

JACKIN

JACKIN INTERNATIONAL HOLDINGS LIMITED

(輝影國際集團有限公司)*

(Stock Code 股份代號: 630)

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

INTERIM REPORT 2007 中期報告

REUSE REDUCE RECYCLE



* For identification purpose only
僅供識別

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Management Discussion and Analysis

管理層討論及分析

RESULTS

For the six months ended 30 June 2007, the Group achieved a turnover of approximately HK\$179.7 million, representing an increase of 7% as compared with HK\$167.6 million in the same period in 2006. Profit attributable to ordinary equity shareholders of the Company amounted to approximately HK\$22.5 million, while that in the same period last year was approximately HK\$67.3 million, which included an one-off exceptional gain of HK\$58.6 million from an arbitration award granted to the Group's subsidiary.

業績

截至二零零七年六月三十日止六個月，集團的營業額約為179,700,000港元，相對二零零六年同期的167,600,000港元增長7%。母公司股本持有人應佔溢利約為22,500,000港元，去年同期則約為67,300,000港元，但已包括了集團附屬公司因仲裁裁決產生的一次性特殊收益58,600,000港元。

REVIEW OF OPERATIONS

With the successful shift in focus, the Group has transformed into a player in the recycling/environmental protection industry engaging in the business of reducing, reusing and recycling used toner cartridges and their components. Remanufactured/recycled toner cartridge production has become the Group's core business segment. During the period under review, remanufactured/recycled toner cartridge production recorded substantial growth in sales and delivered higher margins, while computer media production and media products distribution continued to bring in stable revenue to the Group.

業務回顧

期內，集團成功轉型為一家循環再造／環保行業的生產廠家，從事翻新、重新利用及循環再造舊碳粉匣及其配件業務。環保再造／循環再造碳粉匣已成為集團的核心業務。於回顧期內，環保再造／循環再造碳粉匣業務的銷售額錄得大幅增長，而且亦獲得較高利潤，而電腦媒體產品及媒體產品分銷業務亦繼續為集團帶來穩定收入。

REMANUFACTURED/RECYCLED TONER CARTRIDGE PRODUCTION

During the period under review, remanufactured/recycled toner cartridges recorded a substantial increase in sales, up 63% from approximately HK\$62.6 million in the last corresponding period to approximately HK\$102.3 million, accounting for 57% of the Group's total turnover.

環保再造／循環再造碳粉匣產品

於回顧期內，環保再造／循環再造碳粉匣業務的銷售額大幅增長63%，從去年同期約62,600,000港元增至約102,300,000港元，佔集團總營業額的57%。

The Group's major markets are the United States, Asia Pacific (including Australia) and Europe, which contributed 44%, 37% and 19% of total segmental sales respectively. During the review period, the Group achieved strong sales via its own distribution channels in the US and Europe. The Group made substantial investments in inventories dedicated to these regions in order to meet the demands of large OEM customers and provide quick delivery time. Also, the Group purchased certain niche and popular models and held extra empties in stock in order to cope with increasing demand in this sector.

集團的主要市場為美國、亞太區（包括澳洲）及歐洲，分別佔分部總銷售額的44%、37%及19%。於回顧期內，集團於美國及歐洲的自有分銷渠道達致強勁銷售額。集團亦已大幅增加於此等地區的存貨，以應付源自OEM客戶的龐大需求，以及提供快速付運服務。此外，集團已採購若干獨特及廣受歡迎型號的舊碳粉匣以應付此市場不斷增加的需求。

Management Discussion and Analysis

REMANUFACTURED/RECYCLED TONER CARTRIDGE PRODUCTION (continued)

Remanufactured/recycled toner cartridge was the key product that contributed to the growth of the Group's turnover and profit during the review period. With knowledge and experience accumulated over the past few years in developing this product, the Group boasts mastery of the labor intensive production process which also requires strong technical know-how. In addition, the quality of the Group's recycled toner cartridges has been certified by the Standardized Test Method Committee.

Profiting from advanced US technologies coupled with the devoted efforts of its own research and development team, the Group has developed over 250 different models of remanufactured toner cartridges for almost all major brands including Hewlett-Packard, Canon, Xerox, Brother, Panasonic, Samsung and Dell, just to name a few. During the review period, the Group made notable strides in recycling toner components, which helped to further improve the profit margins for this business segment.

As one of the largest recycled toner manufacturers in the world, another key success factor of the Group lies in its ability to source used toner cartridges, especially those models that are in scarce supply in the market. However, that means the Group needs to maintain higher inventory levels and working capital.

During the review period, the Group expanded facilities for recycling toner components at its two production plants in Zhuhai and Shenzhen, the PRC. The Group will continuously look at ways to boost its production capacity and enhance cost effectiveness.

管理層討論及分析

環保再造／循環再造碳粉匣產品(續)

環保再造／循環再造碳粉匣已成為集團的主要產品，於回顧期內為集團的營業額及利潤增長帶來貢獻。憑藉過往幾年從生產此項產品所累積的知識及經驗，集團已掌握了需要大量人手及高技術知識水平的進行生產的工序。此外，集團的循環再造碳粉匣榮獲標準測試方法委員會頒發質量認證。

憑藉自美國引入的先進技術，加上集團研發隊伍的不懈努力，集團已開發超過250種不同型號的循環再造碳粉匣，幾乎涵蓋了所有主要品牌，比如惠普、佳能、施樂、兄弟、松下、三星及戴爾（僅列出其中一些品牌）。於回顧期內，集團於循環再造碳粉匣配件方面取得重大進展，有助其進一步提高此項業務的利潤率。

作為全球最大循環再造碳粉匣製造商，集團另一業務成功關鍵取決於其採購舊碳粉匣的能力，尤其是市場上供應不多的型號。然而，這也意味著集團需要維持較高的存貨水平和營運資金。

於回顧期內，集團擴充其於中國珠海及深圳兩間廠房內循環再造碳粉匣配件的設施。集團將繼續尋求提升生產力及成本效益的方法。

Management Discussion and Analysis

管理層討論及分析

COMPUTER MEDIA PRODUCTION

During the period under review, sales of computer media production amounted to HK\$52.6 million and accounted for approximately 29% of the Group's total revenue. The PRC and other Asian countries remained as the Group's major markets, accounting for 30% and 59% of total sales of computer media production.

The consolidation of the computer media production industry continued to benefit the Group. During the review period, the Group started to supply its products to the largest manufacturer in the US which had ceased its own production efforts and outsourced to the Group. As a chief supplier in this sector, the Group enjoyed a strengthened position and continued to receive substantial orders from its long-term customers. The Group expects demand to remain stable in the next few years.

Since the Group completed automation of its production processes in 2005, it has been able to cut labor cost by 50%. During the period under review, the Group was able to further reduce the number of laborers employed in the production process. In addition, as the Group has installed its own power generators, it has been able to maintain production even during power shortages in the PRC.

DISTRIBUTION OF MEDIA PRODUCTS

The distribution business segment recorded sales of approximately HK\$24.8 million, accounting for 14% of the Group's total turnover. As the Group's distribution business is located in the PRC, appreciation of the Renminbi during the review period helped to improve the profit margin of this business.

After the Group obtained the sole distribution right for an additional line of data media products in the PRC from a major computer product vendor in December 2005, it has engaged in both the manufacturing and distribution of such products. The Group will continue to seek distributorship of new computer products, particularly digital imaging and consumable data recording products, from renowned brand names.

