



ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 328)

INTERIM REPORT 2011

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 2011, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th September 2011

		Unaudited Six months ended 30th September	
		2011	2010
	Note	HK\$'000	HK\$'000
Revenue	3	1,457,574	1,707,124
Cost of goods sold	4	(1,268,536)	(1,501,191)
Gross profit		189,038	205,933
Other (loss)/income	4	(11)	35,597
Selling expenses	4	(52,927)	(74,256)
Administrative expenses	4	(41,011)	(41,926)
Other operating (expenses)/income	4	(1,366)	734
Exchange loss on loans and receivables		(5,479)	(359)
Operating profit		88,244	125,723
Finance income		6,757	3,637
Finance costs		(355)	(509)
Profit before income tax		94,646	128,851
Income tax expense	5	(7,563)	(10,116)
Profit attributable to equity holders of the Company		<u>87,083</u>	<u>118,735</u>
Earnings per share attributable to equity holders of the Company			
– basic	6	HK15.0 cents	HK21.2 cents
– diluted	6	HK15.0 cents	HK21.2 cents
Dividends	7	<u>52,208</u>	<u>57,669</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th September 2011

		Unaudited	
		Six months ended	2010
		30th September	
		2011	2010
		HK\$'000	HK\$'000
Note			
	Profit attributable to equity holders of the Company	<u>87,083</u>	<u>118,735</u>
	Other comprehensive (loss)/income, net of tax:		
	Exchange loss on available-		
	for-sale financial assets	(9,905)	—
9	Currency translation differences	<u>368</u>	<u>434</u>
	Other comprehensive (loss)/income, net of tax	<u>(9,537)</u>	<u>434</u>
	Total comprehensive income attributable to equity holders of the Company	<u><u>77,546</u></u>	<u><u>119,169</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th September 2011

		Unaudited 30th September 2011 HK\$'000	Audited 31st March 2011 HK\$'000
	Note		
Non-current assets			
Property, plant and equipment		237,716	252,813
Investment properties		106,388	312,388
Leasehold land and land use rights		7,754	7,821
Intangible assets		65,526	69,426
Deferred income tax assets		23,133	18,826
Loans and receivables	8	100,822	97,884
Available-for-sale financial assets	9	126,784	136,689
		<u>668,123</u>	<u>895,847</u>
Current assets			
Inventories		553,609	429,187
Trade and other receivables	10	1,105,264	714,757
Cash and cash equivalents		526,086	902,404
		<u>2,184,959</u>	<u>2,046,348</u>
Current liabilities			
Trade and other payables	11	942,439	878,433
Current income tax liabilities		20,915	14,551
Borrowings	12	—	49,771
		<u>963,354</u>	<u>942,755</u>
Net current assets		<u>1,221,605</u>	<u>1,103,593</u>
Total assets less current liabilities		<u>1,889,728</u>	<u>1,999,440</u>
Capital and reserves attributable to equity holders of the Company			
Share capital	13	58,009	57,780
Reserves		1,831,719	1,875,424
Total equity		<u>1,889,728</u>	<u>1,933,204</u>
Non-current liabilities			
Borrowings	12	—	66,236
		<u>—</u>	<u>66,236</u>
Total equity and non-current liabilities		<u>1,889,728</u>	<u>1,999,440</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September 2011

	Unaudited						Total HK\$ '000
	Share capital HK\$ '000	Share premium HK\$ '000	Capital redemption reserve HK\$ '000	Exchange reserve HK\$ '000	Staff compensation reserve HK\$ '000	Retained earnings HK\$ '000	
At 1st April 2010	55,666	245,011	940	51	–	1,457,881	1,759,549
Comprehensive income							
Profit for the period	–	–	–	–	–	118,735	118,735
Other comprehensive income							
Currency translation differences	–	–	–	434	–	–	434
Total comprehensive income	–	–	–	434	–	118,735	119,169
Transactions with owners							
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 transactions with owners	918	25,687	–	–	10,690	(113,165)	(75,870)
At 30th September 2010	56,584	270,698	940	485	10,690	1,463,451	1,802,848
At 1st April 2011	57,780	304,230	940	13	11,783	1,558,458	1,933,204
Comprehensive income							
Profit for the period	–	–	–	–	–	87,083	87,083
Other comprehensive income/(loss)							
Currency translation differences	–	–	–	368	–	–	368
Exchange loss on available-for-sale financial assets	–	–	–	(9,905)	–	–	(9,905)
Total comprehensive income/(loss)	–	–	–	(9,537)	–	87,083	77,546
Transactions with owners							
Shares issued from							
exercise of share options	229	6,370	–	–	–	–	6,599
2011 final and special dividends	–	–	–	–	–	(127,621)	(127,621)
Total transactions with owners	229	6,370	–	–	–	(127,621)	(121,022)
At 30th September 2011	58,009	310,600	940	(9,524)	11,783	1,517,920	1,889,728

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September 2011

	Unaudited	
	Six months ended	
	30th September	
	2011	2010
	HK\$'000	HK\$'000
Net cash used in operating activities	(327,583)	(155,894)
Net cash generated from investing activities	188,243	263
Net cash used in financing activities	(236,978)	(124,760)
Net decrease in cash and cash equivalents	(376,318)	(280,391)
Cash and cash equivalents at beginning of period	902,404	1,039,830
Cash and cash equivalents at end of period	526,086	759,439
Analysis of balances of cash and cash equivalents		
Bank balances and cash	526,086	759,439

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September 2011

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 2011.

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 2011, except the Group has adopted certain HKASs and Hong Kong Financial Reporting Standards (“HKFRS”) which are mandatory for the financial year beginning 1st April 2011.

2. Changes in accounting policies

The following revised standards, amendments to standards and interpretations are relevant to the Group and are mandatory for the financial year beginning 1st April 2011.

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

The adoption of the above amendments to existing standards and interpretations did not have significant impact to the Group's financial statements and has not led to any changes in the Group's accounting policies.

