



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

INTERIM 中期
REPORT 報告 **2007/08**

「最壞打算、最好準備」— 三原色的無限動力

“Prepare for the worst and plan ahead for the best”

— The Infinity of Primary Colors

原色是指光線中或顏料中的色彩，無法以其他的色光或色料混合出來的。三種的原色光分別是紅〔RED〕、綠〔GREEN〕及藍〔BLUE〕，而三種的顏料原色分別是洋紅〔MAGENTA〕、黃〔YELLOW〕及藍綠〔CYAN〕。三原色光的混合，可得到白光。三原色顏料的混合，會變成黑濁色。若以適當的比例混合及調和，則三原色光或三原色顏料卻會譜出神奇的繽紛色彩，劃出彩虹，無人能輕虧三原色的力量。

「挫折是企業成長必經之路・成就只是為迎接下一個挑戰來臨前的小插曲」— 集團2006/07年度中期報告封面內頁主題。集團早已洞悉在高速發展的路途上，企業將無可避免面對挫折及挑戰，本年度各種困難因素無疑對集團營運成本造成沉重壓力，加上營業額倒退而無可避免需面對盈利大幅下滑之局面。

雖然如此，但嘉利上下一心，並不會因為目前的局面而感到氣餒。我們仍然堅信嘉利擁有之「一條龍」業務經營模式、鞏固之客戶基礎及優秀且「事無大小、用心去做」的寶貴員工，嘉利在各方面的實力正如三原色般具備雄厚及無限動力，只要我們衝破現時的難題，力量將會是更盛大，會是最強的武器。我們並希望以三原色之原理及力量勉勵集團上下，除了時刻抱著「最壞打算、最好準備」的心態迎接挑戰外，切不要忘記及輕視自己的本原力量，只要繼續掌握集團強項，盡情發揮各自色彩，透過混和及磨合，定能繼續綻放斑斕色彩。

The primary colors refer to the colors in lights or paints, which cannot be mixed from lights or paints of other colors. The three primary colors of lights are RED, GREEN and BLUE while the three primary colors of paints are MAGENTA, YELLOW and CYAN. The white light is created by mixing the three primary colors of lights. The muddy black color results from mixing of the three primary colors of paints. However, if they are mixed and blended in an appropriate proportion, the three primary colors of lights and paints may create magic rich colors like a rainbow, and no one can overlook the power of the three primary colors.

“Setbacks are inevitable steps in the path of corporate progress・Achievement is just an interlude for the next challenge” is the theme of the inside cover story of the Group's 2006/07 Interim Report. The Group anticipated that it would inevitably come across setbacks and challenges during the course of rapid development. It is certain that all kinds of difficulties arisen this year impose a heavy burden to the operation costs of the Group. Together with the decline in turnover, the profit will definitely decrease to a significant extent.

Notwithstanding the above, the staff of Karrie is not discouraged by the current situation. We firmly believe that with the vertical integrated business model, strong customer base as well as the competent, dedicated and valuable staff, Karrie has potential strengths and infinite powers like the primary colors. If we can overcome the existing difficulties, we will become more powerful than ever. We would also like to encourage the staff with the principle and power of primary colors so that in addition to facing the challenges with the attitude of “Prepare for the worst and plan ahead for the best” from time to time, they should not forget or overlook their own powers. If we can continue to focus on the corporate strength of the Group, we will be able to continue to bloom into bright colors through mixing and blending.

CORPORATE INFORMATION

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office and Principal Place of Business

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

Web Site

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

Directors

Executive Directors

Mr. HO Cheuk Fai (*Chairman & CEO*)
Mr. KWOK Wing Kin, Francis (*Deputy Chairman*)
Mr. LEE Shu Ki

Non-executive Director

Mr. HO Cheuk Ming

Independent Non-executive Directors

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

Audit Committee

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

Remuneration Committee

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

Company Secretary

Mr. TANG Wing Fai

公司資料

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

總辦事處及主要營業地點

香港
新界
荃灣
青山公路611-619號
東南工業大廈
10樓

網址

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

董事

執行董事

何焯輝先生 (主席兼行政總裁)
郭永堅先生 (副主席)
李樹琪先生

非執行董事

何卓明先生

獨立非執行董事

蘇偉俊先生
陳瑞森先生
方海城先生

審核委員會

蘇偉俊先生
陳瑞森先生
方海城先生
何卓明先生

薪酬委員會

蘇偉俊先生
陳瑞森先生
何卓明先生

公司秘書

鄧榮輝先生

Auditors

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

Principal Bankers

China Construction Bank Corporation
44-45/F, Tower One Lippo Centre
89 Queensway, Admiralty
Hong Kong

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 HM08
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

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

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

中國建設銀行
香港
金鐘道89號
力寶中心一座44-45樓

恒生銀行
香港
德輔道中83號

香港上海滙豐銀行有限公司
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 HM08
Bermuda

香港股份過戶登記分處

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

The board (the “Board”) of directors (the “Directors”) of Karrie International Holdings Limited (the “Company”) announced the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2007 as follows:

嘉利國際控股有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此公佈截至二零零七年九月三十日止六個月本公司及其附屬公司(合稱「本集團」)未經審核之綜合中期業績如下：

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

簡明綜合中期資產負債表

As at 30 September 2007

於二零零七年九月三十日

			30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核)	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核)
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	5	47,401	47,927
Property, plant and equipment	物業、廠房及設備	5	287,878	269,150
Interest in associated companies	於聯營公司之權益		—	—
Deferred tax assets	遞延稅項資產		1,042	1,042
			336,321	318,119
Current assets	流動資產			
Trade receivables	貿易應收帳款	6	506,656	610,850
Inventories	存貨	7	309,101	374,974
Prepayments, deposits and other receivables	預付款、按金及其他應收帳款		42,974	35,015
Amount due from associated companies	應收聯營公司帳款		4,893	8,770
Pledged bank deposits	抵押銀行存款		—	6,359
Cash and bank balances	現金及銀行結存		380,698	267,280
			1,244,322	1,303,248
Total assets	資產總值		1,580,643	1,621,367

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (continued)

簡明綜合中期資產負債表 (續)

As at 30 September 2007

於二零零七年九月三十日

			30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
	<i>Note 附註</i>			
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	8	股本	41,228	41,228
Other reserves	9	其他儲備	108,279	107,505
Retained earnings	9	保留溢利	409,453	407,465
			558,960	556,198
Minority interest		少數股東權益	424	424
Total equity		權益總值	559,384	556,622
LIABILITIES		負債		
Non-current liabilities		非流動負債		
Long-term bank borrowings, secured	10	長期銀行借貸，有抵押	180,700	90,875
Deferred tax liabilities		遞延稅項負債	7,536	7,536
Provision for long service payments		長期服務金之準備	6,053	6,053
			194,289	104,464
Current liabilities		流動負債		
Taxation payable		應繳稅項	992	2,959
Trade and bills payables	11	貿易應付帳款及票據	391,932	451,605
Accruals and other payables		應計費用及其他應付帳款	202,089	183,086
Receipts in advance		預收帳款	3,069	4,929
Short-term bank borrowings, secured	10	短期銀行借貸，有抵押	228,888	317,702
			826,970	960,281
Total liabilities		負債總值	1,021,259	1,064,745
Total equity and liabilities		權益及負債總值	1,580,643	1,621,367
Net current assets		流動資產淨值	417,352	342,967
Total assets less current liabilities		總資產減流動負債	753,673	661,086

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT – EXPENSE BY FUNCTION

簡明綜合中期損益表 – 按費用功能分類

For the six months ended 30 September 2007

截至二零零七年九月三十日止六個月

			For the six months ended 30 September 截至九月三十日止六個月	
			2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
		Note 附註		
Revenue	收入	12	1,455,987	1,639,527
Cost of sales	銷售成本		(1,353,778)	(1,473,386)
Gross profit	毛利		102,209	166,141
Distribution and selling expenses	分銷及銷售費用		(17,119)	(17,669)
General and administrative expenses	一般及行政費用		(65,710)	(69,081)
Operating profit	經營溢利	13	19,380	79,391
Finance income	財務收入	14	7,166	6,404
Finance costs	財務成本	14	(10,811)	(11,342)
Profit before taxation	除稅前溢利		15,735	74,453
Taxation	稅項	15	(1,378)	(6,515)
Profit attributable to equity holders of the Company	本公司股權持有人 應佔溢利		14,357	67,938
Earnings per share (expressed in HK cents)	每股溢利 (以港仙計)			
– Basic	– 基本	16	3.34	15.80
– Diluted	– 攤薄	16	3.33	15.66
Dividends	股息	17	4,329	35,044

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
簡明綜合中期權益變動表

For the six months ended 30 September 2007

截至二零零七年九月三十日止六個月

		For the six months ended 30 September 截至九月三十日止六個月 (Unaudited) (未經審核)				
		Share capital	Other reserves (Note 9) 其他儲備 (附註9)	Retained earnings	Minority interest	Total
		股本 HK\$'000 千港元	其他儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	少數股東權益 HK\$'000 千港元	合共 HK\$'000 千港元
Balance at 1 April 2006	二零零六年四月一日之結餘	41,051	101,922	383,225	424	526,622
Profit for the period	本期溢利	-	-	67,938	-	67,938
Issue of shares upon exercise of share options	行使購股權而發行之股份	177	2,575	-	-	2,752
Employee share option scheme - value of employee services	僱員購股權計劃 - 僱員服務之價值	-	1,777	-	-	1,777
Dividend paid	已派股息	-	-	(65,965)	-	(65,965)
Balance at 30 September 2006	二零零六年九月三十日之結餘	41,228	106,274	385,198	424	533,124
Balance at 1 April 2007	二零零七年四月一日之結餘	41,228	107,505	407,465	424	556,622
Profit for the period	本期溢利	-	-	14,357	-	14,357
Employee share option scheme - value of employee services	僱員購股權計劃 - 僱員服務之價值	-	774	-	-	774
Dividend paid	已派股息	-	-	(12,369)	-	(12,369)
Balance at 30 September 2007	二零零七年九月三十日之結餘	41,228	108,279	409,453	424	559,384

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT**簡明綜合中期現金流量表***For the six months ended 30 September 2007*

截至二零零七年九月三十日止六個月

For the six months ended
30 September
截至九月三十日止六個月

2007	2006
二零零七年	二零零六年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元

Profit before taxation	除稅前溢利	15,735	74,453
Adjustments for non-cash items/ interest/tax ⁽¹⁾	調整非現金項目／ 利息／稅項 ⁽¹⁾	17,223	15,469
Changes in working capital	營運資金之變動	123,455	(76,293)
Net cash generated from operating activities	營運活動產生 現金淨額	156,413	13,629
Net cash used in investing activities	投資活動所用現金淨額	(31,637)	(22,014)
Net cash used in financing activities	融資活動所用現金淨額	(11,532)	(39,153)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物 之淨增加／(減少)	113,244	(47,538)
Cash and cash equivalents at 1 April	四月一日之現金及 現金等值物	267,145	323,374
Cash and cash equivalents at 30 September	九月三十日之現金及 現金等值物	380,389	275,836

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (continued)

簡明綜合中期現金流量表 (續)

For the six months ended 30 September 2007

截至二零零七年九月三十日止六個月

Analysis of cash and cash equivalents:

現金及現金等值物之分析：

		30 September	
		九月三十日	
		2007	2006
		二零零七年	二零零六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Cash and bank balances	現金及銀行結存	380,698	276,818
Bank overdrafts	銀行透支	(309)	(982)
		380,389	275,836

(1) Analysis of adjustments for non-cash items/interest/tax:

(1) 調整非現金項目／利息／稅項之分析：

		For the six months ended	
		30 September	
		截至九月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	26,164	24,313
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	526	521
Share-based compensation expense	以股份支付之酬金	774	1,777
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損／(收益)	270	(655)
Interest income	利息收入	(7,166)	(6,404)
Hong Kong profits tax paid	已付香港利得稅	(3,345)	(4,083)
		17,223	15,469

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

Karrie International Holdings Limited (the “Company”) and its subsidiaries (together 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 29 October 1996. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

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

This condensed consolidated interim financial information are presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated, and has been approved for issue by the Board of Directors on 28 December 2007.

2 Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information has not been audited, but has been reviewed by the Group’s audit committee.

This condensed consolidated interim financial information should be read in conjunction with the annual financial statement of the Group for the year ended 31 March 2007.

3 Accounting policies

The accounting policies adopted and method of computation used are consistent with those of the annual financial statements for the year ended 31 March 2007, as described in the annual financial statements for the year ended 31 March 2007.

簡明綜合中期財務資料附註

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月二十九日於百慕達註冊，辦事處地址是Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司之股份於一九九六年十二月十六日於香港聯合交易所有限公司主板上市。

本簡明綜合中期財務資料以港幣千元列報（除非另有說明），及已經由董事會在二零零七年十二月二十八日批准刊發。

2 編製基準

本簡明綜合中期財務資料乃根據香港會計師公會頒佈之香港會計準則第34號「中期財務報告」編製。本簡明綜合中期財務資料未經審核，但已經本集團審核委員會審閱。

本簡明綜合中期財務資料須與截至二零零七年三月三十一日止年度之財務報表一併閱讀。

3 會計政策

所採用之會計政策及計算方法與截至二零零七年三月三十一日止年度之年度財務報表一致。

The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31 March 2008.

- HK(IFRIC)-Int 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006). HK(IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group has adopted HK(IFRIC)-Int 8 from 1 April 2007, but it is not expected to have any impact on the Group's financial statements;
- HK(IFRIC)-Int 10, Interim financial reporting and impairment (effective for annual periods beginning on or after 1 November 2006). HK(IFRIC)-Int 10 prohibits the impairment losses recognized in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group has adopted HK(IFRIC)-Int 10 from 1 April 2007, but it is not expected to have any impact on the Group's financial statements;
- HKFRS 7, Financial instruments: Disclosures (effective for annual periods beginning on or after 1 January 2007). HKAS 1, Amendments to capital disclosures (effective for annual periods beginning on or after 1 January 2007). The Group assessed the impact of HKFRS 7 and the amendment to HKAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of HKAS 1. The Group has adopted HKFRS 7 and the amendment to HKAS 1 from 1 April 2007;

以下新訂準則、對準則的修訂和詮釋必須在截至二零零八年三月三十一日止財政年度採用。

- 香港(國際財務報告詮釋委員會)－詮釋8香港財務報告準則2之範圍(由二零零六年五月一日或之後開始之年度期間生效)。香港(國際財務報告詮釋委員會)－詮釋8規定凡涉及發行權益工具之交易－當所收取之可識別代價低於所發行權益工具之公平值－必須確定其是否屬於香港財務報告準則2之範圍內。本集團已於二零零七年四月一日起應用香港(國際財務報告詮釋委員會)－詮釋8，但預期不會對本集團之財務報表有任何影響；
- 香港(國際財務報告詮釋委員會)－詮釋10－中期財務報告及減值(由二零零六年十一月一日或該日之後開始之年度期間生效)。香港(國際財務報告詮釋委員會)－詮釋10禁止於中期期間確認按以成本值列值之商譽、權益工具之投資及財務資產投資之減值虧損在之後之結算日撥回。本集團已於二零零七年四月一日起採納香港(國際財務報告詮釋委員會)－詮釋10，但預期不會對本集團之財務報表有任何影響；
- 香港財務報告準則7－金融工具：披露(由二零零七年一月一日或以後開始之年度期間生效)。香港會計準則1資本披露之修訂(由二零零七年一月一日或以後開始之年度期間生效)。本集團已評估香港財務報告準則7及香港會計準則1修定之影響，並總結出主要額外披露事項將為經修訂香港會計準則1規定之市場風險敏感性分析和資金披露。本集團已自二零零七年四月一日起採納香港財務報告準則7及經修訂香港會計準則1；

- HK(IFRIC)-Int 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006). HK(IFRIC)-Int 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivatives when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. As none of the group entities have changed the terms of their contracts, HK(IFRIC)-Int 9 is not relevant to the Group's operations; and
- HK(IFRIC)-Int 11, HKFRS 2, Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007). The Group will apply this interpretation from annual period beginning 1 April 2007, but it is not expected to have any significant impact on the Group's financial statements.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2007 and have not been early adopted:

- HKFRS 8, Operating Segments (effective for accounting periods commencing on or after 1 January 2009);
- HK(IFRIC)-Int 12, Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008);
- HK(IFRIC)-Int 13, Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008); and
- HK(IFRIC)-Int 14, HKAS 19 - Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).

