

REPORT OF THE DIRECTORS

董事會報告

The Directors have the pleasure of presenting the interim report together with the condensed financial information of Fujikon Industrial Holdings Limited ("the Company") and its subsidiaries (together "the Group") for the six months ended 30 September 2006.

The condensed financial information set out on pages 21 to 46, is unaudited, but has been reviewed by the audit committee of the Company and PricewaterhouseCoopers in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3.0 cents per share for the six months ended 30 September 2006 (2005: HK3.0 cents). The interim dividend will be paid on 19 December 2006 to shareholders whose names are registered in the books of the Company on 12 December 2006.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 11 December 2006 to Tuesday, 12 December 2006 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of share accompanied by the relevant share certificate must be lodged with the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited at Rooms 1712-16, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:00 pm on Friday, 8 December 2006 for registration.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2006, the directors and chief executive of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

董事會欣然公佈富士高實業控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零零六年九月三十日止六個月之中期報告及簡明財務資料。

第21至46頁所載之簡明財務資料並未經審核，惟已由本公司之審核委員會及羅兵咸永道會計師事務所根據香港會計師公會（「香港會計師公會」）頒佈之核數準則第700號「中期財務報告之審閱」審閱。

中期股息

董事會議決派付截至二零零六年九月三十日止六個月中期股息每股3.0港仙（二零零五年：3.0港仙）。中期股息將於二零零六年十二月十九日向於二零零六年十二月十二日名列本公司股東名冊之股東派付。

暫停辦理股份過戶登記

本公司將於二零零六年十二月十一日星期一至二零零六年十二月十二日星期二（包括首尾兩天）暫停辦理股份過戶登記手續。為符合資格收取中期股息，股東須於二零零六年十二月八日星期五下午四時前將所有過戶文件連同有關股票送交本公司之香港股份過戶登記分處香港證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-16室。

董事及主要行政人員於本公司或其聯營公司之股份、相關股份及債券之權益

於二零零六年九月三十日，按照根據證券及期貨條例第352條所存置之登記冊所記錄，或本公司及香港聯合交易所有限公司（「聯交所」）根據上市公司董事進行證券交易之標準守則以其他方式獲知會者，董事及本公司主要行政人員於本公司或其聯營公司（定義見證券及期貨條例（「證券及期貨條例」）之股份、相關股份及債券中擁有下列權益或淡倉。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (Continued)

董事及主要行政人員於本公司或其聯營公司之股份、相關股份及債券之權益 (續)

Name of Director 董事姓名	The Company/ name of associated corporation 本公司／聯營公司名稱	Capacity 身份	Number and class of securities (Note 1) 證券數目及類別 (附註1)	Approximate percentage of interest 概約權益百分比
Mr. Yeung Chi Hung, Johnny 楊志雄先生	The Company 本公司	Founder of a discretionary trust 全權信託的創立人	211,714,500 ordinary shares of HK\$0.10 each (each a "Share") (L) (Note 2) 211,714,500股每股面值 0.10港元的普通股 〔「股份」〕(L) (附註2)	56.25%
	The Company 本公司	Beneficial owner 實益擁有人	9,691,000 Shares (L) (Notes 3 and 8) 9,691,000股股份(L) (附註3及8)	2.57%
	Acoustic Touch Limited Acoustic Touch Limited	Interest of controlled corporation 控制公司的權益	15 shares of US\$1.00 each (L) (Note 2) 15股每股面值 1.00美元的股份(L) (附註2)	33.33%
Mr. Yuen Yee Sai, Simon 源而細先生	The Company 本公司	Interest of controlled corporation 控制公司的權益	211,714,500 Shares (L) (Note 2) 211,714,500股股份(L) (附註2)	56.25%
	The Company 本公司	Beneficial owner 實益擁有人	9,691,000 Shares (L) (Notes 4 and 8) 9,691,000股股份(L) (附註4及8)	2.57%
	Acoustic Touch Limited Acoustic Touch Limited	Interest of controlled corporation 控制公司的權益	15 shares of US\$1.00 each (L) (Note 2) 15股每股面值 1.00美元的股份(L) (附註2)	33.33%

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DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (Continued)

董事及主要行政人員於本公司或其聯營公司之股份、相關股份及債券之權益 (續)

