

The logo for China Electronics Corporation Holdings Company Limited, featuring the letters 'CEC' in a bold, blue, sans-serif font.

中国电子
CHINA ELECTRONICS

China Electronics

Corporation Holdings Company Limited

中國電子集團控股有限公司

(Stock Code 股份代號 : 00085)

A large, abstract graphic consisting of numerous overlapping, curved lines in shades of blue, green, and purple, creating a sense of motion and depth. The lines are most concentrated in the lower right quadrant and spread out towards the upper left.

Interim Report 2009 中期報告

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CORPORATE INFORMATION

Board of Directors

Non-executive Directors

Xiong Qunli (*Chairman*)

Tong Baoan (*Vice Chairman*)

Executive Directors

Fan Qingwu (*Managing Director*)

Hua Longxing

Independent Non-executive Directors

Chan Kay Cheung

Wong Po Yan

Yin Yongli

Audit Committee

Chan Kay Cheung (*Chairman*)

Wong Po Yan

Yin Yongli

Remuneration Committee

Wong Po Yan (*Chairman*)

Chan Kay Cheung

Yin Yongli

Fan Qingwu

Company Secretary

Ng Kui Kwan

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Office in Hong Kong

Room 3503, 35th Floor

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

公司資料

董事會

非執行董事

熊群力 (*主席*)

佟保安 (*副主席*)

執行董事

范卿午 (*董事總經理*)

華龍興

獨立非執行董事

陳棋昌

黃保欣

尹永利

審核委員會

陳棋昌 (*主席*)

黃保欣

尹永利

薪酬委員會

黃保欣 (*主席*)

陳棋昌

尹永利

范卿午

公司秘書

伍舉鈞

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香港

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華潤大廈

35樓3503室

CORPORATE INFORMATION

Investor Relations

Telephone: (852) 2598 9088
Facsimile: (852) 2598 9018
Website: www.cecholding.com
Email: investor@cecholdings.com.hk

Stock Code

00085

Principal Bankers

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited

Principal Share Registrar

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Abacus Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

Auditors

PricewaterhouseCoopers

Legal Advisors

As to Hong Kong Law
Linklaters

As to Bermuda Law

Conyers Dill & Pearman

公司資料

投資者關係聯絡

電話：(852) 2598 9088
傳真：(852) 2598 9018
網頁：www.cecholding.com
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股份代號

00085

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
東亞銀行有限公司

股份登記總處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM 08
Bermuda

香港股份登記及過戶分處

卓佳雅柏勤有限公司
香港
皇后大道東28號
金鐘匯中心26樓

核數師

羅兵咸永道會計師事務所

法律顧問

香港法律
年利達律師事務所

百慕達法律

Conyers Dill & Pearman

The board of directors (the "Board") of China Electronics Corporation Holdings Company Limited (the "Company") hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 together with the comparative figures as follows:

中國電子集團控股有限公司(「本公司」)董事會(「董事會」)謹此呈報本公司及其附屬公司(「本集團」)截至2009年6月30日止六個月的未經審核簡明綜合中期業績連同比較數字如下：

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期損益表

截至2009年6月30日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009	2008
		2009年	2008年
		HK\$'000	HK\$'000
		千港元	千港元
	Note 附註		
Revenue	收入	877,883	1,037,337
Cost of sales	銷售成本	(772,615)	(881,570)
Gross profit	毛利	105,268	155,767
Other (losses)/gains – net	其他(虧損)/收益 – 淨額	(8,574)	16,133
Selling and marketing costs	銷售及市場推廣成本	(91,368)	(123,740)
Administrative expenses	行政開支	(91,594)	(149,245)
Operating loss	經營虧損	(86,268)	(101,085)
Finance costs – net	融資成本 – 淨額	(9,828)	(12,207)
Loss before income tax	除所得稅前虧損	(96,096)	(113,292)
Income tax credit	所得稅抵免	–	19,761
Loss for the period	期內虧損	(96,096)	(93,531)
Attributable to:	應佔：		
– Equity holders of the Company	– 本公司權益持有人	(74,994)	(60,605)
– Minority interests	– 少數股東權益	(21,102)	(32,926)
		(96,096)	(93,531)
		HK cents	HK cents
		港仙	港仙
Loss per share	每股虧損		
– Basic	– 基本	(6.92)	(5.59)
– Diluted	– 攤薄	(6.92)	(5.59)
Dividends	股息	–	–

The notes on pages 9 to 27 are an integral part of this condensed interim financial information.
於第9頁至第27頁之附註乃本簡明中期財務資料之整體部份。

**CONDENSED CONSOLIDATED INTERIM
STATEMENT OF COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期全面收益表

截至2009年6月30日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009	2008
		2009年	2008年
		HK\$'000	HK\$'000
		千港元	千港元
Loss for the period	期內虧損	(96,096)	(93,531)
Other comprehensive income for the period:	期內其他全面收益：		
Exchange differences on translation of financial statements of foreign operations	換算海外業務賬目的匯兌差額	(2,391)	21,126
Total comprehensive income for the period	期內全面收益總額	(98,487)	(72,405)
Attributable to:	應佔：		
– Equity holders of the Company	– 本公司權益持有人	(77,385)	(46,626)
– Minority interests	– 少數股東權益	(21,102)	(25,779)
		(98,487)	(72,405)

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CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

AS AT 30 JUNE 2009

簡明綜合中期資產負債表

於2009年6月30日

			30 June 2009 2009年6月30日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2008 2008年12月31日 (Audited) (經審核) HK\$'000 千港元
	Note 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	42,348	47,125
Intangible assets	10	無形資產	13,081	15,686
Deferred taxation assets		遞延稅項資產	49,259	49,238
			104,688	112,049
Current assets		流動資產		
Inventories		存貨	362,243	468,287
Trade and other receivables	11	貿易及其他應收款項	454,407	485,760
Financial assets at fair value through profit or loss		按公允值於損益列賬之金融資產	-	1,271
Restricted bank deposits		受限制銀行存款	35,648	-
Cash and cash equivalents		現金及現金等價物	435,445	343,129
			1,287,743	1,298,447
Total assets		資產總額	1,392,431	1,410,496
EQUITY		權益		
Capital and reserves attributable to the Company's equity holders		本公司權益持有人應佔資本及儲備		
Issued equity	12	已發行權益	370,074	370,074
Other reserves	13	其他儲備	75,113	77,756
Accumulated losses		累計虧損	(260,066)	(185,324)
			185,121	262,506
Minority interests		少數股東權益	-	21,102
Total equity		權益總額	185,121	283,608
LIABILITIES		負債		
Current liabilities		流動負債		
Trade and other payables	14	貿易及其他應付款項	611,318	633,060
Short term bank loans	15	短期銀行貸款	557,303	450,813
Provision for warranty		保用撥備	38,689	43,015
			1,207,310	1,126,888
Total liabilities		負債總額	1,207,310	1,126,888
Total equity and liabilities		權益及負債總額	1,392,431	1,410,496
Net current assets		流動資產淨值	80,433	171,559
Total assets less current liabilities		總資產減流動負債	185,121	283,608

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於第9頁至第27頁之附註乃本簡明中期財務資料之整體部份。

**CONDENSED CONSOLIDATED INTERIM
STATEMENT OF CHANGES IN EQUITY**

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期權益變動表

截至2009年6月30日止六個月

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司權益持有人應佔					
		Issued equity 已發 行權益 HK\$'000 千港元	Other reserves 其他儲備 HK\$'000 千港元	Retained earnings/ (accumulated losses) 保留溢利/ (累計虧損) HK\$'000 千港元	Total 合計 HK\$'000 千港元	Minority interests 少數 股東權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
Balance at 1 January 2008	於2008年1月1日之結餘	370,074	71,807	29,889	471,770	129,066	600,836
Equity paid by a subsidiary's minority interests	附屬公司少數股東權益 支付之權益	-	-	-	-	59	59
Total comprehensive income for the period	期內全面收益總額	-	13,979	(60,605)	(46,626)	(25,779)	(72,405)
Balance at 30 June 2008	於2008年6月30日之結餘	370,074	85,786	(30,716)	425,144	103,346	528,490
Balance at 1 January 2009	於2009年1月1日之結餘	370,074	77,756	(185,324)	262,506	21,102	283,608
Share options lapsed	已失效購股權	-	(252)	252	-	-	-
Total comprehensive income for the period	期內全面收益總額	-	(2,391)	(74,994)	(77,385)	(21,102)	(98,487)
Balance at 30 June 2009	於2009年6月30日之結餘	370,074	75,113	(260,066)	185,121	-	185,121