2. Changes in accounting policies *(continued)*

The following new/revised standards and amendments to standards have been issued but are not yet effective for the financial year beginning 1st April 2011 and have not been early adopted by the Group:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters ¹
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets ¹
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ⁴
HKFRS 11	Joint Arrangements ⁴
HKFRS 12	Disclosure of Interests in Other Entities ⁴
HKFRS 13	Fair Value Measurement ⁴
HKAS 1 (Revised)	Presentation of Financial Statements ³
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 19 (2011)	Employee Benefits ⁴
HKAS 27 (2011)	Separate Financial Statements ⁴
HKAS 28 (2011)	Investments in Associates and Joint Ventures ⁴

¹ *Effective for annual periods beginning on or after 1st July 2011*

² *Effective for annual periods beginning on or after 1st January 2012*

³ *Effective for annual periods beginning on or after 1st July 2012*

⁴ *Effective for annual periods beginning on or after 1st January 2013*

The Group has already commenced an assessment of the impact of the above new/revised standards and amendments to standards, but is not yet in a position to state whether these new/revised standards and amendments to standards 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 2011				2010			
	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	1,457,396	178	–	1,457,574	1,705,708	1,416	–	1,707,124
Inter-segment sales	–	57,556	(57,556)	–	–	52,764	(52,764)	–
	<u>1,457,396</u>	<u>57,734</u>	<u>(57,556)</u>	<u>1,457,574</u>	<u>1,705,708</u>	<u>54,180</u>	<u>(52,764)</u>	<u>1,707,124</u>
Segment results	<u>88,253</u>	<u>(9)</u>		<u>88,244</u>	<u>125,885</u>	<u>(162)</u>		<u>125,723</u>

(b) Segment analysed by geographical areas

	Revenue Six months ended 30th September	
	2011 HK\$'000	2010 HK\$'000
North America	1,177,581	1,221,864
Europe	139,774	229,817
Asia	132,857	223,669
Others	<u>7,362</u>	<u>31,774</u>
	<u>1,457,574</u>	<u>1,707,124</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 2011 and 2010 were located and utilised in the PRC and Hong Kong.

4. Expenses by nature

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

	Six months ended 30th September	
	2011	2010
	HK\$'000	HK\$'000
Amortisation of intangible assets	3,900	3,900
Depreciation	26,515	31,567
Compensation gain of disposal of land & buildings (<i>Note</i>)	–	33,508
Employee benefit expenses	154,864	161,124

Note:

For the purpose of re-development, the local government of Houjie Town requested the Group to surrender a piece of land and building in Houjie Town formerly used by the Group as a polyfoam factory (the "Property") in return for a consideration of approximately HK\$44 million. The compensation gain on disposal of the Property was the difference between the consideration 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% (2010: 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	
	2011	2010
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	11,859	15,692
Deferred income tax	(4,296)	(5,576)
	7,563	10,116

6. Earnings per share

Basic

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.

	Six months ended 30th September	
	2011	2010
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	87,083	118,735
Weighted average number of ordinary shares in issue	579,201,152	559,533,261
Basic earnings per share (<i>HK cents</i>)	15.0	21.2

Diluted

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the summation of the weighted average number of ordinary shares in issue during the period and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

	Six months ended 30th September	
	2011	2010
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	87,083	118,735
Weighted average number of ordinary shares in issue	579,201,152	559,533,261
Dilutive effect on share options	1,869,255	–
Weighted average number of ordinary shares for the calculation of diluted earnings per share	581,070,407	559,533,261
Diluted earnings per share (<i>HK cents</i>)	15.0	21.2

7. Dividends

	Six months ended 30th September	
	2011	2010
	HK\$'000	HK\$'000
Interim dividend, declared, of HK9 cents (2010: HK10 cents) per ordinary share	52,208	57,669

At a meeting held on 29th November 2011, the directors declared an interim dividend of HK9 cents (2010: HK10 cents) per share for the six months ended 30th September 2011.

8. Loans and receivables

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
Corporate bonds (<i>Note a</i>)	87,512	93,112
Government bonds (<i>Note b</i>)	13,310	4,772
Carrying amount at period end	100,822	97,884

Note:

- (a) The corporate bonds represent the Group's investment in Korean Won ("KRW") denominated corporate bond issued by a Korea incorporated company Hydys Technologies Company Limited ("Hydis") and Renminbi ("RMB") denominated corporate bond issued by China Development Bank Corporation.
- (b) The government bond is issued by the Ministry of Finance PRC and is denominated in RMB.

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 2011 HK\$'000	31st March 2011 HK\$'000
Fair value of unlisted equity securities outside Hong Kong at beginning of the period	136,689	136,641
Exchange (loss)/gain for the period	(9,905)	48
Fair value of unlisted equity securities outside Hong Kong at period end	<u>126,784</u>	<u>136,689</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 2011 HK\$'000	31st March 2011 HK\$'000
Trade receivables	1,076,982	701,800
Prepayments, deposits and other receivables	<u>28,282</u>	<u>12,957</u>
	<u>1,105,264</u>	<u>714,757</u>

At 30th September 2011, the ageing analysis of trade receivables based on shipping terms is as follows:

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
0 – 30 days	326,000	203,845
31 – 60 days	212,480	147,935
61 – 90 days	160,018	120,316
Over 90 days	<u>378,484</u>	<u>229,704</u>
	<u>1,076,982</u>	<u>701,800</u>

Customers are generally granted with credit terms between 30 and 135 days. As at 30th September 2011, trade receivables of HK\$90,889,000 are considered past due by less than 30 days if measured strictly against the credit terms offered. The overdue sum is not considered as impaired since all of the overdue sum has been settled by the early of November 2011.

