



Chairman's Statement 主席報告書

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Chairman's Statement

業務回顧

在本財政年度，集團營業額為1,355,600,000港元，較去年同期1,147,600,000港元，上升18.1%。營業額的持續增長是由於集團主要業務錄得穩定增幅所致。年度內集團錄得102,800,000港元經營溢利，較去年溢利42,400,000港元，上升142.6%。經常性純利由去年3.7%上升至今年7.4%，基本符合集團的目標。

隨著全球經濟漸漸復甦，消費性電子產品的需求亦有著輕微的增長。在競爭激烈的市場環境下，各SBU努力不懈拓展業務，改善營運效率，令集團盈利比較去年有所增幅。有此成績，主要由於集團於成本開支上控制得宜，加上採取合適的市場策略，成功建立起穩固的基礎而得來。

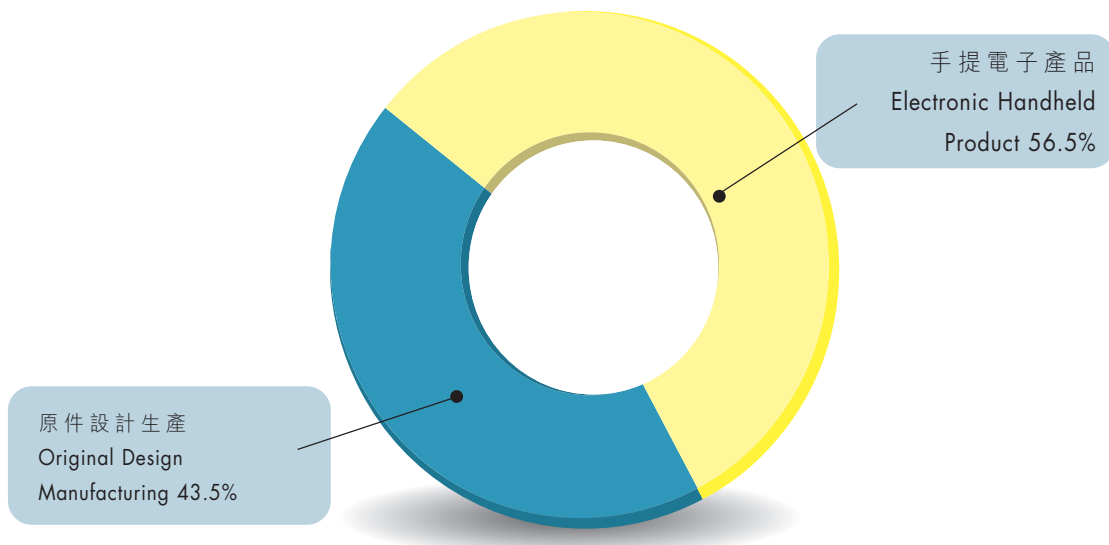
BUSINESS REVIEW

In this fiscal year, turnover of the Group was HK\$1,355.6 million, representing an increase of 18.1% as compared with the corresponding period last year of HK\$1,147.6 million. The continuous growth of turnover was mainly due to the promising performance of the Group's major operations with steady rise. Operating profit for the year amounted to HK\$102.8 million with an increase of 142.6% as compared with last year of HK\$42.4 million, and the recurring net profit increased from 3.7% to 7.4% which basically tally with the Group's objective.

Along with the gradual recovery of the global economy, the demand for consumer electronic products has increased slightly. Under the market environment with keen competition, each SBU has made unremitting efforts to expand business and improve operational efficiency, thereby increasing the profit of the Group as compared with that of last year. Such good result was attributable to the stringent cost control, appropriate market strategy, and consequently the Group's solid foundation.

按主要業務分類之營業額分析

Analysis of Turnover by Principal Activity



業務回顧 (續)

電子辭典

電子辭典仍然是集團的核心業務。經過多年努力，業務不論在亞洲及海外市場，均建立了穩固的基礎，成為全球最大的電子辭典生產商，生產的電子辭典語言種類超過二十種，特別在生產中高檔產品方面佔有優勢，故在過去一年，業務在海外市場仍有不錯的表現。

然而，電子辭典市場的競爭仍然激烈，特別於中國大陸，競爭對手割價戰令銷售環境變得困難，導致價格持續受壓，邊際利潤下降，再加上業務在本財政年度第一季受到「非典型肺炎」的打擊，令營業額下跌，但憑藉集團的專業知識及豐富行業經驗，致力控制成本，並透過與著名的英語學習機構合作，開發一系列具英語學習功能的高質素電子辭典，令業績隨著疫情的減退而漸漸得以改善，回復穩定。

