

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2002, save for the interests of the Directors disclosed above, according to the register maintained by the Company pursuant to Section 16(1) of the SDI Ordinance, the following shareholders (other than the Directors) were directly or indirectly interested in 10% or more of the Company's issued share capital:

Name	Number of shares hold	Approximate Shareholding
Otto Link Technology Limited ¹	161,700,000	46.20%
Goldwiz Technology Limited	61,824,000	17.66%
Goldwiz Holdings Limited ²	61,824,000	17.66%
Mr. Siu Ting	38,976,000	11.14%

Note:

- Otto Link Technology Limited is beneficially owned as to 80% by Dr. Sze Kwan who is the Chairman of the Company and 20% by Mr. Tung Fai who is a director of the Company.

In order to comply with the minimum public float requirement as stated in rule 8.08(1) of the Listing Rules, Otto Link Technology Limited, the controlling shareholder, disposed of 6,300,000 Shares (equivalent to approximately 1.80% of the existing issued share capital of the Company) to 7 individual investors who are independent third parties, and not connected with any director, chief executive or substantial shareholders of the Company, any of its subsidiaries or their respective associates ("Transaction"). The Transaction was completed on 24 December 2002.

- Goldwiz Holdings Limited ("Goldwiz Holdings") is the 100% holding company of Goldwiz Technology Limited ("Goldwiz") and is therefore deemed to be interested in the 61,824,000 Shares held by Goldwiz.

Save as disclosed above, the Directors are not aware of any person having a direct or indirect interest of 10% or more in the issued share capital of the Company as at 31 December 2002.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an extraordinary general meeting held on 20 January 2003, the share option scheme adopted by the Company on 22 January 2001 (the "Scheme") was terminated and a new share option scheme (the "New Scheme") was adopted. The purpose of the New Scheme is to provide incentive and to recognise the contribution of the eligible participants, including directors and employees of the Group, to the growth of the Group and to provide more flexibility to the Group in terms of remunerating the participants.

During the six months ended 31 December 2002, no option was granted, exercised or cancelled by the Company under the Scheme.

AUDIT COMMITTEE

The Company established an audit committee on 27 November 2000 with written terms of reference. The duties of the audit committee are to review and to provide supervision over the financial reporting