CARRY
WEALTH HOLDINGS LIMITED
恒 富 控 股 有 限 公 司
(Incorporated in Bermuda with limited liability)
Website: http://www.carrywealth.com
(Stock Code: 643)

ANNUAL RESULTS
FOR THE YEAR ENDED 31ST DECEMBER, 2009

The board of directors (the "Board") of Carry Wealth Holdings Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st December, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Business Review

The global financial meltdown that erupted towards the end of 2008 has led to a contraction of the economy of the US along with much of the rest of the world which in turn has affected industry sectors and businesses everywhere. The apparel industry was no exception. For the year ended 31st December, 2009, the Group experienced reduced turnover in most of its business segments. The Group's revenues amounted to HK$733.0 million (2008: HK$880.1 million) and its gross profit was HK$138.1 million (2008: HK$172.9 million). Profit attributable to equity holders was HK$0.1 million (2008: Loss of HK$40.7 million) and basic earnings per share was 0.03 HK cents for the year under review (2008: Basic loss per share was 10.97 HK cents).

The Group's performance was continuously affected by the global economic turmoil during 2009. Demand slumped in US market due to a drop in consumer confidence arising from high unemployment and lack of a promising economic outlook. Thus, turnover of the Group for the year ended 31st December, 2009 fell 16.6% year-on-year to HK$733.0 million.

As a result of lagging demand in the US, the Group's largest market, unit operating costs increased due to decline in sales volume. Gross profit margin of the Group slipped from 19.6% last year to 18.8% for the year ended 31st December, 2009. Gross profit of the Group for the year under review was HK$138.1 million, 20.1% down compared with last year's gross profit of HK$172.9 million.

The Group's investment in market linked instruments was matured during the year with fair value gains of HK$6.4 million. The listed equity securities derived from the market linked instruments were disposed of in part during the year at a loss of HK$2.9 million while the remaining securities were valued at a fair value gain of HK$2.2 million at the year end.

In response to the unfavourable economic environment, the Group has proactively taken steps to control expenses and enhance operational efficiency. Through stringent cost control and streamlining measures, the Group reduced administration expenses from HK$115.4 million to HK$104.4 million for the year under review and the percentage of selling expenses to turnover was dropped from 3.9% last year to 3.8%.

The Group indirectly holds a 40% interest in ShanDong WeiQiao HengFu Textile Limited ("SWHT"), which manufactures knitted fabrics. As business environment remained tough due to impact from financial crisis, SWHT reported a turnover of HK$69.0 million and loss of HK$13.7 million for the year under review. The Group's share of net loss of SWHT was HK$5.5 million (2008: HK$1.1 million).

Segmental Analysis

The financial meltdown in the US had a far-reaching negative impact on its economy with the persistent high rate of unemployment, a particularly important cause for concern. US consumers stayed conservative in spending in view of a weak pace of economic recovery. The US accounted for 79.4% of the Group's turnover during the year under review and this segment's contribution was down by 25.2% year-on-year which in turn led to a drop in adjusted operating profit for the US segment by 29.9% year-on-year.

In Mainland China, the government's economic stimulus measures, including relaxation of monetary policy and stabilisation of Renminbi against major currencies, has been effective in boosting consumer confidence and domestic consumption. China's economy has been the least affected in the world by the financial turmoil and recorded a GDP growth of 8.7%. Accordingly, turnover from Mainland China grew by 211.5% and accounted for 9.7% of the Group's total. Although the adjusted operating loss for the Mainland China segment increased by 73.0%, its percentage to turnover fell from 17.8% in the last corresponding period to 9.9% because of gradual improvement in production efficiency.

Europe and Canada contributed 4.4% and 2.6% of the Group's total turnover respectively, and the corresponding adjusted operating profits for these two segments were 8.5% and 9.2% of its segment turnover.

Indonesia

Though the knit factories in Indonesia continued to be the Group's major production base in the year under review, lower demand due to adverse market conditions dragged down the volume of output. The turnover for the factories in Indonesia accounted for 69.7% (2008: 71.3%) of the Group's total turnover.

Mainland China

The factory in Heshan, Mainland China accounted for 15.2% (2008 : 5.7%) of the Group's total turnover for the year ended 31st December, 2009. Although the Mainland China's economy had recovered faster than any other economy in the world, the performance of the factory in Heshan was hindered to a certain extent by the tough business environment including shortage of skilled labour and rising production costs. The factory is expected to take longer than anticipated to reach its optimum production scale.