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**CONDENSED CONSOLIDATED INTERIM
CASH FLOW STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期現金流量表

截至2009年6月30日止六個月

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009	2008
		2009年	2008年
		HK\$'000	HK\$'000
		千港元	千港元
Net cash generated from/(used in) operating activities	經營活動產生/(所用)之現金淨額	11,720	(214,760)
Net cash used in investing activities	投資活動所用之現金淨額	(6,549)	(20,883)
Net cash generated from financing activities	融資活動產生之現金淨額	87,145	270,160
Net increase in cash and cash equivalents	現金及現金等價物之增加淨額	92,316	34,517
Cash and cash equivalents at 1 January	於1月1日之現金及現金等價物	343,129	391,741
Cash and cash equivalents at 30 June	於6月30日之現金及現金等價物	435,445	426,258
Analysis of balances of cash and cash equivalents:	現金及現金等價物之結餘分析:		
Cash and bank balances	現金及銀行結餘	435,445	426,258

The notes on pages 9 to 27 are an integral part of this condensed interim financial information.
於第9頁至第27頁之附註乃本簡明中期財務資料之整體部份。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

1 Basis of preparation

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

The condensed consolidated interim financial information have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

(a) Going concern basis

The Group incurred loss attributable to the equity holders of the Company of HK\$74,994,000 for the six months ended 30 June 2009 and had accumulated losses of HK\$260,066,000 as at 30 June 2009. Notwithstanding the foregoing, the directors have adopted the going concern basis in the preparation of the condensed consolidated interim financial information based on the following:

- In March 2009, the ultimate holding company, China Electronics Corporation Limited ("CEC"), has agreed to provide financial assistance of RMB500,000,000 (equivalent to approximately HK\$567,195,000) to Shenzhen Sang Fei Consumer Communications Company Limited ("Sang Fei"), a principal subsidiary of the Group. The financial assistance includes (i) guarantees of RMB400,000,000 granted to Sang Fei for obtaining short-term bank loans and (ii) financing facilities of up to RMB100,000,000 provided by CEC. Up to 30 June 2009, Sang Fei has obtained borrowing of RMB38,532,000 (equivalent to approximately HK\$43,710,000) from CEC and utilised the guarantees from CEC to obtain banking facilities of RMB330,000,000 (equivalent to approximately HK\$374,349,000). Sang Fei will utilise the remaining financial assistance of RMB131,468,000 (equivalent to approximately HK\$149,136,000) to meet the future working capital and financial requirements of Sang Fei;

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

1 編製基準

簡明綜合中期財務資料乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16所載之適用披露規定及香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」之規定而編製。

簡明綜合中期財務資料是按照歷史成本常規法編製，並已就按公允值計入損益的金融資產和金融負債的重估而作出修訂。

本簡明綜合中期財務資料應連同本集團根據香港財務報告準則（「香港財務報告準則」）編製之截至2008年12月31日止年度之年度財務報表一併閱讀。

(a) 持續經營基準

於截至2009年6月30日止六個月，本集團錄得本公司權益持有人應佔虧損74,994,000港元；於2009年6月30日，累計虧損為260,066,000港元。儘管如此，經考慮以下因素後，董事仍採用持續經營基準編製本簡明綜合中期財務資料：

- 於2009年3月，本集團的最終控股公司中國電子信息產業集團有限公司（「中國電子集團」）同意為本集團的主要附屬公司—深圳桑菲消費通信有限公司（「桑菲」）提供共計人民幣5億元（約567,195,000港元）的財務資助，其中包括(i)提供人民幣4億元的擔保供桑菲取得短期銀行貸款及(ii)由中國電子集團提供給桑菲共計人民幣1億元的融資額度。截至2009年6月30日止，桑菲已向中國電子集團取得借款人民幣38,532,000元（約43,710,000港元）並動用中國電子集團所提供的擔保取得銀行貸款額度共計人民幣3.3億元（約374,349,000港元），並將根據桑菲未來營運資金及財務需要而使用餘下的人民幣131,468,000元（約149,136,000港元）的財務資助；

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

1 Basis of preparation (continued)

(a) Going concern basis (continued)

- With the banking facilities obtained and the financial assistance provided by CEC as mentioned in the paragraph above, the directors are of the opinion that the Group will have sufficient working capital to finance its operations and remain as a going concern; and
- Management have implemented stringent cost control measures, as well as new business strategies to improve profitability and cashflows.

In the opinion of the directors, in light of the above, the Group will have sufficient working capital to finance its operations and remain as a going concern in the foreseeable future. Accordingly, the directors are satisfied that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

2 Principal accounting policies

Except as described below, the accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the annual financial statements of the Group for the year ended 31 December 2008. In 2009, the Group has adopted the following new standard and amendments to existing standards below, which are relevant to its operations. Where applicable, the 2008 comparatives have been amended as required.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
Amendments to HKFRS 1 and HKAS 27	Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 8	Operating Segments
Amendments to HKFRS 7	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
Amendment to HKFRS 2	Share-based Payment – Vesting Conditions and Cancellations

1 編製基準 (續)

(a) 持續經營基準 (續)

- 考慮到已取得的銀行貸款額度及上文提及的中國電子集團提供的財務資助，董事認為本集團將有充足的營運資金用以支持經營需要及維持持續經營；及
- 管理層已採取嚴謹的成本控制措施，並實施新的經營策略以增加盈利及現金流量。

基於上述因素，董事認為本集團在可預見的將來有充足的營運資金以支持經營需要及維持持續經營。因此，董事認為按持續經營基準編製本簡明綜合中期財務資料乃屬恰當。

2 主要會計政策

除以下所述外，編製簡明綜合中期財務資料所採用的會計政策與編製本集團截至2008年12月31日止年度全年財務報告所用者一致。在2009年，本集團採納與其業務營運有關的以下新訂準則及經修訂的現有準則。如適用，2008年的比較數據已按需要予以修訂。

香港會計準則第1號 (重訂)	財務報表的呈報
香港會計準則第23號 (重訂)	借貸成本
香港財務報告準則第1號及香港會計準則第27號 (修訂本)	綜合及獨立財務報表 – 投資於附屬公司、共同控制實體或聯營公司的投資成本
香港財務報告準則第8號	營運分部
香港財務報告準則第7號 (修訂本)	金融工具之披露 – 改進金融工具之披露
香港財務報告準則第2號 (修訂本)	以股份為基礎的付款 – 歸屬條件及註銷

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

2 Principal accounting policies (continued)

Improvements to HKFRSs (October 2008)

The adoption of such standards did not have any significant effect on results or financial positions of the Group for the current period. However, as a result of the adoption of HKAS 1 (Revised) "Presentation of Financial Statements", changes in equity arising from transactions with shareholders in their capacity as shareholders are presented separately in a revised statement of changes in equity. All other items of income and expenses are presented in the consolidated statement of comprehensive income, if they are recognised as part of profit or loss for the period.

HKFRS 8 "Operating Segments" replaces HKAS 14 "Segment Reporting". It requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. On first-time adoption of HKFRS 8 "Operating Segments", the Group determined that the operating segments were the same as the business segments previously identified under HKAS 14 "Segment Reporting".

The Group has not early applied the new or revised standards, amendments and interpretations that have been issued by the HKICPA but are not yet effective. The directors of the Company anticipate that the application of these standards and interpretations will have no material impact on the results and financial positions of the Group.

