



# Interim Report 2007

二零零七年中期報告



WO KEE HONG (HOLDINGS) LIMITED  
和記行（集團）有限公司

*(Incorporated in Bermuda with limited liability)*  
(於百慕達註冊成立之有限公司)

(Stock Code 股票代號: 720)



		<i>Page</i> 頁次
Management Discussion and Analysis	管理層討論及分析	2
Condensed Consolidated Income Statement	簡明綜合損益表	10
Condensed Consolidated Balance Sheet	簡明綜合資產負債表	11
Condensed Consolidated Cash Flow Statement	簡明綜合現金流量表	13
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	14
Notes to the Condensed Consolidated Financial Statements	簡明綜合財務報表附註	15
Corporate Governance and Other Information	企業管治及其他資料	42



# Management Discussion and Analysis

## 管理層討論及分析

### INTRODUCTION

**WO KEE HONG (HOLDINGS) LIMITED** is an investment holding company. Its subsidiaries were principally engaged in the import, marketing and distribution of air-conditioning and refrigeration products, audio-visual equipment, car audio and electronic products, cars and car accessories, motor yachts, fashion and accessories, other electronic and electrical products and property investment.

### FINANCIAL REVIEW

#### Results

For the first half of 2007, Group turnover recorded a high double-digit growth of 46.3% to HK\$457.5 million, compared with HK\$312.7 million of the same period last year (as restated). Despite the scale down of the audio visual products business, we were able to maintain an overall upsurge due to the robust growth of our car operations.

Gross profit margin for the first half decreased by 3.1% from 21.7% in 2006 (as restated) to 18.6% in 2007 whilst gross profit increased by HK\$17.5 million to HK\$85.2 million (2006: HK\$67.7 million as restated). This erosion of profit margin was mainly due to the increase in product costs of cars during the reporting period.

Distribution costs were up by 33.6% to HK\$31.0 million (2006: HK\$23.2 million), due mainly to the corresponding increase in turnover mentioned above as well as increased advertising cost as a result of promotion programs for new brands and products introduced in this period. The increase in administrative expenses of HK\$15.0 million from HK\$51.2 million of last period to HK\$66.2 million in this period is mainly attributed to the corresponding increase in turnover as well as additional staff cost and the associated disbursements incurred in our endeavor to exploring potential new business and investment.

The Board regrets to report a loss from operations at HK\$10.0 million for the first half of 2007 (2006: loss of HK\$5.8 million). This was mainly due to the following factors: downswing of the audio visual business; the delay of shipments of “Alfa Romeo” cars from the factory; the loss incurred in the “Motor Yacht” business which is in its investment stage; the set-up costs incurred for new lifestyle brands

### 簡介

**和記行(集團)有限公司**為一家投資控股公司。其附屬公司主要經營入口、市場推廣及分銷空調及冷凍產品、影音設備、汽車音響及電子產品、汽車及汽車配件、機動遊艇、時裝及配飾、其他電子及電器產品及物業投資。

### 財務回顧

#### 業績

於二零零七年上半年，本集團營業額達港幣457,500,000元，較去年同期之港幣312,700,000元（重列）錄得46.3%之雙位數高增幅。儘管影音產品業務規模減少，但由於本集團汽車業務之蓬勃增長，本公司仍能維持整體升勢。

毛利率由二零零六年上半年之21.7%（重列）下降3.1%至二零零七年上半年之18.6%，然而本集團之毛利增加港幣17,500,000元至港幣85,200,000元（二零零六年：港幣67,700,000元（重列））。毛利率下跌，主要是報告期內汽車產品成本增加所致。

分銷費用增長33.6%至港幣31,000,000元（二零零六年：港幣23,200,000元），主要是上述之營業額相應增長，以及期內推出新品牌及產品之宣傳計劃導致廣告費用增加所致。去年同期行政費用為港幣51,200,000元，本期間增加港幣15,000,000元至港幣66,200,000元，主要由於營業額相應增長以及本公司於探索及投資新業務中產生之額外僱員成本及相關開銷所致。

董事會惋然報告，於二零零七年首六個月本集團錄得營業虧損港幣10,000,000元（二零零六年：虧損港幣5,800,000元）。主要因素如下：影音業務低迷、「愛快·羅蜜歐」汽車廠方供貨延誤、「機動遊艇」業務於投資階段所招致之虧損，以及新穎時尚生活品牌招致啟動成本，但其收入



the revenue of which is yet to reflect in our results. With progress being made and actions taken, we are confident that, during the second half of 2007, those negative issues will either be eliminated or improved significantly for the Company to return to a healthy position.

Finance costs rose by HK\$2.8 million from last period's HK\$4.9 million to HK\$7.7 million. In addition to finance the operating loss of some businesses, certain amounts of cash were utilized for the purchase of stocks in order to fuel the expansion of our Car Group and investment in new business segments.

"Share of results of associates" recorded a net loss of HK\$0.6 million (2006: loss of HK\$5.8 million) being the share of loss of our joint-venture car trading company in Shanghai. By disposal of our associated company in Jiangmen last year, we are saved from suffering the share of loss of this investment.

The board regrets to report a loss attributable to shareholders of HK\$20.6 million (2006: HK\$16.7 million), the reasons for which were highlighted above.

### Cash flow, liquidity and financial resources

The Group was financed by a combination of its equity capital base, cash flow generated from operations and bank borrowings. As usual, bank and other liabilities were being met upon their maturities in the normal course of business.

A net outflow of cash of HK\$29.0 million (2006: HK\$21.8 million) was recorded, representing the aggregate of funds used in operating, investing and financing activities in the reporting period.

At June 30, 2007, the Group had total borrowings amounting to HK\$142.0 million (December 31, 2006: HK\$134.0 million). The Group's long term gearing ratio stood at 13.5% (December 31, 2006: 13.8%), based on long term liabilities (excluding deferred tax) of HK\$38.4 million (December 31, 2006: HK\$42.0 million) and shareholders' equity of HK\$283.8 million (December 31, 2006: HK\$304.0 million). The current ratio was 1.8 (December 31, 2006: 1.1), based on current assets of HK\$664.2 million (December 31, 2006: HK\$368.2 million) and current liabilities of HK\$377.3 million (December 31, 2006: HK\$340.8 million).

尚未反映於本集團之業績中。隨著本集團不斷進步及採取措施，吾等深信該等負面問題將於二零零七年下半年消除或得到大幅改善，從而令本公司重拾正軌。

財務費用增加港幣2,800,000元，由港幣4,900,000元增至港幣7,700,000元。除了提供資金予部分業務之經營虧損外，本集團亦動用若干現金購買存貨，以支持本集團汽車部及新業務分部之投資。

「應佔聯營公司業績」錄得虧損淨額港幣600,000元（二零零六年：虧損港幣5,800,000元），反映吾等應佔上海之汽車貿易合營公司之虧損。由於吾等去年出售江門之聯營公司，因此毋須分攤該項投資之虧損。

董事會惋然報告股東應佔虧損港幣20,600,000元（二零零六年：港幣16,700,000元），原因概要見上文。

### 現金流量、流動資金及財務資源

本集團所需資金以綜合其股本基礎、經營業務所得之現金流量及銀行貸款獲取。一如既往，日常業務中之銀行及其他負債均能於到期日清償。

本集團錄得現金淨流出港幣29,000,000元（二零零六年：港幣21,800,000元），乃為報告期內用於經營、投資及融資資金之總額。

本集團於二零零七年六月三十日之總貸款為港幣142,000,000元（二零零六年十二月三十一日：港幣134,000,000元）。根據長期負債（不包括遞延稅項）港幣38,400,000元（二零零六年十二月三十一日：港幣42,000,000元）及股東權益港幣283,800,000元（二零零六年十二月三十一日：港幣304,000,000元）為基數計算，本集團長期負債比率為13.5%（二零零六年十二月三十一日：13.8%）。根據流動資產港幣664,200,000元（二零零六年十二月三十一日：港幣368,200,000元）及流動負債港幣377,300,000元（二零零六年十二月三十一日：港幣340,800,000元）為基數計算，流動比率為1.8（二零零六年十二月三十一日：1.1）。



# Management Discussion and Analysis

## 管理層討論及分析

It is the Group's management practice to hedge foreign currency transactions with the objective to stabilize the cost via the pegging of the exchange rates with our banks. Accordingly, the Group was not exposed to material fluctuations in exchange rates and related hedges during the period under review. At June 30, 2007 the total outstanding foreign exchange contracts purchased with banks amounted to HK\$16.3 million (December 31, 2006: HK\$7.0 million).

The Group had trading facilities at June 30, 2007 amounting to HK\$352.2 million (December 31, 2006: HK\$288.8 million) of which HK\$219.5 million (December 31, 2006: HK\$186.1 million) was utilized. Certain of the Group's properties, inventories, bank deposits and all assets of a subsidiary were pledged at this period end in an aggregate amount of HK\$411.5 million (December 31, 2006: HK\$385.1 million) to secure facilities granted and also a guarantee issued by our banks.

The Group had no material capital commitment at June 30, 2007 (December 31, 2006: HK\$2.4 million). At June 30, 2007 the Group had contingent liabilities of approximately HK\$1.4 million (December 31, 2006: HK\$1.2 million) in respect of proceedings involving a subsidiary in India and HK\$11 million (December 31, 2006: HK\$11 million) in respect of a bank guarantee issued to the purchaser of the disposed associate in Jiangmen.

## BUSINESS REVIEW

### Cars and Car Accessories

The business consists mainly of the import, distribution and after-sales service of Italian "Ferrari", "Maserati" and "Alfa Romeo" cars and spare parts in Hong Kong and Macau. By the end of last year, we also started a "Ferrari" and "Maserati" car dealership in Dalian, northern China.

Compared to the same period last year, sales in Hong Kong and Macau increased by 74% to HK\$304 million; income from after-sales service also increased by 16% as a result of our expanded service facilities and increased ownership of these brands.

根據本集團之慣常管理方式，會透過與吾等之銀行進行對沖外匯交易，鎖定匯率以求穩定成本。因此，本集團於回顧期內並無承擔重大之匯率波動及相關對沖工具風險。於二零零七年六月三十日，未到期履約之銀行期匯合約總額為港幣16,300,000元（二零零六年十二月三十一日：港幣7,000,000元）。

於二零零七年六月三十日，本集團之貿易信貸額為港幣352,200,000元（二零零六年十二月三十一日：港幣288,800,000元），當中港幣219,500,000元（二零零六年十二月三十一日：港幣186,100,000元）已動用。於期末，本集團若干物業、存貨、銀行存款及一間附屬公司之所有資產合共港幣411,500,000元（二零零六年十二月三十一日：港幣385,100,000元）經已抵押，以獲取銀行之貸款及銀行發出之一項擔保。

本集團於二零零七年六月三十日並無重大資本承擔（二零零六年十二月三十一日：港幣2,400,000元）。於二零零七年六月三十日，本集團之或然負債約港幣1,400,000元（二零零六年十二月三十一日：港幣1,200,000元），乃印度之一間附屬公司所牽涉之法律程序而產生以及就已出售江門聯營公司而授予買方一項銀行擔保之港幣11,000,000元（二零零六年十二月三十一日：港幣11,000,000元）。

## 業務回顧

### 汽車及汽車配件

此業務主要包括意大利「法拉利」、「瑪莎拉蒂」及「愛快·羅蜜歐」汽車及配件於香港及澳門之進口、分銷及售後服務。於去年底，吾等亦在中國北部之大連開設「法拉利」及「瑪莎拉蒂」汽車經銷店。

由於擴充服務設施及擴大該等品牌的擁有權，香港及澳門之銷售額較去年同期增長74%至港幣304,000,000元，售後服務收入亦增加16%。



Sales of the “Ferrari” 8-cylinder models, the F430 and F430 Spider, remained strong, whilst the newly launched “Ferrari” 12-cylinder 599 GTB Fiorano was a great success and completely dominated the 12-cylinder super car market. Our order portfolio of “Ferrari” commands a lead time of over two years.

Regarding “Maserati”, the brand achieved a margin boost in our markets with the arrival of the new Quattroporte Automatic, which led to good increase in sales.

Our dealership in Dalian was very successful and sales for the first half of the year for both “Ferrari” and “Maserati” cars were satisfactory. We expect this dealership to continue to perform well in the second half as the local markets are being cultivated with our strong marketing activities and the forthcoming participation in the motor shows in Shenyang and Dalian.

Additional sales were also achieved due to the addition of Ferrari’s customized options as we successfully encouraged our customers to enhance the exclusivity of each of these new cars.

The motor car business segment is expected to continue to do well for the remainder of the year with the strong sales momentum of “Ferrari” continuing to fulfill its order portfolio; the anticipated introduction of the new “Ferrari” F430 Scuderia in the later part of the year will further fuel the sales growth. Sales of “Maserati” is expected to further increase due to the widened appeal of the Quattroporte Automatic sports sedan and the exciting arrival of the all-new GranTurismo four-seater coupe. This is expected to be an instant success by the second half of the year.

Total sales of the car business segment increased significantly by over 75%; however, the profit margin was lowered due to an increase in product costs.

Sales of “Alfa Romeo” started slowly due to a delay in incoming shipments from the factory. With the opening of the “Alfa Romeo” Centre and the city showroom, we expect the business will gradually improve. The new range of 159 sedan, 159 Sportwagon and Brera 2+2 coupe were well-received. The allocation of the top-of-the-line 8C Competizione super-sports car is all sold out even before its first delivery. The anticipated forthcoming introduction of the limited edition of the 8C Spider will further widen the product range. We are confident the business of this brand will continue to flourish.

