



HIGHLY INTEGRATED
PRODUCTION STRUCTURE WITH
STRATEGICAL PLANT LOCATION



高度整合生產模式

策略佈局廠房位置

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

The key financial figures for the year ended 31 July 2007 are extracted as follows:

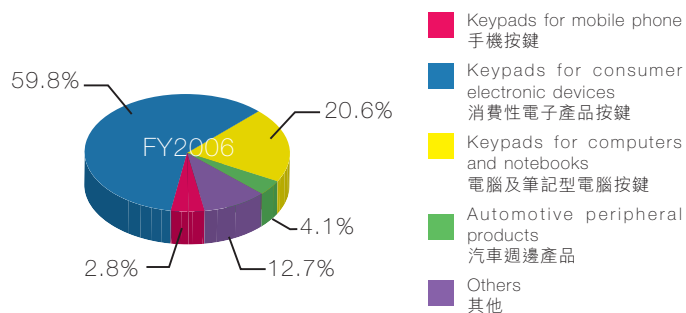
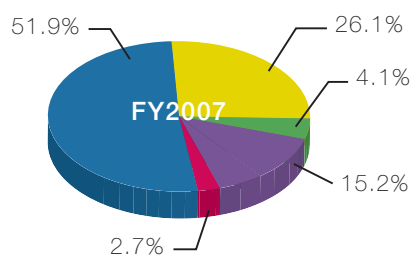
財務回顧

截至二零零七年七月三十一日止年度的主要財務數字摘要如下：

		2007 二零零七 HK\$'000	2006 二零零六 HK\$'000
Turnover	營業額	629,839	579,556
Gross profit	毛利	219,169	228,904
Selling and distribution expenses	銷售及分銷開支	(20,917)	(23,524)
Administrative expenses	行政開支	(46,939)	(43,296)
Earnings before interest and taxes	息稅前利潤	163,979	162,347
Finance costs	融資成本	(5,389)	(2,547)
Income tax credit/(expense)	所得稅抵免／(開支)	999	(15,677)
Profit attributable to equity shareholders	權益持有人應佔溢利	159,589	144,123

Sales by product

按產品分類的銷售



- Keypads for mobile phone
手機按鍵
- Keypads for consumer electronic devices
消費性電子產品按鍵
- Keypads for computers and notebooks
電腦及筆記型電腦按鍵
- Automotive peripheral products
汽車週邊產品
- Others
其他

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Turnover

Turnover represents gross revenue generated from the sales of our products, net of sales tax and other similar taxes. Our turnover is affected by the volume of total products sold and the product mix because our product lines have different selling prices.

The consolidated turnover for the year ended 31 July 2007 was increased by 8.7% to HK\$629.8 million (2006: HK\$579.6 million) while our profit attributable to equity shareholders was HK\$159.6 million (2006: HK\$144.1 million).

Basic earnings per share of the Company was HK19.95 cents per share based on the weighted average number of 800,000,000 shares in issue during the year (2006: HK18.02 cents per share based on weighted average number of 800,000,000 shares).

Keypads for consumer electronic devices

Turnover for the sales of keypads for consumer electronics devices decreased by approximately 5.7% to HK\$327.2 million in 2007 from HK\$346.8 million in 2006. During the year, the sales of keypads for home audio related product and multi-function printers increased significantly. However, our growth was offset by a decrease in sales to certain customers due to their change of production plans.

營業額

營業額指本集團銷售產品所得總收益扣除銷售稅及其他類似稅項。由於本集團的產品售價各異，故本集團的營業額受產品總銷量及產品組合所影響。

截至二零零七年七月三十一日止年度的綜合營業額增加8.7%至629,800,000港元(二零零六年：579,600,000港元)，而本集團的權益持有人應佔溢利為159,600,000港元(二零零六年：144,100,000港元)。

根據年內已發行股份的加權平均數800,000,000股計算，本公司的每股基本盈利為19.95港仙(二零零六年：根據加權平均數800,000,000股計算每股18.02港仙)。

消費性電子產品按鍵

銷售消費性電子產品按鍵所得營業額由二零零六年的346,800,000港元減少約5.7%至二零零



七年的327,200,000港元。年內，家庭音響相關產品及多功能打印機的按鍵銷售大幅增加。然而，因客戶改變其生產計劃，導致本集團向該等客戶銷售下跌，抵銷了本集團的增長。

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Keypads for mobile phone



Turnover for the sales of mobile phone keypads increased by approximately 3.1% to HK\$16.8 million in 2007 from HK\$16.3 million in 2006. The increase in sales

was due to an increase in production volume attributable to the establishment of a new production plant located at Dongguan by Dongguan Tai Yang for production of advanced mobile phone keypads.

