



泓淋科技集團有限公司*

HL TECHNOLOGY GROUP LIMITED

(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 : 1087



INTERIM REPORT 中期報告

2014

* For identification purpose only 僅供識別

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Corporate Profile and Corporate Information 公司簡介及公司資料

HL Technology Group Limited (the “Company”, “our” or “we”) is a leading services and products provider for the global telecommunication and consumer electronics markets. Our shares were first listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 November 2010.

BOARD OF DIRECTORS Executive Directors

Mr. Chi Shaolin (*Chairman and Chief Executive Officer (“CEO”)*)
Mr. Cheng Wen (*Vice CEO*)
Mr. Lu Chengye (*Vice CEO*)

Independent Non-executive Directors

Mr. Thomas Tam
Mr. Pao Ping Wing
Ms. Zheng Lin

AUDIT COMMITTEE

Mr. Thomas Tam (*Chairman*)
Mr. Pao Ping Wing
Ms. Zheng Lin

COMPENSATION AND BENEFITS COMMITTEE

Ms. Zheng Lin (*Chairman*)
Mr. Lu Chengye
Mr. Thomas Tam

NOMINATION COMMITTEE

Mr. Chi Shaolin (*Chairman*)
Mr. Thomas Tam
Mr. Pao Ping Wing

COMPANY SECRETARY

Ms. Ho Wing Yan, *ACIS, ACS(PE)*

AUTHORISED REPRESENTATIVES

Mr. Lu Chengye
Ms. Ho Wing Yan, *ACIS, ACS(PE)*

泓淋科技集團有限公司* (「本公司」、「我們的」或「我們」) 是全球通訊及消費電子市場領先的服務及產品供應商。本公司的股份於二零一零年十一月十六日首次在香港聯合交易所有限公司 (「聯交所」) 主板掛牌上市。

董事會 執行董事

遲少林先生 (*主席兼總裁 (“總裁”)*)
程文先生 (*副總裁*)
路成業先生 (*副總裁*)

獨立非執行董事

談國慶先生
浦炳榮先生
鄭琳女士

審核委員會

談國慶先生 (*主席*)
浦炳榮先生
鄭琳女士

薪酬及福利委員會

鄭琳女士 (*主席*)
路成業先生
談國慶先生

提名委員會

遲少林先生 (*主席*)
談國慶先生
浦炳榮先生

公司秘書

何詠欣女士, *ACIS, ACS(PE)*

授權代表

路成業先生
何詠欣女士, *ACIS, ACS(PE)*

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* 僅供識別

Corporate Profile and Corporate Information 公司簡介及公司資料

REGISTERED OFFICE

Floor 4, Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

HEADQUARTER

Pudong Road
Economic and Technological Development Zone
Weihai City
Shandong Province
The People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

33rd Floor, Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKS

Bank of China
Agricultural Bank of China
Industrial and Commercial Bank of China
China Guangfa Bank
HSBC

LEGAL ADVISERS

Loong & Yeung (as to Hong Kong law)
Beijing DHH Law Firm* (as to PRC law)

AUDITORS

Ernst & Young

SHARE REGISTRAR Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited

LISTING INFORMATION Place of Listing

Main Board, The Stock Exchange

STOCK CODE

1087

COMPANY WEBSITE

www.hong-lin.com.cn

* For identification purpose only

註冊辦事處

Floor 4, Willow House
Cricket Square
P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

總部

中華人民共和國
山東省
威海市
經濟技術開發區
浦東路

香港主要營業地點

香港
灣仔
港灣道6-8號
瑞安中心33樓

主要往來銀行

中國銀行
中國農業銀行
中國工商銀行
中國廣發銀行
滙豐銀行

法律顧問

香港法律：龍炳坤、楊永安律師行
中國法律：德和衡律師所

核數師

安永會計師事務所

股份登記處 香港股份過戶登記分處

香港中央證券登記有限公司

上市資料 上市地點

聯交所主板

股份代號

1087

公司網站

www.hong-lin.com.cn

* 僅供識別

Chairman's Statement 主席報告

Dear Shareholders,

On behalf of the Company and all its subsidiaries (collectively, the "Group"), I am pleased to present to you the unaudited interim results of the Group for the six months ended 30 June 2014.

PERFORMANCE REVIEW

Main businesses of the Group focus on networks, terminals and signal transmission and connectivity products (namely power cord assembly mainly used on consumer electronics, wire and cable products including power cable and automotive cable and automotive wiring harness) after the completion of the disposal of Sumptuous Wealth Limited (together with its subsidiaries, collectively, "Sumptuous Wealth") on 26 November 2013 (details of which are set out in the circular of the Company dated 27 June 2013). As the continuous development of telecommunication technology, applications of the Fourth Generation ("4G") technology, Mobile Internet technology and enterprise Private Network technology keep expanding which brings tremendous market demands and has wide development prospects. In the meantime, the industry is competitive as more innovative competitors emerging. As for the consumer electronic market, demands are stable and competition are still fierce.

During the six months ended 30 June 2014, the Company made its own efforts in (i) expanding into the markets outside Mainland China for both networks and terminals segments; (ii) deeply cooperating with existing customers for networks business and winning new customers relying on its investments in research and development ("R&D") and marketing; and (iii) disposing several subsidiaries of the Company in the first half of 2014 to improve the overall liquidity of the Group and put the superior resources into the business with stronger profitability and better prospects.

The Group recorded total revenue of approximately RMB1,015.2 million for the six months ended 30 June 2014, representing a decrease of approximately RMB303.6 million, or approximately 23.0% as compared to revenue of approximately RMB1,318.8 million for the six months ended 30 June 2013. The decrease was mainly attributable to that (i) Sumptuous Wealth ceased to contribute to the Group after the disposal of it (as compared to its contribution to the revenue of approximately RMB498.1 million during the six months ended 30 June 2013); and (ii) revenue from terminals segment decreased by approximately RMB31.4 million, or approximately 18.8%. Nevertheless, networks segment recorded rapid growth of approximately RMB193.8 million, or approximately 58.5% and revenue from signal transmission and connectivity products segment increased by approximately RMB32.1 million, or approximately 10.0% as compared to that (other than the part attributable to Sumptuous Wealth) for the six months ended 30 June 2013.

尊敬的各位股東：

本人謹代表本公司及其所有附屬公司(統稱「本集團」)欣然向各位遞呈本集團截至二零一四年六月三十日止六個月未經審計中期業績。

業務表現回顧

於二零一三年十一月二十六日完成出售豪裕有限公司(連同其附屬公司,統稱為「豪裕」)(詳情載於本公司日期為二零一三年六月二十七日的通函)後,本集團的主營業務專注於網絡、終端及信號傳輸及連接產品(即主要用於消費電子的電源線組件、線纜產品,包括電源線及汽車電纜及汽車線束)。由於電訊技術持續發展,第四代(「4G」)技術、移動互聯網技術及企業專網技術廣泛應用,帶動龐大市場需求及具有廣闊發展前景,同時,隨著更多創新型競爭者湧現,行業競爭益發激烈。至於消費電子市場的需求則維持穩定,惟競爭程度仍然熾熱。

於截至二零一四年六月三十日止六個月,本公司在以下方面作出努力:(i)拓展網絡及終端分部的業務至中國內地以外市場;(ii)與現有客戶就網絡業務加深合作,並藉於研發及營銷方面的投資吸引新客戶;及(iii)於二零一四年上半年出售若干本公司附屬公司,以改善本集團的整體流動性,將優勢資源投入盈利能力更強及前景更佳的業務。

截至二零一四年六月三十日止六個月,本集團錄得總收益約人民幣1,015.2百萬元,與截至二零一三年六月三十日止六個月的收益約人民幣1,318.8百萬元相比,下降約人民幣303.6百萬元或約23.0%。跌幅主要來源為:(i)豪裕在出售後不再向本集團有貢獻(而截至二零一三年六月三十日止六個月其貢獻收益約人民幣498.1百萬元);及(ii)終端分部收益減少約人民幣31.4百萬元或約18.8%。然而,網絡分部錄得快速增長約人民幣193.8百萬元或約58.5%,以及信號傳輸及連接產品分部收益較截至二零一三年六月三十日止六個月(除豪裕應佔者外)增加約人民幣32.1百萬元或約10.0%。

Chairman's Statement 主席報告

PERFORMANCE REVIEW (Continued)

The Group's gross profit for the six months ended 30 June 2014 amounted to approximately RMB118.4 million, representing a decrease of approximately 28.6% as compared to that for the six months ended 30 June 2013. The decrease was mainly attributable to: (i) decrease of approximately RMB63.2 million caused by the disposal of Sumptuous Wealth; and (ii) gross profit of terminals segment decreased by approximately RMB8.5 million, or approximately 39.1%. Nevertheless, the decrease was partially offset by (i) gross profit from networks segment increased by approximately RMB13.5 million, or approximately 31.1%; and (ii) gross profit from the signal transmission and connectivity products segment increased by approximately RMB10.8 million, or approximately 28.7% as compared to that (other than the part attributable to Sumptuous Wealth) for the six months ended 30 June 2013.

The Group's net profit amounted to approximately RMB23.5 million for the six months ended 30 June 2014 as compared to the net loss of approximately RMB42.5 million for the six months ended 30 June 2013, which is mainly attributable to (i) the profit from the terminal and network businesses of the Group; (ii) the significant reduction in operating costs mainly as a result of the disposal of most of its loss-making businesses by the Group during the second half of 2013; and (iii) the gains on disposals of the interests of certain subsidiaries of the Company during the first half of 2014.

OUTLOOK

In light of the widespread use of the 4G technology, Mobile Internet technology and enterprise Private Network technology, demands on network and terminal equipments will keep expanding, therefore, the Group will keep increasing the investments in the R&D and marketing on these products, seeking for more partners and working closely with them to develop new products to fulfill the demands in the market. Furthermore, the Group will keep monitoring its business scale and portfolio closely, focusing on putting resources into businesses with stronger profitability and better market prospects and proactively seeking for right opportunities for business restructuring and industrial upgrading to improve the overall sustainable profitability and bring long term contribution to shareholders of the Company.

業務表現回顧(續)

截至二零一四年六月三十日止六個月，本集團毛利約為人民幣118.4百萬元，較截至二零一三年六月三十日止六個月之毛利減少約28.6%。跌幅主要由於：(i) 因出售豪裕而導致之減少約人民幣63.2百萬元；及(ii) 終端分部毛利減少約人民幣8.5百萬元或約39.1%。然而，有關跌幅部分被下列各項抵銷：(i) 網絡分部的毛利增加約人民幣13.5百萬元或約31.1%；及(ii) 信號傳輸及連接產品分部的毛利較截至二零一三年六月三十日止六個月(除豪裕應佔者外)增加約人民幣10.8百萬元或約28.7%。

截至二零一四年六月三十日止六個月，本集團的純利達約人民幣23.5百萬元，而截至二零一三年六月三十日止六個月則錄得淨虧損約人民幣42.5百萬元，主要由於(i) 本集團終端及網絡業務所產生之溢利；(ii) 經營成本大幅減少，主因是本集團於二零一三年下半年出售旗下大部分錄得虧損的業務；及(iii) 於二零一四年上半年出售本公司若干附屬公司的權益所得收益。

前景展望

基於4G技術、移動互聯網技術及企業專網技術普及應用，網絡及終端設備的需求將繼續擴展，因此，本集團將繼續加強對該等產品研發及營銷投資，物色更多合作夥伴，與之緊密合作，開發新產品滿足市場需求。此外，本集團將繼續密切監察業務規模和組合，著力投放資源至盈利能力較高、市場前景較佳的業務，並積極尋求適當時機，進行業務重組及產業升級，從而提升整體可持續盈利能力，為本公司股東帶來長遠回報。

Chairman's Statement 主席報告

APPRECIATION

On behalf of the board (the "Board") of directors (the "Directors") of the Company, I express my earnest gratitude towards our shareholders for demonstrating your support and confidence in our management team at any moment. At the same time I also wish to thank our colleagues on the Board for your persistent contribution in the Company's development and progress. Furthermore, I thank all the staff that have been committed to their duties for and being resilient in the development of the Group's business.

Yours faithfully,

Chi Shaolin

Chairman and CEO of the Company

27 August 2014

致謝

我謹代表本公司董事(「董事」)會(「董事會」)，向我們的股東表示誠摯的感謝，感謝你們無論何時都表現出對我們管理團隊的支持和信任；同時感謝我們在董事會中的同事們，感謝你們持續致力於本公司的發展和進步；以及感謝所有為本集團的業務發展履行他們的職責並且不斷奮鬥的人士！

此致

遲少林

本公司主席兼總裁

二零一四年八月二十七日

Financial Summary

財務摘要

A summary of unaudited results, selected financial ratios, assets and liabilities and cash flows is as follows:

未經審核業績、經選定財務比率、資產與負債及現金流量的概要如下：

UNAUDITED RESULTS

未經審核業績

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收益	1,015,241	1,318,803
Gross profit	毛利	118,377	165,769
Profit/(loss) before tax	除稅前溢利／(虧損)	29,526	(28,649)
Profit/(loss) for the period	期內溢利／(虧損)	23,489	(42,517)
Profit/(loss) attributable to:	以下各方應佔溢利／(虧損)：		
— Owners of the parent	— 母公司擁有人	23,929	(42,163)
— Non-controlling interests	— 非控制權益	(440)	(354)
		23,489	(42,517)
Earnings/(loss) per share	每股盈利／(虧損)		
— Basic (RMB cents)	— 基本(人民幣分)	3.32	(5.86)

SELECTED FINANCIAL RATIOS

經選定財務比率

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Approximate) (概約)	2013 二零一三年 (Approximate) (概約)
Gross profit margin	邊際毛利	11.7%	12.6%
Net profit/(loss) margin	邊際純利／淨(虧損)	2.3%	(3.2%)

		As at 30 June 2014 於二零一四年 六月三十日 (Approximate) (概約)	As at 31 December 2013 於二零一三年 十二月三十一日 (Approximate) (概約)
Current ratio (times)	流動比率(倍)	1.1	1.0
Gearing ratio ⁽¹⁾	資本負債比率 ⁽¹⁾	22.6%	25.9%
Return on total assets ⁽²⁾	總資產回報 ⁽²⁾	1.0%	(6.1%)
Return on total equity ⁽²⁾	總權益回報 ⁽²⁾	2.9%	(16.0%)

⁽¹⁾ Calculated by using short term borrowings divided by total assets.

⁽¹⁾ 按短期借貸除以總資產計算。

⁽²⁾ Calculated by using average balances of total assets and total equity.

⁽²⁾ 採用平均總資產和總權益餘額計算得出。

Financial Summary

財務摘要

ASSETS AND LIABILITIES

資產與負債

		As at 30 June 2014 於二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	As at 31 December 2013 於二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Total assets	資產總值	2,488,556	2,417,922
Total assets less current liabilities	總資產減流動負債	851,448	818,958
Total equity	權益總值	829,847	795,617
Cash and cash equivalent	現金及現金等價物	77,275	62,721
Interest-bearing bank and other borrowings	計息銀行及其他借貸	563,292	625,206

CASH FLOWS

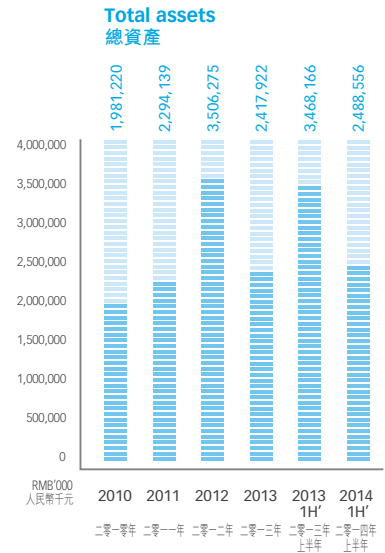
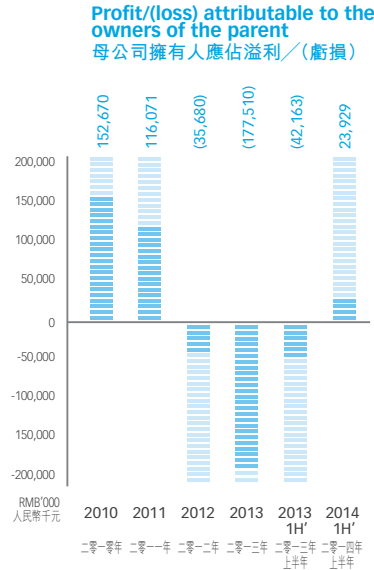
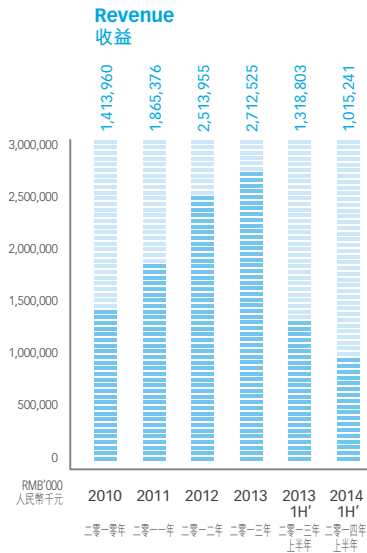
For the six months ended 30 June

