



SIM Technology

晨訊科技集團有限公司*

SIM Technology Group Limited

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 2000)

WIRELESS CONNECT EVERYTHING

無線溝通 創造無限



Annual Report 年報 2010

* For identification purpose only 僅供識別

Financial Highlights

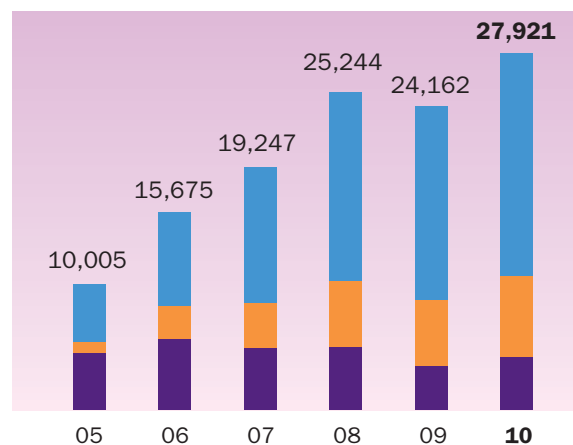
財務概要

Units shipped for 2010 increased by 15.56% compared with 2009
二零一零年度付運量較二零零九年度增加 15.56%

- Mobile handsets
移動手機
- Wireless communication modules and modems
無線通訊模塊及數據機
- LCD modules
液晶顯示模塊

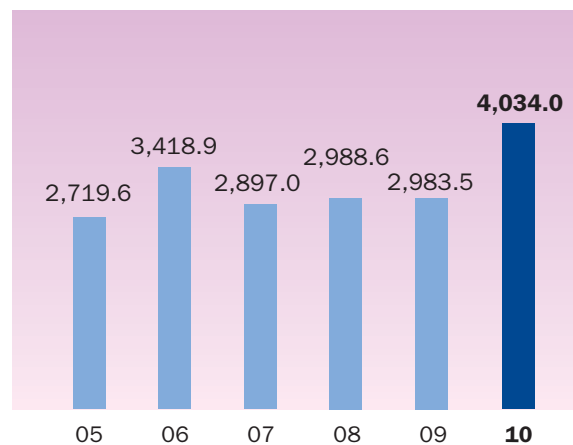
Units Shipped 付運量

(Thousand 千件)



Revenue 收入

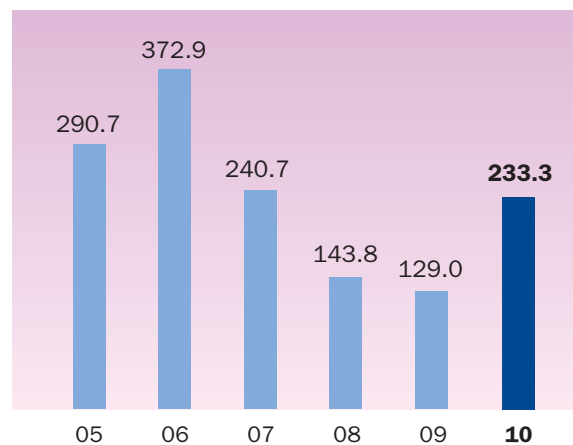
(HK\$M 百萬港元)



Revenue for 2010 increased by 35.21% compared with 2009
二零一零年度收入較二零零九年度增加 35.21%

Net Profit 純利

(HK\$M 百萬港元)



Net profit for 2010 increased by 80.93% compared with 2009
二零一零年度純利較二零零九年度增加 80.93%



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Highlights of the Year 2010

2010年度大事紀



March

- The Group's CDMA mobile handset design solutions has been awarded the "2009 CDMA Terminal Most Innovative Handset Design Award" by China Telecom, becoming the only mobile handset design company to receive this award;
- The Shenyang Phase 1 production line has passed the testing phase and has officially started production and operation. It is mainly responsible for the production and assembly of the communication modules for the internet of things and some of the smart phones, with a production capacity of 600K/month;



June

- The Group's EVDO products have won the China Telecom EVDO PCBA tender, becoming one of the two companies winning the tender;
- Shipment of the Company's smart phones with Android operating system has started;
- The "New generation mobile communication terminal expansion and technological transformation project" of the Company's subsidiary Shanghai Sunrise Simcom was approved jointly by the National Development and Reform Commission and the Ministry of Industry and Information Technology to be included as a central key technological transformation project;

July

- The Group's subsidiary Shanghai Sunrise Simcom was named the "Shanghai Patent Activity Exemplary Enterprises";

3月

- 集團CDMA手機設計方案榮獲中國電信「2009年度CDMA終端最佳設計創新獎」，為此年度唯一一家獲得此項殊榮的手機研發設計公司；

- 沈陽一期產線經過測試階段，投入正式生產運營，主要承擔物聯網通訊模塊及部分智能手機的生產組裝任務，產能達到600K/月；

6月

- 集團EVDO產品中標中國電信EVDO手機公板項目，成為中標的兩家企業之一；

- 公司以 Android 為作業系統的智能手機實現出貨；

- 集團子公司上海晨興希姆通「新一代移動通信終端擴建與技改項目」獲國家發改委、工信部聯合批准，列入中央重點技術改造項目；

7月

- 集團子公司上海晨興希姆通被評為「上海市專利工作示範企業」；

September

- The Group's module products SIM900 and SIM900B have passed the certification of AT&T of the US, creating the possibilities for our module customer's products to enter the US market;

9月

- 集團模塊產品SIM900，SIM900B通過美國AT&T認證，為客戶產品進入美國市場創造有利條件；



October

- Construction of the main building of the Shenyang Phase 2 plant was completed. The plant has an area of 31,000m², and is mainly used for full handset production machineries such as injection molding, spray painting and vacuum plating, etc;

10月

- 沈陽二期廠房主體建設完成，廠房面積3.1萬平方米，主要承擔注塑、噴塗、真空鍍等為整機配套業務；



- The Group's subsidiary Shanghai Simcom was awarded Connected World's global "Most innovative internet of things and connection equipment supplier", and was elected "One of the top 100 enterprises of CW";

- 集團子公司芯訊通榮獲《Connected World》全球「最具創新性的物聯網和連接設備供應商」並入選「CW百強企業之一」；



December

- The Group's subsidiary Shanghai Sunrise Simcom was awarded the China Telecom "2010 Best CDMA terminal design company award";
- The Group's subsidiary Shanghai Sunrise Simcom was awarded the 2010 Key New Hi-Tech Enterprise of the State's Torch Plan.

12月

- 集團子公司上海希姆通榮獲中國電信「2010年度CDMA終端最佳設計公司獎」；
- 集團子公司上海晨興希姆通榮獲2010年國家火炬計劃重點高新技術企業。



Chairman's Statement

主席報告



Looking back to the first half of 2009, SIM Technology Group Limited (“the Company”) and its subsidiaries (“the Group”) experienced its most difficult period in its history. With the efforts of all staff, we managed a “V-shape” rebound in the second half of 2009. However, the impacts caused by the financial crisis were not finally resolved until 2010. In 2010, as our high value and high growth market strategy has been successfully implemented, our operating results for the year have continued the growth trend since the second half of 2009.

In 2010, the Group nourished the partnership with and delivered over 20 projects to several international branded companies. This represented our highest business segment growth in 2010. More importantly, the Group has significantly enhanced its full handsets delivery capability and strengthened our capability to service our international key customers.

We also accomplished satisfactory results in other business segments. In the international and domestic open handset markets, we achieved record unit shipment in both full handsets (ODM) and mother boards. In the module business, we successfully transitioned to a new chipset

回顧二零零九年上半年，晨訊科技集團有限公司(「本公司」)及其附屬公司(「本集團」)渡過了歷史上最困難的時期，由於全體同事的努力，下半年就實現了「V」型反彈；但是金融海嘯遺留問題是到二零一零年才徹底解決；二零一零年，由於本集團「往高處走」戰略的成功，經營業績全年保持了二零零九下半年以來的升勢。

於二零一零年，本集團和幾家國際品牌成功的合作，完成了二十多個項目的交付，成為去年業績的最大增長點；但是公司最大的收穫還在於提升了整機交付能力，鍛煉了團隊應對國際大客戶的能力。

在其他幾個市場上，我們也都取得了可喜的成績。在國內外公開市場上，我們手機和主板出貨量大大超越歷年最高紀錄。在模塊業務上，



platform while maintaining the second place position in the global market share. We strived to take the first place in next two years. In the domestic 3G market, all our three 3G standard solutions were utilised by our branded customers in their products. Especially for EVDO standard, in January 2011, we received the award of the “Best CDMA Terminal Designer of the Year” from Mr Wang Xiaochu, the president of China Telecom.

In the second half of 2010, the Group was determined not to emphasise on low or negative margin business just for the purpose of gaining market share in handset shipment. We prioritised our resource to provide high-end solutions to our branded customers. We have devoted more resources in developing Android base solutions. In the first half of 2010, we have only one R&D team for developing Android base solutions while in the second half of 2010, four other R&D teams also have entered into the Android base solutions regime. As our branded customers greatly demand for Android base solutions, we believe that Android base solutions business will grow rapidly and may become a major contributor in turnover and profit of the Group in the future years.

成功完成了技術平臺的切換的同時，市場份額繼續保持全球第二，今明兩年將要向第一發起衝擊；在運營商市場上，通過合作的品牌廠家，我們三種3G制式都有了批量出貨；特別是EVDO，二零一一年一月中國電信王曉初總裁給我們頒發了年度CDMA終端最佳設計公司獎盃。

二零一零年下半年，本集團下了決心，不追求市占率，再放棄一些低利潤甚至負利潤的生意；調整客戶方向、產品方向和資源佈局，加大在Android智能手機的投入，上半年只有一個事業部研發Android手機，下半年，其他四個事業部陸續都進入Android領域。現在品牌客戶的絕大部分需求都是Android；相信從今年下半年開始，公司在Android的回報將會急速上升，並且在很長的一段時期內將是本集團營業額和利潤的最主要來源。

In the aspects of customer base and market positioning, we targeted at exploring new business opportunities from large international customers. As part of the Group's ODM market expansion strategies, in the second half of 2010, the Group further expanded its reach to partner with another large Japanese customer and successfully secured two contracts for providing communication solutions for the Japanese market. The first project was commenced in January 2011 and the second one will be commenced in the first quarter of 2011 and shipments are targeted in the second half of 2011. In addition, several new projects are now under negotiation. With the experience we gained from the Japanese and Korean clients of providing handset solutions for the PRC market, the partnership with this new Japanese customer is a break through for the Group in entering the Japanese market to service the most demanding operators. Further, two new tier one customer partnerships are also under discussion. The Group will continue to execute its ODM expansion strategies in order to achieve sustainable and healthy business growth.

In anticipating the possible labour shortage along the coastal areas, we began to explore expanding to other low costs locations three years ago. The Group had finally selected its northern region operations centre in Shenyang. After one year of construction in Shenyang, the northern production base has been established and has been fully responsible for the manufacturing of wireless modules since the second half of 2010. We are currently in the second phase of the site expansion, a full handsets production line including state of art injection mold and spray painting machineries is targeted to commence production in the second half of 2011. In summary, the Group successfully executed the high value and high growth strategy in 2010.

In 2010, the Group strategically expanded the proportion of high end ODM business. For the handset business, we manufactured half million of high end handset solutions to one key ODM customer. Although the volume was less than 3% of the total handsets shipment, this order brought in over 25% of our handsets turnover. In 2011, we begin partnership with additional branded handset customers, the number of high-end ODM projects and shipment volume is expected to double, driving our business growth in the next two years.

The low-end handsets market will continue to be extremely competitive in 2011. Have we had not changed our strategy earlier and continued to go after market shares in the low-end segment only, our Group could have been forced into a very challenging operating environment. Fortunately, our Group has insisted in high value and high growth strategy. Therefore we are getting more profitable business and better opportunities than last year. In view of the large number of high-end ODM projects, our Group will consider expanding our resources to meet our customers' demand.

在客戶和市場佈局方面，去年下半年本集團致力於開拓新的國際大客戶，新的大客戶的第一個項目已經於二零一一年一月簽約啟動；第二個項目也將於二零一一年第一季啟動，全都是下半年要量產，後續幾個項目正在談判。新客戶對公司是一個更嚴峻的考驗；以前和日韓系客戶合作的手機都是面對中國市場，但是這次的客戶將帶我們真正進入日本市場，合作的產品將要提供給最苛刻的日本運營商。另外，還有兩家國際品牌的合作也正在談判；我們相信。做完客戶佈局調整後，本集團的客戶基礎將會更高、更加均衡健康。

由於預見到東南沿海地區會出現工源缺乏，三年前公司開始了區域戰略佈局調整；經過一年建設，沈陽作為公司北方生產運營基地已經初具規模，去年下半年完全承擔起物聯網模塊的加工生產運作。目前二期工程的設備正在安裝；再過三個月，一條從外殼注塑、噴塗開始的，最先進的整機生產線將在沈陽正式投產。總之，二零一零年，是公司在「往高處走」的道路上取得成功的一年。

二零一零年本集團的戰略重點是擴大高端ODM業務的比重。手機業務方面，去年我們給日本一個大客戶做了50萬台高端手機ODM，占我們手機和方案出貨量不到3%，但是帶來的營業額超過25%；今年引入新的國際品牌，高端ODM專案數和出貨數量將會有成倍的增加，將成為今明兩年最大的增長點。

二零一一年低端手機市場的競爭環境將會空前嚴峻；如果沒有儘早調整戰略，如果追求市占率排名，死守低端市場的話，本集團將會非常困難。幸好本集團一直堅持「往高處走」，所以雖然現在才是年初，我們已經拿到了比往年更多的生意，看到了更多的機會，而高端新項目之多，本集團正在考慮擴充力量才能應付。

Chairman's Statement
主席報告

In respect of the wireless module business, the Group experienced a challenging year of managing the retirement of the old (SIM 300) platform and the introduction of the new (SIM900) platform in 2010. Nevertheless, the Group has successfully obtained the AT&T certification in 2010 and thus opening up the huge North American market for our future growth. The Group targeted to acquire a double digit market share within two years. In 2010, the Group's wireless module strategy not only focused on selling module to the existing base of over one thousand customers, but also provided ODM system solutions for some of our customers to help them to reduce their end-product cost. This ODM module solution service may become another major growth driver of our wireless module business in 2011 and beyond.

As the PRC government elevated "Internet of things" industry to one of the key strategic industries to support in the 12th 5-year plan, we foresee the government sponsored programs may drive even higher demand for M2M wireless modules. Strategically, beside growing organically, we plan to expand our product portfolio to include solutions at the sensor and application levels in order to raise our product revenue and gross profit and thus accelerating the future growth of the Group's module business.

At the beginning of 2011, the Group established several business clusters and formulated aggressive plans to tackle the expansion for different markets. The management believes that there will be another phase of rapid business growth and development of the Group in the coming years.

On behalf of the board of directors of the Company ("Board"), I would like to express my cordial appreciation to all members of the management and the employees for their efforts and dedication throughout the year. Finally, I would like to thank the financial institutions, shareholders and investors for their continuous support and confidence in us.

Yeung Man Ying

Chairman
Hong Kong

3 March 2011

在物聯網無線業務方面，去年本集團完成了艱難的平臺切換 (SIM900 轉換 SIM300)，今年將回到高速增長期。另外，在國外市場，AT&T 認證的通過，打開了美國市場的大門，計畫兩年內拿到兩位數的市場份額。此外我們有上千個國外模塊客戶，以前是光是賣模塊，現在已經有部分客戶想把他們的最終產品 ODM 也放在我們這裏；他們可以降低成本，我們又可以有高端的 ODM 業務，相信這也將帶來未來業務量的大幅的增長。

在國內市場，中國政府正式將“物聯網”列入十二五計畫的重點扶持產業，必將推動物聯網高速發展，發展出更多物聯網模塊的市場需求。同時，我們不滿足於數量增長，我們正在擴寬物聯網模塊產品線的範圍，向感知層和應用層滲透；以便提高產品的營收和毛利，加快在「物聯網」產業的增長。

二零一一年年初本集團針對不同的市場，組建了幾個事業群，制定了相當進取的計畫；管理層完全有理由相信：未來幾年將會是本集團業務的又一次高速發展。

本人謹代表本公司董事會（「董事會」）衷心感謝所有管理層成員及員工過去一年所付出的努力和無私奉獻。最後，本人謹此對各財務機構、股東及投資者對本集團的不斷支持和信賴致謝。

楊文瑛

主席
香港

二零一一年三月三日

Words from the President

總裁的話



In 2010, our business has grown rapidly as a result of repositioning the Company's business strategy in second half of 2008 to focus on high value added and high growth market segments. The Group has delivered record revenue for the year ended 31 December 2010 at approximately HK\$4.03 billion (2009: approximately HK\$2.98 billion), representing 35.21% year to year increase, which is the highest revenue ever reported since the Group's listing on the Main Board of the Stock Exchange in 2005. Much of the growth was contributed by the continuous success in ODM service to top tier handset customers and penetration in 3G product segments. Besides top line growth, the successful execution of "high value added" strategy resulted in significant increase in profit. The profit attributable to owners of the Company was approximately HK\$233.3 million, representing an increase of 80.93% as compared to that of 2009. Basic earnings per share for the year were HK15 cents.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK3.0 cents per share to shareholders whose names appear on the register of members of the Company on 13 May 2011. The register of members will

由於二零零八年下半年重新定位本公司業務策略以致力於高增值及高增長的市場分類，我們的業務於二零一零年增長迅速。本集團於截至二零一零年十二月三十一日止年度錄得收入約40.3億港元(二零零九年：約29.8億港元)，按年增長35.21%，乃自二零零五年本集團於聯交所主板上市以來錄得的最高收入。大部分增長乃由於向頂級手機客戶提供ODM服務的持續成功以及進軍3G產品。除營業額增長外，成功推行「高增值」策略也導致溢利大幅增加。本公司股東應佔溢利約為233,300,000港元，較二零零九年增長80.93%。年度每股基本盈利為15港仙。

建議末期股息

董事會已建議向於二零一一年五月十三日名列本公司股東名冊的股東支付每股3.0港仙之末期股息。本公司將於二零一一年五月十一日至

Words from the President
總裁的話

be closed from 11 May 2011 to 13 May 2011, both days inclusive, and the proposed final dividend will be paid on or about 8 June 2011. The payment of dividends shall be subject to the approval of the shareholders at the forthcoming annual general meeting (“AGM”).

BUSINESS REVIEW

Handset solutions

In 2010, the overall handset industry continued to be extremely competitive. Especially for the low end feature phone segment, price was often the main decision factor and margin was expected to be low. That was why we chose to reposition the Company’s business strategy to focus on “high value added and high growth” segments. We strived to build a sustainable growth business through innovation and differentiate ourselves among other handset design houses and ODM. Since then, we had steadily executed the following actions towards our goal.

- Shifted our engineering focus towards 3G handsets and smart phone solutions development covering all 3G standards and Window Mobile and Android OS
- Realigned sales team and incentive to target top tier handset suppliers as ODM customers
- Invested in manufacturing technology to enhance our quality control to meet and exceed top tier customers’ expectations
- Streamlined supply chain to improve flexibility and eliminate waste

In 2010, we had significant breakthrough in our ODM business (full handset solutions) as a result of the above actions.

- Delivered 30 models for our top three international ODM customers
- Delivered 29 models for our top three domestic ODM customers
- Achieved HK\$1.8 billion ODM sales, representing more than 136% year to year increase
- ODM business contributed more than 56% of all handset sales with only 23% of all handset shipments

二零一一年五月十三日(首尾兩日包括在內)暫停辦理股份過戶登記。建議末期股息將於二零一一年六月八日或前後支付。股息支付須經股東於應屆股東週年大會(「股東週年大會」)批准，方可作實。

業務回顧

手機解決方案

於二零一零年，整體手機行業競爭持續異常激烈。尤其於低端功能手機分類中，價格往往是主要的決定因素及利潤預期較低。此乃我們選擇重新定位本公司業務策略以致力於「高增值及高增長」業務。本集團致力通過創新，使有別於其他手機設計公司及ODM商，以取得業務的可持續增長。自此，我們已逐步執行以下行動以實現我們的目標。

- 研發重點轉向3G手機及智能手機解決方案的開發，涵蓋所有3G標準、Window Mobile及Android操作系統
- 重整銷售團隊並鼓勵其以頂級手機供應商作為ODM的目標客戶
- 投資於生產技術，提高質量控制，滿足頂級客戶的需求
- 簡化供應鏈，提高生產靈活性及減除浪費

由於上述行動，本集團二零一零年於ODM業務(整機解決方案)方面取得顯著的突破。

- 向我們的三大國際ODM客戶交付30款
- 向我們的三大國內ODM客戶交付29款
- 取得18億港元ODM銷售額，按年增長逾136%
- ODM業務佔全部手機銷售額逾56%，而僅佔全部手機出貨量的23%

Words from the President
總裁的話

At the same time, we had achieved growth in our traditional SKD/CKD solutions. The SKD/CKD solutions reported HK\$1.37 billion in sales, representing more than 43% year to year increase. Our customers' sales growth in domestic and emerging markets were the key drivers for our SKD/CKD solutions growth. Although the growth and margin in the SKD/CKD solutions are less than those of full handset solutions, the SKD/CKD volume represented more than 73% of all handset shipments and provided significant economy of scale and purchasing power to manage our cost.

Overall, our handset solutions achieved sales and gross profit of HK\$3.17 billion and HK\$344.8 million respectively, representing 72.76% and 254.48% year to year growth respectively. The gross profit margin had also significantly improved to 10.88% as compared to 5.3% in 2009. Our business strategy to focus on "high value added and high growth" segments had helped our handset solutions segment to achieve sustainable top-line and bottom-line growth despite the competitive industry environment.

Wireless modules and modems

The overall wireless module industry remained vibrant driven by accelerated adoption of smart metering, security, remote monitoring, telemetric, and home automation control consoles. In the past five years, our family of SIM300 wireless module became a globally well known industrial grade wireless module. We strived to continue building our SIMCom® wireless module brand to stand for quality, reliability, good service, and exceptional value in the Machine-to-Machine (M2M) industry. In 2010, we chose to retire the old SIM300 family and introduce the new SIM900 family. The SIM900 family is smaller, faster, and the best value wireless module ever designed by our experience engineering team. Therefore, much of our resources in 2010 were focused on supporting our existing customers to convert their system design to adopt our new wireless modules. The SIM900 wireless module was the first of our kind to receive the AT&T certification in July of 2010, opening up the huge North American market for our future growth.

The modem industry remains volatile and highly competitive. We expect the modem industry will be subject to inherent uncertainty and may have an impact on our segment results.

同時，我們於傳統SKD/CKD解決方案方面取得增長。SKD/CKD解決方案錄得銷售額13.7億港元，按年增長逾43%。本集團國內及新興市場客戶銷售額增加成為SKD/CKD解決方案增長的主要動力。雖然SKD/CKD解決方案的增長及利潤率遜於整機解決方案，SKD/CKD銷量佔全部手機出貨量逾73%，大規模的採購量，可提高本集團的議價能力，有助我們管理成本。

整體而言，本集團手機解決方案的銷售額及毛利分別取得31.7億港元及344,800,000港元，按年分別增長72.76%及254.48%。毛利率較二零零九年的5.3%亦大幅增至10.88%。我們專注於「高增值及高增長」的業務策略，已幫助我們的手機解決方案於競爭激烈的行業環境中實現營業額及盈利的持續增長。

無線模塊及數據機

整個無線模塊行業由智能電表、保安、遠程監控、遙測及智慧家居控制裝置的推動而保持活躍。過去五年，我們的SIM300系列無線模塊已成為全球知名的工業級無線模塊。本集團將繼續努力建設SIMCom®無線模塊品牌，以代表品質、可靠、良好的服務以及於機器對機器(M2M)行業的額外價值。於二零一零年，我們淘汰舊SIM300系列及推出新SIM900系列。SIM900系列模塊更小、更快，是我們經驗豐富的工程師團隊歷來所設計的最佳性價比無線模塊。因此，本集團二零一零年的大部分資源均重點支持現有客戶將其系統改設至可採用我們的新無線模塊。SIM900無線模塊亦為我們首款於二零一零年七月獲得AT & T認證的產品，為我們日後增長開闢了巨大的北美市場。

數據機行業仍動盪不定及競爭激烈。我們預期數據機行業將受到固有不確定性的規限，並或會影響本集團的分類業績。

Words from the President 總裁的話

Overall, our wireless modules and modems solutions recorded HK\$721.7 million and HK\$134.7 million in sales and gross profit respectively, representing 23.54% and 22.51% decline as compared to that of year 2009. The declines were driven by the drop in modem sales and the conversion of SIM300 family to SIM900 family. Overall gross profit ratio remained flat at around 18.66%. We expect our strong SIMCom® brand and experience wireless module team will continue to grow the new SIM900 family in the M2M industry and other applications alike. As the PRC government elevated “Internet of things” industry to one of the key strategic industries to support in the 12th 5-year plan, we foresee the government sponsored programs will drive even higher demand for M2M wireless modules and modules of other wireless standards like blue tooth, wifi, short range RF, etc. Leveraging on SIMCom® brand and our experience in M2M industry, we plan to expand our module product portfolio to include other wireless standards as well.

LCD modules

LCD modules remained as a strategic component to our handset customers. In anticipation of the strong growth of smart phones, our LCD modules factory had focused on upgrading the facility in the second half of 2010 to manufacture multi-touch capacitive display. We expect a strong increase in attachment of these high end displays with our increase in smart phone shipment in 2011. However, if the LCD modules were part of our full handset sales, the revenue of the LCD modules would be accounted for in the full handset sales and excluded from the LCD module segment report to avoid double counting. Therefore, we may expect LCD modules segment performance to stay flat or decline as our ODM full handset business increases. In the year of 2010, LCD module segment revenue and gross profit were HK\$142.1 million and HK\$12.7 million representing a decrease of 30.55% and 32.13% respectively as compared to that of 2009.

Shenyang Operating Center

Shenyang Operating Center’s first phase construction has been completed in 2010. SMT equipment had moved into the new factory and started production. Currently, the Shenyang factory focuses on making wireless modules and modems. In 2011, we plan to continue with the second phase construction which will include a top of the line injection molding, vacuum plating, and case painting factory, a research and development (“R&D”) center, and an employee dormitory. The

整體而言，無線模塊及數據機解決方案的銷售額及毛利分別錄得721,700,000港元及134,700,000港元，較二零零九年下降23.54%及22.51%。下跌乃由於數據機銷售下降及SIM300系列與SIM900系列替換的影響。整體毛利率持平在約18.66%。我們預期強大的SIMCom®品牌及經營豐富的無線模塊團隊將繼續推動新SIM900系列進入M2M行業及其他應用。由於中國政府將「物聯網」行業提升為十二五計劃所支持的重點策略產業之一，我們預計政府贊助項目將推動對M2M無線模塊及其他無線標準模塊的更大需求，如藍牙、wifi、短距離射頻等。憑藉SIMCom®品牌及本集團在M2M行業的經驗，我們計劃增加其他無線標準模塊，擴大模塊產品銷售組合。

液晶顯示模塊

液晶顯示模塊仍為本集團手機客戶的策略組成部分。預期智能手機將有強勁增長，本集團的液晶顯示模塊工廠於二零一零年下半年致力改善設施以生產多點觸控電容式顯示屏。二零一一年，隨著智能手機增長，我們預期該等高端顯示器亦會增長。然而，倘液晶顯示模塊為我們整機銷售的一部分，液晶模塊的收入將計入整機銷售額而不計入液晶顯示模塊分類報告，以避免重複計算。因此，我們預期液晶顯示模塊分類表現將因ODM整機業務增加而持平或下降。於二零一零年，液晶顯示模塊分類收入及毛利分別為142,100,000港元及12,700,000港元，較二零零九年分別下降30.55%及32.13%。

沈陽營運中心

沈陽營運中心一期工程已於二零一零年完成。SMT設備已遷入新廠，並開始生產。目前，沈陽工廠重點生產無線模塊及數據機。於二零一一年，我們計劃繼續進行二期工程，其中包括模具注塑、真空鍍工、噴漆廠、研究及開發（「研發」）中心及員工宿舍。完成二期工程後，將增加向ODM客戶生產及交付高端手機的關

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completion of the second phase construction will add critical skill sets in making and delivering high end phones to our ODM customers and further differentiate ourselves from our competitors. The new R&D center will also allow us to tap into the vast pool of qualified engineers in the nearby universities and build a stable base of engineers for our future growth. As such, we are tapping into the Taiwanese equity market for the first time by applying for the offering and listing of Taiwan Depository Receipt (“TDR Issue”). We have obtained approvals from the Taiwan authorities for the TDR Issue in January 2011.

Intellectual Property and Licensing

As a technology company, we are actively building our intellectual property portfolio. As of the end of 2010, we have 1,016 patents granted and/or in application covering various areas in communication technology, mechanical design, and manufacturing know-how. Internally, our engineers are strongly encouraged to think out of the box and we have structured program to reward innovation. We believe that these patents are testimony of our engineering innovation and essential to our business growth. We intend to continue to develop and defend our patent portfolio to the fullest extent as justified.

Our product is designed to meet certain communication industry standards. As such we would be required to obtain license for using certain technology from the respective technology owners which we would pay royalties. As of 2010, we have already concluded licensing agreements with several key technology partners. We intend to continue such licensing negotiation as appropriate. Decisions to develop in-house versus licensing are part of our on-going business practice.

Shenyang real estate project

Per our previous announcement, the Group through its subsidiary, 晨訊置業(沈陽)有限公司(unofficial English translation as Shenyang SIM Real Estate Limited) (“SIM Real Estate”), acquired a parcel of land in Shenyang City (“Land”). The Land is situated at Daoyi Development Zone, No. 25, north to Shenbei Development Avenue, Shenbei New District, Shenyang City, Liaoning Province, the PRC, with a site area of approximately 85,141 square meters. Our intention is to develop the Land into 400,000 square meters of commercial and residential apartment complex and sell to the open market. In November 2010, the Group entered into a sale and purchase agreement whereby the Group has

鍵技能，以進一步於競爭對手中脫穎而出。新研發中心將招納附近大學的合資格工程師，為我們日後增長建立穩健的基礎。為沈陽發展的投資資金需要，我們將透過台灣存託憑證的發售及上市(「TDR發行」)，首次進入台灣股市。我們已於二零一一年一月獲台灣政府部門批准TDR發行。

知識產權及許可證

作為科技公司，本集團積極建立本身的知識產權組合。於二零一零年末，本集團擁有1,016項已獲批／申請中的專利，涵蓋通訊科技、機械設計及製造技術多個領域。內部而言，本集團鼓勵工程師創新，並已制訂計劃獎勵創新。本集團相信，該等專利見證本集團在工程方面的創新，對本集團業務增長至關重要。本集團擬在可行範圍內盡力發展並維護專利組合。

本集團產品設計旨在滿足若干通訊行業標準，因此，我們使用若干科技須從各科技擁有人獲得許可證，並須支付專利權費。於二零一零年，本集團已與若干主要科技合作夥伴簽署許可證協議。本集團擬繼續適時進行許可證磋商。本集團決定於內部發展專利技術作為持續業務的一部份。

沈陽房地產項目

根據先前的公佈，本集團透過其附屬公司晨訊置業(沈陽)有限公司(「晨訊置業」)於沈陽市獲得一幅土地(「土地」)。該幅土地位於中國遼寧省沈陽市沈北新區開發大道北側—25道義開發區，地盤面積約為85,141平方米。我們擬將該幅土地開發成面積400,000平方米的綜合商住公寓，並於公開市場出售。於二零一零年十一月，本集團訂立買賣協議，據此本集團已同意向北京市電信房地產開發有限責任公司(「北京電信」)出售其於晨訊置業的40%權益。北京電

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agreed to sell 40% equity interest in SIM Real Estate to 北京市電信房地產開發有限責任公司 (unofficial English translation as Beijing Telecom Real Estate Development Corporation (“Beijing Telecom”)). Beijing Telecom has extensive experience in property development in the PRC which could provide the necessary expertise to complete the project on the Land. As such, we are confident that the project will not take away our management’s attention in driving our core business growth. As at the date of this report, the construction of this project was at an early stage. We expect the first phase of the project to begin sales in the third quarter of 2011.

