

interim report 2008
INTERIM REPORT 中期報告 08

色彩繽紛

大小俱備 款式齊全

僑威集團的包裝產品設計理念：

Any colour – 由印刷之四個基本原色：藍、紅、黃、黑墨，加上專色調配至千變萬化的色彩，印刷在不同材料上，例如鐳射光柱紙或玻璃銅版紙，再配合不同之上光效果，包括光、啞、珍珠油等，變化成無窮的繽紛色彩，並超越印刷色域的極限，以提升產品的吸引力及防偽效果；

Any size – 覆蓋絕大部份消費品包裝尺寸，由小至20立方厘米的盒子至超過5萬立方厘米的大盒，包括本集團之主要產品組合 - 煙盒、酒盒、藥盒、化妝品及保健產品包裝；

Any shape – 由市場盛行的包裝形狀如長方體和四方體至特殊形狀如圓柱體和六角柱體等，使消費者不但有煥然一新的感覺，還能刺激購買意慾，從而達至促銷客戶產品的目的。

僑威集團主要在中國從事高質素包裝印刷業務。本集團在各生產基地皆設有研發部門，並於雲南省建立研發中心，因此，在設計每件包裝產品時都融入了『Any colour, Any size, Any shape』的理念，為客戶的產品增值及提高其防偽能力，使客戶對本集團充滿信心及保持長期合作關係。

Design philosophy of Kith Holdings' packaging products:

Any colour – by mixing four primary process colour ink (cyan, magenta, yellow and black) with spot colour to realise variety of colours, printing on different substrates, such as pillar-effect holographic paperboard or cast-coated paper, as well as adding varnish effects, including gloss, matt and pearl varnishing ink, the Group's products exhibit infinite colour effects and surpass printing colour space in order to enhance its attractiveness and anti-counterfeit features;

Any size – the Group furnishes almost all sizes of packaging for consumer products, ranging from 20cm³ to over 50,000cm³. These include the Group's main product mix - tobacco, wine, pharmaceutical, cosmetics and health products' packaging;

Any shape – the Group provides different packaging shapes from prevailing ones like rectangular and cubic box to particular shapes such as cylinder and hexagonal. With the aim of marketing customers' products, this not only arouses new perception of consumers, but also stimulates their consumption.

Kith Holdings is mainly engaged in high quality package printing business in the PRC. By deploying R&D department in each production facility and setting up R&D centre in Yunnan Province, the Group brings the philosophy of "Any colour, Any size, Any shape" into its products and, consequently, to enhance its product's value and anti-counterfeit capabilities so as to reinforce customers' confidence and maintain their long-term co-operative relationships.

any colour any shape any size

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企業資料

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

總辦事處及主要營業地點

香港文咸東街68號
興隆大廈1字樓
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

陳德安先生

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
金鐘匯中心26樓

百慕達過戶登記總處

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street
Hamilton HM 11
Bermuda

投資者及傳媒關係

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股份代號

香港聯合交易所：1201

CORPORATE INFORMATION

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

1st Floor, Hing Lung Commercial Building
68 Bonham Strand East, Hong Kong
E-mail: info@kith.hk

WEBSITE

www.kithholdings.com

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. Chan Tak On

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

Abacus Share Registrars Limited
26/F Tesbury Centre
28 Queen's Road East, Hong Kong

BERMUDA PRINCIPAL REGISTRAR

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6 Front Street
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INVESTOR & MEDIA RELATIONS

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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」)截至二零零八年六月三十日止六個月之未經審核中期業績，連同二零零七年同期之比較數字，詳情如下：

簡明綜合收益表

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 30th June, 2008, together with the comparative figures for the corresponding period of 2007. The details are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

| | | (未經審核) (Unaudited) | |
|----------|------------------------------|--|-----------------|
| | | 截至六月三十日止六個月 Six months ended 30th June, | |
| | | 二零零八年 2008 | 二零零七年 2007 |
| | | 千港元 HK\$'000 | 千港元 HK\$'000 |
| | 附註 Notes | | |
| 收益 | Revenue | 3 | 628,777 |
| 銷售成本 | Cost of sales | | (532,850) |
| 毛利 | Gross profit | | 95,927 |
| 其他收益 | Other revenue | | 19,658 |
| 分銷成本 | Distribution costs | | (1,778) |
| 行政開支 | Administrative expenses | | (36,031) |
| 其他經營開支 | Other operating expenses | | (7,031) |
| 經營溢利 | Profit from operations | | 70,745 |
| 融資成本 | Finance costs | | (10,569) |
| 除稅前溢利 | Profit before taxation | 4 | 60,176 |
| 稅項 | Taxation | 5 | (8,530) |
| 本期間溢利 | Profit for the period | | 51,646 |
| 應佔溢利： | Profit attributable to: | | |
| 母公司股權持有人 | Equity holders of the parent | | 35,990 |
| 少數股東權益 | Minority interests | | 15,656 |
| | | | 51,646 |
| 中期股息 | Interim dividend | | 5,752 |
| | | 港仙 HK cents | 港仙 HK cents |
| 每股盈利 | Earnings per share | 6 | |
| — 基本 | — Basic | | 13.77 |
| — 攤薄 | — Diluted | | 13.74 |
| | | | 不適用 N/A |

