

Chairman's Statement

Although the results for first half of 2003 were adversely by the outbreak of SARS in Asia, the Group has endeavoured to improve its profitability in the second half of the year.

The Group's original business is labour intensive and faces strong competition. The Group will rely on its quality, and enhanced cost control, to strengthen its competitiveness in the market.

The Group's new investment Photomask is a high-end technology product. The management team of the photomask project is in the process of obtaining product approvals from some of the major integrated circuit manufacturers. Successful development of the photomask project will enable the Group to re-gear into a business with high technology content and profit margin.

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend our gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

Cao Zhong

Chairman

Hong Kong, 19 April 2004

