

### Non-executive directors

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term subject to re-election.

The independent non-executive directors of the Company do not have a specific term of appointment, but are subject to retirement by rotation and re-election in accordance with the relevant provisions of the Company's bye-laws.

### Re-election of directors

Under the Code Provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company is subject to a private act known as "The Juko Laboratories Holdings Limited Company Act 1990" which does not require the Chairman of the Company to be subject to retirement by rotation in accordance with the Bye-Laws of the Company. However, in the spirit of good corporate governance practice, the existing Chairman of the Company has agreed to retire on a voluntary basis at least once every three years at the annual general meeting of the Company.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2006, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to 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 Issuers", were as follows:

### Long positions in ordinary shares of the Company

Name of director	Directly beneficially owned	Beneficiary of a trust	Total	Percentage of the Company's issued share capital
Chan Sik Ming, Harry	39,080,000	103,321,417*	142,401,417	29.63
Hiroto Sasaki	2,950,000	N/A	2,950,000	0.61
Au-Yeung Wai Hung	4,600,000	N/A	4,600,000	0.96

\* Chan Sik Ming, Harry and his family are the objects of a discretionary trust, which has appointed Earnwell Limited as its trustee. At 30 September 2006, Earnwell Limited held 103,321,417 shares representing approximately 21.50% of the issued share capital of the Company.

### Long positions in underlying shares of the Company

Name of director	Number of share options <sup>#</sup>	Percentage of the Company's existing issued share capital if fully exercised
Hiroto Sasaki	1,650,000	0.34

<sup>#</sup> These share options were granted by the Company on 15 June 2004 and are exercisable during the period from 15 June 2004 to 14 June 2009 at an exercise price of HK\$0.20 per share.

Details of the share options are stated under Note 15 of this Interim Report.

Save as disclosed above, none of the directors had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers".

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 September 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### Long positions:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Earnwell Limited	Trustee	103,321,417	21.50
Daisho Denshi Co., Ltd.	Directly beneficially owned	50,000,000	10.40
Easy Gain Limited	Trustee	28,718,416	5.98
Lau Wing Hung	Directly beneficially owned	27,200,000	5.66

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.