

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

Annual Report 2007 年報

Stock Code 股份代號 : 2310

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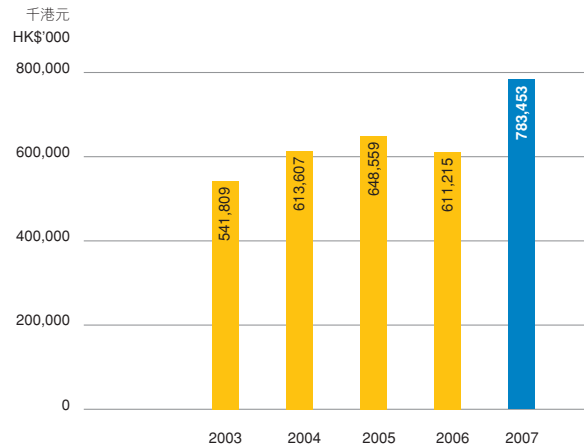
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Devoted R&D efforts enable the Group to meet customers' ever-changing demands in the Digital Era.

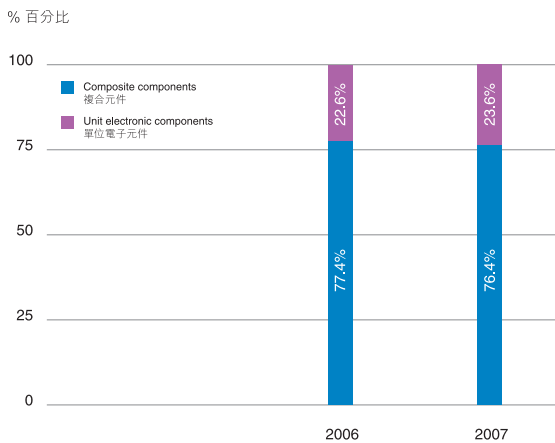
致力研發，助集團迎合客戶於數碼化年代瞬息萬變的需求。

# Financial Highlights 財務摘要

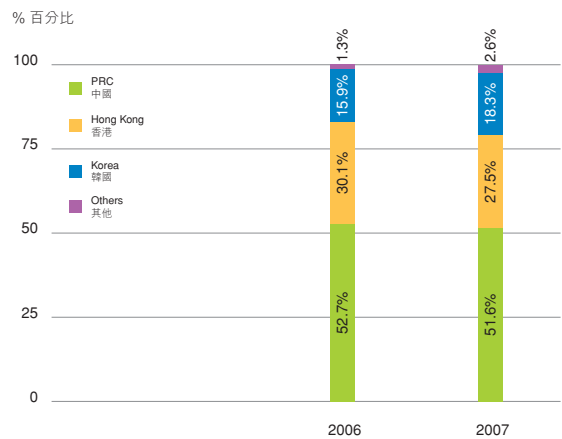
## Turnover 營業額



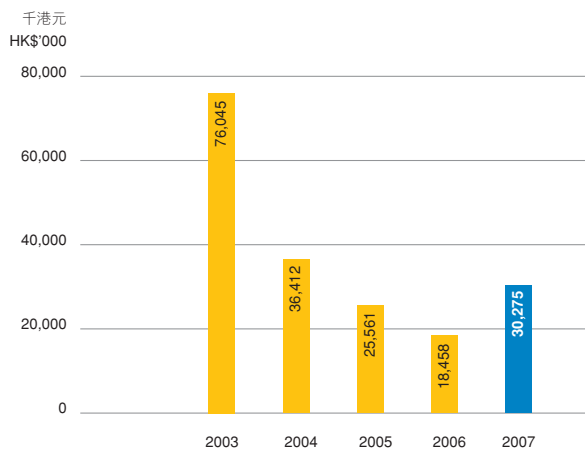
## Turnover by Business Segments 按業務分部劃分之營業額分析



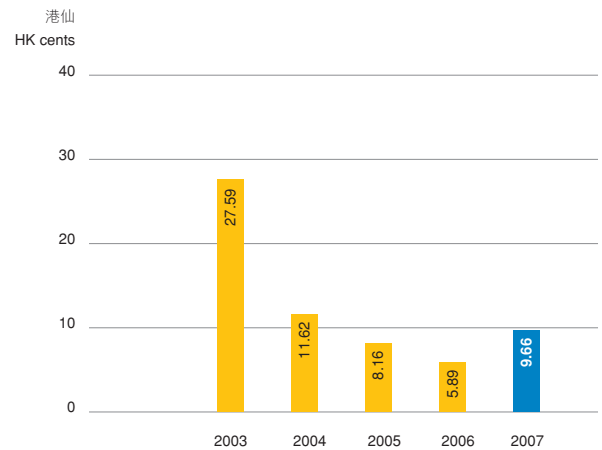
## Turnover by Geographical Regions 按地區分佈劃分之營業額分析



## Profit for the Year 全年純利



## Basic Earnings per Share 每股基本盈利



# Financial Highlights 財務摘要

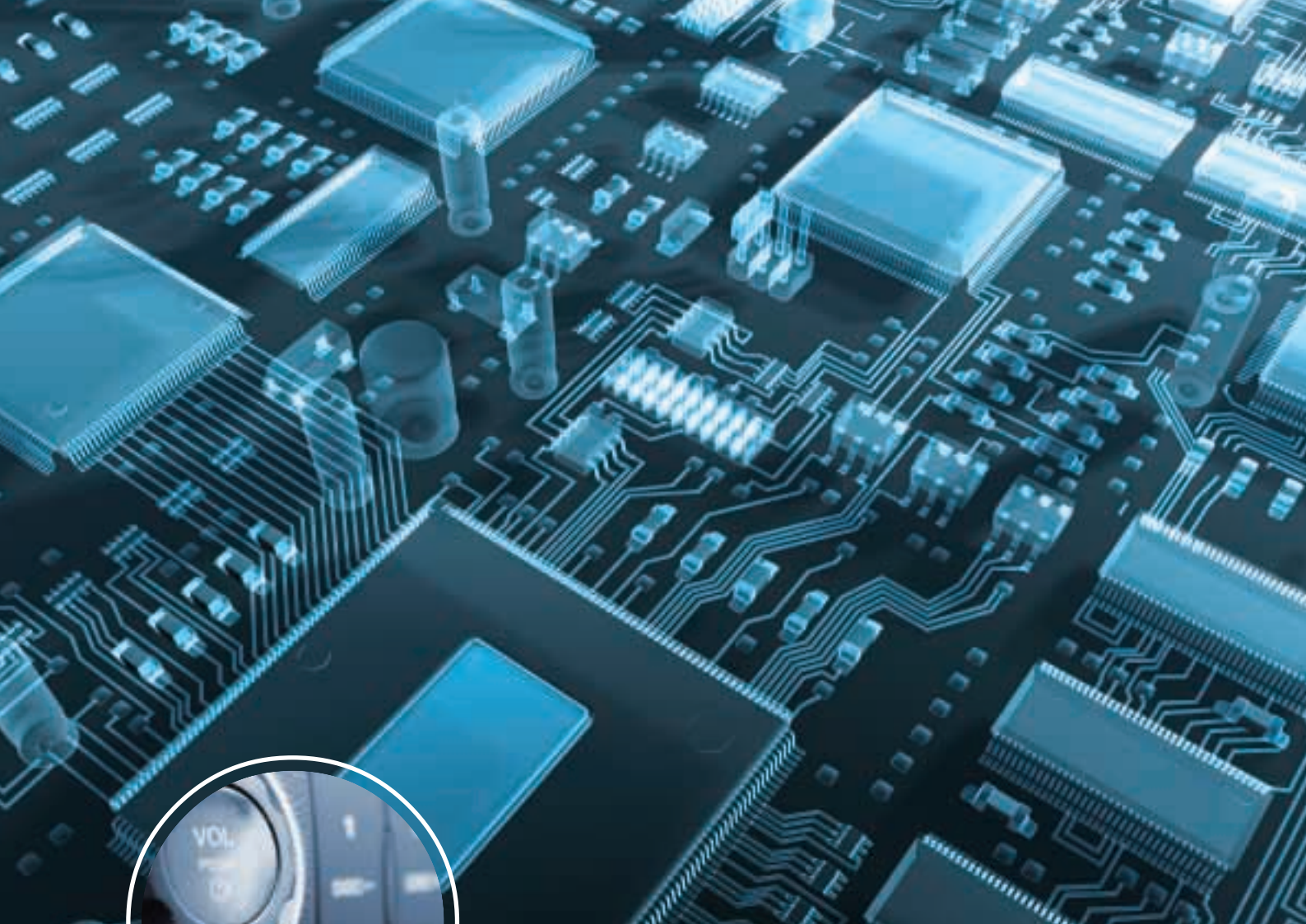
		Note 附註	2007 二零零七年	2006 二零零六年	% Changes 變動百分比
<b>Results</b>	<b>業績</b>				
<i>HK\$'000</i>	千港元				
Turnover	營業額		783,453	611,215	28.2
Gross profit	毛利		123,078	93,736	31.3
Profit from operations	經營溢利		34,870	20,886	67.0
Profit after taxation attributable to equity shareholders	除稅後股本持有人 應佔溢利		30,275	18,458	64.0
Dividends	股息		9,113	5,639	61.6
<b>Assets and Liabilities</b>	<b>資產與負債</b>				
<i>HK\$'000</i>	千港元				
Total assets	總資產		479,445	454,381	5.5
Total liabilities	總負債		84,609	92,719	(8.7)
Shareholders' equity	股東權益		394,836	361,662	9.2
<b>Per Share Data</b>	<b>每股數據</b>				
<i>HK cents</i>	港仙				
Basic earnings	基本盈利		9.66	5.89	64.0
Diluted earnings	攤薄盈利		9.46	N/A 不適用	N/A 不適用
Dividends	股息		2.90	1.80	61.1
<i>HK\$</i>	港元				
Net asset value	資產淨值		1.26	1.15	9.6
<b>Financial Ratio</b>	<b>財務比率</b>				
Gross profit margin (%)	毛利率 (%)		15.71	15.34	2.4
Net profit margin (%)	純利率 (%)		3.86	3.02	27.8
Dividend payout (%)	派息比率 (%)		30.10	30.55	(1.5)
Current ratio	流動比率	1	4.61	3.92	17.6
Quick ratio	速動比率	2	3.75	3.16	18.7
Gearing ratio	負債比率	3	0.18	0.20	(10.0)

Notes:

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

附註：

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



# Tuner Module For Car Audio

## 汽車音響調諧器模組

The Group expects substantial growth for this business in the next few years.

本集團預期本項業務將於未來數年錄得顯著增長。

## Chairman's Statement 主席報告書



**YANG HO SUNG** CHAIRMAN  
梁皓星 主席

Kwang Sung made concrete development in 2007. To gear up for opportunities ahead, the Group continued to focus resources on research and development. These resources injected in 2007 represent the long-term commitment of the Group in enhancing the quality and scope of its products for meeting customer's ever-changing demands in the digital era.

光星於二零零七年取得實質的發展。為了迎接未來的商機而作好準備，本集團繼續集中資源進行研究及開發。於二零零七年所投入的資源，反映本集團提升產品質素及擴大產品種類的長遠承諾，以滿足客戶在數碼化年代不斷轉變的需求。

## Chairman's Statement 主席報告書

During the year, the Group kept a close watch and gave its best to enrich its product mix as well as strengthen existing products. At its relentless efforts in boosting relationship with major customers and product quality, the Group managed to achieve remarkable growth for its major products such as tuner modules for car audios and digital tuner modules for digital multimedia broadcasting products. To sustain competitiveness, the Group also armed itself with new products such as the hybrid digital radio ("HD Radio") for the US and tuner modules for the Integrated Services Digital Broadcasting – Terrestrial ("ISDB-T") for Japan and Brazil. The success of the Group's traditional and new products was unquestionably the result of its dedicated devotion in research and development.

In addition to investment in research and development, the cornerstone of the Group's strong market position, we are going to invest in new equipment and automation of production lines, which will allow us to enhance efficiency and production capacity.

Looking forward, the Group is cautiously optimistic about the outlook of its business amidst possible economic downturn which may dampen consumer demand for electronic products. With demand for its products on constant rise especially in underdeveloped and developing countries, the Group sees satisfactory growth for its turnover in financial year 2008.

年內，本集團密切關注和盡力豐富產品組合，同時亦優化現有產品。本集團不斷努力與主要客戶建立關係和提升產品質素，成功令汽車音響調諧器模組及用於數碼多媒體廣播產品的數碼調諧器模組等主要產品均取得理想增長。為保持競爭力，本集團亦積極研發新產品以裝備自己，例如供予美國市場的混合式數碼收音機（「HD收音機」），以及供予日本及巴西市場的綜合服務數碼地面廣播（「ISDB-T」）的數碼調諧器模組。本集團的傳統及新產品取得成功，無疑是致力投入於研究及開發的成果。

研究及開發活動是本集團取得穩固市場地位的基石，除了這方面的投資，本集團亦準備投資於新設備及自動化生產線，使本集團能提升效率及生產能力。

展望未來，雖然經濟可能衰退，而影響到消費者對電子產品的需求，但本集團對業務前景仍審慎樂觀。隨著市場對本集團產品的需求有增無減，尤以未發展及發展中國家的需求仍然殷切，預見本集團二零零八財政年度的營業額會有理想增長。



## Chairman's Statement 主席報告書



Capitalising on the trend of digitalization prevalent among new multimedia devices, the Group will step up effort in increasing market share and strengthening market position.  
鑒於新多媒體裝置的數碼化趨勢銳不可當，本集團將致力擴大市場份額及鞏固市場地位。

Lastly, I would like to thank my fellow Board members for their unfailing guidance and extend my gratitude and sincere appreciation to our customers, suppliers and shareholders for their support. I am confident that Kwang Sung's management team and staff will continue to strive to deliver stellar performance in the year to come.

By order of the Board

**Yang Ho Sung**

*Chairman*

Hong Kong, 8 April 2008

最後，本人感謝董事會全人努力不懈的領導，亦對客戶、供應商及股東的支持致以衷心謝意。本人有信心，光星的管理團隊和員工將繼續努力在來年爭取佳績。

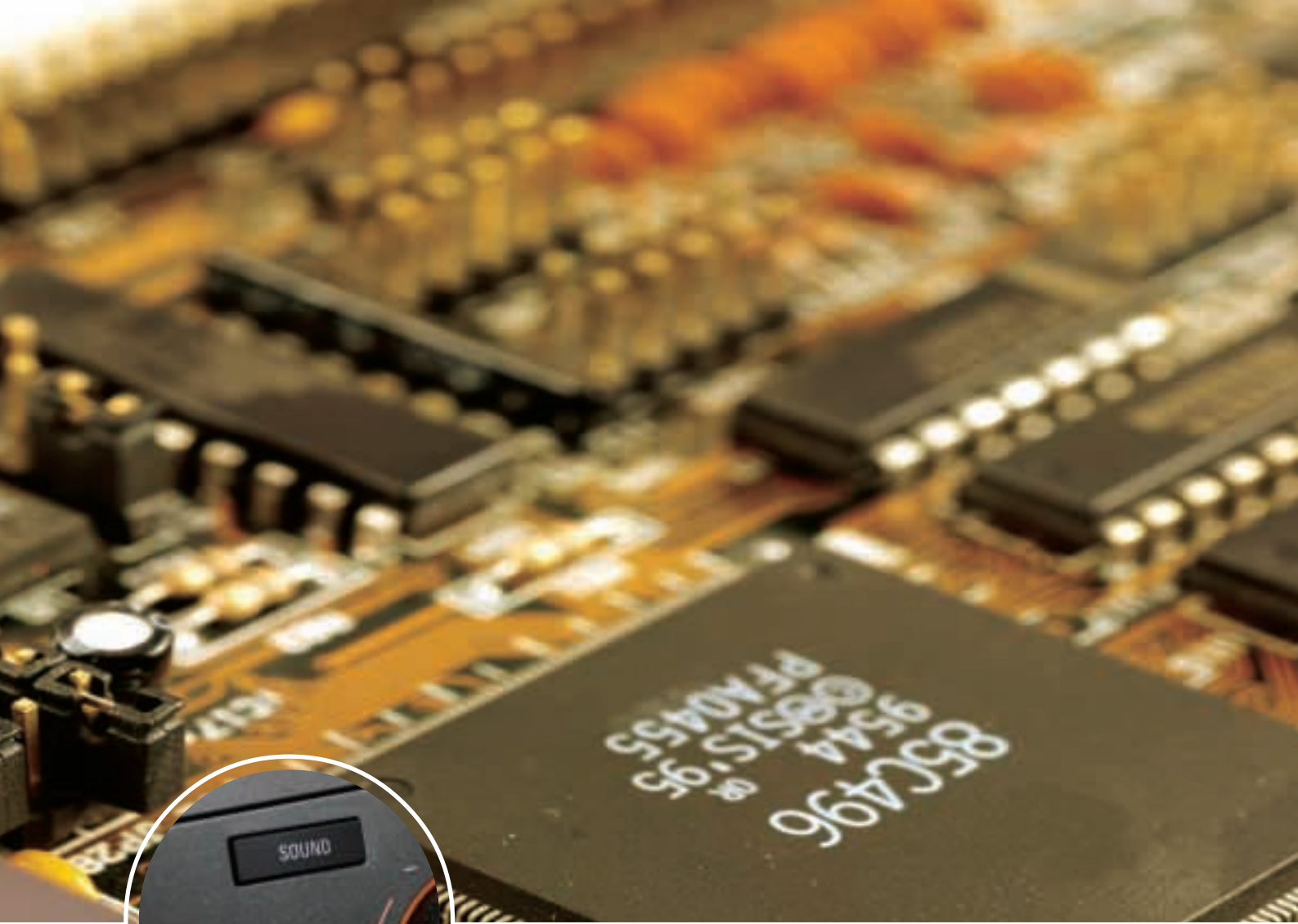
承董事會命

主席

梁皓星

香港，二零零八年四月八日





# HD Tuner Module

## HD 調諧器模組

The Group will continue to grow this product segment, turning it into a major revenue source in the near future.

本集團將繼續發展本產品分類，使其成為不久將來的主要收入來源。



**YANG JAI SUNG** CEO  
梁在星 行政總裁

## FINANCIAL REVIEW

The Group's business developed considerably during the past year. In addition to the strong sales of our existing major products, we achieved organic growth by launching some other new products, such as digital multimedia broadcasting ("DMB") and digital audio broadcasting ("DAB") tuner modules. As a result, the Group's turnover increased by 28.2% to HK\$783,453,000 in the year ended 31 December 2007 and our gross profit rose by 31.3% to HK\$123,078,000. The profit derived from our operations increased by 67.0% to HK\$34,870,000, whereas profit after taxation grew by 64.0% to HK\$30,275,000. Earnings per share amounted to HK9.66 cents.

## 財務回顧

本集團之業務於過去一年顯著發展。除本集團現有主要產品銷售強勁外，集團亦推出其他新產品，例如數碼多媒體廣播（「DMB」）及數碼音響廣播（「DAB」）調諧器模組，從而取得自然增長。結果，本集團截至二零零七年十二月三十一日止年度之營業額增加28.2%至783,453,000港元，而毛利亦上升31.3%至123,078,000港元。本集團營運所得溢利增加67.0%至34,870,000港元，而除稅後溢利增長64.0%至30,275,000港元。每股盈利達9.66港仙。

# CEO's Report 行政總裁報告書

## Turnover

The Group's turnover increased by 28.2% from HK\$611,215,000 to HK\$783,453,000 during the year. This was mainly due to the strong growth in sales of our tuner modules for car and home audios, and also DMB. The turnover of our composite components business amounted to HK\$598,338,000 (2006: HK\$473,110,000), an increase of 26.5%. This accounted for 76.4% of the Group's total turnover, compared with 77.4% in the previous year. The turnover of the Group's unit electronic components business rose by 34.0% from HK\$138,105,000 in 2006 to HK\$185,115,000 in 2007, accounting for 23.6% of the Group's total turnover, compared with 22.6% during 2006.

## Gross Profit

As a result of the Group's increased turnover, our gross profit grew to HK\$123,078,000 (2006: HK\$93,736,000), and our gross profit margin also increased slightly to 15.7%, compared with 15.3% in 2006.

## Other Revenue

The Group's other revenue decreased by 4.6%, from HK\$6,928,000 in 2006 to HK\$6,609,000 in 2007. This was primarily due to the net effect of a HK\$998,000 increase in interest income and a HK\$1,533,000 decrease in gains on the disposal of fixed assets.

## Operating Expenses

Excluding surplus of HK\$1,456,000 on revaluation of land and buildings, the Group's operating expenses increased by 20.7%, from HK\$79,778,000 in 2006 to HK\$96,273,000. This was mainly attributable to the expansion of our operations in Korea.

## Taxation

The Group's income tax expenses rose by 89.3%, from HK\$2,427,000 in 2006 to HK\$4,595,000 in 2007. This was primarily the result of an increase in our pre-tax profit.

## 營業額

本集團於年內之營業額由611,215,000港元增加28.2%至783,453,000港元。營業額增加，乃主要由於汽車及家用音響調諧器模組以及DMB調諧器模組之銷售額強勁增長所致。本集團複合元件業務之營業額為598,338,000港元（二零零六年：473,110,000港元），增加26.5%。該業務的營業額佔本集團總營業額76.4%，而上年度為77.4%。本集團單位電子元件業務的營業額由二零零六年的138,105,000港元上升34.0%至二零零七年的185,115,000港元，有關營業額佔本集團總營業額23.6%，而二零零六年為22.6%。

## 毛利

由於本集團營業額增加，毛利增長至123,078,000港元（二零零六年：93,736,000港元），而本集團的毛利率亦從二零零六年的15.3%輕微上升至15.7%。

## 其他收益

本集團之其他收益由二零零六年的6,928,000港元減少4.6%至二零零七年的6,609,000港元，乃主要由於利息收入增加998,000港元及來自出售固定資產收益減少1,533,000港元的淨影響所致。

## 經營開支

倘不計算重估土地及樓宇之盈餘1,456,000港元，則本集團之經營開支由二零零六年的79,778,000港元上升20.7%至二零零七年的96,273,000港元。經營開支上升乃主要由於本集團擴展於韓國的業務所致。

## 稅項

本集團之所得稅支出由二零零六年的2,427,000港元上升89.3%至二零零七年的4,595,000港元，乃主要由於除稅前溢利增加所致。

# CEO's Report 行政總裁報告書

## Profit for the Year

Profit after taxation attributable to the Company's equity shareholders increased by 64.0%, from HK\$18,458,000 in 2006 to HK\$30,275,000 in 2007. Meanwhile, our net profit margin increased from 3.0% in 2006 to 3.9% in 2007.

## Financial Condition, Liquidity and Financial Resources

The Group's operations are usually financed by internally generated cash flow. As at 31 December 2007, the Group had cash and bank balances of HK\$185,415,000 (2006: HK\$169,679,000) and net current assets of HK\$298,966,000 (2006: HK\$265,048,000). Shareholders' funds amounted to HK\$394,836,000 as at 31 December 2007 (2006: HK\$361,662,000). At the year-end, the Group had no outstanding borrowings. Our current ratio (the ratio of current assets to current liabilities) was maintained at the strong level of 4.61 (2006: 3.92), and our gearing ratio (total liabilities to total assets) stood at 0.18 (2006: 0.20). The Group managed to improve our average debtor turnover days from 77 days in 2006 to 66 days in 2007, and our average inventory turnover days from 64 days in 2006 to 55 days in 2007. The average creditor turnover days was 59 days (2006: 65 days). Overall, the Group maintained a healthy financial status, with sufficient financial resources to support future development.

## 年度溢利

本公司之股本持有人應佔除稅後溢利由二零零六年的18,458,000港元增加64.0%至二零零七年的30,275,000港元。同時，本集團之純利率由二零零六年的3.0%上升至二零零七年的3.9%。

## 財務狀況、流動資金及財務資源

本集團一般以其內部產生的現金流為其業務提供資金。於二零零七年十二月三十一日，本集團的現金及銀行結餘為185,415,000港元（二零零六年：169,679,000港元），而流動資產淨值則為298,966,000港元（二零零六年：265,048,000港元）。於二零零七年十二月三十一日的股東資金為394,836,000港元（二零零六年：361,662,000港元）。於年結日，本集團並無未償還的借貸。本集團的流動比率（流動資產與流動負債的比率）維持於4.61的強勁水平（二零零六年：3.92），而負債比率（總負債與總資產計算）則為0.18（二零零六年：0.20）。本集團之平均應收賬款周轉天數由二零零六年的77天改善至二零零七年的66天，而平均存貨周轉天數則由二零零六年的64天減至二零零七年的55天。平均應付賬款周轉天數為59天（二零零六年：65天）。整體而言，本集團的財務狀況維持穩健，具備充足財務資源應付其未來發展。

# CEO's Report 行政總裁報告書

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

The Group is exposed to foreign currency risks, primarily in sales and purchases denominated in United States Dollars ("USD") and Japanese Yen ("JPY"). Our operation in Korea pays its operating expenses in Korean Won ("KRW").

