

## 主席報告 Chairman's Statement

各位股東：

本人欣然報告，儘管全球經營環境充滿挑戰，泰盛實業集團有限公司（「本公司」，連同其附屬公司統稱「本集團」）及本集團於二零零五年度錄得相當理想之業績。

### 本年度業績

截至二零零五年十二月三十一日止年度，本集團錄得營業額約647,004,000港元，較二零零四年度約774,255,000港元下跌約16.4%。

Dear Shareholders,

I am pleased to report that Karce International Holdings Company Limited (the "**Company**" which, together with its subsidiaries, (the "**Group**") and the Group achieved a satisfactory result in 2005, despite a challenging operating landscape in the global platform.

### RESULTS OF THE YEAR

For the year ended 31 December 2005, the Group recorded a turnover of approximately HK\$647,004,000, representing a decrease of approximately 16.4 per cent. as compared with approximately HK\$774,255,000 of the year in 2004.



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在競爭激烈之業務環境下，本集團之整體毛利率仍能改善約3.6%至約19.3%（二零零四年：約15.7%）。

截至二零零五年十二月三十一日止年度，本集團之股東應佔純利約28,036,000港元（二零零四年：約50,246,000港元）。

截至二零零五年十二月三十一日止年度，每股基本盈利約5.09港仙（二零零四年：約9.69港仙）。

### 股息

為感謝股東對本公司之支持，董事欣然建議派付末期股息每股1港仙，該股息將於二零零六年六月三十日或之前派付予於二零零六年五月三十日名列本公司股東名冊之股東。該建議須待於本公司應屆股東週年大會上取得本公司股東批准後方可作實。

### 業務回顧

二零零五年可謂本集團建立里程碑之年度。Ascalade Communications Inc.（「**Ascalade Inc.**」，連同其附屬公司統稱「**Ascalade集團**」）於二零零五年六月二十七日在多倫多證券交易所（「**多倫多證交所**」）上市，順利集資資金淨額約29,100,000美元（相當於約226,980,000港元）。Ascalade Inc.在先進數碼無線產品之創意設計和生產效率領域上，早已確立了本身的核心競爭優勢。

另一方面，本集團過去一直自設兩座從事製造導電硅橡膠按鍵業務之廠房。於二零零五年一月，本集團出售一間間接全資附屬公司東莞德鉅電子有限公司（「**東莞德鉅**」）之全部股權，獲得代價12,000,000港元。出售所產生之收益約2,227,000港元已於本年度入賬。

In spite of competitive business environment, the Group was able to improve the overall gross profit margin by approximately 3.6 per cent. to approximately 19.3 per cent. (2004: approximately 15.7 per cent.).

The net profit attributable to shareholders of the Group was approximately HK\$28,036,000 for the year ended 31 December 2005 (2004: approximately HK\$50,246,000).

Basic earnings per share was approximately HK\$5.09 cents (2004: approximately HK\$9.69 cents) for the year ended 31 December 2005.

### DIVIDEND

In appreciation of shareholders' support for the Company, the Directors are pleased to recommend a final dividend of HK1 cent per share payable on or before 30 June 2006 to shareholders whose names appear on the register of members of the Company on 30 May 2006 and is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting of the Company.

### BUSINESS REVIEW

Year 2005 has been a milestone for the Group. Following the successful initial public offering of an associate, Ascalade Communications Inc. ("**Ascalade Inc.**", which together with its subsidiaries, the "**Ascalade Group**") on the Toronto Stock Exchange ("**TSX**"), Ascalade Inc. raised a net proceeds of approximately US\$29,100,000 (equivalent to approximately HK\$226,980,000) on 27 June 2005. Ascalade Inc. has developed a core competency for innovative design and efficient manufacturing of advanced digital wireless products.

On the other hand, the Group used to own two factories which were both engaging in the business of manufacturing of conductive silicon rubber keypads. In January 2005, the Group disposed the entire equity interest in an indirect wholly owned subsidiary, Dongguan Tehsutec Electronic Company Limited ("**DTEC**"), at a consideration of HK\$12,000,000. The gain arising from the disposal of approximately HK\$2,227,000 has been recorded in the year.

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於二零零五年上半年，本集團在中華人民共和國（「中國」）因成本上漲而對其邊際利潤構成壓力，所涉範圍包括工資、電費、運輸、更嚴格之社會責任標準及原料成本。有鑑於此，本集團不斷修正其產品比重，改為側重於較優質之產品上，力求在面對上述挑戰下盡量達致定價之靈活性。

由於本集團之生產設施主要位於廣東地區，故此在中國所面對之勞工和電力短缺等問題均繼續對本集團產能構成困擾，本集團需要提高工資和福利方能挽留優秀員工。勞工問題受到工人關注到工作及起居環境以至安全標準等問題所影響下，仍屬本集團所關注之主要環節。

