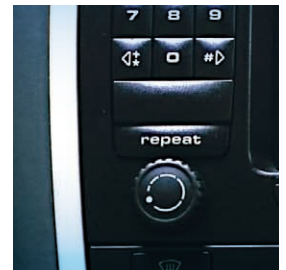
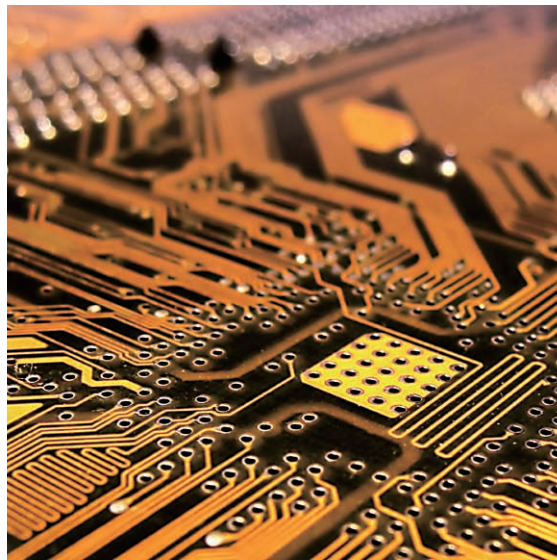
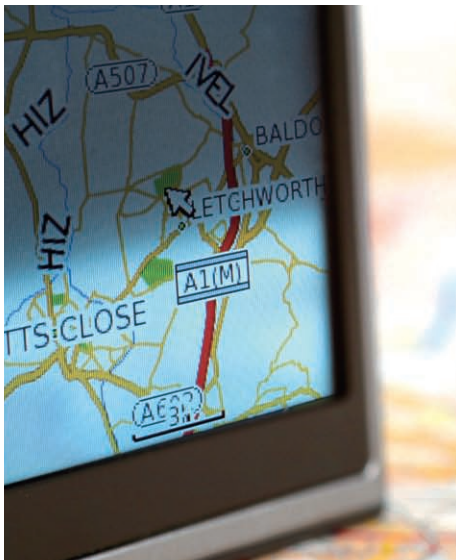
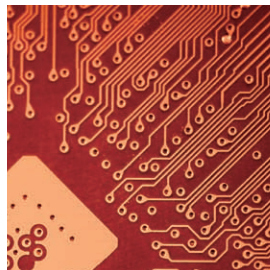


Kwang Sung

Annual Report 2008 年報



Kwang Sung Electronics H. K. Co. Limited
光星電子香港有限公司

Stock Code 股份代號: 2310

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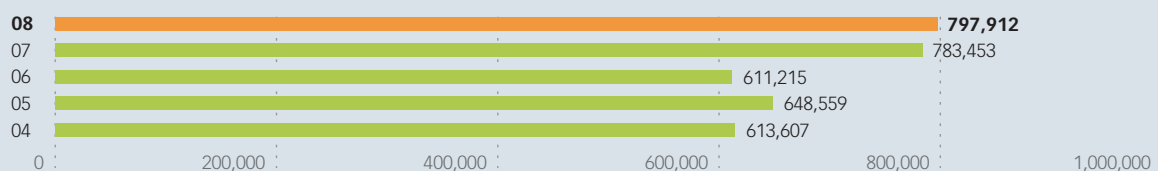
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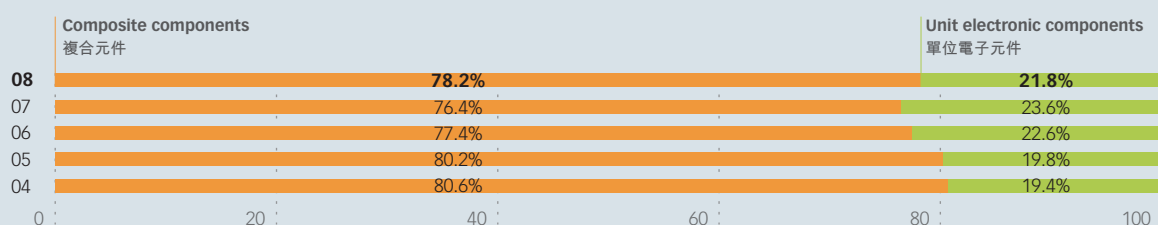
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Financial Highlights 財務摘要

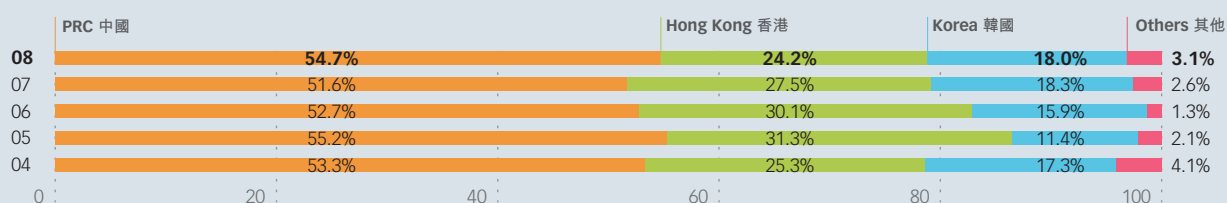
Turnover 營業額 (HK\$'000 千港元)



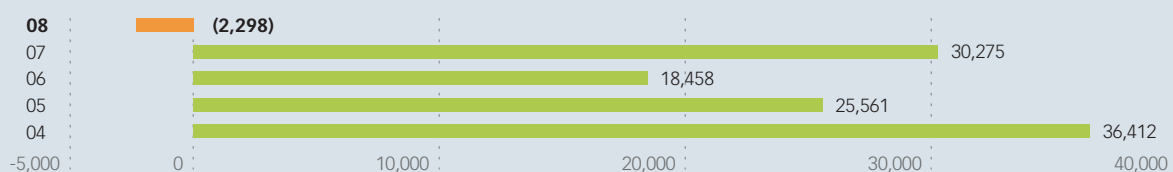
Turnover by Business Segments 按業務分部劃分之營業額分析 (% 百分比)



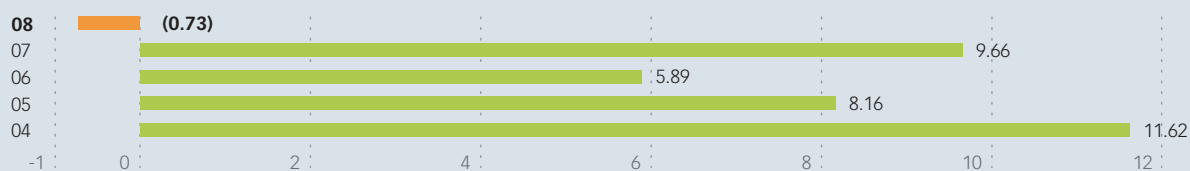
Turnover by Geographical Regions 按地區分佈劃分之營業額分析 (% 百分比)



(Loss)/Profit for the Year 全年(虧損)/純利 (HK\$'000 千港元)



Basic (Loss)/Earnings per Share 每股基本(虧損)/盈利 (HK cents 港仙)



		Note 附註	2008 二零零八年	2007 二零零七年	% Changes 變動百分比
Results HK\$'000	業績 千港元				
Turnover	營業額		797,912	783,453	1.8
Gross profit	毛利		90,510	123,078	(26.5)
(Loss)/profit before taxation	除稅前(虧損)/溢利		(1,538)	34,870	(104.4)
(Loss)/profit after taxation attributable to equity shareholders of the Company	本公司股本持有人 應佔除稅後 (虧損)/溢利		(2,298)	30,275	(107.6)
Dividends	股息		1,577	9,116	(82.7)
Assets and Liabilities HK\$'000	資產與負債 千港元				
Total assets	總資產		430,759	479,445	(10.2)
Total liabilities	總負債		71,614	84,609	(15.4)
Shareholders' equity	股東權益		359,145	394,836	(9.0)
Per Share Data HK cents	每股數據 港仙				
Basic (loss)/earnings	基本(虧損)/盈利		(0.73)	9.66	(107.6)
Diluted (loss)/earnings	攤薄(虧損)/盈利		(0.73)	9.46	(107.7)
Dividends	股息		0.50	2.90	(82.8)
HK\$	港元				
Net asset value	資產淨值		1.14	1.26	(9.5)
Financial Ratio	財務比率				
Gross profit margin (%)	毛利率(%)		11.34	15.71	(27.8)
Net (loss)/profit margin (%)	淨(虧損)/利率(%)		(0.29)	3.86	(107.5)
Current ratio	流動比率	1	5.07	4.61	10.0
Quick ratio	速動比率	2	3.90	3.75	4.0
Gearing ratio	負債比率	3	0.17	0.18	(5.6)

Notes:

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

附註:

- (1) 流動比率指流動資產除以流動負債。
- (2) 速動比率指不包括存貨的流動資產除以流動負債。
- (3) 負債比率指總負債除以總資產。





R&D efforts
improved the product
mix of the Group
and boosted

**business
growth**

研發成效改善
集團產品組合及促進

業務增長

chairman's
statement
主席報告書

Chairman's Statement 主席報告書

The Group's solid business foundation and strong capability in product R&D sustained its business

集團穩固的業務根基及強大的產品研發能力支持業務持續發展

The severe global financial turmoil and economic recession that began in the latter half of last year have dampened consumer confidence everywhere and consumer electronics are among the hardest hit products. This situation has inevitably affected Kwang Sung as its products are primarily key components used in manufacturing electronic products. Business of the Group in the fourth quarter, in particular, was seriously and adversely affected by the very sharp drop in orders from customers.

Looking ahead, the Group will exercise prudence and carefully assess risks when conducting its business, and will

focus on spending wisely and strengthening cash flow management so as to brace itself against the uncertain operating environment. We will draw strength from our solid foundation in the industry and seek to explore new business opportunities and new application areas for our products. The Group continues to see growth potential in the industry in the long run, but it will cautiously steer its business and operation with research and development focus to cope with adverse factors in the current business environment and prepare itself for tapping market potential to achieve long-term growth.

Last but not least, on behalf of the Board of Directors, I would like to thank my fellow Board members for their unfailing guidance. My gratitude also goes to our customers, suppliers and shareholders for their continuing support. I have no doubt that Kwang Sung, led by a capable management team and supported by its devoted staff, will rebound and return good performance to shareholders in the foreseeable future.

By order of the Board
Yang Ho Sung
Chairman

Hong Kong, 31 March 2009



於去年下半年，嚴峻的金融危機及經濟衰退開始席捲全球，削弱各地的消費信心，而消費電子產品正是最備受打擊的產品之一。有關情況難免對光星構成影響，因為其產品是用以製造電子產品的主要元件。隨著來自客戶的訂單銳減，本集團的業務特別在第四季受到嚴重不利的影響。

展望未來，本集團在經營業務時將審慎行事及仔細評估風險，並將專注於善用開支及加強現金流管理，以支持本身應付不明朗的營商環境。我們將憑藉於業內建立的穩固根基，尋求開拓嶄新業務機會及全新的產品應用領域。長遠而言，本集團仍然認為業界具增長潛力，但將審慎籌劃其業務及營運，專注於研發，以便在目前的營商環境下克服不利因素，從而發掘市場潛力以爭取長遠增長。

最後，本人謹代表董事會感謝董事會全人努力不懈的領導，亦對客戶、供應商及股東的持續支持致以衷心謝意。本人有信心在能幹管理層的領導及熱忱員工的支持下，光星將於可見未來再為股東創造佳績。

承董事會命
主席
梁皓星

香港，二零零九年三月三十一日



Yang Ho Sung Chairman
梁皓星 主席

MASTER VOLUME





Diversified
customer base laid
**solid business
foundation**
in the industry for
the Group

多元化客戶基礎
為集團在行內
**建立穩固
的業務根基**

CEO's
report
行政總裁報告書

The Group will keep up R&D efforts to tap the strong growth potential in the industry in the long run

集團將繼續致力進行研發，以把握長遠的龐大市場潛力

FINANCIAL REVIEW

The global economic meltdown has affected many industries and put operational pressures on a number of enterprises including the Group in its peak season in the second half of 2008. In all, 2008 became a slow year for the Group. For the year ended 31 December 2008, the Group's turnover increased by 1.8% to HK\$797,912,000, but gross profit for the year was eroded to HK\$90,510,000 (2007: HK\$123,078,000), with loss of HK\$1,538,000 derived from operations (2007: profit of HK\$34,870,000). Loss after taxation was HK\$2,298,000 (2007: profit after taxation of HK\$30,275,000). Loss per share was HK0.73 cents.

Turnover

The slight increase in overall turnover for the year against HK\$783,453,000 reported in 2007 was attributable mainly to the growth in sales of wireless solutions. Turnover from composite components reached HK\$624,358,000 (2007: HK\$598,338,000), representing

an increase of 4.3% as compared with last year, and accounted for 78.2% of the Group's total turnover (2007: 76.4%). Unit electronic components recorded a decline of 6.2% in turnover to HK\$173,554,000 (2007: HK\$185,115,000) and accounted for 21.8% of the Group's total turnover (2007: 23.6%).

Gross Profit

Despite the slight growth in turnover, gross profit of the Group for the year was adversely affected by increased cost of sales resulting from change of product mix, risen material costs, appreciation of the Renminbi ("RMB"), the increased staff costs arising from the implementation of the new China Labour Contract Law and a one-off overtime compensation for a number of employees based in the People's Republic of China ("the PRC"). During the year, gross profit amounted to HK\$90,510,000 (2007: HK\$123,078,000) with gross profit margin at 11.3% (2007: 15.7%).

Other Revenue

The Group's other revenue decreased

to HK\$4,239,000 during the year, representing a 35.9% lower than HK\$6,609,000 reported in 2007. This is mainly due to decrease in interest income by HK\$1,853,000.

Operating Expenses

The Group's operating expenses for the year was maintained at HK\$96,287,000 (2007: HK\$96,273,000). Although the Group's sales and research and development operation kept at about the same level as 2007, selling and distribution expenses and research and development expenses decreased by 7.5% and 11.7% to HK\$25,014,000 and HK\$39,259,000, respectively. The decrease was primarily attributable to decrease in expenses of Korea Branch, arising from devaluation of the Korean Won ("KRW"). Administrative expenses kept at about same level as 2007. Other operating expenses increased by 84.6% from HK\$8,270,000 in 2007 to HK\$15,269,000 in 2008. The increase was mainly due to impairment loss on trade receivables of HK\$5,711,000 incurred during the year.



YANG JAI SUNG CEO
梁在星 行政總裁

財務回顧

全球經濟逆轉影響眾多行業，並對二零零八年下半年(本集團本業旺季)包括本集團在內的大部分企業造成營運壓力。總之，二零零八年是本集團業績滯緩的一年。截至二零零八年十二月三十一日止年度，本集團之營業額增加1.8%至797,912,000港元，但年度毛利則降至90,510,000港元(二零零七年：123,078,000港元)，其中營運虧損為1,538,000港元(二零零七年：溢利34,870,000港元)。除稅後虧損為2,298,000港元(二零零七年：除稅後溢利30,275,000港元)。每股虧損為0.73港仙。

營業額

年度整體營業額較二零零七年之783,453,000港元微升，主要來自無線方案之銷售額增長。複合元件業務之營業額為624,358,000港元(二零零七年：

598,338,000港元)，較去年增加4.3%，並佔本集團總營業額78.2%(二零零七年：76.4%)。單位電子元件業務之營業額錄得6.2%之跌幅，減至173,554,000港元(二零零七年：185,115,000港元)，並佔本集團總營業額21.8%(二零零七年：23.6%)。

毛利

儘管營業額微升，本集團本年度之毛利卻不增反降，而此可歸因於改變產品組合、原材料成本上漲、人民幣升值、因新頒布中國勞動合同法而增加之員工成本以及須對多名駐中華人民共和國(「中國」)僱員支付一次性加班費用賠償。本年度內，毛利為90,510,000港元(二零零七年：123,078,000港元)，而毛利率為11.3%(二零零七年：15.7%)。

其他收益

年內本集團其他收益下跌至4,239,000港

元，較二零零七年所報6,609,000港元減少35.9%，主要來自利息收入減少1,853,000港元。

經營開支

本集團之本年度經營開支維持於96,287,000港元(二零零七年：96,273,000港元)。縱使本集團之銷售及研發之活動大致上保持與二零零七年相若之水平，惟銷售及分銷開支及研發開支分別減少7.5%及11.7%至25,014,000港元及39,259,000港元。減少主要由於韓圓貶值而令韓國分公司開支減少所致。行政開支維持於與二零零七年相若之水平。其他經營開支由二零零七年之8,270,000港元增加84.6%至二零零八年之15,269,000港元。增加主要由於年內產生之應收貿易款項之減值虧損5,711,000港元所致。

Taxation

Income tax expenses decreased by 83.5% from HK\$4,595,000 in 2007 to HK\$760,000 in 2008.

Loss for the Year

Based on the foregoing, the Group recorded loss after taxation of HK\$2,298,000 (2007: profit after taxation of HK\$30,275,000) attributable to equity shareholders.

Financial Condition, Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flow. As at 31 December 2008, the Group had cash and bank balances of HK\$155,692,000 (2007: HK\$185,415,000) and net current assets of HK\$283,170,000 (2007: HK\$298,966,000). Shareholders' funds amounted to HK\$359,145,000 as at 31 December 2008 (2007: HK\$394,836,000). Current ratio of the Group, being the ratio of current assets to current liabilities, was strong at 5.07 (2007: 4.61), while gearing ratio, in terms of total liabilities to total assets, was kept low at 0.17 (2007: 0.18). The average debtor turnover days in 2008 was 72 days (2007: 66 days). Average creditor turnover and average inventory turnover were 49 days (2007: 59 days) and 51 days (2007: 55 days) respectively. All taken into account, the Group continued to be

in a healthy financial position with sufficient financial resources to support its future development.

Foreign Exchange Exposure, Hedging and Off Balance Sheet Financial Instruments

The Group is exposed to foreign currency risks primarily in sales and purchases which give rise to receivables, payables and cash balances that are denominated in United States dollars ("USD"), Japanese Yen ("JPY"), RMB and KRW.

As Hong Kong dollars ("HKD") is pegged to USD, the Group does not expect any significant fluctuation in the USD/HKD exchange rate. For other currencies such as JPY, RMB and KRW, the Group has taken steps to ensure net exposure is kept at an acceptable level. It buys and sells foreign currencies at spot rates when necessary to address short-term imbalance.

As the Group's production plants are based in the PRC, most wages and salaries and factory overheads are denominated in RMB. As the deposit interest rate differential between the RMB and the USD has been within the range of manageable level of exchange rate risk, the directors are of the view that it is not necessary for the Group to purchase any foreign exchange forward or options contracts to hedge against exchange rate risks. However, the Group will closely monitor the exchange rate trend.

Investment Activities

The Group did not make any material acquisition or dispose of any subsidiary and associated company during the year ended 31 December 2008.

Charges on Assets

As at 31 December 2008, the Group had banking facilities of HK\$149,632,000 but no assets were pledged to banks during the year to secure them (2007: HK\$158,520,000).

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 December 2008 and 2007.

Employees and Remuneration Policy

As at 31 December 2008, the Group had about 1,302 employees (2007: 1,711). Among them, 25 are based in Hong Kong (2007: 22), 1,186 in the PRC (2007: 1,580) and 91 in Korea (2007: 109). For the year ended 31 December 2008, staff costs increased to HK\$109,933,000 (2007: HK\$102,747,000).

Our employees are remunerated according to their performances and work experiences, and also market conditions. In addition to basic salaries and retirement scheme protection, staff benefits also include medical coverage, discretionary share options and performance bonuses.

稅項

本集團之所得稅支出由二零零七年的4,595,000港元下降83.5%至二零零八年的760,000港元。

年度虧損

基於上述，本集團錄得股本持有人應佔除稅後虧損2,298,000港元(二零零七年：除稅後溢利30,275,000港元)。

財務狀況、流動資金及財務資源

本集團一般以其內部產生的現金流為其業務提供資金。於二零零八年十二月三十一日，本集團的現金及銀行結餘為155,692,000港元(二零零七年：185,415,000港元)，而流動資產淨值則為283,170,000港元(二零零七年：298,966,000港元)。於二零零八年十二月三十一日的股東資金為359,145,000港元(二零零七年：394,836,000港元)。本集團的流動比率(流動資產與流動負債的比率)維持於5.07的強勁水平(二零零七年：4.61)，而負債比率(總負債與總資產之比率)則仍為0.17(二零零七年：0.18)的低水平。二零零八年之平均應收賬款周轉天數為72天(二零零七年：66天)。平均應付賬款周轉天數及平均存貨周轉天數分別為49天

(二零零七年：59天)及51天(二零零七年：55天)。整體而言，本集團的財務狀況維持穩健，具備充足財務資源應付其未來發展。

外匯風險、對沖及賬外金融工具

主要由於本集團的銷售及採購，產生以美元、日圓、人民幣及韓圓計值之應收款項、應付款項及現金結餘，本集團因而承受外匯風險。

鑑於港元與美元掛鈎，本集團預期港元兌美元之匯率不會出現任何重大波動。本集團已採取措施，確保所面對日圓、人民幣及韓圓等其他貨幣之淨風險額維持於可接受的水平。在必要情況下，本集團按即期匯率買賣外幣，以針對短期之不平衡。

由於本集團之生產廠房位於中國，故絕大部分工資、薪金及工廠間接開支以人民幣計值。由於人民幣與美元之存款利率差維持在匯率風險之可管控水平，故董事認為本集團不需要購入任何外匯遠期或期權合約以對沖匯率風險。然而，本集團將密切注視匯率走勢。

投資活動

截至二零零八年十二月三十一日止年

度，本集團並無任何收購或出售附屬公司及聯營公司之重大事項。

資產抵押

於二零零八年十二月三十一日，本集團有149,632,000港元之銀行備用信貸額(二零零七年：158,520,000港元)，但年內並無抵押任何資產予銀行以獲取該等信貸。

或然負債

本集團於二零零八年及二零零七年十二月三十一日並無任何重大或然負債。

僱員及酬金政策

於二零零八年十二月三十一日，本集團約有1,302名僱員(二零零七年：1,711名)，其中25名駐守香港(二零零七年：22名)，1,186名駐守中國(二零零七年：1,580名)，另91名則駐守韓國(二零零七年：109名)。截至二零零八年十二月三十一日止年度之員工成本增至109,933,000港元(二零零七年：102,747,000港元)。

本集團僱員之酬金是根據彼等之表現、工作經驗及相關市況釐定。除基本薪金及退休計劃外，員工福利亦包括醫療計劃、酌情購股權及表現花紅。

Dividend

The Board of Directors (the "Board") do not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: HK1.4 cents per share). The Group's long-term dividend policy is to distribute not less than 30% of its net profit as dividend each financial year, and the Board will review this dividend policy from time to time to ensure optimum returns to shareholders.

Closure of Register of Members

The Company's share register will be closed between 13 May 2009 and 19 May 2009, both dates inclusive. During the period, no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the upcoming annual general meeting ("AGM"), all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong not later than 4:00 p.m. on 12 May 2009.

BUSINESS REVIEW

Composite Components Business

Composite components business continued to be the Group's major source of revenue for the year ended 31 December 2008, accounting for 78.2% of the total turnover of the Group. The segmental turnover was HK\$624,358,000, an increase of 4.3% against HK\$598,338,000 in 2007. The increase was mainly attributable to the growth in turnover from wireless solutions.

Despite the slowdown of the global automotive industry, turnover from tuner modules for car audios reported a 4.6% growth to HK\$135,859,000 (2007: HK\$129,899,000). The product line accounted for 21.8% (2007: 21.7%) of the total turnover of the composite components business. The growth, though small, reflected the solid business foundation of the Group braced by a diversified customer base. With such solid fundamentals, the Group has weathered relatively well the extreme turbulence in the current market.

The global economic meltdown has affected consumer demand for home audios and, in turn, that for tuner modules for home audios produced by of the Group. Turnover from the product line declined by 11.1% to HK\$254,986,000 (2007: HK\$286,756,000), accounting for 40.8% (2007: 47.9%) of the total turnover from composite components business. As for tuner modules for portable devices, which was also affected by poor demand, its turnover dropped sharply by 74.7% from HK\$29,796,000 in 2007 to HK\$7,541,000 in 2008.

Wireless solutions including wireless speaker systems achieved triple-digit turnover growth of 152.3%, to HK\$136,409,000 (2007: HK\$54,061,000) during 2008. The products are mainly supplied to leading electronic product companies as parts of their final products. However, the base of the segment was still relatively small for the growth in turnover to bring significant impact on the Group's overall results for the year. Notwithstanding that, the Group sees strong potential in its wireless solutions as a bundle product especially for televisions, as a profit contributor in the future, worthy of investment and development efforts.

股息

董事會不建議派付截至二零零八年十二月三十一日止年度末期股息(二零零七年：每股1.4港仙)。本集團之長期派息政策是分派不少於每個財政年度溢利淨額30%，董事會將不時檢討股息政策，為股東提供吸引之回報。

暫停辦理股份過戶登記

本公司股份過戶登記處將於二零零九年五月十三日至二零零九年五月十九日(包括首尾兩日)暫停辦理股份過戶登記手續。為確保符合資格出席即將舉行之股東週年大會並在會上投票，所有填妥之過戶文件連同有關股票，最遲須於二零零九年五月十二日下午四時正前送達位於香港皇后大道東1號太古廣場3座25樓之本公司股份過戶登記處，卓佳標準有限公司，辦理過戶手續。

業務回顧

複合元件業務

在截至二零零八年十二月三十一日止年度，複合元件業務仍為本集團收益的主要來源，佔本集團總營業額約78.2%。本分部的營業額為624,358,000港元，較二零零七年的598,338,000港元上升4.3%。營業額上升，主要原因是無線方案的營業額有所增長。

儘管全球汽車業放緩，但來自汽車音響調諧器模組的營業額卻上升4.6%至135,859,000港元(二零零七年：129,899,000港元)。此產品線佔複合元件業務的總營業額約21.8%(二零零七年：21.7%)。儘管增長幅度不大，但卻反映本集團憑藉多元化的客戶群而在業內建立的穩固業務基礎，以致能相對安穩地渡過目前極端動盪的市況。

全球經濟逆轉削弱家用音響的消費需求，故此亦對本集團為家用音響生產的調諧器模組構成影響。此產品線的營業額下跌11.1%至254,986,000港元(二零零七年：286,756,000港元)，佔複合元件業務的總營業額的40.8%(二零零七年：47.9%)。可攜式裝置的調諧器模組亦受疲弱需求影響，營業額從二零零七年的29,796,000港元大幅減少74.7%至二零零八年的7,541,000港元。

在二零零八年，包括無線揚聲器系統在內的無線方案的營業額錄得152.3%的三位數字增長，達136,409,000港元(二零零七年：54,061,000港元)。有關產品主要供應予頂尖電子產品公司，作為其製成品的零件。然而，本分部的基數相對細小，故即使其營業額飆升，亦不會對本集團於年內的整體業績構成重大影響。儘管如此，本集團認為無線方案，特別應用於電視，在

Digital product category primarily includes digital tuner modules for digital multimedia broadcasting ("DMB") that are mainly used in navigation systems and personal multimedia players ("PMP"), digital tuner modules for digital audio broadcasting ("DAB") that are used in home and portable audio devices, and global positioning system ("GPS") engines used in the camera detector boards ("CDB") and personal navigation devices ("PND"). During the year, these product lines reported a drop of 26.9% in turnover to HK\$43,571,000 (2007: HK\$59,578,000) despite sound growth of GPS engines. Cost pressure arising from the higher price of imported main chips because of devaluation of the KRW and pricing pressure from customers experiencing contracted consumer demand worsened the situation for this product category of the Group.

The Group launched new tuner modules for hybrid digital radio ("HD Radio") for the US market in 2008. Although sales from this new product line was relatively small, it was the fruit of research and development efforts in diversifying and enhancing the product portfolio of the Group.

Unit Electronic Components Business

During the year, turnover from unit electronic components business amounted to HK\$173,554,000, representing a decrease of 6.2% against HK\$185,115,000 in 2007. The main reason for this decrease was the overall decline in industrial demand affected

by financial and economic factors. The segmental turnover accounted for 21.8% of the Group's total turnover.

Prospects

As the financial turmoil spread fast across economies worldwide, particularly in the second half of 2008, the number of orders is not expected to rebound to the normal level in 2009. Although the macroeconomic environment is beyond its control, the Group will exercise prudence and carefully assess risks when conducting business in the coming year, so as to make sure it is able to overcome challenges in the turbulent market. The Group will focus on minimising unnecessary expenditure and strengthening its cash flow management to ensure it can promptly respond to changes in the uncertain market.

In addition to identifying room for improvement in management, the Group will also keep up research and development efforts to make sure it is well equipped in developing new products and in identifying business opportunities. Although wireless solutions, HD Radio and GPS products are still in budding stage, the Group sees potential in them and is cautiously optimistic about their prospects in the long run. Once these products can achieve economy of scale, they will be able to contribute to the Group's profitability. Although challenges are expected in the foreseeable future, the Group remains confident of the long-term growth of the industry.

Corporate Social Responsibility

As a caring corporate, the Group has been active in fulfilling its social responsibilities to the interest of all stakeholders as well as the society. The Group's corporate social responsibility efforts fall into the following categories:

1. Marketplace

In the interest of our shareholders, we have worked by the business objectives of contributing to the sustainable development of the electronic industry and improving consumer electronics to heighten efficiency and deliver the best user experiences. To such ends, the Group invests substantially in research and development and internal quality control to ensure it continuously deliver quality and reliable products to customers. The Company complied with the requirements of (1) ISO/TS 16949:2002 on design and manufacture of Car Tuner and (2) ISO 9001:2000 on production and servicing of electronic products, namely transformers, intermediate frequency transformers, antennas, filters, coils, coil inductors, electrical meters, dielectric filters, tuners, tuner modules, wireless modules, switching mode power supplies, digital tuner modules for DAB and digital amplifiers. From time to time, the Group received customers' performance certificates recognising its efforts and indicating their appreciation of the products of the Group.

