



Kwang Sung Electronics H.K. Co. Limited

光星電子香港有限公司

Stock Code 股份代號：2310

Interim Report  
中期報告 **2007**

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## CORPORATE INFORMATION AND FINANCIAL CALENDAR

## 公司資料及財務行事曆

### CORPORATE INFORMATION

### 公司資料

#### **BOARD OF DIRECTORS**

#### **董事會**

##### ***Non-executive director***

##### ***非執行董事***

Mr. Yang Ho Sung (*Chairman*)

梁皓星先生 (主席)

##### ***Executive directors***

##### ***執行董事***

Mr. Yang Jai Sung

梁在星先生

Mr. Kim Sun Cheol

金善哲先生

Mr. Woo Nam Jin

禹南珍先生

Mr. Lee Kyu Young

李奎英先生

##### ***Independent non-executive directors***

##### ***獨立非執行董事***

Dr. Kim Chung Kweon

金正權博士

Dr. Han Byung Joon

韓丙濬博士

Mr. Kim Chan Su

金瓊洙先生

#### **EXECUTIVE COMMITTEE**

#### **執行委員會**

Mr. Yang Jai Sung

梁在星先生

Mr. Kim Sun Cheol

金善哲先生

Mr. Woo Nam Jin

禹南珍先生

Mr. Lee Kyu Young

李奎英先生

#### **AUDIT COMMITTEE**

#### **審核委員會**

Mr. Kim Chan Su

金瓊洙先生

Dr. Kim Chung Kweon

金正權博士

Dr. Han Byung Joon

韓丙濬博士

Mr. Yang Ho Sung

梁皓星先生

## REMUNERATION COMMITTEE

Dr. Han Byung Joon  
Dr. Kim Chung Kweon  
Mr. Kim Chan Su  
Mr. Yang Jai Sung

## COMPANY SECRETARY

Ms. Sin Lai Lan

## QUALIFIED ACCOUNTANT

Mr. Chow Kam Keung, Albert

## AUTHORISED REPRESENTATIVES

Mr. Yang Jai Sung  
Ms. Sin Lai Lan

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 6-9, 13/F., Wah Wai Centre  
38-40 Au Pui Wan Street  
Fotan, Shatin  
New Territories  
Hong Kong

## AUDITORS

KPMG  
*Certified Public Accountants*

## SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited  
Level 25, Three Pacific Place  
1 Queen's Road East  
Hong Kong

## 薪酬委員會

韓丙濬博士  
金正權博士  
金瓊洙先生  
梁在星先生

## 公司秘書

單麗蘭女士

## 合資格會計師

周錦強先生

## 授權代表

梁在星先生  
單麗蘭女士

## 註冊辦事處及主要營業地點

香港  
新界  
沙田火炭  
坳背灣街38-40號  
華衛工貿中心13字樓6-9號室

## 核數師

畢馬威會計師事務所  
執業會計師

## 股份過戶登記處

卓佳標準有限公司  
香港  
皇后大道東1號  
太古廣場3座25樓

## INVESTOR RELATIONS CONTACT

Strategic Financial Relations Limited  
Unit A, 29/F., Admiralty Centre 1  
18 Harcourt Road  
Hong Kong  
Tel: (852) 2864-4831/2864-4812  
Fax: (852) 2804-2789

## STOCK CODE

Stock Exchange of Hong Kong: 2310

## COMPANY WEBSITE

[www.kse.com.hk](http://www.kse.com.hk)

## FINANCIAL CALENDAR

Announcement of 2007 Interim Results  
11 September 2007

Ex-dividend Date for Interim Dividend  
27 September 2007

Closure of Register of Members  
2 to 5 October 2007

Record Date for Interim Dividend  
5 October 2007

Despatch of Dividend Cheques  
on or about 12 October 2007

## 投資者關係通訊

縱橫財經公關顧問有限公司  
香港  
夏慤道18號  
海富中心一期29樓A室  
電話：(852) 2864-4831/2864-4812  
傳真：(852) 2804-2789

## 股份代號

香港聯合交易所：2310

## 公司網址

[www.kse.com.hk](http://www.kse.com.hk)

