



NGAI LIK INDUSTRIAL HOLDINGS LIMITED

毅力工業集團有限公司

Stock code 股份代號: 332



INTERIM REPORT **2008** 中期報告

The Board of Directors (“the Directors”) of Ngai Lik Industrial Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2007, together with the comparative figures, as follows:

毅力工業集團有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至二零零七年九月三十日止六個月之未經審核綜合中期業績，連同比較數字如下：

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合收益表

		Unaudited 未經審核		
		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 (Restated) (經重列)	
		HK\$'000	HK\$'000	
		千港元	千港元	
Turnover	營業額	3	1,571,217	1,867,464
Cost of sales	銷售成本		(1,477,651)	(1,765,630)
Gross profit	毛利		93,566	101,834
Other income	其他收入		2,464	3,018
Selling and distribution expenses	銷售及分銷開支		(13,478)	(18,476)
Administrative expenses	行政開支		(53,185)	(56,535)
Other operating income, net	其他經營收入，淨額		3,678	1,380
Increase in fair value of investment properties	投資物業公平值增加		13,754	12,864
Profit from operations	經營溢利		46,799	44,085
Finance costs	融資成本		(21,910)	(17,864)
Share of results of associates	應佔聯營公司業績		-	1,279
Profit before taxation	除稅前溢利	4	24,889	27,500
Taxation	稅項	5	(2,883)	(5,645)
Profit for the period	期內溢利		22,006	21,855
Attributable to:	下列人士應佔：			
Equity holders of the Company	本公司權益持有人		22,006	21,855
Minority interests	少數股東權益		-	-
			22,006	21,855
Dividend	股息	6	7,930	7,930
Earnings per share (HK cents)	每股盈利(港仙)	7		
- Basic	- 基本		2.78	2.76
- Diluted	- 攤薄		2.77	n/a不適用

CONDENSED CONSOLIDATED BALANCE SHEET
簡明綜合資產負債表

		As at 30 September 2007	As at 31 March 2007
		於二零零七年 九月三十日 (Unaudited) (未經審核)	於二零零七年 三月三十一日 (Audited) (經審核)
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets			
Investment properties		489,000	467,000
Property, plant and equipment	8	883,296	886,653
Land use rights – non-current portion		70,583	68,458
Interests in an associate		–	1,641
Intangible assets		36,923	33,742
Deposits for acquisition of property, plant and equipment and land use rights		16,316	14,774
		1,496,118	1,472,268
Current assets			
Land use rights – current portion		1,581	1,578
Inventories		524,335	442,642
Trade and other receivables and prepayments	9	382,164	198,117
Taxation recoverable		47,494	47,494
Bank balances and cash		148,418	166,825
		1,103,992	856,656
Current liabilities			
Trade and other payables	10	559,951	385,896
Taxation payable		75,395	75,395
Bank and other borrowings – due within one year		469,230	426,371
Obligations under finance leases – due within one year		3,923	2,583
		1,108,499	890,245
Net current liabilities		(4,507)	(33,589)
Total assets less current liabilities		1,491,611	1,438,679

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

簡明綜合資產負債表(續)

		As at 30 September 2007	As at 31 March 2007
		於二零零七年 九月三十日 (Unaudited) (未經審核)	於二零零七年 三月三十一日 (Audited) (經審核)
		HK\$'000 千港元	HK\$'000 千港元
Non-current liabilities	非流動負債		
Bank and other borrowings	銀行及其他貸款		
– due after one year	– 一年後到期	305,767	281,146
Obligations under finance leases	融資租約承擔		
– due after one year	– 一年後到期	5,969	4,130
Deferred taxation	遞延稅項	75,407	72,524
		387,143	357,800
Net assets	資產淨值	1,104,468	1,080,879
Capital and reserves	股本及儲備		
Share capital	股本	79,302	79,302
Reserves	儲備	1,021,146	997,557
Equity attributable to equity holders of the Company	本公司股東權益持有人 應佔權益	1,100,448	1,076,859
Minority interests	少數股東權益	4,020	4,020
Total equity	權益總額	1,104,468	1,080,879

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 未經審核簡明綜合權益變動報表
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007
 截至二零零七年九月三十日止六個月

		Share capital	Share premium	Properties revaluation reserve	Investment reserve	Share option reserve	Accumulated profits	Attributable to equity holders of the Company	Minority interests	Total equity
		股本	股份溢價	物業 重估儲備	投資儲備	購股權 儲備	累計溢利	本公司 權益持有 人應佔	少數 股東權益	權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2006	於二零零六年四月一日	79,302	82,844	11,927	3,770	-	892,101	1,069,944	4,020	1,073,964
Decrease in fair value of available-for-sale financial assets and loss recognised directly in equity	可供出售金融資產 公平值之減少及於股本 權益直接確認之虧損	-	-	-	(90)	-	-	(90)	-	(90)
Realised on disposal of available-for-sale financial assets	出售可供出售金融資產 之變現	-	-	-	(2,478)	-	-	(2,478)	-	(2,478)
Profit for the period	期內溢利	-	-	-	-	-	21,855	21,855	-	21,855
At 30 September 2006	於二零零六年九月三十日	79,302	82,844	11,927	1,202	-	913,956	1,089,231	4,020	1,093,251
At 1 April 2007	於二零零七年四月一日	79,302	82,844	17,460	-	-	897,253	1,076,859	4,020	1,080,879
Recognition of equity-settled share base payments	確認以股權結算股份 支付之支出	-	-	-	-	1,583	-	1,583	-	1,583
Profit for the period	期內溢利	-	-	-	-	-	22,006	22,006	-	22,006
Total recognised income and expenses for the period	期內已確認收入及 開支總額	-	-	-	-	1,583	22,006	23,589	-	23,589
At 30 September 2007	於二零零七年九月三十日	79,302	82,844	17,460	-	1,583	919,259	1,100,448	4,020	1,104,468

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
簡明綜合現金流量表

		Unaudited	
		未經審核	
		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
		HK\$'000	HK\$'000
		千港元	千港元
Net cash used in operating activities	經營業務所耗之現金淨額	(19,651)	(212,488)
Net cash used in investing activities	投資活動所耗之現金淨額	(38,000)	(42,950)
Net cash from financing activities	融資活動所得之現金淨額	36,836	274,769
Net (decrease) increase in cash and cash equivalents	現金及現金等值項目之 (減少)增加淨額	(20,815)	19,331
Effect of foreign exchange rate changes	外幣匯率變動之影響	2,408	-
Cash and cash equivalents at 1 April	於四月一日之現金及現金等值項目	166,825	198,550
Cash and cash equivalents at 30 September	於九月三十日之現金及 現金等值項目	148,418	217,881
Analysis of the balances of cash and cash equivalents:	現金及現金等值項目結餘 之分析：		
Bank balances and cash	銀行結存及現金	148,418	217,881

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

未經審核簡明綜合財務報表附註

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of 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 ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. Significant accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair value, as appropriate. The accounting policies used in the condensed consolidated financial statements for the six months ended 30 September 2007 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2007.

The following new standards, amendments and interpretations which are relevant to the Group's operations are mandatory for the year ending 31 March 2008.

