



Kwang Sung Electronics H.K. Co. Limited  
光 星 電 子 香 港 有 限 公 司

Stock Code 股份代號 : 2310



INTERIM REPORT

2010

中期報告

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## Corporate Information

## 公司資料

### Board of Directors

#### Non-executive director

Mr. Yang Ho Sung (*Chairman*)

#### Executive directors

Mr. Yang Jai Sung

Mr. Woo Nam Jin

(resigned on 29 January 2010)

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

(resigned on 29 January 2010)

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

### Joint Company Secretaries

Ms. Sin Lai Lan

(resigned on 1 September 2010)

Mr. Ngai Wai Fung

(appointed on 1 September 2010)

Mr. Kwok Kim Hung Eddie

(appointed on 1 September 2010)

### 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

(於二零一零年一月二十九日辭任)

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

(於二零一零年一月二十九日辭任)

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

### 聯席公司秘書

單麗蘭女士

(於二零一零年九月一日辭任)

魏偉峰先生

(於二零一零年九月一日委任)

郭劍雄先生

(於二零一零年九月一日委任)

## Corporate Information

## 公司資料

### Authorised Representatives

Mr. Yang Jai Sung  
Ms. Sin Lai Lan  
(resigned on 1 September 2010)  
Mr. Ngai Wai Fung  
(appointed on 1 September 2010)

### 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

### Auditors

SHINEWING (HK) CPA Limited  
*Certified Public Accountants*

### Share Registrar and Transfer Office

Tricor Standard Limited  
26/F., Tesbury Centre  
28 Queen's Road East  
Hong Kong

### 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

### Stock Code

Stock Exchange of Hong Kong: 2310

### Company Website

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

### 授權代表

梁在星先生  
單麗蘭女士  
(於二零一零年九月一日辭任)  
魏偉峰先生  
(於二零一零年九月一日委任)

### 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

### 核數師

信永中和(香港)會計師事務所有限公司  
*執業會計師*

### 股份過戶登記處

卓佳標準有限公司  
香港  
皇后大道東28號  
金鐘匯中心26樓

### 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

### 股份代號

香港聯合交易所：2310

### 公司網址

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

## Financial Highlights

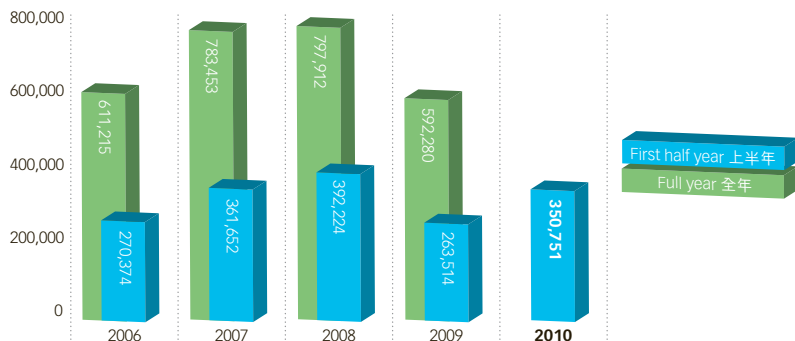
## 財務摘要

Six months ended 30 June

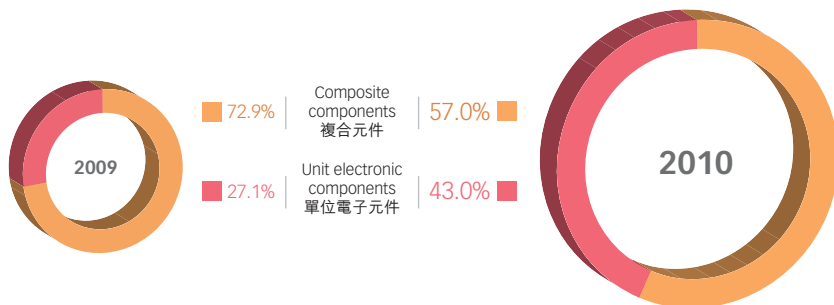
截至六月三十日止六個月

### Turnover 營業額

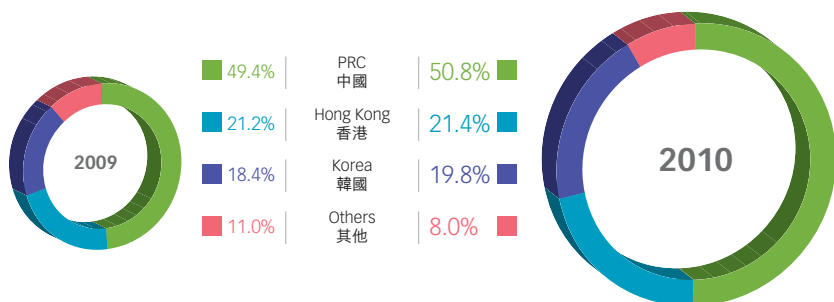
(HK\$'000 千港元)



### Turnover by Business Segments 按業務分部劃分之營業額分析



### Turnover by Geographical Segments 按地區分部劃分之營業額分析



## Financial Highlights

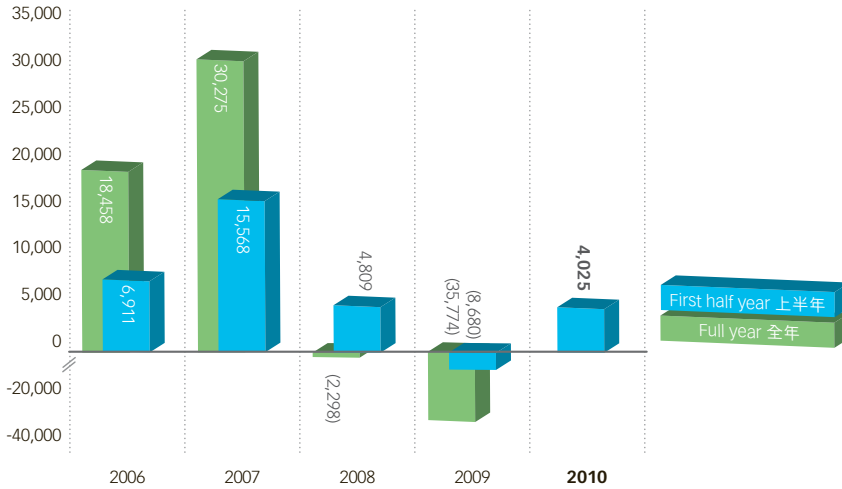
## 財務摘要

Six months ended 30 June

截至六月三十日止六個月

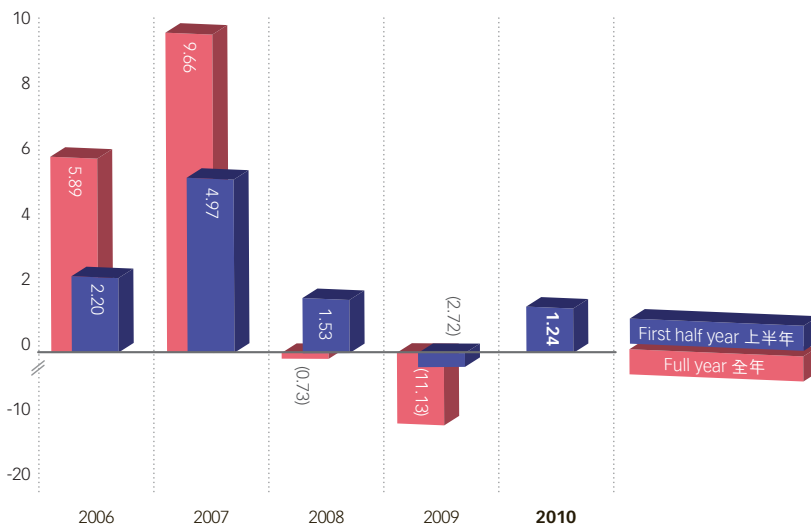
### Profit (Loss) Attributable to Owners of the Company 本公司擁有人應佔溢利(虧損)

(HK\$'000 千港元)



### Basic Earnings (Loss) per Share 每股基本盈利(虧損)

(HK cents 港仙)



## Financial Highlights

## 財務摘要

Six months ended 30 June

截至六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		2010 二零一零年	2009 二零零九年	% Changes 變動百分比
<b>Results (HK\$'000)</b>	<b>業績 (千港元)</b>			
Turnover	營業額	350,751	263,514	33.1
Gross profit	毛利	47,786	23,509	103.3
Profit (loss) before taxation	稅前溢利(虧損)	7,139	(8,876)	(180.4)
Profit (loss) for the period	期間溢利(虧損)	3,790	(8,820)	(143.0)
Profit (loss) attributable to owners of the Company	本公司擁有人應佔溢利(虧損)	4,025	(8,680)	(146.4)
Interim dividend	中期股息	-	-	-
<b>Per Share Data (HK cents)</b>	<b>每股數據 (港仙)</b>			
Basic earnings (loss)	基本盈利(虧損)	1.24	(2.72)	(145.6)
Diluted earnings (loss)	攤薄盈利(虧損)	1.24	(2.72)	(145.6)
<b>Financial Ratio (%)</b>	<b>財務比率(%)</b>			
Gross profit margin	毛利率	13.62	8.92	52.7
Net profit (loss) margin	淨利潤(虧損)率	1.08	(3.35)	(132.2)

		At 30 June 2010 於二零一零年六月三十日			At 31 December 2009 於二零零九年十二月三十一日	
		Notes 附註			% Changes 變動百分比	
<b>Assets and Liabilities (HK\$'000)</b>	<b>資產與負債 (千港元)</b>					
Total assets	總資產		581,756	494,799	17.6	
Total liabilities	總負債		221,834	140,220	58.2	
Equity attributable to owners of the Company	本公司擁有人應佔權益		357,141	351,563	1.6	
<b>Per Share Data (HK dollars)</b>	<b>每股數據 (港元)</b>					
Equity attributable to owners of the Company	本公司擁有人應佔權益		1.10	1.09	0.9	
<b>Financial Ratio</b>	<b>財務比率</b>					
Current ratio	流動比率	1	2.16	3.04	(28.9)	
Quick ratio	速動比率	2	1.66	2.59	(35.9)	
Gearing ratio	負債比率	3	0.38	0.28	35.7	

Notes:

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

附註:

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

## Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

For the six months ended 30 June 2010, the global economy has been steadily recovering and the efforts of Kwang Sung Electronics H.K. Co. Limited and its subsidiaries (the “Group”) in research and development of new products started bearing fruit. Accordingly, the Group was able to deliver improved performance with turnover increased by 33.1% to HK\$350,751,000 against the corresponding period last year.

Cost of sales for the six months ended 30 June 2010 was HK\$302,965,000, an increase of 26.2% compared to HK\$240,005,000 in the six months ended 30 June 2009, which was in line with the increase in the turnover. Cost of sales as a percentage of sales decreased from 91.1% in the six months ended 30 June 2009 to 86.4% in the six months ended 30 June 2010, primarily due to a change in product mix and a significant drop in slow moving inventory provision to turnover ratio which decreased from 2.7% in the six months ended 30 June 2009 to 0.4% in the six months ended 30 June 2010.

As a result, gross profit margin climbed to 13.6% as compared with 8.9% for the corresponding period last year, and gross profit also rose to HK\$47,786,000, representing a growth of 103.3% as compared with HK\$23,509,000 in the corresponding period last year.

Other income increased by 81.2% from HK\$1,912,000 in the six months ended 30 June 2009 to HK\$3,465,000 in the six months ended 30 June 2010. The increase was mainly attributable to an increase in fair value of investment property of HK\$840,000 and an increase in rental income of HK\$156,000.