## 財務行事曆

公佈二零零七年中期業績  
二零零七年九月十一日

中期股息除息日期  
二零零七年九月二十七日

暫停辦理股份過戶登記  
二零零七年十月二至五日

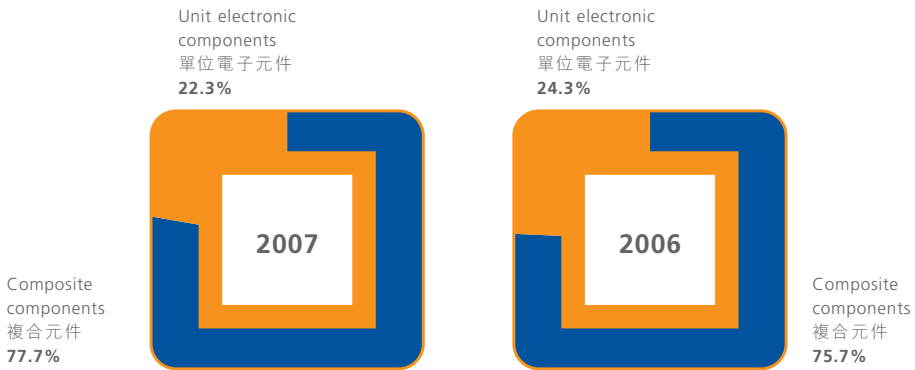
中期股息記錄日期  
二零零七年十月五日

寄發股息支票  
約於二零零七年十月十二日

## FINANCIAL HIGHLIGHTS 財務摘要

### Turnover by Business Segment

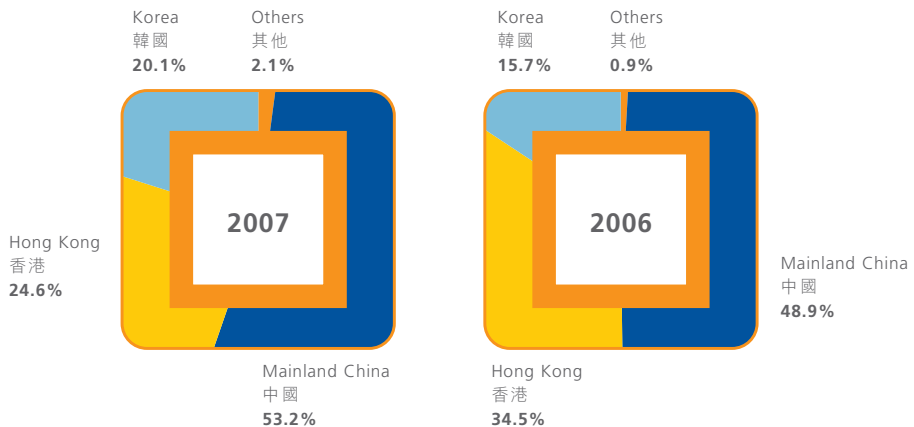
按業務分部劃分之營業額



Six months ended 30 June  
截至六月三十日止六個月

### Turnover by Geographical Segment

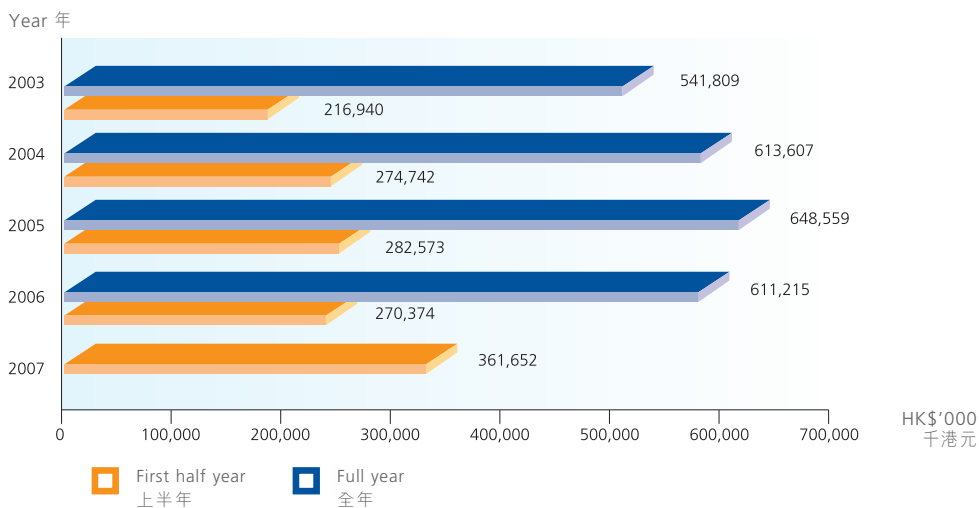
按地區分部劃分之營業額



Six months ended 30 June  
截至六月三十日止六個月

## Turnover

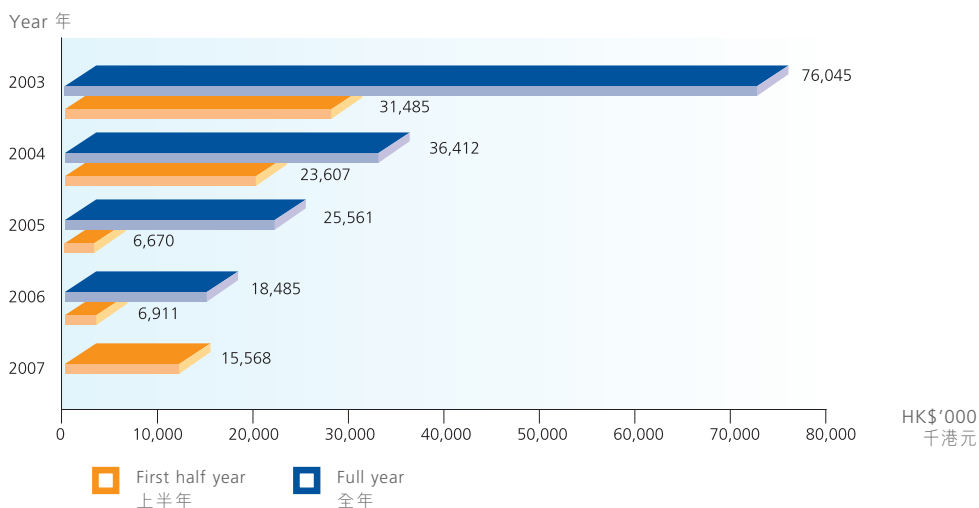
### 營業額



Years ended 31 December  
截至十二月三十一日止年度

## Net Profit

### 純利



Years ended 31 December  
截至十二月三十一日止年度

## FINANCIAL HIGHLIGHTS 財務摘要

		Six months ended 30 June 截至六月三十日止六個月		
		2007 二零零七年	2006 二零零六年	% Changes 變動
<b>Results (HK\$' 000)</b>	<b>業績 (千港元)</b>			
Turnover	營業額	<b>361,652</b>	270,374	+33.8%
Gross profit	毛利	<b>57,098</b>	43,987	+29.8%
Profit from operations	經營溢利	<b>17,425</b>	7,779	+124.0%
Profit after taxation	除稅後			
attributable to equity shareholders	股本持有人 應佔溢利	<b>15,568</b>	6,911	+125.3%
Interim dividend	中期股息	<b>4,670</b>	2,193	+113.0%
<b>Per Share Data (HK cents)</b>	<b>每股數據 (港仙)</b>			
Basic earnings	基本盈利	<b>5.0</b>	2.2	+127.3%
Diluted earnings	攤薄盈利	<b>4.9</b>	2.2	+122.7%
Interim dividend	中期股息	<b>1.5</b>	0.7	+114.3%
<b>Financial Ratio (%)</b>	<b>財務比率 (%)</b>			
Gross profit margin	毛利率	<b>15.8</b>	16.3	-3.1%
Net profit margin	純利率	<b>4.3</b>	2.6	+65.4%
Dividend payout	派息比率	<b>30.0</b>	31.7	-5.4%
		<b>At 30 June 2007 於二零零七年 六月三十日</b>	<b>At 31 December 2006 於二零零六年 十二月三十一日</b>	<b>% Changes 變動</b>
<b>Assets and Liabilities (HK\$' 000)</b>	<b>資產與負債 (千港元)</b>			
Total assets	總資產	<b>473,394</b>	454,381	+4.2%
Total liabilities	總負債	<b>99,583</b>	92,719	+7.4%
Shareholders' equity	股東權益	<b>373,811</b>	361,662	+3.4%
<b>Per Share Data (HK dollars)</b>	<b>每股數據 (港元)</b>			
Net asset value per share	每股資產淨值	<b>1.19</b>	1.15	+3.5%
<b>Financial Ratio</b>	<b>財務比率</b>			
Current ratio	流動比率	<b>3.88</b>	3.92	-1.0%
Quick ratio	速動比率	<b>2.99</b>	3.16	-5.4%
Gearing ratio	負債比率	<b>0.21</b>	0.20	+5.0%

## Notes:

- (1) Current ratio represents current assets divided by current liabilities.
- (2) Quick ratio represents current assets excluding inventories divided by current liabilities.
- (3) Gearing ratio represents total liabilities divided by total assets.

## 附註:

- (1) 流動比率指流動資產除以流動負債之比率。
- (2) 速動比率指不包括存貨在內之流動資產除以流動負債之比率。
- (3) 負債比率指總負債除以總資產之比率。



## INTERIM DIVIDEND

The Board of Directors (the "Board") has declared an interim dividend of HK1.5 cents per share for the six months ended 30 June 2007 (Six months ended 30 June 2006: HK0.7 cents). Dividend cheques will be despatched by mail on or about 12 October 2007 to shareholders whose names are registered in the register of members of Kwang Sung Electronics H.K. Co. Limited (the "Company") on 5 October 2007.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 2 October 2007 to 5 October 2007, both dates inclusive, during which period, no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong not later than 4:00 p.m. on 28 September 2007.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

During the review period, the Company and its subsidiaries (the "Group") reported 33.8% of turnover growth from the last corresponding period's HK\$270,374,000 to HK\$361,652,000. Gross profit and net profit also increased by 29.8% and 125.3%, respectively. Basic earnings per share were HK5.0 cents.

## 中期股息

董事會已宣派截至二零零七年六月三十日止六個月中期股息每股1.5港仙（截至二零零六年六月三十日止六個月：0.7港仙）。股息支票將約於二零零七年十月十二日郵寄予於二零零七年十月五日名列光星電子香港有限公司（「本公司」）股東名冊之股東。

## 暫停辦理股份過戶登記

本公司將於二零零七年十月二日至二零零七年十月五日（包括首尾兩天）暫停辦理股份過戶登記手續。為確保獲派中期股息，所有辦妥之過戶文件連同有關股票，最遲須於二零零七年九月二十八日下午四時正前送達位於香港皇后大道東1號太古廣場3座25樓之本公司股份過戶登記處，卓佳標準有限公司，辦理過戶手續。

## 管理層討論及分析

### 財務回顧

於回顧期間，本公司及其附屬公司（「本集團」）之營業額由去年同期之270,374,000港元增加至361,652,000港元，增長33.8%。毛利及純利亦分別增加29.8%及125.3%。每股基本盈利為5.0港仙。

The increase in turnover was mainly the result benefited from desirable growth in tuner modules for car audios, home audios and digital multimedia broadcasting (“DMB”). Accordingly, gross profit for the period under review increased by 29.8% compared with the last corresponding period, to HK\$57,098,000. Gross profit margin was 15.8% for the six months ended 30 June 2007 as compared with 16.3% for the corresponding period last year.

Other revenue for the six months ended 30 June 2007 decreased by HK\$2,476,000 as compared with HK\$5,598,000 in the corresponding period last year. This is due to the absence of the one-off incomes recorded by the Group, which included a compensation income of HK\$1,273,000 from a customer and a HK\$1,264,000 gain on disposal of fixed assets, during the corresponding period last year.

Operating expenses slightly increased by HK\$989,000, or 2.4%, to HK\$42,795,000 from HK\$41,806,000 in the corresponding period last year. The increase was mainly due to the expansion in sales and research and development (“R&D”) operations in Korea. The percentage of operating expenses to turnover decreased from 15.5% in the corresponding period last year to 11.8% for the six months ended 30 June 2007.

Income tax expenses increased by 113.9% from HK\$868,000 in the corresponding period last year to HK\$1,857,000 for the six months ended 30 June 2007, primarily as a result of increase in profit before income tax. Our effective income tax rate was 10.7% as compared with 11.2% for the corresponding period last year.

營業額增加，主要是由於汽車音響和家用音響及數碼多媒體廣播（「DMB」）之調諧器模組均有理想增長所致。因此，回顧期間之毛利較去年同期增加29.8%至57,098,000港元。截至二零零七年六月三十日止六個月之毛利率為15.8%，而去年同期之毛利率則為16.3%。

由於本集團於去年同期錄得兩項一次性收益，當中包括來自一名客戶的補償收入1,273,000港元及出售固定資產所得收入1,264,000港元，而本年度缺乏類似收益，故截至二零零七年六月三十日止六個月的其他收益較去年同期的5,598,000港元減少2,476,000港元。

經營開支由去年同期的41,806,000港元輕微增加989,000港元或2.4%至42,795,000港元。上升主要是由於在韓國的銷售及研發部門擴展所致。於截至二零零七年六月三十日止六個月，經營開支佔營業額的百分比由去年同期的15.5%下跌至11.8%。

於截至二零零七年六月三十日止六個月，所得稅開支由去年同期的868,000港元增加113.9%至1,857,000港元，主要是由於除所得稅前溢利上升所致。本集團的實際所得稅率為10.7%，去年同期為11.2%。

As a result, the Group achieved a profit after taxation attributable to equity shareholders of HK\$15,568,000 for the six months ended 30 June 2007, an increase of HK\$8,657,000, or 125.3%, as compared to HK\$6,911,000 recorded in the corresponding period last year.

### Financial Condition, Liquidity and Financial Resources

The Group generally finances the operations with internally generated cash flow. As at 30 June 2007, the Group had cash and cash equivalents of HK\$149,628,000 (31 December 2006: HK\$169,679,000) and net current assets of HK\$281,596,000 (31 December 2006: HK\$265,048,000). Shareholders' funds were at HK\$373,811,000 as at 30 June 2007 (31 December 2006: HK\$361,662,000).

As at 30 June 2007, the Group had no outstanding borrowing. The current ratio, being the ratio of current assets to current liabilities, was maintained at a strong level of 3.88 (31 December 2006: 3.92), and the gearing ratio, in terms of total liabilities to total assets, stood at 0.21 (31 December 2006: 0.20).

On the whole, the Group continues to maintain a healthy financial status, with sufficient financial resources for our future development.

### Foreign Exchange Exposure, Hedging and Off Balance Sheet Financial Instruments

The Group is exposed to foreign currency risks primarily through sales and purchases denominated in United States Dollars ("USD") and Japanese Yen ("JPY") and our operation in Korea where the operating expenses are paid in Korean Won ("KRW").

總結而言，本集團股本持有人於截至二零零七年六月三十日止六個月的應佔除稅後溢利為15,568,000港元，較去年同期的6,911,000港元上升8,657,000港元或125.3%。

### 財務狀況、流動資金及財務資源

本集團一般以內部產生的現金流為業務提供資金。於二零零七年六月三十日，本集團的現金及現金等價物為149,628,000港元（二零零六年十二月三十一日：169,679,000港元），而流動資產淨值則為281,596,000港元（二零零六年十二月三十一日：265,048,000港元）。於二零零七年六月三十日的股東資金為373,811,000港元（二零零六年十二月三十一日：361,662,000港元）。

於二零零七年六月三十日，本集團並無未償還借貸。流動比率（流動資產與流動負債的比率）維持於3.88的強勁水平（二零零六年十二月三十一日：3.92），而負債比率（總負債與總資產的比率）則為0.21（二零零六年十二月三十一日：0.20）。

整體而言，本集團的財務狀況持續穩健，並具備充足財務資源應付未來發展。

### 外匯風險、對沖及賬外金融工具

本集團的外匯風險主要來自以美元及日圓計值的銷售與採購，以及以韓國支付營運開支的韓國業務。

As Hong Kong Dollars (“HKD”) is pegged to USD and Renminbi (“RMB”) is managed float with reference to a basket of currencies yet within the limited per day fluctuation, the Group does not expect any significant fluctuation in the HKD/USD and RMB/USD exchange rate. For other currencies such as JPY and KRW, the Group has taken steps to ensure that the net exposure is kept at an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short-term imbalance.

### Investment Activities

The Group had not made any material acquisition or disposal of subsidiary and associated company during the six months ended 30 June 2007.

### Charges on Assets

As at 30 June 2007, there were no assets pledged to bank to secure banking facilities of HK\$133,480,000 (31 December 2006: HK\$133,400,000).

### Contingent Liabilities

Other than details of contingent liabilities stated in note 16 of the unaudited interim financial report on page 52, the Group did not have any significant contingent liabilities as at 30 June 2007 and 31 December 2006.

### Employees and Remuneration Policies

As at 30 June 2007, the Group had about 2,078 (31 December 2006: 1,951) employees including of whom 22 are based in Hong Kong (31 December 2006: 22), 1,942 in the PRC (31 December 2006: 1,828), and 114 in Korea (31 December 2006: 101).

