

Chairman's Statement



On behalf of the Board of Directors (the "Board") of Sunlink International Holdings Limited (the "Company"), I hereby announce the audited financial results of the Company and its subsidiaries (collectively referred to the "Group") for the year ended 31 December 2005.

2005 was a fruitful and also an exciting year for our Company. We experienced a sales turnover of approximately HK\$675.4 million, a 29.8% percent increase from last year. It was mainly attributable to a steady sales increase in semiconductors and strong turnover of electronic turnkey device solutions. In particular, the business of electronic turnkey device solutions recorded a sales increase by over 50% as compared with that of the fiscal 2004. It was pleasing to see that M2M integrated businesses had become one of the major sources of profit in 2005.

For the last few years, our strategic alliance with Sony Ericsson Mobile Communications AB ("Sony Ericsson") for the sales and promotion of its M2M products has proven to be extremely successful. I believe that the recent announcement by Wavecom SA ("Wavecom") to acquire the Sony Ericsson's M2M business would further strengthen our strategic position in the market, if completed. Furthermore, Wavecom's product knowledge in automotive industry would be a valuable asset to the Company for our strategic development in the automobile industry in PRC.

We remain prudent in our approach to the business development of electronics turnkey device solutions to fulfill the rising demand for Wireless Power Load Management Terminal for Power Load Management Network System and KENJI mCar Vehicle Safety and Security Terminal for Fleet Management System. Likewise, we continue to exercise cautious cost control measure to enhance the overall profit margin. On the other hand, the reduction in cost for wireless and GPS modules and the popularity of these technologies have reduced the technology barrier and have given the Company an excellent position for future market expansion.

Chairman's Statement

Looking forward to 2006, we remain optimistic about the growth potential of our Company and the M2M market in the PRC. In addition to the PRC market, our quality products and services have already caught the attention of our strategic partners and potential clients in the Asia Pacific region. Through strategic alliances with partners, we will deploy our products in this region to expand our M2M integrated businesses beyond Hong Kong and Mainland China.

The Company achieved major milestones in the M2M integrated businesses in 2005. During 2006, I will continue to work closely with the Board in laying solid foundation for the future growth and prosperity of our Company.

Wong Shu Wing

Chairman

Hong Kong,
25 April 2006