### 財務回顧

於截至二零一零年六月三十日止六個月，全球經濟穩步回升，光星電子香港有限公司及其附屬公司（「本集團」）研究和開發新產品之努力開始有成果。因此，本集團之表現出現改善，營業額較去年同期增加33.1%至350,751,000港元。

銷售成本於截至二零一零年六月三十日止六個月為302,965,000港元，增幅26.2%，於截至二零零九年六月三十日止六個月則為240,005,000港元，增幅與營業額一致。銷售成本佔銷售額的百分比由截至二零零九年六月三十日止六個月的91.1%減少至截至二零一零年六月三十日止六個月的86.4%，主要是由於產品組合變動及滯銷存貨撥備對營業額的比率大幅下降（由截至二零零九年六月三十日止六個月的2.7%下降至截至二零一零年六月三十日止六個月的0.4%）所致。

因此，毛利率攀升至13.6%，去年同期則為8.9%，毛利亦上升至47,786,000港元，增幅103.3%，去年同期則為23,509,000港元。

其他收入增幅81.2%，自於截至二零零九年六月三十日止六個月的1,912,000港元至於截至二零一零年六月三十日止六個月的3,465,000港元。此增加主要是由於投資物業公允價值增加840,000港元及租金收入增加156,000港元所致。



## Management Discussion and Analysis

## 管理層討論及分析

Total operating expenses were HK\$44,298,000 in the six months ended 30 June 2010, representing a 27.2% increase from HK\$34,836,000 in the corresponding period last year. The increase was mainly attributable to an increase in turnover and additional impairment loss on doubtful debts of HK\$1,708,000. When counted as a percentage of the turnover, the total operating expenses were 12.6%, a 0.6% decline compared with the corresponding period in 2009.

In 2008, the Hong Kong Inland Revenue Department (the “HKIRD”) enquired Kwang Sung Electronics H.K. Co. Limited (the “Company”) about the basis of its 50:50 offshore concession claims in relation to its manufacturing activities carried out by Shenzhen Kwang Sung Electronics Co., Ltd. (“Shenzhen Kwang Sung”) and a third party processing factory in the People’s Republic of China (the “PRC”) and the deductibility of lease rentals since year of assessment 2001/02. The Company has lodged objections, purchased tax reserve certificates of HK\$19,076,000 as demanded by the HKIRD and made reasonable provision for the previously 50:50 offshore concession claims and deduction of lease rentals.

As up to the date of these financial statements, the objections have not been finalised. For the sake of prudence, the Group has adopted a conservative approach to assume no offshore concession claim in relation to its manufacturing activities carried out by Shenzhen Kwang Sung and non-deduction of lease rentals to calculate Hong Kong Profits Tax. As a result of increased pre-tax profit, the Group recorded a Hong Kong Profits Tax of HK\$1,738,000 for the period under review.

Moreover, the PRC Corporate Income Tax also increased to HK\$1,267,000 for the period under review. Consequently, overall tax expenses were HK\$3,349,000 as compared to the net reversal of income tax expenses of HK\$56,000 for the corresponding period in 2009.

截至二零一零年六月三十日止六個月的經營開支總額為44,298,000港元，增幅27.2%，去年同期則為34,836,000港元。此增加主要是由於營業額增加及額外呆賬減值虧損1,708,000港元所致。經營開支總額佔營業額的百分比為12.6%，較二零零九年同期下降0.6%。

於二零零八年，香港稅務局向光星電子香港有限公司（「本公司」）查詢有關其在中華人民共和國（「中國」）由深圳光星電子有限公司（「深圳光星」）及第三方工廠所進行的生產活動及租賃租金扣稅問題而就二零零一／零二評稅年度以來提出50:50離岸豁免要求之依據。本公司已提出反對、應香港稅務局要求購買儲稅券19,076,000港元並對先前之50:50之離岸豁免要求及租賃租金扣稅作出合理撥備。

截至本財務報表之刊發日期，反對並未有最終裁決。為審慎起見，本集團已採取保守做法，假定由深圳光星所進行的生產活動並無離岸豁免要求及計算香港利得稅時租賃租金不能扣稅。由於稅前溢利增加，故本集團於回顧期內錄得香港利得稅1,738,000港元。

再者，於回顧期內中國企業所得稅亦增至1,267,000港元。因此，整體稅項開支為3,349,000港元，二零零九年同期所得稅開支退稅淨額則為56,000港元。

## Management Discussion and Analysis

## 管理層討論及分析

Taking into account the aforementioned, the Group has turned around its business to report a profit after taxation attributable to owners of the Company of HK\$4,025,000 for the six months ended 30 June 2010. This is in contrast with a loss after taxation attributable to owners of the Company of HK\$8,680,000 recorded for the corresponding period last year. Basic earnings per share were HK1.24 cents (six months ended 30 June 2009: basic loss per share was HK2.72 cents).

### Liquidity, Financial Resources and Capital Structure

The Group generally finances its operation with internal generated cash flows and banking facilities provided by its principal bankers in Hong Kong and Korea.

During the period under review, current ratio, being the ratio of current assets to current liabilities, decreased from 3.04 as at 31 December 2009 to 2.16 as at 30 June 2010, while gearing ratio, in terms of total liabilities to total assets increased from 0.28 as at 31 December 2009 to 0.38 as at 30 June 2010. The decrease in current ratio and the increase in gearing ratio were mainly due to increased bank borrowing to enhance our working capital.

As at 30 June 2010, the bank borrowing was HK\$28,513,000. With the cash and cash equivalents of HK\$126,216,000 and the banking facilities of HK\$115,131,000, the Group is confident to meet its current and future operational and capital expenditure requirements.

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

The Group has been focusing on its own core business and follows a prudent financial policy. It has never invested in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management.

經計及上述各項，本集團已扭轉其業務錄得於截至二零一零年六月三十日止六個月本公司擁有人應佔除稅後溢利4,025,000港元。去年同期則錄得本公司擁有人應佔除稅後虧損8,680,000港元。每股基本盈利為1.24港仙(截至二零零九年六月三十日止六個月：每股基本虧損為2.72港仙)。

### 流動資金、財務資源及資本架構

本集團主要以其內部現金流及其香港及韓國的主要往來銀行所提供的銀行備用信貸額，為其業務運作提供所需資金。

於回顧期內，流動比率(流動資產與流動負債的比率)由二零零九年十二月三十一日的3.04下降至二零一零年六月三十日的2.16，而負債比率(總負債與總資產的比率)由二零零九年十二月三十一日的0.28上升至二零一零年六月三十日的0.38。流動比率下降及負債比率的上升，主要是由於為提高我們的營運資金而增加的銀行借貸所致。

於二零一零年六月三十日，銀行借貸為28,513,000港元。連同現金及現金等價物126,216,000港元及銀行備用信貸額115,131,000港元，本集團有信心應付其當前及未來的營運及資本開支要求。

### 外匯風險、對沖及賬外金融工具

本集團一向專注於其自身的核心業務，並遵循審慎的財務政策，堅決不投資高槓桿或投機性的衍生產品。在這方面，本集團對財務風險管理繼續採取保守做法。

## Management Discussion and Analysis

## 管理層討論及分析

The Group is exposed to foreign currency risks, mainly due to its sales and purchases which are denominated in United States Dollars (“USD”), Japanese Yen (“JPY”), Renminbi (“RMB”) and Korean Won (“KRW”) and operating expenses paid in KRW by its Korean operation.

As the Hong Kong Dollars (“HKD”) is pegged to the USD and the RMB is being adjusted within the daily fluctuation by a managed floating exchange rate policy with reference to a basket of currencies, the Group does not expect any significant fluctuation in the exchange rates of the HKD/USD and RMB/USD. In light of any short term imbalance, the Group also takes action to deal with foreign currencies at current exchange rates where necessary, to ensure that the net exposure to other currencies such as JPY and KRW is maintained at an acceptable level.

### Investment Activities

On 14 May 2010, the Group entered into an agreement with an independent third party to acquire a parcel of land in Korea at a consideration of KRW7,500,000,000 (approximately HK\$48,038,000). The land would be used to construct a complex building for its research and development, manufacturing, sales and administrative offices’ use.

As at 30 June 2010, the Group has paid KRW3,406,350,000 (approximately HK\$21,818,000) as deposit for the acquisition. As the acquisition was not completed by end of interim reporting period, the amount was recorded as “deposits for purchase of property, plant and equipment”. In July 2010, the Group has settled the remaining balance and completed the acquisition.

Other than the above, the Group did not make any material acquisition or disposal of any of its subsidiaries or associated company during the period under review.

主要由於本集團之銷售與採購以美元、日圓、人民幣及韓圓計值，而本集團之韓國業務則以韓圓支付營運開支，本集團因而承受外匯風險。

鑑於港元與美元掛鈎，而人民幣則以有管理之浮動匯率制度，在有限之每日波幅以內參考一籃子貨幣進行調整，本集團預期港元兌美元的匯率及人民幣兌美元的匯率不會出現任何重大波動。本集團亦已採取措施，在必要的情況下按即期匯率買賣外幣，以針對任何短期之不平衡，確保所面對日圓及韓圓等其他貨幣之淨風險維持於可接受的水平。

### 投資活動

於二零一零年五月十四日，本集團與一獨立第三方訂立協議，以代價7,500,000,000韓圓(約48,038,000港元)收購一幅位於韓國的地塊。該地塊將用以建設一幢綜合樓，供其研究及開發、生產、銷售及行政辦事處用途。

於二零一零年六月三十日，本集團已就收購事項支付按金3,406,350,000韓圓(約21,818,000港元)。由於收購事項於中期報告期末尚未完成，金額已錄入「購置物業、機器及設備之按金」。於二零一零年七月，本集團已結清餘額並完成收購事項。

除此之外，本集團於回顧期內並無任何收購或出售其附屬公司或聯營公司的重大事項。

## Management Discussion and Analysis

## 管理層討論及分析

### Charges on Assets

As at 30 June 2010, the banking facilities of HK\$115,131,000 were secured by the Company's land and buildings with an aggregate carrying value of HK\$19,356,000.

### Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2010.

### Capital Commitments

As at 30 June 2010, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK\$29,499,000.

### Employees and Remuneration Policy

As at 30 June 2010, the Group had about 1,422 employees, including 28 based in Hong Kong, 1,303 in the PRC, and 91 in Korea.

For the six months ended 30 June 2010, staff costs increased by 15.3% from HK\$36,957,000 for the corresponding period last year to HK\$42,601,000.

Employee remuneration is determined in accordance with prevailing industry practice and employees' performance and experience. Discretionary bonuses are awarded to employees with outstanding performance with regard to the Group's overall audited results. Employees are also entitled to other staff benefits including medical insurance and mandatory provident fund.

### 資產抵押

於二零一零年六月三十日，115,131,000港元之銀行備用信貸額以本公司總賬面價值為19,356,000港元之土地及樓宇設立抵押。

### 或然負債

本集團於二零一零年六月三十日並無任何重大或然負債。

### 資本承擔

於二零一零年六月三十日，本集團就購買物業、機器及設備之總資本承擔為29,499,000港元。

### 僱員及酬金政策

於二零一零年六月三十日，本集團約有1,422名僱員，其中28名駐守香港，1,303名駐守中國，另91名則駐守韓國。

於截至二零一零年六月三十日止六個月，員工成本由去年同期的36,957,000港元增加15.3%至42,601,000港元。

僱員酬金乃根據現行的行業慣例及僱員表現及經驗釐定。酌情花紅乃根據本集團的整體審核結果，獎勵表現優異的僱員。僱員亦有權享有其他僱員福利（包括醫療保險及強制性公積金）。

## BUSINESS REVIEW

### Composite Components Business

For the six months ended 30 June 2010, the composite components business, the Group's major revenue source, accounted for 57.0% of the total turnover of the Group. It represented 72.9% of the total turnover for the corresponding period in 2009. This change in the business mix was attributed to the relative outstanding performance in unit electronic components during the review period. Turnover from the segment amounted to HK\$199,909,000, however, still an increase of 4.1% as compared with HK\$192,021,000 for the corresponding period last year. It is mainly driven by fast recovery of the market demand for the tuner modules for car audio systems and a new product launch of FM transmitters for LCD and LED televisions, which was put into mass production in the review period.

Driven by the global economic recovery, sales of tuner modules for car audio systems increased by 12.0% to HK\$48,936,000, accounting for 24.5% of the total turnover from the composite components business. Sales of the Group's wireless solutions including digital wireless audios remained solid, amounting to HK\$52,864,000 (six months ended 30 June 2009: HK\$33,754,000) and representing 26.4% of the Group's total turnover from the composite components business.

