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Interim Report 中期報告 2007

According to the report of Pira International, the global forged goods lead to a loss of US\$800 billion to global trade in 2005. It also estimates that it will exceed US\$1,000 billion in 2010. In 2001 and 2006, total spending on anti-counterfeit printing in the PRC amounted to US\$163.7 million and US\$358.2 million respectively. The report also estimates that such cost will be increased to US\$570.1 million in 2011.

Kith Holdings has established advanced R&D centre and designs every packaging product incorporating with latest anti-counterfeit technologies and workmanships. This can avoid imitation and enhance product differentiation in order to protect and increase the value of customer's products, and directly reinforce their confidence on the Group's product design.



根據派諾國際研究公司(Pira International)之報告，2005年全球贗品令全球貿易損失總值達8,000億美元，並預計在2010年總值將逾10,000億美元。於2001年及2006年中國在防偽印刷上分別耗用16,370萬美元及35,820萬美元。報告預計在2011年費用將上升至57,010萬美元。

僑威集團擁有先進之研發中心，每件包裝產品之設計都融入了最新的防偽技術及工藝，避免假冒且提高產品差異化，令客戶之產品得到保障及增值，直接提高客戶對本集團設計產品之信賴。

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企業資料

註冊辦事處

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Hamilton HM 11
Bermuda

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電郵：info@kith.hk

網址

www.kithholdings.com

董事會

執行董事

許經振先生 (主席)
丘少明先生
許檳榔先生
李春仁先生
周勁先生
王鳳舞先生
王廣宇先生

獨立非執行董事

吳志揚先生
譚旭生先生
何樂昌先生

公司秘書及合資格會計師

阮煒豪先生

聯席核數師

德勤•關黃陳方會計師行
執業會計師
陳浩賢會計師事務所
執業會計師

主要往來銀行

中國銀行(香港)有限公司
交通銀行股份有限公司，香港分行
中信嘉華銀行有限公司
星展銀行(香港)有限公司
富邦銀行(香港)有限公司
恒生銀行有限公司
香港上海滙豐銀行有限公司
中國工商銀行股份有限公司
比利時聯合銀行，香港分行
渣打銀行(香港)有限公司
三菱東京UFJ銀行

香港法律顧問

齊伯禮律師行

百慕達法律顧問

Conyers Dill & Pearman

香港股份過戶登記分處

雅柏勤證券登記有限公司
香港皇后大道東28號
金鐘滙中心26樓

百慕達過戶登記總處

The Bank of Bermuda Limited
Bank of Bermuda Building
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Hamilton HM 11
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投資者及傳媒關係

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BOARD OF DIRECTORS

Executive Directors

Mr. Hui King Chun, Andrew (Chairman)
Mr. Yau Chau Min, Paul
Mr. Hui Bin Long
Mr. Li Chun Ren
Mr. Zhou Jin
Mr. Wang Feng Wu
Mr. Wang Guang Yu

Independent Non-executive Directors

Mr. Ng Chi Yeung, Simon
Mr. Tam Yuk Sang, Sammy
Mr. Ho Lok Cheong

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Yuen Wai Ho, Dominic

JOINT AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
Graham H.Y. Chan & Co.
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd., Hong Kong Branch
CITIC Ka Wah Bank Limited
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China Limited
KBC Bank N.V., Hong Kong Branch
Standard Chartered Bank (Hong Kong) Limited
The Bank of Tokyo – Mitsubishi UFJ, Limited

HONG KONG LEGAL ADVISER

Richards Butler

BERMUDA LEGAL ADVISER

Conyers Dill & Pearman

HONG KONG BRANCH SHARE REGISTRAR

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STOCK CODE

Hong Kong Stock Exchange: 1201



中期業績

僑威集團有限公司(「本公司」)之董事會(「董事會」)欣然公佈，本公司及其附屬公司(「本集團」)截至二零零七年六月三十日止六個月之未經審核中期業績，連同二零零六年同期之比較數字，詳情如下：

INTERIM RESULTS

The Board of Directors (the "Directors") of Kith Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2007, together with the comparative figures for the corresponding period of 2006. The details are as follows:

簡明綜合收益表

CONDENSED CONSOLIDATED INCOME STATEMENT

		(未經審核) (Unaudited)	
		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007	二零零六年 2006
		千港元 HK\$'000	千港元 HK\$'000
收益	Revenue	618,449	782,531
銷售成本	Cost of sales	(526,279)	(692,907)
毛利	Gross profit	92,170	89,624
其他收益	Other revenue	18,473	9,893
分銷成本	Distribution costs	(2,813)	(3,056)
行政開支	Administrative expenses	(27,529)	(23,663)
其他經營開支	Other operating expenses	(1,287)	(61)
經營溢利	Profit from operations	79,014	72,737
融資成本	Finance costs	(11,325)	(11,812)
除稅前溢利	Profit before taxation	67,689	60,925
稅項	Taxation	(6,002)	(5,896)
本期間溢利	Profit for the period	<u>61,687</u>	<u>55,029</u>
應佔溢利：	Profit attributable to:		
母公司股權持有人	Equity holders of the parent	39,742	35,703
少數股東權益	Minority interests	21,945	19,326
		<u>61,687</u>	<u>55,029</u>
中期股息	Interim dividend	<u>5,889</u>	<u>5,354</u>
		港仙 HK cents	港仙 HK cents
每股盈利	Earnings per share		
— 基本	— Basic	<u>14.85</u>	<u>13.34</u>

第7至第14頁之附註構成本中期財務報表之一部份。

The notes on pages 7 to 14 form part of this interim financial statements.



簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

		(未經審核) (Unaudited) 於二零零七年 六月三十日 As at 30 June 2007 千港元 HK\$'000	(經審核) (Audited) 於二零零六年 十二月三十一日 As at 31 December 2006 千港元 HK\$'000
	附註 Notes		
非流動資產	Non-current Assets		
物業、機器及設備	Property, plant and equipment	532,678	523,620
預付租賃付款	Prepaid lease payments	18,828	18,618
商譽	Goodwill	2,695	-
遞延代價－非即期	Deferred consideration – non-current	-	4,991
長期應收貸款	Long-term loans receivable	62,334	56,310
		<u>616,535</u>	<u>603,539</u>
流動資產	Current Assets		
存貨	Inventories	30,671	54,541
遞延代價－即期	Deferred consideration – current	10,480	9,981
應收第三者貿易賬款及 其他應收賬款、訂金 及預付款項	Trade and other receivables from third parties, deposits and prepayments	7 365,445	408,164
應收少數股東貿易賬款 及其他應收賬款	Trade and other receivables from minority shareholders	8 67,264	49,490
按公平價值以損益列賬 之財務資產	Financial assets at fair value through profit or loss	15,172	-
預付租賃付款	Prepaid lease payments	589	574
短期應收貸款	Short-term loans receivable	9,265	15,371
銀行結餘及現金	Bank balances and cash	76,376	195,193
		<u>575,262</u>	<u>733,314</u>
流動負債	Current Liabilities		
應付貿易賬款及其他 應付賬款	Trade and other payables	9 125,480	212,192
稅務負債	Tax liabilities	10,392	9,583
應付少數股東款項	Amount due to a minority shareholder	3,421	3,234
應付股息	Dividend payable	20,713	913
借貸－一年內到期	Borrowings – due within one year	10 252,165	426,598
		<u>412,171</u>	<u>652,520</u>
流動資產淨值	Net Current Assets	<u>163,091</u>	<u>80,794</u>
資產總值減流動負債	Total Assets Less Current Liabilities	<u>779,626</u>	<u>684,333</u>
非流動負債	Non-current Liabilities		
借貸－一年後到期	Borrowings – due after one year	10 118,072	58,000
遞延稅項負債	Deferred tax liabilities	22,518	21,272
		<u>140,590</u>	<u>79,272</u>
資產淨值	Net Assets	<u>639,036</u>	<u>605,061</u>



簡明綜合資產負債表(續)

CONDENSED CONSOLIDATED BALANCE SHEET (cont'd)

			(未經審核) (Unaudited)	(經審核) (Audited)
			於二零零七年 六月三十日 As at 30 June 2007	於二零零六年 十二月三十一日 As at 31 December 2006
		附註 Notes	千港元 HK\$'000	千港元 HK\$'000
資本及儲備	Capital and Reserves			
股本	Share capital	11	26,769	26,769
儲備	Reserves		380,714	357,979
母公司股權持有人 應佔股權	Equity attributable to equity holders of the parent		407,483	384,748
少數股東權益	Minority interests		231,553	220,313
股權總額	Total Equity		<u>639,036</u>	<u>605,061</u>

第7至第14頁之附註構成本中期財務報表之一部份。

The notes on pages 7 to 14 form part of this interim financial statements.



簡明綜合現金流轉表

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(未經審核)

(Unaudited)

截至六月三十日止六個月

Six months ended 30 June

		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
經營業務所得之 現金流入(流出)淨額	Net Cash Inflow (Outflow) from Operating Activities	60,517	(26,329)
投資業務所使用之 現金淨額	Net Cash Used in Investing Activities	(29,118)	(26,110)
融資業務之現金 (流出)流入淨額	Net Cash (Outflow) Inflow from Financing Activities	(152,267)	54,951
現金及現金等值項目之 (減少)增加淨額	Net (Decrease) Increase in Cash and Cash Equivalents	(120,868)	2,512
期初之現金及現金 等值項目	Cash and Cash Equivalents at Beginning of Period	195,193	201,959
外匯匯率變動之影響	Effect of Foreign Exchange Rate Changes	2,051	184
期末之現金及現金 等值項目	Cash and Cash Equivalents at End of Period	76,376	204,655
銀行結餘及現金	Bank Balances and Cash	76,376	204,655

第7至第14頁之附註構成本中期財務報表之一部份。

The notes on pages 7 to 14 form part of this interim financial statements.



綜合股權變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

母公司股權持有人應佔

Equity attributable to equity holders of the parent

		資產 企業								少數股東		總額	
		股本	股份溢價	重估儲備	發展基金	儲備基金	其他儲備	資本儲備	滙兌儲備	保留溢利	總額		權益
		Share capital	Share revaluation premium	Asset revaluation reserve	Enterprise expansion fund	Reserve fund	Other reserve	Capital reserve	Translation reserve	Retained profits	Total	Minority interests	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(未經審核)	(Unaudited)												
本集團	The Group												
於二零零六年一月一日	At 1 January 2006	26,769	90,049	34,494	43,324	1,589	27,923	(200)	9,878	100,270	334,096	197,329	531,425
換算海外業務而產生之 滙兌差額	Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	3,424	-	3,424	2,214	5,638
本期間溢利	Profit for the period	-	-	-	-	-	-	-	-	35,703	35,703	19,326	55,029
本期間已確認收入及 支出總額	Total recognised income and expenses for the period	26,769	90,049	34,494	43,324	1,589	27,923	(200)	13,302	135,973	373,223	218,869	592,092
已付予少數股東之股息	Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	(18,169)	(18,169)
派付股息	Dividends paid	-	-	-	-	-	-	-	-	(19,274)	(19,274)	-	(19,274)
於二零零六年六月三十日	At 30 June 2006	26,769	90,049	34,494	43,324	1,589	27,923	(200)	13,302	116,699	353,949	200,700	554,649
於二零零七年一月一日	At 1 January 2007	26,769	90,049	34,177	43,324	1,589	27,923	(200)	22,865	138,252	384,748	220,313	605,061
換算海外業務而產生之 滙兌差額	Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	9,006	-	9,006	8,495	17,501
收購非全資擁有附屬公司	Acquisition of non-wholly owned subsidiary	-	757	-	-	-	-	-	-	-	757	-	757
本期間溢利	Profit for the period	-	-	-	-	-	-	-	-	39,742	39,742	21,945	61,687
本期間已確認收入及 支出總額	Total recognised income and expenses for the period	26,769	90,806	34,177	43,324	1,589	27,923	(200)	31,871	177,994	434,253	250,753	685,006
已付予少數股東之股息	Dividends paid to minority interests	-	-	-	-	-	-	-	-	-	-	(19,200)	(19,200)
派付股息	Dividends paid	-	-	-	-	-	-	-	-	(26,770)	(26,770)	-	(26,770)
於二零零七年六月三十日	At 30 June 2007	26,769	90,806	34,177	43,324	1,589	27,923	(200)	31,871	151,224	407,483	231,553	639,036

第7至第14頁之附註構成本中期財務報表之一部份。

The notes on pages 7 to 14 form part of this interim financial statements.

