

Chairman's Statement 主席報告書



業務回顧

集團於過去一年致力提升生產效率及盈利能力。截至二零零三年三月三十一日止年度，集團營業額為1,147,600,000港元，較去年同期977,800,000港元，上升17.4%。營業額穩健增長主要由於集團三項主要業務均錄得增長所致。年度內集團溢利為43,100,000港元，而去年虧損為98,100,000港元。集團盈利增長基本上達到預期目標，現金流轉亦有不錯的表現。

BUSINESS REVIEW

Over the past year the Group focused its efforts on enhancing its operational efficiency and profitability. For the financial year ended 31st March, 2003, turnover of the Group was HK\$1,147.6 million representing an increase of 17.4% as compared with the corresponding period last year of HK\$977.8 million. The healthy growth in turnover was mainly attributable to the promising performance of the Group's three major operations. Profit for the year amounted to HK\$43.1 million as compared with loss of HK\$98.1 million previous year. It is noted that the Group's profit growth for the year under review met what was expected and the performance of cashflow was satisfactory.

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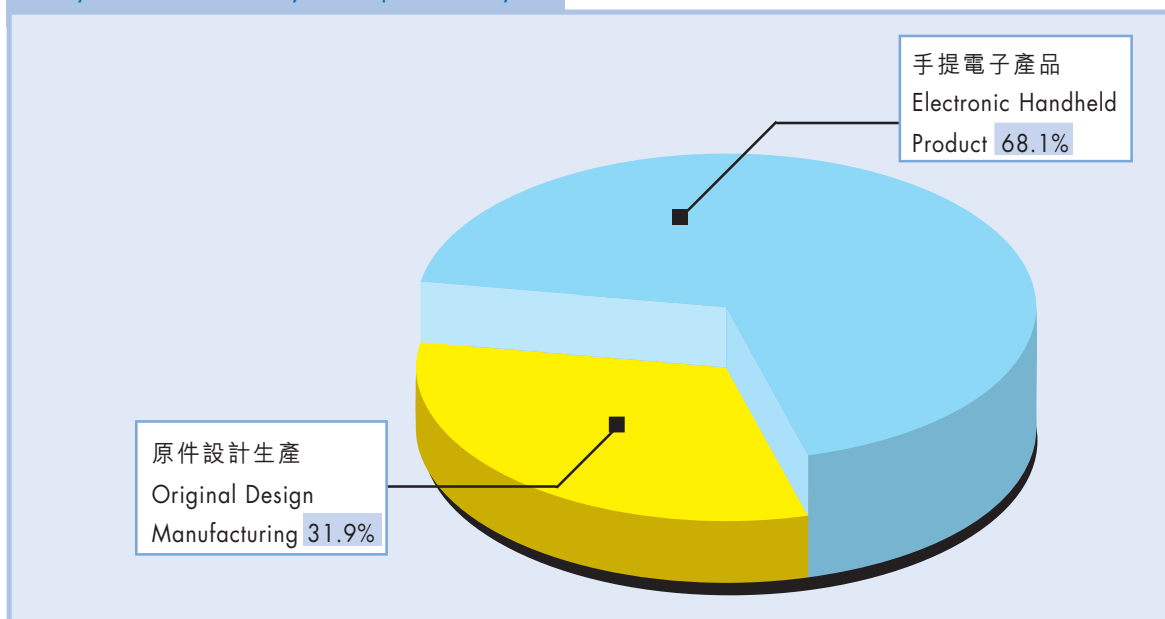
就電子消費行業而言，去年是充滿挑戰的一年。隨著全球經濟一體化，產品周期縮短，導致市場競爭更為激烈。然而，在疲弱市道下，集團仍不斷增值求進，提升產品技術，積極研究及開發新技術。集團於去年十二月與PalmSource, Inc.結為技術合作夥伴，開發以中文Palm操作系統為平台的智能手機 (Smartphone)。集團在去年共投資60,000,000港元進行研究及開發，以求掌握產品知識及創新技術，更有效地開發新產品，增強產品競爭力。

在市場推廣及銷售方面，集團於去年投資70,000,000港元於廣告投放及擴充銷售渠道，以提高品牌知名度及產品認受性。

Last year was a year full of challenges to consumer electronics industry. Economic globalization and shortened product life cycles further intensified the market competition. Under the backdrop of the sluggish market, the Group was steadfast in value adding and progression. The Group continued to enhance its existing product technology while at the same time stepping up its efforts in exploring and developing new technology. In December 2002, the Group formed technology partnership with PalmSource, Inc. to develop Chinese Palm OS-based Smartphone. During the year under review, research and development ("R&D") spending amounted to HK\$60 million was made by the Group to acquire first-hand product knowledge and undertake technological upgrading. By so doing, new products could be produced more effectively, thereby increasing their competitiveness.

