

REPORT OF THE DIRECTORS

The Directors have the pleasure of presenting the interim report together with the interim financial report of Fujikon Industrial Holdings Limited ("the Company") and its subsidiaries (together "the Group") for the six months ended 30 September 2003.

The interim financial report set out on pages 21 to 42, is unaudited, but has been reviewed in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports", issued by the Hong Kong Society of Accountants ("HKSA"), by PricewaterhouseCoopers.

INTERIM DIVIDEND

The board of Directors has resolved to declare an interim dividend of HK2.5 cents per share for the six months ended 30 September 2003 (2002: HK2.5 cents). The interim dividend will be paid on 30 December 2003 to shareholders whose names are registered in the books of the Company on 17 December 2003.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Friday, 12 December 2003 to Wednesday, 17 December 2003 (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 p.m. on Thursday, 11 December 2003 for registration.

董事會報告

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」）截至二零零三年九月三十日止六個月之中期報告及中期財務報告。

第21至42頁所載之中期財務報告並未經審核，惟已由羅兵咸永道會計師事務所根據香港會計師公會（「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

董事會議決宣派截至二零零三年九月三十日止六個月中期股息每股2.5港仙（二零零二年：2.5港仙）。中期股息將於二零零三年十二月三十日向於二零零三年十二月十七日名列本公司股東名冊之股東派付。

暫停辦理股東登記

本公司將於二零零三年十二月十二日星期五至二零零三年十二月十七日星期三（包括首尾兩天）暫停辦理股東登記，期間亦不會轉讓股份。為符合資格收取建議派付之中期股息，股東須於二零零三年十二月十一日星期四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，地址為香港皇后大道東183號合和中心17樓1712-16室。

DIRECTORS' INTERESTS IN SHARES

As at 30 September 2003, the directors of the Company had the following interests in the share capital of the Company and its associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance ("the SDI Ordinance"), as recorded in the Register of Directors' Interests required to be kept by the Company pursuant to Section 29 of the SDI Ordinance.

董事於股份之權益

於二零零三年九月三十日，本公司根據證券（披露權益）條例（「披露權益條例」）第29條所存置之董事權益名冊所記錄，本公司董事擁有本公司及相聯法團（定義見披露權益條例）股本中之權益如下：

The Company

(ordinary shares of HK\$0.10 each ("Shares"))

本公司

(每股面值0.10港元之普通股(「股份」))

Name 姓名	Type of interest 權益類別		Total 總計	Percentage of shares outstanding 已發行股份 之百分比
	Personal interest 個人權益	Corporate interest 公司權益		
Mr. Yeung Chi Hung, Johnny 楊志雄先生	91,000	245,427,000 (a)	245,518,000	66.60%
Mr. Yuen Yee Sai, Simon 源而細先生	91,000	245,427,000 (a)	245,518,000	66.60%
Mr. Chow Man Yan, Michael 周文仁先生	91,000	245,427,000 (a)	245,518,000	66.60%
Mr. Wong Sau Lik, Weekly Peter 王秀力先生	—	13,485,000 (b)	13,485,000	3.66%
Mr. Tsang Yiu Wah 曾耀華先生	—	13,485,000 (c)	13,485,000	3.66%
Mr. Ng Kwong Hing 吳廣興先生	—	6,742,500 (d)	6,742,500	1.83%

Fujikon Industrial Company Limited

(Class A (non-voting) shares of HK\$1.00 each)

富士高實業有限公司

(每股面值1.00港元之A類(無投票權)股份)

Name 姓名	Corporate interest 公司權益
Mr. Yuen Yee Sai, Simon 源而細先生	600,000 (e)
Mr. Chow Man Yan, Michael 周文仁先生	600,000 (f)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

Acoustic Touch Limited

(ordinary shares of US\$1.00 each)

Name 姓名	Corporate interest 公司權益
Mr. Yeung Chi Hung, Johnny 楊志雄先生	15 (a)
Mr. Yuen Yee Sai, Simon 源而細先生	15 (a)
Mr. Chow Man Yan, Michael 周文仁先生	15 (a)

Notes:

- a. Acoustic Touch Limited holds 211,714,500 shares. Pursuant to three agreements entered into by Acoustic Touch Limited with Miracle Journey Corp., Mighty Media Limited and Mys Finance Limited respectively, Miracle Journey Corp., Mighty Media Limited and Mys Finance Limited have granted to Acoustic Touch Limited pre-emption rights over the Shares held by them. Miracle Journey Corp. holds 13,485,000 shares, Mighty Media Limited holds 13,485,000 shares and Mys Finance Limited holds 6,742,500 shares respectively. Under the SDI Ordinance, Acoustic Touch Limited is deemed to be interested in 245,427,000 shares.