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2 主要會計政策 (續)

就香港財務報告準則之改進(2008年10月)

採納該等準則不會對本集團於本期間之業績或財務狀況構成重大影響。然而，由於採納香港會計準則第1號(重訂)「財務報表的呈報」，股東以股權的持有人身份進行的交易所產生的權益變動，於修訂的權益變動表呈報。所有其他收入和開支若須確認為本期損益時，在綜合全面收益表內呈列。

香港財務報告準則第8號「營運分部」取代香港會計準則第14號「分部報告」。該準則要求根據一個「管理理念」，把分部資料按用作內部報告用途的基準呈列。於首次採納香港財務報告準則第8號「營運分部」，本集團確定營運分部與之前按香港會計準則第14號「分部報告」所劃分的業務分部相同。

本集團並無提早引用香港會計師公會已頒佈但尚未生效的新訂或經修訂準則、修訂及詮釋。本公司董事預計引用該等準則及詮釋不會對本集團的業績及財務狀況構成重大影響。

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3 Revenue and segment information

Management has determined the operating segments based on the reports reviewed by the directors (the Group's chief operating decision maker) that are used to assess performance and allocate resources. The Group is principally engaged in manufacturing and sales of mobile handsets and other portable electronics products. The segment information provided to the directors for the reportable segments for the period ended is as follows:

		Philips mobile handsets		Own-branded and other ODM/EMS mobile handsets		Multi-media player		Total	
		Philips 品牌移動電話		自有品牌及 其他ODM/EMS移動電話		多媒體播放機		合計	
		Six months ended 30 June 截至6月30日止六個月		Six months ended 30 June 截至6月30日止六個月		Six months ended 30 June 截至6月30日止六個月		Six months ended 30 June 截至6月30日止六個月	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元	2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Revenue	收入	455,317	502,250	209,682	256,731	212,884	278,356	877,883	1,037,337
Segment results	分部業績	(761)	(41,852)	(9,337)	(4,717)	5,636	21,970	(4,462)	(24,599)
Other (losses)/gains – net	其他(虧損)/收益 – 淨額							(8,574)	16,133
Unallocated costs	未分配成本							(73,232)	(92,619)
Operating loss	經營虧損							(86,268)	(101,085)
Finance costs – net	融資成本 – 淨額							(9,828)	(12,207)
Loss before income tax	除所得稅前虧損							(96,096)	(113,292)

All segment revenues were from external customers and there was no inter-segment sales during the period (2008: nil). Unallocated costs consist primarily of selling and marketing costs and administrative expenses, which contribute to all operating segments.

3 收入及分部資料

管理層已根據董事(集團主要經營決策者)已審閱作評估業績表現及分配資源用的報告書, 確定營運分部。本集團主要從事製造及銷售移動電話及其他手提電子產品之業務。提供予董事截至本期止之分部報告的分部資料如下:

所有分部收入乃來自銷售予外界客戶, 期內並無分部之間銷售(2008: 無)。未分配成本主要包括所有營運分部涉及的銷售及市場推廣成本和行政開支。

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3 Revenue and segment information (continued)

Segment assets and reconciliation to total assets are as follows:

		At 30 June 2009 於2009年6月30日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2008 於2008年12月31日 (Audited) (經審核) HK\$'000 千港元
Philips mobile handsets	Philips 品牌移動電話	276,290	466,946
Own-branded and other ODM/EMS mobile handsets	自有品牌及其他ODM/EMS 移動電話	77,970	80,901
Multi-media player	多媒體播放機	183,087	78,938
Unallocated assets	未分配資產	855,084	783,711
		1,392,431	1,410,496

Segment assets consist primarily of inventories and trade receivables. Unallocated assets comprise property, plant and equipment, intangible assets, deferred taxation, other receivables and cash and cash equivalents.

4 Other (losses)/gains – net

		Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月 2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Foreign exchange (loss)/gain – net	匯兌(虧損)/收益 – 淨額	(7,013)	16,049
Fair value loss from foreign exchange forward contracts	遠期外匯合約的公允值虧損	(1,582)	–
Others	其他	21	84
		(8,574)	16,133

3 收入及分部資料 (續)

分部資產及資產總額的對賬如下：

	At 30 June 2009 於2009年6月30日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2008 於2008年12月31日 (Audited) (經審核) HK\$'000 千港元
Philips mobile handsets	276,290	466,946
Own-branded and other ODM/EMS mobile handsets	77,970	80,901
Multi-media player	183,087	78,938
Unallocated assets	855,084	783,711
	1,392,431	1,410,496

分部資產主要包括存貨及貿易應收款項。未分配資產包括物業、廠房及設備、無形資產、遞延稅項、其他應收款項和現金及現金等價物。

4 其他(虧損)/收益 – 淨額

	Unaudited 未經審核 Six months ended 30 June 截至6月30日止六個月 2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Foreign exchange (loss)/gain – net	(7,013)	16,049
Fair value loss from foreign exchange forward contracts	(1,582)	–
Others	21	84
	(8,574)	16,133

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5 Finance costs – net

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Interest income	利息收入	1,818	4,299
Interest on bank loans	銀行貸款利息支出	(11,646)	(16,506)
		(9,828)	(12,207)

5 融資成本－淨額

6 Loss before taxation

The Group's loss before taxation has been arrived at after charging:

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Depreciation of property, plant and equipment (Note 10)	物業、廠房及設備折舊 (附註10)	12,451	15,164
Amortisation of intangible assets (Note 10)	無形資產攤銷 (附註10)	3,323	3,092
Written down of inventories to net realisable value	撇減存貨至可變現淨值	3,876	5,299
Provision for warranty	保用撥備	24,079	20,015
Operating lease expenses of property and equipment	物業及設備之經營租約支出	17,606	16,038

6 除稅前虧損

本集團之除稅前虧損已扣除：

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7 Income tax credit

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7 所得稅抵免

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Deferred taxation (Note d))	遞延稅項 (附註(d))	-	19,761

- (a) Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) on the estimated assessable profits for the period.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in Hong Kong for the six months ended 30 June 2009 (30 June 2008: nil).

- (b) PRC enterprise income tax has been provided for based on the estimated assessable profits in accordance with the relevant tax laws applicable to the subsidiaries in the PRC. The Law of the PRC on Enterprise Income Tax (the "New Law") and Implementation Regulations of the New Law has changed the tax rate of those PRC subsidiaries to 25% from 1 January 2008 with certain transitional arrangement.

No provision for PRC enterprise income tax has been made as the Group has no assessable profit for the six months ended 30 June 2009 (30 June 2008: nil).

- (c) Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates based on existing legislation, interpretation and practices in respect thereof.

- (d) Deferred taxation was recognised for tax losses carrying forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

- (a) 香港利得稅乃根據本期間之估計應課稅溢利按稅率16.5% (2008年: 16.5%) 計算。

由於本集團於截至2009年6月30日止六個月並無任何源自香港之應課稅溢利，故並無就香港利得稅作出任何撥備 (2008年6月30日: 無)。

- (b) 中國內地附屬公司之中國企業所得稅乃根據其有關適用稅務法例按估計應課稅溢利撥備。根據中國企業所得稅法 (「新法規」) 和新法規的實施條例，由2008年1月1日起，於中國的附屬公司稅率將通過若干過渡性安排變更為25%。

由於本集團於截至2009年6月30日止六個月並無應課稅溢利，故並無就中國企業所得稅作出任何撥備 (2008年6月30日: 無)。

- (c) 其他地區應課稅溢利之稅項乃按本集團經營所在地之當地適用稅率，根據現行法例、詮釋及慣例計算。

- (d) 遞延稅項乃就稅項虧損而被確認，惟以有可能透過日後之應課稅溢利變現有關稅項利益為限。

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8 Loss per share

(a) Basic loss per share

The calculation of the basic loss per share is based on the Group's loss attributable to equity holders of the Company for the six months ended 30 June 2009 of HK\$74,994,000 (30 June 2008: Loss of HK\$60,605,000) and 1,083,560,000 (30 June 2008: 1,083,560,000) ordinary shares in issue during the six months ended 30 June 2009.

(b) Diluted loss per share

As the impact of exercise of share options was anti-dilutive as at 30 June 2009 and 2008, the diluted loss per share is equal to the basic loss per share.

9 Dividends

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2009 (30 June 2008: nil).

