



嘉利國際控股有限公司
Karrie International Holdings Limited

(於百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

股份代號 stock code : 1050

ANNUAL REPORT 2010/11 年報



靈活·應變

Flexibility · Adaptability



靈活·應變

Flexibility · Adaptability

物競天擇，適者生存，自然界裏，猛獸無時無刻對天性馴良的羚羊虎視眈眈。羚羊是獅子的美食，兩獸之間在草原上進行永無休止的競逐，羚羊群中，只有最機靈及跑得最領先者才不致被獅子吞噬。羚羊因此時刻保持警覺，作出比拼的準備，懂得「靈活·應變」，不斷進步向前，才是生存之道。

本集團於本業已超逾三十年，深明汰弱留強及善對者存之道，絕不滿足現狀，固步自封，了解「如切如磋，如琢如磨」及「治之以精，而益求其精」之重要性，猶如羚羊生存之道，在競逐之間，靈活跳躍，應對變幻的環境，恰似脫弦之箭敏捷迅速地奔跑，步履不容遲緩，也不能落後於同儕。因此，「靈活·應變」乃基本應對之道，謹此勉勵企業上下秉持精髓駕馭各方挑戰及困難。

“We all need to compete for the survival of the fittest”. In the nature, fierce animals always put their eyes on docile antelopes. Under the relationship of prey and predator, antelopes and lions have to undergo catch-and-chase in the natural world endlessly, and only the smartest and fastest could survive from predators. Therefore, as the rule of survival, antelopes have to remain cautionary at all times and get well prepared for competition, learning the way of “Flexibility · Adaptability” and moving forward continuously.

Operating over 30 years in the industry, the Group deeply understands the rule of elimination of weak players and survival by making appropriate responses, and never allows complacency and stays put. The Group understands the importance of exquisite craftsmanship and pursuit of excellence, which is the rule of survival of antelopes, and makes flexible moves as antelopes under competition in response to the ever-changing environment, acting swiftly as an arrow with neither any hesitation nor being lagged behind from peers. As such, with the basic response method of “Flexibility · Adaptability”, the Group hereby encourages all of its parties to uphold the essence of the above and dominate over different challenges and difficulties.

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REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

10th Floor
Southeast Industrial Building
611-619 Castle Peak Road
Tsuen Wan
New Territories
Hong Kong

WEB SITE

<http://www.karrie.com.hk>

DIRECTORS

Executive Directors

Mr. HO Cheuk Fai (*Chairman & CEO*)
Mr. KWOK Wing Kin, Francis (*Deputy Chairman & COO*)
(resigned on 28 April 2011)
Mr. LEE Shu Ki
Ms. CHAN Ming Mui, Silvia
(was appointed on 1 November 2010)

Non-executive Director

Mr. HO Cheuk Ming (*Non-executive Director and Deputy Chairman*)
(re-designated on 1 May 2011)

Independent Non-executive Directors

Mr. SO Wai Chun
Mr. CHAN Sui Sum, Raymond
Mr. FONG Hoi Shing

AUDIT COMMITTEE

Mr. SO Wai Chun
Mr. CHAN Sui Sum, Raymond
Mr. FONG Hoi Shing
Mr. HO Cheuk Ming

REMUNERATION COMMITTEE

Mr. SO Wai Chun
Mr. CHAN Sui Sum, Raymond
Mr. HO Cheuk Ming

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

總辦事處及主要營業地點

香港
新界
荃灣
青山公路611-619號
東南工業大廈
10樓

網址

<http://www.karrie.com.hk>

董事

執行董事

何焯輝先生 (*主席兼行政總裁*)
郭永堅先生 (*副主席兼營運總裁*)
(於二零一一年四月二十八日辭任)
李樹琪先生
陳名妹小姐
(於二零一零年十一月一日獲委任)

非執行董事

何卓明先生 (*非執行董事兼副主席*)
(於二零一一年五月一日獲調任)

獨立非執行董事

蘇偉俊先生
陳瑞森先生
方海城先生

審核委員會

蘇偉俊先生
陳瑞森先生
方海城先生
何卓明先生

薪酬委員會

蘇偉俊先生
陳瑞森先生
何卓明先生

COMPANY SECRETARY

Mr. TANG Wing Fai

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor Prince's Building
Central, Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Hang Seng Bank
83 Des Voeux Road Central
Hong Kong

Mizuho Corporate Bank, Limited
17th Floor, Two Pacific Place
88 Queensway
Hong Kong

Standard Chartered Bank
Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Rooms 1712-6, 17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

公司秘書

鄧榮輝先生

核數師

羅兵咸永道會計師事務所
執業會計師
香港中環
太子大廈22樓

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

恒生銀行
香港
德輔道中83號

瑞穗實業銀行
香港
金鐘道88號
太古廣場2座17樓

渣打銀行
香港
德輔道中4-4A號
渣打銀行大廈

主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心
17樓1712-6室

Key Information for Shareholders

股東主要資料

FINANCIAL CALENDAR 2011

Announcement of 2010/11 results

28 June 2011

Last day to register for 2010/11

Annual General Meeting

26 August 2011

Annual General Meeting

2 September 2011

Last day to register for 2010/11

Final Dividends

7 September 2011

2010/11 Final Dividend

Payment Date

22 September 2011

Financial Year End

31 March 2011

SHARE CAPITAL

二零一一年財務年誌

二零一零年／一一年度業績公佈日期

二零一一年六月二十八日

二零一零年／一一年度股東週年大會

最後登記日期

二零一一年八月二十六日

股東週年大會

二零一一年九月二日

二零一零年／一一年度末期股息

最後登記日期

二零一一年九月七日

二零一零年／一一年度末期股息

派息日

二零一一年九月二十二日

財務年結日

二零一一年三月三十一日

股本

		As at	
		截至	
		31 March 2011	30 June 2011
		二零一一年	二零一一年
		三月三十一日	六月三十日
Authorised (HK\$)	法定 (港元)	200,000,000	200,000,000
Issued (HK\$)	已發行 (港元)	86,809,760	86,809,760

Key Information for Shareholders 股東主要資料

ANALYSIS OF SHAREHOLDING STRUCTURE AND SHAREHOLDER DISTRIBUTION

As at 30 June 2011, the Company had 868,097,600 shares in issue of which approximately 29%⁽¹⁾ was held by the public. As at that date, the Company had a total of 875 registered shareholders. The following table shows the distribution of ownership according to the Register of Members and the Participant Shareholding Report generated from the Central Clearing and Settlement System as of 30 June 2011:

Category		Number of registered shareholders	% of number of shareholders	Number of shares	% of total issued share capital
類別		註冊股東數量	佔註冊股東比例%	持股數量	佔已發行股份比例%
New Sense Enterprises Limited		1	0.11%	243,804,000	28.08%
Castfast Properties Development Co., Ltd.	嘉輝房地產拓展有限公司	1	0.11%	165,000,000	19.01%
Ho's family ⁽²⁾	何氏家族 ⁽²⁾	3	0.34%	206,502,000	23.79%
Directors ⁽³⁾	董事 ⁽³⁾	2	0.23%	1,402,000	0.16%
Individuals	個人投資者	698	79.77%	23,046,733	2.66%
Institutions, corporates and nominees	機構投資者 企業投資及代理人	170	19.44%	228,342,867	26.30%
Total	合計	875	100.00%	868,097,600	100.00%

股權結構及股東分佈之分析

截至二零一一年六月三十日，本公司共發行股份868,097,600股，其中公眾持股量約佔29%⁽¹⁾。截至同日，本公司擁有註冊股東875名。根據股東名冊及中央結算交收系統於二零一一年六月三十日編纂的參與者股權報告，我們編制了以下股東分佈表供投資者參考：

Notes:

- (1) Public shareholding represents shares held by the public, excluding those held by New Sense Enterprises Limited, Castfast Properties Development Co., Ltd., Ho's family and Directors of the Company.
- (2) Ho's family comprises Mr. Ho Cheuk Fai, Chairman and Chief Executive Officer, Mr. Ho Cheuk Ming, Non-executive Director and Deputy Chairman and Ms. Ho Po Chu.
- (3) Directors represent Directors of the Company excluding Mr. Ho Cheuk Fai and Mr. Ho Cheuk Ming.

備註：

- (1) 公眾持股量代表（除New Sense Enterprises Limited、嘉輝房地產拓展有限公司、何氏家族及本公司董事所持股份數量外）公眾人士所持有的股份數量。
- (2) 何氏家族由主席兼行政總裁何焯輝先生，非執行董事兼副主席何卓明先生及何寶珠女士組成。
- (3) 董事代表（除何焯輝先生及何卓明先生外）本公司之董事。

Key Information for Shareholders 股東主要資料

As at 30 June 2011

於二零一一年六月三十日

Number of Shares Held

所持股份數目

Shareholders

股東

Number

人數

% of total

佔總數百分比

Share of HK\$0.1 each

每股面值0.1港元股份

Number

數目

% of total

佔總數百分比

1 – 2,000	544	62.2%	87,447	0.0%
2,001 – 10,000	55	6.3%	363,739	0.0%
10,001 – 20,000	40	4.6%	636,347	0.1%
20,001 – 50,000	64	7.3%	2,246,393	0.3%
50,001 – 100,000	57	6.5%	4,328,836	0.5%
100,001 – 200,000	37	4.3%	5,160,979	0.6%
200,001 – 500,000	23	2.6%	7,434,130	0.9%
500,001 – 1,000,000	16	1.8%	11,369,563	1.3%
1,000,001 – 2,000,000	16	1.8%	23,473,112	2.7%
2,000,001 – 5,000,000	8	0.9%	23,816,565	2.7%
Over 5,000,000以上	15	1.7%	789,180,489	90.9%
	875	100.0%	868,097,600	100.0%

MARKET CAPITALISATION

As at 31 March 2011

(Closing Price: HK\$0.59)

HK\$512,177,584

市值

截至二零一一年三月三十一日

(收市價：0.59港元)

512,177,584港元

As at 30 June 2011

(Closing Price: HK\$0.40)

HK\$347,239,040

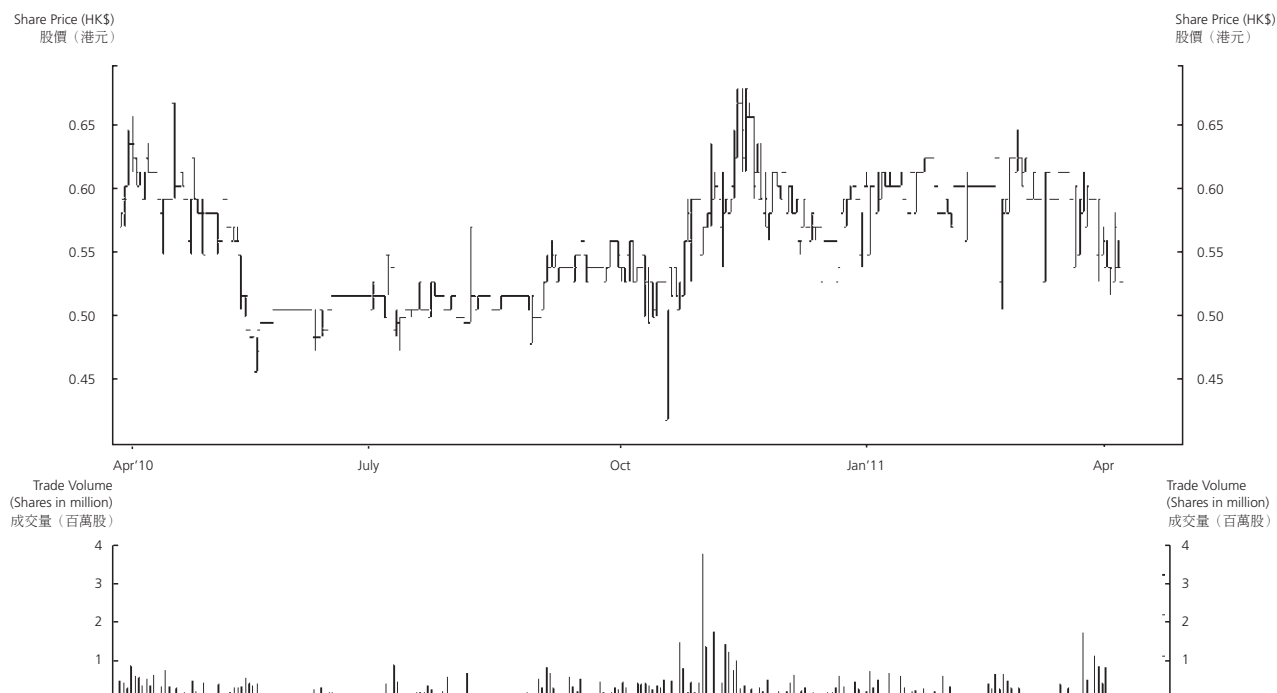
截至二零一一年六月三十日

(收市價：0.40港元)

347,239,040港元

Share Price Movement and Trade Volume in 2010/11

二零一零／一一年度之股價走勢及成交量



Key Information for Shareholders

股東主要資料

STOCK CODE

The Stock Exchange of Hong Kong Limited
Main Board
1050

BOARD LOT

2,000 Shares

SHAREHOLDER SERVICES

Any matters relating to your shareholding, such as transfer of shares, change of name or address, and loss of share certificates should be addressed in writing to the Branch Share Registrar of the Company:

Computershare Hong Kong Investor Services Limited
Rooms 1712-6, 17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong
Tel: (852) 2862-8628
Fax: (852) 2529-6087

INVESTOR RELATIONS

For enquiries, please contact:

Ms. Winnie Tsang
Senior Corporate Communications Officer
Karrie International Holdings Limited
10th Floor, Southeast Industrial Building
611-619 Castle Peak Road
Tsuen Wan, New Territories
Hong Kong
Tel: (852) 2437-6875
Fax: (852) 2415-1608
Email: pytsang@karrie.com.hk/
ir@karrie.com.hk

股份編號

香港聯合交易所有限公司
主板
1050

每手股數

2,000股

股東服務

假若有任何關於閣下股份之事宜，包括股份轉讓、更改姓名或地址、遺失股票等，請以書面聯絡我們的股份過戶登記分處：

香港中央結算登記有限公司
香港
皇后大道東183號
合和中心17樓1712-16室

電話：(852) 2862-8628
傳真：(852) 2529-6087

投資者關係

如有任何垂詢，請聯絡：

曾佩瑩小姐
高級企業傳訊主任
嘉利國際控股有限公司
香港
新界荃灣
青山公路611-619號
東南工業大廈10樓
電話：(852) 2437-6875
傳真：(852) 2415-1608
電郵：pytsang@karrie.com.hk/
ir@karrie.com.hk

2010

Nov11月

Awarded the Certificate Merit of Hong Kong Outstanding Corporate Citizenship Award (Manufacturing) by Hong Kong Productivity Council

獲香港生產力促進局頒發「香港傑出企業公民獎 - 優異獎」(製造業)

Dec12月

Celebration for 30th anniversary

慶祝成立三十周年

2011

Jan1月

The Group acquired 100% the entire equity interests of Castfast Properties Development Co., Limited's wholly-owned subsidiary, the Yixing Karrie Commercial Building Development Company Limited ("Yixing Karrie") at a consideration of approximately HK\$123.68 million. Yixing Karrie had beneficially owned the parcel of land with a site area of approximately 20,012 sq.m. located in Yixing, Jiangsu Province, the PRC. The parcel of land is expected to develop a 21-floor commercial building

集團以約123.68百萬港元收購嘉輝房地產拓展有限公司之全資附屬公司宜興嘉利商務大廈開發有限公司(「嘉利商務」)全部股權，嘉利商務實益擁有位於中國江蘇省宜興市之地塊面積約20,012平方米，該地塊將開發一座21層高之商業大廈

Mar3月

Launched production of Medical Products with a Japanese customer

為一日本客戶生產醫療產品

Apr4月

Awarded the Caring Company 2005/11 logo for 6 consecutive years by The Hong Kong Council of Social Service

香港社會服務聯會頒發連續6年「商界展關懷」2005/11 標誌

Awarded the "2010 Hong Kong Awards for Environmental Excellence - Certificate of Merit in Manufacturing" by Environmental Campaign Committee

獲環境保護運動委員會頒發「2010 香港環保卓越計劃」之「界別卓越計劃」製造業優異獎

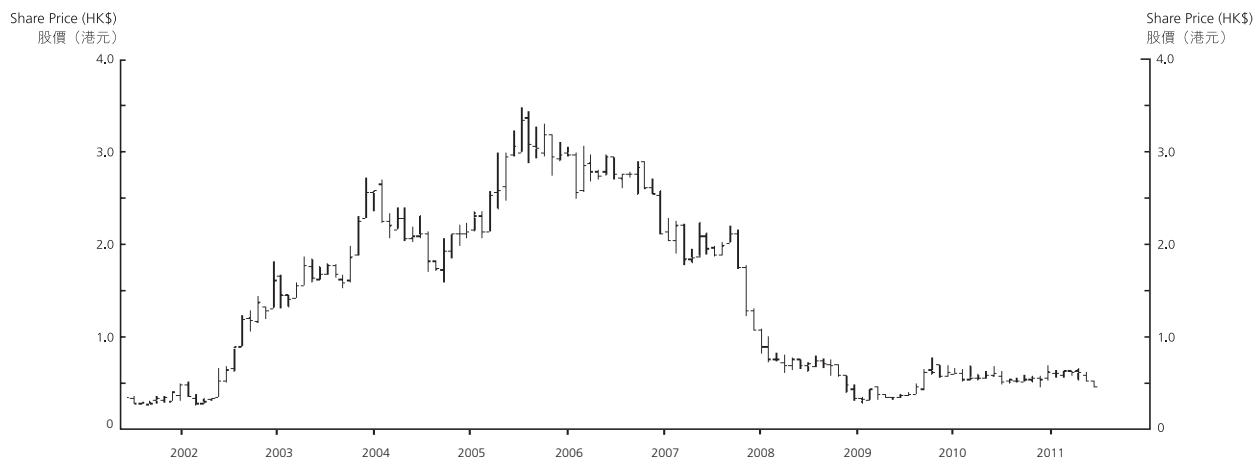
May5月

Acquired ISO13485 Medical Devices Quality Management System accreditation

獲取ISO13485醫療器械質量管理體系認證

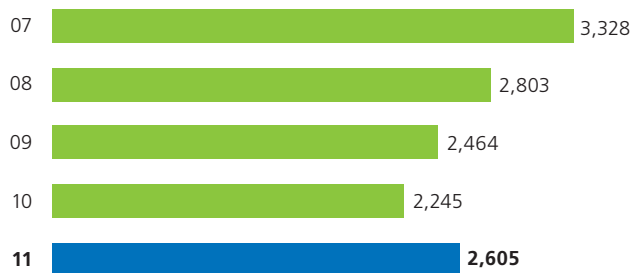
Share Price Movement from 2002 to 2011

二零零二年至二零一一年之股價走勢圖



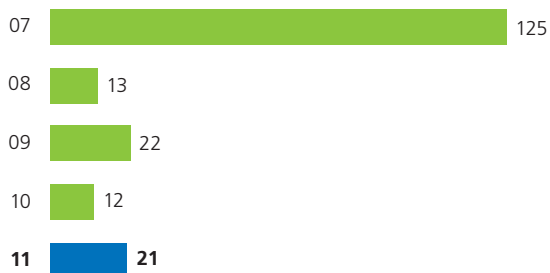
Revenue HK\$ million

收入 百萬港元



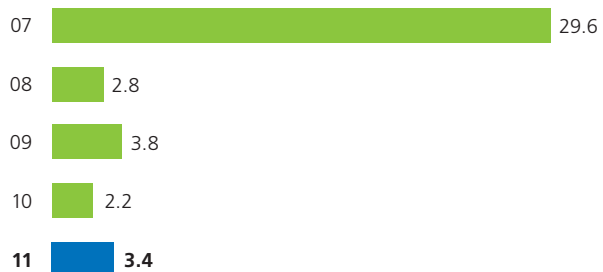
Profit attributable to equity holders HK\$ million

股東應佔溢利 百萬港元



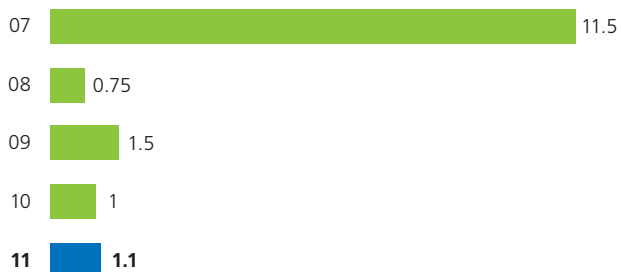
Basic earnings per share HK cents

每股基本溢利 港仙



Dividends per share HK cents

每股股息 港仙



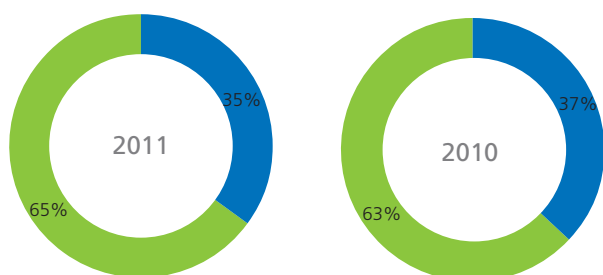
Financial Highlights

財務概要

Turnover percentage by Products

按產品劃分的營業額百分率

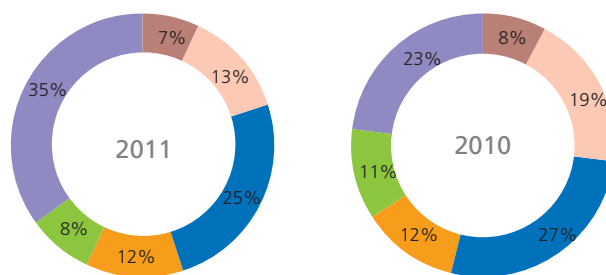
- Metal and Plastic Business
五金塑膠業務
- Electronics Manufacturing Services Business
電子專業代工業務



Turnover percentage by Geographical Location

按產品所在地劃分的營業額百分率

- Japan
日本
- Hong Kong
香港
- China
中國
- Asia (excluding Japan, Hong Kong and China)
亞洲 (不包括日本、香港及中國)
- North America
北美洲
- Western Europe
西歐



		2011 二零一一年	2010 二零一零年	% Changes 變動百分比
<i>HK\$ million</i>	<i>百萬港元</i>			
Revenue	收入	2,605	2,245	+16%
Gross profit	毛利	192	152	+26%
Operating profit	經營溢利	32	8	+300%
Profit for the year	本年度溢利	22	9	+144%
Profit attributable to equity holders	權益持有人應佔溢利	21	12	+75%
Total assets	資產總值	1,764	1,737	+2%
Shareholders' equity	股東權益	901	741	+22%
<i>In Million</i>	<i>百萬股</i>			
Number of shares	股份數目	868	577	+50%
Per Share Data	每股資料			
<i>HK Cents</i>	<i>港仙</i>			
Basic earnings	基本溢利	3.4	2.2	+55%
Diluted earnings	攤薄後溢利	3.4	2.2	+55%
Total cash dividends	總現金股息	1.1	1	+10%
<i>HK\$</i>	<i>港元</i>			
Net asset value per share	每股資產淨值	1.0	1.3	-23%
Financial Ratios	財務比率			
Gross profit margin (%)	邊際毛利 (%)	7.4	6.8	+9%
Net profit margin (%)	邊際純利 (%)	0.8	0.4	+100%
Net current ratio	淨流動比率	1.4	1.3	+8%
Net quick ratio	淨速動比率	0.8	0.8	-
Net gearing ratio (%)	淨銀行借貸比率 (%)	8	-4	+300%
Interest coverage	利息涵蓋比率	12	11	+9%
Dividend payout (%)	派息比率 (%)	32	45	-29%
Revenue to net bank borrowings	收入與淨銀行借貸比率	36	N/A	N/A
Non-current assets to total equity (%)	非流動資產與權益總值比率 (%)	76	78	-3%

Financial Highlights

財務概要

Definitions

定義

Basic earnings per share	$\frac{\text{Profit attributable to equity holders}}{\text{Weighted average number of shares}}$	每股基本溢利	$\frac{\text{權益持有人應佔溢利}}{\text{加權平均股數}}$
Diluted earnings per share	$\frac{\text{Profit attributable to equity holders}}{\text{Diluted weighted average number of shares}}$	每股攤薄後溢利	$\frac{\text{權益持有人應佔溢利}}{\text{攤薄加權平均股數}}$
Net asset value per share	$\frac{\text{Net assets}}{\text{Number of shares as at year end}}$	每股資產淨值	$\frac{\text{資產淨值}}{\text{年底股數}}$
Gross profit margin (%)	$\frac{\text{Gross profit}}{\text{Revenue}} \times 100\%$	邊際毛利 (%)	$\frac{\text{毛利}}{\text{收入}} \times 100\%$
Net profit margin (%)	$\frac{\text{Profit for the year}}{\text{Revenue}} \times 100\%$	邊際純利 (%)	$\frac{\text{本年度溢利}}{\text{收入}} \times 100\%$
Net current ratio	$\frac{\text{Current assets (less the lower of short-term bank borrowings or cash and bank balances and time deposit)}}{\text{Current liabilities (less the lower of short-term bank borrowings or cash and bank balances and time deposit)}}$	淨流動比率	$\frac{\text{流動資產 (減短期銀行借貸或定期存款「較低者為準」)}}{\text{流動負債 (減短期銀行借貸或定期存款「較低者為準」)}}$
Net quick ratio	$\frac{\text{Current assets (less inventories and the lower of short-term bank borrowings or cash and bank balances and time deposit)}}{\text{Current liabilities (less the lower of short-term bank borrowings or cash and bank balances and time deposit)}}$	淨速動比率	$\frac{\text{流動資產 (減存貨及短期銀行借貸或定期存款「較低者為準」)}}{\text{流動負債 (減短期銀行借貸或定期存款「較低者為準」)}}$
Net gearing ratio (%)	$\frac{\text{Bank borrowings (less cash and bank balances and time deposit)}}{\text{Total equity}}$	淨銀行借貸比率 (%)	$\frac{\text{銀行借貸 (減現金及銀行結存及定期存款)}}{\text{權益總額}}$
Interest coverage	$\frac{\text{Earnings before interest expenses, tax, depreciation and amortisation}}{\text{Interest expenses}}$	利息涵蓋比率	$\frac{\text{扣除利息支出、稅項、折舊及攤銷前溢利}}{\text{利息支出}}$
Dividend payout (%)	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100\%$	派息比率 (%)	$\frac{\text{每股股息}}{\text{每股溢利}} \times 100\%$
Revenue to net bank borrowings	$\frac{\text{Revenue}}{\text{Bank borrowings (less cash and bank balances and time deposit)}}$	收入與淨銀行借貸比率	$\frac{\text{收入}}{\text{銀行借貸 (減現金及銀行結存及定期存款)}}$
Non-current assets to total equity (%)	$\frac{\text{Non-current assets}}{\text{Total equity}}$	非流動資產與權益總值比率 (%)	$\frac{\text{非流動負債}}{\text{權益總額}}$

On behalf of the board of directors, I am pleased to present the annual report of Karrie International Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES AND RESULTS

The Group is principally engaged in

- Metal and Plastic ("M&P") Business: manufacturing and sale of metal and plastic products including computer casings, office automation products, video tape cassettes, visual accessories, automobile products, moulds, plastic and metal parts; and
- Electronic Manufacturing Services ("EMS") Business: manufacturing and sale of magnetic tape drives, laser printers, multi-function facsimile machines, "point-of-sale" system, medical products and other computer peripherals.

(1) Business Review

Though the global economy is recovering continuously and steadily, the pace of recovery is inconsistent, with that for developed economies relatively is slower than that for developing regions. Demand for consumer electronics is rapidly increasing, while the demand for commercial OA facilities is comparatively steady. As such, recording only steady results for the year, the Group did not achieve substantial growth amidst recovery.

During the year, turnover for the year ended 31 March 2011 increased by 16% or HK\$350,337,000 to HK\$2,591,101,000 (for the year ended 31 March 2010: HK\$2,240,764,000) and the profit attributable to equity holders of the Company increased by 70% or HK\$8,726,000 to HK\$21,223,000 (for the year ended 31 March 2010: HK\$12,497,000).

- The turnover of the M&P Business for the year ended 31 March 2011 was HK\$915,010,000 (for the year ended 31 March 2010: HK\$836,881,000), which is 9% higher than that for the corresponding period last year. The turnover of the M&P Business represents 35% of the total turnover. The increase in the turnover was due to the additional shipment of server casings, new visual accessories and automobile products.

本人謹此欣然代表董事會提呈嘉利國際控股有限公司(「本公司」)及其附屬公司(「本集團」)截至二零一一年三月三十一日止的年報。

主要業務及業績

集團主要從事

- 五金塑膠業務－製造及銷售五金及塑膠產品，包括電腦外殼、辦公室文儀產品、錄影帶外殼、影視組件、汽車產品、模具、塑膠及金屬部件等；及
- 電子專業代工業務－製造及銷售磁帶解碼器、鐳射打印機、多功能傳真機、「收銀機系統」、醫療產品及其他電腦週邊產品。

(一) 業務回顧

世界經濟正持續穩步復甦，然其復甦步伐卻不一致，已發展之經濟體系復甦的步伐相較發展中地區緩慢；消費類電子產品需求急速增長，而商業用的辦公室文儀設施用品則較為平穩。因此，本集團並未因復甦而出現大幅增長，本年度業績只算平穩。

本年度，截至二零一一年三月三十一日止營業額上升了350,337,000港元或16%至2,591,101,000港元(二零一零年三月三十一日止：2,240,764,000港元)。而本公司權益持有人應佔溢利為21,223,000港元(二零一零年三月三十一日止：12,497,000港元)上升了8,726,000港元或70%。

- 五金塑膠業務於截至二零一一年三月三十一日之營業額為915,010,000港元較去年同期上升了9%(截至二零一零年三月三十一日止：836,881,000港元)，五金塑膠業務約佔整體營業額35%。因伺服器外殼、新產品影視組件和汽車產品付運量增加，引致營業額上升。

- Owing to the increase in the shipment of new models of our laser printers for one of the major clients, the turnover of the EMS Business for the year ended 31 March 2011 rose by 19% to HK\$1,676,091,000 (for the year ended 31 March 2010: HK\$1,403,883,000), however the growth rate in the second half has already slowed down.

As mentioned in last year's annual report, the operating environment within the PRC is still full of difficulties. Amidst such a challenging business environment, the Group had raised the average minimum wages per head in the PRC by over 15%. Although the wages of the Mainland workers are above the minimum wages requirement, the Group had to increase wages and staff benefits so as to retain workers. As a result, the labour cost increased further during the year. In addition, the appreciation of Renminbi and inflation in the PRC continue to constitute an unfavourable business environment, and the significant growth of both result in the surge in costs. Nevertheless, given the intense competition in the industry, the Group could not transfer all additional costs to the customers, resulting that the rapidly soaring production costs cannot be reflected in most of the order prices. To achieve steady results, the Group has adopted a number of measures to cut costs and to increase revenue.

- 因本集團鐳射打印機的其中一位主要客戶的新型號付運量增加。電子專業代工業務於截至二零一一年三月三十一日止之營業額較去年同期上升了19%至1,676,091,000港元(截至二零一零年三月三十一日止：1,403,883,000港元)，然下半年之增速已放緩。

誠如去年的年報所述，中國的經營環境，仍然艱巨，在充滿挑戰的營商環境下，本集團國內之每人平均最低工資已上調了超過15%。雖然國內員工工資均在最低工資要求之上，但為挽留員工，本集團不得不上調工資及員工福利。因此本年內，勞工成本進一步上升。加上，人民幣升值及國內通漲繼續構成不利營商環境，兩者之顯著升幅帶來成本上升。然行業競爭劇烈，故本集團無法全數把額外成本轉嫁予客戶，許多訂單價格都無法全數反映急劇上升的生產成本。本集團已採取多項開源節流的措施，才使業績得以平穩發展。

The Group intends to develop its unique competitive edges, performs the mission of "DIRECT" (details are set out on page 24 in 2009/10 annual report) and adds more values in the course of production. Higher efficiency is achieved in every aspect of the value chain to minimize cost, paving the way to lean manufacturing and diversified benefits. To enhance the operation of the value chain, the Group has adopted corresponding measures as follows:

1. Value adding

Karrie provides one-stop specialized design and production services, and thus raise the competitive efficiency of the Group. With more frequent contact between customers and the relevant departments of the Group, our design staff would swiftly participate and understand the needs of customers directly, thereby avoiding delay in communication and responding rapidly to any doubts of customers so as to provide the most cost-saving production flow and design.

2. Research and Development

In the opinion of the Group, integration of computer peripherals system (such as server) could be achieved via technology research and development and the establishment of joint laboratory with the University of Electronic Science and Technology of China in Sichuan, Chengdu. As such, product design capability, moulds development, research and development of new products as well as the management of supply chain could be conducted in a manner customized to customers' needs, thereby assisting customers to solve any aspects of technical problems and planning on more product modification proposals which avoid errors and enhance the Group's competitiveness, creating better added values.

本集團欲發展其獨特競爭優勢，履行「DIRECT」的使命（詳情見2009/10年報第24頁）且在生產流程創造更高附加價值。在每一價值鏈環節中創造更佳成效，盡可能降低成本，以臻「精益生產，多元效益」之效果。為提升價值鏈之運作，本集團已採納相應措施如下：

1. 增值

為客戶的產品提供一站式專門設計及生產服務，以提升本集團之競爭效益，本集團各相關部門多與客戶接觸，設計工程人員盡早參與，直接了解客戶需求，減省溝通之延誤，快速應對客戶的疑難，提供最節省的生產流程及設計。

2. 研發

本集團認為透過技術研發，並與「中國四川成都」電子科技大學成立聯合實驗室，能協助電腦週邊產品系統整合（如伺服器），提升產品設計能力、模具發展、新產品研發及供應鏈的管理，更能符合客戶要求，協助客戶解決各種技術問題，以籌劃更多產品改善方案，減少不必要的錯誤，有助本集團提升競爭能力，創造更佳附加價值。

3. Logistics

Strategic procurement established several years ago has become increasingly mature, making procurement more forward looking and providing logistics information and professional services to customers in response to the change in product cycle and supply chain. Procurement is no longer just an issue on the pricing level.

4. Streamlining

By merging segments with unsatisfactory production efficiency, synergies could be attained. Via continuous improvement and lean manufacturing, bottle-neck in the production line could be resolved, thereby reducing the amount of labour while lowering wastage and raising production efficiency. Also, we co-operate with the Hong Kong Productivity Council to commence optimized technology and production management plans. As a result, two large production management projects were implemented: (i) PMC optimized production plan and introduction of lean manufacturing, and (ii) training on the improvement in hardware mould techniques. To upgrade the hardware mould techniques, various solutions have been introduced, such as the analysis and improvement on the defects and problems of hardware punching press, the design and processing constraints of hardware components, the improvement on the design of hardware punching press moulds as well as the processing techniques and manufacturing methods of moulds.

3. 物流

多年前成立之策略採購已漸趨成熟，使採購更具前瞻性，能因應產品週期及供應鏈之改變，提供物流資訊及專業服務予客戶，採購已不只涉及價格層面的事情。

4. 精簡

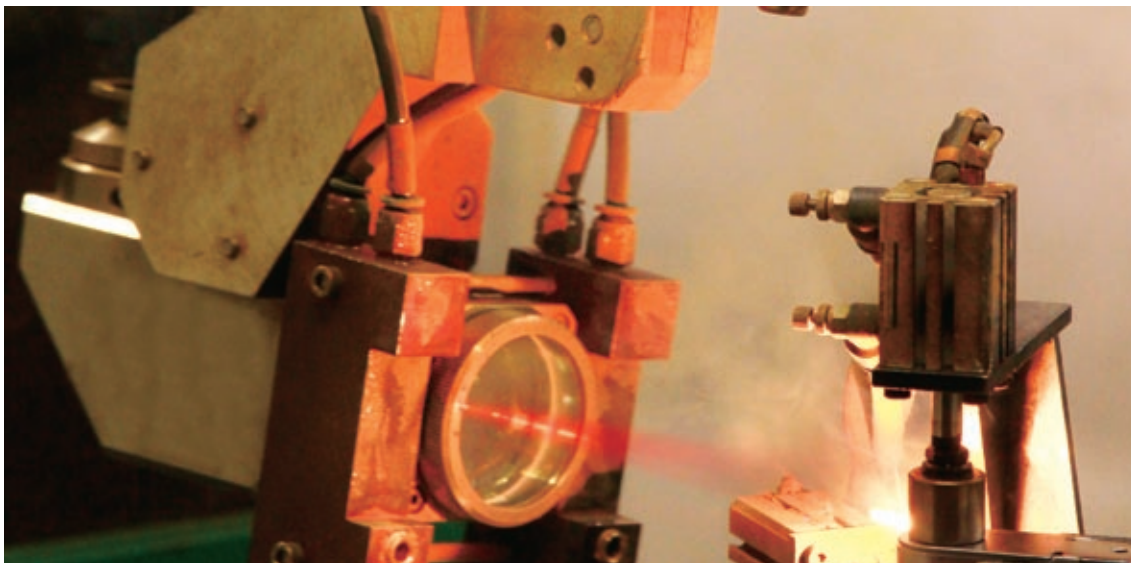
把產能效益未如理想的部份合併，以達至協同效應，持續改善，精益生產，解決生產線上的瓶頸，既可減省人手，又可降低耗廢及提高生產效率，並與香港生產力促進局合作展開優化技術和生產管理方案。因此，推行了兩個大型生產管理項目：(i) PMC優化生產計劃及導入精益生產及(ii)五金模具技術提升培訓：針對五金模具技術提升工作，引入不同之解決方法；改善五金沖壓缺陷分析及問題，五金部件設計及加工規限、五金沖壓模具設計改善、模具加工技巧和製造方法。

5. Automation

Automation is crucial to the improvement of production procedures and quality of products with the application of automatic mechanical facilities to replace manual operation in certain trivial and repeating production procedures. Given the surge in wages in the PRC and the decline in the price of machineries, the application of automatic equipment could probably reduce the amount of labour and expenditures, while fully enhances the added value in the value chain.

5. 自動化

生產工序及產品質量之改進，實有賴自動化的協助，自動化使用機械設備以代替人手操作一些繁瑣及重複的生產工序。鑑於國內工資日益上漲，而機械設備的價格卻下調，使用自動化設備，當可減省人手及成本支出，且能全面提升價值鏈之附加價值。



By introducing mechanical laser welding, productivity as well as precision of craftsmanship are raised in an attempt to pursuit excellence

引進機械人激光燒焊系統，提升生產力之餘，同時將工藝精確度提升，追求精益求精

6. Talents

Human resources, especially technical talents, are invaluable assets. Efficient operation of automatic equipment does not only rely on machineries, but also on the organization and collaboration of manpower. To reach the maximum efficiency of automation, technical staff shall work in line with automatic equipment as one to realize the effectiveness of automation. As such, the provision of adequate and suitable training is of utmost importance in order to raise the skills of workers to operate automatic equipment efficiently.

6. 人才

人力資源為珍貴財產，尤其是技術人才，而有效率地運作自動化設備，並非只靠機械，還須人的組織配合。要達至自動化最高效益，必須技術員工配合自動化設備，所謂「人機合一」才能彰顯自動化之效能。因此，足夠及恰當的培訓是很重要，從而提升工人的技術，有效率地操作自動化設備。

7. Joint Venture

The operation of the Group's 60%-owned joint venture has been improving after integration and reorganisation in the recent years. Despite this, the profit attributed by the joint venture to the Group falls short of the target considerably and the joint venture has not yet achieved the results that the Group originally anticipated. In view of this, the Group is now considering the future of the joint venture and exploring a new business model with its joint venture partner.

8. Yixing Plant

According to the original plan, Yixing Plant would mainly serve the customers in Central China region. No significant achievements have been shown since the plant has only commenced operation for a year. In addition, as the ancillary supply chain for Yixing is still immature, the development of Yixing Plant is yet to be observed.

9. Diversification

Trial production of medical equipment has been completed, and it is currently moving to mass production process. Though medical equipment is still under exploration stage, ISO13485 certificate has been obtained. It is expected that medical equipment would contribute to the Group's profit in the coming year.

7. 合營公司

屢經近年之磨合及整頓，本集團擁有60%股權之合營公司營運上已獲改善。雖然如此，合營公司對本集團之盈利貢獻仍頗為少於目標及其結果未達到原先之預期。鑑此，本集團現正考慮合營公司之未來路向及開拓與合營公司夥伴之新合作模式。

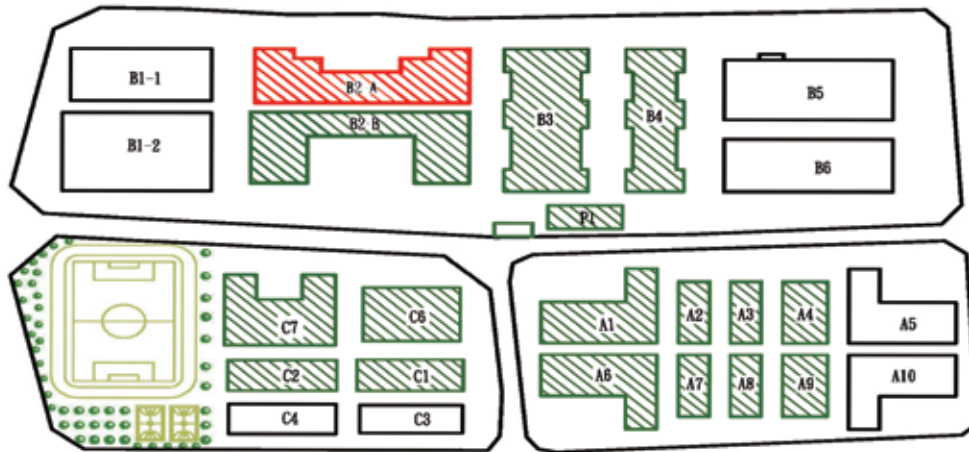
8. 宜興廠房

按照原來計劃，宜興廠房主要服務華中地區客戶。由於只運作一年，暫時未見主要成效。此外，宜興之供應鏈配套仍未成熟，宜興廠房之發展仍有待觀察。

9. 多元

醫療設備方面已完成試產階段，現正進入量產的歷程，並取得ISO13485證書，雖然醫療設備仍在開拓階段。冀望明年能為本集團帶來盈利貢獻。

玉泉廠房整體規劃 Construction Plan For Yu Quan Plant

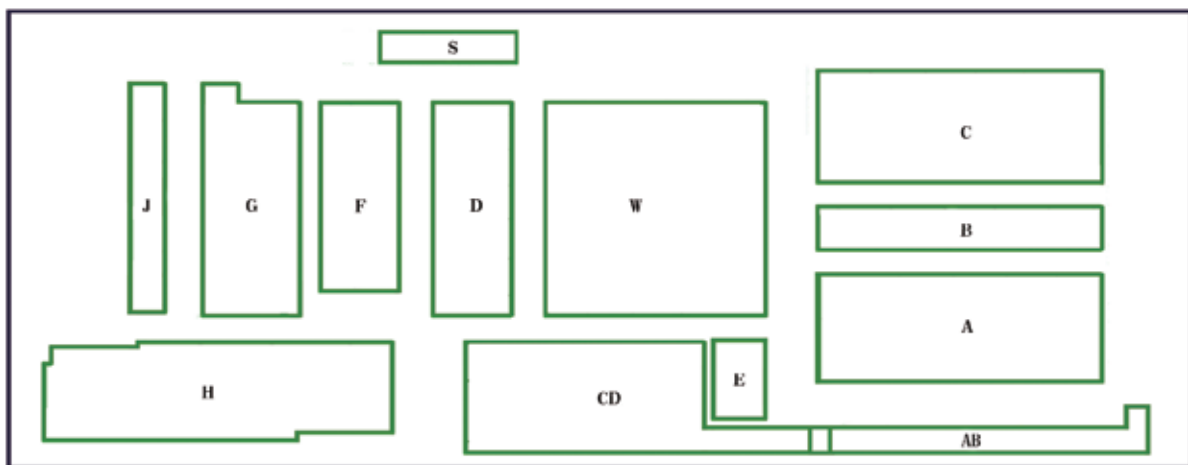


Accomplished 已完成
Under Renovation 未完成
Under Planning 規劃中
Associated Company "TK"
合營公司「嘉友」- B2-B
JV Company "Sagem Karrie"
合營公司「嘉進」- A2, A6, A7, C7

Administration Office 行政大樓 - B2-A
 Dormitory 宿舍 - C1, C2
 Power Station 配電房 - P1
 Plastic Injection 注塑 - A4, A9, B3
 OAP 文儀組裝 - B3
 EMS 電子組裝 - A1

MPD 醫療產品生產 - A3
Moulding 工模 - B4, A3
Warehouse 貨倉 - C7, A2
Robot Equipment 機械設備科 - A8
Canteen & Indoor Staff Recreational Centre
食堂及室內員工活動中心 - C6

鳳崗廠房平面圖 Floor Plan For Feng Gang Plant

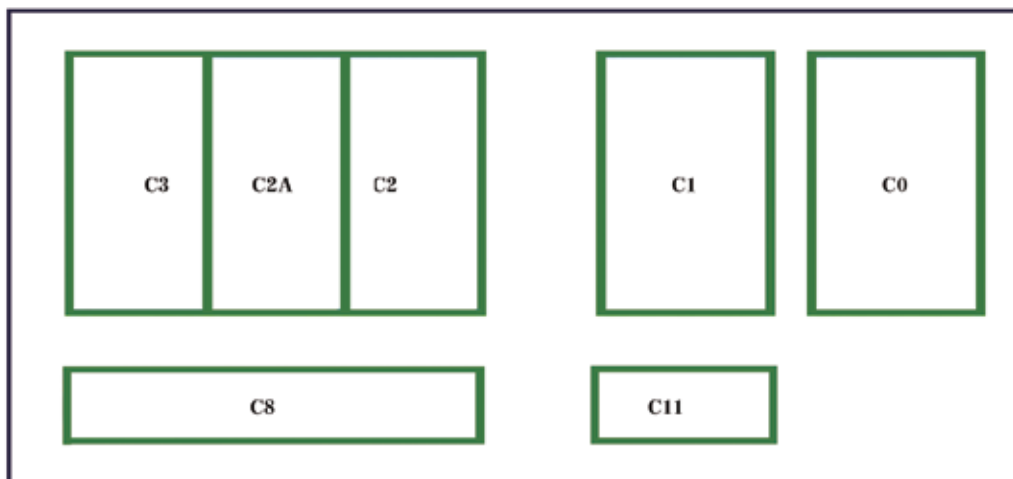


Administration Office 行政大樓 - AB
Metal Stamping, Lacquer Spraying & Computer Casing Assembly
五金衝壓·噴漆及機箱組裝 - A
Power Station, Metal Stamping & Server Casing Assembly
配電房·金屬衝壓及伺服器組裝 - B

Plastic Injection, OA & Server Assembly
注塑·文儀及伺服器組裝 - C
Canteen & Dormitory 飯堂及宿舍 - CD
Numerical Control Production 數控制作 - D
Engineering & R&D 工程及研發部 - E
Warehouse & OA Assembly 貨倉及文儀組裝 - F

Computer Casing & Server Rack Assembly
機箱及伺服器層架組裝 - J
Warehouse 貨倉 - H Sewage Treatment 污水處理 - S
Central Warehouse & 600T Metal Stamping
中央倉及600T五金衝壓工場 - W
Precision Stamping 精密衝壓 - G

宜興廠房平面圖 Floor Plan For Yixing Plant



Assembly 裝配 – C1
Plastic Injection & Molding 注塑及工模 – C2
Soft Tooling Manufacturing & Warehouse
數控製作及倉庫 – C2A

Metal Stamping 五金衝壓 – C3
Temporary Office 臨時辦公室 – C8
Power Station 動力中心 – C11
R&D Centre 研發中心 – C0



Outlook of Yixing R&D Centre
宜興研發中心外貌

As industrial manufacturing is still in harsh times, the Group currently only invests strategically in the industrial sector. However, with an aim to reduce the operational risks of overdue reliance on the industrial sector, the Group explores and analyses other business opportunities from time to time, while tending to adopt a more diversified development strategy. As a result, on 22 October 2010, the Group and Castfast Properties Development Co., Ltd. ("Castfast Properties") (a private investment by Mr. Ho Cheuk Fai, our substantial shareholder) entered into a sales and purchase agreement, pursuant to which, the Group acquired the entire equity interests in Yixing Karrie Commercial Building Development Co., Ltd. ("Karrie Commercial"), a wholly-owned subsidiary of Castfast Properties, at a consideration of approximately HK\$124 million. Such agreement was passed by independent shareholders on 6 December 2010, and was completed on 27 January 2011.

Karrie Commercial beneficially owns a plot of land in Yixing, Jiangsu Province, the PRC with a site area of approximately 20,012 sq. m. The land would be developed into a 21-storey commercial building with an estimated gross floor area of approximately 34,733 sq. m. It is anticipated that the first and second floors of the commercial building would be planned as a shopping mall or offices, while other floors would be used as hotel or apartments. The total investment cost is expected to be HK\$234 million. The commercial building is scheduled to complete after two years. Currently, eight floors have been completed as scheduled.

