

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE PRACTICES

For the year ended 31st March 2006, the Company had properly applied the principles of the Code on Corporate Governance Practices contained in Appendix 14 (the “Code”) included in the Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as follows:

A. Directors

- A.1 The Company is supervised by a Board of Directors who assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and strategising the Company’s affairs. They make decisions objectively in the interests of the Company.
- A.2 An independent non-executive Director acts as the Board Chairman while an executive Director acts as the Chief Executive. There is a clear division of responsibilities for the management of the Board and the day-to-day management of the Company’s business to ensure a balance of power and authority.
- A.3 The Board comprises 4 (5 up to 31st December 2005) executive Directors, 5 non-executive Directors and 3 independent non-executive Directors. They include persons with a wealth of practical experiences in the jewellery industry, accountancy profession, legal profession, general trading and the securities industry. It has a balance of skills and experiences appropriate for the requirements of the Company’s business. The Directors’ respective roles and biographies are set out on pages 45 to 50.
- A.4 All directors except the Chairman are subject to retirement by rotation and re-election at the Company’s annual general meeting Company in accordance with the Company’s Bye-laws. Deviation from the Code is explained in note (b) set out below. During the year, an executive Director resigned and the reasons were explained in the relevant Stock Exchange announcements made by the Company.
- A.5 Every Director is continuously-reminded of the requirement to keep abreast of his responsibility as a Director of the Company, with reference to the Listing Rules and the Company Laws inclusive, and of the conduct, business activities and development of the Company. Every independent non-executive Director also confirms annually his independence status to the Company pursuant to the Listing Rules.
- A.6 Directors are provided with appropriate information to enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.

企業管治常規

於截至2006年3月31日止年度，本公司已適當應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「守則」）之原則，詳情如下：

A. 董事

- A.1 本公司由董事會監督，董事會負責領導及監管本公司，並集體負責管理及策劃本公司之事宜以促進本公司之營商成功。彼等以本公司之利益作出客觀決定。
- A.2 獨立非執行董事出任董事會主席及執行董事出任行政總裁。清楚劃分董事會管理及本公司日常業務管理之職責，以確保權力平均分配。
- A.3 董事會由四位（截至2005年12月31日，五位）執行董事、五位非執行董事及三位獨立非執行董事組成。當中包括於珠寶行業、會計專業、法律專業、一般貿易及證券行業具廣泛經驗之人士，符合本公司業務所需之技術及經驗。各董事之職責及履歷載於第45至50頁。
- A.4 全體董事（主席除外）須根據本公司之公司細則，於本公司股東週年大會上輪值告退及重選連任。有關偏離守則之說明見下文附註(b)所載。年內，一位執行董事辭任及其原因已由本公司於有關之聯交所公佈內說明。
- A.5 本公司已不斷提醒各董事謹遵上市規則及公司法之規定履行本公司董事之職責，並了解本公司之最新業務進展、業務活動及發展。各獨立非執行董事亦會根據上市規則每年確認彼等之獨立性。
- A.6 董事均獲提供適當之資料，以容許彼等作出知情決定及履行其作為本公司董事之義務及職責。

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B. Remuneration of Directors and senior management

B.1 Information relating to the Company's Directors' remuneration policy and other remuneration related matters are disclosed in the Company's annual report. The Remuneration Committee is responsible for setting policy on the remuneration of executive Directors and senior management and for fixing the remuneration packages. The level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully. No Director is involved in deciding his own remuneration.

C. Accountability and audit

- C.1 The Directors are responsible for preparing the financial statements of each financial period, which give a true and fair view of the state of affairs of the Company and of the Group as at the financial period end and of the result and cash flows of the Group for the year. In the Company's interim and annual reports which are issued within the time limits stipulated by the Listing Rules, the Board presents a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The published financial statements adopt, and consistently apply, suitable accounting policies complying with Hong Kong Financial Reporting Standards.
- C.2 The Board ensures the Company maintains sound and effective internal controls to safeguard the shareholders' interest and the Company's assets. The Audit Committee, with the assistance of the Internal Audit Team, regularly reviews the effectiveness of the Company's internal control system. The Head of the Internal Audit Team directly reports to the Audit Committee.
- C.3 The Board establishes monitoring and procedural guidelines for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's external auditors. The Audit Committee established by the Company pursuant to the Listing Rules has clear terms of reference.

