

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)



Brand with a Heart



Interim Report 2008

二零零八年中期報告



Brand with a Heart

Company's Vision

The world is striving towards a harmonic civilisation; our greatest achievement is the partaking in this paramount journey.

公司遠景

世界正在努力邁向和諧文明，我們最大的成就是參與此偉大的旅程。



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For the sole purpose of this Interim Report, the People's Republic of China ("PRC") excludes Hong Kong and Macau Special Administrative Regions and Taiwan.

僅就本中期報告而言，中華人民共和國（「中國」）不包括香港及澳門特別行政區及台灣。

INTRODUCTION

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

FINANCIAL REVIEW

Results

For the first half of 2008, Group turnover recorded a double-digit growth of 18.2% to HK\$540.9 million, compared to HK\$457.5 million for the same period last year. This upsurge in turnover was mainly due to the continued growth of our car business.

Gross profit margin for the first half increased by 0.4% from 18.6% in 2007 to 19.0% in 2008 whilst gross profit increased by HK\$17.8 million to HK\$103.0 million (2007: HK\$85.2 million).

Distribution costs were up by 33.2% to HK\$41.3 million (2007: HK\$31.0 million), due mainly to a general increase in these costs under the current inflationary economy together with the corresponding increase in selling costs due to enlarged turnover. The 9.5% increase in administrative expenses of HK\$6.3 million from HK\$66.2 million of last period to HK\$72.5 million in this period is mainly attributed to increased overheads and costs incurred to achieve the corresponding increase in turnover.

The Board regrets to report a loss from operations of HK\$8.1 million for the first half of 2008 (2007: HK\$10.0 million). This was mainly due to the loss incurred in the "Motor Yacht" business while it was in its investment stage and the set-up costs incurred for new lifestyle products which have yet to be recovered from future revenues. However, we are confident that these negative elements will be very much mitigated, if not eliminated, in the coming months as a result of progress of business development as well as corrective measures taken against inefficient operations.

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、市場推廣及分銷汽車及汽車配件、機動遊艇、直升機、高檔時裝及配飾、空調及冷凍產品、影音設備、汽車音響及電子產品與物業投資。

財務回顧

業績

於二零零八年上半年，本集團營業額達港幣540,900,000元，較去年同期之港幣457,500,000元錄得18.2%之雙位數增幅。營業額上升，主要是由於本集團汽車業務持續增長所致。

上半年毛利率由二零零七年之18.6%上升0.4%至二零零八年之19.0%，而毛利則增加港幣17,800,000元至港幣103,000,000元(二零零七年：港幣85,200,000元)。

分銷成本增加33.2%至港幣41,300,000元(二零零七年：港幣31,000,000元)，主要是由於在現時通脹經濟下整體成本上升，以及因營業額增長導致銷售成本相應增加。行政費用由去年同期港幣66,200,000元，增加港幣6,300,000元至本期間港幣72,500,000元，增幅為9.5%，主要由於營業額相應增長所產生之開銷及成本上升所致。

董事會惋然報告，於二零零八年首六個月本集團錄得經營虧損港幣8,100,000元(二零零七年：港幣10,000,000元)。主要因素如下：「機動遊艇」業務於投資階段所招致之虧損，以及時尚生活產品招致啟動成本，有關成本將會從未來收入中收回。然而，隨著業務取得進展加上針對欠缺效率的營運而採取修正措施，吾等深信該等負面問題即使於未來數月未能消除，亦會大為減輕。

Finance costs dropped by HK\$3.9 million from last period's HK\$7.7 million to HK\$3.8 million. This improved cash flow position was derived from the timely disposal of Wo Kee Hong Building last year.

The Board regrets to report a loss attributable to shareholders of HK\$17.8 million (2007: HK\$20.6 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\$118.2 million (2007: HK\$29.0 million) was recorded, representing the aggregate of funds used in operating, investing and financing activities in the reporting period.

At June 30, 2008, the Group had total borrowings amounting to HK\$92.1 million (December 31, 2007: HK\$84.3 million). The Group's long term gearing ratio stood at 6.1% (December 31, 2007: 3.6%), based on non-current liabilities (excluding deferred tax) of HK\$22.4 million (December 31, 2007: HK\$13.7 million) and shareholders' equity of HK\$365.1 million (December 31, 2007: HK\$380.4 million). The current ratio was 1.6 (December 31, 2007: 1.9), based on current assets of HK\$777.0 million (December 31, 2007: HK\$711.7 million) and current liabilities of HK\$495.3 million (December 31, 2007: HK\$384.2 million).

It is the Group's management practice to hedge foreign currency transactions with the objective to substantially stabilize costs via the pegging of the exchange rates with bankers. Accordingly, the Group was not exposed to material fluctuations in exchange rates and related hedges during the period under review. At June 30, 2008 the total outstanding foreign exchange contracts purchased with banks amounted to HK\$30.4 million (December 31, 2007: HK\$11.1 million).

財務費用由去年同期港幣7,700,000元減少港幣3,900,000元至港幣3,800,000元。上述現金流狀況得到改善，是由於去年適時出售和記行大廈所致。

董事會 惋然 報告 股東 應佔 虧損 為 港幣 17,800,000元 (二零零七年：港幣 20,600,000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118,200,000元(二零零七年：港幣29,000,000元)，乃為報告期內用於經營、投資及融資資金之總額。

本集團於二零零八年六月三十日之總貸款為港幣92,100,000元(二零零七年十二月三十一日：港幣84,300,000元)。根據非流動負債(不包括遞延稅項)港幣22,400,000元(二零零七年十二月三十一日：港幣13,700,000元)及股東權益港幣365,100,000元(二零零七年十二月三十一日：港幣380,400,000元)為基數計算，本集團長期負債比率為6.1%(二零零七年十二月三十一日：3.6%)。根據流動資產港幣777,000,000元(二零零七年十二月三十一日：港幣711,700,000元)及流動負債港幣495,300,000元(二零零七年十二月三十一日：港幣384,200,000元)為基數計算，流動比率為1.6(二零零七年十二月三十一日：1.9)。

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。於二零零八年六月三十日，未到期履約之銀行期匯合約總額為港幣30,400,000元(二零零七年十二月三十一日：港幣11,100,000元)。

The Group had trading facilities at June 30, 2008 amounting to HK\$310.6 million (December 31, 2007: HK\$274.2 million) of which HK\$168.1 million (December 31, 2007: HK\$150.2 million) were utilized. Certain of the Group's properties, inventories, cash deposits and all assets of a subsidiary were pledged at this period end in an aggregate amount of HK\$177.2 million (December 31, 2007: HK\$156.5 million) to secure facilities granted and a guarantee issued by our banks.

The Group had capital commitment at June 30, 2008 amounting to HK\$24.4 million (December 31, 2007: HK\$0.6 million). At June 30, 2008 the Group had contingent liabilities of approximately HK\$5.1 million (December 31, 2007: HK\$3.5 million) in respect of a bank guarantee issued by a subsidiary to the purchaser of the disposed associate in Jiangmen and HK\$9.8 million (subject to adjustment) (December 31, 2007: nil) in respect of the acquisition of a subsidiary under an agreement signed during the reporting period.

BUSINESS REVIEW

Cars and Car Accessories

The business consists mainly of the import, distribution and after-sales service of Italian "Ferrari", "Maserati", "Alfa Romeo" and "Fiat" cars and spare parts in Hong Kong and Macau. Since the end of 2006, we had also been operating a "Ferrari" and "Maserati" car dealership in Dalian, Northern China.

Compared to the same period last year, turnover increased by 26.5% to HK\$428.4 million as a result of continued growth of car trading business and our expanded service facilities and increased ownership of these brands.

Sales of the "Ferrari" 8-cylinder models, the F430 and F430 Spider, continued to be strong; the newly launched 430 Scuderia generated an excellent response in the market. For the 12-cylinder models, the 599 GTB Fiorano enjoyed great success whilst the new 612 Scaglietti "One-to-One" contributed good additional sales. The Group's order portfolio for "Ferrari" continued to remain healthy with an overall lead-time of close to two years for the current range. Overall interest and demand remained healthy with the launch of the

於二零零八年六月三十日，本集團之貿易信貸額為港幣310,600,000元（二零零七年十二月三十一日：港幣274,200,000元），當中港幣168,100,000元（二零零七年十二月三十一日：港幣150,200,000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全部資產合共港幣177,200,000元（二零零七年十二月三十一日：港幣156,500,000元）經已抵押，以獲取銀行給予之信貸及發出之一項擔保。

本集團於二零零八年六月三十日有重大資本承擔港幣24,400,000元（二零零七年十二月三十一日：港幣600,000元）。於二零零八年六月三十日，本集團之或然負債包括有關一間附屬公司向所出售江門聯營公司之買方發出一項銀行擔保約港幣5,100,000元（二零零七年十二月三十一日：港幣3,500,000元），以及有關根據報告期內簽訂之協議收購一間附屬公司之港幣9,800,000元（可予調整）（二零零七年十二月三十一日：無）。

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」、「愛快•羅蜜歐」及「Fiat」汽車及配件於香港及澳門之進口、分銷及售後服務。自二零零六年年底起，吾等亦一直在華北之大連經營「法拉利」及「瑪莎拉蒂」汽車經銷店。

由於汽車貿易業務持續增長、擴充服務設施及擴大該等品牌的擁有權，與去年同期比較，營業額增加26.5%至港幣428,400,000元。

「法拉利」8汽缸型號F430及F430 Spider之銷售額仍然強勁，而新推出之430 Scuderia在市場反應熱烈。至於12汽缸型號，599 GTB Fiorano銷售成績斐然，而嶄新的612 Scaglietti「One-to-One」亦貢獻可觀的額外銷售額。本集團之「法拉利」訂單組合維持穩健，現時產品類別之整體交貨期接近兩年。市場整體興趣及需求仍然理想，去年底推出F430 Scuderia型號帶來進一步動力。雖然競爭變得更加熾熱，「法拉利」在香港仍保

F430 Scuderia model late last year adding further impetus. Although competition became more intensive, "Ferrari" retained its dominance in Hong Kong with a "Sports Car" segment share of close to 50%.

