



ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 328)

INTERIM REPORT 2010

The directors of Alco Holdings Limited (the “Company”) are pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2010, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September 2010

		Unaudited Six months ended 30th September	
		2010	2009
	Note	HK\$'000	HK\$'000
Revenue	3	1,707,124	2,219,407
Cost of goods sold	4	(1,501,191)	(1,980,499)
Gross profit		205,933	238,908
Other income		2,089	2,609
Selling expenses	4	(74,256)	(107,711)
Administrative expenses	4	(41,926)	(37,784)
Other operating income/ (expenses)	4	34,242	(4,696)
Exchange (loss)/gain on loans and receivables		(359)	11,203
Operating profit		125,723	102,529
Finance income		3,637	3,052
Finance costs		(509)	(807)
Profit before income tax		128,851	104,774
Income tax expense	5	(10,116)	(11,492)
Profit attributable to equity holders of the Company		118,735	93,282
Dividends	6	56,584	50,100
Earnings per share attributable to equity holders of the Company			
– basic	7	HK21.2 cents	HK16.8 cents
– diluted	7	HK21.2 cents	HK16.8 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th September 2010

	Unaudited	
	Six months ended	
	30th September	
	2010	2009
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company	118,735	93,282
Other comprehensive income, net of tax:		
Fair value gain on available-for-sale financial assets	—	16,806
Currency translation differences	434	515
	<hr/>	<hr/>
Total comprehensive income attributable to equity holders of the Company	<u>119,169</u>	<u>110,603</u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th September 2010

		Unaudited 30th September 2010 HK\$'000	Audited 31st March 2010 HK\$'000
	Note		
Non-current assets			
Property, plant and equipment		302,282	324,943
Investment properties		75,020	75,020
Leasehold land and land use rights		7,860	11,997
Intangible assets		72,927	76,827
Deferred income tax assets		12,648	7,072
Loans and receivables	8	78,142	78,501
Available-for-sale financial assets	9	136,641	136,641
		685,520	711,001
Current assets			
Inventories		411,823	472,688
Trade and other receivables	10	919,804	535,383
Cash and cash equivalents		759,439	1,039,830
		2,091,066	2,047,901
Current liabilities			
Trade and other payables	11	858,483	819,062
Current income tax liabilities		31,055	57,891
Borrowings	12	76,400	76,400
		965,938	953,353
Net current assets		1,125,128	1,094,548
Total assets less current liabilities		1,810,648	1,805,549
Capital and reserves attributable to equity holders of the Company			
Share capital	13	56,584	55,666
Reserves		1,746,264	1,703,883
Total equity		1,802,848	1,759,549
Non-current liabilities			
Borrowings	12	7,800	46,000
		7,800	46,000
Total equity and non-current liabilities		1,810,648	1,805,549

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2010

Unaudited

	Share capital HK\$'000	Share premium HK\$'000	Equity compensation reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1st April 2009	55,666	245,011	–	940	(37,606)	1,337,621	1,601,632
Translation differences	–	–	–	–	515	–	515
Profit for the period	–	–	–	–	–	93,282	93,282
Fair value gain on available- for-sale financial assets	–	–	–	–	16,806	–	16,806
Total comprehensive income	–	–	–	–	17,321	93,282	110,603
2009 final dividends	–	–	–	–	–	(77,933)	(77,933)
Total transaction with owners	–	–	–	–	–	(77,933)	(77,933)
At 30th September 2009	<u>55,666</u>	<u>245,011</u>	<u>–</u>	<u>940</u>	<u>(20,285)</u>	<u>1,352,970</u>	<u>1,634,302</u>
At 1st April 2010	55,666	245,011	–	940	51	1,457,881	1,759,549
Translation differences	–	–	–	–	434	–	434
Profit for the period	–	–	–	–	–	118,735	118,735
Total comprehensive income	–	–	–	–	434	118,735	119,169
Shares issued from exercise of share options	918	25,687	–	–	–	–	26,605
Equity compensation	–	–	10,690	–	–	–	10,690
2010 final and special dividends	–	–	–	–	–	(113,165)	(113,165)
Total transaction with owners	918	25,687	10,690	–	–	(113,165)	(75,870)
At 30th September 2010	<u>56,584</u>	<u>270,698</u>	<u>10,690</u>	<u>940</u>	<u>485</u>	<u>1,463,451</u>	<u>1,802,848</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September 2010

	Unaudited	
	Six months ended	
	30th September	
	2010	2009
	HK\$'000	HK\$'000
Net cash (used in) / generated from operating activities	(155,894)	209,321
Net cash generated from / (used in) investing activities	263	(20,496)
Net cash used in financing activities	(124,760)	(312,502)
Net decrease in cash and cash equivalents	(280,391)	(123,677)
Cash and cash equivalents at beginning of period	1,039,830	872,307
Cash and cash equivalents at end of period	759,439	748,630
Analysis of balances of cash and cash equivalents		
Bank balances and cash	759,439	748,630

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2010

1. Basis of preparation and accounting policies

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

These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2010.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31st March 2010, except the Group has adopted certain HKASs and Hong Kong Financial Reporting Standards (“HKFRS”) which are mandatory for the financial year ending 31st March 2011.

2. Changes in accounting policies

The following revised standards and amendments to standards are relevant to the Group and are mandatory for the financial year beginning 1st April 2010.

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standard
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRSs (Amendments)	Improvements to HKFRSs 2009

The adoption of the above amendments to existing standards did not have significant impact to the Group’s financial statements and has not led to any changes in the Group’s accounting policies, except the following impact on the presentation.

2. Changes in accounting policies (continued)

The amendment to HKAS 17 “Leases” removes the specific guidance which previously required that land element held under a lease should be classified as an operating lease. It provides new guidance which indicates that entities should use judgment to decide whether the lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in HKAS 17. The Group has made a reassessment of the existing land lease arrangements and certain “Leasehold land and land use rights” have been reclassified to “Property, plant and equipment” and the corresponding “Amortisation of leasehold land and land use rights” has been reclassified to “Depreciation of property, plant and equipment” retrospectively. Comparative information has been restated to reflect this change in accounting policy. The adoption of amendment to HKAS 17 has the following impact on the condensed consolidated interim financial information due to the reclassification as aforesaid:

	30th September	31st March
	2010	2010
	HK\$'000	HK\$'000
Increase in property, plant and equipment	46,163	46,194
Decrease in leasehold land and land use rights	46,163	46,194
	Six months ended	
	30th September	
	2010	2009
	HK\$'000	HK\$'000
Increase in depreciation of property, plant and equipment	31	31
Decrease in amortisation of leasehold land and land use rights	31	31

There is no impact upon the reported income for the current or prior periods.

2. **Changes in accounting policies** *(continued)*

The following revised standards, amendments to standards and interpretations are mandatory for the financial year beginning 1st April 2010, but are not currently relevant to the Group:

HKAS 32 (Amendment)	Classification of Rights Issue
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transaction
HKFRS 3 (Revised)	Business Combinations
HKFRS 5 (Amendment)	Non-current Assets held for Sale and Discontinued Operations
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners
HK(IFRIC)-Int 18	Transfers of Assets from Customers

The following new/revised standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1st April 2010 and have not been early adopted by the Group:

HKAS 24 (Revised)	Related Party Disclosures
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets
HKFRS 9	Financial Instruments
HKFRSs (Amendment)	Improvements to HKFRSs 2010
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The Group has already commenced an assessment of the impact of the above new/revised standards, amendments to standards and interpretations, but is not yet in a position to state whether these new/revised standards, amendments to standards and interpretations would have a significant impact to its results of operations and financial position.

