

KaShui 1980

Ka Shui International Holdings Limited
嘉瑞國際控股有限公司

Incorporated in the Cayman Islands with Limited Liability
於開曼群島註冊成立的有限公司

Stock Code 股份代號：822

Interim Report 中期報告 2014

**Professional
Services
Come From
Continuous
Innovation**
**專業服務
源自持續創新**



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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Lee Yuen Fat
(Chairman and Chief Executive Officer)
Dr. Keung Wing Ching
(Vice Chairman and Chief Executive Officer)
(resigned on 1 July 2014)

Independent Non-Executive Directors

Mr. Sun Kai Lit Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *BBS, MH, JP*
Mr. Yeow Hoe Ann John
Mr. Andrew Look

AUTHORISED REPRESENTATIVES

Mr. Chan Tat Cheong, Alan
Ms. Yam Suk Yee Celia

COMPANY SECRETARY

Ms. Yam Suk Yee Celia

AUDIT COMMITTEE

Mr. Yeow Hoe Ann John
Mr. Sun Kai Lit Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *BBS, MH, JP*
Mr. Andrew Look

NOMINATION COMMITTEE

Mr. Sun Kai Lit Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *BBS, MH, JP*
Mr. Yeow Hoe Ann John
Mr. Andrew Look

REMUNERATION COMMITTEE

Mr. Sun Kai Lit Cliff *BBS, JP*
Ir Dr. Lo Wai Kwok *BBS, MH, JP*
Mr. Yeow Hoe Ann John
Mr. Andrew Look

董事

執行董事

李遠發先生
(主席兼行政總裁)
姜永正博士
(副主席兼行政總裁)
(於二零一四年七月一日辭任)

獨立非執行董事

孫啟烈先生 *BBS, 太平紳士*
盧偉國博士 *BBS, MH, 太平紳士*
姚和安先生
陸東先生

授權代表

陳達昌先生
任淑儀小姐

公司秘書

任淑儀小姐

審核委員會

姚和安先生
孫啟烈先生 *BBS, 太平紳士*
盧偉國博士 *BBS, MH, 太平紳士*
陸東先生

提名委員會

孫啟烈先生 *BBS, 太平紳士*
盧偉國博士 *BBS, MH, 太平紳士*
姚和安先生
陸東先生

薪酬委員會

孫啟烈先生 *BBS, 太平紳士*
盧偉國博士 *BBS, MH, 太平紳士*
姚和安先生
陸東先生



CORPORATE INFORMATION (Continued) 公司資料(續)

REGISTERED OFFICE

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Fenghuang Road East Section
Pinghu Town, Longgang District
Shenzhen, the PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Hong Kong

AUDITOR

RSM Nelson Wheeler

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Hang Seng Bank Limited
DBS Bank (Hong Kong) Limited
Australia and New Zealand Banking Group Limited

WEBSITE

www.kashui.com

註冊辦事處

Clifton House, 75 Fort Street
P.O. Box 1350 GT, George Town
Grand Cayman, Cayman Islands

香港主要營業地點

香港九龍
九龍灣宏光道1號
億京中心B座29樓A室

中華人民共和國(「中國」) 主要營業地點

中國深圳市
龍崗區平湖鎮
鳳凰路東段

主要股份過戶登記處

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
香港皇后大道東183號
合和中心17樓1712-1716室

核數師

中瑞岳華(香港)會計師事務所

主要往來銀行

渣打銀行(香港)有限公司
恒生銀行有限公司
星展銀行(香港)有限公司
澳盛銀行集團有限公司

網址

www.kashui.com



KEY INFORMATION FOR SHAREHOLDERS

股東主要資料

FINANCIAL CALENDAR

Announcement of 2014 Interim Results
26 August 2014

STOCK CODE

822

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

Ms. Celia Yam
Company Secretary
Ka Shui International Holdings Limited
Room A, 29/F, Tower B, Billion Centre
1 Wang Kwong Road, Kowloon Bay
Kowloon, Hong Kong
Tel: (852) 3759 8900
Fax: (852) 2752 8889
Email: celia.yam@kashui.com

財務日誌

二零一四年中期業績公佈
二零一四年八月二十六日

股份編號

822

每手股數

2,000股

投資者關係

任淑儀小姐
公司秘書
嘉瑞國際控股有限公司
香港九龍
九龍灣宏光道1號
億京中心B座29樓A室
電話：(852) 3759 8900
傳真：(852) 2752 8889
電郵：celia.yam@kashui.com

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

簡明綜合損益表

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

The Board of Directors (the "Board") of Ka Shui International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014, together with the comparative figures for the corresponding period in 2013.

嘉瑞國際控股有限公司(「本公司」)董事會(「董事會」)欣然宣佈本公司及其附屬公司(「本集團」)截至二零一四年六月三十日止六個月之未經審核簡明綜合財務業績，連同二零一三年之比較數字。

		For the six months ended 30 June 截至六月三十日止六個月		
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)	
	Note 附註			
Turnover	營業額	4	755,798	891,376
Cost of sales	銷售成本		(617,578)	(680,049)
Gross profit	毛利		138,220	211,327
Other income	其他收入	5	7,645	10,050
Selling and distribution expenses	銷售及分銷開支		(16,303)	(12,414)
General and administrative expenses	一般及行政開支		(135,923)	(116,434)
Other operating income	其他營運收入		623	-
(Loss)/profit from operations	經營(虧損)/溢利		(5,738)	92,529
Finance costs	融資成本	6	(6,222)	(4,786)
(Loss)/profit before tax	除稅前(虧損)/溢利		(11,960)	87,743
Income tax expense	所得稅開支	7	(7,827)	(17,304)
(Loss)/profit for the period	期內(虧損)/溢利	8	(19,787)	70,439
Attributable to	應佔			
Owners of the Company	本公司權益持有人		(11,894)	70,503
Non-controlling interests	非控股權益		(7,893)	(64)
			(19,787)	70,439
(Loss)/earnings per share	每股(虧損)/盈利	10		
- Basic (HK cents)	- 基本(港仙)		(1.3)	7.9
- Diluted (HK cents)	- 攤薄(港仙)		(1.3)	7.9

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益表及其他全面收益表

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
(Loss)/profit for the period	期內(虧損)/溢利	(19,787)	70,439
Other comprehensive income for the period, net of tax:	期內之除稅後其他全面收益：		
<i>Item that will be reclassified to profit or loss:</i>	<i>將會重新分類至損益之項目：</i>		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(14,732)	12,957
Total comprehensive income for the period	期內全面收益總額	(34,519)	83,396
Attributable to	應佔		
Owners of the Company	本公司權益持有人	(26,130)	83,460
Non-controlling interests	非控股權益	(8,389)	(64)
		(34,519)	83,396

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2014 於二零一四年六月三十日

		Note 附註	As at 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	11	742,197	732,377
Goodwill	商譽		1,630	1,630
Intangible assets	無形資產		15,528	16,728
Available-for-sale financial assets	可供出售金融資產		-	-
Deposits paid for acquisition of property, plant and equipment	預付購買物業、機器及設備之按金		38,241	10,516
			797,596	761,251
Current assets	流動資產			
Inventories	存貨		150,697	142,546
Trade receivables	貿易應收款項	12	387,411	397,703
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		68,127	70,902
Financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產		-	48,000
Pledged bank deposits	已抵押銀行存款		194	194
Restricted bank balances	有限制銀行存款		609	4,779
Bank and cash balances	銀行及現金結餘		213,211	275,233
			820,249	939,357
Current liabilities	流動負債			
Trade payables	貿易應付款項	13	202,686	219,140
Deposits received	已收按金		2,756	2,243
Other payables and accruals	其他應付款項及應計費用		69,055	77,473
Due to a related company	應付關連公司款項	16(c)	879	1,776
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債		3,386	-
Bank borrowings and overdrafts	銀行借款及透支		488,351	496,176
Current portion of obligations under finance leases	融資租約承擔的即期部分		188	1,330
Current tax liabilities	即期稅項負債		22,346	24,608
			789,647	822,746
Net current assets	流動資產淨值		30,602	116,611
Total assets less current liabilities	資產總值減流動負債		828,198	877,862

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

簡明綜合財務狀況表(續)

As at 30 June 2014 於二零一四年六月三十日

		As at 30 June 2014 於二零一四年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2013 於二零一三年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current liabilities	非流動負債		
Long term bank borrowings	長期銀行借款	50,000	-
Deferred tax liabilities	遞延稅項負債	23,961	24,299
		73,961	24,299
NET ASSETS	資產淨值	754,237	853,563
Capital and reserves	資本及儲備		
Share capital	股本	89,372	89,345
Reserves	儲備	623,891	714,903
Equity attributable to owners of the Company	本公司權益持有人 應佔權益	713,263	804,248
Non-controlling interests	非控股權益	40,974	49,315
TOTAL EQUITY	權益總額	754,237	853,563

Note
附註

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

(Unaudited)

(未經審核)

