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管理層討論及分析 Management Discussion & Analysis



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回顧及前景

財務回顧

期內，本集團取得諾基亞四款主要新型號手機：7610、3220、2600及N-Gage QD之全國分銷權。7610及N-Gage QD屬高價格型號，享有優厚之邊際利潤，而3220、2600型號屬兩款較受歡迎之型號，連同3100及2300型號為本集團帶來可觀及穩定之營業額。二零零四年度最後一季共售出741,000部手機，保持著二零零四年第三季之勢頭。於九個月期間共售出達1,964,000部手機，較去年九個月同期上升60%，亦較去年整個財政年度共售出1,678,000部手機上升17%。於九個月期間售出之手機全年化數目為本集團之新高。由於上述大部分手機均於二零零四年下半年推出，預期市場之強勁需求將會持續至二零零五年。

二零零四年四月一日至二零零四年十二月三十一日止九個月之綜合營業額為2,086,000,000港元，較去年同期九個月上升51%。營業額百分比上升較手機銷售數字增長為低，主要由於推出售價低廉之諾基亞2300及2600型號後銷售組合出現變動所致。該兩款型號佔本集團銷售量約三分之一。

儘管諾基亞2300及2600型號手機之售價低廉，且市場競爭激烈，但因本集團不斷與供應商爭取較高之毛利率，二零零四年度最後一季之毛利率仍能改善至高於5%。因此，九個月期間之整體毛利率上升至4.4%，較二零零四年度首六個月上升10%，亦較去年同期九個月之4.2%增加5%。本集團將繼續與供應商磋商，以取得較有利之條款，包括(但不限於)更長之合約期及較高之毛利率，到目前為止，供應商給予之回應均屬正面。諾基亞已授予本集團旗下公司為期更長並可延續的全國分銷權。

REVIEW AND OUTLOOK

Financial Review

During the period, the Group obtained nationwide distribution right for four key Nokia's new handset models: 7610, 3220, 2600 and N-Gage QD. While the high value models 7610 and N-Gage QD contribute higher profit margin, more popular models 3220, 2600 together with 3100 and 2300 enable the Group to achieve high and stable turnover. The total number of handsets sold in the last quarter of 2004 of 741,000 sets maintained the momentum in the third quarter of 2004 and the total number of handsets sold during the nine months period made up to 1,964,000 sets, an increase of 60% as compared with the corresponding nine months period last year and 17% higher than the total number of handsets sold of 1,678,000 sets in the last whole financial year. The annualized number of handsets sold for the nine months period is the record high of the Group. As most of the above models were launched in the second half of 2004, the strong demand from the market is expected to continue in 2005.

The consolidated turnover for the nine months from 1 April 2004 to 31 December 2004 of HK\$2,086 million represents an increase of approximately 51% as compared with the corresponding nine months period last year. The percentage increase in turnover is lower than the growth in number of handsets sold, which is mainly caused by the change in sales mix after the introduction of low selling prices of Nokia's models 2300 and 2600, which accounts for approximately one third of the sales volume.

Even though the selling prices of Nokia's models 2300 and 2600 are low and the competition in the market is keen, the gross margin still improved in the last quarter of 2004 to more than 5% resulted from the continuous effort of the Group in bargaining with suppliers on higher gross margin. As a result, the overall gross margin for the nine months period went up to 4.4%, 10% higher than the first six months of 2004 and an increase of 5% as compared with that of 4.2% for the corresponding nine months period last year. The Group will continue to negotiate for more favorable terms with suppliers, including but not limited to longer contract term and higher gross margin, and, so far, feedbacks from suppliers are positive. Nokia has already offered a continuous national distribution right to the Group's company for a longer contract term.

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分銷成本(主要包括銷售員之薪金及佣金)佔營業額之百分比仍維持在與上一個財政年度相若之水平。然而，儘管營業額大幅上升，行政及其他經營開支並無按比例增加，因而令九個月期間之經營溢利較去年同期九個月上升27,000,000港元或71%至65,000,000港元。九個月期間之股東應佔純利上升至42,900,000港元，較去年同期之20,700,000港元上升107%。於二零零四年十二月三十一日，本集團之資產淨值為349,000,000港元或每股1.16港元，而於二零零四年三月三十一日則為321,000,000港元或每股1.06港元。截至二零零四年十二月三十一日止九個月之每股盈利為14.2港仙，而截至二零零四年三月三十一日止年度之每股盈利為10.5港仙。