- Amendment to HKAS 1	Capital Disclosures
- HKFRS 7	Financial Instruments: Disclosures
- HK(IFRIC)-Int 8	Scope of HKFRS 2
- HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
- HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
- HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the above standards, amendments and interpretations has no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

1. 編製基準

簡明綜合財務報表已根據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之適當披露規定及香港會計師公會頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」所編製。

2. 主要會計政策

簡明綜合財務報表已根據歷史成本法編製，惟若干物業及金融工具則按重估值或公平值(如適用)計量。截至二零零七年九月三十日止六個月之簡明綜合財務報表所採用之會計政策與本集團編製截至二零零七年三月三十一日止年度之全年財務報表所採用者一致。

以下新準則、修訂及詮釋乃與本集團之營運有關，並強制適用於截至二零零八年三月三十一日止年度。

- 香港會計準則	資本披露
第1號之修訂	
- 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號之範疇
- 詮釋第8號	
- 香港(國際財務報告	重新評估附帶內置
詮釋委員會)	衍生工具
- 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	
- 香港(國際財務報告	香港財務報告準則
詮釋委員會)	第2號-集團及
- 詮釋第11號	庫存股份交易

採納上述準則、修訂及詮釋對本集團本會計期間或前會計期間之經營業績或財務狀況概無重大影響，因此毋須作出前期調整。

2. Significant accounting policies (Continued)

The Group has not applied the following new standards, amendments or interpretations that have been issued but are not yet effective for the current accounting period. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 12	Service Concession Arrangements ²
HK(IFRIC) – Int 13	Customer Loyalty Programmes ³
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

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

² Effective for annual periods beginning on or after 1 January 2008

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

3. Turnover and segment information

Turnover represents the amounts received and receivable for goods sold and services rendered.

(a) Business segments

For management purposes, the Group is currently organised into two operating divisions – electronics manufacturing services business (“EMS business”) and property investment.

These divisions are the basis on which the Group reports its primary segment information.

The EMS business is engaged in design, manufacture and sales of electronic products while property investment is engaged in property rental and provision of management services.

2. 主要會計政策(續)

本集團並未對本會計期間採用以下已頒佈但尚未生效之新訂準則、修訂或詮釋。本公司董事預期，應用該等準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

香港會計準則第23號 (經修訂)	借貸成本 ¹
香港財務報告準則第8號	經營分類 ¹
香港(國際財務報告詮釋 委員會) – 詮釋第12號	服務特許安排 ²
香港(國際財務報告詮釋 委員會) – 詮釋第13號	客戶忠誠計劃 ³
香港(國際財務報告詮釋 委員會) – 詮釋第14號	香港會計準則第19號 – 界定福利資產之限制、最低資金要求及 彼等間之互動關係 ²

¹ 於二零零九年一月一日或之後開始之年度期間生效。

² 於二零零八年一月一日或之後開始之年度期間生效。

³ 於二零零八年七月一日或之後開始之年度期間生效。

3. 營業額及分類資料

營業額指就已售貨品及已提供服務之已收及應收金額。

(a) 業務分類

就管理而言，本集團目前由兩項經營業務組成，分別為電子製造服務業務(「EMS業務」)及物業投資。

該等業務為本集團報告其主要分類資料之基準。

EMS業務從事設計、製造及銷售電子產品之業務，而物業投資則從事物業租賃及提供管理服務。

3. Turnover and segment information (Continued)

(a) Business segments (Continued)

Segment information about these businesses is presented below:

Six months ended 30 September 2007

		EMS business EMS業務	Property investment 物業投資	Eliminations 撇銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	1,564,128	7,089	–	1,571,217
Result	業績				
Segment result	分類業績	24,444	17,314		41,758
Interest income	利息收入				1,884
Other rental income	其他租金收入				580
Finance costs	融資成本				(21,910)
Unallocated income	未分類之收入				2,577
Profit before taxation	除稅前溢利				24,889
Taxation	稅項				(2,883)
Profit for the period	期內溢利				22,006

3. 營業額及分類資料(續)

(a) 業務分類(續)

該等業務之分類資料呈列如下：

截至二零零七年九月三十日止六個月

3. Turnover and segment information (Continued)

(a) Business segments (Continued)

Six months ended 30 September 2006

3. 營業額及分類資料(續)

(a) 業務分類(續)

截至二零零六年九月三十日止六個月

		EMS business EMS業務	Property investment 物業投資	Eliminations 撤銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	1,862,135	5,329	–	1,867,464
Result	業績				
Segment result	分類業績	27,854	15,795		43,649
Interest income	利息收入				2,389
Other rental income	其他租金收入				629
Finance costs	融資成本				(17,864)
Share of results of associates	應佔聯營公司業績				1,279
Unallocated expenses	未分類之支出				(2,582)
Profit before taxation	除稅前溢利				27,500
Taxation	稅項				(5,645)
Profit for the period	期內溢利				21,855

3. Turnover and segment information (Continued)

(b) Geographical segments

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods manufactured or services rendered:

		Turnover	
		營業額	
		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
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(經重列)
America	美洲	1,154,328	1,582,588
Europe	歐洲	268,465	191,740
Asia	亞洲	68,774	77,908
Others	其他	79,650	15,228
		1,571,217	1,867,464

4. Profit before taxation

Profit before taxation has been arrived at after charging (crediting):

Depreciation of property, plant and equipment

Amortisation of land use rights

Amortisation of intangible assets

Loss on disposal of property, plant and equipment

Share of tax of associates (included in share of results of associates)

Loss on disposal of an associate

Interest income

Gain on disposal of available-for-sale financial assets

除稅前溢利已扣除(計入):

物業、廠房及設備之折舊

土地使用權之攤銷

無形資產之攤銷

出售物業、廠房及設備之虧損

應佔聯營公司稅項(包括於應佔聯營公司業績)

出售聯營公司之虧損

利息收入

出售可供出售金融資產之收益

3. 營業額及分類資料(續)

(b) 地區分類

下表乃按市場之地區對本集團之營業額作出分析，與產品之生產或服務提供之地域無關：

4. 除稅前溢利

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

HK\$'000

HK\$'000

千港元

千港元

39,284

40,667

790

725

10,232

8,108

565

1,074

-

281

359

-

(1,884)

(2,389)

(363)

(1,945)

5. Taxation

5. 稅項

		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
		HK\$'000	HK\$'000
		千港元	千港元
The charge comprises:	稅項支出包括：		
Current taxation	本年度稅項		
Hong Kong	香港		
– Underprovision in prior years	– 過往年度撥備不足	–	1,493
		–	1,493
Deferred taxation	遞延稅項	2,883	4,152
Taxation charge for the period	期內稅項支出	2,883	5,645

Notes:

- (a) Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the six months ended 30 September 2007.
- (b) Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.
- (c) The Group appealed to the Board of Review against determination made by the Inland Revenue Department (the "IRD") that some profits of certain subsidiaries ("Subsidiaries") for the years of assessment 1991/92 to 1995/96 should be Hong Kong sourced and subject to 50% of Hong Kong Profits Tax (the "Tax Appeal"). The Board of Review delivered its decision (the "Board's Decision") of the Tax Appeal on 22 February 2007 whereby it dismissed the appeal of one of the subsidiaries (the "Said Subsidiary") but allowed the appeals of all other subsidiaries.

The Said Subsidiary has appealed to the High Court against the Board's Decision. By the judgment handed down in December 2007, the High Court dismissed the appeal. The Group is now seeking further legal advice in relation thereto and consider making further appeal against the order made by the High Court.

附註：

- (a) 香港利得稅乃根據截至二零零七年九月三十日止六個月之估計應課稅溢利按稅率 17.5% (二零零六年：17.5%) 計算。
- (b) 其他司法權區之稅項乃根據各司法權區之現行稅率計算。
- (c) 本集團對香港稅務局(「稅務局」)認為若干附屬公司(「該等附屬公司」)於一九九一年/九二年至一九九五年/九六年課稅年度所產生之若干溢利來自香港，並須繳納50%香港利得稅之決定向稅務上訴委員會提出上訴(「稅務上訴」)。稅務上訴委員會於二零零七年二月二十二日已就稅務上訴作出決定(「委員會決定」)，其已駁回其中一家附屬公司(「該附屬公司」)之稅務上訴，但維持其他附屬公司之上訴。

該附屬公司已向高等法院提出上訴，並已於二零零七年十二月取得裁決，有關就委員會決定提出之上訴已被駁回。本公司正考慮就高等法院發出之令狀進一步申請上訴。

5. Taxation (Continued)

Notes: (Continued)

(c) (Continued)

For the years of assessment of 1996/97 to 2004/05, the IRD has issued notices of assessment to the Group regarding the taxability of profits of these Subsidiaries. The Group had already lodged objections against these assessments ("Objections").