Name of Director 董事姓名	The Company/ name of associated corporation 本公司／聯營公司名稱	Capacity 身份	Number and class of securities (Note 1) 證券數目及類別 (附註1)	Approximate percentage of interest 概約權益百分比
Mr. Chow Man Yan, Michael 周文仁先生	The Company 本公司	Interest of controlled corporation 控制公司的權益	211,714,500 Shares (L) (Note 2) 211,714,500股股份(L) (附註2)	56.25%
	The Company 本公司	Beneficial owner 實益擁有人	9,691,000 Shares (L) (Notes 5 and 8) 9,691,000股股份(L) (附註5及8)	2.57%
	Acoustic Touch Limited Acoustic Touch Limited	Interest of controlled corporation 控制公司的權益	15 shares of US\$1.00 each (L) (Note 2) 15股每股面值 1.00美元的股份(L) (附註2)	33.33%
Mr. Ng Kwong Hing 吳廣興先生	The Company 本公司	Interest of controlled corporation 控制公司的權益	5,243,500 Shares (L) (Note 6) 5,243,500股股份(L) (附註6)	1.39%
	The Company 本公司	Beneficial owner 實益擁有人	1,800,000 Shares (L) (Notes 7 and 8) 1,800,000股股份(L) (附註7及8)	0.48%

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (Continued)

Notes:

1. The letter "L" represented the person's interests in the shares and underlying shares of the Company or its associated corporations
2. These Shares were held by Acoustic Touch Limited, which was owned as to 15 shares (33.33%) by Gentle Smile Development Limited, as to 15 shares (33.33%) by Sky Talent Enterprises Limited, as to 5 shares (11.11%) by Artbo Industries Group Limited, as to 5 shares (11.11%) by East Sino Consultants Limited and as to 5 shares (11.11%) by Loyal Fair Group Limited.

Gentle Smile Development Limited was wholly owned by Mr. Chow Man Yan, Michael. Sky Talent Enterprises Limited was wholly owned by Mr. Yuen Yee Sai, Simon. Each of East Sino Consultants Limited, Artbo Industries Group Limited and Loyal Fair Group Limited was beneficially owned by the Yeung Family Trust, which was a discretionary trust and the objects of which were the family members of Mr. Yeung Chi Hung, Johnny.

Under the SFO, each of Mr. Yeung Chi Hung, Johnny, Mr. Yuen Yee Sai, Simon and Mr. Chow Man Yan, Michael was deemed to be interested in all the Shares in which Acoustic Touch Limited was interested.

3. Interests in these Shares comprised 91,000 Shares registered under the name of Mr. Yeung Chi Hung, Johnny and 9,600,000 Shares to be allotted and issued upon exercise in full of the outstanding options granted to him under the share option schemes of the Company as referred to in note 8 below.
4. Interests in these Shares comprised 91,000 Shares registered under the name of Mr. Yuen Yee Sai, Simon and 9,600,000 Shares to be allotted and issued upon exercise in full of the outstanding options granted to him under the share option schemes of the Company as referred to in note 8 below.
5. Interests in these Shares comprised 91,000 Shares registered under the name of Mr. Chow Man Yan, Michael and 9,600,000 Shares to be allotted and issued upon exercise in full of the outstanding options granted to him under the share option schemes of the Company as referred to in note 8 below.
6. These Shares were held by Mys Finance Limited, a company wholly owned by Mr. Ng Kwong Hing.

董事及主要行政人員於本公司或其聯營公司之股份、相關股份及債券之權益 (續)

附註：

1. 字母「L」指該人士於本公司或其聯營公司的股份及相關股份的權益。
2. 該等股份由 Acoustic Touch Limited 持有，而 Gentle Smile Development Limited 擁有 Acoustic Touch Limited 15 股股份（即 33.33%），而 Sky Talent Enterprises Limited 擁有 15 股股份（即 33.33%），Artbo Industries Group Limited、East Sino Consultants Limited 及 Loyal Fair Group Limited 均持有 5 股股份（11.11%）。

Gentle Smile Development Limited 由周文仁先生全資擁有。Sky Talent Enterprises Limited 由源而細先生全資擁有。East Sino Consultants Limited、Artbo Industries Group Limited 及 Loyal Fair Group Limited 均由全權信託基金 Yeung Family Trust（其受益人為楊志雄先生的家族成員）實益擁有。

