

The board of directors of Carry Wealth Holdings Limited (the "Company") is pleased to present the Interim Report and condensed financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June, 2006. The consolidated results, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the six months ended 30th June, 2006, and the consolidated balance sheet as at 30th June, 2006 of the Group, all of which are unaudited and condensed, along with selected explanatory notes, are set out on pages 22 to 32 of this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results and Business Review

The Group's turnover for the six months ended 30th June, 2006 amounted to HK\$632.1 million (2005: HK\$512.9 million). Gross profit increased to HK\$120.8 million (2005: HK\$98.0 million). Profit attributable to equity holders amounted to HK\$30.7 million (2005: HK\$30.5 million). The Group has adopted the new HKAS 40 since last period whereby the Group was required to recognise any change in fair value of its investment properties in the income statement. Excluding fair value gains on investment properties of HK\$4.1 million in the last period, profit attributable to equity holders for the current period would show a growth of 16.3% over last period. Basic earnings per share was 8.52 HK cents (2005: 8.47 HK cents).

Although the global business environment has been clouded by hefty energy prices and rising interest rates, the United States consumer market was promising during the review period. Reputed for its consistently high quality products, the Group received strong orders from customers. The Group's turnover increased by 23.2% as compared with the last corresponding period. By product categories, the turnover from knit tops and woven bottoms was 76.3% and 23.7% respectively (2005: knit tops: 77.4% and woven bottoms: 22.6%).

恒富控股有限公司(「本公司」)之董事會欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零零六年六月三十日止六個月之中期報告及簡明財務報表。本集團截至二零零六年六月三十日止六個月之綜合業績、綜合權益變動表及綜合現金流轉表,以及本集團於二零零六年六月三十日之綜合資產負債表皆未經審核及為簡明財務報表,該等財務報表與選定之說明附註載於本報告第22至32頁。

## 管理層討論及分析

### 業績及業務回顧

本集團截至二零零六年六月三十日止六個月之營業額達六億三千二百一十萬港元(二零零五年:五億一千二百九十萬港元)。毛利增加至一億二千零八十萬港元(二零零五年:九千八百萬港元)。權益持有人應佔溢利達三千零七十萬港元(二零零五年:三千零五十萬港元)。本集團自上期起已採納新香港會計準則第40號,據此,本集團須於收入報表內確認投資物業公允值之任何變動。扣除上期之四百一十萬港元投資物業公允值之收益外,權益持有人於本期應佔溢利將較上期增長16.3%。每股基本盈利為8.52港仙(二零零五年:8.47港仙)。

儘管全球營商環境受能源價格高企及利率趨升而陰霾密布,美國消費市場於回顧期內仍然持續向好。本集團憑藉其一貫質料上乘之產品而享譽同儕,成功贏得客戶的大量訂單。本集團之營業額較去年同期上升23.2%。按產品類別劃分,源自針織上衣及梭織襯褲之營業額分別為76.3%及23.7%(二零零五年:針織上衣:77.4%及梭織襯褲:22.6%)。

During the period under review, Indonesia continued to be the Group's major production base. The Indonesia factories contributed 69.9% (2005: 56.7%) to the Group's turnover, of which 68.5% and 31.5% was from knit tops and woven bottoms respectively. The growth was the result of the expanded production capacities and improved production efficiency of the factories. The output of the knit factories from El Salvador and Lesotho accounted for 17.6% (2005: 20.1%) and 9.4% (2005: 10.4%) respectively of the Group's total turnover, and the balance came from other Asian regions including Vietnam and Mainland China.

Armed with a proven track record, the Group was able to secure orders best fitting its production capacities. The average selling price of its products remained fairly stable and the margin was comparable with that of the last corresponding period. Nonetheless, selling expenses to turnover ratio increased to 4.3% as a result of higher airfreight charges for delivery of woven bottoms. The Group has further improved communication with subcontractors and, by stationing quality controllers at their washing facilities, strengthened quality management and facilitated smooth shipment.

Mainland China, embarking on a gradual economic reform, is undeniable a major player in the global economy, and its apparel industry has been an important contributor to the growth of the economy. Mainland China is by far one of the most favored countries for apparel manufacturing because of its well developed infrastructure and convenient ancillary facilities. To capture the vast opportunities in the Mainland China market and as a part of the Group's strategy to expand overall production capacity to cater for increasing orders from international apparel brands, the Group acquired a piece of land in Heshan, Guangdong Province during the review period for establishing additional production facilities. The Group is currently selecting some reliable construction vendors for the project. The first new factory is expected to commence operation in first half 2007.