長遠智揚(控股)有限公司(「長遠智揚」)於九個月期間錄得營業額100,000,000港元，去年同期則為88,000,000港元。營業額上升主要因期內於香港推出O₂ xda II、mini xda II及Treo 600等智能電話所致。儘管手提裝置之需求放緩，但智能電話之需求則十分強勁。分別於去年年底及本年年初推出之最新型號智能電話O₂ mini xda II及Treo 650，體積較小，電池壽命較長，廣獲市場歡迎。作為香港市場個人數碼助理及智能電話之主要供應商，長遠智揚將繼續專注於智能電話市場，乘著香港對智能電話需求殷切之勢頭，提升來年之營業額。

於二零零四年十二月三十一日，本集團之總銀行借款約為466,000,000港元，其中353,000,000港元為以人民幣定值之週轉性營運資金貸款，可讓本集團因應不斷轉變之每月貿易量加以靈活調度。銀行借款由二零零四年三月三十一日之390,000,000港元，上升至466,000,000港元，主要由於營業額上升導致營運資金需求增加所致。所有貸款之息率以每月、每季或每半年基準定息計算。期內，本集團已透過與其往來銀行訂立雙邊融資安排，於到期日前全數償清所有銀團貸款。本集團之資產負債比率(按非流動負債除以股東資金計算)約為18%。總銀行存款及現金結存約為302,000,000港元，其中177,000,000港元已質押予銀行。九個月期間之融資成本為

Distribution costs, which mainly consisted of salesmen's salaries and commissions, still maintained at approximately the same percentage of turnover as in the last financial year. However, as administrative and other operating expenses did not increase proportionally with the surging turnover, the profit from operations for the nine months period of HK\$65 million increased by HK\$27 million or 71% as compared with that of the corresponding nine months period last year. The net profit attributable to shareholders for the nine months period went up to HK\$42.9 million, increased by 107% as compared with that of HK\$20.7 million for the same period last year. The net asset value of the Group as at 31 December 2004 amounts to HK\$349 million or HK\$1.16 per share versus HK\$321 million or HK\$1.06 per share as at 31 March 2004. The earnings per share for the nine months period ended 31 December 2004 is HK14.2 cents, while the earnings per share for the year ended 31 March 2004 is HK10.5 cents.

Synergy Pacific (Holding) Limited ("Synergy") recorded a turnover of HK\$100 million for the nine months period, as compared with that of HK\$88 million for the same period last year. The growth was mainly attributable to the introduction of Smartphones including O₂ xda II, mini xda II and Treo 600 in Hong Kong during the period. Even though the demand for handheld devices slows down, the demand for Smartphones is strong. The latest models of Smartphones O₂ mini xda II and Treo 650, being smaller in size and longer battery life, launched in late last year and early this year respectively are well received by the market. Synergy, being the main supplier of Personal Digital Assistants and Smartphones in the Hong Kong market, will continue to focus on the Smartphones market and take advantage of the increasing demand of Smartphones in Hong Kong to increase its turnover in the coming year.

As at 31 December 2004, the Group's aggregate bank borrowings amounted to approximately HK\$466 million, of which HK\$353 million was revolving working capital loans denominated in Renminbi to provide flexibility to the Group in response to the changing monthly trading volume. The increase in bank borrowing from HK\$390 million as at 31 March 2004 to HK\$466 million is mainly attributable to the increase in turnover and, hence, higher working capital requirement. The interest rates for all the loans are fixed on monthly, quarterly or semi-annual basis. The syndicated loan was fully repaid before the maturity date through bilateral financing arrangement with the Group's bankers during the period. The gearing ratio of the Group, calculated as non-current liabilities to shareholders fund was approximately 18%. The total bank deposits and cash balances amounted to approximately HK\$302 million, of which HK\$177 million has been pledged to banks. The finance costs for the nine months period of HK\$13 million is in line with of that of last whole financial year of HK\$17 million. The interest cover is approximately

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13,000,000港元，與去年整個財政年度之17,000,000港元相符。利息保障倍數約為5.1倍。為應付利率上升趨勢，以及中國實行宏觀調控導致銀行收緊借款，本集團將繼續檢討及監察現有之財務安排，以減少人民幣週轉性營運資金貸款及降低財務成本。

