1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 12 November 2004. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 35.

In preparation for the listing of the Company's shares on the Stock Exchange, the Company underwent a group reorganisation (the "Reorganisation"). The Reorganisation was carried out by the Company and Mr. Yeung Hoi Shan ("Mr. Yeung"), the shareholder and director of the Company, during the year ended 31 December 2005. Mr. Yeung is also the shareholder of Tat Chun Printed Circuit Board Company Limited ("Tat Chun PCB") and Pacific Leader Development Company Limited ("Pacific Leader") prior to the completion of the Reorganisation. Mr. Yeung had entered into a share swap agreement for transferring 10,000 and 600,000 shares (representing the entire shareholdings) in Pacific Leader and Tat Chun PCB respectively to the Company in consideration for which the Company (a) issued and allotted 90,000 shares, credited as fully paid up, to Mr. Yeung; and (b) settled the unpaid 10,000 shares allotted and issued unpaid previously and registered in the name of Mr. Yeung, in exchange for all of Mr. Yeung's equity interests in Tat Chun PCB and Pacific Leader, respectively.

Upon completion of the above-mentioned share swaps, the Company became the ultimate holding company of Tat Chun PCB and Pacific Leader on 31 December 2005, and the Company was then wholly-owned by Mr. Yeung.

In addition to the above, Zhongshan Jingwang PCB Company Limited ("Zhongshan Jingwang") was controlled by Mr. Yeung throughout the year. A declaration of trust was signed by Mr. Yeung, Mr. Yang Zhao and Madam Li Jinxia ("Madam Li"), the nominee shareholders of Zhongshan Jingwang and also the parents of Mr. Yeung. Under the trust agreement, Mr. Yeung was the sole beneficial owner of Zhongshan Jingwang and governed the financial and operating policies of Zhongshan Jingwang since Zhongshan Jingwang's establishment in 2000. In 2006, the nominee shareholders of Zhongshan Jingwang transferred their interests to a subsidiary of Tat Chun PCB.

Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Group accounted for Tat Chun PCB, Pacific Leader and Zhongshan Jingwang as wholly-owned subsidiaries as if the Company had always been the holding company of the companies comprising the Group since 1 January 2005.

1. GENERAL AND BASIS OF PREPARATION *(continued)*

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Company in light of its net current liabilities of HK$41,377,000 as at 31 December 2006. During the year, capital (net of expenses) of approximately HK$49 million was raised through placements of the Company's shares in the Stock Exchange. In addition to the above, in order to finance the acquisition of a property interest in the People's Republic of China (the "PRC"), approximately HK$40 million short term loan was raised by the Group. The additional capital funding will enable the Group to expand its production capacity and will bring revenue and generate operating cash flows to the Group. Subsequent to the balance sheet date, the Group completed the loan financing arrangement of HK$130 million and a syndication loan facility had been entered by the Group. In January 2007, the Group had drawn down HK$110 million for the repayment of short term borrowings of approximately HK$90 million and for general working capital purposes. The directors considered this facility can further provide sufficient cash to finance the Group's working capital requirement and accordingly the financial statements are prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs had no material effect on how the results and the financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[3]
HK(IFRIC)-Int 8	Scope of HKFRS 2[4]
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives[5]
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment[6]
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions[7]
HK(IFRIC)-Int 12	Service Concession Arrangement[8]

[1] Effective for annual periods beginning on or after 1 January 2007
[2] Effective for annual periods beginning on or after 1 January 2009
[3] Effective for annual periods beginning on or after 1 March 2006
[4] Effective for annual periods beginning on or after 1 May 2006
[5] Effective for annual periods beginning on or after 1 June 2006
[6] Effective for annual periods beginning on or after 1 November 2006
[7] Effective for annual periods beginning on or after 1 March 2007
[8] Effective for annual periods beginning on or after 1 January 2008

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

A uniform set of accounting policies is adopted by those entities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The results of subsidiaries disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

Business combination under common control

The consolidated financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. No amount is recognised in respect of goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been consolidated at the previous balance sheet date or when they first came under common control, whichever is shorter.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is measured at the fair values of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts, value-added tax and other sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from bank deposits is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Rental income under operating leases is recognised on a straight line basis over the term of the relevant lease.