As the Mainland China market is a key focus of the Group's long term development, a joint venture company was formed under an agreement signed in mid October 2009, for setting up a 51%-owned printing and embroidery factory in Heshan. The new factory, which has commenced trial production in early last December, is aimed at enhancing the Group's competitive position and exploring new customers in the Mainland China apparel market.

Lesotho

The output of the knit factory Shinning Century Limited in Lesotho accounted for 9.9% (2008: 7.0%) of the Group's total turnover for the review year. With a steady stream of orders received during the year, the factory continued to make a stable contribution to the Group.

El Salvador

The Group closed its factory in El Salvador at the end of December 2008 to rationalise its production facilities. There was no contribution to the Group's turnover from this region during the year (2008: 11.1%).

Liquidity and Financial Resources

Adhering to a conservative financial management system, the Group continued to maintain a healthy and solid liquidity position. As at 31st December, 2009, the Group's cash and cash equivalents and time deposit totalled HK$82.9 million (31st December, 2008: HK$63.5 million). Working capital represented by net current assets amounted to HK$90.1 million (31st December, 2008: HK$69.9 million). The Group's current ratio was 1.4 (31st December, 2008: 1.2).

Bank borrowings included trust receipt loans amounting to HK$44.1 million (31st December, 2008: HK$97.9 million) and a term loan amounting to HK$29.4 million (31st December, 2008: HK$49.7 million). The bank loans were denominated in either HK dollars or US dollars. As at 31st December, 2009, the gearing ratio of the Group, which is calculated as net debt (total borrowings less cash and cash equivalents) divided by capital and reserves attributable to the Company's equity holders, was -2.0% (31st December, 2008: 33.2%).

The debt maturity profile of the Group as at 31st December, 2009 was as follows:

	At 31st December, 2009 ***HK$'000***	At 31st December, 2008 *HK$'000*
Repayable within one year	**67,656**	125,406
Repayable after 1 year, but within 2 years	**5,917**	16,121
Repayable after 2 years, but within 5 years	**–**	6,067
Total	**73,573**	147,594

Capital Expenditure

For the year under review, the Group incurred a total capital expenditure of HK$6.8 million (2008: HK$15.3 million), which was mainly for new and replacements of plant and machinery. The capital expenditure was funded using internal financial resources.

Foreign Exchange Exposure

The Group's sales are principally denominated in US dollars. With factories and offices in Hong Kong, Indonesia, Mainland China and Lesotho, operating expenses of the Group are primarily denominated in Hong Kong dollars, Indonesia Rupiah, Renminbi, South African Rand and some also in US dollars.

As the Hong Kong dollar is pegged to the US dollar, the Group does not expect to be exposed to any currency risks arising from that currency in the near term. The Group will closely monitor fluctuation of other currencies and, if necessary, will enter into forward exchange contracts to reduce exchange risk.

Credit Policy

Consistent with prevailing industry practice, the Group's trading terms with customers was on an open account basis. During the year under review, about 4.6% (2008: 5.4%) of the Group's business was transacted on letters of credit, and the rest on an open account basis granted to long-standing customers. The credit ratings of customers are constantly reviewed and their respective credit limits adjusted, if necessary.

Charges on Fixed Assets

As at 31st December, 2009, the Group had no charge on fixed assets.

Contingent Liabilities

As at 31st December, 2009, the Group had no contingent liabilities.

Human Resources and Remuneration Policies

The Group provides a harmonious working environment to employees whose commitment, it believes, is important to the success of its business. The Group offers employees rewarding careers and provides them with a variety of training programmes. It rewards employees according to remuneration benchmarks in the industry, prevailing market conditions, and individual experience and performance. To attract and retain high calibre employees, the Group also gives discretionary bonuses and share options to staff members based on performance of the individual as well as the Group.

As at 31st December, 2009, the Group had a total of 5,884 (31st December, 2008: 5,682) full-time employees in the following regions:

Indonesia	3,277
China (Mainland and Hong Kong)	1,614
Lesotho	993
Total	5,884

Outlook

Thanks to the massive economic stimulus packages implemented by various governments in combating the financial tsunami, most economies are moving forward at different paces of recovery. In the US, although economic growth appears to be picking up as indicated by some recent data, the unemployment rate in February 2010 still stood hovering near double digits at 9.7%. Consumers, fearful of insecure job prospects and lingering economic uncertainties, are expected to continue to rein their spending. Consumer confidence would only recover in step with a reduction in the unemployment rate. Against this backdrop, it is expected that the US apparel retailers will remain conservative in placing orders and continue to tighten budgets in the year ahead.