現金流量

截至六月三十日止六個月

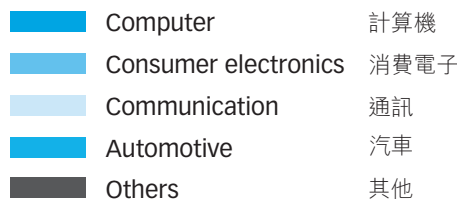
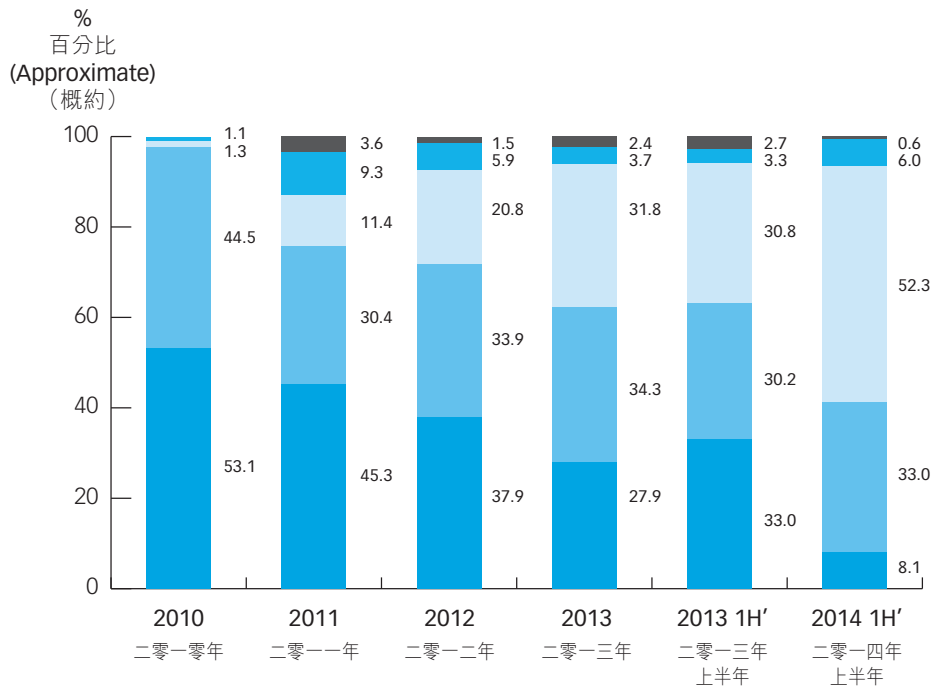
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash from operating activities	經營活動所得現金淨額	32,524	44,581
Net cash from/(used in) investing activities	投資活動所得／(所用)現金淨額	43,347	(55,112)
Net cash (used in)/from financing activities	融資活動(所用)／所得現金淨額	(61,425)	22,577

Financial Summary 財務摘要



A summary of revenue breakdown in terms of end markets is as follows:

按終端市場劃分的收益概要如下：



Management Discussion & Analysis

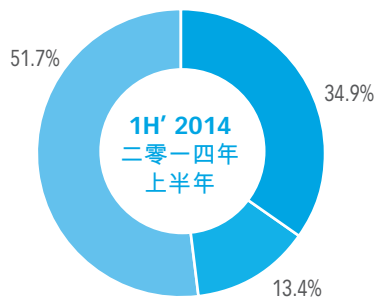
管理層討論及分析

BUSINESS REVIEW

業務回顧

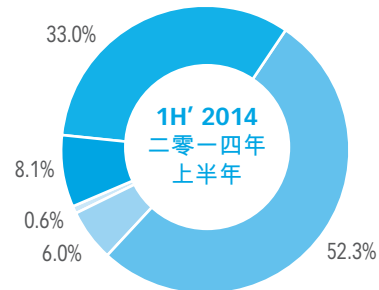
		Six months ended 30 June 截至六月三十日止六個月				
		2014 二零一四年		2013 二零一三年		
		Revenue RMB'000 收益 人民幣千元	% of Revenue (approximate) 佔收益百分比 (概約)	Revenue RMB'000 收益 人民幣千元	% of Revenue (approximate) 佔收益百分比 (概約)	Change in % (approximate) 變動百分比 (概約)
Networks	網絡	525,144	51.7	331,340	25.1	58.5
Signal transmission and connectivity products	信號傳輸及連接產品	354,336	34.9	820,348	62.2	(56.8)
Terminals	終端	135,761	13.4	167,115	12.7	(18.8)
Total	總計	1,015,241	100.0	1,318,803	100.0	(23.0)

1H' 2014 Revenue Breakdown by Products
二零一四年上半年按產品劃分之收益



Networks	網絡	51.7%
Signal transmission and connectivity products	信號傳輸及連接產品	34.9%
Terminals	終端	13.4%

1H' 2014 Revenue Breakdown by End Markets
二零一四年上半年按終端市場劃分之收益



Communication	通訊	52.3%
Consumer electronics	消費電子	33.0%
Computer	計算機	8.1%
Automotive	汽車	6.0%
Others	其他	0.6%

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

The Group recorded total revenue of approximately RMB1,015.2 million for the six months ended 30 June 2014, representing a decrease of approximately RMB303.6 million, or approximately 23.0% as compared to revenue of approximately RMB1,318.8 million for the six months ended 30 June 2013. The decrease was mainly attributable to that (i) Sumptuous Wealth ceased to contribute to the Group after the disposal of it (as compared to its contribution to the revenue of approximately RMB498.1 million during the six months ended 30 June 2013); and (ii) revenue from terminals segment decreased by approximately RMB31.4 million, or approximately 18.8%. Nevertheless, networks segment recorded rapid growth of approximately RMB193.8 million, or approximately 58.5% and revenue from signal transmission and connectivity products segment increased by approximately RMB32.1 million, or approximately 10.0% as compared to that (other than the part attributable to Sumptuous Wealth) for the six months ended 30 June 2013.

Networks

Revenue generated from networks segment increased by approximately 58.5% as compared to the corresponding period in 2013 to approximately RMB525.1 million due to the Group's ability to continuously obtain more orders from both existing and new customers relying on endeavors made by the Group on both R&D and marketing, especially on expanding to markets outside Mainland China.

Signal Transmission and Connectivity Products

The signal transmission and connectivity products segment recorded revenue of approximately RMB354.3 million, representing a decrease of approximately 56.8% as compared to the revenue of approximately RMB820.3 million for the six months ended 30 June 2013, which was mainly attributable to (i) the external and internal signal cable assembly products, connectors, antennas and a major part of wire and cable products had ceased to contribute to the revenue of the Group upon completion of the disposal of Sumptuous Wealth; and (ii) increasing orders and market shares from both existing and new customers of power cord assembly and automotive wiring harness.

Terminals

Revenue from terminals segment decreased by approximately 18.8% as compared to the corresponding period in 2013 to approximately RMB135.8 million, mainly as a result of reduction of procurement from customers in the first half of 2014.

業務回顧(續)

截至二零一四年六月三十日止六個月，本集團錄得總收益約人民幣1,015.2百萬元，與截至二零一三年六月三十日止六個月的收益約人民幣1,318.8百萬元相比，下降約人民幣303.6百萬元或約23.0%。跌幅主要源自：(i) 豪裕在出售後不再向本集團有貢獻(而截至二零一三年六月三十日止六個月其貢獻收益約人民幣498.1百萬元)；及(ii) 終端分部收益減少約人民幣31.4百萬元或約18.8%。然而，網絡分部錄得快速增長約人民幣193.8百萬元或約58.5%，以及信號傳輸及連接產品分部收益較截至二零一三年六月三十日止六個月之收益增加約人民幣32.1百萬元或約10.0%(除豪裕應佔者外)。

網絡

網絡分部所得收益較二零一三年同期增加約58.5%至約人民幣525.1百萬元，原因為本集團於研發及營銷(特別是開拓中國內地以外市場)方面不懈努力，讓本集團能不斷從現有及新客戶取得更多訂單。

信號傳輸及連接產品

信號傳輸及連接產品分部錄得收益約人民幣354.3百萬元，較截至二零一三年六月三十日止六個月之收益約人民幣820.3百萬元減少約56.8%，主要原因為：(i) 於完成出售豪裕後，外接及內接信號線組件產品、連接器、天線及大部份線纜產品不再為本集團貢獻收益；及(ii) 電源線組件及汽車線束之現有及新客戶之訂單及市場份額增長。

終端

終端分部所得收益較二零一三年同期減少約18.8%至約人民幣135.8百萬元，主要由於二零一四年上半年客戶的採購量減少所致。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW

Cost of Sales

The following table sets forth a breakdown of our cost of sales for the period indicated:

財務回顧

銷售成本

下表載列於所示期間的銷售成本明細：

		Six months ended 30 June 截至六月三十日止六個月				
		2014 二零一四年		2013 二零一三年		
		RMB'000	% of total cost of sales (approximate)	RMB'000	% of total cost of sales (approximate)	Change in % (approximate)
		人民幣千元	佔銷售成本 總額百分比 (概約)	人民幣千元	佔銷售成本 總額百分比 (概約)	變動百分比 (概約)
Raw material costs	原材料成本	767,251	85.5	917,344	79.6	(16.4)
Utilities	公共事業成本	5,511	0.6	13,495	1.2	(59.2)
Depreciation	折舊	9,389	1.1	16,938	1.5	(44.6)
Labor costs	勞工成本	34,452	3.8	122,561	10.6	(71.9)
Outsourcing costs	外包成本	68,828	7.7	64,448	5.6	6.8
Others	其他	11,433	1.3	18,248	1.5	(37.3)
Total	合計	896,864	100.0	1,153,034	100.0	(22.2)

Cost of sales decreased by approximately RMB256.2 million for the six months ended 30 June 2014, or approximately 22.2%, as compared to the corresponding period in 2013 to approximately RMB896.9 million. The decrease was basically in line with the decrease in revenue and was mainly attributable to the disposal of Sumptuous Wealth, which lead to the decline in almost every aspects comprising the cost of sales except the outsourcing costs. Increase in outsourcing costs was mainly as a result of significant increase in sales from networks segment, the products from which were independently researched and developed by the Group and outsourcing produced.

截至二零一四年六月三十日止六個月，銷售成本較二零一三年同期減少約人民幣256.2百萬元或約22.2%至約人民幣896.9百萬元。跌幅基本上與收益跌幅一致，主要原因為出售豪裕，令幾乎所有銷售成本組成部分均告下跌，惟外包成本除外。外包成本增加主要由於網絡分部銷售大幅增加，該分部之產品乃由本集團獨立研發及外包生產。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Gross Profit and Margin

The Group's gross profit for the six months ended 30 June 2014 amounted to approximately RMB118.4 million, representing a decrease of approximately 28.6% as compared to that for the six months ended 30 June 2013. The decrease was mainly attributable to: (i) decrease of approximately RMB63.2 million caused by the disposal of Sumptuous Wealth; and (ii) gross profit of terminals segment decreased by approximately RMB8.5 million, or approximately 39.1%. Nevertheless, the decrease was partially offset by (i) gross profit from networks segment increased by approximately RMB13.5 million, or approximately 31.1%; and (ii) gross profit from the signal transmission and connectivity products segment increased by approximately RMB10.8 million, or approximately 28.7% as compared to that (other than the part attributable to Sumptuous Wealth) for the six months ended 30 June 2013.

財務回顧(續)

毛利及毛利率

截至二零一四年六月三十日止六個月，本集團毛利約為人民幣118.4百萬元，較截至二零一三年六月三十日止六個月之毛利減少約28.6%。減幅主要由於：(i) 因出售豪裕而導致之減少約人民幣63.2百萬元；及(ii) 終端分部毛利減少約人民幣8.5百萬元或約39.1%。然而，有關跌幅部分被下列各項抵銷：(i) 網絡分部的毛利增加約人民幣13.5百萬元或約31.1%；及(ii) 信號傳輸及連接產品分部的毛利較截至二零一三年六月三十日止六個月(除豪裕應佔者外)增加約人民幣10.8百萬元或約28.7%。

		Six months ended 30 June				
		2014		2013		
		二零一四年		二零一三年		
		Gross profit	Gross profit	Gross profit	Gross profit	Change in %
		RMB'000	margin (%)	RMB'000	margin (%)	(approximate)
		毛利	毛利率百分比	毛利	毛利率百分比	變動百分比
		人民幣千元	(概約)	人民幣千元	(概約)	(概約)
Networks	網絡	56,937	10.8	43,440	13.1	31.1
Signal transmission and connectivity products	信號傳輸及連接產品	48,208	13.6	100,614	12.3	(52.1)
Terminals	終端	13,232	9.7	21,715	13.0	(39.1)
Total	總計	118,377	11.7	165,769	12.6	(28.6)

Gross profit margin declined to approximately 11.7% for the six months ended 30 June 2014 from approximately 12.6% for the six months ended 30 June 2013. The decrease was mainly attributable to the rising proportion of networks segment with relatively lower gross profit margin in the first half of 2014 as compared to the corresponding period in 2013 due to the fierce competition.

截至二零一四年六月三十日止六個月的毛利率由截至二零一三年六月三十日止六個月的約12.6%跌至約11.7%。減幅主要源於在二零一四年上半年，毛利率相對較低的網絡分部佔比較二零一三年同期上升，原因為競爭激烈。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Other Income and Gains

The Company recorded other gains of approximately RMB13.8 million for the six months ended 30 June 2014, including, among others, (i) government grants of approximately RMB4.5 million; (ii) commission and guarantee fee income of approximately RMB5.0 million charged to Jia Ya Developments Limited and its subsidiaries according to the commission agreement and the cross guarantee agreement between the Group and Jia Ya Developments Limited and its subsidiaries approved by the independent shareholders of the Company on 26 November 2013 after completion of the disposal of Sumptuous Wealth; and (iii) gains on disposals of interests of subsidiaries of the Company of approximately RMB1.8 million.

Other Expenses

Other expenses of the Group amounted to approximately RMB7.0 million, which was mainly attributable to (i) the impairment loss of approximately RMB3.7 million recognised in respect of property, plant and equipment in 惠州市泓淋通訊科技有限公司 (Huizhou Honglin Communication Company Limited*, "Huizhou Communication") which was disposed of by the Group on 27 May 2014; and (ii) impairment loss of approximately RMB2.5 million recognised in respect of trade and other receivables.

Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately RMB31.2 million for the six months ended 30 June 2014, or approximately 58.5%, as compared to the corresponding period in 2013, which was primarily due to the significant decrease in transportation expenses, staff costs, entertainment expenses and other expenses in signal transmission and connectivity products segment as a result of the disposal of Sumptuous Wealth.

Administrative Expenses

Administrative expenses decreased by approximately RMB35.8 million for the six months ended 30 June 2014, or approximately 50.6%, as compared to the corresponding period in 2013. The decrease was mainly attributable to the disposal of Sumptuous Wealth.

* For identification purpose only.

財務回顧 (續)

其他收入及收益

截至二零一四年六月三十日止六個月，本公司錄得其他收益約人民幣13.8百萬元，其中包括(i)政府資助約人民幣4.5百萬元；(ii)完成出售豪裕後，根據本集團與佳雅發展有限公司及其附屬公司訂立及由本公司獨立股東於二零一三年十一月二十六日批准之佣金協議及相互擔保協議，收取佳雅發展有限公司及其附屬公司佣金及擔保費收入約人民幣5.0百萬元；及(iii)出售本公司附屬公司權益之收益約人民幣1.8百萬元。

其他開支

本集團其他開支約為人民幣7.0百萬元，主要由於(i)惠州市泓淋通訊科技有限公司(「惠州通訊」)之物業、廠房及設備確認減值虧損約人民幣3.7百萬元，本集團已於二零一四年五月二十七日出售該公司；及(ii)貿易及其他應收款項確認減值虧損約人民幣2.5百萬元。

銷售及分銷開支

截至二零一四年六月三十日止六個月，銷售及分銷開支較二零一三年同期減少約人民幣31.2百萬元，或約58.5%，主要由於信號傳輸及連接產品分部所涉及之運輸費用、員工成本、應酬開支及其他開支因出售豪裕而大幅減少所致。

行政開支

截至二零一四年六月三十日止六個月，行政開支較二零一三年同期減少約人民幣35.8百萬元，或約50.6%。該跌幅主要由於出售豪裕。

* 僅供識別。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

R&D Expenses

R&D expenses decreased by approximately RMB30.4 million for the six months ended 30 June 2014, or approximately 69.6%, as compared to the corresponding period in 2013. This decline was primarily attributable to decrease in staff costs, depreciation costs, material costs and other expenses from signal transmission and connectivity products segment as a result of the disposal of Sumptuous Wealth. However, this reduction was partially net off by the increased investments in the R&D activities in networks and terminals segments.

Finance Costs

Finance costs decreased by approximately RMB14.3 million for the six months ended 30 June 2014, or approximately 36.1%, as compared to the corresponding period in 2013. It was mainly due to (i) the decrease in bank interest expenses of approximately RMB9.4 million as a result of the disposal of Sumptuous Wealth; (ii) nominal interest amortisation on promissory note issued by the Company to Mr. Chi Shaolin ("Mr. Chi") on 31 January 2013 of approximately RMB10.9 million in the first half of 2013, while no such expenses were recorded in the first half of 2014 since the promissory note was settled on 26 November 2013 to offset the consideration of the disposal of Sumptuous Wealth; and (iii) increase in guarantee fee of approximately RMB4.5 million charged by Jia Ya Developments Limited and its subsidiaries according to the cross guarantee agreement between the Group and Jia Ya Developments Limited and its subsidiaries which was approved by the independent shareholders of the Company on 26 November 2013 after completion of the disposal of Sumptuous Wealth.

Income Tax Expense

The Group incurred income tax expense of approximately RMB6.0 million for the six months ended 30 June 2014 due to (i) the current PRC Enterprise Income Tax and Hong Kong profit tax occurred from the networks and terminals segments of approximately RMB7.2 million; and (ii) deferred tax of approximately RMB1.2 million. On an overall basis, the Group's effective tax rate in the first half of 2014 was 20.4%, contrasting to -48.4% in the first half of 2013.

