



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

事無大小
用❤去做



DEDICATION IN ALL DETAILS

Annual Report

2005 / 06 年報



DO YOU KNOW
你知道嗎？

Business

- ♥ Karrie is a manufacturer of computer casings, paper cassettes, magnetic tape drives, laser printers, digital photo printers, multifunctional fax machines and other metal & plastic products
- ♥ Celebrated its 25th anniversary in 2005
- ♥ Shipping products to mostly computer and office equipment blue chips companies of the world on an open account basis
- ♥ With less than 20% in direct shipment to the North America
- ♥ In most cases sole supplier to customers for the particular projects confirmed
- ♥ Adding HK\$1,029,551,000 amount in turnover in 2005/2006 alone
- ♥ Has a turnover of only HK\$661,887,000 in 1999/2000 vs the current year turnover of HK\$3,592,741,000
- ♥ Operating on a cost plus pricing basis with most of the raw materials purchased either directly from the customers or from customers-designated vendors and thus avoiding the problems of fluctuating raw material price

Dividend, Capex & Finance

- ♥ An unbroken 9 years of dividend payment record
- ♥ A ROE of over 30%
- ♥ Building a third plant in Yu Quan, Dongguan, China in a site area bigger than the combined site areas of the two existing plants in Fenggang and Yantian.
- ♥ Reducing net gearing ratio from 56% as at 31 March 2005 to 21% as at 31 March 2006 in a year of 40% increase in turnover

Corporate Governance and others

- ♥ Moving toward a professionally managed enterprise as the Group is managed on an operational basis by an Executive Committee comprising a team of professional managers
- ♥ Has been named as one of the best-managed companies for three consecutive years in the prestigious Asiamoney Poll, including the best small cap title in 2005
- ♥ Pioneered the novel concept of 'tea-break with individual investors' in creating a separate platform of direct communication for individual investors
- ♥ Awarded the title of 'Caring Company' by the Hong Kong Council of Social Services in 2006

業務

- ♥ 嘉利是一間從事生產電腦外殼、影印機紙盤、磁帶解碼機、鐳射打印機、數碼相片打印機、多功能傳真機及其他五金及塑膠製品的公司。
- ♥ 於二零零五年慶祝成立二十五週年紀念
- ♥ 付運予世界知名的大型藍籌企業之電腦週邊及辦公室文儀產品均是採用放帳形式的
- ♥ 直接付運到北美洲的產品少於20%
- ♥ 通常是客戶個別產品項目之唯一供應商
- ♥ 單單於二零零五／零六年度營業額之升幅為1,029,551,000港元
- ♥ 本年度之營業額為3,592,741,000港元，對比一九九九／二零零零年度之營業額僅為661,887,000港元
- ♥ 在「成本加利潤報價模式」運作下，大部份原料均從客戶或其指定供應商直接採購，因而可避免原料價格波動所帶來的影響

股息、固定資產投資及融資

- ♥ 連續九年保持派息記錄
- ♥ 股東權益回報率超過30%
- ♥ 興建中的中國東莞玉泉第三廠房之佔地面積比起現有之鳳崗及雁田兩個廠房加起來還要大
- ♥ 縱然二零零五／零六年度之營業額上升達40%，但淨銀行借貸比率仍能從二零零五年三月三十一日的56%下降至本年度的21%

企業管治及其他

- ♥ 集團日常營運透過一班由專業管理人員所組成的執行委員會運作，逐步邁向專業管理企業
- ♥ 已連續三年獲「亞洲貨幣雜誌」推許為「最佳管理公司」之一，而二零零五年更獲選為「小型企業」第一名
- ♥ 開創與個人投資者直接溝通的先河，舉辦「與個人投資者茶敘」
- ♥ 於二零零六年獲香港社會服務聯會頒發「商界展關懷」標誌

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SIMPLE ARITHMETIC

HK\$3,592,741,000 – HK\$2,563,190,000 = HK\$1,029,551,000

This figure represents the net increase in turnover for the year 2005/06 as compares to the previous financial year. Karrie turnover was only HK\$661,887,000 back in 1999/2000. You may want to ask:

– Why did the customers place so much confidence in Karrie?
– How did the production people handle such huge increase in shipment? Or the procurement department in arranging shipment of raw materials? Or the Personnel Department in catering for the everyday requirements of the workforce in China (accommodation, meals, health issues)? And how.....

“Team Karrie” achieved this minor miracle as our colleagues, from the always-in-the-air marketing directors to the duty-obsessed production supervisors exercised their heartfelt dedication in all details. Their individual pursuit of perfection and incremental improvement provided the collective momentum turning the impossible into possible.

Because of the importance of the contribution of our colleagues, we focus our attention on them rather than the boring machines and factory premises. Look at their smiling faces and then you would visualize their passion and appreciate why Karrie was voted as one of the best-managed companies in Hong Kong in the annual Asiamoney Poll for past three consecutive years.

簡單算術

3,592,741,000港元 – 2,563,190,000港元 = 1,029,551,000港元

這數字代表二零零五／零六年度營業額對比上年度之淨增長，回顧嘉利於一九九九／二零零零年度之營業額僅為661,887,000港元，你或許會問：

－為何客戶會對嘉利如此充滿信心？
－生產部門如何處理這龐大的付運需求？採購部門又如何安排足夠物料生產？行政人事部又如何配合國內每天對勞工之需求（住宿、膳食、健康等）？又或者……

「嘉利團隊」能取得這小小的奇蹟，全賴一班用心去做的員工，從經常往海外出差的市場部總監們以至是責任心重的生產主管，他們每天不斷逐步改善，務求可以做到盡善盡美，匯集成集團的動力使不可能變為可能。

我們對於員工每一分付出都極為珍惜，所以我們認為年報的重心應以他們為主要對象，而非沉悶的機器和廠房。看到他們一張張開心的笑臉，你便可以感染到他們對工作的熱誠，更可領略到嘉利為何能連續三年於「亞洲貨幣雜誌」選舉中被推許為香港最佳管理公司之一了。

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Corporate Information 公司資料

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. HO Cheuk Ming (*Deputy Chairman & COO*)
Mr. KWOK Wing Kin, Francis (*Deputy Chairman*)
Mr. LEE Shu Ki
Mr. WONG Shun Pang

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. LEE Shu Ki (appointed on 22 May 2006)
Ms. MAN Tuen Tuen (resigned on 22 May 2006)

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*)
何卓明先生 (*副主席兼營運總裁*)
郭永堅先生 (*副主席*)
李樹琪先生
黃順鵬先生

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

薪酬委員會

蘇偉俊先生
陳瑞森先生
何卓明先生

公司秘書

李樹琪先生 (二零零六年五月二十二日獲委任)
文端端小姐 (二零零六年五月二十二日辭任)

Corporate Information 公司資料

AUDITORS

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

PRINCIPAL BANKERS

Hang Seng Bank
83 Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai
Banking Corporation Limited
1 Queen's 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 Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
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

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

恒生銀行
香港德輔道中83號

香港上海匯豐銀行
有限公司
香港皇后大道中1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 Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
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 2006

Announcement of 2005/2006 results

29 June 2006

Last day to register for 2005/2006

Final and Special Dividends

28 July 2006

Annual General Meeting

4 August 2006

2005/2006 Final and

Special Dividend Payment Date

17 August 2006

Financial Year End

31 March 2006

SHARE CAPITAL

二零零六年財務年誌

二零零五年／零六年度業績公佈日期

二零零六年六月二十九日

二零零五年／零六年度末期及特別股息

最後登記日期

二零零六年七月二十八日

股東週年大會

二零零六年八月四日

二零零五年／零六年度末期及特別股息

派息日

二零零六年八月十七日

財務年結日

二零零六年三月三十一日

股本

		As at 截至	
		31 March 2006	15 June 2006
		二零零六年 三月三十一日	二零零六年 六月十五日
Authorised (HK\$)	法定 (港元)	80,000,000	80,000,000
Issued (HK\$)	已發行 (港元)	41,051,200	41,162,200

ANALYSIS OF SHAREHOLDING STRUCTURE AND SHAREHOLDER DISTRIBUTION

As at 31 May 2006, the Company had 411,622,000 shares in issue of which approximately 45.6%⁽¹⁾ was held by the public. As at that date, the Company had a total of 374 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 31 May 2006:

股權結構及股東分佈之分析

截至二零零六年五月三十一日，本公司共發行股份411,622,000股，其中公眾持股量約佔45.6%⁽¹⁾。截至同日，本公司擁有註冊股東374名。根據股東名冊及中央結算交收系統於二零零六年五月三十一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。

Key Information for Shareholders 股東主要資料

ANALYSIS OF SHAREHOLDING STRUCTURE AND SHAREHOLDER DISTRIBUTION (Cont'd)

股權結構及股東分佈之分析 (續)

Category 類別		Number of registered shareholders 註冊 股東數量	% of number of shareholders 佔註冊 股東比例%	Number of shares 持股數量	% of total issued share capital 佔已發行 股份比例%
Pearl Court Company Limited		1	0.3%	172,200,000	41.83%
Ho's family ⁽²⁾	何氏家族 ⁽²⁾	3	0.8%	49,180,000	11.95%
Directors ⁽³⁾	董事 ⁽³⁾	3	0.8%	2,760,000	0.67%
Value Partners Limited ⁽⁴⁾	Value Partners Limited ⁽⁴⁾	1	0.3%	41,020,000	9.97%
Individuals	個人投資者	182	48.6%	13,322,750	3.24%
Institutions, corporates and nominees	機構投資者、企業 投資者及代理人	184	49.2%	133,139,250	32.34%
Total	合計	374	100.0%	411,622,000	100.0%

Note:

備註:

- | | |
|--|--|
| (1) Public shareholding represents shares held by the public, excluding those held by Pearl Court Company Limited, Ho's family and Directors of the Company. | (1) 公眾持股量代表(除Pearl Court Company Limited、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) Ho's family comprises Mr. Ho Cheuk Fai, Chairman and Chief Executive Officer, Mr. Ho Cheuk Ming, Deputy Chairman and Chief Operating Officer, and Ms. Ho Po Chu. | (2) 何氏家族由何焯輝先生(主席兼行政總裁)、何卓明先生(副主席兼營運總裁)及何寶珠女士組成。 |
| (3) Directors represent Directors of the Company excluding Mr. Ho Cheuk Fai and Mr. Ho Cheuk Ming. | (3) 董事代表(除何焯輝先生及何卓明先生外)本公司之董事。 |
| (4) Latest information up-dated to 31 May 2006 as provided by Value Partners Limited. | (4) 此乃Value Partners Limited所提供之更新截至二零零六年五月三十一日之最新資料。 |

As at 31 May 2006

於二零零六年五月三十一日

Number of Shares Held 所持股份數目	Shareholders 股東		Shares of HK\$0.1 each 每股面值0.1港元股份	
	Number 人數	% of total 佔總數百分比	Number 數目	% of total 佔總數百分比
1 - 5,000	73	19.5%	138,454	0.0%
5,001 - 20,000	99	26.5%	1,320,000	0.3%
20,001 - 50,000	61	16.3%	2,261,929	0.6%
50,001 - 100,000	51	13.6%	3,820,000	0.9%
100,001 - 200,000	21	5.6%	3,336,000	0.8%
200,001 - 500,000	28	7.5%	9,059,322	2.2%
500,001 - 1,000,000	15	4.0%	11,036,000	2.7%
1,000,001 - 2,000,000	9	2.4%	12,638,000	3.1%
2,000,001 - 5,000,000	7	1.9%	18,827,030	4.6%
Over 5,000,000以上	10	2.7%	349,185,265	84.8%
	374	100.0%	411,622,000	100.0%

Key Information for Shareholders 股東主要資料

OUTSTANDING OPTIONS FOR ORDINARY SHARES GRANTED

已授予但仍未行使的購股權

		As at 截至	
		31 March 2006 二零零六年 三月三十一日	15 June 2006 二零零六年 六月十五日
at exercise price of HK\$0.30 each	行使價為每股0.30港元	820,000	820,000
at exercise price of HK\$1.30 each	行使價為每股1.30港元	200,000	200,000
at exercise price of HK\$1.65 each	行使價為每股1.65港元	3,570,000	3,020,000
at exercise price of HK\$2.475 each	行使價為每股2.475港元	8,678,000	8,198,000
at exercise price of HK\$1.90 each	行使價為每股1.90港元	3,136,000	3,016,000
at exercise price of HK\$3.15 each	行使價為每股3.15港元	4,890,000	4,890,000
at exercise price of HK\$3.35 each	行使價為每股3.35港元	11,400,000	11,400,000

MARKET CAPITALISATION

市值

As at 31 March 2006 (Closing Price: HK\$2.95)
HK\$1,211,010,400

截至二零零六年三月三十一日(收市價：2.95港元)
1,211,010,400港元

As at 15 June 2006 (Closing Price: HK\$2.775)
HK\$1,142,251,050

截至二零零六年六月十五日(收市價：2.775港元)
1,142,251,050港元

Share Price Movement And Trade Volume in 2005/06 二零零五／零六年度之股價走勢及成交量



Key Information for Shareholders 股東主要資料

SUMMARY OF DIRECTORS/CHIEF EXECUTIVES' DEALINGS IN THE SECURITIES OF THE COMPANY FROM 1 APRIL 2005 TO 15 JUNE 2006

於二零零五年四月一日至二零零六年六月十五日止之董事及最高行政人員買賣本公司証券一覽表

Name 姓名	Date 日期	Number of Shares 股份數目	Buy 買入	Number of Shares 股份數目	Sell 賣出
			Average Price 平均價 (HK\$) (港元)		Average Price 平均價 (HK\$) (港元)
Mr. Ho Cheuk Fai 何焯輝先生	April 2005 二零零五年四月	594,000	3.222		
	June 2005 二零零五年六月	78,000	3.441		
	Total 合計	672,000			
Mr. Kwok Wing Kin, Francis 郭永堅先生	July 2005 二零零五年七月			400,000	3.273
	October 2005 二零零五年十月			88,000	3.200
	November 2005 二零零五年十一月			212,000	3.083
	December 2005 二零零五年十二月			100,000	3.068
	Total 合計			800,000	

Note: During that period, Mr. Kwok exercised share options granted for a total of 700,000 shares, details please refer to page 94.

備註：於期內郭先生行使購股權共700,000股，詳情請參閱第九十四頁。

Key Information for Shareholders 股東主要資料

STOCK CODE

The Stock Exchange of Hong Kong Limited
Main Board
1050

股份編號

香港聯合交易所有限公司
主板
1050

BOARD LOT

2,000 Shares

每手股數

2,000股

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

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

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) 2437-6830
Fax: (852) 2415-1608
Email: pytsang@karrie.com.hk/
ir@karrie.com.hk

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) 2437-6830
傳真：(852) 2415-1608
電郵：pytsang@karrie.com.hk/
ir@karrie.com.hk

Key Information for Shareholders 股東主要資料

ANALYST CONTACT INFORMATION

SBI E2-Capital China Holdings Limited
Mr. Raymond Jook
Tel: (852) 2533-3715
Fax: (852) 2533-3733
Email: raymondjook@softbank.com.hk

CIMB-GK Securities (H.K.) Limited
Ms. Renee Tai
Tel: (852) 2868-0380
Fax: (852) 2537-1547
Email: tai.renee@cimb-gk.com

Quam Securities Company Limited
Ms. Kristie Ho
Tel: (852) 2847-2222
Fax: (852) 2110-0307
Email: kristieho@quamcapital.com.hk

分析員聯絡資料

軟庫金匯大中華控股有限公司
祝振駒先生
電話：(852) 2533-3715
傳真：(852) 2533-3733
電郵：raymondjook@softbank.com.hk

聯昌國際証券(香港)有限公司
戴麟懿小姐
電話：(852) 2868-0380
傳真：(852) 2537-1547
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Corporate Calendar 企業大事日誌

2005

- APR 4月** “Nothing is Impossible” Campaign to promote a new corporate culture
為推動新企業文化，舉辦「凡事皆可能」活動
- MAY 5月** Establishment of a volunteer team to promote social responsibility program
成立「社會公益活動小組」
- SEP 9月** 2005/06 1st Quarterly Results Announcement
公佈二零零五／零六年度第一季季度業績
- 5th “Tea-Break with Individual Investors”
舉行第五次「與個人投資者茶敘」
- OCT 10月** Celebrating the 25th anniversary. Events included anniversary banquet, special supplement and trees planting
集團成立二十五週年慶典，舉行一連串活動，包括慶祝晚會、紀念特刊及「嘉利生生不息植樹日」
- NOV 11月** 2005/06 Interim Results Announcement
公佈二零零五／零六年度中期業績
- First Runner-up in the Grand Prix for Best Overall Investor Relationship in Hong Kong – Small/Mid Cap Category in a poll organized by the IR Magazine
獲「投資者關係雜誌」推選為「最佳投資者關係大獎－中小企業」香港區第二名
- DEC 12月** 6th “Tea-Break with Individual Investors”
舉行第六次「與個人投資者茶敘」

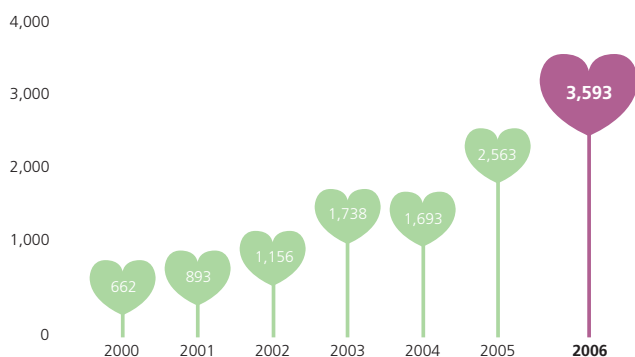
2006

- JAN 1月** The Best-managed Company in Hong Kong (Small Cap Category) in the Asiamoney Poll 2005
獲「亞洲貨幣雜誌」推選為「香港最佳管理公司－小型企業」第一名
- Sponsorship of the Venture Capital Project for the Disadvantaged Children together with the St. Christopher’s Home, including the running of a retail stall in the Lunar New Year Fair
資助香港聖公會聖基道兒童院舉辦「嘉利創業自強計劃」，並以年宵攤位為實習課
- FEB 2月** Awarded the “Caring Company” logo by the Hong Kong Council of Social Service
獲香港社會服務聯會頒發「商界展關懷」標誌
- MAR 3月** 2005/06 3rd Quarterly Results Announcement
公佈二零零五／零六年度第三季季度業績
- Top out ceremony of the Yu Quan Plant, Phase 1
鳳崗玉泉廠房第一期舉行平頂儀式
- APR 4月** 7th “Tea-Break with Individual Investors”
舉行第七次「與個人投資者茶敘」
- MAY 5月** Team-building session for the management team as organized by the Hong Kong Polytechnic University
透過香港理工大學為管理層舉行「打造高績效團隊」之培訓
- JUN 6月** Commended by the Dongguan City Authority as the first enterprise to establish a “Committee on the Concerns for the Next Generation”
獲東莞市政府推許成為首家成立「關心下一代工作委員會」之企業

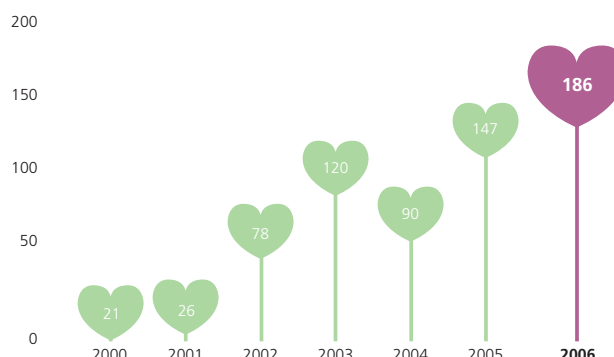
Financial Highlights 財務概要



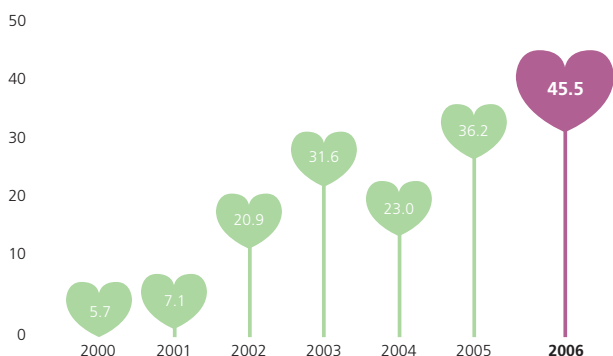
Turnover HK\$ million
營業額 百萬港元



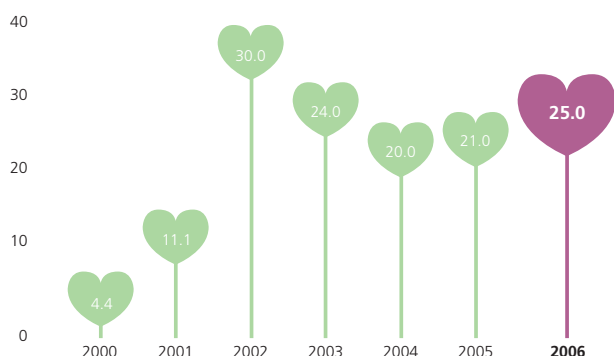
Profit attributable to shareholders HK\$ million
股東應佔溢利 百萬港元



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

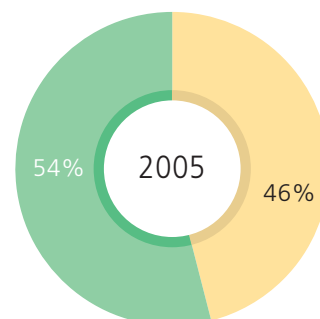
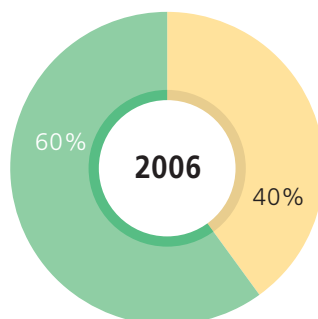


Financial Highlights 財務概要

Turnover percentage by Products

按產品劃分的營業額百分率

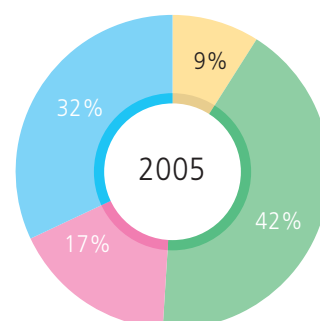
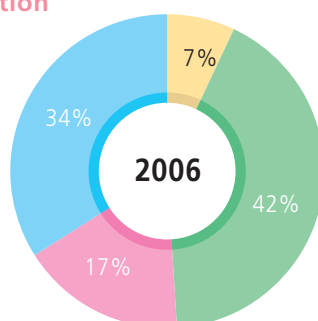
- Metal and Plastic Business
五金塑膠業務
- Electronics Manufacturing Services
Business
電子專業代工業務



Turnover percentage by Geographical Location

按產品所在地劃分的營業額百分率

- Japan
日本
- Asia (excluding Japan)
亞洲 (不包括日本)
- North America
北美洲
- Western Europe
西歐



		2006 二零零六年	2005 二零零五年	% Changes 變動百分比
HK\$ million	百萬港元			
Turnover	營業額	3,593	2,563	+40%
Gross profit	毛利	381	318	+20%
Operating profit	經營溢利	229	179	+28%
Profit attributable to equity holders	股權持有人應佔溢利	186	147	+27%
Total assets	資產總值	1,573	1,618	-3%
Shareholders' equity	股東權益	527	416	+27%
In Million	百萬股			
Number of shares	股份數目	411	408	+1%
Per Share Data		每股資料		
HK Cents	港仙			
Basic earnings	基本溢利	45.5	36.2	+26%
Diluted earnings	攤薄後溢利	45.1	35.8	+26%
Total cash dividends	總現金股息	25.0	21.0	+19%
HK\$	港元			
Net asset value per share	每股資產淨值	1.3	1.0	+30%
Financial Ratios		財務比率		
Gross profit margin (%)	邊際毛利 (%)	10.6	12.4	-15%
Net profit margin (%)	邊際純利 (%)	5.2	5.7	-9%
Net current ratio	淨流動比率	1.7	1.4	+21%
Net quick ratio	淨速動比率	1.1	0.8	+38%
Net gearing ratio (%)	淨銀行借貸比率 (%)	21	56	-63%
Interest coverage	利息涵蓋比率	11	24	-54%
Dividend payout (%)	派息比率 (%)	55	58	-5%
Turnover to net bank borrowings	營業額與淨銀行借貸比率	32	11	+191%

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	$\frac{\text{股權持有人應佔溢利}}{\text{加權平均股數}}$
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	$\frac{\text{股權持有人應佔溢利}}{\text{攤薄加權平均股數}}$
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 (%)	$\frac{\text{Gross profit}}{\text{Turnover}} \times 100\%$	邊際毛利 (%)	$\frac{\text{毛利}}{\text{營業額}} \times 100\%$
Net profit margin (%)	$\frac{\text{Profit attributable to equity holders}}{\text{Turnover}} \times 100\%$	邊際純利 (%)	$\frac{\text{股權持有人應佔溢利}}{\text{營業額}} \times 100\%$
Net current ratio	$\frac{\text{Current assets (less cash and bank balances)}}{\text{Current liabilities (less cash and bank deposits)}}$	淨流動比率	$\frac{\text{流動資產(減現金及銀行結存)}}{\text{流動負債(減現金及銀行存款)}}$
Net quick ratio	$\frac{\text{Current assets (less inventories and cash and bank balances)}}{\text{Current liabilities (less cash and bank balances)}}$	淨速動比率	$\frac{\text{流動資產(減存貨及現金及銀行結存)}}{\text{流動負債(減現金及銀行存款)}}$
Net gearing ratio (%)	$\frac{\text{Bank borrowings (less cash and bank balances)}}{\text{Shareholders' equity}}$	淨銀行借貸比率 (%)	$\frac{\text{銀行借貸(減現金及銀行結存)}}{\text{股東權益}}$
Interest coverage	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Interest paid}}$	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 (%)	$\frac{\text{Dividends}}{\text{Profit attributable to equity holders}} \times 100\%$	派息比率 (%)	$\frac{\text{股息}}{\text{股權持有人應佔溢利}} \times 100\%$
Turnover to net bank borrowings	$\frac{\text{Turnover}}{\text{Net bank borrowings}}$	營業額與淨銀行借貸比率	$\frac{\text{營業額}}{\text{淨銀行借貸}}$



事無大小 用心去做 HEARTFELT DEDICATION IN ALL DETAILS

What is heartfelt dedication: must include the majority of the following

- always thinking of how to do your job better than before;
- think about it before you go home, no matter whether you are eating or walking;
- think of all sorts of possibilities which may arise like the potential risk or the reality;
- think of the responses of the users/customers to the products/service offered and whether they are satisfied. Think from their angle but not your angle or the 'in theory' angle;
- do not mind about minor inconvenience to yourself. You should not mind taking one step further and perform each task with utmost devotion.

何謂「用心去做」？需涵蓋以下大部份元素：

- 能抱著如何每天改善目前工作的態度；
- 無論食飯或逛街時，只要未返回家都會為工作思考；
- 做每樣事情都能先考慮所有的可能性，如潛在風險又或實際臨場情況；
- 嘗試從客戶／用家的角度了解他們對你提供的產品／服務是否滿意，而不是從你的角度又或是「理論」性去理解問題的難度；
- 凡事不應介意多走一步，縱使或會為自己帶來少許不便，盡力完成每項任務。

Chairman's Statement 主席報告

On behalf of the board (the "Board") of Directors (the "Directors") of Karrie International Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (together the "Group") for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES AND RESULTS

The Group is principally engaged in

- Metal and Plastic Business: the manufacture and sales of metal and plastic products including computer casings, office automation products, moulds, plastic and metal parts; and
- Electronic Manufacturing Services Business ("EMS" Business): the manufacture and sales of laser printers, magnetic tape drive, digital photo printers, multi-functional fax machines and other computer peripheral products.

Teamwork leading to Record Breaking Results

For the second consecutive year, the performance of the Group surged into new height since public flotation in 1996: Turnover for the 12 months ended 31 March 2006 rose to a record high of HK\$3,592,741,000 (2004/05: HK\$2,563,190,000), while profit attributable to equity holders reached HK\$186,379,000 (2004/05: HK\$146,573,000), representing an increase of 40% and 27% respectively.

Some of the principal reasons for the impressive performance were as follows:

- **Continued strong demand for computer and office automation products.** As the Group is normally the sole supplier for the particular projects confirmed with customers, any increase in demand of our customers' products will be mostly reflected as increase in the business of the Group;
- **Shipment of new products** (including colour laser printers, digital photo printers and multifunctional fax machines) has commenced by the last quarter of the last financial period. The momentum continued in the current reporting period;

我謹此代表嘉利國際控股有限公司(「公司」)董事(「董事」)會(「董事會」)提交公司及其附屬公司(「集團」)截至二零零六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、模具、塑膠及金屬部件等；及
- 電子專業代工業務－製造及銷售鐳射打印機、磁帶解碼器、數碼相片打印機，多功能傳真機及其他電腦週邊產品。

眾志成城，再創佳績

集團連續兩年創下自一九九六年上市掛牌的最佳業績：截至二零零六年三月三十一日止十二個月之營業額創下新記錄至3,592,741,000港元(二零零四／零五年度：2,563,190,000港元)，除稅後股權持有人應佔溢利亦躍升至186,379,000港元(二零零四／零五年度：146,573,000港元)，上升幅度分別為40%及27%。

創出理想業績其中之幾個原因為：

- 電腦及辦公室文儀產品的需求持續增長，而集團一般為客戶個別產品項目之唯一供應商，當市場對客戶產品需求上升時，這些增長便會相對地反映於集團的營業表現上；
- 承接上年度第四季之強勁增長，新產品持續開始付運，(包括彩色鐳射打印機，數碼相片打印機及多功能傳真機等)，於報告期內，此動力持續；

Chairman's Statement 主席報告

- Under the Group's versatile "Total Transparent Cost Plus Pricing Model" (2004/05 Interim report, P. 24) **most of the raw materials by value other than steel plates are sourced through the customers or through suppliers designated by the customers. A rise in raw material price has only a marginal impact on our bottom line.**

- 根據集團多變的「全透明成本加利潤報價模式」(二零零四／零五年度中期業績第二十四頁)，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，故此原料價格上升只會對集團帶來輕微影響。

One Billion Reasons to Celebrate

For the year ended 31 March 2006, the Group added HK\$1,029,551,000 in turnover. How did we achieve such outstanding results under such difficult business environment?

十億個令人興奮的理由

截至二零零六年三月三十一日之短短一年間，集團營業額上升了1,029,551,000港元，究竟我們如何於如斯艱難的營商環境下取得此卓越成績呢？



Basketball game with a customer: one of our most valuable assets in our long-term relationship with customers.

與客戶的籃球友誼賽：與客戶之長遠關係是我們其中一項寶貴資產

- Firstly we have to thank for the **support from our customers, suppliers and bankers. Your support** has been translated to **Our Momentum** (main theme of our 25th Anniversary);
- Secondly we have to salute to our colleagues for their heartfelt dedication. While we are far from perfect, **our colleagues' relentless quest for continuously improving and enhancing performance has built up a snowball effect in improving the operating efficiency of the Group.** For the benefits of those not versed in manufacturing, the trick in running a factory is not

- 首先我們要感謝**客戶、供應商及銀行的支持**，有「你的支持」才能轉化成為「我的動力」(二十五週年主題)；
- 另外我們必須向所有曾經盡心盡力付出的員工致敬，雖然我們距離達到完美階段尚遠，但**員工都無私地為持續改善及提升工作表現而付出**，這股力量啟動雪球效應帶領集團之營運效率跨步向前。不熟悉製造業的人可能並不清楚一間工廠要運作暢順，其竅門並不在於每年推行革命性的改變，反

Chairman's Statement 主席報告

the implementation of revolutionary changes every year. Incremental improvement, however trivial, will slowly do the job. Our motto is detailed planning, thorough execution and learning from mistakes. Every small improvement in even minor assignments would add up to significant savings/increase in production efficiency that would put us ahead of the competitors. Some examples of such superb management skills:

而一點一滴地積沙成塔更具成效。我們處事的箴言就是周詳計劃、透徹執行及從錯誤中學習，縱使一項細微的任務，每一細節的改善足以為節省成本／提升生產效率帶來明顯效果，長遠而言，這些點滴令我們拋離其他競爭者，此等優質管理的例子比比皆是，例如：



Services delivered by air: Francis, Raymond, Henry flew a combined of more than 350,000 miles in 2005/06 to serve our customers.

移船就壩：Francis, Raymond及Henry於2005/06年度共飛行超過350,000哩為客戶提供服務

- a. **operating efficiency ratio: inventory turnover ratio improved by 46% to 39 days (2004/05: 72 days);**
- b. **even with the commencement of the construction of the Yu Quan Plant, return on fixed asset rose by 8% to 66% (2004/05: 61%).**

- a. 營運效益比率：存貨週轉率改善46%至39天（二零零四／零五年度：72天）；
- b. 雖然玉泉廠房開始興建，但固定資產回報率仍可上升8%至66%（二零零四／零五年度：61%）。

THE THREE EQUILIBRIUMS

To let you understand the challenges and dilemma we were facing at the beginning of the financial year in managing another year of explosive business expansion, we would elaborate the underlying philosophy and actions taken on how Team Karrie dealt with three major areas of conflicting requirements in a simplified manners. (The Three Equilibriums, P. 18 to P. 38, 2004/05 Annual Report)

「三大平衡」

為了讓你明白我們於本財政年度開始時所面對之高速業務增長所帶來的各樣挑戰與難題，我們嘗試以簡單的方式去解釋「嘉利團隊」如何解決三項最主要的不能兼容的要求及其背後管理理念。（「三大平衡」見於二零零四／零五年年報第十八至三十八頁）

Chairman's Statement 主席報告

The First Equilibrium: "Risk of Investing" vs "Risk of Not Investing"

The turnover of the Group grew from HK\$661,887,000 in 1999/2000 to HK\$3,592,741,000 in this financial year. A rapidly expanding business always face the dilemma of

- The risk of not investing enough to accommodate customers' requirements vs
- The risk of investing too much and hence laying down the seeds of troubles for the future

Our professional management team has stricken the right balance of such conflicting requirements. For example,

- **Despite the 40% increase in turnover, we were able to control the rate of increase in the distribution and selling expenses & general and administrative expenses at 2% and 13% respectively;**
- **Capital expenditure ("Capex") spending (including both the construction of Phase 1 of the Yu Quan Plant and other items), only slightly exceeded our original budget of HK\$90,000,000. It was easily funded through retained profit in line with the Group's prudent policy of not borrowing money to finance Capex. (Please refer to P. 37-43 on Financial Resources)**

第一平衡：「投資的風險」與「不作投資的風險」

集團營業額從一九九九／二零零零年度之661,887,000港元上升至本年度之3,592,741,000港元，在此高速業務增長的過程，往往帶來令人困惑的抉擇：

- 不作投資的話，是否有足夠生產力滿足客戶需要；
- 投資過度的話，會否為日後帶來營運風險。

我們的專業管理團隊，於不能兼容之要求下，務求於兩者之間取得平衡，例子包括：

- 雖然營業額上升40%，分銷及銷售費用與一般及行政費用之上升幅度控制得宜，僅上升2%及13%；
- 固定資產投資(包括興建玉泉廠房第一期及其他項目)祇輕微超出原來預算之90,000,000港元，我們輕易地透過保留溢利支付有關投資，正好符合我們不以借貸作固定資產投資的保守原則。(請參閱第三十七至四十三頁「財務資源」部份)



— 小故事 1 —

梁耀海1992年進廠時是一名金屬部普工，最初就如大部份的青年人一樣對未來充滿信心，對每項工作都充滿熱情，以為經過磨練熱情會漸漸冷卻，但事實卻不然，他輾轉到過不同的部門工作，每天做著只是一個平凡人，默默耕耘，無問收獲，這就是他的信念。

到了今天，現職為機箱裝配部之高級技工，每天總是將工具管理得井井有條，從工具更新、改良、收發、以致是維修保養，縱使在其他人眼裏看似微不足道，但他卻依然固我認真地堅守其工作崗位，只是說：「工作無需分地位高低，只是分工不同而已，在什麼崗位就要負什麼責任。」——大部份嘉利人雖然並不是天才或絕頂聰明的人，但他們絕對是一群用心投入的員工！

Chairman's Statement 主席報告

The Second Equilibrium: Dividend vs Capex and Working Capital Requirements

Shareholders clamouring for a rate of increase of dividend in line with the 27% increase in profit should note that since 2001, we have paid out a total HK\$451,382,000 in dividend to our shareholders or around 86% of the shareholders' fund as at 31 March 2006. How many other listed companies in Hong Kong are able to match our record?

With the commencement of construction of the huge Yu Quan Plant, a new Capex cycle has begun. Naturally we have to be a little bit cautious in raising the dividend payout.

Let's sum up the dilemma we faced in the beginning of the financial year:

- One of the key features in our business model is the granting of credit to our blue chips customers instead of receiving letters of credits. Thus in a period of rising turnover we would need bank borrowings to finance the working capital requirement;
- At the beginning of the financial year we projected a turnover growth of around 30%. Additional bank borrowings to fund working capital would push up the net gearing of the Group, which had already surged to 56% as at 31 March 2005;
- Funding for capex and the dividend would leave little room from the retained profit front.