期內，本集團之融資及庫務政策並無重大轉變。由於本集團超過90%之銷售額及購貨均以人民幣定值，而人民幣兌港元之匯率相對穩定，故本集團認為貨幣風險承擔甚微。

於二零零四年十二月三十一日之存貨金額為280,000,000港元，存貨週轉期相當於約38日，而於二零零四年三月三十一日按存貨水平243,000,000港元計算之存貨週轉期則為48日。存貨週轉期縮短，主要因使用本集團自行開發之即時網上分銷資源規劃系統後，能更迅速及有效地控制存貨。本集團與供應商訂購存貨及磋商價格時均採取審慎態度。任何產品價格下降均不會對本集團之財務狀況構成重大影響，因其將由供應商預先協定之價格回贈所承擔。除此以外，絕大部分之存貨為近期型號之移動電話，本集團因而毋須為存貨作出滯銷撥備。

於二零零四年十二月三十一日，貿易應收賬款為193,000,000港元，應收賬款週轉期約為25日，而於二零零四年三月三十一日則為22日。應收賬款週轉期延長乃主要由於季節性因素所致，營業額及應收賬款於年底時一般均較三月為高。本集團之信貸控制政策極為嚴謹，而所有銷售均以現金基準結算，或給予少於三十日之有限信貸期。於二零零四年十二月三十一日，逾95%之貿易應收賬款之賬齡均少於30日，而期內僅作出800,000港元之呆賬撥備，約相當於本集團營業額之0.04%。

於二零零四年十二月三十一日，本集團並無持有任何股份投資。期內，本集團並無收購或出售重大投資、附屬公司、聯營公司或聯屬公司。截至二零零四年十二月三十一日，本集團並無重大或然負債或資本承擔。

5.1 times. To cope with the increasing trend in interest rates and tightening the control on bank borrowings arising from the macro-economic measures in the PRC, the Group will continue to review and to monitor the existing financing arrangement to reduce Renminbi revolving working capital loans and to lower the finance costs.

During the period, there was no material change in the Group's funding and treasury policy. As over 90% of the Group's sales and purchases are denominated in Renminbi and the exchange rate of Renminbi and Hong Kong dollar is relatively stable, the risk of currency exposure is considered minimal.

The amount of inventory as at 31 December 2004 was HK\$280 million, which represents approximately 38 days stock turnover as compare to 48 days stock turnover based on the inventory level of HK\$243 million as at 31 March 2004. The reduction in stock turnover period is mainly attributable to the more efficient and effective control over the movements of inventory after making use of the real time web-based distribution resources planning system which is developed by the Group. The Group is taking a cautious approach in inventory ordering and price negotiation with suppliers. Any drop in price of the product has no material impact on the financial position of the Group, as it will be covered by pre-arranged price rebates from suppliers. Nevertheless, substantially all the inventory is still current models of mobile phones and, hence, no provision for obsolescence is necessary.

The amount of trade receivable as at 31 December 2004 was HK\$193 million, which represented approximately 25 days debtor's turnover period as compare to 22 days as at 31 March 2004. The increase in debtor's turnover period is mainly due to seasonal factors whereby turnover as well as accounts receivable is normally higher at the end of the year than in March. The Group adopts a very tight credit control policy and most of the sales are on either cash basis or limited credit period of less than 30 days. As at 31 December 2004, more than 95% of trade receivables were aging less than 30 days and only a provision of HK\$0.8 million was made during the period on doubtful debts, which represents only approximately 0.04% of the Group's turnover.

As at 31 December 2004, the Group did not hold any share investment. There was no acquisition or disposal of material investment, subsidiary, associates or affiliated company during the period. There was no significant contingent liability or capital commitment as of 31 December 2004.

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於二零零四年十二月三十一日，本集團於中國多個城市共聘用1,249名僱員，當中包括1,155名市場推廣代表及非合約推廣人員。期內增加市場推廣代表及推廣人員數目，乃基於推出新產品及加強於三、四線城市之銷售工作。僱員薪酬乃按彼等之工作性質及市場而定，本集團每季進行表現評估，以釐定嘉許僱員之報酬。本集團根據中國及香港之適用規例提供員工福利及退休金供款。自二零零四年三月三十一日以來，薪酬政策、花紅及購股權計劃並無重大變動。自現有購股權計劃採納迄今，並無授出任何購股權。

營運回顧

市場綜覽

據信息產業部之資料，於二零零四年十二月底，中國之移動電話服務用戶人數超過三億三千四百萬，滲透率為每100人有25.8名用戶。截至二零零四年十二月之十二個月內，中國移動電話用戶人數增加約六千五百萬人或24%。與其他已發展國家相比，現時滲透率依然偏低，其他已發展國家之滲透率一般超過50%。中國每年經濟增長超逾8%，預計中國移動電話市場每年將繼續以雙位數增長。