"Ferrari's" forthcoming model, now named the California, will be launched at the Paris Motor Show in the fourth quarter of 2008. Interest in this car is already significant, with close to 150 orders placed with the Group as at the end of June. First deliveries are expected to begin during the second quarter of 2009.

As for the other major brand, "Maserati", its brand awareness continued to increase in the market; together with the introduction of the new Quattroporte Sport GTS, the very good sales of the Quattroporte Automatic and the very high demand for the GranTurismo, "Maserati" unit sales increased by about 170% over the same period last year. The GranTurismo enjoys an order portfolio of some 12 months. Deliveries of the new "Maserati" GranTurismo S are expected to boost sales further.

Our dealership in Dalian continued to achieve budgeted results with good sales of both "Ferrari" and "Maserati" cars. Our participation in the Shenyang Motor Show made a good impression in this largest city of Northeastern China, followed by satisfactory sales. The Group is also very encouraged by having been awarded, in principle, a second dealership in China for both "Ferrari" and "Maserati" cars. We are confident that this new territory will bring in good additional sales and profit to the Group when it will open in the last quarter of 2008.

The PDI (Pre-delivery Inspection) work being carried out by the Group on behalf of Ferrari Maserati Cars International Trading Co., Ltd. in Shanghai generated good additional income with the opening of a new, dedicated PDI Centre in April.

The "Alfa Romeo" business was slow due to a highly competitive market environment. We expect to see improvement in the second half of the year. The new "Fiat" business started well, with a good number of the new Cinquecento (500) model pre-sold.

持領導地位，在「跑車」市場的佔有率接近50%。

「法拉利」即將推出市面的新型號現稱為California，將於二零零八年第四季在巴黎汽車展中展出。該汽車型號已引來市場極大興趣，截至六月底本集團已接獲接近150份訂單。預期將於二零零九年第二季開始第一批付運。

至於其他主要品牌，「瑪莎拉蒂」在市場的品牌知名度繼續上升，加上推出嶄新之Quattroporte Sport GTS、Quattroporte Automatic之銷售成績突出，以及GranTurismo的市場需求龐大，使「瑪莎拉蒂」之單位銷售額較去年同期增加約170%。GranTurismo訂單組合之交貨期約為12個月。新「瑪莎拉蒂」GranTurismo S預期可刺激銷售額進一步增長。

本集團之大連經銷店業績符合預期，「法拉利」及「瑪莎拉蒂」汽車之銷售情況均理想。本集團在中國東北最大城市－瀋陽市，參與瀋陽汽車展，在該市留下良好印象，隨之取得滿意之銷售成績。本集團已原則上獲授「法拉利」及「瑪莎拉蒂」汽車在中國之第二個經銷權，對此本集團感到十分鼓舞。本集團深信，當新的經銷店於二零零八年最後一季開業後，將為本集團帶來可觀之額外銷售額及利潤。

隨著全新和專門的PDI中心於四月開幕，本集團承包法拉利瑪莎拉蒂汽車國際貿易(上海)有限公司在上海進行之PDI(付運前檢查)工作帶來可觀額外收入。

由於高度競爭之市場環境，「愛快•羅蜜歐」業務有所放緩，而本集團預期於今年下半年會有改善。新的「Fiat」業務開展情況理想，已預售不少部嶄新Cinquecento (500)型號汽車。

The entire Group's new and newly refurbished "Ferrari", "Maserati", "Alfa Romeo" and "Fiat" facilities are now fully operational. Plans are being made for the re-location of our Tokwawan, Kowloon "Ferrari" and "Maserati" service centre in the second half of 2008.

Electrical Appliances

The business consists of marketing and distribution of a wide range of consumer and commercial air-conditioning and home appliance products from major brands, namely "MHI" (Mitsubishi Heavy Industries of Japan), "Frigidaire", "Sansui" and "Daewoo", and audio-visual products of our own "Rogers" and "Bodysonic" brands, "Marantz" and "Denon" 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, iPod and DVD players, TV monitors and GPS navigation systems.

Turnover for the first half of 2008 was HK\$103.5 million which increased by 4.7% when compared with the same period of 2007.

The exceptionally cool weather in May and the successive rainy days in June and July caused a downturn to the air-conditioning business. Jobbers and retailers were tied down with high inventory which resulted in price dumping in the market. The Group responded by lowering its inventory level and putting more effort into developing the small and medium business sectors with our commercial air-conditioners.

Our own British "Rogers" brand performed well in the period with the relaunch of the legendary LS 3/5a monitor speaker system; a total of 12 Rogers shop-in-shop counters were opened in major chain stores in Eastern China. We expect the "Rogers" business to continue to grow in the second half of 2008.

The Group was also awarded the exclusive distributorship of the top end luxurious audio brand "Steinway Lyngdorf" for Hong Kong, Macau and PRC. We are confident that this new brand will further improve the sales and profitability of our audio-visual business.

本集團全新及剛翻新之「法拉利」、「瑪莎拉蒂」、「愛快•羅蜜歐」及「Fiat」全部設施現已全面營運。本集團現正計劃於二零零八年下半年，搬遷位於九龍土瓜灣之「法拉利」及「瑪莎拉蒂」服務中心。

電器

此業務包括對主要品牌「三菱重工」（日本三菱重工業株式會社）、「北極牌」、「山水」及「大宇」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」及「天龍」影音產品以及日本「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、iPod及DVD播放機、電視顯示屏及全球定位導航系統）。

二零零八年上半年之營業額為港幣103,500,000元，較二零零七年同期增加4.7%。

五月反常的清涼天氣及六月和七月持續多日降雨，導致空調業務倒退。批發商及零售商屯積大量存貨，引致市場出現減價促銷。本集團因此作出應變，降低存貨水平，並加大力度發展中小企之商用空調市場。

本集團自身品牌「樂爵士」於期內業績理想，再度推出經典的LS 3/5a鑑聽級揚聲器；並在華東之大型連鎖店內開設合共12個店內專櫃。本集團預期「樂爵士」業務將於二零零八年下半年繼續增長。

本集團亦獲得高檔豪華音響品牌「Steinway Lyngdorf」在香港、澳門及中國之獨家分銷權。本集團深信該新品牌將可進一步改善本集團影音業務之銷售及盈利能力。

Our subsidiary in Singapore achieved the best half yearly results in the last ten years, with good business growth of "Alpine" car electronics. The "MHI" air-conditioning business in Singapore achieved good sales growth and profitability in the first half due to the introduction of the new multi-split air-conditioner, certification of the highest ratings by the National Environmental Agency, coupled with successful promotional activities and strong dealer networking. Our subsidiary in Malaysia achieved good first half yearly results with sales and profit growths due to successful implementation of our marketing strategy.

The group expects the good performance of its businesses in Singapore and Malaysia to continue in the second half of the year.

Motor Yachts

The business consists of the import and distribution of the luxurious Italian "Ferretti" brand in PRC and the leading Taiwanese "Horizon" motor yachts in Hong Kong, Macau and PRC.

2008 marks the first year for the Group to act as the exclusive distributor of "Ferretti" motor yachts in PRC. In line with our business development plan for 2008, our offices in Xiamen, Shenzhen and Shanghai are actively engaged in the network development of the "Ferretti" and "Horizon" brands through exhibitions, advertising and promotion campaigns, with one "Ferretti" yacht sold and ready for delivery during the second half of 2008, with encouraging increase in sales prospects for the remainder of 2008.

The first half of the year has also been very encouraging for "Horizon" with two yachts sold for delivery in 2008, and a number of orders are being secured already for 2009.

The Group expects continuing sales growth for the new business of motor yachts in the second half of 2008.

本集團在新加坡之附屬公司取得過去十年以來最佳之半年度業績，其中「阿爾派」汽車電子產品業務有出色之增長。新加坡「三菱重工」空調業務推出嶄新分體式空調（獲新加坡國家環境局最高評分之認證），加上成功之宣傳活動及強大之經銷網絡，因此該業務之銷售及盈利能力於上半年有理想增長。本集團在馬來西亞之附屬公司成功實行本集團之市場策略，取得理想之半年度業績，銷售額及盈利均有所增長。

本集團預期新加坡及馬來西亞業務之良好表現可於今年下半年持續。

機動遊艇

此業務包括在中國經營意大利高級品牌「法拉帝」及在香港、澳門及中國經營佔領導地位的台灣品牌「嘉鴻」等機動遊艇之進口代理業務。

二零零八年是本集團擔任「法拉帝」機動遊艇的中國獨家經銷商之第一年。為配合本集團二零零八年之業務發展計劃，本集團在廈門、深圳及上海之辦事處透過舉辦展覽、進行廣告及宣傳活動，積極從事「法拉帝」及「嘉鴻」品牌之網絡發展，並已售出一艘「法拉帝」機動遊艇，已準備於二零零八年下半年付運，而二零零八年餘下時間之銷售前景亦甚樂觀。

本年度上半年「嘉鴻」品牌之業績令人鼓舞，於二零零八年已售出兩艘遊艇和準備付運，並已為二零零九年落實多項訂單。

本集團預期新開展的機動遊艇業務於二零零八年下半年將繼續錄得銷售增長。

Fashion and Accessories

The business consists of the import, distribution, sub-licensing and retailing of several fashion brands including Italian “John Richmond”, “Richmond ‘X’”, “Richmond Denim” and “Sweet Years”. These are premium brands with good potential in our markets, ranging from upmarket fashion to designer casual wear. Mono brand shops of “John Richmond”, “Richmond ‘X’” and “Sweet Years” were opened in Hong Kong and Beijing; new shops for these brands will be opened in Hong Kong, as well as other major Chinese cities in 2008 and beyond.

The Group is also licensed to make American “Playboy” branded female intimate and swim wears and, recently, the “Playboy” ladies fashion line. Several sales counters were established in major department stores and more are planned to be set up in the coming years.

