



# Ka Shui International Holdings Limited

## 嘉瑞國際控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 822



Interim Report 中期報告 2007

Corporate Information	公司資料	2
Condensed Consolidated Financial Statements	簡明綜合財務報表	
• <i>Condensed Consolidated Income Statement</i>	• 簡明綜合損益表	4
• <i>Condensed Consolidated Balance Sheet</i>	• 簡明綜合資產負債表	5
• <i>Condensed Consolidated Statement of Changes in Equity</i>	• 簡明綜合權益變動表	7
• <i>Condensed Consolidated Cash Flow Statement</i>	• 簡明綜合現金流量表	8
• <i>Notes to Condensed Consolidated Financial Statements</i>	• 簡明綜合財務報表附註	9
Management Discussion and Analysis	管理層討論及分析	26
Other Information	其他資料	36

# Contents

# 目錄

## DIRECTORS

### Executive Directors

Mr. Lee Yuen Fat (*Chairman*)  
Dr. Keung Wing Ching  
(*Vice Chairman and Chief Executive Officer*)  
Mr. Wong Wing Chuen  
Mr. Chan Tat Cheong, Alan  
Mr. Zhao Jian

### Independent Non-Executive Directors

Mr. Sun Kai Lit, Cliff BBS, JP  
Ir Dr. Lo Wai Kwok MH, JP  
Mr. Yeow Hoe Ann, John

## AUTHORISED REPRESENTATIVES

Dr. Keung Wing Ching  
Mr. Chan Tat Cheong, Alan

## COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Chan Tat Cheong, Alan

## AUDIT COMMITTEE

Mr. Yeow Hoe Ann, John  
Ir Dr. Lo Wai Kwok MH, JP  
Mr. Sun Kai Lit, Cliff BBS, JP

## NOMINATION COMMITTEE

Mr. Sun Kai Lit, Cliff BBS, JP  
Ir Dr. Lo Wai Kwok MH, JP  
Mr. Yeow Hoe Ann, John  
Dr. Keung Wing Ching

## REMUNERATION COMMITTEE

Mr. Sun Kai Lit, Cliff BBS, JP  
Ir Dr. Lo Wai Kwok MH, JP  
Mr. Yeow Hoe Ann, John  
Dr. Keung Wing Ching

## 董事

### 執行董事

李遠發先生 (*主席*)  
姜永正博士  
(*副主席兼行政總裁*)  
黃永銓先生  
陳達昌先生  
趙健先生

### 獨立非執行董事

孫啟烈先生 BBS, 太平紳士  
盧偉國博士 MH, 太平紳士  
姚和安先生

## 授權代表

姜永正博士  
陳達昌先生

## 公司秘書及合資格會計師

陳達昌先生

## 審核委員會

姚和安先生  
盧偉國博士 MH, 太平紳士  
孫啟烈先生 BBS, 太平紳士

## 提名委員會

孫啟烈先生 BBS, 太平紳士  
盧偉國博士 MH, 太平紳士  
姚和安先生  
姜永正博士

## 薪酬委員會

孫啟烈先生 BBS, 太平紳士  
盧偉國博士 MH, 太平紳士  
姚和安先生  
姜永正博士

## REGISTERED OFFICE

Clifton House, 75 Fort Street  
P.O. Box 1350 GT, George Town  
Grand Cayman, Cayman Islands

## PRINCIPAL PLACE OF BUSINESS

3rd Floor, EW International Tower  
120 Texaco Road, Tsuen Wan  
New Territories, Hong Kong

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor  
Services Limited  
Rooms 1712-1716, 17th Floor  
Hopewell Centre, 183 Queen's Road East  
Hong Kong

## AUDITORS

RSM Nelson Wheeler

## COMPLIANCE ADVISER

CIMB-GK Securities (HK) Limited

## PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
DBS Bank (Hong Kong) Limited

## STOCK CODE

822

## WEBSITE

[www.kashui.com](http://www.kashui.com)

## 註冊辦事處

Clifton House, 75 Fort Street  
P.O. Box 1350 GT, George Town  
Grand Cayman, Cayman Islands

## 主要營業地點

香港新界  
荃灣德士古道120號  
安泰國際中心3樓

## 香港股份過戶登記分處

香港中央證券登記有限公司  
香港皇后大道東183號  
合和中心17樓1712-1716室

## 核數師

羅申美會計師行

## 合規顧問

聯昌國際證券(香港)有限公司

## 主要往來銀行

渣打銀行(香港)有限公司  
恒生銀行有限公司  
星展銀行(香港)有限公司

## 股份編號

822

## 網址

[www.kashui.com](http://www.kashui.com)

## Condensed Consolidated Income Statement

### 簡明綜合損益表

For the six months ended 30 June 2007

截至二零零七年六月三十日止六個月

The Board of Directors (the "Board") of Ka Shui International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated financial 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 in 2006. It is the first interim results announced by the Group since it was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27 June 2007.

嘉瑞國際控股有限公司(「本公司」)董事會(「董事會」)欣然宣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簡明綜合財務業績，連同二零零六年之比較數字。此乃本集團於二零零七年六月二十七日在香港聯合交易所有限公司(「聯交所」)主板上市以來公佈的首份中期業績。

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
		Note 附註	
Turnover	營業額	3	352,672
Cost of sales	銷售成本		<u>(268,937)</u>
			286,388
			<u>(206,458)</u>
Gross profit	毛利		83,735
Other income	其他收入	4	3,797
Selling and distribution expenses	銷售及分銷開支		(4,170)
General and administrative expenses	一般及行政開支		(30,300)
			79,930
			1,123
			(4,134)
			<u>(22,112)</u>
Profit from operations	經營溢利	5	53,062
Finance costs	融資成本	6	(4,153)
Share of loss of an associate	分佔聯營公司虧損		(512)
			54,807
			(4,111)
			<u>(600)</u>
Profit before tax	除稅前溢利		48,397
Income tax expense	所得稅開支	7	(5,059)
			50,096
			<u>(4,528)</u>
Profit for the period	期內溢利		<u>43,338</u>
Attributable to:	以下人士應佔權益：		
Equity holders of the Company	本公司權益持有人		43,285
Minority interests	少數權益持有人		53
			44,545
			<u>1,023</u>
			<u>43,338</u>
			<u>45,568</u>
Dividends	股息		
– Proposed interim	– 建議中期	8	10,560
			–
Earnings per share	每股盈利	9	
– Basic (HK cents)	– 基本 (港仙)		6.5
– Diluted (HK cents)	– 攤薄 (港仙)		6.5
			6.7
			N/A 不適用

## Condensed Consolidated Balance Sheet

## 簡明綜合資產負債表

As at 30 June 2007

於二零零七年六月三十日

			As at 30 June 2007 於二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
	Note 附註			
<b>Non-current assets</b>		<b>非流動資產</b>		
Property, plant and equipment	10	物業、機器及設備	172,062	143,347
Prepaid land lease payments		預付土地租金	31,920	10,544
Club membership		會所會籍	718	718
Investment in an associate		對聯營公司的投資	2,004	2,516
Investment in a jointly controlled entity		對共同控制實體的投資	8,120	-
Available-for-sale financial assets		可供出售金融資產	8,303	8,303
			<b>223,127</b>	<b>165,428</b>
<b>Current assets</b>		<b>流動資產</b>		
Inventories		存貨	99,136	88,204
Trade receivables	11	貿易應收款項	109,877	112,461
Financial assets at fair value through profit or loss		按公平值計入損益賬的金融資產	1,779	1,150
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	25,766	28,928
Due from an associate		應收聯營公司款項	7,612	7,490
Pledged bank deposits		已抵押銀行存款	6,224	6,148
Bank and cash balances		銀行及現金結餘	255,031	12,300
			<b>505,425</b>	<b>256,681</b>
<b>Current liabilities</b>		<b>流動負債</b>		
Trade payables	12	貿易應付款項	57,542	54,838
Deposits received		已收按金	1,501	3,769
Other payables and accruals		其他應付款項及應計費用	26,686	26,026
Due to related companies		應付關連公司款項	4	269
Due to a director		應付董事款項	-	837
Due to an associate		應付聯營公司款項	3,157	4,058
Short term borrowings		短期借款	86,935	73,701
Current portion of long term borrowings		長期借款的即期部分	5,495	5,482
Current portion of obligations under finance leases		融資租約承擔的即期部分	8,484	6,793
Current tax liabilities		即期稅項負債	10,841	7,789
			<b>200,645</b>	<b>183,562</b>
<b>Net current assets</b>		<b>流動資產淨值</b>	<b>304,780</b>	<b>73,119</b>
<b>Total assets less current liabilities</b>		<b>資產總值減流動負債</b>	<b>527,907</b>	<b>238,547</b>

## Condensed Consolidated Balance Sheet

### 簡明綜合資產負債表

As at 30 June 2007

於二零零七年六月三十日

Interim Report 2007

Ka Shui International Holdings Limited

		As at 30 June 2007 於二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
	Note 附註		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Long term borrowings	長期借款	11,775	14,524
Obligations under finance leases	融資租約承擔	6,956	4,525
Deferred tax liabilities	遞延稅項負債	1,128	1,128
		<u>19,859</u>	<u>20,177</u>
<b>NET ASSETS</b>	<b>資產淨值</b>	<b><u>508,048</u></b>	<b><u>218,370</u></b>
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	88,000	30
Reserves	儲備	420,048	213,441
		<u>508,048</u>	<u>213,471</u>
<b>Equity attributable to equity holders of the Company</b>	<b>本公司權益持有人應佔權益</b>	<b>508,048</b>	<b>213,471</b>
<b>Minority interests</b>	<b>少數權益持有人權益</b>	-	4,899
		<u>508,048</u>	<u>218,370</u>
<b>TOTAL EQUITY</b>	<b>權益總額</b>	<b><u>508,048</u></b>	<b><u>218,370</u></b>