3. Segment information

(a) Segment analysed by products

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is principally engaged in designing, manufacturing and selling consumer electronic products and plastic products.

Consumer electronic products – Design, manufacture and sale of consumer electronic products

Plastic products – Manufacture and sale of plastic and packaging products

	Six months ended 30th September							
	2010				2009			
	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000
Segment revenue								
External sales	1,705,708	1,416	–	1,707,124	2,215,403	4,004	–	2,219,407
Inter-segment sales	–	52,764	(52,764)	–	–	66,800	(66,800)	–
	<u>1,705,708</u>	<u>54,180</u>	<u>(52,764)</u>	<u>1,707,124</u>	<u>2,215,403</u>	<u>70,804</u>	<u>(66,800)</u>	<u>2,219,407</u>
Segment results	<u>125,885</u>	<u>(162)</u>		<u>125,723</u>	<u>103,165</u>	<u>(636)</u>		<u>102,529</u>

3. Segment information *(continued)*

(b) Segment analysed by geographical areas

	Turnover	
	Six months ended	
	30th September	
	2010	2009
	HK\$'000	HK\$'000
North America	1,221,864	1,692,885
Europe	229,817	259,519
Asia	223,669	191,208
Others	31,774	75,795
	<u>1,707,124</u>	<u>2,219,407</u>

The analysis of revenue by geographical areas is based on the destination to which the shipments are made.

Primarily all of its assets and capital expenditure for the six months ended 30th September 2010 and 2009 were located and utilised in the PRC and Hong Kong.

4. Expenses by nature

Expenses included in cost of goods sold, selling expenses, administrative expenses and other operating income/(expenses) are analysed as follows:

	Six months ended	
	30th September	
	2010	2009
	HK\$'000	HK\$'000
Amortisation of intangible assets	3,900	3,900
Depreciation	31,567	35,123
Gain on disposal of property <i>(Note)</i>	33,508	—
Employee benefit expenses	161,124	167,092
	<u>161,124</u>	<u>167,092</u>

Note:

For the purpose of re-development, the local government of Houjie Town requested the Group to surrender certain land and building in Houjie Town (the "Property") in return for a compensation of approximately HK\$44 million. The Property was previously used to manufacture the polyfoam packaging materials. The gain on disposal of Property was the difference between the compensation and its carrying value as at the date of disposal.

5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	15,692	12,885
Deferred income tax	(5,576)	(1,393)
	<u>10,116</u>	<u>11,492</u>

6. Dividends

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Interim dividend, proposed, of HK10 cents (2009: HK9 cents) per ordinary share	<u>56,584</u>	<u>50,100</u>

At a meeting held on 25th November 2010, the directors declared an interim dividend of HK10 cents (2009: HK9 cents) per share for the six months ended 30th September 2010.

7. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since the exercise prices of the Company's outstanding share options were higher than the average closing price for the period from the dates of granting the share options to 30th September 2010, there was no dilutive effect.

	Six months ended 30th September	
	2010	2009
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>118,735</u>	<u>93,282</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>559,533</u>	<u>556,662</u>
Basic and diluted earnings per share (<i>HK cents</i>)	<u>21.2</u>	<u>16.8</u>

8. Loans and receivables

	30th September 2010 <i>HK\$'000</i>	31st March 2010 <i>HK\$'000</i>
Carrying amount as at period end	<u>78,142</u>	<u>78,501</u>

Loans and receivables represent the Group's investment in the five-year interest-bearing corporate bond (4% per annum) issued by Hydis Technologies Company Limited ("Hydis"), a company incorporated in Korea. They are denominated in Korean Won ("KRW").

The carrying amount of the loans and receivables approximates to their fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of the loans and receivables.

9. Available-for-sale financial assets

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Fair value of unlisted equity securities outside Hong Kong, at period end	<u>136,641</u>	<u>136,641</u>

The available-for-sale financial assets represent the Group's long term investment in the shares of Hydix. They are denominated in KRW.

10. Trade and other receivables

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Trade receivables	863,017	521,120
Prepayments, deposits and other receivables	<u>56,787</u>	<u>14,263</u>
	<u>919,804</u>	<u>535,383</u>

At 30th September 2010, the ageing analysis of trade receivables based on invoice date is as follows:

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
0 – 30 days	556,252	210,335
31 – 60 days	182,410	190,031
61 – 90 days	79,884	83,526
Over 90 days	<u>44,471</u>	<u>37,228</u>
	<u>863,017</u>	<u>521,120</u>

11. Trade and other payables

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Trade payables	778,851	729,168
Other payables and accruals	79,632	89,894
	858,483	819,062

At 30th September 2010, the ageing analysis of trade payables based on invoice date is as follows:

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
0 – 30 days	721,892	670,269
31 – 60 days	52,533	33,872
61 – 90 days	1,168	21,475
Over 90 days	3,258	3,552
	778,851	729,168

12. Borrowings

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Non-current		
Bank borrowings, unsecured (<i>Note</i>)	7,800	46,000
Current		
Bank borrowings, unsecured (<i>Note</i>)	76,400	76,400
Total borrowings	84,200	122,400

Note:

The bank borrowings are term loans which are unsecured and supported by corporate guarantees given by the Company (*Note* 14). The borrowings are denominated in HKD and interest bearing at margin over HIBOR.

12. Borrowings *(continued)*

The maturity of the bank borrowings is as follows:

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Within one year	76,400	76,400
In the second year	2,400	39,400
In the third to fifth year	5,400	6,600
	<u>84,200</u>	<u>122,400</u>

The carrying amounts of the bank borrowings approximate to their fair values.

13. Share capital

	Company Ordinary shares	
	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.10 each		
At 1st April 2010 and 30th September 2010	<u>800,000,000</u>	<u>80,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each		
At 1st April 2009 and 30th September 2009	<u>556,661,720</u>	<u>55,666</u>
At 1st April 2010	556,661,720	55,666
Shares issued from exercise of share options	<u>9,174,000</u>	<u>918</u>
At 30th September 2010	<u>565,835,720</u>	<u>56,584</u>

14. Contingent liabilities

The Company provided guarantees in favour of certain banks to secure general banking facilities granted to certain of its subsidiaries (Note 12).

15. Commitments

(a) Capital commitments

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Moulds, plant and machinery and property contracted but not provided for	122,110	914

(b) Operating lease commitments (as lessee)

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Not later than one year	28,038	10,801
Later than one year and not later than five years	11,924	16,061
Later than five years	—	4,012
	39,962	30,874

(c) Operating lease commitments (as lessor)

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Not later than one year	1,064	1,723
Later than one year and not later than five years	85	207
	1,149	1,930

DIVIDEND

The directors have resolved to declare an interim dividend of HK10 cents (2009: HK9 cents) per share for the six months ended 30th September 2010 to the shareholders whose names are on the register of members of the Company on 16th December 2010. The dividend warrants are expected to be despatched on 30th December 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 15th December 2010 to Thursday, 16th December 2010, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 14th December 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Group results

For the six months ended 30th September 2010, the Group reported profit attributable to shareholders of HK\$118.7 million (2009: HK\$93.3 million) though turnover declined to HK\$1.71 billion (2009: HK\$2.22 billion). Earnings per share were HK21.2 cents (2009: HK16.8 cents).

Consistent with the Group's stable dividend policy, the Board has resolved to declare an interim dividend of HK10 cents (2009: HK9 cents) per share for the six months ended 30th September 2010.