11. Trade and other payables

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
Trade payables	871,386	793,542
Other payables and accruals	71,053	84,891
	<u>942,439</u>	<u>878,433</u>

At 30th September 2011, the ageing analysis of trade payables based on invoice date is as follows:

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
0 – 30 days	759,424	718,290
31 – 60 days	98,764	51,474
61 – 90 days	10,390	20,219
Over 90 days	2,808	3,559
	<u>871,386</u>	<u>793,542</u>

12. Borrowings

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
Non-current		
Bank borrowing, secured (<i>Note a</i>)	—	59,636
Bank borrowings, unsecured (<i>Note b</i>)	—	6,600
	—	66,236
Current		
Bank borrowing, secured (<i>Note a</i>)	—	10,371
Bank borrowings, unsecured (<i>Note b</i>)	—	39,400
	—	49,771
Total borrowings	—	116,007

Note:

- (a) As at 31st March 2011, the bank borrowing was secured by an investment property of the Group.
- (b) The bank borrowings were unsecured and were supported by corporate guarantees given by the Company (Note 14). As at 31st March 2011, the borrowings were denominated in HKD and interest bearing at a margin over HIBOR.

The maturity of bank borrowings is as follows:

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
Within one year	—	49,771
In the second year	—	12,771
In the third to fifth year	—	35,315
Over five years	—	18,150
	—	116,007

The carrying amounts of the borrowings as at 31st March 2011 approximated to their fair values and were denominated in HKD.

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 2011 and 30th September 2011	800,000,000	80,000
Issued and fully paid:		
Ordinary shares of HK\$0.10 each		
At 1st April 2010	556,661,720	55,666
Exercise of share options	9,174,000	918
At 30th September 2010	565,835,720	56,584
At 1st April 2011	577,802,720	57,780
Exercise of share options	2,291,000	229
At 30th September 2011	580,093,720	58,009

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 2011 HK\$'000	31st March 2011 HK\$'000
Moulds, plant and machinery contracted but not provided for	917	1,521

(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 2011 HK\$'000	31st March 2011 HK\$'000
Not later than one year	16,472	19,603
Later than one year and not later than five years	97	285
	16,569	19,888

(c) Operating lease commitments (as lessor)

The Group leases various properties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
Not later than one year	3,592	2,202
Later than one year and not later than five years	390	1,320
	3,982	3,522

DIVIDEND

The directors have resolved to declare an interim dividend of HK9 cents (2010: HK10 cents) per share for the six months ended 30th September 2011 to the shareholders whose names are on the register of members of the Company on 15th December 2011. The dividend warrants are expected to be despatched on 29th December 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 14th December 2011 to Thursday, 15th December 2011, 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, 13th December 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Group Results

For the six months ended 30th September 2011, the Group reported turnover of approximately HK\$1.5 billion (2010: HK\$1.7 billion). Profit attributable to shareholders was HK\$87.1 million (2010: HK\$118.7 million). Excluding a compensation gain of \$34 million realised last year through the surrender of certain land and buildings in Houjie Town, net profit for the reporting period would have slightly increased. Earnings per share were HK15.0 cents (2010: HK21.2 cents).

The Board has resolved to declare an interim dividend payment of HK9 cents (2010: HK10 cents) per share for the six months ended 30th September 2011.

Business Review

With North America and Europe continuing to experience economic volatility, this has directly dampened consumer confidence and purchasing sentiment. The poor conditions that have affected the Group's key markets expectedly impaired sales while management's commitment to strictly screening orders and insistence on conducting business with companies that are financially sound also contributed to the decline. On the upside is a gross profit margin that has remained relatively stable, standing at 13% (2010: 12%), which remains of greater importance to the Group.

Once again, the management's strategy of delivering a product mix that observes current trends; selecting orders that are consistent with profit margin objectives; and ongoing implementation of inventory and production controls, all proved paramount for helping maintain competitiveness and robust financial health. With credit being tightened all over the world, and especially in Hong Kong and Mainland China during recent months, the Group's financial health and indeed its financial strength will take on particular significance.

In respect of the Group's product mix, LCD TVs, upscale audio products with docking and Bluetooth features, home cinema/home theatre systems, soundbar products, and DVD/Blu-ray players mainly made for OEM customers have continued to provide major sources of revenue. During the review period, Blu-ray players realised an increase in demand, thus substantiating management's shrewdness in exploring this area of technology and subsequently becoming an early entrant in the Blu-ray market. With iPhone and iPad products continuing to enjoy strong uptake, the Group has leveraged this trend by developing a greater number of docking related visual and particularly audio products. In addition to home cinema/home theatre systems, soundbar systems are becoming increasingly popular among many consumers who own AV entertainment systems. The Group has taken advantage of this trend by developing new soundbar products which have been shipped during the period under review.

On the cost control front, the management continued to employ practices including product optimisation, standardisation of parts and streamlining of production processes to maintain competitiveness, which do not hinder quality and functionality that are the hallmarks of the Group's products. With steady incremental rises in the cost of labour resulting from the labour regulations in China, more and more automation and starting from a small scale, robotization are being implemented by the Group to combat ever rising direct labour costs.

Due to tight financing caused by the credit crisis, the Group's strong cash position represents a solid foundation on which to build a business. The management is ever vigilant of risks associated with bad debts and product obsolescence, and closely monitors inventory levels and account receivables with the aim of preserving high liquidity.

Prospects

Volatility resulting from high unemployment and soaring debt is expected to continue impeding the recovery of the North American and European markets. Nevertheless, with strong ties with retailers in both regions and an attractive and constantly refined line-up of products, the management remains cautiously optimistic about the Group's ability to maintain its business in the remaining year, spurred on by an underlying demand for smart electronics.

To ensure growth is sustained over the long term, the Group will continue to leverage its R&D expertise to develop exciting new products desired by consumers. The Group has been actively exploring the application of 3D technologies for application in TVs, to Blu-ray players, and to mobile Blu-ray players. Having also investigated the viability of developing wireless video streaming players using WiFi technology, the Group has introduced such devices on the market during the period. Wireless video streaming is also being introduced across the Group's line up of home cinema/home theatre products and soundbar models, all of which will be key revenue and profit drivers in 2012. Aside from such developments, the Group will seek to introduce still more docking enabled audio and video products, some of which will incorporate wireless Airplay technology as they will represent an ever more important constituent of its portfolio.

