

# CHAIRMAN'S STATEMENT

## 主席報告書



主席劉錫康先生  
Chairman, Mr. Lau Sak Hong, Philip



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### 財務業務

於本年度，集團錄得營業額約十六億四千七百萬元（二零零四年：十八億三千七百萬元），下跌10.3%。毛利對比前年亦下跌24%。股東應佔溢利比前年下跌49.5%至50,548,000港元（二零零四年：100,065,000港元）。

### 末期股息

董事局建議派發截至二零零五年三月三十一日止年度之末期股息每股2港仙（二零零四年三月三十一日止年度：3.5港仙）給予於二零零五年九月十五日在股東名冊上之股東。在股東週年大會通過末期股息後，股息單將於二零零五年九月二十二日左右寄予各股東。

### 業務回顧及展望

#### 電子部門

本財政年度業績倒退，主要因為營業額減少。集團美國之主要客戶，鑑於二零零四年聖誕之銷售不甚理想，故推遲二零零五年第一季度訂單，造成集團於截至二零零五年三月三十一日止年度之營業額下降。

原材料價格上漲，亦影響集團邊際利潤。上半年度，主要零件隨機記憶體(RAM)價格大幅上升，塑膠原料價格亦高企，塑膠原料平均佔電子產品原料總值達10%以上，對產品利潤影響甚大。下半年RAM之價格下降，惟塑膠價格仍然持續高企，而彩色電視顯像管，亦因供應短缺而價格上揚，對集團盈利造成負面影響。幸好電視顯像管於二零零五年首季開始，供應穩定，價格開始下降。

#### 證券買賣

本年度部門業務主要為減持部份證券組合及增持少量債券。

#### 物業發展

本年度部門業務主要為推售餘下少量單位，並錄得約452,000港元虧損。

### FINANCIAL RESULTS

During the year, the Group recorded a turnover of approximately HK\$1,647 million (2004: HK\$1,837 million), representing a decrease of 10.3%. Gross profit also decreased by 24% as compared to last year. Profit attributable to shareholders decreased 49.5% from last year to HK\$50,548,000 (2004: HK\$100,065,000).

### FINAL DIVIDEND

The Directors have recommended a final dividend of HK2 cents per share for the year ended 31 March 2005 (Year ended 31 March 2004: HK3.5 cents per share) to shareholders on the register of members on 15 September 2005. Subject to the approval of the final dividend at the forthcoming annual general meeting, dividend warrants will be sent to the shareholders on or about 22 September 2005.

### BUSINESS REVIEW AND PROSPECT

#### Electronics Division

The backward results recorded in the financial year was mainly attributable to the decrease in turnover. Our major customers in the United States deferred their orders for the first quarter of 2005 due to unsatisfactory sales in Christmas 2004, resulting in a decrease in the turnover of the Group for the year ended 31 March 2005.

The surge in the prices of raw materials also brought pressure to the profit margin of the Group. During the first half of the year, prices of Random Access Memory (RAM), an essential component, rose sharply and the prices of plastic resin, the costs of which account for more than 10% of the total costs of raw materials of electronic products, remained high which considerably affected the profit margin of the products. Although the prices of RAM dropped in the second half of the year, the increased prices of plastics stood still while the prices of CRT used in color TV were driven up by its under-supply, all posing adverse effect to the profit of the Group. Fortunately, the supply of CRT stabilised in the first quarter of 2005 and the prices went down accordingly.

#### Securities Trading

During the year, the division were mainly operated to reduce its securities portfolio and to increase the holding of certain bonds.

#### Property Development

The division mainly engaged in the sale of its remaining few flats and recorded a loss of HK\$452,000.



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### 展望

從二零零五年第二季開始，電子消費品市場之經營環境逐步改善，美國市場之訂單錄得滿意增長，原材料成本除塑膠原料價格仍高企外，其他原件價格亦逐步回落。集團估計來年營業額之增長主要來自影視產品，為於艱鉅經營環境中取得理想成績，集團集中發展毛利率較高產品。電視DVD組合、7寸及8寸TFT可攜式DVD機銷售理想，而10寸TFT可攜式DVD機亦將推出。此等影視產品，估計市場需求殷切，毛利率較高，而原材料中包含塑膠原料比例較少，故競爭力較強。另外，集團亦計劃於二零零六年開始製造LCD電視機及LCD電視機連DVD組合，預計可進一步刺激市場對本集團產品的需求及增加營業額。

本集團過去1年以Hyundai品牌推銷家居產品，現已取得可觀定單，估計帶來可觀收益。

面對國內生產成本上漲之壓力，集團過去二年增加資本開支，額外增購自動生產機器，增強生產程序自動化程度，減少過份依賴人工密集生產程序。並聘請專業顧問，全面改良集團生產流程，提高生產效率，經調整後，因為工廠受僱員工，從二零零四年三月三十一日時之9,143人減少至二零零五年三月三十一日時之5,864人，員工減少並未對產量產生重大影響，所節省工資支出，使集團產品更具競爭力。

### PROSPECTS

The business environment of electronic consumer products has shown gradual improvement since the second quarter of 2005 with encouraging growth in sales orders from the United States. Furthermore, the prices of electronic components other than plastic materials decreased. The Group expects that video products will be the major driver for the turnover in the coming year. Thus, the Group will focus on products with better profit margins in order to achieve a satisfactory result in the difficult operating environment. The Group recorded an encouraging sales of DVD television combos and 7" and 8" TFT portable DVDs. The 10" TFT portable DVDs will be launched soon. Great demand for these video products with higher profit margins is expected and the competitiveness of the products will be enhanced due to the lower proportion of plastics to raw materials used in the production. Furthermore, the Group intends to commence production of LCD TVs and DVD LCD television combos in 2006, which is expected to stimulate the demand and the sales for the Group's product.