Wong Hei, Simon

President

Hong Kong

3 March 2011

信於中國物業開發方面擁有豐富經驗，將提供必要的專業知識以完成位於該幅土地的項目。因此，我們有信心，該住宅項目不會分散管理層用於推動本集團核心業務增長的精力。於本報告日期，該項目之興建為初期階段。我們預期第一期住宅項目於二零一一年第三季度開售。

王曦

總裁

香港

二零一一年三月三日



SMART Machine SMART Module for Internet of Things
物聯網時代的智能設備和智能模塊

Management's Discussion and Analysis

管理層討論及分析



FINANCIAL REVIEW

For the year ended 31 December 2010, the Group's revenue increased significantly by 35.21% to a record high of HK\$4,034 million (2009: HK\$2,983.5 million) as compared with that of 2009. All unit shipments of mobile handsets, wireless communication modules and LCD modules of the Group recorded growth in year 2010. The Group's revenue increase was mostly attributable to the significant increase in the sales of mobile handset solutions.

財務回顧

截至二零一零年十二月三十一日止年度，本集團收入較二零零九年大幅增長35.21%，創下4,034,000,000港元的新高（二零零九年：2,983,500,000港元）。二零一零年，本集團的移動手機及無線通訊及液晶顯示模塊的付運量錄得增長。本集團的收入增長大部分乃由於手機解決方案銷售的大幅增長。



3G時代的智能手機和智能應用

SMART Phone SMART Application for 3G+ Phones





The gross profit of the Group increased by 69.83% year-on-year to HK\$492.2 million (2009: HK\$289.9 million) for the year 2010 and the gross profit margin of the Group increased to 12.2% (2009: 9.72%). The successful execution of “high value added” strategy resulted in the significant increase in gross profit as well as the overall gross profit margin.

The profit attributable to the owners of the Company increased significantly by 80.93% to HK\$233.3 million (2009: HK\$129 million) in 2010 as compared with that of 2009. The basic earnings per share for the year 2010 increased by 76.47% year-on-year to HK15 cents (2009: HK8.5 cents).

於二零一零年，本集團毛利按年增長69.83%至492,200,000港元(二零零九年：289,900,000港元)，而本集團毛利率則上升至12.2%(二零零九年：9.72%)。成功執行「高增值」策略導致毛利及整體毛利率大幅增加。

於二零一零年，本公司股東應佔溢利較二零零九年大幅增長80.93%至233,300,000港元(二零零九年：129,000,000港元)。二零一零年每股基本盈利按年增長76.47%至15港仙(二零零九年：8.5港仙)。



Research and development expenses

In 2010, the Group continued to develop high performance products including 3G phones, smart phones and new model of wireless modules and modems. The number of design and development team members was 1,134 (2009: 845) in 2010. The R&D expenses, which amounted to HK\$146.5 million (2009: HK\$79.9 million), represented about 3.63% (2009: 2.68%) of the Group's revenue.

研究及開發費用

於二零一零年，本集團繼續發展高性能產品，包括3G電話、智能電話、新無線模塊及數據機。二零一零年設計及開發團隊成員的數目為1,134人(二零零九年：845人)。研發費用為146,500,000港元(二零零九年：79,900,000港元)，相當於本集團收入約3.63%(二零零九年：2.68%)。

Selling and distribution costs

The selling and distribution costs of the Group for year 2010 increased by 34.97% to HK\$94.8 million (2009: HK\$70.3 million) because of significant increase in local sales and export business expansion. The ratio of the selling and distribution costs over revenue in 2010 was 2.35% (2009: 2.35%).

Administrative expenses

The Group's administrative expenses for 2010 increased by 19.77% to HK\$108.1 million (2009: HK\$90.3 million), representing 2.68% (2009: 3.03%) of the revenue due to the expansion of operation centre in Shenyang City in 2010.

Segment results

銷售及分銷成本

由於本地銷售大幅增長及出口業務擴展，本集團於二零一零年的銷售及分銷成本增加34.97%至94,800,000港元(二零零九年：70,300,000港元)。於二零一零年，銷售及分銷成本佔收入的比率為2.35%(二零零九年：2.35%)。

行政開支

由於二零一零年於沈陽市擴建營運中心，本集團於二零一零年的行政開支增加19.77%至108,100,000港元(二零零九年：90,300,000港元)，佔收入2.68%(二零零九年：3.03%)。

分類業績

		Year ended 31 December 2010				Year ended 31 December 2009			
		截至二零一零年十二月三十一日止年度				截至二零零九年十二月三十一日止年度			
		Revenue		Gross profit		Revenue		Gross profit	
		收入	Unit shipped	毛利	毛利率	收入	Unit shipped	毛利	毛利率
		HK\$'M	'000	HK\$'M	%	HK\$'M	'000	HK\$'M	%
		百萬港元	千件	百萬港元	%	百萬港元	千件	百萬港元	%
Mobile handset solutions	移動手機解決方案	3,170.2	17,276	344.8	10.88%	1,835.0	15,362	97.3	5.30%
Wireless communication modules and modems	無線通訊模塊及數據機	721.7	6,482	134.7	18.66%	943.9	5,334	173.8	18.41%
LCD modules	液晶顯示模塊	142.1	4,163	12.7	8.97%	204.6	3,466	18.8	9.18%
Total	總額	4,034.0	27,921	492.2	12.20%	2,983.5	24,162	289.9	9.72%



Mobile handset solutions

In 2010, the revenue for mobile handset solutions increased year-on-year by 72.76% to HK\$3,170.2 million (2009: HK\$1,835 million) and unit shipments increased by 12.46% compared to 2009 and the gross profit margin for this segment also increased to 10.88% (2009: 5.3%). The increases were due the great achievement in the ODM sales. The Group has launched 216 (2009: 152) handset models and 86 (2009: 52) handset platforms in 2010.

移動手機解決方案

於二零一零年，移動手機解決方案收入按年增加72.76%至3,170,200,000港元(二零零九年：1,835,000,000港元)，而其付運量則較二零零九年增加12.46%，且該分類的毛利率亦增加至10.88% (二零零九年：5.3%)。該增長乃由於ODM銷售取得顯著成績。於二零一零年，本集團推出216種手機型號及86個手機平台(二零零九年：152種手機型號、52個手機平台)。

Wireless communication modules and modems

In 2010, the revenue of this segment decreased by 23.54% as compared to that of year 2009. The decline was driven by the decrease in modem sales and the conversion of SIM300 family to SIM900 family. Overall gross profit margin for modules and modems remained flat at around 18.66% (2009: 18.41%).

LCD modules

The LCD modules remained as a strategic component to our handset customers, the revenue growth of LCD modules was reflected in our strong ODM business performance. And thus, we expect future external sales of LCD modules to stay flat or decline. As a result, the external LCD sales decreased by 30.55% as compared with those of 2009, and the gross profit margin for this segment for 2010 was maintained at 8.97% (2009: 9.18%).

無線通訊模塊及數據機

於二零一零年，該分類的收入較二零零九年減少23.54%，有關減少乃由於數據機銷售下降及SIM300系列與SIM900系列替換的影響。無線通訊模塊及數據機的整體毛利率持平在約18.66%（二零零九年：18.41%）。

液晶顯示模塊

液晶顯示模塊仍為本集團手機客戶的策略組成部分，液晶顯示模塊收入增長反映本集團強勁的ODM業務表現。因此，我們預期液晶顯示模塊的日後對外銷售可能持平或下降。因此，液晶顯示對外銷售額較二零零九年下降30.55%，而該分類於二零一零年的毛利率維持在8.97%（二零零九年：9.18%）。





LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

At 31 December 2010, the Group had bank balances (including pledged bank deposits) of HK\$1,151.4 million (2009: HK\$861.4 million), among which 71.89% was held in Renminbi, 27.8% was held in United States dollars ("US dollars") and the remaining balance was held in Hong Kong dollars. The Group intends to finance its working capital and capital expenditure plans from such bank balances.

At 31 December 2010, the Group had bank borrowings of HK\$640.3 million (2009: HK\$271.1 million). The turnover period of the Group's inventory, trade receivables together with notes and bills receivable and trade and notes payables were 44 days, 20 days and 52 days respectively (2009: 47 days, 29 days and 59 days respectively) in 2010. The turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.

流動資金、財務資源及資本結構

於二零一零年十二月三十一日，本集團的銀行結餘（包括已抵押銀行存款）為1,151,400,000港元（二零零九年：861,400,000港元），其中71.89%以人民幣持有，27.8%以美元（「美元」）持有，其餘則以港元持有。本集團擬將該銀行結餘為本集團營運資金以及資本開支計劃提供融資。

於二零一零年十二月三十一日，本集團之銀行借貸為640,300,000港元（二零零九年：271,100,000港元）。於二零一零年，本集團之存貨、應收貿易賬款及應收票據及賬單和應付貿易賬款及票據的週轉期分別為44天、20天及52天（二零零九年：分別為47天、29天及59天）。週轉期與本集團就授予客戶之信貸條款及從供應商獲得之信貸條款所訂相關政策貫徹一致。

Management's Discussion and Analysis
管理層討論及分析

Other than entering non-deliverable foreign exchange forward contracts to eliminate the foreign exchange exposures in USD denominated bank borrowings, the management of the Group considered that it was not necessary to use any other financial instrument for hedging purpose or adopt any particular hedging policy in 2010.

除簽訂不交割遠期外匯合約外，於二零一零年，本集團管理層認為毋需使用任何金融工具作對沖用途或採納任特定對沖政策。

As at 31 December 2010, the Company had 1,569,624,500 ordinary shares of HK\$0.10 each in issue.

於二零一零年十二月三十一日，本公司已發行股本為1,569,624,500股每股面值0.10港元之普通股。

CASH FLOW DATA

現金流量數據

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net cash inflow from operating activities	經營活動現金流入淨額	263,340	264,034
Net cash outflow from investing activities (excluding pledged bank deposits)	投資活動現金流出淨額 (不包括已抵押銀行存款)	(320,225)	(277,919)
Net cash outflow inflow from financing activities	融資活動現金流入淨額	325,601	250,846
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目 增加淨額	268,716	236,961





The Group's net increase in cash and cash equivalents for the year 2010 was primarily attributable to the cash inflows from operating activities, which have been offset by the capital expenditures and the payment of year 2009 final and year 2010 interim dividends.

GEARING RATIO

As at 31 December 2010, the total assets value of the Group was HK\$3,151.3 million (2009: HK\$2,647.4 million) and the bank borrowings amounted at HK\$640.3 million (2009: HK\$271.1 million). The gearing ratio of the Group, calculated as total bank borrowings over total assets, was 20.32% (2009: 10.24%).

EMPLOYEES

As at 31 December 2010, the Group had approximately 3,455 (2009: 2,560) employees. The Group operates a Mandatory Provident Fund retirement benefits scheme for all its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC. The Group also offers discretionary bonuses to its employees by reference to individual performance and the performance of the Group. Total staff costs incurred by the Group amounted to HK\$308.8 million (2009: HK\$219.1 million) during the year 2010.

於二零一零年，本集團之現金及等值項目增加淨額主要來自經營活動之現金流入，惟受資本開支和支付二零零九年末期及二零一零年中期股息所抵銷。

負債比率

於二零一零年十二月三十一日，本集團之資產總值為3,151,300,000港元(二零零九年：2,647,400,000港元)，銀行借貸為640,300,000港元(二零零九年：271,100,000港元)。本集團的負債比率(按銀行借貸總額除以資產總值計算)為20.32%(二零零九年：10.24%)。

僱員

於二零一零年十二月三十一日，本集團共有約3,455名(二零零九年：2,560名)僱員。本集團為其所有香港僱員設立一項強制性公積金退休福利計劃，並根據中國適用之法律及規例之規定向中國僱員提供福利計劃。本集團亦根據僱員個別表現及本集團之表現向僱員提供酌情花紅。本集團二零一零年的員工成本總額為308,800,000港元(二零零九年：219,100,000港元)。

Management's Discussion and Analysis
管理層討論及分析

The Board believes that the Group's employees are among the most valuable assets of the Group and have contributed to the success of the Group. The Group also provides in-house training for its employees.

The emolument policies of the Group are set out on page 40 of this report.

The Company has adopted share option schemes. A summary of the principal terms and conditions of the share option schemes are set out in note 35 to the financial statements.

FOREIGN EXCHANGE EXPOSURE

Most of the sales of the Group are denominated in Renminbi and most of the purchases of inventories are denominated in US dollars. With the introduction of a more elastic exchange rate regime for Renminbi, the Renminbi exchange rate movements might become more volatile, creating an uncertainty effect on the Group's business. Furthermore, certain trade receivables, trade payables and bank balances are denominated in US dollars, therefore exposing the Group to US dollars currency risk. The Group entered non-deliverable foreign exchange forward contracts to eliminate the foreign exchange exposures in USD denominated bank borrowings. Other than that, the Group does not have any foreign currency hedging policy but will continue to monitor any further changes in Renminbi's exchange rate and would proactively take measures to minimise any adverse impact that fluctuations of exchange rates might have on the Group.

CONTINGENT LIABILITIES

As at 31 December 2010, the Group did not have any material contingent liabilities.



董事會相信，本集團員工為本集團最具價值資產之一，並為本集團之成功作出貢獻，本集團亦根據員工本身之職責提供內部培訓。

本集團之薪酬政策載於本報告第40頁。

本公司已採納購股權計劃。購股權計劃之條款及條件概要載於財務報表附註35。

外匯風險

本集團大部分銷售額均以人民幣計算幣值，而購買存貨大部分以美元計算幣值。由於實施更具彈性的人民幣匯率制度，人民幣匯率變動波幅可能更大，因而對本集團的業務構成不明朗影響。另本集團若干應收及應付貿易款項及銀行結餘乃以美元計值，因此承受美元貨幣風險。本集團現時尚無外幣對沖政策，然而，本集團將繼續監察人民幣匯率的任何進一步變動，並積極採取措施將匯率變動可能為本集團帶來的任何不利影響減至最低。

或然負債

於二零一零年十二月三十一日，本集團並無任何重大或然負債。

Caring for our Society
關注我們的社會



Development Concept of SIM Technology

晨訊科技的發展理念



LONG TERM DEVELOPMENT CONCEPT

We will continue to strive to create long-term values for our customers, shareholders and employees.

TARGETED AT MARKET LEADERS

Our target: to make the Company the leader in global wireless communication end product solutions and services. All employees of the Group are fully confident in, and are striving for achieving the target.

CUSTOMER ORIENTED WITH CONTINUED INNOVATION

We are customer oriented. We attend to, in a timely manner, and continue to satisfy customer needs, through continuous innovation in technology and management.

BUSINESS FIDELITY AND SUSTAINABLE OPERATION

Fidelity is the Company's operating principle and standard, thereby we have won confidence from investors, customers, suppliers, as well as employees.

MAKING THE WORLD BETTER BECAUSE OF US

With "Making the world better because of us" as our corporate vision, the Group aims to provide the world with a light of betterment through our continuous efforts.

長期發展的理念

我們通過全體員工孜孜不倦地長期奮鬥，為我們的客戶、股東及員工創造長期的價值。

世界級企業的目標

我們的目標是：致力於成為全球無線通訊領域終端產品解決方案與服務的世界級企業。集團全體員工始終抱著這個堅定的信念和充足的信心，為實現這一目標而努力。

關注客戶，不斷創新

我們強調客戶導向的理念。我們時刻關注客戶的需求，通過不斷的技術創新和管理創新，持續滿足客戶的需求。

誠信立業、永續經營

我們以誠信立業，以誠信為企業經營準則，並藉此贏得投資者、客戶、供應商和員工的信任。

讓世界因我們更美好

集團以「讓世界因我們更美好」為企業願景，希望能夠通過我們的不斷努力，為世界增添一份美好。



Care for our Future

關注我們的未來



Support from the community is vital to corporate development, thus giving back is undeniably our corporate responsibility. We are aware of our limited ability, but as long as we do our best in every detail and take up our responsibility, the world will be better because of us. — Mr Wong Cho Tung

Sunrise People should not only be satisfied with material wealth but should also enrich ourselves spiritually. I wish that more Sunrise people can share our charitable culture and carry it out so as to create a better and more harmonious future together. — Ms Yeung Man Ying

SUNRISE PEOPLE CHARITY FUND

An organization established and funded by the employees of the Group for charity purpose.

FOCUSED ON ENVIRONMENTAL PROTECTION

The Group initiated campaigns such as the “Green in Action” and started from every detail to contribute to environmental protection.

企業發展離不開社會的支持，所以回報社會是企業義不容辭的責任。我們深知自己能力有限，但只要我們努力去做，用心去做，從小事做起，從身邊的事情做起，盡自己的一份責任，那麼這個世界畢竟會因我們多一份美好。—— 王祖同先生

晨興人除了物質上的財富，還應該有更多精神上的財富。我希望有更多的晨興人認同慈善文化，並付諸實踐，大家攜手創造更加美好、和諧的明天。—— 楊文瑛女士

晨興人慈善基金

由本集團僱員建立並資助的慈善組織。

注重環境保護

集團發起「綠色在行動」等活動，從點滴做起，為環境保護貢獻自己的力量。

Directors and Senior Management Profile

董事及高級管理人員

DIRECTORS

Ms Yeung Man Ying (“Mrs Wong”), aged 66, is the chairman and executive director of the Company (“Director”) and a director of Sunrise Electronic Industry Limited (“SEIL”). Mrs Wong is responsible for developing strategic direction and development of the Group. Mrs Wong together with her spouse, Mr Wong Cho Tung (“Mr Wong”), an executive Director, was the founder of the Company. Over the years, Mrs Wong and Mr Wong had established a number of companies which engaged in the electronics and telecommunications business including Shanghai Sunrise Simcom Ltd. (“Shanghai Sunrise Simcom”), one of the Group’s main operating subsidiary which was established in November 1993. Mrs Wong has over 20 years of operational and management experience in the electronics and telecommunications industry. Mrs Wong lectured at the Electrical Department of the South China University of Technology in 1977. Mrs Wong has been a guest professor at Tongji University since 2003. Mrs Wong graduated in 1968 from the Beijing University of Aeronautics and Astronautics, specialising in electrical engineering. Besides being the spouse of Mr Wong, Mrs Wong is the mother of Mr Wong Hei, Simon, the president and an executive Director of the Company and Mr Wong Sun, a previous non-executive Director (resigned on 31 March 2009).

Mr Wong Hei, Simon, aged 38, is the president and an executive Director of the Company, is responsible for overall management and supervision of the Group’s business, ranging from production development, marketing operation, supply chain management to devising macro business strategies. He is a son of Mr Wong and Mrs Wong, each an executive Director and the younger brother of Mr Wong Sun, a previous non-executive Director (resigned on 31 March 2009). Mr Wong Hei, Simon has over 10 years of experience in the electronics and telecommunications industry and extensive experience in investment and business management. Mr Wong Hei, Simon worked at the headquarters of National Semiconductor in the Silicon Valley in 1995. He joined the Group in February 2000. He obtained a bachelor’s degree in science from Boston University in 1995, specializing in electrical engineering.

董事

楊文瑛女士（「王太太」），66歲，本公司主席兼執行董事（「董事」）及晨興電子工業有限公司（「晨興電子工業」）之董事。王太太負責為本集團發展策略性方向和本集團之發展。王太太及其配偶王祖同先生（「王先生」），執行董事，為本公司之創立者。多年來，王太太及王先生成立多家公司，從事電子及通訊業務，包括上海晨興希姆通電子科技有限公司（「上海晨興希姆通」），該公司於一九九三年十一月成立，為本集團主要營運附屬公司之一。王太太於電子及電信業擁有逾20年營運及管理經驗。王太太於一九七七年曾任教華南理工大學電子工程學系。自二零零三年起，彼為同濟大學之客座教授。王太太於一九六八年畢業於北京航空航天大學，主修電子工程專業。除為王先生之配偶外，王太太亦為本公司總裁兼執行董事王曦及前非執行董事王晨（於二零零九年三月三十一日辭任）之母親。



王曦先生，38歲，本公司之總裁兼執行董事，負責本集團整體生意管理及監管，包括產品開發、營銷運作、供應鏈管理以及制定宏觀生意策略。彼為執行董事王先生及王太太之子及前非執行董事王晨先生（於二零零九年三月三十一日辭任）之胞弟。王曦先生於電子及電信業擁有逾10年經驗及於投資及業務管理上擁有豐富經驗。王曦先生於一九九五年曾任職於矽谷National Semiconductor之總部。彼於二零零零年二月加入本集團。彼於一九九五年取得波士頓大學之理學士學位，專修電機工程。



Directors and Senior Management Profile
董事及高級管理人員



Mr Wong Cho Tung (“Mr Wong”), aged 66, is an executive Director and the president of the business operation headquarter of the Group (the place of the Group’s business operation is located in Shanghai, China). Mr Wong is primarily responsible for the Group’s business operation, ranging from product development, marketing operation, supply chain management to devising business strategies. Mr Wong is the chairperson of Shanghai SIM Technology Limited, a director of Shanghai Sunrise Simcom and SIM Technology HK Limited. Mr Wong is also the director of Info Dynasty Group Limited, a controlling shareholder of the Company. Mr Wong together with his spouse, Mrs Wong, an executive Director, was the founder of the Company. Mr Wong graduated in 1968 from the Beijing University of Aeronautics and Astronautics, specializing in electrical engineering. Mr Wong has decades of experience in the electrical, electronics and telecommunications industry.

王祖同先生（「王先生」），66歲，執行董事及本集團運營總部（集團日常生意運作之地點及位於中國上海）之總裁。王先生主要負責本集團業務運作，整體生意管理及監督，包括產品開發、營銷運作、供應鏈管理以及制定生意策略。王先生為晨訊科技（上海）有限公司主席、上海晨興希姆通及晨訊科技香港有限公司之董事。王先生亦為本公司控股股東 Info Dynasty Group Limited 之董事。王先生及其配偶王太太，執行董事，為本公司之創立者。王先生於一九六八年畢業於北京航空航天大學，主修電機工程專業。王先生於電機、電子及電訊業擁有豐富經驗。



Mr Zhang Jianping (“Mr Zhang”), aged 45, is an executive Director and the chief executive officer of the business operation headquarter of the Group. He is also a director of Shanghai Sunrise Simcom, Shanghai Simcom Limited (“Shanghai Simcom”) and Shanghai SIM Technology Limited. He assists the president of the Company in the overall management of the Group. Mr Zhang joined Shanghai Sunrise Simcom in 1996 and was responsible for the establishment of Shanghai Simcom in 2002. Mr Zhang has over 18 years of technology and management experience in the electronics and telecommunication industry. Prior to joining the Group, Mr Zhang was engaged in research with No. 14 Research Institute of the Ministry of Electronics Industry in China. Mr Zhang has also been awarded a third class award for national technological improvements by the State in 1990 and the first and second class awards for technological improvements by the Ministry of Electronics in 1989 and 1992 respectively. In 2004, he was named as 上海市優秀專業技術人才 (“Shanghai Outstanding Technology Calibre”) by the Shanghai Municipal Government. Mr Zhang obtained a bachelor’s degree in engineering from Shanghai Jiao Tong University in 1986 and a master’s degree in business administration from China Europe International Business School in 2002.

張劍平先生（「張先生」），45歲，執行董事及本集團業務運營總部之首席執行官。彼亦為上海晨興希姆通、希姆通信息技術（上海）有限公司（「上海希姆通」）及晨訊科技（上海）有限公司之董事。彼協助本公司總裁全面管理本集團。張先生於一九九六年加入上海晨興希姆通，並負責於二零零二年成立上海希姆通。張先生於電子及電訊業擁有逾18年技術及管理經驗。於加盟本集團前，張先生於中國電子工業部第十四研究所從事研究工作。張先生亦於一九九零年獲國家頒發之國家科技進步三等獎及分別於一九八九年及一九九二年獲電子工業部頒發科技進步一等獎及二等獎。於二零零四年，彼獲上海市政府稱譽為「上海市優秀專業技術人才」。張先生於一九八六年獲上海交通大學工程學學士學位，並於二零零二年在中歐國際工商管理學院獲工商管理碩士學位。

Directors and Senior Management Profile
董事及高級管理人員

Ms Tang Rongrong (“Ms Tang”), aged 57, is an executive Director, vice president of the business operation headquarter of the Group and a director of Shanghai Sunrise Simcom and Shanghai SIM Technology Limited. Ms Tang has nearly 20 years of experience in human resources management, administration and corporate operation. Prior to joining the Group in 1995, Ms Tang was a physician of 江西省贛州市第一人民醫院 (Jiangxi Ganzhou First People’s Hospital) and the head of technology and deputy chief physician of 南昌市計劃生育指導所 (Nanchang Birth Planning Institute). Since then, Ms Tang has served as the manager and deputy general manager of the personnel and administration department of Shanghai Sunrise Simcom. Ms Tang graduated from 贛南醫學專科學校 (Gannan Medical College) in 1978.

唐融融女士 (「唐女士」), 57歲, 執行董事、本集團業務運營總部之副總裁及上海晨興希姆通及晨訊科技(上海)有限公司之董事。唐女士於人力資源管理、行政管理及企業經營方面擁有近20年經驗。於一九九五年加盟本集團之前, 唐女士為江西省贛州市第一人民醫院之醫師, 並為南昌市計劃生育指導所醫療技術負責人及副總醫師。此後, 唐女士於上海晨興希姆通擔任人事管理部經理及副總經理。唐女士於一九七八年於贛南醫學專科學校畢業。



Mr Chan Tat Wing, Richard (“Mr Chan”), aged 54, is an executive Director and the chief finance officer of the Group. Mr Chan qualified as a certified general accountant (CGA) in Canada in 1988. He is a member of the Certified General Accountants Association of Canada. Mr Chan has more than 15 years of financial management experience and has worked as, amongst other positions, the chief finance officer of E-Mice Solutions (HK) Limited and Chinatron Group Holdings Limited, the financial controller of SmarTone Telecommunications Holdings Limited and the finance director of EMI (Hong Kong) Ltd and had also held a financial management position in Merrell Dow Pharmaceuticals (Canada) Inc. Mr Chan obtained a bachelor’s degree in arts from York University, Canada in 1979 and a bachelor’s degree in administrative studies with honours from the same university in 1982. Mr Chan joined SIM Technology (HK) Limited in July 2004.

陳達榮先生 (「陳先生」), 54歲, 執行董事及本集團之財務總監。陳先生於一九八八年成為加拿大註冊會計師。彼為加拿大註冊會計師公會會員。陳先生擁有逾15年財務管理經驗, 曾擔任(其中包括)香港億軟信息技術有限公司及中國傳訊控股有限公司之財務總監、數碼通電訊集團有限公司之財務總監及百代唱片有限公司之財務總監, 亦於Merrell Dow Pharmaceuticals (Canada) Inc. 擔任財務管理職位。陳先生一九七九年取得加拿大York University文學士學位, 並於一九八二年於同一所大學獲頒行政學榮譽學士學位。陳先生於二零零四年七月加入晨訊科技(香港)有限公司。



Directors and Senior Management Profile
董事及高級管理人員



Mr Liu Hing Hung (“Mr Liu”), aged 48, is an independent non-executive Director and the chairman of the Audit Committee of the Company. Mr Liu is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong and also a member of the Society of Chinese Accountants and Auditors. Mr Liu now runs a professional accountancy firm in Hong Kong and has over ten years of experience in accounting, taxation, auditing and corporate finance. Mr Liu is currently an independent non-executive director of Emperor International Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mr Liu was appointed as an independent non-executive Director in September 2008.

廖慶雄先生（「廖先生」），現年48歲，為本公司之獨立非執行董事及審核委員會主席。廖先生為香港會計師公會、特許公認會計師公會及香港稅務學會之資深會員，亦為香港華人會計師公會會員。廖先生現主理香港一間專業會計師行，彼在會計、稅務、核數及企業融資方面擁有逾十年經驗。廖先生現時為英皇集團（國際）有限公司之獨立非執行董事，該公司於香港聯合交易所有限公司（「聯交所」）主板上市。廖先生於二零零八年九月獲委任為獨立非執行董事。



Mr Zhuang Xingfang (“Mr Zhuang”), aged 62, is an independent non-executive Director. Mr Zhuang is a graduate in management engineering of Hangzhou University of Electronics Technology and obtained a master’s degree in engineering in 1996. He has acted as deputy head of Plant 877 of the Ministry of Electronics Industry and the Economic Adjustment and State-owned Assets Supervisory Department of the Ministry of Electronics Industry. He is now the deputy director of the Alliance for the Promotion of Informatisation in China. He is a senior accountant and registered accountant (non-practising member). Mr Zhuang was appointed as an independent non-executive Director in January 2005.

庄行方先生（「庄先生」），62歲，本公司之獨立非執行董事。庄先生為杭州電子科技大學管理工程系畢業生，並於一九九六年取得工程碩士學位。他曾擔任電子工業部第877廠副廠長、電子工業部經濟調節司副司長，中國電子信息產業發展研究院副院長。彼現時為中國信息化推進聯盟副理事長。彼為高級會計師及註冊會計師（非執業會員）。庄先生於二零零五年一月獲委任為獨立非執行董事。

Directors and Senior Management Profile
董事及高級管理人員

Mr Xie Linzhen (“Mr Xie”), aged 70, graduated in 1963 from the Peking University of Physics and is a Professor of Peking University of Electronics. Mr Xie has acted as the deputy director of the Telecommunication System and Equipment Department in the Ministry of Electronics Industry, the PRC, the deputy director of the IT Product Department in the Ministry of Information Industry, PRC (“MII”) and the standing member of Communication Science and Technology Committee of MII. Mr Xie is currently the vice president of China Mobile Communication Association, the chairman of China Domestic Handset Summit and the standing member of Communication Science and Technology Committee of the Ministry of Industry & Information Technology, PRC and the executive director and chief scientist of CECT-Chinacomm Communications Co., Ltd. Mr Xie is an independent director of Funtalk China Holdings Limited, the securities of which are listed on NASDAQ of the United States of America. Mr Xie is also an independent director and audit committee member of UTStarcom, Inc., the securities of which are listed on NASDAQ of the United States of America. Mr Xie was appointed as an independent non-executive Director in January 2009.

SENIOR MANAGEMENT

Ms Wong Tik (“Ms Wong”) CPA, aged 39, is the company secretary and finance manager of SIM Technology (HK) Limited. Ms Wong joined SIM Technology (HK) on 1 April 2005 and is responsible for the financial reporting of the Group. Ms Wong was appointed as the Company Secretary of the Company on 29 February 2008. Ms Wong is an associate member of the Hong Kong Institute of Certified Public Accountants and has over 10 years of experience in the field of accounting. Ms Wong obtained the Honours Diploma in Accounting from Hong Kong Shue Yan College in 1995.

謝麟振先生（「謝先生」），70歲，於一九六三年畢業於北京大學物理系，為北京大學無線電系教授。謝先生曾任中國電子工業部(MEI)通信與系統裝備司副司長、中國信息產業部(MII)信息產品司副司長及中國信息產業部通信科技委常務委員。謝先生現為中國移動通信聯合會副會長、中國國產手機首腦論壇主席及中國工業與信息化部通信科技委常務委員及中電華通通信有限公司之執行董事及首席科學家。謝先生為樂語中國控股有限公司(其證券於美利堅共和國NASDAQ上市)之獨立董事。謝先生亦為UT斯達康公司(其證券於美利堅共和國NASDAQ上市)之獨立董事及審核委員會會員。謝先生於二零零九年一月獲委任為獨立非執行董事。



高級管理人員

黃荻女士（「黃女士」）(CPA)，39歲，本公司之公司秘書及晨訊科技(香港)有限公司之財務經理。黃女士於二零零五年四月一日加入晨訊科技(香港)，負責本集團之財務報告事宜。黃女士於二零零八年二月二十九日獲委任為本公司之公司秘書。黃女士為香港會計師公會會員及於會計界擁有逾10年經驗。黃女士於一九九五年，取得香港樹仁學院會計學榮譽文憑。

Report of the Directors

董事會報告

The Directors have pleasure in presenting the Group's annual report and the audited consolidated financial statements for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its subsidiaries are set out in note 38 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 are set out in the consolidated income statement on page 57.

An interim dividend of HK2.5 cents per share amounting to HK\$39,195,000 was paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK3.0 cents per share to the shareholders whose names appear on the register of members of the Company on 13 May 2011, amounting to HK\$47,089,000, and the retention of the remaining profit for the year of HK\$34,497,000.

The payment of final dividend is subject to the approval of the shareholders at the Annual General Meeting.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years ended 31 December 2010 and assets and liabilities of the Group as at 31 December 2006, 2007, 2008, 2009 and 2010 are set out on page 143 of the annual report.

INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

Details of the movements during the year in the investment properties, property, plant and equipment and land use rights of the Group are set out in notes 16, 17 and 18 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 29 to the consolidated financial statements.

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

董事欣然提呈截至二零一零年十二月三十一日止年度之本集團之年報及經審核綜合財務報表。

主要業務

本公司乃一家投資控股公司。各附屬公司之業務載於綜合財務報表附註38。

業績及分派

本集團截至二零一零年十二月三十一日止年度之業績載於第57頁之綜合收益表。

本年度向股東派發的中期股息為每股2.5港仙，合共39,195,000港元。董事已建議向於二零一一年五月十三日其名字已登記在本公司之股東名冊的股東派發末期股息每股3.0港仙，合共47,089,000港元，並保留本年度剩餘溢利為34,497,000港元。

股息之支付須待股東於即將於股東週年大會上批准，方可作實。

財務概要

本集團於截至二零一零年十二月三十一日止過往五個財政年度之業績概要及本集團於二零零六、二零零七年、二零零八年、二零零九年及二零一零年十二月三十一日之資產與負債載於年報第143頁。

投資物業、物業、廠房及設備及土地使用權

本年度本集團投資物業、物業、廠房及設備及土地使用權之變動詳情分別載於綜合財務報表附註16、17及18。

股本

本年度本公司股本之變動詳情載於綜合財務報表附註29。

於本年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to shareholders as at 31 December 2010 were approximately HK\$275,432,000, being the contributed surplus of approximately HK\$193,846,000 and accumulated profits of approximately HK\$81,586,000.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

DIRECTORS AND SERVICE CONTRACTS

The Directors of the Company up to date of this report are:

Executive Directors:

Ms Yeung Man Ying
Mr Wong Cho Tung
Mr Wong Hei, Simon
Mr Zhang Jianping
Ms Tang Rongrong
Mr Chan Tat Wing, Richard

Independent non-executive Directors:

Mr Zhuang Xingfang
Mr Liu Hing Hung
Mr Xie Linzhen

In accordance with the provisions of the Company's bye-laws ("Bye-laws"), Ms Yeung Man Ying, Mr Zhang Jianping and Ms Tang Rongrong will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Biographical details of the Directors are set out in the "Directors and Senior Management Profile" section of this annual report.

可供分派儲備

本公司於二零一零年十二月三十一日可供分派予股東之儲備約為275,432,000港元，即繳入盈餘約193,846,000港元加累計溢利約81,586,000港元。

根據百慕達一九八一年公司法(經修訂)，本公司之繳入盈餘賬可用作分派用途。然而，倘發生下列情況，本公司不可宣派或派付股息，或於繳入盈餘作出分派：

- (a) 於作出派付後，其未能或可能未能於債項到期時作出償還；或
- (b) 其資產之可變現淨值將因此少於其負債及其已發行股本及股份溢價賬之總值。

董事及服務合約

截至本報告刊發當日之董事如下：

執行董事：

楊文瑛女士
王祖同先生
王曦先生
張劍平先生
唐融融女士
陳達榮先生

獨立非執行董事：

庄行方先生
廖慶雄先生
謝麟振先生

根據本公司之章程細則(「公司細則」)之條文，楊文瑛女士、張劍平先生及唐融融女士將於股東週年大會上退任，惟彼等合資格膺選連任。

概無董事與本公司或其任何附屬公司訂立任何不可於一年內由本集團終止而毋須賠償(法定賠償除外)之服務合約。

本公司董事之履歷詳情載於本年報之「董事及高級管理人員」一節內。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES

As at 31 December 2010, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Future Ordinance (Cap 571, Laws of Hong Kong) ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(a) Interests in the shares of the Company and the shares of associated corporations of the Company

董事及主要行政人員於股份之權益及淡倉

於二零一零年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相關法團之股份、相關股份及債券或任何相關法團（定義見證券及期貨條例第XV部（香港法例第571章）（「證券及期貨條例」）中擁有根據證券及期貨條例第352條記錄於本公司須存置之登記冊中，或根據載於聯交所證券上市規則（「上市規則」）附錄10中上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

(a) 持有本公司股份及相關法團股份之權益

Name of director 董事姓名	Name of corporation 公司名稱	Nature of interest 權益性質	Total number of ordinary shares 普通股總數	Approximate percentage of interest in the corporation 佔公司權益 概約百分比 (note 3) (附註3)
Mr Wong Cho Tung 王祖同先生	Company 本公司	Interest of controlled corporations (note 1) 受控法團權益(附註1)	910,000,000	57.98%
	Info Dynasty Group Limited ("Info Dynasty")	Beneficial owner 實益擁有人	1,000	49.95%
Ms Yeung Man Ying 楊文瑛女士	Company 本公司	Interest of controlled corporations (note 2) 受控法團權益(附註2)	841,175,000	53.59%
	Company 本公司	Beneficial owner 實益擁有人	320,000	0.02%
	Subtotal 總數		841,495,000	53.61%
	Info Dynasty	Beneficial owner 實益擁有人	1,000	49.95%

Name of director 董事姓名	Name of corporation 公司名稱	Nature of interest 權益性質	Total number of ordinary shares 普通股總數	Approximate percentage of interest in the corporation 佔公司權益 概約百分比 (note 3) (附註3)
Mr Wong Hei, Simon 王曦先生	Info Dynasty	Beneficial owner 實益擁有人	1	0.05%
Mr Zhang Jianping 張劍平先生	Company 本公司	Beneficial owner 實益擁有人	4,564,000	0.29%
Ms Tang Rongrong 唐融融女士	Company 本公司	Beneficial owner 實益擁有人	186,000	0.01%

Notes:

- Mr Wong Cho Tung ("Mr Wong") controls more than one-third of the voting power of Info Dynasty. Mr Wong is therefore deemed to be interested in all the 841,175,000 shares held by Info Dynasty in the Company by virtue of Part XV of the SFO. Both Intellipower Investments Limited ("Intellipower") and Simcom Limited ("Simcom (BVI)") are wholly-owned by Mr Wong and he is therefore deemed to be interested in all the 48,825,000 shares and 20,000,000 shares held by Intellipower and Simcom (BVI) in the Company by virtue of Part XV of the SFO respectively.
- Ms Yeung Man Ying ("Mrs Wong"), the spouse of Mr Wong, controls more than one-third of the voting power of Info Dynasty. Mrs Wong is therefore deemed to be interested in all the 841,175,000 shares held by Info Dynasty by virtue of Part XV of the SFO.
- Calculation of percentage of interest in the Company is based on the issued share capital of the Company of 1,569,624,500 shares of the Company as at 31 December 2010.

附註：

- 王祖同先生(「王先生」)控制Info Dynasty三分之一以上之投票權，根據證券及期貨條例第XV部，故王先生被視為擁有Info Dynasty所持全部本公司841,175,000股股份之權益。由於Intellipower Investments Limited(「Intellipower」)及Simcom Limited(「Simcom (BVI)」)均由王先生全資擁有，根據證券及期貨條例第XV部，故彼被視為擁有Intellipower及Simcom (BVI)所持全部本公司分別48,825,000股及20,000,000股股份之權益。
- 楊文瑛女士(「王太太」)，王先生之配偶，控制Info Dynasty三分之一以上之投票權，根據證券及期貨條例第XV部，故王太太被視為擁有Info Dynasty所持全部本公司841,175,000股股份之權益。
- 根據本公司於二零一零年十二月三十一日之本公司已發行股本1,569,624,500股股份計算佔公司權益百分比。

(b) Interests in the underlying shares of the Company**(b) 於本公司相關股份之權益**

Name of director 董事姓名	Name of corporation 公司名稱	Nature of interest 權益性質	Number of share options 購股權數目	Total number of underlying ordinary shares 相關股份總數	Approximate percentage of interest in the corporation 佔公司權益概約百分比 (note 1) (附註1)
Mr Zhang Jianping 張劍平先生	Company 本公司	Beneficial owner 實益擁有人	9,800,000	9,800,000	0.62%
Ms Tang Rongrong 唐融融女士	Company 本公司	Beneficial owner 實益擁有人	3,800,000	3,800,000	0.24%
Mr Chan Tat Wing, Richard 陳達榮先生	Company 本公司	Beneficial owner 實益擁有人	5,100,000	5,100,000	0.32%

Notes:

1. Calculation of percentage of interest in the Company is based on the issued share capital of 1,569,624,500 shares of the Company as at 31 December 2010.

附註：

1. 根據本公司於二零一零年十二月三十一日之已發行股本 1,569,624,500 股股份計算佔公司權益百分比。

As at 31 December 2010, save as disclosed above, none of the Directors, chief executives of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

於二零一零年十二月三十一日，除上文所披露者外，並無董事、本公司之主要行政人員或彼等之聯繫人士於本公司或其任何相聯法團之股份、相關股份或債券中，擁有任何根據證券及期貨條例第352條記錄於本公司須存置之登記冊中，或根據標準守則須知會本公司及聯交所之權益或淡倉。

SHARE OPTIONS

Particulars of the Company's share option schemes and details of movements in the share options are set out in note 35 to the consolidated financial statements.

購股權

本公司購股權計劃之詳情及購股權之變動詳情載於綜合財務報表附註35。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed in note 35 to the consolidated financial statements, at no time during the year was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance, to which the Company, its holding company, or any of its subsidiaries and fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company and the Group was entered into or existed during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the interests of other persons (other than a Director or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

購買股份或債券之安排

除綜合財務報表附註35所披露之購股權權益外，本公司、或其任何附屬公司、其控股公司或其任何附屬公司及同系附屬公司概無於本年度任何時間訂立任何安排，致使董事可藉購買本公司或任何其他法人團體之股份或債券而獲益。

董事於重要合約之權益

本公司、其控股公司、或其任何附屬公司及同系附屬公司概無訂立於本年度年結日或本年度任何時間有效而董事於其中直接或間接擁有重大權益之重要合約。

管理層合約

於本年度，概無任何有關本公司及本集團之業務全部或主要部分與管理層或行政人員訂立合約或該等合約存在。

主要股東

於二零一零年十二月三十一日，在根據證券及期貨條例第336條本公司須存置名冊所記錄，其他人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中之權益如下：

Name of shareholder 股東姓名	Nature of interest 權益性質	Number of shares in the Company 於本公司之 股份數目	Approximate percentage of interest in the Company 佔本公司權益之 概約百分比 (Note 1) (附註1)
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Info Dynasty (Note 2)
(附註2)

Personal interest
個人權益

841,175,000

53.59%

Notes:

1. Calculation of percentage of interest in the Company is based on the issued share capital of 1,569,624,500 shares of the Company as at 31 December 2010.
2. The relationship between Info Dynasty and Mr Wong and the relationship between Info Dynasty and Mrs Wong is disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Position in Shares" above.

附註：

1. 根據本公司於二零一零年十二月三十一日之已發行股本1,569,624,500股股份計算佔本公司權益百分比。
2. Info Dynasty 與王先生之關係及 Info Dynasty 與王太太之關係於上文「董事及主要行政人員於股份之權益及淡倉」中披露。

Save as disclosed above, as at 31 December 2010, there is no other person (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文所披露者外，於二零一零年十二月三十一日，其他人士（董事或本公司主要行政人員除外）概無於本公司股份及相關股份中擁有須根據證券及期貨條例第336條記錄於本公司須存置之登記冊中之權益或淡倉。

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

獨立非執行董事之獨立性

本公司已收到每位獨立非執行董事根據上市規則第3.13條規定就其獨立性發出之年度確認書。本公司認為所有獨立非執行董事均為獨立人士。

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the human resources department and seeks to provide remuneration packages on the basis of their merit, qualifications and competence of the employees.

薪酬政策

本集團之僱員薪酬政策由人力資源部釐定並根據僱員之功績、資格及能力而提供薪酬待遇。

The emoluments of the Directors and senior management of the Company will be reviewed by the Remuneration Committee, having regard to factors including the Group's operating results, responsibilities of the Directors and senior management and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 35 to the consolidated financial statements.

RETIREMENT BENEFITS SCHEMES

Particulars of the retirement benefits schemes of the Group are set out in note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

RELATED PARTY TRANSACTIONS

The related party transactions of the Group as set out in note 36 to the consolidated financial statements do not fall under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

At the latest practicable date prior to the issue of this report, based on information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained sufficient public float as required under the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2010, the five largest customers accounted for approximately 35.92% of the Group's total sales and sales attributable to the Group's largest customer accounted for approximately 20.25% of the Group's total sales.

For the year ended 31 December 2010, the five largest suppliers accounted for less than 30% of the Group's total purchases.

本公司董事及高級管理層之酬金將由薪酬委員會審閱本集團經營業績、董事及高級管理層所承擔之責任及可作比較之市場統計數據而定。

本公司已採納購股權計劃以激勵董事及合資格僱員，該計劃之詳情載於綜合財務報表附註35。

退休福利計劃

本集團退休福利計劃之詳情載於綜合財務報表附註34。

優先購買權

公司細則或百慕達法例均無載列有關優先購買權之條文，規定本公司須向現有股東按比例配發新股份。

關連人士交易

本集團之關連人士交易詳情載於綜合財務報表附註36。該等交易並非上市規則第14A章所界定之「關連交易」或「持續關連交易」。

足夠公眾持股量

於發佈本報告前之最後實際可行日期，根據公開途徑所得的資料及就董事所知，董事確認本公司一直維持上市規則所規定的足夠公眾持股量。

主要客戶及供應商

截至二零一零年十二月三十一日止年度，本集團五大客戶佔本集團總銷售額約35.92%，而本集團最大客戶的銷售額則佔本集團總銷售額約20.25%。

截至二零一零年十二月三十一日止年度，本集團五大供應商佔本集團總採購額少於30%。

At no time during the year ended 31 December 2010 did any Director, any associate of a Director or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) has an interest in any of the Group's five largest customers or five largest suppliers.

COMPLIANCE WITH CODE OF BEST PRACTICES

The Company and its Directors confirm, to their best knowledge, that except for code provision E.1.2 as mentioned below, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices ("Corporate Governance Code") contained in Appendix 14 to the Listing Rules.

According to the code provision E.1.2 of the Corporate Governance Code, the chairman of the Board shall attend the annual general meeting of the Company and arrange for the chairmen of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting.

At the annual general meeting of the Company held on 14 May 2010 ("2010 AGM"), Ms Yeung Man Ying, the chairman of the Board, was unable to attend due to unexpected business engagement. Mr Chan Tat Wing, Richard, an executive Director and the chief finance officer of the Group, chaired the 2010 AGM on behalf of the chairman of the Board pursuant to the Bye-laws and was available to answer questions. Mr Wong Cho Tung, an executive Director and a member of the Remuneration Committee together with Mr Liu Hing Hung, an independent non-executive Director and the chairman of the Audit Committee, were also available at the 2010 AGM to answer questions from shareholders of the Company.

本公司任何董事、任何聯繫人士或就董事所知擁有本公司股本5%以上之任何股東，概無於截至二零一零年十二月三十一日止年度內任何時間，在本集團五大客戶或五大供應商中擁有任何權益。

遵守最佳常規守則

本公司及其董事確認，就彼等所知，除下文所述之企業管治守則守則條文第E.1.2條外，本公司遵守上市規則附錄14所載之企業管治常規守則(「企業管治常規守則」)之適用守則條文。

根據企業管治守則守則條文第E.1.2條，董事會主席應出席本公司之股東週年大會，及安排人選重任審核、薪酬及提名(如合適)委員會主席，或當該等委員會主席缺席時，由委員會其他成員(或如未能出席時由其正式指定代表)替代，於股東週年大會回答提問。

董事會主席楊文瑛女士由於有未能預料之公務，未能出席本公司於二零一零年五月十四日舉行之股東週年大會(「二零一零年股東週年大會」)。根據章程細則，執行董事兼本集團財務總監陳達榮先生，代表董事會主席主持二零一零年股東週年大會及回答提問。執行董事及薪酬委員會成員王祖同先生和獨立非執行董事及審核委員會主席廖慶雄先生亦出席二零一零年股東週年大會，並回答本公司股東提問。

Report of the Directors
董事會報告

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct for dealing in securities of the Company by the Directors. After specific enquiry of all Directors by the Company, all the Directors confirmed that they had complied with the required standard set out in the Model Code for the financial year ended 31 December 2010.

AUDITOR

The consolidated financial statements for the year ended 31 December 2010 have been audited by Deloitte Touche Tohmatsu who are due to retire and, being eligible, shall offer themselves for re-appointment at the Annual General Meeting.

On behalf of the Board

Yeung Man Ying

Chairman

Hong Kong

3 March 2011

遵守標準守則

本公司已採納標準守則作為董事進行買賣證券之守則。在由本公司向所有董事作出具體查詢後，所有董事確認彼等已於截至二零一零年十二月三十一日止財政年度遵守標準守則之規定標準。

核數師

截至二零一零年十二月三十一日止年度之綜合財務報表已經德勤•關黃陳方會計師行審核，彼因任期屆滿應於股東週年大會上退任，但合資格膺選連任。

代表董事會

楊文瑛

主席

香港

二零一一年三月三日

Corporate Governance Report

企業管治報告

The Company's goal is to continue to increase its transparency to shareholders and the public and to maintain a high standard of corporate governance. The principles of corporate governance adopted by the Group emphasize a Board with high quality, sound internal control, transparency, accountability and independence.

CODE ON CORPORATE GOVERNANCE PRACTICES

Except for code provision E.1.2 as mentioned below, the Company has complied with the code provisions and, where applicable, the recommended best practices of the Corporate Governance Code for the year ended 31 December 2010.

THE BOARD

Board functions

The Board is responsible for the promotion of the success of the Company by directing and guiding its affairs in an accountable and effective manner. Board members acknowledge their duty to act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

The types of decisions which are to be taken by the Board include:

1. Setting the Company's mission and values;
2. Formulating strategic directions of the Company;
3. Reviewing and guiding corporate strategy; setting performance objectives and monitoring implementation and corporate performance;
4. Monitoring and managing potential conflicts of interest of management, board members; and
5. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law.

本公司目標為持續提高其對股東及公眾之透明度及保持高標準之企業管治。本集團所採納之企業管治原則著重於高質素之董事會、健全之內部控制、具透明度、問責及具獨立性。

企業管治常規守則

除於下文提及之守則條文第E.1.2條，截至二零一零年十二月三十一日止年度，本公司已遵守企業管治守則之守則條文及建議的最佳常規（如適用）。

董事會

董事會之職能

董事會有責任透過對本公司各事務作出可靠及有效之指導及指引，推動本公司之成功。董事會成員有責任以真誠、盡責、審慎及符合本公司及其股東之最佳利益之方式行事。

須由董事會作出之決定包括：

1. 制定本公司之使命及價值；
2. 規劃本公司之策略方向；
3. 審閱及指引企業策略；設定業績目標及監督實行情況與企業表現；
4. 監督及管理管理層與董事會成員之間潛在利益衝突；及
5. 確保本公司之會計及財務報告制度（包括獨立審核）之完善以及落實適當之控制體系，特別是監控風險、財務控制及合規方面。

Board composition and practices

At 31 December 2010, the Board comprised six executive Directors and three independent non-executive Directors:

Executive Directors:

Ms Yeung Man Ying
Mr Wong Cho Tung
Mr Wong Hei, Simon
Mr Zhang Jianping
Ms Tang Rongrong
Mr Chan Tat Wing, Richard

Independent non-executive Directors:

Mr Zhuang Xingfang
Mr Liu Hing Hung
Mr Xie Linzhen

Biographical details of the Directors and the relationships among them are set out in the “Directors and Senior Management Profile” section on pages 29 to 33 of this annual report.

Save as disclosed in the “Directors and Senior Management Profile” section, none of the Directors has any connection (including financial, business or family relationship) with each other as required to be disclosed pursuant to Appendix 16 of the Listing Rules.

The roles of the chairman (Ms Yeung Man Ying) are separated from those of the president (Mr Wong Hei, Simon) in order to reinforce their respective independence, accountability and responsibility. The chairman is responsible for developing strategic direction and development of the Group and the president, working with and supported by the executive Directors, is responsible for managing the Group’s business affairs, including the implementation of strategies adopted by the Board and attending to the formulation and successful implementation of Group’s policies and assuming full accountability to the Board for all Group’s operations.

董事會之組成及運作

於二零一零年十二月三十一日，董事會由六名執行董事及三名獨立非執行董事組成：

執行董事：

楊文瑛女士
王祖同先生
王曦先生
張劍平先生
唐融融女士
陳達榮先生

獨立非執行董事：

庄行方先生
廖慶雄先生
謝麟振先生

董事之個人資料詳情及彼此之相互關係載於本年度報告第29頁至第33頁之「董事及高級管理人員」一節。

除於「董事及高級管理人員」一節所披露者外，董事之間概無根據上市規則附錄16所需披露的任何關連（包括財務、商務或家庭關係）。

主席（楊文瑛女士）及總裁（王曦先生）之角色分立，以強化各自之獨立性、問責性及職責。主席負責為本集團發展策略性方向和本集團之發展。總裁在執行董事支持下與執行董事共同負責管理本集團之業務事宜，包括實行董事會採納之策略、參與規劃及成功實施本集團政策以及就本集團之所有營運向董事會負全責。

The independent non-executive Directors contribute to the Company with diversified industry expertise, advise the management on strategy development and ensure that the Board maintains high standards of financial and other mandatory reporting as well as provide adequate checks and balances to safeguard the interests of the shareholders and the Company as a whole.

Each of the independent non-executive Directors has given a written confirmation to the Company confirming that he has met the criteria set out in Rule 3.13 of the Listing Rules regarding the guidelines for the assessment of independence of non-executive Directors.

The Board delegates specific tasks to the Group's management including the implementation of strategies and decisions approved by the Board and the preparation of accounts for approval by the Board before public reporting.

The Company has arranged for appropriate liability insurance to indemnify its Directors and officers for their liabilities arising out of corporate affairs. The insurance coverage is reviewed annually.

Regular Board meetings are scheduled in advance to give all Directors an opportunity to attend. Directors may attend meetings in person or through other means of electronic communication in accordance with the Bye-laws. All Directors are kept informed on a timely basis of major changes that may affect the Group's businesses, including relevant rules and regulations. Directors shall have full access to information on the Group and are able to obtain independent professional advice whenever deemed necessary by the Directors. No request was made by any Director for such independent professional advice in 2010. The company secretary of the Company shall prepare minutes and keep records of matters discussed and decisions resolved at all Board meetings, which will be available for inspection by Directors upon request.

獨立非執行董事就策略發展向本公司提供各行業之專業建議及向管理層提供建議，確保董事會保持高標準之財務及其他強制性報告，以及為保障股東及本公司之整體利益提供足夠之控制及制衡。

本公司已收到每位獨立非執行董事就其與本公司之獨立性發出之書面確認，確認彼已符合上市規則第3.13條規定所載之標準，內容關於非執行董事之獨立性之評估指引。

董事會授權本集團管理層之特別任務包括執行董事會批准之策略及決策，以及編製賬目，以於公佈前待董事會批准。

本公司已安排適當之責任保險，以就董事及高級行政人員因各種企業事宜產生之責任提供彌償保證。該等保險每年進行檢討。

董事會之定期會議事先安排召開時間，以使所有董事均有機會出席。根據章程細則，董事可親身或透過其他電子通訊方法出席會議。所有董事均及時獲知會影響本集團業務之重大變動，包括相關規則及規例之變動。董事應可獲得有關本集團之資料，並可在其視為必要時獲得獨立專業建議。於二零一零年，概無任何董事提出尋求該等獨立專業建議之要求。本公司之公司秘書須負責為所有董事會會議編撰會議記錄，並保存會上討論之事項所作出決定之記錄，該等紀錄將可供董事隨時查閱。

The Board held four meetings in 2010. The following is the attendance record of each Director at the Board meetings for the year under review:

董事會於二零一零年舉行了四次會議，以下為各董事於回顧年度內董事會會議之出席紀錄：

Name of Director	Number of meetings attended/ Number of meetings held	董事姓名	出席會議次數/ 舉行會議次數
Ms Yeung Man Ying	4/4	楊文瑛女士	4/4
Mr Wong Cho Tung	4/4	王祖同先生	4/4
Mr Wong Hei, Simon	4/4	王 曦先生	4/4
Mr Zhang Jianping	4/4	張劍平先生	4/4
Ms Tang Rongrong	4/4	唐融融女士	4/4
Mr Chan Tat Wing, Richard	4/4	陳達榮先生	4/4
Mr Zhuang Xingfang	4/4	庄行方先生	4/4
Mr Liu Hing Hung	4/4	廖慶雄先生	4/4
Mr Xie Linzhen	4/4	謝麟振先生	4/4

NOMINATION OF DIRECTORS

The Company does not have a nomination committee. The Board is responsible for nominating appropriate person, either to fill in casual vacancy or as an addition to the existing Directors for election by shareholders at the general meeting of the Company.

董事之提名

本公司不設提名委員會。董事會負責提名合適人選填補空缺或作為現有董事以外之新增委任，以供股東於本公司股東大會上選舉。

As and when circumstances required, the Board will meet to discuss nomination of new directors. In considering the suitability of a candidate for directorship, the Board will consider criteria such as the candidate's qualifications, experience, expertise and knowledge as well as the requirements under the Listing Rules.

於情況有需要時，董事會將舉行會議，以討論提名新任董事之事宜。於考慮董事候選人之合適程度時，董事會將考慮候選人之履歷、經驗、專長及知識等準則，以及根據上市規則之規定作出委任。

The re-election procedure set out in the Bye-laws provides that one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years at each annual general meeting of the Company. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will be those who have been longest in office since their last re-election or appointment but as between persons who become or were last re-elected Directors on the same day those retire will (unless they otherwise agree among themselves) be determined by lot.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements, the Directors have selected appropriate accounting policies, applied them consistently, made judgments and estimation that are prudent, fair and reasonable, ensured all applicable accounting standards are followed and prepared the financial statements on a going concern basis. The Directors are also responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Group and which enable the preparation of financial statements in accordance with the Companies Ordinance (Cap 32 of the Laws of Hong Kong) and the applicable accounting standards.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code for the year ended 31 December 2010.

載於章程細則內之重選之程序訂明，於本公司每屆股東週年大會上，當時三分之一之董事（或如其數目並非三之倍數，則以最接近但不少於三分之一之數目為準）須輪席告退，惟每名董事須最少每三年告退一次。退任董事符合資格膺選連任，並於其告退之大會期間繼續擔任董事。輪席告退之董事將為自上次重選或獲委任以來在任最久之董事，惟於同一日獲委任或重選為董事之人士而言，將以抽籤方式（除非彼等互相協定）決定應予告退之人士。

董事於財務報表之責任

董事負責監督編製每一財務期間之財務報表。財務報表應真實公平地反映本集團之財務狀況及期間之業績和現金流。編製財務報表時，董事選用適當之會計原則並貫徹執行，作出審慎、公平及合理之判斷及估計，確保採用所有適用之會計準則並採取持續經營基準編製財務報表。董事亦須負責確保本集團保存會計記錄，該等記錄須於任何時間合理準確地披露本集團之財務狀況，並可據此按公司條例（香港法例第32章）及適用之會計準則編製財務報表。

董事進行證券交易之標準守則

本公司已採納標準守則，作為其董事買賣本公司證券的守則條文。經向所有董事作出具體詢問，所有董事確認於截至二零一零年十二月三十一日止年度內均已遵守標準守則所規定之標準。

REMUNERATION COMMITTEE

The Company has established a remuneration committee (“Remuneration Committee”) with written terms of reference of the Remuneration Committee in compliance with the Corporate Governance Code. The Remuneration Committee is responsible for assisting the Board in achieving its goals of providing the packages needed to attract, retain and motivate Directors of the quality required to run the Company successfully.

The primary duties of the Remuneration Committee include: (i) making recommendations to the Directors on the Company’s policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of each executive Director and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time; and (iv) considering and approving the grant of share options to eligible participants pursuant to the share option schemes adopted or to be adopted by the Company. Terms of reference of the Remuneration Committee which have been adopted by the Board are available on the Company’s website.

The Remuneration Committee had one meeting in 2010 and had reviewed the remuneration packages of Directors and senior management of the Group. The members and attendance of the meeting are as follows:

Name of Director	Number of meeting attended/ Number of meeting held
Mr Wong Cho Tung	1/1
Mr Zhuang Xingfang	1/1
Mr Xie Linzhen	1/1

No Directors took part in any discussion about his or her own remuneration.

薪酬委員會

本公司成立一根據企業管治常規守則書面明其職權範圍之薪酬委員會（「薪酬委員會」）。薪酬委員會之責任是協助董事會制定可達到吸引、挽留及激勵具備成功運作本公司所需質素之董事所需之薪酬福利組合之目標。

薪酬委員會之主要職責包括：(i) 就本公司董事及高級管理層之所有薪酬政策及結構向董事提供建議，以及制定正式及具透明度之程序以制定有關該等薪酬之政策；(ii) 確定每位執行董事及高級管理層人員具體薪酬福利之條款；(iii) 參考董事不時決定之企業目標及宗旨，審閱及批准以表現為本之薪酬；及(iv) 考慮及批准根據本公司已採納或將採納之購股權計劃向合資格參與者授出購股權。董事會所採納之薪酬委員會之職權範圍可在本公司網站查閱。

薪酬委員會於二零一零年舉行了一次會議，並已審閱本集團董事及高層管理人員的薪酬。該會議之成員及出席之次數如下：

董事姓名	出席會議次數/ 舉行會議次數
王祖同先生	1/1
庄行方先生	1/1
謝麟振先生	1/1

所有董事均沒有參與有關其本身薪酬的討論。

The Remuneration Committee consists of three members, two of whom are independent non-executive Directors, being Mr Zhuang Xingfang and Mr Xie Linzhen, and one executive Director, being Mr Wong Cho Tung. They have substantial experience in human resources management. The Remuneration Committee is chaired by Mr Zhuang Xingfang.

Executive Directors, assisted by the Group's Human Resources department, are responsible for reviewing all relevant remuneration information and obtaining market conditions in addition to considering the performance of individuals and the profitability of the Group, and proposing to the Remuneration Committee for consideration and approval, remuneration packages for Directors and senior management. Executive Directors, however, do not participate in the determination of their own remuneration.

The primary objective of the remuneration policy on executive remuneration package is to enable the Company to retain and motivate executives in promoting the success of the Group. The remuneration package comprises basic salary, and may include discretionary bonus and/or share options.

Each of the executive Directors is entitled to a basic salary which is subject to review by the Remuneration Committee after such executive Directors has completed 12 months of services.

Subject to the recommendation of the Remuneration Committee, the Company may, at its sole discretion, grant share options to executive Directors in accordance with the share option schemes adopted by the Company.

Each of the executive Directors (except Ms Yeung Man Ying and Mr Wong Cho Tung) is entitled to a discretionary bonus as determined by the Remuneration Committee by reference to the performance of the Group and the Director.

Each of Mr Zhuang Xingfang, Mr Liu Hing Hung and Mr Xie Linzhen was appointed for a fixed term of one year. A new appointment letter will be signed in January each year. Their term of appointment is subject to the right of the independent non-executive Director or the Company to terminate the appointment of the independent non-executive Director at any time by giving at least one month's notice in writing.

薪酬委員會由三名成員組成，包括兩名獨立非執行董事庄行方先生及謝麟振先生以及一名執行董事王祖同先生。彼等於人力資源管理方面有豐富經驗。薪酬委員會由庄行方先生擔任主席。

執行董事在本集團人事部門協助下負責於考慮個人表現及本集團盈利能力以外，審閱所有相關薪酬資料及獲取市場訊息，並將董事及高級管理層之薪酬福利提交薪酬委員會考慮及批准。然而，執行董事並不參與其本身薪酬之釐定。

行政人員薪酬福利政策之主要目標是挽留及激勵行政人員，以推動本集團之成功。薪酬福利包括基本薪金、酌情花紅及／或購股權。

每名執行董事均可獲得基本薪金，惟須於該等執行董事服務十二個月後經薪酬委員會進行檢討。

根據薪酬委員會之建議，本公司可酌情根據本公司採納之購股權計劃授予每名執行董事購股權。

經參考本集團及董事之表現，薪酬委員會決定，每名執行董事（楊文瑛女士及王祖同先生除外）均可獲得酌情花紅。

庄行方先生、廖慶雄先生及謝麟振先生各人與本公司訂立委任書擔任獨立非執行董事，固定任期為由委任日起計一年，新委任書將於每年一月簽署。且獨立非執行董事或本公司均可於任何時間透過發出不少於一個月之通知，終止彼等之委任。

AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) with the written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision C.3 of the Corporate Governance Code. The primary duties of the Audit Committee are to assist the Board to provide an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group and oversee the audit process and other duties and responsibilities as assigned by the Board.