現在電子辭典市場已發展至汰弱留強的階段，但藉著集團卓越的研發能力、精益求精的態度及專業的產品設計，定能進一步鞏固集團在市場中的領導地位。

智能手機

為了配合市場變化，業務由過往主力發展個人數碼助理 (PDA) 轉型為集中研發智能手機 (SMARTPHONE)，從本年度的業績可見，集團在智能手機方面的業務有不錯的開始。隨著智能手機逐漸主導業務，故本策略性單位亦改以智能手機為名。

BUSINESS REVIEW (Continued)

Electronic Dictionary

Electronic Dictionary business remains the core operation of the Group. Through years of effort, the SBU has established a firm foundation in both Asian and overseas markets, and has become the largest producer of electronic dictionary in the world. The Group produced electronic dictionary with over 20 different languages, and has also possessed particular advantage in the manufacturing of medium- to high-range electronic dictionary products. As a result, the business of overseas market last year was registered with satisfying performance.

Nevertheless, the competition remained keen in the electronic dictionary market, especially in Mainland China. The advent of price-war between competitors has worsened the selling environment, resulting in continued depression of price and declining profit margin. What was worse, the outbreak of Severe Acute Respiratory Syndrome (SARS) during the first quarter in this fiscal year had dampened business turnover further. However, with the Group's professional knowledge and extensive industry experience, the results had gradually improved and stabilized along with the subsidence of SARS through the cooperation with a reputable English-learning institution to launch a series of quality electronic dictionaries with learning functions.

The electronic dictionary market nowadays has developed into the stage that only the stronger ones survive. However, with the excellent R&D capability, attitude of ever-improving and professional product design, it is believed that the Group would further strengthen its leading position in the market.

Smartphone

To keep abreast of the latest market trend, the SBU has shifted its operation focus from developing PDA in the past to high quality smartphone presently. In view of the business results of this year, the Group has made a good start. As the smartphone business has gradually dominated the business, the name of the SBU was changed to "Smartphone" correspondingly.

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業務回顧 (續)

智能手機 (續)

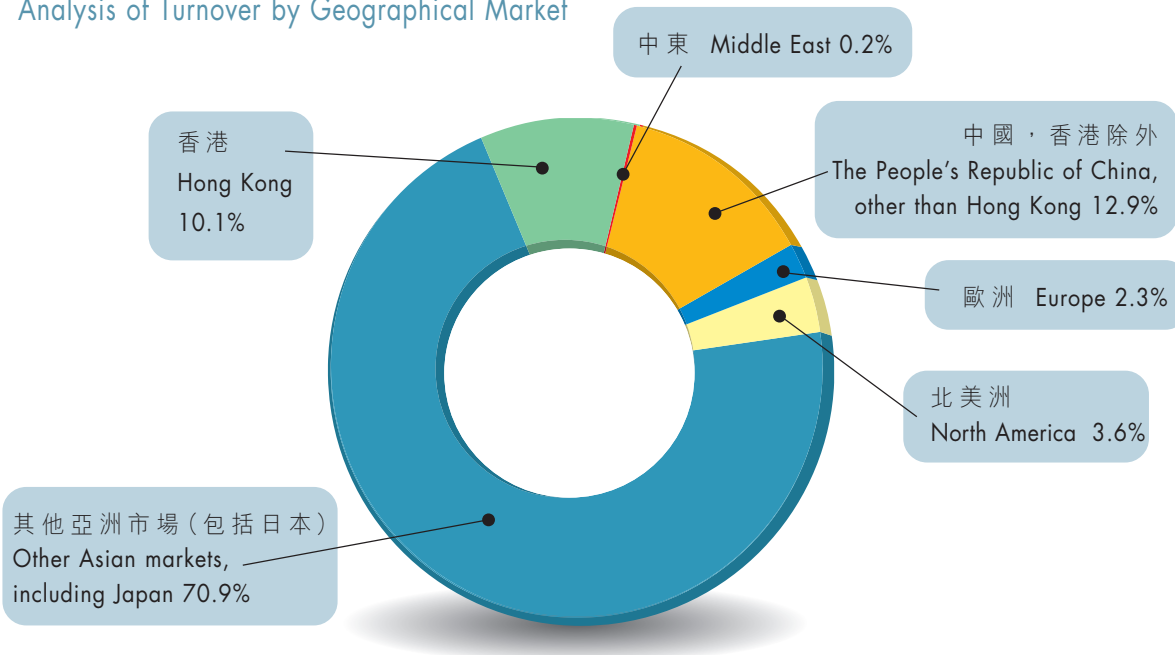
在去年九月集團推出首部以Palm操作系統為平台的自主研發智能手機 G18，獲得市場廣泛好評，同時引起電訊營運商的高度關注及興趣，反映出集團在研發智能手機方面已獲得初步的成功，這對集團拓展亞洲以外市場的計劃，帶來一定的信心。不過，集團在專注研發智能手機的同時，仍會維持發展PDA的業務，致力製造獨特產品，迎合市場需求。

