

KARCE[®]

2008

Interim Report

中 期 報 告



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

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
Mr. Cheng Kwok Hing, Andy

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
(Resigned on 27 May 2008)
Mr. Wan Hon Keung
(appointed on 27 May 2008)

COMPANY SECRETARY

Mr. Wong Hei Chiu
(Resigned on 4 June 2008)
Mr. Kwong Ping Man
(appointed on 4 June 2008)

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

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
鄭國興先生

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
(於二零零八年五月二十七日辭任)
溫漢強先生
(於二零零八年五月二十七日獲委任)

公司秘書

黃禧超先生
(於二零零八年六月四日辭任)
鄺炳文先生
(於二零零八年六月四日獲委任)

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 5.03 per cent. to approximately HK\$375,987,000.

本集團營業額增加約5.03%至約375,987,000港元。

Loss for the period was approximately HK\$38,708,000.

本期虧損約38,708,000港元。

Profit after tax for the period ended 30 June 2007 was HK\$8,696,000, excluding total impairment loss on available-for-sale investment of approximately HK\$16,000,000, decreased by 285.5 per cent to a loss of approximately HK\$16,127,000 for the period ended 30 June 2008, excluding total impairment loss on available-for-sale investment of approximately HK\$22,581,000.

截至二零零七年六月三十日止期間之除稅後溢利(不包括可供出售投資減值虧損合共約16,000,000港元)為8,696,000港元,減少285.5%至截至二零零八年六月三十日止期間之除稅後虧損(不包括可供出售投資減值虧損合共約22,581,000港元)約16,127,000港元。

Bank balances and cash was approximately HK\$47,530,000.

銀行結餘及現金約為47,530,000港元。

Total net assets was approximately HK\$385,587,000.

總資產淨值約385,587,000港元。

Total indebtedness (including bank borrowings and obligations under finance leases contracts) of the Group were approximately HK\$58,606,000, representing approximately 15.2 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58,606,000港元,佔股東資金總額約15.2%。

Basic loss per share was approximately HK\$6.14 cents.

每股基本虧損約為6.14港仙。

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 2008. The Company’s audit committee has reviewed the interim results.

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二零零八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。

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

簡明綜合損益表

截至二零零八年六月三十日止六個月

			Six months ended 30 June 截至六月三十日止六個月	
			2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)
		Note 附註		
Revenue	收益	2	375,987	357,996
Cost of sales	銷售成本		(339,682)	(297,546)
Gross profit	毛利		36,305	60,450
Other income	其他收入	3	1,384	739
Distribution costs	分銷費用		(4,637)	(5,409)
Administrative and other operating expenses	行政及其他 營運開支		(45,323)	(44,349)
Finance costs	融資成本	4	(2,451)	(1,993)
Impairment loss on available-for-sale investment	可供出售投資之 減值虧損		(22,581)	(16,000)
(Loss) before taxation	除稅前(虧損)	5	(37,303)	(6,562)
Taxation	稅項	6	(1,405)	(742)
(Loss) for the period	本期(虧損)		(38,708)	(7,304)
(Loss) per share	每股(虧損)	7		
Basic (HK cents)	基本(港仙)		(6.14)	(1.34)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

簡明綜合資產負債表

於二零零八年六月三十日

		Note 附註	30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Investment properties	投資物業		75,556	71,579
Property, plant and equipment	物業、廠房及設備	8	254,613	252,095
Prepaid lease payments	預付租金		18,545	18,046
Club debenture	會所債券		1,180	1,180
			349,894	342,900
CURRENT ASSETS	流動資產			
Inventories	存貨		101,968	129,030
Trade and other receivables	貿易及其他應收款項	9	155,336	109,277
Available-for-sale investment	可供出售投資		946	29,541
Derivative financial instruments	衍生金融工具		2,971	5,543
Bank balances and cash	銀行結存及現金		47,530	53,179
			308,751	326,570
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	10	152,510	171,153
Derivative financial instruments	衍生金融工具		23,158	22,734
Tax liabilities	稅項負債		16,999	18,651
Obligation under finance leases – due within one year	融資租賃責任 – 於一年內到期		3,074	3,714
Bank borrowings – due within one year	銀行借貸 – 於一年內到期		51,275	46,494
			247,016	262,746
NET CURRENT ASSETS	流動資產淨值		61,735	63,824
			411,629	406,724
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本		65,236	54,436
Reserves	儲備		320,351	320,595
			385,587	375,031
NON-CURRENT LIABILITIES	非流動負債			
Obligations under finance leases – due after one year	融資租賃責任 – 於一年後到期		1,431	1,887
Bank borrowings – due after one year	銀行借貸 – 於一年後到期		2,826	9,164
Deferred tax liabilities	遞延稅項負債		21,785	20,642
			26,042	31,693
			411,629	406,724

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 June 2008

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 on a basis consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations (“new Interpretations”) issued by the HKICPA which are effective for the Group’s financial period beginning on 1 January 2008.

