

PROSPECTS

More new models of mobile phones are anticipated to be launched in the second half of the year. We hope this will stimulate the consumer spending and help to boost up our gross profit margin.

The success entry of PRC to WTO will cater for opportunity for our business growth. It is expected that many foreign enterprises will step up their investments and set up offices in Hong Kong and PRC. With our extensive experience in systems integration services, we are in a good position and are well prepared to expand our client base.

The company's shares were listed on Stock Exchange on 9 November 2001. Net proceeds approximately HK\$30.5 million have been raised. This further enhances the Group's capital base and provides funding for the expansion. Facing the prolonged economic downturn, the Group will tighten its cost control to increase the competitiveness and will strengthen its marketing efforts to maintain business growth.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintains a strong financial position. As at 30 September 2001, the Group's cash and bank balances amounted to approximately HK\$18.5 million (31 March 2001: HK\$32.8 million) while the bank borrowing was HK\$0.5 million (31 March 2001: HK\$1.4 million). The gearing ratio was 0.3% (31 March 2001: 0.8%).

As substantial portion of transactions are dominated in Hong Kong Dollar, the Group's exposure to exchange fluctuation is low.

EMPLOYEES

As at 30 September 2001, the total number of employees of the Group was approximately 200. The remuneration and bonus packages are based on the individual merits and performance and are reviewed at least annually. The Group maintains a good relationship with its employees.