鑑於港元與美元掛鈎，而人民幣的每日有限度波幅則以一籃子貨幣作參考限制，本集團預期港元兌美元及人民幣兌美元的匯率不會出現任何重大波動。至於日圓及韓圓等其他貨幣，本集團已採取措施，在有需要的情況下按即期匯率購入或出售外幣，以處理短期之不平衡，從而確保風險淨額維持於可接受的水平。

### 投資活動

截至二零零七年六月三十日止六個月，本集團並無任何收購或出售附屬公司及聯營公司的重大事項。

### 資產抵押

於二零零七年六月三十日，本集團並無抵押任何資產予銀行以取得133,480,000港元的銀行信貸(二零零六年十二月三十一日：133,400,000港元)。

### 或然負債

除未經審核中期財務報告第52頁附註16所述之或然負債詳情外，本集團於二零零七年六月三十日及二零零六年十二月三十一日並無任何重大或然負債。

### 僱員及酬金政策

於二零零七年六月三十日，本集團約有2,078名僱員(二零零六年十二月三十一日：1,951名)，其中22名駐守香港(二零零六年十二月三十一日：22名)，1,942名駐守中國(二零零六年十二月三十一日：1,828名)，而114名則駐守韓國(二零零六年十二月三十一日：101名)。

For the six months ended 30 June 2007, staff costs increased to HK\$47,077,000 (Six months ended 30 June 2006: HK\$40,571,000), due to the expanding operations in Korea.

Our employees are remunerated according to performances, working experiences and market conditions. In addition to basic salaries and retirement schemes, staff benefits include medical schemes, discretionary share options and performance bonuses.

## **Business Review**

### **Composite Components Business**

For the six months ended 30 June 2007, composite components business remained as the Group's major revenue source and accounted for 77.7% of the Group's total turnover. Turnover of the segment amounted to HK\$281,009,000, 37.4% increase from HK\$204,554,000 in the last corresponding period. The growth in revenue was mainly driven by higher demands for tuner modules not only for car audios and home audios but also for DMB products.

The Group continued to achieve strong organic growth in sales of tuner modules for car audios. The product brought in a total turnover of HK\$72,521,000, a satisfactory 49.7% increase from the same period last year. In the period under review, the Group made persistent effort in strengthening ties and collaboration with new and existing customers. Backed by localized R&D expertise and technical support, the Group was able to deliver quality products that consistently satisfy customers' stringent requirements.

截至二零零七年六月三十日止六個月，由於本集團擴展於韓國的業務，員工成本上升至47,077,000港元(截至二零零六年六月三十日止六個月：40,571,000港元)。

本集團僱員的酬金是根據表現、工作經驗及市況釐定。除基本薪金及退休計劃，員工福利亦包括醫療計劃、酌情購股權及表現花紅。

## **業務回顧**

### **複合元件業務**

於截至二零零七年六月三十日止六個月，複合元件業務繼續為本集團的主要收益來源，佔本集團總營業額的77.7%。此業務的營業額為281,009,000港元，較去年同期的204,554,000港元上升37.4%。收益上升主要由於市場不僅對汽車及家用音響調諧器模組的需求殷切，且對DMB產品的需求亦十分強勁。

本集團汽車音響調諧器模組的銷售繼續錄得強勁的內部增長，總營業額達72,521,000港元，較去年同期上升49.7%，升幅令人滿意。於回顧期內，本集團繼續致力加強與新和現有客戶的聯繫和合作。憑藉本地化的研發專業知識和技術支援，本集團得以保持生產符合客戶嚴謹要求的高品質產品。

As for tuner module for home audios, riding on the Group's strengthened market position in this region, this product segment reported a turnover amounting to HK\$123,369,000, a healthy 19.5% growth against the same period last year. Thanks to its efforts in foundation building with reputable customers in the past few years and armed with quality products, the Group managed to boost sales to major customers and diversify its range of customer base to brand makers. These new customers are generally suppliers and manufacturers for end-users or brand makers on OEM (original equipment manufacturer) and/or ODM (original design manufacturer) basis. The sales of tuner modules for portable devices, however, had diminished slightly with turnover amounting to HK\$12,009,000, down 0.6%, resulting from radio function losing popularity in portable devices.

The Group's wireless solutions including wireless speaker systems and microphones supplied mainly to leading electronic product companies reported an encouraging 32.6% growth in turnover to HK\$25,916,000.

In the digital product category which was launched in 2006, tuner modules for DMB in navigation systems and personal multimedia player ("PMP") for the Korean market registered encouraging results. Although it is a new entrant to the Korean market, the Group has claimed instantaneous leadership. Turnover from sales of tuner modules for DMB and digital audio broadcasting ("DAB") surged significantly to HK\$27,039,000, 327.0% increase from the same period last year. The Group sees growth potential for DMB and DAB products and expects them to become a major income source of the Group in the future.

至於家用音響調諧器模組，憑藉本集團於區內更趨穩固的市場地位，此產品業務錄得營業額123,369,000港元，較去年同期穩步上升19.5%。這全賴本集團於過去數年致力建立由知名客戶所組成的穩固基礎，加上其優質產品，使其成功提高對主要客戶的銷售，以及將客戶基礎擴大至包括品牌製造商。這些新客戶普遍是最終客戶的供應商及製造商，或品牌製造商的原設備製造商及／或原設計製造商。此外，由於愈來愈少可攜式裝置配備收音機功能，因此可攜式裝置調諧器模組的銷售額微跌0.6%至12,009,000港元。

本集團的無線方案包括無線揚聲器系統及擴音器，主要提供予大型電子產品公司。此類產品的營業額增長32.6%，達到25,916,000港元，成績令人鼓舞。

至於二零零六年推出的數碼產品，集團於韓國市場推出應用於導航系統及個人多媒體播放器(「PMP」)的DMB調諧器模組，成績令人鼓舞。儘管該等產品只是剛在韓國推出，然而本集團已搶先佔據了領導地位。銷售DMB及數碼音響廣播(「DAB」)調諧器模組的營業額大幅飆升至27,039,000港元，較去年同期增長327.0%。本集團相信DMB及DAB產品具有增長潛力，並預料該等產品將成為本集團的主要收入來源。

To widen its future product offerings, the Group continued to research and develop new products, such as global positioning system (“GPS”) engines, MP3 decoders for car audios, tuner modules for hybrid digital radio (“HD Radio”), and digital tuner modules for Integrated Services Digital Broadcasting – Terrestrial (“ISDB-T”), a Japanese digital multimedia broadcasting standard.

### Unit Electronic Components Business

For the six months ended 30 June 2007, unit electronic components business accounted for 22.3% of the Group’s total turnover. Turnover of this segment was HK\$80,643,000, 22.5% increase from HK\$65,820,000 in the corresponding period last year. The healthy growth in turnover was attributable mainly to the stable and strengthened market position of the Group.

### Prospects

Looking forward, with the digitalization trend for new multimedia devices going strong and demand for analog audio products stable, the Group expects sustainable growth for its business in the future. This confidence is based on the Group’s ability to gain more orders from existing and potential customers despite keen competition in the market. The Group also continues to see growth potential in both tuner modules for car audios and digital tuner modules for DMB and will keep pushing for growth of these products so as to tap demand in the growing multimedia market.

To ensure continuous success of its digital products in the market, the Group will step up enhancing features of the digital tuner modules for DAB. It expects digital tuner modules for DAB to bring increasing revenue in the years to come.

為了豐富未來的產品組合，本集團將繼續研發新產品，包括全球定位系統（「GPS」）引擎、汽車音響MP3解碼器、混合式數碼收音機（「HD Radio」）的調諧器模組及用於日本數碼多媒體廣播標準的綜合服務數碼地面廣播（「ISDB-T」）的數碼調諧器模組。

### 單位電子元件業務

於截至二零零七年六月三十日止六個月，單位電子元件業務佔本集團總營業額22.3%。此業務分部的營業額為80,643,000港元，較去年同期的65,820,000港元增長22.5%。營業額穩步增長主要是受惠於本集團更穩健的市場地位。

### 前景

展望未來，新多媒體裝置的數碼化趨勢銳不可當，而市場對類比音響產品的需求保持平穩，因此本集團預料業務可於未來持續增長。有此信心，全因為本集團有能力在競爭激烈的市場環境下從現有及潛在客戶取得更多訂單。此外，有見汽車音響調諧器模組及DMB數碼調諧器模組持續增長，潛力優厚，本集團將繼續加快這些產品的增長步伐，以把握多媒體市場增長所帶動的需求。

為了確保數碼產品在市場繼續取得成功，本集團將進一步加強DAB數碼調諧器模組的功能，預期該產品在未來將為集團帶來更大的收益貢獻。

On the other hand, the Group is developing tuner modules for HD Radio to answer demand in the American market, following the signing of a contract for the product last year with iBiquity Digital Corporation (“iBiquity”) in the United States. The Group sees strong potential in HD Radio and expects to roll out such products in late 2007, which is expected to quickly translate into revenue for the Group.

Recognizing the importance of R&D in helping it to meet the challenges and capture opportunities in the digital era, the Group will continue to invest resources in R&D to upgrade existing products as well as develop new products. R&D investment this year will be similar to the level of 2006.

In the course of developing various products and exploring opportunities, the Group will remain prudent in financial management and maintain stringent cost control to ensure long-term sustainable growth of its business.

## Investor Relations

The Group values its relationship with investors and is committed to maintaining transparency of the Group’s management philosophy, operational performance and strategic development plans. During the review period, the Group arranged meetings with fund managers and analysts to share and exchange opinions. The Company also practices timely dissemination of information and makes sure its website [www.kse.com.hk](http://www.kse.com.hk) contains the most current information, including interim reports, annual reports, announcements, press releases and other corporate updates.

另一方面，自去年與美國 iBiquity Digital Corporation (「iBiquity」) 簽訂產品合同後，本集團正開發應用於 HD Radio 的調諧器模組，以滿足美洲市場的需求。本集團認為 HD Radio 潛力無限，計劃於二零零七年底推出該產品，預料將可迅速為本集團帶來收益。

本集團深明研發對迎接挑戰和把握數碼時代的機會非常重要，因此將繼續投放資源在研發活動上，務求提升現有產品及開發新產品。集團今年將投放於研發上的金額與二零零六年相若。

在開發各種產品和物色機會的同時，本集團亦將保持審慎的財務管理，並繼續嚴格控制成本，確保業務可達致長期增長。

## 投資者關係

本集團非常重視與投資者的關係，並致力維持本集團管理理念、營運表現和策略發展計劃的透明度。回顧期內，本集團安排與基金經理和分析員多次會面，分享和交流意見。本公司亦準時發佈消息，確保公司網站 [www.kse.com.hk](http://www.kse.com.hk) 載有最新資料，包括中期報告、年報、公告、新聞稿和公司的其他最新資訊。



## Corporate Social Responsibility

As a public company, the Group has been actively fulfilling its corporate social responsibility by protecting the interest of all stakeholders of the Company, the Company itself, and the society and environment. During the review period, the Company donated a total of HK\$840,000 (Six months ended 30 June 2006: HK\$780,000) to charity to promote the well-being of the needy. It also continued to make sure its products conform to the European Union's environmental protection guidelines including the Directive on the Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment on manufacturing activities.