Besides introducing new products to enrich the Group's existing line-up, the management will carefully explore entering new markets to increase revenue sources. Having participated in exhibitions that extend beyond the Group's present domain, including South America, the management will carefully weigh the various options available.

As the Group further refines its product mix and enhances production capabilities, including greater production flexibility, the management will also scrupulously monitor cash flow, ever mindful of maintaining a strong cash position, which is of utmost importance in these financially turbulent times. Through the strength of products, production and prudent financial administration, the management remains cautiously optimistic about perpetuating the Group's steady growth over the long term.

Liquidity and financial resources

Total equity and equity per share of the Group as at 30th September 2011 were HK\$1,890 million (31st March 2011: HK\$1,933 million) and HK\$3.26 (31st March 2011: HK\$3.35) respectively.

The Group maintains a strong financial position. As at 30th September 2011, we had cash and deposits of HK\$526 million and were debt-free. In order to secure committed long-term funding requirement for our new plant and working capital, the Group had taken advantage of low interest rate environment to obtain a committed four-year term loans and revolving loans in August 2011, totally HK\$380 million. Together with this arrangement, we had undrawn banking facilities of HK\$1,636 million as at 30th September 2011.

As at 30th September 2011, our inventory was HK\$554 million (31st March 2011: HK\$429 million). We take a cautious approach to monitor the inventory level especially during this environment with uncertainty.

As at 30th September 2011, our trade receivables balance was HK\$1,077 million (31st March 2011: HK\$702 million). As it is our policy to deal with creditworthy customers and to adopt a prudent credit policy, credit risk is kept at minimal.

Capital expenditure on fixed assets spent was HK\$12 million (2010: HK\$16 million). As at 30th September 2011, we had capital commitments contracted but not provided for in respect of mould and plant and machinery amounting to HK\$917,000 (31st March 2011: HK\$1,521,000).

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

To naturally hedge against the cost impact caused by the potential appreciation of RMB, the Group has diversified its cash portfolio by investing in RMB denominated deposits and bonds. As at 30th September 2011, the amount totalled RMB339 million.

Employees

As at 30th September 2011, the Group had approximately 5,400 (30th September 2010: 7,000) 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 2011, 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 Issuers (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	20,150,000	225,911,400 (Note i)	750,000	246,811,400	42.55%
Mr LEUNG Wai Sing, Wilson	45,390,000	–	750,000	46,140,000	7.95%
Mr KUOK Kun Man, Andrew	752,000	–	750,000	1,502,000	0.26%
Mr WONG Po Yan (Note ii)	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:

- (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) Mr WONG Po Yan has resigned from the board of directors with effect from 7th November 2011.

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 2011, other than one ordinary share each in certain of 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 2011, 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	No. of shares held – long position	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	38.94%
Webb David Michael	Beneficial owner	40,397,400	–	40,397,400	6.96%
LEUNG Wai Lap, David	Beneficial owner	34,828,190	750,000	35,578,190	6.13%
DJE Investment S.A.	Investment manager	33,830,980 (note ii)	–	33,830,980	5.83%
DJE Kapital AG	Investment manager	33,830,980 (note ii)	–	33,830,980	5.83%
Dr. Jens Alfred Karl Ehrhardt	Investment manager	33,830,980 (note ii)	–	33,830,980	5.83%

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 2011, 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 of the Company.

As at 30th September 2011, 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 ended 30th September 2011 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 2011
				Outstanding as at 1st April 2011	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	750,000	-	-	-	750,000
Mr. LEUNG Wai Sing, Wilson	11th May 2010	11th May 2010 to 20th August 2013	2.90	750,000	-	-	-	750,000
Mr. KUOK Kun Man, Andrew	11th May 2010	11th May 2010 to 20th August 2013	2.90	750,000	-	-	-	750,000
Mr. WONG Po Yan (Note)	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	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
				3,500,000	-	(500,000)	-	3,000,000
Substantial shareholder								
Mr. LEUNG Wai Lap, David	11th May 2010	11th May 2010 to 20th August 2013	2.90	750,000	-	-	-	750,000
				750,000	-	-	-	750,000
Senior management and employees								
Various	11th May 2010	11th May 2010 to 20th August 2013	2.90	15,230,000	-	(1,756,000)	(460,000)	13,014,000
Various	27th August 2010	27th August 2010 to 20th August 2013	3.08	135,000	-	(35,000)	-	100,000
				15,365,000	-	(1,791,000)	(460,000)	13,114,000
				19,615,000	-	(2,291,000)	(460,000)	16,864,000

Note:

Mr WONG Po Yan has resigned from the board of directors with effect from 7th November 2011.

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 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
Annualised 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 2011, 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 the 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 2011.

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 2011.

On 7th November 2011, Mr WONG Po Yan resigned and Mr LEE Tak Chi was appointed a member of the audit committee.

The audit committee comprises three independent non-executive directors of the Company, namely the Hon LI Wah Ming, Fred, s.B.S., J.P., Mr LAU Wang Yip, Derrick and Mr LEE Tak Chi.

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 the Hon LI Wah Ming, Fred, s.B.S., J.P., Mr LAU Wang Yip, Derrick and Mr LEE Tak Chi.

By order of the Board
Alco Holdings Limited
LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 29th November 2011

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，彼等於截至二零一一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二零一一年九月三十日止六個月之財務報表。

於二零一一年十一月七日，黃保欣先生辭任及李德志先生獲委任為審核委員會成員。

審核委員會由本公司三位獨立非執行董事組成，分別為李華明議員，銀紫荊星章、太平紳士、劉宏業先生及李德志先生。

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李華明議員，銀紫荊星章、太平紳士、劉宏業先生及李德志先生。

承董事會命
Alco Holdings Limited
主席
梁劍文

香港，二零一一年十一月二十九日

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，所計算的公平值存在固有主觀性和不確定性。購股權的價值會隨著某些主觀假設的不同變量而改變。所採用的變量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，乃根據過去每日股份收市價的統計分析而計算。

購買、出售或贖回股份

截至二零一一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，據此可向合資格人士（包括本集團之僱員及董事）授出購股權以認購本公司股份。

