

OVERVIEW

The Group reported satisfactory result for the year ended 31 March 2003. Total sales turnover was HK\$3,074 million, an increase of 8% as compared to last year. In addition, net profit for the year rose to HK\$230 million, representing an increase of 4.5% over last year. The EMS division continued to perform steadily and was still the major revenue contributor of the Group, it contributed approximately 93.2% of the turnover of the Group. The Motorcycle division remained a non-core business of the Group and recorded a gross profit of HK\$10 million.

FINANCIAL PERFORMANCE

For the year ended 31 March 2003, the Group attained a record high operating profit of HK\$242 million, which was slightly higher than last year.

Steady performance for the Group was mainly driven by the following factors:

1. Consistent demand for low cost electronics products in the mass market segment.
2. The Group continued to expand its customer base and maintained close working relationship with existing customers.
3. Gross profit margin maintained at a steady level of 11.8%, mainly attributable to:
 - Tighter cost control and strong economies of scale
 - The Group's vertical integration strategies, which made just-in-time production possible, resulted in multiple benefits including low inventory levels and lower transportation costs

概覽

截至二零零三年三月三十一日止年度，本集團再創佳績，總銷售額達至3,074,000,000港元，較去年上升8%。同時，本年度純利亦增加至230,000,000港元，較去年上升4.5%。EMS部門表現持續穩定，仍為本集團盈利之主要來源，約佔本集團營業額93.2%。電單車部門為本集團之非核心業務，仍保持錄得毛利10,000,000港元。

財務表現

截至二零零三年三月三十一日止年度，本集團錄得之經營溢利刷新過往年度之紀錄，達242,000,000港元，略高於去年水平。

本集團營運表現穩定，乃基於以下各個因素：

1. 大眾化市場對於價格相宜的電子產品需求穩定。
2. 本集團不斷擴闊客戶基礎，並且與現有客戶保持緊密合作關係。
3. 毛利率仍能維持於11.8%穩定水平，主要由於：
 - 相對嚴謹的成本控制及強大的經濟規模效益
 - 集團之垂直綜合策略，使適時生產得以實行，達至多方面的利益，包括低存貨水平及較低之運輸費用

4. Strong financial control and proactive cash management policies led to high liquidity and preferable lending terms from major banks.

4. 穩健的財務監控及積極進取的現金管理政策，確保集團具備充裕的流動現金，並獲得主要往來銀行給予較優惠之借貸條款。

WORKING CAPITAL MANAGEMENT AND DIVIDEND POLICY

The Group maintained bank balances and cash of HK\$293 million as at 31 March 2003 and working capital utilization continued to be efficient. The Group's inventory turnover decreased to 40 days in the year (2002: 48 days) and trade receivables turnover remained low at only 19 days (2002: 22 days).

The strong liquidity supported by the rich cash surplus enabled the Board of Directors to make a total dividend of about 48.3% of the net profit for the year while maintaining an optimal gearing position on one hand and maximizing the overall return for shareholders on the other.

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, cash available after dividend payments must be sufficient to match the Group's future capital requirements.

營運資金管理及股息政策

於二零零三年三月三十一日，本集團之銀行結存及現金維持293,000,000港元及繼續有效地善用營運資金。本集團於本年度之存貨流轉期減至40日(二零零二年：48日)及應收貿易賬款流轉期維持於19日之低水平(二零零二年：22日)。

本集團穩健之流動資金及充裕之現金盈餘使得董事會於本年度宣派合共佔本年度純利約48.3%作為股息，因此可一方面維持理想之資產負債狀況，而另一方面亦可給予各股東最大之回報。

董事會認為，派付不超過純利50%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須足以應付本集團未來之資金需求。

FINANCING AND CAPITAL STRUCTURE

Strong cash management, along with declining interest rates driven by the downturn in the US market, contributed to a significant finance cost saving of HK\$3 million as compared to last year.

The Group managed a low level of debt balances as evidenced by the decrease in the gearing ratio from 0.21 to 0.20, calculated based on the total borrowings to the shareholders' equity, and total debts stood at HK\$217 million as at 31 March 2003.

In May 2002, the Group entered into a four-year syndicated loan agreement with six banks for the amount of HK\$210 million. The facility has been applied mainly for the purpose of financing the land and construction costs of Qingyuan Ngai Lik Industrial Estate. As at 31 March 2003, HK\$120 million was already drawn by the Group in order to maintain flexibility in day-to-day liquidity and funding, the Group has also been provided with several significant uncommitted short-term borrowing facilities by its relationship banks. There are, however, no immediate needs for borrowings of any material amount. The Group considers its financial resources to be adequate to support the business development in the coming year.

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

融資及股本架構

憑藉嚴謹之現金管理，加上美國市場低迷引致息率下調，本集團之融資成本較去年大幅節省3,000,000港元。

於二零零三年三月三十一日，本集團之資產負債比率由0.21下降至0.20（按借貸總額除以股東權益計算），可見本集團致力保持低水平之債務結餘，而總債務仍維持於217,000,000港元。

於二零零二年五月，本集團與六家銀行簽訂一份210,000,000港元之銀團貸款協議，為期四年。該筆貸款主要用作支付清遠毅力工業村之土地及建築費用。於二零零三年三月三十一日，本集團已提取120,000,000港元。為確保日常現金流動性及保持動用資金之彈性，本集團亦獲其往來銀行提供多項重大無定額短期借貸融資，然而，本集團現毋須作任何重大借貸。本集團認為其財務來源足以應付未來一年之業務發展。

由於本集團之借貸主要以港元定值，因此並毋須承擔重大外匯波動之風險。

LIQUIDITY AND FINANCIAL RESOURCES

The net current assets as at 31 March 2003 remained strong and achieved a level of HK\$331 million. The shareholders' funds further increased from HK\$936 million to HK\$1,063 million as at 31 March 2003.

The sound financial position was mainly attributed to the strong earnings for the year as well as the effective financial management of the Group.

EXCHANGE EXPOSURE

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

流動資金及財政資源

於二零零三年三月三十一日，本集團之流動資產淨額仍然豐裕，錄得331,000,000港元。於二零零三年三月三十一日，股東資金進一步由936,000,000港元增加至1,063,000,000港元。

本集團擁有穩健財務狀況，全賴本年度所賺取之豐厚利潤及本集團之有效財務管理。

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，匯兌風險得以適當控制。