

EMPLOYEES



Showing a strong team spirit, passion and tenacity, the Solomon Systech team won the Corporate Challenge 2006.

Undeniably, the Group's most important assets are its employees. Top on the operational agenda for the management is offering the right training to employees to help them realize their full potential and sharpen their ability to cope with changes and new challenges. In 2006 a total of 13,437 hours of training, equivalent to an average of 39.4 hours a year per person, was provided to employees. The various topics covered included language skills, product knowledge, marketing and leadership skills, with external consultants or internal experienced employees as instructors. Apart from in-house training, the Group encourages employees to take external job-related courses and will sponsor a portion of the course fee. Last year, the Group spent around HK\$1.3 million on training and related sponsorship.

All new employees are required to take mandatory programs on topics including internal control and information protection, ISO and quality management system, as part of the job orientation. Specifically designed for new hires, these programs familiarize them with the Group's operations and its emphasis on quality. All trainings and development programs primarily serve one or more of three main purposes: enhancing an employee's skills, strengthening an

employee's understanding of the Group's culture and internal procedures, and providing professional development to the employee.

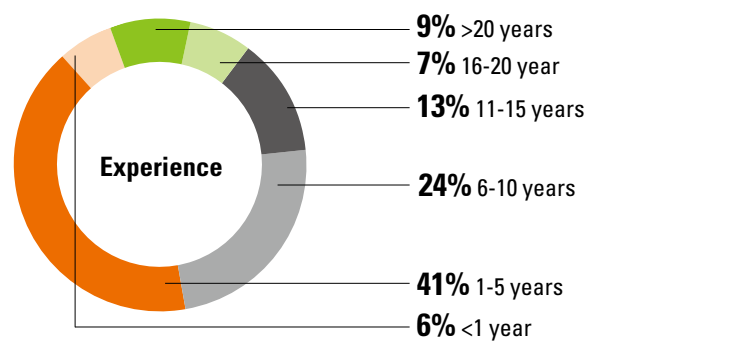
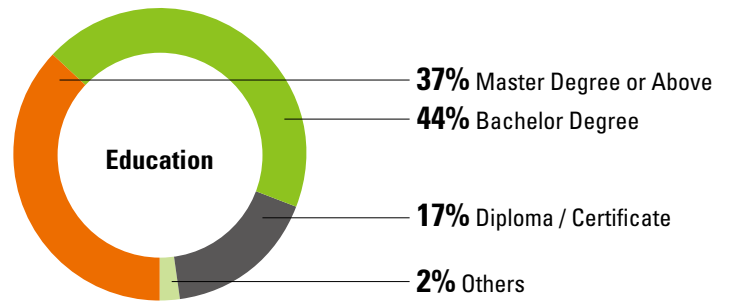
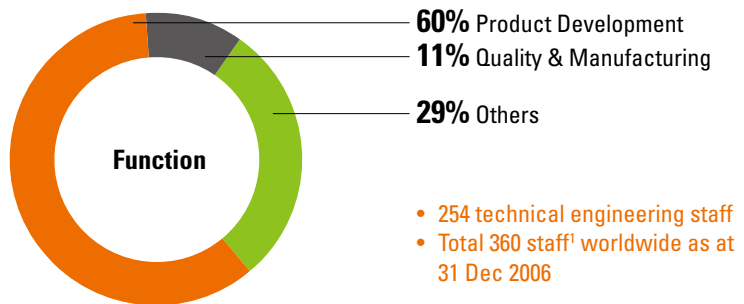
Remuneration of the Group's employees includes basic salaries and bonuses. The Group believes in incentivizing, retaining and rewarding employees and attracting new talents with the right incentives, cash or share based, to make sure their interests are aligned with that of the Group. In addition to the two programs (Share Option Scheme and Share Award Plan) in placed, the Group implements a cash rewarding program, namely NPI Incentive Program, to reward development teams for success of new product introduction through monitoring time to market and revenue contribution of specific new products.

In addition to encouraging dedication to work, the Group believes building a corporate culture that promotes strong team spirit is also very important. Last year, for the first time, the Group rallied a team of over 30 staff members to participate in the Corporate Challenge 2006 and was very proud to see the team win the championship in the Mobicon Cups among total 59 participating teams. Organized annually by the Outward Bound Trust of Hong Kong since 1986, the

Corporate Challenge gathers teams representing Hong Kong's leading corporations, to compete in games specially designed for fun and team building. Living out its "One Team, One Spirit" slogan, the company's team showed their confidence and ability in rising above challenges, coming up with creative solutions and delivering excellence as a united force.

The Group's Staff Recreation Club also organizes weekly activities for employees including games of sport such as basketball, badminton, football, bowling, squash and table tennis, and other social events such as a cuttlefish fishing tour and boat trips. The Group believes such activities will enhance relationship among employees and can help to foster a sense of belonging to the "big family".

The Group values its pool of industry talents and rewards its members for excellence. Through offering employees job satisfaction, it instills in them a sense of ownership of the company and its mission.



More than 80% of the Group's employees hold university degrees or above, and more than one-third have master degrees or higher academic standings. The Group's emphasis research and development is also reflected in the make-up of its workforce, with around 60% being engineers who specialize in product development. The entire team has, on average, 8.6 years of working experience.

1. Data in all the charts exclude manufacturing subsidiary.