第7至第16頁之附註構成本中期財務報表之一部份。

The notes on pages 7 to 16 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) | (經審核) (Audited) |
|----------------------------------|--|--|--|
| | | 於二零零八年 六月三十日 As at 30th June, 2008 | 於二零零七年 十二月三十一日 As at 31st December, 2007 |
| | | 千港元 HK\$'000 | 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 | 561,002 | 568,530 |
| 預付租賃付款 | Prepaid lease payments | 18,964 | 19,290 |
| 商譽 | Goodwill | 2,695 | 2,695 |
| 可供出售投資 | Available-for-sale investments | 9,504 | 10,456 |
| 遞延稅項資產 | Deferred tax assets | 432 | 787 |
| | | <u>592,597</u> | <u>601,758</u> |
| 流動資產 | Current Assets | | |
| 存貨 | Inventories | 95,948 | 94,423 |
| 遞延代價－即期 | Deferred consideration – current | – | 4,991 |
| 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 | 7 481,407 | 579,023 |
| 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 42,551 | 25,929 |
| 按公平價值以損益列賬 之財務資產 | Financial assets at fair value through profit or loss | 40,631 | 14,594 |
| 預付租賃付款 | Prepaid lease payments | 613 | 613 |
| 短期應收貸款 | Short-term loans receivable | 115,273 | 85,157 |
| 銀行結餘及現金 | Bank balances and cash | 228,185 | 136,177 |
| | | <u>1,004,608</u> | <u>940,907</u> |
| 流動負債 | Current Liabilities | | |
| 應付貿易賬款及 其他應付賬款 | Trade and other payables | 9 142,483 | 360,800 |
| 稅務負債 | Tax liabilities | 12,548 | 11,310 |
| 應付股息 | Dividend payable | 16,077 | 1,114 |
| 借貸－一年內到期 | Borrowings – due within one year | 10 579,717 | 313,071 |
| | | <u>750,825</u> | <u>686,295</u> |
| 流動資產淨值 | Net Current Assets | <u>253,783</u> | <u>254,612</u> |
| 資產總值減流動負債 | Total Assets Less Current Liabilities | <u>846,380</u> | <u>856,370</u> |
| 非流動負債 | Non-current Liabilities | | |
| 借貸－一年後到期 | Borrowings – due after one year | 10 109,310 | 117,800 |
| 遞延稅項負債 | Deferred tax liabilities | 31,841 | 30,469 |
| | | <u>141,151</u> | <u>148,269</u> |
| 資產淨值 | Net Assets | <u><u>705,229</u></u> | <u><u>708,101</u></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) |
|------------------|--|-------------|-----------------------------|---------------------------------|
| | | | 於二零零八年 六月三十日 | 於二零零七年 十二月三十一日 |
| | | | As at 30th June, 2008 | As at 31st December, 2007 |
| | | | 千港元 | 千港元 |
| | | 附註 Notes | HK\$'000 | HK\$'000 |
| 資本及儲備 | Capital and Reserves | | | |
| 股本 | Share capital | 11 | 26,145 | 26,145 |
| 儲備 | Reserves | | 425,760 | 423,300 |
| | | | <hr/> | <hr/> |
| 母公司股權持有人 應佔權益 | Equity attributable to equity holders of the parent | | 451,905 | 449,445 |
| 少數股東權益 | Minority interests | | 253,324 | 258,656 |
| | | | <hr/> | <hr/> |
| 權益總額 | Total Equity | | 705,229 | 708,101 |
| | | | <hr/> <hr/> | <hr/> <hr/> |

第7至第16頁之附註構成本中期財務報表之一部份。

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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 30th June, | |
| | | 二零零八年 2008 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 |
| 經營業務所得之 現金(流出)流入淨額 | Net Cash (Outflow) Inflow from Operating Activities | (67,840) | 60,517 |
| 投資業務所使用之 現金淨額 | Net Cash Used in Investing Activities | (36,383) | (29,118) |
| 融資業務之現金 流入(流出)淨額 | Net Cash Inflow (Outflow) from Financing Activities | 191,206 | (152,267) |
| 現金及現金等值項目之 增加(減少)淨額 | Net Increase (Decrease) in Cash and Cash Equivalents | 86,983 | (120,868) |
| 期初之現金及現金 等值項目 | Cash and Cash Equivalents at Beginning of Period | 136,177 | 195,193 |
| 外匯匯率變動之影響 | Effect of Foreign Exchange Rate Changes | 5,025 | 2,051 |
| 期末之現金及現金 等值項目 | Cash and Cash Equivalents at End of Period | 228,185 | 76,376 |
| 銀行結餘及現金 | Bank Balances and Cash | 228,185 | 76,376 |

第7至第16頁之附註構成本中期財務報表之一部份。

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綜合股權變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

母公司股權持有人應佔權益

Equity attributable to equity holders of the parent

| | | 股本 | | 資產 | | 企業 | | 資本儲備 | 滙兌儲備 | 投資 | 購股 | 保留溢利 | 總計 | 少數 | 權益 | |
|----------------|---|---------------|----------------------------|---------------|---------------------------|---------------------------|--------------|---------------|-----------------|---------------------|--------------------------------|-----------------------|------------------|----------|--------------------|--------------|
| | | 股本 | 贖回儲備 | 股份溢價 | 重估儲備 | 發展基金 | 儲備基金 | | | | | | | | | 其他儲備 |
| | | Share capital | Capital redemption reserve | Share premium | Asset revaluation reserve | Enterprise expansion fund | Reserve fund | Other reserve | Capital reserve | Translation reserve | Investment revaluation reserve | Share options reserve | Retained profits | Total | Minority interests | Total equity |
| | | 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 | 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 | HK\$'000 | HK\$'000 | HK\$'000 |
| (未經審核) | [Unaudited] | | | | | | | | | | | | | | | |
| 本集團 | The Group | | | | | | | | | | | | | | | |
| 於二零零七年一月一日 | At 1st 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 30th 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 |
| 於二零零八年一月一日 | At 1st January, 2008 | 26,145 | 624 | 74,215 | 43,099 | 43,324 | 1,589 | 27,923 | (200) | 45,632 | 2,292 | 126 | 184,676 | 449,445 | 258,656 | 708,101 |
| 換算海外業務而產生之滙兌差額 | Exchange differences arising on translation of foreign operations | - | - | - | - | - | - | - | - | 699 | - | - | - | 699 | 1,926 | 2,625 |
| 可供出售投資公平值變動 | Fair value change of available-for-sale investments | - | - | - | - | - | - | - | - | - | (952) | - | - | (952) | - | (952) |
| 確認股本結算股份為基礎之付款 | Recognition of equity-settled share-based payment | - | - | - | - | - | - | - | - | - | - | 189 | - | 189 | - | 189 |
| 本期間溢利 | Profit for the period | - | - | - | - | - | - | - | - | - | - | - | 35,990 | 35,990 | 15,656 | 51,646 |
| 本期間已確認收入及支出總額 | Total recognised income and expenses for the period | 26,145 | 624 | 74,215 | 43,099 | 43,324 | 1,589 | 27,923 | (200) | 46,331 | 1,340 | 315 | 220,666 | 485,371 | 276,238 | 761,609 |
| 已付予少數股東之股息 | Dividends paid to minority interests | - | - | - | - | - | - | - | - | - | - | - | - | - | (22,914) | (22,914) |
| 派付股息 | Dividends paid | - | - | - | - | - | - | - | - | - | - | - | (33,466) | (33,466) | - | (33,466) |
| 於二零零八年六月三十日 | At 30th June, 2008 | 26,145 | 624 | 74,215 | 43,099 | 43,324 | 1,589 | 27,923 | (200) | 46,331 | 1,340 | 315 | 187,200 | 451,905 | 253,324 | 705,229 |