As for marketing and sales, the Group invested HK\$70 million in advertising and expanding its sales network last year. Such efforts led to higher brand awareness and product recognition.

按主要業務分類之營業額分析 Analysis of Turnover by Principal Activity



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電子辭典

電子辭典仍然是本集團之主要產品線。經過多年努力，集團之產品在亞洲市場尤其於東南亞的新加坡、馬來西亞及泰國等地已建立了一定的知名度，訂單數量均錄得相當滿意的增幅。加上中東局勢漸趨穩定，亦對電子辭典業務於海外市場方面的拓展有正面幫助。而中國市場方面，競爭仍然十分激烈，但很高興看見集團去年於國內的銷售額亦有穩定的增長，這實應歸功於集團於擴大及建立全國銷售終端網絡所付出的努力。

個人數碼助理 (「PDA」)

正如預測，PDA整體市場需求仍然疲弱，原因是以PDA產品作為禮品的PDA市場漸漸收縮，取而代之的是真正用家市場和行業市場，為配合市場變化，集團過去一年致力開發獨特的PDA產品以迎合市場需求。

至於無線數據通訊業務方面，本集團相信帶有無線通訊功能的產品將會成為PDA市場上的主導產品，故於去年亦致力於相關產品及技術的開發工作，並取得一定的成果。

原件設計生產 (「ODM」)

經過前年內部積極整頓業務及加強成本控制的努力，本集團之ODM業務去年整體銷售額及經營溢利對比前年均錄得令人滿意的增幅。另外，ODM的營運隊伍同時積極與主要客戶建立策略性合作關係，並謹慎開發高增值研發業務，對加強ODM業務的運作基礎及擴大收入來源，有相當重要的影響。

Electronic dictionaries

Electronic dictionaries business remains the major product line to the Group. After years of efforts, the Group's products were highly recognized in the Asian markets, particularly in Singapore, Malaysia and Thailand, resulting in satisfactory growth in the number of orders. Ease of tension in the Middle East would favour the Group's overseas market development with long-term positive effects. Despite the vigorous competition in the Mainland market, steady improvement has still been seen in the Group's sales volume. This was attributable to the aggressive efforts exerted by the Group for the establishment and expansion of sales outlets network throughout China.

PDA

As predicted, the market demand for the PDA products was still soft. This was mainly caused by the shrinking of the PDA giftware market. The PDA market has now changed to two folds: user market and vertical market. In order to keep abreast of the latest market trend, more resources were placed by the Group to develop unique products to cater for the needs of these markets.

In the area of wireless communication business, products with wireless communication functions are believed to be the leading product in the PDA market. Great efforts made on the related product and technology development by the Group last year began to bear fruit.

ODM

As a result of intensive consolidation and effective cost control, the ODM business has recorded a satisfactory growth in sales volume and operating profit as compared with previous year. During the year under review, greater emphasis was placed on strategic co-operation with major customers and high value-added business with a very cautious approach in new business development by the ODM team, cementing a solid base for the operation enhancement and revenue generation.

