

SUPPLEMENTARY INFORMATION**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES**

At 30 June 2005, the interests and short positions of the directors of the Company and their associates in the shares and underlying shares of the Company which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance ("SFO") (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") contained in the Listing Rules, were as follows:

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Long position in the ordinary and underlying shares of the Company

Name of director	<i>Note</i>	Capacity	Nature of Interest	Interests in shares	Interests in underlying shares (share options)	Interests in underlying shares (warrants)	Approximate percentage of the Company's issued share capital
Chan Ho Sing	1	Founder of discretionary trust	Family	179,734,000	-	29,955,666	56.2%
Chan Ho Sing	2	Interest of spouse	Family	-	5,500,000	-	1.5%
Chan Ho Sing		Beneficial owner	Personal	13,688,000	5,500,000	2,143,666	5.7%
Ko Pak On		Beneficial owner	Personal	400,000	1,800,000	66,666	0.6%

Note:

- 1 These shares are owned by Man Yue Holdings Inc., a company incorporated in the Bahamas, the entire issued share capital of which is ultimately beneficially owned by the family trust of Chan Ho Sing.
- 2 The interest of spouse represents share options held by Kee Chor Lin, the spouse of Chan Ho Sing.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

In addition to the above, Chan Ho Sing has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above and as disclosed under the section "Directors' rights to acquire shares" below, as at 30 June 2005, none of the directors or their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the headings "Directors' Interests and Short Positions in Shares and Underlying Shares" above and "Share Option Scheme" below, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the 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

Pursuant to the Company's share option scheme, the Company granted share options in favour of the following directors to subscribe for ordinary shares in the Company's share capital. The details of which are as follows:

Name of director	Number of share options outstanding at		Date of grant of share option	Exercise period of share options	Exercise price of share options*	Price of Company's shares at grant date of options**
	1 January 2005 and 30 June 2005					
Chan Ho Sing	11,000,000		30.12.1997	30.12.1997 to 12.2.2007	0.7856	1.02
Ko Pak On	1,500,000		30.12.1997	30.12.1997 to 12.2.2007	0.7856	1.02
	300,000		5.6.2000	5.6.2000 to 12.2.2007	0.432	0.60
	1,800,000					
Total	12,800,000					

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

** The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options.

SUBSTANTIAL SHAREHOLDERS

At 30 June 2005, the following shareholder had interests in shares and warrants of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Long position:

Name of shareholder		Interest in shares	Interest in underlying shares (warrants)	Approximate percentage of the Company's issued share capital
Man Yue Holdings Inc.	Note	179,734,000	29,955,666	56.2%

Note: Man Yue Holdings Inc. is ultimately beneficially owned by the family trust of Chan Ho Sing.

Save as disclosed above, as at 30 June 2005, no person, other than the directors of the Company, whose interests are set out in the section "Directors' Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

Pursuant to rule 13.20 of the rules governing the listing of securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the details of the Group's trade receivables, which exceeded 8% of the Company's market capitalisation (the percentage ratio as defined under the Listing Rules) as at 30 June 2005 are set out below:

1. Total trade receivables due from Matsushita Electronic Devices (M) Sdn. Bhd. and its affiliated companies amounted to HK\$22,326,000;
2. Total trade receivables due from Taiwan Ostor Corporation amounted to HK\$31,380,000;
3. Total trade receivables due from Lien Chang Electronic Enterprise Company Limited and its subsidiary amounted to HK\$19,996,000.

All the above-mentioned trade receivables were interest free, unsecured and with credit terms ranging from 75 to 120 days from the date of monthly accounts receivable statements. All these trade receivable balances arose in accordance with the ordinary and usual course of the Group's business.

DISCLOSURES UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosures are included in respect of certain of the Group's loan agreements, which contain covenants requiring performance obligations of the controlling shareholder of the Company.

Pursuant to the loan agreement entered into between the Group and certain banks in October 2003 relating to a 36-month term loan facility of HK\$30,000,000 and a three-year term loan and a revolving credit facility of HK\$150,000,000, a termination event would arise if:

- (a) Chan Ho Sing ("Mr Chan") ceases to be the single largest beneficial shareholder of the Company;
- (b) Mr. Chan ceases to be the Chairman of the Group; or
- (c) Mr. Chan and/or his family members, related trust and companies controlled by him, ceases to be the largest beneficial owner of more than 40% (in aggregate) of the Company's issued capital.

CORPORATE GOVERNANCE

The Group has adopted all the Code Provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules except for the following deviations:

1. Code Provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Mr. Chan Ho Sing currently holds both positions. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies.
2. The Board considers that the setting up of a Remuneration Committee may not be necessary as the remuneration matters relating to the executive directors are discussed and approved by the Board. Over 50% of the Board members are Independent Non-executive Directors of the Company.
3. The Independent Non-executive Directors of the Company are not appointed for specific terms but are subject to retirement by rotation under Bye-law 87 of the Company's Bye-laws.

COMPLIANCE WITH THE MODEL CODE

The Group has adopted the Model Code for securities transactions by Directors of listed issuers as set out in Appendix 10 to the Listing Rules. Upon specific enquiry by the Company, all Directors have fully confirmed that they fully complied with the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee (the "Committee") comprises three members and all of whom are Independent Non-executive Directors of the Company. None of them is employed by or otherwise affiliated with former or existing auditors of the Company. The Committee meets four times a year and the external auditors are invited to attend the Committee's meeting when required.

An internal audit department has recently been established to assist the Committee to evaluate the Group's internal control systems and to monitor the Group's risk management framework.

The interim financial report for the Period is unaudited, but has been independently reviewed by Messrs Ernst & Young in accordance with Statement of Auditing Standards 700 issued by the Hong Kong Institute of Certified Public Accountants.

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The Committee has reviewed with management together with Messrs Ernst & Young the accounting principles and practices adopted by the Group in the interim financial report for the Period.

DIVIDENDS

The Board of Directors has resolved to declare an interim dividend of HK1.5 cents per share (2004: nil) for the six months ended 30 June 2005, totalling HK\$ 6.0 million.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 12 October 2005 to 14 October 2005, both days inclusive. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrar, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on 10 October 2005. The interim dividend will be paid on or about 28 October 2005.

By order of the Board

CHAN Ho Sing

Chairman

Hong Kong, 21 September 2005