		Attributable to owners of the Company 本公司權益持有人應佔權益											
		Share capital	Share premium	Retained earnings	Capital reserve	Merger reserve	Foreign currency translation reserve	Share-based payments	Statutory reserve	Revaluation reserve	Total	Non-controlling interests	Total equity
		股本	股份溢價	保留盈利	資本儲備	合併儲備	匯兌儲備	認股權證儲備	法定儲備	重估儲備	總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2014	於二零一四年一月一日	89,345	204,338	340,483	8,036	(9,931)	75,790	24	8,601	87,562	804,248	49,315	853,563
Total comprehensive income for the period	期內全面收益總額	-	-	(11,894)	-	-	(14,236)	-	-	-	(26,130)	(8,389)	(34,519)
Grant of shares under share award scheme	就股份獎勵計劃而授出之股份	21	-	-	-	-	-	271	-	-	292	-	292
Vesting of shares granted under share award scheme	歸屬根據股份獎勵計劃授出的股份	-	271	-	-	-	-	(271)	-	-	-	-	-
Issue of shares upon the exercise of share options	因行使購股權而發行之股份	6	16	-	-	-	-	-	-	-	22	-	22
Exercise of share options	行使之購股權	-	5	-	-	-	-	(5)	-	-	-	-	-
Forfeiture of share options	沒收之購股權	-	-	4	-	-	-	(4)	-	-	-	-	-
Transfer from statutory reserve	由法定儲備轉移	-	-	878	-	-	-	-	(878)	-	-	-	-
Recognition of share-based payments	確認以股權結算之款項	-	-	-	-	-	-	72	-	-	72	48	120
Final dividends paid	已付末期股息	-	-	(65,241)	-	-	-	-	-	-	(65,241)	-	(65,241)
At 30 June 2014	於二零一四年六月三十日	89,372	204,630	264,230	8,036	(9,931)	61,554	87	7,723	87,562	713,263	40,974	754,237
At 1 January 2013	於二零一三年一月一日	89,044	203,040	378,221	8,036	(9,931)	59,100	371	7,705	80,188	815,774	-	815,774
Total comprehensive income for the period	期內全面收益總額	-	-	70,503	-	-	12,957	-	-	-	83,460	(64)	83,396
Issue of shares upon the exercise of share options	因行使購股權而發行之股份	298	939	-	-	-	-	-	-	-	1,237	-	1,237
Exercise of share options	行使之購股權	-	343	-	-	-	-	(343)	-	-	-	-	-
Transfer to statutory reserve	轉移至法定儲備	-	-	(891)	-	-	-	-	891	-	-	-	-
Capital injection by non-controlling interest	非控股權益資金投入	-	-	-	-	-	-	-	-	-	-	10,143	10,143
Final dividends paid	已付末期股息	-	-	(74,153)	-	-	-	-	-	-	(74,153)	-	(74,153)
At 30 June 2013	於二零一三年六月三十日	89,342	204,322	373,680	8,036	(9,931)	72,057	28	8,596	80,188	826,318	10,079	836,397

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
Net cash generated from operating activities	經營業務所得現金淨額	50,396	94,520
Net cash used in investing activities	投資活動所耗現金淨額	(91,650)	(49,264)
Net cash (used in)/generated from financing activities	融資活動(所耗)/所得現金淨額	(24,097)	103,807
Net (decrease)/increase in cash and cash equivalents	現金及等同現金項目(減少)/增加淨額	(65,351)	149,063
Cash and cash equivalents at beginning of period	於期初的現金及等同現金項目	275,144	135,243
Effect of foreign exchange rate change	匯率變動影響	3,418	2,191
Cash and cash equivalents at end of period	於期末的現金及等同現金項目	213,211	286,497
Analysis of cash and cash equivalents	現金及等同現金項目分析		
Bank and cash balances	銀行及現金結餘	213,211	286,497

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

1. CORPORATE INFORMATION

The Group is principally engaged in the sale and manufacture of zinc, magnesium and aluminum alloy die casting and plastic injection products and components as well as lighting products which are mainly sold to customers engaging in the household products, 3C (communication, computer and consumer electronics) products, automotive parts and lighting products industries.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 7 January 2005.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2013 annual financial statements. The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

1. 公司資料

本集團以生產鋅、鎂及鋁合金壓鑄、塑膠注塑產品及零部件以及照明產品為主，主要售予從事家居用品、3C（通訊、電腦及消費者電子）產品、汽車零部件及照明產品業務的客戶。

本公司於二零零五年一月七日根據開曼群島公司法在開曼群島註冊成立為受豁免有限公司。

2. 編製基準及主要會計政策

簡明財務報表乃按照香港會計師公會（「會計師公會」）頒佈的香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則的適用披露規定編撰。

此簡明綜合財務報表必須與二零一三年財務報表一併閱覽。簡明綜合財務報表所使用的會計政策及計算方法，與編撰截至二零一三年十二月三十一日止年度財務報表時所使用的會計政策相同。

於本期間，本集團已採納適用於本身營運，由會計師公會所頒佈並自二零一四年一月一日開始的會計年度生效的所有新訂及經修訂香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括香港財務報告準則、香港會計準則及詮釋。採納該等新訂及經修訂的香港財務報告準則並未使本集團的會計政策、本集團財務報表的呈報方式及本期間與以往期間呈報的金額出現重大變動。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

2. 編製基準及主要會計政策(續)

本集團並未應用已頒佈但尚未生效之新訂香港財務報告準則。本集團已開始評估該等新訂香港財務報告準則之影響，但尚未確定該等新訂香港財務報告準則是否對本集團的營運業績及財務狀況有重大影響。

3. 公平值計量

本集團之金融資產及金融負債於綜合財務狀況表反映之賬面值概若相等於各自之公平值。

公平值指市場參與者之間於計量日期在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公平值等級計量的公平值，用作計量公平值的估值方法參數據此分為三個級別：

第1層：集團可於計量日期獲得之相同資產及負債於活躍市場之報價(未經調整)。

第2層：第一層所包括於報價以外，資產及負債直接或間接觀察得出之參數。

第3層：資產或負債不可觀察之參數。

本集團的政策為確認截至事件或變化日期導致轉讓的任何三個級別轉入及轉出情況。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Disclosures of level in fair value hierarchy at 30 June 2014:

Description	項目
Recurring fair value measurements:	經常性公平值計量：
Financial liabilities at fair value through profit or loss	按公平值計入損益賬的金融負債
Derivatives - foreign exchange contracts	衍生工具－外匯合約
Total recurring fair value measurements	經常性公平值計量總計

Disclosures of level in fair value hierarchy at 31 December 2013:

Description	項目
Recurring fair value measurements:	經常性公平值計量：
Financial assets at fair value through profit or loss	按公平值計入損益賬的金融資產
Derivatives - foreign exchange contracts	衍生工具－外匯合約
Investment product	投資產品
Total recurring fair value measurements	經常性公平值計量總計

3. 公平值計量(續)

(a) 公平值等級架構於二零一四年六月三十日之各層披露如下：

Fair value measurements as at 30 June 2014 using:				Total
公平值計量利用：				總額
Level 1	Level 2	Level 3	2014	
第1層	第2層	第3層	二零一四年	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
(未經審核)	(未經審核)	(未經審核)	(未經審核)	
-	(3,386)	-	(3,386)	
-	(3,386)	-	(3,386)	

公平值等級架構於二零一三年十二月三十一日之各層披露如下：

Fair value measurements as at 31 December 2013 using:				Total
公平值計量利用：				總額
Level 1	Level 2	Level 3	2013	
第1層	第2層	第3層	二零一三年	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	
(Audited)	(Audited)	(Audited)	(Audited)	
(經審核)	(經審核)	(經審核)	(經審核)	
-	8,337	-	8,337	
-	39,663	-	39,663	
-	48,000	-	48,000	

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) *Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2014:*

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

Level 2 fair value measurements

第二層公平值計量

3. 公平值計量(續)

(b) 於二零一四年六月三十日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：

本集團的財務總監負責就財務報告進行所需的資產及負債的公平值計量(包括第3層公平值計量)。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次檢討討論估值程序及有關結果。

Description 項目	Valuation technique 估值方法	Inputs 參數	Fair value as at 30 June 2014 於二零一四年 六月三十日的公平值 HK\$'000 千港元 (Unaudited) (未經審核)
Derivatives - foreign exchange contracts 衍生工具-外匯合約	Marking-to-market approach and discounted cash flow method 市價計值法及折現現金流法	(a) Contractual amount (b) Risk-free rate (c) Expected tenor (d) Contractual exchange rate (e) Settlement date market forward exchange rate (a) 合約金額 (b) 無風險利率 (c) 預計年期 (d) 合約匯率 (e) 結算日的市場遠期匯率	(3,386)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

3. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 30 June 2014: (continued)

Level 2 fair value measurements

第二層公平值計量

3. 公平值計量(續)

(b) 於二零一四年六月三十日本集團所採用的估值程序及公平值計量所採用的估值方法及參數的披露：(續)

Description 項目	Valuation technique 估值方法	Inputs 參數	Fair value as at 31 December 2013 於二零一三年 十二月三十一日的公平值 HK\$'000 千港元 (Audited) (經審核)
Derivatives – foreign exchange contracts 衍生工具—外匯合約	Marking-to-market approach and discounted cash flow method 市價計值法及折現現金流法	(a) Contractual amount (b) Risk-free rate (c) Expected tenor (d) Contractual exchange rate (e) Settlement date market forward exchange rate (a) 合約金額 (b) 無風險利率 (c) 預計年期 (d) 合約匯率 (e) 結算日的市場遠期匯率	8,337
Investment product 投資產品	Marking-to-market approach and discounted cash flow method 市價計值法及折現現金流法	(a) Contractual amount (b) Expected tenor (c) Expected holding period return (a) 合約金額 (b) 預計年期 (c) 預計持有期收益	39,663

There were no changes in the valuation techniques used.