Acoustic Touch Limited is owned as to 30 shares (66.67%) by TrustNet (Cook Islands) 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. TrustNet (Cook Islands) Limited is the trustee of the Yuen Family Trust and the Chow Family Trust, which are discretionary trusts and each of which beneficially owns 15 shares of Acoustic Touch Limited. The objects of the Yuen Family Trust and the Chow Family Trust are the family members of Mr. Yuen Yee Sai, Simon and Mr. Chow Man Yan, Michael, respectively. East Sino Consultants Limited is wholly owned by Silverfun Property Limited. Each of Artbo Industries Group Limited and Loyal Fair Group Limited is wholly owned by Trittonery Limited, which is in turn wholly owned by Silverfun Property Limited. Silverfun Property Limited is wholly owned by Golden Hope Financial Limited, which is in turn wholly owned by Mr. Yeung Chi Hung, Johnny. Under the SDI Ordinance, each of Mr. Yeung Chi Hung, Johnny, Mr. Yuen Yee Sai, Simon and Mr. Chow Man Yan, Michael is deemed to be interested in all shares in which Acoustic Touch Limited is interested.

董事於股份之權益 (續)

Acoustic Touch Limited

(每股面值1.00美元之普通股)

附註:

- a. Acoustic Touch Limited持有211,714,500股股份。根據Acoustic Touch Limited分別與Miracle Journey Corp.、Mighty Media Limited及Mys Finance Limited訂立之三份協議，Miracle Journey Corp.、Mighty Media Limited及Mys Finance Limited已授予Acoustic Touch Limited有關彼等所持股份之優先認購權。Miracle Journey Corp.、Mighty Media Limited及Mys Finance Limited分別持有13,485,000股股份、13,485,000股股份及6,742,500股股份。根據披露權益條例，Acoustic Touch Limited被視為擁有245,427,000股股份之權益。

Acoustic Touch Limited由TrustNet (Cook Islands) Limited、Artbo Industries Group Limited、East Sino Consultants Limited及Loyal Fair Group Limited分別擁有30股股份(66.67%)、5股股份(11.11%)、5股股份(11.11%)及5股股份(11.11%)。TrustNet (Cook Islands) Limited為Yuen Family Trust及Chow Family Trust(彼等為各自實益持有Acoustic Touch Limited之15股股份之全權信託)之信託人。Yuen Family Trust及Chow Family Trust之受益人分別為源而細先生及周文仁先生之家屬。East Sino Consultants Limited由Silverfun Property Limited全資擁有。Artbo Industries Group Limited及Loyal Fair Group Limited各自均由Trittonery Limited全資擁有，後者則由Silverfun Property Limited全資擁有。Silverfun Property Limited由Golden Hope Financial Limited全資擁有，後者則由楊志雄先生全資擁有。根據披露權益條例，楊志雄先生、源而細先生及周文仁先生各被視為於Acoustic Touch Limited擁有之全部股份中擁有權益。

DIRECTORS' INTERESTS IN SHARES (CONT'D)

- b. Mr. Wong Sau Lik, Weekly Peter holds the shares through Miracle Journey Corp., a corporation in which he is the sole shareholder.
- c. Mr. Tsang Yiu Wah holds the shares through Mighty Media Limited, a corporation in which he is the sole shareholder.
- d. Mr. Ng Kwong Hing holds the shares through Mys Finance Limited, a corporation in which he is the sole shareholder.
- e. These shares are held by River Treasure Limited, which is, in turn, wholly owned by Boon Corporation. Boon Corporation is wholly-owned by TrustNet (Cook Islands) Limited, who, in turn, is the trustee of the Yuen Family Trust, a discretionary trust, the objects of which are the family members of Mr. Yuen Yee Sai, Simon.
- f. These shares are held by Asia Supreme Limited which is, in turn, wholly owned by Vivace Limited. Vivace Limited is wholly-owned by TrustNet (Cook Islands) Limited, who, in turn, is the trustee of the Chow Family Trust, a discretionary trust, the objects of which are the family members of Mr. Chow Man Yan, Michael.

