





I am pleased to announce that a consolidated profit attributable to shareholders of HK\$378 million was recorded for the year.

Your Board of Directors has recommended a final dividend for 2002 of HK11 cents per share which, together with the interim dividend of HK9 cents per share on 5 November 2002, results in a total distribution for the year of HK20 cents per share.

I would like to mention the following positive Group highlights in 2002.

- The year marked a very important milestone for the Group with the successful completion of the restructuring of our Nakamichi and Akai brands. We can therefore look forward to significant growth in the Branded Distribution Division as well as being established as a leading quality brand owner.
- The final completion of the consolidation of the manufacturing facilities of the Electronics Manufacturing Services Division took place in Zhongshan, the People's Republic of China. We can now expect steady improvement in this Division going forward.
- The Group's overall staff costs as well as other operational costs were lower despite constant sales, which reflects the successful rationalisation measures undertaken by the Group and the continuous cost control initiatives.

The Group's long term plan is to strengthen its competitiveness in all the core sectors that the Group operates, strive to enlarge its market share and enhance its capabilities in delivering high value-added products. In the coming year the Group will stay focused on building added value to its brands and products.

Despite the current economic situation around the world, the Group's growth appears both promising and encouraging.

I would like to extend my appreciation to the management and the staff of the Group for their dedication, loyalty and commitment. I would also like to thank our shareholders, customers, suppliers and business associates for their continuing support and confidence in the Group.

Christopher W. Ho
Chairman

Hong Kong, 25 April 2003