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

## Investment Activities

The Group did not make any material acquisition or disposal of any subsidiary and associated company during the year ended 31 December 2007.

## Charges on Assets

As at 31 December 2007, the Group had banking facilities of HK\$158,520,000 (2006: HK\$133,400,000) but no assets were pledged to banks to secure them.

## Contingent Liabilities

Other than details of contingent liabilities stated in note 28 to the financial statement on page 141, the Group did not have any significant contingent liabilities as at 31 December 2007 and 2006.

## 外匯風險、對沖及賬外金融工具

主要由於本集團之銷售及採購以美元及日圓計值，加上本集團於韓國之業務以韓圓支付經營開支，本集團因而承受外幣風險。

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

## 投資活動

截至二零零七年十二月三十一日止年度，本集團並無任何收購或出售附屬公司及聯營公司之重大事項。

## 資產抵押

於二零零七年十二月三十一日，本集團有158,520,000港元之銀行備用信貸額(二零零六年：133,400,000港元)，但並無抵押任何資產予銀行以獲取該等信貸。

## 或然負債

除第141頁財務報表附註28所詳述之或然負債外，本集團於二零零七年及二零零六年十二月三十一日並無任何重大或然負債。

# CEO's Report 行政總裁報告書

## Employees and Remuneration Policy

As at 31 December 2007, the Group had about 1,711 employees (2006: 1,951), of whom 22 are based in Hong Kong (2006: 22), 1,580 in PRC (2006: 1,828) and 109 in Korea (2006: 101). Staff costs increased to HK\$102,747,000 during the year ended 31 December 2007, compared with HK\$89,467,000 during 2006. This was mainly due to the expansion of our operations in Korea.

Our employees are remunerated according to their performance and work experience, as well as market conditions. In addition to basic salaries and retirement schemes, staff benefits include medical care, discretionary share options and performance bonuses.

## Proposed Final Dividend

The Board of Directors (the "Board") has recommended the payment of a final dividend of HK1.4 cents per share in respect of the year ended 31 December 2007 (2006: HK1.1 cents) to shareholders whose names appear in the register of members on 23 May 2008. The final dividend is subject to the approval of shareholders at the Annual General Meeting to be held on 23 May 2008. The Group's long-term dividend policy is to distribute not less than 30% of its net profit as dividend each financial year. However, the Board will review this dividend policy from time to time to provide attractive returns to shareholders.

## Closure of Register of Members

The Company's share register will be closed from 21 May 2008 to 23 May 2008, both dates inclusive. During the period, no transfer of shares will be registered. Dividend cheques will be dispatched to shareholders on or about 3 June 2008. In order to qualify for the final dividend and the entitlement to attend and vote at the upcoming annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong not later than 4:00 p.m. on 20 May 2008.

## 僱員及酬金政策

於二零零七年十二月三十一日，本集團約有1,711名僱員（二零零六年：1,951名），其中22名駐守香港（二零零六年：22名），1,580名駐守中國（二零零六年：1,828名），而109名則駐守韓國（二零零六年：101名）。截至二零零七年十二月三十一日止年度之員工成本上升至102,747,000港元，而二零零六年則為89,467,000港元。員工成本上升，主要是由於本集團擴展於韓國的業務所致。

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

## 擬派末期股息

董事會建議派付截至二零零七年十二月三十一日止年度末期股息每股1.4港仙（二零零六年：1.1港仙）予於二零零八年五月二十三日記錄在股東名冊上的股東。末期股息須待股東在即將於二零零八年五月二十三日舉行之股東週年大會上批准後方告作實。本集團之長期派息政策是分派不少於每個財政年度溢利淨額30%。然而，董事會將不時檢討股息政策，為股東提供吸引之回報。

## 暫停辦理股份過戶登記手續

本公司股份過戶登記處將於二零零八年五月二十一日至二零零八年五月二十三日（包括首尾兩日）暫停開放，期間不會辦理任何股份過戶登記手續，股息支票將會於二零零八年六月三日或相近日子寄發予股東。為符合收取末期股息及出席即將舉行之股東週年大會並在會上投票之資格，所有填妥之股份過戶表格連同有關股票，最遲須於二零零八年五月二十日下午四時正前送達本公司之股份過戶登記處卓佳標準有限公司，地址為香港皇后大道東1號太古廣場3座25樓。

# CEO's Report 行政總裁報告書

## BUSINESS REVIEW

### Composite Components Business

Our composite components business remained the Group's major source of revenue, accounting for 76.4% of our total turnover during the year ended 31 December 2007. The segment's turnover amounted to HK\$598,338,000, an increase of 26.5% compared with the previous year's figure of HK\$473,110,000. This trend was mainly attributable to growth in the sales of our tuner modules for car audios, home audios and DMB products.

The Group's turnover from sales of tuner modules for car audios increased by 25.4% to HK\$129,899,000 during 2007. This impressive double-digit growth rate was mainly attributable to increased orders from our existing customers. It also reflected our persistence and determination to expand our market share by strengthening our ties with existing and new ones. The strong technical backing of our in-house research and development engineering teams enabled us to ensure our products consistently meet the most stringent quality requirements of our customers during the year. The customers' strong confidence in the Group's products is one of our most important competitive edges.

Sales of the Group's tuner modules for home audios grew by 17.0% during 2007, from HK\$245,076,000 to HK\$286,756,000. This segment accounted for 47.9% of the total turnover of the Group's composite components business. The satisfactory growth rate was mainly due to the enhanced support we provided to our existing customers. This helped their businesses to prosper, and in turn it increased their demand for the Group's products. The Group's customer base was also diversified to include suppliers and manufacturers which serve brand owners. Most of these new customers provide OEM (original equipment manufacturer) and/or ODM (original design manufacturer) services to end-users or brand owners. A special drive to secure orders for the tuner modules used in portable devices resulted in a 53.2% leap in the sales of these products, which rose to HK\$29,796,000.

### 業務回顧

#### 複合元件業務

複合元件業務仍為本集團收益的主要來源，佔本集團截至二零零七年十二月三十一日止年度之總營業額約76.4%。本分部的營業額為598,338,000港元，較去年度473,110,000港元上升26.5%。營業額上升，主要原因是用於汽車音響、家用音響及DMB產品的調諧器模組之銷售額增長。

本集團來自銷售汽車音響調諧器模組之營業額上升25.4%至二零零七年的129,899,000港元。取得理想的雙位數字增長率，主要由於來自現有客戶之訂單增加所致。該成績亦反映本集團努力不懈地與現有及新客戶加強關係，以擴大市場佔有率。憑藉本身的研究及開發工程隊伍的強大技術支援，本集團於年內得以確保產品質素穩定，以達到客戶最嚴格的品質要求。客戶對本集團產品的強大信心，是本集團最重要的競爭優勢之一。

本集團的家用音響調諧器模組之銷售額於二零零七年增長17.0%，由245,076,000港元增加至286,756,000港元。本分部佔本集團複合元件業務的總營業額47.9%。增長率理想，主要是由於本集團加強向現有客戶提供支援所致。此舉有利客戶業務增長，從而對本集團產品的需求增加。本集團擴展客戶基礎，引入為品牌擁有人提供服務的供應商及製造商。大部分該等客戶均向最終用戶或品牌擁有人提供OEM(原設備生產)及/或ODM(原設計生產)服務。本集團特別努力爭取可攜式裝置調諧器模組之訂單，結果該等產品之銷售額大升53.2%至29,796,000港元。

# CEO's Report 行政總裁報告書

Sales of the Group's wireless solutions, including wireless speaker systems, microphones and Bluetooth modules, grew by 18.9% to HK\$54,061,000 during 2007. Such components are mainly incorporated into the finished products of leading electronics companies.

Launched in 2006, the Group's digital product category supplies digital tuner modules for DMB in navigation systems and personal multimedia players ("PMP"). These were sold primarily in the Korea market. Sales of our digital tuner modules for DMB and DAB increased significantly during the year, totalling HK\$58,575,000. In particular, our sales of digital tuner modules for DMB rocketed by around 130.0%.

The Group continued to devote resources to the research and development of new products in order to diversify and enhance our product portfolio. These included tuner modules for HD Radio and for the ISDB-T standard used in Japan, as well as global positioning system ("GPS") engines.

## Unit Electronic Components Business

The turnover from our unit electronic components business amounted to HK\$185,115,000 during the year. This represented an increase of 34.0% compared with that in 2006 of HK\$138,105,000. This segment accounted for 23.6% of the Group's total turnover. The growth of our unit electronic components business was mainly attributable to the increased sales of transformers due to our strengthened market position.

本集團的無線方案之銷售額包括無線揚聲器系統、擴音器及藍芽模組，於二零零七年增長18.9%至54,061,000港元。該等元件主要供應予頂尖電子公司安裝於製成品。

本集團的數碼產品類別於二零零六年推出用於導航系統及個人多媒體播放器（「PMP」）的DMB數碼調諧器模組。該等產品主要在韓國市場銷售。本集團的DMB及DAB數碼調諧器模組於年內的銷售額大幅上升，合共達58,575,000港元。DMB數碼調諧器模組之銷售額增長尤其強勁，增幅約為130.0%。

本集團繼續投放資源研究及開發新產品，以豐富和加強產品組合。其中包括HD收音機的調諧器模組及用於日本數碼多媒體廣播標準的ISDB-T的數碼調諧器模組，以及全球定位系統（「GPS」）引擎。

## 單位電子元件業務

年內來自單位電子元件業務的營業額為185,115,000港元，較二零零六年的138,105,000港元增加34.0%。本分部佔本集團總營業額23.6%。單位電子元件業務之增長，主要由於本集團市場地位提升而帶動轉換器的銷售額上升所致。



# CEO's Report 行政總裁報告書

## Prospects

Despite the risk of a possible economic downturn that might lead to reduced consumer demand for electronic products, the Group remains cautiously optimistic about the outlook for our business during 2008. While we expect our turnover to grow satisfactorily in the coming year, we also anticipate a surge in direct labour costs arising from the change in the labour law in the PRC, which may restrain our ability from improving profit margins. To capitalise on the trend towards digitalisation that is prevalent among new multimedia devices, the Group will step up efforts to increase our market share and strengthen our market position. We believe there is still a lot of room to expand the market that we currently serve, as well as to satisfy the continuously growing demand for the products we manufacture in underdeveloped and developing countries. In response to these factors, we will continue to strengthen our collaboration with key customers around the world.

The strong relationships we enjoy with our major customers and the recognised quality of our products make the Group confident that sales of our tuner modules for car audios and digital tuner modules for DMB and DAB will grow substantially in the coming years. Our success in attracting major new customers in the past year also leads us to believe that demand for our tuner modules for car audios will continue to increase at a healthy pace in the future. The Group will continue to capitalise on our status as one of Korea's leading digital tuner modules supplier in order to expand our shares of the personal navigation devices ("PND") and PMP markets. We expect these to become major revenue sources in the coming year, while sales of our other types of tuner modules are likely to continue growing steadily. The Group also anticipates further good progress in the sales of our wireless solutions, including wireless speaker systems.

## 前景

儘管出現經濟可能下滑之風險，而可能導致消費者對電子產品的需求下降，但本集團對於二零零八年的業務前景仍審慎樂觀。本集團預期營業額於來年將有理想增長，但同時預計中國勞動法的改變將令直接勞工成本急升，因而可能削弱本集團改善毛利率的能力。現時新式多媒體裝置的數碼化趨勢十分普遍，為了把握當中利益，本集團將更致力提升市場佔有率及加強市場地位。本集團相信現時市場仍有很大擴展空間，亦可滿足未發展及發展中國家對本集團產品日漸增加的需求。因應上述因素，本集團將繼續加強與全球主要客戶的合作。

本集團與主要客戶已建立緊密關係，加上本集團產品質素已獲肯定，使本集團深信，汽車音響調諧器模組及 DMB與DAB數碼調諧器模組之銷售額將於未來各年有顯著增長。本集團於去年成功招攬大型新客戶，亦令本集團相信汽車音響調諧器模組將於未來繼續以穩健步伐增長。本集團是韓國主要數碼調諧器模組供應商之一，而本集團將繼續利用該地位，務求擴展在個人導航裝置（「PND」）及PMP市場的佔有率。本集團預期，PND及PMP將成為來年的主要收益來源，而本集團其他種類調諧器模組的銷售應會持續穩定增長。本集團亦預計，包括無線揚聲器系統的無線方案之銷售亦會更進一步。

## CEO's Report 行政總裁報告書

Since 2007, the Group has been contracted by the iBiquity Digital Corporation, an American company, to develop the tuner modules for HD Radio to satisfy demand in the terrestrial-based American digital audio market. We expect to begin generating revenue from HD Radio during the first half of 2008, and we will continue to nurture this product segment so that it will become a major income source for the Group in the near future. We also expect our GPS engines to generate satisfactory revenues from 2008 onwards.

The Group increased our investment of resources into research and development efforts to the equivalent of 5.7% of turnover in 2007; and we intend to maintain our research and development budget at this level during the coming year. This reflects our long-term commitment to enhancing the quality and scope of our products. It also empowers us to meet our customers' ever-changing demands in the digital era. Aside from investing in research and development, we will also invest in new equipment and automated production lines to enhance our efficiency and production capacity.

While we embark on developing new products, the Group will continue to manage our finances prudently, and keep a close watch on costs. We will also remain constantly on the lookout for fresh opportunities that will enable us to ensure the long-term sustainable growth and expansion of our business.

自二零零七年以來，美國的iBiquity Digital Corporation已與本集團訂約，發展HD收音機的調諧器模組，以滿足以地面為主的美國數碼音響市場的需求。本集團預期於二零零八年上半年開始從HD收音機賺取收益，而本集團將繼續完善本產品分部，使其成為本集團不久將來的主要收入來源。本集團亦預期GPS引擎可由二零零八年開始帶來理想收益。

本集團增加資源進行研究及開發，有關投資額相等於二零零七年的營業額5.7%，而本集團有意於來年維持上述水平的研究及開發預算。此反映本集團提升產品質素及擴展產品種類的長遠決心。本集團亦矢志在此數碼時代滿足客戶不斷轉變的需要。除投資於研究及開發外，本集團亦將投資於新設備及自動化生產線，以提升效率及產能。

本集團著手開發新產品之同時，亦將繼續審慎管理財政，並密切監察成本。本集團亦將不斷留意新的商機，使本集團可確保長遠可持續增長及擴展業務。

# CEO's Report 行政總裁報告書

## Corporate Social Responsibility

As a public company, the Group has been actively fulfilling its corporate social responsibility by protecting the interest of all stakeholders of the Company, the Company itself, and the society and environment. During the year, the Company donated a total of HK\$1,680,000 (2006: HK\$1,560,000) to charities to promote the well-being of the needy. It also continued to make sure its products conform to the European Union's environmental protection guidelines including the Directive on the Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment on manufacturing activities.

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

## Appreciation

On behalf of the management, I wish to thank our customers, suppliers, business associates and shareholders for their support. I would also like to express my special thanks to our staff for their invaluable service and contribution last year.

**Yang Jai Sung**  
*Chief Executive Officer*

Hong Kong, 8 April 2008

## 企業社會責任

作為一家上市公司，本集團積極地履行其企業社會責任，維護所有利益相關者、公司、社會和環境之利益。於年內，本公司作出慈善捐款合共1,680,000港元(二零零六年：1,560,000港元)，以促進有需要人士的福利。本集團亦繼續確保產品符合歐盟的環保指引，包括其生產程序符合在電氣電子設備中限制使用某些有害物質指令的規條。

本集團甚為關注員工的健康及工作安全，除向所有經理及僱員提供適當培訓外，本集團亦設有適當的安全系統及有效控制措施，以減少僱員接觸有害物質或處於惡劣工作環境。本集團絕不容忍有關就業及職業的任何騷擾或歧視行為，使各僱員均處於平等的工作環境。

## 致謝

本人謹代表管理層，向集團客戶、供應商、業務聯繫人及股東的支持致謝。本人亦謹此向集團員工去年的寶貴服務及貢獻致以特別謝意。

行政總裁  
梁在星

香港，二零零八年四月八日

# Corporate Governance Report 企業管治報告書

## CODE ON CORPORATE GOVERNANCE PRACTICES

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

## 企業管治常規守則

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

# Corporate Governance Report 企業管治報告書

## ATTENDANCE RECORD FOR THE BOARD AND BOARD COMMITTEE MEETINGS IN 2007

The number of Board and board committee meetings attended by each director for the year ended 31 December 2007

(No. of meetings attended/held)

## 二零零七年董事會及董事委員會會議之出席記錄

截至二零零七年十二月三十一日止年度各董事所出席董事會及董事委員會會議次數

(會議出席／舉行次數)

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Executive Committee 執行委員會
<b>Non-executive director</b>	<b>非執行董事</b>				
Mr. Yang Ho Sung	梁皓星先生	4/4	2/2	n/a 不適用	n/a 不適用
<b>Executive directors</b>	<b>執行董事</b>				
Mr. Yang Jai Sung	梁在星先生	4/4	n/a 不適用	3/3	7/7
Mr. Kim Sun Cheol	金善哲先生	4/4	n/a 不適用	n/a 不適用	7/7
Mr. Woo Nam Jin	禹南珍先生	3/4	n/a 不適用	n/a 不適用	7/7
Mr. Lee Kyu Young (note 1)	李圭英先生(註1)	3/3	n/a 不適用	n/a 不適用	5/5
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>				
Dr. Kim Chung Kweon	金正權博士	4/4	2/2	3/3	n/a 不適用
Dr. Han Byung Joon	韓丙濬博士	4/4	2/2	3/3	n/a 不適用
Mr. Kim Chan Su	金瓊洙先生	4/4	2/2	3/3	n/a 不適用

Note:

(1) Mr. Lee Kyu Young was appointed as an executive director of the Company and a member of the Executive Committee on 17 April 2007. Subsequent to his appointments, there were 3 Board Meetings and 5 Executive Committee Meetings held during the year ended 31 December 2007.

註:

(1) 李圭英先生於二零零七年四月十七日獲委任為本公司執行董事及執行委員會成員。直至二零零七年十二月三十一日在任期間，共有三次董事會及五次執行委員會會議舉行。

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

本公司所採納之企業管治常規之主要概要載列於下文。

## THE BOARD OF DIRECTORS

The Company's overall management is vested in its board of directors (the "Board"), which up to the latest practicable date comprises seven members, coming from diverse businesses and professional backgrounds as shown in biographical details set out on pages 29 to 31 in this annual report. The Board comprises non-executive director Mr. Yang Ho Sung (Chairman), executive directors Mr. Yang Jai Sung, Mr. Lee Kyu Young and Mr. Woo Nam Jin, and independent non-executive directors Dr. Kim Chung Kweon, Dr. Han Byung Joon and Mr. Kim Chan Su.

The Board meets in person at least four times annually to review business development and overall strategic policies. The attendance record of individual board members during the year set out in the table on page 20 of this report.

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

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

## 董事會

本公司之整體管理由董事會（「董事會」）負責，至最後實際可行日期，董事會由七名成員組成，彼等擁有不同行業及專業背景，詳情請參見載於本年報29至31頁之履歷詳情。董事會成員包括非執行董事梁皓星先生（主席）、執行董事梁在星先生、李圭英先生及禹南珍先生，獨立非執行董事金正權博士、韓丙濬博士及金瓚洙先生。

董事會每年最少親身開會四次，以檢討業務發展及整體策略政策。於年內，個別董事會成員之出席記錄載於本報告第20頁之表內。

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

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

# Corporate Governance Report 企業管治報告書

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

## EXECUTIVE COMMITTEE

The Board has delegated certain authorities and responsibilities to the executive directors, including the development of strategic plans for consideration by the Board, implementation of the strategies and policies of the Group as determined by the Board, monitoring of the operating and financial results against plans and budgets, guiding the Company in various corporate affairs. The Executive Committee, formed by all the executive directors and chaired by the chief executive officer, meets from time to time when committee chairman requires.

During the year, the Executive Committee met seven times with the attendance record of individual committee members set out in the table on page 20 of this report.

## REMUNERATION COMMITTEE

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

During the year, the Remuneration Committee met three times with the attendance record of individual committee members set out in the table on page 20 of this report.

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

## 執行委員會

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

於年內，執行委員會召開了七次會議，個別委員會成員之出席記錄載於本報告第20頁之表內。

## 薪酬委員會

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

於年內，薪酬委員會召開了三次會議，個別委員會成員之出席記錄載於本報告第20頁之表內。

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

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

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

## NOMINATION OF DIRECTORS

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

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

## AUDIT COMMITTEE

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

During the year, the Audit Committee met twice with the external auditors with no executive directors present. The complete attendance record of individual committee members set out in the table on page 20 of this report.

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

並無董事參與關於自己的薪酬之討論。

於年內，薪酬委員會制訂及採納本集團之聘用政策、提名政策、薪酬政策、培訓及發展政策、及溝通政策，並檢討董事及高層管理人員之薪酬待遇。

## 董事提名

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

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

## 審核委員會

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

於年內，審核委員會在並無執行董事參與的情況下與外聘核數師舉行了兩次會議。個別委員會成員之出席記錄載於本報告第20頁之表內。



# Corporate Governance Report 企業管治報告書

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

During the year, the Audit Committee reviewed the 2006 annual report and accounts as well as the 2007 interim report and accounts, had oversight of the financial reporting and audit processes, reviewed the Group's financial controls, internal control and risk management systems, agreed the scope of internal control review for 2007, discussed internal control review report, conducted discussions with the external auditors on financial reporting, compliance, and reported all relevant matters to the Board.

## AUDITORS

The financial reporting responsibilities of the auditors are set out on pages 53 to 54 of this annual report.

During the year ended 31 December 2007, the fees paid/payable to the auditors in respect of audit and non-audit services provided by the auditors to the Group were as follows:

Nature of services	服務性質	HK\$'000 千港元
Audit services	核數服務	733
Non-audit services	非核數服務	
Interim review	中期審閱	180
Taxation and other services	稅項及其他服務	1,667

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

於年內，審核委員會已審閱二零零六年年報及賬目與二零零七年中期報告及賬目，並監察財務報告及審核程序、檢討本集團之財務監控、內部監控及風險管理系統及議定二零零七年內部監控檢討的範疇、討論內部監控檢討報告、與外聘核數師就財務報告、遵守規則進行商討，以及向董事會匯報所有相關事項。

## 核數師

核數師之財務申報責任載於本年報第53至54頁。

於截至二零零七年十二月三十一日止年度，就核數師向本集團提供核數及非核數服務之已支付／應付予核數師費用如下：

## INDEPENDENT BOARD COMMITTEE

The Board is committed to seeking the best interests for the shareholders of the Company. To support this purpose, an ad hoc independent committee of the Board (the “Independent Board Committee”) formed by Dr. Han Byung Joon, Dr. Kim Chung Kweon and chaired by Mr. Kim Chan Su, would be responsible for, when it is necessary, reviewing matters in relation to the continuing connected transactions of the Group and advising comments on whether the transactions are fair, reasonable and in the interests of the Company and shareholders. All members of the Independent Board Committee are independent non-executive directors of the Company.

## THE SEPARATE ROLES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

## DIRECTORS AND DIRECTORS’ INDEPENDENCE

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

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

## 獨立董事委員會

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

## 區分主席及行政總裁職能

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

彼區分職能進一步提升以公平、高透明度及負責任為原則的企業管治。

## 董事及董事之獨立性

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

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

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

Non-executive directors are appointed for specific terms. Mr. Yang Ho Sung has his appointment with the Company as non-executive director renewed effective 1 March 2007 for another two years, and Dr. Kim Chung Kweon, Dr. Han Byung Joon and Mr. Kim Chan Su, have their appointments with the Company as independent non-executive directors renewed effective 11 October 2006 for another two years, all subject to retirement by rotation and re-election of their directorship in the Company as set in the Company's Articles of Association.