第二平衡：「股息」與「固定資產投資及流動資金需求」

股東們或會提出應將股息按溢利上升了27%的比例同步提升，但他們應當留意自二零零一年以來，我們已向股東們累計派發451,382,000港元之股息，又或是約佔截至二零零六年三月三十一日的股東權益約86%，試問香港有那些上市公司可以與我們相比？

隨著浩大的玉泉廠房開始興建，意味著投資週期再次啟動，因而對於提高股息派發比率方面會有所保留。

讓我們先重溫於財政年度開始時遇到的難題：

- 我們的經營模式其中一個重要特質是容許客戶以放帳形式找結而非收取客戶之信用狀，因而當營業額上升時，我們必須要以銀行借貸支持流動資金的週轉需要；
- 本財政年度初期預計營業額增長升幅約30%，額外的借貸將會推高集團之淨銀行借貸比率，而截至二零零五年三月三十一日時已急升至56%；
- 同時由於固定資產投資以及股息的支出從保留溢利中提取，導致保留溢利的儲備減少。

Chairman's Statement 主席報告

So Team Karrie

對於嘉利團隊而言，

- **Firstly, we adopted a pragmatic approach in a capex budget for 2005/06 of HK\$90,000,000 only. We are building factories, not palace;**
 - **Secondly, we only modestly raised the dividend level, enough to show our confidence in our prospect but still leaving some cushion behind in order to keep funds for future development (Please refer to P22-23 on Dividend and Dividend Policy);**
 - **Thirdly, we initiated a vigorous working capital management program. The result of this program was beyond our expectation as the cash cycle shortened from 79 days in 2004/05 to 51 days in 2005/06. The shorter cash cycle lead to the reduction of bank borrowings and shore up our confidence in managing funds in times of growth. By eliminating this dilemma, we are also more receptive to pay a higher dividend to share the wealth created with our shareholders in due course.**
- 首先，我們採取實事求是的作風，要興建的是工廠而非皇宮，故二零零五／零六年度固定資產投資需求設上限為90,000,000港元；
 - 第二，我們只輕微提升股息派發水平（請參閱第二十二至二十三頁「股息與股息政策」），以顯示出我們對前景的信心，但同時卻可保留資金為將來發展留有空間；
 - 第三，我們採取較為嚴格的流動資金管理措施。這措施取得的成效較預期為佳，現金週轉期從二零零四／零五年度的79天縮減至二零零五／零六年度的51天，加速了流動資金的週轉之餘，還可減少銀行借貸，提升我們於增長時管理資金的信心。撇除了此憂慮，我們是非常樂意逐步透過股息與股東們分享財富的。

Cash Cycle 現金週轉期

No. of Days	日數	2003/04	2004/05	2005/06
A. Inventory Turnover	存貨週轉期	42	72	39
B. Debtors Turnover	應收帳週轉期	63	80	61
C. Creditors Turnover	應付帳週轉期	56	73	49
Cash Cycle*	現金週轉期	49	79	51

* A + B – C

Chairman's Statement 主席報告

The Third Equilibrium: how to balance the customers' requirement of additional inventory vs the risk profile of the Group

As the sole supplier of the customers for particular projects confirmed, we have no option but to comply with their request for building up a just in time ("JIT") finished goods inventory and raw materials for future production. This could raise the risk profile of the group should the economy tank (this is the asset side of the problem in contrast with the liability side problem in the balance sheet). As at 31 March 2005, inventory value surged to HK\$440,013,000 (as compared to 31 March 2004, the absolute amount of increase was HK\$273,539,000 or 164%).

第三平衡：如何於客戶要求提升存貨與集團風險評估之間取得平衡

作為客戶個別項目之唯一供應商，我們別無選擇地只能順應他們的要求提升存貨，包括供應「即時付運」成品及為即將生產的物料準備，倘若經濟出現逆轉時，我們要承受的風險層面將會擴大（即資產負債表上之資產風險，有別於負債風險）。截至二零零五年三月三十一日止，存貨大幅升至440,013,000港元（對比二零零四年三月三十一日升幅達273,539,000港元，或164%）。

Inventory Value To Turnover 存貨與營業額比例

(HK\$ million)	(百萬港元)	2003/04	2004/05	2005/06
Turnover	營業額	1,693	2,563	3,593
Inventory	存貨	166	440	340
Inventory to Turnover (Times)	存貨與營業額比例 (倍)	10	6	11

To reduce if not eliminate such risk, we re-organize our production setup to reduce production lead-time, practice JIT inventory system with our suppliers and closely monitor the JIT inventory warehouse with customers to keep a smooth production flow. The result speaks for itself as inventory *declined* by 23% as compared to a 40% *increase* in turnover.

為了減低存貨的風險，我們將生產的程序重新調整以縮短生產週期、要求供應商為我們提供「即時付運」的服務、與客戶緊密聯繫確保「即時付運」倉庫的運作暢順，這些措施取得了非凡的成效，相對營業額上升40%，存貨反而下跌了23%。

We have enhanced our processes to manage inventory levels and to analyse and evaluate the nature and extent of inventory provision required. In this connection a write-back of provision for slow moving and obsolete inventory of approximately HK\$18,157,000 was made during the year.

我們已加強管理存貨水平之程序及分析和評估要求存貨準備之性質及程度。因此本年內陳舊及滯銷存貨準備撥回約18,157,000港元。

Dividend and Dividend Policy

The Directors have recommended a final dividend of HK13 cents per share to shareholders whose names appear on the Register of members of the Company on 4 August 2006. Subjected to the approval of the shareholders, the Directors also propose the payment of a special dividend of HK3 cents per share (2004/

股息與股息政策

董事會已建議派發末期股息每股13港仙予所有於二零零六年八月四日當日名列於本公司股東名冊內的股東。倘若獲股東通過，董事會亦建議派發特別股息每股3港仙（二零零四／零五年度：無），以慶祝本集團成立二十五週年。連同中期股息每股9港

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05: Nil) to commemorate the 25th anniversary of the Group. Together with the interim dividend of HK9 cents per share, total dividends for the year amounts to HK25 cents per share. The final dividend and special dividend will be payable on or about 17 August 2006.

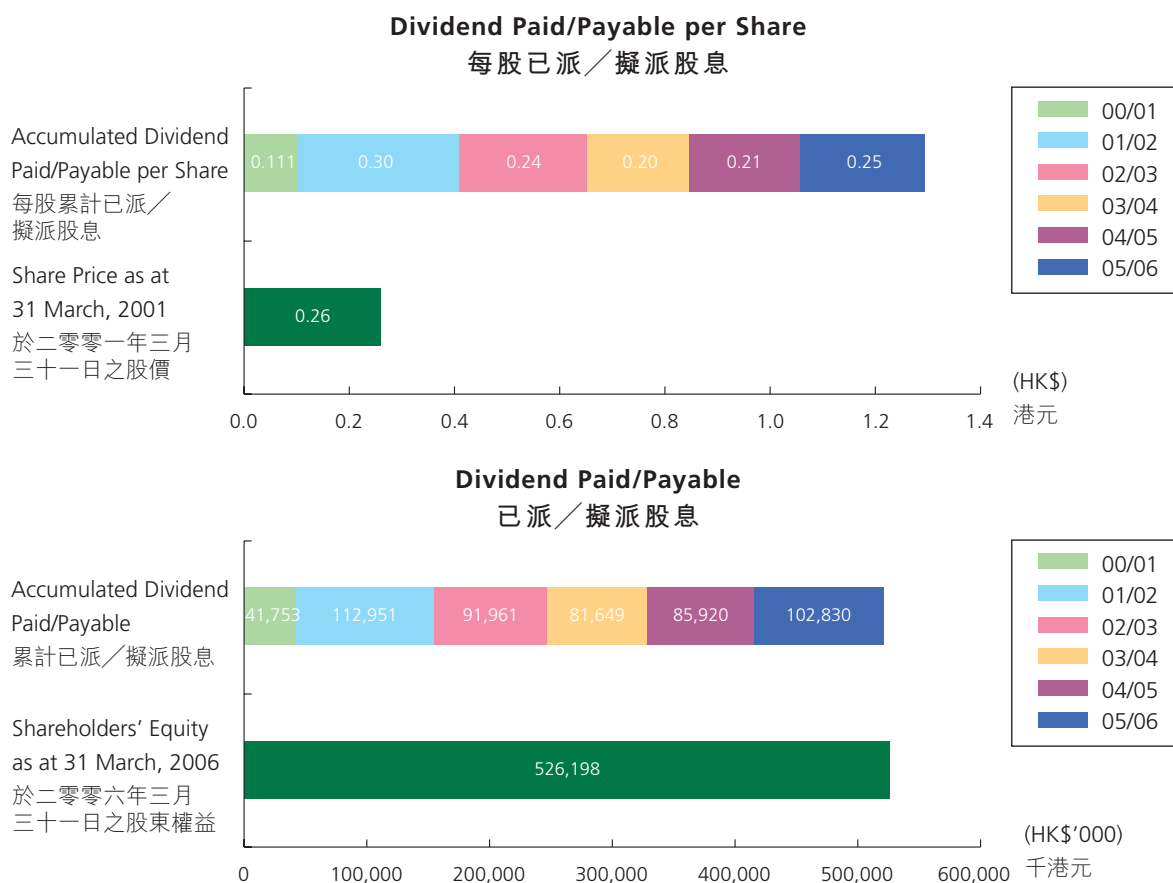
仙，全年股息共達每股25港仙，末期股息及特別股息將於或接近二零零六年八月十七日派發。

Barring any unforeseeable change,

因此，除出現不可預知的轉變外：

- We will adhere to our existing policy of paying out 50% or more of the profit attributable to shareholders as dividend and
- We will maintain our pledge to our shareholders made in 2003/04 (2003/04 Annual Report P. 35 and the 3 general criteria on possible changes in dividend policy) that should the Directors decide to change the existing dividend policy, we would provide an advance notice in the immediate preceding interim or annual result announcements.

- 我們仍然維持現有股息政策，將除稅後溢利50%或以上作為股息；及
- 一如二零零三／零四年對股東所作之承諾（二零零三／零四年年報第三十五頁詳列關於股息政策如作改變需符合之三大原則），董事會倘若對現行股息政策有任何改變，必會於前一次之中期／全年業績公佈時提前通知公眾。



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Yu Quan Phase 1: the photo captured only around 60% of the Yu Quan Site.
玉泉第一期：照片只覆蓋了玉泉廠房整體面積之60%左右

The Yu Quan Plant

In August 2004, the Group purchased the Yu Quan site at Fenggang Town of Dongguan City, Guangdong Province, China at around RMB14,000,000. With continuous expansion of Group's business in the past few years, the Directors carefully reviewed the business prospect of every customer and came to the conclusion that the Group has to prepare itself for the next phase of growth.

The enormous Yu Quan site is the ideal solution as it can cater for the expansion needs of the Group for the next 5 to 7 years. The site area is approximately 210,000 square metres, much bigger than the combined site areas of the two existing plants in Yantien and Fenggang of around 89,000 square metres.

玉泉廠房

於二零零四年八月，集團以約14,000,000人民幣購入一幅位於中國廣東省東莞市鳳崗鎮之土地。過去幾年集團業務不斷擴展，董事會於對每個客戶之發展前景進行了仔細評估後作出結論：集團必須為下一階段的增長作好準備。

玉泉廠房佔地面積龐大，足以應付集團未來五至七年之發展需要，新址面積約為210,000平方米，比起現有雁田及鳳崗之兩個廠房佔地面積合共約89,000平方米大得多。

Chairman's Statement 主席報告

Construction of Phase 1 is nearly completed. It is expected that initial production can be started as early as September 2006. The 5 buildings comprising the first phase of the Yu Quan Plant include a plastic injection moulding shop, an assembly lines building, a dormitory, a warehouse and a power plant with a site area of around 34,300 square metres.



Top out ceremony on 24 March 2006: "A Thousand – Mile Journey Starts with A First Step"
2006年3月24日舉行之封頂儀式：「千里之行，始於足下」

When Phase 1 becomes fully operational, it is expected that the overall production capacity will be raised by around 15%.

We may be a boring Manufacturer but we are proud of it

Until recently we are still sometimes mistaken to be a properties company. Fortunately, the market gradually takes notice of this small but energetic outfit.

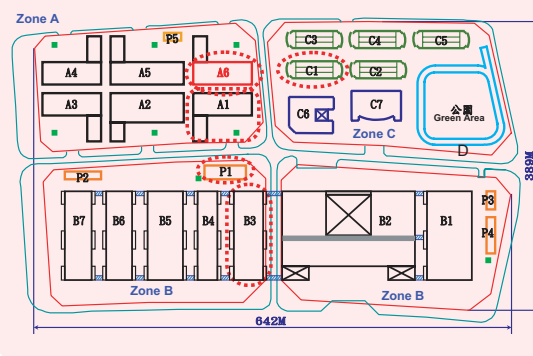
第一期工程已接近竣工，預計最快於二零零六年九月可以正式投入生產，而玉泉廠房第一期包括注塑工場、電子組裝工場、宿舍、貨倉及發電站五棟建築物，佔地面積約為34,300平方米。

當第一期廠房全面投入使用，預計可提升整體產能約15%。

只是一間平凡之代工廠，但我們卻引以為傲

最近我們仍有時會被外界誤會為一所經營地產的公司，可幸的是市場上慢慢地發現到這是一所規模細小但動力十足的公司。

Yu Quan Plant 玉泉廠房



Phase 1 construction (Marked in red circle)
第一期工程（紅圈位置）

Chairman's Statement 主席報告

IR Magazine Award

In November 2005, institutional investors and research analysts voted the Group as **the first runner-up in the Grand Prix for Best Overall Investor Relationships in Hong Kong – Small/Mid-Cap category (market cap under US\$1 billion) in a poll organized by IR Magazine of the United Kingdom**. This is a remarkable achievement given the fact that the champion and the second runner-up are companies two times larger than the Group in terms of market capitalization. Besides, small caps industrial in Hong Kong were not exactly darlings of the market as compared with retail stocks in the past year.

The Group was also ranked as among the **top ten in the Best Annual Report and other Corporate Literatures Category in the same poll along with 9 other blue chips companies from Hong Kong and Taiwan**. Can you believe that a company of a fraction of the size of the blue chips giants can achieve so much?

「投資者關係雜誌」選舉

於二零零五年十一月，英國出版的「投資者關係雜誌」(IR Magazine)之年度選舉中集團獲基金經理／分析員推選為「最佳投資者關係大獎－中小企業組」(市值低於十億美元)之香港區第二名，能取得這成就實在難能可貴，因為其他兩間位列三甲之得獎公司之市值比集團超出兩倍以上。同時，與零售業股相比，香港小型工業股於過去一年並未為市場所欣賞。

另外，集團同時於「最佳年報及企業其他文獻」獎項中位列十強，而其餘九間公司均為來自香港及台灣之大型企業，你能想像一間比藍籌企業小得多的小型工業股能得到這麼多榮譽嗎？



Extracted from 2005 HKMA Best Annual Report Judge Report P.14

Karrie International Holdings Ltd produced a report that was very shareholder-oriented. It showed that the company was fully aware of its problems and had a good understanding of anything possibly going wrong. The reader felt like an honoured guest invited into the company parlour to hear management set out what they had been doing with the assets entrusted to them and how they intended to proceed.

節錄自香港管理專業協會2005年度「最佳年報選舉」評審團報告第十四頁(譯本)

嘉利國際之年報以「股東為本」，顯示出集團非常清楚他們所面對的問題與及潛在的困難，讀者們感到如受到貴賓般被邀請到接待室，而管理層則細心地向他們講解如何運用投資者交托的資金與及他們未來的發展計劃。

Chairman's Statement 主席報告

Asiamoney Poll 2005

Karrie was again honoured in the prestigious Asiamoney Poll for the third consecutive year. In 2003 and 2004, Karrie was voted by institutional investors and analysts as one of the Best-managed Companies in Hong Kong. It appeared that championship was always beyond our reach as in the 2004 Poll, the Group was only the first runners-up in both the Overall Regional Best-managed Companies (Small Cap Category) and the Overall Best Companies for Corporate Governance in Hong Kong.

「亞洲貨幣雜誌」二零零五年度選舉

集團很榮幸連續三年於「亞洲貨幣雜誌」(Asiamoney Magazine)選舉中獲得推許，於二零零三及二零零四年，機構投資者及分析員分別選出集團為香港最佳管理公司之一，惟似乎每次冠軍寶座總是與我們無緣，於二零零四年度選舉中，集團分別獲得「最佳管理公司」(小型企業組)及「香港最佳企業管治表現」第二名。



The only small cap making its way in the honour list of the Asiamoney Poll for the past three years
集團是唯一能夠連續三年獲「亞洲貨幣雜誌」推許之小型企業

Blessed with your support, we finally won the **highest honour in the Best-managed Companies in Hong Kong (Small Cap Category) in the Asiamoney Poll 2005.**

在你們的支持下，我們終於在「亞洲貨幣雜誌」二零零五年度選舉中獲推許為「香港最佳管理公司」(小型企業組)第一名。

We just want to say again: thank you!

我們只希望再次說聲多謝！

Chairman's Statement 主席報告



Would you join our 50th anniversary celebration?
你會否一同來慶祝我們的五十週年紀念？



25TH ANNIVERSARY

25 years is a very long period of time: seedlings turn into big trees, babies grow into adults. Similarly despite the various ups and downs in the past two decades, **Karrie Group transforms itself from a family run small factory of less than 50 persons in its payroll and occupying roughly 200 square metres into a listed company employing thousands of workers and with plants occupying production areas of over 210,000 square metres.**

On 21 October 2005, the Group hosted a banquet celebrating its 25th anniversary with enthusiastic participation by numerous customers, government officials, suppliers, bankers and, perhaps the most important of all, our colleagues. Without the persistent efforts of these unsung heroes the Group will not be able to have another record breaking year.

二十五週年紀念

二十五年是一段頗長的時間：細小的樹苗成為粗壯的大樹，嬰兒長大成人，同樣地嘉利集團於過去二十年來也是經歷過不少風霜起跌才能從一間少於50位員工，佔地只有約200平方米的家庭式經營的工廠，逐步發展成為今天擁有數千名員工和廠房用地超過210,000平方米的上市公司。

於二零零五年十月二十一日集團舉辦大型晚會招待各界來賓，得到各界熱烈參與包括客戶、政府官員、供應商、銀行，以及也許是最重要的一我們的員工。若然沒有這一群「無名英雄」在背後的默默支持，相信我們無法再打破新紀錄。



— 小故事 2 —

何謂「潛效反應」?就是何主席建議故意在日常運作過程中混入一些障礙或隱患，考考員工的警覺性，雖然似乎是冒險了點，但這樣才能令員工從錯誤中學習及時刻提高警覺嘛!

稽查組的同事故意在消防栓前擺放一木卡板阻塞通道，測試員工的安全意識如何?路過的人超過十個，但卻沒有一個主動移走這明顯的危險障礙物，就在稽查組同事焦急以為行動失敗之際，心想又要回去準備如何提升大家對安全意識的培訓時，文儀一部運輸工鄭延輝卻突然出現，並施施然地放下其拉著的一板貨，並即時用唧車將原先阻擋著通道的木卡板移到合理的擺貨區。

問他為何這樣做?他只是略帶靦腆地笑著說：「消防栓前是不可擺貨的，所以就拉開。」就這麼一句話讓我理解到其實每位員工都能用心去做，清楚自己的責任，就算是「潛效反應」也變得無難度，考驗也是能跨過的。



Chairman's Statement 主席報告

Tea-break with Individual Investors

The Group pioneered this novel and unique concept of direct interface with individual investors through its quarterly "tea-break with individual investors" program. The next "tea-break" will be held on 22 July 2006 at Ching Room, 4/F, Sheraton Hotel, 20 Nathan Road, Tsim Sha Tsui. As part of the Group's social responsibility program participants will be asked to donate HK\$50 directly to charity and we will match the donation dollar for dollar (not exceeding the cap of HK\$10,000). For those who are willing to donate HK\$100 or more, we will:



You need a lot of moral courage to continue to arrange 'tea-break with individual investors'
你需要擁有很大的氣量才可持續地舉行「與個人投資者茶敘」

- ask the relevant charity to issue a receipt for tax purpose on a best effort basis; and
- confirm seats availability for those top 20 donors without the need of going through the procedure of drawing lots (if required).

Please go directly to our website www.karrie.com.hk to download the application form or call Ms. Ivy Wai at 2437-6835 during office hour for enquiries. Because of the limited seats available, participation in the "tea-break" is strictly by confirmed registration only.

「與個人投資者茶敘」

集團開創先河，推出季度「與個人投資者茶敘」的活動，帶出與個人投資者正面接觸的另類概念。接著的「與個人投資者茶敘」將於二零零六年七月二十二日假座尖沙咀彌敦道二十號喜來登酒店四樓清廳舉行，此茶敘亦是集團履行社會責任之一部份，所有到場參與人仕均需直接捐助50港元予慈善機構，而集團亦會捐出同等款項（上限為10,000港元）。任何人仕願意捐出100港元或以上，我們將會

- 盡力向相關慈善機構要求發出收據供退稅用途；及
- 最高捐款之頭二十名人仕可無需通過抽籤程序（如需要），確保座位安排。

歡迎瀏覽本集團網頁 www.karrie.com.hk 下載報名表格或於辦公時間內致電2437-6835向韋秀英小姐查詢。由於場地座位有限，所有出席茶敘之人仕必須事先獲確認登記，方可入座。

Chairman's Statement 主席報告

Risk Management

Other than normal operating and financial risks arising out of ordinary course of business, the following factors deserve special attention.

RMB Appreciation

As our production base is in China, an appreciation of the RMB will definitely have an adverse impact on the Group's performance:

- The impact is mostly limited to the overhead portion as under the Group's business model, most of the materials (other than steel) are either purchased through the customers or designated vendors (Please refer to the appendix 1 on P.52-54);
- For 2005/06, **RMB payments represented less than 10% of our total cost of sales;**
- As most of the Group's competitors are also based in China, in theory over the long run, we could raise price to cover the increase in costs provided that the customers stick to their present sourcing pattern. **Because of the special nature of our industry there are still formidable advantages of having the production based in China. Some customers need strong logistic support while others may require just-in-time ("JIT") inventory system to ensure speedy products delivery. In fact, even our bulky products such as computer servers are sometimes requested by some customers to be delivered by airfreight shipment. We are confident that our customers would not make drastic changes in the business pattern in the foreseeable future.**

風險管理

於日常營運過程中，除了一般營運及財務風險要注意外，尚有以下情況需加留意。

人民幣匯價

由於集團生產基地位於國內，故此倘若人民幣升值，集團之業績表現必然會受到負面影響：

- 參照集團之經營模式，由於大部份之原料（鐵料除外）均是從客戶或其指定供應商所提供（請參閱第五十二至五十四頁之附錄一），故相對之影響一般只局限於營運開支上；
- 於二零零五／零六年度中，採用人民幣找結的總額佔整體銷售成本少於10%；
- 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，相信大家都會一致向客戶要求加價，以彌補成本上升的。主要因為本行業具有條件限制，部份客戶均需要強大的物流系統支持，或實施「即時付運」，以達致快速交貨的目的。事實上，雖然產品大如伺服器，客戶有時也要求空運交貨，基於此背景下，故相信暫時客戶仍然局限於中國生產以取得優勢，我們有信心客戶於可見將來不會對經營模式作出巨大的轉變。

Chairman's Statement 主席報告

Electricity Supply

We do not expect material improvements in respect of electricity supply, as we still need to **use our own electricity generators for around two days a week**. However,

- **The Group has sufficient alternative electricity supply to ensure uninterrupted production;**
- The Group has no difficulty in securing supply of fuel; and
- While the cost of generating own electricity is much more expensive, the overall impact on the Group's performance is not material. **Electricity charges represented less than 2% of the total cost of sales of the Group.**

Labor

The impact is mainly twofold: availability and cost

1. **On the availability front, our labour turnover ratio is consistent with the historical pattern. We have no troubles in filling up vacancies** as
 - We have a sterling reputation in the local community;
 - The capital intensive nature of the business requires far less workers than other light industries;
 - The heavy-duty nature of some parts of the operation like metal stamping requires a substantial number of male workers.

電力供應

我們預計電力供應不會有太大改善，而目前我們仍需每週自行發電兩天，惟：

- 集團有充份的電力來源供應以確保生產不受影響；
- 集團於燃油供應方面沒有遇到困難；及
- 雖然後備發電的成本較為昂貴，但其對集團之整體影響輕微，而電力開支佔集團整體銷售成本少於2%。

勞工

影響主要為兩個層面：供應及成本

1. 在供應層面上，工人流失率與過去模式差不多，而我們在填補空缺時並未遇到困難，因為
 - 我們於當地社區擁有良好聲譽；
 - 集團業務性質較為資本密集，比起其他輕工業需要較少勞動力；
 - 由於有些工作如五金沖壓均需要體力勞動，一般由男性工人擔任。

Chairman's Statement 主席報告

2. Rising labour cost does present serious threat to our future performance. However, **in the short-term, the impact is relatively small as the increase of the minimum wages in the Dongguan areas in mid 2006 should represent less than 0.1% of our total cost of sales.**

Middle Management

It would be simple if spending more on Capex can solve all our production problems. **Because of the engineering and service nature of our business, we need more engineers, procurement officers, production planning experts, assistant marketing managers, cost accountant and so on to cater for increasing complex demands of the customers.** Recruitment is not the panacea as new staff takes time to warm up and to be assimilated into our unique corporate culture.

Hence we have made staff training as our number one priority in the current year. If we can spend tens of millions dollars in fixed assets, why can't we spend more on the most valuable assets of the Group? Other than in-house programs, we have seek the assistance of experts in retaining the services of Hong Kong Polytechnic University to implement a series of training sessions. (Please also refer to P.46 on Employment and Remuneration Policies)

Steel Price

While our unique business model shields us from the pitfalls of the fluctuating raw material price, steel is an exception for historical reason, we are responsible for the procurement. Fortunately **the cost of steel represented less than 5% of the total cost of sales.**

2. 勞工成本上漲確實對集團未來業績表現帶來較大衝擊，但短期而言，雖然二零零六年中旬於東莞地區將提高最低工資的標準，該影響僅佔集團總銷售成本少於0.1%。

中層管理人員

倘若純粹增加固定資產投資便可解決所有生產上的問題，我們就無需為此煩惱。由於集團的業務特質以工程及提供服務為主，我們需要更多的工程師、採購主任、生產計劃專才、助理市務經理、成本會計人員等，以應付客戶日益複雜的服務要求，單靠招聘新人並不能完全解決問題，因為新入職人員需要時間適應和融入集團的獨特企業文化。

因此，我們於本年度以人員培訓為首要任務，若然我們能投資過億元於固定資產上，為何我們不能投資多些於集團「最寶貴的資產」上？除了進行內部培訓外，我們亦透過外聘香港理工大學的導師進行一連串培訓活動。（請參閱第四十六頁「僱員及薪酬政策」部份）

鐵料價格

雖然集團之獨特業務經營模式可保障免受一般原料價格波動的風險，但受歷史因素影響，鐵料是一個例外，需自行負責採購，惟鐵料成本僅佔總銷售成本少於5%。

Chairman's Statement 主席報告

BUSINESS REVIEW

Metal & Plastic Business

The Metal & Plastic Business grew by 22% to HK\$1,431,428,000 (2004/05: HK\$1,172,806,000) on account of strong demand for the shipment for computer server casings. The stronger than expected shipment in the second half of the financial year has raised hope for a sustained improvement in this sector.

EMS Business

Similarly the EMS business was performing stronger than expected. With the commencement of shipment of new products such as colour laser printers, digital photo printers and multi-functional fax machines, turnover was pushed up by 55% to HK\$2,161,313,000 (2004/05: HK\$1,390,384,000). However, due to the low gross profit margin of these business, profit attributed from this division of HK\$52,122,000 (2004/05: HK\$45,157,000) was still much less than the Metal & Plastic division of HK\$161,917,000 (2004/05: HK\$121,262,000).

Geographical Distribution

Asia (excluding Japan) was still the largest market of the Group with HK\$1,494,003,000 in turnover (2004/05: HK\$1,096,507,000). Western Europe again came as a close second with HK\$1,255,390,000 (2004/05: HK\$808,937,000) while direct shipment to North America represented only 17% (2004/05: 17%) or HK\$600,095,000 in turnover (2004/05: HK\$429,867,000). The shipment pattern of the Group continues to adhere to our usual practice of geographical diversification.

業務回顧

五金塑膠業務

受到電腦伺服器外殼的強勁需求帶動下，五金塑膠業務增長22%至1,431,428,000港元(二零零四／零五年度：1,172,806,000港元)，而於該財政年度之下半年銷售表現較預期為佳，增強我們對這方面取得持續改善表現的信心。

電子專業代工業務

同樣地電子專業代工的業務表現亦較預期為佳，新產品如彩色鐳射打印機、數碼相片打印機及多功能傳真機等均陸續付運，令營業額上升55%至2,161,313,000港元(二零零四／零五年度：1,390,384,000港元)。惟此業務毛利率較低，此業務之溢利貢獻為52,122,000港元(二零零四／零五年度：45,157,000港元)，遠低於五金塑膠業務錄得之161,917,000港元(二零零四／零五年度：121,262,000港元)。

地域分佈

亞洲地區(日本除外)仍為集團最大市場，錄得營業額1,494,003,000港元(二零零四／零五年度：1,096,507,000港元)，西歐市場亦相當接近，錄得1,255,390,000港元(二零零四／零五年度：808,937,000港元)，至於直接付運至北美之營業額僅佔17%(二零零四／零五年度：17%)或600,095,000港元(二零零四／零五年度：429,867,000港元)，而付運版圖依然符合地區多元化之一貫模式。

Chairman's Statement 主席報告

PROSPECT

1. In June 2005, we forecasted that turnover for 2005/06 would reach around HK\$3,320,000,000 (P.41, 2004/05 Annual Report);

– But to our surprise (Please refer to P.15, 2003/04 Annual Report Point 2 on the relative low short term business visibility of the business model), business was better than expected. This higher than expected turnover HK\$3,592,741,000 for the current financial year has substantially raised the denominator in the projected growth rate for 2006/07;

– In addition, in early 2006 unfavourable result announcements and corporate re-structuring of some of our major customers had rendered us less than optimistic about future performance in our assessment of the future;

展望

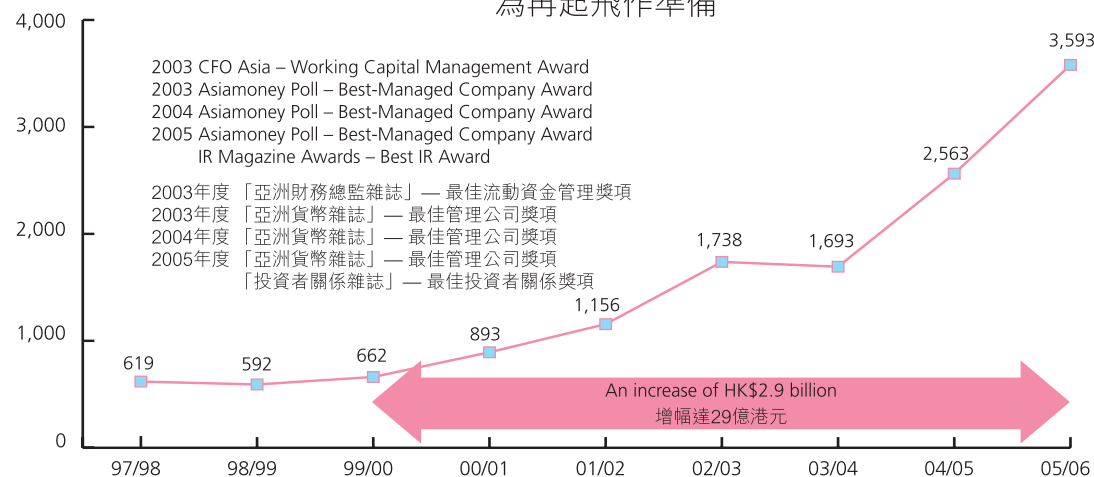
1. 於二零零五年六月，我們曾經預算二零零五／零六年度之營業額將達至約3,320,000,000港元(二零零四／零五年度年報第四十一頁)；

– 但令人驚喜的是(請參閱二零零三／零四年年報第十五頁第二點有關業務經營模式中較為缺乏「短線洞悉力」)業務表現較我們預期為佳。由於目前之營業額3,592,741,000港元超出我們本年度預算，因而大大地調高了計算二零零六／零七年度之銷售增長預測之基數；

– 同時二零零六年初對業務前景進行評估時，受到其中一些主要客戶公佈未如理想的業績及企業重整的消息影響，引致我們當時作出了審慎的估計；

Turnover (HK\$ million)
營業額(百萬港元)

Laying the foundation for future take off 為再起飛作準備



2006/07

- Growth from a historical perspective
- The curse of the turnover denominator
- The difficulty in estimating growth in view of the economic uncertainty
- The dilemma of taking up new projects
- The challenge of managing growth with discipline: the side benefit of consolidation
- The possibility of continuous growth of the economy: the delicate position of the sole supplier

2006/07

- 從歷史角度看增長
- 營業額基數之負面影響
- 不明朗經濟因素影響難以估計增長速度
- 是否接受新生意項目的兩難局面
- 瞻前顧後的挑戰：減慢增長的好處
- 經濟持續增長的可能性：作為唯一供應商的微妙處境

Re-starting the engine of Growth from either one or more of the followings:

- Server Casings
- Color laser printers
- System integration business

重新啟動增長引擎

從以下任何一種或多於一種途徑帶動：

- 伺服器外殼
- 彩色鐳射打印機
- 系統整合業務

Chairman's Statement 主席報告

2. As a result, twice we revised downward the sales forecast for 2006/07 from a growth rate target of 10% to 5% only in Interim Results Announcement (November 2005) and from that again to a decline of 10% in the Third Quarterly Results announcement (March 2006);
3. However, **recent result announcements of two of our major customers were more encouraging. As a result, we are revising upward from the negative 10% as projected in March to zero growth for 2006/07 as compared to the turnover of 2005/06. Performance in the second half of the current financial year would be able to reflect such trend despite a slow first half;**
4. **The shipment pattern of Metal & Plastic Business and the EMS Business would remain roughly the same in the proportion of 40:60;**
5. As most the of the Group's products are sold to the corporate market rather than the consumer markets, we are not worried about the impact of possible slowdown in consumer spending in the USA. Instead we are optimistic that the strong cash flow position of big corporations provides strong ammunition for the next phase of information related capex spending cycle to replace their outdated equipments;
6. **Capex budget for 2006/07 is around HK\$70,000,000 (2005/06 actual: HK\$92,059,000), mainly for completing the construction of Phase 1 of the Yu Quan Plant and the purchase of machineries.** Decision on the construction of Phase 2 will be made in early 2007. If all conditions remain the same, a delay in the construction of Phase 2 would actually strengthen the cash flow of the Group and hence its dividend payment ability. But no decision has yet been made at the moment;
2. 因此，我們就二零零六／零七年度之營業額預測作出了兩度調整，分別於中期業績公佈（二零零五年十一月）從增長10%下調至5%，之後再次於第三季度業績公佈（二零零六年三月）下調至10%倒退；
3. 惟最近我們的其中兩個主要客戶之業績表現比較令人感到鼓舞，因此以二零零五／零六年營業額作指標，我們將二零零六／零七年度之營業額增長預測重新調整，從三月的10%倒退調整至零增長，雖然本財政年度之上半年之出貨較為緩慢，但希望下半年之業務表現將會得到反映；
4. 五金塑膠業務與電子代工業務之付運情況大致將維持於40：60之比例；
5. 由於集團製造的產品大部份以企業用戶為主，並非一般消費市場，故此對於美國消費者市場可能出現冷卻的情況未有憂慮。考慮到目前大型企業現金充裕，或會形成強大推動力誘使他們步入另一階段的投資期，將目前過時的資訊設備更新，這潛力令我們感到樂觀；
6. 二零零六／零七年度之固定資產投資預算約為70,000,000港元（二零零五／零六年度實際支出：92,059,000港元），主要用於完成興建玉泉廠房第一期工程與及購置機器。於二零零七年年初時我們會定出興建玉泉廠房第二期的決定。倘若所有狀況維持不變，延後興建第二期工程可增強集團的現金流與及派息能力。惟到目前階段仍未有定案；

Chairman's Statement 主席報告

7. **The unaudited turnover of the Group for the two months ended 31 May 2006 was HK\$455,600,000 (2005/06: HK\$510,000,000).** As the unaudited turnover for those two months may not represent the final results for the year ended 31 March 2007, investors and shareholders are advised to exercise extreme caution when dealing with the shares of the Company;

8. Since 1999/2000, the Group added a total of HK\$2,930,854,000 in turnover in six years. While the number may be impressive, **we are convinced the pressures have built up all along the production chain. For the interests of all stakeholders, we must temporarily slow down to consolidate in order to tackle the challenges for 2006/07. In the long term, we remain optimistic given the strength of our business model, the high level of corporate governance and our dedicated professional management team. The new engines of growth will be either one or more of the followings:**

- server casings
- color laser printers
- system integration business

FINANCIAL RESOURCES

Comparing apples with apples

Value investors were surprised when we reported a huge jump in the net gearing ratio from 2% as at 31 March 2004 to 56% as at 31 March 2005.

7. 集團截至二零零六年五月三十一日止兩個月未經審核之營業額為455,600,000港元(二零零五／零六年度：510,000,000港元)。因這兩個月之未經審核營業額未必能反映截至二零零七年三月三十一日止之最後業績，懇請各投資者及股東在買賣本公司股份時務須審慎行事；

8. 自一九九九／二零零零年度以來，集團之營業額於六年間增長了2,930,854,000港元，雖然我們無不為此而感到驚嘆，但我們亦明白到這高度增長背後令生產環節帶來不少壓力，為了相關利益團體的利益著想，我們必須暫時放慢步伐趁機整固，以迎接二零零六／零七年度的挑戰。長遠而言，憑著經營模式上之優勢、高度落實企業管治與及一群盡心盡力的管理團隊，我們對未來前景依舊樂觀。而集團之增長動力將來自以下其中一項／多項：

- 伺服器外殼
- 彩色鐳射打印機
- 系統整合業務

財務資源

蘋果與蘋果作比較

當我們公佈截至二零零五年三月三十一日的淨銀行借貸比率從截至二零零四年三月三十一日的2%急升至56%時，很多價值投資者都感到非常驚訝。

Chairman's Statement 主席報告

Like our bankers, we were not too worried about the increase in net gearing per se. When most OEM manufacturers sell their goods to overseas customers under letter of credits, the Group historically sells goods on open account terms because of superb credibility of our blue chips customers.