「法拉利」8汽缸型號 F430 及 F430 Spider 之銷售額維持強勁，而新推出之「法拉利」12汽缸 599 GTB Fiorano 銷售成績斐然，完全雄據12汽缸超級汽車市場。吾等之「法拉利」訂單組合交貨期更逾兩年之久。

隨著嶄新的「總裁系列」（自動排檔）跑車推出，「瑪莎拉蒂」品牌的毛利飆升，銷售額亦有理想升幅。

吾等之大連經銷店業績彪炳，「法拉利」及「瑪莎拉蒂」上半年之銷售額成績理想。隨著市場推廣活動加強及即將參與瀋陽和大連之汽車展覽，當地市場逐步形成，吾等預期該經銷店於下半年將繼續取得傑出表現。

吾等成功鼓勵客戶提升各新型汽車之獨特性裝配，隨著法拉利添加個性化特製配件，亦增加了吾等之銷售額。

在「法拉利」持續充實訂單組合之強勁銷售動力下，預期下半年汽車業務部將繼續表現理想。預計本年後期推出嶄新之「法拉利」F430 Scuderia，將進一步帶動銷售額增長。鑒於「總裁系列」（自動排檔）轎跑車廣受歡迎，加上推出全新 GranTurismo 4座位雙門轎跑車之刺激，預期「瑪莎拉蒂」之銷售額將進一步上升。預期下半年將可取得空前成功。

汽車業務分部之總銷售額大幅增長超過75%；然而，由於產品成本上升，導致盈利率下降。

由於汽車廠付貨延誤，「愛快•羅蜜歐」之銷售額進展緩慢。隨著「愛快•羅蜜歐」中心及城市陳列室開幕，預期該項業務將會逐步改善。全新系列之159房車、159 Sportwagon 及 Brera 2+2 雙門轎跑車市場反應熱烈。頂級 8C Competizione 超級跑車之配額於首次交貨前便已全部售罄。預計即將引入之 8C Spider 限量版將進一步擴大產品種類。吾等深信該品牌之業務將會持續興旺。



# Management Discussion and Analysis

## 管理層討論及分析

### Electrical Appliances

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning and home appliance products from four major brands, namely, “MHI” (Mitsubishi Heavy Industries of Japan), “Frigidaire”, “Sansui” and “Daewoo” and audio-visual products of our own “Rogers” and “Bodysonic”, “Marantz” “Denon” and “Sansui” audio-visual products of Japan and “Alpine” car electronics of Japan. The product ranges are well placed in the market to suit the needs of different market segments. They include high quality residential and commercial air-conditioning equipment, electrical home appliances like refrigerators, freezers, washing machines, wine coolers and car electronics products like car CD player, DVD player and monitor.

Turnover for the first half of 2007 was HK\$98.9 million which were decreased by 13.5% when compared with the same period of 2006. The general market of audio-visual and car electronics softened and explained the decline in sales in this segment.

The market responded well to the newly-introduced high energy efficiency air-conditioners. We were able to achieve higher profit margins with the new products and we expect this business segment to continue to be profitable and stable.

The profit margin of our own “Rogers” brand improved as we refocused to develop high-margin audio products and lowered the expenses by relocating operations. We expect their performances are stable in the remainder of the year.

### Motor Yachts

The business consists of import and distribution of the Italian “Ferretti” and the leading Taiwanese “Horizon” motor yachts. The sale of a “Ferretti” motor yacht marked the beginning of a new business for the Group. With the arrival of new “Horizon” motor yachts and the opening of its showroom next to the Aberdeen Marina Club, we expect this business will gradually grow. This year is important for us in preparing for future business.

### 電器

此業務包括對四個主要品牌（「三菱重工」（日本三菱重工業株式會社）、「北極牌」、「山水」及「大字」不同系列之家用及商用空調與家用電器產品，本集團自身品牌「樂爵士」及「先力」影音產品，日本「馬蘭士」、「天龍」及「山水」影音產品及日本「阿爾派」汽車電子產品之市場推廣及分銷。該等產品各有不同檔次，種類繁多，可滿足不同市場之需求，當中包括優質住宅及商用空調設備、家用電器（如雪櫃、冰箱、洗衣機及酒櫃）及汽車電子產品（如汽車CD播放機、DVD播放機及顯示屏）。

二零零七年上半年營業額為港幣98,900,000元，較二零零六年同期減少13.5%。影音及汽車電子產品整體市場疲軟，導致此分部之銷售額下滑。

市場對新引入之高能源效益空調反應理想。推出新產品將可提高本集團之盈利率，預期該業務分部將繼續錄得盈利及維持穩定。

吾等重新專注開發毛利較高之音響產品及遷移業務以減低開支，導致本集團自身品牌「樂爵士」之盈利率改善。預期下半年其表現將會回穩。

### 機動遊艇

此業務包括意大利名牌「法拉帝」及佔台灣領導地位的「嘉鴻」等機動遊艇的進口代理業務。一艘「法拉帝」機動遊艇已成功售出，標誌著本集團新業務之啟動。隨著嶄新之「嘉鴻」機動遊艇登陸及毗鄰深灣遊艇會之陳列室開幕，預期該項業務將會逐步增長。今年之籌備部署工作對未來業務發展有重大意義。



### Property Investment

Leasing income from our property investment increased with the close to full occupation of our Wo Kee Hong Building. The rental income was HK\$7.5 million which was increased by 70.5% when compared with the same period of 2006. Recently the Group entered into a sale and purchase agreement which in effect will dispose of Wo Kee Hong Building. Details of the disposal are set out in the paragraph headed “Subsequent Events” below.

### Human Resources

At June 30, 2007, the total number of employees of the Group, excluding associates, was 388 (2006: 348), representing an 11.5% increase in headcount. This is due to the expansion of our car business group including the set-up of new business units for the distribution of “Alfa Romeo” cars and the set up of “Horizon” motor yachts as well as luxury branded fashion and accessories businesses. With the continued expansion in the PRC and in the direction of securing more luxurious brands for distribution, we encouraged recruitment of local staff. The management is committed to staff motivation and training in order to ensure that our staff remain stable and yet be competitive and dynamic in the marketplace.

### INTERIM DIVIDEND

The Directors have resolved not to declare the payment of an interim dividend (2006: nil).

### 物業投資

和記行大廈租用率接近100%，帶動吾等之物業投資租賃收入上升。租金收入為港幣7,500,000元，較二零零六年同期增長70.5%。近日本集團訂立了一份買賣協議，據此，本集團等同將出售和記行大廈。有關此出售之詳情已載於下文「結算日後事項」一段內。

### 人力資源

於二零零七年六月三十日，本集團之員工總數（聯營公司僱員除外）為388人（二零零六年：348人），總人數增加11.5%，乃由於汽車業務部擴張（包括為代理「愛快•羅蜜歐」汽車而開設新的業務部）及建立「嘉鴻」機動遊艇及高級品牌時裝及配飾業務所致。隨著在中國的業務持續擴張及在獲取分銷更多高級品牌的方向指引下，吾等鼓勵聘任當地員工。管理層致力提高員工士氣及提供培訓，以確保本公司員工隊伍穩定性及在市場上具有競爭力及活力。

### 中期股息

董事議決不宣派中期股息（二零零六年：無）。





### SUBSEQUENT EVENTS

On August 13, 2007, National Cape Development Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 10% issued share capital in Corning Investments Limited (“Corning”) at a consideration of HK\$36 million. Corning is interested in the entire issued share capital of Digital Outdoor Television (Hong Kong) Limited which together with its wholly-owned subsidiary, Today’s Media Limited, are principally engaged in the business of the provision of outdoor media advertising and broadcasting network. The consideration of the acquisition was satisfied by the issue and allotment of shares of the Company. The transaction completed on August 24, 2007 and a total of 31,266,284 new shares representing approximately 12.25% of the issued share capital of the company as enlarged by the issue of the consideration shares immediately after the completion were issued.

On September 13, 2007, the Group entered into a sale and purchase agreement pursuant to which the Group shall dispose of the entire issued share capital of Wo Kee Hong Estates Limited and Ever Rising Investments Limited for a total consideration of HK\$373,000,000. Ever Rising Investments Limited and Wo Kee Hong Estates Limited are wholly owned subsidiaries of the Company which directly and indirectly own Wo Kee Hong Building. The transaction constitutes a very substantial disposal and is subject to, inter alia, approval of the shareholders in the special general meeting. Completion of the transaction is scheduled to take place on November 29, 2007. The details of the transaction are set out in the announcement of the Company dated September 14, 2007.

### 結算日後事項

於二零零七年八月十三日，本公司之間接全資附屬公司National Cape Development Limited與獨立第三方訂立協議，以收購康寧投資有限公司（「康寧投資」）已發行股本之10%，代價為港幣36,000,000元。康寧投資擁有數碼戶外電視（香港）有限公司全部已發行股本中之權益，而數碼戶外電視（香港）有限公司及其全資附屬公司今媒體有限公司主要從事提供戶外媒體廣告及廣播網絡之業務。收購事項代價由本公司以發行及配發股份之方式支付。該交易於二零零七年八月二十四日完成，並已發行及配發合共31,266,284股新股（佔本公司緊隨完成後經發行代價股份擴大之已發行股本約12.25%）。

於二零零七年九月十三日，本集團訂立一份買賣協議，據此，本集團須出售Wo Kee Hong Estates Limited及Ever Rising Investments Limited之全部已發行股本，總代價為港幣373,000,000元。Ever Rising Investments Limited及Wo Kee Hong Estates Limited為本公司之全資附屬公司，且直接及間接擁有和記行大廈。該交易構成一項非常重大出售，須待（其中包括）股東於股東特別大會上批准後，方可作實。該交易預定於二零零七年十一月二十九日完成。交易詳情載於本公司於二零零七年九月十四日刊發之公告內。



### PROSPECTS

Economic growth in our key markets will continue to be strong in the second half year and in 2008.

Our car business of “Ferrari” and “Maserati” will grow significantly and “Alfa Romeo” car sales will gradually climb.

The air-conditioning and electrical appliances business will remain stable and profitable. The Group plans to add new products and brands with higher profit margins and price ranges.

New lifestyle brands are being secured to commence business in the second half year. This will generate synergy amongst the various kinds of products represented by us in our efforts to build a platform of lifestyle brands.

On September 13, 2007, a sale and purchase agreement was entered into for the disposal of subsidiaries holding Wo Kee Hong Building, and when successfully completed, the disposal will generate a significant profit and cash inflow for the Group.

### 展望

主要市場之經濟增長勢頭將於下半年及二零零八年持續強勁。

「法拉利」及「瑪莎拉蒂」汽車業務將呈大幅增長，而「愛快•羅蜜歐」汽車之銷售額將會逐步攀升。

空調及電器業務將維持平穩及錄得盈利。本集團計劃加入盈利率及價幅較高之新產品及品牌。

本集團現正爭取新穎時尚生活品牌以於下半年開展業務。此舉將對吾等所代理之各種產品締造協同效益，有助本集團打造時尚生活品牌之平台。

於二零零七年九月十三日已訂立一項買賣協議，藉以出售持有和記行大廈之附屬公司，俟成功完成，該出售將為本集團帶來顯著盈利及現金流入。



# Condensed Consolidated Income Statement

## 簡明綜合損益表

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月

			2007 二零零七年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 港幣千元 (Unaudited) (未經審核) (Restated) (重列)
<b>Turnover</b>	<b>營業額</b>	3	<b>457,546</b>	312,651
Cost of sales	銷售成本		<u>(372,325)</u>	<u>(244,929)</u>
Gross profit	毛利		<b>85,221</b>	67,722
Other operating income	其他營業收入		<b>1,447</b>	897
Distribution costs	分銷成本		<b>(30,990)</b>	(23,176)
Administrative expenses	行政費用		<b>(66,232)</b>	(51,244)
Fair value gains on investment properties	投資物業公平值收益		<b>508</b>	—
<b>Loss from operations</b>	<b>經營虧損</b>	5	<b>(10,046)</b>	(5,801)
Finance costs	財務費用	6	<b>(7,690)</b>	(4,925)
Share of results of associates	應佔聯營公司業績		<b>(609)</b>	(5,776)
Loss before tax	除稅前虧損		<b>(18,345)</b>	(16,502)
Income tax expenses	所得稅開支	7	<b>(185)</b>	(6)
<b>Loss for the period</b>	<b>本期間虧損</b>		<b><u>(18,530)</u></b>	<b><u>(16,508)</u></b>
<b>Attributable to:</b>	<b>應佔:</b>			
Equity holders of the Company	本公司權益持有人		<b>(20,565)</b>	(16,685)
Minority interests	少數股東權益		<b>2,035</b>	177
			<b><u>(18,530)</u></b>	<b><u>(16,508)</u></b>
<b>Losses per share for loss attributable to the equity holders of the Company</b>	<b>本公司權益持有人應佔之每股虧損</b>			
– Basic and diluted	– 基本及攤薄	8	<b><u>(9.28) cents</u></b>	<b><u>(7.53) cents</u></b>
<b>Dividends</b>	<b>股息</b>	9	<b><u>NIL</u></b>	<b><u>NIL</u></b>