Share options are granted to directors under the share option scheme of the Company. Refer details under Directors' rights to acquire shares or debentures below.

Save as disclosed above, the Company had no notice of any interests required to be recorded under Section 29 of the SDI Ordinance as at 30 September 2003.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution of the Company passed on 21 August 2002, the Company adopted a new share option scheme ("the New Scheme") which was complied with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

At the annual general meeting of the Company convened on 18 August 2003, an ordinary resolution was passed for refreshing 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.

董事於股份之權益 (續)

- b. 王秀力先生透過其全資擁有之 Miracle Journey Corp. 持有股份。
- c. 曾耀華先生透過其全資擁有之 Mighty Media Limited 持有股份。
- d. 吳廣興先生透過其全資擁有之 Mys Finance Limited 持有股份。
- e. 該等股份由 Boon Corporation 全資擁有之 River Treasure Limited 持有。Boon Corporation 由 TrustNet (Cook Islands) Limited 全資擁有，後者乃受益人為源而細先生家族成員之全權信託之信託人。
- f. 該等股份由 Vivace Limited 全資擁有之 Asia Supreme Limited 持有。Vivace Limited 由 TrustNet (Cook Islands) Limited 全資擁有，後者乃受益人為周文仁先生家族成員之全權信託之信託人。

本公司根據購股權計劃授予董事購股權。詳情請參閱下文「董事購入股份或債券之權利」。

除上文所披露者外，於二零零三年九月三十日，本公司並不知悉任何根據披露權益條例第29條須予記錄之權益。

購股權計劃

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」）。新計劃符合香港聯合交易所有限公司（「聯交所」）證券上市規則第17章之規定。

本公司於二零零三年八月十八日召開股東週年大會，會上已通過一項普通決議案以更新新計劃項下就因行使本公司所有購股權計劃所授出之全部購股權而可予發行之股份總數所訂立之10%上限。

SHARE OPTION SCHEME (CONT'D)

The major terms of the New Scheme are summarized as follows:-

1. Purpose of the New Scheme

As incentive or rewards to eligible participants for their contribution to the Group

2. Eligible participant of the New Scheme

Any eligible employee (whether full-time or part-time, including any executive director), any non-executive directors, any shareholders, any suppliers and any customers of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any other parties having contribution to the development of the Group

3. Total number of shares available for issue under the New Scheme and percentage of issued share capital as at 30 September 2003
36,867,000 shares (10% of issued share capital)

4. Maximum entitlement of each participant under the New Scheme

Not exceeding 1% of the issued share capital of the Company for the time being in any 12-month period

5. The period within which the shares must be taken up under an option

A period (which may not expire later than 10 years from the date of offer of that option) to be determined and notified by the Directors to the grantee thereof

6. The minimum period for which an option must be held before it can be exercised

N/A

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

A remittance in favour of the Company of HK\$1.00 on or before the date of acceptance (which may not be later than 21 days from the date of offer)

購股權計劃 (續)

新計劃之主要條款概述如下：

1. 新計劃之目的

作為合資格參與者為本集團所作貢獻之獎勵或獎賞

2. 新計劃之合資格參與者

本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何合資格僱員（不論全職或兼職，包括任何執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團發展貢獻良多之任何其他人士

3. 新計劃項下可供發行之股份總數及佔二零零三年九月三十日已發行股本之百分比
36,867,000股股份（已發行股本之10%）

4. 各參與者根據新計劃可獲發行之股份數目上限

不超過任何十二個月期間本公司當時已發行股本之1%

5. 必須根據購股權認購股份之期限

將由董事釐定及通知承授人之期間，但不會於提呈購股權當日起計十年後屆滿

6. 行使購股權前必須持有購股權之最短期限

不適用

7. 申請或接納購股權應付之款項，以及必須或可予繳款或催繳款項，或就此須償還貸款之期限

於接納當日或之前（不會遲於自提呈當日起計21日）匯寄1.00港元予本公司

SHARE OPTION SCHEME (CONT'D)**8. The basis of determining the exercise price**

Being determined by the Directors and being not less than the highest of:

- a. the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer;
- b. the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer; and
- c. the nominal value of the Shares

9. The remaining life of the New Scheme

The New Scheme is valid and effective for a period of 10 years commencing on 3 September 2002 (date of fulfilment of all conditions on the adoption of the New Scheme)

Options to subscribe for 2,720,000 shares were granted under the New Scheme on 2 June 2003. According to the Black-Scholes Model, the fair value of the options as at 2 June 2003 was approximately \$1,464,000, with the following variables and assumptions:

- (i) the expected life is estimated to be about 10 years from the date of grant;
- (ii) no dividend will be paid out during the expected life of the options;
- (iii) the risk-free rate used is 4.355%, being the yield of the Hong Kong Exchange Fund Notes for a period of about 10 years; and
- (iv) the expected volatility used is about 25.8%, which represents the standard deviation of the daily closing price of the Shares in the Stock Exchange from 1 November 2001 to 31 October 2003.

In assessing the aggregate value of the options, no adjustment has been made for possible future forfeiture of the options. No charge is recognised in the profit and loss account in respect of the value of options granted during the period.

購股權計劃 (續)**8. 釐定行使價之基準**

由董事釐定，惟不會低於下列各項之最高者：

- a. 提呈當日股份於聯交所每日報價單所示之收市價；
- b. 緊接提呈當日前五個營業日股份於聯交所每日報價單所示平均收市價；及
- c. 股份面值。

9. 新計劃餘下之期限

新計劃自二零零二年九月三日（採納日期）起計十年內有效

於二零零三年六月二日，認購2,720,000股股份之購股權已根據新計劃授出。根據柏力克－舒爾茨期權定價模式，購股權於二零零三年六月二日之公允價值約為1,464,000元，其可變數及假設如下：

- (i) 預計有效期為授出日期起計約十年；
- (ii) 於購股權之預計有效期間不會派發任何股息；
- (iii) 所採用之無風險利率為4.355厘，即香港外匯基金票據約十年期之收益率；及
- (iv) 所採用之預期波幅約為25.8%，相當於股份由二零零一年十一月一日至二零零三年十月三十一日之每日收市價之標準差。

在估計購股權總價值時，並無就日後可能收回購股權作出調整。期內並無就已授出購股權之價值在損益賬確認任何支出。

SHARE OPTION SCHEME (CONT'D)

It should be noted that the value of options calculated using the Black-Scholes Model is based on various assumptions and is only an estimate. It is possible that the financial benefit accruing to the grantees of options will be considerably different from the value calculated.

Meanwhile, the share option scheme adopted by the Company on 23 March 2000 (the "Old Scheme"), under which it may grant options to employees of the Group (including executive directors of the Company) to subscribe for shares of the Company, ceased to operate on 3 September 2002. However, the options granted under the Old Scheme will remain in full force and effect.

As at 30 September 2003, the Company has the share options outstanding under the Old Scheme and New Scheme, as follows:

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	行使期限	認購價 HK\$ 港元	期初 '000 千股	期內授出 '000 千股	期內行使 '000 千股	因終止僱用而失效 '000 千股	期終 '000 千股
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	3,975	-	(475)	(50)	3,450
	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	3,465	-	(745)	-	2,720
2 June 2003 二零零三年 六月二日	2 December 2003 to 1 June 2013 二零零三年十二月二日 至二零一三年六月一日	1.500	-	1,152	-	-	1,152
	2 June 2004 to 1 June 2013 二零零四年六月二日 至二零一三年六月一日	1.500	-	1,360	-	-	1,360
	2 June 2005 to 1 June 2013 二零零五年六月二日 至二零一三年六月一日	1.500	-	208	-	-	208
			<u>25,440</u>	<u>2,720</u>	<u>(1,220)</u>	<u>(50)</u>	<u>26,890</u>

購股權計劃 (續)

謹請留意，採用柏力克－舒爾茨期權定價模式計算購股權之價值，乃基於多項假設並僅為估計。購股權承授人累計之財務得益可能與所計出之價值出現重大差別。

同時，本公司於二零零零年三月二十三日採納之購股權計劃（「舊計劃」）已於二零零二年九月三日終止，據此本公司可向本集團僱員（包括本公司執行董事）授予購股權認購本公司股份。然而，舊計劃授出之購股權仍具十足效力。

