

致力追求卓越

Striving for Excellence



優質服務 精益求精
setting highest technical standards
to ensure quality services

股息

於二零零五年，本公司並無支付任何中期股息（二零零四年：每股港幣0.01元）。董事現建議於二零零六年六月十六日（星期五）派付末期股息每股港幣0.02元（二零零四年：港幣0.02元）予二零零六年六月七日（星期三）名列於股東名冊之股東。

本公司將由二零零六年六月一日（星期四）至二零零六年六月七日（星期三）止（包括首尾兩日）暫停辦理股份過戶登記手續。如欲獲派上述股息，務須於二零零六年五月三十日（星期二）下午四時前，將所有過戶表格連同有關股票，一併送達本公司之股份過戶登記處標準證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

業務回顧

本集團於二零零五年之銷售收入及除稅前溢利較二零零四年分別上升9.6%及46.8%，主要由於電子製造服務部門（「EMS部門」）於下半年之銷售出現強勁增長，以及因所採用之折舊率變動而導致物業、廠房及設備之折舊費用減少港幣10,719,000元。

於二零零五年下半年，EMS部門於沙井廠房之銷售收入較上半年增加16.1%。以全年計，EMS部門之銷售收入及經營溢利分別較二零零四年增加9.9%及22.6%。該部門位於蘇州之廠房於二零零三年投產後，年內首度錄得輕微溢利。由於產品銷售組合有所改變，EMS部門之邊際利潤輕微下跌。於年內，EMS部門已覓得多名新客戶，預期長遠而言將有利於本集團之業務增長。EMS部門將繼續實行其問責及高透明度政策，以改善生產力及成效。本集團將繼續鞏固及增強所有部門之中層管理實力。本集團亦制定目標，透過增值工程及設計服務，提升客戶總體滿意水平。本集團將繼續進一步加強控制成本及開支以改善邊際利潤。

DIVIDENDS

The Company did not pay any interim dividend (2004: HK\$0.01 per share) for 2005. The Directors now recommend the payment of a final dividend of HK\$0.02 (2004: HK\$0.02) per share on Friday, 16th June, 2006 to the shareholders on the Register of Members on Wednesday, 7th June, 2006.

The Register of Members will be closed from Thursday, 1st June, 2006 to Wednesday, 7th June, 2006, both days inclusive, during which period no further transfer of shares will be effected. To qualify for the above dividend, all transfers accompanied by the relevant certificates must be lodged with the Company's registrars, Standard Registrars Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 30th May, 2006.

REVIEW OF BUSINESS ACTIVITIES

The sales revenue and the profit before taxation of the Group for 2005 increased by 9.6% and 46.8%, respectively, compared to 2004, mainly due to the strong growth in sales of the Electronic Manufacturing Service Division (the "EMS Division") in the second half of the year and the decrease in the depreciation charge of plant, machinery and equipment of HK\$10,719,000 caused by the change of the depreciation rates applied.

In the second half of 2005, the sales revenue of the EMS Division's factory in Shajing increased by 16.1% compared with the first half of the year. Over the full year, the EMS Division achieved an increase in sales revenue and operating profit of 9.9% and 22.6%, respectively, compared to 2004. The Division's factory in Suzhou, which commenced operation in 2003, reported its first small profit for the year. The profit margin for the EMS Division dropped slightly due to changes in product sales mix. During the year, the EMS Division has secured a number of new customers and it is expected to benefit the Group in terms of its business growth in the long run. The EMS Division will continue to implement its accountability and transparency policies to improve its productivity and effectiveness. We will continue to solidify and strengthen our mid level management across all departments. We also set our objectives to enhancing total customer satisfaction by providing value engineering and design services. We will continue to further tighten cost and expense control to improve our profit margin.

業務回顧 (續)

於原設計及市場推廣部門(「ODM部門」)方面，近期開發之產品為一系列流動RFID(無線射頻識別器)讀取器／寫入器及儲存終端，用以取得專有資料及追蹤資產及文件。擁有SD(保密數碼)槽之此類裝置可於進行電子付款時得以提供高度保密之雙向通訊。現正生產樣本，並將於不久將來開展商業生產。同時，本集團正利用最新的GPS(全球定位系統)及GSM(環球移動通訊系統)技術發展小型汽車追蹤裝置。目前正進行樣本實地測試，預計於二零零六年第二季將進行大量生產。於二零零六年，ODM部門計劃對成本及開支進行更嚴格監管，使其在流動資金方面得以自給自足。