The Company has received, from each of the independent non-executive directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive directors are independent.

## INTERNAL CONTROLS

The Board is responsible for reviewing the effectiveness of the internal control system of the Group. The scope of the review is determined and recommended by the Audit Committee and approved by the Board annually. The review covers all material controls, including financial, operational and compliance controls and risks management functions. The internal control review function reports directly to the Chairman of the Audit Committee. Regular internal control review reports are circulated to the Audit Committee members and the Board in accordance with the approved scope.

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

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

非執行董事獲委以指定任期。梁皓星先生擔任本公司非執行董事之委任於二零零七年三月一日重續及生效，任期為兩年；金正權博士、韓丙濬博士及金瓚洙先生擔任本公司獨立非執行董事之委任於二零零六年十月十一日重續及生效，任期均為兩年。彼等均須根據本公司章程細則輪值告退本公司董事職務及膺選連任。

本公司已接獲各名獨立非執行董事根據上市規則第3.13條就其獨立身份發出之確認書。本公司認為所有獨立非執行董事均屬獨立人士。

## 內部監控

董事會負責檢討本集團內部監控系統是否有效。檢討之範疇由審核委員會決定推薦，並每年由董事會批准。檢討涵蓋所有重大監控方面，包括財務、營運及遵例監控及風險管理功能。內部監控檢討職能直接向審核委員會主席報告。根據已批准之範疇，定期將內部監控檢討報告傳送予審核委員會成員及董事會。

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

# Corporate Governance Report 企業管治報告書

The Board, through the Audit Committee, has conducted a review of the effectiveness of the Company's system of internal control in the year of 2007, and the Board confirms that the provision C.2.1 of Code on Corporate Practices has been complied with and no finding of a material nature requires the attention of shareholders.

## COMPLIANCE OF CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest. The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Corporate Governance Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2007 except for the deviation of code provision E.1.2.

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

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

透過審核委員會，董事會於二零零七年內進行了本公司之內部監控系統成效之檢討。董事會確認本公司已遵守企業管治常規守則第C.2.1條，亦無重大性質之發現須知會股東。

## 遵守企業管治守則

本公司一向承諾恪守嚴謹之企業管治，以提高透明度及保障股東整體利益。截至二零零七年十二月三十一日止整個年度內，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則的守則條文，惟偏離守則條文第E.1.2條除外。

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

## 董事進行證券交易標準守則

本公司經具體查詢後確認，所有董事於年內均有遵守上市規則附錄十所載之董事進行證券交易的標準守則（「標準守則」）。而該等由於在本公司之職務而可能擁有未公開價格敏感資料之僱員已被要求遵守同樣之標準守則。

# Corporate Governance Report 企業管治報告書

## INVESTOR RELATIONS

The Board recognizes the importance of maintaining effective communications with shareholders. Annual reports and interim reports provide shareholders with comprehensive information of the Group's operational and financial performances; while general meetings offer a platform for shareholders to state and exchange views with the Board directly.

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 and press releases, and is updated in a timely manner to ensure transparency.

## 投資者關係

董事會重視與股東維持有效溝通。年報及中期報告向股東提供本集團營運及財務表現之詳盡資料，而股東大會則提供平台讓股東表達意見及與董事會直接交換意見。

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

## Directors and Senior Management 董事及高層管理人員



### CHAIRMAN & NON-EXECUTIVE DIRECTOR

主席兼非執行董事

**YANG Ho Sung**

梁皓星

**Mr. YANG Ho Sung**, aged 59, is the chairman and a non-executive director of the Company. He is mainly responsible for providing management advice on the corporate development of the Group. He holds a bachelor's degree in architectural engineering from Hanyang University in Korea. He gained 30 years of experience in the electronics industry as a director in Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea") and 25 years of experience as a representative director of Samkor Electronics Co., Ltd. Since 1992, he has taken charge of the daily operation and management in Kwang Sung Korea and was appointed as its representative director. He joined the Group in 2002. Mr. Yang Ho Sung is the elder brother of Mr. Yang Jai Sung.

梁皓星先生，59歲，為本公司之主席兼非執行董事，主要負責在本集團之企業發展上提供管理意見。彼持有韓國漢陽大學建築工程學士學位。於電子行業有三十年經驗，並出任株式會社光星電子（「韓國光星」）之董事及曾出任三高電子之代表董事二十五年。自一九九二年起，彼負責韓國光星之日常運作及管理，並獲委任為代表董事。彼於二零零二年加入本集團。梁皓星先生為梁在星先生之兄長。

### CEO & EXECUTIVE DIRECTOR

行政總裁兼執行董事

**YANG Jai Sung**

梁在星

**Mr. YANG Jai Sung**, aged 48, is the chief executive officer and an executive director of the Company. Mr. Yang is also the representative director at Shenzhen Kwang Sung Electronics Co., Ltd. ("Shenzhen Kwang Sung"). He is primarily responsible for the overall corporate strategies and business development of the Group in addition to leading the Group's management. Mr. Yang holds a bachelor's degree in law from Yonsei University in Korea. Prior to joining the Group in 1991, he worked in Daewoo Heavy Industries and Machinery Co., Ltd. for 9 years and has extensive experience in the electronic component industry.

梁在星先生，48歲，本公司之行政總裁兼執行董事。梁先生亦是深圳光星電子有限公司（「深圳光星」）之代表董事。彼主要負責本集團之整體企業策略及業務發展，並領導本集團的管理層。梁先生持有韓國延世大學法律學士學位。於一九九一年加入本集團前，彼曾在大宇重工業任職九年，在電子元件業擁有廣泛經驗。

## Directors and Senior Management 董事及高層管理人員



### EXECUTIVE DIRECTORS

#### 執行董事

**LEE Kyu Young**  
李圭英

**Mr. LEE Kyu Young**, aged 45, is the executive vice president, an executive director and the recently appointed chief operating officer of the Company. He is mainly responsible for international marketing, new business development and strategic planning of the Group. He holds a bachelor's degree in electronic engineering from Kwangwoon University in Korea. He has over 19 years of experience in world-renowned international companies including LG Information & Communication and Hewlett Packard, specialized in satellite and wireless communication. He joined the Group in 2006.

李圭英先生，45歲，本公司副社長、執行董事，最近獲委任為本公司營運總監。彼負責發展國際市場，發展新業務，及本集團之策略計劃。彼持有韓國光云大學電子工程學士學位。彼曾在多間國際有名公司包括LG Information & Communication及Hewlett Packard任高職，在衛星通訊及無線電通訊方面擁有超過十九年經驗。彼於二零零六年加入本集團。

**WOO Nam Jin**  
禹南珍

**Mr. WOO Nam Jin**, aged 53, is the chief marketing officer and an executive director of the Company. He is responsible for formulating and directing the Group's sales and marketing plans and policies strategically as well as overseeing sales and marketing functions of the Group. He holds a bachelor's degree in electronic engineering from Chung-Ang University in Korea. He has over 28 years of experience in sales and marketing of electronic products. He joined the Group in 2004.

禹南珍先生，53歲，本公司之市場總監兼執行董事。彼負責制定及策劃本集團之銷售及市場推廣計劃及政策，以及監督本集團之銷售及市場推廣部門。彼持有韓國中央大學電子工程學士學位，並在電子產品之銷售及市場推廣方面，擁有超過二十八年經驗。彼於二零零四年加入本集團。

**KIM Sun Cheol**  
金善哲

**Mr. KIM Sun Cheol**, aged 53, was the chief operating officer and an executive director of the Company as well as a director of Shenzhen Kwang Sung. He was mainly responsible for managing the Group's factories in the PRC. He graduated from Inha Technical College in Korea with a degree in chemical engineering. Prior to his directorship in Shenzhen Kwang Sung, he has gained 22 years of experience in Kwang Sung Korea. He joined the Group in 2000.

金善哲先生，53歲，本公司之執行董事兼前任營運總監，亦為深圳光星董事。彼主要負責管理本集團位於中國之廠房。彼畢業於韓國仁荷工業專門大學，持有化學工程學位。在出任深圳光星之董事職務前，彼曾在韓國光星有二十二年經驗。彼於二零零零年加入本集團。

## Directors and Senior Management 董事及高層管理人員



### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### 獨立非執行董事

**HAN Byung Joon**  
韓丙濬

**Dr. HAN Byung Joon**, aged 49, has been appointed as independent non-executive director of the Company since October 2002. He holds a bachelor's degree in engineering from Hanyang University, Korea, a master's degree in engineering from Tennessee Technological University, a master's degree of philosophy from Columbia University, and a doctor of philosophy from Columbia University, U.S.A. He has over 23 years of experience in semiconductor research and product development in IBM, AT&T Bell Laboratories, Anam Semiconductor, Inc. He is now executive vice president and chief technology officer of STATS ChipPAC, Ltd. which is a leading service provider of semiconductor design, assembly, test and distribution solutions and traded in Singapore Stock Exchange.

**韓丙濬博士**，49歲，自二零零二年十月起獲委任為本公司獨立非執行董事。彼持有韓國漢陽大學工程學學士學位、Tennessee Technological University 工程學碩士學位、哥倫比亞大學哲學碩士學位，以及美國哥倫比亞大學哲學博士學位。彼在半導體研究及產品開發方面積逾二十三年經驗，曾任職於IBM、AT&T Bell Laboratories及Anam Semiconductor, Inc.。彼目前為STATS ChipPAC, Ltd.之副行政總裁及技術總監，而此公司乃是一間著名半導體設計、裝配、測試及發行方案之供應商，並於新加坡證券交易所上市。

**KIM Chung Kweon**  
金正權

**Dr. KIM Chung Kweon**, aged 52, has been appointed as independent non-executive director of the Company since October 2002. He holds a bachelor's degree in geology from Seoul National University, Korea, a master's degree in business administration and a master's degree in accounting from University of Washington, U.S.A. He also completed his doctorate degree in accounting at the University of Pittsburgh, U.S.A. Dr. Kim is a member of the Audit Committee of the Company which monitors the financial reporting function of the Group. He has lectured at the University of Pittsburgh, U.S.A., taught at The Hong Kong University of Science and Technology, and is now an Associate Dean at College of Business Administration in Ewha Womans University, Korea.

**金正權博士**，52歲，自二零零二年十月起獲委任為本公司獨立非執行董事。彼持有韓國首爾國家大學地質學學士學位，以及美國華盛頓大學工商管理學碩士學位及會計學碩士學位。彼亦於美國匹茲堡大學完成會計博士學位。金博士是本公司審核委員會成員。該委員會負責監察本集團之財務申報事宜。彼曾於美國匹茲堡大學任教，亦曾於香港科技大學任教，現為韓國梨花女子大學經營大學副學長。

**KIM Chan Su**  
金瓊洙

**Mr. KIM Chan Su**, aged 40, has been appointed as independent non-executive director of the Company since September 2004. He holds a bachelor's degree in economics from Yonsei University in Korea and is a Certified Public Accountant in Korea. He had worked as an auditor in Samil Accounting Corporation, PricewaterhouseCoopers in Korea for over 12 years and currently have been providing tax and accounting advisory services as professional accountant in Hong Kong.

**金瓊洙先生**，40歲，自二零零四年九月起獲委任為本公司獨立非執行董事。彼持有韓國延世大學經濟學學士學位，並為韓國執業會計師。彼曾於韓國普華永道會計師事務所之Samil Accounting Corporation任職核數師逾十二年，現以專業會計師身份在香港提供會計及稅務諮詢服務。



# Directors and Senior Management 董事及高層管理人員

## SENIOR MANAGEMENT

### KIM Han Kyu

Mr. KIM Han Kyu, aged 53, is the director of Manufacturing Division of the Group and a director of Shenzhen Kwang Sung. He is mainly responsible for managing the Group's factories in the PRC. He holds a bachelor's degree in industrial engineering from Seoul National University in Korea. Prior to his directorship in Shenzhen Kwang Sung, he has gained over 27 years of experience in production control, quality control, strategic planning, purchase, and administration mainly at LG Siltron. He joined the Group in 2007.

### LIM Jung Bum

Mr. LIM Jung Bum, aged 46, is the director of Digital Multimedia Division of the Group. He is responsible for the overall business operations of digital multimedia products in the Group. He holds a bachelor's degree in science from Dong-A University in Korea. He has over 21 years of experience in electronic component development. He joined the Group in 2003.

### KIM Choon Gyum

Mr. KIM Choon Gyum, aged 50, is the director of System Division of the Group. He is responsible for overall business operations of the wireless solutions in the Group. He holds a bachelor's degree majoring electronic engineering from Inha University in Korea. Prior to joining the Group, he gained over 22 years of experience in electronics companies including Maxon Electronics and Motorola Korea, specialized in RF products including cordless phones, mobile phones and Bluetooth products. He joined the Group in 2008.

### JANG Dong Jun

Mr. JANG Dong Jun, aged 51, is a director of the Coil Division of the Group. He is responsible for the research and development of the Group's RF coils, transformer and antenna products. He graduated from Cheong Il Technical High School in Korea. He has over 32 years of experience in research in electronic industry including 24 years of experience in developing RF coil, transformer and antenna products in Kwang Sung Korea. He joined the Group in 2005.

## 高層管理人員

### 金漢奎

金漢奎先生，53歲，本集團生產部門總監及深圳光星董事。彼主要負責管理本集團在中國的廠房。彼持有韓國首爾國家大學工業工程學士學位。於出任深圳光星董事之前，彼於生產控制、品質控制、策略規劃、採購及管理方面擁有超過27年經驗，期間主要任職於LG Siltron。彼於二零零七年加入本集團。

### 林政範

林政範先生，46歲，本集團數碼多媒體部門總監。彼負責本集團數碼多媒體產品之銷售及有關事務。彼持有韓國東亞大學科學學士學位，並在電子元件開發方面擁有超過二十一年經驗。彼於二零零三年加入本集團。

### 金春謙

金春謙先生，50歲，本集團系統部門總監。彼負責本集團無線解決方案的整體業務營運。彼持有韓國仁荷大學電子學學士學位。加入本集團前，彼在電子業擁有超過二十二年經驗，其中包括在Maxon Electronics及韓國摩托羅拉任職，專門負責無線射頻產品，包括無線電話，手提電話及藍牙產品。彼於二零零八年加入本集團。

### 張東俊

張東俊先生，51歲，本集團電感器部門總監。彼負責研究及開發無線射頻電感器，變壓器及天線等產品。彼於韓國Cheong Il Technical High School畢業，並在電子業擁有超過三十二年研發經驗，其中包括在韓國光星負責開發無線射頻電感器，變壓器及天線等產品達二十四年。彼於二零零五年加入本集團。

## Directors and Senior Management 董事及高層管理人員

### JO Jung Ho

Mr. JO Jung Ho, aged 43, is the principal engineer and head of China research and development centre. He is responsible for the research and development of the Group's RF module products. He graduated from Gumi National Electronics Technical High School in Korea. Prior to joining the Group, he gained over 24 years of experience in electronic industry including 10 years of experience in developing tuners and unit electronic components in Kwang Sung Korea. He joined the Group in 2005.

### SEO Pan Dong

Mr. SEO Pan Dong, aged 56, is a principal engineer of RF Module Division of the Group. He is responsible for the research and development of the RF Module Division in Korea R&D Centre. He holds a bachelor's degree majoring electronic engineering from Pusan National University in Korea. Prior to joining the Group, he gained 26 years of experience in LG Innotek, specialized in designing and developing home, car and portable audio tuners, He joined the Group in 2007.

### SUNG Soo Earn

Mr. SUNG Soo Earn, aged 50, is the general manager of R&D Planning & Management Team of the Group. He is responsible for overall R&D planning and control of the Group. He holds a bachelor's degree majoring electronics and communications engineering from Kwangwoon University in Korea. Prior to joining the Group, he gained over 23 years of experience in developing electronic devices such as PA modules and PA MMIC, and RF modules mainly from LG Innotek. He joined the Group in 2007.

### 趙正鎬

趙正鎬先生，43歲，本集團中國研發中心之總工程師及主管。彼負責研究及開發無線射頻產品。彼於龜尾國家電子工業學院畢業。加入本集團前，彼在電子業擁有超過二十四年經驗，其中包括在韓國光星負責開發調諧器及單位電子元件達十年。彼於二零零五年加入本集團。

### 徐判同

徐判同先生，56歲，本集團無線射頻模組部門的總工程師。彼在韓國研發中心負責無線射頻模組部門的研究及開發工作。彼持有韓國釜山國立大學電子工程學士學位。於加入本集團前，彼在LG Innotek累積26年經驗，專門負責設計及開發家用、汽車及可攜式音響調諧器。彼於二零零七年加入本集團。

### 成秀彥

成秀彥先生，50歲，本集團研發規劃及管理部門的總經理。彼負責本集團整體研發規劃及監控。彼持有韓國光雲大學電子及通訊工程學士學位。於加入本集團前，彼於開發功率放大器模組、功率放大器積體電路及射頻模組方面擁有超過23年經驗，期間主要任職於LG Innotek。彼於二零零七年加入本集團。

## Directors and Senior Management 董事及高層管理人員

### CHOW Kam Keung, Albert

Mr. CHOW Kam Keung, Albert, aged 44, is the group financial controller of the Group. He is primarily responsible for overseeing the Group's finance and accounting matters, administrative operation and internal control. He also supports the board of directors in formulating strategic plans and corporate policies. He holds a bachelor's degree in accounting and management information system and a master's degree in accounting from the University of Hawaii in the United States. He is a Fellow of the Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants and has over 19 years experience in financial reporting and management. He joined the Group in 2000.

### HONG Sang Joon

Mr. HONG Sang Joon, aged 39, is the treasurer of the Group. He mainly supervises the Group's finance, accounting, treasury, and investor relations. Mr. Hong holds a bachelor's degree majoring in Chinese language and Chinese literature and minoring in business administration from Yonsei University in Korea and a master's degree in business administration from the University of Hong Kong. He is a CFA Charterholder and FRM Certified having over 13 years of experience in investment, restructuring, strategic planning and finance from Hansol group companies and the Group. He joined the Group in 2002.

### SIN Lai Lan

Ms. SIN Lai Lan, aged 40, is the company secretary of the Group. She is responsible for corporate compliance matters and participates in the development of corporate affairs, and the enhancement of corporate governance practice of the Company. She holds a bachelor (honours) degree from The University of Western Ontario and a master's degree from University of Guelph in economics in Canada. She is an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Ms. Sin has over 11 years' company secretarial experience gained from legal firms and main board issuers. She joined the Group in 2002.

### 周錦強

周錦強先生，44歲，本集團之財務總監。彼主要負責監察本集團之財務和會計事宜、行政營運及內部監控。彼亦在規劃策略計劃及公司政策上支援董事會。周先生持有美國夏威夷大學會計及資訊系統管理學學士學位及會計學碩士學位。他是特許公認會計師公會之資深會員及香港會計師公會之會員，在財務申報及管理方面擁有超過十九年經驗。彼於二零零零年加入本集團。

### 洪祥準

洪祥準先生，39歲，本集團財務司庫。洪先生主要負責本集團財務、資金及會計事務，並負責本集團與投資者關係。洪先生持有韓國延世大學學士學位，主修中國語文及中國文學及副修工商管理，彼亦持有香港大學工商管理碩士學位，並為特許財經分析師(CFA)及認可財金風險管理分析師(FRM)。彼於Hansol及本集團內，擁有超過十三年在投資、重組及公司規劃和財務方面的經驗。彼於二零零二年加入本集團。

### 單麗蘭

單麗蘭女士，40歲，本集團之公司秘書。彼負責本公司法規之遵守，並參與本公司企業事務之發展及在企業管治方面之提升。彼在加拿大西安大略大學取得經濟學榮譽學士學位，並於蓋爾弗大學獲取經濟學碩士學位。彼為英國特許秘書及行政人員公會及香港特許秘書公會之會員。單女士曾任於不同之律師行及主板上市公司，並累積了逾十一年公司秘書方面之經驗。彼於二零零二年加入本集團。



# Tuner Module For Home Audio

## 家庭音響調諧器模組

The Group expects this business to enjoy sustained growth momentum.

本集團預期本項業務可保持增長動力。

# Report of the Directors 董事會報告書

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2007.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and sale of electronic components. The principal activities and other particulars of the subsidiaries are set out in note 14 to the financial statements. An analysis of the Group's performance for the year by business and geographical segments is set out in note 12 to the financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

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

董事會仝人謹將截至二零零七年十二月三十一日止年度的年報及經審核財務報表呈覽。

## 主要業務

本公司之主要業務為製造及銷售電子元件。附屬公司之主要業務及其他詳情載於財務報表附註14。本集團本年度內按主要業務及地區分析之業務表現載列於財務報表附註12。

## 主要客戶及供應商

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

		Percentage of the Group's total 佔本集團總額百分比	
		Sales 銷售	Purchases 購買
The largest customer	最大客戶	24%	
Five largest customers in aggregate	五大客戶總和	49%	
The largest supplier	最大供應商		15%
Five largest suppliers in aggregate	五大供應商總和		27%

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

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

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

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

# Report of the Directors 董事會報告書

## RESULTS AND APPROPRIATIONS

The profit of the Group for the year ended 31 December 2007 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 55 to 144 of this annual report.

An interim dividend of HK1.5 cents per share (2006: HK0.7 cents per share), was paid on 12 October 2007. The directors now recommend the payment of a final dividend of HK1.4 cents per share (2006: HK1.1 cents per share) in respect of the year ended 31 December 2007 to the shareholders on the register of members on 23 May 2008.

## RESERVES

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

## DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$1,680,000 (2006: HK\$1,560,000).

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 13 to the financial statements.

## SHARE CAPITAL AND SECURITIES IN ISSUE

During the year, the Company newly issued 280,000 ordinary shares upon exercising of share options by option participants. Overall, as at 31 December 2007, there were 313,580,000 ordinary shares of the Company in issue with outstanding share options of 16,220,000 shares and 1,000,000 shares with exercise prices of HK\$1.294 and HK\$1.666 respectively per share.

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

## 業績及分派

本集團於截至二零零七年十二月三十一日止年度之溢利及本公司及本集團於該日事務之狀況載於本年報第55至144頁。

中期股息每股1.5港仙(二零零六年：每股0.7港仙)已於二零零七年十月十二日支付。董事現建議向二零零八年五月二十三日名列股東名冊之股東支付截至二零零七年十二月三十一日止年度末期股息每股1.4港仙(二零零六年：每股1.1港仙)。

## 儲備

年內本公司及本集團儲備之變動詳情載於財務報表附註24。

## 捐款

本集團於年內之慈善及其他捐款為1,680,000港元(二零零六年：1,560,000港元)。

## 物業、機器及設備

物業、機器及設備之變動詳情載於財務報表附註13。

## 股本及已發行證券

年內，認購股權參與者購股權之行使，本公司已新發行280,000股普通股。整體來說，於二零零七年十二月三十一日，本公司已發行313,580,000股普通股，並有涉及16,220,000股及1,000,000股股份而每股行使價分別為港幣1.294元及港幣1.666元之尚未行使購股權。

年內本公司股本之變動詳情以及有關原因載於財務報表附註24。

# Report of the Directors 董事會報告書

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

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

## DIRECTORS

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

### Non-executive director:

Mr. Yang Ho Sung (*Chairman*)

### Executive directors:

Mr. Yang Jai Sung

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

Mr. Woo Nam Jin

Mr. Lee Kyu Young (appointed on 17 April 2007)

### Independent non-executive directors:

Dr. Kim Chung Kweon

Dr. Han Byung Joon

Mr. Kim Chan Su

In accordance with Article 101 of the Company's Articles of Association, Mr. Kim Chan Su, Dr. Kim Chung Kweon and Dr. Han Byung Joon shall retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' SERVICE CONTRACTS

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

## 購買、出售或贖回本公司之上市證券

年內，本公司或任何其附屬公司均無購買、出售或贖回本公司之任何上市證券。

## 董事

本財政年度內及至本報告日期當日之董事如下：

### 非執行董事：

梁皓星先生(主席)

### 執行董事：

梁在星先生

金善哲先生(於二零零八年四月一日辭任)

禹南珍先生

李圭英先生(於二零零七年四月十七日獲委任)

### 獨立非執行董事：

金正權博士

韓丙濬博士

金瓚洙先生

根據本公司之組織章程細則第101條，金瓚洙先生、金正權博士及韓丙濬博士將於即將召開之股東週年大會輪值告退，惟合乎資格並願意膺選連任。

## 董事服務合約

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

# Report of the Directors 董事會報告書

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

As at 31 December 2007, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code (collectively "discloseable interests") were as follows:

## 董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零零七年十二月三十一日，根據證券及期貨條例第352條須予備存的登記冊所載，或根據標準守則向本公司及香港聯合交易所有限公司（「聯交所」）作出之申報，本公司在職董事及行政總裁於本公司或任何其相聯法團（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：

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

### (i) 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

Name of directors	董事姓名	Beneficial owner	Interest of controlled corporations	Equity derivatives (note 2)	Total number of shares held	% of total issued shares
		實益擁有人	受控制法團之權益	股本 衍生工具 (附註2)	持有之 股份總數	佔已 發行股份 總百份比
Mr. Yang Jai Sung	梁在星先生	147,700,000	59,500,000 (note 1) (附註1)	–	207,200,000	66.07%
Mr. Kim Sun Cheol	金善哲先生	–	–	1,000,000	1,000,000	0.31%
Mr. Woo Nam Jin	禹南珍先生	–	–	1,000,000	1,000,000	0.31%

Notes:

附註：

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

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



# Report of the Directors 董事會報告書

## (ii) Interests in Underlying Shares

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

Save as disclosed above, at 31 December 2007, none of the directors and the chief executive of the Company or any of their spouses or, children under eighteen years of age had any discloseable interests.

