

## Chairman's Statement 主席報告書

On behalf of the Board of Directors (the "Directors"), I am pleased to announce the consolidated audited financial results of Perennial International Limited (the "Company"), together with its subsidiaries (the "Group") for the year ended 31st December 2006.

Continued volatile copper price constituted an impact on our business. To reduce the effect, the Group has taken cautious steps to control costs.

The Group's turnover was HK\$439,352,000 (2005: HK\$375,383,000), up 17.0%. Profit for the year was HK\$29,460,000, compared to HK\$25,408,000 in 2005, representing an increase of 15.9%. Earnings per share were HK\$0.148 (2005: HK\$0.128).

### FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK\$0.03 per share. Together with the interim dividend of HK\$0.01 per share, the Group's total dividends for the year 2006 amount to HK\$0.04 per share (2005: HK\$0.04 per share).

The register of members of the Company will be closed from 23rd April 2007 to 26th April 2007, both days inclusive, during which period no transfer of shares will be effected. Subject to the approval of shareholders at the Annual General Meeting to be held on 26th April 2007, the final dividend will be paid on or before 7th May 2007 to shareholders whose names are registered in the register of members of the Company at the close of business on 26th April 2007.

In order to qualify for the final dividend, payable on or before 7th May 2007, to be approved at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrars, Hong Kong Registrars Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 20th April 2007.

本人謹此代表董事會欣然公佈恒都集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)截至二零零六年十二月三十一日止年度經審核的綜合財務報告。

銅價持續波動，對我們的業務造成一定壓力。據此，本集團已採取審慎措施，小心控制成本，減低影響。

本集團營業額為439,352,000港元，(二零零五年：375,383,000港元)，增長17.0%。全年溢利為29,460,000港元，而二零零五年同期則為25,408,000港元，上升15.9%。每股盈利為14.8港仙，(二零零五年：12.8港仙)。

### 末期股息

董事建議派發末期股息每股3港仙。連同已派發的中期股息每股1港仙，本集團二零零六年之全年股息為每股4港仙(二零零五年：每股4港仙)。

本公司將於二零零七年四月二十三日至二零零七年四月二十六日，首尾兩天包括在內，停止辦理股份過戶登記手續。待股東於二零零七年四月二十六日舉行之股東週年大會批准後，末期股息將在二零零七年五月七日或以前派付予於二零零七年四月二十六日營業時間結束時名字登記在本公司股東登記名冊之股東。

為了符合在二零零七年五月七日或以前獲派於股東週年大會上批准之末期股息之資格，股東最遲須於二零零七年四月二十日下午四時半前，將全部已經填妥之過戶表格，連同有關股票交回本公司在香港之股份過戶登記分處香港證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

### BUSINESS REVIEW

The Group is principally engaged in the manufacturing and trading of quality power cord, power cord sets, cables and wires, wire harnesses, copper rod and plastic resins.

By continued review and revision of its strategy, the Group enhances cost efficiency, optimizes the operations, implements prudent financial measures and transparent corporate governance policy to face challenges.

During the year under review, our sales in power cord and sets, wire harnesses, cables and wires, copper rod and plastic resins accounted for 68.3%, 16.2%, 12.2%, 2.2% and 1.1% of the Group's total turnover, respectively.

With persistent efforts to rationalize operations structure, optimize inventory control and adopt stringent cost control, we focus on the development of high quality, high returns and high growth products to achieve significant profit.

In 2006, the Group obtained the international certification TS-16949, that allows the Group to expand the business of wire harness for automobiles in the overseas and mainland markets.

Regarding the production of environmentally friendly halogen-free cable, we have successfully secured the Japanese certification and are currently applying for the European certification in order to tap into this high potential business. We believe that this type of product will generate considerable income in future.

To cope with our long-term development strategy, we have continued to rationalize our management team during the year. The hiring of experienced executives to take up senior positions in the United States of America and the People's Republic of China (the "PRC") has laid a solid foundation for our growth.

Capitalizing on semi-automation to improve production efficiency, we reduced our staff force from 2,300 to 1,900 during the year.