Currently, an aggregate amount of HK\$47,494,000 (31 March 2007: HK\$47,494,000) has been paid to the IRD in relation to the Tax Appeal and the Objections and that amount has already been included in the taxation recoverable.

During the period, the Said Subsidiary received a writ of summons issued by the Commissioner of IRD claiming for the sum of about HK\$33,222,000 being the tax due and payable for the years of assessment 2000/01 and 2003/04 and that amount had been considered when reviewing the tax provision required.

Pending the outcome of the Tax Appeal and the Objections, the Group has made provision for the potential tax liabilities in its condensed consolidated balance sheet as at 30 September 2007 in accordance with the IRD's determination. Based on the legal advice, the directors of the Company considered that there was no material underprovision of tax liabilities as at 30 September 2007.

6. Dividend

Interim, proposed, of HK1 cent
(2006: HK1 cent) per share

擬派中期股息每股1港仙
(二零零六年：1港仙)

5. 稅項(續)

附註：(續)

(c) (續)

就一九九六年／九七年至二零零四年／零五年課稅年度，稅務局就該等附屬公司應否繳付稅款向本集團發出評稅通知。本集團已就該等評稅提出反對(「反對」)。

目前，本集團已就稅務上訴及反對向稅務局支付合共47,494,000港元(二零零七年三月三十一日：47,494,000港元)，而有關款額已計入可收回稅項內。

期內，該附屬公司接獲稅務局局長發出傳訴令狀，追討二零零零／零一年至二零零三／零四年課稅年度之到期及應付稅項約33,222,000港元。

於等待稅務上訴及反對結果期間，本集團已就潛在稅項負債作出撥備，而本集團於二零零七年九月三十日之簡明綜合資產負債表所呈列之稅項撥備乃根據稅務局決定作出。根據法律顧問之意見，本公司董事認為，於二零零七年九月三十日並無任何重大撥備不足之稅項負債。

6. 股息

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

HK\$'000	HK\$'000
千港元	千港元

7,930

7,930

7. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

7. 每股盈利

每股基本及攤薄盈利乃按下列數據計算：

		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
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the period attributable to equity holders of the Company and earnings for the purpose of basic and diluted earnings per share	期內本公司權益持有人應佔溢利及計算每股基本及攤薄盈利之盈利	22,006	21,855
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均股數	793,016,684	793,016,684
Effect of dilutive potential ordinary shares – Share option	具攤薄潛力普通股之影響 – 購股權	1,311,797	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均股數	794,328,481	793,016,684

8. Property, plant and equipment

During the period, the Group spent approximately HK\$8 million on the construction of industrial buildings in the PRC, HK\$11 million on plant and machinery and invested HK\$6 million on moulds in order to upgrade its manufacturing capabilities.

8. 物業、廠房及設備

期內，本集團就其位於中國之工業樓宇建設方面撥用約8,000,000港元、於廠房及機器方面撥用11,000,000港元及於模具方面投資約6,000,000港元，以提升其生產力。

9. Trade and other receivables and prepayments

		As at 30 September 2007	As at 31 March 2007
		於二零零七年 九月三十日	於二零零七年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收賬款	355,791	170,502
Other receivables and prepayments	其他應收賬款及預付款項	26,373	27,615
		382,164	198,117

Customers are generally granted credit terms of letter of credit at sight or open accounts from 7 days to 30 days. Longer credit periods are granted to several customers which have long business relationship with the Group and strong financial position.

The following is an aged analysis of trade receivables at the balance sheet date.

		As at 30 September 2007	As at 31 March 2007
		於二零零七年 九月三十日	於二零零七年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Current – 30 days	即期 – 30日	340,768	154,228
31 – 60 days	31 – 60日	7,507	14,005
61 – 90 days	61 – 90日	5,441	206
Over 90 days	90日以上	2,075	2,063
		355,791	170,502

The fair value of the Group's trade and other receivables at 30 September 2007 approximate their carrying amounts.

9. 貿易及其他應收賬款及預付款項

客戶一般以放賬或往來賬戶形式進行交易，賬齡為即期信用狀或以放賬方式7日至30日信用狀。數位已與本集團建立長期業務關係並且財政狀況穩健之客戶獲本集團給予較長之放賬寬限期。

於結算日之貿易應收賬款之賬齡分析如下。

本集團之貿易及其他應收賬款於二零零七年九月三十日之公平值約相等於其賬面值。

10. Trade and other payables

		As at 30 September 2007	As at 31 March 2007
		於二零零七年 九月三十日	於二零零七年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	貿易應付賬款	410,432	207,107
Other payables	其他應付賬款	149,519	178,789
		559,951	385,896

The following is an aged analysis of trade payables at the balance sheet date :

於結算日，貿易應付賬款按賬齡分析如下：

		As at 30 September 2007	As at 31 March 2007
		於二零零七年 九月三十日	於二零零七年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Current – 30 days	即期 – 30日	395,824	166,874
31 – 60 days	31 – 60日	10,222	21,962
61 – 90 days	61 – 90日	1,110	2,176
Over 90 days	90日以上	3,276	16,095
		410,432	207,107

The fair value of the Group's trade and other payables at 30 September 2007 approximate their carrying amounts.

本集團之貿易及其他應付賬款於二零零七年九月三十日之公平值約相等於其賬面值。

11. Capital commitments

11. 資本承擔

		As at 30 September 2007	As at 31 March 2007
		於二零零七年 九月三十日	於二零零七年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	已訂約但未於簡明綜合財務報表撥備之購置物業、廠房及設備資本支出	5,728	9,884
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	已批准但未訂約之購置物業、廠房及設備資本支出	-	1,069
		5,728	10,953

12. Related party transactions

During the period, the Group entered into the following significant transactions with related parties in the ordinary course of business :

12. 有關連人士交易

期內，本集團與有關連人士於日常業務過程中曾進行以下重大交易：

		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
		HK\$'000	HK\$'000
		千港元	千港元
Purchases from	採購來自：		
Sun Bright Investments Limited (Note 1)	陽明投資有限公司(附註1)	-	4,403
Sun Bright Industrial Paints Limited (Note 1)	陽明(清遠)塗料開發有限公司 (附註1)		
Sub-contracting fee paid to	支付分承包費用予：	-	1,677
Wah Mei (Lui's) Industrial Limited (Note 2)	華美(雷氏)實業有限公司 (附註2)	309	-
Sales to	銷售予：		
Wah Mei (Lui's) Industrial Limited (Note 2)	華美(雷氏)實業有限公司 (附註2)	475	-
Rental expenses paid to Man Fat Enterprise Company Limited (Note 3)	支付予文發企業有限公司之 租金支出(附註3)	-	225
Legal and professional fees paid to Andrew Lam & Co. (Note 4)	支付予林炳昌律師事務所之 律師及專業費用(附註4)	-	305
Remuneration paid to directors and other members of key management	已支付予董事及主要管理層 其他成員之酬金	5,813	5,501

Notes:

- (1) For the six months ended 30 September 2006, the Group made purchases with an associate and its subsidiary, namely, Sun Bright Investments Limited and Sun Bright Industrial Paints Limited respectively.
- (2) Wah Mei (Lui's) Industrial Limited is a company controlled by the father-in-law of Mr. Lam Shing Ngai, director of the Company.
- (3) For the six months ended 30 September 2006, those expenses represented rental expenses arising from the leasing of car park and office space from Man Fat Enterprise Company Limited, of which Dr. Lam Man Chan and Ms. Ting Lai Ling, directors of the Company, have beneficial interests.
- (4) For the six months ended 30 September 2006, the legal and professional fees were paid to Andrew Lam & Co., in which Mr. Lam Ping Cheung, Andrew, who has been a non-executive director of Company and resigned on 20 June 2006, had a beneficial interest during the aforesaid period.