BUSINESS REVIEW (Continued)

Smartphone (Continued)

In September, the Group launched its first self-developed smartphone G18 with Palm operating system, which was well received in the market. This also aroused the attention and interest of the telecommunication service providers, which in turn reflected the Group's success in the start-up of the smartphone business. As a result, the Group gains confidence to expand into other markets beyond Asia. Nevertheless, the Group would still remain its focus on developing PDA, in order to produce customized products to fulfill the needs of the market.

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



業務回顧 (續)

原件設計生產 (ODM)

原件設計生產 (ODM) 的業務在本財政年度錄得不錯的業績，尤其於日本市場，業績令人鼓舞，這實在有賴於集團與客戶間緊密的合作關係，令客戶對本集團更具信心，獲取更多的訂單，這充份反映主要客戶對 ODM 業務的認受及滿意程度。除此之外，本集團採取多種有效的措施，如致力提升營運效率，實施嚴格的質量監管及加強成本控制等，都是業務在本年度獲得理想成績的原因。

展望

集團認為中國政府與香港簽署「更緊密經貿關係協訂」後，有助促進兩地及亞太區的經濟發展，脫離「非典型肺炎」的陰霾，令經濟復甦，增強購買者的消費能力，故集團會把握機會，投放更多資源以提高產品質素，加強競爭力，寄望能不斷拓展業務領域，創造更多商機。此外，集團會與供應商建立更緊密的關係，為用家及客戶提供物超所值的優質產品，務求全面滿足客戶的需要，進一步為集團建立良好的形象。

BUSINESS REVIEW (Continued)

ODM

The ODM operation reported a remarkable increase in sales performance in this fiscal year, especially in the Japanese market. Our encouraging results were attributable to the close and interactive cooperation between the Group and its customers, which made the customers more confident on the Group and resulted in more orders. This fully reflected the major customers' recognition and satisfaction to the Group. Besides, the implementation of various effective measures such as enhancing operational efficiency, stringent quality and cost control had also contributed to the remarkable growth in sales turnover.

OUTLOOK

It is envisaged that economic development in Hong Kong and Mainland China as well as Pacific Asian would be fuelled after Hong Kong's entering into Closer Economic Partnership Agreement (CEPA) with Mainland China. The economy will rebound from the worst situation after the SARS outbreak, thereby enhancing the customers' spending power. To grasp this opportunity, the Group will hence place more resources in technology research to enhance competitiveness. It is hoped that new business scope will be explored and more new businesses will be created. Furthermore, the Group will continue to maintain a closer cooperation with the suppliers, so as to provide high quality and value for money products to users and customers. The Group will also devote its effort to satisfy the every need of different customers, promoting the image of the Group.

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展望 (續)

電子辭典

承上而言，電子辭典的市場競爭愈趨激烈，然而，憑著集團建立的品牌知名度，以及在中高檔產品和海外市場所佔有的優勢，並於電子辭典加入多媒體功能，集團對經營業務的前景持樂觀的態度。

中國市場方面，在不明朗的因素影響下，集團在本年度展望會採取一個較為保守的策略，將減少於中國市場推廣方面的投資，但集團深明產品質素的重要，故此會繼續投放資源於研究及開發嶄新的產品，加入更多增值功能，改良現有的研製技術，並努力尋求與其他著名的語言學習機構合作，逐漸把傳統的電子辭典轉型為多元化的學習工具，務求保持業務在市場的佔有率，鞏固在市場中的優勢，為集團帶來穩定的業務增長及盈利貢獻。



OUTLOOK (Continued)

Electronic Dictionary

As aforementioned, the competition in the electronic dictionary market tends to become more intensified. However, the Group is optimistic to the prospect with our well-established brand name, the advantage in producing medium- and high-range products and in the overseas market, as well as the addition of innovative technology and features to the electronic dictionary.

