

FUTURE PROSPECTS

Going forward, the Group's key initiatives will include regionalization of our manufacturing operations, improvements in our current models and development of new products, and the continuing investment in research and development.

Development of high value-added products with lower costs remains the Group's core strategy. While focusing on our existing revenue growth products that look promising, we will continue to be selective when seeking new business.

Maintaining the highest standards of product quality is our mission. We pledge to be a quality leader worldwide and to meet the expectations of our multinational clients who demand quality.

EMPLOYEES AND REMUNERATION POLICIES

As at 30th June 2002, the Group employed approximately 1,350 full time management, administrative and production staff in Hong Kong and the PRC. The Group follows market practice on remuneration packages. Employee's remuneration is reviewed and determined by senior management annually depending on the employee's performance, experience and industry practice. The Group invests in its human capital, besides providing on the job training for workers, the Group reimburses the staff for fees paid to attend pre-approved external business courses or seminars.