HK (IFRIC) — INT 11	HKFRS 2 — Group and Treasury Share Transactions
HK (IFRIC) — INT 12	Service Concession Arrangements
HK (IFRIC) — INT 14	HKAS 19 — The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction

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

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKAS 32 and HKAS1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ¹
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC) — INT 13	Customers Loyalty Programmes ³

簡明財務報表附註

截至二零零八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」編製，並與編製截至二零零七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。

於本中期期間，本集團首次採納下列香港會計師公會頒佈之新訂詮釋（「新訂詮釋」），該等詮釋於本集團自二零零八年一月一日開始之財政期間生效。

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
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
香港（國際財務報告 詮釋委員會） — 詮釋第14號	香港會計準則第19號— 界定福利資產之限制、 最低資金要求及兩者 之互動關係

採納該等新詮釋對本集團於本期或過往之會計期間之已編製及已呈列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。

本集團並未提早應用以下已頒佈但尚未生效之新或已修訂之準則、修訂或詮釋。

香港會計準則 第1號（經修訂）	財務報表之呈列 ¹
香港會計準則 第23號（經修訂）	借貸成本 ¹
香港會計準則 第27號（經修訂）	綜合及個別財務報表 ²
香港會計準則第32號 及第1號（修訂）	可沽售金融工具及 清盤時產生之責任 ¹
香港財務報告準則 第2號（修訂）	歸屬條件及註銷 ¹
香港財務報告準則 第3號（經修訂）	業務合併 ²
香港財務報告準則 第8號	經營分類 ¹
香港（國際財務報告 詮釋委員會） — 詮釋第13號	客戶忠誠計劃 ³

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2009.
- 2 Effective for annual periods beginning on or after 1 July 2009.
- 3 Effective for annual periods beginning on or after 1 July 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company (the "Directors") anticipate that the application of other new or revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

Business segments:

For management purposes, the Group is currently organised into three principal operating divisions – electronic products (mainly electronic calculators & toys, SIM card readers and other electronic products), 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.

1. 編製基準及主要會計政策 (續)

- 1 於二零零九年一月一日或之後開始年度期間生效。
- 2 於二零零九年七月一日或之後開始年度期間生效。
- 3 於二零零八年七月一日或之後開始年度期間生效。

採納香港財務報告準則第3號(經修訂)可能會影響其收購日期為二零零九年七月一日或之後開始首個年報期之開始日期或之後業務合併之會計處理。香港會計準則第27號(經修訂)將會影響有關母公司於附屬公司所擁有權益變動而不會導致失去控制權之會計處理，該變動將列作股權交易。

本公司董事(「董事」)預期採納其他新訂或經修訂準則、修訂或詮釋對本集團之業績及財務狀況將不會造成重大影響。

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玩具、智能解讀卡及其他電子產品)、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。

2. SEGMENT INFORMATION (Continued)

Business segments: (Continued)

Segment information about these businesses is presented below:

2. 分部資料(續)

按業務劃分：(續)

該等業務之分部資料呈列如下：

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

2008

二零零八年

		Electronic products	Conductive silicon rubber keypads	Printed circuit boards	Eliminations	Consolidated
		電子產品	導電 硅橡膠 按鍵	印製 電路板	撇減	綜合
		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
REVENUE	收益					
External sales	外部銷售	301,467	32,324	42,196	—	375,987
Inter-segment sales	部間銷售	2,052	9,555	14,068	(25,675)	—
Total	總額	303,519	41,879	56,264	(25,675)	375,987
RESULT	業績					
Segment result	分部業績	4,485	(4,442)	(8,846)	—	(8,803)
Unallocated corporate expenses	未分配之企業開支					(4,249)
Finance costs	融資成本					(2,451)
Gain on fair value change of financial derivative instruments	衍生金融工具之 公平值變動之收益					781
Impairment loss on available-for-sale investment	可供出售投資之 減值虧損					(22,581)
Loss before taxation	除稅前虧損					(37,303)
Taxation	稅項					(1,405)
Loss for the period	本期虧損					(38,708)