Business review

In the midst of a still weak economy, the Group was well aware that maintaining a strong financial position is of the utmost importance. The adverse economic conditions in the past two years in North America and Europe has resulted in the collapse of a number of our industry peers and the Group has been very cautious in receiving orders by selecting financially sound customers, enabling it to minimize exposure to credit risk. As a result, turnover has declined compared to the same period last year.

Moreover, the Group aimed at maintaining reasonable profit margin rather than maximizing turnover when selecting orders. This explained why the Group achieved to maintain the gross profit margin at 12.1% (2009: 10.8%) under the difficult market condition. Through product optimization, the Group was also able to streamline the production process thus reducing the labour cost required for assembling products, lower material costs and improve productivity without affecting product performance and quality. Moreover, the ongoing standardisation of parts and components sharing among different models helped promote efficient production, capitalise on economies of scale in terms of procurement, and reduce risk associated with obsolescence while upholding high quality standards. In order to enhance profitability, the Group continued to reinforce workflow management. All these efforts have enabled the Group to keep the workforce at an optimum size and have greater control of overtime expenditure, while maintaining high quality level.

While employing the aforesaid practices to maximize margin, the Group remains fully committed to delivering products that satisfy the needs of consumers by keeping up with the market trends. During the review period, the Group demonstrated these abilities, enjoying increased demand for its portable DVD players and products with value-added features, such as internet connectivity and iPod and iPhone docking capabilities. Meanwhile, the sales of LCD TV products with LED backlight remained stable and popular particularly with the European customers. Besides, with the launch of Blu-ray disk players, the Group has sought to establish an early presence in this product segment in view of the general public's growing acceptance and fondness of this technology. The Group's Blu-ray disk products lineup at this time includes basic players, portable players and home theatre system, with built-in internet connectivity and video streaming capabilities.

In view of the current uncertain economic environment, the Group considers maintaining a strong cash position as critical. Accordingly, the Group has and will continue to cautiously manage its cash position, both by adopting strict credit control policies and minimizing bank borrowings.

Prospects

Looking forward to the second half of the year, though there are signs of recovery in the US and Europe and their governments are doing their best to stimulate economic activities, there remains uncertainty that can affect consumer confidence. Nevertheless, the management remains cautiously optimistic about the development of consumer electronics market and will utilise its competitive advantages to capitalise on market consolidation.

To strengthen the Group's competitiveness, it will continue to enhance its product portfolio by integrating the latest features, as demonstrated by its iPod and iPhone docking audio and video products. New models with iPad docking feature are also being developed and initial feedback from customers is very encouraging. iPad dock products are expected to contribute to the Group's results early next year. Having now introduced internet access feature into its Blu-ray disk products, the Group is also actively exploring the opportunities in connection with 3D capable Blu-ray disk playback products. In addition, WiFi connectivity is fast becoming almost a necessity in many consumer electronics products and the Group will integrate this feature into our products next year.

Even though the excitement of eBook Reader has been dampened somehow due to the introduction of Apple's iPad and other Tablet Computing products, all of which allow consumers to enjoy eBook contents in ways almost similar to eBook Readers, the Group is still exploring new eBook Reader products as well as eBook related business model, such as the potential establishment of "dedicated eBook website" for eBook contents delivery.

The Group's new manufacturing facility in Dongguan with environmentally friendly features is now under construction and expected to commence production in early 2012. Having established a solid foundation on which to build, the management will continue to prudently examine opportunities that arise, with the goal of realising long-term gains for the Group.

Liquidity and financial resources

Total equity and equity per share of the Group as at 30th September 2010 were HK\$1,803 million (31st March 2010: HK\$1,760 million) and HK\$3.19 (31st March 2010: HK\$3.16) respectively.

The Group maintains a strong financial position. As at 30th September 2010, we had cash and deposits of HK\$759 million. After deducting bank loans of HK\$84 million, we had net cash of HK\$675 million. The Group has adequate liquidity for future working capital requirements.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Liquidity and financial resources *(continued)*

As considerable shipments were made during the end of the reporting period to meet Christmas orders, as at 30th September 2010, our inventory was HK\$412 million (31st March 2010: HK\$473 million). We take a cautious approach to monitor the inventory level as more overseas customers tend to place rush orders during the period.

As at 30th September 2010, our trade receivables balance was HK\$863 million (31st March 2010: HK\$521 million). As it is our policy to deal with creditworthy customers and to adopt a prudent credit policy, credit risk is kept at minimal.

We had banking facilities of HK\$1,716 million, of which HK\$84 million term loans were utilized. Among the used facilities, HK\$76 million shall be payable in the first year and HK\$8 million shall be payable in the second to fourth years.

Capital expenditure on fixed assets spent was HK\$16 million (2009: HK\$20 million). As at 30th September 2010, we had capital commitments contracted but not provided for in respect of mould, plant and machinery and property amounting to HK\$122,110,000 (31st March 2010: HK\$914,000) of which HK\$121,000,000 was contracted for the acquisition of an industrial property in Fanling, the New Territories. The property will be used for investment purposes for the time being. In longer term, this provides a flexibility to the Group to consolidate its operations there.

Due to the peg-rate system, we have limited exposure to trade-related foreign exchange risk as nearly all of our sales, purchases and borrowings are denominated in United States dollar and Hong Kong dollar. Adhering to the policy of not engaging in currency speculation, there was no gain or loss from speculative activities during the reporting period.

Following the signing of the revised Settlement Agreement on the Clearing of Renminbi business in July 2010, corporations are now able to conduct Renminbi business through the banks in Hong Kong. Taking this opportunity, we have adjusted our bank portfolio by investing in RMB deposit. This aims to provide a natural hedge against the cost impact caused by the potential appreciation of RMB and also to enhance our interest income.

Employees

As at 30th September 2010, the Group had approximately 7,000 (30th September 2009: 9,100) employees in Hong Kong and the PRC. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. We also provide other benefits including medical insurance, provident fund and education subsidies to all eligible staff.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

(a) Long positions in ordinary shares of HK\$0.10 each of the Company

As at 30th September 2010, the interests and short positions of each director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) were as follows:

	<u>Number of shares held</u>		Equity derivatives – share options	Total	Percentage of the issued share capital of the Company
	Personal interest	Corporate interest			
Mr LEUNG Kai Ching, Kimen	18,950,000	225,911,400 (note)	750,000	245,611,400	43.41%
Mr LEUNG Wai Sing, Wilson	45,390,000	–	750,000	46,140,000	8.15%
Mr KUOK Kun Man, Andrew	1,952,000	–	750,000	2,702,000	0.48%
Mr WONG Po Yan	–	–	500,000	500,000	0.09%
The Hon LI Wah Ming, Fred	260,000	–	250,000	510,000	0.09%
Mr LAU Wang Yip, Derrick	–	–	500,000	500,000	0.09%

Note:

These shares were owned by Shunde Investments Limited, a company incorporated in the British Virgin Islands with limited liability, of which Mr LEUNG Kai Ching, Kimen is the sole shareholder.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION *(continued)*

(b) Long positions in underlying shares of the Company

Other than as disclosed under the heading "Share Option Scheme", at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executives or their spouses or children under 18 years of age to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, as at 30th September 2010 other than one ordinary share each in the Hong Kong incorporated subsidiaries of the Company held in trust for the Group by Mr LEUNG Kai Ching, Kimen, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations required to be disclosed pursuant to the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 30th September 2010, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the directors and chief executives.