Property, plant and equipment

Property, plant and equipment, excluding construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the income statement on a straight line basis over the term of the relevant lease and recognised as an expense on a straight line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Loans and receivables

Loans and receivables (including trade, bills and other receivables and bank balances and deposits) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Financial liabilities

Financial liabilities including trade and other payables, bills payable, amount due to a related party/a shareholder, obligations under finance leases and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme") and the state-managed retirement benefits scheme are charged as expenses when employees have rendered services entitling them to the contributions.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, which are described in note 3, management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Impairment losses recognised in respect of trade receivables

The impairment loss on trade receivables of the Group is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. As at 31 December 2006, the carrying value of trade receivables (net of impairment loss of approximately HK$8 million) is approximately HK$243 million. When the actual cash receipts are less than expected, a material impairment loss may arise.

Going concern and liquidity

As at 31 December 2006, the Group has net current liabilities of HK$41,377,000. The directors managed the liquidity of the Group by use of borrowings and unused banking facilities. In the opinion of the directors of the Company, the Group will be able to renew the banking facilities granted by banks and the Group expects to have adequate funding. Subsequent to 31 December 2006, certain of the banks have granted a term loan to the Group for working capital purpose. Accordingly, the financial statements prepared by the directors are on the going concern basis. When the Group is unable to obtain the support from banks, the going concern assumption may affect and adjustment may arise.

5. FINANCIAL INSTRUMENTS

a. Financial risk management objectives and polices

The Group's major financial instruments include borrowings, trade receivables, bank deposits, trade payables and obligations under finance leases. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group operates in Hong Kong ("HK") and the PRC with most of the transactions denominated and settled in Hong Kong dollars and Renminbi ("RMB"). However, foreign currencies, mainly United States Dollars, Euro and Japanese Yen , are required to settle the Group's expenses and additions on plant and equipment. There are also sales transactions denominated in United States Dollars and RMB. The Group will use forward contracts to hedge its foreign currency exposure if it considers the risk to be significant.

5. FINANCIAL INSTRUMENTS *(continued)*

a. Financial risk management objectives and polices *(continued)*

Market risk (continued)

Interest rate risk

The Group's exposure to fair value interest rate risk relates primarily to the fixed-rate debt obligations, including bank and other borrowings. For the variable-rate borrowings, it is exposed to cash flow interest rate risk. The Group has not entered into any interest rate hedging contracts. The directors of the Company monitor the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arises.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The Group trades only with recognised, creditworthy third parties. It is Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The amount presented in the consolidated balance sheet is net of impairment loss on trade receivables, estimated by the Group's management based on prior experience and their assessment of the estimated cash inflow to the Group.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The credit risk on bank deposits is limited because the counterparts are banks with high credit-ratings.

b. Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. REVENUE

Turnover represents the gross amounts received and receivable for goods sold, net of discounts, value-added tax and other sales related taxes, by the Group to outside customers during the year.

Analysis of the Group's revenue is as follow:

	2006 HK$'000	2005 HK$'000
Sales of goods	613,156	495,632
Other income		
– Bank interest income	346	105
– Increase in fair value of investment properties	600	700
– Rental income generated from properties	470	454
– Sales of scrap materials	9,987	4,869
– Others	1,664	1,406
	13,067	7,534

7. FINANCE COSTS

	2006 HK$'000	2005 HK$'000
Interest on:		
– bank and other borrowings wholly repayable within five years	7,431	6,635
– bank borrowings not wholly repayable within five years	404	271
– obligations under finance leases	3,415	2,756
	11,250	9,662

8. INCOME TAX EXPENSE

	2006 HK$'000	2005 HK$'000
The charge comprises:		
Hong Kong Profits Tax		
Current year	**1,644**	1,923
(Over)underprovision	**(33)**	90
	1,611	2,013
Income Tax for the PRC	**5,948**	2,468
Deferred tax *(note 24)*	**1,670**	131
	9,229	4,612

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the year.

Pursuant to the relevant laws and regulations in the PRC, Zhongshan Tat Chun Electric Company Limited ("Zhongshan Electric") and Zhongshan Tat Chun PCB Company Limited ("Zhongshan PCB") are entitled to exemption from the PRC Foreign Enterprise Income Tax for the first two years commencing from their first profit-making year of operation, and thereafter, these PRC subsidiaries will be entitled to a 50% relief from the PRC Foreign Enterprise Income Tax for the following three years ("Tax Holiday"). The reduced tax rate for the relief period is 12%. After the expiry of the tax relief period, Zhongshan Electric and Zhongshan PCB are subjected to an income tax rate of 27%. The first profit-making year of operation of Zhongshan Electric was in 2000 and that of Zhongshan PCB was in 2004.