日後帶來溢利貢獻的潛力龐大，故值得投資及致力開發。

數碼產品類別主要包括用於導航系統及個人多媒體播放器（「PMP」）的數碼多媒體廣播（「DMB」）的數碼調諧器模組、用於家用及可攜式音響裝置的數碼音響廣播（「DAB」）的數碼調諧器模組，以及用於攝影機偵察器（「CDB」）及個人導航裝置（「PND」）的全球定位系統（「GPS」）引擎。儘管GPS引擎顯著增長，但該產品線於年內的營業額卻下跌26.9%至43,571,000港元（二零零七年：59,578,000港元）。韓圓貶值導致主要進口晶片的價格上升所引致的成本壓力，以及因消費需求萎縮而產生自客戶的定價壓力，均令本集團的該產品類別面對日趨惡化的處境。

本集團於二零零八年針對美國市場推出嶄新的混合式數碼收音機（「HD收音機」）調諧器模組。儘管此嶄新產品線的銷售相對較少，但卻標誌著本集團為了分散及提升產品組合而取得的研發成果。

單位電子元件業務

年內，來自單位電子元件業務的營業額

達173,554,000港元，較二零零七年的185,115,000港元下跌6.2%，主要由於財政及經濟因素導致工業需求整體下降。本分部的營業額佔本集團總營業額的21.8%。

前景

鑑於金融危機於全球各經濟體系迅速蔓延，二零零八年下半年尤甚，預期訂單數目將無法在二零零九年回升至正常水平。儘管宏觀經濟環境在我們控制以外，但本集團在來年經營業務時將審慎行事及仔細評估風險，以確保我們能在動盪的市況中克服挑戰。本集團將專注於盡可能減低不必要開支及加強現金流管理，以確保集團能迅速回應不明朗的市場的變動。

除查找改善管理的空間外，本集團亦將繼續致力於研究及開發，以確保能為開發新產品及物色業務機會作好準備。儘管無線方案、HD收音機及GPS產品的發展仍處於萌芽階段，但本集團認為有關產品極具潛力，並對其前景審慎樂觀。一旦這些產品達到規模經濟效益，便可為本集團帶來溢利貢獻。儘管本集團預期在可見未來將會面對重重挑戰，但卻繼續對業界的長遠增長抱有信心。

企業社會責任

作為一家關懷社會的企業，本集團積極地履行其企業社會責任，維護本公司所有利益相關者以及社會之利益。本集團在企業社會責任方面所作出的努力可分為下列幾類：

1. 市場

為符合股東之利益，本集團依循為電子業的可持續發展作出貢獻，以及改善消費者電子產品以提高效率及帶來最佳客戶體驗的商業目標工作。為此，本集團大量投資於研究、開發及內部質量監控，以確保不斷生產優質可靠之產品予顧客。本集團亦符合多項標準：(1) ISO/TS 16949:2002之汽車收音板的設計和製造及(2) ISO 9001:2000之電子產品生產及服務，包括變壓器、中周、天線、濾波器、線圈、電感器、電子儀表、誘電體濾波器、高頻頭、收音板、無線接收器、開關電源板、數碼廣播接收器及數碼功率放大器。本集團在這方面的努力，獲不少來自客戶的證書所認同。本集團不時收到客戶之表現證書，對本集團之產品表示嘉許。

The Company recognises the need and the benefits of cooperation between the industry and universities. It hopes to ride on the resources of universities and certain graduate schools to customise training that can help develop the business and management expertise of its people for competing globally and in return to provide consultancy services, financial aids and internship to students of the universities.

2. Employee Health and Welfare

Caring about the health and work safety of its staff, the Group has appropriate safety systems and measures in place to minimise staff exposure to potentially hazardous materials or adverse work conditions. As an equal opportunity employer, the Group strives to provide a fair work environment to employees and does not tolerate any form of harassment or discrimination in respect of employment and occupation. To retain the best talents, the Group ensures its employee remuneration packages are competitive and that rewards are linked with performance excellence.

The Group also provides various in-house training to employees, helping them to enhance their skills, strengthening their understanding of the Group's

culture and internal procedures, and providing them with professional development. This year, the Group organised a workshop in Yunhai Villa at Xiasha Dapeng, Longgang, Shenzhen during which senior staff from different regions gathered to share their experience and get to know each other. During the workshop, training was provided to help them realise their full potential and improve their ability to cope with changes and new challenges.

The Group also encourages employees to take external job-related courses and sponsors such initiatives when appropriate. All new employees are required to take programs on topics including internal control and information protection, ISO and quality management system, as a part of job orientation.

It also arranges regular health checks for all employees to ensure their good health and productivity at work. In case of sickness, employees are protected by comprehensive group medical insurance policies. Retirement and comprehensive pension funds are also provided to employees in accordance to relevant legislations.

3. Environment and Community

The Company complied with the requirement of ISO 14001:2004 on environmental management system.

The Group also continued to make sure its products comply with the European Union's environmental protection guidelines including the Directive on the Restriction of the use of certain Hazardous Substances in Electrical Equipment ("RoHS") for manufacturing activities. All products manufactured by the Group are lead-free and RoHS compliant.

The Group also encourages employees to save energy and resources. To cut down on paper consumption, it encourages double-side printing, prints only when necessary and prints two pages on one sheet. It also relays energy saving tips to staff members through a daily learning program.

During the year, the Company also made donations to charities to help the needy.

APPRECIATION

On behalf of the management, I would like to take this opportunity to extend my gratitude to all the staff for their dedication over the year. At the same time, I also wish to express my appreciation to our customers, suppliers, business partners and shareholders for their continuing support. We will continue to dedicate our efforts in order to generate optimum returns for our shareholders in the long run.

Yang Jai Sung
Chief Executive Officer

Hong Kong, 31 March 2009

本公司認同業界與大學合作的需要及裨益。本公司期望借助大學及若干研究院的資源定制培訓，以助發展員工的業務及管理專業知識，應付全球競爭，並轉而向大學學生提供顧問服務、資助及實習。

2. 僱員健康及福利

本集團一向關注僱員的健康及工作安全，已設置適當的安全系統及措施，以減低僱員接觸潛在有害物質或處於惡劣環境工作。作為平等機會僱主，本集團確保各僱員均享有平等機會，且不容許有關就業及職業上的任何騷擾或歧視行為。為挽留最佳人才，本集團確保僱員薪酬待遇具競爭力，並因應其卓越表現作出獎勵。

本集團亦曾向僱員提供多項內部培訓，協助他們提升技能、加強他們對本集團文化及內部程序的理解，並發展他們的專業知識。在本年度，本集團曾於深圳龍崗大鵬下沙社區雲海山莊舉辦工作

坊，不同地區的高層員工在工作坊內聚首，分享經驗，彼此認識。在工作坊亦有提供訓練，協助他們全面發揮潛能，改善他們應付轉變及新挑戰的能力。

本集團亦鼓勵僱員報讀外界與工作相關的課程，並在適當情況下就此作出贊助。所有新僱員均須參加內容包括內部監控及資訊保護、ISO及質量管理系統的課程，作為入職迎新的一部份。

本集團亦為全體僱員安排定期體檢，確保他們在工作上健康並具生產力。如有染病，僱員亦獲本集團的全面醫療保險政策所保障。另外，亦有根據相關法例，向僱員提供退休及全面養老基金。

3. 環境及社會

本集團符合ISO 14001:2004環境管理體系之標準。

企業並持續確保產品符合歐盟環保指引，包括其生產程序符合在

電氣電子設備中限制使用某些有害物質指令（「RoHS」）的規條。本集團生產的所有產品均不含鉛並已符合RoHS。

本集團亦鼓勵僱員節省能源及資源。為減少耗紙，本集團鼓勵雙面打印、僅於有需要時打印，以及在一張紙上連印兩頁。本集團亦透過每日學習計劃向員工傳達節能小知識。

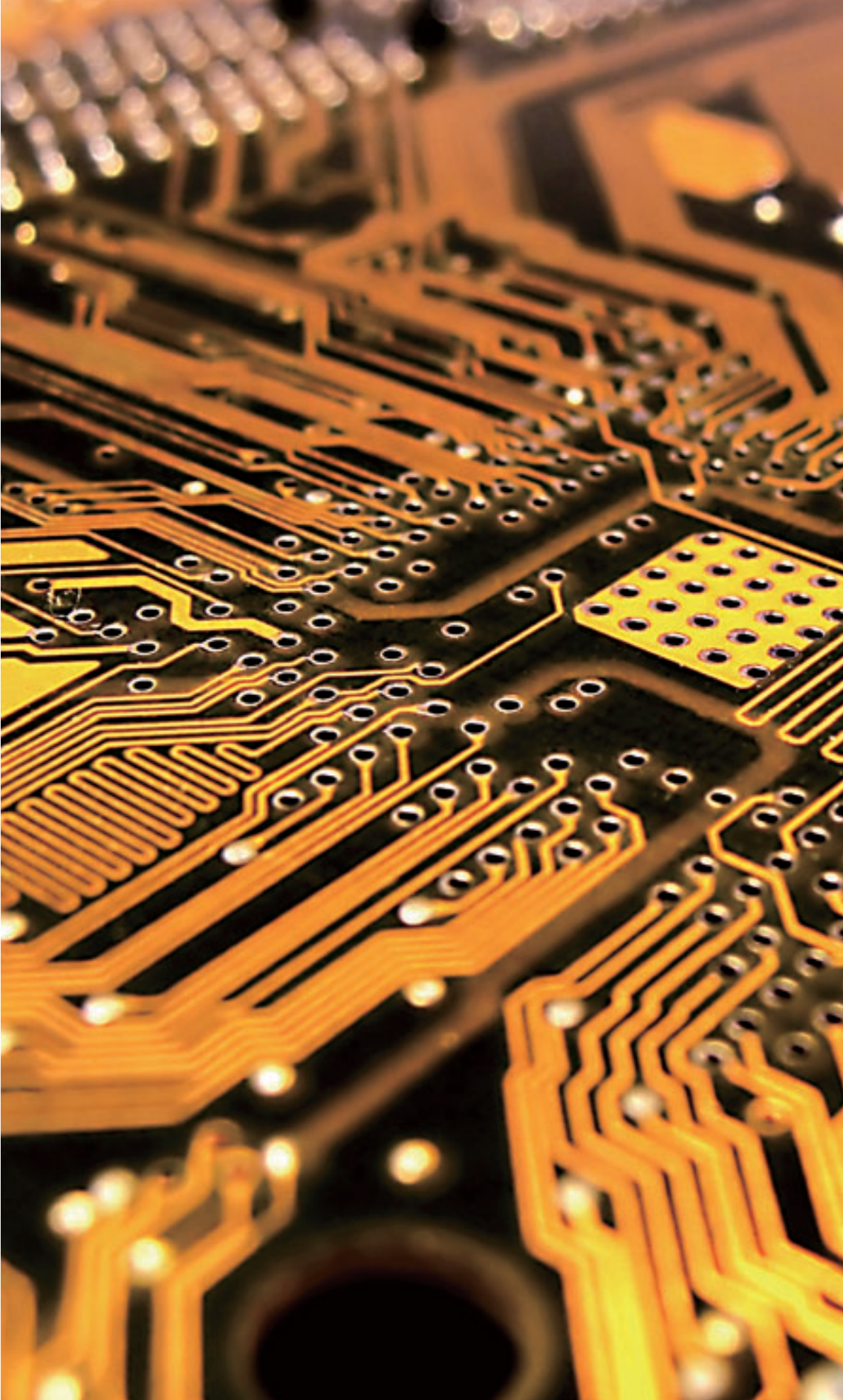
年內，本公司亦有捐款予慈善團體，幫助有需要人士。

致謝

本人謹此代表管理層，藉此機會感謝所有員工於年內一直熱誠投入工作。與此同時，亦感謝客戶、供應商、業務夥伴及股東們對本集團從不間斷的支持。我們將繼續努力，以為股東締造長遠的理想回報。

行政總裁
梁在星

香港，二零零九年三月三十一日





Committed to valuing our employees, the Group provides training and professional development opportunities to help them realise their **full potential**

集團重視員工發展，為他們提供訓練及專業發展機會，助他們 **充份發揮潛能**

corporate
governance
report
企業管治報告書

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company strives to attain high standards of corporate governance for enhancing shareholder value and stakeholders interests. The corporate governance principles of the Company emphasis a quality board of directors, effective internal control, stringent disclosure practices, an ethical corporate culture and accountability to all stakeholders.

ATTENDANCE RECORD FOR THE BOARD AND BOARD COMMITTEE MEETINGS IN 2008

The number of Board and board committee meetings attended by each director for the year ended 31 December 2008

企業管治常規守則

本公司致力達至高水平的企業管治，從而提升股東價值及所有利益相關者之權益。所採納的企業管治原則，是著重建立高質素的董事會、有效率的內部監控、嚴格的披露常規、高度操守的企業文化以及對所有利益相關者負責任。

二零零八年董事會及董事委員會會議之出席記錄

截至二零零八年十二月三十一日止年度各董事所出席董事會及董事委員會會議次數

No. of meetings attended/held 會議出席／舉行次數

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Executive Committee 執行委員會	Independent Board Committee 獨立董事委員會
Non-executive director 非執行董事						
Mr. Yang Ho Sung	梁皓星先生	3/4	2/2	n/a 不適用	n/a 不適用	n/a 不適用
Executive directors 執行董事						
Mr. Yang Jai Sung	梁在星先生	4/4	n/a 不適用	2/2	10/10	n/a 不適用
Mr. Kim Sun Cheol (note 1)	金善哲先生(註1)	1/1	n/a 不適用	n/a 不適用	1/1	n/a 不適用
Mr. Woo Nam Jin	禹南珍先生	4/4	n/a 不適用	n/a 不適用	10/10	n/a 不適用
Mr. Lee Kyu Young	李圭英先生	3/4	n/a 不適用	n/a 不適用	10/10	n/a 不適用
Independent non-executive directors 獨立非執行董事						
Dr. Kim Chung Kweon	金正權博士	4/4	2/2	2/2	n/a 不適用	1/1
Dr. Han Byung Joon (note 2)	韓丙濬博士(註2)	2/4	1/2	1/2	n/a 不適用	1/1
Mr. Kim Chan Su	金瓚洙先生	4/4	2/2	2/2	n/a 不適用	1/1

Note:

1. Mr. Kim Sun Cheol resigned as an executive director of the Company and a member of the Executive Committee on 1 April 2008. Within his service period, there were one Board Meeting and one Executive Committee Meeting held during the year ended 31 December 2008.
2. Dr. Han Byung Joon has reduced his participation in board activities from August to November 2008 during his sabbatical leave for attending an Advanced Management Program of Harvard University in the U.S.A.

Set out below are the summarised key components of corporate governance practices adopted by the Company.

THE BOARD OF DIRECTORS

The Company's overall management is vested in its Board, which up to the latest practicable date comprises seven members, coming from diverse businesses and professional backgrounds as shown in biographical details set out on pages 30 to 34 in this annual report. The Board comprises non-executive director Mr. Yang Ho Sung (Chairman), executive directors Mr. Yang Jai Sung, Mr. Lee Kyu Young and Mr. Woo Nam Jin, and independent non-executive directors Dr. Kim Chung Kweon, Dr. Han Byung Joon and Mr. Kim Chan Su.

The Board meets at least four times annually to review business development and overall strategic policies. The attendance record of individual board members during the year set out in the table on page 22 of this report.

To facilitate the operation of the Board, the Board has a schedule of matters reserved for its approval. The specific responsibilities reserved for the Board include: setting the Group's strategy and dividend policy, approving budgets, reviewing operational and financial performance, approving major investments and divestments, reviewing the Group's systems of internal controls, ensuring appropriate management development and succession plans in place, approving appointments of and remuneration policy for directors and other senior executives, approving corporate social responsibility policies and ensuring effective communication with shareholders.

註：

1. 金善哲先生已於二零零八年四月一日辭任本公司執行董事及執行委員會成員。直至二零零八年十二月三十一日，彼服務期間，共有一次董事會及一次執行委員會會議舉行。
2. 韓丙濬博士由二零零八年八月至十一月由於身處美國休假進修哈佛大學高階管理課程，所以減少參與董事會事務。

本公司所採納之企業管治常規之主要概要載列於下文。

董事會

本公司之整體管理由董事會負責，至最後實際可行日期，董事會由七名成員組成，彼等擁有不同行業及專業背景，詳情請參見載於本年報30至34頁之履歷詳情。董事會成員包括非執行董事梁皓星先生(主席)、執行董事梁在星先生、李圭英先生及禹南珍先生，獨立非執行董事金正權博士、韓丙濬博士及金瓊洙先生。

董事會每年最少開會四次，以檢討業務發展及整體策略政策。於年內，個別董事會成員之出席記錄載於本報告第22頁之表內。

為方便董事會運作，董事會制定了一份項目清單並保留其決定權。董事會之指定責任包括：制定本集團整體策略及股息政策、通過預算案、檢討營運及財務表現、批准重大投資及出售項目、檢討本集團內部監控系統、確保有適當管理發展及延續計劃、通過委任董事及其他高級行政人員並釐訂彼等之薪酬政策、批准企業社會責任政策及確保與股東進行有效溝通。

For the financial reporting accountability, the Board has an ultimate responsibility for preparing the financial statements. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted; appropriate accounting policies have been used and applied consistently; and reasonable and prudent judgments and estimates have been made. Moreover, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

As part of good corporate governance practice, a number of board committees have been established. These committees include three corporate governance related committees namely Executive Committee, Remuneration Committee and Audit Committee as well as an ad hoc Independent Board Committee for advising on matters in relation to the continuing connected transactions. Each committee operates within defined terms of reference; these terms of reference are posted on the Company's website at www.kse.com.hk. Board committees report regularly to the Board about their work and findings.

EXECUTIVE COMMITTEE

The Board has delegated certain authorities and responsibilities to the executive directors, including the development of strategic plans for consideration by the Board, implementation of the strategies and policies of the Group as determined by the Board, monitoring of the operating and financial results against plans and budgets, guiding the Company in various corporate affairs. The Executive Committee, formed by all the executive directors namely Mr. Yang Jai Sung (Chairman), Mr. Lee Kyu Young and Mr. Woo Nam Jin, meets from time to time when committee chairman requires.

During the year, the Executive Committee met ten times with the attendance record of individual committee members set out in the table on page 22 of this report.

就財務申報之問責性而言，董事會有編製財務報表之最終責任。在編製財務報表時，香港公認之會計準則已予採納，適當會計政策已予使用及貫徹應用，而合理及審慎之判斷和估算已予作出。此外，董事會並不知悉有任何重大不明確因素致使本集團持續經營之能力存在疑問。為此，董事會在編製財務報表時繼續採用持續經營基準。

作為良好企業管治之部份措施，本公司已成立多個董事會轄下委員會。該等委員會包括三個與企業管治有關的委員會，即執行委員會、薪酬委員會和審核委員會，以及就持續關連交易提供意見之特設獨立董事委員會。每個委員會均按指定職權範圍操作；該等職權範圍載於本公司網站www.kse.com.hk。董事委員會定期向董事會匯報彼等之工作及調查結果。

執行委員會

董事會已授出若干權力及責任予執行董事，包括發展策略性計劃以供董事會考慮、實施董事會決定之本集團策略及政策、監管營運表現及財務業績以對比計劃及預算中的情況，多方面指導企業事務。執行委員會由所有執行董事梁在星先生(主席)、李圭英先生及禹南珍先生組成，並按委員會主席要求不時召開會議。

於年內，執行委員會召開了十次會議，個別委員會成員之出席記錄載於本報告第22頁之表內。

REMUNERATION COMMITTEE

The Remuneration Committee of the Company comprises three independent non-executive directors namely Dr. Han Byung Joon (Chairman), Dr. Kim Chung Kweon and Mr. Kim Chan Su, and one executive director namely Mr. Yang Jai Sung.

During the year, the Remuneration Committee met twice with the attendance record of individual committee members set out in the table on page 22 of this report.

The committee's principal responsibilities are reviewing remuneration packages of directors and senior management and making recommendations to the Board on the remuneration structure. It also regularly reviews and guides the formulation of the Group's remuneration policy for directors and senior management attributable to performance-driven compensation commitment as well as market trend and industry norms.

No director takes part in any discussion about his or her own remuneration.

According to the Group's employment policy, nomination policy, remuneration policy, training and development policy and communication policy formulated and adopted by Remuneration Committee, the Committee reviewed remuneration packages for directors and senior management during the year.

NOMINATION OF DIRECTORS

The Company does not have a separate nomination committee. However, the nomination and appointment of new directors would be administered by the Remuneration Committee under the Company's adopted director nomination policy regarding the selection criteria and evaluation processes.

The policy's objective is to ensure that the Board is properly constituted with a balanced mix of skills, qualifications and experiences to meet its fiduciary obligations to the Company and its shareholders as well as to face the Company's current and emerging operating and strategic challenges and opportunities.

薪酬委員會

本公司薪酬委員會由三名獨立非執行董事韓丙濬博士（主席）、金正權博士與金瓚洙先生及一名執行董事梁在星先生組成。

於年內，薪酬委員會召開了兩次會議，個別委員會成員之出席記錄載於本報告第22頁之表內。

該委員會之主要責任為檢討董事及高層管理人員之薪酬組合及就薪酬架構向董事會作出建議。委員會定期開會檢討及指導本集團董事及高層管理人員之薪酬政策之編製。薪酬政策乃根據與表現掛鉤之報酬承諾特性，並參考市場趨勢及行業慣例釐訂。

並無董事參與關於自己的薪酬之討論。

跟據本集團已被薪酬委員會制訂及採納之聘用政策、提名政策、薪酬政策、培訓及發展政策、及溝通政策，該委員會於年內已檢討董事及高層管理人員之薪酬待遇。

董事提名

本公司並無單獨存在之提名委員會。提名及委任新董事由薪酬委員會根據本公司之採納董事提名政策就甄選準則及評核過程而進行。

該政策之目標為確保董事會由具備不同技能、資格及經驗的人士均衡組成，從而向本公司及其股東履行其受委託之責任，以及面對現時及可能出現的營運及策略上的挑戰及機會。

AUDIT COMMITTEE

The Audit Committee of the Company comprises three independent non-executive directors namely Mr. Kim Chan Su (Chairman), Dr. Kim Chung Kweon and Dr. Han Byung Joon, and one non-executive director namely Mr. Yang Ho Sung.

During the year, the Audit Committee met twice with the external auditors with no executive directors present. The complete attendance record of individual committee members set out in the table on page 22 of this report.

The committee's principal responsibilities are monitoring the integrity of financial reporting, reviewing the internal control and risk management systems, and reviewing the corporate governance of the Company.

During the year, the Audit Committee reviewed the 2007 annual report and accounts as well as the 2008 interim report and accounts, had oversight of the financial reporting and audit processes, reviewed the Group's financial controls, internal control and risk management systems, agreed the scope of internal control review for 2008, discussed internal control review report, conducted discussions with the external auditors on financial reporting, compliance, and reported all relevant matters to the Board.

AUDITORS

The financial reporting responsibilities of the auditors are set out on pages 55 to 56 of this annual report.

During the year ended 31 December 2008, the fees paid/payable to the auditors in respect of audit and non-audit services provided by the auditors to the Group were as follows:

Nature of services

服務性質

HK\$'000
千港元

Audit services	核數服務	750
Non-audit services	非核數服務	
Tax services	稅務服務	50
Other services	其他服務	1,368

審核委員會

本公司審核委員會由三名獨立非執行董事金瓚洙先生(主席)、金正權博士與韓丙濬博士及一名非執行董事梁皓星先生組成。

於年內，審核委員會在並無執行董事參與的情況下與外聘核數師舉行了兩次會議。個別委員會成員之出席記錄載於本報告第22頁之表內。

委員會主要職責為監察本公司財務報告之完整性、檢討內部監控及風險管理措施及檢討本公司之企業管治。

於年內，審核委員會已審閱二零零七年年報及賬目與二零零八年中報及賬目，並監察財務報告及審核程序、檢討本集團之財務監控、內部監控及風險管理系統及議定二零零八年內部監控檢討的範疇、討論內部監控檢討報告、與外聘核數師就財務報告、遵守規則進行商討，以及向董事會匯報所有相關事項。

核數師

核數師之財務申報責任載於本年報第55至56頁。

於截至二零零八年十二月三十一日止年度，就核數師向本集團提供核數及非核數服務之已支付／應付予核數師費用如下：

INDEPENDENT BOARD COMMITTEE

The Board is committed to seeking the best interests for the shareholders of the Company. To support this purpose, an ad hoc independent committee of the Board (the “Independent Board Committee”) formed by Dr. Han Byung Joon, Dr. Kim Chung Kweon and chaired by Mr. Kim Chan Su, has been established to consider and review matters in relation to the continuing connected transactions of the Group and to advise independent shareholders whether the transactions are fair, reasonable and in the interests of the Company and shareholders. All members of the Independent Board Committee are independent non-executive directors of the Company.

THE SEPARATE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The division of responsibilities between the Chairman of the Board, Mr. Yang Ho Sung, and the Chief Executive Officer, Mr. Yang Jai Sung, is clearly defined and has been approved by the Board. The Chairman provides leadership for the Board, ensures the effectiveness of the Board and oversees the corporate development; while the Chief Executive Officer, as head of the executive directorate, is responsible for managing the business development and strategic planning of the Group.

Their separate roles reinforce the continuous enhancement of the Group’s corporate governance in terms of corporate fairness, transparency and accountability.

DIRECTORS AND DIRECTORS’ INDEPENDENCE

There are no financial, business, family or other material/relevant relationship(s) among members of the Board except that Mr. Yang Jai Sung is the younger brother of Mr. Yang Ho Sung.

The directors are given access to independent professional advice at the Group’s expense, when the directors deem it is necessary in order for them to carry out their responsibilities.

The Board also advocates the participation of non-executive director and independent non-executive directors in board committees to safeguard objectivity and independence.

獨立董事委員會

董事會致力確保本公司股東之最佳利益。為達此目標，本公司已成立特設獨立董事委員會（「獨立董事委員會」）成員包括韓丙濬博士、金正權博士及擔任主席之金瓚洙先生。獨立董事委員會會考慮及檢討有關本集團持續關連交易之事宜，並就交易是否公平、合理及對於公司與股東是否有利益而向獨立股東提供意見。獨立董事委員會全部成員均為本公司獨立非執行董事。

區分主席及行政總裁職能

董事會主席梁皓星先生及行政總裁梁在星先生兩人之責任已清楚劃分，並已獲董事會批准。主席負責領導董事會、監察董事會之有效運作及監督企業發展；而行政總裁為執行董事之首，負責管理本集團業務發展及策略籌劃。

彼區分職能進一步提升以公平、高透明度及負責任為原則的企業管治。

董事及董事之獨立性

除梁在星先生為梁皓星先生之弟外，董事會成員間並無財務、業務、家族或其他重大／相關關係。

倘董事認為必須尋求獨立專業顧問之意見以協助履行彼等之職責，有關費用由本集團支付。

董事會亦多鼓勵非執行董事及獨立非執行董事參與董事委員會，從而達致客觀性及獨立性。

Non-executive directors are appointed for specific terms. Mr. Yang Ho Sung has his appointment with the Company as non-executive director renewed effective 1 March 2009 for another two years, and Dr. Kim Chung Kweon, Dr. Han Byung Joon and Mr. Kim Chan Su, have their appointments with the Company as independent non-executive directors renewed effective 11 October 2008 for another two years, all subject to retirement by rotation and re-election of their directorship in the Company as set in the Company's Articles of Association.

The Company has received, from each of the independent non-executive directors, a confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers that all the independent non-executive directors are independent.

INTERNAL CONTROLS

The Board is responsible for reviewing the effectiveness of the internal control system of the Group. The scope of the review is determined and recommended by the Audit Committee and approved by the Board annually. The review covers all material controls, including financial, operational and compliance controls and risks management functions. Such annual review also considers the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget. The internal control review function reports directly to the Chairman of the Audit Committee. Regular internal control review reports are circulated to the Audit Committee members and the Board in accordance with the approved scope.

During the year, the Audit Committee has kept under review the effectiveness of the internal control system and has reported regularly to the Board. The Audit Committee is satisfied that the internal control system maintained by the Group is sufficient to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded against loss from unauthorized use or disposition, transactions are properly authorised and proper accounting records are maintained.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Company's system of internal control in the year of 2008, and the Board confirms that the provision C.2.1 of Code on Corporate Practices has been complied with and no finding of a material nature requires the attention of shareholders.

非執行董事獲委以指定任期。梁皓星先生擔任本公司非執行董事之委任於二零零九年三月一日重續及生效，任期為兩年；金正權博士、韓丙濬博士及金瓚洙先生擔任本公司獨立非執行董事之委任於二零零八年十月十一日重續及生效，任期均為兩年。彼等均須根據本公司章程細則輪值告退本公司董事職務及膺選連任。

本公司已接獲各名獨立非執行董事根據香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條就其獨立身份發出之確認書。本公司認為所有獨立非執行董事均屬獨立人士。

內部監控

董事會負責檢討本集團內部監控系統是否有效。檢討之範疇由審核委員會決定推薦，並每年由董事會批准。檢討涵蓋所有重大監控方面，包括財務、營運及遵例監控及風險管理功能。有關週年檢討亦會考慮本公司在會計及財務匯報職能方面之資源、員工資歷及經驗，以及員工所接受之培訓課程及有關預算是否足夠。內部監控檢討職能直接向審核委員會主席報告。根據已批准之範疇，定期將內部監控檢討報告傳送予審核委員會成員及董事會。

於年內，審核委員會經常檢討內部監控系統之成效，並定期向董事會匯報。審核委員會滿意本集團實施之內部監控系統足以提供合理但非絕對之保證，保障本集團資產不因未授權使用或出售而蒙受虧損、交易已經適當授權及有保存適當會計記錄。

透過審核委員會，董事會於二零零八年內進行了本公司之內部監控系統成效之檢討。董事會確認本公司已遵守企業管治常規守則第C.2.1條，亦無重大性質之發現須知會股東。

COMPLIANCE OF CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Corporate Governance Code") in Appendix 14 of the Listing Rules throughout the year ended 31 December 2008.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company, having made specific enquiry, confirms that all directors complied throughout the year with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. The relevant employees who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code.

INVESTOR RELATIONS

The Board recognizes the importance of maintaining effective communications with shareholders. Annual reports and interim reports provide shareholders with comprehensive information of the Group's operational and financial performances; while general meetings offer a platform for shareholders to state and exchange views with the Board directly. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the commencement of general meeting, to ensure that shareholders are familiar with such procedures. The next AGM of shareholders will be held on Tuesday, 19 May 2009, the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Shareholders may refer to the section "Corporate Information and Shareholders' Calendar" in this annual report for information.

The management communicates continually with analysts and institutional investors and provides them with up-to-date and comprehensive information regarding the Company's development. The Company practices timely dissemination of information and makes sure its website www.kse.com.hk contains the most current information, including annual reports, interim reports, announcements and press releases, and is updated in a timely manner to ensure transparency.

遵守企業管治守則

本公司一向承諾恪守嚴謹之企業管治，以提高透明度及保障股東整體利益。截至二零零八年十二月三十一日止整個年度內，本公司已遵守上市規則附錄14所載企業管治常規守則的守則條文。

董事進行證券交易標準守則

年內，本公司經具體查詢後確認，所有董事均有遵守上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」）。而該等由於在本公司之職務而可能擁有未公開價格敏感資料之僱員已被要求遵守同樣之標準守則。

投資者關係

董事會重視與股東維持有效溝通。年報及中期報告向股東提供本集團營運及財務表現之詳盡資料，而股東大會則提供平台讓股東表達意見及與董事會直接交換意見。本公司亦會於股東大會開始時向股東講解有關投票表決之程序，以確保各股東明白有關程序。本公司下一次股東週年大會將於2009年5月19日（星期二）舉行，有關通告最遲將於開會前20個營業日郵寄予各股東。至於股東之資料，詳見本年報內之「公司資料及股東日程表」。

管理層持續與分析員及機構投資者溝通，並向彼等提供有關本公司發展之最新及詳盡之資料。本公司實行及時通佈資料之措施及確保其網站www.kse.com.hk載有最新資料，包括年報、中期報告、公告及新聞公布，並經常更新以確保透明度。



CHAIRMAN & NON-EXECUTIVE DIRECTOR 主席兼非執行董事

YANG Ho Sung 梁皓星

Mr. YANG Ho Sung, aged 60, is the chairman and a non-executive director of the Company. He is mainly responsible for providing management advice on the corporate development of the Group. He holds a bachelor's degree in architectural engineering from Hanyang University in Korea. He gained 31 years of experience in the electronic industry as a director in Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea") and 26 years of experience as a representative director of Samkor Electronics Co., Ltd. Since 1992, he has taken charge of the daily operation and management in Kwang Sung Korea and was appointed as its representative director. He joined the Group in 2002. Mr. Yang Ho Sung is the elder brother of Mr. Yang Jai Sung.