鑑於工業製造仍處於艱難時期，本集團現時於工業上只作策略性投資，但為減輕太依賴工業的營運風險，本集團不時探索及分析其他商機，亦趨向多元化發展的策略。因此，於二零一零年十月二十二日，本集團與嘉輝房地產拓展有限公司（「嘉輝房地產」）（大股東何焯輝先生之私人投資）訂立買賣協議，據此，本集團以約一億二千四百萬港元收購嘉輝房地產之全資附屬公司宜興嘉利商務大廈開發有限公司（「嘉利商務」）全部股權，此協議於二零一零年十二月六日經獨立股東通過，並於二零一一年一月二十七日完成。

嘉利商務實益擁有位於中國江蘇省宜興市之地塊面積約20,012平方米，該地塊將開發一座21層高之商業大廈，其樓面總面積估計約為34,733平方米。預計商業大廈之第一層及第二層計劃作為購物廣場或辦公室，其他樓層將作為酒店或公寓使用。預計投資成本總額將約為二億三千四百萬港元。該商業大廈按計劃將於兩年後落成。現時已興建了八層樓房，進展如期。

Chairman's Statement 主席報告



Yixing Commercial Building, a commercial center, is currently built up to the eighth floor
宜興商業大廈現時興建至第八層



Design graph for the 21-floor Yixing Commercial Building
樓高二十一層之宜興商業大廈設計圖



Outlook of the composite office building of Yuquan plant in Fenggang
鳳崗玉泉廠房綜合辦公樓之外貌

The Capex for the industrial sector for the year ended 31 March 2011 was approximately HK\$65,000,000.

The budget for the Capex for the industrial sector for the year 2011/12 is approximately HK\$55,000,000. This is mainly due to the modification and upgrading of machineries in an attempt to enhance efficiency and productivity, as well as the investment in certain infrastructures, such as the renovation of composite office building in Yu Quan, to prepare for centralized administration and management, thereby enhancing the Group's competitiveness and attracting staff.

While the total investment cost in the property in Yixing is to be HK\$234 million, of which about HK\$110 million is to be incurred in financial year 2011/12 and the balance of HK\$124 million is for the financial year 2012/13.

截至二零一一年三月三十一日止，本年度在工業方面的固定資產投資共約為65,000,000港元。

預算二零一一至一二年度在工業方面的固定資產投資約為55,000,000港元。主要是將機器更新和升級，以提升效能和生產力及投資於一些基礎設施，如裝修玉泉綜合辦公樓等，作好統一行政管理之準備，以增加本集團競爭力和吸納員工。

而在宜興地產方面的投資合共234,000,000港元，其中約110,000,000港元為二零一一／一二財政年度之投資，餘額124,000,000港元為二零一二／一三財政年度之投資。

	Turnover 營業額 HK\$ 港元	Capex (excluding investment property) 固定資產投資 (不包括 投資物業) HK\$ 港元	Net Gearing Ratio as at 31 March 淨銀行 借貸比率 於三月三十一日
2007/08	2,799,967,000	199,000,000	8%
2008/09	2,460,578,000	115,000,000	-5%
2009/10	2,240,764,000	82,893,000	-4%
2010/11	2,591,101,000	65,000,000	8%
2011/12	N/A不適用	55,000,000*	40%*

* Initial estimation
初步估計

(2) Dividend Policy

The Board has adopted a set of "New Dividend Policy" since the first quarter of the financial year of 2006/07, which outlines the factors that should be taken into account in determining the dividend for distribution, such as profit attributable to equity holders of the Company, cash flow and Capex. After careful considerations of the aforementioned factors, the Board hopes to maintain the Company's track record of paying dividends to shareholders for fourteen consecutive years so the Board recommends to pay a final dividend of HK1.1 cents per share to shareholders whose names appear on the Register of members of the Company on 9 September 2011.

(3) Geographical Distribution

The Group has always adopted a diversified approach in transporting its goods and does not rely on one single market. Details are set out in segment information in Note 5 to the Consolidated Financial Statements.

(二) 股息政策

董事會於二零零六／零七年度第一季度業績公布採納「新股息政策」。新股息政策列出決定股息的派發金額時所須考慮的因素，如本集團股權持有人應佔溢利、現金流量及投資預算。董事會經審慎考慮上述各項因素後，亦希望維持連續十四年每年皆能派發股息的記錄，建議派發末期股息每股1.1港仙予所有於二零一一年九月九日當日名列於本公司股東名冊內的股東。

(三) 地域分布

集團一向採取多元化模式付運產品，不會依賴單一市場。詳情列於綜合財務報表分部資料附註五。

(4) Prospects

Uncertainties arising from conflicts in Korea, turmoil in Africa, the prolonged unresolved European debt crisis as well as the recent nuclear crisis caused by the unprecedented earthquake in Japan hinder the track to economic recovery. Recently, Hong Kong enterprises in the PRC face the problem of "three aspects of shortages and two aspects of high costs" that is, shortage of labour, financing and power supply as well as high costs and high tax charges. The sustained appreciation of Renminbi also adds weight to the Group. The problem of shortage of labour does not only concentrate on the period before or after the Chinese New Year, and does not only appear on the basic labour level, but also emerges in other kinds of skilled labours and middle management level. As such, the business environment will be extremely tough in the coming year. The Group will cease to pursue a surge in production volume, but rather place focus on the capability to provide value added and profitable business.

1. *Foundation Consolidation*

In the coming year, the Group will prudently carry out financial management and stringent cost control on its principal business, as well as making strategic investments and diversified development. When the business environment is still not significantly improved, the Group still moves towards to the track of deepening of lean manufacturing, enhancement in automatic production, increment in the proportion of automation, standardization of production flow and unification of all business units. With lean manufacturing, the production management efficiency of the Group could be raised to another level, thereby attaining a higher production efficiency with the most effective costs with a view to provide added value to customers in all aspects of production. As such, the Group will also take an active role in exploring new services to customers, hence making the Group's service offerings more extensive. With satisfaction gained from customers towards the Group's one-stop services, the Group is in a better position to strive for a more reasonable price with its customers. In respect of logistics, the Group tries to provide point-to-point one-stop services and standardizes the operational business model for all customers with enhanced internal connection among all supply chains, so that excess stocks could be minimised.

(四) 展望

兩韓的衝突及非洲之亂局、長期未能解決的歐洲債務危機及最近的日本千年一遇大地震所引致的核危機，徒添不穩定之變數，窒礙經濟復甦之路。國內港資企業近期面對的「三荒兩高」，即用工荒、融資荒及用電荒和高成本及高稅負。不斷上升的人民幣更令本集團百上加斤。用工荒的問題已不只集中於春節前後，而層面也不只普工，其他技術勞工及中層管理人員也開始出現不穩。因此，來年所面對的營商環境仍然是相當嚴峻。本集團並不再追求生產量，而是注重能提供增值和有盈利的業務。

1. *鞏固根基*

本集團明年仍固守本業，審慎理財及削減成本。並作出策略性投資，多元化發展。在營商環境仍未獲得明顯的改善時，本集團仍朝着深化精益生產、加強自動化生產的力量、提高自動化的比例、標準化生產流程及統一各業務單位的路向邁進。精益生產能提升本集團的生產管理效率至另一層次，能以最有成效的成本達至更高的生產效益，冀能在每一個生產環節皆能以最適成本提供附加價值予客戶。因此，本集團亦積極開拓新服務予客戶，使本集團的服務範疇更為廣泛，能使客戶對本集團的一站式服務感到滿意，以更佳的優勢向客戶爭取合理價格。物流方面，盡量提供點對點的一站式服務及標準化各客戶的營運模式，加強各供應鏈內部的銜接，以減少多餘庫存。



Production automation of metal stamping and plastic injection help to reduce the demand for labour and stabilise production efficiency and quality

五金衝壓及注塑生產自動化有助減少對勞動力的需求，同時可穩定生產效率及質量

2. *Indicators determination*

In addition, the Group will establish Key Performance Indicators (“KPI”) with its departments. KPI could enable department heads to clearly understand the duties of their respective departments, eliminating weaker players and enhancing the sense of competition via the establishment of performance and motivation mechanism, thereby utilizing human resources in a more effective manner. Moreover, KPI, being an indicative strategy, allows all departments to move towards the objectives of the Group in accordance with indicators. The Group also intends to further implement overall budgeting to strengthen cost control, reduce energy consumption and lower wastage, and thus creating better efficiency via the increase in resources utilization rate.

3. *Automatic Production*

The Group will increase the application of automation, thus achieving the aim at “success in a job presupposes ready tools”. The Group will co-operate with a professional automation company to enhance its works on the mechanical and automation system, training technical staff as well as system research and development. In April 2011, the Group acquired twenty 6-axis versatile industrial robots at approximately HK\$5 million to match its development of automation.

2. 釐定指標

此外，本集團將會和部門釐定績效指標（「KPI」）。KPI可以使部門主管明確了解各部門的職責，汰弱留強，增強競爭意識，建立績效及激勵機制，更有效使用人力資源。況且，KPI乃指導性策略，讓各部門按指標朝着本集團目標方向邁進。本集團亦擬進一步推行全面預算，加強成本控制，減少能耗、降低浪費，提升資源利用率，創造更佳效益。

3. 自動化生產

本集團為加強自動化的應用，以臻「工欲盡其善，必先利其器」之效能。本集團將與一家專業自動化公司合作以提升機械自動化系統、培訓技術人員及系統研發等工作範疇。於二零一一年四月，本集團以約5,000,000港元購入20台六軸機械手，以配合本集團自動化發展。

4. *Business Opportunities Exploration*

I believe that, leveraging on my personal success gained previously in the development of Fenggang community with the business model combining hotels, tourism, leisure facilities, real estates and the wedding city theme that has activated local economy and gained support and encouragement from local government, such a business model could be introduced and applied to the Group's development project in Yixing. Upon the completion of properties in Yixing, they could be leased out in accordance with the prevailing market conditions to obtain steady income, or disposed for profits and cash for other projects for future development. The Group could directly get involved in and share the relatively faster economic growth of the culture sector and Yixing via such model, and actively explores different kinds of business opportunities.

Amidst the toughs of the industrial sector, the Group will not stay put but respond with flexibility, moving forward with efforts in pursuit of breakthroughs and business diversification, which it believes future business risks could be reduced accordingly. As Yixing project is still in the construction stage, it is anticipated that the amount of CAPEX will continue to increase in next year.

4. 開拓商機

本人相信憑藉過去本人成功以酒店、旅遊、休閒設施、房地產及婚慶城主題結合之商業模式刺激鳳崗發展為小區，活化當地經濟，並獲得當地政府的支持鼓勵的經驗，可引進及應用於本集團在宜興的項目發展。當宜興物業落成後，可按當時市況出租，以獲取穩定收益，或出售套利及套取現金作其它未來發展的項目。本集團籍此可直接參與和分享文化產業及宜興市之較快經濟增長，並可積極開拓不同的商機。

本集團面對工業低潮，並不固步自封，靈活應變，努力向前發展，尋求突破，業務多元化，相信這樣能減少未來的業務風險。由於宜興項目仍在興建期，預計明年之資本性投資將會持續增加。

5. Conclusion

Under the tough and ever-changing business environment, the Group strives to explore new business, customers, services and products on one hand, while raises the proportion of automation to increase operation efficiency, optimizing the operation of every aspects of business and production procedures, as well as improving the Group's industrial technology to strengthen its existing business. The Group, with comprehensive and quality services as well as added value provided to customers as its competitive edges, does not only focus on prices in its competitive strategy. As a result, the Group will increase its capital investment in automatization and reinforced lean manufacturing to provide newly added values and diversified one-stop technical support and services to customers. Also, with close communication with customers and understandings on customers' needs, a mutually beneficial win-win partnership between both parties are developed in the pursuit of a more quality business.

The Group's unaudited turnover for the two months ended 31 May 2011 was HK\$376,236,000 (2010/11: HK\$457,324,000), as the unaudited turnover for these two months may not reflect the final results for the year ended 31 March 2012, investors and shareholders should exercise caution when dealing in the shares of the Company.

5. 總結

在面對嚴峻及瞬息萬變的商業環境，本集團一方面開拓新業務、新客戶、新服務及新產品，另一方面增加自動化比例，以提升營運效能，優化業務上各環節的運作及生產程序，改進集團工業技術以強化現有業務。本集團是以提供全面優質服務及增加附加價值予客戶為競爭優勢，並不是只以價格為競爭策略。故本集團將會增加資本性投資於自動化及強化精益生產，提供新附加價值及多元一站式的技術支援及服務予客戶，並與客戶緊密溝通，了解客戶需要，彼此發展互惠互利雙贏的伙伴關係，希望能獲取更多有質量的業務。

集團截至二零一一年五月三十一日止兩個月未經審核之營業額為376,236,000港元（二零一零／一一年度：457,324,000港元），因這兩個月之未經審核營業額未必能反映截至二零一二年三月三十一日止年度之最後業績，懇請各投資者及股東在買賣本公司股份時務須審慎行事。

FINANCIAL RESOURCES

Cash Generating Ability

In the manufacturing sector:

With the improvement in business, working capital was being tied up in the trade receivables or used in the settlement of trade payables. The net cash of HK\$36,525,000 was used in operating activities this year.

In property development:

In view of acquisition of Yixing Karrie Commercial Building Development Co., Ltd., completion is based on the issue and allotment of shares by the Company as consideration (please refer to the circular dated 12 November 2010 issued to the shareholders of the Company) ("Acquisition"). The Acquisition will therefore enhance the shareholders' equity and does not affect the Company's cash flow.

Non-current Assets to Shareholders' Fund Ratio staying below 1

The Non-current assets to Total Equity Ratio stayed at a healthy level of 76% (2009/10: 78%). This means that the Group is using long term shareholders' fund to finance non-current assets such as plants and machinery. The sole purpose of the existing bank borrowings is to finance the working capital.

Financing for Growth

As at 31 March 2011, the net bank borrowings was approximately HK\$71,930,000. As more fund will be invested in the Yixing Project, we expect the net gearing ratio will stay at a level of below 40% for the financial year 2011/12. We are also following our house rule of using our profit after tax and proceeds from the Rights Issue/allotment of shares to finance our capital expenditures:

財務資源

現金變現能力

在製造業方面：

隨著業務之改善，流動資金被留置於應收帳款內及用於找結應付帳。淨現金36,525,000港元乃耗用於本年營運業務上。

在地產發展方面：

鑑於購入宜興嘉利商務大廈開發有限公司乃以發行及配發代價股份完成（詳情請參閱本公司於二零一零年十一月十二日發予股東之通函）（「收購事項」）故上述收購事項將加強股東權益的基礎，並且不影響本公司之流動現金。

非流動資產與股東資金比率維持於1以下

非流動資產與權益總額比率繼續維持於76%之健康水平（二零零九／一零年度：78%），代表集團之「非流動資產」如廠房及機器，皆以穩定股東之權益總額所支持，目前銀行借貸唯一作用為流動資金週轉用途。

為增長提供資金週轉

於二零一一年三月三十一日，經審核的淨銀行借貸約71,930,000港元。隨着預計本年度宜興項目工程之開展，投放之資金會增加，我們預計二零一一／一二財政年度之淨銀行借貸比率將維持低於40%之水平，同時亦堅持既有之原則，以除稅後溢利及供股／配股所得的資金作為支持資本性開支的需要：

Financing Capex by Profit

以溢利作為固定資產投資之資金來源

HK\$ million	百萬港元	06/07	07/08	08/09	09/10	10/11
Profit After Tax	除稅後溢利	125	13	20	9	22
Depreciation and Amortisation	折舊及攤銷	54	60	57	48	50
Proceeds of Rights Issue or allotment	供／配股集資	–	122	–	–	124*
		179	195	77	57	196
Less:	減去：					
CAPEX	固定資產投資	92	199	115	83	174
Dividend/Dividends To Be Distributed	股息／將派發股息	47	4	9	6	10
(Deficit)/Surplus	(虧欠)／盈餘	40	(8)	(47)	(32)	12
(Net Bank Borrowings)/ Net Cash	(淨銀行借貸)／淨現金	(141)	(52)	36	31	(72)
Net Gearing Ratio/ (Net Cash Ratio)	淨銀行借貸比率／(淨現金比率)	25%	8%	(5%)	(4%)	8%

* calculation based on the issue price at HK\$0.425 per share

* 按每股發行價0.425港元計算

Resources Available

Total bank borrowings is about HK\$364,884,000. The Directors are confident that the cash in hand and bank balances of HK\$292,954,000 with banking facilities of HK\$1,124,000,000, the Group is able to meet its current operational and capital expenditure requirements and to make strategic investments when opportunities arise.

Exchange Rate Exposure

Most of the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar, US dollar or RMB. As the exchange rates of the RMB against Hong Kong dollar and US dollar rose continuously during the relevant period, the Group was exposed to exchange rate fluctuation risks and pressure on its production cost. The Group will actively communicate with its customers in order to adjust the selling prices of its products to mitigate the impact of the appreciation of the RMB on its business.

可動用資源

現時銀行借貸約為364,884,000港元，而手持現金及銀行結餘約為292,954,000港元與及銀行可用借貸額1,124,000,000港元，集團有信心足夠應付現時營運與及資本性開支及如機遇出現時的策略性投資的需要。

匯兌風險

本集團所有資產、負債及交易主要均以港元、美元或人民幣計算，由於在有關期間內人民幣兌換港元和美元之匯率持續上升，故此對本集團的營運成本產生一定的匯兌壓力和風險。本集團將努力與客戶爭取在貨價上作出調整，以減低人民幣匯價上升對業務的衝擊。

Contingent Liabilities

As at 31 March 2011, the Group had no significant contingent liabilities.

Tea-break with Individual Investors

We are glad that the “tea-break with individual investors” has been successfully held for 15th times. Owing to the sluggish market sentiment, particularly due to the lack of interests among investors in the shares of small industrial enterprises, the attendance rate gradually decreased over years. However, the Group adheres to the principles of “openness, fairness and equality” and believes that all investors (institutional or individual) should have the same right to get access to the Company's information. With these principles in mind and considering that the tea-break remains to be an effective and efficient way for the Company to communicate with its investors, the Group will continue to organise tea-break with individual investors but will only hold the tea-break once annually (provisionally to be held in August each year). In the event that the investment environment improves and investors become enthusiastic in participating in the tea-break again, we will consider gradually increasing the number of tea-break per year. The next tea-break is scheduled on 19 August 2011 from 7 p.m. to 9 p.m. at Hover City Chiuchow Restaurant, 1/F, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Kowloon (Lai Chi Kok MTR Station Exit). As part of the Group's social responsibility efforts, participants will be asked to donate at least HK\$150 to charity and the Group will match the donation up to a maximum of HK\$10,000. The Group will request the relevant charity to issue a receipt to the donor for tax deduction purpose.

或然負債

於二零一一年三月三十一日，集團並無重大或然負債。

與個人投資者茶敘

承蒙投資者蒞臨指導，個人投資者茶敘已成功地舉辦了十五次。礙於市場投資氣氛轉淡，尤其是小型工業股更乏人問津，出席茶敘人數按年遞減，然本公司秉承「公開、公平及公正」之理念，認為所有投資者（不論機構或個人）皆應同等地享有本公司資訊之平等權力。因此本公司不擬錯過與投資者交流之好機會及認為值得繼續保持一個與投資者之有效溝通渠道，故只得將每年舉辦茶敘次數減為一次（暫定於每年八月），倘將來投資氣氛好轉，投資者再次踴躍參加茶敘，本公司當會考慮按年遞增舉辦投資者茶敘的次數。下一次之茶敘將於二零一一年八月十九日晚上七時至九時，假座九龍長沙灣道833號長沙灣廣場一字樓潮濠城酒樓（荔枝角港鐵站出口）舉行。此茶敘亦為本集團履行社會責任計劃之一部份，所有到場參與人仕均需捐助不少於150港元予慈善機構，而本集團亦會捐出相同總額（總額上限為10,000港元）。本集團將會盡可能向相關慈善機構要求發出收據供退稅用途。



The Group has established for over 30 years not out of luck, but on the continuous and unfailing support from all stakeholders 集團屹立至今逾三十載，誠非偶然之事，有賴各持份者一直以來細水長流的支持

Interested investors are invited to visit the Group's website at www.karrie.com.hk for more details. Application form can be downloaded from the website or obtained by calling 2411-0913 during office hours. Since seats are limited, the Group will allocate the quota by lot if the total number of application is more than the seats available. Only investors whose applications are confirmed can join the function. Investors are advised to grasp this opportunity to communicate directly with the management of the Company.

EMPLOYEES AND REMUNERATION POLICIES

At the end of March 2011, the Group had approximately 6,500 employees (approximately 5,650 employees at the end of March 2010). With a good reputation in the local community, the Group has rarely encountered major difficulties in recruiting employees.

Employee remuneration packages are determined in accordance with prevailing market standards and the employee's performance and experience. The Group will also grant bonuses to employees with outstanding performance based on its own audited business performance and the appraisal and reward system. Other employee benefits include medical insurance, "Cooperative Home & Car Ownership Scheme" and mandatory provident fund.

Performance Based Incentives

The Group has adopted a performance based bonus system and more objective performance assessment. Employees with outstanding performance will receive considerable bonus.

DIVIDEND

The Board has recommended to pay a final dividend of HK1.1 cents (2009/10: HK1 cent) per share to shareholders whose names appear on the Register of members of the Company on 9 September 2011. Together with the interim dividend, total dividend paid for this year amounted to HK1.1 cents (2009/10: HK1 cent) per share. The final dividend, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on 2 September 2011, will be payable to those entitled on 22 September 2011.

如投資者對上述活動有興趣，歡迎瀏覽本集團網頁www.karrie.com.hk索取更詳細資料，報名表格可於本集團網頁直接下載或於辦公時間內致電2411-0913索取。由於場地座位有限，如人數超過限額，本集團會以抽籤形式分配名額。所有出席茶敘之人仕必須事先獲確認登記，方可入座。請各位投資者把握與本公司管理層對話之機會。

僱員及薪酬政策

於二零一一年三月底，集團於期內平均聘有僱員約6,500人（去年同期平均約5,650人）。由於集團在當地建立了良好的信譽，故此於招聘人員上並未遇到重大困難。

僱員薪酬乃根據一般市場標準及僱員之表現及經驗釐定，集團並會根據公司已審核的業績透過獎賞評核政策，對有良好表現的員工發放花紅。其他員工福利包括醫療保險、「合作置業及置車計劃」及強制性公積金。

表現為先

集團向來採納與表現掛勾的獎金制及較客觀的表現評估，有超卓表現的員工則會獲發可觀的獎金。

股息

董事會已建議派發末期股息每股1.1港仙（二零零九／一零年度：1港仙）予所有於二零一一年九月九日當日名列於本公司股東名冊內的股東；連同中期股息，全年股息共達每股1.1港仙（二零零九／一零年度：1港仙）。需待本公司股東將於二零一一年九月二日舉行之股東大會批准後，末期股息將於二零一一年九月二十二日派予本公司合資格股東。

AUDIT COMMITTEE

The Company has established an audit committee made up of one non-executive director and three independent non-executive directors whose duties include reviewing and supervising the Company's financial reporting process and internal control systems. The audit committee and the management have reviewed the accounting principles and major policies adopted by the Group and have discussed the auditing, internal control and financial reporting matters with the external auditors during the year. The audit committee has reviewed the consolidated results of the Group for the year ended 31 March 2011.

APPRECIATION

I would like to thank our customers, suppliers, bankers, shareholders and others who have extended their invaluable support to the Group, and my fellow Directors, managers and all staff for their considerable contributions to the Group.

An appreciation is given to Mr. Kwok Wing Kin, Francis for his services during the past years. He had resigned as from 28 April 2011.

As at the date of this annual report, the Executive Directors are: Messrs. Ho Cheuk Fai, Lee Shu Ki and Ms. Chan Ming Mui, Silvia; the Non-executive Director is: Mr. Ho Cheuk Ming; the Independent Non-executive Directors are: Messrs. So Wai Chun, Chan Sui Sum, Raymond and Fong Hoi Shing.

By Order of the Board

HO CHEUK FAI
Chairman

Hong Kong, 28 June 2011

審核委員會

本公司已成立審核委員會，該委員會現由一位非執行董事及三位獨立非執行董事組成。審核委員會負責處理審核範圍內的事宜，包括審視及監督本公司之財務申報程序及內部監控。審核委員會及管理層已審閱本集團已採納之會計準則及主要政策，並與外部核數師就本年度之審計、內部監控及財務報告進行商討。審核委員會已審閱本集團截至二零一一年三月三十一日止的綜合業績。

感謝

本人謹向一直鼎力支持集團的所有客戶、供應商、銀行家、股東、以及所有給予本公司支持者致以衷心致謝。此外更感謝一直為集團作出寶貴貢獻之董事、經理及員工們。

感謝郭永堅先生多年來作出之服務。彼已於二零一一年四月二十八日離任。

於本年報日期，本公司執行董事為何焯輝先生、李樹琪先生及陳名妹小姐；非執行董事為何卓明先生；以及獨立非執行董事為蘇偉俊先生、陳瑞森先生及方海城先生。

承董事會命

主席
何焯輝

香港，二零一一年六月二十八日

APPENDIX 1

Special Characteristics of Our Business Model

A Hypothetical Example (Simplified and generalized for easy understanding)

1. Quotation Phase

- Around 12 to 15 months prior to shipment, Customer A sends out Request for Quotation (RFQ) for a project to all “qualified suppliers”.

2. Project Confirmation Phase

- Customer A confirms the placement of the project to us;
- Customer A also provides shipment forecast for the next 18 to 24 months, which is the normal life cycle of a project.

3. Moulds and Prototype Making Phase

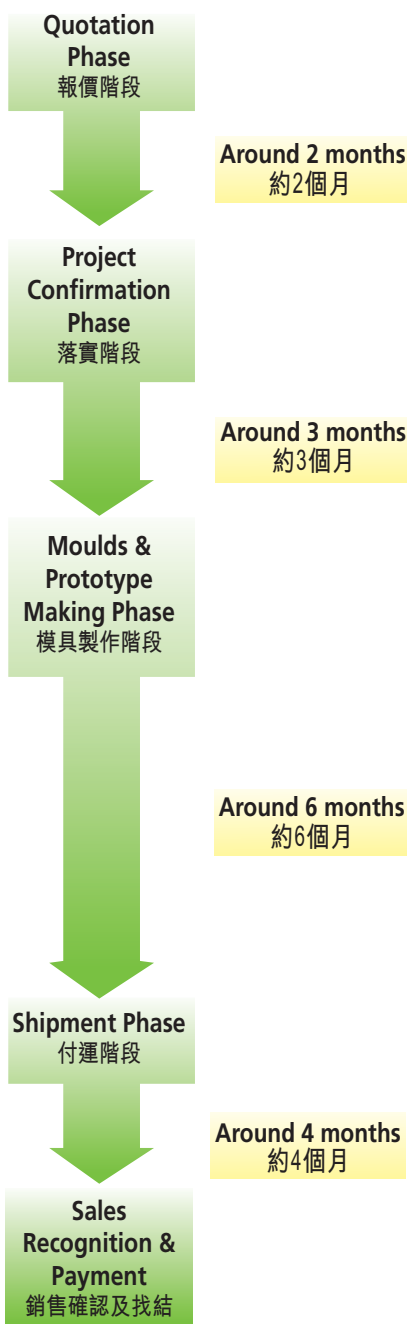
- According to Customer A's specification, we start to perform the design works, make the moulds and prototype;
- This process would take around 6 to 12 months;
- Customer A would also work with our purchasing department on electronics components and the list of qualified suppliers for such components.

4. Shipment Phase

- Customer A finalizes and revises the final shipment schedule;
- We start manufacturing and ship goods to just-in-time (JIT) inventory warehouses.

5. Sales Recognition and Payment

- Customer A takes goods from JIT warehouses;
- We get paid after the normal credit period (generally 60 days).



附錄一

經營模式之特色

假設舉例（為方便大家容易理解，下列之過程以簡化形式表達）

1. 報價階段

- A客戶就某一產品之項目，於付運前約12至15個月向所有「合格供應商」要求報價，包括集團在內。

2. 落實階段

- A客戶確認將有關產品項目交予集團負責；
- 我們得到該產品未來18至24個月的落貨預測，此亦是一般產品壽命週期。

3. 模具製作階段

- 集團按照A客戶所提供的規格要求進行設計工作，並製作生產模具及首辦；
- 此工序大概需時6至12個月；
- A客戶亦會就產品所需之電子零件，與採購部門商討指定供應商及相關審批程序。

4. 付運階段

- A客戶發出修訂付運時間表；
- 完成生產及將成品付運至「即時付運」系統中轉貨倉。

5. 銷售確認及找結

- A客戶從「即時付運」系統中轉貨倉提取成品；
- 客戶按照相關找結方式（一般為60天）付款。

APPENDIX 1 (Cont'd)

Special Characteristics of Our Business Model (Cont'd)

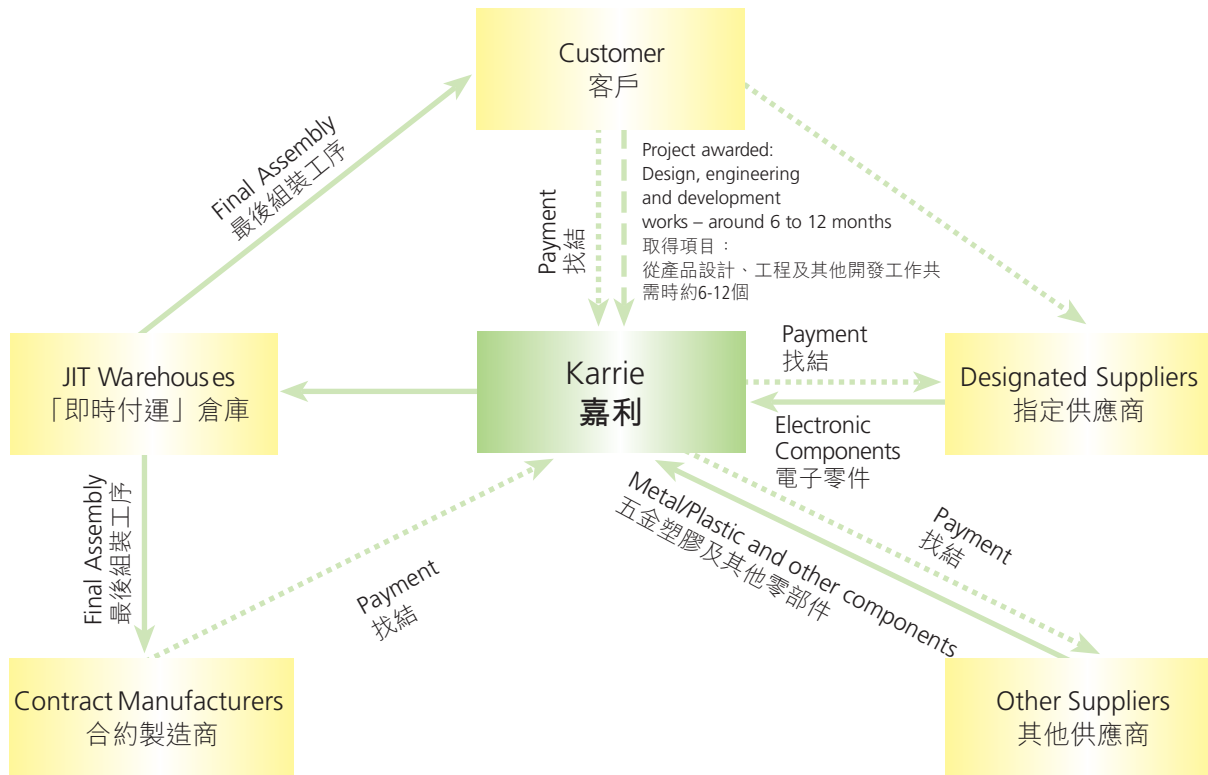
As in most cases the Group is the sole supplier for the confirmed project and the related engineering works have largely been completed, our problem is therefore one of production, and not of marketing (2003/04 Annual Report, page 26).

附錄一 (續)

經營模式之特色 (續)

由於集團通常是客戶個別產品項目之唯一供應商，而有關項目經已與新舊客戶取得落實，相關之工程準備工作亦大致完成，故現時所要關注的是如何完成生產任務，而非訂單（二零零三／零四年度年報第二十六頁）。

Generalised Flow Chart of the Supply Chain Management System
供應鏈管理系統一般運作流程圖



APPENDIX 1 (Cont'd)

Special Characteristics of Our Business Model (Cont'd)

Some or all of the following characteristics apply to our dealings with customers. Such characteristics have been generalized/simplified to enable easy understanding:

1. We deal with projects, which can take one year from initial project confirmation, development and engineering works to final shipment of goods. A project's shipment cycle can run for 18 to 24 months.
2. We do not normally have a large order backlog because the customers' adoption of either the just-in-time inventory (JIT), rolling forecast, Electronic Data Interexchange (EDI) or a combination of the above methods.
3. Usually we are the sole supplier for a particular project and therefore have the obligation to ship goods to customers even if the sales volume is much higher than the initial projection.
4. Most of our customers are not retailers, but manufacturers themselves. Some of them even have factories in China. Most of the electronic components are either sourced through the customers or their designated suppliers.
5. While the metal and plastic enclosures business is an integral part of the computer and computer peripheral sector, the industry thrives only in Taiwan but not in Hong Kong.
6. Our customers are mostly multi-national companies. Thus we frequently encounter such situation like project originated in Japan, components assembled in China while the final products shipped to Asia or Europe. Our definition of breakdown by market is by shipment destination rather than country of origin of the customers.

附錄一 (續)

經營模式之特色 (續)

以下的幾點經營特色或多或少是我們與客戶之間生意上交往時會遇到的，方便大家理解，已將下列之特色簡化表達：

1. 我們接回來的生意一般是以項目形式進行，而每個項目從開發，工程設計到起辦，至成品付運，整個過程為時約一年，而項目本身之週期為18至24個月。
2. 一般我們並無大量的實單在手，因為客戶落單以即時付運(JIT)，滾動式的預算表又或以電子信息交換系統(EDI)進行。
3. 很多時我們所負責的項目都是客戶該項目的唯一供應商，因此就算客戶突然將訂單數量增加，我們亦有責任準時付運。
4. 我們的客戶大多是廠家，而非零售商，有些更於中國設有廠房，大部份的電子零件都是客戶指定供應商又或是他們自己提供的。
5. 雖然五金塑膠外殼業務乃電腦及其週邊產品的核心部份，但這行業於台灣遠比香港盛行。
6. 我們的客戶大部份屬國際知名品牌，故很多時會出現如下情況：客戶之項目源自日本，但在中國生產，成品最終付運到亞洲及歐洲等地。而我們對於市場分佈之界定則以成品付運終點站為準，而非客戶來自那個國家。

APPENDIX 2

Corporate Governance

1. Establishment of an Executive Committee to improve decision-making efficiency. The day-to-day operations of the Group are now in the hands of a group of professional managers;
2. Efforts to improve transparency
 - disclosing in annual report detailed explanation of corporate strategies and the rationale behind;
 - meeting with individual shareholders annually through a new “tea-break” program;
 - disclosing price sensitive information on a timely basis, including continuing connected transaction, profit warning and discloseable transaction.
3. Clearly defined dividend policy of payment of 30%* or more of the profit attributable to shareholders;
4. Establishment of vision through clearly defined missions, values and objectives;
5. Encouraging executive directors to hold at least 500,000 shares of the Group;
6. Willingness to share wealth created with all shareholders through dividend. Since 2000/01, the aggregated amount of the Group's dividends paid/payable is around HK\$592,783,000 or around 69% of the shareholders' fund.

Remarks: * Because of the importance of maintaining financial stability in this crucial period of a CAPEX cycle, the Directors reserve the right of changing this guideline without prior notice.

附錄二

企業管治

1. 成立執行委員會加快決策效率，集團日常營運交由一群專業管理人員處理；
2. 致力提高透明度
 - 於年報中詳細解釋集團策略與其背後之理念；
 - 每年舉行「茶敘」活動與個人投資者會面；
 - 適時公佈價格敏感資料，包括持續關連交易、盈利警告及須予披露交易。
3. 將股東應佔溢利之30%*或以上用作派息作為集團之派息政策；
4. 透過清晰之使命、價值觀及目標，從而建立願景；
5. 鼓勵各執行董事持有不少於500,000股集團股份；
6. 願意透過派發股息與各股東一同分享財富；自二零零零／零一年度開始，集團已派發／擬派發現金股息約592,783,000港元，或約佔股東資金69%。

註：* 由於投資期內保持財務穩定相當重要，因此董事會保留無需提前通知而更改此股息派發指引之權利。

APPENDIX 3

Dividend and Dividend Policy:

股息及股息政策：

An unbroken 14 years' record of dividend payment

14年以來派息從未間斷

The Group's policy to distribute 30% or more of its profits attributable to shareholders as dividend

集團既定股息政策為股東應佔溢利30%或以上用作派息

All dividend paid shown below is in HK cents per share

下列每股派發之股息全以港仙計算

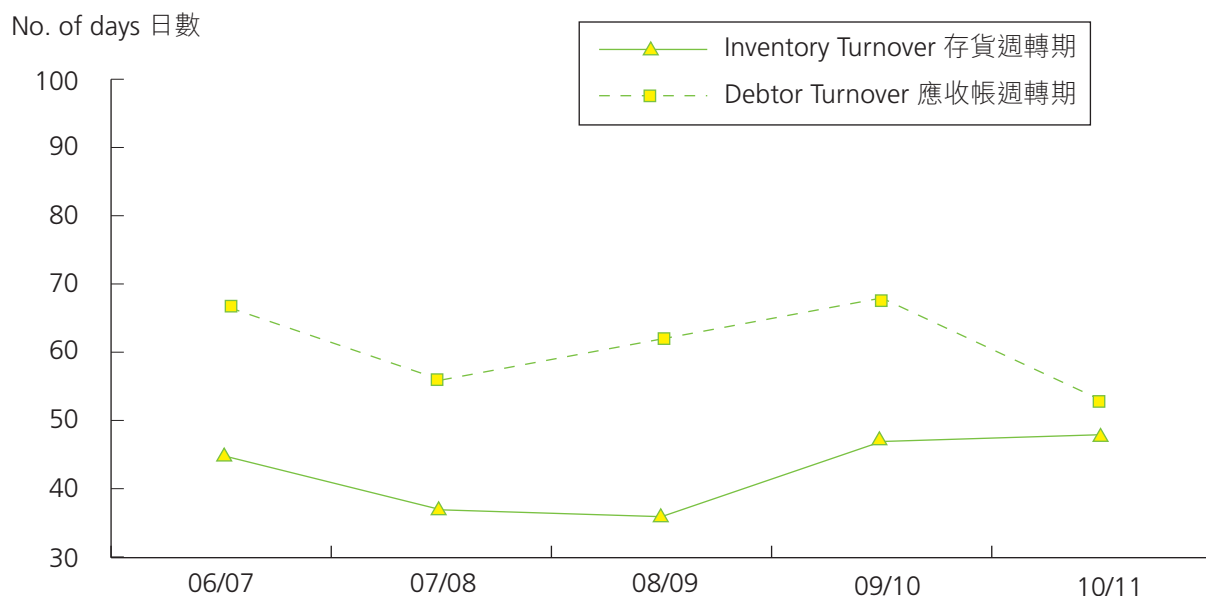
	Interim 中期	Final 末期	Subtotal 小計	Interim Special 中期 特別股息	Final Special 末期 特別股息	Special Subtotal 特別股息 小計	Total 合計	Dividend Payout Ratio 股息 派發比率	
								(Excluding)* (不包括在內)*	(Including)# (包括在內)#
1997/98	Nil 無	1.00	1.00	Nil 無	Nil 無	Nil 無	1.00	13%	N/A 不適用
1998/99	2.00	2.00	4.00	Nil 無	Nil 無	Nil 無	4.00	58%	N/A 不適用
1999/00	2.20	2.20	4.40	Nil 無	Nil 無	Nil 無	4.40	77%	N/A 不適用
2000/01	1.10	3.80	4.90	Nil 無	6.20	6.20	11.10	69%	156%
2001/02	5.00	5.90	10.90	5.00	14.10	19.10	30.00	50%	138%
2002/03	8.00	11.00	19.00	Nil 無	5.00	5.00	24.00	60%	75%
2003/04	8.00	12.00	20.00	Nil 無	Nil 無	Nil 無	20.00	87%	N/A 不適用
2004/05	8.50	12.50	21.00	Nil 無	Nil 無	Nil 無	21.00	58%	N/A 不適用
2005/06	9.00	13.00	22.00	Nil 無	3.00	3.00	25.00	48%	55%
2006/07	8.50	3.00	11.50	Nil 無	Nil 無	Nil 無	11.50	38%	N/A 不適用
2007/08	0.75	Nil 無	0.75	Nil 無	Nil 無	Nil 無	0.75	27%	N/A 不適用
2008/09	Nil 無	1.50	1.50	Nil 無	Nil 無	Nil 無	1.50	39%	N/A 不適用
2009/10	Nil 無	1.00	1.00	Nil 無	Nil 無	Nil 無	1.00	45%	N/A 不適用
2010/11	Nil 無	1.10	1.10	Nil 無	Nil 無	Nil 無	1.10	32%	N/A 不適用

Remarks: * Excluding special dividend
備註： *不包括特別股息

Including special dividend
#包括特別股息

APPENDIX 4

Inventory & Debtor Turnover
存貨及應收帳週轉期



(no. of days) (日數)	06/07	07/08	08/09	09/10	10/11
Inventory Turnover 存貨週轉期	45	37	36	47	48
Debtor Turnover 應收帳週轉期	67	56	62	68	53

Inventory turnover (Base on year end stock value/Cost of Sales) x 365 days
Debtor turnover (Base on year end debtors/Turnover) x 365 days

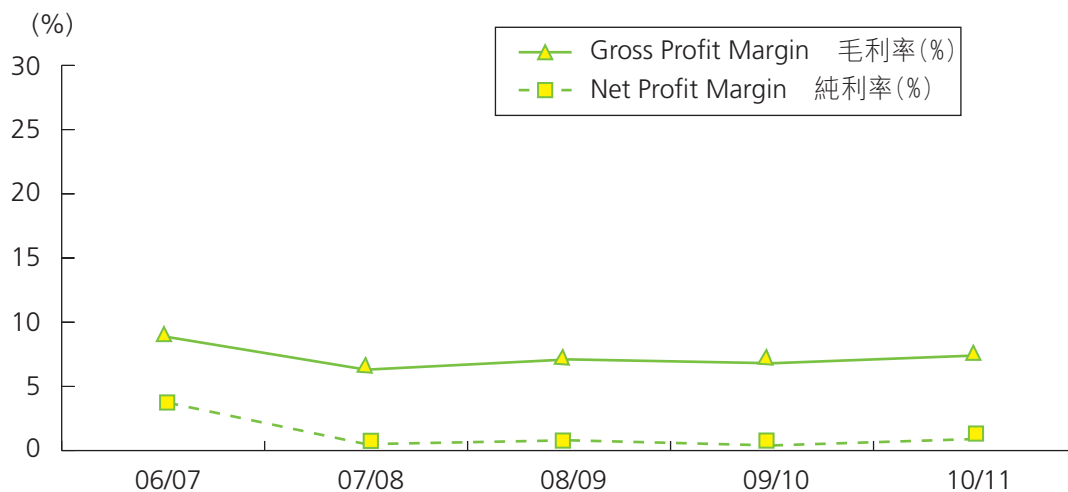
存貨週轉期 (以年終存貨值 / 銷售成本) x 365日
應收帳週轉期 (以年終應收帳 / 營業額) x 365日

Inventory Turnover Days 存貨週轉期

(no. of days) (日數)	09/10	10/11	Change 變幅%
Raw Materials 原料	26	26	-%
WIP 半製品	8	9	+13%
Finished Goods 製成品	13	13	-%
Total 合計	47	48	+2%

APPENDIX 5

Gross Profit Margin & Net Profit Margin
毛利率與純利率走勢圖



(%)	06/07	07/08	08/09	09/10	10/11
Gross Profit Margin 毛利率	9.1	6.4	7.2	6.8	7.4
Net Profit Margin 純利率	3.8	0.5	0.8	0.4	0.8
<i>HK\$(million) (百萬港元)</i>					
Revenue 收入	3,328	2,803	2,464	2,245	2,605
Profit for the year 本年度溢利	125	13	20	9	22

APPENDIX 6

FAQ

BUSINESS

1. What is so special about Karrie's business model?

- Normally we deal with projects, which can take one year from initial project confirmation, development and engineering works to final shipment of goods. A project shipment cycle can run for 18 to 24 months.
- Usually we are the only vendor for a particular project confirmed. Combined with the 18 to 24 months shipment cycle, we are bestowed with relatively long-term business visibility. (2004/05 Annual Report, page 60)

2. Would rising cost of raw material affect the performance of the Group?

Under the Group's versatile 'Total Transparent Cost Plus Pricing Mechanism' most of the raw materials other than electro-galvanized steel plates are sourced through the customers or through suppliers designated by the customers. A rise in raw material price (other than steel) has only a marginal impact on the bottom line. (2004/05 Annual Report, page 18)

3. Experts say RMB is going to appreciate more in the coming two years. What is the impact on the Group?

- RMB payments represents about 15% of the total cost of sales.
- As most of our competitors are also based in China and on the basis that customers stick to their present purchasing practice, in theory we could raise price to cover the increase in cost over the time.

4. To whom do Karrie sell its products?

Our products, including computer server casings, laser printers, magnetic tape drive, are mainly sold to multi-national customers.

附錄六

常見問題

業務

1. 嘉利之經營模式有何特別？

- 我們接回來的生意一般是以項目形式進行，而每個項目從開發，工程設計到起辦，至成品付運，整個過程為時約一年，而項目本身之週期為十八至二十四個月。
- 通常我們所負責的項目都是客戶該項目的唯一供應商，加上一般產品之壽命週期為十八至二十四個月，因而我們對生意前景有相對較長線的洞悉力。(二零零四／零五年度年報第六十頁)

2. 原料成本不斷上漲會否對集團的表現有所影響？

根據集團多變的「全透明成本加利潤報價模式」，除鐵料外，大部份原料均是由客戶負責採購又或是由客戶指定供應商所提供，故此原料價格（鐵料除外）上升只會對集團帶來輕微影響。(二零零四／零五年度年報第十八頁)

3. 有專家指出未來兩年人民幣仍然會持續升值，這對集團有何影響？

- 採用人民幣找結的總額佔整體銷售成本約15%。
- 由於集團大部份之競爭對手之生產基地亦設於中國，理論上長遠而言，基於客戶仍會按照現有之採購模式於中國採購，相信大家都會一致向客戶要求加價，以彌補成本上升的。

4. 嘉利所制的產品銷售對象是誰？

我們製造的產品包括電腦伺服器外殼、鐳射打印機、磁帶解碼機等，大部份均是售予一些國際性知名的客戶。

APPENDIX 6 (Cont'd)

CAPEX, DIVIDEND AND FINANCE

5. Are you worried about a high level of bank borrowings?

- The Group's shareholders fund is much higher than the non-current assets meaning that the Group is financing its non-current assets through stable shareholders' fund rather than bank borrowings;
- Any increase in net bank borrowings could therefore be attributed to the increased working capital requirement due to an increase in turnover. This is a positive news but not the otherwise.

6. What is the status of new Yu Quan and Yixing Plants?

- The site area of Yu Quan Plant is approximately 240,000 sq. m. as compared to the combined site area of 89,000 sq. m. of the existing Yan Tien Plant and Fenggang Plant;
- We will build Yu Quan Plants in various phases depending on the economic conditions. Phase I has launched production in October 2006;
- Phase II of Yu Quan Plant was completed by end of 2008 and has launched production;
- Phase III of Yu Quan Plant has been completed by the end of 2010;
- Yi Xing Plant has commenced production in February 2010.

7. Is Karrie going to change its dividend policy because of the capex and working capital requirements?

- Our dividend policy is to pay out 30%* or more of the profit attributable to shareholders;
- In 2010/11, we paid out a total of HK1.1 cents as dividend (payout ratio: 32%), making the 14th year of unbroken dividend payment record;

*Remarks: Because of the importance of maintaining financial stability in this crucial period of a CAPEX cycle, the Directors reserve the right of changing this guideline without prior notice.

附錄六 (續)

固定資產投資、股息及財務方面

5. 你們有否擔心過高借貸情況？

- 集團股東資金比「非流動資產」為高，代表著集團之「非流動資產」是以穩定的股東資金所支持的，而非經由銀行借貸；
- 任何淨銀行借貸之上升乃由銷售額增長帶動流動資金需求增加的，這是正常不過的現象，絕無不妥當。

6. 目前新的玉泉及宜興廠房興建進度如何？

- 目前的雁田及鳳崗廠房兩者相加之佔地面積只有89,000平方米，至於玉泉廠房之佔地面積約240,000平方米；
- 我們將會根據經濟狀況將玉泉廠房劃數個階段興建，而第一期已於二零零六年十月正式投產；
- 玉泉廠房第二期工程已於二零零八年底完成及正式投產；
- 玉泉廠房第三期工程將已於二零一零年底完成；
- 宜興廠房於二零一零年二月正式投產。

7. 因應目前之固定資產投資及流動資金的需求，嘉利會否改變股息政策？

- 我們的股息政策是將股東應佔溢利的30%*或以上作為股息；
- 於二零一零／一一年度我們每股派發1.1港仙作為股息（派發比率為32%），並連續十四年保持派息記錄；

*註：由於投資期內保持財務穩定相當重要，因此董事會保留無需提前通知而更改此股息派發指引之權利。

APPENDIX 6 (Cont'd)

CORPORATE GOVERNANCE AND OTHERS

8. Should you worry about the corporate governance standard of Karrie?

- For three consecutive years from 2003-2005, fund managers and research analysts have voted Karrie as one of the best-managed companies in Hong Kong in the Asiamoney Polls. In the 2004 Poll, Karrie was voted as the second best in Corporate Governance in Hong Kong. In 2005 Karrie was voted as the best small cap in the same poll;
- We have made detailed explanation of corporate strategies and the rationale behind in our annual reports and our effort was recognised by Hong Kong Management Association and awarded with "Honorable Mentions" in 2006 and 2007 Best Annual Report Award, also being awarded with 2007 IR Magazine Award "Best Annual Report and Other Corporate Literature" Award. In 2008, we had been awarded "Citation for Achievement in Corporate Governance Disclosure" in the 2008 Hong Kong Management Association Best Annual Reports Award;
- Since 2001 the day-to-day operation of Karrie has been in the hands of a group of professional managers. The management team is not related to the controlling shareholder;
- Karrie is also willing to share with shareholders the wealth created through distribution of dividend. Since 2000/01, the aggregated amount of the Group's dividends paid/payable is around HK\$592,783,000 or around 69% of the shareholders' fund as at 31 March 2011;
- To increase its transparency, Karrie
 - a. arranges "tea-breaks" with individual shareholders annually;
 - b. publishes an easy-to-read annual reports with graphs, tables and other useful information; and
 - c. discloses price sensitive information on a timely basis.