財務報表附註

NOTES TO THE FINANCIAL STATEMENTS

1. 編製基準

本未經審核簡明中期財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」而編製。

2. 主要會計政策

本簡明中期財務報表乃根據歷史成本法編製，並就若干按公平值或重估金額計量之物業、機器及設備之重估作出修訂(如適用)。

編製本簡明綜合中期財務資料時所採用之會計政策與編製截至二零零六年十二月三十一日止年度之年度財務報表所採納者相同，並已於截至二零零六年十二月三十一日止年度之年度財務報表中陳述。

於本期間，本集團首次採用多項由香港會計師公會頒佈，並於二零零七年一月一日或之後開始之會計期間生效之新準則、修訂及詮釋(「新香港財務報告準則」)。採用該等新香港財務報告準則並無對本會計期間或過往會計期間之業績及財務狀況之編製及呈列方式造成任何重大影響。因此，毋須作出前期調整。

本集團並無提早採用下列已頒佈惟尚未生效之新準則及詮釋。董事會預計該等準則及詮釋將不會對本集團之業績及財政狀況造成任何重大影響。

香港會計準則第23號 (經修訂)	借貸成本 ¹
香港財務報告準則第8號	經營分類 ¹
香港(國際財務報告 詮釋委員會) 一詮釋第11號	香港財務報告準則第2號—集團及 庫存股份交易 ²
香港(國際財務報告 詮釋委員會) 一詮釋第12號	特許服務權安排 ³

¹ 於二零零九年一月一日或之後開始之年度期間生效。

² 於二零零七年三月一日或之後開始之年度期間生效。

³ 於二零零八年一月一日或之後開始之年度期間生效。

1. Basis of preparation

The unaudited condensed interim financial statements are prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard No. 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. Principal accounting policies

The condensed interim financial statements have been prepared under historical cost convention, as modified for the revaluation of certain property, plant and equipment, which are measured at fair value or revalued amounts, as appropriate.

The accounting policies adopted for the preparation of this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2006, as described in the annual financial statements for the year ended 31 December 2006.

In the current period, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for accounting periods beginning on or after 1 January 2007. The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The Directors anticipate that the application of these standards and interpretations will have no material impact on the results and financial position of the Group.

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions ²
HK(IFRIC)-Int 12	Service Concession Arrangements ³

¹ Effective for annual periods beginning on or after 1 January 2009.

² Effective for annual periods beginning on or after 1 March 2007.

³ Effective for annual periods beginning on or after 1 January 2008.



財務報表附註（續）

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. 分類資料

業務分類

就管理目的而言，本集團按業務分為兩個營運部門，包括印刷及生產包裝產品以及分銷產品。本集團基於此等部門呈列主要分類資料。

有關該等業務之分類資料呈列如下：

3. Segmental information

Business segments

For management purposes, the Group is currently organised into two operating divisions – printing and manufacturing of package products, and distribution of products. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

		印刷及生產 包裝產品 Printing and manufacturing of package products 千港元 HK\$'000	分銷產品 Distribution of products 千港元 HK\$'000	其他 Others 千港元 HK\$'000	總額 Total 千港元 HK\$'000
截至二零零七年六月 三十日止六個月	Six months ended 30 June 2007				
收益	REVENUE	<u>261,007</u>	<u>353,993</u>	<u>3,449</u>	<u>618,449</u>
業績	RESULT				
分類業績	Segment result	70,809	11,655	152	82,616
利息收入	Interest income				10,185
未劃撥之企業支出淨額	Net unallocated corporate expenses				(13,787)
融資成本	Finance costs				(11,325)
除稅前溢利	Profit before taxation				67,689
稅項	Taxation				(6,002)
本期間溢利	Profit for the period				<u>61,687</u>
截至二零零六年六月 三十日止六個月	Six months ended 30 June 2006				
收益	REVENUE	<u>243,832</u>	<u>536,515</u>	<u>2,184</u>	<u>782,531</u>
業績	RESULT				
分類業績	Segment result	65,606	12,356	1,002	78,964
利息收入	Interest income				7,790
未劃撥之企業支出淨額	Net unallocated corporate expenses				(14,017)
融資成本	Finance costs				(11,812)
除稅前溢利	Profit before taxation				60,925
稅項	Taxation				(5,896)
本期間溢利	Profit for the period				<u>55,029</u>

財務報表附註(續)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. 分類資料(續)

地域分類

本集團之業務位於香港、中華人民共和國(「中國」)及南韓。印刷及生產包裝產品業務於中國進行，而分銷產品業務則於中國、香港及南韓進行。

下表載列本集團按地域市場(不論貨品/服務來源)劃分之銷售額：

中華人民共和國	The People's Republic of China
香港	Hong Kong
南韓	South Korea
其他	Others
未劃撥之企業支出	Unallocated corporate expenses
融資成本	Finance costs
除稅前溢利	Profit before taxation

3. Segmental information (cont'd)

Geographical segments

The Group's operations are located in Hong Kong, the People's Republic of China (the "PRC") and South Korea. Printing and manufacturing of package products are carried out in the PRC and distribution of products is carried out in the PRC, Hong Kong and South Korea.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

按地區市場劃分之 銷售收益 截至六月三十日 止六個月 Sales revenue by geographical market Six months ended 30 June		除稅前溢利之貢獻 截至六月三十日 止六個月 Contribution to profit before taxation Six months ended 30 June	
二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000	二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
262,507	522,633	70,795	76,731
336,183	258,998	5,610	2,179
19,759	-	6,211	-
-	900	-	54
<u>618,449</u>	<u>782,531</u>		
		(3,602)	(6,227)
		<u>(11,325)</u>	<u>(11,812)</u>
		<u>67,689</u>	<u>60,925</u>



財務報表附註(續)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4. 除稅前溢利
除稅前溢利已扣除/(計入)：

4. Profit before taxation
Profit before taxation has been arrived at after charging/(crediting):

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
員工成本	Staff costs	22,070	19,528
退休福利計劃供款	Retirement benefits scheme contributions	2,720	2,638
員工總成本(包括董事酬金)	Total staff costs including directors' emoluments	24,790	22,166
已確認為支出之存貨成本	Cost of inventories recognised as an expense	526,279	692,907
物業、機器及設備折舊 及攤銷	Depreciation and amortisation of property, plant and equipment	17,616	13,089
預付租賃款項攤銷	Amortisation of prepaid lease payments	295	210
利息收入	Interest income	(10,185)	(7,790)

5. 稅項

5. Taxation

		截至六月三十日止六個月 Six months ended 30 June	
		二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
稅項包括：	The charge comprises:		
本期稅項：	Current tax:		
香港利得稅	Hong Kong Profits Tax	14	-
香港以外地區之稅項	Taxation outside Hong Kong	4,741	4,800
		4,755	4,800
遞延稅項：	Deferred tax:		
本期間	Current period	1,247	1,096
		6,002	5,896

香港利得稅乃根據本期間之估計應課稅溢利按17.5% (二零零六年：17.5%)計算。其他司法權區之稅項乃按各自司法權區之現行稅率計算。

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

香港以外地區之稅項乃指本集團在中國之附屬公司於有關期間之估計應課稅溢利按適用稅率計算所須繳付之中國所得稅。

Taxation outside Hong Kong represents the PRC income tax calculated at the applicable rates on the estimated assessable profit of the Group's PRC subsidiary for the relevant period.