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8 每股虧損

(a) 每股基本虧損

每股基本虧損乃按本公司權益持有人應佔本集團截至2009年6月30日止六個月之虧損74,994,000港元(2008年6月30日:虧損60,605,000港元)及截至2009年6月30日止六個月已發行之1,083,560,000股(2008年6月30日:1,083,560,000股)普通股計算。

(b) 每股攤薄虧損

於2009年及2008年6月30日,由於行使購股權具反攤薄影響,故每股攤薄虧損相等於每股基本虧損。

9 股息

董事會不建議派付截至2009年6月30日止六個月之中期股息(2008年6月30日:無)。

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10 Property, plant and equipment and intangible assets

10 物業、廠房及設備和無形資產

		Property, plant and equipment 物業、廠房 及設備 (Unaudited) (未經審核) HK\$'000 千港元	Intangible assets 無形資產 (Unaudited) (未經審核) HK\$'000 千港元	Total 合計 (Unaudited) (未經審核) HK\$'000 千港元
Opening net book amount as at 1 January 2008	於2008年1月1日 之期初賬面淨值	41,047	16,144	57,191
Exchange differences	匯兌差額	2,055	916	2,971
Additions	添置	24,590	831	25,421
Disposals	出售	(239)	–	(239)
Depreciation/amortisation charge	折舊／攤銷開支	(15,164)	(3,092)	(18,256)
Closing net book amount as at 30 June 2008	於2008年6月30日 之期末賬面淨值	52,289	14,799	67,088
Opening net book amount as at 1 January 2009	於2009年1月1日 之期初賬面淨值	47,125	15,686	62,811
Exchange differences	匯兌差額	39	12	51
Additions	添置	7,643	706	8,349
Disposals	出售	(8)	–	(8)
Depreciation/amortisation charge	折舊／攤銷開支	(12,451)	(3,323)	(15,774)
Closing net book amount as at 30 June 2009	於2009年6月30日 之期末賬面淨值	42,348	13,081	55,429

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11 Trade and other receivables

The majority of the Group's sales are on letter of credit or documents against payment. The remaining amounts are with credit term of 30 to 120 days. Included in trade and other receivables are trade receivables of HK\$384,088,000 (31 December 2008: HK\$417,487,000) and their ageing analysis is as follows:

		At 30 June 2009	At 31 December 2008
		於2009年 6月30日 (Unaudited) (未經審核)	於2008年 12月31日 (Audited) (經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	即期至30日	278,150	338,970
31-60 days	31日至60日	32,478	51,361
Over 60 days and within 1 year	60日以上及1年以內	47,893	27,151
Over 1 year	1年以上	25,567	5
		384,088	417,487

11 貿易及其他應收款項

本集團之大部份銷售均以信用證或付款交單方式付款。其餘銷售之信用期為30日至120日。貿易及其他應收款項包括貿易應收款項384,088,000港元(2008年12月31日:417,487,000港元)，其賬齡分析如下：

12 Issued equity

		At 30 June 2009	At 31 December 2008
		於2009年 6月30日 (Unaudited) (未經審核)	於2008年 12月31日 (Audited) (經審核)
		HK\$'000	HK\$'000
		千港元	千港元
1,083,560,000 ordinary shares of HK\$0.01 each	1,083,560,000股 每股面值0.01港元之普通股	370,074	370,074

12 已發行權益

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13 Other reserves

		Capital reserve	Surplus reserve	Share option reserve	Translation reserve	Total
		資本儲備	盈餘儲備	購股權儲備	匯兌儲備	合計
		HK\$'000	HK\$'000	(Note (a)) 購股權儲備 (附註(a)) HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於2008年1月1日	(1,806)	33,325	11,963	28,325	71,807
Share option lapsed	已失效購股權	–	–	(4,822)	–	(4,822)
Currency translation differences	貨幣換算差額	–	–	–	10,771	10,771
At 31 December 2008 (Audited)	於2008年12月31日 (經審核)	(1,806)	33,325	7,141	39,096	77,756
At 1 January 2009	於2009年1月1日	(1,806)	33,325	7,141	39,096	77,756
Share option lapsed	已失效購股權	–	–	(252)	–	(252)
Currency translation differences	貨幣換算差額	–	–	–	(2,391)	(2,391)
At 30 June 2009 (Unaudited)	於2009年6月30日 (未經審核)	(1,806)	33,325	6,889	36,705	75,113

13 其他儲備

(a) Share option reserve

During the six months ended 30 June 2009, 390,000 options lapsed (year ended 31 December 2008: 9,880,000 options lapsed) and an amount of HK\$252,000 (year ended 31 December 2008: HK\$4,822,000) was transferred from share option reserve to retained earning.

(a) 購股權儲備

於截至2009年6月30日止六個月，390,000份購股權已失效（於截至2008年12月31日止年度：9,880,000份購股權失效），252,000港元（於截至2008年12月31日止年度：4,822,000港元）由購股權儲備轉撥至保留溢利。

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14 Trade and other payables

Included in trade and other payables are trade payables of HK\$363,160,000 (31 December 2008: HK\$316,536,000) and their ageing analysis is as follows:

		At 30 June 2009	At 31 December 2008
		於2009年 6月30日 (Unaudited) (未經審核)	於2008年 12月31日 (Audited) (經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	即期至30日	338,810	299,448
31-60 days	31日至60日	5,403	8,788
Over 60 days	60日以上	18,947	8,300
		363,160	316,536

14 貿易及其他應付款項

貿易及其他應付款項包括貿易應付款項363,160,000港元(2008年12月31日: 316,536,000港元),其賬齡分析如下:

15 Short term bank loans

		At 30 June 2009	At 31 December 2008
		於2009年 6月30日 (Unaudited) (未經審核)	於2008年 12月31日 (Audited) (經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Secured (Note (a))	有抵押(附註(a))	140,269	25,536
Guaranteed (Note (b))	擔保(附註(b))	373,324	-
Unsecured	無抵押	43,710	425,277
		557,303	450,813

15 短期銀行貸款

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15 Short term bank loans (continued)

(a) Short term bank loans are secured by:

		At 30 June 2009	At 31 December 2008
		於2009年 6月30日 (Unaudited) (未經審核)	於2008年 12月31日 (Audited) (經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Trade receivables	貿易應收款項	168,157	28,373
Bank deposits	銀行存款	19,345	—
		187,502	28,373

(b) Such short term bank loans are guaranteed by CEC.

(c) The bank loans as at 30 June 2009 were repayable within one year and bore interest at the average borrowing rate of 5.25% per annum (31 December 2008: 6.21% per annum).

(d) The carrying amounts of the short term bank loans approximate to their fair value, which are denominated in the following currencies:

15 短期銀行貸款 (續)

(a) 短期銀行貸款以下列項目作抵押：

(b) 該等短期銀行貸款由中國電子集團提供擔保。

(c) 於2009年6月30日，銀行貸款須於一年內償還及按平均借款年利率5.25% (2008年12月31日：年利率6.21%) 計息。

(d) 短期銀行貸款之賬面值與其公允值相若，按貨幣劃分如下：

		At 30 June 2009	At 31 December 2008
		於2009年 6月30日 (Unaudited) (未經審核)	於2008年 12月31日 (Audited) (經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Renminbi	人民幣	412,615	425,277
US dollar	美元	144,688	25,536
		557,303	450,813

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

16 Capital commitments

As at 30 June 2009, the Group's capital commitments which were contracted but not provided for are as follows:

		At 30 June 2009 於2009年 6月30日 (Unaudited) (未經審核) HK\$'000 千港元
Purchase of property, plant and equipment and computer software	購買物業、廠房及設備及電腦軟件	742

16 資本承擔

於2009年6月30日，本集團已簽約但未撥備之資本承擔如下：

	At 31 December 2008 於2008年 12月31日 (Audited) (經審核) HK\$'000 千港元
	2,094

17 Contingent liabilities

The Group did not have any material contingent liabilities outstanding as at 30 June 2009 (31 December 2008: nil).

