

Employees

Undeniably, the Group's most important assets are its employees. Top on the operations agenda for the management is how to further develop employees and offer them the right trainings in order to cope with new challenges. In 2005, a total of 10,566 hours of training was provided, equivalent to an average of 40.7 hours of training a year per employee (versus 27 hours in 2004). The topics of training varied and ranged from accounting, language skills, products knowledge, marketing to leadership. Besides in-house training, normally given by senior engineers, the Group encourages employees to take external job-related courses and will accordingly sponsor a portion of the course fee. Last year, the Group spent more than HK\$1.3 million on trainings and sponsorships.

All new employees are required to take mandatory programs on topics including internal control and information protection, ISO and quality management system, in addition to the company orientation introduction. These programs are designed for new hires to get familiar with the Group's operations and its emphasis on quality. All trainings and development programs primarily serve one or more of the three main purposes: enhancing an employee's skill-sets, strengthening an employee's understanding of the Group's culture or internal procedures, and providing a professional development to the employee.

Remuneration of the Group's employees includes basic salaries and bonuses. The Group believes in incentivizing, retaining and rewarding

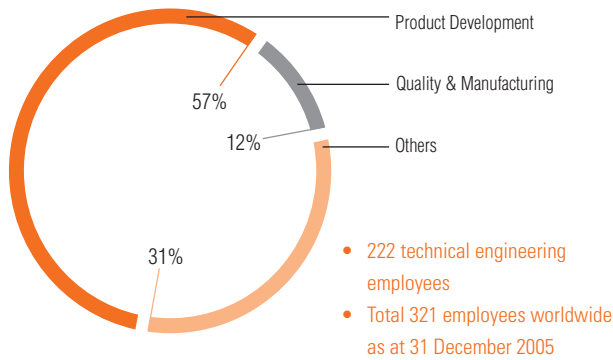
employees, and attracting new talents, through cash and share based incentives which will align their interests with that of the Group. Presently, two programs are in place, namely Share Option Scheme and Share Award Plan. All the shares or options of the Group granted to employees in 2005 onwards will be expensed according to the Hong Kong Financial Reporting Standard 2 ("Share-based payment"). The Share Option Scheme operates in accordance with the Chapter 17 of the Listing Rules.

As at end of 2005, the Group had more than 320 employees, an increase of 40% against the previous year. The employees turnover rate was less than 4% for the year in spite of a strong demand for good engineers in the job market. More than 80% of the Group's employees hold university degrees or above. The Group's emphasis on research and development is also reflected in the make-up of its staff force. Around 60% of which are engineers who specialize in product development.

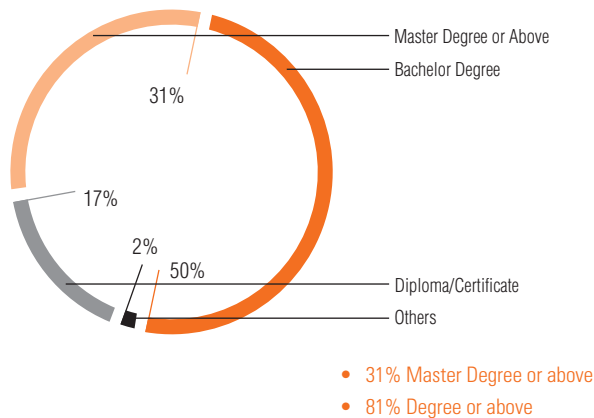
The Group regards its pool of industry talents as its most important asset and seriously rewards its people for excellence, offers them job satisfaction and instills in them a sense of ownership of the company.



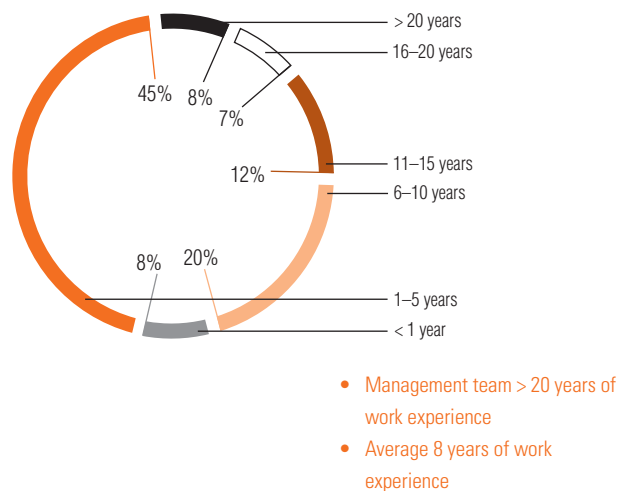
Function



Education



Experience



In addition to concentrating on work day and night, most employees take some time to join the activities organized by the Group's Staff Recreation Club. There were weekly activities arranged for employees to suit their individual favorite of sports such as basketball, badminton, football, squash and table tennis. Further, the employees also actively participated in other social events such as a wetland eco-tour, heritage tour and boat trip. The Group truly believes such activities will enhance the relationships between its employees and can foster a "big family" feeling among them.

As at 31 December 2005, the profile of the Group's employees is highlighted in the charts.