On a positive note, the Mainland China market has been resilient during the global economic downturn with the country's GDP grew at 8.7% in 2009, thanks to the economic stimulus package to spur local demand and consumer spending. The Government is expected to continue policies that encourage sustained expansion of domestic consumption to reduce the country's reliance on foreign trade. The vast population and the rise of per capita disposable income of urban residents in Mainland China will also benefit the long term development of various business segments within the consumer goods sector, including the apparel industry. The Group will strive to seize business opportunities arising from the continued growth of China's domestic market with the aim of sustaining its future growth.

Pursuant to the joint venture agreement signed in October 2009, the Group and its joint venture partner intended to establish another new printing and embroidery factory in Jakarta, Indonesia. In the face of ongoing global economic uncertainties, the Group will closely monitor the business progress of the new printing and embroidery factory in Heshan. The Group will also take a cautious approach in determining development plans with its joint venture partner in the establishment of the new factory in Jakarta.

Besides, the Group will continue to enhance production efficiency and cost controls in order to maintain its competitive position. Initiatives that are currently underway include investment aiming at product development, process streamlining and order management enhancement which ultimately enabling the Group to benefit from the economic recovery. Looking ahead, the Group will attentively evaluate the market situation and adjust its strategy to make the most of business opportunities as they arise. Based on its solid foundation in the apparel industry, the Group is confident it can successfully meet the challenges ahead and maximise the value to the Company's shareholders in the long run.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31st December, 2009 (2008: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 24th May, 2010 to Wednesday, 26th May, 2010, both days inclusive, during which period no transfer of shares will be effected.

In order to be entitled to attend and vote at the 2010 annual general meeting of the Company to be held on Wednesday, 26th May, 2010, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Thursday, 20th May, 2010.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2009

	Note	2009 HK$'000	2008 HK$'000
Revenues	2	**733,046**	880,114
Cost of sales	4	**(594,944)**	(707,215)
Gross profit		**138,102**	172,899
Other gains/(losses) – net	3	**8,743**	(58,201)
Selling expenses	4	**(27,986)**	(33,907)
Administrative expenses	4	**(104,406)**	(115,400)
Operating profit/(loss)		**14,453**	(34,609)
Finance income	5	**979**	4,076
Finance costs	6	**(2,340)**	(5,566)
Share of loss of associates		**(5,739)**	(1,402)
Profit/(loss) before income tax		**7,353**	(37,501)
Income tax expense	7	**(5,852)**	(4,533)
Profit/(loss) for the year		**1,501**	(42,034)
Attributable to:			
Equity holders of the Company		**113**	(40,681)
Minority interests		**1,388**	(1,353)
		1,501	(42,034)
Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the Company during the year			
– basic *(HK cents)*	8	**0.03**	(10.97)
– diluted *(HK cents)*	8	**0.03**	(10.97)
Dividends	9	**–**	7,437

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2009

	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) for the year	**1,501**	(42,034)
Other comprehensive income:		
Fair value gain, net of tax:		
– properties, plant and equipment	**3,145**	867
Currency translation differences	**10,823**	(7,430)
Other comprehensive income/(loss) for the year, net of tax	**13,968**	(6,563)
Total comprehensive income/(loss) for the year	**15,469**	(48,597)
Attributable to:		
Equity holders of the Company	**14,157**	(48,771)
Minority interests	**1,312**	174
	15,469	(48,597)

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER, 2009

	Note	**2009**	2008
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Properties, plant and equipment		**138,457**	145,143
Leasehold land and land use rights		**12,053**	13,042
Interests in associates		**43,212**	48,951
Deferred income tax assets		**3,820**	2,679
Financial assets at fair value through profit or loss	*10*	**–**	8,604
		197,542	218,419
Current assets			
Inventories		**97,323**	111,783
Trade and other receivables	*11*	**110,955**	154,505
Financial assets at fair value through profit or loss	*10*	**18,387**	30,882
Time deposit with maturity over 3 months		**3,917**	–
Cash and cash equivalents		**79,009**	63,508
		309,591	360,678
Total assets		**507,133**	579,097
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**37,187**	37,187
Other reserves		**44,873**	30,829
Retained earnings		**185,204**	185,091
		267,264	253,107
Minority interests		**9,105**	7,793
Total equity		**276,369**	260,900