第7至第16頁之附註構成本中期財務報表之一部份。

The notes on pages 7 to 16 form part of this interim financial statements.

財務報表附註

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二零零七年十二月三十一日止年度之年度財務報表所採納者相同，並已於截至二零零七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，本集團首次採用由香港會計師公會頒佈，並於二零零八年一月一日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集團於本會計期間及過往會計期間之業績或財務狀況造成任何重大影響。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、修訂及詮釋。

| | |
|-----------------------------------|-----------------------------------|
| 香港會計準則第1號 (經修訂) | 呈報財務報表 ¹ |
| 香港會計準則第23號 (經修訂) | 借貸成本 ¹ |
| 香港會計準則第27號 (經修訂) | 綜合及獨立財務報表 ³ |
| 香港會計準則第32號 及第1號(修訂本) | 可沽售金融工具及清盤時 產生的責任 ¹ |
| 香港財務報告準則 第2號(修訂本) | 歸屬條件及註銷 ¹ |
| 香港財務報告準則 第3號(經修訂) | 業務合併 ³ |
| 香港財務報告準則 第8號 | 經營分部 ¹ |
| 香港(國際財務報告 準則詮釋委員會) — 詮釋第13號 | 客戶忠誠度計劃 ² |

NOTES TO THE FINANCIAL STATEMENTS

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 31st December, 2007, as described in the annual financial statements for the year ended 31st December, 2007.

In the current period, the Group has applied, for the first time, a new standard, amendments and interpretations (new "HKFRS"s) issued by the HKICPA, which are effective for accounting periods beginning on 1st January, 2008. The adoption of these new HKFRSs has had no material effect on the results or financial position of the Group for the current and prior accounting periods. Accordingly, no prior period adjustment is required.

The Group has not early applied the following new standards, amendments and interpretation that have been issued but are not yet effective.

| | |
|--------------------------|--|
| HKAS 1 (Revised) | Presentation of financial statements ¹ |
| HKAS 23 (Revised) | Borrowing costs ¹ |
| HKAS 27 (Revised) | Consolidated and separate financial statements ³ |
| HKAS 32 & 1 (Amendments) | Puttable financial instruments and obligations arising on liquidation ¹ |
| HKFRS 2 (Amendment) | Vesting conditions and cancellations ¹ |
| HKFRS 3 (Revised) | Business combinations ³ |
| HKFRS 8 | Operating segments ¹ |
| HK(IFRIC) – INT 13 | Customer loyalty programmes ² |

財務報表附註(續)**2. 主要會計政策(續)**

- 1 於二零零九年一月一日或之後開始之年度期間生效。
- 2 於二零零八年七月一日或之後開始之年度期間生效。
- 3 於二零零九年七月一日或之後開始之年度期間生效。

採納香港財務報告準則第3號(經修訂)可能影響業務合併之會計處理，其收購日為二零零九年七月一日或之後開始之首個年度報告期間開始或之後。香港會計準則第27號(經修訂)將會影響母公司於附屬公司所有權權益並不導致失去控制權之變動之會計處理，將會按權益交易會計處理。本公司董事預期，應用其他準則、修訂或詮釋將對本集團之業績及財務狀況不會產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS (cont'd)**2. Principal accounting policies (cont'd)**

- 1 Effective for annual periods beginning on or after 1st January, 2009.
- 2 Effective for annual periods beginning on or after 1st July, 2008.
- 3 Effective for annual periods beginning on or after 1st July, 2009.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

財務報表附註(續)

3. 分類資料

業務分類

就管理而言，本集團按業務主要分為兩個營運部門，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：

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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 |
|----------------------|------------------------------------|---|--|---------------------------------|--------------------------------|
| 截至二零零八年六月 三十日止六個月 | Six months ended 30th June, 2008 | | | | |
| 收益 | REVENUE | 247,908 | 379,398 | 1,471 | 628,777 |
| 業績 | RESULT | | | | |
| 分類業績 | Segment result | 53,316 | 20,096 | 1,552 | 74,964 |
| 利息收入 | Interest income | | | | 5,987 |
| 未劃撥之企業淨支出 | Net unallocated corporate expenses | | | | (10,206) |
| 融資成本 | Finance costs | | | | (10,569) |
| 除稅前溢利 | Profit before taxation | | | | 60,176 |
| 稅項 | Taxation | | | | (8,530) |
| 本期間溢利 | Profit for the period | | | | 51,646 |
| 截至二零零七年六月 三十日止六個月 | Six months ended 30th June, 2007 | | | | |
| 收益 | REVENUE | 261,007 | 353,993 | 3,449 | 618,449 |
| 業績 | RESULT | | | | |
| 分類業績 | Segment result | 70,809 | 11,655 | 152 | 82,616 |
| 利息收入 | Interest income | | | | 10,185 |
| 未劃撥之企業淨支出 | 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 | | | | 61,687 |

財務報表附註(續)

3. 分類資料(續)

地域分類

本集團之業務及地區市場位於香港、中華人民共和國(「中國」)、美利堅合眾國(「美國」)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、美國及南韓進行。