附註：

- (1) 截至二零零六年九月三十日止六個月，本集團分別向其聯營公司陽明投資有限公司及其附屬公司陽明(清遠)塗料開發有限公司進行採購。
- (2) 華美(雷氏)實業有限公司乃由本公司董事林承毅先生之岳父所控制之公司。
- (3) 截至二零零六年九月三十日止六個月，該等支出指向文發企業有限公司租用停車場及辦公室而產生之租金支出，本公司董事林文燦博士及丁麗玲女士實益擁有該公司之權益。
- (4) 截至二零零六年九月三十日止六個月，本集團向林炳昌先生擁有實益權益之林炳昌律師事務所支付律師及專業費用。林炳昌先生曾任本公司非執行董事，惟已於二零零六年六月二十日辭任。

DIVIDEND

The Directors have resolved to declare an interim dividend of HK1 cent (2006: interim dividend of HK1 cent) per share for the six months ended 30 September 2007. The dividend will be payable on or about 18 January 2008 to shareholders whose name are on the register of members on 16 January 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 14 January 2008 to 16 January 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 11 January 2008.

BUSINESS REVIEW

For the six months period ended 30 September 2007, the Group's unaudited consolidated turnover was HK\$1,571 million, representing a reduction of 16% as compared to the same period of last year. The unaudited consolidated profit attributable to equity holders amounted to HK\$22 million, an increase of 0.7% as compared to the same period of last year.

EMS Division

Turnover of the EMS Division for the period under review amounted to HK\$1,564 million, representing a drop of 16% against the corresponding period of the previous financial year. In line with the strategy to reduce low-profitability products, the conventional audio and visual products decreased from HK\$1,355 million to HK\$720 million, representing a decrease of 47% as compared with the previous corresponding period. It is also attributable to the decline in market demand for CD players and market saturation for stand-alone DVD players.

The Group's strategy is to upgrade its products mix and focus on high margin business. Sales of digital products, mainly including panel display products, digital photo frames and global positioning systems ("GPS") products contributed about HK\$844 million and accounted for about 54% of the group's total sales for the period. Despite of the strong market demand of panel display products, the sales of them have been subjected to tight supply of small size TFT-LCD panels (particularly 7 to 10 inches) in the electronics industry during the period under review. Prices of certain panels have surged since the peak season period.

股息

董事會已議決宣派截至二零零七年九月三十日止六個月之中期股息每股1港仙(二零零六年：中期股息1港仙)。有關股息將於二零零八年一月十八日或前後向於二零零八年一月十六日名列本公司股東登記冊內之股東派發。

暫停辦理股份過戶登記手續

本公司在二零零八年一月十四日至二零零八年一月十六日(包括首尾兩天)之期間內將會暫停為股東辦理股份過戶登記手續。為符合收取中期股息之資格，務請股東在二零零八年一月十一日下午四時三十分之前，將所有有關之過戶文件連同有關股票交回本公司之香港股份過戶登記分處卓佳登捷時有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

業務回顧

截至二零零七年九月三十日止六個月，本集團之未經審核綜合營業額為1,571,000,000港元，較去年同期減少16%。權益持有人應佔未經審核綜合溢利為22,000,000港元，較去年同期增加0.7%。

EMS業務

於回顧期間，EMS業務之營業額為1,564,000,000港元，較先前財政年度同期下跌16%。由於本集團有策略地削減低利潤產品，傳統音響及視像產品之營業額由1,355,000,000港元減至720,000,000港元，較去年同期減少47%，而市場對CD機之需求減少及市場對獨立DVD機之需求經已飽和亦導致營業額下跌。

本集團之策略為提升產品組合及致力發展高利潤業務。數碼產品(主要包括平面顯示屏產品、數碼照片框架及全球衛星定位系統(「GPS」)產品)之銷售額約為844,000,000港元，佔本集團期內總銷售額約54%。儘管市場對平面顯示屏產品之需求強勁，於回顧期間，平面顯示屏產品之銷售受到電子業內細尺寸TFT-LCD面板(特別是7寸至10寸)供應緊張之影響。自消費旺季期間以來，若干面板之價格已飆升。

During the period, the United States remained the EMS Division's largest market but the percentage of American sales to total sales decreased from 85% to 74% as compared to the same period of last year. European sales increased from HK\$191 million to HK\$268 million and accounted for 17% of total sales. The gross margin improved from 5.3% of prior period to 5.8% after the change in products mix notwithstanding the increase in raw materials and labour costs and certain redundancy payments made to lay-off labourers in the PRC.

As at 30 September 2007, the Group had in operation 32 production lines in Dongguan and 41 production lines in Qingyuan. The Group has continued to consolidate its manufacturing facilities to gain operating efficiency, with an objective to maintain Qingyuan Industrial Estate as the Group's major manufacturing arm in China.

Properties Division

The Group's Properties Division comprises investment properties in land and factory buildings in Fenggang, Dongguan, which help to earn recurring income and/or realise potential capital appreciation.

For the period ended 30 September 2007, the fair value gain on investment properties was HK\$14 million (2006: HK\$13 million) and the relevant deferred taxation for these fair value gains charged under "Taxation" on the condensed consolidated income statement was HK\$3 million (2006: HK\$4 million). The investment properties were created from a change of use of certain plants in Dongguan to rental purpose, a result of the Group's effort to consolidate its operation to Qingyuan. As of September 30, 2007, the total gross floor area of the investment properties was about 350,000 square meters.

PROSPECTS

EMS Division

The continuing trend of product digitalization and convergence is reshaping the markets and multi-functionality is the key to development of consumer electronics products in 2008. The demand and supply of digital photo frames is expected to increase and the mainstream sizes are 7 and 9 inches. Car A/V systems have also followed the convergence trend, combining entertainment and information technologies. GPS devices enjoy significant growth as their prices have become more affordable. DVD players are also upgraded to blu-ray or HD DVD ready. The market players have to constantly re-position themselves in such fast-moving markets.

期內，美國仍為EMS業務之最大市場，惟美國之銷售額佔總銷售額之百分比由去年同期之85%減至74%。歐洲市場錄得之銷售額由191,000,000港元上升至268,000,000港元，佔總銷售額之17%。儘管原材料及員工成本增加及於中國解雇員工須支付若干遣散費，產品組合轉變後之毛利率由前期之5.3%上升至5.8%。

於二零零七年九月三十日，本集團於東莞擁有32條生產線，而於清遠則有41條生產線。本集團繼續整合其生產設施以取得經營效益，務求繼續將清遠工業村設立為本集團於中國之主要生產基地。

物業業務

本集團之物業業務包括於東莞鳳崗土地及廠房大樓之物業投資，此可為本集團帶來經常性收入及／或變現重大資本增值。

截至二零零七年九月三十日止期間，投資物業之公平值收益為14,000,000港元(二零零六年：13,000,000港元)，該等公平值收益於簡明綜合收益表「稅項」所扣除之相關遞延稅項為3,000,000港元(二零零六年：4,000,000港元)。由於本集團致力將業務整合至清遠，因此將東莞若干廠房轉為租賃用途而產生投資物業。於二零零七年九月三十日，投資物業之總樓面面積約為350,000平方米。

前景

EMS業務

產品數碼化及融合之持續發展趨勢重新塑造市場發展方向，於二零零八年，消費電子產品以具備多功能性質為發展主導。數碼照片框架之供求情況預期將會增加，而產品尺碼主要為7吋及9吋。汽車影音系統亦趨向融合，兼備娛樂及資訊技術。由於GPS產品之價格日趨大眾化，因此亦錄得重大增長。DVD機已提升至藍光或高清DVD機。在發展迅速之市場上，市場競爭者須不斷為業務重新定位。

With the drastic reduction in home audio business, the Group will aggressively launch new products for replacement and carry out cost reduction measures to reduce overheads. The Group has developed a new range of digital products which include digital photo frames, portable televisions, LCD TVs and GPS devices (both in-car and portable). New models of GPS with three-dimensional maps with TFT of 5 and 7 inches will be launched to the market in the first quarter of 2008. The Group's strategy for product differentiation is to add more features including wider format support and broader interacting ability (including USB port and iPOD docking). The Group plans to commence commercial production of its LCD TV business in 2008 and will concentrate on 17 and 19 inches first. Panel supplies will be one of the critical success factors for the Group's product transition. The Group will endeavor to secure sufficient allocations from its suppliers to meet sales demand by contracting with certain panel suppliers on an annual basis for the year 2008. The Group is committed to its on-going policy of treating its key suppliers as strategic partners and will cautiously review the supply situation.

