

With the increased contribution from the sales of TCS and automation products from other brands, the segment of automation products has recorded a significant increase in turnover by 232.8% when compared to the corresponding period of 2002. The Company believes such business model will grow as the sales channel and cooperation with other brands further develop.

Turnover from project and technical services was only RMB2,420,000. This is due to the long duration to develop such business and the delay of existing projects in the period.

Employee information

For the six months ended 31st December, 2003, the Group has recorded staff costs of approximately RMB4,205,000 representing 30.4% increase from approximately RMB3,224,000 for the corresponding period in 2002. The number of staff increased from 79 employees (as at 31st December, 2002) to 100 employees (as at 31st December, 2003). The Group encourages high productivity and provides competitive remuneration packages to employees commensurable to their qualification and the market level in the business in which the Group operates. Incentive schemes comprised of discretionary bonus and other merit payments to reward employees based on performance are also offered. The Group also provides contribution to mandatory provident fund and medical benefits for its staff in Hong Kong and similar benefits for its staff in the PRC.

INTERESTS OF DIRECTORS

As at 31st December, 2003, the interests and short positions of the Directors in the Shares or underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which was required (a) to be notified to the Company and the Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) to be entered into the register maintained by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code 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 is beneficially owned as to 80% by Dr. Sze Kwan and 20% by Mr. Tung Fai, directors of the Company.*

Save as disclosed above and in the section headed "Interests of Substantial Shareholders" below, as at 31st December, 2003, none of the Directors or the chief executive of the Company had any interests or short positions in any Shares or underlying Shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) to be entered into the register maintained by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.