- Thus in a rapidly rising turnover situation, the Group needs bank borrowings to finance the rising account receivables (assuming inventory will be financed by suppliers credit).
- However, to put the Group's financial situation in the right perspective, we have to put the Group's situation same as its peer group.
 - a. That is assuming the Group needs only to finance 15 days of credit (instead of 60 days credit period).
 - b. This can be achieved **if the Group sells its accounts receivables to banks in a process called factoring on a non-recourse basis (normally banks or factoring house will advance 80% of the receivables initially and pay the rest on final receipt from the ultimate customers). As at 31 March 2006, the account receivables was HK\$605,098,000 while net bank borrowings was only HK\$111,576,000, meaning that the bank borrowings of the Group could easily be repaid.**

但是如我們的銀行夥伴一樣，我們對於淨銀行借貸比率的大幅上升並沒有太大的擔憂，香港大部份的廠家均以收取信用狀形式出售產品予海外的客戶，惟我們的客戶均是一些信譽良好的藍籌企業，故一直以來皆以放帳形式找結。

- 在營業額高速增長的情況下，集團需要依賴銀行借貸支持未變現前的應收帳，作為臨時資金上週轉（假設存貨會由供應商提供放帳所融資）；
- 但若然要將集團的財務狀況正確地評估，就應該以相同狀況與同業競爭者相比；
 - a. 假設集團只需融資十五天之應收帳（而不是六十天的放帳期）；
 - b. 集團可以透過發票貼現的不可追討的方式將應收帳售予銀行套取現金（一般銀行或提供發票貼現的機構可以提前將80%的應收帳款項付予廠商，至於其餘款項則可待至客戶最後找結時付清）。截至二零零六年三月三十一日止，集團之應收帳及淨銀行借貸分別為605,098,000港元及111,576,000港元，顯示出集團能輕易地清還所有銀行債務；

Chairman's Statement 主席報告

Hypothetical Factoring of Trade Receivables

假設貿易應收帳以發票貼現形式套現

(As at 31 March)
(截至三月三十一日止)

HK\$'000	千港元	2004	2005	2006
Trade Receivables	貿易應收帳	291,743	560,081	605,098
80% of Trade Receivables in a Hypothetical Factoring Process	假定將80%之貿易應收帳以發票貼現形式變現	233,394	448,065	484,078
Actual Net Bank Borrowings	實際淨銀行借貸	6,287	233,630	111,576

* Based on the assumption that factoring house will agree to factor the existing trade receivables

* 假定發票貼現機構同意以發票貼現形式購入集團之貿易應收帳作融資

- c. From this angle, the Group's financial situation is much stronger than expected and the nominal net gearing ratio should not be the sole criteria in judging the financial health of the Group.

- c. 從這角度了解集團之財務狀況遠較原來估計穩健，由此可見淨銀行借貸比率並不是唯一用以評估集團財務狀況健全與否的標準。

Robust Cash Generating Ability

Still the rising interest cost is a matter of concern. So we have taken a group-wide effort to improve the cash cycle.

The result is a net cash inflow from operating activities of HK\$287,236,000 as compared to last year's net cash outflow from operating activities of HK\$87,955,000 despite a 40% increase in turnover. Net Gearing Ratio and Net Bank Borrowings fell to 21% and HK\$111,576,000 respectively (31 March 2005: 56% and HK\$233,630,000).

NON-CURRENT ASSETS TO SHAREHOLDERS' FUND RATIO STAYING BELOW 1

The Non-current assets to Shareholders' Fund Ratio stayed at a healthy 53% (2004/05: 58%). This means the Group is using long term shareholders fund to finance non-current assets like plants and machinery. The sole purpose of the existing bank borrowings is the financing of working capital (or more specifically, the accounts receivables).

充裕的變現能力

固然目前上升中的息率走勢值得令人關注，我們透過集團整體努力達至改善現金回轉週期的目標，雖然營業額上升幅度達40%，但最後「經營活動之淨現金流入」為287,236,000港元，對比上年度之淨現金流出則為87,955,000港元。淨銀行借貸比率及淨銀行負債分別下跌至21%及111,576,000港元（二零零五年三月三十一日：56%及233,630,000港元）。

非流動資產與股東資金比率維持於1以下

非流動資產與股東資金比率繼續維持於53%之健康水平（二零零四／零五年度：58%），代表集團之「非流動資產」如廠房及機器，皆以穩定之長期股東資金所支持，目前銀行借貸唯一作用為流動資金週轉用途（具體而言即應收帳）。

Chairman's Statement 主席報告

In theory, if the Group's business suffered a minor setback, then the decrease in working capital requirements would reduce the bank borrowings requirements, assuming no deterioration in current assets quality. The inherent beauty of this self-adjusting mechanism of our business model is one of the key pillars of our confidence of the future of the Group.

理論上，倘若集團之業務表現遇到輕微挫折，屆時流動資金需求下跌，假設流動資產「質素」不變，這將會減低對銀行借貸的需求。集團經營模式中包含著這個自動調節的機制，是我們對未來充滿信心的其中一項主要支柱。

Financing Options 融資方案



Bank Borrowings 銀行借貸

Three Principles	三大原則
1. Profit Attributable to Shareholders + Depreciation = Capex + Dividend	1. 股東應佔溢利 + 折舊 = 固定資產投資 + 股息
2. Non-Current Assets to Shareholders Fund Ratio < 1	2. 非流動資產與股東資金比率 < 1
3. Interest Coverage > 5	3. 利息涵蓋率 > 5



— 小故事 3 —

每逢到月結的日子，總會見到會計部的同事為著「死線」而努力工作至深夜。但在眾多人員當中，最令人印象深刻的，總要提到入職超過十二年的林美珍，不要看她外表弱不禁風，但總是聲音響亮、笑面迎人和彬彬有禮的，給人平易近人的感覺。

究竟她有什麼個人之處？當然是她全心全意工作的態度，身邊的同事都說這麼多年來甚少見她告病假，縱使是大感冒也是看過醫生便繼續堅持上班，其實也不知她這份堅持是否恰當，但無可置疑的是身邊的同事也曾經被她這份堅持所感染呢！

每到臨近公佈業績的時候更是不得了，責任心重的核數師們每天不斷向會計部同事取資料。有晚美珍已工作至晚上十一時多，核數師們仍在埋頭努力應付「死線」，美珍正想下班之際，其中一位核數師來向她取資料，她也明白到大家只是各盡其責而已，故只懇求核數師們能讓她能趕上尾班巴士回到遙遠的家，並打趣說不然便得帶睡袋回公司度宿了。

過去幾年公司急速發展，員工們要承受突如其來增添的工作壓力是無可避免的，當然公司並不鼓勵員工工作至深夜更莫說是留宿，但倘若大家都能像美珍一樣從沒抱怨，秉承一貫有禮的態度用心完成每項的工作，這正是每位員工值得借鏡的。



Chairman's Statement 主席報告

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	99/00	00/01	01/02	02/03	03/04	04/05	05/06
Profit After Tax	除稅後溢利	20	26	78	120	90	147	186
Depreciation	折舊	32	39	34	32	34	38	50
		52	65	112	152	124	185	236
Less:	減去：							
CAPEX	固定資產投資	57	65	15	24	59	62	92
Dividend	股息	16	42*	113*	92*	82	86	103*
(Deficit)/Surplus	(虧欠)／盈餘	(21)	(42)	(16)	36	(17)	37	41
(Net Bank Borrowings)/	(淨銀行借貸)／							
Net Cash	淨現金	(23)	(51)	64	34	(6)	(234)	(112)
(Net Gearing Ratio)/	(淨銀行借貸比率)							
Net Cash Ratio	／淨現金比率	(7%)	(16%)	18%	9%	(1%)	(56%)	(21%)

* Including special dividend 包括特別股息

Financing for Growth

For 2006/07, the financing task will be much easier than the last financial year because

- the Capex expenditure is much lower than the last financial year (HK\$70,000,000 budgeted for 2006/07 vs actual HK\$92,059,000 for 2005/06);
- The projected zero growth in turnover was lower than that of 40% in the last financial year;
- Also from the experience of last year, even with a higher turnover growth rate, a vigorous working capital management program would moderate the burden on cash flow resulted from financing receivables and inventories.

為增長提供資金週轉

二零零六／零七年度的融資安排遠較去年度為輕鬆，因為

- 固定資產投資總預算較去年度為低（二零零六／零七年度預算為70,000,000港元，而二零零五／零六年度實際支出為92,059,000港元）；
- 營業額增長預測為零增長，較去年度之40%為低；
- 根據去年經驗所得，縱然營業額增長幅度較大，透過嚴謹的流動資金管理可適度減輕應收帳及存貨對流動資金週轉的壓力。

Chairman's Statement 主席報告

As such, **we expect the net gearing ratio will stay at a level below 30%. We are also following our house rule of using our profit after tax to finance “capital items” like:**

- Dividend
- Capex

As a prudent manufacturer, we never entertain the idea of borrowing money to finance Capex, as this would expose the Group to danger should the economy take a sudden turn.

Resources Available

The Directors are confident that with the cash holdings of HK\$323,466,000 and banking facilities of HK\$1,058,000,000, the Group is able to meet its current operational and capital expenditure requirements.

As at 31 March 2006, part of the Group's banking facilities were secured by mortgages over certain of the Group's land and buildings in the mainland China with a net book value of approximately HK\$7,204,000 (2004/05: HK\$9,979,000).

EXCHANGE RATE EXPOSURE

Most of the Group's assets, liabilities and transactions are denominated either in Hong Kong dollar, US dollar or Renminbi. As the exchange rate of the Hong Kong dollar and US dollar were relatively stable during the period, the Group was not exposed to material exchange risk at the moment. As to the Renminbi, the Group always maintains a surplus of assets over liabilities in that currency. (Please refer to “Risk Management” in P. 31)

鑒此，我們預計淨銀行借貸比率可維持低於30%之水平，同時亦堅持既有之原則，以除稅後溢利支持資本性開支的資金需要，如：

- 股息
- 固定資產投資

作為一個保守的工業家，我們從未想過以銀行借貸支付固定資產投資的資金需要，因為倘若經濟環境突然出現逆轉時，集團便會陷入危機。

可動用資源

以集團現時分別擁有手頭現金323,466,000港元與及銀行借貸額約1,058,000,000港元，集團有信心足夠應付現時營運與及資本性開支的需要。

截至二零零六年三月三十一日，集團部份銀行借貸額是以集團於國內樓房資產作為抵押的，而有關資產淨帳面值約7,204,000港元(二零零四／零五年度：9,979,000港元)。

匯兌風險

集團所有資產、負債及交易均以港元、美元或人民幣計算，由於年內港元及美元之匯率一直維持穩定，故此集團現時並無任何重大的匯兌風險。至於人民幣方面，集團一向所持有之人民幣資產比人民幣負債為多。(請參閱第三十一頁「風險管理」)

Chairman's Statement 主席報告

CORPORATE SOCIAL RESPONSIBILITY

Corporate Citizen

As a responsible corporate citizen, we continue to promote social responsibility programs. In May 2005, our colleagues in Hong Kong formed a new volunteer group for charitable works focusing on the elderly, children and education as part of our effort for the welfare of the society. The Group was awarded the "Caring Company" logo by the Hong Kong Council of Social Services in February 2006.



Donation to the Hong Kong Polytechnic University: Part of the commemoration-program for 25th anniversary
捐款予香港理工大學：慶祝成立二十五週年活動之一

Joint Project with the St. Christopher's Home: Project of Venture Capital

We participated in a special project in providing a 6-months on the job and entrepreneurship training program for 15 youths from the St. Christopher's Home. This program included the sponsorship of a retail stall in the Lunar New Year Fair. The practical experience in running a business would help the youths in preparing for their eventual entry to the society. In addition to financial support, we also provided venue for training and assigned our colleagues to act as instructors.

企業社會責任

企業公民

作為一個有社會責任的企業公民，集團熱心推動關於社會責任的項目。於二零零五年五月，香港員工組成了「社會公益活動小組」，為社會公益事務出一分力，並以長者、兒童及教育為主要的目標對象舉辦各類活動。集團更於二零零六年二月獲香港社會服務聯會頒發「商界展關懷」標誌。

合作計劃－聖基道「嘉利創業自強計劃」

贊助聖公會聖基道兒童院合辦「嘉利創業自強計劃」，該計劃為15名將要離開兒童院的青少年提供為期六個月的在職及創業訓練，再輔以經營年宵攤位作為實習課，以預備日後踏足社會，自力更生。企業除支持所需支出外，亦提供課場及派出員工作義務導師。



Caring Company: We try hard to live by this name
商界展關懷：我們盡力達致實至名歸

Chairman's Statement 主席報告

Donation

We also made donation to The Evangelical Lutheran Church of Hong Kong in financing a one-year medical check-up program for the needy elderly and provided financial assistance for festival celebration. The active participation of our volunteer group has provided some happy moments for senior citizens.



Social responsibility programs: giving our staff other ways to find the values of life
社會公益活動：讓員工從其他途徑找尋人生意義

Education

To support Hong Kong Baptist University for the training of directors and to promote corporate governance, we set up scholarship for the Master Degree in Science of Corporate Governance and Directorship. We also donated money to the Hong Kong Polytechnic University for its Faculty of Industrial and System Engineering. We hope our modest contribution would help to train up more talent in the industry.

教育事項

捐款予香港浸會大學設立「公司管治與董事學理學碩士課程獎學金」，支持浸大培養公司管治與董事學的人才。另外，捐款予香港理工大學支持其「工業及系統工程學系」的學術研究及獎學金，為業界培育人才出一分力。

Chairman's Statement 主席報告

Since 2001, some of our staffs initiated to provide assistance to help those students from poor and far away rural districts. The Group supported such program enthusiastically. In July 2005, we organized a summer camp for these students so that they could meet with their sponsors and gain experiences.

EMPLOYMENT AND REMUNERATION POLICIES

Equipping our Staff with the Best Weapons

Actually most of our colleagues welcome a period of consolidation after years of double-digit growth. They need a "rest" and do some housekeeping matters. New recruits have to be indoctrinated into our unique "nothing is impossible" culture. Besides, our long-serving colleagues would have to learn new skills to accommodate the increasingly tough demands of our customer, as such we implemented a comprehensive training and talent development program:

A. Senior Management

- We have arranged with the Hong Kong Polytechnic University and other training professionals to organize a series of training sessions of team building and other training sessions;
- We have organized internal training sessions with senior management staff sharing their managerial experience with our colleagues.

自二零零一年員工自發推動「助學工程」讓國內偏遠山區之貧困學生受惠，集團積極響應。於二零零五年七月舉辦了「助學工程夏令營」活動，讓受助學生與贊助者親身見面及體驗生活。

僱員及薪酬政策

讓員工以最佳裝備上陣

經過數年持續地以雙位數字急速增長，相信大部份員工都歡迎整固期的出現，好讓他們有機會「歇息」和作內部調整。新招聘的人員都需要慢慢學習我們「凡事皆可能」的文化，至於服務年資較長的員工亦要他們學習新技巧，以應付客戶日漸嚴格的服務要求，因此我們推行全方位培訓及人才開發方針：

A. 管理層

- 我們透過與香港理工大學及其他培訓機構安排一連串有關建立團隊及其他主題的培訓；
- 內部培訓方面則安排高級管理層與其他職員分享管理經驗。

Chairman's Statement 主席報告



No star, but only Team Karrie
沒有明星，只有嘉利團隊



B. Mid/Low Management

- Training for back up personnel and job re-location program to reduce the impact of drain of mid/low management;
- Promoting the “mentor program for the elite” with the senior managers personally taking the lead in training for those with strong potentials.

B. 中層及基層管理人員

- 後備人才培訓、內部調配聘用等政策為減低人才流失所帶來的壓力；
- 推行「師父領袖精英培訓計劃」，由高層管理人員親自帶領具潛質之中層人員作貼身指導。

Chairman's Statement 主席報告



Selfless sharing of the secrets of management: do you want a copy of these management tricks not covered by professors?
無私地分享管理秘訣：你會否也想得到這些非教授講義所能涵蓋的管理精要？

C. New Recruits

- Continuing the “graduate training program” in view of the success of last year;
- Planning joint research program with universities through sponsoring engineers participating in system and products development. We will also provide financial support for engineers studying for master degree to speed up products design, development and analytical ability.

D. Frontline Workers

- Through discussion of actual examples in seminar with workers to promote the awareness of quality and safety;
- Introducing ‘all round training’ scheme to ensure workers can be easily shift to other departments as replacement.

As at 31 March 2006, the Group employed approximately 7,000 employees during the period.

Rewards for Performance

The standard 13th month pay was abolished in 2002. A new performance based bonus system and a more objective system of performance evaluation were introduced. Employees with superior performance now received higher bonus when compared with that under the previous system.

C. 新力軍

- 去年推行「應屆大學生培養計劃」成效顯著，為集團帶來新動力，今年將繼續進行；
- 計劃與大學合作研究計劃，透過資助工程師參與系統產品研發工作，同時保送及資助工程師攻讀大學碩士課程，以加快建立產品設計、開發及分析能力。



Discussion forum for frontline workers: learning from mistakes
前線人員的論壇：從錯誤中學習

D. 前線工人

- 透過實例辯論，提升員工對品質及工業安全的意識；
- 推出「全能工培訓計劃」，加快因員工流失崗位的補給能力。

截至二零零六年三月三十一日集團於期內聘有僱員約7,000名。

多勞多得

於二零零二年取消固有的第十三個月薪金，取而代之推出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比以往制度下更為可觀的獎金。



— 小故事 4 —

集團對於產品精度的準確性非常嚴格，偶一失誤可令集團之商譽盡毀，而樣辦測試等前期工作更不容忽視，就在三天內要完成一個涉及三百多件零件之樣辦批核報告過程中，讓我們發掘了一個小人物如何發揮她的力量，縱使看似微不足道，但她的主動卻感動著組內每一位人員。

品質部陳雙雙雖然只是一名驗貨員，看到主管正在煩惱分配人手處理當前急務時，便主動提出幫忙負責抄寫測量數據的工作更自願留下來加班，在她的帶動下，更推動了其他組員齊心協力下完成緊迫的貨期。



Chairman's Statement 主席報告

We Care

With the shortage of mid-level management in the local employment market, the Group follows the general trend in using a softer, gentler approach. Besides, this has the added benefit of creating a better environment for better productivity:

- Due to the limitation of the manufacturing nature of business, we are still moving toward full application of alternate weeks of attendance;
- Organizing welcoming session to newcomers to ensure these new employees settling down as soon as possible;
- Organizing social activities after office hours like ball games and variety shows so that employees would be able to relax and enjoy good health;
- Designing various incentive schemes for staff and departments with superior performance;
- Staging various campaigns like 'smiling faces' and 'heartfelt dedication in all details' to promote a new corporate culture;

After all our staff are our greatest assets. **Today corporate supremacy is determined not by the quality of machines, but by the quality of staff.** We want them to be in their best positions in the interest of the long-term benefits to our shareholders.

對員工之關懷

因應勞工市場依然較為缺乏中層管理人員，集團採取一個較為柔性、溫馨的策略，同時亦可營造出一個較佳的工作環境氣氛，令生產力得以提升：

- 由於集團製造業運作模式的規限，但仍會朝著週六長短週模式邁進；
- 為新入職人員安排迎新會，讓他們加快適應環境；
- 舉辦各類工餘活動，如球類及文藝表演等，讓員工舒緩工作壓力及鍛鍊強健體魄；
- 設立不同類型的獎勵方案對有優秀表現的員工及部門作出表揚；
- 舉辦「微笑行動」、「事無大小，用心去做」比賽，凝造新企業文化。

員工是我們最寶貴的資產，今時今日我們並不是「鬥設備」，而是「鬥人才」，我們應讓每位員工處於最佳崗位上，發揮所長為股東們之長遠利益努力。



Why Chairman Ho stood aside quietly? (Please refer to P.55)
何主席為何靜悄悄地站在一旁？（請參閱第五十五頁）

Chairman's Statement 主席報告

Heartfelt Dedication in all details

Last year the Group celebrated its 25 years in business. I have always been asked on the secret of our success. Yes, we are still far from perfect. But if you really need one single most important fact explaining the rise of the Group from having a turnover of HK\$661,887,000 in 1999/2000 to HK\$3,592,741,000, then I would say that it is our heartfelt dedication in all details.

A manufacturing company is not a parade of machines. It is an organization of people. So long as our colleagues are doing their job with their hearts, then we will be able to make incremental improvements, however small. From the macro prospect of the Company, such incremental improvements would be reflected in the confidence/satisfaction of the customers. This in turn would be translated into our competitive edges. And it is such spirit leading us to complete the "thousand mile journey".

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.

HO CHEUK FAI

Chairman

事無大小，用心去做

去年集團慶祝成立二十五週年時我常被人問及「我們」成功的秘訣，雖然我們距離完美的旅程尚遠，但若然要點出一個單一理由解釋集團如何從一九九九／二零零零年度之661,887,000港元營業額逐步攀升至3,592,741,000港元，惟一能夠解釋的就是「事無大小，用心去做」。

一家工廠並不只是一堆機器，這是由一群人組織合作的機構。只要我們每一位員工都能用心對待每一樣工作，就能帶出或許是微不足道的改善，從公司的宏觀角度看，這一點一滴的改善將可累積成明顯的進步，反映於客戶對我們的信心／滿意程度，最後轉化為我們的競爭優勢，就是這股精神帶領著我們繼續完成「千里之行」。

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。

主席

何焯輝

APPENDIX 1

Special Characteristics of Our Business Model

A Hypothetical Example (Simplified and generalized for easy understanding)

1. Quotation Phase

- 12 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

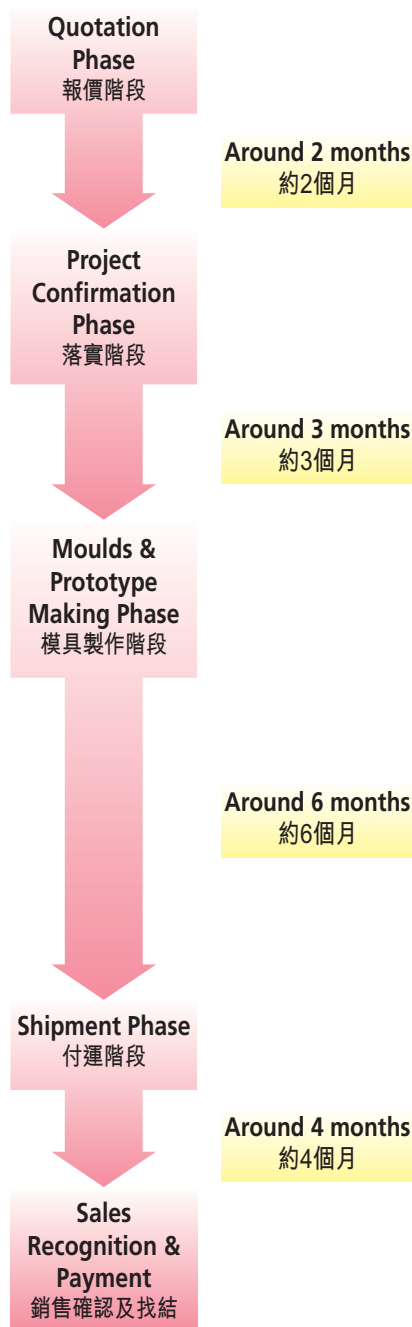
- According to Customer A specification, we start to perform the design works, make the moulds and prototype;
- This process would take around 6 to 12 months;
- Customer A would also work with our purchasing department on electronics components and the list of qualified suppliers for such components.

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

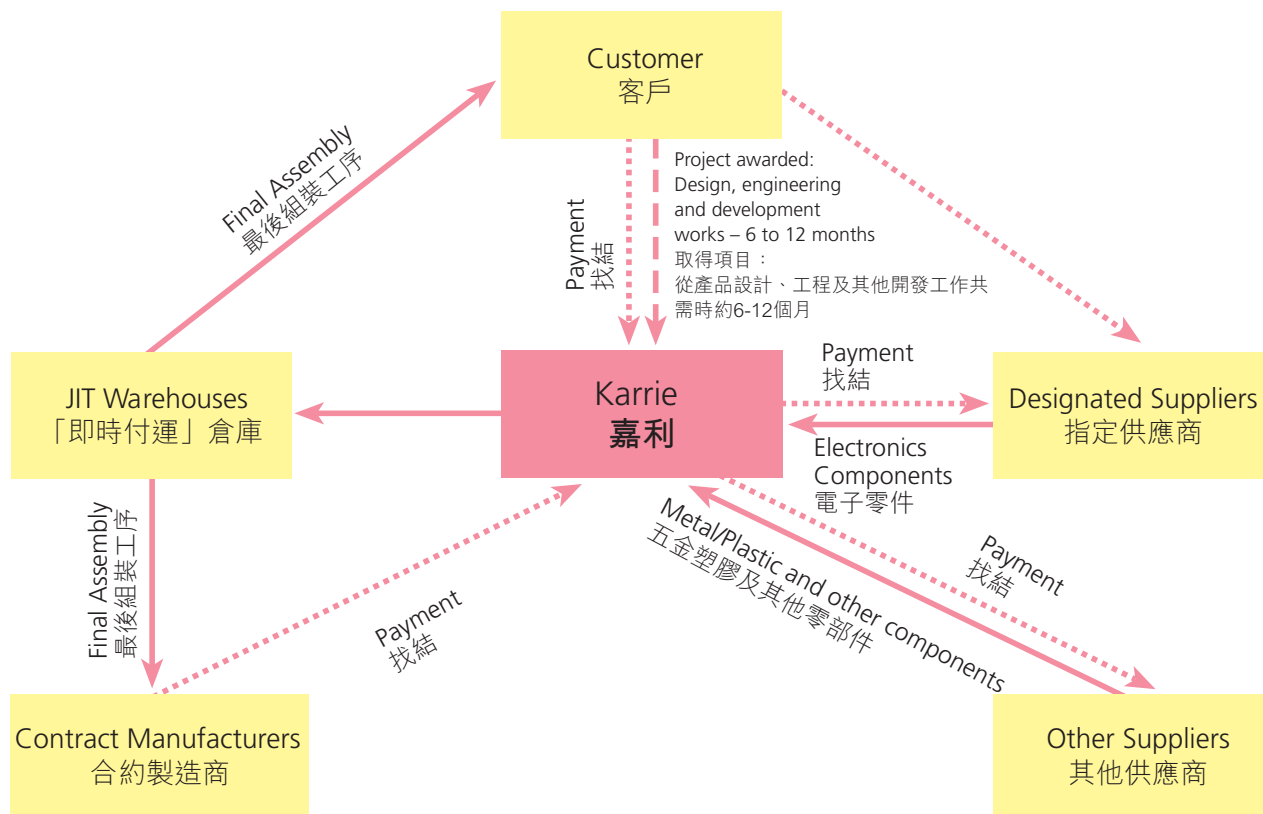
附錄一（續）

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



Chairman's Statement 主席報告

APPENDIX 1 (Cont'd)

Special Characteristics of Our Business Model

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

1. We deal with projects, which can take one year of development and engineering works from initial project confirmation 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 orders 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 have the situation likes 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 but not country of origin of the customers.

附錄一 (續)

經營模式之特色

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。

Chairman's Statement 主席報告

APPENDIX 2

Corporate Governance

1. Establishment of an Executive Committee to improve decision-making efficiency. The Group is now being run on an operational basis by a group of professional managers;



S K Lee 李樹琪
Accounting 會計
Investor Relations 投資者關係



Alfred Chow 周國雄
Finance 財務
Strategic Planning & Risk Management 策略規劃及風險管理
Investor Relations 投資者關係



Stephen Wong 黃順鵬
Production 生產管理



Ho Cheuk Ming 何卓明
Policy & Major Decision Making 政策及重要決定
Conflicts Resolution 平衡部門分歧
Capex 固定資產投資



Francis Kwok 郭永堅
Marketing 市務



Silvia Chan 陳名妹
Personnel & Administration 人事及行政
EDP 電腦資訊管理
Internal Audit 內部審計

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；

Chairman Ho: One of the principal duties of an entrepreneur is to build up a professional management team
何主席：一間企業掌舵人其中一項最重要的職責是要為企業建立專業管理梯隊

Chairman's Statement 主席報告

APPENDIX 2 (Cont'd)

Corporate Governance (Cont'd)

2. Efforts to improve transparency
 - in annual report, made detailed explanation of corporate strategies and the rationale behind;
 - meeting with individual shareholders periodically through a new “tea-break” program.
3. Clearly defined dividend policy of payment of 50% or more of the profit attributable to shareholders;
4. Clearly defined ROE objective of 20%;
5. Clearly defined future turnover targets;
6. Announcing quarterly results;
7. Increasing the number of audit committee meetings to 4 times a year;
8. Encouraging executive directors to hold at least 500,000 shares of the Group;
9. Willingness to share wealth created with all shareholders through dividend. Since 2000/01, the Group's accumulated dividends paid/payable is around HK\$517,064,000 or around 98% of the shareholders' fund.

附錄二 (續)

企業管治 (續)

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；
 - 定期舉行「茶敘」活動與個人投資者會面
3. 將股東應佔溢利之50%或以上用作派息作為集團之派息政策；
4. 清晰釐定股東權益回報率目標為20%；
5. 清晰釐定集團未來銷售目標；
6. 公佈季度業績；
7. 增加召開審核委員會會議之次數至每年4次；
8. 鼓勵各執行董事持有不少於500,000股集團股份；
9. 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517,064,000港元，或約佔股東資金98%。

Chairman's Statement 主席報告

APPENDIX 3

附錄三

Dividend and Dividend Policy:

股息及股息政策：

An unbroken 9 years record of dividend payment

9年以來派息從未間斷

Group's policy to distribute 50% 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50%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	Final	Subtotal	Interim Special	Final Special	Special Subtotal	Total	Dividend Payout Ratio	
	中期	末期	小計	中期 特別股息	末期 特別股息	特別股息 小計	合計	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%

Remarks: * Excluding special dividend

備註：*不包括特別股息

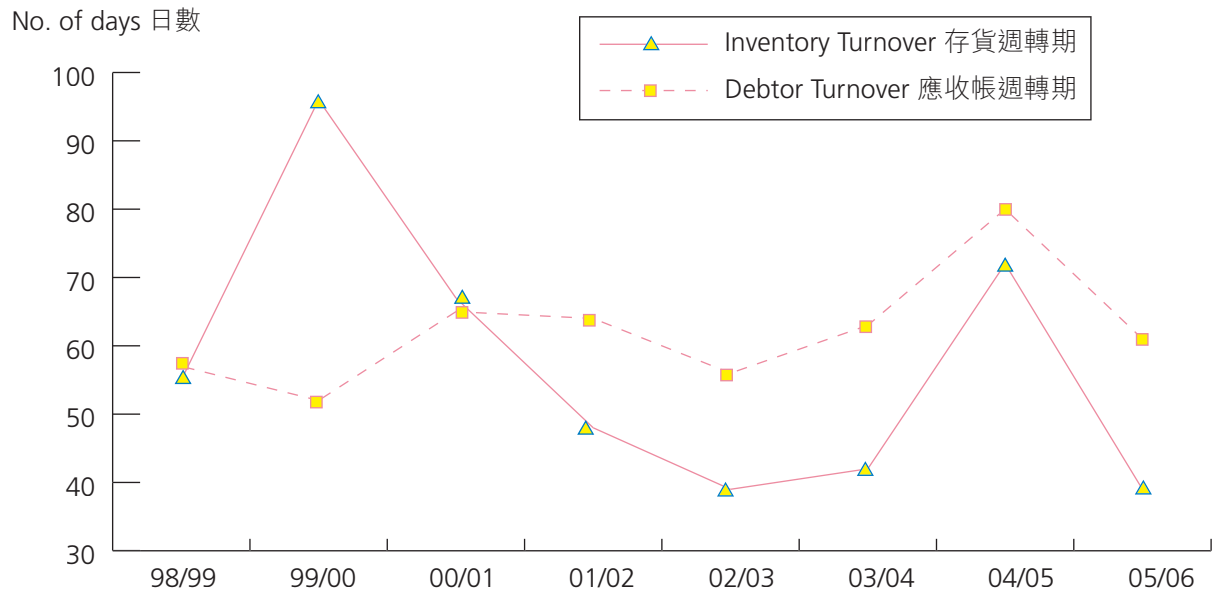
Including special dividend

#包括特別股息

APPENDIX 4

附錄四

Inventory & Debtor Turnover 存貨及應收帳週轉期



(no. of days)(日數)	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
Inventory Turnover								
存貨週轉期	55	96	67	48	39	42	72	39
Debtor Turnover								
應收帳週轉期	57	52	65	64	56	63	80	61

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

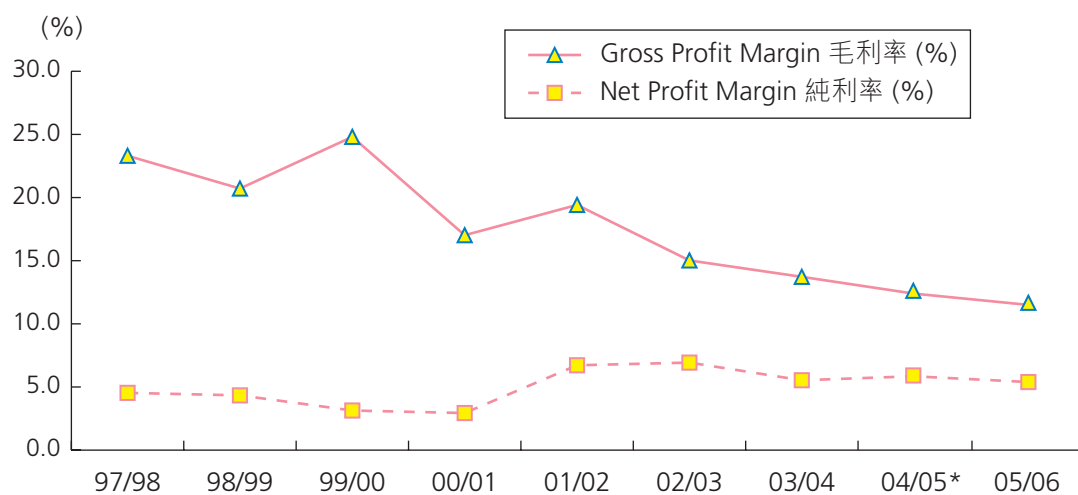
(no. of days)(日數)	04/05	05/06	Change 變幅
Raw Material 原料	33	18	-15
WIP 半製品	5	6	+1
Finished Goods 成品	34	15	-19
Total 合計	72	39	-33

APPENDIX 5

附錄五

Gross Profit Margin & Net Profit Margin

毛利率與純利率走勢圖



(%)	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05*	05/06
Gross Profit Margin 毛利率	23.3	20.7	24.8	17.0	19.4	15.0	13.7	12.4	10.6
Net Profit Margin 純利率	4.5	4.3	3.1	2.9	6.8	6.9	5.3	5.7	5.2
HK\$(million) (百萬港元)									
Turnover 營業額	619	592	662	893	1,156	1,738	1,693	2,563	3,593
Profit attributable to Shareholder 股東應佔溢利	28	25	21	26	78	120	90	147	186

* Restate
重列

Chairman's Statement 主席報告

APPENDIX 6

FAQ

BUSINESS

1. What is so special about Karrie's business model?
 - Normally we deal with projects, which can take one year of development and engineering works from initial project confirmation 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, P. 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 of raw material price (other than steel) has only a marginal impact on the bottom line. (2004/05 Annual Report, P. 18)
3. Experts say RMB is going to appreciate more in the coming two years. What is the impact on the Group?
 - RMB payments represented less than 10% of the total cost of sales
 - As most of our competitors are also based in China, in theory in the long run we could raise price to cover the increase in cost provided that the customers stick to their present sourcing pattern of buying from China.
4. Whom do Karrie sell to?

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少於10%。
 - 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。

Chairman's Statement 主席報告

CAPEX, DIVIDEND AND FINANCE

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

- The Group's shareholders fund was much higher than the non-current assets meaning that the Group was 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 positive news but not otherwise.

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

- The site area is approximately 210,000 square metres as compared to the combined site area of 89,000 square metres of the existing Yantien Plant and Fenggang Plant;
- We will build the Yu Quan Plants through various phases depending on the economic conditions. Phase I is expected to be completed in September 2006.

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

- Our dividend policy is to pay out 50% or more of the profit attributable to shareholders;
- In 2005/06, we paid out a total of HK25 cents as dividend (payout ratio: 55%), making the 9th year of unbroken dividend payment record;
- We are not yet convinced that we should change our dividend policy at the moment (2004/05 Annual Report, P. 34) as our profit can adequately finance both the dividend plus capex;
- Should the Directors decide to change the existing dividend policy, we would provide an advance notice in the immediate preceding interim or annual result announcement.

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210,000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，而第一期預計將於二零零六年九月完成。

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50%或以上作為股息；
- 於二零零五／零六年度我們每股派發25港仙作為股息（派發比率為55%），並連續九年保持派息記錄；
- 我們認為現階段無需要改變股息政策（二零零四／零五年度年報第三十四頁），因為我們的溢利足以支持股息與及固定資產投資；
- 倘若董事會對現行股息政策有任何改變，必會於前一次之中期／全年業績公佈時提前通知公眾。

Chairman's Statement 主席報告

CORPORATE GOVERNANCE AND OTHERS

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

- For three consecutive years, fund managers and research analysts 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;
- Since 2001 Karrie has been managed in an operational basis by a group of professional managers. With the exception of the COO, 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 Group's accumulated dividends paid is around HK\$517,064,000 or around 98% of the shareholders' fund as at 31 March 2006;
- To increase its transparency, Karrie
 - a. Voluntary announces quarterly result;
 - b. Arranges quarterly "tea-breaks" with individual shareholders;
 - c. Publishes an easy-to-read annual reports with graphs, tables and other useful information.

9. Who are the major shareholders?

- As at 31 May 2006, the Ho's family/Pearl Court Company Limited held around 54%;
- Value Partners Limited held around 10%.

