

The Group has adopted a flexible marketing strategy which will adapt to the needs of the changing market. Although the market is highly competitive, the Group feels it will be able to maintain its place in the market.

Finance

For the nine months ended 31 March 2003, the Group has recorded a turnover of approximately RMB106,717,000 representing a 2% decrease as compared to the same period last year. The Group's turnover slightly decreased due to keen competition of the market and a general worsening of the business climate throughout the region, particularly in the Mainland China, in the wake of the crisis over Severe Acute Respiratory Syndrome ("SARS") and the war in Iraq.

For the nine months ended 31 March 2003, profit attributable to shareholders reduced by approximately RMB20,841,000 to approximately RMB16,611,000, representing a 55.6% decrease as compared with the corresponding period in 2002. Such decrease was primarily due to lower profit margin and the expenses related to transferal of the shares listed from GEM to main board during the period, amounting to approximately RMB4,000,000.

Earnings per share for the nine months ended 31 March 2003 declined to RMB4.75 cents from RMB10.70 cents for the corresponding period in 2002.

DIRECTORS' INTERESTS IN SHARES

As at 31 March 2003, the interests of the Directors in the share capital of the Company or its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance")), as recorded in the register maintained by the Company under Section 29 of the SDI Ordinance or as notified to the Company were as follows:

Name of director	Nature of interests	Number of shares held
Dr. SZE Kwan	Corporate	161,700,000*

* These shares are held through Otto Link Technology Limited, which are beneficially owned as to 80% by Dr. Sze Kwan and 20% by Mr. Tung Fai, directors of the Company.

Saved as disclosed above, as at 31 March 2003, none of the Directors or their associates had any interests in the shares of the Company or any of its associated corporations as defined in the SDI Ordinance.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2003, 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%