Keypads for computers and notebooks

Turnover for the sales of keypads for computers and notebooks increased by approximately 37.8% to HK\$164.5 million in 2007 from HK\$119.4 million in 2006. Such substantial growth in turnover was mainly due to the increase in production volume. In March 2007, our production facilities in Huzhou were relocated to a new property owned by us with an aggregate gross floor area of 46,686.72 sq.m. The new production facilities are expected to have an annual production capacity of approximately 276 million pieces of keypads, representing a 52% increase to our previous facilities in Huzhou.

Automotive peripheral products



Turnover for the sales of automotive peripheral products increased by approximately 8.9% to HK\$25.8 million in 2007 from HK\$23.7 million in 2006. The increase was resulted

from launch of several new automotive peripheral products during the year.

手機按鍵

銷售手機按鍵所得營業額由二零零六年的16,300,000港元增加約3.1%至二零零七年的16,800,000港元。本集團的銷售增加乃由於東莞太洋在東莞建立新生產廠房以生產先進手機按鍵，致產量增加所致。

電腦及筆記型電腦按鍵



銷售電腦及筆記型電腦按鍵所得營業額由二零零六年的119,400,000

港元增加約37.8%至二零零七年的164,500,000港元。營業額大幅增加主要因為產量增加所致。二零零七年三月，本集團位於湖州的生產設施搬遷至本集團自置的新物業，總樓面面積達46,686.72平方米。預計該新生產設施的年產能力約達276,000,000件按鍵產品，較湖州的舊廠房增加52%。

汽車週邊產品

銷售汽車週邊產品所得營業額由二零零六年的23,700,000港元增加約8.9%至二零零七年的25,800,000港元。是項增長乃受年內推出多項新汽車週邊產品所帶動。

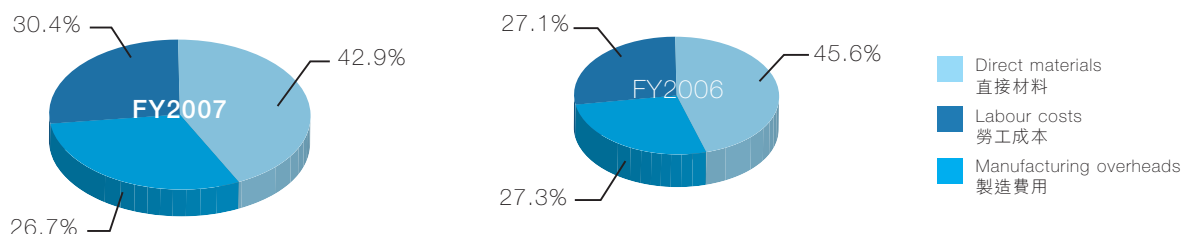
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COST OF SALES

銷售成本

Cost structure 成本結構



Our overall cost of sales increased by approximately 17.1% from HK\$350.7 million in 2006 to HK\$410.7 million in 2007. The rate of increase in cost of sales is higher than that of turnover due to the increase in labour costs. During the year, the percentage of labour costs to sales increased from 16.4% in 2006 to 20.5% in 2007. The increase in labour costs was attributable to the increase in total number of staff, especially experienced workers and technicians, and the increase in the level of minimum wage by the respective local labour authorities in the PRC.

本集團的整體銷售成本由二零零六年的350,700,000港元增加約17.1%至二零零七年的410,700,000港元。銷售成本增長的速度較營業額的增長為快，是基於勞工成本增加所致。年內，勞工成本相對銷售的百分比由二零零六年的16.4%增加至二零零七年的20.5%。勞工成本上升乃由於員工總數增加，尤其是富經驗的工人及技術人員，以及在中國當地所屬的勞工機構提高最低工資水平所致。

GROSS PROFIT

The gross profit of the Group for the year 2007 was HK\$219.2 million, which represented a decrease of approximately 4.2% from that of HK\$228.9 million for the year 2006. The gross profit decrease was primarily due to the increase in labour costs.

