

業務回顧

截至二零零六年三月三十一日止六個月，本集團之營業額約為15,500萬港元(二零零五年三月三十一日：13,100萬港元)，較去年同期增加18%。未經審核溢利約為2,700萬港元(二零零五年三月三十一日：3,200萬港元)，較去年同期下跌15%。每股盈利為7.2港仙(二零零五年三月三十一日：8.8港仙)。每股中期股息為1.2港仙(二零零五年三月三十一日：2.6港仙)，派息比率約為17%(二零零五年三月三十一日：15%)。

過去半年，本集團仍然面對不利因素如原材料價格上漲，內地工資增幅，工人短缺及生產場地設施不足的影響，利潤較去年下跌。經濟環境雖改善，但產品本身價格未因生產成本的漲升，而有所調升。蓋因內地大陸同類產品生產商價格競爭激烈。故集團暫時不會作出產品價格調升決定，有待跟客戶進一步的協商。

下半年，集團將集中採取開源節流的措施，減少生產，營銷和行政上不必要的支出及浪費。積極尋求有潛質的客戶，裁減小規模的訂單，投放資源於優質客戶身上，並嚴格控制客戶信貸付款。集團將以質量為本，持續改善產品質量，加強產品在市場上的競爭力，務求達到高效益低成本的策略。藉著各種措施來增加集團未來半年的利潤。

BUSINESS REVIEW

For the six months ended 31 March 2006, the Group's turnover was approximately HK\$155 million (31 March 2005: HK\$131 million), representing an increase of 18% as compared with the same period last year. Unaudited net profit amounted to approximately HK\$27 million (31 March 2005: HK\$32 million), representing a decrease of 15% compared with the same period last year. Interim dividends per share is HK1.2 cents (31 March 2005: HK2.6 cents), and the dividend payout ratio is approximately 17% (31 March 2005: 15%).

During the first half of 2006, the Group was still influenced by unfavourable factors such as the increase in raw material cost, uprising of labour cost, labour shortage and inadequate facilities in the production environment. The attributable profit, as compared with last year, dropped. Even though the economic environment has improved, there has not been an adjustment to the product price to take into account the rising of production costs. This is due to the intense price competition between manufacturers of similar products in the Mainland China. The Group has not decided on any plan to increase product prices pending further discussion with customers.

In the second half of this year, the Group will focus on broadening its sources of income and reducing expenditures policies, cutting all unnecessary expenditures and wastes in production, marketing and administration. The Group will actively source new potential customers, reduce small scale production orders, allocate resources to quality customers and implement tighter credit control measures. The Group will also focus on improving production quality, adopting a continuous improvement on the quality of products, strengthening products competitiveness in the market with the overall strategy of improving production efficiency and cutting down costs. The objectives of these measures are to raise the Group's profit in the future.

業務表現

電源開關插頭配件產品業務

集團的核心業務，仍然以電源開關插頭配件產品為主。在本期內，產品銷售略有升幅。實因得到客戶長期的支持，特別是集團產品銷售額佔較大比重的客戶。而其他長期合作的客戶沒多大的變動。源於美國及日本的客戶仍然是集團優質客戶。為擴大現有產品市場上的佔有率，集團於上年度積極開拓韓國市場業務，至今已帶來一定的成果。管理層深信未來下半年，韓國客戶訂單將會持續增加。

高密度電線排線產品業務

高密度電線排線產品尚在產品生命週期的成長期。產品的銷售尚未能為集團帶來任何可觀的利潤。客戶訂單有明顯的下跌，而產品銷售佔集團總銷售額不足1%。成本收入尚未能達平衡點，故錄得虧損約96萬港元（二零零五年三月三十一日：128萬港元）。虧損雖較去年有所減少，但業務的發展尚待檢討階段。管理層將會採取一系列的成本削減措施及把業務重新組合發展。

五金部件產品業務

五金部件產品還未有具體化的業務，仍在構思階段。過去半年，該業務並未為集團帶來任何銷售利潤。就目前經濟環境，集團將會暫時擱置該業務進一步的研發。把資源專注投放於核心業務上。

Performance by Line of Business:

Jack and Switches

Jack and switches are still the Group's core business. During the period, the sales of products had slightly improved. This is mainly due to the continuous support of the Group's customers, especially those accounting for a significant portion of the Group's sale. Sales to other long-term customers remain steady. Customers from the US and Japan remain the blue chip customers of the Group. In order to expand our market of the existing products, the Group has actively explored opportunities in Korea last year and this has brought some results. Management believes that sale orders from Korean customers will continue to increase in the second half year.

Flat Flexible Cable (FFC)

The Flat Flexible Cable (FFC) is still at the developing stage in terms of its product life cycle. The sales of FFC have not yet generated any considerable profits to the Group. Orders from customers have dropped, and FFC's sales which represents less than 1% of the Group's total turnover. Cost and revenue have not yet reached the break-even point, and this resulted in an operating loss of HK\$960,000 (31 March 2005: HK\$1,280,000). Although the loss is less than that of last year, the growth of FFC segment will still be subject to the management review. Management will adopt a series of cost cutting programs and re-organize the business structure for the product's development.

Metal Parts

There has been no concrete transaction of the metal parts segment, which is still in its development phase. During the past half year, the segment has made no sale contribution to the Group. Considering the current economic environment, the Group will postpone the development of this segment and devote its resources to the core business.

