

## b) Associated corporation

At 30 September 2005, Ling Siu Man, Simon personally held 2,850 non-voting deferred shares of HK\$100 each of Tonic Electronics Limited, a subsidiary of the Company.

The interests of the directors in the share options of the Company are separately disclosed under the heading "SHARE OPTION SCHEME" below.

Save as disclosed above, as at 30 September 2005, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Apart from as disclosed under the heading "Directors' Interests in Shares" above and "Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## **SHARE OPTION SCHEME**

Under a Share Option Scheme adopted by the Company on 18 September 1997, the Directors of the Company may, at any time during ten years, grant share options to employees and executive directors of the Group to subscribe for shares of the Company.

The following share options were outstanding under the Share Option Scheme during the Period:

	At 1 April 2005*	Number of outstanding share options cancelled during the year	At 30 September 2005	Date of grant of share options	Exercise period of share options	Exercise price of share options* HK\$
<b>Directors</b>						
Ling Siu Man, Simon	15,000,000	–	15,000,000	07-04-00	10-04-00 to 09-04-10	0.467
Lee Ka Yue, Peter	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
Wong Ki Cheung	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
Li Fung Ching, Catherine	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
Au Wai Man	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
Liu Hoi Keung, Gary	2,715,000	–	2,715,000	07-04-00	10-04-00 to 09-04-10	0.467
Lam Kwai Wah	1,650,000	–	1,650,000	07-04-00	10-04-00 to 09-04-10	0.467
	<u>30,225,000</u>	<u>–</u>	<u>30,225,000</u>			
<b>Other employees:</b>						
In aggregate	40,050,000	4,500,000	35,550,000	07-04-00	10-04-00 to 09-04-10	0.467
	<u>70,275,000</u>	<u>4,500,000</u>	<u>65,775,000</u>			



- \* Pursuant to the provisions of the share option scheme conditionally adopted by the Company on 18 September 1997, adjustments are required to be made to the exercise price and the number of shares falling to be issued upon exercise of the outstanding share options as a result of the issue of the right shares as detailed in note 28 to the financial statements. The exercise price of the outstanding share options was adjusted from HK\$0.70 per share to HK\$0.467 per share, and the number of shares falling to be issued upon full exercise of the outstanding share options was adjusted from 48,250,000 shares to 72,375,000 shares.

No theoretical value of share options is disclosed as no share options were granted during the Period.

No options were granted, exercised or lapsed during the Period.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

At 30 September 2005, the following parties having the interests of 5% or more of the issued share capital of the Company were recorded in the register of interests kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Nature of interests	Number of ordinary shares of the Company	Percentage of the Company's issued share capital (%)
Success Forever Limited ( <i>Note 1</i> )	Beneficially owned	476,830,173	50.04
Eco-Haru Mfr. Holdings Limited ("Eco-Haru") ( <i>Note 2</i> )	Beneficially owned	181,651,303	19.06
Glorious Concept Limited ("Glorious Concept") ( <i>Note 2</i> )	Beneficially owned	12,753,000	1.34
EganaGoldpfeil (Holdings) Limited ("EganaGoldpfeil") ( <i>Note 2</i> )	Interests held by a controlled corporation	194,404,303	20.40
Peninsula International Limited ("Peninsula") ( <i>Note 3</i> )	Interests held by a controlled corporation	194,404,303	20.40

Notes:

- (1) The entire issued share capital of Success Forever Limited is beneficially owned by Ling Siu Man, Simon as disclosed in "Directors' interests in shares" above.
- (2) The entire issued share capital of Eco-Haru and Glorious Concept is beneficially owned by EganaGoldpfeil.
- (3) The issued share capital of EganaGoldpfeil is held as to 37.49% by Peninsula.