

**KARCE**<sup>®</sup>



2007

2007

中 期 報 告

interim report



**KARCE** INTERNATIONAL HOLDINGS COMPANY LIMITED

泰 盛 實 業 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

股份代號 Stock Code: 1159

## Corporate Information

### Directors

#### **Executive Directors**

Mr. Tong Shek Lun

*(Chairman and Managing Director)*

Ms. Ko Lai King, Kinny

Ms. Chung Wai Yu, Regina

Mr. Chim Kim Lun, Ricky

*(appointed on 31 August 2007)*

Mr. Cheng Kwok Hing, Andy

*(appointed on 31 August 2007)*

#### **Non-executive Directors**

Mr. Lee Kwok Leung

Mr. Yang Yiu Chong, Ronald Jeffrey

#### **Independent non-executive Directors**

Mr. Sun Yaoquan

Mr. Goh Gen Cheung

Mr. Chan Ho Man

### Company Secretary

Mr. Wong Hei Chiu

### Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### Head Office and Principal Place of Business

Units 1 and 2, 29th Floor

Cable TV Tower

9 Hoi Shing Road

Tsuen Wan

New Territories

Hong Kong

## 公司資料

### 董事

#### **執行董事**

唐錫麟先生

*(主席兼董事總經理)*

高麗瓊女士

鍾惠愉女士

詹劍崙先生

*(於二零零七年八月三十一日獲委任)*

鄭國興先生

*(於二零零七年八月三十一日獲委任)*

#### **非執行董事**

李國樑先生

楊耀宗先生

#### **獨立非執行董事**

孫耀全先生

葛根祥先生

陳浩文先生

### 公司秘書

黃禧超先生

### 註冊辦事處

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

### 總辦事處及主要營業地點

香港

新界

荃灣

海盛路9號

有線電視大樓

29樓1至2室

## Highlights

## 概要

The Group's turnover increased by approximately 3.0 per cent. to approximately HK\$357,996,000.

本集團營業額增加約3.0%至約357,996,000港元。

Loss for the period was approximately HK\$7,304,000.

本期虧損約7,304,000港元。

Profit for the period, excluding total impairment loss on available-for-sale investment of approximately HK\$16,000,000, decreased by approximately 30.0 per cent. from approximately HK\$12,419,000 for the corresponding period in 2006 to approximately HK\$8,696,000.

本期溢利(不包括可供出售投資減值虧損合共約16,000,000港元)較二零零六年同期之約12,419,000港元下跌約30.0%至約8,696,000港元。

Bank balances and cash was approximately HK\$41,660,000.

銀行結餘及現金約為41,660,000港元。

Total net assets was approximately HK\$411,399,000.

總資產淨值約411,399,000港元。

Total indebtedness (including bank borrowings and obligations under finance leases contracts) of the Group were approximately HK\$71,167,000, representing approximately 17.3 per cent. of the total shareholders' equity.

本集團債項總額(包括銀行借貸及融資租賃合約責任)約為71,167,000港元,佔股東資金總額約17.3%。

Basic loss per share was approximately HK1.34 cents.

每股基本虧損約為1.34港仙。

## Interim Results

The board of directors (the “Directors”) of Karce International Holdings Company Limited (the “Company”, together with its subsidiaries the “Group”), present herewith to the shareholders of the Company the unaudited consolidated interim results of the Group for the six months ended 30 June 2007. The Company’s audit committee has reviewed the interim results.

## Condensed Consolidated Income Statement

For the six months ended 30 June 2007

## 中期業績

泰盛實業集團有限公司(「本公司」，連同其附屬公司統稱「本集團」)之董事會(「董事會」)謹此向本公司股東宣佈本集團截至二零零七年六月三十日止六個月之未經審核綜合中期業績。本公司之審核委員會已審閱中期業績。

## 簡明綜合損益表

截至二零零七年六月三十日止六個月

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	2006
		<b>二零零七年</b>	二零零六年
		<b>HK\$'000</b>	HK\$'000
		<b>千港元</b>	千港元
	Note	<b>(unaudited)</b>	(unaudited)
	附註	<b>(未經審核)</b>	(未經審核)
Revenue	2	<b>357,996</b>	347,687
Cost of sales		<b>(297,546)</b>	(283,409)
Gross profit		<b>60,450</b>	64,278
Other income	3	<b>739</b>	1,492
Distribution costs		<b>(5,409)</b>	(5,944)
Administrative and other operating expenses		<b>(44,349)</b>	(44,490)
Finance costs	4	<b>(1,993)</b>	(1,604)
Impairment loss on available-for-sale investment		<b>(16,000)</b>	—
(Loss)/profit before taxation	5	<b>(6,562)</b>	13,732
Taxation	6	<b>(742)</b>	(1,313)
(Loss)/profit for the period		<b>(7,304)</b>	12,419
(Loss)/earnings per share			
Basic (HK cents)	7	<b>(1.34)</b>	2.26

## Condensed Consolidated Balance Sheet

As at 30 June 2007

## 簡明綜合資產負債表

於二零零七年六月三十日

		30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investment properties	投資物業	64,813	63,542
Property, plant and equipment	物業、廠房及設備	241,841	237,195
Prepaid lease payments	預付租金	17,603	17,573
Available-for-sale investment	可供出售投資	41,549	54,079
Club debenture	會所債券	1,180	1,180
		<b>366,986</b>	<b>373,569</b>
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	112,257	107,315
Trade and other receivables	貿易及其他應收款項	154,463	116,206
Bills receivable	應收票據	9,316	4,199
Derivative financial instruments	衍生金融工具	2,315	279
Bank balances and cash	銀行結餘及現金	41,660	65,890
		<b>320,011</b>	<b>293,889</b>
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款項	159,354	160,848
Bills payable	應付票據	3,311	3,112
Derivative financial instruments	衍生金融工具	1,610	2,311
Tax liabilities	稅項負債	20,100	20,715
Obligation under finance leases	融資租賃責任		
– due within one year	– 於一年內到期	4,637	5,875
Bank borrowings	銀行借貸		
– due within one year	– 於一年內到期	39,348	12,833
		<b>228,360</b>	<b>205,694</b>
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>	<b>91,651</b>	<b>88,195</b>
		<b>458,637</b>	<b>461,764</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>		
Share capital	股本	54,436	54,436
Reserves	儲備	356,963	362,051
		<b>411,399</b>	<b>416,487</b>
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Obligations under finance leases	融資租賃責任		
– due after one year	– 於一年後到期	3,369	5,528
Bank borrowings	銀行借貸		
– due after one year	– 於一年後到期	23,813	20,084
Deferred tax liabilities	遞延稅項負債	20,056	19,665
		<b>47,238</b>	<b>45,277</b>
		<b>458,637</b>	<b>461,764</b>

Condensed Consolidated Statement of  
Changes in Equity

For the six months ended 30 June 2007

## 簡明綜合權益變動表

截至二零零七年六月三十日止六個月

		Attributable to equity holders of the parent 母公司權益持有人應佔權益										
		Share capital	Share premium	Capital reserve	Special reserve	Statutory reserves	Asset revaluation reserve	Investment revaluation reserve	Exchange reserve	Capital redemption reserve	Retained profits	Total
		股本	股份溢價	資本儲備	特別儲備	法定儲備	重估儲備	重估儲備	匯兌儲備	贖回儲備	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 1 January 2007	於二零零七年一月一日	54,436	82,364	35,597	19,487	6,553	49,708	(3,470)	6,728	1,564	163,520	416,487
Exchange difference on translation of foreign operations	換算國外業務 之匯兌差異	-	-	-	-	-	-	-	4,189	-	-	4,189
Impairment loss on available-for-sale investment realised	已變現可供 出售投資 之減值虧損	-	-	-	-	-	-	3,470	-	-	-	3,470
Net income recognised directly in equity	直接於權益確認之 收入淨額	-	-	-	-	-	-	3,470	4,189	-	-	7,659
Loss for the period	本期虧損	-	-	-	-	-	-	-	-	-	(7,304)	(7,304)
Total recognised income and expense for the period	本期之已確認收入 及支出總額	-	-	-	-	-	-	3,470	4,189	-	(7,304)	355
Final dividend for 2006 paid	已派付之二零零六年 末期股息	-	-	-	-	-	-	-	-	-	(5,443)	(5,443)
As at 30 June 2007	於二零零七年 六月三十日	54,436	82,364	35,597	19,487	6,553	49,708	-	10,917	1,564	150,773	411,399

# Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2007

# 簡明綜合權益變動表 (續)

截至二零零七年六月三十日止六個月

		Attributable to equity holders of the parent 母公司權益持有人應佔權益										
		Share capital	Share premium	Capital reserve	Special reserve	Statutory reserves	Asset revaluation reserve	Investment revaluation reserve	Exchange reserve	Capital redemption reserve	Retained profits	Total
		股本	股份溢價	資本儲備	特別儲備	法定儲備	重估儲備	重估儲備	匯兌儲備	贖回儲備	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 1 January 2006	於二零零六年一月一日	55,078	82,364	35,597	19,487	6,553	48,623	20,796	3,402	922	168,624	441,446
Revaluation surplus on buildings	樓宇之重估盈餘	-	-	-	-	-	3,823	-	-	-	-	3,823
Deferred tax on revaluation of buildings	重估樓宇引致之遞延稅項	-	-	-	-	-	(1,032)	-	-	-	-	(1,032)
Exchange difference on translation of overseas operations	換算海外業務之滙兌差異	-	-	-	-	-	-	-	(34)	-	-	(34)
Gain on fair value change of available-for-sale investment	可供出售投資公平值變動之收益	-	-	-	-	-	-	1,715	-	-	-	1,715
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	-	-	-	2,791	1,715	(34)	-	-	4,472
Profit for the period	本期溢利	-	-	-	-	-	-	-	-	-	12,419	12,419
Total recognised income and expense for the period	本期之已確認收入及支出總額	-	-	-	-	-	2,791	1,715	(34)	-	12,419	16,891
Final dividend for 2005 paid	已派付之二零零五年末期股息	-	-	-	-	-	-	-	-	-	(5,499)	(5,499)
Share repurchased and cancelled	購回及註銷股份	(582)	(1,328)	-	-	-	-	-	-	-	-	(1,910)
As at 30 June 2006	於二零零六年六月三十日	54,496	81,036	35,597	19,487	6,553	51,414	22,511	3,368	922	175,544	450,928

## Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2007

## 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

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	2006
		<b>二零零七年</b>	二零零六年
		<b>HK\$'000</b>	HK\$'000
		<b>千港元</b>	千港元
		<b>(unaudited)</b>	(unaudited)
		<b>(未經審核)</b>	(未經審核)
Net cash (used in) from operating activities	經營業務(所耗)所得之現金淨額	<b>(26,989)</b>	16,412
Net cash used in investing activities	投資業務所耗之現金淨額	<b>(14,559)</b>	(17,282)
Net cash from (used in) financing activities	融資業務所得(所耗)之現金淨額	<b>17,318</b>	(23,270)
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	<b>(24,230)</b>	(24,140)
Cash and cash equivalents at 1 January	一月一日之現金及現金等值項目	<b>65,890</b>	92,064
Cash and cash equivalents at 30 June, represented by bank balances and cash	六月三十日之現金及現金等值項目，指銀行結餘及現金	<b>41,660</b>	67,924



## Notes to the Condensed Financial Statements

For the six months ended 30 June 2007

### 1. Basis of Preparation and Principal Accounting Policies

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The basis of preparation and principal accounting policies adopted in preparing these condensed financial statements are consistent with those adopted in the preparation of the annual financial statements of the Group for the year ended 31 December 2006 except that the Group has applied, for the first time, a number of new standards, amendments and interpretations of Hong Kong Financial Reporting Standards (the “HKFRSs”) and HKASs (collectively “new HKFRSs”) issued by the HKICPA which are effective for the Group’s financial period beginning on 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HK (IFRIC) – INT 7	Applying the Restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>2</sup>
HK (IFRIC) – INT 8	Scope of HKFRS 2 <sup>3</sup>
HK (IFRIC) – INT 9	Reassessment of Embedded Derivatives <sup>4</sup>
HK (IFRIC) – INT 10	Interim Financial Reporting and Impairment <sup>5</sup>

## 簡明財務報表附註

截至二零零七年六月三十日止六個月

### 1. 編製基準及主要會計政策

未經審核簡明綜合財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」及香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十六之披露要求編製。編製該等簡明財務報表所採納之編製基準及主要會計政策乃與編製截至二零零六年十二月三十一日止年度本集團年度財務報表所採納者貫徹一致，惟本集團首次應用由香港會計師公會頒佈，於本集團自二零零七年一月一日開始之財政期間生效之香港財務報告準則（「香港財務報告準則」）及香港會計準則（統稱「新香港財務報告準則」）之若干新訂準則、修訂及詮釋除外。

香港會計準則	資本披露 <sup>1</sup>
第1號（修訂本）	
香港財務報告準則	金融工具：
第7號	披露 <sup>1</sup>
香港（國際財務報告詮釋委員會）	應用香港會計準則第29號「嚴重通脹經濟中之財務報告」之重列方法 <sup>2</sup>
— 詮釋第7號	
香港（國際財務報告詮釋委員會）	香港財務報告準則第2號範圍 <sup>3</sup>
— 詮釋第8號	
香港（國際財務報告詮釋委員會）	內置衍生工具之重新評估 <sup>4</sup>
— 詮釋第9號	
香港（國際財務報告詮釋委員會）	中期財務報告及減值 <sup>5</sup>
— 詮釋第10號	

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

### 1. Basis of Preparation and Principal Accounting Policies (Continued)

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.
- <sup>2</sup> Effective for annual periods beginning on or after 1 March 2006.
- <sup>3</sup> Effective for annual periods beginning on or after 1 May 2006.
- <sup>4</sup> Effective for annual periods beginning on or after 1 June 2006.
- <sup>5</sup> Effective for annual periods beginning on or after 1 November 2006.

The adoption of these new HKFRSs has had no material effect on the results or the financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing costs <sup>1</sup>
HKFRS 8	Operating segments <sup>1</sup>
HK (IFRIC) – INT 11	HKFRS 2 – Group and treasury share transactions <sup>2</sup>
HK (IFRIC) – INT 12	Service concession arrangements <sup>3</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2009.
- <sup>2</sup> Effective for annual periods beginning on or after 1 March 2007.
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2008.

The Directors anticipate that the application of these new HKFRSs will have no material impact on the results and the financial position of the Group.

## 簡明財務報表附註 (續)

截至二零零七年六月三十日止六個月

### 1. 編製基準及主要會計政策 (續)

- <sup>1</sup> 於二零零七年一月一日或之後開始年度期間生效。
- <sup>2</sup> 於二零零六年三月一日或之後開始年度期間生效。
- <sup>3</sup> 於二零零六年五月一日或之後開始年度期間生效。
- <sup>4</sup> 於二零零六年六月一日或之後開始年度期間生效。
- <sup>5</sup> 於二零零六年十一月一日或之後開始年度期間生效。

採納該等新香港財務報告準則對本集團於本期或過往之會計期之業績或財務狀況並無造成重大影響。因此，毋須作出過往期間之調整。

本集團並無提早應用下列已頒佈但未生效之新香港財務報告準則。

香港會計準則 第23號 (修訂本)	借貸成本 <sup>1</sup>
香港財務報告準則 第8號	經營分部 <sup>1</sup>
香港 (國際財務 報告詮釋委員會) — 詮釋第11號	香港財務報告準 則第2號 — 集團 及庫存股份交易 <sup>2</sup>
香港 (國際財務 報告詮釋委員會) — 詮釋第12號	服務經營權安排 <sup>3</sup>

- <sup>1</sup> 於二零零九年一月一日或之後開始年度期間生效。
- <sup>2</sup> 於二零零七年三月一日或之後開始年度期間生效。
- <sup>3</sup> 於二零零八年一月一日或之後開始年度期間生效。

董事會預期採納該等新香港財務報告準則對本集團之業績及財務狀況將不會造成重大影響。

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

### 2. Segment Information

#### Business segments:

For management purposes, the Group is currently organised into three principal operating divisions – electronic products (mainly electronic calculators and organizers), conductive silicon rubber keypads and printed circuit boards. These divisions are the basis on which the Group reports its primary segment information. Inter-segment sales were made at cost plus mark up.