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

As at 30 June 2007

於二零零七年六月三十日

Attributable to equity holders of the Company (unaudited)

本公司權益持有人應佔權益(未經審核)

		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign	Share option reserve	Statutory reserve	Total	Minority interests	Total equity
							currency translation reserve					
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	購股權儲備	法定儲備	總計	少數權益持	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		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
At 1 January 2007	於二零零七年一月一日	30	-	204,731	3,084	(10)	2,826	-	2,810	213,471	4,899	218,370
Issue of shares by way of placing and public offer	透過配售及公開發售發行股份	22,000	275,000	-	-	-	-	-	-	297,000	-	297,000
Issue of shares by way of capitalisation of share premium account	透過股份溢價賬的資本化發行股份	56,000	(56,000)	-	-	-	-	-	-	-	-	-
Share issue expenses	股份發行開支	-	(20,411)	-	-	-	-	-	-	(20,411)	-	(20,411)
Exchange difference on translation of foreign operations	換算海外業務時產生的匯兌差額	-	-	-	-	-	2,096	-	-	2,096	-	2,096
Net income recognised directly in equity	直接在權益確認的收入淨額	78,000	198,589	-	-	-	2,096	-	-	278,685	-	278,685
Profit for the period	期內溢利	-	-	43,285	-	-	-	-	-	43,285	53	43,338
Total recognised income and expense for the period	期內確認的收入及開支總額	78,000	198,589	43,285	-	-	2,096	-	-	321,970	53	322,023
Effect of group reorganisation	集團重組的影響	9,970	-	-	-	(9,921)	-	-	-	49	-	49
Acquisition of minority interest	收購少數權益持有人權益	-	-	-	4,952	-	-	-	-	4,952	(4,952)	-
Recognition of share-based payments	確認股份付款	-	-	-	-	-	-	606	-	606	-	606
Transfer to statutory reserve	轉撥入法定儲備	-	-	(4,105)	-	-	-	-	4,105	-	-	-
Dividends paid by subsidiaries to their then shareholders (note 8)	由附屬公司向當時股東派發之股息(附註8)	-	-	(33,000)	-	-	-	-	-	(33,000)	-	(33,000)
At 30 June 2007	於二零零七年六月三十日	88,000	198,589	210,911	8,036	(9,931)	4,922	606	6,915	508,048	-	508,048
At 1 January 2006	於二零零六年一月一日	30	-	112,956	3,084	(10)	838	-	2,023	118,921	3,041	121,962
Exchange difference on translation of foreign operations	換算海外業務時產生的匯兌差額	-	-	-	-	-	346	-	-	346	-	346
Net income recognised directly in equity	直接在權益確認的收入淨額	-	-	-	-	-	346	-	-	346	-	346
Profit for the period	期內溢利	-	-	44,545	-	-	-	-	-	44,545	1,023	45,568
Total recognised income and expense for the period	期內確認的收入及開支總額	-	-	44,545	-	-	346	-	-	44,891	1,023	45,914
Transfer to statutory reserve	轉撥入法定儲備	-	-	(787)	-	-	-	-	787	-	-	-
At 30 June 2006	於二零零六年六月三十日	30	-	156,714	3,084	(10)	1,184	-	2,810	163,812	4,064	167,876



## Condensed Consolidated Cash Flow Statement

### 簡明綜合現金流量表

As at 30 June 2007

於二零零七年六月三十日

Interim Report 2007

Ka Shui International Holdings Limited

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Net cash generated from operating activities	經營業務 所得現金淨額	32,059	15,223
Net cash used in investing activities	投資活動所耗現金淨額	(43,674)	(13,003)
Net cash generated from/(used in) financing activities	融資活動所得/(所耗) 現金淨額	255,673	(2,885)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及等同現金項目 增加/(減少)淨額</b>	<b>244,058</b>	<b>(665)</b>
Cash and cash equivalents at beginning of period	於期初的現金及等同現金 項目	11,025	16,641
Effect of foreign exchange rate change	匯率變動影響	(915)	(401)
<b>Cash and cash equivalents at end of period</b>	<b>於期末的現金及等同現金 項目</b>	<b>254,168</b>	<b>15,575</b>
<b>Analysis of cash and cash equivalents</b>	<b>現金及等同現金項目分析</b>		
Bank and cash balances	銀行及現金結餘	255,031	20,087
Bank overdrafts	銀行透支	(863)	(4,512)
		<b>254,168</b>	<b>15,575</b>

## 1. CORPORATE INFORMATION AND GROUP REORGANISATION

The Group is principally engaged in the manufacture of zinc, magnesium and aluminum alloy die casting components which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products and automotive parts industries.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 January 2005.

Pursuant to a group reorganisation (the “Group Reorganisation”), the Company became the holding company of the companies now comprising the Group on 31 May 2007. Further details of the Group Reorganisation are set out in the paragraph headed “Corporate reorganisation” in Appendix V to the prospectus dated 12 June 2007 (the “Prospectus”). The shares of the Company were listed on the Main Board of the Stock Exchange on 27 June 2007.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements are prepared in accordance with the principles of merger accounting as set out in Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The condensed consolidated financial statements are prepared as if the Group structure immediately after the Group Reorganisation had been in existence throughout the six months ended 30 June 2007 or since their respective dates of incorporation or establishment where this is a shorter period. The comparative figures are prepared on the same basis.

## 1. 公司資料及集團重組

本集團以生產鋅、鎂及鋁合金壓鑄件為主，主要售予從事家居用品、3C(通訊、電腦及消費者電子)產品及汽車零部件業的客戶。

本公司於二零零五年一月七日根據開曼群島公司法在開曼群島註冊成立為受豁免有限公司。

根據集團重組(「集團重組」)，本公司於二零零七年五月三十一日成為現時組成本集團各成員公司的控股公司。有關集團重組的進一步詳情，載於二零零七年六月十二日刊發的售股章程(「售股章程」)附錄五「企業重組」一段。本公司的股份於二零零七年六月二十七日在聯交所主板上市。

## 2. 編製基準及主要會計政策

簡明綜合財務報表乃按照香港會計師公會(「會計師公會」)頒佈的會計指引第5號「受共同控制業務合併的合併會計法」所載的合併會計準則編撰。

在編撰簡明綜合財務報表時，乃假設本集團緊隨集團重組後的架構於截至二零零七年六月三十日止六個月或自各自註冊或成立日期起(以較短者為準)一直存在。比較數字亦以相同基準編撰。

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

*(continued)*

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Financial Information as included in the “Accountants’ Report” in Appendix I to the Prospectus.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2007. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current period and prior periods.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the condensed consolidated financial statements of the Group.

## 2. 編製基準及主要會計政策 (續)

簡明綜合財務報表乃按照聯交所證券上市規則（「上市規則」）附錄16的適用披露規定及會計師公會頒佈的香港會計準則第34號「中期財務報告」編撰。

簡明綜合財務報表所使用的會計政策，與編撰售股章程附錄一「會計師報告」內所載的財務資料時所使用的會計政策相同。

於本期間，本集團已採納適用於本身營運，由會計師公會所頒佈並自二零零七年一月一日或其後開始的會計期間生效的所有新訂及經修訂香港財務報告準則。採納該等新訂及經修訂的香港財務報告準則並未使本集團的會計政策及本期間與以往期間呈報的金額出現重大變動。

本集團並未採納已頒佈但未開始生效的新訂香港財務報告準則。採納該等新訂香港財務報告準則將不會對本集團的簡明綜合財務報表造成重大影響。

### 3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold, net of returns and allowances to customers during the period.

For management purposes, the Group's operation is currently categorised into three operating divisions – zinc, magnesium and aluminium alloy die casting components. These divisions are the basis on which the Group reports its primary segment information. An analysis of the Group's turnover and results for the period by business segments is as follows:

### 3. 營業額及分部資料

營業額指於期內銷售貨品的已收及應收款項淨額(已扣除退貨及給予客戶的折扣)。

為方便管理，本集團現時業務分為三個營運部門－鋅、鎂及鋁合金壓鑄件。該等部門是本集團呈報主要分部資料的基準。本集團在期內按業務分部分類的營業額及業績分析如下：

		For the six months ended 30 June 2007 截至二零零七年六月三十日止六個月			
		Zinc alloy die casting components 鋅合金壓鑄件 HK\$'000 千港元 (unaudited) (未經審核)	Magnesium alloy die casting components 鎂合金壓鑄件 HK\$'000 千港元 (unaudited) (未經審核)	Aluminium alloy die casting components 鋁合金壓鑄件 HK\$'000 千港元 (unaudited) (未經審核)	Consolidated 綜合 HK\$'000 千港元 (unaudited) (未經審核)
<b>Turnover</b>	<b>營業額</b>				
Sales to external customers	對外銷售	272,695	50,813	29,164	352,672
<b>Segment results</b>	<b>分部業績</b>	38,549	15,575	4,643	58,767
Unallocated other income	不分類其他收入				2,075
Unallocated expenses	不分類開支				(7,780)
Profit from operations	經營溢利				53,062
Finance costs	融資成本				(4,153)
Share of loss of an associate	分佔聯營公司虧損	(512)			(512)
Profit before tax	除稅前溢利				48,397
Income tax expense	所得稅開支				(5,059)
Profit for the period	期內溢利				43,338

