



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED
泰 盛 實 業 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 1159

Interim Report
中期報告
2012

** For identification purposes only*
僅供識別

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CORPORATE INFORMATION

Directors

Executive Directors

Mr. Sun Ying Chung (*Chairman and Managing Director*)
Mr. Chan Sung Wai (*Deputy Chairman*)
Mr. Wong King Lam, Joseph (not re-elected on 1 June 2012)

Non-executive Directors

Mr. Lee Kwok Leung
Mr. Yang Yiu Chong, Ronald Jeffrey

Independent non-executive Directors

Mr. Lum Pak Sum
Mr. Law Chun Choi
Mr. Mak Ka Wing, Patrick

Company Secretary

Mr. Cheng Mei Chau

Audit Committee

Mr. Lum Pak Sum (*Chairman*)
Mr. Law Chun Choi
Mr. Mak Ka Wing, Patrick

Remuneration Committee

Mr. Law Chun Choi (*Chairman*)
Mr. Sun Ying Chung
Mr. Lum Pak Sum
Mr. Mak Ka Wing, Patrick

Nomination Committee

Mr. Sun Ying Chung (*Chairman*)
Mr. Lum Pak Sum
Mr. Law Chun Choi
Mr. Mak Ka Wing, Patrick

Investment Steering Committee

Mr. Yang Yiu Chong, Ronald Jeffrey (*Chairman*)
Mr. Chan Sung Wai
Mr. Lum Pak Sum

公司資料

董事

執行董事

辛衍忠先生 (*主席兼董事總經理*)
陳崇煒先生 (*副主席*)
黃景霖先生 (*於二零一二年六月一日未獲重選*)

非執行董事

李國樑先生
楊耀宗先生

獨立非執行董事

林栢森先生
羅進財先生
麥家榮先生

公司秘書

鄭美洲先生

審核委員會

林栢森先生 (*主席*)
羅進財先生
麥家榮先生

薪酬委員會

羅進財先生 (*主席*)
辛衍忠先生
林栢森先生
麥家榮先生

提名委員會

辛衍忠先生 (*主席*)
林栢森先生
羅進財先生
麥家榮先生

投資督導委員會

楊耀宗先生 (*主席*)
陳崇煒先生
林栢森先生

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Bermuda

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Bank of America Tower
12 Harcourt Road, Central
Hong Kong

Bermuda Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Secretaries Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Website

<http://www.aplushk.com/clients/1159>

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MANAGEMENT DISCUSSION AND ANALYSIS

Business and Operational Review

For the six months ended 30 June 2012 (the "Period"), the unsolved European debt crisis and global economic slowdown continued to wreak havoc in the Group's principal business of conductive silicon rubber keypads trading. In response to the market challenges, the Group dedicated itself to expanding its product portfolio, while actively identifying possible investment opportunities to diversify its business and income base.

The Group's revenue for the six-month period rose by 17.3% year on year to HK\$4,853,000, while gross profit trimmed to HK\$18,000 from HK\$730,000 of the same period last year as a result of high costs and increase in the proportion of lower profit margin associated products of conductive silicon rubber keypads.

Finance costs, which comprised effective interest on convertible bonds and promissory notes, amounted to HK\$16,009,000 for the first half of 2012, as compared to HK\$19,397,000 for the same period of 2011. The decrease in finance costs, which was due to the maturity of certain amount of promissory notes at the beginning of 2012, coupled with no loss/gain recognized from discontinued operations for the six months ended 30 June 2012 (2011 corresponding period: loss of HK\$35,000,000) had enabled the Group to narrow its loss attributable to owners of the Company to HK\$17,343,000 as opposed to HK\$54,377,000 for the same period of 2011. Basic loss per share for the Period was approximately HK2.47 cents (2011 corresponding period: basic loss per share was HK7.74 cents).

SEGMENTAL ANALYSIS

Conductive Silicon Rubber Keypads

The Group currently has only one operating segment, namely conductive silicon rubber keypads trading.

Affected by the unsolved European debt crisis and continuous economic slowdown, orders received from customers had reduced. On top of that, surge in smartphone use and rising popularity of touch-screen keyboards further undermined the sales volume of conductive silicon rubber keypads.

On the other hand, the cost of conductive silicon rubber keypads remained high due to increase in production costs as a result of rise in wages and raw material costs in Mainland China.

管理層討論及分析

業務及營運回顧

截至二零一二年六月三十日止六個月（「期內」），因歐洲債務危機仍未解決及全球經濟下滑，持續衝擊本集團之主要業務，即導電硅橡膠按鍵貿易。為應對市場挑戰，本集團致力於擴大其產品組合，同時積極物色可能投資機遇令其業務及收入基礎更多元化。

本集團於六個月期內之收益較去年同期上升17.3%至4,853,000港元，但毛利卻因高成本及導電硅橡膠按鍵相關產品之較低邊際利潤之比重增加，而由去年同期之730,000港元削減至18,000港元。

於二零一二年上半年之融資成本（包括可換股債券及承兌票據之實際利率）為16,009,000港元，而二零一一年同期則為19,397,000港元。融資成本減少（其由於於二零一二年年初若干數額之承兌票據到期所致）加上截至二零一二年六月三十日止六個月之概無來自已終止經營業務之已確認虧損／收益（二零一一年同期：虧損35,000,000港元）已令本集團減少本公司擁有人應佔虧損至17,343,000港元，而二零一一年同期則為54,377,000港元。期內每股基本虧損約為2.47港仙（二零一一年同期：每股基本虧損為7.74港仙）。

分部分析

導電硅橡膠按鍵

本集團現時僅設有一個經營分部，即導電硅橡膠按鍵貿易。

受尚未解決之歐洲債務危機及經濟持續下滑之影響，自客戶收到之訂單減少。除此之外，智能手機使用量激增及觸摸屏鍵盤受歡迎程度日增，進一步令導電硅橡膠按鍵之銷量下跌。

另一方面，由於中國內地工資提升以及原材料成本上升令生產成本上漲，導電硅橡膠按鍵之成本持續高企。

To cope with these market challenges, the Group continued to expand its product mix. During the period under review, the Group succeeded in uplifting its sales volume amid adverse market conditions, through increasing the proportion of associated products of conductive silicon rubber keypads. Benefiting from the enhanced sales volume, revenue from the Group's conductive silicon rubber keypads trading business rose by 17.3% to HK\$4,853,000 for the period under review. However, the profit margin of these associated products was lower, leading to a retreat in segment profit to HK\$18,000.

LCoS Televisions

As the LCoS television business has ceased operation and has been deconsolidated from the Group's consolidated financial statements with effect from 1 December 2009, this segment did not generate any revenue or profit during the period under review.

On 24 August 2011, the Group entered into a cancellation agreement with a purchaser ("Purchaser") to cancel a disposal agreement in relation to the LCoS television business. Pursuant to the cancellation agreement, HK\$35,000,000 of the HK\$50,000,000 deposit made as part payment of the consideration for the said disposal was returned to the Purchaser, while the remaining HK\$15,000,000 was retained by the Company. Accordingly, the LCoS television business reported a loss of HK\$35,000,000 for the first half of 2011.