On the front to cost containment, the situation is challenging. Raw material prices stay at high levels and operating costs in China continue to rise as a consequence of the appreciation of the Renminbi ("RMB") currency and upward pressure on wages and employee benefits. In particular, the new PRC Labour Contract Law introduces numerous changes to the rights and obligations of employers and employees leading to tremendous impact on human resources management and workforce cost control in the PRC. This new law will come into effect on 1 January 2008.

The Group has vigorously restructured its operations in Dongguan and Qingyuan and has ceased certain component manufacturing operations which did not provide contribution to the Group. The Group will continue to streamline and downsize its manufacturing operations with an aim to maintain a lean and competitive production platform in China. The Group will further automate the manufacturing processes and increase the capacities for SMT and IC auto-insertions. It is expected that the prices of digital products (including digital photo frames and portable DVD players) will either stabilize or experience a moderate increase in the coming year, in view of the general increase in the raw materials and labour costs in China.

隨著家庭音響業務大幅削減，本集團將積極推出新替代產品，並實施成本削減措施以減少經常性開支。本集團已開發新系列數碼產品，包括數碼照片框架、便攜式電視、LCD電視及GPS裝置(汽車導航及便攜式)。新型號之GPS具備立體地圖，TFT分別為5寸及7寸，將於二零零八年第一季推出市場。本集團透過注入更多功能，包括更廣泛支援不同制式及加強互動功能(包括USB port及iPOD docking)，以作為產品區分的策略。本集團計劃於二零零八年開始商業投產LCD電視，而首先將致力發展17寸及19寸屏幕電視。面板供應商將為本集團產品成功轉型之關鍵因素之一。本集團將盡力透過與若干面板供應商訂立年度合約，向供應商取得足夠資源以應付二零零八年之銷售需求。本集團一直將主要供應商視為策略性夥伴，並將審慎檢討供應情況。

在成本控制方面，情況仍然充滿挑戰。原材料價格持續高企，加上人民幣升值及僱員薪酬及福利增加，令於中國之經營成本不斷上升。尤其是新頒佈之中國勞動合同法對僱主及僱員之權利及責任方面引進重大變動，對中國之人力資源管理及員工成本控制構成重大影響。此項新頒佈之法例將於二零零八年一月一日生效。

本集團加強重整東莞及清遠之業務，並已終止未能為本集團帶來貢獻之若干部件生產業務。本集團將繼續精簡及縮減其生產營運，務求於中國成為精益及具競爭力之生產平台。本集團將進一步自動化生產程序及提升SMT及IC自動裝嵌之產能。由於中國之原材料及員工成本整體上升，預期數碼產品(包括數碼照片框架及便攜式DVD機)之價格於未來年度將維持穩定或錄得輕微增長。

On the sales and marketing front, the Group has successfully expanded new revenue sources, thanks to the setting up of new mobile division which commenced operations in the second quarter of FY 2007. The division now produces a great variety of car audio and GPS products with a decent clientele base for after-sales market. However, the Group has experienced a significant drop in the performance of Wal-Mart's procurement agent and in turn has been significantly reducing its business with this procurement agent. The Group has accordingly taken steps to approach Wal-Mart directly with a view to reduce reliance on the intermediary and enhance the profit margin in the long run. The Group will also strive to diversify further its customer base.

For the period under review, the Group has improved the balance sheet moderately and has strengthened its liquidity by the drawdown of certain term loans from The Agricultural Bank of China in the PRC. The Group will closely monitor its overall financial situation and will consider different means of financing to further strengthen the financial position.

Properties Division

The Group will pursue initiatives to enhance the value of these properties and will consider different ways to provide best returns to the Group and maximise their potential value. At present, the investment properties are or will be rented out to earn recurring income.

The sub-prime mortgage financial crisis of 2007 affects the US economy and the risk of recession is apparently increasing. The operating environment for the consumer electronic industry will continue to be difficult and the Group will encounter challenges including the appreciation of RMB, possible increase in minimum wages and the tight supply of TFT-LCD panels. The Group has implemented measures, including the upgrade of product mix and consolidation of production operations, to maintain its long term competitiveness.

於銷售及市場推廣方面，本集團成功開拓新收益來源，有賴於二零零七年財政年度第二季展開營運之新汽車業務所帶來之成果。此項業務現時提供不同系列之汽車音響及GPS產品，在售後市場方面擁有優質之客戶群。然而，本集團鑑於與沃爾瑪採購代理之業績欠佳，因此已大幅削減與此採購代理進行之業務。本集團已採取步驟直接與沃爾瑪聯繫，務求減低對中間人之依賴，藉此提升長遠利潤。本集團亦會致力實現客戶群多元化。

於回顧期間，本集團已逐步改善資本負債情況，並透過向中國之中國農業銀行取得若干定期貸款而加強流動資金。本集團將密切監察其整體財政狀況，並將考慮不同融資方法以進一步加強財政狀況。

物業業務

本集團將尋求方案提升該等物業之價值，並將考慮不同方法為本集團取得更佳回報及取得物業之最佳潛在價值。目前，投資物業已經或將會出租以賺取經常性收入。

二零零七年之次級按揭金融危機影響美國經濟，而經濟衰退之風險正在顯示增加。消費電子行業之營商環境將持續艱難，惟本集團將會面對種種挑戰，包括人民幣升值、可能增加之最低工資及 TFT-LCD 面板之供應緊張。本集團已實施措施，包括提升產品組合及整固生產業務，務求維持長遠競爭力。

MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL REVIEW

Turnover

During the period, the Group's turnover decreased to HK\$1,571 million, down by 16% as compared to the same period of last year. The decrease was mainly attributable to the reduction of low-profitability products (mainly including personal CD players and stand-alone DVD players).

During the period, sales of digital products accounted for approximately 54% of the Group's turnover, an increase of 66% over last year, and became the Group's core business. Sales from home audio and conventional DVD players contributed to approximately 46% of the Group's turnover, a decrease 47% over last year.

Gross Margin

The Group continued to upgrade its product mix and reduced the sales of CD audio products and stand-alone DVD players. The Group's gross margin improved to 6%.

Expenses

The Group's administrative expenses reduced by 6% as compared to the previous period and totaled to HK\$53 million. The percentage of administrative expenses to total sales increased moderately to 3.4% (2006: 3%). The Group's selling and distribution expenses decreased to approximately HK\$13 million. The Group's finance costs increased to HK\$22 million as a result of significantly higher average interest rates and the increase in bank borrowings, particularly in RMB.

Property Investment

The increase in fair value of investment properties, which was credited to current period's income statement, amounted to HK\$14 million.

Working Capital Management

As at 30 September 2007, the Group maintained bank balances and cash of approximately HK\$148 million (31 March 2007: HK\$167 million). The Group's average inventory turnover was about 56 days (31 March 2007: 44 days). The Group's average trade receivables turnover was about 31 days (31 March 2007: 16 days).

Dividend Policy

The Board has declared an interim dividend of HK1.0 cent per share. After careful consideration, the Group adhered to the existing dividend policy with a payout ratio of not more than 50% on net profits.