The home audios market, on the other hand, was adversely affected by the fast-changing industry developments in the functions of mobile phones, especially smartphones, personal/notebook computers, and television reception both at home and remote. The turnover of tuner modules for home audios declined by 20.0% to HK\$71,828,000 (six months ended 30 June 2009: HK\$89,833,000), representing 35.9% of the total turnover from the composite components business. To keep abreast of the market trend, the Group redeployed its resources in research and development of products that can innovate features and enhance functions of the existing products in order to meet requirement for consumer electronic products such as smartphones and televisions.

### 業務回顧

#### 複合元件業務

於截至二零一零年六月三十日止六個月，本集團的主要收益來源複合元件業務佔本集團總營業額的57.0%，而於二零零九年同期則相當於總營業額的72.9%。這種業務組合變化是由於單位電子元件業務於回顧期內的表現較為突出所致。然而，本分部的營業額為199,909,000港元，較去年同期的192,021,000港元仍增加4.1%，主要由於汽車音響系統調諧器模組的市場需求快速復蘇，加上推出一款適用於LCD及LED電視的FM傳輸器新產品（已於回顧期內投入批量生產）帶動。

在全球經濟復蘇的帶動之下，汽車音響系統調諧器模組的銷售額增加12.0%至48,936,000港元，為複合元件業務總營業額的24.5%。本集團包括數碼無線音響在內的無線方案的銷售額保持穩健，錄得52,864,000港元（截至二零零九年六月三十日止六個月：33,754,000港元），為複合元件業務總營業額的26.4%。

另一方面，家用音響市場因手提電話（尤其是智能電話）、個人／筆記本電腦，以及本地及遠程電視接收等功能的行業發展日新月異而受到不利影響。家用音響調諧器模組的營業額下跌20.0%至71,828,000港元（截至二零零九年六月三十日止六個月：89,833,000港元），為複合元件業務總營業額的35.9%。為趕上市場趨勢，本集團已重新調配資源，研究與開發創新特性並提升現有產品功能的產品，以滿足對消費電子產品（如智能電話及電視）的需求。

## Management Discussion and Analysis

## 管理層討論及分析

During the period under review, the sales of tuner modules for digital multimedia broadcasting (“DMB”) and digital audio broadcasting (“DAB”) of the Group dropped by 49.6% to HK\$4,350,000 compared with the corresponding period last year. The drop in sales was primarily due to the combined effects of the rapid change in digital technology and different standards in DAB for various countries which create obstacles in developing and marketing the general and standardised digital products of the Group. To cope with these challenges, the Group has launched a turnkey printed circuit board based solution, the world’s first solution for DAB/DAB+/DMB-A in a digital pocket radio, in May. It has been successfully field-tested in the United Kingdom, Sweden and France as well as Australia with delivery to renowned retailers in the United Kingdom and Australia already underway. The Group has plans to actively market this product in the second half of the year and is confident that it can become one of the Group’s future growth drivers in the long run.

Designed to remove the hassle of handling multiple connecting wires in homes, offices or in automobiles, the Group has actively marketed an innovative flat flexible cable product, WireTape™, during the period under review. The Group has been actively building its distribution channels all over the world for this product and is progressing well. The Group expects to generate initial sales to several customers in Europe in 2010 and to normalise its sales in 2012.

In addition, the sales of tuner modules for hybrid digital radios (“HD Radio”) amounted to HK\$5,514,000, representing an increase of 53.5% compared with the corresponding period last year. Leveraging our strong business relationships, the Group has been working with manufacturers in Japan to explore more innovative applications.

於回顧期內，本集團數碼多媒體廣播（「DMB」）及數碼音響廣播（「DAB」）的調諧器模組的銷售額較去年同期下跌49.6%至4,350,000港元。銷售額下跌主要是由於數碼技術日新月異以及各國DAB制式各異，阻礙了開發及推廣本集團一般及規格化數碼產品。為應對這些挑戰，本集團於五月已推出基於印刷線路板的全套解決方案，此乃全球首個數碼袖珍收音機的DAB/DAB+/DMB-A解決方案。此方案已成功通過在英國、瑞典、法國及澳洲進行實地測試，並已交付予英國及澳洲著名零售商。本集團已計劃於今年下半年積極推廣該產品並有信心該產品可以成為本集團長遠的未來增長動力之一。

本集團於回顧期內已積極推廣創新輕盈片狀纜線產品WireTape™，旨在免除家居、辦公室或汽車內多重電線連接的問題。本集團已在全球各地積極建立該產品的分銷渠道，並進展順利。本集團預計於二零一零年產生最初銷售，銷售予幾個位於歐洲的客戶，並於二零一二年普及銷售。

此外，混合式數碼收音機（「HD Radio」）調諧器模組的銷售額為5,514,000港元，較去年同期增加了53.5%。憑藉我們強大的業務關係，本集團一直與日本製造商探索更多創新應用。

### Unit Electronic Components Business

For the six months ended 30 June 2010, the Group achieved outstanding results in the unit electronic components business contributed by organic growth from the existing products of coils and traditional transformers as well as a new product, planar transformer. Turnover from the unit electronic components business reached HK\$150,842,000, representing an increase of 111.0% compared with HK\$71,493,000 for the corresponding period last year. The Group has successfully launched and put into mass production its unique and innovative products, including the planar transformer, which have been well-received by the market. The Group is the first company in the world to put the planar transformer into mass production. Although their contribution to date is still small, the Group sees good potential for these products which are expected to be new growth drivers for the Group in the near future.

### PROSPECTS

Today, there is a growing demand for electronic devices that combine high functionality with high performance but in a smaller size in nearly every consumer market. This trend poses both challenges and opportunities for the electronic components industry. The Group is meeting these challenges with innovative technologies which help successfully differentiate itself from other competitors. Looking forward, the Group intends to continue actively developing and marketing new products to serve the changing needs of the market and some of the new products recently launched have been well received by the market. Driven by these new products and in view of its strong orders on hand, the Group is confident of achieving satisfactory performance for the year of 2010.

### 單位電子元件業務

於截至二零一零年六月三十日止六個月，本集團的單位電子元件業務取得突出成果，此乃來自現有產品線圈與傳統變壓器以及新產品平面變壓器的實質增長的貢獻。來自單位電子元件業務的營業額為150,842,000港元，較去年同期的71,493,000港元增加111.0%。本集團已成功推出其獨特創新產品（包括大受市場歡迎的平面變壓器），並投入批量生產。本集團是全球首間批量生產平面變壓器的公司。雖然它們的貢獻至今仍然不大，但本集團認為這些產品前景廣闊，預期將成為本集團不久將來的新增長動力。

### 前景

今天，對高功能、高性能小型電子設備的需求，幾乎在各消費者市場均見不斷增長。這一趨勢對電子元件行業而言既是挑戰，也是商機。本集團通過創新技術應對這些挑戰，幫助其成功地其他競爭對手當中脫穎而出。展望未來，本集團計劃繼續積極地發展與推廣新產品，應付瞬息萬變的市場需求，而最近推出的一些新產品深受市場歡迎。在這些新產品的帶動下，加上其大量手頭訂單，本集團有信心於二零一零年取得令人滿意的表現。

## Management Discussion and Analysis

## 管理層討論及分析

As the development trend of the television market is towards flatter and lighter television sets, the Group's newly developed planar transformers and FM transmitters for LCD and LED televisions are expected to continue gaining in popularity and become important growth drivers of the Group in the near future, given the Group's first mover advantage. Besides, the Group will devote more efforts in marketing its recently launched products, highlighted by the printed circuit board solution for smartphone docking systems and its turnkey solution for DAB/DAB+/DMB-A digital pocket radios, to grasp the growth opportunities.

In addition, the Group has recently developed a General Radio Receiver ("GRR") in its own physical interface and protocol standards, which can receive and decode AM and FM as well as DAB/DAB+/DMB-A signals in a wide range of radio receivers including but not limited to HD Radio, Internet radio, and digital microphone. The Group has applied for patents and trademark, and plans to target this new product at home and car audio market in 2011. This unique product can stand out in the market with its broad application characteristics, thus it is expected to be well received by manufacturers and consumers.

In the automotive electronic components sector, the Group has applied for patents and trademark for its "Antuna", the integrated analog and digital tuner module with antenna for car audio systems. The Group plans to start supplying this new product in 2011, initially to Korean automobile manufacturers for the PRC and India markets, where many locations are not favourable for radio signal reception.

按電視市場的發展，更平面、更輕的電視機乃大勢所趨，本集團新開發適用於LCD及LED電視的平面變壓器及FM傳輸器預計將繼續普及，並成為本集團不久將來的重要增長動力，為本集團帶來先發優勢。此外，本集團將加大力度推廣近期推出的產品（適用於智能電話基座系統接收的印刷電路板解決方案，以及適用於DAB/DAB+/DMB-A數碼袖珍收音機的全套解決方案），把握增長機遇。

此外，本集團最近開發出一種其本身以物理介面及協定標準的通用無線電接收器（「GRR」），在眾多收音機款式，包括但不限於混合式數碼收音機、互聯網收音機及數碼麥克風，可以接收和解碼AM和FM以及DAB/DAB+/DMB-A信號。本集團已為該產品申請專利及商標，並計劃於二零一一年向家用及汽車音響市場推出該新產品。此種獨特的產品能夠憑藉其廣泛的應用特性在市場上脫穎而出，因此預計該產品將深受製造商和消費者的歡迎。

在汽車電子元件方面，本集團已為其「Antuna」（適用於汽車音響系統，備有天線的集成類比及數碼調諧器模組）申請專利及商標。本集團計劃於二零一一年開始，初步將此款新產品供應予中國及印度市場（不少位置於接收收音機訊號方面較差的）韓國汽車製造商。



## Management Discussion and Analysis

## 管理層討論及分析

To strengthen the Group's research and development, manufacturing, and sales and marketing as well as overall administration to better expedite the Group's future business growth, the Group has completed acquisition of a parcel of land in Korea in July 2010 to construct a new facility. The land, which covers approximately 2,481 square metres, is located in Sanbon-dong, Gunpo-si, Gyeonggi-do, Korea. Construction of the new facility is planned to start in September 2010 and be completed in the first half of 2011. Upon completion of the new facility, the Group expects to have a new business platform where it plans to strengthen its market position including but not limited to business foundation, market competitiveness, and business goodwill in Korea market.

Apart from continuous effort in research and development and actively launching new products, the Group intends to continue efforts to enhance operational efficiency. The Group is implementing an Enterprise Resources Planning (ERP) system project and plans to have it in place in the second half of 2010. The ERP system is designed to improve its business processes including research and development, procurement, production, inventory control, sales, cost control, and financial management, with the benefits of enabling more effective business and management decisions and more efficient administrative and operating procedures.

### INVESTOR RELATIONS

The Group values its relationship with investors and is committed to maintaining transparency of its management philosophy, operational performance and strategic development plans. 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](http://www.kse.com.hk)) contains the most current information, including annual reports, interim reports, announcements, monthly returns and press releases, and is updated in a timely manner to ensure transparency.

為加強本集團的研究及開發、製造、銷售與營銷以及整體行政，進一步促進本集團的未來業務增長，本集團於二零一零年七月完成收購位於韓國的一幅地塊以興建新設施。該地塊面積約2,481平方米，位於韓國京畿道軍浦市山本洞。新設施計劃於二零一零年九月動工興建，並將於二零一一年上半年竣工。待新設施竣工，本集團預期擁有新業務平台，並計劃用作強化其市場地位，包括但不限於在韓國市場的業務基礎、市場競爭力及業務商譽。

本集團繼續致力於研究及開發及積極地推出新產品，但也不忘提升營運效率。本集團正實施一項企業資源規劃(ERP)系統項目並計劃於二零一零年下半年投用。該ERP系統旨在改善其業務程序，如研究及開發、採購、生產、存貨控制、銷售、成本控制及財務管理等，從而得益於更有效的業務與管理決定及更有效的行政及營運程序。

### 投資者關係

本集團非常重視與投資者的關係，並致力維持本集團管理理念、營運表現和策略發展計劃的透明度。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。本公司實行及時發放資料之措施及確保其網站([www.kse.com.hk](http://www.kse.com.hk))載有最新資料，包括年報、中期報告、公告、月報表及新聞公布，並經常更新以確保透明度。

## CORPORATE SOCIAL RESPONSIBILITY

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

### 1. Marketplace

In the interest of shareholders, the Group has worked by the business objectives of contributing to the sustainable development of the electronics industry and improving consumer electronics to heighten efficiency and deliver the best user experience. To these ends, the Group invests substantially in research and development and internal quality control to ensure the continuous delivery of quality and reliable products to customers. The Company complies 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 that signify recognition of the Group's efforts and appreciation of the Group's products.

