

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "Board"), I am pleased to present the annual results for the year ended 30 September 2005.

During the year under review, despite the impact of high oil prices and rising interest rates on the global economy, the Group continued to record a growth of 6.3% in turnover to approximately HK\$956,134,000. Strong and extensive distribution network, product advancement, ongoing innovative designs, research and development efforts and maintenance of high staff morale are critical for our continuous growth.

The new production plants at Chengguan and Shanghang in Fujian Province were started running during the year in producing electronic consumer products such as electronic calculators, clocks and watches, they are expected to derive additional economies-of-scale benefits that can enhance our competitiveness and cost efficiency.

Apart from the traditional corded telephone, we have successfully launched the multifunctional corded telephone in both local and overseas markets such as USA, Chili and Korea etc. During the year we have dedicated our efforts in developing a new series of cordless telephone, and expected to be launched in the Mainland China market in the coming year.

Reviewing the business of trading of computer components and accessories, demand of memory products such as Moving Picture Experts Group or MPEG 4, USB Flash Disk and NAND Flash for MP3 increased substantially whereby turnover of these items experienced significant growth during the year. In later part of year, the Group has started selling other products like TFT LCD, main decoder chipset and driving board in kit form as well, our designs have captured some key customers in Hong Kong and Mainland China using our Portable DVD and MPEG 4 solutions.

The fast growing global electronic communication products and consumer electronic products markets provide a tremendous and stable platform for the growth of our business, the group will strive to strengthen its existing core product base through continuous innovations. The Group will continue to look for business opportunities. Based on the foundation of extensive experience with the industry and a well-established market position, together with the well-planned development strategies, we are optimistic about the business prospects and the long-term future of the Group.

Finally, I would like to express my gratitude to the Board, management and all employees for their continuing dedication and contribution towards the Group; customers, suppliers and business partners for their trust and cooperation; and lastly to the shareholders and investors of the Group for their support.

Wong King Ching, Helen

Chairman

Hong Kong

20 January 2006