

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

Share Capital

As at 30 September 2002, the interests of directors in the equity or debt securities of the Company or any associated corporations as recorded in the register maintained by the Company under section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") or as notified to the Company and other interests of directors in the Company were as follows:

(a) Interests in shares of the Company

Name of directors	Number of ordinary shares beneficially held			Total interests
	Personal interests	Corporate interests	Other interests	
Mr. LAU Tak Wan	3,112,000 (Note 1)	—	28,121,300 (Note 2)	31,233,300
Ms. CHAN Yuen Mei, Pinky	2,012,000 (Note 1)	—	28,121,300 (Note 2)	30,133,300
Mr. WAN Chor Fai	300,000	—	—	300,000
Mr. MAK Hon Kai, Stanly	2,758,000	—	—	2,758,000
Mr. Barry John BUTTIFANT	100,000	—	—	100,000

Notes:

- 1,512,000 shares in the Company were jointly held by Mr. Lau and Ms. Chan (the spouse of Mr. Lau).
- 28,121,300 shares in the Company were beneficially owned by China Capital Holdings Investment Ltd ("China Capital"). The entire issued share capital of China Capital is owned by a trustee for the benefit of a discretionary trust the beneficiaries of which include Mr. Lau, Ms. Chan and certain of his family members.

(b) Interests in shares in the subsidiaries

Dominion International Limited which is wholly owned by a trustee for the benefit of a discretionary trust the beneficiaries of which include Mr. LAU Tak Wan, Ms. CHAN Yuen Mei, Pinky (the spouse of Mr. Lau) and certain of his family members, has beneficial interests in the following subsidiaries:

	Number of non-voting deferred shares held
Cosmos Wires and Connectors Manufacturing Limited	50,000
Westpac Digital Limited	1
Vastpoint Industrial Limited	455,000
Daiwa Associate (H.K.) Limited	1,500,000

In addition, each of Mr. Lau and Ms. Chan beneficially owns 140,000 and 10,000 non-voting deferred shares respectively in Cosmotec Precision Industrial Limited.

Save as disclosed above, none of the directors or their associates had any beneficial or non-beneficial interests in the share capital of the Company or its associated corporations at the six months end date required to be disclosed pursuant to the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**Share Options**

The share options scheme which was adopted by the Company on 18 March 1994 ("Old Scheme") was originally due to expire on 17 March 2004. Owing to the recent changes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") in relation to the share option scheme with effect from September 2001, the directors proposed and the shareholders in annual general meeting approved on 22 August 2002 early termination of the Old Scheme and adoption of a new share option scheme. After termination of the Old Scheme, no more option can be granted pursuant to the Old Scheme and in respect of all the outstanding options granted under the Old Scheme, the provisions of the Old Scheme shall remain in force. As at 30 September 2002, the Company did not grant any options under the New Scheme.

The following share options were outstanding under the Old Scheme during the period.

	Number of shares under share option scheme				Exercise price per share HK\$	Date of grant of share options	Exercisable period of share options
	Outstanding at the beginning of period	Lapsed during the period	Exercised during the year	Outstanding and not exercised at the end of period			
Mr. WAN Chor Fai	200,000	(200,000) <i>Note</i>	—	—	0.48	14 January 2000	21 July 2000 to 20 July 2002
Continuous contract employees	980,000	—	(350,000)	630,000	0.48	14 January 2000	21 October 2000 to 20 October 2002
	<u>1,180,000</u>	<u>(200,000)</u>	<u>(350,000)</u>	<u>630,000</u>			

Note: Share options granted in July 2000 to directors to subscribe for 200,000 shares lapsed upon expiration during the period.

The financial impact of the Company's share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon exercise of the Company's share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled or which lapse prior to their exercise date are deleted from the outstanding options.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above in respect of directors, the register of substantial shareholders maintained under section 16(1) of the SDI Ordinance as at 30 September 2002 showed that no other party held 10 per cent or more of the issued share capital of the Company.

CODE OF BEST PRACTICE

In the opinion of the directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the six months ended 30 September 2002 except for not specifying the terms of appointment of independent non-executive directors.

According to the bye-laws of the Company, independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting.

Supplementary Information

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim condensed accounts for the six months ended 30 September 2002 with the directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2002, the Company purchased a total of 642,000 shares of HK\$0.10 each of the Company on The Stock Exchange of Hong Kong Limited, all of which shares were cancelled. Particulars of the shares repurchased are as follows:

Trading Month/Year	Number of shares repurchased	Price per share		Total cost (including expenses) HK\$
		Highest price paid HK\$	Lowest price paid HK\$	
August 2002	522,000	0.54	0.46	261,147.56
September 2002	120,000	0.50	0.42	57,770.89
	<u>642,000</u>			<u>318,918.45</u>

By Order of the Board
LAU Tak Wan
President

Hong Kong, 28 November 2002