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展望

今年首季因「非典型肺炎」(SARS)肆虐，以致銷售放緩。疫情嚴重打擊亞太區尤其是中國國內的經濟，本年度集團於國內首季銷售額亦受一定的打擊，進入第二季，銷售初見復甦，期望踏入暑假旺季，中港台的市場都會漸漸恢復過來。今年六月，香港與內地簽署「更緊密經貿關係安排」(CEPA)，讓香港生產及貿易行業更容易及有效地於國內經營，這無疑為香港低迷的市道打下「強心針」，相信這對於集團亦有一定裨益。

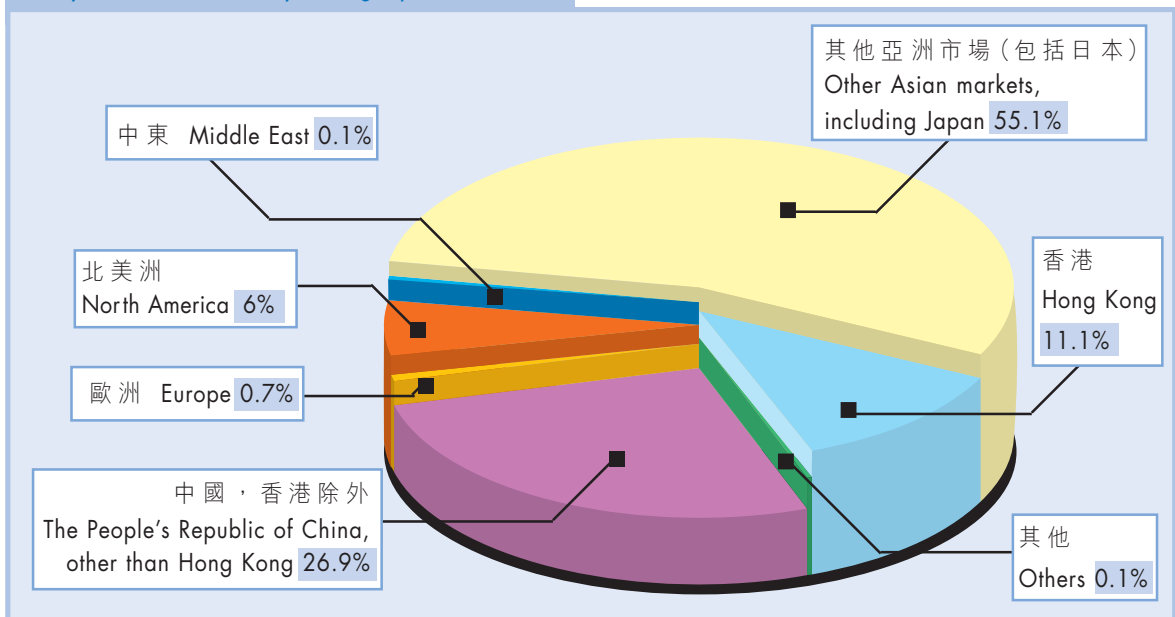
來年，集團會繼續在三項主要業務投入資源，致力與業務夥伴合作研發新產品，並會積極開拓海外市場，擴大客源，繼續拓展業務。

OUTLOOK

The attack of Severe Acute Respiratory Syndrome ("SARS") during the first quarter this year hindered the sales. Asian-Pacific economy, particularly Mainland China economy, worsened amid SARS panic. Significant drop was recorded in the Group's domestic sales volume. Moving to the second quarter, sales has gradually improved. It is hoped that Mainland China, Hong Kong and Taiwan market will become prosperous in the upcoming peak season. In June, Hong Kong entered into Closer Economic Partnership Agreement ("CEPA") with the Mainland, pursuant to which, trade between Hong Kong and Mainland China can be reinforced. CEPA signing will undoubtedly stimulate the local economy, thereby revitalizing the stagnant market. This in turn is beneficial to the Group's business.

Looking ahead, the Group will continue to make investment in three main operations, especially in the areas of new product R&D with business partners and overseas market penetration so as to widen the customer base and develop new business.

按市場地區分類之營業額分析
Analysis of Turnover by Geographical Market



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電子辭典

展望今年，本集團會繼續開發海外產品，尤其中東戰事結束，中東市場開始復甦，相信極具投資發展的潛質。中國市場方面，預料競爭仍然十分激烈。集團將為電子辭典加入更多增值功能，如附加相片下載功能及MP3，以及與國內知名的教育培訓機構合作，於電子辭典加入語言學習課程，逐漸將傳統電子辭典轉型為集增加知識及消閑娛樂於一身的電子學習工具，進一步擴大現有的市場，創造更多商機。

個人數碼助理 (「PDA」)

承上而言，國內PDA禮品市場不景，而本集團預期未來PDA產品需求主要來自真正用家的行業市場，故集團將繼續致力開拓國內行業市場，積極擴大客源，為PDA業務另謀商機。