梁皓星先生，60歲，為本公司之主席兼非執行董事，主要負責在本集團之企業發展上提供管理意見。彼持有韓國漢陽大學建築工程學士學位。於電子行業有三十一年經驗，並出任株式會社光星電子（「韓國光星」）之董事及曾出任三高電子（株）之代表董事二十六年。自一九九二年起，彼負責韓國光星之日常運作及管理，並獲委任為代表董事。彼於二零零二年加入本集團。梁皓星先生為梁在星先生之兄長。



CEO & EXECUTIVE DIRECTOR 行政總裁兼執行董事

YANG Jai Sung 梁在星

Mr. YANG Jai Sung, aged 49, is the chief executive officer and an executive director of the Company. Mr. Yang also holds positions within the Group as chairman and general manager in Shenzhen Kwang Sung Electronics Co., Ltd. ("Shenzhen Kwang Sung"), chairman in Kwang Sung Electronics Trading (Shenzhen) Co., Ltd. and a director in Grand Sonic Limited. He is primarily responsible for the overall corporate strategies and business development of the Group, leading the Group's management, including management of the Group's factories in the PRC. Externally, he is a director of Korean Chamber of Commerce and a vice chairman of Korean International School. Mr. Yang holds a bachelor's degree in law from Yonsei University in Korea. Prior to joining the Group in 1991, he worked in Daewoo Heavy Industries and Machinery Co., Ltd. for 9 years and has extensive experience in manufacturing industries. Mr. Yang Jai Sung is the younger brother of Mr. Yang Ho Sung, and he is a director of Kwang Sung Korea, a substantial shareholder of the Company.

梁在星先生，49歲，本公司之行政總裁兼執行董事。梁先生於本集團內亦是深圳光星電子有限公司（「深圳光星」）之董事長兼總經理、光星電子貿易（深圳）有限公司之董事長及Grand Sonic Limited之董事。彼主要負責本集團之整體企業策略及業務發展，並領導本集團的管理層，包括本集團中國工廠之管理。在外而言，彼為韓人工商會之董事及韓國國際學校之副主席。梁先生持有韓國延世大學法律學士學位。於一九九一年加入本集團前，彼曾在大宇重工業任職九年，在製造業擁有廣泛經驗。梁在星先生為梁皓星先生之胞弟，並為本公司主要股東韓國光星之董事。



EXECUTIVE DIRECTORS 執行董事

LEE Kyu Young 李圭英

Mr. LEE Kyu Young, aged 46, is the executive vice president, an executive director and the chief operating officer of the Company. He also holds position within the Group as a director in Kwang Sung Electronics Trading (Shenzhen) Co., Ltd. He is also the head of the Solution & Component Business HQ in the Group. He is mainly responsible for international marketing, new business development and strategic planning of the Group. He holds a bachelor's degree in electronic engineering from Kwangwoon University in Korea. He has over 20 years of experience in companies including LG Information & Communication and Hewlett Packard, specialized in satellite and wireless communication. He joined the Group in 2006.

李圭英先生，46歲，本公司副社長、執行董事兼營運總監。彼於本集團內亦是光星電子貿易(深圳)有限公司之董事。彼亦為本集團解決方案及配件業務之主管。彼負責發展國際市場，發展新業務，及本集團之策略計劃。彼持有韓國光云大學電子工程學士學位。彼曾在多間公司包括LG Information & Communication及Hewlett Packard任高職，在衛星通訊及無線電通訊方面擁有超過二十年經驗。彼於二零零六年加入本集團。

WOO Nam Jin 禹南珍

Mr. WOO Nam Jin, aged 54, is the chief marketing officer and an executive director of the Company. Mr. Woo also holds positions within the Group as a vice chairman and a director in Shenzhen Kwang Sung and a director in Kwang Sung Electronics Trading (Shenzhen) Co., Ltd. He is the head of Infomedia Business HQ in the Group and is responsible for formulating and directing the Group's sales and marketing plans and policies strategically as well as overseeing sales and marketing functions of the Group. He holds a bachelor's degree in electronic engineering from Chung-Ang University in Korea. He has over 29 years of experience in sales and marketing of electronic products. He joined the Group in 2004.

禹南珍先生，54歲，本公司之市場總監兼執行董事。禹先生於本集團內亦是深圳光星之副董事長兼董事及光星電子貿易(深圳)有限公司之董事。彼為本集團之資訊媒體業務之主管，負責制定及策劃本集團之銷售及市場推廣計劃及政策，以及監督本集團之銷售及市場推廣部門。彼持有韓國中央大學電子工程學士學位，並在電子產品之銷售及市場推廣方面，擁有超過二十九年經驗。彼於二零零四年加入本集團。



INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

HAN Byung Joon 韓丙濬

Dr. HAN Byung Joon, aged 49, has been appointed as independent non-executive director of the Company since October 2002. He holds a bachelor's degree in engineering from Hanyang University, Korea, a master's degree in science from Tennessee Technological University, a master's degree of philosophy from Columbia University, a doctor of philosophy from Columbia University, and graduated Advanced Management Program from Harvard University, U.S.A. He has over 24 years of experience in semiconductor research and product development in IBM, AT&T Bell Laboratories and Anam Semiconductor, Inc. He is now executive vice president and chief technology officer of STATS ChipPAC, Ltd. which is a leading service provider of semiconductor design, assembly, test and distribution solutions and traded in Singapore Stock Exchange. He also holds other directorships in International Electronics Manufacturing Initiative ("iNEMI") incorporated in Delaware for advancing manufacturing technology, Intellectual Properties Office of Singapore ("IPOS") for fostering the creation, protection and exploitation of intellectual properties, Simm Tech Co. Ltd. incorporated in Korea and listed in KOSDAQ, and STATS ChipPAC Taiwan Semiconductor Corp. incorporated in Taiwan and listed in Taiwan Stock Exchange.

韓丙濬博士，49歲，自二零零二年十月起獲委任為本公司獨立非執行董事。彼持有韓國漢陽大學工程學學士學位、Tennessee Technological University科學碩士學位、哥倫比亞大學工學碩士學位，以及美國哥倫比亞大學工學博士學位，並於哈佛大學高階管理課程畢業。彼在半導體研究及產品開發方面積逾二十四年經驗，曾任職於IBM、AT&T Bell Laboratories及Anam Semiconductor, Inc.。彼目前為STATS ChipPAC, Ltd.之副行政總裁及技術總監，而此公司乃是一間著名半導體設計、裝配、測試及發行方案之供應商，並於新加坡證券交易所上市。彼亦擔任其他董事職務，包括於特拉華州註冊成立之國際電子生產商聯盟(iNEMI)負責先進生產科技範疇、於新加坡知識產權管理局(IPOS)負責促進知識產權之增設、保障及運用、於韓國註冊成立並於韓國高斯達克(KOSDAQ)上市之Simm Tech Co. Ltd.及於台灣註冊成立並於台灣證券交易所上市之台灣星科金朋半導體股份有限公司。

KIM Chung Kweon 金正權

Dr. KIM Chung Kweon, aged 53, has been appointed as independent non-executive director of the Company since October 2002. He holds a bachelor's degree in geology from Seoul National University, Korea, a master's degree in business administration and a master's degree in accounting from University of Washington, U.S.A. He also completed his doctorate degree in accounting at the University of Pittsburgh, U.S.A. Dr. Kim is a member of the Audit Committee of the Company which monitors the financial reporting function of the Group. He has lectured at the University of Pittsburgh, U.S.A., taught at The Hong Kong University of Science and Technology, and is now a professor at College of Business Administration in Ewha Womans University, Korea. He also serves as a member of the IFRS International Advisory Committee at the Financial Supervisory Service in Korea.

金正權博士，53歲，自二零零二年十月起獲委任為本公司獨立非執行董事。彼持有韓國首爾國家大學地質學學士學位，以及美國華盛頓州立大學工商管理學碩士學位及會計學碩士學位。彼亦於美國匹茲堡大學完成會計博士學位。金博士是本公司審核委員會成員。該委員會負責監察本集團之財務申報事宜。彼曾於美國匹茲堡大學任教，亦曾於香港科技大學任教，現為韓國梨花女子大學經營大學教授。彼亦為韓國金融監管服務局IFRS International Advisory Committee之委員。



INDEPENDENT NON-EXECUTIVE DIRECTORS 獨立非執行董事

KIM Chan Su 金瓊洙

Mr. KIM Chan Su, aged 41, has been appointed as independent non-executive director of the Company since September 2004. He holds a bachelor's degree in economics from Yonsei University in Korea and is a Certified Public Accountant in Korea. He had worked as an auditor in Samil Accounting Corporation, PricewaterhouseCoopers in Korea for over 12 years and currently have been providing tax and accounting advisory services as the managing director of IL Shin Corporate Consulting Limited in Hong Kong.

金瓊洙先生，41歲，自二零零四年九月起獲委任為本公司獨立非執行董事。彼持有韓國延世大學經濟學學士學位，並為韓國執業會計師。彼曾於韓國普華永道會計師事務所之Samil Accounting Corporation任職核數師逾十二年，現以IL Shin Corporate Consulting Limited董事總經理身份在香港提供會計及稅務諮詢服務。

PROVISION OF DIRECTORS' INFORMATION

提供董事資料

Save as disclosed in the directors' respective biographical details under "Directors and Senior Management" section, the directors (a) have not held any directorships in other publicly listed companies, whether in Hong Kong or overseas, during the last three years; (b) do not hold any other positions in the Company and its subsidiaries; and (c) do not have any other relationships with any directors, senior management or substantial or controlling shareholders of the Company.

除各董事於「董事及高層管理人員」內所披露之詳情外，各董事(a)於過去3年並無在香港或海外的其他公眾上市公司擔任董事職務；(b)並無於本公司及其附屬公司擔當任何其他職務；及(c)與本公司之其他董事、高層管理人員、主要股東或控股股東並無任何其他關係。

The current emoluments of directors have been determined with reference to directors' relevant experience, knowledge and required commitment. The details of the emoluments of the directors on a named basis are disclosed in note 6 to the financial statements.

董事之現行酬金乃根據相關經驗、知識及所承擔之責任釐定。董事之酬金詳情以具名方式披露於財務報表附註6。

All directors have in some ways signed two-year service contracts with the Company. However, the Company's Articles of Association provide that each director is required to retire by rotation as from time to time prescribed under the Listing Rules and that one-third (or the number nearest to one-third) of the directors shall retire from office every year at the Company's AGM. A director's specific term of appointment, therefore, cannot exceed three years. Every retiring director shall be eligible for re-election at the AGM of the Company.

全體董事已與本公司訂立兩年期服務合約。然而，本公司之公司章程規定每位董事須根據上市規則之規定不時輪值退任，並規定每年於本公司股東週年大會上有三分之一(或最接近三分之一)之董事退任，即表示董事之明確任期不得超過三年。每位退任董事可於本公司股東週年大會應選連任。

SENIOR MANAGEMENT

HO Cheuk Yui

Mr. HO Cheuk Yui, aged 42, is the head of the Global Business Group and a general manager in sales and marketing of the Company. He assists the chief marketing officer in developing the Company's sales plans and marketing policies as well as overseeing the sales and marketing activities in relation to non-Korean based customers. He holds a bachelor's degree in business administration with honours from The City University of New York in the United States. He has over 16 years of experience in sales and marketing of electronic products and management. He joined the Group in 1995.

HONG Sang Joon

Mr. HONG Sang Joon, aged 40, is the treasurer of the Group and the general manager of the Management Planning Group. He is responsible for financial management and corporate planning of the Group. Mr. Hong holds a bachelor's degree majoring in Chinese language and Chinese literature and minoring in business administration from Yonsei University in Korea and a master's degree in business administration from the University of Hong Kong. He is a CFA Charterholder and FRM Certified having over 14 years of experience in investment, restructuring, strategic planning and finance from Hansol group companies and the Group. He joined the Group in 2002.

JANG Dong Jun

Mr. JANG Dong Jun, aged 52, is the division director of the Electric Component Business Division of the Group. He is responsible for the research and development of the Group's RF coils, transformers and antennas. He graduated from Cheong Il Technical High School in Korea. He has over 33 years of experience in research in electronic industry including 25 years of experience in developing RF coils, transformers and antennas in Kwang Sung Korea. He joined the Group in 2005.

高層管理人員

何緯銳

何緯銳先生，42歲，本公司之全球業務組主管及銷售及市場推廣總經理。彼協助市場總監制定本公司之銷售計劃及市場推廣政策，以及監察有關韓國以外客戶之銷售及市場推廣活動。彼持有美國紐約城市大學工商管理榮譽學士學位。彼在電子產品之銷售和市場推廣以及管理方面，擁有超過十六年經驗。彼於一九九五年加入本集團。

洪祥準

洪祥準先生，40歲，本集團財務司庫及管理規劃組總經理。彼負責本集團之財務管理及企業規劃。洪先生持有韓國延世大學學士學位，主修中國語文及中國文學及副修工商管理，彼亦持有香港大學工商管理碩士學位，並為特許財經分析師 (CFA) 及認可財金風險管理分析師 (FRM)。彼於Hansol及本集團內，擁有超過十四年在投資、重組及公司規劃和財務方面的經驗。彼於二零零二年加入本集團。

張東俊

張東俊先生，52歲，本集團電子零件業務部門總監。彼負責研究及開發無線射頻電感器，變壓器及天線等產品。彼於韓國Cheong Il Technical High School畢業，並在電子業擁有超過三十三年研發經驗，其中包括在韓國光星負責開發無線射頻電感器，變壓器及天線等產品達二十五年。彼於二零零五年加入本集團。

Directors and Senior *Management*

董事及高層管理人員

JO Jung Ho

Mr. JO Jung Ho, aged 44, is a principal engineer of the Group. He is the head of Manufacturing Technology Group, in charge of production, production technology & quality assurance, and the head of China Research and Development Centre, responsible for the research and development of the Group's RF module products. He graduated from Gumi National Electronics Technical High School in Korea. Prior to joining the Group, he gained over 24 years of experience in electronic industry including 10 years of experience in developing tuners and unit electronic components in Kwang Sung Korea. He joined the Group in 2005.

KIM Choon Gyum

Mr. KIM Choon Gyum, aged 51, is the division director of Wireless Solution Business Division of the Group. He is responsible for overall business operations of the wireless solutions in the Group. He holds a bachelor's degree majoring electronic engineering from Inha University in Korea. Prior to joining the Group, he gained over 22 years of experience in electronics companies including Maxon Electronics and Motorola Korea, specialized in RF products including cordless phones, mobile phones and Bluetooth products. He joined the Group in 2008.

KO Byoung Hwan

Mr. KO Byoung Hwan, aged 42, is a general manager in sales and marketing of the Company and the head of Production Management Group in Shenzhen Kwang Sung. He assists the chief marketing officer in developing the Company's sales plans and marketing policies as well as overseeing the sales and marketing activities in relation to the Korean based customers, as well as responsible for production planning, product shipment as well as inventory management functions for finished products. He holds a bachelor's degree in economics from Dongguk University in Korea. He has over 14 years of experience in sales and marketing of electronic products and management. He joined the Group in 1994.

LIM Jung Bum

Mr. LIM Jung Bum, aged 47, is the division director of DM Business Division of the Group. He is responsible for the overall business operations of digital multimedia products in the Group. He holds a bachelor's degree in science from Dong-A University in Korea. He has over 22 years of experience in electronic components development. He joined the Group in 2003.

趙正鎬

趙正鎬先生，44歲，本集團其中一位總工程師。彼為製造技術組主管，負責生產、生產技術及質量保證，以及中國研發中心之主管，負責研究及開發無線射頻產品。彼於龜尾國家電子工業學院畢業。加入本集團前，彼在電子業擁有超過二十四年經驗，其中包括在韓國光星負責開發調諧器及單位電子元件達十年。彼於二零零五年加入本集團。

金春謙

金春謙先生，51歲，本集團無線解決方案業務部門部門總監。彼負責本集團無線解決方案的整體業務營運。彼持有韓國仁荷大學電子學學士學位。加入本集團前，彼在電子業擁有超過二十二年經驗，其中包括在Maxon Electronics及韓國摩托羅拉任職，專門負責無線射頻產品，包括無線電話，手提電話及藍牙產品。彼於二零零八年加入本集團。

高秉煥

高秉煥先生，42歲，本公司之銷售及市場推廣總經理及深圳光星之生產管理組主管。彼協助市場總監制定本公司之銷售計劃及市場推廣政策、監督有關韓國客戶之銷售及市場推廣活動以及負責生產計劃、產品運送，以及製成品之存貨管理事宜。彼持有韓國東國大學經濟學學士學位，並在電子產品銷售及市場推廣及管理方面擁有超過十四年經驗。彼於一九九四年加入本集團。

林政範

林政範先生，47歲，本集團數碼多媒體業務部門部門總監。彼負責本集團數碼多媒體產品之銷售及有關事務。彼持有韓國東亞大學科學學士學位，並在電子元件開發方面擁有超過二十二年經驗。彼於二零零三年加入本集團。

PARK Jung Soon

Mr. PARK Jung Soon, aged 46, is a general manager and the head of the Management Support of the Group. He mainly supervise the operation in Korea. He graduated from Suncheon Technical High School in Korea. He has over 21 years of experience in electronic industry including 19 years in Kwang Sung Korea. He joined the Group in 2006.

SIN Lai Lan

Ms. SIN Lai Lan, aged 41, is the company secretary of the Group. She is responsible for monitoring the corporate compliance matters and enhancing the corporate governance practice of the Company as well as participating in the development of corporate affairs of the Group. She was educated in Canada and holds bachelor (honours) degree from The University of Western Ontario and master's degree from University of Guelph in economics. She is a Fellow of The Institute of Chartered Secretaries and Administrators, UK and The Hong Kong Institute of Chartered Secretaries. Ms. Sin has over 12 years' company secretarial experience gained from legal firms and main board issuers. She joined the Group in 2002.

SUH Jin Won

Mr. SUH Jin Won, aged 41, is the deputy general manager of Operation Management Group in Shenzhen Kwang Sung. He is responsible for administration, finance and management planning in Shenzhen Kwang Sung. He holds a bachelor's degree in law from Dongguk University in Korea and has over 12 years of experience in electronic industry. He joined the Group in 1996.

SUNG Soo Earn

Mr. SUNG Soo Earn, aged 51, is the general manager of Research and Development Planning & Management Group of the Group. He is responsible for overall research and development planning and control of the Group. He holds a bachelor's degree majoring electronics and communications engineering from Kwangwoon University in Korea. Prior to joining the Group, he gained over 23 years of experience in developing electronic devices such as PA modules and PA MMIC, and RF modules mainly from LG Innotek. He joined the Group in 2007.

朴政淳

朴政淳先生，46歲，本集團之總經理及管理支援組主管。彼主要負責監察韓國內之運作。彼於韓國順天工業高等學校畢業。彼於電子業擁有逾二十一年經驗，包括於光星韓國之十九年經驗。彼於二零零六年加入本集團。

單麗蘭

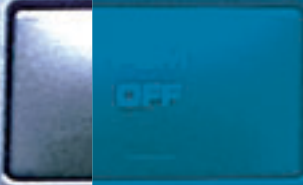
單麗蘭女士，41歲，本集團之公司秘書。彼負責監管本公司法規之遵守，提升企業管治，並參與本集團企業事務之發展。彼在加拿大受教育，於西安大略大學取得經濟學榮譽學士學位，並於蓋爾弗大學獲取經濟學碩士學位。彼為英國特許秘書及行政人員公會及香港特許秘書公會之資深會士。單女士曾任於不同之律師行及主板上市公司，並累積了逾十二年公司秘書方面之經驗。彼於二零零二年加入本集團。

徐陳愿

徐陳愿先生，41歲，深圳光星營運管理組副總經理。彼負責深圳光星之行政、財務及管理規劃。彼持有韓國東國大學法律學士學位，於電子業擁有逾十二年經驗。彼於一九九六年加入本集團。

成秀彥

成秀彥先生，51歲，本集團研發規劃及管理組的總經理。彼負責本集團整體研發規劃及監控。彼持有韓國光雲大學電子及通訊工程學士學位。於加入本集團前，彼於開發功率放大器模組、功率放大器積體電路及射頻模組方面擁有超過23年經驗，期間主要任職於LG Innotek。彼於二零零七年加入本集團。



TUNER

CD



repeat



MAIN AUDIO SOUND





The Group will steer its business with caution so as to tap **growth potential** in the industry in the long run

集團將審慎經營業務，以把握市場的長遠
增長潛力

report of the
directors
董事會報告書

The directors submit herewith their annual report together with the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and sale of electronic components. The principal activities and other particulars of the subsidiaries are set out in note 13 to the financial statements. An analysis of the Group's performance for the year by business and geographical segments is set out in note 11 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

董事會全人謹將截至二零零八年十二月三十一日止年度的年報及經審核財務報表呈覽。

主要業務

本公司之主要業務為製造及銷售電子元件。附屬公司之主要業務及其他詳情載於財務報表附註13。本集團本年度內按主要業務及地區分部之業務表現載列於財務報表附註11。

主要客戶及供應商

於本財政年度內，有關各主要客戶及供應商分別應佔本集團銷售額及購貨額之資料如下：

		Percentage of the Group's total 佔本集團總額百分比	
		Sales 銷售	Purchases 購買
The largest customer	最大客戶	22%	
Five largest customers in aggregate	五大客戶總和	55%	
The largest supplier	最大供應商		10%
Five largest suppliers in aggregate	五大供應商總和		25%

Kwang Sung Korea, which is a substantial shareholder of the Company and beneficially owned by certain directors and their associates, is one of the customers and suppliers of the Group. Further details are set out in the sections "Directors' Interests in Contracts" and "Connected Transactions" in the Report of the Directors.

韓國光星是本公司的主要股東，由若干董事及彼等之聯繫人士實益擁有，並為本集團客戶及供應商之一。有關詳情載於董事會報告書內「董事之合約利益」及「關連交易」各節。

Save as disclosed above, at no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

除上文披露者外，於年內任何時間，各董事、彼等之聯繫人士或本公司之任何股東（據董事所知，擁有本公司已發行股本5%以上者），並無擁有該等主要客戶及供應商之權益。

RESULTS AND APPROPRIATIONS

The loss of the Group for the year ended 31 December 2008 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 57 to 143 of this annual report.

An interim dividend of HK0.5 cents per share (2007: HK1.5 cents per share), was paid on 17 October 2008. The Board do not recommend payment of a final dividend for the year ended 31 December 2008 (2007: HK1.4 cents)

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in note 24 to the financial statements.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$2,104,000 (2007: HK\$1,680,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 12 to the financial statements.

SHARE CAPITAL AND SECURITIES IN ISSUE

During the year, the Company newly issued 1,782,000 ordinary shares upon exercising of share options by option participants. Overall, as at 31 December 2008, there were 315,362,000 ordinary shares of the Company in issue with outstanding share options of 1,000,000 shares with exercise prices of HK\$1.666 per share.

Details of movements in share capital of the Company during the year, together with the reasons therefor, are set out in note 24 to the financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

業績及分派

本集團於截至二零零八年十二月三十一日止年度之虧損及本公司及本集團於該日事務之狀況載於本年報之財務報表第57至143頁。

中期股息每股0.5港仙(二零零七年：每股1.5港仙)已於二零零八年十月十七日支付。董事會現建議不派付截至二零零八年十二月三十一日止年度末期股息(二零零七年：每股1.4港仙)。

儲備

年內本公司及本集團儲備之變動詳情載於財務報表附註24。

捐款

本集團於年內之慈善及其他捐款為2,104,000港元(二零零七年：1,680,000港元)。

物業、機器及設備

物業、機器及設備之變動詳情載於財務報表附註12。

股本及已發行證券

年內，認購股權參與者購股權之行使，本公司已新發行1,782,000股普通股。整體來說，於二零零八年十二月三十一日，本公司已發行315,362,000股普通股，並有涉及1,000,000股股份而每股行使價為港幣1.666元之尚未行使購股權。

年內本公司股本之變動詳情以及有關原因載於財務報表附註24。

購買、出售或贖回本公司之上市證券

年內，本公司或任何其附屬公司概無購買、出售或贖回本公司任何上市證券。

DIRECTORS

The directors during the financial year and up to the date of this report were:

Non-executive director:

Mr. Yang Ho Sung (*Chairman*)

Executive directors:

Mr. Yang Jai Sung

Mr. Kim Sun Cheol (resigned on 1 April 2008)

Mr. Woo Nam Jin

Mr. Lee Kyu Young

Independent non-executive directors:

Dr. Kim Chung Kweon

Dr. Han Byung Joon

Mr. Kim Chan Su

In accordance with Article 101 of the Company's Articles of Association, Mr. Yang Jai Sung, Mr. Yang Ho Sung and Mr. Woo Nam Jin shall retire from the Board by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

董事

本財政年度內及至本報告日期當日之董事如下：

非執行董事：

梁皓星先生 (主席)

執行董事：

梁在星先生

金善哲先生 (於二零零八年四月一日辭任)

禹南珍先生

李圭英先生

獨立非執行董事：

金正權博士

韓丙濬博士

金瓚洙先生

根據本公司之組織章程細則第101條，梁在星先生、梁皓星先生及禹南珍先生將於即將召開之股東週年大會輪值告退，惟合乎資格並願意膺選連任。

董事服務合約

建議於即將召開之股東週年大會中連任之董事概無訂立本公司或任何其附屬公司於一年內不可在無需賠償 (一般法定賠償除外) 之情況下終止之尚未屆滿服務合約。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2008, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code (collectively "discloseable interests") were as follows:

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零八年十二月三十一日，根據證券及期貨條例第352條須予備存的登記冊所載，或根據標準守則向本公司及香港聯合交易所有限公司（「聯交所」）作出之申報，本公司在職董事及行政總裁於本公司或任何其他其相關法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益或淡倉（統稱「須予披露權益」）如下：

(i) Interests in Issued Shares of the Company

(i) 本公司已發行股份權益

Name of directors	董事姓名	Beneficial owner	Interest of controlled corporations	Ordinary shares of HK\$0.1 each		
				Equity derivatives	Total number of shares held	% of total issued shares
		實益擁有人	受控制法團之權益	股本衍生工具 (note 3) (附註3)	每股面值0.1港元之普通股持有之股份總數	佔已發行股份總百分比
Mr. Yang Jai Sung	梁在星先生	147,700,000 (note 1a) (附註1a)	59,500,000 (note 2) (附註2)	—	207,200,000 (note 1b) (附註1b)	65.70%
Mr. Woo Nam Jin	禹南珍先生	—	—	1,000,000	1,000,000	0.32%

Notes:

附註：

- | | |
|--|--|
| <p>(1a) On 24 February 2009, Mr. Yang Jai Sung transferred 33,118,000 shares, representing approximately 10.50% of the total issued share capital of the Company and keep holding 114,582,000 shares beneficially owned in the interest of the Company, and</p> <p>(1b) After completion of the share transfer mentioned in (1a), Mr. Yang Jai Sung is interested in 174,082,000 shares, representing approximately 55.20% of the total issued share capital of the Company.</p> <p>(2) Mr. Yang Jai Sung and his relatives are approximately interested in 79.5% of the issued share capital of Kwang Sung Korea and therefore Mr. Yang Jai Sung is deemed or taken to be interested in these ordinary shares which are beneficially owned by Kwang Sung Korea for the purpose of the SFO.</p> <p>(3) These represented interests of options granted to directors under the share option scheme to subscribe for shares of the Company. Further details are set out in the section "Share Option Scheme" below.</p> | <p>(1a) 於二零零九年二月二十四日，梁在星先生轉讓33,118,000股股份(佔本公司已發行股本總額約10.50%)，並繼續實益擁有本公司114,582,000股股份之權益；及</p> <p>(1b) 緊隨於(1a)提及之股份轉讓完成後，梁在星先生於174,082,000股股份擁有權益，佔本公司已發行股本之約55.20%權益。</p> <p>(2) 由於梁在星先生及其親屬擁有韓國光星已發行股本之約79.5%權益，故此就證券及期貨條例而言，梁在星先生被視為或被認為擁有韓國光星實益擁有之該等股份之權益。</p> <p>(3) 該等權益指根據購股權計劃授予董事認購本公司股份之購股權權益，進一步詳情載於下文「購股權計劃」一節。</p> |
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(ii) Interests in Underlying Shares of the Company

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

Save as disclosed above, as at 31 December 2008, none of the directors and/or the chief executive of the Company, or their respective associates had any other discloseable interests as required.

SHARE OPTION SCHEME

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

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

(ii) 本公司相關股份權益

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

除上文披露者外，於二零零八年十二月三十一日，概無本公司之董事及／或行政總裁或彼等之各自關連人士擁有任何其他須予披露之權益。

購股權計劃

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

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

The total number of ordinary shares available for issue under the share option scheme as at 31 December 2008 was 31,330,000 shares which represented 9.93% of the issued share capital of the Company at 31 December 2008. In respect of the maximum entitlement of each participant under the scheme, the total number of ordinary shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Company's ordinary shares in issue, unless approved by the shareholders in general meeting.