新廠房興建之進度

廣東省羅定市廠房

羅定新廠房位處廣東省偏西方向，佔地約為66,667平方米。共建五幢樓宇，當中包括一幢6層高的員工宿舍。新建廠房暫時主力為集團產品作加工裝配工序。由於其位置較偏離廣東省已發展完善的地區，故工資、水電及其他什項支出亦相對已發展的東莞地區來得便宜。集團深信當羅定廠房全面投入運作，將會為集團在生產成本上帶來節省及加強集團產品在市場上的競爭能力。

廣東省河源市廠房

河源廠房為集團於內地重點興建的新廠房。相對東莞(33,116平方米)及羅定(66,667平方米)廠房面積，河源廠房擁有較大的土地面積約為170,000平方米。集團至今已投入興建的資金約4,000萬港元(二零零五年九月三十日：2,200萬港元)。廠房興建已接近竣工階段，目前正作內部裝飾工程。按工程進度來看，新廠房將於本年內落成。到時現有的東莞廠房生產設備與機器都可以遷往新廠房去。由於生產上的效益與效率得以提升，河源廠房將有助集團推行較大規模生產。

Progress of New Plants

Luo Ding, Guangdong Province

Luo Ding new plant is situated at the western part of Guangdong province on a land with area of about 66,667 sq.m. Five blocks of buildings are constructed including a block of 6-storey dormitory building. The new plant is temporarily engaged in assembling of Groups' products. Since the location is far from the well-developed parts of the Guangdong province, the costs of labour, water and electricity, and other sundry expenditures are relatively lower than those in developed areas like Dongguan area. The Group believes that once the Luo Ding plant is in full operation, it will reduce the Group's production cost and strengthen the Groups' products' competitiveness in the market.

Heyuen, Guangdong Province

Heyuen is a key new plant of the Group in PRC. Compared with the Dongguan plant (33,116 sq.m.) and the Luoding plant (66,667 sq.m.), the Heyuen plant occupies a much larger parcel of land with approximately 170,000 sq.m. The Group started from the beginning has already injected approximately HK\$40 million for the plant construction (30 September 2005: HK\$22 million). Its construction is close to completion and it is now undergoing interior decoration works. Based on the work in progress, the new plant is expected to be completed in this year. The production equipment as well as the machinery in Dongguan plant will be relocated to the new plant at that time. The Heyuen plant will enable the Group to launch large scale of production resulting in improved effectiveness and efficiency.

投資物業及投資組合回顧

回顧期內，集團持有的投資物業，市值約10,100萬港元(二零零五年九月三十日：7,400萬港元)。當中包括位於香港中環新購入的商業旺舖。管理層深信隨著更多中國內地城市被列入自由行計劃，本地經濟獲得穩定增長及薪酬普遍上升，地產市場將會再度旺熱起。故集團將會繼續加強其位處黃金地段之優質租賃物業組合，作為長遠的投資。除投資本港物業外，集團亦考慮到內地物業合適投資的機會，並會納入集團未來發展計劃目標之一。

而投資組合方面，集團現持有的長期投資組合，以到期海外債券為主，其次則為香港交易所短期買賣之部份藍籌股票。過往半年，因受到美國息口上調影響，使到集團長期投資的債券，價格出現嚴重的滑落。集團因而錄得未變現虧損約760萬港元(二零零五年三月三十一日：110萬港元)。相反，於本地買賣的上市公司股票，獲得可觀的升值，為集團帶來未變現收益約160萬港元(二零零五年三月三十一日：40萬港元)。總括來說，集團從債券上獲得的利息收入約570萬元，(二零零五年三月三十一日：560萬港元)，而股息收入約53萬港元(二零零五年三月三十一日：8萬港元)。兩者均為集團帶來較穩定的投資回報。

Investment properties and Investment portfolio

During the period under review, the Group has maintained investment properties with the market value approximately HK\$101 million (30 September 2005: HK\$74 million). These investment properties include newly acquired retail shops situated at Central in Hong Kong. Management believes that, with the inclusion of more Mainland Chinese cities into the Individual Tourist Scheme, stable growth in local economy and salary rises, the property market will be prosperous again. Hence, the Group will continue to strengthen on its quality portfolio of rental properties at prime locations for long term investment purpose. Apart from property investments in HK, the Group will also consider suitable investment opportunities for PRC properties as one of the Group future development plan.

Turning to the Group's investment portfolio, the Group has now maintained a long-term investments mainly comprising an oversea maturity bonds and short-term investments of certain blue chip stocks traded on the Hong Kong Exchanges and Clearing Limited ("HKEx"). During the past half year, with the influence of uprising US interest rate, the value of the long-term investments in the Group decreased significantly. The Group has recorded an unrealized loss approximately HK\$7.6 million (31 March 2005: HK\$1.1 million). In contrast, the securities traded on HKEx has considerably appreciated in value and has brought about an unrealized gain of approximately HK\$1.6 million (31 March 2005: HK\$0.4 million). On the whole, the Group received interest income from the debt securities of approximately HK\$5.7 million (31 March 2005: HK\$5.6 million), whereas the dividend income was approximately HK\$0.53 million (31 March 2005: HK\$0.08 million). Both contributed to a fair steady investment return for the Group.