香港(國際財務報告詮釋委員會)－詮釋9－重新評估嵌入式衍生工具(由二零零六年六月一日或之後開始之年度期間生效)。香港(國際財務報告詮釋委員會)－詮釋9規定當實體首次成為主合約之一方，必須評估該嵌入式衍生工具是否需要與該主合約分開處理，並記帳為衍生工具。此項準則禁止進行後期評估，但假如合約條款有變導致大幅度修改了合約原有之現金流量，則可在有需要時進行重估。由於本集團實體沒有更改其合約條款，故此香港(國際財務報告詮釋委員會)－詮釋9與本集團之營運無關；及

香港(國際財務報告詮釋委員會)－詮釋11－香港財務報告準則2－集團及庫存股份交易(自二零零七年三月一日或以後開始之會計期間生效)。本集團已於二零零七年四月一日起應用詮釋，但預期不會對本集團之財務報表有任何影響。

以下新增準則、經修訂之準則及詮釋已獲頒佈，但未於二零零七年生效且未提早獲採納：

- 香港財務報告準則8－業務分部(自二零零九年一月一日或以後開始之會計期間生效)；
- 香港(國際財務報告詮釋委員會)－詮釋12－服務特許權協議(自二零零八年一月一日或以後開始之會計期間生效)；
- 香港(國際財務報告詮釋委員會)－詮釋13－客戶忠誠計劃(自二零零八年七月一日或以後開始之會計期間生效)；及
- 香港(國際財務報告詮釋委員會)－詮釋14－香港會計準則19－對界定福利資產之限制、最低資金規定及其相互(自二零零八年一月一日或以後開始之會計期間生效)。

4 Segment information

(a) Primary reporting format – business segments

An analysis of the Group's segment revenues and results for the period by business segment is as follows:

4 分部資料

(a) 基本報告形式－業務分部

按業務分部劃分之本集團本期收入及業績分析如下：

For the six months ended 30 September 2007

截至二零零七年九月三十日止六個月

(Unaudited)

(未經審核)

		Metal and plastic business 五金塑膠業務 HK\$'000 千港元	Electronic manufacturing services business 電子專業代工業務 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Segment revenues	分部收入				
Total segment revenue	總收入	692,115	815,722	999	1,508,836
Inter-segment revenue	分部間收入	(52,849)	—	—	(52,849)
Revenue	收入	639,266	815,722	999	1,455,987
Segment results	分部業績	15,302	3,079	999	19,380
Finance income	財務收入				7,166
Finance costs	財務成本				(10,811)
Profit before taxation	除稅前溢利				15,735
Taxation	稅項				(1,378)
Profit attributable to equity holders of the Company	本公司股權持有人應佔溢利				14,357

For the six months ended 30 September 2006
截至二零零六年九月三十日止六個月
(Unaudited)
(未經審核)

		Metal and plastic business 五金塑膠 業務 HK\$'000 千港元	Electronic manufacturing services business 電子專業 代工業務 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合共 HK\$'000 千港元
Segment revenues	分部收入				
Total segment revenue	總收入	787,403	903,921	6,333	1,697,657
Inter-segment revenue	分部間收入	(58,130)	-	-	(58,130)
Revenue	收入	729,273	903,921	6,333	1,639,527
Segment results	分部業績	62,719	10,339	6,333	79,391
Finance income	財務收入				6,404
Finance costs	財務成本				(11,342)
Profit before taxation	除稅前溢利				74,453
Taxation	稅項				(6,515)
Profit attributable to equity holders of the Company	本公司股權持有人 應佔溢利				67,938

(b) Secondary reporting format – geographical segments

The Group's revenues are mainly derived from customers located in Japan, Asia (excluding Japan), North America and Western Europe.

(b) 次要報告形式－地區分部

本集團之收入主要來自位於日本、亞洲（不包括日本）、北美及西歐之客戶。

For the six months ended
30 September
截至九月三十日止六個月
(Unaudited)
(未經審核)

2007
二零零七年
HK\$'000
千港元

2006
二零零六年
HK\$'000
千港元

Revenue	收入		
Japan	日本	113,441	131,096
Asia (excluding Japan)	亞洲 (不包括日本)	709,730	717,263
North America	北美洲	163,734	265,923
Western Europe	西歐	469,082	525,245
Total	總值	1,455,987	1,639,527

Revenue is allocated based on the country in which the final destination of shipment is located.

收入根據最終付運目的地所在國家分配。

5 Capital expenditure

5 資本開支

		Property, plant and equipment 物業、廠房 及設備 (Unaudited) (未經審核) HK\$'000 千港元	Leasehold land and land use rights 租賃土地及 土地使用權 (Unaudited) (未經審核) HK\$'000 千港元
Six months ended 30 September 2006	二零零六年九月三十日止六個月		
Opening net book amount as at 1 April 2006	截至二零零六年四月一日 期初帳面淨值	232,038	48,560
Additions	添置	29,142	—
Disposals	出售	(69)	—
Depreciation	折舊	(24,313)	—
Amortisation	攤銷	—	(521)
Closing net book amount as at 30 September 2006	截至二零零六年九月三十日 期末帳面淨值	236,798	48,039
<hr/>			
Six months ended 30 September 2007	二零零七年九月三十日止六個月		
Opening net book amount as at 1 April 2007	截至二零零七年四月一日 期初帳面淨值	269,150	47,927
Additions	添置	45,338	—
Disposals	出售	(446)	—
Depreciation	折舊	(26,164)	—
Amortisation	攤銷	—	(526)
Closing net book amount as at 30 September 2007	截至二零零七年九月三十日 期末帳面淨值	287,878	47,401

6 Trade receivables

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

		30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
0 to 90 days	0至90日	494,675	544,029
91 to 180 days	91至180日	13,048	20,699
181 to 360 days	181至360日	5,960	51,388
Over 360 days	360日以上	1,475	3,236
		515,158	619,352
Less: Provision for impairment of trade receivables	減：貿易應收帳款減值準備	(8,502)	(8,502)
		506,656	610,850

7 Inventories

7 存貨

		30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
Raw materials	原材料	159,957	190,776
Work-in-progress	半製成品	35,766	39,472
Finished goods	製成品	113,378	144,726
		309,101	374,974

8 Share capital

8 股本

		30 September 2007 二零零七年九月三十日 (Unaudited) (未經審核)		31 March 2007 二零零七年三月三十一日 (Audited) (已審核)	
		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 period/year	期初／年初	412,284	41,228	410,512	41,051
Issued upon exercise of share options	行使購股權而 發行之股份	—	—	1,772	177
End of period/year	期末／年底	412,284	41,228	412,284	41,228

9 Reserves

Movements of reserves were:

		For the six months ended 30 September 2007 截至二零零七年九月三十日止六個月 (Unaudited) (未經審核)					
		Share premium	Capital reserve	Capital redemption reserve	Share based compensation reserve	Retained earnings	Total
		股份溢價	資本儲備	贖回儲備	以股權支付之酬金儲備	保留溢利	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 April 2007	截至二零零七年四月一日之結餘	87,816	5,900	449	13,340	407,465	514,970
Profit for the period	本期溢利	-	-	-	-	14,357	14,357
Dividends paid	已派股息	-	-	-	-	(12,369)	(12,369)
Employee share option scheme - Value of employee services	僱員購股權計劃 - 僱員服務之價值	-	-	-	774	-	774
Balance at 30 September 2007	二零零七年九月三十日之結餘	87,816	5,900	449	14,114	409,453	517,732

		For the six months ended 30 September 2006 截至二零零六年九月三十日止六個月 (Unaudited) (未經審核)					
		Share premium	Capital reserve	Capital redemption reserve	Share based compensation reserve	Retained earnings	Total
		股份溢價	資本儲備	贖回儲備	以股權支付之酬金儲備	保留溢利	合共
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Balance at 1 April 2006	截至二零零六年四月一日之結餘	84,915	5,900	449	10,658	383,225	485,147
Profit for the period	本期溢利	-	-	-	-	67,938	67,938
Dividends paid	已派股息	-	-	-	-	(65,965)	(65,965)
Issue of shares upon exercise of share options	行使購股權而發行之股份	2,901	-	-	(326)	-	2,575
Employee share option scheme - Value of employee services	僱員購股權計劃 - 僱員服務之價值	-	-	-	1,777	-	1,777
Balance at 30 September 2006	二零零六年九月三十日之結餘	87,816	5,900	449	12,109	385,198	491,472

10 Borrowings

10 借貸

		30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
Non-current	非流動		
Bank loans repayable (note (ii))	償還銀行貸款 (附註(ii))		
– Between 1 and 2 years	– 一年至兩年	64,000	45,875
– Between 2 and 5 years	– 兩年至五年	116,700	45,000
Long-term bank borrowings, secured	長期銀行借貸，有抵押	180,700	90,875
Current	流動		
Bank overdrafts	銀行透支	309	135
Trust receipt loans	信託收據貸款	83,724	142,210
Short-term bank borrowings	短期銀行借貸	57,105	117,607
Current portion of long-term bank borrowings	長期銀行借貸之即期部份	87,750	57,750
Short-term bank borrowings, secured (note (i))	短期銀行貸款，有抵押 (附註(i))	228,888	317,702
Total borrowings	總借貸	409,588	408,577

Notes:

附註：

- (i) Short-term bank borrowings of approximately HK\$7,105,000 (31 March 2007: HK\$7,107,000) was 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\$3,041,000 (31 March 2007: HK\$4,429,000). Other short-term bank borrowings are secured by the guarantees provided by the Company and certain of its subsidiaries (Note 20).
- (i) 約7,105,000港元(二零零七年三月三十一日：7,107,000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3,041,000港元(二零零七年三月三十一日：4,429,000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20)。
- (ii) The bank loans bear interest at HIBOR plus a certain percentage as agreed with banks (31 March 2007: HIBOR plus a certain percentage as agreed with banks) and are secured by the guarantees provided by the Company and certain of its subsidiaries (Note 20).
- (ii) 該項銀行貸款年息以銀行同業拆息利率加與銀行協議之若干百分點(二零零七年三月三十一日：銀行同業拆息利率加與銀行協議之若干百分點)，及以本公司及其若干附屬公司作擔保(附註20)。

11 Trade and bills payables

Aging analysis of trade and bills payable is as follows:

11 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：

		30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
0 to 90 days	0至90日	366,011	416,870
91 to 180 days	91至180日	11,461	20,046
181 to 360 days	181至360日	6,315	10,914
Over 360 days	360日以上	8,145	3,775
		391,932	451,605

12 Revenue**12 收入**

		For the six months ended 30 September 截至九月三十日止六個月 2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
Turnover	營業額		
Sales of merchandise from	銷售		
– Metal and plastic business	– 五金塑膠業務	639,266	729,273
– Electronic manufacturing services business	– 電子代工業務	815,722	903,921
		1,454,988	1,633,194
Other gains	其他收益		
Management service fee income from associated companies (note 18a)	向聯營公司收取管理費收入 (附註18(a))	–	4,891
Rental income	租金收入	999	1,442
		999	6,333
Total revenue	合共收入	1,455,987	1,639,527

13 Operating profit

The following items have been charged to the operating profit during the interim period.

13 經營溢利

經營溢利在期內已扣除下列各項：

		For the six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	26,164	24,313
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之分攤	526	521
Employee benefit expenses (including directors' emoluments)	僱員福利 (包括董事酬金)	111,872	103,499

14 Finance income and costs

14 財務收入及成本

		For the six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
Interest on	利息		
– bank borrowings wholly repayable within five years	– 於五年內全數償還之銀行借貸	10,794	11,325
– others	– 其他	17	17
Finance costs	財務成本	10,811	11,342
Finance income – interest income	財務收入 – 利息收入	(7,166)	(6,404)
Net finance costs	財務成本淨額	3,645	4,938

15 Income tax expense

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period. The amount of taxation charged to the condensed consolidated interim income statement represents:

15 稅項

香港利得稅乃根據本期之估計應評稅利潤按 17.5% (二零零六年：17.5%) 之稅率計提準備。在簡明綜合中期損益表支銷之稅項如下：

		For the six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
Current Hong Kong profits tax	現行香港利得稅	1,378	6,515

16 Earnings per share

The calculation of basic earnings per share for the six months ended 30 September 2007 is based on the consolidated profit attributable to the equity holders of the Company of approximately HK\$14,357,000 (2006: HK\$67,938,000) and on the weighted average number of approximately 430,466,000 shares (2006: 429,914,000 shares). The weighted average number of shares for both period ended 2006 and 2007 have been adjusted for effects of the rights issue; which took place subsequent to the balance sheet date.

16 每股溢利

每股基本溢利乃根據截至二零零七年九月三十日六個月止之綜合本公司股權持有人應佔溢利約 14,357,000 港元 (二零零六年：67,938,000 港元) 及股份之加權平均數約 430,466,000 股 (二零零六年：429,914,000 股) 計算。在二零零六年及二零零七年期內之股份之加權平均數因結算日後發生之供股之影響已作出調整。

The calculation of diluted earnings per share for the six months ended 30 September 2007 is based on the consolidated profit attributable to the equity holders of the Company of approximately HK\$14,357,000 (2006: HK\$67,938,000) and on the weighted average number of approximately 430,859,000 shares (2006: 433,825,000 shares) after adjusting for the potential dilutive effect in respect of the outstanding share options and the effects of rights issue; which took place subsequent to the balance sheet date.