### 3. TURNOVER AND SEGMENT INFORMATION (continued)

### 3. 營業額及分部資料 (續)

For the six months ended 30 June 2006  
 截至二零零六年六月三十日止六個月

		Zinc alloy die casting components 鋅合金壓鑄件 HK\$'000 千港元 (unaudited) (未經審核)	Magnesium alloy die casting components 鎂合金壓鑄件 HK\$'000 千港元 (unaudited) (未經審核)	Aluminium alloy die casting components 鋁合金壓鑄件 HK\$'000 千港元 (unaudited) (未經審核)	Consolidated 綜合 HK\$'000 千港元 (unaudited) (未經審核)
<b>Turnover</b>	<b>營業額</b>				
Sales to external customers	對外銷售	243,819	29,455	13,114	286,388
<b>Segment results</b>	<b>分部業績</b>	47,422	7,670	3,085	58,177
Unallocated other income	不分類其他收入				449
Unallocated expenses	不分類開支				(3,819)
Profit from operations	經營溢利				54,807
Finance costs	融資成本				(4,111)
Share of loss of an associate	分佔聯營公司虧損	(600)			(600)
Profit before tax	除稅前溢利				50,096
Income tax expense	所得稅開支				(4,528)
Profit for the period	期內溢利				45,568

#### 4. OTHER INCOME

#### 4. 其他收入

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Interest income	利息收入	620	192
Rental income	租金收入	128	112
Gain on financial assets at fair value through profit or loss	按公平值計入損益賬的 金融資產收益	1,342	124
Sale of scrap materials	廢料銷售	1,257	146
Product development fee income	產品開發費用收入	105	302
Gain on disposal of listed securities	出售上市證券收益	114	35
Management fee from an associate	來自一家聯營公司的管理費	78	78
Others	其他	153	134
		<b>3,797</b>	<b>1,123</b>

#### 5. PROFIT FROM OPERATIONS

#### 5. 經營溢利

Profit from operations has been arrived at after charging/(crediting) the following:

經營溢利已扣除／(計入)下列各項：

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Depreciation of property, plant and equipment	物業、機器及 設備折舊	10,247	8,626
Gain on disposal of property, plant and equipment	出售物業、機器及 設備收益	(56)	-
Property, plant and equipment written off	物業、機器及 設備撇銷	4	-

## 6. FINANCE COSTS

## 6. 融資成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Interest expenses on bank overdraft and loans	銀行透支及 貸款利息開支	3,543	3,494
Finance lease charges	融資租約支出	610	617
		<b>4,153</b>	<b>4,111</b>

## 7. INCOME TAX EXPENSE

## 7. 所得稅開支

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Current tax – Hong Kong Profits Tax Provision for the period	即期稅項 – 香港利得稅 本期間撥備	3,994	3,678
Current tax – People's Republic of China ("PRC") enterprise income tax	即期稅項 – 中華人民共和國 ("中國") 企業所得稅		
Provision for the period	本期間撥備	1,065	850
		<b>5,059</b>	<b>4,528</b>

## 7. INCOME TAX EXPENSES (continued)

Hong Kong Profits Tax has been provided at the rate of 17.5% for the six months ended 30 June 2007 on the estimated assessable profit for the relevant period. Taxation on overseas profit has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Pursuant to the relevant laws and regulations in the PRC, a subsidiary in the PRC is exempted from PRC enterprise income tax for the two years from its first profit-making year and thereafter is entitled to a 50% relief from PRC enterprise income tax for the following three years. One of the Group's subsidiaries in the PRC, MG Technology (Shenzhen) Company Limited ("MG Technology") is in its fifth profit-making year for the financial year ended 31 December 2006 and was therefore entitled to a 50% relief from PRC enterprise income tax for the financial year ended 31 December 2006. The tax rate applicable to this subsidiary in the PRC, after the 50% relief, was 7.5%. In December 2006, MG Technology was recognised as a "New and High Technology Enterprise" by Shenzhen Municipal Technology and Information Bureau, and its 50% tax relief was extended for another three years commencing from January 2007 (but the tax rate after the extended tax relief should not be lower than 10%). Another PRC subsidiary of the Group, Ka Shui Technology (Huizhou) Company Limited, has no assessable profit since its establishment and hence no tax provision was made for the six months ended 30 June 2007.

## 7. 所得稅開支 (續)

截至二零零七年六月三十日止六個月的香港利得稅根據有關期間的估計應課稅溢利以稅率17.5%作出撥備。海外溢利的稅項根據期間估計應課稅溢利按本集團經營所在地的現行稅率計算。

根據相關中國法律及法規，中國附屬公司可自其首個盈利年度起兩年獲豁免中國企業所得稅，並於其後三年獲減免中國企業所得稅50%。截至二零零六年十二月三十一日止財政年度為集團在中國之其中一間附屬公司創金美科技(深圳)有限公司(「創金美科技」)的第五個盈利年度，故截至二零零六年十二月三十一日止財政年度的中國企業所得稅均獲減半。稅項減半後，該中國附屬公司的適用稅率為7.5%。於二零零六年十二月，創金美科技獲深圳市科技和信息局確定為「高新科技企業」，其稅項減半優惠獲進一步延長三年，由二零零七年一月開始(惟延長稅務寬減的稅率不得少於10%)。另一間集團在中國之附屬公司嘉瑞科技(惠州)有限公司自成立以來並無應課稅溢利，故於截至二零零七年六月三十日止六個月並無相關稅務撥備。



## 8. DIVIDENDS

The Board has resolved to declare an interim dividend of HK1.2 cents per share for the six months ended 30 June 2007 (for the six months ended 30 June 2006: HK\$ nil) to the shareholders whose names appear on the register of members of the Company on 5 October 2007. This proposed dividend is not reflected as dividend payable in these condensed consolidated financial statements but will be reflected as an appropriation of retained earnings for the year ending 31 December 2007.

On 1 February 2007, the directors of one of the subsidiaries, Ka Shui Manufactory Co., Limited ("Ka Shui HK"), proposed a final dividend of HK\$30,000 each per ordinary share for the year ended 31 December 2006 totalling HK\$3,000,000 to its then shareholders; on 1 February 2007, the directors of another subsidiary, Ka Fung Metal Manufactory Company Limited ("Ka Fung Metal"), proposed a final dividend of HK\$3,000 each per ordinary share for the year ended 31 December 2006 totalling HK\$30,000,000 to its then shareholders. On 2 February 2007, the then shareholders of Ka Shui HK and Ka Fung Metal approved the above proposed final dividends respectively. These proposed final dividends were fully settled in May 2007. The rates of dividends and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of this report.

## 8. 股息

董事會議決宣派截至二零零七年六月三十日止六個月之中期股息每股1.2港仙(截至二零零六年六月三十日止六個月：無)，派付予於二零零七年十月五日名列本公司股東名冊之股東。此建議之股息並無於本簡明綜合財務報表中反映為應付股息，惟會於截至二零零七年十二月三十一日止年度列為保留盈利之分配。

於二零零七年二月一日，附屬公司嘉瑞製品有限公司(「嘉瑞香港」)的董事建議向當時股東派發截至二零零六年十二月三十一日止年度每股普通股30,000港元的末期股息，合共3,000,000港元。於二零零七年二月一日，另一附屬公司嘉豐金屬製品廠有限公司(「嘉豐金屬」)建議向當時股東派發截至二零零六年十二月三十一日止年度每股普通股3,000港元的末期股息，總值30,000,000港元。於二零零七年二月二日，嘉瑞香港及嘉豐金屬當時的股東分別批准上述建議末期股息。建議末期股息於二零零七年五月全數付清。由於股息率及可獲派股息的股份數目對本報告並無意義，故並無呈列有關資料。

## 9. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share attributable to equity holders of the Company is based on the profit attributable to equity holders of the Company for the six months ended 30 June 2007 of approximately HK\$43,285,000 (unaudited) (for the six months ended 30 June 2006: HK\$44,545,000 (unaudited)) and the weighted average number of ordinary shares of 667,292,818 (for the six months ended 30 June 2006: 660,000,000, as adjusted to reflect the capitalisation of share premium and the effect of the Group Reorganisation as more fully described in the section headed "Written resolutions of all the Shareholders passed on 2 June 2007" in Appendix V to the Prospectus) in issue during the period.

### Diluted earnings per share

The calculation of diluted earnings per share attributable to equity holders of the Company is based on the profit attributable to equity holders of the Company for the six months ended 30 June 2007 of approximately HK\$43,285,000 (unaudited) and the weighted average number of ordinary shares of 668,544,423, being the weighted average number of ordinary shares of 667,292,818 in issue during the period used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 1,251,605 assumed to have been issued at no consideration on the deemed exercise of the share options outstanding at the balance sheet date. No diluted earnings per share for the six months ended 30 June 2006 are presented as the Company did not have any dilutive potential ordinary shares in existence during the period.

## 9. 每股盈利

### 每股基本盈利

本公司股權持有人應佔的每股基本盈利乃根據截至二零零七年六月三十日止六個月本公司股權持有人應佔的溢利約43,285,000港元(未經審核)(截至二零零六年六月三十日止六個月：44,545,000港元(未經審核))及期內已發行的加權平均普通股667,292,818股(截至二零零六年六月三十日止六個月：660,000,000股，經調整以反映股份溢價的資本化及集團重組的影響，詳情載於售股章程附錄五「全體股東於二零零七年六月二日通過的書面決議案」一節)計算。

### 每股攤薄盈利

本公司股權持有人應佔的每股攤薄盈利乃根據截至二零零七年六月三十日止六個月本公司股權持有人應佔的溢利約43,285,000港元(未經審核)及期內已發行的加權平均普通股668,544,423股(即用於計算每股基本盈利的期內已發行加權平均普通股667,292,818股，外加結算日尚未行使的購股權視作行使時假設已以零代價發行的加權平均普通股1,251,605股)計算。由於本公司期內並無任何潛在攤薄普通股，故並無呈列截至二零零六年六月三十日止六個月的每股攤薄盈利。

## 10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain property, plant and equipment with a carrying amount of approximately HK\$47,000 (for the six months ended 30 June 2006: HK\$ nil) for proceeds of HK\$103,000 (for the six months ended 30 June 2006: HK\$ nil), resulting in a gain on disposal of approximately HK\$56,000 (for the six months ended 30 June 2006: HK\$ nil) and had property, plant and equipment written off of approximately HK\$4,000 (for the six months ended 30 June 2006: HK\$ nil).

