

# chairman's statement



I am pleased to announce that a consolidated profit attributable to shareholders of HK\$551 million was recorded for the year 2004.

Your Board of Directors has recommended a final dividend for 2004 of HK19 cents per share. Together with the interim dividend of HK11 cents per share on 10 November 2004, the total distribution for the year 2004 is HK30 cents per share.

The previous years of restructuring of the EMS Group and the continuing Brand re-habilitation are now bearing fruit as reflected in the 2004 results. With the disposal of the non-core foreign exchange business in 2003 and the closure of the Thailand facility in 2004, we will continue to rationalise the business and simplify the Group's organisational structure. The results also reflect the strong sales in the US and growing demand in China.

Our Brands (Nakamichi, Akai & Sansui) are well-recognised world wide as leading premium Japanese Brands in the audio, video and display business and have each been in business for more than 50 years. They are now distributed to more than 55 countries across the globe and are meaningful in virtually every consumer electronics market in the world. As pioneers of innovative video products the Brands will continue to offer the latest technology, with particular focus on the flat panel display products such as Plasma and LCD TV's.

Wide screen TV demand is now growing at an exponential rate and the Group is well positioned to take full advantage of this demand. We expect to realize significant growth in sales with the mandated conversion from analog to digital TV over the next few years in both Europe and the US. Growth will also come in the US with the widespread adoption of HDTV as the US Federal Commission pushes for the adoption of Digital TV tuners in all TV's sold in the US. We believe that demand in the PRC will continue to grow given China's continued economic development and the Group will maximise the Brands expansion in this region.

Additional capital expenditure will continue to be made in new Plasma and LCD manufacturing capacity in our major manufacturing facilities in China.

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 associations for their continuing support and confidence.

**Christopher W. Ho**  
*Chairman*

Hong Kong, 25 April 2005