The income tax expense for the year can be reconciled to the profit per consolidated income statement as follows:

	2006 HK$'000	2005 HK$'000
Profit before tax	**48,327**	41,901
Tax rate applicable to the major operations of the Group	**27%**	27%
Tax at the applicable rate	**13,048**	11,313
Tax effect of expenses that are not deductible in determining taxable profit	**1,454**	1,125
Tax effect of income that are not taxable in determining taxable profit	**(25)**	(119)
Tax effect of tax losses not recognised	**107**	153
(Over)underprovision of Hong Kong Profits Tax in previous year	**(33)**	90
Tax effect of Tax Holiday of subsidiaries	**(4,352)**	(7,403)
Tax effect of different tax rates of operations/ entities operating in other jurisdiction	**(970)**	(547)
Income tax expense	**9,229**	4,612

9. PROFIT FOR THE YEAR

	2006 HK$'000	2005 HK$'000
Profit for the year has been arrived at after charging:		
Employee benefits expenses, including directors' remuneration	**61,521**	44,684
Retirement benefits schemes contributions	**1,709**	1,228
Total employee expenses	**63,230**	45,912
Impairment loss recognised in respect of trade receivables	**1,380**	2,404
Auditors' remuneration	**1,263**	946
Bad debts written off	**305**	4
Cost of inventories recognised as an expense	**495,328**	396,863
Depreciation of property, plant and equipment	**22,936**	19,640
Exchange loss	**4,991**	1,362
Release of prepaid lease payment	**531**	120

10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the directors were as follows:

2006

	Mr. Yeung HK$'000	Wong Wing Choi HK$'000	Madam Li HK$'000	Yeung Tai Hoi HK$'000	Cheung Sui Wing, Darius HK$'000	Ho Man Kay HK$'000	Wong Siu Fai, Albert HK$'000	Total HK$'000
Directors' emoluments:								
– Fees	–	–	46	46	46	68	46	252
– Salaries and other benefits	1,538	740	–	–	–	–	–	2,278
– Bonus *(Note)*	88	855	–	–	–	–	–	943
– Retirement benefits schemes contributions	12	12	–	–	–	–	–	24
Total emoluments	1,638	1,607	46	46	46	68	46	3,497

10. DIRECTORS' EMOLUMENTS *(continued)*

2005

	Mr. Yeung HK$'000	Wong Choi Wing HK$'000	Total HK$'000
Directors' emoluments:			
– Fees	–	–	–
– Salaries and other benefits	660	742	1,402
– Bonus	73	271	344
– Retirement benefits schemes contributions	12	12	24
Total emoluments	745	1,025	1,770

Note: The bonus is determined based on performance of the Group.

In addition to the directors' remuneration disclosed above, the Group also provided rent-free accommodation to Mr. Yeung. The annual rateable value of the properties involved, which are owned by the Group, is as follows:

	2006 HK$'000	2005 HK$'000
Annual rateable value of the properties	**351**	351

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group for the year, two (2005: two) were the directors of the Company whose emoluments are included in the disclosure set out above. The emoluments of the remaining three (2005: three) individuals were as follows:

	2006	2005
	HK$'000	HK$'000
Employees' emoluments:		
– salaries and other benefits	**2,019**	1,575
– bonus	**136**	135
– retirement benefits schemes contributions	**30**	24
	2,185	1,734

The aggregate emoluments of the three highest paid individuals during the year did not exceed HK$1,000,000.

During the year, no emoluments was paid by the Group to any of the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

12. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the following data:

	2006	2005
	HK$'000	HK$'000
Profit for the year and earnings for the purposes of basic earnings per share	**39,098**	37,289
Weighted average number of shares for the purposes of basic earnings per share	**211,726,000**	180,000,000

The calculation of the basic earnings per share is based on the profit for the year and assuming 180,000,000 shares in issue and issuable throughout the years, comprising 100,000 shares in issue as at 1 January 2006 and 179,900,000 shares to be issued pursuant to the capitalisation issue at 23 June 2006.

There were no dilutive potential ordinary shares during the year, and therefore, diluted earnings per share is not presented.

