

## **INTERIM DIVIDEND**

The Directors are pleased to declare an interim dividend of 1 Hong Kong cent per ordinary share for the six months ended 30th June 2006 to shareholders whose names appear on the register of members on 20th October 2006. The dividend warrants will be sent to shareholders on or before 26th October 2006.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 17th October, 2006 to Friday, 20th October 2006, both days inclusive, during which no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrars, Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 16th October 2006.

## **BUSINESS REVIEW AND PROSPECT**

For the six months ended 30 June 2006, turnover of the Group reached US 73,749,000 while net profit attributable to the shareholders of the Group was US 2,158,000.

Turnover of the Group during the first half year has increased slightly as compared with that of the corresponding period last year. Through the unified effort of all staff and the implementation of new management module emphasizing on the enhancement of efficiency and return, gross profit margin has increased despite series of challenges including the rising payroll, increasing cost of raw materials and the appreciation of Renminbi against US dollar.

The Group has always put focus on and persistently pursued not only the fulfillment of customers demand regarding delivery, product quality and services but more. The resulting faith of our customers on long term cooperation with us leads to a relatively bigger increase in turnover as compared with the corresponding period last year. In terms of internal management, the Group has adopted a new management module which promotes the concept of lean operation system, with a view to enhance its efficacy and efficiency, striving for a bigger room for profit making amidst a low margin economic environment. Besides our emphasis on customer, we have also been concentrating on the immediate interest of our staff, for instance to cut down working time, improve the working and living environment and provide multi-layered free training in various aspects which enabled a hand in hand progress of our staff together with the corporation. As a result of all these the Group has never encountered any kind of shortage of labor. Our emphasis on the needs of staff ensures a steady and skilled team of workforce for the corporation, which in turn guarantees a consistent quality of product in the long run.