	Note	**2009**	2008
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**5,917**	22,188
Deferred income tax liabilities		**5,401**	5,194
		11,318	27,382
Current liabilities			
Derivative financial instruments		**–**	21,768
Trade and other payables	*12*	**140,578**	126,836
Income tax payable		**11,212**	16,805
Bank borrowings		**67,656**	125,406
		219,446	290,815
Total liabilities		**230,764**	318,197
Total equity and liabilities		**507,133**	579,097
Net current assets		**90,145**	69,863
Total assets less current liabilities		**287,687**	288,282

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of buildings and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Amendment and interpretations effective in 2009

- HKAS 1 (revised) 'Presentation of financial statements' (effective 1st January, 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on the consolidated financial statements of the Group.

- HKAS 23 (revised), "Borrowing costs" (effective from 1st January, 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. The amendment does not have material impact on the Group's consolidated financial statements, because the Group is already applying the capitalisation option on the borrowing costs for qualifying assets.

- HKFRS 2 (amendment) 'Share-based payment' (effective 1st January, 2009) deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation there of subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group and Company has adopted HKFRS 2 (amendment) from 1st January, 2009. The amendment does not have a material impact on the Group's or Company's financial statements.

- HKFRS 7 'Financial Instruments – Disclosures (amendment)' (effective 1st January, 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on the consolidated financial statements of the Group.

- HKFRS 8 'Operating segments' (effective 1st January, 2009). HKFRS 8 replaces HKAS 14 'Segment reporting' and aligns segment reporting with the requirements of the US standard SFAS 131 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. This has not resulted in material impact to the consolidated financial statements of the Group.

No new and amended standards, and interpretation to existing standards effective in 2009 were considered relevant to the Group's or the Company's financial statements, other than those discussed above.

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st January, 2010 or later periods, but the Group has not early adopted them. These are not expected to have a material impact on the Group's or the Company's financial statements.

- HKAS 1 (amendment) "Presentation of financial statements" (effective for annual period beginning on or after 1st January, 2010).

- HKAS 1 (amendment) "Current/non-current classification of convertible instruments" (effective for annual period beginning on or after 1st January, 2010).

- HKAS 7 "Classification of expenditures on unrecognised assets" (effective for annual period beginning on or after 1st January, 2010).

- HKAS 17 "Classification of leases of land and buildings" (effective for annual period beginning on or after 1st January, 2010).

- HKAS 24 (revised) "Related party disclosures" (effective for annual period beginning on or after 1st January, 2011).

- HKAS 27 (revised) "Consolidated and separate financial statements" (effective for annual period beginning on or after 1st July, 2009 and applicable for year ending 30th June, 2010 or after).

- HKAS 32 (amendment) "Classification of rights issue" (effective for annual period beginning on or after 1st February, 2010).

- HKAS 36 "Unit of accounting for goodwill impairment test" (effective for annual period beginning on or after 1st January, 2010).

- HKAS 38 "Additional consequential amendments arising from HKFRS 3 (revised) and measuring the fair value of an intangible asset acquired in business combination" (effective for annual period beginning on or after 1st July, 2009).

- HKAS 38 (amendment) "Intangible assets" (effective for annual period beginning on or after 1st July, 2009).

- HKAS 39 "Treating loan prepayment penalties as closely related derivatives" (effective for annual period beginning on or after 1st January, 2010).

- HKAS 39 "Cash flow hedge accounting" (effective for annual period beginning on or after 1st January, 2010).

- HKAS 39 "Scope exemption for business combination contracts" (effective for annual period beginning on or after 1st January, 2010).

- HKFRS 1 (amendment) "Additional exemptions for first-time adopters" (effective for annual period beginning on or after 1st July, 2010).

- HKFRS 2 (amendment) "Group cash-settled share-based payment transactions" (effective for annual period beginning on or after 1st January, 2010).

- HKFRS 3 (revised) "Business combinations" (effective for annual period beginning on or after 1st July, 2009).

- HKFRS 5 "Disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations" (effective for annual period beginning on or after 1st January, 2010).

- HKFRS 8 "Disclosure of information about segment assets" (effective for annual period beginning on or after 1st January, 2010).