下表載列本集團按地區市場(不論貨品/服務來源)劃分之銷售額：

| | | 按地區市場劃分之 銷售收益 | | 除稅前溢利之貢獻 | |
|----------|--------------------------------|---|----------------|---|---------------|
| | | 截至六月三十日止六個月 | | 截至六月三十日止六個月 | |
| | | Sales revenue by geographical market | | Contribution to profit before taxation | |
| | | Six months ended 30th June, | | Six months ended 30th June, | |
| | | 二零零八年 | 二零零七年 | 二零零八年 | 二零零七年 |
| | | 2008 | 2007 | 2008 | 2007 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 中國 | The PRC | 271,735 | 262,507 | 54,585 | 70,795 |
| 香港 | Hong Kong | 125,680 | 336,183 | 5,399 | 5,610 |
| 南韓 | South Korea | 19,787 | 19,759 | 415 | 6,211 |
| 美國 | USA | 210,842 | - | 14,589 | - |
| 其他 | Others | 733 | - | (23) | - |
| | | <u>628,777</u> | <u>618,449</u> | | |
| 未劃撥之企業支出 | Unallocated corporate expenses | | | (4,220) | (3,602) |
| 融資成本 | Finance costs | | | (10,569) | (11,325) |
| 除稅前溢利 | Profit before taxation | | | <u>60,176</u> | <u>67,689</u> |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Segmental information (cont'd)

Geographical segments

The Group's operations and geographic markets are located in Hong Kong, the People's Republic of China (the "PRC"), the United States of America ("USA") 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, USA 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:

財務報表附註(續)

4. 除稅前溢利

除稅前溢利已扣除/(計入):

| | | | |
|----------------------|--|---------|----------|
| 員工成本 | Staff costs | 22,694 | 22,070 |
| 退休福利計劃供款 | Retirement benefits scheme contributions | 2,930 | 2,720 |
| 以股份為基準之付款開支 | Share-based payment expenses | 189 | - |
| 員工總成本(包括董事酬金) | Total staff costs including directors' emoluments | 25,813 | 24,790 |
| 已確認為支出之存貨成本 | Cost of inventories recognised as an expense | 532,850 | 526,279 |
| 物業、機器及設備折舊及攤銷 | Depreciation and amortisation of property, plant and equipment | 19,720 | 17,616 |
| 預付租賃款項攤銷 | Amortisation of prepaid lease payments | 326 | 295 |
| 按公平價值以損益列賬之財務資產公平值虧損 | Fair value loss on financial assets at fair value through profit or loss | 5,383 | 859 |
| 利息收入 | Interest income | (5,987) | (10,185) |

5. 稅項

| | | | |
|-----------|----------------------------|-------|-------|
| 稅項包括: | The charge comprises: | | |
| 本期稅項: | Current tax: | | |
| 香港利得稅 | Hong Kong Profits Tax | 2,000 | 14 |
| 香港以外地區之稅項 | Taxation outside Hong Kong | 4,803 | 4,741 |
| | | 6,803 | 4,755 |
| 遞延稅項: | Deferred tax: | 1,727 | 1,247 |
| | | 8,530 | 6,002 |

香港利得稅乃根據本期間之估計應課稅溢利按16.5%(二零零七年: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。

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企業所得稅。

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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 30th June, | | | |
| 二零零八年 | 二零零七年 | | |
| 2008 | 2007 | | |
| 千港元 | 千港元 | | |
| HK\$'000 | HK\$'000 | | |
| 22,694 | 22,070 | | |
| 2,930 | 2,720 | | |
| 189 | - | | |
| 25,813 | 24,790 | | |
| 532,850 | 526,279 | | |
| 19,720 | 17,616 | | |
| 326 | 295 | | |
| 5,383 | 859 | | |
| (5,987) | (10,185) | | |

5. Taxation

| | | | |
|-----------------------------|----------|--|--|
| 截至六月三十日止六個月 | | | |
| Six months ended 30th June, | | | |
| 二零零八年 | 二零零七年 | | |
| 2008 | 2007 | | |
| 千港元 | 千港元 | | |
| HK\$'000 | HK\$'000 | | |
| 2,000 | 14 | | |
| 4,803 | 4,741 | | |
| 6,803 | 4,755 | | |
| 1,727 | 1,247 | | |
| 8,530 | 6,002 | | |

Hong Kong Profits Tax is calculated at 16.5 per cent (2007: 17.5 per cent) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Taxation outside Hong Kong represents the PRC enterprise 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)

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406,807,000港元(二零零七年十二月三十一日: 511,929,000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41,174,000港元(二零零七年十二月三十一日: 24,049,000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 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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\$406,807,000 (31st December, 2007: HK\$511,929,000), the aged analysis of this balance is as follows:

| | 二零零八年 六月三十日 30th June, 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31st December, 2007 千港元 HK\$'000 |
|--|---|---|
| | 258,348 | 284,101 |
| | 15,340 | 27,484 |
| | 133,119 | 200,344 |
| | <u>406,807</u> | <u>511,929</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\$41,174,000 (31st December, 2007: HK\$24,049,000), the aged analysis of this balance is as follows:

| | 二零零八年 六月三十日 30th June, 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31st December, 2007 千港元 HK\$'000 |
|--|---|---|
| | 39,305 | 22,238 |
| | - | - |
| | 1,869 | 1,811 |
| | <u>41,174</u> | <u>24,049</u> |

財務報表附註(續)

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83,801,000港元(二零零七年十二月三十一日: 334,270,000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 |

10. 借貸

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

| | |
|-----------|------------------|
| 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

一年後到期之款項 Amount due after one year

附註: 有抵押借貸包括短期銀行貸款合共20,461,000港元(二零零七年十二月三十一日: 19,243,000港元)及長期銀行貸款合共47,743,000港元(二零零七年十二月三十一日: 44,901,000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。

