

Chairman's Statement

Forward

On behalf of the Board of Directors (the "Board"), I would like to present the annual report of the Company and its subsidiaries for the year ended 30 April 2002. We continued to dedicate ourselves to bringing quality products and services to our customers. We are pleased to have received the Best Supplier Award from Matsushita, one of our major Japan customers in the year.

Final Dividend

The Board does not recommend the payment of any dividend (2001: Nil).

Business Review and Prospects

We believe that the demand of quality products and services shall prevail in the long run. Our goal is to build and work closely with our strategic business partners, this will help us to survive the ferocious competitions in today's business. In the short-term, the Group will continue to strengthen our relationship with existing customers and explore new markets and products.

Our new lines of electronic adaptor products have already penetrated the markets in Europe and North America. We expect that there will be a steady growth in line with the recovery of world economy.

We have established relationship with one of the world's largest manufacturer of musical instruments and leading producer of professional audio products for the manufacture of its wide ranges of products. The Group will further evolve from an original equipment manufacturer to a provider of Electrical Manufacturing Services ("EMS"). An EMS provider will provide a full range of design, engineering and manufacturing services to customers. The Group's effort spent on professional musical equipment in previous years will also be crystallised in the coming years. It is expected to increase the revenue and contribution to the Group from the year 2002 onwards.

The steady growth of the People's Republic of China (the "PRC") economy has also influenced the consumers' behaviour in relation to quality home electrical products, such as cleaning devices and energy-saving lamps. To develop the Group's businesses in the PRC, we have engaged one of the largest distributors in Shanghai who have established sales networks in the eastern China areas to distribute our energy-saving lamps and other electrical appliance products.

We are also confident that the Group, through our various established connections and a wholly foreign-owned enterprise in the PRC could penetrate the PRC market and benefit from the business opportunities created from the China's accession into the World Trade Organisation. The Board is therefore optimistically foreseeing the future.

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Conclusion

I would like to take this opportunity to express my appreciation to all our shareholders for their continuous support, my fellow directors for their valuable services, as well as to all our customers, suppliers and staff. With full commitment and our dedicated efforts, we are confident of the Group's future success.

By order of the Board

Lo Wai Shing, Felix
Chairman

Hong Kong
23 August 2002