

I am pleased to announce that a consolidated profit attributable to shareholders of HK\$450 million was recorded for the year 2003.

Your Board of Directors has recommended a final dividend for 2003 of HK10 cents per share and a special dividend of HK\$1.45 per share in specie of Sansui Electric Co., Ltd. Japan. Together with the interim dividend of HK10 cents per share on 5 November 2003, the total distribution for the year 2003 is HK\$1.65 per share.

Despite the tough business environment, The Grande Group managed an increase in turnover as well as a healthy increase in net profit. The results reflect the Group's focus on both the Electronics Manufacturing Services Group and the Branded Distribution Group.

I am very pleased that our three global brands, Nakamichi, Akai and Sansui have continued to make significant inroads into the world's premier consumer markets, particularly, the markets in the USA and Europe. Demand in The People's Republic of China is also increasing at a tremendous rate.

In this modern era, digital electronics have become an integral part of a consumer's daily life. We will continue to invest in advanced technology so that we can develop products with high-tech but user friendly features and yet competitively priced to meet this demand.

Our cost structure is now very efficient following the rationalisation of our Electronics Manufacturing Services Group in The People's Republic of China. Combining this with our market expertise and speed to market innovations, we have a very competitive edge on which to strengthen our foundation towards long-term growth.

I would like to extend my appreciation to the management and the staff of The Grande Group for their dedication loyalty and commitment. I would also like to thank our shareholders, customers, suppliers and business associates for their continuing support and confidence.



Christopher W. Ho
Chairman

Hong Kong, 26 April 2004