The Audit Committee members met twice in 2010 to review with senior management and the Company’s external auditors the internal and external audit findings, the accounting principles and practices adopted by the Group, and Listing Rules and statutory compliance, and discussed auditing, internal controls, risk management and financial reporting matters (including the 2009 annual financial statements and 2010 interim financial statements before recommending them to the Board for approval).

The following is the attendance record of each members at the Audit Committee meetings for the year under review:

Name of Director	Number of meetings attended/ Number of meetings held
Mr Liu Hing Hung	2/2
Mr Zhuang Xingfang	2/2
Mr Xie Linzhen	2/2

The Audit Committee comprises three independent non-executive Directors, namely, Mr Liu Hing Hung, Mr Zhuang Xingfang and Mr Xie Linzhen. The Audit Committee is chaired by Mr Liu Hing Hung who has professional qualifications in accountancy.

The Audit Committee has reviewed the Group’s annual report and consolidated financial statements for the year ended 31 December 2010.

審核委員會

本公司已成立根據上市規則第3.21條及企業管治常規守則守則條文第C.3條書面列明其職權範圍之審核委員會（「審核委員會」）。審核委員會之主要職責是協助董事會就本集團財務報告程序、內部控制及風險管理體系之有效性提供獨立評價，監督審核程序以及董事會委派之其他職責及責任。

審核委員會成員於二零一零年舉行了兩次會議，與高級管理層及本公司之外部核數師共同審閱內部及外部審核結果、本集團採納之會計原則及慣例，以及上市規則及法規之遵守情況，並就有關審核、內部控制、風險管理及財務報告事宜（包括在將二零零九年度財務報表及二零一零年中期財務報表提交董事會批准之前對其進行審閱）進行討論。

以下為各成員於回顧年度內審核委員會會議之出席紀錄：

董事姓名	出席會議次數/ 舉行會議次數
廖慶雄先生	2/2
庄行方先生	2/2
謝麟振先生	2/2

審核委員會由三名獨立非執行董事廖慶雄先生、庄行方先生及謝麟振先生組成。審核委員會由廖慶雄先生擔任主席，彼具有專業會計資格。

審核委員會已審閱本集團於截至二零一零年十二月三十一日止年度之年報及綜合財務報表。

EXTERNAL AUDITORS

The Audit Committee has reviewed a service plan from Deloitte Touche Tohmatsu regarding their independence and objectivity and had a meeting with Deloitte Touche Tohmatsu, the external auditors of the Company, to discuss the scope of their audit and approve the scope.

The Audit Committee also makes recommendations to the Board on the appointment and retention of the external auditors. For the year ended 31 December 2010, the Company paid Deloitte Touche Tohmatsu, the external auditors of the Company, HK\$1.65 million and HK\$0.3 million as audit fees and interim financial report of 2010 viewing fee respectively.

The auditors' reporting responsibility is set out on pages 55 to 56 of this annual report.

INTERNAL CONTROL

Internal control systems have been designed to allow the Directors to monitor the Group's overall financial position, safeguard its assets, provide reasonable assurance against fraud and errors, and to manage the risks in failing to achieve the Group's objectives.

The Group has a defined scope of authority governing activities of the Directors and senior management. Directors monitor the business activities closely and review monthly financial results operations. The Group from time to time updates and improves the internal controls.

The Directors acknowledges that it is their responsibility to maintain effective risk management and internal control system and to review them at regular intervals. The Directors manages risks by strategic planning, appointment of appropriately qualified and experienced personnel at senior management positions, monitoring the Group's performance regularly, maintaining effective control over capital expenditure and investments, and setting a high standard of code of conduct for employees to follow.

外部核數師

審核委員會已審閱德勤•關黃陳方會計師行確認其獨立性及客觀性之服務計劃，並與本公司之外部核數師德勤•關黃陳方會計師行舉行會議，討論及批准其審核範圍。

審核委員會亦就委聘及挽留外部核數師向董事會提供建議。截至二零一零年十二月三十一日止年度，本公司向本公司之外部核數師德勤•關黃陳方會計師行支付審計費及二零一零年中期財務報告之審閱費分別為1,650,000港及300,000港元。

核數師之申報職責載於本年報第55至56頁。

內部控制

內部控制制度是專為讓董事可監控本集團之整體財務狀況、維護其資產、就欺詐及失誤提供合理之擔保，以及管理不能達到本集團目標之風險而設。

本集團就董事及高級管理層之活動有明確界定之授權範圍。董事密切監控業務活動，並每月檢討財務業績營運。本集團會不時更新及改善內部監控。

董事明白維持有效之風險管理及內部控制制度並定期進行檢討是董事會之責任。董事透過策略規劃、委任具有合適資格、有經驗之人員擔任高級管理職位、定期監控本集團之表現、對資本開支與投資保持有效控制及設立供僱員遵循之高標準行為守則，進行風險管理。

INTERNAL AUDIT

The Internal Audit Department of the Group was responsible for conducting internal audits of the Group. Internal audits are designed to provide the Board with reasonable assurance that the internal control systems of the Group are effective and the risks associated with the achievement of business objectives are being managed properly. The department also conducts other projects and investigation work as required. The Directors were satisfied that an effective control system had been in operation having reviewed the material controls and all other major components of the internal control system of the Group for the year ended 31 December 2010.

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATIONS

The Group promotes investor relations and communications by setting up meetings with the investment community. The Group also responds to requests for information and queries from the investment community by the investor relations personnel.

The Board is committed to provide clear and full information of the Group to shareholders through sending the shareholders the Company's interim and annual reports, circulars, notices, financial reports as and when appropriate and providing additional information to shareholders in the "Investor Relations" section of the Company's website.

The Company's annual general meeting provides a good opportunity for communications between the Board and its shareholders. Shareholders are encouraged to attend the annual general meeting. Notice of the Annual General Meeting and related papers are sent to shareholders at least 20 clear business days before the meeting and the said notice is also published on the website of the Stock Exchange and the Company. The Chairman and Directors will answer questions on the Group's business at the meeting. External auditors will also attend the Annual General Meeting.

內部審核

內部審核部負責對本集團進行審核工作。內部審核的目的是向董事會作出合理的保證，保證本集團的內部監控制度有效以令達成業務目標的有關風險得到適當的管理。如有需要，該部門亦進行其他計劃和調查工作。董事經檢討本集團之重要控制措施及內部監控制度所有其他主要元素後，已信納截至二零一零年十二月三十一日止年度已運作有效之控制制度。

與投資者之關係及與股東之溝通

本集團透過與投資界召開會議，促進與投資者之關係及溝通。本集團亦透過投資者關係人員對投資界人士索取資料及詢問作出回應。

董事會透過適時向本公司股東寄發中期報告及年報、通函、通告及財務報告向股東提供本集團清晰而全面之資料，本公司亦於本公司網站「投資者關係」一欄向股東提供本公司之其他資料。

本公司之股東週年大會為促進董事會與股東之溝通提供良機。本公司鼓勵股東出席股東週年大會。股東週年大會通告及有關文件於大會舉行至少二十個完整工作日前向股東寄發，且通告將在聯交所及本公司之網站上刊登，主席及董事將於大會上就本集團之業務回答提問。外部核數師亦將出席股東週年大會。

According to the code provision E.1.2 of the Corporate Governance Code, the chairman of the Board shall attend the annual general meeting of the Company and arrange for the chairmen of the audit, remuneration and nomination committees (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the annual general meeting.

At the annual general meeting of the Company held on 14 May 2010 ("2010 AGM"), Ms Yeung Man Ying, the chairman of the Board, was unable to attend due to unexpected business engagement. Mr Chan Tat Wing, Richard, an executive Director and the chief finance officer of the Group, chaired the 2010 AGM on behalf of the chairman of the Board pursuant to the Bye-laws and was available to answer questions. Mr Wong Cho Tung, an executive Director and a member of the Remuneration Committee together with Mr Liu Hing Hung, an independent non-executive Director and the chairman of the Audit Committee, were also available at the 2010 AGM to answer questions from shareholders of the Company.

Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll.

The poll is conducted by the Company's registrars and the results of the poll will be published on website of the Stock Exchange and the Company. Financial and other information is made available on the Company's website and updated regularly. Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the secretary of the Company at the Company's registered address.

根據企業管治守則守則條文第E.1.2條，董事會主席應出席本公司之股東週年大會，及安排審核、薪酬及提名(如合適)委員會主席，或當該等委員會主席缺席時，由委員會其他成員(或如未能出席時由其正式指定代表)，出席該股東週年大會回答提問。

董事會主席楊文瑛女士由於有未能預料之業務事宜，未能出席本公司於二零一零年五月十四日舉行之股東週年大會(「二零一零年股東週年大會」)。根據章程細則，執行董事兼本公司財務總監陳達榮先生，代表董事會主席主持二零一零年股東週年大會及回答提問。執行董事及薪酬委員會成員王祖同先生和獨立非執行董事及審核委員會主席廖慶雄先生亦出席二零一零年股東週年大會，並回答本公司股東提問。

於交付要求日期持有不少於獲賦予於本公司股東大會上投票權之本公司繳足股本十分之一之股東，任何時候均有權透過向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理該要求所列明之任何事務，而該大會須於交付該要求後兩個月內舉行。

根據上市規則第13.39(4)條，股東週年大會的任何決議均須以投票方式表決。因此，所有提呈股東週年大會表決之決議案將以舉手方式表決。

投票由本集團之股份過戶處主持，其結果於聯交所及本公司網站公佈。財務及其他資料可於本公司網站查閱，並定期更新。股東之具體問題及意見可以書面方式寄往本公司之註冊地址寄予董事會或本公司秘書。

Independent Auditor's Report

獨立核數師報告

Deloitte. 德勤

TO THE MEMBERS OF SIM TECHNOLOGY GROUP LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of SIM Technology Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 57 to 142, which comprise the consolidated statement of financial position as at 31 December 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致晨訊科技集團有限公司全體股東

(於百慕達註冊成立之有限公司)

本核數師已審核列載於第57至142頁晨訊科技集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，其中包括於二零一零年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照百慕達《公司法》第90條僅向整體股東報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。我們已根據國際核數準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

Independent Auditor's Report
獨立核數師報告

TO THE MEMBERS OF SIM TECHNOLOGY GROUP LIMITED

(incorporated in Bermuda with limited liability)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as of 31 December 2010 and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

3 March 2011

致晨訊科技集團有限公司全體股東

(於百慕達註冊成立之有限公司)

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審核程序，但目的並非對公司內部控制的有效性發表意見。審核亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證能充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映 貴集團於二零一零年十二月三十一日的事務狀況，及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

德勤 • 關黃陳方會計師行

執業會計師

香港

二零一一年三月三日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Revenue	收入	6	4,034,031	2,983,532
Cost of sales	銷售成本		(3,541,784)	(2,693,677)
Gross profit	毛利		492,247	289,855
Other income	其他收入	8	106,695	74,877
Other gains and losses	其他收益及虧損	9	27,559	27,406
Research and development expenses	研究及開發費用		(146,489)	(79,942)
Selling and distribution costs	銷售及分銷成本		(94,818)	(70,253)
Administrative expenses	行政開支		(108,102)	(90,260)
Finance costs	融資成本	10	(10,288)	(3,061)
Profit before taxation	除稅前溢利		266,804	148,622
Taxation	稅項	12	(29,180)	(15,002)
Profit for the year	本年度溢利	13	237,624	133,620
Profit for the year attributable to:	下列各項應佔溢利：			
Owners of the Company	本公司股東		233,349	128,975
Non-controlling interests	非控股權益		4,275	4,645
			237,624	133,620
Earnings per share (HK cents)	每股盈利(港仙)	15		
Basic	基本		15.0	8.5
Diluted	攤薄		14.4	8.5

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit for the year	本年度溢利	237,624	133,620
Other comprehensive income	其他全面收益		
Exchange difference arising on translation to presentation currency	換算至呈列貨幣產生的匯兌差額	50,900	6,319
Change in fair value of available-for-sale investments	可供出售投資之公平值變動	-	25,366
Reclassification adjustment – transfer to profit or loss on disposal of available-for-sale investments	重新分類調整—出售可供出售投資時轉撥至損益	-	(25,366)
Surplus on transfer of land use rights and property, plant and equipment to investment properties at fair value	因以公平值轉撥土地使用權及物業、廠房及設備至投資物業而產生之盈餘	-	86,437
Deferred tax liability on surplus on transfer of land use rights and property, plant and equipment to investment properties at fair value	因以公平值轉撥土地使用權及物業、廠房及設備至投資物業而產生盈餘之遞延稅項負債	-	(21,609)
Other comprehensive income for the year (net of tax)	本年其他全面收益(扣除稅項)	50,900	71,147
Total comprehensive income for the year	本年全面收益總額	288,524	204,767
Total comprehensive income attributable to:	下列各項應佔全面收益總額：		
Owners of the Company	本公司股東	283,782	200,122
Non-controlling interests	非控股權益	4,742	4,645
		288,524	204,767

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2010

於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	16	243,832	221,217
Property, plant and equipment	物業、廠房及設備	17	343,389	255,454
Land use rights	土地使用權	18	96,108	82,959
Goodwill	商譽	19	28,321	28,321
Intangible assets	無形資產	20	177,453	179,469
Deferred tax assets	遞延稅項資產	21	9,592	3,438
Available-for-sale investments	可供出售投資	22	15,876	–
Deposits paid for property, plant and equipment	就物業、廠房及 設備支付之按金		20,226	–
Deposits paid for land use rights	就取得土地使用權支付之按金		–	109,224
			934,797	880,082
Current assets	流動資產			
Inventories	存貨	23	440,013	411,090
Properties under development for sales	發展中的銷售物業	24	110,441	–
Trade receivables	應收貿易賬款	25	110,420	141,555
Notes and bills receivables	應收票據及賬單	25	124,304	75,173
Other receivables, deposits and prepayments	其他應收賬款、 按金及預付款項	25	279,997	278,155
Pledged bank deposits	已抵押銀行存款	26	616,828	329,114
Bank balances and cash	銀行結餘及現金	26	534,522	532,276
			2,216,525	1,767,363
Current liabilities	流動負債			
Trade and notes payables	應付貿易賬款及票據	27	420,357	516,167
Other payables, deposits received and accruals	其他應付賬款、已收按金 及應計款項	27	198,904	262,732
Bank borrowings	銀行借貸	28	640,335	271,123
Tax payable	應付稅項		29,488	15,841
			1,289,084	1,065,863
Net current assets	流動資產淨值		927,441	701,500
Total assets less current liabilities	總資產減流動負債		1,862,238	1,581,582

Consolidated Statement of Financial Position
綜合財務狀況表

At 31 December 2010
於二零一零年十二月三十一日

		Notes 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Capital and reserves	資本及儲備			
Share capital	股本	29	156,962	152,871
Reserves	儲備	30	1,634,103	1,374,115
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,791,065	1,526,986
Non-controlling interests	非控股權益		28,025	17,483
Total equity	權益總額		1,819,090	1,544,469
Non-current liability	非流動負債			
Deferred tax liabilities	遞延稅項負債	21	43,148	37,113
			1,862,238	1,581,582

The consolidated financial statements on pages 57 to 142 were approved by the Board of Directors on 3 March 2011 and are signed on its behalf by:

截於第57頁至142頁之綜合財務報表已於二零一一年三月三日獲董事會批准，並由以下董事代表簽署：

WONG CHO TUNG

王祖同

DIRECTOR

董事

WONG HEI, SIMON

王曦

DIRECTOR

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		Attributable to owners of the Company 本公司股東應佔											
		Share capital	Share premium	Statutory surplus reserve	Other reserve	Share option reserve	Investment reserve	Properties revaluation reserve	Translation reserve	Accumulated profits	Total	Non-controlling Interests	Total
		股本	股份溢價	盈餘儲備	其他儲備	購股權儲備	投資儲備	重估儲備	匯兌儲備	累計溢利	合計	非控股權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a) (附註a)	(Note b) (附註b)								
At 1 January 2009	於二零零九年一月一日	151,749	481,381	27,599	97,091	20,162	-	8,911	112,185	436,313	1,335,391	-	1,335,391
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	128,975	128,975	4,645	133,620
Other comprehensive income for the year	本年度其他全面收益	-	-	-	-	-	-	64,828	6,319	-	71,147	-	71,147
Total comprehensive income for the year	本年全面收益總額	-	-	-	-	-	-	64,828	6,319	128,975	200,122	4,645	204,767
Issue of new shares due to exercise of share options	因行使購股權而發行股份	1,122	8,440	-	-	-	-	-	-	-	9,562	-	9,562
Transfer upon exercise of share options	因行使購股權而轉撥	-	4,022	-	-	(4,022)	-	-	-	-	-	-	-
Recognition of equity settled share-based payments	確認以股份支付之支出	-	-	-	-	9,259	-	-	-	-	9,259	-	9,259
Capital contribution from non-controlling interests of a subsidiary	附屬公司非控股權益之資本投入	-	-	-	-	-	-	-	-	-	-	570	570
Acquisitions of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	-	12,268	12,268
Dividends paid	支付股息	-	-	-	-	-	-	-	-	(27,348)	(27,348)	-	(27,348)
At 31 December 2009	於二零零九年十二月三十一日	152,871	493,843	27,599	97,091	25,399	-	73,739	118,504	537,940	1,526,986	17,483	1,544,469
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	233,349	233,349	4,275	237,624
Other comprehensive income for the year	本年度其他全面收益	-	-	-	-	-	-	-	50,433	-	50,433	467	50,900
Total comprehensive income for the year	本年全面收益總額	-	-	-	-	-	-	-	50,433	233,349	283,782	4,742	288,524
Issue of new shares due to exercise of share options	因行使購股權而發行新股份	4,091	33,250	-	-	-	-	-	-	-	37,341	-	37,341
Transfer upon exercise of share options	因行使購股權而轉撥	-	16,821	-	-	(16,821)	-	-	-	-	-	-	-
Recognition of equity settled share-based payments	確認以股份支付之支出	-	-	-	-	16,566	-	-	-	-	16,566	-	16,566
Capital contribution from non-controlling interests of subsidiaries	附屬公司非控股權益之資本投入	-	-	-	-	-	-	-	-	-	-	5,800	5,800
Dividends paid	支付股息	-	-	-	-	-	-	-	-	(73,610)	(73,610)	-	(73,610)
At 31 December 2010	於二零一零年十二月三十一日	156,962	543,914	27,599	97,091	25,144	-	73,739	168,937	697,679	1,791,065	28,025	1,819,090

Consolidated Statement of Changes in Equity
綜合權益變動表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

Notes:

- (a) As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC"), before distribution of the net profit each year, the subsidiaries established in the PRC shall set aside 10% of their net profit after taxation for the statutory surplus reserve fund (except where the reserve has reached 50% of the subsidiaries' registered capital). The reserve fund can only be used, upon approval by the board of directors of the relevant subsidiaries and by the relevant authority, to offset accumulated losses or increase capital.
- (b) Other reserve is arisen from the reorganisation in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited.

附註:

- (a) 誠如中華人民共和國(「中國」)法律及法規之規定，於中國成立之附屬公司每年須於派發淨溢利之前撥出其稅後淨溢利10%作為法定盈餘儲備金(儲備達致附屬公司註冊資本50%情況下除外)。該等儲備金僅可用於抵銷累計虧損或增加資本，惟須獲得相關附屬公司董事會及相關主管機構之批准。
- (b) 為籌備本公司股份於香港聯合交易所有限公司主板上市而進行重組產生之其他儲備。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	266,804	148,622
Adjustments for:	就下列項目作出調整：		
Interest expenses	利息開支	10,288	3,061
Depreciation and amortisation	折舊及攤銷	210,300	190,447
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	74	45
Share-based payments expense	以股份付款	16,566	9,259
Recycling of gain on disposal of available-for-sale investments	出售可供出售投資而轉出之收益	-	(25,366)
Allowances for (reverse of) bad and doubtful debts, net	呆壞賬撥備(撥回)淨額	10,640	(91)
Write-down of inventories	存貨撇減	6,513	14,601
Gain from changes in fair values of investment properties	投資物業公平值變動收益	(15,310)	(4,013)
Interest income	利息收入	(8,994)	(5,157)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	496,881	331,408
Increase in inventories	存貨增加	(22,406)	(145,556)
Increase in properties under development for sales	發展中的銷售物業增加	(9,815)	-
Decrease in trade receivables	應收貿易賬款減少	21,985	93,013
Increase in notes and bills receivables	應收票據及賬單增加	(48,340)	(57,044)
Decrease (increase) in other receivables, deposits and prepayments	其他應收賬款、按金及預付款項減少(增加)	1,086	(127,984)
(Decrease) increase in trade and notes payables	應付貿易賬款及票據(減少)增加	(101,243)	160,959
(Decrease) increase in other payables, deposits received and accruals	其他應付賬款、已收按金及應計款項(減少)增加	(66,594)	28,131
Cash generated from operations	來自經營之現金	271,554	282,927
Interest received	已收利息	8,994	5,157
Income tax paid	已付所得稅	(17,208)	(24,050)
NET CASH FROM OPERATING ACTIVITIES	來自經營活動之現金淨額	263,340	264,034

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

	Note 附註	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(124,409)	(80,827)
Purchases of land use rights		–	(5,594)
Deposits paid for purchase of property, plant and equipment		(20,226)	–
Deposits paid for purchase of land use rights		–	(97,546)
Acquisition of subsidiaries	31	–	(36,942)
Development costs paid		(159,756)	(119,689)
Purchases of available-for-sale investments		(15,876)	–
Proceeds on disposal of available-for-sale investments		–	62,679
Proceeds on disposal of property, plant and equipment		42	–
Increase in pledged bank deposits		(284,250)	(329,114)
NET CASH USED IN INVESTING ACTIVITIES		(604,475)	(607,033)
FINANCING ACTIVITIES			
Issue of shares		37,341	9,562
Proceeds from bank borrowings		733,155	457,813
Repayment of bank borrowings		(366,797)	(186,690)
Dividends paid		(73,610)	(27,348)
Interest paid		(10,288)	(3,061)
Capital contribution from non-controlling shareholders of a subsidiary		5,800	570
NET CASH FROM FINANCING ACTIVITIES		325,601	250,846
NET DECREASE IN CASH AND CASH EQUIVALENTS		(15,534)	(92,153)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		532,276	623,388
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		17,780	1,041
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		534,522	532,276

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda (as amended) with limited liability. Its ultimate and immediate holding company is Info Dynasty Group Limited (“Info Dynasty”), a company incorporated in the British Virgin Islands (“BVI”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars, as the Directors consider that such presentation is more appropriate for a company listed in Hong Kong and for the convenience of the shareholders.

The Company is an investment holding company. The principal activities of its subsidiaries are the manufacturing, design and development and sale of liquid crystal display (“LCD”) modules, mobile handset solutions, and wireless communication modules and modems.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB which are or have become effective.

The adoption of the new and revised IFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

IFRS 2 (Amendments)
國際財務報告準則第2號(修訂本)

IFRS 3 (as revised in 2008)
國際財務報告準則第3號(二零零八年經修訂)

IAS 27 (as revised in 2008)
國際會計準則第27號(二零零八年經修訂)

1. 一般資料

本公司乃根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為獲豁免有限公司。其最終及直接控股公司為於英屬處女群島(「英屬處女群島」)註冊成立之Info Dynasty Group Limited(「Info Dynasty」)。本公司之註冊辦事處及主要營業地點在年報之公司資料一節內披露。

人民幣為本公司的功能貨幣。作為一間香港的上市公司和方便本公司股東，董事認為綜合財務報表以港元呈列更為恰當。

本公司為一家投資控股公司。其附屬公司之主要業務為液晶顯示模塊、移動手機解決方案及無線通訊模塊及數據機之製造、設計、開發及銷售。

2. 採納新訂及經修訂之國際財務報告準則(「國際財務報告準則」)

於本年度，本集團已採納由國際會計準則委員會(「國際會計準則委員會」)頒佈的以下新訂及經修訂準則、修訂及詮釋(「新訂及經修訂國際財務報告準則」)及國際財務報告準則委員會之國際財務報告詮釋委員會(「國際財詮委」)，該等修訂及詮釋開始或經已生效。

採納新訂及經修訂國際財務報告準則對本集團目前或過往會計期間之綜合財務報表並無重大影響。

本集團沒有提早應用以下已經頒佈但尚未生效的新訂及經修訂準則、修訂及詮釋：

Group cash-settled share-based payment transactions
集團以現金結算股份付款交易

Business combinations
業務合併

Consolidated and separate financial statements
綜合及獨立財務報表

Notes to the Consolidated Financial Statements
綜合財務報表附註

For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

2. 採納新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

IAS 39 (Amendments) 國際會計準則第39號(修訂本)	Eligible hedged items 合資格對沖項目
IFRSs (Amendments) 國際財務報告準則(修訂本)	Improvements to IFRSs issued in 2009 於二零零九年頒佈之國際財務報告準則之改進
IFRSs (Amendments) 國際財務報告準則(修訂本)	Amendments to IFRS 5 as part of improvements to IFRSs issued in 2008 國際財務報告準則第5號之修訂本作為於二零零八年頒佈之國際財務報告準則之改進部分
IFRIC 17 國際財務報告詮釋委員會第17號	Distributions of non-cash assets to owners 向擁有人分派非現金資產
IFRSs (Amendments) 國際財務報告準則(修訂本)	Improvements to IFRSs issued in 2010 ¹ 於二零一零年頒佈之國際財務報告準則之改進 ¹
IFRS 1 (Amendments) 國際財務報告準則第1號(修訂本)	Limited exemption from comparative IFRS 7 disclosures for first-time adopters ² 首次採納者有關國際財務報告準則第7號比較披露資料的有限豁免 ²
IFRS 1 (Amendments) 國際財務報告準則第1號(修訂本)	Severe hyperinflation and removal of fixed dates for first-time adopters ³ 嚴重的惡性通脹及剔除首次採納者的既定日期 ³
IFRS 7 (Amendments) 國際財務報告準則第7號(修訂本)	Disclosures – Transfers of financial assets ³ 披露 – 轉撥金融資產 ³
IFRS 9 國際財務報告準則第9號	Financial instruments ⁴ 金融工具 ⁴
IAS 12 (Amendments) 國際會計準則第12號(修訂本)	Deferred tax: Recovery of underlying assets ⁵ 遞延稅項：相關資產的收回 ⁵
IAS 24 (as revised in 2009) 國際會計準則第24號(二零零九年經修訂)	Related party disclosures ⁶ 關連方披露 ⁶
IAS 32 (Amendments) 國際會計準則第32號(修訂本)	Classification of rights issues ⁷ 供股分類 ⁷
IFRIC 14 (Amendments) 國際財務報告詮釋委員會第14號(修訂本)	Prepayments of a minimum funding requirement ⁶ 最低資金預付款規定 ⁶
IFRIC 19 國際財務報告詮釋委員會第19號	Extinguishing financial liabilities with equity instruments ² 以股權工具消除金融負債 ²

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2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

- 1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
- 2 Effective for annual periods beginning on or after 1 July 2010.
- 3 Effective for annual periods beginning on or after 1 July 2011.
- 4 Effective for annual periods beginning on or after 1 January 2013.
- 5 Effective for annual periods beginning on or after 1 January 2012.
- 6 Effective for annual periods beginning on or after 1 January 2011.
- 7 Effective for annual periods beginning on or after 1 February 2010.

IFRS 9 “Financial instruments” (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 “Financial instruments” (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under IFRS 9, all recognised financial assets that are within the scope of IAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

2. 採納新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

- 1 於二零一零年七月一日或二零一一年一月一日(按適用者)或之後開始的年度期間生效。
- 2 於二零一零年七月一日或之後開始的年度期間生效。
- 3 於二零一一年七月一日或之後開始的年度期間生效。
- 4 於二零一三年一月一日或之後開始的年度期間生效。
- 5 於二零一二年一月一日或之後開始的年度期間生效。
- 6 於二零一一年一月一日或之後開始的年度期間生效。
- 7 於二零一零年二月一日或之後開始的年度期間生效。

國際財務報告準則第9號「金融工具」(於二零零九年十一月頒佈)，引入了分類及計量金融資產的新要求。國際財務報告準則第9號「金融工具」(於二零一零年十一月經修訂)增加金融負債及解除確認的規定。

根據國際財務報告準則第9號，所有已確認金融資產屬國際會計準則第39號「金融工具：確認及計量」範疇：隨後按攤銷成本或公平值計量。尤其是，於一個業務模式內持有的債務投資旨在收取合約現金流量，及擁有合約現金流量完全為支付本金及未償還本金的利息者，一般按會計期間結束時的攤銷成本計量。所有其他債權投資和股權投資按隨後會計期間結束時的公平值計量。

至於金融負債，金融負債的重大變動乃透過損益表按公平值列示。具體而言，根據國際財務報告準則第9號，對於指定透過損益表按公平值列賬之金融負債，除非於其他全面收益確認該項負債信貸風險變動之影響會導致或擴大損益之會計錯配，否則該項負債之信貸風險變動引起之金融負債公平值變動金額須於其他全面收益呈列。金融負債信貸風險引起之公平值變動其後不會重新分類至損益表。之前根據國際會計準則第39號之規定，指定於損益表按公平值列賬之金融負債之所有公平值變動金額均於損益表呈列。

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2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (CONTINUED)

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that IFRS 9 that will be adopted in the Group’s consolidated financial statements for financial year ending 31 December 2013 and that the application of IFRS 9 will mainly affect the classification and measurement of the Group’s available-for-sale investments.

The amendments to IAS 12 titled “Deferred tax: Recovery of underlying assets” mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with IAS 40 “Investment property”. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances.

In the opinion of the directors of the Company, it is not practicable to provide reasonable estimate of the effect of application of IFRS 9 and IAS 12 (Amendments) as stated above until detailed review has been completed.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values, as explained in the accounting policies set out below.

2. 採納新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則第9號於二零一三年一月一日或之後開始之年度期間生效，可提早採用。

董事預測國際財務報告準則第9號將於本集團截至二零一三年十二月三十一日止財政年度的綜合財務報表中採用，及採用國際財務報告準則第9號將主要影響本集團可供出售投資的分類及計量。

國際會計準則第12號「遞延稅項：相關資產的收回」之修訂主要有關投資物業遞延稅項的計量，其乃根據國際會計準則第40號「投資物業」使用公平值模式計量。根據修訂，就使用公平值模式計量投資物業的遞延稅項負債及遞延稅項資產而言，除非假設在若干情形下被駁回，投資物業的賬面值乃假設透過出售予以收回。

本公司董事認為，除非完成詳細審閱，否則對上述提供採納國際財務報告準則第9號及國際會計準則第12號(修訂本)之影響的合理估計並不切實可行。

本公司董事預計，採納其他新訂及經修訂準則、修訂或詮釋將不會對綜合財務報表產生重大影響。

3. 重大會計政策

綜合財務報表已根據國際財務報告準則編製。此外，綜合財務報表載入香港聯合交易所有限公司之證券上市規則及香港公司條例規定的適用披露規定。

綜合財務報表已按歷史成本基準編製，惟以公平值計算之投資物業及若干金融工具除外，有關的解釋載於下文的會計政策內。

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綜合財務報表附註

For the year ended 31 December 2010

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Business combinations

Business combinations that took place prior to 1 January 2010

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

3. 重大會計政策(續)

主要會計政策載列如下。

合併基準

綜合財務報表載入本公司及其附屬公司的財務報表。獲得控制權就本公司可於某實體行使監管其財務及營運決策權以達致獲取其業務之利益。

本年度已收購或已出售附屬公司的業績由收購生效日期起或截至出售生效日期止在適當情況下列入綜合全面收益表。

附屬公司的財務報表於有需要時作出調整，以使其會計政策與本集團其他成員公司所採納者一致。

所有集團成員公司之間的交易、結餘、收入及開支於合併時撇銷。

附屬公司之非控股權益於賬目內與本集團的股益分開呈列。

分配綜合全面收益予非控制性權益

附屬公司的綜合全面收益與開支會分配予本公司擁有人及非控股權益，即使這將導致非控股權益結餘為負數。於二零一零年一月一日之前，非控股權益應佔虧損如超出非控股權益於附屬公司股本中的權益，該虧損則分配至本集團的權益內，惟具約束性責任及作出額外投資以彌補虧損的非控股權益除外。

業務合併

業務合併於二零一零年一月一日前發生

收購業務採用購買會計處理法入賬。收購成本按交易當日所給予之資產、所產生或承擔之負債，以及本集團為控制被收購方而已發行股本工具之公平值總額，另加業務合併中直接應佔之任何成本計量。符合國際財務報告準則第3號「業務合併」確認條件之被收購方之可識別資產、負債及或然負債，均以收購日期之公平值確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (CONTINUED)

Business combinations that took place prior to 1 January 2010 (continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognised immediately in profit or loss.