每股攤薄溢利乃根據截至二零零七年九月三十日六個月止之綜合本公司股權持有人應佔溢利約 14,357,000 港元 (二零零六年：67,938,000 港元) 及股份加上未行使之購股權有可能攤薄影響及在結算日後發生之供股之影響作出調整後之股份之加權平均股數約 430,859,000 股 (二零零六年：433,825,000 股) 計算。

17 Dividends

17 股息

		For the six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
Proposed interim dividend: HK0.75 cents (2006: HK8.5 cents) per share	擬派中期股息： 每股0.75港仙 (二零零六年：8.5港仙)	4,329	35,044

18 Related party transactions

18 關連人士交易

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

(a) 本集團與關連人士進行之交易：

		For the six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
	Note 附註		
Rental charged by Kings Lion Development Limited	支付租金予勁獅發展有限公司	670	670
Sale of merchandise to an associated company	銷售貨品予聯營公司	—	1,519
Purchase of raw materials from an associated company	向聯營公司購買原材料	—	18
Purchase of machinery from an associated company	向聯營公司購買機器設備	—	462
Management fee income earned from an associated company	向聯營公司收取管理費收入	—	4,891

Notes:

附註：

- (i) Kings Lion Development Limited is beneficially owned and controlled by Mr. Ho Cheuk Fai, a director of the Company and his family members.
- (ii) These related party transactions were conducted in accordance with the terms of agreements.

- (i) 勁獅發展有限公司均由本公司董事何焯輝先生及其家族實益擁有及控制。
- (ii) 與關連人士交易以商議之條款執行。

(b) Key management compensation

(b) 主要管理層酬金

		For the six months ended 30 September 截至九月三十日止六個月	
		2007 二零零七年 (Unaudited) (未經審核) HK\$'000 千港元	2006 二零零六年 (Unaudited) (未經審核) HK\$'000 千港元
Salaries and other short-term employee benefits	薪酬及其他短期僱員福利	8,956	13,981
Post-employment benefits	退休福利	83	96
Share-based payments	以股份作支付	600	1,158
		9,639	15,235

19 Commitments and contingent liabilities

19 承擔及或然負債

(a) Capital commitments

(a) 資本承擔

The Group had the following authorised and contracted capital commitments:

本集團有以下已授權及簽約之資本承擔：

		30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
Investment in a subsidiary	於附屬公司之投資	19,000	19,000
Construction of factory premises in Mainland China	於中國興建廠房樓宇	38,180	23,845
Purchase of other property, plant and equipment	購買物業、廠房及設備	22,016	6,030
		79,196	48,875

(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:

		30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
Amounts payable	應付金額		
– Not later than one year	– 不超過一年	7,402	9,007
– Later than one year and not later than five years	– 超過一年但不超過五年	24,140	23,940
– Later than five years	– 超過五年	242,787	241,447
		274,329	274,394

The Group had future minimum lease rental receivable under non-cancellable operating leases as follows:

(b) 經營租賃承擔

本集團有多項期限至二零四七年十月有關不可撤銷之房地產租賃之經營租賃協議。總應付承擔分析如下：

本集團未來不可撤銷之經營租賃最低應收款如下：

		30 September 2007 二零零七年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 March 2007 二零零七年 三月三十一日 (Audited) (已審核) HK\$'000 千港元
Not later than one year	不超過一年	786	721
Later than one year and not later than five years	超過一年但不超過五年	2,397	1,965
Later than five years	超過五年	625	860
		3,808	3,546

(c) *Guarantees*

As at 30 September 2007, the Company has given guarantees totaling approximately HK\$1,440,103,000 (31 March 2007: HK\$824,750,000) to financial institutions in connection with the banking facilities granted to its subsidiaries.

(c) 擔保

於二零零七年九月三十日，本公司給予財務機構有關提供銀行融資予其附屬公司之總擔保金額約為1,440,103,000港元（二零零七年三月三十一日：824,750,000港元）。

20 Banking facilities/pledge of assets

As at 30 September 2007, the Group's banking facilities were secured by:

- (i) mortgages over certain of the Group's land and buildings in Mainland China with a net book value of approximately HK\$3,041,000 (31 March 2007: HK\$4,429,000); and
- (ii) corporate guarantees provided by the Company and certain of its subsidiaries.

21 Event after the balance sheet date

On 11 October 2007, the Company announced a proposed rights issue of ordinary shares. Under the rights issue, qualifying shareholders are being offered the right to apply for the rights shares on the basis of four rights share for every ten existing shares of the Company (the "Right Shares") held on the record date at the price of HK\$0.75 per Rights Share. As at 6 November 2007, the record date for the rights issue, the Company had 412,284,000 shares in issue. The number of rights shares to be issued were 164,913,600 shares. In this connection, the Company received gross proceeds of approximately HK\$123,690,000, before the estimated expenses of HK\$2,000,000.

22 Comparative figures

Certain 2006 comparative figures have been reclassified to conform to the current period's presentation.

20 銀行融資／資產抵押

於二零零七年九月三十日，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3,041,000港元(二零零七年三月三十一日：4,429,000港元)；及
- (ii) 本公司及若干附屬公司之公司擔保。

21 結算日之後事項

於二零零七年十月十一日，本公司宣佈建議以供股方式發行普通股股份。根據供股，按於記錄日期每持有本公司十股股份供四股供股股份(「供股股份」)之基準，向合資格股東提呈按每股0.75港元之價格申請認購供股股份。於二零零七年十一月六日，即供股之記錄日期，本公司之已發行股份為412,284,000股而發行之可供供股股份數目為164,913,600股。據此，本公司收取所得款項總額約123,690,000港元，有關金額未計預算開支2,000,000港元。

22 比較數字

若干二零零六比較數字經重新分類以符合本期之呈報形式。

HIGHLIGHTS

- Turnover decreased by 11% to HK\$1,454,988,000
- Profit attributable to equity holders of the Company dropped by 79% to HK\$14,357,000
- Basic earnings per share slid 79% to HK3.34 cents
- Dividend per share at HK0.75 cents (2006/07 Interim: HK8.5 cents)

DIVIDEND

The Board declared an interim dividend of HK0.75 cents (2006/07 Interim: HK8.5 cents) per share for the six months ended 30 September 2007 (the “Relevant Period”) to eligible shareholders whose names appear on the register of members of the Company on 18 January 2008. The interim dividend will be payable in cash on or about 31 January 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 16 January 2008 to Friday, 18 January 2008 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share 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 4:30 p.m. on Tuesday, 15 January 2008.

重點

- 營業額下跌11%至1,454,988,000港元
- 本公司股權持有人應佔溢利下跌79%至14,357,000港元
- 每股基本溢利下跌79%至3.34港仙
- 每股股息0.75港仙(二零零六／零七年度中期：8.5港仙)

股息

董事會議決以現金方式派發截至二零零七年九月三十日止六個月(「有關期間」)中期股息每股0.75港仙(二零零六／零七年度中期：每股8.5港仙)予所有於二零零八年一月十八日名列於本公司股東名冊之股東。此中期股息會於或約於二零零八年一月三十一日發放予各合資格之股東。

暫停辦理過戶登記

本公司將由二零零八年一月十六日(星期三)至二零零八年一月十八日(星期五)(包括首尾兩天)暫停辦理股份過戶登記手續。如欲享有擬派發之中期股息，所有填妥之股份轉讓文件連同有關之股票，須於二零零八年一月十五日(星期二)下午四時三十分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。

REVIEW OF OPERATION

As projected in the 2007/08 first quarter results announcement, annual sales would drop by 10% when compared with the same period last year. The turnover for the Relevant Period declined by 11% to HK\$1,454,988,000 (2006/07 interim: HK\$1,633,194,000) and profit attributable to equity holders of the Company decreased by 79% to about HK\$14,357,000 (2006/07 interim: HK\$67,938,000).

The decrease in turnover and profit was mainly attributable to a decline in overall sales and an increase in costs in China. The drop in turnover was mainly attributable to the negative impact after a major customer's corporate restructuring in early 2006. Furthermore, the Group was pressed by another major customer to reduce price and its profit was therefore reduced.

At the same time, the Group had faced increasing operating cost in China and was affected by appreciation of the Renminbi ("RMB"). The overall labour cost of its staff in Mainland China went up for more than 20% after the minimum wage regulation became effective in late 2006, and the value of the RMB had appreciated by around 6%. All these factors add pressure to the production cost of the Group.

With Yu Quan plant commencing operation, the Group recorded a rise in its operating cost due to the increase in wages, the expenses for electricity, transportation/delivery, staff accommodation and catering as well as management fees payable to local authorities.

During the Relevant Period, the Group strived to control its costs by various measures as stated in the table below. However, these measures were not sufficient to off-set the appreciation of the RMB, the increase in the cost of raw materials and the substantial decrease in turnover.

業務回顧

如二零零七／零八年度第一季度業績公佈中預測，全年之銷售比去年同期下跌10%。本集團於有關期間的營業額較去年同期之營業額下跌11%至 1,454,988,000港元(二零零六／零七年度中期：1,633,194,000港元)，而本公司股權持有人應佔溢利下跌79%至約14,357,000港元(二零零六／零七年度中期：67,938,000港元)。

本集團營業額及溢利的下跌原因主要與整體銷售額減少及國內成本不斷上漲有關。銷售下跌乃其中一名主要客戶於二零零六年初之業務重組的負面滯後影響。另外，本集團於有關期間面對另一名主要客戶要求減價之壓力，令本集團溢利受壓。

本集團同時亦面對於中國營運之成本上漲及人民幣升值之問題。本集團的整體勞工成本就國內於二零零六年底實行的最低工資規定上調超過20%。同時人民幣匯率亦上升約6%。上述因素均對本集團生產成本構成壓力。

隨著玉泉廠房投入運作，在「一闢三大」支出下，本集團無論在工資、電費、交通／運輸費用、食宿費用及地方機構管理費用等方面均錄得額外開支，導致營運成本有所增加。

本集團已努力於有關期間以下列方式控制成本(見表如下)，但仍未能抵銷人民幣匯率上漲、原材料價格上升及營業額大幅下調對本集團的影響。

		Increase/(decrease) 增加／(減少) HK\$'000 港幣千元
(A) Iron:	Price increased by around 3%	2,500
鐵料：	價格上升約3%	
(B) Wages:	(a) Labour force reduced by 7%	(4,000)
工資：	員工人數減少約7%	
	(b) Minimum wage level increased by around 20%	14,000
	最低工資上調約20%	
	(c) RMB appreciated by around 6%	4,000
	人民幣升值約6%	
Total 合計		14,000
(C) Electricity:	(a) City power supply used instead of internal generators' electricity supply and lower power consumption by 5%	(2,600)
電費：	以市電代替本集團廠房發電機發電及減少5%用電量	
	(b) RMB appreciated by around 6%	1,200
	人民幣升值約6%	
Total 合計		(1,400)
(D) Net financing costs dropped		(1,300)
淨財務費用減少		

Metal and Plastic Business (“Metal and Plastic Business”)

The turnover of the Metal and Plastic Business for the Relevant Period was HK\$639,266,000 (2006/07 interim: HK\$729,273,000), 12% lower than that for the same period last year. The decline was due to the slow shipment of servers, which was mainly attributable to the price pressure from a major customer and the delay in launching certain new projects. However, because of its relatively higher gross profit margin, Metal and Plastic Business continued to be the principal source of the Group's profit.

五金塑膠業務

五金塑膠業務於有關期間之營業額較去年同期下跌12%至639,266,000港元(二零零六／零七年度中期：729,273,000港元)。由於本集團受到其中一位主要客戶要求減價之壓力及部份新項目未能趕及投入市場，使伺服器業務之付運減慢，以致營業額下跌。但由於五金塑膠業務之毛利率相對仍然稍高，故仍是本集團溢利貢獻之主要來源。

Electronic Manufacturing Services (“EMS Business”)

The turnover of the EMS Business for the Relevant Period dropped by 10% to HK\$815,722,000 (2006/07 interim: HK\$ 903,921,000) as a result of a drop of 40% in the sales of laser printers to a major customer when compared with that for the same period last year. The sales to this major customer had not been recovered after it had restructured its business whilst orders from the other customers were insufficient to mitigate the decrease in the size of shipment of laser printers.

Geographical Distribution

The Group is not affected by the conditions of any single market due to its diversified shipment pattern. During the Relevant Period, the Group's largest market, Asia (excluding Japan), accounted for 49% of the total turnover then followed by Western Europe's 32% whilst direct shipments to the North America accounted for 11%.

Yu Quan Plant

Yu Quan Plant, located in the town of Fenggang, Dongguan, Guangdong Province with a site area of around 240,000 sq.m., commenced production in October 2006. Phase 1 of Yu Quan Plant, with a site area of around 34,300 sq.m. has five buildings, namely, a plastic injection workshop, an electronic assembly lines workshop, a dormitory, a warehouse and a power generation station.

Vertical integration construction was adopted for each individual building of Yu Quan Plant designed to satisfy various customers' requirements. The operations can be run under e.g. contract processing or WOFE business model to enhance flexibility and ensures smoothness in business operation for each client.

電子專業代工業務

電子專業代工業務於有關期間之營業額較去年同期下跌10%至815,722,000港元(二零零六／零七年度中期：903,921,000港元)。由於本集團對其中一名主要客戶的鐳射打印機銷售額較去年同期下跌40%，而在該客戶業務重組後，本集團對該客戶的銷售額仍未復甦，加上對其他客戶的銷售增長未能抵銷上述對鐳射打印機付運之影響，因而導致營業額於有關期間內下跌。

地域分佈

本集團一向採取多元化模式付運產品，不會依賴單一市場，亞洲地區(日本除外)仍為本集團最大市場，佔總營業額49%，隨著是西歐佔32%，而直接付運至北美之營業額則佔11%。

玉泉廠房

位於中國廣東省東莞市鳳崗鎮，佔地面積約240,000平方米的玉泉廠房已於二零零六年十月投入生產。第一期廠房包括注塑工場、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。

建築物採用獨立型式建設，因應不同客戶之要求，可以來料加工或獨資企業模式經營，增加彈性，以滿足及確保本集團為每位客戶提供服務時得以暢順運作。

With Yu Quan Plant in operation, the Group's overall production capacity has increased by 10-15%. When the investment project in Phase 2 of Yu Quan Plant is completed by the year ended 31 December 2008, the overall production capacity of the Group is expected to increase by another 20%.

Yu Quan Plant marked a major step forward of the Group's plan of production automation. The plastic injection operation in Yu Quan Plant is now fully automatic and the Group's next step is to standardize moulds for metal stamping production. Apart from lowering manpower required to operate the machinery and equipment, automation commands the use of moulds of high precision, thereby reducing the workload for post-production processing and ensuring consistent product quality.

The Group plans to relocate all the related production lines to the same premises of Yu Quan Plant. In order to reduce the costs of logistic management, all production facilities in Yan Tien will be relocated to Yu Quan Plant by the end of the third quarter of 2008.