在半山區之住宅發展項目(「項目」)銷情在下半年減慢，惟於下半年所售出住宅之每平方米售價並無重大變動。董事預期就有關項目近期不會作任何進一步調整。

財務

於二零零五年十二月三十一日，本集團之銀行借貸淨額約港幣317,000,000元(二零零四年：港幣462,000,000元)，佔該日之股東權益50.4%(二零零四年：76.5%)。

本集團大部份銷售均以美元進行，成本及開支則主要以美元、港幣、日元及人民幣計算。遠期外匯合約於有需要或實際可行時用以對沖風險。

資本結構

自二零零四年十二月三十一日以來，本集團之資本結構並無重大變動。

REVIEW OF BUSINESS ACTIVITIES (Continued)

In the Original Design and Marketing Division (the "ODM Division"), the recent development is a series of mobile RFID (radio frequency identification) reader/writer and storage terminals that can be used to access proprietary information and track assets and documents. With SD (secure digital) slots, such devices can also offer high security near field 2-way communications for conducting electronic payment. Samples are being built and commercial shipments will commence soon. There is also the development of a compact vehicle tracking device, using the latest GPS (global positioning system) and GSM (global system for mobile communications) technologies. At present, sample field trials are being conducted and mass production is scheduled to be in the second quarter of 2006. For 2006, the ODM Division plans to exercise stringent controls on costs and expenses in order to become self-sufficient in terms of cash flow.

Sales of the apartments of the residential development in the Mid-Levels (the "Project") slowed down in the second half of the year, but there was no significant change in the price per square feet for those apartments which were sold in the second half of the year. The Directors do not expect to make any further adjustment in respect of the Project in the near future.

FINANCE

As at 31st December, 2005, the Group had net bank borrowings of about HK\$317 million (2004: HK\$462 million), representing 50.4% (2004: 76.5%) of its shareholders' equity at that date.

Most of the Group's sales are conducted in US dollars and costs and expenses are mainly in US dollars, HK dollars, Japanese Yen and Renminbi. Forward exchange contracts are used to hedge foreign exchange exposures where necessary or practicable.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since 31st December, 2004.

僱員

於二零零五年十二月三十一日，本集團聘用約5,600名僱員，其中約4,000名為生產部工人。除提供年終花紅、醫療及人壽保險外，本集團亦會因應僱員之表現發放酌情花紅。本集團之酬金政策及福利計劃會不時檢討。

本集團亦向其員工提供內部及外間培訓計劃。

前景

根據現有之手頭訂單及預計從客戶獲得之訂單，董事有信心EMS部門於二零零六年將達到理想之銷售收益增長。預期EMS部門之盈利能力將受惠於規模經濟而有所增長。董事亦預期ODM部門於二零零六年之流動資金得以自給自足。

鑑於銷售預期有所增長，預計EMS部門之沙井廠房將以最高產能運作，而EMS部門正計劃設立新廠房。就蘇州廠房而言，已購入一幅鄰近現有廠房之土地作未來擴充之用。

本人謹此代表各董事感謝客戶、供應商及業務夥伴一直對本集團信任及支持。本人亦謹此特別感謝員工之忠誠、勤奮及為本集團提供專業服務。

王忠秣
主席兼行政總裁

香港，二零零六年四月十日

EMPLOYEES

As at 31st December, 2005, the Group employed approximately 5,600 employees, out of which approximately 4,000 are production workers. In addition to the provision of annual bonuses, medical and life insurances, discretionary bonuses are also available to employees on a performance basis. The remuneration policy and packages of the Group are reviewed from time to time.

The Group also provides in-house and external training programs to its employees.

PROSPECTS

Based on the level of orders on hand and forecasts provided by customers, the Directors are optimistic that there will be a healthy growth in the sales revenue for the EMS Division in 2006. Profitability of the EMS Division is expected to improve as a result of economies of scale. The Directors also target for the ODM Division to become self-sufficient in terms of cash flow in 2006.

With the anticipated growth in sales, it is expected that the Shajing factory of the EMS Division will reach its maximum capacity and the EMS Division is planning for the establishment of a new factory. For the factory in Suzhou, a piece of land adjacent to the present factory has been acquired for the purpose of future expansion.

On behalf of the Directors, I would like to sincerely thank our customers, suppliers and business partners for their continued confidence in and support to the Group. I would also like to pay a special tribute to all of our employees for their loyal, diligent and professional services to the Group.

WONG CHUNG MAT, BEN
Chairman and Chief Executive Officer

Hong Kong, 10th April, 2006