

Chairman's Statement

主席報告

BUSINESS REVIEW

For the year ended 31 December 2006, the Group achieved a turnover of HK\$689 million and has recorded a net profit of HK\$102 million. This represents an increase in turnover of 2.1% and an increase in net profit of 0.9% over the same period of last year.

The Group manufactures and sells a wide range of handbag products to a broad base of various customers that are mainly located in the United States and Europe. The United States market continues to be the largest market for the Group's products. Sales to the United States and Europe accounted for 63.9% and 32.5% respectively of the turnover of the Group.

During the year under review, the Group strengthened the product design and development capabilities, in particular to focus on exploring the European market, as a result the sales volume gap between the United States and European market had been narrowed down. Moreover, the Group has developed several international well-known brand name customers as our business partner. Furthermore, with the effective cost control measurement, the Group has been able to maintain its steady results despite the increased pricing pressure.

PROSPECTS

The chemical production plant being invested and established by the Group in Changshu City of Jiangsu Province is expected to commence its production in about the 4th quarter of 2007. It is anticipated that the chemical sector will generate contributions to the Group's results in 2008. The Group will continue to maintain its strong competitive position in the handbag market and will also be full of confidence in business prospects of the chemical sector, which will bring more favorable return to the shareholders in future.

APPRECIATION

We thank all our customers, suppliers and all members of our management team and staff for their loyalty, dedication, and contribution during the year under review.

On behalf of the Board
Wai Siu Kee
Chairman

Hong Kong, 12 April 2007

業務回顧

於截至2006年12月31日止年度，本集團錄得營業額6.89億港元及純利1.02億港元，較去年同期分別增長2.1%及0.9%。

本集團製造一系列手袋產品銷售予廣泛及各類型客戶，主要分佈在美國及歐洲。美國仍然為本集團產品之最大市場，銷售往美國及歐洲市場分別佔本集團營業額63.9%及32.5%。

就年內回顧，本集團加強產品設計及市場推廣，致力開拓歐洲市場，進一步拉近歐美的銷售差距，並加入與多個國際知名品牌建立客戶關係，加上有效控制成本，儘管面對價格競爭的壓力，經營業績仍保持平穩。

展望

本集團於江蘇省常熟市投資建立之化工廠預期將於2007年第四季投產，預期化工業務將於2008年對集團業績作出貢獻。本集團將繼續在手袋業市場上保持競爭優勢，對化工業務的前景亦充滿信心，未來將為股東帶來更理想的回報。

鳴謝

本人謹代表董事會向各客戶、供應商、集團所有管理層成員及員工在過去一年之忠誠、辛勤與貢獻，深表謝意。

代表董事會
主席
衛少琦

香港，2007年4月12日