13. INVESTMENT PROPERTIES

	HK$'000
At 1 January 2005	1,700
Increase in fair value credited to income statement for the year	700
At 31 December 2005	2,400
Increase in fair value credited to income statement for the year	600
At 31 December 2006	**3,000**

The property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. At 31 December 2006, the carrying amount of such property interests amounted to approximately HK$3,000,000 (2005: HK$2,400,000).

The carrying amount of investment properties shown above are situated in HK held under medium-term lease.

The fair value of the Group's investment properties at 31 December 2006 has been arrived at on the basis of a valuation carried out at that date by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group. DTZ Debenham Tie Leung Limited are members of the Institute of Valuers, and have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The Group has pledged all of its investment properties to secure general banking facilities granted to the Group.

14. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Leasehold improve-ments	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST								
At 1 January 2005	–	67,091	141,900	1,790	2,647	3,530	23,728	240,686
Exchange realignment	–	–	13	–	5	–	–	18
Additions	–	419	19,600	368	406	306	2,018	23,117
Disposals	–	–	(1,298)	–	–	–	–	(1,298)
At 31 December 2005	–	67,510	160,215	2,158	3,058	3,836	25,746	262,523
Additions	1,410	46,670	32,984	75	307	851	1,551	83,848
Transfer	(800)	800	–	–	–	–	–	–
At 31 December 2006	610	114,980	193,199	2,233	3,365	4,687	27,297	346,371
DEPRECIATION AND AMORTISATION								
At 1 January 2005	–	2,424	24,670	173	1,534	967	3,835	33,603
Exchange realignment	–	–	2	–	3	–	–	5
Provided for the year	–	1,329	14,586	195	279	652	2,599	19,640
Eliminated on disposals	–	–	(1,298)	–	–	–	–	(1,298)
At 31 December 2005	–	3,753	37,960	368	1,816	1,619	6,434	51,950
Provided for the year	–	1,366	17,571	238	361	746	2,654	22,936
At 31 December 2006	–	5,119	55,531	606	2,177	2,365	9,088	74,886
CARRYING VALUES								
At 31 December 2006	610	109,861	137,668	1,627	1,188	2,322	18,209	271,485
At 31 December 2005	–	63,757	122,255	1,790	1,242	2,217	19,312	210,573

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation is provided using the straight line method, at the following rates per annum:

Buildings	2% or over the term of lease, whichever is shorter
Leasehold improvements	10% or over the term of lease
Plant and machinery	10%
Furniture and fixtures	10%
Motor vehicles	18%
Office equipment	18%

	2006	2005
	HK$'000	HK$'000
The Group's buildings and construction in progress comprises:		
Medium-term lease situated in HK	**1,402**	1,441
Medium-term land use rights situated in the PRC	**109,069**	62,316
	110,471	63,757

At 31 December 2006, the building certificate of one of the buildings owned by the Group and amounting to approximately HK$46,108,000 (2005: Nil) had not been obtained. The directors believe that the relevant building certificates will be granted in the due course and the absence of official certificates do not impair the value of the relevant properties of the Group.

At 31 December 2006, the carrying values of the Group's plant and machinery and motor vehicles include an amount of approximately HK$94,640,000 (2005: HK$95,380,000) in respect of assets held under finance leases.

15. PREPAID LEASE PAYMENT

The Group's prepaid lease payment comprises:

	2006 HK$'000	2005 HK$'000
Leasehold land in HK under medium-term lease	**6,655**	6,819
Leasehold land in the PRC under medium-term lease	**29,064**	12,653
	35,719	19,472
Analysed for reporting purposes as:		
Non-current assets	**34,822**	18,977
Current assets	**897**	495
	35,719	19,472

The prepaid lease payment is charged to the consolidated income statement over the term of the lease on a straight line basis.

As at 31 December 2006, the land use right certificate amounting to approximately HK$15,240,000 (2005: Nil) has not been obtained. The directors believe that the relevant land use right certificate will be granted in the due course.

