

The directors present their annual report and the audited financial statements for the year ended 31 December 2006.

### Principal Activities

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 18 to the financial statements.

### Results and Appropriations

The loss of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 30 of the annual report.

No interim dividend was paid to the shareholders during the year. The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2006.

### Summary financial information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated/reclassified as appropriate, is set out on page 108. This summary does not form part of the audited financial statements.

### Property, Plant and Equipment

Details of the movements during the year in the property, plant and equipment of the Group and the Company are set out in note 13 to the financial statements respectively.

### Investment Properties

Details of the investment properties of the Group are set out in note 14 to the financial statements.

### Purchases, Sales or Redemption of Listed Securities

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### Share Option Scheme

Details of share option scheme of the Company are set out in note 28 to the financial statements.

As at the date of this report, the total number of securities available for issue under the existing share option scheme is 108,791,040 shares, representing 4% of the Company's shares in issue as at the same date.

董事謹提呈截至二零零六年十二月三十一日止年度之年報及經審核財務報表。

### 主要業務

本公司乃一間投資控股公司，其附屬公司之主要業務載於財務報表附註18。

### 業績及分派

本集團截至二零零六年十二月三十一日止年度之業績載於本年報第30頁綜合收益表。

年內，並無向股東派付任何中期股息。董事不建議就截至二零零六年十二月三十一日止年度派發末期股息。

### 財務資料概要

本集團過往五個財政年度之已公佈業績及資產負債概要（摘取自經審核財務報表及經適當重列／重新分類）載於第108頁。有關概要並不構成經審核財務報表之一部分。

### 物業、廠房及設備

本集團及本公司於年內之物業、廠房及設備變動詳情載於財務報表附註13。

### 投資物業

本集團之投資物業詳情載於財務報表附註14。

### 購買、出售或贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

### 購股權計劃

本公司購股權計劃之詳情載於財務報表附註28。

於本報告日期，現行購股權計劃項下可供發行之證券總數為108,791,040股股份，相當於本公司同日已發行股本4%。

# REPORT OF THE DIRECTORS

## 董事會報告

### Distributable Reserves of The Company

The Company's reserves available for distribution to shareholders as at 31 December 2006 represents the aggregate of share premium, special reserve and accumulated losses amounting to HK\$199,410,000 (2005: HK\$70,984,000).

### Directors and Directors' Service Contracts

The directors of the Company during the year and up to the date of this report were:

#### Executive directors:

Kwok King Yan Edmund	
Isao Matsushima	(resigned on 31 August 2006)
Osamu Nakano	(resigned on 9 October 2006)
Sosuke Kawanishi	(resigned on 2 June 2006)
Ryutaro Okada	(resigned on 2 June 2006)
Kiyohisa Nanri	(resigned on 18 April 2006)

#### Independent non-executive directors:

Sun Juyi  
Chiu Ching Katie  
Hin Yat Ha

In accordance with the provisions of the Company's Articles of Association, Mr. Kwok King Yan Edmund will retire at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

The executive director has entered into service agreements with the Company under which he is to act as executive director commencing from the date of appointment. The service contract does not have a specific term of service and shall continue thereafter until terminated by either party giving to the other party notice in writing.

Each of the independent non-executive directors was appointed for a period of one year commencing from their respective appointment date and, shall continue thereafter for successive terms of one year until terminated by either party with six month's notice in writing served to the other side.

Save as disclosed above, none of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### 本公司之可供分派儲備

本公司於二零零六年十二月三十一日之可供股東分派儲備相當於股份溢價、特殊儲備及累計虧損之總和，達199,410,000港元(二零零五年：70,984,000港元)。

### 董事及董事服務合約

年內及截至本報告日期止期間之本公司在任董事如下：

#### 執行董事：

郭敬仁  
松島庸 (於二零零六年八月三十一日離任)  
中野治 (於二零零六年十月九日離任)  
川西崇介 (於二零零六年六月二日離任)  
岡田隆太郎 (於二零零六年六月二日離任)  
南里清久 (於二零零六年四月十八日離任)

#### 獨立非執行董事：

孫聚義  
趙菁  
軒一霞

根據本公司的公司組織章程細則條文，郭敬仁先生將於應屆股東週年大會任滿告退，惟彼合資格並願意膺選連任。

該執行董事已與本公司訂立服務協議，自彼獲委任之日起擔任執行董事。服務協議並無明確服務年期，期滿後仍繼續有效，直至任何一方向另一方發出書面通知終止為止。

各獨立非執行董事之任期由其彼等各自獲委任日期起計為期一年，其後將繼續有效，並續期一年，除非任何一方向另一方發出六個月書面通知予以終以為止。

除上文披露者外，概無擬於應屆股東週年大會膺選連任之董事與本公司或其任何附屬公司訂有任何不可由本集團於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

### Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 December 2006, the interests and short positions of the directors of the Company or any of their respective associates in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required: (a) 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 SFO (including interests or short positions which he is taken or deemed to have under such provision of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

#### Interests in options of the Company

The number of options, which have been granted to the directors of the Company and consultants of the Group under the share option scheme, during the year is as follows:

### 董事及行政總裁於股份、相關股份及債券之權益

於二零零六年十二月三十一日，本公司各董事或彼等之聯繫人士於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益（包括根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；(b)須記錄於根據證券及期貨條例第352條所規定存置之登記冊之權益；或(c)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之權益如下：

#### 於本公司購股權之權益

年內，根據購股權計劃已授予本公司董事及本集團顧問之購股權數目如下：

Grantee 承授人	Date of grant 授出日期	Exercisable period 可行使期間	Exercise price 行使價	Granted during the year and outstanding at 31.12.2005 年內已授出及於二零零五年尚未行使十二月三十一日
<b>Director</b> <b>董事</b>				
Kwok King Yan Edmund 郭敬仁	15.11.2005 二零零五年十一月十五日	15.11.2005 - 14.11.2015 二零零五年十一月十五日至 二零一五年十一月十四日	0.305	16,998,600
Consultants 顧問	15.11.2005 二零零五年十一月十五日	15.11.2005 - 14.11.2015 二零零五年十一月十五日至 二零一五年十一月十四日	0.305	18,698,460
Consultants 顧問	15.11.2005 二零零五年十一月十五日	15.11.2005 - 14.11.2015 二零零五年十一月十五日至 二零一五年十一月十四日	0.315	69,694,260
Employees 僱員	28.8.2006 二零零六年八月二十八日	27.8.2006 - 27.8.2015 二零零六年八月二十七日至 二零一五年八月二十七日	0.200	3,399,720
				108,791,040

# REPORT OF THE DIRECTORS

## 董事會報告

Save as disclosed above, none of the directors or the chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV and the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

### Arrangements to Purchase Shares or Debentures

Other than the share option scheme disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries a party to any arrangement 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. None of the directors, nor any of their spouses or children under the age of 18, had any right to subscribe for the shares of the Company or had exercised such rights during the year.

### Directors' Interests in Contracts of Significance

No contracts of significance, to which the Company, its holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

除上文所披露者外，本公司各董事及行政總裁概無於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益（包括根據證券及期貨條例有關條文被當作或視作擁有之權益或淡倉）；(b)須記錄於根據證券及期貨條例第352條所規定存置之登記冊之權益；或(c)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之權益。

### 購買股份或債券之安排

除上文所披露之購股權計劃外，於本年度任何時間，本公司、其控股公司或其任何附屬公司概無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲利。年內，董事、行政總裁或彼等各自之配偶或十八歲以下之子女概無擁有認購本公司股份之任何權利，亦無行使該等權利。

### 董事於重大合約之權益

於年結日或年內任何時間，本公司、其控股公司或其任何附屬公司概無訂有本公司董事直接或間接擁有重大權益之重大合約。

### Interests of Substantial Shareholders

As at 31 December 2006, so far as is known to the directors of the Company, the persons, other than directors, who had an interest or a short position in the shares and underlying shares which would fall to be disclosed to the company under the provisions of divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, and the amount of each of such person's interest in such securities, together with any options in respect of such capital, were as follows:

### 主要股東權益

於二零零六年十二月三十一日，據本公司董事所知，以下人士(本公司董事除外)於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉，或直接或間接擁有任何類別股本(賦有權利可於一切情況下於本集團任何其他成員公司股東大會上投票)面額10%或以上權益，而該等人士各自於該等證券之權益數目，連同有關該等股本之任何購股權如下：

Shareholder 股東	Capacity/nature of interest 身份／權益性質	Number of shares held/involved 所持／所涉及 股份數目	Percentage of the total issued share capital 佔已發行股本 總額百分比 (%)
Orben Inc. (formerly known as i-cf, Inc.) (Note 1) Orben Inc. (前稱i-cf, Inc.) (附註1)	Interest of a controlled corporation 受控法團權益	968,472,000	36.0
ADDENDIS SMC Inc. (formerly known as Suiko Enterprise Co., Ltd.) (Note 1) (前稱Suiko Enterprise Co., Ltd.) (附註1)	Beneficial owner 實益持有人	867,000,000	32.2
ADDENDIS HK (Hong Kong) Limited (formerly known as i-cf International Limited) (Note 1) (前稱i-cf International Limited) (附註1)	Beneficial owner 實益持有人	101,472,000	3.8
Cathorne Holdings Limited (Notes 2 & 3) Cathorne Holdings Limited (附註2及3)	Beneficial owner 實益持有人	220,014,454	8.2
Mr. Yatsumi Kawakami (Note 2) Yatsumi Kawakami先生 (附註2)	Interest of a controlled corporation 受控法團權益	220,014,454	8.2