As at 31 December 2008, the directors and employees of the Group and certain eligible persons had the following interests in options to subscribe for shares of the Company granted at nominal consideration under the share option scheme of the Company (market value per share at 31 December 2008: HK\$2.681). The options are unlisted. Each share option gives the option holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

於二零零八年十二月三十一日，購股權計劃下可供發行之普通股總數為31,330,000股股份，相當於二零零八年十二月三十一日本公司已發行股本之9.93%。就每名參與者於計劃下之配額上限而言，其於任何十二個月期間因行使授予彼等之購股權（包括已行使、註銷及尚未行使之購股權）獲行使而發行及將發行之普通股總數，不得超過本公司已發行普通股之1%，惟獲股東於股東大會上批准者則作別論。

本集團董事與僱員及部份合資格人士根據本公司購股權計劃以象徵式代價獲授出可認購本公司股份之購股權，於二零零八年十二月三十一日，彼等持有以下權益（於二零零八年十二月三十一日每股市值：2.681港元）。購股權並無上市。每份購股權賦予購股權持有人權利認購本公司每股面值0.1港元之普通股一股。

Category or name of participant	參與者類別或姓名	No. of share options (note 3) 購股權數目 (附註3)			Outstanding as of 31 December 2008 於二零零八年十二月三十一日尚未行使	Date of grant 授出日期	Option exercise period 購股權行使期	Exercise price per share 每股行使價 HK\$ 港元	Market value per share at date of grant 於授出日期之每股市值 HK\$ 港元
		Outstanding on 1 January 2008 於二零零八年一月一日尚未行使	Exercised during the year 年內行使	Lapsed during the year 年內已失效					
Executive directors	執行董事								
Mr. Kim Sun Cheol	金善哲先生	1,000,000	—	1,000,000 (note 5) (附註5)	7 July 2003 二零零三年七月七日	1 July 2004 to 30 June 2008 二零零四年七月一日至二零零八年六月三十日	1.294	1.25	
Mr. Woo Nam Jin	禹南珍先生	1,000,000	—	—	6 May 2004 二零零四年五月六日	1 May 2005 to 30 April 2009 二零零五年五月一日至二零零九年四月三十日	1.666	1.63	
Employees	僱員	12,520,000	1,782,000	10,738,000 (notes 4 and 5) (附註4及5)	7 July 2003 二零零三年七月七日	1 July 2004 to 30 June 2008 二零零四年七月一日至二零零八年六月三十日	1.294	1.25	
Other eligible persons	其他合資格人士	2,700,000	—	2,700,000 (note 5) (附註5)	7 July 2003 二零零三年七月七日	1 July 2004 to 30 June 2008 二零零四年七月一日至二零零八年六月三十日	1.294	1.25	

Notes:

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

On or after 1st year anniversary	30%
On or after 2nd year anniversary	another 30%
On or after 3rd year anniversary	another 40%
- (3) Number of share options refers to the number of underlying shares in the Company covered by the options under the share option scheme.
- (4) 600,000 share options held by one resigned employee lapsed on 31 May 2008.
- (5) 13,838,000 share options held by executive director, employees and other eligible persons automatically lapsed on 1 July 2008.

Information on the accounting policy for share options granted and the weighted average value per option is provided in note 1(m)(ii) and note 22 to the financial statements respectively.

Apart from the foregoing, at no time during the year was the Company or its subsidiaries a party to any arrangement to enable the directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

附註：

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

於一周年當日或之後	30%
於兩周年當日或之後	另外30%
於三周年當日或之後	另外40%
- (3) 購股權數目指購股權計劃下購股權涉及之本公司相關股份。
- (4) 一名離職僱員，其擁有600,000份購股權已於二零零八年五月三十一日失效。
- (5) 執行董事、僱員及其他合資格人士擁有之13,838,000份購股權已於二零零八年七月一日自動失效。

已授出購股權及每份購股權之平均價值之會計政策資料分別載於財務報表附註1(m)(ii)及附註22。

除上述者外，本公司或其附屬公司概無於本年度內任何時間訂立任何安排，致使本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或任何其他法人團體之股份或債券而取得利益。

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

As at 31 December 2008, the following persons (other than the directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company were as follows:

主要股東及其他人士於股份、相關股份之權益及淡倉

截至於二零零八年十二月三十一日，除本公司董事或行政總裁外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或已知會本公司之權益或淡倉如下：

Substantial shareholders	主要股東	Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股		
		No. of ordinary shares held 持有之普通股數目	Nature of interest/Capacity 權益性質／身份	% of the issued share capital 佔已發行股份總百分比
Madam Kang Mi Young (note 1)	姜美英女士(附註1)	207,200,000 (note 2) (附註2)	Interest of spouse 配偶之權益	65.70%
Mr. Kent C. McCarthy ("Mr. McCarthy") (note 3)	Kent C. McCarthy先生 (「McCarthy先生」)(附註3)	62,438,000	Interest of controlled corporations 受控制法團之權益	19.80%
Kwang Sung Electronics Co., Ltd.	株式會社光星電子	59,500,000	Beneficial owner 實益擁有人	18.87%
Jayhawk China JPM Liquidating Fund, L.P. ("Jayhawk JPM")	Jayhawk China JPM Liquidating Fund, L.P. (「Jayhawk JPM」)	43,964,000	Beneficial owner/ Investment manager 實益擁有人／投資經理	13.94%

Notes:

- (1) Madam Kang Mi Young is the wife of Mr. Yang Jai Sung and is deemed to be interested in these ordinary shares in which Mr. Yang Jai Sung is deemed or taken to be interested for the purpose of the SFO.
- (2) Due to the transfer of 33,118,000 shares from Mr. Yang Jai Sung on 24 February 2009, Madam Kang Mi Young was deemed or taken to be interested in 174,082,000 shares in the interests of the Company thereafter.
- (3) Mr. McCarthy is deemed or taken to be interested in these ordinary shares through his indirect 100% control in Jayhawk JPM and other six funds. These interests were partly duplicated by those beneficially owned by Jayhawk JPM.

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

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Kwang Sung Korea is a substantial shareholder of the Company and one of the Company's customers and suppliers. Mr. Yang Jai Sung and his relatives were interested in these arrangements as a shareholder holding approximately 79.5% interest in the share capital of Kwang Sung Korea.

Save as disclosed in note 27 to the financial statements under the heading "Material Related Party Transactions", there were no other contracts of significance to which the Company or its subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

附註：

- (1) 姜美英女士為梁在星先生之妻子，就證券及期貨條例而言，彼被視為擁有梁在星先生被視為或被認為擁有權益之該等普通股之權益。
- (2) 由於在二零零九年二月二十四日，梁在星先生已轉讓33,118,000股股份。姜美英女士之後被視為或被認為擁有174,082,000股股份之本公司權益。
- (3) McCarthy先生透過彼於Jayhawk JPM及其他六個基金持有之100%間接控制權而被視為或被認為擁有該等普通股之權益。該等權益部分與Jayhawk JPM實益擁有之權益屬同一批權益。

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

公眾持股量

根據本公司可公開取得之資料，及就本公司董事所深知，於本年報日期，本公司維持上市規則所規定之公眾持股量。

董事之合約利益

韓國光星是本公司之主要股東，並為本公司客戶及供應商之一。梁在星先生及其親屬因作為持有韓國光星股本約79.5%權益之韓國光星股東，而於該等安排中佔有權益。

除財務報告附註27「重大關連人士交易」一節所披露者外，於本年度結束時或於本年度內任何時間，本公司或其附屬公司並無訂立任何重大且本公司董事曾經直接或間接擁有重大權益之合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2008, the director of the Company namely Mr. Yang Jai Sung is both shareholder and director of Kwang Sung Korea, whose businesses compete or are likely to compete, directly or indirectly, with the Group's businesses. The principal businesses of Kwang Sung Korea are as follows:

- (1) Research, design and product development of electronic components and related products and manufacturing of electronic components for electronic appliances and communication equipment through the factory operated by Kwang Sung Korea (the "KSK Factory") exclusively for orders placed directly with Kwang Sung Korea and to be sold in the Korean market but subject to the terms and limited to the scope as set out in the Deed of Undertaking and the Research and Development Service Agreement.
- (2) Sales, marketing, purchasing and distribution of electronic components for electronic appliances and communication equipment, but subject to the terms and limited to the scope as set out in the Deed of Undertaking and the Commission Agreement.

In relation to the listing of the Company's shares on the Main Board of the Stock Exchange, each of Kwang Sung Korea, KS-Tech Group Corporation, and Mr. Yang Jai Sung ("Mr. Yang") has entered into the Deed of Undertaking in favour of the Group to the effect that for so long as Kwang Sung Korea and/or any of its subsidiaries, Mr. Yang and/or the companies controlled by Mr. Yang are beneficially interested, directly and indirectly, whether individually or taken together, in 20% or more of the issued share capital of the Company, Kwang Sung Korea and Mr. Yang will not, and Kwang Sung Korea and Mr. Yang will procure that none of its subsidiaries (other than the Group) and the companies controlled by him (other than the Group), respectively, will engage or otherwise be involved in any business which competes or is likely to compete, either directly or indirectly, with any of the businesses carried out by any member of the Group from time to time (the "Restricted Business") in any of the regions in which the Group is engaged in and undertakes the Restricted Business (such regions include Korea and the PRC (including Hong Kong)).

董事於競爭性業務之權益

於截至二零零八年十二月三十一日年度內，本公司董事梁在星先生為韓國光星之股東兼董事，而韓國光星之業務會或可能會對本集團業務構成直接或間接競爭。韓國光星之主要業務如下：

- (1) 電子元件及相關產品之研究、設計及產品開發，並透過韓國光星經營之研究、設計及產品開發工廠（「韓國光星工廠」），替直接向韓國光星落單之獨家訂單，製造電器及通訊設備之電子元件，及於韓國市場出售，惟須遵守承諾契據及研發服務協議之條款及受所載之範疇限制。
- (2) 銷售、市場推廣、購買及分銷電器及通訊設備之電子元件，惟受承諾契據及佣金協議之條款及範圍所規限。

就本公司股份於聯交所主板上市，韓國光星、KS-Tech Group Corporation及梁在星先生（「梁先生」）已各自為本集團之利益，而訂立承諾契據，只要韓國光星及／或其任何附屬公司、梁先生及／或由梁先生控制之公司直接或間接（不論個人或共同）實益擁有本公司已發行股本之20%或以上，則韓國光星及梁先生將不會，並將分別促使其附屬公司（本集團除外）及由其控制之公司（本集團除外）不會從事或以其他方式參與任何業務，而該等業務與本集團經營及從事受限制業務之任何地區（包括韓國及中國（包括香港））內之任何本集團成員公司可能從事之任何業務（「受限制業務」）直接或間接構成或很可能構成競爭。

Kwang Sung Korea has agreed to first refer all customers' orders for the production of electronic components received by Kwang Sung Korea from its customers (subject to certain conditions) and the results and/or products developed by the product design and research and development centre of Kwang Sung Korea and the KSK Factory and/or any intellectual property right in or arising from such results and/or products to the Group on terms in accordance with the Deed of Undertaking, the Commission Agreement and the Research and Development Service Agreement, respectively.

According to the supplementary Deed of Undertaking effective 20 September 2005, KS-Tech Group Corporation is no longer a party to the Deed of Undertaking as it is no longer beneficially owned by Kwang Sung Korea.

Pursuant to the supplementary deed inter alia, for so long as Kwang Sung Korea and/or any of its subsidiaries and Mr. Yang and/or any of the companies controlled by him are beneficially interested, directly or indirectly, whether individually or taken together, in 10% or more of the issued share capital of the Company, Kwang Sung Korea and Mr. Yang will not, and Kwang Sung Korea and Mr. Yang will procure that none of its subsidiaries (other than the Group) and the companies controlled by him (other than the Group), respectively, will engage or otherwise be involved in any business which competes or is likely to compete, either directly or indirectly, with any of the Restricted Business in any of the regions in which the Group engages in and undertakes the Restricted Business (such regions include Korea and the PRC (including Hong Kong)).

The transactions with Kwang Sung Korea are set out in the paragraph headed "Connected Transactions". There has been no material change in directors' interests in any competing business subsequent to 31 December 2008.

韓國光星已同意，首先分別根據承諾契據、佣金協議及研發服務協議之條款，向本集團轉介韓國光星從其客戶接獲生產電子元件之所有客戶訂單(受若干條件所規限)，及由韓國光星之產品設計及研究與開發中心及韓國光星工廠開發之成果及／或產品及／或於或由該等成果及／或產品而產生之任何知識產權。

根據於二零零五年九月二十日生效之補充承諾契據，由於KS-Tech Group Corporation不再為韓國光星實益擁有，故其不再成為承諾契據的一方。

根據補充契據(其中包括)，只要韓國光星及／或其任何附屬公司、梁先生及／或由梁先生控制之公司直接或間接(不論個人或共同)實益擁有本公司已發行股本之10%或以上，則韓國光星及梁先生將不會，並將分別促使其附屬公司(本集團除外)及由其控制之公司(本集團除外)不會從事或以其他方式參與任何業務，而該等業務與本集團經營及從事受限制業務之任何地區(包括韓國及中國(包括香港))內之任何受限制業務直接或間接構成或很可能構成競爭。

與韓國光星之交易詳情載於「關連交易」一段。於二零零八年十二月三十一日後，董事於競爭業務之權益並無任何重大轉變。

CONNECTED TRANSACTIONS

During the year, the Group entered into the following transactions with Kwang Sung Korea, which constituted continuing connected transactions (the “connected transactions”) as defined in the Listing Rules.

- (1) In the ordinary course of business, the Group sold electronic components to Kwang Sung Korea for resale to ultimate customers; the Group also sourced certain raw materials necessary for production from Kwang Sung Korea. These transactions were entered into on normal commercial terms and on prices and terms comparable to the prevailing market rate or practice.

During the year ended 31 December 2008, sales of electronic components to Kwang Sung Korea amounted to HK\$5,318,000 (2007: HK\$8,411,000) and purchases of raw materials from Kwang Sung Korea amounted to HK\$NIL (2007: HK\$111,000).

- (2) Pursuant to a Commission Agreement dated 23 June 2003, Kwang Sung Korea referred a number of customers to the Group. These customers place orders directly with the Group and upon completion of the production, the Group sold the electronic components to the customers directly. The Group paid Kwang Sung Korea a referral commission which represents not more than 3% of the total sales to these customers. The referral commission rate was comparable to the referral commission rates payable by the Group to independent third parties and was on terms comparable to the prevailing market rate or practice.

In view of the declining marketing support from Kwang Sung Korea for the referral business, the Company and Kwang Sung Korea entered into a supplementary agreement on 16 September 2005 pursuant to which the commission rate was reduced from 3% to 2% of the amount of sales for electronic components and related products (the “Products”) to such customers with retrospective effect from 1 July 2005.

During the year ended 31 December 2008, referral commission paid/payable by the Group to Kwang Sung Korea amounted to HK\$3,474,000 (2007: HK\$6,301,000).

關連交易

年內，本集團與韓國光星進行下列交易，該等交易構成上市規則所界定之持續關連交易（「關連交易」）。

- (1) 本集團於日常業務過程中向韓國光星出售電子元件，以供轉售予最終客戶。本集團亦向韓國光星購買部分生產所需原料。該等交易乃按正常商業條款及根據可與現行市場價格或慣例比較之價格及條款進行。

於截至二零零八年十二月三十一日止年度，向韓國光星銷售電子元件之銷售額為5,318,000港元（二零零七年：8,411,000港元）；而向韓國光星採購原料之金額為零港元（二零零七年：111,000港元）。

- (2) 根據二零零三年六月二十三日的佣金協議，韓國光星已轉介若干客戶至本集團，此等客戶直接向本集團落單，待生產完成後，本集團直接向該等客戶銷售電子元件。本集團已支付轉介佣金予韓國光星，金額不多於銷售予該等客戶之總銷售額之3%。轉介佣金與本集團向獨立第三者支付之轉介佣金相若，並根據與現時市場價格或慣例相若之條款釐定。

鑑於韓國光星對於轉介業務之宣傳推廣支持出現減退，本公司與韓國光星於二零零五年九月十六日訂立補充協議，據此，轉介佣金將由向該等顧客銷售電子元件及相關產品（「產品」）之銷售額之3%減至2%，協議可追溯應用，由二零零五年七月一日起生效。

於截至二零零八年十二月三十一日止年度，本集團已付／應付予韓國光星之轉介佣金為3,474,000港元（二零零七年：6,301,000港元）。

At the extraordinary general meeting of 20 December 2005, the Company has sought approval from the independent shareholders of the non-exempt continuing connected transactions up to the limits specified in the new caps for each of the three financial years ending 31 December 2008 mentioned below:

於二零零五年十二月二十日舉行之股東特別大會，本公司已尋求獨立股東批准不獲豁免持續關連交易，金額最高為下文所述截至二零零八年十二月三十一日止三個財政年度之新上限：

		Annual cap on the aggregate value of the transactions for financial years ended 31 December 截至十二月三十一日止 財政年度總交易額年度上限		
Transactions	交易	2006	2007	2008
		二零零六年 HK\$'000 千港元	二零零七年 HK\$'000 千港元	二零零八年 HK\$'000 千港元
Sale of products to Kwang Sung Korea by the Group	本集團向韓國光星銷售產品	50,000	50,000	50,000
Commission payable to Kwang Sung Korea by the Group for sales orders placed by the customers referred by Kwang Sung Korea	本集團就韓國光星轉介客戶所發出之銷貨訂單應付予韓國光星之佣金	9,500	9,500	9,500
Purchase of raw materials from Kwang Sung Korea by the Group	本集團向韓國光星採購原材料	15,000	—	—

The directors, including the independent non-executive directors, of the Company have reviewed the connected transactions and confirmed that:

本公司董事(包括獨立非執行董事)已審閱關連交易，並確認：

- (1) the connected transactions were:
- (i) entered into by the Group in its ordinary and usual course of business;
 - (ii) entered into by the Group either on normal commercial terms (to the extent that there are comparable transactions), or, where there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
 - (iii) on terms that are fair and reasonable and in the interests of independent shareholders of the Company as a whole.
- (2) the connected transactions entered into during the year ended 31 December 2008 have been conducted such that the aggregate amount for each type of the transactions has not exceeded the respective caps set out above.

- (1) 關連交易屬：
- (i) 本集團於日常及一般業務過程中訂立；
 - (ii) 本集團按照正常商業條款(只限有可供比較之交易而言)，或倘若並無足夠之可供比較交易判斷是否按正常商業條款訂立，則按照不遜於本集團給予或自獨立第三者取得(如適用)之條款訂立；及
 - (iii) 按照公平合理及符合本公司獨立股東整體利益之條款。
- (2) 於截至二零零八年十二月三十一日止年度內進行之關連交易，其金額並無超出上述各類交易之上限。

The Company's auditors have confirmed in a letter to the board of directors that:

- (i) the connected transactions had received the approval of the Company's board of directors;
- (ii) there was an agreement in place governing each selected transaction; and
- (iii) the connected transactions had not exceeded the respective caps as set out above.

It has been expected that sale of products to Kwang Sung Korea and referral commission payable to Kwang Sung Korea will continue, and the Group will strategically outsource part of its production to Kwang Sung Korea resulting in production outsourcing fees payable to Kwang Sung Korea. At the extraordinary general meeting of 5 December 2008, the Company sought approval from the independent shareholders of the non-exempt continuing connected transactions up to the limits specified in the new caps for each of the three financial years ending 31 December 2011 mentioned below:

本公司核數師於一封致董事會之函件中確認：

- (i) 關連交易已獲本公司董事會批准；
- (ii) 每一項交易亦受着各自的一份協議所規範；及
- (iii) 每類關連交易不會超過上述各自之上限。

在預期中，銷售該等產品予韓國光星及應付韓國光星之轉介佣金將會繼續；及本集團將策略地將部分生產外包予韓國光星，導致了應付韓國光星之外包生產費用。於二零零八年十二月五日舉行之股東特別大會，本公司已尋求獨立股東批准不獲豁免持續關連交易，金額最高為下文所述截至二零一一年十二月三十一日止三個財政年度之新上限：

**Annual cap on the aggregate value
of the transactions for
financial years ending 31 December**
將截至十二月三十一日止
財政年度交易總值之全年上限

Transactions	交易	2009	2010	2011
		二零零九年 HK\$'000 千港元	二零一零年 HK\$'000 千港元	二零一一年 HK\$'000 千港元
Sales of Products by the Group to Kwang Sung Korea	本集團銷售該等產品予韓國光星	10,200	11,200	12,300
Commission payable by the Group to Kwang Sung Korea for sales orders placed by the customers referred by Kwang Sung Korea	本集團就韓國光星所轉介客戶發出之銷售訂單應付韓國光星之佣金	5,200	5,200	5,200
Production outsourcing fees payable by the Group to Kwang Sung Korea	本集團應付韓國光星之外包生產費用	5,800	7,100	8,700

RETIREMENT SCHEMES

Details of the retirement schemes participated by the Group are set out in note 21 to the financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 144 to 145 of the annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

AUDITORS

KPMG retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming AGM.

By order of the Board

Yang Ho Sung

Chairman

Hong Kong, 31 March 2009

退休計劃

有關本集團參與之退休計劃之詳情，載於財務報表附註21。

五年財務概要

本集團過去五個財政年度業績、資產與負債概要載於本年報第144及145頁。

確認獨立性

本公司已根據上市規則第3.13條，收取各獨立非執行董事之年度獨立性確認函件，並認為所有獨立非執行董事均維持獨立。

核數師

畢馬威會計師事務所即將告退，惟符合資格並願膺選連任。重新委聘畢馬威會計師事務所為本公司核數師的決議，將於即將召開的股東週年大會上提出。

承董事會命

主席

梁皓星

香港，二零零九年三月三十一日



**Independent auditor's report to the shareholders of
Kwang Sung Electronics H.K. Co. Limited**
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Kwang Sung Electronics H.K. Co. Limited ("the Company") set out on pages 57 to 143, which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

獨立核數師報告
致光星電子香港有限公司股東
(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第57至第143頁光星電子香港有限公司(「貴公司」)的綜合財務報表，此綜合財務報表包括於二零零八年十二月三十一日的綜合和公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

董事須負責根據香港會計師公會頒布之香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部監控，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們是按照香港《公司條例》第141條的規定，僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒布之香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

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

31 March 2009

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及貴集團於二零零八年十二月三十一日的財務狀況及貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零零九年三月三十一日

Consolidated Income Statement

For the year ended 31 December 2008
(Expressed in Hong Kong dollars)

綜合損益表

截至二零零八年十二月三十一日年度
(以港元為單位)

		Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
		附註		
Turnover	營業額	2, 11	797,912	783,453
Cost of sales	銷售成本		(707,402)	(660,375)
Gross profit	毛利		90,510	123,078
Other revenue	其他收益	3	4,239	6,609
Selling and distribution expenses	銷售及分銷開支		(25,014)	(27,047)
Administrative expenses	行政開支		(16,745)	(16,485)
Research and development expenses	研發開支		(39,259)	(44,471)
Surplus on revaluation of land and buildings	重估土地及樓宇盈餘		-	1,456
Other operating expenses	其他經營開支		(15,269)	(8,270)
(Loss)/profit before taxation	除稅前(虧損)/溢利	4	(1,538)	34,870
Income tax	所得稅	5	(760)	(4,595)
(Loss)/profit after taxation attributable to equity shareholders of the Company	本公司股本持有人應佔除稅後(虧損)/溢利	8, 24	(2,298)	30,275
Dividends payable to equity shareholders of the Company attributable to the year:	本年度應付予本公司股本持有人之股息:	9		
Interim dividend declared during the year	年內宣派中期股息		1,577	4,701
Final dividend proposed after the balance sheet date	結算日後建議末期股息		-	4,415
			1,577	9,116
(Loss)/earnings per share	每股(虧損)/盈利	10	HK cents 港仙	HK cents 港仙
Basic	基本		(0.73)	9.66
Diluted	攤薄		(0.73)	9.46

The notes on pages 65 to 143 form part of these financial statements.

第65至143頁之附註為此財務報表之一部份。

Consolidated Balance Sheet

At 31 December 2008
(Expressed in Hong Kong dollars)

綜合資產負債表

於二零零八年十二月三十一日
(以港元為單位)

		Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	12(a)	75,728	96,850
Intangible assets	無形資產	14	673	718
Investments in equity securities	其他股本證券	15	–	–
Other receivables	其他應收賬款	15	616	–
Deposits for purchase of property, plant and equipment	購買物業、機器及 設備之按金		967	–
			77,984	97,568
Current assets	流動資產			
Marketable securities	可出售證券	16	7,840	–
Inventories	存貨	17	81,242	70,667
Trade and other receivables	應收貿易及其他賬款	18	108,001	125,795
Cash and cash equivalents	現金及現金等價物	19	155,692	185,415
			352,775	381,877
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬款	20	64,378	79,774
Current tax payable	本期應付稅項	23(a)	5,227	3,137
			69,605	82,911
Net current assets	流動資產淨值		283,170	298,966
Total assets less current liabilities	資產總值減流動負債		361,154	396,534
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	23(b)	2,009	1,698
Net assets	資產淨值		359,145	394,836

Consolidated Balance Sheet

At 31 December 2008
(Expressed in Hong Kong dollars)

綜合資產負債表

於二零零八年十二月三十一日
(以港元為單位)

		Note 附註	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Capital and reserves	資本及儲備	24		
Share capital	股本		31,536	31,358
Reserves	儲備		327,609	363,478
Total equity	總權益		359,145	394,836

Approved and authorised for issue by the board of directors on 31 March 2009.

董事會於二零零九年三月三十一日核准並許可發出。

Yang Jai Sung
Director

梁在星
董事

Woo Nam Jin
Director

禹南珍
董事

The notes on pages 65 to 143 form part of these financial statements.

第65至143頁之附註為此財務報表之一部份。

Balance Sheet

At 31 December 2008
(Expressed in Hong Kong dollars)

資產負債表

於二零零八年十二月三十一日
(以港元為單位)

		Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	12(b)	30,182	42,628
Interests in subsidiaries	於附屬公司之權益	13	45,511	54,222
Intangible assets	無形資產	14	673	718
Investments in equity securities	其他股本證券	15	-	-
Other receivables	其他應收賬款	15	616	-
Deposits for purchase of property, plant and equipment	購買物業、機器及設備之按金		967	-
			77,949	97,568
Current assets	流動資產			
Marketable securities	可出售證券	16	7,840	-
Inventories	存貨	17	81,242	70,667
Trade and other receivables	應收貿易及其他賬款	18	107,998	125,795
Cash and cash equivalents	現金及現金等價物	19	155,136	185,415
			352,216	381,877
Current liabilities	流動負債			
Trade and other payables	應付貿易及其他賬款	20	64,206	79,774
Current tax payable	本期應付稅項	23(a)	5,135	3,137
			69,341	82,911
Net current assets	流動資產淨值		282,875	298,966
Total assets less current liabilities	資產總值減流動負債		360,824	396,534
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	23(b)	2,009	1,698
Net assets	資產淨值		358,815	394,836

Balance Sheet

At 31 December 2008
(Expressed in Hong Kong dollars)

資產負債表

於二零零八年十二月三十一日
(以港元為單位)

		Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
		附註		
Capital and reserves	資本及儲備	24		
Share capital	股本		31,536	31,358
Reserves	儲備		327,279	363,478
Total equity	總權益		358,815	394,836

Approved and authorised for issue by the board of directors on 31 March 2009.

董事會於二零零九年三月三十一日核准並許可發出。

Yang Jai Sung
Director

梁在星
董事

Woo Nam Jin
Director

禹南珍
董事

The notes on pages 65 to 143 form part of these financial statements.

第65至143頁之附註為此財務報表之一部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2008
(Expressed in Hong Kong dollars)

截至二零零八年十二月三十一日止年度
(以港元為單位)

	Note 附註	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Total equity at 1 January	於一月一日總權益	394,836	361,662
Net income/(expense) recognised directly in equity:	於權益中直接確認之淨收入／(開支)：		
Exchange differences on translation of financial statements of foreign operations	換算境外業務財務報告產生之匯兌差額 24(a)	(25,193)	–
(Deficit)/surplus on revaluation of property held for own use, net of deferred tax	重估持作自用物業(虧損)／盈餘，經扣除遞延稅項 12(d), 24(a)	(4,514)	10,657
		(29,707)	10,657
(Loss)/profit for the year	年內(虧損)／溢利	(2,298)	30,275
Total recognised income and expense for the year	年內已確認收入及開支總額	(32,005)	40,932
Dividend approved in respect of the previous year	就以往年度批准之股息 9	(4,415)	(3,446)
Dividend declared in respect of the current year	已宣派之本年度股息 9	(1,577)	(4,701)
		(5,992)	(8,147)
Movements in equity arising from capital transactions:	進行股本交易所產生之權益變動：		
Shares issued under share option scheme	根據購股權計劃發行股份 24(c)(ii)	2,306	362
Equity settled share-based transactions	以股份為基礎之股本付款交易 24(a)	–	27
		2,306	389
Total equity at 31 December	於十二月三十一日總權益	359,145	394,836

The notes on pages 65 to 143 form part of these financial statements.

第65至143頁之附註為此財務報表之一部份。

Consolidated Cash Flow

綜合現金流量表

Statement

For the year ended 31 December 2008
(Expressed in Hong Kong dollars)

截至二零零八年十二月三十一日止年度
(以港元為單位)

	Note	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
	附註		
Operating activities	經營活動		
(Loss)/profit before taxation	除稅前(虧損)/溢利	(1,538)	34,870
Adjustments for:	就下列各項作出調整：		
– Interest income	– 利息收入	3	(5,221)
– Depreciation	– 折舊	12(a) 19,016	20,212
– Amortisation	– 攤銷	14 45	36
– Impairment loss on trade receivables	– 應收貿易賬款減值虧損	18(b) 5,711	983
– Reversal of impairment loss on trade receivables	– 應收貿易賬款減值虧損回撥	18(b) (351)	(1,149)
– Reversal of impairment loss on intangible assets	– 無形資產減值虧損回撥	14 –	(93)
– Gains on disposal of property, plant and equipment	– 出售物業、機器及設備收益	3 (172)	(134)
– Surplus on revaluation of land and buildings	– 重估土地及樓宇盈餘	–	(1,456)
– Write back of trade and other payables	– 應付貿易及其他賬款回撥	3 –	(333)
– Unrealised gain on marketable securities	– 可出售證券之未變現收益	3 (79)	–
– Equity settled share-based payment expenses	– 以股份為基礎之股本付款開支	–	27
– Foreign exchange gain	– 匯兌收益	(15,195)	(1,458)
Operating profit before changes in working capital	營運資金變動前之經營溢利	4,069	46,284
Increase in inventories	存貨增加	(10,575)	(1,445)
Decrease/(increase) in trade and other receivables	應收貿易及其他賬款減少/(增加)	15,090	(7,097)
Decrease in trade and other payables	應付貿易及其他賬款減少	(15,396)	(10,132)
Cash (used in)/generated from operations	經營業務(所用)/所得之現金	(6,812)	27,610
Tax refund on reinvestment of profit derived from a subsidiary	來自一間附屬公司之溢利再投資退稅額	3,280	–
Tax reserve certificate purchased	已購買儲稅券	(3,318)	–
Hong Kong Profits Tax paid	已付香港利得稅	–	(553)
PRC Corporate Income Tax paid	已付中國企業所得稅	(2,001)	(1,722)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得之現金淨額	(8,851)	25,335

Consolidated Cash Flow

綜合現金流量表

Statement

For the year ended 31 December 2008
(Expressed in Hong Kong dollars)

截至二零零八年十二月三十一日止年度
(以港元為單位)

	Note 附註	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Investing activities	投資活動		
Interest received	已收利息	3,141	5,247
Payment for purchase of property, plant and equipment	購置物業、機器及設備付款	(12,034)	(8,676)
Payment for purchase of marketable securities	購入可出售證券付款	(7,761)	-
Net decrease in deposits with banks with more than three months of maturity when placed	存入銀行時到期日多於三個月之存款減少淨額	6,366	6,584
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	172	157
Net cash (used in)/generated from investing activities	投資活動(所用)／所得之現金淨額	(10,116)	3,312
Financing activities	融資活動		
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份所得款項	2,306	362
Dividends paid	已付股息	(5,992)	(8,147)
Net cash used in financing activities	融資活動所用之現金淨額	(3,686)	(7,785)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物之(減少)／增加淨額	(22,653)	20,862
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	158,910	136,590
Effect of foreign exchange rate changes	匯率變動影響	(704)	1,458
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	135,553	158,910

The notes on pages 65 to 143 form part of these financial statements.