During the six-month period, the Group continued to look for potential buyers, including the original vendors, to acquire the LCoS television business.

SUBSEQUENT EVENTS

The Group's share trading has been suspended since 30 July 2012, pending an announcement on a very substantial disposal. The Group will keep its shareholders informed on this transaction following clearance from the Stock Exchange of Hong Kong Limited.

FUTURE PLANS AND PROSPECTS

Global economic uncertainties and economic slowdown in major countries will continue in the second half of 2012. Sluggish demand and rising production costs are expected to pose even greater challenges for the Group's conductive silicon rubber keypads trading business.

The Group will continue to consolidate its existing business through exploring new associated products of conductive silicon rubber keypads and exercising stringent cost control.

To broaden its revenue base, the Group will keep identifying suitable targets for investment or acquisition. However, in view of the current market conditions, the Group will adopt a prudent investment approach when it comes to decide on a specific project.

為應對此等市場挑戰，本集團持續擴大其產品組合。於回顧期間，本集團透過增加導電硅橡膠按鍵之相關產品之比例，在市況欠佳之情況下成功提升其銷量。受惠於銷量增長，本集團之導電硅橡膠按鍵貿易業務之收益於回顧期間增長17.3%至4,853,000港元。然而，該等相關產品之邊際利潤較低，導致分部溢利下調至18,000港元。

LCoS電視

由於LCoS電視業務已終止營運並已自二零零九年十二月一日起取消綜合計入本集團之綜合財務報表，故此分部於回顧期間並無產生任何收益或溢利。

於二零一一年八月二十四日，本集團與買方（「買方」）訂立取消協議以取消有關LCoS電視業務之出售協議。根據取消協議，為支付所述出售之部份代價而作出之50,000,000港元按金中之35,000,000港元已退還予買方，而餘額15,000,000港元乃由本公司保留。因此，LCoS電視業務於二零一一年上半年錄得虧損35,000,000港元。

於此六個月期內，本集團持續物色潛在買家（包括原賣方）以收購LCoS電視業務。

結算日後事項

本集團之股份自二零一二年七月三十日起暫停買賣，以待發表有關非常重大出售事項之公佈。本集團將於香港聯合交易所有限公司審批後知會股東有關此交易之情況。

未來計劃及展望

於二零一二年下半年，全球經濟不明朗及主要國家經濟下滑之狀況將持續存在。需求低迷及生產成本攀升預期會對本集團之導電硅橡膠按鍵貿易業務構成更大挑戰。

本集團將持續透過探索新的導電硅橡膠按鍵相關產品及實行嚴格成本控制整固其現有業務。

為擴闊其收益基礎，本集團將繼續物色適當之投資或收購目標。然而，鑑於當前市況，本集團將在就某一特定項目作出決策時採取審慎投資方法。

INTERIM DIVIDEND

The Directors do not recommend any interim dividend for the six months ended 30 June 2012 (six months ended 30 June 2011: nil).

CAPITAL STRUCTURE

The Group has a deficiency in shareholders' equity of approximately HK\$323,738,000 (31 December 2011: a deficiency of approximately HK\$306,857,000). As at 30 June 2012, the short term and long term interest bearing debts to shareholders' equity was nil (31 December 2011: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operation by internally generated cash flow.

Prudent financial management and selective investment criteria have enabled the Group to maintain a stable financial position. As at 30 June 2012, the Group's fixed deposits and cash balances decreased to approximately HK\$13,184,000 (31 December 2011: approximately HK\$19,293,000).

As at 30 June 2012, the current ratio was approximately 0.17 (31 December 2011: approximately 0.24) based on current assets of approximately HK\$14,874,000 and current liabilities of approximately HK\$88,473,000 and the quick ratio was approximately 0.17 (31 December 2011: approximately 0.23).

MATERIAL ACQUISITION AND DISPOSAL

During the period under review, there were no material acquisitions or disposals of subsidiaries or associates of the Company.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

Most of the Group's assets, liabilities and business transactions are denominated in Hong Kong Dollars, Renminbi and US Dollars which have been relatively stable during the period. The Group was not exposed to material exchange risk and had not employed any financial instruments for hedging purposes.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2012, the Group employed approximately 7 full time employees in Hong Kong. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Employees may also participate in the share option scheme of the Group.

中期股息

董事並不建議就截至二零一二年六月三十日止六個月派發任何中期股息（截至二零一一年六月三十日止六個月：零）。

資本結構

本集團之股東權益虧絀約為323,738,000港元（二零一一年十二月三十一日：虧絀約306,857,000港元）。於二零一二年六月三十日，短期及長期計息債項佔股東權益比率為零（二零一一年十二月三十一日：零）。

流動資金及財政資源

本集團一般以內部產生之現金流量為其業務提供資金。

審慎理財及選擇性投資令本集團之財政狀況維持穩健。於二零一二年六月三十日，本集團之定期存款及現金結存減少至約13,184,000港元（二零一一年十二月三十一日：約19,293,000港元）。

於二零一二年六月三十日，流動比率約為0.17（二零一一年十二月三十一日：約0.24），此乃按流動資產約14,874,000港元及流動負債約88,473,000港元之基準計算，而速動比率約為0.17（二零一一年十二月三十一日：約0.23）。

重大收購及出售事項

於回顧期間，概無重大收購或出售本公司之附屬公司或聯營公司。

匯率波動風險

本集團大部份之資產、負債及商業交易均以港元、人民幣及美元結算，而該等貨幣於期內均相對穩定。本集團並無面臨重大匯率風險，故此並無採用任何金融工具作對沖用途。

僱員及薪酬政策

於二零一二年六月三十日，本集團僱用約七名香港全職僱員。本集團之薪酬政策主要根據現時之市場薪金水平，以及各公司及員工個別之表現為基準釐定。僱員亦可參與本集團之認購股權計劃。

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

As at 30 June 2012, the interests or short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange, or 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in the Appendix 10 to the Listing Rules were as follows:

Ordinary shares of HK\$0.1 each of the Company (Long positions)

Name of Director	Number of ordinary shares held personal interests 以個人權益方式 持有之普通股數目	Approximate percentage of issued share capital 佔已發行股本之 概約百分比
Mr. Sun Ying Chung 辛衍忠先生	23,000,000	3.27%

Save as disclosed above, as at 30 June 2012, none of the Directors or Chief Executive of the Company or their associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Company's share option scheme adopted on 29 May 2002 (the "Old Share Option Scheme") has been lapsed on 28 May 2012. No options have been granted under the Old Share Option Scheme since its adoption.