Name	Capacity in which shares were held	Number of shares held	Equity derivatives – share options	Total	Percentage of the issued share capital of the Company
Shundean Investments Limited	Beneficial owner	225,911,400 (note i)	–	225,911,400	39.93%
LEUNG Wai Lap, David	Beneficial owner	34,828,190	750,000	35,578,190	6.29%
DJE Investment S.A.	Investment manager	33,830,980 (note ii)	–	33,830,980	5.98%
DJE Kapital AG	Investment manager	33,830,980 (note ii)	–	33,830,980	5.98%
Dr. Jens Alfred Karl Ehrhardt	Investment manager	33,830,980 (note ii)	–	33,830,980	5.98%
Webb David Michael	Beneficial owner	33,767,400	–	33,767,400	5.97%

Notes:

- (i) These shares were owned by Shundean Investments Limited, a company incorporated in the British Virgin Islands with limited liability, of which Mr LEUNG Kai Ching, Kimen is the sole shareholder.
- (ii) These shares were held by DJE Investment S.A. which is controlled by DJE Kapital AG, which in turn is controlled by Dr. Jens Alfred Karl Ehrhardt.

Save as disclosed above, as at 30th September 2010, according to the register of interests required to be kept by the Company under Section 336 of Part XV of the SFO, there was no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, who had any interest or short position in the shares or underlying shares of the Company.

SHARE OPTION SCHEME

On 21st August 2003, the Company adopted a share option scheme under which it may grant options to eligible persons, including employees and directors of the Group, to subscribe for shares in the Company.

On 11th May 2010 and 27th August 2010, totally 40,810,000 share options were granted to eligible persons. Details of the movements of the share options granted under the share option scheme during the six months period ended 30th September 2010 are as follows:

Name of participants	Date of grant	Exercise period	Exercise price per share HK\$	Number of share options				Outstanding as at 30th September 2010
				Outstanding as at 1st April 2010	Granted during the period	Exercised during the period	Lapsed during the period	
Directors								
Mr LEUNG Kai Ching, Kimen	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	1,500,000	750,000	–	750,000
Mr LEUNG Wai Sing, Wilson	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	1,500,000	750,000	–	750,000
Mr KUOK Kun Man, Andrew	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	1,500,000	750,000	–	750,000
Mr WONG Po Yan	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	500,000	–	–	500,000
The Hon LI Wah Ming, Fred	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	500,000	250,000	–	250,000
Mr LAU Wang Yip, Derrick	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	500,000	–	–	500,000
				–	6,000,000	2,500,000	–	3,500,000
Substantial shareholder								
Mr LEUNG Wai Lap, David	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	1,500,000	750,000	–	750,000
				–	1,500,000	750,000	–	750,000
Senior management and employees								
Various	11th May 2010	11th May 2010 to 20th August 2013	2.90	–	33,040,000	5,924,000	–	27,116,000
Various	27th August 2010	27th August 2010 to 20th August 2013	3.08	–	270,000	–	–	270,000
				–	33,310,000	5,924,000	–	27,386,000
				–	40,810,000	9,174,000	–	31,636,000

SHARE OPTION SCHEME (continued)

The Company has been using the Binomial Options Pricing Model (the “Model”) to value the share options granted. The key parameters used in the Model and the corresponding fair values of the options granted during the period are listed below:

Date of grant	11th May 2010	27th August 2010
Number of share options granted	40,540,000	270,000
Total option value (HK\$)	11,720,656	78,057
Share price at date of grant (HK\$)	2.74	2.83
Exercise price (HK\$)	2.90	3.08
Time to Maturity	3.3 years	3 years
Annualized volatility	36.28%	36.28%
Risk free interest rate	1.15%	1.15%
Interim dividend yield	4.79%	4.79%
Final dividend yield	6.33%	6.33%

The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the Model used. The value of an option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of an option.

The volatility measured at the standard deviation of continuously compounded share returns is based on historical statistical analysis of daily closing share prices.

PURCHASE, SALE OR REDEMPTION OF SHARES

For the six months ended 30th September 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed shares of the Company.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance so as to enhance clarity and transparency of business activities. The Group has adopted all the code provisions on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules, except for the deviation from Code provision A.4.1.

Under the Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for a specific term. However, according to the Bye-laws of the Company, independent non-executive directors of the Company will retire by rotation every year and their appointments will be reviewed when they are due for re-election. In the opinion of the Company, this meets the same objective as the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry to all directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code and its code of conduct regarding directors’ securities transactions with the Company for the six months ended 30th September 2010.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the financial statements of the Group for the six months ended 30th September 2010.

The audit committee comprises three independent non-executive directors of the Company, namely Mr WONG Po Yan, G.B.M., J.P., the Hon LI Wah Ming, Fred, S.B.S., J.P. and Mr LAU Wang Yip, Derrick.

LIST OF DIRECTORS

As at the date of this report, the Board of Directors comprises three executive directors, namely Mr LEUNG Kai Ching, Kimen, Mr LEUNG Wai Sing, Wilson and Mr KUOK Kun Man, Andrew and three independent non-executive directors, namely Mr WONG Po Yan, G.B.M., J.P., the Hon LI Wah Ming, Fred, S.B.S., J.P. and Mr LAU Wang Yip, Derrick.

On behalf of the Board
LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 25th November 2010

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列之上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易時本身之行為守則。經特別向董事作出查詢後，所有董事確認，彼等於截至二零一零年九月三十日止六個月已遵守載列於標準守則之規定標準及其有關董事進行本公司證券交易之行為守則。

審核委員會

審核委員會已與管理層審閱本集團採納之會計原則及慣例，並討論有關內部控制及財務呈報各事項，包括審閱本集團截至二零一零年九月三十日止六個月之財務報表。

審核委員會由本公司三位獨立非執行董事組成，分別為黃保欣先生，大紫荊勳賢、太平紳士、李華明議員，銀紫荊星章、太平紳士及劉宏業先生。

董事名單

於本報告日期，董事會包括三位執行董事梁劍文先生、梁偉成先生及郭冠文先生及三位獨立非執行董事黃保欣先生，大紫荊勳賢、太平紳士、李華明議員，銀紫荊星章、太平紳士及劉宏業先生。

承董事會命
主席
梁劍文

香港，二零一零年十一月二十五日

購股權計劃 (續)

本公司已採用二項式購股權定價模式(「該模式」)以對授出之購股權進行估值。用於該模式的主要參數及於本期間授出之購股權之對應公平值載列如下：

授出日期	二零一零年 五月十一日	二零一零年 八月二十七日
授出購股權數目	40,540,000	270,000
購股權總值(港元)	11,720,656	78,057
授出日期股價(港元)	2.74	2.83
行使價(港元)	2.90	3.08
到期日	3.3年	3年
年波動幅度	36.28%	36.28%
無風險利率	1.15%	1.15%
中期股息派息率	4.79%	4.79%
末期股息派息率	6.33%	6.33%

基於作出的假設和所用模式的限制，所計算的公平值必然是主觀和不確定的。購股權的價值會隨著某些主觀假設的不同變數而改變。所採用的變數的任何改變可能會嚴重影響購股權公平值的估算。

按照持續複合股價回報的標準差而計量的波動幅度，是根據過去每日股份收市價的統計分析而計算的。

購買、出售或贖回股份

截至二零一零年九月三十日止六個月，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市股份。

企業管治

本集團承諾保持高標準之企業管治以提高業務活動之清晰和透明度。本集團已採納上市規則附錄十四所載之企業管治常規守則(「守則」)之所有守則條文，惟偏離守則條文第A.4.1條除外。