於二零一一年九月三十日，本公司向合資格人士授出共 40,810,000 份購股權。於截至二零一一年九月三十日止六個月根據購股權計劃授出之購股權變動詳情如下：

參與者姓名	授出日期	行使期	每股 行使價 港元	購股權數目				於二零一一年 九月三十日 尚未行使
				於二零一一年 四月一日 尚未行使	期內授出	期內行使	期內失效	
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	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	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	750,000	-	-	-	750,000
黃保欣先生 (附註)	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	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
				3,500,000	-	(500,000)	-	3,000,000
主要股東								
梁偉立先生	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	750,000	-	-	-	750,000
				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	15,230,000	-	(1,756,000)	(460,000)	13,014,000
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	135,000	-	(35,000)	-	100,000
				15,365,000	-	(1,791,000)	(460,000)	13,114,000
				19,615,000	-	(2,291,000)	(460,000)	16,864,000

附註：

黃保欣先生已辭去董事會職務，並自二零一一年十一月七日起生效。

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，於二零一一年九月三十日，已知會本公司已登錄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	持有股份 數目－好倉	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	38.94%
Webb David Michael	實益擁有人	40,397,400	－	40,397,400	6.96%
梁偉立	實益擁有人	34,828,190	750,000	35,578,190	6.13%
DJE Investment S.A.	投資經理	33,830,980 (附註ii)	－	33,830,980	5.83%
DJE Kapital AG	投資經理	33,830,980 (附註ii)	－	33,830,980	5.83%
Dr. Jens Alfred Karl Ehrhardt	投資經理	33,830,980 (附註ii)	－	33,830,980	5.83%

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，於二零一一年九月三十日，除列於上文「董事及行政總裁於本公司或任何相聯法團之股份、相關股份及債券中之權益及淡倉」一節載列之本公司董事之權益外，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若干附屬公司一股普通股以外，於二零一一年九月三十日本公司董事及行政總裁概無於本公司或其相聯法團之股份、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。

(a) 本公司每股面值 0.10 港元普通股中之好倉

於二零一一年九月三十日，本公司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	20,150,000	225,911,400 (附註 i)	750,000	246,811,400	42.55%
梁偉成先生	45,390,000	—	750,000	46,140,000	7.95%
郭冠文先生	752,000	—	750,000	1,502,000	0.26%
黃保欣先生 (附註 ii)	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：

- (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) 黃保欣先生已辭去董事會職務，並自二零一一年十一月七日起生效。

管理層討論及分析 (續)

流動資金及財務資源

於二零一一年九月三十日，本集團之總權益及每股權益分別為18億9千萬港元(二零一一年三月三十一日：19億3千3百萬港元)及3.26港元(二零一一年三月三十一日：3.35港元)。

本集團保持強勁財務狀況。於二零一一年九月三十日，本集團擁有之現金及存款為5億2千6百萬港元，且並無債務。為確保本公司新廠房及長遠營運資金需要，本集團藉低息環境之利於二零一一年八月取得四年期具承諾之定期貸款及循環貸款，總金額為3億8千萬港元。連同有關安排，本集團於二零一一年九月三十日尚未動用之銀行信貸金額為16億3千6百萬港元。

於二零一一年九月三十日，本集團的存貨為5億5千4百萬港元(二零一一年三月三十一日：4億2千9百萬港元)。本集團將審慎監察存貨水平，尤以現時存有不明朗因素的環境下為甚。

於二零一一年九月三十日，本集團應收貿易賬款結餘為10億7千7百萬港元(二零一一年三月三十一日：7億零2百萬港元)。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。

本集團固定資產之資本開支為1千2百萬港元(二零一零年：1千6百萬港元)。於二零一一年九月三十日，本集團就模具及廠房及機器之已訂約但未撥備資本承擔為92萬港元(二零一一年三月三十一日：1百52萬港元)。

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及採購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。

為對人民幣潛在升值所帶來的成本影響提供一個自然對沖，本集團已透過投資於以人民幣計值的存款及債券對其現金組合進行分散投資。於二零一一年九月三十日，有關款項為3億3千9百萬元人民幣。

僱員

於二零一一年九月三十日，本集團於香港及中國聘用約5,400名(二零一零年九月三十日：7,000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

北美洲及歐洲的失業率高企及債務飆升導致市況波動，預期將繼續拖累上述市場的復甦。然而，憑藉本集團與該區零售商的緊密聯繫與及不斷推陳出新且具吸引力的產品組合，加上在市場對高檔電子產品的需求帶動下，管理層對本集團於下半年之業務感到審慎樂觀。

為確保長遠業務持續增長，本集團將繼續善用其研發團隊以開發消費者所需的嶄新產品。本集團一向積極研發電視、藍光碟播放機、可攜式藍光碟播放機的3D科技應用。本集團亦已研究利用WiFi無線技術於可下載影片播放器的可行性，並於期內在市場推出該類產品。本集團亦在家庭影院組合及Soundbar家庭影院增添無線下載影片功能，預計以上產品將成為二零一二年的增長動力。同時，本集團將繼續推出更多具有iPhone及iPad播放功能的影音產品，包括會配備無線Airplay科技，未來這類產品佔本集團產品組合的比重將拾級而上。

除了推出新產品以豐富本集團的現有產品組合外，管理層將審慎開拓新市場以增加收入來源。期內除了現有市場外，本集團亦參加其他地區如南美洲之展覽會，未來管理層將謹慎衡量各種的發展機會。

隨著本集團進一步加強產品組合及提升生產能力及靈活性，管理層亦繼續密切監察現金流。在不穩定的金融市場下，維持穩健的現金狀況是極為重要。憑藉產品及生產的優勢，以及審慎的財務管理，管理層對於本集團的長遠持續穩步增長保持審慎樂觀。

管理層討論及分析 (續)