財務報表附註 (續)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. 每股盈利

每股基本及攤薄盈利乃根據本集團之母公司股權持有人應佔溢利39,742,000港元(二零零六年: 35,703,000港元)計算。每股基本盈利乃根據期內已發行普通股之加權平均數267,693,600股(二零零六年: 267,693,600股)計算。

由於截至二零零七年六月三十日止期間並無具潛在攤薄影響之已發行普通股(二零零六年: 無), 故並無呈列該期間之每股攤薄盈利。

7. 應收第三者貿易賬款及其他應收賬款、訂金及預付款項

本集團給予其貿易客戶之除賬期平均由30至90日不等。應收第三者貿易賬款及其他應收賬款、訂金及預付款項中包括應收貿易賬款結餘為320,842,000港元(二零零六年十二月三十一日: 368,121,000港元), 有關此結餘之賬齡分析如下:

60日內	Within 60 days
61-90日內	Within 61 - 90 days
90日以上	More than 90 days

8. 應收少數股東貿易賬款及其他應收賬款

本集團給予少數股東之除賬期平均由30至90日不等。應收少數股東貿易賬款及其他應收賬款中包括應收貿易賬款結餘為65,382,000港元(二零零六年十二月三十一日: 47,123,000港元), 有關此結餘之賬齡分析如下:

60日內	Within 60 days
61-90日內	Within 61 - 90 days
90日以上	More than 90 days

6. Earnings per share

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to equity holders of parent of HK\$39,742,000 (2006: HK\$35,703,000). The basic earnings per share is based on the weighted average number of 267,693,600 (2006: 267,693,600) ordinary shares in issue during the period.

No diluted earnings per share has been presented for the period ended 30 June 2007 (2006: Nil) as there were no potential dilute ordinary shares in issue.

7. Trade and other receivables from third parties, deposits and prepayments

The Group allows an average credit period of 30 to 90 days to its trade customers. Included within trade and other receivables from third parties, deposits and prepayments are trade receivables balance of HK\$320,842,000 (31 December 2006: HK\$368,121,000), the aged analysis of this balance is as follows:

二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
294,427	233,883
2,976	50,514
23,439	83,724
<u>320,842</u>	<u>368,121</u>

8. Trade and other receivables from minority shareholders

The Group allows an average credit period of 30 to 90 days to the minority shareholders. Included within trade and other receivables from minority shareholders are trade receivables balance of HK\$65,382,000 (31 December 2006: HK\$47,123,000), the aged analysis of this balance is as follows:

二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
56,111	45,328
4,117	-
5,154	1,795
<u>65,382</u>	<u>47,123</u>



財務報表附註（續）

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. 應付貿易賬款及其他應付賬款

應付貿易賬款及其他應付賬款中包括應付貿易賬款結餘為99,004,000港元（二零零六年十二月三十一日：179,689,000港元），有關此結餘之賬齡分析如下：

60日內	Within 60 days
61-90日內	Within 61 - 90 days
90日以上	More than 90 days

9. Trade and other payables

Included within trade and other payables are trade payables balance of HK\$99,004,000 (31 December 2006: HK\$179,689,000), the aged analysis of this balance is as follows:

二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
89,459	149,635
1,637	707
7,908	29,347
<u>99,004</u>	<u>179,689</u>

10. 借貸

銀行貸款	Bank loans
信託收據貸款	Trust receipt loans

其他貸款	Other loans
- 按現行市場利率計息	- interest bearing at prevailing market rate

分析	Analysed as
- 有抵押（附註）	- secured (Note)
- 無抵押	- unsecured

一年內或即期償還	Within one year or on demand
一年以上但不超過兩年	More than one year but not exceeding two years
兩年以上但不超過五年	More than two years but not exceeding five years

減：一年內到期並列作 流動負債之款項	Less: Amount due within one year shown under current liabilities
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一年後到期之款項	Amount due after one year
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10. Borrowings

二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
236,792	180,832
126,566	288,978
363,358	469,810
6,879	14,788
<u>370,237</u>	<u>484,598</u>
48,788	60,500
321,449	424,098
<u>370,237</u>	<u>484,598</u>
252,165	426,598
71,505	58,000
46,567	-
370,237	484,598
(252,165)	(426,598)
<u>118,072</u>	<u>58,000</u>

附註：有抵押借貸包括短期銀行貸款合共3,595,000港元（二零零六年十二月三十一日：12,630,000港元）及長期銀行貸款合共43,139,000港元（二零零六年十二月三十一日：40,803,000港元），該等貸款將根據有關貸款協議之條款，以本公司在中國經營業務之一間附屬公司之資產作抵押。

Note: Included in secured borrowings are short-term bank loans totalling HK\$3,595,000 (31 December 2006: HK\$12,630,000) and long-term bank loans totalling HK\$43,139,000 (31 December 2006: HK\$40,803,000), which are to be secured by the assets of a Company's subsidiary in the PRC according to the terms of the relevant loan agreements.



財務報表附註(續)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. 股本	11. Share capital	股份數目 Number of shares	金額 Amount 千港元 HK\$'000
每股面值0.10港元之普通股 法定： 於二零零七年一月一日及 二零零七年六月三十日	Ordinary shares of HK\$0.10 each Authorised: At 1 January 2007 and 30 June 2007	<u>1,000,000,000</u>	<u>100,000</u>
已發行及繳足股款： 於二零零七年一月一日及 二零零七年六月三十日	Issued and fully paid: At 1 January 2007 and 30 June 2007	<u>267,693,600</u>	<u>26,769</u>
12. 總資產減流動負債及流動資產淨值 本集團於二零零七年六月三十日及二零零六年十二月三十一日之總資產減流動負債分別為779,626,000港元及684,333,000港元。本集團於二零零七年六月三十日及二零零六年十二月三十一日之流動資產淨值(即流動資產減流動負債)分別為163,091,000港元及80,794,000港元。	12. Total assets less current liabilities and net current assets The Group's total assets less current liabilities amounted to HK\$779,626,000 and HK\$684,333,000 at 30 June 2007 and 31 December 2006 respectively. The Group's net current assets, defined as current assets less current liabilities, amounted to HK\$163,091,000 and HK\$80,794,000 at 30 June 2007 and 31 December 2006 respectively.		
13. 資本承擔	13. Capital commitments	二零零七年 六月三十日 30 June 2007 千港元 HK\$'000	二零零六年 十二月三十一日 31 December 2006 千港元 HK\$'000
有關購入物業、機器及設備 之資本開支如下： — 已訂約但未撥備 — 已授權但未訂約	Capital expenditure in respect of the acquisition of property, plant and equipment: — Contracted but not provided for — Authorised but not contracted for	<u>236</u> —	<u>3,460</u> —
14. 或然負債 於資產負債表結算日，本集團並無任何重大或然負債。	14. Contingent liabilities The Group had no significant contingent liabilities at the balance sheet date.		