# Condensed Consolidated Balance Sheet

## 簡明綜合資產負債表

At June 30, 2007 於二零零七年六月三十日



			<b>June 30</b>	December 31
			<b>2007</b>	2006
			二零零七年	二零零六年
			六月三十日	十二月三十一日
			<b>HK\$'000</b>	HK\$'000
			<b>港幣千元</b>	港幣千元
	Notes		<b>(Unaudited)</b>	(Audited)
	附註		<b>(未經審核)</b>	(經審核)
<b>Non-current assets</b>		<b>非流動資產</b>		
Investment properties	10	投資物業	<b>8,086</b>	234,918
Property, plant and equipment	11	物業、廠房及設備	<b>26,907</b>	100,479
Goodwill		商譽	<b>2,597</b>	2,597
Interests in associates		於聯營公司之權益	<b>10,466</b>	10,727
Available-for-sale financial assets		可供出售之金融資產	<b>527</b>	527
Deferred tax assets		遞延稅項資產	<b>4,215</b>	4,215
			<b>52,798</b>	353,463
<b>Current assets</b>		<b>流動資產</b>		
Inventories	12	存貨	<b>192,915</b>	150,477
Properties held for sale, at net realisable value		持作出售物業之 可變現淨值	<b>23,400</b>	23,400
Trade and other receivables	13	貿易往來及其他應收賬款	<b>113,392</b>	149,440
Amounts due from associates		應收聯營公司款項	<b>13,593</b>	3,951
Other financial assets at fair value through profit or loss		其他以公平值計入損益 的金融資產	<b>87</b>	11
Cash and cash equivalents		現金及現金等值項目	<b>17,870</b>	40,944
			<b>361,257</b>	368,223
Non-current assets classified as held for sale	18	分類為持作買賣之 非流動資產	<b>302,910</b>	—
			<b>664,167</b>	368,223
<b>Current liabilities</b>		<b>流動負債</b>		
Trade and other payables	14	貿易往來及其他應付賬款	<b>179,537</b>	163,567
Bills payable		應付票據	<b>31,675</b>	45,984
Tax payable		應付稅項	<b>152</b>	296
Amounts due to related companies		應付關聯公司款項	<b>4,912</b>	6,914
Obligations under finance leases – due within one year		一年內到期之 融資租賃債務	<b>1,388</b>	1,387
Borrowings – due within one year	15	一年內到期之貸款	<b>133,916</b>	122,671
			<b>351,580</b>	340,819
Liabilities directly associated with non-current assets classified as held for sale	18	直接與分類為持作買賣 之非流動資產 有關之負債	<b>25,767</b>	—
			<b>377,347</b>	340,819



# Condensed Consolidated Balance Sheet

## 簡明綜合資產負債表

At June 30, 2007 於二零零七年六月三十日

		June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>286,820</b>	27,404
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	<b>339,618</b>	380,867
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Convertible loan note	可換股貸款票據	29,893	29,549
Obligations under finance leases – due after one year	一年後到期之 融資租賃債務	429	1,121
Borrowings – due after one year	一年後到期之貸款	8,121	11,303
Deferred tax liabilities	遞延稅項負債	6	19,915
		<b>38,449</b>	61,888
<b>Net assets</b>	<b>資產淨值</b>	<b>301,169</b>	318,979
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	221,715	221,615
Reserves	儲備	62,114	82,361
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益	283,829	303,976
Minority interests	少數股東權益	17,340	15,003
<b>Total equity</b>	<b>總權益</b>	<b>301,169</b>	318,979

# Condensed Consolidated Cash Flow Statement

## 簡明綜合現金流量表

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



		2007 二零零七年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 港幣千元 (Unaudited) (未經審核)
Net cash used in operating activities	經營業務所用現金淨額	(17,062)	(20,665)
Net cash used in investing activities	投資業務所用現金淨額	(6,209)	(3,805)
Net cash (used in)/generated from financing activities	融資業務(所用)／所得現金淨額	(5,755)	2,644
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(29,026)	(21,826)
Cash and cash equivalents at January 1	於一月一日之現金及現金等值項目	22,023	18,603
Effect of foreign currency exchange rate changes	外幣匯率變動之影響	448	375
Cash and cash equivalents at June 30	於六月三十日之現金及現金等值項目	<u>(6,555)</u>	<u>(2,848)</u>
<b>Analysis of the balances of cash and cash equivalents</b>	<b>現金及現金等值項目結餘分析</b>		
Being :	即 :		
Cash and cash equivalents	現金及現金等值項目	17,870	8,717
Bank overdrafts	銀行透支	(24,603)	(11,565)
Cash and cash equivalents included in non-current assets held for sale	包括在持作買賣之非流動資產之現金及現金等值項目	178	-
		<u>(6,555)</u>	<u>(2,848)</u>



# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月

		(Unaudited) (未經審核)									
		Attributable to equity holders of the Company 本公司權益持有人應佔									
		Equity component of convertible loan note							Minority interests		Total
		Share capital	Capital redemption reserve	Share options reserve	Exchange reserve	可換股貸款票據之權益部份	Other reserves	Accumulated losses	少數股東權益	合計	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At January 1, 2007	於二零零七年一月一日	221,615	916	—	(4,155)	185	151,236	(65,821)	15,003	318,979	
Issue of ordinary shares upon exercise of share options	因行使優先認股權而發行普通股	100	—	—	—	—	—	—	—	100	
Exchange difference arising on translation of financial statements of overseas operations not recognised in the income statement	換算未於損益表確認的海外業務財務報表產生之匯兌差額	—	—	—	146	—	—	—	302	448	
Share-based payment expenses	股份付款開支	—	—	172	—	—	—	—	—	172	
(Loss)/profit for the period	期內(虧損)/盈利	—	—	—	—	—	—	(20,565)	2,035	(18,530)	
<b>At June 30, 2007</b>	<b>於二零零七年六月三十日</b>	<b>221,715</b>	<b>916</b>	<b>172</b>	<b>(4,009)</b>	<b>185</b>	<b>151,236</b>	<b>(86,386)</b>	<b>17,340</b>	<b>301,169</b>	
At January 1, 2006	於二零零六年一月一日	221,615	916	—	(40)	185	151,236	(72,935)	3,544	304,521	
Minority interests arising from acquisition of subsidiaries	因收購附屬公司而產生之少數股東權益	—	—	—	—	—	—	—	241	241	
Acquisition of further interest in a subsidiary	進一步收購一家附屬公司之權益	—	—	—	—	—	—	—	(28)	(28)	
Exchange difference arising on translation of financial statements of overseas operations not recognised in the income statement	換算未於損益表確認的海外業務財務報表產生之匯兌差額	—	—	—	843	—	—	—	—	843	
(Loss)/profit for the period	期內(虧損)/盈利	—	—	—	—	—	—	(16,685)	177	(16,508)	
<b>At June 30, 2006</b>	<b>於二零零六年六月三十日</b>	<b>221,615</b>	<b>916</b>	<b>—</b>	<b>803</b>	<b>185</b>	<b>151,236</b>	<b>(89,620)</b>	<b>3,934</b>	<b>289,069</b>	

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 1. Significant accounting policies

#### Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”, other relevant HKASs, Interpretations and the Hong Kong Financial Report Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2006.

The accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended December 31, 2006, except for the accounting policy disclosed herein.

#### Non-current assets classified as held for sale

Non-current assets held for sale are classified as held for sale if the carrying amount will be recovered principally through a sale transaction, not through continuing use. The liabilities directly associate with the non-current assets classified as held for sale shall present separately from other liabilities in the balance sheet. Those assets and liabilities shall not be offset and presented as a single amount.

The non-current assets classified as held for sale may be a component of an entity, a disposal group or an individual non-current asset. The non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less costs.

### 1. 主要會計政策

#### 編製基準

本集團已根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」、其他相關之香港會計準則及詮釋及香港財務報告準則（「香港財務報告準則」），以及香港公司條例之披露規定及香港聯合交易所有限公司證券上市規則之適用披露規定，編製未經審核之簡明綜合財務報表。

未經審核簡明綜合財務報表應與本集團截至二零零六年十二月三十一日止年度之年度財務報表一併閱讀。

用於編製本未經審核簡明綜合財務報表之會計政策與編製本集團截至二零零六年十二月三十一日止年度之年度財務報表所使用者貫徹一致，惟本報告披露之會計政策除外。

#### 分類為持作買賣之非流動資產

如可主要透過銷售交易（而非透過持續使用）收回賬面值，持作買賣之非流動資產則分類列為持作買賣項目。在資產負債表內，直接與分類為持作買賣之非流動資產有關之負債應與其他負債分開呈列。該等資產及負債不得抵銷，並須按單一金額呈列。

分類為持作買賣之非流動資產可為實體、出售組別或個別非流動資產之一部份。分類為持作買賣之非流動資產以賬面值及公平值減成本兩者中之較低者呈列。





## 2. Application of new and revised HKFRSs

The HKICPA has issued a number of new standards, amendments and interpretations, which are effective for accounting periods beginning on or after January 1, 2007. The Group adopted the following new/revised HKFRSs which are relevant to its operations:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The HKAS 1 (Amendment) and HKFRS 7 are effective to the Group's consolidated financial statements for the year ending December 31, 2007. The HKAS 1 (Amendment) requires disclosures about the level of the Group's capital and the policies and processes for managing capital. HKFRS 7 introduces new disclosures to improve the information about financial instruments.

The directors of the Company assessed the impacts of the adoption of these new/revised HKFRSs and concluded that the adoption of these new/revised HKFRSs have no material impact on the results and the financial position of the Group. Full disclosures as required by HKAS 1 (Amendment) and HKFRS 7 will be made in the Group's annual financial statements for the year ended December 31, 2007.

## 2. 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒佈多項新訂準則、修訂及詮釋，將於二零零七年一月一日或之後開始之會計期間生效。本集團已採納下列有關其業務之新訂／經修訂香港財務報告準則：

香港會計準則 第1號(修訂)	資本披露
香港財務報告準則 第7號	金融工具：披露
香港(國際財務報告 詮釋委員會) — 詮釋第7號	根據香港會計 準則第29號 「於嚴重通貨 膨脹經濟中之 財務報告」 採用重列法
香港(國際財務報告 詮釋委員會) — 詮釋第8號	香港財務報告 準則第2號之 範圍
香港(國際財務報告 詮釋委員會) — 詮釋第9號	內置衍生產品之 重估
香港(國際財務報告 詮釋委員會) — 詮釋第10號	中期財務報告及 減值

香港會計準則第1號(修訂)及香港財務報告準則第7號將於本集團截至二零零七年十二月三十一日止年度之綜合財務報表內生效。香港會計準則第1號(修訂)規定本集團須披露資本水平以及資本管理之政策及程序。香港財務報告準則第7號引入新披露事項，藉以改善金融工具之資料。

本公司董事已評估採納該等新訂／經修訂香港財務報告準則之影響，並認為採納該等新訂／經修訂香港財務報告準則將不會對本集團之業績及財務狀況產生重大影響。按照香港會計準則第1號(修訂)及香港財務報告準則第7號之規定，將於本集團截至二零零七年十二月三十一日止年度之年度財務報表內作出全面披露。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 2. Application of new and revised HKFRSs (continued)

The Group has not applied the following new/revised HKFRSs, which have been issued but are not yet effective, in the unaudited condensed consolidated financial statements for the six months ended June 30, 2007:

HKAS 23 (Revised)	Capital Disclosures <sup>1</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions <sup>2</sup>
HK(IFRIC)-Int 12	Service Concession Arrangements <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after January 1, 2009

<sup>2</sup> Effective for annual periods beginning on or after March 1, 2007

<sup>3</sup> Effective for annual periods beginning on or after January 1, 2008

### 3. Turnover

Prior to the year ended December 31, 2006, rental income was recognised as other operating income. Pursuant to a board resolution, the Group has designated property investment as its principal activities with effect from year 2006. The comparative amounts have been re-classified to conform to the current period's presentation. As a result, turnover for the six months ended June 30, 2006 increased by approximately HK\$4,440,000.

### 2. 應用新訂及經修訂香港財務報告準則 (續)

截至二零零七年六月三十日止六個月期間，本集團並無在未經審核簡明綜合財務報表採用以下已公布但尚未生效之新訂／經修訂香港財務報告準則：

香港會計準則 第23號 (修訂)	資本披露 <sup>1</sup>
香港財務報告準則 第8號	經營分類 <sup>1</sup>
香港 (國際財務報告 詮釋委員會) — 詮釋第11號	香港財務報告 準則第2號 — 集團及財務 股份交易 <sup>2</sup>
香港 (國際財務報告 詮釋委員會) — 詮釋第12號	服務經營權 安排 <sup>3</sup>

<sup>1</sup> 於二零零九年一月一日或之後開始的年度期間生效。

<sup>2</sup> 於二零零七年三月一日或之後開始的年度期間生效。

<sup>3</sup> 於二零零八年一月一日或之後開始的年度期間生效。

### 3. 營業額

截至二零零六年十二月三十一日止年度之前，租金收入確認為其他營業收入。根據一項董事會決議案，於二零零六年起，本集團將物業投資指定為主要業務。比較金額已予重新分類，以符合本期間之呈報。因此，截至二零零六年六月三十日止六個月之營業額增加約港幣4,440,000元。



## 4. Business and geographical segments

## Business segments

Prior to the year ended December 31, 2006, the Group organised into five operating divisions: air-conditioning products, audio-visual and other electrical products, cars and car accessories, direct marketing and property investment. With effective from year 2006, the Group has reclassified its previously reporting business segments into three operating divisions: cars and car accessories, electrical appliances and property investment. These divisions are the basis on which the Group reports its primary segment information. Segment information about the business is presented below.