In addition, the Group spent approximately HK\$2,273,000 (for the six months ended 30 June 2006: HK\$ nil) on the construction of its new factory premises at Daya Bay, Huizhou of the PRC and approximately HK\$33,928,000 (for the six months ended 30 June 2006: HK\$11,096,000) on acquisition of new plant and machineries in order to enhance its production capabilities.

## 11. TRADE RECEIVABLES

The Group has a policy of allowing a credit period ranged from 15 to 75 days to its customers. The ageing analysis of trade receivables is stated as follows:

Current to 30 days	即時至30天
31 to 60 days	31天至60天
61 to 90 days	61天至90天
91 to 180 days	91天至180天
Over 181 days	181天以上

## 10. 物業、機器及設備

期內，本集團出售賬面值約47,000港元(截至二零零六年六月三十日止六個月：無)的若干物業、機器及設備，所得款項103,000港元(截至二零零六年六月三十日止六個月：無)，產生出售收益約56,000港元(截至二零零六年六月三十日止六個月：無)及物業、機器及設備撇銷約4,000港元(截至二零零六年六月三十日止六個月：無)。

此外，本集團將約2,273,000港元(截至二零零六年六月三十日止六個月：無)用作於中國惠州大亞灣建設新廠房，約33,928,000港元(截至二零零六年六月三十日止六個月：11,096,000港元)用作添置新機器及設備，以提升生產能力。

## 11. 貿易應收款項

本集團給予客戶15天至75天的信貸期。貿易應收款項的賬齡分析如下：

	As at 30 June 2007 於二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Current to 30 days	75,404	58,531
31 to 60 days	13,214	36,103
61 to 90 days	12,803	12,096
91 to 180 days	6,039	4,611
Over 181 days	2,417	1,120
	<b>109,877</b>	<b>112,461</b>

## 12. TRADE PAYABLES

The ageing analysis of trade payables is stated as follows:

## 12. 貿易應付款項

貿易應付款項的賬齡分析如下：

		<b>As at 30 June 2007</b>	As at 31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
		<b>(unaudited)</b>	(audited)
		(未經審核)	(經審核)
Current to 30 days	即時至30天	<b>30,467</b>	25,486
31 to 60 days	31天至60天	<b>18,936</b>	20,104
61 to 90 days	61天至90天	<b>6,190</b>	7,043
91 to 180 days	91天至180天	<b>535</b>	1,454
Over 181 days	181天以上	<b>1,414</b>	751
		<b>57,542</b>	54,838

### 13. SHARE CAPITAL

### 13. 股本

		Note	Number of shares	Amount 金額 HK\$'000 千港元 (unaudited) (未經審核)
		附註	股數	
<i>Authorised:</i>	<i>法定：</i>			
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股			
On incorporation and at 31 December 2006	於註冊成立時及 二零零六年十二月三十一日	(a)	1,000,000	100
Increased on 31 May 2007	於二零零七年五月三十一日增加	(b)(i)	4,999,000,000	499,900
At 30 June 2007	於二零零七年六月三十日		<u>5,000,000,000</u>	<u>500,000</u>
<i>Issued and fully paid:</i>	<i>已發行及繳足：</i>			
Ordinary shares of HK\$0.1 each	每股面值0.1港元的普通股			
On incorporation and at 31 December 2006	於註冊成立時及 二零零六年十二月三十一日	(a)	1	-
Issue of shares as consideration for the transfer of entire shareholding of a subsidiary	發行股份作為轉讓 附屬公司全部 股權的代價	(b)(ii)	99,999,999	10,000
Issue of shares by way of capitalisation of share premium account	透過股份溢價賬的 資本化發行股份	(b)(iii)	560,000,000	56,000
Issue of shares by way of placing and public offer	透過配售及公開 發售發行股份	(c)	220,000,000	22,000
At 30 June 2007	於二零零七年六月三十日		<u>880,000,000</u>	<u>88,000</u>

*Notes:*

*附註：*

(a) The Company was incorporated on 7 January 2005 with an authorised share capital of HK\$100,000 divided into 1,000,000 shares of HK\$0.1 each. On the same date, one share was allotted and issued as fully paid to the initial subscriber and transferred to Precisefull Limited, a company controlled by the controlling shareholder, Mr. Lee Yuen Fat ("Mr. Lee").

(a) 本公司於二零零五年一月七日註冊成立，法定股本100,000港元分作1,000,000股每股面值0.1港元股份。於同日，一股股份以繳足股款形式配發及發行予初步認購人，並轉讓予Precisefull Limited（由控股股東李遠發先生（「李先生」）控制的公司）。

### 13. SHARE CAPITAL (continued)

Notes: (continued)

- (b) Pursuant to the written resolutions passed by the Company's shareholders on 31 May 2007:
- (i) the authorised share capital of the Company was increased from HK\$100,000 to HK\$500,000,000 by the creation of additional 4,999,000,000 shares of HK\$0.1 each;
  - (ii) 99,999,999 shares of HK\$0.1 each was issued on 31 May 2007 in exchange for the entire shareholdings of Ka Shui (Holdings) Company Limited, a subsidiary of the Company, pursuant to the Group Reorganisation; and
  - (iii) a total of 560,000,000 shares of HK\$0.1 each were allotted and issued as fully paid at par to the shareholders of the Company whose names appeared on the register of members of the Company at the close of business on 12 June 2007, in proportion to their shareholdings, by way of capitalisation of the sum of HK\$56,000,000 standing to the credit of the share premium account of the Company, conditional on the share premium account being credited as a result of new shares issued by way of placing and public offer on 25 June 2007.
- (c) On 25 June 2007, 220,000,000 shares of HK\$0.1 each were issued at HK\$1.35 each to the public by way of placing and public offer for a total of cash consideration, before related expenses, of HK\$297,000,000. The excess over the par value of the shares issued was credited to the share premium account.
- (d) The share capital as at 31 December 2006 represents the aggregate paid-in capital of the Group's subsidiaries, namely, Ka Fung Metal, Ka Shui HK and Ka Shui Technology Limited.

### 13. 股本 (續)

附註：(續)

- (b) 根據本公司股東於二零零七年五月三十一日通過的書面決議案：
- (i) 透過新增4,999,000,000股每股面值0.1港元股份，本公司法定股本由100,000港元增至500,000,000港元；
  - (ii) 本公司於二零零七年五月三十一日發行99,999,999股每股面值0.1港元股份，以根據集團重組換取本公司附屬公司嘉瑞集團(控股)有限公司全部股權；及
  - (iii) 透過本公司股份溢價賬的進賬56,000,000港元撥充資本，按股東的持股量，以繳足股款形式按面值配發及發行560,000,000股每股面值0.1港元股份予二零零七年六月十二日營業日結束時名列本公司股東名冊的本公司股東，惟股份溢價賬須因二零零七年六月二十五日配售及公開發售發行的股份而獲入賬。
- (c) 於二零零七年六月二十五日，透過配售及公開發售，220,000,000股每股面值0.1港元股份按每股1.35港元的價格發行予公眾，總現金代價為297,000,000港元(扣除相關開支前)。超出已發行股份面值部份計入股份溢價賬。
- (d) 於二零零六年十二月三十一日的股本指集團附屬公司嘉豐金屬、嘉瑞香港及嘉瑞科技有限公司的已繳股本總額。

## 14. SHARE-BASED PAYMENTS

### Equity-settled share option scheme

The Company operates a pre-IPO share option scheme (the "Pre-IPO Share Options Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. In the current period, share options under the Pre-IPO Share Option Scheme were granted to 59 grantees on 1 June 2007. The exercise of these share options would entitle these grantees to an aggregate of 22,000,000 shares. The details of the scheme are set out in note 1 to the section headed "Share Option Scheme" in "Other Information".

The fair values of the options determined at the dates of grant using the Black-Scholes option pricing model were HK\$0.59, HK\$0.61 and HK\$0.63 respectively.

The following assumptions were used to calculate the fair values of share options:

Exercise price	HK\$0.81
Expected life	2.5 – 3.5 years
Expected volatility	46.94%
Dividend yield	1.70%
Risk-free interest rate	4.38%

The fair value of the options will be amortised over the vesting period on a straight-line basis and expensed in the income statement.

Pursuant to written resolutions of all the shareholders passed on 2 June 2007, a share option scheme (the "Share Option Scheme") was adopted. During the period, no options had been granted under the Share Option Scheme.