17 或然負債

於2009年6月30日，本集團並無任何未償還之重大或然負債(2008年12月31日：無)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

18 Related party transactions

- (a) In addition to those transactions and balances disclosed elsewhere in the condensed consolidated interim financial information, the Group entered into the following material related party transactions during the period:

18 關連人士交易

- (a) 除於本簡明綜合中期財務資料其他部份已披露的交易及結餘外，於期內本集團進行了下列各項重大關連交易：

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Sales of products, materials and samples to fellow subsidiaries	向下列公司銷售產品、材料及樣本 母公司集團之附屬公司	85,472	114,272
Purchases of goods from fellow subsidiaries	向下列公司採購貨品 母公司集團之附屬公司	24,068	32,817
Processing services from fellow subsidiaries	接受下列公司提供加工服務 母公司集團之附屬公司	1,698	4,507
Fitment and decoration services from fellow subsidiaries	接受下列公司提供裝修服務 母公司集團之附屬公司	-	37
Canteen services from fellow subsidiaries	接受下列公司提供食堂服務 母公司集團之附屬公司	4,653	6,592
After sales repair and maintenance services from fellow subsidiaries	接受下列公司提供售後維修及保養服務 母公司集團之附屬公司	2,120	5,807
Rental paid fellow subsidiaries	向下列公司支付租金 母公司集團之附屬公司	5,811	5,471
Licence fee paid fellow subsidiaries	向下列公司支付商標許可費 母公司集團之附屬公司	-	2,955
Comprehensive services from fellow subsidiaries	接受下列公司提供全面服務 母公司集團之附屬公司	10,372	15,353

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

18 Related party transactions (continued)

(b) The Group had the following related party balances

18 關連人士交易 (續)

(b) 本集團有下列關連交易結餘

		At 30 June 2009 於2009年 6月30日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2008 於2008年 12月31日 (Audited) (經審核) HK\$'000 千港元
Trade receivables due from fellow subsidiaries	應收貿易款項 母公司集團之附屬公司	25,073	51,711
Other receivables due from fellow subsidiaries	其他應收款項 母公司集團之附屬公司	398	560
Prepayments fellow subsidiaries	預付款項 母公司集團之附屬公司	20,192	4,608
Deposits in fellow subsidiaries	存款 母公司集團之附屬公司	32,991	—
Trade payables due to fellow subsidiaries	應付貿易款項 母公司集團之附屬公司	1,525	9,642
Other payables due to fellow subsidiaries	其他應付款項 母公司集團之附屬公司	27,955	4,086
Trade advance from fellow subsidiaries	預收貿易賬款 母公司集團之附屬公司	54,403	24,997
Borrowings from fellow subsidiaries	公司貸款 母公司集團之附屬公司	43,710	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

18 Related party transactions (continued)

(c) Key management compensation

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,686	1,803
Contribution to retirement schemes	退休計劃供款	47	44
		1,733	1,847

(d) Additional information on other state-owned enterprises

The Company is controlled by CEC, and is ultimately controlled by PRC government, which also controls a significant portion of the productive assets and entities in the PRC. In accordance with HKAS 24 "Related Party Disclosures", state-owned enterprises and their subsidiaries, other than CEC Group, are also defined as related parties of the Company ("Other State-owned Enterprises").

18 關連人士交易 (續)

(c) 主要管理層報酬

(d) 其他國有企業之其他資料

本公司由中國電子集團控制，並最終由中國政府控制，而中國政府亦於中國控制大部份具有生產力的資產及實體。根據香港會計準則第24號「關連人士的披露」，國有企業及其附屬公司（中國電子集團除外）亦被界定為本公司之關連人士（「其他國有企業」）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

18 Related party transactions (continued)

(d) Additional information on other state-owned enterprises
(continued)

(i) Summary of significant transactions with Other State-owned Enterprises

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2009 2009年 HK\$'000 千港元	2008 2008年 HK\$'000 千港元
Sales of products and materials	銷售產品及材料	87,513	212,677
Purchase of materials	採購材料	8,363	11,286
Interest income from state-owned banks	國有銀行之利息收入	599	2,246
Interest expenses to state-owned banks	國有銀行之利息支出	11,646	16,506

(ii) Summary of balances with Other State-owned Enterprises

		At 30 June 2009 於2009年 6月30日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 December 2008 於2008年 12月31日 (Audited) (經審核) HK\$'000 千港元
Trade receivables	貿易應收款項	5,396	13,843
Trade payables	貿易應付款項	4,138	3,127
Bank deposits in state-owned banks	國有銀行之銀行存款	334,420	322,129
Bank borrowings from state-owned banks	國有銀行之銀行貸款	557,303	450,813

Balances with Other State-owned Enterprises, except for bank deposits and bank borrowings, were unsecured and interest-free.

除銀行存款及銀行貸款外，與其他國有企業的結餘為無抵押及免息。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2009

19. Events after the balance sheet date

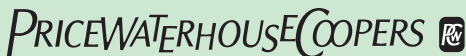
Pursuant to agreements entered into with the shareholders of CEC Huada Electronic Design Co., Ltd. ("Huada Electronics") on 20 June 2008, the Company has conditionally agreed to purchase the entire equity interest in Huada Electronics by issuing an aggregate of 608,000,000 new shares at the price of HK\$2.50 for settlement of the consideration for the acquisition. The acquisition of Huada Electronics has been approved by the independent shareholders of the Company on 21 July 2008 and was completed in September 2009. After completion of the acquisition, Huada Electronics becomes a wholly-owned subsidiary of the Company and the financial statements of Huada Electronics will be consolidated into those of the Group. Details of acquisition of Huada Electronics were set out in the Company's circular dated 30 June 2008.

簡明綜合中期財務資料附註

截至2009年6月30日止六個月

19 結算日後事項

根據與北京中華大電子設計有限責任公司（「華大電子」）股東於2008年6月20日訂立之協議，本公司有條件同意購買華大電子的全部股本權益，並透過以2.50港元的價格發行合共608,000,000股新股支付收購的代價。收購華大電子已獲本公司獨立股東於2008年7月21日批准並已於2009年9月完成。於完成收購後，華大電子成為本公司之全資附屬公司，而華大電子之財務報表將與本集團綜合入賬。有關收購華大電子之詳情已載於本公司於2008年6月30日刊發之通函。



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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF
CHINA ELECTRONICS CORPORATION HOLDINGS COMPANY LIMITED**

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 4 to 27, which comprises the condensed consolidated balance sheet of China Electronics Corporation Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

中期財務資料審閱報告

致中國電子集團控股有限公司董事會

(於開曼群島註冊成立及於百慕達繼續經營之有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第4至27頁的中期財務資料,此中期財務資料包括中國電子集團控股有限公司(「貴公司」)及其子公司(合稱「貴集團」)於2009年6月30日的簡明綜合資產負債表與截至該日止六個月期間的相關簡明綜合損益表、全面收益表、權益變動表和現金流量表,以及主要會計政策概要及其他附註解釋。香港聯合交易所有限公司主板證券上市規則規定,就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」編製及公平地列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論,並按照委聘之條款僅向整體董事會報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14 September 2009

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能令我們可保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

結論

按照我們的審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號「中期財務報告」編製。

羅兵咸永道會計師事務所
執業會計師

香港，2009年9月14日

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Affected by the weakening of the PRC domestic market and the recession in many other parts of the world, the Group's performance, and business alike, was inevitably affected. Amidst such difficult operating environment, the management, in addition to the continuous implementation of stringent cost control measures, further intensified control in risk management and cash management. During the period, the Group continued to focus on the development of *Philips* mobile handset business and targeting at both the mid-tier and high end segments of the market. As a result of the slow down in consumer spending and majority of the new products will be released in the second half of the year, sales of *Philips* mobile handsets and portable multimedia players dropped by 12% and 24% to 0.7 million units and 0.9 million units respectively. Such reduction in sales volume has been offset by the increase in sales of ODM and EMS mobile handsets and as a result, the Group was able to maintain similar level of overall sales of 3.4 million units as those of the corresponding period in 2008. During the six months ended 30 June 2009, the Group recorded a sales revenue of HK\$877.9 million, a decrease of 15% compared to the same period last year. Gross profit for the period reduced from HK\$155.8 million in 2008 to HK\$105.3 million in 2009. The overall gross profit margin of the Group dropped from 15% in 2008 to 12% in 2009.