2007

		Cars and car accessories	Electrical appliances	Property investment	Others	Eliminations	Consolidated
		汽車及 汽車配件	電器	物業投資	其他	抵銷	綜合賬目
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
<b>Turnover</b>	<b>營業額</b>						
External sales	外部銷售收益	338,573	98,910	7,463	12,600	—	457,546
Inter-segment sales	業務之間銷售收益	—	—	—	—	—	—
<b>Total turnover</b>	<b>營業總額</b>	<b>338,573</b>	<b>98,910</b>	<b>7,463</b>	<b>12,600</b>	<b>—</b>	<b>457,546</b>
<b>Results</b>	<b>業績</b>						
Segment results	分類業績	2,123	27	3,384	(5,286)	—	248
Unallocated corporate expenses	未分類公司支出						(10,294)
Loss from operations	經營虧損						(10,046)
Finance costs	財務費用						(7,690)
Share of result of an associate	應佔一家聯營公司業績	(609)	—	—	—	—	(609)
Loss before tax	除稅前虧損						(18,345)
Income tax expenses	所得稅開支						(185)
Loss for the period	本期間虧損						<b>(18,530)</b>

## 4. 業務及地區分類

## 業務分類

截至二零零六年十二月三十一日止年度之前，本集團之業務可分為五個經營部門：空調產品、影音設備及其他電器產品、汽車及汽車配件、直銷及物業投資。自二零零六年起，本集團將其過往呈報之業務分類分為三個經營部門：汽車及汽車配件、電器及物業投資。該等部門為本集團呈報其主要分類資料之基準。業務分類資料呈列如下。

二零零七年

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 4. Business and geographical segments (continued)

### 4. 業務及地區分類 (續)

#### Business segments (continued)

#### 業務分類 (續)

2006 (Restated)

二零零六年 (重列)

		Cars and car accessories 汽車及 汽車配件 HK\$'000 港幣千元 (Unaudited) (未經審核)	Electrical appliances 電器 HK\$'000 港幣千元 (Unaudited) (未經審核)	Property investment 物業投資 HK\$'000 港幣千元 (Unaudited) (未經審核)	Others 其他 HK\$'000 港幣千元 (Unaudited) (未經審核)	Eliminations 抵銷 HK\$'000 港幣千元 (Unaudited) (未經審核)	Consolidated 綜合賬目 HK\$'000 港幣千元 (Unaudited) (未經審核)
<b>Turnover</b>	<b>營業額</b>						
External sales	外部銷售收益	192,936	114,392	4,440	883	—	312,651
Inter-segment sales	業務之間銷售收益	—	880	—	—	(880)	—
<b>Total turnover</b>	<b>營業總額</b>	<b>192,936</b>	<b>115,272</b>	<b>4,440</b>	<b>883</b>	<b>(880)</b>	<b>312,651</b>
Inter-segment sales are charged at prevailing market rates.	業務之間銷售收益以 當時市場價格入賬。						
<b>Results</b>	<b>業績</b>						
Segment results	分類業績	4,425	(1,013)	151	(16)	—	3,547
Unallocated corporate expenses	未分類公司支出						(9,348)
Loss from operations	經營虧損						(5,801)
Finance costs	財務費用						(4,925)
Share of results of associates	應佔聯營公司業績	317	(6,093)	—	—	—	(5,776)
Loss before tax	除稅前虧損						(16,502)
Income tax expenses	所得稅開支						(6)
Loss for the period	本期間虧損						<b>(16,508)</b>



## 4. Business and geographical segments

(continued)

## Geographical segments

The Group's operations are mainly located in Hong Kong, Singapore, Malaysia, PRC and Macau. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

## 4. 業務及地區分類 (續)

## 地區分類

本集團之業務主要分佈於香港、新加坡、馬來西亞、中國及澳門。下表按市場地區分析本集團之營業額(不論商品/服務之原產地)：

	Turnover by geographical market 地區分類之營業額		Contribution to operating results 對經營業績之貢獻	
	Six months ended June 30 截至六月三十日止六個月		Six months ended June 30 截至六月三十日止六個月	
	2007 二零零七年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 港幣千元 (Unaudited) (未經審核) (Restated) (重列)	2007 二零零七年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 港幣千元 (Unaudited) (未經審核) (Restated) (重列)
Hong Kong	388,127	261,124	(294)	1,053
Singapore	32,564	25,802	777	877
Malaysia	14,896	13,533	859	784
PRC	15,369	4,445	(2,587)	(172)
Macau	5,862	7,747	17	108
Others	728	-	29	-
	<b>457,546</b>	<b>312,651</b>	<b>(1,199)</b>	<b>2,650</b>
Other operating income	其他營業收入		1,447	897
Unallocated corporate expenses	未分類公司支出		(10,294)	(9,348)
Loss from operations	經營虧損		<b>(10,046)</b>	<b>(5,801)</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 5. Loss from operations

### 5. 經營虧損

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Loss from operations has been arrived at after charging:	經營業務之虧損已扣除：		
Cost of inventories recognised as expenses (included in cost of sales)	確認為開支之存貨成本(包括在銷售成本)	<b>372,325</b>	244,173
Depreciation of:	折舊：		
Owned assets	自置資產	<b>4,742</b>	3,580
Assets held under finance leases	融資租賃資產	<b>441</b>	76
Staff costs, including directors' emoluments	僱員成本，包括董事酬金	<b>41,800</b>	32,468
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	<b>7</b>	-
Share-based payment expenses	股份付款開支	<b>172</b>	-
and crediting:	並已計入：		
Interest income	利息收入	<b>544</b>	<b>77</b>



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月

### 6. Finance costs

### 6. 財務費用

		Six months ended June 30	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest expenses on:	利息支出於：		
Bank loans, trust receipts loans and overdrafts wholly repayable within five years	五年內全數償還之 銀行貸款、信託 收據貸款及透支	5,953	3,367
Bank loans wholly repayable after five years	五年後全數償還之 銀行貸款	114	-
Other loans wholly repayable within five years	五年內全數償還 之其他貸款	1,416	1,388
		<u>7,483</u>	<u>4,755</u>
Finance lease charges	融資租賃費用	49	7
Bank charges	銀行費用	158	163
		<u>7,690</u>	<u>4,925</u>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 7. Income tax expenses

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit arising in Hong Kong for the period.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

### 7. 所得稅開支

香港利得稅乃根據本期間於香港產生之估計應課稅盈利按 17.5% (二零零六年: 17.5%) 計算。

海外稅項乃根據各自司法權區之現行稅率計算。

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Current tax:	本期間稅項:		
Hong Kong Profits Tax	香港利得稅	<b>(366)</b>	-
Overseas taxation	海外稅項	<b>(13)</b>	<b>(6)</b>
		<b>(379)</b>	<b>(6)</b>
Deferred tax:	遞延稅項:		
Current period	本期間	<b>194</b>	-
Income tax expenses attributable to the Company and its subsidiaries	本公司及其附屬公司應佔所得稅開支	<b><u>(185)</u></b>	<b><u>(6)</u></b>





### 8. Losses per share

The calculation of the basic losses per share is based on the loss for the period attributable to equity holders of the Company of approximately HK\$20,565,000 (2006: HK\$16,685,000) and on the weighted average number of 221,617,643 ordinary shares (2006: 221,615,433 ordinary shares) in issue during the period.

No diluted losses per share has been presented for both periods as the assumed exercise and conversion of the Company's outstanding share options and convertible loan note would have anti-dilutive effect on losses per share.

### 9. Dividends

The directors do not recommend interim dividend for the six months ended June 30, 2007 (six months ended June 30, 2006: Nil).

### 8. 每股虧損

每股基本虧損之計算方法，乃根據期內本公司權益持有人應佔虧損約港幣20,565,000元（二零零六年：港幣16,685,000元）及期內已發行普通股之加權平均數221,617,643股（二零零六年：221,615,433股）計算。

由於本公司之未行使認股權及可換股貸款票據之假定行使及兌換將對每股虧損帶來反攤薄效應，故並無呈列兩段期間之每股攤薄虧損。

### 9. 股息

董事議決就截至二零零七年六月三十日止六個月不宣派中期股息（截至二零零六年六月三十日止六個月：無）。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 10. Investment properties

### 10. 投資物業

		June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
At the beginning of the period/year	於期／年初	234,918	200,847
Additions	添置	-	4,944
Disposals	出售	-	(1,400)
Transfer from property, plant and equipment	由物業、廠房 及設備轉撥	-	5,501
Increase in fair value recognised in the income statement	於損益表確認 之公平值增加	508	25,026
Transfer to non-current assets classified as held for sale	轉撥至分類為持作 買賣之非流動資產	<u>(227,340)</u>	<u>-</u>
At the end of the period/year	於期／年末	<u><b>8,086</b></u>	<u><b>234,918</b></u>

The investment properties of the Group were revalued at June 30, 2007 by Raffles Appraisals Limited, independent qualified professional valuers, on an open market and existing use basis.

The Group had pledged investment properties with a carrying amount of approximately HK\$5,586,000 (2006: HK\$232,418,000) to secure facilities granted to the Group (note 23).

本集團投資物業於二零零七年六月三十日由獨立專業估值師萊斯評估有限公司按公開市場及現有使用基準進行重估。

本集團以賬面值約港幣5,586,000元之投資物業（二零零六年：港幣232,418,000元）作為抵押，藉以為授予本集團之信貸作擔保（附註第23項）。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 11. Property, plant and equipment

### 11. 物業、廠房及設備

		June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
At the beginning of the period/year	於期／年初	100,479	102,664
Exchange difference	匯兌差額	99	55
Additions	添置	7,560	12,422
Acquisition of a subsidiary	收購一間附屬公司	—	75
Disposals	出售	(1,002)	(151)
Disposal of a subsidiary	出售一間附屬公司	—	(49)
Transfer to investment properties	轉撥至投資物業	—	(5,501)
Depreciation charges	折舊	(5,183)	(9,036)
Transfer to non-current assets classified as held for sale	轉撥至分類為持作 買賣之非流動資產	(75,046)	—
At the end of the period/year	於期／年末	<u>26,907</u>	<u>100,479</u>

No land and buildings (2006: HK\$76,161,000) had been pledged by the Group to secure facilities granted to the Group (note 23).

本集團並無以土地及樓宇(二零零六年: 港幣76,161,000元)作為抵押,藉以為授予本集團之信貸擔保(附註第23項)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 12. Inventories

### 12. 存貨

		June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
Finished goods	製成品	176,568	137,923
Spare parts	零件	<u>16,347</u>	<u>12,554</u>
		<u><b>192,915</b></u>	<u><b>150,477</b></u>

Included in the above figure are finished goods of approximately HK\$53,386,000 (2006: HK\$24,299,000) which has been pledged as security for bank loans (note 23).

上述金額內之港幣53,386,000元(二零零六年:港幣24,299,000元)之製成品,被用作銀行貸款之抵押(附註第23項)。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 14. Trade and other payables

The aged analysis of trade payables is as follow:

		<b>June 30</b>	December 31
		<b>2007</b>	2006
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Audited)
		<b>(未經審核)</b>	(經審核)
Within 30 days	三十天以內	<b>27,451</b>	7,518
31 to 60 days	三十一天至六十天	<b>4,983</b>	3,314
61 to 90 days	六十一天至九十天	<b>2,619</b>	4,832
91 days to 1 year	九十一天至一年	<b>177</b>	3,312
Over 1 year	一年以上	<b>488</b>	543
<b>Total trade payables</b>	<b>貿易往來應付賬款總額</b>	<b>35,718</b>	19,519
Derivative financial instruments	衍生金融工具	<b>234</b>	57
Customers' deposits, accruals and other payables	客戶訂金、應付費用 及其他應付賬款	<b>143,585</b>	143,991
		<b>179,537</b>	163,567

The fair values of the Group's trade and other payables at June 30, 2007 approximate to the corresponding carrying amounts.

### 14. 貿易往來及其他應付賬款

貿易往來應付賬款之賬齡分析如下：

		<b>June 30</b>	December 31
		<b>2007</b>	2006
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
		<b>(Unaudited)</b>	(Audited)
		<b>(未經審核)</b>	(經審核)
Within 30 days	三十天以內	<b>27,451</b>	7,518
31 to 60 days	三十一天至六十天	<b>4,983</b>	3,314
61 to 90 days	六十一天至九十天	<b>2,619</b>	4,832
91 days to 1 year	九十一天至一年	<b>177</b>	3,312
Over 1 year	一年以上	<b>488</b>	543
<b>Total trade payables</b>	<b>貿易往來應付賬款總額</b>	<b>35,718</b>	19,519
Derivative financial instruments	衍生金融工具	<b>234</b>	57
Customers' deposits, accruals and other payables	客戶訂金、應付費用 及其他應付賬款	<b>143,585</b>	143,991
		<b>179,537</b>	163,567

於二零零七年六月三十日，本集團貿易往來及其他應付賬款之公平值與其對應賬面值大致相等。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 15. Borrowings

### 15. 貸款

		June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
Bank overdrafts	銀行透支	24,603	18,921
Bank loans	銀行貸款	117,434	115,053
		<u>142,037</u>	<u>133,974</u>
Secured (note 23)	有抵押 (附註23)	132,211	123,869
Unsecured	無抵押	9,826	10,105
		<u>142,037</u>	<u>133,974</u>
The maturities of the above loans are as follows:	上述貸款 屆滿期如下:		
Within one year	一年內	133,916	122,671
More than one year, but not exceeding two years	一年以上, 但不超過兩年	4,725	7,812
More than two years, but not exceeding five years	兩年以上, 但不超過五年	623	606
More than five years	五年以上	2,773	2,885
		<u>142,037</u>	<u>133,974</u>
Less: Amounts due within one year shown under current liabilities	減去: 列於流動負債項下 一年內到期應付款項	<u>(133,916)</u>	<u>(122,671)</u>
Amounts due after one year	一年後到期應付款項	<u>8,121</u>	<u>11,303</u>

The fair value of the Group's borrowings at June 30, 2007 approximate to the corresponding carrying amounts.

