

## **PROSPECTS**

Management is encouraged by signs of economic recovery in the US, which will help to revive customer purchases and renew demand for communications systems upgrade. The increasing concern about public safety and personal privacy has resulted in a surge in demand for tightened security and defense quality radio systems by law enforcement agencies as well as the private sector across the board, giving promise to new opportunities for the Group's products and services.

Looking forward, the Group will continue to strengthen its position in the niche markets of providing mission critical communications systems and solutions to the emergency services and public safety sectors, as well as enhancing its high value-added services such as developing customized software for mobile data systems. In the US, where advanced messaging for enterprise applications is in strong demand and has good growth potential, the Group will diligently review the options and market opportunities with a view to expanding the sales of its wireless integrated networking product range. Meanwhile, efforts in e-commerce and mobile commerce projects will continue to achieve the Group's vision of digital convergence in this new digital era.

In Asia Pacific region, the Group is considering participation in several public mobile communications projects in Hong Kong, Australia, and China. In particular, the Group has definite plans to expand its fire services and command control communications capabilities into China, where demand for secure communications in the run-up to the 2008 Olympic Games is expected to be strong.