Caring about the health and safety of its staff, the Company also provides adequate health and work safety training to all its managers and employees, and maintains appropriate safety systems and effective control to minimize staff exposure to potentially hazardous materials or adverse conditions at work. The Group also ensures employees enjoy equal opportunities and does not tolerate any form of harassment or discrimination in respect of employment and occupation thereby providing a fair working environment to its employees.

## 企業社會責任

作為一家上市公司，本集團積極地履行其企業社會責任，維護所有利益相關者、公司、社會和環境之利益。於回顧期間，本公司共捐款840,000港元（截至二零零六年六月三十日止六個月：780,000港元）作慈善用途，以改善有需要人士的福利，其更持續確保產品符合歐盟環保指引，包括其生產程序符合在電氣電子設備中限制使用某些有害物質指令的規條。

本公司一向關注僱員的健康及工作安全，並向所有經理及僱員提供有關健康及工作安全的培訓，更設置適當的安全系統及有效控制措施，以減低僱員接觸有害物質或處於惡劣工作環境。本集團亦確保各僱員均享有平等機會，且不容許有關就業及職業上的任何騷擾或歧視行為，從而為僱員提供公平的工作環境。

## DISCLOSURE OF INTERESTS AND OTHER INFORMATION

## 權益披露及其他資料

### DISCLOSURE OF INTERESTS

### 權益披露

#### Directors' and Chief Executive's Interests and Short Positions

#### 董事及行政總裁之權益及淡倉

As at 30 June 2007, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") (collectively "discloseable interests") were as follows:

於二零零七年六月三十日，根據證券及期貨條例第352條須予備存的登記冊所載，或根據上市公司董事進行證券交易的標準守則（「標準守則」）向本公司及香港聯合交易所有限公司（「聯交所」）作出之申報，本公司在職董事及行政總裁於本公司或任何其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益或淡倉（統稱「須予披露權益」）如下：

#### (a) Interests in Issued Shares of the Company

#### (a) 本公司已發行股份權益

Name of directors 董事姓名	Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股					% of total 佔已發行股份 總百分比
	Beneficial owner 實益 擁有人	Interest of controlled corporations 受控制法團 之權益	Equity derivatives 股本 衍生工具 (note 2) (附註 2)	Total number of shares held 持有之 股份總數		
Mr. Yang Jai Sung 梁在星先生	147,700,000	59,500,000 (note 1) (附註 1)	-	207,200,000	66.13%	
Mr. Kim Sun Cheol 金善哲先生	498,000	-	1,000,000	1,498,000	0.48%	
Mr. Woo Nam Jin 禹南珍先生	-	-	1,000,000	1,000,000	0.32%	

Notes:

- (1) Mr. Yang Jai Sung and his relatives are interested in 79.5% of the issued share capital of Kwang Sung Electronics Co., Ltd. (“Kwang Sung Korea”) and therefore Mr. Yang Jai Sung is deemed or taken to be interested in these ordinary shares which are beneficially owned by Kwang Sung Korea for the purpose of the SFO.
- (2) These represented interests of options granted to directors under the share option scheme to subscribe for shares of the Company. Further details are set out in the section “Share Option Scheme” below.

**(b) Interests in Underlying Shares of the Company**

The directors and/or the chief executive of the Company have been granted options under the Company’s share option scheme, details of which are set out in the section “Share Option Scheme” below.

Save as disclosed above, as at 30 June 2007, none of the directors, the chief executive of the Company, or their respective associates had any other discloseable interests as required.

附註：

- (1) 由於梁在星先生及其親屬擁有株式會社光星電子（「韓國光星」）已發行股本之79.5%權益，故此就證券及期貨條例而言，梁在星先生被視為或被認為擁有韓國光星實益擁有之該等股份之權益。
- (2) 該等權益指根據購股權計劃授予董事認購本公司股份之購股權權益，進一步詳情載於下文「購股權計劃」一節。

**(b) 本公司相關股份權益**

根據本公司之購股權計劃，本公司之董事及／或行政總裁已獲授予購股權，有關詳情載於下文「購股權計劃」一節。

除上文披露者外，於二零零七年六月三十日，概無本公司之董事、行政總裁或彼等之各自關連人士擁有任何其他須予披露之權益。

## SHARE OPTION SCHEME

The Company adopted a share option scheme on 16 June 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees, directors, consultants or advisors of the Group, to take up options to subscribe for shares of the Company. The purpose of this scheme is to provide incentives and rewards to employees and eligible persons for their contributions to the Group. The share option scheme shall be valid and effective for a period of ten years ending on 15 June 2013, after which no further options can be granted. The exercise price of each share option is the highest of (i) the nominal value of the shares; (ii) the closing price of the shares on the Stock Exchange on the date of grant; and (iii) the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options are exercisable progressively between one to three years from the date of grant and will expire at the end of a period to be notified by the Board to each option holder upon the grant of option, and in any event, such period shall not exceed ten years from the date of grant.

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the share option scheme shall not exceed 30% of the issued share capital of the Company from time to time. Subject always to the above overall limit, the directors may grant options under the share option scheme, generally and without further authority, in respect of such number of shares which may be issued upon exercise of all options to be granted under the share option scheme not exceeding 10% of the issued share capital of the Company as at 18 May 2005, being the date passing the resolution regarding the refreshment of general limit of options. For the purpose of calculating the above, options lapsed in accordance with the share option scheme shall not be counted.

## 購股權計劃

本公司於二零零三年六月十六日採納一項購股權計劃。據此，本公司之董事獲授權酌情向本集團之僱員、董事、顧問或諮詢人提出接納可認購本公司股份之購股權之要約。計劃旨在向為本集團作出貢獻之僱員及合資格人士提供獎勵及報酬。購股權計劃將於截至二零一三年六月十五日止十年內一直有效及生效，其後將不得再授出任何購股權。每份購股權之行使價為下列三項之較高者：(i)股份之面值；(ii)於授出日期股份於聯交所之收市價；及(iii)於緊接授出日期前五個營業日股份於聯交所之平均收市價。購股權可由授出日期起計一年至三年內逐步行使，並於董事會授出購股權時所通知各購股權持有人之購股權行使期終結時屆滿，惟該等期間不可超出授出日期起計十年。

於行使所有根據購股權計劃已授出惟未行使購股權時可能發行之股份總數量最多不得超過本公司不時已發行股本之30%。在一直遵守以上總限額之情況下，董事會可一般性及不再有進一步授權情況下授出購股權，所涉股份數目為於行使根據購股權計劃之所有購股權時可能發行之股數，其不超過本公司於二零零五年五月十八日(即更新購股權一般限額之決議案通過之日期)已發行股本之10%。就計算上述股份數目而言，根據購股權計劃而失效之購股權將不在計算之列。

The total number of ordinary shares available for issue under the share option scheme as at 30 June 2007 was 31,330,000 shares which represented 10% of the issued share capital of the Company at 30 June 2007. In respect of the maximum entitlement of each participant under the scheme, the total number of ordinary shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Company's ordinary shares in issue, unless approved by the shareholders in general meeting.

As at 30 June 2007, the directors and employees of the Group and certain eligible persons had the following interests in options to subscribe for shares of the Company granted at nominal consideration under the share option scheme of the Company (market value per share at 30 June 2007: HK\$2.3). The options are unlisted. Each share option gives the option holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

於二零零七年六月三十日，購股權計劃下可供發行之普通股總數為31,330,000股股份，相當於二零零七年六月三十日本公司已發行股本之10%。就每名參與者於計劃下之配額上限而言，其於任何十二個月期間因行使授予彼等之購股權（包括已行使、註銷及尚未行使之購股權）獲行使而發行及將發行之普通股總數，不得超過本公司已發行普通股之1%，惟獲股東於股東大會上批准者則作別論。

本集團董事與僱員及部份合資格人士根據本公司購股權計劃以象徵式代價獲授可認購本公司股份之購股權，於二零零七年六月三十日，彼等持有以下權益（於二零零七年六月三十日每股市值：2.3港元）。購股權並無上市。每份購股權賦予購股權持有人權利認購本公司每股面值0.1港元之普通股一股。

Category or name of participant 參與者類別或姓名	No. of share options 購股權數目 (note 3) (附註 3)		Outstanding on 30 June 2007 於二零零七年 六月三十日 尚未行使	Date of grant 授出日期	Option exercise period 購股權行使期	Exercise price per share 每股行使價 HK\$ 港元	Market value per share at date of grant 於授出日期 之每股市值 HK\$ 港元
	Outstanding on 1 January 2007 於二零零七年 一月一日 尚未行使	Lapsed during the period 期內已失效					
<b>Executive directors</b> 執行董事							
Mr. Kim Sun Cheol 金善哲先生	1,000,000	-	1,000,000	7 July 2003 二零零三年 七月七日	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	1.294	1.25
Mr. Woo Nam Jin 禹南珍先生	1,000,000	-	1,000,000	6 May 2004 二零零四年 五月六日	1 May 2005 to 30 April 2009 二零零五年五月一日至 二零零九年四月三十日	1.666	1.63
<b>Employees</b> 僱員	13,800,000	2,900,000 (note 4) (附註 4)	12,800,000 (note 5) (附註 5)	7 July 2003 二零零三年 七月七日	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	1.294	1.25
<b>Other eligible persons</b> 其他合資格人士	4,600,000	-	2,700,000 (note 5) (附註 5)	7 July 2003 二零零三年 七月七日	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	1.294	1.25

Notes:

- (1) The options granted to the directors are registered under the names of the directors who are also the beneficial owners.
- (2) The maximum percentage of the share options being exercisable is determined in stages as follows:
 

On or after 1st year anniversary	30%
On or after 2nd year anniversary	another 30%
On or after 3rd year anniversary	another 40%
- (3) Number of share options refers to the number of underlying shares in the Company covered by the options under the share option scheme.
- (4) The 2,200,000 and 700,000 share options separately held by two resigned employees lapsed on 31 January 2007 and 29 March 2007 respectively.
- (5) During the review period, 1,900,000 share options were transferred from other eligible person to employee in category under the 2003 share option scheme due to an option holder's transfer of service from being consultant for the Company to full time employee.