16. INVENTORIES

	2006 HK$'000	2005 HK$'000
Raw materials	**24,988**	33,774
Work in progress	**22,438**	13,492
Finished goods	**20,494**	8,887
	67,920	56,153

17. TRADE, BILLS AND OTHER RECEIVABLES

(a) Trade and other receivables

	2006 HK$'000	2005 HK$'000
Trade receivable	**251,695**	173,526
Less: Impairment loss recognised	**(8,211)**	(6,831)
Total trade receivables, net of accumulated impairment	**243,484**	166,695
Other receivables and prepayments	**21,252**	7,471
	264,736	174,166

The Group generally allows an average credit period of 30 days to 120 days to its trade customers. The following is an aged analysis of trade receivables net of impairment losses at the reporting date:

	2006 HK$'000	2005 HK$'000
0 – 30 days	**74,218**	47,704
31 – 60 days	**64,045**	49,253
61 – 90 days	**54,271**	35,799
91 – 180 days	**47,113**	30,773
Over 180 days	**3,837**	3,166
Total trade receivables, net of accumulated impairment	**243,484**	166,695

(b) Bills receivable

The aged analysis of bills receivable is as follows:

	2006 HK$'000	2005 HK$'000
0 – 30 days	**35**	2,061
31 – 60 days	**930**	1,269
61 – 90 days	**1,040**	2,859
91 – 180 days	**446**	1,817
	2,451	8,006

18. PLEDGED BANK DEPOSITS

As at 31 December 2006, the Group had pledged deposits to banks to secure banking facilities granted to the Group. Deposits amounting to HK$8,767,000 (2005: HK$3,138,000) have been pledged to secure short-term bank loans and are therefore classified as current assets.

The deposits carry interest rate in the range of 2.15% to 3.95% (2005: 0.1% to 3.55%) per annum. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

19. TRADE, BILLS AND OTHER PAYABLES

(a) Trade and other payables

The aged analysis of trade payables is as follows:

	2006 **HK$'000**	2005 HK$'000
0 – 30 days	**36,589**	25,688
31 – 60 days	**44,072**	23,120
61 – 90 days	**41,708**	25,354
91 – 180 days	**44,509**	33,855
Over 180 days	**2,231**	1,761
	169,109	109,778
Other payables and accruals	**17,260**	15,123
	186,369	124,901

(b) Bills payable

The aged analysis of bills payable is as follows:

	2006 **HK$'000**	2005 HK$'000
0 – 30 days	**7,168**	6,120
31 – 60 days	**3,197**	10,485
61 – 90 days	**4,544**	6,955
91 – 180 days	**3,593**	7,721
	18,502	31,281

20. AMOUNT DUE TO A RELATED PARTY

The amount due to Mr. Yang Zhao, father of Mr. Yeung, was unsecured, carried interest at 9.5% per annum and was fully repaid during the year.

21. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder was unsecured, interest free and was fully repaid during the year.

22. BANK AND OTHER BORROWINGS

	2006	2005
	HK$'000	HK$'000
Bank loans	**142,790**	92,220
Trust receipt loans	**36,766**	18,092
Unsecured other borrowings from individual third parties	**–**	404
Bank overdraft	**1,445**	2,710
	181,001	113,426
Analysed as:		
Secured	**67,005**	61,875
Unsecured	**113,996**	51,551
	181,001	113,426
Bank and other borrowings are repayable as follows:		
Within one year or on demand	**180,922**	54,325
In the second year	**79**	51,829
In the third year	**–**	1,393
In the fourth year	**–**	214
In the fifth year	**–**	221
After the fifth year	**–**	5,444
	181,001	113,426
Less: Amount due within one year shown under current liabilities	**(180,922)**	(54,325)
Amount due after one year	**79**	59,101

22. BANK AND OTHER BORROWINGS *(continued)*

The exposure of the Group's borrowings to interest rate risks and the contractual maturity dates (or repricing dates) are as follows:

	2006 **HK$'000**	2005 HK$'000
Fixed-rate borrowings with interest rate of 6.34% (2005: 1% to 6.34%):		
Within one year	**49,504**	404
In the second year	**–**	48,076
	49,504	48,480
Variable-rate borrowings:		
Within one year or on demand	**131,418**	53,921
In the second year	**79**	3,753
In the third year	**–**	1,393
In the fourth year	**–**	214
In the fifth year	**–**	221
After the fifth year	**–**	5,444
	131,497	64,946
Total	**181,001**	113,426

The interest rates for the variable-rate borrowings are Hong Kong Inter-bank Offered Rate ("HIBOR") plus 1.5% to 2.5%, thus exposing the Group to cash flow interest rate risk.