於回顧期內，印尼繼續成為本集團之主要生產基地。印尼廠房佔本集團營業額69.9%（二零零五年：56.7%），其中針織上衣及梭織襯褲分別佔68.5%及31.5%。增長原因乃本集團擴大廠房產能及提升其生產效率所致。來自薩爾瓦多及萊索托針織廠之產量分別佔本集團總營業額之17.6%（二零零五年：20.1%）及9.4%（二零零五年：10.4%），而其餘則來自包括越南及中國大陸等其他亞洲地區。

憑藉過往之卓越成績，本集團成功取得合適訂單，充份發揮廠房之產能。本集團產品之平均售價維持穩定，而利潤與去年同期相若。然而，由於付運梭織襯褲的空運費用增加，導致銷售開支佔營業額之比率上升至4.3%。本集團已進一步加強與分包商之間的溝通，透過派駐品質監控人員於分包商之洗衣設施，藉此加強品質管理及促進付運過程之暢順。

隨著國內逐步推行經濟改革以來，中國大陸毋庸置疑於全球經濟擔當著重要之角色，而當中成衣行業對於推動國內經濟之增長實乃功不可沒。中國大陸之基建發展完善，加上配套設施四通八達，令其成為迄今受惠最多的製衣國家之一。為抓緊於中國大陸市場不斷湧現之商機，以及作為本集團為應付與日俱增之國際品牌訂單而擴大整體產能所採取之其中一項策略，本集團於回顧期內購買一幅位於廣東省鶴山市內之土地，用作興建額外生產設施。本集團目前正為該項目挑選信譽可靠之建築商。首間新廠房預期將於二零零七年上半年正式投產。

## Liquidity and Financial Resources

Adopting a conservative financial management system, the Group has been able to maintain a healthy liquidity position. At 30th June, 2006, the Group's cash and cash equivalents amounted to HK\$82.2 million (31st December, 2005: HK\$49.9 million) while bank borrowings, in the form of trust receipt and export loans, amounted to HK\$79.4 million (31st December, 2005: HK\$76.4 million) and term loan, amounted to HK\$21.3 million (31st December, 2005: HK\$25.2 million). The bank loans were denominated in either HK dollars or US dollars. Working capital represented by net current assets amounted to HK\$118.3 million (31st December, 2005: HK\$103.1 million).

The Group's current ratio was 1.5 (31st December, 2005: 1.4). The gearing ratio of total bank borrowings to equity attributable to the Company's equity holders was 36.7% (31st December, 2005: 39.8%).

The debt maturity profile of the Group as at 30th June, 2006 was as follows:

## 流動資金及財務資源

本集團採用審慎的財務管理系統，得以保持良好的流動資金狀況。於二零零六年六月三十日，本集團之現金及現金等值項目為八千二百二十萬港元（二零零五年十二月三十一日：四千九百九十萬港元），而以信託收據及出口貸款形式籌措之銀行貸款為七千九百四十萬港元（二零零五年十二月三十一日：七千六百四十萬港元），有期貨款則為二千一百三十萬港元（二零零五年十二月三十一日：二千五百二十萬港元）。銀行貸款以港元或美元結算。營運資金（即流動資產淨值）達一億一千八百三十萬港元（二零零五年十二月三十一日：一億零三百一十萬港元）。

本集團之流動比率為1.5（二零零五年十二月三十一日：1.4）。總銀行貸款對本公司權益持有人應佔之權益之資本負債比率為36.7%（二零零五年十二月三十一日：39.8%）。

本集團於二零零六年六月三十日之債項到期日分析如下：

		<b>At 30th June, 2006 (Unaudited) HK\$'000 於二零零六年 六月三十日 (未經審核) 千港元</b>	<b>At 31st December, 2005 (Audited) HK\$'000 於二零零五年 十二月三十一日 (已審核) 千港元</b>
Repayable within one year	須於一年內償還	<b>87,091</b>	84,199
Repayable after 1 year, but within 2 years	可於一年後但須兩年內償還	<b>13,563</b>	15,500
Repayable after 2 years, but within 5 years	可於兩年後但須五年內償還	—	1,938
<b>Total</b>	<b>總計</b>	<b>100,654</b>	<b>101,637</b>

## Capital Expenditure

For the period under review, the Group incurred a total capital expenditure of HK\$5.4 million (2005: HK\$14.5 million), which was mainly for recurring additions and replacements of plant and machinery and was funded by its own financial resources.

