

MULTIVISION INTELLIGENT SURVEILLANCE LIMITED ANNOUNCES FINANCIAL YEAR 2003 RESULTS

MultiVision Intelligent Surveillance Limited (“MultiVision”), a Hong Kong-based technology company specialising in the design, development and distribution of digital video surveillance products and solutions, announces its earnings results for the full year ended March 31, 2003.

Highlights

- Turnover at HK\$95.3m, up 280% from HK\$25.1m in FY2002
- Net earnings at HK\$25.3m, up 2014% from HK\$1.2m in FY2002
- Earnings per share at HK\$0.0849 on a weighted average number of share basis
- Over the last 12 months, MultiVision
 - successfully listed the company’s shares on the mainboard of the SGX-ST on December 18, 2002, raising net proceeds of S\$13.3m
 - secured a number of digital video surveillance systems contracts, with clients such as the Bangkok Transit System, China Light and Power and the St. Louis School Board, USA
 - successfully deployed its surveillance solutions in Pharaoh’s Palace, a Macau casino
 - released new products using MPEG4 hardware compression
 - was awarded NCR ATM certification
 - was awarded ISO9001 certification

Strategy for FY2004

- To continue focusing on providing high-end enterprise and customised solutions for customers, as well as product and solution development to ensure the rollout of new, technologically-advanced products that will help maintain MultiVision’s global competitive edge. This will be supported by the company’s efforts to further penetrate Europe, the Middle East and Southeast Asia, and at the same time strengthen its presence in its key North Asia, USA and Australia markets.

Dennis Li, President and Chief Operations Officer of MultiVision, said:

“MultiVision enjoyed a stellar year in FY2003, with profits and turnover increasing significantly due to the robust demand for our digital video surveillance products and solutions. This was despite the global weakness and challenging business environment, an achievement we attribute to the quality of our products and solutions. While competition could intensify over the next few months, we are confident MultiVision would hold its own as a provider of high-end enterprise and customised solutions and continue to post strong growth for the current financial year.”

“Ever since our listing in December 2002, MultiVision has remained one of the more resilient stocks on the local exchange, succeeding in maintaining its share price despite the economic fallout from the SARS outbreak and the Iraq war. We would like to thank shareholders for their support, and the confidence they have in our business and management.”

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About MultiVision (Reuters: MVIS.SI; Bloomberg: MVIS SP Equity)

Headquartered in Hong Kong, MultiVision was established in 1986 and is a technology-based company principally engaged in the design, development and distribution of digital video surveillance products and solutions. The company's products are adapted for use in a diverse range of industries including banking, residential, commercial, utilities, healthcare, and transportation as well as various government agencies. The end-users of MultiVision's products include companies in both the private and public sectors. MultiVision is ISO9001 certified.

MultiVision's products and solutions are marketed to distributors, OEMs of surveillance products and systems integrators for integration into the security and surveillance systems of its end users. The company's principal markets are in Australia, Hong Kong, Taiwan and the PRC. In addition, as at 30 September 2002, MultiVision had 26 distributors in various countries and/or places including Hong Kong, Taiwan, Macau, the PRC, Thailand, Malaysia, Singapore, Indonesia, Australia, New Zealand, Israel, Ghana, The Middle East, Ireland, UK, Latvia and the USA.

The MultiVision range of digital video surveillance product offers digital video recording and real time monitoring of multiple locations from a central monitoring centre through the routing of signals from various cameras to the central monitoring centre.

For further information, please see www.multivision.com.hk.

MULTIVISION INTELLIGENT SURVEILLANCE LIMITED

Financial statements on combined results for the full year ended 31 March 2003 and the corresponding financial year ended 31 March 2002.

