

## Chairman's Statement ▶



The global economy and hence the demand for consumer electronic products has slowed down. However, the Group has successfully implemented appropriate cost control measures, launched new products, and improved the quality of its internal operation system to achieve a turnaround in 2002.

Currently, a large proportion of the Group's turnover was contributed by products of labour intensive processing and low technology content. The markets of these products are highly competitive and volatile. The Group will continue to restructure its product mix.

In order to facilitate new investments with high profit growth, the Group has substantially increased its cash holding to HK\$344 million which is mainly contributed by cash flows generated from normal operations, proceeds from disposal of a jointly controlled entity and fund raisings through the issue of convertible bonds.

The Group will proceed with the investment in photomasks manufacturing business. Photomasks are made from highly transparent quartz material containing images of electronic circuits. They are used to optically transfer these images onto the semiconductor wafers for mass production of wafers. Photomasks are bridge between integrated circuit designs and manufacturing of wafer fabrication. The total investment by the Group in the business is estimated to be approximately HK\$234 million.

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend our gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

**Cao Zhong**

*Chairman*

Hong Kong, 16 April 2003