As part of our business expansion strategy, the Group acquired a controlling shareholding of 60% equity interest in Creative Pacific Limited, a company engaged in the business of design, trading and sale of apparel in PRC and, together with its subsidiaries, owns the reputed fashion brand “V-one” which comprises seven clothing lines with different styles. It also maintains a network of about 130 points of sales in the key cities of PRC.

The Group is also in the process of setting up a 50/50 joint-venture with the Italian Binda Group to distribute exclusively upmarket and lifestyle watch brands like “Breil Milano”, “D&G”, “Moschino” and “Ducati” in Hong Kong, Macau and PRC.

The Group is working progressively to build our extensive retail network as a platform to promote the various lifestyle fashion brands represented by us. As the Hong Kong and PRC luxury markets continue to grow at a fast pace, sales growth and high profit margins are expected in the future.

時裝及配飾

此業務包括意大利「John Richmond」、 「Richmond "X"」、 「Richmond Denim」及「Sweet Years」等多個時裝品牌的進口、分銷、特許權及零售業務。該等高檔品牌囊括高級時裝及名牌便服，於吾等運營的市場甚具潛力。本集團經已於香港及北京開設「John Richmond」、 「Richmond "X"」及「Sweet Years」各自的品牌專門店，並將於二零零八年及以後在香港以及其他中國主要城市為上述品牌開設新店。

本集團亦獲授特許權生產美國「Playboy」品牌的女裝內衣及泳裝，而最近亦獲授特許權生產「Playboy」女士時裝系列。本集團已在多個主要百貨公司設立銷售專櫃，並已計劃於未來數年增設專櫃。

作為本集團業務擴展策略之一部份，本集團購入佔香港新概念控股有限公司60%權益之控制性股權。該公司在中國從事設計、買賣及銷售服裝，連同其附屬公司擁有著名時裝品牌「V-one」（包括七個不同風格之服裝系列），並在中國各大主要城市設有約130個銷售點之網絡。

本集團亦正與意大利Binda集團組成各佔50%權益之合營公司，在香港、澳門及中國獨家分銷「Breil Milano」、「D&G」、「Moschino」及「Ducati」等高檔次及時尚手錶品牌。

本集團正循序漸進，建立覆蓋面廣闊之零售網絡作為平台，以推銷由本集團代理之多款時尚時裝品牌。中港兩地的高檔奢侈消費市場持續高速增長，故預期日後的銷售額及盈利將繼續攀升。

PERSONNEL

At June 30, 2008, the total number of employees of the Group, excluding associates, was 426 (2007: 388), representing a 9.8% increase in headcount. This is due to the expansion of our car business group, motor yacht businesses and the set-up of retail shops in Hong Kong and PRC for prestigious branded fashion and accessories.

With the continued expansion in PRC and in the direction of securing more luxurious brands for distribution, we practised more local recruitment. The management is committed to staff motivation and training to ensure our employees remain stable and yet competitive and dynamic in the marketplace.

INTERIM DIVIDEND

The Directors have resolved not to declare the payment of an interim dividend (2007: nil).

SUBSEQUENT EVENTS

The Group also has just entered into an exclusive distributorship agreement with the upmarket Italian fashion brand, Marina Yachting. Mono brand boutiques will be set up to promote this brand in the second half of the years.

On September 2, 2008, Smart Apex Holdings Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 80% of the issued share capital in SKC Group Limited at an aggregate consideration of HK\$96,200,000, subject to adjustment as detailed in the announcement of the Company dated September 4, 2008. The consideration of the acquisition is payable in cash. SKC Group Limited and its subsidiaries, which are principally engaged in the retailing and wholesaling of children apparels, own the "Kingkow" brand name with 98 points of sales in the Greater China Region, Korea, Southeast Asia and Middle East. Details of the transaction are set out in the announcement of the Company published on September 4, 2008.

The 7.25% convertible loan note in the principal amount of HK\$30,000,000 issued to Cross Profit Capital Limited, a wholly owned subsidiary of Hanny Holdings Limited matured and was fully repaid on September 5, 2008.

員工

於二零零八年六月三十日，本集團之員工總數（聯營公司僱員除外）為426人（二零零七年：388人），總人數增加9.8%，乃由於汽車業務部及機動遊艇業務擴張，以及在香港及中國為高級品牌時裝及配飾業務開設零售店所致。

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，吾等進行更多當地招聘。管理層致力提高員工士氣及提供培訓，以確保本公司僱員保持穩定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（二零零七年：無）。

結算日後事項

本集團亦剛與高檔意大利時裝品牌「Marina Yachting」訂立獨家分銷協議。本集團將於下半年設立該品牌的時裝專門店，以推廣此品牌。

於二零零八年九月二日，本公司之全資附屬公司俊峰控股有限公司與獨立第三方訂立協議，以收購韻揚集團有限公司已發行股本之80%，總代價為港幣96,200,000元，惟可按本公司日期為二零零八年九月四日之公告所詳述方式作出調整。收購之代價須以現金支付。韻揚集團有限公司及其附屬公司主要從事兒童服裝零售及批發，擁有「小笑牛」(Kingkow)品牌，於大中華地區、韓國、東南亞及中東設有98個銷售點。交易之詳情載於本公司於二零零八年九月四日刊發之公告。

向錦興集團有限公司之全資附屬公司Cross Profit Capital Limited發行總額港幣30,000,000元之7.25%票息可換股貸款票據經已到期，並已於二零零八年九月五日全數償還。

On September 18, 2008, Auto Italia Limited, an approximately 70.50% owned subsidiary of the Company purchased a unit of vintage Ferrari from Mr. Richard Man Fai Lee, a Director and a controlling shareholder of the Company, for a cash consideration of HK\$4.68 million. The consideration shall be paid through internal resources. Details of the transactions are set out in the announcement of the Company published on September 18, 2008.

PROSPECTS

As the general economic situations in United States, Europe and Japan weaken, we inevitably witness a slow down in our key markets in Asia. However, the Group remains optimistic of the growth in our major business sectors. This is particularly true in our luxury car businesses supported by forthcoming launches of exciting "Ferrari" and "Maserati" models and a comfortable order portfolio.

The newly acquired fashion brands and distribution networks of "V-one" and the soon to be acquired brand and distribution network of "Kingkow" will provide additional sales revenues to the Group. These, together with our increasing collection of fashion and watch brands, will grow the Group into an important lifestyle distribution company.

Business of the air-conditioning and audio-visual business will remain competitive.

The management sees the second half of 2008 as an opportune period of sales growth and network expansion for the Group.

於二零零八年九月十八日，快意汽車有限公司（本公司擁有約70.50%權益之附屬公司）以現金代價港幣4,680,000元向李文輝先生（本公司董事兼控股股東）購買一輛古董法拉利汽車。代價將以內部資源方式繳付。有關交易之詳情載於本公司於二零零八年九月十八日刊發之公告。

前景

由於美國、歐洲及日本之整體經濟情況轉弱，本集團在亞洲主要市場之業務難免放緩。然而，本集團對主要業務分部之增長仍然樂觀。尤其即將推出令人興奮的「法拉利」及「瑪莎拉蒂」型號，加上手上充裕的訂單組合，令豪華汽車業務得到支持。

新購入之「V-one」及快將完成收購之「小笑牛」（Kingkow）時裝品牌及分銷網絡將為本集團帶來額外銷售收入。該等品牌連同本集團增加之時裝及手錶品牌，將帶動本集團成為舉足輕重之時尚產品分銷公司。

空調及影音業務仍會處於競爭環境中。

管理層認為二零零八年下半年將是本集團銷售增長及擴展網絡之適當時期。

Condensed Consolidated Income Statement

簡明綜合損益表

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

			2008 二零零八年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 港幣千元 (Unaudited) (未經審核)
		Notes 附註		
Turnover	營業額	3	540,921	457,546
Cost of sales	銷售成本		(437,954)	(372,325)
Gross profit	毛利		102,967	85,221
Other operating income	其他營業收入		2,807	1,447
Distribution costs	分銷成本		(41,335)	(30,990)
Administrative expenses	行政費用		(72,517)	(66,232)
Fair value gains on investment properties	投資物業公平值收益		-	508
Loss from operations	經營虧損	4	(8,078)	(10,046)
Finance costs	財務費用	5	(3,812)	(7,690)
Provision for guarantee	擔保撥備		(950)	-
Share of results of associates	應佔聯營公司業績		-	(609)
Loss before tax	除稅前虧損		(12,840)	(18,345)
Income tax expenses	所得稅開支	6	(473)	(185)
Loss for the period	本期間虧損		(13,313)	(18,530)
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		(17,825)	(20,565)
Minority interests	少數股東權益		4,512	2,035
			(13,313)	(18,530)
Losses per share for losses attributable to the equity holders of the Company	本公司權益持有人應佔之每股虧損			
- Basic and diluted (restated)	- 基本及攤薄(重列)	7	(5.82) cents 仙	(7.54) cents 仙
Dividends	股息	8	NIL 無	NIL 無

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

At June 30, 2008
於二零零八年六月三十日

			June 30, 2008 二零零八年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31, 2007 二零零七年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Investment properties	投資物業	9	17,641	9,600
Property, plant and equipment	物業、廠房及設備	10	47,453	44,541
Prepaid lease payments	預付租賃款項		1,565	1,558
Goodwill	商譽		27,087	2,787
Interests in associates	於聯營公司之權益		114	-
Available-for-sale financial assets	可供出售之金融資產		30,527	30,527
Deferred tax assets	遞延稅項資產		18	16
			124,405	89,029
Current assets	流動資產			
Inventories	存貨	11	248,206	124,993
Properties held for sale, at net realisable value	持作出售物業之 可變現淨值		23,400	23,400
Trade and other receivables	貿易往來及其他 應收賬款	12	221,596	185,075
Amounts due from associates	應收聯營公司款項		34,974	14,260
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		17	17
Cash and cash equivalents	現金及現金等值項目		248,850	363,949
			777,043	711,694
Current liabilities	流動負債			
Trade and other payables	貿易往來及其他應付賬款	13	359,670	243,956
Bills payables	應付票據		32,903	36,758
Tax payables	應付稅項		1,363	162
Amounts due to related companies	應付關聯公司款項		974	1,343
Convertible loan note	可換股貸款票據		30,538	30,207
Obligations under finance leases – due within one year	一年內到期之 融資租賃債務		74	936
Borrowings – due within one year	一年內到期之貸款	14	69,799	70,827
			495,321	384,189
Net current assets	流動資產淨值		281,722	327,505
Total assets less current liabilities	資產總值減流動負債		406,127	416,534