電腦媒體產品

於回顧期內，電腦媒體產品的銷售額為52,600,000港元，約佔集團總收入的29%。中國及其他亞洲國家仍然是集團的主要市場，分別佔電腦媒體產品總銷售額的30%及59%。

電腦媒體產品行業的整合繼續有利於集團的發展。於回顧期內，集團開始向美國最大製造商供應產品，該製造商已停止生產，並將生產業務外判予集團。作為業內的主要供應商，集團的地位穩固，並繼續從長期客戶取得大量訂單。集團預計未來數年的訂單數量將不斷增加。

自集團於二零零五年完成將生產程序自動化後，已成功將人力成本減少50%。於回顧期內，集團進一步減少生產程序所需的人手。此外，由於集團已自行安裝發電機，即使在國內電力供應出現短缺是，仍能維持正常生產。

媒體產品分銷業務

分銷業務錄得銷售額約24,800,000港元，佔集團總營業額14%。由於集團的分銷業務位於中國，回顧期內人民幣升值有助改善是項業務的利潤率。

自二零零五年十二月從一位主要電腦產品賣方取得一項額外數據媒體產品在國內的獨家分銷權後，集團已開始生產及分銷該產品。集團將繼續致力爭取知名品牌的新電腦產品的分銷權，特別是數碼影像及消費數據儲存產品。

Management Discussion and Analysis

PROSPECTS

After shifting from pure manufacturing to the recycling/environment protection industry, remanufactured toner cartridge production has become the Group's key business segment and will continue to be the major growth driver in the future. The Group expects global demand for digital imaging products to continue to grow driven by massive information downloads from and transfers via the internet. The global recycling trend is also fuelling robust growth in demand for environmental friendly products. To capitalize on these trends, the Group will continue to expand its remanufactured/recycled toner cartridge business.

Apart from strengthening its existing markets in the US, Europe and Australia, targeting several leading stationery brands, the Group also plans to explore new markets such as the Middle East and the PRC. The Group plans to capitalize on its already well-established distribution network for media products in Mainland China to market its recycled toner cartridges in various parts of the country. The Group will further invest in inventories to support distribution via its own channels in the US, Europe and the PRC. It will also stock spare empties based on healthy cashflow planning and sales projections.

The Group will continue to strengthen research and development so as to further widen the remanufactured color toner cartridge product line. Moreover, the Group will engage in the research and development of recycling other toner components. To cater to the increasing orders for remanufactured toner cartridges, the Group will continuously look at ways to boost its production capacity and enhance cost effectiveness.

Regarding computer media production, the number of suppliers has been declining globally, and this consolidation in the industry will continue to benefit the Group. Having established a strong footing in the industry, the Group expects demand from its major clients for blank information storage media products to remain stable. Already, the Group has been successfully distributing media products of a well-known Japanese brand in Mainland China.

管理層討論及分析

前瞻

集團在將業務重心由純粹生產業務轉為再造／環保行業後，環保再造碳粉匣已成為集團的主要產品，並將成為集團未來的主要增長動力。集團預期，受互聯網下載資料及通過互聯網傳輸資料的大規模需求所驅動，全球市場對數碼影像產品需求將持續增長。全球循環再造的趨勢亦推動市場對環保產品的強勁需求。為把握此等趨勢，集團將繼續擴展其環保再造／循環再造碳粉匣業務。

除了加強現有美國、歐洲及澳洲市場，並以多個主要文具品牌為目標以外，集團亦計劃開拓如中東及中國等新市場。集團計劃利用其於中國已確立的媒體產品分銷網絡，將循環再造碳粉匣銷往國內各個地區。於美國，承著進軍西岸市場的成功經驗，集團亦計劃在東岸建立其自有的分銷渠道。集團將進一步增加於美國、歐洲及中國的自有分銷渠道之存貨，並在穩健的現金流量規劃及銷售預測的基礎下，增加舊碳粉匣的存貨。

集團將繼續加強研發，以擴闊環保再造彩色碳粉匣的產品種類。此外，集團亦將研究循環再造其他碳粉匣配件。為應付市場對環保再造碳粉匣不斷增加的訂單，集團將繼續尋求提升生產力及成本效益的方法。

由於電腦媒體產品行業不斷整合，全球供應商數目不斷減少，此趨勢將繼續對集團有利。憑藉在業內的穩固地位，集團預期主要客戶對空白資料儲存媒體產品的需求將維持穩定。集團亦為日本一著名品牌於中國銷售媒體產品。

Management Discussion and Analysis

PROSPECTS (continued)

Meanwhile, the Group expects steady growth for its media product distribution business. The Group enjoys an optimum margin in manufacturing and distributing an additional line of media products for a major computer product vendor. The Group also expects to continue to benefit from the appreciation of the Renminbi as its distribution revenue is mainly generated in the PRC.

With proven ability to reduce, reuse and recycle, and a well established customer base and distribution network, the Group is poised to capture opportunities in the thriving global market, and in turn achieve satisfactory returns for its shareholders.

FINANCIAL REVIEW

Financial Results

For the six months period ended 30 June 2007, the Group recorded a turnover of HK\$179.7 millions, representing an increase of 7% compared with HK\$167.6 million in the same period in 2006. The Group's profit attributable to ordinary equity shareholders amounted to HK\$22.5 million for the current period (2006: HK\$67.3 million which included an one-off gain of HK\$58.6 million from a legal claim). Basic earnings per share for the current period was HK3.10 cents as compared with that of HK9.79 cents in 2006.

管理層討論及分析

前瞻 (續)

同時，集團預期其電腦媒體產品分銷業務將持續穩定增長。集團亦因為同時為一家主要電腦產品賣方製造及分銷額外媒體產品線，而享有更高利潤。由於集團的分銷收入主要產生於中國，故集團預期將繼續受惠於人民幣升值。

憑藉在翻新、重新利用及循環再造方面已獲認可的能力，以及廣闊的客戶基礎和分銷網絡，集團已準備就緒，把握全球市場蓬勃發展所帶來的商機，從而為股東帶來豐厚回報。

財務回顧

財務業績

截至二零零七年六月三十日止六個月，本集團錄得營業額179,700,000港元，較二零零六年同期167,600,000港元增加7%。本集團於本期之股東應佔溢利為22,500,000港元（二零零六年：67,300,000港元，當中包括來自法律申索之一次過收益58,600,000港元）。本期每股基本盈利為3.10港仙，比較二零零六年之每股基本盈利為9.79港仙。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

財務回顧(續)

Capital and debt structure

資本及債務架構

As at 30 June 2007, the Group's total net assets was approximately HK\$315 million (31 December 2006: HK\$277 million), representing approximately HK\$38 million increase compared with that of previous year, mainly due to the net profit achieved and the share issue proceeds from exercise of unlisted warrants and share options during the period.

於二零零七年六月三十日，本集團之資產淨值總額約為315,000,000港元(二零零六年十二月三十一日：277,000,000港元)，較去年增加約38,000,000港元，主要由於期內純利業績及行使非上市認股權證及購股權之股份發行所得款項。

As at 30 June 2007, the Group's total borrowings including finance lease obligations increased by HK\$2 million to HK\$199 million (31 December 2006: HK\$197 million), of which HK\$178 million was payable within one year and HK\$21 million was payable after one year. The majority of the Group's borrowings were import and export loans which amounted to HK\$132 million (31 December 2006: HK\$136 million). Term loans were increased from HK\$15 million in 31 December 2006 to HK\$25 million in 30 June 2007 due to the secured bonds issued to one of the substantial shareholders. Most of the Group's borrowings are denominated in Hong Kong dollars and subject to floating interest rates. Hence the risk of currency exposure was minimal. The Group's total cash and cash equivalents amounted to approximately HK\$96 million (31 December 2006: approximately HK\$14 million), representing an increase of approximately HK\$82 million.

於二零零七年六月三十日，本集團之借貸總額包括融資租約承擔增加2,000,000港元至199,000,000港元(二零零六年十二月三十一日：197,000,000港元)，其中178,000,000港元須於一年內償還，而21,000,000港元須於一年後償還。大部分借貸總額為銀行進出口貸款，達132,000,000港元(二零零六年十二月三十一日：136,000,000港元)。有期借貸由二零零六年十二月三十一日之15,000,000港元增加至二零零七年六月三十日之25,000,000港元，原因是向一名重要股東發行有抵押債券。大部分本集團之銀行借貸以港元計值，並按照浮動息率計息。因此，本集團之匯兌風險較低。本集團之現金及現金等值總額約為96,000,000港元(二零零六年十二月三十一日：約14,000,000港元)，增加約82,000,000港元。

The Group's net debt to equity ratio was kept at 0.6 as at 30 June 2007 (31 December 2006: 0.7), which is determined by total borrowings net of cash and cash equivalents over total net assets.