### 業務回顧

本集團之主要業務包括專門製造及營銷品質穩定的電源線、電源線組合、導線、組合束線、銅桿及塑膠皮料。

面對挑戰，本集團持續檢討及修訂策略，致力提高成本效益，優化管理架構，採取穩健財務措施，以及實施高透明度企業管治政策。

回顧期內，電源線及組合、組合束線、導線、銅桿及塑膠皮料的銷售額，分別佔本集團營業額之68.3%、16.2%、12.2%、2.2%及1.1%。

精簡結構，優化庫存管理及嚴格控制成本是本集團一貫持之以恆的業務方針。我們專注發展高質量、高回報及高增長的產品，使業務獲得顯著裨益。

在二零零六年，本集團成功取得TS-16949國際認證，有助拓展汽車專用組合束線在海外及內地的業務。

至於生產符合環保要求的無鹵電線方面，我們已取得日本認證，現在正申請歐洲認證，準備進軍這個潛質優厚的行業，我們相信該類產品在未來可為本集團提供一定的盈利貢獻。

為配合本集團的長遠發展策略，我們在回顧期內不斷優化管理層，聘用經驗豐富的管理人員出任美國及中國區的要職，藉此加強公司實力，奠定發展的穩固根基。

年內，我們利用半自動化去提高生產效率，員工數目由2,300減至1,900。

## Chairman's Statement (Continued) 主席報告書(續)

### FUTURE PROSPECTS

The building of new facilities including office block, factory and warehouse adjacent to the existing compound, at Shi Yan District Shenzhen, is in progress. It is expected that the construction project will be finished by the second quarter of 2007. Upon completion, part of the current plastic resins production facilities of the Group will be relocated to this new factory.

We believe that the completion of our new factory will improve our overall operational efficiency and tie in with our business development. This new factory will primarily manufacture plastic resins, particularly the high value-added, environmentally friendly and toxic-free materials for medical use. These products will enhance revenue contributions and cost efficiency.

Being a responsible company, we're committed to manufacturing and selling quality, safe, environmentally friendly and non-hazardous products to our customers across the world. As a vertical and horizontal expansion to generate revenue income, we also sell our green plastics materials to other manufacturers who export their goods to Europe and Japan Market.

In 2007, we will also develop the wire harness business for other industrial use.

On the cost control front, we will continue to adopt prudent strategy to optimize inventory management and to control the efficient usage of raw materials. While enhancing our productivity, we will endeavour to reduce manpower further through automation, to mitigate the growing pressure on production costs in the PRC.

### 未來展望

本集團於現有深圳市石岩區廠房附近增建新廠房包括辦公樓、廠房及倉庫，工程正在加緊進行中，預計工程將於二零零七年第二季前完成。屆時，本集團之部份現有塑料生產設施將搬遷至該新工廠。

我們認為新廠房之落成，可以進一步提高本集團之整體生產效率及配合業務發展。該新廠房主要生產塑膠料，特別是附加價值高的環保材料及醫療用無毒材料，有助增加溢利貢獻和成本效益。

作為一個良好企業，我們致力為全球客戶製造及營銷優質，安全，環保及無有害物質的產品。此外，我們透過垂直又平行的業務拓展計劃，銷售環保膠料予其他生產出口至歐洲及日本市場之廠商，開闢利潤收入源頭。

展望二零零七年，我們亦會開拓其他工業用組合束線的業務。

在成本控制方面，我們繼續會採取審慎策略，優化庫存管理，嚴格控制原材料使用效率。此外，在致力提高生產效率的同時，我們會透過半自動化生產計劃，進一步減少人手以減低國內日漸上升的生產成本壓力。

### CORPORATE GOVERNANCE

The Group is committed to safeguarding shareholders' rights and enhancing corporate governance standard. As a result, we establish the Compliance Committee, Audit Committee, Remuneration Committee and Nomination Committee to adhere to the best practice.

### SOCIAL RESPONSIBILITY

Being a responsible corporate citizen is the Group's strong belief. We have, and will continue to participate in and support community activities in both Hong Kong and the PRC.

### APPRECIATION

On behalf of the Board of Directors, my sincere thanks to our shareholders, partners and customers for their continuous support and to our staff for their dedication.

By Order of the Board  
**Koo Di An, Louise**  
*Chairman*

Hong Kong, 23rd March 2007

### 企業管治

本集團致力維護股東權益，提升企業管治水平。因此，我們設立監察委員會、審核委員會、薪酬委員會及提名委員會，遵守最佳守則。

### 社會責任

本集團堅守信念，做一家負責任的企業，所以我們持續參與和支持香港及中國的社會活動。

### 致謝

本人謹代表董事會，向股東、夥伴、客戶及員工的鼎力支持，表示衷心感謝。

承董事會命  
主席  
顧迪安

香港，二零零七年三月二十三日