

## SUBSTANTIAL SHAREHOLDERS

At 31st December, 2001, the following parties were interested in 10% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company under Section 16(1) of the SDI Ordinance.

Name of shareholder	Notes	Number of issued ordinary shares held	Percentage of total issued ordinary shares held
Peipus International Ltd.	(a)	224,710,724	35.36%
Great Pacific Investments Limited	(b)	156,214,436	24.58%
Yue Yuen Industrial (Holdings) Limited	(b)	156,214,436	24.58%
Pou Chen Corporation	(b)	156,214,436	24.58%

Notes:

- (a) The beneficial owner of the 224,710,724 ordinary shares held by Peipus International Ltd. is set out in the section "Directors' interests in share capital" above.
- (b) The interest of Great Pacific Investments Limited stated above was included as the interest of each of Yue Yuen Industrial (Holdings) Limited and Pou Chen Corporation by virtue of their relationship. Yue Yuen is a company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited.

Save as disclosed above, no other person had registered an interest in the share capital of the Company that was required to be recorded pursuant to Section 16(1) of the SDI ordinance.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

## **AUDIT COMMITTEE**

To comply with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, the Company set up an Audit Committee (the "Committee") in 1998, with written terms of reference, for the purpose of reviewing and providing supervision on the financial reporting process and internal controls of the Group. The Committee comprises the Company's two independent non-executive directors. The Group's unaudited condensed consolidated interim financial statements for the period ended 31st December, 2001 have been reviewed by the Committee who are of the opinion that such financial statements comply with the applicable accounting standards, and the stock exchange and legal requirements, and that adequate disclosures have been made.

## **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 throughout the accounting period covered by this unaudited condensed consolidated interim results, save that the non-executive directors are not appointed for a specific term, but are subject to retirement by rotation in accordance with the Company's bye-laws.

## **DISCLOSURE PURSUANT TO PRACTICE NOTE 19 OF THE LISTING RULES**

In accordance with Paragraph 3.8 of Practice Note 19 of the Listing Rules, the Group hereby discloses that the Group had a trading receivable from a customer, namely Dongguan Huaguan Electronics Co., Ltd. ("DHEC"), of approximately HK\$195 million at 31st December, 2001, which represents approximately 30.17% of the net assets value of the Group as set out in its audited consolidated financial statements for the year ended 30th June, 2001. The receivable is unsecured and interest free and primarily arose from sales made during the period. Sales are usually on 180 days credit.

On behalf of the Board

**Yang Long-san, Rowell**

*Chairman and Managing Director*

Hong Kong, 19th March, 2002