業務回顧

北美洲及歐洲經濟持續不穩，對消費信心和購買氣氛造成直接損害。本集團的主要市場受市況欠佳打擊，一如預期拖低銷售，而管理層嚴謹篩選訂單，堅守與財務狀況穩健之企業交易的原則，亦是引致銷售下跌的原因之一。儘管如此，毛利率仍然相對穩定維持在13% (二零一零年：12%)，這對本集團而言更為重要。

期內，管理層繼續捉緊市場脈搏推出產品組合、挑選符合邊際利潤目標的訂單，以及持續加強存貨管理及生產控制，俱證明有助本集團維持競爭能力和穩健財務狀況。鑑於全球信貸持續收緊，特別對香港及中國近月而言，故此本集團更加著重財務狀況的實力和穩健性。

本集團之產品組合方面，液晶體電視、具iPhone及iPad播放及藍芽功能的高級音響產品、家庭影院組合、Soundbar家庭影院及為原設備製造商客戶所生產的DVD／藍光碟播放機繼續成為主要收入來源。於回顧期內，藍光碟播放機的需求上升，足證管理層高瞻遠足的眼光，率先研究這方面的技術並因而成為藍光市場的先行者。隨著iPhone及iPad產品的需求殷切，本集團乘著熱潮，開發更多具播放iPhone及iPad功能之產品，特別是音響產品。此外，家庭影院組合及Soundbar家庭影院對很多家庭影音娛樂產品的消費者而言愈來愈不可或缺，因此本集團已藉此趨勢推出全新Soundbar家庭影院產品並在期內付運。

控制成本方面，管理層繼續實行各項措施，在不影響本集團優良的產品質素及功能下，進行產品優化、零件標準化及精簡工序，以維持競爭力。由於國內勞工成本逐步遞升，有關措施亦可讓本集團有效控制這方面的開支。本集團亦開始小規模地進行機械化，從而推動更多的自動化工序，以應付直接勞工成本上升的問題。

由於信貸危機引發融資收緊，本集團擁有之充裕現金為業務發展奠下穩固基礎。管理層對壞帳及呆料所帶來的風險提高警惕，並密切監察存貨及應收款項，務求維持充裕的流動資金。

股息

董事議決向於二零一一年十二月十五日名列本公司股東名冊之股東宣派截至二零一一年九月三十日止六個月之中期股息每股9港仙(二零一零年:10港仙)。股息單預期於二零一一年十二月二十九日寄出。

暫停辦理股份過戶登記手續

本公司將於二零一一年十二月十四日(星期三)至二零一一年十二月十五日(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二零一一年十二月十三日(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

截至二零一一年九月三十日止六個月,本集團錄得營業額近15億港元(二零一零年:17億港元)。股東應佔溢利為8千7百萬港元(二零一零年:1億1千9百萬港元)。撇除去年因交回於東莞厚街鎮若干地皮及建築物所得的3千4百萬港元淨賠償,期內純利比去年有輕微增長。每股盈利為15.0港仙(二零一零年:21.2港仙)。

董事會議決派發截至二零一一年九月三十日止六個月的中期股息每股9港仙(二零一零年:10港仙)。

15. 承擔

(a) 資本承擔

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
已訂約但未撥備之模具、廠房 及機器	<u>917</u>	<u>1,521</u>

(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賃款項總額如下：

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
一年內	16,472	19,603
一年後但於五年內	<u>97</u>	<u>285</u>
	<u>16,569</u>	<u>19,888</u>

(c) 經營租約承擔 (作為出租人)

本集團根據不可撤銷經營租約協議租賃不同物業。租約具有不同條款、價格調整條款及續期權利。

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金總額如下：

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
一年內	3,592	2,202
一年後但於五年內	<u>390</u>	<u>1,320</u>
	<u>3,982</u>	<u>3,522</u>

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		
於二零一一年四月一日及 二零一一年九月三十日	800,000,000	80,000
已發行及繳足股本：		
每股面值0.10港元之普通股		
於二零一零年四月一日	556,661,720	55,666
行使購股權	9,174,000	918
於二零一零年九月三十日	565,835,720	56,584
於二零一一年四月一日	577,802,720	57,780
行使購股權	2,291,000	229
於二零一一年九月三十日	580,093,720	58,009

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)。

12. 借貸

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
非流動		
銀行借貸，有抵押(附註a)	—	59,636
銀行借貸，無抵押(附註b)	—	6,600
	<u>—</u>	<u>66,236</u>
流動		
銀行借貸，有抵押(附註a)	—	10,371
銀行借貸，無抵押(附註b)	—	39,400
	<u>—</u>	<u>49,771</u>
借貸總額	<u>—</u>	<u>116,007</u>

附註：

- (a) 於二零一一年三月三十一日，銀行借貸以本集團投資物業為抵押。
- (b) 該等銀行借貸為無抵押並以本公司提供之公司擔保支持(附註14)。於二零一一年三月三十一日，借貸以港元呈列而利息乃以香港銀行同業拆息加若干點子計算。

銀行借貸之到期日如下：

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
一年以內	—	49,771
第二年	—	12,771
第三至第五年	—	35,315
超過五年	—	18,150
	<u>—</u>	<u>116,007</u>

銀行借貸於二零一一年三月三十一日之賬面值與其公平值相若及以港元計值。

11. 應付貿易及其他賬款

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
應付貿易賬款	871,386	793,542
其他應付款項及應計費用	71,053	84,891
	<u>942,439</u>	<u>878,433</u>

於二零一一年九月三十日，根據發票日期之應付貿易賬款之賬齡分析如下：

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
0－30 日	759,424	718,290
31－60 日	98,764	51,474
61－90 日	10,390	20,219
超過 90 日	2,808	3,559
	<u>871,386</u>	<u>793,542</u>

9. 可供出售金融資產

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
於期初香港以外地區之非上市股本證券之公平值	136,689	136,641
於期內之匯兌(虧損)/收益	(9,905)	48
於期末香港以外地區之非上市股本證券之公平值	<u>126,784</u>	<u>136,689</u>