At June 30, 2008
於二零零八年六月三十日

			June 30, 2008 二零零八年 六月三十日 HK\$'000 港幣千元 (Unaudited) (未經審核)	December 31, 2007 二零零七年 十二月三十一日 HK\$'000 港幣千元 (Audited) (經審核)
		Notes 附註		
Non-current liabilities	非流動負債			
Obligations under finance leases – due after one year	一年後到期之 融資租賃債務		141	168
Borrowings – due after one year	一年後到期之貸款	14	22,285	13,506
Deferred tax liabilities	遞延稅項負債		6	6
			22,432	13,680
Net assets	資產淨值		383,695	402,854
Capital and reserves	資本及儲備			
Share capital	股本	15	30,638	255,314
Reserves	儲備		334,476	125,064
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益		365,114	380,378
Minority interests	少數股東權益		18,581	22,476
Total equity	總權益		383,695	402,854

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

		2008 二零零八年 HK\$'000 港幣千元 (Unaudited) (未經審核)	2007 二零零七年 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	(91,643)	(17,062)
Net cash used in investing activities	投資業務所用現金淨額	(24,155)	(6,209)
Net cash used in financing activities	融資業務所用現金淨額	(2,466)	(5,755)
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(118,264)	(29,026)
Cash and cash equivalents at January 1	於一月一日之現金及現金等值項目	363,366	22,023
Effect of foreign currency exchange rate changes	外幣匯率變動之影響	2,601	448
Cash and cash equivalents at June 30	於六月三十日之現金及現金等值項目	247,703	(6,555)
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Being :	即 :		
Cash and cash equivalents	現金及現金等值項目	248,850	17,870
Bank overdrafts	銀行透支	(1,147)	(24,603)
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
		247,703	(6,555)

Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表

For the six months ended June 30, 2008
截至二零零八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

		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 贖回儲備 資本 HK\$'000 港幣千元	Share options reserve 優先認股權儲備 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Equity component of convertible loan note 可換股貸款票據之權益部份 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Equity component of convertible loan note 可換股貸款票據之權益部份 HK\$'000 港幣千元	Minority interests 少數股東權益 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At January 1, 2008	於二零零八年一月一日	255,314	4,960	916	2,017	(4,170)	185	-	151,236	(30,080)	22,476	402,854
Arising from capital reduction	削減股本所產生	(229,782)	-	-	-	-	-	229,782	-	-	-	-
Elimination of accumulated losses upon capital reorganisation	股本重組時撇銷累計虧損	-	-	-	-	-	-	(229,782)	-	229,782	-	-
Issue of bonus shares	發行紅股	5,106	-	-	-	-	-	-	-	(5,106)	-	-
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	-	-	-	-	2,561	-	-	-	-	287	2,848
Increase in minority interest resulting from acquisition of a subsidiary	因收購附屬公司而產生之少數股東權益增加	-	-	-	-	-	-	-	-	-	(8,694)	(8,694)
(Loss)/profit for the period	期內(虧損)/盈利	-	-	-	-	-	-	-	-	(17,825)	4,512	(13,313)
At June 30, 2008	於二零零八年六月三十日	30,638	4,960	916	2,017	(1,609)	185	-	151,236	176,771	18,581	383,695

(Unaudited)
(未經審核)

Attributable to equity holders of the Company
本公司權益持有人應佔

		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 贖回儲備 資本 HK\$'000 港幣千元	Share options reserve 優先認股權儲備 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Equity component of convertible loan note 可換股貸款票據之權益部份 HK\$'000 港幣千元	Other reserves 其他儲備 HK\$'000 港幣千元	Accumulated losses 累計虧損 HK\$'000 港幣千元	Minority interests 少數股東權益 HK\$'000 港幣千元	Total 合計 HK\$'000 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)	
At June 30, 2007	於二零零七年六月三十日		221,715	-	916	172	(4,009)	185	151,236	(86,386)	17,340	301,169

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended June 30, 2008
截至二零零八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 Hong Kong Accounting Standards (“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 have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair values.

The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2007.

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 consolidated financial statements for the year ended December 31, 2007, except for the accounting policy disclosed herein.

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、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，編製未經審核簡明綜合財務報表。

未經審核簡明綜合財務報表按歷史成本慣例編製，惟若干以公平值計入損益之金融工具除外。

未經審核簡明綜合財務報表應與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二零零七年十二月三十一日止年度之年度綜合財務報表所使用者貫徹一致，惟本公告披露之會計政策除外。

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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, 2008. The Group adopted the following new/revised HKFRSs which are relevant to its operations:

HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction

The directors of the Company assessed the impacts of the adoption of these new interpretation and concluded that the adoption of these new interpretation had no material impact on the results or the financial position of the Group for the current or prior accounting period. Accordingly, no prior period adjustment has been recognised.

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，將於二零零八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（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
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
香港（國際財務報告詮釋委員會）— 詮釋第14號	香港會計準則第19號— 對界定利益資產、最低資金規定及其互動之限制

本公司董事已評估採納該等新詮釋之影響，並認為採納該等新詮釋將不會對本集團本期或以往會計期間之業績或財務狀況產生重大影響。因此，並無確認任何前期調整。

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截至二零零八年六月三十日止六個月

2. Application of new and revised HKFRSs (continued)

The Group has not early applied the following new and revised HKASs and HKFRSs or interpretations that have been issued but are not yet effective in the unaudited condensed consolidated financial statements for the six months ended June 30, 2008:

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³

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

² Effective for annual periods beginning on or after July 1, 2009

³ Effective for annual periods beginning on or after July 1, 2008

2. 應用新訂及經修訂香港財務報告準則 (續)

本集團並無在截至二零零八年六月三十日止六個月之未經審核簡明綜合財務報表中提早應用以下已頒佈但尚未生效之新訂及經修訂香港會計準則及香港財務報告準則或詮釋：

香港會計準則 第1號(經修訂)	呈列財務報表 ¹
香港會計準則 第23號(經修訂)	借貸成本 ¹
香港會計準則 第27號(經修訂)	綜合及獨立財務 報表 ²
香港會計準則 第32號及1號 (修訂本)	可認沽金融工具及 清盤時產生之 責任 ¹
香港財務報告準則 第2號(修訂本)	歸屬條件及註銷 ¹
香港財務報告準則 第3號(經修訂)	業務合併 ²
香港財務報告準則 第8號	經營分部 ¹
香港(國際財務報告 詮釋委員會) — 詮釋第13號	客戶忠誠計劃 ³

¹ 於二零零九年一月一日或之後開始之年度期間生效

² 於二零零九年七月一日或之後開始之年度期間生效

³ 於二零零八年七月一日或之後開始之年度期間生效

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 截至二零零八年六月三十日止六個月

3. Business and geographical segments

Business segments

The principal activities of the Group are 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 these businesses is presented below.

Six months ended June 30, 2008

3. 業務及地區分類

業務分類

本集團之主要業務為汽車及汽車配件、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。

截至二零零八年六月三十日止六個月

		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)
Turnover	營業額						
External sales	外部銷售收益	428,437	103,512	515	8,457	-	540,921
Inter-segment sales	業務之間銷售收益	-	-	-	-	-	-
Total turnover	營業總額	428,437	103,512	515	8,457	-	540,921
Results	業績						
Segment results	分類業績	13,915	2,073	151	(12,311)	-	3,828
Unallocated corporate expenses	未分類公司支出						(11,906)
Loss from operations	經營虧損						(8,078)
Finance costs	財務費用						(3,812)
Provision for guarantee	擔保撥備						(950)
Loss before tax	除稅前虧損						(12,840)
Income tax expenses	所得稅開支						(473)
Loss for the period	本期間虧損						(13,313)

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 截至二零零八年六月三十日止六個月

3. Business and geographical segments (continued) 3. 業務及地區分類 (續)

Business segments (continued)

業務分類 (續)

Six months ended June 30, 2007

截至二零零七年六月三十日止六個月

		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)
Turnover	營業額						
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	-	-	-	-	-	-
Total turnover	營業總額	338,573	98,910	7,463	12,600	-	457,546
Results	業績						
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						(18,530)

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

3. Business and geographical segments (continued) 3. 業務及地區分類 (續)

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:

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		Contribution to operating results	
		地區分類之營業額		對經營業績之貢獻	
		Six months ended June 30		Six months ended June 30	
		截至六月三十日止六個月		截至六月三十日止六個月	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Hong Kong	香港	428,242	388,127	885	(294)
Singapore	新加坡	39,473	32,564	1,972	777
Malaysia	馬來西亞	17,669	14,896	2,042	859
PRC	中國	51,345	15,369	(3,776)	(2,587)
Macau	澳門	4,192	5,862	(102)	17
Others	其他	-	728	-	29
		540,921	457,546	1,021	(1,199)
Other operating income	其他營業收入			2,807	1,447
Unallocated corporate expenses	未分類公司支出			(11,906)	(10,294)
Loss from operations	經營虧損			(8,078)	(10,046)

For the six months ended June 30, 2008
 截至二零零八年六月三十日止六個月

4. Loss from operations

4. 經營虧損

		Six months ended June 30	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
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)	437,954	372,325
Amortisation of prepaid lease payments	預付租賃款項攤銷	17	-
Depreciation of:	折舊：		
– owned assets	– 自置資產	4,908	4,742
– assets held under finance leases	– 融資租賃資產	376	441
Staff costs, including directors' emoluments	僱員成本，包括董事酬金	55,500	41,800
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	7
Share-based payment expenses	股份付款開支	-	172
and crediting:	並已計入：		
Interest income	利息收入	4,815	544
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	985	-

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

5. Finance costs

5. 財務費用

		Six months ended June 30	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		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	1,883	5,953
Bank loans wholly repayable after five years	五年後全數償還 之銀行貸款	339	114
Other loans wholly repayable within five years	五年內全數償還 之其他貸款	1,473	1,416
		3,695	7,483
Finance lease charges	融資租賃費用	6	49
Bank charges	銀行費用	111	158
		3,812	7,690

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

6. Income tax expenses

No provision for Hong Kong Profits Tax has been provided during the period as the Group did not have assessable profits during the period (2007: 17.5%).