## 14. 股份付款

### 權益結算購股權計劃

本公司設立首次公開售股前購股權計劃（「首次公開售股前購股權計劃」），目的在於向對本集團成功經營作出貢獻的合資格參與者提供獎勵及回報。於本期間，首次公開售股前購股權計劃下的購股權已於二零零七年六月一日授出予59位承授人。承授人行使此等購股權將可獲合共22,000,000股股份。計劃詳情載於「其他資料」內「購股權計劃」一節附註一。

於授出日期使用柏力克－舒爾斯期權定價模式釐定的購股權公平值分別為0.59港元、0.61港元及0.63港元。

下列假設用於計算購股權公平值：

行使價	0.81港元
預計年期	2.5 – 3.5年
預計波幅	46.94%
股息回報率	1.70%
無風險利率	4.38%

購股權公平值將以直線方式於歸屬期內攤銷，並於損益表內列作支出。

根據全體股東於二零零七年六月二日通過的書面決議案，一項購股權計劃（「購股權計劃」）已獲採納。期內，概無任何購股權已根據購股權計劃授出。

## 15. CAPITAL COMMITMENTS

Details of capital commitments in respect of purchase and construction of property, plant and equipment were as follows:

	As at 30 June 2007 於二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Contracted but not provided for	51,317	5,256

## 16. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with its related parties during the period:

	For the six months ended 30 June 截至六月三十日止六個月	2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Purchase of machinery, machinery parts and maintenance cost from a related company (note (i))	向關連公司購買機器、機器零部件及維修成本(附註(i))	839	920
Subcontracting charges paid to an associate	向聯營公司支付分包費	10,573	12,124
Advance from a director	董事提供墊款	20,640	1,502
Management fee income from an associate	聯營公司所付管理費用	78	78
Advance to a related company (note (i))	向關連公司墊款(附註(i))	-	3
Advance to a director	向董事墊款	21,476	5,002
Advance to an associate	向聯營公司墊款	-	2,500
Interest income received from an associate	向聯營公司收取之利息收入	43	36

Note:

(i) Mr. Lee has significant influence in the related company.

## 15. 資本承擔

有關購買及建築物業、機器及設備的資本承擔詳情如下：

## 16. 關連人士交易

(a) 期內，本集團與其關連人士有以下關連交易：

附註：

(i) 李先生於關連公司擁有重大影響。



## 16. RELATED PARTY TRANSACTIONS

(continued)

### (b) Key management personnel compensation

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries, allowances and discretionary bonus	基本薪金、津貼及 酌情花紅	3,734	3,425
Retirement benefits scheme contributions	退休福利計劃 供款	24	24
Share-based payments	股份付款	134	-
		<b>3,892</b>	<b>3,449</b>

## 16. 關連人士交易 (續)

### (b) 主要管理人員酬金

		For the six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries, allowances and discretionary bonus	基本薪金、津貼及 酌情花紅	3,734	3,425
Retirement benefits scheme contributions	退休福利計劃 供款	24	24
Share-based payments	股份付款	134	-
		<b>3,892</b>	<b>3,449</b>

### (c) Due from/(to) related parties

		As at 30 June 2007 於二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Due to Mr. Lee	應付李先生款項	-	(837)
Due to a related company (note (i))	應付關連公司款項 (附註(i))	(4)	(269)
Due from an associate	應收聯營公司款項	7,612	7,490
Due to an associate	應付聯營公司款項	(3,157)	(4,058)

### (c) 應收／(應付) 關連公司款項

		As at 30 June 2007 於二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2006 於二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Due to Mr. Lee	應付李先生款項	-	(837)
Due to a related company (note (i))	應付關連公司款項 (附註(i))	(4)	(269)
Due from an associate	應收聯營公司款項	7,612	7,490
Due to an associate	應付聯營公司款項	(3,157)	(4,058)

Note:

- (i) Mr. Lee has significant influence in the related company.

附註：

- (i) 李先生於關連公司擁有重大影響。

## 16. RELATED PARTY TRANSACTIONS

(continued)

- (d) As at 30 June 2007, included in prepayment, deposits and other receivables was a deposit of HK\$5,045,000 (31 December 2006: HK\$3,000,000) paid to a related company in which Mr. Lee has significant influence for the acquisition of die casting machines.
- (e) During the year ended 31 December 2006, certain banking facilities of the Group were secured by personal guarantees provided by Mr. Lee and a property owned by Mr. Lee. These securities and guarantees have been released and replaced by corporate guarantees provided by the Company and/or other members of the Group subsequent to the listing of the shares of the Company in June 2007.
- (f) The Group has not obtained valid construction licences and title certificates for three buildings owned or occupied by the Group. In addition, the landlord of certain production and ancillary premises fails to provide the requisite title certificate to prove its ownership to these premises. The ultimate holding company, Precisefull Limited and Mr. Lee have provided an indemnity in favour of the Group to reimburse any loss or damage that the Group may suffer in relation to the title defects of such properties during the six months ended 30 June 2007.

## 16. 關連人士交易 (續)

- (d) 於二零零七年六月三十日，預付款項、按金及其他應收款項包括支付予李先生具有重大影響之關連公司5,045,000港元(二零零六年十二月三十一日：3,000,000港元)的訂金。該訂金乃用作購買壓鑄機之用。
- (e) 截至二零零六年十二月三十一日止年度，本集團若干銀行信貸以李先生提供的個人擔保及其擁有的一所物業作擔保。該等擔保在本公司於二零零七年六月上市後已獲解除並由本公司及／或集團其他成員公司提供的公司擔保取代。
- (f) 本集團尚未取得有關本集團擁有或佔用的三幢建築物之有效建築許可證及所有權證。此外，部分生產及附屬物業的業主無法提供所有權證證明其物業擁有權。最終控權公司Precisefull Limited及李先生已為本集團提供彌償擔保，倘本集團於截至二零零七年六月三十日止六個月因該等物業的業權存疑而蒙受損失，彼等會向本集團提供賠償。

## (A) FINANCIAL REVIEW

Benefiting from the increasing global demand for metal die casting products, the Group recorded a turnover of HK\$352,672,000 for the six months ended 30 June 2007, representing an increase of 23.1% as compared with the same period last year. Gross profit for the period was HK\$83,735,000, an approximate 4.8% increase against the corresponding period last year. During the period under review, the price of zinc alloy continued to rise which resulted in a slow down of the Group's zinc alloy die casting business. Moreover, the high zinc alloy price elevated the Group's manufacturing cost albeit the increase in the zinc alloy cost had been passed on to the customers. Given that, the Group recorded an overall gross profit margin of 23.7% for the period.

To cater for the Group's future business expansion, there was an increase in the number of management and supporting personnel as well as related staff costs during the period under review for the initial preparation of the construction and operation of the new manufacturing facility at Daya Bay. Moreover, listing expenses and costs of share options granted to employees had to be accounted for during the period under review which also led to a surge in the general and administrative expenses over the corresponding period last year. Because of this, the profit attributable to equity holders of the Company decreased moderately by 2.8% to HK\$43,285,000 when compared with the same period last year while the net profit margin was 12.3%. Without having to take into account the one-off listing expenses and amortization of pre-IPO share options amounting to HK\$2,768,000, the profit attributable to equity holders of the Company would be HK\$46,053,000, being an increase of HK\$1,508,000 or 3.4% over the same period last year.

## (A) 財務回顧

受惠於全球對金屬壓鑄產品需求之上升，本集團截至二零零七年六月三十日止六個月之營業額為352,672,000港元，較去年同期增加23.1%；毛利亦比去年同期增長約4.8%至83,735,000港元。在回顧期內，鋅合金價格持續上漲，令集團之鋅合金壓鑄業務放緩。此外，雖然集團已將鋅合金價格上升之成本轉嫁至客戶，但最終集團之生產成本也因高企的鋅合金價格而有所增加。儘管如此，集團在期內仍錄得23.7%之整體毛利率。

因應集團未來業務之擴充而為大亞灣新廠房建築規劃及投產作前期佈置，管理及支援員工數目及相關薪金有所增加，加上上市費用支出及授予員工購股權費用在回顧期內入賬，以致一般及行政費用較去年同期上升，最終令本公司權益持有人應佔溢利相比去年同期輕微減少2.8%至43,285,000港元，純利率則為12.3%。若撇除合共2,768,000港元之一次性上市費用支出及首次公開發售前購股權費用攤銷，本公司權益持有人應佔溢利將為46,053,000港元，較去年同期增加1,508,000港元或3.4%。

## (B) BUSINESS REVIEW

### Zinc alloy die casting business

Zinc alloy die casting operation continued to be the major profit contributor of the Group, accounting for 77% of the Group's turnover. During the period under review, the turnover of zinc alloy die casting components recorded a moderate increase of 11.8% as compared with the same period last year. This was mainly due to the persistent high price of zinc alloy in the first half of year 2007 resulting in a more conservative approach being adopted by customers in placing orders. As such, the Group has, by leveraging on its strength of producing the three major non-ferrous die casting components (zinc, magnesium and aluminium alloys), actively proposed to its customers on using magnesium alloy or aluminium alloy as a substitution for zinc alloy. Having passed the testings required by customers, some die casting products which are used to be made from zinc alloy will use magnesium or aluminium alloy instead in the second half of the year.

### Magnesium alloy die casting business

During the period under review, the turnover of magnesium alloy die casting components increased strongly by 72.5% as compared with the corresponding period last year, the proportion of which as represented in the Group's turnover also increased from approximately 10% in last year to 15%. With the rapid development of 3C (communication, computer and consumer electronics) products industry, the demand for magnesium alloy die casting components is continuously growing. In order to expand its production capacity for magnesium alloy die casting, the Group had placed orders to purchase 4 magnesium alloy die casting machines during the period under review.