9. Who are the major shareholders?

- As at 30 June 2011, the Ho's family/New Sense Enterprises Limited/Castfast Properties Development Co., Ltd. held around 70.88% of the issued share capital of the Company.

附錄六 (續)

企業管治及其他

8. 我們應否擔憂嘉利的企業管治水平?

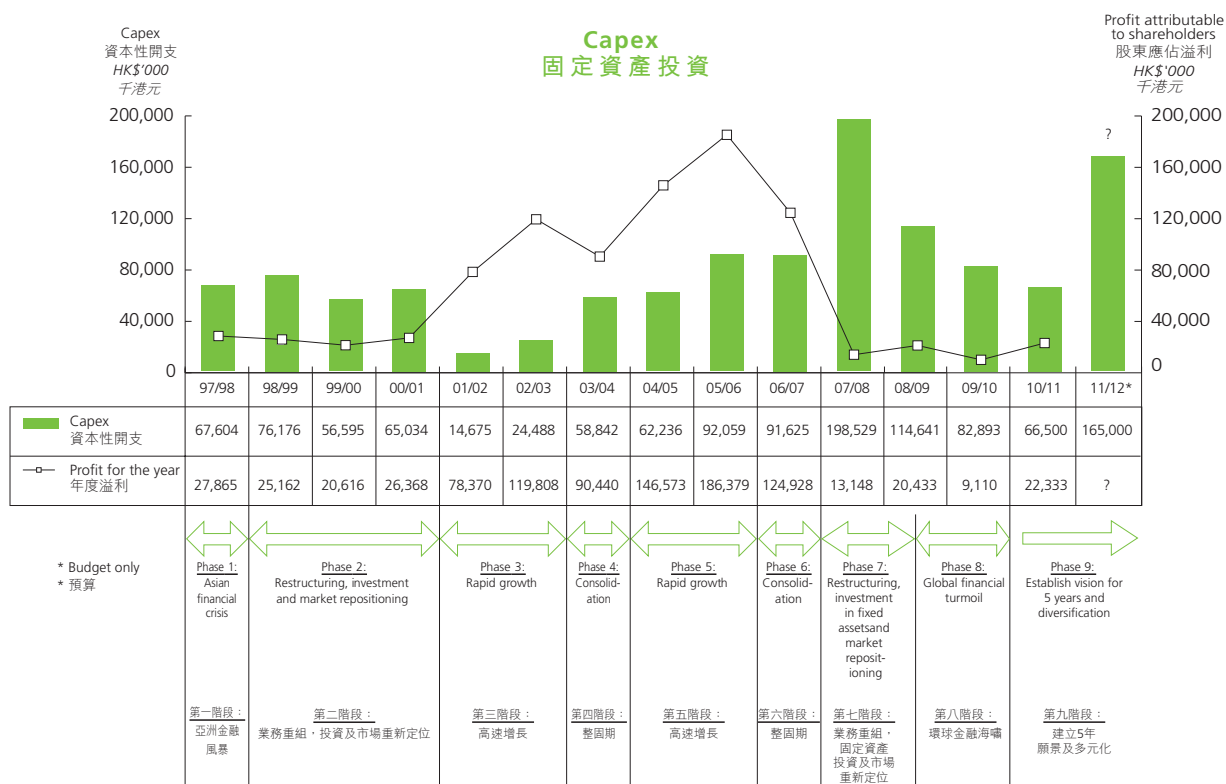
- 嘉利於二零零三至二零零五連續三年於「亞洲貨幣雜誌」選舉中被機構投資者及證券分析員推許為優秀企業。於「二零零四年度選舉」中，嘉利被選為「香港最佳企業管治表現」第二名。於「二零零五年度選舉」更獲選為「香港最佳管理公司—小型企業」第一名；
- 於年報中詳細解釋集團策略與其背後之理念，此舉取得「香港管理專業協會」認同並獲頒發二零零六及二零零七年度「最佳年報選舉」之優異年報獎項，同時亦獲「投資者關係雜誌」二零零七年度「最佳年報及企業文獻」第一名。於二零零八年，本集團獲得「香港管理專業協會」二零零八年度「最佳年報選舉」之「優秀企業管治資料披露獎」；
- 嘉利自二零零一年開始交由一班專業管理人士負責日常營運工作，所有成員均與控股股東無親屬關係；
- 嘉利亦願意透過派發股息與股東們分享財富，自二零零零／零一年度開始，截至二零一一年三月三十一日集團合共已派發／擬派發之現金股息約592,783,000港元，佔股東資金的69%；
- 為了提高透明度，嘉利
 - a. 每年為個人投資者舉行茶敘活動；
 - b. 年報制作考慮「用者為先」，透過簡淺的圖畫、圖表及其他有用資料加以表達；及
 - c. 適時公佈價格敏感資料。

9. 誰是集團的主要股東?

- 截至二零一一年六月三十日止，何氏家族／New Sense Enterprises Limited／嘉輝房地產拓展有限公司持有股份約為70.88%。

APPENDIX 7

附錄七





Next generation of our staff (Note on P.66)
我們員工的下一代 (附註見第66頁)

INTRODUCTION

Sustainable development, according to the World Commission on Environment and Development, is: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Being the Group's established and long-term strategy, sustainable development is also the mission of the Group. While pursuing corporate growth, the Group bears the well-being of the future generations in its mind via reduction on the burden on the environment and assistance in the protection of common resources, satisfying the development of the current generation. The Group upholds the tenet of persistence, consistence and continuance and puts the concept of "Karrie on Perpetual Motion" into practice, thereby becoming lively and following the nature with perpetuity and harmony.

前言

根據聯合國環境與發展世界委員會的報告，可持續發展是：「既能滿足現今的需求，又不損害後代能滿足他們需求的發展模式」。持續發展為本集團之既定長遠政策，又為本集團之使命。本集團在追求企業增長之同時，亦不忘後代的福祉，減少對環境造成負擔，協力保護共同擁有的資源，能夠滿足目前世代之發展。本集團一貫發揮堅持、一致及延續之精神，體驗「嘉(家)建於恆」的理念，生生不息，順應自然，永續生命，一體和諧。

The Group has adopted EICC (Electronic Industry Code of Conduct) to ensure that it could continuously satisfy the legal and customers' needs in respect of the protection of employees' rights, business ethics, environmental protection, occupational health and safety, as well as making continuous improvement to fulfill corporate social responsibilities. The Group is pleased to report seven scopes of work regarding social responsibilities as follows:

- (I) Fairness and integrity
- (II) Concertedly build the "Karrie" brand
- (III) Caring for the community
- (IV) Corporate governance
- (V) Training and development
- (VI) Health and safety
- (VII) Caring for the environment

(I) Fairness and integrity

Adhering to the principle of being people-oriented and respecting staff's interests, the Group does not impose any discrimination, involuntary labor, physical punishment and improper treatment towards its staff. The Group respects to the freedom of the formation of legal unions, and does not employ any children labour, while the employees' working hours as well as wages and benefits are complied with the requirements under the regulation. With well-established policies, the Group prohibits the occurrence of aforesaid issues which breach labour and human rights, and also has management procedures in place to implement supervision. Meanwhile, promotion are made to the staff to allow them to get acknowledged of their rights, while training is provided to the management, so that respect on human rights and the practical knowledge of equal opportunities are applied in the working environment.

With the fundamental principles of "employment is based on talents", recruitment, remuneration, training opportunities, promotion, dismissal or retirement would not be affected by race, social status, nationality, religion, disabilities, gender, sexual orientation, membership in labour union, political belongings or age.

本集團已採納EICC電子行業行為準則，以確保公司在員工權益保障、商業道德、環境保護、職業健康及安全各方面皆能夠持續滿足法律及客戶要求，並持續改善以多盡企業社會責任。本集團欣然匯報下列七個有關社會責任的工作範疇：

- (I) 公平持正
- (II) 齊心建「嘉」
- (III) 建設社區
- (IV) 企業管治
- (V) 培訓與發展
- (VI) 健康安全
- (VII) 環境保護

(I) 公平持正

本集團一向以人為本，尊重員工權益，對員工不歧視、不強迫勞動、不體罰、不虛待；尊重法律允許下的自由結社；不使用童工；工作時間及工資福利符合法規要求。本集團有既定政策禁止上述違反勞工及人權之事宜，亦有管理程序執行監管。同時亦向員工宣傳，使其了解其權力及提供訓練予管理人員，在他們工作時更能奉行尊重人權及平等機會的實務知識。

職位是以有能者居之為基本原則，不會因種族、社會等級、國籍、宗教、殘缺、性別、性取向、工會會員、政治歸屬或年齡而影響聘用、報酬、培訓機會、晉升、解職或退休等事項上。

Caring for the employees 員工身心發展



組織青年男女員工假日聯誼，為他們引紅線締造機會 Gatherings are arranged for youngsters in holidays as matchmaking chances



主席何焯輝博士實行與家同樂，為激烈的籃球比賽活動揭開序幕 Dr. Ho Cheuk Fai, the Chairman, had fun with our colleagues and participated in the kick-off ceremony for the basketball competition



安排郊遊活動予員工子弟，讓他們感受到關懷溫暖 Excursions are organized for our staff's family to show our concern and care on them



民以食為天，假期輕鬆鬆鬆啲蛋糕 Food is an essential part of life! Bake cakes in holiday in a relaxed manner



日食多少油才算健康，營養師即場示範告訴你 Detician demonstrated and explained the suitable amount of daily oil intake for staying healthy



為員工介紹婚嫁外，還替他們舉行盛大的婚禮呢，一雙一對的新人多幸福! Apart from being the matchmaker, we also organize grand wedding for our staff. How sweet the bride and the groom are!



安排專業導師帶領同事們於午膳後做健體操，保持窈窕身形 Professional tutors are arranged to lead our staff to do exercises after lunch for keeping themselves slim



邀請醫務人員為婦女員工舉行講座，提升大家關注身體健康 Physicians were invited to hold talks for female staff to raise their awareness on health

Fair participation of stakeholders is crucial to the Group's performance of its commitment to sustainable development, in particular, the equal participation of staff and shareholders. As explained in the 30th anniversary special publication of the Group, water is an invaluable resource, and staff, being the water of the Group, allows the Group to make great achievements over the last 30 years. The Group encourages its staff to take part and actively communicate with them, thereby establishing the co-operation relation of interaction and mutual trust.

As shareholders are the major stakeholders, the Group has the responsibility to strive for their maximum interests. The Group has formulated its dividend distribution policy, declaring 30% of the profit attributable to shareholders, and has consecutively declared dividends for fourteen years. The Group adheres to the principles of fair participation of shareholders and believes that all investors (institutional or individual) would have the same right to get access to the Company's information. As such, apart from the regular communication channel in the annual general meeting, the Group also holds individual investors' meetings on an annual basis to establish a communication platform with individual investors, which has already been successfully launched for 15 sessions.

(II) Concertedly build the "Karrie" brand

On top of placing awareness on the physical health of its staff, the Group also concerns about their mental health, putting the objectives of the balance of work and daily life into practice. In the opinion of the Group, the living standard of its staff shall be raised in addition to working, so that positive sentiments and motivation could be formed to strengthen their capability to handle emotion problems. Various kinds of activities are also organized to facilitate interaction and communication among staff with the development of different teams such as "Castfast Youth Caring Team" (嘉輝關愛青年小組), "Staff Care Committee" (關懷員工委員會) and voluntary group for charitable work to organize different kinds of activities on a regular basis, through which, staff are provided with opportunities to participate in and establish team spirit. Also, renowned psychological lecturers are arranged to teach relevant skills to counselors.

權益人的公平參與對本集團履行持續發展的承諾尤為重要，特別是員工及股東的均衡參與。誠如本集團三十週年特刊裏闡明：水乃珍貴資源，員工乃本集團之水，成就了本集團過去三十年的光輝。本集團鼓勵員工參與，積極與員工溝通，構建互動互信的合作關係。

本集團有責任為股東謀取最大利益，股東因此為本集團的主要權益人。本集團既定了派發股息政策，為股東應佔溢利30%。本集團亦維持派息十四年，從未間斷。本集團秉承了股東公平參與原則及認為所有投資者（不論機構或個人）皆應同等地享有本集團資訊之平等權利。故除了固定的週年大會的溝通渠道外，本集團按年舉辦個人投資者茶敘，建立與小股東的溝通平台，個人投資者茶敘已成功舉辦了十五屆。

(II) 齊心建「嘉」

本集團除注重各員工的身體健康外，還關注員工精神生活，亦秉承推行平衡工作及生活之宗旨，認為員工應努力工作外，亦須提升生活質素，增加正面情緒及能量，加強應對情緒問題的能力，還希望透過各種活動，使員工互相交流。本集團同時發展不同團隊如「嘉輝關愛青年小組」、「關懷員工委員會」及「社會公益活動小組」等，定期舉辦各式活動，為員工提供參與及建立團隊合作精神的機會，並安排知名心理導師向輔導員傳授相關技巧。

The Group also carries out a great variety of culture and festival celebration events, including “Mid-Autumn Festival and National Day Evening Culture Party”, “30th Anniversary Camp Fire Evening Party” and “Songshan Lake Gathering”, allowing its staff to relax and gather happily to alleviate pressure, while providing single staff with matchmaking chances. In addition, based on Fenggang, the Group respects the local Keqiao (客僑) culture and co-organise “Fenggang Keqiao Culture Festival”, with over 10 pairs of couples from the plant participating in the collective wedding ceremony. Furthermore, “Going to beach with Children” (留守兒童觀海聽濤) is also organised for staff and their children who lived apart from other provinces to travel to Jinsha Bay in Shenzhen in order to establish closer and stronger connection.

The Group has also established staff caring team to show care and concern for solitary staff. At the same time, to train up the physical fitness of staff and give them a chance to show off their skills, the Group has organized the Karrie Cup table tennis competition and basketball competition. As this year witnesses the 30th anniversary of the Group's establishment, the Group held the “30th Anniversary Athletic Meet” for the first time in Yuquan sports yard, which has attracted over a thousand participants from Mainland and Hong Kong. The Group has also constructed the first corporate staff indoor activity center in Fenggang, allowing its staff to take part in all kinds of leisure and sports activities regardless of the weather conditions.

Karrie Health Month 2010, an annual event organized by summer interns, includes activities such as “Taking more fruits keeps the doctor away”, Breakfast Day, Trivia Q&A Competition, “Ideal BMI (Body Mass Index) Disease Prevention Project”. It is hoped that staff could acquire more knowledge in respect of BMI and disease prevention with the explanation of dieticians, while encouraging staff to put their knowledge of keeping themselves healthy into action in their daily life as well as promoting the idea to their family and the society.

本集團舉辦了不同類型的文化及節日慶祝活動如「中秋國慶文藝晚會」、「三十周年篝火晚會」、「松山湖聯誼」等，使員工得以歡聚，放鬆心情，舒緩壓力，同時亦提供單身男女彼此相識的機會。另外，集團扎根鳳崗，尊重當地的客僑文化精神，協辦了「鳳崗客僑文化節」，廠內有10多對新人參加了此次集體婚禮。還有舉辦「留守兒童觀海聽濤」活動，讓長期在外打工的員工與其子女一起到深圳金沙灣遊玩，藉以互相親近加強溝通。

本集團也成立關愛員工行動小組，讓一些孤獨無援的員工切實地感受溫暖及關愛。同時，為鍛煉員工身手，本集團舉辦了嘉利杯的乒乓球賽及籃球賽，讓員工一展身手。適逢本集團成立三十周年，本集團首次於玉泉運動場舉行了「成立30周年誌慶運動會」，吸引了中港近千名員工參與。本集團也興建了鳳崗首家企業員工室內活動中心，讓員工可風雨無間地參與各類康體活動。

讓年度的暑假實習生統籌的嘉利健康月二零一零，活動包括「多食水果、醫生遠離我」、早餐日、冷知識問答比賽、「理想BMI (Body Mass Index / 體重指標) 防病工程」等。希望籍專業營養師的講解，讓員工更了解有關BMI及預防疾病等方面知識，並鼓勵員工將健康知識和行動付諸實踐，及向其家人和社會推廣。

Caring for the community 建設社區



出錢出力，齊來參與百萬行 Show our financial and physical support and participate in the Community Chest Walks for Millions



集團獲香港生產力促進局頒發「香港傑出企業公民獎 - 優異獎」(製造業)，表示嘉利在過去實踐「企業公民責任」方面所出的表現得到認同 The Group was awarded 「Hong Kong Corporate Citizenship Award - Excellent」 Manufacturing Enterprise Award by Hong Kong Productivity Council for the recognition of Karrie's performance of "corporate social responsibilities"



同事落力地向花場的一班「老友記」講解遊戲規則，務求令大家盡情投入 Our staff were endeavored to explain the game rules for the elderly to make everyone enjoy



不經不覺集團捐建的東莞嘉利希望小學已經十周年了，受惠的師生們不計其數 Donated and constructed by the Group, Dongguan Karrie Primary School of Hope has established for a decade and benefited lots of students



義工們一同親身感受無國界醫生在衝突地區的模擬工作環境，他們的無私奉獻，實在可敬 Our volunteers experienced the simulated working environment of MSF in regions with clash of, feeling respectful about their selfless dedication



一句簡單問候已令不少長者暖意在心頭，繫記多關心身邊的長者 Remember to concern about the elderly - a simple greeting could already make them feel warm



有機會親身到奧比斯的眼科醫療飛機參觀，令同事們大開眼界 Eye-opening! Our staff visited to the ophthalmology medical plane of ORBIS

(III) Caring for the community

As a responsible corporate citizen, the Group clearly understands the needs of integrating into the society, creating harmony and making full commitments to social services. Since May 2005, the Group has established a volunteer group for charitable works. In Mainland, different internal organisations including labour union office and the party branch also organise various kinds of charitable activities.

The Group has sponsored “Nothing is Impossible” Outward Bound Program organized by Sheng Kung Hui St. Christopher’s Home from 2007, which aimed at facilitating the all-around development of children. Through various activities like war game training and adventure-ship, children are cultivated with spirit of “Nothing is impossible” to strengthen their endurance. Besides, the Group sponsored the clothings and registration fees for students with slight mental retardation and teachers of HHCKLA Buddhist Po Kwong School for their participation in the 10km race in the Standard Chartered Hong Kong Marathon for the fourth consecutive year so as to train students’ willpower and persistence. In respect of the PRC, with the tenth anniversary of Dongguan Karrie Primary School of Hope donated and constructed by the Group and its staff, Karrie sent its representatives to the school for delivering its kind greetings to the students and teachers. The Group’s Mainland and Hong Kong volunteer group also pays visits to elderly centers or elderly houses during Mid-Autumn Festival and Tuen Ng Festival annually, celebrating the festivals with elderly and giving them gifts.

To encourage active participation in voluntary services, volunteer holidays have been set since 2008. During the year, hours of voluntary services reached 1,390 hours. The Group also took part in various social charitable activities during the year, such as Hong Kong Community Chest Walk for Millions, ORBIS Pin Day, ORBIS Mid-Autumn Charity Sale and MSF Truck Exhibition.

(III) 建設社區

本集團作為負責任的企業公民，清楚了解必需融入社區，締造和諧，參與社會服務不遺餘力。本集團早於二零零五年五月已成立「社會公益活動小組」。國內方面亦有不同內部組織，如工會辦、黨支部等，舉辦各項社會公益活動。

本集團自二零零七年起資助香港聖公會聖基道兒童院舉辦「嘉利凡事皆可能自我挑戰計劃」，希望透過不同的外展活動如野戰訓練、乘風航及歷奇訓練等培養兒童「凡事皆可能」的精神，強化他們的鬥志和能力。另外，本集團連續四年贊助香港正覺蓮社佛教普光學校的輕度智障學生及教職員參與「渣打香港國際馬拉松」十公里賽事的服飾及報名費，以訓練其校學生的個人意志力及耐力。國內方面，適逢本集團及員工共同捐建的「東莞嘉利希望小學」十周年慶典，嘉利派代表前往該校為學生及職員送上親切的慰問。本集團的中港義工隊更於每年的中秋節及端年節到訪長者中心或老人院，與長者們慶祝節日帶來歡樂及送上禮物。

為鼓勵更多員工積極參與義工服務，於二零零八年起已設有義工假期，今年參與義工服務工時達1,390小時。本集團亦於年內參與各項社會公益活動，包括：香港公益金百萬行、奧比斯襟章日、奧比斯中秋義賣、無國界醫生貨櫃展覽等項目。

During the year, the Group has made charitable and other donations amounted to HK\$426,000 (previous year: HK\$86,000), benefiting over 520 people in the society. To recognize volunteers for their services to the community, the Group has specifically awarded certificates to those actively participating in community charitable activities during the annual dinner.

In November 2010, the Group was awarded the Certificate Merit of "Hong Kong Outstanding Corporate Citizenship Award (Manufacturing)" by Hong Kong Productivity Council. The Group was also awarded "5 year Plus" Caring Company Logo 2005/11 by the Hong Kong Council of Social Service in 2011 in recognition of its contribution to charity in the society.

(IV) Corporate governance

The Company has well-established corporate governance structure to enhance the accountability to its shareholders and other stakeholders. Please refer to the Corporate Governance Report as set out in this annual report for details. In order to avoid excessive concentration of power, the Company has established the Executive Committee comprising professional management to handle daily operations. Furthermore, the Company has also established the Audit Committee and the Remuneration Committee. Each committee has its defined scope of duties and terms of reference. All members of the Board of Directors have strictly complied with the Model Code and confirmed that they have observed the requirements regarding securities transactions by directors. The directors have also made disclosure of their personal interests in the shares of the Company in accordance with the relevant statutory requirements.

本集團於本年度之慈善及其他捐款達426,000港元(去年:86,000港元)。社區受惠人數逾520人。為嘉許服務社群的義工，特別於本集團周年晚會頒發獎狀予積極參與社會公益的員工。

於二零一零年十一月，本集團獲得香港生產力促進局頒發「香港傑出企業公民獎—優異獎(製造業)」，二零一一年獲香港社會服務聯會頒發「5年Plus」商界展關懷標誌二零零五／一一，以肯定本集團對社會公益作出的貢獻。

(IV) 企業管治

本公司有既定的企業管治架構，以加強對股東及其他權益人的問責(詳情請參閱本年報內的「企業管治報告書」)。為免權力過於集中，本公司設立由專業管理團隊組成執行委員會處理日常營運，並且有「審核委員會」及「薪酬委員會」，而委員會本身有特定的職責。董事會成員皆嚴格遵守《標準守則》，以確保董事皆按照有關董事證券交易的規定。董事亦按照相關法例規定，公佈其有關持有本公司證券之權益。

The Group deeply understands the importance of operation and business ethics. Necessary measures are taken to ensure justice operation, publicity of information, intellectual property rights protection and confidentiality, while improper benefits and business competition are avoided. In respect of business ethics, the Group has formulated standardized documentation and staff must adhere to the standard of conducts, including but not limited to the acquaintance or acceptance of benefits, conflict of interests, handling of confidential documents, intellectual property rights protection as well as non-disclosure of the content of confidential agreements.

In respect of suppliers and processors, the Group has issued a letter named “Peers’ Belief (信念同儕)” so as to urge them not to provide any benefits to employees during normal course of business. All of our staff is prohibited from taking advantages of their powers and authorities for personal interests and incur unfair business transactions. All employees must maintain the highest level of honesty, and are prohibited from obtaining any benefits with their power and authority.

The Group has also formulated a management system on risk evaluation and risk management to identify the practical risks in respect of the operating environment, health and safety as well as labour. Suitable procedures and effective control would be implemented upon the determination of various risk levels. The Group has also established the internal audit department to optimize the internal control mechanism and strengthen risk management via management and audit, project follow-up, procedure review and specific projects.

本集團深明經營商業道德的重要性。本集團採取必要措施以確保廉潔經營、資訊公開、保護知識產權及機密，反對不正當利益及商業競爭。對於商業道德方面，本集團已制定文件規範，員工必須恪守行為標準，包括但不只限於索取或接受利益、利益衝突、處理機密文件、保障知識產權及不披露保密協議內容等事項。

對供應商及加工商，本集團已發放了「信念同儕」之信函，並勸籲各供應商及加工商在業務上切勿向僱員提供利益。嚴禁本集團僱員利用職權謀取私利，引致不公平的商業交易。僱員必須維持最高誠信，絕不允許利用職權索取任何利益。

本集團亦有訂定風險評價和風險管理的管理體系，以識別經營有關的環境、健康與安全及勞力等實踐風險。確定各項風險級別，實施適當的程式及實質控制。本集團亦有設立內審部門，透過管理審計、跟進項目、流程審計及特別項目，完善內部控制機制及加強風險管理。

(V) Health and safety

Health and safety focuses on areas such as occupational safety, responses to emergencies, occupational injuries and diseases, industrial hygiene, work with high physical requirements, machinery protection, public hygiene, restaurants and staff quarters. The above issues are all set forth in the EICC manual with the requirements on written standards, performance-based targets, indicators and implementation plans, while the industrial safety team is responsible for the specific assessment on the performance. In addition, safety personnel are appointed in every department to carry out safety checks and various drills, such as fire-fighting safety drills.

Significant achievements have been made in the implementation of relevant measures. For instance, the occurrence rate of occupational injury has declined continuously over years, and is kept at a relatively low level, maintaining the rating of no material occupation injury.

(VI) Training and development

In respect of training and development, Karrie has been adopting the **“optimisation of professional performance, motivation of staff’s potentials, revitalization of learning culture and embraced with corporate visions”** as its approaches. As a result, “training” is based on the increment of knowledge, skill enhancement and quality improvement of positions, while “development” is oriented on the sustainable development of the company and its staff.

In 2010, over a hundred internal and external training projects were launched for training in order to enhance the competitiveness of the Company. Such training projects cover advanced management skills, modification and upgrading of production and engineering techniques, lean manufacturing, 5S management, ISO and quality management, environmental protection and clean production, information technology and EICC, etc, providing courses for different kinds of areas and scopes.

(V) 健康安全

健康與安全內容包括職業安全、應急準備、職業傷害與疾病、工業衛生、體力需求高的工作、機器防護、公共衛生、餐廳和宿舍。上述內容皆刊載於EICC手冊內，皆有書面標準、績效目標、指標及實施計劃的制定；及績效的具體評估，由工業安全組負責。此外，各部皆設立安全員，並進行安全檢查及各項演習，例如消防安全實習。

相關措施的執行均有顯著成效，如工傷事故發生率連續數年持續下降，並控制於極低水平及保持零重大工傷之評殘級別。

(VI) 培訓發展

嘉利集團的培訓及發展工作一直朝著「優化專業表現、激化員工潛能、活化學習文化、擁抱企業願景」為方向。所以在培訓及發展工作上均朝向增進知識、提升技能及工作崗位素質前提建立的「培訓」工作及以企業與員工持續發展為本的務實「發展」工作。

在「培訓」工作上，二零一零年共舉辦過百項內部及外部培訓項目，以提升公司競爭力。這些培訓項目涵蓋高階管理技巧、生產及工程技術改良與提升、精益生產、5S管理、ISO及品質管理、環保及清潔生產、資訊科技、EICC...等，不同領域及範疇課程等。

(A) Optimisation of professional performance

(i) Industrial Upgrading and Business Transformation for Hong Kong Enterprises in Dongguan

During the year, the Company participated in the “Industrial Upgrading and Business Transformation Programs for DG TURN” organized by Dongguan Bureau of Foreign Trade & Economic Cooperation Bureau and Hong Kong Productivity Council, which allows the Group to capture the focus for improvement and in turn enhance its competitiveness and risk-resistance capability. Under the assistance of Hong Kong Productivity Council, proposals on optimization of techniques and production management have been commenced with two major production management projects as follows:

PMC Optimised Production Program and Introduction of Lean Manufacturing

The Company has introduced 2 different projects via this program to enhance its competitiveness.

The introduction of lean manufacturing could streamline the production procedures, enhance production efficiency and raise quality level.

Training and Upgrading for hardware mould techniques

Targeting at the enhancement of hardware mould techniques, different kinds of advanced solutions are introduced.

(A) 優化專業表現

(i) 「在莞港資企業就地升級轉型計劃」

本年度我司參與由東莞市外經貿局及香港生產力促進局之「在莞港資企業就地升級轉型計劃DG TURN」，使本集團能掌握改善重點，從而提高企業的競爭力及抗風險能力。在生產力促進局的協助下開展了優化技術和生產管理的方案。主要為下列兩個生產管理項目：

優化生產物料控制計劃及導入精益生產

我司透過是項計劃引入了2個不同的項目，提升公司競爭力。

引入精益生產可以精簡生產流程、提高生產效率及提升品質水平。

五金模具技術提升培訓

針對五金模具技術提升工作，引入不同之先進解決方法。

(ii) *Best practice of corporate citizenship, introduction of different kinds of relevant training and general education, such as Electronics Industry Citizenship Coalition (EICC) and training on environmental protection and clean production, introduction of training on various quality management system as well as training on occupational health and safety management system.*

(iii) *“New Dongguan People (新莞人)” training program*

In response to the establishment of skilled talents of Dongguan government, the Company has commenced the “New Dongguan People (新莞人)” training program in 2009. Upon passing the assessment, participants would be awarded national vocational qualification certificates admitted nationwide, and around a thousand people have completed the Program till now.

(iv) *“Financial Management Course for Non-financial Management”*

In an attempt to allow relevant management to gain understandings on financial data analysis, financial management, concepts on cost control, highly effective budget management and corporate financial condition analysis, the Group organized the “Financial Management Course for Non-Financial Management” with Hong Kong Economic Times – ET Business College for 2 days, which was hosted by experts of the sector.

(ii) 履行良好企業公民責任加入不同的類型的相關培訓並作全員教育，如：Electronics Industry Citizenship Coalition電子行業公民聯盟行為準則(EICC)及環保及清潔生產培訓、引入多個品質管理體系培訓及職業健康及安全管理體系培訓。

(iii) 「新莞人」培訓計劃

為響應東莞市政府實現技能人才隊伍建設，公司已於二零零九年開展了「新莞人」培訓項目，完成考核并合格後；將會獲發全國通用之國家職業資格證書，至今有近千人完成。

(iv) 「非財務人員之財務管理課程」

集團希望各相關管理層更明瞭財務數據分析、財務管理、成本控制概念、高效預算管理及企業財務狀況分析；與經濟日報－經濟商學院舉行2天之「非財務人員之財務管理課程」，並由業界專家主持。

Training and development 培訓與發展



為拉近與跨世代青年的溝通，避免大家有着南轅北轍的看法，多讓新一代員工有機會直接與管理層交流 New generation of staff are provided with opportunities to communicate with the management directly to maintain close communication with the young generation and avoid conflicts of opinions



冲破传统 Break through tradition
东莞加工贸易转型升级先锋论坛(6)



市場競爭激烈，加速升級轉型有助提高企業的競爭力及抗風險能力 Amidst keen market competition, the accelerated upgrading and transformation help to enhance the Group's competitiveness and risk-resistance capabilities



為了讓管理者能知己知彼，比照自身的不足作持續改善，安排非財務人員參與財務管理課程 To allow management to understand themselves and others as well as make continuous improvement in accordance with his own insufficiencies, non-finance management are arranged to take financial management courses



管理層上下一心為企業引入目標管理及績效考核體系，為企業持續改善之文化注入力量 The management co-operate closely to introduce target management and performance-based appraisal system to the Group, bringing momentum to the corporate culture for the pursuit of sustained improvement



一家暑期實習生都非常珍惜向主席何焯輝博士汲取作為成功企業家的秘訣 Summer interns cherish the chance to learn from Dr. Ho Cheuk Fai, the Chairman, the secret of becoming a successful entrepreneur



不時安排大專院校師生到訪交流參觀，讓莘莘學子親身體驗內地廠商的運作實況 Teachers and students of tertiary schools are arranged to make visits and exchanges from time to time, so that they could understand the real-life operation of Mainland plants in person



企業的健康發展員工的身心平衡不容忽視，關愛員工的活動包括不同的心理健康知識講座 The sound development of the Group relies upon the physical and mental health of its staff, and thus activities including various seminars on the knowledge of mental health are organized to show our care for staff



員工積極參與英語培訓，持續進修自我增值 Our staff actively participates in English training courses, putting continuous learning and self development in practice



(B) Motivation of staff's potentials

(i) Training on management techniques for new generation

To avoid insufficiencies in labour, staff from all levels are connected to allow direct exchange between staff of new generation and management and to increase the chances for knowledge sharing and learning. The Group has organized various training activities, including "Knowledge and training for mental health for staff", "How to guide staff who were born in the 80s and 90s effectively" and the subsequent event titled "Team leader training series on how to guide staff of new generation effectively".

(ii) Advanced training and development scheme on management and leadership skills

The management is determined to nurture elites and enhances their comprehensive working capabilities by actively providing staff with potential with training opportunities. In addition, suitable personal development schemes targeting talent development are also designed, which would allow them to get well prepared for the promotion to the management of higher level.

(B) 激發員工潛能

(i) 新一代管理技巧培訓

為減少斷層，銜接各階層員工，讓新一代員工有機會直接與管理層交流、增加他們知識分享及學習機會。本集團舉辦各類培訓活動，如「員工心理健康知識培訓」、「如何有效引導80、90後員工」及後續之「如何有效引導新一代員工之班組長培訓系列」。

(ii) 高階管理及領導技巧培訓及人才培養及發展計劃

管理層銳意培育精英人才，提升他們的全方位工作能力。對有潛質的員工，公司積極提供培訓機會。並針對人才發展設計合適的個人發展計劃，裝備他們成為更高管理梯隊做好準備。

(C) Revitalization of learning culture

For the revitalization of learning culture, staff is encouraged to undergo continuous development. The Group promotes the policy for diversified learning culture to allow staff to study continuously and have self-development, with the introduction of different types of foreign language training and encouragement for Mainland staff to have training in Hong Kong. In 2010, the Group, being the first enterprise to introduce “academic qualification education” in Fenggang Town in Dongguan, co-operated with China Sun Yat-sen University and launched the “2010 administrative management tertiary course” to bring university and professors into the corporate, thereby allowing staff to receive tertiary education, achieving self-development and obtaining academic qualifications in addition to working.

On top of revitalizing learning culture for its staff, the Group also pays back and contributes to the society by providing various working and internship opportunities, such as university graduates training scheme (with talent pool schemes such as project engineer trainee, industrial mould engineer trainee, procurement trainee and accountants), short-term placement program for tertiary schools in Hong Kong, summer internship scheme for staff’s family members, young technical talents training and exchange program, as well as scheme for Mainland university students.

(C) 活化學習文化

在活化學習文化工作上，鼓勵員工持續發展，本集團推動多元學習文化政策，讓員工持續進修，提升自我。加入不同類型的外語培訓、鼓勵國內員工來港受訓。於二零一零年，本集團為東莞市鳳崗鎮首家企業引進「學歷教育」項目，與中山大學合作，開辦了「二零一零屆行政管理大專課程」，把大學及教授引進企業內，讓員工體驗大學教育的風采，讓員工可以努力工作之餘，還可自我提升，考取學術資格。

集團不單為員工活化學習文化外，並回饋社會提供不同的工作實習機會，如：大學生畢業生培訓計劃（有見習項目工程師、見習工模工程師、見習採購員及會計人才...等人才儲備計劃）、香港各大專院校同學短期實習計劃、員工子侄暑期實習計劃、青年技術人才培育及交流計劃及國內大學生實習計劃。

(D) Co-ordination with corporate visions

(i) Interaction and exchange as well as peers recognition

In November 2010, the Group took part in “Breakthrough Tradition – Business Transformation and Upgrading Pioneer Forum for Dongguan Processing and Trading (衝破傳統 – 東莞加工貿易轉型升級先鋒論壇)” as the industry peer guest under the invitation of Dongguan Bureau of Foreign Trade & Economic Cooperation Bureau, Dongguan Daily and Hong Kong Productivity Council. Furthermore, Hong Kong Productivity Council also wrote an article about the Group which shared our case for upgrading and transformation.

In May 2010, advanced metal industry investigation tour hosted by the Hong Kong Metals Manufacturers Association also visited and made investigation on the Group’s plants in Mainland.

(D) 擁抱企業願景

(i) 互動交流、同業認同

本集團於二零一零年十一月獲東莞市外經貿局、東莞日報社及香港生產力促進局邀請出席「衝破傳統 – 東莞加工貿易轉型升級先鋒論壇」；作為同業分享嘉賓。另外，香港生產力促進局更撰文為本集團升級轉型個案作為對外分享。

二零一零年五月由香港金屬製造業協會主辦的先進金屬業考察團亦到本集團國內廠房參觀考察。

(ii) Awards and Honours

ERB Manpower Developer Award Scheme

The Group has long been placing concerns on the demand of human resources, requirements of customers, keeping up with the current situation as well as co-ordination with corporate strategic development for its talent nurturing and development works. In April 2010, the Company was awarded the “Manpower Developer 1st” logo by the Employees Retraining Board of the Hong Kong Special Administrative Region.

The Group was also invited to be the outstanding “talent enterprise” under the Enterprise Power™ series of the Hong Kong Productivity Council, being one of the designated talent enterprises for visit and exchange by exchange tours, which showcases and shares the effectiveness and results of the Group’s talent management strategies.

(iii) Prospects

Along with the growth and needs of the Group, training no longer focuses on the level of techniques training and on-the-job training solely, but also on the level of personal development, which helps the Group to nurture successors with potential and promote diversified learning culture. Also, staff is encouraged to develop continuously and have communication in order to establish a well managed team. Looking forward, the Group should lay a solid foundation for optimization of its management and nurture talents to match corporate development.

(ii) 獎項與榮譽

ERB人才企業加許計劃

本集團的人才培養及發展工作早已針對人力資源需求、達至客戶所需、緊貼時代局勢、配合企業策略發展。於二零一零年四月，公司榮獲香港特區政府僱員再培訓局頒發「Manpower Developer 1st」「人才企業1st」標誌。

本集團更獲邀為香港生產力促進局企業動力™系列之卓越人才企業借鑑交流團指定參觀交流的人才企業之一，印證及分享本集團人才管理策略的成效。

(iii) 展望

隨着集團的成長及需要，培訓工作已不單只技術培訓，在職培訓，而是涉及個人發展的層面，並為本集團培養有潛質接班人及推動多元學習文化，鼓勵員工持續發展，互相交流，建立良好管理團隊。展望來年，本集團必須為優化管理，培養人才以配合企業發展，訂下良好基礎。

Caring for the environment 環境保護



企業多年堅持以植綠實各項環保措施至企業及社會不同層面，已具備完善的「環保企業模式」，得到社會認同，獲頒「2010香港環保卓越計劃——製造業界別優異獎」。圖為非執行董事何卓明先生(右)與外務經理何啟文先生(左)獲獎時合攝。With continuous implementation of various environmental protection measures to different aspects on the corporate and society level, we possess an optimized "environmental friendly enterprise model", which has gained the recognition from the society and is awarded "Hong Kong Awards for Environmental Excellence 2010 — Excellent Award for Industrial Sector". The picture was shot when Mr. Ho Cheuk Ming (on the right), the non-executive director, and Mr. Ho Kai Man (on the left), the external manager, received the award.



嘉利生生不息植樹日是我們周年紀念活動之一，為廠區增添不少綠色力量 Karrie Tree Planting Day, being one of our anniversary events, adds a lot of green area to the plants



隨著香港的經濟急起直追發展，海洋生態受到影響，連中華白海豚的數量也大大減少了，團友有幸看到它們在水中暢泳，大家都很珍惜這次經驗 With rapid development in Hong Kong's economy, the ecology of the ocean is affected, and the number of Chinese White Dolphin is declining substantially. Participants were lucky to see the dolphins and cherished such experience



我們下一代是否健康成長，有賴大家一同參與保護地球資源，參觀環保園只是一個起點，從小開始身體力行最重要 The healthy growth and development of our next generation relies on our participation in protecting global resources. Our visit to the environment protection park is just a start, and putting environment protection in practice is of utmost importance



你看大家同心協力齊種樹，這棵大樹的健康成長，根基紮實很重要 Join efforts to plant trees! A firm foundation is crucial to the healthy growth of the tree



回收利是封看似微不足道，其背後意義是為讓新生代灌輸循環再用的訊息 Recycling red packets, though seems to be trivial, aims to instill the message of recycling in the new generation



(VII) Caring for the environment

Greener Production

The Group has realized the importance of good utilization of resources long time ago and not to exploit the rights of using resources for the next generation. The Group adheres to the concept of Dr. Ho Cheuk Fai, the Chairman of the Group, with heartfelt dedication in all details, and saves resources for the next generation. As such, the Group's production adheres to the concept of reducing energy or material consumption from the sources with the adoption of various environmental-friendly measures and addition of energy-saving equipment. With the concept of green and clean production implemented in practice, the Group continues to formulate policies for green production and energy-saving policies, while introducing different kinds of environmental-friendly equipment to attain the objectives of clean production and environmental protection. During the year, the Group further complies with various international regulations and requirements, inter alia, energy audit, environment permit and report, pollution prevention and resources saving, treatment of hazardous materials, treatment of sewage and solid wastes, control on air emission and control on content of products. The Group actively participates in external clean production and environmental protection campaigns, while internally strengthens its staff's awareness on the environment via training as well as green and ecological activities. In addition, green design approaches are thoroughly implemented, so that the products would not pose any damages to the environment.

(VII) 環境保護

綠色生產

本集團一早意識到善用資源重要性，不能剝削下世代使用資源的權力。秉承集團主席何焯輝博士理念：「凡事用心去做；將資源留給下一代」。故本集團生產從源頭著手減少能量或物料消耗的理念出發，採取多種環保措施及添置節能設備。貫徹執行綠色清潔生產的理念，集團持續制定綠色生產、節能政策及引入不同環境設備以達到清潔生產，保護環境的目標，本年度集團更進一步按照各項國際法規及要求其中包括能源核證、環境許可及報告、預防污染和節約資源、有害物質的處理、廢水及固體廢棄物的處理、空氣排放的控制及產品含量控制。對外、積極參加外間清潔生產綠色環保活動；對內：透過培訓、員工綠色生態環境活動等以加強員工環境意識。另外、貫徹執行綠色設計方針，使產品不會破壞環境。

To comprehensively understand the standard of energy management and status of energy consumption within the plant, examinations are conducted on problems and insufficiencies in respect of energy usage to identify the potential and the approaches for energy saving, thereby reducing the amount of energy consumption and production costs as well as raising the economical efficiency for the company. From March to April 2011, energy audit was conducted. The Group has formulated a series of energy management systems, which standardise the practice of energy management to raise the efficiency of energy usage and effectively finalise and safeguard energy-saving plans. On the other hand, the clean production and energy-saving committee has already been established since 2005, which unifies the energy management of the company, and applies energy-saving objectives into all workshops via adopting new technology.

The Group has adopted the following energy-saving measures during the year which also effectively reduce the temperature of workshops:

- Modification of hydraulic system for injection moulding machines.
- Adoption of new energy saving technology for injection moulding machines.

為全面了解廠內的能源管理水準及用電狀況、檢查在能源利用方面存在的問題和薄弱環節、挖掘節能潛力、尋找節能方向、降低能源消耗和生產成本、提高企業經濟效益。於二零一一年三月至四月進行了能源審計。本集團已制定企業一系列能源管理制度，這些制度規範了能源管理，提高能源使用效率，有效落實保障節能規劃。另外，早於二零零五年已成立了清潔生產及節能委員會，統一對公司的能源管理，採納新技術，把節能的目標落實到各車間。

本年內本集團已採取下列節能措施，同時可有效降低工作間溫度：

- 改造注塑機液壓驅動系統。
- 採納新注塑機節能技術。

- New model of 80W energy-saving lamps are used to replace 400W tungsten lamps in production areas.
- Induction cookers are used to replace diesel oil cookers in canteen.
- Nano reflector energy-saving lighting system is set up.
- Energy-saving devices are installed in split units or air-conditioners.
- 生產區採用新型80W節能燈代替傳統400W鹵鎢燈。
- 食堂使用電磁爐具替換柴油爐具。
- 設置納米反光板節能照明系統。
- 分體或空調加裝節電器。

The Group has been playing an active and determined role on environmental protection and clean productions with extensive recognition gained from governmental authorities, Hong Kong Productivity Council or commercial unions and bodies, receiving invitations for sharing its experiences on environmental protection and clean productions. Furthermore, the Group was also invited to be designated site for inspection tours on clean production, allowing other manufacturers to carry out on-site plant inspection, which in turn encourages them to implement clean production. Apart from the above, domestic and foreign media also made interviews with the Group for sharing its experiences.

本集團一直以來的積極及努力於環保及清潔生產的工作，備受認同經常獲政府機關、香港生產力促進局或商會團體邀請分享環保及清潔生產營商之道。另外，以往更獲邀成為指定之清潔生產考察團，讓其他廠商作實地工廠考察，從而鼓勵廠商實施清潔生產。另外，更獲國內外不同媒體進行訪問，分享心得。

Since 2001, the Group has already obtained ISO14001 environment management system certificate. In 2009, the Group was named the “Hong Kong-Guangdong Cleaner Production Partnership”. At the same time, the Group also makes arrangement to comply with relevant international environmental regulations, such as RoHS, REACH, WEEE, JCPSSI, Montreal Protocol and QC 08, so that the whole process including design, procurement and production can meet the requirements for environmental protection.

Looking forward to the coming year, the Group will still strive to implement energy-saving and green production while putting EICC environmental protection policies into practice. In response to the “Twelfth Five Year” energy-saving plan, the Group will reduce emission, better utilise resources and carry out clean production, thereby further lowering the indicator for the production value and energy consumption level. The Group has formulated energy-saving plan, and it is hoped that the amount of energy consumption in 2015 would decline by approximately 10.56% as compared with 2010, achieving the objectives of energy saving and reduction in consumption, while lowering production costs and raising market competitiveness. As a result, invaluable resources could be retained and the environment could be kept in good condition.

早於二零零一年，本集團已獲得ISO14001環境管理體系認證。二零零九年獲頒授成為「粵港清潔生產夥伴」。本集團同時也根據相關國際環境法規，例如：RoHS、REACH、WEEE、JCPSSI、Montreal Protocol及QC 08等作出配合，使設計、採購及生產整個過程都能多達到環保的要求。

展望來年，本集團仍會致力推行節能綠色生產及履行EICC環保政策及響應「十二五」節能規劃，減少排放，善用能源，清潔生產，進一步降低生產值與能源消耗的比率指標。本集團已訂定節能計劃，冀望到二零一五年，耗能量比二零一零年下降約10.56%，達到節能降耗之目的，同時也能降低生產成本，提高市場競爭力。為下一代保留珍貴資源及良好地球環境。

Special thanks to the following staffs providing their child's photo (In alphabetical order)

Chan Ming Mui, Deng Xuang Hua, Ho Kai Man, Ho Yuen Man, Huang Xiao Yan, Huang Xiu Mei, Huang Xue Lian, Lee Lai Mei, Mao Hong Xia, Ng Lai Ying, Tang Wing Fai, Tsang Pui Ying, Yip Chi Shing, Zhang Wei Dong

特別鳴謝以下員工提供子女照片 (排名不分先後)

陳名妹、鄧雙華、何啟文、何婉雯、黃曉燕、黃秀梅、黃雪蓮、利麗薇、毛紅霞、伍麗瑩、鄧榮輝、曾佩瑩、葉志成、張偉東

The Company and its subsidiaries (the “**Group**”) are committed to achieving high standards of corporate governance to safeguard the interests of shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability.

For the year ended 31 March 2011 (the “**Year**”), the Group has applied the principles of the recently promulgated Code on Corporate Governance Practices (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and complied with the code provisions (the “**Code Provisions**”) of the CG Code, save for deviation from Code Provisions A.2.1, A.4.1 and A.4.2 of the CG Code. This report describes our Group’s corporate governance practices and explains the said deviations from the CG Code.

A. BOARD OF DIRECTORS

1. The Board of Directors

- 1.1 As at 31 March 2011, the Board consisted of eight Directors, comprising Mr. Ho Cheuk Fai (Chairman and Chief Executive Officer), Mr. Kwok Wing Kin, Francis (Deputy Chairman and Chief Operating Officer), Mr. Lee Shu Ki and Ms. Chan Ming Mui, Silvia as executive Directors; Mr. Ho Cheuk Ming as a non-executive Director and Mr. So Wai Chun, Mr. Chan Sui Sum, Raymond and Mr. Fong Hoi Shing as the independent non-executive Directors. The Board has the collective responsibility for the leadership and promotion of the success of the Group’s business by directing and supervising the Group’s affairs.

為保障全體本公司股東（「**股東**」）權益及提升企業價值和問責性，本公司及其附屬公司（「**本集團**」）一向承諾恪守奉行最嚴謹之企業管治。

於截至二零一一年三月三十一日止年度（「**本年度**」）內，本集團已應用最新頒佈並列載於香港聯合交易所有限公司證券上市規則（「**上市規則**」）附錄十四之企業管治常規守則（「**企業管治守則**」）所規定之原則及遵守所有守則條文（「**守則條文**」）（除了偏離企業管治守則條文A.2.1、A.4.1及A.4.2條外）。本報告書詳述集團之企業管治慣例，並闡釋企業管治守則之原則應用及偏離企業管治守則的行為。

A. 董事會

1. 董事會

- 1.1 截至二零一一年三月三十一日，董事會由八名董事組成。包括執行董事：何焯輝先生（主席兼行政總裁）、郭永堅先生（副主席兼營運總裁）、李樹琪先生及陳名妹小姐。非執行董事：何卓明先生。獨立非執行董事：蘇偉俊先生、陳瑞森先生及方海城先生。董事會成員共同負責本集團事務之領導及管治工作，並共同承擔指引及監督本集團事務之責任。

1.2 Mr. Kwok Wing Kin, Francis resigned as an Executive Director, a Deputy Chairman, and a Chief Operational Officer of the Company with effect from 28 April 2011. Mr. Ho Cheuk Ming re-designated as a Non-executive Director and Deputy Chairman of the Company with effect from 1 May 2011.