根據守則條文第A.4.1條之規定，非執行董事的委任應有指定任期，並須接受重新選舉。本公司之非執行董事之委任並無指定任期，但根據本公司組織章程細則的規定，本公司獨立非執行董事須每年輪值退任，並於其任滿重選時檢討有關之委任。本公司認為，此項規定與守則之目標一致。

購股權計劃

於二零零三年八月二十一日，本公司採納一項購股權計劃，可據此向合資格人士（包括本集團之僱員及董事）授出購股權以認購本公司股份。

於二零一零年五月十一日及二零一零年八月二十七日，本公司向合資格人士授出共40,810,000股購股權。於截至二零一零年九月三十日止六個月根據授股權計劃授出之購股權變動詳情如下：

				購股權數目				
參加者名稱	授出日期	行使期	每股行使價 港元	於二零一零年 四月一日 尚未行使 之購股權	期內授出	期內行使	期內失效	於二零一零年 九月三十日 尚未行使 之購股權
董事								
梁劍文先生	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	1,500,000	750,000	-	750,000
梁偉成先生	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	1,500,000	750,000	-	750,000
郭冠文先生	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	1,500,000	750,000	-	750,000
黃保欣先生	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	500,000	-	-	500,000
李華明議員	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	500,000	250,000	-	250,000
劉宏業先生	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	500,000	-	-	500,000
				-	6,000,000	2,500,000	-	3,500,000
主要股東								
LEUNG Wai Lap 先生	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	1,500,000	750,000	-	750,000
				-	1,500,000	750,000	-	750,000
高級管理層及僱員								
多人	二零一零年 五月十一日	二零一零年五月十一日至 二零一三年八月二十日	2.90	-	33,040,000	5,924,000	-	27,116,000
多人	二零一零年 八月二十七日	二零一零年八月二十七日 至 二零一三年八月二十日	3.08	-	270,000	-	-	270,000
				-	33,310,000	5,924,000	-	27,386,000
				-	40,810,000	9,174,000	-	31,636,000

主要股東於本公司股份及相關股份中之權益及淡倉

根據證券及期貨條例第XV部第336條規定須保存之主要股東名冊顯示，於二零一零年九月三十日，已知會本公司以下為本公司已發行股本5%或以上主要股東權益及淡倉。該等權益並無計入以上披露有關董事及行政總裁之權益內。

名稱	持股份	持股數目	股本衍生工具 — 購股權	總計	佔本公司已發行 股本之百分比
Shundean Investments Limited	實益擁有人	225,911,400 (附註i)	—	225,911,400	39.93%
LEUNG Wai Lap, David	實益擁有人	34,828,190	750,000	35,578,190	6.29%
DJE Investment S.A.	投資經理	33,830,980 (附註ii)	—	33,830,980	5.98%
DJE Kapital AG	投資經理	33,830,980 (附註ii)	—	33,830,980	5.98%
Dr. Jens Alfred Karl Ehrhardt	投資經理	33,830,980 (附註ii)	—	33,830,980	5.98%
Webb David Michael	實益擁有人	33,767,400	—	33,767,400	5.97%

附註：

- (i) 此等股份由在英屬處女群島註冊成立之有限公司 Shundean Investments Limited 擁有。梁劍文先生是該公司之唯一股東。
- (ii) 該等股份由 DJE Investment S.A. 持有，而 DJE Investment S.A. 由 DJE Kapital AG 控制，而 DJE Kapital AG 由 Dr. Jens Alfred Karl Ehrhardt 控制。

除於上文披露者外，根據本公司按證券及期貨條例第XV部第336條存置之登記冊，於二零一零年九月三十日，除列於上文「董事及行政總裁於本公司或任何相關法團之股份、相關股份及債券中之權益及淡倉」一節載列之權益外，並無任何人士於本公司之股份或相關股份中擁有任何權益或淡倉。

(b) 本公司相關股份內之好倉

除「購股權計劃」一節披露者外，在本期間內本公司或其任何附屬公司概無參與任何安排，致使董事或行政總裁或其配偶或十八歲以下子女可藉購入本公司或任何其他法人團體之股份或債券而獲益。

除上文所披露者及梁劍文先生代本集團以信託形式持有本公司屬下在香港註冊成立之附屬公司一股普通股以外，於二零一零年九月三十日，本公司董事及行政總裁概無於本公司及其相聯法團之股份、相關股份或債券中，擁有本公司根據證券及期貨條例或其他規定須披露，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債券中之權益及淡倉

(a) 本公司每股面值 0.10 港元普通股中之好倉

於二零一零年九月三十日，各董事及行政總裁於本公司及其相聯法團（按證券及期貨條例（「證券及期貨條例」）所定義者）股份、相關股份及債券中擁有須記入本公司根據證券及期貨條例第 XV 部第 352 條存置之登記冊內之權益及淡倉，或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

	持有股份數目		股本衍生工具 — 購股權	總計	佔本公司 已發行股本 之百分比
	個人權益	法團權益			
梁劍文先生	18,950,000	225,911,400 (附註)	750,000	245,611,400	43.41%
梁偉成先生	45,390,000	—	750,000	46,140,000	8.15%
郭冠文先生	1,952,000	—	750,000	2,702,000	0.48%
黃保欣先生	—	—	500,000	500,000	0.09%
李華明議員	260,000	—	250,000	510,000	0.09%
劉宏業先生	—	—	500,000	500,000	0.09%

附註：

此等股份由在英屬處女群島註冊成立之有限公司 Shundean Investments Limited 擁有。梁劍文先生是該公司之唯一股東。

管理層討論及分析 (續)

流動資金及財務資源 (續)

由於在報告期末作出了較大量的付運，以應付聖誕節之訂單，於二零一零年九月三十日，本集團之存貨為4億1千2百萬港元(二零一零年三月三十一日：4億7千3百萬港元)，由於在該期間較多海外客戶傾向發出短期訂單，我們將謹慎監控存貨水平。

於二零一零年九月三十日，本集團應收貿易賬款結餘為8億6千3百萬港元(二零一零年三月三十一日：5億2千1百萬港元)。由於本集團與信譽良好的客戶交易及採取審慎的信貸政策，故此信貸風險維持在低水平。

本集團已獲授銀行信貸額為17億1千6百萬港元，其中已經動用之數額為8千4百萬港元。於已動用之信貸額中，7千6百萬港元須於第一年內償還，而8百萬港元須於第二至第四年期間償還。

本集團固定資產之資本開支為1千6百萬港元(二零零九年：2千萬港元)。於二零一零年九月三十日，本集團就模具、廠房及機器以及物業之已訂約但未撥備資本承擔為1億2千2百萬港元(二零一零年三月三十一日：91萬4千港元)，其中1億2千1百萬港元用於收購一座位於新界粉嶺的工業物業，該物業將作投資用途。較長遠而言，該物業可提供彈性作為本集團日後營運用途。

在聯繫匯率制度下，本集團所承擔之有關貿易外匯風險有限，原因為本集團幾乎所有的銷售、採購及借貸均以美元及港元為貨幣單位。本集團遵守不涉及貨幣投機活動之政策，於報告期間並未就投機活動錄得任何損益。

於二零一零年七月簽署經修訂的人民幣業務清算協議後，企業現在可透過香港的銀行進行人民幣業務，我們把握機會調整銀行存款組合，投資於人民幣存款，為人民幣潛在升值所帶來的成本影響提供一個自然對沖，以及提升利息收入。