- HKFRS 9 "Financial Instruments" (effective for annual period beginning on or after 1st January, 2013).

- HK(IFRIC) 17 "Distribution of non-cash assets to owners" (effective for annual period beginning on or after 1st July, 2009).

- Amendment to HK(IFRIC) 14 "Prepayments of a minimum funding requirement" (effective for annual period beginning on or after 1st January, 2011).

- HK(IFRIC) 19 "Extinguishing financial liabilities with equity instruments" (effective for annual period beginning on or after 1st July, 2010).

2 Revenues and segment information

The Group is principally engaged in garment manufacturing and trading. Revenues recognised during the year are as follows:

	2009	2008
	HK$'000	*HK$'000*
Turnover		
Sale of garment products	**733,046**	879,055
Other income		
Rental income	**–**	1,059
	733,046	880,114

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

The Group's management considers the business principally from a geographic perspective. Business reportable operating segments by location of the Group's customers are identified in five main geographical areas namely the United States of America, Mainland China, Europe, Canada and rest of the world.

The Group's management assesses the performance of the operating segments based on a measure of adjusted operating results. This measurement basis includes results of the operating segments before corporate administrative expenses, finance income, finance cost, share of results of associated companies and tax, but excludes material gain or loss which is capital in nature or non-recurring nature such as impairment, and fair value gain/losses arising from financial assets and financial liabilities.

An analysis of the Group's segment information for the year by geographical segment is as follows:

Geographical segments by location of customers

	Turnover		Adjusted operating results for reportable segments	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States of America	**582,158**	778,572	**54,385**	77,607
Mainland China	**71,230**	22,865	**(7,026)**	(4,061)
Europe	**32,318**	27,613	**2,738**	3,456
Canada	**18,743**	25,540	**1,732**	2,775
Rest of the world	**28,597**	24,465	**1,063**	2,031
	733,046	879,055	**52,892**	81,808

Revenues of approximately HK$220,807,000 (2008: HK$161,961,000), HK$114,972,000 (2008: HK$142,254,000), HK$88,105,000 (2008: HK$70,216,000) and HK$74,570,000 (2008: HK$70,532,000) were derived from the top four external customers respectively.

A reconciliation of adjusted operating results to profit/(loss) for the year is provided as follows:

	2009	2008
	HK$'000	*HK$'000*
Adjusted operating results for reportable segments	**52,892**	81,808
Rental income	**–**	1,059
Other gains/(losses) – net	**8,743**	(58,201)
Impairment of goodwill	**–**	(1,100)
Impairment of plant, property and equipment	**–**	(2,220)
Corporate administrative expenses	**(47,182)**	(55,955)
Operating profit/(loss)	**14,453**	(34,609)
Finance income	**979**	4,076
Finance costs	**(2,340)**	(5,566)
Share of loss of associates	**(5,739)**	(1,402)
Profit/(loss) before income tax	**7,353**	(37,501)
Income tax expense	**(5,852)**	(4,533)
Profit/(loss) for the year	**1,501**	(42,034)

Reportable segment's assets, which represent accounts receivable by geographical locations of customers, are reconciled to total assets as follows:

	Segment assets	
	2009	2008
	HK$'000	*HK$'000*
United States of America	**65,631**	118,780
Mainland China	**10,175**	4,059
Europe	**6,515**	8,444
Canada	**1,847**	3,550
Rest of the world	**4,918**	5,486
	89,086	140,319
Unallocated:		
Properties, plant and equipment	**138,457**	145,143
Leasehold land and land use rights	**12,053**	13,042
Interests in associates	**43,212**	48,951
Deferred income tax assets	**3,820**	2,679
Financial assets at fair value through profit or loss – non-current	**–**	8,604
Financial assets at fair value through profit or loss – current	**18,387**	30,882
Inventories	**97,323**	111,783
Prepayments, deposits and other receivables	**21,869**	14,186
Time deposit with maturity over 3 months	**3,917**	–
Cash and cash equivalents	**79,009**	63,508
Total assets per balance sheet	**507,133**	579,097