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 trainings that can help develop the business and management expertise of its people for competing globally. In return, the Company provides consultancy services, financial aid and internships to students of the universities.

## 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三類：

### 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客戶。本公司亦符合多項標準：(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。本集團不時收到客戶之表現證書，肯定本集團的努力並對本集團的產品表示嘉許。

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。本公司亦會向大學學生提供諮詢服務、資助及實習。

## 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 encourages employees to take external job related courses and sponsors such initiatives when appropriate. As a part of the job orientation, all new employees are required to take programs on topics including internal control and information protection, ISO and quality management system.

It also arranges regular health checks for all employees to ensure their health and therefore their 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.

## 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下工作。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。

本集團亦鼓勵僱員報讀外間與工作相關的課程，並在適當情況下就此作出資助。作為入職迎新的一部份，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。

本集團亦為全體僱員安排定期體檢，確保他們的健康並在工作上具生產力。倘若患病，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，向僱員提供退休福利及全面退休金。

## Management Discussion and Analysis

## 管理層討論及分析

### 3. Environment and Community

The Company complies with the requirements of ISO 14001:2004 on environmental management systems.

The Group also continues to make sure that 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 and Electronic 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-sided printing and printing when necessary only. It also relays energy saving tips to staff members through a daily learning program. During the period under review, the Company also made donations to charities to help the needy.

### 3. 環境及社會

本公司符合ISO 14001:2004環境管理體系之標準。

本集團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指令。

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及僅於必要時打印。本集團亦透過每日學習計劃向員工傳達節能小知識。回顧期間內，本公司亦有捐款予慈善團體，幫助有需要人士。

## Disclosure of Interests and Other Information

## 權益披露及其他資料

### Disclosure of Interests

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

As at 30 June 2010, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") (collectively "discloseable interests") were as follows:

#### Interests in Issued Shares of the Company

Name of director 董事姓名	Beneficial owner 實益 擁有人	Interest of controlled corporation 受控制法團 之權益	Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股	
			Total number of shares held 持有之 股份總數	% of total issued shares 佔已發行股份 總百分比
Mr. Yang Jai Sung 梁在星先生	114,582,000	59,500,000 (note 1) (附註 1)	174,082,000	53.75%

Note:

- (1) Mr. Yang Jai Sung and his relatives are approximately interested in 79.5% of the issued share capital of Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea") and therefore Mr. Yang Jai Sung is deemed or taken to be interested in these ordinary shares which are beneficially owned by Kwang Sung Korea for the purpose of the SFO.

Save as disclosed above, as at 30 June 2010, none of the directors and/or the chief executive of the Company, or their respective associates had any other discloseable interests as required.

### 權益披露

#### 董事及行政總裁之權益及淡倉

於二零一零年六月三十日，根據證券及期貨條例第352條須予備存的登記冊所載，或根據上市公司董事進行證券交易的標準守則（「標準守則」）向本公司及香港聯合交易所有限公司（「聯交所」）作出之申報，本公司在職董事及行政總裁於本公司或任何其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益或淡倉（統稱「須予披露權益」）如下：

#### 本公司已發行股份權益

##### Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股

附註：

- (1) 由於梁在星先生及其親屬擁有株式會社光星電子（「韓國光星」）已發行股本之約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普通股股份之權益。

除上文披露者外，於二零一零年六月三十日，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。

## Disclosure of Interests and Other Information

## 權益披露及其他資料

### Share Option Scheme

The Company adopted a share option scheme (the "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 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.

No option lapsed and no option was granted, exercised or cancelled during the period; nor was there any option outstanding under the Scheme at the beginning and at the end of the review period.

### Substantial Shareholders' and other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2010, the following persons (other than the directors or chief executive of the Company) had interests or short positions in 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:

### 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(「該計劃」)。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。該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。

在該計劃下，於回顧期內概無期權作廢、授出、行使或註銷；於回顧期初及回顧期終時，亦無尚未行使之期權。

### 主要股東及其他人士於股份、相關股份之權益及淡倉

截至二零一零年六月三十日，除本公司董事或行政總裁外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或已知會本公司之權益或淡倉如下：

#### Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股

Substantial shareholders 主要股東	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)	174,082,000	Interest of spouse 配偶之權益	53.75%
Kwang Sung Electronics Co., Ltd. 株式會社光星電子	59,500,000	Beneficial owner 實益擁有人	18.37%
Mr. Kent C. McCarthy ("Mr. McCarthy") (note 2) ("Mr. McCarthy先生")(附註2)	32,324,000	Interest of controlled corporations 受控制法團之權益	9.98%
Jayhawk Private Equity Fund II, LP ("Jayhawk PEF") ("Jayhawk PEF")	28,112,000	Beneficial owner/ Investment manager 實益擁有人/ 投資經理	8.68%

## Disclosure of Interests and Other Information

## 權益披露及其他資料

### Notes:

- (1) Madam Kang Mi Young, the wife of Mr. Yang Jai Sung, was deemed to be interested in these ordinary shares in which Mr. Yang Jai Sung was deemed or taken to be interested for the purpose of the SFO.
- (2) Mr. McCarthy was deemed or taken to be interested in these ordinary shares through his indirect 100% control in Jayhawk PEF and another trust. These interests were partly duplicated by those beneficially owned by Jayhawk PEF.

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

## Other Information

### Interim Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2010 (six months ended 30 June 2009: nil).

### Code on Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provisions of the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010.

### Model Code for Securities Transactions by Directors

The Company, having made specific enquiries, confirms that during the six months ended 30 June 2010, all directors complied with 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.

### 附註：

- (1) 姜美英女士為梁在星先生之妻子，就證券及期貨條例而言，彼被視為擁有梁在星先生被視為或被認為擁有權益之該等普通股之權益。
- (2) McCarthy先生透過彼於Jayhawk PEF及另一項信托基金持有之100%間接控制權而被視為或被認為擁有該等普通股之權益。該等權益部份與Jayhawk PEF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。

## 其他資料

### 中期股息

董事會不建議派付截至二零一零年六月三十日止六個月中期股息(截至二零零九年六月三十日止六個月：零)。

### 企業管治常規守則

本公司一向承諾恪守嚴謹之企業管治，以提高透明度及保障股東整體利益。截至二零一零年六月三十日止六個月期間內，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

本公司經具體查詢後確認，截止二零一零年六月三十日止六個月內，所有董事均有遵守上市規則附錄10所載之標準守則。而該等由於在本公司之職務而可能擁有未公開價格敏感資料之有關僱員，已被要求遵守同樣之標準守則。

## Disclosure of Interests and Other Information

## 權益披露及其他資料

### 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 six months ended 30 June 2010.

### Review of Accounts

The Audit Committee of the Company has reviewed with the management and the Company's auditors the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30 June 2010.

### Publication of the Interim Results Announcement and Interim Report

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

By Order of the Board

**Yang Jai Sung**

*Executive Director and Chief Executive Officer*

Hong Kong, 28 August 2010

### 購買、出售或贖回本公司上市證券

截至二零一零年六月三十日止六個月內，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。

### 賬目審閱

本公司審核委員會已與管理層及本公司核數師審閱本集團採納之會計原則及慣例，並討論核數、財務申報程序及內部監控事宜，包括審閱截至二零一零年六月三十日止六個月之未經審核中期財務報告。

### 刊登中期業績公告及中期報告

中期業績公告已於本公司之網站 ([www.kse.com.hk](http://www.kse.com.hk))及聯交所之網站 ([www.hkex.com.hk](http://www.hkex.com.hk))刊登。中期報告亦於本九月中旬在上述網站刊登，並寄發予本公司股東。

承董事會命

執行董事兼行政總裁

**梁在星**

香港，二零一零年八月二十八日





SHINEWING (HK) CPA Limited  
43/F, The Lee Gardens  
33 Hysan Avenue  
Causeway Bay, Hong Kong

To the Board of Directors of  
**Kwang Sung Electronics H.K. Co. Limited**  
*(incorporated in Hong Kong with limited liability)*

## Introduction

We have reviewed the interim financial information set out on pages 26 to 64, which comprises the condensed consolidated statement of financial position of Kwang Sung Electronics H.K. Co. Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2010 and the related condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致光星電子香港有限公司之  
**董事會**  
*(於香港註冊成立之有限公司)*

## 引言

本核數師(以下簡稱「我們」)已審閱第26至64頁所載之中期財務資料，其中包括光星電子香港有限公司(「貴公司」)與其附屬公司(合稱「貴集團」)於二零一零年六月三十日之簡明綜合財務狀況表，以及截至該日止六個月的相關簡明綜合損益表、簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，及其他附註解釋。根據香港聯合交易所有限公司上市規則，上市公司必須符合上市規則中之相關規定及按照由香港會計師公會所頒布之香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)之規定編製中期財務資料之報告。貴公司董事須根據香港會計準則第34號編製與呈列本中期財務資料。我們的責任是根據審閱之結果，對中期財務資料作出結論，並按照雙方協議之應聘書條款僅向整體董事會報告，除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。

## Scope of review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

### **SHINEWING (HK) CPA LIMITED**

*Certified Public Accountants*

**Chan Wing Kit**

Practising certificate number: P03224

Hong Kong

28 August 2010

## 審閱範圍

我們已按照香港會計師公會所頒布之香港審閱聘用協議準則第2410號「由實體之獨立核數師執行之中期財務資料審閱」進行審閱工作。審閱中期財務資料主要包括向負責財務及會計事宜之人員作出查詢，及進行分析及其他審閱工作程序。審閱之範圍遠較按照香港核數準則進行之審核範圍為小，故不能讓我們保證可以得悉一切可在審核中辨識到之重大事項。因此，我們不會發表審核意見。

## 結論

按照我們之審閱結果，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

信永中和(香港)會計師事務所有限公司

執業會計師

陳永傑

執業證書編號：P03224

香港

二零一零年八月二十八日

Condensed Consolidated  
Income Statement

簡明綜合損益表

For the six months ended 30 June 2010

截至二零一零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		Notes 附註	2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
<b>Turnover</b>	<b>營業額</b>	3	<b>350,751</b>	263,514
Cost of sales	銷售成本		<b>(302,965)</b>	(240,005)
<b>Gross profit</b>	<b>毛利</b>		<b>47,786</b>	23,509
Other income	其他收入		<b>3,465</b>	1,912
Fair value change on derivative financial liabilities	衍生金融負債之 公允價值變動		<b>246</b>	539
Selling and distribution expenses	銷售及分銷開支		<b>(10,019)</b>	(9,223)
Administrative expenses	行政開支		<b>(11,348)</b>	(7,885)
Research and development expenses	研發開支		<b>(18,507)</b>	(14,998)
Other operating expenses	其他經營開支		<b>(4,424)</b>	(2,730)
Finance costs	融資成本		<b>(60)</b>	-
<b>Profit (loss) before taxation</b>	<b>除稅前溢利 (虧損)</b>	5	<b>7,139</b>	(8,876)
Taxation	稅項	6	<b>(3,349)</b>	56
<b>Profit (loss) for the period</b>	<b>期間溢利 (虧損)</b>		<b>3,790</b>	(8,820)
<b>Profit (loss) for the period attributable to:</b>	<b>應佔期間溢利 (虧損) :</b>			
Owners of the Company	本公司擁有人		<b>4,025</b>	(8,680)
Non-controlling interests	非控股權益		<b>(235)</b>	(140)
			<b>3,790</b>	(8,820)
<b>Earnings (loss) per share</b>	<b>每股盈利 (虧損)</b>	8	<b>HK cents 港仙</b>	HK cents 港仙
- Basic and diluted	- 基本及攤薄		<b>1.24</b>	(2.72)

Condensed Consolidated Statement  
of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2010