## (B) 業務回顧

### 鋅合金壓鑄業務

鋅合金壓鑄業務繼續成為本集團核心利潤之貢獻來源，佔本集團營業額77%。於回顧期內，鋅合金壓鑄件的營業額較去年同期錄得輕微增長11.8%，主要是由於二零零七年上半年鋅合金價格持續高企，令客戶在下訂單時趨於審慎所致。有鑑於此，本集團把握製造鋅、鎂及鋁合金三種主要有色金屬的壓鑄零部件之優勢，積極向客戶推介選用鎂合金或鋁合金以取代鋅合金來作部件之用，部份過往以鋅合金來製造的壓鑄產品，已通過客戶要求之測試，將會在下半年改用鎂或鋁合金來進行生產。

### 鎂合金壓鑄業務

於回顧期內，鎂合金壓鑄件的營業額比去年同期錄得72.5%之強勁升幅，佔本集團營業額之比例亦由去年約10%增加至15%。由於3C（通訊、電腦、消費者電子）產品業的蓬勃發展，客戶不斷增加對鎂合金壓鑄件的需求。為了擴大鎂合金壓鑄之產能，本集團已在回顧期內訂購4台鎂合金壓鑄機。

### Aluminium alloy die casting business

Driven by the increasing demand from customers for aluminium alloy die casting products, the Group's aluminium alloy die casting business recorded the fastest growth during the period under review, with turnover increased substantially by 122.4% as compared with the same period last year. The proportion of which as represented in the Group's turnover also increased from approximately 5% in last year to 8%. During the first half of year 2007, the Group had placed orders to purchase 8 aluminium alloy die casting machines in order to keep abreast with the rapid development of its aluminium alloy die casting business.

## (C) PROSPECTS

### Industry outlook

With the rapid global development of the household products industry, 3C products industry and the automobile industry, the die casting industry has grown rapidly in recent years. In addition, there is still a persistent growing trend of the global manufacturing base of these products being shifted to the PRC and hence, it is expected that the annual growth in the PRC's die casting industry will continue to be remarkable.

### 鋁合金壓鑄業務

受客戶對鋁合金壓鑄產品不斷增加的需求所帶動，本集團鋁合金壓鑄業務為本集團期內增長最快之部份，營業額相比去年同期大幅攀升122.4%。其所佔本集團營業額之比例亦由去年約5%增加至8%。於二零零七年上半年，本集團已訂購8台鋁合金壓鑄機，藉以配合鋁合金壓鑄業務之高速發展。

## (C) 展望

### 行業前景

隨著全球家居用品業、3C產品業及汽車業的急速發展，壓鑄業近年亦加快增長步伐。再者，這些產品的全球製造基地紛紛遷移到中國，在這個大趨勢下，預期中國壓鑄業每年可望有可觀之增長。

The Group anticipates that the demand for its die casting products will continue to grow, in particular for magnesium alloy die casting products. Because of its mechanical properties, appearance and metallic texture, the application of magnesium alloy on 3C products has been continuously expanding. In recent years, Europe is leading the way for wide application of magnesium alloy on automotive parts. In order to satisfy the growing demand from customers, the Group will allocate more resources on the business development, enhancement of production capacity as well as research on the die casting technology of magnesium alloy. Magnesium alloy is also amongst the major R&D projects as designated under both the “Tenth Five Year Plan” and the “Eleventh Five Year Plan” by the State Ministry of Science and Technology. As such, the Group is very optimistic on the business prospect of magnesium alloy die casting.

In order to have a diversified product range and to expand its market coverage, the Group has commenced the production of aluminium alloy die casting components since 2004. In view of the business development trend, aluminium alloy die casting business will be another focal development of the Group in the forthcoming years. In terms of tonnage, a large proportion of the global non-ferrous metal die casting output is aluminium alloy as it has been extensively used in the manufacture of automobiles. Resulting from the buoyant economic growth in the PRC as well as the rapid development of the automobile industry, the Group expects that there is a huge potential for the development of its aluminium alloy die casting business.

本集團預期市場對壓鑄產品之需求將持續增加，尤其對鎂合金壓鑄產品的需求甚為殷切。基於鎂合金之機械性能、外觀及金屬質感，鎂合金壓鑄件不斷擴大其在3C產品的應用。近年歐洲亦率先將鎂合金大幅度應用於汽車部件上。為滿足客戶急劇上升之需求，本集團未來會著重發展鎂合金壓鑄業務，加大鎂合金之產能及研發鎂合金壓鑄技術。而鎂合金亦為國家科技部「第十個五年計劃」及「第十一個五年計劃」之主要研究及應用開發項目之一，故此本集團對鎂合金壓鑄業務的前景感到非常樂觀。

為了達致產品多元化及開拓新市場，本集團已於二零零四年開始生產鋁合金壓鑄產品。根據其業務發展趨勢，鋁合金壓鑄業務亦會是本集團未來另一發展重點。以產量噸重計算，現時全球的有色金屬壓鑄件生產仍以鋁合金壓鑄為主導，而於汽車生產中使用鋁合金壓鑄件亦佔相當大的份額。隨著中國經濟持續強勁增長和汽車業迅速發展，本集團預期鋁合金壓鑄業務有龐大之發展潛力。

### **New production facilities at Daya Bay**

With a view to further expand its production capacity so as to meet the demand from customers, the Group acquired two parcels of land in Daya Bay, Huizhou, the PRC at the end of year 2006 for the construction of new production facilities. At present, the Group is actively preparing for the construction of the first phase of this industrial complex. The new facilities will focus on the application of new alloys, the production of automotive components, 3C products and precision moulds. The design of the industrial complex is in such a way to consolidate the manufacturing supply chain within the region through strategic alliance and industrial clustering; and also by integrating the various technical know-how and professional engineering services of the Group so as to support the development of automotive components and 3C products. The construction of the first phase of the industrial complex comprising gross floor area of approximately 43,000 sq.m. was commenced in April 2007 and is scheduled to be completed by end of year 2007. It is expected that the operation of the new production facilities can be gradually commenced in March 2008.

### **Acquisition or establishment of joint venture enterprises**

The Group will continue to identify new business partners, either through acquisition or formation of joint ventures with up stream or down stream enterprises, to enhance its competitive strength. In February 2007, the Group and Shanxi Wenxi Yinguang Meiye Group Limited Company, a smelter for magnesium and magnesium alloys in the PRC, established Ka Shui Yinguang Technology (Wenxi) Limited as a sino-foreign equity joint venture enterprise for the production of magnesium alloy die castings and related products. The joint venture was owned as to 40% by the Group and has commenced production since August 2007.

### **大亞灣新廠房**

為了進一步擴充產能以應付客戶需求，本集團於二零零六年底收購位於中國惠州大亞灣兩幅土地，以興建新生產廠房之用。現時本集團正在積極籌建此工業園之第一期，並定位為以新合金材料應用為核心，產品主要以汽車關鍵零部件、3C產品和精密模具為主。透過採取戰略聯盟和產業集群的模式，實行區內供應鏈的全面整合；並集合本集團的多項技術，提供專業工程服務，藉以支援汽車關鍵零部件及3C產品的發展。工業園區之第一期生產廠房工程（總建築面積約43,000平方米）已於二零零七年四月展開，將於二零零七年年末前竣工，並預計於二零零八年三月可以逐步正式投產。

### **收購或成立合資企業**

本集團將不斷物色新合作夥伴，考慮透過收購或與上下游企業成立合營公司，藉此提升競爭力。本集團於二零零七年二月與國內鎂及鎂合金冶煉生產商－山西聞喜銀光鎂業（集團）有限公司成立中外合資企業「嘉瑞銀光科技（聞喜）有限公司」，專注生產鎂合金壓鑄件及相關產品。在是項合資企業中，集團佔有40%之股份，其廠房已於二零零七年八月開始投產。

## Research and development

The Group is of the view that continued improvement in technologies and investment in research and development are essential to the success of its business. Currently, the Group is focusing its research and development projects on four specific areas as follows:

1. Design and development of new products: the Group has commenced research and development on a number of Original Design Manufacturing (ODM) products since the first half of year 2007, with an aim to transform the Group from being a traditional Original Equipment Manufacturing (OEM) manufacturer to a ODM manufacturer, which provides a one-stop product design and manufacturing service;
2. Research and development on the applications of alloys: the Group will focus on the research and application of new magnesium alloys, for instance, alloys for automotive functional parts;
3. Metal forming and surface treatment technologies: the Group will persistently develop corresponding metal working technologies to meet new requirements for new products. This will enable the Group to develop for itself the most advanced manufacturing technologies within its integrated manufacturing workflow covering working of raw materials, die casting and surface finishing. The Group will further enhance its collaboration with universities, non-governmental organizations and research institutes in both Hong Kong and the PRC to jointly search for advanced technologies; and
4. Production optimization and automation: the Group aims to fully automate its production processes along the various stages of the supply chain so as to enhance its production efficiency, quality consistency and cost effectiveness.

## 研究及開發

本集團認為不斷改良技術及專注研發為業務成功之關鍵，而本集團現時的研發項目有下列四大範疇：

1. 新產品設計及開發：集團在二零零七年上半年度已展開多項原創設計製造(ODM)產品的設計及開發，致力推動本集團由傳統的按零部件訂單製造(OEM)邁向提供一站式產品設計及開發服務的ODM產品製造企業；
2. 合金應用之研發：本集團將把重點放在鎂合金特種新型材料的研究與應用上，例如汽車功能件；
3. 成型工藝與表面處理技術：本集團因應新產品之要求而不斷開發相關之成型工藝，以促使集團發展從原材料、壓鑄工藝到表面處理一體化的先進生產技術。本集團在原有之基礎上擴大與香港及中國的大學、非政府機構及科研學院的合作，共同開發先進科技；及
4. 生產優化及自動化：本集團著重推動整個生產供應鍊內的全全面自動化，從而提高本集團的生產效率及品質監控的一致性和降低生產成本。



### Corporate strategy

In view of the intense global competition, the Group expects that the business environment in the second half of the year will be challenging. However, through stringent cost control, enhanced production capacity and improved operation efficiency, the Group is fully confident in maintaining its competitiveness. It is expected that the price of magnesium alloy and aluminium alloy will remain stable in the second half of the year so that the business derived from these two types of metal alloy can be maintained at a high growth rate whilst the zinc alloy business will grow steadily. Leveraging on the Group's capabilities in the die casting of zinc, magnesium and aluminium alloys, its customers, taking into account the characteristics of their product, can choose to use those alloys at a competitive price and thus enhance their competitiveness. In addition, since the gross profit margins generated from the magnesium and aluminium alloy die casting components are higher than that from the zinc alloy, the Group's future business strategy is to gradually increase the business proportion of these two segments which will enhance the overall gross profit margin for the Group. In the medium term, the Group has set a target for zinc alloy and the total of magnesium and aluminium alloys business to be accounted for 50% of its turnover respectively.