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；
- 嘉利自二零零一年開始交由一班專業管理人仕負責日常營運工作，除營運總裁外，其餘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，截至二零零六年三月三十一日集團合共已派發之現金股息約517,064,000港元，佔股東資金的98%；
- 為了提高透明度，嘉利
 - a. 自願公佈季度業績；
 - b. 每季度為個人投資者舉行茶敘活動；
 - c. 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。

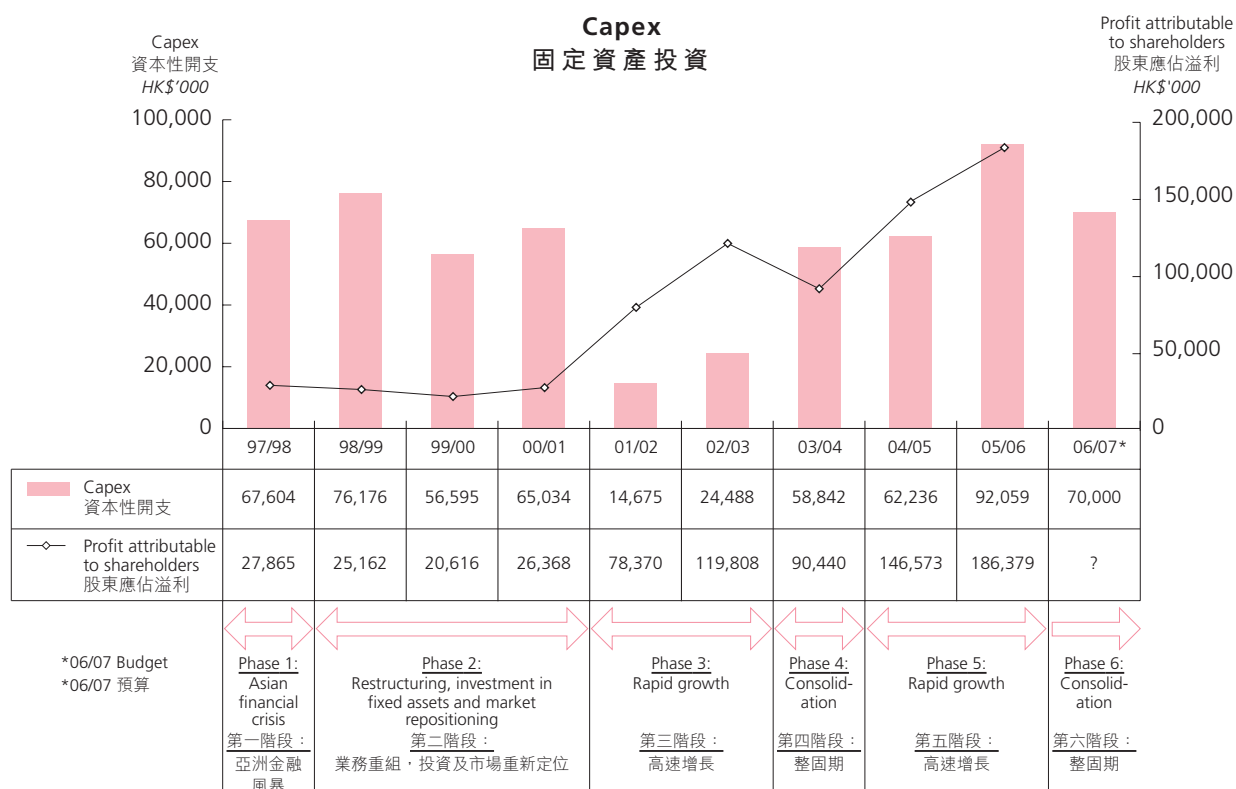
9. 誰是集團的主要股東？

- 截至二零零六年五月三十一日止，何氏家族／Pearl Court Company Limited持有股份為54%；
- 惠理基金持有約10%股份。

Chairman's Statement 主席報告

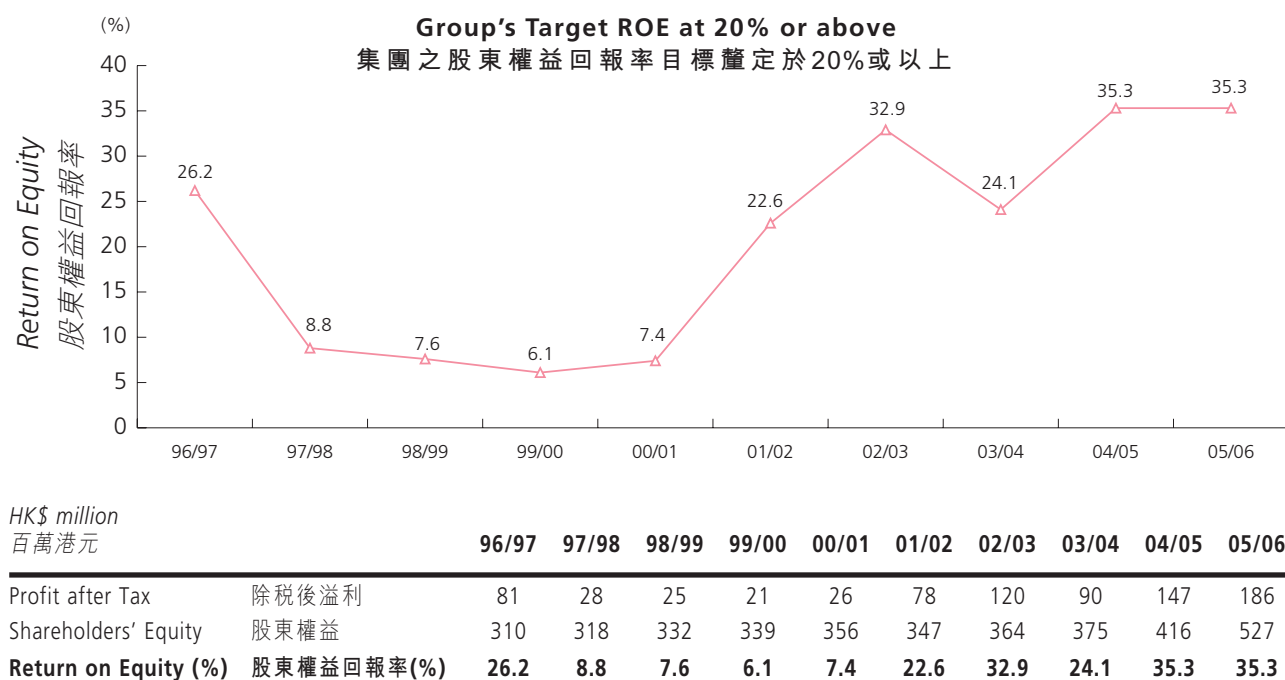
APPENDIX 7

附錄七



APPENDIX 8

附錄八



Chairman's Statement 主席報告

APPENDIX 9

附錄九

Potential Dilutive Effect of share Options

購股權潛在攤薄影響

(As at 15 June 2006, total number of issued share capital is 411,622,000 shares)

(截至二零零六年六月十五日已發行股本總數為411,622,000股)

Exercisable during or after the period 於期內或之後可行使之年度	Number of exercisable outstanding share options 未行使購股權數目			Percentage over total number of issued share capital 佔已發行股本 之百分比
	Directors 董事	Other Participants 其他參與者	Total 總數	
01/04/2006 - 31/03/2007	5,130,000	17,418,000	22,548,000	5.47%
01/04/2007 - 31/03/2008	1,760,000	3,716,000	5,476,000	1.33%
01/04/2008 - 31/03/2009	1,760,000	1,760,000	3,520,000	0.86%
Cumulative total 累計	8,650,000	22,894,000	31,544,000	7.66%

Corporate Governance Report 企業管治報告

The Group is committed to achieving high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability.

For the year ended 31 March 2006 (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 of the CG Code, save for deviation from code provision A.2.1. This report describes our Group’s corporate governance practices and explains the said deviation from the CG Code.

A. BOARD OF DIRECTORS

1. The Board of Directors

- 1.1 As at 31 March 2006, the Board consisted of eight Directors, including five executive Directors, namely, Mr. Ho Cheuk Fai (Chairman and Chief Executive Officer), Mr. Ho Cheuk Ming (Deputy Chairman and Chief Operating Officer), Mr. Kwok Wing Kin, Francis (Deputy Chairman), Mr. Lee Shu Ki and Mr. Wong Shun Pang, and three independent non-executive Directors, namely, Mr. So Wai Chun, Mr. Chan Sui Sum, Raymond and Mr. Fong Hoi Shing. 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.

為保障全體股東權益及提升企業價值和問責性，本集團一向承諾恪守奉行最嚴謹之企業管治。

於截至二零零六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（除了偏離守則條文A.2.1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 截至二零零六年三月三十一日，董事會由八名董事組成。包括五名執行董事－何焯輝先生（主席兼行政總裁）、何卓明先生（副主席兼營運總裁）、郭永堅先生（副主席）、李樹琪先生、黃順鵬先生及三名獨立非執行董事－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。

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1.2 The Board is committed to the Group's objectives of enhancing the shareholder's 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 dividend 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.

1.3 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 ended 31 March 2006 and considered, reviewed and approved the Group's annual results for the year ended 31 March 2005, quarterly and interim results of the Group for the Year.

1.2 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、中期及季度業績、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。

1.3 董事會每季舉行定期會議，並於情況需要時召開特別會議。

董事會於截至二零零六年三月三十一日止年度內已舉行七次會議，並已考慮、審閱及批准集團截至二零零五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。

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

以下是本年度董事會會議的出席紀錄：

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	4/7	57%
Mr. Ho Cheuk Ming	何卓明先生	7/7	100%
Mr. Kwok Wing Kin, Francis	郭永堅先生	5/7	71%
Mr. Lee Shu Ki	李樹琪先生	7/7	100%
Mr. Wong Shun Pang	黃順鵬先生	6/7	86%
Mr. Tam Wing Hung*	談永雄先生*	3/5	60%
(resigned on 13 February 2006)		(二零零六年二月十三日辭任)	
<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	6/7	86%
Mr. Fong Hoi Shing	方海城先生	7/7	100%
Average attendance rate	平均出席率		85%

* indicates the number of Board meetings held before the resignation of Mr. Tam Wing Hung.

* 顯示談永雄先生辭任執行董事前的會議出席紀錄

- 1.4 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.

- 1.4 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 2006, the Board comprises of eight Directors: five Executive Directors and three Independent Non-executive Directors. Mr. Ho Cheuk Ming, an Executive Director, is the younger brother of the Chairman, Mr. Ho Cheuk Fai, the Chairman and Chief Executive Officer. The Board has received annual confirmations of independence from each of the Independent Non-executive Directors and believed that all the Independent Non-executive Directors meet with 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 to effectively lead and 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 於二零零六年三月三十一日，董事會由八名董事組成，包括五名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、供應鍊管理，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。

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3. Appointment, Re-election and Removal of Directors

- 3.1 At each annual general meeting ("AGM"), one-third of the Directors are required to retire from office by rotation. The Directors, since his last election or appointment that have 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 Independent Non-executive Directors are appointed for a fixed term not exceeding three years and are subject to the requirements of retirement by rotation and re-election by shareholders at AGM in accordance with the Company's Bye-Laws.
- 3.3 The names and biographical details of the directors who will offer themselves for election or re-election at the forth coming 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／或行政總裁的董事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 獨立非執行董事以固定任期委任，惟不超過三年，並須根據公司章程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。

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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.

4. Chairman and Chief Executive Officer

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

Being the founder of the Group, Mr. Ho has substantial experience in the manufacturing industry. At the same time, Mr. Ho has the appropriate skills and business acumen that are the pre-requisites for assuming the role of Chief Executive Officer. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person would provide the Group with strong and consistent leadership and allow 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 should continue to be performed by Mr. Ho.

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. 主席及行政總裁

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，何焯輝先生目前兼任該兩個職位。

何先生為本集團的創辦人，於製造業具備豐富經驗。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，由一人兼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，故無須區分主席及行政總裁之角色並由何先生繼續擔任。

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B. BOARD COMMITTEE

1. Remuneration Committee ("RC")

1.1 The Board has established the RC in June 2005, 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, 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 twice 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 consists of three members:

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

All members are Independent Non-executive Directors. The Board is of the opinion that members of the AC have sufficient accounting and financial management expertise or experience to discharge their duties.

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，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兩次會議，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 審核委員會由三名成員組成：

蘇偉俊先生(主席)
陳瑞森先生
方海城先生

全為獨立非執行董事。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。

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2.2 The operations of the AC are regulated by its terms of reference. The major 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 four times during the Year with an attendance rate of 100% and reviewed the quarterly, interim results and the annual results of the Group for the year ended 31 March 2005. 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.

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；
- 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四次會議，其出席率為100%，並審閱了集團之季度、中期及截至二零零五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。

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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.
- 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 under the Listing Rules throughout the year ended 31 March 2006.

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 companies and of the Group on a going concern basis, with supporting assumption or qualification as necessary. In preparing the accounts for the year ended 31 March 2006, 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.

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（「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 經向全體董事作出具體查詢後，彼等確認已於截至二零零六年三月三十一日止年度期間全面遵守標準守則及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賬目（按持續經營基準，並在有需要時以假設及保留意見支援）。於編製截至二零零六年三月三十一日止年度之賬目時，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。

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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 and interim 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.

1.4 Since September 2003, the Company publishes its financial results on a quarterly basis in order to enhance transparency about its performance and to give details of the latest development of the Group in a timely manner. The Company announced its annual results within 3 months after each financial year end and announced its interim results within 2 months after the end of the relevant periods.

2. Internal Controls

To maintain sound and effective internal control to safeguard shareholders' investment and the Company's assets, the Internal Audit Department under the supervision of the Board, is in the process of conducting a review on the effectiveness of the internal control system of the Group and an independent evaluation to report on the adequacy and effectiveness of the Company's control, information system and operations. The review covered aspects of financial, operational and compliance and risk management control functions.

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及中期報告、其他涉及股價敏感資料的公佈、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。

1.4 由二零零三年九月起，本公司按季度刊發其財務業績，以增加其效績之透明度及適時提供本集團最新發展之詳情。本公司於財政年度完結日期後三個月內公佈其全年業績，亦於有關期間完結後兩個月內公佈中期業績。

2 內部監控

為了確保內部監控系統穩健妥善而且有效，以保障股東之投資及本公司的資產，內部審核部門，在董事會的監督下，正就本集團內部監控系統之有效性進行檢討，及進行獨立評估及報告本公司之監控、資訊系統及運作是否足夠及有效。有關檢討涵蓋財務監控、運作監控及合規監控以及風險管理功能。

Corporate Governance Report 企業管治報告

3. Auditors' Remuneration

During the Year, the fees paid to PricewaterhouseCoopers, the Group's external auditor for audit services of the Group and for non-audit related services, representing mainly taxation services, are set out in Note 7 on page 161 of this annual report.

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 address the shareholders concerned. Their views are communicated to the Board comprehensively.
2. The Company communicates with its shareholders through the publication of annual, interim reports, press announcements and releases. All communications to shareholders are also available on the Company's website at www.karrie.com.hk.
3. The AGM provides a useful platform for shareholders to exchange views with the Board. The chairman of the Board as well as the chairmen of the AC and RC, or in their absence, members of the relevant Board Committees 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. Details of the voting procedures and rights of shareholders to demand a poll are included in the circular to shareholders, which has been dispatched together with this Annual Report.

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為本集團提供核數服務及非核數相關服務（主要為稅務服務）之金額詳情載錄在本年度第一百六十一頁之附註七內。

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. 本公司透過刊發年報、中期報告、報章公告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. 股東週年大會為股東與董事會提供有用之交換意見平台。董事會主席以及審核委員會及薪酬委員會之主席（如彼等缺席，則有關委員會成員）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. 投票表決程序及股東要求投票表決權力之詳情載於連同本年報寄發予股東之通函內。

Corporate Governance Report 企業管治報告

F. INVESTOR RELATIONS

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

2. Quarterly results announcement

The Group has voluntarily adopted quarterly result announcement commencing from September 2003 onwards. This is part of the Group's effort to go beyond the Stock Exchange requirements and to make the Group's financial position as transparent as possible to shareholders, potential investors and the general public. Annual reports and interim reports are prepared and issued to all shareholders within the prescribed period stipulated by the Listing Rules. All press and results announcements and reports are posted on the Company's website.

3. Media and analysts briefings

Briefings for media are held on the same day immediately after the quarterly, 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.

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. 季度業績公佈

由二零零三年九月起，本集團主動採納季度業績公佈。此乃本集團超出聯交所規定，致力為股東、有意投資者及公眾提高本集團財政狀況透明度。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。所有報章公告、業績公佈及報告均載於本公司網站。

3. 新聞界及分析員簡報會

新聞界簡報會緊隨季度、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. Tea-Break with individual investors

Since the first quarter of 2004/05, the Group arranges tea gathering with individual investors within 1 month after each results announcement conference 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.

4. 與個人投資者茶敘

自二零零四／零五年度第一季起，本集團皆於業績公佈後一個月內舉行茶敘，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。

Senior Management Profile 高級管理人員的個人資料

DIRECTORS

Executive Directors

Mr. HO Cheuk Fai, aged 60, 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 manufacturing plastic, metal and electronic products. He is responsible for the Group's overall corporate strategies and objectives. He is also a director of Pearl Court Company Limited, a corporate substantial shareholder of the Company, and the brother of Mr. Ho Cheuk Ming and husband of Ms. Ho Po Chu.

He is a fellow member of the Asian Knowledge Management Association and Honorary Chairman of The Hong Kong Metals Manufacturers Association. He has been appointed as a member of Chinese People's Political Consultative Conference, Dongguan City, Guangdong Province in March of 2004. Mr. Ho is currently participating in affairs of different association of foreign investors, which including China Association of Enterprises with Foreign Investment, Dongguan City Association of Enterprises with Foreign Investment, Dongguan City Fenggang Association of Enterprises with Foreign Investment, Hebei Chinese Overseas Friendship Association and Hong Kong Hebei Association Ltd.

Mr. HO Cheuk Ming, aged 52, was appointed as a Director of the Company in October 1996, and is a Deputy Chairman and Chief Operation Officer as well as the Convener of the Executive Committee of the Group. He is responsible for overall supervision of the Group's operation. He joined the Group in 1980 and has over 20 years' experience in factory production. He is also a director of Pearl Court Company Limited, a corporate substantial shareholder of the Company, and the brother of Mr. Ho Cheuk Fai and the brother-in-law of Ms. Ho Po Chu.

董事

執行董事

何焯輝先生，六十歲，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 Pearl Court Company Limited 之董事，及為何卓明先生的兄長及何寶珠女士的丈夫。

彼為亞洲知識管理協會院士兼香港金屬製造業協會名譽會長，並於二零零四年三月被委任為第十屆廣東省東莞市政協委員。彼積極參與多個外商協會事務，其中包括有中國外商投資企業協會、東莞市外商投資企業協會、東莞市鳳崗外商投資企業協會、河北海外聯誼會及香港河北聯誼會。

何卓明先生，五十二歲，於一九九六年十月獲委任為本公司董事，並為本集團副主席兼營運總裁及執行委員會召集人，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經驗。彼為本公司法團大股東 Pearl Court Company Limited 之董事，及為何焯輝先生之弟及何寶珠女士的小叔。

Senior Management Profile 高級管理人員的個人資料

Mr. KWOK Wing Kin, Francis, aged 44, was appointed as a Director of the Company in October 2000, and is a Deputy Chairman and the Marketing Director as well as a member of the Executive Committee of the Group. Mr. Kwok graduated from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a diploma in business management and is an associate member of The Hong Kong Management Association. Prior to joining the Group in 1989, Mr. Kwok had ten years' experience in plastic manufacturing sector and procurement work in electronics manufacturing sector.

Mr. LEE Shu Ki, aged 50, was appointed as a Director of the Company in December 1997, and is 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.

Mr. WONG Shun Pang, aged 54, was appointed as a Director of the Company on 1 June 2004 and is the Senior General Manager in charge of the factories owned by the Group in the People's Republic of China and is a member of the Executive Committee of the Group. He is responsible for the operations of China factories. Mr. Wong graduated from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) with a higher certificate in Production and Industrial Engineering. Mr. Wong had worked for the Group from 1981 to 1993 and rejoined the Group in 2001. He had over 30 years' experience in engineering and manufacturing management for plastic, metal and electronics industries.

郭永堅先生，四十四歲，於二零零零年十月獲委任為本公司董事，並為本集團副主席兼市場總監及執行委員會成員之一。郭先生畢業於香港理工學院（現稱香港理工大學），持有工商管理文憑，並為香港管理專業協會之會員。郭先生於一九八九年加入本集團之前，擁有十年塑膠製造及電子採購之經驗。

李樹琪先生，五十歲，於一九九七年十二月獲委任為本公司董事，並為本集團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。

黃順鵬先生，五十四歲，於二零零四年六月一日獲委任為本公司董事，並為本集團中國廠房高級總經理及本集團執行委員會成員之一，負責監督中國廠房之生產及整體營運。黃先生畢業於香港理工學院（現稱香港理工大學），持有生產及工業工程高級證書。黃先生於一九八一至一九九三年間為本集團服務，並於二零零一年重新加盟，彼擁有逾三十年於塑膠、五金及電子行業的工程及製造管理經驗。

Senior Management Profile 高級管理人員的個人資料

Independent Non-executive Directors

Mr. SO Wai Chun, aged 57, was appointed as an Independent Non-Executive Director of the Company in July 2001. Mr. So has been carrying on business in Hong Kong and the People's Republic of China for over 20 years. He is the major shareholder and director of a company in Hong Kong. His businesses are mainly in financial services and international trading. In 2000, Mr. So was appointed as the China Representative of Forestry New Zealand Limited, a subsidiary of Evergreen Forestry Limited which is a listed company in New Zealand.

Mr. CHAN Sui Sum, Raymond, aged 66, 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 Chaplin Chemicals Limited and Shelton Food Industry Limited.

Mr. FONG Hoi Shing, aged 42, 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 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，五十七歲，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，為香港某公司的主要股東及董事，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，六十六歲，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。彼現為卓麟化原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，四十二歲，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 高級管理人員的個人資料

Management

Ms. HO Po Chu, aged 57, 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 a director of Pearl Court Company Limited, a corporate substantial shareholder of the Company, and the wife of Mr. Ho Cheuk Fai and sister-in-law of Mr. Ho Cheuk Ming.

Mr. CHOW Kwok Hung, Alfred, aged 50, is the Chief Financial Officer for treasury and a member of the Executive Committee of the Group. Mr. Chow graduated from The University of Hong Kong with a bachelor degree in Social Science. Mr. Chow is an associate member of The Hong Kong Institute of Certified Public Accountants and has over 15 years' experience in financial management. He joined the Group in April 1998 and is responsible for the Group's financial management and strategic planning.

Ms. CHAN Ming Mui, Silvia, aged 34, is the Assistant Administration Director of Administration Department and responsible for overall operation of personnel, administration and EDP department of the Group. Ms. Chan is one of the members of 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.

管理人員

何寶珠女士，五十七歲，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。彼為本公司法團大股東 Pearl Court Company Limited 之董事，及為何焯輝先生之夫人及何卓明先生的大嫂。

周國雄先生，五十歲，本集團司庫部財務總監及執行委員會成員之一。周先生畢業於香港大學，持有社會科學學士學位。彼為香港會計師公會之會員，擁有逾十五年財務管理經驗。彼於一九九八年四月加入本集團，負責本集團的財務管理及策略規劃。

陳名妹小姐，三十四歲，本集團行政部之副行政總監，負責人事、行政及電腦部整體運作。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。

Senior Management Profile 高級管理人員的個人資料

Ms. TAM Fung Ping, Edith, aged 48, is the General Manager of Storage Product and Electronics Manufacturing Services (EMS) Department, responsible for the production and operations of storage products and EMS Business of the Group. Ms. Tam is also responsible for the overall operation of the Group's logistics system and supply chain management. Ms. Tam was graduated from The University of Ottawa in Canada with a bachelor degree in Mechanical Engineering. Ms. Tam had worked for the Group from 1990 to 1993 and rejoined the Group in 2000. Prior to joining the Group, she had four years' experience as manufacturing engineer and purchasing specialist in the electronics manufacturing companies, and eight years' experience in logistic management in the factories stationed in the People's Republic of China.

Mr. LI Cheuk Sum, aged 57, is responsible for supervising the operation of sales and marketing department (division 3) of the Group. Mr. Li has over 20 years' experience in the manufacture and sale of video cassette housings. Prior to joining the Group in 1980, Mr. Li had over 10 years' experience in the electronics industry and in marine radio communication.

Mr. WONG Siu Ching, aged 48, is the Marketing Director (Division 1) of the Group, responsible for project development and marketing for the Group. Prior to joining the Group in 1988, Mr. Wong had over 10 years' experience in sales and marketing.

Mr. CHAN Raymond, aged 39, is the Marketing Director (Division 2) of the Group, responsible for marketing development work. He joined the Group in 1985 and has over 15 years' experience in sales and marketing.

譚鳳萍小姐，四十八歲，本集團存儲產品及電子代工部總經理，負責監督集團存儲產品及電子專業代工業務之生產及整體營運。譚小姐並負責監督集團整體物流系統及供應鏈運作管理。譚小姐畢業於加拿大渥太華大學，持有機械工程學士學位。譚小姐於一九九零至一九九三年間為本集團服務，並於二零零零年重新加盟，加盟本集團前，彼擁有四年任職電子製造公司之製作工程師和專業採購員及八年駐守中國內地的工廠物料管理經驗。

李焯森先生，五十七歲，彼負責本集團市場部(第三組)之業務。李先生擁有逾二十年錄影帶產品製造及銷售經驗。彼於一九八零年加入本集團之前，已有十年以上電子業及海事無線電通訊經驗。

王少正先生，四十八歲，本集團市務總監(第一組)，負責本集團項目發展及市場推廣。於一九八八年加入本集團前，王先生擁有逾十年銷售及市場推廣經驗。

陳毅文先生，三十九歲，本集團市務部總監(第二組)，負責市場業務拓展。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。

Senior Management Profile 高級管理人員的個人資料

Mr. CHAN Wah Ying, aged 41, is the Assistant Quality Director 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.

Ms. YIU Yuet Fung, aged 41, is the Assistant General Manager at the Group's factories in China, responsible for the overall personnel and administration management. She joined the Group in 1984 and has over 15 years' experience in managing the production process of manufacturing industries.

Mr. WONG Fok Tsun, Albert, aged 54, is the Internal Audit Manager of the Group, responsible for setting up of internal audit function and Mr. Wong reports directly to Board of Directors and 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 an associate member of each of The Association of International Accountants, UK and CPA Australia. Also he is 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 46, is the Technical Director of the Electronics Manufacturing Services (EMS) Department, responsible for engineering capabilities and technology development in electronic products and system integration. 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.

陳華英先生，四十一歲，本集團品質部副總監。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。

姚月鳳小姐，四十一歲，本集團中國廠房之副總經理，負責人事及行政整體管理。彼於一九八四年加入本集團，擁有逾十五年於製造業生產程序管理經驗。

黃福全先生，五十四歲，本集團內部審計經理，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Curtin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，四十六歲，本集團電子代工部技術總監，負責發展電子產品及系統整合的工程能力及技術開發。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。

Report of the Directors 董事會報告

The Board has the pleasure of presenting the report together with the audited accounts (“the “Accounts”) of the Group for the year ended 31 March 2006.

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 together with their respective operating profit for the year ended 31 March 2006 is analysed as follows:

1. By principal product category:

董事會謹此呈上本集團截至二零零六年三月三十一日止年度之報告及經審核帳目（「帳目」）。

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。

本集團按主要產品及地區之營業額及經營溢利截至二零零六年三月三十一日止年度之分析如下：

1. 按主要產品分析：

The year ended 31 March 2006
截至二零零六年三月三十一日止之年度

		Metal and Plastic Business 五金塑膠 業務 HK\$'000 千港元	EMS Business 電子專業 代工業務 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Turnover	營業額				
External	外部	1,431,428	2,161,313	–	3,592,741
Inter-segment	內部	109,723	–	(109,723)	–
Segment results	分部業績	161,917	52,122	–	214,039
Other operating income	其他經營收入				14,628
Operating profit	經營溢利	–	–		228,667
Finance costs	財務成本	–	–		(24,531)
Taxation	稅項	–	–		(17,757)
Profit attributable to equity holders of the Company	股權持有人應佔溢利	–	–		186,379

Report of the Directors 董事會報告

PRINCIPAL ACTIVITIES (Cont'd)

1. By principal product category: (Cont'd)

主要業務 (續)

1. 按主要產品分析：(續)

The year ended 31 March 2005
截至二零零五年三月三十一日止之年度

		Metal and Plastic Business 五金塑膠 業務 HK\$'000 千港元 (Restated) (重列)	EMS Business 電子專業 代工業務 HK\$'000 千港元 (Restated) (重列)	Elimination 抵銷 HK\$'000 千港元	Total 合共 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額				
External	外部	1,172,806	1,390,384	–	2,563,190
Inter-segment	內部	63,238	–	(63,238)	–
Segment results	分部業績	121,262	45,157		166,419
Other operating income	其他經營收入	–	–		12,311
Operating profit	經營溢利	–	–		178,730
Share of loss of an associated company	應佔聯營 公司虧損	–	(10,234)		(10,234)
Finance costs	財務成本	–	–		(8,720)
Taxation	稅項	–	–		(13,203)
Profit attributable to equity holders of the Company	股權持有人 應佔溢利	–	–		146,573

Report of the Directors 董事會報告

PRINCIPAL ACTIVITIES (Cont'd)

2. By geographical locations*:

主要業務 (續)

2. 按地區*：

the year ended 31 March 2006
截至二零零六年三月三十一日止之年度

		Japan	Asia (excluding Japan) 亞洲 (不包括日本)	North America	Western Europe	Total
		日本 HK\$'000 千港元	日本) HK\$'000 千港元	北美洲 HK\$'000 千港元	西歐 HK\$'000 千港元	合共 HK\$'000 千港元
Turnover	營業額	243,253	1,494,003	600,095	1,255,390	3,592,741
Segment results	分部業績	17,187	66,316	60,955	69,581	214,039

the year ended 31 March 2005
截至二零零五年三月三十一日止之年度

		Japan	Asia (excluding Japan) 亞洲 (不包括日本)	North America	Western Europe	Total
		日本 HK\$'000 千港元 (Restated) (重列)	日本) HK\$'000 千港元 (Restated) (重列)	北美洲 HK\$'000 千港元 (Restated) (重列)	西歐 HK\$'000 千港元 (Restated) (重列)	合共 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	227,879	1,096,507	429,867	808,937	2,563,190
Segment results	分部業績	16,406	47,810	40,950	61,253	166,419

* Turnover by geographical locations is determined on the basis of the destination of delivery of merchandise.

* 按地區分析之營業額是以貨品運送的目的地來決定。

Report of the Directors 董事會報告

RESULTS AND APPROPRIATIONS

Details of the Group's results for the year ended 31 March 2006 are set out in the consolidated profit and loss account on page 124 of this annual report.

An interim dividend of HK9 cents per ordinary share was paid during the Year. The Directors have recommended the payment of a final dividend of HK13 cents and a special dividend of HK3 cents per share for the Year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 15 to the Accounts.

SHARE CAPITAL

Details of the share capital of the Company are set out in Notes 21 to the Accounts.

RESERVES AND RETAINED PROFIT

Movements in reserves and retained profit of the Group and the Company during the Year are set out in Note 23 to the Accounts.

As at 31 March 2006, the Company's reserves of approximately HK\$262,463,000 representing the contributed surplus, retained profit and proposed dividends were available for distribution to the Company's shareholders.

DONATIONS

Charitable and other donations made by the Group during the Year amounted to HK\$561,000.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

業績與分派

本集團截至二零零六年三月三十一日止年度之業績，詳載於本年報第一百二十四頁之綜合損益表內。

本財政年度已派發中期息每普通股9港仙。董事會現建議派發末期股息為每股13港仙及特別股息每股3港仙。

物業、廠房及設備

在本財政年度內之固定資產變動情況詳載於帳目附註15。

股本

本公司股本情況詳載於帳目附註21。

儲備與保留溢利

本集團及本公司在本年度之儲備保留溢利變動情況載於帳目附註23。

截至二零零六年三月三十一日止，本公司可供分派予本公司股東的儲備約262,463,000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561,000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、出售或贖回本公司任何股份。

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES

The Old Scheme

The old share option scheme of the Company (the “Old Scheme”) was adopted on 27 November 1996 pursuant to which share options were granted to employees and executive directors of the Company or its subsidiaries. No further options can be, or have been, issued under the Old Scheme from 21 May 2002, the date of adoption of the new share option scheme of the Company (the “New Scheme”) and termination of the Old Scheme. Details of the Old Scheme are summarised herein below:

- (i) The participants of the Old Scheme include any eligible employee (including any executive directors) of the Company and its subsidiaries;
- (ii) The total number of shares may be issued by the Company if all options which had been granted under the Old Scheme have been exercised is 36,000,000 which represents 8.75% of the existing issued share capital of the Company as at the date of this report;
- (iii) The maximum entitlement of any eligible employee, when aggregated with shares issued and issuable under all options granted to him, must not exceed 25% of the aggregated number of shares for the time being issued and issuable under the Old Scheme;
- (iv) An option may be exercised in accordance with the terms of the Old Scheme at any time during a period to be notified by the Board to each grantee and in any event shall be not later than ten years from 1 December 1996;
- (v) 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;

購股權計劃

舊計劃

本公司舊有的購股權計劃(「舊計劃」)於一九九六年十一月二十七日採納。本公司及其任何附屬公司的僱員及執行董事曾據舊計劃之條款獲授購股權。於二零零二年五月二十一日，舊計劃已被終止及一新購股權計劃(「新計劃」)獲採納，據此，本公司不可亦未有再根據舊計劃授出購股權。舊計劃之詳細資料摘要如下：

- (i) 舊計劃參與人包括本公司或其附屬公司的任何合資格僱員(包括任何執行董事)；
- (ii) 根據舊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36,000,000股，相當於本報告日期本公司現行已發行股本之8.75%；
- (iii) 每名合資格僱員可得購股權數目上限(行使其獲授購股權的已發行及可發行股份總數)不得超過根據舊計劃當時已發行及可予發行之股份總數之25%；
- (iv) 獲授人可根據董事會通知每名獲授人有關其購股權的個別行使期內任何時間，按舊計劃的條款行使其購股權，惟不得超過由一九九六年十二月一日起計十年年期；
- (v) 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；

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES (Cont'd)

The Old Scheme (Cont'd)

- (vi) The subscription price payable upon exercising any particular option granted 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 higher of (a) the nominal value of the shares; or (b) 80% of the average closing prices of the shares of the Company quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the last five trading days;
- (vii) The Old Scheme was terminated on 21 May 2002 but in all other respects the provisions of the Old Scheme remain in force and all options granted prior to its termination shall continue to be valid and exercisable in accordance therewith;
- (viii) Details of share option movements during the year ended 31 March 2006 under the Old Scheme are as follows:

購股權計劃 (續)

舊計劃 (續)

- (vi) 根據每項獲授予購股權在行使時認購本公司股份之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) 本公司股份之面值；或(b)緊接授予購股權日期之前五個交易日香港聯合交易所有限公司（「聯交所」）股份在聯交所之平均收市價之80%；
- (vii) 舊計劃已於二零零二年五月二十一日終止，惟舊計劃之任何條文仍然有效，及所有在舊計劃終止前授出之購股權會繼續有效並可據此繼續行使；
- (viii) 根據舊計劃於截至二零零六年三月三十一日止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)	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 2005 二零零五年三月三十一日 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 2006 二零零六年三月三十一日 尚未行使 (‘000) (千)
Employees 員工	20/09/2000	0.300	20/09/2000-30/11/2006	0.35	-	150	-	-	-	150
	20/09/2000	0.300	21/09/2001-30/11/2006	0.35	-	150	-	-	-	150
	20/09/2000	0.300	21/09/2002-30/11/2006	0.35	-	200	-	-	-	200
	20/09/2000	0.300	21/09/2003-12/08/2006	0.35	-	320	-	-	-	320

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES (Cont'd)

The Old Scheme (Cont'd)

- (ix) Details of share option movements during the period between 1 April 2006 to 15 June 2006 under the Old Scheme are as follows:

購股權計劃 (續)

舊計劃 (續)

- (ix) 根據舊計劃於二零零六年四月一日至六月十五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	Number of Share Options 購股權數目				Outstanding at 15 June 2006
						Outstanding at 31 March 2006	Granted during the period from 1 April 2006 to 15 June 2006	Exercised during the period from 1 April 2006 to 15 June 2006	Lapsed/cancelled during the period from 1 April 2006 to 15 June 2006	
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)	二零零六年三月三十一日尚未行使 (千)	二零零六年四月一日至六月十五日獲授予 (千)	二零零六年四月一日至六月十五日行使 (千)	二零零六年四月一日至六月十五日失效/取消 (千)	二零零六年六月十五日尚未行使 (千)
Employees 員工	20/09/2000	0.300	20/09/2000-30/11/2006	0.35	-	150	-	-	-	150
	20/09/2000	0.300	21/09/2001-30/11/2006	0.35	-	150	-	-	-	150
	20/09/2000	0.300	21/09/2002-30/11/2006	0.35	-	200	-	-	-	200
	20/09/2000	0.300	21/09/2003-12/08/2006	0.35	-	320	-	-	-	320

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme

The New Scheme was adopted on 21 May 2002 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);
- (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 may be issued by the Company if all options granted under the New Scheme have been exercised is 30,724,000 which represents 7.5% of the existing issued share capital of the Company at the date of this report;

購股權計劃 (續)

新計劃

新計劃於二零零二年五月二十一日採納，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；
- (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30,724,000股，相當於本報告日期本公司現行已發行股本之7.5%；

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

- (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 an 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;
- (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;

購股權計劃 (續)

新計劃 (續)

- (iv) 除非獲得股東大會批准，否則參與人在截至最近一次獲授購股權之前之任何12個月內，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；
- (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；

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SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

- (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)

- (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。

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SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(x) Details of share option movements during the year ended 31 March 2006 under the New Scheme are as follows:

購股權計劃 (續)

新計劃 (續)

(x) 根據新計劃於截至二零零六年三月三十一日止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	Price at exercise date of options	Number of Share Options				
						Outstanding at 31 March 2005	Granted during the Year	Exercised during the Year	Lapsed/ cancelled during the Year	Outstanding at 31 March 2006
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)	二零零五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)	二零零六年三月三十一日尚未行使 (千)
(i) Directors/Chief Executives 董事及最高行政人員										
Mr. Ho Cheuk Ming 何卓明先生	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	280	-	-	-	280
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	560	-	-	-	560
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	560	-	-	-	560
Mr. Kwok Wing Kin, Francis 郭永堅先生	01/11/2002	1.65	01/01/2003-31/10/2012	1.65	3.18 (AVG平均)	750	-	(700)	-	50
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	-	750	-	-	-	750
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	-	160	-	-	-	160
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	-	320	-	-	-	320
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	-	320	-	-	-	320
	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	200	-	-	-	200
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	400	-	-	-	400
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	400	-	-	-	400

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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	Number of Share Options					
					Price at exercise date of options	Outstanding at 31 March 2005	Granted during the Year	Exercised during the Year	Lapsed/ cancelled during the Year	Outstanding at 31 March 2006
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)	二零零五年三月三十一日尚未行使 ('000) (千)	於本年度獲授予 ('000) (千)	於本年度行使 ('000) (千)	於本年度失效/取消 ('000) (千)	二零零六年三月三十一日尚未行使 ('000) (千)
Mr. Lee Shu Ki 李樹琪先生	01/11/2002	1.65	01/01/2003-31/10/2012	1.65	-	200	-	-	-	200
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	-	300	-	-	-	300
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	-	80	-	-	-	80
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	-	160	-	-	-	160
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	-	160	-	-	-	160
	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	200	-	-	-	200
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	400	-	-	-	400
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	400	-	-	-	400

購股權計劃 (續)

新計劃 (續)

(x) (續)