本集團之債務淨額與股權比率於二零零七年六月三十日減至0.6(二零零六年十二月三十一日：0.7)，此百分比為已扣減現金及現金等值後之借貸總額，除以資產淨值總額計算。

Subsequent to the balance sheet date, after receiving the proceeds from the secured bonds, the Group repaid its certain short-term borrowings and has improved its working capital position and liquidity.

結算日後，收取已抵押債券之款項後，本集團償還其若干短期借貸及並改善了營運資金狀況及流動性。

The Group is reforming with banks and other financial institutions to rely more on long-term borrowings to finance the operations and to save finance costs. If the cash position is improved together with the increasing cash proceeds from operations, we may consider declaring dividends in future.

本集團正與銀行及其他融資機構商議調高長期借貸的比例以為業務融資及減低融資成本。倘現金狀況獲改善，及自業務產生之現金款項增加，本集團可能考慮在未來宣派股息。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (continued)

財務回顧(續)

Working capital and liquidity

營運資金及流動資金

As at 30 June 2007, the Group's current ratio and quick ratio were 1.9 and 1.3 respectively (31 December 2006: 1.5 and 1.0). Inventory turnover on sales increased to 155 days (31 December 2006: 136 days) primarily due to the expansion of remanufactured toner business which raised the required inventory level for production and stocking in its distribution channels during the period. It was also due to inventories stocked in our distribution channels to provide quick delivery service to large OEM customers overseas. Receivable turnover increased to 128 days (31 December 2006: 100 days) which was mainly due to increase in turnover.

於二零零七年六月三十日，本集團之流動比率及速動比率分別為1.9及1.3（二零零六年十二月三十一日：1.5及1.0）。存貨周轉率增至155日（二零零六年十二月三十一日：136日），主要由於本集團於期內擴充再造墨粉盒業務，因此需增加期內存貨水平以供生產及於分銷渠道作存貨之用。此外，亦由於需於分銷渠道存積存貨以向海外大型原設備製造顧客提供迅速的交貨服務。應收賬款周轉率增加至128日（二零零六年十二月三十一日：100日），主要由於本集團於營業額上升。

Issuance of Secured Bonds and Unlisted Warrants

已抵押債券及非上市認股權證

On 27 June 2007, the Company issued, and Martin Currie China Hedge Fund L.P. ("Martin Currie"), the Company's substantial shareholder, subscribed for secured bonds (the "Bonds") in the aggregate principal of HK\$78 million. The Bonds were secured, carried interest at 10% per annum and repayable three years after the date of issue of the Bonds. On the same date, the Company issued, by way of bonus, to Martin Currie of unlisted warrants (the "Warrants") of the Company conferring rights entitling the holders to subscribe for up to HK\$31.2 million in aggregate in cash for 56,317,689 new shares of HK\$0.10 each of the Company at an initial subscription price of HK\$0.554 per share, subject to adjustment. The Warrants are exercisable within a period from 28 December 2007 to 27 June 2010.

於二零零七年六月二十七日，本公司發行及本公司之主要股東Martin Currie China Hedge Fund L.P.（「Martin Currie」）認購本金總額為78,000,000港元之已抵押債券（「債券」）。債券為已抵押，附有年利率10厘及須於債券發行日後三年償還。於同一日，本公司以債券形式向Martin Currie發行本公司非上市認股權證（「認股權證」），授予持有人權利以現金每股0.10港元認購56,317,689股新股，最高認購金額為31,200,000港元，初步認購價為每股0.554港元，並可作調整。認股權證可於二零零七年十二月二十八日至二零一零年六月二十七日行使。

EMPLOYEES AND REMUNERATION POLICIES

僱員及薪酬政策

As at 30 June 2007, the number of employees of the Group was approximately 1,100. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account the current industry practices. Remuneration package of employees includes salaries, insurance and medical cover, mandatory provident fund and share option scheme. Other employee benefits include educational allowance and discretionary bonuses.

於二零零七年六月三十日，本集團僱員人數共約1,100人。本集團給予僱員之薪酬主要按表現及經驗而定，並參考行內目前之做法。僱員薪酬包括薪金、保險及醫療、強制性公積金及購股權計劃。其他僱員福利包括教育津貼及酌情花紅。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATION

董事及主要行政人員於本公司及相聯法團之證券權益

(a) Shares

Directors' and chief executives' interests in shares, underlying shares and debentures

As at 30 June 2007, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions

Ordinary shares of HK\$0.10 each of the Company

(a) 股份

董事及主要行政人員於股份、相關股份及債券之權益

於二零零七年六月三十日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部知會本公司之權益及淡倉（包括本公司董事或主要行政人員根據上述證券及期貨條例條文被列為或視作擁有之權益及淡倉），根據證券及期貨條例第352條須列入本公司置存之登記冊內之權益及淡倉，或根據上市發行人董事進行證券交易之標準守則須知會本公司及香港聯合交易所有限公司之權益及淡倉如下：

好倉

本公司每股面值0.10港元之普通股

Name of Director	Capacity	Number of issued ordinary shares held 所持已發行普通股數目			Percentage of the issued share capital of the Company
		Personal interests	Corporate interests (Note)	Total	
董事姓名	身份	個人權益	公司權益 (附註)	總計	佔本公司 已發行 股本百分比
Ms. Ho Yin King, Helena 何燕琼女士	Beneficial owner and Interest of controlled corporation 實益擁有人及 受控制公司之權益	29,283,628	178,194,000	207,477,628	26.47%
Mr. Ho Fai Keung, Jacky 何輝強先生	Beneficial owner and Interest of controlled corporation 實益擁有人及 受控制公司之權益	27,410,628	178,194,000	205,604,628	26.23%
Mr. Leung Ka Kui 梁家駒先生	Beneficial owner 實益擁有人	2,290,000	-	2,290,000	0.29%

Note: The 178,194,000 shares are directly held by Sun Union Enterprises Limited which is wholly owned by Complete Associates Limited. The share capital of Complete Associates Limited is beneficially owned as to approximately 61.8% by Ms. Ho Yin King, Helena and as to approximately 38.2% by Mr. Ho Fai Keung, Jacky.

附註：Sun Union Enterprises Limited直接持有該178,194,000股股份，而Complete Associates Limited（其股本分別由何燕琼女士及何輝強先生實益擁有約61.8%及約38.2%）全資擁有Sun Union Enterprises Limited。

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS
IN SECURITIES OF THE COMPANY AND
ASSOCIATED CORPORATION (continued)**
**董事及主要行政人員於本公司
及相聯法團之證券權益 (續)**
(b) Share options

The following table discloses movements in the Company's share options during the six months ended 30 June 2007:

(b) 購股權

下表披露本公司購股權於截至二零零七年六月三十日止六個月之變動:

Name of Director	Date of share option granted	Share option scheme category (Note (i) and (ii))	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	Outstanding at end of the period	Subscription price HK\$	Exercise period
董事名稱	購股權授出日期	購股權計劃類別 (附註(i)及(ii))	期初尚未行使	期內授出	期內行使	期內註銷/失效	期內尚未行使	認購價格 港元	行使期
Directors									
Ms. Ho Yin King, Helena 何燕琼女士	25.1.2005 二零零五年一月二十五日	2005	6,872,628	-	-	-	6,872,628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Ho Fai Keung, Jacky 何輝強先生	25.1.2005 二零零五年一月二十五日	2005	6,872,628	-	-	-	6,872,628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Low Nyap Heng (Note(iii)) 劉煒釐先生 (附註(iii))	25.1.2005 二零零五年一月二十五日	2005	6,872,628	-	6,872,000	-	628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Cheung Sze Ming 張詩敏先生	25.1.2005 二零零五年一月二十五日	2005	6,872,628	-	-	-	6,872,628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Li Sau Hung, Eddy 李秀恆先生	25.1.2005 二零零五年一月二十五日	2005	2,291,542	-	2,290,000	-	1,542	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Leung Ka Kui, Johnny 梁家駒先生	25.1.2005 二零零五年一月二十五日	2005	2,291,542	-	2,290,000	-	1,542	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Mr. Chan Kam Kwan, Jason 陳錦坤先生	25.1.2005 二零零五年一月二十五日	2005	2,291,542	-	2,290,000	-	1,542	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
Total for directors 董事合計			34,365,138	-	13,742,000	-	20,623,138		
Employees 僱員	25.1.2005 二零零五年一月二十五日	2005	11,464,628	-	9,726,000	200,000	1,538,628	0.158	25.1.2005 - 24.1.2015 二零零五年一月二十五日至 二零一五年一月二十四日
	3.5.2007 二零零七年五月三日	2007	-	29,800,000	600,000	-	29,200,000	0.293	3.5.2007 - 2.5.2008 二零零七年五月三日至 二零零八年五月二日
Total for employees 僱員合計			11,464,628	29,800,000	10,326,000	200,000	30,738,628		
Percentage to total Company's shares in issue at end of the period 佔本公司於期末已發行股份總數百分比									
Total under New Scheme 新計劃項下總數:			45,829,766	29,800,000	24,068,000	200,000	51,361,766		6.55%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATION (continued)