第65至143頁之附註為此財務報表之一部份。

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A summary of the significant accounting policies adopted by the Company and its subsidiaries (together referred to as the “Group”) is set out below.

The HKICPA has issued a number of new Interpretations and an amendment to HKFRSs that are first effective for the current accounting period of the Group and the Company. However, none of these developments are relevant to the Group’s or the Company’s operations.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 30).

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2008 comprise the Company and its subsidiaries.

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity. These financial statements are presented in Hong Kong dollars (“HKD”), rounded to the nearest thousand except for per share data. HKD is the Company’s functional and presentation currency.

1. 主要會計政策

(a) 遵例聲明

本財務報表乃根據香港會計師公會頒布之所有適用《香港財務報告準則》（「財務報告準則」）（該詞泛指包括所有適用之個別《香港財務報告準則》、《香港會計準則》及詮釋）、香港公認會計原則及香港《公司條例》之規定編製。本財務報表同時符合適用的香港聯合交易所有限公司證券上市規則（「上市規則」）之披露規定。以下是本公司及其附屬公司（統稱「本集團」）所採納之重要會計政策概要。

香港會計師公會已頒布若干財務報告準則之新詮釋或修訂本，並於本集團及本公司之本會計期間首次採納。然而，該等發展與本集團及本公司之經營無關。

本集團並無應用於本會計期間尚未生效之任何新訂準則或詮釋（見附註30）。

(b) 財務報表之編製基準

截至二零零八年十二月三十一日止年度之綜合財務報表，包括本公司及其附屬公司。

本集團內各實體之財務報表所列項目以最能反映與該實體相關的事項及環境之經濟特徵之貨幣計量。財務報表是以港元呈列，千位以下四捨五入，惟每股股份的數據除外。港元乃本公司之功能貨幣及呈列貨幣。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the financial statements (continued)

Change in functional currency of the Company's Korea Branch

At 1 January 2008, the Company determined to change the functional currency of the Company's branch in Korea ("Korea Branch") from HKD to Korean Won ("KRW") following the Korea Branch has substantially increased its trading activities in the Korean market. The effect of the change in the functional currency of the Korea Branch has been accounted for prospectively since 1 January 2008. Exchange differences arising from the translation of financial statements of the Korea Branch was recognised in equity. During the year ended 31 December 2008, the Group recognised \$25,193,000 exchange losses arising from the translation of financial statements of overseas operations directly in equity.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- freehold land and buildings (see note 1(e));
- leasehold land and buildings, for which the fair values cannot be measured separately at the inception of the lease and the entire lease is classified as a finance lease (see notes 1(e) and (g)); and
- financial instruments classified as marketable securities (see note 1(d)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1. 主要會計政策 (續)

(b) 財務報表之編製基準 (續)

本公司韓國分公司功能貨幣之更換

在本公司位於韓國之分公司(「韓國分公司」)明顯增加於韓國市場之貿易活動後，於二零零八年一月一日，本公司決定更換韓國分公司之功能貨幣，由港元改為韓圓。更換韓國分公司功能貨幣之影響已追溯至二零零八年一月一日入賬。因換算韓國分公司財務報告而產生之匯兌差異已於權益中確認。於截至二零零八年十二月三十一日止年度，本集團直接於權益中確認因換算海外業務的財務報告而產生之25,193,000元匯兌虧損。

編製財務報表時所用之計量基準為歷史成本基準，惟按下文所闡述之會計政策，下列資產乃按公允價值列賬：

- 永久業權土地及樓宇(見附註1(e))；
- 租賃土地及樓宇，其公允價值於租約開始日期無法分別計度，而整份租約亦被分類為融資租約(見附註1(e)及(g))；及
- 被列為可出售證券之財務資產(見附註1(d))。

編製此等符合財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 29.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(h)).

1. 主要會計政策 (續)

(b) 財務報表之編製基準 (續)

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認。如該項會計估計變動影響當期及以後期間，則有關會計估計變動將於當期及以後期間確認。

管理層於應用香港財務報告準則時所作出對財務報表構成重大影響的判斷及估算，以及該等判斷或估算對明年度作出重大調整的重大風險於附註29內討論。

(c) 附屬公司

附屬公司為本集團控制的實體。當本集團有權規管實體的財務及經營政策，以從該實體的業務中獲取利益時，即表示存在控制權。於評估控制權時，將計及目前可予行使的潛在投票權。

集團於附屬公司之投資自控制開始日期起在綜合財務報表內綜合計算，直至控制結束日期為止。集團內部往來之餘額和集團內部交易及其產生之未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生之未變現虧損之抵銷方法與未變現溢利相同，但抵銷額只限於沒有證據顯示已出現減值。

本公司資產負債表所示於附屬公司之投資，是按成本減去減值虧損(見附註1(h))後入賬。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries, are as follows:

Investments in equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs.

Investments in securities held for trading, including marketable securities, are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 1(h)).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

(e) Property, plant and equipment

The following properties held for own use are stated in the balance sheet at their revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation:

- freehold land and buildings; and
- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note 1(g)).

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

1. 主要會計政策 (續)

(d) 股本證券投資

本集團及本公司對投資附屬公司以外之股本證券投資準則如下：

股本證券投資初步以成本列賬，而成本即交易價格，惟公允價值能更可靠地以估值方法進行估計除外。估值方法的變數僅包括可予觀察市場的數據。成本包括應佔交易成本。

持作買賣之股本證券投資（包括可出售證券）分類為流動資產。任何應佔交易成本於發生時在損益表內確認。於每個結算日重新計量公允價值，任何導致之收益或虧損在損益表內確認。

倘股本證券投資並無於活躍市場之市場報價及其公允價值無法準確計量，則該等投資在資產負債表中以成本值扣除減值虧損確認入賬（見附註1(h)）。

投資於本集團承諾買入／賣出當日確認／終止確認。

(e) 物業、機器及設備

以下持作自用之物業以其重估值（即根據它們在重估日之公允價值，減去任何其後之累計折舊後得出之數額）記入資產負債表：

- 永久業權土地及樓宇；及
- 按經營租約持有之土地及建於該等土地之上之樓宇，該等土地及樓宇租賃權益之公允價值於租約開始日期無法分別計度，而有關樓宇並非明確根據經營租約持有（見附註1(g)）。

重估工作乃定期進行，以確保這些資產之賬面金額與採用結算日之公允價值釐定之數額之間不會出現重大差異。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment (continued)

Other items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(h)).

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from revaluation reserve to retained profits.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Freehold land is not depreciated.
- Leasehold land and buildings situated thereon are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of purchase.
- Plant and machinery 4 - 10 years
- Other fixed assets 3 - 5 years

1. 主要會計政策 (續)

(e) 物業、機器及設備 (續)

其他物業、機器及設備項目以成本減去累計折舊及減值虧損(見附註1(h))後記入資產負債表。

重估持作自用物業而產生之變動一般會撥入儲備處理，但下列情況除外：

- 如果出現重估虧損，而且有關之虧損額超過就該項資產在截至重估前計入儲備之數額，則差額會在損益表內扣除；及
- 如果以往曾將同一項資產之重估虧損在損益表內扣除，則在出現重估盈餘時，以往曾在損益表扣除之數額會撥入損益表內。

報廢或出售物業、機器及設備項目所帶來之收益或虧損，將按該項目之出售所得款項淨額與賬面值之間之差額釐定，並於報廢或出售當日在損益表內確認。任何有關重估盈餘自重估儲備撥入保留溢利。

折舊是根據物業、機器及設備項目之預計可使用年限，以直線法減去其估計剩餘價值(如有)計算，以撇銷其成本或估值，詳情如下：

- 永久業權土地不計提折舊。
- 租賃土地及位於有關土地之樓宇按其尚未屆滿租期及預計可用年限兩者中較短之期間折舊，惟不超過自購買日期起計50年。
- 機器及設備 4至10年
- 其他固定資產 3至5年

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(f) Intangible assets

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Club memberships are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see note 1(h)). Amortisation of club memberships with finite useful lives is charged to profit or loss on a straight-line basis over their estimated useful life of 20 years. The period of amortisation is reviewed annually.

1. 主要會計政策 (續)

(e) 物業、機器及設備 (續)

當一項物業、機器及設備之各部份有不同的可使用年期，此項目各部份之成本值或估值將按合理基礎分配，而每部份將作個別折舊。資產之可用年限及其剩餘價值(如有)於每年進行檢討。

(f) 無形資產

研發成本包括所有直接由研發活動產生之成本，或可合理地分配作有關活動之成本。由於本集團之研發活動之性質，把有關成本確認為資產之條件一般須在該項目研發階段之後期才能達致，而當時餘下之研發成本已微不足道。因此，研究成本及開發成本一般均於發生之期間內確認為開支。

會所會籍按成本值減累計攤銷及減值虧損於資產負債表列賬(見附註1(h))。有限使用年期的會所會籍之攤銷按直線法於20年之估計可用年限內於損益表扣減。攤銷期會每年進行檢討。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, except land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made.

1. 主要會計政策 (續)

(g) 租賃資產

倘本集團釐定一項安排(不論由一宗交易或一系列交易組成)附有權利可於協定期間內使用一項特定資產或多項資產以換取一項或多項付款，則該安排為屬於或包含一項租約。該釐定乃根據對該安排之實體評估而作出，而不論該安排是否包含租約之法定格式。

(i) 租賃予本集團之資產之分類

不會轉移絕大部份擁有權相關風險及利益予本集團之租賃乃分類為經營租賃，惟若根據經營租賃持作自用之土地，其公允價值不能夠與訂立租賃時已建於其上之建築物之公允價值分開計量，則當作融資租賃入賬，但如有關建築物確實亦是根據經營租賃持有則除外。就此而言，訂立租賃時指本集團首次訂立租賃時，或自前度承租人接收資產時。

(ii) 經營租賃費用

如本集團有權使用根據經營租賃持有之資產，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額在損益表列作費用；但如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。收取之租賃獎勵作為已付租賃付款總淨額之一部分在損益表內確認。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities (other than investments in subsidiaries, see note 1(h)(ii)) and other current and non-current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

1. 主要會計政策 (續)

(h) 資產減值

(i) 股本證券投資及其他應收款項之減值

本集團於各個結算日檢討按成本值或攤銷成本列賬之股本證券投資(於附屬公司之投資除外，見附註1(h)(ii))及其他流動及非流動應收款項，以判斷有否存在客觀減值證據。減值的客觀憑證包括以下本集團關注的一項或以上損失事項之可觀察數據：

- 債務人重大的財務困難；
- 違反合約，例如拖欠或逾期償還利息或本金款項；
- 債務人進行破產或其他財務重組將有可能出現；
- 工業技術、市場、經濟或法律環境的重大改變對債務人有不利影響；及
- 投資於股本工具的公平價值遠低於或長期低於其成本。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.
- For trade and other receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

1. 主要會計政策 (續)

(h) 資產減值 (續)

(i) 股本證券投資及其他應收款項之減值 (續)

如存在任何上述證據，則會按如下方法釐定及確認減值虧損：

- 就按成本值列賬之無市場報價股本證券而言，減值虧損按財務資產之賬面值與按類似財務資產之現行市場回報率折現（如折現影響重大）估計之未來現金流量之差額計算。股本證券之減值虧損概不會回撥。
- 就按攤銷成本列賬之應收貿易賬款及其他應收款項及其他金融資產而言，減值虧損按資產之賬面值與按金融資產最初之實際利率（即此等資產最初確認時計算所得之實際利率）折現計算的估計未來現金流量現值之差額計算（倘折現影響為重大）。所有按攤銷成本列賬之金融資產若擁有類似風險性質（如相近的過期未付情況）及並無被獨立評估減值，均按整體評估。該等被評估減值之金融資產的未來現金流量乃根據該等信貸風險性質相似的資產之過往虧損經驗。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

- If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

1. 主要會計政策 (續)

(h) 資產減值 (續)

(i) 股本證券投資及其他應收款項之減值 (續)

- 倘於其後期間減值虧損金額有所減少，並可客觀地與確認減值虧損後發生之事件有關連，有關減值虧損會撥回損益表。惟所撥回之減值虧損以假設沒有在往年確認減值虧損而釐定之資產賬面值為限。

減值虧損直接在相關資產上進行撇銷，惟就應收貿易及其他賬款中的貿易債務及應收票據所確認之減值虧損，其收回的機會是被懷疑而不是沒有機會。在此情況下，呆壞賬之減值虧損將會使用備抵賬記錄。當本集團認為沒有機會可收回時，被視為不會收回之金額將會直接沖減貿易債務及應收票據，而備抵賬中有關該等賬款之餘額將會轉回。倘先前已在備抵賬中計提之金額已被收回，則將從備抵賬中轉回。其他備抵賬之變動及以往已直接撇銷的金額之收回，將確認為損益。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- intangible assets;
- investments in subsidiaries; and
- deposits for purchase of property, plant and equipment.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1. 主要會計政策 (續)

(h) 資產減值 (續)

(ii) 其他資產之減值

本集團於每個結算日對內部及外界資訊進行評估，以決定是否有任何跡象顯示下列資產可能出現減值虧損，或有任何跡象顯示過往已確認之減值虧損不再存在或已經減少：

- 物業、機器及設備(按重估數額列值之物業除外)；
- 無形資產；
- 於附屬公司之投資；及
- 購買物業、機器及設備之按金。

倘出現上述任何減值跡象，則該資產之可收回金額須予以評估。

– 計算可收回金額

資產之可收回金額按其銷售淨售價與使用價值之較高者釐定。在評估使用價值時，會採用反映當時市場對貨幣之時間值及資產特定風險評估之稅前折讓率，將估計未來現金流量折讓至現值。倘資產之現金流入基本上不能獨立於其他資產之現金流入時，則須就可獨立地產生現金流入之最小資產組合(即一個現金產生單位)確定可收回金額。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1. 主要會計政策 (續)

(h) 資產減值 (續)

(ii) 其他資產之減值 (續)

– 確認減值虧損

當資產或其所屬之現金產生單位之賬面金額高於其可收回金額時，便會在損益表中確認減值虧損。確認之減值虧損會按比例減少該單位（或一組單位）中資產之賬面金額，但減值不會使個別資產之賬面金額減至低於其公允價值減銷售成本，或其使用價值（如可釐定）。

– 減值虧損轉回

倘用以釐定可收回金額之估計數據出現有利變化，則減值虧損須予以轉回。減值虧損轉回僅以該等減值虧損從未於過往年度確認時所釐定之資產賬面值為限。減值虧損轉回於確認轉回之年度計入損益表。

(i) 存貨

存貨以成本及可變現淨值兩者中之較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、轉換之成本，以及將存貨運至現址和變成現狀之其他成本。

可變現淨值是以日常業務過程中之估計售價減去完成生產及銷售所需之估計成本後所得之數。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(i) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(h)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(k) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

1. 主要會計政策 (續)

(i) 存貨 (續)

所出售存貨之賬面金額在相關收入獲確認之期間內確認為支出。存貨數額撇減至可變現淨值及存貨之所有虧損，均在出現減值或虧損之期間內確認為支出。存貨之任何減值轉回之數，均在出現轉回之期間內確認為已列作支出之存貨數額減少。

(j) 應收貿易及其他賬款

應收貿易及其他賬款首先以公允價值列賬，其後以攤銷成本減呆壞賬之減值準備（見附註1(h)）列賬。惟倘應收款項屬於借予關連人士而並無固定還款期之不計息貸款，或折現之影響並不重大，則有關應收款項按成本值減呆壞賬減值撥備列賬。

(k) 應付貿易及其他賬款

應付貿易及其他賬款首先以公允價值列賬，其後以攤銷成本列賬。如折現之影響並不重大，則以成本列賬。

(l) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行及其他金融機構之活期存款，以及短期而流通性高，可隨時轉換為已知數額之現金及所需承受之價值變動風險甚小，並自購入日期起計三個月內到期之投資。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Employee benefits

- (i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

- (ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

1. 主要會計政策 (續)

(m) 僱員福利

- (i) 短期僱員福利及界定供款退休計劃之供款

薪酬、年終花紅、有薪年假、界定供款退休計劃供款及非現金福利成本於僱員提供相關服務之年度計提。倘延遲支付或結付之影響屬重大，此等數額以現值列賬。

- (ii) 以股份為基礎之付款

僱員獲授購股權之公允價值會確認為員工成本，而在權益內之資本儲備則作相應之增加。公允價值乃採用二項式點陣模式，並經考慮授出購股權之條款及條件計算。當僱員須符合歸屬條件才可無條件享有該等購股權，預計購股權之公允價值總額在歸屬期內經考慮購股權歸屬的或然率後攤分入賬。

於歸屬期內，本集團會檢討估計可生效之購股權數目。除非原來的員工支出符合資產確認之要求，否則任何已在往年確認之累計公允價值之調整須在檢討年內之損益表中計入/回撥，並在資本儲備作相應調整。在歸屬日期，除非因純粹與本公司股份之市價有關而未能符合歸屬條件引致權利喪失，否則確認為支出之金額按歸屬購股權之實際數目作調整（並在資本儲備作相應調整）。權益金額在資本儲備中確認，直至購股權獲行使（轉撥至股份溢價賬），或購股權屆滿（直接轉入保留盈利）為止。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

1. 主要會計政策 (續)

(n) 所得稅

本年度所得稅包括本期所得稅及遞延所得稅資產和負債的變動。本期所得稅及遞延所得稅資產和負債的變動均在損益表內確認，但與直接確認為股東權益項目相關的，則確認為股東權益。

本期所得稅是按本年度應課稅收入根據已執行或在結算日實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產和負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

除了某些例外情況外，所有遞延所得稅負債和遞延所得稅資產(只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應稅溢利)都會確認。不確認為遞延所得稅資產和負債的暫時差異是產生自以下有限例外情況：不影響會計或應稅溢利的資產或負債的初始確認(如屬業務合併的一部分則除外)；以及投資附屬公司(如屬應課稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於可能在將來轉回的差異)。

遞延所得稅額是按照資產和負債賬面金額的預期實現或清償方式，根據已執行或在結算日實質上已執行的稅率計量。遞延所得稅資產和負債均不貼現計算。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(n) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset.

(o) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1. 主要會計政策 (續)

(n) 所得稅 (續)

本集團會在每個結算日評估遞延所得稅資產的賬面金額。如果集團預期不再可能獲得足夠的應稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後又可能獲得足夠的應稅溢利，有關減額便會轉回。

本期所得稅結餘和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。

(o) 撥備及或有負債

倘若本集團或本公司須就已發生之事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就該時間或數額不定之負債計提撥備。如果貨幣時間價值重大，則按預計履行義務所需資源之現值計列撥備。

倘若含有經濟效益之資源外流之可能性不大，或是無法對有關數額作出可靠之估計，便會將該義務披露為或有負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在義務，亦會披露為或然負債，但假如這類資源外流之可能性極低則除外。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue is after deduction of trade discounts and returns.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(q) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

1. 主要會計政策 (續)

(p) 收益確認

收入在經濟效益可能流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列方法在損益表內確認：

(i) 銷售貨品

收入在貨品送達客戶場地，而且客戶接收貨品及其所有權相關之風險及回報時確認。收入已扣除營業折扣及退貨。

(ii) 利息收入

利息收入乃按實際利率法確認。

(q) 外幣換算

年內外幣交易按交易日之適用外幣匯率換算。以外幣為單位之貨幣性資產及負債按結算日之適用外幣匯率換算。匯兌盈虧於損益表內確認。

按歷史成本計算並以外幣為單位之非貨幣性資產及負債，乃按交易當日之適用匯率換算。

海外業務業績以接近交易當日外幣匯率之兌換率換算為港元。資產負債表項目按結算日之外幣匯率折算為港元，所產生之匯兌差額直接於股東權益之獨立部分確認。

計算出售海外業務之損益包括於股東權益確認截至出售日因該項海外業務產生之累積兌換差額。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(r) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1. 主要會計政策 (續)

(r) 關聯人士

任何一方如屬以下情況，即視為本集團的關聯人士：

- (i) 該方透過一家或多家中介公司，直接或間接控制本集團、受本集團控制或與本集團受同一方控制；於本集團擁有權益，並可藉著該權益對本集團行使重大影響力；或共同控制本集團；
- (ii) 本集團與該方均受制於共同之監控；
- (iii) 該方為本集團的聯營公司或本集團為合資方之合資企業；
- (iv) 該方為本公司或本集團母公司的主要管理人員其中一名成員，或為該人士的近親家族成員，或為受該等人士控制、共同控制或重大影響的實體；
- (v) 該方為(i)所述的近親家族成員或為受該等人士控制、共同控制或重大影響的實體；或
- (vi) 該方為僱員退休福利計劃(包括適用於本集團及作為本集團關聯人士之實體之員工)。

某一人士的近親家族成員為預期於買賣該實體時可能影響該人士或受該人士影響的家族成員。

1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, tax balances, corporate and financing expenses.

1. 主要會計政策 (續)

(t) 分部報告

分部是指本集團內可明顯區分之組成部分，並且負責提供單項產品(業務分部)或在一個特定之經濟環境中提供產品(地區分部)，並且承擔不同於其他分部之風險和回報。

按照本集團之內部財務報告系統，本集團已就本財務報表選擇以業務分部為報告分部信息之主要形式，而地區分部則是次要之分部報告形式。

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理之基準分配至該分部之項目之數額。例如，分部資產可能包括存貨、應收賬款及物業、機器及設備。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷之集團內部往來之餘額和集團內部交易；但同屬一個分部之集團企業之間之集團內部往來之餘額和交易則除外。分部之間之轉移事項定價按與其他外界人士相若之條款計算。

分部資本開支是指，在期內購入預計可於超過一個會計期間使用之分部資產(包括有形和無形資產)所產生之成本總額。

未歸類之項目，主要包括金融及企業資產、稅款結餘、企業及融資費用。

2. TURNOVER

The principal activities of the Group are the manufacture and sale of electronic components.

Turnover represents the sales value of goods supplied to customers less goods returned and trade discounts.

2. 營業額

本集團之主要業務是製造及銷售電子元件。

營業額包括供應予客戶之產品的銷售價值，扣除退貨及營業折扣。

3. OTHER REVENUE**3. 其他收益**

	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Interest income from bank deposits 銀行存款之利息收入	3,368	5,221
Gains on disposal of property, plant and equipment 出售物業、機器及設備收益	172	134
Scrap sales 廢料銷售	108	318
Unrealised gain on marketable securities 可出售證券之未變現收益	79	-
Write back of trade and other payables 應付貿易及其他賬款回撥	-	333
Others 其他	512	603
	4,239	6,609

4. (LOSS)/PROFIT BEFORE TAXATION**4. 除稅前(虧損)/溢利**

(Loss)/profit before taxation is arrived at after charging/
(crediting):

除稅前(虧損)/溢利經扣除/(計入):

	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
(a) Staff costs: (a) 員工成本:		
Salaries, wages and other benefits 薪金、工資及其他福利	106,710	100,454
Contributions to defined contribution retirement plans 界定供款退休計劃之供款	2,754	2,266
Equity-settled share-based payment expenses 以股份為基礎之股本付款開支	-	27
Termination benefits 離職福利	469	-
	109,933	102,747

4. (LOSS)/PROFIT BEFORE TAXATION

(continued)

4. 除稅前(虧損)/溢利(續)

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
(b) Other items:	(b) 其他項目：		
Cost of inventories * (note 17(b))	存貨成本*(附註17(b))	707,402	660,375
Amortisation of intangible assets	無形資產攤銷	45	36
Depreciation	折舊	19,016	20,212
Impairment loss on trade receivables (note 18(b))	應收貿易賬款減值虧損(附註18(b))	5,711	983
Reversal of impairment loss on trade receivables (note 18(b))	應收貿易賬款減值虧損回撥(附註18(b))	(351)	(1,149)
Reversal of impairment loss on intangible assets (note 14)	無形資產減值虧損回撥(附註14)	-	(93)
Net foreign exchange losses	匯兌虧損淨額	2,338	1,283
Auditors' remuneration	核數師酬金		
- audit services	- 核數服務	750	733
- tax services	- 稅務服務	50	45
- other services	- 其他服務	1,368	1,802
Operating lease charges: minimum lease payments	經營租賃費用：最低租賃付款		
- hire of properties #	- 租用物業 #	4,780	4,262

* Cost of inventories includes \$75,938,000 (2007: \$65,592,000) relating to staff costs, depreciation expenses and operating lease charges in respect of properties, which amounts are also included in the respective total amounts disclosed separately above or in note 4(a).

Operating lease charges include an amount of \$701,000 (2007: \$1,007,000) for staff quarters which is also included in the staff costs disclosed in note 4(a).

* 存貨成本包括與員工成本、折舊開支及就物業之經營租賃費用有關的75,938,000元(二零零七年：65,592,000元)。這些金額已個別計入上表或附註4(a)分開披露之各個總金額內。

經營租賃費用包括租賃員工宿舍之701,000元(二零零七年：1,007,000元)，該金額亦包括在附註4(a)披露之員工成本內。

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

5. 綜合損益表內之所得稅

(a) 綜合損益表內之所得稅指：

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Current tax	本期稅項		
Hong Kong Profits Tax	香港利得稅		
Provision for the year	本年度撥備	-	2,813
Over provision in respect of prior years	以往年度之撥備過剩	-	(293)
		<u>-</u>	<u>(293)</u>
		-	2,520
		<u>-</u>	<u>2,520</u>
PRC Corporate Income Tax	中國企業所得稅		
Provision for the year	本年度撥備	1,054	1,628
Tax refund on reinvestment of profit derived from a subsidiary (note (iv))	來自一間附屬公司之溢利再投資退稅額(附註(iv))	(3,280)	-
Under provision in respect of prior years	以往年度之撥備不足	3,310	776
		<u>1,084</u>	<u>2,404</u>
		<u>1,084</u>	<u>4,924</u>
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異之產生及轉回	(242)	(329)
Effect on deferred tax balances at 1 January resulting from a change in tax rate	於一月一日遞延稅項稅率結餘變動之影響	(82)	-
		<u>(324)</u>	<u>(329)</u>
Actual tax expenses	實際稅項開支	<u>760</u>	<u>4,595</u>

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

- (i) In February 2008, the Hong Kong Government announced a decrease in the Profits Tax rate from 17.5% to 16.5% applicable to the Group's operations in Hong Kong as from the year ended 31 December 2008. This decrease is taken into account in the preparation of the Group's and the Company's 2008 financial statements. Accordingly, the provision for Hong Kong Profits Tax for 2008 is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year and the opening balance of deferred tax has been re-estimated accordingly. No provision for Hong Kong Profits Tax is made for the year ended 31 December 2008 as the Company did not have any assessable profit.

Provision for the People's Republic of China (the "PRC") Corporate Income Tax for Shenzhen Kwang Sung Electronics Co., Ltd. ("Shenzhen Kwang Sung") and Kwang Sung Electronics Trading (Shenzhen) Co., Ltd. is calculated at 18% (2007: 15%) and 25% of estimated assessable profits for the year, respectively.

The Korea Branch operated in Korea is subject to corporate income tax at a rate of 12.1% (2007: 14.3%). No income tax provision has been made for the year ended 31 December 2008 as the tax losses brought forward from prior years exceed the estimated assessable profit for the year. No income tax provision has been made for the year ended 31 December 2007 as the Korea Branch sustained a tax loss.

5. 綜合損益表內之所得稅 (續)

(a) 綜合損益表內之所得稅指：(續)

- (i) 二零零八年二月，香港政府宣布將利得稅由17.5%下調至16.5%，而此變動適用於本集團由截至二零零八年十二月三十一日止年度之香港業務。於編製本集團及本公司二零零八年財務報告時，已考慮到有關稅率下調。因此，二零零八年之香港利得稅撥備乃按年內之估計應課稅溢利之16.5% (二零零七年：17.5%) 計算，而年初之遞延稅項結餘亦相應地予以重新評估。由於本公司並無任何應課稅溢利，故截至二零零八年十二月三十一日止年度並無就香港利得稅作出撥備。

深圳光星電子有限公司(「深圳光星」)及光星電子貿易(深圳)有限公司之中華人民共和國(「中國」)企業所得稅撥備乃以本年度估計應課稅溢利分別按18% (二零零七年：15%) 及25%計算。

位於韓國之韓國分公司按企業所得稅率12.1% (二零零七年：14.3%) 繳稅。由於過往年度結轉之稅項虧損超過本年度應課稅溢利，故截至二零零八年十二月三十一日止年度並無作出所得稅撥備。由於韓國之分公司錄得稅項虧損，故截至二零零七年十二月三十一日止年度並無作出所得稅撥備。

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

(ii) The Company carries out manufacturing activities in the PRC through its subsidiary, Shenzhen Kwang Sung and under the terms of a processing agreement with a third party factory, and has substantial involvement in these manufacturing activities undertaken in the PRC. The profits earned are thus considered to be partly arising and derived from the manufacturing activities carried out in the PRC and partly from other activities performed in Hong Kong. Accordingly, the Company claimed a 50:50 offshore concession in respect of Hong Kong Profits Tax which had been agreed with the Hong Kong Inland Revenue Department ("HKIRD") in the year of assessment 1999/2000.

During 2008, the HKIRD enquired the Company the basis of its 50:50 offshore concession claims for the years of assessment 2001/02 to 2006/07 in relation to the Company's manufacturing activities carried out in the PRC, and issued an additional assessment of \$3,318,000 for the year of assessment 2001/02 on the basis that the Company was not eligible to the 50:50 offshore claims for profits derived from manufacturing activities carried out by Shenzhen Kwang Sung. The Company lodged an objection against the additional assessment and purchased a tax reserve certificate of \$3,318,000 as demanded by HKIRD in 2008.

In March 2009, HKIRD issued another demand note for additional tax payable for the year of assessment 2002/03 amounted to \$6,424,000 in relation to the above 50:50 offshore claims. The Company is in the process of lodging objection against this additional assessment.

5. 綜合損益表內之所得稅 (續)

(a) 綜合損益表內之所得稅指：(續)

(ii) 本公司透過其附屬公司深圳光星以及根據與第三方之工廠訂立之一項加工協議之條款在中國進行製造活動，並積極參與在中國進行之該等製造活動。由此所賺取之溢利，部分被視為從中國進行之製造活動所產生及取得，而部分被視為從香港進行之其他活動所產生及取得。故此，本公司就香港利得稅提出50:50之離岸豁免要求，而香港稅務局（「香港稅務局」）曾於一九九九／二零零零評稅年度同意該豁免要求。

於二零零八年，香港稅務局向本公司查詢有關本公司在中國所進行的製造活動而就二零零一／零二至二零零六／零七評稅年度提出50:50離岸豁免要求之依據，並基於本公司不合資格就深圳光星進行的製造活動所賺取的溢利享有50:50之離岸豁免，而就二零零一／零二評稅年度發出額外評稅3,318,000元。本公司於二零零八年對該額外評稅提出反對，並如香港稅務局要求購買儲稅券3,318,000元。

於二零零九年三月，香港稅務局發出另一份額外評稅通知書，就二零零二／零三評稅年度發出有關上述50:50離岸豁免之額外評稅6,424,000元。本公司現正對該額外評稅提出反對。

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

(ii) (continued)

Since the Group's operation has remained unchanged since 1999/2000, the directors consider that the Company should have valid grounds to pursue the 50:50 offshore claims. Therefore, no provision has been made for the additional assessments or for any other additional tax liabilities for the years under enquiry. The amount paid in relation to the additional assessment is recorded as other receivables in the financial statements.