1.3 The Board is committed to the Group's objectives of enhancing the Shareholders' value and provision of superior products and services. The Board is collectively responsible for formulating the overall objective and strategy of the Group; monitors and evaluates its operating and financial performance and reviews the standard of corporate governance of the Group. It also makes decisions on matters such as approving the annual results, interim and quarterly results, connected transactions, appointment and re-appointment of Directors, declaring dividends and adopting accounting policies. The Board has delegated the authority and responsibility for implementing business strategies and management of the daily operations of the Group's businesses to the management.

1.4 The Board conducts regular scheduled meetings on a quarterly basis. Ad-hoc meetings are convened when circumstances require.

The Board had met seven times for the Year and considered, reviewed and approved the Group's annual results for the year ended 31 March 2010, quarterly and interim results of the Group for the Year.

1.2 郭永堅先生辭任本公司執行董事、副主席兼營運總裁之職，自二零一一年四月二十八日生效。何卓明先生被調任為本公司非執行董事兼副主席，自二零一一年五月一日生效。

1.3 董事會致力實現本集團有關提升股東價值以及提供優越產品與服務之目標。董事會訂立集團之整體目標及策略，並監管及評估集團在營運與財務上之表現，以及檢討集團之企業管治水平。董事會亦須決定各項事宜，其中包括全年業績、中期業績及季度營運狀況、關連交易、董事聘任或續聘、股息分派及採納會計政策。董事會已授權管理層負責推行本集團商業策略及管理本集團之日常業務運作。

1.4 董事會每季舉行定期會議，並於情況需要時召開特別會議。

董事會於本年度內已舉行七次會議，並已考慮、審閱及批准集團截至二零一零年三月三十一日之全年業績及於本年度之季度及中期業績。

The attendance records of Board meetings held during the Year are set out below:

以下是本年度董事會會議的出席記錄：

Attendance of individual Directors at Board meetings during the Year

本年度董事會會議個別董事的出席率

		No. of attendance/ No. of meetings 出席次數／會議次數	Attendance rates 出席率
<i>Executive Directors</i>			
	執行董事		
Mr. Ho Cheuk Fai	何焯輝先生	7/7	100%
Mr. Kwok Wing Kin, Francis*	郭永堅先生*	7/7	100%
Mr. Lee Shu Ki	李樹琪先生	7/7	100%
Ms. Chan Ming Mui, Silvia#	陳名妹小姐#	4/4	100%
<i>Non-executive Director</i>			
	非執行董事		
Mr. Ho Cheuk Ming	何卓明先生	7/7	100%
<i>Independent Non-executive Directors</i>			
	獨立非執行董事		
Mr. So Wai Chun	蘇偉俊先生	7/7	100%
Mr. Chan Sui Sum, Raymond	陳瑞森先生	7/7	100%
Mr. Fong Hoi Shing	方海城先生	7/7	100%
Average attendance rate	平均出席率		100%

Notes:

附註：

was appointed on 1 November 2010

於二零一零年十一月一日獲委任

* resigned on 28 April 2011

* 於二零一一年四月二十八日辭任

- 1.5 To maximize the effectiveness of the Board and to encourage active participation and contribution from Board members, the Board has established an audit committee and a remuneration committee. Detailed descriptions of each of these committees are set out below. All of these committees adopt, as far as practicable, the principles, procedures and arrangements of the Board in relation to the scheduling and proceeding of meetings, notice of meetings and inclusion of agenda items, records and availability of minutes.

- 1.5 為提高董事會效能以及鼓勵董事會成員積極參與及作出貢獻，董事會已成立審核委員會及薪酬委員會。下文載列各委員會之詳細說明。董事委員會按實際可行情況採納董事會有關擬定會議時間表及會議進行方式、會議通告及載入議程項目、保存及提供會議記錄等之原則、程序及安排。

2 Board Composition

- 2.1 As at 31 March 2011, the Board comprises eight Directors: four executive Directors, one non-executive Director and three independent non-executive Directors. Mr. Ho Cheuk Ming, the non-executive Director, is the younger brother of Mr. Ho Cheuk Fai, the Chairman and Chief Executive Officer. The Board has received annual confirmations of independence in writing from each of the independent non-executive Directors and believed that all the independent non-executive Directors met the guidelines for assessment of independence as set out in Rule 3.13 of the Listing Rules.
- 2.2 The attributes, skills and expertise among the existing Directors are considered appropriate so as to effectively lead, supervise and manage the Group, taking into account the scope and nature of the operations. The Directors have a mix of core competencies in areas such as accounting and finance, business and management, production and quality control techniques, supply chain management, industry knowledge and marketing strategies. Details of the experience and qualifications of Directors and Senior Management are set out in the section headed "Directors and Senior Management" in this Annual Report.

2. 董事會組成

- 2.1 於二零一一年三月三十一日，董事會由八名董事組成，包括四名執行董事；一名非執行董事及三名獨立非執行董事。執行董事何焯輝先生為主席兼行政總裁，乃非執行董事何卓明先生之兄。董事會已收悉有關各獨立非執行董事之獨立性的確認函並相信全體獨立非執行董事均能符合上市規則第3.13條所載有關獨立非執行董事獨立性評估之指引規定。
- 2.2 就本集團之業務範疇及性質而言，現任董事所具備之特質、技能及專業知識足以令彼等能有效地引領及監控本集團。董事具有各方面如會計及財務、商業及管理、生產及品質控制技術、供應鏈管理，行業知識及市場策略等實質專才。有關董事及高級管理人員之經驗及資歷資料載於本年報中「董事及高級管理人員」一節。

3 Appointment, Re-election and Removal of Directors

- 3.1 At each annual general meeting of the Company (“AGM”), one-third of the Directors are required to retire from office by rotation. The Directors, since his last election or appointment who has been the longest in office shall retire and be eligible for re-election at the AGM. The Chairman and/or the Managing Director of the Group shall not, when holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. With the introduction of the CG Code and to comply with Code Provision A.4.2 of the CG Code, the Chairman and/or the Managing Director of the Group will voluntarily retire at the AGM at least once every three years.
- 3.2 As at 31 March 2011, non-executive Directors (except Mr. Ho Cheuk Ming) including the independent non-executive Directors are appointed for a fixed term not exceeding three years and all non-executive Directors are subject to the requirements of retirement by rotation and re-election by Shareholders at the AGM in accordance with the Company’s bye-laws (the “Bye-laws”).
- 3.3 The names and biographical details of the Directors who will offer themselves for election or re-election at the forthcoming AGM are set out in the circular to Shareholders to assist Shareholders in making an informed decision on their elections.

3. 董事的委任、重選及罷免

- 3.1 於每屆股東週年大會（「股東週年大會」）上，三分之一董事須輪席退任。每年之退任董事須為彼等自上次獲選或重選以來任期為最長者並合資格於股東週年大會上膺選連任。擔任集團主席及／或董事總經理受制於輪席退任或於釐定股東週年大會上須輪席退任之董事人數時，毋須計及。然而，由於企業管治守則的推出及為遵守企業管治守則守則條文A.4.2，集團主席及行政總裁將至少每三年自願退任。
- 3.2 於二零一一年三月三十一日，非執行董事（何卓明先生除外）包括獨立非執行董事以固定任期委任，惟不超過三年，所有非執行董事並須根據本公司之公司細則（「公司細則」）於股東週年大會上輪席退任並重選連任。
- 3.3 將於應屆股東週年大會上膺選連任董事之姓名及履歷載於致股東之通函內，以協助彼等於表決時作出知情決定。

3.4 Since the whole Board participates in the appointment of new Directors, the Company does not establish a nomination committee. In evaluating whether an appointee is suitable to act as a Director, the Board will consider the experience and skills of the appointee; as well as personal ethics, integrity and the willingness to commit time in the affairs of the Group. Where the appointee is appointed as an independent non-executive Director, the Board will also consider his/her independence. During the Year, the Board had also reviewed and made recommendations in respect of the re-appointments of retiring Directors, which were approved by the Shareholders at the last AGM.

3.4 由於新董事之委任是由董事會全體成員參議，故本公司並無成立提名委員會。在評估一名被委任者是否適合出任本公司董事時，董事會會考慮其經驗、專長及其個人操守及誠信，以及其願意付出處理集團事務之時間。當一名董事被委任為公司的獨立非執行董事時，董事會亦會考慮其獨立性。於本年度內董事會亦就上屆股東週年大會通過重新委任退任董事事宜上作出檢討及建議。

4 Corporate Governance and Chairman and Chief Executive Officer

The Group is committed to achieving high standards of corporate governance. Throughout the year ended 31 March 2011, the Company had applied the principles and complied with the requirements set out in the CG Code in Appendix 14 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited, except the following:

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not segregate the roles of its Chairman and Chief Executive Officer and Mr. Ho Cheuk Fai (“**Mr. Ho**”) currently holds both positions.

4. 企業管治及主席及行政總裁

本集團一向承諾恪守最嚴謹的企業管治，於截至二零一一年三月三十一日止年度，本公司一直依循及遵守，香港聯合交易所有限公司證券上市規則附錄十四所載之企業管治守則，所有原則及規定。除以下所述：

企業管治守則條文第A.2.1條規定應區分主席與行政總裁的角色，並不應由一人同時兼任。本公司並無區分主席與行政總裁的角色，何焯輝先生（「何先生」）目前兼任該兩個職位。

Being the founder of the Group, Mr. Ho has substantial experience in the manufacturing industry and property development and cultural related business. At the same time, Mr. Ho has the appropriate skills and business acumen which are the pre-requisites for assuming the role of the Chief Executive Officer. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person would provide the Group with strong and consistent leadership and allows the Group to be more effective and efficient in developing long-term business strategies and execution of business plans. The Board considers that there is no need to segregate the roles of the Chairman and the Chief Executive Officer and Mr. Ho shall continue in his dual capacity as the Chairman and the Chief Executive Officer.

According to Code Provision A.4.1, Non-executive Director should be appointed for a specific term, subject to re-election. Mr. Ho Cheuk Ming was re-designated as Non-executive Director on 1 June 2007 without a specific term but Mr. Ho Cheuk Ming is subject to retirement by rotation according to the Bye-laws of the Company.

Moreover, Code Provision A.4.2 stipulated that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Company's bye-laws, at each annual general meeting, one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, the number nearest to one-third but not greater than one-third shall retire from office provided that notwithstanding anything in the Company's bye-laws, the Chairman of the Directors and/or the Managing Director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. Furthermore, any Director appointed to fill a casual vacancy or as an addition to the Board should hold office only until the next following AGM and would then be eligible for re-election. With the introduction of the CG Code and to comply with Code Provision A.4.2 of the CG Code, the Chairman and/or the Managing Director of the Group will voluntarily retire at the annual general meeting of the Company at least once every three years. As such, the Company considers that sufficient measures have been taken to ensure good corporate governance of the Company.

何先生為本集團的創辦人，於製造業及房地產與文化相關產業具備豐富經驗。同時，何先生具備擔當行政總裁所需之合適管理技巧及商業觸覺之先決條件。董事會相信，由一人同時擔任主席與行政總裁的角色為本集團提供強大兼一致的領導，並可讓本集團更有效及有效率地發展長遠業務策略及執行業務計劃。因此董事會認為無須區分主席及行政總裁之角色，並由何先生繼續擔任這兩個角色。

按照守則條文A.4.1，非執行董事的委任應有指定任期，亦須接受重新選舉。何卓明先生於二零零七年六月一日獲再委任為非執行董事，沒有指定任期，但何卓明先生仍須依章輪值告退。

守則條文A.4.2則規定每名董事（包括有指定任期之董事）應至少每三年輪值退任一次。

根據本公司之細則，在本公司每一屆股東週年大會上，三分之一之當時在任之董事（或，倘其人數並非三之倍數，則最接近但不多於三分之一之數目）須輪值退任，惟本公司董事會主席及／或董事總經理不須按此規定輪值退任或在釐定每年退任董事人數時被計算在內。此外，任何填補空缺而獲委任之董事或為董事會新增之成員僅可任職至下屆股東週年大會為止，屆時彼可膺選連任。然而，由於《企業管治守則》的推出及為遵守《企業管治守則》守則條文A.4.2，本集團主席及／或董事總經理將至少每三年自願退任。因此，本公司認為已採取足夠措施，以確保本公司良好企業管治。

The Company will continue to review its practices from time to time to achieve high standard of corporate governance.

B. BOARD COMMITTEE

1. Remuneration Committee ("RC")

- 1.1 The Board has established the RC in June 2005 with terms of reference, comprising a majority of independent non-executive Directors, which meets at least once a year. It is chaired by Mr. So Wai Chun and comprises two other members, namely Mr. Chan Sui Sum, Raymond and Mr. Ho Cheuk Ming. All RC members, with the exception of Mr. Ho Cheuk Ming (non-executive Director), are independent non-executive Directors. The quorum necessary for the transaction of business by the RC is two.
- 1.2 The principal responsibilities of RC are to formulate remuneration policy of the Group, review and make recommendations to the Board in respect of the remuneration policy and to determine the remuneration of the executive Directors and the senior management.
- 1.3 The RC met once during the Year with an attendance rate of 100% and reviewed its terms of reference, the remuneration policy of the Group and the remuneration packages of Directors and senior management staff.

2. Audit Committee ("AC")

- 2.1 The AC's membership, with the exception of Mr. Ho Cheuk Ming (non-executive Director), comprised the independent non-executive Directors as at 31 March 2011:

Mr. So Wai Chun (*Chairman*)
Mr. Chan Sui Sum, Raymond
Mr. Fong Hoi Shing; and
Mr. Ho Cheuk Ming

The Board is of the opinion that members of the AC have sufficient accounting and financial management expertise or experience to discharge their duties.

本公司將繼續不時檢討其常規，以達至高水平之企業管治。

B. 董事委員會

1. 薪酬委員會

- 1.1 董事會已於二零零五年六月成立薪酬委員會連同職權範圍書，成員大多數為獨立非執行董事。薪酬委員會最少每年舉行一次會議，由蘇偉俊先生擔任主席，並包括兩位其他成員：陳瑞森先生及何卓明先生。除何卓明先生（非執行董事）外，全體薪酬委員會成員均為獨立非執行董事。薪酬委員會處理事務之法定人數為兩人。
- 1.2 薪酬委員會主要職能包括就本集團董事及高級管理層薪酬之公司政策及架構向董事會作出建議及釐定所有執行董事及高級管理層之薪酬計劃。
- 1.3 薪酬委員會於本年度已舉行一次會議，出席率為100%，以審閱其職權範圍、本集團的薪酬政策及董事和高級管理層之薪酬。

2. 審核委員會

- 2.1 截至二零一一年三月三十一日，審核委員會（除何卓明先生（非執行董事）外）均為獨立非執行董事組成：

蘇偉俊先生（*主席*）
陳瑞森先生
方海城先生
何卓明先生

董事會認為，審核委員會成員擁有足夠會計及財務管理專業知識或經驗，以履行彼等之職務。

2.2 The operations of the AC are regulated by its terms of reference. The main duties of the AC include:

- to review and supervise the Group's financial reporting process including the review of quarterly, interim and annual results of the Group;
- to review the external auditors' appointment, remuneration and any matters relating to resignation or termination;
- to examine the effectiveness of the Group's internal control which involves regular review in various corporate structures and business process; and
- to realize corporate objective and strategy by taking into account the potential risk and the nature of its urgency in order to ensure the effectiveness of the Group's business operations. The scope of such reviews includes finance, operations, regulatory compliance and risk management.

2.3 The AC met two times during the Year with an attendance rate of 100% and reviewed the interim results and the annual results of the Group for the year ended 31 March 2010. The AC had also reviewed the Group's audited annual results of the Year. The Company Secretary of the Company keeps all minutes of the AC.

C. SECURITIES TRANSACTIONS BY DIRECTORS

1.1 The Company has adopted a Code for Securities Transactions by Directors of the Group (the "**Company's Model Code**") on terms no less exacting than the required standard set out in Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") contained in Appendix 10 of the Listing Rules.

2.2 審核委員會之運作受職權範圍規管。審核委員會之主要職責包括：

- 檢討及監控本集團之財務報告程序，包括審閱本集團的季度、中期及年度業績；
- 檢討外聘核數師的委任和批准其薪酬及任何有關其辭任或辭退之任何事宜；
- 檢討本集團內部監控之有效性，包括定期檢討各項有關企業及業務的程序；及
- 在考慮到潛在風險的性質及迫切性的情況下體現企業目標及策略以確保本集團業務運作有效。該等檢討包括財務、營運、監管規則的遵守及風險管理等範圍。

2.3 審核委員會於本年度舉行兩次會議，其出席率為100%，並審閱了集團之中期及截至二零一零年三月三十一日止年度的全年業績。審核委員會亦審閱了本年度本集團的全年業績。審核委員會之詳盡會議記錄由公司的公司秘書存置。

C. 董事進行證券交易

1.1 本公司已採納本集團董事進行證券交易的標準守則（「**公司標準守則**」），其條款並不較上市規則附錄10所載上市公司董事進行證券交易的標準守則（「**標準守則**」）之條款寬鬆。

- 1.2 Having made specific enquiries to all Directors, they have confirmed that they had complied with the required standards set out in both the Company's Model Code and the Model Code throughout the year ended 31 March 2011.

D. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

- 1.1 The Board acknowledges its responsibility for preparing the Group's accounts which gives a true and fair view of the state of affairs of the Company and of the Group on a going concern basis, with supporting assumption or qualification as necessary. In preparing the accounts for the Year, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable.
- 1.2 The management provides explanation and information to the Board as to enable the Board to make informed assessments of the financial and other information put before the Board for approval.
- 1.3 The Board endeavours to ensure the making of balanced, clear and understandable assessments of the Group's position and prospects and extending the coverage of such information to include annual, interim and quarterly reports, price-sensitive announcements and financial disclosures as required under the Listing Rules, reports to regulators as well as any information that is required to be disclosed pursuant to statutory requirements.

2. Internal Controls

The Board is responsible for the Group's system of internal controls and is committed to managing business risks and maintaining sound and effective internal control system to safeguard the Shareholders' investment and the Group's assets.

- 1.2 經向全體董事作出具體查詢後，彼等確認已於截至二零一一年三月三十一日止年度期間全面遵守標準守則及公司標準守則所載之標準規定。

D. 問責及審核

1. 財務匯報

- 1.1 董事會知悉其責任乃編製反映本公司及本集團真實公平財政狀況之帳目（按持續經營基準，並在有需要時以假設及保留意見支援）。於編製本年度之帳目時，董事已挑選適合之會計政策及貫徹應用，並作出審慎合理之判斷及估計。
- 1.2 管理層向董事會提供該等闡釋及資料，使董事會對其須批准之財務及其他資料能作出知情評估。
- 1.3 董事會致力確保對本集團之狀況及前景作出客觀、明確及可理解之評估，並將範圍擴大至本集團之年度、中期及季度報告、其他涉及股價敏感資料之公佈、其他根據上市規則須予披露之財務資料、致監管機構之報告書以及法定須予披露之其他資料。

2. 內部監控

董事會負責本集團之內部監控系統，並致力管理經營風險及確保內部監控系統穩健妥善且有效，以保障股東之投資及本集團的資產。

During the Year, the Internal Audit Department under the supervision of the Board and the Audit Committee, has reviewed and reported on the adequacy of effectiveness of the internal control systems of the Group, covering financial, operational, compliance and risk management control functions.

The Board's annual review had considered the adequacy of resources, qualification and experience of staff of the Company's accounting and financial reporting function and their training programmes and budget.

The internal control system is designed to provide reasonable, but not absolute, assurance of no material mis-statement or loss and to manage instead of eliminating risks of failure in operational systems and achievement of the Group's objectives.

The Internal Audit Department performs regular audit reviews and report of the risk and key controls of the Group to the Board and the Audit Committee. The responsible Department Heads will be notified of the control deficiencies noted for rectification.

3. Auditors' remuneration

During the Year, the fees paid to PricewaterhouseCoopers, the Group's external auditor HK\$1,838,000 for audit services of the Group and for non-audit related services approximately HK\$707,000, representing mainly taxation services and other non-audit service fees.

E. COMMUNICATION WITH SHAREHOLDERS

1. The Company strives to convey to Shareholders pertinent information in a clear, detailed, timely manner and on a regular basis and to take into consideration their views and inputs, and to address the Shareholders concerned. Their views are communicated to the Board comprehensively.

於本財政年度內部審計部，在董事會及審核委員會的監督下，已對本集團內部監控制度之有效性進行檢討及匯報，範圍包括財務、營運、合規監控及風險管理功能。

董事會每年進行檢討時，已考慮本公司在會計及財務匯報職能方面的資源、員工資歷的足夠程度，以及員工所接受的培訓課程及有關預算充足程度。

內部監控系統乃提供合理，但非絕對地，確保沒有重大錯誤陳述或損失，以及旨在管理而非消除營運制度失當之風險及達致本集團之目標。

內部審計部進行定期審核，並向董事會及審核委員會匯報風險及主要的內部監控。部門主管將獲通知其監控不足之處以進行修正。

3. 核數師酬金

於本財政年度，支付予本公司外聘核數師羅兵咸永道會計師事務所1,838,000港元為本集團提供核數服務及約707,000港元為非核數相關服務（主要為稅務服務及其他非審計服務費）。

E. 與股東之溝通

1. 本公司致力向股東傳達明確、詳盡、適時及定期之相關資料，並考慮彼等之意見及建議以及處理股東關注之事宜。彼等之意見會整體向董事會傳達。

2. The Company communicates with the Shareholders through the publication of annual, interim reports, circulars, results announcements and releases. All communications to Shareholders are also available on the Company's website at www.karrie.com.hk.
 3. We had provided sufficient notice for Shareholders on all general meetings. The AGM provides a useful platform for Shareholders to exchange views with the Board. The Chairman of the Board and the Board members are available to answer Shareholders' questions.
 4. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual Directors.
 5. All votes of the Shareholders at a general meeting must be taken by poll according to the Listing Rules. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to bye-law 66 of the Bye-Laws.
2. 本公司透過刊發年報、中期報告、通函、業績公佈及新聞發報與股東溝通。所有與股東之通訊亦載於本公司網站www.karrie.com.hk。
 3. 於各股東會，足夠通知已提供予股東。股東週年大會為股東與董事會提供有用之交換意見平台。董事會主席以及董事會成員將出席回答股東之問題。
 4. 每一個實質上無關連之個別事項（包括選舉個別董事），以獨立決議案提呈於股東大會上。
 5. 股東大會上的表決必須以投票形式進行。根據公司細則第66條，大會主席會因此要求股東週年大會上的決議皆由投票形式表決。

F. INVESTOR RELATIONS

1. The Board recognizes that effective communication with investors is the key to establish investor confidence and to attract new investors.

2. Results announcement

As from January 2009, the Company had discontinued its practice of adopting quarterly results announcement. Annual reports and interim reports are prepared and issued to all Shareholders within the prescribed period stipulated by the Listing Rules. All results announcements and reports are posted on the Company's website and the Stock Exchange's website. The Company can still provide the Shareholders and investors with an adequate degree of transparency and information of the financial position of the Company.

F. 投資者關係

1. 董事會深知與投資者之有效溝通，乃建立投資者信心及吸引新投資者之關鍵。

2. 業績公佈

自二零零九年一月起，本公司已終止其季度業績常規。本集團已於上市規則規定的期間內編製年度及中期報告，並刊發予全體股東。所有業績公佈及報告均載於本公司網站及聯交所網站。本公司仍然能夠就本公司之財務狀況，向股東及投資者提供足夠資料及透明度。

3. Media and analysts briefings

Briefings for media are held on the same day immediately after the interim and annual results released via teletext. Briefing for analysts by way of presentation at luncheons, receptions or telephone conferences are organized thereafter. During the briefing, the Group's management provides an in-depth analysis of the Group's performances in respect of the relevant periods and ensures that the financial performance and accounts of the Group are well understood. There is also ample opportunity for the analysts and media to ask questions and interact with the executive Directors and senior management.

4. Tea-Break with individual investors

Since the first quarter of 2004/05, the Group has been arranging tea-break with individual investors to build up an interactive and direct communication channel. This allows individual investors talking to the management of the Group. Meanwhile, the Group would give an update about the status of the Group's development and share of their feelings toward the Group.

5. The Group regularly releases corporate information such as awards received, and the latest news of the Group's developments on its Company's website. The public are welcome to give their comments and make their enquiries through the Company's website, the management will give their prompt response.

3. 新聞界及分析員簡報會

新聞界簡報會緊隨中期及全年業績發佈於大利市機後的當日舉行。分析員簡報會以午餐會、接待會或電話會議形式於其後進行。於簡報會上，本集團管理層會深入分析本集團於有關期間之業績表現，並確保與會人士充分理解本集團財務表現及帳目。本集團亦提供足夠機會予分析員及新聞界提問及與執行董事和高級管理層溝通。

4. 與個人投資者茶敘

自二零零四／零五年度第一季起，本集團舉行茶敘，以提供渠道予個人投資者，透過跟管理層直接會面和互動溝通，從而增加對集團之了解，本集團會提供有關集團最新發展的更新資料及分享他們對集團的感受。

5. 本集團定期於本公司網站公佈公司資料，例如其所獲得獎項及本集團發展之最新消息等。本集團歡迎公眾人士透過本公司網站提出意見及查詢，管理層將會迅速跟進。

DIRECTORS

Executive Directors

Mr. HO Cheuk Fai, aged 65, was appointed as a Director of the Company in October 1996 and is the Chairman and Chief Executive Officer of the Company as well as the founder of the Group. Prior to founding the Group in 1980, Mr. Ho had over 10 years' experience in factory management and in running operations specialised in manufacturing plastic, metal and electronic products. He is responsible for the Group's overall corporate strategies and objectives. He is also a director of New Sense Enterprises Limited and Honford Investments Limited, a corporate substantial shareholder of the Company, and the brother of Mr. Ho Cheuk Ming, who is a non-executive Director and Deputy Chairman, and the husband of Ms. Ho Po Chu, who is a member of management team.

The solid business knowledge and working experience gained by Mr. Ho throughout the years are recognized by the academic. He was awarded with fellow membership of the Asian Knowledge Management Association in September of 2003 and Honorary Fellowship by Canadian Chartered Institute of Business Administration and Honorary Doctorate in Management by Lincoln University in April of 2007. He was appointed as a part-time professor at the University of Electronic Science and Technology of China in Sichuan, Chengdu.

Mr. Ho was appointed as member of the 10th Guangdong Provincial Committee of Political Consultative Conference in January 2008 and was reappointed as a member of 11th Chinese People's Political Consultative Conference, Dongguan City, Guangdong Province in January 2007. He was also awarded as the Honorable Citizen of Dongguan City and Honorable Citizen of Yixing City. Mr. Ho currently participates in affairs of different associations, which include Hong Kong Metals Manufacturers Association, China Association of Enterprises with Foreign Investment, Overseas Friendship Association of Dongguan, Federation of Hong Kong Guangdong Community Organisations, Hebei Chinese Overseas Friendship Association, Hong Kong Hebei Association Ltd, Jiangsu Yixing Association of Enterprises with Foreign Investment, Guangdong Overseas Chinese Enterprises Association, Hong Kong Youth Exchange Promotion United Association, Hong Kong Jiangsu Exchange Promotion Association, The Hong Kong Chinese Importers' & Exporter's Association and Dongguan University of Technology Education Foundation of Dongguan City.

董事

執行董事

何焯輝先生，六十五歲，於一九九六年十月獲委任為本公司董事，並為本公司主席兼行政總裁及本集團的創辦人。於一九八零年成立本集團前，彼擁有逾十年工廠管理及塑膠、金屬與電子產品製造經驗。彼負責集團之整體企業策略及目標。彼為本公司法團大股東New Sense Enterprises Limited及Honford Investments Limited之董事，及為何卓明先生（本公司之非執行董事兼副主席）的兄長及何寶珠女士（管理團隊成員之一）的丈夫。

憑藉多年於商界的深厚經驗及閱歷，得到了教學界之肯定，於二零零三年九月獲亞洲知識管理協會院士名銜，另於二零零七年四月獲加拿大管理學院頒授榮譽院士兼美國林肯大學頒授榮譽管理博士名銜；另獲四川成都電子科技大學委任為兼職教授。

彼於二零零八年一月獲委任為廣東省第十屆政協委員及於二零零七年一月續任廣東省東莞市第十一屆政協委員，另分別獲頒授東莞市榮譽市民及宜興市榮譽市民。同時亦積極參與多個商會事務，其中包括有香港金屬製造業協會、中國外商投資企業協會、東莞市海外聯誼會、香港廣東社團總會、河北海外聯誼會、香港河北聯誼會、江蘇宜興市外商投資企業協會、廣東省僑商投資企業協會、香港青年交流促進聯會、蘇港交流促進會、香港中華出入口商會及東莞市東莞理工學院教育發展基金會等。

Senior Management Profile 高級管理人員之個人資料

Mr. LEE Shu Ki, aged 55, was appointed as a Director of the Company in December 1997, and is the Financial Controller and a member of the Executive Committee of the Group. He is responsible for overseeing the daily operation of the Group's Accounting Department. Mr. Lee graduated from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a higher diploma in accountancy and is a fellow member of The Hong Kong Institute of Certified Public Accountants and an associate member of the Chartered Institute of Management Accountants of the United Kingdom. He has over 25 years' accounting and financial management experience in manufacturing businesses. Mr. Lee joined the Group in June 1995.

Ms. CHAN Ming Mui, Silvia, aged 39, was appointed as a Director of the Company in November 2010, and is the General Manager – Human Resources and Administration of the Group and responsible for the overall operation of human resources, administration and IT department of the Group. Ms. Chan is one of the members of the Executive Committee and Internal Audit Committee of the Group. Ms. Chan graduated from The City University of Hong Kong majoring in Public Administration and Management. She joined the Group in 1996 and has over 10 years' experience in administration and management.

Non-executive Director

Mr. HO Cheuk Ming, aged 57, was re-designated as a non-executive Director and Deputy Chairman of the Company with effect from 1 May 2011. Mr. Ho was appointed as an executive Director of the Company from October 1996 to 31 May 2007, and was a Deputy Chairman and Chief Operation Officer as well as the Convener of the Executive Committee of the Group. He was re-designated as a non-executive Director of the Company with effect from 1 June 2007. He is responsible for the overall supervision of the Group's operation business. He joined the Group in 1980 and has over 20 years' experience in factory production. He is also the brother of Mr. Ho Cheuk Fai, who is one of the executive Directors, the Chairman and the Chief Executive Officer of the Company, and the brother-in-law of Ms. Ho Po Chu, who is a member of the management team.

李樹琪先生，五十五歲，於一九九七年十二月獲委任為本公司董事，並為本集團財務總監及執行委員會成員之一，負責管理本集團會計部之日常運作。彼畢業於香港理工學院（現稱香港理工大學），持有會計學高級文憑，並為香港會計師公會資深會員及英國特許管理會計師公會之會員。彼擁有逾二十五年製造業之財務管理經驗。李先生於一九九五年六月加入本集團。

陳名妹小姐，三十九歲，於二零一零年十一月獲委任為本公司董事，並為本集團人力資源及行政總經理，負責人力資源、行政及電腦部之整體運作。陳小姐是集團執行委員會及內部審計管理委員會之成員。陳小姐於香港城市大學畢業，主修公共行政及管理。彼於一九九六年加入本集團，擁有逾十年行政及管理經驗。

非執行董事

何卓明先生，五十七歲，於二零一一年五月一日起調任為本公司非執行董事兼副主席。何先生由一九九六年十月至二零零七年五月三十一日期間為本公司執行董事，並為本集團副主席兼營運總裁及執行委員會召集人。彼於二零零七年六月一日起獲調任為非執行董事。彼負責本集團整體業務運作監督。彼於一九八零年加入本集團，擁有逾二十年工廠生產業務經驗。彼為何焯輝先生（本公司之執行董事成員之一、主席兼行政總裁）之弟及何寶珠女士的小叔。

Independent Non-executive Directors

Mr. SO Wai Chun, aged 62, was appointed as an independent non-executive Director of the Company in July 2001. Mr. So has been doing business in Hong Kong and the People's Republic of China for over 20 years. His businesses are mainly specialized in financial services and international trading. In 2000, Mr. So was appointed as the China Representative of Forestry New Zealand Limited, which is a subsidiary of Evergreen Forestry Limited listed in New Zealand.

Mr. CHAN Sui Sum, Raymond, aged 71, was appointed as an independent non-executive Director of the Company in February 1998. He graduated from Oklahoma Baptist University in the United States with a bachelor degree in Arts in 1964. Mr. Chan has over 30 years' experience in the construction industry. He is also a director of Exalt International Limited and Shelton Food Industry Limited.

Mr. FONG Hoi Shing, aged 47, was appointed as an independent non-executive Director of the Company in December 2004. He has extensive experience in accounting, finance and management. He holds a master degree in professional accounting, a postgraduate diploma in corporate administration and a higher diploma in accountancy from The Hong Kong Polytechnic University. He is an associate member of the Hong Kong Institute of Certified Public Accountants and an Associate of The Institute of Chartered Secretaries and Administrators.

獨立非執行董事

蘇偉俊先生，六十二歲，於二零零一年七月獲委任為本公司獨立非執行董事。蘇先生在香港及中國經商超過二十年，主要從事金融服務及國際貿易等業務。蘇先生於二零零零年曾被委任為新西蘭森林木材有限公司(Forestry New Zealand Limited)的中國代表。該公司乃新西蘭上市公司－Evergreen Forestry Limited的附屬公司。

陳瑞森先生，七十一歲，於一九九八年二月獲委任為本公司獨立非執行董事。彼於一九六四年取得美國奧克拉荷馬大學文學士學位。陳先生從事建造業逾三十年。彼現為旭瞬國際有限公司及南寧兆中食品工業有限公司之董事。

方海城先生，四十七歲，於二零零四年十二月獲委任為本公司獨立非執行董事。方先生於會計、財務及管理方面擁有豐富經驗。彼持有香港理工大學頒授的專業會計碩士、公司行政管理深造文憑及會計學高級文憑，彼為香港會計師公會會員，亦為英國特許秘書及行政人員公會會員。

Senior Management Profile 高級管理人員之個人資料

MANAGEMENT

Ms. HO Po Chu, aged 62, is the Director of Administration of the Group. Ms. Ho is one of the founding members of the Group in 1980 and has over 20 years' experience in office administration and purchasing. She is responsible for supervising personnel and overall administration of the Group. She is also the wife of Mr. Ho Cheuk Fai, who is one of the executive Directors, the Chairman and the Chief Executive Officer of the Company, and sister-in-law of Mr. Ho Cheuk Ming, who is a non-executive Director and Deputy Chairman.

Mr. LEUNG Kwok Ming, Daniel, aged 45, was appointed as the Deputy Chief Operation Officer and the Convener of the Executive Committee of the Group in April 2011. Prior to this appointment, he was the General Manager of System Integration of the Group, responsible for system integration and factory operational management. Mr. Leung graduated from the University of Hong Kong with Bachelor Degree in Mechanical Engineering and Master Degree in Mechatronics. He joined the Group in June 2009. He has over 10 years of experience in global procurement and over 10 years of global engineering and operational management experience in the field of electronics and system integration products.

Mr. CHAN Raymond, aged 44, is the Senior Marketing Director and a member of the Executive Committee of the Group, responsible for the Group's marketing development related work. He joined the Group in 1985 and has over 15 years' experience in sales and marketing.

Mr. WONG Siu Ching, aged 53, is the General Manager of TIS Technologies (H.K.) Ltd., a joint venture company of the Group responsible for general operation and management of TIS as from 1 November 2009. Prior to this appointment, he was the Marketing Director of the Group, responsible for project development and marketing for the Group. Mr. Wong joined the Group in 1988 and he had over 30 years' experience in sales and marketing.

Mr. CHAN Wah Ying, aged 46, is the General Manager – Production Operation and Quality and a member of the Executive Committee of the Group. Mr. Chan graduated from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a higher certificate in Manufacturing Engineering. Prior to joining the Group in 1992, Mr. Chan had over 13 years' experience in quality management in an electronic manufacturing company.

管理人員

何寶珠女士，六十二歲，本集團行政總監。何女士為本集團於一九八零年成立時的創辦人之一，擁有逾二十年辦公室行政及採購經驗。彼負責監督本集團之人事及整體行政工作。彼為何焯輝先生（本公司執行董事成員之一、主席兼行政總裁）之夫人及何卓明先生（本公司之非執行董事兼副主席）的大嫂。

梁國明先生，四十五歲，於二零一一年四月獲委任為本集團副營運總裁及執行委員會召集人，獲此委任前為本集團之系統整合總經理，負責系統整合及工廠營運管理。梁先生畢業於香港大學，並持有機械工程學士學位及電子機械工程碩士學位。彼於二零零九年六月加盟本集團，擁有逾十年環球採購工作經驗及逾十年電子及系統整合產品環球工程及工廠營運管理經驗。

陳毅文先生，四十四歲，本集團高級市場總監及執行委員會成員，負責集團市場業務拓展。彼於一九八五年加入本集團，擁有逾十五年銷售及市場推廣經驗。

王少正先生，五十三歲，自二零零九年十一月一日始擔任合資公司嘉友科技（香港）有限公司（「嘉友」）總經理，負責嘉友之整體營運及管理。獲此委任前為本集團市場總監，負責本集團項目發展及市場推廣。王先生於一九八八年加入本集團並擁有逾三十年銷售及市場推廣經驗。

陳華英先生，四十六歲，本集團生產營運及品質總經理及執行委員會成員。陳先生畢業於香港理工學院（現稱香港理工大學），持有製造工程高級證書。彼於一九九二年加入本集團前，擁有逾十三年於電子製造公司的品質管理經驗。

Senior Management Profile 高級管理人員之個人資料

Ms. YIU Yuet Fung, aged 46, is the Assistant General Manager at the Group's factories in China and a member of the Executive Committee of the Group, responsible for the overall personnel and administration management. She joined the Group in 1984 and has over 18 years' experience in managing the production process of manufacturing industries and 8 years' experience in overall personnel and administration management.

Mr. WONG Fok Tsun, Albert, aged 59, is the Assistant Internal Audit Director of the Group, responsible for setting up internal audit procedure and reporting directly to the Board and the Internal Audit Committee. Mr. Wong graduated from Curtin University of Technology, WA with a bachelor degree in Management and Marketing. He also holds a master degree of Accounting from the same University. He is a fellow member of The Association of International Accountants, UK and is an associate member of CPA Australia. He is also a member of The Institute of Internal Auditors Inc. U.S.A. Mr. Wong has over 10 years' experience in internal auditing and 12 years' experience in financial accounting. He joined the Group in March 2003.

Mr. HA Hon Leung, aged 51, is the Technical Director of the Engineering and R&D Department, responsible for managing engineering capabilities and project development. Mr. Ha holds a bachelor degree from The University of Windsor, Canada, and a master degree from The University of Waterloo, Canada, both in Electrical Engineering. He also holds a master degree in business administration from Heriot-Watt University, UK. Mr. Ha has over 20 years' experience in engineering and technical management in the electronics industry.

Ms. LAM Po Ling, Regan, aged 48, the Assistant General Manager of Supply Chain Management of the Group, is responsible for the overall operation of the Group's supply chain management and logistics system. Ms. Lam graduated from The University of Strathclyde, United Kingdom with a degree in Master of Science in Procurement Management. She is a member of The Chartered Institute of Purchasing & Supply, United Kingdom (MCIPS). Ms. Lam joined the Group since 1990. She has over 28 years' working experience in Purchasing, Procurement and Supply Management.

姚月鳳小姐，四十六歲，本集團中國廠房之副總經理及執行委員會成員，負責國內人事及行政整體管理。彼於一九八四年加入本集團，擁有逾十八年於製造業生產程序管理經驗及八年人事及行政整體管理經驗。

黃福全先生，五十九歲，本集團副審計總監，負責建立內部審計運作程序及直接向董事會及內部審計管理委員會報告。黃先生畢業於西澳洲科廷科技大學，持有管理及市場學士學位，並持有同一大學會計學碩士學位。彼為英國國際會計師公會資深會員及澳洲會計師公會會員，亦為美國內部審計師學會的會員；擁有逾十年內部審計及十二年財務會計經驗。彼於二零零三年三月加入本集團。

夏漢良先生，五十一歲，本集團工程及研發部技術總監，負責管理工程研發及項目發展。夏先生持有加拿大溫莎大學電氣工程學士及滑鐵盧大學電氣工程碩士學位，並持有英國Heriot-Watt大學工商管理碩士學位。彼在電子業擁有逾二十年工程及技術管理經驗。

林寶玲小姐，四十八歲，本集團供應鏈管理副總經理，負責監督集團整體供應鏈管理及物流系統。林小姐畢業於英國斯傑克萊大學，持有採購管理學碩士學位。並為英國特許採購及供應學會會員。林小姐於一九九零年加盟本集團，擁有逾二十八年採購及供應管理經驗。

The Board has the pleasure of presenting the report together with the audited financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of computer casings, office automation products, moulds, plastic and metal parts (together referred to as "Metal and Plastic Business") and provision of electronic manufacturing services business ("EMS Business").

The Group's turnover by principal product category and geographical locations for the Year are set out in Note 5 to the financial statements.

DIVIDENDS

The Board has recommended to pay a final dividend of HK1.1 cents (2009/10: HK1 cent) per share to shareholders whose names appear on the Register of members of the Company on 9 September 2011. Together with the interim dividend, total dividend paid for this year amounted to HK1.1 cents (2009/10: HK1 cent) per share.

RESULTS AND APPROPRIATIONS

Details of the Group's results for the Year are set out in the consolidated income statement on page 118 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and of the Company during the Year are set out in Note 7 to the financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note 16 to the financial statements.

董事會謹此呈上本集團本年度之報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股，其附屬公司主要從事製造及銷售電腦外殼、辦公室文儀產品、模具、塑膠及金屬部件（統稱「五金塑膠業務」）及提供電子專業代工服務（「電子專業代工業務」）。

本集團本年度之營業額按主要產品及地區之分析詳載於財務報表附註五。

股息

董事會已建議派發末期股息每股1.1港仙（二零零九／一零年度：1港仙）予所有於二零一一年九月九日當日名列於本公司股東名冊內的股東；連同中期股息，全年股息共達每股1.1港仙（二零零九／一零年度：1港仙）。

業績與分派

本集團本年度之業績，詳載於本年報第118頁之綜合損益表內。

物業、廠房及設備

本集團及本公司在本年度內之固定資產變動情況詳載於財務報表附註七。

股本

本公司股本情況詳載於財務報表附註十六。

RESERVES

Movements in reserves of the Group and the Company during the Year are set out in Note 18 to the Financial Statements.

As at 31 March 2011, the Company's reserves of approximately HK\$242,292,000 representing the contributed surplus and retained profit were available for distribution to the Company's shareholders.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK\$426,000.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Year.

SHARE OPTIONS SCHEMES

The New Scheme

The New Scheme was adopted on 21 May 2002 and was subsequently amended on 4 August 2006 to comply with the new requirements of Chapter 17 of the Listing Rules effected on 1 September 2001. Details of the New Scheme are summarised herein below:

- (i) The purpose of the New Scheme is to provide incentives or rewards to eligible participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any Invested Entity (as defined in the New Scheme);

儲備

本集團及本公司在本年度之儲備變動情況載於財務報表附註十八。

截至二零一一年三月三十一日止，本公司可供分派予本公司股東的儲備約242,292,000港元，為繳入盈餘、保留溢利及擬派股息。

捐款

本集團於本年度進行之慈善及其他捐款達426,000港元。

購買、出售或贖回股份

本公司及其附屬公司在本年度內概無購買或出售本公司任何股份。

購股權計劃

新計劃

新計劃於二零零二年五月二十一日採納，及後於二零零六年八月四日進行修訂，以符合二零零一年九月一日生效之上市規則第十七章之新規定。新計劃之詳細摘要如下：

- (i) 新計劃旨在鼓勵或獎勵合資格參與者對本集團作出貢獻及／或有助本集團招聘及挽留能幹之僱員，以及吸納對本集團與任何投資對象（按《新計劃》定義）有價值之人才；

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

- (ii) The participants of the New Scheme include any employee, director (including executive and non-executive director of the Group), shareholder, supplier, customer, consultant, adviser, other service provider, partner and business or strategic alliance partner of the Group or any Invested Entity (as defined in the New Scheme) or any discretionary trust whose discretionary objects may be any of the above persons;
- (iii) The total number of shares that may be issued by the Company if all options granted under the New Scheme have been exercised is 25,740,000, which represents approximately 2.97% of the existing issued share capital of the company at the date of this report;
- (iv) The total number of shares in respect of which options may be granted under the New Scheme is not permitted to exceed 10% of the shares of the Company at the date of adoption of the New Scheme and thereafter, if refreshed, shall not exceed 10% of the shares in issue as at the date of approval of the refreshed limit by the Company's shareholders. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time;
- (v) Unless approved by shareholders in general meeting, no participants shall be granted any option if the total number of shares issued and to be issued upon exercise of the options granted and to be granted to such participant in any 12-month period up to the date of the latest grant would exceed 1% of the issued share capital of the Company from time to time. Options granted to a substantial shareholder or an independent non-executive director in excess of 0.1% of the Company's share capital in issue for the time being and with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders;

購股權計劃 (續)

新計劃 (續)

- (ii) 董事局可絕對酌情授購股權予新計劃之參與人，包括本集團之任何僱員或董事（包括本集團之執行及非執行董事）、股東、供應商、客戶、顧問、諮詢人、其他服務供應商、任何合營企業夥伴、業務或策略性聯盟合夥人以認購本公司之股份或任何投資對象（按《新計劃》定義）或彼等為全權託管受益人之任何全權信託；
- (iii) 根據新計劃已授出的所有購股權若然行使，本公司可發行之股份總數為25,740,000股，相當於本報告日期本公司現行已發行股本約2.97%；
- (iv) 其根據新計劃已獲授及將獲授購股權而獲發或將獲發之股份之總數不得超過採納新計劃當日之已發行股份數目之10%，及其後如獲更新，將不會超逾由股東批准更新當日已發行股份數目之10%。因行使根據新計劃及本公司任何其他購股權計劃已授出而尚未行使及仍有待行使之所有購股權而可予以發行之股份數目上限，不得超逾不時已發行股份之30%；
- (v) 除非獲得股東大會批准，否則因授予每名參與者之購股權在獲行使而已發行及將予發行之股份數目，在任何12個月內不得超逾已發行股份之1%。倘每名主要股東或獨立非執行董事獲授之購股權合共佔本公司當時已發行股份逾0.1%；或根據授出購股權當日聯交所每日價表所報股份之收市價計算，總值超逾5,000,000港元，則授予購股權之建議必須事先經股東批准；

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

- (vi) An option may be exercised in accordance with the terms of the New Scheme at any time during a period to be notified by the Board to each grantee. Unless otherwise determined by the Board at its sole discretion, there is no requirement of a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised;
- (vii) A non refundable remittance of HK\$10 by way of consideration for the grant of an option is required to be paid by each grantee upon acceptance of the option;
- (viii) The subscription price payable upon exercising any particular option granted under the New Scheme is determined based on a formula: $P = N \times E_p$, where "P" is the subscription price; "N" is the number of shares to be subscribed; and "E_p" is the exercise price of the highest of (a) the nominal value of a share in the Company on the date of grant; (b) the closing price of shares of the Company on the Stock Exchange, as stated in the Stock Exchange's daily quotations sheet on the date of grant; and (c) the average of the closing prices of shares of the Company on the Stock Exchange on the five trading days immediately preceding the date of grant and as adjusted pursuant to the clauses of the New Scheme; and
- (ix) The life of the New Scheme is until the tenth anniversary of the adoption date of the New Scheme.