Grow with customers

The Group is committed to providing products and services of the best quality to customers. To serve the growing number of customers who develop business in Eastern China, the Group leased a plant of approximately 8,000 sq.m. in Suzhou, the Jiangsu Province in October 2007. This involved an investment of about HK\$20,000,000 to HK\$30,000,000. The Group is now in discussion with the local organizations with the view to fine tune certain terms of the lease. Currently, the plant is under renovation and new equipment will be installed for trial production that will commence in the first quarter of 2008. Production is expected to start by the second quarter 2008. The Group chose to invest in another plant in Jiangsu since it wishes to prosper together with its growing number of customers in Eastern China and offer value-added services to them. The Group hopes to explore more business opportunities in the region.

自從玉泉廠房投產以後，本集團的整體產能增加了10-15%。本集團預期截至二零零八年十二月三十一日止的第二期投資項目完成後，其整體產能將再進一步增加20%。

玉泉廠房亦為本集團邁向更高度自動化踏出了重要的一步。該廠房在塑膠注塑方面已實行全面自動化。緊隨其後，五金衝壓件生產方面亦會推行模具標準化，以加強自動化生產。這些措施除直接減少操作機器的人手外，因自動化要求模具更精確，使後期加工量的需要相對減少，同時產品的質素亦將會提高。

隨著玉泉廠房投入使用，本集團計劃把相關的生產集中在同一廠房。我們計劃於二零零八年第三季前，將位於雁田的生產設施全面遷往玉泉廠房，使物流管理成本得以減低。

與客戶共同成長

本集團一直堅持為客戶提供最優質的產品及服務。隨著不少客戶積極開拓華東地區的業務，本集團於二零零七年十月簽訂租賃合約，承租位於江蘇省蘇州市之廠房，該廠房面積約8,000平方米，投資額約2,000萬港元至3,000萬港元。現時本集團正為該廠房進行裝修及增添設施，本集團現正與地方機構就一些租約條款細節進行協商，預期將於二零零八年第一季試產，並於二零零八年第二季才開始投入運作。本集團於江蘇設廠主要是配合駐於華東地區客戶之需要，與客戶共同成長，並為其提供增值服務。本集團同時期望可進一步開拓華東地區新的商機。

Prospects

1. The Group's business continued to face two major problems: economic uncertainty and rising cost in the Pearl River Delta region. Taking heed of these uncertainties, the Group holds a cautious view regarding its prospects and expects its turnover to drop by approximately 20% for the financial year ended 31 March 2008 when compared with that in the previous financial year. The Group may incur operating loss in the second half of the financial year ended 31 March 2008. The Group also expects the turnover for financial year 2008/09 will be similar to that of financial year 2007/08.
2. As captured in the theme "Prepare for the worst and plan ahead for the best", the Group has never given in to challenges. The Group will, on the one hand, actively look for business opportunities to increase its turnover and, on the other hand, strive to reduce its cost in order to increase its profit margin by streamlining its operation and realizing its production automation plan. Moreover, the Group will examine its operational costs carefully to reduce wastage and improve efficiency.
3. The advanced machineries in Yu Quan Plant will enhance the Group's production capacity in producing sophisticated metal or plastic products. This enables the Group to develop more value-added products to meet its customers' needs. Its capital expenditure ("capex") budget for 2007/08 is HK\$150,000,000 and the Group had spent HK\$45,338,000 as at 30 September 2007 (as at 30 November 2007 the capex was HK\$84,000,000). The Group will continue to invest in the construction of Phase 2 of Yu Quan Plant to enhance its production capacity. It will also purchase new equipment for the new plant in Jiangsu Province in order to meet the demands of customers in Eastern China and to implement the Group's strategy for its long term growth. The Group hopes to grow and prosper together with its customers by providing them with more value-added products and services.

前景

1. 本集團業務目前仍然面對兩大問題：經濟前景不明朗及珠三角地區成本結構不斷上漲。考慮到此等不明朗因素，本集團對前景採取較為審慎態度，並預測其截至二零零八年三月三十一日止年度之營業額將比去年同期下跌約20%。而本集團截至二零零八年三月三十一日止的下半年年度亦可能會出現經營虧損。而本集團預期截至二零零八／零九財政年度之營業額與二零零七／零八年度相若。
2. 如今次主題「最壞打算，最好準備」，本集團一向採取面對挑戰，積極向前的態度。我們一方面會積極尋求業務商機，以增加營業額；另一方面則盡力透過精簡本集團之營運方式及盡快實踐生產自動化的計劃以降低成本，從而提高邊際溢利。此外，本集團將以謹慎態度審查其營運成本，以減低浪費並提高效率。
3. 玉泉廠房之先進機械設備將提升本集團在生產精密五金或塑膠部品的產能，使集團得以開拓更多高增值產品以滿足客戶的需要。本集團二零零七／零八年度之固定資產投資預算（「投資預算」）為150,000,000港元，而截至二零零七年九月三十日止，本集團的支出為45,338,000港元（截至二零零七年十一月三十日固定資產投資開支共84,000,000港元）。本集團將繼續為玉泉廠房第二期工程投資，以增加產能。本集團亦將為江蘇省新廠房添置設備，以迎合駐於華東地區客戶之需要及實踐本集團的長遠策略。本集團致力與客戶共同成長，為其提供更多具增值效益之產品及服務。

4. Having taken into consideration the investment environment, shortage in labour supply, the strict regime of the labour law in China and, the adjustment of the minimum wages and electricity expenses in Southern China, the management does not expect the Group to be able to sustain rapid growth. Thus, while the Group will strive to consolidate its existing businesses and further develop its industrial techniques in order to increase its competitiveness, the management has also considered with factories as the focal point to diversify into other integrated businesses such as hotel, travel and property businesses. Such moves will help boost the Group's future growth.
 - After the mould manufacturing facilities in Yan Tien are moved to Yu Quan Plant, the Group will have vacated a site area of approximately 24,000 sq.m.. Furthermore, the Group plans to centralize its plastic manufacturing operations by relocating its plastic manufacturing facilities currently in the production plant in Fenggang to Yu Quan Plant so that the production flows can be more balanced and the logistic management costs can be reduced. The Group will explore ways to generate the best returns for shareholders.
 - However, the Group has no concrete plan currently as to its diversification into other businesses.
5. The Board adopted a set of "New Dividend Policy" in the financial year ended 31 March 2007, which outlined the factors for consideration when calculating the dividend for distribution, such as profit attributable to equity holders of the Company, cash flow and capex. In view of the substantial setback in its results for the Relevant Period, the Company adjusted its dividend distribution to its equity holders accordingly.
4. 管理層就現時華南地區的投資環境、勞工短缺、國家對勞動法例的嚴格執行、最低工資的調整以及電力等成本的上漲作出深入探討，認為本集團業務難以維持高速增長。因此，管理層決定在鞏固本集團現有業務及深入研發工業技術以增加本集團的競爭力的同時，考慮發展以工廠為核心的其他綜合性業務，如酒店、旅遊及房地產業務，以提升本集團未來的增長。
 - 隨著雁田廠房之工模製造設施遷移至玉泉廠房，本集團將有約24,000平方米的空置廠房土地。另外，本集團計劃逐步把鳳崗廠房之塑膠生產設施遷移至玉泉廠房，使本集團之生產營運更為集中，從而平衡生產流程，減省物流管理成本。本集團將積極研究如何為股東爭取更佳的回報。
 - 然而，本集團截至目前為止並未有任何擴展其他業務之確實計劃。
5. 董事會於截至二零零七年三月三十一日止年度採納「新股息政策」。新股息政策列出決定股息的派發金額時所須考慮的因素，如本集團股權持有人應佔溢利、現金流量及投資預算。由於本集團於有關期間的業績大幅倒退，所以本公司在股息的派發金額上作出了相應的調整。

6. The unaudited turnover of the Group for the two months ended 30 November 2007 dropped to approximately HK\$409,939,000 (For the two months ended 30 November 2006: HK\$551,649,000 in total) i.e. decreased about 26%. As at 30 November 2007, the net bank balance was approximately HK\$95,000,000 (The net bank borrowing was HK\$246,227,000 as at 30 November 2006). **As the unaudited turnover for those two months may not represent the performance of the Group for the year ended 31 March 2008, investors and shareholders are advised to exercise extreme caution in dealing in the shares of the Company.**

2007 IR Magazine Award

The Group's annual reports have won various awards from including Asiamoney, IR Magazine and the Hong Kong Management Association in the past few years (2005/06 annual report P. 26 to P. 27 and 2006/07 annual report P. 39). Continuing this excellent track record, the Group's 2006/07 annual report received the "Best Annual Report and other Corporate Literature" from IR Magazine. Besides, despite the Group's performance declined during the year, the Group received the "Honorable Mention" in the "Grand Prix for the Best Overall Investors Relations in Hong Kong – Small/Mid Cap" by institutional investors and analysts by IR Magazine.

2007 HKMA Best Annual Reports Award

The Group also received "Honourable Mentions" and "Citation for Achievement in Corporate Governance Disclosure" in the 2007 Hong Kong Management Association Best Annual Reports Award.

The Board believes the Group's annual reports and other corporate literatures and website are important platforms for communication with shareholders and all stakeholders. The Group thus devotes "Heartfelt Dedication in All Details" (theme of the 2005/06 annual report) and resorts to using graphs, simple and clear language, and photos to communicate with investors, shareholders and other stakeholders. We are delighted that our efforts are recognized and we will continue to seek rooms for improvement.

6. 本集團於截至二零零七年十一月三十日止兩個月之未經審核營業額下跌至約為409,939,000港元(二零零六年十一月三十日止兩個月:551,649,000港元),即下跌約26%。截至二零零七年十一月三十日止,淨銀行結存約為95,000,000港元(截至二零零六年十一月三十日止,淨銀行借貸為246,227,000港元)。**由於這兩個月之未經審核營業額未必能反映本集團截至二零零八年三月三十一日止年度之業績,懇請各投資者及股東在買賣本公司股份時須謹慎行事。**

二零零七年度「投資者關係雜誌選舉」

過去幾年本集團之年報曾取得「亞洲貨幣雜誌」、「投資者關係雜誌」及「香港管理專業協會」之多個獎項外(二零零五/零六年度年報第二十六及二十七頁,以及二零零六/零七年度年報第三十九頁),本集團之二零零六/零七年度年報再度獲得「投資者關係雜誌」之「最佳年報及企業文獻」第一名榮銜。同時,雖然本集團本年度之業績表現有所下跌,仍然獲機構投資者及分析員於「投資者關係雜誌選舉」中評選為「香港最佳投資者關係」(中小企業組)的優異獎。

二零零七年度「最佳年報選舉」

本集團同時獲得「香港管理專業協會」二零零七年度「最佳年報選舉」之「優異年報獎」及「優秀企業管治資料披露獎」。

董事會一直相信本集團之年報及其他企業文獻與及公司網頁乃作為與股東們及相關利益團體訊息交換之重要平台,因此我們一直秉承著「事無大小,用心去做」(二零零五/零六年度年報主題)的信念,利用圖表、簡淺的文字及照片等與投資者、股東及其他相關利益團體溝通,我們對付出了的努力最終得到外界之認同感到非常高興。我們會繼續努力去尋求改進空間。

TEA-BREAK WITH INDIVIDUAL INVESTORS

Pioneered by the Group, this year's "tea-break with individual investors" marks the 11th of such event. The event aims at providing individual investors with a unique and direct avenue for exchange of views with the Group. Seeing that the avenue has served its purpose effectively, the Group will continue to hold tea-breaks with its investors, but only after announcement of interim results and annual results instead of quarterly as when we first held them.

The 12th tea-break is scheduled on 18 January 2008 at Function Room 2, 11/F, L'hotel Nina et Convention Centre, Hong Kong, 8 Yeung Uk Road, Tsuen Wan, the New Territories from 7:00 p.m. to 9:00 p.m.. As part of the Group's social responsibility effort, participants will be asked to donate at least HK\$50 to charity and the Group will match the donation up to a maximum of HK\$10,000. For those who donate HK\$100 or more, the Group will request the relevant charity to issue a receipt to the donor for tax deduction purpose.

Interested investors are invited to visit the Group's website at www.karrie.com.hk for more details. The application form can be downloaded from the website or obtained by calling 2411-1142 during office hours. Since seats are limited, only investors whose applications are confirmed can join the function. Should the application forms are more than the seats available, the Group reserves the right to allocate the admission tickets by lottery.

LIQUIDITY RESOURCES AND FINANCING POLICIES

Owing to the change in the Group's business operation model and the decrease in the levels of inventories and trade receivables, the Group's net bank borrowings had gradually decreased from 25% as at 31 March 2007 to 5% as at 30 September 2007. The non-current asset to shareholders' fund ratio remained at a healthy level of 60%.

與個人投資者茶敘

本集團開創先河的「與個人投資者茶敘」活動，不經不覺已經舉行了十一次。「與個人投資者茶敘」活動的目的是為個人投資者開闢一個新鮮獨特的直接溝通渠道。本集團仍然認為值得繼續保持這個具有價值的平台讓管理層與投資者及股東們進行資訊交流，惟本集團只會於中期及年度業績公佈後舉行。

第十二次的「與個人投資者茶敘」將於二零零八年一月十八日晚上七時至九時，假座新界荃灣楊屋道8號如心海景酒店暨會議中心十一樓2號宴會廳舉行。此茶敘亦為本集團履行社會責任計劃之一部份，所有到場參與人士均需捐助不少於50港元予慈善機構，而本集團亦會捐出相同總額（總額上限為10,000港元）。如任何人士願意捐出100港元或以上，本集團將會盡可能向相關慈善機構要求發出收據供退稅用途。

如投資者對上述活動有興趣，歡迎瀏覽本集團網頁www.karrie.com.hk索取更詳細資料，報名表格可於本集團網頁直接下載或於辦公時間內致電2411-1142索取。由於場地座位有限，如人數超過限額，本集團會以抽籤形式分配入場券。所有出席茶敘之人士必須事先獲確認登記，方可入座。

流動資源及財務政策

鑑於本集團的經營模式的轉變以及本集團在存貨量及貿易應收帳金額上之減少，本集團之淨銀行借貸從25%（截至二零零七年三月三十一日止）逐步下降至5%（截至二零零七年九月三十日止）的水平。非流動資產與股東資金比率則維持於60%之水平，因此財政狀況仍然健康。

As stated in the 2006/07 annual report (Please refer to P. 33 of the 2006/07 annual report), the Group utilized the 5-year long-term bank loan amounted to HK\$150,000,000 as at 30 September 2007 to ensure its financial flexibility.

The Group is confident that with the cash holdings of HK\$380,698,000 and banking facilities of approximately HK\$1,662,000,000 as at 30 September 2007, it is able to meet all current operational and capital expenditure requirements.