於二零零三年九月三十日，本公司舊計劃及新計劃項下仍未行使之購股權如下：

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at the date of this report, the share options granted to and held by the directors of the Company are as follows:

董事購入股份或債券之權利

於本報告日期，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		Beginning of period 期初	Granted during the period 期內授出	Exercised during the period 期內行使	End of period 期終
Mr. Yeung Chi Hung, Johnny 楊志雄先生	HK\$1.287港元	(i)	6,000,000	—	—	6,000,000
Mr. Yuen Yee Sai, Simon 源而細先生	HK\$1.287港元	(i)	6,000,000	—	—	6,000,000
Mr. Chow Man Yan, Michael 周文仁先生	HK\$1.287港元	(i)	6,000,000	—	—	6,000,000
Mr. Wong Sau Lik, Weeky Peter 王秀力先生	HK\$1.287港元	(i)	1,200,000	—	—	1,200,000
Mr. Tsang Yiu Wah 曾耀華先生	HK\$1.287港元	(i)	1,200,000	—	—	1,200,000
Mr. Ng Kwong Hing 吳廣興先生	HK\$1.287港元	(i)	800,000	—	—	800,000
			21,200,000	—	—	21,200,000

(i) The options are exercisable at any time during the periods from 2 May 2000, 2 May 2001 or 2 May 2002 to 1 May 2010.

(i) 購股權可由二零零零年五月二日、二零零一年五月二日或二零零二年五月二日至二零一零年五月一日期間隨時行使。

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 Company's directors or chief executives to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate.

除上文所披露者外，期內本公司或其任何附屬公司或控股公司並無參與任何安排，致使本公司任何董事或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。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the preceding paragraph and Note 16 to the accompanying interim financial report, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding companies was a party and in which any of the Company's directors or chief executives had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2003, the following entities (not being a director or chief executive of the Company) had registered an interest in 10% or more of the issued share capital of the Company:

Name 名稱	Number of issued shares 已發行股份數目	Percentage holding 持股百分比
Acoustic Touch Limited (Note) (附註)	245,427,000	66.57%
Silverfun Property Limited (Note) (附註)	245,427,000	66.57%
TrustNet (Cook Islands) Limited (Note) (附註)	245,427,000	66.57%
Golden Hope Financial Limited (Note) (附註)	245,427,000	66.57%

Note:

Acoustic Touch Limited holds 211,714,500 shares. Pursuant to three agreements entered into by Acoustic Touch Limited with Miracle Journey Corp., Mighty Media Limited and Mys Finance Limited respectively, Miracle Journey Corp., Mighty Media Limited and Mys Finance Limited have granted to Acoustic Touch Limited pre-emption rights over the Shares held by them. Miracle Journey Corp. holds 13,485,000 shares, Mighty Media Limited holds 13,485,000 shares and Mys Finance Limited holds 6,742,500 shares respectively. Under the SDI Ordinance, Acoustic Touch Limited is deemed to be interested in 245,427,000 shares.

董事於合約中之權益

除上段及隨附中中期財務報告附註16所披露者外，於期終或期內任何時間，本公司或其任何附屬公司或控股公司並無就本集團之業務簽訂本公司任何董事或主要行政人員直接或間接擁有重大權益之重要合約。

主要股東

於二零零三年九月三十日，以下公司（並非本公司之董事或主要行政人員）已登記佔本公司已發行股本10%或以上之權益：

附註：

Acoustic Touch Limited持有211,714,500股股份。根據Acoustic Touch Limited分別與Miracle Journey Corp.、Mighty Media Limited及Mys Finance Limited訂立之三份協議，Miracle Journey Corp.、Mighty Media Limited及Mys Finance Limited已授予Acoustic Touch Limited有關彼等所持股份之優先認購權。Miracle Journey Corp.、Mighty Media Limited及Mys Finance Limited分別持有13,485,000股股份、13,485,000股股份及6,742,500股股份。根據披露權益條例，Acoustic Touch Limited被視為擁有245,427,000股股份之權益。

SUBSTANTIAL SHAREHOLDERS (CONT'D)

Note: (Cont'd)