附註：

- (1) 授予董事之購股權乃以董事之姓名登記，而彼等亦為實益擁有人。
- (2) 按階段劃分購股權數量可予行使之最高百分比如下：
 

於一周年當日或之後	30%
於兩周年當日或之後	另外30%
於三周年當日或之後	另外40%
- (3) 購股權數目指購股權計劃下購股權涉及之本公司相關股份。
- (4) 兩名離職僱員，其各自2,200,000及700,000份購股權已分別於二零零七年一月三十一日及二零零七年三月二十九日失效。
- (5) 回顧期間內，一名購股權持有人由顧問身份轉為全職僱員。根據二零零三年購股權計劃，其1,900,000份購股權由其他合資格人士類別轉往僱員類別。

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2007, the following persons (other than the directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company were as follows:

## 主要股東及其他人士於股份、相關股份之權益及淡倉

於二零零七年六月三十日，除本公司董事或行政總裁外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或已知會本公司之權益或淡倉如下：

Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股			
No. of ordinary shares held 持有之普通股數目	Nature of interest/Capacity 權益性質／身份	% of the issued share capital 佔已發行股份總百分比	
<b>Substantial shareholders</b> 主要股東			
Madam Kang Mi Young (note 1) 姜美英女士 (附註 1)	207,200,000	Interest of spouse 配偶之權益	66.13%
Kwang Sung Electronics Co., Ltd. 株式會社光星電子	59,500,000	Beneficial owner 實益擁有人	18.99%
Jayhawk China Fund (Cayman), Ltd. ("Jayhawk")	64,182,000	Beneficial owner/ Investment manager 實益擁有人／投資經理	20.49%
Mr. Kent C. McCarthy ("Mr. McCarthy") (note 2) McCarthy先生 (附註 2)	66,390,000	Interest of controlled corporations 受控制法團之權益	21.19%
<b>Other persons</b> 其他人士			
Pacific Sun Investment Management (HK) Ltd. ("Pacific Sun") Sub a/c The China Mantou Master Fund 從屬戶口The China Mantou Master Fund	28,257,500 (note 3) (附註 3)	Beneficial owner/ Investment manager 實益擁有人／投資經理	9.02%
UBS AG	28,257,500 (note 4) (附註 4)	Prime broker 主要經紀	9.02%



Notes:

- (1) Madam Kang Mi Young is the wife of Mr. Yang Jai Sung and is deemed to be interested in these ordinary shares in which Mr. Yang Jai Sung is deemed or taken to be interested for the purpose of the SFO.
- (2) Mr. McCarthy is deemed or taken to be interested in these ordinary shares through his indirect 100% control in Jayhawk and Buffalo Jayhawk China Fund. These interests were duplicated by those beneficially owned by Jayhawk and Buffalo Jayhawk China Fund.
- (3) These shares were held by The China Mantou Master Fund (the "Fund"). Pacific Sun is the investment manager of the Fund.
- (4) UBS AG is the prime broker of the Fund. These shares were duplicated by those beneficially owned by the Fund.

Save as disclosed above, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

## OTHER INFORMATION

### Code on Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Corporate Governance Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2007, except for the deviation of code provision E.1.2.

附註：

- (1) 姜美英女士為梁在星先生之妻子，就證券及期貨條例而言，彼被視為擁有梁在星先生被視為或被認為擁有權益之該等普通股之權益。
- (2) McCarthy先生透過彼於 Jayhawk及Buffalo Jayhawk China Fund 持有之100%間接控制權而被視為或被認為擁有該等普通股之權益。該等權益與Jayhawk及Buffalo Jayhawk China Fund 實益擁有者屬同一批。
- (3) 該等股份由 The China Mantou Master Fund(「基金」)持有；而 Pacific Sun 為基金之投資經理。
- (4) UBS AG為基金之主要經紀。該等股份與基金實益擁有者屬同一批。

除上文所披露者外，本公司並無得悉有其他需要記錄於依照證券及期貨條例第336條存置之登記冊內之權益。

## 其他資料

### 企業管治常規守則

本公司一向承諾恪守嚴謹之企業管治，以提高透明度及保障股東整體利益。截至二零零七年六月三十日止六個月期間內，本公司已遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載企業管治常規守則的守則條文，除偏離守則條文第E.1.2條外。

The code provision E.1.2 of the Corporate Governance Code provides that the Chairman of the Board should attend the annual general meeting of the Company. Due to other business commitments, Mr. Yang Ho Sung, the Chairman of the Board who resides in Korea, was unable to attend the annual general meeting of the Company held on 18 May 2007 in Hong Kong. This constitutes a deviation from the code provision E.1.2 of the Corporate Governance Code.

### **Model Code for Securities Transactions by Directors**

The Company, having made specific enquiry, confirms that all directors complied with the Model Code set out in Appendix 10 of the Listing Rules, and the relevant employees who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code, during the six months ended 30 June 2007.

### **Purchase, Sale or Redemption of the Company's Listed Securities**

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

根據企業管治守則第E.1.2條，董事會主席應出席本公司之股東週年大會。由於業務需要，身居韓國之本公司董事會主席梁皓星先生未能出席本公司於二零零七年五月十八日舉行之股東週年大會，因此偏離企業管治守則第E.1.2條。

### **董事進行證券交易標準守則**

截止二零零七年六月三十日止六個月內，本公司經具體查詢後確認，所有董事均有遵守上市規則附錄10所載之標準守則。而該等由於在本公司之職務而可能擁有未公開價格敏感資料之有關僱員已被要求遵守同樣之標準守則。

### **購買、出售或贖回本公司上市證券**

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

## Review of Accounts

The Audit Committee has reviewed with the management and the Company's auditors the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30 June 2007.

## Publication of the Interim Results Announcement and Interim Report

The interim results announcement is published on the websites of the Company ([www.kse.com.hk](http://www.kse.com.hk)) and the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)), and the interim report will be available at the said websites and despatched to shareholders of the Company in this late September.

By Order of the Board

**YANG Jai Sung**

*Executive Director and Chief Executive Officer*

Hong Kong, 11 September 2007

## 賬目審閱

審核委員會已與管理層及本公司核數師審閱本集團採納之會計原則及慣例，並討論核數、財務申報程序及內部監控事宜，包括審閱截至二零零七年六月三十日止六個月之未經審核中期財務報告。

## 刊登中期業績公告及中期報告

本中期業績公告於本公司之網站 ([www.kse.com.hk](http://www.kse.com.hk))及聯交所之網站 ([www.hkex.com.hk](http://www.hkex.com.hk))刊登。中期報告亦將於本九月底在上述網站刊登，並寄發予本公司股東。

承董事會命

執行董事兼行政總裁

梁在星

香港，二零零七年九月十一日

## INDEPENDENT REVIEW REPORT

**To the board of directors of  
Kwang Sung Electronics H.K. Co. Limited**  
*(Incorporated in Hong Kong with limited liability)*

### Introduction

We have reviewed the interim financial report set out on pages 29 to 52 which comprises the consolidated balance sheet of Kwang Sung Electronics H.K. Co. Limited as of 30 June 2007, and the related consolidated statements of income, and changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## 獨立審閱報告

**致光星電子香港有限公司**  
*(於香港註冊成立之有限公司)*  
董事會之獨立審閱報告

### 引言

本會計師事務所已審閱載於第29頁至第52頁的中期財務報告，該等財務報告包括光星電子香港有限公司於二零零七年六月三十日的綜合資產負債表與其截至該日止六個月期間的相關綜合損益表、權益變動表及簡明綜合現金流量表，以及若干說明附註。香港聯合交易所有限公司證券上市規則規定，中期財務報告須符合上述規則的有關條文及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。董事須負責根據香港會計準則第34號編製和呈報本中期財務報告。

我們的責任為根據審閱的結果，對中期財務報告作出結論。本報告乃按照雙方所協定的應聘書條款的規定僅向整體董事會報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

## Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2007 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting".

### KPMG

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

11 September 2007

## 審閱範圍

我們已按照香港會計師公會頒佈的香港審閱準則第2410號「由實體的獨立核數師執行的中期財務資料審閱」進行審閱工作。中期財務報告的審閱工作包括向負責財務和會計事務的人員作出查詢，及進行分析性和其他審閱程序。審閱的範圍遠小於根據香港審計準則進行審核的範圍，故不能令我們可保證我們將知悉在審計中可能被發現的所有重大事項。因此，我們不會發表審核意見。

## 結論

按照我們的審閱結果，我們並無發現有任何事項導致我們相信於二零零七年六月三十日的中期財務報告在各重大方面未有按照香港會計準則第34號「中期財務報告」編製。

### 畢馬威會計師事務所

*執業會計師*

香港中環  
遮打道10號  
太子大廈8樓

二零零七年九月十一日

## FINANCIAL STATEMENTS

**Consolidated statement of income**  
**for the six months ended 30 June 2007**  
 – unaudited  
 (Expressed in Hong Kong dollars)

## 財務報表

**綜合損益表**  
 截至二零零七年六月三十日止六個月  
 – 未經審核  
 (以港元為單位)

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
	Note 附註		
<b>Turnover</b>	<b>營業額</b>	<b>2</b>	<b>361,652</b>
Cost of sales	銷售成本		270,374
			<u>(226,387)</u>
<b>Gross profit</b>	<b>毛利</b>		<b>57,098</b>
Other revenue	其他收益		43,987
Selling and distribution expenses	銷售及分銷開支		<b>3,122</b>
Administrative expenses	行政開支		5,598
Research and development expenses	研發開支		<b>(11,855)</b>
Other operating expenses	其他經營開支		(10,236)
			<b>(5,340)</b>
			<b>(23,869)</b>
			<b>(1,731)</b>
<b>Profit from operations and before taxation</b>	<b>經營及除稅前溢利</b>		<b>17,425</b>
Income tax	所得稅	3 4	7,779
			<b>(1,857)</b>
<b>Profit after taxation attributable to equity shareholders of the Company</b>	<b>本公司股本持有人應佔除稅後溢利</b>		<b>15,568</b>
<b>Interim dividend declared after the interim period</b>	<b>中期後宣派之中期股息</b>	5(a)	6,911
Earnings per share – Basic	每股盈利 – 基本	6	<b>4,670</b>
			HK5.0 cents 5.0港仙
			HK2.2 cents 2.2港仙
			<b>HK4.9 cents</b> 4.9港仙
			HK2.2 cents 2.2港仙

The notes on pages 33 to 52 form part of this interim financial report.

