dividend

* 不包括特別股息

包括特別股息



Diagram 5. Equity to Turnover Ratio

圖表五. 股東資金與銷售比例

Simplified Diagram showing relationship between Group's Net Gearing Ratio and Return on Equity Ratio
簡易圖表說明集團股東權益回報率與淨銀行負債比率之關係

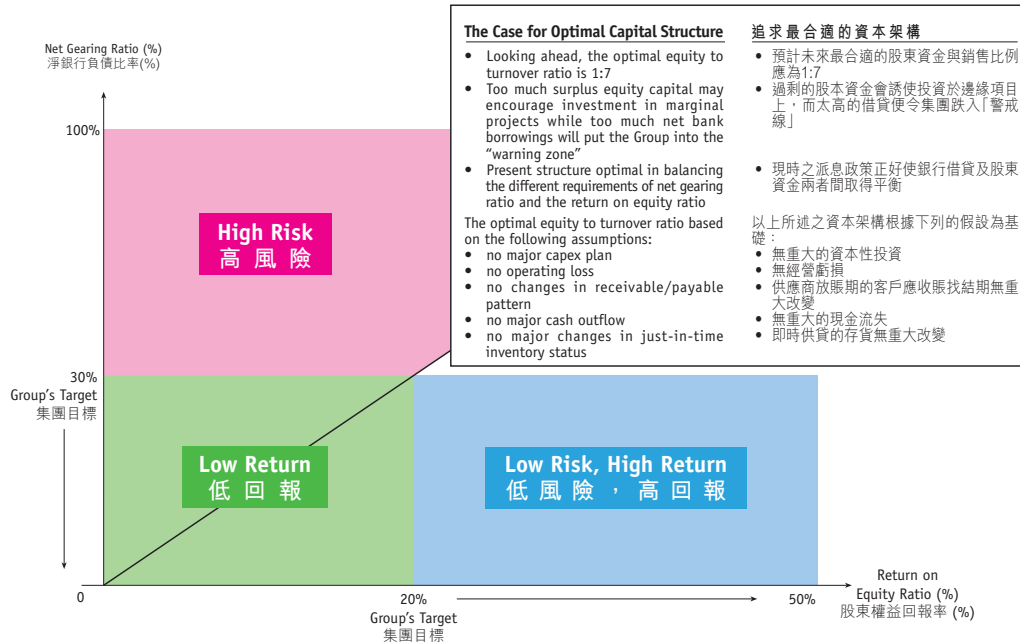
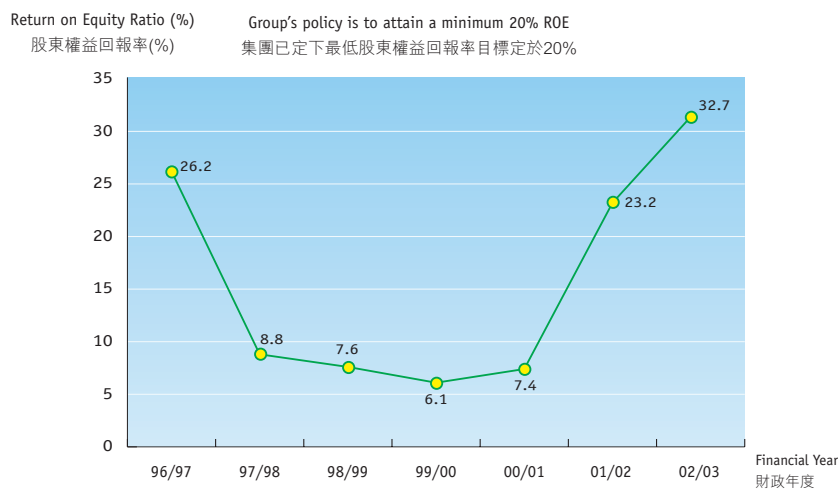


Diagram 6. Return on Equity Ratio

圖表六. 股東權益回報率

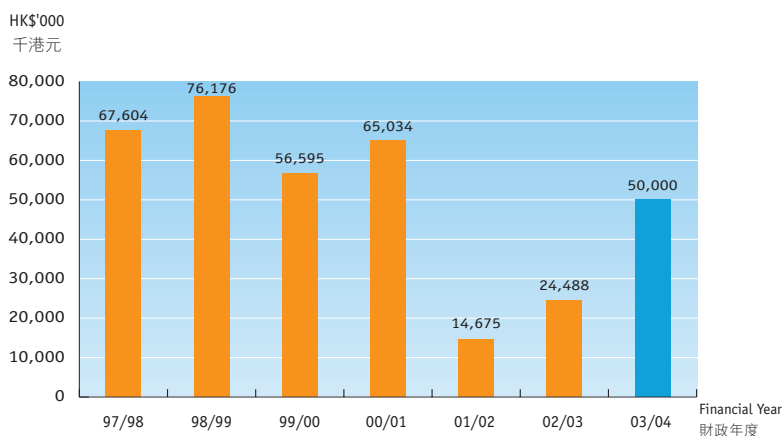


	96/97	97/98	98/99	99/00	00/01	01/02	02/03
Profit after Tax	81	28	25	21	26	82	121
Shareholders' Equity	310	318	332	339	356	352	371
Return on Equity Ratio (%)	26.2	8.8	7.6	6.1	7.4	23.2	32.7



Diagram 7. Capex

圖表七. 資本性開支

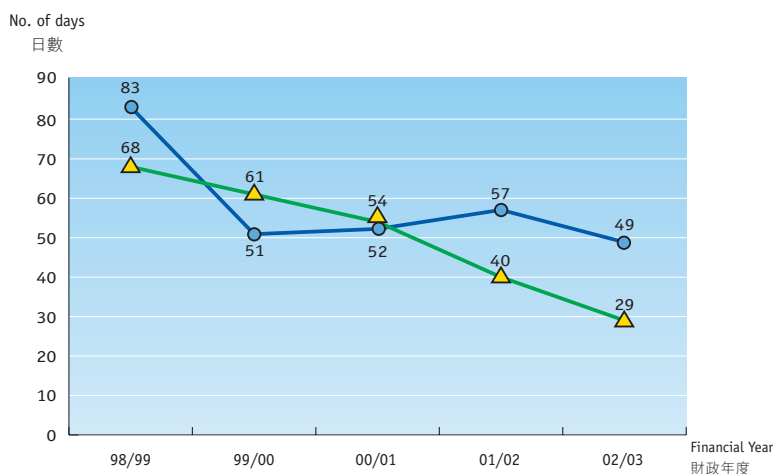


	97/98	98/99	99/00	00/01	01/02	02/03	03/04*
Capex HK\$'000	67,604	76,176	56,595	65,034	14,675	24,488	50,000

* 03/04 Budget
* 03/04預算開支

Diagram 8. Inventory & Debtor Turnover Period

圖表八. 存貨及應收帳週轉期



(no. of days) (日數)	98/99	99/00	00/01	01/02	02/03
Inventory* ▲ Turnover Period 存貨週轉期*	68	61	54	40	29
Debtor* ● Turnover Period 應收帳週轉期*	83	51	52	57	49

* Inventory Turnover Period (Based on average stock value/Sales) X 365 days
Debtor Turnover Period (Base on average debtors/Sales) X 365 days

*註：存貨週轉期（以平均存貨值／銷售價值）X 365日
應收帳週轉期（以平均應收帳／銷售價值）X 365日