中國政府至今尚未決定何時發出第三代移動電話服務(3G)牌照與牌照數目。雖然寬帶碼分多址接入(W-CDMA)及CDMA等3G技術在實況測試中顯示其穩定性及可靠度已大為改善，準備可投入商業運作，但在全面實況測試下，時分同步碼分多址接入(TD-SCDMA)在傳送不同網絡及設備商之間之通話時，表現仍然未符標準。部份行業報告預期，TD-SCDMA將獲中國電信業界積極支持，並將於二零零五年十月正式推出。然而，中國最大移動電信服務經營者中國移動有可能採納W-CDMA技術規範。一般相信，待TD-SCDMA電話所採用之晶片組合及手機準備就緒作商業推出時，全部三種甚至更多技術規範將會由不同經營者引入中國市場。

As at 31 December 2004, the Group had a total number of 1,249 employees, which included 1,155 marketing representatives and non-contracted promoters in various cities in the PRC. The increase in the number of marketing representatives and promoters during the period was due to the launch of new products and increased sales efforts targeting at third and fourth tier cities. Employees are remunerated according to the nature of their job and market trend, with quarterly performance evaluation to determine rewards in motivating individuals. The Group provides staff welfare and fund contribution to its employees in accordance with prevailing regulations in the PRC and Hong Kong. There is no material change in remuneration policy, bonus and share option scheme since 31 March 2004. No option has been granted since the adoption of the current option scheme.

OPERATIONAL REVIEW

Market Overview

According to the statistics released by the Ministry of Information Industry, China recorded more than 334 million subscribers to mobile phone services as at the end of December 2004, equivalent to a penetration rate of 25.8 users per 100 persons. The number of mobile phone users in China increased by approximately 65 million or 24% during the 12 months period up to December 2004. The existing penetration rate is still low in comparison with other developed countries, which are normally over 50%. With an economic growth of more than 8% per annum in the PRC, it is expected that the PRC mobile phone market will continue to grow at a double digit figure per year.

The Chinese government has not yet decided on when to issue 3G licenses and how many would be issued. While 3G technologies such as wideband code division multiple access ("W-CDMA") and CDMA demonstrated a significant improvement in stability and reliability in field trials and were ready for commercial operations, full scale field trials indicates that time division synchronous code division multiple access ("TD-SCDMA") still performing below standard in transmitting calls among different networks and equipment vendors. Some industry reports expect that TD-SCDMA will be aggressively pushed by the industry in China and will be officially rolled out in October 2005. However, China Mobile, the largest operator of mobile communication services in China, will be very likely to adopt the W-CDMA standard. It is believed that all three standards or more will be introduced in China by different operators when the chipsets and handsets for TD-SCDMA phones are ready for commercial launching.

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移動電話市場競爭仍然非常激烈，各種價格範圍之型號有超過1,000種之多。然而，五大品牌因擁有較佳之研究開發能力，從而逐步增加其市場佔有率至60%以上。來自南韓及台灣品牌之競爭日益加劇，及中國加入世貿後放寬外國競爭對手手機入口之限制、市場上液晶體顯示元件短缺，及國產品牌對銷售的預期過份樂觀，致使若干本地生產商出現存貨囤積且被逼淡出市場，進口品牌遂主導了市場。由於市場競爭激烈，手機型號壽命周期愈來愈短。這使手機成為潮流用品，而不再一定是必需品，亦從而縮短替換周期。

業務回顧

期內，移動電話分銷業務仍為本集團之核心業務，佔本集團營業額及經營溢利90%以上。諾基亞3100型號於期內佔本集團銷售量近40%，但逐漸給分別於二零零四年年初及年底推出之諾基亞2300及2600型號取代。該等型號屬基本入門型號，以低價市場為目標。於中高檔市場，諾基亞3220及7610型號表現依然理想。儘管諾基亞3220型號僅於二零零四年九月推出，但已佔本集團營業額近10%。期內，高檔型號諾基亞7610型號佔本集團營業額近20%。

本集團於期內已將其銷售團隊倍增，擴大其客戶層，以覆蓋於二零零四年年底已超過7,000名直接供貨的活躍客戶。本集團將繼續加強分銷網絡，擴大市場滲透率，成為中國最大及首屈一指之移動電話分銷商之一。