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

於二零一二年六月三十日，本公司董事及主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有已知會本公司及聯交所之權益或淡倉，或根據證券及期貨條例第352條規定而須存置之登記冊所記錄或已根據上市規則附錄十所載之上市公司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如下：

本公司每股面值0.1港元之普通股（好倉）

除上文所披露者外，於二零一二年六月三十日，概無本公司董事或主要行政人員或彼等之聯繫人於本公司或其任何相聯法團（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任何須根據證券及期貨條例第XV部之第7及8分部規定知會本公司及聯交所，或須記錄於本公司根據證券及期貨條例第352條須予存置之登記冊或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

認購股權計劃

本公司於二零零二年五月二十九日採納之認購股權計劃（「舊認購股權計劃」）已於二零一二年五月二十八日失效。自採納舊認購股權計劃以來，概無根據舊認購股權計劃授出認購股權。

On 1 June 2012, a share option scheme (the "New Share Option Scheme") was adopted. Details of the New Share Option Scheme are set out in note 19 to the unaudited condensed consolidated interim financial statements. No options have been granted under the New Share Option Scheme since its adoption.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as the Share Option Scheme of the Company, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2012, so far as was known to the directors and the chief executive of the Company, the following persons (other than any director and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

於二零一二年六月一日，本公司已採納一項認購股權計劃（「新認購股權計劃」）。新認購股權計劃之詳情載於未經審核簡明綜合中期財務報表附註19。自採納新認購股權計劃以來，概無根據新認購股權計劃授出認購股權。

董事收購股份或債券之權利

除本公司之認購股權計劃外，於本期間內任何時間，本公司或其任何附屬公司概無參與任何安排，致使本公司董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

主要股東之權益及淡倉

於二零一二年六月三十日，就本公司董事及主要行政人員所知，以下人士（本公司任何董事及主要行政人員除外）於本公司之股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或根據證券及期貨條例第336條存置之登記冊所記錄之權益或淡倉，或另行知會本公司及聯交所之權益或淡倉：

Name of shareholder	Capacity	Number of ordinary shares held	Approximate percentage of issued share capital of the Company
股東姓名／名稱	身份	所持普通股數目	佔本公司已發行股本概約百分比
China Eagle Development Limited ("China Eagle")	Beneficial owner (note 2) 實益擁有人(附註2)	4,669,500,000	664.83%
Hsu Ming Shan 許銘珊	Interest held by controlled corporation (note 2) 受控制法團持有之權益(附註2)	4,669,500,000	664.83%

Name of shareholder	Capacity	Number of ordinary shares held	Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比
股東姓名／名稱	身份	所持普通股數目	(Note 1) (附註1)
Lam Suk Fong	Interest held by controlled corporation (note 2) 受控制法團持有之權益 (附註2)	4,669,500,000	664.83%
Fairtime International Limited ("Fairtime")	Beneficial owner (note 3) 實益擁有人(附註3)	612,500,000	87.21%
Chan Shun Yuen [#]	Interest held by controlled corporation (note 3) 受控制法團持有之權益 (附註3)	612,500,000	87.21%
陳迅元 [#]			
Taiwan Micro Display Corporation ("TMDC") 台灣微型影像股份有限公司 (「TMDC」)	Beneficial owner (note 4) 實益擁有人(附註4)	468,000,000	66.63%
Golden Mount Limited ("Golden Mount")	Beneficial owner (note 5) 實益擁有人(附註5)	198,944,000 (L)	28.33%
Chim Pui Chung	Interest held by controlled corporation (note 5) 受控制法團持有之權益 (附註5)	198,944,000 (L)	28.33%
詹培忠			

Notes:

[#] Now known as Chan Hau Kong.

(L) All the shares are long positions.

1. The percentages are calculated based on the total number of issued shares of the Company of 702,356,000 shares as at 30 June 2012.

附註：

[#] 現稱陳厚光。

(L) 所有股份均為好倉。

1. 該等百分比乃根據於二零一二年六月三十日之本公司已發行股份總數702,356,000股計算。

2. Pursuant to the sale and purchase agreement dated 30 April 2008 and the supplemental agreement dated 24 October 2008 (collectively refer to as the "SPA"), subject to the provisions stated therein being satisfied, the Company might issue to China Eagle (beneficially owned by Hsu Ming Shan and Lam Suk Fong) up to a total of HK\$1,867,800,000 zero coupon convertible bonds (the "Convertible Bond") due 2014 at a conversion price (the "Conversion Price") of HK\$0.40 each, which entitling China Eagle to subscribe for up to 4,669,500,000 conversion shares at the Conversion Price upon exercise of the conversion rights attached to the Convertible Bonds in full.

The SPA completed on 15 January 2009 (the "Completion Date") and on the same date the Company issued the first tranche of HK\$67,800,000 Convertible Bonds to China Eagle at the Conversion Price (which entitling China Eagle to subscribe for 169,500,000 conversion shares upon exercise of the conversion rights attached to the Convertible Bonds in full). As at the date of this report, the Company has not yet issued the remaining HK\$1,800,000,000 Convertible Bonds.

3. Pursuant to the SPA, subject to the provisions stated therein being satisfied, the Company might issue to Fairtime (beneficially owned by Chan Shun Yuen who now known as Chan Hau Kong) up to a total of HK\$245,000,000 Convertible Bonds, which entitling Fairtime to subscribe for 612,500,000 conversion shares at the Conversion Price upon exercise of the conversion rights attached to such convertible bonds in full.

On Completion Date, the Company issued the first tranche of HK\$45,000,000 Convertible Bonds to Fairtime (which entitling Fairtime to subscribe for 112,500,000 conversion shares upon exercise of the conversion rights attached to the Convertible Bonds in full). As at the date of this report, the Company has not yet issued the remaining HK\$200,000,000 Convertible Bonds.

4. Pursuant to the SPA, the Company issued HK\$187,200,000 Convertible Bonds to TMDC on the Completion Date (which entitling TMDC to 468,000,000 conversion shares upon exercise of the conversion rights attached to the Convertible Bonds in full).
5. The entire issued share capital of Golden Mount is wholly and beneficially owned by Mr. Chim Pui Chung. By virtue of the Securities and Futures Ordinance, Mr. Chim Pui Chung is deemed to be interested in the 198,944,000 shares of the Company.

2. 根據日期為二零零八年四月三十日之買賣協議及日期為二零零八年十月二十四日之補充協議（統稱「買賣協議」），並在當中所載之條文獲達成規限下，本公司按每股0.40港元之換股價（「換股價」）可能向China Eagle（由許銘珊及Lam Suk Fong實益擁有）發行最多合共1,867,800,000港元於二零一四年到期之零息可換股債券（「可換股債券」），並賦予China Eagle可於可換股債券附予之換股權獲悉數行使後按換股價認購最多4,669,500,000股換股股份之權利。

買賣協議已於二零零九年一月十五日（「完成日」）完成，同日，本公司按換股價向China Eagle發行首批67,800,000港元之可換股債券（其賦予China Eagle可於可換股債券附予之換股權獲悉數行使後認購169,500,000股換股股份之權利）。於本報告日期，本公司仍未發行餘額1,800,000,000港元之可換股債券。

3. 根據買賣協議，並在當中所載之條文獲達成規限下，本公司可能向Fairtime（由陳迅元（現稱陳厚光）實益擁有）發行最多合共245,000,000港元之可換股債券，並賦予Fairtime可於該等可換股債券附予之換股權獲悉數行使後按換股價認購612,500,000股換股股份之權利。

