

... 揉合中西文化、整合傳統及現代之管理哲學，乃本集團之企業文化，
以建立有高增長及致力達至「**注重長遠，天天進步**」之宗旨。
「**人為本，企業為家**」乃本公司之精神。 ...

Chairman's Statement

主席報告書

劉小鷹 Steve Lau

主席兼首席執行官 Chairman and CEO



各位股東：

本人欣然匯報，長遠電信成功克服了非典型肺炎所帶來之衝擊。二零零三年四月至八月期間，非典型肺炎之爆發令眾多於亞洲經營之公司大受影響，尤以中國大陸及香港為甚，實在是各行各業面臨前所未有之挑戰。面對如此不明朗境況，消費者又失去信心，本集團已於非典型肺炎肆虐期間採取果斷行動，啟動多項危機處理措施，包括嚴格控制存貨水平及減少存貨採購。儘管期內之營業額及溢利均難免有所下跌，惟本集團依然成功避免積存過量手機存貨，幸免於許多其他手機製造商遇到之問題。本集團業務已於二零零三年九月迅速復甦，恰好在中國國慶長假期之前。然而，於本財政年度下半年，中國手機市場之競爭仍然激烈。目前，市場上有四十多種品牌，逾八百種型號，價格高低不一。以前按原設備製造基準生產之若干台灣強勢品牌，亦正積極於中國宣傳及銷售其本身品牌之手機。去年，手機由單屏轉為彩屏，故跟去年相比，本集團於本年度分銷較為高價之手機型號，而該等手機之目標銷量通常亦較廉價手機型號為低。因此，與去年同期比較，本年度下半年之銷量下跌15%。管理層繼續謹慎地挑選以供分銷之手機型號，策略仍以集中於首屈一指之國際品牌為主，原因是此類品牌之風險較本地型號為低。

Dear Shareholders,

I am pleased to report that Fortune Telecom successfully withstood the impact of SARS which affected most of the companies with operations in Asia, mainland China and Hong Kong in particular, during the period from April to August 2003. It was a challenge that business and people of all sectors have never experienced before. Facing with such uncertainty and lack of consumer confidence, the Group has reacted immediately with various crisis handling measures during the period. These included the strict control of inventory levels and reduced purchases of stock. Notwithstanding the inevitable drop in turnover and profit during the period, the Group managed to avoid excessive stocking of handsets inventory - a problem faced by many other handset manufacturers. The business of the Group has recovered in September 2003 just before the National Day long holidays in China. However, the handset market in China remains very competitive in the second half of the financial year and currently there are over 800 different models under more than 40 different brand names targeting at various price segments. Some of the strong brands from Taiwan, previously manufacturing under OEM basis, are also aggressively promoting and selling their own brand handsets in China. Last year is also a year of transition for handsets from mono display to color display. Accordingly, the Group distributes more higher priced handset models as compared to previous year and the target volumes of these handsets are usually lower than that of lower end models. As a result, the sales volume in the second half year lowered by 15% as compared to same period last year. The management continues to be cautious in selecting handset models for distribution and the strategy is to focus mainly on premier international brands which are comparatively less risky than domestic models.

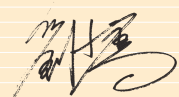
主席報告書 Chairman's Statement

長遠電信網絡集團有限公司 FORTUNE TELECOM HOLDINGS LIMITED

本集團憑藉其網羅約4,000個直接發貨之活躍客戶及涵蓋10,000多家國內零售商店之現有網絡，遂計劃將其產品種類進一步擴充至MP3機及其他數碼產品。此計劃可讓本集團在不需投放大量資源之前提下，以其現有操作平台開發一項嶄新業務。與此同時，本集團現正開發一套網際網絡客戶關係管理系統，可讓集團即時追查銷售數據及存貨數量，並建立一個資源豐富之客戶購買模式及數據庫。此系統已證明對銷售及客戶管理非常有用。

憑藉過去數年不斷確立堅實之盈利業績紀錄，本集團已於二零零四年一月二十六日成功轉移至聯交所主板上市。本人謹藉此機會，就本集團全體員工、董事、業務夥伴、財務機構及專業人士不斷之支持及鼓勵，以及對本集團之成功及成就作出之莫大貢獻，致以衷心謝意。對於中國及香港各位董事及管理隊伍之寶貴建議及支持，本人尤其深表感激。

去年，本集團備受非典型肺炎衝擊及面對競爭熾烈之中國手機市場，惟本年度仍錄得31,000,000港元之純利。純利雖較去年少，但本集團之業績表現相對其他競爭對手為佳，有些競爭對手更難以抵禦市場之變化。作為國際名牌手機製造商重要伙伴，本人深信集團定能於中國移動電話市場上維持增長趨勢及盈利能力。



劉小鷹

主席兼首席執行官

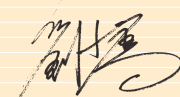
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香港

Based on its existing network of 4,000 direct invoiced active customers and coverage of over 10,000 retail shops in China, the Group plans to further expand its product profile to MP3 and other digital products. This will offer a new line of business that can be developed on the Group's existing operation platform without the need of investing significant resources. At the same time, we are developing our own web based customer relationship management system which enables us to track sales data and stock movement on a real time basis as well as to build up a resourceful customers' purchasing pattern and database. This has proven to be very useful for sales and customer management.

After establishing proven profitable track record in the past few years, the Group has successfully moved its listing to the main board of the Stock Exchange on 26 January 2004. I take this opportunity to express my sincere thanks to all our employees, directors, business partners, financial institutions and professionals for their continuous support and encouragement that contributed to our success and achievements. I am in particular grateful for the invaluable advice and backing of my fellow directors and management team, both in China and in Hong Kong.

Faced with the challenges of SARS and the intensive competitive handset market in China over the past year, the Group has nevertheless achieves a net profit of HK\$31 million for the year. While it is lower than the previous year, the Group has out performed some of our competitors that lack the capability to sustain sudden changes. As a key partner of leading international handset manufacturers, I am confident that the Group will be able to maintain its growth momentum and profitability in the mobile phone market in China.



Lau Siu Ying, Steve

Chairman and Chief Executive Officer

8th July, 2004

Hong Kong