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group companies are set out below:

	Denominated in HK$'000
As at 31 December 2006	49,504
As at 31 December 2005	48,480

As at 31 December 2006, the borrowings were guaranteed by the Company and subsidiaries of the Company, and were also secured by the assets owned by the Group.

22. BANK AND OTHER BORROWINGS *(continued)*

During the year, in respect of bank loans with carrying amounts of approximately HK$68 million as at 31 December 2006, the Group breached certain financial covenants as stipulated in the banking facilities letters entered into by the Group, which are primarily related to the working capital ratio and gearing ratio. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the loan with the relevant bankers. At the balance sheet date, as the lender has yet to agree to waive its right to demand immediate payment, the non-current portion of these loans amounting to approximately HK$7,197,000 has been classified as a current liability in the consolidated financial statements for the year ended 31 December 2006. At the date of report, the Group completed the negotiations and the lenders have agreed in written not to demand from the Group immediate repayment.

23. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2006	2005	**2006**	2005
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance leases:				
Within one year	**24,444**	26,629	**22,276**	24,246
In the second year	**16,139**	17,616	**15,005**	16,478
In the third year	**9,137**	9,338	**8,707**	8,952
In the fourth year	**2,988**	2,360	**2,834**	2,302
	52,708	55,943		
Less: Future finance charges	**(3,886)**	(3,965)		
Present value of lease obligations	**48,822**	51,978	**48,822**	51,978
Less: Amount due within one year shown under current liabilities			**(22,276)**	(24,246)
Amount due after one year			**26,546**	27,732

It is the Group's policy to lease certain of its plant and machinery under finance leases. The average lease term is four years. For the year ended 31 December 2006, the average effective borrowing rate was 6.6% (2005: 4.9%). Interest rates are fixed at the contract date. All leases are denominated in HK dollars and on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

The obligations under finance leases are secured by the lessor's charge over the leased assets.

Certain obligations under finance leases are secured by the corporate guarantees provided by the Company and subsidiaries of the Company.

24. DEFERRED TAX LIABILITY

The movements for the year in the deferred tax liability are as follows:

	Accelerated tax depreciation HK$'000
At 1 January 2005	511
Charge to consolidated income statement for the year	131
At 31 December 2005	642
Charge to consolidated income statement for the year	1,670
At 31 December 2006	2,312

At 31 December 2006, the Group had unused tax losses of approximately HK$2,758,000 (2005: HK$2,147,000) available for offset against future assessable profits in Hong Kong. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. The tax loss can be carried forward indefinitely.

25. SHARE CAPITAL

	Number of shares	**Nominal value** HK$'000
Authorised:		
Ordinary shares of HK$0.1 each		
At 1 January 2005 and 31 December 2005	3,000,000	300
Additions *(Note i)*	1,997,000,000	197,000
At 31 December 2006	2,000,000,000	200,000
Issued and fully paid:		
Ordinary shares of HK$0.1 each		
At 1 January 2005	10,000	1
Issue of shares	90,000	9
At 31 December 2005	100,000	10
Capitalisation issue *(Note ii)*	179,900,000	17,990
Issue of shares by way of placing and public offer *(Note iii)*	60,000,000	6,000
At 31 December 2006	240,000,000	24,000

25. SHARE CAPITAL *(continued)*

Notes:

(i) Pursuant to resolutions in writing of the sole shareholder of the Company on 5 June 2006, the authorised share capital of the Company was increased from HK$300,000 to HK$200,000,000 by the creation of additional 1,997,000,000 shares of HK$0.1 each.

(ii) On 5 June 2006, the Company issued 179,900,000 shares to Mr. Yeung by capitalising HK$17,990,000 standing to the credit of share premium unconditional upon placing and public offer. These new shares ranked pari passu in all respects with the then existing shares.

(iii) On 23 June 2006, the Company issued 60,000,000 shares of HK$0.1 each at a price of HK$1 per share to the public. These new shares ranked pari passu in all respects with the then existing shares.

26. RESERVES

(a) PRC statutory reserve

As stipulated by the relevant PRC laws and regulations, certain subsidiaries of the Company in the PRC shall set aside certain percent of their net profit after taxation prepared in accordance with generally accepted accounting policies in the PRC for the PRC statutory reserve (except where the reserve balance has reached 50% of the paid-up capital of the respective enterprises). The reserve can only be used, upon approval by the board of directors of respective enterprises and by relevant authority, to offset accumulated losses or increase capital.

