FINANCIAL PERFORMANCE

For the year ended 31 December 2006, the Group achieved sales of HK$1,733 million representing an increase of 6% over that of last year. Operating profit before interest and tax was HK$67 million, representing a decrease of 45% as compared to HK$121 million in 2005. Profit attributable to shareholders amounted to HK$28 million, showing also a decrease of 70% as compared to HK$93 million in 2005. Basic earnings per share were 3.5 Hong Kong cents, as compared to 13.3 Hong Kong cents in 2005.

DIVIDENDS

The Board of Directors (the "Board" or "Directors") do not recommend the payment of a final dividend for the year ended 31 December 2006.

BUSINESS REVIEW

2006 was a challenging year for the Group. The financial performance of the Group was affected by the double digit increase in major raw materials prices, the short term costs incurred in shifting production from the Shekou plant to Shaoguan plant and the related down-size costs, and the business interruption caused by a fire accident occurred in the Shekou plant in early December 2006. These led to the reduction in output and operating profit of the Group. The Group performed breakeven in the second half of 2006 and profit attributable to shareholders was HK$28 million, the same as in our 2006 Interim Report.

During the year under review, the Group's revenue increased by 6% to approximately HK$1,733 million. Total shipment volumes in terms of square footage decreased by 7% with average sales price increased by 13% as compared with that of last year. In line with the Group's business strategy, the shipment of multi-layered boards (6-layered and above) increased by 20% over that of last year. These multi-layered boards had contributed about 46% to the Group's annual sales versus 41% in last year. Production facilities were operated at an average utilization rate of about 80%.

Gross profit of HK$269 million had decreased 15% over that of 2005. The decrease was attributed to the significant increase in raw materials prices and rising labour costs. Although a substantial amount of work has been redirected to the Shaoguan plant during the year to take advantage of cheaper labour rate there, the revision of minimum wages rates in Shenzhen, the PRC in September 2006 has resulted in a rapid and sharp increase of labor cost in Shenzhen plant, defeating our original plan of reaping reasonable savings in labour cost for the whole year. Operating profit before interest and tax margin decreased from 7.4% in 2005 to 3.9% this year. With high interest expenses, net profit margin decreased further from 5.7% in 2005 to 1.6% in 2006.

The Shaoguan plant commenced operations in April 2005. It had produced about 900,000 square feet of PCB per month by the end of 2006. It is expected that the production capacity of Shaoguan plant can be increased to 1 million square feet per month by the third quarter in 2007 with minimum further investment in capital expenditure. Total production capacity of the Group expects to be increased to 2 million square feet per month by the end of 2007 when the interruption caused by the fire accident is over.

PROSPECTS

After the Management of the Company has taken a bold decision at the beginning of last year to implement substantial changes in its personnel structure to ensure the Company can become more competitive in a fiercely competitive market, a number of plans has been implemented for such re-organization. However, the Management has encountered many adverse factors both internally and externally affecting the operations of the Group. This year has been too eventful for us to complete such improvement plans and bring in meaningful financial performance within the fiscal year. Overall, the Management has expressed its disappointment with the outcome as it has paid great efforts during the year under review.

Despite the unsatisfactory financial results for the year, certain progress made in the new plant at Shaoguan near year end and during the first quarter of year 2007 has been very encouraging. Production yields have been drastically improved during the past few months and given the type of products that the plant is now producing, such performance should be considered very competitive in the market place and the Management is very optimistic in this new plant's prospects in securing more business from new customers and further expand its production output during the second half of 2007.

Meanwhile, although the Shekou plant has suffered certain set-backs because of the fire incident happened in early December 2006, the production capacity is expected to resume by the end of second quarter in 2007. Consequently, revenue for the Shekou plant will be gradually resumed to normal during the second half of year 2007. Operations management in the Shekou plant has also become more mature since the last organizational restructuring and the Company is confident that such maturity would allow the Company to continue to improve its profit margin through changes in its product mix, in order to face the challenge of eroding profit due to increase in raw material price.

Regarding the Tongliao plant, the outstanding construction work remained at approximately 20% of the overall project since September 2006 when it has been decided to slow down the construction progress. This project shall be resumed soon and its expected time of completion will be around the third quarter in 2007, while trial production shall start in the last quarter in 2007. Due to the relatively small scale of production of this new plant, it is expected that no significant profit contribution will be made to the Group in the year of 2007.

APPRECIATION

On behalf of the Board, I would like to extend my gratitude and sincere appreciation to all management and staff members for their diligence and dedication, and also to our business partners and the Company's shareholders for their continuing support.

CHEOK HO FUNG

Chairman and Chief Executive Officer

Hong Kong, 20 April 2007