Regarding to the market in Mainland China, the Group will adopt a relatively conservative strategy under various uncertain factors. The investment in the promotion in Mainland China market will be reduced. As the Group fully recognized the importance of the quality of products, resources will be placed on

R&D continuously to manufacture new products with value-for-money features and improve current developing techniques. Moreover, the Group will continue to seek cooperation with other reputable English-learning institutions to convert traditional electronic dictionary into diverse learning devices, with an aim to maintain its market share and strengthen its leading position, and to make continuous solid contribution to the Group's result in terms of growth and profits.

展望 (續)

智能手機

展望未來，集團相信智能手機的發展空間仍然龐大，預計業績比去年會有一定的增幅。為了避免單一市場的風險，集團會積極開拓新的市場，以高質素的产品提供予當地的電訊營運商及國際知名的手提電話生產商，逐步開拓亞洲以外的市場，為集團帶來更多來自不同市場的收入。此外，集團亦會不斷積極研發新穎及高質素的产品，例如在智能手機中加入更多的多媒體功能，並研究不同型式的解決方案，針對不同地域、按不同客戶的需要，設計最合適的产品，令产品更具特性及切合市場發展。在下半年計劃推出的新型號智能手機，功能將變得更齊備，預計會為業務帶來新的貢獻，在競爭激烈的手機市場得到持續穩健的發展。

原件設計生產

原件設計生產業務在來年會繼續堅持為客戶提供優質的产品、完善的服務及高效率的項目管理，以爭取客戶的信任。集團為優化產品質素，將會加強產品設計的技術，為客戶提供更多研發的服務。另外，集團在與現有客戶作更緊密及長遠合作的同時，亦會物色其他國際知名的策略性客戶，開拓新客源，使兩者保持適當平衡。儘管在全球零件供應不穩定的因素影響下，今年業務的邊際利潤預測會受到一定壓力，但憑藉業務在零件採購上採取適當的策略，相信今年的業績仍會有一定的增幅。

OUTLOOK (Continued)

Smartphone

Looking ahead, it is expected that there is vast room for development and that an increase in the performance will be achieved as compared to previous year. To avoid taking the risk of single market, the Group will dedicate to explore new markets and provide high quality products to local telecommunication service providers and well-known mobile phone producers in order to access to overseas market. By so doing, more income will be generated from different markets. Besides, the Group will devote its effort to develop new and high quality products such as adding to smartphone with more multimedia features, and propose various solutions for customers in different regions to provide them with the most suitable products with specialized features that fit in with market development. The plan of launching our new smartphone model in the second half of the year is expected to bring new contribution to the business, such that the SBU will remain ongoing stable development under the vigorous competition in the market.

ODM

The SBU will keep focusing on providing customers with quality products, comprehensive services and efficient project management to achieve greater customers' trust and satisfaction. In order to improve products quality, we will enhance R&D capability and provide more R&D services. Besides working closely with our existing customers, we will also form strategic alliances with other well-known strategic customers so as to broaden our customer base with an aim to achieve appropriate balance. In spite of the unstable supply of components in the world that may erode the profit margin in the coming year, we believe that certain increase in sales performance will be obtained by applying appropriate strategy on component purchasing.

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總結

隨著經濟逐漸復甦，亞洲地區經濟維持穩定增長，集團對業務前景抱樂觀態度。集團會繼續開發及推出高增值產品，提高服務水平、加強成本控制，並積極與主要供應商成立策略性聯盟，以確保可以用合理價格取得組件之穩定供應。另外，集團亦會拓展新市場，擴闊銷售網絡。因此，集團除了期望能在亞太區繼續取得理想的業績外，亦能開拓歐洲市場，令集團的業務發展邁進一步。綜合而言，集團對來年的業務增長充滿信心。

股息

董事會建議派發截至二零零四年三月三十一日止年度之末期股息每股3.0港仙(二零零三年：1.5港仙)，是項末期股息約於二零零四年九月三日派發予名列於二零零四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，二零零四年七月十四日

CONCLUSION

As the economy has recovered gradually and the Asian economy remained stable, the Group is optimistic to the business prospect. The Group will increase its effort to develop and launch high value-added products, enhance service standard and reinforce cost control. Emphasis on exploring new businesses will also be made to broaden sales network. Therefore, the Group not only expects a desirable result in the Pacific-Asia, but also an exploration to the European market that takes a major step towards the development of the Group's business. In conclusion, the Group remains confident in the business performance in the year ahead.

DIVIDEND

The Directors propose a final dividend of HK3.0 cents per share in respect of the year ended 31st March, 2004 (2003: HK1.5 cents), payable on or about 3rd September, 2004 to shareholders whose names appear on the Register of Members on 18th August, 2004.

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, 14th July, 2004