根據證券及期貨條例，楊志雄先生、源而細先生及周文仁先生被視作於 Acoustic Touch Limited 之所持有股份中擁有權益。

3. 於此等股份之權益包括以楊志雄先生名義登記的 91,000 股股份及因全面行使根據本公司的購股權計劃授予彼之尚未行使購股權而將予配發及發行之 9,600,000 股股份，誠如下文附註 8 所述。
4. 於此等股份之權益包括以源而細先生名義登記之 91,000 股股份及因全面行使根據本公司的購股權計劃授予彼之尚未行使購股權而將予配發及發行之 9,600,000 股股份，誠如下文附註 8 所述。
5. 於此等股份之權益包括以周文仁先生名義登記之 91,000 股股份及因全面行使根據本公司的購股權計劃授予彼之尚未行使購股權而將予配發及發行之 9,600,000 股股份，誠如下文附註 8 所述。
6. 此等股份乃由吳廣興先生全資擁有之公司 Mys Finance Limited 持有。

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DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (Continued)

Notes: (Continued)

- Interests in these Shares comprised 1,800,000 Shares to be allotted and issued upon exercise in full of the outstanding options granted to Mr. Ng Kwong Hing under the share option schemes of the Company as referred to in note 8 below.
- Share options were granted to the Directors under the share option schemes of the Company, details of which were separately disclosed under the paragraph headed "Directors' rights to acquire shares or debentures" below.

Save as disclosed above, none of the directors and chief executive of the Company had any interest and short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as at 30 September 2006.

INFORMATION ON SHARE OPTION SCHEMES

The Company has adopted share option schemes under which it may grant options to eligible participants (including executive directors of the Company) to subscribe for Shares in the Company.

Pursuant to the ordinary resolutions of the Company passed on 21 August 2002, the Company adopted a new share option scheme (the "New Scheme") which complied with Chapter 17 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange and terminated the share option scheme adopted on 23 March 2000 (the "Old Scheme"). The options granted under the Old Scheme prior to its termination remain in full force and effect.

On 18 August 2003, an ordinary resolution was passed for refreshing the 10% limit (the "10% Limit") under the New Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under all the share option schemes of the Company.

董事及主要行政人員於本公司或其聯營公司之股份、相關股份及債券之權益 (續)

附註：(續)

- 於此等股份之權益包括因全面行使根據本公司的購股權計劃授予吳廣興先生之尚未行使購股權而將予配發及發行之1,800,000股股份，誠如下文附註8所述。
- 購股權乃根據本公司購股權計劃授予董事，購股權計劃詳情於下文「董事購入股份或債券之權利」一段中披露。

除上文所披露者外，於二零零六年九月三十日，概無本公司董事或主要行政人員於本公司或其聯營公司(定義見證券及期貨條例)之股份、相關股份及債券中擁有須記入根據證券及期貨條例第352條所存置之登記冊之權益及淡倉，或須根據上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉。

購股權計劃之資料

本公司已採納購股權計劃。據此，本公司可向合資格參與者(包括執行董事)授出可認購本公司股份之購股權。

根據本公司於二零零二年八月二十一日通過之普通決議案，本公司採納新購股權計劃(「新計劃」)。新計劃符合上市規則第17章之規定，並終止於二零零零年三月二十三日所採納之購股權計劃(「舊計劃」)。在終止舊計劃前根據舊計劃授出之購股權將仍為全面生效及有效。

於二零零三年八月十八日，一項普通決議案獲通過，以更新新計劃下因行使根據本公司所有購股權計劃所授出之購股權而將予發行之股份總數10%上限(「10%上限」)。

INFORMATION ON SHARE OPTION SCHEMES

(Continued)

No option was granted under the New Scheme during the period. As at 30 September 2006, the share options of the Company were as follows:

購股權計劃之資料 (續)

期內概無根據新計劃授出購股權。於二零零六年九月三十日，本公司之購股權如下：

Date of grant	Exercise period	Subscription price	Number of shares				End of period
			Beginning of period	Granted during the period	Exercised during the period	Lapsed as a result of termination of employment	
授出日期	行使期	認購價	期初	期內授出	期內行使	因終止僱用而失效之購股權	期終
		HK\$ 港元	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
Old Scheme 舊計劃							
2 May 2000 二零零零年五月二日	2 May 2000 to 1 May 2010 二零零零年五月二日至 二零一零年五月一日	1.287	18,000	-	-	-	18,000
	2 May 2001 to 1 May 2010 二零零一年五月二日至 二零一零年五月一日	1.287	905	-	(125)	-	780
	2 May 2002 to 1 May 2010 二零零二年五月二日至 二零一零年五月一日	1.287	585	-	-	-	585
			19,490	-	(125)	-	19,365

