

## PROSPECTS

We expect the public sector will continue to generate the major business opportunities to the Group. The government has been driving Hong Kong to be a digital city and almost all civil services need to go electronic very soon. The government has also encouraged IT applications in school learning and has won strong support from the education sector. Therefore, there is imminent demand for further IT investment and the Group is confident to explore more new business from them.

In addition, as the Group is now well equipped with a skilled team of staff, it is able to allocate resources to tap into part of the commercial sector which has not been fully explored by the Group before. With the reputation established in the industry, the Group has successfully entered into new market segments in this target sector, such as gaining a leading property agency and a leading fast food chain group as the Group's customers.

To cope with the demand emerging from the growing trend of outsourcing services from multi-national companies, government departments and business enterprises, the Group has partnered with the US-based Computer Sciences Corporation, its ultimate holding company, to acquire outsourcing business with global companies. Moreover, leveraging on this valuable experience, the Group has been able to obtain new service contracts from local government agencies. These contracts will benefit the Group with recurring and stable revenues lasting several years.

The Group will continue to seek for cooperation with more IT partners, introducing more technology products to meet customer needs. It will also enhance the relationship with existing IT partners to create new business cooperation with them. At present, the Group is the iForce Channel Development Provider of Sun Microsystems and Value-Added Distributor of Oracle. These new appointments have enabled the Group to migrate into the service-enriched channel development arena. In this context, the Group provides full technical and service support to the channel partners including systems integrators, solutions providers and independent software vendors.

To ride on the success of the database and application server market, the Group has expanded into the technology hosting service business as well. In May this year, the Group was appointed as Oracle's Technology Hosting Partner with services covering all Oracle technology product licenses, hotline telephone support and free license upgrade. The business can cater to the needs of Internet Data Centres, Internet Service Providers, Independent Software Vendors and Application Service Providers. It benefits the Group with good market potential.

In the future, the Group will continue to amalgamate its specialties as a total IT service provider. It is fully committed to creating value proposition for its customers, thereby expanding the service business. The Group will also be conscious of the present adverse economic conditions which may have potential impact on its performance in the coming future. However, the Group's competitive advantages together with strong market position will enable the Group to explore new business opportunities and help the Group to face the challenges ahead.