管理層討論及分析

財務回顧

營業額

期內，本集團之營業額較去年同期減少16%至1,571,000,000港元。營業額減少的主要原因為減少低利潤產品(主要包括個人CD機及獨立DVD機)。

期內，數碼產品之銷售額佔本集團營業額約54%，較去年增加66%，成為本集團之核心業務。家庭音響及傳統DVD機之銷售額則佔本集團營業額約46%，較去年減少47%。

毛利率

本集團繼續提升其產品組合及減少銷售CD音響產品及獨立DVD機。本集團毛利率改善至6%。

開支

本集團之行政開支較前期減少6%，合計為53,000,000港元。行政開支對銷售總額之百分比輕微增加至3.4%(二零零六年：3%)。本集團之銷售及分銷開支減少至約13,000,000港元。本集團之融資成本因平均利率大幅上升及銀行借貸(特別是人民幣)增加而大幅增加至22,000,000港元。

物業投資

投資物業公平值增加數額(已撥入本期間收益表)為14,000,000港元。

營運資金管理

於二零零七年九月三十日，本集團之銀行結存及現金維持約148,000,000港元(二零零七年三月三十一日：167,000,000港元)。本集團之平均存貨流轉期約為56日(二零零七年三月三十一日：44日)。本集團之平均貿易應收賬款流轉期維持於約31日(二零零七年三月三十一日：16日)。

股息政策

董事會已宣派中期股息每股1.0港仙。經詳細考慮後，本集團仍奉行派息率不高於股東應佔純利50%之現有股息政策。

Financing and Capital Structure

For the period ended 30 September 2007, the Group's total debts stood at approximately HK\$785 million (31 March 2007: HK\$714 million), of which HK\$312 million (31 March 2007: HK\$285 million) were not repayable within one year. The borrowings included outstanding balances of certain term loan facilities from several banks, totaled HK\$427 million. The Group also issued letters of credit to procure the supplies of critical components and certain raw materials. The increase in net debt was mainly due to increase in bills discounted of about HK\$30 million and in increase in bank loans of HK\$77 million. The new borrowings were used to finance working capital, particularly for peak season shipments, and capital expenditure for the period. The Group's borrowings are primarily denominated in Hong Kong Dollars, US Dollars and RMB and the Group will hedge against currency exposure as well as interest rate expense, particularly for the borrowings in RMB, as appropriate.

Capital Expenditure on Property, Plant and Equipment

Total capital expenditure for the period was HK\$31 million (31 March 2007: HK\$100 million), out of which HK\$8 million was spent on the construction of production plants, HK\$11 million for the acquisition of plant and machinery and HK\$6 million for moulds investment.

Liquidity and Financial Resources

The net current liabilities of the Group as at 30 September 2007 was approximately HK\$5 million (31 March 2007: HK\$34 million) and the current ratio was about 1.00 (31 March 2007: 0.96). Shareholders' funds were maintained at approximately HK\$1,100 million (31 March 2007: HK\$1,077 million).

Pledge of Assets

As at 30 September 2007, certain of the Group's assets (including investment properties, property, plant and equipment and land use rights) with the carrying value of totalling HK\$574 million were pledged to secure certain banking facilities granted to the Group.

Capital Commitments

As at 30 September 2007, the Group had capital commitments contracted but not provided for of HK\$6 million.

融資及資本架構

截至二零零七年九月三十日止期間，本集團之總負債保持約為785,000,000港元(二零零七年三月三十一日：714,000,000港元)，其中312,000,000港元(二零零七年三月三十一日：285,000,000港元)毋須於一年內償還。借貸包括若干銀行之定期貸款融資未償還餘額合計427,000,000港元。本集團採購重要組件及若干原材料時亦發出信用證。債項淨額增加主要由於票據貼現增加約30,000,000港元及銀行貸款增加77,000,000港元。新借貸於期內主要用於營運資金(尤其是旺季之船運方面)及資本開支。由於本集團之借貸主要以港元、美元及人民幣定值，因此本集團將於適當時候對沖貨幣風險及利率開支，尤其是人民幣借貸。

物業、廠房及設備之資本支出

期內總資本支出為31,000,000港元(二零零七年三月三十一日：100,000,000港元)，其中8,000,000港元用於興建生產廠房，11,000,000港元用於購置廠房及機器及6,000,000港元則用於模具投資。

流動資金及財政資源

於二零零七年九月三十日，本集團之流動負債淨值約為5,000,000港元(二零零七年三月三十一日：34,000,000港元)，而流動比率則約為1.00(二零零七年三月三十一日：0.96)。股東資金維持於約1,100,000,000港元(二零零七年三月三十一日：1,077,000,000港元)之水平。

資產抵押

於二零零七年九月三十日，本集團賬面值合共574,000,000港元之資產(包括投資物業、物業、廠房及設備以及土地使用權)已抵押為本集團獲授若干銀行融資提供擔保。

資本承擔

於二零零七年九月三十日，本集團有已訂約但未撥備資本承擔約6,000,000港元。

Treasury Policy

The majority of the Group's sales and purchases are denominated in Hong Kong Dollars or US Dollars. As Hong Kong Dollars and US Dollars are pegged, the Group had minimum exposure to foreign exchange fluctuation in this respect. The labour costs and other overheads incurred in China were denominated in RMB. The Group will closely monitor the overall currency and interest rate exposures particularly for the bank borrowings in RMB which was about HK\$290 million as at 30 September 2007. When considered appropriate, the Group will hedge against currency exposure as well as interest rate exposure.

Employee Information

As at 30 September 2007, the Group had approximately 20,400 employees (31 March 2007: approximately 24,300). The remuneration packages are generally structured with reference to market conditions and the individual qualifications. Salaries and wages of the Group's employees are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Bonuses are normally paid to the management, based on individual merits as well as the results from the respective companies for which the staff works. Benefit plans for its Hong Kong staff include a provident fund scheme and medical and life insurance. The Group also maintains a Share Option Scheme, under which options may be granted to employees to subscribe for shares in the Company. This Share Option Scheme is designed to give employees an incentive to perform.

CORPORATE GOVERNANCE

The Company has complied with the all the applicable code provisions set out in the Code on Corporate Governance Practices ("the CG Code") in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2007, together with the deviations from CG Code provision A2.1 in respect of the separate of roles of the Chairman and the chief executive officer and A4.2 in respect of the re-election of directors who are appointed to fill causal vacancy. The Group's compliance with the provision of the Code together with reasons for the deviations are set in the corporate governance report contained in the Company's 2007 Annual Report issued in July 2007.

庫務政策

本集團之銷售及採購大部份以港元或美元結算。由於港元與美元掛鈎，令本集團在此方面承受之外匯波動風險甚低。於中國產生之員工成本及其他經常性支出均以人民幣結算。本集團將密切監察整體之貨幣及利率風險，尤其是於二零零七年九月三十日之結餘約為290,000,000港元之人民幣銀行借貸。於認為合適時，本集團將為貨幣風險及利率風險進行對沖。

僱員資料

於二零零七年九月三十日，本集團有約20,400名僱員(二零零七年三月三十一日：約24,300名)。酬金一般參考市場標準及個別員工資歷而釐定。本集團僱員之薪金及工資一般於每年根據表現評估及其他相關因素作出檢討。本集團亦按管理層人員各自之良好表現及彼等所任職各間公司之業績發放花紅。香港員工之福利計劃包括一項公積金計劃及醫療及人壽保險。本集團亦設有一項購股權計劃，據此可向僱員授出認購本公司股份之購股權。購股權計劃旨在給予僱員盡展所長之機會。

企業管治

本公司於截至二零零七年九月三十日止六個月內一直遵守上市規則附錄14載列之企業管治常規守則(「企業管治守則」)之所有適用守則條文，惟偏離企業管治守則條文第A2.1條有關主席及行政總裁角色區分事項及第A4.2條有關重選就填補臨時空缺而委任之董事事項。有關本集團遵守守則條文及偏離原因已載於二零零七年七月刊發之本公司二零零七年年報所載企業管治報告內。

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with internal control and financial reporting matters including the review of the consolidated financial statements of the Group for the period ended 30 September 2007. The Audit Committee comprises three independent non-executive directors, namely Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company, comprising of three independent non-executive directors and one executive director, was established with the terms of reference in compliance with the CG Code. The Remuneration Committee is responsible for formulation and review of the remuneration policy of the Company and performance of the executive directors, recommendation as to the remuneration of the executive directors and dealing with matters of appointment, retirement and re-election of the directors.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard set out in the Model Code throughout the period ended 30 September 2007.