企業管治常規 (續)

B. 董事及高級管理層薪酬

B.1 與本公司董事薪酬政策有關之資料及其他薪酬相關事宜已於本公司之年報內披露。薪酬委員會負責制訂執行董事及高級管理層之薪酬政策，以及釐訂薪酬組合。薪酬水平足以吸引及挽留董事，為本公司之營商成功作出努力。概無董事參與釐訂其本身之薪酬。

C. 責任及審核

- C.1 董事負責編製各財政期間之財務報表，以真實公平反映本公司及本集團於財政期末時之狀況，以及本集團於該年度結束時之業績及現金流量。於本公司按上市規則所規定之期限刊發之中期報告及年報內，董事會對本公司之表現、狀況及前景作出持平、清晰及全面之評估。已刊發之財務報表採納及持續應用符合香港財務報告準則之會計政策。
- C.2 董事會確保本公司維持健全及有效率之內部控制，以保障股東之權益及本公司之資產。審核委員會在內部審核小組之協助下，定期檢討本公司內部控制系統之效率。內部審核小組主管直接向審核委員會報告。
- C.3 董事會就如何應用財務報告及內部控制原則制定監管及程序指引，以及與本公司之外聘核數師保持適當關係。本公司根據上市規則成立之審核委員會具清晰之職權範圍。

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D. Delegation by the Board

- D.1 The Company has a formal schedule of matters specifically reserved to the Board for its decision. The Board gives clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Company.
- D.2 The Audit Committee and Remuneration Committee were formed with specific written terms of reference that deal clearly with the committees' authority and duties. Such terms of reference are made available to the public. Deviation from the Code during the year is explained in note (c) set out below.

E. Communication with shareholders

- E.1 The Board maintains an on-going dialogue with shareholders and in particular, endeavors to provide transparency and uses the annual general meetings to communicate with shareholders and invites their participation in certain marketing events. Besides, the Company's official website serves as a handy communication channel for the shareholders. Press releases and announcements about the Company's business affairs are made from time to time.
- E.2 The Company informs shareholders of the procedure for voting by poll in the circular to shareholders, and ensures compliance with the requirements about voting by poll contained in the Listing Rules and the Company's Bye-laws.

企業管治常規(續)

D. 董事會之授權

- D.1 本公司已制訂由董事會全權決定之事宜之列表，董事會已就須董事會批准方可代表本公司作出決定之事宜向管理層發出清楚指示。
- D.2 審核委員會及薪酬委員會具有明確書面職權範圍，清楚列明委員會之權力及責任。該等職權範圍可供公眾查閱。年內偏離守則之事宜於下文附註(c)闡述。

E. 與股東之通訊

- E.1 董事會與股東保持溝通，尤其致力提高透明度及透過股東週年大會與股東溝通及邀請彼等參與若干市場推廣活動。此外，本公司之網址亦是與股東溝通之方便渠道。本公司亦不時就本公司之業務發表新聞稿及公佈。
- E.2 本公司於股東通函內通知股東投票表決之程序，並確保符合上市規則及本公司之公司細則所載有關以投票表決方式之規定。

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None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the year ended 31st March 2006, in compliance with the Code except for the following deviations from certain Code Provisions:

Note (a) Code Provision A.4.1

Code: Non-executive directors should be appointed for a specific term, subject to re-election.

Deviation: Non-executive directors were not appointed for a specific term but subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

Remedy: All non-executive directors were re-appointed for a term of two years with effect from 1st April 2006 and subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws.

Note (b) Code Provision A.4.2

Code: All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Deviation: In accordance with the Company's Bye-laws, all directors appointed to fill a casual vacancy is subject to election by shareholders at the next annual general meeting after their appointment. Moreover, one-third of the directors shall retire from office by rotation save any director holding office as Chairman or Managing Director.