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INFORMATION ON SHARE OPTION SCHEMES

購股權計劃之資料 (續)

(Continued)

Date of grant	Exercise period	Subscription price	Beginning of period	Number of shares			End of period
				Granted during the period	Exercised during the period	Lapsed as a result of termination of employment	
授出日期	行使期	認購價	期初	期內授出	期內行使	因終止僱用而失效之購股權	期終
		HK\$ 港元	'000 千股	'000 千股	'000 千股 (附註1)	'000 千股	'000 千股
New Scheme							
新計劃							
2 June 2003	2 December 2003 to 1 June 2013	1.5	408	–	(40)	–	368
二零零三年 六月二日	二零零三年十二月二日至 二零一三年六月一日						
	2 June 2004 to 1 June 2013	1.5	408	–	(40)	–	368
	二零零四年六月二日至 二零一三年六月一日						
3 May 2004	3 May 2005 to 2 May 2014	1.0	6,415	–	(1)	–	6,414
二零零四年 五月三日	二零零五年五月三日至 二零一四年五月二日						
	3 May 2006 to 2 May 2014	1.0	8,075	–	(1,176)	–	6,899
	二零零六年五月三日至 二零一四年五月二日						
31 May 2004	3 May 2005 to 2 May 2014	1.0	200	–	–	–	200
二零零四年 五月三十一日	二零零五年五月三日至 二零一四年五月二日						
	3 May 2006 to 2 May 2014	1.0	200	–	–	–	200
	二零零六年五月三日至 二零一四年五月二日						
			15,706	–	(1,258)	–	14,449

Notes:

附註：

(1) The weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK\$1.94.

(1) 股份於緊接各購股權獲行使日期前之加權平均收市價為1.94港元。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30 September 2006, the share options granted to and held by the Directors were as follows:

董事購入股份或債券之權利

於二零零六年九月三十日，授予並由本公司董事持有之購股權如下：

Name 姓名	Subscription price per Share 每股認購價		Number of Shares 股份數目			End of period 期終
			Beginning of period 期初	Granted during the period 期內授出	Exercised during the period 期內行使	
Mr. Yeung Chi Hung, Johnny 楊志雄先生	HK\$1.287港元	(i)	6,000,000	–	–	6,000,000
	HK\$1.000港元	(iii)	3,600,000	–	–	3,600,000
Mr. Yuen Yee Sai, Simon 源而細先生	HK\$1.287港元	(i)	6,000,000	–	–	6,000,000
	HK\$1.000港元	(iii)	3,600,000	–	–	3,600,000
Mr. Chow Man Yan, Michael 周文仁先生	HK\$1.287港元	(i)	6,000,000	–	–	6,000,000
	HK\$1.000港元	(iii)	3,600,000	–	–	3,600,000
Mr. Ng Kwong Hing 吳廣興先生	HK\$1.287港元	(ii)	800,000	–	–	800,000
	HK\$1.000港元	(iii)	1,000,000	–	–	1,000,000
			30,600,000	–	–	30,600,000

Notes:

- (i) The options were granted on 2 May 2000 and were fully vested at the date of grant. All the outstanding options at the beginning and at the end of the period were exercisable during the period from 2 May 2000 to 1 May 2010.
- (ii) The options were granted on 2 May 2000 and subject to a vesting scale in tranches of 50 per cent each per annum starting from the first anniversary of the date of grant. Half of the outstanding options at the beginning and at the end of the period were exercisable during the period from 2 May 2001 to 1 May 2010 and the remaining half of the outstanding options were exercisable during the period from 2 May 2002 to 1 May 2010.
- (iii) The options were granted on 3 May 2004 and subject to a vesting scale in tranches of 50 per cent each per annum starting from the first anniversary of the date of grant. Half of the outstanding options at the beginning and at the end of the period were exercisable during the period from 3 May 2005 to 2 May 2014 and the remaining half of the outstanding options were exercisable during the period from 3 May 2006 to 2 May 2014.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries or holding companies a party to any arrangements to enable any of the Directors or the Company's chief executive to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