本集團貸款於二零零七年六月三十日之公平值與相應賬面值相若。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 16. Share capital

### 16. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
<b>Authorised :</b>	<b>法定股本：</b>		
Ordinary shares of HK\$1.00 each (2006: HK\$1.00 each)	每股面值港幣1.00元之普通股 (二零零六年：每股面值 港幣1.00元)		
At January 1 and June 30, 2007	於二零零七年一月一日及 六月三十日	<u>350,000,000</u>	<u>350,000</u>
<b>Issued and fully paid :</b>	<b>已發行及繳足股本：</b>		
Ordinary shares of HK\$1.00 each (2006: HK\$1.00 each)	每股面值港幣1.00元之普通股 (二零零六年：每股面值 港幣1.00元)		
At January 1, 2007	於二零零七年一月一日	221,615,433	221,615
Exercise of share options (note i)	行使優先認股權 (附註i)	<u>100,000</u>	<u>100</u>
At June 30, 2007	於二零零七年六月三十日	<u>221,715,433</u>	<u>221,715</u>

Note:

- i. During the period, 100,000 units of share options were exercised and 100,000 ordinary shares of HK\$1.00 each were issued. The subscription monies of HK\$100,000 was credited to share capital.

附註：

- i. 期內已行使100,000份優先認股權，並已發行100,000股每股面值港幣1.00元之普通股。認購款項港幣100,000元已計入股本。

### 17. Share-based payment transactions

### 17. 股份付款交易

On June 11, 2007, the board of directors authorised the issuance of share options under the 2002 Share Option Scheme to subscribe for a total of 1,200,000 shares of HK\$1.00 each in the capital of the Company at a subscription price of HK\$1.00 per share, being the nominal value of a share of the Company, be granted to the executive directors, non-executive directors and employees under continuous employment contracts.

於二零零七年六月十一日，董事會授權根據二零零二年優先認股權計劃發行優先認股權，用以按認購價每股港幣1.00元（即本公司股份面值）認購本公司股本中每股面值港幣1.00元之合共1,200,000股股份，授予執行董事、非執行董事及持續僱用合約項下之僱員。





## 17. Share-based payment transactions (continued)

The fair value of the share options granted is approximately HK\$172,000 and it had been expensed as share-based payments during the period. Options were priced using the Black-Scholes model. The key assumptions at the dates of grant are as follows:

Risk-free interest rate (%)	:	4.088
Expected option life (years)	:	0.58
Expected dividend rate (%)	:	—
Expected volatility (%)	:	83.12
Weighted average fair value at grant date (HK\$)	:	0.143

Where relevant, the expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. The expected volatility is based on the historical share price volatility.

## 18. Non-current assets classified as held for sale

On September 13, 2007, Wo Kee Hong (B.V.I.) Limited ("WKH BVI"), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("Sale and Purchase Agreement") that WKH BVI agreed to sell the entire issued share capital of Wo Kee Hong Estates Limited ("WKH Estates"), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of WKH BVI, and Ever Rising Investments Limited ("Ever Rising"), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of WKH BVI.

## 17. 股份付款交易 (續)

期內授予優先認股權之公平值約為港幣172,000元，已作為股份付款支銷。優先認股權乃運用柏力克-舒爾斯期權定價模式定價。於授出日期之主要假設如下：

無風險利率 (%)	:	4.088
預計優先認股權年期 (年)	:	0.58
預計股息率 (%)	:	—
預計波幅 (%)	:	83.12
於授出日期之加權平均公平值 (港幣)	:	0.143

該模式所用之預計年期已於適當情況下根據管理層之最佳估計，就不得轉讓、行使限制（包括可能符合優先認股權所附之市場狀況）及表現代價作出調整。預計波幅乃根據歷史股價波幅計算。

## 18. 分類為持作買賣之非流動資產

於二零零七年九月十三日，本公司於英屬處女群島註冊成立之全資附屬公司 Wo Kee Hong (B.V.I.) Limited (「WKH BVI」) 訂立買賣協議（「買賣協議」），據此，WKH BVI 同意出售其於英屬處女群島註冊成立之全資附屬公司 Wo Kee Hong Estates Limited (「WKH Estates」) 以及於香港註冊成立之有限公司兼 WKH BVI 之全資附屬公司 Ever Rising Investments Limited (「Ever Rising」) 之全部已發行股本。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 18. Non-current assets classified as held for sale (continued)

WKH Estates is an investment holding company and the sole asset of WKH Estates is its interest in the entire issued capital of Stoneycroft Estates Limited (“Stoneycroft”), a company incorporated in Hong Kong with limited liability. Stoneycroft and Ever Rising (together with WKH Estates collectively referred as “Disposal Group”) are principally engaged in the business of property holding and the major assets of Stoneycroft and Ever Rising include Wo Kee Hong Building, which locates at Nos. 585–609 Castle Peak Road, Kwai Chung, New Territories, Hong Kong.

The major classes of assets and liabilities of the Disposal Group as at June 30, 2007, which have been presented separately in the condensed consolidated balance sheet as held for sale in accordance with the provision of HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, are as follows:

Investment properties	投資物業	
Property, plant and equipment	物業、廠房及設備	
Trade and other receivables	貿易往來及其他應收賬款	
Cash and cash equivalents	現金及現金等值項目	
Non-current assets classified as held for sale	分類為持作買賣之非流動資產	
Trade and other payables	貿易往來及其他應付賬款	
Tax payable	應付稅項	
Amount due to a related company	應付一間關聯公司款項	
Deferred tax liabilities	遞延稅項負債	
Liabilities directly associated with non-current assets classified as held for sale	直接與分類為持作買賣之非流動資產有關之負債	

Investments properties and land and building classified as held for sale of approximately HK\$227,340,000 and HK\$75,046,000 had been pledged by the Group to secure facilities granted to the Group (note 23).

### 18. 分類為持作買賣之非流動資產 (續)

WKH Estates 為投資控股公司，其唯一資產為其於一間在香港註冊成立之有限公司 Stoneycroft Estates Limited (「Stoneycroft」) 全部已發行股本之權益。Stoneycroft 及 Ever Rising (連同 WKH Estates 統稱「出售集團」) 主要從物業持有業務，Stoneycroft 及 Ever Rising 之主要資產包括位於香港新界葵涌青山道 585-609 號之和記行大廈。

以下為出售集團於二零零七年六月三十日之主要資產及負債類別，已根據香港財務報告準則第5號「持作買賣之非流動資產及終止業務」之條文在簡明綜合資產負債表內分開呈列：

HK\$'000  
港幣千元  
(Unaudited)  
(未經審核)

227,340  
75,046  
346  
178

302,910

4,994  
427  
632  
19,714

25,767

本集團以約港幣227,340,000元及港幣75,046,000元之分類為持作買賣之投資物業以及土地及樓宇作為抵押，藉以為授予本集團之信貸擔保（附註第23項）。



### 19. Contingent liabilities

- (a) The Company had provided corporate guarantees to certain banks for banking and other facilities make available to subsidiaries in amount of approximately HK\$384,544,000 (December 31, 2006: HK\$320,540,000).
- (b) The Company had provided other guarantees issued for subsidiaries in the amount of approximately HK\$5,120,000 (December 31, 2006: HK\$5,079,000).
- (c) At June 30, 2007, the Group had a contingent liability of approximately HK\$1,400,000 (December 31, 2006: approximately HK\$1,200,000) in respect of proceedings involving a subsidiary of the Company in India.
- (d) Under a share purchase and subscription agreement signed on June 30, 2006, a subsidiary of the Company was obliged to issue a bank guarantee amounting to RMB11 million to the purchaser to guarantee the performance of its obligations in respect of the agreement to dispose of the investment in Jiangmen. As at June 30, 2007, a bank guarantee relating to the said agreement was issued in the amount of HK\$11,000,000 (December 31, 2006: HK\$11,000,000).

### 19. 或然負債

- (a) 本公司為附屬公司獲取銀行及其他信貸向若干銀行作出公司擔保，為數約港幣384,544,000元（二零零六年十二月三十一日：港幣320,540,000元）。
- (b) 本公司為附屬公司發出其他擔保，為數約港幣5,120,000元（二零零六年十二月三十一日：港幣5,079,000元）。
- (c) 於二零零七年六月三十日，本集團之或然負債包括因一宗涉及本公司在印度一間附屬公司之法律程序所涉之約港幣1,400,000元（二零零六年十二月三十一日：約港幣1,200,000元）。
- (d) 根據一項於二零零六年六月三十日訂立之股份購買及認購協議，本公司之一間附屬公司須向買方發出一項金額為人民幣11,000,000元之銀行擔保，以擔保其履行有關出售於江門投資之協議責任。於二零零七年六月三十日，就所述協議已發出金額為港幣11,000,000元（二零零六年十二月三十一日：港幣11,000,000元）之銀行擔保。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 20. Commitments

#### (a) Capital commitments

Contracted but not provided for 已訂約惟尚未撥備

#### (b) Operating lease commitments

At June 30, 2007 the Group had commitments under non-cancellable operating leases, which fall due as follows:

Within one year 一年內  
In the second to 第二年至  
fifth year inclusive 第五年

### 20. 承擔

#### (a) 資本承擔

June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
-	2,380

#### (b) 經營租賃承擔

於二零零七年六月三十日，本集團根據以下不可撤銷經營租賃之承擔及屆滿期如下：

June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
9,576	12,202
9,195	10,005
<u>18,771</u>	<u>22,207</u>



## 21. Derivative financial instruments

At June 30, 2007, the Group had entered into forward contracts denominated in Hong Kong Dollar (“HKD”), Japan Yen (“JPY”), Euro dollar (“EUR”) and Singapore Dollar (“SGD”). The major terms of the foreign currency forward contracts are as follows:

Notional amount 名義金額	Maturity 到期日	Exchange rates 匯率
Sell HKD 919,549 賣價港幣919,549元	July 12, 2007 二零零七年七月十二日	HKD 0.06664 to JPY1 港幣0.06664元兌1日圓
Sell HKD 1,144,059 賣價港幣1,144,059元	July 26, 2007 二零零七年七月二十六日	HKD 0.06594 to JPY1 港幣0.06594元兌1日圓
Sell HKD 16,716 賣價港幣16,716元	July 10, 2007 二零零七年七月十日	HKD 0.06662 to JPY1 港幣0.06662元兌1日圓
Sell HKD 663,469 賣價港幣663,469元	July 26, 2007 二零零七年七月二十六日	HKD 0.06594 to JPY1 港幣0.06594元兌1日圓
Sell HKD 284,673 賣價港幣284,673元	August 9, 2007 二零零七年八月九日	HKD 0.06542 to JPY1 港幣0.06542元兌1日圓
Sell HKD 65,938 賣價港幣65,938元	August 9, 2007 二零零七年八月九日	HKD 0.06542 to JPY1 港幣0.06542元兌1日圓
Sell HKD 4,265 賣價港幣4,265元	August 16, 2007 二零零七年八月十六日	HKD 0.06502 to JPY1 港幣0.06502元兌1日圓
Sell HKD 172,343 賣價港幣172,343元	September 18, 2007 二零零七年九月十八日	HKD 0.06403 to JPY1 港幣0.06403元兌1日圓
Sell HKD 389,385 賣價港幣389,385元	July 20, 2007 二零零七年七月二十日	HKD 10.53330 to EUR1 港幣10.53330元兌1歐元
Sell HKD 844,345 賣價港幣844,345元	July 30, 2007 二零零七年七月三十日	HKD 10.59670 to EUR1 港幣10.59670元兌1歐元
Sell HKD 4,450,588 賣價港幣4,450,588元	July 30, 2007 二零零七年七月三十日	HKD 10.627 to EUR1 港幣10.627元兌1歐元

## 21. 衍生金融工具

於二零零七年六月三十日，本集團已簽署以港元、日圓、歐元及新加坡元為單位的遠期合約。外幣遠期合約之主要條款如下：

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 21. Derivative financial instruments (continued)

### 21. 衍生金融工具 (續)

Notional amount 名義金額	Maturity 到期日	Exchange rates 匯率
Sell SGD 130,856 賣價130,856新加坡元	July 3, 2007 二零零七年七月三日	SGD 0.012875 to JPY1 0.012875新加坡元兌1日圓
Sell SGD 102,150 賣價102,150新加坡元	July 16, 2007 二零零七年七月十六日	SGD 0.012870 to JPY1 0.012870新加坡元兌1日圓
Sell SGD 21,809 賣價21,809新加坡元	July 31, 2007 二零零七年七月三十一日	SGD 0.012652 to JPY1 0.012652新加坡元兌1日圓
Sell SGD 101,392 賣價101,392新加坡元	August 24, 2007 二零零七年八月二十四日	SGD 0.012667 to JPY1 0.012667新加坡元兌1日圓
Sell SGD 196,910 賣價196,910新加坡元	August 24, 2007 二零零七年八月二十四日	SGD 0.012490 to JPY1 0.012490新加坡元兌1日圓
Sell SGD 590,269 賣價590,269新加坡元	September 14, 2007 二零零七年九月十四日	SGD 0.012504 to JPY1 0.012504新加坡元兌1日圓
Sell SGD 311,438 賣價311,438新加坡元	September 24, 2007 二零零七年九月二十四日	SGD 0.012530 to JPY1 0.012530新加坡元兌1日圓



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月

### 22. Material related party transactions

- (a) During the period, the Group entered into the following significant related party transactions:

### 22. 與關聯人士之主要交易

- (a) 期內，本集團曾進行下列主要關聯人士交易：

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Management and agency fee paid to a related company which received on behalf of a building management fund	付予一間關聯公司（代一份樓宇管理基金收取）之管理費及代理費	<b>2,097</b>	2,095
Sales of goods to related companies	售貨予關聯公司	<b>4,600</b>	20
Purchase of goods from a related company	自一間關聯公司購入貨物	—	50
Purchase of goods from a director	自一位董事購入貨物	<b>1,350</b>	—
Acquisition of further interest in a subsidiary from a related party	向一位關聯人士進一步收購一間附屬公司之權益	—	<b>200</b>
		<b>—</b>	<b>200</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 22. Material related party transactions (continued)

#### (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the periods are as follows:

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Short term employee benefits	短期僱員福利	4,506	3,454
Mandatory provident fund contributions	強制性公積金供款	23	23
		<u>4,529</u>	<u>3,477</u>

#### (c) Amounts due from/(to) related parties:

		<b>June 30</b>	<b>December 31</b>
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>六月三十日</b>	<b>十二月三十一日</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>(未經審核)</b>	<b>(經審核)</b>
Amounts due from associates	應收聯營公司款項	13,593	3,951
Amounts due to related companies classified as current liabilities	分類為流動負債之應付關聯公司款項	(4,912)	(6,914)
Amount due to a related company included in liabilities directly associated with non-current assets classified as held of sale	應付關聯公司款項 (計入直接與分類為持作買賣之非流動資產有關之負債)	(632)	—
		<u>(632)</u>	<u>—</u>

### 22. 與關聯人士之主要交易 (續)

#### (b) 重要管理人員之報酬

期內董事及其他重要管理人員之薪酬如下：

		<b>Six months ended June 30</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Short term employee benefits	短期僱員福利	4,506	3,454
Mandatory provident fund contributions	強制性公積金供款	23	23
		<u>4,529</u>	<u>3,477</u>

#### (c) 應收／(應付) 關聯人士款項：

		<b>June 30</b>	<b>December 31</b>
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>六月三十日</b>	<b>十二月三十一日</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>港幣千元</b>	<b>港幣千元</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>(未經審核)</b>	<b>(經審核)</b>
Amounts due from associates	應收聯營公司款項	13,593	3,951
Amounts due to related companies classified as current liabilities	分類為流動負債之應付關聯公司款項	(4,912)	(6,914)
Amount due to a related company included in liabilities directly associated with non-current assets classified as held of sale	應付關聯公司款項 (計入直接與分類為持作買賣之非流動資產有關之負債)	(632)	—
		<u>(632)</u>	<u>—</u>





## 23. Pledge of assets

## 23. 資產抵押

		June 30 2007 二零零七年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31 2006 二零零六年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
Investment properties classified as non-current assets	分類為非流動資產之投資物業	5,586	232,418
Investment properties included in non-current assets classified as held for sale	包括在分類為持作買賣之非流動資產之投資物業	227,340	—
Inventories	存貨	53,386	24,299
Land and buildings classified as non-current assets	分類為非流動資產之土地及樓宇	—	76,161
Land and buildings included in non-current assets classified as held for sale	包括在分類為持作買賣之非流動資產之土地及樓宇	75,046	—
Properties held for sale	持作出售物業	23,400	23,400
Deposits in bank	銀行存款	9,618	8,500
All assets of a subsidiary	一間附屬公司之全部資產	<b>17,113</b>	<b>20,345</b>

The amounts represent assets pledged to banks and other licensed financial institution to secure banking facilities granted to the Group. The pledged assets will be released upon the settlement of relevant borrowings.

金額乃本集團就取得銀行及其他持牌財務機構信貸所抵押之資產。受抵押資產將於相關貸款償還後解除。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended June 30, 2007 截至二零零七年六月三十日止六個月



### 24. Events after balance sheet date

On August 13, 2007, National Cape Development Limited, an indirect wholly-owned subsidiary of the Company, as purchaser, entered into the share acquisition agreement (the "Share Acquisition Agreement") with Yang Pei, Executive Talent Limited, Ye Ai Fang, as Vendors, Lau Chi Yuen, Joseph and Yuen Nim Cho, as guarantors to acquire 10% issued share capital in Corning Investments Limited at a consideration of HK\$36 million. Corning Investments Limited is interested in the entire issued share capital of Digital Outdoor Television (Hong Kong) Limited which together with its wholly-owned subsidiary, Today's Media Limited, are principally engaged in the business of the provision of outdoor media advertising and broadcasting network. The acquisition was completed on August 24, 2007. A total of 31,266,284 new shares of the Company had been issued and allotted as consideration upon completion. The details of the acquisition set out in the circular of the Company dated August 30, 2007.

On September 13, 2007, WKH BVI entered into Sale and Purchase Agreement pursuant to which WKH BVI agreed to sell the entire share capital of WKH Estates and Ever Rising. Further details of which are set out in note 18 to the condensed consolidated financial statements and the announcement of the Company dated September 14, 2007.

### 25. Comparative figures

Certain comparative figures have been restated to conform to the current period's presentation.

### 26. Approval of interim financial report

The interim financial report was approved by the Board of the directors on September 18, 2007.

### 24. 結算日後事項

於二零零七年八月十三日，本公司之間接全資附屬公司National Cape Development Limited（作為買方）與楊珮、Executive Talent Limited、葉藹芳（作為賣方）、劉智遠及袁念祖（作為擔保人）訂立股份收購協議（「股份收購協議」），以收購康寧投資有限公司已發行股本之10%，代價為港幣36,000,000元。康寧投資有限公司擁有數碼戶外電視（香港）有限公司全部已發行股本中之權益，而數碼戶外電視（香港）有限公司及其全資附屬公司今媒體有限公司主要從事提供戶外媒體廣告及廣播網絡之業務。收購事項已於二零零七年八月二十四日完成。完成後，本公司已發行及配發合共31,266,284股新股作為代價。收購事項詳情載於本公司於二零零七年八月三十日刊發之通函內。

於二零零七年九月十三日，WKH BVI訂立買賣協議，據此，WKH BVI同意出售WKH Estates及Ever Rising之全部已發行股本。有關詳情載於簡明綜合財務報表附註第18項以及本公司於二零零七年九月十四日刊發之公告內。

### 25. 比較數字

若干比較數字已經重列以符合本期間之呈列方式。

### 26. 批准中期財務報告

董事會已於二零零七年九月十八日批准本中期財務報告。



**DISCLOSURE OF DIRECTORS' INTERESTS**

As at June 30, 2007, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept under Section 352 of the SFO; or are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange are as follows:

(a) Long positions in Shares of the Company:

**董事權益披露**

於二零零七年六月三十日，本公司各董事及主要行政人員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、相關股份及債權證中擁有根據證券及期貨條例第352條須記入登記冊之權益及淡倉；或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

(a) 本公司股份之好倉：

Directors 董事	Number of ordinary shares of HK\$1.00 each (“Shares”) 每股面值港幣1.00元普通股股份（「股份」）數目			
	Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益	Total Interests 權益總計
Mr. Richard Man Fai LEE 李文輝先生	1,556,438	—	97,133,570 (Note 1) (附註1)	98,690,008
Mr. Jeff Man Bun LEE 李文彬先生	471,900	—	98,579,289 (Notes 1 & 2) (附註1及2)	99,051,189
Mr. Waison Chit Sing HUI 許捷成先生	100,000	—	—	100,000
Mr. Raymond Cho Min LEE 李卓民先生	—	—	1,920,200 (Note 3) (附註3)	1,920,200
Ms. Kam Har YUE 余金霞女士	5,209,716	—	97,133,570 (Note 1) (附註1)	102,343,286



**DISCLOSURE OF DIRECTORS' INTERESTS** 董事權益披露 (續)  
(continued)

Notes:

1. The 97,133,570 Shares are held by Modern Orbit Limited, which is wholly owned by Cyber Tower Inc. as trustee of The WS Lee Unit Trust. 99% of the units of The WS Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family members including Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE are the beneficiaries. The remaining 1% of the units of The WS Lee Unit Trust is held by Skylink International Asset Corporation, a company incorporated in the British Virgin Islands and owned by Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE.
2. Out of the 98,579,289 Shares, 1,445,719 Shares are held by Fisherman Enterprises Inc., a company incorporated in the British Virgin Islands and wholly owned by Mr. Jeff Man Bun LEE.
3. The 1,920,200 Shares are beneficially owned by ODE Asia Limited, 100% owned by M.W. Lee & Sons Enterprises Limited which is controlled by Mr. Raymond Cho Min LEE.

(b) Beneficial interests and short positions in underlying shares of equity derivatives of the Company as at June 30, 2007 are disclosed in the section headed "Movement of share options" of this report.

附註:

1. 該97,133,570股股份由Modern Orbit Limited擁有。Modern Orbit Limited由Cyber Tower Inc.全資擁有，作為The WS Lee Unit Trust之信託人。The WS Lee Unit Trust之99%權益由一項全權信託所持有，其中李永森先生之家庭成員，包括余金霞女士、李文輝先生及李文彬先生為該全權信託之受益人。The WS Lee Unit Trust其餘1%權益由Skylink International Asset Corporation持有，該公司於英屬處女群島註冊成立，由余金霞女士、李文輝先生及李文彬先生擁有。
2. 該98,579,289股股份當中1,445,719股股份由Fisherman Enterprises Inc.持有，該公司於英屬處女群島註冊成立，由李文彬先生全資擁有。
3. 該1,920,200股股份由M.W. Lee & Sons Enterprises Limited全資擁有之ODE Asia Limited實益擁有，而M.W. Lee & Sons Enterprises Limited則由李卓民先生所控制。

(b) 於二零零七年六月三十日，本公司股票衍生工具之相關股份之實益權益及淡倉在本報告「優先認股權變動」一節內予以披露。



**DISCLOSURE OF DIRECTORS' INTERESTS** 董事權益披露 (續)  
(continued)

(c) Long positions in shares in associated corporations:

(c) 相聯法團之股份之好倉：

Directors 董事	Name of associated corporation 相聯法團名稱	Number of shares or equity interests held or interested in 持有或擁有之 股份數目或股本權益	Class and/ or description of shares/interests 股份／權益類別 及／或概況
Ms. Kam Har YUE 余金霞女士	Rogers Entertainment International Limited 樂爵士娛樂國際有限公司	34,335	Non-voting deferred shares 無投票權遞延股
	Shinwa Engineering Company, Limited 信和工程有限公司	3,850,000	Non-voting deferred shares 無投票權遞延股
	Stoneycroft Estates Limited	16,090,000 (Note 1) (附註1)	Non-voting deferred shares 無投票權遞延股
	Wo Kee Hong Limited 和記電業有限公司	8,900 (Note 2) (附註2)	Non-voting deferred shares 無投票權遞延股
	Wo Kee Services Limited 和記電器服務有限公司	1 (Note 3) (附註3)	Non-voting deferred shares 無投票權遞延股

Notes:

- The 15,750,000 shares held by Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE are included.
- The 8,500 shares held by Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE are included.
- The 1 share is held by Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE.

附註：

- 包括由余金霞女士之配偶李永森先生持有之15,750,000股股份。
- 包括由余金霞女士之配偶李永森先生持有之8,500股股份。
- 該1股股份由余金霞女士之配偶李永森先生持有。



### SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as disclosed below and in the section headed "Disclosure of directors' interests", as at June 30, 2007, so far as is known to the Directors, no other person had, or was deemed or taken to have an interest or short position of 5% or more of the interests in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 as the SFO:

Long positions in Shares and underlying shares of equity derivatives of the Company:

### 主要股東權益

除下文及於「董事權益披露」一節披露者外，於二零零七年六月三十日，就董事所知，概無其他人士於本公司股份或相關股份中擁有或被視為或當作擁有5%或以上之權益或淡倉，而根據證券及期貨條例第336條須記入登記冊內：

本公司股份及股本衍生工具之相關股份之好倉：

Shareholders 股東	Number of Shares 股份數目	Number of underlying shares of equity derivatives 股本衍生工具之 相關股份數目	Approximate % of the total issued Shares 佔已發行股本總數 之概約百分比
Modern Orbit Limited	97,133,570 (Note 1) (附註1)	—	43.81%
Cyber Generation Limited	325,000 (Note 2) (附註2)	—	0.14%
Great Intelligence Holdings Limited	955,800 (Note 2) (附註2)	—	0.43%
Cross Profit Capital Limited	—	30,000,000 (Note 2) (附註2)	13.53%



# Corporate Governance and Other Information

## 企業管治及其他資料

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

(continued)

#### Notes:

1. The 97,133,570 Shares are held by Modern Orbit Limited, which is wholly owned by Cyber Tower Inc. as trustee of The WS Lee Unit Trust. 99% of the units of The WS Lee Unit Trust are held by a discretionary trust of which Mr. Wing Sum LEE's family members including Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE are the beneficiaries. The remaining 1% of the units of The WS Lee Unit Trust is held by Skylink International Asset Corporation, a company incorporated in the British Virgin Islands and owned by Ms. Kam Har YUE, Mr. Richard Man Fai LEE and Mr. Jeff Man Bun LEE.
2. The 325,000 Shares are held by Cyber Generation Limited, a wholly owned subsidiary of Hanny Magnetics (B.V.I.) Limited. The 30,000,000 Shares represented the Shares to be issued upon the full conversion of a HK\$30,000,000 convertible redeemable note convertible at HK\$1.00 which is held by Cross Profit Capital Limited, a wholly owned subsidiary of Hanny Magnetics (B.V.I.) Limited which in turn is a wholly owned subsidiary of Hanny Holdings Limited.