僱員

於二零一零年九月三十日，本集團於香港及中國聘用約7,000名(二零零九年九月三十日：9,100名)僱員。薪酬方案一般經參考市場條款及個人資歷後釐定。薪金及工資通常每年根據表現評價及其他有關因素釐定。本集團亦向所有合資格員工提供包括醫療保險、公積金及教育補貼等其他福利。

展望

展望下半年，儘管美國及歐洲初呈復甦跡象，當地政府亦致力推行多項刺激經濟措施，惟不明朗因素依然存在，影響消費者信心。雖然如此，管理層對消費電子產品市場仍然審慎樂觀，並會運用其競爭優勢把握市場整合所帶來的機遇。

為提升競爭力，本集團將繼續融入最新功能以加強產品組合，例如其具 iPod 及 iPhone 播放功能的影音產品。本集團亦正在發展具有 iPad 播放功能的新產品，客戶初步反應令人鼓舞，預期明年初將為業績帶來貢獻；繼在藍光碟產品加入互聯網連接功能後，本集團正積極開拓 3D 藍光碟播放產品的商機；此外，WiFi 連接亦正成為多種消費電子產品的必備功能，本集團來年將把此功能加入產品之中。

繼蘋果 iPad 及其他平板電腦產品推出市場後，消費者能夠以類似電子書閱讀器的方式享受閱讀樂趣，儘管電子書閱讀器的熱潮有所減弱，本集團正開發新電子書閱讀器產品及電子書相關業務模式，例如建立專門傳送電子書內容的電子書網站的潛力。

本集團現正在東莞興建具環保概念的生產基地，並預期於 2012 年初投產。憑藉已建立的穩固基礎，管理層將繼續審慎研究各種新機遇，務求為本集團帶來長遠的利潤貢獻。

流動資金及財務資源

於二零一零年九月三十日，本集團之總權益及每股權益分別為 18 億 3 百萬港元（二零一零年三月三十一日：17 億 6 千萬港元）及 3.19 港元（二零一零年三月三十一日：3.16 港元）。

本集團保持強勁財務狀況。於二零一零年九月三十日，本集團之現金及存款為 7 億 5 千 9 百萬港元。於扣除銀行貸款 8 千 4 百萬港元後，本集團之淨現金為 6 億 7 千 5 百萬港元。本集團擁有充足的流動資金以應付日後的營運資金需求。

業務回顧

在環球經濟仍然疲弱的情況下，本集團深明維持穩健財務狀況至為重要。過去兩年北美及歐洲的不景氣導致不少同業倒閉，而本集團在接受訂單時均慎選財務狀況穩健的客戶，以減低信貸風險，故此本集團營業額較去年同期減少。

此外，本集團在接受訂單時，以維持合理邊際利潤為目標，而非單為了提高營業額，所以雖然市場環境困難，本集團仍能把毛利率維持於12.1%（二零零九年：10.8%）。透過優化產品設計，本集團得以精簡工序，減低組裝產品的勞工成本、原料成本及增強生產力而不影響產品表現及質素。本集團亦繼續加強零部件之共通性，使不同型號產品可共享組件，此不單可提高生產效率，在採購方面更享有規模經濟效益及減低產生呆料的風險，並同時維持高品質標準。為了進一步加強盈利能力，本集團亦繼續加強流程管理。這些措施能使本集團把員工數目維持在適當的水平，並有效地控制超時開支，同時保持高產品質素。

在實施上述措施以提高利潤的同時，本集團與時並進，致力提供能滿足客戶需要的產品。回顧期內，本集團再次彰顯此能力，其擁有附加功能的便攜式DVD播放機之需求增長不俗，這些附加功能包括可連接互聯網、內置iPod及iPhone播放功能等。而本集團的LED背光液晶體電視的銷售則維持穩定，在歐洲市場尤其受客戶歡迎。此外，隨著消費者對藍光技術影視產品的接受程度日益增加，本集團亦推出藍光碟播放機，以擁有先行者之優勢。本集團的藍光碟產品系列包括可連接互聯網和具影音串流功能的播放機、便攜式播放機及家庭影院組合。

鑑於現時經濟環境不穩定，本集團認為維持充裕的現金非常重要。因此，本集團將會繼續審慎管理其現金狀況，實行嚴格的信貸條款及減少銀行借貸。

股息

董事議決向於二零一零年十二月十六日名列本公司股東名冊之股東宣派截至二零一零年九月三十日止六個月之中期股息每股10港仙(二零零九年:9港仙)。股息單預期於二零一零年十二月三十日寄出。

暫停辦理股份過戶登記手續

本公司將於二零一零年十二月十五日(星期三)至二零一零年十二月十六日(星期四)期間(首尾兩天包括在內)暫停辦理股份過戶登記手續。如欲享有中期股息,所有股份過戶文件連同有關股票須於二零一零年十二月十四日(星期二)下午四時三十分前交往本公司之香港股份過戶登記處卓佳雅柏勤有限公司,地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓。

管理層討論及分析

集團業績

截至二零一零年九月三十日止六個月,儘管營業額下降至17億1千萬港元(二零零九年:22億2千萬港元),本集團仍錄得股東應佔溢利1億1千9百萬港元(二零零九年:9千3百萬港元)。每股盈利為21.2港仙(二零零九年:16.8港仙)。

貫徹本集團穩健的派息政策,董事會決議派付截至二零一零年九月三十日止六個月的中期股息每股10港仙(二零零九年:9港仙)。

15. 承擔

(a) 資本承擔

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
已訂約但未撥備之模具、廠房及 機器以及物業	122,110	914

(b) 經營租約承擔 (作為承租人)

就土地及樓宇之不可撤銷經營租約之未來須繳付最低租約款項總額如下：

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
一年內	28,038	10,801
一年後但於五年內	11,924	16,061
五年後	—	4,012
	39,962	30,874

(c) 經營租約承擔 (作為出租人)

就土地及樓宇之不可撤銷經營租約之未來可收取之最低租約租金總額如下：

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
一年內	1,064	1,723
一年後但於五年內	85	207
	1,149	1,930

12. 借貸(續)

銀行借貸之到期日如下：

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
一年以內	76,400	76,400
第二年	2,400	39,400
第三至第五年	<u>5,400</u>	<u>6,600</u>
	<u>84,200</u>	<u>122,400</u>

銀行借貸之賬面值與其公平值相若。

13. 股本

	本公司 普通股 股份數目	千港元
法定股本：		
每股面值0.10港元之普通股 於二零一零年四月一日及 二零一零年九月三十日	<u>800,000,000</u>	<u>80,000</u>
已發行及繳足股本：		
每股面值0.10港元之普通股 於二零零九年四月一日及 二零零九年九月三十日	<u>556,661,720</u>	<u>55,666</u>
於二零一零年四月一日	556,661,720	55,666
行使購股權發行之股份	<u>9,174,000</u>	<u>918</u>
於二零一零年九月三十日	<u>565,835,720</u>	<u>56,584</u>

14. 或然負債

本公司已向若干銀行提供公司擔保以為其若干附屬公司取得一般銀行信貸(附註12)。

11. 應付貿易及其他賬款

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
應付貿易賬款	778,851	729,168
其他應付款項及應計費用	79,632	89,894
	858,483	819,062

於二零一零年九月三十日，根據發票日期之應付貿易賬款之賬齡分析如下：

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
0－30 日	721,892	670,269
31－60 日	52,533	33,872
61－90 日	1,168	21,475
超過 90 日	3,258	3,552
	778,851	729,168

12. 借貸

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
非流動		
銀行借貸，無抵押(附註)	7,800	46,000
流動		
銀行借貸，無抵押(附註)	76,400	76,400
借貸總額	84,200	122,400