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

2007

二零零七年

		Electronic products	Conductive silicon rubber keypads	Printed circuit boards	Eliminations	Consolidated
		電子產品	導電 硅橡膠 按鍵	印製 電路板	撇減	綜合
		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
REVENUE	收益					
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	269,616	55,432	60,502	(27,554)	357,996
RESULT	業績					
Segment result	分部業績	15,539	1,043	(4,630)	—	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					(7,304)

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:

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：

Turnover
For the six months
ended 30 June
營業額
截至六月三十日止六個月

		2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)
Hong Kong (note a)	香港(附註a)	152,743	124,305
Europe	歐洲	78,352	61,245
PRC	中國	38,232	52,801
Japan (note b)	日本(附註b)	39,587	46,660
America	美國	26,055	35,178
Other Asian countries	其他亞洲國家	33,736	31,489
Others	其他地區	7,282	6,318
		375,987	357,996

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.

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。

3. Other income

3. 其他收入

Six months ended 30 June
截至六月三十日止六個月

		2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)
Other income mainly includes:	其他收入主要包括：		
Bank interest income	銀行利息收入	324	722
Gain on fair value change of financial derivative instruments	衍生金融工具之公平值變動 之收益	781	—

4. Finance costs

4. 融資成本

Six months ended 30 June
截至六月三十日止六個月

		2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)
Interest on:	應付利息：		
Bank borrowings wholly repayable within five years	須於五年內悉數償還之 銀行借貸	1,752	1,696
Obligations under finance leases	融資租賃責任	699	297
		2,451	1,993

5. (Loss) before taxation

5. 除稅前(虧損)

Six months ended 30 June
截至六月三十日止六個月

		2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)
(Loss) before taxation has been arrived at after charging:	除稅前(虧損)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	19,602	17,313
– Prepaid lease payments	– 預付租金	246	227
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	–	11
Allowance for doubtful debts	呆賬撥備	142	999
Allowance for obsolete and slow moving inventories	陳舊及滯銷存貨撥備	996	75
Operating lease rentals	經營租賃租金	484	916
Staff costs	僱員成本	83,821	78,143

6. Taxation

6. 稅項

Six months ended 30 June
截至六月三十日止六個月

		2008 二零零八年 HK\$'000 千港元 (unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (unaudited) (未經審核)
The charge comprises:	稅項支出包括：		
Hong Kong Profits Tax	香港利得稅	338	476
PRC enterprise income tax	中國企業所得稅	1,067	266
Deferred taxation	遞延稅項	1,405	742
		–	–
		1,405	742

6. Taxation (Continued)

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2007: 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.

7. (Loss) per share

The calculation of the basic loss 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 2008 of approximately HK\$38,708,000 (six months ended 30 June 2007: net loss of approximately HK\$7,304,000) and the weighted average number of 652,356,000 ordinary shares (six months ended 30 June 2007: 544,356,000 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\$8,840,000 (six months ended 30 June 2007: approximately HK\$17,418,000) on acquisition of property, plant and equipment.

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:

6. 稅項 (續)

香港利得稅乃按本期間香港業務之估計應課稅溢利以16.5%之稅率(截至二零零七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。

7. 每股 (虧損)

每股基本虧損乃按本集團截至二零零八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38,708,000港元(截至二零零七年六月三十日止六個月: 虧損淨額約7,304,000港元)及本期間已發行之普通股加權平均數652,356,000股(截至二零零七年六月三十日止六個月: 544,356,000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8,840,000港元(截至二零零七年六月三十日止六個月: 約17,418,000港元)購買物業、廠房及設備。

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 2008 二零零八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Not yet due	未到期	97,545	69,780
Overdue within 30 days	逾期不超過30日	8,886	13,289
Overdue for 31-60 days	逾期31至60日	5,507	5,158
Overdue for 61-90 days	逾期61至90日	2,676	7,692
Overdue for more than 90 days	逾期超過90日	3,688	2,613
		118,302	98,532
Other receivables	其他應收款項	36,542	10,273
Prepaid lease payments	預付租金	492	472
		155,336	109,277

10. Trade and other payables/bills payable

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

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 2008 二零零八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Not yet due	未到期	69,784	107,963
Overdue within 30 days	過期不超過30日	16,035	9,783
Overdue for 31-60 days	過期31至60日	7,521	6,166
Overdue for 61-90 days	過期61至90日	7,780	2,385
Overdue for more than 90 days	過期超過90日	14,320	4,713
Other payables		115,440	131,010
		37,070	40,143
		152,510	171,153

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Operational Review

For the six months ended 30 June 2008, the Group recorded revenue of approximately HK\$375,987,000, representing an increase of approximately 5.03 per cent. as compared with approximately HK\$357,996,000 of the corresponding period in 2007.