所採用的估值方法並無變化。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

4. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold, net of returns and allowances to customers during the period.

For management purposes, the Group's operation is currently categorised into five operating divisions – zinc, magnesium, aluminium alloy die casting, plastic injection products and components and lighting products. These divisions are the basis of the Group's five reportable segments. The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and different cost measurement.

Segment profits or losses do not include interest income, finance costs, gain or loss from derivative instruments, income tax expense, corporate income and corporate expenses.

An analysis of the Group's turnover and results for the period by business segments is as follows:

4. 營業額及分部資料

營業額指於期內銷售貨品的已收及應收款項淨額(已扣除退貨及給予客戶的折扣)。

為方便管理，本集團現時業務分為五個營運部門－鋅、鎂、鋁合金壓鑄及塑膠注塑產品和零部件以及照明產品。該等部門為本集團呈報五個分部資料的基準。本集團之呈報分部為提供不同產品的策略業務單位。由於有關業務需要不同技術及有不同成本計量方式，故該等分部乃獨立管理。

分部溢利或虧損不包括利息收入、融資成本、來自衍生工具之損益、所得稅開支、企業收益及企業開支。

本集團在期內按業務分部分類的營業額及業績分析如下：

For the six months ended 30 June 2014	截至二零一四年六月三十日 止六個月
Revenue from external customers	來自外來客戶的收益
Segment (loss)/profit	分部(虧損)/溢利

Zinc alloy die casting 鋅合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Magnesium alloy die casting 鎂合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Aluminium alloy die casting 鋁合金壓鑄 HK\$'000 千港元 (unaudited) (未經審核)	Plastic injection products 塑膠注塑 HK\$'000 千港元 (unaudited) (未經審核)	Lighting products 照明產品 HK\$'000 千港元 (unaudited) (未經審核)	Consolidated 總數 HK\$'000 千港元 (unaudited) (未經審核)
122,574	341,716	97,480	193,369	659	755,798
(2,484)	23,465	(397)	12,784	(19,770)	13,598

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

4. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

4. 營業額及分部資料(續)

		Zinc alloy die casting 鋅合金壓鑄	Magnesium alloy die casting (restated) 鎂合金壓鑄 (重列)	Aluminium alloy die casting 鋁合金壓鑄	Plastic injection 塑膠注塑	Lighting products (restated) 照明產品 (重列)	Consolidated (restated) 總數
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(unaudited) (未經審核)	(unaudited) (未經審核)	(unaudited) (未經審核)	(unaudited) (未經審核)	(unaudited) (未經審核)	(unaudited) (未經審核)
For the six months ended 30 June 2013	截至二零一三年六月三十日止六個月						
Revenue from external customers	來自外來客戶的收益	148,512	388,882	104,065	248,923	994	891,376
Segment profit/(loss)	分部溢利/(虧損)	7,602	48,972	8,994	45,485	(4,186)	106,867

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
Reconciliation of reportable segment profit or loss:	呈部分部溢利或虧損之對賬:		
Total profit or loss of reportable segments	呈報分部總溢利或虧損	13,598	106,867
Unallocated amounts:	不分類數目:		
Interest income	利息收入	1,185	1,052
(Loss)/gain on financial liabilities/assets at fair value through profit or loss	按公平值計入損益賬的金融負債/資產(虧損)/收益	(7,744)	5,379
Finance costs	融資成本	(6,222)	(4,786)
Corporate income	企業收益	38	733
Corporate expenses	企業開支	(12,815)	(21,502)
Income tax expense	所得稅開支	(7,827)	(17,304)
Consolidated (loss)/profit for the period	期內綜合(虧損)/溢利	(19,787)	70,439

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

5. OTHER INCOME

5. 其他收入

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
Interest income	利息收入	1,185	1,052
Gain on financial assets at fair value through profit or loss	按公平值計入損益賬的金融 資產收益	-	5,379
Others	其他	6,460	3,619
		7,645	10,050

6. FINANCE COSTS

6. 融資成本

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
Interest expenses on bank borrowings	銀行借款利息開支	6,205	4,733
Finance lease charges	融資租約支出	17	53
		6,222	4,786

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

7. INCOME TAX EXPENSE

7. 所得稅開支

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅		
Provision for the period	本期間撥備	5,772	4,248
Current tax	即期稅項		
– PRC enterprise income tax	– 中國企業所得稅		
Provision for the period	本期間撥備	2,055	13,056
		7,827	17,304

Hong Kong Profits Tax has been provided at a rate of 16.5% for the six months ended 30 June 2014 (for the six months ended 30 June 2013: 16.5%) on the estimated assessable profits for the relevant period. Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates based on existing legislation, interpretation and practices in respect thereof.

截至二零一四年六月三十日止六個月的香港利得稅根據有關期間的估計應課稅溢利以稅率16.5% (截至二零一三年六月三十日止六個月: 16.5%) 作出撥備。其他地區的應課稅溢利稅項支出按本集團經營所在地的現行法例、詮釋及慣例以當地現行稅率計算。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued) 簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

8. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is arrived at after charging/(crediting):

8. 期內(虧損)/溢利

期內(虧損)/溢利已扣除/(計入):

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
Amortisation of intangible assets	無形資產攤銷	1,200	-
Depreciation of property, plant and equipment	物業、機器及設備折舊	36,759	36,741
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	43	48
Interest income	利息收入	(1,185)	(1,052)
Loss/(gain) on financial liabilities/assets at fair value through profit or loss	按公平位計入損益賬的 金融負債/資產虧損/(收益)	7,744	(5,379)
Reversal of allowance for inventories	存貨撥備回撥	(623)	-

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

9. DIVIDENDS

9. 股息

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
Proposed interim dividend - Nil (2013: HK2.6 cents per ordinary share)	建議中期股息—無 (二零一三年：每股普通股2.6港仙)	-	23,230
Dividends paid during the period Final dividend for the year ended 31 December 2013 approved and paid - HK7.3 cents (2012: HK8.3 cents) per ordinary share	於期間內已付股息 已批准及已付截止二零一三年 十二月三十一日止年度 末期股息—每股普通股7.3港仙 (二零一二年：每股普通股8.3港仙)	65,226	73,922
Additional final dividends paid during the period	期內額外已付末期股息	15	231
		65,241	97,383

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

10. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the following:

10. 每股(虧損)/盈利

每股基本及攤薄(虧損)/盈利按下列計算：

		For the six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
(Loss)/earnings	(虧損)/盈利		
(Loss)/profit attributable to owners of the Company, used in the basic and diluted (loss)/earnings per share calculation	用於計算每股基本及攤薄(虧損)/盈利之本公司權益持有人應佔(虧損)/盈利	(11,894)	70,503
Number of shares	股份數目		
Weighted average number of ordinary shares used in basic (loss)/earnings per share calculation	用於計算每股基本(虧損)/盈利之加權平均普通股股數	893,560,980	891,754,792
Effect of dilutive potential ordinary shares arising from share options	購股權導致潛在攤薄普通股之影響	-	1,485,990
Weighted average number of ordinary shares used in diluted (loss)/earnings per share calculation	用於計算每股攤薄(虧損)/盈利之加權平均普通股股數	893,560,980	893,240,782

The Company did not have any dilutive potential ordinary shares for the six months ended 30 June 2014 as the effect of share options was anti-dilutive.

由於本公司的購股權具有反攤薄效應，本公司於截止二零一四年六月三十日止六個月概無任何潛在攤薄普通股。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group had disposed of certain property, plant and equipment with a carrying amount of approximately HK\$54,000 (unaudited) (for the year ended 31 December 2013: HK\$1,200,000 (audited)) for proceeds of approximately HK\$11,000 (unaudited) (for the year ended 31 December 2013: HK\$1,172,000 (audited)), resulting in a loss on disposal of approximately HK\$43,000 (unaudited) (for the year ended 31 December 2013: HK\$28,000 (audited)).

In addition, the Group acquired property, plant and equipment of approximately HK\$60,723,000 (unaudited) (for the year ended 31 December 2013: HK\$135,045,000 (audited)).