(b) Special reserve

The special reserve represents (i) the difference between the nominal value of the share capital issued by the Company and the nominal value of the share capital of Tat Chun PCB and Pacific Leader acquired pursuant to the Reorganisation; and (ii) the paid-up capital of Zhongshan Jingwang.

27. SHARE OPTION SCHEME

On 5 June 2006, a share option scheme (the "Share Option Scheme") was adopted by a resolution in writing by the sole shareholder. The purpose of the Share Option Scheme are to attract and retain best available personnel to provide additional incentive to employees, directors, consultants, and advisers of the Group and to promote the success of the business of the Group. The director may, at its discretion, offer any employee (whether full-time or part-time), director, consultant or adviser of the Group options to subscribe for new shares at a price and terms set out in the Share Option Scheme.

No options was granted under the Share Option Scheme as at the date of this report.

28. MAJOR NON-CASH TRANSACTIONS

(i) During the year, the Company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of approximately HK$24,017,000 (2005: HK$13,855,000).

(ii) During the year, 179,900,000 capitalisation shares were issued, by the capitalisation of HK$17,990,000 from the share premium account.

29. OPERATING LEASE

(a) Operating lease commitments

The Group as lessee

Minimum lease payments paid under operating leases

	2006	2005
	HK$'000	HK$'000
Premises	**930**	1,476

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	2006	2005
	HK$'000	HK$'000
Within one year	**848**	2,339
In the second years	**718**	787
In the third year	**718**	718
In the fourth year	**453**	718
In the fifth year	**–**	478
	2,737	5,040

Operating lease payments represent rentals payable by the Group for certain of its offices and warehouse. Leases are negotiated for an average term ranging from one to two years with fixed rental.

29. OPERATING LEASE

(b) Operating lease arrangements

The Group as lessor

Property rental income earned during the year was approximately HK$470,000 (2005: HK$454,000). The outgoing of the rental income was approximately HK$57,000 (2005: HK$56,000).

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments in respect of its properties:

	2006 **HK$'000**	2005 HK$'000
Within one year	**250**	327
In the second to fifth year inclusive	**187**	554
After the fifth year	**–**	1,835
	437	2,716

The properties held have committed tenants for an average terms ranging from one to two years.

30. CAPITAL COMMITMENT

	2006 **HK$'000**	2005 HK$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**5,971**	2,472

31. PLEDGE OF ASSETS

At the balance sheet date, the following assets were pledged to banks to secure general banking facilities granted to the Group:

	2006 **HK$'000**	2005 HK$'000
Bank deposits	**8,767**	3,138
Investment properties	**3,000**	2,400
Buildings	**63,306**	63,757
Prepaid lease payment	**20,479**	19,472
	95,552	88,767

32. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employers and their employees are each required to make contributions to the MPF Scheme at a rate specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The retirement benefits scheme contributions arising from the MPF Scheme charged to the income statement represent contributions payable to the funds by the Group at rates specified in the rules of the MPF Scheme.

The employees employed by the entities in the PRC are members of the state-managed retirement benefits schemes operated by the PRC government. The PRC entities are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefits schemes operated by the PRC government is to make the required contributions under the schemes.

33. RELATED PARTY DISCLOSURES

Details of transactions between the Group and other related parties are disclosed below:

(a) Related party transactions

The Group had the following significant transactions with related parties of the Group:

Name of related parties	**Nature of transactions**	**2006 HK$'000**	2005 HK$'000
Madam Li	Interest charged to the Group	–	17
Mr. Yang Zhao	Interest charged to the Group	–	39

(b) The remuneration of directors (representing key management) during the year are set out in note 10.

(c) Banking facilities and finance lease arrangement

At 31 December 2005, certain of the Group's banking facilities and finance lease arrangements were secured by personnel guarantees given by Mr. Yeung and a third party, bank deposits owned by Mr. Yeung and a property owned by Mr. Yeung and a third party. Upon the listing of the Company's shares in June 2006, such securities and guarantees had been fully released and replaced by corporate guarantees by the Company.