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 tax for the period ended 30 June 2007 was HK\$8,696,000, excluding total impairment loss on available-for-sale investment of approximately HK\$16,000,000, decreased by 285.5 per cent to a loss of approximately HK\$16,127,000 for the period ended 30 June 2008, excluding total impairment loss on available-for-sale investment of approximately HK\$22,581,000.

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\$22,581,000 in the income statement (six months ended 30 June 2007: impairment loss on available-for-sale investment of approximately HK\$16,000,000). The carrying value of available-for-sale investment was approximately HK\$945,000 as at 30 June 2008.

Accordingly, the Group recorded a consolidated net loss of approximately HK\$38,708,000 for the six months ended 30 June 2008 (six months ended 30 June 2007: net loss of approximately HK\$7,304,000).

Basic loss per share was approximately HK\$6.14 cents for the six months ended 30 June 2008 (six months ended 30 June 2007: loss per share of approximately HK\$1.34 cents).

管理層回顧及業績分析

業務及營運回顧

截至二零零八年六月三十日止六個月，本集團錄得收益約375,987,000港元，較二零零七年同期之約357,996,000港元增長約5.03%。

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期間之除稅後溢利（不包括可供出售投資減值虧損合共約16,000,000港元）為8,696,000港元，減少285.5%至截至二零零八年六月三十日止期間之除稅後虧損（不包括可供出售投資減值虧損合共約22,581,000港元）約16,127,000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22,581,000港元（截至二零零七年六月三十日止六個月：可供出售投資之減值虧損約16,000,000港元）屬審慎決定。於二零零八年六月三十日，可供出售投資之賬面值約為945,000港元。

因此，截至二零零八年六月三十日止六個月，本集團錄得綜合淨虧損約38,708,000港元（截至二零零七年六月三十日止六個月：虧損淨額約7,304,000港元）。

截至二零零八年六月三十日止六個月，每股基本虧損約為6.14港仙（截至二零零七年六月三十日止六個月：每股虧損約為1.34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 & toys, SIM card readers and other electronic products).

For the six months ended 30 June 2008, 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 13.5 per cent to approximately HK\$301,467,000 compared with approximately HK\$265,587,000 in previous corresponding period. It accounted for approximately 80.2 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 7.1 per cent to approximately 11.9 per cent. (six months ended 30 June 2007: approximately 19.0 per cent.).

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

Operating profit derived from the electronic products segment dropped by approximately 71.1 per cent. to approximately HK\$4,485,000 (six months ended 30 June 2007: approximately HK\$15,539,000).

Electronic products segment remained as the major business of the Group and will possibly continue to provide stable and substantial revenue and income to the Group until potential disposal, realising the best value of this segment.

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玩具、智能解讀卡及其他電子產品）之生產及市場推廣。

截至二零零八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265,587,000港元增長約13.5%至約301,467,000港元，佔本集團期內總營業額約80.2%。

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7.1%至約11.9%（截至二零零七年六月三十日止六個月：約19.0%）。

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71.1%至約4,485,000港元（截至二零零七年六月三十日止六個月：約15,539,000港元）。

電子產品分部仍為本集團之主要業務，將可能繼續為本集團提供穩定及可觀之收益及收入，直至潛在出售將本分類變現至最佳價值。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Conductive silicon rubber keypads

During the period under review, the turnover contributed from the conductive silicon rubber keypads business maintained at approximately HK\$32,324,000 (six months ended 30 June 2007: approximately HK\$46,583,000), representing approximately 8.6 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 have changed much faster than expected, the sales revenue in the first half financial year of 2008 has been adversely affected when compared with the corresponding period for the six months ended 30 June 2007.

During the period under review, this segment faced unstable material costs, 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 controlling costs have been made and operational efficiency has been improved. This segment recorded an operating loss of approximately HK\$4,442,000 (six months ended 30 June 2007: profit of approximately HK\$1,043,000).