12. TRADE RECEIVABLES

The Group normally allows credit terms to customers ranging from 30 to 90 days (31 December 2013: 30 to 90 days) after end of the month in which the invoices have been issued. The ageing analysis of trade receivables as at 30 June 2014, based on the invoice date, and net of allowance, is as follows:

0 to 30 days	零至30日
31 to 60 days	31日至60日
61 to 90 days	61日至90日
91 to 180 days	91日至180日
Over 180 days	180日以上

11. 物業、機器及設備

於截至二零一四年六月三十日六個月止期間，本集團出售賬面值約54,000港元(未經審核)(截至二零一三年十二月三十一日止：1,200,000港元(經審核))的若干物業、機器及設備，所得款項約11,000港元(未經審核)(截至二零一三年十二月三十一日止：1,172,000港元(經審核))，產生出售損失約43,000港元(未經審核)(截至二零一三年十二月三十一日止：28,000港元(經審核))。

此外，本集團購入60,723,000港元(未經審核)(截至二零一三年十二月三十一日止：135,045,000港元(經審核))之物業、機器及設備。

12. 貿易應收款項

本集團一般給予客戶發出發票該月完結後30日至90日(二零一三年十二月三十一日：30日至90日)的信貸期。貿易應收款項於二零一四年六月三十日(按發票日期及扣除折扣後)的賬齡分析如下：

As at 30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
192,362	136,932
88,805	113,214
66,078	68,274
37,213	76,187
2,953	3,096
387,411	397,703

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

13. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 90 days (31 December 2013: 30 to 90 days) from its suppliers. The ageing analysis of trade payables as at 30 June 2014, based on the date of receipt of goods, is as follows:

0 to 30 days	零至30日
31 to 60 days	31日至60日
61 to 90 days	61日至90日
91 to 180 days	91日至180日
Over 180 days	180日以上

13. 貿易應付款項

本集團一般從供應商取得30日至90日(二零一三年十二月三十一日: 30日至90日)之信貸期。貿易應付款項於二零一四年六月三十日(按收貨日期計算)的賬齡分析如下:

As at 30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
134,750	75,197
43,803	74,091
15,164	56,587
4,343	10,295
4,626	2,970
202,686	219,140

14. SHARE CAPITAL

Authorised:
5,000,000,000 ordinary
shares of HK\$0.1 each

Issued and fully paid:
893,715,400
(at 31 December 2013:
893,453,400) ordinary
shares of HK\$0.1 each

法定:
5,000,000,000每股面值
0.1港元之普通股

已發行及繳足:
893,715,400
(於二零一三年十二月三十一日:
893,453,400)
每股面值0.1港元之普通股

14. 股本

As at 30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
500,000	500,000
89,372	89,345

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

14. SHARE CAPITAL (CONTINUED)

A summary of the movements in the issued share capital of the Company was as follows:

		Number of shares 股份數目	Nominal value of shares issued 已發行股份 名義值 HK\$'000 千港元
At 31 December 2012 and 1 January 2013	於二零一二年十二月三十一日及 二零一三年一月一日	890,435,400	89,044
Shares issued upon the exercise of share options	因行使購股權而發行之股份	3,018,000	301
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及 二零一四年一月一日	893,453,400	89,345
Shares issued upon the exercise of share options	因行使購股權而發行之股份	52,000	6
Shares issued under share award scheme	就股份獎勵計劃而發行之股份	210,000	21
At 30 June 2014	於二零一四年六月三十日	893,715,400	89,372

Notes:

- (a) During the six months ended 30 June 2014, 52,000 (31 December 2013: 3,018,000) ordinary shares were issued at HK\$0.415 (31 December 2013: HK\$0.415) per share as a result of the exercise of share options of the Company.
- (b) During the six months ended 30 June 2014, 210,000 ordinary shares are granted, allotted and issued to an employee of the Group pursuant to the Company's share award scheme.

14. 股本(續)

本公司已發行股本之變動概要如下：

	Number of shares 股份數目	Nominal value of shares issued 已發行股份 名義值 HK\$'000 千港元
At 31 December 2012 and 1 January 2013	890,435,400	89,044
Shares issued upon the exercise of share options	3,018,000	301
At 31 December 2013 and 1 January 2014	893,453,400	89,345
Shares issued upon the exercise of share options	52,000	6
Shares issued under share award scheme	210,000	21
At 30 June 2014	893,715,400	89,372

附註：

- (a) 截至二零一四年六月三十日止六個月，由於行使本公司購股權而以每股0.415港元(二零一三年十二月三十一日：每股0.415港元)發行52,000股(二零一三年十二月三十一日：3,018,000股)普通股。
- (b) 截至二零一四年六月三十日止六個月，本公司根據股份獎勵計劃授出、配發及發行210,000股普通股予本集團一位僱員。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

15. CAPITAL COMMITMENTS

Details of capital commitments in respect of purchase and construction of property, plant and equipment were as follows:

Contracted but not provided for 已訂約但未撥備

15. 資本承擔

有關購買及建築物業、機器及設備的資本承擔詳情如下：

As at 30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
62,033	34,321

16. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with its related party during the period:

Purchase of machinery and machinery parts from and maintenance cost to a related company, Chit Shun Machinery Limited (note (i))

向關連公司捷迅機械設備有限公司購買機器、機器零部件及維修成本 (附註(i))

Note:

- (i) Mr. Lee Yuen Fat, the ultimate controlling party of the Company, has joint control in the related company.

16. 關連人士交易

(a) 期內，本集團與其關連人士有以下關連交易：

For the six months ended 30 June 截至六月三十日止六個月	
2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
2,305	2,092

附註：

- (i) 李遠發先生(本公司之最終控制方)於關連公司擁有共同控制權。

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

簡明綜合財務報表附註(續)

For the six months ended 30 June 2014 截至二零一四年六月三十日止六個月

16. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

Salaries, allowances and discretionary bonus	基本薪金、津貼及酌情花紅
Retirement benefits scheme contributions	退休福利計劃供款

16. 關連人士交易(續)

(b) 主要管理人員酬金

For the six months
ended 30 June
截至六月三十日止六個月

2014 二零一四年 HK\$'000 千港元 (unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (unaudited) (未經審核)
4,418	4,347
31	30
4,449	4,377

(c) Due to a related party

Due to a related company Chit Shun Machinery Limited (note (a)(i))	應付關連公司捷迅機械 設備有限公司款項 (附註(a)(i))
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(c) 應付關連公司款項

As at 30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	As at 31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
879	1,776

17. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2014 (at 31 December 2013: Nil).

17. 或然負債

於二零一四年六月三十日，本集團並無任何重大或然負債(二零一三年十二月三十一日：無)。

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26 August 2014.

18. 批准財務報表

本財務報表已於二零一四年八月二十六日獲董事會批准並授權刊發。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(A) OVERVIEW

In the first half of 2014, the global market situations remained challenging and weak consumer sentiment prevailed. Weak demand was exacerbated by a limited number of popular smartphone models launched during the period under review. This led to a decline in the Group's sales of plastic smartphone protective cases. In addition, the Group's magnesium alloy die casting business encountered project delays since part of production facilities were damaged due to the occurrence of a fire accident in one of the Group's production bases in Shenzhen, the PRC on 27 November 2013. The Group's turnover thus decreased by 15.2% to HK\$755,798,000 (2013 first half: HK\$891,376,000) as compared with the previous corresponding period.

As a result of the decrease in the Group's overall turnover together with a temporary surge in subcontracting charges and overtime labour cost due to the fire accident, the Group's overall gross profit margin dropped from 23.7% in the corresponding period last year to 18.3%. The increase in additional subcontracting charges coupled with overtime labour costs had caused a decline in the Group's overall gross profit margin by approximately 2.2%. Since part of the production facilities were damaged due to the occurrence of a fire accident in November 2013, the Group had to subcontract part of the affected production processes to our partners in the supply chain and incur more labor time in order to catch up with the products' delivery schedule as requested by our customers.

In addition, the Group is still in the process of pursuing insurance compensation and hence, no amount of such compensation has yet been recognized in the Group's interim results for the six months ended 30 June 2014. Because of this, the Group had incurred a loss of HK\$11,894,000 for the six months ended 30 June 2014 as compared with a profit attributable to owners of the Company of HK\$70,503,000 recorded by the Group for the corresponding period in 2013.

(A) 概覽

於二零一四年上半年，全球市況仍然充滿挑戰，消費者信心持續疲弱。於回顧期內，少量熱門智能手機型號推出市場使需求更加疲弱。此導致本集團塑膠智能電話保護外殼銷售下跌。此外，由於本集團一個位於中國深圳市之生產廠房在二零一三年十一月二十七日發生火災令部份生產設施損毀，引致本集團鎂合金壓鑄業務之項目出現延誤。因此，本集團之營業額較上年同期下跌15.2%至755,798,000港元（二零一三年上半年：891,376,000港元）。

由於本集團之整體營業額下跌及火災引致外發加工及勞工加班費用短暫性上升，集團之整體毛利率由去年同期之23.7%下降至18.3%。額額外發加工及勞工加班費用導致本集團整體毛利率下跌約2.2%。由於部份生產設施於二零一三年十一月發生之火災中損毀，本集團需要把部份受影響之生產工序外判給供應鏈上的夥伴及用更多勞動時間，以便趕及應付客戶對產品付運之需求。

此外，本集團仍正商討保險賠償金額，因此有關之賠償金額並未能於本集團截至二零一四年六月三十日止六個月之中期業績內確認。有鑑於此，與本集團截至二零一三年六月三十日止六個月錄得70,503,000港元之溢利相比，本集團截至二零一四年六月三十日止六個月錄得11,894,000港元之虧損。



MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

In spite of the temporary business disruption, the Group's strength still lies in the research and development capability of new material and technology as well as the continuous effort to innovate. The Group is of the view that it can remain as a preferred business partner of choice for world-class brands and in turn achieve a sustainable growth in the forthcoming future.