The Group has for the past one year engaged in the sales of home improvement products under the brand name of Hyundai. Considerable orders has been secured and is expected to bring remarkable gains.

In the face of surging production costs in the Mainland, the Group increased its capital expenditure to purchase additional automatic machineries during the past two years so as to enhance the level of automation in its production process and reduce reliance on manual labour. The Group also engaged professional consultants to refine the overall production process of the Group to increase its efficiency, after which, the number of employees in our Mainland factory dropped from 9,143 as at 31 March 2004 to 5,864 as at 31 March 2005. Such reduction has no impact on production capacity. As a result, the competitiveness of the Group's products is enhanced with savings in its labour costs.



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## 財務狀況

### 流動資金及財務資源

本集團之財務狀況保持強勁。於二零零五年三月三十一日，現金及存款及有價證券約九千一百萬港元，而去年則約九千二百萬港元。

利息開支由去年度之約六百萬港元增加至本年度之約六百七十萬港元，本年度之盈利對利息倍數為9.5倍（二零零四年：18倍）。

以總借款對比股東資金計算之資產負債比率為0.43（二零零四年：0.53），而本年度銀行借款淨額佔股東資金之百分比則為0.08（二零零四年：0.08）。按流動資產對比流動負債計算之流動比率由去年度之1.8增至本年度2。

### 財務及資本架構

本集團乃以保留盈利及銀行借款作為營運資金。本公司若干購股權獲行使而發行7,455,632股新股份，合共帶來現金流入約2,982,253港元。

於二零零五年三月三十一日，本集團獲授之銀行融資信貸總額達五億零七百萬港元，已動用其中一億一仟萬港元。所有銀行借款均以港元或美元為單位，並按現行市場利率計息。

由於集團絕大部份交易均以美元或港元為結算單位，匯兌風險很低。

人民幣匯率的變動，暫時預計對集團未有重大影響。

### 資本開支

於本年度，本集團投資約五千八百萬港元用於購買機器及儀器。

於二零零五年三月三十一日，本集團已簽訂資本開支6,310,000港元。

## FINANCIAL POSITION

### Liquidity and Financial Resources

The financial position of the Group remained strong. As at 31 March 2005 cash and deposits and marketable securities amounted to HK\$91 million, as compared to HK\$92 million last year.

Interest expenses for the year increased to approximately HK\$6.7 million from last year approximately HK\$6 million, with an interest coverage of over 9.5 times for the year (2004: 18 times).

Gearing ratio, calculated as total borrowings to shareholders' fund was 0.43 (2004: 0.53), and net bank borrowings as a percentage to Shareholders' fund was 0.08 for the year (2004: 0.08). Current ratio calculated as current assets to current liabilities rose from 1.8 in last year to 2.0 for this year.

## FINANCING AND CAPITAL STRUCTURE

The Group finance its operations by a combination of retained earnings and bank borrowings. The Company issued 7,455,632 new shares as a result of the exercise of certain share options of the Company and obtained a cash inflow of about HK\$2,982,253.

As at 31 March 2005 total banking facilities granted to the Group amounted to HK\$507 million of which HK\$110 million were utilized. All bank borrowings are denominated in Hong Kong dollars or US dollars at prevailing market interest rate.

Group's transactions were mostly denominated in US dollars and Hong Kong dollars. The exposure to exchange risk was minimal.

It is estimated that the change of exchange rate of Reminbi has no significant impact to the Group for the time being.

## CAPITAL EXPENDITURE

During the year, the Group invested approximately HK\$58 million in purchase of plant and machinery and equipments.

As at 31 March 2005, the Group has committed capital expenditure of HK\$6,310,000.



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### 或然負債

於二零零五年三月三十一日，本公司就若干附屬公司取得信貸而向銀行及其他融資機構作出約六億五仟三百萬港元擔保。本集團之可追索銀行貼現票據或然負債一百三十五萬港元。

### 收購

在本年度，集團出售一間聯營公司而獲得溢利142,000港元。

### 員工

於二零零五年三月三十一日，本集團擁有員工共5,996人，其中5,864人受僱於中國，負責本集團之製造及分銷生意。

本集團為其員工提供之福利如員工保險、退休計劃、花紅、購股權計劃、在職訓練及訓練資助。

### 致謝

本人藉此機會謹向本集團全體員工於本年度努力不懈，盡忠職守之表現作衷心致謝。

承董事局命  
**劉錫康**  
主席

香港，二零零五年七月二十三日

### CONTINGENT LIABILITIES

As at 31 March 2005, the Company had contingent liabilities in relation to guarantees amounting to approximately HK\$653 million given to banks and other financial institutions to secure credit facilities granted to certain subsidiaries. The Group had contingent liabilities for bills discounted with recourse of HK\$1.35 million.

### ACQUISITION AND DISPOSAL

During the year, the Group had disposed of an associated company resulting in a gain on disposal of HK\$142,000.

### STAFF

As at 31 March 2005, the Group had a total staff of 5,996 of which 5,864 were employed in the PRC for the Group's manufacturing and distribution business.

The Group provides employee benefits such as staff insurance, retirement scheme, discretionary bonus and share option scheme and also provides in-house training programmes and external training sponsorship.

### APPRECIATION

I would like to take this opportunity to express my sincere appreciation to all our staff for their, utmost effect and dedication to the Group during the year.

By Order of the Board  
**Lau Sak Hong, Philip**  
Chairman

Hong Kong, 23 July 2005