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9. Trade and other payables

Included within trade and other payables are trade payables balance of HK\$83,801,000 (31st December, 2007: HK\$334,270,000), the aged analysis of this balance is as follows:

| 二零零八年 六月三十日 30th June, 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31st December, 2007 千港元 HK\$'000 |
|---|---|
| 52,916 | 269,598 |
| 7,316 | 56,966 |
| 23,569 | 7,706 |
| <u>83,801</u> | <u>334,270</u> |

10. Borrowings

| 二零零八年 六月三十日 30th June, 2008 千港元 HK\$'000 | 二零零七年 十二月三十一日 31st December, 2007 千港元 HK\$'000 |
|---|---|
| 439,085 | 234,927 |
| 249,942 | 195,944 |
| <u>689,027</u> | <u>430,871</u> |

| | |
|----------------|----------------|
| 68,204 | 64,144 |
| 620,823 | 366,727 |
| <u>689,027</u> | <u>430,871</u> |

| | |
|----------------|----------------|
| 579,717 | 313,071 |
| 34,667 | 33,467 |
| 74,643 | 84,333 |
| <u>689,027</u> | <u>430,871</u> |

(579,717) (313,071)

109,310 117,800

Note: Included in secured borrowings are short-term bank loans totalling HK\$20,461,000 (31st December, 2007: HK\$19,243,000) and long-term bank loans totalling HK\$47,743,000 (31st December, 2007: HK\$44,901,000) 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)

11. 股本

每股面值0.10港元之普通股
法定:

於二零零七年一月一日、
二零零八年一月一日
及二零零八年六月三十日

Ordinary shares of HK\$0.10 each
Authorised:
At 1st January, 2007,
1st January, 2008
and 30th June, 2008

股份數目
Number of shares

金額
Amount
千港元
HK\$'000

1,000,000,000

100,000

已發行及繳足:

於二零零七年一月一日
購回及註銷股份

Issued and fully paid:
At 1st January, 2007
Shares repurchased and cancelled

267,693,600

(6,240,000)

於二零零八年一月一日及
二零零八年六月三十日

At 1st January, 2008 and
30th June, 2008

261,453,600

26,145

12. 總資產減流動負債及流動資產淨值

本集團於二零零八年六月三十日及二零零七年十二月三十一日之總資產減流動負債分別為846,380,000港元及856,370,000港元。本集團於二零零八年六月三十日及二零零七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253,783,000港元及254,612,000港元。

12. Total assets less current liabilities and net current assets

The Group's total assets less current liabilities amounted to HK\$846,380,000 and HK\$856,370,000 at 30th June, 2008 and 31st December, 2007 respectively. The Group's net current assets, defined as current assets less current liabilities, amounted to HK\$253,783,000 and HK\$254,612,000 at 30th June, 2008 and 31st December, 2007 respectively.

13. 資本承擔

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

二零零八年
六月三十日
30th June,
2008
千港元
HK\$'000

二零零七年
十二月三十一日
31st December,
2007
千港元
HK\$'000

3,347

684

—

—

根據可供出售投資之
儲蓄計劃之最低未來
總付款:

— 一年內
— 第二年

Commitment for future aggregate minimum
payments under savings plan in respect of
available-for-sale investments:

— Within one year
— In the second year

6,240

6,240

5,200

5,200

11,440

11,440

財務報表附註(續)

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。
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，而於二零零八年六月三十日亦無與關連人士涉及任何重大結餘。

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. Contingent liabilities
The Group had no significant contingent liabilities at the balance sheet date.
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 30th June, | |
|--|-----------------|
| 二零零八年 2008 | 二零零七年 2007 |
| 千港元 HK\$'000 | 千港元 HK\$'000 |
| 57 | 51 |

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 30th June, 2008.

中期股息

董事會宣佈，於二零零八年十一月十日向於二零零八年十月十日名列本公司股東名冊之股東，派付截至二零零八年六月三十日止六個月之中期現金股息每股2.2港仙(二零零七年：2.2港仙)。

暫停辦理股東登記手續

本公司將於二零零八年十月十三日至二零零八年十月十七日(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二零零八年十月十日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。

管理層討論及分析

經營業績

本集團截至二零零八年六月三十日止六個月之總營業額為628,777,000港元，較二零零七年同期增加1.67%。營業額輕微增加主要由於本集團根據增值供應鏈管理模式營運之消費電子產品分銷業務之增長所致。截至二零零八年六月三十日止六個月之股權持有人應佔溢利維持於35,990,000港元，較二零零七年同期減少約9.44%。撇除財務資產公平值虧損5,383,000港元之影響，股權持有人應佔溢利將為41,373,000港元，較二零零七年同期增加4.10%。

業務回顧

包裝印刷部門

包裝印刷業務於截至二零零八年六月三十日止六個月之營業額為247,908,000港元，較二零零七年同期減少5.02%。於二零零八年上半年之毛利率由29.51%輕微下降至約27.78%。營業額及毛利率減少乃由於包裝印刷業之競爭激烈以及勞工及材料成本上漲。儘管面對嚴峻之營商環境，由於本集團藉著其向供應商之議價能力及開發更具效能之生產技術以致力控制成本，本集團之毛利率維持於27.78%之穩健水平。包裝印刷業務仍為本集團之核心業務，於截至二零零八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70.80%。

INTERIM DIVIDEND

The Directors have declared the payment of an interim cash dividend of HK2.2 cents (2007: HK2.2 cents) per share for the six months ended 30th June, 2008 payable on 10th November, 2008 to shareholders whose names appear on the Register of Members of the Company on 10th October, 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 13th October, 2008 to 17th October, 2008 (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 10th October, 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operation Results

Total turnover of the Group for the six months ended 30th June, 2008 amounted to HK\$628,777,000, representing an increase of 1.67% from the corresponding period in 2007. The slight increase was mainly due to the Group's growing distribution business of consumer electronic products based on the added-value supply chain management model. Profit attributable to equity holders stood at HK\$35,990,000 for the six months ended 30th June, 2008, representing a decrease of approximately 9.44% compared with the corresponding period in 2007. Excluding the effect of the fair value loss on financial assets of HK\$5,383,000, the profit attributable to equity holders would be HK\$41,373,000, a 4.10% increase compared with the corresponding period in 2007.