## SHARE OPTION SCHEME

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

## (ii) 相關股份權益

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

除上文披露者外，於二零零七年十二月三十一日，概無本公司之董事及行政總裁或彼等之配偶或十八歲以下子女擁有任何須予披露之權益。

## 購股權計劃

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

## Report of the Directors 董事會報告書

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

The total number of ordinary shares available for issue under the share option scheme as at 31 December 2007 was 31,358,000 shares which represented 10% of the issued share capital of the Company at 31 December 2007. In respect of the maximum entitlement of each participant under the scheme, the total number of ordinary shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Company's ordinary shares in issue, unless approved by the shareholders in general meeting.

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

於二零零七年十二月三十一日，購股權計劃下可供發行之普通股總數為31,358,000股股份，相當於二零零七年十二月三十一日本公司已發行股本之10%。就每名參與者於計劃下之配額上限而言，其於任何十二個月期間因行使授予彼等之購股權（包括已行使、註銷及尚未行使之購股權）獲行使而發行及將發行之普通股總數，不得超過本公司已發行普通股之1%，惟獲股東於股東大會上批准者則作別論。

# Report of the Directors 董事會報告書

As at 31 December 2007, the directors and employees of the Group and certain eligible persons had the following interests in options to subscribe for shares of the Company granted at nominal consideration under the share option scheme of the Company (market value per share at 31 December 2007: HK\$3.35). The options are unlisted. Each share option gives the option holder the right to subscribe for one ordinary share of HK\$0.1 each of the Company.

本集團董事與僱員及部份合資格人士根據本公司購股權計劃以象徵式代價獲授出可認購本公司股份之購股權，於二零零七年十二月三十一日，彼等持有以下權益（於二零零七年十二月三十一日每股市值：3.35港元）。購股權並無上市。每份購股權賦予購股權持有人權利認購本公司每股面值0.1港元之普通股一股。

Category or Name of participant	參與者 類別或姓名	No. of share options (note 3) 購股權數目 (附註3)			Outstanding on 31 December 2007	Date of grant	Option exercise period	Exercise price per share HK\$	Market value per share at date of grant HK\$
		Outstanding on 1 January 2007	Exercised during the year	Lapsed during the year					
		於二零零七年 一月一日 尚未行使	年內行使	年內已失效	於二零零七年 十二月 三十一日 尚未行使	授出日期	購股權行使期	每股 行使價 港元	於授出日期之 每股市值 港元
<b>Executive directors</b>	<b>執行董事</b>								
Mr. Kim Sun Cheol	金善哲先生	1,000,000	-	-	1,000,000	7 July 2003 二零零三年 七月七日	1 July 2004 to 30 June 2008 二零零四年 七月一日至 二零零八年 六月三十日	1.294	1.25
Mr. Woo Nam Jin	禹南珍先生	1,000,000	-	-	1,000,000	6 May 2004 二零零四年 五月六日	1 May 2005 to 30 April 2009 二零零五年 五月一日至 二零零九年 四月三十日	1.666	1.63
<b>Employees</b>	<b>僱員</b>	13,800,000	280,000	2,900,000 (note 4) (附註4)	12,520,000 (note 5) (附註5)	7 July 2003 二零零三年 七月七日	1 July 2004 to 30 June 2008 二零零四年 七月一日至 二零零八年 六月三十日	1.294	1.25
<b>Other eligible persons</b>	<b>其他合資格人士</b>	4,600,000	-	-	2,700,000 (note 5) (附註5)	7 July 2003 二零零三年 七月七日	1 July 2004 to 30 June 2008 二零零四年 七月一日至 二零零八年 六月三十日	1.294	1.25

# Report of the Directors 董事會報告書

## Notes:

- (1) The options granted to the directors are registered under the names of the directors who are also the beneficial owners.
- (2) The maximum percentage of the share options being exercisable is determined in stages as follows:
- |                                  |             |
|----------------------------------|-------------|
| On or after 1st year anniversary | 30%         |
| On or after 2nd year anniversary | another 30% |
| On or after 3rd year anniversary | another 40% |
- (3) Number of share options refers to the number of underlying shares in the Company covered by the options under the share option scheme.
- (4) The 2,200,000 and 700,000 share options separately held by two resigned employees lapsed on 31 January 2007 and 29 March 2007 respectively.
- (5) During the year, 1,900,000 share options were transferred from other eligible person to employee in category under the 2003 share option scheme due to an option holder's service transfer from being a consultant for the Company to a full time employee.

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

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

## 附註：

- (1) 授予董事之購股權乃以董事之姓名登記，而彼等亦為實益擁有人。
- (2) 按階段劃分購股權可予行使之最高百分比如下：
- |           |       |
|-----------|-------|
| 於一周年當日或之後 | 30%   |
| 於兩周年當日或之後 | 另外30% |
| 於三周年當日或之後 | 另外40% |
- (3) 購股權數目指購股權計劃下購股權涉及之本公司相關股份。
- (4) 兩名離職僱員，其各自擁有2,200,000及700,000份購股權已分別於二零零七年一月三十一日及二零零七年三月二十九日失效。
- (5) 年內，一名購股權持有人由本公司顧問身份轉為全職僱員。根據二零零三年購股權計劃，其1,900,000份購股權由其他合資格人士類別轉往僱員類別。

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

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

# Report of the Directors 董事會報告書

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

As at 31 December 2007, the following persons (other than the directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company were as follows:

## 主要股東及其他人士於股份、相關股份之權益及淡倉

截至於二零零七年十二月三十一日，除本公司董事或行政總裁外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或已知會本公司之權益或淡倉如下：

		Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股		
		No. of ordinary shares held 持有之普通股數目	Nature of interest/Capacity 權益性質／身份	% of the issued share capital 佔已發行股份總百分比
<b>Substantial shareholders</b>	<b>主要股東</b>			
Madam Kang Mi Young (note 1)	姜美英女士(附註1)	207,200,000	Interest of spouse 配偶之權益	66.07%
Kwang Sung Electronics Co., Ltd.	株式會社光星電子	59,500,000	Beneficial owner 實益擁有人	18.97%
Jayhawk China Fund (Cayman), Ltd. ("Jayhawk")	Jayhawk China Fund (Cayman), Ltd. ("Jayhawk")	64,182,000	Beneficial owner/ Investment manager 實益擁有人／投資經理	20.46%
Mr. Kent C. McCarthy ("Mr. McCarthy") (note 2)	Mr. Kent C. McCarthy ("Mr. McCarthy先生")(附註2)	68,984,000	Interest of controlled corporations 受控制法團之權益	21.99%
<b>Other persons</b>	<b>其他人士</b>			
Pacific Sun Investment Management (HK) Ltd. ("Pacific Sun") Sub a/c The China Mantou Master Fund	Pacific Sun Investment Management (HK) Ltd. ("Pacific Sun") 從屬戶口 The China Mantou Master Fund	28,257,500 (note 3) (附註3)	Beneficial owner/ Investment manager 實益擁有人／投資經理	9.01%
UBS AG	UBS AG	28,257,500 (note 4) (附註4)	Prime broker 主要經紀	9.01%

# Report of the Directors 董事會報告書

## Notes:

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

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

## PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company as at the date of this annual report, the Company has not maintained the prescribed public float under the Listing Rules. The Company and the controlling shareholder undertake to consider ways to resolve the issues relating to the insufficiency of public float of the Company as soon as possible.

## 附註：

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

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

## 公眾持股量

根據本公司可公開取得之資料，及就本公司董事所深知，於本年報日期，本公司沒有維持上市規則所規定之公眾持股量。本公司及控股股東承諾考慮各種方法以盡快解決本公司公眾持股量不足之問題。

# Report of the Directors 董事會報告書

## DIRECTORS' INTERESTS IN CONTRACTS

Kwang Sung Korea is a substantial shareholder of the Company and one of the Company's customers and suppliers. Mr. Yang Jai Sung and his relatives, and Mr. Kim Sun Cheol were interested in these arrangements as a shareholder holding approximately 79.5% and 5.7% interest respectively in the share capital of Kwang Sung Korea.

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

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2007, the directors of the Company namely Mr. Yang Jai Sung and Mr. Kim Sun Cheol are both shareholders and directors of Kwang Sung Korea, whose businesses compete or are likely to compete, directly or indirectly, with the Group's businesses. The principal businesses of Kwang Sung Korea are as follows:

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

## 董事之合約利益

韓國光星是本公司之主要股東，並為本公司客戶及供應商之一。梁在星先生及其親屬以及金善哲先生因作為分別持有韓國光星股本約79.5%及5.7%權益之韓國光星股東，而於該等安排中佔有權益。

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

## 董事於競爭性業務之權益

於截至二零零七年十二月三十一日年度內，本公司董事梁在星先生及金善哲先生均為韓國光星之股東兼董事，而韓國光星之業務會或可能會對本集團業務構成直接或間接競爭。韓國光星之主要業務如下：

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

## Report of the Directors 董事會報告書

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

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

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

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

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

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



# Report of the Directors 董事會報告書

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

The transactions with Kwang Sung Korea are set out in the paragraph headed “Connected Transactions”. There has been no material change in directors’ interests in any competing business subsequent to 31 December 2007.

## CONNECTED TRANSACTIONS

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

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

During the year ended 31 December 2007, sales of electronic components to Kwang Sung Korea amounted to approximately HK\$8,411,000 (2006: HK\$27,685,000) and purchases of raw materials from Kwang Sung Korea amounted to approximately HK\$111,000 (2006: HK\$14,672,000).

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

與韓國光星之交易詳情載於「關連交易」一段。於二零零七年十二月三十一日後, 董事於競爭業務之權益並無任何重大轉變。

## 關連交易

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

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

於截至二零零七年十二月三十一日止年度, 向韓國光星銷售電子元件之銷售額約為8,411,000港元(二零零六年: 27,685,000港元); 而向韓國光星採購原料之金額約為111,000港元(二零零六年: 14,672,000港元)。

## Report of the Directors 董事會報告書

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

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

During the year ended 31 December 2007, referral commission paid/payable by the Group to Kwang Sung Korea amounted to approximately HK\$6,301,000 (2006: HK\$6,672,000).

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

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

於截至二零零七年十二月三十一日止年度，本集團已付／應付予韓國光星之轉介佣金約為6,301,000港元（二零零六年：6,672,000港元）。

## Report of the Directors 董事會報告書

It has been expected that sale of products to Kwang Sung Korea, referral commission payable to Kwang Sung Korea and purchase of raw materials from Kwang Sung Korea would continue. At the extraordinary general meeting of 20 December 2005, the Company sought approval from the independent shareholders of the non-exempt continuing connected transactions up to the limits specified in the new caps for each of the three financial years ending 31 December 2008 mentioned below:

在預期中，出售產品予韓國光星、應付予韓國光星之轉介佣金及向韓國光星購買原材料將會繼續。於二零零五年十二月二十日舉行之股東特別大會，本公司已尋求獨立股東批准不獲豁免持續關連交易，金額最高為下文所述截至二零零八年十二月三十一日止三個財政年度之新上限：

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

# Report of the Directors 董事會報告書

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

- (1) the connected transactions were:
  - (i) entered into by the Group in its ordinary and usual course of business;
  - (ii) entered into by the Group either on normal commercial terms (to the extent that there are comparable transactions), or, where there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than those available to or from (as appropriate) independent third parties; and
  - (iii) on terms that are fair and reasonable and in the interests of independent shareholders of the Company as a whole.
- (2) the connected transactions entered into during the year ended 31 December 2007 have been conducted such that the aggregate amount for each type of the transactions has not exceeded the respective caps set out above.

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

- (i) the connected transactions have received the approval of the Company's board of directors;
- (ii) the connected transactions were in accordance with either the terms of the relevant agreements where there are such agreements or the pricing policies of the Group, if any; and
- (iii) the aggregate consideration of each type of the connected transactions did not exceed the respective caps as set out above.

本公司董事(包括獨立非執行董事)已審閱關連交易，並確認：

- (1) 關連交易屬：
  - (i) 本集團於日常及一般業務過程中訂立；
  - (ii) 本集團按照正常商業條款(只限有可供比較之交易而言)，或倘若並無足夠之可供比較交易判斷是否按正常商業條款訂立，則按照不遜於本集團給予或自獨立第三者取得(如適用)之條款訂立；及
  - (iii) 按照公平合理及符合本公司獨立股東整體利益之條款。
- (2) 於截至二零零七年十二月三十一日止年度內進行之關連交易，其金額並無超出上述各類交易之上限。

本公司核數師於一封致董事會之函件中確認：

- (i) 關連交易已獲本公司董事會批准；
- (ii) 倘本集團有訂立協議或定價政策(如有)，關連交易則已符合該等協議之條款；及
- (iii) 每類關連交易之總代價不會超過上述各自之上限。

# Report of the Directors 董事會報告書

## RETIREMENT SCHEMES

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

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 145 to 146 of the annual report.

## CONFIRMATION OF INDEPENDENCE

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

## AUDITORS

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

By order of the board  
**Yang Ho Sung**  
*Chairman*

Hong Kong, 8 April 2008

## 退休計劃

有關本集團參與之退休計劃之詳情，載於財務報表附註21。

## 五年財務概要

本集團過去五個財政年度業績、資產與負債概要載於本年報第145及146頁。

## 確認獨立性

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

## 核數師

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

承董事會命  
主席  
**梁皓星**

香港，二零零八年四月八日

# Report of the Auditors 核數師報告書

## Independent auditor's report to the shareholders of Kwang Sung Electronics H.K. Co. Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Kwang Sung Electronics H.K. Co. Limited ("the Company") set out on pages 55 to 144, which comprise the consolidated and Company balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

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

### Auditor's responsibility

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

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

## 獨立核數師報告

致光星電子香港有限公司股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第55至第144頁光星電子香港有限公司(「貴公司」)的綜合財務報表，此綜合財務報表包括於二零零七年十二月三十一日的綜合和公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

### 董事就財務報表須承擔的責任

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

### 核數師的責任

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

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

# Report of the Auditors 核數師報告書

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

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

## Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

## KPMG

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

8 April 2008

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

## 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零七年十二月三十一日的財務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

## 畢馬威會計師事務所

執業會計師  
香港中環  
遮打道10號  
太子大廈8樓

二零零八年四月八日

# Consolidated Income Statement 綜合損益表

For the year ended 31 December 2007 截至二零零七年十二月三十一日年度  
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
		附註		
<b>Turnover</b>	<b>營業額</b>	3, 12	<b>783,453</b>	611,215
Cost of sales	銷售成本		<b>(660,375)</b>	(517,479)
<b>Gross profit</b>	<b>毛利</b>		<b>123,078</b>	93,736
Other revenue	其他收益	4	<b>6,609</b>	6,928
Selling and distribution expenses	銷售及分銷開支		<b>(27,047)</b>	(22,602)
Administrative expenses	行政開支		<b>(16,485)</b>	(10,448)
Research and development expenses	研究及開發開支		<b>(44,471)</b>	(40,629)
Surplus on revaluation of land and buildings	重估土地及樓宇盈餘	13(d)	<b>1,456</b>	–
Other operating expenses	其他經營開支		<b>(8,270)</b>	(6,099)
<b>Profit from operations</b>	<b>經營溢利</b>		<b>34,870</b>	20,886
Finance costs	融資成本	5(a)	–	(1)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	5	<b>34,870</b>	20,885
Income tax	所得稅	6	<b>(4,595)</b>	(2,427)
<b>Profit after taxation attributable to equity shareholders of the Company</b>	<b>除稅後本公司股本持有人應佔溢利</b>	9, 24	<b>30,275</b>	18,458
<b>Dividends payable to equity shareholders of the Company attributable to the year:</b>	<b>本年度應付予本公司股本持有人之股息：</b>	10		
Interim dividend declared during the year	年內宣派中期股息		<b>4,701</b>	2,193
Final dividend proposed after the balance sheet date	結算日後建議末期股息		<b>4,412</b>	3,446
			<b>9,113</b>	5,639
			<b>HK cents</b>	<b>HK cents</b>
			<b>港仙</b>	<b>港仙</b>
<b>Earnings per share</b>	<b>每股盈利</b>	11		
Basic	基本		<b>9.66</b>	5.89
Diluted	攤薄		<b>9.46</b>	N/A 不適用

The notes on pages 63 to 144 form part of these financial statements.

第63至144頁之附註為此財務報表之一部份。



# Consolidated Balance Sheet 綜合資產負債表

At 31 December 2007 於二零零七年十二月三十一日  
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
		附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	13(a)	96,850	96,288
Intangible assets	無形資產	15	718	661
Other equity securities	其他股本證券	16	–	1,684
			<b>97,568</b>	<b>98,633</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	70,667	69,222
Trade and other receivables	應收貿易賬款及 其他應收款項	18	125,795	116,242
Current tax recoverable	本期可收回稅項	23(a)	–	605
Cash and cash equivalents	現金及現金等價物	19	185,415	169,679
			<b>381,877</b>	<b>355,748</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付貿易賬款及 其他應付款項	20	79,774	90,239
Current tax payable	本期應付稅項	23(a)	3,137	461
			<b>82,911</b>	<b>90,700</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>298,966</b>	<b>265,048</b>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>396,534</b>	<b>363,681</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	23(b)	1,698	2,019
<b>Net assets</b>	<b>資產淨值</b>		<b>394,836</b>	<b>361,662</b>

# Consolidated Balance Sheet 綜合資產負債表

At 31 December 2007 於二零零七年十二月三十一日  
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
		附註		
<b>Capital and reserves</b>	<b>資本及儲備</b>	24		
Share capital	股本		<b>31,358</b>	31,330
Reserves	儲備		<b>363,478</b>	330,332
<b>Total equity – attributable to equity shareholders of the Company</b>	<b>本公司股本持有人應佔總權益</b>		<b>394,836</b>	361,662

Approved and authorised for issue by the board of directors on 8 April 2008. 董事會於二零零八年四月八日核准並許可發出。

**Yang Jai Sung**  
Director

梁在星  
董事

**Woo Nam Jin**  
Director

禹南珍  
董事

The notes on pages 63 to 144 form part of these financial statements. 第63至144頁之附註為此財務報表之一部份。

# Balance Sheet 資產負債表

At 31 December 2007 於二零零七年十二月三十一日  
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
		附註		
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	13(b)	42,628	43,981
Interests in subsidiaries	於附屬公司之權益	14	54,222	52,307
Intangible assets	無形資產	15	718	661
Other equity securities	其他股本證券	16	–	1,684
			<b>97,568</b>	<b>98,633</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	17	70,667	69,222
Trade and other receivables	應收貿易賬款及 其他應收款項	18	125,795	116,242
Current tax recoverable	本期可收回稅項	23(a)	–	605
Cash and cash equivalents	現金及現金等價物	19	185,415	169,679
			<b>381,877</b>	<b>355,748</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付貿易賬款及 其他應付款項	20	79,774	90,239
Current tax payable	本期應付稅項	23(a)	3,137	461
			<b>82,911</b>	<b>90,700</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>298,966</b>	<b>265,048</b>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>396,534</b>	<b>363,681</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	23(b)	1,698	2,019
<b>Net assets</b>	<b>資產淨值</b>		<b>394,836</b>	<b>361,662</b>

## Balance Sheet 資產負債表

At 31 December 2007 於二零零七年十二月三十一日  
(Expressed in Hong Kong dollars) (以港元為單位)

		Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
<b>Capital and reserves</b>	<b>資本及儲備</b>	24		
Share capital	股本		<b>31,358</b>	31,330
Reserves	儲備		<b>363,478</b>	330,332
<b>Total equity</b>	<b>總權益</b>		<b>394,836</b>	361,662

Approved and authorised for issue by the board of directors on 8 April 2008. 董事會於二零零八年四月八日核准並許可發出。

**Yang Jai Sung**  
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董事

The notes on pages 63 to 144 form part of these financial statements. 第63至144頁之附註為此財務報表之一部份。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2007 截至二零零七年十二月三十一日年度  
(Expressed in Hong Kong dollars) (以港元為單位)

	Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
	附註		
<b>Total equity at 1 January – attributable to equity shareholders of the Company</b>	於一月一日本公司 股本持有人應佔 總權益	<b>361,662</b>	350,738
<b>Net income recognised directly in equity:</b>	於權益中直接確認 之淨收入：		
Surplus on revaluation of land and buildings held for own use, net of deferred tax	重估持作自用土地及 樓宇盈餘 (已扣除遞延稅項) 13(d)	<b>10,657</b>	–
Net profit for the year	年內純利	<b>30,275</b>	18,458
<b>Total recognised income and expense for the year</b>	年內已確認收入 及開支總額	<b>40,932</b>	18,458
Dividend declared or approved during the year	年內宣派及批付 之股息 10	<b>(8,147)</b>	(8,146)
<b>Movements in equity arising from capital transactions:</b>	進行股本交易所產生 之權益變動：		
Shares issued under share option scheme	根據購股權計劃 發行股份 24	<b>362</b>	–
Equity settled share-based transactions	以股份為基礎之 股本付款交易 24	<b>27</b>	612
		<b>389</b>	612
<b>Total equity at 31 December – attributable to equity shareholders of the Company</b>	於十二月三十一日 本公司股本持有人 應佔總權益	<b>394,836</b>	361,662

The notes on pages 63 to 144 form part of these financial statements. 第63至144頁之附註為此財務報表之一部份。

# Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日年度  
(Expressed in Hong Kong dollars) (以港元為單位)

	Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
	附註		
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	<b>34,870</b>	20,885
Adjustments for:	就下列各項作出調整：		
– Interest income	– 利息收入 4	<b>(5,221)</b>	(4,223)
– Depreciation	– 折舊 13(a)	<b>20,212</b>	19,911
– Amortisation	– 攤銷 15	<b>36</b>	36
– Reversal of impairment loss on intangible assets	– 無形資產減值虧損回撥 15	<b>(93)</b>	–
– Gains on disposal of fixed assets	– 出售固定資產收益 4	<b>(134)</b>	(1,667)
– Surplus on revaluation of land and buildings	– 重估土地及樓宇盈餘 13(d)	<b>(1,456)</b>	–
– Write back of trade and other payables	– 應付貿易賬款及其他應付款項回撥 4	<b>(333)</b>	(281)
– Finance costs	– 融資成本 5(a)	<b>–</b>	1
– Equity settled share-based payment expenses	– 以股份為基礎之股本付款開支 5(c)	<b>27</b>	612
– Foreign exchange gain	– 匯兌收益	<b>(1,458)</b>	(790)
<b>Operating profit before changes in working capital</b>	<b>營運資金變動前之經營溢利</b>	<b>46,450</b>	34,484
Increase in inventories	存貨增加	<b>(1,445)</b>	(27,536)
(Increase)/decrease in trade and other receivables	應收貿易賬款及其他應收款項(增加)/減少	<b>(7,263)</b>	22,615
(Decrease)/increase in trade and other payables	應付貿易賬款及其他應付款項(減少)/增加	<b>(10,132)</b>	1,526
<b>Cash generated from operations</b>	<b>經營業務產生之現金</b>	<b>27,610</b>	31,089
Tax paid	已付稅項		
– Hong Kong Profits Tax paid	– 已付香港利得稅	<b>(553)</b>	(1,221)
– PRC tax paid	– 已付中國稅項	<b>(1,722)</b>	(774)
<b>Net cash generated from operating activities</b>	<b>經營活動所得之現金淨額</b>	<b>25,335</b>	29,094

# Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日年度  
(Expressed in Hong Kong dollars) (以港元為單位)

	Note	2007 \$'000 二零零七年 千元	2006 \$'000 二零零六年 千元
	附註		
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收利息	5,247	4,161
Payment for purchase of fixed assets	購置固定資產付款	(8,676)	(29,672)
Payment for purchase of other equity securities	購入其他股本證券付款	-	(1,684)
Net decrease/(increase) in deposits with banks and other financial institutions with more than three months of maturity when placed	存入銀行及其他財務機構時到期日多於三個月之存款減少/(增加)淨額	6,584	(17,230)
Proceeds from disposal of fixed assets	出售固定資產所得款項	157	1,903
<b>Net cash generated from/(used in) investing activities</b>	<b>投資活動所得/(所用)之現金淨額</b>	<b>3,312</b>	<b>(42,522)</b>
<b>Financing activities</b>	<b>融資活動</b>		
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份所得款項	24 362	-
Dividends paid	已付股息	10 (8,147)	(8,146)
Interest paid on bank and other loans	已付銀行及其他貸款之利息	-	(1)
<b>Net cash used in financing activities</b>	<b>融資活動所用之現金淨額</b>	<b>(7,785)</b>	<b>(8,147)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>現金及現金等價物之增加/(減少)淨額</b>	<b>20,862</b>	<b>(21,575)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日之現金及現金等價物</b>	<b>136,590</b>	<b>157,375</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動影響</b>	<b>1,458</b>	<b>790</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日之現金及現金等價物</b>	<b>158,910</b>	<b>136,590</b>

## Non-cash transaction

During the year, other equity securities were disposed of to another shareholder of that investing entity at a consideration of \$1,684,000. Pursuant to the sales and purchase agreement dated 31 December 2007, the consideration will be settled on or before 30 June 2008 (note 16).