截至二零一零年六月三十日止六個月

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2010</b> <b>二零一零年</b> <b>HK\$'000</b> <b>千港元</b> <b>(Unaudited)</b> <b>(未經審核)</b>	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
<b>Profit (loss) for the period</b>	<b>期間溢利(虧損)</b>	<b>3,790</b>	(8,820)
Exchange differences arising on translation of foreign operations, representing other comprehensive expenses	因換算外地業務而產生之匯兌差額，即其他全面開支	<b>1,553</b>	(1,211)
Total comprehensive income (expenses) for the period	期間全面收益(開支)總額	<b>5,343</b>	(10,031)
<b>Total comprehensive income (expenses) for the period attributable to:</b>	<b>應佔期間全面收益(開支)總額：</b>		
Owners of the Company	本公司擁有人	<b>5,578</b>	(9,891)
Non-controlling interests	非控股權益	<b>(235)</b>	(140)
		<b>5,343</b>	(10,031)

Condensed Consolidated Statement  
of Financial Position

簡明綜合財務狀況表

As at 30 June 2010

於二零一零年六月三十日

		Notes 附註	At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	9	75,479	71,301
Investment property	投資物業	10	4,940	4,100
Goodwill	商譽		5,857	5,857
Intangible assets	無形資產		17,672	18,532
Club memberships	會所會籍		600	673
Investments in equity securities	股本證券投資	11	–	–
Deposits for purchase of property, plant and equipment	購買物業、機器及 設備之按金	12	22,751	4,245
			<b>127,299</b>	104,708
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		106,510	57,100
Trade and other receivables	應收貿易及其他賬款	13	211,401	143,013
Amounts due from shareholders	應收股東款項		10,330	10,592
Cash and cash equivalents	現金及現金等價物		126,216	179,386
			<b>454,457</b>	390,091
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付貿易及其他賬款	14	139,619	85,537
Bank borrowing	銀行借貸			
– due within one year	– 須於一年內償還	15	28,486	111
Tax payables	應付稅項		41,896	42,712
			<b>210,001</b>	128,360

Condensed Consolidated Statement  
of Financial Position (Continued)

簡明綜合財務狀況表  
(續)

As at 30 June 2010

於二零一零年六月三十日

		Notes 附註	At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>244,456</b>	261,731
<b>Total assets less current liabilities</b>	<b>資產總值減 流動負債</b>		<b>371,755</b>	366,439
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank borrowing	銀行借貸			
– due after one year	– 須於一年後償還	15	27	83
Derivative financial liabilities	衍生金融負債	16	7,145	7,391
Deferred tax liabilities	遞延稅項負債		4,661	4,386
			<b>11,833</b>	11,860
<b>Net assets</b>	<b>資產淨值</b>		<b>359,922</b>	354,579
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	17	32,390	32,390
Reserves	儲備		324,751	319,173
<b>Equity attributable to owners of the Company</b>	<b>本公司擁有人 應佔權益</b>		<b>357,141</b>	351,563
Non-controlling interests	非控股權益		2,781	3,016
<b>Total equity</b>	<b>權益總額</b>		<b>359,922</b>	354,579

Condensed Consolidated Statement  
of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2010

截至二零一零年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔											
		Share capital	Share premium	Capital reserve	Other reserve	Contribution reserve	Properties revaluation reserve	Statutory reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	其他儲備	出資儲備	重估儲備	法定儲備	匯兌儲備	保留溢利	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>For the six months ended</b>	<b>截至二零零九年</b>												
<b>30 June 2009</b>	<b>六月三十日止</b>												
	<b>六個月</b>												
At 1 January 2009	於二零零九年												
(audited)	一月一日 (經審核)	31,536	55,921	604	-	-	10,045	7,493	(25,193)	278,739	359,145	-	359,145
Shares issued according to a patent transfer agreement	因專利權轉讓協議而發行股份	854	2,645	-	-	-	-	-	-	-	3,499	-	3,499
Lapse of share options	購股權失效	-	-	(604)	-	-	-	-	-	604	-	-	-
Acquisition of a subsidiary	收購一間附屬公司	-	-	-	-	-	-	-	-	-	-	3,025	3,025
Total comprehensive expenses for the period	期間全面開支總額	-	-	-	-	-	-	-	(1,211)	(8,680)	(9,891)	(140)	(10,031)
At 30 June 2009	於二零零九年												
(unaudited)	六月三十日 (未經審核)	32,390	58,566	-	-	-	10,045	7,493	(26,404)	270,663	352,753	2,885	355,638
<b>For the six months ended</b>	<b>截至二零一零年</b>												
<b>30 June 2010</b>	<b>六月三十日止</b>												
	<b>六個月</b>												
At 1 January 2010	於二零一零年												
(audited)	一月一日 (經審核)	32,390	58,566	-	301	9,946	18,386	8,434	(19,088)	242,628	351,563	3,016	354,579
Total comprehensive income (expenses) for the period	期間全面收益 (開支) 總額	-	-	-	-	-	-	-	1,553	4,025	5,578	(235)	5,343
At 30 June 2010	於二零一零年												
(unaudited)	六月三十日 (未經審核)	32,390	58,566	-	301	9,946	18,386	8,434	(17,535)	246,653	357,141	2,781	359,922

## Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 June 2010

截至二零一零年六月三十日止六個月

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2010</b> <b>二零一零年</b> <b>HK\$'000</b> <b>千港元</b> <b>(Unaudited)</b> <b>(未經審核)</b>	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash (used in) from operating activities	經營業務(所用)所得之現金淨額	<b>(52,649)</b>	14,778
Net cash used in investing activities	投資活動所用之現金淨額	<b>(28,118)</b>	(17,556)
Net cash from (used in) financing activities	融資活動所得(所用)之現金淨額	<b>28,318</b>	(25)
Net decrease in cash and cash equivalents	現金及現金等價物之減少淨額	<b>(52,449)</b>	(2,803)
Effect of foreign exchange rate changes	匯率變動之影響	<b>(721)</b>	(837)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	<b>179,386</b>	135,553
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等價物	<b>126,216</b>	131,913



## 1. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34, “*Interim Financial Reporting*”, issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

## 2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009 except as described below.

In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

## 1. 編製基準

本簡明綜合中期財務資料已按照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16內適用之披露規定編製，並已遵守香港會計師公會頒布之香港會計準則第34號「中期財務報告」之規定。

## 2. 主要會計政策

本簡明綜合中期財務資料乃按歷史成本基準編製，惟若干物業及金融工具按公允價值計量除外。

除下文所述，本簡明綜合財務資料所採用之會計政策與本集團編製截至二零零九年十二月三十一日止年度之年度財務報表時所採用者一致。

在本期間內，本集團首次採納下列由香港會計師公會頒布之新訂及經修訂準則、修訂及詮釋（統稱「新訂及經修訂香港財務報告準則」）。

## Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK (IFRIC) – INT 17	Distributions of Non-cash Assets to Owners

The Group applied HKFRS 3 (Revised) *Business Combinations* prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) *Consolidated and Separate Financial Statements* in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

### 2. 主要會計政策(續)

香港財務報告準則 (修訂本)	對香港財務報告準則第5號的修訂，作為於二零零八年對香港財務報告準則的改進的一部分
香港財務報告準則 (修訂本)	於二零零九年對香港財務報告準則的改進
香港會計準則第27號(經修訂)	綜合及獨立財務報表
香港會計準則第39號(修訂本)	合資格對沖項目
香港財務報告準則第1號(經修訂)	首次採納香港財務報告準則
香港財務報告準則第1號(修訂本)	首次採納者的額外豁免
香港財務報告準則第2號(修訂本)	集團現金結算股份基礎付款交易
香港財務報告準則第3號(經修訂)	業務合併
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產

本集團就收購日期為二零一零年一月一日或之後之業務合併不予追溯地應用香港財務報告準則第3號(經修訂)「業務合併」。香港會計準則第27號(經修訂)「綜合及獨立財務報表」有關附屬公司所有權益變動(於取得或失去該附屬公司之控制權後)之會計處理之規定，本集團同樣由二零一零年一月一日或之後不予追溯地應用。

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the applications of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

## 2. 主要會計政策 (續)

由於在本中期期間內並無適用於香港財務報告準則第3號(經修訂)及香港會計準則第27號(經修訂)之交易，應用香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及其他香港財務報告準則之相應修訂對本集團目前或過往會計期間之綜合財務報表並無構成影響。

本集團未來期間之業績可能會因為適用於香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及其他香港財務報告準則之相應修訂之未來交易而受到影響。

應用其他新訂及經修訂香港財務報告準則對本集團目前或過往會計期間之綜合財務報表並無構成影響。

本集團並無提早採納以下已頒布惟尚未生效之新訂或經修訂準則、修訂本或詮釋。

Notes to the Condensed Consolidated  
Financial Statements

簡明綜合財務報表附註

**2. SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

HKFRSs (Amendments)	Improvements to HKFRSs 2010 <sup>1</sup>
HKAS 24 (Revised)	Related Party Disclosures <sup>4</sup>
HKAS 32 (Amendment)	Classification of Rights Issue <sup>2</sup>
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters <sup>3</sup>
HKFRS 9	Financial Instruments <sup>5</sup>
HK (IFRIC) – INT 14 (Amendment)	Prepayments of a Minimum Funding Requirement <sup>4</sup>
HK (IFRIC) – INT 19	Extinguishing Financial Liabilities with Equity Instruments <sup>3</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
- <sup>2</sup> Effective for annual periods beginning on or after 1 February 2010.
- <sup>3</sup> Effective for annual periods beginning on or after 1 July 2010.
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2011.
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2013.

**2. 主要會計政策 (續)**

香港財務報告準則 (修訂本)	於二零一零年對 香港財務報告 準則的改進 <sup>1</sup>
香港會計準則 第24號(經修訂)	關聯方披露 <sup>4</sup>
香港會計準則 第32號(修訂本)	供股之分類 <sup>2</sup>
香港財務報告準則 第1號(修訂本)	對首次採納者有 關比較性香港 財務報告準則 第7號披露方 式的有限豁免 <sup>3</sup>
香港財務報告準則 第9號	金融工具 <sup>5</sup>
香港(國際財務報告 詮釋委員會) — 詮釋第14號 (修訂本)	最低融資要求之 預付款 <sup>4</sup>
香港(國際財務報 告詮釋委員會) — 詮釋第19號	以股本工具消除 金融負債 <sup>3</sup>

- <sup>1</sup> 於二零一零年七月一日及二零一一年一月一日(如合適)或以後開始之年度期間生效。
- <sup>2</sup> 於二零一零年二月一日或以後開始之年度期間生效。
- <sup>3</sup> 於二零一零年七月一日或以後開始之年度期間生效。
- <sup>4</sup> 於二零一一年一月一日或以後開始之年度期間生效。
- <sup>5</sup> 於二零一三年一月一日或以後開始之年度期間生效。

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

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

## 2. 主要會計政策 (續)

香港財務報告準則第9號「金融工具」引入金融資產分類及計量之新規定，將由二零一三年一月一日起生效，並准許提早應用。該準則規定屬香港會計準則第39號「金融工具：確認及計量」之所有金融資產按攤銷成本或公允價值計量。特別是(i)就收取合約現金流為目的以業務模式持有之債務投資及(ii)擁有合約現金流之債務投資，且有關現金流純粹為支付本金，而未償還本金之利息則一般按攤銷成本計量。所有其他債務投資及股本投資按公允價值計量。採納香港財務報告準則第9號可能影響本集團金融資產之分類及計量。

本公司董事預期，應用其他新訂或經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況造成重大影響。

## Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 3. TURNOVER AND SEGMENT INFORMATION

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.

The following is an analysis of the Group's turnover and results by operating segments for the periods under review:

### 3. 營業額及分部資料

本集團之主要業務為製造及銷售電子元件。

營業額指供應予客戶之貨品銷售值減退回貨品並經扣除貿易折扣之金額。

以下為本集團於回顧期內之營業額及業績按經營分部所作之分析：

		Turnover 營業額		Segment profit (loss) 分部溢利(虧損)	
		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)	2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Composite components	複合元件	199,909	192,021	2,774	(4,018)
Unit electronic components	單位電子元件	150,842	71,493	3,148	(6,833)
Total	總計	350,751	263,514	5,922	(10,851)
Segment profit (loss)	分部溢利(虧損)			5,922	(10,851)
Unallocated other income	未分配其他收入			3,465	1,912
Unallocated expenses	未分配開支			(2,494)	(476)
Fair value change on derivative financial liabilities	衍生金融負債之公允價值變動			246	539
Profit (loss) before taxation	除稅前溢利(虧損)			7,139	(8,876)

## Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 3. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

The entire segment turnover reported above is from external customers.