### 集團策略

在劇烈的全球競爭下，本集團預期下半年之營商環境將具挑戰性，透過實行嚴緊的成本控制措施、提高生產力及改善營運效率，本集團對維持其競爭力充滿信心。預期下半年鎂合金及鋁合金的價格將會保持穩定，此兩類產品業務可望持續高增長，同時鋅合金業務亦維持穩定發展。基於本集團同時擁有鋅合金、鎂合金及鋁合金壓鑄三項業務，客戶可因應其產品特點而選用具價格優勢之合金原材料，從而增加客戶之競爭力。此外，由於鎂合金及鋁合金壓鑄件的毛利率較鋅合金壓鑄件相對為高，本集團在未來業務策略上以逐步增加此兩類產品之份額為方向，此舉有利於提高本集團之整體毛利率。集團之中期目標為鋅合金與鎂、鋁合金業務總和分別各佔集團營業額之50%。

## (D) LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2007, the Group had bank and cash balances of HK\$255,031,000 (31 December 2006: HK\$12,300,000), most of which were either denominated in US dollars or Hong Kong dollars. In June 2007, the Group received net proceeds of approximately HK\$274,400,000 from its initial public offering.

Total interest-bearing borrowings of the Group as at 30 June 2007 were HK\$119,645,000 (31 December 2006: HK\$105,025,000), comprising bank loans and overdrafts of HK\$86,935,000 (31 December 2006: HK\$73,701,000) repayable within one year or on demand, term loans of HK\$17,270,000 (31 December 2006: HK\$20,006,000) with maturity of not more than four years and obligations under finance leases of HK\$15,440,000 (31 December 2006: HK\$11,318,000). The majority of these borrowings were denominated in Hong Kong dollars to which the interest rates applied were primarily subject to floating interest rate.

The Group's gearing ratio as at 30 June 2007 was 23.5% (31 December 2006: 48.1%), which is calculated by dividing total interest-bearing borrowings over total equity. The improvement in gearing ratio was mainly resulted from the net proceeds received from the initial public offering during the period under review.

As at 30 June 2007, the net current assets of the Group were HK\$304,780,000 (31 December 2006: HK\$73,119,000), which consisted of current assets of HK\$505,425,000 (31 December 2006: HK\$256,681,000) and current liabilities of HK\$200,645,000 (31 December 2006: HK\$183,562,000), representing a current ratio of approximately 2.5 (31 December 2006: 1.4).

## (D) 流動資金及財務資源

於二零零七年六月三十日，本集團擁有銀行及現金結餘255,031,000港元（二零零六年十二月三十一日：12,300,000港元），當中大多數以美元或港元計值。於二零零七年六月，本集團從首次公開招股中籌集淨資金約274,400,000港元。

本集團於二零零七年六月三十日的計息借款總額為119,645,000港元（二零零六年十二月三十一日：105,025,000港元），包括須於一年內或於要求時償還的銀行貸款及透支86,935,000港元（二零零六年十二月三十一日：73,701,000港元）、到期期限不超過四年的定期貸款17,270,000港元（二零零六年十二月三十一日：20,006,000港元）及融資租約承擔15,440,000港元（二零零六年十二月三十一日：11,318,000港元）。該等借款大部份以港元計值，所採用的利率主要為浮動利率。

於二零零七年六月三十日，本集團之負債比率為23.5%（二零零六年十二月三十一日：48.1%），此乃按計息借款總額除以股東權益計算。負債比率改善之主要原因是由於在回顧期內首次公開招股中籌集資金所致。

於二零零七年六月三十日，本集團流動資產淨值為304,780,000港元（二零零六年十二月三十一日：73,119,000港元），包括流動資產505,425,000港元（二零零六年十二月三十一日：256,681,000港元）及流動負債200,645,000港元（二零零六年十二月三十一日：183,562,000港元），流動比率約為2.5（二零零六年十二月三十一日：1.4）。

## (E) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. To mitigate the risks due to fluctuation in foreign currency exchange rates, the Group had used forward foreign exchange contracts to manage its foreign currency exposure during the period under review.

## (F) CONTINGENT LIABILITIES

As at 30 June 2007, the Group had no material contingent liabilities.

## (G) CHARGE ON ASSETS

As at 30 June 2007, the Group's banking facilities were secured by guarantees given by the following assets: (a) the Group's bank deposits; (b) lessors' title to the leased assets under finance leases; (c) a property situated in Hong Kong owned by the Group; and (d) properties situated in the PRC owned by the Group.

## (H) HUMAN RESOURCES

As at 30 June 2007, the Group had approximately 2,450 full-time employees (31 December 2006: 2,133). The Group attributes its success to the hard work and dedication of its staff as a whole, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides competitive salary, including medical benefit and bonus. The Group's remuneration policy and structure is determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme as incentive and reward for those qualifying staff who have made contribution to the Group.

## (E) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。為減低匯率波動引起的風險，本集團已利用遠期外匯合約，以管理本集團於回顧期內的外匯風險。

## (F) 或然負債

於二零零七年六月三十日，本集團並無任何重大或然負債。

## (G) 資產抵押

於二零零七年六月三十日，本集團抵押下列資產作為銀行借貸及信貸融資的擔保：(a)本集團之銀行存款；(b)出租人按融資租約出租的資產業權；(c)本集團擁有的香港物業；及(d)本集團擁有的中國物業。

## (H) 人力資源

於二零零七年六月三十日，本集團約有2,450名全職僱員（二零零六年十二月三十一日：2,133名）。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬，包括醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

The Group provides regular training courses for different level of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organizes different kinds of recreational activities, including New Year gathering, various sport competitions and interest groups. The aim is to promote interaction among staff, establish harmonious team spirit and promote healthy lifestyle.

## (I) USE OF PROCEEDS

The Group was listed on the Main Board of the Stock Exchange on 27 June 2007. The net proceeds amounted to approximately HK\$274,400,000 will be applied accordingly as set out in the Prospectus.

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團舉辦了不同種類的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係，建立和諧團隊精神及提倡健康生活。

## (I) 所得款項用途

本集團在本年六月二十七日於聯交所主板上市，共籌集淨資金約274,400,000港元，將撥作招股章程所述之用途。

## INTERESTS AND SHORT POSITIONS OF THE DIRECTORS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

The shares of the Company were listed on the Stock Exchange on 27 June 2007 (the "Listing Date"). As at 30 June 2007, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including any interests and short positions which were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

## 董事於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

本公司股份於二零零七年六月二十七日（「上市日期」）在聯交所上市。於二零零七年六月三十日，本公司董事及主要行政人員，於本公司或其相聯法團（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，擁有根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益及短倉（包括根據證券及期貨條例該等條文被當作或視作擁有之任何權益及短倉），或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉，或擁有根據上市規則上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及短倉如下：

Long Positions in the Shares

股份之長倉

Name of Director 董事姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益概約百分比
Mr. Lee Yuen Fat ("Mr. Lee") 李遠發先生 ([李先生])	Interest in controlled company <sup>(1)</sup> 受控制公司權益 <sup>(1)</sup> Beneficial owner 實益擁有人	607,200,000 1,320,000 <sup>(2)</sup>	69% 0.15%
Dr. Keung Wing Ching 姜永正博士	Beneficial owner 實益擁有人	20,262,000 880,000 <sup>(2)</sup>	2.30% 0.10%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	18,480,000 880,000 <sup>(2)</sup>	2.10% 0.10%
Mr. Chan Tat Cheong, Alan 陳達昌先生	Beneficial owner 實益擁有人	7,029,000 880,000 <sup>(2)</sup>	0.80% 0.10%
Mr. Zhao Jian 趙健先生	Beneficial owner 實益擁有人	7,029,000 880,000 <sup>(2)</sup>	0.80% 0.10%

Notes:

附註：

- Mr. Lee holds the entire issued share capital of Precisefull Limited ("Precisefull"). As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
- Such interest in Shares was held pursuant to options granted under the Pre-IPO Share Options, details of which are described in the paragraph headed "Share Option Scheme" in this report.