購股權計劃 (續)

新計劃 (續)

- (vi) 每名獲授人可按新計劃之條款於董事會向其通知之行使期內行使購股權。除董事會酌情考慮外，行使購股權時並無任何最少持有期限或工作表現目標要求之規限；
- (vii) 獲授人在接納購股權時須支付十港元作為獲授購股權之代價，款項概不退回；
- (viii) 根據每項獲授予購股權在行使時認購本公司股份的價格乃按下列算式釐定： $P = N \times E_p$ ，其中「P」為認購價；「N」為認購之股份數目；「E_p」為行使價以認購一股本公司股份之價格；惟至少必須為以下之較高者：(a)本公司股份的面值；或(b)本公司股份在聯交所之收市價，以有關購股權授予日聯交所日報表所示者為準；或(c)緊接授予購股權日期之前五個交易日本公司股份在聯交所之平均收市價或按新計劃條款所調整之行使值；及
- (ix) 新計劃之有效期為其獲採納當日起計直至十週年當日。

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(x) Details of share option movements during the Year under the New Scheme are as follows:

購股權計劃 (續)

新計劃 (續)

(x) 根據新計劃於本年度之購股權變動詳情如下：

Name	Date of Grant	Exercise Price	Exercise Period	Closing Price before date of grant 於購股權授出日前之價格 (HK\$) (港元)	Number of Share Options 購股權數目					
					Price at exercise date of options 於購股權行使日之價格 (HK\$) (港元)	Outstanding at 31 March 2010 二零一零年三月三十一日尚未行使 (‘000) (千)	Granted during the Year 於本年度獲授予 (‘000) (千)	Exercised during the Year 於本年度行使 (‘000) (千)	Lapsed/cancelled during the Year 於本年度失效/取消 (‘000) (千)	Outstanding at 31 March 2011 二零一一年三月三十一日尚未行使 (‘000) (千)
(i) Directors/Chief Executives 董事及最高行政人員										
Mr. Ho Cheuk Ming 何卓明先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	450	-	-	-	450
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	450	-	-	-	450
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	600	-	-	-	600
Mr. Kwok Wing Kin, Francis 郭永堅先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	900	-	-	-	900
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	900	-	-	-	900
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	1,200	-	-	-	1,200
Mr. Lee Shu Ki 李樹琪先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	630	-	-	-	630
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	630	-	-	-	630
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	840	-	-	-	840
Ms. Chan Ming Mui, Silvia 陳名妹小姐	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	360	-	-	-	360
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	360	-	-	-	360
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	480	-	-	-	480

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(x) (Cont'd)

Name	Date of Grant	Exercise Price	Exercise Period	Closing Price before date of grant 於購股權授出日前之價格 (HK\$) (港元)	Price at exercise date of options 於購股權行使日之價格 (HK\$) (港元)	Number of Share Options 購股權數目				
						Outstanding at 31 March 2010 二零一零年三月三十一日尚未行使	Granted during the Year 於本年度獲授予	Exercised during the Year 於本年度行使	Lapsed/cancelled during the Year 於本年度失效/取消	Outstanding at 31 March 2011 二零一一年三月三十一日尚未行使
姓名	授出日期	行使價 (HK\$) (港元)	行使期	於購股權授出日前之價格 (HK\$) (港元)	於購股權行使日之價格 (HK\$) (港元)	二零一零年三月三十一日尚未行使 (千)	於本年度獲授予 (千)	於本年度行使 (千)	於本年度失效/取消 (千)	二零一一年三月三十一日尚未行使 (千)
Ms. Ho Po Chu 何寶珠女士	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	270	-	-	-	270
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	270	-	-	-	270
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	360	-	-	-	360
Mr. Ho Kai Man 何啓文先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	90	-	-	-	90
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	90	-	-	-	90
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	120	-	-	-	120
(ii) Other Eligible Participants 其他合資格參與者										
Employees 僱員	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	6,815	-	-	(303)	6,512
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	6,165	-	-	(303)	5,862
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	8,220	-	-	(404)	7,816

購股權計劃 (續)

新計劃 (續)

(x) (續)

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(xi) Details of share option movements during the period between 1 April 2011 to 30 June 2011:

購股權計劃 (續)

新計劃 (續)

(xi) 根據新計劃於二零一一年四月一日至二零一一年六月三十日止之購股權變動詳情如下：

Name	Date of Grant	Exercise Price	Exercise Period	Closing Price before date of grant	Price at exercise date of options	Outstanding at 31 March 2011	Number of Share Options			Outstanding at 30 June 2011
							Granted during the period from 1 April 2011 to 30 June 2011	Exercised during the period from 1 April 2011 to 30 June 2011	Lapsed/cancelled during the period from 1 April 2011 to 30 June 2011	
姓名	授出日期	行使價 (HK\$) (港元)	行使期	於購股權授出日前之價格 (HK\$) (港元)	於購股權行使日之價格 (HK\$) (港元)	二零一一年三月三十一日尚未行使 (千)	二零一一年四月一日至六月三十日獲授予 (千)	二零一一年四月一日至六月三十日行使 (千)	二零一一年四月一日至六月三十日失效/取消 (千)	二零一一年六月三十日尚未行使 (千)
(i) Directors/Chief Executives 董事及最高行政人員										
Mr. Ho Cheuk Ming 何卓明先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	450	-	-	-	450
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	450	-	-	-	450
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	600	-	-	-	600
Mr. Kwok Wing Kin, Francis 郭永堅先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	900	-	-	(900)	-
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	900	-	-	(900)	-
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	1,200	-	-	(1,200)	-
Mr. Lee Shu Ki 李樹琪先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	630	-	-	-	630
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	630	-	-	-	630
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	840	-	-	-	840

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(xi) (Cont'd)

Name	Date of Grant	Exercise Price	Exercise Period	Closing Price before date of grant	Price at exercise date of options	Outstanding at 31 March 2011	Number of Share Options			Outstanding at 30 June 2011
							Granted during the period from 1 April 2011 to 30 June 2011	Exercised during the period from 1 April 2011 to 30 June 2011	Lapsed/cancelled during the period from 1 April 2011 to 30 June 2011	
姓名	授出日期	行使價 (HK\$) (港元)	行使期	於購股權授出日前之價格 (HK\$) (港元)	於購股權行使日之價格 (HK\$) (港元)	二零一一年三月三十一日尚未行使 (千)	二零一一年四月一日至六月三十日獲授予 (千)	二零一一年四月一日至六月三十日行使 (千)	二零一一年四月一日至六月三十日失效/取消 (千)	二零一一年六月三十日尚未行使 (千)
Ms. Chan Ming Mui, Silvia 陳名妹小姐	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	360	-	-	-	360
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	360	-	-	-	360
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	480	-	-	-	480
Ms. Ho Po Chu 何寶珠女士	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	270	-	-	-	270
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	270	-	-	-	270
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	360	-	-	-	360
Mr. Ho Kai Man 何啓文先生	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	90	-	-	-	90
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	90	-	-	-	90
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	120	-	-	-	120
(ii) Other Eligible Participants 其他合資格參與者										
Employees 僱員	05/03/2010	0.55	01/12/2010-04/03/2020	0.54	-	6,512	-	-	(135)	6,377
	05/03/2010	0.55	01/07/2011-04/03/2020	0.54	-	5,862	-	-	(135)	5,727
	05/03/2010	0.55	01/07/2012-04/03/2020	0.54	-	7,816	-	-	(180)	7,636

購股權計劃 (續)

新計劃 (續)

(xi) (續)

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

A professional actuarial firm has been invited in the year of 2009/10 to perform a valuation of the share options granted under the share option schemes.

According to the Hong Kong Financial Reporting Standard 2 ("HKFRS2"), the cost of share-based transactions should be recognised as an expense over the period from the date of grant until they are exercisable by the receiver of such payment. The expense required to be reported for share options granted on or before 31 March 2011 would be estimated as follows:

	Financial Year				Total 合計
	2009/10	2010/11	2011/12	2012/13	
P&L expenses (HK\$'000) 損益賬支出(千港元)	419	4,700	1,588	299	7,006

Employee share option expenses charged to the consolidated income statement are determined with the Trinomial Model valuation model based on the following assumptions:

Date of valuation	估值日期	05 Mar 2010	二零一零年三月五日
Date of grant	授出日期	05 Mar 2010	二零一零年三月五日
Option value	認股權價值	HK\$0.223-HK\$0.244	港幣0.223-港幣0.244
Market price at date of grant	於授出日之市場價值	HK\$0.55	港幣0.55
Exercisable price	行使價	HK\$0.55	港幣0.55
Risk-free interest rate	無風險利率	2.68%	2.68%
Life of options	認股權有效年期	10 years	十年
Expected Volatility (120 months)	預期波幅(120個月)	50.73%	50.73%
Expected Dividend yield	預期每股股息	2.78%	2.78%

購股權計劃 (續)

新計劃 (續)

一間專業估值公司於二零零九/一零年度獲邀評估本公司之購股權價值和費用。

根據香港財務報告準則第二號(「香港財務準則2」)，購股權於授出日期的公平值須於有關的權益期內攤銷，攤銷支出從損益帳戶扣除。有關於二零一一年三月三十一日或以前授出的購股權所產生的損益帳支出遂評估如下：

於綜合損益表中扣除之僱員認股權費用乃根據以下假設及按三項式模型計算：

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

There are several relevant measures that may be considered to assess the financial impact of the share option schemes, including the expense of share-based transactions under generally accepted financial reporting standards (e.g., HKFRS2). The expense of the share-based transactions is attributed over the period from the original transaction date (i.e., grant date) to the date when the recipient's entitlement to the payment has been fully realized (i.e., vested).

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility based on publicly available information. Change in the subjective input assumptions could materially affect the fair value estimate.

The result of the Trinomial Model can be materially affected by changes in these assumptions so an option's actual value may differ from the estimated fair value of the options due to limitations of the Trinomial Model.

In assessing the value of the share options granted during the Year and the expense of share-based transactions under HKFRS2 requirement, the Trinomial option pricing model has been used. The Trinomial Model is one of the generally most accepted methods used to calculate the value of options and expense of share-based transactions.

The parameters of the Trinomial Model include the risk free rate, dividend yield, exit rate and trigger price multiple. The risk free rate has made reference to the yield Exchange Fund Notes as at the grant date. The dividend yield makes reference to the dividend history and it is assumed that the grantee will exercise the option in accordance with their sub-optimal exercise policy.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws and there was no restriction against such rights under the laws of Bermuda.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 199 of this annual report.

購股權計劃 (續)

新計劃 (續)

現時有數種計量方法可以考慮用作評估購股權計劃對財務報表的影響，包括於普遍採納的財務報告標準（如香港財務準則2）下以股份支付的交易的有關支出。至於以股份支付的交易的相關支出則會於有關權益期內（即不同財政年度內）攤銷。

預期波動率是依據歷史波動率，並且就按照可公開獲得的資料預期未來波動率的任何預期變化作出調整後得出。主觀輸入假設的變動可能嚴重影響所估計的公允價值。

倘上述假設出現變動，足以嚴重影響三項式模型的結果，故股權的實際價值可能因三項式模型的限制而有別於購股權的估計公平值。

香港財務準則2規定下在本年度以股份支付的交易的相關支出乃使用三項式模型評估。三項式模型乃計算購股權價值及股份支付的交易的有關支出最為普遍接納之方法之一。

三項式模型之參數包括購股權之無風險利率、股息回報率、提早行使購股權和價格波動等因素。無風險利率乃參照香港外匯基金票據之回報率。股息回報率乃反映有關過往紀錄及假設授讓者將根據次佳行使政策行使購股權。

優先權

公司細則規定概無載有本公司須按比例向現有股東發行新股之優先權條文，而百慕達法例中亦無限制有關優先權之條文。

五年財務概要

本集團過去五個財政年度之業績及資產與負債摘要載於本年報第199頁。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

SUBSIDIARIES

Particulars of the subsidiaries of the Company are set out in Note 9 to the financial statements.

BANK LOANS

Particulars of bank loans of the Group as at 31 March 2011 are set out in Notes 20 to the financial statements.

BOARD OF DIRECTORS

The Directors who held office during the Year and up to the date of this report are:

Executive Directors

Mr. Ho Cheuk Fai (*Chairman & Chief Executive Officer*)
Mr. Kwok Wing Kin, Francis (*Deputy Chairman & Chief Operational Officer*) (resigned on 28 April 2011)
Mr. Lee Shu Ki
Ms. Chan Ming Mui, Silvia
(was appointed on 1 November 2010)

Non-executive Directors

Mr. Ho Cheuk Ming (*Non-executive Director and Deputy Chairman*)
(re-designated on 1 May 2011)

Independent Non-executive Directors

Mr. So Wai Chun
Mr. Chan Sui Sum, Raymond
Mr. Fong Hoi Shing

The independent non-executive Directors are appointed for specific terms and hold office until 30 June 2012, 4 February 2012 and 6 December 2011, respectively, subject to extension.

In accordance with Article 86(2) and 87 of the Company's Bye-laws and A.4.2. of the Code on Corporate Governance Practices, as set out in Appendix 14 to the Listing Rules. Ms. Chan Ming Mui, Silvia and Mr. Fong Hoi Shing will retire from office by rotation at the forthcoming annual general meeting. All such Directors, being eligible, offer themselves for re-election.

管理合約

本年度內，本公司概無就整體業務或任何重大業務之管理或行政工作訂立任何合約，亦無存有此等合約。

附屬公司

本公司各附屬公司之詳情，載於財務報表附註九。

銀行貸款

本集團於二零一一年三月三十一日之銀行貸款詳情列於財務報表附註二十。

董事會

本年度內及截至本年報日期止，在任之董事如下：

執行董事

何焯輝先生 (*主席兼行政總裁*)
郭永堅先生 (*副主席兼營運總裁*)
(於二零一一年四月二十八日辭任)
李樹琪先生
陳名妹小姐
(於二零一零年十一月一日獲委任)

非執行董事

何卓明先生 (*非執行董事兼副主席*)
(於二零一一年五月一日獲調任)

獨立非執行董事

蘇偉俊先生
陳瑞森先生
方海城先生

本公司獨立非執行董事之任期均以特定年期委任，其任期分別於二零一二年六月三十日、二零一二年二月四日及二零一一年十二月六日屆滿，延期除外。

按照本公司章程細則第86(2)及87條規定及上市規則附錄14之企業管治常規守則A.4.2條，陳名妹小姐及方海城先生將於即將舉行之股東週年大會上輪席退任。所有該等董事為有資格並願意膺選連任。

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which any of the Group companies was a party and in which a Director was materially interested, either directly or indirectly, subsisted at the end of the Year or at any time during the Year.

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company had the following connected and continuing connected transaction, certain details of which had been disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

Connected Transaction

On 22 October, 2010 after the trading hours, Kar Sharp Development Limited, a wholly-owned subsidiary of the Company entered into the Sale and Purchase Agreement with Castfast Properties Development Co., Limited ("Castfast Properties") whereby the Group has conditionally agreed to acquire 100% of the entire equity interests of the Yixing Karrie Commercial Building Development Co., Ltd. ("Yixing Karrie") at a consideration of RMB105.12 million (equivalent to approximately HK\$123.68 million at that time), which will be satisfied by the allotment and issue of 291,000,000 new shares of the Company ("Consideration Shares") at HK\$0.425 per Consideration Share (the "Acquisition"). The sole asset of Yixing Karrie is the parcel of land with a site area of approximately 20,012 sq. m. located in Yixing, Wuxi, Jiangsu Province, the PRC. The Directors believe that the Acquisition shall enhance the sources of income of the Group, diversify the business of the Group and reduce the Group's reliance on its existing manufacture business and seize opportunity to acquire landbank and solid property development business during the economic rebound.

Mr. Ho Cheuk Fai and Ms. Ho Po Chu, the controlling Shareholders, are ultimately interested in 97% of the issued share capital of the Castfast Properties. Accordingly, the Castfast Properties is a connected person of the Company under Chapter 14A of the Listing Rules and the Acquisition constitutes a connected transaction of the Company and will be subject to the reporting, announcement and Independent Shareholders' approval requirements as set out in Rules 14A.45 to 14A.48 of the Listing Rules. The Acquisition was approved by independent shareholders on 6 December 2010 and was completed on 27 January 2011.

董事之服務合約

本公司並無與擬於股東週年大會上重選連任之董事訂立任何不可於一年內由本公司無償終止之服務合約（法定賠償除外）。

董事於合約之利益

本公司或其附屬公司於本年度內任何時間概無簽訂涉及本公司之業務而本公司董事直接或間接擁有重大利益之重要合約。

關連交易及持續關連交易

於年內，本公司進行下列關連及持續關連交易，相關資料已遵照上市規則14A章之規定予以披露。

關連交易

於二零一零年十月二十二日（交易時段後），本公司之全資附屬公司嘉銳發展有限公司與嘉輝房地產拓展有限公司（「嘉輝房地產」）訂立買賣協議，據此本集團有條件同意以代價人民幣105.12百萬元（相等當時於約123.68百萬港元）收購宜興嘉利商務大廈開發有限公司（「嘉利商務」）100%股權，代價為以發行價配發及發行291,000,000本公司股份（「代價股份」），每代價股份為0.425港元之方式支付（「收購事項」）。嘉利商務之唯一資產為擁有中國江蘇省無錫宜興地盤面積約20,012平方米之地塊。董事會相信收購事項可擴大本集團收入來源；使本集團業務多元化，並減輕本集團對其現有製造業務之依賴及於經濟復甦期把握機會取得土地儲備及穩固之物業發展業務。

何焯輝先生及何寶珠女士（均為控股股東）最終擁有嘉輝房地產已發行股本之97%權益。因此，根據上市規則第14A章，賣方為本公司之關連人士，而收購事項構成本公司之關連交易，並遵守上市規則第14A.45至14A.48條所載之申報、公告及獨立股東批准規定。此收購事項於二零一零年十二月六日經獨立股東通過，且於二零一一年一月二十七日完成收購事項。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

(Cont'd)

Continuing Connected Transactions

Upon the expiry of the previous lease agreement on 17 November 2009, a new lease agreement (the "Lease Agreement") dated 16 November 2009 was entered into between Kings Lion Development Limited ("Kings Lion") as landlord and Karrie Industrial Company Limited ("Karrie Industrial"), a wholly-owned subsidiary of the Company, as tenant for the lease of a portion (being 26,573 square feet in gross floor area) of 9th Floor, Southeast Industrial Building, 611-619 Castle Peak Road, Tsuen Wan, New Territories together with one car parking space in the same building at a monthly rental of HK\$132,865 (that is, at approximately HK\$5 per square foot) for a term of two years commencing on 18 November 2009.

Kings Lion is a connected person of the Company under Chapter 14A of the Listing Rules for the reason that Mr. Ho Cheuk Fai, a Director of the Company, together with his spouse, control 100% of the voting power in general meeting and also control the board of Directors of Kings Lion. The transaction contemplated under the Lease Agreement (the "Lease Transaction") therefore constitutes a continuing connected transaction for the Company under Rule 14A.34 of the Listing Rules. Details of the Lease Transaction have been set out in the announcement dated 16 November 2009 issued to the shareholders of the Company.

On 10 July 2008 (Hong Kong time), Karrie Technologies Company Limited, an indirect wholly-owned subsidiary of the Company entered into a shareholders' agreement (the "Shareholders' Agreement") with Sagem Communications SAS ("Sagem")* for the establishment of a joint venture, Sagem Karrie Technologies (Hong Kong) Company Limited (the "JVCO"). The JVCO entered into a servicing agreement ("Sagem Servicing Agreement") and a supply agreement ("Sagem Supply Agreement") with Sagem. The technical services to be provided by Sagem under the Sagem Servicing Agreement encourages technical support services in relation to technology qualification, required certification, product safety, etc. The products to be delivered by the JVCO to Sagem under the Sagem Supply Agreement include multi-function fax printers, TS and TT fax machines, related PCBA and associated spare parts, which will be supplied by the JVCO to Sagem.

* Sagem Communications SAS was re-name to Sagemcom SAS in October 2009.

關連交易及持續關連交易 (續)

持續關連交易

在前租賃協議於二零零九年十一月十七日期滿時，勁獅發展有限公司（「勁獅」）（出租人）與嘉利產品有限公司（「嘉利產品」）（本公司之全資附屬公司）（承租人）於二零零九年十一月十六日就位於新界荃灣青山公路611-619號東南工業大廈九樓部份樓面（建築面積為26,573平方呎）連同壹個位於該大廈地下的車位訂立租賃協議（「租賃協議」），月租132,865港元（即每平方呎約5港元），為期兩年，租期由二零零九年十一月十八日起計。

根據《上市規則》第14A章，勁獅為本公司之關連人士，因本公司董事何焯輝先生連同其妻子控制勁獅之股東大會100%投票權及其董事會。該訂定租賃協議交易（「租賃交易」）遂根據《上市規則》第14A.34條構成本公司之持續關連交易。有關租賃交易詳情已刊登在本公司於二零零九年十一月十六日向股東發出之公佈內。

於二零零八年七月十日（香港時間），本公司之間接全資附屬公司嘉利環球有限公司與Sagem Communications SAS（「Sagem」）*訂立股東協議（「股東協議」）成立合資公司嘉利先進科技（香港）有限公司（「合資公司」）合資公司與Sagem訂立Sagem服務協議（「Sagem服務協議」）及Sagem供應協議（「Sagem供應協議」）。Sagem根據Sagem服務協議將提供技術服務包含就科技、資格、所需證書、產品安全等之技術支援。合資公司根據Sagem供應協議將交付予Sagem之產品包括多用途傳真打印機、TS及TT傳真機、相關的PCBA及附屬零件。

* 於二零零九年十月Sagem Communications SAS更改名稱為Sagemcom SAS。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

(Cont'd)

Continuing Connected Transactions (Cont'd)

Following the completion of the Shareholders' Agreement, the JVCO will become an indirect 60% owned subsidiary of the Company. By virtue of its 40% interests in the JVCO, Sagem will become a substantial shareholder of the Company at subsidiary's level and hence a connected person of the Company. The transactions contemplated under each of the Sagem Servicing Agreement and the Sagem Supply Agreement will therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Details of those transactions have been set out in the circular dated 11 August 2008 issued to the shareholders of the Company.

On 5 February 2009, the Company entered into the raw materials purchase agreement (the "Raw Materials Purchase Agreement") and the products supply agreement (the "Products Supply Agreement") with Sagem.

It was originally intended that the Sagem Supply Agreement would replace the existing supply arrangement with Sagem (the "Existing Supply Arrangement") after all the orders committed thereunder had been delivered and completed by the end of 2008. However, as the production equipment and machinery in the factory will be installed in phases, the JVCO will not be able to commence full operations until January 2010 to take over all the manufacturing activities which would have otherwise been undertaken by the other members of the Group under the Existing Supply Arrangement. The Products Supply Agreement will enable the Group to continue supplying the Products to Sagem and its subsidiaries (the "Sagem Group") after the termination of the Existing Supply Arrangement but before the JVCO commences full operations under the Sagem Supply Agreement in January 2010.

關連交易及持續關連交易 (續)

持續關連交易 (續)

在股東協議完成後，合資公司將成為本公司間接擁有60%權益之附屬公司。透過Sagem於合資公司之40%權益，在附屬公司層面，Sagem將成為本公司之主要股東，因而成為本公司之關連人士。根據上市規則第14A章，Sagem服務協議及Sagem供應協議各自項下擬進行之交易將因而構成本公司之持續關連交易。該等交易之詳情載於本公司於二零零八年八月十一日寄發予本公司股東之通函。

於二零零九年二月五日，本公司與Sagem訂立原材料採購協議（「原材料採購協議」）及產品供應協議（「產品供應協議」）。

原本計劃於現有供應安排所負責之全部訂單在二零零八年結束前交付及完成後，以Sagem供應協議取代現有供應協議（「現有供應協議」）。然而，由於廠房之生產設備及機器將分階段安裝，合資公司將於二零一零年一月才可全面運作，接管原本應由本集團之其他成員公司根據現有供應安排所負責之全部製造業務。產品供應協議將讓本集團在現有供應安排終止後但於合資公司根據Sagem供應協議在二零一零年一月全面運作前繼續向Sagem及其附屬公司（「Sagem集團」）供應產品。

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

(Cont'd)

Continuing Connected Transactions (Cont'd)

It was originally intended that the existing raw materials purchase arrangement with Sagem (the "Existing Raw Materials Purchase Arrangement") would be terminated as and when Sagem had completed the delivery of all the orders committed thereunder by the end of 2008, after which the Group would source raw materials from other independent third party suppliers. In view of the changing market conditions, the Group now takes the view that it is beneficial for the Group to source raw materials from the Sagem Group instead of sourcing the same from the independent third party suppliers directly. The Raw Materials Purchase Agreement will enable the Group to reduce the administration costs, eliminate the risk of default of independent third party suppliers and ensure a reliable supply of raw materials with consistent quality.

The transactions contemplated under each of the Products Supply Agreement and the Raw Material Purchase Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Details of the transactions have been set out in the circular dated 5 March 2009 issued to the shareholders of the Company.

The independent non-executive Directors have reviewed the Transaction and confirmed that the Transaction has been entered into by the Group in the ordinary and usual course of its business and on normal commercial terms which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in the paragraph above in accordance with paragraph 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

關連交易及持續關連交易 (續)

持續關連交易 (續)

原本計劃於Sagem在二零零八年結束前完成交付根據與Sagem之現有原材料採購安排(「現有原材料採購安排」)所負責之全部訂單時終止現有原材料採購安排，其後本集團會向其他獨立第三方供應商採購原材料。鑑於市況不斷轉變，本集團現時認為本集團向Sagem集團採購原材料較直接向獨立第三方供應商採購原材料更為有利。原材料採購協議將讓本集團降低行政費用，減低獨立第三方供應商之違約風險，並確保獲得可靠且質素穩定之原材料供應。

根據上市規則第14A章，產品供應協議及原材料採購協議各自項下擬進行之交易構成本公司之持續關連交易。該等交易之詳情載於本公司於二零零九年三月五日寄發予本公司股東之通函。

獨立非執行董事已審閱上述交易，並確認此等交易乃在本集團之日常業務中進行，並按公平合理的正常之商業條款訂立，對本公司之股東有利。

根據上市規則第14A.38條，本公司已聘用其核數師，遵照香港會計師公會發出的《香港審驗應聘服務準則3000》(Hong Kong Standard on Assurance Engagements 3000)的「歷史財務資料審計或審閱以外的審驗應聘」(Assurance Engagements Other Than Audits or Reviews of Historical Financial Information)，並參照《實務說明》(Practice Note)第740號「關於香港《上市規則》所述持續關連交易的核數師函件」(Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules)，就本集團的持續關連交易作出匯報。核數師已根據上市規則第14A.38條發出載有本集團於上文所述披露之持續關連交易的審驗結果的無保留意見函件。本公司已將該核數師函件副本呈交聯交所。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 March 2011

The interests and short positions of the Directors and the chief executives of the Company in the shares and the underlying shares of the Company and any associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO")) (a) as recorded in the register required to be kept under Section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(A) Interests in the Company

董事及最高行政人員之股份權益

於二零一一年三月三十一日

本公司各董事及最高行政人員在本公司及任何相聯法團（釋義見《證券及期貨條例》（「《證券條例》」）第XV部）的股份及相關股份中擁有的權益及淡倉，而該等權益及淡倉(a)根據《證券條例》第352條須予備存之登記冊所記錄者；或(b)依據《上市公司董事進行證券交易的標準守則》（「《標準守則》」）通知本公司及香港聯合交易所有限公司（「聯交所」），如下：

(甲) 於本公司之權益

Number of ordinary shares of HK\$0.10 each
每股面值0.1港元之普通股數目

		Personal interests 個人權益	Family interests 家屬權益	Corporate/ Other interests 法團權益或 其他權益	Total interests 合計權益	% of issued share capital 持股百分比
Mr. Ho Cheuk Fai	何焯輝先生	138,492,000 (Note 1) (附註一)	464,804,000 (Note 1) (附註一)	408,804,000 (Note 2) (附註二)	603,296,000	69.50
Mr. Ho Cheuk Ming	何卓明先生	13,604,000 (Note 3) (附註三)	–	408,804,000 (Note 2) (附註二)	422,408,000	48.66
Mr. Kwok Wing Kin, Francis	郭永堅先生	3,980,000 (Note 4) (附註四)	–	–	3,980,000	0.46
Mr. Lee Shu Ki	李樹琪先生	3,500,000 (Note 5) (附註五)	–	–	3,500,000	0.40
Ms. Chan Ming Mui, Silvia	陳名妹小姐	1,200,000 (Note 6) (附註六)	–	–	1,200,000	0.14
Mr. Fong Hoi Shing	方海城先生	2,000	–	–	2,000	0.00
Ms. Ho Po Chu	何寶珠女士	56,000,000 (Note 7) (附註七)	547,296,000 (Note 7) (附註七)	408,804,000 (Note 2) (附註二)	603,296,000	69.50

Notes:

- The personal interests of Mr. Ho Cheuk Fai comprise 138,492,000 Shares. Mr. Ho Cheuk Fai is deemed to be interested in (a) 56,000,000 Shares held by his spouse, Ms. Ho Po Chu, as beneficial owner and (b) 408,804,000 Shares in which his children under 18 are interested. Such 408,804,000 Shares in which his children under 18 are interested duplicate with his interests as founder of The Ho Family Trust in the same block of Shares referred to in Note 2 below.

附註：

- 何焯輝先生之個人權益包括138,492,000股本公司普通股股份。何焯輝先生被視為持有(a)其配偶何寶珠女士作為實益擁有人持有之56,000,000股股份；及(b)其未滿18歲的子女擁有408,804,000股股份之權益。該等由其未滿18歲之子女擁有權益之408,804,000股股份與何焯輝先生作為Ho Family Trust創立人於下文附註二所述同一類別股份擁有之權益重疊。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

(A) Interests in the Company (Cont'd)

2. The 408,804,000 Shares comprised (i) 243,804,000 Shares held by New Sense Enterprises Limited ("New Sense"), and (ii) 165,000,000 Shares held by Castfast Properties Development Co., Ltd. ("Castfast Properties"), 87% of the issued share capital of which is beneficially owned by Honford Investments Limited ("Honford Investments"), which in turn is wholly-owned by Equity Trust (BVI) Limited ("Equity Trust") as trustee for a discretionary trust, The Ho Family Trust. Mr. Ho Cheuk Fai is deemed to be interested in these 408,804,000 Shares as founder of The Ho Family Trust. Ms. Ho Po Chu, Mr. Ho Cheuk Ming and Mr. Ho Cheuk Fai's children under 18 are the discretionary objects of The Ho Family Trust and are thus deemed to be interested in the 408,804,000 Shares held under The Ho Family Trust. Therefore, the interests of Mr. Ho Cheuk Fai, Ms. Ho Po Chu and Mr. Ho Cheuk Ming in the 408,804,000 Shares duplicate with each other.
3. The personal interests of Mr. Ho Cheuk Ming comprise 12,104,000 ordinary shares and 1,500,000 outstanding share options.
4. The personal interests of Mr. Kwok Wing Kin, Francis comprise 980,000 ordinary shares and 3,000,000 outstanding share options.
5. The personal interests of Mr. Lee Shu Ki comprise 1,400,000 ordinary shares and 2,100,000 outstanding share options.
6. The personal interests of Ms. Chan Ming Mui, Silvia are 1,200,000 outstanding share options.
7. The personal interests of Ms. Ho Po Chu comprise 55,100,000 ordinary shares and 900,000 outstanding share options. Ms. Ho Po Chu is also deemed to be interested in (a) 138,492,000 shares held by her spouse, Mr. Ho Cheuk Fai, as beneficial owner and (b) 408,804,000 shares in which her children under 18 are interested. Such 408,804,000 shares in which her children under 18 are interested are duplicated with her interests in the same block of shares referred to in Note 2 above.

董事及最高行政人員之股份權益 (續)

(甲) 於本公司之權益 (續)

- 二、 408,804,000股股份包括(i)由New Sense Enterprises Limited (「New Sense」) 持有之243,804,000股股份及(ii) 嘉輝房地產拓展有限公司 (「嘉輝房地產」) 持有之165,000,000股股份，其已發行股本之87%乃由Honford Investments Limited (「Honford Investments」) 實益擁有。Honford Investments之全部已發行資本由Equity Trust (BVI) Limited (「Equity Trust」) 作為全權信託Ho Family Trust之受託人持有。何焯輝先生作為Ho Family Trust之創立人，被視為於該等408,804,000股股份中擁有權益。何寶珠女士、何卓明先生及何焯輝先生之未滿18歲子女為Ho Family Trust之全權受益人，故被視為於Ho Family Trust持有之408,804,000股股份擁有權益。故此，何焯輝先生、何寶珠女士及何卓明先生於該等408,804,000股股份之權益彼此重疊。
- 三、 何卓明先生之個人權益由12,104,000股本公司普通股股份及1,500,000尚未行使之購股權組成。
- 四、 郭永堅先生之個人權益由980,000股本公司普通股股份及3,000,000尚未行使之購股權組成。
- 五、 李樹琪先生之個人權益由1,400,000股本公司普通股股份及2,100,000尚未行使之購股權組成。
- 六、 陳名妹小姐之個人權益是1,200,000股尚未行使之購股權。
- 七、 何寶珠女士之個人權益由55,100,000股本公司普通股股份及900,000尚未行使之購股權組成。何寶珠女士被視為持有(a)其配偶何焯輝先生作為實益擁有人持有之138,492,000股股份；及(b)其未滿18歲的子女擁有408,804,000股股份之權益。該等408,804,000股股份之權益，被視為何寶珠女士（如附註二所述）及其未滿18歲的子女之間重疊之同一權益。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

董事及最高行政人員之股份權益 (續)

(B) Interests and short positions in associated corporations

(乙) 於相聯法團之權益及淡倉

(i) Karrie Industrial Company Limited ("KICL")

(i) 嘉利產品有限公司 (「嘉利產品」)

Number of non-voting deferred shares of HK\$100 each
每股面值100港元之無投票權遞延股份數目

	Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital	Short Positions	% of issued share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	43,000	43,000 (Note 1) (附註一)	43,000 (Note 1) (附註一)	43,000	85.98% (Note 2) (附註二)	43,000 (Note 1) (附註一)	85.98% (Note 2) (附註二)
Ms. Ho Po Chu 何寶珠女士	7,000	7,000 (Note 1) (附註一)	7,000 (Note 1) (附註一)	7,000	13.99% (Note 2) (附註二)	7,000 (Note 1) (附註一)	13.99% (Note 2) (附註二)

(ii) Karpo Technologies Limited ("KTL")

(ii) 嘉寶科技有限公司 (「嘉寶科技」)

Number of non-voting deferred shares of HK\$100 each
每股面值100港元之無投票權遞延股份數目

	Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital	Short Positions	% of issued share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	10,000	10,000 (Note 1) (附註一)	10,000 (Note 1) (附註一)	10,000	99.90% (Note 3) (附註三)	10,000 (Note 1) (附註一)	99.90% (Note 3) (附註三)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

董事及最高行政人員之股份權益 (續)

(B) Interests and short positions in associated corporations (Cont'd)

(乙) 於相聯法團之權益及淡倉 (續)

(iii) Karrie Investment Holdings Limited ("KIHL")

(iii) 嘉利投資控股有限公司 (「嘉利投資」)

Number of non-voting deferred shares of HK\$1 each
每股面值1港元之無投票權遞延股份數目

	Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital	Short Positions	% of issued share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	1	1 (Note 1) (附註一)	1 (Note 1) (附註一)	1	8.33% (Note 4) (附註四)	1 (Note 1) (附註一)	8.33% (Note 4) (附註四)
Ms. Ho Po Chu 何寶珠女士	1	1 (Note 1) (附註一)	1 (Note 1) (附註一)	1	8.33% (Note 4) (附註四)	1 (Note 1) (附註一)	8.33% (Note 4) (附註四)

Notes:

附註：

- Karrie International (B.V.I.) Limited ("KIBVI"), a direct wholly-owned subsidiary of the Company, has been granted options to acquire from Mr. Ho Cheuk Fai and Ms. Ho Po Chu their non-voting deferred shares in each of KICL, KTL and KIHL. Accordingly, KIBVI is taken to be interested in these non-voting deferred shares in respect of which Mr. Ho Cheuk Fai and Mr. Ho Po Chu have each created short positions. In addition, by virtue of (i) their interests in the Company; and (ii) the interests of their children under 18 in the Company, as referred to in Notes 1, 2 and 3 under the section headed "(A) Interests in the Company" above, Mr. Ho Cheuk Fai and Ms. Ho Po Chu are each deemed to be interested in the long positions that KIBVI has in these non-voting deferred shares. Such interests are duplicated with their personal interests in these non-voting deferred shares.
- The entire issued share capital of KICL comprises 50,000 non-voting deferred shares of HK\$100 each and 10 ordinary shares of HK\$100 each.
- The entire issued share capital of KTL comprises 10,000 non-voting deferred shares of HK\$100 each and 10 ordinary shares of HK\$100 each.
- The entire issued share capital of KIHL comprises 2 non-voting deferred shares of HK\$1 each and 10 ordinary shares of HK\$1 each.

- Karrie International (B.V.I.) Limited (「KIBVI」)，本公司之直接全資附屬公司，獲授予認購權認購何焯輝先生和何寶珠女士於嘉利產品、嘉寶科技及嘉利投資所持有的無投票權遞延股份。由於何焯輝先生和何寶珠女士因上述所授予認購權而各自產生有關之淡倉，KIBVI遂持有該等股份之權益。再者，於上述(甲)「於本公司之權益」之附註一、二及三內，因他們及其18歲以下的子女持有本公司之權益，何焯輝先生和何寶珠女士各自被視為持有KIBVI中該等股份之權益。該等權益跟其個人於這些股份的權益乃屬重複的。
- 嘉利產品已發行股份由50,000股每股面值100港元之無投票權遞延股份及10股每股面值100港元之普通股股份組成。
- 嘉寶科技已發行股份由10,000股每股面值100港元之無投票權遞延股份及10股每股面值100港元之普通股股份組成。
- 嘉利投資已發行股份由2股每股面值1港元之無投票權遞延股份及10股每股面值1港元之普通股股份組成。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

Save as disclosed above, none of the Directors and the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and any associated corporations which were (a) recorded in the register required to be kept under Section 352 of the SFO; or (b) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

As at 30 June 2011

The interests and short positions of the Directors and the chief executives of the Company in the shares and the underlying shares of the Company and any associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO")) (a) as recorded in the register required to be kept under Section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(A) Interests in the Company

董事及最高行政人員之股份權益 (續)

除上文所披露外，本公司各董事及最高行政人員並無擁有在本公司及任何相聯法團的股份、相關股份及債券證中的權益及淡倉，而該等權益及淡倉(a)根據《證券條例》第352條須予備存之登記冊所記錄者；或(b)依據《標準守則》通知本公司及聯交所。

於二零一一年六月三十日

本公司各董事及最高行政人員在本公司及任何相聯法團（釋義見《證券及期貨條例》（「《證券條例》」）第XV部）的股份及相關股份中擁有的權益及淡倉，而該等權益及淡倉(a)根據《證券條例》第352條須予備存之登記冊所記錄者；或(b)依據《上市公司董事進行證券交易的標準守則》（「《標準守則》」）通知本公司及香港聯合交易所有限公司（「聯交所」），如下：

(甲) 於本公司之權益

Number of ordinary shares of HK\$0.10 each 每股面值0.1港元之普通股數目

		Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital
		個人權益	家屬權益	法團權益或其他權益	合計權益	持股百分比
Mr. Ho Cheuk Fai	何焯輝先生	139,298,000 (Note 1) (附註一)	464,804,000 (Note 1) (附註一)	408,804,000 (Note 2) (附註二)	604,102,000	69.59
Mr. Ho Cheuk Ming	何卓明先生	13,604,000 (Note 3) (附註三)	–	408,804,000 (Note 2) (附註二)	422,408,000	48.66
Mr. Lee Shu Ki	李樹琪先生	3,500,000 (Note 4) (附註四)	–	–	3,500,000	0.40
Ms. Chan Ming Mui, Silvia	陳名妹小姐	1,200,000 (Note 5) (附註五)	–	–	1,200,000	0.14
Mr. Fong Hoi Shing	方海城先生	2,000	–	–	2,000	0.00
Ms. Ho Po Chu	何寶珠女士	56,000,000 (Note 6) (附註六)	548,102,000 (Note 6) (附註六)	408,804,000 (Note 2) (附註二)	604,102,000	69.59

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

(A) Interests in the Company (Cont'd)

Notes:

1. The personal interests of Mr. Ho Cheuk Fai comprise 139,298,000 Shares. Mr. Ho Cheuk Fai is deemed to be interested in (a) 56,000,000 Shares held by his spouse, Ms. Ho Po Chu, as beneficial owner and (b) 408,804,000 Shares in which his children under 18 are interested. Such 408,804,000 Shares in which his children under 18 are interested duplicate with his interests as founder of The Ho Family Trust in the same block of Shares referred to in Note 2 below.
2. The 408,804,000 Shares comprised (i) 243,804,000 Shares held by New Sense, and (ii) 165,000,000 Shares held by Castfast Properties, 87% of the issued share capital of which is beneficially owned by Honford Investments, which in turn is wholly-owned by Equity Trust as trustee for a discretionary trust, The Ho Family Trust. Mr. Ho Cheuk Fai is deemed to be interested in these 408,804,000 Shares as founder of The Ho Family Trust. Ms. Ho Po Chu, Mr. Ho Cheuk Ming and Mr. Ho Cheuk Fai's children under 18 are the discretionary objects of The Ho Family Trust and are thus deemed to be interested in the 408,804,000 Shares held under The Ho Family Trust. Therefore, the interests of Mr. Ho Cheuk Fai, Ms. Ho Po Chu and Mr. Ho Cheuk Ming in the 408,804,000 Shares duplicate with each other.
3. The personal interests of Mr. Ho Cheuk Ming comprise 12,104,000 ordinary shares and 1,500,000 outstanding share options.
4. The personal interests of Mr. Lee Shu Ki comprise 1,400,000 ordinary shares and 2,100,000 outstanding share options.
5. The personal interests of Ms. Chan Ming Mui, Silvia are 1,200,000 outstanding share options.
6. The personal interests of Ms. Ho Po Chu comprise 55,100,000 ordinary shares and 900,000 outstanding share options. Ms. Ho Po Chu is also deemed to be interested in (a) 139,298,000 shares held by her spouse, Mr. Ho Cheuk Fai, as beneficial owner and (b) 408,804,000 shares in which her children under 18 are interested. Such 408,804,000 shares in which her children under 18 are interested are duplicated with her interests in the same block of shares referred to in Note 2 above.

董事及最高行政人員之股份權益 (續)

(甲) 於本公司之權益 (續)

附註：

- 一、 何焯輝先生之個人權益包括139,298,000股本公司普通股股份。何焯輝先生被視為持有(a)其配偶何寶珠女士作為實益擁有人持有之56,000,000股股份；及(b)其未滿18歲的子女擁有408,804,000股股份之權益。該等由其未滿18歲之子女擁有權益之408,804,000股股份與何焯輝先生作為Ho Family Trust創立人於下文附註二所述同一類別股份擁有之權益重疊。
- 二、 408,804,000股股份包括(i)New Sense持有之243,804,000股股份及(ii)嘉輝房地產持有之165,000,000股股份，其已發行股本之87%乃由Honford Investments實益擁有。Honford Investments之全部已發行資本由Equity Trust作為全權信託Ho Family Trust之受託人持有。何焯輝先生作為Ho Family Trust之創立人，被視為於該等408,804,000股股份中擁有權益。何寶珠女士、何卓明先生及何焯輝先生之未滿18歲子女為Ho Family Trust之全權受益人，故被視為於Ho Family Trust持有之408,804,000股股份擁有權益。故此，何焯輝先生、何寶珠女士及何卓明先生於該等408,804,000股股份之權益彼此重疊。
- 三、 何卓明先生之個人權益由12,104,000股本公司普通股股份及1,500,000尚未行使之購股權組成。
- 四、 李樹琪先生之個人權益由1,400,000股本公司普通股股份及2,100,000尚未行使之購股權組成。
- 五、 陳名妹小姐之個人權益是1,200,000股尚未行使之購股權。
- 六、 何寶珠女士之個人權益由55,100,000股本公司普通股股份及900,000尚未行使之購股權組成。何寶珠女士被視為持有(a)其配偶何焯輝先生作為實益擁有人持有之139,298,000股股份；及(b)其未滿18歲的子女擁有408,804,000股股份之權益。該等408,804,000股股份之權益，被視為何寶珠女士（如附註二所述）及其未滿18歲的子女之間重疊之同一權益。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

董事及最高行政人員之股份權益 (續)

(B) Interests and short positions in associated corporations

(乙) 於相聯法團之權益及淡倉

(i) Karrie Industrial Company Limited ("KICL")

(i) 嘉利產品有限公司 (「嘉利產品」)

Number of non-voting deferred shares of HK\$100 each
每股面值100港元之無投票權遞延股份數目

	Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital	Short Positions	% of issued share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	43,000	43,000 (Note 1) (附註一)	43,000 (Note 1) (附註一)	43,000	85.98% (Note 2) (附註二)	43,000 (Note 1) (附註一)	85.98% (Note 2) (附註二)
Ms. Ho Po Chu 何寶珠女士	7,000	7,000 (Note 1) (附註一)	7,000 (Note 1) (附註一)	7,000	13.99% (Note 2) (附註二)	7,000 (Note 1) (附註一)	13.99% (Note 2) (附註二)

(ii) Karpo Technologies Limited ("KTL")

(ii) 嘉寶科技有限公司 (「嘉寶科技」)

Number of non-voting deferred shares of HK\$100 each
每股面值100港元之無投票權遞延股份數目

	Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital	Short Positions	% of issued share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	10,000	10,000 (Note 1) (附註一)	10,000 (Note 1) (附註一)	10,000	99.90% (Note 3) (附註三)	10,000 (Note 1) (附註一)	99.90% (Note 3) (附註三)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

董事及最高行政人員之股份權益 (續)

(B) Interests and short positions in associated corporations (Cont'd)

(乙) 於相聯法團之權益及淡倉 (續)

(iii) Karrie Investment Holdings Limited ("KIHL")

(iii) 嘉利投資控股有限公司 (「嘉利投資」)

Number of non-voting deferred shares of HK\$1 each

每股面值1港元之無投票權遞延股份數目

	Personal interests	Family interests	Corporate/ Other interests	Total interests	% of issued share capital	Short Positions	% of issued share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	1	1 (Note 1) (附註一)	1 (Note 1) (附註一)	1	8.33% (Note 4) (附註四)	1 (Note 1) (附註一)	8.33% (Note 4) (附註四)
Ms. Ho Po Chu 何寶珠女士	1	1 (Note 1) (附註一)	1 (Note 1) (附註一)	1	8.33% (Note 4) (附註四)	1 (Note 1) (附註一)	8.33% (Note 4) (附註四)

Notes:

附註：

- KIBVI, a direct wholly-owned subsidiary of the Company, has been granted options to acquire from Mr. Ho Cheuk Fai and Ms. Ho Po Chu their non-voting deferred shares in each of KICL, KTL and KIHL. Accordingly, KIBVI is taken to be interested in these non-voting deferred shares in respect of which Mr. Ho Cheuk Fai and Ms. Ho Po Chu have each created short positions. In addition, by virtue of (i) their interests in the Company; and (ii) the interests of their children under 18 in the Company, as referred to in Notes 1, 2 and 3 under the section headed "(A) Interests in the Company" above, Mr. Ho Cheuk Fai and Ms. Ho Po Chu are each deemed to be interested in the long positions that KIBVI has in these non-voting deferred shares. Such interests are duplicated with their personal interests in these non-voting deferred shares.
- The entire issued share capital of KICL comprises 50,000 non-voting deferred shares of HK\$100 each and 10 ordinary shares of HK\$100 each.
- The entire issued share capital of KTL comprises 10,000 non-voting deferred shares of HK\$100 each and 10 ordinary shares of HK\$100 each.
- The entire issued share capital of KIHL comprises 2 non-voting deferred shares of HK\$1 each and 10 ordinary shares of HK\$1 each.

- KIBVI，本公司之直接全資附屬公司，獲授予認購權認購何焯輝先生和何寶珠女士於嘉利產品、嘉寶科技及嘉利投資所持有的無投票權遞延股份。由於何焯輝先生和何寶珠女士因上述所授予認購權而各自產生有關之淡倉，KIBVI遂持有該等股份之權益。再者，於上述(甲)「於本公司之權益」之附註一、二及三內，因他們及其18歲以下的子女持有本公司之權益，何焯輝先生和何寶珠女士各自被視為持有KIBVI中該等股份之權益。該等權益跟其個人於這些股份的權益乃屬重複的。
- 嘉利產品已發行股份由50,000股每股面值100港元之無投票權遞延股份及10股每股面值100港元之普通股股份組成。
- 嘉寶科技已發行股份由10,000股每股面值100港元之無投票權遞延股份及10股每股面值100港元之普通股股份組成。
- 嘉利投資已發行股份由2股每股面值1港元之無投票權遞延股份及10股每股面值1港元之普通股股份組成。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES (Cont'd)

(B) Interests and short positions in associated corporations (Cont'd)

Save as disclosed above, none of the Directors and the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and any associated corporations which were (a) recorded in the register required to be kept under Section 352 of the SFO; or (b) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors had any interest in any business which competes with the business of the Group.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2011 and 30 June 2011

The interests or short positions of the persons (other than a Director or Chief Executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

董事及最高行政人員之股份權益 (續)

(乙) 於相聯法團之權益及淡倉 (續)

除上文所披露外，本公司各董事及最高行政人員並無擁有在本公司及任何相聯法團的股份、相關股份及債券證中的權益及淡倉，而該等權益及淡倉(a)根據《證券條例》第352條須予備存之登記冊所記錄者；或(b)依據《標準守則》通知本公司及聯交所。

董事於競爭業務之權益

本公司各董事概無與本集團構成競爭之業務中擁有任何權益。

主要股東

於二零一一年三月三十一日及二零一一年六月三十日

以下人士(不包括董事及本公司之最高行政人員)於本公司股份及相關股份中擁有根據本公司須按《證券條例》第336條存置之登記冊之權益及淡倉：

Number of ordinary shares of HK\$0.10 each 每股面值0.1港元之普通股數目

Name of Shareholder	Personal interests	Corporate/ Other interests	Shareholding percentage
股東名稱	個人權益	法團權益或 其他權益	持股百分比
New Sense	243,804,000 (Note 1 附註一)	–	28.08%
Castfast Properties	165,000,000 (Note 2 附註二)	–	19.01%
Honford Investments	–	165,000,000 (Note 2 附註二)	19.01%
Equity Trust	–	408,804,000 (Note 3 附註三)	47.09%

SUBSTANTIAL SHAREHOLDERS (Cont'd)

As at 31 March 2011 and 30 June 2011 (Cont'd)

Notes:

1. Equity Trust is deemed to be interested in the 243,804,000 Shares held by New Sense by virtue of the fact that Equity Trust as trustee for The Ho Family Trust owns the entire issued share capital of New Sense.
2. 87% of the issued share capital of Castfast Properties is beneficially owned by Honford Investments. The entire issued share capital of Honford Investments was owned by Equity Trust as trustee for a discretionary trust, The Ho Family Trust. The interests of Honford Investments duplicate with those of the Castfast Properties.
3. Equity Trust is deemed to be interested in the Shares held by New Sense and Castfast Properties by virtue of its acting as the trustee for The Ho Family Trust.

Save as disclosed above, as at 31 March 2011 and 30 June 2011, no person, other than the Directors and chief executives of the Company, whose interests are set out in the section "Directors' and Chief Executives' Interests in Shares" above, had an interest or short position in the shares and underlying shares of the Company that was required to be recorded in the register required to be kept under Section 336 of the SFO.