附註：

- (i) 購股權於二零零零年五月二日授出，並已於授出日期全面歸屬。年初及年終之所有未行使購股權可於二零零零年五月二日至二零一零年五月一日止期間內行使。
- (ii) 購股權於二零零零年五月二日授出，並可於授出日期起計第一週年起每年分批（各批為50%）歸屬。年初及年終之半數未行使購股權可於二零零一年五月二日至二零一零年五月一日止期間內行使，而餘下之半數未行使購股權則可於二零零二年五月二日至二零一零年五月一日止期間內行使。
- (iii) 購股權於二零零四年五月三日授出，並可於授出日期起計第一週年起每年分批（各批為50%）歸屬。年初及年終之半數未行使購股權可於二零零五年五月三日至二零一四年五月二日止期間內行使，而餘下之半數未行使購股權則可於二零零六年五月三日至二零一四年五月二日止期間內行使。

除上文所披露者外，於期內任何時間，本公司或其任何附屬公司或控股公司並無參與任何安排，致使任何董事或本公司主要行政人員可藉購入本公司或任何其他法人團體之股份或債務證券（包括債券）而取得利益。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2006, the following persons (not being a director or chief executive of the Company) had interests or short positions 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 and which have been recorded in the register kept by the Company pursuant to the section 336 of the SFO.

主要股東

於二零零六年九月三十日，以下人士（並非本公司董事及主要行政人員）擁有本公司股份及相關股份權益及短倉，而須根據證券及期貨條例第XV部第2及第3分部知會本公司，並且已載入根據證券及期貨條例第336條存置之登記冊。

Name of shareholder	Number of Shares (Note 1)	Capacity	Approximate percentage of interest
股東名稱	股份數目 (附註1)	身份	概約權益百分比
Acoustic Touch Limited	211,714,500	Beneficial owner 實益擁有人	56.25%
Sky Talent Enterprises Limited	211,714,500	Interest of controlled corporation (Note 2) 控制公司之權益 (附註2)	56.25%
Golden Hope Financial Limited	211,714,500	Interest of controlled corporation (Note 2) 控制公司之權益 (附註2)	56.25%
Gentle Smile Development Limited	211,714,500	Interest of controlled corporation (Note 2) 控制公司之權益 (附註2)	56.25%
Silverfun Property Limited	211,714,500	Trustee (other than a bare trustee) (Note 2) 信託人(被動信託人除外) (附註2)	56.25%
Ms. Yan Yau Tai, Ellen 殷有娣女士	221,405,500	Interest of spouse (Note 3) 配偶之權益 (附註3)	58.82%
Ms. Leung Woon Yee 梁煥儀女士	221,405,500	Interest of spouse (Note 4) 配偶之權益 (附註4)	58.82%
Ms. Cai Liting 蔡麗婷女士	221,405,500	Interest of spouse (Note 5) 配偶之權益 (附註5)	58.82%
DJE Investment S.A.	26,260,000	Investment Manager 投資經理	6.98%

SUBSTANTIAL SHAREHOLDERS (Continued)

主要股東 (續)

Name of shareholder	Number of Shares (Note 1)	Capacity	Approximate percentage of interest
股東姓名	股份數目 (附註1)	身份	概約權益百分比
Dr. Jens Ehrhardt Kapital AG	26,260,000	Investment Manager (Note 6) 投資經理 (附註6)	6.98%
Ehrhardt Dr. Jens Alfred Karl	26,260,000	Investment Manager (Note 6) 投資經理 (附註6)	6.98%
David Michael Webb	2,495,000	Beneficial owner 實益擁有人	0.66%
	16,231,000	Interest of controlled corporation (Note 7) 控制公司之權益 (附註7)	4.31%

Note 1: Interests in Shares and underlying Shares stated above represented long positions.

附註1: 上文所列於股份及相關股份之權益指長倉權益。

Note 2: Acoustic Touch Limited was owned as to 15 shares (33.33%) by Gentle Smile Development Limited, as to 15 shares (33.33%) by Sky Talent Enterprises Limited, as to 5 shares (11.11%) by Artbo Industries Group Limited, as to 5 shares (11.11%) by East Sino Consultants Limited and as to 5 shares (11.11%) by Loyal Fair Group Limited.

