

INTERIM DIVIDEND

The Directors have resolved to declare an interim dividend of HK\$0.02 per ordinary share for the six months ended 30th September, 2004. The interim dividend will be paid on or about 10th January, 2005 to members, whose names appear on the register of members of the Company at the close of business on 31st December, 2004.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the six months ended 30th September, 2004, the Group recorded a 25.4% growth in turnover over the same period in 2003 to HK\$96.2 million. Gross profit increased by 17.5% to HK\$30.9 million while gross profit margin dropped to 32% for the current period. The decrease in gross profit margin was mainly attributable to the rise in labor cost and the number of outsourcing works during the period under review.

The selling and distribution expenses of the Group for the six months ended 30th September, 2004 increased to approximately HK\$2.2 million. The administrative and other operating expenses increased by approximately 18.2% to HK\$7.8 million compared to approximately HK\$6.6 million for the same period of last year. The rise was mainly attributable to the expanded manpower and increased staff remuneration.

Profit attributable to shareholders for the period under review was HK\$19.4 million, which represented 14.2% increase compared with the corresponding period in last year. Basic earnings per share were approximately HK6.1 cents as compared to approximately HK5.4 cents in 2003.

Business Review

Geographical analysis

Japan continued to be the largest export market for the Group which recorded approximately HK\$46.3 million in turnover, representing 2.7% growth over the same period in 2003 and accounting for approximately 48.1% of the Group's total turnover. During the period under review, the Group's major customer in Japan, which used to