## Foreign Exchange Exposure

The Group's sales are principally denominated in US dollars. Operating expenses for the Group's factories and offices are either denominated in US dollars or their respective local currencies.

As at 30th June, 2006, the exchange rates for the Indonesian Rupiah and South African Rand to one US dollar were 9,300 (31st December, 2005: 10,035) and 7.2 (31st December, 2005: 6.3) respectively. The Group closely monitors currency fluctuations and reduces its exchange risk by entering into forward exchange contracts from time to time.

The Salvadoran Colones, the local currency of El Salvador, has been pegged to the US dollars since 1st January, 2001 at 8.75 Colones to US\$1. The Group does not foresee any near term currency risk exposure in El Salvador.

## Credit Policy

Trading terms with customers are normally on letters of credit except for several well-established customers. During the review period, about 41.3% (2005: 75.7%) of the Group's business was transacted under letters of credit, with the balances on open account basis granted to individual customers. The credit ratings of customers are regularly reviewed and their respective credit limits adjusted, if necessary.

## 資本開支

於回顧期內，本集團之資本開支總額為五百四十萬港元（二零零五年：一千四百五十萬港元），開支主要用作添置及更換廠房設備及機器，並由其財務資源撥付。

## 匯率波動風險

本集團的銷售額主要以美元計算。本集團廠房及辦事處的經營開支則以美元或所在地區的貨幣計算。

於二零零六年六月三十日，印尼盾及南非蘭特之匯率分別為1美元兌9,300印尼盾（二零零五年十二月三十一日：10,035印尼盾）及1美元兌7.2南非蘭特（二零零五年十二月三十一日：6.3南非蘭特）。本集團不時密切監察匯率波動情況及透過遠期外匯合約減低匯率風險。

薩爾瓦多貨幣科朗自二零零一年一月一日起按8.75科朗兌1美元匯率與美元掛鈎。本集團並不預見近期會承受薩爾瓦多貨幣風險。

## 信貸政策

除數個關係良好之客戶外，客戶之貿易條款一般以信用狀付款。於回顧期內，本集團逾41.3%（二零零五年：75.7%）之業務以信用狀進行交易，其餘額則按個別客戶以記賬形式處理。本集團定期審閱客戶之信貸狀況，並於需要時調整彼等之信貸額。

## Charges on Investment Properties

The Group's property in Hong Kong with a carrying value of HK\$22.3 million (31st December, 2005: HK\$22.3 million) has been pledged with a bank to secure trade facilities to the extent of HK\$140.2 million (31st December, 2005: HK\$140.2 million). As at 30th June, 2006, the respective secured bank loans amounted to HK\$36.9 million (31st December, 2005: HK\$41.8 million).

## Contingent Liabilities

As at 30th June, 2006, the Group had no material contingent liabilities.

## Human Resources and Remuneration Policies

The Group believes that employees' commitments and the provision of a harmonious working atmosphere to staff are important to its success. It rewards its employees according to prevailing market practices and employees' individual experience and performance. Staff benefits include medical and accidental insurance coverage as well as a provident fund scheme. To attract and retain high caliber employees, the Group also awards discretionary bonuses to employees based on performance appraisals and it also maintains staff share option schemes.

## 投資物業抵押

本集團以賬面值為二千二百三十萬港元（二零零五年十二月三十一日：二千二百三十萬港元）之香港物業作為為數一億四千零二十萬港元（二零零五年十二月三十一日：一億四千零二十萬港元）之貿易信貸之抵押品。於二零零六年六月三十日，該筆有抵押銀行貸款為三千六百九十萬港元（二零零五年十二月三十一日：四千一百八十萬港元）。

## 或然負債

於二零零六年六月三十日，本集團並無重大或然負債。

## 人力資源及薪酬政策

本集團深信其業務的成功有賴僱員對工作的投入及向員工提供和諧合作之環境。僱員薪酬福利乃根據目前市場慣例及按僱員個別經驗與表現釐定。僱員福利包括醫療及意外保險以及公積金計劃。為吸引及保留高質素專業人才，本集團亦按僱員之表現授予酌情花紅，並另設有僱員購股權計劃。