| | | The Group | | | | |
|------------|---|---------------------|---------------------|-------------------------|--|--|
| | | HK\$'000 | % | | | |
| | | Full Year FY2003 | Full Year FY2002 | Increase/ (Decrease) | | |
| 1.(a) | Turnover | 95,292 | 25,101 | 280% | | |
| 1.(b) | Cost of sales | (45,205) | (12,168) | 272% | | |
| 1.(c) | Gross profit | 50,087 | 12,933 | 287% | | |
| 1.(d) | Investment income | - | - | - | | |
| 1.(e) | Other net income including interest income | 2,036 | 824 | 147% | | |
| 2.(a) | Profit/(loss) from operations before taxation, minority interests, extraordinary items, and finance costs; but after charging depreciation and amortisation, foreign exchange gain/(loss) and allowance for doubtful receivables as follows : | 30,173 | 1,629 | 1752% | | |
| 2.(b)(ii) | Depreciation | (443) | (372) | 19% | | |
| 2.(b)(ii) | Amortisation of development costs | (7,396) | (2,782) | 166% | | |
| 2.(b)(iii) | Foreign exchange gain/(loss) | (3) | (59) | -95% | | |
| 2.(b)(iv) | Allowance for doubtful receivables | (784) | - | NM | | |
| 2.(c) | Exceptional items | - | - | - | | |
| 2.(b)(i) | Finance costs | (15) | (203) | -93% | | |
| 2.(d) | Profit/(loss) from ordinary activities before taxation, minority interests and extraordinary items | 30,158 | 1,426 | 2015% | | |

| The Group | | | | | |
|--|---------------------|---------------------|-------------------------|--|--|
| HK\$'000 | | % | | | |
| | Full Year FY2003 | Full Year FY2002 | Increase/ (Decrease) | | |
| 2.(e) Income derived from associated companies | - | - | - | | |
| 2.(f) Profit/(loss) from ordinary activities before taxation, minority interests and extraordinary items | 30,158 | 1,426 | 2015% | | |
| 2.(g) Less taxation | (4,838) | (228) | 2022% | | |
| 2.(g)(i) Profit/(loss) from ordinary activities after taxation; but before minority interests and extraordinary items | 25,320 | 1,198 | 2014% | | |
| 2.(g)(ii) Less minority interests | - | - | - | | |
| 2.(h) Profit/(loss) from ordinary activities after taxation and minority interests; but before extraordinary items | 25,320 | 1,198 | 2014% | | |
| 2.(i)(i) Extraordinary items | - | - | - | | |
| 2.(i)(ii) Less minority interests thereon | - | - | - | | |
| 2.(i)(iii) Extraordinary items attributable to members of the Group | - | - | - | | |
| 2.(i)(iv) Transfer to/from Exchange Reserve | - | - | - | | |
| 2.(i)(v) Transfer to Capital Reserve | - | - | - | | |
| 2.(i)(vi) Transfer to Reserve Fund | - | - | - | | |
| 2.(j) Profit/(loss) from ordinary activities after taxation, minority interests and extraordinary items attributable to members of the Group | 25,320 | 1,198 | 2014% | | |

NM stands for "not meaningful"

| The Group | | |
|---|---------------------------|---------------------------|
| | Full Year - FY2003 | Full Year - FY2002 |
| 3.(a) Operating profit/(loss) [2(g)(i) above] as a percentage of turnover [1(a) above] | 26.57% | 4.77% |
| 3.(b) Operating profit/(loss) [2(h) above] as a percentage of issued capital and reserves at end of the period | 21.46% | 3.55% |
| 3.(c) Earnings/(Loss) per ordinary share for the period based on 2(h) above after deducting any provision for preference dividends:- | | |
| 3.(c)(i) Based on weighted average number of ordinary shares in issue (Please see note below) | 8.49 HK cents | 0.43 HK cents |
| 3.(c)(ii) On a fully diluted basis (Please see note below) | Not Applicable | Not Applicable |
| 3.(d) Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on | HK\$0.19 per share | HK\$0.07 per share |

Notes :

The calculation of earnings per share is based on the Group's profit attributable to shareholders as stated in 2.(j) above and the weighted average of 298,191,853 (FY2002 : 278,026,100) ordinary shares in issue during the year.

There were no dilutive potential ordinary shares during the year and therefore diluted earnings per share are not presented.

3.(e) Analysis of Expenses

| The Group | | | |
|---|--------------------|--------------------|--------------------------|
| | | HK\$'000 | |
| | Full Year - FY2003 | Full Year - FY2002 | Increase/(Decrease) % |
| Distribution expenses | 7,536 | 4,910 | 53% |
| Administrative expenses (including depreciation) | 7,018 | 4,436 | 58% |
| Amortisation of development costs | 7,396 | 2,782 | 166% |
| | 21,950 | 12,128 | 81% |

4. **Half Year Results**

| | | The Group | | | | |
|-------|---|---------------------|---------------------|-------------------------|--|--|
| | | HK\$'000 | | % | | |
| | | Full Year FY2003 | Full Year FY2002 | Increase/ (Decrease) | | |
| 4.(a) | Turnover reported for 1st half year | 39,213 | 5,488 | 615% | | |
| 4.(b) | Profit/(loss) after taxation [2(g)(i) above] reported for 1st half year | 10,509 | (2,480) | NM | | |
| 4.(c) | Turnover reported for 2nd half year | 56,079 | 19,613 | 186% | | |
| 4.(d) | Profit/(loss) after taxation [2(g)(i) above] reported for 2nd half year | 14,811 | 3,678 | 303% | | |

5.(a) **Amount of any adjustment for under or overprovision of tax in respect of prior years**

There was no material under or overprovision of tax in respect of prior years.