RIGHTS ISSUE

On 11 October 2007, the Group proposed to raise fund by way of rights issue (the "Rights Issue") at the subscription price of HK\$0.75 per rights share (the "Rights Share"). The Rights Issue received overwhelming responses. In aggregate, a total of 727 valid applications for 377,357,570 Rights Shares were received, representing approximately 228.82% of the total number of 164,913,600 Rights Shares offered under the Rights Issue. The net proceeds is approximately HK\$121,690,000 was raised from the Rights Issue. The Group is of the view that the Rights Issue will enable it to raise funds to support its business development and general working capital needs. With a strengthened financial position as a result of the Rights Issue, the Group will be able to make strategic investments promptly when opportunities arise. The shareholders of the Company can maintain their respective shareholding interests in the Company through applying for the Rights Shares, while the Company can enlarge both its capital and shareholders base. Therefore, given the current market conditions, the Group considers that it is in the best interests of the shareholders and the Group to raise capital of the Company by way of the Rights Issue.

The Group intends to apply the net proceeds from the Rights Issue in the following manner:

- as to approximately 30% for funding the construction Phase 2 of the Yu Quan Plant located in Fenggang, Dongguan, Guangdong Province, China, which is expected to be principally engaging in the manufacturing of moulds and plastic components and the assembly and manufacturing of electronic manufacturing services products;

誠如二零零六／零七年報所述(二零零六／零七年報第三十三頁)，為確保本集團之財務保持足夠靈活性，截至二零零七年九月三十日止，本集團已動用與銀行間所安排的五年期長期貸款，合共150,000,000港元。

截至二零零七年九月三十日止，本集團所持手頭現金達380,698,000港元，加上銀行借貸額約1,662,000,000港元，本集團有信心足以應付目前營運及資本性開支的資金需要。

供股

於二零零七年十月十一日，本集團宣布建議按每股認購價0.75港元供股(「供股」)。供股反應相當熱烈，本集團接獲合共727份有效供股股份申請(供股股份總數為377,357,570股)，佔按供股發售之供股股份總數的(即164,913,600股)約228.82%。本集團就供股所籌集的資金淨額合共約121,690,000港元。本集團認為，供股可以為本集團籌集資金以供本集團發展業務及應付一般營運資金上的需要，同時亦可鞏固本集團的財務狀況，使其日後能把握機遇，及時作出策略投資。對選擇供股之股東而言，則可透過參與供股而維持彼等於本公司的股權比例；而本集團則可透過供股擴大本公司的股本基礎及增加不同類型的股東。本集團認為在現時市況下，以供股形式籌集資金符合本集團及平衡股東整體之最佳利益。

本集團擬按下列方式使用供股所得款項淨額：

- 約30%用作興建位於中國廣東省東莞市鳳崗鎮的玉泉第二期廠房，預期該廠房主要製造模具及塑膠部件以裝嵌和製造電子代工產品；

- as to approximately 30% for the acquisitions of large scale machineries for metal and plastic products, moulds and prototypes manufacturing;
 - as to approximately 20% for the establishment of a component manufacturing facility in the eastern China; and
 - as to approximately 20% for the general working capital of the Group.
- 約30%用作購置大型五金及塑膠部品生產及模具製造設備；
 - 約20%用作在華東地區開設部件生產廠房；及
 - 約20%作為本集團一般營運資金。

EXCHANGE RATE EXPOSURE

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

CONTINGENT LIABILITY

As at 30 September 2007, the Group had no significant contingent liabilities.

EMPLOYEE AND REMUNERATION POLICIES

During the Relevant Period, the Group had employed on average approximately 7,000 employees. With a strong reputation in the local community, the Group had not experienced any serious labour shortage problem.

Employee remuneration is determined in accordance with prevailing industry practice and employees' performance and experiences. Discretionary bonus will be awarded to employees with outstanding performance having regard to the Group's overall audited results. Employees of the Group are also entitled to other staff benefits including medical insurance, a housing subsidy scheme and mandatory provident fund.

匯兌風險

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

或然負債

截至二零零七年九月三十日止，本集團並無重大或然負債。

僱員及薪酬政策

於有關期間，本集團平均聘有約7,000名僱員。由於本集團在當地建立了良好的信譽，故此於招聘人員上並未遇到重大的困難。

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 September 2007

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

(A) Interests in the Company

董事及最高行政人員之股份權益

截至二零零七年九月三十日止

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

	(甲) 於本公司之權益 Number of ordinary shares of HK\$0.10 each 每股面值0.1港元之普通股數目				% of issued share capital 持股百分比
	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	
Mr. Ho Cheuk Fai 何焯輝先生	5,830,000 (Note 1) (附註一)	209,650,000 (Note 1) (附註一)	172,200,000 (Note 2) (附註二)	215,480,000	52.26
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	43.73
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	—	—	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	52.26

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. Ms. 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.

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」)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。

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.

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。

(B) Interests and short positions in associated corporations

(乙) 於相聯法團之權益及淡倉

(i) Karrie Industrial Company Limited (“KICL”)

(i) 嘉利產品有限公司(「嘉利產品」)

	Number of non-voting deferred shares of HK\$100 each 每股面值100港元之無投票權遞延股份數目						
	Corporate/ Other			% of issued		% of issued	
	Personal interests	Family interests	interests	Total interests	share capital	Short Positions	share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	43,000	43,000 (Note 1) (附註一)	43,000 (Note 1) (附註一)	43,000	85.98% (Note 2) (附註二)	43,000 (Note 1) (附註一)	85.98% (Note 2) (附註二)
Ms. Ho Po Chu 何寶珠女士	7,000	7,000 (Note 1) (附註一)	7,000 (Note 1) (附註一)	7,000	13.99% (Note 2) (附註二)	7,000 (Note 1) (附註一)	13.99% (Note 2) (附註二)

(ii) Karpo Technologies Limited (“KTL”)

(ii) 嘉寶科技有限公司(「嘉寶科技」)

	Number of non-voting deferred shares of HK\$100 each 每股面值100港元之無投票權遞延股份數目						
	Corporate/ Other			% of issued		% of issued	
	Personal interests	Family interests	interests	Total interests	share capital	Short Positions	share capital
	個人權益	家屬權益	法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
Mr. Ho Cheuk Fai 何焯輝先生	10,000	10,000 (Note 1) (附註一)	10,000 (Note 1) (附註一)	10,000	99.90% (Note 3) (附註三)	10,000 (Note 1) (附註一)	99.90% (Note 3) (附註三)

(iii) Karrie Industrial Holdings Limited (“KIHL”)

(iii) Karrie Industrial Holdings Limited
(「KIHL」)

	Number of non-voting deferred shares of HK\$1 each 每股面值1港元之無投票權遞延股份數目						
	Personal interests	Family interests	Corporate/	% of issued		% of issued	
			Other	Total	share	Short	share
			interests	interests	capital	Positions	capital
			法團權益或				
個人權益	家屬權益	其他權益	合計權益	持股百分比	淡倉	持股百分比	
Mr. Ho Cheuk Fai 何焯輝先生	1	1	1	1	8.33%	1	8.33%
		(Note 1) (附註一)	(Note 1) (附註一)		(Note 4) (附註四)	(Note 1) (附註一)	(Note 4) (附註四)
Ms. Ho Po Chu 何寶珠女士	1	1	1	1	8.33%	1	8.33%
		(Note 1) (附註一)	(Note 1) (附註一)		(Note 4) (附註四)	(Note 1) (附註一)	(Note 4) (附註四)

Notes:

附註：

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

- 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嘉利產品、嘉寶科技及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，誠如附註1、2及7所述，因他們及其18歲以下的子女持有本公司之權益，何焯輝先生和何寶珠女士各自被視為持有KIBVI中該等股份之權益。該等權益跟其個人於這些股份的權益乃屬重複的。
- 嘉利產品已發行股份由50,000股每股面值100港元之無投票權遞延股份及10股每股面值100港元之普通股股份組成。
- 嘉寶科技已發行股份由10,000股每股面值100港元之無投票權遞延股份及10股每股面值100港元之普通股股份組成。

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.

Save as disclosed above, as at 30 September 2007, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, the underlying shares and debentures of the Company or any associated corporations which were (a) recorded in the register required to be kept under Section 352 of the SFO; or (b) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 30 November 2007

The interests and short positions of the Directors and the chief executives of the Company in the shares and underlying shares of the Company and any associated corporations (a) as recorded in the register required to be kept under Section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

- 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。

除上文所披露外，截至二零零七年九月三十日止，各董事及最高行政人員並無擁有在本公司或其相聯法團的股份、相關股份及債券證中的權益及淡倉，而該等權益及淡倉(a)根據《證券條例》第352條須予備存之登記冊所記錄者；或(b)依據《標準守則》通知本公司及聯交所。

截至二零零七年十一月三十日止

本公司各董事及最高行政人員在本公司及任何相聯法團的股份及相關股份中擁有的權益及淡倉，而該等權益及淡倉 (a) 根據《證券條例》第352條須予備存之登記冊所記錄者；或 (b) 依據《標準守則》通知本公司及聯交所，如下：

(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0.1港元之普通股數目				% of issued share capital
	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	
Mr. Ho Cheuk Fai 何焯輝先生	10,886,000 (Note 1) (附註一)	298,684,800 (Note 1) (附註一)	243,804,000 (Note 2) (附註二)	309,570,800	53.63
Mr. Ho Cheuk Ming 何卓明先生	13,585,900 (Note 3) (附註三)	–	243,804,000 (Note 2) (附註二)	257,389,900	44.59
Mr. Kwok Wing Kin, Francis 郭永堅先生	3,732,100 (Note 4) (附註四)	–	–	3,732,100	0.65
Mr. Lee Shu Ki 李樹琪先生	3,411,150 (Note 5) (附註五)	–	–	3,411,150	0.59
Mr. Fong Hoi Shing 方海城先生	2,000	–	–	2,000	0.00
Ms. Ho Po Chu 何寶珠女士	54,880,800 (Note 6) (附註六)	254,690,000 (Note 6) (附註六)	243,804,000 (Note 2) (附註二)	309,570,800	53.63
Ms. Wong Shun Pang 黃順鵬先生 (Note 7) (附註七)	660,000	–	–	660,000	0.11

Notes:

附註：

- The personal interests of Mr. Ho Cheuk Fai comprise 10,886,000 ordinary shares. Mr. Ho Cheuk Fai is deemed to be interested in (a) 54,880,800 shares held by his spouse, Ms. Ho Po Chu, as beneficial owner and (b) 243,804,000 shares in which his children under 18 are interested. Such 243,804,000 shares in which his children under 18 are interested are duplicated with his interests as a founder of the HCF Trust in the same block of shares referred to in Note 2 below.

- 何焯輝先生之個人權益由10,886,000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54,880,800股股份；及(b)其未滿18歲的子女擁有243,804,000股股份之權益。該等243,804,000股股份之權益，被視為何焯輝先生作為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。

2. 243,804,000 shares are held by Pearl Court as trustee for a unit trust, the HCF Trust. Mr. Ho Cheuk Fai is deemed to be interested in these 243,804,000 shares as founder of the HCF Trust. Ms. Ho Po Chu is interested in these 243,804,000 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 the 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 the HCF Trust are held by HITL as trustee for the 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 243,804,000 shares are duplicated with each other.
 3. The personal interests of Mr. Ho Cheuk Ming comprise 12,104,000 ordinary shares and 1,481,900 outstanding share options.
 4. The personal interests of Mr. Kwok Wing Kin, Francis comprise 980,000 ordinary shares and 2,752,100 outstanding share options.
 5. The personal interests of Mr. Lee Shu Ki comprise 1,400,000 ordinary shares and 2,011,150 outstanding share options.
 6. The personal interests of Ms. Ho Po Chu comprise 54,034,000 ordinary shares and 846,800 outstanding share options. Ms. Ho Po Chu is also deemed to be interested in (a) 10,886,000 shares held by her spouse, Mr. Ho Cheuk Fai, as beneficial owner and (b) 243,804,000 shares in which her children under 18 are interested. Such 243,804,000 shares in which her children under 18 are interested are duplicated with her interests in the same block of shares referred to in Note 2 above.
 7. Mr. Wong Shun Pang resigned from the Company as the Executive Director with effect from 1 December 2007.
- 二、243,804,000股股份由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243,804,000股股份之權益。何寶珠女士被視為持有該等243,804,000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HWL Trust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HITL作為HWL Trust的受託人持有。故此，該等243,804,000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12,104,000股本公司普通股股份及1,481,900尚未行使之購股權組成。
 - 四、郭永堅先生之個人權益由980,000股本公司普通股股份及2,752,100尚未行使之購股權組成。
 - 五、李樹琪先生之個人權益由1,400,000股本公司普通股股份及2,011,150尚未行使之購股權組成。
 - 六、何寶珠女士之個人權益由54,034,000股本公司普通股股份及846,800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10,886,000股股份；及(b)其未滿18歲的子女擁有243,804,000股股份之權益。該等243,804,000股股份之權益，被視為何寶珠女士(如附註二所述)及其未滿18歲的子女之間重疊之同一權益。
 - 七、黃順鵬先生已於二零零七年十二月一日辭去本公司執行董事的職務。

(B) Interests and short positions in associated corporations

(乙) 於相聯法團之權益及淡倉

(i) KICL

(i) 嘉利產品

Number of non-voting deferred shares of HK\$100 each

每股面值100港元之無投票權遞延股份數目

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

(ii) KTL

(ii) 嘉寶科技

Number of non-voting deferred shares of HK\$100 each

每股面值100港元之無投票權遞延股份數目

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

(iii) KIHIL

(iii) KIHIL

	Number of non-voting deferred shares of HK\$1 each 每股面值1港元之無投票權遞延股份數目						
	Personal interests	Family interests	Corporate/	% of issued		% of issued	
			Other	Total	share	Short	share
			interests	interests	capital	Positions	capital
			法團權益或 其他權益	合計權益	持股百分比	淡倉	持股百分比
個人權益	家屬權益	其他權益	合計權益	持股百分比	淡倉	持股百分比	
Mr. Ho Cheuk Fai 何焯輝先生	1	1	1	1	8.33%	1	8.33%
		(Note 1) (附註一)	(Note 1) (附註一)		(Note 4) (附註四)	(Note 1) (附註一)	(Note 4) (附註四)
Ms. Ho Po Chu 何寶珠女士	1	1	1	1	8.33%	1	8.33%
		(Note 1) (附註一)	(Note 1) (附註一)		(Note 4) (附註四)	(Note 1) (附註一)	(Note 4) (附註四)

Notes:

附註：

1. 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 KIHIL. Accordingly, KIBVI is taken to be interested in these non-voting deferred shares in respect of which Mr. Ho Cheuk Fai and Ms. Ho Po Chu have each created short positions. In addition, by virtue of (i) their interests in the Company; and (ii) the interests of their children under 18 in the Company, as referred to in Notes 1, 2 and 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.

一、本公司之直接全資附屬公司KIBVI，獲授予認購權以認購何焯輝先生和何寶珠女士於嘉利產品、嘉寶科技及KIHIL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，誠如附註1、2及7所述，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、嘉寶科技已發行股份由10,000股每股面值100港元之無投票權遞延股份及10股每股面值100港元之普通股股份組成。

4. The entire issued share capital of KIHIL comprises 2 non-voting deferred shares of HK\$1 each and 10 ordinary shares of HK\$1 each.