As at 30th June, 2006, the Group had a total of 7,894 (31st December, 2005: 7,595) full-time employees in the following regions:

Indonesia	印尼	4,948
Lesotho	萊索托	1,241
El Salvador	薩爾瓦多	1,302
China (Mainland and Hong Kong)	中國(大陸及香港)	403
Total	合計	<u>7,894</u>

## Outlook

The trade agreements reached between Mainland China and the EU and US in second half 2005 on import growth of certain China-made apparel products added a degree of certainty, allowing apparel importers and retailers to plan and purchase in Mainland China in conditions of maximum predictability and minimum market distortion. Buyers will be able to source textile products from Mainland China on a firm playing field for at least the next few years.

Despite many challenges the country faces, including those arising from the revised quota system, appreciation of the Renminbi, rising labour costs, the upsurge in international fuel and energy prices as well as soaring raw material prices, the Group is still optimistic about the long-term economic growth of Mainland China as it can offer lots of business opportunities especially for the growing and vast domestic market. Building its own production facilities in Mainland China will not only give the Group the benefits from economies of scale and greater flexibility in tackling customers' orders, but will also, in the long term, allow the Group to explore the blooming domestic market and create new sources of income.

於二零零六年六月三十日，本集團在以下各地共僱用7,894名(二零零五年十二月三十一日：7,595名)全職僱員：

## 展望

自中國大陸與歐盟及美國於二零零五年下半年就若干中國製成衣產品之進口增長達成貿易協議後，成衣行業之發展路向漸見清晰明確，有關協議容許成衣進口商及零售商在盡可能預測並盡量避免干擾市場運作之情況下，於中國大陸計劃及採購成衣產品。相信於未來數年，買家可於中國大陸持續穩定採購紡織品。

雖然中國大陸面對重重挑戰，包括配額制度更改、人民幣升值、勞工成本上漲、國際燃料及能源價格飆升，以及原材料價格持續飛漲，但鑑於中國大陸經濟不斷增長，加上國內市場龐大，商機隨之湧現，本集團對中國大陸之長遠經濟增長仍然非常樂觀。而於中國大陸自設生產設施，不單可為本集團帶來規模經濟效益，同時讓集團更靈活地應付客戶訂單，長遠而言，本集團亦可藉此開發正蓬勃發展之國內市場，增闢更多收入來源。

The removal of trade barriers will continue to drive down the overall apparel price and create fierce competition in the global apparel industry. Heeding this challenge, apart from keeping production costs competitive, the Group will also strive to offer customers with high quality and value-added apparel products, and respond innovatively to buyers' demands so as to fortify its relationship with existing customers and attract new customers. The total value of the Group's orders from customers on hands is comparable with last corresponding period.

To achieve better returns for its shareholders, the Group will focus on improving its core competence by upgrading its production facilities at different production bases, deploying additional resources on product development and market trends, putting heavy emphasis on staff training and development, and exercising stringent control on production costs. The Group will stay flexible and innovative in meeting challenges in the rapidly changing apparel market to ensure it is well positioned for long-term growth.

## **INTERIM DIVIDEND**

The board of directors has declared to pay an interim dividend of 3.0 HK cents (2005: 2.0 HK cents) per ordinary share totalling HK\$10,827,000 (2005: HK\$7,201,000) to shareholders whose names appear on the Company's register of members at the close of business on Friday, 15th September, 2006. The interim dividend is expected to be paid to shareholders on Friday, 22nd September, 2006.