In order to mitigate the impact of the slowing down of the global economy following the global financial crisis, the Group has implemented various emergency measures to re-align our resources deployment and as a result the selling and marketing costs and the administrative expenses were reduced by 26% and 39% to HK\$91.4 million and HK\$91.6 million respectively. The Group recorded an exchange loss of HK\$7.0 million (2008: exchange gain of HK\$16.0 million) primarily as a result of the devaluation of Russian Ruble.

The Group incurred loss attributable to the equity holders of the Company of HK\$75.0 million during the period (2008: loss of HK\$60.6 million) and basic loss per share was HK cents 6.92 (2008: loss per share of HK cents 5.59). The Board resolved not to pay any interim dividend for the six months ended 30 June 2009 (2008: nil).

管理層討論及分析

業務回顧

鑒於中國市場疲弱及全球多個地區出現衰退，本集團與其他企業一樣，業績無可避免受到負面影響。面對當前困難經營環境，管理層除了繼續落實嚴謹的成本控制措施外，亦進一步加強對風險管理及資金管理的監控。期內，本集團繼續專注發展針對中高端市場的*Philips*手機業務。由於消費開支放緩及新產品大多於下半年推出，*Philips*手機及可攜式多媒體播放機銷量分別下跌12%及24%至0.7百萬部及0.9百萬部。然而，由於ODM及EMS手機銷量的增長得以彌補該等銷量之下降，因此，本集團仍可保持2008年同期之3.4百萬部總銷量。截至2009年6月30日止六個月，本集團錄得銷售收入877.9百萬港元，較去年同期減少15%。期內毛利由2008年之155.8百萬港元減少至2009年之105.3百萬港元。本集團之整體毛利率由2008年之15%下降至2009年之12%。

為減輕全球性金融危機帶來的經濟發展放緩的衝擊，本集團已實施一系列緊急措施重整生產資源，將銷售及市場推廣成本及行政開支分別縮減26%及39%至91.4百萬港元及91.6百萬港元。期內由於俄羅斯盧布貶值，故本集團錄得匯兌虧損7.0百萬港元（2008年：匯兌收益16.0百萬港元）。

期內本集團錄得本公司權益持有人應佔虧損75.0百萬港元（2008年：虧損60.6百萬港元）及每股基本虧損6.92港仙（2008年：每股虧損5.59港仙）。董事會議決不派付截至2009年6月30日止六個月之中期股息（2008年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

Prospects

Despite that many countries have introduced emergency economic measures to cope with the deteriorating economy and that there are signs that the magnitude of economic recession has subsided, 2009 will turn out to be one of the most challenging years; fraught with difficulties and uncertainties resulting from the global financial crisis. In line with this global trend, the PRC's economic growth is expected to slow down. However, driven by the PRC government's initiatives to adjust its macro policies and encourage domestic consumption, the PRC economy is considered to be better-positioned to recover faster and earlier than the other major economies. The Group believes that the demand for mobile handset will rebound to relatively normal level in the years ahead.

The acquisition of Huada Electronics was completed in September 2009. The Group has successfully extended its business into the integrated circuits chips design sector, which is a high-tech area with better profit margin, and broadens the Group's revenue sources and provides a stable earning to the Group. Huada Electronics has a strong presence in the integrated circuits industry and is an industrial leader in the design and research and development of integrated circuits. The technologies and products of Huada Electronics have been widely applied in the areas of social security, electronic payments, telecommunications and consumer electronics. Through the acquisition of Huada Electronics, the Group intends to transform itself to an active player in the industry possessing more comprehensive capability in the upstream of the industry value chain.

Looking forward, the Group will continue to manage the potential challenges with care and diligence and focus on the business in the high-tech area with better profit margin. The Group will position itself to explore new business opportunities at the upstream of the industry value chain through merger and acquisition, restructuring or business cooperation to strengthen and broaden its mid to high end stream business platform.

管理層討論及分析

展望

雖然全球多個國家推出緊急措施以應對經濟低迷及有跡像顯示經濟倒退速度已見放緩，2009年將為最具挑戰性之一年，充斥着全球金融危機引致的困難及未知情況。中國之經濟增長預期會與全球趨勢一致放緩。然而，由於中國政府採取措施調整其宏觀調控政策及擴大內需，故中國經濟被視為可較其他主要經濟體系更快更早復甦。本集團相信未來移動電話需求量將會回復較正常的水平。

有關華大電子收購事項已於2009年9月完成，本集團已成功將其業務擴展至屬於高科技領域及邊際利潤較豐厚的集成電路芯片設計業務，並擴寬本集團之收入來源及為本集團提供穩定溢利。華大電子在集成電路業地位顯赫，乃集成電路設計及研究開發領域的行業翹楚。華大電子的技術及產品在社會保障、電子付款、通訊及消費電子產品領域中廣泛應用。透過收購華大電子，本集團將轉變為業內的活躍業者，在行業價值鏈的上游領域擁有更全面實力。

展望未來，本集團將繼續審慎及盡責地迎接潛在挑戰，並偏重於高科技領域及邊際利潤較豐厚的業務。本集團將通過併購、改組、業務合作等方式，抓住向行業價值鏈的高端拓展之機遇，以加強及擴展中高端業務平台。

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group finances its operations primarily by internal resources and short term bank borrowings. As at 30 June 2009, the Group had cash and cash equivalents amounted to HK\$435.4 million (31 December 2008: HK\$343.1 million) which were primarily denominated in Hong Kong dollars, Renminbi and United States dollars.

As at 30 June 2009, the Group had short term bank borrowings of HK\$557.3 million (31 December 2008: HK\$450.8 million), which were denominated in Renminbi and United States dollars.

As at 30 June 2009, assets with a carrying value of HK\$187.5 million (31 December 2008: HK\$28.4 million) were pledged for total borrowings of HK\$140.3 million (31 December 2008: HK\$25.5 million). The bank borrowings were borrowed at contracted fixed interest rate. The Group's available banking facilities were HK\$600.5 million.

As at 30 June 2009, the Group had net current assets of HK\$80.4 million (31 December 2008: HK\$171.6 million). The overall gearing ratio, which is calculated as the total liabilities over total assets of the Group, was 87% (31 December 2008: 80%).

The Group's export sales are predominantly invoiced in United States dollars, Russian Ruble and New Turkish Lira and its domestic sales are invoiced in Renminbi. The Group imports some of its raw materials and production and testing equipment from overseas suppliers which are paid in United States dollars and Euro. The Group will make use of hedging contracts, when appropriate, to leverage the risk of foreign exchange fluctuation arising from its operations.

As at 30 June 2009, the Group had contracted but not provided for capital commitments of HK\$0.7 million (31 December 2008: HK\$2.1 million) for the acquisition of fixed assets and intangible assets. The Group did not have any material contingent liabilities outstanding as at 30 June 2009 (31 December 2008: nil).

管理層討論及分析

財務回顧

本集團主要以內部資源及短期銀行借款為其業務提供資金。於2009年6月30日，本集團有現金及現金等價物435.4百萬港元（2008年12月31日：343.1百萬港元），並主要以港元、人民幣及美元計值。

於2009年6月30日，本集團的短期銀行貸款為557.3百萬港元（2008年12月31日：450.8百萬港元），乃以人民幣及美元計值。

於2009年6月30日，本集團已抵押賬面值為187.5百萬港元（2008年12月31日：28.4百萬港元）的資產，以獲取總額為140.3百萬港元（2008年12月31日：25.5百萬港元）的借貸。銀行貸款按已訂約的固定利率借貸。本集團可用的銀行貸款額度總計600.5百萬港元。

於2009年6月30日，本集團流動資產淨值為80.4百萬港元（2008年12月31日：171.6百萬港元）。整體資產負債比率（以本集團的總負債除以總資產計算）為87%（2008年12月31日：80%）。

本集團的出口銷售收入主要以美元、俄羅斯盧布及新土耳其里拉入賬，而其國內銷售收入則以人民幣入賬。本集團從海外供應商進口部分原材料、生產及測試設備，以美元及歐元支付款項。本集團將適時利用遠期結售外匯合約對沖源自其業務的外匯波動風險。

於2009年6月30日，本集團就購買固定資產及無形資產的已訂約但未撥備資本承擔金額為0.7百萬港元（2008年12月31日：2.1百萬港元）。於2009年6月30日，本集團並無任何尚未償還的重大或然負債（2008年12月31日：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

Employee and Remuneration Policies

As at 30 June 2009, the Group had approximately 1,900 employees (31 December 2008: 2,200 employees), the majority of whom were based in China. Personnel expenses during the period were HK\$73.2 million (2008: HK\$108.4 million).