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

6. 所得稅開支

由於本集團期內並無應課稅盈利，故期內並無就香港利得稅作出撥備（二零零七年：17.5%）。

海外稅項乃根據各自司法權區之現行稅率計算。

		Six months ended June 30	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current tax:	本期間稅項：		
Hong Kong	香港	-	366
Overseas	海外	475	13
		475	379
Deferred tax:	遞延稅項：		
Hong Kong	香港	-	(194)
Overseas	海外	(2)	-
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	473	185

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截至二零零八年六月三十日止六個月

7. 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\$17,825,000 (2007: HK\$20,565,000) and on the weighted average number of ordinary shares in issue during the period of 306,377,710 (2007: 272,680,594 (restated)) after adjusting for the effects of bonus shares issue approved on April 30, 2008. The basic losses per share for 2007 had been adjusted accordingly (note 15).

Diluted losses per share for the periods ended June 30, 2008 and 2007 were the same as the basic losses per share. The Company's outstanding share options and convertible loan note were not included in the calculation of diluted losses per share because the effects of the Company's outstanding share options and convertible loan note were anti-dilutive.

8. Dividends

The directors do not recommend the payment of any interim dividend for the six months ended June 30, 2008 (six months ended June 30, 2007: Nil).

7. 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17,825,000元（二零零七年：港幣20,565,000元）及期內已發行普通股之加權平均數306,377,710股（二零零七年：272,680,594股（重列））計算，並已就二零零八年四月三十日批准之發行紅股的影響作調整。二零零七年之每股基本虧損亦已作相應調整（附註第15項）。

截至二零零八年及二零零七年六月三十日止期間之每股攤薄虧損與每股基本虧損相同。由於本公司之未行使優先認股權及可換股貸款票據具有反攤薄影響，因此計算每股攤薄虧損時，本公司之未行使優先認股權及可換股貸款票據並無計算在內。

8. 股息

董事議決就截至二零零八年六月三十日止六個月不宣派中期股息（截至二零零七年六月三十日止六個月：無）。

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

9. Investment properties

9. 投資物業

		June 30, 2008	December 31, 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
At the beginning of the period/year	於期／年初	9,600	234,918
Disposal of subsidiaries	出售附屬公司	-	(227,340)
Increase in fair value recognised in the income statement	於損益表確認之 公平值增加	-	2,022
Acquisition of a subsidiary	收購一間附屬公司	8,041	-
At the end of the period/year	於期／年末	17,641	9,600

The investment properties of the Group were revalued at June 30, 2008 by Raffles Appraisals Limited, independent qualified professional valuers, on an open market and existing use basis.

本集團投資物業於二零零八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。

The Group had pledged investment properties with a carrying amount of approximately HK\$15,141,000 (2007: HK\$7,100,000) to secure facilities granted to the Group (note 21).

本集團以賬面值約港幣15,141,000元之投資物業(二零零七年：港幣7,100,000元)作為抵押，藉以為授予本集團之信貸作擔保(附註第21項)。

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 截至二零零八年六月三十日止六個月

10. Property, plant and equipment

10. 物業、廠房及設備

		June 30, 2008	December 31, 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
At the beginning of the period/year	於期／年初	44,541	100,479
Exchange difference	匯兌差額	555	210
Additions	添置	4,472	31,191
Acquisition of subsidiaries	收購附屬公司	4,833	-
Disposals	出售	(1,609)	(1,539)
Disposal of subsidiaries	出售附屬公司	(55)	(75,046)
Depreciation charges	折舊	(5,284)	(10,754)
At the end of the period/year	於期／年末	47,453	44,541

At June 30, 2008, the Group had pledged motor yacht with a carrying amount of approximately HK\$16,313,000 (2007: nil) to secure facilities granted to the Group (note 21).

於二零零八年六月三十日，本集團以賬面值約港幣16,313,000元(二零零七年：無)之機動遊艇作為抵押，藉以為授予本集團之信貸擔保(附註第21項)。

11. Inventories

11. 存貨

		June 30, 2008	December 31, 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Finished goods	製成品	226,380	109,361
Spare parts	零件	21,826	15,632
		248,206	124,993

Included in the above figure are finished goods of approximately HK\$9,218,000 (2007: HK\$19,601,000) which has been pledged as security for bank loans (note 21).

上述金額內之港幣9,218,000元(二零零七年：港幣19,601,000元)之製成品，被用作銀行貸款之抵押(附註第21項)。

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 截至二零零八年六月三十日止六個月

12. Trade and other receivables

The Group generally allows an average credit period of 7 to 90 days to its trade customers. The aged analysis of the Group's trade receivables at the balance sheet date is as follows:

		June 30, 2008	December 31, 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 30 days	三十天以內	47,784	82,794
31 to 60 days	三十一天至六十天	14,581	18,699
61 to 90 days	六十一天至九十天	3,264	6,048
91 days to 1 year	九十一天至一年	24,533	16,396
Over 1 year	一年以上	3,416	1,349
Total trade receivables, net of allowance for doubtful debts	貿易往來應收賬款 減呆賬撥備總額	93,578	125,286
Deposits, prepayments and other receivables	訂金、預付款及 其他應收賬款	128,018	59,789
		221,596	185,075

The fair values of the Group's trade and other receivables at June 30, 2008 approximate to the corresponding carrying amounts.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

12. 貿易往來及其他應收賬款

本集團給予客戶平均七至九十天之信貸期。其貿易往來應收賬款於結算日之賬齡分析如下：

	June 30, 2008	December 31, 2007
	二零零八年 六月三十日	二零零七年 十二月三十一日
	HK\$'000	HK\$'000
	港幣千元	港幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Within 30 days	47,784	82,794
31 to 60 days	14,581	18,699
61 to 90 days	3,264	6,048
91 days to 1 year	24,533	16,396
Over 1 year	3,416	1,349
Total trade receivables, net of allowance for doubtful debts	93,578	125,286
Deposits, prepayments and other receivables	128,018	59,789
	221,596	185,075

於二零零八年六月三十日，本集團貿易往來及其他應收賬款之公平值與相應賬面值大致相等。

就貿易往來應收賬款，並無重大集中信貸風險，因為本集團客戶數量眾多，分散於國際市場。

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 截至二零零八年六月三十日止六個月

13. Trade and other payables

The aged analysis of the Group's trade payables at the balance sheet date is as follows:

		June 30,	December 31,
		2008	2007
		二零零八年	二零零七年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 30 days	三十天以內	26,314	7,995
31 to 60 days	三十一天至六十天	7,265	3,111
61 to 90 days	六十一天至九十天	6,296	8,953
91 days to 1 year	九十一天至一年	8,952	1,410
Over 1 year	一年以上	654	2,314
Total trade payables	貿易往來應付賬款總額	49,481	23,783
Customers' deposits, accruals and other payables	客戶訂金、應付費用 及其他應付賬款	310,189	220,173
		359,670	243,956

The fair values of the Group's trade and other payables at June 30, 2008 approximate to the corresponding carrying amounts.

13. 貿易往來及其他應付賬款

貿易往來及其他應付賬款於結算日之賬齡分析如下：

		June 30,	December 31,
		2008	2007
		二零零八年	二零零七年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 30 days	三十天以內	26,314	7,995
31 to 60 days	三十一天至六十天	7,265	3,111
61 to 90 days	六十一天至九十天	6,296	8,953
91 days to 1 year	九十一天至一年	8,952	1,410
Over 1 year	一年以上	654	2,314
Total trade payables	貿易往來應付賬款總額	49,481	23,783
Customers' deposits, accruals and other payables	客戶訂金、應付費用 及其他應付賬款	310,189	220,173
		359,670	243,956

於二零零八年六月三十日，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。

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14. Borrowings

14. 貸款

		June 30, 2008	December 31, 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Bank overdrafts	銀行透支	1,147	583
Bank loans	銀行貸款	90,937	83,750
		92,084	84,333
Secured (note 21)	有抵押(附註21)	81,376	75,309
Unsecured	無抵押	10,708	9,024
		92,084	84,333
The maturities of the above loans are as follows:	上述貸款屆滿期如下：		
Within one year	一年內	69,799	70,827
More than one year, but not exceeding two years	一年以上，但不超過兩年	3,734	2,760
More than two years, but not exceeding five years	兩年以上，但不超過五年	11,644	4,305
More than five years	五年以上	6,907	6,441
		92,084	84,333
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	(69,799)	(70,827)
Amounts due after one year	一年後到期應付款項	22,285	13,506

The fair values of the Group's borrowings at June 30, 2008 approximate to the corresponding carrying amounts.