DEALING IN COMPANY'S LISTED SECURITIES

During the period, there were no purchases, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

審核委員會

審核委員會已與管理層審閱本集團採納之會計原則及常規，並已討論內部控制及財務申報程序事項，包括審閱本集團截至二零零七年九月三十日止期間之綜合財務報表。審核委員會由三名獨立非執行董事組成，分別為吳志揚先生、譚旭生先生及何樂昌先生。

薪酬委員會

本公司薪酬委員會(成員為三名獨立非執行董事及一名執行董事)已遵照企業管治守則成立並制訂職權範圍。薪酬委員會負責製訂及審閱本公司之薪酬政策及執行董事之表現，就執行董事之薪酬作出推薦意見及處理董事委任、退任及重選事宜。

遵守董事進行證券交易之守則

本公司已採納上市規則附錄10載列之上市發行人之董事進行證券交易之標準守則，作為董事進行證券交易之操守守則(「標準守則」)。經本公司向全體董事作出具體查詢後，本公司董事於截至二零零七年九月三十日止期間內一直遵守標準守則所規定之準則。

買賣本公司上市證券

期內，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

OTHER INFORMATION

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 30 September 2007, the directors, chief executive of the Company and their associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

其他資料

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零七年九月三十日，本公司各董事、行政總裁及彼等各自之聯繫人士於本公司及其聯營公司(具有證券及期貨條例(「證券及期貨條例」)第XV部所賦予之涵義)之股份、相關股份及債券須根據證券及期貨條例第352條須保存之登記冊所記載，或根據上市規則內的標準守則知會本公司及聯交所之權益及淡倉如下：

Name of directors	Notes	Capacity/ nature of interest	Number of shares held			Percentage of total holding
			Long position	Short position	Number of underlying shares (in respect of the share options) of the Company	
董事姓名	附註	身份／權益性質	好倉	淡倉	本公司相關 股份(有關 購股權)數目	持股 總數百分比
Lam Man Chan ("Dr. Lam") 林文燦(「林博士」)	1	family interest 家族權益	278,723,176	–	–	35.15%
Ting Lai Ling ("Ms. Ting") 丁麗玲(「丁女士」)	1	family interest 家族權益	278,723,176	–	–	35.15%
Lam Shing Ngai ("Mr. Lam") 林承毅(「林先生」)	1 & 2	family interest and personal interest 家族權益及個人權益	278,723,176	–	700,000	35.24%
Ting Lai Wah 丁麗華	3	personal interest 個人權益	–	–	7,000,000	0.88%
Yeung Cheuk Kwong ("Mr. Yeung") 楊卓光(「楊先生」)	4	personal interest 個人權益	–	–	4,000,000	0.50%

Notes:

- (1) The interests are held by Goodchamp Holdings Limited, which is 100% owned by Sinowin Inc. as trustee of The Sinowin Unit Trust. The Sinowin Unit Trust is a unit trust owned by HSBC International Trustee Limited as trustee of a discretionary trust. The discretionary trust was settled by Dr. Lam and the discretionary objects of which are Ms. Ting herself (the wife of Dr. Lam) and the family members (including Mr. Lam) of both Dr. Lam and Ms. Ting.
- (2) The personal interest of Mr. Lam represents 700,000 underlying shares in respect of share options granted to him during the period. The options are exercisable at a subscription price of HK\$0.690 for each share during the period from 11 June 2007 to 30 June 2009. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as 30 September 2007.
- (3) The personal interest of Ms. Ting Lai Wah represents 7,000,000 underlying shares in respect of share options granted to her during the period. The options are exercisable at a subscription price of HK\$0.690 for each shares during the period from 11 June 2007 to 30 June 2009. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as 30 September 2007.
- (4) The personal interest of Mr. Yeung represents 4,000,000 underlying shares in respect share options granted to him during the period. The options are exercisable at a subscription price of HK\$0.690 for each shares during the period from 11 June 2007 to 30 June 2009. The percentage of holding is calculated on the basis (i) that the options are fully exercised; and (ii) the number of issued share capital of the Company when the options are exercised is the same as that as 30 September 2007.

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries held for the benefit of the company solely for the purpose of compliance with the minimum company membership requirements.

附註：

- (1) 該等權益乃以Goodchamp Holdings Limited之名義持有，而該公司乃由Sinowin Inc. (作為The Sinowin Unit Trust之信託人) 擁有100%權益。The Sinowin Unit Trust乃一項由HSBC International Trustee Limited (作為一項全權信託之信託人) 擁有之單位信託。林博士為該全權信託之創立人，而丁女士本人(林博士之夫人) 與林博士及丁女士二人之家族成員(包括林先生) 為該全權信託之全權受益人。
- (2) 林先生之個人權益指期內獲授購股權所涉及之700,000股相關股份。購股權可於二零零七年六月十一日起至二零零九年六月三十日止期間按認購價每股0.690港元行使。持股百分比乃根據(i)購股權獲悉數行使；及(ii)購股權獲行使時本公司之已發行股份數目與二零零七年九月三十日之數目相同為基準計算。
- (3) 丁麗華女士之個人權益指期內獲授購股權所涉及之7,000,000股相關股份。購股權可於二零零七年六月十一日起至二零零九年六月三十日止期間按認購價每股0.690港元行使。持股百分比乃根據(i)購股權獲悉數行使；及(ii)購股權獲行使時本公司之已發行股份數目與二零零七年九月三十日之數目相同為基準計算。
- (4) 楊先生之個人權益指期內獲授購股權所涉及之4,000,000股相關股份。購股權可於二零零七年六月十一日起至二零零九年六月三十日止期間按認購價每股0.690港元行使。持股百分比乃根據(i)購股權獲悉數行使；及(ii)購股權獲行使時本公司之已發行股份數目與二零零七年九月三十日之數目相同為基準計算。

除上文所述者外，若干董事為本公司之利益而於若干附屬公司持有非實益個人股份權益，惟此舉僅為符合公司股東人數最低規定。

Save as disclosed above, as at 30 September 2007, none of the directors or the chief executive of the Company and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Directors' right to acquire shares

As at 30 September 2007, certain directors of the Company have the interests in respect of options to subscribe for the shares of the Company under the Company's share option scheme approved and adopted on 23 August 2002. Details of their interests in the share options of the Company are separately disclosed in the section "Share Option Scheme" below.

除上述披露者外，於二零零七年九月三十日，概無本公司董事或行政總裁及彼等各自之聯繫人士於本公司及其聯營公司(具有證券及期貨條例第XV部所賦予之涵義)之股份、相關股份及債券須根據證券及期貨條例第352條須保存之登記冊所記載，或根據標準守則須另行知會本公司及聯交所之權益或淡倉。

董事購買股份之權利

於二零零七年九月三十日，本公司若干董事於根據本公司於二零零二年八月二十三日批准及採納之購股權計劃下可認購本公司股份之購股權中擁有權益。彼等於本公司購股權之權益詳情於下文「購股權計劃」一節披露。

Interests and short positions in shares and underlying shares of substantial shareholders and other persons

As at 30 September 2007, so far as was known to the directors or chief executive of the Company, the following persons (other than the interests disclosed above in respect of certain directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register to be kept under Section 336 of the SFO are set out below:

主要股東及其他人士之股份及相關股份權益及淡倉

於二零零七年九月三十日，就本公司董事或行政總裁所知，以下人士（不包括本公司董事或行政總裁）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記載之權益或淡倉：

