

## **USE OF PROCEEDS DERIVED FROM INITIAL PUBLIC OFFERING**

Upon listing of the Shares on the Stock Exchange in October 2000, net proceeds of approximately HK\$26 million were raised, of which:

- approximately HK\$4 million had been applied for the investment in research and design capacity of the Group;
- approximately HK\$3.5 million had been applied for the purchase of new machinery and equipment;
- approximately HK\$3 million had been applied as marketing activities to increase the Group's market share in the PRC market; and
- approximately HK\$11.5 million had been used for the general working capital of the Group;

as at 30th September, 2001.

The balance of the proceed of the new issue of approximately HK\$4 million had been placed with bank as at 30th September, 2001.