In the opinion of the directors, adequate provision for Hong Kong Profits Tax has been made in these financial statements.

(iii) In 2007, the Shenzhen Local Tax Bureau enquired the related party transactions and transfer price policy of Shenzhen Kwang Sung for the five years from 1 January 2002 to 31 December 2006. Shenzhen Kwang Sung had submitted the requested information to the Shenzhen Local Tax Bureau and estimated that an additional income tax payable of \$1,408,000 in respect of the enquiries was required. Full provision for the estimated additional income tax payable of \$1,408,000 was made in the 2007 financial statements.

In 2008, the scope of enquiries regarding the transfer price policy of Shenzhen Kwang Sung from Shenzhen Local Tax Bureau has been changed to cover the five years from 1 January 2003 to 31 December 2007. Directors of the Company reassessed the matter and estimated that the Group would have to pay in total of \$4,445,000. Accordingly, an additional provision for PRC Corporate Income Tax of \$3,037,000 was made in the 2008 financial statements.

As of the date of these financial statements, the Company has yet to obtain an agreement from the Shenzhen Local Tax Bureau to its proposed settlement. However, the directors of the Company consider that adequate provision for the above enquires has been made in these financial statements.

5. 綜合損益表內之所得稅 (續)

(a) 綜合損益表內之所得稅指：(續)

(ii) (續)

由於本集團自一九九九／二零零零年以來之營運維持不變，故董事認為本公司應有理據爭取該50:50離岸豁免。因此，並無就額外評稅或查詢當中的其他年度之任何其他額外稅務負債作出撥備。於此財務報表內，額外評稅繳付之金額乃以其他應收款項入賬。

董事認為已於此財務報表內就香港利得稅作出足夠撥備。

(iii) 於二零零七年，深圳市地方稅務局查詢深圳光星由二零零二年一月一日至二零零六年十二月三十一日五年內之關連人士交易及轉移定價政策。深圳光星已向深圳市地方稅務局提交所要求的資料，並估計須一筆額外應付所得稅1,408,000元。在二零零七年財務報告中已就估計額外所得稅作出全數撥備1,408,000元。

於二零零八年，深圳市地方稅務局就深圳光星轉移定價政策之查詢範圍更改為由二零零三年一月一日起至二零零七年十二月三十一日止之五年內。本公司董事重新評估並估計本集團需繳付合共4,445,000元。因此已於二零零八年財務報表內就中國企業所得稅額外作出3,037,000元撥備。

截至此財務報表之刊發日期，本公司並無取得深圳市地方稅務局就本公司提出的解決方法表示同意，惟本公司董事認為已於此財務報表內就上述要求作出足夠撥備。

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

- (a) Taxation in the consolidated income statement represents: (continued)
- (iv) During the year ended 31 December 2007, the Company reinvested part of the profit derived from its subsidiary, Shenzhen Kwang Sung, which is a wholly-foreign owned enterprise established in the PRC, as paid-up capital of the subsidiary. During the year ended 31 December 2008, the Company received a tax refund of \$3,280,000 in connection to the income tax previously paid by Shenzhen Kwang Sung on the reinvested amount.
- (v) Pursuant to Shen Guo Shui Fa 2008 notice 145, Shenzhen Kwang Sung is subject to PRC Corporate Income Tax at a rate of 20% in 2009, 22% in 2010 and 24% in 2011. From 1 January 2012, the applicable tax rate will be 25%.
- (vi) Pursuant to the Corporate Tax Act of Republic of Korea, Korean corporate income tax rate will be changed to 11% for assessable income up to KRW200 million and 24% for assessable income over KRW200 million for the year 2009. From 1 January 2010 onwards, corporate income tax rate will be 11% for assessable income up to KRW200 million and 22% for assessable income over KRW200 million.

5. 綜合損益表內之所得稅 (續)

- (a) 綜合損益表內之所得稅指：(續)
- (iv) 於截至二零零七年十二月三十一日止年度內，本公司將來自其附屬公司深圳光星之部分溢利再投資，作為該附屬公司之實繳股本。該附屬公司乃一間於中國成立之外商獨資企業。於二零零八年十二月三十一日止年度內，本公司收到退稅額3,280,000元，即深圳光星先前就再投資金額所支付之所得稅。
- (v) 根據深國稅發[2008] 145號通告，深圳光星於二零零九年、二零一零年及二零一一年分別需按中國企業所得稅率20%、22%及24%繳稅。自二零一二年一月一日起，其適用稅率將為25%。
- (vi) 根據大韓民國企業稅法案，於二零零九年，就應課稅收入少於200,000,000韓圓繳付之韓國企業所得稅率將更改為11%，應課稅收入超過200,000,000韓圓者則為24%。自二零一零年一月一日起，就應課稅收入少於200,000,000韓圓繳付之企業所得稅率將更改為11%，應課稅收入超過200,000,000韓圓者則為22%。

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

5. 綜合損益表內之所得稅(續)

(b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:

(b) 所得稅費用和會計(虧損)/溢利按適用稅率計算的對賬:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
(Loss)/profit before taxation	除稅前(虧損)/溢利	(1,538)	34,870
Notional tax on (loss)/profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關稅務司法地區獲得溢利的適用稅率計算除稅前(虧損)/溢利的名義稅項	(165)	4,667
Tax effect of non-deductible expenses	不可扣除開支的稅務影響	1,235	420
Tax effect of non-taxable revenue	毋須課稅收入的稅務影響	(289)	(2,289)
Tax effect of unused tax losses not recognised	未確認的未動用稅項虧損的稅務影響	-	1,166
Tax effect of prior years' tax losses utilised	以往年度已動用稅項虧損的稅務影響	(84)	-
Under provision in prior years	以往年度之撥備不足	3,310	483
Tax refund on reinvestment of profit derived from a subsidiary	來自一間附屬公司之溢利再投資退稅額	(3,280)	-
Effect on deferred tax balances at 1 January resulting from a change in tax rate	於一月一日遞延稅項稅率結餘變動之影響	(82)	-
Others	其他	115	148
Actual tax expense	實際稅項支出	760	4,595

6. DIRECTORS' REMUNERATION

6. 董事酬金

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

根據香港《公司條例》第161條作出披露之董事酬金如下：

		Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share- based payments	2008 Total	
		薪金、津貼及 實物福利	退休計劃供款	小計	以股份為 基礎之付款	二零零八年 合計	
		\$'000	\$'000	\$'000	\$'000	\$'000	
		千元	千元	千元	千元	千元	
Executive directors	執行董事						
Yang Jai Sung	梁在星	-	2,059	12	2,071	-	2,071
Kim Sun Cheol	金善哲	-	-	-	-	-	-
Woo Nam Jin	禹南珍	216	656	12	884	-	884
Lee Kyu Young	李圭英	728	-	-	728	-	728
Non-executive director	非執行董事						
Yang Ho Sung	梁皓星	455	14	-	469	-	469
Independent non-executive directors	獨立非執行董事						
Kim Chung Kweon	金正權	80	-	-	80	-	80
Han Byung Joon	韓丙濬	80	-	-	80	-	80
Kim Chan Su	金鑽洙	92	-	-	92	-	92
		<u>1,651</u>	<u>2,729</u>	<u>24</u>	<u>4,404</u>	<u>-</u>	<u>4,404</u>

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

財務報表附註

(以港元為單位)

6. DIRECTORS' REMUNERATION (continued)

6. 董事酬金 (續)

		Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments	2007 Total
		薪金、津貼及董事袍金	薪金、津貼及實物福利	退休計劃供款	小計	以股份為基礎之付款	二零零七年合計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Executive directors	執行董事						
Yang Jai Sung	梁在星	-	1,812	12	1,824	-	1,824
Kim Sun Cheol	金善哲	206	515	11	732	-	732
Woo Nam Jin	禹南珍	216	608	12	836	27	863
Lee Kyu Young	李圭英	-	811	16	827	-	827
Non-executive director	非執行董事						
Yang Ho Sung	梁皓星	455	40	-	495	-	495
Independent non-executive directors	獨立非執行董事						
Kim Chung Kweon	金正權	80	-	-	80	-	80
Han Byung Joon	韓丙濬	80	-	-	80	-	80
Kim Chan Su	金鑽洙	80	-	-	80	-	80
		<u>1,117</u>	<u>3,786</u>	<u>51</u>	<u>4,954</u>	<u>27</u>	<u>4,981</u>

The above emoluments include the estimated value of share options granted to certain directors under the Company's share option scheme (see note 22). The value of these share options is measured according to the Group's accounting policy for share-based payments in note 1(m)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of share options are lapsed prior to vesting.

上述酬金包括根據本公司購股權計劃授予若干董事之購股權(見附註22)。該等購股權之價值乃根據附註1(m)(ii)所述本集團關於以股份為基礎之付款之會計政策而計量，及根據該政策，包括撥回以往年度授出購股權而於歸屬前失效應計之數額。

7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2007: three) are directors whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2007: two) individuals are as follows:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	1,760	1,608
Retirement scheme contributions	退休計劃供款	24	24
		<u>1,784</u>	<u>1,632</u>

The emoluments of the two (2007: two) individuals with the highest emoluments are within the following bands:

		Number of individuals 人數	
		2008 二零零八年	2007 二零零七年
\$Nil - \$1,000,000	零元至1,000,000元	<u>2</u>	<u>2</u>

8. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company includes a loss of \$2,628,000 (2007: profit of \$30,275,000) which has been dealt with in the Company's financial statements.

7. 最高薪人士

五名最高薪人士中，其中三名(二零零七年：三名)為董事，其酬金已於上文附註6作出披露。其他兩名(二零零七年：兩名)最高薪人士於年內之酬金總額載列如下：

兩名(二零零七年：兩名)最高薪人士之酬金範圍如下：

8. 本公司股本持有人應佔(虧損)/溢利

本公司股本持有人應佔綜合虧損包括一筆已列入本公司財務報表的2,628,000元之虧損(二零零七年：溢利30,275,000元)。

9. DIVIDENDS

- (a) Dividends payable to equity shareholders of the Company attributable to the year:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Interim dividend declared and paid of 0.5 cents (2007: 1.5 cents) per ordinary share	已宣派及支付中期股息每股普通股0.5仙(二零零七年：1.5仙)	1,577	4,701
Final dividend proposed after the balance sheet date of Nil cent (2007: 1.4 cents) per ordinary share	結算日後之建議末期股息零仙(二零零七年：1.4仙)	-	4,415
		<u>1,577</u>	<u>9,116</u>

The final dividend proposed for 2007 after the balance sheet date had not been recognised as a liability at the balance sheet date.

於結算日後宣派之二零零七年末期股息尚未在結算日被確認為負債。

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 1.4 cents (2007: 1.1 cents) per ordinary share	年內批准及派付之對上一個財政年度末期股息每股普通股1.4仙(二零零七年：1.1仙)	4,415	3,446

- (a) 本年度應佔應付予本公司股本持有人的股息：

- (b) 年內批准及派付之屬於對上一個財政年度應付予本公司股本持有人的股息：

10. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of \$2,298,000 (2007: profit of \$30,275,000) and the weighted average number of ordinary shares of 315,145,000 (2007: 313,355,000) in issue during the year.

Weighted average number of ordinary shares

10. 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利是按本公司股本持有人應佔虧損2,298,000元(二零零七年：溢利30,275,000元)及年內已發行普通股之加權平均數315,145,000股(二零零七年：313,355,000股)計算。

普通股之加權平均數

		Number of shares	
		股份數目	
		2008	2007
		二零零八年	二零零七年
		'000	'000
		千股	千股
Issued ordinary shares at 1 January	於一月一日之已發行普通股	313,580	313,300
Effect of share options exercised	已行使購股權之影響	1,565	55
Weighted average number of ordinary shares	普通股加權平均數	315,145	313,355

(b) Diluted (loss)/earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2007 is based on the profit attributable to equity shareholders of the Company of \$30,275,000 and the weighted average number of ordinary shares of 320,105,000 after adjusting for the effect of all dilutive potential ordinary shares. The diluted loss per share for the year ended 31 December 2008 is the same as the basic loss per share as the potential ordinary shares outstanding during the year ended 31 December 2008 were anti-dilutive.

(b) 每股攤薄(虧損)/盈利

截至二零零七年十二月三十一日止年度之每股攤薄盈利是按本公司股本持有人應佔溢利30,275,000元及在就所有潛在攤薄普通股之影響作出調整後普通股之加權平均數320,105,000股計算。截至二零零八年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同，乃因為於截至二零零八年十二月三十一日止年度尚未行使之潛在攤薄普通股具反攤薄影響。

10. (LOSS)/EARNINGS PER SHARE (continued)

10. 每股(虧損)/盈利(續)

(c) Reconciliation

(c) 對賬

		Number of shares	
		股份數目	
		2008	2007
		二零零八年	二零零七年
		'000	'000
		千股	千股
Weighted average number of ordinary shares used in calculating basic (loss)/earnings per share	用作計算每股基本(虧損)/盈利之普通股加權平均數	315,145	313,355
Deemed issue of ordinary shares under the Company's share option scheme for nil consideration	視作根據本公司之購股權計劃以零代價發行普通股	4,059	6,750
Weighted average number of ordinary shares used in calculating diluted (loss)/earnings per share	用作計算每股攤薄(虧損)/盈利之普通股加權平均數	319,204	320,105

11. SEGMENTAL REPORTING

The Group's operations are divided into two business segments: composite components segment and unit electronic components segment. In accordance with the Group's internal financial reporting, business segments are presented as the primary reporting format and geographical segments as the secondary reporting format.

(a) Business segments

An analysis of the Group's results of operations and the Group's financial position by business segments is as follows:

11. 分部報告

本集團之經營分為兩個業務分部 – 複合元件及單位電子元件。根據本集團之內部財務報告，業務分部以首要呈報格式呈列，而地區分部則以次要呈報格式呈列。

(a) 業務分部

本集團之經營業績及本集團之財務狀況按業務分類分析如下：

		Composite components 複合元件		Unit electronic components 單位電子元件		Consolidated 綜合	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Turnover	營業額	624,358	598,338	173,554	185,115	797,912	783,453
Segment result	分部業績	20,833	29,466	(9,865)	13,824	10,968	43,290
Unallocated operating income and expenses	未經分配經營收入及費用					(12,506)	(8,420)
(Loss)/profit from operations	經營(虧損)/溢利					(1,538)	34,870
Income tax	所得稅					(760)	(4,595)
(Loss)/profit after taxation attributable to equity shareholders of the Company	本公司股本持有人應佔除稅後(虧損)/溢利					(2,298)	30,275
Depreciation	折舊	(15,285)	(15,435)	(3,731)	(4,777)	(19,016)	(20,212)
Impairment loss on trade receivables	應收貿易賬款之減值虧損	(2,029)	(981)	(3,682)	(2)	(5,711)	(983)
Reversal of impairment loss on trade receivables	應收貿易賬款之減值虧損回撥	256	1,061	95	88	351	1,149
Write down of inventories	撇減存貨	(378)	(2,322)	(1,020)	(339)	(1,398)	(2,661)

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

財務報表附註

(以港元為單位)

11. SEGMENTAL REPORTING (continued)

(a) Business segments (continued)

11. 分部報告 (續)

(a) 業務分部 (續)

		Composite components		Unit electronic components		Consolidated	
		複合元件		單位電子元件		綜合	
		2008	2007	2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Segment assets	分部資產	191,578	215,861	59,305	66,982	250,883	282,843
Unallocated assets	未經分配資產					179,876	196,602
Total assets	資產總值					430,759	479,445
Segment liabilities	分部負債	35,715	46,345	14,829	24,100	50,544	70,445
Unallocated liabilities	未經分配負債					21,070	14,164
Total liabilities	負債總額					71,614	84,609
Capital expenditure incurred during the year	年內產生之資本開支	9,410	8,225	1,657	451	11,067	8,676

11. SEGMENTAL REPORTING (continued)

(b) Geographical segments

The Group's business is principally managed in Hong Kong and other parts of the PRC. The principal markets for the Group's products are the PRC (including Hong Kong) and Korea. Geographical segment turnover is presented based on the locations of the Group's customers. Segment assets and capital expenditure are based on the geographical location of the assets.

11. 分部報告 (續)

(b) 地區分部

本集團之業務主要於香港及中國其他地區進行。本集團產品之主要市場為中國(包括香港)及韓國。地區分部營業額乃按本集團客戶所在地呈列。分部資產及資本開支乃按資產之地理位置釐定。

		Turnover		Segment assets		Capital expenditure incurred during the year	
		營業額		分部資產		年內產生之資本開支	
		2008	2007	2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
PRC (other than Hong Kong)	中國(香港以外)	436,065	404,463	148,777	158,730	9,220	7,618
Hong Kong	香港	193,297	215,311	17,718	30,310	1,104	41
Korea	韓國	143,485	143,261	77,776	91,794	743	1,017
Others	其他	25,065	20,418	6,612	2,009	-	-
		797,912	783,453	250,883	282,843	11,067	8,676

12. PROPERTY, PLANT AND EQUIPMENT

(a) The Group

12. 物業、機器及設備

(a) 本集團

		Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇 \$'000 千元	Plant and machinery 機器及設備 \$'000 千元	Other fixed assets 其他固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2007	於二零零七年一月一日	28,705	121,873	31,025	181,603
Additions	增添	–	5,429	3,247	8,676
Disposals	出售	–	(522)	(7)	(529)
Surplus on revaluation	重估盈餘	12,121	–	–	12,121
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(1,574)	–	–	(1,574)
At 31 December 2007	於二零零七年十二月三十一日	39,252	126,780	34,265	200,297
Representing:	代表：				
Cost	成本	–	126,780	34,265	161,045
Valuation - 2007	二零零七年估值	39,252	–	–	39,252
		39,252	126,780	34,265	200,297
Accumulated depreciation:	累計折舊：				
At 1 January 2007	於二零零七年一月一日	850	63,252	21,213	85,315
Charge for the year	年度折舊費用	724	14,286	5,202	20,212
Written back on disposals	因出售而回撥	–	(502)	(4)	(506)
Elimination on revaluation	重估時撇銷	(1,574)	–	–	(1,574)
At 31 December 2007	於二零零七年十二月三十一日	–	77,036	26,411	103,447
Net book value:	賬面淨值：				
At 31 December 2007	於二零零七年十二月三十一日	39,252	49,744	7,854	96,850

12. PROPERTY, PLANT AND EQUIPMENT

(continued)

(a) The Group (continued)

12. 物業、機器及設備 (續)

(a) 本集團 (續)

		Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇 \$'000 千元	Plant and machinery 機器及設備 \$'000 千元	Other fixed assets 其他固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2008	於二零零八年一月一日	39,252	126,780	34,265	200,297
Exchange adjustments	匯兌調整	(5,738)	(5,932)	(1,968)	(13,638)
Additions	增添	-	8,497	2,570	11,067
Disposals	出售	-	(914)	(1,148)	(2,062)
Deficit on revaluation	重估虧損	(3,879)	-	-	(3,879)
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(900)	-	-	(900)
At 31 December 2008	於二零零八年十二月三十一日	28,735	128,431	33,719	190,885
Representing:	代表：				
Cost	成本	-	128,431	33,719	162,150
Valuation - 2008	二零零八年估值	28,735	-	-	28,735
		28,735	128,431	33,719	190,885
Accumulated depreciation:	累計折舊：				
At 1 January 2008	於二零零八年一月一日	-	77,036	26,411	103,447
Exchange adjustments	匯兌調整	-	(2,855)	(1,520)	(4,375)
Charge for the year	年度折舊費用	900	13,680	4,436	19,016
Written back on disposals	因出售而回撥	-	(886)	(1,145)	(2,031)
Elimination on revaluation	重估時撇銷	(900)	-	-	(900)
At 31 December 2008	於二零零八年十二月三十一日	-	86,975	28,182	115,157
Net book value:	賬面淨值：				
At 31 December 2008	於二零零八年十二月三十一日	28,735	41,456	5,537	75,728

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

財務報表附註

(以港元為單位)

12. PROPERTY, PLANT AND EQUIPMENT

(continued)

(b) The Company

12. 物業、機器及設備(續)

(b) 本公司

		Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇 \$'000 千元	Plant and machinery 機器及設備 \$'000 千元	Other fixed assets 其他固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2007	於二零零七年一月一日	21,566	26,857	12,554	60,977
Additions	增添	-	394	664	1,058
Disposals	出售	-	-	(7)	(7)
Surplus on revaluation	重估盈餘	5,133	-	-	5,133
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(1,357)	-	-	(1,357)
At 31 December 2007	於二零零七年十二月三十一日	25,342	27,251	13,211	65,804
Representing:	代表：				
Cost	成本	-	27,251	13,211	40,462
Valuation - 2007	二零零七年估值	25,342	-	-	25,342
		25,342	27,251	13,211	65,804
Accumulated depreciation:	累計折舊：				
At 1 January 2007	於二零零七年一月一日	817	8,750	7,429	16,996
Charge for the year	年度折舊費用	540	4,216	2,785	7,541
Written back on disposal	因出售而回撥	-	-	(4)	(4)
Elimination on revaluation	重估時撇銷	(1,357)	-	-	(1,357)
At 31 December 2007	於二零零七年十二月三十一日	-	12,966	10,210	23,176
Net book value:	賬面淨值：				
At 31 December 2007	於二零零七年十二月三十一日	25,342	14,285	3,001	42,628

12. PROPERTY, PLANT AND EQUIPMENT

(continued)

(b) The Company (continued)

12. 物業、機器及設備 (續)

(b) 本公司 (續)

		Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇 \$'000 千元	Plant and machinery 機器及設備 \$'000 千元	Other fixed assets 其他固定資產 \$'000 千元	Total 總計 \$'000 千元
Cost or valuation:	成本或估值：				
At 1 January 2008	於二零零八年一月一日	25,342	27,251	13,211	65,804
Exchange adjustments	匯兌調整	(5,739)	(5,932)	(1,968)	(13,639)
Additions	增添	-	1,523	1,595	3,118
Disposals	出售	-	-	(1,148)	(1,148)
Surplus on revaluation	重估盈餘	130	-	-	130
Less: Elimination of accumulated depreciation	減：撇銷累計折舊	(548)	-	-	(548)
At 31 December 2008	於二零零八年十二月三十一日	19,185	22,842	11,690	53,717
Representing:	代表：				
Cost	成本	-	22,842	11,690	34,532
Valuation - 2008	二零零八年估值	19,185	-	-	19,185
		19,185	22,842	11,690	53,717
Accumulated depreciation:	累計折舊：				
At 1 January 2008	於二零零八年一月一日	-	12,966	10,210	23,176
Exchange adjustments	匯兌調整	-	(2,855)	(1,520)	(4,375)
Charge for the year	年度折舊費用	548	3,660	2,219	6,427
Written back on disposals	因出售而回撥	-	-	(1,145)	(1,145)
Elimination on revaluation	重估時撇銷	(548)	-	-	(548)
At 31 December 2008	於二零零八年十二月三十一日	-	13,771	9,764	23,535
Net book value:	賬面淨值：				
At 31 December 2008	於二零零八年十二月三十一日	19,185	9,071	1,926	30,182

12. PROPERTY, PLANT AND EQUIPMENT

(continued)

- (c) The analysis of net book value of land and buildings held for own use carried at fair value is as follows:

	The Group 本集團		The Company 本公司	
	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Freehold outside Hong Kong 在香港境外按永久業權持有	15,885	21,642	15,885	21,642
Medium-term leases outside Hong Kong 在香港境外按中期租約持有	9,550	13,910	-	-
Medium-term leases in Hong Kong 在香港按中期租約持有	3,300	3,700	3,300	3,700
	28,735	39,252	19,185	25,342

- (d) The Group's and the Company's land and buildings held for own use were revalued as at 31 December 2008 at their open market value by reference to recent market transactions in comparable properties. The valuations were carried out by Vigers Appraisal & Consulting Limited, an independent firm of professional surveyors who had among their staff members of the Hong Kong Institute of Surveyors. A revaluation deficit of \$3,879,000 has been transferred to the properties revaluation reserve (note 24), net of deferred tax of \$635,000 (note 23(b)). During the year ended 31 December 2007, a revaluation surplus of \$10,665,000 net of deferred tax of \$8,000, was transferred to the properties revaluation reserve and a net gain of \$1,456,000 and deferred tax thereon of \$52,000 were included in the consolidated income statement.

12. 物業、機器及設備 (續)

- (c) 持有作自用以公允價值列賬之土地及樓宇之賬面淨值分析如下：

- (d) 於二零零八年十二月三十一日，曾參考可供比較物業之近期市場交易就本集團及本公司持有作自用之土地及樓宇之公開市值進行重估。該等估值由獨立專業估值師威格斯資產評估顧問有限公司進行，其部份員工為香港測量師學會成員。3,879,000元重估虧損(扣除遞延稅項635,000元(見附註23(b))已被轉撥至物業重估儲備(見附註24)。於截至二零零七年十二月三十一日止年度，10,665,000元重估盈餘(扣除遞延稅項8,000元)被轉撥至物業重估儲備，而收益淨額1,456,000元及據此之遞延稅項52,000元已被納入綜合損益表。

12. PROPERTY, PLANT AND EQUIPMENT

(continued)

(d) (continued)

Had the above land and buildings been carried at cost less accumulated depreciation, the carrying amounts would have been:

		The Group 本集團		The Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Freehold land and buildings	按永久業權持有之 土地及樓宇	13,854	14,240	13,854	14,240
Leasehold land and buildings	按租賃持有之 土地及樓宇	9,709	10,017	2,998	3,109
		23,563	24,257	16,852	17,349

12. 物業、機器及設備 (續)

(d) (續)

倘上述土地及樓宇已按成本減累計折舊列值，賬面金額將為：

13. INTERESTS IN SUBSIDIARIES

13. 於附屬公司之權益

		The Company 本公司	
		2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元
Unlisted equities, at cost	非上市股本，按成本值	82,382	56,719
At 1 January	於一月一日		
Additional contribution	額外出資	575	25,663
At 31 December	於十二月三十一日	82,957	82,382
Amounts due to subsidiaries	應付附屬公司金額	(37,446)	(28,160)
		45,511	54,222

Amounts due to subsidiaries are unsecured, interest-free and are not expected to be settled within one year.

應付附屬公司款項為無抵押、免息及預期不會於一年內償還。

13. INTERESTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

13. 於附屬公司之權益 (續)

附屬公司之詳情如下：

Name of company 公司名稱	Place of establishment and operation 成立及經營國家	Particulars of issued and paid-up capital 已發行實繳股本詳情	Proportion of ownership interest held by the Company 由本公司持有之所有權權益比例	Principal activity 主要業務
Shenzhen Kwang Sung Electronics Co., Ltd. (note (a)) 深圳光星電子有限公司 (附註(a))	PRC 中國	US\$10,561,780 10,561,780美元	100%	Manufacture and sale of electronic components 製造及銷售電子元件
Kwang Sung Electronics Trading (Shenzhen) Co., Ltd. (note (b)) 光星電子貿易(深圳)有限公司 (附註(b))	PRC 中國	RMB500,000 人民幣 500,000元	100%	Provision of sales agency services to the Company 向本公司提供銷售代理服務
Grand Sonic Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	Dormant 暫無營業

(a) It is a wholly foreign owned enterprise established in the PRC.

(b) Kwang Sung Electronics Trading (Shenzhen) Co., Ltd was established on 18 June 2008 in the PRC as a wholly foreign owned investment commercial enterprise.

(a) 該公司為於中國成立之外商獨資企業。

(b) 光星電子貿易(深圳)有限公司於二零零八年六月十八日在中國成立，其為從事投資商業業務之外商獨資企業。

14. INTANGIBLE ASSETS

14. 無形資產

		The Group and the Company 本集團及本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Club memberships, at cost:	會所會籍，按成本值：		
At 1 January and 31 December	於一月一日及十二月三十一日	889	889
Accumulated amortisation and impairment loss:	累計攤銷及減值：		
At 1 January	於一月一日	171	228
Charge for the year	本年度支出	45	36
Reversal of impairment loss	減值虧損回撥	-	(93)
At 31 December	於十二月三十一日	216	171
Net book value:	賬面淨值：		
At 31 December	於十二月三十一日	673	718

Note: The amortisation charge for the year is included in "other operating expenses" in the consolidated income statement.

附註：本年度攤銷支出被納入綜合損益表內「其他經營開支」。

15. INVESTMENTS IN EQUITY SECURITIES

15. 投資於股本證券

		The Group and the Company 本集團及本公司	
		2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元
Unlisted equity securities, at cost	非上市股本證券，按成本值：		
At 1 January	於一月一日	1,500	3,184
Disposal	出售	-	(1,684)
		<u>1,500</u>	<u>1,500</u>
Less: impairment loss	減：減值虧損	(1,500)	(1,500)
At 31 December	於十二月三十一日	<u>-</u>	<u>-</u>

In view of significant operating losses incurred by the investee, full impairment provision had been made for the cost of investment in that entity of \$1,500,000 in prior years.

On 31 December 2007, the Company disposed of an investment in equity securities with carrying value of \$1,684,000 to another shareholder of that entity at KRW200 million. Pursuant to the sales and purchase agreement dated 31 December 2007, the consideration should be settled on or before 30 June 2008. On 1 July 2008, the Company agreed to extend the repayment of sales proceeds in instalments of KRW50 million (equivalent to \$308,000) each, payable on 30 June 2009 and 31 December 2009, respectively and the remaining KRW100 million (equivalent to \$616,000) payable on 30 June 2010. The outstanding sales proceeds receivable bear an interest at 6% per annum.

由於接受投資者產生重大經營虧損，故已於過往年度就投資於該實體之成本1,500,000元作出全數減值撥備。

於二零零七年十二月三十一日，本集團以200,000,000韓圓向該實體另一名股東出售賬面值1,684,000元之股本證券投資。根據日期為二零零七年十二月三十一日之買賣協議，代價應於二零零八年六月三十日或之前清償。於二零零八年七月一日，本公司同意延長銷售所得款項之還款期，每期50,000,000韓圓（相當於308,000元），須分別於二零零九年六月三十日及二零零九年十二月三十一日償還，餘額100,000,000韓圓（相當於616,000元）須於二零一零年六月三十日償還。尚未清償之應收銷售所得款項按年利率6厘計息。

16. MARKETABLE SECURITIES

Marketable securities are investments in a money market fund comprising a portfolio of financial assets denominated in Renminbi Yuan ("RMB") and managed by Fortis Investment Management Belgium S.A. which are stated at their open market value at 31 December 2008.