隨著貿易障礙逐漸消除，整體之成衣價格將繼續下降，使全球成衣行業之競爭加劇。面對此項挑戰，除維持生產成本之競爭力外，本集團將致力為客戶提供優質及增值之成衣產品，並因應買家之需要繼續革新產品，以增強與現有客戶之關係，亦同時吸引新客戶。本集團現有之客戶訂單總額與去年同期相若。

本集團將集中改善其核心能力，透過提升不同生產基地之生產設施，按市場走勢調撥額外資源發展產品，加強員工之培訓及發展，並且嚴格控制生產成本，致力為股東爭取更理想之回報。本集團將繼續採納靈活及創新的策略，以迎接成衣市場迅速變化之環境所帶來的挑戰，確保本集團穩據有利位置，為長遠增長作好充分準備。

## **中期股息**

董事會已宣佈派付中期股息每股普通股三港仙（二零零五年：二港仙）予於二零零六年九月十五日（星期五）辦公時間結束時名列本公司股東名冊之股東，合共一千零八十二萬七千港元（二零零五年：七百二十萬零一千港元）。中期股息預期於二零零六年九月二十二日（星期五）派付予股東。

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Thursday, 14th September, 2006 and Friday, 15th September, 2006, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Abacus Share Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 13th September, 2006.

## PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period under review. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

## SHARE OPTIONS

Under the terms of the share option scheme of the Company adopted on 8th May, 2002 (the "Scheme"), the Company granted options to certain qualifying participants on 25th October, 2005 to subscribe for a total of 17,160,000 shares of HK\$0.10 each in the Company at HK\$0.536 per share at a consideration of HK\$1.00 per qualifying participant.

## 暫停辦理股份過戶登記

本公司將於二零零六年九月十四日(星期四)及二零零六年九月十五日(星期五)暫停辦理股份過戶登記手續,期間將不會登記任何股份之轉讓。

為符合資格獲取中期股息,所有轉讓文件連同有關股票,必須於二零零六年九月十三日(星期三)下午四時正前送交本公司之香港股份過戶登記分處雅柏勤證券登記有限公司,地址為香港皇后大道東28號金鐘匯中心26樓。

## 購買、出售或贖回股份

本公司於回顧期內並無贖回其任何股份。於期內,本公司或其任何附屬公司概無購買或出售本公司任何股份。

## 購股權

根據本公司於二零零二年五月八日採納之購股權計劃(「該計劃」)之條款,本公司於二零零五年十月二十五日以每位合資格參與者按代價1.00港元向若干合資格參與者授出購股權,可按每股0.536港元認購本公司每股面值0.10港元之股份合共17,160,000股。



Details of the share options granted under the Scheme and outstanding as at 30th June, 2006 are as follows:

根據該計劃授出而於二零零六年六月三十日尚未行使之購股權詳情如下：

	Number of options 購股權數目				Held at 30th June, 2006 於二零零六年 六月三十日 持有	Exercise price HK\$ 行使價 港元	Grant date 授出日期	Exercise from 行使自	Exercise until 行使至
	Held at 1st January, 2006 於二零零六年 一月一日持有	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效					
Director Mr Rusli Hendrawan ("Mr Rusli") 董事Rusli Hendrawan 先生 (「Rusli先生」)	3,600,000	-	-	-	3,600,000	0.536	25th October, 2005 二零零五年 十月二十五日	1st November, 2005 二零零五年 十一月一日	31st October, 2008 二零零八年 十月三十一日
Director Mr Lee Sheng Kuang, James ("Mr Lee") 董事李勝光先生(「李先生」)	3,600,000	-	-	-	3,600,000	0.536	25th October, 2005 二零零五年 十月二十五日	1st November, 2005 二零零五年 十一月一日	31st October, 2008 二零零八年 十月三十一日
Director Mr Oey Tjie Ho ("Mr Oey") 董事黃志和先生(「黃先生」)	500,000	-	-	-	500,000	0.536	25th October, 2005 二零零五年 十月二十五日	1st November, 2005 二零零五年 十一月一日	31st October, 2008 二零零八年 十月三十一日
Director Mr Tang Chak Lam, Charlie ("Mr Tang") 董事鄧澤霖先生(「鄧先生」)	2,000,000	-	-	-	2,000,000	0.536	25th October, 2005 二零零五年 十月二十五日	1st November, 2005 二零零五年 十一月一日	31st October, 2008 二零零八年 十月三十一日
Continuous contract employees 持續合約僱員	7,460,000	-	(860,000) <sup>1</sup>	(520,000) <sup>2</sup>	6,080,000	0.536	25th October, 2005 二零零五年 十月二十五日	1st November, 2005 二零零五年 十一月一日	31st October, 2008 二零零八年 十月三十一日
	<b>17,160,000</b>	<b>-</b>	<b>(860,000)</b>	<b>(520,000)</b>	<b>15,780,000</b>				

Notes:

附註：

- The weighted average closing price per share immediately before the dates on which the share options were exercised was HK\$0.88.
- These share options were lapsed in accordance with the terms of the Scheme during the period.