# REPORT OF THE DIRECTORS

## 董事會報告

Shareholder 股東	Capacity/nature of interest 身份／權益性質	Number of shares held/involved 所持／所涉及 股份數目	Percentage of the total issued share capital 佔已發行股本 總額百分比 (%)
Catot Limited (Note 3) Catot Limited (附註3)	Nominee 代理人	220,014,454	8.2
Newcorp Limited (Note 4) Newcorp Limited (附註4)	Interest of a controlled corporation 受控法團權益	220,014,454	8.2
Newcorp Holdings Limited (Note 4) Newcorp Holdings Limited (附註4)	Interest of a controlled corporation 受控法團權益	220,014,454	8.2
Power Multi Equity No.3 Investment Partnership (Note 5) Power Multi Equity No.3 Investment Partnership (附註5)	Beneficial owner 實益持有人	187,83,781	7.0
Crown West Global Limited (Note 5) Crown West Global Limited (附註5)	Beneficial owner 實益持有人	471,290,141	17.5
Mr. Paul Chen (Note 6) Paul Chen先生 (附註6)	Interest of a controlled corporation 受控法團權益	471,290,141	17.5
Anglo-Asian S.A. (Note 7) Anglo-Asian S.A. (附註7)	Beneficial owner 實益持有人	244,177,681	9.1
Mr. David Roberts (Note 7) David Roberts先生 (附註7)	Interest of a controlled corporation 受控法團權益	244,177,681	9.1
LCF II Holdings, Limited (Note 8) LCF II Holdings, Limited (附註8)	Beneficial owner 實益持有人	535,268,000	19.9

# REPORT OF THE DIRECTORS

## 董事會報告

### Notes:

1. Orben Inc. (formerly known as i-cf, Inc) wholly owns all the shares in ADDENDIS SMC Inc. (formerly known as Suiko Enterprise Co., Ltd) and ADDENDIS HK (Hong Kong) Limited (formerly known as i-cf International Limited) and is therefore deemed to have an interest in an aggregate of 968,472,000 Shares under the SFO.
2. Mr. Yutsumi Kawakami wholly owns all beneficial interest in the shares in Cathorne Holdings Limited and is therefore deemed to have an interest in 220,014,454 Shares under the SFO.
3. Catot Limited is deemed to be interested in 220,014,454 Shares under the SFO because it holds all the shares in Cathorne Holdings Limited as a nominee for Mr. Yutsumi Kawakami.
4. Catot Limited is a wholly-owned subsidiary of Newcorp Limited, which in turn is a wholly-owned subsidiary of Newcorp Holdings Limited.
5. Power Multi Equity No.3 Investment Partnership ("PME") is interested in 187,983,781 Shares under the SFO according to an agreement dated 11 November 2005 entered into between the Company as issuer and PME as subscriber pursuant to which PME subscribed for the zero coupon convertible bonds issued by the Company in an aggregate principal amount of HK\$51,000,000.
6. Mr. Paul Chen wholly owns all the beneficial interesting the shares in Crown West Global Limited and is therefore deemed to have an interest in 471,290,141 Shares under the SFO.
7. Mr. David Roberts wholly owns all the beneficial interest in the shares in Anglo-Asian S.A. and is therefore deemed to have an interest in 244,177,681 Shares under the SFO.
8. Pursuant to an agreement dated 11 September 2006, the Company agreed to issue to LCF II Holdings, Limited as a series A warrant and a series B warrant to subscribe for up to a total of 535,268,000 new shares in the Company at an initial subscription price of HK\$0.1999 each, subject to adjustment, at any time during the three years' period commencing from the issue date of the said warrants.