Report of the Directors 董事會報告

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	Number of Share Options					
					Price at exercise date of options	Outstanding at 31 March 2005	Granted during the Year	Exercised during the Year	Lapsed/ cancelled during the Year	Outstanding at 31 March 2006
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)	二零零五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)	二零零六年三月三十一日尚未行使 (千)
Mr. Wong Shun Pang 黃順鵬先生	01/11/2002	1.65	01/01/2003-31/10/2012	1.65	-	100	-	-	-	100
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	-	200	-	-	-	200
	01/12/2003	2.475	01/08/2005-30/11/2013	2.425	-	100	-	-	(100)	-
	01/12/2003	2.475	01/01/2006-30/11/2013	2.425	-	200	-	-	-	200
	01/12/2003	2.475	01/01/2007-30/11/2013	2.425	-	200	-	-	-	200
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	-	160	-	-	-	160
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	-	120	-	-	-	120
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	-	120	-	-	-	120
	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	200	-	-	-	200
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	400	-	-	-	400
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	400	-	-	-	400
Ms. Ho Po Chu 何寶珠女士	07/02/2005	3.35	01/07/2005-06/02/2015	3.325	-	800	-	-	-	800

購股權計劃 (續)

新計劃 (續)

(x) (續)

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(x) (Cont'd)

購股權計劃 (續)

新計劃 (續)

(x) (續)

						Number of Share Options 購 股 權 數 目				
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)	Outstanding at 31 March 2005 二零零五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 2006 二零零六年三月三十一日尚未行使 (‘000) (千)
姓名	授出日期	行使價 (HK\$) (港元)	行使期							
(ii) Other Eligible Participants 其他合資格參與者										
Employees 員工	22/05/2002	1.30	22/05/2002-12/08/2006	1.30	–	100	–	–	–	100
	22/05/2002	1.30	22/05/2002-21/05/2012	1.30	3.25	200	–	(100)	–	100
	22/05/2002	1.30	22/05/2003-21/05/2012	1.30	3.25	100	–	(100)	–	–
	01/11/2002	1.65	01/01/2003-31/10/2012	1.65	3.38 (AVG平均)	1,070	–	(650)	–	420
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	3.45 (AVG平均)	2,080	–	(530)	–	1,550
	01/12/2003	2.475	01/08/2005-30/11/2013	2.425	–	2,282	–	–	(2,282)	–
	01/12/2003	2.475	01/01/2006-30/11/2013	2.425	2.97 (AVG平均)	4,554	–	(120)	(320)	4,114
	01/12/2003	2.475	01/01/2007-30/11/2013	2.425	–	4,524	–	–	(360)	4,164
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	3.21 (AVG平均)	1,352	–	(396)	(60)	896
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	2.95	510	–	(150)	–	360
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	–	280	–	–	–	280
	01/02/2005	3.15	01/01/2006-31/01/2015	3.15	–	1,090	–	–	(112)	978
	01/02/2005	3.15	01/01/2007-31/01/2015	3.15	–	2,180	–	–	(224)	1,956
	01/02/2005	3.15	01/01/2008-31/01/2015	3.15	–	2,180	–	–	(224)	1,956
	07/02/2005	3.35	01/07/2005-06/02/2015	3.325	–	1,800	–	–	–	1,800
	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	–	880	–	–	–	880
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	–	1,760	–	–	–	1,760
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	–	1,760	–	–	–	1,760

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SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(xi) Details of share option movements during the period between 1 April 2006 to 15 June 2006 under the New Scheme are as follows:

購股權計劃 (續)

新計劃 (續)

(xi) 根據新計劃於二零零六年四月一日至六月十五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	Number of Share Options 購股權數目				Outstanding at 15 June 2006
						Outstanding at 31 March 2006	Granted during the period from 1 April 2006 to 15 June 2006 於 二零零六年四月一日至六月十五日 獲授予	Exercised during the period from 1 April 2006 to 15 June 2006 於 二零零六年四月一日至六月十五日 行使	Lapsed/cancelled during the period from 1 April 2006 to 15 June 2006 於 二零零六年四月一日至六月十五日 失效/取消	
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)	二零零六年三月三十一日尚未行使 (‘000) (千)	二零零六年四月一日至六月十五日 (‘000) (千)	二零零六年四月一日至六月十五日 (‘000) (千)	二零零六年四月一日至六月十五日 (‘000) (千)	二零零六年六月十五日尚未行使 (‘000) (千)
(i) Directors/Chief Executives 董事及最高行政人員										
Mr. Ho Cheuk Ming 何卓明先生	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	280	-	-	-	280
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	560	-	-	-	560
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	560	-	-	-	560
Mr. Kwok Wing Kin, Francis 郭永堅先生	01/11/2002	1.65	01/01/2003-31/10/2012	1.65	-	50	-	-	-	50
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	-	750	-	-	-	750
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	-	160	-	-	-	160
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	-	320	-	-	-	320
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	-	320	-	-	-	320
	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	200	-	-	-	200
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	400	-	-	-	400
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	400	-	-	-	400

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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	Number of Share Options 購股權數目				Outstanding at 15 June 2006
						Outstanding at 31 March 2006	Granted during the period from 1 April 2006 to 15 June 2006 於 二零零六年 四月一日至 六月十五日	Exercised during the period from 1 April 2006 to 15 June 2006 於 二零零六年 四月一日至 六月十五日	Lapsed/cancelled during the period from 1 April 2006 to 15 June 2006 於 二零零六年 四月一日至 六月十五日	
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)	尚未行使 二零零六年 三月三十一日 (千)	獲授予 二零零六年 四月一日至 六月十五日 (千)	行使 二零零六年 四月一日至 六月十五日 (千)	失效/取消 二零零六年 四月一日至 六月十五日 (千)	尚未行使 二零零六年 六月十五日 (千)
Mr. Lee Shu Ki 李樹琪先生	01/11/2002	1.65	01/01/2003- 31/10/2012	1.65	-	200	-	-	-	200
	01/11/2002	1.65	01/01/2004- 31/10/2012	1.65	-	300	-	-	-	300
	27/04/2004	1.90	01/01/2005- 26/04/2014	1.86	-	80	-	-	-	80
	27/04/2004	1.90	01/01/2006- 26/04/2014	1.86	-	160	-	-	-	160
	27/04/2004	1.90	01/01/2007- 26/04/2014	1.86	-	160	-	-	-	160
	07/02/2005	3.35	01/01/2007- 06/02/2015	3.325	-	200	-	-	-	200
	07/02/2005	3.35	01/01/2008- 06/02/2015	3.325	-	400	-	-	-	400
	07/02/2005	3.35	01/01/2009- 06/02/2015	3.325	-	400	-	-	-	400

購股權計劃 (續)

新計劃 (續)

(xi) (續)

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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	Number of Share Options 購股權數目				Outstanding at 15 June 2006
						Outstanding at 31 March 2006	Granted during the period from 1 April 2006 to 15 June 2006 於 二零零六年 四月一日至 六月十五日	Exercised during the period from 1 April 2006 to 15 June 2006 於 二零零六年 四月一日至 六月十五日	Lapsed/cancelled during the period from 1 April 2006 to 15 June 2006 於 二零零六年 四月一日至 六月十五日	
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)	尚未行使 二零零六年 三月三十一日 (千)	獲授予 二零零六年 四月一日至 六月十五日 (千)	行使 二零零六年 四月一日至 六月十五日 (千)	失效/取消 二零零六年 四月一日至 六月十五日 (千)	尚未行使 二零零六年 六月十五日 (千)
Mr. Wong Shun Pang 黃順鵬先生	01/11/2002	1.65	01/01/2003-31/10/2012	1.65	2.95	100	-	(100)	-	-
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	2.95	200	-	(50)	-	150
	01/12/2003	2.475	01/01/2006-30/11/2013	2.425	-	200	-	-	-	200
	01/12/2003	2.475	01/01/2007-30/11/2013	2.425	-	200	-	-	-	200
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	-	160	-	-	-	160
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	-	120	-	-	-	120
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	-	120	-	-	-	120
	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	200	-	-	-	200
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	400	-	-	-	400
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	400	-	-	-	400
Ms. Ho Po Chu 何寶珠女士	07/02/2005	3.35	01/07/2005-06/02/2015	3.325	-	800	-	-	-	800

購股權計劃 (續)

新計劃 (續)

(xi) (續)

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SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

(xi) (Cont'd)

購股權計劃 (續)

新計劃 (續)

(xi) (續)

Name	Date of Grant	Exercise Price	Exercise Period	Closing Price before date of grant	Price at exercise date of options	Number of Share Options 購股權數目				Outstanding at 15 June 2006
						Outstanding at 31 March 2006	Granted during the period from 1 April 2006 to 15 June 2006	Exercised during the period from 1 April 2006 to 15 June 2006	Lapsed/cancelled during the period from 1 April 2006 to 15 June 2006	
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)	二零零六年三月三十一日尚未行使 ('000) (千)	於二零零六年四月一日至六月十五日獲授予 ('000) (千)	於二零零六年四月一日至六月十五日行使 ('000) (千)	於二零零六年四月一日至六月十五日失效/取消 ('000) (千)	二零零六年六月十五日尚未行使 ('000) (千)
(ii) Other Eligible Participants 其他合資格參與者										
Employees 員工	22/05/2002	1.30	22/05/2002-12/08/2006	1.30	-	100	-	-	-	100
	22/05/2002	1.30	22/05/2002-21/05/2012	1.30	-	100	-	-	-	100
	01/11/2002	1.65	01/01/2003-31/10/2012	1.65	2.88	420	-	(100)	-	320
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	(AVG平均) 2.91	1,550	-	(300)	-	1,250
	01/12/2003	2.475	01/01/2006-30/11/2013	2.425	(AVG平均) 2.93	4,114	-	(480)	-	3,634
	01/12/2003	2.475	01/01/2007-30/11/2013	2.425	-	4,164	-	-	-	4,164
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	2.95	896	-	(80)	-	816
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	-	360	-	-	-	360
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	-	280	-	-	(40)	240
	01/02/2005	3.15	01/01/2006-31/01/2015	3.15	-	978	-	-	-	978
	01/02/2005	3.15	01/01/2007-31/01/2015	3.15	-	1,956	-	-	-	1,956
	01/02/2005	3.15	01/01/2008-31/01/2015	3.15	-	1,956	-	-	-	1,956
	07/02/2005	3.35	01/07/2005-06/02/2015	3.325	-	1,800	-	-	-	1,800
	07/02/2005	3.35	01/01/2007-06/02/2015	3.325	-	880	-	-	-	880
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	1,760	-	-	-	1,760
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	1,760	-	-	-	1,760

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

A professional actuarial firm has been invited 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 2006 would be estimated as follows:

	Financial Year 財政年度						
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Total 合計
P&L expenses (HK\$'000)	768	4,718	7,311	3,379	1,511	436	18,123
損益賬支出(千港元)							

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 attributes the expense of share-based transaction 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).

In assessing the value of the share options granted during the year ended 31 March 2006 and the expense of share-based transactions under HKFRS2 requirement, the Binomial option pricing model (the "Binomial model") has been used. The Binomial Model is one of the generally most accepted methods used to calculate the value of options and expense of share-based transactions.

購股權計劃 (續)

新計劃 (續)

一間專業估值公司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（「HKFRS2」），購股權於授出日期的公平值須於有關的權益期內攤銷，攤銷支出從損益賬戶扣除。有關於二零零六年三月三十一日或以前授出的購股權所產生的損益賬支出遂評估如下：

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HKFRS2）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。

HKFRS2規定下以股份支付的交易的相關支出乃使用二項式期權定價模式（「二項式模式」）評估。「二項式模式」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。

Report of the Directors 董事會報告

SHARE OPTIONS SCHEMES (Cont'd)

The New Scheme (Cont'd)

The parameters of the Binomial 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 207 of this annual report.

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 16 to the Accounts.

BANK LOANS AND OVERDRAFTS

Particulars of bank loans and overdrafts of the Group as at 31 March 2006 are set out in Notes 24 to the Accounts.

購股權計劃 (續)

新計劃 (續)

二項式模式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

本公司章程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二百零七頁。

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，載於帳目附註16。

銀行貸款與透支

本集團於二零零六年三月三十一日之銀行貸款與透支詳情列於帳目附註24。

Report of the Directors 董事會報告

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. Ho Cheuk Ming (*Deputy Chairman & Chief Operating Officer*)
Mr. Kwok Wing Kin, Francis (*Deputy Chairman*)
Mr. Lee Shu Ki
Mr. Wong Shun Pang
Mr. Tam Wing Hung (*Resigned on 13 February 2006*)

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 2006, 4 February 2007 and 6 December 2006 respectively, subject to extension.

In the spirit of good corporate governance practices, Mr. Ho Cheuk Fai, the chairman of the Board, will voluntarily retire from office at the forthcoming annual general meeting notwithstanding that he is not required by the Bye-laws of the Company to do so. In accordance with Bye-Law 87 of the Company's Bye-Laws, Messrs. Ho Cheuk Ming and Lee Shu Ki will retire from office by rotation at the forthcoming annual general meeting. All such Directors, being eligible, offer themselves for re-election.

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*)
何卓明先生 (*副主席兼營運總裁*)

郭永堅先生 (*副主席*)
李樹琪先生
黃順鵬先生
談永雄先生
(於二零零六年二月十三日辭任)

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，其任期分別於二零零六年六月三十日、二零零七年二月四日及二零零六年十二月六日屆滿，延期除外。

然而，為建立良好的企業管治，董事會主席何焯輝先生自願在即將舉行之股東週年大會上退任，儘管本公司章程細則並無這樣的要求。按照本公司章程細則第87條規定，何卓明先生及李樹琪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。

Report of the Directors 董事會報告

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting 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 TRANSACTIONS

Upon the expiry of the previous lease agreement on 17 November 2005, a new lease agreement (the "Lease Agreement") dated 16 November 2005 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 two car parking spaces in the same building at a monthly rental of HK\$111,607 (that is, at approximately HK\$4.2 per square foot) for a term of two years commencing on 18 November 2005.

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 wife, control 100% of the voting power in general meeting and also control the board of Kings Lion. The transaction therefore constitutes a continuing connected transaction under Rule 14A.34 of the Listing Rules. Details of the transaction are set out in the announcement dated 16 November 2005 issued to the shareholders of the Company.

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

在前租賃協議於二零零五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)於二零零五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)連同兩個位於該大廈地下的車位訂立租賃協議(「租賃協議」)，月租111,607港元(即每平方呎約4.2港元)，為期兩年，租期由二零零五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。該交易遂根據《上市規則》第十四A章第三十四條構成持續關連交易。有關交易詳情乃刊登在本公司於二零零五年十一月十六日向股東發出之公佈內。

Report of the Directors 董事會報告

CONNECTED TRANSACTIONS (Cont'd)

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.

The auditors of the Company have reviewed the transaction, and have confirmed in a letter to the Directors stating that the transaction had been approved by the Board, was entered into in accordance with the terms of the Lease Agreement and had not exceeded the cap disclosed in the announcement of the Company dated 16 November 2005.

關連交易 (續)

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。

本公司核數師檢討了有關交易，並在致董事的信函中列明有關交易已經董事會通過，乃根據租賃協議之條款訂立及交易的總額並沒有超越本公司於二零零五年十一月十六日刊發的公佈中披露的上限。

Report of the Directors 董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 March 2006

The interests of the Directors and chief executive in the shares and the underlying shares of the Company and any associated corporations (as defined in the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies are as follows:

(A) Interests in the Company

董事及最高行政人員之股份權益

於二零零六年三月三十一日

本公司各董事及最高行政人員在本公司(及其相聯法團)(釋義見《證券及期貨條例》(「《證券條例》」))股本中擁有並已登記於本公司按證券條例第352條而存置之登記冊所載之權益,或根據《上市公司董事進行證券交易的標準守則》已知會本公司及聯交所之權益如下:

(甲) 於本公司之權益

Number of ordinary shares of HK\$0.10 each
每股面值0.10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	5,830,000	209,650,000 (Note 1) (附註一)	172,200,000 (Note 2) (附註二)	215,480,000	52.49
Mr. Ho Cheuk Ming	何卓明先生	8,100,000 (Note 3) (附註三)	—	172,200,000 (Note 2) (附註二)	180,300,000	43.92
Mr. Kwok Wing Kin, Francis	郭永堅先生	3,300,000 (Note 4) (附註四)	—	—	3,300,000	0.80
Mr. Lee Shu Ki	李樹琪先生	3,300,000 (Note 5) (附註五)	—	—	3,300,000	0.80
Mr. Wong Shun Pang	黃順鵬先生	2,610,000 (Note 6) (附註六)	—	—	2,610,000	0.64
Mr. Fong Hoi Shing	方海城先生	2,000	—	—	—	0.00
Ms. Ho Po Chu	何寶珠女士	37,450,000 (Note 7) (附註七)	178,030,000 (Note 7) (附註七)	172,200,000 (Note 2) (附註二)	215,480,000	52.49

Report of the Directors 董事會報告

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 5,830,000 ordinary shares. Mr. Ho Cheuk Fai is deemed to be interested in (a) 37,450,000 shares held by his spouse, Ms. Ho Po Chu, as beneficial owner and (b) 172,200,000 shares in which his children under 18 are interested. Such 172,200,000 shares in which his children under 18 are interested are duplicated with his interests as a founder of the Ho Cheuk Fai Family Trust ("HCF Trust") in the same block of shares referred to in Note 2 below.
2. 172,200,000 shares are held by Pearl Court Company Limited ("Pearl Court") as trustee for a unit trust, the HCF Trust. Mr. Ho Cheuk Fai is deemed to be interested in these 172,200,000 shares as founder of the HCF Trust. Ho Po Chu is interested in these 172,200,000 shares by virtue of the fact that (a) she controls or exercises the control of one-third or more of the voting power at general meetings of Pearl Court; (b) she holds one unit in the HCF Trust; and (c) she is one of the discretionary objects of a discretionary trust known as Ho Wai Leung Memorial Trust ("HWL Trust"), the trust property of which comprises 9,999 units in the HCF Trust and in which Ms. Ho Po Chu, Mr. Ho Cheuk Ming and Mr. Ho Cheuk Fai's children under 18 are the discretionary objects. These 9,999 units of HCF Trust are held by HSBC International Trustee Limited ("HITL") as trustee for HWL Trust. Therefore, the interests of Mr. Ho Cheuk Fai, Ms. Ho Po Chu, their children under 18 and Mr. Ho Cheuk Ming in the 172,200,000 shares are duplicated with each other.
3. The personal interests of Mr. Ho Cheuk Ming comprise 6,700,000 ordinary shares and 1,400,000 outstanding share options.
4. The personal interests of Mr. Kwok Wing Kin, Francis comprise 700,000 ordinary shares and 2,600,000 outstanding share options.
5. The personal interests of Mr. Lee Shu Ki comprise 1,400,000 ordinary shares and 1,900,000 outstanding share options.
6. The personal interests of Mr. Wong Shun Pang comprise 510,000 ordinary shares and 2,100,000 outstanding share options.
7. The personal interests of Ms. Ho Po Chu comprise 36,650,000 ordinary shares and 800,000 outstanding share options. Ms. Ho Po Chu is also deemed to be interested in (a) 5,830,000 shares held by her spouse, Mr. Ho Cheuk Fai, as beneficial owner and (b) 172,200,000 shares in which her children under 18 are interested. Such 172,200,000 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由5,830,000股本公司普通股股份組成。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37,450,000股股份；及(b)其未滿18歲的子女擁有172,200,000股股份之權益。該等172,200,000股股份之權益，被視為何焯輝先生作為Ho Cheuk Fai Family Trust ("HCF Trust")的成立人(如附註二所述)及其未滿18歲的子女之間重疊之同一權益。
- 二、172,200,000股股份由Pearl Court Company Limited ("Pearl Court")以HCF Trust之單位信託之受託人持有。何焯輝先生作為HCF Trust之成立人，被視為持有該等172,200,000股股份之權益。何寶珠女士被視為持有該等172,200,000股股份之權益，因為(a)她於Pearl Court股東大會控制或行使控制三分之一或以上投票權；(b)她持有HCF Trust的一個單位；及(c)她作為一個名為Ho Wai Leung Memorial Trust ("HWL Trust")的酌情信託的酌情信託對象，該酌情信託持有HCF Trust之9,999單位，其酌情信託對象由何寶珠女士、何卓明先生及何焯輝先生未滿18歲的子女組成。該等9,999 HCF Trust之單位由HSBC International Trustee Limited ("HITL")作為HWL Trust的受託人持有。故此，該等172,200,000股股份之權益，被視為何焯輝先生、何寶珠女士及其彼等未滿18歲的子女及何卓明先生之間重疊之同一權益。
- 三、何卓明先生之個人權益由6,700,000股本公司普通股股份及1,400,000尚未行使之購股權組成。
- 四、郭永堅先生之個人權益由700,000股本公司普通股股份及2,600,000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1,900,000尚未行使之購股權組成。
- 六、黃順鵬先生之個人權益由510,000股本公司普通股股份及2,100,000尚未行使之購股權組成。
- 七、何寶珠女士之個人權益由36,650,000股本公司普通股股份及800,000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5,830,000股股份；及(b)其未滿18歲的子女擁有172,200,000股股份之權益。該等172,200,000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。

Report of the Directors 董事會報告

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

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

(i) 嘉利產品有限公司

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 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	Short Positions 淡倉	% of issued share capital 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 3) (附註三)	43,000 (Note 1) (附註一)	85.98% (Note 3) (附註三)
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

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 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	Short Positions 淡倉	% of issued share capital 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)

Report of the Directors 董事會報告

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 (續)

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

(iii) Karrie Industrial Holdings Limited

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 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	Short Positions 淡倉	% of issued share capital 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：

1. 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 7 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.
2. 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.
3. 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.
4. 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.

- 一、Karrie International (B.V.I.) Limited ("KIBVI")，本公司之直接全資附屬公司，獲授予認購權以認購何焯輝先生和何寶珠女士於KICL、KTL及KIHL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」中，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。
- 二、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。
- 三、嘉實科技已發行股份由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。
- 四、KIHL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。

Report of the Directors 董事會報告

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

Save as disclosed above and under the heading "Share Option Schemes", none of the Directors, chief executives or their associates have any personal, family, corporate or other interests and short positions in the shares and the underlying shares of the Company or any of its associated corporations as defined in the SFO as at 31 March 2006.

As at 15 June 2006

The interests of the Directors and chief executive in the shares and the underlying shares of the Company and any associated corporations (as defined in the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained under Section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies are as follows:

董事及最高行政人員之股份權益 (續)

除上文及根據「購股權計劃」中所披露外，各董事、最高行政人員或其聯繫人等於二零零六年三月三十一日在本公司或其相聯法團（釋義見《證券條例》）股份及相關股份中無持有任何個人、家屬、法團或其他權益或淡倉。

於二零零六年六月十五日

本公司各董事及最高行政人員在本公司（及其相聯法團）（釋義見《證券及期貨條例》（「《證券條例》」））股本中擁有並已登記於本公司按證券條例第352條而存置之登記冊所載之權益，或根據《上市公司董事進行證券交易的標準守則》已知會本公司及聯交所之權益如下：

Report of the Directors 董事會報告

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)

(A) Interests in the Company

(甲) 於本公司之權益

		Number of ordinary shares of HK\$0.10 each 每股面值0.10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	5,830,000	209,650,000 (Note 1) (附註一)	172,200,000 (Note 2) (附註二)	215,480,000	52.35
Mr. Ho Cheuk Ming	何卓明先生	8,100,000 (Note 3) (附註三)	–	172,200,000 (Note 2) (附註二)	180,300,000	43.80
Mr. Kwok Wing Kin, Francis	郭永堅先生	3,300,000 (Note 4) (附註四)	–	–	3,300,000	0.80
Mr. Lee Shu Ki	李樹琪先生	3,300,000 (Note 5) (附註五)	–	–	3,300,000	0.80
Mr. Wong Shun Pang	黃順鵬先生	2,610,000 (Note 6) (附註六)	–	–	2,610,000	0.63
Mr. Fong Hoi Shing	方海城先生	2,000	–	–	–	0.00
Ms. Ho Po Chu	何寶珠女士	37,450,000 (Note 7) (附註七)	178,030,000 (Note 7) (附註七)	172,200,000 (Note 2) (附註二)	215,480,000	52.35

Report of the Directors 董事會報告

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 5,830,000 ordinary shares. Mr. Ho Cheuk Fai is deemed to be interested in (a) 37,450,000 shares held by his spouse, Ms. Ho Po Chu, as beneficial owner and (b) 172,200,000 shares in which his children under 18 are interested. Such 172,200,000 shares in which his children under 18 are interested are duplicated with his interests as a founder of the Ho Cheuk Fai Family Trust ("HCF Trust") in the same block of shares referred to in Note 2 below.
2. 172,200,000 shares are held by Pearl Court Company Limited ("Pearl Court") as trustee for a unit trust, the HCF Trust. Mr. Ho Cheuk Fai is deemed to be interested in these 172,200,000 shares as founder of the HCF Trust. Ho Po Chu is interested in these 172,200,000 shares by virtue of the fact that (a) she controls or exercises the control of one-third or more of the voting power at general meetings of Pearl Court; (b) she holds one unit in the HCF Trust; and (c) she is one of the discretionary objects of a discretionary trust known as Ho Wai Leung Memorial Trust ("HWL Trust"), the trust property of which comprises 9,999 units in the HCF Trust and in which Ms. Ho Po Chu, Mr. Ho Cheuk Ming and Mr. Ho Cheuk Fai's children under 18 are the discretionary objects. These 9,999 units of HCF Trust are held by HSBC International Trustee Limited ("HITL") as trustee for HWL Trust. Therefore, the interests of Mr. Ho Cheuk Fai, Ms. Ho Po Chu, their children under 18 and Mr. Ho Cheuk Ming in the 172,200,000 shares are duplicated with each other.
3. The personal interests of Mr. Ho Cheuk Ming comprise 6,700,000 ordinary shares and 1,400,000 outstanding share options.
4. The personal interests of Mr. Kwok Wing Kin, Francis comprise 700,000 ordinary shares and 2,600,000 outstanding share options.
5. The personal interests of Mr. Lee Shu Ki comprise 1,400,000 ordinary shares and 1,900,000 outstanding share options.
6. The personal interests of Mr. Wong Shun Pang comprise 660,000 ordinary shares and 1,950,000 outstanding share options.
7. The personal interests of Ms. Ho Po Chu comprise 36,650,000 ordinary shares and 800,000 outstanding share options. Ms. Ho Po Chu is also deemed to be interested in (a) 5,830,000 shares held by her spouse, Mr. Ho Cheuk Fai, as beneficial owner and (b) 172,200,000 shares in which her children under 18 are interested. Such 172,200,000 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由5,830,000股本公司普通股股份組成。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37,450,000股股份；及(b)其未滿18歲的子女擁有172,200,000股股份之權益。該等172,200,000股股份之權益，被視為何焯輝先生作為Ho Cheuk Fai Family Trust ("HCF Trust")的成立人(如附註二所述)及其未滿18歲的子女之間重疊之同一權益。
- 二、172,200,000股股份由Pearl Court Company Limited ("Pearl Court")以HCF之單位信託之受託人持有。何焯輝先生作為HCF Trust之成立人，被視為持有該等172,200,000股股份之權益。何寶珠女士被視為持有該等172,200,000股股份之權益，因為(a)她於Pearl Court股東大會控制或行使控制三分之一或以上投票權；(b)她持有HCF Trust的一個單位；及(c)她作為一個名為Ho Wai Leung Memorial Trust ("HWL Trust")的酌情信託的酌情信託對象，該酌情信託持有HCF Trust之9,999單位，其酌情信託對象由何寶珠女士、何卓明先生及何焯輝先生未滿18歲的子女組成。該等9,999 HCF Trust之單位由HSBC International Trustee Limited ("HITL")作為HWL Trust的受託人持有。故此，該等172,200,000股股份之權益，被視為何焯輝先生、何寶珠女士及其彼等未滿18歲的子女及何卓明先生之間重疊之同一權益。
- 三、何卓明先生之個人權益由6,700,000股本公司普通股股份及1,400,000尚未行使之購股權組成。
- 四、郭永堅先生之個人權益由700,000股本公司普通股股份及2,600,000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1,900,000尚未行使之購股權組成。
- 六、黃順鵬先生之個人權益由660,000股本公司普通股股份及1,950,000尚未行使之購股權組成。
- 七、何寶珠女士之個人權益由36,650,000股本公司普通股股份及800,000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5,830,000股股份；及(b)其未滿18歲的子女擁有172,200,000股股份之權益。該等172,200,000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。

Report of the Directors 董事會報告

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

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

(i) 嘉利產品有限公司

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 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	Short Positions 淡倉	% of issued share capital 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 3) (附註三)	43,000 (Note 1) (附註一)	85.98% (Note 3) (附註三)
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

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 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	Short Positions 淡倉	% of issued share capital 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)

Report of the Directors 董事會報告

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 (續)

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

(iii) Karrie Industrial Holdings Limited

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 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	Short Positions 淡倉	% of issued share capital 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：

1. 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 7 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.
2. 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.
3. 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.
4. 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.

- 一、Karrie International (B.V.I.) Limited ("KIBVI")，本公司之直接全資附屬公司，獲授予認購權以認購何焯輝先生和何寶珠女士於KICL、KTL及KIHL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」中，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。
- 二、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。
- 三、嘉實科技已發行股份由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。
- 四、KIHL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。

Report of the Directors 董事會報告

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

Save as disclosed above and under the heading "Share Option Schemes", none of the Directors, chief executives or their associates have any personal, family, corporate or other interests and short positions in the shares and the underlying shares of the Company or any of its associated corporations as defined in the SFO as at 15 June 2006.

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 2006

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 of interests 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)

除上文及根據「購股權計劃」中所披露外，各董事、最高行政人員或其聯繫人等於二零零六年六月十五日在本公司或其相聯法團（釋義見《證券條例》）股份及相關股份中無持有任何個人、家屬、法團或其他權益或淡倉。

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

於二零零六年三月三十一日

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按《證券條例》第336條存置之權益登記冊之權益：

Name of Shareholder 股東名稱	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	Corporate/ Other interests 法團權益或 其他權益	Shareholding percentage 持股百分比
Pearl Court	172,200,000 (Note 1附註一)		41.95%
HITL	—	172,200,000 (Note 1附註一)	41.95%
Cheah Cheng Hye 謝清海先生	—	41,020,000 (Note 2附註二)	9.99%
Value Partners Limited ("VPL")	—	41,020,000 (Note 2附註二)	9.99%

Report of the Directors 董事會報告

SUBSTANTIAL SHAREHOLDERS (Cont'd)

Notes:

1. These 172,200,000 shares are held by Pearl Court as trustee for HCF Trust. HITL is deemed to be interested in these 172,200,000 shares held by Pearl Court by virtue of the fact that 9,999 of 10,000 units of HCF Trust are held by HITL as trustee for HWL Trust.
2. VPL is interested in 41,020,000 shares in the capacity of investment manager. Mr. Cheah Cheng Hye is interested in the same block of shares by virtue of his 32.77% shareholding in VPL.

Save as disclosed above, as at 31 March 2006, no person, other than the Directors and Chief Executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests in the Shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

ENCUMBRANCES ON SHARES

The Board wishes to disclose the following details for the purpose of sound corporate governance:

As disclosed in 2004/05 Interim Report, on 22 November 2004, the Company received a written statement (the "Statement") dated 22 November 2004 from Pearl Court, a substantial shareholder of the Company holding 172,200,000 ordinary shares of HK\$0.10 each in the share capital of the Company.

主要股東 (續)

附註：

- 一、 該等172,200,000股股份由Pearl Court作為HCF Trust之受託人持有。HITL被視為擁有該等由Pearl Court持有之172,200,000股股份之權益，因為HITL作為HWL Trust之受託人持有10,000個HCF Trust單位中之9,999個單位。
- 二、 VPL作為投資經理持有41,020,000股股份。由於謝清海先生持有VPL 32.77%之股權，故此他被視為擁有該等41,020,000股股份的權益。

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，於二零零六年三月三十一日，並無人士需根據《證券條例》第336條登記其於本公司之股份及相關股份權益或淡倉記錄。

股份之產權負擔

董事會為加強公司管治而作出以下披露：

根據二零零四／零五中期報告之披露，本公司於二零零四年十一月二十二日收到本公司一主要股東Pearl Court Company Limited(「Pearl Court」)的一封日期為二零零四年十一月二十二日之書面陳述(「書面陳述」)。Pearl Court持有本公司每股面值0.10港元之普通股共172,200,000股。

Report of the Directors 董事會報告

ENCUMBRANCES ON SHARES (Cont'd)

In the Statement, Pearl Court confirmed that, as at 22 November 2004, it had not created or caused to be created nor were there any encumbrances, including without limitation charges, mortgages, pledges, liens, options, restrictions, right of first refusal, adverse interests or any third party rights or claims whatsoever (the "Encumbrances"), in respect of any of its interests in the Company. Pearl Court had further undertaken to the Company that it would inform the Board within 7 calendar days before the Company published its results announcements for any year, half-year, quarterly or any other interim period as to whether any of its interests in the Company was encumbered by any Encumbrances as at the date of notification, provided that Pearl Court would have the right to terminate such notification arrangement by giving to the Board a notice in writing not less than one month immediately preceding the deadline for the Company to publish an announcement for its results for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules). Pearl Court has further authorised the Company to disclose such information to the Stock Exchange of Hong Kong Limited and to the public by any means that the Board deems fit and to include such information in the Company's annual or interim reports or in its results announcements for any year, half-year, quarterly or any other interim period.

Without prejudice to the disclosure obligations of the Company required under the Listing Rules (including the general disclosure obligation of the Company under Rule 13.09 of the Listing Rules), the Board will publish such information as from time to time received from Pearl Court in its annual and interim reports and in its results announcements for any year, half-year, quarterly or any other interim period. The Board will also publish a separate announcement upon receipt of the notice from Pearl Court.

股份之產權負擔 (續)

於該書面陳述內，Pearl Court確認截至二零零四年十一月二十二日有關其於本公司擁有之任何權益，並無設立或者引致設立任何產權負擔之情況，這包括但不限於押記、按揭、抵押、留置權、期權、限制、優先購買權、逆向權益或者任何第三者權利或索償（統稱「產權負擔」）。Pearl Court亦作出承諾，除非Pearl Court於本公司任何年度、半年度、季度或任何其他中期業績公佈前，最少給予1個月書面通知給董事會關於停止該安排外，其會於本公司未來刊登的年度、半年度、季度或任何其他中期業績公佈之前七天內知會本公司有關其公司於知會日就擁有本公司權益而涉及之產權負擔的情況。Pearl Court同時亦授權本公司以任何董事會認為合適的方法披露這些資料予聯交所及公眾，並將這些資料刊登於本公司之年報或中期報告內，或於本公司之年度、半年度、季度或任何其他中期業績公佈內。

在不損及本公司遵守上市規則之披露責任下（包括根據上市規則第13.09條之一般披露責任），當收到Pearl Court的最新消息，董事會將會於年報及中期報告、年度、半年度、季度或任何其他中期業績公佈內刊登有關資料。另外，若收到Pearl Court發出的通知，董事會亦會刊登一則獨立公佈以告知。

Report of the Directors 董事會報告

ENCUMBRANCES ON SHARES (Cont'd)

Subsequently, on 3 March 2006, (being five days before the 2005/06 3rd Quarterly Results Announcement) and 23 June 2006, Pearl Court notified the Company in writing that it had not pledged any of its interests in the ordinary shares of the Company as at both 3 March 2006 and 23 June 2006 respectively. As at 23 June 2006, the number of ordinary shares of HK\$0.10 each of the Company held by Pearl Court was 172,200,000 shares.

In addition, Pearl Court also notified the Company in the same notice dated 23 June 2006 that it would terminate, with effect from 2006/07 1st Quarterly Results Announcement, the arrangement of informing the Board as of whether it has not created or caused to be created any Encumbrances in respect of any of its interests in the Company.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 31 March 2006 attributable to the Group's major suppliers and customers are as follows:

Purchases	
The largest supplier	24%
Five largest suppliers combined	48%
Sales	
The largest customer	38%
Five largest customers combined	85%

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.

股份之產權負擔 (續)

隨後Pearl Court分別於二零零六年三月三日(即二零零五／零六年度第三季業績公佈前五天)及二零零六年六月二十三日，以書面通知本公司，截至二零零六年三月三日及二零零六年六月二十三日其擁有本公司普通股之權益，並沒有作出任何股份抵押。於二零零六年六月二十三日，Pearl Court擁有本公司每股面值0.10港元之普通股之數目為172,200,000股。

此外，Pearl Court亦於二零零六年六月二十三日的書面通知內提及其已決定，由二零零六／零七年度年度第一季度業績公佈起，停止通知本公司關於Pearl Court於本公司擁有之任何本公司權益，有否設立或者引致設立任何產權負擔之情況的這項安排。

主要客戶及供應商

截至二零零六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	24%
五大供應商共佔	48%
銷售	
最大客戶	38%
五大客戶共佔	85%

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。

Report of the Directors 董事會報告

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 31 July 2006 to Friday, 4 August 2006 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Room 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 28 July 2006.

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.