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)

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32,324,000港元(截至二零零七年六月三十日止六個月：約46,583,000港元)，佔本集團營業額約8.6%。

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，二零零八年財政年度上半年之銷售收益較截至二零零七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。此分部錄得經營虧損約4,442,000港元(截至二零零七年六月三十日止六個月：溢利約1,043,000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 2008, turnover derived from PCB segment reported approximately HK\$42,196,000 with a decrease as compared with prior year of approximately HK\$45,826,000, representing approximately 11.2 per cent. of the turnover of the Group. As a result of 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\$8,846,000 for the six months ended 30 June 2008 (six months ended 30 June 2007: approximately HK\$4,630,000).

With the support of the new factory complex completed in 2007, the Group has demonstrated its ability to replace the existing retired equipment and machinery, improve the quality of PCB products and continues 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. However, in view of the pressure and risks for additional capital investment to be brought to the Group, the Directors may consider other alternatives to make the best out of its existing investment in PCB.

管理層回顧及業績分析 (續)

印製電路板

截至二零零八年六月三十日止六個月，印製電路板錄得營業額約42,196,000港元，較上年約45,826,000港元下跌，佔本集團營業額約11.2%。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二零零八年六月三十日止六個月錄得經營虧損約8,846,000港元(截至二零零七年六月三十日止六個月：約4,630,000港元)。

在於二零零七年竣工之新綜合廠房支援下，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。然而，鑒於額外資本投資為本集團帶來之壓力及風險，董事可能考慮其他途徑於印製電路板之現有投資獲得最佳回報。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Available-for-sale investment

As at 30 June 2008, the Group indirectly held approximately 9.8 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".

In March and April 2008, the Group published announcements regarding Ascalade seeking a protection from creditors under the relevant Canadian laws. For further details, please refer to the Group's said announcements and the 2007 annual report.

Additional information relating to Ascalade may be found at www.sedar.com.

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\$22,581,000 for the six months ended 30 June 2008 (six months ended 30 June 2007 : HK\$16,000,000), leaving a carrying value of approximately HK\$945,000 as at 30 June 2008.

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.

INTERIM DIVIDEND

The Directors do not recommend of any interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: nil).

管理層回顧及業績分析 (續)

可供出售投資

於二零零八年六月三十日，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9.8%權益。

於二零零八年三月及四月，本集團就 Ascalade 根據相關加拿大法律尋求債權人保護作出公佈。進一步詳情見本集團之上述公佈及二零零七年年度報告。

有關 Ascalade 之額外資料可瀏覽 www.sedar.com。

由於上述之下跌，董事會認為，截至二零零八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22,581,000港元(截至二零零七年六月三十日止六個月：16,000,000港元)屬審慎之決定，於二零零八年六月三十日之賬面值約為945,000港元。

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。

中期股息

董事會並不建議就截至二零零八年六月三十日止六個月派發任何中期股息(截至二零零七年六月三十日止六個月：零)。

CAPITAL STRUCTURE

Shareholders' equity increased to approximately HK\$385,587,000 as at 30 June 2008 from approximately HK\$375,031,000 as at 31 December 2007. As at 30 June 2008, the short term and long term interest bearing debts to shareholders' equity was approximately 15.2 per cent. (as at 31 December 2007: approximately 16.3 per cent.).

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 2008, the Group has fixed deposits and cash balances aggregated to approximately HK\$47,530,000 (as at 31 December 2007: approximately HK\$53,179,000).

As at 30 June 2008, the Group had banking facilities amounted to an aggregate sum of approximately HK\$132,763,000 (as at 31 December 2007: approximately HK\$194,708,000) with various banks. Out of the trade and overdraft banking facilities of approximately HK\$110,967,000 (as at 31 December 2007: approximately HK\$170,966,000) in Hong Kong granted to the Group, approximately HK\$19,073,000 (as at 31 December 2007: approximately HK\$10,799,000) had been utilised as at 30 June 2008.

As at 30 June 2008, the current ratio was approximately 1.25 (as at 31 December 2007: approximately 1.24) based on current assets of approximately HK\$308,751,000 and current liabilities of approximately HK\$247,016,000 and the quick ratio was approximately 0.83 (as at 31 December 2007: approximately 0.75).