The Group recognises the importance of high calibre and competent staff and has a strict recruitment policy and performance appraisal scheme. Remuneration packages are largely in line with industry practices, and are formulated on the basis of performance and experience and will be reviewed regularly. Bonus and other merit payments are linked with the performance of the Group and of the individuals as incentive to optimise performance. The Company has in place a share option scheme, pursuant to which share options may be granted to selected personnel of the Group, with a view to encouraging employees to work towards enhancing the value of the Group.

管理層討論及分析

僱員及薪酬政策

於2009年6月30日，本集團僱用約1,900名（2008年12月31日：2,200名）僱員，大部份於中國內地工作。期內的員工酬金為73.2百萬港元（2008年：108.4百萬港元）。

本集團意識到優秀人才及能幹僱員的重要性，並備有嚴謹的招聘政策及工作表現評估計劃。僱員的薪酬政策與業內慣例大致相符，乃按表現及工作經驗為基準制訂並定期作出檢討。花紅及其他獎賞乃視乎本集團及個別僱員表現而釐定，以鼓勵僱員達致最佳表現。本公司設有購股權計劃，據此可向本集團選定的人士授予購股權，旨在鼓勵僱員致力提升本集團的價值。

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

Certain directors of the Company personally hold options to subscribe for ordinary shares of the Company. Details of such options are disclosed under the paragraph "Share Option Scheme" below. Apart from those disclosed therein, as at 30 June 2009, none of the directors nor the chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) that were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

其他資料

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

本公司若干董事個人持有購股權，可認購本公司普通股。該等購股權的詳情於下文「購股權計劃」一段披露。除下文所披露者外，於2009年6月30日，概無本公司董事、最高行政人員及彼等各自之聯繫人於本公司或本公司任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債券中擁有任何須登記於本公司根據證券及期貨條例第352條備存之登記冊的權益或淡倉，或其他根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄10所載之上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益或淡倉。

OTHER INFORMATION

Share Option Scheme

During the six months ended 30 June 2009, no share option has been granted under the share option scheme adopted by the Company pursuant to an ordinary resolution passed on 20 June 2002 (the "Share Option Scheme").

As at 30 June 2009, the directors and the chief executive of the Company, employees of the Group and other participants had the following personal interests in options to subscribe for shares of the Company granted under the Share Option Scheme:

Name	姓名	Options outstanding at 1.1.2009 於2009年1月1日尚未行使的購股權	Options lapsed 已失效的購股權	Options outstanding at 30.6.2009 於2009年6月30日尚未行使的購股權
Directors	董事			
Tong Baoan	佟保安	2,280,000	—	2,280,000
Fan Qingwu (<i>Managing Director</i>)	范卿午 (<i>董事總經理</i>)	2,160,000	—	2,160,000
Hua Longxing	華龍興	2,160,000	—	2,160,000
Sub-total	小計	6,600,000	—	6,600,000
Employees and other participants	僱員及其他參與者	4,470,000	(390,000)	4,080,000
Total	合計	11,070,000	(390,000)	10,680,000

The outstanding options were all granted on 25 October 2005 under the Share Option Scheme. The options represent personal interest held by the grantees as beneficial owners. Grantees of such options are entitled to exercise the options at a price of HK\$1.488 per share in the following periods:

- (i) in respect of a 50% of the options stated above, from 1 November 2006 to 31 October 2009; and
- (ii) in respect of the remaining 50% of the options stated above, from 1 November 2007 to 31 October 2010.

No options granted under the Share Option Scheme were exercised or cancelled during the six months ended 30 June 2009.

其他資料

購股權計劃

於截至2009年6月30日止六個月內，本公司概無根據於2002年6月20日通過的普通決議案採納的購股權計劃（「購股權計劃」）授出購股權。

於2009年6月30日，本公司董事及最高行政人員、本集團僱員及其他參與者於根據購股權計劃所授出可認購本公司股份的購股權中擁有以下個人權益：

尚未行使之購股權乃全部於2005年10月25日根據購股權計劃所授出。購股權乃承授人以實益擁有人持有之個人權益。購股權之承授人有權於以下期間以每股股份1.488港元之價格行使購股權：

- (i) 自2006年11月1日起至2009年10月31日止，可行使上述購股權之50%；及
- (ii) 自2007年11月1日起至2010年10月31日止，可行使上述購股權餘下之50%。

於截至2009年6月30日止六個月內，根據購股權計劃授出之購股權概無獲行使或被註銷。

OTHER INFORMATION

Directors' Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the six months ended 30 June 2009 was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company or their respective associates (as defined under the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders

As at 30 June 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of their relevant interests in the shares or underlying shares of the Company:

其他資料

董事購買股份或債券之權利

除上文披露者外，於截至2009年6月30日止六個月內，本公司、其控股公司或其任何附屬公司或同系附屬公司概無訂立任何使本公司董事或彼等各自之聯繫人（定義見上市規則）可藉着購入本公司或任何其他法人團體之股份或債券而獲益之安排。

主要股東

於2009年6月30日，根據證券及期貨條例第336條本公司須備存之主要股東登記冊所示，下列股東已知會本公司彼等擁有本公司股份或相關股份之權益：

Name of shareholder	股東名稱	Number of shares held 持有股份數目	Percentage of shareholding 持股百分比
China Electronics Corporation (BVI) Holdings Company Limited ("CEC (BVI)")	China Electronics Corporation (BVI) Holdings Company Limited (「CEC (BVI)」)	812,500,000	74.98%
China Huada Integrated Circuit Design (Group) Co., Ltd. ("China Huada") (Note 2)	中國華大集成電路設計集團有限公司 (「中國華大」) (附註2)	393,680,000	36.33%
CEC (Notes 1 and 2)	中國電子集團 (附註1及2)	1,206,180,000	111.32%
SDIC High-Tech Investment Co., Ltd. (Note 2)	國投高科技投資有限公司 (附註2)	393,680,000	36.33%
The State Development and Investment Corporation (Note 2)	國家開發投資公司 (附註2)	393,680,000	36.33%
Devon Fortune Limited ("Devon Fortune")	Devon Fortune Limited (「Devon Fortune」)	60,798,358	5.61%
Chan Chak Shing ("Mr. Chan") (Note 3)	陳澤盛 (「陳先生」) (附註3)	64,923,358	5.99%
Wang Qinsheng (Note 4)	王芹生 (附註4)	55,733,840	5.14%

OTHER INFORMATION

Substantial Shareholders (continued)

Notes:

- (1) CEC holds 100% interest in CEC (BVI) and is deemed to be interested in the shares held by CEC (BVI). The directors regard CEC, a state-owned enterprise established under the law of the PRC, as being the ultimate holding company of the Group.
- (2) On 20 June 2008, the Company entered into an equity transfer agreement with China Huada in relation to the acquisition of 64.75% equity interest in Huada Electronics for a consideration of HK\$984.2 million ("China Huada Acquisition") which shall be satisfied by the Company allotting and issuing 393,680,000 Consideration Shares at an issue price of HK\$2.50 per Consideration Share. Completion of the China Huada Acquisition took place on 9 September 2009.

The equity interest of China Huada is contributed as to 50% by CEC and as to 50% by SDIC High-Tech Investment Co., Ltd. SDIC High-Tech Investment Co., Ltd. is a wholly-owned subsidiary of The State Development and Investment Corporation, which is a state-owned investment holding company established under the law of the PRC. By virtue of the SFO, CEC, SDIC High-Tech Investment Co., Ltd. and The State Development and Investment Corporation are deemed to be interested in the 393,680,000 Consideration Shares (allotted and issued upon completion of the China Huada Acquisition) which China Huada is interested in.