Remedy: A special resolution will be proposed at the forthcoming annual general meeting to amend the Company's Bye-laws in order that one-third of all the directors shall retire from office by rotation, and that all directors appointed to fill a casual vacancy is subject to election by shareholders at the next general meeting after their appointment.

企業管治常規(續)

董事概不知悉任何資料可合理顯示本公司於截至2006年3月31日止年度任何時間並無或曾經無遵守守則，惟以下偏離若干守則條文者除外：

附註(a)守則條文A.4.1

守則： 非執行董事之委任應有指定任期，並須接受重新選舉。

偏離： 所有非執行董事均沒有固定任期，但彼等均須根據本公司之公司細則於本公司股東週年大會上輪值告退及膺選連任。

修正： 由2006年4月1日起，所有非執行董事將以兩年之任期獲重新委任，並須遵照本公司之公司細則於本公司股東週年大會上輪值告退及膺選連任。

附註(b)守則條文A.4.2

守則： 所有為填補臨時空缺而獲委任之董事應在彼等獲委任後之首次股東大會上接受股東選舉。每位董事包括按指定任期獲委任者須至少每三年輪值告退一次。

偏離： 根據本公司公司細則，所有獲委任以填補臨時空缺之董事須於其獲委任後舉行之股東週年大會上接受股東選舉。此外，除出任主席或董事總經理之任何董事外，三分之一之董事須輪值退任。

修正： 於即將舉行之股東週年大會上將提呈特別決議案以修訂本公司之公司細則，以使三分之一董事須輪值告退，以及獲委任填補臨時空缺之所有董事須於其獲委任後之股東大會上接受股東選舉。

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Note (c) Code Provisions B.1.4 & C.3.4

Code: The Remuneration Committee and the Audit Committee should make available their terms of reference, explaining their role and the authority delegated to them by the Board.

Deviation: During the year ended 31st March 2006, such terms of reference were not available to the public.

Remedy: At present, such terms of reference are displayed in the Company's official web site at www.lukfook.com.hk and are available to the public.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopts the Model Code set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, it is confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions in relation to the year ended 31st March 2006.

企業管治常規(續)

附註(c)守則條文B.1.4及C.3.4

守則: 薪酬委員會及審核委員會須提供其職權範圍、解釋其作用及董事會向其授出之權力。

偏離: 於截至2006年3月31日止年度, 該等職權範圍尚未提供予公眾查閱。

修正: 目前該等職權範圍已於本公司網站 www.lukfook.com.hk 上刊載以供公眾查閱。

董事證券交易

本公司已採納上市規則附錄十所載之標準守則作為董事進行證券交易之行為守則。經向全體董事作出具體查詢後, 彼等確認彼等於截至2006年3月31日止年度已遵守標準守則所載之準則及有關董事進行證券交易之行為守則。

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BOARD OF DIRECTORS

During the year ended 31st March 2006, the Company's board of directors comprised 5 executive directors, 5 non-executive directors and 3 independent non-executive directors. Individual directors' attendance at board meetings during the year were as follows:

董事會

於截至2006年3月31日止年度內，本公司董事會由五位執行董事、五位非執行董事及三位獨立非執行董事組成。年內各董事出席董事會會議之情況如下：

Total number of Board meetings: 9	召開董事會會議總次數：9次	Attendance 出席率	
<i>Executive Directors</i>			
Mr. WONG Wai Sheung (<i>Chief Executive</i>)	黃偉常先生 (行政總裁)	9/9	100%
Mr. TSE Moon Chuen	謝滿全先生	5/9	56%
Mr. LAW Tim Fuk, Paul	羅添福先生	9/9	100%
Mr. POON Kam Chi (resigned on 31st December 2005)	潘錦池先生 (於2005年12月31日辭任)	2/7	29%
Mr. LAU Kwok Sum	劉國森先生	5/9	56%
<i>Non-executive Directors</i>			
Mr. WONG Koon Cheung	黃冠章先生	9/9	100%
Mr. CHAN Wai	陳偉先生	9/9	100%
Mr. LEE Shu Kuan	李樹坤先生	9/9	100%
Miss YEUNG Po Ling, Pauline	楊寶玲小姐	4/9	44%
Mr. HUI King Wai	許競威先生	3/9	33%
<i>Independent Non-executive Directors</i>			
Mr. CHIU Wai Mo	趙偉武先生	6/9	67%
Mr. HUI Chiu Chung	許照中先生	5/9	56%
Mr. LO Mun Lam, Raymond (<i>Chairman</i>)	盧敏霖先生 (主席)	6/9	67%
Average	平均		70%