於完成日，本公司向Fairtime發行首批45,000,000港元之可換股債券（其賦予Fairtime可於可換股債券附予之換股權獲悉數行使後認購112,500,000股換股股份之權利）。於本報告日期，本公司仍未發行餘額200,000,000港元之可換股債券。

4. 根據買賣協議，本公司於完成日向台灣微型影像發行187,200,000港元之可換股債券（其賦予台灣微型影像可於可換股債券附予之換股權獲悉數行使後認購468,000,000股換股股份之權利）。
5. Golden Mount之全部已發行股本乃由詹培忠先生全資實益擁有。鑑於證券及期貨條例，詹培忠先生被視為於198,944,000股本公司股份中擁有權益。

Save as disclosed above, the Company had not been notified and is not aware of any other persons who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 June 2012.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE PRACTICES

The Group has established a formal and transparent procedure to protect the interests of the shareholders of the Group. The Group regularly reviews the corporate governance procedures and developments of the Group. The Group applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the period under review, except that:

Under the code provision A.2.1, the roles of chairman and chief executive officer ("CEO") of the Group should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO of the Group should be clearly established and set out in writing. The roles of the chairman and the CEO of the Group was not separated and was performed by the same individual, Mr. Sun Ying Chung acted as both the chairman and CEO throughout the period under review. The Directors meet regularly to consider major matters affecting the operations of the Group. The Directors consider that this structure will not impair the balance of power and authority between the Directors and the management of Group and believes that this structure will enable the Group to make and implement decisions promptly and efficiently.

除上文所披露者外，於二零一二年六月三十日，本公司並無獲知會且不知悉任何其他人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須由本公司存置之登記冊所記錄之權益或淡倉。

審核委員會

審核委員會已與管理層審閱本集團所採用之會計原則及慣例，並已討論有關內部控制及財務報告等事宜，包括審閱截至二零一二年六月三十日止六個月之未經審核中期業績。

購買、出售或贖回本公司之上市證券

於截至二零一二年六月三十日止六個月，本公司及其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

企業管治常規

本集團已設立正式並具透明度之程序以保障本集團股東之利益。本集團定期檢討本集團之企業管治程序及發展。於整個回顧期間，本集團已應用香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則所列之原則並遵守所有守則條文，惟以下者除外：

根據守則條文A.2.1，本集團主席與行政總裁（「行政總裁」）之角色應有區分，並不應由一人同時兼任。本集團主席與行政總裁之間職責之分工應清楚界定，並以書面列載。於整個回顧期間，本集團主席與行政總裁之角色並無區分，乃由辛衍忠先生一人兼任。董事定期會面以考慮影響本集團營運之重大事項。董事認為，此架構將不會損害董事與本集團管理層之間的權力及職權平衡，並相信此架構將可令本集團迅速及有效率地作出和落實決定。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiry of all Directors, that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2012.

PUBLICATION OF OTHER FINANCIAL INFORMATION

Other financial information containing all the information required by Appendix 16 of the Listing Rules will be available on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Companies Information" and the website of the Company at www.aplushk.com/clients/1159 in due course.

On behalf of the board of Directors

Sun Ying Chung
Chairman

Hong Kong
29 August 2012

董事之證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）。經向全體董事作出具體查詢後，各董事均已確認，彼等已於截至二零一二年六月三十日止六個月內遵守標準守則所載之規定標準。

公佈其他財務資料

載有上市規則附錄十六規定之所有資料之其他財務資料，將於適當時候在香港交易及結算所有限公司網站www.hkex.com.hk之「最新上市公司資料」及本公司網站www.aplushk.com/clients/1159上登載。

代表董事會

辛衍忠
主席

香港
二零一二年八月二十九日

INTERIM RESULTS

The board of directors (the “Directors” or the “Board”) of Karce International Holdings Company Limited (“the Company”) is pleased to present the unaudited condensed consolidated operating results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2012, together with the unaudited comparative figures of the corresponding period in the 2011 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

中期業績

泰盛實業集團有限公司(「本公司」)董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至二零一二年六月三十日止六個月之未經審核簡明綜合營運業績，連同二零一一年同期之未經審核比較數字如下：

簡明綜合全面收益表

截至二零一二年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
Continuing operations	持續經營業務		
Revenue	收益	4	4,138
Cost of goods sold	已售貨品成本	(4,835)	(3,408)
Gross profit	毛利	18	730
Other revenue	其他收益	243	-
Administrative expenses	行政開支	(4,236)	(3,910)
Finance costs	融資成本	5	(19,397)
Loss before taxation	除稅前虧損	6	(22,577)
Income tax credit	所得稅抵免	7	3,200
Loss for the period from continuing operations	來自持續經營業務之 本期虧損	(17,343)	(19,377)

Six months ended 30 June
截至六月三十日止六個月

2012	2011
二零一二年	二零一一年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

Notes
附註

Discontinued operations	終止經營業務			
Loss for the period from discontinued operations	來自終止經營業務之 本期虧損	8	-	(35,000)
Loss for the period, attributable to owners of Company	本公司擁有人應佔 本期虧損		(17,343)	(54,377)
Increase in fair value of available-for-sale investments, representing other comprehensive income for the period	可供出售投資之 公平值增加· 為本期之 其他全面收入		462	-
Loss and total comprehensive expense for the period, attributable to owners of the Company	本公司擁有人 應佔本期虧損及 全面開支總額		(16,881)	(54,377)
			HK Cents 港仙	HK Cents 港仙
Loss per share	每股虧損	9		
From continuing and discontinued operations	來自持續經營業務及終止 經營業務			
Basic	基本		(2.47)	(7.74)
Diluted	攤薄		(2.47)	(7.74)
From continuing operations	來自持續經營業務			
Basic	基本		(2.47)	(2.76)
Diluted	攤薄		(2.47)	(2.76)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2012

於二零一二年六月三十日

			30 June 2012 二零一二年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current Assets	非流動資產			
Equipment	設備	11	14	16
Available-for-sale investments	可供出售投資	12	5,682	5,220
			5,696	5,236
Current Assets	流動資產			
Inventories	存貨		-	937
Trade receivables	貿易應收款項	13	893	927
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		797	474
Bank balances and cash	銀行結存及現金		13,184	19,293
			14,874	21,631
Current Liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項		973	3,757
Promissory notes	承兌票據	14	87,500	87,036
			88,473	90,793
Net Current Liabilities	流動負債淨值		(73,599)	(69,162)
Total Assets less Current Liabilities	總資產減流動負債		(67,903)	(63,926)
Non-current Liabilities	非流動負債			
Amount due to a shareholder	應付一名股東款項		1,653	1,653
Convertible bonds	可換股債券	15	245,128	229,583
Deferred tax liabilities	遞延稅項負債	16	9,054	11,695
			255,835	242,931
Net Liabilities	負債淨值		(323,738)	(306,857)
Capital and Reserves	資本及儲備			
Share capital	股本		70,236	70,236
Reserves	儲備		(393,974)	(377,093)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(323,738)	(306,857)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2011 (Unaudited)