5.(b) **Amount of any pre-acquisition profits**

Nil.

5.(c) **Amount of profits on any sale of investments and/or properties**

Nil.

5.(d) **Any other comments relating to Paragraph 5**

None

6. **Segmental Results**

| | The Group | | The Group | |
|--|----------------------|---------------------|------------------------------------|---------------------|
| | Turnover HK\$'000 | | Profit before taxation HK\$'000 | |
| | Full Year FY2003 | Full Year FY2002 | Full Year FY2003 | Full Year FY2002 |
| <i>By geographical location</i> | | | | |
| The PRC | 62,886 | 4,516 | 21,257 | (46) |
| Hong Kong | 6,394 | 4,650 | 275 | 422 |
| Macau | 3,536 | - | 1,204 | - |
| Australia | 1,541 | 9,846 | 271 | 942 |
| Taiwan | 708 | 1,173 | 157 | 22 |
| North America | 18,071 | 2,528 | 6,562 | 252 |
| Europe | 898 | 528 | 199 | 39 |
| Others | 1,258 | 1,860 | 233 | (205) |
| | 95,292 | 25,101 | 30,158 | 1,426 |

7.(a) Review of the performance of the Company and its principal subsidiaries

Sales turnover

Our turnover amounted to approximately HK\$95.3 million for the year ended 31 March 2003, a growth rate of 280% from that of approximately HK\$25.1 million in FY2002. The growth in turnover was mainly due to the improved sales for our core products, namely the NetServers and the UCWs. The overall increase in our sales for this year was mainly due to increasing market acceptance of our products through more extensive marketing and promotional activities as well as the successful implementation of visible projects and promising user site references and a well executed distribution strategy. In terms of the geographical segmentation of our sales turnover recorded for the year ended 31 March 2003, we experienced very significant growth in our sales to the PRC and North America of approximately 13.9 times and 6.0 times respectively. We have also made a major sales breakthrough into the digital video surveillance product marketplace in Macau which, we strongly believe, will bring substantial sales orders to our company in the future. The overall sales turnover generated from Hong Kong and the rest of the world was steady over the year while the decrease in sales turnover was recorded in Australia as a result of the completion of the Sydney's New South Wales State Rail Authority project in early this year.

Cost of sales

Our cost of sales increased by approximately HK\$33.0 million or 272% to HK\$45.2 million for the year ended 31 March 2003 from approximately HK\$12.2 in FY2002. Despite the tremendous competitive pressure in driving down the averaged selling price of our products, we have been able to achieve an improved gross profit margin from last year's 51.5% to this year's 52.6% as a result of (i) an increase in the sales of higher margin products such as customised NetServers and the UCWs in contrast to the lower-end NetServer DIY boards and standard NetServer boxes; (ii) the benefit gained from economies of scale in our production as we continue to increase our production volume and thereby decrease the average cost of materials and assembly charges; (iii) the cost savings made in the last quarter this year brought by the acquisition of a perpetual license of use of our software driver; and (iv) the release of high end hardware MPEG4 compression NetServers with better margin.

Operating expenses

Our total operating expenses increased by approximately HK\$9.9 million or 81% to approximately HK\$22.0 million for the year ended 31 March 2003 from approximately HK\$12.1 million in FY2002.

Our distribution expenses amounted to approximately HK\$7.5 million for the year ended 31 March 2003, an increase of approximately HK\$2.6 million or 53% from that of approximately HK\$4.9 million in FY2002. This increase was primarily due to an expansion in our sales force and in the set up of a new subsidiary in Macau and sales and marketing representative offices in Singapore, the PRC and the USA respectively.

Our administrative expenses amounted to approximately HK\$7.0 million for the year ended 31 March 2003, an increase of approximately HK\$2.6 million or 58% from that of approximately HK\$4.4 million in FY2002. This increase was primarily due to the expansion of our technical support and administration team to cope with the significant business expansion of the company.