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board controls the business but delegate day-to-day responsibility to the executive management. The Board sets the Company's strategic aims, values and standards and ensures that its obligations to its shareholders and others are understood and met. In the interests of the Company, a number of matters are reserved by the Board. Certain matters are the subject of recommendations by the Audit Committee or Remuneration Committee. The Company Secretary, referring to the list of reserved matters for the Board, assists the Chairman in establishing the agenda of Board meetings. Each director may also request inclusion of items in the agenda. Minutes of the Board/Committee meetings are open for inspection by the directors.

董事會之職責是為本公司提供審慎而有效之企業領導、評估及管理風險。董事會監管業務，日常業務運作則交由執行管理層負責。董事會制訂本公司之策略目標、價值及標準，確保股東及其他投資者明白及履行對彼等之責任。基於本公司之利益，若干事宜須由董事會決定。若干事宜由審核委員會或薪酬委員會提供建議。公司秘書經參考董事會議決事宜列表，協助主席制訂董事會會議議程。各董事可要求於議程內加入討論項目。董事會／委員會會議記錄可供董事查閱。

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CHAIRMAN AND CHIEF EXECUTIVE

Mr. LO Mun Lam, Raymond, an independent non-executive director, acts as Chairman of the Board, while Mr. WONG Wai Sheung, an executive director, acts as the Chief Executive. Their roles are segregated and therefore are not exercised by the same individual. The Chairman is responsible for the leadership and effective running of the Board. The Chief Executive is delegated with the authority and responsible for running the Company's business, implementing the Company's strategies in achieving business objectives.

NON-EXECUTIVE DIRECTORS

All the non-executive directors are appointed for two years, and the existing appointments last until 31st March 2008. Deviation from the Code during the year is explained in note (a) set out above.

REMUNERATION OF DIRECTORS

In compliance with the Code, the Board on 7th April 2005 established a Remuneration Committee comprising 3 independent non-executive directors and 2 executive directors. The remuneration committee is to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management; to determine the specific remuneration packages; to review and approve performance-based remuneration; to review and approve the compensation payable in connection with any loss or termination of office or appointment of directors and senior management; to oversee any major changes in employee benefits structures throughout the Company or Group; and to review the ongoing appropriateness and relevance of the remuneration policy.

主席及行政總裁

獨立非執行董事盧敏霖先生出任董事會主席，執行董事黃偉常先生出任行政總裁。彼等之角色分開，並非由同一人士擔任。主席負責領導董事會及其運作。行政總裁負責本公司業務營運、落實本公司之策略以達致業務目標。

非執行董事

所有非執行董事之任期為兩年，現有任期於2008年3月31日屆滿。年內偏離守則詳情載於上文附註(a)。

董事酬金

為符合守則規定，董事會於2005年4月7日成立薪酬委員會，由三位獨立非執行董事及兩位執行董事組成。薪酬委員會就本公司之全體董事及高級管理層之薪酬政策及架構向董事會作出建議、釐訂具體薪酬組合、檢討及審批與績效表現掛鈎之薪酬、檢討及審批與離職或終止受聘或委任董事及高級管理層有關之應付補償、監管本公司或本集團僱員福利架構之任何主要變動；及檢討薪酬政策是否合適。

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REMUNERATION OF DIRECTORS (Continued)

Individual committee members' attendance at Remuneration Committee meetings during the year were as follows:

董事酬金(續)