Segment information about these businesses is presented below:

2007	二零零七年	Electronic products	Conductive silicon rubber keypads	Printed circuit boards	Other operations	Eliminations	Consolidated
		電子產品 HK\$'000 千港元	導電 硅橡膠 按鍵 HK\$'000 千港元	印製 電路板 HK\$'000 千港元	其他 業務 HK\$'000 千港元	撇減 HK\$'000 千港元	綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收益</b>						
External sales	外部銷售	265,587	46,583	45,826	–	–	357,996
Inter-segment sales	部間銷售	4,029	8,849	14,676	–	(27,554)	–
Total	總額	<u>269,616</u>	<u>55,432</u>	<u>60,502</u>	<u>–</u>	<u>(27,554)</u>	<u>357,996</u>
<b>RESULT</b>	<b>業績</b>						
Segment result	分部業績	<u>15,539</u>	<u>1,043</u>	<u>(4,630)</u>	<u>–</u>	<u>–</u>	11,952
Unallocated corporate expenses	未分配之 企業開支						(521)
Finance costs	融資成本						(1,993)
Impairment loss on available-for-sale investment	可供出售投資 之減值虧損						(16,000)
Loss before taxation	除稅前虧損						(6,562)
Taxation	稅項						(742)
Loss for the period	本期虧損						<u>(7,304)</u>

## 簡明財務報表附註 (續)

截至二零零七年六月三十日止六個月

### 2. 分部資料

#### 按業務劃分：

就管理而言，本集團目前由三個主要營運部門組成－電子產品（主要有電子計算機及電子記事簿）、導電硅橡膠按鍵及印製電路板。本集團乃按照上述營運部門報告其主要分部資料。部間銷售乃按成本加漲價計算。

該等業務之分部資料呈列如下：

Unaudited  
未經審核  
For the six months ended 30 June  
截至六月三十日止六個月

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

**2. Segment Information** (Continued)*Business segments: (Continued)*

2006	二零零六年		Conductive Electronic products	silicon rubber keypads 導電 硅橡膠 按鍵	Printed circuit boards	Other operations	Eliminations	Consolidated
			電子產品		印製 電路板	其他 業務	撇減	綜合
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元	千港元	千港元
<b>REVENUE</b>	<b>收益</b>							
External sales	外部銷售	237,309	46,344	64,034	—	—	347,687	
Inter-segment sales	部間銷售	238	8,810	13,254	—	(22,302)	—	
Total	總額	237,547	55,154	77,288	—	(22,302)	347,687	
<b>RESULT</b>	<b>業績</b>							
Segment result	分部業績	16,509	2,249	(2,612)	(270)		15,876	
Unallocated other income	未分配之其他收入						831	
Unallocated corporate expenses	未分配之企業開支						(1,371)	
Finance costs	融資成本						(1,604)	
Profit before taxation	除稅前溢利						13,732	
Taxation	稅項						(1,313)	
Profit for the period	本期溢利						12,419	

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

**2. 分部資料**(續)*按業務劃分：(續)*

Unaudited

未經審核

For the six months ended 30 June

截至六月三十日止六個月

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

### 2. Segment Information (Continued)

#### Geographical segments:

The Group's customers are principally located in Hong Kong, the People's Republic of China (other than Hong Kong) (the "PRC"), Europe, Japan and America.

The following table provides an analysis of the Group's sales by geographical market:

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Hong Kong (note a)	香港 (附註a)	<b>124,305</b>	145,326
Europe	歐洲	<b>61,245</b>	50,756
PRC	中國	<b>52,801</b>	40,147
Japan (note b)	日本 (附註b)	<b>46,660</b>	36,589
America	美國	<b>35,178</b>	18,973
Other Asian countries	其他亞洲國家	<b>31,489</b>	53,495
Others	其他地區	<b>6,318</b>	2,401
		<b>357,996</b>	347,687

Notes:

- (a) The Directors believe that a portion of the Group's sales attributable to the Hong Kong market was subsequently resold to other markets.
- (b) The Directors believe that a substantial portion of the Group's sales attributable to the Japanese market was subsequently resold to the European and American markets.

## 簡明財務報表附註 (續)

截至二零零七年六月三十日止六個月

### 2. 分部資料 (續)

#### 按地域劃分：

本集團之客戶主要分佈於香港、中華人民共和國(香港除外) (「中國」)、歐洲、日本及美國。

本集團銷售按市場地域劃分之分析如下：

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
Hong Kong (note a)	香港 (附註a)	<b>124,305</b>	145,326
Europe	歐洲	<b>61,245</b>	50,756
PRC	中國	<b>52,801</b>	40,147
Japan (note b)	日本 (附註b)	<b>46,660</b>	36,589
America	美國	<b>35,178</b>	18,973
Other Asian countries	其他亞洲國家	<b>31,489</b>	53,495
Others	其他地區	<b>6,318</b>	2,401
		<b>357,996</b>	347,687

附註：

- (a) 董事會相信香港市場所佔本集團之銷售額有部分最終轉售往其他市場。
- (b) 董事會相信日本市場所佔本集團之大部分銷售額最終轉售往歐美市場。

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

**3. Other income**

Other income mainly includes: 其他收入主要包括：

Bank interest income 銀行利息收入

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)
<b>722</b>	639

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

**3. 其他收入**

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
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)
<b>722</b>	639

**4. Finance costs**

Interest on:

Bank borrowings wholly  
repayable within five years

Obligations under  
finance leases

應付利息：

須於五年內悉數償還  
之銀行借貸

根據融資租賃之責任

**4. 融資成本**

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
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)
<b>1,696</b>	1,302
<b>297</b>	302
<b>1,993</b>	1,604

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

### 5. (Loss)/profit before taxation

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

### 5. 除稅前(虧損)/溢利

		<b>Six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2007</b>	<b>2006</b>
		<b>二零零七年</b>	<b>二零零六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
(Loss)/profit before taxation has been arrived at after charging:	除稅前(虧損)/溢利經扣除下列項目後計算：		
Depreciation and amortisation	折舊及攤銷		
– Property, plant and equipment	– 物業、廠房及設備	<b>17,313</b>	18,375
– Prepaid lease payments	– 預付租金	<b>227</b>	221
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	<b>11</b>	176
Allowance for doubtful debts	呆賬撥備	<b>999</b>	40
Allowance for obsolete and slow moving inventories	陳舊及滯銷存貨撥備	<b>75</b>	261
Operating lease rentals	經營租賃租金	<b>916</b>	1,003
Staff costs	僱員成本	<b>78,143</b>	70,259

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

### 6. Taxation

The charge comprises:

Hong Kong Profits Tax	香港利得稅
PRC enterprise income tax	中國企業所得稅

Deferred taxation

稅項支出包括：

遞延稅項

Hong Kong Profits Tax is calculated at 17.5% (six months ended 30 June 2006: 17.5%) on the estimated assessable profit attributable to operation in Hong Kong during the period.

PRC enterprise income tax is calculated at the rates prevailing.

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

### 6. 稅項

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
HK\$'000	HK\$'000
千港元	千港元
(unaudited)	(unaudited)
(未經審核)	(未經審核)
476	620
266	693
<b>742</b>	1,313
—	—
<b>742</b>	1,313

香港利得稅乃按本期間香港業務之估計應課稅溢利以17.5%之稅率(截至二零零六年六月三十日止六個月: 17.5%)計算。

中國企業所得稅乃按現行稅率計算。



## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

### 7. (Loss)/earnings per share

The calculation of the basic loss/earnings per share is based on the Group's unaudited net loss attributable to equity shareholders of the Company for the six months ended 30 June 2007 of approximately HK\$7,304,000 (six months ended 30 June 2006: net profit of approximately HK\$12,419,000) and the weighted average number of 544,356,000 ordinary shares (six months ended 30 June 2006: 548,736,556 ordinary shares) in issue during the period.

No fully diluted earnings per share has been presented because the Company did not have any outstanding share options in both periods under review.

### 8. Additions to property, plant and equipment

During the period, the Group spent approximately HK\$17,418,000 (six months ended 30 June 2006: approximately HK\$24,343,000) on acquisition of property, plant and equipment.