財務回顧(續)

研發開支

截至二零一四年六月三十日止六個月之研發開支較二零一三年同期減少約人民幣30.4百萬元，或約69.6%，跌幅主要由於信號傳輸及連接產品分部的員工成本、折舊成本、原料成本及其他開支因出售豪裕而減少所致。然而該跌幅部分被增加於網絡及終端分部之研發活動投資抵銷。

融資成本

截至二零一四年六月三十日止六個月，融資成本較二零一三年同期減少約人民幣14.3百萬元，或約36.1%。此乃主要由於(i)銀行利息開支因出售豪裕而減少約人民幣9.4百萬元；(ii)本公司於二零一三年一月三十一日向遲少林先生(「遲先生」)發行的承兌票據於二零一三年上半年的名義利息攤銷約人民幣10.9百萬元，而因承兌票據已於二零一三年十一月二十六日結付，藉此抵銷出售豪裕之代價，於二零一四年上半年並無錄得有關開支；及(iii)根據本集團與佳雅發展有限公司及其附屬公司訂立及由本公司獨立股東於二零一三年十一月二十六日批准之相互擔保協議，於完成出售豪裕後佳雅發展有限公司及其附屬公司收取擔保費用增加約人民幣4.5百萬元。

所得稅開支

本集團於截至二零一四年六月三十日止六個月的所得稅開支約為人民幣6.0百萬元，主要由於(i)網絡及終端分部所產生之即期中國企業所得稅及香港利得稅約為人民幣7.2百萬元；及(ii)遞延稅項約人民幣1.2百萬元。整體而言，本集團於二零一四年上半年的實際稅率為20.4%，而二零一三年上半年為-48.4%。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Profit for the Period

The Group's net profit amounted to approximately RMB23.5 million for the six months ended 30 June 2014 as compared to the net loss of approximately RMB42.5 million for the six months ended 30 June 2013, which is mainly attributable to (i) the profit from the terminal and network businesses of the Group; (ii) the significant reduction in operating costs mainly as a result of the disposal of most of its loss-making businesses by the Group during the second half of 2013; and (iii) the gains on disposals of the interests of certain subsidiaries of the Company during the first half of 2014.

Liquidity and Financial Resources

The Group continues to implement prudent financial management policies and maintains a reasonable gearing ratio during its operation. As at 30 June 2014, the Group's gearing ratio (measured by total short-term borrowings as a percentage of total assets of the Group) was approximately 22.6% (31 December 2013: 25.9%).

As at 30 June 2014, interest-bearing bank and other borrowings of the Group amounted to approximately RMB563.3 million (31 December 2013: RMB625.2 million). These loans carried interests at floating or fixed rates. For the total bank and other borrowings of approximately RMB563.3 million, approximately RMB141.2 million was secured loans.

As at 30 June 2014, the Group has pledged its land use rights, buildings, plants and equipments, bank deposits and bills receivables to banks to secure for bank loans of the Group and general banking facilities granted to the Group.

The decrease in interest-bearing bank and other borrowings of approximately RMB61.9 million was mainly attributable to some bank borrowings matured and the Group did not renew the borrowings.

Save as aforesaid or as otherwise disclosed in this interim report, and apart from intragroup liabilities, the Company did not have outstanding at the close of business on 30 June 2014, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 30 June 2014 and up to the date of this interim report.

財務回顧(續)

期內溢利

截至二零一四年六月三十日止六個月，本集團之純利約為人民幣23.5百萬元，而截至二零一三年六月三十日止六個月則為淨虧損約人民幣42.5百萬元，此乃主要由於(i)本集團之終端及網絡業務的溢利；(ii)經營成本大幅減少，主要是本集團於二零一三年下半年出售旗下大部分錄得虧損之業務；及(iii)於二零一四年上半年出售本公司若干附屬公司權益的收益。

流動資金及財務資源

本集團於營運過程中繼續執行審慎的財務管理政策，並維持合理的資本負債比率。於二零一四年六月三十日，本集團的資本負債比率(透過短期借貸總額除以本集團總資產計算)約為22.6%(二零一三年十二月三十一日：25.9%)。

於二零一四年六月三十日，本集團之計息銀行及其他借貸約為人民幣563.3百萬元(二零一三年十二月三十一日：人民幣625.2百萬元)。該等貸款按浮動或固定利率計息。於總金額為約人民幣563.3百萬元的銀行及其他借貸中，金額為約人民幣141.2百萬元的一部分，為已抵押貸款。

於二零一四年六月三十日，本集團已質押其土地使用權、樓宇、廠房及設備、銀行存款及應收票據予銀行，作為本集團之銀行貸款及授予本集團之一般銀行融資之抵押。

計息銀行及其他借貸減少約人民幣61.9百萬元乃主要由於若干銀行借貸已到期，而本集團並無重續有關借貸。

除上述或本中期報告另有披露者，以及集團內公司間之負債外，於二零一四年六月三十日營業時間結束時，本公司並無任何已發行及未清償或同意發行之借貸資本、銀行透支、貸款或其他類似債務、承兌負債或承兌信貸、債券、按揭、質押、租購承擔、擔保或其他重大或然負債。

董事已確認，自二零一四年六月三十日至本中期報告日期為止，本集團的債務及或然負債概無重大變動。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Foreign Currency Risk

As certain of the Group's trade and other receivables, trade and other payables and bank borrowings of the Group are denominated in foreign currency, exposure to exchange rate fluctuation arises. The Group has the relevant policy to monitor the risk associated with the fluctuation of foreign currency and control such risk if necessary.

Working Capital

Inventories balance as at 30 June 2014 was approximately RMB119.0 million (31 December 2013: RMB125.8 million). The average turnover days for inventories were 25 days as at 30 June 2014 as compared to 57 days as at 30 June 2013, which was mainly as a result of the relatively high inventory turnover rate of the network and terminal businesses.

Trade and bills receivables balance as at 30 June 2014 was approximately RMB1,339.6 million (31 December 2013: RMB1,201.4 million). The increase in trade and bills receivables balance was mainly due to increase in sales and business scope in networks segment. The average turnover days for trade and bills receivables were 227 days as at 30 June 2014 as compared to 183 days as at 30 June 2013, the increase of turnover days was mainly attributable to the rising proportion of network business which had relatively long credit period.

Trade and bills payables balance as at 30 June 2014 was approximately RMB895.1 million (31 December 2013: RMB704.2 million). The increase in trade and bills payables balance was mainly due to increase in purchases and business scope in networks segment. The average turnover days for trade and bills payables were 162 days as at 30 June 2014 as compared to 110 days as at 30 June 2013, the increase of turnover days was mainly due to the rising proportion of network business which was outsourcing produced and had relatively long payable credit period.

The Group's cash conversion cycle for the six months ended 30 June 2014 was 90 days as compared to 130 days for the six months ended 30 June 2013.

財務回顧(續)

外幣風險

由於本集團的若干貿易及其他應收款項、貿易及其他應付款項及銀行借貸以外幣列值，故會出現面臨匯率波動的風險。本集團有相關政策，監督與外匯波動有關的風險及在有需要時控制該等風險。

運營資本

於二零一四年六月三十日，存貨結餘約為人民幣119.0百萬元(二零一三年十二月三十一日：人民幣125.8百萬元)。於二零一四年六月三十日，存貨的平均周轉日數為25日，而二零一三年六月三十日則為57日，此乃主要由於網絡及終端業務的存貨周轉率相對較高所致。

於二零一四年六月三十日，貿易及票據應收款結餘約為人民幣1,339.6百萬元(二零一三年十二月三十一日：人民幣1,201.4百萬元)。貿易及票據應收款結餘增加主要由於網絡分部之銷售及業務範圍有所增加。於二零一四年六月三十日，貿易及票據應收款結餘的平均周轉日數為227日，而二零一三年六月三十日則為183日，周轉日數增加主要由於信貸期較長的網絡業務佔比上升所致。

於二零一四年六月三十日，貿易及票據應付款結餘約為人民幣895.1百萬元(二零一三年十二月三十一日：人民幣704.2百萬元)。貿易及票據應付款結餘增加主要由於網絡分部之採購及業務範圍有所增加。於二零一四年六月三十日，貿易及票據應付款的平均周轉日數為162日，而二零一三年六月三十日則為110日。周轉日數增加主要由於網絡業務為外包生產，具有相對較長的應付款項信貸期且佔比上升所致。

截至二零一四年六月三十日止六個月，本集團的現金周轉周期約為90日，而截至二零一三年六月三十日止六個月則為130日。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Cash Flows

Net cash from operating activities for the six months ended 30 June 2014 was approximately RMB32.5 million, representing a decrease of approximately RMB12.1 million as compared to that for the six months ended 30 June 2013. The decrease in operating cash flows were primarily in line with decrease in business scale caused by the disposal of Sumptuous Wealth.

Net cash from investing activities for the six months ended 30 June 2014 was approximately RMB43.3 million, which was primarily attributable to cash inflows from disposals of equity interests of subsidiaries of the Company.

Net cash used in financing activities for the six months ended 30 June 2014 was approximately RMB61.4 million, which was primarily attributable to repayment of bank borrowings by 威海市泓淋電子有限公司 (Weihai Wang Lin Electronic Company Limited*, "Weihai Electronic"), an indirect wholly-owned subsidiary of the Company.

Capital Expenditure

For the six months ended 30 June 2014, the Group incurred total capital expenditures of approximately RMB19.9 million in the purchase of property, plant and equipment and prepayments for acquiring intangible assets. For the six months ended 30 June 2013, the Group incurred total expenditure of approximately RMB61.7 million in construction of new factories, research and development center, the purchase of land, plant and machinery, equipment and computer system.

Capital Commitments

As at 30 June 2014, the Group had capital commitments of approximately RMB0.2 million in respect of acquisition of property, plant and equipment (as at 31 December 2013: RMB25.8 million). The decrease in the capital commitments was mainly attributable to the disposal of Huizhou base which was under construction by the Group on 27 May 2014.

* For identification purposes only

財務回顧(續)

現金流量

截至二零一四年六月三十日止六個月，經營活動所得現金淨額約為人民幣32.5百萬元，較截至二零一三年六月三十日止六個月之經營活動所得現金淨額減少約人民幣12.1百萬元。經營現金流減少主要系出售豪裕造成業務規模縮小所致。

截至二零一四年六月三十日止六個月，投資活動所得現金淨額約人民幣43.3百萬元，主要系出售本公司附屬公司股權之現金流入。

截至二零一四年六月三十日止六個月，融資活動所用現金淨額為約人民幣61.4百萬元，主要系威海市泓淋電子有限公司(「威海電子」)(本公司間接全資附屬公司)償還銀行借款。

資本開支

截至二零一四年六月三十日止六個月，本集團就購買物業、廠房及設備以及因購入無形資產支付之預付款，招致總資本開支約人民幣19.9百萬元。截至二零一三年六月三十日止六個月，本集團就新廠房、研發中心、購買土地、廠房及機械、設備及電腦系統產生之總開支約人民幣61.7百萬元。

資本承擔

於二零一四年六月三十日，本集團就收購物業、廠房及設備的資本承擔約為人民幣0.2百萬元(於二零一三年十二月三十一日：人民幣25.8百萬元)。資本承擔減少主要由於本集團於二零一四年五月二十七日出售興建中的惠州基地所致。

* 僅供識別

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Contingent Liabilities

As at 30 June 2014, the Group had contingent liabilities of approximately RMB437.1 million (31 December 2013: RMB403.2 million) arising from the guarantees on banking facilities provided to related companies.

A subsidiary of the Group is currently a defendant in a lawsuit in relation to a commissioned development contract in software of handset. Since the litigation is likely to continue for a considerable period of time and the Board believes that the outcome of this claim cannot be reliably estimated, only the related legal and other costs have been provided.

EMPLOYEES

As at 30 June 2014, the Group had a total of 3,145 staff, of which 1,339 were the Group's direct employees (30 June 2013: 3,784) and 1,209 were contract workers (30 June 2013: 5,026). As at 30 June 2014, the Group also had 597 part-time interns (30 June 2013: 1,258). All contract workers and part-time interns were mainly deployed in production, the breakdown of direct employees as at 30 June 2014 is as follows:

		As at 30 June 2014 於二零一四年 六月三十日	As at 30 June 2013 於二零一三年 六月三十日
Manufacturing	製造	460	1,342
Sales and marketing	銷售及市場推廣	289	658
General and administration	一般及行政	362	851
Research and Development	研發	129	315
Quality control	品質控制	99	618
Total	總計	1,339	3,784

The significant decrease in the number of employee as at 30 June 2014 as compared with that as at 30 June 2013 was mainly due to the disposal of Sumptuous Wealth.

Compensation policy of the Group is determined by considering individual performance of employees.

財務回顧(續)

或然負債

於二零一四年六月三十日，本集團有或然負債約人民幣437.1百萬元(二零一三年十二月三十一日：人民幣403.2百萬元)，源於就提供予關聯公司之銀行融資所作之擔保。

目前本集團一間附屬公司為一宗涉及手機軟件委聘開發合約之訴訟之被告。由於董事會相信訴訟很可能會拖延頗長時間，該申索之結果難以估計，故此僅就相關法律及其他成本計提撥備。

僱員

於二零一四年六月三十日，本集團合共有3,145名員工，其中1,339名為本集團直接僱員(二零一三年六月三十日：3,784名)及1,209名為合約員工(二零一三年六月三十日：5,026名)。於二零一四年六月三十日，本集團亦有597名兼職實習員工(二零一三年六月三十日：1,258名)。所有合約員工及兼職實習員工均主要負責生產。本集團之直接僱員於二零一四年六月三十日的明細如下：

於二零一四年六月三十日的僱員數目比二零一三年六月三十日的僱員數目大幅減少，主要由於出售豪裕所致。

本集團之彌償政策乃經考慮僱員個別表現後釐定。

Management Discussion & Analysis 管理層討論及分析

USE OF PROCEEDS RAISED FROM THE GLOBAL OFFERING

The net proceeds from the global offering of the Company, after deducting the relevant cost, were approximately HK\$470.3 million (equivalent to approximately RMB400.7 million). As at 30 June 2014, the Company utilised the proceeds of approximately RMB385.4 million and the use of proceeds was in line with the disclosure in the prospectus of the Company and in the announcement made by the Company dated 21 February 2014.

As at 30 June 2014, proceeds used according to the revised plan in the announcement made by the Company dated 21 February 2014 are generally analysed as follows:

全球發售籌集所得款項之用途

本公司全球發售所得款項淨額扣除相關成本後約為470.3百萬港元(相當於約人民幣400.7百萬元)。於二零一四年六月三十日,本公司動用所得款項約人民幣385.4百萬元,所得款項用途與本公司招股章程及本公司於二零一四年二月二十一日刊發之公告所披露者一致。

於二零一四年六月三十日,根據本公司於二零一四年二月二十一日刊發之公告所載之經修訂計劃所動用之所得款項大致上分析如下:

Projects	項目	Accumulated use of proceeds 所得款項的累計用途	
		Estimated amount 預計金額 RMB (million) 人民幣(百萬元)	Accumulated expenses 累計開支 RMB (million) 人民幣(百萬元)
Expansion of domestic and international markets on the Group's original products	擴展本集團原有產品之國內及國外市場	13.6	7.5
Research and development investments	研發投資	20.0	10.8
General working capital and other general corporate purposes	一般營運資本及其他一般企業用途	35.0	35.0
Total	總計	68.6	53.3

DISPOSAL OF WUHAN TECHNOLOGY

On 10 January 2014, Weihai Electronic entered into a disposal agreement with, among others, Wuhan Yaguang Xinmin Fire Prevention Decoration Materials Company Limited*, "Wuhan Yaguang Xinmin". Pursuant to this disposal agreement, Weihai Electronic agreed to dispose of and Wuhan Yaguang Xinmin agreed to purchase 10% equity interest in Wuhan Honglin Technology Company Limited*, "Wuhan Technology" at the consideration of RMB5,201,729.34 (equivalent to approximately HK\$6.2 million). In this disposal agreement, Hubei Kangpusi Medical Technology Company Limited*, "Hubei Kangpusi" served as the guarantor to Wuhan Yaguang Xinmin.

出售武漢科技

於二零一四年一月十日,威海電子與(其中包括)武漢亞光新民防火裝飾材料有限公司(「武漢亞光新民」)訂立出售協議。根據該出售協議,威海電子同意出售而武漢亞光新民同意收購武漢市泓淋科技有限公司(「武漢科技」)之10%股權,代價為人民幣5,201,729.34元(相當於約6.2百萬港元)。於該出售協議下,湖北康普斯醫療科技有限公司(「湖北康普斯」)擔任武漢亞光新民擔保人。

* For identification purpose only.

* 僅供識別。

Management Discussion & Analysis 管理層討論及分析

DISPOSAL OF WUHAN TECHNOLOGY (Continued)

On the same day, Weihai Electronic entered into another disposal agreement with, among others, Hubei Kangpusi. Pursuant to this disposal agreement, Weihai Electronic agreed to dispose of and Hubei Kangpusi agreed to purchase 90% equity interest in Wuhan Technology at the consideration of RMB46,815,564.09 (equivalent to approximately HK\$56.2 million). In this disposal agreement, Wuhan Yaguang Xinmin served as the guarantor to Hubei Kangpusi.

Wuhan Technology is a company established in the PRC with limited liability by Weihai Electronic on 24 February 2011. It had not commenced any substantive business operation and had not gained any revenue since its establishment up to the date of the disposal agreements.

Details of the disposal of Wuhan Technology have been set out in the announcement dated 10 January 2014 published by the Company.

DISPOSAL OF RITUO TECHNOLOGY

On 27 April 2014, 德州錦城電裝有限公司 (Dezhou Jincheng Electronic Company Limited*, "Dezhou Jincheng", an indirect wholly-owned subsidiary of the Company) entered into a disposal agreement with 威海市東晨塑膠新材料有限公司 (Weihai Dongchen Plastics New Materials Limited*, "Weihai Dongchen"), which is a third party to the Company as at the date of the disposal, to dispose of the total equity interests in 天津市日拓高科技有限公司 (Tianjin Rituo High Technology Company Limited*, "Rituo Technology") at nil consideration which was determined by considering the net assets of Rituo Technology evaluated by an independent valuer.

The disposal does not constitute a discloseable transaction according to Chapter 14 or a connected transaction according to Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

DISPOSAL OF HUIZHOU COMMUNICATION

On 27 May 2014, 威海市明博纜纜科技有限公司 (Weihai Mingbo Wire & Cable Technology Company Limited*) entered into a disposal agreement with 威海鵬威勞務派遣有限公司 (Weihai Pengwei Labor Dispatchment Company Limited*) to dispose of the entire equity interests in Huizhou Communication to an independent third party at a cash consideration of RMB8,009,000 (equivalent to approximately HK\$9.6 million) which was determined by considering the net assets of Huizhou Communication evaluated by an independent valuer. The Board considers this disposal will increase the liquidity of the Group.