截至二零一一年六月三十日止六個月 (未經審核)

		Attributable to owners of the Company 本公司擁有人應佔							Total
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Convertible bonds reserve 可換股債券儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日	70,236	102,675	1,564	(123)	-	120,398	(526,170)	(231,420)
Loss and total comprehensive expense for the period	本期虧損及全面開支總額	-	-	-	-	-	-	(54,377)	(54,377)
At 30 June 2011	於二零一一年六月三十日	70,236	102,675	1,564	(123)	-	120,398	(580,547)	(285,797)

For the six months ended 30 June 2012 (Unaudited)

截至二零一二年六月三十日止六個月 (未經審核)

		Attributable to owners of the Company 本公司擁有人應佔							Total
		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Convertible bonds reserve 可換股債券儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2012	於二零一二年一月一日	70,236	102,675	1,564	(123)	(14)	120,398	(601,593)	(306,857)
Loss for the period	本期虧損	-	-	-	-	-	-	(17,343)	(17,343)
Increase in fair value of available-for-sales investments recognised directly in equity	直接於權益中確認之可供出售投資之公平值增加	-	-	-	-	462	-	-	462
Loss and total comprehensive expense for the period	本期虧損及全面開支總額	-	-	-	-	462	-	(17,343)	(16,881)
At 30 June 2012	於二零一二年六月三十日	70,236	102,675	1,564	(123)	448	120,398	(618,936)	(323,738)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

簡明綜合現金流量表

截至二零一二年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash (used in)/from operating activities	(耗於)／來自經營業務之現金淨額	(6,109)	32,325
Net cash generated from investing activities	來自投資業務之現金淨額	-	15,000
Net (decrease)/ increase in cash and cash equivalents	現金及現金等值項目(減少)／ 增加淨額	(6,109)	47,325
Cash and cash equivalent at 1 January	於一月一日之現金及現金等值項目	19,293	15,856
Cash and cash equivalent at 30 June, represented by bank balances and cash	於六月三十日之現金及現金等值 項目，指銀行結存及現金	13,184	63,181

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information and basis of preparation

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The Company is an investment holding company where the Group is principally engaged in the trading and sale of conductive silicon rubber keypads and associated products.

The consolidated financial statements are presented in Hong Kong dollars, which are the functional currency of the Company.

These unaudited condensed consolidated interim financial statements 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 and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") (the "2011 Annual Report").

2. Accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

未經審核簡明綜合中期財務報表附註

1. 一般資料及編製基準

本公司乃一間在百慕達註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。

本公司為一間投資控股公司，本集團主要從事貿易及銷售導電硅橡膠按鍵及相關產品。

綜合財務報表以港元（即本公司之功能貨幣）呈列。

該等未經審核簡明綜合中期財務報表乃按照聯交所證券上市規則附錄十六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」編製。該等未經審核簡明綜合中期財務報表應連同截至二零一一年十二月三十一日止年度按照香港財務報告準則（「香港財務報告準則」）編製之年度財務報表（「二零一一年年報」）一併閱讀。

2. 會計政策

簡明綜合財務報表乃按歷史成本基準編製。截至二零一二年六月三十日止六個月之簡明綜合財務報表所用會計政策及計算方法與編製本集團截至二零一一年十二月三十一日止年度之年度財務報表所依循者相同。

2. Accounting policies (continued)

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA:

- amendments to HKFRS 7 “Financial Instruments: Disclosures – Transfers of Financial Assets”; and
- amendments to HKAS 12 “Deferred Tax: Recovery of Underlying Assets”

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 - 2011 Cycle ¹
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ²
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ³
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁴
HKFRS 9	Financial Instruments ¹
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹

2. 會計政策 (續)

於本中期期間，本集團首次採用香港會計師公會頒佈之對香港財務報告準則之下列修訂：

- 香港財務報告準則第7號(修訂本)「金融工具：披露－轉讓金融資產」；及
- 香港會計準則第12號「遞延稅項：收回相關資產」

於本中期期間採用上述對香港財務報告準則之修訂，對該等簡明綜合財務報表所呈報之金額及／或該等簡明綜合財務報表所載之披露事項並無重大影響。

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

香港財務報告準則 (修訂本)	香港財務報告準則 二零零九年至二零一一年週期的年度改進 ¹
香港財務報告準則第7號 (修訂本)	披露－抵銷金融資產及金融負債 ¹
香港財務報告準則第7號及第9號 (修訂本)	香港財務報告準則第9號的強制生效日期及過渡披露 ²
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號 (修訂本)	綜合財務報表、共同安排及披露於其他實體的權益：過渡指引 ¹
香港會計準則第1號 (修訂本)	呈列其他全面收入項目 ³
香港會計準則第32號 (修訂本)	抵銷金融資產及金融負債 ⁴
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第10號	綜合財務報表 ¹
香港財務報告準則第11號	共同安排 ¹
香港財務報告準則第12號	披露於其他實體的權益 ¹

2. Accounting policies (continued)

HKFRS 13	Fair Value Measurement ¹
HKAS 19 (as revised in 2011)	Employee Benefits ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

- ¹ Effective for annual periods beginning on or after 1 January 2013
- ² Effective for annual periods beginning on or after 1 January 2015
- ³ Effective for annual periods beginning on or after 1 July 2012
- ⁴ Effective for annual periods beginning on or after 1 January 2014

Saved as disclosed in the 2011 Annual Report, the directors of the Company anticipate that the application of the new and revised HKFRSs issued but not yet effective will have no material impact on the results and the financial position of the Group.

3. Segment information

Information reported to the executive Directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance focuses on types of goods sold.

The Group currently has only one operating segment, namely conductive silicon rubber keypads, which engages in the business of trading of conductive silicon rubber keypads and associated products.

During the year ended 31 December 2010, the directors have determined to discontinue the liquid crystal on silicon ("LCoS") television business and accordingly the LCoS television segment, being a separate operating segment for the purpose of HKFRS 8, constitutes a discontinued operation of the Group.

