

The percentage of the selling and distribution costs on the Group's turnover for the current period and the last corresponding period was 17.8% and 6.5% respectively. Because the magnitude of the profits from the Group's sales orders has a direct bearing on the level of the Group's selling and distribution costs, the higher selling and distribution costs for the current period was reasonable. In fact, the selling and distribution costs have been fully reflected in the Group's selling price quotations and they have been borne by the customers indirectly.

## FINANCIAL REVIEW

The Group's gearing ratio (i.e. the ratio of the Group's aggregate outstanding balances of the finance leases and hire purchase contract payables, other loans and bank borrowings to shareholders' fund) at 30 September 2005 and 31 March 2005 was 0.35 times and 0.42 times respectively while the Group's current ratio at 30 September 2005 and 31 March 2005 was 1.14 times and 1.04 times respectively. Because the Group can generate substantial net cash inflow from its PCB operating activities, these financial ratios will improve further during the second half of the current financial year.

As at 30 September 2005, the Group's aggregate outstanding balances of the finance leases and hire purchase contract payables, other loans and bank borrowings amounting to HK\$53,416,000 (31 March 2005: HK\$52,238,000) out of which HK\$24,790,000 (31 March 2005: HK\$36,604,000) were repayable within the next 12 months. These borrowings were all denominated in either Hong Kong dollars ("HK\$") or United States dollars ("US\$"), originally repayable monthly over 3 years (except for the bank borrowings totaling HK\$2,226,000 (31 March 2005: HK\$24,414,000) which were originally repayable within 3 months) and subjected to floating interest rates for about 70% (31 March 2005: 86%) of them. The Group has not adopted any interest rate hedging tool for these borrowings. Certain machinery and equipment of the Group with a net book value at 30 September 2005 of HK\$48,389,000 (31 March 2005: HK\$28,484,000) were pledged to secured these borrowings.

在本期間及去年同期，本集團的銷售及分銷成本佔總營業額的百分比分別為17.8%及6.5%。因為本集團銷售訂單中利潤的大小與銷售及分銷成本的水平是有直接關係，所以本期間較高的銷售及分銷成本亦屬合理。實際上，銷售及分銷成本已在報價時反映在銷售價中並間接轉嫁至客戶。

## 財務回顧

於二零零五年九月三十日及二零零五年三月三十一日，本集團的負債與資本比率(即應付融資租約及租購合同、其他有抵押貸款及銀行借款的總額與股東權益的比率)分別為0.35倍及0.42倍。於二零零五年九月三十日及二零零五年三月三十一日，本集團的流動比率分別為1.14倍及1.04倍。因為本集團能夠在其綫路板的經營業務中產生顯著的淨現金流入，故這些財務比率於本財政年度下半年內將會進一步改善。

於二零零五年九月三十日，本集團的應付融資租約及租購合同、其他有抵押貸款及銀行借款的總結欠為港幣53,416,000元(二零零五年三月三十一日：港幣52,238,000元)，當中港幣24,790,000元(二零零五年三月三十一日：港幣36,604,000元)需於未來十二個月內償還。有關借貸均以港幣或美元為結算單位、於三年期內每月償還(除銀行借款合共港幣2,226,000元(二零零五年三月三十一日：港幣24,414,000元)於三個月內償還)及當中70%(二零零五年三月三十一日：86%)以浮動息率計算利息。本集團並無因應上述借貸採用任何利率對沖工具。本集團於二零零五年九月三十日賬面淨值為港幣48,389,000元(二零零五年三月三十一日：港幣28,484,000元)之若干機器及設備已作為有關借貸之抵押品。

As at 30 September 2005, the Group's current assets and total liabilities were mostly denominated in either HK\$ or US\$. Because the exchange rate for US\$ against HK\$ is relatively stable in Hong Kong for the moment, the Group does not expect any significant exchange difference relating to its assets or liabilities denominated in US\$. Besides, the Group's subsidiary in Mainland China has net assets value as at 30 September 2005 and will be able to finance its operating expenses out of its trading receipts. Although the exchange rate for Renminbi ("RMB") against HK\$ is likely to appreciate in the near future, it is generally expected that the extent of such likely appreciation will not be significant. Hence, the Group's net exposure to fluctuation in exchange rates for US\$ and RMB is insignificant and therefore the Group has not adopted any foreign currency hedging tool.

## EMPLOYEE BENEFITS

As at 30 September 2005, the Group had 1,390 (31 March 2005: 1,169) employees, including directors, working mainly in Mainland China. For the period ended 30 September 2005, the Group's total staff costs including directors' remuneration were HK\$14,880,000 (2004: HK\$11,605,000).

According to the Group's staff remuneration policy, the remuneration of an employee is determined by the Board from time to time with reference to his performance and duties, the performance and profitability of his employer and the prevailing market conditions.

## OUTLOOK

The Group's turnover and earnings have shown an upward trend since April 2005. The Group's operating results for the second quarter of the current period was much better than that for the first quarter of the current period. Because the Group's PCB plants have been operating at full capacity and confronting production bottleneck problem during the third quarter of the current financial year, the Group has planned to acquire more machinery and equipment so as to keep pace with the rosy sales forecast from the customers. When these additional machinery and equipment are fully installed during the fourth quarter of the current financial year, the Group's turnover will record another breakthrough.

於二零零五年九月三十日，本集團之流動資產及總負債大部份均以港幣或美元為結算單位。由於現時美元兌港幣之匯率一直維持穩定，故此本集團並未預期以美元為結算單位的資產及負債存有重大的外匯差異。此外，本集團在中國大陸之附屬公司於二零零五年九月三十日有淨資產值，以及其收取的人民幣銷售收益，足夠支付其人民幣經營費用。雖然人民幣兌港幣的匯率在不久將來可能升值，但一般預期不會有重大的升幅。故此本集團因美元或人民幣匯率波動而承受之風險並不重大，亦因此並無採用外匯對沖工具。

## 僱員福利

於二零零五年九月三十日，本集團包括董事在內共有僱員1,390人（二零零五年三月三十一日：1,169人），而大部份僱員皆在中國大陸工作。截至二零零五年九月三十日止期間，本集團包括董事酬金在內的總員工成本為港幣14,880,000元（二零零四年：港幣11,605,000元）。

根據本集團的員工報酬政策，僱員的報酬由董事會參考其工作表現及職責、其僱主的業績及盈利水平以及現行市場情況而不時釐定。

## 前景

本集團的營業額及盈利從二零零五年四月起顯示上升趨勢，而本期間第二季度的經營業績比第一季度表現更好。由於本集團的綫路板生產廠房在本財政年度第三季度內已經以最高產能生產並且面對生產樽頸的問題，本集團已計劃增添更多機器及設備以配合客戶樂觀的銷售預測。當該批額外的機器及設備在本財政年度第四季度完成裝置後，本集團的營業額將會錄得另一突破。