The disposal does not constitute discloseable transaction according to Chapter 14 or a connected transaction according to Chapter 14A of the Listing Rules.

* For identification purpose only.

出售武漢科技(續)

於同日，威海電子與(其中包括)湖北康普斯訂立另一份出售協議。根據該出售協議，威海電子同意出售而湖北康普斯同意收購武漢科技之90%股權，代價為人民幣46,815,564.09元(相當於約56.2百萬港元)。於該出售協議下，武漢亞光新民擔任湖北康普斯擔保人。

武漢科技為威海電子於中國成立的有限公司，成立日期為二零一一年二月二十四日。自成立以來至出售協議日期，武漢科技並無開展任何實質業務，亦無錄得任何收益。

有關出售武漢科技的詳情，載於本公司於二零一四年一月十日之刊發公告內。

出售日拓高科技

於二零一四年四月二十七日，本公司間接全資附屬公司德州錦城電裝有限公司(「德州錦城」)與威海市東晨塑膠新材料有限公司(「威海東晨」，於出售事項日期為本公司之第三方)訂立出售協議，據此無償出售天津市日拓高科技有限公司(「日拓高科技」)全部股權，無償出售乃經考慮日拓高科技經獨立估值師估計之資產淨值而釐定。

根據聯交所證券上市規則(「上市規則」)第14章或第14A章，該出售事項並不構成須予披露交易或關連交易。

出售惠州通訊

於二零一四年五月二十七日，威海市明博纜纜科技有限公司與威海鵬威勞務派遣有限公司訂立出售協議，以向獨立第三方出售惠州通訊全部股權，現金代價為人民幣8,009,000元(相當於約9.6百萬港元)，乃經考慮獨立估值師估計惠州通訊之資產淨值而釐定。董事會認為該出售事項將增加本集團之流動性。

根據上市規則第14章或第14A章，該出售事項並不構成須予披露交易或關連交易。

* 僅供識別。

Management Discussion & Analysis 管理層討論及分析

CONNECTED TRANSACTION-DISPOSAL OF 20% EQUITY INTERESTS IN DEZHOU JINCHENG

On 27 June 2014, Weihai Electronic entered into an sale and purchase agreement for the sale and purchase of 20% equity interest in Dezhou Jincheng with 威海天成經濟信息諮詢有限公司 (Weihai Tiancheng Economic Information Consultancy Company Limited*, “Weihai Tiancheng”) at a cash consideration of RMB10,000,000 (equivalent to approximately HK\$12.0 million) (the “S&P Agreement”).

Dezhou Jincheng is a company established in the PRC with limited liability by Weihai Electronic as its directly wholly-owned subsidiary on 25 January 2013 and mainly engaged in the development, consultancy and service of electronic and information technology and related products, production and sale of automotive electronic equipment and harness.

Weihai Tiancheng is ultimately and wholly-owned by Mr. Li Jianming (“Mr. Li”) and his family member. Mr. Li was an executive Director within the preceding 12 months of the date of the S&P Agreement. Weihai Tiancheng is therefore regarded as an associate of Mr. Li, and therefore a connected person of the Group, according to Chapter 14A of the Listing Rules. The transaction contemplated under the S&P Agreement is a connected transaction to the Company and is subject to reporting and announcement requirements but exempted from independent shareholders’ approval.

Details of such disposal of 20% equity interest in Dezhou Jincheng have been set out in the announcements dated 27 June 2014 and 30 June 2014 made by the Company.

關連交易 — 出售德州錦城 20% 股權

於二零一四年六月二十七日，威海電子就買賣德州錦城 20% 股權與威海天成經濟信息諮詢有限公司(「威海天成」)訂立買賣協議，現金代價為人民幣 10,000,000 元(相當於約 12.0 百萬港元)(「買賣協議」)。

德州錦城為威海電子於二零一三年一月二十五日在中國成立之有限公司，作為其直接全資附屬公司，並主要從事電子及信息技術及相關產品之開發、諮詢及服務、汽車電子設備及線束之生產及銷售。

威海天成由李建明先生(「李先生」)及其家族成員最終及全資擁有。李先生於該買賣協議日期前十二個月內為執行董事，因此根據上市規則第 14A 章，威海天成被視為李先生之聯繫人，因而為本集團之關連人士。據買賣協議擬進行之交易為本公司之關連交易，須遵守申報及公告規定，惟獲豁免獨立股東批准規定。

出售德州錦城 20% 股權之有關詳情載於本公司於二零一四年六月二十七日及二零一四年六月三十日刊發之公告內。

Management Discussion & Analysis 管理層討論及分析

CHANGE IN SHAREHOLDING IN CHENLIN INTERNATIONAL

On 8 April 2014, Chenlin International Joint Stock Company Limited (“Chenlin International”, a company whose entire issued share capital is owned by Mr. Chi), a controlling shareholder of the Company (“Controlling Shareholder”), informed the Board that it entered into a placing agreement on 8 April 2014 with Astrum Capital Management Limited (the “Placing Agent”), pursuant to which Chenlin International agreed to sell, and the Placing Agent agreed to, on a best effort basis, procure not less than six placees, each of whom shall be independent of and not connected with the Company or any of its connected persons, to acquire a maximum of 197,283,839 shares in the total issued share capital of the Company at the placing price of HK\$0.82 per share (the “Placing”). The Placing was completed on 14 April 2014, and 107,283,000 shares (representing approximately 14.9% of the total issued share capital of the Company) had been placed. Chenlin International was interested in approximately 26.0% of the total issued share capital of the Company after the completion of the Placing.

The Board has been informed by Chenlin International on 5 June 2014, after trading hours, it entered into a sale and purchase agreement to dispose of 90,000,000 shares of the Company, representing 12.5% of the total issued share capital of the Company, to Castle Gate Ventures Limited (“Castle Gate”), the entire issued share capital of which is owned by Mr. Cheng Wen (“Mr. Cheng”, who is an executive Director and a vice CEO of the Company), at the consideration of HK\$73,800,000 (i.e. HK\$0.82 per share of the Company). Immediately following completion of the above transaction, the shareholding of the Company held by Chenlin International decreased to approximately 13.5% and Castle Gate has become a substantial shareholder of the Company holding 12.5% of the total issued share capital of the Company.

Please also refer to the announcements of the Company dated 8 April 2014, 14 April 2014 and 5 June 2014, respectively, for further details.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

晨淋國際之股權變動

於二零一四年四月八日，晨淋國際股份有限公司（「晨淋國際」，其全部已發行股本由遲先生擁有，並為本公司控股股東（「控股股東」）通知董事會，其已於二零一四年四月八日與阿仕特朗資本管理有限公司（「配售代理」）訂立配售協議，據此，晨淋國際同意出售而配售代理同意盡最大努力促使不少於6個承配人按每股配售股份0.82港元之配售價收購本公司已發行股本總額中最多197,283,839股股份（「配售事項」），各承配人須獨立於本公司或其任何關連人士，且與上述人士概無關連。配售事項於二零一四年四月十四日完成，而107,283,000股股份（佔本公司已發行股本總額約14.9%）已配售。配售事項完成後，晨淋國際擁有本公司已發行股本總額約26.0%之權益。

董事會獲晨淋國際告知，於二零一四年六月五日（交易時段後），其訂立買賣協議，向Castle Gate Ventures Limited（「Castle Gate」，其全部已發行股本由本公司執行董事兼副總裁程文先生（「程先生」）擁有）出售本公司90,000,000股股份，佔本公司全部已發行股本12.5%，代價為73,800,000港元（即本公司每股股份0.82港元）。緊隨上述交易完成後，本公司由晨淋國際持有之股權減少至約13.5%，而Castle Gate已成為本公司之主要股東，持有本公司已發行股本總額12.5%。

更多詳情請參閱本公司日期分別為二零一四年四月八日、二零一四年四月十四日及二零一四年六月五日之公告。

購買、出售或贖回上市證券

於截至二零一四年六月三十日止六個月期間，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。

Report of the Directors

董事會報告

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

As at 30 June 2014, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be 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 (the "Model Code") as set out in the Appendix 10 of the Listing Rules as follows:

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於二零一四年六月三十日，董事及本公司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）股份、相關股份及債權證中所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聯交所的權益或淡倉（包括根據該證券及期貨條例之規定視作或視為擁有的權益或淡倉），或記錄於根據證券及期貨條例第352條規定須存置之登記冊內的權益或淡倉，或根據上市規則附錄十規定所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

Name of Directors 董事姓名	Capacity 身份	Number of issued ordinary shares of the Company held 所持本公司已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Mr. Chi ⁽¹⁾ 遲先生 ⁽¹⁾	Interest of controlled corporation 受控法團權益	97,000,839 (L)	13.5%
Mr. Cheng ⁽²⁾ 程先生 ⁽²⁾	Interest of controlled corporation 受控法團權益	90,000,000 (L)	12.5%

(L): Long position

(L): 好倉

Note 1: Mr. Chi Shaolin was deemed to be interested in 97,000,839 Shares held by Chenlin International by virtue of it being wholly-owned by Mr. Chi.

附註1：因晨淋國際由遲先生全資擁有，故遲先生被視為於晨淋國際所持有的97,000,839股股份中擁有權益。

Note 2: Mr. Cheng was deemed to be interested in 90,000,000 Shares held by Castle Gate by virtue of it being wholly-owned by Mr. Cheng.

附註2：因Castle Gate由程先生全資擁有，故此程先生被視為於Castle Gate所持有的90,000,000股股份中擁有權益。

Save as disclosed above, as at 30 June 2014, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一四年六月三十日，董事或本公司主要行政人員概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）股份、相關股份或債券中擁有或視為擁有已記錄於根據證券及期貨條例第352條規定由本公司存置之登記冊的權益或淡倉，或根據標準守則已知會本公司及聯交所的權益或淡倉。

Report of the Directors 董事會報告

DIRECTORS' RIGHT TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 June 2014 was the Company, its holding companies, or any of its subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION SCHEME

The Company adopted a Share Option Scheme on 25 October 2010 (the "Share Option Scheme") for the purpose of enabling the Company to grant options to selected eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high caliber employees and attract human resources that are valuable to the Group and any invested entity.

Eligible participants include the Directors, any employee (whether full-time or part-time) or shareholder of the Company, and any customer, supplier, agent, business or joint venture business partner, consultant, distributor, promoter, service provider, adviser or contractor to any member of the Group.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issued as at the listing date, i.e. 72,000,000 Shares. No option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of the Company's issued share capital from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised.

董事購買股份的權利

除上文所披露者外，本公司、其控股公司、或其任何附屬公司於截至二零一四年六月三十日止六個月期間任何時間概無訂立任何安排致使董事及本公司主要行政人員（包括彼等的配偶及18歲以下子女）持有本公司或其相聯法團（定義見證券及期貨條例第XV部）任何股份、相關股份或債權證的權益或淡倉。

購股權計劃

本公司於二零一零年十月二十五日採納購股權計劃（「購股權計劃」），目的是令本公司向選定合資格參與人士授出購股權作為彼等對本集團所作貢獻之鼓勵或獎勵，及／或令本集團能聘用及挽留優秀僱員以及吸引對本集團及任何投資實體具有價值的人力資源。

合資格參與人士包括董事、任何僱員（不論全職或兼職）或本公司股東，以及本集團任何成員公司的任何客戶、運營商、代理、業務或聯營公司業務夥伴、顧問、分銷商、中介人、服務提供商、顧問或承包商。

根據購股權計劃及本集團任何其他計劃將予授出的所有購股權獲行使而可能發行的最高股份總數不得超過上市日期已發行股份總數的10%（即72,000,000股股份）。倘行使向該合資格參與人士授出及將授出的購股權會導致截至最近授出之日止任何十二個月期間內發行及將發行的股份總數超過本公司不時已發行股份的1%，則不得向任何購股權計劃的參與人士授出購股權。

購股權可於董事會所釐定的期間內任何時間按購股權計劃的條款行使，惟不得超過授出當日起計10年。購股權於行使前並無最短持有期限。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

Participants of the Share Option Scheme are required to pay the Company HK\$1.00 upon acceptance of the grant on the offer date. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (1) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of the grant, which must be a business day;
- (2) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) trading days immediately preceding the date of the grant; and
- (3) the nominal value of a Share.

The Share Option Scheme shall be valid and effective for a period of 10 years from 25 October 2010 after which no further options will be granted or offered.

There is no options outstanding, granted, exercised, cancelled and lapsed during the six months ended 30 June 2014.

購股權計劃(續)

購股權的參與人士須於授出日接納購股權時向本公司支付 1.00 港元。購股權的行使價將由董事會全權酌情釐定，惟不得低於下列最高者：

- (1) 授出購股權當日(必須為營業日)聯交所每日報價表所列的股份收市價；
- (2) 緊接授出購股權當日前五(5)個交易日聯交所每日報價表所列的股份平均收市價；及
- (3) 股份面值。

購股權計劃將於二零一零年十月二十五日起計 10 年期間有效，期滿後不得再授出或授予購股權。

於截至二零一四年六月三十日止六個月內，概無購股權未獲行使、已授出、已獲行使、註銷及失效。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or chief executives of the Company, as at 30 June 2014, the persons or corporations (other than Directors or chief executives of the Company) who had interest or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

主要股東於股份及相關股份的權益及淡倉

就任何董事或本公司主要行政人員所知，於二零一四年六月三十日，於本公司股份及相關股份中擁有權益或淡倉而須根據證券及期貨條例第XV部第2及3分部條文予以披露，或已記錄於根據證券及期貨條例第336條須存置之登記冊內的人士或法團（本公司董事或主要行政人員除外）如下：

Name of Substantial Shareholders 主要股東姓名	Capacity 身份	Number of issued ordinary shares of the Company held 所持本公司已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本百分比
Chenlin International 晨淋國際	Beneficial owner ⁽¹⁾ 實益擁有人 ⁽¹⁾	97,000,839 (L)	13.5%
Castle Gate Castle Gate	Beneficial owner ⁽²⁾ 實益擁有人 ⁽²⁾	90,000,000 (L)	12.5%

(L): Long position

(L): 好倉

Notes:

附註：

- (1) Chenlin International, which entire issued share capital was owned by Mr. Chi, held approximately 13.5% interest in the Company. Mr. Chi serves as the sole director of Chenlin International.
- (2) Castle Gate, which entire issued share capital was owned by Mr. Cheng, held 12.5% interest in the Company. Mr. Cheng serves as the sole director of Castle Gate.

- (1) 晨淋國際，其全部已發行股本由遲先生所擁有，持有本公司約13.5%權益。遲先生為晨淋國際的唯一董事。
- (2) Castle Gate，其全部已發行股本由程先生擁有，持有本公司之12.5%權益。程先生為Castle Gate之唯一董事。

Save as disclosed above, as at 30 June 2014, the Directors are not aware of any other person or corporation (other than Directors or chief executives of the Company) having an interest or short position in the shares and underlying shares of the Company which would require to be recorded in the register to be kept by the Company under section 336 of the SFO.

除上文所披露者外，於二零一四年六月三十日，董事並不知悉有任何其他人士或法團（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有而記錄於本公司按證券及期貨條例第336條須置存之登記冊內的權益或淡倉。

Report of the Directors 董事會報告

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

By order of the Board
Chi Shaolin
Chairman and CEO

27 August 2014

中期股息

董事會不建議於截至二零一四年六月三十日止六個月派付任何中期股息(截至二零一三年六月三十日止六個月：無)。

承董事會命
主席兼總裁
遲少林

二零一四年八月二十七日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE CODE

The Directors recognise the importance of incorporating the elements of good corporate governance into the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders of the Company as a whole. The Board strives to uphold good corporate governance and adopt sound corporate governance practices continuously in the interest of shareholders of the Company to enhance the overall performance of the Company. The principles and the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules have been adopted by the Company. The Company had also complied with the CG Code throughout the six months ended 30 June 2014 except for the following deviation:

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The Group does not at present separate the roles of the chairman of the Board and chief executive officer. For the six months ended 30 June 2014, Mr. Chi is both the chairman of the Board and the CEO of the Group. The Board considers that vesting the roles of chairman of the Board and CEO in the same individual is beneficial to the business prospects and management of the Group. The Board will review the need of appointing suitable candidate to assume the role of CEO when necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. On specific enquiries made, all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding the Directors' securities transactions during the six months ended 30 June 2014.

企業管治守則

董事認同，為達致向本公司整體股東的有效問責，在本集團管理架構及內部監控程序引進良好的企業管治元素非常重要。董事會一直努力貫徹良好企業管治，並繼續以本公司股東利益為依據，採用健全的企業管治常規，以提高本公司的整體表現。本公司已採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）的原則及守則條文。本公司於截至二零一四年六月三十日止六個月期間亦一直遵守企業管治守則，惟以下偏離除外：

根據企業管治守則的守則條文第A.2.1條，主席及行政總裁的角色應區分，不應由同一人擔任。目前，本集團尚未區分董事會主席及總裁角色。於截至二零一四年六月三十日止六個月，遲先生兼任本集團之董事會主席及總裁。董事會認為，董事會主席及總裁職位由同一人兼任有利於本集團的業務前景及管理。董事會將於必要時檢討委派合適人選出任總裁的需要。

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所載之標準守則，作為董事進行證券交易的行為準則。於作出具體查詢後，全體董事已確認彼等於截至二零一四年六月三十日止六個月內一直遵守標準守則所載的規定標準及有關董事進行證券交易的操守準則。

Corporate Governance Report 企業管治報告

AUDIT COMMITTEE

The primary responsibilities of the audit committee of the Company (the "Audit Committee") are to make recommendation to the Board on the appointment and removal of external auditors, reviewing the financial statements and material advice in respect of financial reporting, and overseeing the internal control procedures of the Company. As at the date of this interim report, the Audit Committee consists of three members, namely, Mr. Thomas Tam, Mr. Pao Ping Wing and Ms. Zheng Lin, all of whom are independent non-executive Directors. Mr. Thomas Tam currently serves as the chairman of the Audit Committee. The Audit Committee has adopted the terms of reference which are in line with the CG Code. During the period under review, the Audit Committee has convened one meeting with an attendance of 100%.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed about the auditing, internal controls, and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2014. The external auditor, Ernst & Young, has reviewed the condensed consolidated interim financial statements for the six months ended 30 June 2014 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this interim report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the six months ended 30 June 2014.

