

Other Distribution Opportunities

The Group is also negotiating with several famous foreign suppliers for mobile-phone exclusive distribution right in the PRC. In addition, the Group is also exploring opportunities to market its own brand of mobile phones via original equipment manufacturer ("OEM") agreement with mobile phone manufacturers.

Hong Kong

Closer Cooperation with Samsung

With the opening of two Samsung Anycall Image Shops in Tsim Sha Tsui and Causeway Bay in Hong Kong in February and May 2001 respectively, the Group has further strengthened its working relationship with Samsung. This solid partnership will move the two parties closer in future marketing and branding activities related to Samsung mobile phones in Hong Kong.

Taiwan

Strengthening Distribution and Retail Expansion

Taiwan, boasting more than 17.8 million mobile-phone users and a mobile-phone penetration rate of over 80% by the end of 2000, has become a leading telecommunication market in Asia and a major target for the Group's business expansion. After establishing its Taiwan representative office last October, the Group launched several Samsung mobile-phone models that have been well accepted by the market. The Group plans to step up marketing efforts for Samsung mobile phones in Taiwan through establishing an image shop.

AUDIT COMMITTEE

The Audit Committee, comprising two Independent Non-executive Directors, namely Mr. IP Man Tin, David and Mr. TAI Ah Lam, Michael, and one Executive Director, Mr. SY Ethan, Timothy, was established on 27th June, 2000. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

The Audit Committee met on 8th June, 2001 and reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim accounts for the Period.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 8th August, 2001 to 10th August, 2001, both days inclusive, during which period no transfer of shares may be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrars, Abacus Share Registrars Limited at 2401, Prince's Building, Central, Hong Kong, for registration, not later than 4:00 p.m. on 7th August, 2001.