AUDITORS

The Accounts 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, 29 June 2006

暫停辦理過戶登記

本公司將由二零零六年七月三十一日(星期一)至二零零六年八月四日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續。如欲享有擬派發之末期股息及特別股息，所有填妥之股份轉讓文件連同有關之股票，須於二零零六年七月二十八日(星期五)下午四時前送達本公司於香港之股份過戶登記分處：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。

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，二零零六年六月二十九日

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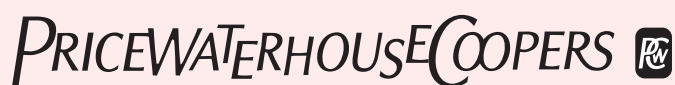
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Auditors' Report 核數師報告



羅兵咸永道會計師事務所

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

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

We have audited the accounts on pages 124 to 206 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Company's Directors are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts 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
(於百慕達註冊成立之有限公司)
全體股東

本核數師已完成審核刊載於第124至第206頁按照香港普遍採納之會計原則編製之帳目。

董事及核數師各自之責任

貴公司之董事須負責編製真實兼公平之帳目。在編製該等真實兼公平之帳目時，董事必須選擇及貫徹地採用合適之會計政策。

本核數師之責任是根據審核工作之結果，對該等帳目作出獨立意見，並按照百慕達1981年《公司法》第90條僅向整體股東報告，除此之外本報告別無其它目的。本核數師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。

Auditors' Report 核數師報告

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company and of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2006 and of the profit and cash flows of the Group for the year then ended, and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 June 2006

意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與帳目所載數額及披露事項有關之憑證，亦包括評審董事於編製該等帳目時所作之重大估計和判斷，所採用之會計政策是否適合 貴公司與 貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等帳目是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等帳目所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

意見

本核數師認為，上述之帳目足以真實兼公平地顯示 貴公司與 貴集團於二零零六年三月三十一日結算時之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並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
香港執業會計師

香港，二零零六年六月二十九日

Consolidated Profit and Loss Account 綜合損益表

For the year ended 31 March 2006 截至二零零六年三月三十一日止

		Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	6	3,592,741	2,563,190
Cost of sales	銷售成本		(3,211,354)	(2,245,224)
Gross profit	毛利		381,387	317,966
Other operating income	其他經營收入	6	14,628	12,311
Distribution and selling expenses	分銷及銷售費用		(31,153)	(30,543)
General and administrative expenses	一般及行政費用		(136,195)	(121,004)
Operating profit	經營溢利	7	228,667	178,730
Share of loss of an associated company	應佔聯營公司虧損		–	(10,234)
Finance costs	財務成本	8	(24,531)	(8,720)
Profit before taxation	除稅前溢利		204,136	159,776
Taxation	稅項	9	(17,757)	(13,203)
Profit attributable to equity holders of the Company	本公司股權持有人應佔溢利		186,379	146,573
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents)	按本公司股權持有人年內應佔溢利計算之每股基本溢利(以港仙計)			
– Basic	– 基本	11	45.5	36.2
– Diluted	– 攤薄	11	45.1	35.8
Dividends	股息	12	102,830	85,920

Balance Sheets 資產負債表

As at 31 March 2006 於二零零六年三月三十一日

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
	Note 附註				
ASSETS	資產				
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	15	232,038	213,409	–
Leasehold land and land use rights	租賃土地及土地使用權	14	48,560	11,868	–
Deposit for land use rights	土地使用權按金		–	13,292	–
Investment in subsidiaries	於附屬公司之投資	16	–	–	415,592
Deferred tax assets	遞延稅項資產	26	847	3,987	–
			281,445	242,556	415,592
Current assets	流動資產				
Inventories	存貨	18	339,828	440,013	–
Trade receivables	貿易應收帳款	19	605,098	560,081	–
Prepayments, deposits and other receivables	預付款、按金及其他應收帳款		22,721	22,618	231
Cash and bank balances	現金及銀行存款	20	323,466	352,665	215
			1,291,113	1,375,377	446
Total assets	資產總值		1,572,558	1,617,933	416,038
EQUITY	權益				
Capital and reserves attributable to the Company's equity holders	本公司股權持有人應佔股本及儲備				
Share capital	股本	21	41,051	40,777	41,051
Reserves	儲備	23	485,147	375,154	358,485
			526,198	415,931	399,536
Minority interest	少數股東權益		424	424	–
Total equity	權益總值		526,622	416,355	399,536

Balance Sheets 資產負債表

As at 31 March 2006 於二零零六年三月三十一日

			Group 本集團	Company 本公司		
Note 附註			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
LIABILITIES	負債					
Non-current liabilities	非流動負債					
Long-term bank borrowings, secured	長期銀行借貸，有抵押	24	148,625	89,375	-	-
Provision for long service payments	長期服務金之準備	25	5,977	7,369	-	-
Deferred tax liabilities	遞延稅項負債	26	9,876	10,000	-	-
			164,478	106,744	-	-
Current liabilities	流動負債					
Short-term bank borrowings, secured	短期銀行借貸，有抵押	24	286,417	495,829	-	-
Finance lease obligations, current portion	融資租賃責任，即期部份	27	-	1,091	-	-
Trade and bills payables	貿易應付帳款及票據	28	429,996	446,601	-	-
Accruals and other payables	應計費用及其他應付帳款		153,276	126,300	16,391	13,808
Receipts in advance	預收帳款		10,180	16,287	-	-
Taxation payable	應繳稅項		1,589	8,726	111	31
			881,458	1,094,834	16,502	13,839
Total liabilities	負債總值		1,045,936	1,201,578	16,502	13,839
Total equity and liabilities	權益及負債總值		1,572,558	1,617,933	416,038	399,540
Net current assets/ (liabilities)	流動資產淨值／(負債)		409,655	280,543	(16,056)	(12,959)
Total assets less current liabilities	總資產減流動負債		691,100	523,099	399,536	385,701

Ho Cheuk Fai

何焯輝

Director

董事

Kwok Wing Kin, Francis

郭永堅

Director

董事

Consolidated Statement of Changes in Equity 綜合權益變動結算表

For the year ended 31 March 2006 截至二零零六年三月三十一日止

		Attributable to equity holders of the Company 應佔本公司股權持有人				Total 合共 HK\$'000 千港元
		Share capital 股本 HK\$'000 千港元	Other reserves (Note 23) 其他儲備 (附註23) HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Minority interest 少數股東 權益 HK\$'000 千港元	
Balance at 1 April 2004, as previously reported as equity	二零零四年四月一日 之結餘，承前呈報 股東權益	40,076	109,768	225,195	–	375,039
Balance at 1 April 2004, as previously separately reported as minority interest	二零零四年四月一日 之結餘，承前呈報 少數股東權益	–	–	–	424	424
Reversal of revaluation reserve for leasehold land and building	租賃土地及樓宇 重估儲備之 回撥	–	(32,231)	(4,455)	–	(36,686)
Deferred tax adjustment for leasehold land and building	租賃土地及 樓宇之遞延 稅項調整	–	1,627	–	–	1,627
Effect of adopting HKFRS 2	採納香港財務報告 準則第2號之影響	–	768	(768)	–	–
Balance at 1 April 2004, as restated	二零零四年四月一日 之結餘，重列	40,076	79,932	219,972	424	340,404
Profit for the year, as previously reported	本年溢利， 承前呈報			150,344		150,344
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響		4,718	(4,718)		
Effect of adopting HKAS 16	採納香港會計準則 第16號之影響			433		433
Effect of adopting HKAS 17	採納香港會計準則 第17號之影響			514		514
Profit for the year, as restated	本年溢利，重列			146,573		
Issue of shares upon exercise of share options	行使購股權而發行 之股份	701	6,999	–	–	7,700
Dividends paid	已派股息	–	–	(83,040)	–	(83,040)
Balance at 31 March 2005	二零零五年三月 三十一日之結餘	40,777	91,649	283,505	424	416,355
Balance at 1 April 2005, as per above	二零零五年四月一日 之結餘，同上	40,777	91,649	283,505	424	416,355
Profit for the year	本年溢利	–	–	186,379	–	186,379
Issue of shares upon exercise of share options	行使購股權而發行 之股份	274	4,422	–	–	4,696
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響	–	5,851	1,460	–	7,311
Dividends paid	已派股息	–	–	(88,119)	–	(88,119)
Balance at 31 March 2006	二零零六年三月 三十一日之結餘	41,051	101,922	383,225	424	526,622

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 March 2006 截至二零零六年三月三十一日止

	Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Cash flows from operating activities	經營活動之現金流量		
Profit before taxation	除稅前溢利	204,136	159,776
Share of loss of an associated company	應佔聯營公司虧損	–	10,234
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	49,414	37,860
Amortisation of leasehold land and land use rights	租賃土地使用權之攤銷	614	298
Provision for amount due from an associated company	應收聯營公司款項之壞帳準備	–	3,424
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(171)	(453)
Share-based compensation expense	以股份支付之酬金	7,311	4,718
Write-back of provision for obsolete and slow-moving inventories	陳舊及滯銷存貨準備之回撥	18,157	–
Write-back of provision for impairment of trade receivables	貿易應收帳款減值準備之回撥	3,512	–
Interest expense	利息支出	24,531	8,720
Interest income	利息收入	(10,127)	(3,964)
Operating profit before working capital changes	營運資金變動前之經營溢利	297,377	220,613
Inventories	存貨	82,028	(273,539)
Trade receivables	貿易應收帳款	(48,529)	(268,338)
Prepayments, deposits and other receivables	預付款、按金及其他應收帳款	(103)	(3,158)
Trade and bills payable	貿易應付帳款及票據	(16,605)	221,541
Accruals and other payables	應計費用及其他應付帳款	26,976	16,892
Receipts in advance	預收帳款	(6,107)	16,079
Provision for long service payments	長期服務金準備	(1,392)	(2,773)
Net cash inflow/(outflow) generated from operations	營運資金之現金流入／(流出)淨額	333,645	(72,683)
Interest paid	已付利息	(24,531)	(8,720)
Hong Kong profits tax paid	已付香港利得稅	(23,438)	(7,615)
Hong Kong profits tax refunded	退還香港利得稅	1,560	1,063
Net cash generated from/(used in) operating activities	經營活動產生／(所用)現金淨額	287,236	(87,955)

Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 March 2006 截至二零零六年三月三十一日止

	Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
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	(68,193)	(48,944)
Increase in deposits for land use rights	增加土地使用權之按金	–	(13,292)
Increase in leasehold land and land use rights	增加租賃土地及土地使用權	(23,866)	–
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之收入	173	740
Investment in an associated company	於聯營公司之投資	–	(6,000)
Increase in amount due from an associated company	應收聯營公司款項之增加	–	(516)
Interest received	已收利息	10,127	3,964
Net cash used in investing activities	投資活動所用現金淨額	(81,759)	(64,048)
Cash flows from financing activities	融資活動之現金流量		
Proceeds from exercise of share options	行使購股權之收入	4,696	7,700
New long-term bank borrowings	新長期銀行借貸	130,000	816,000
New short-term bank borrowings	新短期銀行借貸	772,346	912,999
Repayment of long-term bank borrowings	償還長期銀行借貸	(38,750)	(775,875)
Repayment of short-term bank borrowings	償還短期銀行借貸	(897,383)	(866,792)
(Decrease)/increase in trust receipts bank loans	(減少)／增加信託收據銀行貸款	(115,803)	252,488
Repayment of capital element of finance lease obligations	償還融資租賃責任之本金部份	(1,091)	(3,895)
Dividends paid	已派股息	(88,119)	(83,040)
Net cash (used in)/generated from financing activities	融資活動(所用)／產生現金淨額	(234,104)	259,585
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物之淨(減少)／增加	(28,627)	107,582
Cash and cash equivalents at 1 April	四月一日之現金及現金等值物	352,001	244,419
Cash and cash equivalents at 31 March	三月三十一日之現金及現金等值物	323,374	352,001
Analysis of cash and cash equivalents:	現金及現金等值物之分析：		
Cash and bank deposits	現金及銀行存款	323,466	352,665
Bank overdrafts	銀行透支	(92)	(664)
		323,374	352,001

Notes to the Consolidated Accounts 綜合帳目附註

1 GENERAL INFORMATION

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

The Company was incorporated in Bermuda on 6 December 1996. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company’s shares were listed in the Main Board of The Stock Exchange of Hong Kong Limited on 16 December 1996.

These consolidated accounts are presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated, and have been approved for issue by the Board of Directors on 29 June 2006.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these accounts 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 accounts have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated accounts have been prepared under the historical cost convention, except for financial assets and liabilities (including derivative instruments) at fair value through profit and loss, which are carried at fair value.

1 一般資料

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

本公司於一九九六年十二月六日於百慕達註冊，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。

綜合帳目以港幣千元列報(除非另有說明)。綜合帳目已經由董事會在二零零六年六月二十九日批准刊發。

2 重要會計政策摘要

編制本帳目採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編製基準

本綜合帳目乃按照香港財務報告準則(「香港財務報告準則」)頒佈之會計標準編製。本綜合帳目並依據歷史成本常規法編製。除了財務資產及負債(包括衍生工具)以公平值計算。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The preparation of accounts 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 accounts, are disclosed in Note 4.

The adoption of new/revised HKFRS

In the current year, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. Last year's comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

編制符合香港財務報告準則之帳目需要使用若干關鍵會計估算。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度之判斷或高度複雜性之範圍，或涉及對綜合帳目屬重大假設和估算之範疇，在附註 4 中披露。

採納新訂／經修訂香港財務報告準則

本年，本集團採納下列與其業務相關之新訂／經修訂財務準則及詮釋。去年之比較數字已按有關之規定作出修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估算更改及錯誤更正
香港會計準則第10號	結算日以後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	有關連人士之披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	聯營公司投資
香港會計準則第32號	財務工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	準備、或有負債及或有資產

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS Int-15	Operating Leases – Incentives
HKFRS 2	Share-based Payments

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 28, 33, 36, 37 and HKAS-Int 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures.
- HKASs 2, 7, 8, 10, 16, 23, 27, 28, 33, 36, 37 and HKAS-Int 15 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance in the revised standard. All the Group entities have the same functional currency as the presentation currency for the respective entity accounts.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

香港會計準則第39號	財務工具：確認及計量
香港會計準則第39號 (修訂)	財務資產及財務負債之過渡性及初步確認
香港會計準則詮釋第15號	經營租賃－優惠
香港財務報告準則第2號	以股份為基礎之支付

採納新訂／經修訂香港會計準則第1、2、7、8、10、16、21、23、24、27、28、33、36、37號及香港會計準則詮釋第15號並無導致本集團的會計政策出現重大變動。總括而言：

- 香港會計準則第1號影響少數股東權益、應佔聯營公司除稅後業績淨額之呈列及其他披露。
- 香港會計準則第2、7、8、10、16、23、27、28、33、36、37號及香港會計準則詮釋第15號對本集團政策並無重大影響。
- 香港會計準則第21號對本集團政策並無重大影響。各綜合實體之功能貨幣已根據經修訂準則之指引重新估值。所有本集團實體均採用相同功能貨幣，作為各實體帳目之呈報貨幣。
- 香港會計準則第24號影響有關連人士之確認及若干其他有關連人士之披露。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the profit and loss account on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account. In prior years, the leasehold land and land use rights were accounted for at fair value less accumulated depreciation and accumulated impairment.

The adoption of HKASs 32, 39 and 39 (Amendment) has resulted in a change in the accounting policy relating to the recognition, measurement and classification of financial instruments.

The adoption of HKFRS 2 has resulted in a change in accounting policy for share-based payments. Until 31 March 2005, the provision of share options to employees did not result in an expense in the profit and loss account. Effective 1 April 2005, the Group expenses the cost of share options in the profit and loss account. As a transitional provision, the cost of share options granted after 7 November 2002 which had not yet vested on 1 April 2005 was expensed retrospectively in the profit and loss account of the respective periods (Note 2.14(v)).

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

採納經修訂香港會計準則第17號導致有關租賃土地及土地使用權由物業、廠房及設備重新分類至經營租賃之會計政策變更。為租賃土地及土地使用權所付之預付款項於租期內以直線法於損益表內扣除，如出現減值，則減值將於損益表內扣除。於以往年度，租賃土地及土地使用權按成本減累計折舊及累計減值列帳。

採納經變更之香港會計準則第32、39及39（修訂）所涉及之範圍包括財務工具之計量及分類。

採納香港財務報告準則第2號導致有關股份報酬之會計政策改變。截至二零零五年三月三十一日止，給予僱員購股權毋須在損益表作為開支。由二零零五年四月一日起，本集團將購股權成本在損益表列作開支。根據過渡條文，於二零零二年十一月七日後授出且於二零零五年四月一日仍未歸屬之購股權成本，已追溯到有關期間之損益表列作開支（附註 2.14(v)）。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only with respect to future transactions;
- HKAS-Int 15 – does not require the recognition of incentives for leases beginning before 1 January 2005;
- HKAS 39 – does not permit the Group to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 “Accounting for investments in securities” to investments in securities and also to hedge relationships for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1 April 2005; and
- HKFRS 2 – only retrospective application for equity instruments granted after 7 November 2002 and not vested at 1 April 2005.

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

會計政策所有改變均依照相關準則之規定。本集團採納之所有準則均須追溯處理，惟以下者除外：

- 香港會計準則第16號－在資產置換交易中購入物業、廠房及設備項目之初步計量，僅就未來交易按公平值列帳；
- 香港會計準則詮釋第15號－於二零零五年一月一日之前開始之租賃毋須確認優惠。
- 香港會計準則第39號－不容許根據本準則按追溯基準入帳確認、自帳目剔除及計量財務資產及負債。本集團就證券投資及二零零四年度之對比資料採用舊有之香港標準會計實務準則：「會計實務準則」第24號「證券投資的入帳」。就會計實務準則第24號與香港會計準則第39號之間的會計差異所須作出之調整於二零零五年四月一日釐定及確認；
- 香港財務報告準則第2號－僅對二零零二年十一月七日後授出而於二零零五年四月一日尚未生效之股權工具產生追溯性效力。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The effect of changes in the above accounting policies on the Group's consolidated balance sheet is as follows:

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

以上會計政策之變動對本集團綜合資產負債表之影響如下：

		As at 31 March 2006 二零零六年三月三十一日			Total
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	合共 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及設備減少	(16,288)	(67,064)	–	(83,352)
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	–	48,560	–	48,560
Decrease in deferred tax liabilities	遞延稅項負債減少	(799)	(893)	–	(1,692)
Increase in employee share-based compensation reserve	以股份支付之僱員酬金儲備增加	–	–	10,658	10,658
(Decrease)/increase in retained profits	保留溢利(減少)/增加	(6,561)	4,000	(11,337)	(13,898)
Increase in share premium	股份溢價增加	–	–	679	679
Decrease in fixed assets revaluation reserve	固定資產重估儲備減少	(8,928)	(21,611)	–	(30,539)

		As at 31 March 2005 二零零五年三月三十一日			Total
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	合共 HK\$'000 千港元
Decrease in property, plant and equipment	物業、廠房及設備減少	(16,721)	(44,178)	–	(60,899)
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	–	11,868	–	11,868
Increase in deposit for land use rights	土地使用權按金增加	–	13,292	–	13,292
Decrease in deferred tax liabilities	遞延稅項負債減少	(799)	(893)	–	(1,692)
Increase in employee share-based compensation reserve	以股份支付之僱員酬金儲備增加	–	–	5,486	5,486
(Decrease)/increase in retained profits	保留溢利(減少)/增加	(6,994)	3,486	(5,486)	(8,994)
Decrease in fixed assets revaluation reserve	固定資產重估儲備減少	(8,928)	(21,611)	–	(30,539)

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

The effect of changes in the above accounting policies on the Group's consolidated profit and loss account is as follows:

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

以上會計政策之變動對本集團綜合損益表之影響如下：

		For the year ended 31 March 2006 截至二零零六年三月三十一日止			
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Increase in employee share option benefits	僱員購股權利益增加	-	-	(7,311)	(7,311)
Decrease in depreciation of property, plant and equipment	物業、廠房及設備折舊減少	433	-	-	433
Decrease in amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷減少	-	514	-	514
Total increase/(decrease) in profit	總溢利增加／(減少)	433	514	(7,311)	(6,364)
Increase/(decrease) in basic earnings per share (HK cents)	每股基本溢利增加／(減少) (港仙)	0.11	0.13	(1.79)	(1.55)
Increase/(decrease) in diluted earnings per share (HK cents)	每股攤薄溢利增加／(減少) (港仙)	0.10	0.12	(1.77)	(1.55)

		For the year ended 31 March 2005 截至二零零五年三月三十一日止			
		HKAS 16 香港 會計準則 第16號 HK\$'000 千港元	HKAS 17 香港 會計準則 第17號 HK\$'000 千港元	HKFRS 2 香港財務 報告準則 第2號 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Increase in employee share option benefits	僱員購股權利益增加	-	-	(4,718)	(4,718)
Decrease in depreciation of property, plant and equipment	物業、廠房及設備折舊減少	433	-	-	433
Decrease in amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷減少	-	514	-	514
Total increase/(decrease) in profit	總溢利增加／(減少)	433	514	(4,718)	(3,771)
Increase/(decrease) in basic earnings per share (HK cents)	每股基本溢利增加／(減少) (港仙)	0.11	0.13	(1.17)	(0.93)
Increase/(decrease) in diluted earnings per share (HK cents)	每股攤薄溢利增加／(減少) (港仙)	0.11	0.12	(1.15)	(0.92)

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

Standards, interpretations and amendments to published standards that are not yet effective.

The Group has not early adopted the following new standards or interpretations that have been issued and are not yet effective, which are relevant to the operations of the Group. The Directors consider that the adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKAS 19 (Amendment)	Employee Benefits
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS-Int 4	Determining whether an Arrangement contains a Lease

2 重要會計政策摘要 (續)

2.1 編製基準 (續)

已頒佈之準則、詮釋、修訂尚未生效。

本集團並無提早採納下列已頒佈但尚未生效及與本集團業務有關之新增準則或詮釋。董事認為預期採納該等準則或詮釋將不會導致本集團之會計政策出現重大變動。

香港會計準則 第1號(修訂)	財務報表之呈報：資本披露
香港會計準則 第19號(修訂)	僱員福利
香港會計準則第39號及 香港財務報告準則 第4號(修訂)	財務擔保合約
香港財務報告準則 －詮釋第4號	釐定一項安排是否包含租賃

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation

The consolidated accounts include the accounts of the Company and all its subsidiaries made up to 31 March.

(a) Subsidiaries

Subsidiaries are all 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 purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

2 重要會計政策摘要 (續)

2.2 綜合帳目

綜合帳目包括本公司及各附屬公司截至三月三十一日止之帳目。

(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而控制所有實體，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。

會計收購法乃用作本集團收購附屬公司之入帳方法。收購之成本根據於交易日期所給予資產、所發行之股本工具及所產生或承擔的負債之公平值計算，另加該收購直接應佔之成本。在企業合併中所收購可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日期之公平值計量，而不論任何少數股東權益之數額。收購成本超過本集團應佔所收購可識別資產淨值公平值之數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值之公平值，該差額直接在損益表確認。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(a) Subsidiaries (Cont'd)

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

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividends received and receivable.

(b) Associate

Associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate is accounted for by the equity method of accounting and is initially recognised at cost.

The Group's share of its associate's post-acquisition profit or loss is recognised in the profit and loss account, and its share of post-acquisition movements in reserves is recognised in reserves. 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.

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(a) 附屬公司 (續)

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

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列帳。附屬公司之業績由本公司按已收及應收股息入帳。

(b) 聯營公司

聯營公司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%投票權的股權。聯營公司投資以權益會計法入帳，初始以成本確認。

本集團應佔收購後聯營公司之溢利或虧損於損益表內確認，而應佔收購後儲備之變動則於儲備帳內確認。投資帳面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一間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。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Consolidation (Cont'd)

(b) Associate (Cont'd)

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

In the Company's balance sheet the investment in an associated company is stated at cost less provision for impairment losses. The result of an associated company is accounted for by the Company on the basis of dividend received and receivable.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the accounts 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 accounts are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

2 重要會計政策摘要 (續)

2.2 綜合帳目 (續)

(b) 聯營公司 (續)

本集團與其聯營公司之間交易之未實現收益按集團應佔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，以確保與本集團採用之政策符合一致。

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列帳。聯營公司之業績由本公司按已收及應收股息入帳。

2.3 分部報告

業務分部指從事提供產品或服務之一組資產及業務，而產品或服務之風險和回報與其他業務分部之不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務之風險和回報與在其他經濟環境中營運之分部之不同。

2.4 外幣換算

(a) 功能及呈列貨幣

本集團各實體之帳目內之項目均以該實體經營之主要經濟環境通行之貨幣（「功能貨幣」）計算。港幣為本公司之功能及呈列貨幣，而其綜合帳目以港幣呈列。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation (Cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 profit and loss account.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary 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 profit and loss account 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 dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

2 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(b) 交易及結餘

外幣交易均按交易當日之匯率折算為功能貨幣。此等交易結算以及按年結日之匯率折換外幣資產和負債而產生之匯兌收益及虧損，均於損益表內確認。

非貨幣項目之匯兌差異，例如按公平值列入損益表之股本工具，均列報為公平值收益或虧損之一部分，至於非貨幣項目之匯兌差異，例如歸類為可出售財務資產之股票等，均列入權益帳之公平價值儲備內。

(c) 集團公司

功能貨幣與呈列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）之業績及財務狀況均按以下方法換算為呈列貨幣：

- (i) 每份呈列之資產負債表之資產與負債均以該資產負債表之結算日之收市匯率換算；
- (ii) 每份損益表之收入及支出項目均按平均匯率換算（除非此匯率並不代表交易日期匯率的累計影響的合理約數，在此情況下，收入及支出項目以交易日期之匯率換算）；及
- (iii) 所有匯兌差異乃獨立確認為權益部份。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Foreign currency translation (Cont'd)

(c) Group companies (Cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

2.5 Property, plant and equipment

Previously, land and building was stated at valuation. The increase in fair value was credited to revaluation reserve. A decrease in fair value was first set off against increases on earlier valuations on an individual property basis and thereafter expensed in the profit and loss account. The adoption of the cost method for the year ended 31 March 2006 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy. The effect of changes in this accounting policy is summarised in note 2.1.

All other 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. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2 重要會計政策摘要 (續)

2.4 外幣換算 (續)

(c) 集團公司 (續)

在綜合賬目時，換算海外實體之淨投資，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股東權益。當售出一項海外業務時，該等匯兌差額在損益表確認為出售盈虧之一部份。

2.5 物業、廠房及設備

以往土地及樓宇以估值列帳。公平值之增值會撥入重估儲備，公平值之減值則首先與先前重估增值組合對銷，然後於損益表支銷。截至二零零六年三月三十一日止年內採用成本法表示會計政策之變動，該變動已追溯應用導致比較數字經重列以符合變動之政策。會計政策之變動之影響簡要見附註 2.1。

所有其他物業、機器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開支。成本可包括從權益中轉撥的有關該物業、機器及設備利用外幣購買之合資格現金流量對沖產生之任何收益／損失。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment (Cont'd)

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. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

Buildings are depreciated over the period of the leases or the estimated useful lives, whichever is shorter. Depreciation of other property, plant and equipment, other than construction in progress, is calculated using the straight-line method to allocate cost less their residual values over their estimated useful lives, as follows:

Buildings	2% to 4%
Fixtures and leasehold improvements	8% to 12%
Machinery	10% to 15%
Moulds and tooling	15%
Furniture and computer equipment	15% to 33.33%

Effective from 1 April 2005, the annual rate of depreciation of certain buildings and leasehold improvements was changed from 2% and 8%, to 4% and 12%, respectively, as the Company's Directors consider the new depreciation rate reflects more fairly the estimated useful lives of these assets based on current business conditions. This change in estimate resulted in additional depreciation of approximately HK\$7,122,000 during the year ended 31 March 2006.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

2 重要會計政策摘要 (續)

2.5 物業、廠房及設備 (續)

其後成本只有在與該項目有關之未來經濟利益有可能流入本集團，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損益表支銷。

樓宇按租賃年期或估計可用年期以較短者折舊。除在建工程外，其他物業、機器及設備之折舊採用以下之估計可使用年日期將成本或重估值按直線法分攤至剩餘價值計算：

樓宇	2% to 4%
物業裝修	8% to 12%
機器	10% to 15%
模具及工具	15%
傢俬及電腦設備	15% to 33.33%

基於現在商業因素，本公司董事考慮新折舊年率更公正地反映固定資產可用年期。因此數字及物業裝修之折舊年率分別轉變由2%至4%，及由8%至12%。在二零零六年三月三十一日年度內，這折舊年率之轉變估計會導致增加折舊金額約7,122,000港元。

資產之剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment (Cont'd)

Property, plant and equipment held under finance leases are recorded and depreciated on the same basis as described above.

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 2.7).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account.

2.6 Construction-in-progress

Construction-in-progress represents buildings, plant 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 and interest charges arising from borrowings used to finance such assets during the period of construction or installation and testing, if any. No provision for 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 stated in note 2.5 in this Section.

2 重要會計政策摘要 (續)

2.5 物業、廠房及設備 (續)

以融資租賃方式所持有之物業、廠房及設備採用上述之相同基準予以記錄及計算折舊。

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值(附註 2.7)。

出售固定資產之收益或虧損乃出售所得收入淨額與資產帳面值之差額，將列算於損益表內。

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。成本包括於建築或安裝及測試(如有)期內之樓宇建築成本、廠房及機器成本以及就該等資產融資之借貸利息開支。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準備。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。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, are tested at least annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation 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 have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Inventories

Inventories comprise raw materials, work in progress and finished goods and are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out 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 重要會計政策摘要 (續)

2.7 非財務資產減值

沒有確定使用年期之資產無需攤銷，但至少每年就減值進行測試，及當有事件出現或情況改變顯示帳面值可能無法收回時就減值進行檢討。須作攤銷之資產，當有事件出現或情況改變顯示帳面值可能無法收回時就減值進行檢討。減值虧損按資產之帳面值超出其可收回金額之差額於損益表內確認。可收回金額以資產之公平值扣除銷售成本與使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量（現金產生單位）之最低層次組合。商譽以外出現減值之非財務資產均於每個報告日期進行審閱，以釐訂減值是否可予撥回。

2.8 存貨

存貨包括原材料、半製成品及製成品，按成本與可變現淨值二者之較低者入帳。成本以先進先出法計算。製成品及半製成品之成本並包括原材料、直接勞工，其他直接成本及相關之生產經常開支（依照正常營運能力），但不包括借貸成本。可變現淨值乃在通常業務過程中之估計銷售價減適用之變動銷售費用計算。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Trade and other receivables

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. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash on 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 balance sheet.

2.11 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 重要會計政策摘要 (續)

2.9 貿易帳款與其他應收帳款

貿易帳款與其他應收帳款初步按公平值確認，其後按實際利息法按攤薄成本值計算並扣除減值準備。當有客觀證據顯示本集團無法按應收帳款之原先期限收回全部到期款項時，則會作出應收帳款之減值準備。應收帳客戶對嚴重財政困難，應收客戶將會破產或財務重組及違約未付或逾期未付款項均被視為應收貿易帳款出現減值之跡象。準備金額為資產帳面值與按實際利率貼現計算之估計未來現金流之現值之差額。準備金額乃於損益表內確認。

2.10 現金及現金等值物

現金及現金等值物包括現金、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。銀行透支在資產負債表之流動負債內貸款中列示。

2.11 股本

普通股被列為權益。

直接歸屬於發行新股或認股權的新增成本在權益中列為所得款之減少（扣除稅項）。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account 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.

2.13 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. However, 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 substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax assets are realised or the deferred income tax liabilities are 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.

2 重要會計政策摘要 (續)

2.12 借貸

借貸初步按公平值扣除已產生之交易成本確認。交易成本為直接與收購、發行或出售財務資產或財務負債有關之生增成本，包括向代理商、顧問、經紀及交易商支付之費用及佣金、監管代理機構及證券交易所徵收之費用及過戶登記稅項及印花款。借款其後按攤銷成本列帳；所得款項（扣除交易成本）與贖回價值間之任何差額於借貸期使用實際利息法在損益表確認。

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債。

2.13 遞延所得稅

遞延所得稅利用負債法就資產和負債之稅基與在資產和負債在帳目之帳面值之差產生之暫時差異全數作準備。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溢利與可動用之暫時差異抵銷而確認。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Deferred income tax (Cont'd)

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

2.14 Employee benefits

(i) Employee leave entitlements

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.

(ii) Bonus plans

The expected cost of bonus payments wholly due within twelve months after the balance sheet date are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2 重要會計政策摘要 (續)

2.13 遞延所得稅項 (續)

遞延稅項就投資於附屬公司及聯營公司之暫時差異而作準備，但假若可以控制暫時差異之撥回時間，及該暫時差異有可能在可預見將來不會撥回則除外。

2.14 僱員福利

(i) 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。本集團為截至結算日止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債作出準備。僱員享有之病假及產假不作確認，直至僱員正式休假為止。

(ii) 獎金計劃

當本集團因為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估計時，則在結算日後十二個月內結欠之獎金預計成本確認為負債入帳。獎金計劃之負債預期須在十二個月內償付，並根據在償付時預期會支付之金額計算。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Employee benefits (Cont'd)

(iii) 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.

(iv) 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.

2 重要會計政策摘要 (續)

2.14 僱員福利 (續)

(iii) 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。本集團並無法定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款或扣減未來付款時確認為資產。

(iv) 長期服務金

本集團根據香港《僱傭條例》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期過之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。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.14 Employee benefits (Cont'd)

(v) Share-based compensation

The Group operates a share-based compensation plan. 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 over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the estimates of the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not 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.

2 重要會計政策摘要 (續)

2.14 僱員福利 (續)

(v) 以股份為基礎之補償

本集團設有一項以股份為基礎之補償計劃。僱員為獲取授予購股權而提供之服務之公平值確認為費用。在歸屬期間內將予支銷之總金額參考授予之購股權之公平值釐定，不包括任何非市場既定條件（例如盈利能力和銷售增長目標）之影響。非市場既定條件包括在有關預期可予以行使之購股權數目之假設中。在每個結算日，本集團修訂其對預期可予以行使購股權數目之估計。本集團在損益表確認對原估計修訂（如有）之影響，並對權益作出相應調整。

已收款項（扣除任何直接應計交易成本）在行使期權時撥入股本（面值）及股份溢價。

2.15 準備

在出現以下情況時作出準備：本集團因已發生之事件而產生現有之法律或推定責任；較可能需要有資源流出以償付責任；及金額已經可靠估計。重建準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。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.15 Provisions (Cont'd)

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 expenditure 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 the passage of time is recognised as interest expense.

2.16 Leases

(i) Operating 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 in the profit and loss account on a straight-line basis over the period of the lease.

2 重要會計政策摘要 (續)

2.15 準備 (續)

如有多項類似責任，其需要在償付中流出資源之可能性，根據責任的類別整體考慮。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。

準備以為履行義務所預計需要發生之支出之現值計量，計算此等現值使用之稅前折現率能夠反映當前市場之貨幣時間價值及該負債特有之風險。時間流逝導致準備金額之增加，確認為利息開支。

2.16 租賃

(i) 經營租賃

如租賃擁有權的重大部份風險和回報由出租人保留，則分類為經營租賃。根據經營租賃支付之款項（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損益表中支銷。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Leases (Cont'd)

(ii) Finance leases

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is expensed in the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

2.17 Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(i) 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.

2 重要會計政策摘要 (續)

2.16 租賃 (續)

(ii) 融資租賃

如本集團持有租賃資產擁有權的大部份風險及回報，則分類為融資租賃。融資租賃在開始時按租賃資產之公平值及最低租賃付款現值兩者之較低者入帳。每期租金均分配為資本性支出及財務費用，以達到財務結欠額之常數比率。相應租賃責任在扣除財務費用後計入流動及非流動借貸內。財務成本之利息部份於租賃期內在損益表確認，使財務費用與每個期間之負債餘額之比為常數定期利率。

以融資租賃方式所持有之資產按估計使用年限或租賃年期以較短者計算折舊。

2.17 收入確認

收入包括銷售貨品及服務之公平值，並扣除增值稅、回扣和折扣，以及對銷集團內部銷售。收入確認如下：

(i) 貨品銷售

貨品銷售於本集團實體已將貨品交付予顧客，顧客接收產品後，以及有關應收款的收回可合理確保時確認。

當貨物還未運送給客戶，客戶之預付款則記錄在預收款帳目中。

Notes to the Consolidated Accounts 綜合帳目附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Revenue recognition (Cont'd)

(ii) Rental income

Rental income is recognised on a straight-line basis.

(iii) Management services

Revenue from the provision of management services is recognised when the service is rendered.

(iv) 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 flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

2.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's accounts in the period in which the dividends are approved by the Company's shareholders.

2 重要會計政策摘要 (續)

2.17 收入確認 (續)

(ii) 租金收入

租金收入按直線法確認。

(iii) 管理服務

管理服務收入在提供服務時確認。

(iv) 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。已減值貸款之利息收入確認為收取之現金，或若情況許可按成本收回基準計算確認。

2.18 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之帳目內列為負債。

Notes to the Consolidated Accounts 綜合帳目附註

3 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk. The use of financial derivatives to hedge certain risk exposures is governed by the Group's policies approved by the Board of Directors, where necessary.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the Group's operating activities are denominated in United States dollars ("USD"), Hong Kong dollars and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has not used any forward contracts or currency borrowings to hedge its exposure as foreign currency risk is considered to be minimal.

(b) Credit risk

The carrying amount of trade receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk. The Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the Directors are of the opinion that adequate provision for uncollectible trade receivables has been made.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and/or the availability of funding through an adequate amount of committed credit facilities. The Directors aim to maintain flexibility in funding by keeping credit lines available.

3 財務風險因素

本集團的活動承受著多種之財務風險：外匯風險、信貸風險、流動資金風險及現金流量利率風險。本集團的政策是若有需要，在經董事同意下，利用衍生財務工具對沖若干承受之風險。

(a) 外匯風險

本集團在全球營運，承受多種不同貨幣所產生之外匯風險。本集團大部份之經營活動涉及美元、港幣及人民幣。外匯風險來自未來商業交易、已確認資產和負債以及海外業務之淨投資。

因本集團並無重大外匯風險，故此沒有利用遠期合約或貨幣借貸對沖外匯風險。

(b) 信貸風險

貿易應收帳之帳面值已包括在綜合資產負債表所代表本集團最大的信貸風險，本集團實施相關政策確保貨品銷售是向擁有適當信貸歷史的客戶銷售，集團亦會評估客戶之信貸狀況。本集團根據歷史記錄經驗收取貿易應收帳及其他應收帳，對於不可收回之貿易應收帳，本集團董事會作出足夠之壞帳準備。

(c) 流動資金風險

審慎之流動資金風險管理指維持充足之現金及透過已承諾信貸融資之足夠額度備有資金。本集團董事致力透過已承諾之可用信貸額度維持資金之靈活性。

Notes to the Consolidated Accounts 綜合帳目附註

3 FINANCIAL RISK FACTORS (Cont'd)

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, 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. As at 31 March 2006, borrowings were primarily at floating rates. The Group generally has not used interest rate swaps to hedge its exposure to interest rate risk.

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) Property, plant and equipment, leasehold land and depreciation

The Group assesses annually whether property, plant and equipment, and leasehold land show any indication of impairment. The recoverable amounts of property, plant and equipment and leasehold land have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment, other than construction in progress, based on their estimated useful lives.

3 財務風險因素 (續)

(d) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團之收入及營運現金流量基本上不受市場利率波動之影響。本集團的利率風險來自銀行借貸，於二零零六年三月三十一日，借貸主要按浮動利率計算。本集團一般不會以利率掉期合約對沖利率之風險。

4 重要會計估計及判斷

估計和判斷會被持續評估，並以過往經驗及其他因素作為基礎，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及假設。按定義會計估計很少與最終之實際結果完全一致。下文討論於下個財政年度有相當大風險將會導致資產與負債之帳面值須作出重大調整之估計及假設。

(a) 物業、廠房及設備、租賃土地及折舊

本集團每年評估物業、廠房及設備及租賃土地有否減值之跡象。物業、廠房及設備及租賃土地之可收回金額根據可使用價值計算方法釐定，該計算須要作出判斷及估計。

除在建工程外，本集團就其物業、廠房及設備釐定估計可使用年期，並根據此可使用年期釐定其相關折舊費用。

Notes to the Consolidated Accounts 綜合帳目附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(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 impairment of receivables is recognised in the years in which such estimates have been changed.