34. SEGMENTAL INFORMATION

Business segments

For management purposes, the Group is currently organised into the following three business divisions:

Principal activities are manufacturing and trading of:

– Single-sided printed circuit board ("PCB") ("Single-sided")
– Double-sided PCB ("Double-sided")
– Multi-layered PCB ("Multi-layered")

These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

	2006 **HK$'000**	2005 HK$'000
TURNOVER – external sales		
Single-sided	**146,135**	179,679
Double-sided	**340,456**	247,786
Multi-layered	**126,565**	68,167
Total	**613,156**	495,632
RESULT		
Segment result		
– single-sided	**6,138**	5,258
– double-sided	**34,630**	41,693
– multi-layered	**12,601**	6,557
	53,369	53,508
Unallocated income	**13,067**	7,534
Unallocated expenses	**(6,859)**	(9,479)
Finance costs	**(11,250)**	(9,662)
Profit before tax	**48,327**	41,901
Income tax expense	**(9,229)**	(4,612)
Profit for the year	**39,098**	37,289

34. SEGMENTAL INFORMATION *(continued)*

CONSOLIDATED BALANCE SHEET

	2006 HK$'000	2005 HK$'000
ASSETS		
Segment assets		
– single-sided	**119,817**	127,753
– double-sided	**300,488**	178,105
– multi-layered	**178,402**	112,333
	598,707	418,191
Unallocated corporate assets	**94,092**	73,332
Consolidated total assets	**692,799**	491,523
LIABILITIES		
Segment liabilities		
– single-sided	**45,529**	58,550
– double-sided	**105,171**	80,371
– multi-layered	**39,707**	22,648
	190,407	161,569
Unallocated corporate liabilities	**260,536**	181,795
Consolidated total liabilities	**450,943**	343,364

34. SEGMENTAL INFORMATION *(continued)*

OTHER INFORMATION

	2006	2005
	HK$'000	HK$'000
Capital additions		
– single-sided	**1,415**	7
– double-sided	**25,138**	214
– multi-layered	**39,107**	22,896
– unallocated	**18,188**	–
	83,848	23,117
Depreciation		
– single-sided	**3,419**	2,878
– double-sided	**10,198**	2,461
– multi-layered	**5,033**	5,769
– unallocated	**4,286**	8,532
	22,936	19,640
Impairment loss recognised in respect of trade receivables		
– single-sided	**329**	871
– double-sided	**766**	1,202
– multi-layered	**285**	331
	1,380	2,404

34. SEGMENTAL INFORMATION *(continued)*

Geographical segments

The Group's operations are located in Hong Kong ("HK") and the PRC.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods.

	Sales revenue by geographical market	
	2006	2005
	HK$'000	HK$'000
HK	**323,892**	192,752
The PRC	**152,765**	302,238
Europe	**64,704**	–
Asia	**56,195**	642
Others	**15,600**	–
	613,156	495,632

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets	
	2006	2005
	HK$'000	HK$'000
HK	**76,376**	45,959
The PRC	**522,331**	372,232
	598,707	418,191

	Additions to property, plant and equipment	
	2006	2005
	HK$'000	HK$'000
HK	**25,520**	4,375
The PRC	**58,328**	18,742
	83,848	23,117

35. SUBSIDIARIES OF THE COMPANY

Particulars of the Company's wholly-owned subsidiaries at the date of this report are set out below:

Name of subsidiary	Place and incorporation/ establishment	Issued and fully paid share capital/ registered capital	Principal activities
Pacific Leader 亮宇發展有限公司	HK	Ordinary shares HK$10,000	Investment holding
Tat Chun PCB 達進電路版有限公司	HK	Ordinary shares HK$600,000	Trading of printed circuit boards
Zhongshan Electric *(Note)* 中山市達進電子元件有限公司	The PRC	Registered capital HK$19,600,000	Manufacturing and trading of printed circuit boards
Zhongshan PCB *(Note)* 中山市達進電子有限公司	The PRC	Registered capital HK$130,000,000	Manufacturing and trading of printed circuit boards
廣東達進科技有限公司 *(Note)*	The PRC	Registered capital HK$150,000,000	Inactive

Note: The companies are wholly foreign-owned enterprises established in the PRC.

36. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, the Group had entered into a banking facilities arrangement of HK$130 million. In January 2007, the Group had drawn down a three-year term loan of HK$110 million for the repayment of the short term loan of HK$90 million and the remaining as working capital. The syndication loan facility is secured, carries interest at HIBOR plus a spread per annum and repayable within three years.