Our amortisation of development costs amounted to approximately HK\$7.4 million for the year ended 31 March 2003, an increase of approximately HK\$4.6 million or 166% from that of approximately HK\$2.8 million in FY2002. This increase was primarily due to the significant investments made in our product development programs during this year in order to ensure our technology leadership in the marketplace.

Gross profit and net profit after taxation

Our gross profit amounted to approximately HK\$50.1 million for the year ended 31 March 2003, an increase of HK\$37.2 million or 287% from that of approximately HK\$12.9 million in FY2002. Such significant growth was a direct reflection of almost the same extent of growth in our sales turnover we achieved this year.

We registered a profit after taxation attributable to the shareholders of approximately HK\$25.3 million for the year ended 31 March 2003, an increase of approximately HK\$24.1 million or 2,014% from that of approximately HK\$1.2 million in FY2002. The main reason for this significant growth in profit after taxation was that our digital video surveillance businesses were only in the kick-off stage during most of the time in FY2002, while such businesses had been successfully taken off in FY2003 on the basis of a well-developed customer base and proven reference sites.

7.(b) Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results

None.

7.(c) A statement by the Directors of the Company on whether any item or event of a material or unusual nature which would have affected materially the results of operations of the Group and Company has occurred between the date to which the report refers and the date on which the report is issued. If none, to include a negative statement.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature which has arisen from the end of the period under review to the date of this announcement which would affect substantially the results of the Company and the Group for the period in which this announcement is made.

8. A commentary at the date of this announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period

The competitive environment will be intense as more low end products kept rolling out into the market especially in highly price-sensitive regions such as the PRC and Taiwan. We have released new entry level and high end NetServer models to cope with the competition. In response to that our Company will focus on the high end enterprise and customised solutions for customers and the development into the lightly-tapped geographical markets such as Europe, the Middle East as well as the Southeast Asia. On the other hand, our Company will continue investing significant financial and human resources in product development to ensure the roll out of technologically advanced new products and solutions in order to maintain our competitive edge in the marketplace.

Based on current business trends, the total sales turnover and operating results of the Group are likely to improve in the next financial year.

9. Dividend

(a) Any dividend declared for the present financial period? None

(b) Any dividend declared for the previous corresponding period? None

(c) Total Annual Dividend (if applicable)

NA

(d) Date payable

NIL

(e) Books closure date

NIL

(f) Any other comments relating to Paragraph 9

NIL

10.(a) **Balance sheet**

| | The Group HK\$'000 | | The Company HK\$'000 | |
|--|-----------------------|-------------------|-------------------------|-------------------|
| | As at 31.03.03 | As at 31.03.02 | As at 31.03.03 | As at 31.03.02 |
| Non-current assets | | | | |
| Investment in a subsidiary | - | - | 19,462 | - |
| Fixed assets | 1,474 | 1,045 | - | - |
| Intangible assets | 51,115 | 14,296 | - | - |
| Deferred taxation | - | 80 | - | - |
| | 52,589 | 15,421 | 19,462 | - |
| Current assets | | | | |
| Inventories | 4,493 | 3,603 | - | - |
| Trade receivables | 25,670 | 13,656 | - | - |
| Prepayments, deposits and other receivables | 2,173 | 1,205 | 215 | - |
| Amount due from a subsidiary | - | - | 58,831 | - |
| Cash and cash equivalents | 49,667 | 10,908 | - | - |
| | 82,003 | 29,372 | 59,046 | - |
| Less: | | | | |
| Current liabilities | | | | |
| Obligations under hire purchase contract | 133 | 133 | - | - |
| Trade and other payables | 10,958 | 10,760 | 139 | - |
| Amounts due to directors | 750 | - | 150 | - |
| | 11,841 | 10,893 | 289 | - |
| Net current assets | 70,162 | 18,479 | 58,757 | - |
| Total assets less current liabilities | 122,751 | 33,900 | 78,219 | - |
| Less: | | | | |
| Non-current liabilities | | | | |
| Obligations under hire purchase contract | 22 | 156 | - | - |
| Deferred taxation | 4,758 | - | - | - |
| | 4,780 | 156 | - | - |
| Net assets | 117,971 | 33,744 | 78,219 | - |
| Shareholders' equity | | | | |
| Share capital | 24,369 | 28,672 | 24,369 | - |
| Reserves | 93,602 | 5,072 | 53,850 | - |
| | 117,971 | 33,744 | 78,219 | - |