毛利

本集團於二零零七年度的毛利為219,200,000港元，較二零零六年的228,900,000港元減少約4.2%。毛利減少主要由於勞工成本增加所致。

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OTHER REVENUE

Our other revenue increased by approximately 411.5% to HK\$13.3 million in 2007 from HK\$2.6 million in 2006, primarily due to the increase in interest income from bank deposits and the receipt of government incentive for engaging in high-tech industry and for enlarged investment in Huzhou factory.

SELLING AND DISTRIBUTION EXPENSES

Our selling and distribution expenses decreased by approximately 11.1% to HK\$20.9 million in 2007 from HK\$23.5 million in 2006. The decrease in selling and distribution expenses was mainly due to a decrease in goods replacement costs.

ADMINISTRATIVE EXPENSES

Our administrative expenses increased by approximately 8.3% to HK\$46.9 million in 2007 from HK\$43.3 million in 2006. The increase was attributable to (i) the increase in auditors' remuneration, (ii) the increase in depreciation charges and office expenses, and (iii) the increase in staff union expenses resulting from an increase in number of employees hired by us.

FINANCE COSTS

Finance costs increased to HK\$5.4 million in 2007 from HK\$2.5 million in 2006 because the average bank borrowing, which was obtained primarily for capital expenditure and working capital purpose, for the year was higher than that of past year.

其他收益

本集團的其他收益由二零零六年的2,600,000港元增加約411.5%至二零零七年的13,300,000港元，主要由於銀行存款的利息收入增加，及因從事高科技工業及擴大在湖州廠房的投資而獲得政府獎勵所致。

銷售及分銷開支

本集團的銷售及分銷開支由二零零六年的23,500,000港元減少約11.1%至二零零七年的20,900,000港元。銷售及分銷開支減少主要由於貨品退換成本減少所致。

行政開支

本集團的行政開支由二零零六年的43,300,000港元增加約8.3%至二零零七年的46,900,000港元。是項增長乃由於(i)核數師酬金增加、(ii)折舊開支及辦公室開支上升，以及(iii)增聘員工後令工會開支上升。

融資成本

融資成本由二零零六年的2,500,000港元增加至二零零七年的5,400,000港元。此乃由於本年度的平均銀行借款(主要用作資本開支及營運資金)較去年高。

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TAXATION EXPENSES

The income tax credit for the year ended 31 July 2007 was primarily due to (i) the tax credit for purchase of equipment produced in the PRC, (ii) the full year operation effect of MCO which was exempt from paying Macau Complementary Tax, and (iii) the write-back of overprovision of Macau Complementary Tax in respect of prior years.

PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS

Profit attributable to equity shareholders increased from HK\$144.1 million for the year ended 31 July 2006 to HK\$159.6 million for the year ended 31 July 2007, representing an increase of approximately 10.8%. The net profit margin of our Group increased slightly from 24.9% for the year ended 31 July 2006 to 25.3% for the year ended 31 July 2007.

DIVIDEND POLICY

Our Directors expect that dividends will be paid as interim and/or final dividends. We currently intend to pay annual cash dividends of not less than 30% of our Group's audited consolidated profits after taxation to our shareholders for the applicable year. However, the determination to pay such dividends will be made at the discretion of our Board and will be based upon our operating results, cash flows, financial positions, capital requirements and other relevant circumstances that the Board deems relevant. The payment of dividends may be limited by legal restrictions and by agreements that we may enter into in the future. Our Directors are of the views that our dividend policy will not affect the sufficiency of our working capital in the coming years.

稅項開支

截至二零零七年七月三十一日止年度的所得稅抵免主要因為(i)購買中國製造的設備而獲得稅收抵免、(ii)已獲豁免繳納澳門所得補充稅的大洋澳門的全年營業效果所致，及(iii)撥回過往年度澳門所得補充稅超額撥備所致。

權益持有人應佔溢利

權益持有人應佔溢利由截至二零零六年七月三十一日止年度的144,100,000港元增加至截至二零零七年七月三十一日止年度的159,600,000港元，增幅約10.8%。本集團的純利率由截至二零零六年七月三十一日止年度的24.9%輕微增加至截至二零零七年七月三十一日止年度的25.3%。

