

CHAIRMAN'S STATEMENT



A review of the Group's performance is set out in the section headed Management Discussion and Analysis.

A final dividend of HK1.5 cents per share will be recommended for shareholders' approval at the forthcoming Annual General Meeting to be held on 20th August, 2004. Together with the interim dividend of HK1.0 cent per share paid on 13th January, 2004, the total dividend per share for the full year will be HK2.5 cents.

The Directors are optimistic that a steady growth of revenue will be achieved in the export sales. In response to an anticipated increase in demand in the orders from the US, the Group has set up an office in New York to provide better service to the US customers. After the initial set up period, the operations of the new Dongguan plant has begun to run smoothly. The Directors believe with

the increase in efficiency and productivity in the new Dongguan plant, the Group is ready to meet the challenge of an anticipated increase in demand and further tighten the cost control measures in our operations.

Finally, I would like to take this opportunity to extend our gratitude to the dedicated staff of the Group for their hard work and contributions during the year under review. On behalf of the Board, I would also like to express our sincere thanks to the shareholders of the Company for their continued support.

So Chau Yim Ping

Chairman and Managing Director

Hong Kong, 9th July, 2004