

USE OF PROCEEDS OF NEW ISSUE

Up to 30 September 2002, the use of the listing proceeds are analysed as follows:

	Forecast HK\$'000	Actual HK\$'000
Repackaging and expanding the existing stores	5,000	4,000
Setting up sales and distribution network in United Kingdom and the United States	4,000	0
Expanding the distribution channel in PRC	4,000	0
Establishing a joint venture in Shanghai, the PRC for provision of systems integration services	2,000	0
Research and development	8,000	4,000
General working capital	7,500	0
	<u>30,500</u>	<u>8,000</u>

The unused balance of approximately HK\$20.5 million has been placed into short-term bank deposits.

EMPLOYEES

As at 30 September 2002, the total number of employees of the Group was approximately 230 (30.9.2001: 200) and the remuneration of employees (excluding directors' emoluments) amounted to approximately HK\$18 million for the period (1.4.2001 – 30.9.2001: HK\$16 million) 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.