Acoustic Touch Limited is owned as to 30 shares (66.67%) by TrustNet (Cook Islands) 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. TrustNet (Cook Islands) Limited is the trustee of the Yuen Family Trust and the Chow Family Trust, which are discretionary trusts and each of which beneficially owns 15 shares of Acoustic Touch Limited. The objects of the Yuen Family Trust and the Chow Family Trust are the family members of Mr. Yuen Yee Sai, Simon and Mr. Chow Man Yan, Michael, respectively. East Sino Consultants Limited is wholly owned by Silverfun Property Limited. Each of Artbo Industries Group Limited and Loyal Fair Group Limited is wholly owned by Trittorney Limited, which is in turn wholly owned by Silverfun Property Limited. Silverfun Property Limited is wholly owned by Golden Hope Financial Limited, which is in turn wholly owned by Mr. Yeung Chi Hung, Johnny. Under the SDI Ordinance, each of Silverfun Property Limited, TrustNet (Cook Islands) Limited and Golden Hope Financial Limited is deemed to be interested in all shares in which Acoustic Touch Limited is interested.

Save as disclosed above, the Company had no notice of any interests to be recorded under Section 16 (1) of the SDI Ordinance as at 30 September 2003.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the period ended 30 September 2003, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

主要股東 (續)

附註：(續)

Acoustic Touch Limited由TrustNet (Cook Islands) Limited、Artbo Industries Group Limited、East Sino Consultants Limited及Loyal Fair Group Limited分別擁有30股股份(66.67%)、5股股份(11.11%)、5股股份(11.11%)及5股股份(11.11%)。TrustNet (Cook Islands) Limited為Yuen Family Trust及Chow Family Trust(彼等為各自實益持有Acoustic Touch Limited之15股股份之全權信託)之信託人。Yuen Family Trust及Chow Family Trust之受益人分別為源而細先生及周文仁先生之家屬。East Sino Consultants Limited由Silverfun Property Limited全資擁有。Artbo Industries Group Limited及Loyal Fair Group Limited各自均由Trittorney Limited全資擁有，後者則由Silverfun Property Limited全資擁有。Silverfun Property Limited由Golden Hope Financial Limited全資擁有，後者則由楊志雄先生全資擁有。根據披露權益條例，Silverfun Property Limited、TrustNet (Cook Islands) Limited及Golden Hope Financial Limited各自均被視為於Acoustic Touch Limited擁有之全部股份中擁有權益。

除上文所披露者外，於二零零三年九月三十日，本公司並不知悉任何根據披露權益條例第16(1)條須予記錄之權益。

買賣或贖回股份

截至二零零三年九月三十日止期間，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上市證券。

AUDIT COMMITTEE

The Company established an Audit Committee in March 2000 and has formulated its written terms of reference in accordance with the requirements of The Stock Exchange of Hong Kong Limited. The members of the Committee are Dr. Lui Ming Wah, being non-executive director of the Company, and Dr. Chang Chu Cheng and Mr. Che Wai Hang, Allen, being independent non-executive directors of the Company. The primary duties of the Audit Committee are to review the Company's annual report and half-year reports. It is also responsible for reviewing and supervising the Company's financial reporting and internal control procedures.

CODE OF BEST PRACTICE

None of the directors of the Company is aware of any information which would indicate that the Group is not, or was not, in compliance with the Code of Best Practice as set out in Appendix 14 to the Listing Rules of The Stock Exchange of Hong Kong Limited at any time during the six months ended 30 September 2003, save that non-executive director and independent non-executive directors of the Company are not appointed for a fixed term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws.

On behalf of the board of Directors,

YEUNG CHI HUNG, JOHNNY

Chairman

Hong Kong, 27 November 2003

審核委員會

本公司已於二零零零年三月成立審核委員會，並按香港聯合交易所有限公司之規定制定其書面職權範圍。委員會之成員包括本公司非執行董事呂明華博士、本公司獨立非執行董事張樹成博士與車偉恒先生。審核委員會之主要職責為審閱本公司之年報及半年報告，亦須審核及監察本公司之財務申報及內部管理程序。

最佳應用守則

本公司董事並無知悉任何資料顯示本公司於截至二零零三年九月三十日止六個月內，未有遵守香港聯合交易所有限公司上市規則附錄14所載之最佳應用守則，惟本公司非執行董事及獨立非執行董事並無指定任期，而須根據公司細則輪流退任及於本公司股東週年大會上重選。

代表董事會

主席

楊志雄

香港，二零零三年十一月二十七日