As at 30 June 2008, total indebtedness including bank borrowings of approximately HK\$54,101,000 and obligations under finance lease contracts of approximately HK\$4,505,000, totalling of approximately HK\$58,606,000 (as at 31 December 2007: approximately HK\$61,259,000), representing approximately 15.2 per cent. of the total shareholders' equity (as at 31 December 2007: approximately 16.3 per cent.).

資本架構

於二零零八年六月三十日，股東資金增加至約385,587,000港元，於二零零七年十二月三十一日之股東資金約為375,031,000港元。於二零零八年六月三十日，短期及長期附息債項與股東資金比率約15.2%（於二零零七年十二月三十一日：約16.3%）。

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。於二零零八年六月三十日，本集團之定期存款及現金結餘合共約達47,530,000港元（於二零零七年十二月三十一日：約53,179,000港元）。

於二零零八年六月三十日，本集團有多家銀行提供之融資總額度約為132,763,000港元（於二零零七年十二月三十一日：約194,708,000港元）。於香港之貿易及透支之銀行融資額約110,967,000港元（於二零零七年十二月三十一日：約170,966,000港元），於二零零八年六月三十日，約19,073,000港元（於二零零七年十二月三十一日：約10,799,000港元）已被動用。

於二零零八年六月三十日，流動比率約為1.25（於二零零七年十二月三十一日：約1.24），此乃按流動資產約308,751,000港元及流動負債約247,016,000港元之基準計算，而速動比率則約為0.83（於二零零七年十二月三十一日：約0.75）。

於二零零八年六月三十日，債項總額（包括銀行借貸約54,101,000港元及融資租賃合約責任約4,505,000港元）合共約為58,606,000港元（於二零零七年十二月三十一日：約61,259,000港元），約佔股東資金總額約15.2%（於二零零七年十二月三十一日：約16.3%）。

LIQUIDITY AND FINANCIAL RESOURCES

(Continued)

The Directors considered 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.

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 2008 represents the net amount the Group would receive/pay if these contracts were closed out at 30 June 2008. 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.

流動資金及財政資源 (續)

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。

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。

本集團於二零零八年六月三十日仍未到期之衍生工具之公允值，指本集團倘於二零零八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允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 2008, the Group employed approximately 6,070 full time employees, out of which approximately 70 were based in Hong Kong and approximately 6,000 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 2007 annual report.

FUTURE PLANS AND PROSPECTS

The global economy continued to grow in the first half of 2008 despite increasing volatility, particular in credit markets, and high energy prices. Hong Kong and the Asia 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.

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

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 current financial position, the Directors are confident of further improving performance in the second half of 2008 as the Group's growth platform has been refined and strengthened.

僱員及酬金政策

於二零零八年六月三十日，本集團僱用約6,070名全職僱員，其中約70名位於香港，而約6,000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二零零七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，全球經濟於二零零八年上半年持續增長。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。

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。

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。

憑藉本集團現時之財務狀況，加上本集團之增長平台經優化及加強，董事會有信心於二零零八年下半年進一步提升業績。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 30 June 2008, the interests and short positions of the Directors and the chief executives of the Company and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), as recorded in the register maintained by the Company pursuant to 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 Companies (the "Model Code"), were as follows:

(i) Share options

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

Other than disclosed above and in the section headed "Share Option Scheme", none of the Directors and the chief executives of the Company 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 (within the meaning of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code at 30 June 2008.

SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted on 29 May 2002 under which the board of the directors may grant options to eligible participants, including employees and directors, of the Company and any of its subsidiaries to subscribe for shares of the Company. The Share Option Scheme is valid and effective for a period of 10 years commencing from the adoption date after which no further options may be issued.

董事及主要行政人員之證券權益

於二零零八年六月三十日，根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第352條規定而設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（「標準守則」）向本公司及香港聯合交易所有限公司（「聯交所」）另行呈報，本公司董事及主要行政人員及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例）之股份、相關股份及債券中擁有之權益及淡倉如下：

(i) 認購股權

董事於本公司認購股權之權益詳情載於下文「認購股權計劃」內。

除上文及「認購股權計劃」一節所披露者外，本公司董事及主要行政人員及彼等之聯繫人士於二零零八年六月三十日概無於本公司或其任何相聯法團（定義見證券及期貨條例）之任何股份、相關股份或債券中擁有任何須載入根據證券及期貨條例第352條或須根據標準守則向本公司及聯交所另行呈報之權益或淡倉。