個別委員會成員於年內出席薪酬委員會會議之情況如下：

Total number of Remuneration Committee meetings: 1	召開薪酬委員會會議總次數：1次	Attendance 出席率
<i>Executive Directors</i>		
Mr. WONG Wai Sheung	執行董事 黃偉常先生	1/1 100%
Mr. TSE Moon Chuen	謝滿全先生	1/1 100%
<i>Independent Non-executive Directors</i>		
Mr. CHIU Wai Mo	獨立非執行董事 趙偉武先生	1/1 100%
Mr. HUI Chiu Chung (Committee Chairman)	許照中先生 (委員會主席)	1/1 100%
Mr. LO Mun Lam, Raymond	盧敏霖先生	1/1 100%
Average	平均	100%

In December 2005, the Remuneration Committee held a meeting to review the policies for determining annual salary increments for the calendar year 2006, to approve the payment of the discretionary year-end bonus for 2005, to consider the feasibility of setting up an incentive bonus scheme for all non-sales employees working at the Head Office, to review the enhanced scheme for granting employees' annual leave, and to approve the outsourcing of a group medical plan for all employees up to the supervisor level.

於2005年12月，薪酬委員會召開會議檢討政策，以釐訂2006年之年度薪金加幅、批准支付2005年年終酌情花紅、考慮為總辦事處所有非銷售僱員設立獎勵花紅計劃之可行性、檢討批授僱員年假之升級計劃，以及批准為全體僱員至主任級別外購團體醫療計劃。

Particulars of the Directors' emoluments disclosed pursuant to Appendix 16 of the Listing Rules are set out in note 15 to the financial statements.

根據上市規則附錄十六披露董事之酬金詳情載列於財務報表附註15。

NOMINATION OF DIRECTORS

The Board is directly responsible for the nomination procedures, process and criteria adopted to select and recommend candidates for directorship. No nomination of directors was processed during the year ended 31st March 2006.

董事提名

董事會直接負責董事之提名程序、採納董事人選之挑選及推薦過程及準則。截至2006年3月31日止年度內，概無處理董事提名程序。

AUDITORS' REMUNERATION

Analysis of remuneration in respect of audit and non-audit services provided by the external auditors, PricewaterhouseCoopers, Certified Public Accountants, are as follows:

核數師酬金

有關外聘核數師羅兵咸永道會計師事務所(執業會計師)提供審計及非審計服務之酬金分析，賬目如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Audit services	審計服務	2,666	2,433
Non-audit services	非審計服務	350	174
Total	總計	3,016	2,607

The responsibilities of the external auditors with respect to financial reporting are stated in the Auditors' Report.

外聘核數師於財務報告方面之職責，載於核數師報告內。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

In compliance with the Code of Best Practice applicable before 1st January 2005, the Board established an Audit Committee on 1st February 1999, comprising 3 independent non-executive directors, in order to monitor the accounting and financial reporting practices and internal control systems of the Company. During the year ended 31st March 2006, the Audit Committee held 3 meetings to consider matters including the 2005 annual report of the Company, internal controls, the unaudited interim condensed consolidated financial information for the six months ended 30th September 2005, and the Company's IT control environment.

Individual committee members' attendance at Audit Committee meetings during the year were as follows:

Total number of Audit Committee meetings: 3	審核委員會會議總次數: 3	Attendance 出席率	
<i>Independent Non-executive Directors</i>	獨立非執行董事		
Mr. CHIU Wai Mo	趙偉武	3/3	100%
Mr. HUI Chiu Chung	許照中	3/3	100%
Mr. LO Mun Lam, Raymond (Committee Chairman)	盧敏霖 (委員會主席)	3/3	100%
Average	平均		100%

INTERNAL CONTROL

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness through the Audit Committee.

The internal control system is designed to provide assurance on the effectiveness and efficiency of operations, reliability of business record, and the compliance with Company's policies and procedures.

The system aims to provide reasonable, but not absolute, assurance against material misstatement or loss rather than eliminate risks of failure in operational systems, and to ensure achievement of the Company's objectives.

