

Chairman's Statement 主席報告書



Mr. Kyoo Yoon CHOI (Chairman)
崔奎琬先生 (主席)

Dear Shareholders,

2002 was definitely a positive year for Dream International Limited (the "Company") and its subsidiaries (the "Group") with our successful listing, creating a major milestone for the Group. Since our listing, we have received strong support from the local and global investment community; we were also elected as one of the "Best Newly Listed Company in 2002 (Hong Kong)" by Asiamoney in December 2002. Our efforts were further recognized when our stock was selected as a constituent stock of the Hang Seng Composite Index, Hang Seng Hong Kong Composite Index, Hang Seng Hong Kong SmallCap Index, Hang Seng Composite Industry Indexes - Consumer Goods, Hang Seng Freefloat Composite Index and Hang Seng Hong Kong Freefloat Index with effect from 30 December 2002. The Board is very pleased with this recognition by the community and is committed to working even harder to provide the best results to shareholders.

Business Review and Prospects

In the year of 2002, the sales of the toy industry as a whole maintained at US\$20.2 billion in 2002. Capitalizing on our world's largest plush stuffed toy manufacturer's status, we have reported growth in both turnover and profits, which further strengthened our leadership in the industry.

致各位股東：

二零零二年對德林國際有限公司(「公司」)及其附屬公司(「集團」)而言是令人鼓舞的一年，成功上市為本集團奠下了一個重要的里程碑。自上市後，我們備受本地及全球投資者的擁戴。我們於二零零二年十二月榮獲財經雜誌Asiamoney推舉為「二零零二年度最佳新上市公司(香港)」之殊榮。此外，本集團亦於二零零二年十二月三十日被甄選為恒生綜合指數、恒生香港綜合指數、恒生香港小型股指數、恒生綜合行業指數系列—消費品製造業、恒生流通綜合指數及恒生香港流通指數之成份股，進一步確定我們努力的成果。董事會對於本集團表現獲得投資界廣泛的認同而感到十分欣慰。我們將繼續努力，爭取佳績，為股東帶來最理想的回報。

業務回顧及展望

二零零二年玩具業整體銷售額維持於20,200,000,000美元之水平。憑藉我們作為世界最大的毛絨玩具生產商，我們的營業額及盈利均錄得增長，進一步鞏固我們於業內之領導地位。

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During the year under review, we maintained our strong international customer base with 139 customers spreading over 13 countries. The US and Japan remained the Group's two major markets, representing 49% and 33% respectively of the Group's total turnover during the year under review. Our core business, plush stuffed toys accounted for 93% (2001: 91%) of the Group's turnover for the year ended 31 December 2002 while the remaining 7% (2001: 9%) came from our steel and plastic toys (Note).

For the year ended 31 December 2002, we concentrated on our OEM business which accounted for 87.5% (2001: 95%) of the Group's total turnover. During the year under review, the ODM business jumped from 5% to 12.5%. At the same time, we achieved a successful breakthrough in our ODM business, which was wholly represented by our Caltoy products. This encouraging achievement demonstrated the strong market response to Caltoy, which became the driving force for our further expansion in our ODM business.

Looking ahead, leveraging our strong market and design capabilities and the established foundation, together with the close relationship with our customers and distributors, we shall, as promised in our listing, work for the utmost benefit of our shareholders. We will reduce our reliance on our parent company, C & H Co., Ltd. by taking over its marketing responsibilities for the branded customers and sell plush stuffed toy products to the branded customers directly. We will further enhance our vertical integration to maximize our economies of scale, while also expanding our market share in existing and new markets.

於回顧年度內，我們擁有強大的國際客戶網絡，139名客戶遍佈於超過13個國家。於回顧年度內，美國及日本仍為本集團兩個主要市場，分別佔本集團總營業額49%及33%。截至二零零二年十二月三十一日止，我們的核心毛絨玩具業務佔本集團總營業額93% (2001年：91%)，餘下的7%餘額則來自金屬及塑膠玩具之銷售 (附註)。

截至二零零二年十二月三十一日止，我們致力拓展OEM業務，此業務佔本集團總營業額87.5% (2001：95%)。於回顧年度內，ODM業務由去年佔總營業額5%躍升至12.5%。與此同時，我們旗下之Caltoy產品使ODM業務得到重大突破。此正好反映市場對Caltoy產品反應非常熱烈，亦成為我們進一步拓展ODM業務之原動力。

展望未來，憑藉我們強勁的市場推廣及設計能力及已建立的穩健基礎，再加上我們與客戶及分銷商的緊密關係，我們將繼續履行上市時之承諾，竭盡所能為股東帶來最理想的回報。我們將減少對母公司C&H Co., Ltd.的依賴，直接向品牌客戶推銷產品及銷售毛絨玩具產品予品牌客戶。同時亦會進一步優化垂直整合生產流程以擴大我們的經濟效益，繼續擴展現有及新市場之佔有率。

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Finally, on behalf of the Board, I would like to extend my gratitude to the management and staff for their commitment and contribution to the Group. We treasure our employees as a valuable asset and as our growing driver in the years to come. Without their dedicated efforts, we cannot achieve such a great success in the year under review.

Kyoo Yoon **Choi**

Chairman

Hong Kong, 8 April 2003

Note: Pursuant to the group reorganization completed in December 2001, the Company acquired J.Y.Toys Co., Limited which is engaged in the trading and manufacture of steel and plastic toys. For analysis purpose, the Group turnover for the year ended 31 December 2001 includes that of J.Y.Toys Co., Limited although it did not become a subsidiary of the Company until 31 December 2001.

最後，本人謹代表董事會向管理層及員工所作出的努力與貢獻致以衷心的謝意。我們亦視員工為重要資產以及未來發展之動力。本人深信如沒有員工們的努力，我們不能於回顧年度內達至輝煌的成績。

崔奎玠

主席

香港，二零零三年四月八日

附註：根據於二零零一年十二月完成之業務重組，本公司收購從事金屬及塑膠玩具貿易及製造之香港正潤玩具有限公司。儘管該公司於二零零一年十二月三十一日方成為本公司之附屬公司，為便於分析，本集團截至二零零一年十二月三十一日止年度之總營業額亦已包括香港正潤玩具有限公司之營業額。