The minority interest in the acquiree was initially measured at the minority interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

3. 重大會計政策(續)

業務合併(續)

業務合併於二零一零年一月一日前發生(續)

因收購而產生之商譽確認為資產，乃初步按成本(即收購成本超逾本集團所佔之已確認之可識別資產、負債及或然負債之確認金額之權益之部分)計量。倘於重新評估後，本集團應佔被收購方之可識別資產、負債及或然負債之確認金額之權益高於收購成本，其超出部分即時確認為損益。

少數股東於被收購方之權益初步按少數股東於已確認資產、負債及或然負債之確認金額所佔比例計量。

商譽

收購業務所產生之商譽，按成本減任何累計減值虧損(如有)列賬，並於綜合財務狀況表獨立呈列。

就減值測試而言，商譽分配到預期從收購之協同效應中受益之各有關現金產生單位，或現金產生單位之組別。

已獲分配商譽之現金產生單位每年或更頻密該單位有跡象顯示出現減值時進行減值測試。就於報告期之收購所產生之商譽而言，已獲分配商譽之現金產生單位於該報告期完結前進行減值測試。如果現金產生單位之可收回金額少於該單位之賬面值，則減值虧損被分配，以首先削減分配到該單位之任何商譽之賬面值，及其後以單位各資產之賬面值為基準，按比例分配到該單位之其他資產。商譽之任何減值虧損乃於綜合收益表內直接確認。商譽之減值虧損於其後期間不予撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (CONTINUED)

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 重大會計政策(續)

商譽(續)

於出售有關現金產生單位時，釐定出售的損益金額計及商譽應佔的金額。

收入確認

收入按日常業務過程中就提供貨品所收取或應收取代價及指應收款項(已扣除折扣及銷售有關稅項)的公平值計量。

當符合下述條件時，本集團及本公司確認銷售貨品收入：

- 本集團將貨品所有權的重大風險和報酬已轉移給買方；
- 本集團不再對已售貨品保留施加如同所有權之管理參與程度及實際控制權；
- 有關收益可以可靠地計量；
- 與交易相關之經濟利益可能流入本集團；及
- 有關交易所產生或將予產生之成本可以可靠地計量。

銷售貨品於交付貨品時及移交所有權後確認。

如果經濟利益可能會流入本集團，而收入又能夠根據下列基準可靠地計算，金融資產之利息收入會被確認。金融資產之利息收入乃考慮未提取之本金額及所適用之實際利率按時間基準確認入賬，該利率指將初始確認時金融資產之估計未來所收現金在估計可使用期內折現至該資產賬面淨值之利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (CONTINUED)

Value added tax (“VAT”) refund is recognised as income when the Group’s rights to receive the VAT refund has been established.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising are recognised in other comprehensive income and accumulated in equity (the translation reserve).

3. 重大會計政策(續)

收入確認(續)

退回增值稅(「增值稅」)於本集團可收取退回增值稅之權利已確立時確認為收入。

外幣

於編製每間個別集團實體的財務報表時，倘交易的貨幣與實體的功能貨幣(外幣)不同，則以其功能貨幣(實體經營業務的主要經濟環境)按交易日期適用的匯率換算入賬。於報告日期止，以外幣為面值的貨幣項目按該日適用的匯率換算。按公平值列賬且按外幣列值的非貨幣項目乃按釐定公平值日期之匯率重新換算。惟外幣列值以歷史成本入賬的非貨幣項目則不予換算。

於結算及重新換算貨幣項目所產生的匯率差異，於其產生期間在損益賬內確認。於再度換算非貨幣項目所產生的匯率差異，於其產生期間在損益賬內確認。

為呈列綜合財務報表的目的，本集團實體的資產及負債均以報告日期止適用匯率換算為本集團的呈列貨幣(即港元)，而其收入及開支則以本年度平均匯率予以換算。產生的匯率差異於其他全面收益確認及於權益(換算儲備)累計。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 重大會計政策(續)

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年應課稅溢利計算。應課稅溢利不包括其他年度的應課稅或應扣減之收入或開支項目，亦不包括從未課稅或可扣稅之項目，故與綜合全面收益表所列溢利不同。本集團本期稅項負債乃按已於報告期間止實施或大致實施之稅率計算。

遞延稅項以綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之暫時差異入賬。遞延稅項負債通常會就所有可抵減暫時差額確認，惟在應課稅溢利可供扣減暫時差額抵銷時，方就所有可扣減暫時差額確認遞延稅項資產。倘若暫時差額由商譽或由初次確認一項不影響應課稅溢利或會計溢利之其他資產及負債(業務合併除外)所產生，則不會確認有關資產及負債。

遞延稅項負債乃按於附屬公司之投資而引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回及暫時差額有可能不會於可見將來之撥回之情況則除外。與該等投資相關的可扣減暫時差額所產生的遞延稅項資產，僅在按可能出現可利用暫時差額扣稅之應課稅溢利時，並預期於可見將來撥回時，方會進行確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (CONTINUED)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 重大會計政策(續)

稅項(續)

遞延稅項資產之賬面值於各報告期間結束當日作檢討，並在沒可能有足夠應課稅溢利收回全部或部分資產時加以遞減。

根據報告期間結束當日已頒佈或實際已頒佈之稅率(及稅法)，遞延稅項資產及負債按負債清償或資產變現期間預期適用之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期間結束當日將出現的稅務後果，以收回資產或清償負債之賬面值。遞延稅項於損益確認，惟當其與於其他全面收益確認或直接於權益確認之項目有關時，在此情況下，遞延稅項亦會分別於其他全面收益確認或直接於權益確認。

租約

當租約條款將涉及擁有權之絕大部分風險及回報轉讓予承租人時，該租約乃分類為融資租約。所有其他租約均分類為經營租約。

由本集團出租

經營租約之租金收入乃按相關租約年期以直線法在損益內確認。

由本集團承租

經營租約付款以直線法於租約期內確認為開支，惟倘另一種系統基準更能反映租賃資產消耗經濟利益的時間模式除外。

如訂立經營租時收取租賃優惠，該優惠確認為負債。優惠之利益總額按直線基準確認為租金開支的減少，惟倘另一種系統基準更能反映租賃資產消耗經濟利益的時間模式除外。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (CONTINUED)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants where primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefits schemes and the Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure, except for those transfer from property, plant and equipment and land use rights which are measured at fair value at date of transfer. Subsequent to initial recognition, investment properties are measured at their fair value using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

3. 重大會計政策(續)

租約(續)

政府項目收入

在合理地保證本集團會遵守政府資助的附帶條件以及將會得到資助後，政府資助方會予以確認。

政府項目收入按本集團將擬用作補償的補貼相關成本確認為開支的期間有系統地於損益確認。具體而言，主要條件為本集團應購買、建造或以其他方式購入非流動資產的政府項目收入於綜合財務狀況表中確認為遞延收入，並按有關資產的可用年期轉撥至損益。作為本集團已發生的費用或損失的補償，或是為本集團提供直接財務支援而未來不會發生任何相關成本的應收政府項目收入，在其成為應收款項的期間於損益確認。

退休福利成本

向國家管理之福利計劃及強制公積金計劃(「強積金計劃」)支付之供款指僱員已提供服務而獲得貢獻之權利時列作開支支銷。

投資物業

投資物業是指持作賺取租金及／或資本增值的物業。

投資物業除由物業、廠房及設備及土地使用權轉撥而於轉撥之日用公平值量度，均於首次確認時按成本(包括任何相關直接支出)計量。於首次確認後，投資物業是採用公平值模式以其公平值計量。投資物業的公平值變動所產生的收益或虧損於產生期間直接確認為損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties (CONTINUED)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress includes property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 重大會計政策(續)

投資物業(續)

當投資物業出售，或永久不再被使用，或預期出售不會產生未來經濟利益時，該項投資物業不再被確認。因不再確認為資產而產生的收益或虧損(按出售所得款項淨額與資產的賬面值之差額計算)於該項目取消確認期間在損益內入賬。

物業、廠房及設備

物業、廠房及設備(包括持作生產或提供貨物或服務的建築物，在建工程除外)按成本減其後累計折舊以及任何累計減值虧損列賬。

折舊採用直線法，按物業、廠房及設備(在建工程除外)減去其剩餘價值後在估計可使用年期撇減其成本。估計可使用年期、剩餘價值和折舊方法在每個報告期末檢討，並採用未來基準計算估計變更的影響。

在建工程包括用於生產、提供貨物或行政用途的物業、廠房及設備，以成本減已確認的減值虧損列賬。成本包括專業費用及根據本集團會計政策對合資格資產資本化的借貸成本。該等物業完工後並達到可作擬定用途時分類為適當的物業、廠房及設備類別。與其他物業資產一樣，當這些資產達到可作擬定用途時開始折舊。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (CONTINUED)

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in properties revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to accumulated profits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Land use rights

Land use rights represent the prepaid lease payments of leasehold interests in land under operating lease arrangements and are amortised on a straight-line basis over the lease terms, except for those held to earn rentals and/or for capital appreciation purpose and classified as investment properties are carried at fair values.

3. 重大會計政策(續)

物業、廠房及設備(續)

當物業、廠房及設備項目因業主不再自用，證明其用途改變而成為投資物業時，該項目於轉讓當日之賬面金額與公平值之間任何差額於其他全面收益確認及於物業重估儲備內累計。日後出售或報廢該資產時，物業重估儲備將直接轉入累計溢利。

物業、廠房及設備項目於出售或預期持續使用該資產後亦將不會產生任何日後經濟利益之時，取消確認。物業、廠房及設備項目出售或報廢時所產生的任何收益或虧損按出售所得款項與該資產帳面值之間的差額釐定並確認為利潤或虧損。

供日後業主自用之發展中樓宇

當樓宇正在發展作生產或行政用途，在建期間預付租賃款項之攤銷計入在建樓宇成本部分。在建樓宇以成本減任何已識別減值虧損列賬。樓宇於可供使用(即其達致管理層預期方式之可供營運之地點及狀況)時開始計提折舊。

土地使用權

土地使用權指根據經營租賃安排持有之租賃土地權益之預付租賃款，除持作賺取租金及／或資本增值的投資物業以公平值量度外，乃按直線法於租賃期內攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land use rights (CONTINUED)

If land use rights becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and included in properties revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to accumulated profits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 重大會計政策(續)

土地使用權(續)

如有土地使用權因其於自用結束後的用途轉變而成為投資物業，賬面值與該等項目於轉移日的公平值之間的任何差異均應於其他全面收益表中確認及計入物業重估儲備。該資產隨後出售或報廢時，相關重估儲備將直接轉入累積盈利。

借貸成本

與收購、建造或生產合資格資產直接有關之借貸成本均撥充資本，作為該等資產之部分成本。當資產大致可作其擬定用途或可供銷售時，該等借貸成本將不再撥充為資本。特定借貸中，在其應用於合資格的資產之前所作的臨時投資所賺取的投資收入，須於資本化的借貸成本中扣除。

所有其他借貸成本均在發生期間於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

3. 重大會計政策(續)

無形資產

研究及開發費用

研究活動的費用於產生之期間確認為開支。

因開發(或因內部項目的某開發階段)而於內部產生的無形資產，會於並僅會於下列全部各項均已展示時確認：

- 完成無形資產在技術上屬可行，其因而將可供使用或出售；
- 有意完成無形資產並使用或出售；
- 有能力使用或出售無形資產；
- 無形資產將產生未來潛在經濟利益的方法；
- 有足夠技術、財務及其他資源完成開發並使用或出售無形資產的可使用程度；及
- 有能力可靠地計量屬無形資產於開發期內的開支。

就內部產生無形資產初步確認之金額，為該等無形資產首次符合確認標準當日起產生之開支總額。倘並無內部產生無形資產可予確認，則開發費用將於產生期間內於損益內扣除。

於初次確認後，內部產生無形資產以個別購入的無形資產的相同基準，按成本減累計攤銷及累計減值虧損列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (CONTINUED)

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and initially recognised their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Technical know-how acquired in a business combination comprise the rights to use certain technologies for the manufacture of wireless communication module solutions and mobile handset design solutions.

3. 重大會計政策(續)

無形資產(續)

獨立購入的無形資產

獨立購入及有限定可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損列賬。

可使用年期有限的無形資產於估計可使用年期內以直線法攤銷。

於終止確認無形資產時產生的任何損益，乃按該項資產的出售所得款項淨額與其賬面值之間的差額釐定，並於終止確認該項資產時之期間於損益內確認。

業務合併中所收購的無形資產

業務合併中所收購的無形資產要求與商譽分開確認，該無形資產的成本乃為其於收購日期的公平值。

於初步確認後，有限定可使用年期之無形資產乃按成本減累計攤銷及任何累計減值虧損列賬。有限定可使用年期之無形資產按其估計可使用年期以直線法予以攤銷(見下文有關有形及無形資產減值虧損之會計政策)。

業務合併中所收購的專有技術包括生產無線通訊模塊及移動手機解決方案之若干技術使用權。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Properties under development for sales

Properties under development for sales are stated at lower of cost and net realisable value. Cost comprises both the land use rights and development cost of the property. Net realisable value takes into account the price ultimately expected to be realised, less applicable selling expenses and the anticipated costs to completion.

Development cost of property comprises construction costs, borrowing costs capitalised according to the Group's accounting policy and directly attributable cost incurred during the development period. On completion, the properties are transferred to properties held for sales.

3. 重大會計政策(續)

有形及無形資產(商譽除外)之減值虧損(見上文有關商譽之會計政策)

於報告期間止，本集團均會審閱其有形及無形資產之賬面值，以確認該等資產是否已出現減值虧損。倘出現任何有關跡象，則估計資產可收回金額，以釐定減值虧損的幅度(如有)。此外，未可供使用的無形資產均會每年及當有跡象顯示出現減值時進行減值測試。倘某項資產之估計可回收金額低於其賬面值，則該項資產之賬面值須削減至其可回收金額。減值虧損會即時確認為開支。

倘某項減值虧損其後撥回，則該項資產之賬面值將增至其可回收金額之經修訂估計數額，惟增加後之賬面值不得超過以往年度若資產並無減值虧損確認而釐定之賬面值。減值虧損撥回將即時確認為收入。

存貨

存貨按成本及可變現淨值兩者中之較低者入賬。成本按加權平均方法計算。

發展中的銷售物業

發展中的銷售物業乃按成本與可變現淨值兩者的較低值入賬。成本包括土地使用權以及物業的開發成本。可變現淨值計入最終預計可變現價格，減去適用銷售開支及預期竣工成本計算。

發展中物業的成本包括建築成本，及根據本集團會計政策撥充資本的借貸成本及於發展期間產生的直接應佔成本。竣工後，發展中物業轉撥至持作銷售用途的物業。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified to either available-for-sale investments or loans and receivables. All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. 重大會計政策(續)

金融工具

當一家集團實體成為工具合約條文之一方，金融資產及金融負債於綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本(經損益賬按公平值入賬之金融資產及金融負債除外)乃於初步確認時按適當情況加入或從金融資產或金融負債之公平值扣除。須經損益賬直接由收購金融資產或金融負債引致的交易成本，即時於損益內確認。

金融資產

本集團之金融資產分類為可供出售投資或貸款及應收賬款。所有日常買賣之金融資產按交易日基準確認及解除確認。日常買賣指須根據市場規則或慣例訂立之時間內交收資產之金融資產買賣。

實際利率法

實際利率法乃是一種用以計算金融資產之攤銷成本及於相關期間內攤分利息收入的方法。實際利率指能實際於該項金融資產的預計可使用年期或(如適用)初次確認賬面淨值的較短期間折現預計未來現金收入(包括所有合約內交易雙方所支付或收取構成整體實際利息一部分之費用、交易成本及所有溢價或折讓)之利率。

就債務工具而言，利息收入按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

Financial assets (CONTINUED)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investment.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, notes and bills receivable, other receivables and deposits, pledged bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment loss on financial assets

Financial assets of the Group are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

可供出售之金融資產

可供出售之金融資產乃指定歸入或未分類為透過損益按公平值列值之金融資產、貸款及持有至到期投資之非衍生工具。

在任何交投活躍之市場並無市場報價及無法可靠地計量公平值之可供出售股本投資，及與該等無報價股本工具掛鉤及必須透過交付該等無市場報價股本工具進行結算之衍生工具，於報告期末按成本減任何已識別減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

貸款及應收款項

貸款及應收款項為並無於交投活躍之市場內報價而附帶固定或可議定付款的非衍生金融資產。於初步確認後，貸款及應收款項(包括應收貿易賬款、應收票據及賬單，其他應收款項及按金、已抵押銀行存款和銀行結餘)使用實際利率法按攤銷成本減任何可識別減值虧損列賬(見下列金融資產減值虧損之會計政策)。

金融資產減值

本集團的金融資產乃就於報告期間止出現的減值跡象作出評估。一項或多項發生於初始計量金融資產後之事件作為客觀證據，顯示金融資產之估計未來現金流受到影響，金融資產即為已減值。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

Impairment loss on financial assets (CONTINUED)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and an increase in the number of delayed payments in the portfolio past the average credit period of 90 days.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. 重大會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就其他金融資產而言，減值之客觀證據可能包括：

- 發行人或交易對方出現重大財政困難；或
- 違反合約，例如拖欠或逾期償還利息或本金；或
- 借款人將很有可能進入破產程序或進行財務重組；或
- 因財務困難令該金融資產失去活躍市場。

對若干類別的金融資產而言，例如應收貿易賬款，並無個別被評估為已減值的資產將其後按組合基準評估減值。應收賬款組合減值的客觀證據可包括本集團過往的收款經驗，以及組合內超逾平均信貸期90天的延遲付款的宗數增加的現象。

就按成本列賬的金融資產而言，減值虧損按資產的賬面值與按類似金融資產於當前市場回報率折現的估計未來現金流量的現值間的差額計量。該等減值虧損將不會於隨後期間撥回。

就按攤銷成本列賬之金融資產而言，當有客觀證明資產已減值，將會在損益中確認減值虧損，並按資產賬面值與按原有實際利率折算的估計未來現金流量的現值兩者間之差異計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

Impairment loss on financial assets (CONTINUED)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

3. 重大會計政策(續)

金融工具(續)

金融資產減值(續)

除應收貿易賬款賬面值是通過計提壞賬準備削減外，所有金融資產之賬面值是直接按減值虧損予以削減。壞賬準備賬面值之變動被計入損益內確認。當一項應收貿易賬款被認為不可收回，其將從壞賬準備上撇銷。隨後追回以前撇銷之款項會計入損益。

就按攤銷成本計量的金融資產而言，如後在其後的某一期間，減值虧損的金額減少而有關的減少為可與確認減值虧損後發生的事件客觀地關連，之前已確認的減值虧損將透過損益撥回，並以該項資產於撥回減值日期的賬面值不超出倘並無確認該等減值原應有的攤銷成本為前提進行撥回。

金融負債及股本

某一集團實體所發行之金融負債及股本工具乃根據所訂立的合約安排的內容以及金融負債和股本工具的定義予以分類。

股本工具為證明於本集團資產之餘額權益經扣除其所有負債後之任何合約。

實際利率法

實際利率法乃計算金融負債之攤銷成本及於有關期間攤分利息支出之方法。實際利率為實際於該項金融負債的預計年期或(如適用)較短期間折現估計未來現金付款的利率。

利息支出按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (CONTINUED)

Financial liabilities and equity (CONTINUED)

Financial liabilities

Financial liabilities (including trade and notes payables, other payables and accruals and bank borrowings) are initially measured at fair values and subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustment to share option reserve.

3. 重大會計政策(續)

金融工具(續)

金融資產減值(續)

金融負債

金融負債(包括應付貿易賬款及票據、其他應付款項及應計費用以及銀行借貸)初步按公平值計量,而後則使用實際利率法按攤銷成本計量。

股本工具

本公司發行之股本工具以已收所得款項扣除直接發行成本後入賬。

終止確認

當從資產收取現金流的權利已到期,或金融資產已轉讓及本集團已將其於金融資產擁有權的絕大部份風險及回報轉移,該金融資產將取消確認。於完全取消確認一項金融資產時,該資產賬面值與已收及應收代價金額及已於其他全面收益確認並累計於權益的累計損益總額之差額,於損益中確認。

金融負債於有關合約的特定責任獲解除、取消或到期時終止確認。終止確認的金融負債賬面值與已付或應付代價的差額乃於損益中確認。

以股份付款之交易

已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定,以直線法於歸屬期支銷,並於權益中相應增加(購股權儲備)。

於報告期間止,本集團修正其最終預算歸屬購股權數量之估計。修正估計之影響(如有)乃於損益中確認,並於購股權儲備中作相對應的調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity-settled share-based payment transactions (CONTINUED)

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

4. CAPITAL RISK MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of business. The Group defines the capital of the Group as the total shareholders' equity.

The Group's overall strategy remains unchanged from prior year.

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

Financial assets	金融資產
Loans and receivables (including cash and cash equivalents)	貸款與應收帳款 (包括現金及現金等值項目)
Available-for-sale investments	可供出售之投資
Financial liabilities	金融負債
Amortised cost	已攤銷成本

3. 重大會計政策(續)

以股份付款之交易(續)

於行使購股權時，以往於購股權儲備確認之款項，將撥入股份溢價。當購股權於屆滿日期仍未行使或購股權於歸屬期後失效時，以往於購股權儲備確認之款項，將撥入累計溢利。

4. 資本風險管理

本集團的政策是維持穩健資本基礎以確保債權人及市場的信心以及使未來業務發展得以可持續。本集團將資本定義為股東權益總額。

本集團之整體策略與前一年相比維持不變。

5. 金融工具

金融工具類別

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	1,599,064	1,258,025
	15,876	–
	1,136,370	900,616

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5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables and payables, bills receivable, notes receivables and payables, other receivables and deposits, other payables and accruals, pledged bank deposits, bank balances and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 36% (2009: 25%) of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale, whilst almost 48% (2009: 50%) of costs are denominated in the group entity's functional currency.

At the end of the reporting period, the major financial assets and liabilities of the Group denominated in currencies other than the functional currency of the respective group entities are trade receivables, notes receivables, pledged bank deposits, bank balances, trade payables and bank borrowings and the amounts are disclosed in notes 25, 26, 27 and 28 respectively.

5. 金融工具(續)

財務風險管理的目標與政策

本集團之主要金融工具包括應收及應付貿易賬款、應收賬單、應收及應付票據、其他應收賬款及按金、應付款項及應計費用、已抵押銀行存款、銀行結餘及銀行借貸。該等金融工具之詳情於有關附註中披露。與這些金融工具相關之風險以及有關減低該等風險之政策載於下文。管理層管理及監察該等風險，以確保能及時和有效採取適當措施。

貨幣風險

本集團多家附屬公司以外幣進行買賣，令本集團面對外幣風險。本集團銷售額約36% (二零零九年：25%) 以集團實體進行買賣的功能貨幣以外的貨幣計值，而約48% (二零零九年：50%) 的成本是以集團實體的功能貨幣計值。

於報告期末，本集團的主要金融資產及負債，以其各自集團實體功能貨幣以外的貨幣計值，相關資產及負債為應收貿易賬款、應收票據、已抵押銀行存款、銀行結餘、應付貿易賬款及銀行借貸，其相關金額分別於附註25、26、27及28進行披露。

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5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

(CONTINUED)

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

United States Dollars ("USD") 美元

The management monitors foreign exchange exposure by entering non-deliverable foreign exchange forward contracts to eliminate the currency exposures in USD denominated bank borrowings. In the opinion of the directors of the Company, the fair values of these forward contracts are insignificant at the end of the reporting period.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2009: 10%) increase and decrease in RMB against USD. 10% (2009: 10%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and foreign currency forward contracts and adjusts their translation at the end of the reporting period for a 10% (2009: 10%) change in foreign currency rates. A positive number below indicates an increase in post-tax profit where RMB strengthen 10% against USD for the both years. For a 10% weakening of RMB against USD, there would be an equal and opposite impact on the post-tax profit and the balances below would be negative.

5. 金融工具(續)

財務風險管理的目標與政策(續)

貨幣風險(續)

於報告日期止，本集團以外幣計值的貨幣資產及貨幣負債的賬面值如下：

Assets 資產		Liabilities 負債	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
204,288	124,319	932,067	359,989

管理層會以通過不交收外匯遠期合約，而消除美元計值銀行借款貨幣風險，監察外匯風險。本公司董事的意見認為，該等遠期合約在報告期末的公平值數額輕微。

敏感度分析

下表詳細列出本集團對於人民幣兌美元升值／貶值10% (二零零九年：10%) 的敏感度。10% (二零零九年：10%) 代表管理層對外匯匯率有可能變動的評估。敏感度分析僅包括以外幣計值貨幣項目及外幣遠期合約於報告期末對匯率作10% (二零零九年：10%) 調整。以下的正數代表人民幣兌美元在兩年均升值10% 的稅後溢利增加情況。如人民幣兌美元貶值10%，稅後溢利將有相同但相反的影響，而以下的結餘將會是負數。

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5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Currency risk (continued)

Sensitivity analysis (CONTINUED)

Profit	溢利
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Note: This is mainly attributable to the exposure on outstanding USD bank balances, receivables, payables and bank borrowings of the Group at the end of the reporting period.

Credit risk

The Group's credit risk are primarily attributable to trade receivables, other receivables and deposits, notes and bills receivables, pledged bank deposits, and bank balances.

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2010 and 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's bank balances and cash are deposited with banks in Hong Kong and the PRC and the Group has limited the exposure to any single financial institution. The credit risk on liquid funds is limited because the counterparties are banks with good credit-rating.

5. 金融工具(續)

財務風險管理的目標與政策(續)

貨幣風險(續)

敏感度分析(續)

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
18,638	17,854

附註： 主要為來自本集團於報告期末未償還以美元計算之銀行結餘、應收及應付款項以及銀行借貸之風險。

信貸風險

本集團的信貸風險主要來自應收貿易賬款、其他應收款項及按金、應收票據及賬單、已抵押銀行存款，以及銀行結餘。

本集團因對手方未能履行責任而於二零一零年及二零零九年十二月三十一日就每類已確認金融資產所須承受之最大信貸風險，為列於綜合財務狀況表內該等資產之賬面值。

為盡量減低信貸風險，本集團管理層已委派負責釐定信貸限額，信貸審批，及其他監察程序以確定有跟進措施收回逾期債務。此外，本集團會於報告期末審閱各貿易應收賬款的可收回金額，以確保不可收回金額已計提合適的減值虧損。就此而言，本集團董事認為本集團信貸風險已顯著減低。

本集團之銀行結餘及現金存於香港及中國之銀行，本集團並已就任何單一財務機構之風險設限。流動資金之信貸風險有限，因為交易對方均為具良好評級之銀行。

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5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

(CONTINUED)

Credit risk (continued)

The Group has concentration of credit risks with exposure limited to certain customers. As at 31 December 2010, three (2009: two) customers amounted HK\$68,182,000 (2009: HK\$112,803,000) comprised approximately 62% (2009: 80%) of the Group's trade receivables. These customers are within the same mobile phone technology industry in the PRC. The management closely monitors the subsequent settlement of the customers and does not grant long credit period to the counterparties. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

As at 31 December 2010, the carrying amount of bank borrowings amounted to HK\$640,335,000 (2009: HK\$271,123,000). All such bank borrowings included a repayment on demand clause exercisable at any time by the relevant banks. In accordance with the scheduled repayment dates set out in the loan agreements, the aggregate principal and interest cash outflows amounted to HK\$644,512,000 (2009: HK\$274,705,000). However, shall the relevant banks exercise their rights to demand immediate repayment, the principal amounts of these bank borrowings amounted to HK\$640,335,000 (2009: HK\$271,123,000) will be repayment on demand. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate .

5. 金融工具(續)

財務風險管理的目標與政策(續)

信貸風險(續)

本集團存在信貸風險集中的情況，風險集中於若干客戶。於二零一零年十二月三十一日，三名(二零零九年：兩名)客戶佔68,182,000港元(二零零九年：112,803,000港元)，相當於本集團的應收貿易賬款約62%(二零零九年：80%)。該等客戶集中於中國的相同移動電話技術行業內。管理層將密切監察客戶往後之結算及不會向交易對方授出長信貸期。就此而言，本公司董事認為本集團之信貸風險已大大降低。

流動資金風險

管理流動資金風險方面，本集團會監察及維持現金及現金等值項目於管理層視為充足的水平，以應付本集團營運所需，並可減少現金流量波動之影響。管理層會監察銀行借款之運用，以確保符合貸款承諾。

於二零一零年十二月三十一日，銀行借貸的賬面值達640,335,000港元(二零零九年：271,123,000港元)。所有銀行借貸包括有關銀行可於任何時間行使的按要求償還條款。根據借貸協議中的償還日期，本金及利息現金流出總額為644,512,000港元(二零零九年：274,705,000港元)。不過，如有關銀行行使權利要求即時還款，銀行借貸640,335,000港元(二零零九年：271,123,000港元)本金額將須於要求時償還。考慮到本集團的財務狀況，本公司董事並不相信銀行將會行使權利要求即時還款。

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5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (CONTINUED)

Liquidity risk (CONTINUED)

The directors consider that liquidity risk is limited after considering the future cash flows of the Group in the foreseeable future, including the repayment schedule of bank borrowings as discussed above and the short-term liabilities which are required to repay within three months from the end of the reporting period. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings and bank balances.

The Group currently does not have a cash flow interest rate hedging policy. However, management closely monitors its exposure to future cash flow risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise. A 100 basis point (2009: 100 basis point) change represents management's assessment of the reasonably possible change in interest rates.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of London Interbank Offered Rate ("LIBOR") arising from the Group's variable interest rate bank borrowings.

Sensitivity analysis

The management considers that the Group's exposure to future cash flow risk on variable-rate bank balances as a result of the change of market interest rate is insignificant and thus variable-rate bank balances are not included in the sensitivity analysis.

5. 金融工具(續)

財務風險管理的目標與政策(續)

流動資金風險(續)

董事認為，考慮到本集團在可見未來的現金流之後，流動資金風險有限(包括上文所討論的銀行借貸之還款時間)，因為本集團的債務包括上文披露的銀行借貸的償還計劃及需於報告期間止後三個月內歸還的短期債務。本集團通過持續監察預期與實際現金流，並將財務資產與債務的到期日相配以維持適當的儲備，從而管理流動資金風險。

利率風險

本集團涉及浮息的銀行借貸及銀行結餘有關的現金流利率風險。

本集團現時並無現金流動利率對沖政策。然而，管理層嚴密監控因市場利率變動而遭受之未來現金流動的風險，並將於需要時考慮對沖市場利率之變動。採用100個基點(二零零九年：100個基點)之變動，乃代表管理層對利率之潛在變動作出之評估。

本集團現金流動利率風險主要集中在本集團的浮息借貸產生之倫敦銀行同業拆息(「倫敦銀行同業拆息」)。

敏感度分析

管理層認為，由於市場利率變動甚微，故本集團就浮息銀行結餘面臨未來現金流量風險，因此，敏感度分析並無包括浮息銀行結餘。

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5. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

(CONTINUED)

Interest rate risk (CONTINUED)

Sensitivity analysis (CONTINUED)

The sensitivity analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. If the interest rate of bank borrowings had been 100 basis point (2009: 100 basis point) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2010 would decrease/increase by HK\$5,597,000 (2009: decrease/increase by HK\$2,711,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

Fair value

The fair value of financial assets with standard terms and conditions are determined with reference to quoted market bid prices. The fair value of other financial assets and financial liabilities is determined in accordance with general accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. REVENUE

Revenue represents the amounts received and receivable for goods sold net of returns.