附註2: Acoustic Touch Limited 分別由 Gentle Smile Development Limited 及 Sky Talent Enterprises Limited 各擁有 15 股 (33.33% 股權)，並由 Artbo Industries Group Limited、East Sino Consultants Limited 及 Loyal Fair Group Limited 各擁有 5 股 (11.11% 股權)。

Gentle Smile Development Limited was wholly owned by Mr. Chow Man Yan, Michael. Sky Talent Enterprises Limited was wholly owned by Mr. Yuen Yee Sai, Simon. Each of East Sino Consultants Limited, Artbo Industries Group Limited and Loyal Fair Group Limited was wholly owned by Silverfun Property Limited, which was in turn wholly owned by Golden Hope Financial Limited. Silverfun Property Limited was the trustee of Yeung Unit Trust, which was then beneficially owned by the Yeung Family Trust, a discretionary trust and the objects of which were the family members of Mr. Yeung Chi Hung, Johnny. Golden Hope Financial Limited was wholly owned by Mr. Yeung Chi Hung, Johnny.

Gentle Smile Development Limited 由周文仁先生全資擁有。Sky Talent Enterprises Limited 由源而細先生全資擁有。East Sino Consultants Limited、Artbo Industries Group Limited 及 Loyal Fair Group Limited 均由 Silverfun Property Limited 全資擁有。Silverfun Property Limited 則由 Golden Hope Financial Limited 全資擁有。Silverfun Property Limited 為 Yeung Unit Trust 之信託人，Yeung Unit Trust 由全權信託基金 Yeung Family Trust (其受益人為楊志雄先生的家族成員) 實益擁有。Golden Hope Financial Limited 由楊志雄先生全資擁有。

Note 3: Ms. Yan Yau Tai, Ellen was the wife of Mr. Yeung Chi Hung, Johnny.

附註3: 殷有娣女士為楊志雄先生之妻子。

Note 4: Ms. Leung Woon Yee was the wife of Mr. Yuen Yee Sai, Simon.

附註4: 梁煥儀女士為源而細先生之妻子。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS (Continued)

Note 5: Ms. Cai Liting was the wife of Mr. Chow Man Yan, Michael.

Note 6: DJE Investment S.A. held 26,260,000 Shares. DJE Investment S.A. was owned as to approximately 81% by Dr. Jens Ehrhardt Kapital AG, which was in turn owned as to approximately 83.5% by Ehrhardt Dr. Jens Alfred Karl.

Note 7: These Shares were held by Preferable Situation Assets Limited, the entire issued share capital of which was owned by Mr. David Michael Webb. By virtue of the SFO, Mr. David Michael Webb was deemed to be interested in all the Shares held by Preferable Situation Assets Limited. Mr. David Michael Webb had an aggregate interest in 18,726,000 Shares.

Save as disclosed above, so far as was known to the Directors, there was no other person who 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 as at 30 September 2006.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors and senior management of the Group on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules ("Model Code"). Having made specific enquiry of all directors and senior management of the Group, all directors and senior management of the Group have complied with the required standard set out in the Model Code and the Company's code of conduct regarding securities transactions by directors and senior management throughout the period.

主要股東 (續)

附註5： 蔡麗婷女士為周文仁先生之妻子。

附註6： DJE Investment S.A.持有26,260,000股股份。DJE Investment S.A.由Dr. Jens Ehrhardt Kapital AG擁有約81%，而Dr. Jens Ehrhardt Kapital AG則由Ehrhardt Dr. Jens Alfred Karl擁有約83.5%。

附註7： 該等股份由Preferable Situation Assets Limited持有，而Preferable Situation Assets Limited全部已發行股本由David Michael Webb先生擁有。根據證券及期貨條例，David Michael Webb先生被視為於Preferable Situation Assets Limited持有之全部股份中擁有權益。David Michael Webb先生持有合共18,726,000股股份之權益。

除上文所披露者外，據董事所知，於二零零六年九月三十日，概無其他人士於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之規定須向本公司披露之權益或短倉。

買賣或贖回股份

期內，本公司及其任何附屬公司概無購買、出售或贖回任何本公司股份。

證券交易之標準守則

本公司已就本集團董事及高級管理層進行證券交易採納一套行為守則，其條款不遜於上市規則附錄10所載的「標準守則」規定。經向本集團全體董事及高級管理層作出特定查詢後，本集團全體董事及高級管理層於期內均已遵守標準守則所規定之標準，以及本公司董事及高級管理層進行證券交易之行為守則。

CORPORATE GOVERNANCE

The Company has complied with the code provisions (the “Code Provisions”) as set out in the Appendix 14 “Code on Corporate Governance Practices” to the Listing Rules (the “Code”) throughout the period, save the deviation from the code provision A.2.1 of the Code.