Business Overview

Package Printing Division

The turnover from package printing business for the six months ended 30th June, 2008 was HK\$247,908,000, representing a decrease of 5.02% from the same period of 2007. Gross profit margin decreased slightly from 29.51% to approximately 27.78% in the first half of 2008. The decrease in turnover and gross profit margin was a result of the fierce competition of the package printing industry and the rising labour and materials costs. Despite the unfavourable business environment, gross profit margin remained at a healthy 27.78% as the Group strived to control its cost through leveraging its bargaining power with suppliers and developing more efficient production techniques. Gross profit from the package printing business, which remains the core business of the Group, accounted for approximately 70.80% of the Group's total gross profit for the six months ended 30th June, 2008.

管理層討論及分析(續)

業務回顧(續)

包裝印刷部門(續)

於二零零八年上半年，中國之卷煙產量合共為23,309,000大箱，較去年同期增加約4.54%(二零零七年上半年為22,296,000大箱)。於二零零八年上半年，於中國之卷煙銷售額約為人民幣339,000,000,000元，較二零零七年同期增加15.97%，顯示卷煙於中國之銷售價值仍在穩定增長，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。在不利之全球營商環境下，於二零零八年上半年，中國之國內生產總值增長仍維持強勁，達至約10.40%。此等數據顯示中國經濟穩定發展及國民生活水平改善，繼續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之需求增加。本集團具備超卓之研究開發(「研發」)能力，並將繼續投資發展尖端技術，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產品)，以及最新之防偽及印刷技術。本集團亦不斷增加其產品覆蓋範圍，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，於期內之營業額佔包裝印刷部門營業額約90.30%。中國之煙草業仍在繼續整固，使各香煙包裝製造商之競爭漸趨激烈。然而，由於本集團主要合營企業所採用之業務模式為以地方政府作為策略性夥伴合作經營，本集團對採用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包裝印刷業務，故此部門將可持續增長，而包裝印刷業務依賴單一主要產品所承擔之風險因此將會減低。

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Business Overview (cont'd)

Package Printing Division (cont'd)

In the first half of 2008, tobacco output in the PRC totalled 23,309,000 master cartons, representing an increase of approximately 4.54% from the same period of last year (22,296,000 master cartons in the first half of 2007). Sales of tobacco in the PRC in the first half of 2008 amounted approximately to RMB339,000,000,000, an increase of 15.97% compared to the corresponding period in 2007. This indicated that the sales values of tobacco is still growing at a good pace in the PRC, 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. Given the unfavourable global business environment, the growth rate of the gross domestic product in the PRC remains strong at approximately 10.40% in the first half of 2008. These statistics show that the steady growth in PRC's economy and improvement in living standards continued to fuel the robust growth of the demand for lifestyle and fashionable consumer products which required better product design and packaging. The Group had excellent research and development ("R&D") capability and has continued investment in cutting edge technology, including the most advanced imported printing machinery and equipment which can produce consumer paper packaging products of any colour, any shape and any size together with the latest anti-counterfeit and printing technologies. The Group has been 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 package printing division, constituting approximately 90.30% of the turnover from package printing division. The consolidation of the tobacco industry is still ongoing in the PRC which increased competition among tobacco package manufacturers. However, the Group is optimistic that orders will be secured through adoption of its business model by joint venturing with the local government as a strategic partner in the Group's major joint ventures. Furthermore, the Group's management is confident that, by entering into package printing 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 consequently be lowered.

管理層討論及分析(續)

業務回顧(續)

包裝印刷部門(續)

本集團位於安徽省滁州市之合營公司(「合營公司」)現已投產，並開始為本集團帶來溢利。憑著與地方政府之合作夥伴關係，合營公司正積極物色不同消費品類別之潛在客戶，以壯大客戶基礎。此策略已取得成效，並已取得酒類生產商之大量訂單，令本集團逐步減少對卷煙產品之依賴。

分銷業務

分銷業務於期內之營業額為379,398,000港元，較二零零七年同期增加7.18%。二零零八年上半年之毛利率由去年同期3.90%增加至7.00%，主要由於減少低盈利貢獻之電子零件相關買賣活動，並致力發展消費電子產品。因此，來自分銷電子產品(特別是液晶電視機)之總營業額佔分銷業務營業額之百分比為93.53%。

本集團已順利及大致上完成將電子零件及產品分銷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。在此模式下，本集團將發展其本身之研發隊伍、與原設備製造商(簡稱OEM)合作及於北美、歐洲及亞洲建立其分銷網絡，以管理及控制整個供應鏈以及直接為最終客戶提供服務。本集團將受惠於由模擬制式廣播轉為數碼廣播之全球趨勢。本集團於生產符合美國進階電視系統委員會標準(「ATSC」)轉換器之投資已取得成果。本集團與中國多名生產商及一名美國策略性夥伴合作，於二零零八年六月開始付運ATSC轉換器，以在零售連鎖店出售。由於美國政府贊助美國居民購買ATSC轉換器，因此預期於未來一年對ATSC轉換器將有龐大需求。本集團亦注意未來消費電子產品(例如藍光播放機及其他影音產品)之發展，並正在研發該等產品。

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Business Overview (cont'd)

Package Printing Division (cont'd)

The Group's joint venture in Chuzhou City, Anhui Province ("JV") is now in production and has started to contribute profit for the Group. In partnership with the local government, the JV has actively approached potential customers in different consumer product segments to broaden its own customer base. This strategy proved to be successful and led to substantial orders from wine producers, gradually reducing the Group's reliance on tobacco products.

Distribution Business

Turnover from the distribution business during the period amounted to HK\$379,398,000, representing an increase of 7.18% from the corresponding period in 2007. The gross profit margin increased from 3.90% in the first half of 2007 to 7.00% in the same period of 2008. The growth was due mainly to the reduction in low contribution margin trading activities related to electronic components and focus on consumer electronic products. Because of this, the percentage of total turnover from distribution of electronic products, in particular, liquid crystal display television set, accounted for 93.53% of the turnover from the distribution business.