## 簡明財務報表附註 (續)

截至二零零七年六月三十日止六個月

### 7. 每股(虧損)/盈利

每股基本虧損/盈利乃按本集團截至二零零七年六月三十日止六個月之未經審核本公司股東應佔虧損淨額約7,304,000港元(截至二零零六年六月三十日止六個月:純利約12,419,000港元)及本期間已發行之普通股加權平均數544,356,000股(截至二零零六年六月三十日止六個月:548,736,556股普通股)計算。

由於本公司於兩個回顧期間並無任何尚未行使之購股權，故並無呈列每股全面攤薄盈利。

### 8. 添置物業、廠房及設備

於本期間內，本集團耗用約17,418,000港元(截至二零零六年六月三十日止六個月:約24,343,000港元)購買物業、廠房及設備。

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

**9. Trade and other receivables/bills receivable**

The Group allows an average credit period of 60 to 90 days to its trade customers.

An aged analysis of trade receivables and bills receivable is as follows:

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

**9. 貿易及其他應收款項／應收票據**

本集團給予其貿易客戶平均60至90日之信貸期。

貿易應收款項及應收票據之賬齡分析如下：

		As at 於	
		30 June 六月三十日 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	31 December 十二月三十一日 2006 二零零六年 HK\$'000 千港元 (audited) (經審核)
Not yet due or overdue within 30 days	未到期或過期不超過30日	<b>135,782</b>	90,059
Overdue for 31-60 days	過期31至60日	<b>11,513</b>	9,453
Overdue for 61-90 days	過期61至90日	<b>550</b>	4,793
Overdue for more than 90 days	過期超過90日	<b>4,214</b>	8,292
		<b>152,059</b>	112,597
Other receivables	其他應收款項	<b>11,265</b>	7,360
Prepaid lease payments	預付租金	<b>455</b>	448
		<b>163,779</b>	120,405

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

### 10. Trade and other payables/bills payable

An aged analysis of trade payables and bills payable is as follows:

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

### 10. 貿易及其他應付款項／應付票據

貿易應付款項及應付票據之賬齡分析如下：

		As at 於	
		30 June 六月三十日 2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)	31 December 十二月三十一日 2006 二零零六年 HK\$'000 千港元 (audited) (經審核)
Not yet due or overdue within 30 days	未到期或過期不超過30日	111,709	72,414
Overdue for 31-60 days	過期31至60日	4,535	15,476
Overdue for 61-90 days	過期61至90日	2,959	8,889
Overdue for more than 90 days	過期超過90日	2,617	7,960
		<b>121,820</b>	104,739
Other payables	其他應付款項	40,845	59,221
		<b>162,665</b>	163,960

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

## 11. Bank borrowings

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

## 11. 銀行借貸

		As at 於	
		2007 二零零七年 30 June 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 31 December 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Bank borrowings comprise:	銀行借貸包括：		
Bank loans	銀行貸款	59,781	32,917
Trust receipt loans	信託收據貸款	3,380	-
		<b>63,161</b>	<b>32,917</b>
The bank borrowings are unsecured and are repayable as follows:	應償還之無抵押銀行借貸如下：		
Within one year	一年內	39,348	12,833
Between one to two years	一年至兩年之間	18,299	18,334
Between two to five years	兩年至五年之間	5,514	1,750
		<b>63,161</b>	<b>32,917</b>
Less: Amount due within one year shown under current liabilities	減：流動負債下所示須於一年內償還之款項	<b>(39,348)</b>	(12,833)
Amount due after one year	一年後應償還款項	<b>23,813</b>	20,084

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

## 12. Share capital

## 12. 股本

		Number of shares 股份數目		Amount 金額	
		2007 二零零七年 30 June 六月 三十日	2006 二零零六年 31 December 十二月 三十一日	2007 二零零七年 30 June 六月 三十日	2006 二零零六年 31 December 十二月 三十一日
		(unaudited) (未經審核)	(audited) (經審核)	HK\$'000 千港元 (unaudited) (未經審核)	HK\$'000 千港元 (audited) (經審核)
Ordinary shares of HK\$0.1 each	每股面值0.1港元 之普通股				
Authorised:	法定：				
At beginning and end of the period/year	期／年初及期／ 年末	<b>2,000,000,000</b>	2,000,000,000	<b>200,000</b>	200,000
Issued and fully paid:	已發行及繳足：				
At beginning of the period/year	期／年初	<b>544,356,000</b>	550,776,000	<b>54,436</b>	55,078
Share repurchased and cancelled	購回及註銷之股份	-	(6,420,000)	-	(642)
At the end of the period/year	期／年末	<b>544,356,000</b>	544,356,000	<b>54,436</b>	54,436

## Notes to the Condensed Financial Statements (Continued)

For the six months ended 30 June 2007

**13. Capital commitments**

## 簡明財務報表附註(續)

截至二零零七年六月三十日止六個月

**13. 資本承擔**

		As at 於	
		2007 二零零七年 30 June 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	2006 二零零六年 31 December 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Capital expenditure in respect of the acquisition of property, plant and equipment:	購買物業、廠房及設備之資本開支：		
Authorised but not contracted for	已授權但未簽約	<b>1,194</b>	48
Contracted but not provided for	已簽約但未準備	<b>4,979</b>	11,411
		<b>6,173</b>	11,459

## Management Discussion and Analysis

### Business and Operational Review

For the six months ended 30 June 2007, the Group recorded revenue of approximately HK\$357,996,000, representing an increase of approximately 3.0 per cent. as compared with approximately HK\$347,687,000 of the corresponding period in 2006.

The global economy is still booming, and the market for consumable electronic products is also expanding steadily. However, the rivalry competition is getting more and more intense. On the other hand, the continuous appreciation of Renminbi ("RMB") led to a heavy strike on export enterprises. The business environment for the Group was overall more challenging with the continuous high raw material costs.

Profit after taxation for the six months ended 30 June 2007, excluding total impairment loss on available-for-sale investment of approximately HK\$16,000,000, decreased by approximately 30.0 per cent. from approximately HK\$12,419,000 for the corresponding period in 2006 to approximately HK\$8,696,000.

During the period under review, the Directors consider that it was a prudent decision to make a total impairment loss on available-for-sale investment of approximately HK\$16,000,000 in the income statement, comprising the diminution in the fair value on available-for-sale investment of approximately HK\$12,530,000 and the write off on the negative investment revaluation reserve from approximately HK\$3,470,000 as at 31 December 2006 to HK\$nil as at 30 June 2007.

Accordingly, the Group recorded a consolidated net loss of approximately HK\$7,304,000 for the six months ended 30 June 2007 (six months ended 30 June 2006: net profit of approximately HK\$12,419,000).

Basic loss per share was approximately HK1.34 cents for the six months ended 30 June 2007 (six months ended 30 June 2006 : earnings per share of approximately HK2.26 cents).

## 管理層回顧及業績分析

### 業務及營運回顧

截至二零零七年六月三十日止六個月，本集團錄得收益約357,996,000港元，較二零零六年同期之約347,687,000港元增長約3.0%。

全球經濟依然繁榮，消費電子產品之市場亦穩步擴展。然而，競爭正越趨激烈。另一方面，人民幣（「人民幣」）持續升值對出口企業造成重大打擊。原材料成本持續高企令本集團之業務環境於整體上面對更大的挑戰。

截至二零零七年六月三十日止六個月之除稅後溢利（不包括可供出售投資減值虧損合共約16,000,000港元）較二零零六年同期之約12,419,000港元下跌約30.0%至約8,696,000港元。

於回顧期內，董事會認為損益表內就可供出售投資作出減值虧損合共約16,000,000港元（包括可供出售投資公平值下跌約12,530,000港元及負投資重估儲備由二零零六年十二月三十一日約為3,470,000港元撇銷至二零零七年六月三十日之零港元）乃一項審慎決定。

因此，截至二零零七年六月三十日止六個月，本集團錄得綜合虧損淨額約7,304,000港元（截至二零零六年六月三十日止六個月：純利約12,419,000港元）。

截至二零零七年六月三十日止六個月，每股基本虧損約為1.34港仙（截至二零零六年六月三十日止六個月：每股盈利約為2.26港仙）。

## Management Discussion and Analysis

(Continued)

### Electronic products (mainly electronic calculators and organizers)

During the period under review, the Group continued its focus on the manufacturing and marketing of electronic products (mainly electronic calculators and organizers).