2. 會計政策 (續)

香港財務報告準則第13號	公平價值計量 ¹
香港會計準則第19號 (二零一一年經修訂)	僱員福利 ¹
香港會計準則第27號 (二零一一年經修訂)	獨立財務報表 ¹
香港會計準則第28號 (二零一一年經修訂)	於聯營公司及合營公司的投資 ¹
香港(國際財務報告詮釋委員會)－詮釋第20號	露天採礦場生產階段的剝採成本 ¹

- ¹ 於二零一三年一月一日或之後開始的年度期間生效
- ² 於二零一五年一月一日或之後開始的年度期間生效
- ³ 於二零一二年七月一日或之後開始的年度期間生效
- ⁴ 於二零一四年一月一日或之後開始的年度期間生效

除二零一一年年報所披露者外，本公司董事預期，採用已頒佈但未生效之新訂及經修訂香港財務報告準則將不會對本集團之業績及財務狀況構成任何重大影響。

3. 分部資料

就資源分配及分部表現評估而言，向作為主要經營決策者（「主要經營決策者」）之本公司執行董事呈報之資料集中於已售貨品類別。

本集團現時僅設有一個經營分部，即導電硅橡膠按鍵，該分部從事導電硅橡膠按鍵及相關產品貿易業務。

於截至二零一零年十二月三十一日止年度，董事決定終止硅液晶體（「LCoS」）電視業務。因此，LCoS電視分部（就香港財務報告準則第8號而言，為獨立經營分部）構成本集團之終止經營業務。

3. Segment information (continued)

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

Six months ended 30 June 2012

		Continuing operations 持續經營業務	Discontinued operations 終止經營業務	Total 合計
		Conductive silicon rubber keypads and segment total 導電硅橡膠按鍵及分部合計 HK\$'000 千港元	LCoS television and segment total LCoS電視及分部合計 HK\$'000 千港元	HK\$'000 千港元
Revenue – External sales	收益 – 外部銷售	4,853	–	4,853
Segment result	分部業績	18	–	18
Unallocated income (expenses) items:	未分配之收入 (開支) 項目:			
Central administration costs and directors' salaries	中央行政成本及董事薪金	(4,236)	–	(4,236)
Other income	其他收入	243	–	243
Finance costs	融資成本	(16,009)	–	(16,009)
Loss before taxation	除稅前虧損	(19,984)	–	(19,984)

3. 分部資料 (續)

以下為於回顧期間本集團按經營分部劃分之收益及業績分析：

截至二零一二年六月三十日止六個月

		Continuing operations 持續經營業務	Discontinued operations 終止經營業務	Total 合計
		Conductive silicon rubber keypads and segment total 導電硅橡膠按鍵及分部合計 HK\$'000 千港元	LCoS television and segment total LCoS電視及分部合計 HK\$'000 千港元	HK\$'000 千港元
Revenue – External sales	收益 – 外部銷售	4,853	–	4,853
Segment result	分部業績	18	–	18
Unallocated income (expenses) items:	未分配之收入 (開支) 項目:			
Central administration costs and directors' salaries	中央行政成本及董事薪金	(4,236)	–	(4,236)
Other income	其他收入	243	–	243
Finance costs	融資成本	(16,009)	–	(16,009)
Loss before taxation	除稅前虧損	(19,984)	–	(19,984)

3. Segment information (continued)

Six months ended 30 June 2011

		Continuing operations 持續經營業務	Discontinued operations 終止經營業務	Total 合計
		Conductive silicon rubber keypads and segment total 導電硅橡膠 按鍵及 分部合計 HK\$'000 千港元	LCoS television and segment total LCoS電視及 分部合計 HK\$'000 千港元	HK\$'000 千港元
Revenue – External sales	收益—外部銷售	4,138	–	4,138
Segment result	分部業績	376	–	376
Unallocated income (expenses) items:	未分配之收入 (開支)項目:			
Central administration costs and directors' salaries	中央行政成本及董事薪金	(3,556)	–	(3,556)
Impairment loss on intangible asset	無形資產之減值虧損	–	(50,000)	(50,000)
Gain on forfeited deposit for disposal of LCoS	沒收出售LCoS事項按金之收益	–	15,000	15,000
Finance costs	融資成本	(19,397)	–	(19,397)
Loss before taxation	除稅前虧損	(22,577)	(35,000)	(57,577)

3. 分部資料 (續)

截至二零一一年六月三十日止六個月

4. Revenue

Revenue, which is the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the period.

4. 收益

收益亦即本集團之營業額，指扣除期內退貨及貿易折扣後之已售貨品發票淨值。

5. Finance costs

5. 融資成本

		Continuing operations and consolidated 持續經營業務及綜合	
		Six months ended 30 June 截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
Effective interests on:	以下各項之實際利息：		
Convertible bonds	可換股債券	15,545	13,636
Promissory notes	承兌票據	464	5,761
		16,009	19,397

6. Loss before taxation

6. 除稅前虧損

		Continuing operations 持續經營業務		Discontinued operations 終止經營業務		Consolidated 綜合	
		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
		2012	2011	2012	2011	2012	2011
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Loss before taxation has been arrived at after charging:	除稅前虧損經扣除 下列項目達致：						
Cost of inventories recognised as expense	確認為開支之存貨成本	4,835	3,408	-	-	4,835	3,408
Depreciation of equipment	設備折舊	2	2	-	-	2	2
Directors' remuneration and staff costs	董事薪酬及僱員成本	947	727	-	-	947	727
Management fee (included in administrative expense, note)	管理費用(計入行政開支·附註)	404	434	-	-	404	434

Note: The above amount is paid to Man Lee Management Limited, a company beneficially held and significantly influenced by an entity which is also a shareholder that has significant influence over the Company, for the Group's share of administrative and management services fees for an office premise, included in which an amount of HK\$312,000 (2011: HK\$240,000) represents the share of the lease payments paid under an operating lease for the period.

附註：以上款項乃支付予萬利管理有限公司(一間亦為對本公司擁有重大影響力之股東之實體實益持有並受其重大影響之公司)作為本集團所佔辦公室物業之行政及管理服務費，而該筆款項中為數312,000港元(二零一一年：240,000港元)之款項為分佔本期間經營租約項下之已付租金。

7. Income tax credit

Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements since the Group has no assessable profits in Hong Kong for the period.

7. 所得稅抵免

香港利得稅乃根據期內於香港產生之估計應課稅溢利按16.5% (二零一一年六月三十日: 16.5%)之稅率計提。由於本期本集團於香港並無錄得應課稅溢利, 因此並無於簡明綜合財務報表內作出香港利得稅撥備。

		Continuing operations and consolidated	
		持續經營業務及綜合	
		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax credit	遞延稅項抵免		
- current period (note 16)	- 本期間 (附註16)	2,641	3,200

8. Discontinued operations

The (loss) gain from the discontinued operations of LCoS television business comprise:

8. 終止經營業務

來自LCoS電視業務之終止經營業務(虧損)收益包括:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
Impairment loss recognised	就無形資產確認之減值虧損		
in respect of intangible asset		-	(50,000)
Gain on forfeiture of the deposit	沒收出售Sourcestar之		
received for disposal of Sourcestar	已收按金之收益	-	15,000
		-	(35,000)

9. Loss per share attributable to the owners of the Company

(a) From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

9. 本公司擁有人應佔每股虧損

(a) 來自持續經營業務及終止經營業務

本公司擁有人應佔每股基本及攤薄虧損乃按下列數據計算：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
<i>Loss</i>	<i>虧損</i>		
Loss for the purpose of basic loss per share	就計算每股基本虧損之虧損	(17,343)	(54,377)
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
Interest on convertible bonds (net of tax)	可換股債券之利息 (扣除稅項)	12,980	11,386
Loss for the purpose of diluted loss per share	就計算每股攤薄虧損之虧損	(4,363)	(42,991)
<i>Number of shares</i>	<i>股份數目</i>	'000	'000
		千股	千股
Number of ordinary shares for the purpose of basic and diluted loss per share	就計算每股基本及攤薄虧損之普通股數目	702,356	702,356

The computation of diluted loss per share from continuing and discontinued operations does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in decrease in loss per share from continuing operations for the six months ended 30 June 2012 and 2011.