財務報表附註（續）

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. 關連人士之交易

本集團於回顧期間內與關連人士進行之交易如下：

關連人士 Related parties	交易性質 Nature of transactions
雲南省昭通市 財政局	Finance Bureau of Zhaotong City, Yunnan Province
	本集團已付之租金 Rental paid by the Group

本集團與關連人士之尚未償還結餘詳情載於簡明綜合資產負債表。

除上文所披露者外，在期內並無與關連人士進行其他重大交易，而於二零零七年六月三十日亦無與關連人士涉及任何重大結餘。

15. Related party transactions

During the period under review, the Group had transactions with the related parties as follows:

截至六月三十日止六個月 Six months ended 30 June	
二零零七年 2007 千港元 HK\$'000	二零零六年 2006 千港元 HK\$'000
51	49

Details of the Group's outstanding balances with the related parties are set out on the condensed consolidated balance sheet.

Save as disclosed above, there were no other significant transactions with related parties during the period or significant balances with them as at 30 June 2007.

中期股息

董事會宣佈，於二零零七年十月二十二日或相近日子向於二零零七年十月二日（星期二）名列本公司股東名冊之股東，派付截至二零零七年六月三十日止六個月之中期現金股息每股2.2港仙（二零零六年：2.0港仙）。

INTERIM DIVIDEND

The Directors have declared the payment of an interim cash dividend of HK2.2 cents (2006: HK2.0 cents) per share for the six months ended 30 June 2007 payable on or around 22 October 2007 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 2 October 2007.

暫停辦理股東登記手續

本公司將於二零零七年十月三日（星期三）至二零零七年十月八日（星期一）（包括首尾兩天）暫停辦理股東登記手續，在該期間內不會進行任何股份過戶登記。所有股份過戶文件連同有關之股票最遲須於二零零七年十月二日（星期二）下午四時正前交回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。

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 3 October 2007 to Monday, 8 October 2007 (both days inclusive) during which period no transfer of shares will be registered. All transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Abacus Share Registrars Limited, of 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 2 October 2007.

管理層之討論與分析

理想的經營業績

本集團截至二零零七年六月三十日止六個月之總營業額為618,449,000港元，較二零零六年同期減少21.0%，主要由於分銷電子零件及產品之業務模式由傳統買賣模式轉為增值供應鏈管理模式所致。因此，較低利潤率之純買賣活動已經減少。由於新業務模式帶來較高盈利貢獻，因此分銷產品之整體毛利維持不變。截至二零零七年六月三十日止六個月之股權持有人應佔溢利為39,742,000港元，較二零零六年同期增加約11.3%。

業務回顧

包裝印刷部門

包裝印刷業務於截至二零零七年六月三十日止六個月之營業額為261,007,000港元，較二零零六年同期增加7.0%。儘管競爭激烈及直接生產成本上漲，二零零七年上半年之毛利率由30.4%輕微下降至約29.5%，主要由於本集團持續實施有效成本控制措施，藉著良好信譽增加議價能力及改善生產效能。包裝印制業務為本集團之核心業務，截至二零零七年六月三十日止六個月，該業務之毛利佔本集團毛利總額約83.6%。

MANAGEMENT'S DISCUSSION AND ANALYSIS

Satisfactory Operation Results

Total turnover of the Group for the six months ended 30 June 2007 amounted to HK\$618,449,000, representing a decrease of 21.0% from the corresponding period in 2006. The decrease was mainly due to the change of business model on the distribution of electronic components and products from traditional trading model to added-value supply chain management model. As such, pure trading activities with low profit margins were reduced. As a result of higher contribution margin deviated from the new business model, the overall gross profit from the distribution of products was maintained. Profit attributable to equity holders stood at HK\$39,742,000 for the six months ended 30 June 2007, representing an increase of approximately 11.3% compared with the corresponding period in 2006.

Business Overview

Package Printing Division

The turnover from packaging printing business for the six months ended 30 June 2007 was HK\$261,007,000, representing an increase of 7.0% from the same period of 2006. Gross profit margin decreased slightly from 30.4% to approximately 29.5% in the first half of 2007 despite the keener competition and the rising direct production costs. The slight decrease in gross profit margin was attributable to the Group's continuous effective cost control measures, the increasing bargaining power due to better creditability and the improvement in production efficiency. Gross profit from the packaging printing business, which remains the core business of the Group, accounted for approximately 83.6% of the Group's total gross profit for the six months ended 30 June 2007.



管理層之討論與分析 (續)

業務回顧(續)

包裝印刷部門(續)

儘管中國政府不時實施宏觀調控措施以遏抑中國之經濟發展過熱，惟中國之國內生產總值於二零零七年上半年之增長率仍維持強勁，達至約11.5%。中國經濟快速發展及國民生活水平改善，帶動市場對具有更佳產品設計及包裝之時尚及潮流消費品需求增加。在此情況下，加上本集團具備超卓之研究開發(「研發」)能力，及擁有尖端技術，包括最先進之進口印刷機器及設備，可適用於生產任何顏色、形狀及尺寸之消費品紙品包裝以及最新之防偽及印刷技術，本集團已擴展其產品覆蓋範圍，務求增加於醫藥、酒類及健康食品等其他消費品印刷包裝之市場份額。然而，卷煙包裝印刷仍為包裝印刷部門之核心產品，於期內之營業額佔印刷包裝部門營業額約94.6%。中國之煙草業持續整固，使各香煙包裝製造商之競爭漸趨激烈。然而，由於本集團各合營企業之策略性夥伴為地方政府，本集團對透過此業務模式取得訂單感到樂觀。此外，本集團管理層深信，由於多元化發展至其他優質消費品之印刷包裝業務，故此部門將可持續增長，而印刷包裝業務依賴單一主要產品所承擔之風險將會減低。

二零零七年上半年，中國之卷煙產量合共為22,296,000大箱，較去年同期增加約8.1%(二零零六年上半年為20,476,000大箱)。然而，工商利潤及稅項於同期上升26.4%至超過人民幣200,000,000,000元，顯示卷煙之銷售價值顯著增長，並配合中國政府逐步將低價卷煙產品轉移至高價及較佳品牌形象之卷煙產品政策，為本集團提供無限發展機會。

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Business Overview (cont'd)

Package Printing Division (cont'd)

Despite the austerity measures implemented by the PRC government from time to time to curb the overheating economy in the PRC, the growth rate of the gross domestic product in the PRC remains strong at approximately 11.5% in the first half of 2007. The rapid growth in PRC's economy and improvement in living standard continued to fuel the robust growth of the demand for lifestyle and fashionable consumer products which required better product design and packaging. In view of these and the fact that the Group had excellent research and development ("R&D") capability and was equipped with cutting-edge technology, including the most advanced imported printing machinery and equipment which could fit for the production of any colour, any shape and any size of consumer product paper packaging and the latest anti-counterfeit and printing technologies, the Group was expanding its product coverage with the aim to capture additional market shares in printed packaging for other consumer products, including pharmaceutical, wine and health foods. However, turnover from the tobacco printed packaging during the period still remained the core product line in the printed packaging division, constituting approximately 94.6% of the turnover from printed packaging division. The continuous consolidation of the tobacco industry in the PRC increased the competition among tobacco package manufacturers. However, the Group is optimistic that orders will be secured through its business model by having the local government as a strategic partner in each of its joint ventures. Furthermore, the Group's management is confident that, by entering into printed packages business for other premium quality consumer products, the division will continue to grow and the risk of focusing on printed packaging for single major product will be lowered.