市場策略方面，集團首部Smartphone快將推出市場。該Smartphone以Palm操作系統為平台，除會在中國內地及香港推出外，亦計劃於歐美及亞洲等地相繼推出，將為PDA業務帶來更多來自不同市場的收入。

原件設計生產 (「ODM」)

ODM業務方面，本集團仍會致力擴闊客戶基礎，物色更多合適的策略性夥伴。同時亦積極部署將業務推展至歐洲市場，與歐洲客戶建立更密切合作關係。集團承諾提升研發能力及生產技術，以擴大服務範圍，同時亦會削減成本，務求能全面滿足客戶所需。

Electronic dictionaries

The Group will endeavor to develop new products for the overseas markets and realize the high growth potential, creating by the upturn of the Middle East market after the Iraq War. It is expected that competition will remain keen in the Mainland market. The Group will focus on adding to the products more value-for-money features such as photo download and MP3. Also, the Group will work closely with certain reputable Chinese education and training institutions to introduce new language learning functions to electronic dictionaries. Traditional electronic dictionaries are in the process of evolving into multi-purpose electronic devices with integrated functions of learning and entertainment. Launch of such advanced products in the market enables the Group to further expand its market presence and leverage on the advantages of emerging business opportunities.

PDA

As aforementioned, the PDA market has continued to slow down. The Group believes that the demand of PDA products is mainly derived from user market and vertical market. Thus, particular emphasis will be placed by the Group to broaden the customer base by capturing a higher proportion of the domestic vertical market. More opportunities will be created for the PDA business.

On the marketing side, the Group will introduce its first Smartphone this year. Upon launching the Palm OS-based Smartphone into the Mainland China, Hong Kong, Western, as well as Asian markets, better returns to the PDA business can be generated.

ODM

Concerning ODM business, the Group is actively broadening its customer base and seeking opportunities to cooperate with other strategic partners. It is the intention of the Group to have closely working relationship with customers in Europe by opening up the European market. The Group is committed to enhance the R&D capability and new manufacturing technology to differentiate its service, as well as continuous cost reduction, to obtain maximum satisfaction by customers.

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總結

儘管全球及亞太區經濟未能於短期內復甦，惟管理層相信，在經濟持續穩定的環境下，集團整體營運表現將會有進一步增長。此外，集團將繼續創造優勢，包括建立強大產品研發能力、不斷累積市場經驗、擴大銷售網絡，積極發揮團隊群策群力之精神，再加上業務夥伴及往來銀行的支持與配合，以進一步提升整體營運表現及盈利能力。綜合而言，集團對來年的業務充滿信心。

股息

董事會建議派發截至二零零三年三月三十一日止年度之末期股息每股1.5港仙（二零零二年：零港仙），是項末期股息約於二零零三年九月三日派發予名列於二零零三年八月十八日之股東名冊上之股東。

鳴謝

本人謹代表董事會感謝各股東、客戶、供應商及銀行一直以來對本集團之支持，並對所有員工於過去一年之辛勤工作及貢獻表示衷心謝意。

承董事會命
主席
譚偉豪

香港，二零零三年七月十五日

CONCLUSION

Recovery of global economy and Asian-Pacific economy cannot take place in a short-term. However, the management believes that ongoing stable economic conditions will give further boost to the Group's performance. By maintaining its competitive edge, including building up of strong product R&D capability, enriching market experience and broadening sales network, together with staff's dedication and team work, business partners' and bankers' continuing support, the Group's performance and profitability will be further enhanced. With all these factors, the Group remains optimistic of the business performance in the year ahead.

DIVIDEND

The Directors propose a final dividend of HK1.5 cents per share in respect of the year ended 31st March, 2003 (2002: nil), payable on or about 3rd September, 2003 to shareholders whose names appear on the Register of Members on 18th August, 2003.

APPRECIATION

On behalf of the Board of Directors, I wish to thank our shareholders, customers, suppliers and bankers for their continuing support to the Group and to extend my appreciation to all members of staff for their dedication and contribution throughout the year.

By order of the Board
Tam Wai Ho, Samson
Chairman

Hong Kong, 15th July, 2003