Famex Investment Limited, a wholly owned subsidiary of Mankar Assets Limited, owns more than one-third of the entire issued share capital of Hanny Holdings Limited. Mankar Assets Limited is a wholly owned subsidiary of ITC Investment Holdings Limited which in turn is a wholly owned subsidiary of ITC Corporation Limited.

The 955,800 Shares are held by Great Intelligence Holdings Limited, a wholly owned subsidiary of ITC Management Group Limited which in turn is a wholly owned subsidiary of ITC Corporation Limited.

Hanny Magnetics (B.V.I.) Limited, Hanny Holdings Limited, Famex Investment Limited, Mankar Assets Limited, ITC Investment Holdings Limited and ITC Corporation Limited are deemed to be interested in the Shares held by Cyber Generation Limited and the underlying shares arising from the convertible redeemable note held by Cross Profit Capital Limited.

ITC Management Group Limited and ITC Corporation Limited are deemed to be interested in the Shares held by Great Intelligence Holdings Limited.

### 主要股東權益 (續)

#### 附註:

1. 該97,133,570股股份由Cyber Tower Inc.全資擁有之Modern Orbit Limited持有。Modern Orbit Limited作為The WS Lee Unit Trust之信託人，其99%權益由一項全權信託所持有，其中李永森先生之家庭成員，包括余金霞女士、李文輝先生及李文彬先生為該全權信託之受益人。The WS Lee Unit Trust其餘1%權益由Skylink International Asset Corporation持有，該公司於英屬處女群島註冊成立，由余金霞女士、李文輝先生及李文彬先生擁有。
2. 該325,000股股份由Cyber Generation Limited持有。Cyber Generation Limited為Hanny Magnetics (B.V.I.) Limited之全資附屬公司。而該30,000,000股股份指由Hanny Magnetics (B.V.I.) Limited (為錦興集團有限公司之全資附屬公司)之全資附屬公司Cross Profit Capital Limited持有之港幣30,000,000元可按港幣1.00元轉換之可換股可贖回票據全部獲轉換後發行之股份。

其威投資有限公司(即Mankar Assets Limited之全資附屬公司)擁有錦興集團有限公司全部已發行股本超過三分之一之股權。Mankar Assets Limited為ITC Investment Holdings Limited之全資附屬公司，而後者則為德祥企業集團有限公司之全資附屬公司。

該955,800股股份由Great Intelligence Holdings Limited持有，該公司為ITC Management Group Limited之全資附屬公司，而後者則為德祥企業集團有限公司之全資附屬公司。

Hanny Magnetics (B.V.I.) Limited、錦興集團有限公司、其威投資有限公司、Mankar Assets Limited、ITC Investment Holdings Limited及德祥企業集團有限公司均被視作於Cyber Generation Limited持有之股份中擁有權益，及於Cross Profit Capital Limited持有可換股可贖回票據之相關股份中擁有權益。

ITC Management Group Limited及德祥企業集團有限公司均被視作於Great Intelligence Holdings Limited持有之股份中擁有權益。



## SHARE OPTIONS

### 1991 Scheme

The Company's share option scheme was adopted on June 22, 1991 ("1991 Scheme") for the primary purpose of providing incentives to Directors and eligible employees and expired on June 21, 2001. The Directors may, at their discretion, grant options to all eligible employees, including executive Directors of the Company and its subsidiaries.

The total number of shares in respect of which options may be granted under the 1991 Scheme is not permitted to exceed 10% of the issued share capital of the Company at any point in time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares of the Company for the time being issued and issuable under the 1991 Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options are exercisable within a period of 6 years commencing one month from the date of acceptance of options.

The subscription price is determined by the Directors, and will not be less than the higher of a price being not less than 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant, and the nominal value of a share of the Company.

At June 30, 2007, all outstanding options granted under the 1991 Scheme had been expired.

### 2001 Scheme

Another share option scheme ("2001 Scheme") was subsequently adopted pursuant to a resolution passed on June 28, 2001 for the primary purpose of providing incentives to Directors and eligible employees, and was terminated on May 30, 2002 pursuant to a resolution passed on that date.

Under the 2001 Scheme, the Directors may grant options to any full-time employees, including executive and non executive Directors of the Company and its subsidiaries, to subscribe for shares in the Company.

## 優先認股權

### 一九九一年計劃

本公司於一九九一年六月二十二日採納優先認股權計劃（「一九九一年計劃」），主要目的是獎勵董事及合資格僱員。該計劃於二零零一年六月二十一日屆滿。董事可酌情授出優先認股權予所有合資格僱員，包括本公司及其附屬公司之執行董事。

根據一九九一年計劃可授出之優先認股權所涉及之股份總數，在任何時候不得超逾本公司已發行股本之10%。根據一九九一年計劃，向任何個別人士授出之優先認股權所涉及之股份數目，不得超逾按該計劃當時已發行及可予發行之本公司股份總數上限25%。

參與人必須於獲授予優先認股權當日起計28日內接納優先認股權，並須於接納優先認股權時繳付港幣1元作為代價。優先認股權可於接納日期後一個月起計之6年期間行使。

認購價由董事釐定，不會低於股份在緊接授出日期前五個交易日在聯交所之平均收市價80%及本公司股份面值兩者中較高之價格。

於二零零七年六月三十日，所有根據一九九一年計劃授出而尚未行使之優先認股權已全部失效。

### 二零零一年計劃

本公司其後於二零零一年六月二十八日通過決議案採納另一項優先認股權計劃（「二零零一年計劃」），主要目的是獎勵董事及合資格僱員。該計劃於二零零二年五月三十日根據該日通過之決議案終止。

根據二零零一年計劃，董事可授出優先認股權予任何全職僱員，包括本公司及其附屬公司之執行及非執行董事，以認購本公司股份。





## SHARE OPTIONS *(continued)*

### 2001 Scheme *(continued)*

The total number of shares in respect of which options may be granted under the 2001 Scheme is not permitted to exceed 10% of the issued share capital of the Company at any point in time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares of the Company for the time being issued and issuable under the 2001 Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options are exercisable within a period of 6 years commencing one month from the date of acceptance of options.

The subscription price is determined by the Directors, and will not be less than the higher of a price being not less than 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant, and the nominal value of a share of the Company.

Upon termination of the 2001 Scheme, no further options will be granted but in all other respects, the provisions of the 2001 Scheme shall remain in force and all granted prior to such termination shall continue to be valid and exercisable in accordance therewith.

### 2002 Scheme

On August 23, 2001, the Stock Exchange has announced amendments to Chapter 17 of the Listing Rules, which has come into effect on September 1, 2001. In compliance with the amendments to the Listing Rules and the announcement of the Stock Exchange, the Company adopted a new share option scheme ("2002 Scheme") and terminated the 2001 Scheme on May 30, 2002 pursuant to a resolution passed on that date. The purpose of the 2002 Scheme is to provide incentives or rewards to participants for their contribution to the Group and enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any companies in which the Group holds any equity interest. The 2002 Scheme will expire on the 10th anniversary of date of adoption.

## 優先認股權 (續)

### 二零零一年計劃 (續)

根據二零零一年計劃可授出之優先認股權所涉及之股份總數，在任何時候不得超逾本公司已發行股本之10%。根據二零零一年計劃，向任何個別人士授出之優先認股權所涉及之股份數目，不得超逾按該計劃當時已發行及可予發行之本公司股份總數上限25%。

參與人必須於獲授予優先認股權當日起計28日內接納優先認股權，並須於接納優先認股權時繳付港幣1元作為代價。優先認股權可於接納日期後一個月起計之6年期間行使。

認購價由董事釐定，不會低於股份在緊接授出日期前五個交易日在聯交所之平均收市價80%及本公司股份面值兩者中較高之價格。

二零零一年計劃終止後，將不再授出優先認股權，惟在所有其他方面，二零零一年計劃之條款仍將有效，而所有於終止計劃前授出之優先認股權將根據有關計劃條款繼續有效及可予行使。

### 二零零二年計劃

於二零零一年八月二十三日，聯交所宣布修訂上市規則第十七章並於二零零一年九月一日起生效。為符合上市規則修訂及聯交所之公布內容，本公司於二零零二年五月三十日採納另一新優先認股權計劃（「二零零二年計劃」）及根據於該日通過之決議案終止二零零一年計劃。二零零二年計劃旨在鼓勵或嘉獎對本集團有所貢獻之參與人，同時使本集團可招攬及挽留能幹之員工，並吸引重要之人才為本集團及本集團持有任何股份權益之任何公司作出貢獻。二零零二年計劃將自採納日期起計第十週年屆滿。



## SHARE OPTIONS *(continued)*

### 2002 Scheme *(continued)*

Under the 2002 Scheme, the Board of Directors of the Company may at their discretion grant options to the following participants of the Company, its subsidiaries and any companies in which the Group holds any equity interest, to subscribe for shares in the Company:

1. eligible employees, including Directors; or
2. suppliers or customers; or
3. any person or entity that provides research, development or other technological support; or
4. shareholders; or
5. employees, partners or Directors of any business partners, joint venture partners, financial advisers and legal advisers.

Options granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the Independent Non-executive Directors of the Company (excluding any Independent Non-executive Director who is the grantee).

The total number of shares in respect of which options may be granted under the 2002 Scheme and any other schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time. Subject to the above rule, the total number of shares in respect of which options may be granted under the 2002 Scheme and any other schemes must not in aggregate, exceed 10% of the issued share capital of the Company at the adoption date of the 2002 Scheme without prior approval from the Company's shareholders.

## 優先認股權 *(續)*

### 二零零二年計劃 *(續)*

根據二零零二年計劃，本公司董事會可酌情決定向與本公司、其附屬公司及本集團持有任何股份權益之任何公司有關之以下參與人士授予優先認股權，以認購本公司股份：

1. 合資格僱員，包括董事；或
2. 供應商或客戶；或
3. 提供研究、開發或其他技術支援之任何人士或公司；或
4. 股東；或
5. 任何業務合夥人、合營企業合夥人、財務顧問及法律顧問之任何僱員、合夥人或董事。

授出優先認股權予本公司董事、主要行政人員或主要股東或彼等各自之聯繫人士，必須經本公司獨立非執行董事（不包括同時為承授人之任何獨立非執行董事）批准。

按二零零二年計劃及任何其他優先認股權計劃可授出之優先認股權涉及之最高股份總數，合共不得超過本公司不時已發行股本之30%。除上述規則外，如未經本公司股東事先批准，按二零零二年計劃及任何其他計劃可授出之優先認股權涉及之股份總數，合共不得超過本公司於當二零零二年計劃當日已發行股本之10%。



## SHARE OPTIONS (continued)

### 2002 Scheme (continued)

The number of shares in respect of which options may be granted to any participant in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. Options granted to a substantial shareholder, or an Independent Non-executive Director of the Company or any of their respective associates under the 2002 Scheme and any other schemes in any one year in excess of 0.1% of the Company's issued share capital or with a value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 28 days of the date of grant upon payment of HK\$1 per each grant of options. The exercise period of the share options granted under the 2002 Scheme shall be determined by the Board of Directors when such options are granted, provided that such period shall not end later than 6 years from the date of grant. The subscription price is determined by the Board of Directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant or the average closing price of the shares for the five trading days immediately preceding the date of grant, or the nominal value of a share of the Company.

For the six months ended June 30, 2007, the number of Share Options granted and exercised were 1,200,000 and 100,000 respectively.

At June 30, 2007, the number of shares in respect of which options had been granted and remained outstanding under the 1991 Scheme, 2001 Scheme and 2002 Scheme were 0, 11,861,598 and 9,514,686\* (2006: 1,142,110, 11,861,598 and 8,414,686 respectively), representing 0%, 5.35% and 4.29% (2006: 0.52%, 5.35% and 3.80% respectively) of the issued share capital of the Company at that date respectively.

\* The 9,514,686 shares included 50,000 shares in respect of which options had been granted for the six months ended June 30, 2007 and were accepted and remained outstanding on July 4, 2007.