Segment profit (loss) represents profit (loss) earned/ incurred by each segment without allocation of other income, finance cost, unallocated other operating expenses and amortisation of intangible assets. This is the measure reported to the executive directors of the Company, for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's assets by reportable segments:

### 3. 營業額及分部資料 (續)

上述所有分部營業額均來自外部客戶。

分部溢利(虧損)指各分部所賺取/產生之溢利(虧損)(不包括其他收入、融資成本、未分配其他經營開支及無形資產攤銷之分配)。此乃向本公司執行董事報告以決定資源分配及表現評估之計量。

以下為本集團資產按可報告分部所作之分析：

		At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Composite components	複合元件	193,022	203,184
Unit electronic components	單位電子元件	149,535	51,198
Unallocated assets	未經分配資產	239,199	240,417
Consolidated total assets	綜合資產總值	581,756	494,799

### 3. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

All assets are allocated to reportable segments other than investment property, goodwill, intangible assets, club memberships, certain property, plant and equipment and inventories, cash and cash equivalents, certain trade and other receivables, amounts due from shareholders and deposits for purchase of property, plant and equipment. Assets used jointly by reportable segments allocated on the basis of the production capacity.

### 4. SEASONALITY OF OPERATIONS

The Group generally experiences higher sales in the second half year, due to the increasing customer demands during the summer holiday. As a result, the first half year typically reports lower revenues and segment results for the Group, than the second half year.

### 3. 營業額及分部資料(續)

所有資產分配至可報告分部，投資物業、商譽、無形資產、會所會籍、若干物業、機器及設備及存貨、現金及現金等價物、若干應收貿易及其他賬款、應收股東款項及購買物業、機器及設備之按金除外。可報告分部共用之資產乃按產能分配。

### 4. 經營季節性

本集團一般於下半年獲得較高銷售額，乃由於客戶需求於暑期有所增加。因此，本集團於上半年所錄得之收益及分部業績一般較下半年為低。



Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

5. PROFIT (LOSS) BEFORE TAXATION

5. 除稅前溢利(虧損)

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

		2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit (loss) before taxation is arrived at after charging/(crediting):	除稅前溢利(虧損)經扣除/(計入):		
Auditors' remuneration	核數師酬金	323	325
Allowance for inventories (included in cost of sales)	存貨撥備(計入銷售成本)	1,303	7,226
Amortisation of intangible assets (included in research and development expenses)	無形資產攤銷(計入研發開支)	574	117
Written off of club membership	會所會籍撇銷	73	-
Cost of inventories recognised as an expense*	確認為開支之存貨成本*	302,965	240,005
Depreciation of property, plant and equipment	物業、機器及設備之折舊	8,799	8,956
Minimum lease payments under operating leases in respect of rented properties	租賃物業之經營租賃下之最低租賃付款	2,399	2,444
Impairment loss on trade receivables (included in other operating expenses)	應收貿易賬款減值虧損(計入其他經營開支)	1,708	98
Increase in fair value of investment property	投資物業公允價值增加	(840)	-
Gain on disposal of property, plant and equipment	出售物業、機器及設備之收益	(841)	(799)
Interest income	利息收入	(558)	(699)
Net rental income	租金收入淨額	(156)	-
Reversal of impairment loss on trade receivables (included in other income)	應收貿易賬款減值虧損回撥(計入其他收入)	(154)	(139)
Net foreign exchange gain	匯兌收益淨額	(754)	(133)

\* Cost of inventories recognised as an expense includes amount of approximately HK\$5,115,000 (six months ended 30 June 2009: HK\$7,898,000) relating to depreciation of property, plant and equipment and operating lease rentals in respect of land and buildings, which amounts are also included in the respective total amounts disclosed separately above.

\* 確認為開支之存貨成本包括有關物業、機器及設備之折舊及土地及樓宇之經營租賃租金之款項約5,115,000港元(截至二零零九年六月三十日止六個月: 7,898,000港元), 並已計入上述個別披露之各款項總額內。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

6. TAXATION

6. 稅項

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

		2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
<b>Current tax</b>	<b>本期稅項</b>		
<b>Hong Kong Profits Tax</b>	<b>香港利得稅</b>		
Provision for the period	本期間撥備	1,738	-
Under-provision (over-provision) in prior years	以往年度之撥備不足(過剩)	-	(74)
		<b>1,738</b>	(74)
<b>PRC Corporate Income Tax</b>	<b>中國企業所得稅</b>		
Provision for the period	本期間撥備	1,209	425
Under-provision in prior years	以往年度之撥備不足	58	11
		<b>1,267</b>	436
		<b>3,005</b>	362
<b>Deferred tax</b>	<b>遞延稅項</b>		
Charged (credited) for the period	本期間支銷(抵免)	344	(418)
		<b>3,349</b>	(56)

## 6. TAXATION (CONTINUED)

- (i) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2010. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2009 as the Group did not have any assessable profits.

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 22% (2009: 20%) and 25% (2009: 25%) of estimated assessable profits for the periods, respectively.

The Korea Branch and a subsidiary operated in Korea is subject to corporate income tax at a rate of 10% (2009: 11%). No provision for taxation has been made for the six months ended 30 June 2010 and 2009 as the tax losses brought forward from prior years exceed the estimated assessable profits for both periods.

## 6. 稅項 (續)

- (i) 香港利得稅將按截至二零一零年六月三十日止六個月之估計應課稅溢利按16.5%之稅率計算。本集團於截至二零零九年六月三十日止六個月無任何應課稅溢利，故並無作出香港利得稅撥備。

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期間估計應課稅溢利分別按22%(二零零九年: 20%)及25%(二零零九年: 25%)計算。

韓國分公司及一間在韓國經營之附屬公司按企業所得稅率10%(二零零九年: 11%)繳稅。由於過往年度結轉之稅項虧損超過該等期間之估計應課稅溢利，故截至二零一零年及二零零九年六月三十日止六個月均無作出所得稅撥備。

## 6. TAXATION (CONTINUED)

- (ii) The Group 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 Group claimed a 50:50 offshore concession in respect of Hong Kong Profits Tax which had been agreed with the Hong Kong Inland Revenue Department (the "HKIRD") in the year of assessment 1999/2000.

In 2008, the HKIRD enquired the Group the basis of its 50:50 offshore concession claims for the years of assessment 2001/02 to 2006/07 in relation to the Group's manufacturing activities carried out in the PRC, and issued an additional assessment of approximately HK\$3,318,000 for the year of assessment 2001/02 on the basis that the Group 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 approximately HK\$3,318,000 as demanded by the HKIRD in 2008.

## 6. 稅項 (續)

- (ii) 本集團透過其附屬公司深圳光星以及根據與第三方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，本集團就香港利得稅提出50:50之離岸豁免要求，而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，香港稅務局向本集團查詢有關本集團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，並基於本集團不合資格就深圳光星進行之製造活動所賺取溢利享有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約3,318,000港元。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約3,318,000港元。

## 6. TAXATION (CONTINUED)

(ii) (Continued)

In March 2009, the HKIRD issued another demand note for additional tax payable for the year of assessment 2002/03 amounted to approximately HK\$6,424,000 in relation to the above 50:50 offshore concession claims. The Company lodged an objection against the additional assessment and purchased a tax reserve certificate of approximately HK\$6,424,000 as demanded by the HKIRD in April 2009.

In March 2010, the HKIRD issued another demand note for additional tax payable for the year of assessment 2003/04 amounted to approximately HK\$9,334,000 in relation to the above 50:50 offshore concession claims. The Company lodged an objection against the additional assessment and purchased a tax reserve certificate of approximately HK\$9,334,000 as demanded by the HKIRD in April 2010.

The Group's operation has remained unchanged since 1999/2000, in view of the stringent approach adopted by the HKIRD in treating 50:50 manufacturing offshore profits claim, the Group had made provision for the previously 50:50 offshore claims of approximately HK\$35,996,000 during the year ended 31 December 2009.

## 6. 稅項 (續)

(ii) (續)

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約6,424,000港元。本公司於二零零九年四月對額外評稅提出反對，並如香港稅務局要求購買儲稅券約6,424,000港元。

於二零一零年三月，香港稅務局發出另一份額外評稅通知書，就二零零三／零四評稅年度發出有關上述50:50離岸豁免之額外評稅約9,334,000港元。本公司於二零一零年四月對額外評稅提出反對，並如香港稅務局要求購買儲稅券約9,334,000港元。

本集團自一九九九／二零零零年以來之營運維持不變，但有見香港稅務局在處理50:50製造業務離岸溢利豁免申索上採取嚴格手法，故本集團已就過往之50:50離岸豁免申索於截至二零零九年十二月三十一日止年度作出約35,996,000港元撥備。

## 6. TAXATION (CONTINUED)

- (iii) In September 2007, the Shenzhen Local Tax Bureau enquired the related party transactions and transfer pricing 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 HK\$1,408,000 in respect of the enquiries was required. Provision for the estimated additional income tax payable of HK\$1,408,000 was fully provided in that year.

In 2008, the scope of enquiries regarding the transfer pricing 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. The directors of the Company reassessed the matter and estimated that the Group would have to pay in total of HK\$4,445,000. Accordingly, an additional provision for the PRC Corporate Income Tax of HK\$3,037,000 was provided in the financial statements for the year ended 31 December 2008.

As of the date of this interim financial information, the Company has obtained an agreement from the Shenzhen Local Tax Bureau to its proposed settlement.

## 6. 稅項 (續)

- (iii) 於二零零七年九月，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，並估計須就有關查詢額外應付所得稅1,408,000港元。在該年度已就估計額外所得稅作出1,408,000港元全數撥備。

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港元。因此已於截至二零零八年十二月三十一日止年度財務報表就中國企業所得稅額外作出3,037,000港元撥備。

截至本中期財務資料之刊發日期，本公司已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。

## 6. TAXATION (CONTINUED)

- (iv) Pursuant to Shen Guo Shui Fa 2008 notice 145, Shenzhen Kwang Sung is subject to the 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%.

The basic Korean Corporate Tax rates for year starting on or after 1 January 2009 are 11% on the first KRW200,000,000 of the tax base and 22% for the excess. The tax rates are 10% and 22% for 2010. In addition to the basic tax rate, there is a resident tax surcharge of 10% on the income tax liability.

## 7. DIVIDENDS

No dividends were paid, declared or proposed during the reported period (six months ended 30 June 2009: nil). The directors do not recommend the payment of an interim dividend.

## 8. EARNINGS (LOSS) PER SHARE

- (i) The calculation of basic earnings (loss) per share is based on the profit for the period attributable to owners of the Company of approximately HK\$4,025,000 (six months ended 30 June 2009: loss of approximately HK\$8,680,000) and the weighted average number of ordinary shares of 323,897,000 (six months ended 30 June 2009: 318,710,000 shares) in issue during the six months ended 30 June 2010.

## 6. 稅項(續)

- (iv) 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須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%。

由二零零九年一月一日或以後開始之年度，基本韓國企業稅率為稅基中首200,000,000韓圓為11%，超過之部份則為22%。於二零一零年之稅率為10%及22%。除基本稅率外，亦就所得稅負債徵收10%居民附加稅。

## 7. 股息

於報告期間並沒有派付、宣派或建議股息(截至二零零九年六月三十日止六個月：零)。董事不建議派付中期股息。

## 8. 每股盈利(虧損)

- (i) 每股基本盈利(虧損)是按本公司擁有人應佔期間溢利約4,025,000港元(截至二零零九年六月三十日止六個月：虧損約8,680,000港元)及截至二零一零年六月三十日止六個月內已發行普通股之加權平均數323,897,000股(截至二零零九年六月三十日止六個月：318,710,000股)計算。

## Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 8. EARNINGS (LOSS) PER SHARE (CONTINUED)

- (ii) There were no dilutive potential ordinary shares during the six months ended 30 June 2010, therefore, diluted earnings per share is the same as the basic earnings per share.

The diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2009 as it did not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the six months ended 30 June 2009.

### 9. PROPERTY, PLANT AND EQUIPMENT

The Group's land and buildings held for own use were revalued as at 31 December 2009 at their open market value by reference to recent market evidence of transaction prices for similar properties in the same locations and conditions. 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 surplus of approximately HK\$9,167,000 was transferred to the properties revaluation reserve, net of deferred tax of approximately HK\$826,000 which was included in the consolidated income statement for the year ended 31 December 2009.

The directors of the Company, who are not qualified valuers, have reviewed the carrying value of the land and buildings as at 30 June 2010 with reference to the relevant market indices. In their opinion, there have been no significant changes in the value of land and buildings during the period from 31 December 2009 to 30 June 2010. Consequently, no revaluation surplus or deficit has been recognised in the current period.

### 8. 每股盈利(虧損)(續)

- (ii) 由於截至二零一零年六月三十日止六個月並無具攤薄性質之潛在普通股，故每股攤薄盈利與每股基本盈利相同。

截至二零零九年六月三十日止六個月之每股攤薄虧損與每股基本虧損一樣，並無假設行使本公司購股權，乃因該等購股權之行使價高於截至二零零九年六月三十日止六個月之股份平均市價。

### 9. 物業、機器及設備

於二零零九年十二月三十一日，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。9,167,000港元重估收益(扣除計入截至二零零九年十二月三十一日止年度之綜合損益表內之遞延稅項826,000港元)已被轉撥至物業重估儲備。

本公司董事(並非合資格估值師)已參考有關市場指標審閱土地及樓宇於二零一零年六月三十日之賬面值。彼等認為，由二零零九年十二月三十一日至二零一零年六月三十日期間，土地及樓宇價值並無重大變動。故此，並無於本期間確認重估收益或虧損。



## Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the six months ended 30 June 2010, the Group acquired items of property, plant and equipment with a cost of approximately HK\$10,929,000 (six months ended 30 June 2009: HK\$3,401,000). In addition, the Group disposed of certain property, plant and equipment with zero carry amount and cash proceeds of HK\$841,000 (six months ended 30 June 2009: carrying amount of approximately HK\$6,000 and cash proceeds of HK\$805,000), resulting in a gain on disposal of approximately HK\$841,000 (six months ended 30 June 2009: HK\$799,000).

### 10. INVESTMENT PROPERTY

The Group's investment property was revaluated as at 30 June 2010 and 31 December 2009 at its open market value. The valuations as at 30 June 2010 and 31 December 2009 were carried out by Asset Appraisal Limited and Vigers Appraisal & Consulting Limited, respectively. They are independent firms of professional surveyors not connected with the Group who had among staff members of the Hong Kong Institute of Surveyors. The valuations were arrived at by reference to the market evidence of transaction price for similar properties in the same locations and conditions. The resulting increase in fair value of approximately HK\$840,000 has been recognised in profit or loss for the six months ended 30 June 2010.

### 11. INVESTMENTS IN EQUITY SECURITIES

Investments in equity securities represent equity investments in an unlisted corporate entity with a cost of HK\$1,500,000 (31 December 2009: HK\$1,500,000), against which a full provision for impairment loss has been made in prior years and maintained at 30 June 2010.

### 9. 物業、機器及設備 (續)

於截至二零一零年六月三十日止六個月，本集團以約10,929,000港元(截至二零零九年六月三十日止六個月：3,401,000港元)購置物業、機器及設備。另外，本集團以出售所得現金約841,000港元出售若干賬面值為零港元之物業、機器及設備(截至二零零九年六月三十日止六個月：賬面值約6,000港元，所得現金約805,000港元)，從而產生出售收益淨額約841,000港元(截至二零零九年六月三十日止六個月：799,000港元)。

### 10. 投資物業

於二零一零年六月三十日及二零零九年十二月三十一日，曾就本集團之投資物業之公開市值進行重估。於二零一零年六月三十日及二零零九年十二月三十一日之估值分別由與本集團並無關連之獨立專業估值師資產評估顧問有限公司及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。估值乃參考相同地點及狀況之類似物業之市場成交價而進行。公允價值增加約840,000港元已於截至二零一零年六月三十日止六個月之損益中確認。

### 11. 股本證券投資

股本證券投資指於非上市企業實體之股本投資，成本1,500,000港元(二零零九年十二月三十一日：1,500,000港元)，已於往年作出全數減值虧損撥備，並於二零一零年六月三十日維持。

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**12. DEPOSITS FOR PURCHASE OF  
PROPERTY, PLANT AND EQUIPMENT**

The deposits included deposit paid for purchase of machinery and a freehold land in Korea. During the six months ended 30 June 2010, the Group entered into an agreement with a third party for the acquisition of a land for an aggregate cash consideration of KRW7,500,000,000 (approximately HK\$48,038,000). Total deposits of KRW3,406,350,000 (approximately HK\$21,818,000) were paid upon signing the agreement. The acquisition had been completed after the end of the reporting period (note 18(c) and 21).

**12. 購買物業、機器及設備  
之按金**

按金包括購買機器及於韓國的永久業權持有土地支付之按金。於截至二零一零年六月三十日止六個月，本集團與一第三方訂立協議，以總現金代價7,500,000,000韓圓(約48,038,000港元)收購一幅地塊。合共3,406,350,000韓圓(約21,818,000港元)之按金已於簽訂協議時支付。收購事項已於報告期末後完成(附註18(c)及21)。

**13. TRADE AND OTHER RECEIVABLES**

**13. 應收貿易及其他賬款**

		At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade and bills receivables (net of allowance for doubtful debts)	應收貿易及票據賬款 (扣除應收貿易 賬款撥備)	<b>168,025</b>	120,543
Short term loans to key management personnel and employees	向主要管理人員及 僱員提供短期貸款	<b>489</b>	667
Proceeds receivable from disposal of equity securities	出售股本證券之 應得款項	<b>1,281</b>	1,333
Tax reserve certificates (note 6(ii))	儲稅券(附註6(ii))	<b>19,076</b>	9,742
Deposits, prepayments and other receivables	按金、預付款項及 其他應收賬款	<b>22,530</b>	10,728
		<b>211,401</b>	143,013

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**13. TRADE AND OTHER RECEIVABLES**  
**(CONTINUED)**

The Group allows an average credit period of 30-90 days to its trade customers. The following is an aged analysis of trade and bills receivables (net of allowance for doubtful debts) based on the due date at the end of the reporting period:

**13. 應收貿易及其他賬款**  
**(續)**

本集團給予其貿易客戶平均30至90日之信貸期。於報告期末，按到期日劃分，應收貿易及票據賬款(扣除應收貿易賬款撥備)之賬齡分析如下：

		<b>At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)</b>	<b>At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)</b>
Current	未逾期	<b>129,360</b>	87,641
Less than 1 month	逾期少於一個月	<b>22,984</b>	21,462
1 to 3 months	逾期一個月至三個月	<b>15,643</b>	8,432
More than 3 months but less than 12 months	逾期多於三個月 但少於十二個月	<b>38</b>	3,008
		<b>168,025</b>	120,543

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14. TRADE AND OTHER PAYABLES

14. 應付貿易及其他賬款

		At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade payables	應付貿易賬款	121,581	71,653
Accrued expenses and other payables	應計費用及 其他應付賬款	18,038	13,884
		<b>139,619</b>	85,537

The following is an aged analysis of trade payables based on the due date at the end of the reporting period:

於報告期末，應付貿易賬款之賬齡分析如下(按到期日)：

		At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Due within 1 month or on demand	一個月內或 接獲通知時到期	79,418	52,554
Due after 1 month but within 3 months	一個月後但 三個月內到期	42,163	19,099
		<b>121,581</b>	71,653

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### 15. BANK BORROWING

During the six months ended 30 June 2010, the Group obtained a new bank loan of approximately HK\$12,811,000 secured by the Company's land and buildings with an aggregate carrying value of approximately HK\$19,356,000 and an unsecured loan of approximately HK\$15,569,000. The proceeds were used to finance the acquisition of property, plant and equipment.

The Group also repaid bank borrowing of approximately HK\$61,000 during the six months ended 30 June 2010.

During the six months ended 30 June 2009, the Group obtained an unsecured bank borrowing of approximately HK\$241,000 through acquisition of a subsidiary and repaid bank borrowing of approximately HK\$25,000.

The bank borrowing bears interest ranged from 3.02% to 5.18% per annum with maturity date ranged from 2 to 4 years (30 June 2009: 5.18% per annum with maturity date of 4 years).

### 16. DERIVATIVE FINANCIAL LIABILITIES

In March 2009, the Group and the Company entered into a patent transfer agreement (the "Agreement") with an independent third party (the "Seller"). The consideration of approximately HK\$10,242,000 was partially satisfied by issuing 8,534,933 shares of the Company at HK\$0.41 per share to the Seller and the remaining consideration of approximately HK\$6,743,000 will be settled in cash along with put options ("Options") on period from the end of third year to the end of fourth year after the transaction, under either condition:

- (i) the Group and the Company will not be required to make further payment if the share price of the Company is higher than HK\$1.2; or

### 15. 銀行借貸

於截至二零一零年六月三十日止六個月，本集團取得一筆新銀行貸款約12,811,000港元，以本公司之土地及樓宇(總賬面值約為19,356,000港元)為抵押，及一筆無抵押貸款約15,569,000港元。所得款項乃用作撥資購買物業、機器及設備。

本集團於截至二零一零年六月三十日止六個月亦已償還約61,000港元之銀行借貸。

於截至二零零九年六月三十日止六個月，本集團因收購一間附屬公司而取得一筆無抵押銀行借貸約241,000港元，並已償還約25,000港元之銀行借貸。

銀行借貸按年利率3.02至5.18厘計息，須於二至四年內償還(二零零九年六月三十日：按年利率5.18厘計息，須於四年內償還)。

### 16. 衍生金融負債

於二零零九年三月，本集團及本公司與獨立第三方(「賣方」)訂立一份專利權轉讓協議(「協議」)。代價約10,242,000港元部分以按每股0.41港元發行本公司8,534,933股股份予賣方，代價餘額約6,743,000港元將於交易之後第三年底至第四年底期間以認沽期權(「期權」)於以下其中一種情況以現金結付：

- (i) 倘本公司之股份價格高於1.2港元，本集團及本公司無須支付餘額；或

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**16. DERIVATIVE FINANCIAL  
LIABILITIES (CONTINUED)**

- (ii) if the share price of the Company is lower than HK\$1.2, the Group and the Company will be required to pay the difference of the basis price (being HK\$1.2) and the share price, multiple the number of shares sold to the Seller.

The details of the Options were set out in the Agreement and the Company's announcement dated 30 March 2009.

The fair value of the Options granted is estimated at the date of grant using binomial model taking into account the terms and conditions upon which the Options were granted. The inputs into the model were as follows:

	<b>At 30 June 2010 於 二零一零年 六月三十日</b>	At 31 December 2009 於 二零零九年 十二月三十一日
Dividend yield	<b>0%</b>	1%
Expected volatility	<b>86.7%</b>	85%
Risk-free interest rate	<b>1.1%</b>	1.7%
Expected life	<b>2.75 years 年</b>	3.75 years 年
Weighted average share price	<b>HK\$0.485 0.485港元</b>	HK\$0.475 0.475港元

The binomial model has been used to estimate the fair value of the Options. The variables and assumptions used in computing the fair value of the Options are based on the directors' best estimate. The value of the Options varies with different variables of certain subjective assumptions.

Fair value change on derivative financial liabilities of approximately HK\$246,000 was recognised during the six months ended 30 June 2010 (six months ended 30 June 2009: HK\$539,000).

