

BUSINESS REVIEW

To benefit from the economic slowdown, the Group continued to implement its “Satellite Development Strategy”, which saw rapid development during the period. The strategy is to seek strategic alliances with small and medium size enterprises (“SMEs”) with good potential in the targeted markets so as to enlarge the Group’s business scale and strengthen its professional base.

In the past six months, the Group has established five more companies, each providing a unique specialist service. The first one is a wholly owned subsidiary incorporated in Hong Kong, MCU Power Limited which offers Micro Control Unit (MCU) solutions targeted at intelligent electrical appliances and toys. Following that, the Group set up the first multinational joint venture for trading electronic components and facilities in Malaysia, Mobicon-Remote Electronic Sdn. Bhd. Up to September 2001, the Group had set up another three companies, namely Milliard Devices Limited, Arkia Advance Limited and Create Tech Software Systems Limited, which are engaged in trading of branded electronic components, ICs for communication services and computer software design.

The Group has completed production of its full set of 20 product catalogues in the first half-year, well ahead of schedule. The Group plans to produce another 10 product catalogues in the second half-year to further promote its products, enhance its corporate image on an international level, and build up a closer relationship with its suppliers.