(B) FINANCIAL REVIEW

For the six months ended 30 June 2014, the Group's turnover dropped by 15.2% to HK\$755,798,000 (2013 first half: HK\$891,376,000), as compared with the corresponding period in 2013. The decrease was mainly attributable to the decelerated growth in magnesium alloy die casting and plastic injection moulding business together with the sluggish demand for zinc alloy die casting products.

As a result of the decline in the Group's overall turnover together with a temporary increase in subcontracting charges and overtime labour cost resulting from the fire accident, gross profit of the Group for the first half of 2014 decreased by 34.6% to HK\$138,220,000 (2013 first half: HK\$211,327,000) and the overall gross profit margin also dropped from 23.7% in 2013 first half to 18.3%. As a result, the Group has recorded a loss of HK\$11,894,000 for the six months ended 30 June 2014 as compared with a profit attributable to owners of the Company of HK\$70,503,000 in the same period last year.

(C) BUSINESS REVIEW

Magnesium alloy die casting business

During the period under review, turnover from magnesium alloy die casting business decreased by 12.1% to HK\$341,716,000 (2013 first half: HK\$388,882,000), accounting for 45.2% (2013 first half: 43.6%) of the Group's turnover. The decline was mainly due to a delay in projects placed by new customers, as a result of the fire accident in November 2013. As the production capacity has already resumed to normal, the Group would be able to handle the new orders in a timely and efficient manner. The Group will strive to capture a larger market share in the notebook computer's casing industry with its competitive strength in magnesium alloy die casting in the second half of 2014.

儘管業務受到短暫之干擾，本集團之強項仍為新材料和技術之開發及持續創新。本集團認為其可維持成為世界級品牌之首選業務伙伴及於未來達致持續增長。

(B) 財務回顧

截至二零一四年六月三十日止六個月，本集團營業額較去年同期下降15.2%至755,798,000港元(二零一三年上半年：891,376,000港元)。此下跌主要是由於鎂合金壓鑄及塑膠注塑業務增長放緩以及對鋅合金壓鑄產品之需求減少。

由於集團整體營業額下降及火災導致外發加工及勞工加班費用短暫性增加，本集團於二零一四年上半年之毛利下跌34.6%至138,220,000港元(二零一三年上半年：211,327,000港元)，整體毛利率也由二零一三年上半年之23.7%減少至18.3%。因此，與本集團截至二零一三年六月三十日止六個月錄得70,503,000港元之溢利相比，本集團截至二零一四年六月三十日止六個月錄得11,894,000港元之虧損。

(C) 業務回顧

鎂合金壓鑄業務

於回顧期內，鎂合金壓鑄業務之營業額下跌12.1%至341,716,000港元(二零一三年上半年：388,882,000港元)，佔本集團營業額45.2%(二零一三年上半年：43.6%)。此下降主要是由於在二零一三年十一月發生火災後導致新客戶之項目出現延誤。鑑於本集團之生產產能水平已經回復正常，本集團有能力適時及有效地處理新訂單。本集團將利用其於鎂合金壓鑄之競爭優勢，致力在二零一四年下半年於筆記本電腦外殼行業爭取更大的市場份額。



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

Plastic injection moulding business

In the first half of 2014, the market response for most new smartphone models launched was below expectation which caused a decline in the turnover of plastic injection moulding business. In view of this, this business segment had recorded a drop of 22.3% to HK\$193,369,000 (2013 first half: HK\$248,923,000) as compared with the previous corresponding period. This business segment contributed 25.6% (2013 first half: 27.9%) to the Group's total turnover. Yet, there will be many new smartphone models to be launched in the second half of this year which would very likely stimulate the buying interest of consumers. Hence, the Group expects that the performance of its plastic injection moulding business will be improved in the remaining of 2014.

Zinc alloy die casting business

Due to the soft demand for household products, turnover from the zinc alloy die casting business recorded a 17.5% decrease to HK\$122,574,000 (2013 first half: HK\$148,512,000) for the six months ended 30 June 2014, accounting for 16.2% (2013 first half: 16.7%) of the Group's turnover.

Aluminium alloy die casting business

During the first half of 2014, turnover from the aluminium alloy die casting business slightly decreased by 6.3% to HK\$97,480,000 (2013 first half: HK\$104,065,000), which accounted for 12.9% of the Group's overall turnover (2013 first half: 11.7%).

Lighting products

During the period under review, the turnover of lighting products business was HK\$659,000 (2013 first half: HK\$994,000). Due to focusing on the transitional integration of supply chain in the first half of 2014 in order to achieve cost improvement from systematic production and purchase, the turnover was mainly derived from sample sales of enhanced versions.

塑膠注塑業務

於二零一四年上半年，大部份新推出市場之智能電話型號之市場反應較預期差，導致塑膠注塑業務營業額下跌。有鑑於此，此業務分部較上年同期相比錄得22.3%之跌幅至193,369,000港元(二零一三年上半年：248,923,000港元)。此業務分部對集團整體營業額之貢獻為25.6% (二零一三年上半年：27.9%)。預期本年度下半年推出之多個智能電話新型號將很有可能刺激消費者之購買意欲，因此，本集團有信心其塑膠注塑業務於二零一四年餘下時間將會有所改善。

鋅合金壓鑄業務

由於家居產品需求疲弱，截至二零一四年六月三十日止六個月，鋅合金壓鑄業務之營業額錄得17.5%之下跌至122,574,000港元(二零一三年上半年：148,512,000港元)，佔集團整體營業額約16.2%(二零一三年上半年：16.7%)。

鋁合金壓鑄業務

於二零一四年上半年，鋁合金壓鑄業務之營業額較去年同期輕微下跌6.3%至97,480,000港元(二零一三年上半年：104,065,000港元)，佔集團整體營業額12.9%(二零一三年上半年：11.7%)。

照明產品

於回顧期內，照明產品業務之營業額為659,000港元(二零一三年上半年：994,000港元)。在二零一四年上半年，由於專注在供應鏈過渡期的整合，以便加強系統化生產和優化採購成本，所以營業額主要來自改良版本之樣板銷售。



MANAGEMENT DISCUSSION AND ANALYSIS (Continued) 管理層討論及分析(續)

(D) PROSPECTS

Looking forward, economic growth in the US and Europe would likely to be steady, whilst the problems of heavy debts and deficits are to be resolved. In order to better cope with these challenges ahead, the Group will continue to strengthen its research and development and innovation, enhancing its customer services, and broadening its product portfolio so as to optimize its operational efficiency. Taking into account of its well-established and large customer base, its competitive advantages in the industry as well as its capability to satisfy the ever-changing requirements of customers, the management is confident to achieve a long-term sustainable growth for the Group.

Despite the fact that the shipment volume in the global notebook computer market has continuously declined, the management believes that this trend will decelerate due to the return of the business replacement cycle of notebook computers led by the launch of Windows 8 as well as the cessation of support to Windows XP, the previous generation operation system. It is expected that the demand for the notebook computers will remain stable in the rest of 2014. In addition, the growth of Ultrabook remains promising given its light weight and superior functional performance. As a leading magnesium die casting manufacturer servicing various top-tier notebook computer brands, the Group is well-positioned to capture the growing popularity of Ultrabook. In view of this trend, the Group will endeavor on the research and development of new materials and surface finishing technologies with an aim to enlarge its market share in the notebook computer casing industry.

According to the Allied Business Intelligence Research, global smartphone shipments are estimated to reach 1.25 billion in 2014, accounting for 66% of all mobile phone shipments. Long term prospects and sustainable growth is to take place in developing markets such as China and India. Furthermore, the upcoming release of new top brand smartphone models in the second half of 2014 will become a driving force of market demand. Therefore, the Group's plastic injection moulding business will regain its growth momentum in the latter half of this year. The Group believes that its expertise in plastic injection moulding will enable it to capture this market trend and secure more orders for plastic protective cases.