For the six months ended 30 June 2007, the turnover of electronic products, through expansion of businesses on Original Design Manufacturing Products (“ODM products”) and Original Equipment Manufacturing Products (“OEM products”), remained strong and recorded a growth of approximately 11.9 per cent. to approximately HK\$265,587,000 compared with approximately HK\$237,309,000 in previous corresponding period. It accounted for approximately 74.2 per cent. of the Group’s total turnover for the period.

Large portion of the growth in the turnover of electronic products was contributed by the rise in trading volume of electronic learning machines and electronic educational game products for certain Japanese customers. Sales of electronic price tags, smart card readers and electronic security products also recorded growth.

Due to higher operating costs in the PRC including wages, electricity, transportation and material costs, the Group’s overall gross profit margin dropped by approximately 1.0 per cent. to approximately 19.0 per cent. (six months ended 30 June 2006: approximately 20.0 per cent.).

The management of the Group has implemented a series of tight cost control and operational efficiency measures in order to keep the product pricing at a profitable and acceptable level.

Operating profit derived from the electronic products segment dropped by approximately 5.9 per cent. to approximately HK\$15,539,000 (six months ended 30 June 2006: approximately HK\$16,509,000).

## 管理層回顧及業績分析 (續)

### 電子產品 (主要為電子計算機及電子記事簿)

於回顧期內，本集團持續專注於電子產品（主要為電子計算機及電子記事簿）之生產及市場推廣。

截至二零零七年六月三十日止六個月，透過原設計製造產品（「ODM產品」）及原設備製造產品（「OEM產品」）業務之擴展，電子產品之營業額仍然強勁，較去年同期約237,309,000港元增長約11.9%至約265,587,000港元，佔本集團期內總營業額約74.2%。

電子產品營業額之大部分增長來自向若干日本客戶銷售之電子學習機及電子教育遊戲產品之貿易量上升。電子價格標籤、智能卡閱讀器及電子保安產品之銷售亦錄得增長。

由於在中國之營運成本（包括工資、電力、運輸及材料成本）上漲，本集團整體毛利率下跌約1.0%至約19.0%（截至二零零六年六月三十日止六個月：約20.0%）。

本集團管理層已實施一系列措施嚴格控制成本及提高營運效率，以維持產品價格於有利可圖及可予接納之水平。

來自電子產品分部之經營溢利下跌約5.9%至約15,539,000港元（截至二零零六年六月三十日止六個月：約16,509,000港元）。



## Management Discussion and Analysis

(Continued)

### **Electronic products** (Continued) **(mainly electronic calculators and organizers)**

(Continued)

Electronic products segment remained as the major core business of the Group and will continue to provide stable and substantial revenue and income to the Group's future developments.

Looking ahead, the Directors are confident that the turnover will continue to increase in the second half of the year and the profitability will be improved.

### **Conductive silicon rubber keypads**

During the period under review, the turnover contributed from the conductive silicon rubber keypads business maintained at approximately HK\$46,583,000 (six months ended 30 June 2006: approximately HK\$46,344,000), representing approximately 13.0 per cent. of the turnover of the Group.

Due to the competition in the high value-added plastic plus rubber ("P+R") telephone keypads products and roller markets, which has changed much faster than expected, the sales revenue in the first half financial year of 2007 has been adversely affected when compared with the corresponding period for the six months ended 30 June 2006.

During the period under review, this segment faced unstable material costs for mainly conductive silicon rubber and plastic components. Some customers held back their decision in placing order and shortened the lead time to deliver finished goods. Consequently, there was pressure on the average selling price.

As a result, both the gross profit margin and the net profit for the period dropped, despite that vigorous efforts in containing costs have been made and operational efficiency has been improved. This segment recorded an operating profit of approximately HK\$1,043,000 (six months ended 30 June 2006: approximately HK\$2,249,000).

The Directors are confident in the future prospects of the conductive silicon rubber keypads segment and believe that it will provide a positive contribution to the Group.

## 管理層回顧及業績分析 (續)

### **電子產品** (續) **(主要為電子計算機及電子記事簿)**

電子產品分部仍為本集團之主要核心業務，將繼續為本集團之未來發展提供穩定及可觀之收益及收入。

展望未來，董事會深信，營業額將於下半年持續增長，盈利能力將有改善。

### **導電硅橡膠按鍵**

於回顧期內，導電硅橡膠按鍵業務之營業額貢獻維持於約46,583,000港元(截至二零零六年六月三十日止六個月：約46,344,000港元)，佔本集團營業額約13.0%。

由於高增值塑膠加橡膠("P+R")電話按鍵產品及印色輓市場之競爭較預期變化得更快，二零零七年財政年度上半年之銷售收益較截至二零零六年六月三十日止六個月同期受到不利影響。

於回顧期內，本分部面對不穩定之材料成本，主要為導電硅橡膠及塑膠組件。部份客戶決定不發出訂單及縮短成品交貨期。因此，平均售價受到壓力。

因此，儘管已積極控制成本，而營運效率亦有所改善，期內之毛利率及純利均下跌。此分部錄得經營溢利約1,043,000港元(截至二零零六年六月三十日止六個月：約2,249,000港元)。

董事會對導電硅橡膠按鍵分部之前景充滿信心，並相信該分部可為本集團帶來正面貢獻。

## Management Discussion and Analysis

(Continued)

### Printed circuit boards (“PCB”)

For the six months ended 30 June 2007, turnover derived from PCB segment reported approximately HK\$45,826,000 with a decrease as compared with previous corresponding period of approximately HK\$64,034,000, representing approximately 12.8 per cent. of the turnover of the Group. As a result on retirement of equipment and machinery in the production lines, there was a higher yield loss on the finished products. The higher yield loss resulted in unstable quality of PCB products. The decrease in turnover was mainly due to the decreasing orders from both existing and new customers.

The continuous increase of prices in raw materials and components is also a factor hindering the operating results in the PCB segment. To deal with the electricity shortage in Southern China, the Group has acquired two power generators as back-up for occasions when power rationing in Dongguan deteriorates further from the current one to two days of outages per week.

During the period under review, the segment results from PCB business recorded an operating loss of approximately HK\$4,630,000 for the six months ended 30 June 2007 (six months ended 30 June 2006: approximately HK\$2,612,000).

The construction of a new factory complex has been completed in the first half of 2007.

With the support of the new factory complex, the Group has demonstrated its ability to replace the existing retired equipment and machinery and to improve the quality of PCB products and has continued to obtain new branded customers in Japan and Europe. The Directors believe that the increased production capacities provide an excellent platform for long term growth by facilitating the Group to engage additional order and benefit from economies of scale in the future.

## 管理層回顧及業績分析 (續)

### 印製電路板

截至二零零七年六月三十日止六個月，印製電路板分部錄得營業額約45,826,000港元，較去年同期約64,034,000港元下跌，佔本集團營業額約12.8%。由於生產設備及機器報廢，成品損失率上升。成品損失率上升導致印製電路板產品質量不穩定。營業額減少主要由於現有客戶及新客戶之訂單減少。

原材料及組件價格持續上漲亦成為印製電路板分部經營業績之羈絆。為應付華南電力短缺之問題，本集團已收購兩部發電機，於東莞電力配給情況由現時每週停電一日進一步惡化至每週停電兩日時備用。

於回顧期內，印製電路板業務分部業績於截至二零零七年六月三十日止六個月錄得經營虧損約4,630,000港元(截至二零零六年六月三十日止六個月：約2,612,000港元)。

新綜合廠房已於二零零七年上半年落成。

在新綜合廠房支援下，本集團顯示其具備取代現有報廢設備及機器及提高印製電路板產品質量之能力，並繼續在日本及歐洲取得新品牌客戶。董事會相信，生產能力提高有助本集團日後取得額外訂單及從規模經濟中得益，為長期增長提供良好平台。

## Management Discussion and Analysis

(Continued)

### Available-for-sale investment

As at 30 June 2007, the Group indirectly held approximately 14.7 per cent. interests in Ascalade Communications Inc. ("Ascalade"), a corporation incorporated pursuant to the laws of the Province of British Columbia and whose securities are listed on the Toronto Stock Exchange, with the stock symbol as "ACG".