主要股東

於二零一一年三月三十一日及二零一一年六月三十日 (續)

附註：

- 一、 於Equity Trust為持有New Sense全部已發行股份之Ho Family Trust之受託，故Equity Trust被視為擁有該等由New Sense持有之243,804,000股股份之權益。
- 二、 嘉輝房地產已發行股本之87%乃由Honford Investments實益擁有。Honford Investments之全部已發行股本乃由Equity Trust作為全權信託The Ho Family Trust之受託人持有。Honford Investments之權益與嘉輝房地產之權益重疊。
- 三、 Equity Trust被視為以The Ho Family Trust之受託人身份於New Sense及嘉輝房地產所持有股份中擁有權益。

除上文及董事及最高行政人員於「董事及最高行政人員之股份權益」中披露外，於二零一一年三月三十一日及二零一一年六月三十日，並無人士擁有本公司之股份及相關股份之權益或淡倉，而該等權益或淡倉需根據《證券條例》第336條須予備存之登記冊所記錄。

UPDATES ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

根據上市規則第13.51B(1)條作出之董事資料更新

Change of information of the Directors, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

根據上市規則第13.51B(1)條須予披露之董事資料變動載列如下：

Name of Director 董事姓名	Detail of Change 變動詳情
Mr. Lee Shu Ki 李樹琪先生	annual salary increased from HK\$811,200 to HK\$835,200 (excluding discretionary bonus) with effect from 1 July 2010 年薪由811,200港元增加至835,200港元(不包括酌量花紅)，自二零一零年七月一日起生效
Mr. Ho Cheuk Ming 何卓明先生	was re-designated as the Non-executive Director and Vice Chairman and his annual salary increased from HK\$280,000 to HK\$400,000 with effect from 1 May 2011 調任為非執行董事兼副主席，年薪由280,000港元增加至400,000港元，自二零一一年五月一日起生效
Mr. So Wai Chun 蘇偉俊先生	annual salary increased from HK\$95,000 to HK\$100,000 with effect from 1 July 2010 年薪由95,000港元增加至100,000港元，自二零一零年七月一日起生效
Mr. Chan Sui Sum, Raymond 陳瑞森先生	annual salary increased from HK\$95,000 to HK\$100,000 with effect from 1 July 2010 年薪由95,000港元增加至100,000港元，自二零一零年七月一日起生效
Mr. Fong Hoi Shing 方海城先生	annual salary increased from HK\$57,000 to HK\$60,000 with effect from 1 July 2010 年薪由57,000港元增加至60,000港元，自二零一零年七月一日起生效
Mr. Kwok Wing Kin, Francis 郭永堅先生	resigned as the Deputy Chairman and Chief Operating Officer with effect from 28 April 2011 辭任副主席兼營運總裁，自二零一一年四月二十八日起生效
Ms. Chan Ming Mui, Silvia 陳名妹小姐	was appointed as the Executive Director with effect from 1 November 2010 獲委任為執行董事，自二零一零年十一月一日起生效

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 31 March 2011 attributable to the Group's major suppliers and customers are as follows:

Purchases	
The largest supplier	18%
Five largest suppliers combined	39%
Sales	
The largest customer	28%
Five largest customers combined	84%

None of the Directors, their associates, or any shareholders (which, to the knowledge of the Directors, owned more than 5% of the Company's share capital) had a beneficial interest in the Group's major suppliers or customers noted above.

DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 8 September 2011 to Friday, 9 September 2011 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for entitlement to the proposed final dividend for the year ended 31 March 2011, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday 7 September 2011.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 29 August 2011 to Friday, 2 September 2011 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming Annual General Meeting of the Company to be held on 2 September 2011, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 26 August 2011.

主要客戶及供應商

截至二零一一年三月三十一日止年度，本集團在主要供應商及客戶之購買及銷售百分比為：

購買	
最大供應商	18%
五大供應商共佔	39%
銷售	
最大客戶	28%
五大客戶共佔	84%

除上述外，各董事、彼等的聯繫人或以董事所知擁有本公司股本超過5%之股東並無擁有任何上述本集團主要供應商及客戶之權益。

股息及暫停辦理過戶登記

本公司將由二零一一年九月八日（星期四）至九月九日（星期五）（包括首尾兩天）暫停辦理股份過戶登記手續。如欲符合獲派截至二零一一年三月三十一日止年度之擬派末期股息之資格，所有填妥之股份轉讓文件連同有關之股票，須於二零一一年九月七日（星期三）下午四時三十分前送達本公司於香港之股份過戶登記處：中央證券登記有限公司；地址為香港灣仔皇后大道東183號合和中心17樓1712至6室。

股東週年大會及暫停辦理過戶登記

本公司將由二零一一年八月二十九日（星期一）至二零一一年九月二日（星期五）（包括首尾兩天）暫停辦理股份過戶登記手續。如欲享有出席將會於二零一一年九月二日舉行之股東週年大會及投票之資格，所有填妥之股份轉讓文件連同有關之股票，須於二零一一年八月二十六日（星期五）下午四時三十分前送達本公司於香港之股份過戶登記處：香港中央證券登記有限公司；地址為香港灣仔皇后大道東183號合和中心17樓1712至6室。

PUBLIC FLOAT

As at the date of this annual report, based on public information available to the Company and to the best knowledge of the Directors, the Company maintained sufficient public float, being 25% of the issued share capital of the Company as required under the Listing Rules.

AUDITOR

The financial statements have been audited by Messrs. PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Ho Cheuk Fai
Chairman

Hong Kong, 28 June 2011

公眾持股量

於本年報刊發日期，根據本公司獲得的公開資料及據本公司董事知悉，本公司擁有足夠的公眾持股量，即不少於上市規則規定下本公司已發行股份的25%。

核數師

本年度之帳目由羅兵咸永道會計師事務所審核；該核數師已任滿，惟有資格並願意膺選連任。

承董事會命

主席
何焯輝

香港，二零一一年六月二十八日

Financial Section

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**TO THE SHAREHOLDERS OF
KARRIE INTERNATIONAL HOLDINGS LIMITED**
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Karrie International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 116 to 198, which comprise the consolidated and company balance sheets as at 31 March 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**DIRECTORS' RESPONSIBILITY FOR THE
CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whenever due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致嘉利國際控股有限公司全體股東
(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審計列載於第116至第198頁嘉利國際控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)之綜合財務報表,此綜合財務報表包括於二零一一年三月三十一日之綜合及公司資產負債表與截至該日止年度之綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》之披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平之反映,及落實其認為編製綜合財務報表所必要之內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

我們的責任是根據我們之審計對該等綜合財務報表作出意見,並按照百慕達一九八一年《公司法》第90條僅向整體股東報告我們的意見,除此之外本報告別無其它目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

Independent Auditor's Report

獨立核數師報告

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 June 2011

我們已根據香港會計師公會所頒佈之香港審計準則進行審計。這些準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平之反映相關之內部控制，以設計適當之審計程序，但目的並非對公司內部控制之有效性發表意見。審計亦包括評價董事所採用會計政策之合適性及作出會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審計憑證是充足和適當地為我們之審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一一年三月三十一日之事務狀況，及 貴集團截至該日止年度之利潤及現金流量，並已按照香港《公司條例》之披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一一年六月二十八日

Balance Sheets

資產負債表

As at 31 March 2011

於二零一一年三月三十一日

		Group 本集團			Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)	2009 二零零九年 HK\$'000 千港元 (restated) (已重列)	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		Note 附註				
ASSETS	資產					
Non-current assets	非流動資產					
Land use rights	土地使用權	6	62,697	63,826	71,060	-
Property, plant and equipment	物業、廠房及設備	7	486,768	472,387	436,768	-
Investment properties	投資物業	8	108,932	-	-	-
Investments in subsidiaries	於附屬公司之投資	9	-	-	-	665,360
Investments in associated companies	於聯營公司之投資	10	27,921	28,299	601	489,319
Other non-current assets	其他非流動資產	12	825	12,803	-	-
Deferred tax assets	遞延稅項資產	21	941	1,692	349	-
			688,084	579,007	508,778	665,360
Current assets	流動資產					
Inventories	存貨	13	317,706	269,636	227,062	-
Trade receivables	貿易應收帳款	12	378,929	416,150	419,064	-
Amount due from a subsidiary	應收附屬公司帳款	9	-	-	-	11,000
Amount due from an associated company	應收聯營公司帳款	10	3,779	10,226	-	7,000
Prepayments, deposits and other receivables	預付款、按金及其他應收帳款	12	82,892	43,119	69,486	906
Time deposit	定期存款	14	96,000	91,312	-	411
Cash and bank balances	現金及銀行結存	15	196,954	328,003	641,440	375
			1,076,260	1,158,446	1,357,052	12,337
Total assets	資產總值		1,764,344	1,737,453	1,865,830	677,697
EQUITY	權益					
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備					
Share capital	股本	16	86,810	57,710	57,710	86,810
Other reserves	其他儲備	18	351,032	199,812	199,748	536,214
Retained earnings	保留溢利					
- Proposed final dividend	- 擬派末期股息		9,549	5,771	8,657	9,549
- Others	- 其他		412,746	438,780	432,054	39,558
			860,137	702,073	698,169	672,131
Non-controlling interests	非控股權益		40,513	39,403	43,026	-
Total equity	權益總值		900,650	741,476	741,195	672,131

Balance Sheets

資產負債表

As at 31 March 2011

於二零一一年三月三十一日

		Group 本集團			Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)	2009 二零零九年 HK\$'000 千港元 (restated) (已重列)	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		Note 附註				
LIABILITIES	負債					
Non-current liabilities	非流動負債					
Deferred tax liabilities	遞延稅項負債	21	5,340	4,742	6,880	–
Provision for long service payments	長期服務金準備	22	9,520	8,264	12,929	813
			14,860	13,006	19,809	813
Current liabilities	流動負債					
Trade payables	貿易應付帳款	19	294,995	405,143	298,596	–
Accruals and other payables	應計費用及其他應付帳款	19	165,404	166,171	175,341	4,753
Receipts in advance	預收帳款		1,749	4,884	3,636	–
Amount due to an associated company	應付聯營公司帳款	10	357	305	211	–
Tax payable	應付稅項		21,445	18,638	21,107	–
Short-term bank borrowings	短期銀行借貸	20	364,884	387,830	605,935	–
			848,834	982,971	1,104,826	4,753
Total liabilities	負債總值		863,694	995,977	1,124,635	5,566
Total equity and liabilities	權益及負債總值		1,764,344	1,737,453	1,865,830	677,697
Net current assets	流動資產淨值		227,426	175,475	252,226	7,584
Total assets less current liabilities	總資產減流動負債		915,510	754,482	761,004	672,944

Ho Cheuk Fai

何焯輝

Director

董事

Lee Shu Ki

李樹琪

Director

董事

The accompanying notes are an integral part of these consolidated financial statements.

附註為本綜合財務報表之組成部分

Consolidated Income Statement

綜合損益表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

			2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
		Note 附註		
Revenue	收入	23	2,605,399	2,245,172
Cost of sales	銷售成本	24	(2,413,669)	(2,093,154)
Gross profit	毛利		191,730	152,018
Distribution and selling expenses	分銷及銷售費用	24	(32,883)	(27,276)
General and administrative expenses	一般及行政費用	24	(127,133)	(116,858)
Operating profit	經營溢利		31,714	7,884
Finance income	財務收入	26	2,267	3,312
Finance costs	財務成本	26	(6,871)	(5,392)
Share of loss of associated companies	應佔聯營公司之虧損	10	(40)	(2,682)
Profit before taxation	除稅前溢利		27,070	3,122
Income tax (expenses)/credit	所得稅(支出)/計入	27	(4,737)	5,988
Profit for the year	年度溢利		22,333	9,110
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		21,223	12,497
Non-controlling interests	非控股權益		1,110	(3,387)
			22,333	9,110
Earnings per share of profit attributable to the equity holders of the Company	本公司權益持有人應佔每股溢利			
– Basic and diluted	– 基本及攤薄	29	3.4 cents 港仙	2.2 cents 港仙
Dividends	股息	30	9,549	5,771

The accompanying notes are an integral part of these consolidated financial statements.

附註為本綜合財務報表之組成部分

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

		Note 附註	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Profit for the year	年度溢利		22,333	9,110
Other comprehensive income/(expense):	其他全面收入／(費用)：			
Currency translation differences	貨幣換算差異	18	2,083	(591)
Other comprehensive income/(expense) for the year	年度其他全面收入／(費用)		2,083	(591)
Total comprehensive income for the year	年度全面收入總額		24,416	8,519
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		23,306	12,142
Non-controlling interests	非控股權益		1,110	(3,623)
Total comprehensive income for the year	年度全面收入總額		24,416	8,519

The accompanying notes are an integral part of these consolidated financial statements.

附註為本綜合財務報表之組成部分

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔				
		Share capital	Other reserves (Note 18) 其他儲備 (附註18)	Retained earnings	Non- controlling interests 非控股 權益	Total equity 權益總額
		股本 HK\$'000 千港元	其他儲備 (附註18) HK\$'000 千港元	保留溢利 HK\$'000 千港元	非控股 權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
Balance at 1 April 2009	二零零九年四月一日之結餘	57,710	199,748	440,711	43,026	741,195
Comprehensive income/(expense)	全面收入/(費用)					
Profit/(loss) for the year	年度溢利/(虧損)	-	-	12,497	(3,387)	9,110
Other comprehensive expense	其他全面費用					
Currency translation differences	貨幣換算差異	-	(355)	-	(236)	(591)
Total comprehensive (expense)/income	全面(費用)/收入總額	-	(355)	12,497	(3,623)	8,519
Transaction with owners	與權益擁有人交易					
Employee share option scheme:	僱員購股權計劃:					
- value of employee services	- 僱員服務之價值	-	419	-	-	419
Dividend paid	已派股息	-	-	(8,657)	-	(8,657)
Total transaction with owners	與權益擁有人交易總額	-	419	(8,657)	-	(8,238)
Balance at 31 March 2010	二零一零年三月三十一日之結餘	57,710	199,812	444,551	39,403	741,476
Balance at 1 April 2010	二零一零年四月一日之結餘	57,710	199,812	444,551	39,403	741,476
Comprehensive income	全面收入					
Profit for the year	年度溢利	-	-	21,223	1,110	22,333
Other comprehensive income	其他全面收入					
Currency translation differences	貨幣換算差異	-	2,083	-	-	2,083
Total comprehensive income	全面收入總額	-	2,083	21,223	1,110	24,416
Transaction with owners	與權益擁有人交易					
Issue of shares	股份發行	29,100	145,500	-	-	174,600
Reduction of reserves in connection with the acquisition of a subsidiary (Note 31)	有關收購附屬公司之儲備減少 (附註31)	-	-	(37,708)	-	(37,708)
Employee share option scheme:	僱員購股權計劃:					
- value of employee services	- 僱員服務之價值	-	3,637	-	-	3,637
Dividend paid	已派股息	-	-	(5,771)	-	(5,771)
Total transaction with owners	與權益擁有人交易總額	29,100	149,137	(43,479)	-	134,758
Balance at 31 March 2011	二零一一年三月三十一日之結餘	86,810	351,032	422,295	40,513	900,650

The accompanying notes are an integral part of these consolidated financial statements.

附註為本綜合財務報表之組成部份

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

	Note	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
Cash flows from operating activities	經營活動之現金流量		
Profit before taxation	除稅前溢利	27,070	3,122
Share of loss of associated companies	應佔聯營公司之虧損	40	2,682
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	49,355	47,047
Amortisation of land use rights	土地使用權之攤銷	1,129	1,221
Share-based compensation expense	以股份支付報酬之支出	3,637	419
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損／(收益)	1,609	(658)
Gain on disposal of land use rights	出售土地使用權之收益	—	(845)
Reversal of provision for impairment of trade and other receivables	貿易及其他應收帳款減值準備之回撥	(4,466)	—
Provision for obsolete and slow moving inventories	陳舊及滯銷存貨準備	4,592	3,667
Provision/(reversal of provision) for long service payments	長期服務金準備／(準備之回撥)	1,383	(4,665)
Interest expenses	利息支出	6,871	5,392
Interest income	利息收入	(2,267)	(3,312)
Operating profit before working capital changes	營運資金變動前之經營溢利	88,953	54,070
Inventories	存貨	(52,662)	(46,241)
Trade receivables	貿易應收帳款	41,687	2,914
Prepayments, deposits and other receivables	預付款、按金及其他應收帳款	702	13,564
Amount due from an associated company	應收聯營公司帳款	6,447	(10,226)
Trade payables	貿易應付帳款	(110,148)	106,547
Accruals and other payables	應計費用及其他應付帳款	(842)	(9,170)
Receipts in advance	預收帳款	(3,135)	1,248
Amount due to an associated company	應付聯營公司帳款	52	94
Cash (used in)/generated from operations	經營(所用)／產生之現金	(28,946)	112,800
Interest paid	已付利息	(6,871)	(5,392)
Hong Kong profits tax paid	已付香港利得稅	(703)	(6,219)
Hong Kong profits tax refunded	退還香港利得稅	122	6,257
Long service payments paid	已付長期服務金	(127)	—
Net cash (used in)/generated from operating activities	經營活動(所用)／產生之淨現金	(36,525)	107,446

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
	Note 附註		
Cash flows from investing activities	投資活動之現金流量		
Purchase of property, plant and equipment	添置物業、廠房及設備	(64,918)	(82,893)
Purchase of investment properties	添置投資物業	(1,575)	–
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款	571	885
Proceeds from disposal of land use rights	出售土地使用權之所得款	–	6,858
Increase in investment in associated companies	增加於聯營公司之投資	–	(30,380)
Acquisition of a subsidiary (Note 31)	收購附屬公司 (附註31)	115	–
Interest received	已收利息	2,267	3,312
Increase in time deposit	增加定期存款	(4,688)	(91,312)
Net cash used in investing activities	投資活動所用之現金淨額	(68,228)	(193,530)
Cash flows from financing activities	融資活動之現金流量		
New bank borrowings	新銀行借貸	940,605	647,200
Repayment of bank borrowings	償還銀行借貸	(961,605)	(814,500)
Decrease in trust receipts bank loans	減少信託收據 銀行貸款	(1,946)	(50,805)
Dividends paid	已派股息	(5,771)	(8,657)
Net cash used in financing activities	融資活動所用之現金淨額	(28,717)	(226,762)
Net decrease in cash and cash equivalents	現金及現金等值物之淨減少	(133,470)	(312,846)
Cash and cash equivalents at year beginning	年初之現金及現金等值物	328,003	641,440
Effect of foreign exchange rate changes	外幣匯率變動之影響	2,421	(591)
Cash and cash equivalents at year ended	年底之現金及現金等值物	196,954	328,003
	15		

The accompanying notes are an integral part of these consolidated financial statements.

附註為本綜合財務報表之組成部份

1 GENERAL INFORMATION

Karrie International Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the manufacturing and sales of computer casings, office automation products, video cassette housings, moulds, plastic and metal parts and provision of electronic manufacturing services.

The Company is a limited liability company incorporated in Bermuda on 29 October 1996. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The shares of the Company have been listed on Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 16 December 1996.

These consolidated financial statements are presented in unit of Hong Kong dollars (“HK dollars”), unless otherwise stated, and have been approved for issue by the Board of Directors on 28 June 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

1 一般資料

嘉利國際控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）主要從事製造及銷售電腦外殼、辦公室文儀產品、錄影帶外殼、模具、塑膠及金屬部件及從事電子專業代工業務。

本公司於一九九六年十月二十九日於百慕達註冊，辦事處地址是Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司之股份於一九九六年十二月十六日於香港聯合交易所有限公司主板上市。

綜合財務報表以千港元呈報（除非另有說明）。綜合財務報表已經由董事會在二零一一年六月二十八日批准刊發。

2 重要會計政策摘要

編製本綜合財務報表採用之主要會計政策載於下文。除另有說明外，此等政策在所呈報之所有年度內貫徹應用。

2.1 編製基準

本綜合財務報表是根據香港財務報告準則（「香港財務準則」），按照歷史成本法編製。

編製符合香港財務準則之財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團之會計政策過程中行使其判斷。涉及高度判斷或高度複雜性之範疇，或涉及對綜合財務報表屬重大假設和估計之範疇，在附註4中披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

- (a) The following new standards and amendments to standards are mandatory for the Group

HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning on or after 1 April 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 April 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified the leasehold land in Hong Kong from operating lease to finance lease.

The land interest of the Group that is held for own use is accounted for as property, plant and equipment and is depreciated from the land interest available for its intended use over the lease term.

The effect of the adoption of this amendment is as follows:

		As at 31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	As at 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元	As at 1 April 2009 二零零九年 四月一日 HK\$'000 千港元
Decrease in leasehold land and land use rights	租賃土地及土地使用權之減少	(982)	(1,009)	(1,036)
Increase in property, plant and equipment	物業、廠房及設備之增加	982	1,009	1,036

The adoption of this amendment also resulted in an increase in depreciation of property, plant and equipment of approximately HK\$27,000 (2010: HK\$27,000) and a decrease in amortisation of leasehold land and land use rights of the same amount for the year ended 31 March 2011 and 31 March 2010.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

- (a) 本集團必須採納以下準則及準則之修訂

根據香港會計準則17(修訂)之生效日期和過渡性條文，此修訂應已追溯應用於二零一零年四月一日或之後開始年度期間。本集團已根據租賃開始時之現有資料，重新評估在二零一零年四月一日未屆滿租賃土地及土地使用權之分類，並追溯確認香港之租賃土地為融資租賃。在評估後，本集團已將香港租賃土地自經營租賃重新分類為融資租賃。

本集團持作自用之土地權益入帳為物業、廠房及設備，並由土地可供其擬定用途時按資產之租賃期計提折舊。

採納此修訂之影響如下：

	As at 31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	As at 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元	As at 1 April 2009 二零零九年 四月一日 HK\$'000 千港元
Decrease in leasehold land and land use rights	(982)	(1,009)	(1,036)
Increase in property, plant and equipment	982	1,009	1,036

採納此修訂之影響，在二零一一年三月三十一日止年度增加物業、廠房及設備折舊約27,000港元(二零一零年：27,000港元)及減少截至二零一一年三月三十一日止及二零一零年三月三十一日止年度相同金額之租賃土地及土地使用權之攤銷費用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

- (a) The following new standards and amendments to standards are mandatory for the Group (Cont'd)

HK-Int 5, "Classification by the borrower of a term loan that contains a repayment on demand clause", requires a term loan to be classified as current or non-current liability by reference to the rights and obligations. As a result of the reassessment, the Company has reclassified certain long-term bank borrowings to short-term bank borrowings.

The effect of the adoption of this interpretation is as follows:

		As at 31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	As at 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元	As at 1 April 2009 二零零九年 四月一日 HK\$'000 千港元
Decrease in long-term bank borrowings	長期銀行借款之減少	(70,900)	(76,300)	(118,700)
Increase in short-term bank borrowings	短期銀行借款之增加	70,900	76,300	118,700

HKAS 7, "Statement of Cash Flow", requires that only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

- (a) 本集團必須採納以下準則及準則之修訂 (續)

香港詮釋5「借款人對包含按要求償還條款之有期借款之分類」，有期借款需按照權益及責任分類為流動及非流動負債。於重新評估後，本集團將部份長期銀行借貸重新分類為短期銀行借貸。

採納此詮釋之影響如下：

		As at 31 March 2011 二零一一年 三月三十一日 HK\$'000 千港元	As at 31 March 2010 二零一零年 三月三十一日 HK\$'000 千港元	As at 1 April 2009 二零零九年 四月一日 HK\$'000 千港元
Decrease in long-term bank borrowings	長期銀行借款之減少	(70,900)	(76,300)	(118,700)
Increase in short-term bank borrowings	短期銀行借款之增加	70,900	76,300	118,700

香港會計準則7「現金流量表」，支出只有能在資產負債表中確認為一項資產，才能分類為投資活動。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(b) *New and amended standards, and interpretations mandatory for the first time for the financial year beginning on or after 1 April 2010 but not currently relevant to the Group*

HKAS 1 (Amendment)	Current/non-current classification of convertible instruments
HKAS 7 (Amendment)	Classification of expenditures on unrecognised assets
HKAS 18 (Amendment)	Determining whether an entity is acting as a principal or as an agent
HKAS 32 (Amendment)	Classification of rights issues
HKAS 36 (Amendment)	Unit of accounting for goodwill impairment test
HKAS 38 (Amendment)	Additional consequential amendments arising from HKFRS 3 (revised) and measuring the fair value of an intangible asset acquired in business combination
HKAS 39 (Amendment)	Eligible hedge items
HKFRS 1 (Revised)	First-time adoption of HKFRSs
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HKFRS 5 (Amendment)	Non-current Assets Held for Sale and Discontinued Operations
HKFRS 8 (Amendment)	Disclosure of information about segment assets
HK(IFRIC) – Int 9	Reassessment of embedded derivatives
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 17	Distribution of Non-cash Asset of Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(b) *必須於二零一零年四月一日或之後開始之首次財政年度採納，但現時與本集團無關之新訂及已修訂準則及詮釋：*

香港會計準則1 (修訂)	可轉換工具之流動／非流動分類
香港會計準則7 (修訂)	分類未確認資產之支出
香港會計準則18 (修訂)	釐定主體是否擔任委託人或代理人
香港會計準則32 (修訂)	供股分類
香港會計準則36 (修訂)	商譽減值測試之記帳單位
香港會計準則38 (修訂)	香港財務報告準則3 (經修訂) 產生之額外相應修改，及計量在業務合併中收購之無形資產公平值
香港會計準則39 (修訂)	合資格對沖項目
香港財務報告準則1 (經修訂)	首次採用香港財務報告準則
香港財務報告準則1 (修訂)	首次採納者之額外豁免
香港財務報告準則2 (修訂)	集團以現金結算之以股份為基礎之支付交易
香港財務報告準則3 (經修訂)	業務合併
香港財務報告準則5 (修訂)	持有待售之非流動資產或終止經營業務
香港財務報告準則8 (修訂)	分部資產之資料之披露
香港 (國際財務報告詮釋委員會) – 詮釋9	嵌入衍生工具之重估
香港 (國際財務報告詮釋委員會) – 詮釋16	對沖海外業務淨投資
香港 (國際財務報告詮釋委員會) – 詮釋17	向所有者分配非現金資產
香港 (國際財務報告詮釋委員會) – 詮釋18	客戶資產轉讓

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

(c) *New standards, amendments and interpretations have been issued but are not effective and have not been early adopted by the Group*

The following new standards, amendments and interpretations have been issued and are mandatory for the Group's accounting periods beginning on or after 1 April 2011

HKAS 1 (Amendment)	Presentation of financial statements (effective on or after 1 January 2011)
HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets (effective on or after 1 January 2012)
HKAS 24 (Revised)	Related party disclosures (effective on or after 1 January 2011)
HKAS 27 (Amendment)	Consolidated and separate financial statements (effective on or after 1 July 2010)
HKAS 34 (Amendment)	Interim financial reporting (effective on or after 1 January 2011)
HKFRS 1 (Revised)	Limited exemption from comparative HKFRS 7 disclosures for first time adopters (effective on or after 1 January 2011)
HKFRS 3 (Revised)	Business combinations (effective on or after 1 July 2010)
HKFRS 7 (Revised)	Financial Instruments Disclosures (effective on or after 1 January 2012)
HKFRS 9	Financial Instruments (effective on or after 1 January 2013)
HK(IFRIC) – Int 13	Fair value of aware credit (effective on or after 1 January 2011)
HK(IFRIC) – Int 14 (Amendment)	Prepayment of a Minimum Funding Requirement (effective on or after 1 January 2011)
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments (effective on or after 1 July 2010)

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

(c) *仍未生效而本集團亦無提早採納之已公佈之新準則、修訂及詮釋*

以下已公佈之新準則及修訂及詮釋，本集團必須於二零一一年四月一日或之後開始之財政年度採納

香港會計準則1 (修訂)	財務報表之呈報 (由二零一一年一月一日或之後生效)
香港會計準則12 (修訂)	遞延稅項：收回相關資產 (由二零一二年一月一日或之後生效)
香港會計準則24 (經修訂)	關聯方披露 (由二零一一年一月一日或之後生效)
香港會計準則27 (修訂)	合併和單獨財務報表 (由二零一零年七月一日或之後生效)
香港會計準則34 (修訂)	中期財務報告 (由二零一一年一月一日或之後生效)
香港財務報告準則1 (經修訂)	香港財務報告準則7 比較披露，對首次採用者有某些豁免 (由二零一一年一月一日或之後生效)
香港財務報告準則3 (經修訂)	業務合併 (由二零一零年七月一日或之後生效)
香港財務報告準則7 (經修訂)	金融工具披露 (由二零一二年一月一日或之後生效)
香港財務報告準則9	金融工具 (由二零一三年一月一日或之後生效)
香港 (國際財務報告詮釋委員會) – 詮釋13	獎勵積分之公平值 (由二零一一年一月一日或之後生效)
香港 (國際財務報告詮釋委員會) – 詮釋14 (修訂)	最低資金規定之預付款 (由二零一一年一月一日或之後生效)
香港 (國際財務報告詮釋委員會) – 詮釋19	以權益工具取代金融負債 (由二零一零年七月一日或之後生效)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend and receivable.

2 重要會計政策摘要 (續)

2.2 綜合帳目

(a) 附屬公司

附屬公司指本集團有權管控其財政及營運政策之所有實體(包括特殊目的之實體)，一般附帶超過半數投票權之股權。在評定本集團是否控制另一實體時，目前可行使或可兌換之潛在投票權之存在及影響均予考慮。附屬公司在控制權轉移至本集團之日全面綜合入帳。附屬公司在控制權終止之日起停止綜合入帳。

本集團利用購買法將業務合併入帳。購買之對價根據於交易日期所給予資產、所產生或承擔之負債及發行之股本工具之公平值計算。所轉讓之對價包括或有對價安排所產生之任何資產和負債之公平值。購買相關成本在產生時支銷。在業務合併中所購買可辨認之資產以及所承擔之負債及或有負債，首先以彼等於購買日期之公平值計量。就個別收購基準，本集團可按公平值或按非控股權益應佔被購買方淨資產之比例，計量被收購方之非控股權益。

附屬公司投資按成本值扣除減值列帳。成本經調整以反映修改或有對價所產生之對價變動。成本亦包括投資之直接歸屬成本。附屬公司之業績由本公司按已收及應收股息入帳。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(a) Subsidiaries (Cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(a) 附屬公司 (續)

轉讓之對價被購買方任何非控股權益，以及被收購方任何之前權益在購買日期之公平值，超過本集團應佔所購買可辨認淨資產公平值之數額，列為商譽。就廉價購買而言，若該數額低於所購入附屬公司淨資產之公平值，該差額直接在綜合全面收益表中確認。

集團內公司之間之交易、結餘及未實現收益予以對銷。未實現虧損亦予以對銷。附屬公司之會計政策已按需要作出改變，以確保與本集團採納之政策符合一致。

(b) 與非控股權益之交易

本集團將其與非控股權益進行之交易視為與本集團權益持有者進行之交易。來自非控股權益之購買，所支付之任何對價與相關應佔所收購附屬公司淨資產帳面值之差額記錄為權益。向非控股權益之處置之收益及虧損亦記錄在權益中。

當集團不再持有控制權或重大影響力，在實體之任何保留權益重新計量至公平值，帳面值之變動在損益中確認。公平值為就保留權益之後續入帳而言之初始帳面值，作為聯營、合營或金融資產。此外，之前在其他全面收入中確認之任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合全面收益中確認之金額重新分類至損益。

如聯營之權益持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合全面收益中確認之金額重新分類至損益（如適當）。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who makes strategic decisions.

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(c) 聯營公司

聯營指所有本集團對其有重大影響力而無控制權之實體，通常附帶有20% – 50%投票權之股權。聯營公司之投資以權益會計法入帳，初始以成本確認。本集團於聯營公司之投資包括收購時已識別之商譽，並扣除任何累計減值虧損。

本集團應佔收購後聯營公司之溢利或虧損於綜合損益表內確認，而應佔收購後儲備之變動則於其他全面收入中確認。投資帳面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易之未實現收益按集團在聯營公司權益之數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司之會計政策已按需要作出改變，以確保與本集團採納之政策符合一致。

在聯營之投資所產生之稀釋收益及虧損於綜合損益表確認。

2.3 分部報告

營運分部按照向首席經營決策者提供之內部報告貫徹一致之方式報告。負責分配資源和評估營運分部之表現之首席經營決策者由執行董事擔任負責策略決定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK dollars (HK\$), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the consolidated income statement within "other (losses)/gains – net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2 重要會計政策摘要 (續)

2.4 外幣換算

(a) 功能和列帳貨幣

本集團各個實體之財務報表所列項目均以該實體營運所在之主要經濟環境之貨幣計量(「功能貨幣」)。綜合財務報表以港元呈報，港元為本公司之功能及列帳貨幣。

(b) 交易及結餘

外幣交易採用交易日或重新計量之估值日之匯率換算為功能貨幣。除了符合在權益中遞延入帳之現金流量套期及淨投資套期外，結算此等交易產生之匯兌收益及虧損以及將外幣計值之貨幣資產和負債以年終匯率換算產生之匯兌收益及虧損在綜合損益表確認。

與借貸及現金及現金等價物有關之匯兌收益及虧損在綜合損益表內之「財務收入或成本」中列帳。所有其他匯兌收益及虧損在綜合損益表內之「其他(虧損)/收益－淨額」中列帳。

以外幣為單位被分類為可供出售之貨幣性證券之公平值變動，按照證券之攤銷成本變動與該證券帳面值之其他變動所產生之折算差額進行分析。與攤銷成本變動有關之折算差額確認為損益，帳面值之其他變動則於其他全面收入中確認。

非貨幣性財務資產及負債，例如按公平值持有透過損益記帳之權益工具之換算差額在損益表中呈報為公平值收益及虧損之一部份。非貨幣性財務資產例如分類為可供出售之權益之換算差額包括在其他全面收益中。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(c) 集團公司

功能貨幣與列帳貨幣不同之所有集團實體(各實體均無極高通脹經濟地區之貨幣)之業績和財務狀況按如下方法換算為列帳貨幣：

- (i) 每份呈報之資產負債表內之資產和負債按該資產負債表日期之收市匯率換算；
- (ii) 每份損益表內之收入和費用按平均匯率換算(除非此匯率並不代表交易日期匯率之累計影響之合理約數；在此情況下，收支項目按交易日期之匯率換算)；及
- (iii) 所有由此產生之匯兌差額在其他全面收入中確認。

在綜合帳目時，換算海外業務之淨投資，以及換算借貸及其他指定作為該等投資對沖之貨幣工具所產生之匯兌差額列入其他全面收入。當售出或清理部份海外業務時，該等匯兌差額在綜合損益表確認為出售收益或虧損之一部份。

購買境外主體產生之商譽及公平值調整視為該境外主體之資產和負債，並按期末匯率換算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. The annual rates used for this purpose are:

Leasehold land	Over the lease term
Buildings	2% to 4%
Fixtures and leasehold improvements	8% to 12%
Machinery	6% to 15%
Moulds and tooling	15%
Furniture and computer equipment	15% to 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2 重要會計政策摘要 (續)

2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊和減值虧損列帳。歷史成本包括收購該項目直接應佔之費用。

後續成本只有在很可能為本集團帶來與該項目有關之未來經濟利益，而該項目之成本能可靠計量時，才包括在資產之帳面值或確認為獨立資產（按適用）。所有其他維修及保養在產生之財政期間內於綜合損益表支銷。

物業、廠房及設備之折舊採用以下之估計可使用年期將成本按直線法分攤至剩餘價值計算：

租賃土地	租賃期
樓宇	2% to 4%
物業裝修	8% to 12%
機器	6% to 15%
模具及工具	15%
傢俬及電腦設備	15% to 33.33%

資產之剩餘價值及可使用年期在每個報告期內進行檢討，及在適當時調整。

若資產之帳面值高於其估計可收回價值，其帳面值即時撇減至可收回金額（附註2.9）。

出售收益及虧損按所得款與帳面值之差額釐定，並在綜合損益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Construction-in-progress

Construction-in-progress represents buildings, plants and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings, the costs of plant and machinery, installation, testing and other direct costs. No depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated in Note 2.5.

2.7 Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents consideration paid for the rights to use the land on which various plants and buildings are situated for periods varying from 10 to over 50 years. Amortisation of land use rights is calculated on a straight-line basis over the period of the land use rights.

2.8 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group or for sale in the ordinary course of business, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

2 重要會計政策摘要 (續)

2.6 在建工程

在建工程指在建樓宇、廠房及有待安裝之機器，並按成本入帳。成本包括於樓宇建築之成本、廠房及機器之成本、安裝、測試及其他直接成本。在建工程項目直至有關資產完成及可作擬定用途前不作折舊。當有關資產投入運作時，將成本轉撥至其他物業、廠房及設備，並按本節附註2.5所述之政策折舊。

2.7 土地使用權

土地使用權以成本減累積攤銷及減值虧損列帳。成本代表多個廠房及樓宇之土地使用權期限由10年至50年以上已支付之價值。土地使用權之攤銷按土地使用權期限以直線基準攤銷計算。

2.8 投資物業

持有長期租賃或資本增值或上述兩種目的及並非經集團旗下公司佔用或供一般業務過程中出售用途之物業，則入帳列作投資物業。投資物業亦包括正在興建或開發作未來投資物業用途之物業。投資物業包括根據經營租賃持有之土地及根據融資租賃持有之樓宇。倘根據經營租賃持有之土地符合投資物業之其他定義，則分類及入帳列作投資物業。有關經營租賃亦作為融資租賃處理。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties (Cont'd)

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the balance sheet date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Investment property under construction for future use as investment property will also be measured at fair value with changes in fair value being recognised in the consolidated income statement when the fair value can be determined reliably. However, where the fair value is not reliably determinable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value become reliably determinable.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

2 重要會計政策摘要 (續)

2.8 投資物業 (續)

投資物業最初按成本入帳，包括相關交易成本及借貸成本。就收購、建造或生產合資格投資物業產生之借貸成本撥充資本作為其成本之部分。借貸成本獲資本化為其成本之部分。借貸成本於收購或建造積極進行時資本化並於資產大致完成時或於資產開發中斷時中斷停止資本化。於首次確認後，投資物業乃按公平值入帳。公平值是根據活躍市場價格，若有需要，將根據個別資產之性質、地區分佈或狀況作出調整。倘未能獲取有關資料，本集團會採用其他估值法，例如較不活躍市場之近期價格或貼現現金流量預測。於結算日之估值由持有獲認可及相關專業資格且具有獲估值投資物業所處位置及類別近期估值經驗之專業估值師進行。該等估值構成財務報表內帳面值之基準。獲重新開發持續作投資物業用途或市場活躍程度降低之投資物業繼續按公平值計量。

在興建作未來投資物業用途之物業於公平值被視為能可靠計量時，按公平值入帳及公平值變動在綜合損益中確認入帳。但就公平值被視為不能可靠計量時，投資物業按成本入帳直至物業建成或公平值被視為能可靠計量時（以較早者為準）。

投資物業公平值反映（其中包括）目前租賃之租金收入及根據目前市況有關未來租賃租金收入之假設。公平值亦按相似基準反映就該物業可能預期之任何現金流出。若干該等流出獲確認為負債（包括就租賃土地分類為投資物業之融資租賃負債）；其他流出（包括或然租賃付款）並未於財務報表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Investment properties (Cont'd)

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the consolidated income statement. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

2.9 Impairment of investments in subsidiaries, associated companies and non-financial assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment testing of the investments in subsidiaries or associated companies is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary or associated company in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the investee's net assets including goodwill.

2 重要會計政策摘要 (續)

2.8 投資物業 (續)

投資物業公平值並未反映會改善或提升物業之未來資本開支，且並未反映來自該未來開支之相關未來利益（理智市場參與者於釐定該物業價值時將會計及者除外）。

公平值變動於綜合損益表確認。投資物業於獲出售或投資物業永久撤銷使用且預期不會就其出售產生未來經濟利益時終止確認。

2.9 投資於附屬公司、聯營公司及非財務資產之減值

不能確定使用年期之資產無需攤銷，但每年須就減值進行測試。各項資產，當有事件出現或情況改變顯示帳面值可能無法收回時就進行減值檢討。減值虧損按資產之帳面值超出其可收回金額之差額確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開辨認現金流量（現金產出單元）之最低層次組合。除商譽外，已蒙受減值之非金融資產在每個報告日期均就減值是否可以回撥進行檢討。

當收到子公司或聯營投資之股息時，而股息超過子公司或聯營公司在股息宣佈期間之總綜合全面收入，或在單獨財務報表之投資帳面值超過被投資方淨資產（包括商譽）在合併財務報表之帳面值，則必須對有關投資進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

2 重要會計政策摘要 (續)

2.10 存貨

存貨按成本及可變現淨值兩者之較低者列帳。成本利用先進先出法釐定。製成品及在製品之成本包括原材料、直接勞工、其他直接成本和相關之生產經常性開支（依據正常營運能力）。這不包括借貸成本。可變現淨值為在通常業務過程中之估計銷售價，減適用之變動銷售費用。

2.11 貿易及其他應收帳款

貿易應收帳款為在日常經營活動中就商品銷售或服務執行而應收客戶之款項。如應收帳款及其他應收款之收回預期在一年或以內（如仍在正常經營週期中，則可較長時間），其被分類為流動資產；否則分類為非流動資產。

貿易及其他應收帳款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值準備計量。

2.12 現金及現金等值物

現金及現金等值物包括手頭現金、銀行通知存款、原到期日為三個月或以下之其他短期高流動性投資，以及銀行透支。銀行透支在綜合資產負債表之流動負債中借貸款內列示。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.15 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 重要會計政策摘要 (續)

2.13 股本

普通股被列為權益。

直接歸屬於發行新股或認股權之新增成本在權益中列為所得款之減少（扣除稅項）。

2.14 借貸

借貸初步按公平值並扣除產生之交易成本確認。借貸其後按攤銷成本列帳；所得款（扣除交易成本）與贖回價值之任何差額利用實際利息法於借貸期間內在綜合損益表確認。

除非本集團有權無條件地延遲清償債項最少至結算日後十二個月，借貸一概分類為流動負責。

2.15 貿易及其他應付帳款

貿易應付帳款為在日常經營活動中購買商品或服務而應支付之義務。如應付款之支付日期在一年或以內（如仍在正常經營週期中，則可較長時間），其被分類為流動負債；否則分類為非流動負債。

貿易及其他應付帳款初步以公平值確認，其後利用實際利息法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 重要會計政策摘要 (續)

2.16 當期及遞延所得稅

本期間之稅項支出包括當期和遞延稅項。稅項在綜合利潤表中確認，但與在其他全面收入中或直接在權益中確認之項目有關者則除外。

當期所得稅支出根據本公司、其附屬公司及聯營公司營運及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定準備。

遞延所得稅利用負債法就資產和負債之稅基與資產和負債在綜合財務報表之帳面值之差額產生之暫時差異確認。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債之初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記帳。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及法例）而釐定。

遞延所得稅資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

遞延稅項就附屬公司、聯營公司投資產生之暫時差異而撥備，但假若本集團可以控制暫時差異之回撥時間，而暫時差異在可預見將來有可能不會回撥則除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Employee benefits

(a) Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

Group companies operate several pension schemes. The plans are generally funded through payments to trustee administered funds. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Long service payments

The Group's net obligation in respect of long service payments to its employees upon the termination of their employment or retirement when the employee fulfils certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. The discount rate is the yield at the balance sheet date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. The actuarial gains or losses are credited or charged to the consolidated income statement in current period.

2 重要會計政策摘要 (續)

2.17 僱員福利

(a) 僱員應享假期之權利

僱員享有之年假和長期服務休假於僱員應享有時確認。截至結算日止為僱員已提供之服務而產生之年假及長期服務休假之估計負責作出準備。僱員享有之病假及產假不作確認，直至僱員正式休假為止。

(b) 退休金責任

本集團公司營運多個退休金計劃。此等計劃一般透過向受託管理基金付款而注資。定額供款計劃指本集團以強制、合約或自願基準向獨立實體作出定額供款之退休金計劃。倘基金並無持有足夠資產向所有僱員就當期及以往期間之僱員服務支付福利，本集團並無定期或推定責任作出進一步供款。供款將會於到期支付時確認為僱員福利費用，且不會全數歸屬供款前離開計劃之僱員所放棄之供款扣減。預付供款按照現金退還或扣減未來付款時確認為資產。

(c) 長期服務金

本集團根據香港《僱員條例》在若干情況下終止聘用僱員或退休而支付之長期服務金所衍生之責任淨額是指僱員現時及以往提供服務所賺取之未來福利。

該責任以預計單位信貸法計算其貼現值，並扣除本集團退休計劃下本集團供款所佔之應計權益。貼現率為到期日與本集團負債期相若之優質企業債券於結算日之孳息率。該精算收益或虧損於當期之綜合損益表計入或支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Employee benefits (Cont'd)

(d) Other compensations

Other directors' and employees' compensations are recorded as a liability and charged to the consolidated income statement when the Group is contractually obliged or when there is a past practice that has created a constructive obligation.

2.18 Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

2 重要會計政策摘要 (續)

2.17 僱員福利 (續)

(d) 其他補償

當本集團如有合約責任或依據過往做法產生推定責任，董事及僱員之其他補償則記錄為負債及於綜合損益表支銷。

2.18 以股份支付報酬

本集團設有多項以權益結算、以股份為基礎之報酬計劃，根據該等計劃，主體收取僱員之服務以作為本集團權益工具（期權）之代價。僱員為換取獲授予期權而提供服務之公平值確認為支出。釐定支出之總金額按照授予購股權之公平值釐定：

- 包括任何市場表現條件；
- 不包括任何服務和非市場表現之授予條件（例如盈利能力、銷售增長目標和僱員在某特定時期內留任實體）之影響；及
- 不包括任何非授予條件（例如規定僱員儲蓄）之影響。

非市場授予條件包括在有關預期假設授予購股權之數目。支出之總金額於授予期間確認，授予期間指將符合所有特定授予條件之期間。在每個報告期末，主體依據非市場授予購股權條件估計其修訂對預期授予購股權數目。主體在綜合損益表確認對原估算修訂（如有）之影響，並對權益作出相應調整。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Share-based payments (Cont'd)

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 重要會計政策摘要 (續)

2.18 以股份支付報酬 (續)

在購股權行使時，認購發行股份之現金撥入股本(面值)和股本溢價，並扣除任何直接應佔之交易費用。

本公司向集團子公司之僱員授予其權益工具之購股權，被視為資本投入。收取僱員服務之公平值，按照授予日之公平值計量，並在授予期內確認，作為對子公司投資之增加，並相應計入權益。

2.19 準備

在出現以下情況時確認準備：本集團因已發生之事件而產生現有之法律或推定責任；可能需要資源流出以償付責任；金額已被可靠估計。重組撥備包括租賃終止罰款和僱員離職付款。不就未來營運虧損確認準備。

如有多項類似責任，其需要在償付中流出資源之可能性，根據責任之類別整體考慮。即使在同一責任類別所包含之任何一個項目相關之資源流出之可能性極低，仍須確認準備。

準備採用稅前利率按照預期需償付有關責任之開支之現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險之評估。隨著時間過去而增加之準備確認為利息開支。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Advance payments received from customers prior to delivery of goods are recorded as receipts in advance.

(b) Rental income

Rental income is recognised on a straight-line basis.

2 重要會計政策摘要 (續)

2.20 租賃

如租賃擁有權之重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付之款項（扣除自出租人收取之任何獎勵金後）於租賃期內以直線法在綜合損益表支銷。

2.21 收入確認

收入指本集團在通常活動過程中出售貨品及服務之已收或應收代價之公平值。收入在扣除增值稅、退貨、回扣和折扣，以及對銷集團內部銷售後列帳。

當收入之數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時（如下文所述），本集團便會將收入確認。本集團會根據其往績並考慮客戶類別、交易種類和每項安排之特點作出估計。

(a) 貨品銷售

貨品銷售在本集團實體已將貨品交付予顧客，顧客接收產品後，以及有關應收款之收回可合理確保時確認。

當貨物還未運送給客戶，客戶之預付款被記錄在預收款帳目中。

(b) 租金收入

租金收入以直線法確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Revenue recognition (Cont'd)

(c) Management income

Revenue from the provision of management service is recognised when the service is rendered.

(d) Interest income

Interest income is recognised on a time proportion basis, using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.23 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to the consolidated income statement in the period in which they are incurred.

2 重要會計政策摘要 (續)

2.21 收入確認 (續)

(c) 管理費收入

提供管理服務之收入於服務提供時確認。

(d) 利息收入

利息收入採用實際利息法按時間比例基準確認。倘應收帳款出現減值，本集團會將帳面值減至可收回款額，即估計之未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值應收款之利息收入利用原實際利率確認。

2.22 股息分派

向本公司股東分派之股息在股息獲本公司股東批准之期間內於本集團及本公司之財務報表內列為負債。

2.23 借款費用

借款費用為直接與購買、興建或生產一項需要一段很長時間籌備以供使用或出售之資產有關之借款費用資本化為該資產之部份成本。當所有其他借款用發生時會在綜合損益表內支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.24 Comparative figures

The Group adopts the classification of the following financial statement items in the consolidated income statement and the consolidated balance sheet with effect from 1 April 2010:

- Provision for overseas tax expense for the year ended 31 March 2011 and the reversal of over-provision for overseas tax expense in prior years amounting to HK\$1,568,000 and HK\$18,824,000 respectively are classified as income tax expenses in the consolidated income statement. The corresponding provision overseas tax expense for the year ended 31 March 2010 and the reversal of over-provision for overseas tax expense in prior years amounting to HK\$1,568,000 and HK\$5,723,000 respectively have been reclassified from the financial statement item "general and administrative expenses".
- Provision for overseas taxation as at 31 March 2011 amounting to HK\$3,713,000 is classified as tax payable in the consolidated balance sheet. The corresponding provision as at 31 March 2010 and 1 April 2009 amounting to HK\$20,969,000 and HK\$25,124,000 respectively have been reclassified from the financial statement item "accruals and other payables".
- "Cost of inventories" disclosed in prior years' financial statements have been renamed as "raw materials and consumables used". In addition, "changes in inventories of finished goods and work in progress" amounting to HK\$113,215,000 for the year ended 31 March 2010 has been reclassified from "Other expenses".