**16. 衍生金融負債(續)**

- (ii) 倘本公司之股份價格低於1.2港元，本集團及本公司將須支付基本價格(即1.2港元)與股份價格之間的差額，乘以出售予賣方之股份數目。

期權之詳情載於協議及本公司於二零零九年三月三十日發出之公告。

所授出期權之公允價值乃採用二項式定價方法並計入授出期權之條款及條件進行估計。該模式之輸入數據包括：

二項式模式已用於估計期權之公允價值。計算期權公允價值所採用變數及假設乃按照董事最佳估算為準。期權價值隨著若干主觀假設之不同變數而改變。

衍生金融負債之公允價值變動約246,000港元已於截至二零一零年六月三十日止六個月確認(截至二零零九年六月三十日止六個月：539,000港元)。

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17. SHARE CAPITAL AND SHARE OPTION SCHEME

(i) Share capital

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.1 each	每股面值0.1港元之 普通股		
Authorised:	法定：		
At 1 January 2009, 31 December 2009 (audited) and 30 June 2010 (unaudited)	於二零零九年一月一日、 二零零九年十二月 三十一日(經審核)及 二零一零年六月三十日 (未經審核)	1,500,000	150,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2009 (audited)	於二零零九年一月一日 (經審核)	315,362	31,536
Shares issued during the year (note (a))	年內發行之股份 (附註(a))	8,535	854
At 31 December 2009 (audited) and 30 June 2010 (unaudited)	於二零零九年 十二月三十一日 (經審核)及二零一零年 六月三十日(未經審核)	323,897	32,390

Note:

(a) During the year ended 31 December 2009, 8,534,933 shares were issued at HK\$0.41 per share to the Seller according to a patent transfer agreement. Approximately HK\$854,000 was credited to share capital and the balance of approximately HK\$2,645,000 was credited to the share premium.

附註：

(a) 於截至二零零九年十二月三十一日止年度，8,534,933股股份乃根據專利權轉讓協議按每股0.41港元之價格發行予賣方。約854,000港元已計入股本，餘下2,645,000港元已計入股份溢價賬。

## 17. SHARE CAPITAL AND SHARE OPTION SCHEME (CONTINUED)

### (ii) Share option scheme

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. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

During the six months ended 30 June 2009, 1,000,000 share options granted at 6 May 2004 at exercise price of HK\$1.666 outstanding as at 1 January 2009 were all lapsed at 30 April 2009.

No share options had been granted to directors or employees for the six months ended 30 June 2010.

## 17. 股本及購股權計劃 (續)

### (ii) 購股權計劃

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

於截至二零零九年六月三十日止六個月，1,000,000份購股權於二零零四年五月六日授出、行使價1.666港元、於二零零九年一月一日尚未行使之購股權，已於二零零九年四月三十日失效。

於截至二零一零年六月三十日止六個月，並無授出購股權予董事或僱員。



## 18. COMMITMENTS

### (a) The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within one year	一年內	4,344	4,832
In the second to fifth year inclusive	第二年至第五年內 (包括首尾兩年)	5,703	8,485
		<b>10,047</b>	13,317

Operating lease payments represent rentals payables by the Group for certain of its office premises and staff quarter. Leases are negotiated for an average term of ranged from 2 to 10 years and rentals are fixed for the leases period.

## 18. 承擔

### (a) 本集團作為承租人

於呈報期末，本集團根據不可解除經營租賃有日後應付之最低租賃款項之承擔如下：

經營租賃款項指本集團就若干辦公室物業及員工宿舍之應付租金。租約經磋商後平均為期二至十年，期內租金固定。

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**18. COMMITMENTS (CONTINUED)**

**(b) The Group as lessor**

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease receipts which fall due as follows:

		<b>At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)</b>	<b>At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)</b>
Within one year	一年內	<b>312</b>	312
In the second to fifth year inclusive	第二年至第五年內 (包括首尾兩年)	<b>64</b>	220
		<b>376</b>	532

All of the properties held have committed tenants for the next 2 years.

**18. 承擔 (續)**

**(b) 本集團作為出租人**

於呈報期末，本集團已與租戶訂約之日後最低租賃如下：

全部所持有之物業於未來兩年均有已承諾租戶。

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**18. COMMITMENTS (CONTINUED)**

- (c) Capital commitments outstanding at the reporting date contracted but not provided for in the interim financial information are as follows:

	At 30 June 2010 於 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	At 31 December 2009 於 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for	29,499	2,367

**19. ACQUISITION OF A SUBSIDIARY**

During the year ended 31 December 2009, the Group acquired a total of 59.5% equity interest in Brocoli Co., Ltd. ("Brocoli") from independent third parties at a consideration of approximately HK\$10,300,000 ("First Acquisition"). Brocoli is a company incorporated in Korea and is a research and development oriented company.

**18. 承擔 (續)**

- (c) 於呈報日期已訂約但尚未於中期財務資料內提撥準備之資本承擔如下：

**19. 收購一間附屬公司**

截至二零零九年十二月三十一日止年度，本集團按代價約10,300,000港元，向獨立第三方收購Brocoli Co., Ltd. (「Brocoli」) 合共59.5%股本權益(「首次收購」)。Brocoli乃於韓國註冊成立之公司，亦為以研究及開發為主之公司。

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19. ACQUISITION OF A SUBSIDIARY  
(CONTINUED)

The First Acquisition has been accounted for using the purchase method. The net assets acquired and the goodwill arising, are as follows:

19. 收購一間附屬公司 (續)

首次收購乃採用購買法入賬。所收購資產淨值及因而產生之商譽如下：

		Acquiree's carrying amount 被收購者之 賬面值 HK\$'000 千港元	Fair value adjustments 公允價值 調整 HK\$'000 千港元	Acquiree's fair value 被收購者之 公允價值 HK\$'000 千港元
Net assets acquired:	所收購資產淨值：			
Plant and equipment	機器及設備	294	-	294
Intangible assets	無形資產			
- patents	- 專利權	1,536	6,507	8,043
Other receivables	其他應收賬款	40	-	40
Cash and cash equivalents	現金及現金等價物	866	-	866
Accrued expenses and other payables	應計費用及 其他應付賬款	(747)	-	(747)
Bank borrowing	銀行借貸	(241)	-	(241)
Deferred tax liabilities	遞延稅項負債	-	(787)	(787)
		1,748	5,720	7,468
Minority interests	少數股東權益			(3,025)
Goodwill arising on acquisition	因收購而產生之商譽			5,857
				10,300
Consideration satisfied by:	按以下方式支付代價：			
Cash	現金			10,300
Net cash outflow arising on acquisition:	因收購而產生現金流出淨額：			
Cash consideration paid	已付現金代價			(10,300)
Cash and cash equivalents acquired	所收購現金及現金等價物			866
				(9,434)

## 19. ACQUISITION OF A SUBSIDIARY (CONTINUED)

The acquired subsidiary contributed approximately HK\$346,000 to the Group's loss for the period between the date of acquisition and the reporting period ended 30 June 2009.

If the First Acquisition had been completed on 1 January 2009, there would be no change as to the total turnover of the Group for the six months ended 30 June 2009, and loss for the six months ended 30 June 2009 would have been approximately HK\$8,824,000. The pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor was it intended to be a projection of future results.

The goodwill was arisen from the synergy upon the business combination of the acquired subsidiary and the Group.

## 19. 收購一間附屬公司 (續)

自收購日期至截至二零零九年六月三十日止之呈報期間，所收購附屬公司為本集團該期間虧損貢獻約346,000港元。

倘首次收購已於二零零九年一月一日完成，本集團截至二零零九年六月三十日止六個月之總營業額應無更改，而截至二零零九年六月三十日止六個月之虧損則應約為8,824,000港元。備考資料僅供說明，並非本集團之實際應得收益及經營業績(假設收購於二零零九年一月一日完成)之指標，亦不擬用作未來業績之預測。

商譽乃因所收購附屬公司與本集團進行業務合併之協同效力而產生。

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**20. MATERIAL RELATED PARTY  
TRANSACTIONS**

**(i) Transactions with shareholders**

- (a) During the six months ended 30 June 2010 and 2009, the Group entered into the following transactions with Kwang Sung Electronics Co., Ltd. (“Kwang Sung Korea”), a major shareholder of the Company:

**20. 重大關連人士交易**

**(i) 與股東之交易**

- (a) 於截至二零一零年及二零零九年六月三十日止六個月，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：

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

	<b>2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)</b>	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Sales of finished goods 銷售製成品	<b>395</b>	1,499
Referral commission 已付／應付轉介 paid/payable 佣金	<b>337</b>	742
Production outsourcing 已付／應付外包 fees paid/payable 生產費	<b>443</b>	796

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.

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。

## 20. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

### (i) Transactions with shareholders (Continued)

- (b) Pursuant to a Deed of Indemnity dated 23 June 2003, two shareholders, Mr. Yang Jai Sung and Kwang Sung Korea, would indemnify the Group for any tax liabilities payable for periods prior to 30 June 2003. Amount receivable from Mr. Yang Jai Sung and Kwang Sung Korea under the indemnity at 30 June 2010 is approximately HK\$6,124,000 and HK\$4,206,000 (31 December 2009: HK\$6,124,000 and HK\$4,206,000) respectively.

## 20. 重大關連人士交易 (續)

### (i) 與股東之交易 (續)

- (b) 根據日期為二零零三年六月二十三日之彌償保證契約，兩名股東梁在星先生及韓國光星就於二零零三年六月三十日前期間之任何稅務負債向本集團作出彌償。根據彌償保證於二零一零年六月三十日應收梁在星先生及韓國光星之款項分別約為6,124,000港元及4,206,000港元(二零零九年十二月三十一日：6,124,000港元及4,206,000港元)。

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簡明綜合財務報表附註

**20. MATERIAL RELATED PARTY  
TRANSACTIONS (CONTINUED)**

(ii) Transactions with other related parties

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors is as follows:

**20. 重大關連人士交易 (續)**

(ii) 與其他關連人士之交易

(a) 主要管理人員之酬金

本集團主要管理人員酬金(包括已支付予本公司董事之金額)載列如下:

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	6,350	4,732
Post-employment benefits	離職後福利	114	83
		<b>6,464</b>	4,815

(b) During the six months ended 30 June 2010, the Group paid a consultancy fee of approximately HK\$287,000 (six months ended 30 June 2009: HK\$233,000) to a close family member of Mr. Yang Jai Sung, a shareholder and a director of the Company.

(b) 於截至二零一零年六月三十日止六個月，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約287,000港元(截至二零零九年六月三十日止六個月：233,000港元)。



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20. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Transactions with other related parties (Continued)

(c) Loan to key management personnel

Included in other receivables were loans to key management personnel and the terms of which are as follows:

Name of borrower  
借款人  
Position  
職位

Mr. Suh Jin Won  
徐陳愿先生  
General manager  
總經理

Mr. Lee Don Gi  
李敦基先生  
General manager  
總經理

Mr. Lim Hee Jun  
林熙俊先生  
Chief researcher  
責任研究員

Terms of the loan  
貸款之條款

- Repayment terms  
- 貸款年期  
- loan amount  
- 貸款金額  
- interest rate  
- 息率  
- security  
- 抵押

Repayment on demand  
要求時償還  
HK\$34,000  
34,000港元  
Nil  
零  
None  
無

Repayable on demand  
要求時償還  
HK\$67,000  
67,000港元  
Nil  
零  
None  
無

Repayable on demand  
要求時償還  
HK\$13,000  
13,000港元  
Nil  
零  
None  
無

Balance of the loan  
貸款結餘

- at 1 January 2009  
- 於二零零九年一月一日  
- at 31 December 2009 and 1 January 2010  
- 於二零零九年十二月三十一日及二零一零年一月一日  
- at 30 June 2010  
- 於二零一零年六月三十日

Nil  
零  
HK\$34,000  
34,000港元  
HK\$34,000  
34,000港元

Nil  
零  
HK\$67,000  
67,000港元  
HK\$64,000  
64,000港元

Nil  
零  
HK\$13,000  
13,000港元  
Nil  
零

21. EVENT AFTER THE END OF THE INTERIM REPORTING PERIOD

Subsequent to the end of the reporting period, the Group completed the acquisition of the land in Korea. Details of the acquisition are set out in the Company's circular dated 20 May 2010.

20. 重大關連人士交易 (續)

(ii) 與其他關連人士之交易 (續)

(c) 向主要管理人員提供貸款

其他應收款項包括向主要管理人員提供之貸款，其條款如下：

21. 中期報告期末後事項

中期報告期末後，本集團完成收購位於韓國之地塊。收購事項詳情載於本公司日期為二零一零年五月二十日之通函。