According to the 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. Up to the date of this report, the Board has not appointed any individual to the post of chief executive officer. The responsibilities of the chief executive officer have been performed collectively by all the executive directors, including the chairman, of the Company. The Board considers that this arrangement is proper and beneficial to the Group as the stability and efficiency of the Company’s operations, as well as the continuity of the Company’s policies and strategies, can be maintained. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing an individual as the chief executive officer when it thinks appropriate.

REMUNERATION COMMITTEE

The Remuneration Committee is currently composed of four members, comprising three independent non-executive directors, namely Mr. Che Wai Hang, Allen (Chairman), Dr. Chang Chu Cheng and Mr. Lee Yiu Pun, and one executive director, Mr. Ng Kwong Hing. It was established by the Board and its duties are clearly defined in its terms of reference which have been prepared and adopted according to the Code Provisions.

The Remuneration Committee meets annually to review the remuneration policies and packages for directors and senior management of the Company. No director takes part in any discussions about his own remuneration.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, namely Mr. Lee Yiu Pun (Chairman), Mr. Che Wai Hang, Allen and Dr. Chang Chu Cheng. The original terms of reference of the Audit Committee were prepared and adopted with reference to “A Guide for Effective Audit Committees” published by the HKICPA. Pursuant to a resolution passed by Board at its meeting held on 31 May 2005, a new set of terms of reference of the Audit Committee which were prepared in accordance with and with reference to the Code Provisions were adopted in replacement of the original terms of reference and the new terms of reference came into effect on 1 June 2005.

企業管治

期內，本公司一直遵守上市規則附錄14《企業管治常規守則》（「守則」）所載列之守則條文（「守則條文」），惟與守則條文第A.2.1條有所偏離。

根據守則條文第A.2.1條，主席及行政總裁之職務應予分開，並不應由同一人士履行。截至本報告日期，董事會並無委任任何人士出任行政總裁。行政總裁之職責現由本公司全體執行董事（包括主席）共同履行。董事會認為，此項安排可維持本公司業務的穩定性和效率，以及維持本公司政策和策略之持續性，故對本集團而言乃屬合適及有利。未來，董事會將定期審閱此項安排之成效，並於其認為合適時考慮委任行政總裁。

薪酬委員會

薪酬委員會現時由四名成員組成，包括三名獨立非執行董事（分別為車偉恒先生（主席）、張樹成博士及李耀斌先生）及一名執行董事（吳廣興先生）。薪酬委員會乃由董事會成立，其職責已採納守則條文而編製並清楚界定其職權範圍。

薪酬委員會每年召開一次會議，以審閱本公司董事及高級管理層之薪酬政策及組合。董事並無參與本身薪酬之任何商討。

審核委員會

審核委員會現時包括三名獨立非執行董事（分別為李耀斌先生（主席）、車偉恒先生及張樹成博士）。審核委員會之原有職權範圍是根據香港會計師公會所頒佈之「有效審核委員會指引」編製採納。根據董事會於二零零五年五月三十一日舉行之董事會會議上之決議，通過採納經過參考守則上所載的條文而編製的一套新的審核委員會職權範圍，取代原有的職權範圍，而新職權範圍已於二零零五年六月一日生效。

REPORT OF THE DIRECTORS

董事會報告

AUDIT COMMITTEE *(Continued)*

The Audit Committee provides an important link between the Board and the Company's auditors in matters coming within the scope of the group audit. It also reviews the annual and interim reports of the Company prior to their approval by the Board, the effectiveness of the external and internal audit and of internal controls and risk evaluation.

On behalf of the Board,

YEUNG CHI HUNG, JOHNNY
Chairman

Hong Kong, 23 November 2006

審核委員會 (續)

審核委員會為董事會及本公司核數師提供集團審核範疇以內事宜的重要橋樑，其亦於本公司年報及中期報告供董事會批准前作出有效的外部及內部審核、內部監控和風險評估。

代表董事會

楊志雄
主席

香港，二零零六年十一月二十三日