## 非現金交易

年內，按代價1,684,000元向投資實體之另一名股東出售其他股本證券。根據日期為二零零七年十二月三十一日之買賣協議，該代價將於二零零八年六月三十日或之前清償(附註16)。

The notes on pages 63 to 144 form part of these financial statements.

第63至144頁之附註為此財務報表之一部份。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes to accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

## 1. 主要會計政策

### (a) 遵例聲明

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

香港會計師公會已頒布若干新增及經修訂之財務報告準則，並於本集團及本公司之本會計期間首次或可供提前採納。附註2載有在本財務報表中反映有關於本期及以往會計期間因初步應用其中與本集團相關之內容而產生之會計政策變動之資料。



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The consolidated financial statements for the year ended 31 December 2007 comprise the Company and its subsidiaries (together referred to as the “Group”).

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity. The financial statements are presented in Hong Kong Dollar (HK\$), rounded to the nearest thousand except for per share data.

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

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

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

## 1. 主要會計政策 (續)

### (b) 財務報表之編製基準

截至二零零七年十二月三十一日止年度之綜合財務報表，包括本公司及其附屬公司(統稱「本集團」)。

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

除根據下文載列之會計政策所闡釋下列資產按公允價值列賬外，本財務報表是以歷史成本作為編製基準：

- 永久業權土地及樓宇(見附註1(e))；及
- 租賃土地及樓宇，而該土地及樓宇的公允價值於租約開始日期不能分別計量，而整份租約歸類為融資租約(見附註1(e)及(g))。

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 32.

### (c) Subsidiaries

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

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

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

## 1. 主要會計政策 (續)

### (b) 財務報表之編製基準 (續)

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

管理層於應用財務報告準則時所作出對財務報表構成重大影響的判斷，以及就下個年度重大調整的重大風險的估計於附註32內討論。

### (c) 附屬公司

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

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### (d) Other investments in equity securities

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

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

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

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

### (e) Property, plant and equipment

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

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

## 1. 主要會計政策 (續)

### (d) 其他股本證券投資

本集團及本公司對投資附屬公司以外之股本證券投資準則如下：

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

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

投資於本集團承諾買入／賣出當日確認／終止確認。

### (e) 物業、機器及設備

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) Property, plant and equipment (continued)

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

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

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

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

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

## 1. 主要會計政策 (續)

### (e) 物業、機器及設備 (續)

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

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

重估持作自用物業而產生之變動一般會撥入儲備處理，但下列情況除外：

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) Property, plant and equipment (continued)

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

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

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

## 1. 主要會計政策 (續)

### (e) 物業、機器及設備 (續)

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

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Intangible assets

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

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

## 1. 主要會計政策 (續)

### (f) 無形資產

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Leased assets

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

#### (i) Classification of assets leased to the Group

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

#### (ii) Operating lease charges

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

## 1. 主要會計政策 (續)

### (g) 租賃資產

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

#### (i) 租賃予本集團之資產之分類

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

#### (ii) 經營租賃費用

如本集團有權使用根據經營租賃持有之資產,則根據租賃作出之付款會在租賃期所涵蓋之會計期間內,以等額在損益表列作費用;但如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Impairment of assets

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

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

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

## 1. 主要會計政策 (續)

### (h) 資產減值

#### (i) 股本證券投資及其他應收款項之減值

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

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



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Impairment of assets (continued)

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

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

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

## 1. 主要會計政策 (續)

### (h) 資產減值 (續)

#### (i) 股本證券投資及其他應收款項之減值 (續)

如存在任何上述證據，則會按如下方法釐定及確認減值虧損：

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Impairment of assets (continued)

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

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

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

## 1. 主要會計政策 (續)

### (h) 資產減值 (續)

#### (i) 股本證券投資及其他應收款項之減值 (續)

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Impairment of assets (continued)

#### (ii) Impairment of other assets

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

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

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

#### – Calculation of recoverable amount

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

## 1. 主要會計政策 (續)

### (h) 資產減值 (續)

#### (ii) 其他資產之減值

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

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

倘出現上述任何減值跡象，則該資產之可收回金額須予以評估。

#### – 計算可收回金額

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) Impairment of assets (continued)

#### (ii) Impairment of other assets (continued)

##### – Recognition of impairment losses

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

##### – Reversals of impairment losses

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

## 1. 主要會計政策 (續)

### (h) 資產減值 (續)

#### (ii) 其他資產之減值 (續)

##### – 確認減值虧損

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

##### – 減值虧損轉回

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Inventories

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

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

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

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

### (j) Trade and other receivables

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

## 1. 主要會計政策 (續)

### (i) 存貨

存貨以成本及可變現淨值兩者中之較低數額入賬。

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

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

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

### (j) 應收貿易賬款及其他應收款項

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Trade and other payables

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

### (l) Cash and cash equivalents

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

### (m) Employee benefits

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

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

## 1. 主要會計政策 (續)

### (k) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項首先以公允價值列賬，其後以攤銷成本列賬。如折現之影響並不重大，則以成本列賬。

### (l) 現金及現金等價物

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

### (m) 僱員福利

#### (i) 短期僱員福利及界定供款退休計劃之供款

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (m) Employee benefits (continued)

#### (ii) Share based payments

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

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

## 1. 主要會計政策 (續)

### (m) 僱員福利 (續)

#### (ii) 以股份為基礎之付款

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (n) Income tax

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

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

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

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

## 1. 主要會計政策 (續)

### (n) 所得稅

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

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

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

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



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### (n) Income tax (continued)

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

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

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

### (o) Provisions and contingent liabilities

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

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

## 1. 主要會計政策 (續)

### (n) 所得稅 (續)

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

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

本期所得稅結餘和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。

### (o) 準備及或有負債

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (p) Revenue recognition

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

#### (i) Sale of goods

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

#### (ii) Interest income

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

### (q) Translation of foreign currencies

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

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

## 1. 主要會計政策 (續)

### (p) 收益確認

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

#### (i) 銷售貨品

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

#### (ii) 利息收入

利息收入乃按實際利息基準確認。

### (q) 外幣換算

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

按歷史成本計算並以外幣為單位之非貨幣性資產及負債，乃按交易當日之適用匯率換算。以公允價值列賬並以外幣為單位之非貨幣性資產及負債按釐定其公允價值當日之外幣匯率折算。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### (q) Translation of foreign currencies (continued)

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

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

### (r) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred.

### (s) Related parties

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

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

## 1. 主要會計政策 (續)

### (q) 外幣換算 (續)

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

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

### (r) 借貸成本

借貸成本於產生之期間在損益表內確認為支出。

### (s) 關聯人士

任何一方如屬以下情況，即視為本集團的關聯人士：

- (i) 該方透過一家或多家中介公司，直接或間接控制本集團、受本集團控制或與本集團受同一方控制；於本集團擁有權益，並可藉著該權益對本集團行使重大影響力；或共同控制本集團；
- (ii) 本集團與該方均受制於共同之監控；
- (iii) 該方為本集團的聯營公司或本集團為合資方之合資企業；

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### (s) Related parties (continued)

- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

## 1. 主要會計政策 (續)

### (s) 關聯人士 (續)

- (iv) 該方為本公司或本集團母公司的主要管理人員其中一名成員，或為該人士的近親家族成員，或為受該等人士監控、共同監控或重大影響的實體；
- (v) 該方為(i)所述的近親家族成員或為受該等人士監控、共同監控或重大影響的實體；或
- (vi) 該方為僱員退休福利計劃(包括適用於本集團及作為本集團關聯人士之實體之員工)。

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 1. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### (t) Segment reporting

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

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

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

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

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

## 1. 主要會計政策 (續)

### (t) 分部報告

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

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

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

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

未歸類之項目，主要包括金融及企業資產、稅款結餘、企業及融資費用。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, *Financial instruments: Disclosures* and the amendment to HKAS 1, *Presentation of financial statements: Capital disclosures*, there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, *Financial instruments: Disclosure and presentation*. These disclosures are provided throughout these financial statements, in particular in note 25.

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital. These new disclosures are set out in note 24(e).

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 33).

## 2. 會計政策之改變

香港會計師公會已頒佈多項新訂及經修訂之香港財務報告準則及詮釋，並於本集團及本公司當前會計期間首次生效或可供提早採納。

該等發展並無導致呈報年度之財務報表中所應用之會計政策有重大變動。然而，由於採納香港財務報告準則第7號 *金融工具：披露* 及香港會計準則第1號(修訂) *財務報表之呈報：資本披露*，茲提供若干額外披露如下：

採納香港財務報告準則第7號後，與之前香港會計準則第32號 *金融工具：披露及呈報* 要求披露之資料相比，擴大了財務報表內關於本集團金融工具之重要性及因該等工具所衍生風險的性質及程度之披露。該等披露資料已在本財務報表內提供，尤其在附註25有更具體披露。

香港會計準則第1號之修訂引入對資本水平、本集團及本公司管理資本之目標、政策及過程的資料之額外披露要求。該等新披露資料載於附註24(e)。

香港財務報告準則第7號及香港會計準則第1號(修訂)均不會對財務報表內確認之金額之分類、確認及計量有重大影響。

本集團並無應用任何在當前會計期間尚未生效之新準則及詮釋(見附註33)。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 3. TURNOVER

The principal activities of the Group are the manufacture and sale of electronic components. The Company's manufacturing activities are carried in its subsidiary, Shenzhen Kwang Sung Electronics Company Limited ("Shenzhen Kwang Sung") and a processing factory in Shenzhen, the PRC. The processing factory is operated by a third party under a processing arrangement ("Processing Arrangement"), and the terms of which are for a period of 15 years to 13 December 2015. The Company also operates a sales office and a research centre in a branch in Korea.

Pursuant to the Processing Arrangement, the third party provided factory premises, local labour supply, electricity and factory maintenance for the manufacturing of products and responsible for the management of the factory, in return for a processing fee.

The Company's obligations under the Processing Arrangement are to provide all the necessary raw materials, machinery and equipment, and other related costs for the production. It is also obliged to provide training to the employees at the processing factory, and technical and management support.

The third party or the Company may, upon three months' notice, terminate the Processing Arrangement.

During the year, the Company paid processing fees pursuant to the Processing Arrangement totalling \$6,061,000 (2006: \$2,640,000).

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

## 3. 營業額

本集團之主要業務是製造及銷售電子元件。本公司之製造活動是在附屬公司深圳光星電子有限公司（「深圳光星」）及位於中國深圳的一家加工廠進行。該加工廠是由第三方根據一項加工安排（「加工安排」）營運，而加工安排之年期為15年，於二零一五年十二月十三日屆滿。本公司亦在韓國一間分公司營運一間銷售辦事處及一間研究中心。

根據加工安排，該第三方提供廠房、當地勞工、電力及工廠維修以進行生產，並負責工廠的管理，以換取加工費用。

本公司根據加工安排之責任，是提供所有需要之原材料、機器及設備，以及支付生產之其他相關成本。本公司亦有責任向加工廠之僱員提供培訓，以及提供技術和管理支援。

該第三方或本公司可向對方發出三個月書面通知而終止加工安排。

年內，本公司根據加工安排支付加工費用合共6,061,000元（二零零六年：2,640,000元）。

營業額包括供應予客戶之產品的銷售價值，扣除退貨及營業折扣。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 4. OTHER REVENUE

## 4. 其他收益

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Interest income	利息收入	5,221	4,223
Gains on disposal of fixed assets	出售固定資產收益	134	1,667
Scrap sales	廢料銷售	318	487
Write back of trade and other payables	應付貿易賬款及其他 應付款項回撥	333	281
Others	其他	603	270
		<b>6,609</b>	<b>6,928</b>

## 5. PROFIT BEFORE TAXATION

## 5. 除稅前溢利

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

除稅前溢利已扣除/(計入)下列各項:

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
<b>(a) Finance costs:</b>	<b>(a) 融資成本:</b>		
Interest on bank advances and other borrowing wholly repayable within five years	銀行墊款及須於五年內悉數償還之其他貸款之利息	-	1
<b>(b) Staff costs:*/*</b>	<b>(b) 員工成本: */*</b>		
Contributions to defined contribution retirement plans	界定供款退休計劃之供款	2,266	2,590
Equity-settled share-based payment expenses	以股份為基礎之股本付款開支	27	542
Salaries, wages and other benefits	薪金、工資及其他福利	100,454	86,335
		<b>102,747</b>	<b>89,467</b>
<b>(c) Other items:</b>	<b>(c) 其他項目:</b>		
Cost of inventories# (note 17(b))	存貨成本#(附註17(b))	660,375	517,479
Amortisation	攤銷	36	36
Depreciation#	折舊#	20,212	19,911
Impairment losses on trade receivables (note 18(b))	應收貿易賬款減值虧損(附註18(b))	983	4,131
Reversal of impairment losses on trade receivables (note 18(b))	應收貿易賬款減值虧損回撥(附註18(b))	(1,149)	(2,752)
Reversal of impairment losses on intangible assets (note 15)	無形資產減值虧損回撥(附註15)	(93)	-
Net foreign exchange loss/(gain)	匯兌虧損/(收益)淨額	1,283	(407)
Auditors' remuneration	核數師酬金		
- audit services	- 核數服務	733	625
- tax services	- 稅務服務	45	43
- other services	- 其他服務	1,802	160
Operating lease charges: minimum lease payments	經營租賃費用: 最低租賃款項		
- hire of properties#/*	- 租用物業#/*	4,262	4,318
Equity-settled share-based payment expenses*	以股份為基礎之股本付款開支*	27	612



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 5. PROFIT BEFORE TAXATION (continued)

# Cost of inventories includes \$65,592,000 (2006: \$64,313,000) relating to staff costs, depreciation expenses and operating lease charges in respect of properties, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

\* Staff costs included operating lease charges of \$1,007,000 (2006: \$1,156,000) and equity-settled share-based payment expenses of \$27,000 (2006: \$374,000) which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

## 5. 除稅前溢利(續)

# 存貨成本包括與員工成本、折舊開支及就物業之經營租賃費用有關的65,592,000元(二零零六年: 64,313,000元)。這些金額已個別計入上表或附註5(b)分開披露之各類開支之總金額內。

\* 員工成本包括經營租賃費用1,007,000元(二零零六年: 1,156,000元)及以股份為基礎之股本付款開支27,000元(二零零六年: 374,000元)。這些金額已個別計入上表分開披露之各類開支之總金額內。

## 6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

## 6. 綜合損益表內所列之所得稅

(a) 綜合損益表內所列之稅項為：

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
<b>Current tax – Hong Kong Profits Tax</b>	<b>本期稅項 – 香港利得稅</b>		
Provision for the year	本年度準備	2,813	1,056
Over provision for Hong Kong Profits Tax in respect of prior years	以往年度就香港利得稅之準備過剩	(293)	(173)
		2,520	883
<b>Current tax – PRC taxation</b>	<b>本期稅項 – 中國稅項</b>		
Provision for the year	本年度準備	1,628	1,269
Under/(over) provision for PRC tax in respect of prior years	以往年度就中國稅項之準備不足/(過剩)	776	(409)
		2,404	860
<b>Deferred tax</b>	<b>遞延稅項</b>	4,924	1,743
Origination and reversal of temporary differences (note 23 (b))	暫時性差異之產生及轉回(附註23(b))	(329)	684
		4,595	2,427

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

- (i) Provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year.

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

In February 2008, the HKIRD enquired the Company the basis of its 50:50 offshore concession claims for the years of assessment 2001/02 to 2006/07 in relation to the Company’s manufacturing activities carried out in the PRC, and issued an additional assessment of \$3,318,000 for the year of assessment 2001/02 on the basis that the Company was not eligible to the 50:50 offshore claims for profits derived from manufacturing activities carried out by Shenzhen Kwang Sung. The Company lodged an objection against the additional assessment in March 2008. In the meantime, the Company has yet to receive further comments from the HKIRD for its objection on the additional assessment and is still in the progress of collecting information in response to the above enquiries raised by the HKIRD (see note 28).

## 6. 綜合損益表內所列之所得稅(續)

### (a) 綜合損益表內所列之稅項為：(續)

- (i) 香港利得稅之準備乃按年內之估計應課稅溢利之17.5%(二零零六年：17.5%)計算。

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

於二零零八年二月，香港稅務局向本公司查詢有關本公司在中國所進行的製造活動而就二零零一／零二至二零零六／零七評稅年度提出50:50離岸豁免要求之依據，並基於本公司不合資格就深圳光星進行的製造活動所賺取的溢利享有50:50之離岸豁免，而就二零零一／零二評稅年度發出額外評稅3,318,000元。本公司於二零零八年三月對該額外評稅提出反對。迄今，本公司尚未收到香港稅務局就本公司反對額外評稅所作之進一步意見，並正在搜集資料以回應香港稅務局提出之上述查詢(見附註28)。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

#### (i) (continued)

Since the operation mode has remained unchanged since 1999/2000, the directors consider that the Company should have the ground to pursue the 50:50 offshore claims. Therefore, no provision has been made for the 2001/02 additional assessment or for any other additional tax liabilities for the years under enquiry.

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

#### (ii) Provision for income tax in respect of the subsidiary in the PRC is calculated at 15% (2006: 15%) of its estimated assessable profits for the year.

Effective 1 January 2008, the applicable tax rate for the subsidiary operating in the PRC will be 25% pursuant to the Corporate Income Tax Law of the PRC passed by the Tenth National People's Congress on 16 March 2007 (the "new tax law").

## 6. 綜合損益表內所列之所得稅(續)

### (a) 綜合損益表內所列之稅項為：(續)

#### (i) (續)

由於自一九九九／二零零零年以來之營運模式維持不變，故董事認為本公司應有理據爭取該50:50離岸豁免。因此，並無就二零零一／零二年度的額外評稅或查詢當中的其他年度之任何其他額外稅務負債作出準備。

董事認為，已在財務報表中就香港利得稅作出足夠準備。

#### (ii) 在中國之附屬公司之所得稅準備是按該年度之估計應課稅溢利之15%(二零零六年：15%)計算。

由二零零八年一月一日起，根據第十屆全國人民代表大會於二零零七年三月十六日通過之《中國企業所得稅法》(「新稅法」)，在中國營運之附屬公司適用稅率為25%。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

- (iii) In September 2007, the Shenzhen Local Tax Bureau enquired the related party transactions and the transfer price policy of Shenzhen Kwang Sung during 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 in September 2007 and proposed a compromise settlement of an additional income tax payable of \$1,408,000 in respect of the transfer pricing adjustment. Full provision of \$1,408,000 has been provided in these financial statements, in which \$632,000 is to be indemnified and recovered from a substantial shareholder, Mr Yang Jai Sung, in accordance with the Deed of Indemnity dated 23 June 2003, which was entered into upon the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Up to the date of these financial statements, the Company has yet to obtain the agreement of the Shenzhen Local Tax Bureau to its proposed settlement, but the directors of the Company consider that adequate provision for PRC income tax has been made in these financial statements.

## 6. 綜合損益表內所列之所得稅(續)

### (a) 綜合損益表內所列之稅項為：(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。深圳光星已於二零零七年九月向深圳市地方稅務局提交所要求的資料，並已提出就轉移定價調整繳付一筆額外所得稅1,408,000元以解決該事件。在財務報表中已作出全數準備1,408,000元，其中632,000元將根據本公司股份在香港聯合交易所有限公司(「聯交所」)上市時訂立日期為二零零三年六月二十三日之彌償保證契約而獲得主要股東梁在星先生的彌償及向其收回。

截至本財務報表之刊發日期，本公司並無取得深圳市地方稅務局就本公司提出的解決方法表示同意，惟本公司董事認為已在本財務報表中就中國所得稅作出足夠準備。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

- (iv) Effective 1 January 2008, a 10% withholding tax will be levied on dividends declared to foreign investors from the PRC. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign investor. Pursuant to a double tax arrangement between the PRC and Hong Kong, the Company is subject to a withholding tax at the rate of 5% for any dividend payment from its PRC subsidiary.

On 22 February 2008, Caishui (2008) No. 1 was promulgated by the tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31 December 2007 are exempted from the withholding tax.

- (v) No provision has been made for Korea income tax as the Group did not generate assessable profits subject to Korea income tax for the years presented.