- (3) These 64,923,358 shares represented the aggregate of: (i) the family interest of Mr. Chan of 4,125,000 shares and (ii) the corporate interest of 60,798,358 shares held by Devon Fortune. As Mr. Chan holds 100% interest in Devon Fortune, Mr. Chan is deemed to be interested in the shares held by Devon Fortune.
- (4) On 20 June 2008, the Company entered into an equity transfer agreement with, among others, Ms. Wang Qinsheng, pursuant to which the Company agreed to purchase from Ms. Wang Qinsheng a 9.1668% equity interest in Huada Electronics for a consideration of HK\$139,334,600 which shall be satisfied by the Company allotting and issuing 55,733,840 Consideration Shares at an issue price of HK\$2.50 per Consideration Share. Completion of the acquisition took place on 9 September 2009.

其他資料

主要股東 (續)

附註：

- (1) 中國電子集團持有CEC (BVI)之100%權益，被視作擁有CEC (BVI)持有之股份之權益。董事視中國電子集團(根據中國法律成立之國有企業)為本集團之最終控股公司。
- (2) 2008年6月20日，本公司與中國華大就收購華大電子64.75%股本權益訂立股權轉讓協議，對價984.2百萬港元(「中國華大收購」)須透過本公司按發行價每股對價股份2.50港元配發及發行393,680,000股對價股份之方式支付。中國華大收購已於2009年9月9日完成。

中國華大之股本權益分別由中國電子集團及國投高科技投資有限公司各自出資50%。國投高科技投資有限公司為國家開發投資公司之全資附屬公司，而國家開發投資公司為一家根據中國法律成立之國有投資控股公司。根據證券及期貨條例，中國電子集團、國投高科技投資有限公司及國家開發投資公司被視為擁有中國華大所擁有之393,680,000股對價股份(於中國華大收購事項完成時配發及發行)。

- (3) 該等64,923,358股股份代表(i)陳先生的家屬持有之4,125,000股股份之權益及(ii) Devon Fortune持有之60,798,358股股份之法團權益之總數。由於陳先生持有Devon Fortune之100%權益，陳先生被視作擁有Devon Fortune持有之股份之權益。
- (4) 2008年6月20日，本公司與(其中包括)王芹生女士訂立股權轉讓協議，據此本公司同意購買王芹生女士於華大電子9.1668%股本權益，對價139,334,600港元須透過本公司按發行價每股對價股份2.50港元配發及發行55,733,840股對價股份之方式支付。收購已於2009年9月9日完成。

OTHER INFORMATION

Substantial Shareholders (continued)

Notes: (continued)

- (5) Upon completion of the acquisition of the entire equity interests in Huada Electronics by the Company on 9 September 2009, the Company has allotted and issued an aggregate of 608,000,000 shares as consideration for the acquisition. As a result of the allotment and issue of the Consideration Shares, the shareholding percentages of CEC (BVI), China Huada, CEC, SDIC High-Tech Investment Co., Ltd., The State Development and Investment Corporation and Ms. Wang Qinsheng in the Company as at the date of this interim report have been reduced from those percentages disclosed above to 48.03%, 23.27%, 71.30%, 23.27%, 23.27% and 3.30% of the issued share capital of the Company, respectively.

Pursuant to a notice filed by Mr. Chan with the Company in accordance with the SFO, the shareholding of Mr. Chan in the Company has been reduced to 50,731,358 shares on 27 July 2009, representing approximately 4.68% of the then issued share capital of the Company. Such 50,731,358 shares represented the aggregate of the family interest of Mr. Chan of 4,125,000 shares and the corporate interest of 46,606,358 shares held by Devon Fortune.

All the interests disclosed above represent long position in the shares or underlying shares of the Company.

Save as disclosed above, as at 30 June 2009, no person or corporation had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares and the Company has not redeemed any of its shares during the six months ended 30 June 2009.

其他資料

主要股東 (續)

附註：(續)

- (5) 於2009年9月9日本公司完成收購華大電子的全部股權時，本公司配發及發行合共608,000,000股股份作為收購的對價。由於配發及發行該等對價股份，於本中期報告日，CEC (BVI)、中國華大、中國電子集團、國投高科技投資有限公司、國家開發投資公司及王芹生女士於本公司的持股百分比分別從上文所披露的減少至本公司已發行股本的48.03%、23.27%、71.30%、23.27%、23.27%及3.30%。

根據陳先生根據證券及期貨條例向本公司提交的通知，於2009年7月27日陳先生於本公司的持股量減少至50,731,358股，即本公司於該日的已發行股本的4.68%。該等50,731,358股股份代表陳先生的家屬持有之4,125,000股股份及Devon Fortune持有之46,606,358股股份之法團權益之總數。

所有上文所披露之權益均為本公司股份或相關股份之好倉。

除上文披露者外，於2009年6月30日，概無任何人士或法團於按照本公司根據證券及期貨條例第336條須備存之股東登記冊所示的股份或相關股份中持有任何權益或淡倉。

購入、出售或贖回上市證券

於截至2009年6月30日止六個月內，本公司或其任何附屬公司並無購入或出售任何本公司股份，且本公司亦無贖回任何股份。

OTHER INFORMATION

Corporate Governance Practices

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2009, except for the following deviation:

The Chairman of the Board, Mr. Xiong Qunli did not attend the Annual General Meeting on 27 May 2009 (the “AGM”) due to other crucial business on that date. The Chairman is aware that his absence constituted deviation from the code provision E.1.2 of the CG Code which stipulates that the chairman of the board should attend the annual general meeting of the company. However, the Chairman has asked Vice Chairman, Mr. Tong Baoan to chair the AGM in his stead. Vice Chairman, the Chairman of Audit Committee, member of Remuneration Committee and the Managing Director attended the meeting and were available to answer questions at the AGM, so effective communication with shareholders was ensured.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code to regulate the directors’ securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the six months ended 30 June 2009.

Audit Committee

The audit committee comprises Messrs. Chan Kay Cheung, Wong Po Yan and Yin Yongli, who are independent non-executive directors. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with management. The audit committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2009.

其他資料

企業管治常規

於截至2009年6月30日止六個月內，本公司已應用上市規則附錄14所載之企業管治常規守則（「企業管治守則」）之原則，並遵循企業管治守則之所有適用守則條文，惟以下偏離事項除外：

於2009年5月27日舉行的本公司股東週年大會（「股東週年大會」）上，本公司董事會主席熊群力先生因處理其他重要事務未能出席，主席知悉此與規定董事會主席應出席公司股東週年大會之企業管治守則之守則條文E.1.2有所偏差。然而，主席已要求副主席佟保安先生代為主持股東週年大會。副主席、審核委員會主席、薪酬委員會委員及董事總經理均有出席股東週年大會，並在股東週年大會上回答提問，以確保與股東有效溝通。

董事進行證券交易的標準守則

本公司已採納標準守則，以監控董事進行的證券交易。經本公司作出具體查詢後，所有董事均已確認，於截至2009年6月30日止六個月內，彼等均已全面遵守標準守則。

審核委員會

審核委員會由三位獨立非執行董事組成，成員包括陳棋昌先生、黃保欣先生及尹永利先生。審核委員會已審閱本集團所採納之會計原則及慣例，並與管理層商討內部監控及財務報告事項。本集團截至2009年6月30日止六個月之未經審核簡明綜合中期財務資料已獲審核委員會審閱。

OTHER INFORMATION

Directors' Particulars

Changes in particulars of the directors of the Company are set out as follows:

1. Mr. Chan Kay Cheung was appointed senior advisor of The Bank of East Asia, Limited.
2. Mr. Tong Baoan ceased to be the chairman of Shanghai Hua Hong (Group) Company Limited.

By Order of the Board

Xiong Qunli
Chairman

Hong Kong, 14 September 2009

其他資料

董事資料

本公司董事資料更改列述如下：

1. 陳棋昌先生獲委任為東亞銀行有限公司高級顧問。
2. 佟保安先生已退任上海華虹(集團)有限公司董事長一職。

承董事會命

主席
熊群力

香港，2009年9月14日

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