Name of shareholder 股東名稱	Notes 附註	Capacity/ nature of interest 身份／權益性質	Number of shares held 所持股份數目		Percentage of holding 持股百分比
			Long position 好倉	Short position 淡倉	
Goodchamp Holdings Limited	1	Beneficial interest 實益權益	277,923,176	–	35.05%
Sinowin Inc.	1	Trustee interest 信託人權益	277,923,176	–	35.05%
HSBC International Trustee Limited	1	Trustee interest 信託人權益	278,423,176	–	35.11%
Grandlink Holdings Limited	2	Beneficial interest 實益權益	40,640,000	–	5.12%
Safeguard Trustee Limited	2	Trustee interest 信託人權益	40,640,000	–	5.12%
Basab Inc.	2	Trustee interest 信託人權益	40,640,000	–	5.12%
FMR Corp.	3	Investment manager 投資經理	70,904,000	–	8.94%
Templeton Investment Counsel, LLC	–	Investment manager 投資經理	62,308,532	–	7.86%

Notes:

1. The details of this note are stated in note (1) of the above section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures"
2. The interests are held in the name of Grandlink Holdings Limited, which is 100% owned by Basab Inc. as trustee of The Basab Unit Trust. The Basab Unit Trust is a unit trust owned by Safeguard Trustee Limited as trustee of a discretionary trust.
3. The interests are indirectly held by FMR Corp. through its 100% controlled corporations, namely, Fidelity Management & Research Company and Fidelity Management Trust Company.

Save as disclosed above, as at 30 September 2007, the directors and chief executive of the Company are not aware of any other persons who had an interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Share option scheme

A share option scheme of the Company was approved and adopted on 23 August 2002 (the "Scheme"). The Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Company may grant options to, inter alia, directors and employees of the Company or its subsidiaries and other participants to subscribe for shares in the Company. The details of the terms of the Scheme were disclosed in the Company's 2007 annual report issued in July 2007.

附註：

1. 此附註之詳情已載於上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」一節附註(1)。
2. 此權益由Grandlink Holdings Limited之名義持有。Grandlink Holdings Limited乃由Basab Inc.擁有100%權益，乃The Basab Unit Trust之受託人。The Basab Unit Trust乃一個由Safeguard Trustee Limited擁有之單位信託基金，乃一個全權信託之受託人。
3. 有關權益由FMR Corp.透過其100%控制之兩間公司(Fidelity Management & Research Company及Fidelity Management Trust Company)間接持有。

除上文所披露者外，於二零零七年九月三十日，本公司董事及行政總裁並無獲悉有任何其他人士於本公司之股份或相關股份中擁有根據證券及期貨條例第336條須存置之登記冊所記載之權益或淡倉。

購股權計劃

本公司之購股權計劃(該計劃)於二零零二年八月二十三日批准及採納。計劃自採納日期計起十年內有效及生效。

根據該計劃，本公司可向(其中包括)本公司或其附屬公司之董事及僱員或其他人士授出購股權，以認購本公司股份。該計劃條款之詳情已於本公司於二零零七年七月刊發之二零零七年報內披露。

Details of the share options offered and accepted under the Scheme during the six months period ended 30 September 2007 and their movements during the period are as follows:

截至二零零七年九月三十日止六個月期間根據計劃要約及接納之購股權及於該期間之變動詳情載列如下：

Participants	Date of grant	Exercise period	Exercise price per share	No. of options granted during the period	Outstanding as at 30 September 2007	Closing price immediately before date of grant
參與者	授出日期	行使期	每股行使價 HK\$ 港元	期內授出 購股權數目	於二零零七年 九月三十日 尚未行使	緊接授出日期前之 股份收市價
Directors						
董事						
Ting Lai Wah 丁麗華	22 May 2007 二零零七年 五月二十二日	11 June 2007 to 30 June 2009 二零零七年六月十一日至 二零零九年六月三十日	0.690	7,000,000	7,000,000	0.690
Yeung Cheuk Kwong 楊卓光	22 May 2007 二零零七年 五月二十二日	11 June 2007 to 30 June 2009 二零零七年六月十一日至 二零零九年六月三十日	0.690	4,000,000	4,000,000	0.690
Lam Shing Ngai 林承毅	22 May 2007 二零零七年 五月二十二日	11 June 2007 to 30 June 2009 二零零七年六月十一日至 二零零九年六月三十日	0.690	700,000	700,000	0.690
Other						
其他						
Employees 僱員	22 May 2007 二零零七年 五月二十二日	11 June 2007 to 30 June 2009 二零零七年六月十一日至 二零零九年六月三十日	0.690	3,300,000	3,300,000	0.690
				15,000,000	15,000,000	

During the period, no options were exercised, cancelled or lapsed.

於期內，概無購股權被行使、註銷或失效。

Share option expenses

Share option expenses charged are based on valuation determined using Black-Scholes Model. Share options granted during the period were valued at approximately HK\$0.1055 based on various factors, variables and assumptions which included the following:

1. Since option pricing model requires input of highly subjective assumptions, fair values calculated are therefore inherently subjective and the model may not necessarily provide a reliable measures of share option expense.
2. Estimated volatility was about 36.58%, which represented the standard deviation, which is a measure of price dispersion or variation. This variable is the average of the square of the difference between share prices and mean price over time.
3. The risk-free interest rate was about 3.87% which was estimated using Hong Kong Exchange Fund notes.
4. The expected dividend yield of about 2% was based on the historical trend of dividend payments.

All of the above-mentioned outstanding options are unlisted and the total expense recognised in the Group's income statement for the period in respect of the granting of 15,000,000 options is about HK\$1,580,000.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to take this opportunity to express my sincere gratitude to our management team and staff for their hard work and dedication in the past year. I also wish to thank our shareholders, customers, suppliers, bankers and business partners for their continued trust and support.

By order of the Board

Lam Man Chan

Chairman

Hong Kong, 21 December 2007

購股權開支

購股權開支乃根據採用柏力克-舒爾斯模式釐定之估值計算。根據多項因素、變數及假設，期內所授出之購股權價值約為0.1055港元，包括：

1. 由於期權定價模式需要作出極主觀假設，因此按該模式計算之公平值非常主觀，未必能可靠計算購股權開支。
2. 用作計算之預期股價波動率約為36.58%，即量度價格分佈或變動之標準偏差。該變數乃以股價及一段時間內股價之平均值之差之二次方平均計算。
3. 無風險利率約為3.87%，乃採用香港外匯基金債券估計。
4. 預計股息率約為2%，乃按過往支付股息情況計算。

上述所有未行使購股權均為非上市，本集團就所授出15,000,000份購股權於本期間之收益表確認為總開支約1,580,000港元。

致謝

本人謹代表董事會，對管理層及員工們於過去一年之努力及作出之貢獻致以衷心謝意。本人亦謹此感謝股東、客戶、供應商、往來銀行及業務夥伴之不斷信賴及支持。

承董事會命

林文燦

主席

香港，二零零七年十二月二十一日

BOARD OF DIRECTORS

Executive Director

Dr. Lam Man Chan (*Chairman*)

Ms. Ting Lai Ling

Ms. Ting Lai Wah

Mr. Yeung Cheuk Kwong

Mr. Lam Shing Ngai

Independent Non-executive Directors

Mr. Ng Chi Yeung, Simon

Mr. Tam Yuk Sang, Sammy

Mr. Ho Lok Cheong

COMPANY SECRETARY

Mr. Yeung Cheuk Kwong

JOINT AUDITORS

Deloitte Touche Tohmatsu

Graham H.Y. Chan & Co.

PRINCIPAL REGISTRARS

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Hamilton, Bermuda.

BRANCH REGISTRARS

Tricor Tengis Limited

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Wanchai, Hong Kong.

REGISTERED OFFICE

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HONG KONG PRINCIPAL OFFICE

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董事會

執行董事

林文燦博士(主席)

丁麗玲女士

丁麗華女士

楊卓光先生

林承毅先生

獨立非執行董事

吳志揚先生

譚旭生先生

何樂昌先生

公司秘書

楊卓光先生

聯席核數師

德勤•關黃陳方會計師行

陳浩賢會計師事務所

主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited

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