Management considers that the current classifications are more appropriate. Comparative information has been reclassified to conform to the current year's presentation.

2 重要會計政策摘要 (續)

2.24 比較數字

本集團於二零一零年四月一日開始，將綜合損益表及綜合資產負債表內之財務報表項目按以下分類：

- 截至二零一一年三月三十一日止年度，海外稅項支出之準備及海外稅項支出之往年準備之回撥分別為1,568,000港元及18,824,000港元，並於綜合損益表中重新分類為所得稅支出。截至二零一零年三月三十一日止年度，對應之海外稅項支出之準備及海外稅項支出之往年準備之回撥分別為1,568,000港元及5,723,000港元，並由財政報表之「一般及行政費」項目重新分類為所得稅支出。
- 於二零一一年三月三十一日，資產負債表之應付海外稅項3,713,000港元，分類為應付稅項。於二零一零年三月三十一日及二零零九年四月一日，對應之應付海外稅分別為20,969,000港元及25,124,000港元，並由財政報表之「應計費用及其他應付帳款」項目重新分類為應付稅項。
- 於往年財務報表披露之「存貨成本」已重新命名為「使用之原材料及消耗品」。另外，截至二零一零年三月三十一日止年度，由「其他開支」重新分類其中113,215,000港元為「製成品及半製成品之存貨變動」。

管理層考慮現分類較為合適，比較數字經重新分類以配合本年度之呈列方式。

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and mitigates financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and cash management.

(a) *Market risk*

(i) Foreign exchange risk

The Group operates primarily in Hong Kong and the PRC and most of its business transactions, assets and liabilities are denominated in HK dollars, United States dollars ("US dollar") and Renminbi. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency that is not the entity's functional currency. As HK dollars are pegged against US dollar, management considers that the Group is mainly exposed to foreign currency risk with respect to Renminbi. Management will continue to monitor foreign exchange exposure and will take measures to minimise the currency translation risk. The Group has not used any financial instruments to hedge against foreign currency risk as at 31 March 2011. The conversion rate of Renminbi to foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the Mainland Chinese Government.

3 財務風險管理

3.1 財務風險因素

本集團業務承受多種財務風險：市場風險（包括外幣風險、公平值利率風險及現金流量利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃專注於財務市場之難預測性，並尋求盡量減低對本集團財務表現之潛在不利影響。

風險管理由中央司庫部（集團司庫）按照董事會批准之政策執行。集團司庫透過與集團經營單位之緊密合作，負責確定、評估和套期財務風險。董事會為整體風險管理訂定書面原則，亦為若干特定範疇提供書面政策，例如外匯風險、利率風險、信貸風險、使用衍生和現金管理。

(a) *市場風險*

(i) 外匯風險

本集團主要在香港及中國經營，其大部份之生意交易、資產及負債主要為港元、美元及人民幣。外匯風險來自海外業務之非以本實體功能貨幣為單位之商業交易、已確認之資產和負債及投資淨額。由於港元與美元掛鈎，管理層認為本集團主要面對人民幣外匯風險。管理層會持續監控外匯風險，並會採取措施減低外幣換算風險。於二零一一年三月三十一日，本集團並未採取任何金融工具對沖外匯風險。人民幣對外幣之兌換率受制於中國大陸政府所頒佈之外匯管制條例及規則。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk (Cont'd)

At 31 March 2011, if HK dollars had weakened/strengthened by 5% against the Renminbi with all other variables held constant, post-tax profit for the year would have been approximately HK\$2,064,000 higher/lower (2010: HK\$4,459,000 higher/lower), mainly as a result of the net foreign exchange gains/losses on translation of Renminbi-denominated other receivables, cash and cash equivalents and trade and other payables.

(ii) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets except for certain bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from bank borrowings which are primarily issued at variable rates. Therefore, the Group is exposed to cash flow interest rate risk.

At 31 March 2011, with all other variables held constant, if the interest rate had increased/decreased by 50 basis-point, the corresponding increase/decrease in interest expenses on bank borrowings will result in a net decrease/increase in the Group's post-tax profit by approximately HK\$1,523,000 (2010: HK\$1,619,000).

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

於二零一一年三月三十一日，倘其他變動因素維持不變，港元兌人民幣貶值／升值5%，年度稅後溢利將增加／減少約2,064,000港元（二零一零年：增加／減少4,459,000港元）。此乃主要由於因換算以人民幣計值之其他應收帳款、現金及現金等價物及貿易及其他應付帳款而產生之淨外匯收益／虧損所致。

(ii) 現金流量及公平值利率風險

由於本集團除銀行存款外，並無重大計息資產，故本集團之收入和營運現金流量基本上不受市場利率之波動所影響。

本集團利率風險亦來自銀行借貸，主要以浮動利率發行，因而使本集團承受現金流量利率風險。

於二零一一年三月三十一日，其他所有變動因素維持不變，倘利率上調／下調50個基點，相應增加／減少之銀行借貸利息支出將使本集團稅後溢利淨減少／增加約1,523,000港元（二零一零年：1,619,000港元）。

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(b) Credit risk

Credit risk is managed on a group basis. The Group's credit risk mainly arises from financial assets and deposits with bank and financial institutions, as well as credit exposures to the customers, including outstanding trade and other receivables. For banks and financial institutions, only independent parties with high credit rating are accepted.

Customers are assessed and rated based on the credit quality of the customers, taking into account their financial position, past experience and other factors. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. It performs periodic credit evaluations/reviews of its customers. Other receivables are assessed by reference to the historical information about counterparty default rates. Individual risk limits are set by management and the utilisation of credit limits is regularly monitored. No credit limit was exceeded during the year, and management does not expect any significant losses from non-performance by these relevant parties.

There is a concentration of credit risk with respect to trade receivables as the Group's sales are made primarily to a few key customers. As at 31 March 2011, the trade receivables from five largest customers accounted for approximately 87% (2010: 90%) of the total trade receivables.

The credit risk on cash at banks is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Transactions in relation to derivative financial instruments, if any, are only carried out with financial institutions of high reputation. The Group has policies that limit the amount of credit exposure to any one financial institution.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險是按照組合方式管理。本集團信貸風險主要來自銀行與財務機構之存款及金融資產，亦有來自客戶之信貸風險，包括未償付之貿易及其他應收帳款。對於銀行和財務機構，只會接納信用評級良好之獨立方。

評估及評級客戶乃跟據其信貸質素，並考慮其財務狀況、過往經驗和其他因素。本集團已實施政策，確保銷售予擁有良好信貸歷史之客戶。本集團定期對其客戶進行信貸評估／審閱。評估其他應收帳款是參考過往拖欠比率之資料。個別風險限額會根據管理層所設定之限額依據內部或外部之評級制訂。信貸限額之使用會定期監察。於年內，並無信貸超出所定限額，而管理層亦不預期因此等對方不履約之行為而產生重大虧損。

貿易應收帳款之信貸風險較為注重，因本集團主要銷售給數位主要客戶。於二零一一年三月三十一日，五大貿易應收帳款之客戶佔貿易應收帳款總額約87% (二零一零年：90%)。

銀行現金之信貸風險有限，因其相對應者為受國際評級機構確定為信用評級良好之銀行。與衍生金融工具有關之交易，若有，亦只會與良好信譽之金融機構進行。本集團有政策限制對任何一間金融機構信貸風險之金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.1 Financial risk factors (Cont'd)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities. The Group aims to maintain flexibility in funding by keeping credit lines available at all time.

The table below analyses the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

審慎之流動資金風險管理包括維持充足現金及透過取得充裕之信貸融資獲得可動用資金。本集團致力保持信貸可動用額度以維持資金供應之靈活性。

以下列表按照於結算日至合約到期日之餘下期間之有關到期組別分析本集團之金融負債。表中所披露金額為合約未貼現之現金流量。由於貼現之影響並不重大，故十二月個月內到期之結餘與其帳面值相若。

		On demand 按要求 HK\$'000 千港元	Less than 1 year 少於一年 HK\$'000 千港元	Between 1 and 2 years 一至兩年 HK\$'000 千港元	Between 2 and 5 years 二至五年 HK\$'000 千港元
Group	本集團				
At 31 March 2011	於二零一一年 三月三十一日				
Trade payables	貿易應付帳款	-	294,995	-	-
Accruals and other payables	應計費用及 其他應付帳款	-	144,588	-	-
Bank borrowings	銀行借貸	364,884	-	-	-
At 31 March 2010 (restated)	於二零一零年 三月三十一日 (已重列)				
Trade payables	貿易應付帳款	-	405,143	-	-
Accruals and other payables	應計費用及 其他應付帳款	-	141,379	-	-
Bank borrowings	銀行借貸	387,830	-	-	-
Company	本公司				
At 31 March 2011	於二零一一年 三月三十一日				
Accruals and other payables	應計費用及 其他應付帳款	-	4,753	-	-
At 31 March 2010	於二零一零年 三月三十一日				
Accruals and other payables	應計費用及 其他應付帳款	-	2,720	-	-

3 FINANCIAL RISK MANAGEMENT (Cont'd)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings less cash and cash equivalents and times deposits. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The Group's strategy, which was unchanged from prior year, was to maintain an acceptable net gearing ratio. The net gearing ratios at 31 March 2011 and 2010 were as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total borrowings (Note 20)	總借貸(附註20)	364,884	387,830
Less: Time deposit (Note 14)	減：定期存款(附註14)	(96,000)	(91,312)
Less: Cash and cash equivalents (Note 15)	減：現金及現金等值物(附註15)	(196,954)	(328,003)
Net debt/(cash)	淨借貸/(現金)	71,930	(31,485)
Total equity	權益總值	900,650	741,476
Net gearing ratio	淨銀行借貸比率	8%	-4%

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3 財務風險管理(續)

3.2 資本風險管理

本集團資金管理之目標為保障本集團按持續經營基準繼續營運之能力，為權益持有人帶來回報，同時兼顧其他利益相關者之利益，並維持最佳之資本結構。

為維持或調整資本結構，本集團或會調整支付予股東之利息、退還予股東之股本、發行新股或出售資產減低債務。

與業內其他公司一樣，本集團利用資本負債比率監察其資本。此比率按照淨借貸額除以總資本計算。淨借貸額為總借貸減去現金和現金等價物及定期存款。總資本為「權益」(如綜合資產負債表所列)加淨借貸額。

本集團之策略與往年不變，即秉承維持可接受之淨銀行借貸比率之策略。於二零一一年及二零一零年三月三十一日之淨銀行借貸比率如下：

3.3 公平值估計

貿易應收帳款及應付帳款之帳面值扣除減值準備被假定接近其公平值。作為披露目的之財務負債公平值之估計按未來合約現金流量以本集團於目前市況之相近之財務票據之利率貼現計算。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation where useful lives are less than previously estimated lives. It will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation expense in future periods.

(b) Estimated impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of receivables requires the use of judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivable is recognised in the years in which such estimates have been changed.

4 關鍵性之會計估計及判斷

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信對未來事件之合理預測。

本集團對未來作出估計和假設。所得之會計估計如其定義，很少會與其實際結果相同。很大機會導致下個財政年度之資產和負債之帳面值作出重大調整之估計和假設討論如下。

(a) 物業、廠房及設備之使用年期

本集團管理層就其物業、廠房及設備釐定估計可使用年期及折舊費用。此估計是根據過往經驗於相同性質及功能之物業、廠房及設備之實際使用年期釐定。當早期估計之使用年期較實多，管理層會增加折舊費用。已廢棄或售出之非策略性資產會被註銷或撇減。實際之經濟年期可能與估計之使用年期有差異。週期之檢討可能會對將來之年度折舊年期及折舊使用作出調整。

(b) 應收帳款之估計減值

本集團根據應收帳款之估計可收回程度就該等應收帳款計提減值準備。當事件發生或情況改變顯示不可能收回餘款時，則會就應收帳款計提準備。識別應收帳款減值需要作出判斷及估計。當預期金額與原定估計有差異時，則該差異將於估計出現變動期間內影響應收帳款之帳面值及減值虧損準備。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(c) Estimated provision for inventories

Inventories are written down to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

(d) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Employee benefits – share-based payments

The valuation of the fair value of the share options granted requires judgment in determining the expected volatility of the share price, the dividends expected on the shares, the risk-free interest rate during the life of the options and the number of share options that are expected to vest. Where the outcome of the number of options that are vested is different, such difference will impact the consolidated income statement in the subsequent remaining vesting period of the relevant share options.

4 關鍵性之會計估計及判斷 (續)

(c) 估計存貨準備

根據存貨變現性之評估撇減存貨至可變現淨值。一旦事件發生或情況改變顯示存貨結餘可能未能變現時將被記錄為撇減。識別撇減需要作出判斷及估計。當預期之金額與原定估計有差異時則該差異將會於估計改變之期間內影響存貨之帳面值及存貨之撇減。

(d) 所得稅

本集團需要在多個司法權區繳納所得稅。在釐定全球所得稅準備時，需要作出重大判斷。在一般業務過程中，許多交易和計算所涉及之最終稅務釐定都不確定。本集團根據對是否需要繳付額外稅款之估計，就預期稅務審計項目確認負債。如此等事件之最終稅務後果與最初記錄之金額不同，此等差額將影響作出此等釐定期間之所得稅和遞延稅準備。

(e) 僱員福利 – 以股份為基礎之付款

授出購股權之公平值估值需要確定預期股價之波動，預期股票之股息，在股權生效期間無風險之利率及預期將會授予之購股權數量之判斷。如果股權數量最終授予不同，這種差異將會在授予有關購股權期後剩餘之授予期影響綜合損益表。

5 SEGMENT INFORMATION

The Group's chief operating decision-maker reviews the Group's internal reports periodically in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group is organised on a worldwide basis into two main operating segments. They are (i) metal and plastic business; and (ii) electronic manufacturing services business.

Others mainly comprise rental and management fee income.

Management considers the business from both a geographic and products and services perspective. From a products and services perspective, management assesses the performance of metal and plastic business, and electronic manufacturing services business. And there is further evaluation on a geographic basis (Japan, Hong Kong, Mainland China, Asia (excluding Japan, Hong Kong and Mainland China), North America and Western Europe). Management assesses the performance of the operating segments based on operating profit. Segment information provided to management for decision making is measured in a manner consistent with that in the financial statements.

5 分部資料

本集團之最高營運決策者定期審閱本集團之內部報告，以評估業績及分配資源。管理層以該些報告為基礎決定營運分部。

本集團遍及世界各地之業務分為兩大主要營運分部，分別是(i)五金塑膠業務；及(ii)電子專業代工業務。

其他業務主要包括租金和管理費收入。

管理層從地區、產品及服務之角度考慮其業務。管理層從產品及服務之角度評估五金塑膠業務及電子專業代工業務之表現。並會進一步以地域基礎（日本，香港，中國大陸，亞洲（不包括日本，香港及中國大陸），北美和西歐）來評估。管理層根據經營溢利評估營運分部之表現。提供給管理層決策用之分部資料為財務報表計量之方式一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Cont'd)

The segment results for the year ended 31 March 2011 are as follows:

5 分部資料 (續)

截至二零一一年三月三十一日止年度之分部業績如下：

		2011 二零一一年			
		Metal and plastic business 五金塑膠 業務 HK\$'000 千港元	Electronic manufacturing services business 電子專業 代工業務 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Segment revenues	分部收入				
Total segment revenue	分部收入總額	1,048,392	1,676,091	14,298	2,738,781
Inter-segment revenue	分部間收入	(133,382)	–	–	(133,382)
Revenue from external customers	來自外部客戶之收入	915,010	1,676,091	14,298	2,605,399
Gross profit	毛利	106,696	70,744	14,290	191,730
Distribution and selling expenses and general and administrative expenses	分銷及銷售費用及一般及行政費用	(94,615)	(65,134)	(267)	(160,016)
Operating profit	經營溢利	12,081	5,610	14,023	31,714
Operating profit includes:	經營溢利包括：				
Depreciation	折舊	27,776	21,579	–	49,355
Amortisation	攤銷	565	564	–	1,129
Provision for obsolete and slow-moving inventories	陳舊及滯銷存貨準備	3,056	1,536	–	4,592
Reversal of provision for impairment of trade and other receivables	貿易及其他應收帳款減值準備之回撥	(363)	(4,103)	–	(4,466)

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Cont'd)

The segment results for the year ended 31 March 2010 are as follows:

5 分部資料 (續)

截至二零一零年三月三十一日止年度之分部業績如下：

		2010 (restated) 二零一零年 (已重列)			
		Metal and plastic business 五金塑膠 業務 HK\$'000 千港元	Electronic manufacturing services business 電子專業 代工業務 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Segment revenues	分部收入				
Total segment revenue	分部收入總額	958,741	1,403,883	4,408	2,367,032
Inter-segment revenue	分部間收入	(121,860)	–	–	(121,860)
Revenue from external customers	來自外部客戶之收入	836,881	1,403,883	4,408	2,245,172
Gross profit	毛利	103,284	44,326	4,408	152,018
Distribution and selling expenses and general and administrative expenses	分銷及銷售費用及一般及行政費用	(71,378)	(72,756)	–	(144,134)
Operating profit/(loss)	經營溢利/(虧損)	31,906	(28,430)	4,408	7,884
Operating profit/(loss) includes:	經營溢利/(虧損) 包括：				
Depreciation	折舊	23,949	23,098	–	47,047
Amortisation	攤銷	638	583	–	1,221
Provision for/(reversal of) provision for) obsolete and slow-moving inventories	陳舊及滯銷存貨準備/(準備之回撥)	5,318	(1,651)	–	3,667

5 SEGMENT INFORMATION (Cont'd)

A reconciliation of operating profit to profit before taxation is provided as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
Operating profit	經營溢利	31,714	7,884
Finance income	財務收入	2,267	3,312
Finance costs	財務成本	(6,871)	(5,392)
Share of loss of associated companies	應佔聯營公司之虧損	(40)	(2,682)
Profit before taxation	除稅前溢利	27,070	3,122

The segment revenue by geographical information is analysed as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Japan	日本	173,390	172,198
Hong Kong	香港	350,952	434,752
Mainland China	中國大陸	667,983	619,036
Asia (excluding Japan, Hong Kong and Mainland China)	亞洲 (不包括日本、香港及中國大陸)	303,560	258,257
North America	北美洲	212,600	251,695
Western Europe	西歐	896,914	509,234
Total revenue	收入總額	2,605,399	2,245,172

Revenue is allocated based on the country in which the final destination of shipment is located.

The Group's sales are made primarily to a few key customers. For the year ended 31 March 2011, the revenue derived from five largest customers accounted for approximately 84% (2010: 87%) of the Group's total revenue.

5 分部資料 (續)

經營溢利調節至除稅前溢利如下：

根據地區資料分部收入分析如下：

收入根據最終付運目的地所在國家分配。

本集團之銷售主要是由幾個關鍵客戶組成。截至二零一一年三月三十一日止，收入來自五大客戶約佔本集團總收入84% (二零一零年：87%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 LAND USE RIGHTS – GROUP

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)	2009 二零零九年 HK\$'000 千港元 (restated) (已重列)
Net book amount at beginning of the year, as previously reported	年初帳面淨值，已呈報	64,835	72,096	46,873
Effect of adoption of HKAS 17 (Amendment)	採納香港會計準則17 (修訂) 之影響	(1,009)	(1,036)	(1,063)
Net book amount at beginning of the year, as restated	年初帳面淨值，已重列	63,826	71,060	45,810
Transfer from deposit paid in prior year	往年已付按金轉入	–	–	26,400
Acquisition of a subsidiary (Note 31)	收購附屬公司 (附註31)	75,659	–	–
Transfer to investment properties	轉出至投資物業	(75,659)	–	–
Disposal	出售	–	(6,013)	–
Amortisation charged to cost of sales	攤銷計入銷售成本	(1,129)	(1,221)	(1,150)
Net book amount at end of the year	年底帳面淨值	62,697	63,826	71,060
Cost, as previously reported	成本，已呈報	72,399	72,399	78,587
Effect of adoption of HKAS 17 (Amendment)	採納香港會計準則17 (修訂) 之影響	(1,663)	(1,663)	(1,663)
Cost, as restated	成本，已重列	70,736	70,736	76,924
Accumulated amortisation, as previously reported	累積攤銷，已呈報	(8,720)	(7,564)	(6,491)
Effect of adoption of HKAS 17 (Amendment)	採納香港會計準則17 (修訂) 之影響	681	654	627
Accumulated amortisation, as restated	累積攤銷，已重列	(8,039)	(6,910)	(5,864)
Net book amount at end of the year	年底帳面淨值	62,697	63,826	71,060
Leases of 10 to 50 years in Mainland China	中國大陸 – 租賃由10至50年	61,782	62,893	70,109
Leases of over 50 years in Mainland China	中國大陸 – 租賃由50年以上	915	933	951
		62,697	63,826	71,060

The land use rights located in Mainland China is held under lease terms of 45 to 57 years expiring in April 2043 to October 2062.

6 土地使用權 – 本集團

本集團於土地使用權之權益代表預付經營租賃款項，按其帳面淨值分析如下：

在中國之土地使用權乃根據為期四十五至五十七年 (即延至二零四三年四月至二零六二年十月止) 之土地使用權而持有。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT – GROUP

7 物業、廠房及設備 – 本集團

		Leasehold land 租賃土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Construction- in-progress 在建工程 HK\$'000 千港元	Leasehold improvements and fixtures 物業裝修 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Tools and equipment 模具及工具 HK\$'000 千港元	Furniture and computer equipment 傢俬及電腦設備 HK\$'000 千港元	Total 合共 HK\$'000 千港元
At 31 March 2009	二零零九年三月三十一日								
Cost, as previously reported	成本，已呈報	–	273,113	26,074	102,590	424,905	24,553	55,608	906,843
Effect of adoption of HKAS17 (Amendment)	採納香港會計準則17 (修訂) 之影響	1,663	–	–	–	–	–	–	1,663
Cost, as restated	成本，已重列	1,663	273,113	26,074	102,590	424,905	24,553	55,608	908,506
Accumulated depreciation, as previously reported	累積折舊，已呈報	–	(46,069)	–	(48,898)	(315,902)	(15,364)	(44,878)	(471,111)
Effect of adoption of HKAS17 (Amendment)	採納香港會計準則17 (修訂) 之影響	(627)	–	–	–	–	–	–	(627)
Accumulated depreciation, as restated	累積折舊，已重列	(627)	(46,069)	–	(48,898)	(315,902)	(15,364)	(44,878)	(471,738)
Net book amount, as restated	帳面淨值，已重列	1,036	227,044	26,074	53,692	109,003	9,189	10,730	436,768
Year ended 31 March 2010	截至二零一零年三月三十一日止年度								
Opening net book amount, as previously reported	期初帳面淨值，已呈報	–	227,044	26,074	53,692	109,003	9,189	10,730	435,732
Effect of adoption of HKAS17 (Amendment)	採納香港會計準則17 (修訂) 之影響	1,036	–	–	–	–	–	–	1,036
Opening net book amount, as restated	期初帳面淨值，已重列	1,036	227,044	26,074	53,692	109,003	9,189	10,730	436,768
Additions	添置	–	18,536	24,672	5,208	27,161	2,577	4,739	82,893
Transfer in/(out)	轉入/(出)	–	18,990	(19,025)	35	(88)	90	(2)	–
Disposals	出售	–	–	–	–	(217)	–	(10)	(227)
Depreciation	折舊	(27)	(6,084)	–	(7,831)	(24,258)	(2,818)	(6,029)	(47,047)
Closing net book amount	期末帳面淨值	1,009	258,486	31,721	51,104	111,601	9,038	9,428	472,387

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT – GROUP (Cont'd)

7 物業、廠房及設備 – 本集團 (續)

		Leasehold land 租賃土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Construction- in-progress 在建工程 HK\$'000 千港元	Leasehold improvements and fixtures 物業裝修 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Tools and equipment 模具及工具 HK\$'000 千港元	Furniture and computer equipment 傢俬及電腦設備 HK\$'000 千港元	Total 合共 HK\$'000 千港元
At 31 March 2010	二零一零年三月三十一日								
Cost, as previously reported	成本，已呈報	–	310,639	31,721	107,833	449,555	27,236	60,243	987,227
Effect of adoption of HKAS17 (Amendment)	採納香港會計準則17 (修訂)之影響	1,663	–	–	–	–	–	–	1,663
Cost, as restated	成本，已重列	1,663	310,639	31,721	107,833	449,555	27,236	60,243	988,890
Accumulated depreciation, as previously reported	累積折舊，已呈報	–	(52,153)	–	(56,729)	(337,954)	(18,198)	(50,815)	(515,849)
Effect of adoption of HKAS17 (Amendment)	採納香港會計準則17 (修訂)之影響	(654)	–	–	–	–	–	–	(654)
Accumulated depreciation	累積折舊，已重列	(654)	(52,153)	–	(56,729)	(337,954)	(18,198)	(50,815)	(516,503)
Net book amount	帳面淨值	1,009	258,486	31,721	51,104	111,601	9,038	9,428	472,387
Year ended 31 March 2011	截至二零一一年 三月三十一日止年度								
Opening net book amount, as previously reported	期初帳面淨值，已呈報	–	258,486	31,721	51,104	111,601	9,038	9,428	471,378
Effect of adoption of HKAS17 (Amendment)	採納香港會計準則17 (修訂)之影響	1,009	–	–	–	–	–	–	1,009
Opening net book amount, as restated	期初帳面淨值，已重列	1,009	258,486	31,721	51,104	111,601	9,038	9,428	472,387
Additions	添置	–	23,238	639	11,817	20,947	2,207	6,070	64,918
Acquisition of a subsidiary (Note 31)	收購附屬公司 (附註31)	–	–	31,698	–	–	787	211	32,696
Transfer to investment properties	轉出至投資物業	–	–	(31,698)	–	–	–	–	(31,698)
Transfer in/(out)	轉入/(出)	–	30,985	(31,876)	891	–	–	–	–
Disposals	出售	–	–	–	(1,685)	(383)	(87)	(25)	(2,180)
Depreciation	折舊	(27)	(7,289)	–	(8,236)	(24,886)	(3,048)	(5,869)	(49,355)
Closing net book amount	期末帳面淨值	982	305,420	484	53,891	107,279	8,897	9,815	486,768
At 31 March 2011	二零一一年三月三十一日								
Cost	成本	1,663	364,864	484	117,184	464,358	29,955	62,842	1,041,350
Accumulated depreciation	累積折舊	(681)	(59,444)	–	(63,293)	(357,079)	(21,058)	(53,027)	(554,582)
Net book amount	帳面淨值	982	305,420	484	53,891	107,279	8,897	9,815	486,768

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 PROPERTY, PLANT AND EQUIPMENT – GROUP (Cont'd)

Depreciation expense of HK\$48,188,000 (2010: HK\$45,292,000) and HK\$1,167,000 (2010: HK\$1,755,000) has been charged to cost of sales and general and administrative expenses, respectively.

The Group's interests in leasehold land and buildings at their net book values are analysed as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
Leasehold land and buildings in Hong Kong, held on leases between 10 to 50 years	於香港持有之租賃土地及樓宇 10至50年期之租賃	2,923	3,027
Buildings in Mainland China, held on leases between 10 to 50 years	於中國大陸持有樓宇 10至50年期之租賃	301,114	254,049
Buildings in Mainland China, held on leases over 50 years	於中國大陸持有樓宇 多過50年期之租賃	2,365	2,419
		306,402	259,495

8 INVESTMENT PROPERTIES – GROUP

The investment properties are under construction and located in Mainland China under lease term of 40 years expiring in August 2050.

7 物業、廠房及設備 – 本集團 (續)

折舊中48,188,000港元(二零一零年: 45,292,000港元)及1,167,000港元(二零一零年: 1,755,000港元)分別計入銷售成本及一般及行政費用。

本集團在租賃土地及樓宇之權益按其帳面淨值分析如下:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
Leasehold land and buildings in Hong Kong, held on leases between 10 to 50 years	於香港持有之租賃土地及樓宇 10至50年期之租賃	2,923	3,027
Buildings in Mainland China, held on leases between 10 to 50 years	於中國大陸持有樓宇 10至50年期之租賃	301,114	254,049
Buildings in Mainland China, held on leases over 50 years	於中國大陸持有樓宇 多過50年期之租賃	2,365	2,419
		306,402	259,495

8 投資物業 – 本集團

在中國大陸之在建中之投資物業乃根據為期40年(即延至二零五零年八月止)之土地使用權而持有。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 INVESTMENTS IN SUBSIDIARIES – COMPANY

9 於附屬公司之投資 – 本公司

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Unlisted share investments, at cost	非上市股份之成本值	193,285	193,285
Less: provision for impairment of investment in subsidiaries	減：於附屬公司之投資減值準備	(3,087)	(3,087)
Amounts due from subsidiaries (Note i)	應收附屬公司帳款（附註i）	475,162	299,121
		665,360	489,319
Amount due from a subsidiary (Note ii)	應收附屬公司帳款（附註ii）	11,000	7,000

Notes:

附註：

- (i) The non-current amounts due from subsidiaries represent funding provided by the Company to the respective subsidiaries with a similar nature as equity, and are unsecured, interest-free and not repayable within the next twelve months and are denominated in HK dollars.
- (ii) The amount due from a subsidiary is unsecured, interest-free and repayable on demand and is denominated in HK dollars.

(i) 應收附屬公司之非流動帳款代表本公司提供資金給各附屬公司與權益之性質相近，該帳款為無抵押、不計利息及不用於未來十二個月償還，及以港元為單位。

(ii) 應收附屬公司帳款為無抵押，不計利息並在要求時償還，及以港元為單位。

Particulars of the principal subsidiaries as at 31 March 2011 are:

於二零一一年三月三十一日主要附屬公司之資料：

Name	Place of incorporation/ establishment and types of legal entity	Principal activities and place of operation	Particulars of issued/paid-up capital	Interest held
名稱	註冊成立地點及 法定實體類別	主要業務及營運地點	已發行及已繳股本	權益持有
Karrie International (B.V.I.) Limited	British Virgin Islands, limited liability company 英屬處女群島有限責任公司	Investment holding, the British Virgin Islands 投資控股，英屬處女群島	Ordinary share of US\$100 (i) 普通股100美元(i)	100%
Castfast Industrial Company Limited 嘉輝塑膠五金有限公司	Hong Kong, limited liability company 香港有限責任公司	Plastic injection moulding operations, Hong Kong 經營塑膠注模，香港	Ordinary share of HK\$100 普通股100港元 Non-voting deferred share of HK\$990,200 (ii) 無投票權遞延股 990,200港元(ii)	100% –

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 INVESTMENTS IN SUBSIDIARIES – COMPANY (Cont'd)

9 於附屬公司之投資 – 本公司 (續)

Name	Place of incorporation/ establishment and types of legal entity	Principal activities and place of operation	Particulars of issued/paid-up capital	Interest held
名稱	註冊成立地點及 法定實體類別	主要業務及營運地點	已發行及已繳股本	權益持有
Castfast Industrial (Yan Tien) Limited 雁田嘉輝塑膠五金廠有限公司	Hong Kong, limited liability company 香港有限責任公司	Manufacture of computer casings, office automation products, moulds and plastic and metal parts; provision of electronic manufacturing services, property holding and investment holding, Mainland China 製造電腦外殼、辦公室文儀產品、模具及塑膠與金屬部件；提供電子專業代工服務，持有物業及投資控股，中國大陸	Ordinary share of HK\$100 普通股100港元 Non-voting deferred share of HK\$10,000 (ii) 無投票權遞延股 10,000港元(ii)	100% –
Castfast Magnetics Moulding Limited 嘉輝磁電工模廠有限公司	Hong Kong, limited liability company 香港有限責任公司	Manufacture of plastic injection moulds and metal stamping dies, Hong Kong 製造注塑模具及金屬沖壓模具，香港	Ordinary share of HK\$10 普通股10港元 Non-voting deferred share of HK\$30,000 (ii) 無投票權遞延股 30,000港元(ii)	100% –
Grandway Investment (Group) Limited 嘉惠投資(集團)有限公司	Hong Kong, limited liability company 香港有限責任公司	Investment holding, Mainland China 投資控股，中國大陸	Ordinary share of HK\$1 普通股1港元	100%
Hong Kong Hung Hing Metal Manufacturing Company Limited 香港雄興金屬製品有限公司	Hong Kong, limited liability company 香港有限責任公司	Manufacture and sale of metal parts, Hong Kong 製造及銷售金屬部件，香港	Ordinary share of HK\$100 普通股100港元 Non-voting deferred share of HK\$250,000 (ii) 無投票權遞延股 250,000港元(ii)	100% –
Jiang Su Castfast Electronic Technologies Company Limited 江蘇嘉輝電子科技有限公司	Mainland China, limited liability company 中國有限責任公司	Manufacture of computer castings office automation products and provision of electronic manufacturing services, Mainland China 製造電腦外殼辦公室文儀產品及提供電子專業代工服務，中國大陸	Paid-up capital US\$31,100,000 (iii) 已繳資本 31,100,000美元(iii)	100%
Kar Sharp Development Limited 嘉銳發展有限公司	Hong Kong, limited liability company 香港有限責任公司	Investment holding, Mainland China 投資控股，中國大陸	Ordinary share of HK\$1 普通股1港元	100%

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 INVESTMENTS IN SUBSIDIARIES – COMPANY (Cont'd)

9 於附屬公司之投資 – 本公司 (續)

Name 名稱	Place of incorporation/ establishment and types of legal entity 註冊成立地點及 法定實體類別	Principal activities and place of operation 主要業務及營運地點	Particulars of issued/paid-up capital 已發行及已繳股本	Interest held 權益持有
Karrie Industrial Company Limited 嘉利產品有限公司	Hong Kong, limited liability company 香港有限責任公司	Manufacture and sale of video cassette housings, sale of computer casings, office automation products, plastic and metal parts, metal stamping dies, plastic injection moulds, Hong Kong 製造及銷售錄影帶外殼； 銷售電腦外殼、辦公室文儀產品、 塑膠及金屬部件、注塑模具及 金屬沖壓模具，香港	Ordinary share of HK\$1,000 普通股1,000港元 Non-voting deferred share of HK\$5,000,000 (ii) 無投票權遞延股 5,000,000港元(ii)	100% –
Karrie Logistic Company Limited 嘉利物流有限公司	Hong Kong, limited liability company 香港有限責任公司	Investment holding, Mainland China 投資控股，中國大陸	Ordinary share of HK\$2 普通股2港元	100%
Karrie Technologies Company Limited 嘉利環球科技有限公司	Hong Kong, limited liability company 香港有限責任公司	Manufacturing and sales of plastic parts, sales of metal stamping dies and plastic injection moulds and provision of electronic manufacturing services, Hong Kong 製造及銷售塑膠部件；銷售金屬 沖壓模具、注塑模具；及 提供電子專業代工服務，香港	Ordinary share of HK\$30,000,000 普通股30,000,000港元	100%
Karpo Technologies Limited 嘉寶科技有限公司	Hong Kong, limited liability company 香港有限責任公司	Investment holding, Mainland China 投資控股，中國大陸	Ordinary share of HK\$1,000 普通股1,000港元 Non-voting deferred share of HK\$1,000,000 (ii) 無投票權遞延股 1,000,000港元(ii)	100% –

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 INVESTMENTS IN SUBSIDIARIES – COMPANY (Cont'd)

9 於附屬公司之投資 – 本公司 (續)

Name	Place of incorporation/ establishment and types of legal entity	Principal activities and place of operation	Particulars of issued/paid-up capital	Interest held
名稱	註冊成立地點及 法定實體類別	主要業務及營運地點	已發行及已繳股本	權益持有
Karwin Engineering Company Limited 嘉運機械工程有限公司	Hong Kong, limited liability company 香港有限責任公司	Design, manufacture and sale of computer casings, office automation products; sale of plastic and metal parts, metal stamping dies, plastic injection moulds, Hong Kong 設計、製造及銷售電腦外殼、辦公室文儀產品；銷售塑膠及金屬部件；及銷售金屬沖壓模具及注塑模具，香港	Ordinary share of HK\$10 普通股10港元 Non-voting deferred share of HK\$100 (ii) 無投票權遞延股 100港元(ii)	100% –
Karwin Technologies Incorporation	The United States of America, limited liability company 美國有限責任公司	Provision of consultancy services to group companies, the United States of America 提供顧問服務予本集團公司，美國	Ordinary share of US\$100 普通股100美元	100%
Kings Dragon Investment (HK) Limited 勁龍投資(香港)有限公司	Hong Kong, limited liability company 香港有限責任公司	Investment holding, Hong Kong 投資控股，香港	Ordinary share of HK\$2 普通股2港元	100%
Kings Horse Investment Limited 勁馬投資有限公司	Hong Kong, limited liability company 香港有限責任公司	Property holding, Hong Kong 持有物業，香港	Ordinary share of HK\$10 普通股10港元 Non-voting deferred share of HK\$10,000 (ii) 無投票權遞延股 10,000港元(ii)	100% –
Kwong Hing Computer Metallic Components Limited 廣興電腦金屬配件有限公司	Hong Kong, limited liability company 香港有限責任公司	Property holding, Mainland China 持有物業，中國大陸	Ordinary share of HK\$100 普通股100港元 Non-voting deferred share of HK\$1,250,010 (ii) 無投票權遞延股 1,250,010港元(ii)	100% –
Sagem Karrie Technologies (Hong Kong) Company Limited 嘉利先進科技(香港)有限公司	Hong Kong, limited liability company 香港有限責任公司	Provision of electronic manufacturing services, Hong Kong 提供電子專業代工服務，香港	Ordinary share of HK\$110,000,000 普通股110,000,000港元	60%

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綜合財務報表附註

9 INVESTMENTS IN SUBSIDIARIES – COMPANY (Cont'd)

9 於附屬公司之投資 – 本公司 (續)

Name	Place of incorporation/ establishment and types of legal entity	Principal activities and place of operation	Particulars of issued/paid-up capital	Interest held
名稱	註冊成立地點及 法定實體類別	主要業務及營運地點	已發行及已繳股本	權益持有
東莞嘉寶電子實業有限公司	Mainland China, limited liability company 中國有限責任公司	Property holding, Mainland China 持有物業，中國大陸	Paid-up capital HK\$24,000,000 (iv) 已繳資本24,000,000港元(iv)	100%
宜興嘉利商務大廈開發有限公司	Mainland China, limited liability company 中國有限責任公司	Property development and management, Mainland China 物業發展及管理，中國大陸	Paid-up capital US\$15,000,000 (v) 已繳資本15,000,000美元(v)	100%

Notes:

附註：

- | | | | |
|-------|---|-------|--|
| (i) | The shares of Karrie International (BVI) Limited are held directly by the Company. The shares of other subsidiaries are held indirectly. | (i) | Karrie International(B.V.I.)Limited之股份乃本公司直接持有。其他附屬公司之股份乃本公司間接持有。 |
| (ii) | The non-voting deferred shares are not owned by the Group. These shares have no voting rights, are not entitled to dividends, and are not entitled to distributions upon winding up unless a sum of HK\$200,000,000,000 has been distributed by the relevant companies to holders of the ordinary shares. | (ii) | 無投票權遞延股份並非由本集團所擁有。這些股份無投票權，亦無權分享股息。除非相關公司在清盤時向其普通股東派發之總額超過200,000,000,000港元；否則該等股份無權分享任何分派。 |
| (iii) | Jiang Su Castfast Electronic Technologies Company Limited is a wholly-owned foreign enterprise established in Mainland China with an operating period of 50 years up to January 2058. | (iii) | 江蘇嘉輝電子科技有限公司乃一於中國大陸成立全資擁有外資企業，其營業期限為五十年，於二零五八年一月屆滿。 |
| (iv) | 東莞嘉寶電子實業有限公司 is a wholly-owned foreign enterprise established in Mainland China with an operating period of 25 years up to 18 February 2030. | (iv) | 東莞嘉寶電子實業有限公司乃一於中國大陸成立全資擁有外資企業，其營業期限為二十五年，於二零三零年二月十八日屆滿。 |
| (v) | 宜興嘉利商務大廈開發有限公司 is a wholly-owned foreign enterprise established in Mainland China with an operating period of 40 years up to 2 December 2049. | (v) | 宜興嘉利商務大廈開發有限公司乃一於中國大陸成立全資擁有外資企業，其營業期限為四十年，於二零四九年十二月二日屆滿。 |
| (vi) | None of the subsidiaries had any loan capital in issue at any time during the year ended 31 March 2011. | (vi) | 於截至二零一一年三月三十一日止年度內各附屬公司均無任何已發行之借貸資本。 |
| (vii) | All subsidiaries established in Mainland China have a financial accounting year end of 31 December in accordance with the local statutory requirements, which is not coterminous with that of the Company. The consolidated financial statements of the Group were prepared based on the management accounts of these subsidiaries for the twelve months ended 31 March 2011. | (vii) | 依照本土法律規定，所有於中國大陸成立之附屬公司之財務年結日為十二月三十一日，與本公司並不一致。本集團之綜合財務報表按照該些附屬公司截至二零一一年三月三十一日止十二個月之管理帳編製而成。 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 INVESTMENTS IN ASSOCIATED COMPANIES – GROUP

10 於聯營公司之投資 – 本集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Share of net assets	分攤資產淨值		
Beginning of the year	年初	28,299	601
Investment in an associated company	於聯營公司之投資	–	30,380
Share of loss of associated companies	應佔聯營公司之虧損	(40)	(2,682)
Currency translation differences	貨幣換算差異	(338)	–
End of the year	年底	27,921	28,299
Balance due from an associated company	聯營公司欠款		
Amount due from an associated company	應收聯營公司帳款	3,779	10,226
Trade receivables	貿易應收帳款	2,008	–
		5,787	10,226
Amount due to an associated company	應付聯營公司帳款	357	305

The outstanding balances due from/to the associated companies are unsecured, interest-free and repayable on demand, and are denominated in HK dollars.

該些聯營公司尚未償還應收／應付之帳款為無抵押，不計利息，並在要求時償還，及以港元為單位。

The Group's share of the results of its associated companies, all of which are unlisted, and its aggregated assets and liabilities, are as follows:

本集團應佔聯營公司之業績（全屬非上市公司），全部資產及負債如下：

Name	Particulars of issued shares held	Place of incorporation/ establishment	Attributable to the Group 本集團應佔				% Interest held indirectly 間接持有權益
			Assets	Liabilities	Revenues	Loss	
名稱	持有已發行股本	註冊／成立地點	資產 HK\$'000 千港元	負債 HK\$'000 千港元	收入 HK\$'000 千港元	虧損 HK\$'000 千港元	
2011 二零一一年							
TIS Karrie Technologies (Hong Kong) Company Limited (i) 嘉友科技(香港)有限公司(i)	Ordinary share of HK\$62,000,000 普通股62,000,000港元	Hong Kong, limited liability company 香港有限責任公司	58,612	(31,208)	116,216	(29)	49%
Xionguan Precision Metal Product Company Limited (i) 雄冠精密五金製品有限公司(i)	Ordinary share of HK\$1,000,000 普通股1,000,000港元	Hong Kong, limited liability company 香港有限責任公司	681	(164)	644	(11)	40%
			59,293	(31,372)	116,860	(40)	

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 INVESTMENTS IN ASSOCIATED COMPANIES – GROUP (Cont'd)

10 於聯營公司之投資 – 本集團 (續)

Name	Particulars of issued shares held	Place of incorporation/ establishment	Attributable to the Group 本集團應佔				% Interest held indirectly 間接持有權益
			Assets HK\$'000 千港元	Liabilities HK\$'000 千港元	Revenues HK\$'000 千港元	Loss HK\$'000 千港元	
2010 二零一零年							
NEC Nagano Karrie Electronics Limited (i) 長野日本電氣嘉利電子有限公司(i)	Ordinary share of HK\$20,000,000 普通股20,000,000港元	Hong Kong, limited liability company 香港有限責任公司	-	-	-	-	30%
TIS Karrie Technologies (Hong Kong) Company Limited (i) 嘉友科技(香港)有限公司(i)	Ordinary share of HK\$62,000,000 普通股62,000,000港元	Hong Kong, limited liability company 香港有限責任公司	36,228	(8,458)	-	(2,610)	49%
Xiongguan Precision Metal Product Company Limited (i) 雄冠精密五金制品有限公司(i)	Ordinary share of HK\$1,000,000 普通股1,000,000港元	Hong Kong, limited liability company 香港有限責任公司	655	(126)	515	(72)	40%
			36,883	(8,584)	515	(2,682)	

Note:

(i) All these companies are indirectly held by the Company.

附註：

(i) 該些公司乃本公司間接持有。

11 FINANCIAL INSTRUMENTS BY CATEGORY

11 按類別分類之金融工具

		Group 本集團	
		Loans and receivables 貸款及應收帳	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Assets	資產		
Trade and other receivables (Note 12)	貿易及其他應收帳款 (附註12)	450,746	444,419
Deposits (Note 12)	按金 (附註12)	6,605	23,443
Amount due from an associated company (Note 10)	應收聯營公司帳款 (附註10)	3,779	10,226
Time deposit (Note 14)	定期存款 (附註14)	96,000	91,312
Cash and bank balances (Note 15)	現金及銀行結存 (附註15)	196,954	328,003
		754,084	897,403
		Financial liabilities 財務負債	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Liabilities	負債		
Trade and other payables (Note 19)	貿易及其他應付帳款 (附註19)	460,399	571,314
Bank borrowings (Note 20)	銀行借貸 (附註20)	364,884	387,830
Amount due to an associated company (Note 10)	應付聯營公司帳款 (附註10)	357	305
		825,640	959,449

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 FINANCIAL INSTRUMENTS BY CATEGORY (Cont'd)

11 按類別分類之金融工具 (續)

		Company 本公司	
		Loans and receivables 貸款及應收帳	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Assets	資產		
Amounts due from subsidiaries (Note 9)	應收附屬公司帳款 (附註9)	486,162	306,121
Deposits and other receivables (Note 12)	按金及其他應收帳款 (附註12)	906	411
Cash and bank balances (Note 15)	現金及銀行結存 (附註15)	431	375
		487,499	306,907
		Financial liabilities 財務負債	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Liabilities	負債		
Trade and other payables (Note 19)	貿易及其他應付帳款 (附註19)	4,753	2,720

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

12 貿易應收帳款、預付款、按金及其他應收帳款

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade receivables	貿易應收帳款	385,560	427,247	–	–
Other receivables	其他應收帳款	72,560	28,997	906	411
		458,120	456,244	906	411
Less: Provision for impairment of trade and other receivables	減：貿易及其他應收帳款減值準備	(7,374)	(11,825)	–	–
		450,746	444,419	906	411
Prepayments	預付款	5,295	4,210	–	–
Deposits	按金	6,605	23,443	–	–
		11,900	27,653	–	–
Less: Other non-current assets (Note)	減：其他非流動資產（附註）	(825)	(12,803)	–	–
		11,075	14,850	–	–
		461,821	459,269	906	411
Representing:	代表：				
Trade receivables, net of provision	貿易應收帳款，扣除準備	378,929	416,150	–	–
Prepayments, deposits and other receivables, net of provision	預付款、按金及其他應收帳款，扣除準備	82,892	43,119	906	411
		461,821	459,269	906	411

Note: Other non-current assets represent deposits paid for purchase of property, plant and equipment.

附註：其他非流動資產代表購買物業、廠房及設備之已付按金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

(Cont'd)

The Group generally grants credit periods ranging from 30 to 90 days. Aging analysis of trade and other receivables is as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
0 to 90 days	0至90日	444,512	429,838
91 to 180 days	91至180日	5,071	9,313
181 to 360 days	181至360日	4,468	15,359
Over 360 days	360日以上	4,069	1,734
		458,120	456,244

The carrying amounts of trade receivables, prepayments, deposits and other receivables approximate their fair values.

The carrying amounts of trade and other receivables are denominated in the following currencies:

12 貿易應收帳款、預付款、按金及其他應收帳款(續)

本集團一般給予客戶之數期由30日至90日。貿易及其他應收帳款之帳齡分析如下：

貿易應收帳款、預付款、按金及其他應收帳款之帳面值與其公平值相近。

貿易及其他應收帳款面值以下列貨幣為單位：

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade and other receivables	貿易及其他應收帳款				
– HK dollar	– 港元	16,350	10,496	906	411
– US dollar	– 美元	367,381	423,920	–	–
– Singapore dollar	– 星加坡元	–	5	–	–
– Renminbi	– 人民幣	74,389	21,823	–	–
		458,120	456,244	906	411

12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Cont'd)

Movement in the provision for impairment of trade and other receivables is as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Beginning of the year	年初	11,825	11,825
Currency translation differences	貨幣換算差異	15	-
Reversal of provision for impairment (included in general and administrative expenses)	減值準備之回撥 (包括於一般及 行政費用)	(4,466)	-
End of the year	年底	7,374	11,825

The creation and release of provision for impaired receivables have been included in general and administrative expense in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The directors are of the opinion that adequate provision for uncollectible trade and other receivables has been made in the financial statements.

Trade receivables that are less than three months past due are not considered as impaired except for customers which are in unexpected difficult economic situations.