(D) 展望

展望將來，美國及歐洲之經濟增長步伐大致穩定，惟嚴重債務及赤字問題仍然有待解決。為了能更佳應付未來的挑戰，本集團將繼續加強其研發及創新、提昇客戶服務及擴闊其產品系列，藉以優化其營運效率。由於本集團已建立長期及廣闊客戶之基礎、其於行業之競爭優勢及擁有滿足客戶不時轉變之要求的能力，管理層對於本集團達致長遠及持續增長抱有信心。

雖然全球筆記本電腦市場之付運量持續下跌，管理層相信，由於Windows 8系統之推出及上一代作業系統Windows XP之停止支援所帶動，商務用換機週期將會減慢此下降趨勢。預期筆記本電腦市場需求於二零一四年餘下時間將會保持穩定。另外，由於其重量輕巧及優秀之功能表現，超級本筆記本電腦之增長仍然亮麗。作為服務多個頂尖筆記本電腦領品牌之領先鎂合金壓鑄生產商，本集團將會受惠並把握超級本筆記本電腦之增長優勢。鑑於此趨勢，本集團將會致力於新材料及表面處理技術之研發，目標為擴大其於筆記本電腦外殼行業之市場份額。

根據Allied Business Intelligence Research，於二零一四年，全球智能電話之付運量預期會達到十二億五千萬個，佔整體流動電話付運量之66%。發展中國家如中國及印度具有長遠發展前景及持續增長潛力。再者，於二零一四年下半年，全新頂尖型號智能電話之推出將會成為市場需求之推動力。因此，預期本集團之塑膠注塑業務將於本年度下半年重拾升軌。本集團相信憑藉其於塑膠注塑業務之專業，有助本集團捕捉此市場趨勢及爭取更多塑膠保護外殼之訂單。



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

In response to the fire accident occurred in November 2013, the Group has swiftly made contingency arrangements by shifting part of the Group's production facilities to the second phase of its industrial complex in Daya Bay, Huizhou, the PRC as well as temporarily subcontracting some of the affected production processes to our partners in the supply chain. As the Group's normal output capacity has now been restored, reliance on the support from the subcontractors will be significantly reduced during the second half of 2014. In addition, the third phase of this industrial complex is currently under construction and is expected to be completed by the fourth quarter of 2014.

Since its acquisition of Topanga's Advanced Plasma Lighting ("APL™") and related technology in August 2013, the Group has further developed and promoted its plasma lighting business. Topanga's APL™ technology offers multiple significant advantages, making it a leader in high performance and energy-saving applications, especially in industrial and commercial sectors including horticulture lighting. In view of the global warming and extreme weather situations, it is expected that greenhouse and vegetable farms will experience strong growth in the coming years. APL™ light engine can provide high brightness lighting solution that is far better than traditional high intensity discharge lamps. In particular, its electrode-free light bulbs are suited for long-life applications. Its near point-source intense light can also allow higher flexibility in lighting design and applications. Topanga's APL™ technology has been awarded with many patents in the US and other countries. It is also gaining wider recognition in North America, Europe, China and Hong Kong through participating in trade exhibitions in various countries.

為應對在二零一三年十一月發生之火災，本集團已迅速採取緊急應變措施，把部份生產設備轉移到其位於中國惠州大亞灣工業園之第二期廠房及把一些受影響之生產工序作外判給供應鏈上的夥伴。由於本集團已經回復正常生產產能水平，於二零一四年下半年對外判商之依賴將會顯著減少。此外，此工業園之第三期廠房之建築工程已經展開，預期於二零一四年第四季度完成建築工程。

於二零一三年八月收購勁亮嘉之先進等離子照明(「APL™」)及有關科技後，本集團繼續發展及推廣其等離子照明業務。勁亮嘉之APL™擁有多項重要優勢，令其成為高效能及節能應用之領導者，尤其於工業及商業範疇包括種植照明。鑑於全球暖化及極端天氣情況，預期溫室及蔬菜農場於未來數年將會有強勁增長。APL™光源引擎提供高亮度之照明解決方案，遠較傳統之金鹵燈優勝。尤其是其非電極燈泡適合長時間應用。此外，其定向點光源之強光照明亦能夠提高照明設計及應用之靈活性。勁亮嘉之APL™科技已經在美國及其他國家獲得多項專利，並透過參與世界不同國家之貿易展覽於北美洲、歐洲、中國及香港獲得廣泛的認知。



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

The Group has taken the advantages of Topanga's core strength and utilized its existing distribution channels. Regional workshops and marketing support have been organized with existing and potential clients in order to promote the edge of plasma light technology and applications. The Group's first Asian plasma lighting research and development centre is in progress in Phase 3 of the Hong Kong Science Park. The establishment of this Asian centre will further enhance related technology and business development in different applications. Additional tests and production lines are already in the final stage of preparation, in accordance with the business plan, in order to support the launch of the new series of plasma lighting products. This will certainly open up a new source of revenue for the Group.

Wuhu Lenka Technologies Company Limited, the Group's joint venture in Wuhu City, Anhui Province, the PRC, has commenced operation in the first quarter of 2014. This operation will initially provide surface finishing and assembly of magnesium alloy notebook computer components. This joint venture will utilize its strategic location to engage in new product development and expand the Group's business scope. Furthermore, it will strengthen the Group's existing notebook computer business and create a new platform for further expansion into other related business.

(E) LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2014, the Group had bank and cash balances of approximately HK\$214,014,000 (2013: HK\$280,206,000), most of which were either denominated in US dollars, Renminbi or Hong Kong dollars.

Total interest-bearing borrowings of the Group as at 30 June 2014 were approximately HK\$538,539,000 (2013: HK\$497,506,000), comprising bank loans and overdrafts of approximately HK\$538,351,000 (2013: HK\$496,176,000) and obligations under finance leases of approximately HK\$188,000 (2013: HK\$1,330,000). All of these borrowings were denominated in Hong Kong dollars or US dollars to which the interest rates applied were primarily subject to floating interest rate.

本集團掌握勁亮嘉之核心優勢及利用其現時之分銷渠道。本集團給予現有及潛在客戶安排區域性之工作坊及市場支援，藉以推廣等離子照明科技及應用之優勢。本集團於亞洲第一所等離子照明研發中心在香港科學園第三期之設立正在進行中，此亞洲中心將協助提高於不同應用範疇之有關科技及業務發展。配合業務計劃之附加測試及生產線已處於最後準備階段，以支援新系列等離子照明產品之推出，藉以開拓本集團收入之新來源。

本集團位於中國安徽省蕪湖市之合資公司 - 蕪湖聯嘉工業科技有限公司已在二零一四年第一季度開始營運，初步提供鎂合金筆記本電腦零部件表面處理及裝配服務。此合資公司將利用其戰略性位置以便發展其新產品及擴大本集團之業務範疇。此外，此公司能夠加強本集團現時之筆記本電腦業務及建立一個新平台去開拓其他相關業務。

(E) 流動資金及財務資源

於二零一四年六月三十日，本集團擁有銀行及現金結餘約214,014,000港元（二零一三年：280,206,000港元），當中大多數以美元、人民幣或港元計值。

本集團於二零一四年六月三十日的計息借款總額約為538,539,000港元（二零一三年：497,506,000港元），包括銀行貸款及透支約538,351,000港元（二零一三年：496,176,000港元）及融資租約承擔約188,000港元（二零一三年：1,330,000港元）。該等借款全部以港元或美元計值，所採用的利率主要為浮動利率。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

As at 30 June 2014, the net gearing ratio (a ratio of the sum of total interest-bearing borrowings and obligations under finance leases less bank and cash balances then divided by total equity) of the Group was approximately 43.0% (2013: 26.0%).

As at 30 June 2014, the net current assets of the Group were approximately HK\$30,602,000 (2013: HK\$116,611,000), which consisted of current assets of approximately HK\$820,249,000 (2013: HK\$939,357,000) and current liabilities of HK\$789,647,000 (2013: HK\$822,746,000), representing a current ratio of approximately 1.0 (2013: 1.1).

(F) EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's transactions were conducted in US dollars, Hong Kong dollars or Renminbi. As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between US dollars, Hong Kong dollars and Renminbi. In order to mitigate the risks due to fluctuation of foreign currency exchange rates, the Group had entered into foreign currency forward contracts to manage its foreign currency exposure during the period under review.

(G) CONTINGENT LIABILITIES

As at 30 June 2014, the Group had no material contingent liabilities.

(H) CHARGE ON ASSETS

As at 30 June 2014, the Group's banking facilities were secured by guarantees given by the following assets: (a) lessors' title to the leased assets under finance leases; and (b) a property situated in Hong Kong owned by the Group.

於二零一四年六月三十日，本集團的淨借貸比率(以計息借款及融資租約承擔的總和減銀行及現金結餘除以權益總額)約為43.0%(二零一三年：26.0%)。

於二零一四年六月三十日，本集團流動資產淨值約為30,602,000港元(二零一三年：116,611,000港元)，包括流動資產約820,249,000港元(二零一三年：939,357,000港元)及流動負債約789,647,000港元(二零一三年：822,746,000港元)，流動比率約為1.0(二零一三年：1.1)。

(F) 外匯風險承擔

本集團的大部分交易均以美元、港元或人民幣進行。因此，本集團已注意到美元、港元及人民幣匯率的波動可能引起的潛在外匯風險。為了減低匯率波動引起的風險，本集團已利用遠期外匯合約，以管理本集團於回顧期內的外匯風險。

(G) 或然負債

於二零一四年六月三十日，本集團並無任何重大或然負債。

(H) 資產抵押

於二零一四年六月三十日，本集團抵押下列資產作為銀行借貸及信貸融資的擔保：(a)出租人按融資租約出租的資產業權；及(b)本集團擁有的香港物業。



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析(續)

(I) HUMAN RESOURCES

As at 30 June 2014, the Group had approximately 5,500 full-time employees (31 December 2013: 4,800). The Group attributes its success to the hard work and dedication of its staff as a whole, therefore, they are deemed to be the most valuable assets of the Group. In order to attract and retain high caliber staff, the Group provides competitive salary package, including retirement scheme, medical benefit and bonus. The Group's remuneration policy and structure is determined based on market trends, the performance of individual staff as well as the financial performance of the Group. The Group has also adopted a share option scheme and a share award scheme as incentive and reward for those qualifying staff who have made contribution to the Group.