(b) Share options (continued)

Notes:

- (i) The 2005 and 2007 options were granted under scheme adopted on 12 June 2004 (the "New Scheme").
- (ii) The closing price of the Company's shares immediately before 25 January 2005 and 3 May 2007, the dates of grant of 2005 and 2007 options, was HK\$0.159 and HK\$0.290 respectively.
- (iii) Mr. Low Nyap Heng resigned as an executive director of the Company on 21 March 2007.

(c) Shares in associated corporation

As at 30 June 2007, the following Directors held interests in the shares of Jackin Video Cassette (Taiwan) Limited, a 99.9% owned subsidiary of the Company as follows:

董事及主要行政人員於本公司及相聯法團之證券權益 (續)

(b) 購股權 (續)

附註：

- (i) 2005及2007購股權屬於二零零四年六月十二日採納之計劃(「新計劃」)授出之購股權。
- (ii) 本公司股份緊隨2005及2007購股權授出日前，即二零零五年一月二十五日及二零零七年五月年三日之收市價，分別為0.159港元及0.290港元。
- (iii) 劉燁騰先生已於二零零七年三月二十一日辭任本公司執行董事。

(c) 於相聯法團之股份

於二零零七年六月三十日，下列董事持有本公司擁有99.9%權益之附屬公司台灣輝聲錄影帶股份有限公司之股份權益如下：

Name of Director 董事姓名	Capacity 身份	Number of shares 股份數目		Total 總計
		Personal interests 個人權益	Family interests 家族權益	
Ms. Ho Yin King, Helena 何燕琮女士	Beneficial owner and interest of spouse 實益擁有人及配偶權益	4 (note 1) (附註1)	4	8
Mr. Ho Fai Keung, Jacky 何輝強先生	Beneficial owner and interest of spouse 實益擁有人及配偶權益	4 (note 2) (附註2)	4	8
Ms. Lo Suk King 盧淑琮女士	Beneficial owner and interest of spouse 實益擁有人及配偶權益	4 (note 2) (附註2)	4	8

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS
IN SECURITIES OF THE COMPANY AND
ASSOCIATED CORPORATION** (continued)

**董事及主要行政人員於本公司
及相聯法團之證券權益** (續)

(c) Shares in associated corporation (continued)

(c) 於相聯法團之股份 (續)

Notes:

- The shares are held by the spouse of Ms. Ho Yin King, Helena.
- Ms. Lo Suk King is the spouse of Mr. Ho Fai Keung, Jacky.

附註:

- 股份由何燕琼女士之配偶持有。
- 盧淑琼女士為何輝強先生之配偶。

In addition to the above, the following Directors held interests in the non-voting deferred shares of wholly owned subsidiaries of the Company as at 30 June 2007 as follows:

除上文所述者外，下列董事於二零零七年六月三十日持有本公司全資附屬公司之無投票權遞延股份權益如下：

Name of subsidiary	Name of Director	Number of non-voting deferred shares held
附屬公司名稱	董事姓名	所持無投票權遞延股份數目
Jackin Magnetic Company Limited 輝影磁電有限公司	Ms. Ho Yin King, Helena 何燕琼女士	3,600 shares of HK\$100 each 每股面值100港元之股份3,600股
	Mr. Ho Fai Keung, Jacky 何輝強先生	3,200 shares of HK\$100 each 每股面值100港元之股份3,200股
Jackin Video Cassette Co. Limited 輝聲影帶有限公司	Ms. Ho Yin King, Helena 何燕琼女士	330,000 shares of HK\$1 each 每股面值1港元之股份330,000股
	Mr. Ho Fai Keung, Jacky 何輝強先生	340,000 shares of HK\$1 each 每股面值1港元之股份340,000股

In addition, a number of Directors held non-beneficial interests in shares in certain subsidiaries of the Company as qualifying shares.

此外，多名董事持有本公司若干附屬公司之股份（作為合資格股份）之非實益權益。

Save as disclosed above and certain nominee shares in subsidiaries held by Directors in trust for the Group, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2007 and none of the Directors or chief executives, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period under review.

除上文所披露者及由董事以信託形式為本集團持有附屬公司之若干代理人股份外，本公司董事及主要行政人員於二零零七年六月三十日概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有任何權益及淡倉，而各董事、主要行政人員或彼等之配偶或未滿十八歲之子女概無認購本公司證券之任何權利，在回顧期內亦無行使任何該等權利。

UNLISTED WARRANTS

The following table discloses movements in the Company's unlisted warrants issued to the subscribers during the six months ended 30 June 2007:

Date of warrant issued	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Outstanding at end of the period	Subscription price	Exercise period	Percentage to total
							Company's shares in issue at end of the period
				HK\$			佔期終本公司全部已發行股本之百分比
發行認股權證日期	期初尚未行使	期內授出	期內行使	期末尚未行使	認購價格	行使期	股本之百分比
24.3.2006 (note 1) 二零零六年三月二十四日 (附註1)	137,484,000	-	72,234,000	65,250,000	0.130	24.3.2006 - 23.3.2009 二零零六年三月二十四日至 二零零九年三月二十三日	8.33%
27.6.2007 (note 2) 二零零七年六月二十七日 (附註2)	-	56,317,689	-	56,317,689	0.554	28.12.2007 - 27.6.2010 二零零七年十二月二十八日至 二零一零年六月二十七日	7.19%

Note: The closing price of the Company's shares immediately before 24 March 2006 and 27 June 2007, the dates of issue, was HK\$0.124 and HK\$0.610 respectively.

Note:

- (1) The unlisted warrants were issued pursuant to the issuance of unsecured notes under note 12(i) to the interim condensed consolidated financial statements.
- (2) The unlisted warrants were issued pursuant to the issuance of secured bonds under note 12(ii) to the interim condensed consolidated financial statements.