16. 可出售證券

可出售證券乃於貨幣市場基金之投資，包括以人民幣元列值之金融資產組合，並由Fortis Investment Management Belgium S.A.管理，以二零零八年十二月三十一日之公開市值列值。

17. INVENTORIES

(a) Inventories in the balance sheets comprise:

		The Group and the Company 本集團及本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Raw materials	原材料	41,248	30,790
Work in progress	在製品	15,123	20,939
Finished goods	製成品	24,871	18,938
		81,242	70,667

(b) The analysis of the amount of inventories recognised as an expense is as follows:

		The Group 本集團	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Carrying amount of inventories sold	所出售存貨之賬面值	706,004	657,714
Write down of inventories	撇減存貨	1,398	2,661
		707,402	660,375

(a) 於資產負債表存貨包括：

(b) 確認為開支之存貨金額之分析如下：

18. TRADE AND OTHER RECEIVABLES

18. 應收貿易及其他賬款

		The Group 本集團		The Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Trade and bills receivables	應收貿易賬款及票據	104,607	120,660	104,607	120,660
Less: allowance for doubtful debts (note 18(b))	減：呆賬撥備 (附註18(b))	(10,694)	(5,334)	(10,694)	(5,334)
		93,913	115,326	93,913	115,326
Short term loans to key management personnel and employees (note 27)	向主要管理人員及僱員提供短期貸款(附註27)	280	1,629	280	1,629
Proceeds receivable from disposal of equity securities (note 15)	出售股本證券之應得款項(附註15)	616	1,684	616	1,684
Tax reserve certificate (note 5(a)(ii))	儲稅券(附註5(a)(ii))	3,318	–	3,318	–
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	9,874	7,156	9,871	7,156
		108,001	125,795	107,998	125,795

All of the trade and other receivables are expected to be recovered within one year. Trade debtors are due within 30-60 days from the date of billing. Further details on the Group's credit policy are set out in note 25(a).

所有應收貿易及其他賬款預期可於一年內收回。貿易應收賬於發票發出日期起計30至60日內到期。有關本集團信貸政策之進一步詳情見附註25(a)。

18. TRADE AND OTHER RECEIVABLES

(continued)

(a) Ageing analysis

Included in trade receivables are trade debtors and bills receivables (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

18. 應收貿易及其他賬款 (續)

(a) 賬齡分析

應收貿易賬款包括貿易應收賬及應收票據(減去呆賬撥備)，於結算日之賬齡分析如下：

		The Group and the Company 本集團及本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Current	未逾期	62,263	83,073
Less than 1 month past due	逾期少於一個月	16,530	20,950
1 to 3 months past due	逾期多於一個月但少於三個月	14,270	9,648
More than 3 months but less than 12 months past due	逾期多於三個月但少於十二個月	830	1,655
More than 12 months	逾期多於十二個月	20	-
Amounts past due	逾期之金額	31,650	32,253
		93,913	115,326

18. TRADE AND OTHER RECEIVABLES

(continued)

(b) Impairment of trade debtors and bills receivables

Impairment losses in respect of trade debtors and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivables directly (see note 1(h)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

18. 應收貿易及其他賬款 (續)

(b) 貿易應收賬及應收票據減值

有關貿易應收賬及應收票據之減值虧損乃使用備抵賬記錄，惟本集團認為收回款項之機會甚微則除外，在此情況下減值虧損直接在貿易應收賬及應收票據中撇銷(見附註1(h)(i))。

年內呆壞賬準備之變動(包括特定及整體虧損成份)如下：

		The Group and the Company	
		本集團及本公司	
		2008	2007
		二零零八年	二零零七年
		\$'000	\$'000
		千元	千元
At 1 January	於一月一日	5,334	5,500
Impairment loss recognised	已確認減值虧損	5,711	983
Reversal of impairment loss	減值虧損回撥	(351)	(1,149)
At 31 December	於十二月三十一日	10,694	5,334

At 31 December 2008, the Group's and the Company's trade debtors and bills receivables of \$13,889,000 (2007: \$44,824,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of \$10,694,000 (2007: \$5,334,000) were recognised. The Group does not hold any collateral over these balances.

於二零零八年十二月三十一日，本集團及本公司之貿易應收賬及應收票據13,889,000元(二零零七年：44,824,000元)當中個別部份被斷定出現減值。個別出現減值之應收賬是與財政出現困難之客戶有關，而管理層評估後，預期只可收回其中一部份的應收賬。結果，已確認有關呆壞賬的特定撥備10,694,000元(二零零七年：5,334,000元)。本集團並無就該等結餘持有任何抵押品。

18. TRADE AND OTHER RECEIVABLES

(continued)

- (c) The ageing analysis of trade debtors and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

18. 應收貿易及其他賬款 (續)

- (c) 並無個別或整體上被認為出現減值之貿易應收賬及應收票據之賬齡如下：

		The Group and the Company 本集團及本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Neither past due nor impaired	未逾期亦無減值	61,285	53,542
Less than 1 month past due	逾期少於一個月	16,020	15,187
1 to 3 months past due	逾期超過一個月但不超過三個月	12,594	6,312
More than 3 months but less than 12 months past due	逾期超過三個月但不超過十二個月	819	795
		29,433	22,294
		90,718	75,836

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances except for collateral provided by a Korean customer as mentioned in note 25(a).

未逾期亦無減值之應收款項是與近期並無拖欠紀錄之廣泛客戶有關。

已逾期但無減值之應收款項是與有良好還款紀錄之多名獨立客戶有關。根據以往經驗，由於信貸質素並無重大變化，加上有關結餘仍被認為可全數收回，故管理層相信毋須就該等結餘作減值撥備。除於附註25(a)所提述由一名韓國客戶提供之抵押品外，本集團並無就該等結餘持有任何抵押品。

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

財務報表附註

(以港元為單位)

19. CASH AND CASH EQUIVALENTS

19. 現金及現金等價物

		The Group		The Company	
		本集團		本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Deposits with banks	銀行存款	70,850	151,223	70,850	151,223
Cash at bank and in hand	銀行存款及現金	84,842	34,192	84,286	34,192
Cash and cash equivalents in the balance sheets	資產負債表之現金及現金等價物	155,692	185,415	155,136	185,415
Less: deposits with banks with more than three months of maturity when placed	減：存入銀行時到期日多於三個月之存款	(20,139)	(26,505)		
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表之現金及現金等價物	135,553	158,910		

20. TRADE AND OTHER PAYABLES

20. 應付貿易及其他賬款

		The Group		The Company	
		本集團		本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Trade creditors	貿易應付賬	50,544	66,240	50,544	66,240
Accrued expenses and other payables	應計費用及其他應付款項	13,834	13,534	13,662	13,534
		64,378	79,774	64,206	79,774

All of the trade and other payables are expected to be settled within one year.

所有應付貿易及其他賬款預期可於一年內償還。

20. TRADE AND OTHER PAYABLES (continued)

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

		The Group and the Company	
		本集團及本公司	
		2008	2007
		二零零八年	二零零七年
		\$'000	\$'000
		千元	千元
Due within 1 month or on demand	一個月內或接獲通知時到期	43,012	42,761
Due after 1 month but within 3 months	一個月後但三個月內到期	7,532	23,479
		50,544	66,240

20. 應付貿易及其他賬款 (續)

應付貿易及其他賬款包括貿易應付賬，於結算日之賬齡分析如下：

21. EMPLOYEE RETIREMENT BENEFITS

- (a) The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the MPF scheme vest immediately.
- (b) Employees in Korea participate in a National Pension Scheme which is a mandatory insurance scheme under the National Pension Act (the "Scheme"). Under the Scheme, the employer and its employees are each required to make contributions to the Scheme at 4.5% of the employees' monthly income, subject to adjustments stipulated in the Scheme and a cap of monthly income of KRW3.6 million (equivalent to approximately \$26,000). Contributions to the Scheme vest immediately.
- (c) The Group's subsidiaries in the PRC participate in a defined contribution scheme organised by the PRC municipal government. The subsidiaries are required to make contributions at 10-11% of the relevant PRC employees' salaries to the scheme. Contributions to the scheme vest immediately.

Save as above, the Group has no other material obligations to make payments in respect of retirement benefits of employees.

21. 僱員退休福利

- (a) 本集團根據《香港強制性公積金計劃條例》為根據香港《僱傭條例》所僱用之僱員提供強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%之比例就計劃作出供款，而每月相關收入之上限為20,000元。強積金計劃之供款即時成為既定僱員福利。
- (b) 在韓國之僱員參與國家退休金計劃，其為一項按國家退休金法設立之強制性保險計劃（「該計劃」）。根據該計劃，僱主及其僱員各自須按僱員每月收入之4.5%之比例就該計劃作出供款（每月收入須就該計劃之規定調整及上限為3,600,000韓圓（約相等於26,000元）。該計劃之供款即時成為既定僱員福利。
- (c) 本集團於中國之附屬公司參與由中國市政府籌辦之定額供款計劃。附屬公司須按相關中國僱員薪金之10—11%之比例就計劃作出供款。計劃之供款即時成為既定僱員福利。

除上文披露者外，本集團概無就僱員退休福利作出付款之其他重大承擔。

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 16 June 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, advisers and consultants, to take up options to subscribe for shares of the Company. The options are exercisable progressively between one to three years from the date of grant and will expire at the end of a period to be notified by the directors to each option-holder upon the grant of option, such period not to exceed ten years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share of the Company.

- (a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

22. 以股份為基礎之股本付款交易

根據本公司一項於二零零三年六月十六日採納之購股權計劃，本公司董事獲授權酌情向本集團僱員（包括本集團內任何公司之董事）、顧問及諮詢人提出接納購股權之要約，以認購本公司股份。購股權可由授出日期起計一年至三年內逐步行使，並將於董事授出購股權時知會各個購股權持有人之期間終結時屆滿，惟該期間不得超過由授出日期起計十年。各份購股權均授權持有人認購一股本公司普通股。

- (a) 以下為年內已存在購股權之條款及條件，而所有購股權以實質上交付股份之方式支付：

		Number of options 購股權數目	Exercise period 行使期	Contractual life of options 購股權之合約年期
Options granted to directors: – on 7 July 2003	授予董事之購股權： – 於二零零三年七月七日	1,000,000	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	5 years 五年
– on 6 May 2004	– 於二零零四年五月六日	1,000,000	1 May 2005 to 30 April 2009 二零零五年五月一日至 二零零九年四月三十日	5 years 五年
Options granted to employees and other eligible persons: – on 7 July 2003	授予僱員及其他 合資格人士之購股權： – 於二零零三年七月七日	15,220,000	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	5 years 五年
Total share options	購股權總數	<u>17,220,000</u>		

The maximum percentage of the share options which are vested is determined in stages as follows:

On or after the first anniversary of grant date	30%
On or after the second anniversary of grant date	another 30%
On or after the third anniversary of grant date	another 40%

界定為既定僱員福利之購股權最高百分比按以下階段定出：

於授出購股權日第一週年或以後	30%
於授出購股權日第二週年或以後	另外30%
於授出購股權日第三週年或以後	另外40%

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

- (b) The number and weighted average exercise prices of share options are as follows:

		2008 二零零八年		2007 二零零七年	
		Weighted average exercise price 加權平均 行使價	Number of options 購股權 數目	Weighted average exercise price 加權平均 行使價	Number of options 購股權 數目
Outstanding at 1 January	於一月一日尚未行使	\$1.316	17,220,000	\$1.312	20,400,000
Forfeited during the year	年內已沒收	\$1.294	(14,438,000)	\$1.294	(2,900,000)
Exercised during the year	年內已行使	\$1.294	(1,782,000)	\$1.294	(280,000)
Outstanding at 31 December	於十二月三十一日 尚未行使	\$1.666	1,000,000	\$1.316	17,220,000
Exercisable at 31 December	於十二月三十一日 可予以行使	\$1.666	1,000,000	\$1.316	17,220,000

The options outstanding at 31 December 2008 had an exercise price of \$1.666 and a weighted average remaining contractual life of 0.3 year (2007: 1.6 years).

22. 以股份為基礎之股本付款交易 (續)

- (b) 購股權之數目及加權平均行使價如下：

於二零零八年十二月三十一日尚未行使之購股權之行使價為1.666元，而加權平均剩餘合約年期為0.3年(二零零七年：1.6年)。

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

(c) Fair value of share options and assumptions

The fair value of services rendered in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial lattice model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

22. 以股份為基礎之股本付款交易 (續)

(c) 購股權之公允價值及假設

以授出購股權為代價所提供之服務的公允價值，乃參照已獲授出購股權之公允價值計量。已授出購股權的估計公允價值乃根據二項式點陣模式為基準計量。購股權之合約年期乃此模式所用之計算資料。對提早行使之預期亦已納入二項式點陣模式內。

Fair value of share options and assumptions 購股權公允價值及假設		Date of grant 授出日期	
		6 May 2004 二零零四年 五月六日	7 July 2003 二零零三年 七月七日
Fair value at measurement date	於計量日期之公允價值	\$ 0.6025	\$ 0.3875
Share price	股價	\$ 1.66	\$ 1.25
Exercise price	行使價	\$ 1.666	\$ 1.294
Expected volatility	預期波幅	46%	41%
Option life	購股權年期	5 years年	5 years年
Expected dividends	預期股息	5%	4.25%
Risk-free interest rate	無風險利率	3.55%	2.7%

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The grantees are required to remain in service during the vesting period, and not required to achieve any other performance conditions or targets before they are entitled to the grants. There were no market conditions associated with the share option grants.

預期波幅是根據歷史波幅而得出，並根據公開資料而預期對未來波幅可能產生之任何變動予以調整。預期股息乃以過往股息為基準。具主觀成份之計算資料及假設如有變動，可能重大影響公允價值之估計。

獲授予購股權之人士須在歸屬期內仍然在職，而於有權接受獲授之購股權前，無須達成任何其他表現條件或目標。授出購股權並無附有市場條件。

23. INCOME TAX IN THE BALANCE SHEETS

23. 資產負債表內所列之所得稅

(a) Current taxation in the balance sheets represents:

(a) 資產負債表內所列本期稅項為：

	The Group 本集團		The Company 本公司	
	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Provision for Hong Kong Profits Tax for the year	-	2,813	-	2,813
Balance of Profits Tax provision relating to prior years	1,362	(1,451)	1,362	(1,451)
	1,362	1,362	1,362	1,362
Provision for PRC Corporate Income Tax for the year	1,054	1,628	937	1,628
Provisional Corporate Income Tax paid	(1,634)	(1,261)	(1,609)	(1,261)
	(580)	367	(672)	367
Balance of PRC Corporate Income Tax provision relating to prior years	4,445	1,408	4,445	1,408
	3,865	1,775	3,773	1,775
	5,227	3,137	5,135	3,137

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(Expressed in Hong Kong dollars)

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(以港元為單位)

23. INCOME TAX IN THE BALANCE SHEETS

(continued)

(b) Deferred tax liabilities recognised

The components of deferred tax liabilities recognised in the balance sheet and the movements during the year are as follows:

23. 資產負債表內所列之所得稅 (續)

(b) 已確認之遞延稅項負債

於資產負債表內確認之遞延稅項負債組成部份及於年內之變動如下：

		The Group and the Company 本集團及本公司		
		Depreciation allowances in excess of related depreciation 超過相關折舊的折舊免稅額 \$'000 千元	Revaluation of land and buildings 重估土地及樓宇 \$'000 千元	Total 總計 \$'000 千元
Deferred tax arising from:	由以下項目產生之遞延稅項：			
At 1 January 2007 (Credited)/charged to profit or loss (note 5(a)) Debited to reserve	於二零零七年一月一日 於損益表中(計入)/扣除(附註5(a)) 在儲備中扣除	1,824 (394) -	195 65 8	2,019 (329) 8
At 31 December 2007	於二零零七年十二月三十一日	1,430	268	1,698
At 1 January 2008 Credited to profit or loss (note 5(a)) Debited to reserve	於二零零八年一月一日 於損益表中計入(附註5(a)) 在儲備中扣除	1,430 (324) -	268 - 635	1,698 (324) 635
At 31 December 2008	於二零零八年十二月三十一日	1,106	903	2,009

		The Group and the Company 本集團及本公司	
		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Deferred tax liabilities recognised in the balance sheet	在資產負債表確認之遞延稅項負債	2,009	1,698

23. INCOME TAX IN THE BALANCE SHEETS

(continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(n), the Group and the Company have not recognised deferred tax assets of its Korea Branch of \$785,000 (2007: \$1,843,000) in respect of tax losses of \$8,204,000 (2007: \$10,377,000) and deductible temporary differences arising from unrealised exchange loss of \$189,000 and allowance for doubtful debts of \$470,000, net of the taxable temporary differences arising from accrued interest income of \$99,000 and depreciation allowances in excess of the related depreciation of \$1,681,000 (2007: deductible temporary differences from write down of inventories of \$2,565,000, net of the taxable temporary difference arising from accrued interest income of \$50,000) as it is not probable that future taxable profits against which the losses or temporary differences can be utilised in the relevant tax jurisdiction and entity.

Tax losses of \$1,385,000, \$2,483,000, \$606,000 and \$3,730,000 expire in 2009, 2010, 2012 and 2013, respectively.

(d) Deferred tax liabilities not recognised

Effective 1 January 2008, the Company is subject to a withholding tax at the rate of 5% for any dividend payment from its PRC subsidiaries. Deferred tax liabilities of \$156,000 in respect of temporary differences relating to the undistributed profits of subsidiaries operating in the PRC of \$3,125,000 have not been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

23. 資產負債表內所列之所得稅 (續)

(c) 未確認遞延稅項資產

根據附註1(n)所載之會計政策，本集團及本公司並無確認韓國分公司之遞延稅項資產785,000元(二零零七年：1,843,000元)，此遞延稅項資產乃關於稅務虧損8,204,000元(二零零七年：10,377,000元)及因未變現匯兌虧損189,000元及呆賬撥備470,000元產生之可抵扣暫時性差異，減去因累計利息收入99,000元及超出相關折舊之折舊撥備1,681,000元產生之應課稅暫時性差異(二零零七年：因撇減存貨2,565,000元產生之可抵扣暫時性差異，減去因累計利息收入50,000元產生之應課稅暫時性差異)，原因為在有關稅務司法權區及實體不大可能有未來應課稅溢利而令該等虧損或暫時差額得以運用。

稅務虧損1,385,000元、2,483,000元、606,000元及3,730,000元將分別於二零零九年、二零一零年、二零一二年及二零一三年屆滿。

(d) 未確認遞延稅項負債

由二零零八年一月一日起，本公司須就中國附屬公司所支付之任何股息按5%之預扣稅率繳付預扣稅。並無就與在中國營運之附屬公司之未分配利益有關之暫時性差異3,125,000元確認遞延稅項負債156,000元，原因為本公司控制該等附屬公司之股息政策，且已決定不會在可見之將來分配該等溢利。

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(Expressed in Hong Kong dollars)

財務報表附註

(以港元為單位)

24. CAPITAL AND RESERVES

(a) The Group

24. 資本及儲備

(a) 本集團

		Attributable to equity shareholders of the Company 本公司股本持有人應佔							
		Share capital	Share premium	Capital reserve	Properties revaluation reserve	Statutory reserve	Exchange reserve	Retained profits	Total
		股本	股份溢價	資本儲備	物業重估儲備	法定儲備	匯兌儲備	保留溢利	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2007	於二零零七年一月一日	31,330	52,900	5,839	3,902	3,012	-	264,679	361,662
Final dividend approved in respect of the previous year (note 9(b))	就以往年度批准之末期股息(附註9(b))	-	-	-	-	-	-	(3,446)	(3,446)
Shares issued under share option scheme	根據購股權計劃發行股份	28	410	(76)	-	-	-	-	362
Transfer between reserves	儲備間之轉撥	-	-	(787)	-	3,477	-	(2,690)	-
Revaluation surplus, net of deferred tax	重估盈餘，經扣除遞延稅項	-	-	-	10,657	-	-	-	10,657
Equity settled share-based transactions	以股份為基礎之股本付款交易	-	-	27	-	-	-	-	27
Profit for the year	年度溢利	-	-	-	-	-	-	30,275	30,275
Dividend declared in respect of the current year (note 9(a))	已宣派之本年度股息(附註9(a))	-	-	-	-	-	-	(4,701)	(4,701)
At 31 December 2007	於二零零七年十二月三十一日	31,358	53,310	5,003	14,559	6,489	-	284,117	394,836
At 1 January 2008	於二零零八年一月一日	31,358	53,310	5,003	14,559	6,489	-	284,117	394,836
Final dividend approved in respect of the previous year (note 9(b))	就以往年度批准之末期股息(附註9(b))	-	-	-	-	-	-	(4,415)	(4,415)
Shares issued under share option scheme	根據購股權計劃發行股份	178	2,611	(483)	-	-	-	-	2,306
Transfer between reserves	儲備間之轉撥	-	-	(3,916)	-	1,004	-	2,912	-
Exchange difference on translation of financial statements of overseas operations	換算境外業務財務報告產生之匯兌差額	-	-	-	-	-	(25,193)	-	(25,193)
Revaluation deficit, net of deferred tax	重估虧損，經扣除遞延稅項	-	-	-	(4,514)	-	-	-	(4,514)
Loss for the year	年度虧損	-	-	-	-	-	-	(2,298)	(2,298)
Dividend declared in respect of the current year (note 9(a))	已宣派之本年度股息(附註9(a))	-	-	-	-	-	-	(1,577)	(1,577)
At 31 December 2008	於二零零八年十二月三十一日	31,536	55,921	604	10,045	7,493	(25,193)	278,739	359,145

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(以港元為單位)

24. CAPITAL AND RESERVES (continued)

(b) The Company

24. 資本及儲備 (續)

(b) 本公司

		Share capital	Share premium	Capital reserve	Properties revaluation reserve	Statutory reserve	Exchange reserve	Retained profits	Total
		股本	股份溢價	資本儲備	物業重估儲備	法定儲備	匯兌儲備	保留溢利	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2007	於二零零七年一月一日	31,330	52,900	5,839	3,902	3,012	-	264,679	361,662
Final dividend approved in respect of the previous year (note 9 (b))	就以往年度批准之末期股息 (附註9(b))	-	-	-	-	-	-	(3,446)	(3,446)
Shares issued under share option scheme	根據購股權計劃發行股份	28	410	(76)	-	-	-	-	362
Transfer between reserves	儲備間之轉撥	-	-	(787)	-	3,477	-	(2,690)	-
Revaluation surplus, net of deferred tax	重估盈餘，經扣除遞延稅項	-	-	-	10,657	-	-	-	10,657
Equity settled share-based transactions	以股份為基礎之股本付款交易	-	-	27	-	-	-	-	27
Profit for the year	年度溢利	-	-	-	-	-	-	30,275	30,275
Dividend declared in respect of the current year (note 9 (a))	已宣派之本年度股息 (附註9(a))	-	-	-	-	-	-	(4,701)	(4,701)
At 31 December 2007	於二零零七年十二月三十一日	31,358	53,310	5,003	14,559	6,489	-	284,117	394,836
At 1 January 2008	於二零零八年一月一日	31,358	53,310	5,003	14,559	6,489	-	284,117	394,836
Final dividend approved in respect of the previous year (note 9 (b))	就以往年度批准之末期股息 (附註9(b))	-	-	-	-	-	-	(4,415)	(4,415)
Shares issued under share option scheme	根據購股權計劃發行股份	178	2,611	(483)	-	-	-	-	2,306
Transfer between reserves	儲備間之轉撥	-	-	(3,916)	-	1,004	-	2,912	-
Exchange difference on translation of financial statements of overseas operations	換算境外業務財務報告產生之匯兌差額	-	-	-	-	-	(25,193)	-	(25,193)
Revaluation deficit, net of deferred tax	重估虧損，經扣除遞延稅項	-	-	-	(4,514)	-	-	-	(4,514)
Loss for the year	年度虧損	-	-	-	-	-	-	(2,628)	(2,628)
Dividend declared in respect of the current year (note 9 (a))	已宣派之本年度股息 (附註9(a))	-	-	-	-	-	-	(1,577)	(1,577)
At 31 December 2008	於二零零八年十二月三十一日	31,536	55,921	604	10,045	7,493	(25,193)	278,409	358,815

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(以港元為單位)

24. CAPITAL AND RESERVES (continued)

(c) Share capital

(i) Authorised and issued share capital

		2008 二零零八年		2007 二零零七年	
		Number of shares 股份數目 '000 千股	Amount 金額 \$'000 千元	Number of shares 股份數目 '000 千股	Amount 金額 \$'000 千元
Authorised:	法定：				
Ordinary shares of \$0.1 each	每股面值0.1元之普通股	<u>1,500,000</u>	<u>150,000</u>	<u>1,500,000</u>	<u>150,000</u>
Ordinary shares, issued and fully paid:	已發行及繳足之普通股：				
At 1 January	於一月一日	313,580	31,358	313,300	31,330
Shares issued under share option scheme	根據購股權計劃發行股份	<u>1,782</u>	<u>178</u>	<u>280</u>	<u>28</u>
At 31 December	於十二月三十一日	<u>315,362</u>	<u>31,536</u>	<u>313,580</u>	<u>31,358</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Shares issued under share option scheme

During the year, options were exercised to subscribe for 1,782,000 (2007: 280,000) ordinary shares in the Company at a consideration of \$2,306,000 (2007: \$362,000) of which \$178,000 (2007: \$28,000) was credited to share capital and the balance of \$2,128,000 (2007: \$414,000) was credited to the share premium account. \$483,000 (2007: \$76,000) has been transferred from the capital reserve to the share premium account in accordance with the accounting policy set out in note 1(m)(ii).

24. 資本及儲備(續)

(c) 股本

(i) 法定及已發行股本

普通股持有人有權收取不時宣派之股息，並於本公司大會上可就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

(ii) 根據購股權計劃發行股份

年內，購股權已按總代價2,306,000元(二零零七年：362,000元)行使，以認購本公司1,782,000股(二零零七年：280,000股)普通股，而總代價當中178,000元(二零零七年：28,000元)已計入股本，餘下2,128,000元(二零零七年：414,000元)已計入股份溢價賬。483,000元(二零零七年：76,000元)已根據附註1(m)(ii)所述之會計政策從資本儲備轉撥至股份溢價賬。

24. CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

- (iii) Terms of unexpired and unexercised share options at balance sheet date

		2008 二零零八年 Number 數目	2007 二零零七年 Number 數目
Exercise period	行使期		
1 July 2004 to 30 June 2008	二零零四年七月一日至 二零零八年六月三十日	-	16,220,000
1 May 2005 to 30 April 2009	二零零五年五月一日至 二零零九年四月三十日	<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,000,000</u>	<u>17,220,000</u>

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 22 to the financial statements.

每份購股權賦予持有人權利，可認購本公司一股普通股。有關該等購股權之詳情載於財務報表附註22。

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

(d) 儲備性質及目的

(i) 股份溢價

股份溢價賬之用途受香港《公司條例》第48B條規管。

(ii) Capital reserve

The capital reserve comprises the fair value of unexercised share options granted to employees of the Company and other eligible persons that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(m)(ii).

(ii) 資本儲備

資本儲備為已根據載於附註1(m)(ii)就以股份為基礎之付款而採納的會計政策所確認已授予本公司僱員及其他合資格人士的尚未行使購股權的公允價值。

24. CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iii) Properties revaluation reserve

The properties revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings held for own use in note 1(e).

The revaluation reserve of the Company is distributable to the extent of \$452,000 (2007: \$166,000).

(iv) Statutory reserve

In accordance with the PRC laws applicable to wholly-foreign owned investment enterprises, subsidiaries of the Company operating in the PRC are required to set up a general reserve fund and appropriate at least 10% of respective company's annual net profit after taxation, as determined under PRC accounting rules and regulations, to the general reserve fund until the balance of the reserve equals to 50% of its registered capital. This fund can be used to make good losses and to convert into paid-up capital.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company's branch in Korea. At 1 January 2008, the functional currency of the Korea Branch has been changed from Hong Kong dollars to KRW following the Korea Branch has substantially increased its trading activities in the Korean market. Sales and purchases conducted in the Korean market are denominated and settled in KRW. The reserve is dealt with in accordance with the accounting policy set out in note 1(q).

24. 資本及儲備 (續)

(d) 儲備性質及目的 (續)

(iii) 物業重估儲備

物業重估儲備乃按附註1(e)所載有關持作自用土地及樓宇之會計政策設立及處理。

本公司之重估儲備中可供分派之金額達452,000元(二零零七年: 166,000元)。

(iv) 法定儲備

根據適用於外商獨資企業的中國法律，本公司於中國營運之附屬公司需要設立一般儲備基金，並把各公司最少10%之年度稅後純利(按中國會計規則及條例計算)撥入一般儲備基金，直至儲備結餘達至其註冊資本50%為止。一般儲備基金可用作彌補虧損及轉換為已繳股本。

(v) 匯兌儲備

匯兌儲備包括所有因換算本公司韓國分公司財務報告產生之匯兌差額。於二零零八年一月一日，由於韓國分公司已大幅增加其於韓國市場所從事之貿易活動，因此本公司已將韓國分公司之功能貨幣由港元更換為韓圓。於韓國市場所進行之買賣以韓圓計值及結算。該儲備根據附註1(q)所載會計政策處理。

24. CAPITAL AND RESERVES (continued)

(e) Distributability of reserves

At 31 December 2008, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$278,861,000 (2007: \$284,283,000). After the balance sheet date, the directors do not recommend the payment of final dividend in respect of the year ended 31 December 2008 (2007: 1.4 cents per ordinary share, amounted to \$4,412,000).

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group generally finances the operations with internally generated cash flows. As of 31 December 2008 and 2007, the Group has no outstanding borrowings. Cash and cash equivalents are in excess of net debt which is defined as trade and other payables plus unaccrued proposed dividend for both years.

24. 資本及儲備 (續)

(e) 可供分派儲備

於二零零八年十二月三十一日，可供分派予本公司股權持有人之儲備為278,861,000元(二零零七年：284,283,000元)。於結算日後，董事不建議派付截至二零零八年十二月三十一日止年度之末期股息(二零零七年：每股普通股1.4仙，合共4,412,000元)。

(f) 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續按持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為股東創造回報。

本集團積極及定期對資本架構作出檢討及管理，以在較高股東回報情況下可能出現之較高借貸水平與良好的資本狀況帶來的好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

本集團一般以內部產生之現金流量提供營運所需資金。於二零零八年及二零零七年十二月三十一日，本集團並無未償還之借貸。於該兩年度，現金及現金等價物均超出負債淨額(界定為應付貿易及其他賬款加上未計提之擬派股息)。

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its investment in marketable securities. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The credit terms granted by the Group to its customers generally range from one to two months. New customers are normally required to trade on a cash basis. Credit is offered to existing customers following an established payment record. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

Normally, the Group does not obtain collateral from customers except for a Korean customer who provided its self-owned property located in Korea as a collateral against an amount owed to the Group of KRW262,000,000 (equivalent to \$1,611,000) at 31 December 2008 (2007: \$Nil). No provision was made for the amount due from this customer and at 31 December 2008, \$506,000 and \$625,000 due from this customer have been overdue for three months and six months, respectively.

