

CHAIRMAN'S STATEMENT

主席報告書

I am please to report the results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2006 (the "Year") to the shareholders.

2006 REVIEW

The Group's turnover for the Year recorded a decline of 5.2% to approximately HK\$489 million (2005: HK\$516 million). 2006 was still a very challenging year. Although the revenue from LCD had achieved significant growth, the sales of electronic calculators and other electronic products were unsatisfactory. Owing to the rapid expansion in production facilities in previous years and our over-estimation of market demand for electronic calculators, the Group had piled up a relatively high level of inventories at the end of year 2005, which required management's attention. Therefore, from the second half of 2006, we had taken appropriate measures aimed at reduction of inventory level. Such measures included scaling down the production volume and adopted very aggressive pricing strategy for electronic calculators and other electronic products. Consequently, the Group's recorded a net loss attributable to shareholders approximately HK\$26 million (2005: profit HK\$40 million).

The board does not recommend a final dividend for the year ended 31 December 2006 (2005: Nil).

Our liquid crystal display ("LCD") business had achieved significant growth during the Year. The Group had invested in chip on glass ("COG") production facilities to extend our LCD product range to meet the expanding market need for advanced and higher quality LCD products. We expect our COG production facilities can enhance the Group's ability in seizing greater market opportunity.

本人謹此欣然向股東呈報公司及其附屬公司（「集團」）截至二零零六年十二月三十一日止年度（「本年度」）

二零零六年回顧

集團於本年度之營業額下跌5.2%，約至489,000,000港元（二零零五年：516,000,000港元）。二零零六年之營商環境仍然非常艱困。儘管液晶體顯示屏之收益大幅增長，惟電子計算機及其他電子產品之銷售額卻未如理想。鑒於過往年度急速擴充生產設施，加上高估市場對電子計算機之需求，集團於二零零五年底囤積之存貨水平相對較高，管理層務須注意。因此，吾等自二零零六年下半年起採取適當措施，矢志降低存貨水平。該等措施包括減產以及對電子計算機及其他電子產品採取極為進取之定價策略。結果，集團錄得股東應佔虧損淨額約26,000,000港元（二零零五年：溢利40,000,000港元）。

董事會並不建議派付截至二零零六年十二月三十一日止年度之末期股息（二零零五年：無）。

於本年度，吾等之液晶體顯示屏業務增長迅猛。集團已投資玻璃芯片（「COG」）生產設施，藉以擴充吾等之液晶體顯示屏產品系列，迎合市場對先進優質液晶體顯示屏產品不斷擴大之需求。預期集團可藉COG生產設施加強實力，從而爭佔更多市場機遇。

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PROSPECT

We expect the electronic calculators market remain stable in 2007. The Group had taken measures to improve the production efficiency and enhance the production planning control. The Group will continue to review and adjust its existing product mix and speed up the process of new products development. In addition, the Company will also look for other potential investment opportunities that can regain the Group's growth momentum in the future.

During the Year, the Group had raised new funds of approximately HK\$28.8 million from open offer and approximately HK\$124.7 million placing of new shares in the second half year. These funds were mainly raised for potential investments with an aim to diversify our business portfolio and enhance the shareholder's value.

APPRECIATIONS

I would like to thank our management team and staff for their dedication and hard work during the year end 31 December 2006. Moreover, I would also like to take this opportunity to thank our shareholders and business partners for their continuous support.

展望

吾等預期二零零七年電子計算機市場將維持平穩。集團已採取措施，藉以提高生產效益及加強生產計劃監控。集團將繼續檢討及調整其現有產品組合，加快新產品之開發進程。此外，公司亦將物色其他能夠重振集團未來增長動力之潛在投資契機。

於本年度下半年，集團通過公開發售及配售新股新籌集資金分別約28,800,000港元及約124,700,000港元。該等資金主要用於目的為分散吾等之業務組合及提高股東價值之潛在投資項目。

致謝

本人謹此感謝管理團隊及各員工於截至二零零六年十二月三十一日止年度之貢獻及努力。此外，本人亦藉此向各股東及業務夥伴之不斷支持致以衷心謝意。