10.(b) **Consolidated cash flow statement for the Group**

| | Full Year FY2003 | Full Year FY2002 |
|--|---------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| <i>Operating activities</i> | | |
| Profit from ordinary activities before taxation | 30,158 | 1,426 |
| Adjustment for: | | |
| Interest expense | 15 | 203 |
| Interest income | (95) | (53) |
| Depreciation of fixed assets | 654 | 372 |
| Amortisation of intangible assets | 7,396 | 2,782 |
| Gain on disposal of fixed assets | (6) | - |
| Operating profit before changes in working capital | 38,122 | 4,730 |
| <i>Changes in working capital</i> | | |
| Increase in inventories | (890) | (2,371) |
| Increase in trade receivables | (12,014) | (9,466) |
| Increase in prepayments, deposits and other receivables | (968) | (1,086) |
| (Decrease)/increase in trade and other payables | (7,802) | 8,561 |
| Increase in amounts due to directors | 750 | - |
| Cash generated from operations | 17,198 | 368 |
| Income tax refunded | - | 3 |
| Interest received | 95 | 53 |
| Interest paid | (15) | (203) |
| Net cash inflow from operating activities | 17,278 | 221 |
| <i>Investing activities</i> | | |
| Payment for purchase of fixed assets | (1,095) | (970) |
| Payment for development costs | (5,415) | (2,088) |
| Technology transfer fee paid | (30,800) | (1,800) |
| Proceeds from sales of fixed assets | 17 | - |
| Net cash outflow from investing activities | (37,293) | (4,858) |
| <i>Financing activities</i> | | |
| Capital contributions | - | 20,000 |
| Repayment of principal under hire purchase contract | (133) | (119) |
| Decrease in amount due to related company | - | (1,922) |
| Issue of shares | 71,836 | - |
| Share issue expenses | (12,929) | - |
| Net cash inflow from financing activities | 58,774 | 17,959 |
| Net increase in cash and cash equivalents | 38,759 | 13,322 |
| Cash and cash equivalents at beginning of the year | 10,908 | (2,414) |
| <i>Cash and cash equivalents at end of the year</i> | 49,667 | 10,908 |

10.(c) **Statement of changes in equity**

| <i>The Group</i> | Share Capital | Contributed Surplus | Statutory Reserves | Share Premium | Other Reserves | Retained Profits | Total |
|---|---------------|---------------------|--------------------|---------------|----------------|------------------|----------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2002 | 28,672 | 0 | 0 | 0 | 0 | 5,072 | 33,744 |
| Surrender of original shares as part of the Group's share capital restructuring | - 28,672 | - | - | - | - | - | - 28,672 |
| Ordinary shares issued nil paid on incorporation and subsequently credited as fully paid as part of the Group's capital restructuring | 19,462 | 9,210 | - | - | - | - | 28,672 |
| New shares issued for public subscription | 4,907 | - | - | 66,929 | - | - | 71,836 |
| Share issue expenses | - | - | - | - 12,929 | - | - | - 12,929 |
| Net profit for the year | - | - | - | - | - | 25,320 | 25,320 |
| At 31 March 2003 | 24,369 | 9,210 | 0 | 54,000 | 0 | 30,392 | 117,971 |

| <i>The Company</i> | Share Capital | Contributed Surplus | Statutory Reserves | Share Premium | Other Reserves | Retained Profits | Total |
|---|---------------|---------------------|--------------------|---------------|----------------|------------------|---------------|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 April 2002 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ordinary shares issued nil paid on incorporation and subsequently credited as fully paid as part of the Group's capital restructuring | 19,462 | - | - | - | - | - | 19,462 |
| New shares issued for public subscription | 4,907 | - | - | 66,929 | - | - | 71,836 |
| Share issue expenses | - | - | - | - 12,929 | - | - | - 12,929 |
| Net profit for the year | - | - | - | - | - | - 150 | - 150 |
| At 31 March 2003 | 24,369 | 0 | 0 | 54,000 | 0 | (150) | 78,219 |

10.(d) Explanatory notes on material items in 10.(a), 10.(b) and 10.(c) above

Our intangible assets amounted to HK\$51.1 million at 31 March 2003, an increase of HK\$36.8 million from HK\$14.3 million at 31 March 2002. Such increase was primarily the results of (i) an acquisition of a perpetual licence of use of the software driver which is an integral cost element of our core products; and (ii) the additional amount spent by the Group in financing its new products development projects during the year.