AUDITORS

Following the passing of the resolution by shareholders of the Company at the general meeting of the Company held on 29 May 2014, Ernst & Young were re-appointed as auditors of the Company until conclusion of the next annual general meeting of the Company.

審核委員會

本公司審核委員會(「審核委員會」)的主要職責乃就委聘及辭退外聘核數師向董事會作出推薦建議、審閱財務報表及有關財務報告的重要意見，以及監控本公司的內部監控程序。於本中期報告日期，審核委員會目前由三名成員組成，包括談國慶先生、浦炳榮先生及鄭琳女士(三名成員均為獨立非執行董事)，而談國慶先生目前擔任審核委員會主席。審核委員會已採納與企業管治守則所載條文一致的職權範圍。於回顧期間，審核委員會已召開一次會議，出席率達100%。

賬目審閱

審核委員會已審閱本集團所採納之會計原則及慣例，並討論審核、內部監控及財務申報事宜，當中包括審閱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中期財務報表。外聘核數師安永會計師事務所已根據香港會計師公會頒佈之香港審閱委聘准則第2410號「由實體獨立核數師審閱中期財務資料」審閱截至二零一四年六月三十日止六個月之簡明綜合中期財務報表。

足夠公眾持股量

於本中期報告日期，根據本公司可公開取得的資料及據董事所知，於截至二零一四年六月三十日止六個月，本公司已根據上市規則的規定，維持指定公眾持股量不少於本公司已發行股份之25%。

核數師

繼本公司股東於本公司二零一四年五月二十九日舉行之股東大會通過決議案後，安永會計師事務所獲續聘為本公司核數師，直至本公司下屆股東週年大會結束為止。

Report on Review of Interim Financial Information

中期財務資料的審閱報告



TO THE BOARD OF DIRECTORS OF HL TECHNOLOGY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 33 to 72, which comprises the condensed consolidated statement of financial position of HL Technology Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2014 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board.

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

致泓淋科技集團有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

本核數師已審閱第33至72頁所載中期財務資料，當中包括泓淋科技集團有限公司(「貴公司」)及其附屬公司(以下統稱為「貴集團」)於二零一四年六月三十日之簡明綜合財務狀況表與截至該日止六個月之相關簡明綜合損益表、簡明綜合全面收益表、簡明綜合權益變動表、簡明綜合現金流量表及解釋性附註。香港聯合交易所有限公司證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及國際會計準則理事會頒佈之國際會計準則第34號(「國際會計準則第34號」)「中期財務報告」。

貴公司董事負責根據國際會計準則第34號編製及呈報該中期財務資料。本核數師之責任是根據審閱對此該中期財務資料作出結論，並按照委聘之協定條款僅向作為實體之閣下報告，且並無其他目的。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

本核數師已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱該中期財務資料包括主要向負責財務和會計事務之人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故不能令本核數師保證本核數師將知悉在審核中可能發現之所有重大事項。因此，本核數師不會發表審核意見。

Report on Review of Interim Financial Information 中期財務資料的審閱報告

CONCLUSION

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

Ernst & Young

Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

27 August 2014

結論

按照本核數師之審閱，本核數師並無發現任何事項，令本核數師相信隨附之中期財務資料在各重大方面未有根據國際會計準則第34號編製。

安永會計師事務所

執業會計師
香港中環
添美道1號
中信大廈22樓

二零一四年八月二十七日

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

		Six months ended 30 June 截至六月三十日止六個月		
		Notes 附註	2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
REVENUE	收益	4	1,015,241	1,318,803
Cost of sales	銷售成本		(896,864)	(1,153,034)
Gross profit	毛利		118,377	165,769
Other income and gains	其他收入及收益	4	13,802	17,127
Selling and distribution expenses	銷售及分銷開支		(22,078)	(53,257)
Administrative expenses	行政開支		(34,982)	(70,802)
Research and development expenses	研發開支		(13,253)	(43,627)
Other expenses	其他開支		(6,950)	(4,156)
Finance costs	融資成本	5	(25,390)	(39,703)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/(虧損)	6	29,526	(28,649)
Income tax expense	所得稅開支	7	(6,037)	(13,868)
PROFIT/(LOSS) FOR THE PERIOD	期內溢利/(虧損)		23,489	(42,517)
Attributable to:	以下各方應佔：			
Owners of the parent	母公司擁有人		23,929	(42,163)
Non-controlling interests	非控制權益		(440)	(354)
			23,489	(42,517)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人應佔每股盈利/(虧損)			
Basic	基本	9	RMB3.32 cents 人民幣 3.32 分	(RMB5.86 cents) (人民幣 5.86 分)
Diluted	攤薄	9	RMB3.32 cents 人民幣 3.32 分	(RMB5.86 cents) (人民幣 5.86 分)

Details of the dividends payable are disclosed in note 8 to the condensed consolidated financial statements.

有關應付股息的詳情於簡明綜合財務報表附註 8 披露。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT/(LOSS) FOR THE PERIOD	期內溢利/(虧損)	23,489	(42,517)
OTHER COMPREHENSIVE LOSS <i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>	其他全面虧損 將於往後期間重新分配至 損益之其他全面虧損：		
Exchange differences on translation of foreign operations	換算外國業務之匯兌差額	(259)	(174)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	期內全面收益/(虧損)總額	23,230	(42,691)
Attributable to:	以下各方應佔：		
Owners of the parent	母公司擁有人	23,670	(42,337)
Non-controlling interests	非控制權益	(440)	(354)
		23,230	(42,691)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

		Notes	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	333,195	429,220
Prepaid land lease payments	預付土地租賃款額		96,078	110,865
Goodwill	商譽		61,146	61,146
Other intangible assets	其他無形資產	11	140,527	151,624
Available-for-sale investments	可供出售投資		15,000	15,000
Deferred tax assets	遞延稅項資產	12	3,587	3,274
Prepayments, deposits and other receivables	預付款項、存款及其他應收款項	14	9,779	520
Prepayments for acquiring land use rights	收購土地使用權之預付款項		-	10,087
Total non-current assets	非流動資產總額		659,312	781,736
CURRENT ASSETS	流動資產			
Inventories	存貨		118,953	125,782
Trade and bills receivables	貿易及票據應收款項	13	1,339,557	1,201,430
Prepayments, deposits and other receivables	預付款項、存款及其他應收款項	14	278,685	230,189
Pledged bank deposits	已抵押銀行存款	15	14,774	16,064
Cash and cash equivalents	現金及等價物	15	77,275	62,721
Total current assets	流動資產總額		1,829,244	1,636,186
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易及票據應付款項	16	895,105	704,176
Other payables and accruals	其他應付款項及應計費用	17	143,522	234,815
Interest-bearing bank and other borrowings	計息銀行及其他借貸	18	563,292	625,206
Tax payable	應付稅項		35,189	34,767
Total current liabilities	流動負債總額		1,637,108	1,598,964
NET CURRENT ASSETS	流動資產淨額		192,136	37,222
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		851,448	818,958

Continued/ 待續

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

		Notes	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	12	7,137	8,614
Government grants	政府補助		14,464	14,727
Total non-current liabilities	非流動負債總額		21,601	23,341
Net assets	資產淨值		829,847	795,617
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	19	97,401	97,401
Reserves	儲備		723,899	698,457
			821,300	795,858
Non-controlling interests	非控制權益		8,547	(241)
Total equity	總權益		829,847	795,617

Chi Shaolin
遲少林
Director
董事

Cheng Wen
程文
Director
董事

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

		Attributable to owners of the parent 本公司擁有人應佔										
		Issued capital	Share premium	Special reserve ^(a)	Share awards reserve	Other reserve ^(a)	Statutory surplus reserve ^(a)	Foreign currency translation reserve	Retained profits	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價	特別儲備 ^(a)	股份獎勵儲備	其他儲備 ^(a)	法定盈餘儲備 ^(a)	匯兌儲備	保留溢利	總計	非控制權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 19)	(note 19)	(note 19)	(note 19)	(note 19)	(note 19)	(note 19)	(note 19)	(note 19)	(note 19)	(note 19)
At 1 January 2014 (Audited)	於二零一四年一月一日 (經審核)	97,401	429,549	61,064	2,073	(9,245)	45,832	(252)	169,436	795,858	(241)	795,617
Profit for the period	期內溢利	-	-	-	-	-	-	-	23,929	23,929	(440)	23,489
Other comprehensive loss:	其他全面虧損:											
Exchange differences on translation of foreign operations	換算外國業務之匯兌差額	-	-	-	-	-	-	(259)	-	(259)	-	(259)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	(259)	23,929	23,670	(440)	23,230
Contribution from non-controlling interests (note (d))	非控制權益注資(附註(d))	-	-	-	-	-	-	-	-	-	1,000	1,000
Disposal of interests in a subsidiary (note (f))	出售一間附屬公司權益(附註(f))	-	-	-	-	1,772	-	-	-	1,772	8,228	10,000
At 30 June 2014 (Unaudited)	於二零一四年六月三十日 (未經審核)	97,401	429,549*	61,064*	2,073*	(7,473)*	45,832*	(511)*	193,365*	821,300	8,547	829,847
At 1 January 2013 (Audited)	於二零一三年一月一日 (經審核)	97,401	429,549	74,394	1,870	2,995	62,058	334	317,235	985,836	35,197	1,021,033
Effect of business combination under common control (note 2.1) (note (a)(ii))	共同控制下之業務合併影響 (附註2.1)(附註(a)(ii))	-	-	428,904	-	-	3,574	(47)	9,071	441,502	-	441,502
At 1 January 2013 (Audited)	於二零一三年一月一日 (經審核)	97,401	429,549	503,298	1,870	2,995	65,632	287	326,306	1,427,338	35,197	1,462,535
Loss for the period	期內虧損	-	-	-	-	-	-	-	(42,163)	(42,163)	(354)	(42,517)
Other comprehensive loss:	其他全面虧損:											
Exchange differences on translation of foreign operations	換算外國業務之匯兌差額	-	-	-	-	-	-	(174)	-	(174)	-	(174)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	-	(174)	(42,163)	(42,337)	(354)	(42,691)
Recognition of equity-settled share-based payments	確認以權益結算的股份支付的款項	-	-	-	186	-	-	-	-	186	-	186
Disposal of a subsidiary (note 21)	出售一間附屬公司(附註21)	-	-	-	-	-	-	-	-	-	(31,424)	(31,424)
Acquisition of a subsidiary (note 20)	收購一間附屬公司(附註20)	-	-	(442,234)	-	-	-	-	-	(442,234)	-	(442,234)
Acquisition of non-controlling interests (note (e)) (note 21)	收購非控制權益 (附註(e))(附註21)	-	-	-	-	(11,400)	-	-	-	(11,400)	(164)	(11,564)
At 30 June 2013 (Unaudited)	於二零一三年六月三十日 (未經審核)	97,401	429,549*	61,064*	2,056*	(8,405)*	65,632*	113*	284,143*	931,553	3,255	934,808

* These reserve accounts comprise the consolidated reserves of approximately RMB723,899,000 (2013: RMB834,152,000) in the condensed consolidated statement of financial position.

* 該等儲備賬包括簡明綜合財務狀況表內的綜合儲備約人民幣723,899,000元(二零一三年: 人民幣834,152,000元)。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

Notes:

(a) Special reserve

The balances as at 30 June 2014 and 2013 mainly represented:

- (i) the difference between the nominal amount of the shares issued by the parent and the aggregate amount of paid-in capital of the subsidiaries acquired pursuant to the group reorganisation of the Company in 2008; and
- (ii) the excess, amounting to approximately RMB13,330,000, of the consideration paid by the parent for the acquisition of Rosy Sun Investments Limited ("Rosy Sun") over the consideration paid by Mr. Chi Shaolin ("Mr. Chi") for the acquisition of Rosy Sun from a third party.

(b) Other reserve

Other reserve arose from acquisitions of non-controlling interests in subsidiaries and disposals of interests in subsidiaries.

(c) Statutory surplus reserve

As stipulated by the relevant laws and regulations for enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. The appropriations to such reserve are made out of net profit after tax of the statutory financial statements of the relevant PRC subsidiaries. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.

(d) Capital contribution from non-controlling interests of subsidiaries

The amount represented the capital contribution of RMB1,000,000 from the non-controlling interests of 天津錦城哈尼斯汽車電裝有限公司 (Tianjin Jincheng Hanisi Automotive Electronics Co., Ltd.*, "Tianjin Hanisi"), a subsidiary of the Company in which the Company owns an 80% equity interest in the entity.

(e) Acquisition of non-controlling interests

The amounts represented the acquisition of a 45% equity interest in 天津市日拓高科技有限公司 (Tianjin Rituo High Technology Co., Ltd.*, "Rituo Technology") from the non-controlling interests as part of the consideration, measured at fair value of RMB11,564,000, satisfying the disposal of 天津日拓汽車電裝有限公司 (Tianjin Rituo Automotive Electronics Co., Ltd.*, "Rituo Automotive") to the owner of that non-controlling interest. Further details are set out in note 21.

(f) Disposal of interests in a subsidiary

The amounts represented the disposal of 20% equity interests in 德州錦城電裝有限公司 (Dezhou Jincheng Electronic Co., Ltd.*, "Dezhou Jincheng") to 威海天成經濟信息諮詢有限公司 (Weihai Tiancheng Economic Information Consultancy Company Limited*, "Weihai Tiancheng") which is ultimately and wholly owned by a senior management of the Company and his family member at a consideration of RMB10,000,000.

* The English names are for identification purposes only.

附註:

(a) 特別儲備

於二零一四年及二零一三年六月三十日之結餘主要指:

- (i) 母公司所發行股份的面值與根據本公司於二零零八年進行的集團重組所收購附屬公司實繳資本總金額的差額; 及
- (ii) 母公司就收購 Rosy Sun Investments Limited (「Rosy Sun」) 所付代價較遲少林先生(「遲先生」)就收購 Rosy Sun 向第三方所付代價多出之金額約人民幣 13,330,000 元。

(b) 其他儲備

收購附屬公司非控制權益及出售附屬公司權益所產生之其他儲備。

(c) 法定盈餘儲備

中華人民共和國(「中國」)企業的相關法律及法規規定, 本公司中國附屬公司須保存不可分派的法定盈餘儲備基金。該等儲備的撥款來自中國相關附屬公司法定財務報表的除稅後純利。法定盈餘儲備基金可用於彌補過往年度虧損(如有), 並可以資本化發行的方式轉換為資本。

(d) 附屬公司非控制權益注資

該款額乃指來自本公司附屬公司天津錦城哈尼斯汽車電裝有限公司(「天津哈尼斯」)的非控制權益注資人民幣 1,000,000 元, 當中本公司擁有該實體 80% 股權權益。

(e) 收購非控制權益

該款額乃指從非控制權益收購天津市日拓高科技有限公司(「日拓高科技」) 45% 權益, 作為向該非控制權益擁有人結付出售天津日拓汽車電裝有限公司(「日拓汽車」) 的部分代價(按公平值計量為人民幣 11,564,000 元)。詳情載於附註 21。

(f) 出售一間附屬公司權益

該等款項代表出售於德州錦城電裝有限公司(「德州錦城」)之 20% 股權予威海天成經濟信息諮詢有限公司(「威海天成」), 威海天成為本公司高級管理層成員及其家人最終全資擁有, 代價為人民幣 10,000,000 元。

* 英文名稱僅供識別。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash flows from operating activities	經營活動所得現金流量淨額	32,524	44,581
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	351	1,486
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(10,862)	(74,050)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	318	13,347
Purchases of items of other intangible assets	購買其他無形資產項目	(9,027)	(1,515)
Dividend received	已收股息	-	1,530
Disposal of interests in a subsidiary	出售一間附屬公司權益	10,000	-
Disposals of subsidiaries	出售附屬公司	51,277	-
Decrease in pledged time deposits	已抵押定期存款減少	1,290	4,090
Net cash flows from/(used in) investing activities	投資活動所得/(所用)現金流量淨額	43,347	(55,112)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量淨額		
New bank and other borrowings	新增銀行及其他借貸	257,323	901,090
Repayments of bank and other borrowings	償還銀行及其他借貸	(319,748)	(878,513)
Capital contribution from non-controlling interests	非控制權益注資	1,000	-
Net cash flows (used in)/from financing activities	融資活動(所用)/所得現金流量淨額	(61,425)	22,577
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	14,446	12,046
Cash and cash equivalents at beginning of period	期初現金及現金等價物	62,721	144,082
Effect of foreign exchange rate changes, net	外匯利率變動影響淨額	108	(762)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	77,275	155,366
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and cash equivalents as stated in the statement of financial position	於財務狀況表內呈列之現金及現金等價物	77,275	155,366

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簡明綜合財務報表附註

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1. CORPORATE INFORMATION

HL Technology Group Limited (the “Company”) was incorporated in the Cayman Islands on 16 November 2007 as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate profile and corporate information section of this interim report.

The Company acts as an investment holding company. The Group is mainly engaged in the manufacture and sale of power cord assembly, signal transmission wire and cable products, automotive wiring harness, telecommunication products and other related products and the provision of services for the construction of base station for telecommunication networks.

2.1 BUSINESS COMBINATIONS UNDER COMMON CONTROL AND BASIS OF PREPARATION

On 28 October 2012, the Company and Mr. Chi entered into an agreement (as supplemented by a supplemental agreement) pursuant to which Mr. Chi conditionally agreed to sell the entire issued share capital of Rosy Sun, an investment holding company of a group of companies (collectively, the “Rosy Sun Group”) and any loan owed by the Rosy Sun Group to Mr. Chi (the “Acquisition”). The Rosy Sun Group is principally engaged in (i) the research and development, manufacture and sale of cell phones which run on 2G and/or 3G networks such as GSM, IS-95, CDMA2000 and TD-SCDMA in the PRC, which are reported in the “Terminals” segment; (ii) the sale of network equipment to major telecommunication services providers in the PRC, such as core network equipment, IP-RAN and xPON, which are reported in the “Networks” segment; and (iii) the provision of services to major telecommunication services providers in the PRC, such as installation, maintenance and upgrade of network equipment and/or wireless network optimisation in their existing network systems, which are reported in the “Networks” segment. Details of the Acquisition were set out in the Company’s announcement made on 30 October 2012 and circular dated 31 December 2012. The Acquisition was completed on 31 January 2013 with the total consideration satisfied by a promissory note issued by the Company to Mr. Chi. Details of the Acquisition are set out in note 20.