Save as disclosed above as at 30 November 2007, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, the underlying shares and debentures of the Company and any associated corporations which were (a) recorded in the register required to be kept under Section 352 of the SFO; or (b) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

SHARE OPTIONS SCHEMES

In order to comply with new requirements under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which took effect on 1 September 2001, a new share option scheme was adopted on 21 May 2002 (the "New Scheme"). The key terms of the New Scheme have been summarized in our 2006/07 annual report.

- 四、KIHIL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。

除上文所披露外，截至二零零七年十一月三十日止，各董事及最高行政人員並無擁有在本公司或其相聯法團的股份、相關股份及債券證中的權益及淡倉，而該等權益及淡倉(a)根據《證券條例》第352條須予備存之登記冊所記錄者；或(b)依據《標準守則》通知本公司及聯交所。

董事於競爭業務之權益

本公司各董事概無與本集團構成競爭之業務中擁有任何權益。

購股權計劃

為符合二零零一年九月一日生效之《香港聯合交易所有限公司證券上市規則》(「《上市規則》」)第十七章之新規定，本公司於二零零二年五月二十一日採納新購股權計劃(「新計劃」)。新計劃之主要條款摘要已於二零零六／零七年度年報刊登。

Details of share option movements for the six months ended 30 September 2007 under the New Scheme are as follows:

根據新計劃於截至二零零七年九月三十日止六個月之購股權變動詳情如下：

							Number of Share Options 購股權數目				
Name	Date of grant	Exercise price	Exercise period	Closing price before date of grant	Price at exercise date of options	Outstanding at 31 Mar 2007	Granted during the period from 1 Apr 2007 to 30 Sep 2007	Exercised during the period from 1 Apr 2007 to 30 Sep 2007	Lapsed/ cancelled during the period from 1 Apr 2007 to 30 Sep 2007	Outstanding at 30 Sep 2007	
							於二零零七年四月一日至九月三十日獲授予	於二零零七年四月一日至九月三十日行使	於二零零七年四月一日至九月三十日失效／取消	於二零零七年九月三十日尚未行使	
姓名	授出日期	行使價 (HK\$) (港元)	行使期	於購股權授出目前之價格 (HK\$) (港元)	於購股權行使日之價格 (HK\$) (港元)	二零零七年三月三十一日尚未行使 (千)	於二零零七年四月一日至九月三十日獲授予 (千)	於二零零七年四月一日至九月三十日行使 (千)	於二零零七年四月一日至九月三十日失效／取消 (千)	二零零七年九月三十日尚未行使 (千)	
(i)	Directors/Chief Executives 董事及最高行政人員										
Mr. Ho Cheuk Ming 何卓明先生	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	

							Number of Share Options 購股權數目			
							Granted during the period from 1 Apr 2007 to 30 Sep 2007	Exercised during the period from 1 Apr 2007 to 30 Sep 2007	Lapsed/ cancelled during the period from 1 Apr 2007 to 30 Sep 2007	Outstanding at 30 Sep 2007
Name	Date of grant	Exercise price	Exercise period	Closing price before date of grant	Price at exercise date of options	Outstanding at 31 Mar 2007	於二零零七年 四月一日至 九月三十日 獲授予	於二零零七年 四月一日至 九月三十日 行使	於二零零七年 四月一日至 九月三十日 失效／取消	於二零零七年 九月三十日 尚未行使
姓名	授出日期	行使價 (HK\$) (港元)	行使期	於購股權 授出日前 之價格 (HK\$) (港元)	於購股權 行使日 之價格 (HK\$) (港元)	二零零七年 三月三十一日 尚未行使 (‘000) (千)	(‘000) (千)	(‘000) (千)	(‘000) (千)	(‘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
Mr. Wong Shun Pang 黃順鵬先生	01/11/2002	1.65	01/01/2004- 31/10/2012	1.65	-	150	-	-	-	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

Name	Date of grant	Exercise price	Exercise period	Closing price before date of grant	Price at exercise date of options	Outstanding at 31 Mar 2007	Number of Share Options 購股權數目			Outstanding at 30 Sep 2007
							Granted during the period from 1 Apr 2007 to 30 Sep 2007	Exercised during the period from 1 Apr 2007 to 30 Sep 2007	Lapsed/ cancelled during the period from 1 Apr 2007 to 30 Sep 2007	
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)	二零零七年三月三十一日尚未行使 (‘000) (千)	於二零零七年四月一日至九月三十日獲授予 (‘000) (千)	於二零零七年四月一日至九月三十日行使 (‘000) (千)	於二零零七年四月一日至九月三十日失效/取消 (‘000) (千)	於二零零七年九月三十日尚未行使 (‘000) (千)
(ii) Other Eligible Participants 其他合資格參與者										
Employees 僱員	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	-	320	-	-	-	320
	01/11/2002	1.65	01/01/2004-31/10/2012	1.65	-	1,250	-	-	(300)	950
	01/12/2003	2.475	01/01/2006-30/11/2013	2.425	-	3,352	-	-	(80)	3,272
	01/12/2003	2.475	01/01/2007-30/11/2013	2.425	-	3,964	-	-	(80)	3,884
	27/04/2004	1.90	01/01/2005-26/04/2014	1.86	-	776	-	-	(100)	676
	27/04/2004	1.90	01/01/2006-26/04/2014	1.86	-	320	-	-	(200)	120
	27/04/2004	1.90	01/01/2007-26/04/2014	1.86	-	200	-	-	(200)	-
	01/02/2005	3.15	01/01/2006-31/01/2015	3.15	-	924	-	-	-	924
	01/02/2005	3.15	01/01/2007-31/01/2015	3.15	-	1,848	-	-	-	1,848
	01/02/2005	3.15	01/01/2008-31/01/2015	3.15	-	1,848	-	-	-	1,848
	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	-	-	(200)	680
	07/02/2005	3.35	01/01/2008-06/02/2015	3.325	-	1,760	-	-	(400)	1,360
	07/02/2005	3.35	01/01/2009-06/02/2015	3.325	-	1,760	-	-	(400)	1,360

Details of share option movements during the period from 1 October 2007 to 30 November 2007 under the New Scheme are as follows:

根據新計劃於二零零七年十月一日至十一月三十日止之購股權變動詳情如下：

							Number of Share Options 購股權數目				
Name	Date of grant	Exercise price	Exercise period	Closing price before date of grant	Price at exercise date of options	Outstanding at 30 Sep 2007	Granted during the period from	Exercised during the period from	Lapsed/ cancelled during the period from	Outstanding at 30 Nov 2007	
							1 Oct 2007 to 30 Nov 2007	1 Oct 2007 to 30 Nov 2007	1 Oct 2007 to 30 Nov 2007		
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)	二零零七年九月三十日尚未行使 (千)	於二零零七年十一月三十日獲授予 (千)	於二零零七年十一月三十日行使 (千)	於二零零七年十一月三十日失效/取消 (千)	二零零七年十一月三十日尚未行使 (千)	
(i)	Directors/Chief Executives 董事及最高行政人員										
Mr. Ho Cheuk Ming 何卓明先生	07/02/2005	3.16	01/01/2007-06/02/2015	3.325	-	280	16.38	-	-	296.38	
	07/02/2005	3.16	01/01/2008-06/02/2015	3.325	-	560	32.76	-	-	592.76	
	07/02/2005	3.16	01/01/2009-06/02/2015	3.325	-	560	32.76	-	-	592.76	
Mr. Kwok Wing Kin, Francis 郭永堅先生	01/11/2002	1.56	01/01/2003-31/10/2012	1.65	-	50	2.925	-	-	52.925	
	01/11/2002	1.56	01/01/2004-31/10/2012	1.65	-	750	43.875	-	-	793.875	
	27/04/2004	1.79	01/01/2005-26/04/2014	1.86	-	160	9.36	-	-	169.36	
	27/04/2004	1.79	01/01/2006-26/04/2014	1.86	-	320	18.72	-	-	338.72	
	27/04/2004	1.79	01/01/2007-26/04/2014	1.86	-	320	18.72	-	-	338.72	
	07/02/2005	3.16	01/01/2007-06/02/2015	3.325	-	200	11.7	-	-	211.7	
	07/02/2005	3.16	01/01/2008-06/02/2015	3.325	-	400	23.4	-	-	423.4	
	07/02/2005	3.16	01/01/2009-06/02/2015	3.325	-	400	23.4	-	-	423.4	

Name	Date of grant	Exercise price	Exercise period	Closing price before date of grant	Price at exercise date of options	Outstanding at 30 Sep 2007	Number of Share Options 購股權數目				Outstanding at 30 Nov 2007
							Granted during the period from 1 Oct 2007 to 30 Nov 2007	Exercised during the period from 1 Oct 2007 to 30 Nov 2007	Lapsed/ cancelled during the period from 1 Oct 2007 to 30 Nov 2007		
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)	二零零七年九月三十日尚未行使 (‘000) (千)	於二零零七年十月一日至十一月三十日獲授予 (‘000) (千)	於二零零七年十月一日至十一月三十日行使 (‘000) (千)	於二零零七年十月一日至十一月三十日失效／取消 (‘000) (千)	二零零七年十一月三十日尚未行使 (‘000) (千)	
Mr. Lee Shu Ki 李樹琪先生	01/11/2002	1.56	01/01/2003-31/10/2012	1.65	–	200	11.7	–	–	211.7	
	01/11/2002	1.56	01/01/2004-31/10/2012	1.65	–	300	17.55	–	–	317.55	
	27/04/2004	1.79	01/01/2005-26/04/2014	1.86	–	80	4.68	–	–	84.68	
	27/04/2004	1.79	01/01/2006-26/04/2014	1.86	–	160	9.36	–	–	169.36	
	27/04/2004	1.79	01/01/2007-26/04/2014	1.86	–	160	9.36	–	–	169.36	
	07/02/2005	3.16	01/01/2007-06/02/2015	3.325	–	200	11.7	–	–	211.7	
	07/02/2005	3.16	01/01/2008-06/02/2015	3.325	–	400	23.4	–	–	423.4	
	07/02/2005	3.16	01/01/2009-06/02/2015	3.325	–	400	23.4	–	–	423.4	
Mr. Wong Shun Pang 黃順鵬先生	01/11/2002	1.56	01/01/2004-31/10/2012	1.65	–	150	–	–	(150)	–	
	01/12/2003	2.34	01/01/2006-30/11/2013	2.425	–	200	–	–	(200)	–	
	01/12/2003	2.34	01/01/2007-30/11/2013	2.425	–	200	–	–	(200)	–	
	27/04/2004	1.79	01/01/2005-26/04/2014	1.86	–	160	–	–	(160)	–	
	27/04/2004	1.79	01/01/2006-26/04/2014	1.86	–	120	–	–	(120)	–	
	27/04/2004	1.79	01/01/2007-26/04/2014	1.86	–	120	–	–	(120)	–	
	07/02/2005	3.16	01/01/2007-06/02/2015	3.325	–	200	–	–	(200)	–	
	07/02/2005	3.16	01/01/2008-06/02/2015	3.325	–	400	–	–	(400)	–	
Ms. Ho Po Chu 何寶珠女士	07/02/2005	3.16	01/01/2009-06/02/2015	3.325	–	400	–	–	(400)	–	
	07/02/2005	3.16	01/07/2005-06/02/2015	3.325	–	800	46.8	–	–	846.8	

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 30 Sep 2007	Granted during the period from 1 Oct 2007 to 30 Nov 2007	Exercised during the period from 1 Oct 2007 to 30 Nov 2007	Lapsed/ cancelled during the period from 1 Oct 2007 to 30 Nov 2007	Outstanding at 30 Nov 2007
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)	二零零七年九月三十日尚未行使 (千)	於二零零七年十月一日至十一月三十日獲授予 (千)	於二零零七年十月一日至十一月三十日行使 (千)	於二零零七年十月一日至十一月三十日失效/取消 (千)	二零零七年十一月三十日尚未行使 (千)
(ii) Other Eligible Participants 其他合資格參與者										
Employees 僱員	22/05/2002	1.23	22/05/2002-21/05/2012	1.30	-	100	5.85	-	-	105.85
	01/11/2002	1.56	01/01/2003-31/10/2012	1.65	-	320	18.72	-	-	338.72
	01/11/2002	1.56	01/01/2004-31/10/2012	1.65	-	950	55.575	-	-	1,005.575
	01/12/2003	2.34	01/01/2006-30/11/2013	2.425	-	3,272	191.412	-	-	3,463.412
	01/12/2003	2.34	01/01/2007-30/11/2013	2.425	-	3,884	227.214	-	-	4,111.214
	27/04/2004	1.79	01/01/2005-26/04/2014	1.86	-	676	39.546	-	-	715.546
	27/04/2004	1.79	01/01/2006-26/04/2014	1.86	-	120	7.02	-	-	127.02
	01/02/2005	2.98	01/01/2006-31/01/2015	3.15	-	924	54.054	-	-	978.054
	01/02/2005	2.98	01/01/2007-31/01/2015	3.15	-	1,848	108.108	-	-	1,956.108
	01/02/2005	2.98	01/01/2008-31/01/2015	3.15	-	1,848	108.108	-	-	1,956.108
	07/02/2005	3.16	01/07/2005-06/02/2015	3.325	-	1,800	105.3	-	-	1,905.3
	07/02/2005	3.16	01/01/2007-06/02/2015	3.325	-	680	39.78	-	-	719.78
	07/02/2005	3.16	01/01/2008-06/02/2015	3.325	-	1,360	79.56	-	-	1,439.56
	07/02/2005	3.16	01/01/2009-06/02/2015	3.325	-	1,360	79.56	-	-	1,439.56

Potential Dilutive Effect of Share Options

(As at 30 November 2007, the total number of shares of the Company in issue were 577,197,600 shares)

購股權潛在攤薄影響

(截至二零零七年十一月三十日止，本公司的已發行股本為577,197,600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 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	
01/04/2007 – 31/03/2008	5,652,390	18,822,247	24,474,637	4.24%
01/04/2008 – 31/03/2009	1,439,560	1,439,560	2,879,120	0.50%
Cumulative total 累計	7,091,950	20,261,807	27,353,757	4.74%

SUBSTANTIAL SHAREHOLDERS**主要股東**

As at 30 September 2007

截至二零零七年九月三十日止

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

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

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		Shareholding percentage 持股百分比
	Personal interests 個人權益	Corporate/ Other interests 法團權益或其他權益	
Pearl Court	172,200,000 (Note 1 附註一)	—	41.77%
HITL	—	172,200,000 (Note 1 附註一)	41.77%

Note:

附註：

- These 172,200,000 shares are held by Pearl Court as trustee for the 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 the HCF Trust are held by HITL as trustee for the HWL Trust.

- 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。

Save as disclosed above, as at 30 September 2007, no person (other than the Directors and the chief executives of the Company whose interests are set out in the section “Directors’ and Chief Executives’ Interests in Shares” above) had an interest or short position in the shares and underlying shares of the Company that was required to be recorded in the register required to be kept under Section 336 of the SFO.