審核委員會

為遵守於2005年1月1日前適用之最佳應用守則，董事會已於1999年2月1日成立由三名獨立非執行董事組成之審核委員會，藉以監察本公司之會計及財務報告實務及內部監控系統。於截至2006年3月31日止年度內，審核委員會共舉行三次會議，以考慮包括本公司2005年年報、內部監控、截至2005年9月30日止六個月之未經審核中期簡明綜合財務資料以及本公司之資訊科技控制環境等事宜。

於年內審核委員會個別委員會成員之會議出席率如下：

內部監控

董事會負責本公司的內部控制系統，並透過審核委員會檢討其成效。

內部控制系統是專為確保業務得以有效運作、如實作出營業記錄以及遵照本公司的政策及程序行事而設。

該系統的目的是在合理的範圍內防範重大失實陳述或損失，並非完全剔除營運系統風險，以及確保達致本公司的目標。

CORPORATE GOVERNANCE REPORT 企業管治報告

INTERNAL AUDIT

The internal audit is an independent function undertaken by the Internal Audit Team reporting administratively to the Company's management and functionally to the Audit Committee. The Internal Audit Team is authorized to obtain all information necessary to accomplish internal audit work.

A risk based audit approach has been adopted by the Internal Audit Team. Internal control reviews are arranged regularly while paying close attention to business or operation changes. Regular audit tests are carried out to ensure key controls are operational. The Internal Audit Team conducts other projects and investigating work as may be required.

Any significant internal audit findings are discussed with respective department heads to have actions agreed and subsequently followed up, in order to ensure that satisfactory control is maintained.

In each half-yearly work plan, manning levels of the Internal Audit Team are agreed with the Audit Committee. A summary of the internal audit activities and audit results are also submitted to the Audit Committee twice a year.

內部審核

內部審核為內部審核小組負責的獨立工作，並分別向本公司管理層及審核委員會作出行政及功能匯報。內部審核小組獲授權獲取為完成內部審核工作所需的一切資料。

內部審核小組採用以風險為本的審核方法，並定期檢討內部控制，密切注視業務或營運變動，定期進行審核測試，以確保主要控制正常運作。內部審核小組亦視乎需要進行其他項目及調查工作。

任何重大內部審核結果均與各有關部門主管討論，議定行動並作出跟進，以確保維持滿意控制。

於各半年工作計劃內，內部審核小組與審核委員會議定人員配備水平，並每年兩次向審核委員會提交內部審核活動概要及審核結果。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31st March 2006, save as disclosed below, none of the director and chief executive of the Company had interests and short positions in the shares, underlying shares and debentures of the issuer or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Exchange:

I. Long positions in shares and underlying shares of the Company

Name of Director	Beneficial Owner	Child under 18 or Spouse 18歲以下子女或配偶	Controlled Corporation	Beneficiary of Trust	Share Option	TOTAL INTEREST	% of Shares
董事姓名	實益擁有人	子女或配偶	受控制法團	信託受益人	購股權	權益總額	股份百分比
Mr. WONG Wai Sheung 黃偉常先生	412,878		245,144,176 <i>note (a) & (b)</i> 附註(a)及(b)	2,511,050 <i>note (c)</i> 附註(c)	4,564,000	252,632,104	51.77%
Mr. TSE Moon Chuen 謝滿全先生	1,049,344		245,144,176 <i>note (a) & (b)</i> 附註(a)及(b)			246,193,520	50.46 %
Mr. WONG Koon Cheung 黃冠章先生	3,678,090		245,144,176 <i>note (a) & (b)</i> 附註(a)及(b)			248,822,266	50.99%
Mr. CHAN Wai 陳偉先生	4,299,022		245,144,176 <i>note (a) & (b)</i> 附註(a)及(b)			249,443,198	51.12%
Mr. LEE Shu Kuan 李樹坤先生	5,634,579	735,650 <i>note (f)</i> 附註(f)	247,730,800 <i>note (a), (b), (d) & (e)</i> 附註(a)、 (b)、(d)及(e)			254,101,029	52.08%

董事於證券之權益及淡倉

於2006年3月31日，除下文所披露者外，本公司董事及行政總裁概無於發行人或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有權益及淡倉，而(a)根據證券及期貨條例第352條須記入該條所述登記冊；或(b)根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所：

I. 於本公司股份及相關股份之好倉

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

I. Long positions in shares and underlying shares of the Company (Continued)

Note (a)

Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai, Mr. LEE Shu Kuan and Mr. WONG Koon Cheung were also directors, and together with their associates collectively controlled over one-half of the voting power, of Luk Fook (Control) Limited which held 231,858,000 shares in the Company. These directors were deemed to be interested in the same shares, relevant disclosures were therefore duplicated for the purpose of SFO.