According to the second quarter financial results announced by Ascalade on 10 August 2007, during the six months ended 30 June 2007, Ascalade generated revenue of US\$41.1 million, down by 19 per cent. from US\$51.1 million for the same period last year. The decline was mainly related to intense market competition within the cordless phone segment, which squeezed Ascalade's sales volumes and selling prices. Gross profit margin also fell from 14.1 per cent. during the first half of 2006 to 8.2 per cent. this year. As in the second quarter, the decrease was primarily due to an inventory write-down of US\$800,000 and a higher proportionate sales contribution of lower-margin cordless phones. Net loss for the period totaled US\$4.4 million (US\$0.22 per share basic and diluted), and included a non-cash charge of US\$635,000 relating to the write-down of certain deferred development costs. During the first half of 2006, Ascalade recorded a net loss of US\$147,000 (US\$0.01 per share basic and diluted).

Additional information relating to Ascalade may be found at [www.sedar.com](http://www.sedar.com).

The Group's available-for-sale investment is measured at fair value at each balance sheet date, which expose the Group to equity security price risk. As such, the Directors regularly reviews the value of the available-for-sale investment and will consider adequate impairment to be made when necessary.

## 管理層回顧及業績分析 (續)

### 可供出售投資

於二零零七年六月三十日，本集團間接持有 Ascalade Communications Inc. (「Ascalade」，根據英屬哥倫比亞省法例註冊成立之公司，其證券於多倫多證券交易所上市，股份代號為「ACG」) 約14.7%權益。

根據Ascalade於二零零七年八月十日宣佈之第二季財務業績，截至二零零七年六月三十日止六個月內，Ascalade產生收益41,100,000美元，較去年同期之51,100,000美元下跌19%。收益下跌主要與無線電話業市場競爭激烈，令Ascalade銷售量縮減及售價下跌有關。毛利率亦由二零零六年上半年內之14.1%下跌至本年之8.2%。第二季毛利率下跌主要由於存貨撇減800,000美元及利潤較低之無線電話銷售貢獻比例提高。期內之虧損淨額合共為4,400,000美元(每股基本及攤薄0.22美元)，並包括撇減若干遞延開發成本有關之非現金費用635,000美元。於二零零六年上半年內，Ascalade錄得虧損淨額147,000美元(每股基本及攤薄0.01美元)。

有關Ascalade之額外資料可瀏覽 [www.sedar.com](http://www.sedar.com)。

本集團之可供出售投資按各結算日之公平值計算，使本集團承受股票證券價格風險。因此，董事會定期審閱可供出售投資之價值，並在有需要時考慮作出適當之減值。

## Management Discussion and Analysis

(Continued)

### Available-for-sale investment (Continued)

As announced by the Company in August 2007, the Directors noted that the share price of Ascalade decreased approximately 25.6 per cent. from CAD2.5 on 29 June 2007 (being the last trading day for the six months ended 30 June 2007) to CAD1.86 on 14 August 2007. The Directors also noted that the share price of Ascalade further decreased to CAD1.50 on 14 September 2007.

As a result of such decreases, the Directors consider that it was a prudent decision to make a total impairment loss on available-for-sale investment of approximately HK\$16,000,000 for the six months ended 30 June 2007 (six months ended 30 June 2006 : nil), comprising the diminution in the fair value on available-for-sale investment of approximately HK\$12,530,000 and the write off on the negative investment revaluation reserve from approximately HK\$3,470,000 as at 31 December 2006 to HK\$nil as at 30 June 2007.

### Interim Dividend

The Directors do not recommend of any interim dividend for the six months ended 30 June 2007 (six months ended 30 June 2006: nil).

### Capital Structure

Shareholders' equity decreased to approximately HK\$411,399,000 as at 30 June 2007 from approximately HK\$416,487,000 as at 31 December 2006. As at 30 June 2007, the short term and long term interest bearing debts to shareholders' equity was approximately 17.3 per cent. (as at 31 December 2006: approximately 10.6 per cent.).

## 管理層回顧及業績分析 (續)

### 可供出售投資 (續)

如本公司於二零零七年八月所宣佈，董事會注意到Ascalade之股價由二零零七年六月二十九日(截至二零零七年六月三十日止六個月之最後交易日)之2.5加元下跌約25.6%至二零零七年八月十四日之1.86加元。董事會亦注意到，Ascalade之股價進一步下跌至二零零七年九月十四日之1.50加元。

由於上述之下跌，董事會認為，截至二零零七年六月三十日止六個月就可供出售投資作出減值虧損合共約16,000,000港元(包括可供出售投資公平值下跌約12,530,000港元及負投資重估儲備由二零零六年十二月三十一日約為3,470,000港元撇銷至二零零七年六月三十日之零港元)(截至二零零六年六月三十日止六個月：零)屬審慎之決定。

### 中期股息

董事會並不建議就截至二零零七年六月三十日止六個月派發任何中期股息(截至二零零六年六月三十日止六個月：零)。

### 資本架構

於二零零七年六月三十日，股東資金減低至約411,399,000港元，於二零零六年十二月三十一日之股東資金約為416,487,000港元。於二零零七年六月三十日，短期及長期付息債項與股東資金比率約17.3%(於二零零六年十二月三十一日：約10.6%)。

## Liquidity and Financial Resources

The Group generally finances its operation by internally generated cashflow and banking facilities provided by its bankers.

Prudent financial management and selective investment criteria have enabled us to maintain a strong financial position. As at 30 June 2007, the Group had fixed deposits and cash balances aggregated to approximately HK\$41,660,000 (as at 31 December 2006: approximately HK\$65,890,000).

As at 30 June 2007, the Group had banking facilities amounted to an aggregate sum of approximately HK\$248,839,000 (as at 31 December 2006: approximately HK\$249,123,000) with various banks. Out of the trade and overdraft banking facilities of approximately HK\$185,678,000 (as at 31 December 2006: approximately HK\$216,206,000) in Hong Kong granted to the Group, approximately HK\$3,311,000 (as at 31 December 2006: approximately HK\$3,112,000) had been utilised as at 30 June 2007.

As at 30 June 2007, the current ratio was approximately 1.4 (as at 31 December 2006: approximately 1.4) based on current assets of approximately HK\$320,011,000 and current liabilities of approximately HK\$228,360,000 and the quick ratio was approximately 0.9 (as at 31 December 2006: approximately 0.9).

As at 30 June 2007, total indebtedness including bank borrowings of approximately HK\$63,161,000 and obligations under finance lease contracts of approximately HK\$8,006,000, totalling of approximately HK\$71,167,000 (as at 31 December 2006: approximately HK\$44,320,000), representing approximately 17.3 per cent. of the total shareholders' equity (as at 31 December 2006: approximately 10.6 per cent.).

The Directors consider that the Group shall have sufficient financial resources to meet its future expansion plan and working capital requirement based on the net cash position and the availability of the existing banking facilities.

## 流動資金及財政資源

本集團一般以內部產生之現金及往來銀行所提供之銀行融資為其業務提供資金。

審慎理財及選擇性之投資，令本集團之財務狀況維持穩健。於二零零七年六月三十日，本集團之定期存款及現金結餘合共約達41,660,000港元（截至二零零六年十二月三十一日：約65,890,000港元）。

於二零零七年六月三十日，本集團有多家銀行提供之融資總額度約為248,839,000港元（截至二零零六年十二月三十一日：約249,123,000港元）。於香港之貿易及透支之銀行融資額約185,678,000港元（截至二零零六年十二月三十一日：約216,206,000港元），於二零零七年六月三十日，約3,311,000港元（截至二零零六年十二月三十一日：約3,112,000港元）已被動用。

於二零零七年六月三十日，流動比率約為1.4（於二零零六年十二月三十一日：約1.4），此乃按流動資產約320,011,000港元及流動負債約228,360,000港元之基準計算，而速動比率則約為0.9（於二零零六年十二月三十一日：約0.9）。

於二零零七年六月三十日，債項總額（包括銀行借貸約63,161,000港元及融資租賃合約責任約8,006,000港元）合共約為71,167,000港元（截至二零零六年十二月三十一日：約44,320,000港元），約佔股東資金總額約17.3%（截至二零零六年十二月三十一日：約10.6%）。

根據現金結餘及現時可動用之銀行融資，董事會認為，本集團具備充裕財政資源，足以應付其日後拓展計劃及營運資金之需要。

## Foreign Exchange Risk Management

Most of the Group's assets and liabilities, revenues and expenditures are in Hong Kong dollars, the United States dollars and RMB. As a measure of additional prudence, the Group uses different derivative instruments to manage its exposure to foreign currency risks on the receivables and payables.