- 緊接購股權行使日期前之每股股份加權平均收市價為0.88港元。
- 此等購股權於期內根據該計劃之條款而失效。

No share options were granted or cancelled during the period.

於期內，概無授出或註銷任何購股權。

## INTERESTS OF DIRECTORS

As at 30th June, 2006, the interests of the directors of the Company in the shares and underlying shares of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (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 Issuers (the "Model Code") are as follows:

### (a) Ordinary shares of HK\$0.10 each in the Company

Name of director 董事姓名	Capacity 身份	Number of ordinary shares 普通股股份數目	Percentage of issued share capital 佔已發行股本百分比
Mr Rusli Rusli先生	Interest of a controlled corporation 受控制法團之權益	162,000,000 (Note) (附註)	44.88
Mr Lee 李先生	Interest of a controlled corporation 受控制法團之權益	162,000,000 (Note) (附註)	44.88

Note:

The above shares were held by Respected International Limited ("RIL"), which was ultimately owned as to 37.50% and 45.83% by Mr Rusli and Mr Lee respectively through their respective wholly-owned companies.

## 董事權益

於二零零六年六月三十日，根據證券及期貨條例第352條規定須予備存之登記冊或根據上市發行人董事進行證券交易的標準守則（「標準守則」）向本公司及香港聯合交易所有限公司（「聯交所」）發出之通知，本公司董事擁有本公司股份及相關股份之權益如下：

### (a) 本公司每股面值0.10港元普通股

附註：

上述之股份由Respected International Limited（「RIL」）持有，而該公司則由Rusli先生及李先生分別透過彼等各自之全資附屬公司擁有37.50%及45.83%權益。

**(b) Derivatives to ordinary shares of HK\$0.10 each in the Company**

**(b) 本公司每股面值0.10港元普通股之衍生工具**

Name of director	Capacity	Unlisted options (physically settled equity derivatives) held 持有非上市購股權 (實物結算股本衍生工具)	Percentage of issued share capital 佔已發行 股本百分比
董事姓名	身份		
Mr Rusli Rusli先生	Beneficial owner 實益擁有人	3,600,000	0.99
Mr Lee 李先生	Beneficial owner 實益擁有人	3,600,000	0.99
Mr Oey 黃先生	Beneficial owner 實益擁有人	500,000	0.13
Mr Tang 鄧先生	Beneficial owner 實益擁有人	2,000,000	0.55

Note:

The above share options were granted to directors under the Scheme as defined in the section headed "SHARE OPTIONS" above. None of the share options has been exercised.

附註:

上述購股權乃根據上文「購股權」一節所界定之該計劃授予董事。該等購股權均未獲行使。

All the interests stated above represent long positions. Save as disclosed above, as at 30th June, 2006, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of 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 pursuant to the Model Code.

上文所述之所有權益均屬好倉。除上文所披露者外，根據證券及期貨條例第352條規定須予備存之登記冊或根據標準守則向本公司及聯交所發出之通知，於二零零六年六月三十日，本公司董事或最高行政人員概無於本公司或任何相聯法團（按證券及期貨條例第XV部之定義）之股份、相關股份或債權證中擁有任何權益或淡倉。

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2006, the interests of the substantial shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")), other than directors or chief executives, of the Company in the shares of the Company as recorded in the register required to be kept under section 336 of the SFO are as follows:

### Ordinary shares of HK\$0.10 each in the Company

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares 普通股股份數目	Percentage of issued share capital 佔已發行股本百分比
RIL (Note 1) RIL(附註1)	Beneficial owner 實益擁有人	162,000,000	44.88
Greatwood Investment Trading Limited (Note 2) Greatwood Investment Trading Limited(附註2)	Beneficial owner 實益擁有人	61,900,000	17.15
Mr Susanto (Note 2) Susanto先生(附註2)	Interest of a controlled corporation 受控制法團之權益	61,900,000	17.15

Notes:

- 162,000,000 shares in the Company were held by RIL, a company in which Mr Rusli and Mr Lee held 37.50% and 45.83% equity interests respectively. Accordingly, both Mr Rusli and Mr Lee were deemed to be interested in 162,000,000 shares in the Company. These interests were the same interests of Mr Rusli and Mr Lee as disclosed in the section headed "INTERESTS OF DIRECTORS".
- These shares were held by Greatwood Investment Trading Limited, which was wholly-owned by Mr Susanto.

