

NUMBER AND REMUNERATION OF EMPLOYEES

The number and remuneration of employees of the Group had not changed materially from the information disclosed in the published annual report for the year ended 30 September 2001.

OUTLOOK

The United States macro economy is stabilised but the competition in switches industry is still keen. The Board believes that the worst situation after the 911 incident in the United States had passed. Nevertheless, the future business environment will be full of challenges and the Board will face them with diligence.

The Group will reorganise the production workflows, strengthen the quality control, improve its ability of product development and explore the Japanese and European markets in order to increase the Group's turnover and enhance the Group's profitability.

In May 2002, the Group and SONY Chemical Corporation, a famous Japanese consumer electronics brandname owner, signed certain joint venture agreements. They will provide technical support and the Group will manufacture and sell flexible flat cable under their brandname. The production is scheduled to start in October 2002. The total investment cost is estimated to be HK\$60 million over the following two years including the costs to build new factory premises, acquire new plant and machinery and for working capital purpose. The investment will be financed by the Group's working capital. The Board expects that the joint venture will diversify the Group's products range and increase the Group's profitability.

DIRECTORS' INTERESTS IN SHARE CAPITAL

At 31 March 2002, the interests of the directors in the share capital of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:

| Name | Type of interest | Number of issued ordinary shares of HK\$0.50 each in the Company |
|--------------------|------------------|--|
| Mr. Chow Tak Hung | Corporate (Note) | 63,786,000 |
| Miss Chow Woon Yin | Corporate (Note) | 63,786,000 |
| Miss Wong Siu Wah | Corporate (Note) | 63,786,000 |

Note: These shares are owned by Bright Asia Holdings Limited, the entire issued share capital of which is owed as to 60%, 20% and 20% by Mr. Chow Tak Hung, Miss Chow Woon Yin and Miss Wong Siu Wah, respectively.

Save as disclosed above and except for nominal shares in the Group's subsidiaries held in trust for the Group by a director, none of the directors or their associates had any personal, family, corporate or other interests in the share capital of the Company or any of its associated corporations as defined in the SDI Ordinance.