由於本公司之尚未行使可換股債券獲行使會導致截至二零一二年及二零一一年六月三十日止六個月來自持續經營業務之每股虧損減少，故此，於計算來自持續經營業務及終止經營業務之每股攤薄虧損時並無假設轉換該等債券。

9. Loss per share attributable to the owners of the Company (continued)

(b) From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
<i>Loss</i>	<i>虧損</i>		
Loss for the purpose of basic loss per share	就計算每股基本虧損之虧損	(17,343)	(19,377)
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
Interest on convertible bonds (net of tax)	可換股債券之利息 (扣除稅項)	12,980	11,386
Loss for the purpose of diluted loss per share	就計算每股攤薄虧損之虧損	(4,363)	(7,991)

The denominators used are the same as those detailed above for basic and diluted loss per share for continuing and discontinued operations.

(c) From discontinued operations

The discontinued operations contributed no results to the Group for the six months ended 30 June 2012.

Basic and diluted loss per share from the discontinued operations is HK4.98 cents per share, based on loss for the six months ended 30 June 2011 from discontinued operations attributed to the owners of the company of HK\$35,000,000 and the denominators detailed above for basic and diluted loss per share for continuing and discontinued operations.

9. 本公司擁有人應佔每股虧損 (續)

(b) 來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄虧損乃按下列數據計算：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元

所用分母與上文所述就計算持續經營業務及終止經營業務之每股基本及攤薄虧損所用者相同。

(c) 來自終止經營業務

截至二零一二年六月三十日止六個月，終止經營業務並無為本集團貢獻業績。

來自終止經營業務之每股基本及攤薄虧損為每股4.98港仙，乃根據截至二零一一年六月三十日止六個月本公司擁有人應佔來自終止經營業務之虧損35,000,000港元及上述就計算持續經營業務及終止經營業務之每股基本及攤薄虧損之分母計算。

10. Dividend

No interim dividend was paid or declared by the Company for the six months ended 30 June 2012 (2011: nil).

11. Movements in equipment

There was no material acquisition of equipment for the six months ended 30 June 2012 and 2011.

12. AVAILABLE-FOR-SALE INVESTMENTS

Amounts comprised:

10. 股息

本公司並無就截至二零一二年六月三十日止六個月派付或宣派中期股息(二零一一年:無)。

11. 設備之變動

截至二零一二年及二零一一年六月三十日止六個月並無有關設備之重大收購事項。

12. 可供出售投資

金額包括:

		At 30 June 2012 於二零一二年 六月三十日 HK\$'000 千港元	At 31 December 2011 於二零一一年 十二月三十一日 HK\$'000 千港元
PRC Subsidiary (note i)	中國附屬公司(附註i)	-	-
Equity securities listed in Hong Kong, at fair value (note ii)	於香港上市之權益證券, 按公平值(附註ii)	5,682	5,220
		5,682	5,220

Notes:

- (i) As set out in note 3 of the 2011 Annual Report, the Group lost the control over the PRC Subsidiary (as defined in the 2011 Annual Report) and the PRC Subsidiary had been deconsolidated from the consolidated financial statements of the Company on 1 December 2009. The PRC Subsidiary has therefore been recognised by the Company as an available-for-sale investment since then.
- (ii) The fair value is based on the quoted prices of the respective securities in active markets for identical assets.

附註:

- (i) 誠如二零一一年年報附註3所載,本集團已失去對中國附屬公司(定義見二零一一年年報)之控制權,而中國附屬公司已於二零零九年十二月一日自本公司之綜合財務報表內取消綜合入賬。因此,中國附屬公司自此已被本公司確認為可供出售投資。
- (ii) 公平值乃根據各自證券於可資識別資產之活躍市場之報價計算得出。

13. Trade receivables

The Group generally allows an average credit period of 60 days to its trade customers. An aged analysis of trade receivables, net of provision for impairment loss recognised in respect of trade receivables, is as follows:

	At 30 June 2012 於二零一二年 六月三十日 HK\$'000 千港元	At 31 December 2011 於二零一一年 十二月三十一日 HK\$'000 千港元
0-30 days	0至30日	893 927

14. Promissory notes

On 15 January 2009, the Group issued promissory notes of HK\$375,000,000 at zero coupon rate as part of the consideration for acquiring the entire interest in Pacific Choice Group (as defined in 2011 Annual Report). The effective interest rate was 16% at the date of grant.

On 16 February 2009, the Group and the bearer of the promissory notes had agreed that if there was an early repayment of HK\$250,000,000, 10% of the principal amount of the promissory notes, i.e. HK\$37,500,000, would be cancelled in favour to the Group. The repayment had been made on 19 February 2009.

On 26 April 2010, the Group and the bearer of the promissory notes had agreed to extend the maturity date from 14 January 2011 to 14 January 2012. A gain on extension of maturity of promissory note of approximately HK\$11,908,000 is recognised during the year ended 31 December 2010.

The promissory notes matured on 14 January 2012. No demand for claims of any amount of the promissory notes has been received from the holder of the promissory notes or its representative up to the date of this report.

13. 貿易應收款項

本集團一般給予其貿易客戶平均60日之信貸期。貿易應收款項(扣除就貿易應收款項確認之減值虧損撥備)之賬齡分析如下:

14. 承兌票據

於二零零九年一月十五日,本集團按零票息率發行375,000,000港元之承兌票據,作為收購Pacific Choice集團(定義見二零一一年年報)全部權益之部分代價。於授出日期,實際利率為16%。

於二零零九年二月十六日,本集團及承兌票據持票人已同意,倘出現提早償還250,000,000港元,則承兌票據本金額之10%(即37,500,000港元)將被註銷,歸本集團所有。償還已於二零零九年二月十九日作出。

於二零一零年四月二十六日,本集團及承兌票據持有人已同意將屆滿日期由二零一一年一月十四日延長至二零一二年一月十四日。於截至二零一零年十二月三十一日止年度,延長承兌票據到期日之收益約11,908,000港元已獲確認。

承兌票據於二零一二年一月十四日到期。截至本報告日期並無從承兌票據持有人或其代表收到有關承兌票據之任何金額之索償要求。

14. Promissory notes (continued)

The movements of the promissory note are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Carrying amount at the beginning of the period	期初之賬面值	87,036	74,964
Interest charged	扣除之利息	464	5,761
Carrying amount at the end of the period	期末之賬面值	87,500	80,725

15. Convertible bonds

Zero-coupon Tranche 1 Bonds due 2014

On 15 January 2009, the Company issued the Tranche 1 Bonds (as defined in 2011 Annual Report) due on 14 January 2014 with a principal amount of HK\$300,000,000 at zero coupon rate as part of the consideration for acquisition of the Pacific Choice Group. The Tranche 1 Bonds are convertible into fully paid ordinary shares at a conversion price of HK\$0.4 per share, subject to anti-dilutive adjustments. Upon full conversion a total of 750,000,000 new ordinary shares, as at 31 December 2010 and 2011, would be issued by the Company. The Company shall redeem any convertible bonds which remain outstanding on the maturity date at its principal amount.