The shifting of the distribution activities of electronic components and products from low added-value simple trading model to a higher contribution sophisticated supply chain management model has been smooth and substantially completed. Under this model, the Group will develop its own R&D team, line up with original equipment manufacturers (OEM), and establish its distribution networks in North America, Europe and Asia with the objectives to taking up the management and control over the whole supply chain and to serve its end customers directly. The Group is poised to benefit from the worldwide trend of the change to digital broadcasting from analogue broadcasting. The Group's investment in the production of the Advanced Television Systems Committee standards ("ATSC") converter box has been fruitful. The Group, with the co-operation of several manufacturers in the PRC and a strategic partner in the USA, has begun to ship ATSC converter boxes in June 2008 for selling in retail chain stores. Demand for these is expected to be great in the coming one year as the USA government has sponsored the USA households to purchase ATSC converter boxes. The Group is also vying in future consumer electronic products, such as Blu-ray disc players and other audio visual products, and has proceeded with R&D into these products.

管理層討論及分析(續)

業務回顧(續)

財務資產

期內，由於市況不景氣，本集團產生財務資產公平價值變動之未變現虧損淨額5,383,000港元。本集團正審閱其投資組合，在現時經濟氣氛下，預期投資組合之未變現虧損於未來六個月將可望受到控制。

人力資源發展

於二零零八年六月三十日，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內由本集團設於中國之生產廠房所聘用。本集團已為僱員提供培訓計劃，以更新彼等之專業知識及提升彼等之發展。本集團提供具競爭力之薪酬組合及福利，包括公積金及醫療保險，以吸引、挽留及激勵僱員。

未來展望

由於全球金融動盪、材料價格持續上漲及可能出現全球經濟增長放緩，於未來數年之經營環境將充滿挑戰。然而，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，主要為卷煙及酒類)之需求繼續維持穩定增長感到樂觀。管理層將採納下列發展策略，並於同時繼續維持其嚴謹的成本控制措施，以及進一步提升其生產效率。

地域覆蓋

本集團已策略性於中國東部、東北部及西部建立營運基地。本集團將繼續採取積極審慎策略，透過於本集團現有合營公司尚未覆蓋之地區物色潛在夥伴設立新合營公司，以擴充其於中國之地域覆蓋範圍。

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont'd)

Business Overview (cont'd)

Financial Assets

The Group has incurred a net unrealised loss on the fair value change of financial assets of HK\$5,383,000 for the period as a result of the unfavourable market conditions. The Group is reviewing its investment portfolio and under the current economic climate, it is expected that the unrealised loss of its investment portfolio in the coming six months will hopefully be contained.

Human Resources Development

As at 30th June, 2008, 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. The Group has provided training to employees to update their expertise and enhance their development. Competitive remuneration packages and fringe benefits, including provident fund and medical insurance, are provided to attract, retain and motivate employees.

Future Prospects

It will be a challenging time for business in the coming years with the global financial turmoil, escalating material prices and the possibility of a worldwide slowing down of economic growth. However, the management is optimistic that the demand for high quality consumer products, mainly tobacco and wine, which is the major market segments of the Group, will continue to maintain steady growth 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 its production efficiency.

Geographical Coverage

The Group has already strategically positioned its operations in the eastern, north-eastern and western parts of the PRC. The Group will continue to pursue an active but prudent strategy of expanding its geographical coverage in the PRC by locating potential partners for setting up new joint ventures in areas not yet covered by the Group's existing joint ventures.

管理層討論及分析(續)

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。就分銷業務而言，本集團將繼續研究市場最新趨勢，務求令本集團成為向世界各地供應優質及超值之消費電子產品之領導者。

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

本集團於截至二零零八年六月三十日維持充裕之營運資金，擁有流動資產淨值253,783,000港元(二零零七年十二月三十一日：254,612,000港元)以及銀行結餘及現金228,185,000港元(二零零七年十二月三十一日：136,177,000港元)。淨負債資產權益比率(即計息負債減現金／股東權益加少數股東權益)由二零零七年十二月三十一日之41.62%增加至65.35%。本集團之淨負債資產權益比率增加乃由於動用銀行融資以支援本集團消費電子產品分銷業務之增長。

股本結構

於本期間內，本公司之股本並無變動。

匯兌風險

包裝印刷部門之所有銷售額及購貨額均以人民幣定值，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)

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. As for the distribution business, the Group will keep researching on the latest trend of the market so that the Group can take a lead in the supply of high quality and good value consumer electronic products to various parts of the world.

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 maintained sufficient working capital as at 30th June, 2008 with net current assets of HK\$253,783,000 (31st December, 2007: HK\$254,612,000) and bank balances and cash of HK\$228,185,000 (31st December, 2007: HK\$136,177,000). The net debt to equity ratio (Interest bearing liabilities less cash/Shareholders' equity plus minority interests) increased from 41.62% as of 31st December, 2007, to 65.35%. The increase in the net debt to equity ratio was a result of the increase in the use of banking facilities to support the Group's growing business of distribution of consumer electronic products.

CAPITAL STRUCTURE

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

EXCHANGE EXPOSURE

All sales and purchases for the package printing division are denominated in Renminbi ("RMB") and most of the sales and purchases for the distribution division are denominated either 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

於二零零八年六月三十日，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 | 佔本公司已發行 股本之百分比 |
|------------------|----------|---|--|
| Name of director | Capacity | Number of issued ordinary shares held | 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 | 166,339,000 (Note) (附註) | 63.62% |
|------------------------------------|--------------------------|-------------------------------|--------|

| 董事名稱 | 身份 | 所持購股權數目 | 相關股份數目 |
|---------------------------------|---------------------------|---------------------------|--------------------------------|
| Name of director | Capacity | Number of options held | Number of underlying shares |
| 丘少明先生 Mr. Yau Chau Min, Paul | 實益擁有人 Beneficial owner | 1,000,000 | 1,000,000 |
| 周勁先生 Mr. Zhou Jin | 實益擁有人 Beneficial owner | 500,000 | 500,000 |