下表披露截至二零零七年六月三十日止六個月本公司向認購人發行非上市以股權證之變動：

Subscription price	Exercise period	Percentage to total
		Company's shares in issue at end of the period
		佔期終本公司全部已發行股本之百分比
0.130	24.3.2006 - 23.3.2009 二零零六年三月二十四日至 二零零九年三月二十三日	8.33%
0.554	28.12.2007 - 27.6.2010 二零零七年十二月二十八日至 二零一零年六月二十七日	7.19%

附註：本公司股份緊隨發行日，即二零零六年三月二十四日及二零零七年六月二十七日之收市價分別為0.124港元及0.610港元。

附註：

- (1) 非上市認股權證於簡明綜合中期財務報表附註12(i)中所述乃根據發行非抵押票據而發行。
- (2) 非上市認股權證於簡明綜合中期財務報表附註12(ii)中所述乃根據發行已抵押債券而發行。

SUBSTANTIAL SHAREHOLDERS

Interests and short positions of shareholders discloseable under the SFO

As at 30 June 2007, the register of shareholders maintained by the Company pursuant to Section 336 of the SFO showed that other than the interests of certain Directors and chief executives, the following shareholders had notified the Company of interests and short positions in the shares and underlying shares of the Company:

Long positions

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity
股東名稱	身份
Complete Associates Limited	Interest of controlled corporation 受控制公司之權益
Chiu Kin Lok, Rocko	Beneficial owner and interest of controlled corporation
趙建樂	實益擁有人及受控制公司之權益
Martin Currie China Hedge Fund L.P.	Investment manager 投資經理
NESTOR Investment Management S.A. on behalf of NESTOR Fernost Fonds (an UCI under the Laws of the Grand Duchy von Luxembourg)	Investment manager
NESTOR Investment Management S.A.	投資經理
代表NESTOR Fernost Fonds (於盧森堡大公國法律下 可轉讓證券之綜合投資 擔保企業)	

Note: 1. The 178,194,000 shares are directly held by Sun Union Enterprises Limited which is wholly owned by Complete Associates Limited. The share capital of Complete Associates Limited is beneficially owned as to approximately 61.8% by Ms. Ho Yin King, Helena and as to approximately 38.2% by Mr. Ho Fai Keung, Jacky. Both Ms. Ho Yin King, Helena and Mr. Ho Fai Keung, Jacky are Directors of the Company.

2. Mr. Chiu Kin Lok, Rocko was interested in 69,535,817 shares, of which entire shares were held by Art-Tech Enterprises Limited, a company in which Mr. Chiu has 100% interest.

Other than as disclosed above, the register required to be kept by the Company under Section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 30 June 2007.

主要股東

根據證券及期貨條例須予披露之股東權益及淡倉

於二零零七年六月三十日，本公司根據證券及期貨條例第336條而存置之股東登記冊所記錄，除若干董事及主要行政人員之權益外，下列股東已通知本公司擁有本公司股份及相關股份之權益及淡倉：

好倉

本公司每股面值0.10港元之普通股

Number of issued ordinary shares held	Percentage of the issued share capital of the Company
所持已發行普通股數目	佔本公司已發行股本百分比
178,194,000 (Note 1) (附註1)	22.74%
69,535,817 (Note 2) (附註2)	8.87%
49,872,000	6.36%
47,500,000	6.06%

附註：1. 該178,194,000股股份直接由Complete Associates Limited全資擁有之Sun Union Enterprises Limited持有。Complete Associates Limited之股本分別由何燕琼女士及何輝強先生實益擁有約61.8%及約38.2%權益。何燕琼女士及何輝強先生均為本公司董事。

2. 趙建樂先生擁有69,535,817股股份權益，其中所有股份由趙先生擁有100%權益之公司Art-Tech Enterprises Limited持有。

除上文披露者外，於二零零七年六月三十日，本公司根據證券及期貨條例第336條存置之股東名冊內，並無錄得本公司已獲通知於本公司股份及相關股份之任何其他權益或淡倉。

COMPLIANCE WITH THE CODE OF 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 of the Listing Rules throughout the six months ended 30 June 2007, save for the following deviations:

CG Code Provision A.2.1

Under this code provision, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Ms. Ho Yin King, Helena was the Chairman of the Board and the managing director of the Company (The Company regards the role of its managing director to be same as that of chief executive officer under the CG Code) during the six months ended 30 June 2007.

The Company considers that the extensive experience and marketing network established by Ms. Ho is critical for the business and future development of the Company. Hence, the Company believes that it is in the best interest of its shareholders that Ms. Ho will remain the Chairman and the managing director of the Company. However, the Company will review the current structure when and as it becomes appropriate in future.

CG Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, the three independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company, and their appointment will be reviewed when they are due for re-election.

遵守企業管治常規守則

截至二零零七年六月三十日止六個月，本公司已遵守上市規則附錄十四所載之企業管治常規守則（「企業管治守則」）之守則條文，惟以下各項偏離守則條文：

企業管治守則條文第A.2.1條

根據此守則條文，主席及行政總裁之職責須分開，並不應由同一人擔任。

截至二零零七年六月三十日止六個月，何燕琼女士曾同時擔任董事會主席兼本公司董事總經理（本公司視董事總經理一職相當於企業管治守則所指之行政總裁）。

本公司認為何女士之豐富經驗及由其建立之市場推廣網絡對本公司之業務和日後發展極為重要。因此，本公司相信何女士留任本公司主席兼董事總經理乃符合股東最佳利益。然而，本公司將於未來適當時候檢討目前架構。

企業管治守則條文第A.4.1條

根據此守則條文，非執行董事應按固定任期委任，並須膺選連任。

目前有三名獨立非執行董事並非按固定任期委任，惟彼等須根據本公司之細則條文於本公司之股東週年大會上最少每三年輪席告退並膺選連任一次，任期於重選時檢討。

Corporate Governance and Other Information

企業管治及其他資料

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2007.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Dr. Li Sau Hung, Eddy, Mr. Leung Ka Kui, Johnny and Mr. Chan Kam Kwan, Jason. The Audit Committee has reviewed the management accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）作為董事於證券交易之行為守則。經本公司作出具體查詢後，全體董事已確認彼等於截至二零零七年六月三十日止六個月期間一直遵守標準守則規定之標準。

審核委員會

審核委員會由三名獨立非執行董事李秀恆博士、梁家駒先生及陳錦坤先生組成。審核委員會已與管理層檢討本集團所採納之會計原則及慣例，並商討內部監控及財務報告事宜，其中包括審閱截至二零零七年六月三十日止六個月之未經審核中期業績。

買賣或贖回本公司之上市證券

截至二零零七年六月三十日止六個月內，本公司或其任何附屬公司概無買賣或贖回本公司任何上市證券。

Corporate Governance and Other Information

企業管治及其他資料

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

於聯交所及本公司網站披露資料

The 2007 interim report containing all the information required by the Listing Rules will be published on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.irasia.com/listco/hk/jackin/index.htm in due course.

本公司將於適當時候在聯交所網站www.hkex.com.hk及本公司網站www.irasia.com/listco/hk/jackin/index.htm刊登上市規則所規定一切資料之二零零七年中期報告。

By Order of the Board

承董事會命

Ho Yin King, Helena

Chairman

主席

何燕琮

Hong Kong, 31 August 2007

香港，二零零七年八月三十一日

As at the date of this report, Ms. Ho Yin King, Helena, Mr. Ho Fai Keung, Jacky, Mr. Cheung Sze Ming, Ms. Lo Suk King are the executive directors of the Company and Dr. Li Sau Hung, Eddy, Mr. Leung Ka Kui, Johnny and Mr. Chan Kam Kwan, Jason are the independent non-executive directors of the Company.

於本報告刊發日期，本公司執行董事為何燕琮女士、何輝強先生、張詩敏先生及盧淑琮女士；而本公司獨立非執行董事為李秀恆博士、梁家駒先生及陳錦坤先生。

Interim Condensed Consolidated Income Statement

簡明綜合中期收益表

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		Unaudited	Unaudited
		HK\$'000	HK\$'000
		二零零七年	二零零六年
		未經審核	未經審核
		千港元	千港元
	Note		
	附註		
Turnover	3	179,727	167,597
Cost of sales		(116,645)	(115,493)
Gross profit		63,082	52,104
Other revenue		2,840	2,443
Distribution costs		(11,539)	(10,800)
Administrative expenses		(20,687)	(21,747)
Share-based payment		(2,000)	(2,800)
Profit from operations		31,696	19,200
Finance costs		(8,236)	(10,463)
Gain from a legal claim	4	–	58,592
Profit before taxation	5	23,460	67,329
Income tax	6	(950)	(49)
Profit for the period		22,510	67,280
Dividends	7	–	–
		HK cents	HK cents
		港仙	港仙
Earnings per share	8		
Basic		3.10	9.79
Diluted		2.72	N/A 不適用

