



“ We shall continue our mission to enhance the shareholders' value.

吾等將繼續奉行提升股東價值之使命。

”

Richard Man Fai LEE 李文輝
Executive Chairman & CEO 執行主席兼行政總裁

Your Board of Directors is pleased to announce that a consolidated profit of HK\$35.5 million was recorded for the year ended December 31, 2005. Turnover also grew by 11.5 % to HK\$689.8 million. The results were achieved by the continuous efforts of our team to increase operational efficiency. The general economies of our markets also continued to expand.

No interim dividend was paid during the year (2004: nil) and the Directors do not recommend a final dividend (2004: nil).

Return on shareholders' funds was substantially increased to 11.8% and gearing ratio was drastically reduced to only 16.1% from 50.2% of last year. These improvements empower our Group with flexibility to expand our business portfolio.

In the year, we completed the debt settlement agreement between the Group and Mitsubishi Heavy Industries, Ltd., which resulted in a HK\$88.2 million write back as operational profit contribution. As a prudent measure, we took the opportunity to make full provision for the liabilities of HK\$30.7 million on the possible claims against our subsidiary in Dongguang, mainland China, arising from a court judgment; even though we believe that the Group is unlikely to be required to make the full payment. During the year, the Group issued Convertible Note of HK\$30 million to an independent third party. This strengthened the working capital of the Group and built a future of strategic partnership.

董事會欣然宣佈，於截至二零零五年十二月三十一日止年度，本集團錄得綜合盈利港幣35,500,000元。營業額亦上揚11.5%達港幣689,800,000元。本集團能達至此佳績，有賴全體員工不斷提高營運效率，而吾等之市場之整體經濟亦在持續擴張。

年內，本集團並無發中期股息（二零零四年：無），董事建議不派發末期股息（二零零四年：無）。

股東資金回報率勁升至11.8%，本年度負債資產比率則由去年50.2%驟降至16.1%。該等改善令本集團得以靈活擴張業務組合。

年內，吾等完成了本集團與三菱重工業株式會社之債務清償協議，撥回港幣88,200,000元可作為經營盈利貢獻。吾等為審慎計，藉此對位於中國大陸東莞之附屬公司因法庭判決面臨可能索償所產生之負債港幣30,700,000元作全額撥備。惟吾等相信本集團被要求全額償付的可能性甚微。年內，本集團對獨立第三方發行了港幣30,000,000元之可換股票據。此舉加強本集團之營運資金，並有助建構未來戰略夥伴關係。

The motor vehicle business of our Group achieved another year of good sales and profit growth. This was made possible by the successful introduction of new car models; the management was challenged by a long waiting list of cars ordered by our customers. Our ability to fill such orders would ensure good sales and profit growth for the next few years. For mainland China, we would take the direction of opening up our own dealerships in various cities than just management participation in the importership, which we believe will be more beneficial to the Group in the long term.

Our air-conditioning and electrical appliance business continued to be stable and profitable in 2005. Since the beginning of this year, we signed on three more well-known international brands to distribute their products. We expect continuous profit contribution from this business.

We did quite well with our audio visual business. High growth was achieved by our own "Rogers" brand as it has become one of the leading brands in the LCD TV market and expanded its line up of home audio products. We have also appointed importers for "Rogers" in several international markets and will continue to expand international distribution network in 2006. The brand is gradually evolving into a major international brand of life-style consumer electronics.

Our operations in Southeast Asia of Singapore and Malaysia achieved a year of sales and profit growth. It is expected that they will continue to grow this year.

The Group shared a loss in our 50%-owned joint-venture engaged in washing machine manufacturing in mainland China. However, progress is made in identifying a solution to minimise the loss to the Group in this investment.

本集團之汽車業務本年度再次獲得良好銷售額及盈利增長，主要歸功于引入新車型；顧客的汽車訂單激增令管理層備受挑戰。吾等能滿足此等訂單將確保未來數年良好銷售額及盈利增長。吾等將於中國大陸多個城市開拓發展自有代理權，而非僅限於參與進口環節之管理。吾等相信該策略方向對集團長期更為有利。

於二零零五年，本集團之空調及電器業務繼續保持平穩及盈利。今年初以來，吾等已與三間更為知名國際品牌簽署協議分銷其產品。吾等期待該項業務繼續帶來盈利貢獻。

吾等於影音產品業務亦取得佳績。本集團自身品牌「樂爵士」已成為液晶電視市場之領導品牌之一，並將產品線延伸至家庭音響產品，故帶來高度增長。吾等亦於數個國際市場委任了「樂爵士」入口商，並將於二零零六年繼續擴張其國際分銷網絡。該品牌已逐漸演進為時尚生活消費電器之主要國際品牌。

吾於新加坡及馬來西亞之東南亞業務今年錄得銷售額及盈利增長。彼等今年期望繼續保持增長。

本集團於中國大陸擁有50%權益、從事生產洗衣機之合營企業錄得應佔虧損。然而吾等正努力尋求解決方案，以儘量減少本集團於是項投資中的虧損。

Looking into the future, it is our renewed strategy to build commercial success with an expanding line up of upmarket lifestyle brands and products, in pace with the fast growing customer base of this spending level in Asia; especially in mainland China. As part of this development, the Group was appointed as the exclusive distributor of Italian "Ferretti" luxurious motor yachts in Southern China. We should be able to grow by synergising and increasing the upmarket brands of our Group; furthermore, such products can generate higher profit margins. We shall continue our mission to enhance the shareholders' value.

On behalf of our Board of Directors, I like to welcome the joining of Mr. Ying Kwan CHEUNG, as our Independent Non-executive Director during the year; and also to welcome Mr. Waison Chit Sing HUI, who joined us in early 2006 as our Executive Director. I also like to express my utmost gratitude and sincere appreciation to all our shareholders, bankers and our very loyal staff, for their continuous support in the past and into the future.

Richard Man Fai LEE

Executive Chairman

Hong Kong, April 11, 2006

展望將來，吾等之更新策略，乃因應亞洲（特別是中國大陸市場）此消費層次顧客群體之迅速成長，並將擴大高檔市場時尚品牌及產品，從而締造商業上之成功。本集團已被委任為意大利「法拉帝」豪華游艇於中國南方之獨家分銷商，即為發展該項策略之其中一部份。吾等將透過增加本集團高端品牌並創造協同效應，以期達致增長；再者該等產品亦可產生更高的邊際利潤。吾等將繼續奉行提升股東價值之使命。

本人謹代表董事會，歡迎張應坤先生於年內擔任獨立非執行董事，亦歡迎許捷成先生於二零零六年初加盟本集團擔任執行董事。對於過去以至將來一直鼎力支持本集團之所有股東、往來銀行及各忠心耿耿之員工，本人謹此致以萬二分謝意。

執行主席

李文輝

香港，二零零六年四月十一日