第33至52頁之附註為此中期財務報告之一部份。

**Consolidated balance sheet**

at 30 June 2007 – unaudited

(Expressed in Hong Kong dollars)

**綜合資產負債表**

於二零零七年六月三十日 – 未經審核

(以港元為單位)

		At 30 June 2007 於二零零七年 六月三十日	At 31 December 2006 於二零零六年 十二月三十一日
	Note 附註	\$'000 千元	\$'000 千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備 7	91,571	96,288
Intangible assets	無形資產	740	661
Other equity securities	其他股本證券 8	1,684	1,684
		<u>93,995</u>	<u>98,633</u>
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨 9	86,480	69,222
Trade and other receivables	應收貿易及其他賬款 10	143,291	116,242
Current tax recoverable	本期可收回稅項	-	605
Cash and cash equivalents	現金及現金等價物 11	149,628	169,679
		<u>379,399</u>	<u>355,748</u>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	應付貿易及其他賬款 12	97,246	90,239
Current tax payable	本期應付稅項	557	461
		<u>97,803</u>	<u>90,700</u>
<b>Net current assets</b>	<b>流動資產淨值</b>	<u>281,596</u>	<u>265,048</u>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	<u>375,591</u>	363,681
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Deferred tax liabilities	遞延稅項負債	1,780	2,019
<b>Net assets</b>	<b>資產淨值</b>	<u>373,811</u>	<u>361,662</u>
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本 13	31,330	31,330
Reserves	儲備	342,481	330,332
<b>Total equity – attributable to equity shareholders of the Company</b>	<b>本公司股本持有人應佔總權益</b>	<u>373,811</u>	<u>361,662</u>

The notes on pages 33 to 52 form part of this interim financial report.

第33至52頁之附註為此中期財務報告之一部份。

**Consolidated statement of changes in equity**  
**for the six months ended 30 June 2007**  
**– unaudited**  
*(Expressed in Hong Kong dollars)*

**綜合權益變動表**

截至二零零七年六月三十日止六個月  
 – 未經審核  
 (以港元為單位)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
Note		千元	千元
附註			
	Total equity at 1 January	361,662	350,738
	於一月一日的總權益		
	Net profit for the period	15,568	6,911
	期內純利		
	Dividends approved and paid	(3,446)	(5,953)
	已批准及派付之股息		
5(b)			
	Movements in equity arising from capital transactions:		
	進行股本交易所產生之權益變動：		
	– Equity settled share-based transactions	27	571
	– 以股份為基礎之股本付款交易		
13			
	Total equity at 30 June	<u>373,811</u>	<u>352,267</u>
	於六月三十日的總權益		

The notes on pages 33 to 52 form part of this interim financial report.

第33至52頁之附註為此中期財務報告之一部份。



**Condensed consolidated statement of cash flows**

for the six months ended 30 June 2007

– unaudited

(Expressed in Hong Kong dollars)

**簡明綜合現金流量表**

截至二零零七年六月三十日止六個月

– 未經審核

(以港元為單位)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
Note		千元	千元
附註			
<b>Cash used in operations</b>	業務所用現金	<b>(13,085)</b>	(9,135)
Tax paid	已付稅項	<b>(1,395)</b>	(657)
<b>Net cash used in operating activities</b>	經營業務所用之現金淨額	<b>(14,480)</b>	(9,792)
<b>Net cash used in investing activities</b>	投資活動所用之現金淨額	<b>(3,439)</b>	(10,042)
<b>Net cash used in financing activities</b>	融資業務所用之現金淨額	<b>(3,446)</b>	(5,953)
<b>Net decrease in cash and cash equivalents</b>	現金及現金等價物之減少淨額	<b>(21,365)</b>	(25,787)
<b>Effect of foreign exchange rate changes</b>	匯率變動之影響	<b>804</b>	–
<b>Cash and cash equivalents at 1 January</b>	於一月一日之現金及現金等價物	<b>136,590</b>	157,375
<b>Cash and cash equivalents at 30 June</b>	於六月三十日之現金及現金等價物 <sup>11</sup>	<b>116,029</b>	131,588

The notes on pages 33 to 52 form part of this interim financial report.

第33至52頁之附註為此中期財務報告之一部份。

## Notes on the unaudited interim financial report

(Expressed in Hong Kong dollars)

### 1 Basis of preparation

This interim financial report is unaudited, but has been reviewed by the Company's Audit Committee and by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). KPMG's independent review report to the Board of Directors (the "Board") is included on pages 27 and 28.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting", issued by the HKICPA. It was authorised for issuance on 11 September 2007.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

## 未經審核之中期財務報告附註

(以港元為單位)

### 1 編製基準

本中期財務報告乃未經審核，但本公司之審核委員會及畢馬威會計師事務所已根據香港會計師公會（「會計師公會」）頒佈之香港審閱工作準則第2410號「公司獨立核數師對中期財務資料的審閱」作出審閱。畢馬威會計師事務所致董事會之獨立審閱報告乃刊載於第27頁及28頁。

本中期財務報告已按照香港聯合交易所有限公司證券上市規則（「上市規則」）內適用之披露條文編製，並已遵守會計師公會頒佈之香港會計準則第34號「中期財務報告」之規定。本中期財務報告於二零零七年九月十一日獲授權刊發。

本中期財務報告按照香港會計準則第34號之規定編製，有關規定要求管理層作出可影響政策應用，以及所呈報之資產與負債及收入與開支由年初至今之金額之判斷、估算及假設。實際業績可能與此等估算不同。

## 1 Basis of preparation (continued)

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual financial statements. The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which term collectively includes HKASs and Interpretations) that are effective or available for early adoption for accounting periods beginning on or after 1 January 2007. The Board has determined the accounting policies to be adopted in the preparation of the Group’s annual financial statements for the year ending 31 December 2007, on the basis of HKFRSs currently in issue and effective for the current accounting period. The Group so far has concluded that the adoption of these new and revised HKFRSs which are expected to be reflected in the 2007 annual financial statements would not have a significant impact on the Group’s results of operations and financial position.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2007 may be affected by the issue of additional interpretation(s) or other changes announced by the HKICPA subsequent to the date of issuance of this interim financial report. Therefore the accounting policies that will be applied in the Group’s financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2006 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

## 1 編製基準 (續)

本中期財務報告乃按照與二零零六年全年財務報表所採納的相同會計政策編製。會計師公會已頒佈若干新訂及經修訂之香港財務報告準則(「香港財務報告準則」，包括香港會計準則及詮釋)，有關準則於二零零七年一月一日或以後開始之會計期間生效，或可提前採用。董事會已根據現行頒佈且於本會計期間生效之香港財務報告準則，釐訂將用作編製本集團截至二零零七年十二月三十一日止年度全年財務報表之會計政策。本集團迄今之結論為採用預期於二零零七年全年財務報表反映之新訂及經修訂香港財務報告準則將不會對本集團之經營業績及財政狀況構成重大影響。

於截至二零零七年十二月三十一日止年度生效，或可供自願提前於該年度全年財務報表內採用之香港財務報告準則，或會因會計師公會於本中期財務報告刊發後所頒佈之新增詮釋或所公佈之其他變動而受到影響。因此，於本中期財務報告刊發之日，亦未能準確確定將用作編製本集團該期間財務業績之會計政策。

本中期財務報告載有簡明綜合財務報表及經選定之解釋附註。附註闡述了自二零零六年年末財務報表刊發以來，在了解本集團的財務狀況和表現方面極為重要的事件和交易。簡明綜合中期財務報表及其附註並不包括根據香港財務報告準則編製整份財務報表所須之所有資料。

**1 Basis of preparation (continued)**

The financial information relating to the financial year ended 31 December 2006 that is included in this interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2006 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 17 April 2007.

**2 Segment reporting**

The Group's primary format for reporting segment information is business segment. Turnover represents the sales value of goods supplied to customers less goods returned and after trade discounts.

**(a) Business segments**

The Group comprises two main business segments:

- manufacture and sale of composite components; and
- manufacture and sale of unit electronic components.

**1 編製基準 (續)**

本中期財務報告所載有關截至二零零六年十二月三十一日止財政年度之財務資料並不構成本公司在該財政年度之法定財務報表，但這些財務資料均取自有關的財務報表。截至二零零六年十二月三十一日止年度之法定財務報表可從本公司之註冊辦事處索取。核數師已在其二零零七年四月十七日之報告中，對這些財務報表表示無保留意見。

**2 分部報告**

本集團分部資料之主要呈報方式為業務分部。營業額指供應予客戶之貨品銷售值減退回貨品並經扣除貿易折扣的金額。

**(a) 業務分部**

本集團業務包括兩個主要業務分部：

- 製造及銷售複合元件；及
- 製造及銷售單位電子元件。

**2 Segment reporting (continued)**
**(a) Business segments (continued)**

	Composite components		Unit electronic components		Consolidated		
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		
	複合元件	單位電子元件	複合	綜合	截至六月三十日止六個月	截至六月三十日止六個月	
	2007	2006	2007	2006	2007	2006	
	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	千元	千元	千元	千元	千元	千元	
Turnover	營業額	<b>281,009</b>	204,554	<b>80,643</b>	65,820	<b>361,652</b>	270,374
Segment results	分部業績	<b>10,341</b>	2,202	<b>3,961</b>	1,609	<b>14,302</b>	3,811
Unallocated operating income and expenses	未經分配經營收入及開支					<b>3,123</b>	3,968
Profit from operations	經營溢利					<b>17,425</b>	7,779

**(b) Geographical segments**

An analysis of the Group's turnover by geographical location determined on the basis of the destination of the products is as follows:

**(b) 地區分部**

本集團按產品目的地釐定之地區營業額分析如下：

		Turnover	
		營業額	
		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
Mainland China	中國	<b>192,322</b>	132,307
Hong Kong	香港	<b>88,923</b>	93,235
Korea	韓國	<b>72,878</b>	42,347
Others	其他	<b>7,529</b>	2,485
		<b>361,652</b>	270,374

**3 Profit from operations and before taxation**

Profit from operations and before taxation is arrived at after charging/(crediting):

**3 經營及除稅前溢利**

經營及除稅前溢利經扣除/(計入)：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
Cost of sales <sup>#</sup>	銷售成本 <sup>#</sup>	304,554	226,387
Depreciation <sup>#</sup>	折舊 <sup>#</sup>	10,090	10,162
Interest income	利息收入	(2,529)	(2,348)
Operating lease charges:	經營租賃開支：		
minimum lease payments	最低租金付款		
– hire of properties	– 租用物業		
		<u>2,171</u>	<u>2,230</u>

# Cost of sales included depreciation and operating lease charges in respect of properties of \$7,806,000 (2006: \$8,543,000) which amount is also included in the respective total amounts disclosed separately above.