The Group provides regular training courses for different level of staff and holds various training programs together with PRC institutes and external training bodies. Apart from academic and technical training, the Group also organizes different kinds of recreational activities, including New Year gathering, various sport competitions and interest groups. The aim is to promote interaction among staff, establish harmonious team spirit and promote healthy lifestyle.

(I) 人力資源

於二零一四年六月三十日，本集團約有5,500名全職僱員（二零一三年十二月三十一日：4,800名）。本集團之成功有賴全體僱員的表現和責任承擔，故此本集團把僱員視作為我們的核心資產。為了吸引及保留優秀員工，本集團提供具競爭力的薪酬，包括退休金計劃、醫療福利和花紅獎賞。本集團之薪酬政策及結構乃根據市場趨勢、個人工作表現以及本集團的財務表現而釐定。本集團亦已採納認購股權計劃及股份獎勵計劃，旨在向合資格僱員提供作為彼等對本集團所作出貢獻之鼓勵及獎賞。

本集團定期舉辦多項針對不同階層員工的培訓課程，並與多間國內專上學院及外間培訓機構合辦各種培訓計劃。除學術和技術培訓外，本集團舉辦了不同種類的文娛康樂活動，其中包括新春聯誼活動、各種體育比賽和興趣班等，目的為促進各部門員工之間的關係，建立和諧團隊精神及提倡健康生活。

OTHER INFORMATION 其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2014, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Long Positions in the Shares

董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券的權益及短倉

於二零一四年六月三十日，本公司董事及主要行政人員，於本公司及其相聯法團（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，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及短倉（包括根據證券及期貨條例該等條文被當作或被視為擁有之任何權益及短倉）；或根據證券及期貨條例第352條須記錄在該條所述登記冊之權益及短倉；或根據聯交所證券上市規則（「上市規則」）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及短倉如下：

股份之長倉

Name of Director 董事姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益概約百分比
Executive Directors 執行董事			
Mr. Lee Yuen Fat ("Mr. Lee") 李遠發先生（「李先生」）	Interest in controlled company ⁽¹⁾ 受控制公司權益 ⁽¹⁾	480,000,000	53.71%
	Founder of a discretionary trust ⁽²⁾ 全權信託之創立人 ⁽²⁾	127,980,000	14.32%
Dr. Keung Wing Ching ⁽³⁾ 姜永正博士 ⁽³⁾	Beneficial owner 實益擁有人	20,842,000	2.33%
Mr. Wong Wing Chuen 黃永銓先生	Beneficial owner 實益擁有人	11,050,000	1.24%
Mr. Chan Tat Cheong, Alan 陳達昌先生	Beneficial owner 實益擁有人	1,147,000	0.13%

OTHER INFORMATION (Continued) 其他資料(續)

Name of Director 董事姓名	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest in the Company 佔本公司權益 概約百分比
Independent Non-Executive Director 獨立非執行董事			
Mr. Andrew Look 陸東先生	Beneficial owner 實益擁有人	8,800,000	0.98%
Ir Dr. Lo Wai Kwok <i>BBS, MH, JP</i> 盧偉國博士 <i>BBS, MH, 太平紳士</i>	Beneficial owner 實益擁有人	1,000,000	0.11%

Notes:

- Mr. Lee holds the entire issued share capital of Precisefull Limited ("Precisefull"). As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
- The 127,980,000 shares, in which 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal Development Limited ("Beautiful Crystal") and Beautiful Colour Assets Limited ("Beautiful Colour") respectively (both companies are wholly-owned by YF Lee Family Trust). YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC (Jersey) Limited ("UBS TC") as trustee on 20 February 2014. The discretionary objects are family members of Mr. Lee. Mr. Lee is the settlor of YF Lee Family Trust and is deemed to be interested in the 127,980,000 shares held by Beautiful Crystal and Beautiful Colour under the SFO.
- Dr. Keung Wing Ching resigned as an Executive Director of the Company on 1 July 2014.

Save as disclosed above, as at 30 June 2014, none of the directors and chief executives of the Company had any interests or short positions in shares, underlying shares and debentures of the Company and its associated corporations (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 (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code in the Listing Rules.

附註:

- 李先生持有Precisefull Limited (「Precisefull」) 全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。
- 該127,980,000股股份分別由Beautiful Crystal Development Limited (「Beautiful Crystal」)及Beautiful Colour Assets Limited (「Beautiful Colour」) 持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC (Jersey) Limited (「UBS TC」) 作為受託人於二零一四年二月二十日成立之全權信託，其受益對象為李先生之家族成員。李先生作為YF Lee Family Trust之信託委託人，根據證券及期貨條例，彼被視為於Beautiful Crystal及Beautiful Colour總共所持有之127,980,000股股份中擁有權益。
- 姜永正博士於二零一四年七月一日辭任本公司之執行董事。

除上文所披露者外，於二零一四年六月三十日，概無本公司董事及主要行政人員於本公司及其任何相聯法團(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根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或短倉(包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及短倉);或根據證券及期貨條例第352條須記錄於該條所述之登記冊之權益及短倉;或根據標準守則須知會本公司及聯交所之權益及短倉。

OTHER INFORMATION (Continued) 其他資料(續)

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2014, the following persons, other than the directors or chief executives of the Company, who had interests or short positions in the shares or 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, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Long Positions in the Shares

主要股東於本公司及其相聯法 團之股份、相關股份及債券的 權益及短倉

於二零一四年六月三十日，下列人士(本公司董事或主要行政人員除外)於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或短倉，或直接或間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上之權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉：

股份之長倉

Name	Capacity	Number of Shares	Approximate percentage of interest in the Company 佔本公司權益概約百分比
名稱	身份	股份數目	
Precisefull	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	480,000,000	53.71%
Beautiful Crystal	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	77,980,000	8.73%
Beautiful Colour	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	50,000,000	5.59%
UBS TC	Trustee ⁽²⁾ 受託人 ⁽²⁾	127,980,000	14.32%



OTHER INFORMATION (Continued) 其他資料(續)

Notes:

1. Mr. Lee holds the entire issued share capital of Precisefull. As such, Mr. Lee is deemed to have a controlling interest in Precisefull and is therefore deemed to be interested in the interests of Precisefull in the Company.
2. 77,980,000 shares and 50,000,000 shares are held by Beautiful Crystal and Beautiful Colour respectively (both companies are wholly owned by YF Lee Family Trust). The YF Lee Family Trust is a discretionary trust set up by Mr. Lee as settlor and UBS TC as trustee on 20 February 2014.

Save as disclosed above, at no time during the period, the directors and the chief executives of the Company were aware of any other persons (other than the directors or chief executives 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, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or which were required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

1. 李先生持有Precisefull全部已發行股本。因此，李先生被視為擁有Precisefull的控制性權益，並因此視為擁有Precisefull所持有的本公司權益。
2. Beautiful Crystal及Beautiful Colour分別持有77,980,000及50,000,000股股份，此等公司由YF Lee Family Trust全資擁有。YF Lee Family Trust乃由李先生作為信託委託人及UBS TC作為受託人於二零一四年二月二十日成立之全權信託。

除上文所披露者外，於期內，本公司董事及主要行政人員並不知悉任何其他人士（本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部披露之權益或短倉，或直接及間接擁有可於任何情況下在本公司股東大會投票之任何類別股本面值5%或以上權益或短倉，或擁有根據證券及期貨條例第336條須記錄在該條所述登記冊之權益或短倉。

OTHER INFORMATION (Continued) 其他資料(續)

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted pursuant to the written resolutions passed by the shareholders of the Company on 2 June 2007. The purpose of the Share Option Scheme is to provide incentives and rewards to selected eligible persons for their contributions to the Group.