The fair value of the Group's outstanding derivative instruments as at 30 June 2007 represents the net amount the Group would receive/pay if these contracts were closed out at 30 June 2007. The gain was largely caused by a period-end premium in the forward currency markets for the Hong Kong dollars and RMB. The fair value of these outstanding derivatives has been recognised as assets or liabilities.

The exposure to foreign currency of the Group mainly arose from the net cash flow and the net working capital translation of its PRC subsidiaries. The management of the Group will actively hedge the foreign currency exposures through natural hedges, forward contracts and options. Speculative currency transactions are strictly prohibited. The management of currency risk is centralised in the headquarter of the Group in Hong Kong.

Apart from the above, most of the Group's assets and liabilities, revenues and expenditure are in Hong Kong dollars, United States dollars and RMB. Therefore, the Directors consider the exposure risk to foreign currency fluctuations is minimal.

## 外匯風險管理

本集團大部份之資產及負債、收益及開支乃以港元、美元及人民幣結算。作為提供額外保障之措施，本集團使用多項衍生工具管理其應收款項和應付款項之外幣風險。

本集團於二零零七年六月三十日仍未到期之衍生工具之公平值，指本集團倘於二零零七年六月三十日將該等合約平倉之情況下將收取／支付之淨金額。有關收益主要來自期末時港元及人民幣遠期貨幣市場之溢價。該等仍未到期之衍生工具之公平值已作為資產或負債確認。

本集團之外匯風險主要來自其在中國之附屬公司的淨現金流量及淨營運資金折算。本集團之管理層將透過自然對沖、期匯合約及期權積極對沖外匯風險。本集團嚴禁進行投機性貨幣交易。貨幣風險由本集團香港總公司統一管理。

除以上所述者外，本集團大部份之資產及負債、收益及支出乃以港元、美元及人民幣結算。因此，董事會認為本集團所承受之外匯波動風險實屬微不足道。

## Employees and Remuneration Policies

As at 30 June 2007, the Group employed approximately 7,478 full time employees (as at 31 December 2006: 6,560), out of which approximately 80 (as at 31 December 2006: 80) were based in Hong Kong and approximately 7,398 (as at 31 December 2006: 6,480) were based in the PRC. The Group remunerated its employees on the basis of industry's practice and the performance of individual employee. Employees may also participate in the share option scheme of the Company.

Save as disclosed hereof, no information in relation to the Group's performance has changed materially from the information disclosed in the Company's 2006 annual report.

## Future Plans and Prospects

The global economy continued to grow in the first half of 2007 despite increasing volatility, particular in credit markets, and high energy prices. Hong Kong and the Asian region continued to benefit from the continuing robust economic performance of the PRC. Although there are emerging concerns relating to the credit environment in the US and Europe and the possible slowing of growth in the US, the economies of the PRC and Asian region remain healthy and should continue to support a growth trend from which the Group's diversified portfolio of businesses will continue to benefit.

Demand for our core electronic products has continued to be strong in the first half of this year and we have a full order book for the balance of the second half of 2007. Sales prices continue to be firm, although some pressure is appearing at the low end of our product range. Starting from the second half of 2007, the PRC government introduced the reduction of tax rebates for exports. As such, it is important to be cautious given the challenges that the current economic environment is presenting.

Looking ahead, the Group's growth prospects will continue to be driven by organic growth, outsourcing deals and selective acquisitions.

## 僱員及酬金政策

於二零零七年六月三十日，本集團僱用約7,478名全職僱員（於二零零六年十二月三十一日：6,560名），其中約80名（於二零零六年十二月三十一日：80名）位於香港，而約7,398名（於二零零六年十二月三十一日：6,480名）位於中國。本集團按行業慣例及個別僱員之表現釐定其員工薪酬。僱員亦可參與本公司之認購股權計劃。

除上述所披露者外，概無任何有關本集團表現之資料與本公司二零零六年年報所披露之資料有重大變動。

## 未來計劃及展望

儘管市場波動增加，特別是信貸市場，以及能源價格上漲，全球經濟於二零零七年上半年持續增長。香港及亞洲地區繼續因中國經濟持續繁榮而受惠。儘管歐美信貸環境及美國增長可能放緩之憂慮正在浮現，中國及亞洲地區之經濟維持穩健，應會繼續為增長勢頭帶來支持，令本集團之多元化業務得以繼續受惠。

市場對本集團核心電子產品之需求於本年度上半年持續殷切，本集團二零零七年下半年餘下時間之訂單已滿。儘管本集團低檔次產品之價格正受到若干壓力，售價繼續堅挺。自二零零七年下半年起，中國政府推行削減出口退稅。因此，鑑於經濟現況所呈現之挑戰，本集團務須小心謹慎。

展望未來，本集團之增長前景將持續由內部增長、外判交易及選擇性收購帶動。

## Future Plans and Prospects (Continued)

Apart from maintaining good business relationship with existing customers, the Directors will monitor closely the market trend on PCB and conductive silicon rubber keypads products. The Directors believe that the PCB and conductive silicon rubber keypads will continue to face severe challenges in the coming year. In order to protect and to improve the shareholders' interests, the Directors will consider re-structuring its short and long term business strategy. The Directors are looking for the opportunities to bring in new business hoping to improve the overall results of the Group.

With the Group's strong financial position, the Directors are confident of further improving performance in the second half of 2007 as the Group's growth platform has been refined and strengthened.

## 未來計劃及展望 (續)

除與現有客戶保持良好業務關係外，董事會將緊密監察印製電路板及導電硅橡膠按鍵產品之市場趨勢。董事會相信，印製電路板及導電硅橡膠按鍵於來年將繼續面對嚴峻挑戰。為保障及改善股東之利益，董事會將考慮就其短期及長期業務策略作出重組。董事會正物色引進新業務之機會，以改善本集團之整體業績。

憑藉本集團穩健之財務狀況，加上本集團之增長平台經優化及加強，董事會有信心於二零零七年下半年進一步提升業績。



## Directors' Interests in Securities

At 30 June 2007, the interests of the Directors and their associates in the shares and share options of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Chapter 371 of the Laws of Hong Kong) ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

### (i) Ordinary shares of HK\$0.1 each of the Company (Long position)

董事姓名 Name of Director	權益類別 Type of interest
Mr. Tong Shek Lun 唐錫麟先生	Corporate 公司權益
Ms. Ko Lai King, Kinny 高麗瓊女士	Corporate 公司權益
Ms. Chung Wai Yu, Regina 鍾惠愉女士	Corporate 公司權益

The above shares are held by Sapphire Profits Limited, a substantial shareholder of the Company. Mr. Tong Shek Lun, Ms. Ko Lai King, Kinny and Ms. Chung Wai Yu, Regina each owns 93.87%, 3.46% and 2.67% of the issued share capital of Sapphire Profits Limited, respectively.

Sapphire Profits Limited disposed 48,816,000 shares, 31,184,000 shares and 151,180,000 shares of the Company, respectively, on 3 July 2007, 4 July 2007 and 27 July 2007. As a result of the disposal, Sapphire Profits Limited and its parties acting in concert in the Company ceased to hold any shareholding interest in the Company. Accordingly, Mr. Tong Shek Lun, Ms. Ko Lai King, Kinny and Ms. Chung Wai Yu, Regina ceased to have any interests in the shares of the Company.

## 董事之證券權益

於二零零七年六月三十日，本公司根據證券及期貨條例（「證券及期貨條例」）（香港法例第371章）第352條規定而存置之登記冊所載或已根據上市公司董事進行證券交易的標準守則向本公司及聯交所呈報，各董事及彼等之聯繫人士持有本公司及其相聯法團之股份及認購股權之權益如下：

### (i) 本公司每股面值0.1港元之普通股（好倉）

持有之 普通股數目 Number of ordinary shares held	佔本公司 已發行股本 之百分比 Percentage of issued share capital of the Company
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231,180,000	42.47%
231,180,000	42.47%
231,180,000	42.47%

以上股份由本公司主要股東Sapphire Profits Limited持有，唐錫麟先生、高麗瓊女士及鍾惠愉女士分別持有Sapphire Profits Limited已發行股本之93.87%、3.46%及2.67%。

Sapphire Profits Limited已於二零零七年七月三日、二零零七年七月四日及二零零七年七月二十七日分別出售48,816,000股、31,184,000股及151,180,000股本公司股份。出售事項導致Sapphire Profits Limited及與其於本公司之一致行動人士不再持有本公司任何股權。因此，唐錫麟先生、高麗瓊女士及鍾惠愉女士不再擁有本公司股份之任何權益。

## Directors' Interests in Securities (Continued)

### (ii) Share options

Details of the Directors' interests in share options of the Company are set out in the section headed "Share Option Schemes" below.

