

## PROSPECTS

Riding on its proven traditional three-pillar business – home and personal care products, industrial surfactants and cosmetics and skincare businesses, the Group will continue to grow its household and personal care products and industrial surfactants business, with the aim of deepening penetration of the China market and hence secure a stable income to fund new business developments. Cosmetics and skincare business has become the Group's main growth driver. The Group will strive to achieve an optimum proportion of the three major businesses to ensure stable income.

Regarding the green recycling energy project (the "Project"), the Government of the Hong Kong Special Administrative Region ("HKSAR Government") had already granted a site of approximately 24,000 square metres in the Yuen Long Industrial Estate at low price for the construction of a production plant for the Project. The Group expects the Project will be completed in the fourth quarter of 2007 and trial run will be scheduled in the first quarter of 2008. The Group believes that this business will become one of the major source of revenue to the Group in future. The Group will first develop the Hong Kong market, mainly through wholesaling high quality petroleum products to different transportation corporations, such as bus, taxi and ferry companies. In the long run, the Group targets to expand the business overseas to markets under high oil price pressure, such as Singapore, Malaysia and Japan. The Group believes its development strategy will accelerate its growth and bring remarkable returns to shareholders.

## INTERIM DIVIDEND

The Board does not recommend payment of interim dividend for the six months ended 30 June 2006 (six months ended 30 June 2005: Nil).

## EMPLOYEE AND REMUNERATION POLICIES

The Group's clear and effective management policies have enabled it to maintain good staff relations. It has not encountered any difficulties in recruiting experienced personnel and there has not been any interruption to its operations as a result of labour disputes. The Group provides social security benefits encompassing the mandatory provident fund and health insurance scheme to all its employees. It does not shoulder any material liability arising from the relevant statutory retirement scheme.

As at 30 June 2006, the Group had 818 employees. Total staff costs paid during the period was approximately HK\$13.52 million.