In the first half of 2007, tobacco output in the PRC totalled 22,296,000 master cartons, representing an increase of approximately 8.1% from the same period of last year (20,476,000 master cartons in the first half of 2006). However, the industrial and commercial profits and taxes rose 26.4% during the same period to over RMB200,000,000,000. This indicated that the sales values of tobacco had grown tremendously, which is in line with the PRC Government's policies to gradually move away from low-priced to high-priced tobacco products with better brand image, offering enormous opportunities for the Group.

管理層之討論與分析 (續)

業務回顧 (續)

包裝印刷部門 (續)

本集團於安徽省滁州市成立之新廠房已於二零零六年下半年開始投產。於二零零七年初，已完成所有進口機器之安裝、測試及調整。除若干少量資本投資於印刷後工序之機器以符合特定產品要求外，廠房於期內並無任何主要資本開支，預期於二零零七年亦不會產生重大開支。作為地方政府之夥伴，工廠正積極物色不同消費品類別之潛在客戶，以壯大客戶基礎。印刷包裝多元化發展至其他消費品乃符合本集團之策略。

分銷及投資業務

分銷及投資業務於期內之營業額為357,442,000港元，較二零零六年同期減少33.6%，主要由於減少電子零件相關之低盈利貢獻買賣活動。因此，來自分銷大宗貨物（主要為船舶用燃油）佔此項業務總營業額之百分比增加至89.1%。然而，由於所減少之款額差不多已由較高利潤之供應鏈管理業務所全數彌補，因此減少營業額並無對該部門之整體毛利造成重大影響。

管理層正積極將分銷電子零件及產品業務由低增值簡單買賣模式轉至較高利潤之多元化供應鏈管理模式。根據新模式，本集團將發展其本身之研發隊伍、與原設備製造生產商（簡稱OEM）合作及於北美、歐洲、亞洲及中東建立分銷網絡，務求取得整個供應鏈之管理及控制，並直接為最終客戶提供服務，因而改善整個供應鏈之溝通及營運效能、減低整體生產成本及增加產品競爭力。

人力資源發展

於二零零七年六月三十日，本集團聘用合共約1,000名僱員。期內之僱員人數並無重大變動，而大部份僱員乃於本期間內由本集團設於中國之生產廠房所聘用。

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Business Overview (cont'd)

Package Printing Division (cont'd)

The Group's newly set up plant in Chuzhou City, Anhui Province commenced production in the second half of 2006. In early 2007, all imported machineries were fully set up, tested and fine-tuned. Other than some minor capital investments in post-printing machineries to meet specific product requirements, the plant did not have any major capital expenditure during the period and does not expect to have any material spending in 2007. Being in partnership with the local government, the plant is now actively approaching potential customers in different consumer product segments to broaden its own customer base. The diversification of printed packaging in other consumer products is in line with the Group's strategy.

Distribution and Investment Businesses

Turnover from the distribution and investment businesses during the period amounted to HK\$357,442,000, representing a decrease of 33.6% from the corresponding period in 2006. The decrease was due mainly to the reduction in low contribution margin trading activities related to electronic components. Because of this, the percentage of total turnover from this category generated from the distribution of mass merchandise, mainly marine fuel oil, increased to 89.1%. Nevertheless, the reduction in turnover did not have any significant impact on the overall gross profit of the division as the decrease was almost compensated by the contribution from the higher profit margin supply chain management activities.

The management is actively shifting the distribution activities of electronic components and products from low added-value simple trading model to a higher contribution sophisticated supply chain management model. Under the new model, the Group will develop its own R&D team, lined up with original equipment manufacturers (OEM), and establish its distribution networks in North America, Europe, Asia as well as Middle East with the objectives to take up the management and control over the whole supply chain and to serve its end customers directly. This should improve the communication and operating efficiency for the whole chain, lower the overall production costs and increase product competitiveness.

Human Resources Development

As at 30 June 2007, the Group employed a total of approximately 1,000 employees. There was no substantial change in the number of employees during the period and most of them were hired by the Group's production plants in the PRC during the period.



管理層之討論與分析 (續)

業務回顧(續)

人力資源發展(續)

本集團已提供多項內部培訓計劃，並由其機器供應商為工程師提供學習課程，以確保其技術員工能夠有效地操作新機器。此外，本集團亦提供不同之培訓計劃，以提升僱員之事業發展。

未來展望

儘管中國政府持續實施宏觀調控措施，中國之國內生產總值預期於二零零七年仍將達致雙位數字增長。隨著快將舉行北京二零零八年奧運會，預期市場對優質消費品及國際標準包裝之需求將會增加。儘管中國市場擁有無限商機，本集團在與合適夥伴設立新合營企業方面仍會保持審慎之擴展政策。本集團正與有潛力夥伴進行磋商，而管理層預期於二零零七年底前落實最少一項項目。隨著中國經濟穩步增長及國民生活水平日漸提升，管理層對優質消費品(此乃本集團之主要市場分部)之需求將大幅增長感到樂觀。管理層將採納下列發展策略，並於同時繼續維持嚴謹的成本控制措施，以及進一步提升生產效率。

地域覆蓋

於完成安徽省之新廠房後，本集團已於中國東部、東北部及西部建立策略性的營運基地。為增加本集團業務於中國其他地區之地域覆蓋範圍，本集團正尋求於中國南部或北部設立新合營企業。本集團正積極於該等地區之主要城市物色有潛力之合作夥伴，希望可儘快落實一家合營企業之磋商。本集團之策略為每兩至三年成立一家合營企業。

產品覆蓋

本集團現有設施可生產任何顏色、尺寸及形狀之消費紙品包裝產品系列。為全面發揮現有設施功能及開拓香煙以外其他產品類別之商機，本集團現正積極建立其他消費品類別之客戶群，例如醫藥、酒類及健康食品。

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Business Overview (cont'd)

Human Resources Development (cont'd)

The Group has provided various in-house training programmes and has enrolled courses provided by its machine suppliers for engineers in order to ensure that its technical staffs can operate the new machines efficiently. In addition, the Group also offers a variety of training programmes to enhance career development among the employees.