As at 30 November 2007

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

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，截至二零零七年九月三十日止，並無人士擁有本公司之股份及相關股份之權益或淡倉，而該等權益或淡倉需根據《證券條例》第336條須予備存之登記冊所記錄。

截至二零零七年十一月三十日止

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

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			Shareholding percentage 持股百分比
	Personal interests 個人權益	Corporate/ Other interests 法團權益或 其他權益		
Pearl Court	243,804,000 (Note 1 附註一)	—		42.24%
HITL	—	243,804,000 (Note 1 附註一)		42.24%
DJE Investment S.A.	—	29,186,400 (Note 2 附註二)		5.05%
Dr. Jens Ehrhardt Kapital AG	—	29,186,400 (Note 2 附註二)		5.05%
Ehrhardt Dr. Jens Alfred Karl	—	29,186,400 (Note 2 附註二)		5.05%
Veer Palthe Voute NV	—	34,735,200 (Note 3 附註三)		6.02%
Dresdner Bank Aktiengesellschaft	—	34,735,200 (Note 3 附註三)		6.02%
Allianz SE	—	34,735,200 (Note 3 附註三)		6.02%

Notes:

1. These 243,804,000 shares are held by Pearl Court as trustee for the HCF Trust. HITL is deemed to be interested in these 243,804,000 shares held by Pearl Court by virtue of the fact that 9,999 of 10,000 units of the HCF Trust are held by HITL as trustee for the HWL Trust.
2. DJE Investment S.A. is interested in 29,186,400 shares in the capacity of investment manager. Dr. Jens Ehrhardt Kapital AG is deemed to be interested in the same block of shares by virtue of the fact that DJE Investment S.A. is a corporation controlled by it. Ehrhardt Dr. Jens Alfred Karl is also deemed to be interested in the same block of shares by virtue of the fact that Dr. Jens Ehrhardt Kapital AG is a corporation controlled by it.
3. Veer Palthe Voute NV is interested in 34,735,200 shares in the capacity of investment manager. Dresdner Bank Aktiengesellschaft is deemed to be interested in the same block of shares by virtue of the fact that Veer Palthe Voute NV is a corporation controlled by it. Allianz SE is also deemed to be interested in the same block of shares by virtue of the fact that Dresdner Bank Aktiengesellschaft is a corporation controlled by it.

Save as disclosed above, as at 30 November 2007, no person (other than the Directors and the chief executives of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests in Shares" above) had an interest or short position in the shares and underlying shares of the Company that was required to be recorded in the register required to be kept under Section 336 of the SFO.

附註：

- 一、該等243,804,000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243,804,000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、DJE Investment S.A.作為投資經理持有29,186,400股股份。由於DJE Investment S.A.為Dr. Jens的受控法團，Dr. Jens Ehrhardt Kapital AG被視為擁有該等29,186,400股股份的權益。由於Dr. Jens Ehrhardt Kapital AG為Ehrhardt Dr. Jens Alfred Karl的受控法團，Ehrhardt Dr. Jens Alfred Karl被視為擁有該等29,186,400股股份的權益。
- 三、Veer Palthe Voute NV作為投資經理持有34,735,200股股份。由於Veer Palthe Voute NV為Dresdner Bank Aktiengesellschaft的受控法團，Dresdner Bank Aktiengesellschaft被視為擁有該等34,735,200股股份的權益。由於Dresdner Bank Aktiengesellschaft為Allianz SE的受控法團，Allianz SE被視為擁有該等34,735,200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，截至二零零七年十一月三十日止，並無人士擁有本公司之股份及相關股份之權益或淡倉，而該等權益或淡倉需根據《證券條例》第336條須予備存之登記冊所記錄。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales during the Relevant Period attributable to the Group's major suppliers and customers are as follows:

Purchases	
The largest supplier	17%
Five largest suppliers combined	48%
Sales	
The largest customer	29%
Five largest customers combined	86%

None of the Directors, their associates and 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.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's shares during the Relevant Period.

AUDIT COMMITTEE

In accordance with the requirements under the Listing Rules, the Group established an Audit Committee in January 1999 which now comprises one Non-executive Director and three Independent Non-executive Directors of the Company. They are responsible for dealing with matters relating to audit area, which include reviewing and supervising the financial reporting process and internal control, in order to protect the interests of the shareholders of the Company. The unaudited interim results for the Relevant Period of the Company now reported on have been reviewed by the Audit Committee.

主要客戶及供應商

於有關期間，本集團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	17%
五大供應商共佔	48%
銷售	
最大客戶	29%
五大客戶共佔	86%

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。

購買、出售或贖回股份

本公司及其附屬公司於有關期間內概無購買、出售或贖回本公司任何股份。

審核委員會

遵照《上市規則》，本公司於一九九九年一月成立審核委員會，該委員會現由一位非執行董事及三位獨立非執行董事組成。審核委員會負責處理審核範圍內的事宜，包括財務報表的審閱及內部監控；以保障本公司股東的利益。本公司現在提呈的有關期間未經審核中期業績已由審核委員會審閱。

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code Provisions as set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 to the Listing Rules throughout the Relevant Period except the following:

- 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 segregate the roles of its Chairman and Chief Executive Officer and Mr. Ho Cheuk Fai (“Mr. Ho”) 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 the Chief Executive Officer. The Board believes that vesting the roles of both the Chairman and the Chief Executive Officer in the same person would provide the Group with strong and consistent leadership and 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 both roles should continue to be performed by Mr. Ho.

- According to Code Provision A.4.1, Non-executive Director should be appointed for a specific term, subject to re-election. Mr. Ho Cheuk Ming was re-designated as Non-executive Director on 1 June 2007 without a specific term. Moreover, Code Provision A.4.2 stipulated that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Company’s bye-laws, at each annual general meeting, one-third of the Directors for the time being or, if their number is not 3 or a multiple of 3, the number nearest to one-third but not greater than one-third shall retire from office provided that notwithstanding anything in the Company’s bye-laws, the Chairman of the Directors and/or the Managing Director of the Company shall not, whilst holding such office, be subject to

遵守企業管治常規守則

除下文所述外，本公司於有關期間一直遵守《上市規則》附錄14所載企業管治常規守則（「企業管治守則」）之守則條文：

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

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，由一人同時擔任主席與行政總裁的角色為本集團提供強大兼一致的領導，並可讓本集團更有效及有效率地發展長遠業務策略及執行業務計劃。因此董事會認為無須區分主席及行政總裁之角色，並由何先生繼續擔任這兩個角色。

- 按照守則條文A.4.1，非執行董事的委任應有指定任期，亦須接受重新選舉。何卓明先生於二零零七年六月一日獲再委任非執行董事，但沒有指定任期。守則條文A.4.2規定每名董事（包括有指定任期之董事）應至少每三年輪值退任一次。

根據本公司之細則，在本公司每一屆股東週年大會上，三分之一之當時在任之董事（或，倘其人數並非三之倍數，則最接近但不多於三分之一之數目）須輪值退任，惟本公司董事會主席及／或董事總經理不須按此規定輪值退任或在釐定每年退任董事人數時被計算在內。此外，任何填補空缺而獲委任之董事或為董事會新增之成員僅可任職至下屆股東週年大會為止，屆時彼可膺選連任。然而，

retirement by rotation or be taken into account in determining the number of Directors to retire in each year. Furthermore, any Director appointed to fill a casual vacancy or as an addition to the Board should hold office only until the next following annual general meeting and would then be eligible for re-election. With the introduction of the CG Code and to comply with Code Provision A.4.2 of the CG Code, the Chairman and/or the Managing Director of the Group will voluntarily retire at the annual general meeting at least once every three years. As such, the Company considers that sufficient measures have been taken to ensure good corporate governance of the Company.

- Under Code Provision E.1.2, the Chairman of the Audit Committee and Remuneration Committee or their delegates should be arranged to attend the Company's annual general meeting. The Chairman of the Audit and Remuneration Committees, Mr. So Wai Chun, had not attended the annual general meeting of the Company held on 17 August 2007 (the "Meeting") as he had another business engagement and no delegate had been arranged to attend the Meeting. The Chairman of the Board, Mr. Ho Cheuk Fai, together with other members of the Board had attended the Meeting in which Mr. Lee Shu Ki, the Executive Director of the Company, took the chair of the Meeting. The Board considers that the Chairman of the Board and the members of the Board who attended the Meeting were already of sufficient calibre and number for answering questions from shareholders at the Meeting.

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

COMPLIANCE WITH THE MODEL CODE

The Company has adopted stringent procedures governing Directors' securities transactions in compliance with the Model Code as set out in Appendix 10 to the Listing Rules. Upon enquiry by the Company, all Directors have confirmed that, they have complied with the required standards set out in the Model Code throughout the Relevant Period.

By order of the Board
HO CHEUK FAI
Chairman

Hong Kong, 28 December 2007

由於《企業管治守則》的推出及為遵守《企業管治守則》守則條文A.4.2，本集團主席及／或行政總裁將至少每三年自願退任。因此，本公司認為已採取足夠措施，以確保本公司良好企業管治。

- 根據守則條文第E.1.2條，審核委員會及薪酬委員會主席或其委任代表被安排出席本公司股東周年大會。由於審核委員會及薪酬委員會主席，蘇偉俊先生(並無委任代表)另有要務在身，未能出席本公司於二零零七年八月十七日舉行的股東周年大會(「大會」)，本公司執行董事李樹琪先生以大會主席身份，連同董事會主席何焯輝先生及其他董事會成員一併出席大會。董事會認為出席大會的董事會主席及董事會成員已有足夠能力及人數回答大會上的提問。

本公司將繼續不時檢討其常規，以達至高水平之公司管治。

遵守《標準守則》

期內，本公司已採納嚴格程序規管董事進行證券交易，以符合上市規則附錄十所載之《標準守則》之規定。經本公司查詢後，所有董事均確認彼等於有關期間內均已遵守標準守則所載之規定標準。

承董事會命
主席
何焯輝

香港，二零零七年十二月二十八日

Appendix 1

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 only vendor 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

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供貨(JIT)，滾動式的預算表又或以電子信息交換系統(EDI)進行。
3. 很多時我們所負責的項目都是客戶該項目的唯一供應商，因此就算客戶突然將訂單數量增加，我們亦有責任準時付運。
4. 我們的客戶大多是廠家，而非零售商，有些更於中國設有廠房，大部份的電子零件都是客戶指定供應商又或是他們自己提供的。
5. 雖然五金塑膠外殼業務乃電腦及其週邊產品的核心部份，但這行業於台灣遠比香港盛行。
6. 我們的客戶大部份屬國際知名品牌，故很多時會出現如下情況：客戶之項目源自日本，但在中國生產，成品最終付運到亞洲及歐洲等地。而我們對於市場分佈之界定則以成品付運終點站為準，而非客戶來自那個國家。

Appendix 2

SPECIAL CHARACTERISTICS OF THE SUPPLY CHAIN SYSTEM

A Hypothetical Example (Simplified and generalized for easy understanding)

1. Quotation Phase

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

2. Project Confirmation Phase

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

3. Moulds and Prototype Making Phase

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

4. Shipment Phase

- Customer 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 around 60 days).



附錄二

供應鏈管理系統之特性

假設舉例 (為方便大家容易理解，下列之過程以簡化形式表達)

1. 報價階段

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

2. 落實階段

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

3. 模具製作階段

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

4. 付運階段

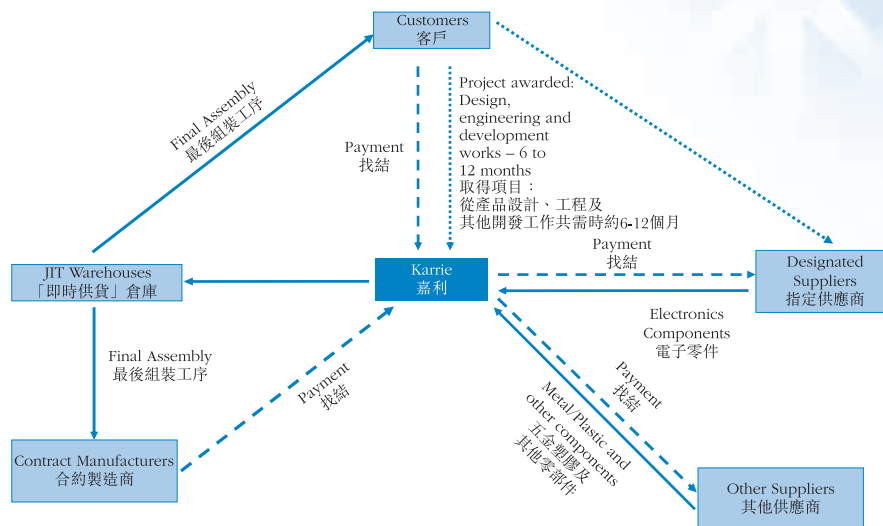
- A客戶發出修訂付運時間表；
- 完成生產及將成品付運至「即時付運」系統中轉貨倉。

5. 銷售確認及找結

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

Appendix 3 附錄三

GENERALISED FLOW CHART OF THE SUPPLY CHAIN MANAGEMENT SYSTEM 供應鏈管理系統一般運作流程圖



Appendix 4 附錄四

DIVIDEND 股息

All dividend paid shown below is in HK cents per share
下列每股派發之股息全以港仙計算

	Interim 中期	Final 末期	Subtotal 小計	Interim Special 中期 特別股息	Final Special 末期 特別股息	Special Subtotal 特別股息 小計	Total 合計	Dividend Payout Ratio 股息派發比率	
								(Excluding)* (不包括在內)*	(Including)# (包括在內)#
1997/98	Nil 無	1.00	1.00	Nil 無	Nil 無	Nil 無	1.00	13%	N/A 不適用
1998/99	2.00	2.00	4.00	Nil 無	Nil 無	Nil 無	4.00	58%	N/A 不適用
1999/00	2.20	2.20	4.40	Nil 無	Nil 無	Nil 無	4.40	77%	N/A 不適用
2000/01	1.10	3.80	4.90	Nil 無	6.20	6.20	11.10	69%	156%
2001/02	5.00	5.90	10.90	5.00	14.10	19.10	30.00	50%	138%
2002/03	8.00	11.00	19.00	Nil 無	5.00	5.00	24.00	60%	75%
2003/04	8.00	12.00	20.00	Nil 無	Nil 無	Nil 無	20.00	87%	N/A 不適用
2004/05	8.50	12.50	21.00	Nil 無	Nil 無	Nil 無	21.00	57%	N/A 不適用
2005/06	9.00	13.00	22.00	Nil 無	3.00	3.00	25.00	48%	55%
2006/07	8.50	3.00	11.50	Nil 無	N/A 不適用	Nil 無	11.50	38%	N/A 不適用
2007/08Δ	0.75	N/A 不適用	0.75	Nil 無	N/A 不適用	Nil 無	0.75	22%	N/A 不適用