(c) Write-downs of inventories

Inventories are written down to net realisable value based on an assessment of their realisability. 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 is changed.

4 重要會計估計及判斷 (續)

(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，則該差異將於該估計出現變動期間內影響應收款之帳面值及減值虧損準備。

(c) 撇減存貨

本集團根據存貨變現性之評估撇減存貨至可變現淨值。當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。

Notes to the Consolidated Accounts 綜合帳目附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

(d) Income taxes

The Group is subject to income taxes in certain jurisdictions other than Hong Kong. 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) Long service payment liabilities

The present value of the long service payment liabilities depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of liabilities.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the liabilities. In determining the appropriate discount rate, the Group considers the yield of Exchange Fund Notes that are denominated in Hong Kong dollars in which the liabilities will be paid, and that have terms to maturity approximating the terms of the related liabilities.

Other key assumptions for long service payment liabilities are based in part on current market conditions. Additional information is disclosed in Note 25.

4 重要會計估計及判斷 (續)

(d) 所得稅

除香港外，本集團需要在數個司法權區繳納所得稅。在釐定所得稅準備時，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皆不確定。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) 長期服務金負債

長期服務金負債之現值釐定於數項因素，該些因素以利用許多假設之精算基礎來決定。任何假設之改變會影響負債之帳面金額。

本集團每年計算出適當之折讓率。該利率是用以計算出預計支付負債之估計未來現金流出之現值。在計算適當折讓率時，集團會考慮負債以港幣償還之外匯基金債券之收差率，同時，該外匯基金債券之到期日與有關負債之到期日相近。

其他有關長期服務金負債之主要假設，部份是根據現有市場情況而作出。額外資料披露在附註25。

Notes to the Consolidated Accounts 綜合帳目附註

5 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

5 關連人士交易

(a) 與關連人士之交易

		Note 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Rental charged by Kings Lion Development Limited	支付租金予勁獅發展有限公司	(i), (ii)	1,299	1,276
Management service income earned from an associated company	向聯營公司收取管理費收入	(ii)	–	2,512
Machinery rental income earned from an associated company	向聯營公司收取機器租金收入	(ii)	1,751	2,347
Sales to an associated company	銷售予聯營公司	(iii)	4,555	130
Purchase of raw materials from an associated company	向聯營公司購買物料	(iii)	582	–
Purchase of machinery from an associated company	向聯營公司購買機器	(ii)	2,522	–
Purchase of leasehold land and land use rights and staff quarters from 東莞市鳳崗房地產開發公司	向東莞市鳳崗房地產開發公司購買土地及土地使用權及員工宿舍	(iv)	3,582	–

Note:

- (i) Kings Lion Development Limited is beneficially owned and controlled by the family of Mr. Ho Cheuk Fai, a director of the Company.
- (ii) In the opinion of the Company's Directors and the Group's management, these related party transactions were conducted in accordance with the terms of the agreements.
- (iii) In the opinion of the Company's Directors and the Group's management, sales to and purchases from an associated company were conducted at prices and terms mutually agreed by the respective parties.

附註：

- (i) 勁獅發展有限公司由本公司董事何焯輝先生家族實益擁有及控制。
- (ii) 本公司董事及本集團管理層認為該等關連人士交易均以本集團與有關人士各自商議之條款執行。
- (iii) 本公司董事及本集團管理層認為該等向聯營公司之銷售及購買是依據有關人士互相同意之價格及條款進行。

Notes to the Consolidated Accounts 綜合帳目附註

5 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties (Cont'd)

- (iv) 東莞市鳳崗房地產開發公司 entered into a joint venture development with 東莞嘉輝門窗製品有限公司 (“Dongguan Jiahui”) pursuant to a co-operation agreement. Dongguan Jiahui is a joint venture company established under the laws of Mainland China with an effective interest of 92.15% beneficially owned by Mr. Ho Cheuk Fai, a director of the Company and Ms. Ho Po Chu, the spouse of Mr. Ho Cheuk Fai and the chief executive of the Company, through a 97% owned company which is incorporated in Hong Kong. The remaining 7.85% interest in Dongguan Jiahui is beneficially owned by third parties independent of the Company and its connected persons.

(b) Key management compensation

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Wages, salaries, allowances and bonuses	薪酬、工資、津貼及花紅	34,037	28,266
Pension costs – defined contribution plan	退休成本 – 界定供款計劃	203	202
		34,240	28,468

(c) Balances with related parties

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts receivable from an associated company (Note 17)	應收聯營公司之 帳款 (附註17)	1,874	3,424

5 關連人士交易 (續)

(a) 與關連人士之交易 (續)

- (iv) 東莞市鳳崗房地產開發公司與東莞嘉輝門窗製品有限公司(「嘉輝門窗」)根據雙方之間簽訂之合作開發合同而合作發展。嘉輝門窗為一間於中國註冊成立之中外合資公司，本公司之董事何焯輝先生及其妻子何寶珠女士(本公司之最高行政人員)透過擁有一間於香港註冊成立之公司97%股權而擁有嘉輝門窗92.15%實際股權。嘉輝門窗其餘7.85%股權乃由獨立第三者及該公司之關聯人士所擁有。

(b) 主要管理層酬金

(c) 與關連人士之結餘

Notes to the Consolidated Accounts 綜合帳目附註

6 TURNOVER AND OTHER OPERATING INCOME

The Group is principally engaged in the manufacture and sales of computer casings, office automation products, moulds, plastic and metal parts and provision of electronic manufacturing services. Revenues recognised during the year are as follows:

6 營業額及其他經營收入

本集團主要從事製造及銷售電腦外殼、辦公室文儀產品、模具、塑膠及金屬部件及提供電子專業代工業務。本年度確認之收入如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Turnover	營業額		
Metal and plastic business	五金塑膠業務	1,431,428	1,172,806
Electronic manufacturing services business	電子專業代工業務	2,161,313	1,390,384
		3,592,741	2,563,190
Other operating income	其他經營收入		
Rental income	租金收入	4,501	5,835
Management service income	管理費收入	–	2,512
Interest income	利息收入	10,127	3,964
		14,628	12,311
Total revenues	總收入	3,607,369	2,575,501

Notes to the Consolidated Accounts 綜合帳目附註

7 OPERATING PROFIT

Operating profit is determined after charging or crediting the following items:

7 經營溢利

經營溢利已扣除及計入以下項目：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Depreciation of property, plant and equipment (Note 15)	物業、廠房及設備之折舊(附註15)		
– owned assets	– 自置資產	49,414	35,356
– assets held under finance leases	– 以融資租賃持有之資產	–	2,504
		49,414	37,860
Amortisation of leasehold land and land use rights (Note 14)	租賃土地及土地使用權之攤銷(附註14)	614	298
Employee benefit expenses (including Directors' emoluments) (Note 13)	員工福利開支(包括董事酬金)(附註13)	190,270	173,460
Operating lease rental of premises	租用物業之經營租賃租金	18,338	13,765
Net exchange loss	匯兌虧損淨額	449	933
Auditors' remuneration	核數師酬金	1,340	1,013
Fees for non-audit services	非核數服務費用	121	223
Provision for obsolete and slow-moving inventories	陳舊及滯銷存貨準備	–	6,986
Provision for amount due from an associated company	聯營公司欠款壞帳準備	–	3,424
Write-back of provision for obsolete and slow-moving inventories (Note 18)	撥回陳舊及滯銷存貨準備(附註18)	(18,157)	–
Write-back of provision for impairment of trade receivables (Note 19)	撥回貿易應收帳款減值準備(附註19)	(3,512)	–
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益淨額	(171)	(453)

Notes to the Consolidated Accounts 綜合帳目附註

8 FINANCE COSTS

8 財務成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest expense on:	利息開支：		
– bank borrowings wholly repayable within five years	– 於五年內全數償還之銀行借貸	24,441	8,536
– finance leases	– 融資租賃	10	110
– others	– 其他	80	74
		24,531	8,720

9 TAXATION

9 稅項

The Company is exempted from Bermuda taxation until 2016. Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year.

本公司獲豁免百慕達稅項至二零一六年止。香港利得稅乃根據本年之估計應課稅溢利按17.5%(二零零五年：17.5%)之稅率計提準備。

The amount of taxation charged to the consolidated profit and loss account represents:

在綜合損益表支銷之稅項如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current taxation: Hong Kong profits tax	現行稅項：香港利得稅		
– current year	– 本年度	14,196	15,619
– under/(over) provision in prior years	– 往年之不足／(超額)準備	545	(538)
Deferred taxation (Note 26)	遞延稅項(附註26)	3,016	(1,878)
Taxation charge	稅項支出	17,757	13,203

Notes to the Consolidated Accounts 綜合帳目附註

9 TAXATION (Cont'd)

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:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	204,136	159,776
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按稅率 17.5% (二零零五年： 17.5%) 計算	35,724	27,961
Income not subject to taxation	無須課稅之收入	(26,787)	(19,723)
Expenses not deductible for taxation purposes	不可扣稅之開支	8,452	5,974
Under/(over) provision in prior years	往年之不足／(超額) 準備	545	(538)
Utilisation of previously unrecognised tax losses	使用往年未確認稅務虧損	(177)	(471)
Taxation charge	稅項支出	17,757	13,203

Dongguan Yanxun Electronics Company Limited, a subsidiary established and operating in Mainland China, is subject to Mainland China enterprise income tax at the rate of 33% (30% state income tax and 3% local income tax). However, it is exempted from Mainland China enterprise income tax and local income tax for two years starting from the first year of profitable operations, after offsetting prior years' losses, followed by a 50% reduction for the following three years. No Mainland China enterprise income tax has been provided since Dongguan Yanxun Electronics Company Limited is in a tax loss position.

9 稅項 (續)

本集團有關除稅前溢利之稅項與假若採用本集團本土國家之利得稅率而計算之理論稅額之差額如下：

東莞雁訊電子有限公司乃於中國成立及經營之附屬公司，須繳付33%之中國企業所得稅(30%為國家統一所得稅，而3%為地方所得稅)。惟該公司於其首個撇除以往年度虧損後之獲利年度起兩年獲全數豁免中國企業統一所得稅及地方所得稅，而隨後三年則按50%減付。該公司現仍處於稅務虧損之狀況，所以並沒有為中國企業所得稅計提準備。

Notes to the Consolidated Accounts 綜合帳目附註

10 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the accounts of the Company to the extent of approximately HK\$89,947,000 (2005: HK\$82,171,000).

11 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.

10 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利中包括一筆已撥入本公司帳目之溢利約89,947,000港元（二零零五年：82,171,000港元）。

11 每股溢利

每股基本溢利乃根據本公司股權持有人應佔溢利除以年內已發行的普通股加權平均數計算。

		2006 二零零六年	2005 二零零五年
Profit attributable to equity holders of the Company (in HK\$'000)	本公司股權持有人應佔溢利(千港元計)	186,379	146,573
Weighted average number of ordinary shares in issue (in thousand shares)	已發行普通股的加權平均數(千股計)	409,579	404,472
Basic earnings per share (HK cents per share)	每股基本溢利(每股港仙計)	45.5	36.2

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

The Company has outstanding share options, which have a dilutive effect on the ordinary shares. A calculation has been performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options.

每股攤薄溢利乃假設所有可攤薄之潛在普通股被兌換後，根據已調整普通股之加權平均股數計算。

本公司仍有攤薄普通股影響之購股權。根據未行使購股權所附之認購權之貨幣價值，釐定按公平值(釐定為本公司股份之平均年度市價)可購入之股份數目。

Notes to the Consolidated Accounts 綜合帳目附註

11 EARNINGS PER SHARE (Cont'd)

The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

11 每股溢利 (續)

按以上方式計算之股份數目，與假設購股權行使而應已發行之股份數目作出比較。

		2006 二零零六年	2005 二零零五年
Profit attributable to equity holders of the Company (in HK\$'000)	本公司股權持有人應佔溢利(千港元計)	186,379	146,573
Weighted average number of ordinary share in issue (in thousand shares)	已發行普通股之加權平均數(千股計)	409,579	404,472
Adjustment for share options (in thousand shares)	購股權之調整(千股計)	3,790	5,124
Weighted average number of ordinary shares for diluted earnings per share (in thousand shares)	計算每股攤薄溢利的普通股之加權平均數(千股計)	413,369	409,596
Diluted earnings per share (HK cents per share)	每股攤薄溢利(每股港仙計)	45.1	35.8

12 DIVIDENDS

12 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interim dividend paid of HK9.0 cents (2005: HK8.5 cents) per ordinary share	已付中期股息 — 每普通股9.0港仙(二零零五年: 8.5港仙)	36,914	34,474
Additional final dividend for the prior year due to exercise of share options	往年因行使購股權而多發行之股份而多派之末期股息	234	475
Final, dividend proposed, of HK13.0 cents (2005: HK12.5 cents) per ordinary share	擬派末期股息 — 每普通股13.0港仙(二零零五年: 12.5港仙)	53,367	50,971
Special dividend, proposed, of HK3.0 cents (2005: nil) per ordinary share	擬派特別股息 — 每普通股3.0港仙(二零零五年: 無)	12,315	—
		102,830	85,920

Notes to the Consolidated Accounts 綜合帳目附註

12 DIVIDENDS (Cont'd)

A final dividend in respect of 2005/06 of HK13 cents per ordinary share, and a final special dividend HK3 cents per ordinary share, amounting to a total dividend of approximately HK\$65,682,000 is to be proposed at the Annual General Meeting on 4 August 2006. These accounts do not reflect this as dividend payable.

12 股息 (續)

二零零五／零六年度之末期股息為每普通股13港仙及特別股息為每普通股3港仙，合共金額約為65,682,000港元，將於二零零六年八月四日之股東週年大會提議。本帳目不會反映該提議之應付股息。

13 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS

13 員工福利開支 – 包括董事酬金

(a) Employee benefit expenses during the year are as follows:

(a) 本年度員工福利開支如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Wages and salaries	薪酬及工資	181,243	168,415
Pension costs – defined contribution plans	退休成本 – 界定供款計劃	2,921	2,766
Write-back of provision for long service payments (Note 25)	撥回長期服務金之準備 (附註25)	(1,205)	(2,439)
Share options expenses for options granted to Directors and employees	授予董事及僱員購股權之費用	7,311	4,718
		190,270	173,460

Notes to the Consolidated Accounts 綜合帳目附註

13 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

(b) Directors and senior management

The remuneration of every Director for the year ended 31 March 2006 is set out below:

Name of Director 董事名稱	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情發放之花紅 HK\$'000 千港元	Employer's contribution to pension scheme 僱主退休金計劃之供款 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Executive Director 執行董事					
Mr. Ho Cheuk Fai 何焯輝先生	–	4,770*	5,198	12	9,980
Mr. Ho Cheuk Ming 何卓明先生	–	1,181*	2,221	12	3,414
Mr. Kwok Wing Kin, Francis 郭永堅先生	–	1,233*	1,975	12	3,220
Mr. Tam Wing Hung (a) 談永雄先生	–	579*	–	11	590
Mr. Lee Shu Ki 李樹琪先生	–	1,119*	950	12	2,081
Mr. Wong Shun Pang 黃順鵬先生	–	1,261*	607	12	1,880
Independent non-executive Director 獨立非執行董事					
Mr. So Wai Chun 蘇偉俊先生	78	–	–	–	78
Mr. Chan Shui Sum, Raymond 陳瑞森先生	88	–	–	–	88
Mr. Fong Hoi Shing 方海城先生	59	–	–	–	59

* Included in the amount were share-based compensation, which are determined based on the fair value of the share options granted to the relevant Directors at the date of grant and recognised over the vesting period.

Note:

(a) Resigned on 13 February 2006

13 員工福利開支 – 包括董事酬金 (續)

(b) 董事及高級管理人員

截至二零零六年三月三十一日止各董事之酬金列表如下：

* 這金額包括以股份為基礎之補償，該補償根據授予有關董事購股權時之公平值釐定及在歸屬期內入帳。

附註：

(a) 於二零零六年二月十三日辭職

Notes to the Consolidated Accounts 綜合帳目附註

13 EMPLOYEE BENEFIT EXPENSES – INCLUDING DIRECTORS' EMOLUMENTS (Cont'd)

(b) Directors and senior management (Cont'd)

The remuneration of every Director for the year ended 31 March 2005 is set out below:

Name of Director	Fees	Salary	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
Executive Director 執行董事					
Mr. Ho Cheuk Fai 何焯輝先生	–	4,770*	4,718	12	9,500
Mr. Ho Cheuk Ming 何卓明先生	–	904*	1,921	12	2,837
Mr. Kwok Wing Kin, Francis 郭永堅先生	–	1,110*	1,575	12	2,697
Mr. Tam Wing Hung 談永雄先生	–	603*	–	12	615
Mr. Lee Shu Ki 李樹琪先生	–	958*	770	12	1,740
Mr. Wong Shun Pang (a) 黃順鵬先生	–	1,025*	577	10	1,612
Independent non-executive Director 非執行董事					
Mr. So Wai Chun 蘇偉俊先生	70	–	–	–	70
Mr. Chan Shui Sum, Raymond 陳瑞森先生	70	–	–	–	70
Mr. Fong Hoi Shing (b) 方海城先生	15	–	–	–	15
Mr. Leung Wai Ho (c) 梁偉浩先生	183	–	–	–	183

* Included in the amount were share-based compensation, which are determined based on the fair value of the share options granted to the relevant Directors at the date of grant and recognised over the vesting period.

Notes:

- (a) Appointed on 1 June 2004
- (b) Appointed on 7 December 2004
- (c) Resigned on 19 January 2005

No Directors waived any emoluments during the year (2005: Nil). No incentive payment for joining the Group or compensation for loss of office was paid/payable to any Director during the year (2005: Nil).

13 員工福利開支 – 包括董事酬金 (續)

(b) 董事及高級管理人員 (續)

截至二零零五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	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
Executive Director 執行董事					
Mr. Ho Cheuk Fai 何焯輝先生	–	4,770*	4,718	12	9,500
Mr. Ho Cheuk Ming 何卓明先生	–	904*	1,921	12	2,837
Mr. Kwok Wing Kin, Francis 郭永堅先生	–	1,110*	1,575	12	2,697
Mr. Tam Wing Hung 談永雄先生	–	603*	–	12	615
Mr. Lee Shu Ki 李樹琪先生	–	958*	770	12	1,740
Mr. Wong Shun Pang (a) 黃順鵬先生	–	1,025*	577	10	1,612
Independent non-executive Director 非執行董事					
Mr. So Wai Chun 蘇偉俊先生	70	–	–	–	70
Mr. Chan Shui Sum, Raymond 陳瑞森先生	70	–	–	–	70
Mr. Fong Hoi Shing (b) 方海城先生	15	–	–	–	15
Mr. Leung Wai Ho (c) 梁偉浩先生	183	–	–	–	183

* 這金額包括以股份為基礎之補償，該補償根據授予有關董事購股權時之公平值釐定及在歸屬期內入帳。

附註：

- (a) 於二零零四年六月一日委任
- (b) 於二零零四年十二月七日委任
- (c) 於二零零五年一月十九日辭職

本年無董事放棄酬金(二零零五年：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(二零零五年：無)。

Notes to the Consolidated Accounts 綜合帳目附註

13 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 four (2005: five) Directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2005: nil) individual during the year are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,164*	–
Discretionary bonus	酌情發放之花紅	855	–
Pension costs – defined contribution plans	退休金成本 – 界定供款計劃	12	–
		2,031	–

The emoluments fell within the following band:

		2006 二零零六年	2005 二零零五年
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–

* Included in the amount were share-based compensation, which are determined based on the fair value of the share options granted to the relevant Directors 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 (2005: Nil).

13 員工福利開支 – 包括董事酬金 (續)

(c) 五名最高薪酬人士

本年度集團內五名最高薪酬人士包括四名 (二零零五年：五名) 董事，其酬金已載於上文分析。於本年內其餘一名 (二零零五年：無) 最高薪人士之應付酬金如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	1,164*	–
Discretionary bonus	酌情發放之花紅	855	–
Pension costs – defined contribution plans	退休金成本 – 界定供款計劃	12	–
		2,031	–

該等酬金在下列組合範圍內：

		2006 二零零六年	2005 二零零五年
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	–

* 這金額包括以股份為基礎之補償，該補償根據授予有關董事購股權時之公平值釐定及在歸屬期內入帳。

本年度五名最高薪人士 (包括董事及其他僱員) 並無獲付任何酬金作為失去職位之補償 (二零零五年：無)。

Notes to the Consolidated Accounts 綜合帳目附註

14 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

14 租賃土地及土地使用權

本集團於租賃土地及土地使用權之權益指預付經營租賃款，按其帳面淨值分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net book amount at beginning of the year	年初帳面淨值	11,868	12,166
Addition	添置	23,866	—
Transfer from deposits for land use rights	由按金轉移至土地使用權	13,292	—
Transfer from construction in progress (Note 15)	由在建工程轉移 (附註15)	148	—
Amortisation	攤銷	(614)	(298)
Net book amount at end of the year	年底帳面淨值	48,560	11,868
Cost	成本	51,770	14,463
Accumulated amortisation	累積攤銷	(3,210)	(2,595)
Net book amount at end of the year	年底帳面淨值	48,560	11,868
Leases of 10 to 50 years in Hong Kong	香港－租賃由10至50年	1,118	1,145
Leases of 10 to 50 years in Mainland China	中國－租賃由10至50年	47,442	10,723
		48,560	11,868

The leasehold land located in Hong Kong are held under medium-term leases expiring in June 2047. The leasehold land use rights located in Mainland China are held under land use rights of 45 to 57 years expiring in April 2043 to October 2062.

在香港之租賃土地乃根據至二零四七年六月約滿之中期租約而持有。在中國之租賃土地使用權乃根據為期四十五至五十七年（即在二零四三年四月至二零六二年十月到期）之土地使用權而持有。

Certain of the Group's leasehold land use rights in Mainland China with a net book value of approximately HK\$1,283,000 (2005: HK\$1,315,000) are mortgaged as collateral for the Group's short-term bank loan amounting to approximately HK\$17,391,000 (2005: HK\$15,094,000) (Note 24).

本集團位於中國之若干租賃土地使用權帳面淨值約1,283,000港元（二零零五年：1,315,000港元）已作為短期銀行貸款約17,391,000港元（二零零五年：15,094,000港元）之抵押（附註24）。

Notes to the Consolidated Accounts 綜合帳目附註

15 PROPERTY, PLANT AND EQUIPMENT

(a) Group

		Buildings	Construction- in-progress	Leasehold improvements and fixtures	Machinery	Moulds and tooling	Furniture and computer equipment	Total
		樓宇 HK\$'000 千港元	在建工程 HK\$'000 千港元	物業裝修 HK\$'000 千港元	機器 HK\$'000 千港元	模具及工具 HK\$'000 千港元	傢俬及 電腦設備 HK\$'000 千港元	合共 HK\$'000 千港元
At 1 April 2004	二零零四年四月一日							
Cost	成本	85,766	7,137	46,253	285,811	19,509	37,499	481,975
Accumulated depreciation	累積折舊	(8,347)	–	(18,776)	(202,342)	(17,373)	(32,525)	(279,363)
Net book amount	帳面淨值	77,419	7,137	27,477	83,469	2,136	4,974	202,612
Year ended 31 March 2005	截至二零零五年三月三十一日 止年度							
Opening net book amount	期初帳面淨值	77,419	7,137	27,477	83,469	2,136	4,974	202,612
Additions	添置	4,645	1,947	5,545	30,934	2,041	3,832	48,944
Transfer in/(out)	轉入／(出)	6,132	(6,627)	495	–	–	–	–
Disposals	出售	–	–	–	(263)	–	(24)	(287)
Depreciation	折舊	(2,234)	–	(3,899)	(27,142)	(1,131)	(3,454)	(37,860)
Closing net book amount	期末帳面淨值	85,962	2,457	29,618	86,998	3,046	5,328	213,409
At 31 March 2005	二零零五年三月三十一日							
Cost	成本	96,543	2,457	52,293	302,454	21,546	38,534	513,827
Accumulated depreciation	累積折舊	(10,581)	–	(22,675)	(215,456)	(18,500)	(33,206)	(300,418)
Net book amount	帳面淨值	85,962	2,457	29,618	86,998	3,046	5,328	213,409
Year ended 31 March 2006	截至二零零六年三月三十一日 止年度							
Opening net book amount	期初帳面淨值	85,962	2,457	29,618	86,998	3,046	5,328	213,409
Additions	添置	3,746	29,079	2,117	24,616	2,795	5,840	68,193
Transfer to leasehold land and land use rights	轉至租賃土地 及土地使用權	–	(148)	–	–	–	–	(148)
Transfer in/(out)	轉入／(出)	2,250	(2,250)	–	–	–	–	–
Disposals	出售	–	–	–	–	–	(2)	(2)
Depreciation	折舊	(8,848)	–	(5,607)	(29,523)	(1,282)	(4,154)	(49,414)
Closing net book amount	期末帳面淨值	83,110	29,138	26,128	82,091	4,559	7,012	232,038
At 31 March 2006	二零零六年三月三十一日							
Cost	成本	102,539	29,138	53,397	326,650	21,641	36,587	569,952
Accumulated depreciation	累積折舊	(19,429)	–	(27,269)	(244,559)	(17,082)	(29,575)	(337,914)
Net book amount	帳面淨值	83,110	29,138	26,128	82,091	4,559	7,012	232,038

Depreciation of HK\$47,307,000 (2005: HK\$35,925,000) has been expensed in cost of sales, and HK\$2,107,000 (2005: HK\$1,935,000) in general and administrative expenses.

折舊中47,307,000港元(二零零五年: 35,925,000港元)已在銷售成本支銷及2,107,000港元(二零零五年: 1,935,000港元)計入一般及行政費用。

Notes to the Consolidated Accounts 綜合帳目附註

15 PROPERTY, PLANT AND EQUIPMENT

(Cont'd)

- (b) As at 31 March 2006, the Group did not have any machinery held under finance leases. The details of machinery held under finance leases as at 31 March 2005 were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net book amount at beginning of the year	年初帳面淨值	–	12,258
Disposal	出售	–	(5,581)
Depreciation	折舊	–	(2,504)
Net book amount at end of the year	年底帳面淨值	–	4,173
Cost	成本	–	16,693
Accumulated depreciation	累積折舊	–	(12,520)
Net book amount at end of the year	年底帳面淨值	–	4,173

- (c) Certain of the Group's buildings in Mainland China with a net book value of approximately HK\$5,921,000 (2005: HK\$8,664,000) are mortgaged as collateral for the Group's short-term bank loan amounting to approximately HK\$17,391,000 (2005: HK\$15,094,000) (Note 24).

15 物業、廠房及設備 (續)

- (b) 於二零零六年三月三十一日，本集團並無任何以融資租賃持有之機器。於二零零五年三月三十一日以融資租賃持有之機器詳情如下：

- (c) 本集團位於中國之若干樓宇帳面淨值約 5,921,000 港元（二零零五年：8,664,000 港元）已作為短期銀行貸款約 17,391,000 港元（二零零五年：15,094,000 港元）之抵押（附註 24）。

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES

16 於附屬公司之投資

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares	非上市股份之成本值	193,285	193,285
Amounts due from subsidiaries	應收附屬公司款項	225,394	208,462
		418,679	401,747
Less: Provision for impairment of investment in a subsidiary	減：於附屬公司之 投資減值準備	(3,087)	(3,087)
		415,592	398,660

The outstanding balances with subsidiaries are unsecured, non-interest bearing and have no pre-determined repayment terms.

附屬公司之尚未償還款項並無抵押，不計利息，及沒有預定償還條款。

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

Particulars of the principal subsidiaries as at 31 March 2006 are:

16 於附屬公司之投資 (續)

於二零零六年三月三十一日主要附屬公司之資料：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
Karrie International (B.V.I.) Limited	The British Virgin Islands, limited liability company 英屬處女群島， 有限責任公司	Investment holding in the British Virgin Islands 投資控股，英屬處女群島	Ordinary US\$100 普通股100美元	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 in Hong Kong 塑膠注模經營，香港	Ordinary HK\$100 普通股100港元 Non-voting deferred (ii) HK\$990,200 無投票權遞延股(ii) 990,200港元	100% —
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 in 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	Ordinary HK\$100 普通股100港元 Non-voting deferred (ii) HK\$10,000 無投票權遞延股(ii) 10,000港元	100% —

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

16 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
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 in Hong Kong 製造注塑模具及金屬 沖壓模具，香港	Ordinary HK\$10 普通股10港元 Non-voting deferred (ii) HK\$30,000 無投票權遞延股(ii) 30,000港元	100% —
Dongguan Yanxun Electronics Company Limited (iii) 東莞雁訊電子 有限公司 (iii)	Mainland China, sino-foreign joint venture 中國， 中外合資企業	Manufacture of computer casings, video cassette housings, office automation products and plastic and metal parts in Mainland China 製造電腦外殼、錄影帶外殼、 辦公室文儀產品及塑膠及 金屬部件，中國	Registered capital HK\$4,500,000 註冊資本4,500,000港元	85%
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 in Hong Kong 製造及銷售金屬部件，香港	Ordinary HK\$100 普通股100港元 Non-voting deferred (ii) HK\$250,000 無投票權遞延股(ii) 250,000港元	100% —

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

16 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	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 and office automation products, plastic and metal parts, metal stamping dies, plastic injection moulds and provision of electronic manufacturing services in 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、金屬沖壓模具及 塑膠注模及提供電子專 業代工服務，香港	Ordinary HK\$1,000 普通股1,000港元 Non-voting deferred (ii) HK\$5,000,000 無投票權遞延股(ii) 5,000,000港元	100% —
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; manufacture and sale of plastic and metal parts, metal stamping dies, plastic injection moulds and provision of electronic manufacturing services in Hong Kong 設計、製造及銷售電腦外殼 及辦公室文儀產品；銷售 塑膠及金屬部件、金屬沖壓 模具及塑膠注模及提供電子 專業代工服務，香港	Ordinary HK\$10 普通股10港元 Non-voting deferred (ii) HK\$100 無投票權遞延股(ii) 100港元	100% —

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

16 於附屬公司之投資 (續)

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構 地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
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 in the United States of America 提供顧問服務予本集團公司， 美國	Ordinary US\$100 普通股100美元	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 in Hong Kong 持有物業，香港	Ordinary HK\$10 普通股10港元 Non-voting deferred (ii) HK\$10,000 無投票權遞延股(ii) 10,000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	Provision of electronic manufacturing services in Hong Kong 提供電子專業代工 服務，香港	Ordinary HK\$30,000,000 普通股30,000,000港元	100%
Kings Dragon Investment (HK) Limited 勁龍投資有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Investment holding in Hong Kong 投資控股，香港	Ordinary HK\$2 普通股2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 in Hong Kong 投資控股，香港	Ordinary HK\$1,000 普通股1,000港元	100%
東莞嘉寶電子實業 有限公司	Mainland China, wholly-owned foreign enterprise 中國， 全資擁有外國企業	Investment holding in Mainland China 投資控股，中國	Registered capital HK\$24,000,000/ paid in capital HK\$5,000,000 註冊資本24,000,000港元／ 已繳資本5,000,000港元	100%

Notes to the Consolidated Accounts 綜合帳目附註

16 INVESTMENT IN SUBSIDIARIES (Cont'd)

Note:

- (i) The shares of Karrie International (BVI) Limited are held directly by the Company. The shares of other subsidiaries are held indirectly.
- (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.
- (iii) Dongguan Yanxun Electronics Company Limited ("DYECL") is a co-operative joint venture established in Mainland China with an operating period of 12 years up to May 2007. Pursuant to an agreement dated 24 October 1995, the Mainland China joint venture partner of DYECL (the "joint venture partner") has agreed to waive its entitlement to share in the profit of DYECL in return for a pre-determined annual fee. Upon expiry of the operating period, the Group and the joint venture partner are entitled to a distribution of assets in accordance with their respective equity interests.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 March 2006.

16 於附屬公司之投資 (續)

附註：

- (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) 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) 東莞雁訊電子有限公司(「東莞雁訊」)乃於中國成立之合資企業，其合營期為十二年，於二零零七年五月屆滿。根據一份於一九九五年十月二十四日簽定之協議，東莞雁訊之中方合夥人同意放棄其分享東莞雁訊溢利之權益，以換取一項預定之年費。到合營期終止時，本集團與中方合夥人可獲得按各權益而分攤之資產。

截至二零零六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。

17 INTEREST IN AN ASSOCIATED COMPANY

17 於聯營公司之權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Investment at cost	投資成本	12,000	12,000
Share of net assets	分攤資產淨值		
Beginning of the year	年初	—	4,234
Increase in investment in an associated company	增加於聯營公司之投資	—	6,000
Share of associated company's loss	應佔聯營公司之虧損	—	(10,234)
End of the year	年底	—	—
Due from an associated company	應收聯營公司款項	1,874	3,424
Less: Provision for amount due from an associated company	減：應收聯營公司款項之壞帳準備	(1,874)	(3,424)
		—	—

The outstanding balance with the associated company is unsecured, non-interest bearing and repayable on demand.

該些聯營公司尚未償還之款項為無抵押，不計利息，並在要求時償還。

Notes to the Consolidated Accounts 綜合帳目附註

17 INTEREST IN AN ASSOCIATED COMPANY (Cont'd)

Particulars of the Group's interest in its associated company are:

17 於聯營公司之利益 (續)

本集團在聯營公司之權益之資料：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊／成立機構地點 及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of issued/registered share capital 已發行／ 註冊股本	Interest held 權益持有
NEC Nagano Karrie Electronics Limited 長野日本電氣嘉利電子有限公司	Hong Kong, limited liability company 香港， 有限責任公司	Trading of scanner module and inverter in Hong Kong 經營掃描器組件及用換流器， 香港	Ordinary HK\$20,000,000 普通股20,000,000港元	30%
Dongguan Naganichi Karrie Electronics Limited 東莞長嘉電子有限公司	Mainland China, sino-foreign joint venture 中國， 中外合資企業	Inactive in Mainland China 暫無營業，中國	Registered capital HK\$29,600,000 註冊資本29,600,000港元	30%

The Group's associated company has a financial accounting period of 31 December, which is not coterminous with the Group.

本集團之聯營公司之會計年結為十二月三十一日，與本集團不一致。

The shares of NEC Nagano Karrie Electronics Limited are indirectly held by the Company. Dongguan Naganichi Karrie Electronics Limited is a wholly owned subsidiary of NEC Nagano Karrie Electronics Limited.

長野日本電氣嘉利電子有限公司之股份乃本公司間接持有。東莞長嘉電子有限公司乃長野日本電氣嘉利電子有限公司之全資附屬公司。

Notes to the Consolidated Accounts 綜合帳目附註

18 INVENTORIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Raw materials	原材料	158,240	204,203
Work-in-progress	半製成品	47,490	29,521
Finished goods	已完成貨品	134,098	206,289
		339,828	440,013

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$3,194,796,000 (2005: HK\$2,208,744,000).

During the year, the Group has written-back the provision for slow-moving inventories for an amount of approximately HK\$18,157,000 (2005: provision of HK\$6,986,000).

18 存貨

存貨成本確認為費用並列入銷售成本之金額為3,194,796,000港元（二零零五年：2,208,744,000港元）。

本集團於本年度已撥回陳舊及滯銷存貨準備約18,157,000港元（二零零五年：準備為6,986,000港元）。

19 TRADE RECEIVABLES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables	貿易應收帳款	613,109	571,604
Less: Provision for impairment of receivables	減：貿易應收帳款減值準備	(8,011)	(11,523)
		605,098	560,081

19 貿易應收帳款

Notes to the Consolidated Accounts 綜合帳目附註

19 TRADE RECEIVABLES (Cont'd)

The Group generally grants credit periods ranging from 30 to 120 days. Aging analysis of trade receivables is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 90 days	0至90日	557,023	472,358
91 to 180 days	91至180日	42,726	86,791
181 to 360 days	181至360日	12,477	10,421
Over 360 days	360日以上	883	2,034
		613,109	571,604

The carrying amounts of trade receivables approximate their fair values.

There is concentration of credit risk with respect of trade receivables as the Group's sales are concentrated on several key customers. As at 31 March 2006, the trade receivables from five largest customers accounted for approximately 86% (2005: 89%) of the above total trade receivables. The Group's approach to managing its credit risk is disclosed in Note 3.

The Group has written-back a provision for impairment of trade receivables of HK\$3,512,000 (2005: Nil) during the year ended 31 March 2006. Such write-back was included in general and administration expenses in the consolidated profit and loss account.

19 貿易應收帳款 (續)

本集團一般給予客戶之數期由30日至120日。貿易應收帳款帳齡分析如下：

貿易應收帳款之帳面值與其公平值相近。

因本集團業務集中在數個主要客戶，故本集團需要面對集中信貸之風險。截至二零零六年三月三十一日，五大客戶之貿易應收帳款佔以上總貿易應收帳款約86% (二零零五年：89%)。本集團管理信貸風險之方式披露在附註3。

截至二零零六年三月三十一日止年度內，本集團撥回貿易應收帳款減值準備為3,512,000港元 (二零零五年：無)，該回撥已包括於一般及行政費用在綜合損益表支銷。

Notes to the Consolidated Accounts 綜合帳目附註

20 CASH AND BANK BALANCES

20 現金及銀行結存

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash at bank and on hand	銀行存款及現金	56,468	66,562	215	680
Time deposits with initial term of less than three months	少於三個月之定期存款	266,998	286,103	–	–
		323,466	352,665	215	680
Denominated in:	貨幣單位為：				
– HK\$	– 港元	22,529	302,679	215	680
– USD	– 美元	290,278	37,030	–	–
– Renminbi	– 人民幣	5,144	4,650	–	–
– JPY	– 日元	3,297	6,024	–	–
– Other currencies	– 其他貨幣	2,218	2,282	–	–
		323,466	352,665	215	680

The effective interest rate on short-term bank deposits, with maturity ranging from 1 to 3 months, was 4.54% (2005: 2.60%) per annum during the year ended 31 March 2006. Cash at bank earns interest at floating rates based on daily bank deposit rates.