本集團貸款於二零零八年六月三十日之公平值與相應賬面值相若。

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15. Share capital

15. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 港幣千元
Authorised:	法定股本：		
Ordinary shares of HK\$1.00 each (2007: HK\$1.00 each) at January 1, 2008	於二零零八年一月一日 每股面值港幣1.00元 之普通股(二零零七年： 每股面值港幣1.00元)	350,000,000	350,000
Effect of capital reorganization (note i)	股本重整之影響(附註i)	3,150,000,000	-
At June 30, 2008 of HK\$0.10 each	於二零零八年六月三十日 每股面值港幣0.10元	3,500,000,000	350,000
Issued and fully paid :	已發行及繳足股本：		
Ordinary shares of HK\$1.00 each (2007: HK\$1.00 each)	每股面值港幣1.00元 之普通股(二零零七年： 每股面值港幣1.00元)		
At January 1, 2008	於二零零八年一月一日	255,314,759	255,314
Effect of share reduction (note ii)	削減股本之影響(附註ii)	-	(229,782)
Effect of bonus share issue (note iii)	發行紅股之影響(附註iii)	51,062,951	5,106
At June 30, 2008 of HK\$0.10 each	於二零零八年六月三十日 每股面值港幣0.10元	306,377,710	30,638

Notes:

附註：

- | | |
|--|---|
| <p>i. Pursuant to a resolution passed by the shareholders of the Company at the special general meeting held on April 30, 2008, the capital reorganization was effective on the same day. Accordingly, the authorized capital of the Company has become HK\$350,000,000 divided into 3,500,000,000 shares of HK\$0.10 each.</p> | <p>i. 根據本公司股東於二零零八年四月三十日舉行之股東特別大會上通過之決議案，股本重整於同日生效。據此，本公司法定股本為港幣350,000,000元，分為3,500,000,000股每股面值港幣0.10元之股份。</p> |
| <p>ii. Pursuant to a resolution passed by the shareholders of the Company at the special general meeting held on April 30, 2008, the nominal value of each share in issue reduced from HK\$1.00 to HK\$0.10 by canceling paid up capital to the extent of HK\$0.90 for each issued share.</p> | <p>ii. 根據本公司股東於二零零八年四月三十日舉行之股東特別大會上通過之決議案，藉註銷每股已發行股份之已繳股本達港幣0.90元，將每股已發行股份面值由港幣1.00元減至港幣0.10元。</p> |
| <p>iii. Pursuant to a resolution passed by the shareholders of the Company at the special general meeting held on April 30, 2008, 51,062,951 bonus shares of HK\$0.10 each were issued for every five adjusted shares of HK\$0.10 each held by the shareholders whose names appeared on the register of members of the Company on April 30, 2008. The amount of HK\$5,106,295.10 was capitalised from the Company's contributed surplus account.</p> | <p>iii. 根據本公司股東於二零零八年四月三十日舉行之股東特別大會上通過之決議案，按於二零零八年四月三十日名列本公司股東名冊之股東每持有五股每股面值港幣0.10元經調整股份獲發一股面值港幣0.10元股份之比例，而發行51,062,951股紅股。上述港幣5,106,295.10元之金額乃從本公司繳入盈餘賬撥充資本。</p> |

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截至二零零八年六月三十日止六個月

16. Acquisition of subsidiaries

On January 18, 2008, the Group acquired 100% of the issued share capital of Sunny Villa International Limited at a consideration of HK\$2,500,000. The amount of goodwill arising as a result of the acquisition was approximately HK\$145,000.

The net assets acquired in the transaction and the goodwill arising were as follows:

16. 收購附屬公司

於二零零八年一月十八日，本集團按代價港幣2,500,000元收購裕寧控股有限公司已發行股本之100%。因收購而產生之商譽金額約為港幣145,000元。

在該交易中收購之資產淨值及產生之商譽如下：

		Acquiree's carrying amount before combination		Fair value adjustment		Total fair value
		所收購公司 於合併前 之賬面值 HK\$'000 港幣千元 (Unaudited) (未經審核)		公平值調整 HK\$'000 港幣千元 (Unaudited) (未經審核)		公平值總額 HK\$'000 港幣千元 (Unaudited) (未經審核)
Net assets acquired:	收購之資產淨值：					
Investment properties	投資物業	8,041		-		8,041
Other receivables	其他應收賬款	2		-		2
Cash and cash equivalents	現金及現金等值項目	29		-		29
Trade and other payables	貿易往來及其他 應付賬款	(1,839)		-		(1,839)
Secured bank loan	有抵押銀行貸款	(3,660)		-		(3,660)
		2,573		-		2,573
Goodwill	商譽					145
Transaction costs	交易成本					(218)
Total consideration	總代價					2,500
Satisfied by:	償付：					
Cash	現金					2,500
Net cash outflow from acquisition:	收購之現金流出淨額：					
Cash consideration	現金代價					(2,500)
Cash and cash equivalents acquired	收購之現金及現金等值項目					29
						(2,471)

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16. Acquisition of subsidiaries (continued)

On May 30, 2008, the Group acquired 60% of the issued share capital of Creative Pacific Limited at a consideration of HK\$19,500,000. The balance of the consideration of HK\$9,750,000 is subject to adjustments to be made and shall be paid in two installments. The adjustments were not included at the date of acquisition as the amount was not probable and could not be measured reliably. The amount of goodwill arising as a result of the acquisition was approximately HK\$24,148,000.

The net liabilities acquired in the transaction and the goodwill arising were as follows:

16. 收購附屬公司 (續)

於二零零八年五月三十日，本集團按代價港幣19,500,000元收購香港新概念控股有限公司已發行股本之60%，代價之餘款港幣9,750,000元可作出調整，並須分兩期支付。於收購日期，由於有關金額不可能可靠地計量，故並無計入上述調整。因收購產生之商譽金額約為港幣24,148,000元。

在該交易中收購之負債淨額及產生之商譽如下：

		Acquiree's carrying amount before combination		Fair value adjustment		Total fair value
		所收購公司 於合併前 之賬面值 HK\$'000 港幣千元 (Unaudited) (未經審核)		公平值調整 HK\$'000 港幣千元 (Unaudited) (未經審核)		公平值總額 HK\$'000 港幣千元 (Unaudited) (未經審核)
Net liabilities acquired:	收購之負債淨額：					
Property, plant and equipment	物業、廠房及設備	2,900		-		2,900
Goodwill	商譽	4		-		4
Inventories	存貨	16,139		-		16,139
Trade and other receivables	貿易往來及其他 應收賬款	6,175		-		6,175
Cash and cash equivalents	現金及現金等值項目	1,289		-		1,289
Trade and other payables	貿易往來及其他 應付賬款	(39,546)		-		(39,546)
Tax payable	應付稅項	(3)		-		(3)
		(13,042)		-		(13,042)
Goodwill	商譽					24,148
Transaction costs	交易成本					(1,356)
Total consideration	總代價					9,750
Satisfied by:	償付：					
Cash	現金					9,750
Net cash outflow from acquisition:	收購之現金流出淨額：					
Cash consideration	現金代價					(9,750)
Cash and cash equivalents acquired	收購之現金及現金等值項目					1,289
						(8,461)

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17. 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\$327,890,000 (December 31, 2007: HK\$279,862,000).
- (b) The Company had provided other guarantees issued for subsidiaries in the amount of approximately HK\$14,321,000 (December 31, 2007: HK\$24,559,000).
- (c) Under a share purchase and subscription agreement signed on June 30, 2006, a subsidiary of the Company provide a guarantee amounting to a maximum of RMB11 million (approximately HK\$11.8 million) in settlement of certain liabilities of the disposed entity incurred prior to disposal. During the period ended June 30, 2008, approximately HK\$8,450,000 were paid under the guarantee and HK\$950,000 (December 31, 2007: HK\$7,500,000) has been recognised in the consolidated financial statements of the Group. At June 30, 2008, the outstanding balance of the guarantee was approximately HK\$5,100,000 (December 31, 2007: HK\$3,500,000).
- (d) Under a share acquisition agreement signed on May 16, 2008, a subsidiary of the Company agrees to acquire 60% of the issued share capital in Creative Pacific Limited at a consideration of HK\$19,500,000. The balance of the consideration of HK\$9,750,000 is subject to adjustments to be made and shall be paid in two installments. For details, please refer to the Company's circular dated June 6, 2008.

17. 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327,890,000元(二零零七年十二月三十一日：港幣279,862,000元)。
- (b) 本公司為附屬公司發出其他擔保，為數約港幣14,321,000元(二零零七年十二月三十一日：港幣24,559,000元)。
- (c) 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發出一項金額最多為人民幣11,000,000元(約港幣11,800,000元)之擔保，以擔保償付所出售公司於出售前產生之若干負債。截至二零零八年六月三十日止期間內，已根據擔保支付約港幣8,450,000元，而約港幣950,000元(二零零七年十二月三十一日：港幣7,500,000元)已於本集團綜合財務報表中確認。於二零零八年六月三十日，擔保之餘額約為港幣5,100,000元(二零零七年十二月三十一日：港幣3,500,000元)。
- (d) 根據於二零零八年五月十六日簽訂之股份收購協議，本公司之一間附屬公司同意按代價港幣19,500,000元收購香港新概念控股有限公司已發行股本之60%。代價之餘款港幣9,750,000元可作出調整，並須分兩期支付。有關詳情，請參閱本公司日期為二零零八年六月六日之通函。

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18. Commitments

(a) Capital commitments

	June 30, 2008	December 31, 2007
	二零零八年 六月三十日	二零零七年 十二月三十一日
	HK\$'000	HK\$'000
	港幣千元	港幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Authorised but not contracted for 已獲授權惟尚未訂約	–	579
Contracted but not provided for 已訂約惟尚未撥備	24,400	46
	24,400	625

(b) Operating lease commitments

At June 30, 2008 the Group leases various retail shops, offices and warehouses and had commitments under non-cancellable operating leases, which fall due as follows:

	June 30, 2008	December 31, 2007
	二零零八年 六月三十日	二零零七年 十二月三十一日
	HK\$'000	HK\$'000
	港幣千元	港幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Within one year 一年內	39,061	22,947
In the second to fifth year inclusive 第二至第五年	26,168	25,096
	65,229	48,043

The above lease commitments only include commitments for basic rentals, and do not include commitments for additional rental payment (contingent rents), if any, which are to be determined generally by applying pre-determined percentages to future sales less of the respective leases, as it is not possible to determine in advance the amount of such additional rentals.