5. 金融工具(續)

財務風險管理的目標與政策(續)

利率風險(續)

敏感度分析(續)

敏感度分析乃按假設在報告期末尚未償還的金融工具於整年內未償還而編製。如銀行借貸利率上升/下降100基點(二零零九年: 100基點)而所有其他變數維持不變, 本集團截至二零一零年十二月三十一日止年度的稅後溢利將會減少/增加5,597,000港元(二零零九年: 減少/增加2,711,000港元)。這主要是由於本集團浮息銀行借貸的利率風險。

公平值

具有標準條款及條件之金融資產之公平值乃參考市場所報之買入價而釐定。其他金融資產之公平值乃按公認的定價模式根據折現現金流量分析作為輸入值予以釐定。

董事認為於綜合財務報表中以攤銷成本列賬之金融資產和金融負債之賬面值與其公平值相若。

6. 收入

收入指已售貨物扣除回報後的已收款項及應收款項。

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7. SEGMENT INFORMATION

Segment information is presented based on information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered.

The Group currently organised into three revenue streams- sale of mobile handset solutions, sale of LCD modules and sale of wireless communication modules and modems. These revenue streams are the basis of the internal reports about components of the Group that are regularly reviewed by the executive directors in order to allocate resources to segments and to assess their performance.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating segment.

For the year ended 31 December 2010

7. 分類資料

分類資料基於就資源分配及分類業績評估向本公司執行董事，即主要營運決策者報告之資料重點為交付貨物的類型而呈列。

本集團現有有三個收入來源-銷售移動手機解決方案、銷售液晶顯示模塊及銷售無線通訊模塊及數據機。該等收入來源為執行董事定期審閱之有關本集團組成部分之內部報告，以分配資源予分類並評估表現。

分類收入及業績

下表為本集團按營運分類之收入及業績分析。

截至二零一零年十二月三十一日止年度

		Sale of mobile handset solutions 銷售移動手機解決方案	Sale of LCD modules 銷售液晶顯示模塊	Sale of wireless communication modules and modems 銷售無線通訊模塊及數據機	Segment total 分類總計	Elimination 撇銷	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue	收入						
External sales	對外銷售	3,170,208	142,129	721,694	4,034,031	-	4,034,031
Inter-segment sales	分類間銷售	-	52,580	-	52,580	(52,580)	-
Total	總額	3,170,208	194,709	721,694	4,086,611	(52,580)	4,034,031
Segment profit (loss)	分類溢利(虧損)	203,764	(5,339)	69,663	268,088	-	268,088
Other income	其他收入						20,710
Corporate expenses	公司開支						(27,016)
Gain from changes in fair values of investment properties	投資物業公平值變動收益						15,310
Finance costs	融資成本						(10,288)
Profit before taxation	除稅前溢利						266,804

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7. SEGMENT INFORMATION (CONTINUED)

7. 分類資料(續)

Segment revenues and results (CONTINUED)

For the year ended 31 December 2009

分類收入及業績(續)

截至二零零九年十二月三十一日止年度

		Sale of mobile handset solutions 銷售移動 手機解決方案 HK\$'000 千港元	Sale of LCD modules 顯示模塊 HK\$'000 千港元	Sale of wireless communication modules and modems 銷售無線 通訊模塊 及數據機 HK\$'000 千港元	Segment total 分類總計 HK\$'000 千港元	Elimination 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Revenue	收入						
External sales	對外銷售	1,834,995	204,664	943,873	2,983,532	-	2,983,532
Inter-segment sales	分類間銷售	-	44,096	-	44,096	(44,096)	-
Total	總額	1,834,995	248,760	943,873	3,027,628	(44,096)	2,983,532
Segment profit (loss)	分類溢利(虧損)	15,038	(11,828)	127,371	130,581	-	130,581
Other income	其他收入						11,617
Corporate expenses	公司開支						(19,894)
Gain from changes in fair values of investment properties	投資物業公平值 變動收益						4,013
Recycling of gain on disposal of available-for-sale investments	因出售可供出售 投資而轉出之收益						25,366
Finance costs	融資成本						(3,061)
Profit before taxation	除稅前溢利						148,622

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned or loss incurred by each segment without allocation of recycling of gain on disposal of available-for-sale investments, gain from changes in fair values of investment properties, rental income, interest income, other income, corporate expenses, finance costs and taxation. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at mutually agreed terms.

本集團營運分類之會計政策與於附註3所述本集團之會計政策相同。分類業績代表在並無分配出售可供出售投資而轉出之收益、投資物業公平值變動收益、租金收入、利息收入、其他收入、公司開支、融資成本及稅項之情況下各分類所產生之收益或虧損。此乃呈報予執行董事之計量方法，以進行資源分配及表現評估。

分類間銷售按相互協定之條款收費。

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For the year ended 31 December 2010
截至二零一零年十二月三十一日止年度

7. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

At 31 December 2010

Segment assets	分類資產
Investment properties	投資物業
Property, plant and equipment	物業、廠房及設備
Deferred tax assets	遞延稅項資產
Available-for-sale investments	可供出售投資
Deposits paid for property, plant and equipment	就物業、廠房及設備支付之按金
Properties under development for sales	發展中的銷售物業
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項
Pledged bank deposits	已抵押銀行存款
Bank balances and cash	銀行結餘及現金
Consolidated assets	綜合資產
Segment liabilities	分類負債
– attributable to sale of LCD modules	– 銷售液晶顯示模塊應佔
– attributable to operating segment other than sale of LCD modules (note)	– 銷售液晶顯示模塊以外的營運分類應佔(附註)
Other payables, deposits received and accruals	其他應付款項、已收按金及應計款項
Bank borrowings	銀行借貸
Tax payable	應付稅項
Deferred tax liabilities	遞延稅項負債
Consolidated liabilities	綜合負債

7. 分類資料(續)

分類資產及負債

下表載列本集團按營運分類劃分的資產及負債分析：

於二零一零年十二月三十一日

Sale of mobile handset solutions 銷售移動手機解決方案 HK\$'000 千港元	Sale of LCD modules 銷售液晶顯示模塊 HK\$'000 千港元	Sale of wireless communication modules and modems 通訊模塊及數據機 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
1,068,903	254,929	161,450	1,485,282
			243,832
			1,435
			9,592
			15,876
			20,226
			110,441
			113,288
			616,828
			534,522
			3,151,322
	88,539		88,539
			482,418
			570,957
			48,304
			640,335
			29,488
			43,148
			1,332,232

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截至二零一零年十二月三十一日止年度

7. SEGMENT INFORMATION (CONTINUED)

7. 分類資料(續)

Segment assets and liabilities (CONTINUED)

At 31 December 2009

分類資產及負債(續)

於二零零九年十二月三十一日

		Sale of mobile handset solutions 銷售移動 手機解決方案 HK\$'000 千港元	Sale of LCD modules 銷售液晶 顯示模塊 HK\$'000 千港元	Sale of wireless communication modules and modems 通訊模塊 及數據機 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment assets	分類資產	782,910	183,419	311,198	1,277,527
Investment properties	投資物業				221,217
Land use rights	土地使用權				38,342
Deferred tax assets	遞延稅項資產				3,438
Deposits paid for land use rights	就取得土地使用權支付之按金				109,224
Other receivables, deposits and prepayments	其他應收款項、 按金及預付款項				136,307
Pledged bank deposits	已抵押銀行存款				329,114
Bank balances and cash	銀行結餘及現金				532,276
Consolidated assets	綜合資產				<u>2,647,445</u>
Segment liabilities	分類負債				
- attributable to sale of LCD modules	- 銷售液晶顯示 模塊應佔	-	226,177	-	226,177
- attributable to sale of wireless communication modules and modems	- 銷售無線通訊模塊 及數據機應佔	1,989	-	-	1,989
- attributable to operating segment other than sale of LCD modules (note)	- 銷售液晶顯示模塊以外的 營運分類應佔 (附註)				469,073
					<u>697,239</u>
Other payables, deposits received and accruals	其他應付款項、 已收按金及應計款項				81,660
Bank borrowings	銀行借貸				271,123
Tax payable	應付稅項				15,841
Deferred tax liabilities	遞延稅項負債				37,113
Consolidated liabilities	綜合負債				<u>1,102,976</u>

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截至二零一零年十二月三十一日止年度

7. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (CONTINUED)

Note: Liabilities attributable to operating segment other than sale of LCD modules represented payables to common suppliers of the operating segment other than sale of LCD modules, which cannot be allocated to the respective segments on a reasonable basis.

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, certain property, plant and equipment, land use rights, pledged bank deposits, bank balances and cash, deposits paid for property, plant and equipment and land use rights, available-for-sale investments, deferred tax assets, properties under development for sales and certain other receivables, deposits and prepayment. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual operating segments; and
- all liabilities are allocated to operating segments other than certain other payables, deposits received and accruals, tax payable, bank borrowings and deferred tax liabilities. Liabilities for which operating segments are jointly liable are allocated in proportion to segment assets.

7. 分類資料(續)

分類資產及負債(續)

附註： 銷售液晶顯示模塊以外的營運分類應佔的負債指應付銷售液晶顯示模塊以外的營運分類的普通供應商的款項，而無法合理分配至有關分類。

為監控分類表現及分配分類間資源：

- 除投資物業、若干物業、廠房及設備、土地使用權、已抵押銀行存款、銀行結餘及現金、就物業、廠房及設備以及取得土地使用權支付之按金、可供出售投資、遞延稅項資產、發展中的銷售物業及若干其他應收款項、按金及預付款項以外，所有資產均分類至營運分類。營運分類共同使用的資產按各營運分類所賺取的收入分配；及
- 除若干其他應付款項、已收按金及應計款項、應付稅項、銀行借貸及遞延稅項負債以外，所有負債均分配至營運分類。營運分類共同承擔的負債按分類資產的比例分配。

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截至二零一零年十二月三十一日止年度

7. SEGMENT INFORMATION (CONTINUED)

7. 分類資料(續)

Other segment information

For the year ended 31 December 2010

其他分類資料

截至二零一零年十二月三十一日止年度

		Sale of mobile handset solutions 銷售移動手機解決方案	Sale of LCD modules 銷售液晶顯示模塊	Sale of wireless communication modules and modems 銷售無線通訊模塊及數據機	Unallocated 未分配	Consolidated 綜合
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	衡量分類損益或分類資產涉及的金額：					
Additions of property, plant and equipment	添置物業、廠房及設備	97,863	8,054	16,956	1,536	124,409
Additions of intangible assets	添置無形資產	123,576	-	40,498	-	164,074
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	26,565	12,622	4,122	231	43,540
Amortisation of intangible assets	無形資產攤銷	128,171	-	40,617	-	168,788
Amortisation of land use rights	土地使用權攤銷	1,713	204	373	-	2,290
Allowance for bad and doubtful debts, net	呆壞賬撥備淨額	10,115	525	-	-	10,640
Write-down of inventories	存貨撇減	3,658	1,326	1,529	-	6,513

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截至二零一零年十二月三十一日止年度

7. SEGMENT INFORMATION (CONTINUED)

7. 分類資料(續)

Other segment information (CONTINUED)

For the year ended 31 December 2009

其他分類資料(續)

截至二零零九年十二月三十一日止年度

Amounts included in the measure of segment profit or loss or segment assets:	衡量分類損益或 分類資產涉及 的金額:	Sale of mobile handset solutions 銷售移動 手機解決方案 HK\$'000 千港元	Sale of LCD modules 銷售液晶 顯示模塊 HK\$'000 千港元	Sale of wireless communication modules and modems 銷售無線 通訊模塊 及數據機 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions of property, plant and equipment	添置物業、 廠房及設備	47,762	8,920	24,076	69	80,827
Additions of intangible assets	添置無形資產	137,022	-	36,966	-	173,988
Additions of goodwill	添置商譽	28,321	-	-	-	28,321
Depreciation of property, plant and equipment	物業、 廠房及設備之折舊	12,570	19,458	6,462	190	38,680
Amortisation of intangible assets	無形資產攤銷	111,749	-	45,197	-	156,946
Amortisation of land use rights	土地使用權攤銷	1,149	287	450	-	1,886
Allowance for (reversal of) bad and doubtful debts, net	呆壞賬撥備(撥回)淨額	336	(427)	-	-	(91)
(Reversal of) write-down of inventories	存貨(撥回)撇減	(3,218)	11,767	6,052	-	14,601

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For the year ended 31 December 2010
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7. SEGMENT INFORMATION (CONTINUED)

7. 分類資料(續)

Revenue from major products

來自主要產品的收入

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sale of mobile handset solutions	銷售移動手機解決方案	3,170,208	1,834,995
Sale of LCD modules	銷售液晶顯示模塊	142,129	204,664
Sale of wireless communication modules and modems	銷售無線通訊模塊及數據機	721,694	943,873
		4,034,031	2,983,532

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of total sales of the Group, each deriving revenue from all operating segments, are as follows:

關於主要客戶的資料

於相應年度佔本集團總銷售額超過10%的客戶收入，均來自所有營運分類如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Customer A	客戶A	817,035	N/A (不適用) ¹

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group.

The customer is within same mobile phone technology industry in the PRC.

Geographical information

The Group's revenue and non-current assets are substantially located in the PRC, the country of domicile from which the group entities derive revenue and hold assets. Accordingly, no further analysis is presented.

¹ 相應收入佔本集團總銷售額10%或以下。

該客戶均屬中國同一移動手機技術產業。

地區資料

本集團收入及非流動資產主要來自中國，即本集團產生收入及持有資產之所在國。因此，並無呈列進一步分析。

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For the year ended 31 December 2010
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8. OTHER INCOME

8. 其他收入

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Refund of VAT (Note 1)	增值稅退稅(附註1)	18,588	14,224
Government grants (Note 2)	政府項目收入(附註2)	65,539	47,108
Interest income earned on bank balances	銀行結餘賺取之利息收入	8,994	5,157
Rental income (Less: outgoings of HK\$1,077,000 (2009: HK\$402,000))	租金收入 (減：支出1,077,000 港元 (二零零九年：402,000 港元))	11,101	2,392
Others	其他	2,473	5,996
		106,695	74,877

Notes:

- (1) Shanghai Simcom Limited ("Shanghai Simcom"), Shanghai Speedcomm Technology Limited ("Shanghai Speedcomm") and Shanghai Simcom Wireless Solutions Limited ("Simcom Wireless"), wholly-owned subsidiaries of the Company, are engaged in the business of distribution of self-developed and produced software. Under the current PRC tax regulation, they are entitled to a refund of VAT paid for sales of self-developed software in the PRC.
- (2) The amount includes HK\$35,817,000 (2009: HK\$27,967,000) unconditional government grants granted to encourage for the Group's research and developments activities in the PRC.

In addition, the Group received government grants of HK\$27,648,000 and HK\$11,400,000 respectively during the year ended 31 December 2010 and 2009 towards the cost of development on wireless communication modules and mobile handset modules in Shenyang. The amounts are transferred to other income to match actual expenditure used in research and development activities and HK\$29,722,000 (2009: HK\$19,141,000) was recognised in the profit or loss during the year. As at 31 December 2010, an amount of HK\$27,349,000 (2009: HK\$29,423,000) remains to be unamortised and included in other payables.

附註：

- (1) 本公司之全資附屬公司希姆通信息技術(上海)有限公司(「上海希姆通」)、上海思必得通訊技術有限公司(「上海思必得」)及芯訊通無線科技(上海)有限公司(「芯訊通無線」)均從事分銷自行開發及生產的軟件。根據中國現行之稅務法規，在中國就銷售自行開發之軟件已繳付之增值稅可享有退稅。
- (2) 此金額包括無條件之政府項目收入35,817,000港元(二零零九年：27,967,000港元)，以鼓勵本集團於中國的研發活動。

此外，本集團於截至二零一零年及二零零九年十二月三十一日止年度分別獲得政府27,648,000港元及11,400,000港元於沈陽開發無線通訊模塊及手機免提數據機的項目收入。金額已轉撥至其他收入以配合研發活動的實際開支，而29,722,000港元(二零零九年：19,141,000港元)已於年內確認為損益。於二零一零年十二月三十一日，一筆27,349,000港元(二零零九年：29,423,000港元)的款項仍然未攤銷並已計入其他應付款項。

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9. OTHER GAINS AND LOSSES

9. 其他收益及虧損

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Recycling of gain on disposal of available-for-sale investments	出售可供出售投資而轉出之收益	-	25,366
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(74)	(45)
Net foreign exchange gain (loss)	淨外匯收益(虧損)	22,963	(1,928)
Gain from changes in fair values of investment properties	投資物業公平值變動收益	15,310	4,013
Allowance for bad and doubtful debts (Note)	呆壞賬撥備(附註)	(11,051)	-
Reversal of allowance for bad and doubtful debts (Note)	呆壞賬撥備撥回(附註)	411	-
		27,559	27,406

Note: Allowance for bad and doubtful debts of HK\$336,000 and reversal of allowance for bad and doubtful debts of HK\$427,000 are included in administrative expenses for the year ended 31 December 2009.

附註：呆壞賬撥備336,000港元及呆壞賬撥備撥回427,000港元計入截至二零零九年十二月三十一日止年度的行政開支。

10. FINANCE COSTS

10. 融資成本

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Interests on bank borrowings wholly repayable within five years	須於五年內全數償還之銀行借貸利息	10,288	3,061

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截至二零一零年十二月三十一日止年度**11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS****11. 董事及僱員酬金****Directors' emoluments**

The emolument paid or payable to each of the directors were as follows:

董事酬金

向每名董事已付或應付之酬金如下：

		For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度				
	Directors' fees 董事袍金 HK\$'000 千港元	Salaries and allowances 薪酬及津貼 HK\$'000 千港元	Bonus 花紅 HK\$'000 千港元 (Note) (附註)	Share-based payments 以股份付款 HK\$'000 千港元	Retirement benefits scheme 退休福利計劃供款 HK\$'000 千港元	Total emoluments 總酬金 HK\$'000 千港元
Executive directors	執行董事					
Ms Yeung Man Ying	楊文瑛女士	-	-	-	-	-
Mr Wong Cho Tung	王祖同先生	-	-	-	-	-
Mr Wong Hei, Simon	王曦先生	-	553	-	-	553
Mr Zhang Jianping	張劍平先生	-	1,106	1,382	64	3,975
Ms Tang Rongrong	唐融融女士	-	484	346	10	1,381
Mr Chan Tat Wing, Richard	陳達榮先生	-	1,300	-	60	1,886
Independent non-executive directors	獨立非執行董事					
Mr Liu Hing Hung	廖慶雄先生	156	-	-	-	156
Mr Xie Linzhen	謝麟振先生	156	-	-	-	156
Mr Zhuang Xingfang	庄行方先生	156	-	-	-	156
		468	3,443	1,728	134	8,263

Note: Incentive performance bonus for the year ended 31 December 2010 was determined by the remuneration committee having regard to the performance of directors and the Group's operating results.

附註：截至二零一零年十二月三十一日止年度之表現獎勵花紅是由薪酬委員會經考慮董事之表現及本集團之經營業績而釐定。

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

11. 董事及僱員酬金(續)

Directors' emoluments (CONTINUED)

董事酬金(續)

For the year ended 31 December 2009
截至二零零九年十二月三十一日止年度

		Salaries and allowances	Bonus	Share-based payments	Retirement benefits scheme contributions	Total emoluments
Directors' fees	Directors' fees	Salaries and allowances	Bonus	Share-based payments	Retirement benefits scheme contributions	Total emoluments
董事袍金	董事袍金	薪酬及津貼	花紅	以股份付款	退休福利計劃供款	總酬金
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note 1)			
			(附註1)			
Executive directors	執行董事					
Ms Yeung Man Ying	楊文瑛女士	-	-	-	-	-
Mr Wong Cho Tung	王祖同先生	-	-	-	-	-
Mr Wong Hei, Simon	王曦先生	-	547	-	-	547
Mr Zhang Jianping	張劍平先生	-	730	228	59	1,218
Ms Tang Rongrong	唐融融女士	-	342	228	26	754
Mr Chan Tat Wing, Richard	陳達榮先生	-	1,300	-	60	1,496
Non-executive directors	非執行董事					
Mr Tsang Hen Loon, Raymond (Note 2)	曾憲龍先生 (附註2)	126	-	-	3	129
Mr Wong Sun (Note 2)	王晨先生(附註2)	-	-	-	-	-
Independent non-executive directors	獨立非執行董事					
Mr Liu Hing Hung	廖慶雄先生	156	-	-	-	156
Mr Wang Chengwei (Note 3)	汪誠蔚先生(附註3)	11	-	-	-	11
Mr Xie Linzhen (Note 3)	謝麟振先生(附註3)	146	-	-	-	146
Mr Zhuang Xingfang	庄行方先生	156	-	-	-	156
		595	2,919	456	148	4,613

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Directors' emoluments (CONTINUED)

Notes:

- (1) Incentive performance bonus for the year ended 31 December 2009 was determined by the remuneration committee having regard to the performance of directors and the Group's operating results.
- (2) Mr Tsang Hen Loon, Raymond and Mr Wong Sun resigned on 31 March 2009.
- (3) Mr Wang Chengwei resigned on 25 January 2009 and Mr Xie Linzhen was appointed as independent non-executive director on 25 January 2009.

Employees' emoluments

The five highest paid individuals included three (2009: four) directors for the year ended 31 December 2010, whose emoluments are included in the above. The emoluments of the remaining two (2009: one) individuals are as follows:

Salaries and allowances	薪金及津貼
Bonus	花紅
Share-based payments	以股份付款
Retirement benefits scheme contributions	退休福利計劃供款

Their emoluments were within the following bands:

Nil to HK\$1,000,000	零至1,000,000 港元
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至1,500,000 港元
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至2,000,000 港元

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments for both years.

11. 董事及僱員酬金 (續)

董事酬金 (續)

附註：

- (1) 截至二零零九年十二月三十一日止年度之表現獎勵花紅是由薪酬委員會經考慮董事之表現及本集團之經營業績而釐定。
- (2) 曾憲龍先生、王晨先生於二零零九年三月三十一日辭任。
- (3) 汪誠蔚先生已於二零零九年一月二十五日辭任，謝麟振先生於二零零九年一月二十五日獲委任為獨立非執行董事。

僱員酬金

截至二零一零年十二月三十一日止年度，五名最高薪酬人士包括三名(二零零九年：四名)董事，其酬金已載於上文。餘下二名(二零零九年：一名)最高薪酬人士之酬金如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
968	274
1,405	228
536	227
127	28
3,036	757

彼等之酬金在以下所列範圍：

2010 二零一零年 Number of employees 僱員人數	2009 二零零九年 Number of employees 僱員人數
—	1
1	—
1	—

本年度，本集團並未向任何董事或五名最高薪酬人士支付任何酬金，作為誘使彼等加入本集團或於彼等加入本集團時向彼等支付之任何款項，或向彼等支付任何款項作為離職補償。於該兩年概無董事放棄其任何酬金。

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12. TAXATION

12. 稅項

PRC Enterprise Income Tax	中國企業所得稅
Under (over) provision in PRC Enterprise Income Tax in prior years (Note)	過往年度中國企業所得稅不足(超額)撥備(附註)
Deferred tax credit (Note 21)	遞延稅項計入(附註21)
Income tax expense for the year	本年度所得稅支出

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
28,286	25,598
1,788	(8,771)
(894)	(1,825)
29,180	15,002

Note: Overprovision in PRC Enterprise Income Tax for the year ended 31 December 2009 represented the additional tax deductions approved by the tax authority on research and development costs incurred in the prior years by certain subsidiaries which were classified as "Hi-New Technology Enterprises".

附註：截至二零零九年十二月三十一日止年度中國企業所得稅超額撥備表現為稅務當局所批准若干附屬公司於過往年度所產生研發成本之額外稅務減免有關，該等附屬公司獲分類為「高新技術企業」。

No provision for Hong Kong Profits Tax has been made for both years as the Company and its subsidiaries have no assessable profits arising in Hong Kong.

由於本公司及其附屬公司並無於香港產生任何應課稅溢利，因此並無就兩個年度作出香港利得稅撥備。

Pursuant to relevant laws and regulations in the PRC, the PRC subsidiaries registered as wholly foreign owned enterprises are exempted from PRC income tax for the two years starting from their first profit-making year, followed by a 50% tax relief for the next three years. Shanghai Simcom is classified as Key Production Enterprise and is entitled to use an applicable tax rate of 10% for each of the year ended 31 December 2010 and 2009 respectively. Two other wholly-owned subsidiaries of the Company, Shanghai Suncom Logistics Limited ("Suncom Logistics") and Max Vision (Shanghai) Limited ("Shanghai Max Vision") are entitled to adopt a tax rate of 22% (2009: 20%) because they were registered in the area of Shanghai Wai Gao Qiao Free Trade Zone 上海外高橋保稅區. Shanghai Sunrise Simcom Limited ("Shanghai Sunrise Simcom") and Smartwireless Technology Limited are classified as New and High Technology Enterprise and are entitled to adopt a tax rate of 15% for both years. The tax charge provided has been made after taking into account these tax incentive.

根據中國之相關法律及法規，在中國註冊為外商獨資企業之中國附屬公司自首個獲利年度起計兩年，可獲豁免繳納中國企業所得稅，其後三年則可按企業所得稅率減半繳稅。截至二零一零年及二零零九年十二月三十一日止年度各年，上海希姆通分別被評為「重點生產企業」，並有權享用10%的適用稅率。本公司其他兩家附屬公司上海羅捷斯迪電子有限公司(「羅捷斯迪」)及麥維訊電子(上海)有限公司(「上海麥維訊」)由於在上海外高橋保稅區註冊，因此可按22%(二零零九年：20%)稅率繳納企業所得稅。上海晨興希姆通電子科技有限公司(「上海晨興希姆通」)和北京華創智豐科技有限公司被評為「高新技術企業」，因此兩個年度有權享用15%的適用稅率。稅項開支撥備已計及該等稅務優惠。

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12. TAXATION (CONTINUED)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, Enterprise Income Tax rate of the Group's certain subsidiaries in the PRC increased from 15% to 25% progressively from 1 January 2008 onwards. The relevant tax rates for the Group's subsidiaries in the PRC ranged from 10% to 25% (2009: 10% to 20%).

The tax charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

12. 稅項(續)

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及企業所得稅法的實施細則，由二零零八年一月一日起本集團的若干中國附屬公司企業所得稅由15%遞增至25%。本集團的中國附屬公司企業稅率範圍為10%至25%(二零零九年：10%至20%)。

本年度稅項開支與綜合收益表中所示之除稅前溢利對賬如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before taxation	除稅前溢利	266,804	148,622
Taxation at the PRC income tax rate of 25% (2009: 25%)	按中國企業所得稅稅率25%計算(二零零九年：25%)	66,701	37,156
Tax effect of expenses not deductible for tax purpose	不可扣稅之開支之稅務影響	10,858	14,276
Tax effect of income not taxable for tax purpose	無須課稅之收入之稅務影響	(10,907)	(17,791)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	7,141	4,788
Under (over) provision in respect of prior years	過往年度不足(超額)撥備	1,788	(8,771)
Utilisation of tax losses previously not recognised	過往未確認之未動用稅務虧損	(22,698)	(8,623)
Effect of tax exemptions granted to PRC subsidiaries	中國附屬公司之稅務豁免之影響	(12,664)	-
Income tax on concessionary rate	按優惠稅率計算之所得稅	(11,039)	(6,033)
Taxation for the year	本年度稅項	29,180	15,002

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13. PROFIT FOR THE YEAR

13. 本年度溢利

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit for the year is arrived at after charging (crediting):	本年度溢利已扣除(計入):		
Auditor's remuneration	核數師酬金	1,950	1,750
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷(計入銷售成本)	168,788	156,946
Less: Amount capitalised in development costs	減: 已資本化開發成本	(1,188)	(2,309)
		167,600	154,637
Amortisation of land use rights	土地使用權攤銷	2,290	1,886
Depreciation of property, plant and equipment	物業、廠房及設備折舊	43,540	38,680
Less: Amount capitalised in development costs	減: 已資本化開發成本	(3,130)	(4,756)
		40,410	33,924
Allowance for bad and doubtful debts	呆壞賬撥備	11,051	336
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回	(411)	(427)
Write-down of inventories (included in cost of sales)	存貨撇減(計入銷售成本)	6,513	14,601
Costs of inventories recognised as expenses	確認為開支的存貨成本	3,505,281	2,667,164
Staff costs:	員工成本:		
Directors' emoluments (note 11)	董事酬金(附註11)	8,263	4,613
Other staff costs	其他員工成本		
– Salaries and other benefits	– 工資及其他福利	238,629	171,417
– Retirement benefits scheme contributions	– 退休福利計劃供款	47,820	34,322
– Share-based payments	– 以股份付款	14,076	8,764
		308,788	219,116
Less: Amount capitalised in development costs	減: 已資本化開發成本	(126,567)	(82,763)
		182,221	136,353

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14. DIVIDENDS

14. 股息

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Dividends recognised as distribution during the year:	於年內確認為分派之股息：		
2008 Final dividend, paid – HK1.0 cent per share	已付二零零八年末期股息 – 每股 1.0 港仙	–	15,175
2009 Final dividend, paid – HK2.2 cents per share	已付二零零九年末期股息 – 每股 2.2 港仙	34,415	–
Interim dividend, paid – HK2.5 cents per share (2009: HK0.8 cents)	已付中期股息 – 每股 2.5 港仙 (二零零九年：0.8 港仙)	39,195	12,173
		73,610	27,348
Final dividend, proposed – HK3.0 cents per share (2009: HK2.2 cents) (Note)	建議末期股息 – 每股 3.0 港仙 (二零零九年：每股 2.2 港仙) (附註)	47,089	33,632

Note: The final dividend of HK3.0 cents (2009: HK2.2 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

附註：董事已建議支付末期股息每股 3.0 港仙 (二零零九年：每股 2.2 港仙)，須經股東於應屆股東週年大會批准，方可作實。

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15. EARNINGS PER SHARE

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

Earnings

Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)

盈利

計算每股基本及攤薄盈利之盈利(本年度本公司股東應佔溢利)

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share

Effect of dilutive potential shares – share options weighted average number of ordinary shares for the propose of diluted earnings per share

股份數目

計算每股基本盈利之普通股加權平均數

潛在攤薄股份之影響－購股權計算每股攤薄盈利之普通股加權平均數

15. 每股盈利

本公司股東應佔每股基本及攤薄盈利乃按以下數據計算：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
233,349	128,975
'000 千股	'000 千股
1,556,040	1,520,869
66,399	–
1,622,439	1,520,869

The denominators used were the same as those detailed above for both basic and diluted earnings per share for the year ended 31 December 2009.

The computation of diluted earnings per share for the year ended 31 December 2009 did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for shares for that year.

所使用之分母與上述截至二零零九年十二月三十一日止年度每股基本及攤薄盈利所使用者相同。

由於本公司購股權之行使價均高於該年度股份之平均市價，故截至二零零九年十二月三十一日止年度之每股攤薄盈利之計算並無假設本公司尚未行使購股權之行使。

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16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2009	於二零零九年一月一日	16,396
Transfer from land use rights	由土地使用權轉撥	91,360
Transfer from property, plant and equipment	由物業、廠房及設備轉撥	109,302
Increase in fair value recognised in profit or loss	於損益確認之公平值增加	4,013
Exchange differences	匯率差異	146
At 31 December 2009	於二零零九年十二月三十一日	221,217
Increase in fair value recognised in profit or loss	於損益確認之公平值增加	15,310
Exchange differences	匯率差異	7,305
At 31 December 2010	於二零一零年十二月三十一日	243,832

The Group's investment properties which are situated at SIM Technology Building, No. 633 Jinzhong Road, Changning District, Shanghai, the PRC and are held under medium-term leases.

The fair value of the Group's investment properties at 31 December 2010 and 2009 have been arrived at on the basis of a valuation carried out on that date by Vigers Appraisal & Consulting Limited, independent qualified professional valuers not connected with the Group. Vigers Appraisal & Consulting Limited is a member of the Institute of Valuers and has appropriate qualifications and recent experiences in the valuation. The valuation was arrived at by reference to the discounted cash flow projections based on estimates of future cash flows, supported by the terms of existing lease and reasonable and supportable assumptions that represent what knowledgeable willing parties would assume about rental income for future leases in the light of current conditions, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

As at 31 December 2010, the Group has pledged investment properties having a fair value of approximately HK\$36,303,000 (2009: nil) to secure general banking facilities granted to the Group.