截至二零零六年三月三十一日止年度內，到期日為一至三個月之短期銀行存款之實際年利率為4.54%（二零零五年：2.60%）銀行存款利息收入以每日銀行存款利率以浮息計算。

Notes to the Consolidated Accounts 綜合帳目附註

20 CASH AND BANK BALANCES (Cont'd)

For the purposes of the cash flow statement, cash and bank balances and bank overdrafts were as follows:

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	323,466	352,665	215	680
Bank overdrafts	銀行透支	(92)	(664)	–	–
		323,374	352,001	215	680

20 現金及銀行結存 (續)

就現金流量表而言，現金及銀行結存及銀行透支如下：

21 SHARE CAPITAL

		二零零六年 2006		二零零五年 2005	
		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	800,000	80,000	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	407,766	40,777	400,756	40,076
Issued upon exercise of share options (Note 22)	行使購股權而 發行之股份 (附註22)	2,746	274	7,010	701
End of the year	年底	410,512	41,051	407,766	40,777

All the new ordinary shares issued by the Company in the year rank pari passu with the existing shares in all respects.

本公司於本年新發行之普通股在各方面跟現有股份相同。

Notes to the Consolidated Accounts 綜合帳目附註

22 SHARE OPTIONS

With effect from May 2002, the Company has adopted a new share option scheme, under which it may grant options to employees of the Group (including executive Directors of the Company) and other third parties (as stipulated in the agreement of the Share Option Agreement as dated 21 May 2002) 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) the 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.

No options have been granted to employees and Directors of the Company during the year ended 31 March 2006 (2005: 21,788,000). All options granted under the old share option scheme will continue to be valid and exercisable in accordance with the rules of the old share option scheme.

22 購股權

本公司於二零零二年五月起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（於二零零二年五月二十一日之購股權計劃之規定）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。

本公司截至二零零六年三月三十一日止年度內並無向僱員及董事授出購股權（二零零五年：21,788,000）。所有根據舊有購股權計劃所授出之購股權將會繼續有效，並且依照舊有購股權之規則行使。

Notes to the Consolidated Accounts 綜合帳目附註

22 SHARE OPTIONS (Cont'd)

Details of movement of share options under the old and new share option schemes during the year ended 31 March 2006 were:

22 購股權 (續)

新舊購股權計劃之購股權於截至二零零六年三月三十一日止年度之變動詳情：

		Number of share options 購股權數目					
Date of grant	Exercise period	Subscription price	Beginning of year	Granted during the year	Exercised during the year	Lapsed as a result of termination of employment 由於終止聘用而作廢	End of Year
授出日期	行使期限	購股價格 HK\$ 港元	年初 '000 千	本年度已授出 '000 千	本年度已行使 '000 千	聘用而作廢 '000 千	年底 '000 千
Old share option scheme 舊購股權計劃							
20 September 2000 二零零零年九月二十日	20 September 2000 to 30 November 2006 二零零零年九月二十日至二零零六年十一月三十日	0.300	820	–	–	–	820
New share option scheme 新購股權計劃							
22 May 2002 二零零二年五月二十二日	22 May 2002 to 21 May 2012 二零零二年五月二十二日至二零一二年五月三十一日	1.300	400	–	(200)	–	200
1 November 2002 二零零二年十一月一日	1 January 2003 to 31 December 2012 二零零三年一月一日至二零一二年十二月三十一日	1.650	5,450	–	(1,880)	–	3,570
1 December 2003 二零零三年十二月一日	1 August 2005 to 30 November 2013 二零零五年八月一日至二零一三年十一月三十日	2.475	11,860	–	(120)	(3,062)	8,678
27 April 2004 二零零四年四月二十七日	1 January 2005 to 26 April 2014 二零零五年一月一日至二零一四年四月二十六日	1.900	3,742	–	(546)	(60)	3,136
1 February 2005 二零零五年二月一日	1 January 2006 to 31 January 2015 二零零六年一月一日至二零一五年一月三十一日	3.150	5,450	–	–	(560)	4,890
7 February 2005 二零零五年二月七日	1 July 2005 to 6 February 2015 二零零五年七月一日至二零一五年二月六日	3.350	11,400	–	–	–	11,400
			39,122	–	(2,746)	(3,682)	32,694

Notes to the Consolidated Accounts 綜合帳目附註

22 SHARE OPTIONS (Cont'd)

Details of movement of share options under the old and new share option schemes during the year ended 31 March 2005 were:

22 購股權 (續)

新舊購股權計劃之購股權於截至二零零五年三月三十一日止年度之變動詳情：

Date of grant	Exercise period	Subscription price	Beginning of year	Number of share options 購股權數目		Lapsed as a result of termination of employment 由於終止聘用而作廢	End of Year
				Granted during the year	Exercised during the year		
授出日期	行使期限	購股價格 HK\$ 港元	年初 '000 千	本年度已授出 '000 千	本年度已行使 '000 千	由於終止聘用而作廢 '000 千	年底 '000 千
Old share option scheme 舊購股權計劃							
19 June 1999	19 June 1999 to 30 November 2006	0.335	2,700	-	(2,700)	-	-
一九九九年六月十九日	一九九九年六月十九日至 二零零六年十一月三十日						
20 September 2000	20 September 2000 to 30 November 2006	0.300	1,020	-	(200)	-	820
二零零零年九月二十日	二零零零年九月二十日至 二零零六年十一月三十日						
New share option scheme 新購股權計劃							
22 May 2002	22 May 2002 to 21 May 2012	1.300	1,320	-	(920)	-	400
二零零二年五月二十二日	二零零二年五月二十二日至 二零一二年五月三十一日						
1 November 2002	1 January 2003 to 31 December 2012	1.650	7,840	-	(2,090)	(300)	5,450
二零零二年十一月一日	二零零三年一月一日至 二零一二年十二月三十一日						
1 December 2003	1 August 2005 to 30 November 2013	2.475	12,490	-	-	(630)	11,860
二零零三年十二月一日	二零零五年八月一日至 二零一三年十一月三十日						
27 April 2004	1 January 2005 to 26 April 2014	1.900	-	4,938	(1,100)	(96)	3,742
二零零四年四月二十七日	二零零五年一月一日至 二零一四年四月二十六日						
1 February 2005	1 January 2006 to 31 January 2015	3.150	-	5,450	-	-	5,450
二零零五年二月一日	二零零六年一月一日至 二零一五年一月三十一日						
7 February 2005	1 July 2005 to 6 February 2015	3.350	-	11,400	-	-	11,400
二零零五年二月七日	二零零五年七月一日至 二零一五年二月六日						
			25,370	21,788	(7,010)	(1,026)	39,122

Notes to the Consolidated Accounts 綜合帳目附註

22 SHARE OPTIONS (Cont'd)

The fair values of options granted under the share option scheme determined using the Binomial Option Pricing Model were as follows:

22 購股權 (續)

以二項式期權定價模式釐定之購股權計劃授出之購股權之公平值如下：

Date of grant of share option		1 December 2003 二零零三年 十二月一日	27 April 2004 二零零四年 四月二十七日	1 February 2005 二零零五年 二月一日	7 February 2005 二零零五年 二月七日
購股權之授出日期					
Average fair value of share options at date of grant	於授出日購股權之平均公平值	HK\$0.4674	HK\$0.3850	HK\$0.6387	HK\$0.6658
Significant inputs into the valuation model:	於估值模式中輸入之重要資料：				
Exercise price	行使價	HK\$2.475	HK\$1.900	HK\$3.150	HK\$3.350
Share price at grant date	於授出日之股價	HK\$2.470	HK\$1.900	HK\$3.150	HK\$3.350
Expected volatility	預期波幅	33%	33%	33%	33%
Risk-free interest rate	無風險利率	4.496%	4.250%	3.647%	3.512%
Expected life of options	購股權之預期有效期	10 years	10 years	10 years	10 years
Expected dividend yield	預期股息率	8.16%	8.16%	8.16%	8.16%

Notes to the Consolidated Accounts 綜合帳目附註

23 RESERVES

(a) Group

23 儲備

(a) 本集團

		Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Fixed assets revaluation reserve	Retained profits	Total
		股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	資本贖回儲備 HK\$'000 千港元	以股權支付 酬金儲備 HK\$'000 千港元	固定資產 重估儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	合共 HK\$'000 千港元
Balance at 1 April 2004, as previously reported	二零零四年四月一日之結餘，承前呈報	72,815	5,900	449	–	30,604	225,195	334,963
Reversal of fixed assets revaluation reserve for leasehold land and buildings	租賃土地及樓宇重估儲備之回撥	–	–	–	–	(32,231)	(4,455)	(36,686)
Deferred tax adjustment for leasehold land and buildings	租賃土地及樓宇之遞延稅項調整	–	–	–	–	1,627	–	1,627
Effect of adopting HKFRS 2	採納香港財務報告準則第2號之影響	–	–	–	768	–	(768)	–
Balance at 1 April 2004, as restated	二零零四年四月一日之結餘，重列	72,815	5,900	449	768	–	219,972	299,904
Profit for the year, as previously reported	本年溢利，承前呈報						150,344	150,344
Effect of adopting HKAS 16	採納香港會計準則第16號之影響	–	–	–	–	–	433	433
Effect of adopting HKAS 17	採納香港會計準則第17號之影響	–	–	–	–	–	514	514
Effect of adopting HKFRS 2	採納香港財務報告準則第2號之影響	–	–	–	4,718	–	(4,718)	–
Profit for the year, as restated	本年溢利，重列						146,573	
Dividends paid	已派股息	–	–	–	–	–	(83,040)	(83,040)
Issue of shares upon exercise of share options	行使購股權而發行之股份	6,999	–	–	–	–	–	6,999
Balance at 31 March 2005	二零零五年三月三十一日之結餘	79,814	5,900	449	5,486	–	283,505	375,154
Represented by:	代表：							
Proposed dividends	擬派股息						50,971	
Reserves	儲備						232,534	
							283,505	
Balance at 1 April 2005, as per above	二零零五年四月一日之結餘，同上	79,814	5,900	449	5,486	–	283,505	375,154
Profit for the year	本年溢利	–	–	–	–	–	186,379	186,379
Dividends paid	已派股息	–	–	–	–	–	(88,119)	(88,119)
Effect of adopting HKFRS 2	採納香港財務報告準則第2號之影響	–	–	–	5,851	–	1,460	7,311
Issue of shares upon exercise of share options	行使購股權而發行之股份	5,101	–	–	(679)	–	–	4,422
Balance at 31 March 2006	二零零六年三月三十一日之結餘	84,915	5,900	449	10,658	–	383,225	485,147
Represented by:	代表：							
Proposed dividends	擬派股息						65,682	
Reserves	儲備						317,543	
							383,225	

Notes to the Consolidated Accounts 綜合帳目附註

23 RESERVES (Cont'd)

(b) Company

23 儲備 (續)

(b) 本公司

		Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Share-based compensation reserve 以股權支付之酬金儲備 HK\$'000 千港元	Retained profit 保留溢利 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Balance at 1 April 2004, as previously reported	二零零四年四月一日 之結餘，承前呈報	72,815	449	193,185	–	67,627	334,076
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響	–	–	–	768	(768)	–
Balance at 1 April 2004, as restated	二零零四年四月一日 之結餘，重列	72,815	449	193,185	768	66,859	334,076
Profit for the year, as previously reported	本期溢利， 承前呈報	–	–	–	–	86,889	86,889
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響	–	–	–	4,718	(4,718)	–
Profit for the year, as restated	本期溢利，重列	–	–	–	–	82,171	–
Dividends paid	已派股息	–	–	–	–	(83,040)	(83,040)
Issue of shares upon exercise of share options	行使購股權而發行 之股份	6,999	–	–	–	–	6,999
Balance as at 31 March 2005	二零零五年 三月三十一日之結餘	79,814	449	193,185	5,486	65,990	344,924
Represented by: Proposed final dividend Reserves	代表： 擬派末期股息 儲備					50,971 15,019	
						65,990	
Balance at 1 April 2005, as per above	二零零五年四月一日 之結餘，同上	79,814	449	193,185	5,486	65,990	344,924
Profit for the year	本期溢利	–	–	–	–	89,947	89,947
Dividends paid	已派股息	–	–	–	–	(88,119)	(88,119)
Effect of adopting HKFRS 2	採納香港財務報告準則 第2號之影響	–	–	–	5,851	1,460	7,311
Issue of shares upon exercise of share options	行使購股權而發行 之股份	5,101	–	–	(679)	–	4,422
Balance as at 31 March 2006	二零零六年 三月三十一日之結餘	84,915	449	193,185	10,658	69,278	358,485
Represented by: Proposed final dividend Reserves	代表： 擬派末期股息 儲備					65,682 3,596	
						69,278	

Notes to the Consolidated Accounts 綜合帳目附註

23 RESERVES (Cont'd)

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.

23 儲備 (續)

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，但如果支付股息後(i)本公司不能或將會不能支付到期負債，或(ii)其資產的可變現價值將會因而少於其負債及其已發行股本以及股份溢價的合計總額，則本公司不可宣佈或支付股息，或從繳入盈餘作出分派。

24 BORROWINGS

24 借貸

		Group 本集團	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Non-current	非流動		
Long-term bank borrowings, secured	長期銀行借貸，有抵押	148,625	89,375
Current	流動		
Bank overdrafts	銀行透支	92	664
Trust receipt loans	信託收據銀行貸款	181,084	296,887
Short-term bank borrowings	短期銀行借貸	47,491	172,528
Current portion of long-term bank borrowings	長期銀行借貸之即期部份	57,750	25,750
		286,417	495,829
Total borrowings	總借貸	435,042	585,204

Notes to the Consolidated Accounts 綜合帳目附註

24 BORROWINGS (Cont'd)

(a) The maturity of the Group's borrowings is as follows:

		Long-term bank borrowings 長期銀行借貸		Short-term bank borrowings and bank overdrafts 短期銀行借貸及銀行透支		Trust receipt loans 信託收據銀行貸款	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 1 year	一年內	57,750	25,750	47,583	173,192	181,084	296,887
Between 1 and 2 years	一年至兩年間	57,750	31,750	–	–	–	–
Between 2 and 5 years	兩年至五年間	90,875	57,625	–	–	–	–
Wholly repayable within 5 years	於五年內全數償還	206,375	115,125	47,583	173,192	181,084	296,887

(b) The average effective interest rates of the Group's bank borrowings at the balance sheet date are as follows:

24 借貸 (續)

(a) 集團借貸之到期日如下：

(b) 本集團於結算日之銀行借貸平均實際利率如下：

		2006 二零零六年	2005 二零零五年
Long-term bank borrowings, at floating rate	長期銀行借貸，浮息率	5.04%	3.13%
Short-term bank borrowings, at fixed rate	短期銀行借貸，定息率	5.58%	5.35%
Short-term bank borrowings, at floating rate	短期銀行借貸，浮息率	5.36%	3.52%
Obligations under finance leases	融資租賃責任	–	4.00%
Trust receipt loans	信託收據銀行貸款	5.11%	2.57%
Bank overdrafts	銀行透支	8.04%	5.25%

Notes to the Consolidated Accounts 綜合帳目附註

24 BORROWINGS (Cont'd)

- (c) The carrying amounts of the borrowings are denominated in the following currencies:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
HK\$	港元	417,651	522,537
RMB	人民幣	17,391	24,528
US\$	美元	–	38,139
		435,042	585,204

The carrying amounts of the borrowings approximate their fair value.

Short-term bank borrowings of approximately HK\$17,391,000 (2005: HK\$15,094,000) were secured by certain of the Group's leasehold land and land use rights and buildings in Mainland China with a net book value of approximately HK\$7,204,000 (2005: HK\$9,979,000). Other short-term bank borrowings are secured by the guarantees provided by the Company and certain of its subsidiaries (Note 33).

The bank loans bear interest at HIBOR plus a certain percentage as agreed with the banks (31 March 2005: same) and are secured by the guarantees provided by the Company and certain of its subsidiaries (Note 33).

24 借貸 (續)

- (c) 借貸之帳面金額以下列貨幣為單位：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
HK\$	港元	417,651	522,537
RMB	人民幣	17,391	24,528
US\$	美元	–	38,139
		435,042	585,204

借貸之帳面金額與其公平值相近。

約 17,391,000 港元 (二零零五年：15,094,000 港元) 之短期銀行貸款是以本集團於國內租賃土地、土地使用權及樓宇作為抵押，而有關資產淨帳面值約為 7,204,000 港元 (二零零五年：9,979,000 港元)。而其他短期銀行借貸是以本公司及其若干附屬公司之公司擔保作為抵押 (附註 33)。

該項銀行貸款利息以銀行同業拆息利率加與銀行協議之若干百份點 (二零零五年三月三十一日：相同)，及以本公司及其若干附屬公司作擔保 (附註 33)。

Notes to the Consolidated Accounts 綜合帳目附註

25 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.

The amounts recognised in the consolidated balance sheet are determined as follows:

25 長期服務金之準備

長期服務金之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。

在綜合資產負債表確認之金額按下列方式釐定：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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	5,977	7,369

Notes to the Consolidated Accounts 綜合帳目附註

25 PROVISION FOR LONG SERVICE PAYMENTS (Cont'd)

The amounts recognised in the consolidated profit and loss account are as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest cost	利息成本	363	369
Net actuarial gains recognised	已確認之精算收益淨額	(1,568)	(2,808)
Total, included in employee benefit expenses (Note 13)	合計(列於員工福利開支內) (附註13)	(1,205)	(2,439)

The above credits were included in general and administrative expenses.

25 長期服務金之準備(續)

在綜合損益表確認之金額如下：

以上回報列於一般及行政費用內。

Movements of the provision for long service payments of the Group are as follows:

本集團長期服務金之準備變動如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning of the year	年初	7,369	10,142
Write-back of provision in current year (Note 13)	本年度撥回 (附註13)	(1,205)	(2,439)
Payments made during the year	本年已付供款	(187)	(334)
End of the year	年底	5,977	7,369

The principal actuarial assumptions used were as follows:

所用之主要精算假設如下：

		2006 二零零六年 Per annum 每年	2005 二零零五年 Per annum 每年
Discount rate	貼現率	4.50%	4.75%
Credit rate on mandatory provident fund	強制性供積金回報率	4.50%	4.50%
Expected rate of future salary increases	未來薪酬之預期增長率	3.00%	2.00-3.00%

Notes to the Consolidated Accounts 綜合帳目附註

26 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

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:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(847)	(3,987)
Deferred tax liabilities	遞延稅項負債	9,876	10,000
		9,029	6,013

As at 31 March 2006, the Group had unprovided deferred tax assets of approximately HK\$101,000 (2005: HK\$88,000) primarily representing the tax effect of cumulative tax losses (subject to agreement by relevant tax authorities) which can be carried forward indefinitely.

26 遞延稅項

遞延稅項採用負債法就暫時差異按主要稅率17.5%(二零零五年:17.5%)作全數準備。

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：

於二零零六年三月三十一日，本集團仍未作準備遞延稅項資產約101,000港元(二零零五年:88,000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)，該金額可以無限期中結存。

Notes to the Consolidated Accounts 綜合帳目附註

26 DEFERRED TAXATION (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:

26 遞延稅項 (續)

遞延稅項資產及負債之變動與同一徵稅地區之結餘抵銷前如下：

遞延稅項負債：

		Accelerated depreciation and total 加速折舊及總計 HK\$'000 千港元
As at 31 March 2004, as restated	二零零四年三月三十一日， 重列	11,916
Charged to profit and loss account	在損益表扣除	658
As at 31 March 2005, as restated	二零零五年三月三十一日， 重列	12,574
Credited to profit and loss account	在損益表計入	(2,628)
As at 31 March 2006	二零零六年三月三十一日	9,946

Notes to the Consolidated Accounts 綜合帳目附註

26 DEFERRED TAXATION (Cont'd)

Deferred tax assets:

26 遞延稅項 (續)

遞延稅項資產：

		Provisions 準備 HK\$'000 千港元	Tax losses 稅損 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 March 2004	二零零四年 三月三十一日	(3,241)	(448)	(336)	(4,025)
(Credited)/charged to profit and loss account	在損益表 (計入)／扣除	(2,439)	347	(444)	(2,536)
As at 31 March 2005	二零零五年 三月三十一日	(5,680)	(101)	(780)	(6,561)
Charged/(credited) to profit and loss account	在損益表 (計入)／扣除	5,680	(338)	302	5,644
As at 31 March 2006	二零零六年 三月三十一日	–	(439)	(478)	(917)

A summary of deferred tax (assets) and liabilities prior to offsetting of balances within the same taxation jurisdiction is as follows:

遞延稅項(資產)及負債之摘要(與同一徵稅地區之結餘抵銷前)如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(917)	(6,561)
Deferred tax liabilities	遞延稅項負債	9,946	12,574
		9,029	6,013

Notes to the Consolidated Accounts 綜合帳目附註

27 FINANCE LEASE LIABILITIES

As at 31 March 2006, the Group did not have any finance lease liabilities. The finance lease liabilities as at 31 March 2005 were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	–	1,099
Less: Future finance charges on finance leases	減：未來融資租賃財務支出	–	(8)
Present value of finance lease liabilities	融資租賃負債之現值	–	1,091

The present value of finance lease liabilities is as follows:

27 融資租賃負債

於二零零六年三月三十一日，本集團沒有融資租賃負債。於二零零五年三月三十一日之融資租賃負債之詳情如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	–	1,091

融資租賃負債之現值如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	–	1,091

28 TRADE AND BILLS PAYABLES

Aging analysis of trade and bills payable is as follows:

28 貿易應付帳款及票據

貿易應付帳款及票據之帳齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 90 days	0至90日	408,745	430,671
91 to 180 days	91至180日	16,836	13,750
181 to 360 days	181至360日	2,871	1,072
Over 360 days	360日以上	1,544	1,108
		429,996	446,601

Notes to the Consolidated Accounts 綜合帳目附註

29 CONSOLIDATED CASH FLOW STATEMENT

Analysis of changes in financing is as follows:

29 綜合現金流量表

融資項目變更之分析如下：

		Share capital and share premium 股本及 股份溢價 HK\$'000 千港元	Short-term bank borrowings 短期 銀行借貸 HK\$'000 千港元	Long-term bank borrowings 長期 銀行借貸 HK\$'000 千港元	Finance lease obligations 融資 租賃責任 HK\$'000 千港元	Trust receipt loans 信託收據 銀行借貸 HK\$'000 千港元
As at 31 March 2004	二零零四年 三月三十一日	112,891	126,321	75,000	4,986	44,399
Exercise of share options	行使購股權	7,700	–	–	–	–
New bank loans	新銀行借貸	–	912,999	816,000	–	872,427
Repayment of bank loans	償還銀行借款	–	(866,792)	(775,875)	–	(619,939)
Repayment of capital element of finance lease obligations	償還融資租賃負債 之本金部份	–	–	–	(3,895)	–
As at 31 March 2005	二零零五年 三月三十一日	120,591	172,528	115,125	1,091	296,887
Exercise of share options	行使購股權	4,696	–	–	–	–
Lapse of share options	購股權之作廢	679	–	–	–	–
New bank loans	新銀行借貸	–	772,346	130,000	–	809,597
Repayment of bank loans	償還銀行借款	–	(897,383)	(38,750)	–	(925,400)
Repayment of capital element of finance lease obligations	償還融資租賃負債 之本金部份	–	–	–	(1,091)	–
As at 31 March 2006	二零零六年 三月三十一日	125,966	47,491	206,375	–	181,084

30 SEGMENT INFORMATION

The Group is 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 ("EMS Business").

In accordance with the Group's internal financial reporting, the Group has determined that major product segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

30 分部資料

本集團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」)。

依據本集團之內部財務報告，本集團決定以主要產品分部為基本報告格式及以地區分部為次要報告格式呈列。

Notes to the Consolidated Accounts 綜合帳目附註

30 SEGMENT INFORMATION (Cont'd)

(a) Primary segment

30 分部資料 (續)

(a) 基本分部

		2006 二零零六年			
		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	Elimination 抵銷 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Turnover	營業額				
External	外部	1,431,428	2,161,313		3,592,741
Inter-segment	內部	109,723		(109,723)	–
Segment results	分部業績	161,917	52,122		214,039
Other operating income	其他經營收入				14,628
Operating profit	經營溢利				228,667
Finance costs	財務成本				(24,531)
Taxation	稅項				(17,757)
Profit attributable to equity holders of the company	本公司股權持有人應佔溢利				186,379
Segment assets	分部資產	753,964	661,034		1,414,998
Unallocated assets	未分攤資產				157,560
					1,572,558
Segment liabilities	分部負債	327,932	425,467		753,399
Unallocated liabilities	未分攤負債				292,537
					1,045,936
Capital expenditures	資本費用	46,296	45,763		92,059
Depreciation	折舊	34,934	14,480		49,414
Amortisation	攤銷	292	322		614

Notes to the Consolidated Accounts 綜合帳目附註

30 SEGMENT INFORMATION (Cont'd)

(a) Primary segment (Cont'd)

30 分部資料 (續)

(a) 基本分部 (續)

		2005 二零零五年			
		Metal and plastic business 五金塑膠業務 HK\$'000 千港元 (Restated) (重列)	Electronic manufacturing services business 電子專業代工業務 HK\$'000 千港元 (Restated) (重列)	Elimination 抵銷 HK\$'000 千港元	Total 合共 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額				
External	外部	1,172,806	1,390,384	–	2,563,190
Inter-segment	內部	63,238	–	(63,238)	–
Segment results	分部業績	121,262	45,157		166,419
Other operating income	其他經營收入				12,311
Operating profit	經營溢利				178,730
Share of loss of an associated company	應佔聯營公司虧損	–	(10,234)		(10,234)
Finance costs	財務成本				(8,720)
Taxation	稅項				(13,203)
Profit attributable to equity holders of the company	本公司股權持有人應佔溢利				146,573
Segment assets	分部資產	823,708	592,351		1,416,059
Unallocated assets	未分攤資產				201,874
					1,617,933
Segment liabilities	分部負債	423,458	467,148		890,606
Unallocated liabilities	未分攤負債				310,972
					1,201,578
Capital expenditures	資本費用	44,228	18,008		62,236
Depreciation	折舊	30,629	7,231		37,860
Amortisation	攤銷	227	71		298

Notes to the Consolidated Accounts 綜合帳目附註

30 SEGMENT INFORMATION (Cont'd)

(b) Secondary segment

		2006 二零零六年				
		Japan 日本 HK\$'000 千港元	Asia (excluding Japan) 亞洲 (不包日本) HK\$'000 千港元	North America 北美洲 HK\$'000 千港元	Western Europe 西歐 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Turnover	營業額	243,253	1,494,003	600,095	1,255,390	3,592,741
Segment results	分部業績	17,187	66,316	60,955	69,581	214,039
Assets	資產	–	1,524,224	22,965	25,369	1,572,558
Capital expenditures	資本費用	–	92,038	21	–	92,059

		2005 二零零五年				
		Japan 日本 HK\$'000 千港元 (Restated) (重列)	Asia (excluding Japan) 亞洲 (不包日本) HK\$'000 千港元 (Restated) (重列)	North America 北美洲 HK\$'000 千港元 (Restated) (重列)	Western Europe 西歐 HK\$'000 千港元 (Restated) (重列)	Total 合共 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額	227,879	1,096,507	429,867	808,937	2,563,190
Segment results	分部業績	16,406	47,810	40,950	61,253	166,419
Assets	資產	–	1,517,626	36,237	64,070	1,617,933
Capital expenditures	資本費用	–	62,236	–	–	62,236

Turnover is based on the country in which the final destination of shipment is located. There are no sales between the segments.

Assets and capital expenditure are based on the country in which the assets are located at the balance sheet date.

營業額乃按照最終付運目的地所在國家計算。地區分部並無互相銷售。

於結算日，資產及資本費用乃按資產所在地計算。

Notes to the Consolidated Accounts 綜合帳目附註

31 COMMITMENTS AND CONTINGENT LIABILITIES

The Group and the Company had the following significant commitments and contingent liabilities which were not provided in the accounts:

(a) Capital commitments

The Group had the following authorised and contracted capital commitments:

31 承擔及或然負債

本集團及本公司有以下未有在本帳目上計提準備之重要承擔及或然負債：

(a) 資本承擔

本集團有以下已授權及簽約之資本承擔：

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Investment in a subsidiary	於附屬公司之投資	19,000	24,000	—	—
Acquisition of land use right in Mainland China	購買中國土地使用權	—	7,780	—	—
Construction of factory premises in Mainland China	於中國興建廠房樓宇	3,711	—	—	—
Purchase of property, plant and equipment	購買物業、廠房及設備	130	1,820	—	—
		22,841	33,600	—	—

Notes to the Consolidated Accounts 綜合帳目附註

31 COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

(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 2047. The total commitments payable are analysed as follows:

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Amounts payable	應付金額				
Not later than one year	不超過一年	7,756	2,531	–	–
Later than one year and not later than five years	超過一年但 不超過五年	14,789	2,472	–	–
More than five years	超過五年	130,338	18,731	–	–
		152,883	23,734	–	–

The Group had future minimum lease rental receivable under non-cancellable operating leases as follows:

31 承擔及或然負債 (續)

(b) 經營租賃承擔

本集團有多項期限至二零四七年十月關於房地產租賃之不可撤銷之經營租賃協議。總應付承擔分析如下：

本集團未來之不可撤銷之經營租賃之最低應收租賃收入如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Not later than one year	不超過一年	709	935
Later than one year but not later than five years	超過一年但不超過五年	1,997	2,912
More than five years	超過五年	1,286	2,663
		3,992	6,510

Notes to the Consolidated Accounts 綜合帳目附註

31 COMMITMENTS AND CONTINGENT LIABILITIES (Cont'd)

(c) Other commitments

Pursuant to an agreement dated 24 October 1995, the Mainland China joint venture partner of Dongguan Yanxun Electronics Company Limited ("DYECL") waived its entitlement to share in the profit of DYECL in return for a pre-determined annual fee from 1 November 1996 to 24 May 2007. As at 31 March 2006, the Group's commitment in respect of the total fee payable to the Mainland China joint venture partner amounted to approximately HK\$279,000 (2005: HK\$518,000).

(d) Contingent liabilities

31 承擔及或然負債 (續)

(c) 其他承擔

根據一份於一九九五年十月二十四日簽定之協議，由一九九六年十一月一日至二零零七年五月二十四日，東莞雁訊電子有限公司(「東莞雁訊」)之中方合夥人放棄分享東莞雁訊溢利之權益，以換取一項預定之年費。於二零零六年三月三十一日，本集團就應付予東莞雁訊之合夥人之總費用承擔約279,000港元(二零零五年：518,000港元)。

(d) 或然負債

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Shipping guarantees	船務擔保	—	6,800	—	—
Guarantees provided by the Company in respect of banking facilities of its subsidiaries	就若干附屬公司所獲銀行融資而提供之本公司之擔保	—	—	753,450	443,000
		—	6,800	753,450	443,000

The Group's management anticipates that no material liabilities will arise from the above bank and other guarantees which are entered into in the ordinary course of business of the Group.

本集團管理層預期上述來自日常業務之銀行擔保及其他擔保不會產生重大負債。

Notes to the Consolidated Accounts 綜合帳目附註

32 RETIREMENT BENEFITS

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% (2005: 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\$2,921,000 (2005: HK\$2,766,000).

33 BANKING FACILITIES/PLEDGE OF ASSETS

As at 31 March 2006, the Group’s banking facilities were secured by:

- (i) mortgages over certain of the Group’s leasehold land and buildings in Mainland China with a net book value of approximately HK\$7,204,000 (2005: HK\$9,979,000); and
- (ii) guarantees provided by the Company and certain of its subsidiaries.

34 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 29 June 2006.

32 退休金福利

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，本集團及僱員每月均按有關僱員之盈利(定義見強制性公積金法例)5%對該計劃作出供款。僱主與僱員之每月供款以1,000港元為上限，其後之供款則屬自願性質。

根據中國法律規定，本集團須向為中國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%(二零零五年：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。

於本年度內本集團就上述退休計劃作出之供款約為2,921,000港元(二零零五年：2,766,000港元)。

33 銀行融資／資產抵押

於二零零六年三月三十一日，本集團銀行融資之抵押為：

- (i) 本集團位於中國之部份租賃土地及樓宇帳面淨值約7,204,000港元(二零零五年：9,979,000港元)；及
- (ii) 本公司及若干附屬公司之公司擔保。

34 帳目通過

本年度帳目已於二零零六年六月二十九日由董事會通過。

Five-Year Financial Summary 五年財務摘要

The results of the Group for the last five financial years ended 31 March 2006 and the assets and liabilities of the Group as at 31 March 2002, 2003, 2004, 2005 and 2006 are as follows:

本集團截至二零零六年三月三十一日止五個財政年度之業績，及於二零零二年、二零零三年、二零零四年、二零零五年和二零零六年三月三十一日之資產及負債如下：

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2004 二零零四年 HK\$'000 千港元 (Note) (附註)	2003 二零零三年 HK\$'000 千港元 (Note) (附註)	2002 二零零二年 HK\$'000 千港元 (Note) (附註)
Turnover	營業額	3,592,741	2,563,190	1,692,960	1,737,979	1,156,262
Operating profit	經營溢利	228,667	178,730	106,527	143,475	94,682
Share of loss of an associated company	應佔聯營公司虧損	–	(10,234)	(1,766)	–	–
Finance costs	財務成本	(24,531)	(8,720)	(6,145)	(10,401)	(9,244)
Profit before taxation	除稅前溢利	204,136	159,776	98,616	133,074	85,438
Taxation	稅項	(17,757)	(13,203)	(8,176)	(13,266)	(7,068)
Profit attributable to equity holders of the Company	本公司股權持有人 應佔溢利	186,379	146,573	90,440	119,808	78,370

Note: According to the note 2 to the consolidated accounts, the Group adopted the new/revised statements and interpretations of HKFRS for the year ended 31 March 2006. The figures as at and for the year ended 31 March 2005 have been restated as required. Figures as at and for each of the years ended 31 March 2002, 31 March 2003 and 31 March 2004 have not been adjusted as it is not practicable to restate the figures of earlier years for comparison purposes.

附註：如綜合帳目附註2所述，本集團截至二零零六年三月三十一日之年結已採納新增／經修訂香港財務報告準則及詮釋。截至二零零五年三月三十一日止之數字已根據要求重列。截止二零零二年三月三十一日、二零零三年三月三十一日及二零零四年三月三十一日之數字並未調整，因重列以往年度數字以作比較並不可行。

Five-Year Financial Summary 五年財務摘要

ASSETS AND LIABILITIES (CONSOLIDATED)

綜合資產及負債

As at 31 March

截至三月三十一日止年度

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2004 二零零四年 HK\$'000 千港元 (Note) (附註)	2003 二零零三年 HK\$'000 千港元 (Note) (附註)	2002 二零零二年 HK\$'000 千港元 (Note) (附註)
Non-current assets	非流動資產	281,445	242,556	260,677	236,549	237,463
Current assets	流動資產	1,291,113	1,375,377	722,880	711,911	567,501
Current liabilities	流動負債	(881,458)	(1,094,834)	(532,770)	(547,746)	(413,073)
Long-term bank borrowings, secured	長期銀行借貸－有抵押	(148,625)	(89,375)	(52,500)	(7,500)	(11,500)
Finance lease obligations	融資租賃責任	–	–	(1,093)	(5,032)	(10,733)
Provision for long service payments	長期服務金之準備	(5,977)	(7,369)	(10,142)	(11,814)	(11,094)
Deferred tax liabilities	遞延稅項負債	(9,876)	(10,000)	(11,589)	(11,626)	(10,737)
Minority interests	少數股東權益	(424)	(424)	(424)	(424)	(424)
Net assets	資產淨值	526,198	415,931	375,039	364,318	347,403
Representing:	代表：					
Share capital	股本	41,051	40,777	40,076	38,150	37,694
Reserves	儲備	101,922	91,649	109,768	96,816	93,856
Retained profit	保留溢利	383,225	283,505	225,195	229,352	215,853
Total equity	權益總值	526,198	415,931	375,039	364,318	347,403

	Voting results as at 7 June 2006 截至2006年6月7日 之投票結果
1. By luck 運氣	5%
2. Changing from a traditional family business to a modern professional enterprise by the establishment of an executive committee 透過成立執行委員會將一間傳統家族式經營生意逐步轉變為一間現代化專業管理的企業	41%
3. Detailed explanation of the unique business model 詳盡解釋獨特的經營模式	11%
4. Easy-to-read and informative annual reports, website and other corporate literatures 詳盡簡淺易明的年報、網頁與其他企業資料	22%
5. Fast issue of annual report after result announcement 業績公佈後盡速發放年報	5%
6. Voluntary quarterly result announcements 自願作季度業績公佈	18%
7. Voluntary quarterly disclosure of pledging status of the major shareholder's share holdings 自願披露主要股東的持股量	5%
8. Voluntary quarterly tea-break program to provide a platform for individual shareholders to understand the operation of the company 自願為個人投資者開闢直接溝通平台舉行季度茶敘活動	22%
9. High return of equity 高股東權益回報率	8%
10. High dividend and clear-cut dividend policy 高股息及清晰股息政策	18%
11. Fast payment of dividend after announcement 業績公佈後盡快派發股息	4%
12. Wearing uniforms in press briefing and road show 記者招待會及路演均穿著制服	1%
13. Willingness to come clean even in times of announcement of bad news and detailed description of risk factors 有壞消息亦願意詳盡披露不作隱藏，包括涉及之風險因素	21%
14. Attending to social responsibility in environmental protection, donation and volunteer works etc 承擔社會責任，包括環保工作、慈善捐獻及義工服務等	11%
15. Dedication to the core manufacturing business 專注投入核心業務	9%
16. A distinctive brand centering on dividend, professional management and corporate governance 確立清晰企業品牌，包括股息、專業管理及企業管治	24%
17. Sincerity of management 真誠的管理層	21%
18. Others, please specify: 其他：	0%

The 3 highest scores marked in yellow
黃色部份為最高得票頭三位

Why Karrie is able to win the hearts of fund managers/research analysts in gaining top positions in the Asiamoney Best-managed Companies poll for 3 consecutive years?

你認為嘉利國際憑甚麼可以獲取到基金經理／證券研究分析員的支持，並連續三年於「亞洲貨幣雜誌」之最佳管理公司選舉中名列前茅呢？

♥ 滿意足

別出 ♥ 裁

萬眾一 ♥

♥ 無旁鶯

一 ♥ 一意

兄弟同 ♥

上下一 ♥

♥ 胸廣闊

愛 ♥ 爆棚

事事關 ♥

雄 ♥ 勃勃

勞 ♥ 勞力

♥ 口如一

雄 ♥ 萬丈

萬眾一 ♥

♥ 滿意足

♥ 安理得

匠 ♥ 獨運

♥ 思慎密

♥ 虔志誠

真 ♥ 真意

別出 ♥ 裁

♥ 曠神怡

♥ 平氣和

攜手同 ♥

專 ♥ 一致

同 ♥ 協力

♥ 細如塵

♥ 無旁鶯

♥ 悅誠服

25th
Anniversary