Interim Condensed Consolidated Balance Sheet

簡明綜合中期資產負債表

			30 June 2007	31 December 2006
		Note	Unaudited HK\$'000	Audited HK\$'000
			二零零七年 六月三十日 未經審核 千港元	二零零六年 十二月三十一日 經審核 千港元
	附註			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		105,076	99,344
Intangible assets	無形資產		42,878	37,198
Goodwill	商譽		39,545	39,545
			187,499	176,087
Current assets	流動資產			
Inventories	存貨		152,766	128,958
Trade and other receivables	貿易及其他應收款項	9	234,502	233,838
Other financial assets	其他財務資產		11,726	-
Cash and cash equivalents	現金及現金等價物		96,437	14,352
			495,431	377,148
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	10	72,831	72,272
Other financial liabilities	其他財務負債		11,622	-
Bank and other borrowings	銀行及其他借貸		170,962	167,029
Obligations under finance leases	融資租約債務		7,127	11,455
Current taxation	即期稅項		4,582	4,619
			267,124	255,375
Net current assets	流動資產淨值		228,307	121,773
Total assets less current liabilities	總資產減流動負債		415,806	297,860
Non-current liabilities	非流動負債			
Secured bonds	已抵押債券	12(ii)	78,000	-
Deferred taxation	遞延稅項		1,789	1,789
Bank and other borrowings	銀行及其他借貸		19,065	15,527
Obligations under finance leases	融資租約債務		1,937	3,354
			100,791	20,670
NET ASSETS	資產淨值		315,015	277,190
Capital and reserves	股本及儲備			
Share capital	股本	11(i)	78,376	68,746
Reserves	儲備		236,639	208,444
TOTAL EQUITY	權益總額		315,015	277,190

Interim Condensed Consolidated Statement of Changes in Equity

簡明綜合中期權益變動表

		Share capital	Share premium	Properties Capital reserve	Properties revaluation reserve	Exchange reserve	Retained profits	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	股份溢價	資本儲備	重估儲備	匯兌儲備	保留溢利	合計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2006	於二零零六年一月一日	68,746	111,575	6,263	4,347	367	17,111	208,409
Surplus on revaluation of properties	物業重估盈餘	-	-	-	1,150	-	-	1,150
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	換算海外附屬公司的財務報表所產生之匯兌差異	-	-	-	-	(134)	-	(134)
Profit for the year	本年度溢利	-	-	-	-	-	64,965	64,965
Realisation upon disposal of a subsidiary	出售一間附屬公司時變現	-	-	(1,863)	(488)	-	2,351	-
Issue of unlisted warrants (note 12(i))	發行非上市認股權證(附註12(i))	-	-	2,800	-	-	-	2,800
At 1 January 2007	於二零零七年一月一日	68,746	111,575	7,200	5,009	233	84,427	277,190
Issue of new shares pursuant to exercise of share options	因行使購股權而發行新股份	2,407	1,477	-	-	-	-	3,884
Issue of new shares pursuant to exercise of unlisted warrants	因行使非上市認股權證而發行新股份	7,223	2,167	-	-	-	-	9,390
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	換算海外附屬公司的財務報表所產生之匯兌差異	-	-	-	-	41	-	41
Profit for the period	本期間溢利	-	-	-	-	-	22,510	22,510
Issue of share options	發行購股權	-	-	2,000	-	-	-	2,000
Realisation upon exercise of share options and unlisted warrants	於行使購股權及非上市認股權證時變現	-	2,781	(2,781)	-	-	-	-
At 30 June 2007	於二零零七年六月三十日	78,376	118,000	6,419	5,009	274	106,937	315,015

Interim Condensed Consolidated Cash Flow Statement

簡明綜合中期現金流動表

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		Unaudited	Unaudited (Restated)
		HK\$'000	HK\$'000
		二零零七年 未經審核	二零零六年 未經審核 (重列)
		千港元	千港元
Net cash generated from operating activities	經營業務產生之現金淨額	17,802	90,435
Net cash used in investing activities	投資業務動用之現金淨額	(20,377)	(11,287)
Net cash generated from/(used in) financing activities	融資活動產生/(動用)之現金淨額	83,294	(53,936)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	80,719	25,212
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	3,253	4,256
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	83,972	29,468
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash and cash equivalents in the balance sheet	資產負債表之現金及現金等價物	96,437	53,063
Bank overdraft	銀行透支	(12,465)	(23,595)
		83,972	29,468

Notes to the Interim Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard 34 (HKAS 34) "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2006.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006, except for the adoption of new and amended Standards and Interpretations mandatory for annual periods beginning on or after 1 January 2007, as follows:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivative
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of these new changes and amendments did not have a material impact on the Group's results of operations or financial position.

簡明綜合中期財務報表附註

1. 編製基準

簡明綜合中期財務報表乃根據由香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄16之適當披露規定，以及香港會計準則第34號「中期財務報告」而編製。

此簡明綜合中期財務報表並無包括年度財務報表所需之所有資料及披露，應與本集團於二零零六年十二月三十一日之財務報表一併閱讀。

2. 主要會計政策

編製簡明綜合中期財務報表所用之會計政策與編製本集團截至二零零六年十二月三十一日止年度之全年財務報表採用者一致，惟採納了以下必須應用之二零零七年一月一日或之後年度期間之新訂及經修訂準則及詮釋：

香港會計準則第1號	資本披露
	（經修訂）
香港財務報告準則	金融工具：披露
第7號	
香港（國際財務報告	香港財務報告準則
詮釋委員會）	第2號的範圍
詮釋第8號	
香港（國際財務報告	重估嵌入衍生工具
詮釋委員會）	
詮釋第9號	
香港（國際財務報告	中期財務報告及減值
詮釋委員會）	
詮釋第10號	

採納該等新準則及修訂對本集團業務及財務狀況不會有重大影響。

3. SEGMENT INFORMATION

3. 分類資料

		Six months ended 30 June 截至六月三十日止六個月			
		2007 二零零七年		2006 二零零六年	
		Unaudited Contribution to profit from operations		Unaudited Contribution to profit from operations	
		Turnover HK\$'000	HK\$'000	Turnover HK\$'000	HK\$'000
		未經審核 經營		未經審核 經營	
		營業額 千港元	溢利貢獻 千港元	營業額 千港元	溢利貢獻 千港元
By business segments	以業務分類				
Remanufacture and sale of computer printing and imaging products	環保再造及銷售電腦打印及影像產品	102,300	40,061	62,635	24,960
Manufacture and sale of data media products	製造及銷售數據媒體產品	52,645	10,744	54,906	15,240
Distribution and sale of data media products	銷售及分銷數據媒體產品	24,782	1,774	50,056	3,483
		179,727	52,579	167,597	43,683
Unallocated corporate expenses	未分配公司費用		(20,883)		(24,483)
Profit from operations	經營溢利		31,696		19,200
Finance costs	財務費用		(8,236)		(10,463)
Gain from a legal claim	法律索償之收益		-		58,592
Profit before taxation	稅前溢利		23,460		67,329
By geographical segments	以地區分類				
Asia	亞洲				
– The People's Republic of China (including Hong Kong SAR)	– 中華人民共和國 (包括香港特別行政區)	66,107		76,730	
– Other regions in Asia	– 亞洲其他地區	43,959		37,216	
Europe	歐洲	20,873		14,807	
North and South America	北美洲及南美洲	48,788		38,844	
		179,727		167,597	

4. GAIN FROM A LEGAL CLAIM

Following the publication of the final arbitration award (the "Award") made on 30 July 2005 in respect of the arbitration proceedings between a subsidiary of the Company (the "Subsidiary") and a former customer, IBM Engineering Technology (Shanghai) Co. Ltd. and the enforcement decision made by the Shanghai First Intermediate People's Court (the "Court") on 7 April 2006, the Subsidiary had received an aggregate sum of US\$15,360,839 (approximately HK\$118,775,743) from the Court as recovery in relation to the Award by about 8 June 2006.

The gain from a legal claim in 2006 amounted to approximately HK\$58.6 million which represented the proceeds from the Award less direct losses recognised in respect of the arbitration proceedings.