本集團位於中國上海長寧區金鐘路633號晨訊科技大樓之投資物業乃根據中期租約持有。

本集團投資物業於二零一零年及二零零九年十二月三十一日的公平值是按與本集團無關連的獨立合資格專業估值師威格斯資產評估顧問有限公司於同日進行的估值達致。威格斯資產評估顧問有限公司是估值師協會會員，在該等估值方面具有適當資歷及近期經驗。估值乃參考基於未來現金流量的可靠估計而作出的折現現金流量預測達致，並有現有租賃的條款以及合理及有理據的假設支持，而該等假設可代表知情及自願訂約方於目前情況下會對未來租賃的租金收入的假設，所使用的折現率反映市場對有關現金流金額及時間方面不確定性的目前評估。

本集團所有以經營租賃形式持有並作賺取租金或資本增值用途的物業，是採用公平值模式計量及分類及入賬列為投資物業。

於二零一零年十二月三十一日，本集團之投資物業的公平值約為36,303,000港元(二零零九年：無)已與抵押，作為本集團獲得一般銀行融資之擔保。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Construction in progress 在建工程	Buildings 樓宇	Leasehold improvements 租賃物業 裝修	Equipment, furniture and fixtures 設備、傢俬 及裝置	Plant and machinery 廠房及機器	Motor vehicles 汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
COST	成本							
At 1 January 2009	於二零零九年一月一日	52,079	144,493	3,915	171,661	28,367	5,036	405,551
Exchange differences	匯率差異	1	1,738	40	1,512	252	39	3,582
Additions	添置	17,670	51,792	831	9,383	254	897	80,827
Acquired on acquisition of subsidiaries	收購附屬公司所得	-	-	-	1,085	-	80	1,165
Transfer	轉撥	(52,605)	52,605	-	-	-	-	-
Revaluation gain on transfer to investment properties	轉撥至投資物業時 的重估收益	-	27,496	-	-	-	-	27,496
Transfer to investment properties	轉撥至投資物業	-	(110,995)	-	-	-	-	(110,995)
Disposals	出售	-	-	-	(442)	-	-	(442)
At 31 December 2009	於二零零九年 十二月三十一日	17,145	167,129	4,786	183,199	28,873	6,052	407,184
Exchange differences	匯率差異	541	5,278	138	5,766	911	175	12,809
Additions	添置	42,173	104	163	12,859	67,280	1,830	124,409
Transfer	轉撥	(22,641)	20,390	-	-	2,251	-	-
Disposals	出售	-	-	(416)	(917)	-	-	(1,333)
At 31 December 2010	於二零一零年 十二月三十一日	37,218	192,901	4,671	200,907	99,315	8,057	543,069

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(CONTINUED)

17. 物業、廠房及設備(續)

		Construction in progress 在建工程 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Equipment, furniture and fixtures 設備、傢俬 及裝置 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
DEPRECIATION		折舊						
At 1 January 2009	於二零零九年一月一日	-	12,742	3,915	85,530	8,780	3,178	114,145
Exchange differences	匯率差異	-	113	40	739	79	24	995
Charge for the year	本年度折舊	-	8,759	171	26,544	2,507	699	38,680
Revaluation gain on transfer to investment properties	轉撥至投資物業時 的重估收益	-	(1,693)	-	-	-	-	(1,693)
Eliminated on disposals	於出售時對銷	-	-	-	(397)	-	-	(397)
At 31 December 2009	於二零零九年 十二月三十一日	-	19,921	4,126	112,416	11,366	3,901	151,730
Exchange differences	匯率差異	-	799	121	4,026	555	126	5,627
Charge for the year	本年度折舊	-	8,181	225	24,793	9,408	933	43,540
Eliminated on disposals	於出售時對銷	-	-	(416)	(801)	-	-	(1,217)
At 31 December 2010	於二零一零年 十二月三十一日	-	28,901	4,056	140,434	21,329	4,960	199,680
CARRYING VALUES		賬面值						
At 31 December 2010	於二零一零年 十二月三十一日	37,218	164,000	615	60,473	77,986	3,097	343,389
At 31 December 2009	於二零零九年 十二月三十一日	17,145	147,208	660	70,783	17,507	2,151	255,454

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17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment other than construction in progress are depreciated on a straight-line basis at the following rates per annum:

Buildings	樓宇
Leasehold improvements	租賃物業裝修
Equipment, furniture and fixtures	設備、傢俬及裝置
Plant and machinery	廠房及機器
Motor vehicles	汽車

The buildings of the Group are situated in the PRC and located on land use rights under medium-term leases. The construction in progress mainly represented buildings under construction which are situated in the PRC.

As at 31 December 2010, the Group has pledged buildings having a carrying value of approximately HK\$75,688,000 (2009: nil) to secure general banking facilities granted to the Group.

17. 物業、廠房及設備(續)

物業、廠房及設備乃按直線法及按下列年率折舊：

5%
The shorter of the lease terms and 5 years
租賃期限及5年期限之較短者
20%-25%
10%
20%

本集團之樓宇位於中國並座落於以中期租約持有土地使用權之土地上。在建工程主要指位於中國在建中之樓宇。

於二零一零年十二月三十一日，本集團之樓宇的公平值約為75,688,000港元(二零零九年：無)已與抵押，作為本集團獲得一般銀行融資之擔保。

18. LAND USE RIGHTS

18. 土地使用權

		HK\$'000 千港元
COST	成本	
At 1 January 2009	於二零零九年一月一日	77,909
Additions	添置	38,664
Revaluation gain on transfer to investment properties	轉撥至投資物業時的重估收益	58,941
Transfer to investment properties	轉撥至投資物業	(91,360)
Charge for the year	本年度折舊	(1,886)
Exchange differences	匯率差異	691
At 31 December 2009	於二零零九年十二月三十一日	82,959
Transfer from deposits paid for land use rights	由土地使用權支付之按金轉撥	11,678
Charge for the year	本年度折舊	(2,290)
Exchange differences	匯率差異	3,761
At 31 December 2010	於二零一零年十二月三十一日	<u>96,108</u>

The land use rights of the Group are held under medium-term lease in the PRC and amortised over the term of the lease of 50 years.

As at 31 December 2010, the Group has pledged land use rights having a net book value of approximately HK\$15,464,000 (2009: nil) to secure general banking facilities granted to the Group.

本集團於中國之土地使用權乃根據中期租約持有，並按50年租約年期攤銷。

於二零一零年十二月三十一日，本集團之土地使用權的賬面淨值約為15,464,000港元(二零零九年：無)已與抵押，作為本集團獲得一般銀行融資之擔保。

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截至二零一零年十二月三十一日止年度**19. GOODWILL****19. 商譽**

		HK\$'000 千港元
COST AND CARRYING VALUES	成本及賬面值	
At 1 January 2009	於二零零九年一月一日	–
Arising on acquisition of subsidiaries	收購附屬公司所產生	28,321
		<hr/>
At 31 December 2009 and 31 December 2010	於二零零九年十二月三十一日及 二零一零年十二月三十一日	28,321
		<hr/>

For the purposes of impairment testing, goodwill has been allocated to the cash generating units (“CGUs”) of sale of mobile handset solutions. The recoverable amount of the CGUs has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-years period and discount rate of 17.27% for both years. The cash flows beyond the 5-years period are extrapolated having a steady 3% growth rate for both years. The growth rate is based on the relevant industry growth forecasts and average long-term growth rate for the relevant industry. A key assumption for the value in use calculation is the budgeted growth rate, which is determined based on past performance and management’s expectations for the market development. No impairment on goodwill noted. Management believes that any reasonably possible change in any of the assumption would not cause the aggregate carrying amount of the above CGUs to exceed the aggregate recoverable amount of the above CGUs.

就減值測試而言，商譽已分配至移動手機解決方案之現金產生單位（「現金產生單位」）。有關現金產生單位之可收回金額已根據使用價值計算釐定。有關計算方式以管理層核准之財務預算為基礎作現金流量預測，涵蓋年期為5年以及兩年均使用17.27%的貼現率。超過5年的現金流量推斷連續兩年有穩定的3%增長。增長幅度是根據相關行業增長預測和相關行業平均長期增長率。一個為使用價值計算的關鍵假設是根據過往表現及管理層對市場發展期望的預算增長率。並無作出商譽減值。管理層相信任何可能改變的假設並不會導致上述現金產生單位總額超過上述現金產生單位的總計可收回金額。

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20. INTANGIBLE ASSETS

20. 無形資產

		Licence fee 許可證費 HK\$'000 千港元	Development costs 開發成本 HK\$'000 千港元	Technical know-how 專有技術 HK\$'000 千港元	Customer contracts 客戶合約 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本					
At 1 January 2009	於二零零九年一月一日	68,349	469,358	71,339	-	609,046
Additions	添置	6,573	120,181	-	-	126,754
Acquired on acquisition of subsidiaries	收購附屬公司所得	9,867	9,853	-	27,514	47,234
Exchange differences	匯率差異	409	3,670	-	-	4,079
Write-off	撇銷	-	(54,839)	-	-	(54,839)
At 31 December 2009	於二零零九年十二月三十一日	85,198	548,223	71,339	27,514	732,274
Additions	添置	6,699	157,375	-	-	164,074
Exchange differences	匯率差異	1,822	15,329	-	-	17,151
Write-off	撇銷	-	(156,840)	-	-	(156,840)
At 31 December 2010	於二零一零年十二月三十一日	93,719	564,087	71,339	27,514	756,659
AMORTISATION	攤銷					
At 1 January 2009	於二零零九年一月一日	47,025	389,633	10,790	-	447,448
Charge for the year	本年度攤銷	12,025	134,830	10,091	-	156,946
Exchange differences	匯率差異	287	2,963	-	-	3,250
Write-off	撇銷	-	(54,839)	-	-	(54,839)
At 31 December 2009	於二零零九年十二月三十一日	59,337	472,587	20,881	-	552,805
Charge for the year	本年度攤銷	10,173	139,354	10,090	9,171	168,788
Exchange differences	匯率差異	1,367	13,086	-	-	14,453
Write-off	撇銷	-	(156,840)	-	-	(156,840)
At 31 December 2010	於二零一零年十二月三十一日	70,877	468,187	30,971	9,171	579,206
CARRYING AMOUNT	賬面值					
At 31 December 2010	於二零一零年十二月三十一日	22,842	95,900	40,368	18,343	177,453
At 31 December 2009	於二零零九年十二月三十一日	25,861	75,636	50,458	27,514	179,469

Development costs are internally generated. License fee, technical know-how and customer contracts of the Group were acquired from third parties.

開發成本由內部產生。本集團許可證費用、專有技術及客戶合約購自第三方。

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20. INTANGIBLE ASSETS (CONTINUED)

The intangible assets have finite useful lives. Intangible assets are amortised on a straight-line basis over the following period:

Licence fee	1-5 years
Development costs	9 months-2 years
Technical know-how	5-8 years
Customer contracts	3 years

20. 無形資產(續)

無形資產使用年期為有限。無形資產以直線法按以下期間攤銷：

許可證費	1至5年
開發成本	9個月至2年
專有技術	5至8年
客戶合約	3年

21. DEFERRED TAX

The following are the major deferred tax (liabilities) assets recognised by the Group and the movement thereon, during the current and prior years.

21. 遞延稅項

以下為於本年度及過往年度，由本集團確認之主要遞延稅項(負債)資產及有關變動。

		Development cost capitalised	Write-down of inventories and trade receivables	Revaluation of buildings and land use rights transferred to investment properties	Intangible assets	Total
		已資本化開發成本	存貨及應收貿易賬款撇減	樓宇及土地使用權重估並轉撥至投資物業	無形資產	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於二零零九年一月一日	(10,966)	3,410	(2,971)	-	(10,527)
Acquisitions of subsidiaries (Note 31)	收購附屬公司(附註31)	-	-	-	(3,268)	(3,268)
Exchange differences	匯率差異	(97)	28	(27)	-	(96)
Credit (charge) to profit or loss	計入(扣除自)損益	2,828	-	(1,003)	-	1,825
Charge to properties revaluation reserve	扣除自物業重估儲備	-	-	(21,609)	-	(21,609)
At 31 December 2009	於二零零九年十二月三十一日	(8,235)	3,438	(25,610)	(3,268)	(33,675)
Exchange differences	匯率差異	(282)	394	(887)	-	(775)
(Charge) credit to profit or loss	扣除自(計入)損益	(1,038)	5,760	(3,828)	-	894
At 31 December 2010	於二零一零年十二月三十一日	(9,555)	9,592	(30,325)	(3,268)	(33,556)

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21. DEFERRED TAX (CONTINUED)

For the purpose of consolidated statement of financial position presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax assets	遞延稅項資產
Deferred tax liabilities	遞延稅項負債

At 31 December 2010, other than the deferred tax assets and liabilities mentioned above, subsidiaries of the Group had unused tax losses of approximately HK\$75,365,000 (2009: HK\$137,593,000) available for offset against future profit. No deferred tax asset has been recognised due to the unpredictability of future profit streams of those subsidiaries. Included in unused tax losses of HK\$58,484,000 (2009: HK\$131,831,000) that will expire by 2015 (2009: 2014). Other losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2009 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK\$498,685,000 (2009: HK\$318,569,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

21. 遞延稅項(續)

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債已予以抵銷。以下乃就財務報告所作之遞延稅項餘額之分析：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
9,592	3,438
(43,148)	(37,113)
(33,556)	(33,675)

於二零一零年十二月三十一日，除上述遞延稅項資產及負債外，本集團附屬公司有未動用稅項虧損約75,365,000港元(二零零九年：137,593,000港元)可供抵銷未來溢利。由於該等附屬公司未來溢利流不可預測，故並無確認遞延稅項資產。未動用稅項虧損內58,484,000港元(二零零九年：131,831,000港元)將於二零一五年(二零零九年：二零一四年)屆滿。其他虧損可無限期結轉。

根據中國企業所得稅法，由二零零九年一月一日起，就中國附屬公司所賺取溢利宣派的股息須繳交預扣稅。綜合財務報表內未有就中國附屬公司累計溢利的暫時差額498,685,000港元(二零零九年：318,569,000港元)作出遞延稅項撥備，原因為本集團可控制該等暫時差額的撥回時間，以及該等暫時差額在可見的將來不大可能撥回。

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22. AVAILABLE-FOR-SALE INVESTMENTS

22. 可供出售投資

Available-for-sale investments comprise: 可供出售投資包括：

Unlisted equity securities in the PRC 於中國之未上市權益證券

The above unlisted equity investments represent investments in unlisted equity securities issued by a private entity incorporated in the PRC. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

上述非上市股權投資代表投資於中國註冊成立的一個私人實體發行的非上市股本證券。因為合理公平值估計的範圍極大，本公司的董事認為其公平值不能可靠地計量，因此於報告期末按成本減去減值而計量。

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
15,876	–

23. INVENTORIES

23. 存貨

Raw materials 原料
Work in progress 在製品
Finished goods 製成品

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
347,536	351,560
30,159	4,603
62,318	54,927
440,013	411,090

24. PROPERTIES UNDER DEVELOPMENT FOR SALES

24. 發展中的銷售物業

	HK\$'000 千港元
At 1 January 2009 and 31 December 2009 Transfer from deposits paid for land use rights	–
Additions	97,546
Exchange differences	9,815
	3,080
At 31 December 2010	110,441

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24. PROPERTIES UNDER DEVELOPMENT FOR SALES (CONTINUED)

The properties under development for sales of the Group are situated in the PRC and located on land use rights under medium-term leases. The Group is in the process of obtaining the land use rights certificates as at 31 December 2010. Legal opinion is provided by the Group's legal advisor that the Group has already obtained the rights to obtain the legal title of the land and has the rights to develop the properties on the related land in accordance with the applicable PRC laws.

25. OTHER CURRENT FINANCIAL ASSETS

The normal credit period taken on sales of goods is 0-90 days.

The following is an aged analysis of trade receivables, notes and bills receivables presented based on the invoice date at the end of the reporting period:

0-30 days	零至30天
31-60 days	31至60天
61-90 days	61至90天
91-180 days	91至180天
Over 180 days	超過180天
Less: Accumulated allowances	減：累計撥備
Trade receivables	應收貿易賬款
Notes and bills receivables – within 30 days (Note)	應收票據及賬單 – 30天內(附註)

Note: Notes and bills receivables represent the promissory notes issued by banks received from the customers.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed twice a year. The Group has policy for allowance of bad and doubtful debts which is based on the evaluation of collectability and age analysis of accounts and on management's judgment including creditworthiness and the past collection history of each client.

24. 發展中的銷售物業(續)

本集團發展中的銷售物業位於中國及坐落於按中期租約持有土地使用權的土地上。於二零一零年十二月三十一日，本集團正在獲取土地使用權證書過程中。本集團的法律顧問提供的法律意見認為，本集團已經取得土地合法所有權的權利，有權按照適用中國法律於有關土地上發展相關物業。

25. 其他流動金融資產

銷售貨品的一般信貸期為零至90天。

以下為應收貿易賬款、應收票據及賬單按發票日期於呈報期間末之賬齡分析：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
103,747	94,140
1,689	6,764
655	14,118
2,126	564
23,882	36,455
132,099	152,041
(21,679)	(10,486)
110,420	141,555
124,304	75,173

附註：應收票據及賬單為收取由客戶由銀行發出之承兌票據。

於接納任何新客戶前，本集團評估潛在客戶之信貸質素及釐定客戶之信貸額度。給予客戶之信貸額度每年檢討兩次。本集團已就呆壞賬撥備制定政策，該項政策根據賬目之可收回程度及賬齡分析以及管理層會判斷(包括每名客戶之信貸評級及過往還款記錄)而制定。

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25. OTHER CURRENT FINANCIAL ASSETS (CONTINUED)

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$11,892,000 (2009: HK\$32,840,000) which are past due at the reporting date for which the Group has not provided for impairment loss because they were either subsequently settled as at the date of this report or there was no historical default of payments by the respective customers. The Group does not hold any collateral over these balances. The average age of these receivables is 216 days (2009: 246 days).

Ageing of trade receivables which are past due but not impaired

0-30 days	零至30天
31-60 days	31至60天
61-90 days	61至90天
91-180 days	91至180天
181-365 days	181至365天
Total	總計

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘
Impairment losses recognised on receivables	就應收賬款確認之減值虧損
Exchange differences	匯兌差異
Impairment losses reversed	減值虧損撥回
Balance at end of the year	年末結餘

25. 其他流動金融資產(續)

本集團之應收貿易賬款結餘內包含賬面總值為11,892,000港元(二零零九年: 32,840,000港元)的應收賬款, 於報告日為已過期而本集團並無就減值虧損作撥備, 因此等款項已於報告日後付清或這些客戶並沒有違約記錄。本集團並無就該等結餘持有任何抵押。該等應收貿易賬款之平均賬齡為216天(二零零九年: 246天)。

已過期但未減值的應收貿易賬款之賬齡

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
195	550
191	102
293	5,556
4,072	–
7,141	26,632
11,892	32,840

呆賬撥備之變動

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
10,486	10,484
11,051	336
553	93
(411)	(427)
21,679	10,486

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25. OTHER CURRENT FINANCIAL ASSETS (CONTINUED)

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$13,794,000 (2009: HK\$3,268,000) which have either been placed under liquidation or in severe financial difficulties. The Group does not hold any collateral over these balances.

Other receivables are unsecured, interest-free and are recoverable on demand. Deposits mainly represented trade deposits paid to third parties.

At 31 December 2010, included in the trade receivables and notes receivables, HK\$14,068,000 (2009: HK\$20,220,000) and HK\$41,604,000 (2009: nil) respectively are denominated in USD, which are not denominated in the functional currency of the respective group entities.

26. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

The bank balances and cash of the Group are mainly denominated in RMB, Hong Kong dollars and USD. The bank balances receive interest at an average rate of 0.8% (2009: 0.7%) per annum. Included in the bank balances and cash and pledged bank deposits was an amount of HK\$999,885,000 (2009: HK\$748,971,000) denominated in RMB, which is not freely convertible into other currencies.

The Group's bank deposits of HK\$616,828,000 (2009: HK\$329,114,000) as at 31 December 2010 were pledged to secure the short-term generate banking facilities granted by banks. The bank deposits will mature on clearance of the letter of credit.

At 31 December 2010, bank balances of HK\$148,616,000 (2009: HK\$104,099,000) are denominated in USD, which are not denominated in the functional currency of the respective group entities.

25. 其他流動金融資產(續)

呆賬撥備中包括個別減值的應收貿易賬款合計餘額 13,794,000 港元(二零零九年: 3,268,000 港元), 該等賬款的債務人正處於清盤或陷入嚴重財務困難。本集團並無就此等結餘持任何抵押品。

其他應收賬款為無抵押、不計息及於要求時償還。按金主要為應付第三方的貿易按金。

於二零一零年十二月三十一日, 應收貿易賬款及應收票據中, 包括以美元計值之款項為 14,068,000 港元(二零零九年: 20,220,000 港元)及 41,604,000 港元(二零零九年: 零), 有關款項並非以集團公司各自的功能貨幣計值。

26. 已抵押銀行存款及銀行結餘及現金

本集團之銀行結餘及現金主要以人民幣、港元及美元計值。銀行結餘按平均年利率 0.8% (二零零九年: 0.7%) 計息。銀行結餘及現金以及已抵押銀行存款內包括一項人民幣款項 999,885,000 港元(二零零九年: 748,971,000 港元), 該等款項不可自由轉換為其他貨幣。

本集團之銀行存款 616,828,000 港元(二零零九年: 329,114,000 港元)於二零一零年十二月三十一日予以抵押, 以獲得銀行授出之短期一般銀行融資。銀行存款將於信用證結算時到期。

於二零一零年十二月三十一日, 以美元計值的銀行結餘為 148,616,000 港元(二零零九年: 104,099,000 港元), 有關款項並非以集團公司各自的功能貨幣計值。

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27. OTHER CURRENT FINANCIAL LIABILITIES

Trade and notes payables, other payables, deposit received and accruals principally comprise amounts outstanding for trade purposes and ongoing costs.

Trade payables principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 30-60 days. An aged analysis of the Group's trade and notes payables at the end of the reporting period presented based on the invoice date is as follows:

0-30 days	零至30天
31-60 days	31至60天
61-90 days	61至90天
Over 90 days	超過90天

At 31 December 2010, included in the trade payables, HK\$291,732,000 (2009: HK\$88,866,000) are denominated in USD, which are not denominated in the functional currency of the respective group entities.

As 31 December 2010, included in other payables, HK\$27,349,000 (2009: HK\$29,423,000) are deferred income on government grants, which are released to income over actual expenditure used in research and development activities.

27. 其他流動金融負債

應付貿易賬款及票據、其他應付賬款、已收按金及應計款項主要包括貿易用途之未償付款項以及持續成本。

應付貿易賬款主要包括未償還的貿易採購成本。貿易採購之一般信貸期為30至60天。以下為按發票日期於呈報期間末本集團之應付貿易賬款及票據之賬齡分析：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
357,207	462,324
42,571	36,472
4,556	2,876
16,023	14,495
420,357	516,167

於二零一零年十二月三十一日，應付貿易賬款內包括以美元計值之款項291,732,000港元(二零零九年：88,866,000港元)，有關款項並非以集團公司各自的功能貨幣計值。

於二零一零年十二月三十一日，其他應付款項內包括政府項目收入之遞延收入27,349,000港元(二零零九年：29,423,000港元)，且該等收入按研發活動之實際開支調撥至收入。

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28. BANK BORROWINGS

28. 銀行借貸

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Secured bank loans 已抵押銀行貸款	640,335	271,123

At the end of the reporting period, the loans are denominated in USD, which are not denominated in functional currency of the respective group entities, carrying at LIBOR plus a spread and payable within one year. Pursuant to the loan agreement, the bank borrowings were secured by investment properties, property, plant and equipment, land use rights and bank deposits as disclosed in notes 16, 17, 18 and 26 respectively.

於報告期末，貸款以美元計值，而並非以集團公司各自的功能貨幣計值，且按倫敦銀行同業拆息加息差記賬，並於一年內支付。根據貸款協議，如分別於附註16、17、18及26所披露，銀行借貸將透過投資物業、物業、廠房及設備、土地使用權及銀行存款作抵押。

29. SHARE CAPITAL

29. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.1 each 每股面值0.1港元之普通股			
Authorised: 法定：			
At 1 January 2009, 31 December 2009 and 31 December 2010	於二零零九年一月一日、二零零九年十二月三十一日及二零一零年十二月三十一日	3,000,000	300,000
Issued: 已發行：			
At 1 January 2009	於二零零九年一月一日	1,517,490	151,749
Exercise of share options	行使購股權	11,216	1,122
At 31 December 2009	於二零零九年十二月三十一日	1,528,706	152,871
Exercise of share options	行使購股權	40,919	4,091
At 31 December 2010	於二零一零年十二月三十一日	1,569,625	156,962

The shares which were issued during the year rank pari passu with each other in all respects.

本年度發行之該等股份在各方面均具有相同權益。

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		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	73,739	8,911
Surplus on transfer from land use rights and property, plant and equipment to investment properties at fair value	因以公平值轉撥土地使用權及物業、廠房及設備至投資物業而產生之盈餘	-	86,437
Deferred tax liability on surplus on transfer from land use rights and property, plant and equipment to investment properties at fair value	因以公平值轉撥土地使用權及物業、廠房及設備至投資物業而產生盈餘之遞延稅項負債	-	(21,609)
At 31 December	於十二月三十一日	73,739	73,739

Investment revaluation reserve**投資重估儲備**

			HK\$'000
			千港元
At 1 January 2009	於二零零九年一月一日		-
Change in fair value of available-for-sale investments	可供出售投資之公平值變動		25,366
Transfer to profit or loss on disposal available-for-sale investments	轉撥至損益之出售可供出售投資		(25,366)
At 31 December 2009 and 31 December 2010	於二零零九年十二月三十一日及於二零一零年十二月三十一日		-

Translation reserve**換算儲備**

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	118,504	112,185
Exchange differences arising on translation to presentation currency	換算至呈列貨幣產生的匯率差異	50,433	6,319
At 31 December	於十二月三十一日	168,937	118,504

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31. ACQUISITION OF SUBSIDIARIES

On 13 November 2009, the Group acquired 60% of the issued share capital of Goldsey Limited and its wholly-owned subsidiary, Smartwireless Technology Limited, for consideration of USD6,000,000. The subsidiaries acquired are principally engaged in design and development of mobile handset solutions in the PRC. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was HK\$28,321,000. The goodwill arising on acquisition is attributable to the anticipated profitability of the mobile handset solutions business of this group.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

31. 收購附屬公司

於二零零九年十一月十三日，本集團收購高仕有限公司及其全資擁有附屬公司北京華創智豐科技有限公司已發行股本之60%，代價為6,000,000美元。所收購附屬公司主要於中國從事移動手機解決方案之設計及開發。本次收購採用收購會計法入賬。因收購而產生之商譽金額為28,321,000港元。收購產生之商譽有助於提高本集團移動手機解決方案業務之預期盈利能力。

交易所收購之資產淨額及產生之商譽如下：

		Acquiree's carrying amount before combination 被收購方於合併 前之賬面值 HK\$'000 千港元	Fair value adjustment 公平值調整 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	1,165	-	1,165
Intangible assets	無形資產	59	47,175	47,234
Other receivables	其他應收款項	548	-	548
Bank balances and cash	銀行結餘及現金	9,781	-	9,781
Other payables	其他應付款項	(24,790)	-	(24,790)
Deferred tax liabilities	遞延稅項負債	-	(3,268)	(3,268)
		<u>(13,237)</u>	<u>43,907</u>	<u>30,670</u>
Non-controlling interests	少數股東權益			(12,268)
Goodwill	商譽			<u>28,321</u>
Total consideration satisfied by:	總代價之支付方式：			
Cash	現金			<u>46,723</u>
Net cash outflow arising on acquisition:	收購所產生之現金流出淨額：			
Cash consideration paid	已付現金代價			46,723
Bank balances and cash acquired	收購之銀行結餘及現金			<u>(9,781)</u>
				<u>36,942</u>

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31. ACQUISITION OF SUBSIDIARIES (CONTINUED)

The subsidiaries acquired contributed approximately HK\$10,839,000 to the Group's revenue and HK\$7,734,000 to the Group's profit for the period between the date of acquisition and 31 December 2009.

If the acquisition had been completed on 1 January 2009, total group revenue for the period would have been HK\$2,991,531,000, and profit for the period would have been HK\$129,739,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2009, nor is it intended to be a projection of future results.

32. OPERATING LEASE ARRANGEMENT

The Group as lessee

The Group made minimum lease payments under operating leases in respect of office premises of approximately HK\$6,049,000 (2009: HK\$4,705,000), in which approximately HK\$1,852,000 (2009: HK\$1,621,000) were capitalised in development cost.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)

Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

31. 收購附屬公司(續)

收購之附屬公司使得本集團於自收購之日起至二零零九年十二月三十一日之期間之收入增加約10,839,000港元，溢利增加約7,734,000港元。

倘收購於二零零九年一月一日完成，本集團於該期間之收入總額將為2,991,531,000港元，而溢利則為129,739,000港元。備考資料僅供說明之用，並非本集團假設收購已於二零零九年一月一日完成而實際得出之收入及業績指標，亦非未來業績之預測。

32. 經營租賃安排

本集團作為承租人

本集團就辦公室物業而根據經營租賃支付之最低租金款項約為6,049,000港元(二零零九年：4,705,000港元)，其中約1,852,000港元(二零零九年：1,621,000港元)已於開發成本中資本化。

於報告期末，本集團根據不可撤銷經營租賃支付之未來最低租金款項承擔之到期日如下：

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
2,636	1,755
2,338	1,779
4,974	3,534

租賃之平均年期商定為兩年，而租金固定為兩年。

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32. OPERATING LEASE ARRANGEMENT (CONTINUED)

32. 經營租賃安排(續)

The Group as lessor

本集團作為出租人

All of the properties held have committed tenants for the next 2-10 years.

所有持有之物業均有承租人承擔未來2至10年租賃期。

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

於報告期末，本集團與承租人簽訂以下未來最低租金款項如下：

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within one year	一年內	14,890	12,324
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	52,566	38,709
After five years	五年後	10,118	10,668
		77,574	61,701

33. COMMITMENTS

33. 承擔

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Expenditure contracted for but not provided in the consolidated financial statements in respect of:	已簽約但未於綜合財務報表撥備之支出：		
– building construction	– 興建樓宇	18,934	4,838

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34. RETIREMENT BENEFITS SCHEMES

The Group operates a MPF Scheme under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of the employees' salaries and are charged to consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2010 and 2009.

The Group's subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participate in a state-managed retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits scheme. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and cost charged to the consolidated income statement, which was set out in note 13 to the consolidated financial statement, represents contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

35. SHARE OPTION SCHEMES

The Company had two share option schemes, including pre-initial public offering share options scheme (the "Pre-IPO Options") and post-initial public offering share options scheme (the "Post-IPO Options"). Both Pre-IPO Options and Post-IPO Options were adopted on 30 May 2005. The major terms and conditions of the two schemes are set out below:

(A) Pre-IPO Options

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included directors of the Company or its subsidiaries, senior management and other employees of the Group.

34. 退休福利計劃

本集團根據強制性公積金計劃條例為其所有香港僱員設立一項強積金計劃。所有於香港的僱員均須加入強積金計劃。供款按僱員基本薪金的某一百分比作出，並根據強積金計劃之規則於應予支付時在綜合收益表扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。於二零一零年及二零零九年十二月三十一日，並無沒收之供款作為扣減本集團於未來年度之應付供款。

本集團於中國之附屬公司遵照中國之適用規則，參與一項國家管理由當地政府經營的退休福利計劃。附屬公司須按工資成本的指定百分比比率向退休福利計劃供款。本集團就退休福利計劃之唯一責任為作出指定供款。

於本年度，本集團向計劃供款總額及於綜合收益表扣除之成本，載於本綜合財務報表附註13，代表本集團根據計劃規則按指定比率向計劃應付之供款數額。

35. 購股權計劃

本公司有兩項購股權計劃，包括首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）及首次公開發售後購股權計劃（「首次公開發售後購股權計劃」）。首次公開發售前購股權計劃及首次公開發售後購股權計劃均於二零零五年五月三十日被採納。兩項計劃之主要條款概要如下：

(A) 首次公開發售前購股權計劃

- (i) 目的是為參與者提供激勵。
- (ii) 參與者包括本公司或其附屬公司董事、高級管理層及本集團之其他僱員。

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35. SHARE OPTION SCHEMES (CONTINUED)

(A) Pre-IPO Options (continued)

- (iii) The maximum number of shares in respect of which options might be granted under the Pre-IPO Options shall not exceed 44,000,000 shares.
- (iv) Any cancellation of options granted but not exercised must be approved by the board of directors. Any options cancelled cannot be regranted.
- (v) Subject to the vesting period set out in page 135 of this report and the terms of the Pre-IPO Options, an option may be exercised by the grantee at any time during the period of 10 years commencing on the date of grant.
- (vi) No consideration is required to be paid by the grantee for the grant of options.
- (vii) The exercise price of an option is 60% of the offer price in the Company's initial public offering on 21 June 2005.
- (viii) The life of the Pre-IPO Options shall be valid and effective from 30 May 2005 to 14 June 2005, after which time no further options will be granted but the provisions of the Pre-IPO Options shall remain in full force and effect in all other respects.