## 6. 綜合損益表內所列之所得稅(續)

### (a) 綜合損益表內所列之稅項為：(續)

- (iv) 由二零零八年一月一日起，中國將就海外投資者獲宣派之股息徵收10%預扣稅。倘若中國與外國投資者所在司法權區訂立稅務條約，則或會應用較低的預扣稅率。根據中國與香港之間的雙重徵稅安排，本公司須就中國附屬公司所支付之任何股息按5%之預扣稅率繳付預扣稅。

於二零零八年二月二十二日，稅務當局頒佈《財稅(2008)第1號》，列明截至二零零七年十二月三十一日從保留盈利中宣派及從中國匯出的股息獲豁免預扣稅。

- (v) 由於本集團於呈報年度內並無產生須繳納韓國所得稅之應課稅溢利，故並無為韓國所得稅作出任何準備。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

## 6. 綜合損益表內所列之所得稅(續)

### (b) 所得稅費用和會計溢利按適用稅率計算的對賬：

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Profit before taxation	除稅前溢利	34,870	20,885
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關稅務司法地區獲得溢利的適用稅率計算除稅前溢利的名義稅項	4,667	3,300
Provision for PRC tax in respect of prior years	以往年度就中國稅項所作準備	776	-
Tax effect of non-deductible expenses	不可扣除開支的稅務影響	420	224
Tax effect of non-taxable revenue	毋須課稅收入的稅務影響	(2,289)	(658)
Tax effect of unused tax losses not recognised	未確認的未動用稅項虧損的稅務影響	1,166	143
Over provision in respect of prior years	以往年度之超額撥備	(293)	(582)
Others	其他	148	-
Actual tax expense	實際稅項支出	4,595	2,427

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 7. DIRECTORS' REMUNERATION

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

## 7. 董事酬金

根據香港《公司條例》第161條作出披露之董事酬金如下：

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 7. DIRECTORS' REMUNERATION (continued) 7. 董事酬金(續)

		Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及實物福利	Retirement scheme contributions 退休計劃供款	Sub-total 小計	Share-based payments 以股份為基礎之付款	2006 Total 二零零六年合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<i>Executive directors</i> 執行董事							
Yang Jai Sung	梁在星	–	1,606	12	1,618	–	1,618
Kim Sun Cheol	金善哲	168	690	12	870	26	896
Woo Nam Jin	禹南珍	72	829	12	913	110	1,023
<i>Non-executive director</i> 非執行董事							
Yang Ho Sung	梁皓星	420	89	–	509	–	509
<i>Independent non-executive directors</i> 獨立非執行董事							
Kim Chung Kweon	金正權	80	–	–	80	–	80
Han Byung Joon	韓丙濬	80	–	–	80	–	80
Kim Chan Su	金鑽洙	80	–	–	80	–	80
		900	3,214	36	4,150	136	4,286

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

上述酬金包括根據本公司購股權計劃授予若干董事之購股權。該等購股權之價值乃根據附註1(m)(ii)所述本集團關於以股份為基礎之付款之會計政策而計量，及根據該政策，包括撥回以往年度授出購股權而於歸屬前失效應計之數額。該等實物利益之詳情乃於董事會報告書「購股權計劃」一段及財務報表附註22作出披露。



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three are directors (2006: three) whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other two individuals (2006: two) are as follows:

## 8. 最高薪人士

五名最高薪人士中，其中三名為董事(二零零六年：三名)，其酬金已於上文附註7作出披露。其他兩名最高薪人士(二零零六年：兩名)於年內之酬金總額載列如下：

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	1,608	1,745
Discretionary bonuses	酌情花紅	—	—
Share-based payments	以股份為基礎之付款	—	36
Retirement scheme contributions	退休計劃供款	24	24
		<b>1,632</b>	<b>1,805</b>

The emoluments of the two (2006: two) individuals with the highest emoluments are within the following bands:

兩名(二零零六年：兩名)最高薪人士之酬金範圍如下：

		Number of individuals 人數	
		2007 二零零七年	2006 二零零六年
\$Nil – \$1,000,000	零元至1,000,000元	2	2

## 9. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$30,275,000 (2006: \$18,458,000) which has been dealt with in the Company's financial statements.

## 9. 本公司股本持有人應佔溢利

本公司股本持有人應佔綜合溢利包括一筆已列入本公司財務報表的30,275,000元之溢利(二零零六年：18,458,000元)。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 10. DIVIDENDS

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

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Interim dividend declared and paid of 1.5 cents (2006: 0.7 cents) per ordinary share	已宣派及支付中期股息 每股普通股1.5港仙 (二零零六年：0.7港仙)	4,701	2,193
Final dividend proposed after the balance sheet date 1.4 cents (2006: 1.1 cents) per ordinary share	結算日後建議末期股息 每股普通股1.4港仙 (二零零六年：1.1港仙)	4,412	3,446
		<b>9,113</b>	<b>5,639</b>

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

於結算日後派付之末期股息尚未在結算日被確認為負債。

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

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 1.1 cents (2006: 1.9 cents) per ordinary share	年內批准及派付之過往 財政年度末期股息 每股普通股1.1港仙 (二零零六年：1.9港仙)	3,446	5,953

## 10. 股息

### (a) 本年度應付予本公司股本持有人之股息：

### (b) 年內批准及派付予本公司股本持有人之過往財政年度股息：

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 11. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$30,275,000 (2006: \$18,458,000) and the weighted average number of ordinary shares of 313,355,000 (2006: 313,300,000) in issue during the year.

#### (i) Weighted average number of ordinary shares

		2007 二零零七年 '000 千股	2006 二零零六年 '000 千股
Issued ordinary shares at 1 January	於一月一日之已發行普通股	313,300	313,300
Effect of share options exercised	已行使購股權之影響	55	-
Weighted average number of ordinary shares at 31 December	於十二月三十一日之普通股加權平均數	313,355	313,300

### (b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2007 is based on the profit attributable to shareholders of \$30,275,000 and the weighted average number of ordinary shares of 320,105,000 after adjusting the effect of all dilutive potential ordinary shares.

Diluted earnings per share is same as the basic earnings per share for the year ended 31 December 2006 as the inclusion of the effect of deemed issue of ordinary shares under the share options scheme would have an anti-dilutive effect on the basic earnings per share.

## 11. 每股盈利

### (a) 每股基本盈利

每股基本盈利是按本公司股本持有人應佔溢利30,275,000元(二零零六年: 18,458,000元)及年內已發行普通股的加權平均數313,355,000股(二零零六年: 313,300,000股)計算。

#### (i) 普通股之加權平均數

### (b) 每股攤薄盈利

截至二零零七年十二月三十一日止年度之每股攤薄盈利是按股東應佔溢利30,275,000元及經所有具攤薄潛力普通股之影響作調整後之普通股加權平均數320,105,000股而計算。

由於計入購股權計劃下視作發行之普通股會對每股基本盈利構成反攤薄影響，故截至二零零六年十二月三十一日止年度之每股攤薄盈利等同每股基本盈利。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 11. EARNINGS PER SHARE (continued)

### (c) Reconciliation

## 11. 每股盈利(續)

### (c) 對賬

		Number of shares 股份數目	
		2007 二零零七年	2006 二零零六年
		'000 千股	'000 千股
Weighted average number of ordinary shares used in calculating basic earnings per share	計算每股基本盈利所使用之普通股加權平均數	313,355	313,300
Deemed issue of ordinary shares for nil consideration	被視為無償發行普通股	6,750	—
Weighted average number of ordinary shares used in calculating diluted earnings per share	計算每股攤薄盈利所使用之普通股加權平均數	320,105	313,300

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 12. SEGMENTAL REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting system.

### (a) Business segments

The Group is engaged in the manufacture and sale of electronic components which can be divided into two product segments – composite components and unit electronic components. An analysis of the Group's results of operations and the Group's financial position by product segments is as follows:

## 12. 分部呈報

分部資料乃按本集團之業務及地區分部呈列。本集團選擇以業務分部資料為首要呈報格式，因為這樣更切合本集團內部之財務申報系統。

### (a) 業務分部

本集團從事製造及銷售電子元件。電子元件可分為兩大類 – 複合元件及單位電子元件。本集團之經營業績及本集團之財務狀況按產品分類分析如下：

		Composite components		Unit electronic components		Consolidated	
		複合元件		單位電子元件		綜合	
		2007	2006	2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
<b>Turnover</b>	<b>營業額</b>	<b>598,338</b>	473,110	<b>185,115</b>	138,105	<b>783,453</b>	611,215
Segment result	分部業績	<b>51,786</b>	45,895	<b>19,834</b>	10,192	<b>71,620</b>	56,087
Unallocated operating income and expenses	未分配經營收入及費用					<b>(36,750)</b>	(35,201)
<b>Profit from operations</b>	<b>經營溢利</b>					<b>34,870</b>	20,886
Finance costs	融資成本					-	(1)
Income tax	所得稅					<b>(4,595)</b>	(2,427)
<b>Profit after tax</b>	<b>除稅後溢利</b>					<b>30,275</b>	18,458
Depreciation	折舊	<b>(15,435)</b>	(15,379)	<b>(4,777)</b>	(4,532)	<b>(20,212)</b>	(19,911)
Impairment losses on trade receivables	應收貿易賬款之減值虧損	<b>(981)</b>	(3,352)	<b>(2)</b>	(779)	<b>(983)</b>	(4,131)
Reversal of impairment losses on trade receivables	應收貿易賬款之減值虧損回撥	<b>1,061</b>	2,451	<b>88</b>	301	<b>1,149</b>	2,752
Write down of inventories	撇減存貨	<b>(2,322)</b>	(316)	<b>(339)</b>	(92)	<b>(2,661)</b>	(408)

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 12. SEGMENTAL REPORTING (continued)

### (a) Business segments (continued)

## 12. 分部呈報 (續)

### (a) 業務分部 (續)

		Composite components		Unit electronic components		Consolidated	
		複合元件		單位電子元件		綜合	
		2007	2006	2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Segment assets	分部資產	215,861	209,574	66,982	64,237	282,843	273,811
Unallocated assets	未分配資產					196,602	180,570
<b>Total assets</b>	<b>資產總值</b>					<b>479,445</b>	<b>454,381</b>
Segment liabilities	分部負債	46,345	56,692	24,100	26,302	70,445	82,994
Unallocated liabilities	未分配負債					14,164	9,725
<b>Total liabilities</b>	<b>負債總額</b>					<b>84,609</b>	<b>92,719</b>
Capital expenditure incurred during the year	年內產生之資本開支	8,225	21,329	451	8,343	8,676	29,672

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 12. SEGMENTAL REPORTING (continued)

### (b) Geographical segments

The Group's business is principally managed in Hong Kong and other parts of the PRC. The principal markets for the Group's products are the PRC (including Hong Kong) and Korea.

In presenting information on the basis of geographical segments, segment turnover is based on the destination of the Group's products. Segment assets and capital expenditure are based on the geographical location of the assets.

## 12. 分部呈報(續)

### (b) 地區分部

本集團之業務主要於香港及中國其他地區進行。本集團產品之主要市場為中國(包括香港)及韓國。

按地區分部呈列資料時，分部營業額乃按本集團產品目的地釐定。分部資產及資本開支乃按資產之地理位置釐定。

		Turnover		Segment assets		Capital expenditure incurred during the year	
		營業額		分部資產		年內產生之資本開支	
		2007	2006	2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
PRC (other than Hong Kong)	中國(香港以外)	404,463	322,056	158,730	165,641	7,618	20,324
Hong Kong	香港	215,311	183,815	30,310	32,336	41	15
Korea	韓國	143,261	97,130	91,794	75,217	1,017	9,333
Others	其他	20,418	8,214	2,009	617	-	-

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 13. PROPERTY, PLANT AND EQUIPMENT

### (a) The Group

## 13. 物業、機器及設備

### (a) 本集團

		Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇 \$'000 千元	Plant and machinery 機器及設備 \$'000 千元	Other fixed assets 其他固定資產 \$'000 千元	Total 總計 \$'000 千元
<b>Cost or valuation:</b>	<b>成本或估值：</b>				
At 1 January 2006	於二零零六年一月一日	21,566	108,215	27,117	156,898
Additions	增添	7,139	18,625	3,908	29,672
Disposals	出售	—	(4,967)	—	(4,967)
At 31 December 2006	於二零零六年十二月三十一日	28,705	121,873	31,025	181,603
<b>Representing:</b>	<b>代表：</b>				
Cost	成本	7,139	121,873	31,025	160,037
Valuation – 2005	二零零五年估值	21,566	—	—	21,566
		28,705	121,873	31,025	181,603
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>				
At 1 January 2006	於二零零六年一月一日	276	53,923	15,936	70,135
Charge for the year	年度折舊費用	574	14,060	5,277	19,911
Written back on disposals	因出售而回撥	—	(4,731)	—	(4,731)
At 31 December 2006	於二零零六年十二月三十一日	850	63,252	21,213	85,315
<b>Net book value:</b>	<b>賬面淨值：</b>				
At 31 December 2006	於二零零六年十二月三十一日	27,855	58,621	9,812	96,288



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

### (a) The Group (continued)

## 13. 物業、機器及設備(續)

### (a) 本集團(續)

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

### (b) The Company

## 13. 物業、機器及設備 (續)

### (b) 本公司

		Land and buildings held for own use carried at fair value 持作自用以 公允價值列賬 之土地及樓宇 \$'000 千元	Plant and machinery 機器及 設備 \$'000 千元	Other fixed assets 其他固定 資產 \$'000 千元	Total 總計 \$'000 千元
<b>Cost or valuation:</b>	<b>成本或估值：</b>				
At 1 January 2006	於二零零六年一月一日	21,566	18,939	11,124	51,629
Additions	增添	–	7,918	1,430	9,348
At 31 December 2006	於二零零六年十二月三十一日	21,566	26,857	12,554	60,977
<b>Representing:</b>	<b>代表：</b>				
Cost	成本	–	26,857	12,554	39,411
Valuation – 2005	二零零五年估值	21,566	–	–	21,566
		21,566	26,857	12,554	60,977
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>				
At 1 January 2006	於二零零六年一月一日	276	5,276	4,801	10,353
Charge for the year	年度折舊費用	541	3,474	2,628	6,643
At 31 December 2006	於二零零六年 十二月三十一日	817	8,750	7,429	16,996
<b>Net book value:</b>	<b>賬面淨值：</b>				
At 31 December 2006	於二零零六年 十二月三十一日	20,749	18,107	5,125	43,981

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

### (b) The Company

## 13. 物業、機器及設備 (續)

### (b) 本公司 (續)

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

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

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Freehold outside Hong Kong	在香港境外按永久業權持有	21,642	18,755	21,642	18,755
Medium-term leases outside Hong Kong	在香港境外按中期租約持有	13,910	7,106	–	–
Medium-term leases in Hong Kong	在香港按中期租約持有	3,700	1,994	3,700	1,994
		<b>39,252</b>	<b>27,855</b>	<b>25,342</b>	<b>20,749</b>

(d) The Group's and the Company's land and buildings held for own use were revalued as at 31 December 2007 by Vigers Appraisal & Consulting Limited, an independent firm of professional surveyors who had among their staff members of the Hong Kong Institute of Surveyors, at their open market value by direct comparison approach by making reference to comparable sales transactions as available in the relevant market. As a result of the update, revaluation surplus of \$10,657,000, net of deferred tax, was transferred to land and buildings revaluation reserve of the Group and the Company (see note 24) and a net gain of \$1,456,000 and the deferred tax thereon of \$52,000 were included in the consolidated income statement for the year ended 31 December 2007.

The directors of the Company, who are not qualified valuers, had reviewed the carrying value of the land and buildings as at 31 December 2006 with reference to the relevant market indices. In their opinion, there had been no significant changes in the value of land and buildings during the period from 30 June 2005 to 31 December 2006.

## 13. 物業、機器及設備 (續)

(c) 持有作自用以公允價值列賬之土地及樓宇之賬面淨值分析如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Freehold outside Hong Kong	在香港境外按永久業權持有	21,642	18,755	21,642	18,755
Medium-term leases outside Hong Kong	在香港境外按中期租約持有	13,910	7,106	–	–
Medium-term leases in Hong Kong	在香港按中期租約持有	3,700	1,994	3,700	1,994
		<b>39,252</b>	<b>27,855</b>	<b>25,342</b>	<b>20,749</b>

(d) 於二零零七年十二月三十一日，威格斯資產評估顧問有限公司按直接比較法，並參考於有關市場可供比較之銷售交易就本集團及本公司持有作自用之土地及樓宇之公開市值進行重估。威格斯資產評估顧問有限公司為獨立專業估值師，其部份員工為香港測量師學會成員。由於重估的關係，10,657,000元重估盈餘(扣除遞延稅項)被轉撥至本集團及本公司之土地及樓宇重估儲備(見附註24)，而收益淨額1,456,000元及據此之遞延稅項52,000元已被納入截至二零零七年十二月三十一日止年度之綜合損益表。

本公司董事，並非合資格估值師，於二零零六年十二月三十一日已參考有關市場指數審閱土地及樓宇賬面值。彼等認為，由二零零五年六月三十日至二零零六年十二月三十一日期間，土地及樓宇價值並無重大變動。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 13. PROPERTY, PLANT AND EQUIPMENT (continued)

### (d) (continued)

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

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Freehold land and buildings	按永久業權持有之土地及樓宇	14,240	14,626	14,240	14,626
Leasehold land and buildings	按租賃持有之土地及樓宇	10,017	10,325	3,109	3,219
		<b>24,257</b>	24,951	<b>17,349</b>	17,845

## 13. 物業、機器及設備 (續)

### (d) (續)

倘上述土地及樓宇已按成本減累計折舊列值，賬面金額將為：

## 14. INTERESTS IN SUBSIDIARIES

## 14. 於附屬公司之權益

		The Company 本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Paid-up capital, at cost	實繳股本，按成本值		
– At 1 January	– 於一月一日	56,719	56,719
– Addition	– 增加	25,663	–
		<b>82,382</b>	56,719
Amount due to subsidiary	應付附屬公司金額	<b>(28,160)</b>	(4,412)
		<b>54,222</b>	52,307

Amount due to subsidiary is unsecured, interest-free and has no fixed repayment terms.

應付附屬公司款項為無抵押、免息及並無固定還款期。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 14. INTERESTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

Name of company 公司名稱	Place of establishment and operation 成立及經營國家	Particulars of paid-up capital 實繳股本詳情	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Held by the Company 由本公司持有	Held by a subsidiary 由一間附屬公司持有	
Shenzhen Kwang Sung Electronics Co., Ltd (“Shenzhen Kwang Sung”) 深圳光星電子有限公司 (「深圳光星」)	PRC 中國	US\$10,561,780 10,561,780美元	100%	—	Manufacture and sale of electronic components 製造及銷售電子元件
Grand Sonic Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Tomorrow Enterprise Limited <sup>#</sup>	Hong Kong 香港	HK\$1 1港元	—	100%	Dormant 暫無營業

Shenzhen Kwang Sung is a wholly-foreign owned enterprise established in the PRC with an operating period of 30 years up to 2024. During the year ended 31 December 2007, the subsidiary declared a dividend of \$25,663,000 (equivalent US\$3,290,000) to the Company which has been reinvested as paid-up capital of the subsidiary.

<sup>#</sup> At 31 December 2007, Tomorrow Enterprise Limited is in the process of de-registration.

## 14. 於附屬公司之權益(續)

附屬公司之詳情如下：

深圳光星為於中國成立之外商獨資企業，經營期為直至二零二四年止三十年。於截至二零零七年十二月三十一日止年度，該附屬公司向本公司宣派股息25,663,000元(相等於3,290,000美元)，而該金額已再投資，作為該附屬公司之實繳股本。

<sup>#</sup> 於二零零七年十二月三十一日，Tomorrow Enterprise Limited正在辦理取消註冊。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 15. INTANGIBLE ASSETS

## 15. 無形資產

		<b>The Group and the Company</b>	
		本集團及本公司	
		2007	2006
		二零零七年	二零零六年
		\$'000	\$'000
		千元	千元
<b>Club memberships, at cost:</b>	<b>會所會籍，按成本值：</b>		
At 1 January and 31 December	於一月一日及十二月三十一日	<b>889</b>	889
<b>Accumulated amortisation and impairment losses:</b>	<b>累計攤銷及減值：</b>		
At 1 January	於一月一日	<b>228</b>	192
Charge for the year	本年度支出	<b>36</b>	36
Reversal of impairment losses	減值虧損回撥	<b>(93)</b>	-
At 31 December	於十二月三十一日	<b>171</b>	228
<b>Net book value:</b>	<b>賬面淨值：</b>		
At 31 December	於十二月三十一日	<b>718</b>	661

During the year, the Group assessed the recoverable amount based on recent market price. As a result of the assessment, impairment losses of \$93,000 recognised in prior years were reversed.

年內，本集團按近期市場價格評估可收回數額。評估後，以往年度確認之減值虧損93,000元經已回撥。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 16. OTHER EQUITY SECURITIES

## 16. 其他股本證券

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
<b>Unlisted equity securities, at cost</b>	<b>非上市股本證券，按成本值：</b>		
At 1 January	於一月一日	<b>3,184</b>	1,500
Addition	增添	–	1,684
Disposal	出售	<b>(1,684)</b>	–
		<b>1,500</b>	3,184
Less: impairment loss	減：減值虧損	<b>(1,500)</b>	(1,500)
At 31 December	於十二月三十一日	–	1,684

In 2004 and 2006, the Company acquired certain unlisted equity securities in corporate entities for cash consideration of \$1,500,000 and \$1,684,000 respectively. These equity securities are stated at cost less impairment losses as their fair value cannot be measured reliably because the entities are unlisted and no sufficient financial information is made available to the Company to enable it to determine the fair value of these entities.

In view of the substantial losses incurred by the entity acquired in 2004, the directors of the Company assessed the recoverable amount of these equity securities by reference to the net assets value of the entity, where the directors considered the best estimate of the fair value of the entity. Based on their assessment, a full provision for impairment loss was made at 31 December 2004.

On 31 December 2007, the Company disposed of an investment in equity securities bought in 2006 with carrying value of \$1,684,000 to another shareholder of that investing entity at cost. Pursuant to the sales and purchase agreement dated 31 December 2007, the consideration will be settled on or before 30 June 2008.

於二零零四年及二零零六年，本公司分別以現金代價1,500,000元及1,684,000元購入兩間企業實體之若干非上市股本證券。由於該等實體為非上市而加上本公司並無獲提供充份財務資料以讓本公司釐定該等實體之公允價值，令該等證券之公允價值未能可靠地計量，因此該等股本證券乃按成本值減去減值虧損列賬。

鑒於二零零四年收購之實體出現重大虧損，本公司董事參考實體之資產淨值而評估該等股本證券之可收回數額，而董事認為此乃對實體之公允價值作出之最佳估算。按董事之評估，已於二零零四年十二月三十一日就減值虧損作出全數準備。

於二零零七年十二月三十一日，本公司出售於二零零六年購入賬面值為1,684,000元之股本證券投資，按成本售予該所投資實體之另一名股東。根據日期為二零零七年十二月三十一日之買賣協議，代價將於二零零八年六月三十日或之前清償。



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 17. INVENTORIES

(a) Inventories in the balance sheets comprise:

		The Group and the Company 本集團及本公司	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Raw materials	原材料	30,790	33,997
Work in progress	在製品	20,939	14,580
Finished goods	製成品	18,938	20,645
		<b>70,667</b>	<b>69,222</b>

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

		The Group 本集團	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Carrying amount of inventories sold	所出售存貨之賬面值	657,714	517,071
Write down of inventories	撇減存貨	2,661	408
		<b>660,375</b>	<b>517,479</b>

## 17. 存貨

(a) 於資產負債表存貨包括：

(b) 確認為開支之存貨金額之分析如下：

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 18. TRADE AND OTHER RECEIVABLES

## 18. 應收貿易賬款及其他應收款項

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Trade debtors and bills receivable	貿易應收賬及應收票據	120,660	114,272
Less: Allowance for doubtful debts (note 18(b))	減：呆賬準備(附註18(b))	(5,334)	(5,500)
Trade receivables (note (i))	應收貿易賬款(附註(i))	115,326	108,772
Short term loans to key management and employees	向主要管理人員及僱員提供短期貸款	1,629	849
Sales proceeds of other equity securities (note 16)	其他股本證券之出售所得款項(附註16)	1,684	—
Deposits, prepayments and other receivables (note (ii))	按金、預付款項及其他應收款項(附註(ii))	7,156	6,621
		<b>125,795</b>	<b>116,242</b>

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

所有應收貿易賬款及其他應收款項預期可於一年內收回。貿易應收賬於發票發出日期起計30至60日內到期。本集團信貸政策之詳情載述於附註25(a)。

(i) Included in trade receivables is an amount of \$1,390,000 (2006: \$450,000) due from a shareholder, Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea") (note 27).

(i) 應收貿易賬款包括應收一名股東株式會社光星電子(「韓國光星」)之金額1,390,000元(二零零六年：450,000元)(附註27)。

(ii) Included in other receivables is an amount of \$632,000 (2006: \$Nil) due from a shareholder, Mr Yang Jai Sung, for indemnifying the tax liability of the Group's PRC subsidiary for the period from 1 January 2002 to 23 June 2003, pursuant to the Deed of Indemnity dated 23 June 2003 (note 6(a)). The amount indemnified by Mr Yang Jai Sung is unsecured, interest free and repayable on demand.