# 銷售成本包括有關物業之折舊及經營租賃開支7,806,000元(二零零六年：8,543,000元)，而該金額已個別計入上表分開披露之各類開支之總金額。

**4 Income tax****4 所得稅**

		Six months ended 30 June	
		截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
<b>Current tax</b>	<b>本期稅項</b>		
Provision for Hong Kong Profits Tax	香港利得稅準備	1,342	156
Taxation outside Hong Kong	香港以外地區稅項	753	524
		<u>2,095</u>	680
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	暫時性差異之產生及轉回	(238)	188
		<u>1,857</u>	<u>868</u>

#### 4 Income tax (continued)

Provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the Group's estimated assessable profits arising in Hong Kong for the six months ended 30 June 2007.

The Group carries out manufacturing activities in the People's Republic of China ("PRC") under the terms of various assembling and processing agreements with PRC entities and has substantial involvement in these manufacturing activities undertaken in the PRC. The profits earned are thus considered to be partly arising and derived from the manufacturing activities carried out in the PRC and partly from other activities performed in Hong Kong. As such, the Company is granted a 50:50 offshore exemption in respect of Hong Kong Profits Tax.

Provision for income tax in respect of the subsidiary in the PRC is calculated at 15% (2006: 15%) of its estimated assessable profits for the six months ended 30 June 2007.

No provision has been made for Korea income tax as tax losses brought forward exceed the estimated assessable profits for the six months ended 30 June 2007 and 2006.

#### 4 所得稅(續)

香港利得稅之準備，是按本集團截至二零零七年六月三十日止六個月估計於香港產生之應課稅溢利以17.5% (二零零六年：17.5%)之稅率計算。

本集團根據與中華人民共和國(「中國」)加工工廠訂立之多項裝配及加工協議之條款在中國進行製造活動，並積極參與在中國進行之該等製造活動。由此所賺取之溢利，部分被視為從中國進行之製造活動所產生及取得，而部分被視為從香港進行之其他活動所產生及取得。故此，本公司就香港利得稅享有50:50之離岸豁免。

中國附屬公司之所得稅準備，是按其截至二零零七年六月三十日止六個月之估計應課稅溢利以15% (二零零六年：15%)之稅率計算。

由於承前的韓國所得稅虧損超過截至二零零七年及二零零六年六月三十日止六個月的估計應課稅溢利，故並無為韓國所得稅作出任何準備。

## 5 Dividends

(a) *Dividend payable to equity shareholders of the Company attributable to the interim period*

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Interim dividend declared after the interim period of 1.5 cents (2006: 0.7 cents) per ordinary share	中期後宣派之中期股息每股普通股1.5仙(二零零六年：0.7仙)	<b>4,670</b>	<b>2,193</b>

The interim dividend has not been recognised as a liability at the balance sheet date. The calculation of the 2007 interim dividend is based on the number of ordinary shares outstanding at the date of these interim results.

中期股息於結算日尚未確認為負債。二零零七年中期股息乃按本報告日期已發行之普通股數目計算。

(b) *Dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period*

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Final dividend in respect of the financial year ended 31 December 2006, approved and paid during the following interim period of 1.1 cents (year ended 31 December 2005: 1.9 cents) per ordinary share	屬於截至二零零六年十二月三十一日止財政年度並於隨後中期內批准及派付之末期股息每股普通股1.1仙(截至二零零五年十二月三十一止年度：1.9仙)	<b>3,446</b>	<b>5,953</b>

## 5 股息

## (a) 中期應佔應付予本公司股本持有人之股息

## (b) 中期內批准及派付之屬於對上一個財政年度應付予本公司股本持有人之股息



**6 Earnings per share**

**(a) Basic earnings per share**

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$15,568,000 (2006: \$6,911,000) and the weighted average number of ordinary shares of 313,300,000 (2006: 313,300,000) in issue during the six months ended 30 June 2007.

**(b) Diluted earnings per share**

The calculation of diluted earnings per share for the six months ended 30 June 2007 is based on the profit attributable to shareholders of \$15,568,000 and the weighted average number of ordinary shares of 317,890,000 after adjusting for the effect of all dilutive potential ordinary shares.

Diluted earnings per share is the same as the basic earnings per share for the six months ended 30 June 2006 as the inclusion of the effect of deemed issue of ordinary shares under the share options scheme would have an anti-dilutive effect on the basic earnings per share.

**6 每股盈利**

**(a) 每股基本盈利**

每股基本盈利是按本公司股本持有人應佔溢利15,568,000元(二零零六年: 6,911,000元)及截至二零零七年六月三十日止六個月內已發行普通股之加權平均數313,300,000股(二零零六年: 313,300,000股)計算。

**(b) 每股攤薄盈利**

截至二零零七年六月三十日止六個月之每股攤薄盈利是按股東應佔溢利15,568,000元及普通股之加權平均數317,890,000股並就所有潛在攤薄普通股之影響作出調整後計算。

由於納入視作根據購股權計劃已發行之普通股之影響將對每股基本盈利構成反攤薄作用，故截至二零零六年六月三十日止六個月之每股攤薄盈利與每股基本盈利相同。

## 6 Earnings per share (continued)

## (c) Reconciliation

Number of shares 股份數目	
Six months ended 30 June 截至六月三十日止六個月	
2007 二零零七年	2006 二零零六年
\$'000 千元	\$'000 千元

Weighted average number of ordinary shares used in calculating basic earnings per share	用以計算每股基本盈利的普通股加權平均數		
Deemed issue of ordinary shares for no consideration	視為無償發行普通股	<b>313,300</b>	313,300
		<b>4,590</b>	-

Weighted average number of ordinary shares used in calculating diluted earnings per share	用以計算每股攤薄盈利的普通股加權平均數		
		<b>317,890</b>	313,300

## 7 Property, plant and equipment

The Group's land and buildings held for own use were revalued as at 30 June 2005 by DTZ Debenham Tie Leung Limited, an independent firm of professional surveyors who had among their staff members of the Hong Kong Institute of Surveyors, at their open market value by direct comparison approach by making reference to comparable sales transactions as available in the relevant market. As a result, revaluation surplus of \$3,902,000, net of deferred tax, was transferred to land and buildings revaluation reserve of the Group (see note 13) and a net gain of \$987,000 and the deferred tax thereon of \$43,000 were included in the consolidated income statement for the six months ended 30 June 2005.

## 6 每股盈利 (續)

## (c) 對賬

## 7 物業、廠房及設備

於二零零五年六月三十日，戴德梁行有限公司按直接比較法，並參考於有關市場可供比較之銷售交易就本集團持有作自用之土地及樓宇之公開市值進行重估。戴德梁行有限公司為獨立專業估值師，其部份員工為香港測量師學會成員。由於重估的關係，3,902,000元重估盈餘(扣除遞延稅項)已被轉撥至本集團之土地及樓宇重估儲備(見附註13)，而收入淨額987,000元及據此之遞延稅項43,000元已被納入截至二零零五年六月三十日止六個月之綜合損益表。

**7 Property, plant and equipment (continued)**

The directors of the Company, who are not qualified valuers, have reviewed the carrying value of the land and buildings as at 30 June 2007 with reference to the relevant market indices. In the opinion of the board of directors, the carrying value of the land and building at 30 June 2007 approximate to their open market value.

**8 Other equity securities**

Other equity securities represent unlisted equity securities in corporate entities acquired in 2004 and 2006 for cash consideration of \$1,500,000 and \$1,684,000 respectively. Full provision for impairment loss has been made in prior years and maintained at 30 June 2007 against the investment costs of \$1,500,000 for the equity securities acquired in 2004.

**9 Inventories**

The analysis of the amount of inventories recognised as cost of sales is as follows:

**7 物業、廠房及設備(續)**

本公司董事(並非合資格估價師)已參考有關市場指標審閱土地及樓宇於二零零七年六月三十日之賬面值。董事會認為，土地及樓宇於二零零七年六月三十日之賬面值與其公開市值相若。

**8 其他股本證券**

其他股本證券指本公司於二零零四年及二零零六年分別以現金代價1,500,000元及1,684,000元購入兩間企業實體之非上市股本證券。過往年度已就於二零零四年購入股本證券的投資成本1,500,000元作出全面減值虧損準備，並於二零零七年六月三十日繼續維持。

**9 存貨**

已確認為銷售成本之存貨金額分析如下：

	At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
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Carrying amount of inventories sold	305,478	227,145
Write-down of inventories	1,200	-
Reversal of write-down of inventories	(2,124)	(758)
	<b>304,554</b>	<b>226,387</b>

The reversal of write-down of inventories made in prior years arose due to subsequent usage of inventories previously provided for.

過往年度的撇減存貨撥回乃因其後消耗先前撥備之存貨而導致。

## 10 Trade and other receivables

## 10 應收貿易及其他賬款

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Trade receivables	應收貿易賬款	<b>133,351</b>	108,772
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	<b>9,940</b>	7,470
		<b>143,291</b>	116,242

The ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts) as of the balance sheet date is as follows:

於結算日，應收貿易賬款（扣除呆壞賬減值撥備）之賬齡分析如下：

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Current	未逾期	<b>99,299</b>	69,666
Less than 1 month overdue	逾期少於一個月	<b>26,641</b>	28,396
Over 1 month but less than 3 months overdue	逾期多於一個月但少於三個月	<b>7,230</b>	10,206
Over 3 months but less than 12 months overdue	逾期多於三個月但少於十二個月	<b>181</b>	504
		<b>133,351</b>	108,772

New customers are normally required to trade on a cash basis. Credit is offered to existing customers following an established payment records. The credit terms granted by the Group to its customers (including a shareholder (note 15(a))) generally range from one to two months.