## 優先認股權 (續)

### 二零零二年計劃 (續)

如未經本公司股東事先批准，於任何一年向任何參與人授出之優先認股權涉及之股份數目不得超過本公司在任何時候之已發行股份1%。任何一年根據二零零二年計劃及任何其他計劃向本公司一名主要股東、獨立非執行董事或彼等各自之聯繫人士授出優先認股權，如超過本公司已發行股本0.1%，及按授出當日本公司股份收市價計算超過港幣5,000,000元，則須經本公司股東事先批准。

參與人必須於獲提出授予優先認股權當日起計28日內接納優先認股權，並須於接納優先認股權時繳付港幣1元作為代價。根據二零零二年計劃授出之優先認股權之行使期於授出時由董事會決定，惟不得遲於董事會提出授予優先認股權日期起計之6年後屆滿。股份認購價由本公司董事會決定，惟認購價不得低於下列三者中之最高者：於授出日期本公司之股份收市價；於緊接授出日期前五個交易日的股份收市價平均數；或本公司股份面值。

截至二零零七年六月三十日止六個月，獲授出及行使的優先認股權數目分別為1,200,000和100,000。

於二零零七年六月三十日，有關根據一九九一年計劃、二零零一年計劃及二零零二年計劃授出惟尚未行使之優先認股權之股份數目分別為0股、11,861,598股及9,514,686股\*（二零零六年：分別為1,142,110、11,861,598及8,414,686），分別佔本公司當日之已發行股本之0%、5.35%及4.29%（二零零六年：分別佔0.52%、5.35%及3.80%）。

\* 該9,514,686股包括了50,000股於二零零七年六月三十日前已授出但於二零零七年七月四日才為授予人接納並尚未行使之優先認股權之股份。



**SHARE OPTIONS** (continued)

**2002 Scheme** (continued)

The fair value of the options granted in the current year measured as at the date of grant on June 11, 2007 was HK\$0.14. The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

Expected Life of the Share Options	0.58 years
Expected Volatility based on	
Historical Volatility of Share Prices	83.12%
Hong Kong Exchange Fund Note Rate	4.088%
Expected Dividend Yield	0%

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

**優先認股權** (續)

**二零零二年計劃** (續)

於本年度授出優先認股權日期為二零零七年六月十一日之優先認股權公平值分別為港幣0.14元。按柏力克•舒爾斯期權定價模式計算公平值時乃利用下列重大假設：

優先認股權之預計年期	0.58年
根據過往股價波幅預計	
之波幅	83.12%
香港外匯基金債券孳息	4.088%
預期股息回報率	0%

柏力克•舒爾斯期權定價模式須利用高度主觀之假設，包括股價波幅。由於所用主觀假設之變動可重大影響公平值之估計數字，故董事認為現有模式未必能可靠地單獨計算優先認股權之公平值。



# Corporate Governance and Other Information

## 企業管治及其他資料

### MOVEMENT OF SHARE OPTIONS

### 優先認股權變動

The following table discloses movement in the Company's share options for the six months ended June 30, 2007:

下表披露本公司之優先認股權於二零零七年六月三十日止六個月之變動情況：

Eligible Person 合資格人士	Scheme Type 計劃類別	Date of grant 授出日期	Outstanding as at January 1, 2007	Granted During the Period 期內授出	Lapsed During the Period 期內失效	Exercised During the Period 期內行使	Outstanding as at June 30, 2007	Exercisable period 行使期	Exercise Price 行使價 HK\$ 港幣
			於二零零七年 一月一日 尚未行使				於二零零七年 六月三十日 尚未行使		
Mr. Richard Man Fai LEE (Director) 李文輝先生 (董事)	1991 一九九一年	May 28, 2001 二零零一年五月二十八日	629,262	—	629,262	—	—	June 29, 2001 – June 28, 2007 二零零一年六月二十九日至 二零零七年六月二十八日	1.6610
	2001 二零零一年	August 10, 2001 二零零一年八月十日	5,506,050	—	—	—	5,506,050	September 16, 2001 – September 15, 2007 二零零一年九月十六日至 二零零七年九月十五日	1.6610
	2001 二零零一年	August 29, 2001 二零零一年八月二十九日	78,657 (Note 1) (附註1)	—	—	—	78,657 (Note 1) (附註1)	September 30, 2001 – September 29, 2007 二零零一年九月三十日至 二零零七年九月二十九日	1.6610
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	2,215,928	—	—	—	2,215,928	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至 二零零八年九月二十三日	1.0000
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	220,000	—	—	220,000	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000
			8,429,897	220,000	629,262	—	8,020,635		
Mr. Jeff Man Bun LEE (Director) 李文彬先生 (董事)	2002 二零零二年	June 4, 2002 二零零二年六月四日	314,631	—	—	—	314,631	June 4, 2002 – June 3, 2008 二零零二年六月四日至 二零零八年六月三日	1.0000
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	143,000	—	—	—	143,000	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至 二零零八年九月二十三日	1.0000
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	100,000	—	—	100,000	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000
			457,631	100,000	—	—	557,631		



MOVEMENT OF SHARE OPTIONS (continued)

優先認股權變動 (續)

Eligible Person 合資格人士	Scheme Type 計劃類別	Date of grant 授出日期	Outstanding as at January 1, 2007 於二零零七年 一月一日 尚未行使				Outstanding as at June 30, 2007 於二零零七年 六月三十日 尚未行使		Exercisable period 行使期	Exercise Price 行使價 HK\$ 港幣
			Granted During the Period 期內授出	Lapsed During the Period 期內失效	Exercised During the Period 期內行使	Outstanding as at January 1, 2007	Outstanding as at June 30, 2007			
Mr. Tik Tung WONG (Director) 汪濂東先生 (董事)	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	200,000	—	—	200,000	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000	
Mr. Wai-on Chit Sing HUI (Director) 許捷成先生 (董事)	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	100,000	—	100,000	—	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000	
Mr. Boon Seng TAN (Director) 陳文生先生 (董事)	2002 二零零二年	June 4, 2002 二零零二年六月四日	220,241	—	—	—	220,241	June 4, 2002 – June 3, 2008 二零零二年六月四日至 二零零八年六月三日	1.0000	
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	1,144	—	—	—	1,144	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至 二零零八年九月二十三日	1.0000	
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	50,000	—	—	50,000	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000	
			221,385	50,000	—	—	271,385			
Mr. Raymond Cho Min LEE (Director) 李卓民先生 (董事)	2002 二零零二年	June 4, 2002 二零零二年六月四日	220,241	—	—	—	220,241	June 4, 2002 – June 3, 2008 二零零二年六月四日至 二零零八年六月三日	1.0000	
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	1,144	—	—	—	1,144	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至 二零零八年九月二十三日	1.0000	
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	50,000 (Note 2) (附註2)	—	—	50,000 (Note 2) (附註2)	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000	
			221,385	50,000 (Note 2) (附註2)	—	—	271,385			
Mr. Ying Kwan CHEUNG (Director) 張應坤先生 (董事)	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	50,000	—	—	50,000	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000	



# Corporate Governance and Other Information

## 企業管治及其他資料

### MOVEMENT OF SHARE OPTIONS (continued)

### 優先認股權變動 (續)

Eligible Person 合資格人士	Scheme Type 計劃類別	Date of grant 授出日期	Outstanding	Granted During the Period 期內授出	Lapsed During the Period 期內失效	Exercised During the Period 期內行使	Outstanding	Exercisable period 行使期	Exercise Price 行使價 HK\$ 港幣
			as at January 1, 2007 於二零零七年 一月一日 尚未行使				as at June 30, 2007 於二零零七年 六月三十日 尚未行使		
Ms. Kam Har YUE (Director) 余金霞女士 (董事)	2001 二零零一年	August 10, 2001 二零零一年八月十日	5,506,050 (Note 3 & 5) (附註3及5)	—	—	—	5,506,050 (Note 3 & 5) (附註3及5)	September 16, 2001 – September 15, 2007 二零零一年九月十六日至 二零零七年九月十五日	1.6610
	2001 二零零一年	August 29, 2001 二零零一年八月二十九日	78,657	—	—	—	78,657	September 30, 2001 – September 29, 2007 二零零一年九月三十日至 二零零七年九月二十九日	1.6610
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	64,064 (Note 4 & 5) (附註4及5)	—	—	—	64,064 (Note 4 & 5) (附註4及5)	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至 二零零八年九月二十三日	1.0000
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	80,000	—	—	80,000	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000
			5,648,771	80,000	—	—	5,728,771		
Continuous contract employees 持續合約僱員	1991 一九九一年	January 18, 2001 二零零一年一月十八日	40,901	—	40,901	—	—	March 6, 2001 – March 5, 2007 二零零一年三月六日至 二零零七年三月五日	1.6610
	2001 二零零一年	August 10, 2001 二零零一年八月十日	157,315	—	—	—	157,315	September 19, 2001 – September 18, 2007 二零零一年九月十九日至 二零零七年九月十八日	1.6610
	2001 二零零一年	August 29, 2001 二零零一年八月二十九日	377,554	—	—	—	377,554	September 30, 2001 – September 29, 2007 二零零一年九月三十日至 二零零七年九月二十九日	1.6610
	2001 二零零一年	November 23, 2001 二零零一年十一月二十三日	157,315	—	—	—	157,315	December 23, 2001 – December 22, 2007 二零零一年十二月二十三日至 二零零七年十二月二十二日	1.6610
	2002 二零零二年	June 4, 2002 二零零二年六月四日	5,034,093	—	—	—	5,034,093	June 4, 2002 – June 3, 2008 二零零二年六月四日至 二零零八年六月三日	1.0000
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	200,200	—	—	—	200,200	September 24, 2002 – September 23, 2008 二零零二年九月二十四日至 二零零八年九月二十三日	1.0000
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	—	350,000	—	—	350,000	June 11, 2007 – June 10, 2013 二零零七年六月十一日至 二零一三年六月十日	1.0000
			5,967,378	350,000	40,901	—	6,276,477		
			20,946,447	1,200,000	670,163	100,000	21,376,284		



## MOVEMENT OF SHARE OPTIONS (continued)

Notes:

1. The 78,657 Share options were granted to Mr. Richard Man Fai LEE's spouse.
2. The 50,000 Share Options were granted on 11 June 2007 and were accepted by on July 4, 2007.
3. The 5,506,050 Options were granted to Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE and former Director of the Company.
4. The 64,064 Options were granted to Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE and former Director of the Company.
5. Mr. Wing Sum LEE ceased to be a Director of the Company on May 31, 2007. Since then, the Options held by him were reported together with his spouse pursuant to SFO.

## 優先認股權變動 (續)

附註:

1. 該78,657優先認購權乃授予李文輝先生之配偶。
2. 該50,000優先認股權於二零零七年六月十一日授出，並於二零零七年七月四日接納。
3. 該5,506,050優先認購權乃授予李永森先生（彼為余金霞女士之配偶及本公司前任董事）。
4. 該64,064優先認購權乃授予李永森先生（彼為余金霞女士之配偶及本公司前任董事）。
5. 李永森先生於二零零七年五月三十一日起已不再為本公司的董事。根據證券及期貨條例，自此，他所持有的優先認購權由其配偶申報。

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended June 30, 2007, the Company and its subsidiaries have not repurchased, sold or redeemed any of the Company's securities.

## 證券之購買、出售或贖回

於截至二零零七年六月三十日止六個月，本公司及其附屬公司在期內並無購入、出售或贖回本公司任何證券。

## CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") during the six months ended June 30, 2007 except in relation to the separation of the role of chairman and chief executive officer under the code provision A.2.1.

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Richard Man Fai LEE is the Executive Chairman and Chief Executive Officer. The Board considers that this structure will not impair the balance of power and authority between the Board and the management. This is because the Board has adopted clear guideline as to the power and authority of the Board and the management. There is a guideline as to the power and duties of Chief Executive Officer. The details are set out fully in the corporate governance report in 2005 annual report.

## 企業管治

董事認為，除守則條文第A.2.1條規定主席及行政總裁之職責分工外，於截至二零零七年六月三十日止六個月期間，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則之守則條文。

守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，並不應由一人同時兼任。李文輝先生為執行主席兼行政總裁。董事會認為此架構不會影響董事會與管理層之間之權力及授權均衡，因為董事會已就董事會與管理層之權力及職權採用清晰指引。對於行政總裁之權力及職責亦訂有指引。其全文已刊載於二零零五年年報的企業管治報告內。





# Corporate Governance and Other Information

## 企業管治及其他資料

### CORPORATE GOVERNANCE *(continued)*

In addition, the Board which comprises experienced and high caliber individuals meets regularly to discuss issues and operation of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)

The Company has adopted a code of conduct for transactions in the Company's securities by the Directors that complies with the Model Code as set out in Appendix 10 of the Listing Rules. Followed specific enquiries by the Company, all Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended June 30, 2007.

### AUDIT COMMITTEE

The Company set up an Audit Committee comprising Mr. Raymond Cho Min LEE (Chairman), Mr. Boon Seng TAN and Mr. Ying Kwan CHEUNG, all of whom are Independent Non-executive Directors of the Company. In establishing the terms of reference for this Committee, the Directors have had regard to “A Guide for Effective Audit Committee” issued by the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) in February 2002 and the Code on Corporate Governance Practices.

The Audit Committee of the Company has reviewed the interim results and the Interim Report 2007, and was content that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

By Order of the Board of Directors  
**WO KEE HONG (HOLDINGS) LIMITED**  
**Richard Man Fai LEE**  
*Executive Chairman & CEO*

Hong Kong, September 18, 2007

### 企業管治 (續)

此外，董事會由擁有經驗及才幹之人士組成，並定期開會討論本集團之業務及運作。董事會相信，此結構有助於加強及維持一貫之領導，使本集團得以迅速和有效地制定及實施決策。

### 遵守上市公司董事進行證券交易的標準守則（「標準守則」）

本公司已採用一套董事進行本公司證券交易之行為守則，該守則符合上市規則附錄十所載之標準守則。在本公司作出特定查詢後，所有董事確認，於截至二零零七年六月三十日止六個月期間內，彼等一直遵守標準守則所載之規定標準。

### 審核委員會

本公司之審核委員會由本公司獨立非執行董事李卓民先生（主席）、陳文生先生及張應坤先生組成。在確立該委員會之職權範圍時，董事已參考香港會計師公會於二零零二年二月刊發之「審核委員會有效運作指引」及企業管治常規守則。

本公司審核委員會已審閱中期業績及二零零七年中期報告，並對本集團會計政策符合香港目前之最佳應用守則感到滿意。

承董事會命  
**和記行（集團）有限公司**  
*執行主席兼行政總裁*  
**李文輝**

香港，二零零七年九月十八日



WO KEE HONG (HOLDINGS) LIMITED  
和記行（集團）有限公司

10th Floor, Block A, Wo Kee Hong Building  
585-609 Castle Peak Road, Kwai Chung, New Territories, Hong Kong

香港新界葵涌青山道585至609號  
和記行大廈A座10樓

Tel 電話：(852) 2869 1190 Fax 傳真：(852) 2521 7198  
Website 網址：http://www.wokeehong.com.hk