(ii) 其他應收款項包括應收一名股東梁在星先生之金額632,000元(二零零六年：無)，乃根據日期為二零零三年六月二十三日之彌償保證契約於二零零二年一月一日至二零零三年六月二十三日期間就本集團的中國附屬公司之稅務負債作出彌償之金額(附註6(a))。由梁在星先生作出彌償之金額為無抵押、免息及須於要求時償還。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 18. TRADE AND OTHER RECEIVABLES (continued)

### (a) Ageing analysis

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

## 18. 應收貿易賬款及其他應收款項 (續)

### (a) 賬齡分析

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

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Current	未逾期	83,073	69,666
Less than 1 month past due	逾期少於一個月	20,950	28,396
1 to 3 months past due	逾期超過一個月但不超過三個月	9,648	10,206
More than 3 months but less than 12 months past due	逾期超過三個月但不超過十二個月	1,655	504
Amounts past due	逾期之金額	32,253	39,106
		115,326	108,772

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 18. TRADE AND OTHER RECEIVABLES (continued)

### (b) Impairment of trade debtors and bills receivable

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

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

## 18. 應收貿易賬款及其他應收款項 (續)

### (b) 貿易應收賬及應收票據減值

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

年內呆壞賬準備之變動（包括特定及整體虧損成份）如下：

		The Group and the Company 本集團及本公司	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
At 1 January	於一月一日	5,500	4,121
Impairment loss recognised	已確認減值虧損	983	4,131
Reversal of impairment loss	減值虧損回撥	(1,149)	(2,752)
At 31 December	於十二月三十一日	5,334	5,500

At 31 December 2007, the Group's and the Company's trade debtors and bills receivable of \$44,824,000 (2006: \$50,214,000) was individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of \$5,334,000 (2006: \$5,500,000) were recognised. The Group does not hold any collateral over these balances.

於二零零七年十二月三十一日，本集團及本公司之貿易應收賬及應收票據44,824,000元（二零零六年：50,214,000元）當中個別部份被斷定出現減值。個別出現減值之應收賬是與財政出現困難之客戶有關，而管理層評估後，預期只可收回其中一部份的應收賬。結果，已確認有關呆壞賬的特定準備5,334,000元（二零零六年：5,500,000元）。本集團並無就該等結餘持有任何抵押品。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 18. TRADE AND OTHER RECEIVABLES (continued)

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

## 18. 應收貿易賬款及其他應收款項 (續)

(c) 並無個別或整體上被認為出現減值之貿易應收賬及應收票據之賬齡如下：

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Neither past due nor impaired	未逾期亦無減值	53,542	43,454
Less than 1 month past due	逾期少於一個月	15,187	12,351
1 to 3 months past due	逾期超過一個月但不超過三個月	6,312	4,747
More than 3 months but less than 12 months past due	逾期超過三個月但不超過十二個月	795	3,506
		22,294	20,604
		75,836	64,058

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

未逾期亦無減值之應收款項是與近期並無拖欠紀錄之廣泛客戶有關。

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

已逾期但無減值之應收款項是與有良好還款紀錄之多名獨立客戶有關。根據以往經驗，由於信貸質素並無重大變化，加上有關結餘仍被認為可全數收回，故管理層相信毋須就該等結餘作減值準備。本集團並無就該等結餘持有任何抵押品。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 19. CASH AND CASH EQUIVALENTS

## 19. 現金及現金等價物

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Deposits with banks and other financial institutions	銀行及其他財務機構存款	151,223	90,029
Cash at bank and in hand	銀行存款及現金	34,192	79,650
Cash and cash equivalents in the balance sheets	資產負債表之現金及現金等價物	185,415	169,679
Less: deposits with banks and other financial institutions with more than three months of maturity when placed	減：存入銀行及其他財務機構時到期日多於三個月之存款	(26,505)	(33,089)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表之現金及現金等價物	158,910	136,590

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 20. TRADE AND OTHER PAYABLES

## 20. 應付貿易賬款及其他應付款項

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Creditors	貿易應付賬	66,240	74,690
Accrued expenses and other payables	應計費用及其他應付款項	13,534	15,549
		<b>79,774</b>	<b>90,239</b>

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

所有應付貿易賬款及其他應付款項預期可於一年內償還。

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

應付貿易賬款及其他應付款項包括貿易應付賬，於結算日之賬齡分析如下：

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元
Due within 1 month or on demand	於一個月內到期或須於提出要求時支付	42,761	53,503
Due after 1 month but within 3 months	一個月後但三個月內到期	23,479	21,187
		<b>66,240</b>	<b>74,690</b>

Included in trade creditors is an amount of \$14,000 (2006:\$1,189,000) due to a shareholder (note 27).

應付貿易賬款包括應付一名股東之款項14,000元(二零零六年：1,189,000元)(附註27)。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 21. EMPLOYEE RETIREMENT BENEFITS

- (i) The Group operates a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the MPF scheme vest immediately.
- (ii) Employees in Korea participate in a National Pension Scheme which is a mandatory insurance scheme under the National Pension Act (the “Scheme”). Under the Scheme, the employer and its employees are each required to make contributions to the Scheme at 4.5% of the employees’ monthly income, subject to adjustments stipulated in the Scheme and a cap of monthly income of KRW3.6 million (equivalent to approximately \$30,000). Contributions to the Scheme vest immediately.
- (iii) The subsidiary in the PRC participates in a defined contribution scheme organised by the PRC municipal government. The subsidiary is required to make contributions at 10% or 11% of the relevant PRC employees’ salaries to the scheme. Contributions to the scheme vest immediately.

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

## 21. 僱員退休福利

- (i) 本集團根據《香港強制性公積金計劃條例》為根據香港《僱傭條例》所僱用之僱員提供強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信托人管理之界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%之比例就計劃作出供款，而每月相關收入之上限為20,000元。強積金計劃之供款即時成為既定僱員福利。
- (ii) 在韓國之僱員參與國家退休金計劃，其為一項按國家退休金法設立之強制性保險計劃（「該計劃」）。根據該計劃，僱主及其僱員各自須按僱員每月收入之4.5%之比例就該計劃作出供款（每月收入須就該計劃之規定調整及上限為3,600,000韓圓（約相等於30,000元）。該計劃之供款即時成為既定僱員福利。
- (iii) 於中國之附屬公司參與由中國市政府籌辦之定額供款計劃。附屬公司須按相關中國僱員薪金之10%或11%之比例就計劃作出供款。計劃之供款即時成為既定僱員福利。

除上文披露者外，本集團概無就僱員退休福利作出付款之其他重大承擔。



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 22. EQUITY SETTLED SHARE-BASED TRANSACTIONS

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

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

## 22. 以股份為基礎之股本付款交易

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

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

		Number of options 購股權數目	Exercise period 行使期	Contractual life of options 購股權之 合約年期
Options granted to directors: – on 7 July 2003	授予董事之購股權： – 於二零零三年 七月七日	1,000,000	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	5 years 五年
– on 6 May 2004	– 於二零零四年 五月六日	1,000,000	1 May 2005 to 30 April 2009 二零零五年五月一日至 二零零九年四月三十日	5 years 五年
Options granted to employees and other eligible persons: – on 7 July 2003	授予僱員及其他合資格 人士之購股權： – 於二零零三年七月七日	18,400,000	1 July 2004 to 30 June 2008 二零零四年七月一日至 二零零八年六月三十日	5 years 五年
Total share options	購股權總數	20,400,000		

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 22. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

### (a) (continued)

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

On or after the first year anniversary	於第一週年或以後	30%
On or after the second year anniversary	於第二週年或以後	另外 another 30%
On or after the third year anniversary	於第三週年或以後	另外 another 40%

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

		2007 二零零七年		2006 二零零六年	
		Weighted average exercise price 加權平均行使價	Number of options 購股權數目	Weighted average exercise price 加權平均行使價	Number of options 購股權數目
Outstanding at 1 January	於一月一日 尚未行使	\$1.312	20,400,000	\$1.312	20,400,000
Lapsed during the year	年內失效	\$1.294	(2,900,000)	—	—
Exercise during the year	年內已行使	\$1.294	(280,000)	—	—
Outstanding at 31 December	於十二月三十一日 尚未行使	\$1.316	17,220,000	\$1.312	20,400,000
Exercisable at 31 December	於十二月三十一日 可予以行使	\$1.316	17,220,000	\$1.305	20,000,000

The options outstanding at 31 December 2007 and 2006 had an exercise price of \$1.294 or \$1.666 and a weighted average remaining contractual life of 1.6 years (2006: 1.5 years).

## 22. 以股份為基礎之股本付款交易 (續)

### (a) (續)

界定為既定僱員福利之購股權最高百分比按以下階段定出：

### (b) 購股權之數目及加權平均行使價如下：

於二零零七年及二零零六年十二月三十一日尚未行使之購股權之行使價為1.294元或1.666元，而加權平均剩餘合約年期為1.6年(二零零六年：一年半)。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 22. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

### (c) Fair value of share options and assumptions

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

Fair value of share options and assumptions

## 22. 以股份為基礎之股本付款交易 (續)

### (c) 購股權之公允價值及假設

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

購股權公允價值及假設

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

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

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

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

購股權是根據服務條件而授出。此項條件在計量所得服務的公允價值(於授出購股權日)時不在考慮之列。授出購股權並無附有市場條件。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 23. INCOME TAX IN THE BALANCE SHEET

(a) Current taxation in the balance sheet represents:

## 23. 資產負債表內所列之所得稅

(a) 資產負債表內所列本期稅項為：

		The Group and the Company 本集團及本公司	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度之香港利得稅準備	2,813	1,056
Provisional Profits Tax paid	已付暫繳利得稅	-	(1,661)
		2,813	(605)
Balance of Profits Tax provision relating to prior years	有關以往年度之利得稅準備結餘	(1,451)	-
		1,362	(605)
PRC income tax	中國所得稅		
- Provision for current year	- 本年度之準備	367	461
- Under-provision in respect of prior years	- 以往年度少計之準備	1,408	-
		1,775	461
		3,137	(144)
Representing:	代表：		
Current tax recoverable	本期可收回稅項	-	(605)
Current tax payable	本期應付稅項	3,137	461
		3,137	(144)

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 23. INCOME TAX IN THE BALANCE SHEET (continued)

### (b) Deferred tax liabilities recognised

The components of deferred tax (assets)/liabilities recognised in the balance sheets and the movements during the year are as follows:

## 23. 資產負債表內所列之所得稅(續)

### (b) 已確認之遞延稅項負債

於資產負債表內確認之遞延稅項(資產)/負債組成部份及於年內之變動如下:

		The Group and the Company 本集團及本公司			
		Depreciation allowances in excess of related depreciation 超過相關折舊的 折舊免稅額	Revaluation of land and buildings 重估土地 及樓宇	Provisions 準備	Total 總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Deferred tax arising from:	由以下項目產生 之遞延稅項:				
At 1 January 2006 (Credited)/charged to profit or loss (note 6(a))	於二零零六年一月一日 於損益表中(計入)/ 扣除(附註6(a))	1,345	200	(210)	1,335
		479	(5)	210	684
At 31 December 2006	於二零零六年 十二月三十一日	1,824	195	-	2,019
At 1 January 2007 (Credited)/charged to profit or loss (note 6(a))	於二零零七年一月一日 於損益表中(計入)/ 扣除(附註6(a))	1,824	195	-	2,019
Charged to reserve	在儲備中扣除	(394)	65	-	(329)
		-	8	-	8
At 31 December 2007	於二零零七年 十二月三十一日	1,430	268	-	1,698

		The Group and the Company 本集團及本公司	
		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Deferred tax liability recognised in the balance sheets	在資產負債表確認之 遞延稅項負債	1,698	2,019

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 23. INCOME TAX IN THE BALANCE SHEET (continued)

### (c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(n), the Group and the Company have not recognised deferred tax assets in its Korea branch of \$3,545,000 (2006: \$1,535,000) in respect of tax losses of \$10,377,000 (2006: \$6,138,000) and temporary differences arising from accrued interest income of \$50,000 (2006: \$Nil) and write down of inventories of \$2,565,000 (2006: \$Nil) as it is not probable that future taxable profits against which the losses or temporary differences can be utilised in the relevant tax jurisdiction and entity. Tax losses of \$2,197,000, \$3,353,000 and \$4,827,000 will expire in 2009, 2010 and 2012 respectively.

## 24. CAPITAL AND RESERVES

### (a) The Group and the Company

## 23. 資產負債表內所列之所得稅(續)

### (c) 未確認遞延稅項資產

根據附註1(n)所載之會計政策，本集團及本公司並無就稅務虧損10,377,000元(二零零六年：6,138,000元)及因累計利息收入50,000元(二零零六年：無)及撇減存貨2,565,000元(二零零六年：無)產生之暫時差額而確認韓國分公司之遞延稅項資產3,545,000元(二零零六年：1,535,000元)，原因為在有關稅務司法權區及實體不大可能有未來應課稅溢利而令該等虧損或暫時差額得以運用。稅務虧損2,197,000元、3,353,000元及4,827,000元將分別於二零零九年、二零一零年及二零一二年屆滿。

## 24. 資本及儲備

### (a) 本集團及本公司

		Share capital	Share premium	Capital reserve	Land and buildings revaluation reserve	Statutory reserve	Retained profits	Total
		股本	股份溢價	資本儲備	土地及樓宇重估儲備	法定儲備	保留盈利	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2006	於二零零六年一月一日	31,330	52,900	5,227	3,902	1,486	255,893	350,738
Final dividend approved in respect of the previous year (note 10(b))	就以往年度批准之末期股息(附註10(b))	-	-	-	-	-	(5,953)	(5,953)
Transfer between reserves	儲備間之轉撥	-	-	-	-	1,526	(1,526)	-
Equity settled share-based transactions	以股份為基礎之股本付款交易	-	-	612	-	-	-	612
Profit for the year	年度溢利	-	-	-	-	-	18,458	18,458
Dividend declared in respect of the current year (note 10(a))	就本年度宣派之股息(附註10(a))	-	-	-	-	-	(2,193)	(2,193)
At 31 December 2006	於二零零六年十二月三十一日	31,330	52,900	5,839	3,902	3,012	264,679	361,662
At 1 January 2007	於二零零七年一月一日	31,330	52,900	5,839	3,902	3,012	264,679	361,662
Final dividend approved in respect of the previous year (note 10(b))	就以往年度批准之末期股息(附註10(b))	-	-	-	-	-	(3,446)	(3,446)
Shares issued under share option scheme	根據購股權計劃發行股份	28	410	(76)	-	-	-	362
Transfer between reserves	儲備間之轉撥	-	-	(787)	-	3,477	(2,690)	-
Revaluation surplus, net of deferred tax	重估盈餘，經扣除遞延稅項	-	-	-	10,657	-	-	10,657
Equity settled share-based transactions	以股份為基礎之股本付款交易	-	-	27	-	-	-	27
Profit for the year	年度溢利	-	-	-	-	-	30,275	30,275
Dividend declared in respect of the current year (note 10(a))	就本年度宣派之股息(附註10(a))	-	-	-	-	-	(4,701)	(4,701)
At 31 December 2007	於二零零七年十二月三十一日	31,358	53,310	5,003	14,559	6,489	284,117	394,836

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 24. CAPITAL AND RESERVES (continued)

### (b) Share capital

#### (i) Authorised and issued share capital

		2007 二零零七年		2006 二零零六年	
		Number of shares 股份數目 '000 千股	Amount 金額 \$'000 千元	Number of shares 股份數目 '000 千股	Amount 金額 \$'000 千元
Authorised:	法定：				
Ordinary shares of \$0.1 each	每股面值0.1元 之普通股	1,500,000	150,000	1,500,000	150,000
Ordinary shares, issued and fully paid:	已發行及繳足 之普通股：				
At 1 January	於一月一日	313,300	31,330	313,300	31,330
Shares issued under share option scheme	根據購股權計劃 發行股份	280	28	—	—
At 31 December	於十二月 三十一日	313,580	31,358	313,300	31,330

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

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

#### (ii) Shares issued under share option scheme

During the year, options were exercised to subscribe for 280,000 ordinary shares of \$0.1 each in the Company at total consideration of \$362,000 of which \$28,000 was credited to share capital and the balance of \$334,000 was credited to the share premium account. \$76,000 has been transferred from the capital reserve to the share premium account in accordance with the accounting policy set out in note 1(m)(ii).

#### (ii) 根據購股權計劃發行股份

年內，購股權已按總代價362,000元行使，以認購280,000股每股面值0.1元之普通股，而總代價當中28,000元已計入股本，餘下334,000元已計入股份溢價賬。76,000元已根據附註1(m)(ii)所述之會計政策從資本儲備轉撥至股份溢價賬。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 24. CAPITAL AND RESERVES (continued)

### (b) Share capital (continued)

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

		2007 二零零七年 Number 數目	2006 二零零六年 Number 數目
Exercise period	行使期		
1 July 2004 to 30 June 2008	二零零四年七月一日至 二零零八年六月三十日	16,220,000	19,400,000
1 May 2005 to 30 April 2009	二零零五年五月一日至 二零零九年四月三十日	1,000,000	1,000,000
		17,220,000	20,400,000

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

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

### (c) Nature and purpose of reserves

#### (i) Share premium

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

#### (ii) Capital reserve

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

## 24. 資本及儲備(續)

### (b) 股本(續)

#### (iii) 於結算日未屆滿及未行使購股權之條款

### (c) 儲備性質及目的

#### (i) 股份溢價

股份溢價賬之用途受香港《公司條例》第48B條規管。

#### (ii) 資本儲備

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



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 24. CAPITAL AND RESERVES (continued)

### (c) Nature and purpose of reserves (continued)

#### (iii) Land and buildings revaluation reserve

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

The revaluation reserve of the Company in respect of land and buildings is distributable to the extent of \$166,000 (2006: \$99,000).

#### (iv) Statutory reserve

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

### (d) Distributability of reserves

At 31 December 2007, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$284,283,000 (2006: \$264,778,000). After the balance sheet date, the directors proposed a final dividend of 1.4 cents (2006: 1.1 cents) per ordinary share, amounting to \$4,412,000 (2006: \$3,446,000) in respect of the year ended 31 December 2007. This dividend has not been recognised as a liability at the balance sheet date.

## 24. 資本及儲備(續)

### (c) 儲備性質及目的(續)

#### (iii) 土地及樓宇重估儲備

土地及樓宇重估儲備乃按附註1(e)所載有關土地及樓宇之會計政策設立及處理。

本公司之土地及樓宇重估儲備中可供分派之金額達166,000元(二零零六年: 99,000元)。

#### (iv) 法定儲備

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

### (d) 可供分派儲備

於二零零七年十二月三十一日，可供分派予本公司股權持有人之儲備為284,283,000元(二零零六年: 264,778,000元)。於結算日後，董事建議就截至二零零七年十二月三十一日止年度派發末期股息每普通股1.4仙(二零零六年: 1.1仙)，合共4,412,000元(二零零六年: 3,446,000元)。於結算日，該股息並未確認為負債。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 24. CAPITAL AND RESERVES (continued)

### (e) Capital management

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

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

The Group generally finances the operations with internally generated cash flows. As at the year ended 31 December 2007 and 2006, the Group has no outstanding borrowings. Cash and cash equivalents are in excess of net debt which is defined as trade and other payables plus unaccrued proposed dividend for both years.

## 25. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

## 24. 資本及儲備(續)

### (e) 資本管理

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

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

本集團一般以內部產生之現金流量提供營運所需資金。於截至二零零七年及二零零六年十二月三十一日止年度，本集團並無未償還之借貸。於該兩年度，現金及現金等價物均超出負債淨額(界定為應付貿易賬款及其他應付款項加上未計提之擬派股息)。

## 25. 金融工具

本集團之一般業務過程中會面臨信貸、流動資金、利率及外匯風險。本集團之財務管理政策及慣例能限制有關風險，載述如下。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 25. FINANCIAL INSTRUMENTS (continued)

### (a) Credit risk

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

The credit terms granted by the Group to its customers generally range from one to two months. New customers are normally required to trade on a cash basis. Credit is offered to existing customers following an established payment record. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Professional staff monitor trade receivables and follow up collections. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the balance sheet date, the Group has a certain concentration of credit risk as 23% (2006: 25%) and 47% (2006: 52%) of the total trade and bills receivables was due from the Group's largest customer and the five largest customers respectively.

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

## 25. 金融工具(續)

### (a) 信貸風險

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

本集團給予客戶之除賬期，一般介乎一至兩個月。新客戶一般會以現金方式進行交易。在評估付款記錄之情況下，會給予現有客戶信貸。倘客戶要求給予超過某金額的信貸，則會對所有有關客戶作個別信貸評估。該等評估集中於客戶以往到期還款的紀錄及現時還款之能力，並考慮到客戶本身特有的資料及與客戶經營所在經濟環境有關之資料。本集團有專人監察應收貿易賬款及跟進收款事宜，一般情況下，本集團並沒有向客戶收取抵押物。

本集團所面對之信貸風險主要受到每名客戶個別特性之影響。客戶經營所在行業及國家之違約風險亦影響到信貸風險，但影響程度較低。於結算日，本集團有若干集中信貸風險，因其應收貿易賬款中有約23%(二零零六年：25%)及47%(二零零六年：52%)分別來自本集團之最大客戶及五大客戶。

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 25 FINANCIAL INSTRUMENTS (continued)

### (b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate lines of funding from major financial institutions or other group companies to satisfy its contractual and reasonably foreseeable obligations as they fall due.

The following table presents the earliest contractual settlement dates of the Group's financial liabilities at the balance sheet date.

		The Group 本集團			
		2007 二零零七年		2006 二零零六年	
		Carrying amount	Within 3 months or on demand 三個月內或 於要求時償還	Carrying amount	Within 3 months or on demand 三個月內或 於要求時償還
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Trade and other payables	應付貿易賬款及 其他應付款項	79,774	79,774	90,239	90,239

In order to manage the above liquidity demands, at 31 December 2007, \$185,415,000 (2006: \$169,679,000) of the Group's assets were held as cash.

### (c) Interest rate risk

The Company is exposed to interest rate risk only to the extent that it earns bank interest on cash and deposits.

At 31 December 2007, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Company's profit after tax and retained profits by approximately \$49,000/\$32,000 (2006: \$87,000/\$87,000). Other components of equity would not be affected (2006: \$Nil) by the changes in interest rates.

## 25. 金融工具(續)

### (b) 流動資金風險

本集團之政策為定期監察流動資金需求，以確保其備有足夠現金儲備及可向大型財務機構或其他集團公司取得足夠融資額度，以應付合約及合理可預見負債於到期償還時所需。

下表呈列本集團之金融負債於結算日之最早合約還款日期。

為管理上述流動資金需求，於二零零七年十二月三十一日，本集團185,415,000元(二零零六年：169,679,000元)之資產以現金方式持有。

### (c) 利率風險

本公司只就其有賺取銀行利息之現金及存款承受利率風險。

於二零零七年十二月三十一日，在所有其他變數不變的情況下，估計利率一般性地上調/下調50個基點，將會導致本公司除稅後溢利及保留溢利增加/減少約49,000元/32,000元(二零零六年：87,000元/87,000元)。利率波動不會對權益下之其他項目產生影響(二零零六年：無)。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 25. FINANCIAL INSTRUMENTS (continued)

### (c) Interest rate risk (continued)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2006.

### (d) Foreign currency risk

The Company's functional currency is Hong Kong Dollar ("HKD") while the functional currency of its PRC subsidiary is Renminbi ("RMB"). Foreign currency risk arises from sales and purchase transactions, and cash and cash equivalents. The Group has not hedged its foreign exchange risk because the exposure is not significant and the Group ensures that the net exposure to foreign currency is kept at acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances.

## 25. 金融工具(續)

### (c) 利率風險(續)

以上的敏感度分析已假設利率變動已於結算日發生而厘訂，並已應用於該日所面對來自金融工具之利率風險。上調或下調50個基點指管理層對直至下一個年度結算日期間之利率可能合理變動之評估。分析按二零零六年相同之基準進行。

### (d) 外匯風險

本公司之功能貨幣為港元，而中國附屬公司之功能貨幣為人民幣。外匯風險來自買賣交易、現金及現金等價物。本集團並無對沖其外匯風險，原因是風險並不重大，而且本集團於有需要時按現貨匯率買賣外幣，以應付短期不平衡情況，務求確保所面對之外幣淨風險處於可接受水平。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 25. FINANCIAL INSTRUMENTS (continued)

### (d) Foreign currency risk (continued)

#### (i) Exposure to currency risk

The following table details the Group's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

## 25. 金融工具(續)

### (d) 外匯風險(續)

#### (i) 所面對之貨幣風險

下表詳列本集團於結算日所面對之貨幣風險，有關風險是由於確認以有關公司的功能貨幣以外之貨幣為單位之資產或負債而產生。

		2007 二零零七年				2006 二零零六年			
		United States dollars 美元 '000 千元	Japanese Yen 日圓 '000 千元	Renminbi 人民幣 '000 千元	Korean Won 韓圓 '000 千元	United States dollars 美元 '000 千元	Japanese Yen 日圓 '000 千元	Renminbi 人民幣 '000 千元	Korean Won 韓圓 '000 千元
Trade and other receivables	應收貿易賬款及其他應收款項	11,669	8,893	620	1,870,202	11,224	2,346	804	2,178,833
Cash and cash equivalents	現金及現金等價物	20,811	11,077	13,804	516,754	14,357	34,371	16,836	143,635
Trade and other payables	應付貿易賬款及其他應付款項	(3,704)	(75,448)	(6,658)	(303,936)	(4,293)	(84,042)	(5,065)	(1,223,413)
Overall net exposure	整體淨風險	28,776	(55,478)	7,766	2,083,020	21,288	(47,325)	12,575	1,099,055

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 25. FINANCIAL INSTRUMENTS (continued)

### (d) Foreign currency risk (continued)

#### (ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax and retained profits in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date.