### 附註：

1. Orben Inc. (前稱i-cf, Inc) 全資擁有ADDENDIS SMC Inc. (前稱Suiko Enterprise Co., Ltd.) 及 ADDENDIS HK (Hong Kong) Limited (前稱i-cf International Limited) 全部股份，因此根據證券及期貨條例視為擁有合共968,472,000股股份權益。
2. Yutsumi Kawakami先生於Cathorne Holdings Limited之股份中全資擁有所有實益權益，因此，根據證券及期貨條例視為擁有220,014,454股股份權益。
3. Catot Limited (作為Yutsumi Kawakami先生之代理人) 持有Cathorne Holdings Limited所有股份，因此，根據證券及期貨條例視為擁有220,014,454股股份權益。
4. Catot Limited為Newcorp Limited之全資附屬公司，而Newcorp Limited為Newcorp Holdings Limited之全資附屬公司。
5. 根據本公司 (作為發行人) 及Power Multi Equity No. 3 Investment Partnership (「PME」) (作為認購人) 於二零零五年十一月十一日訂立之協議，PME認購本公司所發行本金總額為51,000,000港元之可換股零息債券，因此，根據證券及期貨條例PME擁有187,983,781股股份權益。
6. Paul Chen先生於Crown West Global Limited之股份中全資擁有所有實益權益，因此，根據證券及期貨條例視為擁有471,290,141股股份權益。
7. David Roberts先生於Anglo-Asian S.A.之股份中擁有所有實益權益，因此，根據證券及期貨條例視為擁有244,177,681股股份權益。
8. 根據日期為二零零六年九月十一日之協議，本公司同意向LCF II Holdings, Limited發行A系列認股權證及B系列認股權證，可於上述認股權證發行日期起計三年期內隨時認購最多合共535,268,000股本公司新股份，初步認購價為每股0.1999港元 (可予調整)。



### Major Customers and Suppliers

During the year, the five largest customers of the Group accounted for about 51% of the turnover of the Group and the largest customer accounted for about 14% of the total turnover.

The five largest suppliers of the Group in aggregate accounted for about 24% of its operating costs for the year. Purchases from the largest supplier accounted for about 7% of its operating costs.

At no time during the year did a director, an associate of a director, or a shareholder of the Company (which to the knowledge of the directors own more than 5% of the Company's share capital) have any interest in any of the Group's five largest customers or suppliers for the financial year ended 31 December 2006.

All transactions between the Group and its customers were carried out on normal commercial terms.

### Retirement Benefit Schemes

The Group strictly complies with the Mandatory Provident Fund Ordinance in making mandatory contributions for its staff in Hong Kong and staff retirement fund for those staff in the People's Republic of China.

### Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which oblige the Company to offer new shares on pro-rata basis to existing shareholders.

### Competing Interests

None of the directors of the Company and their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) had an interest in a business which competes or may compete with the business of the Group.

### 主要客戶及供應商

年內，本集團五大客戶佔本集團營業額約51%，而最大客戶佔總營業額約14%。

本集團五大供應商合共佔本年度經營成本約24%，而向最大供應商作出之採購佔其經營成本約7%。

於年內任何時間，本公司董事、董事之聯繫人士或股東（就董事所知擁有本公司股本5%以上之股東）概無於本集團截至二零零六年十二月三十一日止財政年度之五大客戶或供應商中擁有任何權益。

本集團與客戶之所有交易均按照一般商業條款進行。

### 退休福利計劃

本集團嚴格遵照強制性公積金條例，就香港員工作出強制性供款，並為中華人民共和國之員工作出員工退休金供款。

### 優先購買權

本公司之公司組織章程細則或開曼群島法例並無有關優先購買權之規定，本公司毋須按比例向現有股東提呈新股份。

### 競爭性權益

本公司董事及彼等各自之聯繫人士（定義見香港聯合交易所有限公司證券上市規則）概無於對本集團之業務構成或可能構成競爭之業務中擁有權益。



### Emolument Policy

The emolument policy of the employees of the Group is set out by the board of directors on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the board of directors, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 28 to the financial statements.

### Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended 31 December 2006.

### Post Balance Sheet Event

Details of a balance sheet event are disclosed in note 36 to the financial statements.

### Auditors

During the year, Deloitte Touche Tohmatsu resigned as auditors of the Company and Ernst & Young were appointed by the directors to fill the casual vacancy so arising. There have been no other changes in the auditors in the past three years. A resolution for the reappointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Mr. Kwok King Yan Edmund**

Hong Kong  
20 April 2007

### 薪酬政策

本集團之僱員薪酬政策乃由董事會按彼等之優點、資歷及能力釐定。

本公司董事之薪酬乃由董事會經考慮本公司經營業績、個別表現以及市場可資比較公司之數據而定。

本公司已採納購股權計劃，以向董事及合資格僱員提供獎勵，計劃詳情載於財務報表附註28。

### 足夠公眾持股量

本公司於截至二零零六年十二月三十一日止年度內一直維持足夠公眾持股量。

### 結算日後事項

結算日事項詳情於財務報表附註36披露。

### 核數師

年內，德勤•關黃陳方會計師行辭任本公司核數師之職，安永會計師事務所獲董事獲任填補所產生之臨時空缺。過往三年概無出現任何其他核數師變動。應屆股東週年大會上將提呈一項重新委任安永會計師事務所為本公司核數師之決議案。

代表董事會

郭敬仁先生

香港  
二零零七年四月二十日