3 Other gains/(losses) – net

	2009	2008
	HK$'000	*HK$'000*
Gain on disposal of investment properties	**–**	7,300
Net fair value gains/(losses) on derivative financial instruments:		
Leveraged foreign forward exchange contracts		
– not yet matured	**838**	(19,560)
– matured	**924**	–
Equity accumulators – matured	**–**	(16,389)
Market linked instrument with swap arrangements		
– not yet matured	**–**	(3,659)
– matured	**2,720**	–
	4,482	(39,608)
Net fair value gains/(losses) on financial assets at fair value through profit or loss:		
Listed equity securities	**2,235**	(12,777)
Foreign currency linked structured note	**1,188**	(710)
Market linked instrument with initial investments		
– not yet matured	**–**	(3,357)
– matured	**3,689**	(1,551)
	7,112	(18,395)
Loss on disposal of listed equity securities	**(2,851)**	(7,498)
Total other gains/(losses) – net	**8,743**	(58,201)

4 Expenses by nature

Operating profit/(loss) is stated after crediting and charging the following:

	2009	2008
	HK$'000	*HK$'000*
Raw materials used	**359,825**	457,935
Changes in inventories of finished goods and work in progress	**4,705**	(20,379)
Quota charges	**–**	157
Depreciation of properties, plant and equipment	**19,715**	20,501
Impairment of properties, plant and equipment	**–**	2,220
Loss/(gain) on disposal of properties, plant and equipment	**18**	(24)
Amortisation of leasehold land and land use right	**998**	286
Employee benefit expense (excluding directors' emoluments)	**181,245**	199,055
Operating lease rentals – land and buildings	**6,481**	9,106
Auditors' remuneration	**1,682**	2,448
Net exchange losses	**1,051**	169
Impairment of goodwill	**–**	1,100
Others	**151,616**	183,948
Total cost of sales, selling expenses and administrative expenses	**727,336**	856,522

5 Finance income

	2009	2008
	HK$'000	*HK$'000*
Finance income on short-term bank deposits	**979**	1,885
Finance income from market linked instruments	**–**	471
Dividend income on listed equity securities	**–**	1,720
Finance income	**979**	4,076

6 Finance costs

	2009	2008
	HK$'000	*HK$'000*
Interest expenses		
– bank borrowings	**2,248**	5,566
– market linked instruments with swap arrangement	**92**	–
Finance costs	**2,340**	5,566

Interest expenses were paid for bank borrowings wholly repayable within five years.

7 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the year. Income taxes on profit derived from operations in Indonesia and Lesotho are provided at the rate of 28% (2008: 30%) and 15% (2008: 15%) respectively. The operation in Mainland China was granted a tax holiday of 2-year full exemption and 3-year 50% reduction and 2009 is the second year of full exemption.

The amount of income tax charged to the income statement represents:

	2009	2008
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**3,229**	7,170
– Overseas income tax	**3,649**	–
Over-provision in prior years	**(43)**	(42)
Deferred income tax	**(983)**	(2,595)
Income tax expense	**5,852**	4,533

8 Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. As the Company has no dilutive potential ordinary shares during the year ended 31st December, 2009, the diluted earnings per share equals to the basic earnings per share. For the year ended 31st December, 2008, the dilutive potential ordinary shares have an anti-dilutive effect, therefore, the diluted loss per share equalled to the basic loss per share.

	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) attributable to equity holders of the Company	**113**	(40,681)
Weighted average number of ordinary shares in issue *(thousands)*	**371,874**	370,712
Basic and diluted earnings/(loss) per share *(HK cents per share)*	**0.03**	(10.97)

9 Dividends

	2009	2008
	HK$'000	*HK$'000*
Interim dividend paid of nil HK cents (2008: 2.0 HK cents) per ordinary share	**–**	7,437

10 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the following:

	2009	2008
	HK$'000	*HK$'000*
Listed equity securities		
– securities listed on the Stock Exchange of Hong Kong	**8,325**	28,377
Derivatives		
– foreign currency linked structured note *(Note a)*	**9,792**	8,604
– leveraged foreign forward exchange contracts *(Note b)*	**270**	–
– market linked instrument with initial investments	**–**	2,505
	18,387	39,486
Less: non-current portion		
Derivatives		
– foreign currency linked structured note	**–**	(8,604)
	–	(8,604)
Current portion	**18,387**	30,882

The Group relies on valuations from the counterparty financial institutions to determine the fair value of the foreign currency linked structured note and the leveraged foreign forward exchange contracts, which in turn are based on the spot foreign exchange rates and forward foreign exchange rates at the balance sheet date respectively.