在香港，為了迎合智能電話日益增加之需求，本集團將繼續為市場物色及引進各類品牌之新型號。為求促進客戶關係，改善邊際利潤，本集團將向客戶提供增值服務，並向商業用戶提供一站式解決方案，以配合利用智能電話收發電郵。

The mobile phone market remains very competitive with over 1,000 models at various price ranges. However, with better R&D capabilities, the top five brands gradually increase their market shares and take up more than 60% of the market share. In facing of the increasing competitions from South Korea and Taiwan brands and lowering restrictions on foreign competitors after entering the WTO, the shortage of components in the market and the over optimistic sales expectation of the domestic brands, some domestic manufacturers piled up with stock and forced to fade out from the market. Import brands then dominate the market. Because of the keen competition in the market, life cycles of handset models are getting short. This makes handset become fashion rather than necessity and shortens the replacement cycle too.

Business Review

Mobile phone distribution continues to be the Group's major core business for the period, accounting for over 90% of the Group's turnover and operation profit. The Nokia's model 3100 accounted for almost 40% of the Group's sales volume during the period but was gradually taken up by Nokia's models 2300 and 2600, which were launched in early and late 2004 respectively. These are basic entry models and target at low price segment. In mid to high market segment, the performance of Nokia's models 3220 and 7610 are still promising. Although Nokia's model 3220 was launched in September 2004, it already accounted for almost 10% of the Group's turnover. The high end model Nokia's model 7610 accounted for almost 20% of the Group's turnover during the period.

The Group has doubled its sales force during the period and enlarged its customer base to cover more than 7,000 direct invoiced active customers by the end of 2004. The Group will continue to enhance its distribution network and deepen its penetration in the market to position itself as one of the largest and leading mobile phone distributor in the PRC.

In Hong Kong, to capture the growing demand of Smartphone, the Group will continue to look for and to introduce new models of different brands for the market. To enhance customer relationship and to improve profit margin, the Group will provide add-on services for customers and one-stop solutions for commercial users to facilitate email communication over Smartphones.

前景及展望

憑藉擁有諾基亞最新手機型號7610、3220、2600及N-Gage QD之全國分銷權，管理層深信，該等型號以及其他現有手機型號至少於截至二零零五年六月三十日止之未來半年內，協助本集團維持營業額於甚高及穩定之水平。

儘管如此，本集團將繼續物色機會進一步發展，包括透過聘請更多銷售人員，改善於三、四線城市之地區覆蓋範圍，深化現有市場滲透率；擴展銷售現有品牌組合，務求可基本上覆蓋中國移動電話最主要進口品牌；利用現有物流及分銷網絡，推行產品多元化，銷售MP3音響播放器及以本集團本身之品牌銷售電話配件（例如電池及藍芽耳機）；向客戶提供增值服務，鞏固客戶忠誠度；以及設立網站，利用互聯網在中國銷售移動電話。本集團亦會考慮各種收購合併機會，力求拓展集團業務範疇。

於期結日後，本集團取得NEC若干型號之全國分銷權。NEC不但為日本最大手機生產商之一，更為生產3G移動電話之市場先驅。本集團將繼續與其他3G移動電話生產商攜手合作，為成為中國市場最主要3G移動電話分銷商做好準備。

Prospect and Outlook

With the national distribution rights for the latest Nokia's handset models 7610, 3220, 2600 and N-Gage QD, the management are confident that these models together with other existing handset models will help the Group to keep its turnover at a high and stable level at least in the coming half year up to 30 June 2005.

Nevertheless, the Group will continue to seek for opportunities for further development, which includes deepening existing market penetration by recruiting more sales personnel to improve the geographical coverage in third and fourth tiers cities, expanding existing brands portfolio to cover basically most major import brands of mobile phones in the PRC, products diversification by making use of existing logistic and distribution network to sell MP3 audio players and phone accessories such as batteries and bluetooth earphones which are under the Group's own brand name, providing added value services to customers to build up customer loyalty and setting up website to conduct Internet sales of mobile phones in the PRC. The Group will also consider various M&A possibilities to diversify our business scopes.

Subsequent to the period end, the Group has obtained national distributor right for certain models from NEC, which is not only one of the largest players in Japan, but also a market leader in producing 3G mobile phones. The Group will continue to line up with other 3G mobile phone manufacturers and prepare itself to be a leading 3G mobile phone distributor in the PRC market.