Future Prospects

Amid the continual austerity measures implemented by the PRC government, the growth rate of the PRC's gross domestic product is still expected to achieve double-digit in 2007. In view of the upcoming 2008 Olympics Game in Beijing, it is expected that the demand for high quality consumer products and worldwide standard packaging will increase. Despite the enormous opportunities in the PRC market, the Group still insists to maintain a prudent expansion policy in term of setting up new joint ventures with proper partners. Negotiations with potential partners are still in progress and the management is expecting to finalising at least one project by the end of 2007. The management is optimistic that the demand for high quality consumer products, which is the major market segments of the Group, will be growing tremendously along with the stable economic growth and improving living standards in the PRC. The management will adopt the following growth strategies and, at the same time, continue to tighten its cost controls and further improve in production efficiency.

Geographical Coverage

After the completion of the new plant in Anhui Province, the Group has already strategically positioned its operations in the eastern, north-eastern and western parts of the PRC. To enhance the Group's geographical coverage in other areas of the PRC, the Group is looking at setting up new joint venture in either the southern part or the northern part of the PRC. The Group is actively seeking potential partners in major cities of these areas, with the hope of finalising negotiation for a joint venture soon. It is also the Group's strategy to establish a joint venture in every two to three years.

Product Coverage

The Group's existing facilities are capable of producing all types of consumer paper packaging products in any colour, size and shape. To make full use of existing facilities' capability and to explore business opportunities in other product categories other than tobacco, the Group is actively building up its customer base in other categories of consumer products such as pharmaceutical, wine and health food.

管理層之討論與分析 (續)**未來展望(續)***致力提升股東價值*

本集團運用靈活而進取之市場推廣及投資策略，以致力提升股東價值。本集團一直竭力透過開拓各種收入來源及物色良好之業務發展機會，並以審慎之態度發掘其他投資機會，務求取得長期增長。

流動資金及財政資源

本集團於本期間內維持穩健之財政狀況。於二零零七年六月三十日，淨負債資產比率(即計息負債減現金/股東權益加少數股東權益)由二零零六年十二月三十一日之47.8%下降至46.0%。本集團之未計利息支出、稅項、折舊及攤銷之盈利(簡稱EBITDA)對利息支出之利息盈利率由二零零六年十二月三十一日之6.5倍增加至8.5倍。手頭上可動用之現金由二零零六年十二月三十一日之195,193,000港元減少至76,376,000港元。

股本結構

於本期間內，本公司之股本並無變動。

匯兌風險

印刷包裝部門之所有銷售額及購貨額均以人民幣(「人民幣」)定值，而分銷部門之大部份銷售額及購貨額則以美元或港元定值。銷售額及購貨額之貨幣互相配合，匯兌風險得以減至最低。

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)**Future Prospects (cont'd)***Maximise Shareholders' Value*

The Group applies flexible and proactive marketing and investment strategies to maximise shareholders' value. The Group is committed to achieving long-term growth by generating various revenue sources and searching for good business opportunities as well as other investment opportunities in a prudent manner.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has maintained a stable financial position for the period. As at 30 June 2007, the net debt to equity ratio (Interest bearing liabilities less cash/Shareholders' equity plus minority interests) was decreased from 47.8%, as of 31 December 2006, to 46.0%. The interest coverage ratio of the Group's earnings before interest expenses, tax, depreciation and amortisation (EBITDA) to interest expenses was increased from 6.5 times, as of 31 December 2006, to 8.5 times. The available cash on hand decreased from HK\$195,193,000, as of 31 December 2006, to HK\$76,376,000.

CAPITAL STRUCTURE

During the period, there was no change to the share capital of the Company.

EXCHANGE EXPOSURE

All the sales and purchases for the printed packaging division are denominated in Renminbi ("RMB") and most of sales and purchases for the distribution division are denominated in United States dollar or Hong Kong dollar. Through the currency match for sales and purchases, the exposure to exchange risks is minimised.



董事於股份、相關股份及債券之權益

於二零零七年六月三十日，董事及彼等之聯繫人士於本公司(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有須記錄於本公司根據證券及期貨條例第352條存置之登記冊內之權益，或根據上市規則所載上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

董事姓名	身份	持有已發行之 普通股數目 Number of issued ordinary shares held	佔本公司已發行 股本之百分比 Percentage of the issued share capital of the Company
許經振先生 Mr. Hui King Chun, Andrew	以信託形式持有 Held by trust	194,691,000 (附註) (Note)	72.73%

附註：該等股份乃以一家全權信託間接全資擁有之公司 Accufit Investments Inc. 之名義登記，該全權信託之受益人為許經振先生之家族成員。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2007, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained 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 (the "Model Code") contained in the Listing Rules, were as follows:

Note: These shares are registered in the name of Accufit Investments Inc., a company indirectly wholly-owned by a discretionary trust, the beneficiaries of which are the family members of Mr. Hui King Chun, Andrew.

除上文所披露者外，於二零零七年六月三十日，概無董事或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有須記錄於本公司根據證券及期貨條例第352條存置之登記冊內之任何權益或淡倉，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

Other than as disclosed above, none of the directors nor their associates had any interests or short positions 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) as at 30 June 2007, as required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

主要股東

於二零零七年六月三十日，根據本公司按照證券及期貨條例第336條所存置之主要股東登記冊顯示，除上文所披露之若干董事權益外，下列股東已知會本公司彼等於本公司之已發行股本中擁有相關權益及淡倉。

- (i) **好倉**
本公司每股面值0.10港元之普通股

股東名稱	身份	所持已發行 普通股數目 Number of issued ordinary shares held	佔本公司已發行 股本之百分比 Percentage of the issued share capital of the Company
Names of shareholders	Capacity		
Basab Inc.	信託受益人 Beneficiary of trusts	194,691,000 (附註1) (Note 1)	72.73%
Guardian Trustee Limited	信託受益人 Beneficiary of trusts	194,691,000 (附註1) (Note 1)	72.73%
Penta Investment Advisers Ltd.	投資經理 Investment manager	32,482,000 (附註2) (Note 2)	12.13%
John Zwaanstra	投資經理 Investment manager	32,482,000 (附註2) (Note 2)	12.13%
Evolution Capital Management LLC	投資經理 Investment manager	24,518,000	9.16%
Evolution Master Fund, Ltd. SPC	投資經理 Investment manager	24,518,000	9.16%
Penta Japan Fund, Ltd.	投資經理 Investment manager	15,450,000	5.77%
Todd Zwaanstra	投資經理 Investment manager	15,450,000	5.77%