Note (b)

Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai, Mr. LEE Shu Kuan and Mr. WONG Koon Cheung were also directors, and together with their associates collectively controlled over one-third of the voting power, of Dragon King Investment Ltd. which held 13,286,176 shares in the Company. These directors were deemed to be interested in the same shares, relevant disclosures were therefore duplicated for the purpose of SFO.

Note (c)

Mr. WONG Wai Sheung and his family were discretionary beneficiaries of the WONG's Family Trust (the "Trust"). The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited, which held 2,511,050 shares of the Company.

Note (d)

Mr. LEE Shu Kuan held 33.3% of the entire issued share capital of Wah Hang Kimon Investments Limited which in turn held 630,624 shares of the Company.

Note (e)

Mr. LEE Shu Kuan held 51% of the entire issued share capital of Wah Hang Kimon Holdings Limited which in turn held 1,956,000 shares of the Company.

Note (f)

The estate of Ms. FONG Chi Ling (deceased) held 735,650 shares of the Company. Ms. Fong was the spouse of Mr. LEE Shu Kuan.

董事於證券之權益及淡倉(續)

I. 於本公司股份及相關股份之好倉(續)

附註(a)

黃偉常先生、謝滿全先生、陳偉先生、李樹坤先生及黃冠章先生亦為董事，連同彼等之聯繫人士共同控制六福(控股)有限公司之過半數投票權，而六福(控股)有限公司則持有本公司231,858,000股股份。該等董事被視為於相同股份中擁有權益，因此，就證券及期貨條例而言，有關披露屬重複。

附註(b)

黃偉常先生、謝滿全先生、陳偉先生、李樹坤先生及黃冠章先生亦為董事，連同彼等之聯繫人士共同控制龍寶投資有限公司三分之一以上之投票權，而龍寶投資有限公司則持有本公司13,286,176股股份。該等董事被視為於相同股份中擁有權益，因此，就證券及期貨條例而言，有關披露屬重複。

附註(c)

黃偉常先生及彼之家屬為黃氏家族信託(「該信託」)之酌情受益人。該信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人，而桂記祥珠寶金行有限公司則持有本公司2,511,050股股份。

附註(d)

李樹坤先生持有華亨錦安投資有限公司全部已發行股本之33.3%，而華亨錦安投資有限公司則持有本公司630,624股股份。

附註(e)

李樹坤先生持有華亨錦安控股有限公司全部已發行股本之51%，而華亨錦安控股有限公司則持有本公司1,956,000股股份。

附註(f)

(已故)方志玲女士之遺產持有本公司735,650股股份。方女士為李樹坤先生之配偶。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

II. Long positions in shares and underlying shares of Luk Fook (Control) Limited, the ultimate holding company

董事於證券之權益及淡倉(續)

II. 於六福(控股)有限公司(最終控股公司)股份及相關股份之好倉

Name of Director	Beneficial Owner	Child under 18 or Spouse 18歲以下 子女或配偶	Controlled Corporation	Beneficiary of Trust	TOTAL INTEREST	% of Shares
董事姓名	實益擁有人	子女或配偶	受控制法團	信託受益人	權益總額	股份百分比
Mr. WONG Wai Sheung 黃偉常先生	1,556,357			35,263,052 <i>note (a)</i> 附註(a)	36,819,409	36.82%
Mr. TSE Moon Chuen 謝滿全先生		82,853 <i>note (b)</i> 附註(b)	837,854 <i>note (c)</i> 附註(c)		920,707	0.92%
Mr. LAU Kwok Sum 劉國森先生	1,600				1,600	0.002%
Mr. WONG Koon Cheung 黃冠章先生			4,553,433 <i>note (d)</i> 附註(d)		4,553,433	4.55%
Mr. CHAN Wai 陳偉先生	6,606,643				6,606,643	6.61%
Mr. LEE Shu Kuan 李樹坤先生	6,613,544	645,307 <i>note (e)</i> 附註(e)	1,093,575 <i>note (f)</i> 附註(f)		8,352,426	8.35%
Miss YEUNG Po Ling, Pauline 楊寶玲小姐	60,000				60,000	0.06%

CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

II. Long positions in shares and underlying shares of Luk Fook (Control) Limited, the ultimate holding company (Continued)

Note (a)

Mr. WONG Wai Sheung and his family were discretionary beneficiaries of the WONG's Family Trust (the "Trust"). The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which held of 35,263,052 shares of Luk Fook (Control) Limited.

Note (b)

Mr. TSE Moon Chuen's spouse, Ms. FONG Anissa King, held 82,853 shares of Luk Fook (Control) Limited.

Note (c)

Mr. TSE Moon Chuen held 100% of the entire issued share capital of Moon Chuen Investment Limited which in turn held 837,854 shares of Luk Fook (Control) Limited.

Note (d)

Mr. WONG Koon Cheung together his spouse, Mrs. SO Lai Sheung, controlled the entire issued share capital of WKC Investments Limited which in turn held 4,553,433 shares of Luk Fook (Control) Limited.

Note (e)

The estate of Ms. FONG Chi Ling (deceased) held 645,307 shares of Luk Fook (Control) Limited. Ms. Fong was the spouse of Mr. LEE Shu Kuan.

Note (f)

Mr. LEE Shu Kuan held 33.3% of the entire issued share capital of Wah Hang Kimon Investments Limited which in turn held 1,093,575 shares of Luk Fook (Control) Limited.

董事於證券之權益及淡倉(續)

II. 於六福(控股)有限公司(最終控股公司)股份及相關股份之好倉(續)

附註(a)

黃偉常先生及彼之家屬為黃氏家族信託(「該信託」)之酌情受益人。該信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人，而桂記祥珠寶金行有限公司則持有六福(控股)有限公司 35,263,052股股份。

附註(b)

謝滿全先生之配偶方惠瓊女士持有六福(控股)有限公司 82,853股股份。

附註(c)

謝滿全先生持有 Moon Chuen Investment Limited 全部已發行股本，而 Moon Chuen Investment Limited 則持有六福(控股)有限公司 837,854股股份。

附註(d)

黃冠章先生連同彼之配偶蘇麗湘女士控制 WKC Investments Limited 全部已發行股本，而 WKC Investments Limited 則持有六福(控股)有限公司 4,553,433股股份。

附註(e)

(已故)方志玲女士之遺產持有六福(控股)有限公司 645,307股股份。方女士為李樹坤先生之配偶。

附註(f)

李樹坤先生持有華亨錦安投資有限公司全部已發行股本之 33.3%，而華亨錦安投資有限公司則持有六福(控股)有限公司 1,093,575股股份。

CORPORATE GOVERNANCE REPORT

企業管治報告

SUBSTANTIAL SHAREHOLDER

As at 31st March 2006, save as disclosed below, so far as is known to any director or chief executive of the Company, no person, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

主要股東

於2006年3月31日，除下文所披露者外，就本公司任何董事或行政總裁所知，除本公司董事或行政總裁外，概無任何人士於本公司股份及相關股份中擁有權益或淡倉而將須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露。

Name of Shareholder 股東名稱	Beneficial Owner 實益擁有人	Controlled Corporation 受控制法團	TOTAL INTEREST 權益總額	% of Shares 股份百分比
Luk Fook (Control) Limited 六福(控股)有限公司	231,858,000	–	231,858,000	47.52%

By order of the Board,

承董事會命

LO Mun Lam, Raymond
Chairman

盧敏霖
主席

Hong Kong, 24th July 2006

香港，2006年7月24日