As of 31 March 2011, trade receivables of HK\$53,092,000 (2010: HK\$38,239,000) were past due but not impaired. These relates to a number of independent customers that had a good track record with the Group. Based on past experience, the management believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable. The aging of these trade receivables are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1 to 90 days	1至90日	46,013	16,913
91 to 180 days	91至180日	2,987	8,373
181 to 360 days	181至360日	2,770	12,947
Over 360 days	360日以上	1,322	6
		53,092	38,239

12 貿易應收帳款、預付款、按金及其他應收帳款 (續)

貿易及其他應收帳款減值準備之變動如下：

對已減值應收帳款之設立和回撥已包括在綜合損益表中一般及行政費用。在準備帳戶中扣除之金額一般會在預期無法收回現金時撇銷。董事之意見，不能收回之貿易應收及其他應收帳款已在綜合財務報表作出足夠準備。

逾期少於三個月之貿易應收帳款不被視為經已減值，除非個別減值之應收帳款主要與陷入無法預期之經營困境情況之客戶有關。

於二零一一年三月三十一日，貿易應收帳款為53,092,000港元（二零一零年：38,239,000港元）經已逾期但並無減值。此等款項涉及多個還款記錄良好之獨立客戶。管理層根據以往經驗，相信該款項無需作減值撥備，由於信貸質素沒有重大轉變及該款項仍視為可全數收回。此等貿易應收帳款之帳齡分析如下：

12 TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

(Cont'd)

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, deposits and other receivables stated above. The Group did not hold any collateral as security.

The credit quality of the Group's and the Company's trade receivables, deposits and other receivables that are neither past due nor impaired has been assessed by reference to the historical information about counterparty default rates. The existing counterparties do not have significant defaults in the past.

13 INVENTORIES – GROUP

Raw materials	原材料
Work-in-progress	半製成品
Finished goods	製成品

The cost of inventories recognised as expense and included in cost of sales amounted to approximately HK\$2,099,645,000 (2010: HK\$1,838,001,000).

During the year, the Group has provision for obsolete and slow-moving inventories for an amount of approximately HK\$4,592,000 (2010: HK\$3,667,000).

As at 31 March 2011, certain inventories were held under trust receipts bank loan arrangement.

12 貿易應收帳款、預付款、按金及其他應收帳款 (續)

於報告日，信貸風險之最高承擔為上述應收帳款、按金及其他應收帳款之帳面值。本集團沒有持有任何作為質押之抵押品。

根據過往客戶拖欠率對本集團及本公司貿易應收帳款、按金及其他應收帳款之信貸質素作出評估，現時之客戶在過去沒有重大之拖欠記錄。

13 存貨 – 本集團

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Raw materials	原材料	172,766	150,484
Work-in-progress	半製成品	60,617	43,234
Finished goods	製成品	84,323	75,918
		317,706	269,636

存貨成本確認為費用並列入銷售成本之金額約為2,099,645,000港元(二零一零年：1,838,001,000港元)。

本集團於本年度陳舊及滯銷存貨準備之金額約為4,592,000港元(二零一零年：3,667,000港元)。

於二零一一年三月三十一日，若干存貨以信託收據銀行貸款安排持有。

14 TIME DEPOSIT – GROUP

Time deposit represents a deposit with a bank in Mainland China with initial term of maturity of one year. The weighted average effective interest rate as at 31 March 2011 was 2.75% (2010: 2.25%). The balance is denominated in Renminbi.

The conversion of this Renminbi denominated deposit into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the Mainland China Government.

14 定期存款 – 本集團

定期存款是指存款於中國大陸之銀行，並最初到期日為一年。於二零一一年三月三十一日加權平均實際利率為2.75%（二零一零年：2.25%）。餘額以人民幣計算。

兌換人民幣存款為外國貨幣匯出境外須遵守中國大陸政府頒佈之外匯控制規例及法規。

15 CASH AND BANK BALANCES

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Cash at bank and on hand	銀行存款及現金	122,111	243,322	431	375
Short-term bank deposits	短期銀行存款	74,843	84,681	–	–
		196,954	328,003	431	375
Maximum exposure to credit risk	信貸風險之最高承擔	195,505	326,363	431	375

Cash and bank balances were denominated in the following currencies:

現金及銀行結存以下列貨幣為單位：

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
HK dollar	港元	24,972	25,966	431	375
US dollar	美元	158,796	149,533	–	–
Renminbi	人民幣	9,276	133,423	–	–
Singapore dollar	星加坡元	3,669	4,246	–	–
Others	其他	241	14,835	–	–
		196,954	328,003	431	375

The effective interest rate on short-term bank deposits, with maturity ranging from 1 to 3 months, was 0.19% (2010: 0.18%) per annum during the year ended 31 March 2011. Cash at bank earns interest at floating rates based on daily bank deposit rates.

截至二零一一年三月三十一日止年度內，到期日由一個月至三個月內之短期銀行存款之實際年利率為0.19%（二零一零年：0.18%）。銀行存款利息收入以每日銀行存款利率浮息計算。

16 SHARE CAPITAL

16 股本

		2011 二零一一年		2010 二零一零年	
		Number of shares 股份數目 '000 千	Nominal value 面值 HK\$'000 千港元	Number of shares 股份數目 '000 千	Nominal value 面值 HK\$'000 千港元
Authorised:	法定股本：				
Ordinary shares of HK\$0.1 each	普通股每股 面值10港仙	2,000,000	200,000	800,000	80,000
Issued and fully paid:	已發行及 已繳足股本：				
Ordinary shares of HK\$0.1 each	普通股每股 面值10港仙				
Beginning of the year	年初	577,098	57,710	577,098	57,710
Issue of shares	股份發行	291,000	29,100	—	—
End of the year	年底	868,098	86,810	577,098	57,710

The Company increased the existing authorised capital by the creation of additional 1,200,000,000 shares of HK\$0.1 each by passing an ordinary resolution by shareholders at the special general meeting held on 6 December 2010. During the year, the Company allotted and issued 291,000,000 new shares of HK\$0.1 each as consideration for the acquisition of a wholly foreign-owned enterprise in Mainland China (Note 31).

本公司於二零一零年十二月六日舉行之股東特別大會通過決議案，增加額外1,200,000,000股法定股本。於本年度本公司就收購中國大陸外商獨資企業，以每股0.1港元代價配售及發行291,000,000新股（附註31）。

17 SHARE OPTIONS

The Company adopted a share option scheme in May 2002 under which it may grant options to employees of the Group (including executive directors of the Company) and other third parties to subscribe for shares in the Company, subject to a maximum of 30% of the nominal value of the issued share capital of the Company from time to time excluding for this purpose any shares issued on the exercise of options. The exercise price will be determined by the Company's board of directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) an average closing price of the Company's shares for the five trading days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares of HK\$0.1 each.

17 購股權

本公司於二零零二年五月採用一項新購股權計劃，可據此向本集團之僱員（包括本公司之執行董事）及第三者授出購股權以便認購本公司之股份，惟最多以本公司當時已發行股本面值（不包括因行使購股權而發行之股份）30%為限。該購股權行使價將由本公司之董事會釐定，以(i)本公司股份於購股權授予日之收市價；(ii)緊接授予購股權日前五個交易日本公司股份之平均收市價；及(iii)本公司股份之面值每股10港仙，三者以較高者為準。

17 SHARE OPTIONS (Cont'd)

Details of movement of share options under the share option scheme during the year ended 31 March 2011 are as follows:

17 購股權 (續)

購股權計劃之購股權於截至二零一一年三月三十一日止年度內之變動詳情如下：

Date of grant	Exercise period	Vesting period	Exercise price	Beginning of year	Number of share options			End of year
					Granted during the year	Exercised during the year	Lapsed/cancelled during the year	
授出日期	行使期限	授予期限	行使價格	年初	本年度已授許	本年度已行使	失效或取消於本年度	年底
			HK\$ 港元	'000 千	'000 千	'000 千	'000 千	'000 千
5 March 2010 二零一零年 三月五日	1 December 2010 to 4 March 2020 二零一零年 十二月一日至 二零二零年 三月四日	5 March 2010 to 1 December 2010 二零一零年 三月五日至 二零一零年 十二月一日	0.55	9,515	-	-	(303)	9,212
5 March 2010 二零一零年 三月五日	1 July 2011 to 4 March 2020 二零一一年 七月一日至 二零二零年 三月四日	5 March 2010 to 1 July 2011 二零一零年 三月五日至 二零一一年 七月一日	0.55	8,865	-	-	(303)	8,562
5 March 2010 二零一零年 三月五日	1 July 2012 to 4 March 2020 二零一二年 七月一日至 二零二零年 三月四日	5 March 2010 to 1 July 2012 二零一零年 三月五日至 二零一二年 七月一日	0.55	11,820	-	-	(404)	11,416
				30,200	-	-	(1,010)	29,190

Note:

The vesting of the share options is subject to the performance of the Group.

附註：

授予購股權取決於本集團之業績。

17 SHARE OPTIONS (Cont'd)

The fair value of the share options granted was estimated at the grant date by using the Hull White Trinomial model, after taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the valuation model are as follows:

Option value	HK\$0.223 to HK\$0.244
Market price at the grant date	HK\$0.55
Exercisable price	HK\$0.55
Risk-free interest rate	2.68%
Expected volatility	50.73%
Expected dividend per share	2.78%

Hull White Trinomial model is subject to certain fundamental limitations because of the subjective nature of and uncertainty relating to the assumptions and inputs to the model as well as certain inherent limitations of the model itself. Any changes in the above assumptions or inputs may materially affect the fair value estimation.

The fair value of the 30,200,000 share options granted on 5 March 2010 amounting to approximately HK\$7,006,000 is to be recognised as employee benefit expense of the Group according to the vesting conditions. An expense of approximately HK\$4,700,000 (2010: HK\$419,000), partly offset by the forfeiture of certain options during the year amounting to approximately HK\$1,063,000 (2010: Nil), was recognised in the consolidated income statement for the year ended 31 March 2011.

17 購股權 (續)

以Hull White Trinomial model估計於該授予日期之年內授出之購股權之公平值，均考慮到這些已授出購股權之條款及條件授許購股權。在重大假設及投入使用之估值模式如下：

股權價值	HK\$0.223 to HK\$0.244
於授出日之市場價值	HK\$0.55
行使價格	HK\$0.55
無風險利率	2.68%
預期波幅	50.73%
預期每股股息	2.78%

Hull White Trinomial model受某些基本限制，因主觀之性質及不確定性有關之假設及投入模式，以及一些固有之模式本身之局限性。如上述假設或投入有任何變化，可能對公平值估計有重大影響。

於二零一零年三月五日授出30,200,000股購股權之公平值，金額約為7,006,000港元，並已根據授予條件被確認為僱員之福利支出。於截至二零一一年三月三十一日止年度之綜合損益表已確認為費用之金額約4,700,000港元（二零一零年：419,000港元），因放棄若干購股權而抵銷部份支出之金額約為1,063,000港元（二零一零年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 OTHER RESERVES

(a) Group

		Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Translation reserve	Total
		股份溢價	資本儲備	資本贖回儲備	以股份支付之酬金儲備	換算儲備	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 April 2009	二零零九年四月一日之結餘	193,014	5,900	459	-	375	199,748
Employee share option scheme	僱員購股權計劃						
- value of employee services	- 僱員服務之價值	-	-	-	419	-	419
Currency translation differences	外幣換算差異	-	-	-	-	(355)	(355)
Balance as at 31 March 2010	二零一零年三月三十一日之結餘	193,014	5,900	459	419	20	199,812
Balance at 1 April 2010	二零一零年四月一日之結餘	193,014	5,900	459	419	20	199,812
Employee share option scheme	僱員購股權計劃						
- value of employee services	- 僱員服務之價值	-	-	-	3,637	-	3,637
Currency translation differences	外幣換算差異	-	-	-	-	2,083	2,083
Issuance of shares	股份發行	145,500	-	-	-	-	145,500
Balance as at 31 March 2011	二零一一年三月三十一日之結餘	338,514	5,900	459	4,056	2,103	351,032

18 其他儲備

(a) 本集團

		Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Translation reserve	Total
		股份溢價	資本儲備	資本贖回儲備	以股份支付之酬金儲備	換算儲備	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 April 2009	二零零九年四月一日之結餘	193,014	5,900	459	-	375	199,748
Employee share option scheme	僱員購股權計劃						
- value of employee services	- 僱員服務之價值	-	-	-	419	-	419
Currency translation differences	外幣換算差異	-	-	-	-	(355)	(355)
Balance as at 31 March 2010	二零一零年三月三十一日之結餘	193,014	5,900	459	419	20	199,812
Balance at 1 April 2010	二零一零年四月一日之結餘	193,014	5,900	459	419	20	199,812
Employee share option scheme	僱員購股權計劃						
- value of employee services	- 僱員服務之價值	-	-	-	3,637	-	3,637
Currency translation differences	外幣換算差異	-	-	-	-	2,083	2,083
Issuance of shares	股份發行	145,500	-	-	-	-	145,500
Balance as at 31 March 2011	二零一一年三月三十一日之結餘	338,514	5,900	459	4,056	2,103	351,032

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18 OTHER RESERVES (Cont'd)

(b) Company

		Share premium	Capital redemption reserve	Contributed surplus	Share-based compensation reserve	Total
		股份溢價 HK\$'000 千港元	資本贖回儲備 HK\$'000 千港元	繳入盈餘 HK\$'000 千港元	以股份支付 之酬金儲備 HK\$'000 千港元	合共 HK\$'000 千港元
Balance at 1 April 2009	二零零九年四月一日之結餘	193,014	459	193,185	-	386,658
Employee share option scheme - value of employee services	僱員購股權計劃 - 僱員服務之價值	-	-	-	419	419
Balance as at 31 March 2010	二零一零年三月三十一日 之結餘	193,014	459	193,185	419	387,077
Balance at 1 April 2010	二零一零年四月一日之結餘	193,014	459	193,185	419	387,077
Employee share option scheme - value of employee services	僱員購股權計劃 - 僱員服務之價值	-	-	-	3,637	3,637
Issuance of shares	股份發行	145,500	-	-	-	145,500
Balance as at 31 March 2011	二零一一年三月三十一日 之結餘	338,514	459	193,185	4,056	536,214

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders, subject to the condition that the company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

18 其他儲備 (續)

(b) 本公司

根據百慕達一九八一年公司法案(修定)，繳入盈餘可供分派予股東，但若支付股息後(i)本公司不能支付到期負債，或(ii)其資產之可變現價值將會因而少於其債項及其已發行股本以及股份溢價之合計總額，則本公司不可宣佈、支付股息，或從繳入盈餘作出分派。

19 TRADE AND OTHER PAYABLES

19 貿易及其他應付帳款

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (已重列)	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trade payables	貿易應付帳款				
0 to 90 days	0至90日	281,854	371,913	–	–
91 to 180 days	91至180日	2,352	26,523	–	–
181 to 360 days	181至360日	4,806	2,213	–	–
Over 360 days	360日以上	5,983	4,494	–	–
		294,995	405,143	–	–
Accrual for rental expenses	租金之預提	27,846	23,455	–	–
Accrual for purchase of fixed assets	購買固定資產之預提	18,093	28,654	–	–
Salaries and staff welfare payable	應付薪金及員工之福利	45,728	40,669	–	–
Others	其他	73,737	73,393	4,753	2,720
		165,404	166,171	4,753	2,720
		460,399	571,314	4,753	2,720

The fair values of the Group's trade payables approximate their carrying value.

本集團之貿易應付帳款之公平值與其帳面值相近。

The carrying amounts of the Group's trade payables are denominated in the following currencies:

本集團之貿易應付帳款之帳面值以下列貨幣為單位：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
HK dollar	港元	76,897	86,570
US dollar	美元	178,005	273,829
Renminbi	人民幣	35,689	40,267
Euro	歐羅	1,573	1,220
Japanese Yen	日元	2,612	3,156
Others	其他	219	101
		294,995	405,143

19 TRADE AND OTHER PAYABLES (Cont'd)

The carrying amounts of the Group's accruals and other payables are denominated in the following currencies:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (已重列)
HK dollar	港元	36,247	39,728
US dollar	美元	31,899	33,546
Renminbi	人民幣	97,258	92,897
		165,404	166,171

19 貿易及其他應付帳款 (續)

本集團之應計費用及其他應付帳款之帳面值以下列貨幣為單位：

20 BORROWINGS – GROUP

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (已重列)
Trust receipt loans	信託收據貸款	39,184	41,130
Portion of bank borrowings repayable within one year	一年內償還之銀行借貸之部份	210,000	211,200
Portion of bank borrowings due for repayment after one year which contains a repayment on demand clause	包含按要求償還條款之一年後償還之銀行借貸之部份	115,700	135,500
Total borrowings	借貸總額	364,884	387,830

20 借貸 – 本集團

(a) All borrowings are with a contractual maturity of within one year as a result of the repayment on demand clauses.

(a) 所有借貸因有按要求償還條款，所以合約到期日為一年內。

20 BORROWINGS – GROUP (Cont'd)

(b) The average effective interest rates of the Group's bank borrowings at the balance sheet date are as follows:

		2011 二零一一年	2010 二零一零年
Bank borrowings, at floating rate	銀行借貸·浮息率	1.50%	1.49%
Trust receipt loans	信託收據貸款	2.07%	1.29%

(c) The carrying amounts of the borrowings approximate their fair values and are denominated in HK dollar.

21 DEFERRED TAXATION – GROUP

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 16.5% (2010: 16.5%).

The deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when the deferred income taxes relate to the same tax jurisdiction. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(941)	(1,692)
Deferred tax liabilities	遞延稅項負債	5,340	4,742
		4,399	3,050

As at 31 March 2011, the Group had unprovided deferred tax assets of approximately HK\$4,458,000 (2010: HK\$6,721,000) primarily representing the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities) which can be carried forward indefinitely.

20 借貸 – 本集團 (續)

(b) 本集團於結算日之銀行借貸平均實際利率如下：

		2011 二零一一年	2010 二零一零年
Bank borrowings, at floating rate	銀行借貸·浮息率	1.50%	1.49%
Trust receipt loans	信託收據貸款	2.07%	1.29%

(c) 借貸之帳面金額與其公平值相近及以港元為單位。

21 遞延稅項 – 本集團

遞延稅項採用負債法就暫時差異按主要稅率16.5% (二零一零年：16.5%) 作全數計算。

當有法定權利可將遞延稅項資產與遞延稅項負債抵銷，而遞延所得稅涉及同一稅務機關，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內列帳：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(941)	(1,692)
Deferred tax liabilities	遞延稅項負債	5,340	4,742
		4,399	3,050

於二零一一年三月三十一日，本集團仍未作遞延稅項資產之準備約4,458,000港元 (二零一零年：6,721,000港元)，主要代表累計稅項虧損之稅項影響 (須受有關稅務機關同意)，該金額可無限期結轉。

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21 DEFERRED TAXATION – GROUP (Cont'd)

The movement of the deferred tax assets and liabilities prior to offsetting of balances within the same taxation jurisdiction is as follows:

Deferred tax liabilities

		Accelerated depreciation 加速折舊 HK\$'000 千港元
As at 31 March 2009	二零零九年三月三十一日	7,518
Charged to consolidated income statement	在綜合損益表扣除	679
As at 31 March 2010	二零一零年三月三十一日	8,197
Charged to consolidated income statement	在綜合損益表扣除	34
As at 31 March 2011	二零一一年三月三十一日	8,231

Deferred tax assets

		遞延稅項資產		
		Tax losses 稅項虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合共 HK\$'000 千港元
As at 31 March 2009	二零零九年三月三十一日	(638)	(349)	(987)
Credited to the consolidated income statement	在綜合損益表計入	(4,066)	(94)	(4,160)
As at 31 March 2010	二零一零年三月三十一日	(4,704)	(443)	(5,147)
Charged/(credited) to the consolidated income statement	在綜合損益表扣除/(計入)	1,376	(61)	1,315
As at 31 March 2011	二零一一年三月三十一日	(3,328)	(504)	(3,832)

A summary of deferred tax (assets) and liabilities prior to offsetting of balances within the same taxation jurisdiction is as follows:

21 遞延稅項 – 本集團 (續)

同一徵稅地區之結餘互相抵銷前，遞延稅項資產及負債之變動如下：

遞延稅項負債

同一徵稅地區之結餘互相抵銷前，遞延稅項(資產)及負債之概要如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(3,832)	(5,147)
Deferred tax liabilities	遞延稅項負債	8,231	8,197
		4,399	3,050

22 RETIREMENT BENEFITS OBLIGATIONS – GROUP

(a) Defined contribution plans

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees makes monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. Both the Group’s and the employees’ contributions are subject to a cap of HK\$1,000 per month and thereafter contributions are voluntary.

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes approximately 10% (2010: 10%) of the basic salaries of its employees, and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group’s contributions to the aforementioned pension schemes was approximately HK\$5,200,000 (2010: HK\$3,729,000).

(b) Provision for long service payments

Provision for long service payments represents the Group’s obligations for long service payments to its employees in Hong Kong on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance.

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group’s retirement plans that are attributable to contributions made by the Group. Such long service payment obligations are valued by Mercer Human Resource Consulting Ltd, an independent qualified actuary valuer.

22 退休福利責任 – 本集團

(a) 界定供款計劃

本集團已安排香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金計劃屬於定額供款計劃，由獨立授託人管理。根據強積金計劃，本集團及其僱員每月均按有關僱員之入息（定義見強制性公積金法例）5%對該計劃作出供款。本集團及僱員之每月供款各以1,000港元為上限，其後之供款則屬自願性質。

根據中國大陸法律規定，本集團須向為中國大陸僱員而設置之國家資助退休計劃作出供款。本集團須就其中國僱員基本薪金約10%（二零一零年：10%）作出供款，而對其任何實際退休金支出或退休後福利則毋須作出任何承擔。退休僱員之所有退休金支出一概由國家資助之退休計劃承擔。

於年內本集團就上述退休計劃作出之供款約為5,200,000港元（二零一零年：3,729,000港元）。

(b) 長期服務金準備

長期服務金準備為本集團根據香港《僱傭條例》在若干情況下終止聘用僱員而支付之長期服務金所衍生之責任。

該責任額是以預計單位信貸法計算，並會計算貼現值及扣除本集團退休計劃下本集團供款所佔之應計權益。該長期服務金責任由獨立合資格精算師美世人力資源顧問有限公司估值。

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22 RETIREMENT BENEFITS OBLIGATIONS – GROUP (Cont'd)

(b) Provision for long service payments (Cont'd)

The amounts recognised in the consolidated balance sheet are determined as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Present value of unfunded obligations and liability in the consolidated balance sheet	在綜合資產負債表內未注資責任及負債之現值	9,520	8,264

The amounts recognised in the consolidated income statement are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Interest cost	利息成本	443	664
Net actuarial losses/(gains) recognised	已確認之精算虧損/(收益)	940	(5,329)
Total, included in employee benefit expenses (Note 25)	合計，包括在僱員福利開支內(附註25)	1,383	(4,665)

The above charges/(credit) were included in general and administrative expenses.

22 退休福利責任 – 本集團 (續)

(b) 長期服務金準備 (續)

在綜合資產負債表確認之金額按下列方式釐定：

在綜合損益表確認之金額如下：

以上支出/(計入)包括在一般及行政費用內。

Movements of the provision for long service payments of the Group are as follows:

本集團長期服務金準備變動如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Beginning of the year	年初	8,264	12,929
Provision/(reversal of provision) for current year (Note 25)	本年度準備/(準備之回撥)(附註25)	1,383	(4,665)
Payments made during the year	年內已付供款	(127)	–
End of the year	年底	9,520	8,264

22 RETIREMENT BENEFITS OBLIGATIONS – GROUP (Cont'd)

(b) Provision for long service payments (Cont'd)

The principal actuarial assumptions used were as follows:

		2011 二零一一年 Per annum 每年	2010 二零一零年 Per annum 每年
Discount rate	貼現率	2.90%	2.90%
Expected rate of future salary increases	未來薪酬之預期增長率	3.50%	3.00%

23 REVENUE

22 退休福利責任 – 本集團 (續)

(b) 長期服務金準備 (續)

採用之主要精算假設如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Turnover	營業額		
Sales of merchandise from	銷售		
– Metal and plastic business	– 五金塑膠業務	915,010	836,881
– Electronic manufacturing services business	– 電子專業代工業務	1,676,091	1,403,883
		2,591,101	2,240,764
Other gains	其他收益		
Rental income	租金收入	4,322	3,220
Management fee income	管理費收入	2,376	1,188
Gain on disposal of interest in an associate	出售聯營公司權益之收益	7,600	–
		14,298	4,408
Total revenue	收入總額	2,605,399	2,245,172

23 收入

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24 EXPENSES BY NATURE

24 按性質分類之費用

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (已重列)
Raw materials and consumables used	使用之原材料及消耗品	1,959,585	1,724,786
Changes in inventories of finished goods and work in progress	製成品及半製成品之存貨變動	140,060	113,215
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備之折舊 (附註7)	49,355	47,047
Amortisation of land use rights (Note 6)	土地使用權之攤銷(附註6)	1,129	1,221
Employee benefit expenses (including directors' emoluments) (Note 25)	僱員福利開支(包括董事酬金) (附註25)	324,169	252,276
Operating lease rental of premises	物業之經營租賃租金	13,624	13,082
Net exchange (gain)/loss	匯兌(收益)/虧損淨額	(1,208)	877
Auditor's remuneration	核數師酬金	1,838	1,580
Reversal of provision for impairment of trade and other receivables (Note 12)	貿易及其他應收帳款減值 之回撥(附註12)	(4,466)	-
Provision for obsolete and slow-moving inventories (Note 13)	陳舊及滯銷存貨準備 (附註13)	4,592	3,667
Net loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損/(收益)淨額	1,609	(658)
Gain on disposal of leasehold land and land use rights	出售租賃土地及土地使用權 之收益	-	(845)
Other expenses	其他開支	83,398	81,040
		2,573,685	2,237,288
Representing:	代表：		
Cost of sales	銷售成本	2,413,669	2,093,154
Distribution and selling expenses	分銷及銷售費用	32,883	27,276
General and administrative expenses	一般及行政費用	127,133	116,858
		2,573,685	2,237,288

25 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS

(a) Employee benefit expenses during the year are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Wages and salaries	薪酬及工資	313,949	252,793
Pension costs – defined contribution plans	退休成本 – 界定供款計劃	5,200	3,729
Provision/(reversal of provision) for long service payments (Note 22)	長期服務金準備/(準備之回撥)(附註22)	1,383	(4,665)
Share option expenses for options granted to directors and employees	授予董事及僱員購股權之支出	3,637	419
		324,169	252,276

(b) Directors and senior management

The remuneration of each Director for the year ended 31 March 2011 is set out below:

25 僱員福利支出 – 包括董事酬金

(a) 年內僱員福利支出如下：

(b) 董事及高級管理人員

截至二零一一年三月三十一日止年度各董事之酬金列表如下：

Name of Director	Fees	Salary ¹	Discretionary bonuses	Employer's contribution to pension scheme	Total
董事名稱	袍金	薪金	酌情發放之花紅	僱主退休金計劃之供款	合共
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Executive director</i> 執行董事					
Mr. Ho Cheuk Fai	–	4,436	370	12	4,818
Mr. Kwok Wing Kin, Francis	–	1,400	76	12	1,488
Mr. Lee Shu Ki	–	1,170	248	12	1,430
Ms. Chan Ming Mui, Silvia	–	279	190	5	474
<i>Non-executive director</i> 非執行董事					
Mr. Ho Cheuk Ming	277	243	–	–	520
<i>Independent non-executive director</i> 獨立非執行董事					
Mr. So Wai Chun	99	–	–	–	99
Mr. Chan Shui Sum, Raymond	99	–	–	–	99
Mr. Fong Hoi Shing	59	–	–	–	59

25 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

(b) Directors and senior management (Cont'd)

The remuneration of each Director for the year ended 31 March 2010 is set out below:

Name of Director	Fees	Salary ¹	Discretionary bonuses	Employer's contribution to pension scheme	Total
董事名稱	袍金	薪金 ¹	酌情發放之花紅	僱主退休金計劃之供款	合共
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Executive director</i> 執行董事					
Mr. Ho Cheuk Fai	–	4,436	370	12	4,818
Mr. Kwok Wing Kin, Francis	–	922	324	12	1,258
Mr. Lee Shu Ki	–	841	208	12	1,061
<i>Non-executive director</i> 非執行董事					
Mr. Ho Cheuk Ming	266	22	–	–	288
<i>Independent non-executive director</i> 獨立非執行董事					
Mr. So Wai Chun	95	–	–	–	95
Mr. Chan Shui Sum, Raymond	95	–	–	–	95
Mr. Fong Hoi Shing	57	–	–	–	57

¹ Included fair value of share options charged to the consolidated income statement during the year.

No directors waived any emoluments during the year (2010: Nil). No incentive payment for joining the Group or compensation for loss of office was paid/payable to any director during the year (2010: Nil).

25 僱員福利支出 – 包括董事酬金 (續)

(b) 董事及高級管理人員 (續)

截至二零一零年三月三十一日止年度各董事之酬金列表如下：

Name of Director	Fees	Salary ¹	Discretionary bonuses	Employer's contribution to pension scheme	Total
董事名稱	袍金	薪金 ¹	酌情發放之花紅	僱主退休金計劃之供款	合共
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Executive director</i> 執行董事					
Mr. Ho Cheuk Fai	–	4,436	370	12	4,818
Mr. Kwok Wing Kin, Francis	–	922	324	12	1,258
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<i>Non-executive director</i> 非執行董事					
Mr. Ho Cheuk Ming	266	22	–	–	288
<i>Independent non-executive director</i> 獨立非執行董事					
Mr. So Wai Chun	95	–	–	–	95
Mr. Chan Shui Sum, Raymond	95	–	–	–	95
Mr. Fong Hoi Shing	57	–	–	–	57

¹ 包括年內在綜合損益表扣除之購股權公平值。

於年內無董事放棄酬金(二零一零年：無)，亦無已付或應付款項給予任何董事以吸引其加盟本集團或失去職位之補償(二零一零年：無)。

25 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2010: three) Directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2010: two) individuals during the year are as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Basic salaries and allowances ¹	基本薪金及津貼 ¹	1,748	1,731
Discretionary bonus	酌情發放之花紅	230	117
Pension costs – defined contribution plans	退休金成本 – 界定供款計劃	24	24
		2,002	1,872

The emoluments fell within the following band:

		Number of individuals 人士數目	
		2011 二零一一年	2010 二零一零年
Nil to HK\$1,000,000	零至1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	–

¹ Included the amounts of share-based compensation, which are determined based on the fair value of the share options granted to the relevant employees at the date of grant and recognised over the vesting period.

No emolument was paid to the five highest paid individuals (including Directors and other employees) as compensation for loss of office during the year (2010: Nil).

25 僱員福利支出 – 包括董事酬金 (續)

(c) 五名最高薪酬人士

本年度集團五名最高薪酬之人士包括三名(二零一零年: 三名)董事, 其酬金已載於上文分析。於年內其餘二名(二零一零年: 二名)最高薪人士之應付酬金如下:

該等酬金在下列組合範圍內:

¹ 這包括以股權支付之酬金, 該酬金根據授予有關僱員購股權時之公平值釐定及在歸屬期內入帳。

於年內五名最高薪人士(包括董事及其他職員)並無獲任何酬金作為失去職位之補償(二零一零年: 無)。

26 FINANCE INCOME AND COSTS

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Finance costs	財務成本		
– Interest expenses on bank borrowings wholly repayable within five years	– 於五年內全數償還之銀行借貸利息開支	6,871	5,392
Finance income	財務收入		
– Interest income from bank deposits	– 銀行利息收入	(2,267)	(3,312)
Net finance costs	財務成本淨額	4,604	2,080

26 財務收入及成本

27 INCOME TAX EXPENSES/(CREDIT)

The Company is a company incorporated in Bermuda but exempted from Bermuda taxation until 2016. Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year for all group companies incorporated in Hong Kong.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rate of taxation prevailing in the countries in which the group operates.

The amount of taxation charged/(credited) to the consolidated income statement represents:

27 所得稅支出／(計入)

本公司乃於百慕達成立之公司，獲豁免繳交百慕達稅項至二零一六年。所有於香港成立之本集團公司乃根據本年之估計應課稅溢利按16.5%（二零一零年：16.5%）之稅率計提香港利得稅準備。

海外溢利之稅款則按照本年度估計應課稅溢利依本集團經營業務所在國家之現行稅率計算。

在綜合損益表支銷／(計入)之稅項如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
Current taxation:	現行稅項：		
– Hong Kong profits tax	– 香港利得稅		
– current year	– 本年度	5,205	2,960
– under/(over)-provision in prior years	– 往年之不足／(超額)準備	15,439	(1,312)
– Overseas taxation	– 海外所得稅		
– current year	– 本年度	1,568	1,568
– over-provision in prior years	– 往年之超額準備	(18,824)	(5,723)
Deferred taxation (Note 21)	遞延稅項(附註21)	1,349	(3,481)
Income tax expense/(credit)	所得稅支出／(計入)	4,737	(5,988)

During the year ended 31 March 2011, certain subsidiaries of the Group received from the Inland Revenue Department of Hong Kong additional assessments and/or enquiries regarding their tax assessments for prior years in respect of certain income, which the directors have regarded as not subject to Hong Kong profits tax. The directors are of the opinion that the Group should have adequate reasons to defend against such additional assessments. Nevertheless, given the uncertainty involved, the directors decide to make a provision for such tax exposure amounting to HK\$16,175,000 during the year ended 31 March 2011.

於截至二零一一年三月三十一日止年度，若干集團附屬公司收到香港稅務局之追加評稅以及／或對以前年度若干收益評稅之詢問，董事認為該些收益無需繳付香港利得稅。董事認為本集團有充足之理據對該追加評稅作出抗辯。無論如何，基於存在不確定因素，於二零一一年三月三十一日止年度，董事決定對該些稅項風險作出16,175,000港元之準備。

27 INCOME TAX EXPENSES/(CREDIT) (Cont'd)

In prior years, the Group had made provision for overseas taxation based on the estimated taxable profits arising from their respective operating countries outside Hong Kong. The directors have undertaken a review of the Group's overseas tax provision as at 31 March 2011 and have determined that a provision for overseas tax of HK\$18,824,000 would no longer be required and should be derecognised. Consequently, the amount of HK\$18,824,000 was credited to the consolidated income statement during the year ended 31 March 2011.

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the profits tax rate in Hong Kong, the Group's home country, as follows:

27 所得稅支出／(計入)(續)

於以前年度，本集團已對在香港境外經營所產生之估計應評稅溢利作出準備。董事已對於二零一一年三月三十一日之本集團海外稅項準備進行檢查，及已確定18,824,000港元之海外稅項準備不再需要及應予以沖銷。因此，於截至二零一一年三月三十一日止年度將18,824,000港元之海外稅項準備計入綜合損益表中。

本集團有關除稅前溢利之稅項與假若採用香港之利得稅率（本集團本土之國家）而計算之理論稅額之差異如下：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)
Profit before taxation	除稅前溢利	27,070	3,122
Calculated at a taxation rate of 16.5% (2010: 16.5%)	按稅率16.5% (二零一零年：16.5%) 計算	4,467	515
Effect of different taxation rate in other countries	在其他國家稅率差異之影響	105	568
Income not subject to taxation	無須課稅之收入	(5,984)	(9,598)
Expenses not deductible for taxation purposes	不可扣稅之支出	3,703	7,709
Over-provision of overseas taxation in prior years	往年之海外稅項之 超額準備	(18,824)	(5,723)
Under/(over)-provision of Hong Kong taxation in prior years	往年之香港稅項之不足 準備／(超額準備)	15,439	(1,312)
Utilisation of previously unrecognised tax losses	使用往年未確認稅務虧損	(441)	(2,717)
Tax losses for which no deferred income tax asset was recognised	未確認之遞延所得稅之稅項虧損	6,272	4,570
Income tax expenses/(credit)	所得稅支出／(計入)	4,737	(5,988)

28 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$6,029,000 (2010: HK\$7,025,000).

29 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2011 二零一一年	2010 二零一零年
Profit attributable to equity holders of the Company (in HK\$'000)	本公司權益持有人應佔溢利 (千港元計)	21,223	12,497
Weighted average number of ordinary shares in issue (in thousand shares)	已發行普通股之加權平均數 (千股計)	628,122	577,098
Basic earnings per share (HK cents per share)	每股基本溢利 (每股以港仙計)	3.4	2.2

There was no dilutive effect on earnings per share for both years ended 31 March 2010 and 2011 since all outstanding share options were anti-dilutive.

28 本公司權益持有人應佔溢利

本公司權益持有人應佔溢利約6,029,000港元(二零一零年：7,025,000港元)，已於本公司之財務報表中處理。

29 每股溢利

每股基本溢利乃根據本公司權益持有人應佔溢利除以年內已發行之普通股加權平均數計算。

由於所有未行使之購股權皆有反攤薄性，故對截至二零一零年及二零一一年三月三十一日止兩個年度之每股溢利沒有攤薄之影響。

30 DIVIDENDS

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Interim dividend, declared, of Nil (2010: Nil) per ordinary share	已付中期股息－每普通股無 (二零一零年：無)	—	—
Final dividend, proposed, of HK1.1 cents (2010: HK1 cent) per ordinary share	擬派末期股息－每普通股1.1港仙 (二零一零年：1港仙)	9,549	5,771
		9,549	5,771

30 股息

31 ACQUISITION OF A SUBSIDIARY

On 22 October 2010, the Group entered into a sales and purchase agreement with Castfast Properties Development Co., Limited, a connected party of the Company, to acquire 100% equity interest in 宜興嘉利商務大廈開發有限公司 at a consideration of approximately RMB105,120,000 (equivalent to HK\$123,680,000); which was satisfied by the issue of 291,000,000 ordinary shares of HK\$0.10 of each of the Company. The acquisition was completed on 27 January 2011. 宜興嘉利商務大廈開發有限公司 is engaged in the development of commercial properties in Yixing, Mainland China.

The carrying amounts of assets and liabilities as of the completion date are as follows:

31 收購附屬公司

於二零一零年十月二十二日，本集團與關連公司嘉輝房地產拓展有限公司訂立買賣協議，以約人民幣105,120,000元之代價（相等於約123,680,000港元）收購宜興嘉利商務大廈開發有限公司全部現有權益；以每股0.1港元發行291,000,000股普通股為代價。宜興嘉利商務大廈開發有限公司主要於中國宜興從事發展商業樓宇。

於完成收購日資產及負債之帳面值如下：

		2011 二零一一年 HK\$'000 千港元
Net assets acquired	收購之資產淨值	
Land use right	土地使用權	75,659
Property, plant and equipment	物業、廠房及設備	32,696
Prepayments, deposits and other receivables	預付款、按金及其他應收帳款	28,497
Cash and bank balances	現金及銀行結存	115
Accruals and other payables	應計費用及其他應付帳款	(75)
		136,892
Excess of the cost of acquisition over the fair value of net assets	收購價超過淨資產之公平值	37,708
Total consideration satisfied by issue of shares	以股代價之總收購價	174,600
Cash inflow in respect of the acquisition of a subsidiary	收購附屬公司產生之現金流入	115

The excess of the cost of acquisition over the fair value of net assets represents the difference between the fair value of the shares issued in connection with the acquisition of 宜興嘉利商務大廈開發有限公司 calculated based on the share price of the Company of HK\$0.60 at the completion date of the transaction and 291,000,000 shares issued, and the fair value of the net assets of 宜興嘉利商務大廈開發有限公司 at the completion date of the transaction.

收購價超過淨資產之公平值是指收購宜興嘉利商務大廈開發有限公司根據本公司以完成收購日之股票價格0.60港元而發行291,000,000股份之代價所計算之公平值與宜興嘉利商務大廈開發有限公司完成收購日淨資產之公平值之差額。

32 COMMITMENTS AND CONTINGENT LIABILITIES

The Group and the Company had the following significant commitments and contingent liabilities which were not provided for in the consolidated financial statements:

(a) Capital commitments

The Group had the following authorised and contracted capital commitments as at 31 March 2011:

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Construction of investment properties in Mainland China	於中國大陸興建投資物業	71,850	–	–	–
Purchase of property, plant and equipment	購買物業、廠房及設備	2,141	6,815	–	–
		73,991	6,815	–	–

(b) Operating lease commitments

The Group had lease commitments in respect of land and buildings under various non-cancellable operating lease agreements extending to October 2055. The total commitments payable are analysed as follows:

		Group 本集團		Company 本公司	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Amounts payable	應付金額				
Not later than one year	不超過一年	6,920	9,147	–	–
Later than one year and not later than five years	超過一年及不超過五年	26,625	26,335	–	–
More than five years	超過五年	254,217	256,749	–	–
		287,762	292,231	–	–

32 承擔及或然負債

本集團及本公司有以下未有在本綜合財務報表上計提準備之重要承擔及或然負債：

(a) 資本承擔

於二零一一年三月三十一日，本集團有以下已授權及簽約之資本承擔：

(b) 經營租賃承擔

本集團有多項期限至二零五五年十月不可撤銷之房地產經營租賃協議。總應付承擔分析如下：

32 COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

(b) Operating lease commitments (Cont'd)

The Group had future minimum lease rental receivable under non-cancellable operating leases as follows:

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Not later than one year	不超過一年	846	783
Later than one year but not later than five years	超過一年但不超過五年	1,031	1,595
		1,877	2,378

(c) Guarantees

As at 31 March 2011, the Company has given guarantees totalling approximately HK\$1,167,038,000 (2010: HK\$1,229,790,000) to financial institutions in connection with the banking facilities granted to its subsidiaries. Such banking facilities utilised as at 31 March 2011 amounted to approximately HK\$364,884,000 (2010: HK\$387,830,000).

33 BANKING FACILITIES

As at 31 March 2011, the Group's banking facilities were secured by corporate guarantees provided by the Company and certain of its subsidiaries.

32 承擔及或然負債 (續)

(b) 經營租賃承擔 (續)

本集團有以下不可撤銷經營租賃之未來最低應收租金：

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Not later than one year	不超過一年	846	783
Later than one year but not later than five years	超過一年但不超過五年	1,031	1,595
		1,877	2,378

(c) 擔保

於二零一一年三月三十一日，本公司給予財務機構有關提供銀行融資予其他附屬公司之總擔保金額約為1,167,038,000港元（二零一零年：1,229,790,000港元）。於二零一一年三月三十一日，已使用之銀行融資約為364,884,000港元（二零一零年：387,830,000港元）。

33 銀行融資

於二零一一年三月三十一日，本集團銀行融資以本公司及若干附屬公司之公司擔保作抵押。

34 RELATED PARTY TRANSACTIONS

Related party is a party that is related to the Group if directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group (including the Company or its wholly or non-wholly owned subsidiaries); or the party has an interest in the Group that gives it significant influence over the Group; or the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual who is a member of the key management personnel of the Group.

(a) Transactions with related parties

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Sales of goods and services:	銷售貨物及服務：		
Sales of finished goods to an associated company	銷售予聯營公司製成品	23,878	798
Purchase of goods and services:	購買貨物及服務：		
Purchase of raw materials from an associated company	向聯營公司購買原材料	1,612	1,287
Others:	其他：		
Rental income from an associated company	向聯營公司收取租金收入	2,504	1,188
Management service fee income from an associated company	向聯營公司收取管理費收入	2,376	1,188
Rental charged by a related company	支付租金予關連公司	1,594	1,594
Consultancy service fee charged by an associated company	支付顧問費用予聯營公司	120	-
Acquisition of a subsidiary from a related company	向關連公司收購附屬公司	174,600	-

In the opinion of the directors, the above related party transactions were carried out in the normal course of business of the Group and on terms as agreed with the related companies.

34 關連人士交易

關連人士為一人士直接或間接透過一個或多個中間人士，控制本集團，被本集團（包括本公司或其全資或非全資之附屬公司）控制或與本集團受共同控制之人士；或該人擁有本集團之權益，而該權益給予其對本集團行駛重大影響力；或該人士為一被任何本集團能行駛重大投票權之主要管理人員直接或間接控制、共同控制或行駛重大影響力之個體。

(a) 與關連人士之交易

根據董事之意見，以上關連交易是按照本集團日常之業務及與關連公司協定之條款而進行。

34 RELATED PARTY TRANSACTIONS (Cont'd)

(b) Balance with related parties

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Amount due to an associated company	應付聯營公司帳款	357	305
Amount due from an associated company	應收聯營公司帳款	3,779	10,226

(c) Key management compensation

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Wages, salaries, allowances and bonuses	薪酬、工資、津貼及花紅	17,281	14,984
Pension costs – defined contribution plan	退休成本 – 界定供款計劃	168	165
		17,449	15,149

(d) Ultimate controlling party

The directors regard Equity Trust (B.V.I.) Limited, which beneficially owns 47.09% in the Company's shares, to be the ultimate controlling party of the Company. Mr. Ho Cheuk Fai, Ms. Ho Po Chu, their children under 18 and Mr. Ho Cheuk Ming are the beneficial owners of the Equity Trust (B.V.I.) Limited.

35 NON-CASH TRANSACTION

The principal non-cash transaction is the issue of shares as consideration for the acquisition of a subsidiary as disclosed in note 31.

34 關連人士交易 (續)

(b) 與關連人士之結餘

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Amount due to an associated company	應付聯營公司帳款	357	305
Amount due from an associated company	應收聯營公司帳款	3,779	10,226

(c) 主要管理層酬金

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Wages, salaries, allowances and bonuses	薪酬、工資、津貼及花紅	17,281	14,984
Pension costs – defined contribution plan	退休成本 – 界定供款計劃	168	165
		17,449	15,149

(d) 最終控制人士

董事認為Equity Trust (B.V.I.) Limited，持有本公司47.09%股份利益，並擁有公司之最終控制權。何焯輝先生、何寶珠女仕、他們18歲以下之子女及何卓明先生為Equity Trust (B.V.I.) Limited之受益人。

35 非現金交易

如附註31所詳載，主要之非現金交易為以股代價發行股份收購附屬公司。

Five-Year Financial Summary

五年財務摘要

For the year ended 31 March 2011

截至二零一一年三月三十一日止年度

The results of the Group for the last five financial years ended 31 March 2011 and the assets and liabilities of the Group as at 31 March 2007, 2008, 2009, 2010 and 2011 are as follows:

本集團截至二零一一年三月三十一日止五個財政年度之業績，二零零七年、二零零八年、二零零九年、二零一零年及二零一一年三月三十一日之資產及負債如下：

CONSOLIDATED RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)	2009 二零零九年 HK\$'000 千港元 (restated) (已重列)	2008 二零零八年 HK\$'000 千港元 (restated) (已重列)	2007 二零零七年 HK\$'000 千港元 (restated) (已重列)
Revenue	收入	2,605,399	2,245,172	2,463,926	2,802,974	3,328,097
Operating profit	經營溢利	31,714	7,884	24,834	29,420	154,062
Finance income	財務收入	2,267	3,312	10,071	14,853	11,104
Finance costs	財務成本	(6,871)	(5,392)	(12,888)	(20,071)	(23,764)
Share of (loss)/profit of associated companies	應佔聯營公司溢利／(虧損)	(40)	(2,682)	201	-	-
Profit before taxation	除稅前溢利	27,070	3,122	22,218	24,202	141,402
Taxation	稅項	(4,737)	5,988	(1,785)	(11,054)	(16,474)
Profit for the year	本年度溢利	22,333	9,110	20,433	13,148	124,928
Profit/(loss) attributable to Equity holders of the company	本公司權益持有人應佔溢利	21,223	12,497	22,081	13,148	124,928
Non-controlling interests	非控股權益	1,110	(3,387)	(1,648)	-	-
		22,333	9,110	20,433	13,148	124,928

The Group adopts the relevant new/revised standards and interpretations of Hong Kong Financial Reporting Standards as described in Note 2.1(a) and revises classification of certain financial statement items in the consolidated income statement and the consolidated balance sheet as described in Note 2.24. Figures for the prior years have been reclassified to conform with the current year's presentation.

如附註2.1(a)所詳載，本集團已採納有關香港財務報告準則之新增／經修訂準則及詮釋，及如附註2.24所詳載，綜合收益表及綜合資產負債表內部份財務報表項目重新分類。往年之數字已按本年度呈列要求重新分類。

Five-Year Financial Summary

五年財務摘要

For the year ended 31 March 2011
截至二零一一年三月三十一日止年度

CONSOLIDATED ASSETS AND LIABILITIES

綜合資產負債

		As at 31 March 於三月三十一日				
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (restated) (已重列)	2009 二零零九年 HK\$'000 千港元 (restated) (已重列)	2008 二零零八年 HK\$'000 千港元 (restated) (已重列)	2007 二零零七年 HK\$'000 千港元 (restated) (已重列)
ASSETS	資產					
Non-current assets	非流動資產	688,084	579,007	508,778	452,388	318,119
Current assets	流動資產	1,076,260	1,158,446	1,357,052	1,199,646	1,303,248
Total assets	資產總值	1,764,344	1,737,453	1,865,830	1,652,034	1,621,367
EQUITY	權益					
Share capital	股本	86,810	57,710	57,710	57,720	41,228
Reserves	儲備	773,327	644,363	640,459	617,697	514,970
		860,137	702,073	698,169	675,417	556,198
Non-controlling interests	非控股權益	40,513	39,403	43,026	424	424
		900,650	741,476	741,195	675,841	556,622
LIABILITIES	負債					
Non-current liabilities	非流動負債	14,860	13,006	19,809	18,546	13,589
Current liabilities	流動負債	848,834	982,971	1,104,826	957,647	1,051,156
Total liabilities	負債總值	863,694	995,977	1,124,635	976,193	1,064,745
Total equity and liabilities	權益及負債總值	1,764,344	1,737,453	1,865,830	1,652,034	1,621,367

The Group adopts the relevant new/revised standards and interpretations of Hong Kong Financial Reporting Standards as described in Note 2.1(a) and revises classification of certain financial statement items in the consolidated income statement and the consolidated balance sheet as described in Note 2.24. Figures for the prior years have been reclassified to conform with the current year's presentation.

如附註2.1(a)所詳載，本集團已採納有關香港財務報告準則之新增／經修訂準則及詮釋，及如附註2.24所詳載，綜合收益表及綜合資產負債表內部份財務報表項目重新分類。往年之數字已按本年度呈列要求重新分類。