On 13 March 2008, the Company granted 20,102,000 share options to the Group's employees under the Share Option Scheme at an exercise price of HK\$0.415 per share. A summary of movements of share options of the Company during the six months ended 30 June 2014 is set out as below:

購股權計劃

一項購股權計劃(「購股權計劃」)於二零零七年六月二日根據本公司股東通過之書面決議案獲採納。購股權計劃旨在向選定人士提供作為彼等對本集團所作出貢獻之獎勵或獎賞。

於二零零八年三月十三日，本公司根據購股權計劃向本集團僱員授出20,102,000份購股權，行使價為每股0.415港元。截至二零一四年六月三十日止六個月，本公司購股權之變動概述如下：

Category of Grantee/Name	Date of grant	Exercise Price	Exercise Period	Number of share options 購股權數目				
				As at 01/01/2014	Granted during the period	Exercised during the period	Lapsed/ Cancelled during the period	Outstanding as at 30/06/2014
承授人類別/姓名	授出日期	行使價 (HK\$) (港元)	行使期	於二零一四年 一月一日	於期內授出	於期內行使	於期內 失效/註銷	於二零一四年 六月三十日 尚未行使
Executive Directors 執行董事								
Mr. Lee 李先生	13/03/2008	0.415	13/03/2009 – 12/03/2018	-	-	-	-	-
Dr. Keung Wing Ching ⁽¹⁾ 姜永正博士 ⁽¹⁾	13/03/2008	0.415	13/03/2009 – 12/03/2018	-	-	-	-	-
Mr. Wong Wing Chuen 黃永銓先生	13/03/2008	0.415	13/03/2009 – 12/03/2018	-	-	-	-	-
Mr. Chan Tat Cheong Alan 陳達昌先生	13/03/2008	0.415	13/03/2009 – 12/03/2018	-	-	-	-	-
Others 其他								
Employees 僱員	13/03/2008	0.415	13/03/2009 – 12/03/2018	242,000	-	52,000	42,000	148,000
Total 總數				242,000	-	52,000	42,000	148,000

OTHER INFORMATION (Continued) 其他資料(續)

Notes:

1. Dr. Keung Wing Ching resigned as an Executive Director of the Company on 1 July 2014.
2. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
3. The closing price of the share immediately before the date of grant was HK\$0.415.
4. The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$2.08.

SHARE AWARD SCHEME

On 10 January 2013 (the "Adoption Date"), the Board of the Company adopted a share award scheme (the "Share Award Scheme") under which the shares of the Company (the "Awarded Shares") may be awarded to selected persons to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Share Award Scheme will be valid and effective for a term of ten years commencing on the Adoption Date until 9 January 2023.

Based on the 890,435,400 Shares in issue as at the Adoption Date, the maximum number of Awarded Shares under the Share Award Scheme would be 44,521,770 Shares and the maximum number of Shares which may be awarded to an awarded person under the Share Award Scheme would be 8,904,354 Shares.

For the six months ended 30 June 2014, 210,000 Awarded Shares was granted to an employee of the Group pursuant to the Share Award Scheme.

附註：

1. 姜永正博士於二零一四年七月一日辭任本公司之執行董事。
2. 購股權歸屬期間為自授出日期至行使期開始日期止。
3. 在緊接購股權授出日期之前的收市價為0.415港元。
4. 已行使之購股權於緊接行使日之前之加權平均股份收市價為2.08港元。

股份獎勵計劃

於二零一三年一月十日(「採納日期」)，本公司董事會採納股份獎勵計劃(「股份獎勵計劃」)。據此，本公司股份(「獎勵股份」)可授予經甄選人士以表彰本集團若干僱員及人士之貢獻，並給予獎勵以挽留該等僱員及人士為本集團之持續經營和發展而努力，亦為本集團進一步發展吸引合適之人才。股份獎勵計劃將由採納日期起生效，有效期為十年至二零二三年一月九日。

根據於採納日期已發行890,435,400股股份計算，股份獎勵計劃可授出之獎勵股份數目上限為44,521,770股股份及股份獎勵計劃可獎勵予每名獲獎勵人士之股份數目上限為8,904,354股股份。

於截至二零一四年六月三十日止六個月，按股份獎勵計劃授出210,000股獎勵股份予本集團一名僱員。



OTHER INFORMATION (Continued) 其他資料(續)

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for six months ended 30 June 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

During the period under review, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), except the deviation form provision A.2.1 of the CG Code as mentioned below.

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Lee Yuen Fat, the Chairman of the Company, has assumed the role of Chief Executive Officer of the Company with effect from 1 July 2014 after the resignation of Dr. Keung Wing Ching, Vice Chairman and Chief Executive Officer of the Company, until a suitable replacement can be appointed. The day-to-day management of the business of the Group and the execution of the instruction and directions of the Board are managed by the management team of the Group which comprises the executive directors of the Company and the senior management of the Group. The Board believes that the allocation of the daily management of different sectors of the Group's business amongst the senior management who possesses experience and qualifications in different areas will enable effective and efficient overall strategic planning for the Group.

The Board will continue to monitor and review the management structure of the Group and make necessary changes when appropriate.

中期股息

董事會不建議派付截至二零一四年六月三十日止六個月之中期股息。

購買、出售或贖回本公司上市證券

截至二零一四年六月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治

於回顧期內，本公司一直遵守聯交所證券上市規則(「上市規則」)附錄十四「企業管治守則」(「企業管治守則」)內所有守則條文，惟企業管治守則之守則條文第A.2.1條除外，詳情於下文闡述。

根據企業管治守則之守則條文第A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。於本公司副主席兼行政總裁姜永正博士辭職後，本公司主席李遠發先生由二零一四年七月一日起兼任本公司行政總裁之職務，直至能夠委任適合人選為止。本集團的日常業務管理及執行董事會之指示與指令均由本集團之管理團隊(包括本公司執行董事及本集團高級管理人員)負責。董事會相信，將本集團不同範疇的日常管理工作交由擁有不同經驗及資歷的高級管理人員處理，將有效及有效率地規劃本集團之整體策略。

董事會將繼續監察及檢討本集團的管理架構，並於有需要時作出適當之改變。



OTHER INFORMATION (Continued) 其他資料(續)

AUDIT COMMITTEE

The Company established the Audit Committee in June 2007. The primary duties of the Audit Committee are to review and approve the financial reporting process and internal control system of the Group and provide advice and comments to the Board. The Audit Committee comprises four independent non-executive directors, namely Mr. Yeow Hoe Ann, John, Mr. Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP and Mr. Andrew Look and is chaired by Mr. Yeow Hoe Ann, John, a qualified accountant with extensive experience in financial reporting and controls.

NOMINATION COMMITTEE

The Nomination Committee was set up in June 2007 for the purpose of making recommendations to the Board on the appointment of directors and the management of the Board succession. The members of the Nomination Committee are four independent non-executive directors – Mr. Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP, Mr. Yeow Hoe Ann, John and Mr. Andrew Look. Mr. Sun Kai Lit, Cliff BBS, JP is the Chairman of the Nomination Committee.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee in June 2007. The major duties of the Remuneration Committee include reviewing and determining the terms of remuneration packages, the award of bonuses and other compensation payable to directors and senior management. The Remuneration Committee consists of four independent non-executive directors, namely Mr. Sun Kai Lit, Cliff BBS, JP, Ir Dr. Lo Wai Kwok BBS, MH, JP, Mr. Yeow Hoe Ann, John and Mr. Andrew Look. The Chairman of Remuneration Committee is Mr. Sun Kai Lit, Cliff BBS, JP, an independent non-executive director.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, all directors have confirmed that they have fully complied with the required standard set out in the Model Code during the period under review.

審核委員會

本公司於二零零七年六月成立審核委員會。審核委員會之主要職責為審閱及批准本集團之財務申報程序及內部監控制度，並向董事會提供建議及意見。審核委員會由四名獨立非執行董事組成，分別為姚和安先生、孫啟烈先生BBS, 太平紳士、盧偉國博士BBS, MH, 太平紳士及陸東先生，而姚和安先生為審核委員會之主席，彼為合資格會計師，於財務申報及控制擁有豐富經驗。

提名委員會

提名委員會於二零零七年六月成立，其目的為就委任董事及管理董事會之繼任事項向董事會提供意見。提名委員會之成員包括四名獨立非執行董事孫啟烈先生BBS, 太平紳士、盧偉國博士BBS, MH, 太平紳士、姚和安先生及陸東先生，而孫啟烈先生BBS, 太平紳士為提名委員會之主席。

薪酬委員會

本公司於二零零七年六月成立薪酬委員會。薪酬委員會之主要職責包括審閱及釐定董事及高級管理人員之薪酬待遇、花紅獎賞及其他報酬。薪酬委員會由四名獨立非執行董事組成，分別為孫啟烈先生BBS, 太平紳士、盧偉國博士BBS, MH, 太平紳士、姚和安先生及陸東先生。薪酬委員會之主席為孫啟烈先生BBS, 太平紳士。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十標準守則所載之標準守則。經向全體董事作出具體查詢後確認，彼等於回顧期內一直全面遵守標準守則所載之規定準則。



OTHER INFORMATION (Continued) 其他資料(續)

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2014.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend our sincere appreciation to our customers, suppliers and shareholders for their continuing support, and our management and staff for their contribution and dedication to the Group throughout the period.

By order of the Board

Lee Yuen Fat
Chairman

Hong Kong, 26 August 2014

審閱財務資料

審核委員會已審閱本集團截至二零一四年六月三十日止六個月之未經審核簡明綜合財務報表。

鳴謝

本人謹此代表董事會，對客戶、供應商及股東一直以來鼎力支持致以衷心謝意。本人另對期內管理層所付出之寶貴貢獻及本集團員工之盡職服務表示感謝。

承董事會命

李遠發
主席

香港，二零一四年八月二十六日

KaShui¹⁹⁸⁰

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