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。

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，於二零零八年六月三十日，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 30th June, 2008, 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

於二零零八年六月三十日，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

SUBSTANTIAL SHAREHOLDERS

As at 30th June, 2008 the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interest 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

| 股東名稱 | 身份 | 所持已發行 普通股數目 | 佔本公司已發行 股本之百分比 |
|----------------------------------|--------------------------------|---|--|
| Names of shareholders | Capacity | Number of issued ordinary shares held | Percentage of the issued share capital of the Company |
| Basab Inc. | 信託受益人 Beneficiary of trusts | 166,339,000 (Note 1) (附註1) | 63.62% |
| Safeguard Trustee Limited | 信託受益人 Beneficiary of trusts | 166,339,000 (Note 1) (附註1) | 63.62% |
| Evolution Capital Management LLC | 投資經理 Investment manager | 24,518,000 | 9.38% |
| Evolution Master Fund, Ltd. SPC | 投資經理 Investment manager | 24,518,000 | 9.38% |

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Safeguard 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134,380,000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33,425,000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)。
- 許經振先生為Accufit Investments Inc.之董事。

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 Safeguard Trustee Limited as trustee of a discretionary trust, the beneficiaries of which are the family members of Mr. Hui King Chun, Andrew. This comprises 134,380,000 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 25th October, 2006 (of which 33,425,000 shares have been disposed of before the balance sheet date and hence are no longer subject to put option arrangements).
- 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 | 佔本公司已發行 股本之百分比 |
|----------------------------------|----------------------------|---|--|
| Names of shareholders | Capacity | Number of issued ordinary shares held | Percentage of the issued share capital of the Company |
| Evolution Capital Management LLC | 投資經理 Investment manager | 24,518,000 | 9.38% |
| Evolution Master Fund, Ltd. SPC | 投資經理 Investment manager | 24,518,000 | 9.38% |

除上文所披露之權益外，於二零零八年六月三十日，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 30th June, 2008.

購股權

根據本公司於二零零二年五月十五日舉行之股東週年大會，本公司採納購股權計劃（「該計劃」），該計劃之主要目的乃就特定參與者為本集團所作之貢獻向彼等提供獎勵，並將於二零一二年五月十四日屆滿。根據該計劃，董事會可向本公司所有董事（包括獨立非執行董事）及本集團任何僱員，以及董事會不時決定向曾經或可能對本集團之發展及增長作出貢獻之任何參與者授予購股權，以認購本公司股份。

期內，根據該計劃授予本公司董事及本集團若干僱員之購股權及其持有之變動詳情如下：

SHARE OPTIONS

The Company's share option scheme (the "Scheme") was adopted pursuant to the annual general meeting of the Company held on 15th May, 2002 for the primary purpose of providing incentives to selected participants for their contribution to the Group, and will expire on 14th May, 2012. Under the Scheme, the Directors may grant options to all directors of the Company (including independent non-executive directors) and any employee of the Group, and any participant from time to time determined by the Directors as having contributed or may contribute to the development and growth of the Group to subscribe shares in the Company.

Details of the share options granted under the Scheme to directors of the Company and certain employees of the Group under the Scheme during the period and movements in such holding during the period are as follows:

| | 授出日期 | 歸屬權利期間 | 可行使期間 | 每股 行使價 | 於二零零八年 | 於二零零八年 | |
|-----------|----------------------|---|---|--------------------------------|-------------------------------|---------------------------------|-----------|
| | | | | | 一月一日 尚未行使 Outstanding | 六月三十日 尚未行使 Outstanding | |
| | Date of grant | Vesting period | Exercisable period | Exercise price per share | as at 1st January, 2008 | Granted during the period | |
| 董事 | 二零零七年 八月二十八日 | 二零零七年八月二十八日至 二零零九年二月二十七日 | 二零零九年二月二十八日至 二零零九年八月二十七日 | 2.673 | 1,500,000 | - | |
| Directors | 28th August, 2007 | 28th August, 2007 to 27th February, 2009 | 28th February, 2009 to 27th August, 2009 | | | | |
| 僱員 | 二零零七年 八月二十八日 | 二零零七年八月二十八日至 二零零九年二月二十七日 | 二零零九年二月二十八日至 二零零九年八月二十七日 | 2.673 | 700,000 | - | |
| Employees | 28th August, 2007 | 28th August, 2007 to 27th February, 2009 | 28th February, 2009 to 27th August, 2009 | | | | |
| | | | | | 2,200,000 | - | 2,200,000 |

期內，概無購股權獲授出、行使、註銷或失效。

No share options were granted, exercised, cancelled or lapsed during the period.

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二零零八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。

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：

1. 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)
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。

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

During the six months period ended 30th June, 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

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

1. 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)
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.

薪酬委員會

薪酬委員會成員包括執行董事許經振先生及三名獨立非執行董事吳志揚先生(委員會主席)、譚旭生先生及何樂昌先生。薪酬委員會已採納成文權責條款，並符合企業管治守則規定。

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二零零八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
許經振
主席

香港，二零零八年九月二十三日

附註：

- i. 人民幣兌換為港元乃按照人民幣0.87971元兌1.00港元之匯率換算。
- ii. 美元兌換為港元乃按照1.00美元兌7.80港元之匯率換算。

REMUNERATION COMMITTEE

The Remuneration Committee includes the executive director, Mr. Hui King Chun, Andrew, and three independent non-executive directors, Mr. Ng Chi Yeung, Simon (chairman of the committee), Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong. The Remuneration Committee has adopted terms of reference, which are in line with the Corporate Governance Code.

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 30th June, 2008.

By Order of the Board
Hui King Chun, Andrew
Chairman

Hong Kong, 23rd September, 2008

Notes:

- i. The conversion of RMB into Hong Kong dollar is based on the exchange rate of RMB0.87971 = HK\$1.00.
- ii. The conversion of United States dollar into Hong Kong dollar is based on the exchange rate of US\$1.00 = HK\$7.80.

any colour

any shape any size

色彩繽紛

大小俱備 款式齊全



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