(B) Post-IPO Options

- (i) The purpose was to provide incentives to the participants.
- (ii) The participants included any employee or executive director and such other persons as the board of directors may consider appropriate.

35. 購股權計劃(續)

(A) 首次公開發售前購股權計劃(續)

- (iii) 首次公開發售前購股權計劃可授出之購股權所涉及的最高股份限額不可超過44,000,000股。
- (iv) 任何註銷已授出但未行使之購股權須經董事會同意。任何已註銷購股權不可獲重新授出。
- (v) 根據本報告第135頁所載之歸屬期及首次公開發售前購股權計劃之條款，承授人可於授出日期起計十年期間隨時行使購股權。
- (vi) 承授人毋須就授予購股權支付任何代價。
- (vii) 購股權之行使價為本公司於二零零五年六月二十一日進行首次公開發售的每股發售價之60%。
- (viii) 首次公開發售前購股權計劃之年期由二零零五年五月三十日至二零零五年六月十四日期間有效及生效，此後將不會再進一步授出購股權，惟首次公開發售前購股權計劃之條款在所有其他方面仍具十足效力及生效。

(B) 首次公開發售後購股權計劃

- (i) 目的是為參與者提供激勵。
- (ii) 參與者包括任何僱員或執行董事，以及董事會可能認為合適之其他人士。

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35. SHARE OPTION SCHEMES (CONTINUED)

(B) Post-IPO Options (continued)

- (iii) On 12 December 2008, a resolution to renew the 10% general limit of the Post-IPO Options was duly passed by the shareholders of the Company. The maximum number of shares in respect of which options might be granted under the Post-IPO Options must not exceed 10% of the shares in issue as at 12 December 2008, i.e., 1,517,490,000 shares, and in any event the total maximum number of shares which might be issued or issuable upon exercise of all outstanding options should not exceed 30% of the issued share capital of the Company from time to time. As at the date of this report, the total number of share remaining available for issue under the refreshed 10% general limit is 44,549,000 shares, representing approximately 2.84% of the issued share capital of the Company as at the date of this report.
- (iv) Unless approved by shareholders of the Company in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any grantee if the acceptance of those options would result in the total number of shares issued and to be issued to that grantee on exercise of his options during any 12 month period exceeding 1% of the total shares then in issue.
- (v) The acceptance of an option, if accepted, must be made within 5 business days from the date of grant. No consideration is required to be paid by the grantee for the grant of options.
- (vi) The exercise price of an option must be the highest of:
- the closing price of the share on the grant date;
 - the average closing price of the share for the 5 trading days immediately preceding the grant; and
 - the nominal value of the share.
- (vii) The life of the Post-IPO Options was effective until 29 May 2015, after which time no further option will be granted but provisions of the Post-IPO Options shall remain in full force and effect in all other respects.

35. 購股權計劃(續)

(B) 首次公開發售後購股權計劃(續)

- (iii) 於二零零八年十二月十二日，本公司股東通過一項決議更新首次公開發售後購股權計劃之10%一般上限，即1,517,490,000股。根據首次公開發售後購股權計劃可予授出的購股權所涉及的最高股份數目，不得超過於二零零八年十二月十二日已發行股份之10%，而因行使所有尚未行使之購股權而已發行或可發行之最高股份總數，無論如何不得超過本公司任何時候已發行股本之30%。於本報告日期，根據經更新10%一般上限可供發行之剩餘股份總數為44,549,000股，佔於本報告日期本公司已發行股本約2.84%。
- (iv) 除股東於股東大會以上市規則指定的方式批准外，倘接納購股權會導致於任何12個月期間向行使購股權(包括已行使及尚未行使的購股權)之承授人已發行及將發行股份總數超過當時已發行股份總數1%，則董事會不得向任何承授人授出任何購股權。
- (v) 購股權之接納必須於授出日期起計五個營業日內作出。承授人毋須就獲授之購股權支付代價。
- (vi) 購股權之行使價必須為以下之最高者：
- 於授出日期股份之收市價；
 - 緊接授出日期前五個交易日股份之平均收市價；及
 - 股份之面值。
- (vii) 首次公開發售後購股權計劃之年期直至二零一五年五月二十九日為止一直生效，其後將不會再授出購股權，但首次公開發售後購股權計劃之條文在所有其他方面仍具十足效力及生效。

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35. SHARE OPTION SCHEMES (CONTINUED)

35. 購股權計劃(續)

The following table disclose details of the options under Pre-IPO Options, Post-IPO Options held by the grantee and movements in such holdings:

下表披露承授人根據首次公開發售前購股權計劃及首次公開發售後購股權計劃持有之購股權之詳情及該等權益之變動：

Category of participants	Name of scheme	Date of grant	Exercisable period	Exercise price per share	Outstanding	Reallocated	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding	Exercised during the year	Forfeited during the year	Outstanding
					at 1 January 2009	upon change of directorate				at 1 January 2010			at 31 December 2010
參與者類別	計劃名稱	授出日期	行使期	每股行使價	於二零零九年一月一日尚未行使	於董事變更後重調	本年度授出	本年度行使	本年度失效	於二零一零年一月一日尚未行使	本年度行使	本年度失效	於二零一零年十二月三十一日尚未行使
			(Note i) (附註i)	HK\$ 港元			(Note ii) (附註ii)	(Note iv) (附註iv)	(Note iii) (附註iii)		(Note iv) (附註iv)	(Note iii) (附註iii)	
Directors													
董事													
Tsang Hen Loon, Raymond	Pre-IPO Options	30.5.2005	14.2006-29.5.2015	1.02	750,000	(750,000)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	首次公開發售前購股權計劃	二零零五年五月三十日	二零零六年四月一日至二零一五年五月二十九日				不適用	不適用	不適用	不適用	不適用	不適用	不適用
	(Note v) 曾憲龍(附註v)												
Zhang Jianping	Pre-IPO Options	30.5.2005	14.2006-29.5.2015	1.02	1,500,000	-	-	-	-	1,500,000	-	-	1,500,000
	首次公開發售前購股權計劃	二零零五年五月三十日	二零零六年四月一日至二零一五年五月二十九日										
	張劍平												
	Post-IPO Options	28.3.2008	15.4.2009-27.3.2018	0.81	1,600,000	-	-	(236,000)	-	1,364,000	(564,000)	-	800,000
	首次公開發售後購股權計劃	二零零八年三月二十八日	二零零九年四月十五日至二零一八年三月二十七日										
	張劍平												
	Post-IPO Options	3.9.2009	15.4.2010-2.9.2019	0.79	-	-	10,000,000	-	-	10,000,000	(2,500,000)	-	7,500,000
	首次公開發售後購股權計劃	二零零九年九月三日	二零一零年四月十五日至二零一九年九月二日										
	張劍平												
Tang Rongrong	Pre-IPO Options	30.5.2005	14.2006-29.5.2015	1.02	464,000	-	-	-	-	464,000	(464,000)	-	-
	首次公開發售前購股權計劃	二零零五年五月三十日	二零零六年四月一日至二零一五年五月二十九日										
	唐融融												
	Post-IPO Options	28.3.2008	15.4.2009-27.3.2018	0.81	1,600,000	-	-	(300,000)	-	1,300,000	(500,000)	-	800,000
	首次公開發售後購股權計劃	二零零八年三月二十八日	二零零九年四月十五日至二零一八年三月二十七日										
	唐融融												
	Post-IPO Options	3.9.2009	15.4.2010-2.9.2019	0.79	-	-	3,000,000	-	-	3,000,000	-	-	3,000,000
	首次公開發售後購股權計劃	二零零九年九月三日	二零一零年四月十五日至二零一九年九月二日										
	唐融融												
Chan Tat Wing, Richard	Pre-IPO Options	30.5.2005	14.2006-29.5.2015	1.02	500,000	-	-	-	-	500,000	-	-	500,000
	首次公開發售前購股權計劃	二零零五年五月三十日	二零零六年四月一日至二零一五年五月二十九日										
	陳達榮												
	Post-IPO Options	28.3.2008	15.4.2009-27.3.2018	0.81	1,600,000	-	-	-	-	1,600,000	-	-	1,600,000
	首次公開發售後購股權計劃	二零零八年三月二十八日	二零零九年四月十五日至二零一八年三月二十七日										
	陳達榮												
	Post-IPO Options	3.9.2009	15.4.2010-2.9.2019	0.79	-	-	3,000,000	-	-	3,000,000	-	-	3,000,000
	首次公開發售後購股權計劃	二零零九年九月三日	二零一零年四月十五日至二零一九年九月二日										
	陳達榮												
					8,014,000	(750,000)	16,000,000	(536,000)	-	22,728,000	(4,028,000)	-	18,700,000

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35. SHARE OPTION SCHEMES (CONTINUED)

35. 購股權計劃(續)

Category of participants	Name of scheme	Date of grant	Exercisable period	Exercise price per share	Outstanding at 1 January 2009	Reallocated upon change of directorate	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 1 January 2010	Exercised during the year	Forfeited during the year	Outstanding at 31 December 2010
參與者類別	計劃名稱	授出日期	行使期 (Note i) (附註i)	每股 行使價 HK\$ 港元	於二零零九年 一月一日 尚未行使	於董事變更 後重調	本年度 授出 (Note ii) (附註ii)	本年度行使 (Note iv) (附註iv)	本年度失效 (Note iii) (附註iii)	於二零一零年 一月一日 尚未行使	本年度行使 (Note iv) (附註iv)	本年度失效 (Note iii) (附註iii)	於二零一零年 十二月三十一日 尚未行使
Employees of the Group 本集團僱員	Pre-IPO Options 首次公開發售前 購股權計劃	30.5.2005 二零零五年 五月三十日	1.4.2006-29.5.2015 二零零六年四月一日至 二零一五年五月二十九日	1.02	10,708,500	750,000	-	(2,271,000)	(1,386,000)	7,801,500	(4,391,000)	(438,000)	2,972,500
	Post-IPO Options 首次公開發售後 購股權計劃	12.5.2006 二零零六年 五月十二日	1.1.2007-11.5.2016 二零零七年一月一日至 二零一六年五月十一日	3.675	7,055,000	-	-	-	(617,500)	6,437,500	-	(470,000)	5,967,500
	Post-IPO Options 首次公開發售後 購股權計劃	13.11.2007 二零零七年 十一月十三日	1.4.2008-12.11.2017 二零零八年四月一日至 二零一七年十一月十二日	1.64	14,290,000	-	-	-	(1,470,000)	12,820,000	(4,250,000)	(1,332,000)	7,238,000
	Post-IPO Options 首次公開發售後 購股權計劃	28.3.2008 二零零八年 三月二十八日	15.4.2009-27.3.2018 二零零九年四月十五日至 二零一八年三月二十七日	0.81	65,180,000	-	-	(8,408,500)	(8,825,500)	47,946,000	(13,273,000)	(3,957,000)	30,716,000
	Post-IPO Options 首次公開發售後 購股權計劃	3.9.2009 二零零九年 九月三日	15.4.2010-2.9.2019 二零一零年四月十五日至 二零一九年九月二日	0.79	-	-	91,200,000	-	-	91,200,000	(14,977,000)	(3,891,500)	72,331,500
	Total 總計					105,247,500	-	107,200,000	(11,215,500)	(12,299,000)	188,933,000	(40,919,000)	(10,088,500)
Exercisable at the end of the year 於年末可予行使													31,205,500
Weighted average exercise price (HK\$) 加權平均行使價(港元)					1.143	1.020	0.79	0.863	1.077	0.964	0.913	0.958	0.973

Notes:

- (i) In relation to each grantee of the options granted under the Pre-IPO Options, subject to the vesting period set out below and terms of the Pre-IPO Options, an option may be exercised by the grantee at any time during the period of 10 years commencing on the date of grant, 25% of the options will vest during the period from 1 April 2006 to 31 December 2006 and in each of the three calendar years from 1 January 2007 to 31 December 2009.

In relation to each grantee of the options granted on 12 May 2006 under Post-IPO Options, 25% of the options will vest in each of the four calendar years from 1 January 2007.

附註:

- (i) 就根據首次公開發售前購股權計劃獲授購股權的每名承授人而言，根據下文所載之歸屬期及首次公開發售前購股權計劃條款，自授出日期起計10年期間內，承授人可隨時行使購股權，且將分別於二零零六年四月一日至二零零六年十二月三十一日期間以及由二零零七年一月一日至二零零九年十二月三十一日之三個曆年各年獲歸屬25%之購股權。

就根據首次公開發售後購股權計劃於二零零六年五月十二日獲授購股權之每名承授人而言，由二零零七年一月一日起的四個曆年每年將獲歸屬25%之購股權。

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35. SHARE OPTION SCHEMES (CONTINUED)

35. 購股權計劃(續)

Notes:

- (i) (continued)
- In relation to each grantee of the options granted on 13 November 2007 under Post-IPO Options, 25% of the options will vest in each of the four years from 1 April 2008.
- In relation to each grantee of the options granted on 28 March 2008 under Post-IPO Options, 25% of options will vest in each of the four year from 15 April 2009.
- In relation to each grantee of the options granted on 3 September 2009 under Post-IPO Options, 25% of options will vest in each of the four year from 15 April 2010.
- (ii) On 3 September 2009, the Company granted 107,200,000 share options respectively under Post-IPO Options to certain directors of the Company and employees of the Group. No consideration was received for the grant of the options.
- (iii) During the year ended 31 December 2010, 438,000 (2009: 1,386,000) options granted under the Pre-IPO Options and 9,650,500 (2009: 10,913,000) options granted under Post-IPO Options were forfeited upon the resignation of employees.
- (iv) During the year ended 31 December 2010, 4,855,000 (2009: 2,271,000) Pre-IPO options have exercised and 36,064,000 (2009: 8,944,500) Post-IPO options have exercised. The weighted average share price on exercise dates and the weighted average share price immediately before exercise dates are HK\$2.066 (2009: HK\$1.08) per share.
- (v) Mr Tsang Hen Loon, Raymond resigned on 31 March 2009.

附註：

- (i) (續)
- 就根據首次公開發售後購股權計劃於二零零七年十一月十三日獲授購股權之每名承授人而言，由二零零八年四月一日起的四個曆年每年將獲歸屬25%之購股權。
- 就根據首次公開發售後購股權計劃於二零零八年三月二十八日獲授購股權之每名承授人而言，由二零零九年四月十五日起的四個曆年每年將獲歸屬25%之購股權。
- 就根據首次公開發售後購股權計劃於二零零九年九月三日獲授購股權之每名承授人而言，由二零一零年四月十五日起的四個年歷每年將獲歸屬25%之購股權。
- (ii) 於二零零九年九月三日，本公司分別根據首次公開發售後購股權計劃授出107,200,000份購股權予本公司若干董事及本集團若干僱員。授出之購股權並沒有收取任何代價。
- (iii) 截至二零一零年十二月三十一日止年度，有根據首次公開發售前購股權計劃授出438,000份(二零零九年：1,386,000份)購股權，另有根據首次公開發售後購股權計劃授出之9,650,500份購股權(二零零九年：10,913,000份)於僱員辭任後失效。
- (iv) 截至二零一零年十二月三十一日止年度，有4,855,000份(二零零九年：2,271,000份)首次公開發售前購股權行使，且有36,064,000份(二零零九年：8,944,500份)首次公開發售後購股權行使。於行使日期之加權平均股價及緊接行使日期前之加權平均股價為每股2.066港元(二零零九年：1.08港元)。
- (v) 曾憲龍先生於二零零九年三月三十一日辭任。

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35. SHARE OPTION SCHEMES (CONTINUED)

Fair value of share options granted to employees determined at the date of grant is expensed over the vesting period, with a corresponding adjustment to the Group's share option reserve. For the year ended 31 December 2010, an amount of share option expense of approximately HK\$16,566,000 (2009: HK\$9,259,000) has been recognised with a corresponding adjustment recognised in the Group's share option reserve.

The fair values of Post-IPO Options granted on 3 September 2009 determined at the date of grant using the Black-Scholes option pricing model was HK\$44,993,000.

The following assumptions were used to calculate the fair values of share options:

Share price (Note i)	股價(附註i)	HK\$0.79 港元
Exercise price	行使價	HK\$0.79 港元
Expected life of options (Note ii)	購股權預計有效年期(附註ii)	5 years 年
Expected volatility (Note iii)	預期波幅(附註iii)	82.98%
Expected dividend yield	預計股息率	3.49%
Risk free rate	無風險利率	1.9%

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. The changes in subjective input assumptions can materially affect the fair value estimate.

Notes:

- (i) The share price represented the Company's share price at the date of grant of the respective Post-IPO Options.
- (ii) The expected options life is 5 years from the date of grant for Post-IPO Options granted on 3 September 2009 respectively.
- (iii) The expected volatility was determined by calculating the historical volatility of the Company's share price over three years immediately before the date of grant for respective Post-IPO Options.

35. 購股權計劃(續)

於授出日期釐定向僱員授出之購股權之公平值按歸屬期支銷，並於本集團之購股權儲備作相應調整。截至二零一零年十二月三十一日止年度，購股權支出金額約 16,566,000 港元(二零零九年：9,259,000 港元)已予確認，並在本集團之購股權儲備確認相應調整。

採用柏力克－舒爾斯購股權定價模式釐定根據首次公開發售後購股權計劃於二零零九年九月三日授出的購股權的公平值，約為 44,993,000 港元。

購股權之公平值採用下列假設計算：

**Post-IPO Options
granted on
3 September 2009
首次公開發售後購股權計劃於
二零零九年九月三日**

柏力克－舒爾斯購股權定價模式需要作出高度主觀之假設，包括股價波動。各項主觀假設之變動均會嚴重影響公平值之估計。

附註：

- (i) 股價指於首次公開發售後購股權計劃各授出日期本公司之股份價格。
- (ii) 於二零零九年九月三日授出之首次公開發售後購股權計劃之預期購股權有效年期為自授出之日起計 5 年。
- (iii) 各購股權的預期波幅乃經計算與本公司股價於緊接首次公開發售後購股權計劃各授出日期之前 3 年之股價歷史波動釐定。

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For the year ended 31 December 2010

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36. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of directors and key executives which is disclosed in note 11 is determined by the remuneration committee having regard to the Group's operating results, responsibilities and performance of individuals and market trends.

37. EVENT AFTER REPORTING PERIOD

The Company has a proposed offering and listing of Taiwan Depositary Receipts on the Taiwan Stock Exchange Corporation. Details of the offering and listing are disclosed in the announcement of the Company dated 5 January 2011.

36. 關連人士交易

主要管理人員之報酬

於附註11披露之董事及主要行政人員之酬金由薪酬委員會經考慮本集團經營業績、個人所承擔之責任及其表現及市場趨勢後釐定。

37. 報告期後事項

本公司建議發售台灣存託憑證及於台灣證交所上市。發售及上市詳情於本公司二零一一年一月五日的公佈中披露。

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the subsidiaries of the Company at 31 December 2010 and 2009 are as follows:

38. 附屬公司之詳情

於二零一零年及二零零九年十二月三十一日本公司之附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/註冊 日期及地點	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本面值/註冊資本之比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
SIM Technology Group (BVI) Limited	13 October 2004 BVI 二零零四年十月十三日 英屬處女群島	Ordinary shares US\$12,233 普通股12,233美元	100%	100%	-	-	Investment holding 投資控股
Sunrise Electronic Industry Limited 晨興電子工業有限公司	17 December 1999 Samoa 一九九九年十二月十七日 薩摩亞群島	Ordinary shares US\$2,002 普通股2,002美元	-	-	100%	100%	Investment holding 投資控股
Shanghai Sunrise Simcom ² 上海晨興希姆通電子 科技有限公司 ²	9 November 1993 The PRC 一九九三年十一月九日 中國	Registered and contributed capita RMB200,000,000 註冊及實繳資本 人民幣200,000,000元	-	-	100%	100%	Manufacturing and sales of LCD in the PRC 在中國生產及銷售液晶顯示模塊
Shanghai Simcom ² 上海希姆通 ²	5 December 2002 The PRC 二零零二年十二月五日 中國	Registered and contributed capital US\$5,000,000 註冊及實繳資本 5,000,000美元	-	-	100%	100%	Design and development of mobile handset solutions and wireless communication modules and modems in the PRC 在中國從事設計及開發移動手機解 決方案及無線通訊模塊及數據機
Suncom Logistics ¹ 羅捷斯迪 ¹	23 September 2003 The PRC 二零零三年九月二十三日 中國	Registered and contributed capital US\$400,000 註冊及實繳資本 400,000美元	-	-	100%	100%	Procurement, outsourcing, sales and marketing of the Group's products and provides logistics services in the PRC 於中國採購、外包、銷售及推廣本 集團產品及提供物流服務
Simcom International Holdings Limited	2 October 2003 BVI 二零零三年十月二日 英屬處女群島	Ordinary share US\$1 普通股1美元	-	-	100%	100%	Investment holding 投資控股
Suncom International Holdings Limited	12 January 2004 BVI 二零零四年一月十二日 英屬處女群島	Ordinary share US\$1 普通股1美元	-	-	100%	100%	Investment holding 投資控股

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綜合財務報表附註

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**38. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (CONTINUED)**

38. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/註冊 日期及地點	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本面值/註冊資本之比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
SIM Technology HK Limited 晨訊科技香港有限公司	21 April 2004 Hong Kong 二零零四年四月三十一日 香港	Ordinary share HK\$1 普通股 1 港元	-	-	100%	100%	Provision of administrative services in Hong Kong 於香港提供行政服務
Shanghai Speedcomm ¹ 上海思必得 ¹	16 November 2005 The PRC 二零零五年十一月十六日 中國	Registered and contributed capital RMB7,500,000 註冊及實繳資本 人民幣 7,500,000 元	-	-	100%	100%	Design and development of mobile handset solutions and wireless communication module solutions in the PRC 在中國從事設計及開發移動手機解 決方案及無線通訊模塊及數據機
Max Vision Limited 天景有限公司	17 September 2003 Hong Kong 二零零三年九月十七日 香港	Ordinary shares HK\$2 普通股 2 港元	-	-	100%	100%	Investment holding 投資控股
Shanghai Max Vision ¹ 上海麥維訊 ¹	8 December 2003 The PRC 二零零三年十二月八日 中國	Registered and contributed capital US\$200,000 註冊及實繳資本 200,000 美元	-	-	100%	100%	Procurement, outsourcing, sales and marketing of the Group's products and provides logistics services in the PRC 於中國採購、外包、銷售及推廣本 集團產品及提供物流服務
Simcom Wireless ¹ 芯訊通無線 ¹	31 October 2006 The PRC 二零零六年十月三十一日 中國	Registered and contributed capital US\$1,000,000 註冊及實繳資本 1,000,000 美元	-	-	100%	100%	Design and development of wireless communication modules and modems in the PRC 在中國從事設計及開發無線通訊模 塊及數據機
Shanghai SIM Technology Limited ¹ 晨訊科技(上海)有限公司 ¹	2 August 2006 The PRC 二零零六年八月二日 中國	Registered and contributed capital RMB40,000,000 註冊及實繳資本 人民幣 40,000,000 元	-	-	100%	100%	Investment holding of land use right in the PRC 於中國之土地使用權之投資控股

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

38. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/註冊 日期及地點	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本面值/註冊資本之比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
Shanghai Simcom Electronic Limited ¹ 上海芯通電子有限公司 ¹	21 November 2006 The PRC 二零零六年十一月二十一日 中國	Registered and contributed capital US\$200,000 註冊及實繳資本 200,000美元	-	-	100%	100%	Procurement, outsourcing, sales and marketing of the Group's products and provides logistics services in the PRC 於中國採購、外包、銷售及推廣本集團產品及提供物流服務
Sino Team Investments Limited	3 January 2007 Samoa 二零零七年一月三日 薩摩亞群島	Ordinary share US\$1 普通股1美元	-	-	100%	100%	Investment holding 投資控股
Shanghai Basecom Limited ¹ 基信康信息技術(上海)有限公司 ¹	18 April 2007 The PRC 二零零七年四月十八日 中國	Registered and contributed capital US\$200,000 註冊及實繳資本 200,000美元	-	-	100%	100%	Design and development of mobile handset solutions and wireless communication modules and modems in the PRC 在中國從事設計及開發移動手機解決方案及無線通訊模塊及數據機
Shenyang SIM Technology Limited ² 農訊科技(沈陽)有限公司 ²	25 October 2007 The PRC 二零零七年十月二十五日 中國	Registered and contributed capital US\$10,000,000 註冊及實繳資本 10,000,000美元	-	-	100%	100%	Investment holding of land use right in the PRC 於中國之土地使用權之投資控股
Shenyang SIM Real Estate Limited ¹ 農訊置業(沈陽)有限公司 ¹	8 November 2007 The PRC 二零零七年十一月八日 中國	Registered and contributed capital US\$20,000,000 註冊及實繳資本 20,000,000美元	-	-	100% (Note) (附註)	100%	Properties development in the PRC 在中國投資物業
Shenyang Simcom Technology Limited ³ (Formerly known as "Shenyang SIM Simcom Technology Limited") 沈陽農訊希姆通科技有限公司 ³	24 July 2008 The PRC 二零零八年七月二十四日 中國	Registered and contributed capital RMB30,000,000 註冊及實繳資本 人民幣30,000,000元	-	-	100%	100%	Design and development of mobile handset solutions and wireless communication modules and modems in the PRC 在中國從事設計及開發移動手機解決方案及無線通訊模塊及數據機

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

38. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/註冊 日期及地點	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本面值/註冊資本之比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
Shenzhen Simcom Technology Limited ⁴ 深圳希姆通科技有限公司 ⁴	28 August 2008 The PRC 二零零八年八月二十八日 中國	Registered and contributed capital RMB5,000,000 註冊及實繳資本 人民幣5,000,000元	-	-	100%	100%	Not yet commence business 尚未營業
Simcom Holdings HK Limited 晨訊控股香港有限公司	22 September 2008 Hong Kong 二零零八年九月二十二日 香港	Ordinary share HK\$1 普通股 1 港元	-	-	100%	100%	Investment holding 投資控股
Speedcomm Holdings HK Limited 思必得控股香港有限公司	22 September 2008 Hong Kong 二零零八年九月二十二日 香港	Ordinary share HK\$1 普通股 1 港元	-	-	100%	100%	Not yet commence business 尚未營業
Shanghai iLove Limited ¹ 上海艾樂弗信息技術有限公司 ¹	27 February 2009 The PRC 二零零九年二月二十七日 中國	Registered and contributed capital US\$3,000,000 註冊及實繳資本 3,000,000 美元	-	-	100%	100%	Investment holding 投資控股
Shanghai Xinkang Electronic Technology Limited ⁴ 上海芯康電子科技有限公司 ⁴	5 January 2009 The PRC 二零零九年一月五日 中國	Registered and contributed capital RMB20,000,000 註冊及實繳資本 人民幣20,000,000元	-	-	100%	100%	Not yet commence business 尚未營業
Shenyang SIM Simcom Trading Limited ⁴ 沈陽晨訊希姆通貿易有限公司 ⁴	5 June 2009 The PRC 二零零九年六月五日 中國	Registered and contributed capital RMB2,000,000 註冊及實繳資本 人民幣2,000,000元	-	-	100%	100%	Procurement, outstanding sales and marketing of the Group's products and provides logistics services in the PRC 於中國採購、外包、銷售及推廣本 集團產品及提供物流服務
Goldsey Limited 高仕有限公司	31 January 2008 Hong Kong 二零零八年一月三十一日 香港	Ordinary shares HK\$18,000,000 普通股 18,000,000 港元	-	-	60%	60%	Investment holding 投資控股

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38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

38. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Date and place of incorporation/ registration 註冊成立/註冊 日期及地點	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of share capital/ registered capital held by the Company 本公司佔股本面值/註冊資本之比例				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
Smartwireless Technology Limited ² 北京華創智豐科技有限公司 ²	13 February 2007 The PRC 二零零七年二月十三日 中國	Registered and contributed capital RMB20,500,000 註冊及實繳資本 人民幣20,500,000元	-	-	60%	60%	Design and development of mobile handset solutions in the PRC 於中國設計及開發移動手機解決方案
Shanghai Mobile Phone Public Testing Platform Co., Ltd ⁴ 上海手機測試公共服務平台有限公司 ⁴	21 December 2009 The PRC 二零零九年十二月三十一日 中國	Registered and contributed capital RMB20,000,000 註冊及實繳資本 人民幣20,000,000元	-	-	87.5%	87.5%	Not yet commence business 尚未營業
Shenyang Chenda Precision Industry Co., Ltd ⁴ 沈陽晨達精密組件有限公司 ⁴	15 November 2010 The PRC 二零一零年十一月十五日 中國	Registered and contributed capital RMB30,000,000 註冊及實繳資本 人民幣30,000,000元	-	-	90%	N/A 不適用	Not yet commence business 尚未營業

- ¹ Wholly foreign owned enterprises ("WFOE") registered in the PRC.
² Sino-foreign equity joint venture registered in the PRC.
³ Re-investment in WFOE registered in the PRC.
⁴ Domestic Company registered in the PRC.

- ¹ 在中國註冊之外商獨資企業。
² 在中國註冊之中外合資企業。
³ 在中國註冊之外商獨資再投資企業。
⁴ 在中國註冊之全內資企業。

Note: On 4 November 2010, the Group signed a sale and purchase agreement with a related company, which is beneficially owned by Mr. Wong Sun, the director of the Company, on disposing of 40% equity interest in Shenyang SIM Real Estate Limited for a consideration of US\$8 million (approximately HK\$62,030,000). The disposal has not been completed as at the date of this report.

附註: 於二零一零年十一月四日, 本集團與由王晨先生(本公司董事)擁有的關連公司已簽訂買賣協議, 以8,000,000美元(約為62,030,000港元)出售於晨訊置業(沈陽)有限公司的40%股權。於本報告刊發日期, 該出售事項尚未完成。

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

並無任何附屬公司於本年度末或本年度內任何時間有任何生效的債務證券。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms YEUNG Man Ying (*Chairman*)
Mr WONG Cho Tung
Mr ZHANG Jianping
Mr WONG Hei, Simon
Ms TANG Rongrong
Mr CHAN Tat Wing, Richard

Independent non-executive Directors

Mr LIU Hing Hung
Mr ZHUANG Xingfang
Mr XIE Linzhen

AUDIT COMMITTEE

Mr LIU Hing Hung (*Chairman*)
Mr ZHUANG Xingfang
Mr XIE Linzhen

REMUNERATION COMMITTEE

Mr ZHUANG Xingfang (*Chairman*)
Mr XIE Linzhen
Mr WONG Cho Tung

COMPANY SECRETARY

Ms WONG Tik

AUDITORS

Deloitte Touche Tohmatsu

LEGAL ADVISERS AS TO HONG KONG LAWS

Leung & Lau

PRINCIPAL BANKERS

Hang Seng Bank Limited
Bank of Communications
Shanghai Pudong Development Bank

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2908, 29th Floor,
248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services
(Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

WEBSITE ADDRESS

<http://www.sim.com>

STOCK CODE

2000

董事會

執行董事

楊文瑛女士 (*主席*)
王祖同先生
張劍平先生
王曦先生
唐融融女士
陳達榮先生

獨立非執行董事

廖慶雄先生
庄行方先生
謝麟振先生

審核委員會

廖慶雄先生 (*主席*)
庄行方先生
謝麟振先生

薪酬委員會

庄行方先生 (*主席*)
謝麟振先生
王祖同先生

公司秘書

黃荻女士

核數師

德勤•關黃陳方會計師行

香港法律之法律顧問

梁寶儀劉正豪律師行

主要往來銀行

恒生銀行有限公司
交通銀行
上海浦東發展銀行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
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香港總辦事處及主要營業地點

香港
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皇后大道東 248 號
29 樓 2908 室

股份過戶登記總處

Butterfield Fund Services
(Bermuda) Limited
Rosebank Centre
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Pembroke
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港
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17 樓 1712-16 室

網址

<http://www.sim.com>

股份編號

2000



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SIM Technology

晨訊科技集團有限公司*

SIM Technology Group Limited