認購股權計劃

本公司於二零零二年五月二十九日採納其認購股權計劃（「認購股權計劃」），據此，董事會可向合資格參與者（包括本公司及其附屬公司之僱員及董事）授出可認購本公司股份之認購股權。認購股權計劃乃由採納日期起計十年內有效，其後將不得再發行任何認購股權。

The number of shares, which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and other schemes adopted by the Group, is not permitted to exceed 30% of the shares of the Company in issue at any point in time. The total number of shares in respect of which options may be granted under the Share Option Scheme and other schemes adopted by the Group in aggregate is not permitted to exceed 10% of the shares of the Company in issue at the adoption date. The total number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the shares of the Company in issue at any 12-month period.

Consideration of HK\$1 is payable by the grantee on the acceptance of option granted. Option may be exercised from the date of acceptance of the offer of such option to the earlier of the date on which such option lapses and 10 years from the offer date of that option. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing prices of the shares on the Stock Exchange on the date of the grant of the options, the average of the closing prices of the shares for the five trading days immediately preceding the date of the grant of the options and the nominal value of the shares.

No share options have been granted under the Share Option Scheme since its adoption.

Other than the share option scheme 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 or their respective spouses or minor children to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2008, 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' and Chief Executives' Interests in Securities" above, the following shareholders had notified the Company of the interests and short positions in the shares and underlying shares of the Company:

行使根據認購股權計劃及本集團採納之其他計劃授出之所有尚未行使認購股權而可能發行之股份數目，不得超過任何時間本公司已發行股份之30%。根據認購股權計劃及本公司採納之其他計劃可能授出之認購股權之有關股份總數不得超過採納日期本公司已發行股份之10%。可能向任何人士發行之認購股權之有關股份總數不得超過於任何十二個月期間本公司已發行股份之1%。

承授人接納獲授之認購股權時須支付代價1港元。認購股權可由接納該等認購股權建議日期起至該等認購股權失效日期及認購股權建議日期起滿十年當日(以較早者為準)止期間行使。行使價由本公司董事釐定，並將不低於認購股權授出日期股份於聯交所之收市價、緊接認購股權授出日期前五個交易日股份於聯交所之平均收市價或股份面值之較高者。

自認購股權計劃獲採納以來概無根據認購股權計劃授出任何認購股權。

除於上文披露之認購股權計劃外，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，致使董事或彼等各自之配偶或未成年子女可藉購買本公司或任何其他法人團體之股份或債券而獲益。

主要股東

除上文「董事及主要行政人員之證券權益」所披露之若干董事權益外，於二零零八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於本公司股份及相關股份中擁有權益及淡倉：

Long positions

Name of shareholders	Capacity	Number of ordinary shares held	Percentage of issued share capital of the Company
			佔本公司已發行股本之百分比
股東名稱	身份	持有之普通股數目	
Golden Mount Limited	Beneficial owner 實益擁有人	151,180,000	23.2%

Other than as disclosed above, the Company has not been notified of any person, other than a Director of the Company, had any other interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 30 June 2008.

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 2007 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 2008, 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

好倉

Name of shareholders	Capacity	Number of ordinary shares held	Percentage of issued share capital of the Company
			佔本公司已發行股本之百分比
股東名稱	身份	持有之普通股數目	
Golden Mount Limited	Beneficial owner 實益擁有人	151,180,000	23.2%

除上文所披露者外，於二零零八年六月三十日，本公司並未獲任何人士(本公司董事除外)知會於本公司根據證券及期貨條例第336條存置之登記冊記錄之股份及相關股份中擁有任何其他權益或淡倉。

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二零零七年年報內查閱。

遵守企業管治常規守則

董事會認為，截至二零零八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

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 2008.

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 2008.

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.

PUBLICATION OF OTHER FINANCIAL INFORMATION

Other financial information containing all the information required by Appendix 16 of the Listing Rules will be published on the Stock Exchange website in due course.

By Order of the Board

Tong Shek Lun

Chairman and Managing Director

Hong Kong, 17 September 2008

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，於截至二零零八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。

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，包括審閱截至二零零八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。

公佈其他財務資料

載有上市規則附錄十六規定之所有資料之其他財務資料，將於適當時候在聯交所網頁內登載。

承董事會命

主席兼董事總經理

唐錫麟

香港，二零零八年九月十七日



2008

Interim Report

中 期 報 告