18. 承擔

(a) 資本承擔

	June 30, 2008	December 31, 2007
	二零零八年 六月三十日	二零零七年 十二月三十一日
	HK\$'000	HK\$'000
	港幣千元	港幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Authorised but not contracted for 已獲授權惟尚未訂約	–	579
Contracted but not provided for 已訂約惟尚未撥備	24,400	46
	24,400	625

(b) 經營租賃承擔

於二零零八年六月三十日，本集團租賃多間零售店、辦公室及倉庫，而根據以下不可撤銷經營租賃之承擔及屆滿期如下：

	June 30, 2008	December 31, 2007
	二零零八年 六月三十日	二零零七年 十二月三十一日
	HK\$'000	HK\$'000
	港幣千元	港幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Within one year 一年內	39,061	22,947
In the second to fifth year inclusive 第二至第五年	26,168	25,096
	65,229	48,043

由於不可能預先斷定額外租賃款項，上述租賃承擔僅包括基本租金，不包括應付額外租金(或然租金)(如有)之承擔，一般乃以未來銷售額減有關租金後按預先設定百分比釐定。

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19. Derivative financial instruments

At June 30, 2008, the Group had entered into forward contracts denominated in Hong Kong Dollar (“HKD”), Japan Yen (“JPY”), Euro dollar (“EUR”), United States Dollar (“USD”) and Singapore Dollar (“SGD”). The major terms of the foreign currency forward contracts are as follows:

19. 衍生金融工具

於二零零八年六月三十日，本集團已簽署以港元、日圓、歐元、美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：

Notional amount 名義金額	Maturity 到期日	Exchange rates 匯率
Sell SGD 500,000 賣價500,000新加坡元	July 31, 2008 二零零八年七月三十一日	SGD 0.01332 to JPY1 0.01332新加坡元兌1日圓
Sell SGD 221,349 賣價221,349新加坡元	July 31, 2008 二零零八年七月三十一日	SGD 0.01378 to JPY1 0.01378新加坡元兌1日圓
Sell SGD 493,667 賣價493,667新加坡元	August 15, 2008 二零零八年八月十五日	SGD 1.3658 to USD1 1.3658新加坡元兌1美元
Sell SGD 21,957 賣價21,957新加坡元	August 15, 2008 二零零八年八月十五日	SGD 1.3658 to USD1 1.3658新加坡元兌1美元
Sell SGD 587 賣價587新加坡元	August 15, 2008 二零零八年八月十五日	SGD 1.3658 to USD1 1.3658新加坡元兌1美元
Sell HKD 9,928,139 賣價港幣9,928,139元	December 30, 2008 二零零八年十二月三十日	HKD 12.25 to EUR1 港幣12.25元兌1歐元
Sell HKD 9,209,015 賣價港幣9,209,015元	December 30, 2008 二零零八年十二月三十日	HKD 12.439 to EUR1 港幣12.439元兌1歐元
Sell HKD 4,126,375 賣價港幣4,126,375元	November 14, 2008 二零零八年十一月十四日	HKD 12.15 to EUR1 港幣12.15元兌1歐元

For the six months ended June 30, 2008
 截至二零零八年六月三十日止六個月

20. Material related party transactions

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

20. 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：

		Six months ended June 30	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
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	-	2,097
Sales of goods to related companies	售貨予關聯公司	-	4,600
Purchase of goods from a director	向一位董事購入貨物	-	1,350
Acquisition of share capital and shareholder's loan of a company owned by a common shareholder	收購由一名共同股東擁有的公司之股本及股東貸款	4,300	-
Service income charged to an associate	收取一間聯營公司之服務收入	109	-

(b) Compensation of key management personnel

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

(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：

		Six months ended June 30	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Short term employee benefits	短期僱員福利	4,677	4,506
Mandatory provident fund contributions	強制性公積金供款	19	23
		4,696	4,529

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

20. Material related party transactions (continued)

20. 與關聯人士之主要交易 (續)

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

(c) 應收／(應付)關聯人士款項：

		June 30, 2008	December 31, 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Amount due from associates	應收聯營公司款項	34,974	14,260
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	(974)	(1,343)

21. Pledge of assets

21. 資產抵押

		June 30, 2008	December 31, 2007
		二零零八年 六月三十日	二零零七年 十二月三十一日
		HK\$'000	HK\$'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Inventories	存貨	9,218	19,601
Investment properties	投資物業	15,141	7,100
Properties held for sale	持作出售物業	23,400	23,400
Deposits in bank	銀行存款	92,252	86,796
Property, plant and equipment	物業、廠房及設備	16,313	-
All assets of a subsidiary	一間附屬公司之全部資產	20,887	19,602

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 bank 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銀行貸款償還後解除。

For the six months ended June 30, 2008
截至二零零八年六月三十日止六個月

22. Events after balance sheet date

- (a) On September 2, 2008, a wholly-owned subsidiary of the Company, Smart Apex Holdings Limited (“Smart Apex”), entered into the Sale and Purchase Agreement with the vendors which Smart Apex agrees to acquire 80% of the issued share capital in SKC Group Limited (SKC) for the aggregate cash consideration of HK\$96,200,000. Further details were set out in the announcement of the Company dated September 4, 2008.
- (b) The 7.25% convertible loan note in the principal amount of HK\$30,000,000 issued to Cross Profit Capital Limited, a wholly owned subsidiary of Hanny Holdings Limited matured and was fully repaid on September 5, 2008.
- (c) On September 18, 2008, a subsidiary of the Company, Auto Italia Limited, purchased a unit of vintage Ferrari from a director and controlling shareholder of the Company, Mr. Richard Man Fai Lee. Further details were set out in the announcement of the Company dated September 18, 2008.

23. Approval of interim financial report

The interim financial report was approved by the Board of the Directors on September 18, 2008.

22. 結算日後事項

- (a) 於二零零八年九月二日，本公司之全資附屬公司俊峰控股有限公司（「俊峰」）與賣方訂立買賣協議，據此俊峰同意收購韻揚集團有限公司（「韻揚」）已發行股本之80%，總代價為港幣96,200,000元。進一步詳情載於本公司日期為二零零八年九月四日之公告。
- (b) 向錦興集團有限公司之全資附屬公司 Cross Profit Capital Limited 發行之本金總額港幣30,000,000元之7.25%票息可換股貸款票據經已到期，並已於二零零八年九月五日全數償還。
- (c) 於二零零八年九月十八日，本公司之附屬公司快意汽車有限公司向李文輝先生（本公司董事兼控股股東）購買一輛古董法拉利汽車。進一步詳情載於本公司日期為二零零八年九月十八日之公告。

23. 批准中期財務報告

董事會已於二零零八年九月十八日批准本中期財務報告。

DISCLOSURE OF DIRECTORS' INTERESTS

As at June 30, 2008, the interests and short positions of each Directors 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 as at June 30, 2008:

董事權益披露

於二零零八年六月三十日，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之標準守則須知會本公司及聯交所之權益及淡倉如下：

(a) 於二零零八年六月三十日，股份之好倉：

Director 董事	Number of ordinary shares of HK\$0.10 each ("Share") 每股面值港幣0.10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	2,779,725	—	116,560,284 (Note 1) (附註1)	119,340,009
Mr. Jeff Man Bun LEE 李文彬先生	566,280	—	118,295,146 (Notes 1 & 2) (附註1及2)	118,861,426
Mr. Tik Tung WONG 汪滌東先生	175,000	—	—	175,000
Mr. Waison Chit Sing HUI 許捷成先生	120,000	—	—	120,000
Mr. Boon Seng TAN 陳文生先生	325,662	—	—	325,662
Mr. Raymond Cho Min LEE 李卓民先生	—	—	2,304,240 (Note 3) (附註3)	2,304,240
Ms. Kam Har YUE 余金霞女士	6,251,659	—	116,560,284 (Note 1) (附註1)	122,811,943

DISCLOSURE OF DIRECTORS' INTERESTS (continued)

Notes:

1. The 116,560,284 Shares are held by Modern Orbit Limited, which is wholly owned by Cyber Tower (PTC) Inc. (formerly known as 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 118,295,146 Shares, 1,734,862 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 2,304,240 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) Long positions in underlying shares of equity derivatives of the Company as at June 30, 2008 are disclosed in the section headed "Movement of share options" of this report.

董事權益披露 (續)

附註：

1. 該116,560,284股股份由Modern Orbit Limited擁有。Modern Orbit Limited 由Cyber Tower (PTC) Inc. (前稱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118,295,146股股份當中1,734,862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2,304,240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) 於二零零八年六月三十日，本公司股票衍生工具之相關股份之好倉在本報告「優先認股權變動」一節內予以披露。

DISCLOSURE OF DIRECTORS' INTERESTS (continued)

董事權益披露 (續)

(c) Long positions in shares in associated corporations as at June 30, 2008:

(c) 於二零零八年六月三十日，於相聯法團之股份之好倉：

Director 董事	Associated corporations in which shares or equity interests are held or interested 持有或擁有股份或 股本權益之相聯法團	Number of shares or amount of equity interests held or interested in 持有或擁有之 股份數目或 股本權益之總額	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
	Wo Kee Hong Limited 和記電業有限公司	8,900 (Note 1) (附註1)	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 2) (附註2)	Non-voting deferred shares 無投票權遞延股

Notes:

- 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.

註：

- 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, 2008, 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:

(a) Long positions in Shares as at June 30, 2008:

主要股東權益

除下文及於「董事權益披露」一節披露者外，於二零零八年六月三十日，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：

(a) 於二零零八年六月三十日，股份之好倉：

Shareholder 股東	Number of Shares 股份數目	Number of underlying shares of equity derivatives 相關權益衍生工具之 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	116,560,284 (Note 1) (附註1)	–	38.04%
Hanny Holdings Limited	390,000 (Note 3) (附註3)	–	0.12%
Great Intelligence Holdings Limited	5,178,960 (Note 4) (附註4)	–	1.69%
Cross Profit Capital Limited	–	36,144,578 (Notes 2 & 3) (附註2及3)	11.79%
Dr. Charles Kwok Keung CHAN	6,114,000 (Notes 3 & 4) (附註3及4)	–	1.99%
Ms. Macy Yuen Lan NG	6,114,000 (Notes 3 & 4) (附註3及4)	–	1.99%

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

Notes:

1. The 116,560,284 Shares are held by Modern Orbit Limited, which is wholly owned by Cyber Tower (PTC) 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 36,144,578 Shares represented the Shares to be issued upon the full conversion of a HK\$30,000,000 convertible redeemable note convertible at HK\$0.83 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.
3. 390,000 Shares are held by Hanny Holdings Limited.

