

Chairman's Statement



I am extremely pleased to report to you the first set of annual results of Yorkey Optical International (Cayman) Ltd. (the "Company") and its subsidiaries (collectively the "Group") as a public-listed company. Year 2005 was a tremendously successful year for us. Our success is based on the dedication of our employees and the support from our shareholders. We will continue to be prudent in all our growth plans as we move into 2006.

IPO Success

On behalf of the board of directors, I am pleased to present the shareholders the annual results of Yorkey Optical International (Cayman) Ltd (the "Company") and its subsidiaries (together, the "Group") for the year ended December 31, 2005 for their consideration. The shares of the Company were successfully listed and commenced trading on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on February 10, 2006. I would like to take this opportunity to express my gratitude to those who have contributed to the listing of the Company.

I am also pleased to report to our shareholders that the overall business has attained a rewarding result for the year ended December 31, 2005. The Group recorded a turnover and profit attributable to shareholders of approximately US\$78,871,000 and approximately US\$20,030,000 respectively, representing an increase of approximately 18% and approximately 79% respectively as compared with that of 2004. The board of directors of the Company recommended a special interim dividend for 2006 of HK\$0.047 per share.

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Business Review and Outlook

The Group is principally engaged in the manufacture and sale of plastic and metallic parts and components of optical and opto-electronic products including DSCs, copiers (including copier-based MFPs), computer peripherals, handsets, traditional film cameras, and others, and subsequently related accessories. During the past year, the Group continued to provide customer-oriented services and vertically integrated manufacturing solutions to the customers. The success in providing “one-stop” solutions to our reputable customers such as Canon, Nikon, Olympus, Epson, Konica Minolta, Pentax, Ricoh, Samsung and Toshiba has allowed the Group to have a competitive advantage over its competitors.

We believe that high product quality is a major contributory factor to the Group's success. Therefore, we will continue to (1) emphasize our research and development capability for the improvement of production techniques and procedures, (2) acquire additional advanced machinery and precision equipment in order to strengthen our production capacity.

Although we had a remarkable year, the Group will remain cautious about the rapidly changing and competitive market where we will face price fluctuation for raw materials and fierce competition within the industry. However, we believe that our experienced management team will create and sustain all our competitive advantages to consolidate the Group's position in the industry and will continue to strive for operational success.



Diversified Quality Products



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Acknowledgement

On behalf of the board of directors, I would like to take this opportunity to extend our sincere thanks to our shareholders, customers and suppliers for their continuous support, as well as the management team and the staff of the Group for their hard work and contributions in the past year.

TONG Ching-Hsi

Chairman