可供出售金融資產指本集團長期投資於 Hydis 之股份，乃以韓圀計值。

10. 應收貿易及其他賬款

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
應收貿易賬款	1,076,982	701,800
預付款項、按金及其他應收賬款	<u>28,282</u>	<u>12,957</u>
	<u>1,105,264</u>	<u>714,757</u>

於二零一一年九月三十日，根據付運條款之應收貿易賬款之賬齡分析如下：

	二零一一年 九月三十日 千港元	二零一一年 三月三十一日 千港元
0—30 日	326,000	203,845
31—60 日	212,480	147,935
61—90 日	160,018	120,316
超過 90 日	<u>378,484</u>	<u>229,704</u>
	<u>1,076,982</u>	<u>701,800</u>

給予客戶的信貸期一般為 30 日至 135 日。於二零一一年九月三十日，如嚴格按照所提供的信貸條款計量，則應收貿易賬款 90,889,000 港元被視為逾期少於 30 日。逾期款項未被視作已減值，因為所有逾期款項已於二零一一年十一月初清還。

7. 股息

	截至九月三十日止六個月	
	二零一一年	二零一零年
	千港元	千港元
宣派中期股息每股普通股9港仙 (二零一零年：10港仙)	52,208	57,669

於二零一一年十一月二十九日舉行之會議上，董事宣派截至二零一一年九月三十日止六個月之中期股息每股9港仙(二零一零年：10港仙)。

8. 貸款及應收款項

	二零一一年 九月三十日	二零一一年 三月三十一日
	千港元	千港元
公司債券(附註a)	87,512	93,112
政府債券(附註b)	13,310	4,772
於期末之賬面值	100,822	97,884

附註：

- (a) 公司債券指本集團於公司債券之投資，即分別由韓國註冊成立之公司Hydis Technologies Company Limited (「Hydis」) 發行之韓國公司債券及國家開發銀行股份有限公司發行之人民幣公司債券。
- (b) 政府債券指由中華人民共和國財政部發行之人民幣債券。

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。

6. 每股盈利

基本

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。

	截至九月三十日止六個月	
	二零一一年	二零一零年
本公司股東應佔溢利(千港元)	87,083	118,735
已發行普通股之加權平均數	579,201,152	559,533,261
每股基本盈利(港仙)	15.0	21.2

攤薄

每股攤薄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與期內因假定行使所有購股權而假設以零代價發行之普通股之加權平均數之總和計算。

	截至九月三十日止六個月	
	二零一一年	二零一零年
本公司股東應佔溢利(千港元)	87,083	118,735
已發行普通股之加權平均數	579,201,152	559,533,261
購股權之攤薄影響	1,869,255	—
計算每股攤薄盈利之普通股之加權平均數	581,070,407	559,533,261
每股攤薄盈利(港仙)	15.0	21.2

4. 按性質分類之開支

銷貨成本、其他虧損／收入、銷售開支、行政開支及其他經營開支／收入中所包括之開支分析如下：

	截至九月三十日止六個月	
	二零一一年 千港元	二零一零年 千港元
無形資產攤銷	3,900	3,900
折舊	26,515	31,567
出售土地及樓宇之補償收益(附註)	—	33,508
僱員福利開支	<u>154,864</u>	<u>161,124</u>

附註：

為進行重新發展，厚街鎮政府要求收回本集團發泡膠廠於厚街鎮的一幅土地及廠房(「該物業」)，相關代價約為4千4百萬港元。交回該物業產生之補償收益乃代價與該物業於出售日期賬面值之間的差額。

5. 所得稅支出

香港利得稅乃按期內之估計應課稅溢利以16.5%(二零一零年：16.5%)之稅率撥備。海外溢利之稅款則按照期內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	
	二零一一年 千港元	二零一零年 千港元
即期所得稅		
— 香港利得稅	11,859	15,692
遞延所得稅	<u>(4,296)</u>	<u>(5,576)</u>
	<u>7,563</u>	<u>10,116</u>

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

	二零一一年				二零一零年			
	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
分部營業額								
對外銷售	1,457,396	178	-	1,457,574	1,705,708	1,416	-	1,707,124
內部分部銷售	-	57,556	(57,556)	-	-	52,764	(52,764)	-
	<u>1,457,396</u>	<u>57,734</u>	<u>(57,556)</u>	<u>1,457,574</u>	<u>1,705,708</u>	<u>54,180</u>	<u>(52,764)</u>	<u>1,707,124</u>
分部業績	<u>88,253</u>	<u>(9)</u>		<u>88,244</u>	<u>125,885</u>	<u>(162)</u>		<u>125,723</u>

(b) 按地區分析之分部

	營業額	
	截至九月三十日止六個月 二零一一年 千港元	二零一零年 千港元
北美洲	1,177,581	1,221,864
歐洲	139,774	229,817
亞洲	132,857	223,669
其他	7,362	31,774
	<u>1,457,574</u>	<u>1,707,124</u>

按地區分部作出之營業額分析乃根據付運目的地釐定。

截至二零一一年及二零一零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。

2. 會計政策變動(續)

以下新訂／經修訂準則及準則修訂本已頒佈，惟於二零一一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：

香港財務報告準則第1號(修訂本)	嚴重惡性通脹及剔除首次採納者的 固定日期 ¹
香港財務報告準則第7號(修訂本)	披露一轉讓金融資產 ¹
香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ⁴
香港財務報告準則第11號	共同安排 ⁴
香港財務報告準則第12號	其他實體的權益披露 ⁴
香港財務報告準則第13號	公平值計量 ⁴
香港會計準則第1號(經修訂)	財務報表之呈列 ³
香港會計準則第12號(修訂本)	遞延稅項：收回相關資產 ²
香港會計準則第19號(二零一一年)	僱員福利 ⁴
香港會計準則第27號(二零一一年)	獨立財務報表 ⁴
香港會計準則第28號(二零一一年)	於聯營公司及合營公司之投資 ⁴