Other than the holdings disclosed above, and in the section headed "Share Option Schemes" none of the Directors and their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2007.

## Share Option Schemes

In accordance with the Company's share option scheme (the "Old Share Option Scheme") which was adopted pursuant to a resolution passed on 14 February 1998 and will expire on 13 February 2008, the board of Directors may grant options to eligible employees, including Directors, of the Company and any of its subsidiaries to subscribe for shares of the Company.

Pursuant to a resolution passed in the annual general meeting of the Company on 29 May 2002, the Old Share Option Scheme was terminated and a new share option scheme which complied with the amended rules of Chapter 17 of the Listing Rules (the "Share Option Scheme") was adopted. Except that no further options may be granted under the Old Share Option Scheme consequent upon its termination, all other provisions of the Old Share Option Scheme will remain in force so as to give effect to the exercise of all outstanding options granted under the Old Share Option Scheme prior to 1 September 2001 and all such options will remain valid and exercisable in accordance with the terms of the Old Share Option Scheme.

No options were granted under the Share Option Scheme during the period under review.

Other than the share option schemes disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares, or debentures of the Company or any other body corporate.

## 董事之證券權益 (續)

### (ii) 認購股權

董事於本公司之認購股權權益詳情載於下文「認購股權計劃」內。

除上文及「認購股權計劃」內所披露之持股權外，所有董事及其聯繫人士於二零零七年六月三十日概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有權益或淡倉。

## 認購股權計劃

根據本公司一項於一九九八年二月十四日通過之決議案而採納，並將於二零零八年二月十三日期滿之認購股權計劃（「舊認購股權計劃」），董事會可向合資格僱員，包括本公司及其任何附屬公司之董事授出認購股權，以認購本公司股份。

根據本公司於二零零二年五月二十九日之股東週年大會通過之一項決議案，本公司已終止舊認購股權計劃，並採納符合上市規則第17章經修訂規則之新認購股權計劃（「認購股權計劃」）。惟於舊認購股權計劃終止後，將不會再根據舊認購股權計劃授出任何認購股權，而舊認購股權計劃之其他條文將會繼續生效，致使可行使所有於二零零一年九月一日前根據舊認購股權計劃授出但尚未行使之所有認購股權，且根據舊認購股權計劃之條款，所有該等認購股權將仍然有效及可予行使。

於回顧期內，概無根據認購股權計劃授出認購股權。

除上述之認購股權計劃外，於本年度任何時間內，本公司或其任何附屬公司概無參與任何安排，致使董事會可藉購買本公司或任何其他法定團體之股份或債券而獲益。

## Substantial Shareholders

As at 30 June 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, other than the interests of certain Directors disclosed under the section headed “Directors’ Interests in Securities” above, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

### Long position

名稱 Name	持有之 普通股數目 Number of ordinary shares held	佔本公司已發行 股本之百分比 Percentage of issued share capital of the Company
Sapphire Profits Limited	231,180,000	42.47%
Perfect Treasure Investment Limited	88,100,000	16.18%

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2007.

Sapphire Profits Limited disposed 48,816,000 shares, 31,184,000 shares and 151,180,000 shares of the Company, respectively, on 3 July 2007, 4 July 2007 and 27 July 2007. As a result of the disposal, Sapphire Profits Limited and its parties acting in concert in the Company ceased to hold any shareholding interest in the Company and Golden Mount Limited became the single largest shareholder of the Company. To the knowledge of the Directors, Golden Mount Limited is wholly-owned by Mr. Chim Pui Chung, who is a third party independent of, and not connected with, the Company, the connected persons (as defined in the Listing Rules) of the Company and their respective associates (as defined in the Listing Rules). As at 27 July 2007, to the knowledge of the Directors and based on the notice of disclosure of interests received by the Company, Golden Mount Limited and its parties acting in concert held 151,180,000 shares, representing approximately 27.77% of the issued share capital of the Company.

## 主要股東

除上文「董事之證券權益」所披露之若干董事之權益外，於二零零七年六月三十日根據證券及期貨條例第336條存置之主要股東名冊顯示，下列股東已知會本公司其擁有本公司已發行股本中有關權益：

### 好倉

名稱 Name	持有之 普通股數目 Number of ordinary shares held	佔本公司已發行 股本之百分比 Percentage of issued share capital of the Company
Sapphire Profits Limited	231,180,000	42.47%
Perfect Treasure Investment Limited	88,100,000	16.18%

除上文所披露者外，本公司並未獲知會任何於二零零七年六月三十日佔本公司已發行股本中任何其他有關權益或淡倉。

Sapphire Profits Limited已於二零零七年七月三日、二零零七年七月四日及二零零七年七月二十七日分別出售48,816,000股、31,184,000股及151,180,000股本公司股份。出售事項導致Sapphire Profits Limited及與其於本公司之一致行動人士不再持有本公司任何股權，而Golden Mount Limited成為本公司最大單一股東。據董事會所知，Golden Mount Limited由詹培忠先生全資擁有，彼為獨立第三方，與本公司、本公司之關連人士（定義見上市規則）及彼等個別之聯繫人士（定義見上市規則）並無關連。於二零零七年七月二十七日，據董事會所知及根據本公司所收到之權益披露通知，Golden Mount Limited及與其一致行動人士持有151,180,000股股份，佔本公司已發行股本約27.77%。

## Corporate Governance

The Company is committed to attaining good standard of corporate governance practices with an emphasis on a quality board, better transparency, and effective accountability system in order to enhance shareholders' value. Detailed disclosure of the Company's corporate governance practices is available in the 2006 Annual Report.

## Compliance with Code on Corporate Governance Practice

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2007, save for the deviation as stated hereof. Under the code provision A.2.1, the roles of chairman and chief executive officer ("CEO") of the Company should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Company should be clearly established and set out in writing. The roles of the chairman and the CEO of the Company are not separated and are performed by the same individual, Mr. Tong Shek Lun. The Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of the Company and believe that this structure will enable the Group to make and implement decisions promptly and efficiently.

In relation to the Directors securities transactions, the Company has adopted a code of conduct on terms no less exacting than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company has confirmed that the Directors have complied with such code of conduct regarding securities transactions by the Directors throughout the six months ended 30 June 2007.

## 公司管治

本公司致力於實現公司管治常規之良好準則，著重於組建高質素之董事會、增加透明度及有效之問責機制，以為股東增值。本公司之公司管治常規披露詳情可於二零零六年年報內查閱。

## 遵守企業管治常規守則

董事會認為，截至二零零七年六月三十日止六個月內，本公司一直遵守上市規則附錄十四所載企業管治常規守則（「守則」）之守則條文，惟本文所述者有所偏離除外。根據守則條文第A.2.1條，本公司主席及行政總裁之角色應有區分及不應由同一人兼任。本公司主席及行政總裁之職權分立須明確及以書面界定。本公司主席及行政總裁之角色現時並沒有分開，由唐錫麟先生一人兼任。董事會認為此一架構不會損害董事會與本公司管理層之間之權責平衡，並相信此一架構將使本集團可迅速及有效地作出決策。

有關董事之證券交易，本公司已採納操守準則（其條款不遜於上市規則附錄十訂明之標準守則）。於董事作出專項查詢後，本公司確認，於截至二零零七年六月三十日止六個月期間內，全體董事已遵守董事進行證券交易之操守準則。

## Audit Committee

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited consolidated interim results for the six months ended 30 June 2007.

## Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

By Order of the Board

**Tong Shek Lun**

*Chairman and Managing Director*

Hong Kong, 17 September 2007

## 審核委員會

審核委員會已與管理層審閱本集團所採用之會計原則及慣例，並已討論有關內部控制及財務報告等事宜，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綜合中期業績。

## 購買、出售或贖回本公司之上市證券

於本期間，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

承董事會命

主席兼董事總經理

**唐錫麟**

香港，二零零七年九月十七日



# 2007

interim report

中 期 報 告