1. 公司資料

泓淋科技集團有限公司(「本公司」)為於二零零七年十一月十六日在開曼群島註冊成立的獲豁免有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為投資控股公司。本集團主要從事製造及銷售電源線組件、信號傳輸線纜產品、汽車線束、通訊產品及其他相關產品，以及就興建通訊網絡基站提供服務。

2.1 共同控制下的業務合併及編製基準

於二零一二年十月二十八日，本公司與遲先生訂立協議(經補充協議補充)，據此，遲先生有條件同意出售 Rosy Sun (一組公司之投資控股公司(統稱「Rosy Sun 集團」))全部已發行股本，以及 Rosy Sun 集團結欠遲先生的任何貸款(「收購事項」)。Rosy Sun 集團主要從事(i)於中國研發、製造及銷售手機，有關手機應用於 2G 及／或 3G 網絡，如 GSM、IS-95、CDMA2000 及 TD-SCDMA，於「終端」分部呈報；(ii)向中國主要電訊服務供應商銷售網絡設備，如核心網絡設備、IP-RAN 設備及 xPON 設備，於「網絡」分部呈報；及(iii)向中國主要電訊服務供應商供應網絡設備安裝、維護、升級及／或現有網絡系統的無線網絡優化服務，於「網絡」分部呈報。收購事項的詳情載於本公司分別於二零一二年十月三十日及二零一二年十二月三十一日刊發的公告及通函。收購事項已於二零一三年一月三十一日完成，總代價乃藉由本公司向遲先生發行承兌票據支付。收購事項之詳情載於附註 20。

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2.1 BUSINESS COMBINATIONS UNDER COMMON CONTROL AND BASIS OF PREPARATION *(Continued)*

The Rosy Sun Group was acquired by Mr. Chi from an independent third party on 13 June 2012 and had been controlled by Mr. Chi since 13 June 2012. As a result, the directors of the Company consider that it should be a business combination under common control as the Company and the Rosy Sun Group were ultimately controlled by Mr. Chi both before and after the business combination, and that control was not transitory.

The Acquisition is regarded as a business combination under common control of the controlling shareholder of the Company (the "Controlling Shareholder") before and after the Acquisition. The condensed consolidated financial statements have been prepared using the pooling of interests method, as if the Acquisition had been completed on 13 June 2012 when Mr. Chi acquired and obtained control over Rosy Sun from an independent third party.

The condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the six months ended 30 June 2013 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the dates when the subsidiaries first came under the common control of Mr. Chi, the Controlling Shareholder, where this is a shorter period. The condensed consolidated statement of financial position of the Group as at 31 December 2013 have been prepared to present the assets and liabilities of the Group using the existing carrying values from the Controlling Shareholder's perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Acquisition.

These interim condensed consolidated financial statements of the Group for the six months ended 30 June 2014 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board. These interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 共同控制下的業務合併及編製基準(續)

Rosy Sun 集團由遲先生於二零一二年六月十三日向獨立第三方收購，並自二零一二年六月十三日起由遲先生控制。因此，本公司董事認為，該項交易屬於共同控制下之業務合併，因為於此項業務合併前後，本公司與 Rosy Sun 集團均由遲先生最終控制，而該控制並非暫時性。

收購事項被視為一項共同控制下的業務合併，因為在收購事項前後，其均由本公司控股股東（「控股股東」）兼有控制權。簡明綜合財務報表已按股權集合會計法編製，猶如收購事項於二零一二年六月十三日遲先生從一名獨立第三方收購並取得 Rosy Sun 控制權時已經完成。

本集團截至二零一三年六月三十日止六個月的簡明綜合損益表、簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表，均包括現時組成本集團的所有公司從最早呈列日期，或自此等附屬公司開始受控股股東遲先生共同控制之日以來（以較短者為準）的業績和現金流。本集團於二零一三年十二月三十一日之簡明綜合財務狀況表經已編製，其採用控股股東視點的現有賬面值呈列本集團之資產與負債。概無就收購事項作出調整以反映公平值，或確認任何新資產或負債。

本集團截至二零一四年六月三十日止六個月之此等中期簡明綜合財務報表已根據上市規則附錄 16 的適用披露規定及國際會計準則理事會頒佈的國際會計準則第 34 號「中期財務報告」編製。此等中期簡明綜合財務報表乃以人民幣（「人民幣」）呈列，除另有指明外，所有數值已約至最接近之千位數。

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2.1 BUSINESS COMBINATIONS UNDER COMMON CONTROL AND BASIS OF PREPARATION (Continued)

The accounting policies and basis of preparation used in the preparation of these interim condensed consolidated financial statements are the same as those used in the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") (which also include International Accounting Standards ("IASs") and Interpretations).

These interim condensed consolidated financial statements do not include all the information and disclosures required in the Group's annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of the new and revised IFRSs (which also include IASs and Interpretations), which are set out below:

Amendments to IFRS 10, IFRS 12 and IAS 27	<i>Investment Entities</i>
Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i>
Amendments to IAS 39	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IFRIC 21	<i>Levies</i>

The adoption of these new and revised IFRSs has had no significant effect on these condensed consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1 共同控制下的業務合併及編製基準(續)

編製此等中期簡明綜合財務報表所採納的會計政策及編製基準與本集團編製截至二零一三年十二月三十一日止年度的年度綜合財務報表所使用者相同，惟採納新訂及經修訂國際財務報告準則（「國際財務報告準則」）（亦包括國際會計準則（「國際會計準則」）及詮釋）除外。

此等中期簡明綜合財務報表並不包括須於本集團之年度綜合財務報表內載列之所有資料及披露，並應與本集團截至二零一三年十二月三十一日止年度之年度綜合財務報表一併閱讀。

2.2 重大會計政策概要

編製此等簡明綜合財務報表所採納之會計政策與編製本集團截至二零一三年十二月三十一日止年度之年度綜合財務報表所依據者一致，惟採納新訂及經修訂國際財務報告準則（亦包括國際會計準則及詮釋）除外，其載列如下：

國際財務報告準則第10號、 國際財務報告準則第12號及國際會計準則第27號的修訂	投資實體
國際會計準則第32號的修訂	抵銷金融資產、 金融負債
國際會計準則第39號的修訂	衍生工具之 更替及 對沖會計 之延續
國際財務報告詮釋委員會 第21號	徵費

採納此等新訂及經修訂國際財務報告準則並無對此等簡明綜合財務報表構成重大影響。本集團並無提早採納已頒佈但尚未生效的任何其他準則、詮釋或修訂。

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3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The Group has three reportable operating segments and the corresponding items of segment information for the six months ended 30 June 2014 and 2013 are as follows:

3. 經營分部資料

就管理而言，本集團根據產品及服務劃分業務單位。本集團現有三個可報告經營分部，而截至二零一四年及二零一三年六月三十日止六個月分部資料之相應項目如下：

		Six months ended 30 June 2014 (Unaudited) 截至二零一四年六月三十日止六個月(未經審核)			
		Terminals	Networks	Signal transmission and connectivity products	Consolidated
		終端	網絡	信號傳輸及連接產品	綜合
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment revenue	分部收益	135,761	525,144	354,336	1,015,241
Segment results	分部業績	13,577	60,071	7,072	80,720
Interest income	利息收入				351
Finance costs	融資成本				(25,390)
Corporate and other unallocated expenses	公司及其他未分配開支				(26,155)
Profit before tax	除稅前溢利				29,526
Income tax expense	所得稅開支				(6,037)
Profit for the period	期內溢利				23,489

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3. OPERATING SEGMENT INFORMATION

(Continued)

3. 經營分部資料(續)

		Six months ended 30 June 2013 (Unaudited) 截至二零一三年六月三十日止六個月(未經審核)			
		Terminals	Networks	Signal transmission and connectivity products	Consolidated
		終端	網絡	信號傳輸及連接產品	綜合
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment revenue	分部收益	167,115	331,340	820,348	1,318,803
Segment results	分部業績	19,099	53,747	(64,180)	8,666
Interest income	利息收入				828
Unallocated administrative expenses	未分配行政開支				(16,318)
Other unallocated expenses	其他未分配開支				(15,502)
Finance costs	融資成本				(6,323)
Loss before tax	除稅前虧損				(28,649)
Income tax expense	所得稅開支				(13,868)
Loss for the period	期內虧損				(42,517)

Revenue reported in the above represents revenue generated from external customers. There were no inter-segment sales during the period.

以上呈報的收益指來自外界客戶的收益。期內概無任何分部間銷售。

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4. REVENUE, OTHER INCOME AND GAINS

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

An analysis of revenue, other income and gains is as follows:

4. 收入、其他收入及收益

收入，亦為本集團之營業額，為期內售出貨物之發票淨值減退貨及貿易折扣撥備及所提供服務的價值。

收入、其他收入及收益之分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue	收益		
Sales of goods and software products	銷售貨品及軟件產品	924,529	1,281,405
Rendering of services	提供服務	90,712	37,398
		1,015,241	1,318,803
		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Other income and gains	其他收入及收益		
Bank and other interest income	銀行及其他利息收入	351	1,486
Government grants released	已發放政府補貼	4,525	4,499
Gain on disposals of subsidiaries	出售附屬公司之收益	1,813	–
Discounted amount of other borrowings arising from the passage of time	其他借貸因時間流逝產生之貼現金額	–	7,522
Foreign exchange differences, net	匯兌差額淨額	1,576	1,244
Fair value gains, net	公平值收益淨額		
Commodity derivative contracts and cancellable foreign currency forward swaps contracts	商品衍生工具合約及可撤銷外幣遠期掉期合約	–	2,225
Commission and guarantee fee	佣金及保證金	4,997	–
Others	其他	540	151
		13,802	17,127

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5. FINANCE COSTS

5. 融資成本

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest on bank and other borrowings wholly repayable within five years	須於五年內悉數償還的銀行及其他借貸利息	20,845	30,234
Interest on promissory note	承兌票據之利息	–	10,908
Guarantee fee	擔保費	4,545	–
Less: Interest capitalised	減：資本化利息	–	(1,439)
		25,390	39,703

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6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

6. 除稅前溢利／(虧損)

本集團除稅前溢利／(虧損)已扣除／(計入)以下各項：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold*	已售存貨成本*	895,826	1,145,607
Depreciation	折舊	12,553	28,339
Amortisation of prepaid land lease payments	攤銷預付土地租賃款項	1,129	922
Amortisation of other intangible assets**	攤銷其他無形資產**	11,075	14,819
Impairment of property, plant and equipment	物業、廠房及設備減值	3,681	1,772
Impairment of trade and other receivables	貿易應收及其他應收款項之減值	2,549	106
Auditors' remuneration	核數師酬金	681	575
Research and development expenses***	研發開支***	13,253	43,627
Government grants released****	已發放政府補貼****	(4,525)	(4,499)
Employee benefit expenses (including directors' and chief executive's remuneration)	僱員福利開支 (包括董事及行政總裁酬金)	57,126	158,464
— Wages and salaries	— 工資及薪金		
— Equity-settled share option expense	— 以權益結算的購股權開支	—	186
— Pension scheme contributions	— 退休金計劃供款	4,525	8,426
		61,651	167,076
Foreign exchange differences, net	匯兌差額淨額	(1,576)	(1,244)
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	3,622	2,132
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目之虧損	379	1,687
Bank and other interest income	銀行及其他利息收入	(351)	(1,486)
(Gains)/losses on disposals of subsidiaries	出售附屬公司之(收益)/虧損	(1,813)	396

* Inclusive of write-down of inventories to net realisable value.

** Amortisation of other intangible assets is included in "Cost of sales", "Administrative expenses" and "Research and development expenses" in the condensed consolidated statement of profit or loss.

*** Inclusive of amortisation of other intangible assets.

**** During the reporting period, the Group received government grants for incentives for technology research and development and compensations for purchases of machinery used in the manufacture of terminals.

* 包括將存貨撇減至可變現淨值。

** 攤銷其他無形資產納入簡明綜合損益表的「銷售成本」、「行政開支」及「研發開支」項目內。

*** 包括其他無形資產攤銷。

**** 於報告期間，本集團獲政府補貼，以鼓勵科技研發及作為購買製造終端的機器的彌償。

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7. INCOME TAX

The statutory rate of 25% for the six months ended 30 June 2014 (six months ended 30 June 2013: 25%) represents the statutory tax rate in Mainland China as the Group's operations are conducted substantially in Mainland China throughout these years.

Hong Kong profit tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2014 (six months ended 30 June 2013: 16.5%).

7. 所得稅

截至二零一四年六月三十日止六個月之法定稅率25% (截至二零一三年六月三十日止六個月：25%)，代表中國內地之法定稅率，因為於該等年度，本集團絕大部分業務均在中國內地進行。

截至二零一四年六月三十日止六個月，香港利得稅按估計應課稅溢利的16.5% (截至二零一三年六月三十日止六個月：16.5%)計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current income tax — Hong Kong	即期所得稅 — 香港	6,104	—
Current income tax — PRC	即期所得稅 — 中國	1,135	8,148
Deferred income tax	遞延所得稅	(1,202)	5,720
Total tax charge for the period	期內稅項支出總額	6,037	13,868

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which companies within the Group are domiciled and operate.

Except for the following companies, the subsidiaries of the Company established in Mainland China are subject to corporate income tax ("CIT") at the statutory tax rate of 25% in the following periods:

本集團須根據集團內公司所處地及經營地的稅務司法管轄區產生或賺取的利潤，按獨立法人實體基準繳納所得稅。

除以下公司外，本公司於中國內地成立之附屬公司，於下列期間須按25%之法定稅率繳納企業所得稅(「企業所得稅」)：

		Six months ended 30 June 截至六月三十日止六個月	
Name of the subsidiary 附屬公司名稱		2014 二零一四年	2013 二零一三年
威海市泓淋電子有限公司 (「威海電子」) Weihai Honglin Electronic Co., Ltd.* ("Weihai Electronic")	威海市泓淋電子有限公司 (「威海電子」)	15.0%	15.0%
瀋陽新郵通信設備有限公司 (「瀋陽新郵」) Shenyang New Postcom Co., Ltd.*	瀋陽新郵通信設備有限公司	15.0%	15.0%

* The English names are for identification purposes only.

* 英文名稱僅供識別。

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8. DIVIDENDS

No dividend has been paid or proposed by the Company during the six months ended 30 June 2014, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2013: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the consolidated profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 720,000,000 (six months ended 30 June 2013: 720,000,000) in issue during the period.

8. 股息

於截至二零一四年六月三十日止六個月內，本公司概無派付或建議派付股息，自報告期末起亦無擬派付任何股息（截至二零一三年六月三十日止六個月：無）。

9. 母公司普通股股東應佔每股盈利／（虧損）

每股基本盈利之計算依據為期內之母公司普通股股東應佔綜合溢利，以及期內已發行普通股加權平均數720,000,000股（截至二零一三年六月三十日止六個月：720,000,000股）。

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核)	2013 二零一三年 (Unaudited) (未經審核)
Consolidated profit/(loss) attributable to ordinary equity holders of the parent (RMB'000)	母公司普通股股東應佔綜合溢利／（虧損） （人民幣千元）	23,929	(42,163)
Weighted average number of ordinary shares in issue ('000)	已發行普通股加權平均數 （千股）	720,000	720,000
Earnings/(loss) per share: Basic and diluted	每股盈利／（虧損）： 基本及攤薄	RMB3.32 cents 人民幣3.32分	(RMB5.86 cents) (人民幣5.86分)

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there were no potentially dilutive shares in existence during the six months ended 30 June 2014 and 30 June 2013.

每股攤薄盈利／（虧損）與每股基本盈利／（虧損）相同，因為截至二零一四年六月三十日及二零一三年六月三十日止六個月，並無存在潛在攤薄股份。

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10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group acquired property, plant and equipment with an aggregate cost of approximately RMB8,848,000 (six months ended 30 June 2013: RMB86,826,000). Property, plant and equipment with a carrying amount of approximately RMB697,000 were disposed of by the Group during the six months ended 30 June 2014 (six months ended 30 June 2013: RMB15,034,000), resulting in a net loss on disposal of approximately RMB379,000 (six months ended 30 June 2013: a net loss on disposal of RMB1,687,000). Besides, property, plant and equipment with a carrying amount of approximately RMB87,942,000 were disposed of together with the disposals of subsidiaries by the Group during the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

During the six months ended 30 June 2014, an impairment loss of approximately RMB3,681,000 (six months ended 30 June 2013: RMB1,772,000) has been recognised in respect of such plant and machinery of the Group to the extent that the carrying amounts exceeded their recoverable amounts based on the best estimate by the directors of the Company. The impairment loss has been included in the line item of other expenses in the condensed consolidated statement of profit or loss for the six months ended 30 June 2014 and 2013.

As at 30 June 2014, certain of the Group's buildings and plant and equipment with a net carrying amount of approximately RMB178,402,000 (2013: RMB181,687,000) and RMB36,186,000 (2013: RMB36,186,000) were pledged, respectively, to secure bank loans and general banking facilities granted to the Group.