Our inventories amounted to HK\$4.5 million at 31 March 2003, an increase of HK\$0.9 million from HK\$3.6 million at 31 March 2002. Such extent of approximately 25% increase in inventories level is insignificant in respect of a 280% growth in sales turnover in the year of 2003 which were partly due to our success in maintaining a relatively stable and accurate order forecasting mechanism with our major distribution partners and partly due to our ability to work with our PRC assembly and manufacturing partner in stabilizing a reliable manufacturing and delivery leadtime, both of which enabled our company to keep the practical minimum level of inventories in terms of both assembled whole units as well as major parts and components.

Our trade receivables amounted to HK\$25.7 million at 31 March 2003, an increase of HK\$12.0 million from HK\$13.7 million at 31 March 2002. Such increase was the natural result of the 280% increase in this year's sales turnover over that in last year and the average turnover days of our trade receivable was approximately 75 days (versus 130 days in FY2002) which showed significant improvement in our credit control and this was in line with our overall credit policy of granting a credit period of between 60 to 90 days to the majority of our long-term business partners.

Our trade and other payables amounted to HK\$11.0 million at 31 March 2003, an increase of Hk\$0.2 million from HK\$10.8 million at 31 March 2002. Such insignificant increase was the result of the prompt settlements to our PRC assembly and manufacturing partners in return for a guarantee of prompt manufacturing and delivery leadtime and quality of works which were critical both in enabling our Company to maintain a good reputation as a reliable supplier of good quality products and in enabling our Company to keep a reasonably low level of inventories as explained in the above section.

The Group's deferred tax liabilities of HK\$4.8 million at 31 March 2003 (nil at 31 March 2002) were primarily related to temporary differences of deferred product development costs arising under Hong Kong taxation.

The significant changes in the Group's share capital and reserves were the results of (i) a capital restructuring exercise carried out during this year in preparation for the listing of our Group on the Singapore Stock Exchange; and (ii) the issue of new shares of the Company in relation to our listing on the Singapore Stock Exchange on 18 December 2002.

Our operating activities recorded net cash inflow of HK\$17.3 million for the year ended 31 March 2003, an increase of HK\$17.1 million from HK\$0.2 million for the same period of FY2002. This was primarily contributed by the operating profit generated less amounts applied in settling our trade and other payables and the increase in financing our trade receivables and inventories.

Our investing activities recorded net cash outflow of HK\$37.3 million for the year ended 31 March 2003, an increase of HK\$32.4 million from HK\$4.9 million for the same period of FY2002. This was primarily due to the settlement of the acquisition of a perpetual license of use of software driver as mentioned above and the payment of product research and development costs during this year.

Our financing activities recorded net cash inflow of HK\$58.8 million for the year ended 31 March 2003, an increase of HK\$40.8 million from HK\$18.0 million for the same period of FY2002. Such increase was primarily the result of the issue of the Company's new shares in relation to the listing of the Company on the Singapore Stock Exchange on 18 December 2002.

Overall, our Group recorded a consolidated net increase in cash and cash equivalents of HK\$38.8 million for the year ended 31 March 2003.

11. Details of any changes in the Group's issued share capital

Please refer to the Restructuring Exercise undertaken by the Group mentioned in the prospectus.

As at 31 March 2003, the total number of unexercised options under the Company's Executives' Share Option Scheme was nil (31 March 2002 : Nil).

12. Comparative figures of the group's borrowings and debts securities

As at 31 March 2003, the Group's obligations under hire purchase contract are analysed as follows :

| | As at 31 March 2003 | | As at 31 March 2002 | |
|--------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| | Secured HK\$'000 | Unsecured HK\$'000 | Secured HK\$'000 | Unsecured HK\$'000 |
| (a) Payable within one year | 133 | 0 | 133 | 0 |
| (b) Payable after one year | 22 | 0 | 156 | 0 |
| | 155 | 0 | 289 | 0 |

(c) Any other comments relating to Paragraph 12

The Group has no other borrowings or debts securities other than that as disclosed above.

13. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

14. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matters)

Not applicable.

15. A statement that the same accounting policies and methods or computation are followed in the financial statements as compared with the most recent audited annual financial statements. Where there have been any changes or departure from the accounting policies and methods of computation, including those required by an accounting standard, this should be disclosed together with the reasons for the change and the effect of the

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements as at 31 March 2002.

BY ORDER OF THE BOARD

Mak Tin Sang
Company Secretary
26 June 2003