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

Amortisation of goodwill

Amortisation of intangible assets

Depreciation of property, plant and equipment

稅前溢利已扣除以下各項：

商譽攤銷

無形資產之攤銷

物業、廠房及設備之折舊

於二零零五年七月三十日，本公司一家附屬公司（「該附屬公司」）與前客戶上海國際商業機器工程科技有限公司之仲裁訴訟宣判最終仲裁判決（「該判決」），而上海第一中級人民法院（「法院」）於二零零六年四月七日作出執行裁決。其後，該附屬公司約於二零零六年六月八日獲法院發放合共15,360,839美元（約118,775,743港元），作為該判決之補償。

二零零六年之法律索償之收益約58,600,000港元指該判決所得款項減仲裁訴訟之已確認直接損失。

5. 稅前溢利

Six months ended 30 June

截至六月三十日止六個月

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

	-	-
2,790		2,507
6,323		10,449

6. INCOME TAX

The charge comprises:	稅項支出包括：
Profits tax for the period	本期間利得稅
Hong Kong	香港
Overseas	海外

Hong Kong Profits Tax is calculated at 17.5% (six months ended 30 June 2006: 17.5%) of the estimated assessable profit for the period. Overseas taxation is calculated at the rates prevailing in the respective jurisdiction.

7. DIVIDENDS

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

6. 所得稅

Six months ended 30 June

截至六月三十日止六個月

2007	2006
Unaudited	Unaudited
HK\$'000	HK\$'000
二零零七年	二零零六年
未經審核	未經審核
千港元	千港元
950	–
–	49
950	49

香港利得稅乃以本期間之估計應課稅溢利按稅率17.5% (截至二零零六年六月三十日止六個月: 17.5%) 計算。海外稅項乃按各有關司法權區之適用稅率計算。

7. 股息

董事並不建議派發截至二零零七年六月三十日止六個月之中期股息 (截至二零零六年六月三十日止六個月: 無)。

8. EARNINGS PER SHARE

(i) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$22,510,000 (30 June 2006: HK\$67,280,000) and the weighted average of 725,580,150 ordinary shares (30 June 2006: 687,462,817 ordinary shares) in issue during the period, calculated as follows:

Weighted average number of ordinary shares

Issued ordinary shares at beginning of period	期初已發行普通股	
Effect of new shares issue pursuant to exercise of share options	根據行使購股權而發行新股之影響	
Effect of new shares issue pursuant to exercise of unlisted warrants	根據行使非上市認股權證而發行新股之影響	
Weighted average number of ordinary shares at end of period	期終普通股加權平均股數目	

8. 每股盈利

(i) 每股基本盈利

每股基本盈利乃按歸屬本公司普通股權益持有人之溢利22,510,000港元(二零零六年六月三十日:67,280,000港元)及期內已發行之普通股加權平均股725,580,150股(二零零六年六月三十日:687,462,817股普通股)計算如下:

普通股加權平均股數目

30 June 2007	30 June 2006
Number of shares	Number of shares
二零零七年六月三十日	二零零六年六月三十日
股份數目	股份數目
687,462,817	687,462,817
10,745,000	—
27,372,333	—
725,580,150	687,462,817

8. EARNINGS PER SHARE (continued)

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2007 is based on the profit attributable to ordinary equity shareholders of the Company of HK\$22,510,000 and the weighted average of 828,630,290 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares calculated as follows:

Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at end of period	期終普通股加權平均股數目	725,580,150
Effect of deemed issue of ordinary shares in relation to unlisted warrants issued	有關非上市已發行認股權證之視為已發行普通股之影響	77,430,122
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	根據本公司無償購股權計劃視為發行普通股之影響	25,620,018
Weighted average number of ordinary shares (diluted) at end of period	期終之普通股加權平均股數目(攤薄)	828,630,290

Diluted earnings per share for the six months ended 30 June 2006 was not presented as there were no dilutive potential ordinary shares outstanding during such period.

8. 每股盈利(續)

(ii) 每股攤薄盈利

截至二零零七年六月三十日止六個月之每股攤薄盈利乃根據歸屬本公司普通股權益持有人之溢利22,510,000港元及經調整所有潛在攤薄普通股影響後之普通股加權平均股828,630,290股計算如下：

普通股加權平均股數目(攤薄)

30 June 2007
Number
of shares
二零零七年
六月三十日
股份數目

並未呈報截至二零零六年六月三十日止六個月之每股攤薄盈利，因期內沒有已發行潛在攤薄普通股。

9. TRADE AND OTHER RECEIVABLES

9. 貿易及其他應收款項

		30 June 2007	31 December 2006
		Unaudited	Audited
		HK\$'000	HK\$'000
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		未經審核	經審核
		千港元	千港元
Trade receivables	貿易應收款項	132,226	94,831
Amount receivable from debts assignment	來自債務轉讓公司應收金額	23,288	34,931
Amounts due from disposed subsidiaries	出售附屬公司之應收款項	28,140	33,773
Amount receivable under legal claim	得自法律索償公司應收金額	-	46,586
Other debtors, prepayments and other receivables	其他存款·預付項目及其他應收款項	50,848	23,717
		234,502	233,838

The Group has a policy of allowing credit period varying from 30 to 90 days. The aged analysis of the trade receivables is as follows:

本集團之政策為容許30至90日之放賬期，而貿易應收款項之賬齡分析如下：

		30 June 2007	31 December 2006
		Unaudited	Audited
		HK\$'000	HK\$'000
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		未經審核	經審核
		千港元	千港元
1 to 3 months	1至3個月	94,144	66,249
4 to 6 months	4至6個月	27,145	17,507
7 to 9 months	7至9個月	6,441	7,771
10 to 12 months	10至12個月	2,807	1,845
Over 1 year	超過1年	1,689	1,459
		132,226	94,831

10. TRADE AND OTHER PAYABLES

10. 貿易及其他應付款項

		30 June 2007	31 December 2006
		Unaudited	Audited
		HK\$'000	HK\$'000
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		未經審核	經審核
		千港元	千港元
Trade payables	貿易應付款項	55,238	49,086
Accruals and other payables	應計費用及其他應付款項	17,593	23,186
		72,831	72,272

The aged analysis of the trade payables is as follows:

應付賬款之賬齡分析如下：

		30 June 2007	31 December 2006
		Unaudited	Audited
		HK\$'000	HK\$'000
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		未經審核	經審核
		千港元	千港元
1 to 3 months	1至3個月	44,787	37,772
4 to 6 months	4至6個月	6,001	9,003
7 to 9 months	7至9個月	3,675	2,044
10 to 12 months	10至12個月	375	194
Over 1 year	超過1年	400	73
		55,238	49,086

11. SHARE CAPITAL

11. 股本

(i) Authorised and issued share capital

(i) 法定及已發行股本

		Number of shares	Amount HK\$'000
		股份數目	金額 千港元
Shares of HK\$0.10 each	每股面值0.10港元之股份		
Authorised:	法定股本：		
At 1 January 2006, 1 January 2007 and 30 June 2007	二零零六年一月一日、 二零零七年一月一日及 二零零七年六月三十日	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2006 and 1 January 2007	二零零六年一月一日及 二零零七年一月一日	687,462,817	68,746
Issue of new shares pursuant to exercise of share options	行使購股權而發行新股份	24,068,000	2,407
Issue of new shares pursuant to exercise of unlisted warrants	行使非上市認股權證 而發行新股份	72,234,000	7,223
At 30 June 2007	於二零零七年六月三十日	783,764,817	78,376

11. SHARE CAPITAL (continued)

11. 股本 (續)

(ii) Terms of unexpired and unexercised share options at period end

(ii) 期終未到期及未獲行使購股權之條款

Exercise period	行使期	Exercise price	行使價	30 June 2007	30 June 2006
				Number	Number
				二零零七年六月三十日	二零零六年六月三十日
				股數	股數
25 January 2005 to 24 January 2015	二零零五年一月二十五日至 二零一五年一月二十四日	HK\$0.158 0.158港元		22,161,766	45,829,766
3 May 2007 to 2 May 2008	二零零七年五月三日至 二零零八年五月二日	HK\$0.293 0.293港元		29,200,000	N/A 不適用

Each option entitles the holder to subscribe for one ordinary share in the Company.