## 主要股東權益

於二零零六年六月三十日·根據證券及期貨條例第336條規定須予備存之登記冊·本公司主要股東(定義見聯交所證券上市規則(「上市規則」))(除董事或最高行政人員外)擁有本公司股份之權益如下:

### 本公司每股面值0.10港元普通股

Name of shareholder 股東名稱	Capacity 身份	Number of ordinary shares 普通股股份數目	Percentage of issued share capital 佔已發行股本百分比
RIL (Note 1) RIL(附註1)	Beneficial owner 實益擁有人	162,000,000	44.88
Greatwood Investment Trading Limited (Note 2) Greatwood Investment Trading Limited(附註2)	Beneficial owner 實益擁有人	61,900,000	17.15
Mr Susanto (Note 2) Susanto先生(附註2)	Interest of a controlled corporation 受控制法團之權益	61,900,000	17.15

附註:

- RIL持有本公司162,000,000股股份·而Rusli先生及李先生分別持有該公司37.50%及45.83%之股本權益。因此·Rusli先生及李先生均被視作擁有本公司162,000,000股股份之權益。此等權益與「董事權益」一節所披露Rusli先生及李先生所佔之權益相同。
- 此等股份由Susanto先生全資擁有之Greatwood Investment Trading Limited持有。

All the interests stated above represent long positions. Save as disclosed above, as at 30th June, 2006, none of the substantial shareholders, other than directors or chief executives, of the Company had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

## INTERESTS OF OTHER PERSONS

Save as disclosed in the sections headed "INTERESTS OF DIRECTORS" and "INTERESTS OF SUBSTANTIAL SHAREHOLDERS" above, the register required to be kept under section 336 of the SFO shows that as at 30th June, 2006, the Company had not been notified of any other person who had an interest or short position in the shares and underlying shares of the Company.

## AUDIT COMMITTEE

The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30th June, 2006. The Audit Committee comprises all of the three independent non-executive directors, namely Mr Cheung Kwok Ming, Mr Kwok Lam Kwong, Larry, J.P. and Mr Lau Siu Ki, Kevin.

## CORPORATE GOVERNANCE

### *Compliance with Code on Corporate Governance Practices*

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the six months ended 30th June, 2006.

上文所述之所有權益均屬好倉。除上文所披露者外，根據證券及期貨條例第336條規定須予備存之登記冊，於二零零六年六月三十日，本公司之主要股東（除董事或最高行政人員外）於本公司股份或相關股份中概無擁有任何權益或淡倉。

## 其他人士權益

除上文「董事權益」及「主要股東權益」兩節所披露者外，根據證券及期貨條例第336條規定須予備存之登記冊，於二零零六年六月三十日，概無其他人士擁有本公司股份及相關股份之權益或淡倉。

## 審核委員會

審核委員會已審閱本集團截至二零零六年六月三十日止六個月之未經審核中期業績。審核委員會由全部三名獨立非執行董事張國明先生、郭琳廣先生<sup>太平紳士</sup>及劉紹基先生組成。

## 企業管治

### *遵守企業管治常規守則*

於截至二零零六年六月三十日止六個月內，本公司一直遵守上市規則附錄十四所載之企業管治常規守則內之守則條文。

*Compliance with Model Code for Securities Transactions by Directors of Listed Issuers*

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

To enhance the corporate governance of the Group as a whole, all relevant employees who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company are subject to full compliance with written guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company during the review period.

*遵守上市發行人董事進行證券交易的標準守則*

本公司已採納一套有關董事進行證券交易之操守守則，其規則標準不低於上市規則附錄十所載之標準守則。經向本公司全體董事作出特定查詢後，全體董事均已確認，彼等於回顧期內已符合標準守則及本公司有關董事進行證券交易之操守守則所載之規定標準。

為增強本集團整體之企業管治，所有可能擁有關於本集團或本公司證券之未公開股價敏感資料之有關僱員須全面遵守一套書面指引，其規則標準不低於標準守則。本公司於回顧期內並不知悉任何不遵守書面指引之事件。