11. OTHER INTANGIBLE ASSETS

During the six months ended 30 June 2014, the Group acquired other intangible assets with an aggregate cost of approximately RMB2,327,000 (six months ended 30 June 2013: RMB1,515,000). Other intangible assets with a carrying amount of approximately RMB2,351,000 were disposed of together with the disposals of subsidiaries by the Group during the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

10. 物業、廠房及設備

於截至二零一四年六月三十日止六個月，本集團收購物業、廠房及設備之總成本約為人民幣8,848,000元(截至二零一三年六月三十日止六個月：人民幣86,826,000元)。於截至二零一四年六月三十日止六個月，本集團出售物業、廠房及設備，其賬面值約為人民幣697,000元(截至二零一三年六月三十日止六個月：人民幣15,034,000元)，因而錄得出售淨虧損約人民幣379,000元(截至二零一三年六月三十日止六個月：出售淨虧損人民幣1,687,000元)。此外，截至二零一四年六月三十日止六個月，隨著出售附屬公司，本集團出售賬面值約人民幣87,942,000元之物業、廠房及設備(截至二零一三年六月三十日止六個月：無)。

於二零一四年六月三十日止六個月內，基於本公司董事對賬面價值超過其可收回金額的範圍的最佳估計，就本集團該等廠房及機器確認約人民幣3,681,000元(截至二零一三年六月三十日止六個月：人民幣1,772,000元)的減值虧損。減值虧損計入截至二零一四年及二零一三年六月三十日止六個月的簡明綜合損益表的其他開支分項。

於二零一四年六月三十日，若干本集團賬面淨值約人民幣178,402,000元(二零一三年：人民幣181,687,000元)及人民幣36,186,000元(二零一三年：人民幣36,186,000元)之樓宇及廠房與設備已分別作出抵押，以獲得授予本集團之銀行貸款及一般銀行融資。

11. 其他無形資產

於截至二零一四年六月三十日止六個月，本集團收購其他無形資產成本合共約人民幣2,327,000元(截至二零一三年六月三十日止六個月：人民幣1,515,000元)。於截至二零一四年六月三十日止六個月，本集團隨着出售附屬公司出售賬面值約為人民幣2,351,000元之其他無形資產(截至二零一三年六月三十日止六個月：無)。

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12. DEFERRED TAX

The movements in deferred tax assets and liabilities during the six months ended 30 June 2014 and 2013 are as follows:

Deferred tax assets

30 June 2014

	Impairment loss of assets	Tax losses	Discounted amount of other borrowings arising from the passage of time	Unrealised gain on government grants	Others	Total
	資產減值虧損	稅項虧損	因時間流逝而產生之其他借貸貼現款項	未變現政府補貼	其他	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2014 (Audited)	227	-	-	2,209	838	3,274
Credited/(charged) to profit or loss for the period	466	-	-	(40)	(113)	313
At 30 June 2014 (Unaudited)	693	-	-	2,169	725	3,587

31 December 2013

	Impairment loss of assets	Tax losses	Discounted amount of other borrowings arising from the passage of time	Unrealised gain on government grants	Others	Total
	資產減值虧損	稅項虧損	因時間流逝而產生之其他借貸貼現款項	未變現政府補貼	其他	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2013 (Audited)	925	937	1,173	2,093	1,221	6,349
Credited/(charged) to profit or loss for the year	(698)	(937)	(1,173)	116	(383)	(3,075)
At 31 December 2013 (Audited)	227	-	-	2,209	838	3,274

12. 遞延稅項

截至二零一四年及二零一三年六月三十日止六個月遞延稅項資產及負債之變動如下：

遞延稅項資產

二零一四年六月三十日

二零一三年十二月三十一日

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12. DEFERRED TAX (Continued)

Deferred tax liabilities

30 June 2014

		Fair value adjustment on 公平值調整			Total 總計 RMB'000 人民幣千元
		acquisition of a subsidiary 收購一間 附屬公司 RMB'000 人民幣千元	contingent consideration 或然代價 RMB'000 人民幣千元	derivatives 衍生工具 RMB'000 人民幣千元	
At 1 January 2014 (Audited)	於二零一四年一月一日(經審核)	8,614	-	-	8,614
Charged/(credited) to profit or loss for the period	期內於損益扣除/(計入)	(921)	-	32	(889)
Disposal of a subsidiary	出售一間附屬公司	(588)	-	-	(588)
At 30 June 2014 (Unaudited)	於二零一四年六月三十日 (未經審核)	7,105	-	32	7,137

31 December 2013

二零一三年十二月三十一日

		Fair value adjustment on 公平值調整			Total 總計 RMB'000 人民幣千元
		acquisition of a subsidiary 收購一間 附屬公司 RMB'000 人民幣千元	contingent consideration 或然代價 RMB'000 人民幣千元	derivatives 衍生工具 RMB'000 人民幣千元	
At 1 January 2013 (Audited)	於二零一三年一月一日(經審核)	14,101	3,292	-	17,393
Credited to profit or loss for the year	年內於損益計入	(2,530)	(3,292)	-	(5,822)
Disposal of a subsidiary	出售一間附屬公司	(2,957)	-	-	(2,957)
At 31 December 2013 (Audited)	於二零一三年十二月三十一日 (經審核)	8,614	-	-	8,614

No deferred tax asset has been recognised in respect of tax losses of approximately RMB144,185,000 (31 December 2013: RMB161,575,000) as the losses have arisen in subsidiaries that have been loss-making for years and it is not probable that taxable profits will be available against which the tax losses can be utilised.

概無就稅項虧損約人民幣144,185,000元(二零一三年十二月三十一日：人民幣161,575,000元)確認遞延稅項資產，因為該等虧損產生自於多年內錄得虧損的附屬公司，因此不大可能有應課稅溢利可供稅項虧損使用作抵銷。

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12. DEFERRED TAX (Continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at 30 June 2014, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB232 million as at 30 June 2014 (31 December 2013: RMB247 million).

13. TRADE AND BILLS RECEIVABLES

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	1,300,190	1,148,226
Impairment	減值	(5,760)	(3,125)
Trade receivables, net	貿易應收款項，淨額	1,294,430	1,145,101
Bills receivable	應收票據	45,127	56,329
		1,339,557	1,201,430

12. 遞延稅項(續)

根據中國內地企業所得稅法，在中國內地成立的外資企業向外國投資者宣派股息，有關股息須繳納10%的預提所得稅。此規定自二零零八年一月一日開始生效並適用於二零零七年十二月三十一日之後的盈利。倘若中國與該等外國投資者所屬司法權區訂有稅收協定，則預提所得稅稅率或有所調低。至於本集團，適用稅率為10%。因此，本集團旗下在中國內地成立的附屬公司就二零零八年一月一日或以後賺取的盈利而向本集團派付股息，本集團須就此繳納預提所得稅。

於二零一四年六月三十日，概無就本集團在中國內地成立的附屬公司須繳納預扣稅之未宣派盈利應付之預扣稅確認遞延稅項。董事認為，該等附屬公司不可能於可見未來分派有關盈利。於二零一四年六月三十日，尚未確認遞延稅項負債之於中國附屬公司之投資相關的臨時差異總額約為人民幣232,000,000元(二零一三年十二月三十一日：人民幣247,000,000元)。

13. 貿易應收款項及應收票據

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13. TRADE AND BILLS RECEIVABLES (Continued)

Trade receivables of the Group represented proceeds receivable from the sale of goods and rendering of services. The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit term generally ranges from 15 to 180 days, and a longer credit term will be granted to certain major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control management system to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned, as at 30 June 2014, except for amounts due from two customers respectively exceeded 10% of the Group's total trade and bills receivables, the remaining balances of the trade receivables are related to a large number of diversified customers. Trade receivables are interest-free and unsecured.

An aged analysis of the trade receivables of the Group as at the end of the reporting period, based on the transaction date and net of provision, is as follows:

13. 貿易應收款項及應收票據(續)

本集團貿易應收款項指銷售貨品及提供服務之應收所得款項。根據本集團之貿易條款，本集團客戶大多享有信貸期，惟新客戶普遍須預先付款。信貸期一般由15至180日不等，而若干主要客戶將獲授較長之信貸期。每名客戶均有最高信貸額。本集團致力嚴格控制其未償還應收款項，並設有信貸控制體系，務求將信貸風險減至最低。高級管理人員會定期檢討逾期欠款。基於上述各項，於二零一四年六月三十日，除應收兩名客戶款項各自超逾本集團貿易應收款項及應收票據總額的10%外，貿易應收款項的餘下結餘與眾多不同類型的客戶有關。應收貿易款項為免息及無抵押。

下表列載本集團貿易應收款項在報告期末的賬齡分析，有關分析以交易日期為依據，並已扣除撥備：

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	三個月內	731,892	750,984
3 to 6 months	三至六個月	100,465	57,747
6 to 12 months	六至十二個月	262,399	171,103
1 to 2 years	一至兩年	76,624	51,987
Over 2 years	超過兩年	123,050	113,280
		1,294,430	1,145,101

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13. TRADE AND BILLS RECEIVABLES (Continued)

The movements in provision for impairment of trade receivables are as follows:

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Opening balance	期初結餘	3,125	4,419
Provision for impairment losses	減值虧損撥備	2,635	1,539
Written off	撇銷	-	(2,833)
Closing balance	期末結餘	5,760	3,125

The maturity profile of the bills receivable of the Group as at the end of the reporting period is as follows:

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	三個月內	21,437	32,518
Over 3 months but within 6 months	三個月以上但六個月內	23,690	23,811
		45,127	56,329

As at 30 June 2014, the Group discounted certain bills receivable of approximately RMB3,160,000 (2013: RMB1,000,000) to banks with full recourse. As the Group did not transfer the significant risks and rewards relating to these bills receivable, it continued to recognise the full carrying amount of these bills receivable and accounted for the cash received as secured bank borrowings (note 18).

13. 貿易應收款項及應收票據(續)

貿易應收款項的減值撥備變動如下：

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Opening balance	期初結餘	3,125	4,419
Provision for impairment losses	減值虧損撥備	2,635	1,539
Written off	撇銷	-	(2,833)
Closing balance	期末結餘	5,760	3,125

下表載列本集團應收票據於報告期末的到期情況：

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	三個月內	21,437	32,518
Over 3 months but within 6 months	三個月以上但六個月內	23,690	23,811
		45,127	56,329

於二零一四年六月三十日，本集團折現若干應收票據約人民幣3,160,000元(二零一三年：人民幣1,000,000元)予銀行(附有全數追索)。由於本集團並無轉讓與該等應收票據有關的重大風險及回報，故其繼續全面確認該等應收票據的賬面值，並將已收現金入賬作為有抵押銀行借貸(附註18)。

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13. TRADE AND BILLS RECEIVABLES (Continued)

As at 30 June 2014, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of approximately RMB17,067,000 (2013: RMB15,547,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills to which the suppliers have recourse was approximately RMB11,008,000 (2013: RMB15,547,000) as at 30 June 2014.

Included in the Group's trade receivables are amounts due from related parties of the Group amounting to approximately RMB57,649,000 (2013: RMB63,306,000), which are repayable on credit terms similar to those offered to major customers of the Group.

13. 貿易應收款項及應收票據(續)

於二零一四年六月三十日，本集團為中國內地銀行接納之若干應收票據背書（「背書票據」），該等票據賬面值為人民幣17,067,000元（二零一三年：人民幣15,547,000元），提供予本集團若干供應商，以支付結欠該等供應商之貿易應付款項（「背書」）。董事認為，本集團已保留大部份風險及回報，包括關於該等背書票據之違約風險，據此，其繼續確認背書票據及已結付之相關貿易應付款項之全部賬面值。背書後，本集團並無保留背書票據之任何使用權，包括銷售、轉讓或質押背書票據予任何其他第三方。背書票據結付之貿易應付款項（供應商曾追索）於二零一四年六月三十日之總賬面值約為人民幣11,008,000元（二零一三年：人民幣15,547,000元）。

本集團之貿易應收款項包括應收本集團關連方款項約人民幣57,649,000元（二零一三年：人民幣63,306,000元），該款項須按提供予本集團主要客戶之類似信貸期償還。

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14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

14. 預付款項、按金及其他應收款項

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Advances to suppliers and other third parties	墊款予運營商及其他第三方	236,611	171,244
Value added tax and export rebate receivable	可退回增值稅及出口稅 應收款項	1,362	10,394
Deposits and prepayments	保證金及預付款項	8,719	5,520
Other receivables	其他應收款項	13,374	13,390
Consideration receivable for disposals of subsidiaries	就出售附屬公司應收代價	12,597	15,274
Amounts due from related parties	應收關連方款項	15,801	14,887
		288,464	230,709
Less: Non-current portion	減：非流動部分	9,779	520
		278,685	230,189

The balance as at 30 June 2014 was unsecured.

結餘於二零一四年六月三十日為無抵押。

The amounts due from related parties are repayable on credit terms similar to those offered to the major customers of the Group.

應收關連方款項須按提供予本集團主要客戶之類似信貸期償還。

Movements in the provision for impairment of prepayments, deposits and other receivables are as follows:

就預付款項、按金及其他應收款項減值撥備之變動如下：

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Opening balance	期初結餘	3,011	3,221
(Reversal of impairment)/provision for impairment losses	(撥回減值)/減值虧損撥備	(86)	12,958
Disposal of a subsidiary	出售一間附屬公司	-	(13,168)
Closing balance	期末結餘	2,925	3,011

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15. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

15. 現金及現金等價物及已抵押銀行存款

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Cash and bank balances	現金及銀行結餘	77,275	62,721
Time deposits	定期存款	14,774	16,064
		92,049	78,785
Less: Pledged time deposits:	減：已抵押定期存款：		
Pledged for bills payable	就應付票據作抵押	(9,409)	(5,361)
Pledged for letters of credit	就信用證作抵押	(4,123)	(6,011)
Pledged for contract bidding	就競投合約作抵押	(1,242)	(4,692)
		(14,774)	(16,064)
Cash and cash equivalents	現金及現金等價物	77,275	62,721

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB68,604,000 (31 December 2013: RMB45,385,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

於報告期末，本集團以人民幣計值之現金及銀行結餘約為人民幣68,604,000元（二零一三年十二月三十一日：人民幣45,385,000元）。人民幣不可自由兌換為其他貨幣，然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務之銀行將人民幣兌換成其他貨幣。

銀行現金按每日銀行存款利息之浮動利率賺取利息。銀行結餘及已抵押存款存放於信譽良好且最近無違規記錄的銀行。

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16. TRADE AND BILLS PAYABLES

An aged analysis of the trade payables of the Group, based on the transaction date, as at the end of the reporting period is as follows:

		30 June 2014	31 December 2013
		二零一四年 六月三十日	二零一三年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 3 months	三個月內	684,621	379,234
3 to 12 months	三至十二個月	93,752	221,139
1 to 2 years	一至兩年	54,453	37,548
Over 2 years	超過兩年	30,751	21,412
		863,577	659,333

The Group normally obtains credit terms ranging from 1 to 3 months from its suppliers. The trade payables related to telecommunication equipment purchased are to be paid to the suppliers with final inspection dates ranging from 1 to 2 years. Trade payables are unsecured and interest-free.

Included in the trade and bills payables are trade payables of approximately RMB36,019,000 (2013: RMB44,057,000) due to related parties of the Group which are repayable on credit terms similar to those offered by related parties to their major customers.

16. 貿易及票據應付款項

下表載列本集團貿易應付款項於報告期末按交易日期作出的賬齡分析：

本集團一般獲供應商給予介乎一至三個月的信貸期。與購買電訊設備有關的貿易應付款項，並將支付予供應商，而最終檢測期介乎一至兩年。貿易應付款項為無抵押及免息。

貿易及票據應付款項包括結欠本集團關連方款項約人民幣36,019,000元(二零一三年：人民幣44,057,000元)，須按關連方向其主要客戶提供的類似信貸期償還。

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16. TRADE AND BILLS PAYABLES (Continued)

An aged analysis of the bills payable of the Group, based on the issuance date, as at the end of the reporting period is as follows:

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	三個月內	15,235	40,013
3 to 6 months	三至六個月	16,293	4,830
		31,528	44,843

16. 貿易及票據應付款項(續)

下表載列本集團應付票據在報告期末按發行日期作出的賬齡分析：

17. OTHER PAYABLES AND ACCRUALS

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Advances from customers	預收客戶款項	17,708	37,333
Accruals	應計費用	9,575	9,299
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備應付 款項	4,311	41,000
Payroll payable	應付工資	13,000	13,566
Other taxes payable	其他應付稅項	78,476	116,626
Other payables	其他應付款項	14,979	15,927
Amounts due to related parties	應付關連方款項	5,473	1,064
		143,522	234,815

17. 其他應付款項及應計費用

Other payables of the Group as at 30 June 2014 are interest-free and repayable on demand.

The amounts due to related parties are repayable on credit terms similar to those offered by related parties to third parties.

於二零一四年六月三十日，本集團其他應付款項為不計息及須按要求償還。

應付關連方款項須按關連方提供予第三方之類似信貸期償還。

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18. INTEREST-BEARING BANK AND OTHER BORROWINGS

18. 計息銀行及其他借貸

		30 June 2014 (Unaudited)			31 December 2013 (Audited)		
		二零一四年六月三十日 (未經審核)			二零一三年十二月三十一日 (經審核)		
		Contractual interest rate (%)	Maturity	RMB'000	Contractual interest rate (%)	Maturity	RMB'000
		合約利率 (%)	到期日	人民幣千元	合約利率 (%)	到期日	人民幣千元
Current	即期						
Bank loans — unsecured	銀行貸款 — 無抵押	4.03-7.54	2014-2015 二零一四年至 二零一五年	266,817	5.24-7.80	2014 二零一四年	207,694
Bank loans — secured	銀行貸款 — 有抵押	3.84-6.30	2014-2015 二零一四年至 二零一五年	141,213	0.68-6.60	2014 二零一四年	262,250
Other loans — unsecured	其他貸款 — 無抵押	7.70-8.00	2014 二零一四年	155,262	7.70-8.00	2014 二零一四年	155,262
Total	總計			563,292			625,206

19. ISSUED CAPITAL

19. 已發行股本

		30 June 2014	31 December 2013
		二零一四年六月三十日	二零一三年十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Authorised:	法定：		
2,500,000,000 (2013: 2,500,000,000) ordinary shares of US\$0.02 each	2,500,000,000股(二零一三年：2,500,000,000股)每股面值0.02美元普通股	US\$50,000,000 50,000,000美元	US\$50,000,000 50,000,000美元
Issued and fully paid:	已發行及繳足：		
720,000,000 (2013: 720,000,000) ordinary shares of US\$0.02 each	720,000,000股(二零一三年：720,000,000股)每股面值0.02美元普通股	US\$14,400,000 14,400,000美元	US\$14,400,000 14,400,000美元
Equivalent to	相當於	RMB97,401,000 人民幣97,401,000元	RMB97,401,000 人民幣97,401,000元

20. ACQUISITION OF A SUBSIDIARY

20. 收購一間附屬公司

On 31 January 2013, the Group acquired the entire issued share capital of Rosy Sun, the parent of the Rosy Sun Group. The Acquisition has been accounted for using the pooling of interests method. The condensed consolidated financial statements include the results of the Rosy Sun Group since 13 June 2012.