本集團將繼續發展及擴充其核心業務，同時維持其健康之財務狀況。隨著經濟明顯復甦，預期來年會為本集團帶來新商機。

### 未來計劃及前景

二零零五年之業績同時反映了本集團紮實之財政實力和核心業務因市況改善而錄得理想財務表現。本集團之既有業務繼續提供不斷增長而龐大之現金流量。

儘管美元利率不斷上升、油價及商品價格高企，然而全球經濟於二零零五年在整體上有所改善。董事預期，全球經濟於二零零六在類似背景下將繼續溫和增長，而中國與香港、印度及亞洲其他地區則持續強勁增長。預期本集團所有既有業務於營運方面成績斐然，財政健全。

本年度第一季度，本公司之核心業務產品之需求持續強勁；二零零六年上半年剩餘期間，本公司接獲之訂單已滿額。儘管本公司之低檔次產品現正承受一定程度上之壓力，卻毋須割價求售。然而，鑑於目前之經濟環境仍備受挑戰，持審慎態度仍屬上策。

In the first half of 2005, the Group experienced pressure on its profit margin from cost factors in the Peoples' Republic of China (the "PRC") such as wages, electricity, transportation, more stringent social responsibility standards and the cost of materials. In view of this, the Group has been changing the product mix to more premium-grade products in order to achieve greater pricing flexibility facing of these challenges.

Labour and electricity shortages in the PRC continued to present problems as the Group's production capacity is mainly located in the Guangdong region. Wages and benefits needed to be increased in order to retain skilled workers. The labour issue remained one of the main concerns for the Group, compounded by the new concerns for working, living and safety standards for workers.

The Group will continue to develop and expand its core businesses while maintaining its healthy financial position. With affirmed improving economy ahead, the Group is expecting new business opportunities in the coming year.

### FUTURE PLANS AND PROSPECTS

The result of 2005 reflect both the Group's solid financial foundation and the strong financial performance of our core businesses under improved market conditions. The Group's established businesses continued to generate strong and growing cash flow.

The world economy generally improved in 2005, despite rising US dollar interest rates and a high oil and commodities price movement. The Directors expect modest continuing improvements in 2006 under similar conditions with continuous strong growth in the PRC and Hong Kong, India and elsewhere in Asia. All of the Group's established businesses are expected to achieve strong operating performances as well as solid financial performances.

Demand for our core business products has continued to be strong in the first quarter of this year and we have a full order book for the balance of the first half of 2006. Sales prices continue to be firm, although some pressure is appearing at the low end of our product range. However, it is important to be cautious given the challenges that the current economic environment is presenting.

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本集團對業務及市場之長遠展望仍然樂觀。然而全球油價、息口、人民幣幣值及電力和勞工短缺等外在因素依然存在不明朗因素。此等情況均有可能影響生產及貿易活動，並且對本集團之成本及邊際利潤構成壓力。

隨着全球化速度加快及源自其他市場之產品將不斷湧現，董事預期對區內客戶之競爭將會加劇，並會秉持多元化的策略，以拓展其新客戶基礎及探討新業務機遇，以帶動營業額增長。

憑藉對產品質素之重視，董事相信透過持續改善其生產程序、設計、教育及技術基建，將有助突顯本集團作為亞洲其中一間領先消費電子產品及元件生產商之地位。

展望將來，隨着印製電路板分部虧損收窄，本集團在規模上之充分優勢將陸續體現於盈利增長、負債水平不斷下降及財政狀況改善，以及股東價值之實質增長。

在這些令人鼓舞的趨勢及本集團財政狀況理想之背景下，董事相信本集團之增長平台於精簡及增強後，未來一個財政年度的表現將繼續錄得理想改善。

### 致謝

最後，對於本集團董事及全體員工之盡忠職守及鼎力支持、彼等之專業精神、企業精神及勤奮，本人謹代表本公司之董事致以深切謝意。此外，就各股東、供應商、往來銀行及客戶對本集團不斷之支持，本人謹此致謝。

唐錫麟  
主席

二零零六年四月十九日

The Group remains optimistic about the long term prospects of our business and the markets. However, uncertainties on the external front over global oil prices, interest rates, valuation of the Renminbi and shortage of electricity and labour, all of these could affect the manufacturing and trading activity and will continue to impose pressure on the costs and margins of the Group.

With increasing globalization and greater availability of products in other markets, the Directors foresee intensified competition among customers in the region and continue its diversification strategy in order to expand its new customer base and explore new business opportunities so as to enhance the growth of turnover.

Sustained by an emphasis on product quality, the Directors believe that through continuous improvements in production process design, education and technology infrastructure will help to distinguish the Group as one of leading manufacturers of consumer electronic products and components in Asia.

Looking forward, as the printed circuit boards ("PCBs") segment's losses narrowed, the full benefit of the scale the Group has achieved will be progressively reflected in earning growth, continuous reduction in debt levels and improvements to the financial profile, and in solid shareholders' value creation.

With these encouraging trends and the Group's strong financial position, the Directors is confident of further improving performance in the coming financial year as the Group's growth platform has been refined and strengthened.

### ACKNOWLEDGEMENTS

Finally, on behalf of the directors of the Company (the "Directors"), I wish to express my sincere appreciation to the Directors and all employees of the Group for their loyal support and dedication, their professionalism, enterprise and hard work. I would also like to thank our shareholders, our suppliers, our bankers and our customers for their continuing support.

Tong Shek Lun  
Chairman

19 April 2006