- 李先生持有 Precisefull Limited ([Precisefull]) 全部已發行股本。因此，李先生被視為擁有 Precisefull 的控制性權益，並因此視為擁有 Precisefull 所擁有的本公司權益。
- 該等股份權益乃根據首次公開發售前購股權計劃所授出購股權持有，有關詳情載於本報告「購股權計劃」一段。

## Other Information

### 其他資料

#### Short Positions in the Shares

#### 股份之短倉

Name of Director	Capacity	Number of Shares	Approximate percentage of interest in the Company
董事姓名	身份	股份數目	佔本公司權益概約百分比
Mr. Lee 李先生	Interest in controlled company <sup>(1) and (2)</sup> 受控制公司權益 <sup>(1)及(2)</sup>	33,000,000	3.75%

#### Notes:

#### 附註：

- Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
  - Precisefull had a short position of 33,000,000 Shares in the Company by virtue of the Stock Borrowing Agreement entered into between Precisefull and CIMB-GK Securities (HK) Limited on 11 June 2007.
- 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所擁有的本公司權益。
  - Precisefull根據與聯昌國際證券(香港)有限公司於二零零七年六月十一日訂立之借股協議而擁有本公司33,000,000股股份之短倉。

## INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

## 主要股東於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

As at 30 June 2007, the following persons, other than the directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

於二零零七年六月三十日，下列人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或短倉，或直接或間接擁有附帶權利可在任何情況下於本公司股東大會表決之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

Name	Capacity	Position	Number of Shares	Approximate percentage of interest in the Company
名稱	身份	長倉／短倉	股份數目	佔本公司權益概約百分比
Precisefull	Beneficial owner 實益擁有人	Long 長倉	607,200,000 <sup>(1)</sup>	69%
		Short 短倉	33,000,000 <sup>(2)</sup>	3.75%

Notes:

附註：

- Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
- Precisefull had a short position of 33,000,000 Shares in the Company by virtue of the Stock Borrowing Agreement entered into between Precisefull and CIMB-GK Securities (HK) Limited on 11 June 2007.

- 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所擁有的本公司權益。
- Precisefull根據與聯昌國際證券(香港)有限公司於二零零七年六月十一日訂立之借股協議而擁有本公司33,000,000股股份之短倉。



## SHARE OPTION SCHEME

### 1. Pre-IPO Share Option Scheme

On 1 June 2007, an aggregate of 59 Pre-IPO Share Options of 22,000,000 shares were granted to selected persons as incentives or rewards for their contribution to the Group. Details of the options granted under the Pre-IPO Share Option Scheme during the period from 1 June 2007 to 30 June 2007 were as follows:

Category of Grantee/ Name	Date of grant	Exercise Price (HK\$)	Exercise Period	Number of shares options 購股權數目		
				As at 01/06/07 於二零零七年六月一日	Exercised/ Lapsed/ Cancelled during the period 於期內行使/ 失效/註銷	Outstanding as at 30/06/07 於二零零七年六月三十日尚未行使
<b>Executive Directors</b> 執行董事						
Mr. Lee 李先生	01/06/2007	0.81	27/06/2008 – 26/06/2011	1,320,000	–	1,320,000
Dr. Keung Wing Ching 姜永正博士	01/06/2007	0.81	27/06/2008 – 26/06/2011	880,000	–	880,000
Mr. Wong Wing Chuen 黃永銓先生	01/06/2007	0.81	27/06/2008 – 26/06/2011	880,000	–	880,000
Mr. Chan Tat Cheong, Alan 陳達昌先生	01/06/2007	0.81	27/06/2008 – 26/06/2011	880,000	–	880,000
Mr. Zhao Jian 趙健先生	01/06/2007	0.81	27/06/2008 – 26/06/2011	880,000	–	880,000
<b>Others</b> 其他						
Employees 僱員	01/06/2007	0.81	27/06/2008 – 26/06/2011	17,160,000	–	17,160,000

## 購股權計劃

### 1. 首次公開發售前購股權計劃

於二零零七年六月一日，合共59份有關22,000,000股股份之首次公開發售前購股權已授予選定人士，作為彼等對本集團所作出貢獻之獎勵或獎賞。自二零零七年六月一日至二零零七年六月三十日期間，根據首次公開發售前購股權計劃授出之購股權詳情如下：

All grantees of the Pre-IPO Share Options may only exercise the Pre-IPO Share Options granted to them as follows:

所有首次公開發售前購股權之承授人僅可按以下方式行使首次公開發售前購股權：

Period 期間	Maximum aggregate percentage of shares that are issuable upon exercise of the Pre-IPO Share Option granted to each grantee 各承授人行使獲授之首次公開發售前購股權而可予發行的股份總百分比上限
From the Listing Date to the date immediately before the first anniversary (the "First Anniversary") of the Listing Date 上市日期至上市日期起計滿一周年當日（「一周年當日」）的前一日	0%
From the First Anniversary to the date immediately before the second anniversary (the "Second Anniversary") of the Listing Date 一周年當日至上市日期起計滿兩周年當日（「兩周年當日」）的前一日	30%
From the Second Anniversary to the date immediately before the third anniversary (the "Third Anniversary") of the Listing Date 兩周年當日至上市日期起計滿三周年當日（「三周年當日」）的前一日	60%
From the Third Anniversary to the date immediately before the fourth anniversary of the Listing Date 三周年當日至上市日期起計滿四周年當日的前一日	100%

Save as disclosed above, no further options were granted under the Pre-IPO Share Option Scheme.

除上文披露者外，概無根據首次公開發售前購股權計劃進一步授出任何購股權。

## 2. Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted pursuant to the written resolutions passed by the shareholders of the Company on 2 June 2007. The purpose of the Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group. During the period, no options had been granted under the Share Option Scheme.

## 2. 購股權計劃

一項購股權計劃（「購股權計劃」）於二零零七年六月二日根據本公司股東通過之書面決議案獲採納。購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵或獎賞。期內，概無根據購股權計劃授出任何購股權。

## INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK1.2 cents per share for the six months ended 30 June 2007 payable on or about Monday, 15 October 2007, to the shareholders whose names appear on the register of members of the Company on Friday, 5 October 2007.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 2 October 2007 to Friday, 5 October 2007, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all share transfer documents accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 September 2007.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Since the Listing Date, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

## CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the period from the Listing Date up to the date of this report.

## 中期股息

董事會議決宣派截至二零零七年六月三十日止六個月之中期股息每股1.2港仙，將於二零零七年十月十五日(星期一)或前後派付予於二零零七年十月五日(星期五)名列本公司股東名冊之股東。

## 暫停辦理股份過戶登記手續

本公司將於二零零七年十月二日(星期二)至二零零七年十月五日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續，於此期間將不會辦理股份過戶登記。為符合資格獲派中期股息，所有股份過戶文件連同有關股票及過戶表格須於二零零七年九月二十八日(星期五)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司辦理登記手續，地址為香港皇后大道東183號合和中心17樓1712至1716室。

## 購買、出售或贖回本公司上市證券

自上市日期以來，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

## 企業管治

自上市日期起至本報告日期的期間內，本公司一直遵守上市規則附錄十四「企業管治常規守則」內所有守則條文。

## AUDIT COMMITTEE

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review and approve the financial reporting process and internal control system of the Group and provide advice and comments to the Board. The Audit Committee comprises three independent non-executive Directors, namely Mr. Yeow Hoe Ann, John, Mr. Sun Kai Lit, Cliff BBS, JP and Ir Dr. Lo Wai Kwok MH, JP and is chaired by Mr. Yeow Hoe Ann, John, a qualified accountant with extensive experience in financial reporting and controls.

## NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 for the purpose of making recommendations to the Board on the appointment of Directors and the management of the Board succession. The members of the Nomination Committee are Mr. Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok MH, JP, Mr. Yeow Hoe Ann, John and Dr. Keung Wing Ching. Mr. Sun Kai Lit, Cliff BBS, JP is the Chairman of the Nomination Committee.

## REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee include reviewing and determining the terms of remuneration packages, the award of bonuses and other compensation payable to Directors and senior management. The Remuneration Committee comprises three independent non-executive directors, namely Mr. Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok MH, JP, Mr. Yeow Hoe Ann, John and Vice Chairman of the Company, Dr. Keung Wing Ching. The Chairman of Remuneration Committee is Mr. Sun Kai Lit, Cliff BBS, JP, an independent non-executive director.

## 審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱及批准本集團之財務申報程序及內部監控制度，並向董事會提供建議及意見。審核委員會由三名獨立非執行董事組成，分別為姚和安先生、孫啟烈先生BBS，太平紳士及盧偉國博士MH，太平紳士，而姚和安先生為審核委員會之主席，彼為合資格會計師，於財務申報及控制擁有豐富經驗。

## 提名委員會

提名委員會於二零零七年六月成立，其目的為就委任董事及管理董事會之繼任事項向董事會提供意見。提名委員會之成員包括孫啟烈先生BBS，太平紳士、盧偉國博士MH，太平紳士、姚和安先生及姜永正博士，而孫啟烈先生BBS，太平紳士為提名委員會之主席。

## 薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責包括審閱及釐定董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由三位獨立非執行董事孫啟烈先生BBS，太平紳士、盧偉國博士MH，太平紳士、姚和安先生及本公司副主席姜永正博士組成。薪酬委員會之主席為獨立非執行董事孫啟烈先生BBS，太平紳士。

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code since the Listing Date.

## REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2007.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend our sincere appreciation to our customers, suppliers and shareholders for their continuing support, and our management and staff for their contribution and dedication to the Group throughout the period.

By order of the Board  
**Lee Yuen Fat**  
*Chairman*

Hong Kong, 12 September 2007

## 董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則。經向全體董事作出具體查詢後確認，彼等自上市日期以來一直全面遵守標準守則所載之規定準則。

## 審閱財務資料

審核委員會已審閱本集團截至二零零七年六月三十日止六個月之未經審核簡明綜合財務報表。

## 鳴謝

本人謹此代表董事會，對客戶、供應商及股東一直以來鼎力支持致以衷心謝意。本人另對期內管理層所付出之寶貴貢獻及本集團員工之盡職服務表示感謝。

承董事會命  
**李遠發**  
*主席*

香港，二零零七年九月十二日



**Ka Shui International Holdings Limited**  
**嘉瑞國際控股有限公司**

3/F, EW International Tower, 120 Texaco Road  
Tsuen Wan, New Territories, Hong Kong  
香港新界荃灣德士古道120號安泰國際中心3樓

Tel 電話: (852) 2414 0456

Fax 傳真: (852) 2412 1743

Website 網址: [www.kashui.com](http://www.kashui.com)