Remarks: Δ 2007/08 Interim Results Only
備註：Δ 2007/08 截至中期業績止

* Excluding Special Dividend
* 不包括特別股息

Including Special Dividend
包括特別股息

Appendix 5

RISK FACTORS

1. Uncertainty over the direction of the world economy & technology spending
2. Decline of the gross profit margin
3. Appreciation of steel price (Cost of steel represents less than 5% of the total cost of sales)
4. Shortage of electricity supply (Cost of electricity represents around 2% of the cost of sales)
5. Shortage of labour
6. RMB appreciation (RMB payments represents around 10% of the cost of sales)
7. Shortage of mid-level managers
8. Rising bank borrowings

附錄五

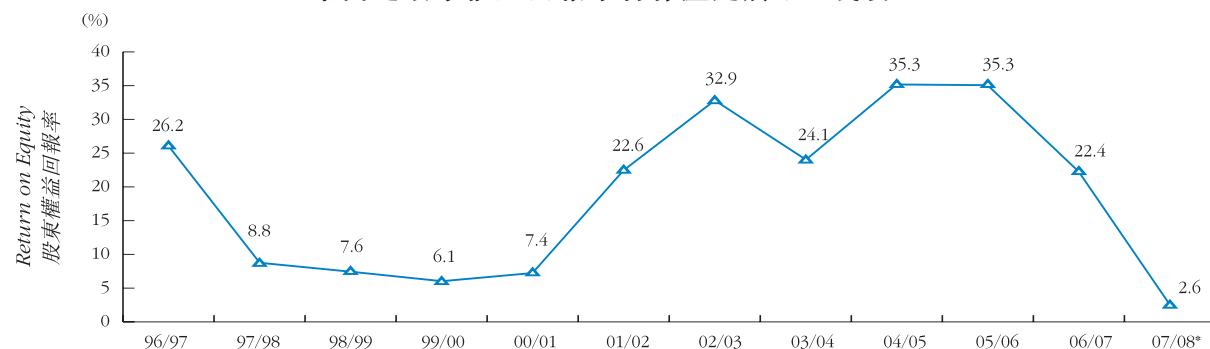
潛在風險

1. 不穩定之環球經濟氣候與及科技產品的支出
2. 毛利率下跌
3. 鐵料價格上升 (鐵料成本僅佔總銷售成本少於5%)
4. 電力供應短缺 (電力開支佔總銷售成本約2%)
5. 勞工短缺
6. 人民幣升值 (人民幣找結佔總銷售成本約10%)
7. 中層管理梯隊短缺
8. 銀行借貸上升

Appendix 6

附錄六

GROUP'S TARGET ROE AT 20% OR ABOVE 集團之股東權益回報率目標釐定於20%或以上



HK\$ million

百萬港元

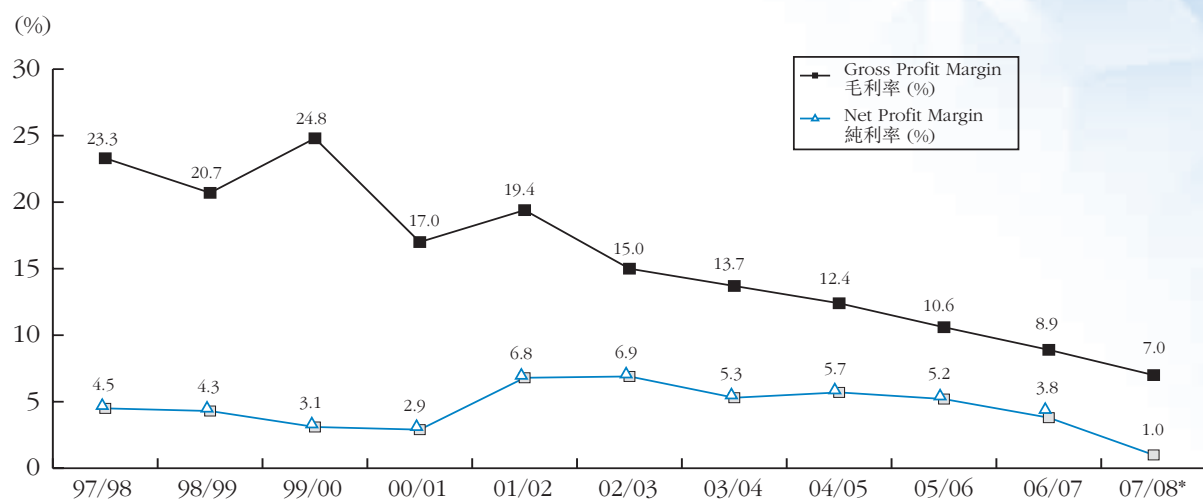
		96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08*
Profit after Tax	除稅後溢利	81	28	25	21	26	78	120	90	147	186	125	14
Shareholders' Equity	股東權益	310	318	332	339	356	347	364	375	416	527	557	559
Return on Equity (%)	股東權益回報率(%)	26.2	8.8	7.6	6.1	7.4	22.6	32.9	24.1	35.3	35.3	22.4	2.6

* 2007/08 Interim Results only

* 2007/08 截至中期業績止

Appendix 7 附錄七

GROSS & NET PROFIT MARGIN 毛利率與純利率走勢圖

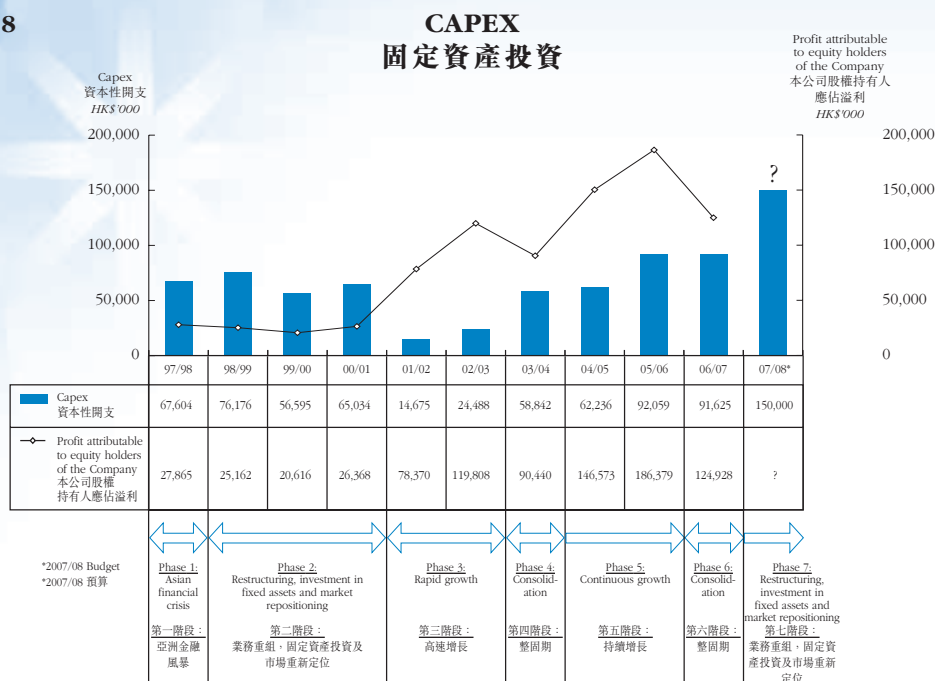


(%)	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08*
Gross Profit Margin 毛利率	23.3	20.7	24.8	17.0	19.4	15.0	13.7	12.4	10.6	8.9	7.0
Net Profit Margin 純利率	4.5	4.3	3.1	2.9	6.8	6.9	5.3	5.7	5.2	3.8	1.0
(HK\$ million) (百萬港元)											
Turnover 營業額	619	592	662	893	1,156	1,738	1,693	2,563	3,593	3,320	1,455
Profit Attributable to equity holders of the Company											
本公司股權持有人應佔溢利	28	25	21	26	78	120	90	147	186	125	14

* 2007/08 Interim Results Only

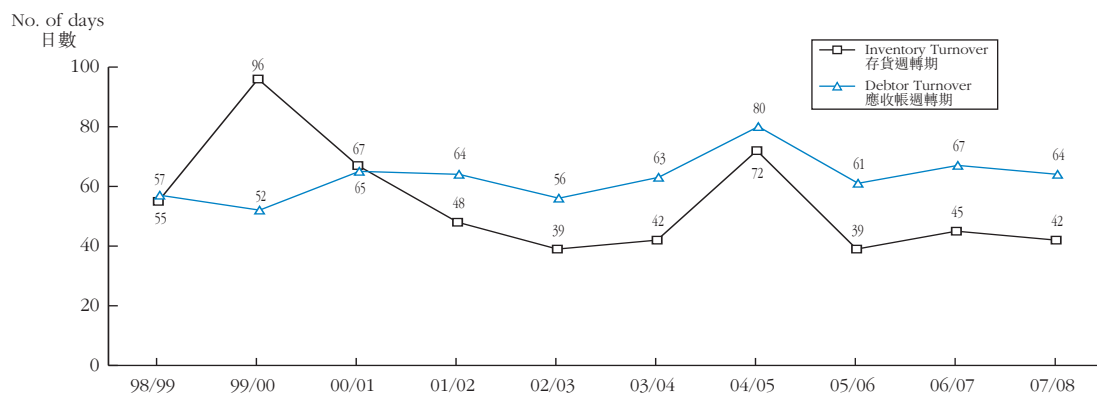
* 2007/08 截至中期業績止

Appendix 8
附錄八



Appendix 9
附錄九

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	06/07	07/08*
Inventory Turnover	存貨週轉期	55	96	67	48	39	42	72	39	45	42
Debtor Turnover	應收帳週轉期	57	52	65	64	56	63	80	61	67	64

Inventory Turnover 存貨週轉期				
(No. of days) (日數)		06/07	07/08*	Change 變幅
Raw Material	原料	23	22	-1
Work-in-progress	半製品	5	5	0
Finished Goods	製成品	17	15	-2
Total	合計	45	42	-3

Inventory 存貨				
(HK\$'000) (千港元)		31/03/07	30/09/07	Change 變幅
Raw Material	原料	190,776	159,957	-16%
Work-in-progress	半製品	39,472	35,766	-9%
Finished Goods	製成品	144,726	113,378	-22%
Total	合計	374,974	309,101	-18%

- * 2007/08 Interim Results only
- * 2007/08 截至中期業績止

Inventory turnover
(Base on period end stock value/Cost of Sales) X 365 days
Debtor turnover
(Base on period end debtors/Turnover) X 365 days
存貨週轉期 (以期終存貨值／銷售成本) X 365日
應收帳週轉期 (以期終應收帳／營業額) X 365日

Appendix 10

FAQ BUSINESS

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

- Normally we deal with projects, which can take one year from initial project confirmation, development and engineering works to final shipment of goods. A project shipment cycle can run for 18 to 24 months.
- Usually we are the only vendor for a particular project confirmed. Combined with the 18 to 24 months shipment cycle, we are bestowed with relatively long-term business visibility. (2004/05 Annual Report, 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 about 10% of the total cost of sales.
- As most of our competitors are also based in China and on the basis that customers stick to their present purchasing practice, in theory we could raise price to cover the increase in cost over the time.

附錄十

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2年人民幣仍然會持續升值，這對集團有何影響？

- 採用人民幣找結的總額佔整體銷售成本約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，以彌補成上升的。

4. To whom do Karrie sell its products?

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

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。

CAPEX, DIVIDEND AND FINANCE

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

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

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. What is the status of new Yu Quan Plants?

- The site area of Yu Quan Plant is approximately 240,000 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 Yu Quan Plants in various phases depending on the economic conditions. Phase 1 has launched production in October 2006;
- Phase II has also started its construction and expected to be completed by end of 2008.

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240,000平方米。
- 我們將會根據經濟狀況將玉泉廠房劃分為數個階段興建，而第一期已於二零零六年十月正式投產；
- 而第二期建築工程已啟動，預計於二零零八年末竣工。

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

- Our dividend policy is to pay out 30%* or more of the profit attributable to shareholders;
- In 2006/07, we paid out a total of HK11.5 cents as dividend (payout ratio: 38%, making the 10th year of unbroken dividend payment record;

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

7. 因應目前之固定資產投資及流動資金的需求，嘉利會否改變股息政策？

- 我們的股息政策是將股東應佔溢利的30%*或以上作為股息；
- 於二零零六／零七年度我們每股派發11.5港仙作為股息（派發比率為38%），並連續十年保持派息記錄；

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

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 2007, Karrie received the “Citation for Achievement in Corporate Governance Disclosure” from Hong Kong Management Association and “Honorable Mention” in the “Grand Prix for the Overall Investors Relations in Hong Kong – Small/Mid Cap” by IR Magazine Award;
- We have made detailed explanation of corporate strategies and the rationale behind in our annual reports and our effort was recognised by Hong Kong Management Association and awarded with “Honorable Mentions” in 2006 and 2007 Best Annual Report Award. Also received the “Best Annual Report and other Corporate Literature” from IR Magazine Award in 2007;

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。於二零零七年，嘉利獲「香港管理專業協會」頒發「優秀企業管治資料披露獎」及「投資者關係雜誌選舉」評選為「香港最佳投資者關係」（中小企業組）的優異獎；
- 於年報中詳細解釋集團策略與其背後之理念，此舉取得「香港管理專業協會」認同並獲頒發二零零六年度及二零零七年度的「最佳年報選舉」之優異年報獎項及二零零七年度投資者關係雜誌選舉之「最佳年報及企業文獻」第一名；

- Since 2001 the day-to-day operation of Karrie has been in the hands of a group of professional managers. The management team is not related to the controlling shareholder;
- Karrie is also willing to share with shareholders the wealth created through distribution of dividend. Since 2000/01, the aggregated amount of the Group's dividends paid/payable is around HK\$564,477,000 or around 101% of the shareholders' fund as at 31 March 2007.
- To increase its transparency, Karrie
 - a. voluntary announces quarterly result;
 - b. arranges 'tea-breaks' with individual shareholders half a year; and
 - c. publishes an easy-to-read annual reports with graphs, tables and other useful information.

9. Who are the major shareholders?

As at 30 November 2007

- Mr. Ho Cheuk Fai, Ms. Ho Po Chu and Pearl Court Company Limited held around 53.6%.
- DJE Investment S.A held around 5.1%.
- Veer Palthe Voute held around 6%.

- 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，所有成員均與控股股東無親屬關係；

- 嘉利亦願意透過派發股息與股東們分享財富，自二零零零／零一年度開始，截至二零零七年三月三十一日集團合共已派發／擬派發之現金股息約564,477,000港元，佔股東資金的101%。

- 為了提高透明度，嘉利
 - a. 自願公佈季度業績；
 - b. 每半年為個人投資者舉行茶敘活動；及
 - 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？

截至二零零七年十一月三十日止

- 何焯輝先生、何寶珠女士及 Pearl Court Company Limited 持有股份約 53.6%。
- DJE Investment S.A 持有股份約 5.1%。
- Veer Palthe Voute 持有股份約 6%。