附註：

該等銀行借貸為無抵押定期貸款並以本公司提供之公司擔保支持(附註14)。該等借貸以港元計值，利息乃以高於香港銀行同業拆息計算。

9. 可供出售金融資產

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
於期末香港以外地區之 非上市股本證券之公平值	136,641	136,641

可供出售金融資產指本集團於Hydis之股份之長期投資，乃以韓圯計值。

10. 應收貿易及其他賬款

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
應收貿易賬款	863,017	521,120
預付款項、按金及其他應收賬款	56,787	14,263
	919,804	535,383

於二零一零年九月三十日，根據發票日期之應收貿易賬款之賬齡分析如下：

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
0－30日	556,252	210,335
31－60日	182,410	190,031
61－90日	79,884	83,526
超過90日	44,471	37,228
	863,017	521,120

7. 每股盈利

每股基本盈利乃按本公司股東應佔溢利除以期內已發行普通股之加權平均數計算。

每股攤薄盈利乃經調整已發行普通股之加權平均數而計算，以假設所有潛在攤薄普通股已獲轉換。由於本公司尚未行使購股權之行使價較由購股權授出日期至二零一零年九月三十日止期間之平均收市價高，故並無攤薄影響。

	截至九月三十日止六個月	
	二零一零年	二零零九年
本公司股東應佔溢利 (千港元)	118,735	93,282
已發行普通股之加權平均數 (千股)	559,533	556,662
每股基本及攤薄盈利 (港仙)	21.2	16.8

8. 貸款及應收款項

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
期末賬面值	78,142	78,501

貸款及應收款項指本集團於一間於韓國註冊成立之公司 Hydis Technologies Company Limited (「Hydis」) 發行之五年計息公司債券 (年利率 4%) 之投資，乃以韓圻計值。

貸款及應收款項之賬面值與其公平值相若。

於報告日期之最高信貸風險為貸款及應收款項之賬面值。

5. 所得税支出

香港利得稅乃按期內之估計應課稅溢利以16.5%(二零零九年:16.5%)之稅率撥備。海外溢利之稅款乃按期內之估計應課稅溢利以本集團經營業務所在國家之現行稅率計算。

於簡明綜合損益表支銷之稅項如下:

	截至九月三十日止六個月	
	二零一零年	二零零九年
	千港元	千港元
即期所得稅		
— 香港利得稅	15,692	12,885
遞延所得稅	(5,576)	(1,393)
	<u>10,116</u>	<u>11,492</u>

6. 股息

	截至九月三十日止六個月	
	二零一零年	二零零九年
	千港元	千港元
擬派中期股息每股普通股10港仙 (二零零九年:9港仙)	<u>56,584</u>	<u>50,100</u>

於二零一零年十一月二十五日舉行之會議上,董事宣派截至二零一零年九月三十日止六個月之中期股息每股10港仙(二零零九年:9港仙)。

3. 分類資料 (續)

(b) 按地區分析之分部

	營業額	
	截至九月三十日止六個月	
	二零一零年	二零零九年
	千港元	千港元
北美洲	1,221,864	1,692,885
歐洲	229,817	259,519
亞洲	223,669	191,208
其他	31,774	75,795
	<u>1,707,124</u>	<u>2,219,407</u>

按地區分類作出之營業額分析乃根據付運目的地釐定。

截至二零一零年及二零零九年九月三十日止六個月，其所有主要資產及資本開支均位於或用於中國及香港。

4. 按性質分類之開支

銷貨成本、銷售開支、行政開支及其他經營收入／(開支)中所包括之開支分析如下：

	截至九月三十日止六個月	
	二零一零年	二零零九年
	千港元	千港元
無形資產攤銷	3,900	3,900
折舊	31,567	35,123
出售物業之收益 (附註)	33,508	—
僱員福利開支	<u>161,124</u>	<u>167,092</u>

附註：

為進行重新發展，厚街鎮地方政府要求本集團交回若干位於厚街鎮的土地及建築物(「物業」)，並就此作出之補償金額約為44,000,000港元。該物業曾用作製造發泡膠包裝物料。出售物業之收益乃補償金額與物業於出售日期賬面值之間的差額。

3. 分類資料

(a) 按產品分析之分部

本集團主要於中華人民共和國（「中國」）及香港營運，主要從事設計、製造及銷售消費電子產品及塑膠產品。

消費電子產品 — 設計、製造及銷售消費電子產品

塑膠產品 — 製造及銷售塑膠及包裝產品

	二零一零年				二零零九年			
	消費 電子產品 千港元	塑膠產品 千港元	抵銷 千港元	本集團 千港元	消費 電子產品 千港元	塑膠產品 千港元	抵銷 千港元	本集團 千港元
截至九月三十日止六個月								
分部營業額								
對外銷售	1,705,708	1,416	-	1,707,124	2,215,403	4,004	-	2,219,407
內部分部銷售	-	52,764	(52,764)	-	-	66,800	(66,800)	-
	<u>1,705,708</u>	<u>54,180</u>	<u>(52,764)</u>	<u>1,707,124</u>	<u>2,215,403</u>	<u>70,804</u>	<u>(66,800)</u>	<u>2,219,407</u>
分部業績	<u>125,885</u>	<u>(162)</u>		<u>125,723</u>	<u>103,165</u>	<u>(636)</u>		<u>102,529</u>

2. 會計政策變動(續)

以下經修訂準則、準則修訂本及詮釋必須應用於二零一零年四月一日開始之財務年度中，惟目前與本集團無關：

香港會計準則第32號(修訂本)	供股之分類
香港會計準則第39號(修訂本)	合資格對沖項目
香港財務報告準則第2號(修訂本)	集團現金結算之股份付款交易
香港財務報告準則第3號(經修訂)	企業合併
香港財務報告準則第5號(修訂本)	持作出售之非流動資產及終止經營業務
香港(國際財務報告詮釋委員會)	向擁有人分派非現金資產
— 詮釋第17號	
香港(國際財務報告詮釋委員會)	從客戶轉讓資產
— 詮釋第18號	

以下新訂／經修訂準則、準則修訂本及詮釋已頒佈，惟於二零一零年四月一日開始之財務年度尚未生效及未獲本集團提早應用：

香港會計準則第24號(經修訂)	關連人士之披露
香港財務報告準則第1號(修訂本)	香港財務報告準則第7號對首次採納者披露比較數字之有限豁免
香港財務報告準則第7號(修訂本)	披露一轉讓金融資產
香港財務報告準則第9號	金融工具
香港財務報告準則(修訂本)	二零一零年香港財務報告準則之改進
香港(國際財務報告詮釋委員會)	最低資金要求之預付款項
— 詮釋第14號(修訂本)	
香港(國際財務報告詮釋委員會)	以股本權益工具清償金融負債
— 詮釋第19號	

本集團已開始評估以上新訂／經修訂準則、準則修訂本及詮釋的影響，惟尚未能確定該等新訂／經修訂準則、準則修訂本及詮釋會否對經營業績及財務狀況構成重大影響。

2. 會計政策變動 (續)

香港會計準則第17號「租賃」作出之修訂，刪除了租賃持有之土地部分應分類為經營租賃此一特定指引。有關修訂定下新指引，指出實體須根據香港會計準則第17號所載之標準，運用判斷決定租賃有否轉讓土地擁有權之重大風險及回報。本集團已重新評估現有土地租賃安排，若干「租賃土地及土地使用權」已重新分類為「物業、廠房及設備」，而相應的「租賃土地及土地使用權攤銷」已追溯重新分類為「物業、廠房及設備折舊」。比較資料已重列以反映會計政策上的改變。由於上述的重新分類，採納香港會計準則第17號之修訂對簡明綜合中期財務資料造成以下影響：