股息政策

董事預期股息將作為中期及／或末期股息派付。本集團目前計劃於適當年度向股東派付不少於本集團經審核綜合除稅後溢利30%的年度現金股息。然而，派付該等股息將由董事會酌情決定，並根據本集團經營業績、現金流量、財務狀況、資本需求及其他董事會視為相關的有關情況釐定。派付股息或受法律規限及本集團日後可能訂立的協議所限制。董事認為，本集團的股息政策將不會影響本集團日後年度的營運資本的充裕程度。

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FINANCIAL MANAGEMENT AND TREASURY POLICY

The Group adopts a conservative approach for cash management and investment on uncommitted funds. The net proceeds from the international offering (as defined in the Prospectus) have been placed on short-term deposits with authorized financial institutions in Hong Kong.

During the year, the Group's receipts were mainly denominated in US dollars and Hong Kong dollars. Payments were mainly made in US dollars and RMB.

In respect of the US dollar, the management regards that the foreign exchange risk for Hong Kong dollar to US dollar is not material because (i) Hong Kong dollar remains pegged to the US dollar and (ii) most of the Group's purchases are denominated in US dollars, which are to be settled by sales receipts in US dollars.

In respect of the RMB, as the Group's production plants are located in the PRC, most of our labour costs, manufacturing overheads, selling and administrative expenses were denominated in RMB. Therefore, the appreciation of RMB will adversely affect the Group's profitability. Subsequent to the year ended 31 July 2007, the Group has entered into a structured deposit, which is linked to RMB, in order to hedge the RMB exposure.

財務管理及庫務政策

本集團對無指定用途的資金採取保守的現金管理及投資策略。國際發售(定義見售股章程)所得款項淨額已存放於香港認可財務機構作短期存款。

年內，本集團所得款項主要以美元及港元列值。付款則主要以美元及人民幣支付。

就美元而言，管理層認為港元兌美元的外匯風險並不重大，因為(i)港元仍與美元掛鈎及(ii)本集團大部分採購均以美元列值，且以美元銷售收益結算。

就人民幣而言，由於本集團的生產設施均位於中國，故大部分勞工成本、生產間接成本、銷售及行政開支均以人民幣列值。因此，人民幣升值將對本集團的盈利能力帶來不利影響。於截至二零零七年七月三十一日止年度之後，本集團已敝做與人民幣掛鈎的結構性存款以對沖人民幣風險。

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LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group's source of fund was cash generated from net proceeds of the international offering, operating activities and bank borrowing.

現金流量及財務資源

年內，本集團的資金來源主要為來自國際發售所得款項淨額、經營活動及銀行借款的現金。

		As at	As at
		31 July 2007	31 July 2006
		於二零零七年	於二零零六年
		七月三十一日	七月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Cash and cash equivalents	現金及現金等價物	609,255	41,420
Interest-bearing bank borrowing	帶息銀行借款	50,000	96,297
Net cash inflow/(outflow)	現金流入／（流出）淨額	573,559	(59,567)
Current ratio	流動比率	5.0	1.3
Quick ratio	速動比率	4.4	1.0

With our strong financial background upon Listing on the Stock Exchange, we expect we will have sufficient cash to cover future capital expenditure requirements as mentioned in the Prospectus.

憑藉本集團在聯交所上市的強健財務背景，預期本集團將擁有充裕現金以應付載於售股章程內的日後的資本開支。

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

Other than the Reorganisation, the Group had no material acquisition or disposal of any subsidiaries and associated companies for the year ended 31 July 2007.

重大收購及出售附屬公司及聯營公司

除重組外，本集團在截至二零零七年七月三十一日止年度內並無重大收購或出售任何附屬公司及聯營公司。

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USE OF PROCEEDS

The net proceeds from the international offering received by the Company was approximately HK\$635 million.

The planned usage of net proceeds was as follows:

所得款項用途

本公司從國際發售中籌得所得款項淨額約635,000,000港元。

所得款項淨額計劃用途如下：

		Usage as disclosed in Prospectus	Utilised
		於售股章程披露的用途	實際用款
		<i>HK\$' million</i>	<i>HK\$' million</i>
		百萬港元	百萬港元
Expansion of production facilities for silicone rubber based products	擴充矽膠產品生產設施	468	3
Upgrade and expansion of upstream production facilities	提升及擴充上游生產設施	56	-
Strengthening research and development capabilities	加強研發能力	39	-
Implementation of resources planning system	執行資源規劃系統	22	-
General working capital	一般營運資金	50	50
		635	53

The remaining net proceeds have been deposited on short-term basis in licensed financial institutions in Hong Kong.