Famex Investment Limited, a wholly owned subsidiary of Mankar Assets Limited, held approximately 49.90% 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. Dr. Charles Kwok Keung CHAN directly held approximately 0.47% of the entire issued share capital of Hanny Holdings Limited. Dr. Charles Kwok Keung CHAN directly held approximately 4.69% of the entire issued share capital of ITC Corporation Limited and indirectly held approximately 30.08% of the entire issued share capital of ITC Corporation Limited. Ms. Macy Yuen Lan NG is the spouse of Dr. Charles Kwok Keung CHAN.

Famex Investment Limited, Mankar Assets Limited, ITC Investment Holdings Limited, ITC Corporation Limited, Dr. Charles Kwok Keung CHAN and Ms. Macy Yuen Lan NG are deemed to be interested in the Shares held by Hanny Holdings Limited. Hanny Magnetics (B.V.I.) Limited, Hanny Holdings Limited, Famex Investment Limited, Mankar Assets Limited, ITC Investment Holdings Limited, ITC Corporation Limited, Dr. Charles Kwok Keung CHAN and Ms. Macy Yuen Lan NG are deemed to be interested in the underlying shares arising from the convertible redeemable note held by Cross Profit Capital Limited.

4. 5,178,960 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. ITC Management Group Limited, ITC Corporation Limited, Dr. Charles Kwok Keung CHAN and Ms. Macy Yuen Lan NG 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116,560,284股股份由Cyber Tower (PTC) 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36,144,578股相關股份指由Hanny Magnetics (B.V.I.) Limited(即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0.83元轉換之可換股可贖回票據全部獲轉換後發行之股份。
3. 該390,000股股份由錦興集團有限公司持有。

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約49.90%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。陳國強博士直接持有錦興集團有限公司全部已發行股本約0.47%之股權。陳國強博士分別直接及間接持有德祥企業集團有限公司全部已發行股本約4.69%及約30.08%之股權。伍婉蘭女士為陳國強博士之配偶。

其威投資有限公司、Mankar Assets Limited、ITC Investment Holdings Limited、德祥企業集團有限公司、陳國強博士及伍婉蘭女士均被視作於錦興集團有限公司持有之股份中擁有權益。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、德祥企業集團有限公司、陳國強博士及伍婉蘭女士均被視作於Cross Profit Capital Limited持有之可換股可贖回票據產生之相關股份中擁有權益。

4. 該5,178,960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。ITC Management Group Limited、德祥企業集團有限公司、陳國強博士及伍婉蘭女士均被視作於Great Intelligence Holdings Limited持有之股份中擁有權益。

SHARE OPTIONS

2001 Scheme

A share option scheme ("2001 Scheme") was 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.

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.

All outstanding options granted under the 2001 Scheme had been expired on or before December 31, 2007.

優先認股權

二零零一年計劃

本公司於二零零一年六月二十八日通過決議案採納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。

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%。

參與人可於獲授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。

所有根據二零零一年計劃授出而尚未行使之優先認股權已於二零零七年十二月三十一日或之前全部失效。

SHARE OPTIONS (continued)

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.

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).

優先認股權 (續)

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。

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。

SHARE OPTIONS (continued)

2002 Scheme (continued)

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.

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.

No share options were exercised or granted for the six months ended June 30, 2008.

At June 30, 2008, the number of shares in respect of which options had been granted and remained outstanding under the 2001 Scheme and 2002 Scheme were 0 and 14,476,961[#] (2007: 11,861,598 and 9,514,686 respectively), representing 0% and 4.72% (2007: 5.35% and 4.29% respectively) of the issued share capital of the Company at that date respectively.

[#] After adjustment for the Bonus Share Issue on May 9, 2008.

優先認股權 (續)

二零零二年計劃 (續)

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%。

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%，以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。

參與人可於獲提出授出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出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。

截至二零零八年六月三十日止六個月，概無行使或授出任何優先認股權。

於二零零八年六月三十日，有關根據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股及14,476,961[#]股（二零零七年：分別為11,861,598 and 9,514,686），分別佔本公司當日之已發行股本之0%及4.72%（二零零七年：分別佔5.35%及4.29%）。

[#] 經已就二零零八年五月九日之紅股發行作出調整。

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, 2008:

下表披露本公司之優先認股權於二零零八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 1 January 2008 於二零零八年 一月一日 尚未行使	Lapsed during the Period 期內失效	Adjustment during the Period 期內的調整	Outstanding as at 30 June 2008 [#] 於二零零八年 六月三十日 尚未行使 [#]	Exercisable period 行使期	Exercise Price 行使價	
								Before adjustment 調整前 HK\$ 港幣	After adjustment [#] 調整後 [#] HK\$ 港幣
Mr. Richard Man Fai LEE (Director) 李文輝先生 (董事)	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	2,215,928	—	443,185	2,659,113	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	0.8333
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	220,000	—	44,000	264,000	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	0.8333
	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	100,000 (Note 1) (附註1)	—	20,000	120,000 (Note 1) (附註1)	September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700
			2,535,928	—	507,185	3,043,113			
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	377,557	62,926	—	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	0.8333
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	143,000	—	28,600	171,600	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	0.8333
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	100,000	—	20,000	120,000	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	0.8333
	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	120,000	—	24,000	144,000	September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700
			677,631	377,557	135,526	435,600			

[#] After adjustment for the Bonus Share Issue on May 9, 2008.

[#] 經已就二零零八年五月九日之紅股發行作出調整。

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	Lapsed during the Period 期內失效	Adjustment during the Period 期內的調整	Outstanding	Exercisable period 行使期	Exercise Price 行使價	
			as at 1 January 2008 於二零零八年 一月一日 尚未行使			as at 30 June 2008 [#] 於二零零八年 六月三十日 尚未行使 [#]		Before adjustment 調整前	After adjustment [#] 調整後 [#]
								HKS 港幣	HKS 港幣
Mr. Tik Tung WONG (Director) 汪濬東先生 (董事)	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	2,900,000	-	580,000	3,480,000	September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700
Mr. Waison Chit Sing HUI (Director) 許捷成先生 (董事)	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	700,000	-	140,000	840,000	September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700
Mr. Boon Seng TAN (Director) 陳文生先生 (董事)	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	170,000	-	34,000	204,000	September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700
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	264,289	44,048	-	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	0.8333
	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	1,144	-	228	1,372	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	0.8333
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	50,000	-	10,000	60,000	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	0.8333
	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	170,000	-	34,000	204,000	September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700
			441,385	264,289	88,276	265,372			
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	-	10,000	60,000	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	0.8333
	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	170,000	-	34,000	204,000	September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700
			220,000	-	44,000	264,000			

[#] After adjustment for the Bonus Share Issue on May 9, 2008.

[#] 經已就二零零八年五月九日之紅股發行作出調整。

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	Lapsed during the Period 期內失效	Adjustment during the Period 期內的調整	Outstanding	Exercisable period 行使期	Exercise Price 行使價	
			as at 1 January 2008 於二零零八年 一月一日 尚未行使			as at 30 June 2008 [#] 於二零零八年 六月三十日 尚未行使 [#]		Before adjustment 調整前	After adjustment [#] 調整後 [#]
								HK\$ 港幣	HK\$ 港幣
Ms. Kam Har YUE (Director) 余金霞女士 (董事)	2002 二零零二年	September 24, 2002 二零零二年九月二十四日	64,064 (Note 2) (附註2)	–	12,812	76,876 (Note 2) (附註2)	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	0.8333
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	80,000	–	16,000	96,000 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	0.8333	
	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	140,000	–	28,000	168,000 September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700	
			284,064	–	56,812	340,876			
Continuous contract employees 持續合約僱員	2002 二零零二年	June 4, 2002 二零零二年六月四日	3,518,858	4,222,625	703,767	–	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	0.8333
	2002 二零零二年	June 11, 2007 二零零七年六月十一日	200,000	–	40,000	240,000 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	0.8333	
	2002 二零零二年	August 9, 2007 二零零七年八月九日	680,000	96,000	136,000	720,000 August 9, 2007 – August 8, 2013 二零零七年八月九日至 二零一三年八月八日	1.2780	1.0650	
	2002 二零零二年	September 25, 2007 二零零七年九月二十五日	4,070,000	240,000	814,000	4,644,000 September 25, 2007 – September 24, 2013 二零零七年九月二十五日至 二零一三年九月二十四日	1.0440	0.8700	
			8,468,858	4,558,625	1,693,767	5,604,000			
			16,397,866	5,200,471	3,279,566	14,476,961			

[#] After adjustment for the Bonus Share Issue on May 9, 2008.

[#] 經已就二零零八年五月九日之紅股發行作出調整。

Notes:

附註：

- Share options granted to Mr. Richard Man Fai LEE's spouse were included.
- The 76,876 Options (after adjustment) granted to Mr. Wing Sum LEE, the spouse of Ms. Kam Har YUE and former Director of the Company, are included.
- 包括授予李文輝先生之配偶之優先認股權。
- 包括授予李永森先生(彼為余金霞女士之配偶及前任董事)之76,876(經調整後)優先認股權。

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended June 30, 2008, the Company and its subsidiaries have not repurchased, sold or redeemed any of the Company's securities.

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, 2008 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.

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, 2008.

證券之購買、出售或贖回

於截至二零零八年六月三十日止六個月，本公司及其附屬公司在期內並無回購、出售或贖回本公司任何證券。

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，於截至二零零八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。

企業管治守則條文第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納清晰指引。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。

此外，由擁有經驗及才幹之人士組成之董事會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致之領導，使本集團得以迅速和有效地制定及實施決策。

遵守上市發行人董事進行證券交易之標準守則（「標準守則」）

本公司已採納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，於截至二零零八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。

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 condensed interim accounts and the Interim Report 2008, 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

Richard Man Fai LEE

Executive Chairman & CEO

Hong Kong, September 18, 2008

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二零零八年中期報告，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

執行主席兼行政總裁

李文輝

香港，二零零八年九月十八日



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