附註：

- 該等股份乃以由Basab Inc. (作為Basab Unit Trust之信託人) 全資擁有之公司 Accufit Investments Inc. 之名義登記。Basab Unit Trust 乃由Guardian Trustee Limited作為信託人之全權信託擁有之單位信託基金，其受益人為許經振先生之家族成員。其包括134,116,000股由Accufit Investments Inc. 實益持有之股份及65,384,000股受本公司於二零零六年十月二十五日發表之公佈內所述之認沽期權安排所規限之股份(其中4,809,000股股份已於資產負債表結算日前出售，因此不再受認沽期權安排所規限)。
- John Zwaanstra全資擁有Penta Investment Advisers Ltd.。
- 許經振先生為Accufit Investments Inc. 之董事。

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed above in respect of certain directors, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

- (i) **Long positions**
Ordinary shares of HK\$0.10 each of the Company

Notes:

- These shares are registered in the name of Accufit Investments Inc., which is 100% owned by Basab Inc. as trustee of the Basab Unit Trust which is a unit trust owned by Guardian Trustee Limited as trustee of a discretionary trust, the beneficiaries of which are the family members of Mr. Hui King Chun, Andrew. This comprises 134,116,000 shares beneficially held by Accufit Investments Inc. and 65,384,000 shares subject to put option arrangements as referred in the Company's announcement dated 25 October 2006 (of which 4,809,000 shares have been disposed of before the balance sheet date hence are no longer subject to put option arrangements).
- John Zwaanstra wholly owns Penta Investment Advisers Ltd.
- Mr. Hui King Chun, Andrew is a director of Accufit Investments Inc.



主要股東 (續)

(ii) 淡倉
本公司每股面值0.10港元之普通股

SUBSTANTIAL SHAREHOLDERS (cont'd)

(ii) Short positions
Ordinary shares of HK\$0.10 each of the Company

股東名稱	身份	所持已發行 普通股數目 Number of issued ordinary shares held	佔本公司已發行 股本之百分比 Percentage of the issued share capital of the Company
Names of shareholders	Capacity		
Penta Investment Advisers Ltd.	投資經理 Investment manager	28,616,000	10.69%
John Zwaanstra	投資經理 Investment manager	28,616,000	10.69%
Evolution Capital Management LLC	投資經理 Investment manager	24,518,000	9.16%
Evolution Master Fund, Ltd. SPC	投資經理 Investment manager	24,518,000	9.16%
Penta Japan Fund, Ltd.	投資經理 Investment manager	15,450,000	5.77%
Todd Zwaanstra	投資經理 Investment manager	15,450,000	5.77%

除上文所披露之權益外，於二零零七年六月三十日，本公司並不知悉在本公司之已發行股本中擁有任何其他相關權益或淡倉。

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued capital of the Company as at 30 June 2007.

買賣或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零零七年六月三十日止六個月期間內，概無買賣或贖回本公司之任何上市證券。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months period ended 30 June 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

企業管治

本公司已採納上市規則附錄14所載之所有守則條文，惟下列偏離事項除外：

- 許經振先生為本集團之創辦人及主席。本公司現時並無任何高級職員擁有「行政總裁」之職銜，而自本公司成立以來，許先生一直被視為主席兼董事總經理，並負責本公司之整體管理工作。由於董事會相信在毋須調和本公司董事會與管理層間之權力及權限平衡之情況下，此架構可確保能夠有效及以較高效率制訂及推行業務策略，故董事會日後擬保留此架構。(守則條文A.2.1條)

CORPORATE GOVERNANCE

The Company has adopted all the Code Provisions in Appendix 14 of the Listing Rules except the following deviations:

- Mr. Hui King Chun, Andrew is the founder and Chairman of the Group. The Company does not at present have any officer with the title "Chief Executive Officer" and Mr. Hui has assumed the role of both Chairman and Managing Director since the establishment of the Company, and is in charge of the overall management of the Company. The Directors intend to maintain this structure in future as it believes that this structure can ensure efficient and effective formulation and implementation of business strategies without compromising the balance of power and authority between the Directors and management of the Company. (Code Provision A.2.1)



企業管治 (續)

2. 所有獨立非執行董事並無固定任期，惟須根據本公司章程細則第87(1)條於本公司之股東週年大會上輪席告退及膺選連任。(守則條文A.4.1條)

董事會將不時檢討現況，並於董事會認為適當時作出必要安排。

審核委員會

根據上市規則附錄14，董事會自一九九八年以來已成立審核委員會，審核委員會目前由三名獨立非執行董事組成。審核委員會已與管理層審閱本集團採用之會計原則及慣例，並曾就審核、內部監控及財務申報事宜(包括審閱未經審核之中期財務報表)進行討論。

薪酬委員會

該委員會之主要職能包括：考慮及審批管理層建議之酬金政策、執行董事之酬金組合及本公司之購股權計劃。

薪酬委員會成員包括一名執行董事許經振先生及三名獨立非執行董事吳志揚先生、譚旭生先生及何樂昌先生。

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之標準守則。經向本公司董事作出查詢後，全體董事已確認於截至二零零七年六月三十日止整個六個月內，彼等均符合標準守則所載之規定標準。

承董事會命
主席
許經振

香港，二零零七年九月十九日

附註：

- i. 人民幣兌換為港元乃按照人民幣0.973601元兌1.00港元之匯率換算。
- ii. 美元兌換為港元乃按照1美元兌7.8港元之匯率換算。

CORPORATE GOVERNANCE (cont'd)

2. All the independent non-executive directors are not appointed for specific term but are subject to retirement and rotation and re-election at the Company's Annual General Meeting in accordance with Article 87(1) of the Company's Bye-Laws. (Code Provision A.4.1)

The Directors will review the current situation from time to time and shall make necessary arrangements when the Directors consider appropriate.

AUDIT COMMITTEE

In accordance with the Appendix 14 of the Listing Rules, the Directors established an Audit Committee since 1998 and the Audit Committee currently comprises three independent non-executive directors. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial statements.

REMUNERATION COMMITTEE

The major functions of the committee include: considering and approving the remuneration policies proposed by the management, remuneration package of executive directors and the Company's share option scheme.

The Remuneration Committee includes an executive director, Mr. Hui King Chun, Andrew, and three independent non-executive directors, Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2007.

By Order of the Board
Hui King Chun, Andrew
Chairman

Hong Kong, 19 September 2007

Notes:

- i. The conversion of RMB into Hong Kong dollar is based on the exchange rate of RMB0.973601 = HK\$1.00.
- ii. The conversion of United States dollar into Hong Kong dollar is based on the exchange rate of US\$1 = HK\$7.8.

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