

## CHAIRMAN'S STATEMENT



### FINANCIAL RESULTS

For the year ended 31st March, 2006, the Group achieved a turnover of approximately HK\$209.4 million, representing an increase of 14.6% when compared with previous corresponding year.

Profit before taxation and profit attributable to equity holders of the Company for the year ended 31st March, 2006 amounted to approximately HK\$16.2 million and HK\$12.5 million respectively (2005: HK\$12.3 million and HK\$6.6 million respectively). Such increases in profit were mainly attributable to an increase in turnover of the Group's manufacture and sale activity. Earnings per share for the year ended 31st March, 2006 was HK2.9 cents (2005: HK1.5 cents).

### FINAL DIVIDEND

The Directors proposed the payment of a final dividend of HK1 cent per ordinary share (2005: HK1 cent) for the year ended 31st March, 2006. Subject to the approval of the shareholders at the annual general meeting to be held on 23rd August, 2006, the final dividend will be paid on or about 12th September, 2006.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 18th August, 2006 to 22nd August, 2006 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, will have to be lodged with the Company's registrar, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m., 17th August, 2006.

### BUSINESS REVIEW

During the financial year under review, fierce competition in the photographic and multimedia markets continued to exert downward pressure on the Group's profits margin. There were also higher raw materials, labor and other operating costs in PRC production factories. The management had been exercising continual efforts to cope with all these adverse impacts. These additional various measures included that to broaden our market, to implement tighter purchase control and to streamline our production flow with the aims to improve both operating and cost efficiencies.

### OUTLOOK

The management continues to take a down-to-earth approach with a continued focus on new revenue channels in the Group's core business of accessories for photographic, multimedia and electrical products. The increased demand for digital SLR camera bags is helping to maintain a sustainable turnover in the photographic area albeit in a declining market, whereas extended relationships with multimedia brand manufacturers are allowing the Group to expand in the thriving audio market. Despite of the challenges ahead, the Group is confident to maintain its leading position in the photographic market; and at the same time to increase its market share in the multimedia market.

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The Group is now manufacturing and delivering sensors and finished products incorporating sensors to Eleksen including a Bluetooth fabric keyboard, iPod® controllers and further devices employing the Eleksen technology are currently under development to come to market in the latter half of 2006. The management sees good growth potential in the Group's continued investment into convergence products (textile & electronic combinations), continued strategic relationships with technology partners such as NXT PLC ([www.nxtplc.com](http://www.nxtplc.com)), Eleksen, and some newly developed relationships, which offer patented and unique products for the multimedia and audio industry. The management believes that these various projects will continue to contribute positively to the Group's results in the coming years.

Following the acquisition completion of a PRC property located in Guangzhou, PRC as approved by the independent shareholders in the Special General Meeting held on 17th July, 2006, the property portfolio of the Group in the PRC is expected to accelerate the future growth in line with the promising economic growth of the PRC. The Directors consider that the acquisition will contribute positively to the operating results of the Group in future years. Details of the acquisition are noted in the circular dated 30th June, 2006 to the shareholders of the Company.

### **APPRECIATION**

We wish to thank our shareholders, customers, suppliers and staffs for on-going support and for sharing the Company's confidence and commitment.