於二零一三年一月三十一日，本集團收購Rosy Sun集團母公司Rosy Sun的全部已發行股本。收購事項已利用購買合併法入賬。本簡明綜合財務報表已計入Rosy Sun集團自二零一二年六月十三日起的業績。

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20. ACQUISITION OF A SUBSIDIARY (Continued)

20. 收購一間附屬公司(續)

The fair values of the identifiable assets and liabilities of the Rosy Sun Group as at 13 June 2012 were:

於二零一二年六月十三日，Rosy Sun集團可識別資產及負債公平值為：

		Fair value recognised on acquisition 收購時確認 公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	59,922
Prepaid land lease payments	預付土地租賃款項	45,085
Other intangible assets	其他無形資產	206,128
Available-for-sale investments	可供出售投資	15,000
Deferred tax assets	遞延稅項資產	4,132
Inventories	存貨	292
Trade and bills receivables	貿易應收款項及應收票據	222,823
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	228,911
Pledged deposits	已抵押存款	2,118
Cash and cash equivalents	現金及現金等價物	13,857
Trade and bills payables	貿易應付及應付票據	(91,376)
Other payables and accruals	其他應付款項及應計費用	(34,380)
Tax payable	應付稅項	(8,325)
Interest-bearing bank and other borrowings	計息銀行及其他借貸	(266,196)
Deferred tax liabilities	遞延稅項負債	(16,014)
Government grants	政府補貼	(14,219)
Total identifiable net assets at fair value	按公平值列賬的可識別資產淨值總額	367,758
Goodwill arising on acquisition	收購產生的商譽	61,146
Purchase consideration transferred by Mr. Chi to an independent third party	遲先生轉撥至獨立第三方的購買代價	428,904
Less: purchase consideration transferred by the Group to Mr. Chi for the Acquisition	減：本集團就收購事項轉撥至遲先生的購買代價	442,234
Charged to equity	自權益中扣除	(13,330)

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of the Rosy Sun Group with those of the Group.

已確認商譽主要源於預期協同效應及合併Rosy Sun集團及本集團的資產及活動所帶來的利益。

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21. DISPOSALS OF SUBSIDIARIES

(a) Disposal of the entire equity interest in Wuhan Honglin Technology Co., Ltd.

On 10 January 2014, the Group disposed of the 90% and 10% equity interests in Wuhan Honglin Technology Co., Ltd. to 湖北康普斯醫療科技有限公司 and 武漢亞光新民防火裝飾材料有限公司 at cash considerations of approximately RMB46,815,000 and RMB5,202,000, respectively (the "Disposal"). Further details of the Disposal were set out in the Company's announcement made on 10 January 2014.

21. 出售附屬公司

(a) 出售武漢市泓淋科技有限公司全部股權

於二零一四年一月十日，本集團出售武漢市泓淋科技有限公司之90%及10%股權予湖北康普斯醫療科技有限公司及武漢亞光新民防火裝飾材料有限公司，現金代價分別約人民幣46,815,000元及人民幣5,202,000元（「出售事項」）。更多有關出售事項之詳情載於本公司於二零一四年一月十日刊發的公佈。

		2014 二零一四年 RMB'000 人民幣千元
Net assets disposed of:	已出售資產淨值：	
Prepayments for acquiring land use rights	收購土地使用權之預付款項	10,087
Trade and bills receivables	貿易及票據應收款	39,017
		49,104
Gain on disposal of a subsidiary	出售附屬公司之收益	2,913
		52,017
Satisfied by:	支付方式：	
Cash	現金	52,017

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21. DISPOSALS OF SUBSIDIARIES (Continued)

(b) Disposal of the entire equity interest in Rituo Technology

On 25 April 2014, Dezhou Jincheng Electronic Co., Ltd. disposed of its entire interest in Rituo Technology to 威海市東晨塑膠新材料有限公司 at a consideration of zero.

21. 出售附屬公司(續)

(b) 出售日拓高科技全部股權

於二零一四年四月二十五日，德州錦城電業有限公司無償出售其於日拓高科技之全部股權予威海市東晨塑膠新材料有限公司。

		2014 二零一四年 RMB'000 人民幣千元
Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	57
Other intangible assets	其他無形資產	2,351
Trade and bills receivables	貿易及票據應收款	10,637
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	8
Cash and cash equivalents	現金及現金等價物	3
Trade and bills payables	貿易及票據應付款	(4,634)
Other payables and accruals	其他應付款項及應計費用	(6,069)
Deferred tax liabilities	遞延稅項負債	(588)
		1,765
Loss on disposal of a subsidiary	出售附屬公司之虧損	(1,765)
		-
Satisfied by:	支付方式：	
Cash	現金	-

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21. DISPOSALS OF SUBSIDIARIES (Continued)

(c) Disposal of the entire equity interest in Huizhou Honglin Communication Technology Co., Ltd.

On 27 May 2014, the Group disposed of its entire equity interest in Huizhou Honglin Communication Technology Co., Ltd. to 威海鵬威勞務派遣有限公司 at a consideration of RMB8,009,000.

21. 出售附屬公司(續)

(c) 出售惠州市泓淋通訊科技有限公司全部股權

於二零一四年五月二十七日，本集團出售其於惠州市泓淋通訊科技有限公司之全部股權予威海鵬威勞務派遣有限公司，代價為人民幣8,009,000元。

		2014 二零一四年 RMB'000 人民幣千元
Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	87,885
Prepaid land lease payments	預付土地租賃款項	13,666
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	17,048
Cash and cash equivalents	現金及現金等價物	737
Other payables and accruals	其他應付款項及應計費用	(111,992)
		7,344
Gain on disposal of a subsidiary	出售附屬公司之收益	665
		8,009
Satisfied by:	支付方式：	
Cash	現金	8,009

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21. DISPOSALS OF SUBSIDIARIES (Continued)

(d) Disposal of a 55% equity interest in Rituo Automotive

On 12 January 2013, the Group disposed of its 100% equity interest in Rituo Automotive in exchange for, among other considerations, the 45% equity interest in Rituo Technology, which is accounted for as an acquisition of non-controlling interests with a notional consideration measured at fair value of approximately RMB11,564,000. A loss on disposal of Rituo Automotive of approximately RMB396,000, including the loss effect arising from the waiver of receivable for profit guarantee amounting to RMB18,396,000, is then recognised in profit or loss. Further details of the disposal and acquisition were set out in the Company's announcement made on 20 November 2012 and circular dated 24 December 2012.

21. 出售附屬公司(續)

(d) 出售日拓汽車55%股權

於二零一三年一月十二日，本集團出售日拓汽車全部權益，以換取（包括其他代價）日拓高科技的45%權益，其入賬為一項收購非控股權益，按公平值計量的名義代價約為人民幣11,564,000元。出售日拓汽車之虧損約人民幣396,000元（包括因豁免就溢利保證人民幣18,396,000元之應收款項而產生之虧損影響）其後於損益確認。出售事項及收購事項的進一步詳情載於本公司日期為二零一二年十一月二十日的公佈及日期為二零一二年十二月二十四日的通函。

		2013 二零一三年 RMB'000 人民幣千元
Assets of a disposal group classified as held for sale	分類為持作出售的出售組合資產	
Property, plant and equipment	物業、廠房及設備	5,015
Intangible assets	無形資產	10,976
Trade receivables	貿易應收款項	13,756
Prepayments and other receivables	預付款項及其他應收款項	62,652
Inventories	存貨	30,038
Cash and cash equivalents	現金及現金等價物	8,835
		131,272

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21. DISPOSALS OF SUBSIDIARIES (Continued)

21. 出售附屬公司(續)

(d) Disposal of a 55% equity interest in Rituo Automotive (Continued)

(d) 出售日拓汽車 55% 股權(續)

		2013 二零一三年 RMB'000 人民幣千元
Liabilities directly associated with assets classified as held for sale	與分類為持作出售資產直接有關的負債	
Trade payables	貿易應付款項	(35,765)
Accruals and other payables	應計費用及其他應付款項	(10,409)
Tax payable	應付稅項	(111)
Interest-bearing bank borrowings	計息銀行借貸	(13,700)
Deferred tax liabilities	遞延稅項負債	(2,957)
		(62,942)
Net assets of a disposal group classified as held for sale	分類為持作出售資產的出售組合淨資產	68,330
Goodwill	商譽	258
Non-controlling interests	非控制權益	(31,424)
		37,164
Loss on disposal of a subsidiary	出售附屬公司虧損	(396)
		36,768
Satisfied by:	由以下方式結付：	
Cash	現金	43,600
Fair value of non-controlling interests in Rituo Technology	日拓高科技非控制權益公平值	11,564
Waiver of receivable for profit guarantee	就溢利擔保豁免應收款項	(18,396)
Total consideration	總代價	36,768

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21. DISPOSALS OF SUBSIDIARIES (Continued)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 (Unaudited) (未經審核)	2013 二零一三年 (Unaudited) (未經審核)
Cash received	所收現金	52,017	–
Cash and cash equivalents disposed of	出售現金及現金等價物	(740)	(8,835)
Cash and cash equivalents of a disposal group classified as held for sale	分類為持有待售出售組別之現金及現金等價物	–	8,835
Net inflow of cash and cash equivalents in respect of the disposals of subsidiaries	出售附屬公司的現金及現金等價物流入淨額	51,277	–

21. 出售附屬公司 (續)

就出售附屬公司的現金及現金等價物流出分析如下：

22. COMMITMENTS

(a) Operating lease commitments — the Group as lessee

As at 30 June 2014 and 31 December 2013, the Group had total future minimum lease payments under non-cancellable operating leases in respect of offices and buildings falling due as follows:

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within one year	一年內	3,900	3,046
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	655	397
		4,555	3,443

As at 30 June 2014, included in the Group's commitments, RMB2,265,000 were provided to a related party, with similar terms to those offered by the related party to third parties (31 December 2013: RMB1,872,000).

22. 承擔

(a) 經營租賃承擔 — 本集團作為承租人

於二零一四年六月三十日及二零一三年十二月三十一日，本集團就辦公室及樓宇根據不可撤銷經營租賃擁有的日後最低租賃款項於下列日期到期：

於二零一四年六月三十日，本集團承擔中包括提供予關連方的人民幣2,265,000元，並備有由關連方選擇提供予第三方的類似條款(二零一三年十二月三十一日：人民幣1,872,000元)。

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22. COMMITMENTS (Continued)

(b) Capital commitments

In addition to the operating lease commitments detailed in (a) above, the Group's capital commitments as at the end of the reporting period were as follows:

22. 承擔(續)

(b) 資本承擔

除上述(a)段詳述的經營租賃承擔外，本集團於報告期末有以下資本承擔：

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted, but not provided for: Acquisition of property, plant and equipment	已簽約但未撥備： 收購物業、廠房及設備	84	25,835
Authorised, but not contracted for: Acquisition of property, plant and equipment	已授權但未簽約： 收購物業、廠房及設備	70	-
		154	25,835

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23. RELATED PARTY TRANSACTIONS

In addition to the transactions disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions with its related parties during the six months ended 30 June 2014:

(a)

		Six months ended 30 June 截至六月三十日止六個月	
Notes 附註		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Other related parties:	其他關連方：		
Sales of products	銷售產品 (i)	84,162	—
Purchases of products	購買產品 (ii)	59,866	—
Commission fee paid	已付佣金 (iii)	659	—
Rental and utility services fee paid	已付租金及水電費 (iv)	1,865	—
Fee for use of supplier codes paid	已付供應商代碼使用費 (v)	368	—
Fee for use of supplier codes received	已收供應商代碼使用費 (v)	598	—
Guarantee charges paid	已付擔保費 (vi)	3,802	—
Guarantee charges received	已收擔保費 (vii)	4,399	—

Notes:

- (i) The sales to the other related parties were made according to the published prices and conditions offered to the major customers of the Group.
- (ii) The purchases from the other related parties were made according to the published prices and conditions offered by the other related parties to their major customers.
- (iii) The commission fee arose from the sale of power cord arranged by a related company in Taipei, which in return paid a commission based on the net profit of the transaction at rates ranging from 3% to 17% arranged by the other related parties by reference to the terms offered by the other related parties to an independent third party.
- (iv) The rental and service fees were charged based on the direct costs incurred. The charges are substantially in line with the ones charged by the other related parties to third parties. Further details of the operating lease commitments are included in note 22.
- (v) The fee for use of supplier codes charges were based on 1% of the sales/purchases amount for the purpose of using the supplier code to sell the relevant products to the ultimate customers. The charges are substantially in line with those comparable transactions in the market.
- (vi) The guarantee charges were based on 1.92% of the guaranteed amount on an annual basis for the services provided by the other related parties with reference to the comparable transactions in the market.
- (vii) The guarantee charges were based on 2.4% of the guaranteed amount on an annual basis for the guarantee services to the other related parties with reference to the comparable transactions in the market.

附註：

- (i) 向其他關連方進行的銷售活動，乃以提供予本集團主要客戶的已公佈價格及條件為依據。
- (ii) 向其他關連方進行的採購活動，乃以其他關連方向其主要客戶提供的已公佈價格及條件為依據。
- (iii) 佣金費源於一間台北關連公司策劃進行的電源線銷售，作為代價，支付相當於其他關連方所策劃交易之淨利潤介乎3%至17%的佣金，其已參考其他關連方給予一名獨立第三方的條款。
- (iv) 租金及服務費是根據所產生直接成本徵收。收費大體上與其他關連方向第三方收取者一致。經營租賃承擔之更多詳情，載於附註22。
- (v) 供應商代碼使用費是根據銷售／購貨額之1%徵收，其旨在讓付費方可利用供應商代碼向最終客戶銷售有關產品。收費大體上與市場上之相若交易一致。
- (vi) 擔保費是根據就其他關連方提供服務之保證額1.92%按年計算，其已參考市場上之相若交易。
- (vii) 擔保費是根據向其他關連方提供保證服務之保證額2.4%按年計算，其已參考市場上之相若交易。

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23. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions with related parties:

- (i) During the year, the related parties provided to the Group certain guarantees on banking facilities obtained by the Group of RMB296,000,000 (2013: RMB446,000,000) as at the end of the reporting period.
- (ii) During the year, the Group provided to the related parties certain guarantees on banking facilities obtained by those other related parties of RMB437,053,000 (2013: RMB403,195,000) as at the end of the reporting period.

(c) Outstanding balances with related parties:

Details of the Group's outstanding balances with its related parties as at the end of the reporting period are disclosed in notes 13, 14, 16 and 17 to the financial statements.

(d) Compensation of key management personnel of the Group:

23. 關連方交易 (續)

(b) 與關連方的其他交易：

- (i) 年內，關連方於報告期末向本集團就本集團獲得之銀行融資人民幣296,000,000元提供若干擔保(二零一三年：人民幣446,000,000元)。
- (ii) 年內，本集團於報告期末就其他關連方獲得之銀行融資人民幣437,053,000元(二零一三年：人民幣403,195,000元)向該等其他關連方提供若干擔保。

(c) 與關連方之未償還餘額：

本集團於報告期末與關連方之未償還餘額詳情載於財務報表附註13、14、16及17。

(d) 本集團主要管理人員的薪酬：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	407	2,799
Post-employment benefits	退休福利	25	59
Equity-settled share option expenses	以權益結算的購股權開支	-	9
		432	2,867

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24. CONTINGENT LIABILITIES

- (a) At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Guarantees on banking facilities provided to related companies	437,053	403,195

- (b) A subsidiary of the Group is currently a defendant in a lawsuit brought by a supplier alleging that the subsidiary breached and repudiated a commissioned development contract on software of handsets. Meanwhile, the Group instituted a counter-claim against the supplier's demand compensation for damages. The litigation is likely to continue for a considerable amount of time, and the directors, based on the advice from the Group's legal counsel, believe that the outcome of this claim cannot be reliably estimated. Therefore, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs incurred.

25. PLEDGE OF ASSETS

At 30 June 2014, the Group has pledged its land use rights with a carrying value of approximately RMB54,024,000 (2013: RMB33,919,000) to banks to secure for bank loans of the Group (note 18) and general banking facilities granted to the Group.

Except for the land use rights pledged as mentioned above, details of the Group's pledged assets are included in notes 10, 13 and 15 to the financial statements.

26. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board on 27 August 2014.

24. 或然負債

- (a) 於報告期末，於財務報表並無撥備之或然負債如下：

	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
關連公司獲提供之銀行融資之擔保	437,053	403,195

- (b) 目前本集團一間附屬公司為一宗訴訟之被告，該訴訟由一名供應商提出，聲稱附屬公司違反及不履行涉及手機軟件委聘開發合約。與此同時，本集團就供應商要求之損失賠償提出反申索。由於訴訟很可能會拖延頗長時間，董事會根據本集團法律顧問之意見，認為該申索之結果難以估計，故此本集團並無就訴訟產生之任何申索計提撥備，惟相關法律及其他成本除外。

25. 資產抵押

於二零一四年六月三十日，本集團已將其賬面值約人民幣54,024,000元(二零一三年：人民幣33,919,000元)之土地使用權抵押予銀行，以獲得本集團銀行貸款(附註18)及授予本集團之一般銀行融資。

除上述已抵押土地使用權外，本集團已抵押資產之詳情載於財務報表附註10、13及15。

26. 批准簡明綜合財務報表

董事會於二零一四年八月二十七日批准及授權刊發簡明綜合財務報表。



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