

LIQUIDITY AND FINANCIAL RESOURCES

At the end of December 2005, the consolidated indebtedness of the Group, including long-term borrowings of HK\$6,308,000, was HK\$64,674,000. All of the borrowings are denominated in Hong Kong dollars. The cash and bank deposits amounted to HK\$19,364,000.

At the end of December 2005, the Group's trade receivable balance was HK\$79,662,000, representing 21.2% of the year's turnover of HK\$375,383,000. The Group adopted a stringent credit policy to minimize credit risk. The interest cover was 8.8 times as compared to 8.3 times in 2004.

CAPITAL STRUCTURE

As at 31st December 2005, the consolidated shareholders' equity of the Group was HK\$165,211,000, an increase of 14.5% over that of the previous year. The debt to equity ratio, calculated by dividing total liabilities to shareholders' equity, was approximately 70.0%.

PLEDGE OF ASSETS

As at 31st December 2005, the Group's banking facilities amounting to approximately HK\$85,714,000 were secured by legal charges over certain land and buildings of the Group with a total net book value of HK\$31,864,000 and corporate guarantees given by the Company.

EMPLOYEES' REMUNERATION POLICY

As at 31st December 2005, the Group employed approximately 2,300 full time management, administrative and production staff worldwide. The Group follows market practice on remuneration packages. Employee's remuneration is reviewed and determined by senior management annually depending on the employee's performance, experience and industry practice. The Group invests in its human capital, apart from providing on job training for workers, the Group reimburses its staff for fees paid to attend pre-approved professional trainings.

* The figures of year 2004 were calculated on the basis of the restated accounts.

流動資金及財務資源

於二零零五年十二月底，本集團之借貸為64,674,000港元，其中6,308,000港元為長期借貸。所有借貸均以港元為單位。現金及銀行存款達19,364,000港元。

於二零零五年十二月底，本集團之應收賬款結餘為79,662,000港元，佔年度營業額375,383,000港元之21.2%。本集團採納嚴謹之信貸政策，以盡量減低信貸風險。盈利對利息倍數為8.8倍，二零零四年則為8.3倍。

股本結構

於二零零五年十二月三十一日，本集團之綜合股東資金為165,211,000港元，較去年上升14.5%。負債對資本比率(以負債總額除以股東資金計算)約為70.0%。

抵押資產

於二零零五年十二月三十一日，本集團約有85,714,000港元之銀行信貸乃以本集團若干土地及樓宇之法定抵押及本公司所提供之公司擔保作抵押。該等土地及樓宇之總賬面值淨值共31,864,000港元。

僱員薪酬政策

於二零零五年十二月三十一日，本集團在全球僱用約2,300名全職之管理、行政及生產人員。本集團之薪酬組合乃按市場常規而定。高級管理人員依僱員表現、經驗及業內常規，每年檢討及釐定僱員薪酬。本集團對人力資源作出投資，除為員工提供在職培訓外，亦會償付僱員參加事前已獲批准之專業培訓。

* 二零零四年度之數據是以重列數為基礎。