

OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS

As at the date of this report, the interests and short positions of the Directors and chief executive, in the shares and share options of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO Ordinance”), as recorded in the registers maintained by the Company pursuant to Section 352 of the SFO Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO Ordinance or the Model Code (the “Model Code”) for Securities Transaction by Directors of Listed Companies in the Listing Rules, were as follows:

Long positions

(1) Ordinary shares of HK\$0.1 each of the Company

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Mr. Chang Ei Eu	Corporate interest (Note)	225,000,000	75%
Ms. Hsieh Ming Chiu	Other interest (Note)	225,000,000	75%

Note: The 225,000,000 shares referred to above are duplicated and held by Polestar Assets Limited (“Polestar”) which is beneficially owned as to 80% by Mr. Chang Ei Eu and as to 20% by Ms. Hsieh Ming Chiu, and they are therefore deemed to be interested in the 225,000,000 shares held by Polestar.

(2) Share options

Name of Director	Capacity	Number of options held	Number of underlying shares
Mr. Chow Kin Ming	Beneficial owner	1,720,000	1,720,000

Other than disclosed above, none of the Company’s Directors, chief executives and their associates, had any interests or short positions in any shares of the Company or any of its associated corporations at the date of this report.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than disclosed above under “Share Options”, at no time during the period was the Company a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SUBSTANTIAL SHAREHOLDERS

As at the date of this report, so far as is known to the Directors of the Company, the persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the registers maintained by the Company pursuant to Section 336 of the SFO Ordinance and/or as notified to the Company were as follows:

Long positions

Ordinary shares of HK\$0.1 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Polestar Assets Limited	Beneficial owner (<i>Note</i>)	225,000,000	75%

Note: Polestar is beneficially owned as to 80% by Mr. Chang Ei Eu and as to 20% by Ms. Hsieh Ming Chiu, and they are therefore deemed to be interested in the 225,000,000 shares held by Polestar.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Directors of the Company has adopted the Model Code during the period under review. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has established audit committee (the “Audit Committee”), of which comprises three independent non-executive directors, namely Mr. Lee Kin Keung (the Chairman), Dr. Lam Chun Kong and Madam Tung Pui Man. The current unaudited interim results report for the six months ended 30th September, 2005 has been reviewed by both the external auditors in accordance with Statement of Auditing Standard 700 “Engagements to review interim financial reports” issued by the Hong Kong Institute of Certified Public Accountants and the Audit Committee.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Listing Rules throughout the six months ended 30th September, 2005, with deviations from code provisions A.2.1, A.4.1, B.1.1 and C.3.3 of the Code as summarised below.

Pursuant to code provision A.2.1 of the Code, 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. Chang Ei Eu currently holds both positions. The Directors believes that it is in the interest of the Company for Mr. Chang Ei Eu holding both positions as such arrangement provides the Group with strong and considerate leadership in the development and execution of long-term business strategies.

Pursuant to code provision A.4.1 of the Code, non-executive directors shall be appointed for a specific term, subject to re-election. In accordance with the Articles of Association of the Company, directors are subject to retirement by rotation and re-election at annual general meetings.

Pursuant to code provision B.1.1 of the Code, a remuneration committee should be established with specific written terms of reference which deal clearly with its authority and duties. A majority of the members of the remuneration committee should be independent non-executive directors. The Company has set up a remuneration committee on 23rd September, 2005 with specific written terms of reference. The remuneration committee consists of three members, two of whom are independent non-executive directors of the Company.

Pursuant to code provision C.3.3 of the Code, the terms of reference of the audit committee should include at least the duties specified therein. Previously, the terms of reference adopted by the audit committee did not include all the duties specified in code provision C.3.3 of the Code. During the period, the terms of reference of the audit committee has been revised so as to comply with the aforesaid code provision.

EXPOSURE TO BORROWERS AND OTHER SPECIFIC CIRCUMSTANCES THAT MAY REQUIRE DISCLOSURE

As at 30th September, 2005, the Group has made advances of approximately HK\$62 million to Mechtronic International Ltd.

The balances represented the trade receivables due from customer arising mainly from engineering system contracts for optical disc manufacturing systems and were unsecured, interest free and repayable in accordance with the agreed credit terms under sales contracts. The customer was not a connected person of the company as defined in the Listing Rules.

By order of the Board
CHANG Ei Eu
Chairman

Hong Kong, 20th December, 2005