¹ 於二零一一年七月一日或之後開始之年度期間生效

² 於二零一二年一月一日或之後開始之年度期間生效

³ 於二零一二年七月一日或之後開始之年度期間生效

⁴ 於二零一三年一月一日或之後開始之年度期間生效

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

簡明綜合財務報表附註

截至二零一一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二零一一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二零一一年四月一日開始之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，與截至二零一一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及詮釋之修訂本，且必須應用於二零一一年四月一日開始之財務年度中。

香港財務報告準則第1號（修訂本）	對首次採納者就香港財務報告準則第7號披露比較資料之有限豁免
香港會計準則第1號（修訂本）	財務報表之呈列
香港會計準則第24號（經修訂）	關連方披露
香港（國際財務報告詮釋委員會）	預付最低資金要求
－詮釋第14號（修訂本）	
香港（國際財務報告詮釋委員會）	以股本工具償還金融負債
－詮釋第19號	
香港財務報告準則（修訂本）	二零一零年頒佈之香港財務報告準則之改進

引入以上修訂於現有準則及詮釋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

截至二零一一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	截至九月三十日止六個月
	二零一一年	二零一零年
	千港元	千港元
經營業務所用之現金淨額	(327,583)	(155,894)
投資業務產生之現金淨額	188,243	263
融資業務所用之現金淨額	<u>(236,978)</u>	<u>(124,760)</u>
現金及現金等值減少淨額	(376,318)	(280,391)
於期初之現金及現金等值	<u>902,404</u>	<u>1,039,830</u>
於期末之現金及現金等值	<u>526,086</u>	<u>759,439</u>
現金及現金等值之結餘分析		
銀行結餘及現金	<u>526,086</u>	<u>759,439</u>

簡明綜合權益變動表

截至二零一一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	股本贖回 儲備 千港元	匯兌儲備 千港元	員工補償 儲備 千港元	保留溢利 千港元	總計 千港元
於二零一零年四月一日	55,666	245,011	940	51	–	1,457,881	1,759,549
全面收益							
期內溢利	–	–	–	–	–	118,735	118,735
其他全面收益							
貨幣匯兌差額	–	–	–	434	–	–	434
全面收益總值	–	–	–	434	–	118,735	119,169
與擁有人進行之交易							
行使購股權而發行之股份	918	25,687	–	–	–	–	26,605
股權補償	–	–	–	–	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>940</u>	<u>485</u>	<u>10,690</u>	<u>1,463,451</u>	<u>1,802,848</u>
於二零一一年四月一日	57,780	304,230	940	13	11,783	1,558,458	1,933,204
全面收益							
期內溢利	–	–	–	–	–	87,083	87,083
其他全面收益／(虧損)							
貨幣匯兌差額	–	–	–	368	–	–	368
可供出售金融資產之匯兌虧損	–	–	–	(9,905)	–	–	(9,905)
全面收益／(虧損) 總值	–	–	–	(9,537)	–	87,083	77,546
與擁有人進行之交易							
行使購股權而發行之股份	229	6,370	–	–	–	–	6,599
二零一一年末期及特別股息	–	–	–	–	–	(127,621)	(127,621)
與擁有人進行之交易總值	229	6,370	–	–	–	(127,621)	(121,022)
於二零一一年九月三十日	<u>58,009</u>	<u>310,600</u>	<u>940</u>	<u>(9,524)</u>	<u>11,783</u>	<u>1,517,920</u>	<u>1,889,728</u>

簡明綜合資產負債表

於二零一一年九月三十日

		未經審核 二零一一年 九月三十日 千港元	經審核 二零一一年 三月三十一日 千港元
非流動資產	附註		
物業、廠房及設備		237,716	252,813
投資物業		106,388	312,388
租賃土地及土地使用權		7,754	7,821
無形資產		65,526	69,426
遞延所得稅資產		23,133	18,826
貸款及應收款項	8	100,822	97,884
可供出售金融資產	9	126,784	136,689
		668,123	895,847
流動資產			
存貨		553,609	429,187
應收貿易及其他賬款	10	1,105,264	714,757
現金及現金等值		526,086	902,404
		2,184,959	2,046,348
流動負債			
應付貿易及其他賬款	11	942,439	878,433
即期所得稅負債		20,915	14,551
借貸	12	—	49,771
		963,354	942,755
流動資產淨值		1,221,605	1,103,593
總資產減流動負債		1,889,728	1,999,440
本公司股東應佔資本及儲備			
股本	13	58,009	57,780
儲備		1,831,719	1,875,424
總權益		1,889,728	1,933,204
非流動負債			
借貸	12	—	66,236
		—	66,236
總權益及非流動負債		1,889,728	1,999,440

簡明綜合全面收益表

截至二零一一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 二零一一年 千港元	二零一零年 千港元
本公司股東應佔溢利		<u>87,083</u>	<u>118,735</u>
其他全面(虧損)/收益，扣除稅項：			
可供出售金融資產之匯兌虧損	9	(9,905)	—
貨幣匯兌差額		<u>368</u>	<u>434</u>
其他全面(虧損)/收益，扣除稅項		<u>(9,537)</u>	<u>434</u>
本公司股東應佔全面收入總額		<u><u>77,546</u></u>	<u><u>119,169</u></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」) 截至二零一一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

截至二零一一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	
		二零一一年 千港元	二零一零年 千港元
營業額	3	1,457,574	1,707,124
銷貨成本	4	(1,268,536)	(1,501,191)
毛利		189,038	205,933
其他(虧損)/收入	4	(11)	35,597
銷售開支	4	(52,927)	(74,256)
行政開支	4	(41,011)	(41,926)
其他經營(開支)/收入	4	(1,366)	734
貸款及應收款項匯兌虧損		(5,479)	(359)
經營溢利		88,244	125,723
財務收入		6,757	3,637
財務成本		(355)	(509)
除所得稅前溢利		94,646	128,851
所得稅支出	5	(7,563)	(10,116)
本公司股東應佔溢利		87,083	118,735
本公司股東應佔每股盈利			
— 基本	6	15.0 港仙	21.2 港仙
— 攤薄	6	15.0 港仙	21.2 港仙
股息	7	52,208	57,669



ALCO HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)
(股份代號：328)

二零一一年中期報告