所得款項淨額餘款已存放於香港持牌財務機構作短期存款。

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CAPITAL STRUCTURE AND GEARING RATIO

As at 31 July 2007, the amount of bank borrowing due within one year was HK\$50 million (2006: HK\$96 million). These bank borrowings were drawn in December 2006 and on floating rate basis.

As at 31 July 2006 and 2007, the Group had no long-term debts.

As at 31 July 2007, the gearing ratio, representing interest bearing bank borrowing to total equity, was 4.9% (2006: 38.6%).

CAPITAL COMMITMENTS, CONTINGENCIES AND CHARGES ON ASSETS

Capital commitments contracted by the Group but not yet provided for in the financial statements as at 31 July 2007 were approximately HK\$10.1 million, which was mainly related to the expansion of production capacity in Dongguan and Huzhou in the PRC. Such capital commitments will be financed by the net proceeds from the international offering.

As at 31 July 2007, the Group had no material contingent liabilities and the Group's assets were free from any charge.

資本結構及資產負債比率

於二零零七年七月三十一日，於一年內到期的銀行借款為50,000,000港元(二零零六年：96,000,000港元)。該等銀行借款於二零零六年十二月提取，年利率以浮動利率計算。

於二零零六年及二零零七年七月三十一日，本集團並無長期債項。

於二零零七年七月三十一日，資產負債比率(帶息銀行借款比權益總值)為4.9%(二零零六年：38.6%)。

資本承擔、或有事項及資產抵押

於二零零七年七月三十一日，本集團已訂約但未於財務報表撥備的資本承擔約為10,100,000港元，主要與擴充中國東莞及湖州生產能力有關。有關資本承擔將以國際發售所得款項淨額撥付。

於二零零七年七月三十一日，本集團並無重大或然負債，且本集團的資產亦無用作任何抵押。

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HUMAN RESOURCES AND REMUNERATION POLICIES

As the Group is committed to expand our production capacity and develop high value-added products, such as mobile phone keypads, experienced workers, engineers and professionals are the most important assets to the Group. We offer on-the-job training and encourage staff to attend continuous professional training in order to update their skills and knowledge.

We offer competitive remuneration package, including quality staff quarters, trainings, medical, insurance coverage and retirement benefits, to all employees in Hong Kong and in the PRC. As at 31 July 2007, the Group has 10,204 permanent and temporary employees (2006: 9,114). The total salaries and related costs for the year ended 31 July 2007 amounted to approximately HK\$161.2 million (2006: HK\$131.5 million).

The Group adopted a Pre-IPO Share Option Scheme on 16 May 2007 for the purpose of recognition of employees' contribution before the Listing. As at 31 July 2007, 8,935,000 share options were still outstanding under the Pre-IPO Share Option Scheme, of which 6,785,000 options are held by employees of the Group. The Company also adopted a Post-IPO Share Option Scheme on 16 May 2007. No option has been granted under the Post-IPO Share Option Scheme.

人力資源及薪酬政策

本集團致力擴充產能及發展高增值產品如手機按鍵，經驗豐富的工人、工程師及專業人員均為本集團的最重要資產。本集團提供在職訓練，並鼓勵員工持續接受專業訓練，提升技能及知識。

本集團為各香港及中國的僱員提供具競爭力的薪酬待遇，包括舒適的員工宿舍、培訓、醫療、保險及退休福利。於二零零七年七月三十一日，本集團合共聘用僱員全職及臨時10,204名(二零零六年：9,114名)。於截至二零零七年七月三十一日止年度，薪酬及有關成本開支總額約為161,200,000港元(二零零六年：131,500,000港元)。

本集團於二零零七年五月十六日採納首次公開發售前購股權計劃，以表揚僱員於上市前作出的貢獻。於二零零七年七月三十一日，首次公開發售前購股權計劃項下尚有8,935,000份購股權尚未行使，當中6,785,000份購股權由本集團僱員持有。本公司亦於二零零七年五月十六日採納首次公開發售後購股權計劃。概無購股權根據首次公開發售後購股權計劃授出。