新客戶一般會以現金方式進行交易。在評估付款記錄後，會給予現有客戶信貸。本集團給予客戶（包括一名股東（附註15(a)））之除賬期，一般介乎一至兩個月。

## 11 Cash and cash equivalents

## 11 現金及現金等價物

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Deposits with banks and other financial institutions	銀行及其他金融機構之存款	<b>108,869</b>	90,029
Cash at bank and in hand	銀行存款及現金	<b>40,759</b>	79,650
Cash and cash equivalents in the consolidated balance sheet	綜合資產負債表內之現金及現金等價物	<b>149,628</b>	169,679
Less: deposits with banks and other financial institutions with more than three months of maturity when placed	減：存款時到期日多於三個月之銀行及其他金融機構之存款	<b>(33,599)</b>	(33,089)
Cash and cash equivalents in the condensed consolidated cash flow statement	簡明綜合現金流量表內之現金及現金等價物	<b>116,029</b>	136,590

## 12 Trade and other payables

## 12 應付貿易及其他賬款

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Trade payables	應付貿易賬款	<b>80,627</b>	74,690
Accrued expenses and other payables	應計費用及其他 應付款項	<b>16,619</b>	15,549
		<b>97,246</b>	90,239

The ageing analysis of trade payables as of the balance sheet date is as follows:

於結算日，應付貿易賬款之賬齡分析如下：

		At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Due within 1 month or on demand	一個月內或接獲 通知時到期	<b>56,578</b>	53,503
Due after 1 month but within 3 months	一個月後但三個月 內到期	<b>24,049</b>	21,187
		<b>80,627</b>	74,690

## 13 Capital and reserves

## 13 股本及儲備

		Share capital	Share premium	Capital reserve	Land and buildings revaluation reserve	General reserve fund	Retained profits	Total
		股本	股份溢價	資本儲備	重估儲備	一般儲備金	保留溢利	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2006	於二零零六年一月一日	31,330	52,900	5,227	3,902	1,486	255,893	350,738
Final dividend approved in respect of the previous year (note 5(b))	就以往年度批准之末期股息 (附註5(b))	-	-	-	-	-	(5,953)	(5,953)
Equity settled share-based transactions	以股份為基礎之股本付款交易	-	-	571	-	-	-	571
Profit for the period	期內溢利	-	-	-	-	-	6,911	6,911
At 30 June 2006	於二零零六年六月三十日	31,330	52,900	5,798	3,902	1,486	256,851	352,267
Transfer between reserve	儲備間之轉撥	-	-	-	-	1,526	(1,526)	-
Equity settled share-based transactions	以股份為基礎之股本付款交易	-	-	41	-	-	-	41
Profit for the period	期內溢利	-	-	-	-	-	11,547	11,547
Dividend declared in respect of the current year (note 5(a))	已宣派之本年度股息 (附註5(a))	-	-	-	-	-	(2,193)	(2,193)
At 31 December 2006	於二零零六年十二月三十一日	31,330	52,900	5,839	3,902	3,012	264,679	361,662
At 1 January 2007	於二零零七年一月一日	31,330	52,900	5,839	3,902	3,012	264,679	361,662
Transfer between reserve (note)	儲備間之轉撥 (附註)	-	-	(787)	-	-	787	-
Final dividend approved in respect of the previous year (note 5(b))	就以往年度批准之末期股息 (附註5(b))	-	-	-	-	-	(3,446)	(3,446)
Equity settled share-based transactions	以股份為基礎之股本付款交易	-	-	27	-	-	-	27
Profit for the period	期內溢利	-	-	-	-	-	15,568	15,568
At 30 June 2007	於二零零七年六月三十日	31,330	52,900	5,079	3,902	3,012	277,588	373,811

Note:

附註：

The transfer from capital reserve to retained profits represents the value of share options lapsed during the period ended 30 June 2007.

由資本儲備轉撥至保留溢利之金額指於截至二零零七年六月三十日止期間失效之購股權價值。

**13 Capital and reserves (continued)*****Equity settled share-based transactions***

The Company has a share options scheme which was adopted on 16 June 2003 whereby the Directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, advisers and consultants, to take up options to subscribe for shares of the Company. Each option gives the holder the right to subscribe for one ordinary share of \$0.1 each of the Company.

During the six months ended 30 June 2007, 2,900,000 options have been lapsed. Besides, no other options have been granted, exercised or cancelled (2006: no options were granted, exercised, lapsed or cancelled). At 30 June 2007, the outstanding share options were:

**13 股本及儲備(續)*****以股本支付之股份交易***

本公司設有一項於二零零三年六月十六日採納之購股權計劃，據此，本公司董事獲授權酌情邀請本集團僱員(包括本集團任何公司之董事)、顧問及諮詢人接納可認購本公司股份之購股權。各份購股權均賦予其持有人可認購本公司一股每股面值0.1元之普通股之權利。

截至二零零七年六月三十日止六個月，2,900,000份購股權已失效。此外，並無授出、行使或註銷其他購股權(二零零六年：並無購股權授出、行使、失效或註銷)。於二零零七年六月三十日，未行使購股權為：

<b>Date granted</b> 授出日期	<b>Exercise period</b> 行使期	<b>Exercise price</b> 行使價	<b>Number of options outstanding at 30 June 2007</b> 於二零零七年六月三十日之未行使購股權數目
7 July 2003 二零零三年七月七日	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	\$1.294	16,500,000
6 May 2004 二零零四年五月六日	1 May 2005 to 30 April 2009 二零零五年五月一日至 二零零九年四月三十日	\$1.666	1,000,000



**14 Capital commitments outstanding not provided for in the interim financial report**

**14 未償付而又未在本中期財務報告內提撥準備之資本承擔**

	At 30 June 2007 於二零零七年 六月三十日	At 31 December 2006 於二零零六年 十二月三十一日
	\$'000 千元	\$'000 千元

<i>Purchase of property, plant and equipment</i>	購買物業、廠房及設備		
Contracted for	已訂約	652	51
Authorised but not contracted for	已授權但未訂約	5	412
		<u>657</u>	<u>463</u>

**15 Material related party transactions**

**15 重大關連人士交易**

**(a) Transactions with shareholder**

**(a) 與股東進行之交易**

During the six months ended 30 June 2007, the Group entered into the following transactions with Kwang Sung Electronics Co., Ltd ("Kwang Sung Korea"), a major shareholder of the Company:

於截至二零零七年六月三十日止六個月內，本集團與本公司之主要股東韓國光星電子有限公司（「韓國光星」）訂立以下交易：

	Six months ended 30 June 截至六月三十日止六個月	
	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Sales of finished goods	5,043	21,399
Purchases of raw materials	112	6,723
Referral commission paid/payable	3,046	3,048
	<u>8,199</u>	<u>31,170</u>

## 15 Material related party transactions (continued)

## (a) Transactions with shareholder (continued)

At 30 June 2007, included in the following balance sheet captions are the amounts due from/(to) Kwang Sung Korea:

	At 30 June 2007 於二零零七年 六月三十日 \$'000 千元	At 31 December 2006 於二零零六年 十二月三十一日 \$'000 千元
Trade receivables	1,968	450
Trade payables	(16)	(1,189)
Accrued expenses and other payables	(1,135)	(1,279)
	<u>1,817</u>	<u>(1,018)</u>

The Directors of the Company are of the opinion that the above transactions were conducted in the ordinary course of business on normal commercial terms.

## 15 重大關連人士交易 (續)

## (a) 與股東進行之交易 (續)

於二零零七年六月三十日，下列資產負債表之項目中包括應收／(應付)韓國光星之款項：

本公司之董事認為，上述交易是在日常及一般業務過程中按正常商業條款進行。

**15 Material related party transactions (continued)**

**(b) Transactions with other related parties**

- (i) Key management personnel remuneration Remuneration for key management personnel, including amounts paid to the Company's Directors, is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Short-term employee benefits	短期僱員福利	6,429	5,284
Post-employment benefits	離職後福利	113	89
Equity compensation benefits	股本補償福利	27	269
		<b>6,569</b>	<b>5,642</b>

- (ii) During the six months ended 30 June 2007, the Group paid a consultancy fee to a close family member of a major shareholder (also a Director of the Company) amounting to \$337,000 (2006: \$324,000).

**15 重大關連人士交易 (續)**

**(b) 與其他關連人士進行之交易**

- (i) 主要管理人員之酬金  
主要管理人員酬金(包括支付予本公司董事之金額)載列如下:

- (ii) 於截至二零零七年六月三十日止六個月，本集團向一名主要股東(亦為本公司董事)一名近親支付顧問費337,000元(二零零六年：324,000元)。

## 15 Material related party transactions (continued)

## (b) Transactions with other related parties (continued)

(iii) Loan to key management personnel

## 15 重大關連人士交易(續)

## (b) 與其他關連人士進行之交易(續)

(iii) 向主要管理人員提供貸款

Name of borrower	借款人	Mr Jo Jung Ho 趙正鎬先生
Position	職位	General manager 總經理
Terms of the loan	貸款條款	
– duration and repayment terms	– 貸款期及償還條款	Repayable on demand 按要求償還
– loan amount	– 貸款額	\$424,000
– interest rate	– 利率	Nil 零
– security	– 抵押	None 無
Balance of the loan	貸款結餘	
– at 1 January 2006	– 於二零零六年一月一日	\$-
– at 31 December 2006 and 1 January 2007	– 於二零零六年十二月三十一日及二零零七年一月一日	\$424,000
– at 31 December 2007	– 於二零零七年十二月三十一日	\$424,000
Maximum balance outstanding	未償還之最高結餘	
– during 2007 and 2006	– 於二零零七年及於二零零六年	\$424,000

There was no amount due but unpaid, nor any provision made against the loan at 30 June 2007 and 31 December 2006.

於二零零七年六月三十日及二零零六年十二月三十一日並無已到期但未償還之款項，亦無就貸款作任何撥備。

**16 Contingent liabilities**

In September 2007, the Shenzhen Local Tax Bureau required the related party transactions and the transfer pricing policy of the Company's subsidiary, Shenzhen Kwang Sung Electronics Co., Ltd ("Shenzhen Kwang Sung") during the years ended 31 December 2002 to 2006. Shenzhen Kwang Sung had submitted the information request to the Shenzhen Local Tax Bureau on 7 September 2007. Up to the date of approval of this interim financial report, there is no further queries raised by the Shenzhen Local Tax Bureau. Should Shenzhen Kwang Sung be unable to provide sufficient documentation information to substantiate that the transactions were made on an arm's length basis, according to relevant laws and regulations, the Shenzhen Local Tax Bureau may instigate a transfer pricing adjustment to revise the transaction prices and request Shenzhen Kwang Sung to pay any Enterprise Income Tax underpaid following the transfer pricing adjustment.

Since the Shenzhen Local Tax Bureau is only making preliminary enquiries on the related party transactions and the transfer pricing policy of Shenzhen Kwang Sung, the Company considers it is premature to quantify any additional tax liability. Accordingly, no provision for additional tax payable has been included in the interim financial report.

**16. 或然負債**

於二零零七年九月，深圳市地方稅務局向本公司之附屬公司深圳光星電子有限公司（「深圳光星」）查詢深圳光星由二零零二年至二零零六年十二月三十一日止年度之關連人士交易及轉移定價政策。深圳光星已於二零零七年九月七日向深圳市地方稅務局提交所要求的資料。截至本中期財務報告之批准刊發日期，深圳市地方稅務局並無提出進一步查問。倘深圳光星未能提供足夠文件資料，以證實該等交易乃按公平基準進行，則根據相關法例及規例，深圳市地方稅務局或會發起轉移定價調整，以修訂交易價格，並要求深圳光星於轉移定價調整後支付任何未繳付之企業所得稅。

由於深圳市地方稅務局僅就深圳光星之關連人士交易及轉移定價政策作出初步查詢，因此本公司認為現階段尚未能釐定任何額外稅務負債之數額。因此，在中期財務報告中並無計入就額外應付稅項所作之撥備。