25. 財務風險管理及公允價值

本集團之一般業務過程中會面臨信貸、流動資金、利率及貨幣風險。本集團亦面臨彼於可出售證券之投資而產生之股價風險。本集團面對該等風險程度及本集團所採用管理該等風險之財務管理政策及慣例，載述如下。

(a) 信貸風險

本集團之信貸風險主要由應收貿易賬款產生。管理層有一套信貸政策，並會對所承受之信貸風險作持續監察。

本集團給予客戶之賒賬期，一般介乎一至兩個月。新客戶一般會以現金方式進行交易。在評估付款記錄之情況下，會給予現有客戶信貸。倘客戶要求給予超過某金額的信貸，則會對所有有關客戶作個別信貸評估。該等評估集中於客戶以往到期還款的紀錄及現時還款之能力，並考慮到客戶本身特有的資料及與客戶經營所在經濟環境有關之資料。

一般情況下，本集團並沒有向客戶收取抵押物，惟一名韓國客戶提供位於韓國之自置物業，作為於二零零八年十二月三十一日欠付本集團262,000,000韓圓（相等於1,611,000元）之抵押品（二零零七年：零元）。本公司並無就該客戶作出撥備，而於二零零八年十二月三十一日，應收該客戶之款項中分別有506,000元及625,000元已到期三個月及六個月。

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(a) Credit risk (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the balance sheet date, the Group has a certain concentration of credit risk as 17% (2007: 23%) and 52% (2007: 47%) of the total trade and bills receivables was due from the Group's largest customer and the five largest customers, respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group does not provide guarantees which would expose the Group to credit risk.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table presents the earliest contractual settlement dates of the Group's financial liabilities at the balance sheet date, which are based on contractual undiscounted cashflows and the earliest date the Group and the Company can be required to pay.

25. 財務風險管理及公允價值 (續)

(a) 信貸風險 (續)

投資通常為於活躍市場具有報價市價之流通證券。管理層預期不會有交易對方未能履行其責任。本集團所面對之信貸風險主要受到每名客戶個別特性之影響。客戶經營所在行業及國家之違約風險亦影響到信貸風險，但影響程度較低。於結算日，本集團有若干集中信貸風險，因其應收貿易賬款中有約17% (二零零七年：23%) 及52% (二零零七年：47%) 分別來自本集團之最大客戶及五大客戶。

所承受之信貸風險上限為資產負債表內各金融資產之賬面值。本集團並無出具任何擔保而使本集團須承受信貸風險。

(b) 流動資金風險

本集團之政策為定期監察流動資金需求，以確保其備有足夠現金儲備及可向大型財務機構取得足夠融資額度，以應付長短期流動資金需要。

下表呈列本集團之金融負債於結算日之最早合約還款日期，乃根據合約未貼現現金流及本集團及本公司可被要求還款之最早日期。

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(b) Liquidity risk (continued)

The Group

		2008 二零零八年		2007 二零零七年	
		Within 3 months or on demand 三個月內 或於要求 時償還 \$'000 千元	Balance sheet carrying amount 資產 負債表上之 賬面值 \$'000 千元	Within 3 months or on demand 三個月內 或於要求 時償還 \$'000 千元	Balance sheet carrying amount 資產 負債表上之 賬面值 \$'000 千元
Trade and other payables	應付貿易及其他賬款	64,378	64,378	79,774	79,774

The Company

		2008 二零零八年		2007 二零零七年	
		Within 3 months or on demand 三個月內 或於要求 時償還 \$'000 千元	Balance sheet carrying amount 資產 負債表上之 賬面值 \$'000 千元	Within 3 months or on demand 三個月內 或於要求 時償還 \$'000 千元	Balance sheet carrying amount 資產 負債表上之 賬面值 \$'000 千元
Trade and other payables	應付貿易及其他賬款	64,206	64,206	79,774	79,774

In order to manage the above liquidity demands, at 31 December 2008, \$155,692,000 (2007:\$185,415,000) of the Group's assets are held in cash.

為管理上述流動資金需求，於二零零八年十二月三十一日，本集團155,692,000元(二零零七年：185,415,000元)之資產以現金方式持有。

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Interest rate risk

The Group is exposed to interest rate risk only to the extent that it earns interest income on bank deposits.

At 31 December 2008, it is estimated that a general increase/decrease of 10 basis points (2007: 50 basis points) in interest rates, with all other variables held constant, would have decreased/increased the Group's loss for the year and increased/decreased the Group's retained profits by approximately \$5,000 (2007: increased/decreased the Group's profit for the year and retained profits by approximately \$49,000). Other components of equity would not be affected by the changes in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit for the year (and retained earnings) that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to remeasure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. The analysis is performed on the same basis for 2007.

(d) Foreign currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to the risk are primarily United States dollars, Japanese Yen, Renminbi Yuan and Korean Won. The Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

25. 財務風險管理及公允價值 (續)

(c) 利率風險

本公司只就其有賺取利息收入之銀行存款承受利率風險。

於二零零八年十二月三十一日，在所有其他變數不變的情況下，估計利率全面上调/下调10個基點（二零零七年：50個基點），將會導致本公司年內虧損減少/增加約5,000元，及導致保留溢利增加/減少約5,000元（二零零七年：本公司年內溢利及保留溢利均增加/減少約49,000元）。利率波動不會對權益下之其他項目產生影響。

以上的敏感度分析顯示假設利率變動於結算日發生時對本集團年內溢利（及保留溢利）所產生之即時影響，並已用於重新計量本集團所持財務工具，該等財務工具使本集團於結算日面對公允價值利率風險。分析按二零零七年相同之基準進行。

(d) 外匯風險

本集團主要因買賣交易產生以外幣（即就該交易而言並非相關業務之功能貨幣）為單位之應收款項、應付款項及現金結存，因而面對外匯風險。面臨風險之貨幣主要包括美元、日圓、人民幣元及韓圓。本集團於有需要時按現貨匯率買賣外幣，以應付短期不平衡情況，務求確保所面對之外幣淨風險處於可接受水平。

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

財務報表附註

(以港元為單位)

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Foreign currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end rate.

25. 財務風險管理及公允價值 (續)

(d) 外匯風險 (續)

(i) 所面對之貨幣風險

下表詳列本集團及本公司於結算日所面對之貨幣風險，有關風險是由於確認以有關公司的功能貨幣以外之貨幣為單位之資產或負債而產生。為方便呈列，風險金額以港元顯示，按年底之現貨匯兌予以換算。

The Group and the Company 本集團及本公司		Exposure to foreign currencies (expressed in Hong Kong dollars) 外匯風險 (以港元為單位)							
		2008 二零零八年				2007 二零零七年			
		United States dollars 美元 \$'000 千元	Japanese Yen 日圓 \$'000 千元	Renminbi Yuan 人民幣 \$'000 千元	Korean Won 韓圓 \$'000 千元	United States dollars 美元 \$'000 千元	Japanese Yen 日圓 \$'000 千元	Renminbi Yuan 人民幣 \$'000 千元	Korean Won 韓圓 \$'000 千元
Non-current other receivables	非流動應收其他賬款	-	-	-	616	-	-	-	-
Trade and other receivables	應收貿易及其他賬款	68,294	-	1,131	665	91,018	622	650	15,672
Cash and cash equivalents	現金及現金等價物	126,508	296	19,521	-	162,326	775	14,480	4,330
Trade and other payables	應付貿易及其他賬款	(25,949)	-	(11,553)	-	(28,891)	(5,278)	(6,984)	(2,547)
Net exposure from recognised assets and liabilities	已確認資產及負債風險淨值	168,853	296	9,099	1,281	224,453	(3,881)	8,146	17,455
Net exposure from open letters of credit	開放信用狀風險淨值	(1,537)	-	-	-	-	-	-	-
Overall net exposure	整體淨風險	167,316	296	9,099	1,281	224,453	(3,881)	8,146	17,455

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss for the year (and retained profits) that would arise if the foreign exchange rates to which the Group has significant exposure at the balance sheet date had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

The Group

		2008 二零零八年		2007 二零零七年		
		Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/ (下降)	Effect on loss for the year 對本年度 虧損之 影響 \$'000 千元	Effect on retained profits 對保留溢利 之影響 \$'000 千元	Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下降)	Effect on profit for the year and retained profits 對本年度 溢利及保留溢利 之影響 \$'000 千元
Japanese Yen	日圓	11.0% (11.0)%	(33) 33	33 (33)	12.0% (12.0)%	(368) 368
Renminbi Yuan	人民幣	2.0% (2.0)%	(219) 219	219 (219)	3.5% (3.5)%	324 (324)
Korean Won	韓圓	29.0% (29.0)%	(310) 310	310 (310)	4.9% (4.9)%	745 (745)

25. 財務風險管理及公允價值 (續)

(d) 外匯風險 (續)

(ii) 敏感度分析

下表顯示本集團於結算日時具重大風險之外幣匯率於當日變動對本集團之年內虧損(及保留溢利)之即時影響，已假設其他風險變數不變。就此而言，已假設港元及美元之間的聯繫匯率大致上不受美元兌其他貨幣之價值變動所影響。

本集團

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit for the year and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the balance sheet date for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial assets and liabilities held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2007.

(e) Equity price risk

The Group is exposed to equity price changes arising from investment in unlisted equity securities (note 15) and marketable securities (note 16). Their performance is assessed at least bi-annually based on limited information available to the Group together with an assessment of their relevance to the Group's long term strategic plans.

(f) Fair values

All significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2008 and 2007, except for investments in equity securities and amounts due to subsidiaries. Amounts due to subsidiaries are interest-free and have no fixed repayment terms and accordingly, it is not meaningful to disclose their fair value.

25. 財務風險管理及公允價值 (續)

(d) 外匯風險 (續)

(ii) 敏感度分析 (續)

上表所呈列之分析結果指本集團各個實體以個別功能貨幣計量(為呈報目的,已按結算日之匯率兌換為港元)之本年度溢利與權益之即時合併影響。

敏感度分析已假設外幣匯率之變動已用於重新計量本集團所持有並於結算日使本集團面臨外匯風險之財務資產及負債。此分析不包括將外地業務之財務報表換算成本集團之呈列貨幣所產生之差額。該項分析按與二零零七年相同之基準進行。

(e) 股價風險

本集團因投資非上市股本證券(附註15)及可出售證券(附註16)而面對股價風險。彼等之表現乃按照本集團所得之有限資料,以及彼等對本集團長期策略規劃之相關程度,每半年評估一次。

(f) 公允價值

除股本證券投資,以及應付附屬公司之款項外,所有重大金融資產及負債均按與截至二零零八年及二零零七年十二月三十一日之公允價值差別不大之金額列賬。應付附屬公司之款項為免息及並無固定還款期,因此,披露其公允價值並無意義。

26. COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2008 not provided for in the financial statements are as follows:

		The Group 本集團		The Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Investment in subsidiary	於附屬公司之投資				
Authorised but not contracted for	已授權但未訂約	-	-	-	525
Property, plant and equipment	物業、機器及設備				
Contracted for	已訂約	266	-	15	-

- (b) At 31 December 2008, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are payable as follows:

		The Group 本集團		The Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Within 1 year	一年內	6,056	4,083	1,845	662
After 1 year but within 5 years	一年後但五年內	14,957	13,249	1,584	38
After 5 years	五年後	-	941	-	-
		21,013	18,273	3,429	700

The Group and the Company lease a number of properties under operating leases. The leases typically run for an initial period of two to ten years, with an option to renew when all terms are renegotiated. None of the leases includes contingent rentals.

- (a) 於二零零八年十二月三十一日未償付而又未在財務報表內提撥準備之資本承擔如下：

- (b) 於二零零八年十二月三十一日，根據不可解除經營租賃就土地及樓宇在日後應付之最低租賃付款額總數如下：

本集團及本公司根據經營租約租入若干物業。租約一般初步為期兩年至十年，並可於重新磋商所有條款時續約。該等租約均不包含或然租金。

Notes to the Financial Statements

(Expressed in Hong Kong dollars)

財務報表附註

(以港元為單位)

27. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

- (a) Transactions with shareholder
- (i) During the year, the Group entered into the following transactions with Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea"), a major shareholder of the Company:

27. 重大關連人士交易

除本財務報表其他地方所披露之交易外，本集團訂立以下重大關連人士交易。

- (a) 與股東之交易
- (i) 於年內，本集團與本公司主要股東株式會社光星電子(「韓國光星」)訂立以下交易：

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Sales of finished goods	銷售製成品	5,318	8,411
Purchases of raw materials	採購原材料	-	111
Referral commission paid/payable	已付／應付轉介佣金	3,474	6,301
Subcontracting fee paid/payable	已付／應付加工費	714	-
Rental expense paid/payable	已付／應付租金	216	-

27. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with shareholder (continued)

- (i) During the year, the Group entered into the following transactions with Kwang Sung Korea, a major shareholder of the Company: (continued)

At 31 December 2008, included in the following balance sheet captions are the amounts due from/(to) Kwang Sung Korea:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Trade receivables	應收貿易賬款	593	1,390
Trade payables	應付貿易賬款	-	(14)
Accrued expenses and other payables	應計費用及其他應付款項	<u>(343)</u>	<u>(1,333)</u>

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

- (ii) Pursuant to a Deed of Indemnity dated 23 June 2003, a shareholder, Mr Yang Jai Sung, would indemnify the Group for any tax liabilities payable for periods prior to 30 June 2003. Amount receivable from Mr Yang Jai Sung under the indemnity at 31 December 2008 is \$358,000 (2007: \$632,000) which is unsecured, interest free and repayable on demand and is recorded as other receivables.

27. 重大關連人士交易 (續)

(a) 與股東之交易 (續)

- (i) 於年內，本集團與本公司主要股東韓國光星訂立以下交易：(續)

於二零零八年十二月三十一日，下列資產負債表項目中包括應收／(應付)韓國光星之款項：

本公司之董事認為，上述交易，是在日常及一般業務過程中按正常商業條款進行。

- (ii) 根據日期為二零零三年六月二十三日之彌償保證契約，股東梁在星先生就於二零零三年六月三十日期間之任何稅務負債向本集團作出彌償。根據彌償保證於二零零八年十二月三十一日應收梁在星先生之款項為358,000元(二零零七年：632,000元)，該金額為無抵押、免息及須於要求時償還，並已列為其他應收款項。

27. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with other related parties

(i) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

		2008 二零零八年 \$'000 千元	2007 二零零七年 \$'000 千元
Short-term employee benefits	短期僱員福利	10,473	8,994
Post-employment benefits	離職後福利	227	152
Equity compensation benefits	股本補償福利	—	27
		10,700	9,173

Total remuneration is included in "staff costs" (see note 4(a)).

- (ii) During the year, the Group paid a consultancy fee of \$572,000 (2007: \$700,000) to a close family member of Mr Yang Jai Sung, a shareholder and a director of the Company. No consultancy fee was outstanding at 31 December 2008 and 2007.

27. 重大關連人士交易 (續)

(b) 與其他關連人士之交易

(i) 主要管理人員之酬金

主要管理人員酬金(包括已於附註6中所披露支付予本公司董事之金額及已於附註7中披露支付予若干最高薪僱員之金額)載列如下:

酬金總額已包括於「員工成本」(見附註4(a))。

- (ii) 於本年度，本集團向本公司之股東兼董事梁在星先生一名近親支付顧問費572,000元(二零零七年：700,000元)。於二零零八年及二零零七年十二月三十一日並無尚未支付之顧問費。

27. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with other related parties (continued)

(iii) Loan to key management personnel

Included in other receivables (note 18) is a loan to a key management personnel and the terms of which is as follows:

Name of borrower	Mr. Jo Jung Ho
Position	General manager
Terms of the loan	
- duration and repayment terms	Repayable on demand
- loan amount	\$424,000
- interest rate	Nil
- security	None
Balance of the loan	
- at 1 January 2007	\$424,000
- at 31 December 2007 and 1 January 2008	\$251,400
- at 31 December 2008	\$Nil
Maximum balance outstanding	
- during 2008	\$251,400
- during 2007	\$424,000

There was no amount due but unpaid, nor any provision made against the loan at 31 December 2007. The loan was fully settled in 2008.

27. 重大關連人士交易 (續)

(b) 與其他關連人士之交易 (續)

(iii) 向主要管理人員提供貸款

其他應收款項(附註18)包括一筆向一名主要管理人員提供之貸款，其條款如下：

借款人	趙正鎬先生
職位	總經理
貸款之條款	
- 貸款年期及還款期	要求時償還
- 貸款金額	424,000元
- 息率	零
- 抵押	無
貸款結餘	
- 於二零零七年一月一日	424,000元
- 於二零零七年十二月三十一日及二零零八年一月一日	251,400元
- 於二零零八年十二月三十一日	零元
未償還之最高結餘	
- 於二零零八年	251,400元
- 於二零零七年	424,000元

概無已到期但未償還之金額，亦無就二零零七年十二月三十一日之貸款計提任何撥備。貸款已於二零零八年全數償還。

28. ULTIMATE CONTROLLING PARTY

At 31 December 2008, the directors consider the ultimate controlling party of the Group to be Mr Yang Jai Sung.

29. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

(a) Impairment of assets

The Group reviews the carrying amounts of the assets at each balance sheet date to determine whether there is objective evidence of impairment. When indication of impairment is identified, management prepares discounted future cashflow to assess the differences between the carrying amount and value in use and provide for impairment loss. Any change in the assumption adopted in the cash flow forecasts would increase or decrease in the provision of impairment loss and affect the Group's net asset value.

Impairment losses for trade and other receivables are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment loss would affect the net profit in the year and in future years.

(b) Net realisable value of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgement. Based on this review, write down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable value. Due to changes in technology and market conditions, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

28. 最終控制方

於二零零八年十二月三十一日，董事認為本集團之最終控制方為梁在星先生。

29. 會計估計及判斷

本集團相信以下會計政策牽涉編製財務報表所需之重要判斷及估計。

(a) 資產減值

本集團於各結算日覆核資產之賬面值，以釐定是否有減值之客觀依據。倘出現減值跡象，管理層編製經貼現現金流量，以評估賬面值及使用值之差額，並作出撥備。就現金流預測所作出假設如有任何變化，可能會使減值虧損撥備增加或減少，從而影響本集團之資產淨值。

就應收貿易及其他賬款所評估及準備之減值虧損乃以董事就賬齡分析及款項可收回程度之評估而進行之定期覆核為基準。評估個別客戶之信用程度及還款記錄時，需董事作出相當程度之判斷。

上述資產減值之增加或減少或會影響年內及未來年度之純利。

(b) 存貨之可實現價值

本集團經參考存貨之賬齡分析、預期未來使用量及管理層判斷就存貨之賬面值進行定期檢討。根據該檢討，倘存貨之賬面值低於其估計可變現淨值則作出撇減。由於技術及市場變化，實際使用量可能與估計不同，而損益可能因估計之不同而受影響。

29. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future profit will be available against which the unused tax credit can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

30. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2008 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application.

So far it has concluded that the adoption of them is unlikely to result in a restatement of the Group's or the Company's results of operations and financial position.

29. 會計估計及判斷

(c) 所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷及對稅務法例之詮釋。本集團謹慎評估交易之稅務影響並據此製訂稅務撥備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內。

遞延稅項資產是就未利用稅務虧損及可抵扣暫時差額而確認。由於遞延稅項資產只限在很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅溢利時才會確認，因此需要管理層判斷獲得未來應課稅溢利之可能性。本集團不斷審閱管理層的評估，倘若很可能獲得能利用遞延稅項資產之未來應課稅溢利，便會確認額外之遞延稅項資產。

30. 已頒布但未於截至二零零八年十二月三十一日止年度生效之修訂、新訂準則及詮釋可能出現之影響

截至本財務報表刊發當日，香港會計師公會已頒布若干尚未於截至二零零八年十二月三十一日止年度生效之修訂、新訂準則及詮釋，亦並無於本財務報表內採納該等修訂、新訂準則及詮釋。

本集團現正評估該等經修訂及新訂之準則及詮釋於首次應用期間時預期帶來之影響。

目前之結論為採納該等準則及詮釋應不會對本集團或本公司之營運業績及財務狀況構成重大影響。

30. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

In addition, the following developments are expected to result in amended disclosures in the financial statements, including restatement of comparative amounts in the first period of adoption:

	Effective for accounting periods beginning on or after
HKFRS 8, <i>Operating segments</i>	1 January 2009
HKAS 1 (revised 2007), <i>Presentation of financial statements</i>	1 January 2009

31. POST BALANCE SHEET EVENT

On 30 March 2009, the Company entered into agreements to purchase 59.5% equity interest in Brocoli Limited, a company incorporated in Korea, which is engaged in research and development of wire products, and patents of wire products from two Korean individuals at a total consideration of \$20,482,000.

30. 已頒布但未於截至二零零八年十二月三十一日止年度生效之修訂、新訂準則及詮釋可能出現之影響 (續)

此外，下列發展預期將導致須於財務報表中作出經修訂之披露事項，包括於首次應用期間重列比較數字：

	於下列日期或之 後開始之會計期間生效
香港財務報告準則 第8號「經營分類」	二零零九年一月一日
香港會計準則 (二零零七年經修訂) 「財務報表之呈列」	二零零九年一月一日

31. 結算日後事項

於二零零九年三月三十日，本公司訂立一份協議，購入由兩名韓國籍個人持有之Brocoli Limited (一家於韓國註冊成立之公司，從事纜線產品之研發) 之59.5%股本權益，以及纜線產品專利權，總代價為20,482,000元。

Five-year Financial Summary

(Expressed in Hong Kong dollars)

五年財務概要

(以港元為單位)

		Years ended 31 December 截止十二月三十一日				
		2004 二零零四年 (restated) (重列) (Note) 附註 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2007 二零零七年 \$'000 千元	2008 二零零八年 \$'000 千元
Results	業績					
Turnover	營業額	613,607	648,559	611,215	783,453	797,912
Profit/(loss) from operations	經營溢利／(虧損)	41,102	28,995	20,886	34,870	(1,538)
Finance costs	融資成本	–	(4)	(1)	–	–
Profit/(loss) before taxation	除稅前溢利／(虧損)	41,102	28,991	20,885	34,870	(1,538)
Income tax	所得稅	(4,690)	(3,430)	(2,427)	(4,595)	(760)
Profit/(loss) after taxation and attributable to equity shareholders of the Company	除稅後本公司股本持有人應佔溢利／(虧損)	36,412	25,561	18,458	30,275	(2,298)
Dividends	股息	11,905	10,026	5,639	9,116	1,577
Diluted earnings/(loss) per share – HK cents	每股攤薄盈利／(虧損) – 港仙	不適用	不適用	不適用	9.46	(0.73)
Basic earnings/(loss) per share – HK cents	每股基本盈利／(虧損) – 港仙	11.62	8.16	5.89	9.66	(0.73)

Five-year Financial Summary

(Expressed in Hong Kong dollars)

五年財務概要

(以港元為單位)

		At 31 December 於十二月三十一日				
		2004 二零零四年 (restated) (重列)	2005 二零零五年	2006 二零零六年	2007 二零零七年	2008 二零零八年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	80,446	87,460	98,633	97,568	77,984
Current assets	流動資產	316,125	353,982	355,748	381,877	352,775
Current liabilities	流動負債	(67,780)	(89,369)	(90,700)	(82,911)	(69,605)
Net current assets	流動資產淨值	248,345	264,613	265,048	298,966	283,170
Long-term liabilities	非流動負債	(855)	(1,335)	(2,019)	(1,698)	(2,009)
Net assets	資產淨值	327,936	350,738	361,662	394,836	359,145

Note: The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Figures for 2004 have been adjusted for these new and revised policies in accordance with the transitional provisions. Earlier years have only been restated to the extent that the new accounting policies are adopted retrospectively.

附註：香港會計師公會已頒布若干新訂及經修訂之香港財務報告準則，有關準則於二零零五年一月一日或以後開始之會計期間生效，亦可供提早採納。根據過渡性條文之規定二零零四年之數字已就該等新訂及經修訂政策作出調整。較早年度之數字僅會於新訂會計政策被追溯應用時予以重列。

Corporate Information and Shareholders' Calendar

公司資料及股東日程表

CORPORATE INFORMATION

Board of Directors

Non-executive director

Mr. Yang Ho Sung (*Chairman*)

Executive directors

Mr. Yang Jai Sung

Mr. Woo Nam Jin

Mr. Lee Kyu Young

Independent non-executive directors

Dr. Kim Chung Kweon

Dr. Han Byung Joon

Mr. Kim Chan Su

Executive Committee

Mr. Yang Jai Sung

Mr. Woo Nam Jin

Mr. Lee Kyu Young

Audit Committee

Mr. Kim Chan Su

Dr. Kim Chung Kweon

Dr. Han Byung Joon

Mr. Yang Ho Sung

Remuneration Committee

Dr. Han Byung Joon

Dr. Kim Chung Kweon

Mr. Kim Chan Su

Mr. Yang Jai Sung

Independent Board Committee

Mr. Kim Chan Su

Dr. Han Byung Joon

Dr. Kim Chung Kweon

Company Secretary

Ms. Sin Lai Lan

公司資料

董事會

非執行董事

梁皓星先生 (主席)

執行董事

梁在星先生

禹南珍先生

李圭英先生

獨立非執行董事

金正權博士

韓丙濬博士

金瓚洙先生

執行委員會

梁在星先生

禹南珍先生

李圭英先生

審核委員會

金瓚洙先生

金正權博士

韓丙濬博士

梁皓星先生

薪酬委員會

韓丙濬博士

金正權博士

金瓚洙先生

梁在星先生

獨立董事委員會

金瓚洙先生

韓丙濬博士

金正權博士

公司秘書

單麗蘭女士

Corporate Information and Shareholders' Calendar

公司資料及股東日程表

Authorised Representatives

Mr. Yang Jai Sung
Ms. Sin Lai Lan

授權代表

梁在星先生
單麗蘭女士

Registered Office and Principal Place of Business

Units 208-209, 2/F., Bio-Informatics Centre
No. 2 Science Park West Avenue
Hong Kong Science Park
Shatin, N.T.
Hong Kong

註冊辦事處及主要營業地點

香港
新界沙田
香港科學園
科技大道西2號
生物資訊中心2樓208-209室

Auditors

KPMG
Certified Public Accountants

核數師

畢馬威會計師事務所
執業會計師

Share Registrar and Transfer Office

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

股份過戶登記處

卓佳標準有限公司
香港
皇后大道東1號
太古廣場3座25樓

Investor Relations Contact

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

投資者關係通訊

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

Stock Code

Stock Exchange of Hong Kong: 2310

股份代號

香港聯合交易所：2310

Company Website

www.kse.com.hk

公司網址

www.kse.com.hk

Corporate Information and Shareholders' Calendar

公司資料及股東日程表

SHAREHOLDERS' CALENDAR

Announcement of 2008 Final Results
31 March 2009

Closure of Register of Members
13 to 19 May 2009

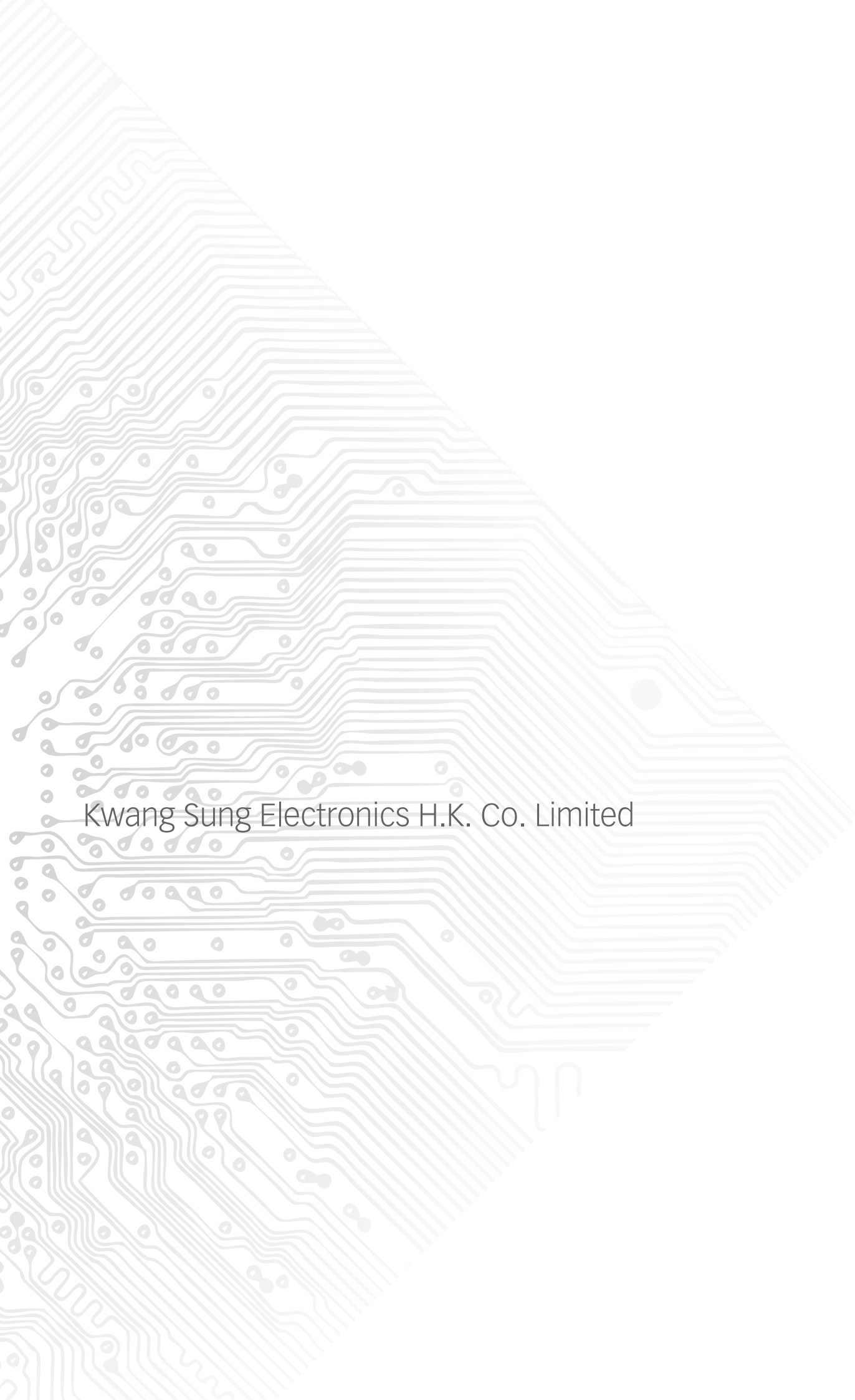
Annual General Meeting
19 May 2009

股東日程表

公布二零零八年末期業績
二零零九年三月三十一日

暫停辦理股份過戶登記
二零零九年五月十三至十九日

股東週年大會
二零零九年五月十九日



Kwang Sung Electronics H.K. Co. Limited