	二零一零年 九月三十日 千港元	二零一零年 三月三十一日 千港元
物業、廠房及設備增加	46,163	46,194
租賃土地及土地使用權減少	46,163	46,194

	截至九月三十日止六個月 二零一零年 千港元	二零零九年 千港元
物業、廠房及設備折舊增加	31	31
租賃土地及土地使用權攤銷減少	31	31

對即期或過往期間之報告收益並無影響。

簡明綜合財務報表附註

截至二零一零年九月三十日止六個月

1. 編製基準及會計政策

該等未經審核簡明綜合財務報表乃根據香港會計師公會頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之披露規定編製。

該等簡明綜合財務報表應與截至二零一零年三月三十一日止年度之年度財務報表一併參閱。

除本集團採用若干於截至二零一一年三月三十一日止財務年度強制執行之香港會計準則及香港財務報告準則外，編製該等簡明綜合財務報表所採用之會計政策及計算方法，與截至二零一零年三月三十一日止年度之年度財務報表所採用者一致。

2. 會計政策變動

下列為本集團適用之經修訂準則及準則之修訂本，且必須應用於二零一零年四月一日開始之財務年度中。

香港會計準則第27號（經修訂）	綜合及獨立財務報表
香港財務報告準則第1號（經修訂）	首次採納香港財務報告準則
香港財務報告準則第1號（修訂本）	首次採納者之額外豁免
香港財務報告準則（修訂本）	二零零九年香港財務報告準則之改進

除以下對呈列方式構成的影響外，引入以上修訂於現有準則中並沒有對本集團的財務報表構成重大影響，亦並沒有導致本集團的會計政策產生任何改變。

簡明綜合現金流量表

截至二零一零年九月三十日止六個月

	未經審核	
	截至九月三十日止六個月 二零一零年 千港元	二零零九年 千港元
經營業務(所用)／產生之現金淨額	(155,894)	209,321
投資業務產生／(所用)之現金淨額	263	(20,496)
融資業務所用之現金淨額	(124,760)	(312,502)
現金及現金等值減少淨額	(280,391)	(123,677)
於期初之現金及現金等值	1,039,830	872,307
於期末之現金及現金等值	759,439	748,630
現金及現金等值之結餘分析		
銀行結餘及現金	759,439	748,630

簡明綜合權益變動表

截至二零一零年九月三十日止六個月

未經審核

	股本 千港元	股份溢價 千港元	權益補償 儲備 千港元	股本贖回 儲備 千港元	匯兌儲備 千港元	保留溢利 千港元	總計 千港元
於二零零九年四月一日	55,666	245,011	-	940	(37,606)	1,337,621	1,601,632
匯兌差額	-	-	-	-	515	-	515
期內溢利	-	-	-	-	-	93,282	93,282
可供出售金融資產之公平值盈利	-	-	-	-	16,806	-	16,806
全面收益總值	-	-	-	-	17,321	93,282	110,603
二零零九年末期股息	-	-	-	-	-	(77,933)	(77,933)
與擁有人進行之交易總值	-	-	-	-	-	(77,933)	(77,933)
於二零零九年九月三十日	<u>55,666</u>	<u>245,011</u>	<u>-</u>	<u>940</u>	<u>(20,285)</u>	<u>1,352,970</u>	<u>1,634,302</u>
於二零一零年四月一日	<u>55,666</u>	<u>245,011</u>	<u>-</u>	<u>940</u>	<u>51</u>	<u>1,457,881</u>	<u>1,759,549</u>
匯兌差額	-	-	-	-	434	-	434
期內溢利	-	-	-	-	-	118,735	118,735
全面收益總值	-	-	-	-	434	118,735	119,169
行使購股權發行之股份	918	25,687	-	-	-	-	26,605
權益補償	-	-	10,690	-	-	-	10,690
二零一零年末期及特別股息	-	-	-	-	-	(113,165)	(113,165)
與擁有人進行之交易總值	918	25,687	10,690	-	-	(113,165)	(75,870)
於二零一零年九月三十日	<u>56,584</u>	<u>270,698</u>	<u>10,690</u>	<u>940</u>	<u>485</u>	<u>1,463,451</u>	<u>1,802,848</u>

簡明綜合資產負債表
於二零一零年九月三十日

		未經審核 二零一零年 九月三十日 千港元	經審核 二零一零年 三月三十一日 千港元
附註			
非流動資產			
物業、廠房及設備		302,282	324,943
投資物業		75,020	75,020
租賃土地及土地使用權		7,860	11,997
無形資產		72,927	76,827
遞延所得稅資產		12,648	7,072
貸款及應收款項	8	78,142	78,501
可供出售金融資產	9	136,641	136,641
		<u>685,520</u>	<u>711,001</u>
流動資產			
存貨		411,823	472,688
應收貿易及其他賬款	10	919,804	535,383
現金及現金等值		759,439	1,039,830
		<u>2,091,066</u>	<u>2,047,901</u>
流動負債			
應付貿易及其他賬款	11	858,483	819,062
即期所得稅負債		31,055	57,891
借貸	12	76,400	76,400
		<u>965,938</u>	<u>953,353</u>
流動資產淨值		<u>1,125,128</u>	<u>1,094,548</u>
總資產減流動負債		<u>1,810,648</u>	<u>1,805,549</u>
本公司股東應佔資本及儲備			
股本	13	56,584	55,666
儲備		1,746,264	1,703,883
總權益		<u>1,802,848</u>	<u>1,759,549</u>
非流動負債			
借貸	12	7,800	46,000
		<u>7,800</u>	<u>46,000</u>
總權益及非流動負債		<u>1,810,648</u>	<u>1,805,549</u>

簡明綜合全面收益表

截至二零一零年九月三十日止六個月

	未經審核	
	截至九月三十日止六個月 二零一零年 千港元	二零零九年 千港元
本公司股東應佔溢利	118,735	93,282
其他全面收益，扣除稅項：		
可供出售金融資產之公平值收益	—	16,806
貨幣匯兌差額	434	515
本公司股東應佔全面收益總額	<u>119,169</u>	<u>110,603</u>

Alco Holdings Limited (「本公司」) 董事欣然宣佈本公司及其附屬公司 (「本集團」) 截至二零一零年九月三十日止六個月之未經審核簡明綜合中期業績如下：

簡明綜合損益表

截至二零一零年九月三十日止六個月

	附註	未經審核	
		截至九月三十日止六個月 二零一零年 千港元	二零零九年 千港元
營業額	3	1,707,124	2,219,407
銷貨成本	4	(1,501,191)	(1,980,499)
毛利		205,933	238,908
其他收入		2,089	2,609
銷售開支	4	(74,256)	(107,711)
行政開支	4	(41,926)	(37,784)
其他經營收入／(開支)	4	34,242	(4,696)
貸款及應收款項匯兌(虧損)／收益		(359)	11,203
經營溢利		125,723	102,529
財務收入		3,637	3,052
財務成本		(509)	(807)
除所得稅前溢利		128,851	104,774
所得稅支出	5	(10,116)	(11,492)
本公司股東應佔溢利		118,735	93,282
股息	6	56,584	50,100
本公司股東應佔每股盈利			
— 基本	7	21.2 港仙	16.8 港仙
— 攤薄	7	21.2 港仙	16.8 港仙



ALCO HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)
(股份代號：328)

二零一零年中期報告