None of the Tranche 1 Bonds was converted from the date of issue to the end of the reporting period.

The convertible bonds contain liability and equity components. The equity component is presented under the equity heading of "convertible bonds reserve".

The fair value of the liability component of the convertible bonds at the issue date was valued by an independent valuer determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan. The effective interest rate of the liability component is 14% per annum.

14. 承兌票據 (續)

承兌票據之變動如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
Carrying amount at the beginning of the period	期初之賬面值	87,036	74,964
Interest charged	扣除之利息	464	5,761
Carrying amount at the end of the period	期末之賬面值	87,500	80,725

15. 可換股債券

於二零一四年到期之第一批零息債券

於二零零九年一月十五日，本公司發行於二零一四年一月十四日到期本金額300,000,000港元之第一批零息債券（定義見二零一一年年報）作為收購Pacific Choice集團之部份代價。第一批債券按換股價每股0.4港元（可進行反攤薄調整）轉換為本公司之繳足普通股。於二零一零年及二零一一年十二月三十一日，於悉數轉換後，本公司將發行合共750,000,000股新普通股。本公司須按其本金額贖回於到期日尚未行使之任何可換股債券。

自發行日期至報告期間末，第一批債券概無獲轉換。

可換股債券包含負債及權益部份。權益部份以權益項下之「可換股債券儲備」呈列。

可換股債券負債部份於發行日期之公平值由獨立估值師依據同等非可換股貸款按現行市場利率貼現之估計未來現金流出之現值而釐定。負債部份之實際利率為每年14%。

15. Convertible bonds (continued)

The movement of the liability component of the convertible bonds for the period is set out below:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at the beginning of the period	期初之賬面值	229,583	201,389
Interest charged	扣除之利息	15,545	13,636
Carrying amount at the end of the period	期末之賬面值	245,128	215,025

16. Deferred tax liabilities

The major deferred tax liabilities recognised by the Group and movements thereon during the current period and prior fiscal year are as follows:

15. 可換股債券 (續)

可換股債券之負債部份於期內之變動載列如下：

16. 遞延稅項負債

本集團確認之主要遞延稅項負債及其於本期間及過往財政年度內之變動詳情如下：

		Promissory notes	Convertible bonds	Total
		承兌票據	可換股債券	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2011	於二零一一年一月一日	2,068	16,271	18,339
Credit to profit or loss	計入損益			
– Release upon amortisation of promissory notes and convertible bonds under effective interest method	– 根據實際利率法攤銷承兌票據及可換股債券時撥回	(950)	(2,250)	(3,200)
At 30 June 2011	於二零一一年六月三十日	1,118	14,021	15,139
At 1 January 2012	於二零一二年一月一日	76	11,619	11,695
Credit to profit or loss	計入損益			
– Release upon amortisation of promissory notes and convertible bonds under effective interest method	– 根據實際利率法攤銷承兌票據及可換股債券時撥回	(76)	(2,565)	(2,641)
At 30 June 2012	於二零一二年六月三十日	–	9,054	9,054

17. Material acquisition and disposal

During the period under review, there were no material acquisitions or disposals of subsidiaries or associates of the Company.

18. Related party disclosures

(i) Particulars of amount due to a related party

	At 30 June 2012 於二零一二年 六月三十日 HK\$'000 千港元	At 31 December 2011 於二零一一年 十二月三十一日 HK\$'000 千港元
A shareholder, who has significant influence, of the Company, included in non-current liabilities (note)	1,653	1,653

Note: The amount is unsecured, interest free and has no fixed terms of repayment. The shareholder has agreed not to demand for repayment for twelve months from the end of the reporting period. Accordingly, the amount is classified as non-current.

(ii) Key management compensation

The remuneration of the key management of the Group during the period was as follows:

	Six months ended 30 June 截至六月三十日止六個月	
	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Short-term benefits	496	485
Retirement benefits scheme contributions	18	11
	514	496

The remuneration of directors and other members of key management is determined by the board of directors having regard to the performance of individual and market trends.

17. 重大收購及出售事項

於回顧期間，概無重大收購或出售本公司之附屬公司或聯營公司。

18. 關連人士披露

(i) 應付一名關連人士之款項詳情

	At 30 June 2012 於二零一二年 六月三十日 HK\$'000 千港元	At 31 December 2011 於二零一一年 十二月三十一日 HK\$'000 千港元
A shareholder, who has significant influence, of the Company, included in non-current liabilities (note)	1,653	1,653

附註：該款項為無抵押、免息及並無固定還款期。股東已同意不會於報告期末起計十二個月要求償還。因此，該款項分類為非流動。

(ii) 主要管理人員薪酬

期內本集團主要管理人員薪酬如下：

	Six months ended 30 June 截至六月三十日止六個月	
	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Short-term benefits	496	485
Retirement benefits scheme contributions	18	11
	514	496

董事及其他主要管理人員成員之薪酬由董事會經參考個人表現及市場趨勢釐定。

19. Share option scheme

The Company's share option scheme adopted on 29 May 2002 (the "Old Share Option Scheme") has lapsed on 28 May 2012. No options have been granted under the Old Share Option Scheme since its adoption.

On 1 June 2012, a share option scheme (the "New Share Option Scheme") was adopted. Under the New Share Option Scheme, the Board of the Directors may grant options to eligible participants, including employees and directors, of the Company and any of its subsidiaries to subscribe for shares of the Company. The New Share Option Scheme is valid and effective for a period of 10 years commencing from the adoption date after which no further options may be issued.

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

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

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

20. Contingent liabilities

The group did not have any significant contingent liabilities as at 30 June 2012 and 31 December 2011 .

21. Capital commitments

The group did not have any significant capital commitments as at 30 June 2012 and 31 December 2011.

19. 認購股權計劃

本公司於二零零二年五月二十九日採納之認購股權計劃（「舊認購股權計劃」）已於二零一二年五月二十八日失效。自舊認購股權計劃獲採納以來概無根據舊認購股權計劃授出任何認購股權。

於二零一二年六月一日，本公司採納一項認購股權計劃（「新認購股權計劃」），根據新認購股權計劃，董事會可向合資格參與者（包括本公司及其任何附屬公司之僱員及董事）授出可認購本公司股份之認購股權。新認購股權計劃乃由採納日期起計十年內有效，其後將不得再發行任何認購股權。

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

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

自新認購股權計劃獲採納以來概無根據新認購股權計劃授出任何認購股權。

20. 或然負債

於二零一二年六月三十日及二零一一年十二月三十一日，本集團並無任何重大或然負債。

21. 資本承擔

於二零一二年六月三十日及二零一一年十二月三十一日，本集團並無任何重大資本承擔。



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED
泰 盛 實 業 集 團 有 限 公 司