The fair values of all listed equity securities are based on their current bid prices in an active market.

The above assets are denominated in the following currencies:

	2009	2008
	HK$'000	*HK$'000*
United States dollar	**10,062**	11,109
Hong Kong dollar	**8,325**	28,377
End of the year	**18,387**	39,486

Notes:

(a) Foreign currency linked structured note

This relates to a structured note with an initial investment of HK$7,800,000. Its return is linked to a basket of different currencies. The structured note has a maturity of five year, and will mature in November 2010. Upon maturity, the Group is guaranteed to receive at least the initial investment of HK$7,800,000.

(b) Leveraged foreign forward exchange contracts

As at 31st December, 2009, the Group has certain outstanding dual direction target redemption forward contracts for HKD and USD. These contracts are settled in either USD or HKD by reference to the gains or losses against certain predetermined USD : HKD exchange rates and are calculated by reference to a notional USD or HKD amount per month.

Each time there is a delivery under the contracts, if the spot market exchange rate of USD : HKD is higher than a pre-determined rate in the contracts, the Group will receive HKD against delivery of a notional amount of USD at another pre-determined USD : HKD exchange rate as set out in the contracts.

The normal notional amount of USD the Group has to deliver out is USD1,000,000 each time there is a delivery under the contracts. At the rates pre-determined in the contracts, the Group will receive the equivalent Hong Kong dollar amount upon delivery of USD1,000,000.

Each time there is a delivery under the contracts, if however, the spot market exchange rate of USD : HKD is lower than a pre-determined rate in the contracts, the Group will receive a geared notional amount of USD dollar against delivery of HKD at another pre-determined USD : HKD exchange rate as set out in the contracts.

The geared notional amount of USD the Group will receive is USD3,000,000 each time there is a delivery under the contracts. At the rates pre-determined in the contracts, the Group will deliver out the equivalent Hong Kong dollar amount upon receipts of USD3,000,000.

Settlement under these target redemption forward contracts is usually on a net-settlement basis. These contracts require monthly settlements to be made up to April 2010.

The Group recognised a fair value gain of HK$838,000 in relation to these contracts during the year ended 31st December, 2009.

11 Trade and other receivables

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**89,086**	140,319
Prepayments, deposits and other receivables	**21,869**	14,186
	110,955	154,505

The carrying amounts of the trade receivables approximate their fair values.

The majority of the Group's sales to customers are on open account basis, with credit terms ranging from 30 to 45 days. The remaining sales are on letter of credit at sight to 90 days. The ageing analysis of trade receivables was as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**60,572**	106,766
31-60 days	**22,774**	30,621
61-90 days	**1,601**	1,521
Over 90 days	**4,139**	1,411
	89,086	140,319

12 Trade and other payables

	2009	2008
	HK$'000	*HK$'000*
Trade payables	**81,975**	74,469
Other payables and accruals	**58,603**	52,367
	140,578	126,836

The ageing analysis of the trade payables based on invoice date was as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**61,116**	46,890
31-60 days	**11,968**	15,238
61-90 days	**1,759**	6,636
Over 90 days	**7,132**	5,705
	81,975	74,469

PURCHASE, SALE OR REDEMPTION OF SHARES

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

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the Group's annual results for the year ended 31st December, 2009. The Audit Committee comprises all of the three independent non-executive directors, namely Mr Cheung Kwok Ming, Mr Kwok Lam Kwong, Larry, *B.B.S., J.P.* and Mr Lau Siu Ki, Kevin.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31st December, 2009. Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in the Company's Annual Report.

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year.

To enhance the corporate governance of the Group as a whole, all relevant employees who are likely to be in possession of unpublished price sensitive information in relation to the Group or securities of the Company are subject to full compliance with written guidelines on no less exacting terms than the Model Code. No incident of non-compliance was noted by the Company during the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (www.carrywealth.com) and HKExnews website (www.hkexnews.hk). The Annual Report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of the Company comprises Mr Rusli Hendrawan, Mr Lee Sheng Kuang, James, Mr Oey Tjie Ho and Mr Tang Chak Lam, Charlie, being executive directors; and Mr Cheung Kwok Ming, Mr Kwok Lam Kwong, Larry, *B.B.S., J.P.* and Mr Lau Siu Ki, Kevin, being independent non-executive directors.

On behalf of the Board
Lee Sheng Kuang, James
Managing Director

Hong Kong, 30th March, 2010