每份購股權授予持有人認購本公司一股普通股之權利。

11. SHARE CAPITAL (continued)

11. 股本 (續)

(iii) Terms of unexpired and unexercised unlisted warrants at period end

(iii) 期終未到期及未行使非上市認股權證之條款

Exercise period	行使期	Exercise price	30 June 2007 Number 二零零七年 六月三十日 股數	30 June 2006 Number 二零零六年 六月三十日 股數
		行使價		
24 March 2006 to 23 March 2009 (Note 1)	二零零六年三月二十四日至 二零零九年三月二十三日 (附註1)	HK\$0.130 0.130港元	65,250,000	137,484,000
28 December 2007 to 27 June 2010 (Note 2)	二零零七年十二月二十八日至 二零一零年六月二十七日 (附註2)	HK\$0.554 0.554港元	56,317,689	N/A 不適用

Each warrant entitles the holder to subscribe for one ordinary share in the Company.

每份認股權證授予持有人認購本公司一股普通股之權利。

Notes:

附註:

- (1) Further details of these warrants are set out in note 12(i) to the interim condensed consolidated financial statements.
- (2) Further details of these warrants are set out in note 12(ii) to the interim condensed consolidated financial statements.

- (1) 有關該等認股權證之進一步資料已載於簡明綜合中期財務報表附註12(i)。
- (2) 有關該等認股權證之進一步資料已載於簡明綜合中期財務報表附註12(ii)。

12. UNSECURED NOTES/SECURED BONDS AND UNLISTED WARRANTS

12. 無抵押票據／已抵押債券及非上市認股權證

(i) Unsecured Notes and Unlisted Warrants

Pursuant to several subscription agreements (“Subscription Agreements”) entered into between a wholly-owned subsidiary of the Company (the “Issuer”) and certain independent third parties (the “Subscribers”) on 28 December 2005, the Issuer issued, and the Subscribers subscribed for, notes (the “Notes”) in the aggregate principal of HK\$25 million on 24 March 2006. The Notes were unsecured and carried interest at 10% per annum. In accordance with the provisions of the Notes, the Issuer redeemed the Notes in full in June 2006.

On 24 March 2006, pursuant to the Subscription Agreements, the Company issued, at zero consideration, to the Subscribers of unlisted warrants (the “Unlisted Warrants”) of the Company conferring rights entitling the holders to subscribe for up to HK\$17,872,920 in aggregate in cash for 137,484,000 new shares of HK\$0.10 each of the Company at an initial subscription price of HK\$0.13 per share, subject to adjustment. The Unlisted Warrants are exercisable within a period of three years from 24 March 2006 to 23 March 2009.

(i) 無抵押票據及非上市認股權證

根據本公司一家全資附屬公司（「發行人」）與若干獨立第三方（「認購人」）於二零零五年十二月二十八日訂立之若干認購協議（「認購協議」），發行人已發行而認購人則已認購於二零零六年三月二十四日總本金額25,000,000港元之票據（「該等票據」）。該等票據為無抵押，並按年息率10厘計息。根據該等票據之贖回規定，發行人已於二零零六年六月全數贖回該等票據。

於二零零六年三月二十四日，根據認購協議，本公司以無償方式向認購人發行本公司之非上市認股權證（「非上市認股權證」），該等認股權證賦予持有人權利，可按初步認購價每股0.13港元（可予調整），以現金認購本公司每股面值0.10港元之新股137,484,000股，即合共最多達17,872,920港元。該等非上市認股權證可自二零零六年三月二十四日至二零零九年三月二十三日止三年內行使。

12. UNSECURED NOTES/SECURED BONDS AND UNLISTED WARRANTS (continued)

12. 無抵押票據／已抵押債券及非上市認股權證（續）

(ii) Secured Bonds and Unlisted Warrants

(ii) 已抵押債券及非上市認股權證

On 27 June 2007, the Company issued, and Martin Currie China Hedge Fund L.P. ("Martin Currie"), a substantial shareholder of the Company, subscribed for secured bonds (the "Bonds") in the aggregate principal of HK\$78 million. The Bonds were secured, carried interest at 10% per annum and repayable three years after the date of issue of the Bonds. On the same date, the Company issued, by way of bonus, to Martin Currie of unlisted warrants (the "Warrants") of the Company conferring rights entitling the holders to subscribe for up to HK\$31.2 million in aggregate in cash for 56,317,689 new shares of HK\$0.10 each of the Company at an initial subscription price of HK\$0.554 per share, subject to adjustment. The Warrants are exercisable within a period from 28 December 2007 to 27 June 2010.

於二零零七年六月二十七日，本公司發行及本公司之一位主要股東Martin Currie China Hedge Fund L.P.（「Martin Currie」）認購本金總額為78,000,000港元之已抵押債券（「債券」）。債券為已抵押，附有年利率10厘及須於債券發行日後三年償還。於同一日，本公司以紅利形式向Martin Currie發行本公司非上市認股權證（「認股權證」），授予持有人權利以現金每股0.10港元認購56,317,689股新股，最高認購金額為31,200,000港元，初步認購價為每股0.554港元，並可作調整。認股權證可於二零零七年十二月二十八日至二零一零年六月二十七日行使。

13. CAPITAL COMMITMENTS

13. 資本承擔

		30 June 2007	31 December 2006
		Unaudited	Audited
		HK\$'000	HK\$'000
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		未經審核	經審核
		千港元	千港元
Contracted for	已訂約	1,050	700
Authorised but not contracted for	已獲授權但未訂約	5,297	6,140
		6,347	6,840

14. CHARGES ON ASSETS

(i) Leasehold land and building pledged

As at 30 June 2007, certain of the Group's leasehold land and buildings with the net book value of approximately HK\$14,800,000 (31 December 2006: HK\$15,000,000) was pledged as security for certain bank borrowings granted to the Group.

(ii) Property, plant and equipment held under finance leases

At the balance sheet date, the net book value of property, plant and equipment held under finance leases of the Group was HK\$25,063,000 (31 December 2006: HK\$27,720,000)

(iii) Share charge for a subsidiary

Upon issuance of the Bonds on 27 June 2007, the Group charged 100% of the issued share capital of a subsidiary to Martin Currie by way of first fixed charge as continuing security for the payment obligations of the Company under or in respect of the Bonds. Details of the principal terms are set out in note 12(ii) to the interim condensed consolidated financial statements.

14. 資產抵押

(i) 抵押租賃土地及樓宇

於二零零七年六月三十日，本集團若干租賃土地及樓宇之賬面淨值約為14,800,000港元（二零零六年十二月三十一日：15,000,000港元），乃用作抵押若干銀行授予本集團貸款之用。

(ii) 根據融資租約持有之物業、廠房及設備

於結算日，根據融資租約持有之本集團物業、廠房及設備為25,063,000港元（二零零六年十二月三十一日：27,720,000港元）。

(iii) 附屬公司之股份抵押

於二零零七年六月二十七日發行債券後，本集團將一間附屬公司之全數已發行股本抵押予Martin Currie，作為本公司就債券應繳付金額之第一固定抵押之持續保證。主要條款之詳情已載於簡明綜合中期財務報表附註12(ii)。

15. RELATED PARTY TRANSACTIONS

The Group had the following significant transactions with related parties conducted on terms arrived at by reference to market prices during the period:

Rental payments to Ms. Chan Siu Chu 支付予陳少珠女士之租金

Ms. Chan Siu Chu is the mother of Ms. Ho Yin King, Helena and Mr. Ho Fai Keung, Jacky.

The above related party transaction has been approved by the Independent Non-executive Directors.

16. COMPARATIVE FIGURES

Certain comparative figures in interim condensed consolidated cash flow statement have been restated to conform to the current period's presentation.

15. 關連人士交易

本集團與關連人士於期內進行下列重大交易，條款參照市場價格後達致：

Six months ended 30 June

截至六月三十日止六個月

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

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陳少珠女士為何燕琮女士及何輝強先生之母親。

以上關連人士交易已獲獨立非執行董事批核。

16. 比較數字

若干列於簡明綜合中期現金流動表之比較數字已重列，以符合本期間之呈列方式。