## 25. 金融工具(續)

### (d) 外匯風險(續)

#### (ii) 敏感度分析

下表顯示因應本集團於結算日須承受重大風險之外幣匯率合理可能變動而導致本集團之除稅後溢利及保留溢利之大約變化。

		<b>The Group</b>			
		<b>2007</b>		<b>2006</b>	
		二零零七年		二零零六年	
		Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下降)	Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響 \$'000 千元	Increase/ (decrease) in foreign exchange rates 外幣匯率 上升/(下降)	Effect on profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響 \$'000 千元
Japanese Yen	日圓	12.0% (12.0%)	(368) 368	6.8% (6.8%)	(149) 149
Renminbi	人民幣	3.5% (3.5%)	324 (324)	7.6% (7.6%)	981 (981)
Korean Won	韓圓	4.9% (4.9%)	745 (745)	1.3% (1.3%)	103 (103)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

在釐定敏感度分析時乃假設外幣匯率變動已於結算日產生，並已應用於各個本集團實體須承受在該日已存在之金融工具之貨幣風險，而一切其他變數(尤其是利率)維持不變。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 25. FINANCIAL INSTRUMENTS (continued)

### (d) Foreign currency risk (continued)

#### (ii) Sensitivity analysis (continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit after tax and equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2006.

### (e) Fair values

All significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2007 and 2006 except other equity securities as disclosed in note 16 and amount due to subsidiary of \$28,160,000 (2006: \$4,412,000). Amount due to subsidiary is unsecured, interest-free and has no fixed repayment terms. Given these terms, it is not meaningful to disclose its fair value.

## 25. 金融工具(續)

### (d) 外匯風險(續)

#### (ii) 敏感度分析(續)

所述變動指管理層對外幣匯率變動在直至下一年度結算日為止期間之合理可能變動之評估。就此而言，乃假設港元與美元之聯繫匯率將不會因美元兌其他貨幣之匯價任何變動而有重大影響。上表所呈列之分析結果指本集團各個實體以個別功能貨幣計量(為呈報目的，已按結算日之匯率兌換為港元)之除稅後溢利與權益之合併影響。該項分析按與二零零六年相同之基準進行。

### (e) 公允價值

除附註16所披露之其他股本證券，以及應付附屬公司之款項28,160,000元(二零零六年：4,412,000元)外，所有重大金融資產及負債均按與截至二零零七年及二零零六年十二月三十一日之公允價值差別不大之金額列賬。應付附屬公司之款項為無抵押、免息及並無固定還款期。鑒於該等條款，披露其公允價值並無意義。



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 26. COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2007 not provided for in the financial statements are as follows:

## 26. 承擔

- (a) 於二零零七年十二月三十一日未償付而又未在財務報表內提撥準備之資本承擔如下：

	The Group 本集團		The Company 本公司	
	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
<b>Investment in Foreign Invested Commercial Enterprise (Note)</b> 於外資商業企業之投資(附註)				
Authorised but not contracted for 已授權但未訂約	525	—	—	—
<b>Purchase of fixed assets</b> 購買固定資產				
Contracted for 已訂約	—	51	—	—
Authorised but not contracted for 已授權但未訂約	—	412	—	—
	—	463	—	—

Note: On 5 December 2007, the directors of the Company has approved to establish a wholly owned subsidiary in Shenzhen, the PRC, with total investments of RMB500,000 to carry out trading of electronic products in the mainland China.

附註：於二零零七年十二月五日，本公司董事批准在中國深圳成立一間全資附屬公司，總投資額為人民幣500,000元，在中國內地進行電子產品貿易業務。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 26. COMMITMENTS (continued)

(b) At 31 December 2007, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are payable as follows:

## 26. 承擔(續)

(b) 於二零零七年十二月三十一日，根據不可解除經營租賃就土地及樓宇在日後應付之最低租賃付款額總數如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Within 1 year	一年內	4,083	3,918	662	758
After 1 year but within 5 years	一年後但五年內	13,249	13,074	38	433
After 5 years	五年後	941	3,592	–	–
		<b>18,273</b>	20,584	<b>700</b>	1,191

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

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

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 27. MATERIAL RELATED PARTY TRANSACTIONS

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

### (a) Transactions with shareholder

During the year, the Group entered into the following transactions with Kwang Sung Korea, a major shareholder of the Company:

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Sales of finished goods	銷售製成品	8,411	27,685
Purchases of raw materials	購買原材料	111	14,672
Referral commission paid/payable	已付／應付轉介佣金	6,301	6,672

At 31 December 2007, included in the following balance sheet captions are the amounts due from/(to) Kwang Sung Korea:

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Trade receivables	應收貿易賬款	1,390	450
Trade payables	應付貿易賬款	(14)	(1,189)
Accrued expenses and other payables	應計費用及其他應付款項	(1,333)	(1,279)

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

The above transactions constituted continuing connected transactions for the Company under the Listing Rules. Further details of these transactions are disclosed under the section "Connected transactions" in the directors' report.

## 27. 重大關連人士交易

除本財務報表其他地方所披露之交易外，本集團訂立以下重大關連人士交易。

### (a) 與股東之交易

於年內，本集團與本公司主要股東韓國光星訂立以下交易：

於二零零七年十二月三十一日，下列資產負債表項目中包括應收／(應付)韓國光星之款項：

本公司之董事認為，上述交易，是在日常及一般業務過程中按正常商業條款進行。

根據上市規則，上述交易構成本公司之持續關連交易。該等交易之進一步詳情已於董事會報告書內「關連交易」一節中披露。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 27. MATERIAL RELATED PARTY TRANSACTIONS (continued)

### (b) Transactions with other related parties

#### (i) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

		2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Short-term employee benefits	短期僱員福利	8,994	11,706
Post-employment benefits	離職後福利	152	245
Equity compensation benefits	股本補償福利	27	302
		<b>9,173</b>	<b>12,253</b>

Total remuneration is included in "staff costs" (see note 5(b)).

- (ii) During the year, the Group paid a consultancy fee to a close family member of a major shareholder (also a Director of the Company) amounting to \$700,000 (2006: \$656,000).

## 27. 重大關連人士交易 (續)

### (b) 與其他關連人士之交易

#### (i) 主要管理人員之酬金

主要管理人員酬金(包括已於附註7中所披露支付予本公司董事之金額及已於附註8中披露支付予若干最高薪僱員之金額)載列如下:

	2007 二零零七年 \$'000 千元	2006 二零零六年 \$'000 千元
Short-term employee benefits	8,994	11,706
Post-employment benefits	152	245
Equity compensation benefits	27	302
	<b>9,173</b>	<b>12,253</b>

酬金總額已包括於「員工成本」(見附註5(b))。

- (ii) 於本年度，本集團向一名主要股東(亦為本公司董事)的近親支付顧問費700,000元(二零零六年：656,000元)。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 27. MATERIAL RELATED PARTY TRANSACTIONS (continued)

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

#### (iii) Loan to key management personnel

Name of borrower 借款人		Mr. Jo Jung Ho 趙正鎬
Position 職位		General manager 總經理
Terms of the loan – duration and repayment terms	貸款之條款 – 貸款年期及還款期	Repayable on demand 要求時償還
– loan amount	– 貸款金額	\$424,000
– interest rate	– 息率	Nil 零
– security	– 抵押	None 無
Balance of the loan – at 1 January 2006	貸款結餘 – 於二零零六年一月一日	–
– at 31 December 2006 and 1 January 2007	– 於二零零六年十二月三十一日 及二零零七年一月一日	\$424,000
– at 31 December 2007	– 於二零零七年十二月三十一日	\$251,400
Maximum balance outstanding – during 2007 and 2006	未償還之最高結餘 – 於二零零七年及二零零六年	\$424,000

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

概無已到期但未償還之金額，亦無就二零零七年及二零零六年十二月三十一日之貸款計提任何準備。

### (c) Substantial shareholders' indemnity

Pursuant to the Deed of Indemnity between the Company and Mr Yang Jai Sung dated 23 June 2003, Mr Yang Jai Sung agreed to indemnify the Company for an additional PRC income tax payable of \$632,000 for the period from 1 January 2002 to 23 June 2003 (note 6(a)). The amount indemnified by Mr Yang Jai Sung for additional tax payables has been recorded as an other receivable in the financial statements at 31 December 2007 which is unsecured, interest-free and repayable on demand.

## 27. 重大關連人士交易 (續)

### (b) 與其他關連人士之交易 (續)

#### (iii) 向主要管理人員提供貸款

### (c) 主要股東之彌償保證

根據本公司與梁在星先生於二零零三年六月二十三日訂立之彌償保證契約，梁在星先生同意就二零零二年一月一日至二零零三年六月二十三日期間之應付額外中國所得稅632,000元向本公司作出彌償(附註6(a))。梁在星先生就應付額外稅項作出彌償之金額已於截至二零零七年十二月三十一日之財務報表中記錄為其他應付款項，該金額為無抵押、免息及須於要求時償還。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 28. CONTINGENT LIABILITIES

In February 2008, the HKIRD enquired the Company the basis of its 50:50 offshore concession claims for the years of assessment 2001/02 to 2006/07 in relation to the Company's manufacturing activities carried out by Shenzhen Kwang Sung and the third party processing factory in the PRC, and issued an additional assessment of \$3,318,000 for the year of assessment 2001/02. The Company lodged an objection against the additional assessment in March 2008. The Company has yet to receive further comments from the HKIRD for its objection on the additional assessment.

Should the Company be unable to provide sufficient documentation information for the objection, the Company would have to pay an additional Hong Kong Profits Tax for the years of assessment 2001/02 to 2006/07.

Since the 50:50 offshore concession claims had been agreed with the IRD in 1999/2000 and the mode of operations has remained unchanged, the Company is collecting information in response to the enquiries raised by the HKIRD to substantiate its offshore claims. Accordingly, the directors of the Company consider it is premature to quantify or provide for any additional tax liabilities in this regard.

Pursuant to a Deed of Indemnity dated 23 June 2003, the additional tax liability in relation to the Company's operations prior to 23 June 2003 is indemnified by the substantial shareholders upon the listing of the Company's shares on the Stock Exchange.

## 28. 或然負債

於二零零八年二月，香港稅務局向本公司查詢有關本公司就深圳光星及中國一家第三方加工廠商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，並就二零零一／零二評稅年度發出額外評稅3,318,000元。本公司於二零零八年三月對該額外評稅提出反對。迄今，本公司尚未收到香港稅務局就本公司反對額外評稅所作之進一步意見。

倘本公司未能就該反對提供足夠文件資料，則本公司應要就二零零一／零二至二零零六／零七評稅年度支付額外香港利得稅。

由於50:50離岸豁免要求曾於一九九九／二零零零年度獲香港稅務局同意，而營運模式仍維持不變，故本公司正就香港稅務局提出的查詢搜集有關資料，為離岸豁免要求提供理據。因此，本公司董事認為現時就此方面計算任何額外稅務負債或作出有關準備為時尚早。

根據本公司股份在聯交所上市時所訂立日期為二零零三年六月二十三日之彌償保證契約，於二零零三年六月二十三日前有關本公司營運之額外稅務負債獲得主要股東之彌償。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 29. POST BALANCE SHEET EVENTS

- (a) On 27 February 2008, the Financial Secretary of the Hong Kong SAR Government announced his annual Budget which proposes a cut in the profits tax rate from 17.5% to 16.5% with effect from the fiscal year 2008/09 and a one-off reduction of 75% of the tax payable for the 2007/08 subject to a ceiling of \$25,000. In accordance with the Group's accounting policy set out in note 1(n), no adjustments have been made to these financial statements as a result of this announcement.

The directors estimate that these proposed changes will result in the opening balances of the Group and the Company as at 1 January 2008 being remeasured as follows:

- (a) current tax payable by the Group and the Company will decrease by \$25,000; and
- (b) the Group's and the Company's deferred tax liabilities will decrease by HK\$97,000.

These opening balance adjustments to current and deferred tax balances at 1 January 2008 will be recognised as a reduction in the Group's and the Company's income tax expense of HK\$107,000 and an increase in the Group's property revaluation reserve of HK\$15,000. It is impracticable to further estimate the impact on future financial statements of the change in tax rate.

- (b) Trading in the shares of the Company on the Stock Exchange was suspended with effect from 14 March 2008 because the number of the shares held by the public falls below the minimum prescribed by Rule 8.08 of the Listing Rule. The trading of shares will remain suspended until its public float restore to the minimum prescribed level. At the date of these financial statements, the trading of the Company's shares remained suspended.
- (c) After the balance sheet date, the directors proposed a final dividend. Further details are disclosed in note 10.

## 29. 結算日後事項

- (a) 於二零零八年二月二十七日，香港特區政府財政司司長公佈財政預算案，建議將利得稅稅率由17.5%降至16.5%，於二零零八／零九財政年度起生效，以及將二零零七／零八年度應課稅一次性減免75%，上限為25,000元。根據附註1(n)所載之本集團會計政策，財務報表無須因上述宣佈而作出調整。

董事估計上述建議的變動將導致本集團及本公司於二零零八年一月一日之期初結餘按以下方式重新計算：

- (a) 本集團及本公司應付之本期稅項減少25,000元；及
- (b) 本集團及本公司之遞延稅項減少97,000元。

上述對二零零八年一月一日之本期及遞延稅項所作之期初結餘調整，將確認為本集團及本公司之所得稅開支減少107,000元，以及本集團之物業重估儲備增加15,000元。但進一步估計稅率轉變對未來財務報表之影響則並不可行。

- (b) 由於公眾人士持有之股份數目跌至低於上市規則第8.08條規定之最低水平，故本公司股份由二零零八年三月十四日起暫停在聯交所買賣。股份將一直暫停買賣，直至公眾持股量回復至規定之最低水平為止。於本財務報表日期，本公司股份仍然暫停買賣。
- (c) 於結算日後，董事建議派發末期股息。進一步詳情於附註10中披露。

# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 30. COMPARATIVE FIGURES

As a result of adopting HKFRS 7, *Financial instruments: Disclosures*, and the amendments to HKAS 1, *Presentation of financial statements: Capital disclosures*, certain comparative figures have been adjusted to conform with changes in disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007. Further details of these developments are disclosed in note 2.

## 31. ULTIMATE CONTROLLING PARTY

At 31 December 2007, the directors consider the ultimate controlling party of the Group to be Mr Yang Jai Sung.

## 32. ACCOUNTING ESTIMATES AND JUDGEMENTS

Notes 13, 16, 22 and 25 contain information about the assumptions and their risk factors relating to valuation of land and buildings, other equity securities, fair value of share options granted and financial instruments. The Group believes the following critical accounting policies involve significant judgements and estimates used in the preparation of the financial statements.

### (a) Impairment of trade and other receivables

If circumstances indicate that the carrying amount of trade and other receivables may not be recoverable, the assets may be considered "impaired" and an impairment loss may be recognised in accordance with HKAS 36 "Impairment of Assets". The carrying amounts of trade and other receivables are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. The recoverable amount of trade and other receivables is the estimated future cash flows discounted at the current market rate of return of similar assets. The Group uses all available information in determining an amount that is reasonable approximation of recoverable amount.

### (b) Write down of inventories

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

## 30. 比較數字

由於採納香港財務報告準則第7號金融工具：披露及香港會計準則第1號之修訂金融工具之呈列：資本披露，若干比較數字經已作調整，以符合本年度之披露資料變動，以及就二零零七年首次披露之項目分開呈列比較數字。有關該等發展之詳情在附註2披露。

## 31. 最終控制方

於二零零七年十二月三十一日，董事認為本集團之最終控制方為梁在星先生。

## 32. 會計估計及判斷

附註13、16、22及25載有關於土地及樓宇估值、其他股本證券、已授出購股權之公允價值及金融工具之假設及其風險因素之資料。本集團相信以下會計政策牽涉編製財務報表所需之重要判斷及估計。

### (a) 應收貿易賬款及其他應收款項減值

倘有跡象顯示應收貿易賬款及其他應收款項之賬面值可能不能收回，資產可被認為已「減值」，而減值虧損根據香港會計準則第36號「資產減值」可能予以確認。定期檢討應收貿易賬款及其他應收款項之賬面值，以計量可收回數額是否已減至低於賬面值。應收貿易賬款及其他應收款項之可收回數額為按同類資產之現行市場回報率變現未來現金流量計算。本集團使用所有可動用資料以釐定一個與可收回數額合理相約之數額。

### (b) 撇減存貨

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



# Notes to the Financial Statements 財務報表附註

(Expressed in Hong Kong dollars) (以港元為單位)

## 32. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### (c) Income taxes

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

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

## 33. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2007

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2007 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

In addition, HKFRS 8, Operating segments, which is effective for annual periods beginning on or after 1 January 2009, may result in new or amended disclosures in the financial statements.

## 32. 會計估計及判斷 (續)

### (c) 所得稅

釐定所得稅準備涉及對若干交易日後稅務處理之判斷及對稅務法例之詮釋。本集團謹慎評估交易之稅務影響並據此製訂稅務準備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內。

遞延稅項資產是就未利用稅務虧損及可抵扣暫時差額而確認。由於遞延稅項資產只限在很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅溢利時才會確認，因此需要管理層判斷獲得未來應課稅溢利之可能性。本集團不斷審閱管理層的評估，倘若很可能獲得能利用遞延稅項資產之未來應課稅溢利，便會確認額外之遞延稅項資產。

## 33. 已頒佈但未於截至二零零七年十二月三十一日止年度生效之修訂、新訂準則及詮釋可能出現之影響

截至本財務報表刊發當日，香港會計師公會已頒佈若干尚未於截至二零零七年十二月三十一日止年度生效之修訂、新訂準則及詮釋，亦並無於本財務報表內採納該等修訂、新訂準則及詮釋。

本集團現正評估該等經修訂及新訂之準則及詮釋於首次應用期間時預期帶來之影響。目前之結論為採納該等準則及詮釋應不會對本公司之營運業績及財務狀況構成重大影響。

此外，於二零零九年一月一日或之後開始之年度期間生效之香港財務報告準則第8號「經營分類」可能導致須於財務報表中作出新增或經修訂之披露事項。

## Five-year Financial Summary 五年財務概要

(Expressed in Hong Kong dollars) (以港元為單位)

		Year ended 31 December 截至十二月三十一日止年度				
		2003 二零零三年	2004 二零零四年 (restated) (Note) (重列) (附註)	2005 二零零五年	2006 二零零六年	2007 二零零七年
Results	業績	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Turnover	營業額	541,809	613,607	648,559	611,215	<b>783,453</b>
Profit from operations	經營溢利	83,916	41,102	28,995	20,886	<b>34,870</b>
Finance costs	融資成本	(31)	–	(4)	(1)	–
Profit before taxation	除稅前溢利	83,885	41,102	28,991	20,885	<b>34,870</b>
Income tax	所得稅	(7,840)	(4,690)	(3,430)	(2,427)	<b>(4,595)</b>
Profit after taxation and attributable to equity shareholders of the Company	除稅後本公司股本持有人應佔溢利	76,045	36,412	25,561	18,458	<b>30,275</b>
Dividends	股息	22,701	11,905	10,026	5,639	<b>9,113</b>
Basic earnings per share – HK cents	每股基本盈利 – 港仙	27.59	11.62	8.16	5.89	<b>9.66</b>
Diluted earnings per share – HK cents	每股攤薄盈利 – 港仙	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	<b>9.46</b>

# Five-year Financial Summary 五年財務概要

(Expressed in Hong Kong dollars) (以港元為單位)

		At 31 December 於十二月三十一日				
		2003 二零零三年	2004 二零零四年 (restated) (重列)	2005 二零零五年	2006 二零零六年	2007 二零零七年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	44,640	80,446	87,460	98,633	97,568
Current assets	流動資產	359,203	316,125	353,982	355,748	381,877
Current liabilities	流動負債	(89,983)	(67,780)	(89,369)	(90,700)	(82,911)
Net current assets	流動資產淨值	269,220	248,345	264,613	265,048	298,966
Long-term liabilities	非流動負債	(114)	(855)	(1,335)	(2,019)	(1,698)
Net assets	資產淨值	313,746	327,936	350,738	361,662	394,836

Note: The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Figures for 2004 have been adjusted for these new and revised policies in accordance with the transitional provisions. Earlier years have only been restated to the extent that the new accounting policies are adopted retrospectively.

附註：香港會計師公會已頒布若干新訂及經修訂之香港財務報告準則，有關準則於二零零五年一月一日或以後開始之會計期間生效，亦可供提早採納。根據過渡性條文之規定二零零四年之數字已就該等新訂及經修訂政策作出調整。較早年度之數字僅會於新訂會計政策被追溯應用時予以重列。

# Corporate Information and Shareholders' Calendar

## 公司資料及股東日程表

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS

##### Non-executive director

Mr. Yang Ho Sung (*Chairman*)

##### Executive directors

Mr. Yang Jai Sung

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

Mr. Woo Nam Jin

Mr. Lee Kyu Young (appointed on 17 April 2007)

##### Independent non-executive directors

Dr. Kim Chung Kweon

Dr. Han Byung Joon

Mr. Kim Chan Su

#### EXECUTIVE COMMITTEE

Mr. Yang Jai Sung

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

Mr. Woo Nam Jin

Mr. Lee Kyu Young (appointed on 17 April 2007)

#### 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

#### COMPANY SECRETARY

Ms. Sin Lai Lan

#### QUALIFIED ACCOUNTANT

Mr. Chow Kam Keung, Albert

#### AUTHORISED REPRESENTATIVES

Mr. Yang Jai Sung

Ms. Sin Lai Lan

### 公司資料

#### 董事會

##### 非執行董事

梁皓星先生 (主席)

##### 執行董事

梁在星先生

金善哲先生 (於二零零八年四月一日辭退)

禹南珍先生

李圭英先生 (於二零零七年四月十七日獲委任)

##### 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

金善哲先生 (於二零零八年四月一日辭退)

禹南珍先生

李圭英先生 (於二零零七年四月十七日獲委任)

#### 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

#### 公司秘書

單麗蘭女士

#### 合資格會計師

周錦強先生

#### 授權代表

梁在星先生

單麗蘭女士

# Corporate Information and Shareholders' Calendar

## 公司資料及股東日程表

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

### AUDITORS

KPMG  
Certified Public Accountants

### SHARE REGISTRAR AND TRANSFER OFFICE

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

### INVESTOR RELATIONS CONTACT

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

### STOCK CODE

Stock Exchange of Hong Kong: 2310

### COMPANY WEBSITE

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

### SHAREHOLDERS' CALENDAR

Announcement of 2007 Final Results  
8 April 2008

Ex-dividend Date for Final Dividend  
19 May 2008

Closure of Register of Members  
21 to 23 May 2008

Record Date for Final Dividend  
23 May 2008

Annual General Meeting  
23 May 2008

Despatch of Dividend Cheques  
on or about 3 June 2008

### 註冊辦事處及主要營業地點

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

### 核數師

畢馬威會計師事務所  
執業會計師

### 股份過戶登記處

卓佳標準有限公司  
香港  
皇后大道東1號  
太古廣場3座25樓

### 投資者關係通訊

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

### 股份代號

香港聯合交易所：2310

### 公司網址

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

### 股東日程表

公佈二零零七年末期業績  
二零零八年四月八日

末期股息除息日期  
二零零八年五月十九日

暫停辦理股份過戶登記  
二零零八年五月二十一至二十三日

末期股息記錄日期  
二零零八年五月二十三日

股東週年大會  
二零零八年五月二十三日

寄發股息支票  
約於二零零八年六月三日

Kwang Sung Electronics H. K. Co. Limited

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